Fairfax County, Virginia

FY 2018

ADOPTED BUDGET PLAN

(INCLUDES MULTI-YEAR BUDGET: FY 2018 - FY 2019)

OVERVIEW

www.fairfaxcounty.gov/budget

Fairfax County, Virginia

Fiscal Year 2018
Adopted Budget Plan
(Includes Multi-Year Budget: FY 2018 – FY 2019)

Overview

1742

Prepared by the
Fairfax County Department of Management and Budget
12000 Government Center Parkway
Suite 561
Fairfax, Virginia 22035

http://www.fairfaxcounty.gov/dmb/

The County of Fairfax is committed to a policy of nondiscrimination in all County programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations, call 703-324-2391, TTY 711. Special accommodations/alternative information formats will be provided upon request. Please allow five working days in advance of events in order to make the necessary arrangements.

1742

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Fairfax County

Virginia

For the Fiscal Year Beginning

July 1, 2016

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to Fairfax County, Virginia for its adopted budget for the fiscal year beginning July 1, 2016.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

BUDGET CALENDAR

For preparation of the FY 2018 Budget

July 1, 2016
Distribution of the FY 2018 budget development guide. Fiscal Year 2017 begins.

September - October 2016
Agencies forward completed budget submissions to the Department of Management and Budget (DMB) for review.

February 9, 2017
School Board adopts its FY 2018 Advertised Budget.

February 14, 2017
County Executive's presentation of the FY 2018 Advertised Budget Plan.

February 28, 2017
Board authorization for publishing FY 2018 tax and budget advertisement.

July 1, 2017
Fiscal Year 2018 begins.

June 30, 2017
Distribution of the FY 2018 Adopted Budget Plan. Fiscal Year 2017 ends.

May 11, 2017
School Board adopts its FY 2018 Approved Budget

May 2, 2017
Adoption of the FY 2018 budget plan, Tax Levy and Appropriation Ordinance by the Board of Supervisors.

April 25, 2017
Board action on *FY 2017 Third Quarter Review*. Board mark-up of the FY 2018 proposed budget.

April 4, 5, and 6, 2017
Public hearings on proposed FY 2018 budget, *FY 2017 Third Quarter Review* and FY 2018-2022 Capital Improvement Program (with Future Years to 2027) (CIP).

Board of Supervisors' Goals & Priorities

Adopted by the Board of Supervisors in December 2009. Reaffirmed by the Board of Supervisors in February 2012.

By **engaging** our residents and businesses in the process of addressing these challenging times, **protecting investment** in our **most critical priorities**, and by **maintaining strong responsible fiscal stewardship**, **<u>we must ensure</u>:**

✓ **<u>A quality educational system</u>**
Education is Fairfax County's highest priority. We will continue the investment needed to protect and enhance this primary community asset. Our children are our greatest resource. Because of our excellent schools, businesses are eager to locate here and our children are able to find good jobs. A well-educated constituency is best able to put back into their community.

✓ **<u>Safe streets and neighborhoods</u>**
Fairfax County is the safest community of our size in the U.S. We will continue to invest in public safety to respond to emergency situations, as well as efforts to prevent and intervene in destructive behaviors, such as gang activity and substance abuse.

✓ **<u>A clean, sustainable environment</u>**
Fairfax County will continue to protect our drinking water, air quality, stream valleys and tree canopy through responsible environmental regulations and practices. We will continue to take a lead in initiatives to address energy efficiency and sustainability and to preserve and protect open space for our residents to enjoy.

✓ **<u>Livable, caring and affordable communities</u>**
As Fairfax County continues to grow we will do so in ways that address **environmental** and **mobility** challenges. We will encourage housing that is affordable to our children, seniors and members of our workforce. We will provide compassionate and efficient services to members of our community who are in need. We will continue to protect and support our stable lower density neighborhoods. We will encourage and support participation in community organizations and other activities that address community needs and opportunities.

✓ **<u>A vibrant economy</u>**
Fairfax County has a well-earned reputation as a business-friendly community. We will vigorously pursue **economic development** and **revitalization** opportunities. We will support the business community and encourage this healthy partnership. We will continue to be sensitive and responsive to the needs of our corporate neighbors in the areas of **workforce development** and **availability, affordable housing, regulation and taxation.**

✓ **<u>Efficient transportation network</u>**
Fairfax County makes it a priority to connect People and Places. We will continue to plan for and invest in transportation improvements to include comprehensive bicycle and pedestrian initiatives, bus and para transit, road and intersection improvements and expansion of Metrorail and VRE.

✓ **<u>Recreational and cultural opportunities</u>**
A desirable community is one where there is a lot going on that residents can enjoy. Fairfax County will continue to provide for athletic, artistic, intellectual and recreational activities, in our communities, parks, libraries and schools.

✓ **<u>Taxes that are affordable</u>**
The property tax is Fairfax County's primary source of revenue to provide services. We will ensure that taxes are affordable for our residents and businesses, and we will seek ways to diversify County revenues in order to make our tax base more equitable. We will ensure that County programs and services are efficient, effective and well run.

Fairfax County Vision Elements

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County by:

Maintaining Safe and Caring Communities -
The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

Building Livable Spaces -
Together, we encourage distinctive "built environments" that create a sense of place, reflect the character, history and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play and connect with others.

Connecting People and Places -
Transportation, technology and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe and convenient manner.

Maintaining Healthy Economies -
Investments in the workforce, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

Practicing Environmental Stewardship -
Local government, industry and residents seek ways to use all resources wisely and to protect and enhance the County's natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

Creating a Culture of Engagement -
Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

Exercising Corporate Stewardship -
Fairfax County government is accessible, responsible and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

FOR ADDITIONAL INFORMATION

Information regarding the contents of this or other budget volumes can be provided by calling the Fairfax County Department of Management and Budget at 703-324-2391 from 8:00 a.m. to 4:30 p.m.

Web Access: The Fairfax County budget is also available for viewing on the web at:

http://www.fairfaxcounty.gov/budget

Department of Management and Budget
12000 Government Center Parkway, Suite 561
Fairfax, VA 22035-0074
(703) 324-2391

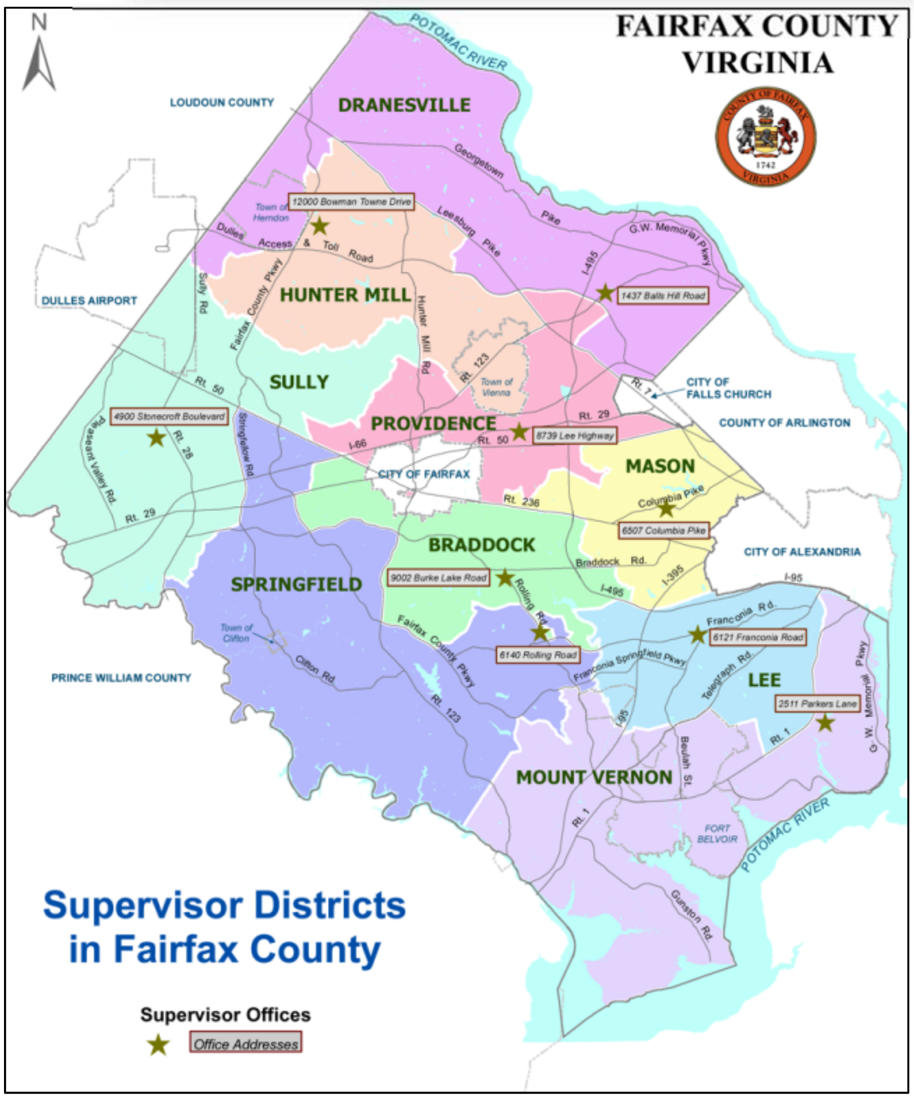
County Organization

Fairfax County Government

In Virginia, cities and counties are distinct units of government and do not overlap. Fairfax County completely surrounds the City of Fairfax and is adjacent to the City of Falls Church and the City of Alexandria. Property within these cities is not subject to taxation by Fairfax County, and the County generally is not required to provide governmental services to their residents. However, pursuant to agreements with these cities, the County does provide certain services to their residents.

In Fairfax County, there are three incorporated towns - Clifton, Herndon and Vienna - which are overlapping units of government within the County. With certain limitations prescribed by the Code of Virginia, the ordinances and regulations of the County are generally effective in them. Property in these towns is subject to County taxation and the County provides certain services to their residents. These towns may incur general obligation bonded indebtedness without the prior approval of the County.

The Fairfax County government is organized under the Urban County Executive form of government as defined under the Code of Virginia. The governing body of the County is the Board of Supervisors, which makes policies for the administration of the County.



County Organization

The Board of Supervisors consists of ten members: the Chairman, elected at large, and one member from each of nine supervisory districts, elected for four-year terms by the voters of the district in which the member resides.

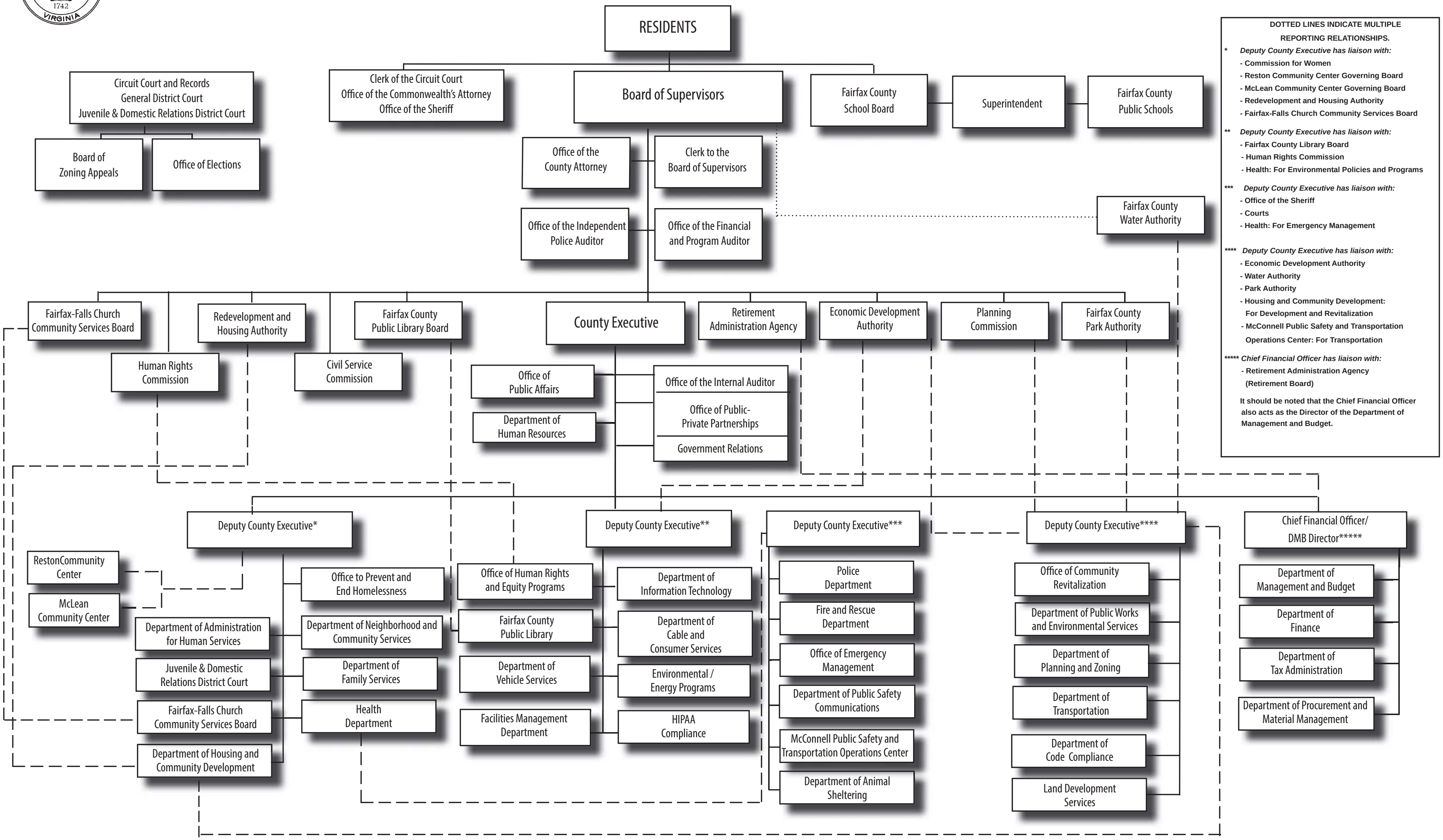
The Board of Supervisors appoints a County Executive to act as the administrative head of the County. The County Executive serves at the pleasure of the Board of Supervisors, carries out the policies established by the Board of Supervisors, directs business and administrative procedures, and recommends officers and personnel to be appointed by the Board of Supervisors.

The Fairfax County Board of Supervisors

From left to right: Daniel G. Storck (Mount Vernon District); John C. Cook (Braddock District); Catherine M. Hudgins (Hunter Mill District); Jeffrey C. McKay (Lee District); Sharon Bulova (Chairman, At-Large); Penelope A. Gross (Mason District, Vice Chairman); John W. Foust (Dranesville District); Kathy L. Smith (Sully District); Linda Q. Smyth (Providence District); and Pat Herrity (Springfield District).

An organizational chart of Fairfax County government is provided on the next page.

ORGANIZATION OF FAIRFAX COUNTY GOVERNMENT



BOARDS, AUTHORITIES AND COMMISSIONS

Appeal Groups

Board of Building and Fire Prevention Code Appeals
Board of Equalization of Real Estate Assessments
Board of Zoning Appeals[1]
Civil Service Commission
Human Rights Commission

Management Groups

Audit Committee (3 Board Members, 2 Citizens)
Burgundy Village Community Center Operations Board
Celebrate Fairfax, Inc. Board of Directors
Economic Development Authority
Electoral Board
Fairfax County Convention & Visitors Corporation Board of Directors
Fairfax County Employees' Retirement System Board of Trustees
Fairfax County Park Authority
Fairfax County Public Library Board of Trustees
Fairfax County Water Authority
Fairfax-Falls Church Community Services Board
Industrial Development Authority
McLean Community Center Governing Board
Police Officers Retirement System Board of Trustees
Redevelopment and Housing Authority
Reston Community Center Governing Board
Uniformed Retirement System Board of Trustees

Regional Agencies to which Fairfax County Contributes

Health Systems Agency Board
Metropolitan Washington Airports (MWA) Policy Committee
Metropolitan Washington Council of Governments
National Association of Counties
Northern Virginia Community College Board
Northern Virginia Regional Park Authority
Northern Virginia Transportation Commission
Northern Virginia Transportation Coordinating Council
Route 28 Highway Transportation District Advisory Board
Upper Occoquan Sewage Authority (UOSA)
Virginia Association of Counties
Washington Metropolitan Area Transit Authority (WMATA)

[1] The members of this group are appointed by the 19th Judicial Circuit Court of Virginia.

BOARDS, AUTHORITIES AND COMMISSIONS

Advisory Groups

A. Heath Onthank Award Selection Committee
Advisory Plans Examiner Board
Advisory Social Services Board
Affordable Dwelling Unit Advisory Board
Agricultural and Forestal Districts Advisory Committee
Airports Advisory Committee
Alcohol Safety Action Program Local Policy Board
Animal Services Advisory Commission
Architectural Review Board
Athletic Council
Barbara Varon Volunteer Award Selection Committee
Chesapeake Bay Preservation Ordinance Exception Review Committee
Child Care Advisory Council
Citizen Corps Council, Fairfax County
Commission for Women
Commission on Aging
Commission on Organ and Tissue Donation and Transplantation
Committee for the Plan to Prevent and End Homelessness in the Fairfax-Falls Church Community
Community Action Advisory Board (CAAB)
Community Criminal Justice Board (CCJB)
Community Policy and Management Team, Fairfax-Falls Church
Community Revitalization and Reinvestment Advisory Group
Consumer Protection Commission
Criminal Justice Advisory Board (CJAB)
Dulles Rail Transportation Improvement District Advisory Board, Phase I
Dulles Rail Transportation Improvement District Advisory Board, Phase II
Economic Advisory Commission
Engineering Standards Review Committee
Environmental Quality Advisory Council (EQAC)
Fairfax Area Disability Services Board
Fairfax Community Long Term Care Coordinating Council
Fairfax County History Museum Subcommittees
Geotechnical Review Board
GMU Fairfax Campus Advisory Board
Health Care Advisory Board

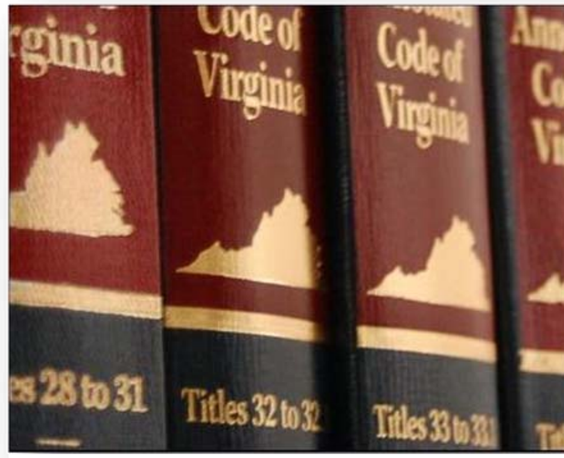
BOARDS, AUTHORITIES AND COMMISSIONS

Advisory Groups

History Commission
Human Services Council
Information Technology Policy Advisory Committee (ITPAC)
Juvenile & Domestic Relations Court Citizens Advisory Council
Mosaic District Community Development Authority
Oversight Committee on Drinking and Driving
Planning Commission
Road Viewers Board
Route 28 Highway Transportation Improvement District Advisory Board
Small Business Commission, Fairfax County
Southgate Community Center Advisory Council
Tenant Landlord Commission
Trails and Sidewalks Committee
Transportation Advisory Commission
Tree Commission
Trespass Towing Advisory Board
Tysons Transportation Service District Advisory Board
Volunteer Fire Commission
Wetlands Board
Youth Basketball Council Advisory Board

THE BUDGET

Each year, Fairfax County publishes sets of budget documents or fiscal plans: the Advertised Budget Plan and the Adopted Budget Plan. Submission and publication of the budget is contingent upon criteria established in the Code of Virginia. The County prepares and approves an annual budget in compliance with sound financial practices, generally accepted accounting principles, and the provisions of the Code of Virginia which control the preparation, consideration, adoption, and execution of the County budget. As required by the Code of Virginia (§ 15.2-2503), the County Executive must submit to the Board of County Supervisors a proposed budget, or fiscal plan, on or before April 1 of each year for the fiscal year beginning July 1. A budget is balanced when projected total funds available equal total disbursements, including established reserves. All local governments in the Commonwealth of Virginia must adopt a balanced budget as a requirement of state law no later than by July 1. The Advertised Budget Plan is the annual budget proposed by the County Executive for County general government operations for the upcoming fiscal year, which runs from July 1 through June 30. The Advertised Budget Plan is based on estimates of projected expenditures for County programs and it provides the means for paying for these expenditures through estimated revenues. According to the Code of Virginia, the Board of Supervisors must approve a tax rate and adopt a budget for informative and planning purposes no later than the beginning of the fiscal year (July 1). Following extensive review, deliberation and public hearings to receive input from County residents, the Board of Supervisors formally approves the Adopted Budget Plan typically in late April/early May in order to satisfy the requirement that the Board of Supervisors approve a transfer to the Fairfax County School Board by May 15, or within 30 days of receiving state revenue estimates from the state, whichever is later. The transfer amount has traditionally been included in the Board's Adopted Budget, requiring that the Board adopt the budget on or before May 15, not July 1 as the Code allows.



The Code of Virginia controls the preparation, consideration, adoption, and execution of the County's budget.

The County's Budget Documents

The Fairfax County Budget Plan (Advertised and Adopted) is presented in several volumes. A brief description of each document is summarized below:

The Citizen's Guide for the Advertised Budget includes a summary of the key facts, figures, and highlights of the budget.

The Budget Overview summarizes the budget, thereby allowing a complete examination of the budget through this document. The Overview contains the County Executive's message to the Board of Supervisors; budget highlights; a summary of the County's fiscal condition, allocation of resources, and financial history; and projections of future revenues and expenditure requirements. Also included is information on the County's taxes and fees; fiscal, demographic, and economic trends; direct spending by County departments; transfers to other public organizations, such as the Fairfax County Public Schools and Metro; and funded construction projects.

Volume 1 – General Fund details the budgets for County departments and agencies funded from general tax revenue such as real estate and personal property taxes. Included are summary budget schedules and tables organized by accounting classification and program area summaries. Detailed budget information is presented by program area and by department/agency. Also included are organizational charts, strategic issues, and performance indicators for each department/agency.

Volume 2 – Capital Construction and Other Operating Funds details budgets for County departments, agencies, construction projects, and programs funded from non-General Fund revenue sources, or from a mix of General Fund and non-General Fund sources, such as federal or state grants, proceeds from the sale of bonds, user fees, and special tax districts. Included are detailed budget schedules and tables organized by accounting classification, as well as budget summaries by fund group. This volume also details information associated with Fairfax County funding for Contributory Agencies.

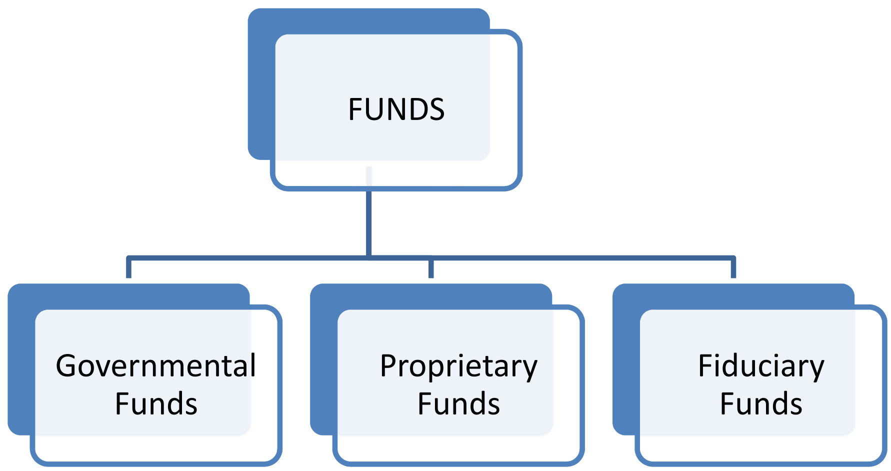
The County's budget is online at
www.fairfaxcounty.gov/budget

Capital Improvement Program – The County also prepares and publishes a 5-year Capital Improvement Program (CIP) – separate from the budget – which is also adopted by the Board of Supervisors and published as a separate document. The CIP specifies capital improvements and construction projects which are scheduled for funding over the next five years in order to maintain or enhance the County's capital assets and delivery of services. In addition, the CIP also describes financing instruments or mechanisms for those projects. Financial resources used to meet priority needs as established by the CIP are accounted for in the Capital Project Funds. The primary type of operating expenditure included in the budget relating to the CIP is funding to cover debt service payments for General Obligation Bonds or other types of debt required to fund specific CIP projects. In addition, the cost of opening and operating new facilities is closely linked to the CIP.

BASIS OF ACCOUNTING AND BUDGETING

A budget is a formal document that enables the County to plan for the future, measure the performance of County services, and help the public to understand where revenues come from and how they are spent on County services. The budget reflects the estimated costs of operation for the County's programs, services, and activities. The budget serves many purposes and addresses different needs depending on the "audience" including County residents, federal and state regulatory authorities, elected officials, other local governments, taxpayers or County staff.

The budget must comply with the Code of Virginia and regulatory requirements. Fairfax County is required to undergo an annual financial audit by independent auditors. Thus, the budget outlines the required information to serve legal and financial reporting requirements. The budget is prepared and organized within a defined basis of budgeting and financial structure to meet regulatory and managerial reporting categories of expenditures and revenues.



The Commonwealth of Virginia requires that the County budget be based on fund accounting, which is a system that matches the sources of revenue (such as taxes or service fees) with the uses (program costs) of that revenue. Therefore, the County budgets and accounts for its revenues and expenditures in various funds. Financially, the County budget is composed of three primary fund types:

- **Governmental Funds** (General Fund, Debt Service Fund, Special Revenue Funds and Capital Project Funds)
- **Proprietary Funds** (Enterprise Funds and Internal Service Funds)
- **Fiduciary Funds** (Trust Funds and Agency Funds)

Accounting Basis

The County's governmental functions and accounting system are organized and controlled on a fund basis. Each fund is considered a separate accounting entity, with operations accounted for in a separate set of self-balancing accounts that comprise assets, liabilities, fund equity, revenues, and expenditures or expenses as appropriate.

Governmental and agency funds are accounted for on a modified accrual basis of accounting. Revenue is considered available and recorded if it is collectible within the current period or within 45 days thereafter, to be used to pay liabilities of the current period. Expenditures are generally recorded when the related fund liability is incurred, with the exception of certain liabilities recorded in the General Long-Term Obligations Account Group.

Proprietary, pension and non-expendable trust funds utilize the full accrual basis of accounting which requires that revenues be recognized in the period in which service is given and that expenses be recorded in the period in which the benefit is received. A description of the fund types is provided:

- **General Fund Group:** The largest fund in the General Fund Group, the General Fund, is the County's primary operating fund, and it is used to account for all revenue sources and expenditures which are not required to be accounted for in other funds. Revenues are derived primarily from real estate and personal property taxes as well as other local taxes, federal and state distributions, license and permit fees, charges for services, and interest from investments. A significant portion of General Fund revenues are transferred to other funds to finance the operations of the County's public schools, Community Services Board (CSB), and debt service, among others. The General Fund group also includes funds which are primarily funded through transfers from the General Fund.

- **Debt Service Funds:** The debt service funds are used to account for the accumulation of resources for, and the payment of, the general obligation debt service of the County and for the debt service of the lease revenue bonds and special assessment debt. Included in this fund type is the School Debt Service Fund as the County is responsible for servicing the general obligation debt it has issued on behalf of Fairfax County Public Schools (FCPS).

- **Special Revenue Funds:** These funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

- **Capital Project Funds:** These funds are used to account for financial resources to be used for the acquisition or construction of any major capital facilities (other than those financed by Proprietary Funds), and are used to account for financial resources used for all general construction projects other than enterprise fund construction. The Capital Project Funds account for all current construction projects, including improvements to and the construction of schools, roads and various other projects.

- **Fiduciary Funds:** These funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds or in a trustee capacity. Agency Funds are used to account for monies received, held, and disbursed on behalf of developers, welfare recipients, the Commonwealth of Virginia, the recipients of certain bond proceeds, and certain other local governments. Also included in Fiduciary Funds are Trust Funds, which include the funds used to account for the assets held in trust by the County for the employees and beneficiaries of its defined pension plans – the Employees' Retirement System, the Police Officers Retirement System, and the Uniformed Retirement System, as well as assets held to meet the County's Other Post-Employment Benefit obligations.

- **Proprietary Funds:** These funds account for County activities, which operate similarly to private sector businesses. Consequently, these funds measure net income, financial position, and changes in financial position. The two primary types of Proprietary Funds are Internal Service Funds and Enterprise Funds. Internal Service Funds are used to account for the provision of general liability, malpractice, and workers' compensation insurance, health insurance for County employees and retirees, vehicle services, the County's print shop operations, and technology infrastructure support that are provided to County departments or agencies on an allocated cost recovery basis. The Fairfax County Integrated Sewer System reflects the only enterprise funds of the County. These funds are used to account for the financing, construction, and operations of the countywide sewer system.

How to Read the Budget

Accounting Standards

During FY 2018 the County will continue to use the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, financial reporting model, otherwise known as GASB 34. These standards changed the entire reporting process for local governments, as they require new entity-wide financial statements, in addition to current fund statements and other additional reports such as management discussion and analysis. Infrastructure values are now reported, and various changes in accounting have been implemented. It should be noted that, beginning in FY 2008, the County's financial statements were required to implement GASB Statement Number 45 for post-employment benefits including health care, life insurance, and other non-retirement benefits offered to retirees. This standard addresses how local governments account for and report their costs related to post-employment healthcare and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis. GASB 45 required that the County accrue the cost of these post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension/retirement benefits. The County decided to follow guidance provided by GASB 45 and established a trust fund as part of the FY 2008 Adopted Budget Plan to pre-fund the cost of post-employment healthcare and other non-pension benefits. For further details please refer to the Fund 73030, OPEB Trust Fund, narrative in Volume 2.

The County's basis of budgeting is consistent with generally accepted accounting principles.

Budgetary Basis

Annual budgets spanning the fiscal year (July 1 – June 30) are prepared on an accounting basis, with certain exceptions. Please refer to the table in the Financial Structure portion of this section for information regarding the purpose of various types of funds, supporting revenues and budgeting and accounting bases.

The budget is controlled at certain legal and managerial/administrative levels. The Code of Virginia requires that the County adopt a balanced budget. The adopted Supplemental Appropriation Resolution places legal restrictions on expenditures at the agency or fund level. Managerial budgetary control is maintained and controlled at the fund, department, superior commitment item (Compensation, Benefits, Operating Expenses, etc.), or Funded Program (project) level. It should be noted that funding information included in the budget volumes consolidates superior commitment items into four primary categories: Personnel Services, Operating Expenses, Capital Equipment, and Recovered Costs. Personnel Services include regular pay, fringe benefits (for non-General Fund agencies only), and extra compensation. Operating Expenses are the day-to-day costs involved in the administration of an agency. Capital Equipment reflects items that have a value of more than $5,000 and an expected life of more than one year, and Recovered Costs are reimbursements from other County agencies for specific services that have been provided.

There are also two built-in provisions for amending the adopted budget – the *Carryover Review* and the *Third Quarter Review*. During the fiscal year, quarterly budget reviews are the primary mechanism for revising appropriations. Once approved, the budget can be amended by a supplemental appropriation resolution. A supplemental appropriation ordinance amends the budget for grant programs to reflect actual revenue received and to make corresponding balancing adjustments to grant program expenditures. A supplemental appropriation ordinance may, therefore, either increase or reduce the County's total budget from the original approved budget appropriation. The budget for any fund, agency, program grant, or project can be increased or decreased by formal Board of Supervisors action (budget and appropriation resolution). According to the Code of Virginia any budget amendment which involves a dollar amount exceeding one percent of total expenditures from that which was originally approved may not be enacted without the County first advertising the amendment and without conducting a public hearing. The advertisement must be published at least once in a newspaper with general County circulation at least 7 days prior to the public hearing. It should be noted that, any amendment greater than 1.0 percent of expenditures requires that the Board advertise a synopsis of the proposed changes. After obtaining input from residents at the public hearing, the Board of Supervisors may then amend the budget by formal action.

The *Carryover Review* represents the analysis of balances remaining from the prior year and provision for the appropriation of funds to cover the prior year's legal obligations (encumbered items) in the new fiscal year without loss of continuity in processing payments. *Carryover* extends the prior year funding for the purchase of specific items previously approved in the budget process, but for which procurement could not be obtained for various reasons. All agencies and funds are reviewed during the *Carryover Review* and adjustments are made to the budget as approved by the Board of Supervisors.

All annual appropriations lapse at the end of the fiscal year. Under the County's budgetary process, outstanding encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities since the commitments will be reappropriated and honored the subsequent fiscal year.

In addition, the County's Department of Management and Budget is authorized to transfer budgeted amounts between superior commitment items, grants, or projects within any agency or fund. The budget process is controlled at the superior commitment item or project level by an appropriations system within the automated financial accounting system. Purchase orders are encumbered prior to release to vendors, and those that exceed superior commitment item level appropriations are not released until additional appropriations are available.

DEPARTMENTS AND PROGRAM AREAS

The County's departments and program areas are easiest to understand if compared to a filing cabinet. Each drawer of the filing cabinet is a separate fund type/fund, such as Special Revenue, and within each drawer or fund there are many file folders which represent County agencies, departments or funds. County organizations in the General Fund are called agencies or departments, while organizations in the other funds are called funds. For example, the Health Department, which is a General Fund agency, is one agency or folder in the General Fund drawer.

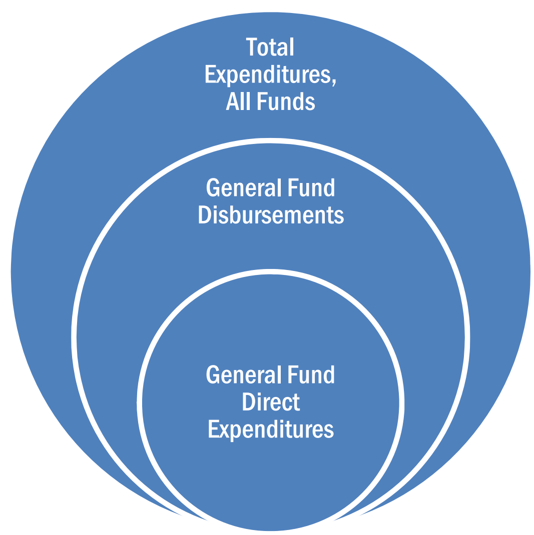
For reporting purposes, all agencies and departments in the General Fund are grouped into "program areas." A program area is a grouping of County agencies or departments with related countywide goals. Under each program area, individual agencies and departments participate in activities to support the program area goals. The Public Safety Program Area, for example, includes the Police Department and the Fire and Rescue Department, among others.

While most of the information in the budget is focused on an agency or fund, there are several summary schedules that combine different sources of information such as General Fund receipts and expenditures, County position schedules, and other summary schedules.

COUNTY EXPENDITURES AND REVENUES

County Expenditures

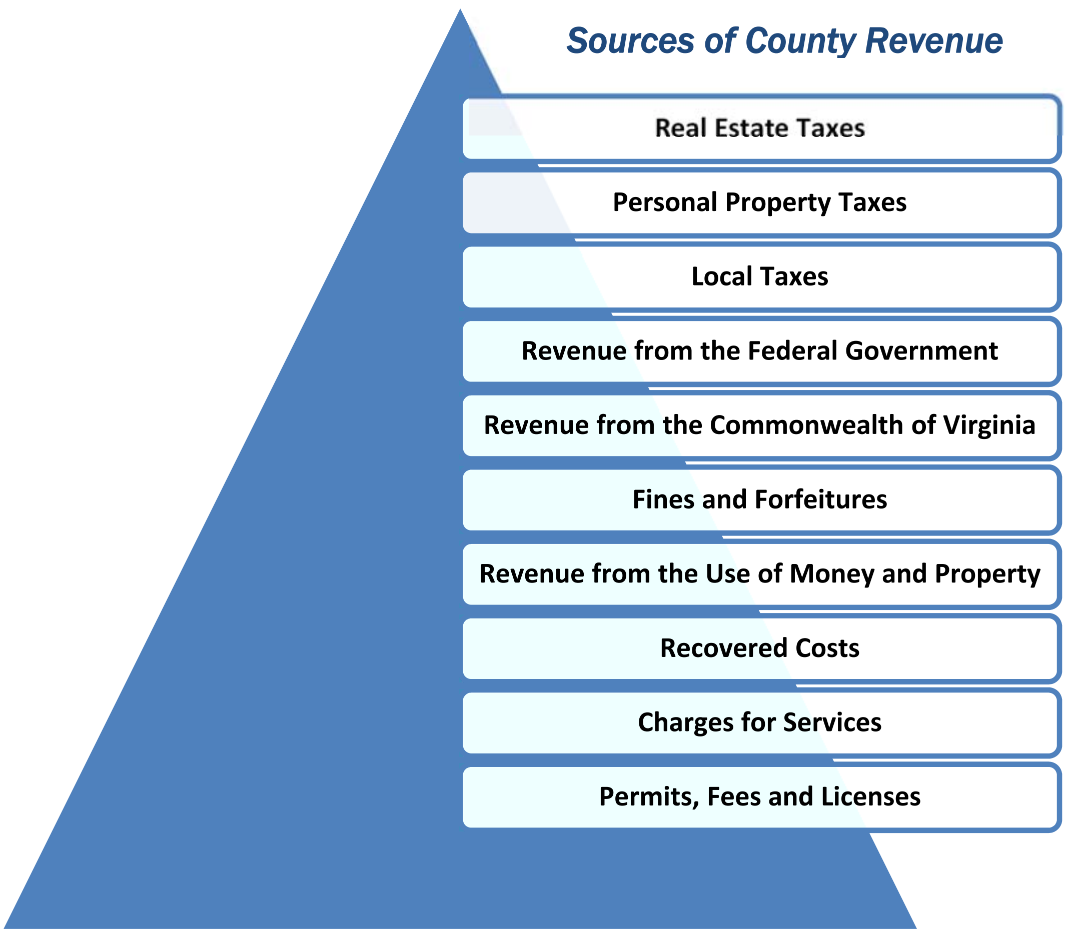
Expenditures for Fairfax County services and programs can be categorized as three concentric circles. Each circle encompasses the funds inside it:



- ♦ In the smallest circle are the General Fund Direct Expenditures that support the day-to-day operations of most County agencies.
- ♦ The second largest circle is General Fund Disbursements. This circle includes General Fund Direct Expenditures as well as General Fund transfers to other funds, such as the Fairfax County Public Schools, Metro transportation system, and the County's debt service. The transfer of funding to the County Public Schools, including debt service, accounts for 52.8 percent of the County's disbursements in FY 2018.
- ♦ The largest circle is Total Expenditures. It represents expenditures from all appropriated funds.

County Revenues

The General Fund portion of Total Revenues consists of several major components, the two largest being Real Estate Tax revenues and Personal Property Tax revenues. In FY 2018, these categories are estimated to account for 64.6 percent and 14.9 percent of the total General Fund revenues, respectively. Please note that a portion of the Personal Property Taxes is paid to the County by the state. These funds are included in the aforementioned Personal Property Tax total, rather than in Revenue from the Commonwealth. Local Taxes, which include Local Sales Tax receipts, Consumer Utility Taxes, and Business Professional and Occupational License Taxes, comprise approximately 12.6 percent of General Fund revenues in FY 2018. The remaining revenue categories, including Revenue from the Federal Government, Fines and Forfeitures, Revenue from the Use of Money and Property, Revenue from the Commonwealth, Recovered Costs, Charges for Services, and Permits, Fees and Regulatory Licenses make up 7.9 percent of the total. Total Revenues consist of all revenues received by all appropriated funds in the County. Total Revenues include all General Fund revenues, as well as sewer bond revenue, refuse collection and disposal fees, and revenue from the sale of bonds.



FINANCIAL STRUCTURE

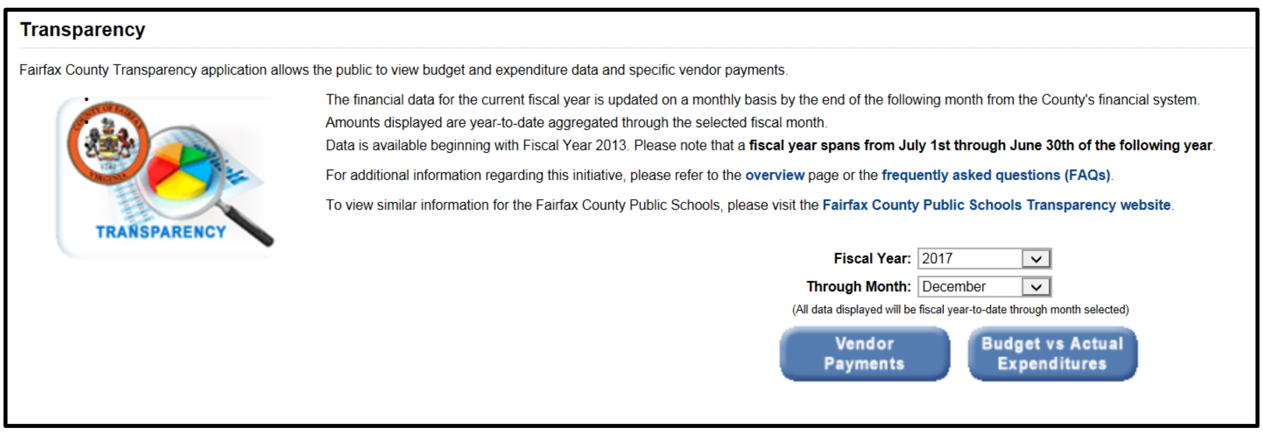
Fund/Fund Type Title	Purpose	Revenue	Budgeting Basis	Accounting Basis
GOVERNMENTAL FUNDS				
General Fund (Volume 1)	Accounts for the cost of general County government.	Primarily from general property taxes, other local taxes, revenue from the use of money and property, license and permit fees, and state shared taxes.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
General Fund Group: (Volume 2)	Account for the County's Revenue Stabilization Reserve, awards provided to community organizations through the Consolidated Community Funding Pool, contributions to County organizations through the Contributory Fund, and County Information Technology projects.	General Fund transfers, transfers from other County funds, and interest earnings.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Debt Service Funds (Volume 2)	Account for the accumulation of resources for and the payments of general obligation bond principal, interest and related expenses.	General Fund transfers and special assessment bond principal and interest from special assessment levies.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Capital Project Funds (Volume 2)	Account for financial resources used for all general County and School construction projects other than Enterprise Fund construction.	General Fund transfers, bond proceeds revenue from the real estate penny, and miscellaneous contributions.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
Special Revenue Funds (Volume 2)	Account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.	A variety of sources including fees for service, General Fund transfers, federal and state grant funding, cable franchise fees, and special assessments.	Modified Accrual, donated food not included, only lease payment due in FY included	Modified Accrual
PROPRIETARY FUNDS				
Internal Service Funds (Volume 2)	Account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units on a reimbursement basis.	Reimbursement via various inter-governmental payments, including the General Fund, for services and goods provided.	Accrual, depreciation expenses not included	Accrual
Enterprise Funds (Wastewater Management Program) (Volume 2)	Account for operations financed and operated in a manner similar to the private sector. The County utilizes Enterprise Funds for the Wastewater Management Program, which provides construction, maintenance, and operation of the countywide sewer system.	User charges to existing customers for continuing sewer service and availability fees charged to new customers for initial access to the system.	Accrual, depreciation expenses not included	Accrual
FIDUCIARY FUNDS				
Agency Funds (Volume 2)	Agency funds are custodial in nature and are maintained to account for funds received and disbursed by the County for various governmental agencies and other organizations.	Various inter-governmental payments, including the General Fund, and contributions by participants.	Modified Accrual	Modified Accrual
Trust Funds (Volume 2)	Account for assets held by the County in a trustee or agency capacity. Trust funds are usually established by a formal trust agreement.	Various inter-governmental payments, including the General Fund, and contributions by participants.	Accrual	Accrual

Additional Budget Resources

In addition to the availability online of all of the County's published budget volumes, additional budgetary information including quarterly reviews, budget calendars, economic data, and historical files is available on the Department of Management and Budget's website at www.fairfaxcounty.gov/dmb/. The department has focused resources on expanding public access to essential information at all stages of the budget formulation process in order to afford residents a better understanding of their County government, the services it offers, and the role they can play. On the site, residents can access a County Budget Primer, whereby they can look up budget terms and find answers to common budget questions. On each page, residents can also provide feedback on the website itself and offer suggestions of what additional information might be helpful to them in understanding the County's budget.

Transparency Website

The County has a useful transparency website at www.fairfaxcounty.gov/transparency/ which enables the public to view amounts paid to County vendors. Visitors can view budgetary data and actual expenditures by Fund or General Fund agency each month. Fairfax County Public Schools also hosts its own transparency website - http://www.fcps.edu/fs/transparency/index.shtml – where data specific to FCPS funds, departments, and schools, can be viewed. Used in collaboration with information already available to residents, such as the County's budget and the Comprehensive Annual Financial Report, the transparency initiative provides residents with an additional tool to learn more about the County's overall finances or focus on specific areas of interest.

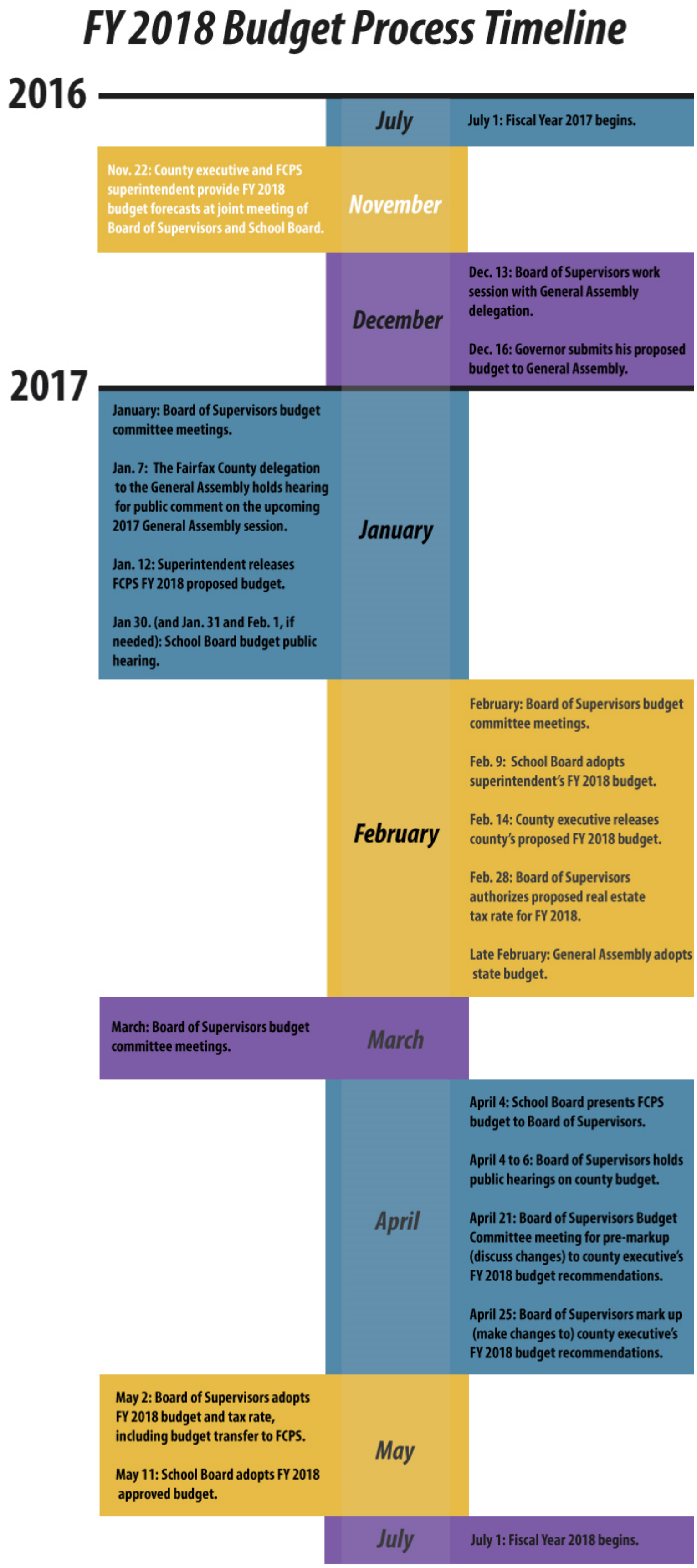


THE BUDGET CYCLE

The Code of Virginia (Sections 15.2-516 and 2503) requires that the County Executive submit a proposed budget to the Board of County Supervisors no later than April 1 for the upcoming fiscal year. Sections 15.2-2506, 58.1-3007, and 58.1-3321 of the Code of Virginia govern the public notice requirements that guide the County's budget review and public comment period. After receipt of the proposed budget, the first action by the Board of Supervisors (BOS) is to authorize the advertisement of the proposed tax and levy rates. Once the proposed rate is advertised, the BOS can adopt lower tax and levy rates, but cannot, without additional advertisement, adopt higher rates. The timing of the advertisement is tied to the amount of increased revenue anticipated by the proposed rate. The Code of Virginia also requires the BOS to hold public hearings on the proposed budget and the proposed tax and levy rates to collect public comment. Once the budget has been adopted by the Board of Supervisors, it becomes a work plan of objectives to be accomplished during the next fiscal year.

The County's budget has two major elements: the operating budget and the capital budget. The operating budget includes all projected expenditures not included in the capital budget, including the operating transfer to Fairfax County Public Schools (FCPS). The operating budget funds the service delivery of County programs. Excluding the General Fund Transfer to FCPS, the largest expenditure category is employee compensation.

Fairfax County follows a series of policies, including its Ten Principles of Sound Financial Management, (see the *Long-Term Financial Tools and Policies* section in this volume) and approved



practices to guide the development of the annual budget. For examples, these policies govern practices for the following:

- Capital Improvement Program
- Cash Management
- Debt Management
- Fund Balances
- Procurement
- Property Tax Collection
- Real Property Assessments
- Replacement Schedules
- Reserves
- Revenues
- Risk Management

By adhering to these policies and practices, the County promotes and ensures a consistent approach to budgeting that allows the Board of Supervisors and the community to compare the proposed budget to previous budgets.

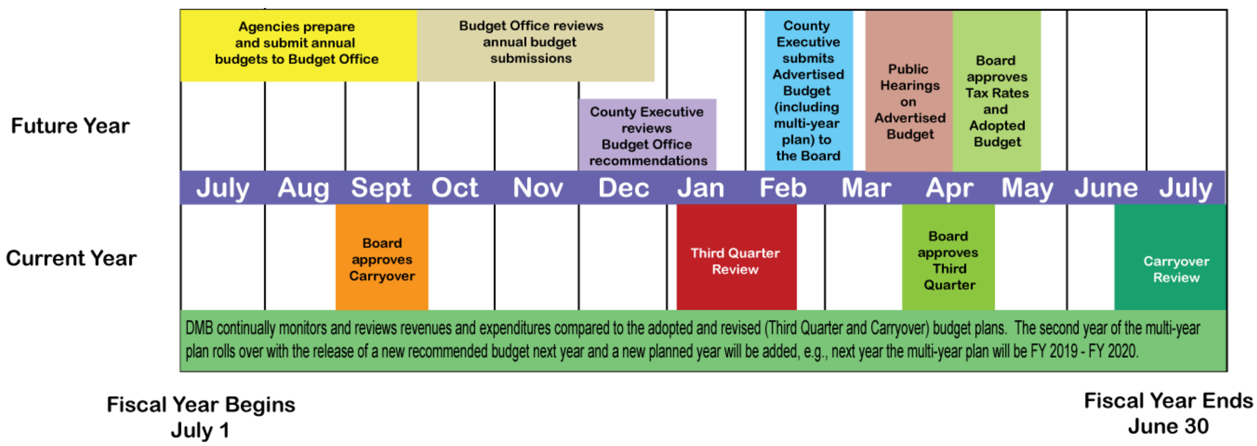
The budget has several major purposes. It converts the County's long-range plans and policies into services and programs; serves as a vehicle to communicate these plans to the public; details the costs of County services and programs; and outlines the revenues (taxes and fees) that support the County's services, including the rate of taxation for the coming fiscal year.

The annual Fairfax County budget process is an ongoing cyclical process simultaneously looking at two fiscal years (current and future). The budget year officially starts on July 1; however, the budget process itself is a continuum which involves both the current year budget and the next fiscal year's budget. Changes to the current year budget are made at the *Third Quarter Review* and the *Carryover Review*. The *Carryover Review* closes out the previous year in addition to revising the expenditure level for the current year. These changes must be approved by the Board of Supervisors. During the fiscal year, quarterly reviews of revenue and expenditures are undertaken by the Department of Management and Budget, and any necessary adjustments are made to the budget. On the basis of these reviews, the Board of Supervisors revises appropriations. Public hearings are held prior to Board action when potential appropriation increases are greater than 1.0 percent of expenditures.

Citizen involvement and understanding of the budget are a key part of the review process. The County Executive presented the FY 2018 Advertised Budget Plan (including the FY 2018 – FY 2019 Multi-Year Budget) on February 14, 2017. Public hearings for the County Executive's FY 2018 Advertised Budget Plan and the FY 2018 – FY 2022 Advertised Capital Improvement Program (CIP) were held on April 4, 5 and 6, 2017 at the Government Center. The mark-up of the FY 2018 budget was held on Tuesday, April 25, 2017, and the Board of Supervisors adopted the FY 2018 Adopted Budget Plan on Tuesday, May 2, 2017.

Budget Process

The chart below illustrates the roles, responsibilities, and tasks in which both County staff and the Board of Supervisors engage during the course of a typical fiscal year. These efforts include budget adjustments for the current fiscal year, budget development for the next fiscal year, and budgetary projections for the following fiscal year.



Current Year and Future Budget Year

COMMONWEALTH OF VIRGINIA
County of Fairfax
BOARD OF SUPERVISORS

12000 GOVERNMENT CENTER PKWY
SUITE 530
FAIRFAX, VIRGINIA 22035-0071

TELEPHONE: 703/324-2321
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chairman@fairfaxcounty.gov

SHARON BULOVA
CHAIRMAN

June 15, 2017

Dear Fairfax County residents and corporate neighbors,

I am pleased to present to you the Fiscal Year 2018 Adopted Budget Plan.

Calendar year 2017 marks almost a decade since the Great Recession first caused property values to plummet. Since then values have increased annually, only modestly, if at all. This year the average sales price of homes increased by only 1%. The Fiscal Year 2018 Budget is built on an increase in total revenue of just 1.9%. It is balanced in part with $13 million in savings, reductions, and efficiencies.

In Virginia, counties are given very few revenue tools to pay for services, including schools, public safety, human services, transportation, libraries, parks, public works, and environmental protection. About 80% of our revenue comes from property taxes (real estate and personal property). Other revenues are either capped or controlled by the General Assembly. An attempt to expand and diversify County revenue failed last year when voters rejected a meals tax referendum. Had the referendum been successful, our budget adoption this year would have been very different from I am presenting.

Very few changes have been made to the County Executive's Advertised Budget. Thanks to some Third Quarter and Add-On savings and adjustments, we have been able invest a bit more in some of this Board's highest priorities. By maintaining the advertised ratio of Schools as a percentage of the budget at 52.8%:

- We are able to further increase the Operating Transfer to the Schools by $1.7 million. This is a total County increase to the Schools of 2.49% including Operating, Debt Service, and Capital.

- We are able to add funding for Diversion First, as well and to restore some of the reductions we received testimony about during our three days of public hearings. With these adjustments, County disbursements also are increased 2.49% in this budget.

The Budget Guidance package is a critical template for moving forward on issues such as Collaboration with the School Board, Employee Pay, Retirement Benefits, Public Safety Compensation and Staffing, and the future of Metro Funding.

The FY 2018 Adopted Budget Plan is the result of much hard work and advocacy from my colleagues on the Board of Supervisors, the School Board, our General Assembly delegation, County staff, and local residents. I believe this budget will maintain Fairfax County's excellent quality of life.

Adopting the budget is the most important thing our Board does throughout the year. When we adopt the budget we are investing in our community's priorities and it has been critical to have the community at the table with us. Thank you to everyone who called, emailed and testified at town hall meetings and budget public hearings to share your views and guidance on the budget.

I believe an informed and engaged community is a well-served community and this budget is a reflection of what our Board heard from the community this year.

Sincerely,

Sharon Bulova

Table of Contents

COMMONWEALTH OF VIRGINIA

County of Fairfax

BOARD OF SUPERVISORS

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SUITE 530
FAIRFAX, VIRGINIA 22035-0071

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Sharon Bulova

FY 2018

Adopted Budget Plan

Adopted Budget Summary

FY 2018 Fairfax County Budget Facts

Disbursements

- **General Fund Direct Expenditures** total $1.51 billion, a decrease of $8.9 million, or 0.58 percent, from the *FY 2017 Revised Budget Plan*. It is an increase of $38.3 million, or 2.60 percent, over the FY 2017 Adopted Budget Plan.
- **General Fund Disbursements** total $4.11 billion, an increase of $14.2 million, or 0.35 percent, over the *FY 2017 Revised Budget Plan*, and an increase of $94.1 million, or 2.34 percent, over the FY 2017 Adopted Budget Plan. These figures include the transfers for School Operating, Debt Service, and Construction.
- **The County General Fund transfer for School operations in FY 2018** is $1.97 billion, a 2.8 percent increase over the FY 2017 Adopted Budget Plan. In addition, $189.1 million is transferred to School Debt Service and $13.1 million is transferred to School Construction. The total County transfer to support School Operating, Debt Service, and Construction is $2.17 billion, or 52.8 percent, of total County disbursements.
- **Expenditures for All Appropriated Funds** total $7.59 billion.
- General Fund Support for **Information Technology (IT) Projects** remains at $4.77 million.
- **General Fund-Supported Capital Construction** totals $19.44 million, which is a decrease of $0.10 million.

Tax Base

- **Total FY 2018 General Fund Revenue** is $4.10 billion, an increase of $77.9 million, or 1.94 percent, over the *FY 2017 Revised Budget Plan*.
- **One Real Estate Penny** is equivalent to approximately $23.8 million in tax revenue.
- **One Personal Property Penny** is equivalent to approximately $1.2 million in tax revenue.
- **The Mean Residential Assessed Property Value** is $533,168, an increase of $3,601, or 0.7 percent, over the FY 2017 value of $529,567. On average, residential annual Real Estate tax bills will increase $40.69 in FY 2018 based on the adopted Real Estate Tax rate of $1.13 per $100 of assessed value.
- **The Commercial/Industrial percentage** of the County's Real Estate Tax base is 19.12 percent, an increase of 0.23 percentage points over the FY 2017 level of 18.89 percent.
- **The Main Assessment Book Value** of all real property is projected to increase $4.4 billion, or 1.89, percent over FY 2017.
- **Real Estate and Personal Property Taxes** (including the Personal Property portion being reimbursed by the Commonwealth) account for approximately 79.5 percent of General Fund Revenues.

Population and Positions

- **Fairfax County's population** is projected to be 1,141,275 in CY 2018. This is an increase of 39.4 percent over the 1990 census count of 818,584.
- **Authorized Positions** for all funds are increasing by a net 72 to 12,552 positions. The **ratio of authorized positions per 1,000 residents** is 11.00 in FY 2018.

Tax Rates

- **Real Estate Tax rate** remains at $1.130 per $100 of assessed value.
- **Personal Property Tax Rate** remains at $4.57 per $100 of assessed value.
- **Stormwater Services District Levy** for County stormwater operating/capital projects increases from $0.0275 to $0.0300 per $100 of assessed value.
- **Leaf Collection Rate** decreases from $0.015 to $0.013 per $100 of assessed value.
- **Refuse Collection Rate** for County collection districts remains at $345 per household and the **Refuse Disposal Rate** increases from $62 to $64 per ton.
- **Refuse Disposal Rate** remains at $25.50 per ton.
- **Integrated Pest Management Program,** a countywide Special Tax, remains at $0.001 per $100 of assessed value.
- The special Real Estate Tax rate collected on all properties within Small District 1, Dranesville, for the **McLean Community Center** remains at $0.023 per $100 of assessed value, and the rate collected on all properties within Small District 5, Hunter Mill, for the **Reston Community Center** remains at $0.047 per $100 of assessed value.
- **Sewer Service Rate** increases from $6.68 to $6.75 per 1,000 gallons of water consumption and the **Sewer Availability Charge** for new single family homes increases from $7,750 to $8,100 per unit. The **Sewer Base Charge** increases from $24.68 to $27.62 per quarter.
- **Commercial Real Estate Tax rate** for County transportation projects remains at $0.125 per $100 of assessed value. This tax is levied on all commercial and industrial properties in the County.
- A special Real Estate Tax rate collected on all properties within the **Tysons Service District** remains at $0.05 per $100 of assessed value.
- A special Real Estate Tax rate collected on all properties within the **Reston Service District** is established at $0.021 per $100 of assessed value.

Budget Development Process

Throughout the fall of 2016, the County Executive formulated the Advertised budget plan utilizing guidance provided by the Board of Supervisors, input received from the community, information provided by agency staff, and analysis from the Department of Management and Budget. The FY 2018 Advertised Budget Plan was released by the County Executive on February 14, 2017, beginning a two-month period during which the Board closely examined the budget, asked additional budget questions of staff, and gathered community feedback. Public hearings on the budget took place April 4-6, 2017. On April 6, 2017, the County Executive submitted the FY 2018 Add-On Package to the Board. The Add-On package includes recommended adjustments to the Advertised budget based on updated information received since the Advertised budget was developed. Utilizing this additional information and feedback received as part of public hearings, the Board marked-up, or recommended adjustments to, the budget on April 25, 2017 and adopted the budget on May 2, 2017.

The FY 2018 budget also featured a multi-year budget plan for the General Fund. During budget development, staff utilized a two-year framework in developing the FY 2018 budget, taking into consideration the economic outlook for FY 2019 and the impact of FY 2018 decisions on the next fiscal year. This comprehensive approach allowed for more informed decision-making by the County Executive and the Board of Supervisors. For all adjustments made to the FY 2018 Advertised Budget Plan, including those adjustments recommended by the County Executive in the Add-On Package and those made by the Board, the impact to the projected FY 2019 budget was clearly delineated. The updated FY 2019 projected budget is outlined in the section entitled *Multi-Year Budget: FY 2018 and FY 2019* in this volume.

County Budget in Brief

Fiscal year 2018 begins on July 1, 2017 and runs through June 30, 2018. The approved General Fund disbursement budget totals $4,106,662,164, an increase of $14,210,391, or 0.35 percent, over the *FY 2017 Revised Budget Plan*, and an increase of $94,082,344, or 2.34 percent, over the FY 2017 Adopted Budget Plan. The expenditure total for all Appropriated Funds is $7,590,796,748.

FY 2017 General Fund revenues are projected to be $4,100,740,177, an increase of $77,875,014, or 1.94 percent, over the *FY 2017 Revised Budget Plan,* and an increase of $89,778,103, or 2.24 percent, over the FY 2017 Adopted Budget Plan.

In summary, the budget approved by the Board:

- Provides a County General Fund transfer to the Public School Operating Fund of $1,966,919,600, reflecting an increase of $53,400,698, or 2.79 percent over the FY 2017 Adopted Budget Plan. In addition, the County's transfer for School Debt Service is $189,130,953, a decrease of $739,146 from the FY 2017 level, and the County transfer for School Construction is maintained at the FY 2017 level of $13,100,000. The combined transfer for School Operations, Debt Service, and Construction is $2.17 billion, which represents 52.8 percent of total County General Fund Disbursements.

- Maintains the Real Estate Tax rate at $1.13 per $100 of assessed value. Combined with rising residential assessments, the average homeowner will experience an increase in their tax bill of approximately $41.

- Utilizes no one-time funding in order to balance the budget.

- Provides an average 2.00 percent pay increase for General County employees. These performance and longevity increases, effective July 2017, are based on the new compensation program approved by the Board of Supervisors in Fall 2014. Employees are eligible for graduated performance increases, based on where they fall on the pay scale (starting at 3.00 percent at the bottom of the pay scale to 1.25 percent for employees within 25 percent of the top of the scale). Employees reaching 20 or 25 years of service receive a 4.00 percent longevity increase instead of the performance increase.

- Provides an average 2.25 percent pay increase for uniformed public safety employees. Merit increments and longevity increases are provided on employees' anniversary dates for those eligible. Uniformed public safety employees who have reached a length of service (15 and 20 years) milestone and have reached the top step of their pay scale are eligible for longevities. Approximately 45 percent of uniformed public safety employees are eligible for a 5.00 percent merit or longevity increase each year.

FY 2018 Adopted Budget Overview

(Amounts shown are in millions over the FY 2017 Adopted Budget Plan)

Additional Resources	
Increase generated by increases in Real Estate Assessments and all other Revenue Categories	$88.28
Revenue Adjustments associated with Reductions	$1.50*
Total Increase in Revenues	**$89.78**
Net Impact of Transfers In	($0.10)
Total Available	**$89.68**
How Additional Resources Were Spent	
School Requirements	$52.66
School Operating Transfer	*$53.40*
School Debt Service Transfer	*($0.74)*
County Requirements	$46.91
Employee Compensation	*$32.58*
Public Safety	*$11.26*
Capital and Debt Service	*$9.28*
Cost of County Operations	*$3.13*
Human Services	*$3.10*
Community Development	*$0.26*
Reductions/Savings	*($12.70)**
Total Disbursements (Not Including Revenue Stabilization Reserve)	**$99.57**
Reserve Adjustments	($9.89)
Revenue Stabilization	*($5.49)*
Managed Reserve	*($4.40)*
Total Uses	**$89.68**
Available Balance	**$0.00**

* Reductions and Revenue Enhancements total $14.2 million

More information regarding adjustments included in the FY 2018 budget is provided on the following pages.

FY 2018 Budget Highlights

General Fund Revenue

FY 2018 General Fund revenues are projected to be $4,100,740,177, an increase of $1,578,887 over the FY 2018 Advertised Budget Plan. The increase is primarily due to additional revenue from Real Estate taxes and revenue from the Commonwealth.

The FY 2018 revenue represents an increase of $77,875,014, or 1.94 percent, over the *FY 2017 Revised Budget Plan*, which contains the latest FY 2017 revenue estimates, and an increase of $89,778,103, or 2.24 percent, over the FY 2017 Adopted Budget Plan. The net increase is primarily the result of a $49.1 million increase over the *FY 2017 Revised Budget Plan* in Real Estate Tax revenue due to a rise in FY 2018 real estate assessments. Most other County revenue categories are projected to experience moderate growth over FY 2017.

On the County's real estate front, growth in residential home values slowed down significantly in 2016. Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in Fairfax County rose just 0.1 percent from $544,055 in 2015 to in $544,416 in 2016. MRIS also reported that 15,755 homes sold in the County in 2016, up 6.1 percent over 2015. Homes that sold during 2016 were on the market for an average of 52 days, the same as in 2015. Overall, residential equalization reflects a 0.68 percent increase in FY 2018, compared to a 1.64 percent increase in FY 2017. After increasing 2.87 percent in FY 2017, non-residential values increased 1.85 percent in FY 2018. The main cause for the lower FY 2018 increase in non-residential values compared to the growth experienced in FY 2017 is the decline in the values of Office Elevator properties. Office Elevator properties, the largest component of the non-residential tax base at 31.4 percent, experienced a decline of 1.39 percent in FY 2018 after increasing 3.42 percent in FY 2017. New construction increased the real estate tax base by 0.92 percent in FY 2018.

The General Fund Revenue Overview in the FY 2018 Overview volume has additional details on General Fund revenues.

General Fund Disbursements

The adopted General Fund disbursement budget of $4,106.62 million is an increase of $94.08 million over the FY 2017 Adopted Budget Plan. Of the increase, $52.66 million is allocated to Fairfax County Public Schools for Operating, Debt, and Construction requirements, and $46.91 million is allocated for County requirements. These increases are partially offset by reduced requirements of $5.49 million for the Revenue Stabilization Fund reserve contribution. Additional details follow.

Fairfax County Public School (FCPS) Requirements $52.66 million

Transfers to the Fairfax County Public Schools (FCPS) total $2.17 billion, an increase of $52.66 million, or 2.49 percent over the FY 2017 Adopted Budget Plan. This level of funding represents

52.8 percent of all General Fund disbursements, a slight increase from 52.7 percent in FY 2017. The County provides funding to the Schools through transfers for operations, debt service, and capital construction. The General Fund transfer to the School Operating Fund of $1.97 billion reflects a 2.79 percent increase over the funding level in the FY 2017 Adopted Budget Plan. The transfer in support of School debt service is $189.13 million, a slight decrease from FY 2017, while the transfer to the School Construction Fund remains at the FY 2017 level of $13.10 million.

The County also provides additional support for the Schools in the amount of $83.4 million for programs such as Head Start, School Health, Behavioral Health Services, School Resource Officers, School Crossing Guards, after-school programming, field maintenance, and recreational programs, among others.

County Requirements $46.91 million

Overall, County disbursements (excluding Schools transfers and the transfer to the Revenue Stabilization Fund) total $1.93 billion, an increase of $46.91 million, or 2.49 percent, over the FY 2017 Adopted Budget Plan. Details for the most significant adjustments are provided below.

Employee Compensation (Pay and Benefits) $32.58 million

The FY 2018 Adopted Budget Plan includes funding for performance and longevity increases for general County employees and merit and longevity increases for uniformed public safety employees. Additionally, salary increases targeted for specific job classes as a result of market benchmark studies and the increase in the living wage as approved by the Board as part of the *FY 2016 Carryover Review* are funded. No funding is included for the Market Rate Adjustment, calculated at 1.65 percent. Total funding for employee pay equals $23.51 million.

- **General County Performance/Longevity Increases**
  Funding of $12.27 million supports General County employee pay increases included in the budget, reflecting the performance and longevity program for all eligible General County employees approved by the Board of Supervisors in fall 2014 and implemented in FY 2016. The funding reflects increases effective July 2017 for graduated performance increases, based on where employees are on the pay scale, and the 4 percent longevity increases provided to employees who reach 20 or 25 years of service. In FY 2018, all employees reaching 20 or 25 years of service as of June 30, 2017, will receive a 4 percent increase. Employees receiving a longevity award do not also receive a performance award. The performance increases range from 3 percent for employees within 15 percent of the bottom of the pay scale to 1.25 percent for employees within 25 percent of the top of the pay scale. The average increase in FY 2018 is 2 percent.

- **Public Safety Merit/Longevity Increases**
  Funding of $9.82 million is included for public safety pay increases which reflect merit and longevity increases for all eligible public safety employees. The funding reflects the full-year impact of merit and longevity increases provided to uniformed employees in FY 2017 and the partial-year costs for merit and longevity increases provided to uniformed employees in FY 2018 since all increases are effective on the employee's anniversary date. Funding also

reflects the full-year impact of the elimination of the two-year hold at Step 8 in the uniformed public safety pay plans as approved as part of the FY 2017 Adopted Budget Plan. Merit increases are awarded to public safety employees as they progress through the pay scale. Public safety employees who have reached a length of service (15 and 20 years) milestone and have reached the top step of their pay scale are eligible for longevities. Merit and longevity increases are each 5 percent for public safety employees. In any given year between 40 and 50 percent of public safety employees are eligible for one or the other.

- **Other Salary Adjustments**

  A net increase of $1.42 million is included for salary increases as a result of the County's benchmark class survey and the full-year impact of the living wage increase. Of the 68 benchmark job classes examined, 8 surveyed classes were below the competitive market threshold of 95 percent of the external market salary range midpoint average. Employees in job classes linked to the affected surveyed classes receive increases of 1.5 or 3.0 percent of the new salary grade midpoint. The General Fund impact in FY 2018 is $1.23 million. Additionally, $0.19 million is included for the full-year impact of the living wage increase. As part of the *FY 2016 Carryover Review*, the Board of Supervisors increased the living wage from $13.13 to $14.50 per hour. The living wage applies to merit employees and limited-term employees scheduled to work 1,039 hours or more per year.

The FY 2018 Adopted Budget Plan includes net funding of $9.07 million in the General Fund for employee benefits, primarily associated with requirements for the County's retirement systems and projected health insurance premium adjustments.

- **Retirement Funding**

  The FY 2018 budget includes a net increase of $4.72 million in Employee Benefits for employer contributions to the retirement systems. Of this amount, an increase of $8.57 million is related to employer contribution rate adjustments based on fiduciary requirements and the County's pension funding policy approved by the Board of Supervisors in April 2015. The increase is offset by $3.85 million in savings based on year-to-date experience.

  Adjustments to the employer contribution rates are based on an actuarial experience study conducted in FY 2016 to review the actual experience over the preceding five years. As a result of that study, a number of assumptions were revised, including a reduction to the assumed long-term rate of return of the systems from 7.5 percent to 7.25 percent, a corresponding reduction to the projected rate of inflation, and adjustments to the mortality table. These changes, along with the results of the annual actuarial valuation based on FY 2016 experience, result in a cost of $6.19 million. In addition, $2.38 million is included for a change in the amortization schedule to increase the amortization level from 97 percent to 98 percent based on the County's pension funding policy and the commitment to include amortization of 100 percent of the unfunded liability in the actuarially determined contributions for each of the systems by FY 2020. Overall, these changes result in a net increase in the employer contribution rate for the Employees' system and a net decrease in the employer contribution rates for the Police Officers and Uniformed systems. However, based on the County's commitment to not reduce employer contribution rates to the systems until they have reached 100 percent funding, the rates for the Police Officers and Uniformed systems will be maintained at the FY 2017 levels.

All three systems failed to reach the 7.5 percent assumed rate of investment return in FY 2016. (As noted above, the 7.5 percent rate was reduced to 7.25 percent for FY 2017 as a result of the experience study.) The Employees' system was down 0.4 percent, the Uniformed system was down 0.8 percent, and the Police Officers system returned 1.0 percent. These returns reflected a difficult year for investments as the markets experienced periods of volatility. The FY 2016 investment results, contribution levels, and liability experience, as well as the assumption changes resulting from the five-year experience study, affected the funding ratios as demonstrated in the table below. The table below displays the market value of each system's assets as a percentage of the total plan liability as published in the County's Comprehensive Annual Financial Report (CAFR) and based on new requirements from the Governmental Accounting Standards Board (GASB).

Retirement System Funding Ratios

	June 30, 2015	June 30, 2016
Employees'	74.2%	70.2%
Uniformed	81.0%	77.2%
Police Officers	84.8%	81.4%

It should be noted that since these calculations utilize asset figures as of a point in time (not smoothed as under previous methodologies), the funding ratios calculated are subject to volatility based on market returns.

In addition, this is the second year of a Board-directed 3-year plan to enhance benefits for service-connected disability retirees by eliminating the Social Security offset in the Employees' and Uniformed systems. A reduction to the offset from 10 percent to 5 percent in FY 2018 will not impact the FY 2018 employer contribution rates, though a nominal increase in the rates may be required for the final step in the elimination of the offset. However, following Board policy to fully fund any increase in liability that results from a benefit enhancement in the year that the enhancement is approved, an increase of $1.4 million was approved as part of the *FY 2017 Third Quarter Review* to fund the increased liability resulting from this decrease in the Social Security offset.

- **Retiree Health Benefit Subsidy**

  An increase of $0.49 million in the General Fund transfer to Fund 73030, OPEB (Other Post-Employment Benefits) Trust Fund, is included to increase the retiree health benefit subsidy by $10 per month. This benefit, last increased in FY 2006, provides monthly subsidy payments to eligible retirees to help pay for health insurance in a County health plan. The current monthly subsidy commences at age 55 and ranges based on years of service from $30 (5 to 9 years of service) to $220 (25 or more years of service) per month. Beginning in July 2017, the new monthly subsidies will range from $40 to $230 per month. It should be noted that the total transfer to the OPEB Trust Fund is decreased by a net of $5.51 million in FY 2018, reflecting this increase and a $6.00 million savings, discussed later in the *Reductions and Savings* section, based on continued savings resulting from the County's participation in an Employer Group Waiver Plan (EGWP). In the past two years, the transfer has been reduced by a total of $16 million because of the EGWP implementation, providing an opportunity to propose an increase in the retiree health benefit subsidy in FY 2018.

- **Health Insurance and Other Benefits**

  A net increase of $3.86 million in Employee Benefits is primarily due to the full-year impact of calendar year 2017 premium increases and costs associated with a projected 7 percent premium increase for all health insurance plans, effective January 1, 2018. It should be noted that these premium increases are budgetary projections only, and final premium decisions will be made in the fall based on updated claims experience. The increase also reflects an adjustment to the County transfer to Fund 40040, Fairfax-Falls Church Community Services Board, for fringe benefit support. These increases are partially offset by projected savings in fringe benefits based on year-to-date experience.

Public Safety — $11.26 million and 44 Positions

Public safety priorities for FY 2018 include funding to support the second year of the Diversion First initiative and recommendations of a Board-directed review of the Police organizational structure and uniformed Police and Sheriff pay plans. In addition, consistent with adjustments in prior years, funding is included to support new positions for the new South County Police station and to replace expiring grant funding for the Fire and Rescue Department. It should also be noted that the recommended budget includes baseline funding for the previously approved Department of Animal Sheltering and Office of the Independent Police Auditor.

- **Diversion First**

  An increase of $2.00 million and 18/18.0 positions is included to support the second year of the County's successful Diversion First initiative. Diversion First is a multi-agency collaboration between the Police Department, Office of the Sheriff, Fire and Rescue Department, Fairfax County Court System, and the Fairfax-Falls Church Community Services Board (CSB) to reduce the number of people with mental illness in the County jail by diverting low-risk offenders experiencing a mental health crisis to treatment rather than bringing them to jail. Partial-year funding of the second year of the original Diversion First implementation plan is included, representing the most critical needs for FY 2018 as discussed in detail at the March 21, 2017, Board Public Safety Committee meeting. The General District Court will provide additional pretrial services, community supervision in lieu of incarceration, and administrative case support. These cases will involve clients with dual diagnoses requiring intensive supervision, significant coordination, and multiple hearings/status reports. The Police Department and Office of the Sheriff will be able to support diversion services at the Merrifield Crisis Response Center on a 24 hours per day, 7 days per week basis, which is a foundational aspect of Diversion First and is recognized as a best practice in crisis intervention. CSB services will be aligned with the Courts, including providing timely assessments, treatment recommendations, case management, and service linkages in order to make diversion work.

- **Public Safety Compensation and Organization Study**

  As part of budget guidance adopted the past two years, the Board of Supervisors directed staff, with the assistance of an outside consultant, to provide analysis and develop recommendations related to the operational and administrative structure of the Police Department, as well as to examine uniformed Police and Sheriff salaries. As part of the October 4, 2016, Personnel Committee meeting, recommendations from the consultant study, which were consistent with those of the Ad-Hoc Police Practices Review Commission, were presented to the Board. Funding for two of those recommendations is included in the FY 2018 Adopted Budget Plan:

  - **Police Department Organizational Review**

    An increase of $0.79 million and 18/18.0 FTE positions is associated with adjustments made following a review of the Police Department's organizational structure. These additional Relief Sergeant positions are critical and will provide a regular resource to fill operational vacancies. It is important to note that due primarily to operational requirements including the significant lead time to hire new staff, approximately two-thirds of the full-year funding amount required to implement the Relief Sergeant effort is not required in FY 2018. As a result, additional funding of $1.57 million is estimated to be required as part of the FY 2019 budget to support this initiative; however, this figure may be partially offset by overtime savings.

  - **Uniformed Police and Sheriff Pay Scale Adjustments**

    An increase of $2.71 million is associated with adjustments to the pay plans for uniformed Police and Sheriff personnel. These adjustments will provide greater consistency in the O-scale and C-scale pay plans, both in terms of step increases as employees advance through the pay range based on longevity and in terms of the spread between job classes in the organizational structure. Funding required is associated with the slotting of current employees on the newly restructured pay plans.

- **Fair Labor Standards Act (FLSA) Ruling**

  An increase of $2.30 million is required to cover costs associated with a United States Court of Appeals ruling which stated uniformed employees in the Fire and Rescue Department (FRD) at the rank of Captain I and Captain II do not fall within the executive or administrative exemptions for the FLSA overtime requirement because management is not their primary duty.

- **Partial-Year Funding for Fire and Rescue SAFER Staffing**

  An increase of $2.06 million in the Fire and Rescue Department is required to cover the partial-year costs associated with 18/18.0 FTE positions currently being funded by a Staffing for Adequate Fire and Emergency Response (SAFER) grant which will expire in FY 2018. These positions have allowed the department to complete the initiative of having a fourth person on all 14 ladder truck companies. Four-person truck staffing has enhanced FRD's ability to establish on-scene firefighting, rescue, and medical emergency services in a more timely and efficient manner, with the right amount of personnel, thus reducing property loss and risk of firefighter injury or death.

- **South County Police Station**

  An increase of $0.93 million and 5/5.0 FTE positions in the Police Department is required for the second year of a multi-year strategy to fully fund the opening of a new police station and animal shelter in South County approved by a Public Safety bond referendum in November of 2015. These positions are in addition to the 15 positions added in FY 2017. Initial estimates indicate that 70 uniformed positions will be required to fully staff this station when it opens in spring/summer 2021. Based on the large number of staff required, and the significant lead time (18-24 months) associated with hiring and training new recruits, staff are being added over a multi-year period. It is anticipated that an additional 50 uniformed positions will be required over the next three fiscal years. This phased-in approach will allow the department to gradually hire and train new recruits.

- **Internal Affairs Bureau Staffing**

  An increase of $0.38 million and 2/2.0 FTE positions in the Internal Affairs Bureau of the Police Department is required based on increased workload associated with the establishment of an Office of the Independent Police Auditor as approved by the Board of Supervisors on September 20, 2016, and previously adopted recommendations of the Ad-Hoc Police Practices Review Commission's Use of Force Subcommittee. These actions will result in increased investigative workload as detective supervisors will be tasked with ensuring timely completion of administrative investigations, increased public reporting requirements, supporting the Office of the Independent Police Auditor by gathering and reviewing documentation, conducting redactions, providing data, and supporting the Civilian Review Panel with similar workload requests.

- **Illegal Signs in the Right-of-Way Inspector**

  An increase of $0.09 million and 1/1.0 FTE position is required in the Department of Code Compliance (DCC) to support the growing workload of the Illegal Signs and Advertising in the Right-of-Way Program. Under a 2013 agreement with the Virginia Department of Transportation, the Sheriff's Community Labor Force (CLF) collects signs illegally posted along roadways and, in January of 2016, DCC began enforcement actions on signs collected by the CLF. At the direction of the Board of Supervisors in November 2016, the Illegal Sign Program is now monitoring a total of 99 roads. It should be noted that the full cost of this position is anticipated to be offset by revenue collected as the result of enforcement for no net impact to the General Fund.

Capital Construction and Debt Service $9.28 million

The increase in funding for Capital Construction and Debt Service of $9.28 million represents increased debt service requirements in FY 2018. General Fund support for the Capital Construction program remains consistent with FY 2017 levels with the exception of a $100,000 reduction which is included in the *Reductions and Savings* section discussed later.

The FY 2018-FY 2022 Capital Improvement Program (CIP) totals $10.0 billion. The total bond program within the CIP is $1.9 billion (includes both General Obligation and Economic Development Authority bonds), and the CIP bond program is managed within the County's debt ratios. CIP highlights include the review and analysis associated with the long-range Bond

Referendum Plan and the County's debt capacity, as well as the efforts underway due to the establishment of the capital sinking reserve funds.

- **Capital Construction**

Capital Construction is primarily financed by the General Fund, General Obligation bonds, fees, and service district revenues. General Fund support in FY 2018 totals $19,441,876. This represents a decrease of $100,000 from the FY 2017 Adopted Budget Plan based on the proposed elimination of funding for the Emergency Directive Program. Additional information on this proposed reduction is provided at the conclusion of this section.

FY 2018 Capital Construction/Paydown Summary[1]

	Commitments, Contributions and Facility Maintenance	Paydown	Total General Fund Support
Athletic Field Maintenance and Sports Projects	$4,435,338	$1,700,000	$6,135,338
Park Authority Inspections, Maintenance and Infrastructure Upgrades	$960,000	$1,690,000	$2,650,000
Environmental Initiatives	$535,000	$0	$535,000
On-Going Development, Infrastructure Maintenance and Revitalization	$2,595,000	$0	$2,595,000
Payments and Obligations	$4,400,585	$0	$4,400,585
County Infrastructure Replacement and Upgrades	$0	$1,825,953	$1,825,953
Reinvestment, Repair, and Emergency Maintenance of County Roads and Walkways	$0	$1,100,000	$1,100,000
Developer Default Improvements	$0	$200,000	$200,000
Total General Fund Support	**$12,925,923**	**$6,515,953**	**$19,441,876**

[1] Reflects General Fund support. Other funding sources such as dedicated revenue and bond funding are not included in these totals.

Details about the Capital program are available in the *Capital Projects Overview* of the Overview volume.

- **Debt Service**

In addition to requirements associated with School debt service, FY 2018 General Fund support of County debt service requirements is $146.04 million, an increase of $9.28 million over the FY 2017 Adopted Budget Plan. The FY 2018 funding level supports debt service payments associated with existing and anticipated debt service requirements, including the $258.9 million in General Obligation bonds sold in January 2017. In addition and based on the Board's policy concerning reserves, the refunding savings of $0.80 million to be generated in FY 2018 from the Series 2015 B, Series 2015 C, and Series 2016 A General Obligation refunding bond sales will be transferred to the Revenue Stabilization Fund. These savings are one-time and will help the County reach its revised reserve goals. During FY 2018 it is anticipated that a General Obligation bond sale that will not exceed $275 million will be conducted to fund cash requirements for on-going capital projects for School and County purposes. This bond sale estimate is consistent with the FY 2018-FY 2022 Adopted Capital Improvement Program (With Future Fiscal Years to 2027).

As part of the guidance approved by the Board for the FY 2018 budget, staff was directed to analyze a possible increase in the annual bond sales limit from its current level of $275 million to accommodate a potential increase in the annual School bond capacity from its current level of $155 million. Staff reviewed the debt capacity and, given the lack of funding to support the debt service associated with a sales limit change and projected debt ratio impact, no change was made to the bond sales limit for FY 2018. Staff will review the impact of potential changes in the sales limits again next year per Board guidance.

Cost of County Operations — $3.13 million and 18 Positions

Funding in this category is primarily attributable to required maintenance and operational requirements at the new Public Safety Headquarters as well as lease and maintenance costs for other County facilities. In addition, baseline funding is included for actions taken as part of the *FY 2016 Carryover Review*.

- **Freedom of Information Act Related Staffing**
  An increase of $0.90 million is included to support full-year funding for the Office of Public Affairs, Office of the County Attorney, and Department of Information Technology resulting from adjustments approved as part of the *FY 2016 Carryover Review* to support Virginia Freedom of Information Act (FOIA) requirements.

- **Operations/Maintenance at the Public Safety Headquarters**
  An increase of $0.71 million and 3/3.0 FTE positions in the Facilities Management Department are included to support operations and maintenance at the Public Safety Headquarters facility. The Public Safety Headquarters is a new 274,000 square foot facility which will serve as the new headquarters for the Police and Fire and Rescue Departments. Funding supports 3/3.0 FTE maintenance positions which will address daily service and general maintenance requirements for HVAC systems, chillers, heat-pumps, boilers, furnaces, air conveyance systems, and control systems.

- **Lease Adjustments**
  A net increase of $0.50 million in the Facilities Management Department is included for lease requirements in FY 2018 based on annual lease escalation rates projected in the 2 to 5 percent range.

- **Contributory Fund**
  A net increase of $0.31 million in the General Fund transfer to Fund 10030, Contributory Fund, is primarily attributable to an increase for the Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence, known collectively as Birmingham Green, based on actual costs and utilization rates at the facility. Other increases in the fund are based on legal requirements, per capita calculations, contractual or regional commitments, or membership dues. In addition, a contribution to the Northern Virginia Emergency Response System is included in the FY 2018 baseline, consistent with the actions taken as part of the *FY 2016 Carryover Review*.

- **Judicial Support**
  An increase of $0.09 million and 1/1.0 FTE administrative position is required to support a fifteenth Circuit Court Judge to the bench of the 19th Judicial Circuit, effective January 1, 2018. While a full complement of Judges has always been 15 judges, in recent years the General Assembly appointed and funded only 14 judges. As a result, the Office of the Clerk, which provides judicial support, has been staffed to support 14 judges, and an additional position is required to support the fifteenth Circuit Court Judge.

- **Security at the Original Mt. Vernon High School**
  An increase of $0.08 million in the Facilities Management Department is included for security requirements at the Original Mt. Vernon High School. The Original Mt. Vernon High School facility is a 149,607 square foot facility, including a two-tiered theater/auditorium, administrative offices, classrooms, a library, a full-service cafeteria, gymnasiums with locker rooms, multiple playgrounds, music and shop buildings, and an annex building. This increase will support one additional full-time contracted security officer, for a total of two full-time security officers at the site.

- **Other Adjustments**
  A net increase of $0.54 million includes adjustments to support increases in charges related to the Colchester Wastewater Treatment Facility in Unclassified Administrative Expenses (Public Works); to support additional security and DriveCam licenses in the Fairfax County Park Authority; and to support 1/1.0 FTE new position in Fund 60010, Department of Vehicle Services, to meet maintenance requirements based on an increased number of vehicles. In addition, it should be noted that 13/13.0 FTE new positions supported by other funding sources, with no net cost to the General Fund, are included to support Capital Facilities, Stormwater, and Sewer operations.

Human Services — $3.10 million and 13 Positions

Increases included for Human Services priorities are directly related to previous actions taken by the Board of Supervisors to support individuals with disabilities, to encourage healthy family environments, and to combat human trafficking and domestic violence.

- **Fairfax-Falls Church Community Services Board Support Coordination**
  An increase of $2.30 million and 12/12.0 FTE positions, including baseline funding of $1.2 million to reflect funding approved by the Board of Supervisors as part of the *FY 2016 Carryover Review*, is required primarily to provide mandated case management services to support individuals with developmental disabilities (DD) in the community and comply with current state and federal requirements, primarily those pursuant to the Department of Justice Settlement Agreement and implementation of Virginia's Medicaid Waiver redesign, effective July 1, 2016.

- **Expand Healthy Families Fairfax Program**
  As previously approved by the Board of Supervisors as part of the *FY 2016 Carryover Review*, funding of $0.67 million in the Department of Family Services is included in order to appropriate additional federal revenue to expand the Healthy Families Fairfax (HFF) program. HFF is an accredited home visiting program offering families at risk of maltreating

their child an opportunity to learn parenting skills and receive emotional support and case management services. The state has provided additional federal pass-through funding to Fairfax County for HFF in order to increase the number of families being served. The expenditure increase is completely offset by revenue for no net impact to the General Fund.

- **Position for Human Trafficking Prevention**

  An increase of $0.13 million and 1/1.0 FTE position is included for a Human Trafficking Policy and Prevention Specialist in the Department of Family Services. This position will be created in response to recommendations from the Board of Supervisors-initiated Sexual Violence Task Force and testimony at public hearings that highlighted the impact of human trafficking on victims and families. This position will serve as the primary point of contact on sexual violence and human trafficking in Fairfax County and will work to engage the community to ensure that victims have access to advocacy and support services, perpetrators are held accountable for their actions, and that prevention and educational programs are offered throughout the community.

Community Development $0.26 million and 6 Positions

Community Development priorities include position support for a comprehensive Zoning Ordinance review and transportation operations.

- **Zoning Ordinance Review and Update**

  An increase of $0.26 million and 2/2.0 FTE positions in the Department of Planning and Zoning will support the start of a comprehensive review of the Zoning Ordinance needed to respond to emerging trends like peer-to-peer home stay networks and building repurposing. Staff will work with the Board to establish a value-added, targeted work plan to update portions of the Zoning Ordinance.

- **Transportation Positions**

  An increase of 4/4.0 FTE new positions, with no net funding impact to the General Fund, are included to support Transportation operations. These positions include two positions in Fund 40010, County and Regional Transportation Projects, to handle the increased project workload related to HB 2313 revenues including Route 1 planning, utility coordination, traffic engineering, and engineering design. Another two positions in the Department of Transportation, charged to Fund 40000, County Transit Systems, are included to provide oversight for planning, construction, and ongoing maintenance resulting from new facilities and expansion in major transit facilities, as well as to provide assistance in coordinating safety and security initiatives and program activities for bus operations.

Reductions and Savings ($12.70) million and (9) Positions

Total disbursement savings included in the FY 2018 Adopted Budget Plan total $12.70 million, which – when combined with increased revenues of $1.50 million associated with proposed revenue enhancements – result in net savings of $14.20 million. These savings are related to reduction opportunities submitted by agencies totaling $5.96 million and other opportunities identified for FY 2018 totaling $8.24 million.

- **Agency Opportunity and Efficiency Savings**
  As part of the development of the FY 2018 budget, agencies were challenged to identify savings opportunities through increased efficiencies, the analysis of past spending trends, and revenue enhancements. In total, including increased revenues, these savings total $5.96 million. A full list of agency reductions are included at the end of this section.

- **OPEB Savings**
  A $6.00 million reduction in the General Fund transfer to the OPEB Trust Fund is primarily due to continued savings realized from the implementation of an Employer Group Waiver Plan (EGWP) for Medicare retiree prescription drug coverage in January 2016. The EGWP is a standard Medicare Part D plan with enhanced coverage. By implementing an EGWP, the County is able to maximize prescription drug subsidies from the federal government and pharmaceutical manufacturers. This change has had a significant impact on the County's GASB (Governmental Accounting Standards Board) 45 liability, as GASB accounting rules allow EGWP revenue to directly offset plan costs in the GASB valuation, impacting the actuarial accrued liability, whereas the previous model could not be reflected in the liability calculations. In the past two years combined, the County transfer to the OPEB Trust Fund has been reduced by $16 million, primarily as a result of the EGWP implementation.

- **Fuel Savings**
  Savings of $1.60 million in fuel is realized based on ongoing analysis of current costs and usage. In FY 2017, the budget was developed using an unleaded price of $1.94 per gallon and a diesel price of $2.00 per gallon. The FY 2018 budget estimates $1.71 per gallon for unleaded and $1.80 per gallon for diesel. These rates reflect an average decrease of $0.21 from the FY 2017 level and are based on the price of fuel in recent months.

- **DPWES Cost Realignment**
  Savings of $0.64 million are based on a comprehensive analysis of past experience and actual costs related to the cost recovery efforts of select personnel and management costs from Department of Public Works and Environmental Services (DPWES) enterprise funds.

Reserve Requirements ($9.89) million

In April 2015, the Board of Supervisors approved a policy to strengthen the County's reserves to an overall target of 10 percent of General Fund disbursements. Per the revised reserve policy, which is included in the County's *Ten Principles of Sound Financial Management*, 10 percent of the disbursement increases included in the FY 2018 Adopted Budget Plan are set aside in the County's Revenue Stabilization and Managed Reserves. Based on the smaller growth included in the FY 2018 budget (overall disbursement increase of 2.34 percent over the FY 2017 Adopted Budget Plan) than the growth in FY 2017 (5.05 percent over the FY 2016 Adopted Budget Plan), reserve requirements are lower than last year, resulting in a $9.89 million savings to the General Fund.

General Fund Disbursements are increased $94.08 million over the FY 2017 Adopted Budget Plan. As a result, $9.41 million – or 10 percent of this increase – is included as contributions to reserves.

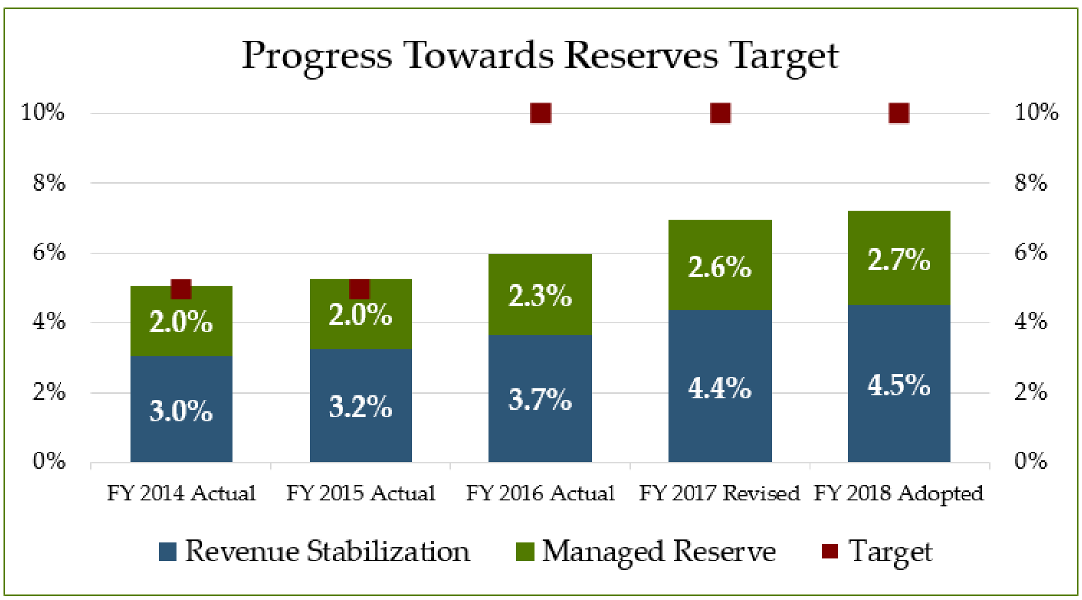
- **Revenue Stabilization Reserve**

  A contribution of $5.22 million is included as a transfer from the General Fund to Fund 10010, Revenue Stabilization. This contribution is a decrease of $5.49 million from the FY 2017 Adopted Budget Plan transfer. It should also be noted that a transfer of $0.80 million from Fund 20000, Debt Service, is included as a result of savings generated from refunding bond sales based on the new reserve policy. The Revenue Stabilization Reserve is targeted to be 5 percent of General Fund Disbursements.

- **Managed Reserve**

  A contribution of $4.19 million is included and held in balance in the General Fund. This contribution is a decrease of $4.40 million from the FY 2017 Adopted Budget Plan contribution. The Managed Reserve is targeted to be 4 percent of General Fund Disbursements.

Totals in the Revenue Stabilization Reserve and Managed Reserve (MR) have increased from 5 percent in FY 2014 to 7.2 percent in FY 2018. These reserves are calculated against County requirements and transfers to Schools. It should be noted that the Economic Opportunity Reserve with a target of 1 percent of General Fund Disbursements will not be funded until the other two reserves reach their respective targets.



Positions

The FY 2018 budget includes a net increase of 72 positions over the FY 2017 level, including 81 new positions for critical requirements offset by 9 positions included as part of reductions. New positions include 18 positions to support the second year of the Diversion First initiative, 18 Police Sergeant positions to address operational vacancies, 5 positions associated with a multi-year plan to staff a new police station in South County, and 12 positions to provide support coordination in the Community Services Board. The remaining new positions support a variety of initiatives and requirements such as maintenance of County facilities, transportation and capital project support, stormwater and wastewater activities, Fairfax First, and human trafficking prevention. New positions are partially offset by the reduction of 9 positions, which are outlined in the reductions report at the end of this section. County positions in FY 2018 total 12,552. More information on County positions can be found in the *Compensation and Positions* section of this volume.

FY 2018 Budget: All Funds

In addition to the General Fund, there are other funds through which important services are provided to the community. All Fund Revenues in the FY 2018 Adopted Budget Plan total $7.98 billion. This revenue total is an increase of $25.88 million, or 0.33 percent, over the FY 2017 Adopted Budget Plan. On the expenditure side, the FY 2018 Adopted Budget Plan totals $7.59 billion and reflects an increase of $119.14 million, or 1.59 percent, over the FY 2017 Adopted Budget Plan.

Additional detail concerning non-General Fund revenues, expenditures, and positions is available in the *Financial and Statistical Summary Tables* of the Overview and in Volume 2 of the County Budget.

FY 2018 and FY 2019 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS

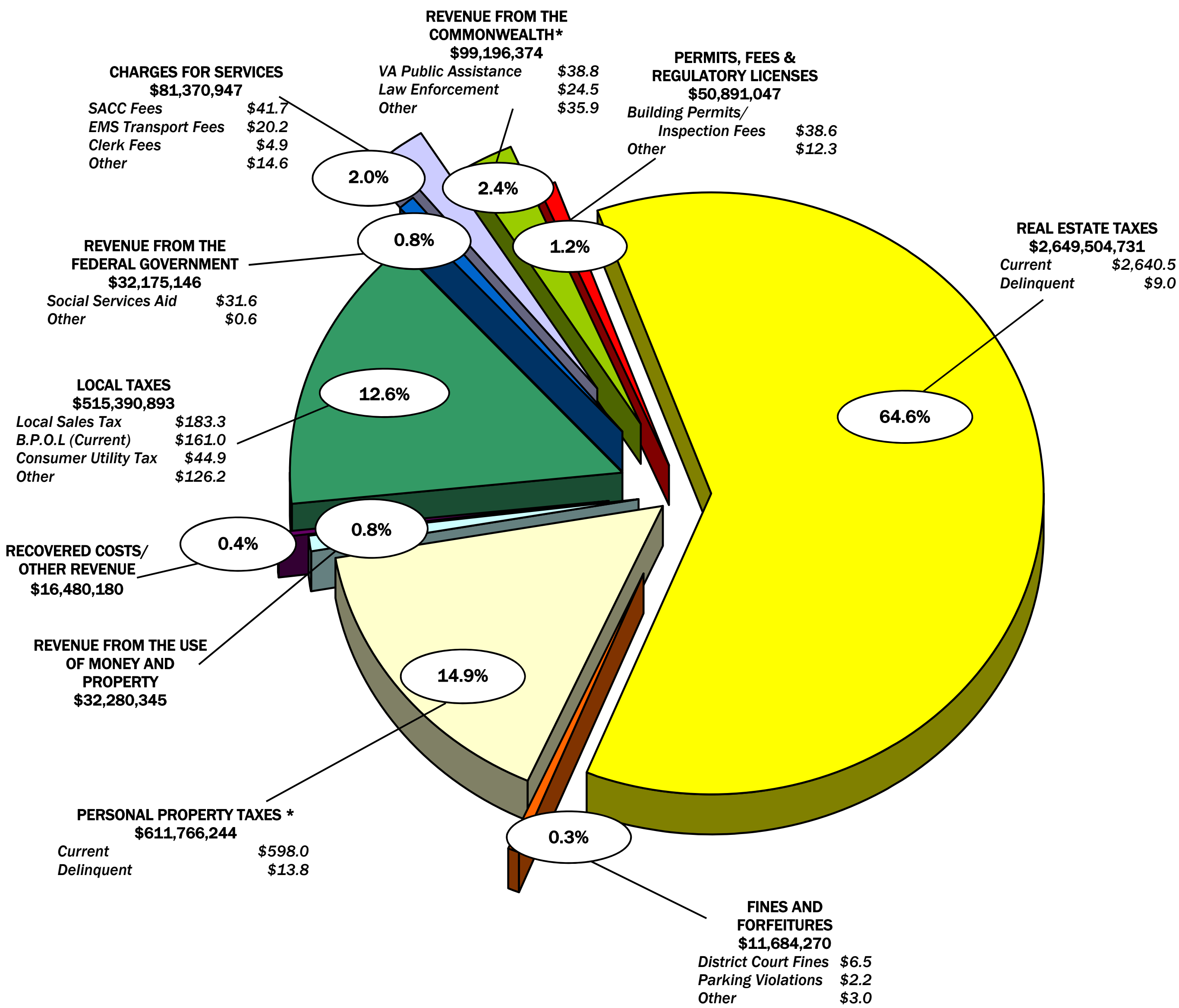
Type	Unit	FY 2016 Actual Rate	FY 2017 Actual Rate	FY 2018 Adopted Rate	FY 2019 Planned Rate
GENERAL FUND TAX RATES					
Real Estate	$100/Assessed Value	$1.09	$1.13	$1.13	$1.13
Personal Property	$100/Assessed Value	$4.57	$4.57	$4.57	$4.57
NON-GENERAL FUND TAX RATES					
REFUSE RATES					
Refuse Collection (per unit)	Household	$345	$345	$345	$345
Refuse Disposal (per ton)	Ton	$62	$62	$64	$64
Leaf Collection	$100/Assessed Value	$0.015	$0.015	$0.013	$0.012
SEWER CHARGES					
Sewer Base Charge	Quarterly	$20.15	$24.68	$27.62	$30.38
Sewer Availability Charge	Residential	$7,750	$7,750	$8,100	$8,100
Sewer Service Charge	Per 1,000 Gallons	$6.65	$6.68	$6.75	$7.00
COMMUNITY CENTERS					
McLean Community Center	$100/Assessed Value	$0.023	$0.023	$0.023	$0.023
Reston Community Center	$100/Assessed Value	$0.047	$0.047	$0.047	$0.047
OTHER					
Stormwater Services District Levy	$100/Assessed Value	$0.0250	$0.0275	$0.0300	$0.0325
Route 28 Corridor	$100/Assessed Value	$0.18	$0.18	$0.18	$0.18
Dulles Rail Phase I	$100/Assessed Value	$0.19	$0.17	$0.15	$0.15
Dulles Rail Phase II	$100/Assessed Value	$0.20	$0.20	$0.20	$0.20
Integrated Pest Management Program	$100/Assessed Value	$0.001	$0.001	$0.001	$0.001
Commercial Real Estate Tax for Transportation	$100/Assessed Value	$0.125	$0.125	$0.125	$0.125
Tysons Service District	$100 / Assessed Value	$0.05	$0.05	$0.05	$0.05
Reston Service District	$100 / Assessed Value	-	-	$0.021	$0.021

FY 2018 Adopted Budget Plan
General Fund Revenues

FY 2018 revenues are projected to be $4,100,740,177, an increase of $77,875,014, or 1.94 percent, over the *FY 2017 Revised Budget Plan*. The Real Estate Tax rate remains at $1.13 per $100 of assessed value.

$4,100,740,177**

(subcategories in millions)



* For presentation purposes, Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

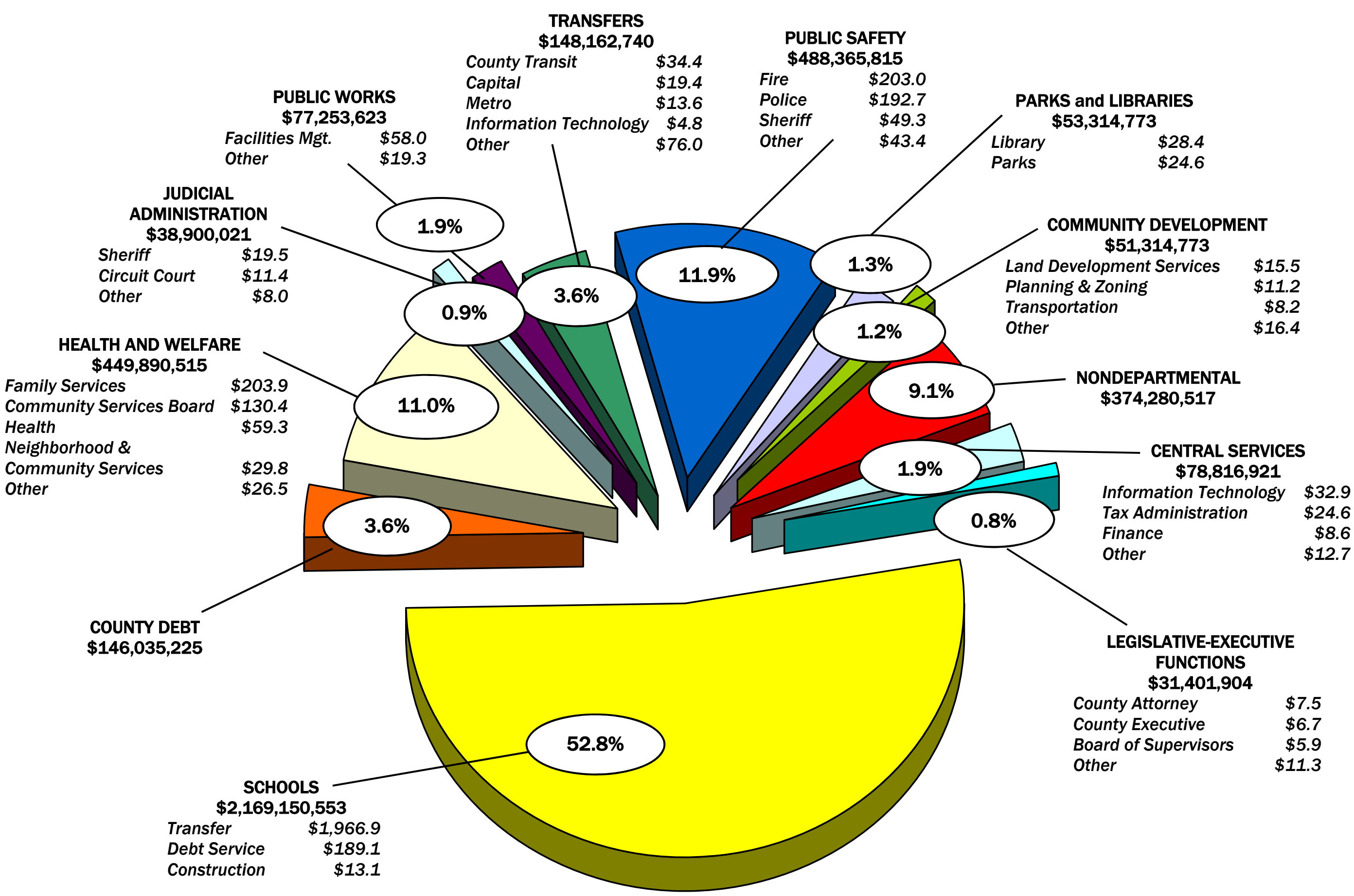
** Total County resources used to support the budget include the revenues shown here, as well as a beginning balance and transfers in from other funds.

FY 2018 Adopted Budget Plan
General Fund Disbursements

FY 2018 disbursements total $4,106,622,164, an increase of $14,210,391, or 0.35 percent, over the *FY 2017 Revised Budget Plan.* The County General Fund transfer for School operations in FY 2018 totals $1,966,919,600. In addition, the County's contribution to School Debt Service for FY 2018 is $189,130,953 and the County transfer to School Construction is $13,100,000. General Fund Direct Expenditures total $1,512,844,328, a decrease of $8,889,496, or 0.58 percent, from the *FY 2017 Revised Budget Plan* direct expenditure level.

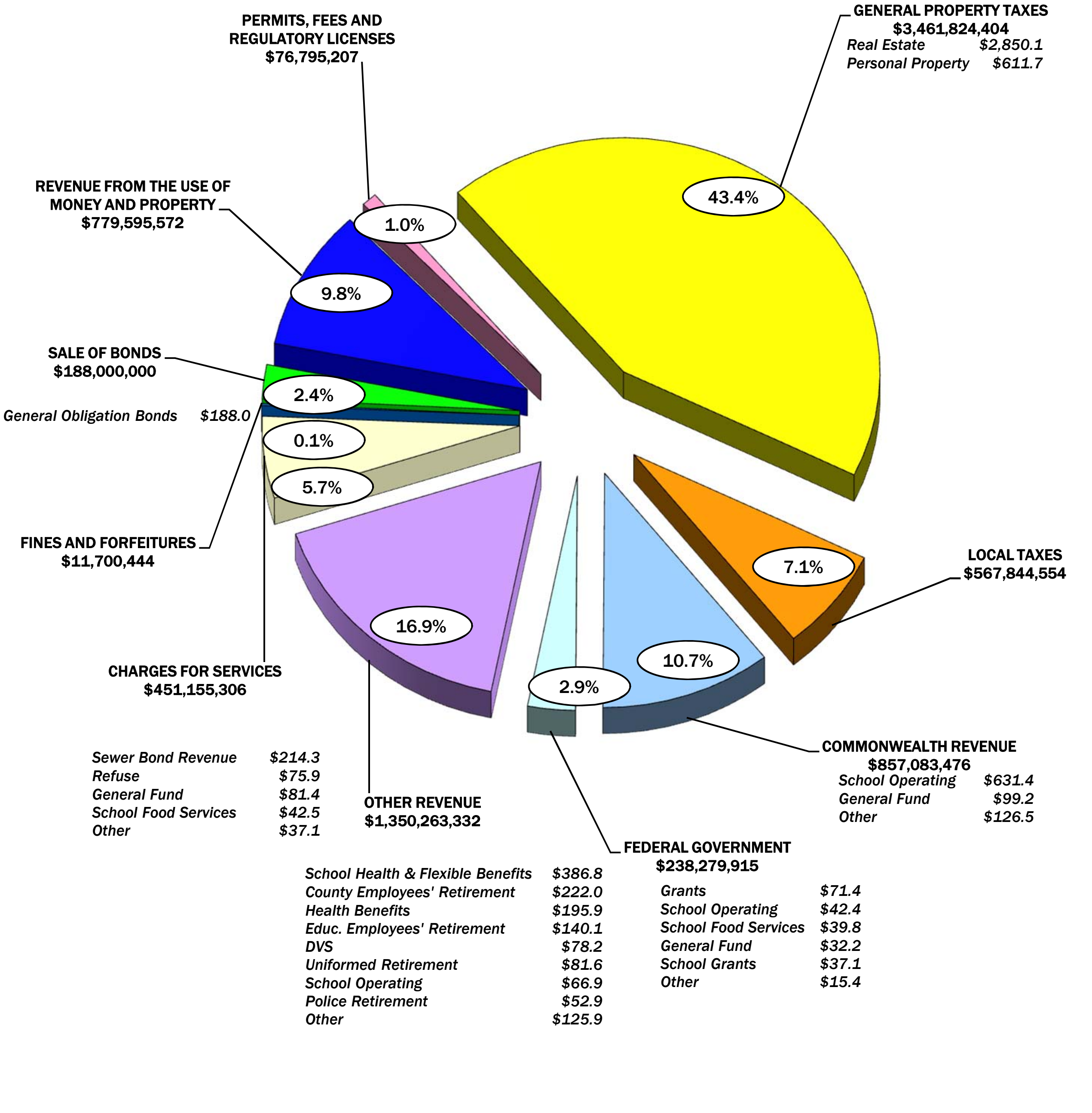
$4,106,622,164

(subcategories in millions)



FY 2018 ADOPTED BUDGET PLAN
REVENUE ALL FUNDS

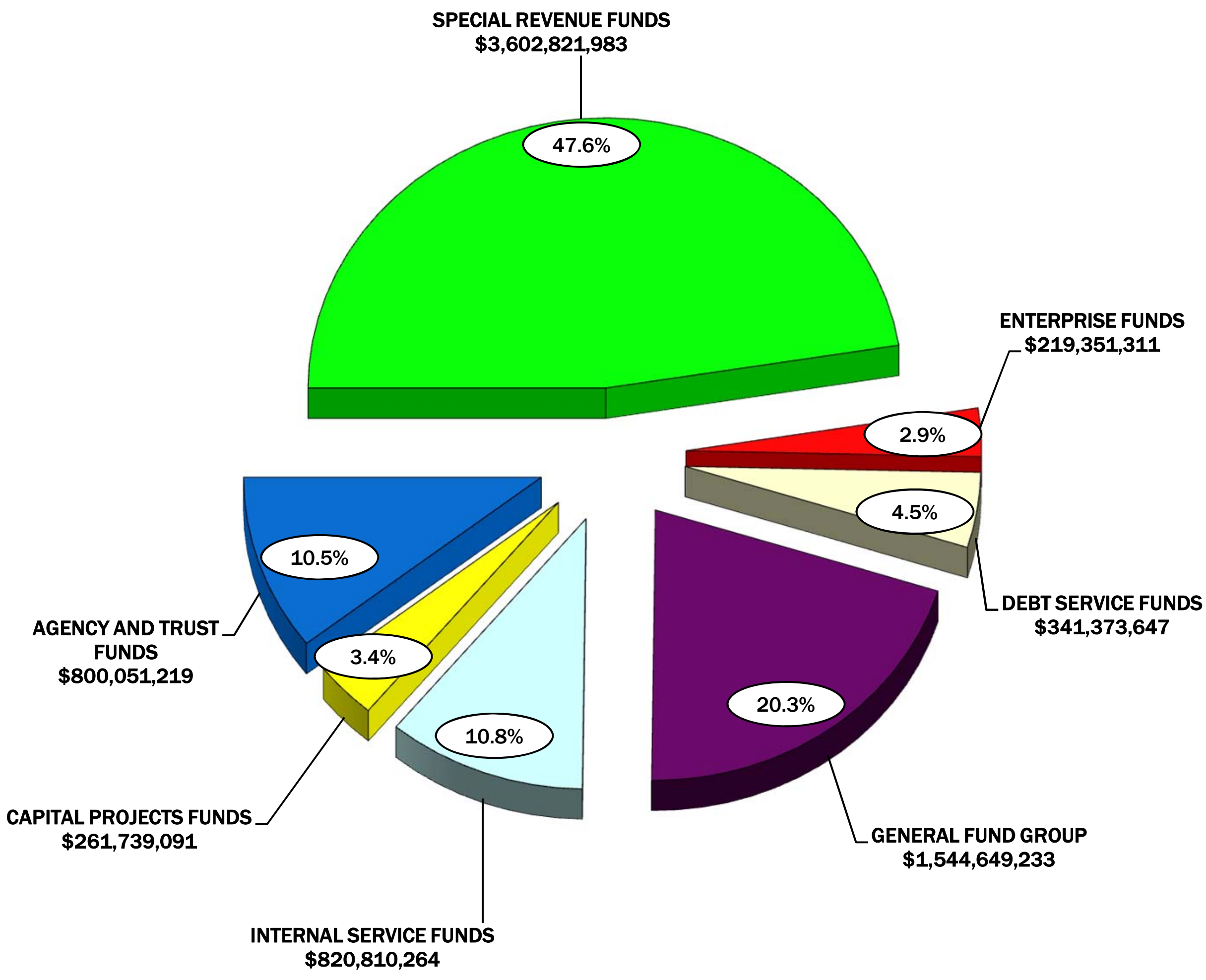
(subcategories in millions)



TOTAL REVENUE = $7,982,542,210

For presentation purposes, Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

FY 2018 ADOPTED BUDGET PLAN
EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = $7,590,796,748

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

The following table summarizes all reductions included in the FY 2018 Adopted Budget Plan. Reductions total $5,958,064, including $4,458,654 in disbursement savings and $1,499,410 in revenue enhancements. In addition, 9 positions are eliminated. These totals include adjustments made as part of the Add-On process and adjustments made by the Board of Supervisors during their deliberations on the FY 2018 budget.

It should be noted that in addition to the reductions listed below, additional recurring savings of $8,237,699 million are included in the FY 2018 budget. These savings include $6,000,000 based on continued savings in retiree health expenses related to the implementation of an Employer Group Waiver Plan in 2016, $1,600,153 based on projected fuel savings, and $637,546 based on an analysis of cost recovery efforts in the Department of Public Works and Environmental Services. In total, the FY 2018 Adopted Budget Plan includes $14,195,763 in reductions and savings, comprising $1,499,410 in revenue enhancements and $12,696,353 in disbursement savings.

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
10001 - General Fund			
02 - Office of the County Executive			
Eliminate a Program and Procedures Coordinator	Advertised Reduction:	$40,000	1
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$40,000**	**1**
A decrease of $40,000 will result from the elimination of 1/1.0 FTE Program and Procedures Coordinator in Administration of County Policy. The reduction will impact Administration of County Policy's ability to provide staff support and analysis of new initiatives created by the County Executive or Board of Supervisors.			
Manage Position Vacancies to Achieve Savings	Advertised Reduction:	$25,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$25,000**	**0**
A decrease of $25,000 will be achieved in the Office of Community Revitalization by extending the period of time that positions are held vacant. This reduction will have a manageable impact on the agency's operations as current staffing levels are sufficient.			
Reduce Funding for Limited Term Positions	Advertised Reduction:	$13,527	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$13,527**	**0**
A decrease of $13,527 in the Office of Public Private Partnerships will result in reduced funding for limited term positions. The reduction will require the agency to reduce support for the Grants Research and Training Center, and will impact the agency's ability to perform research on countywide initiatives, as limited term positions have performed these duties.			
Reduce Operating Expenses	Advertised Reduction:	$2,500	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$2,500**	**0**
A decrease of $2,500 in Internal Audit will be achieved through savings in Operating Expenses in areas such as printing costs, and should have a manageable impact.			
Reduce Business Development Resources	Advertised Reduction:	$2,500	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$2,500**	**0**
A decrease of $2,500 in the Office of Public Private Partnerships will result in the agency no longer participating in two Chambers of Commerce. This will reduce the agency's ability to develop business and community connections to support County initiatives.			
	02 - Office of the County Executive Total:	**$83,527**	**1**

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn

04 - Department of Cable and Consumer Services

Return Vehicle

	Advertised Reduction:	$3,894	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$3,894**	**0**

A decrease of $3,894 requires the return of a vehicle used by the Regulation and Licensing Branch to conduct taxicab, massage establishment, and tow operator inspections and investigations. This reduction would impact the agency's ability to perform same day inspections and to confirm the accuracy of taxicab rates and charges as the current vehicle is equipped with specialized equipment to perform this task; however, the agency would still be able to require taxicabs in question to come to a County facility to be tested. As a result, this reduction is anticipated to have a manageable impact.

Reduce Miscellaneous Operating Expenses

	Advertised Reduction:	$1,807	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$1,807**	**0**

A decrease of $1,807 requires staff to eliminate unnecessary printing and postage expenses for materials that may be made available to the public in alternate formats. This reduction is anticipated to have a minimal impact on the agency's operations.

	04 - Department of Cable and Consumer Services Total:	**$5,701**	**0**

06 - Department of Finance

Reduce the Printing of the CAFR and Eliminate the Production of the CAFR on CD-ROM

	Advertised Reduction:	$3,071	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$3,071**	**0**

Eliminating CAFR CD production and switching to a print-on-demand policy would reduce expenditures by $3,071. Given the availablity of the CAFR on the website, it is not expected to impact the availability of the document to the public.

	06 - Department of Finance Total:	**$3,071**	**0**

08 - Facilities Management Department

Reduce Maintenance and Repair Service Contracts Funding

	Advertised Reduction:	$250,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$250,000**	**0**

This reduction will result in a $250,000 decrease in the maintenance and repair service contracts budget, a 6 percent decrease from the FY 2017 Adopted Budget Plan level of $3,954,545. This reduction is based on actual experience in prior years and will reduce funding available for contracted maintenance and repair services. Based on limited staffing levels available to maintain County facilities, FMD relies heavily upon the use of outside contractors to perform minor repairs and preventative maintenance. A reduction in funding will result in increased workload to existing County staff and when unexpected emergencies occur, the Department may need to adjust workloads.

Reduce Natural Gas Allocation

	Advertised Reduction:	$250,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$250,000**	**0**

This reduction will result in a $250,000 decrease in the natural gas budget, an 11 percent decrease from the FY 2017 Adopted Budget Plan level of $2,266,098. This reduction is based on the current projected costs of natural gas and savings realized in prior fiscal years. These savings have provided flexibility for the Department to accept specialized projects as well as meet overtime requirements. Reducing this allocation may impact the Department’s flexibility. The Energy Coordinator will continue to review all utility requirements and identify savings as appropriate.

Adopted Budget Summary

FY 2018 Reductions
General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Posn

Increase Parking Garage Fees

	Advertised Reduction:	$221,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$221,000**	**0**

The parking fees at the Massey/Courthouse Complex Visitor Garage will be increased from $2 per hour, with a maximum of $10 per day, to $2.50 per hour, with a maximum of $12.50 per day. The projected revenue increase in FY 2018 is $221,000. The fees at the visitor garage have remained unchanged since FY 2009. This revenue enhancement opportunity is consistent with the rates charged by other jurisdictions in the area that currently charge maximum daily rates ranging between $10 and $20.

Recognize Savings associated with Mortgage Payoff

	Advertised Reduction:	$206,410	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$206,410**	**0**

Funding is provided in Facilities Management Department to support the General Fund portion of the mortgage of the Department of Housing and Community Development's (HCD) administrative building on Pender Drive. The mortgage will be paid off in FY 2017, so savings to the General Fund of $206,410 will result.

Increase Use of Community Labor Force

	Advertised Reduction:	$0	0
	Add-On/Board Adjustments:	$50,000	0
	Final Reduction:	**$50,000**	**0**

As part of FY 2018 Add-On adjustments, a decrease in Operating Expenses of $50,000 related to use of the Office of the Sheriff's Community Labor Force (CLF) was identified. Resulting from the Lines of Business (LOBS) Phase 2 work, the reduction is associated with the CLF assumption of a portion of the landscaping services currently handled through Facilities Management Department contracts. The CLF provides offender work teams to support community improvement projects, such as landscaping, construction, painting, snow removal, and graffiti abatement. Landscape services include mowing, edging, weeding, tree and brush trimming, trash and litter cleanup, and some leaf removal. Landscaping support will be provided by the CLF at additional facilities throughout the County.

	08 - Facilities Management Department Total:	**$977,410**	**0**

11 - Department of Human Resources

Reduce Benefit Mailings

	Advertised Reduction:	$20,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$20,000**	**0**

A reduction of $20,000 would eliminate the printing and mailing of the benefit enrollment guide to active employees. The benefit enrollment guide used for open enrollment must be made available, though it is not required to be provided in printed format. This reduction would require that employees access this information online and print it themselves if they need to share the information with other decision makers in their family. The benefit enrollment guide would continue to be printed for retirees and new employees.

Reduce Funding for Limited Term Support

	Advertised Reduction:	$15,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$15,000**	**0**

This reduction will affect the department's capacity to hire part-time, entry-level personnel. Limited-term staffing provides a cost-effective way to complete projects and meet workload demands during peak periods. This reduction will require the department to maintain vacancies in order to hire limited-term staff in the future.

	11 - Department of Human Resources Total:	**$35,000**	**0**

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
13 - Office of Public Affairs			
Eliminate Outside Training and Professional Contracts	Advertised Reduction:	$2,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$2,000**	**0**

A decrease of $2,000 will require the agency to eliminate outside training and professional contracts. As a result, the agency would be required to rely solely on the countywide training program for staff development and would not have the flexibility to hire an outside photographer.

Reduce Translation Services	Advertised Reduction:	$2,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$2,000**	**0**

A decrease of $2,000 will require the agency to reduce translation services. This reduction would have a manageable impact as an agency employee at the main information desk is fluent in Spanish which has reduced the agency's utilization of translation services.

	13 - Office of Public Affairs Total:	**$4,000**	**0**
15 - Office of Elections			
Redesign Voter Registration Process	Advertised Reduction:	$60,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$60,000**	**0**

A decrease of $60,000 is possible based on the automation of the process for sending voter registration notices to citizens. The redesigned process will result in reduced postage and staff costs and is not anticipated to significantly impact the agency's operations.

	15 - Office of Elections Total:	**$60,000**	**0**
17 - Office of the County Attorney			
Manage Position Vacancies to Achieve Savings	Advertised Reduction:	$50,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$50,000**	**0**

This reduction will require the agency to manage their position vacancies. Savings will be achieved by delaying the hiring of current and future merit openings and/or hiring at a lower level on the pay scale. This reduction will have a manageable impact on staffing needs of the Office.

	17 - Office of the County Attorney Total:	**$50,000**	**0**
20 - Department of Management and Budget			
Recognize Personnel Services Savings and Eliminate Vacant Position	Advertised Reduction:	$30,000	1
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$30,000**	**1**

This reduction would recognize Personnel Services funding associated with anticipated savings resulting from staff turnover and retirements. Additionally, this reduction would eliminate a vacant unfunded position no longer required based on an organizational redesign to generate efficiencies related to budget system administration and budget production.

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
Eliminate Printing of Budget Documents	Advertised Reduction:	$15,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$15,000	0

This reduction would eliminate the printing of Advertised and Adopted Budgets, including the Citizen's Guide. In recent years, the printing of budget volumes has been greatly curtailed; printed budgets are provided only to the Board of Supervisors, Senior Management, and Department of Management and Budget staff. Citizen's Guides are currently provided to residents at community meetings. As a result of this reduction, budget documents will be accessible only through the department's website.

	20 - Department of Management and Budget Total:	$45,000	1

25 - Business Planning and Support

Reduce Operating Expenses	Advertised Reduction:	$5,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$5,000	0

Operating Expenses are reduced $5,000 or nearly 3 percent. This funding supports the provision of leadership and program coordination across the DPWES business areas, including initiatives related workplace safety, emergency management, information technology, environmental compliance and sustainability, and community outreach and public education. This reduction is anticipated to have a minor impact on the provision of these support services based on recent year-end balances.

	25 - Business Planning and Support Total:	$5,000	0

26 - Office of Capital Facilities

Realign Cost Recovery from Projects	Advertised Reduction:	$50,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$50,000	0

Savings of $50,000 can be achieved by increasing the budget for Work Performed for Others (WPFO) to reflect recent experience for positions supporting capital projects. The Department of Public Works and Environmental Services (DPWES) Capital Facilities recovers salaries through charges to capital projects and bond funds. In each of the last three fiscal years, Capital Facilities' actual recovered costs have exceeded the budget. As a result, WPFO can be increased with no programmatic impact.

	26 - Office of Capital Facilities Total:	$50,000	0

35 - Department of Planning and Zoning

Implement Setback Certification Process Improvement	Advertised Reduction:	$90,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$90,000	0

A savings of $90,000 in Personnel Services is achieved by implementing a more efficient process for reviewing residential property setbacks. When residential property owners seek to construct a home or addition that approaches the limits of the minimum yard size, a new certified house location plat will be required in place of a setback certification. This process will reduce the staff time required for DPZ staff to review whether setback requirements are met, resulting in the identified savings. Additionally, the cost to the property owner to obtain a new certified house location plat is comparable to the cost of obtaining a setback certification and the process change will allow DPZ to complete the review before construction begins, making any required changes less costly for the property owner.

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
Institute Fees for Public Facilities Review Processes	Advertised Reduction:	$85,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$85,000**	**0**

An increase of $85,000 in revenue will be achieved by implementing fees to recover staff time costs associated with reviewing public and telecommunications facility applications. The benefits and impacts of changes to public facilities are reviewed through the 2232 process. Public facilities reviewed through this process include parks, schools, libraries, sanitary sewer infrastructure, public safety facilities, gas infrastructure, solid waste collection and disposal sites, electrical power generation and distribution facilities, stormwater management infrastructure and water utility infrastructure. Applications for the 2232 process will be subject to a $1,000 review fee. Telecommunications facilities like monopoles, treepoles, and towers are reviewed through the 6409(a) process and will be subject to a $620 fee to recover the cost of staff time required for the review. The proposed fees are based on the staff time required to review comparable applications and fees assessed in other jurisdictions.

Digitize Staff Report Production and Distribution	Advertised Reduction:	$25,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$25,000**	**0**

A savings of $25,000 in printing and binding costs results from reducing the quantity of printed staff reports which DPZ provides. Staff reports are used to disseminate the professional analysis completed by DPZ staff for the benefit of decision-makers and public. The Board of Supervisors (BOS), the Planning Commission (PC) and other county agencies which have received printed reports will receive reports digitally, reducing printing costs and staff time required to distribution. The impact of this change is anticipated to be minimal because the BOS, the PC and county agencies are increasingly adept at viewing reports digitally. A number of printed reports will still be produced for public hearings and archives.

Streamline Review Process for Second Kitchens and Wet Bars	Advertised Reduction:	$15,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$15,000**	**0**

The review process for second kitchens will be streamlined to achieve $15,000 in savings in Personnel Services. Property owners who want to install a second kitchen or wet bar will continue to apply for a permit from the Department of Land Development Services (LDS) but the supplemental DPZ Zoning Administration review will be eliminated, saving the funding equivalent of 0.25 FTE in review time. The impact of this process improvement is anticipated to be minimal; the LDS permit process will continue to ensure that new construction complies with building codes and the Department of Code Compliance will continue to investigate any code violations for illegal second dwellings.

35 - Department of Planning and Zoning Total:	**$215,000**	**0**

38 - Department of Housing and Community Development

Recognize Personnel Services Savings	Advertised Reduction:	$50,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$50,000**	**0**

Based on an analysis of current staff salaries and projected recruitments, savings of $50,000 in Personnel Services can be realized. Savings have materialized gradually over the last several years, so the impact of this reduction will be minimal.

38 - Department of Housing and Community Development Total:	**$50,000**	**0**

Adopted Budget Summary

FY 2018 Reductions
General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Posn

39 - Office of Human Rights and Equity Programs

Reduce Operating Expenses			
	Advertised Reduction:	$24,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$24,000**	**0**

This reduction reflects savings identified in various operating expenses, including office supplies and equipment, computer accessories, and furniture. Additionally, based on prior year spending trends, savings have been identified in funding for Americans with Disabilities Act (ADA) requests. Funding for ADA requests was previously included in the Department of Human Resources; however, the administration of these requests is transferred to the Office of Human Rights and Equity Programs (OHREP) as part of the FY 2018 Advertised Budget Plan. It should also be noted that, in addition to this reduction, OHREP is absorbing the cost of the workload-related position added in FY 2017 due to identified balances and efficiencies.

	39 - Office of Human Rights and Equity Programs Total:	**$24,000**	**0**

40 - Department of Transportation

Increase Work Performed for Others (WPFO) Salary Charges to Transportation Projects			
	Advertised Reduction:	$68,450	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$68,450**	**0**

Based on 25 percent of two staff persons' time (1,040 hours) spent on the Transportation Capital Projects, this would result in a $68,450 annual savings to the General Fund. Acceptance of this option may decrease funding available for Transportation Capital Projects.

	40 - Department of Transportation Total:	**$68,450**	**0**

41 - Civil Service Commission

Reduce Operating Expenses - Memberships			
	Advertised Reduction:	$200	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$200**	**0**

Savings of $200 will be achieved by not renewing the Society for Human Resource Management (SHRM) membership, an online research database utilized by both the Civil Service Commission and Alternative Dispute Resolution program providing information on human resource management best practices.

	41 - Civil Service Commission Total:	**$200**	**0**

51 - Fairfax County Park Authority

Reduce Limited Term Support			
	Advertised Reduction:	$59,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$59,000**	**0**

This reduction is accomplished by eliminating two limited term positions within the Director's Office and Park Operations Divisions. The Director's Office limited term position currently performs required research and technical review of documents, drafts operating procedures and policy, coordinates and schedules meetings, updates Park Board policy, coordinates the review of the Friends Groups Manual, and assists in other administrative functions. The Park Operations Division's limited term position assists with the implementation of the Fairfax County Public Schools (FCPS) Athletic Field Maintenance Program including, updating GIS maps annually for all FCPS sites and over 420 fields, creating and managing mowing, calculating and updating athletic field acreages, reviewing the field scheduling system to evaluate the integration of fields into FCPS programs, and performing quality control checks on contractor performance. This reduction in limited term staff will lengthen the time to complete these projects.

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
Charge Salary Costs Associated with the Archaeological Program to the Park Authority Construction Fund	Advertised Reduction:	$49,384	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$49,384	0

This reduction is accomplished by charging 50 percent of the salary costs of a Heritage Resource Specialist III (Senior Archaeologist) to Fund 30400, Park Authority Bond Construction. The Senior Archaeologist is responsible for reviewing countywide development projects that require archaeological input. There is currently a team of three archaeologists and one Branch Chief working on projects supported by the General Fund and limited term staff currently work on projects supported by bond funds. This reduction will impact the availability of bond funds to support limited term employees and may result in an increase in the amount of time to complete a project.

		Funding	Posn
Charge Salary Costs Associated with Capital Project Management to the Park Authority Construction Fund	Advertised Reduction:	$30,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$30,000	0

This reduction is accomplished by charging salary costs associated with Capital Project Management positions to Fund 30400, Park Authority Bond Construction. These positions are responsible for overseeing and managing bond funded projects. This reduction results in the appropriate charging of salary costs associated with capital project work to Fund 30400, Park Authority Bond Construction, but will result in a decrease of available funding for capital project work.

		Funding	Posn
Increase Park Foundation Support	Advertised Reduction:	$30,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$30,000	0

This reduction is accomplished by transferring expenses incurred in the General Fund to the Fairfax County Park Foundation. The Fairfax County Park Foundation supports the Fairfax County Park Authority by raising private funds, obtaining grants and creating partnerships that supplement tax dollars to meet the community's needs for park land, facilities and services. This reduction could impede the work of the Foundation and will reduce funding available for park projects.

		Funding	Posn
Charge Salary Costs Associated with the Telecommunications/Monopole Program to the Park Improvement Fund	Advertised Reduction:	$20,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$20,000	0

This reduction is accomplished by charging salary costs associated with positions that directly support the Telecommunications/Monopole Program to Fund 80300, Park Improvement Fund. This reduction appropriately charges the administrative and management costs associated with the Telecommunications/Monopole Program to the Fund. Telecommunications/Monopole Program staff manage, negotiate fees, issue and monitor the license program for the installation of private telecommunication facilities on park property; coordinate approval of licenses with the Park Authority Board, and collect fee payments. The reduction will decrease the funding available for other Park Authority capital improvements, including: repair, maintenance and development of parks; and countywide Natural and Cultural projects.

		Funding	Posn
Charge Salary Costs of a Deputy Director to the Park Authority Construction Fund	Advertised Reduction:	$13,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	$13,000	0

This reduction is accomplished by charging a portion of the salary costs associated with the Deputy Director/Chief of Business and Development position to Fund 30400, Park Authority Bond Construction. The Deputy of the Business and Development Branch is directly responsible for overseeing and managing bond funded projects. This reduction results in the appropriate charging of salary costs associated with capital project work to Fund 30400, Park Authority Bond Construction, but will result in a decrease of available funding for capital project work.

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
Increase use of Community Labor Force	Advertised Reduction:	$10,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$10,000**	**0**

As a result of Lines of Business (LOBS) Phase 2 work, a reduction of $10,000 is associated with the Sheriff's Community Labor Force (CLF) assuming a portion of Park Authority maintenance on trails including tree and brush pruning as well as other trail-related upkeep. The CLF provides offender work teams to support community improvement projects, such as, landscaping, litter removal, construction, painting, snow removal, and graffiti abatement.

	51 - Fairfax County Park Authority Total:	**$211,384**	**0**

52 - Fairfax County Public Library

Reduce Technical Operations	Advertised Reduction:	$150,000	1
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$150,000**	**1**

This reduction will result in the reduction of 1/1.0 FTE vacant position and operating expenses associated with the Technical Operations Center, which became an option as part of an internal realignment of library operations in FY 2017 that was undertaken to provide additional clarity and maximize the use of library resources, and improve service delivery, programs, and customer service. This reorganization within the Technical Operations Center will be completed by reengineering work processes to gain efficiencies and should have a manageable impact.

	52 - Fairfax County Public Library Total:	**$150,000**	**1**

57 - Department of Tax Administration

Implement Car Tax Subsidy (PPTRA) Compliance Program Revenue Enhancement	Advertised Reduction:	$450,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$450,000**	**0**

The PPTRA Compliance Audit Program currently adds approximately $1 million to the Delinquent Personal Property Tax roll. In Calendar Year 2016, DTA staff worked on Tax Year 2013, reviewing information received from state tax returns. The proposed program enhancement would shift two existing staff members to the program area to begin the auditing process sooner. In Calendar Year 2017, DTA could complete audits for tax years 2014 and 2015, rather than than just tax year 2014. This would generate $500,000 in additional revenues in FY 2018. It should be noted that $50,000 in additional expenditure authority is included to cover the costs of a new non-merit limited term employee to help with the existing workload resulting from the reallocation of two existing staff members to the Compliance Audit Program.

Implement Target Program Revenue Enhancement	Advertised Reduction:	$150,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$150,000**	**0**

The Target Program is currently adding approximately $2 million to the Personal Property Tax Roll. Target Program staff currently splits its time between canvassing assigned districts and researching and assessing Personal Property taxes back in the office.The proposed program enhancement would create a Target Drive-By Team consisting of one existing merit and one existing non-merit limited term position to be reallocated from other sections. The two employees would focus on canvassing all districts to identify out-of-state plates for potential property tax evasion, allowing existing Target Program staff to concentrate all of its efforts on the research and subsequent assessment of Personal Property taxes. This would generate $200,000 in additional revenue. It should be noted that $50,000 in additional expenditure authority is included to cover the costs of a new non-merit limited term employee to help with existing workload resulting from the reallocation of resources to the Target Program.

	57 - Department of Tax Administration Total:	**$600,000**	**0**

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
67 - Department of Family Services			
Recognize Personnel Services Savings	Advertised Reduction:	$750,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$750,000**	**0**

This reduction will impact the department's Personnel Services budget and is based on historical savings in this area as a result of current staffing levels. Although no significant impact is expected, the department will be required to closely manage their position vacancies and monitor spending patterns.

	67 - Department of Family Services Total:	**$750,000**	**0**
70 - Department of Information Technology			
Restructure Administrative Processing	Advertised Reduction:	$200,000	2
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$200,000**	**2**

A decrease of $200,000 results from the elimination of 2/2.0 FTE vacant administrative positions and other associated personnel-related savings based on the agency streamlining the administrative activities for processing financial documents. As the volume of financial transactions increased in recent years, the agency reallocated several positions to manage the increased workload; however, upgrades to the County's financial system that are now in place have allowed the Department to automate a portion of this work. Despite these changes, the time required to process certain financial documents may increase slightly during peak periods; however, this should have a manageable impact on the agency's operations.

	70 - Department of Information Technology Total:	**$200,000**	**2**
71 - Health Department			
Reduce Insight Memory Care Center (IMCC) Contract	Advertised Reduction:	$150,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$150,000**	**0**

This reduction will reduce the Health Department's contract with IMCC by 50 percent. Currently, all County residents suffering from mid-late state dementia are eligible for dementia-specific day care services at a reduced fee. This reduction caps those eligible to receive the reduced fee at 400 percent of the federal poverty level. Therefore, this reduction should not impact low-income individuals receiving services. The IMCC contract also provides community outreach, education, support and training for at least 350 family caregivers. There will be minimal impact to this piece of the contract.

Increase Fees for Laboratory and Clinical Services	Advertised Reduction:	$125,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$125,000**	**0**

The Health Department provides a range of clinical services and laboratory testing that includes services such as pregnancy testing, drug testing, vaccinations, and various health assessments. Each service is provided for a set fee that varies based on the service provided. An increase in fees of approximately 10 percent would bring in an estimated $125,000 in additional revenue. It is anticipated that raising fees will have minimal impact on clients' ability to access public health services, as there is an established fee waiver policy and payment plan option for low-income residents who are unable to pay, or for those who meet certain Virginia Department of Health or age criteria.

	71 - Health Department Total:	**$275,000**	**0**

Adopted Budget Summary

FY 2018 Reductions
General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Posn

73 - Office to Prevent and End Homelessness

Reduce Funding for Last Resort Housing			
	Advertised Reduction:	$200,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$200,000**	**0**

OPEH utilizes motels as a last resort housing option for families with children who are experiencing homelessness when the main shelters are full or in cases where a family member has medical needs that make a typical shelter facility an inappropriate placement. This reduction will reduce funding for motel placements by approximately 50 percent. The need for motel placement has been declining over the last several years as concerted efforts have been made to move clients more rapidly into permanent housing, thus increasing the availability of shelter beds and reducing the need for motel usage. It is anticipated that this reduction will have minimal impact on services based on the current trend and continued efforts to move clients out of the shelters and into permanent housing. This does however reduce the amount of resources available to respond to housing needs should the demand for family shelter increase.

73 - Office to Prevent and End Homelessness Total:	$200,000	0

79 - Department of Neighborhood and Community Services

Recognize Personnel Services Savings			
	Advertised Reduction:	$50,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$50,000**	**0**

This reduction will impact the department's Personnel Services budget and is based on historical savings in this area as a result of current staffing levels. Although no significant impact is expected, the department will be required to closely manage their position vacancies and monitor spending patterns.

79 - Department of Neighborhood and Community Services Total:	$50,000	0

80 - Circuit Court and Records

Implement Hourly Fee for Historic Courthouse Wedding Rental			
	Advertised Reduction:	$9,600	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$9,600**	**0**

A revenue increase of $9,600 can be generated through leasing the 1799 Courtroom for hourly wedding ceremony rentals under the jurisdiction of the Chief Judge. This is primarily due to the historic charm and close proximity to the Clerk's Office Marriage License counter, where couples complete marriage license requirements. The Circuit Court anticipates 8 rentals per month, at a rate of $100/hour, which would generate annual revenues of $9,600. A revision to Procedural Memorandum 25-31 will be required to allow this type of event use. Currently, Procedural Memorandum 25-31 specifies that room use is restricted to licensed attorneys during trials, official County business, mediation services, and the Fairfax Bar Association and Virginia State Bar Association. In addition, no recording or picture taking is allowed in the Courthouse. Finally, the Courthouse currently rents rooms on a daily basis, not an hourly basis. It should be noted that the estimated revenue associated with this action is shown in the Facilities Management Department FY 2018 budget; however, the administrative aspects of this initiative will be handled by Circuit Court.

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Posn
Implement Paper Land Records Fee	Advertised Reduction:	$0	0
	Add-On/Board Adjustments:	$350,000	0
	Final Reduction:	**$350,000**	**0**

As part of FY 2018 Add-On adjustments, a revenue enhancement of $350,000 was identified associated with the implementation of a fee for land records filed by paper. The revenue enhancement was not included in the FY 2018 Advertised Budget Plan pending Virginia General Assembly approval of the enabling legislation. In its 2017 session, the Virginia General Assembly amended and reenacted §17.1-258.3:1 to allow the Clerk of Court to charge a $5.00 fee for any land record instrument filed by paper, to be used for the Clerk's operational expenses as defined in §17.1-295 of the Code. Beginning July 1, 2017 "Any clerk of a circuit court with an electronic filing system established in accordance with this section may charge a fee not to exceed $5 per instrument for every land record filed by paper. The fee shall be paid to the clerk's office and deposited by the clerk into the clerk's nonreverting local fund, to be used exclusively to cover the operational expenses as defined in §17.1-295." The Clerk for Fairfax Circuit Court records approximately 70,000 paper documents annually. Based on the new Code provision, it is estimated that an additional $350,000 in annual revenue could be realized at the current volume of paper recordings; however, as more consumers elect to e-record, these revenues may diminish slightly.

	80 - Circuit Court and Records Total:	**$359,600**	**0**

85 - General District Court

Reduce Operating Expenses	Advertised Reduction:	$8,309	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$8,309**	**0**

This reduction is achieved through efficiencies that have been implemented such as reducing the number of printed notices and forms for staff and the public. These include information on navigating the judicial process such as fine, payment, and appeal information as well as amounts owed and upcoming court dates. Recent automation has decreased the number of notices printed, resulting in the public and legal community relying on online information in lieu of printed information. Reductions in printing will likely have no significant negative effect on day-to-day business operations nor on the public.

	85 - General District Court Total:	**$8,309**	**0**

91 - Office of the Sheriff

Manage Position Vacancies to Achieve Savings	Advertised Reduction:	$250,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$250,000**	**0**

A decrease of $250,000 will be achieved by extending the period of time that positions are held vacant. This reduction is anticipated to have a manageable impact on the agency's operations as current staffing levels are sufficient especially given recent jail average daily population (ADP) levels. As recently as FY 2014, the average monthly ADP was 1,233; however, by December 2016 the amount was down to 1,039.

	91 - Office of the Sheriff Total:	**$250,000**	**0**

92 - Fire and Rescue Department

Restructure EMS Recertification Program to Occur On-Duty	Advertised Reduction:	$225,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$225,000**	**0**

A decrease of $225,000 will result from the Department restructuring the Emergency Medical Technician (EMT) recertification training process. Currently, personnel attend a four day training, provided by an outside vendor, to obtain the necessary credit hours. In the future, all required trainings will be offered in-house and staff will not be required to attend the four day training which will result in reduced overtime costs for the Department.

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
Eliminate National Counterterrorism Center (NCTC) Detail	Advertised Reduction:	$159,927	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$159,927**	**0**

A decrease of $159,927 will result from no longer dedicating a position to the Interagency Threat Assessment and Coordination Group (ITACG) at the National Counterterrorism Center (NCTC). Since FY 2011, the Department has dedicated a staff member to this effort promoting interagency coordination as it relates to terrorism, strategic threat assessments and information dissemination; however, any impact is anticipated to be manageable as coordination for these functions occurs through multiple channels. Savings will be generated by reassigning the position to the field which will result in reduced overtime costs as the position will no longer require backfill while away on special assignment.

Reduce VCU program from Six to Five Personnel	Advertised Reduction:	$85,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$85,000**	**0**

A decrease of $85,000 will result from reducing the number of individuals participating in the Virginia Commonwealth University (VCU) paramedic training from six to five annually. The training is a joint effort between FRD and VCU hosted at the Fire Training Academy utilizing instructors from within the department with VCU providing the administrative support, curriculum development resources, and clinical resources to provide an Advanced Life Support (ALS) certification program. This could potentially impact FRD's ability to maintain the appropriate number of staff with ALS training; however, the Department will work to mitigate this potential impact.

	92 - Fire and Rescue Department Total:	**$469,927**	**0**

93 - Office of Emergency Management

Reduce Emergency Operations Center Training	Advertised Reduction:	$18,275	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$18,275**	**0**

A decrease of $18,275 will result in reduced training opportunities for County employees who are required to work in the Emergency Operations Center (EOC) during a significant event. The trainings provide employees with the necessary skills to perform functions during EOC activations that help protect residents, employees and property during a potential catastrophic event. As a result, the Office will be required to identify critical trainings to ensure that County employees have adequate training to work in the EOC.

Manage Position Vacancies to Achieve Savings	Advertised Reduction:	$17,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$17,000**	**0**

A decrease of $17,000 will be achieved by managing position vacancies. This reduction will have a manageable impact on the agency's operations as current staffing levels are sufficient.

	93 - Office of Emergency Management Total:	**$35,275**	**0**

97 - Department of Code Compliance

Reduce Grass Inspector Positions	Advertised Reduction:	$32,400	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$32,400**	**0**

A reduction of $32,400 is based on the elimination of two vacant exempt limited term Grass Inspector positions which provide seasonal inspections to ensure that residential and commercial properties comply with the Grass Ordinance. While this reduction would reduce budgeted grass inspection hours by 26.8 percent, public awareness of ordinance requirements has increased and non-compliance rates have declined since the Grass Ordinance was adopted in 2008, reducing the follow-up work required for inspectors and the impact this reduction.

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Reduction Posn
Reduce Operating Expenses	Advertised Reduction:	$21,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$21,000**	**0**

A reduction of $21,000, or nearly 4 percent, in Operating Expenditures is included based on recent operating expense balances that have materialized. The impact of this reduction is anticipated to be minimal.

Implement Cost Recovery Charge in Illegal Sign Program	Advertised Reduction:	$8,810	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$8,810**	**0**

An increase of $8,810 in revenue from fees to recover the costs associated with enforcing the Illegal Sign program. The Code of Virginia permits jurisdictions to recover enforcement costs in addition to fines from owners of signs illegally posted along roadways. A $10 fee per sign is required to offset the vehicle and staff costs associated with the program. Based on enforcement experience in FY 2017, DCC estimates that 881 signs will be subject to enforcement in FY 2018. Please note this is in addition to the revenue associated with the $100 per sign penalties collected beginning in FY 2017 and included in the FY 2018 Advertised Budget Plan to support a new position.

97 - Department of Code Compliance Total:	$62,210	0
10001 - General Fund Total:	**$5,298,064**	**5**

30010 - General Construction and Contributions

Eliminate FY 2018 Funding for the Emergency Directive Program	Advertised Reduction:	$100,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$100,000**	**0**

The FY 2018 funding for the Emergency Directive Program within Fund 30010, General Construction and Contributions, is eliminated. The Emergency Directives Program was established to provide for abatement services of both emergency and non-emergency directives related to health and safety violations, grass mowing violations, and graffiti removal directives. The funds are used to perform corrective maintenance for code violations under Chapter 46 and Chapter 119 of the Fairfax County Code, in which cited property owners fail to correct. The current available balance in this project is expected to be sufficient for this program through FY 2018 without additional funding. There will only be an impact if there is a significant increase in the number of directives, and/or a decrease in the collection of fees and fines from the property owners where the directive occurred.

Total:	$100,000	0
30010 - General Construction and Contributions Total:	**$100,000**	**0**

Adopted Budget Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement		Reduction Funding	Posn

40040 - Fairfax-Falls Church Community Services Board

Eliminate the Youth Day Treatment Program			
	Advertised Reduction:	$460,000	4
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$460,000**	**4**

This reduction eliminates the Youth Day Treatment Program and 4/4.0 FTE positions, including one Mental Health Manager, one Behavioral Health Supervisor, one Mental Health Therapist, and one CSB Aide/Driver providing therapeutic day treatment to youth ages 13 to 18 with medium to high acuity serious emotional disturbance or co-occurring substance use disorders. In FY 2016, the Youth Day Treatment program served 82 youth, providing significant supportive and intensive services including individual, group, and family therapy, case coordination, medication management, and an onsite alternative school program operated by Fairfax County Public Schools. As a result of this reduction, resources will be redeployed to continue serving this population through outpatient services such as individual, group and family therapy and case coordination. Outpatient services will be supplemented by in-home and intensive in-home services provided by contracted providers with dedicated funding streams, such as Mental Health Initiative state and local funds as well as Children's Services Act (CSA) funds, to maintain stability by utilizing natural community supports. In the event these outpatient services are insufficient for youth to maintain stability in the community, there are alternatives including community-based partial hospitalization for youth with private insurance, therapeutic day treatment programs operated in partnership with FCPS for youth with Medicaid, residential diversion programs, or CSA services.

Eliminate the Community Readiness and Support Program			
	Advertised Reduction:	$373,303	4
	Add-On/Board Adjustments:	($373,303)	(4)
	Final Reduction:	**$0**	**0**

This reduction eliminates the Community Readiness and Support Program (CRSP), a directly-operated psychosocial rehabilitation program for adults with serious mental illness, substance use and/or co-occurring disorders who are transitioning to employment. Closure of this program involves eliminating 4/4.0 FTE positions, including one Behavioral Health Supervisor, one Behavioral Health Nurse Clinician/Case Manager, and two Mental Health Therapist positions. In FY 2016, CRSP provided highly-intensive clinical support, including ongoing mental and physical health assessments, nursing services, medication supports, and linkage to community services, benefits, housing and employment to 42 individuals. While this reduction would eliminate capacity in CSB directly-operated programs, existing contract providers in the Northern Virginia region have sufficient capacity to absorb CRSP clients. With a carefully implemented transition plan created in partnership with all stakeholders, CSB anticipates no waitlists due to this reduction.

It should be noted that, as a result of their deliberations on the FY 2018 budget, the Board of Supervisors restored all funding and positions related to this reduction.

Total:	**$460,000**	**4**
40040 - Fairfax-Falls Church Community Services Board Total:	**$460,000**	**4**

40330 - Elderly Housing Programs

Reduce General Fund Transfer			
	Advertised Reduction:	$100,000	0
	Add-On/Board Adjustments:	$0	0
	Final Reduction:	**$100,000**	**0**

The General Fund transfer can be reduced $100,000, or 5.2 percent, due to the elimination of General Fund support for Lewinsville associated with the upcoming transfer of the operation and maintenance to a private management company. Additionally, based on an analysis of actual personnel expenses for operation and maintenance of the properties supported by the fund, savings can be realized. A couple of years ago, HCD transitioned from an allocation model for staff time to actual time posting by property. As a result, less staff time is being charged to this portion of the Department of Housing and Community Development portfolio.

Total:	**$100,000**	**0**
40330 - Elderly Housing Programs Total:	**$100,000**	**0**
Total Reductions:	**$5,958,064**	**9**

County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

February 14, 2017

Honorable Board of Supervisors
County of Fairfax
Fairfax, Virginia

Chairman and Board Members:

I am honored to present the FY 2018 and FY 2019 Multi-Year Budget Plan to the Board of Supervisors and the community. In the midst of significant change at the federal level following the recent election, driving some of the uncertainty impacting our budget today and looking forward, it is reassuring that Fairfax County is able to rely upon strong leadership and guidance by the Board of Supervisors, the County's Economic Success Strategic Plan, and the County's longstanding financial policies to remain a source of stability and strength for our residents.

Overall, I believe the budget I am presenting today represents a balanced approach, with funding increases focusing on our Schools, employees, and priority services. Additionally, we are meeting our obligations per our established financial policies and have included a significant level of reductions. Highlights of the FY 2018 recommendation include:

- A balanced budget at the current Real Estate tax rate of $1.13 per $100 of assessed valuation.
- Equal growth rates for both School transfers and County requirements (excluding reserves) at 2.41 percent over the FY 2017 Adopted Budget Plan level. Specifically, a 2.70 percent increase, or $51.69 million, is proposed for the County transfer for the School Operating Fund.
- Net reductions and revenue enhancements of $13.42 million and the elimination of 13 positions generated from opportunities submitted by County agencies.
- A net increase of 50 positions, many included at no cost to the General Fund.
- Funding for a limited number of Board priorities.
- Contributions to the County's reserves and retirement systems per the funding policies adopted by the Board in 2015.
- The deferral of some significant County priorities to FY 2019 or beyond.
- An available balance of $1.99 million for the Board to address some of the remaining critical requirements.

See the "Adopted Budget Summary" section for details regarding the final budget approved by Board of Supervisors.

Over the past few years, we have spent considerable time and resources dedicated to strengthening the County's financial position and establishing multi-year plans and strategies for some of our most pressing issues. Last year, we embarked on the Lines of Business (LOBs) exercise designed to shape the County's strategic direction and validate our priorities for future years. On the heels of that extensive first phase of LOBs, this budget year may seem quieter from an outside perspective. But we are no doubt continuing the efforts begun last year by embarking on the second phase of LOBs. Phase 2 is focusing on programs/services identified through discussions with the Board for possible improved efficiency and effectiveness. Many of these projects involve collaboration across County agencies, as well as working with our partners at the Fairfax County Public Schools (FCPS). At its January 31 Budget Committee meeting, the Board was briefed on two LOBs Phase 2 projects regarding better coordination of volunteer opportunities across the County and with FCPS, as well as opportunities for expanding use of the Community Labor Force. As you will see, this budget includes the results of some of our internal efforts related to Phase 2 projects associated with the pursuit of revenue opportunities and the review of agency discretionary spending. Furthermore, whether under the LOBs umbrella or not, we remain committed to taking a hard look at our spending and programs each year to determine if there are opportunities for potential efficiencies and savings.

In October and November, I presented to the Board an FY 2018 forecast indicating modest revenue gains, primarily driven by negligible growth in residential Real Estate equalization. At that time, I projected a budget shortfall, which did not include funding for many important needs. Although the Real Estate picture has improved slightly since I last briefed the Board, the overall story is the same. The spending needs facing our County – for salary adjustments and benefits, for capital and infrastructure improvements, and for the myriad of programs important to our residents – are greater than our available resources. There is simply not enough funding to meet the expectations of all. Balancing the budget this year, and every year, requires prioritizing needs and critically considering how each adjustment will impact our residents and our employees. Consistent with my message back in November, many of the County's important funding needs are not included in this budget proposal, and I have chosen to focus on those that are the most essential. For example, I was also not able to include the second tranche of funding for Diversion First. I was unable to include additional funding for employment and day services for the County's intellectually and developmentally disabled (ID/DD) individuals. Further discussions between the Board of Supervisors and the Community Services Board will be included as part of upcoming Human Services and Housing Committee meetings to develop a sustainable plan for this important population. I am pleased that I was able to address some of the Board's funding priorities, albeit smaller ones, such as creating a position to serve as the primary point of contact on sexual violence and human trafficking in the County. I have also included funding for two positions to support the start of a comprehensive review of the County's Zoning Ordinance.

This budget maintains the County's commitment to remaining a strong steward of financial management including adjustments in accordance with our new reserve and pension policies, fairly addressing the needs for both the County and Schools, providing pay increases to our County employees, and, above all, managing the financial impact of budgetary decisions on our County taxpayers. All recommendations are made with an underlying focus of meeting the priorities of the Board of Supervisors, and many of the adjustments included in my proposal are directly aligned with previous Board actions. As I noted earlier, I also included opportunities

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submitted by County agencies to generate savings through efficiencies and analysis of historical trends. Furthermore, I felt it was important to provide the Board some level of flexibility to make additional adjustments; therefore, the FY 2018 Advertised Budget Plan includes a balance of $1.99 million for the Board's consideration as decisions regarding the budget are made.

The budget that I am presenting today demonstrates the County's commitment to fiscal responsibility. As the Board is well aware, beginning in FY 2009, the County has taken some level of reductions for nine straight years. As I have also included over $13 million in savings and revenue enhancements in this proposed budget, FY 2018 marks the tenth straight year. In total, including the savings I have included in the FY 2018 Advertised Budget Plan, and reductions taken as part of quarterly budget reviews, we have reduced funding by over $344 million and have eliminated 753 positions over the past decade. As some are quick to point out, this does not mean that our budget has not grown. In fact, in the past 10 years, our budget has grown an average of 2.1 percent annually. It is important to note, however, that this level of growth is *less than one-third* of the growth experienced in the prior decade. From FY 1998 to FY 2008, the County's General Fund budget grew 6.5 percent annually on average. The fact that we have curbed growth so significantly is a testament to the County's ability to adjust to the realities of this new economic normal while still remaining one of the most desirable counties in the country to live, work, and play.

The budget that I am proposing today includes funding in line with the County's recently revised reserve and pension policies. Just last month, all three rating agencies reaffirmed the County's AAA bond rating, citing the County's commitment to the *Ten Principles of Sound Financial Management*, strengthened financial policies, and a structurally-balanced budget. For the fourth straight year, the County's budget is balanced with no use of one-time funds. Funding is included in this proposal to increase the County's contributions to its pension systems in accordance with our obligation to amortize 100 percent of our unfunded liability by FY 2020. Additionally, 10 percent of disbursement increases included in the Advertised budget are set aside in our Revenue Stabilization and Managed Reserves. The County has held a Aaa rating from Moody's since 1975, a AAA rating from Standard and Poor's since 1978, and a AAA rating from Fitch Ratings since 1997. As of January 2017 only 46 counties, 12 states, and 33 cities nationally have a triple-A bond rating from all three major rating agencies. As a result of the County's excellent triple-A bond rating, the County has saved an estimated $795.44 million from County bond and refunding sales.

This budget demonstrates our commitment to our Public Schools. Both the County and Schools face daunting budget challenges each year – prioritizing our needs based on resources that are growing at levels insufficient to meet our requirements. The implementation of the multi-year budget approach back in FY 2014 has allowed us to have informed conversations earlier regarding our estimated revenues, economic outlook, and projected fiscal constraints. I hope that this process has resulted in increased transparency to our residents and continues to allow for increased communication and collaboration between the County and Schools.

In November, I projected that just under $40 million would be available as an increase to the County's transfer to the School Operating Fund based on available revenues. As a result of marginally improved Real Estate growth, I am proposing a transfer increase of $51.69 million, or 2.70 percent, over the FY 2017 Adopted Budget Plan. With a small decrease in the County transfer for School Debt Service of $0.74 million and maintaining County support for the School Construction Fund at FY 2017 levels, overall County support for FCPS is increased 2.41 percent. As a result, Schools transfers represent 52.8 percent – an increase over the FY 2017 level of 52.7 percent – of all General Fund Disbursement in the FY 2018 Advertised Budget Plan.

In developing my recommendation for FY 2018, I focused on ensuring that my proposal would provide for equitable increases for both the County and the Schools – as both sides face significant funding needs. Available resources based on reduced reserve requirements were shared between both organizations; and the overall increase in both County disbursements and the Schools transfers are equal at 2.41 percent.

Although I am pleased that we were able to increase our support for Schools over the forecasted projection, there is still work to be done. In the Superintendent's Proposed Budget released on January 12, 2017, FCPS requested an increase to the School Operating transfer of $108.18 million, or 5.7 percent. In their action on the Superintendent's Proposed Budget on February 9, the School Board increased the transfer request by $4.36 million to an increase of $112.54 million, or 5.9 percent. As a result, there is an almost $61 million gap between my proposed transfer and the School Board's request.

This budget demonstrates our commitment to our employees. A majority of the disbursement increases recommended in this budget for the County are related to employee pay and benefits. Our employees are the County's direct line to our residents. The LOBs exercise demonstrated the breadth of programs and services that are available to our residents and the success of those programs are directly correlated with the quality and dedication of our employees. The FY 2018 Advertised Budget Plan includes performance, merit, and longevity pay increases for merit employees, resulting in average increases of 2.00 percent for our non-uniformed General County employees and 2.25 percent for our uniformed public safety employees. The proposed budget also includes pay adjustments for specific General County job classes and our Police and Sheriff pay scales after extensive market reviews. In addition, I plan to recommend as part of the *FY 2017 Third Quarter Review*, a consultant review of our uniformed Fire and Rescue pay plan – specifically looking at internal and external pay equity and the organization structure of the system. I anticipate this review will be similar to the study recently completed for our uniformed Police officers. The Advertised budget also includes increased contributions to the County's retirement systems in order to continue improving the financial standing of our plans, a small increase to the Retiree Health Subsidy, and significant savings related to the County's OPEB (Other Post-Employment Benefits) contribution based on continued positive experience with the implementation of the Employer Group Waiver Plan (EGWP) last year.

The Market Rate Adjustment (MRA) for FY 2018 was calculated at 1.65 percent, resulting in a $19.8 million cost. Based on our available revenues and critical funding requirements, I was, unfortunately, not able to include funding for the MRA in my proposed budget. When I released the budget forecast in November, I sent a note to all County employees explaining this challenging budget and noting that it would be difficult to fully fund employee compensation. However, I know that no advanced notification will ease the sting that some of our employees will feel when seeing the details of the Advertised Budget. As part of the adoption of the new General County pay plan, there were discussions regarding how compensation should be funded

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during difficult budget years, and I honored those priorities. In accordance with the guidelines resulting from that dialogue, the MRA is not funded in this budget, and all employees across the County are equally impacted.

Above all, I believe this budget demonstrates our commitment to our residents. In this proposal, I have strived to dedicate our limited resources in a balanced and responsible manner, focusing on fiscal responsibility, supporting our Schools and employees, and meeting the requirements of our most critical services. In developing my FY 2018 budget recommendation, I was also keenly aware of the four cent Real Estate tax rate increase implemented last year and the impact that it had on our residents. As a result, the FY 2018 budget that I am proposing today is balanced at the current Real Estate tax rate of $1.13 per $100 of assessed value. Based on an increase in residential equalization of 0.68 percent, the typical residential annual tax bill will rise, on average, by $40.69 in FY 2018. It should be noted that each penny change in the tax rate equates to $53.32 on the average tax bill.

After funding the increase in the School Operating transfer, pay and benefit increases for our employees, and the most critical operating requirements, a balance of $1.99 million is available for the Board to address some of the remaining critical requirements. I felt it was important to provide some flexibility to the Board within the existing tax rate in order to consider funding adjustments that I did not include in the Advertised Budget or to address issues raised by our residents in community meetings, direct correspondence, or public hearing testimony over the coming weeks.

Although I am pleased to present this budget proposal to you today, which represents many months of dedicated effort from County staff, there is still much work and many challenges ahead of us. There were many significant County priorities that were not included in my recommendation based on our limited resources, some of which will be deferred to FY 2019 or beyond. Some of the largest unfunded items include:

- The 1.65 percent Market Rate Adjustment for County employees ($19.8 million)
- The second year of funding for Diversion First ($5.3 million)
- Additional Police Patrol positions to create more manageable levels of span of control per the Ad-Hoc Police Practices Review Commission and the Board-directed Consultant Study ($7.9 million)
- Continued implementation of the Public Safety Staffing Plan ($8.5 million)
- Additional funding for employment and day support for individuals with intellectual and developmental disabilities (Up to $6.7 million)
- Second phase of the Ad-Hoc Police Commission recommendations (on top of the Span of Control positions noted above, estimated at $7.0 million)

Many of these unfunded items relate to multi-year plans which we have spent considerable energy establishing. These plans were intended to inform the Board and our residents of the County's needs as well as establish reasonable, affordable approaches to fully implement them.

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However, based on our modest revenue growth, we have made slow progress on the public safety staffing initiative – with most of our progress related to the funding of additional Police patrol positions last year and funding expiring grant dollars for Fire and Rescue SAFER positions. Similarly, last year I included $7.5 million for the County's Diversion First program and to address recommendations from the Ad-Hoc Commission. As I noted earlier, I had hoped to include another $5.3 million in FY 2018 for Diversion First, but was not able to do so based on the limited resources available. With the economic outlook pointing towards continued modest revenue growth, we will need to re-examine these multi-year plans to determine if changes are warranted.

In addition, as I noted earlier, we are in the midst of the second phase of the Lines of Business exercise, focusing on projects that were developed during the educational phase of LOBs. Over this next year, we will be devoting significant time to these projects, which include working with Schools to examine funding for Systems of Care and Children's Services Act for redesign opportunities to incentivize efficiencies in placement, to examining the potential consolidation of design/build functions which reside in several County agencies, and to reviewing retirement benefits for new hires based on demographic trends and changes made to the systems of comparator jurisdictions since the last retirement study was completed in 2012. While the goal of some of these projects is to achieve budgetary savings in either the short or long-term, the goal of all of the projects is to work collaboratively across County agencies and with the Schools to create more efficient and cost-effective programs.

As the County's retirement systems have received considerable attention as of late, from citizens associations and the media, I feel it is important to provide additional information in this area. As I mentioned earlier, an examination of the retirement systems has been directed by the Board as a LOBs Phase 2 project. This review is expected to include the impact of the Virginia Retirement System (VRS) mandate on our potential options, a review of participant demographics, and an in-depth evaluation of specific benefit provisions, such as the Pre-Social Security Supplement and DROP (Deferred Retirement Option Plan). I want to assure the Board, and our residents, that we have made considerable progress in funding levels for our systems since the Great Recession and have a solid plan in place to achieve full funding status. As I noted in my memorandum to the Board dated February 1, 2017, funding for the retirement systems is best examined from a long-range perspective. Based on new accounting standards, funding ratios for pension systems are calculated using a market value, rather than a smoothed value of assets. As a result, volatility in the markets – which we have seen in recent years – results in volatility in the funding ratios. Therefore, it is important to look at long-term trends. Since the Great Recession, funding ratios have increased from a range of 57.7-65.7 percent to 70.2-81.4 percent. If we continue to follow the pension funding policy adopted by the Board in 2015, our external actuary projects that, based on current assumptions, our systems will be fully funded by FY 2034. As the Board is aware, we last made changes to benefit provisions of the systems effective January 1, 2013, as a result of a consultant study completed in 2012. Based on changes in benefits for our comparators – most notably the change for VRS from a defined benefit to a hybrid defined benefit/defined contribution plan – it is imperative that we take another look at our systems to determine if further adjustments are appropriate.

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As we begin discussing the budget it is always necessary to lay out the current economic outlook as the context in which my recommendations and your decisions will be made.

ECONOMIC OVERVIEW

Nationally

The U.S. economy continues to grow, albeit at a modest rate. For all of 2016, real Gross Domestic Product (GDP) grew at a preliminary rate of 1.6 percent, down from the 2.6 percent growth in 2015. This was the weakest performance since 2011. Consumer spending, which makes up more than two-thirds of economic activity, grew 2.5 percent in the fourth quarter, compared to 3.0 percent in the third quarter.

After increasing the target range for the federal funds rate for the first time in almost a decade back in December 2015, the Federal Reserve raised the rate again by a quarter-percentage point to a range of 0.50-0.75 percent in December 2016. This reflected Fed policy makers' confidence in the strengthening of the economy and the "considerable progress the economy has made" toward full employment and an inflation target of 2 percent. The Fed indicated that rates could continue to increase during 2017 more quickly than previously projected, most likely increasing by another 0.75 percentage point.

The pace of employment growth in 2016 slowed compared to 2014 and 2015. The U.S. economy added just over 2.2 million jobs in 2016 compared to 2.7 million in 2015. Wage growth was 2.9 percent for the year – the strongest since the recession. The unemployment rate was 4.7 percent as of December 2016.

Gains in home prices nationwide continued their rise in 2016, supported by low interest rates, declining unemployment, and rising disposable personal income. According to the S&P/Case-Shiller home price index, home prices were up 5.3 percent for the 12 months ending November 2016. Home prices in the Washington Metropolitan area posted a slightly more modest 3.7 percent gain during the same period.

Fairfax County

The County's economy has been stagnant in the past several years as it has been impacted by federal sequestration and defense budget cuts. The County's Gross County Product (GCP), adjusted for inflation, declined 1.3 percent in 2013, 1.1 percent in 2014, and a slight 0.1 percent in 2015. According to preliminary estimates from IHS, GCP increased at a rate of 1.9 percent in 2016.

Employment in Fairfax County fell 0.6 percent in 2013 and another 1.2 percent in 2014. This equated to almost 11,000 jobs lost over the two years. Many were in high-wage sectors such as professional services and the federal government. In 2015, the labor market in the County started to show improvement, which has continued through mid-2016. In June 2016, there were almost 6,900 more jobs in the County compared to June 2015, an increase of 1.1 percent. Industry sectors that created new jobs include Leisure and Hospitality, Education and Health Services, and

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Financial Activities. Employment in Professional and Business Services, which includes most federal contractors, lost over 12,500 jobs in 2013 and 2014 and remained flat for most of 2015. In June 2016, employment in this sector was up by almost 1,600 jobs. The County's unemployment rate is 3.2 percent as of November 2016.

Based on the latest available data, federal procurement contracts in the County decreased 2.6 percent in FY 2015 after improving slightly in FY 2014. Federal procurement spending in Fairfax County grew 13.3 percent per year from FY 2007 to FY 2011. It was flat in FY 2012 before dropping almost 13 percent in FY 2013. The FY 2015 level is 13.3 percent below FY 2012.

The Metropolitan Regional Information System (MRIS) reported that 15,755 homes sold in the County in 2016, up 6.1 percent from 2015. However, the average sales price of homes sold in Fairfax County rose just 0.1 percent from $544,055 in 2015 to $544,416 in 2016. Homes for sale were on the market 52 days before they sold, the same as in 2015. Since 2009, the average sales price of housing has risen 30.5 percent, although gains have flattened in recent years, with the average sales price increasing just 2.4 percent since 2013. In the County's nonresidential market, according to the Fairfax County Economic Development Authority, the direct office vacancy rate was 16.5 percent at mid-year 2016, up from 16.2 percent at year-end 2015. The mid-year 2016 vacancy rate was the highest since 1991 when the rate was 16.8 percent. The overall office vacancy rate, which includes empty sublet space, was 17.4 percent at mid-year 2016, an increase over the 17.2 percent recorded at year-end 2015. The amount of empty office space topped 20 million square feet. Industry experts anticipate vacancy rates to remain high through 2017 due to sluggish economic conditions and concerns about the federal budget as well as the national election, which historically has forestalled site location decisions. A further obstacle to filling office space is that employers today are leasing substantially less space per employee than in the past.

As of mid-year 2016, more than 2.4 million square feet of space were under construction in the County. Nearly 85 percent of the space under construction has been preleased, including build-to-suit projects for Capital One, MITRE, and Navy Federal Credit Union. Also, submarkets near Metro stations, especially Reston and Tysons on the Silver Line, have begun to see increased redevelopment activity as older buildings are demolished to make way for new development.

In the context of the current economic outlook, I will now provide additional details on the adjustments included in the FY 2018 budget and summarize the projections for FY 2019.

FY 2018 General Fund Budget Summary

The following table summarizes how the FY 2018 budget was constructed. Based on the current Real Estate tax rate of $1.13 per $100 of assessed valuation, $87.05 million in revenue was generated over FY 2017 levels. With $1.15 million in revenue adjustments associated with savings opportunities submitted by agencies and a small adjustment to Transfers In, a total of $88.10 million was available for FY 2018 requirements. Almost 58 percent of these resources – $50.95 million – is included for Schools Support, with the remainder used for County requirements. A balance of $1.99 million is available for the Board's consideration as decisions are made on the budget.

How was the FY 2018 General Fund Budget Built?
(in millions)

Available Revenue Increase in FY 2018 over the FY 2017 Adopted Budget Plan	
Revenue Increase at Current Real Estate Tax Rate	$87.05
Revenue Adjustments associated with Reductions	$1.15
Net Impact of Transfers In	($0.10)
Total Available	**$88.10**
FY 2018 Requirements	
Schools Support	**$50.95**
School Operating Transfer	$51.69
School Debt Service Transfer	($0.74)
County Requirements	**$45.39**
Employee Pay and Benefits	$32.58
Capital and Debt	$9.28
Public Safety	$9.26
Human Services	$3.10
Cost of County Operations	$3.03
Community Development	$0.41
Reductions/Savings	($12.27)
Reserve Adjustments	**($10.23)**
Total Uses	**$86.11**
Available for Other Critical Requirements	**$1.99**

See the "Adopted Budget Summary" section for details regarding the final budget approved by Board of Supervisors.

FY 2018 General Fund Revenue

FY 2018 General Fund revenues are projected to be $4,099,161,290, an increase of $77,163,896, or 1.92 percent, over the *FY 2017 Revised Budget Plan*, which contains the latest FY 2017 revenue estimates, and an increase of $88,199,216, or 2.20 percent, over the FY 2017 Adopted Budget Plan.

On the County's real estate front, residential equalization reflects a slight 0.68 percent increase in FY 2018, continuing the declining increases experienced since peaking at an 11-year high of 6.54 percent in FY 2015. Non-residential equalization reflects an increase of 1.85 percent, the second straight year of increases, but lower than the 2.87 percent growth experienced last year. The overall Real Estate tax base grew 1.89 percent.

The value of a penny on the Real Estate Tax rate is $23.75 million in FY 2018. Each penny change in the tax rate equals $53.32 on a taxpayer's bill. Given an average value of a residential unit of $533,168, the "typical" residential annual tax bill will rise, on average, $40.69 in FY 2018.

The *General Fund Revenue Overview* in the FY 2018 Overview volume has additional details on General Fund revenues.

FY 2018 General Fund Disbursements

FY 2018 General Fund disbursements are $4,103,204,793, an increase of $90,664,973, or 2.26 percent, over the FY 2017 Adopted Budget Plan and an increase of $27,185,856, or 0.67 percent, over the *FY 2017 Revised Budget Plan*. The increase over the Adopted budget is based on an increase of $50.95 million for Fairfax County Public Schools for Operating, Debt, and Construction, an increase of $45.39 million for County requirements, discussed in more detail below, and a decrease of $5.68 million as a result of lower required contributions to the Revenue Stabilization Fund.

I am also recommending 50 net new positions in the FY 2018 Advertised Budget Plan which are detailed below. It should be noted that 13 positions are proposed to be eliminated in FY 2018, primarily associated with savings opportunities identified by County agencies.

Increases over the FY 2017 Adopted Budget Plan are explained in the following pages, grouped into the following main categories:

- Fairfax County Public School (FCPS) Support
- County Requirements
- Reserve Requirements

Fairfax County Public School (FCPS) Support $50.95 million

Overall, County support to Fairfax County Public Schools – including County transfers to the School Operating, Debt Service, and Capital Contribution funds – total $2.17 billion. This level of funding represents an increase of $50.95 million, or 2.41 percent, over FY 2017 Adopted Budget Plan levels. Of the total projected revenue available in FY 2018, approximately 58 percent is allocated to support Schools.

The General Fund transfer to the Public School Operating Fund reflects a $51.69 million, or 2.70 percent, increase over the funding level in the FY 2017 Adopted Budget Plan. In this proposed budget, the percentage of the General Fund allocated to Schools increases from 52.7 to 52.8 percent, reflecting the continued importance of a strong education system in the County. The General Fund transfer to the School Debt Service fund is decreased by $0.74 million, or 0.39 percent from the FY 2017 level. The General Fund transfer to the School County Construction Fund is unchanged from FY 2017.

The County also provides additional support for the Schools in the amount of $83.4 million for programs such as Head Start, School Health, Behavioral Health Services, School Resource Officers, School Crossing Guards, after-school programming, field maintenance, and recreational programs, among others.

On February 9, 2017, the Fairfax County School Board requested an operating transfer of $2.03 billion for FY 2018 that would provide school employees step increases and a 1 percent market scale adjustment, meet the requirements of the Virginia Retirement System, implement a new non-teacher salary scale, and continue to implement changes to the teacher salary scale. This level of transfer would necessitate a $112.54 million, or 5.9 percent, increase over the FY 2017 Adopted Budget Plan General Fund transfer. This request would require an additional $61 million, or just over 2.5 additional cents on the Real Estate tax rate. In total, the requested increase in the School Operating transfer is almost $25 million more than the total available revenue in FY 2018.

County Requirements $45.39 million

Overall, County disbursements (excluding Schools transfers and the transfer to the Revenue Stabilization Fund) total $1.93 billion, an increase of $45.39 million, or 2.41 percent, over the FY 2017 Adopted Budget Plan. Details for the most significant adjustments are provided below.

Employee Compensation (Pay and Benefits) $32.58 million

The FY 2018 Advertised Budget Plan includes funding for performance and longevity increases for general County employees and merit and longevity increases for uniformed public safety employees. Additionally, salary increases targeted for specific job classes as a result of market benchmark studies and the increase in the living wage as approved by the Board as part of the *FY 2016 Carryover Review* are funded. No funding is included for the Market Rate Adjustment, calculated at 1.65 percent. Total funding for employee pay equals $23.51 million.

- **General County Performance/Longevity Increases**

  Funding of $12.27 million support General County employee pay increases included in the budget reflecting the performance and longevity program for all eligible General County employees approved by the Board of Supervisors in fall 2014 and implemented in FY 2016. The funding reflects increases effective July 2017 for graduated performance increases, based on where employees are on the pay scale, and the 4 percent longevity increases provided to employees who reach 20 or 25 years of service. In FY 2018, all employees reaching 20 or 25 years of service as of June 30, 2017 will receive a 4 percent increase. Employees receiving a longevity award do not also receive a performance award. The performance increases range from 3 percent for employees within 15 percent of the bottom of the pay scale to 1.25 percent for employees within 25 percent of the top of the pay scale. The average increase in FY 2018 is 2 percent.

- **Public Safety Merit/Longevity Increases**

  Funding of $9.82 million is included for public safety pay increases which reflect merit and longevity increases for all eligible public safety employees. The funding reflects the full-year impact of merit and longevity increases provided to uniformed employees in FY 2017 and the partial-year costs for merit and longevity increases provided to uniformed employees in FY 2018 since all increases are effective on the employee's anniversary date. Funding also reflects the full-year impact of the elimination of the two-year hold at Step 8 in the uniformed public safety pay plans as approved as part of the FY 2017 Adopted Budget Plan. Merit increases are awarded to public safety employees as they progress through the pay scale. Public safety employees who have reached a length of service (15 and 20 years) milestone and have reached the top step of their pay scale are eligible for longevities. Merit and longevity increases are each 5 percent for public safety employees. In any given year between 40 and 50 percent of public safety employees are eligible for one or the other.

- **Other Salary Adjustments**

  A net increase of $1.42 million is included for salary increases as a result of the County's benchmark class survey and the full-year impact of the living wage increase. Of the 68 benchmark job classes examined, 8 surveyed classes were below the competitive market threshold of 95 percent of the external market salary range midpoint average. Employees in job classes linked to the affected surveyed classes receive increases of 1.5 or 3.0 percent of the new salary grade midpoint. The General Fund impact in FY 2018 is $1.23 million. Additionally, $0.19 million is included for the full-year impact of the living wage increase. As part of the *FY 2016 Carryover Review*, the Board of Supervisors increased the living wage from $13.13 to $14.50 per hour. The living wage applies to merit employees and limited-term employees scheduled to work 1,039 hours or more per year.

- **Retirement Funding**

  The FY 2018 budget includes a net increase of $4.72 million in Employee Benefits for employer contributions to the retirement systems. Of this amount, an increase of $8.57 million is related to employer contribution rate adjustments based on fiduciary requirements and the County's pension funding policy approved by the Board of Supervisors in April 2015. The increase is offset by $3.85 million in savings based on year-to-date experience.

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Adjustments to the employer contribution rates are based on an actuarial experience study conducted in FY 2016 to review the actual experience over the preceding five years. As a result of that study, a number of assumptions were revised, including a reduction to the assumed long-term rate of return of the systems from 7.5 percent to 7.25 percent, a corresponding reduction to the projected rate of inflation, and adjustments to the mortality table. These changes, along with the results of the annual actuarial valuation based on FY 2016 experience, result in a cost of $6.19 million. In addition, $2.38 million is included for a change in the amortization schedule to increase the amortization level from 97 percent to 98 percent based on the County's pension funding policy and the commitment to include amortization of 100 percent of the unfunded liability in the actuarially determined contributions for each of the systems by FY 2020. Overall, these changes result in a net increase in the employer contribution rate for the Employees' system and a net decrease in the employer contribution rates for the Police Officers and Uniformed systems. However, based on the County's commitment to not reduce employer contribution rates to the systems until they have reached 100 percent funding, the rates for the Police Officers and Uniformed systems will be maintained at the FY 2017 levels.

All three systems failed to reach the 7.5 percent assumed rate of investment return in FY 2016. (As noted above, the 7.5 percent rate was reduced to 7.25 percent for FY 2017 as a result of the experience study.) The Employees' system was down 0.4 percent, the Uniformed system was down 0.8 percent, and the Police Officers system returned 1.0 percent. These returns reflected a difficult year for investments as the markets experienced periods of volatility. The FY 2016 investment results, contribution levels, and liability experience, as well as the assumption changes resulting from the five-year experience study, affected the funding ratios as demonstrated in the table below. The table below displays the market value of each system's assets as a percentage of the total plan liability as published in the County's Comprehensive Annual Financial Report (CAFR) and based on new requirements from the Governmental Accounting Standards Board (GASB).

	June 30, 2015	June 30, 2016
Employees'	74.2%	70.2%
Uniformed	81.0%	77.2%
Police Officers	84.8%	81.4%

It should be noted that since these calculations utilize asset figures as of a point in time (not smoothed as under previous methodologies), the funding ratios calculated are subject to volatility based on market returns.

In addition, this is the second year of a Board-directed 3-year plan to enhance benefits for service-connected disability retirees by eliminating the Social Security offset in the Employees' and Uniformed systems. A reduction to the offset from 10 percent to 5 percent in FY 2018 will not impact the FY 2018 employer contribution rates, though a nominal increase in the rates may be required for the final step in the elimination of the offset. However, following Board policy to fully fund any increase in liability that results from a benefit enhancement in the year that the enhancement is approved, an increase of $1.4 million will

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be included as part of the *FY 2017 Third Quarter Review* to fund the increased liability resulting from this decrease in the Social Security offset for service-connected disability retirees.

- **Retiree Health Benefit Subsidy**

  An increase of $0.49 million in the General Fund transfer to Fund 73030, OPEB (Other Post-Employment Benefits) Trust Fund, is included to increase the retiree health benefit subsidy by $10 per month. This benefit, last increased in FY 2006, provides monthly subsidy payments to eligible retirees to help pay for health insurance in a County health plan. The current monthly subsidy commences at age 55 and ranges based on years of service from $30 (5 to 9 years of service) to $220 (25 or more years of service) per month. The proposed monthly subsidies would range from $40 to $230 per month. It should be noted that the total transfer to the OPEB Trust Fund is decreased by a net of $5.51 million in FY 2018, reflecting this increase and a $6.00 million savings, discussed later in the *Reductions and Savings* section, based on continued savings resulting from the County's participation in an Employer Group Waiver Plan (EGWP). In the past two years, the transfer has been reduced by a total of $16 million because of the EGWP implementation, providing an opportunity to propose an increase in the retiree health benefit subsidy in FY 2018.

- **Health Insurance and Other Benefits**

  A net increase of $3.86 million in Employee Benefits is primarily due to the full-year impact of calendar year 2017 premium increases and costs associated with a projected 7 percent premium increase for all health insurance plans, effective January 1, 2018. It should be noted that these premium increases are budgetary projections only, and final premium decisions will be made in the fall based on updated claims experience. The increase also reflects an adjustment to the County transfer to Fund 40040, Fairfax-Falls Church Community Services Board, for fringe benefit support. These increases are partially offset by projected savings in fringe benefits based on year-to-date experience.

Capital Construction and Debt Service $9.28 million

The increase in funding for Capital Construction and Debt Service is $9.28 million. This increase represents increased debt service requirements in FY 2018. General Fund support for the Capital Construction program remains consistent with FY 2017 levels except for a proposed $100,000 reduction which is included in the *Reductions and Savings* section discussed later.

The FY 2018-FY 2022 Capital Improvement Program (CIP) totals $10.0 billion. The total bond program within the CIP is $1.9 billion (includes both General Obligation and Economic Development Authority bonds), and the CIP bond program is managed within the County's debt ratios. CIP highlights include the review and analysis associated with the long-range Bond Referendum Plan and the County's debt capacity, as well as the efforts underway due to the establishment of the capital sinking reserve funds.

- **Capital Construction**

  Capital Construction is primarily financed by the General Fund, General Obligation bonds, fees, and service district revenues. General Fund support in FY 2018 totals $19,441,876. This represents a decrease of $100,000 from the FY 2017 Adopted Budget Plan based on the proposed elimination of funding for the Emergency Directive Program. Additional information on this proposed reduction is provided at the conclusion of this letter.

A strong capital program is necessary to sustain County services and, as a result of revenue constraints in recent years, contributions have not kept pace with County needs. Consistent with the approach taken as part of the FY 2017 Adopted Budget Plan, baseline increases in General Fund support have not been included in the FY 2018 recommendation. Instead, increased General Fund support will be recommended as part of the *FY 2017 Third Quarter Review* to address critical infrastructure replacement and upgrade projects that have been classified as Category F – urgent and/or safety-related – and required Americans with Disabilities Act (ADA) compliance. Significant capital investment requirements continue to be deferred, such as County and Parks infrastructure replacement and upgrades, revitalization maintenance, and trails and sidewalks. We will continue to partially depend upon year-end balances to address some capital and maintenance requirements. While providing one-time funding for these types of projects as part of quarterly reviews helps prevent us from falling further behind, recurring baseline funding is the only mechanism to ensure that we have adequate resources dedicated to our capital program.

FY 2018 Capital Construction/Paydown Summary[1]

	Commitments, Contributions and Facility Maintenance	Paydown	Total General Fund Support
Athletic Field Maintenance and Sports Projects	$4,435,338	$1,700,000	$6,135,338
Park Authority Inspections, Maintenance and Infrastructure Upgrades	$960,000	$1,690,000	$2,650,000
Environmental Initiatives	$535,000	$0	$535,000
On-Going Development, Infrastructure Maintenance and Revitalization	$2,595,000	$0	$2,595,000
Payments and Obligations	$4,400,585	$0	$4,400,585
County Infrastructure Replacement and Upgrades	$0	$1,825,953	$1,825,953
Reinvestment, Repair, and Emergency Maintenance of County Roads and Walkways	$0	$1,100,000	$1,100,000
Developer Default Improvements	$0	$200,000	$200,000
Total General Fund Support	**$12,925,923**	**$6,515,953**	**$19,441,876**

[1] Reflects General Fund support. Other funding sources such as dedicated revenue and bond funding are not included in these totals.

Details about the Capital program are available in the *Capital Projects Overview* of the Overview volume.

- **Debt Service**

In addition to requirements associated with School debt service, FY 2018 General Fund support of County debt service requirements is $146.04 million, an increase of $9.28 million over the FY 2017 Adopted Budget Plan. The FY 2018 funding level supports debt service payments associated with existing and anticipated debt service requirements, including the

$258.9 million in General Obligation bonds sold in January 2017. In addition and based on the Board's policy concerning reserves, the refunding savings of $0.80 million to be generated in FY 2018 from the Series 2015 B, Series 2015 C, and Series 2016 A General Obligation refunding bond sales will be transferred to the Revenue Stabilization Fund. These savings are one-time and will help the County reach its revised reserve goals. During FY 2018 it is anticipated that a General Obligation bond sale that will not exceed $275 million will be conducted to fund cash requirements for on-going capital projects for School and County purposes. This bond sale estimate is consistent with the FY 2018-FY 2022 Advertised Capital Improvement Program (With Future Fiscal Years to 2027).

As part of the guidance approved by the Board for the FY 2018 budget, staff was directed to analyze a possible increase in the annual bond sales limit from its current level of $275 million to accommodate a potential increase in the annual School bond capacity from its current level of $155 million. Staff has reviewed the debt capacity as it relates to an increase of the FCPS bond sales and, given the lack of funding to support the debt service associated with a sales limit change and projected debt ratio impact, I am not recommending an increase in the $275 million limit in FY 2018.

For several years I have believed that the time to consider raising the sales limit was near. The sales limit was last raised from $200 million to $275 million in FY 2007. Raising the sales limits will be necessary in the near future to address the growing FCPS and County capital requirements, and staff will review the impact of potential changes in the sales limits again next year.

Public Safety — $9.26 million and 26 Positions

Public safety priorities for FY 2018 include funding related to recommendations of a Board-directed review of the Police organizational structure and uniformed Police and Sheriff pay plans. In addition, consistent with adjustments in prior years, funding is included to support new positions for the new South County Police station and to replace expiring grant funding for the Fire and Rescue Department. It should also be noted that the recommended budget includes baseline funding for the previously approved Department of Animal Sheltering and Office of the Independent Police Auditor. Important priorities not funded include the second tranche of funding for Diversion First and the Ad-Hoc Police Practices Review Commission; Police positions regarding Span of Control, consistent with recommendations from the Ad-Hoc Commission and the Board-directed consultant study; continued implementation of the Public Safety Staffing Plan; and increased contributions to the Fire and Rescue large apparatus replacement reserves.

- **Public Safety Compensation and Organization Study**

  As part of budget guidance adopted the past two years, the Board of Supervisors directed staff, with the assistance of an outside consultant, to provide analysis and develop recommendations related to the operational and administrative structure of the Police Department, as well as to examine uniformed Police and Sheriff salaries. As part of the October 4, 2016, Personnel Committee meeting, recommendations from the consultant study, which were consistent with those of the Ad-Hoc Police Practices Review Commission, were presented to the Board. Funding for two of those recommendations is included in the FY 2018 Advertised Budget Plan:

- **Police Department Organizational Review**
  An increase of $0.79 million and 18/18.0 FTE positions is associated with adjustments made following a review of the Police Department's organizational structure. These additional relief Sergeant positions are critical and will provide a regular resource to fill operational vacancies. It is important to note that due primarily to operational requirements including the significant lead time to hire new staff, approximately two-thirds of the full-year funding amount required to implement the Relief Sergeant effort is not required in FY 2018. As a result, additional funding of $1.57 million is estimated to be required as part of the FY 2019 budget to support this initiative; however, this figure may be partially offset by overtime savings.

- **Uniformed Police and Sheriff Pay Scale Adjustments**
  An increase of $2.71 million is associated with adjustments to the pay plans for uniformed Police and Sheriff personnel. These adjustments will provide greater consistency in the O-scale and C-scale pay plans, both in terms of step increases as employees advance through the pay range based on longevity and in terms of the spread between job classes in the organizational structure. Funding required is associated with the slotting of current employees on the newly restructured pay plans.

♦ **Fair Labor Standards Act (FLSA) Ruling**

An increase of $2.30 million is required to cover costs associated with a United States Court of Appeals ruling which stated uniformed employees in the Fire and Rescue Department (FRD) at the rank of Captain I and Captain II do not fall within the executive or administrative exemptions for the FLSA overtime requirement because management is not their primary duty.

♦ **Partial-Year Funding for Fire and Rescue SAFER Staffing**

An increase of $2.06 million in the Fire and Rescue Department is required to cover the partial-year costs associated with 18/18.0 FTE positions currently being funded by a Staffing for Adequate Fire and Emergency Response (SAFER) grant which will expire in FY 2018. These positions have allowed the department to complete the initiative of having a fourth person on all 14 ladder truck companies. Four-person truck staffing has enhanced FRD's ability to establish on-scene firefighting, rescue, and medical emergency services in a more timely and efficient manner, with the right amount of personnel, thus reducing property loss and risk of firefighter injury or death.

♦ **South County Police Station**

An increase of $0.93 million and 5/5.0 FTE positions in the Police Department is required for the second year of a multi-year strategy to fully fund the opening of a new police station and animal shelter in South County approved by a Public Safety bond referendum in November of 2015. These positions are in addition to the 15 positions added in FY 2017. Initial estimates indicate that 70 uniformed positions will be required to fully staff this station when it opens in spring/summer 2021. Based on the large number of staff required, and the significant lead time (18-24 months) associated with hiring and training new recruits, staff are being added over a multi-year period. It is anticipated that an additional 50 uniformed positions will be required over the next three fiscal years. This phased-in approach will allow the department to gradually hire and train new recruits.

- **Internal Affairs Bureau Staffing**
  An increase of $0.38 million and 2/2.0 FTE positions in the Internal Affairs Bureau of the Police Department is required based on increased workload associated with the establishment of an Office of the Independent Police Auditor as approved by the Board of Supervisors on September 20, 2016, and previously adopted recommendations of the Ad-Hoc Police Practices Review Commission's Use of Force Subcommittee. These actions will result in increased investigative workload as detective supervisors will be tasked with ensuring timely completion of administrative investigations, increased public reporting requirements, supporting the Office of the Independent Police Auditor by gathering and reviewing documentation, conducting redactions, providing data, and supporting the Civilian Review Panel with similar workload requests.

- **Illegal Signs in the Right-of-Way Inspector**
  An increase of $0.09 million and 1/1.0 FTE position is required in the Department of Code Compliance (DCC) to support the growing workload of the Illegal Signs and Advertising in the Right-of-Way Program. Under a 2013 agreement with the Virginia Department of Transportation, the Sheriff's Community Labor Force (CLF) collects signs illegally posted along roadways and, in January of 2016, DCC began enforcement actions on signs collected by the CLF. At the direction of the Board of Supervisors in November 2016, the Illegal Sign Program is now monitoring a total of 99 roads. It should be noted that the full cost of this position is anticipated to be offset by revenue collected as the result of enforcement for no net impact to the General Fund.

Human Services — $3.10 million and 13 Positions

Increases included for Human Services priorities are directly related to previous actions taken by the Board of Supervisors to support individuals with disabilities, to encourage healthy family environments, and to combat human trafficking and domestic violence. Significant unfunded items include additional support for employment and day services for those with intellectual (ID) and developmental disabilities (DD), pending policy discussions in the spring. Additionally, no contract rate increases are funded in this proposal.

- **Fairfax-Falls Church Community Services Board Support Coordination**
  An increase of $2.30 million and 12/12.0 FTE positions, including baseline funding of $1.2 million to reflect funding approved by the Board of Supervisors as part of the *FY 2016 Carryover Review*, is required primarily to provide mandated case management services to support individuals with developmental disabilities (DD) in the community and comply with current state and federal requirements, primarily those pursuant to the Department of Justice Settlement Agreement and implementation of Virginia's Medicaid Waiver redesign, effective July 1, 2016.

- **Expand Healthy Families Fairfax Program**
  As previously approved by the Board of Supervisors as part of the *FY 2016 Carryover Review*, funding of $0.67 million in the Department of Family Services is included in order to

appropriate additional federal revenue to expand the Healthy Families Fairfax (HFF) program. HFF is an accredited home visiting program offering families at risk of maltreating their child an opportunity to learn parenting skills and receive emotional support and case management services. The state has provided additional federal pass-through funding to Fairfax County for HFF in order to increase the number of families being served. The expenditure increase is completely offset by revenue for no net impact to the General Fund.

- **Position for Human Trafficking Prevention**
  An increase of $0.13 million and 1/1.0 FTE position is included for a Human Trafficking Policy and Prevention Specialist in the Department of Family Services. This position will be created in response to recommendations from the Board of Supervisors-initiated Sexual Violence Task Force and testimony at public hearings that highlighted the impact of human trafficking on victims and families. This position will serve as the primary point of contact on sexual violence and human trafficking in Fairfax County and will work to engage the community to ensure that victims have access to advocacy and support services, perpetrators are held accountable for their actions, and that prevention and educational programs are offered throughout the community.

Cost of County Operations $3.03 million and 17 Positions

Funding in this category is primarily attributable to required maintenance and operational requirements at the new Public Safety Headquarters as well as lease and maintenance costs for other County facilities. In addition, baseline funding is included for actions taken as part of the *FY 2016 Carryover Review*. It should be noted that no additional funding has been included for information technology investments – an area where we have greatly reduced General Fund support over the past few years. I plan to recommend funding some important one-time information technology projects as part of the upcoming *FY 2017 Third Quarter Review*.

- **Freedom of Information Act Related Staffing**
  An increase of $0.90 million is included to support full-year funding for the Office of Public Affairs, Office of the County Attorney, and Department of Information Technology resulting from adjustments approved as part of the *FY 2016 Carryover Review* to support Virginia Freedom of Information Act (FOIA) requirements.

- **Funding for Operations/Maintenance at the Public Safety Headquarters**
  An increase of $0.71 million and 3/3.0 FTE positions in the Facilities Management Department are included to support operations and maintenance at the Public Safety Headquarters facility. The Public Safety Headquarters is a new 274,000 square foot facility, scheduled to be substantially complete in late winter/early spring 2017. The building will serve as the new headquarters for the Police and Fire and Rescue Departments. Funding supports 3/3.0 FTE maintenance positions which will address daily service and general maintenance requirements for HVAC systems, chillers, heat-pumps, boilers, furnaces, air conveyance systems, and control systems.

See the "Adopted Budget Summary" section for details regarding the final budget approved by Board of Supervisors.

- **Lease Adjustments**
  A net increase of $0.50 million in the Facilities Management Department is included for lease requirements in FY 2018 based on annual lease escalation rates projected in the 2 to 5 percent range.

- **Contributory Fund**
  A net increase of $0.31 million in the General Fund transfer to Fund 10030, Contributory Fund, is primarily attributable to an increase for the Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence, known collectively as Birmingham Green, based on actual costs and utilization rates at the facility. Other increases in the fund are based on legal requirements, per capita calculations, contractual or regional commitments, or membership dues. In addition, a contribution to the Northern Virginia Emergency Response System is included in the FY 2018 baseline, consistent with the actions taken as part of the *FY 2016 Carryover Review*.

- **Funding for Security at the Original Mt. Vernon High School**
  An increase of $0.08 million in the Facilities Management Department is included for security requirements at the Original Mt. Vernon High School. The Original Mt. Vernon High School facility is a 149,607 square foot facility, including a two-tiered theater/auditorium, administrative offices, classrooms, a library, a full service cafeteria, gymnasiums with locker rooms, multiple playgrounds, music and shop buildings, and an annex building. This increase will support one additional full-time contracted security officer, for a total of two full-time security officers at the site.

- **Other Adjustments**
  A net increase of $0.53 million includes adjustments to support increases in charges related to the Colchester Wastewater Treatment Facility in Unclassified Administrative Expenses (Public Works); to support additional security and DriveCam licenses in the Fairfax County Park Authority; and to support 1/1.0 FTE new position in Fund 60010, Department of Vehicle Services, to meet maintenance requirements based on an increased number of vehicles. In addition, it should be noted that 13/13.0 FTE new positions supported by other funding sources, with no net cost to the General Fund, are included to support Capital Facilities, Stormwater, and Sewer operations.

Community Development $0.41 million and 7 positions

Community Development priorities include position support for a comprehensive Zoning Ordinance review, a new sign program for infill development, and transportation operations. No increase in General Fund support for Metro in FY 2018 is required. However, additional information regarding Metro, including budgetary challenges in FY 2019 and beyond, is included below.

- **Zoning Ordinance Review and Update**
  An increase of $0.26 million and 2/2.0 FTE positions in the Department of Planning and Zoning will support the start of a comprehensive review of the Zoning Ordinance needed to respond to emerging trends like peer-to-peer home stay networks and building repurposing.

Staff will work with the Board to establish a value-added, targeted work plan to update portions of the Zoning Ordinance.

- **Infill Tree Sign Program**
  An increase of $0.14 million and 1/1.0 FTE position in Land Development Services is included to support a new sign program for infill development. Virginia Code §15.2-961.2, as discussed with the Board of Supervisors on October 11, 2016, permits localities to post signs when infill grading plans are filed. This increase supports the creation of a position to answer inquiries generated by signs and contracted services to install approximately 1,000 signs annually.

- **Transportation Positions**
  An increase of 4/4.0 FTE new positions, with no net funding impact to the General Fund, are included to support Transportation operations. These positions include two positions in Fund 40010, County and Regional Transportation Projects, to handle the increased project workload related to HB 2313 revenues including Route 1 planning, utility coordination, traffic engineering, and engineering design. Another two positions in the Department of Transportation, but being charged to Fund 40000, County Transit Systems, are included to provide oversight for planning, construction, and ongoing maintenance resulting from new facilities and expansion in major transit facilities, as well as to provide assistance in coordinating safety and security initiatives and program activities for bus operations.

WMATA (Washington Metropolitan Area Transit Authority)
As mentioned earlier, we will need to address significant increased funding obligations for Metro beginning in FY 2019. Specifically, with the backdrop of Safetrack, the WMATA General Manager's FY 2018 Advertised Budget contains dramatic increases in spending to address aging infrastructure to help the system reach a state of good repair. Per the terms of the WMATA funding compact, these costs, as in the past, would be spread among the regional jurisdictions.

Historically, the County has relied on modest General Fund support, state aid and gas tax receipts, and General Obligation bonds to meet our share of operating and capital expenses for WMATA. State aid and gas tax represent the County's share of these revenues held on behalf of the County by the Northern Virginia Transportation Commission (NVTC). In FY 2018, we are able to manage increases with no General Fund impact. To cover an increase of almost $20 million in operating requirements, $25 million more in state aid is utilized, partially offset by reduced gas tax, in order to maintain the General Fund transfer at the FY 2017 level. Capital requirements are increased over $60 million in FY 2018. This increase is anticipated to be met through the use of WMATA financing, with associated debt service due beginning in FY 2019.

Certainly, we are still in the early stages and there are many discussions and decisions to be made before the WMATA budget is adopted. However, I cannot overstate the significant impact that these changes may have for the County. Accumulated state aid balances are declining, with some projections indicating that balances will not be available to offset County expenses as early as FY 2020. FY 2019 and future years will require significant increases in County contributions which are not sustainable within existing revenue resources. We will continue to monitor this situation and will brief the Board as necessary at upcoming Budget Committee and Transportation Committee meetings on the options available for future year funding decisions.

Reductions and Savings ($12.27) million and (13) Positions

Total disbursement savings included in the FY 2018 Advertised Budget Plan total $12.27 million, which – when combined with increased revenues of $1.15 million associated with proposed revenue enhancements – result in net savings of $13.42 million. These savings are related to reduction opportunities submitted by agencies, which total $5.93 million, and other opportunities identified for FY 2018, which total $7.49 million.

- **Agency Opportunity and Efficiency Savings**

  As part of the development of the FY 2018 budget, agencies were challenged to identify savings opportunities through increased efficiencies, the analysis of past spending trends, and potential revenue enhancements. In total, including increased revenues, these savings total $5.93 million. Examples of the savings opportunities proposed in the FY 2018 budget include:

  - Reducing personnel services budgets based on historical spending patterns and savings resulting from position vacancies and turnover. *Over $1.1 million is identified in various agencies.*

  - Scrutinizing operating expense budgets to identify areas where costs can be reduced by taking advantage of process or technological efficiencies, by recognizing recurring savings based on spending trends, or by reducing printed materials in favor of online resources. *Proposed reductions include elimination of printing of the County's Advertised and Adopted Budgets and the Comprehensive Annual Financial Report, as a well as the elimination of printing and mailing of the Benefits Annual Enrollment guide to active employees.*

  - Reviewing areas where fees can be implemented or increased based on County resources used to perform the work and examination of charges in neighboring jurisdictions. *Proposed revenue enhancements include implementing application fees for the public and telecommunications review processes based on the staff time required to complete the reviews and the cost structures implemented in other jurisdictions, and introducing a Cost Recovery Charge in the Illegal Sign Program to offset staff costs.*

  - Reviewing areas where dedication of additional staff time can result in increased revenue generation. *Proposed reductions include devoting additional limited term support to the Car Tax Subsidy Compliance and Target Programs to collect additional personal property tax revenue.*

  - Focusing on areas identified by the Board through the Lines of Business process to identify areas for efficiency and savings. *As discussed at the January 31 Budget Committee meeting, savings are included as a result of further utilization of the Community Labor Force by the Park Authority. Additionally, in the first step of a more comprehensive review of privatization options for Fairfax-Falls Church Community Services Board day treatment and residential services, proposed reductions are included to utilize existing community providers and eliminate direct service for the Youth Day Treatment Program, serving youth with serious emotional disturbance or co-occurring substance use disorders, and the Community Readiness and Support Program, for adults with serious mental illness, substance use, and/or co-occurring disorders. Other LOBs Phase 2 projects are ongoing and include coordination and collaboration with Fairfax County Public Schools.*

A full list of agency reductions included in the FY 2018 budget follow this letter.

Additional savings of $7.49 million were identified in the County's transfer to the OPEB (Other Post-Employment Benefits) Trust Fund, savings in fuel based on projected costs, and savings resulting from a reorganization in the Department of Public Works and Environmental Services, as described in further detail below.

- **OPEB Savings**
  A $6.00 million reduction in the General Fund transfer to the OPEB Trust Fund is primarily due to continued savings realized from the implementation of an Employer Group Waiver Plan (EGWP) for Medicare retiree prescription drug coverage in January 2016. The EGWP is a standard Medicare Part D plan with enhanced coverage. By implementing an EGWP, the County is able to maximize prescription drug subsidies from the federal government and pharmaceutical manufacturers. This change has had a significant impact on the County's GASB (Governmental Accounting Standards Board) 45 liability, as GASB accounting rules allow EGWP revenue to directly offset plan costs in the GASB valuation, impacting the actuarial accrued liability, whereas the previous model could not be reflected in the liability calculations. In the past two years combined, the County transfer to the OPEB Trust Fund has been reduced by $16 million, primarily as a result of the EGWP implementation.

- **Fuel Savings**
  Savings of $0.85 million in fuel is realized based on ongoing analysis of current costs and usage. In FY 2017, the budget was developed using an unleaded price of $1.94 per gallon and a diesel price of $2.00 per gallon. The FY 2018 budget estimates $1.71 per gallon for unleaded and $1.80 per gallon for diesel. These rates reflect an average decrease of $0.21 from the FY 2017 level and are based on the price of fuel in recent months.

- **DPWES Cost Realignment**
  Savings of $0.64 million are based on a comprehensive analysis of past experience and actual costs related to the cost recovery efforts of select personnel and management costs from Department of Public Works and Environmental Services (DPWES) enterprise funds.

Reserve Requirements ($10.23 million)

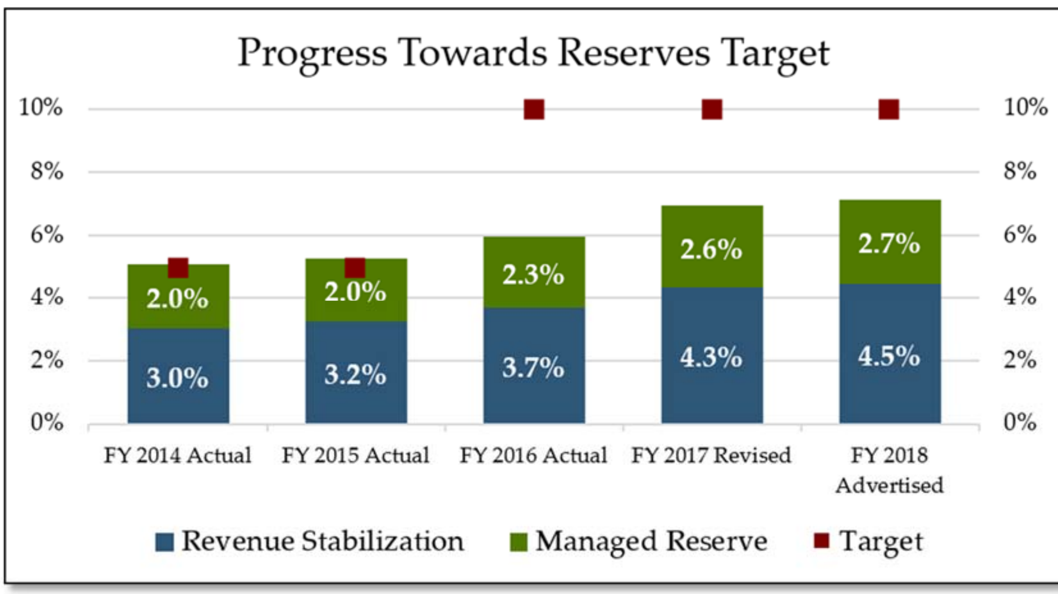
Per the Reserve Policy approved by the Board of Supervisors in April 2015 and included in the County's *Ten Principles of Sound Financial Management*, 10 percent of the disbursement increases included in the FY 2018 Advertised Budget Plan are set aside in the County's Revenue Stabilization and Managed Reserves. Based on the smaller growth included in the FY 2018 Advertised budget (overall disbursement increase of 2.26 percent over the FY 2017 Adopted Budget Plan) than the growth in FY 2017 (5.05 percent over the FY 2016 Adopted Budget Plan), reserve requirements are lower than last year, resulting in a $10.23 million savings to the General Fund.

General Fund Disbursements are increased $90.66 million over the FY 2017 Adopted Budget Plan. As a result, $9.07 million – or 10 percent of this increase – is included as contributions to reserves.

- **Revenue Stabilization Reserve**
  A contribution of $5.03 million is included as a transfer from the General Fund to Fund 10010, Revenue Stabilization. This contribution is a decrease of $5.68 million from the FY 2017 Adopted Budget Plan transfer. It should also be noted that a transfer of $0.80 million from Fund 20000, Debt Service, is included as a result of savings generated from refunding bond sales based on the new reserve policy. The Revenue Stabilization Reserve is targeted to be 5 percent of General Fund Disbursements.

- **Managed Reserve**
  A contribution of $4.03 million is included and held in balance in the General Fund. This contribution is a decrease of $4.55 million from the FY 2017 Adopted Budget Plan contribution. The Managed Reserve is targeted to be 4 percent of General Fund Disbursements.

Totals in the Revenue Stabilization Reserve and Managed Reserve have increased from 5 percent in FY 2014 to over 7 percent in FY 2018. It should be noted that the Economic Opportunity Reserve, with a target of 1 percent of General Fund Disbursements, will not be funded until the other two reserves reach their respective targets.



FY 2018 BUDGET: ALL FUNDS

As always, our focus is on the General Fund and its impact on our residents and businesses, but it is important to recognize that there are other funds through which important services are provided to the community. All appropriated fund revenues in the FY 2018 Advertised Budget Plan total $7.99 billion. This County revenue total is an increase of $30.96 million, or 0.39 percent, over the FY 2017 Adopted Budget Plan. On the expenditure side, the FY 2018 Advertised Budget Plan for all appropriated funds totals $7.59 billion and reflects an increase of $118.72 million, or 1.59 percent, over the FY 2017 Adopted Budget Plan.

Additional detail concerning non-General Fund revenues, expenditures, and positions for appropriated funds is available in the *Financial and Statistical Summary Tables* section of the Overview. Information on non-appropriated funds is located in Volume 2 of the County Budget.

LOOKING FORWARD

While most of the discussion over the next few months will be specifically focused on funding needs in FY 2018, it is imperative that we also look forward, as there are significant challenges that lie ahead.

FY 2019 Fiscal Forecast

For FY 2019, based on current estimates including another year of modest growth in real estate values, General Fund revenue is projected to increase $81 million, or 1.98 percent, at the current Real Estate tax rate of $1.13 per $100 of assessed value. This level of growth is only slightly higher than the 1.92 percent growth rate – over the *FY 2017 Revised Budget Plan* – seen in FY 2018. Between this estimated increase in revenues and a small savings as a result of reserve adjustments, available resources would allow both County disbursements and County support for the Fairfax County Public Schools to increase by approximately 2 percent. After adjustments for debt service requirements, $31.04 million would be available for County funding priorities and the transfer for School operations would increase $36.31 million.

County expenditure requirements, on the other hand, are estimated to increase by $126.39 million. This includes full funding for our compensation plan, including an assumed 1.5 percent market rate adjustment, as well as funding and positions to continue the multi-year implementation of the Public Safety Staffing Plan, the next phase of the School Readiness initiative, the next tranche of positions for the South County Police station, and the second full-year of Diversion First. In total, 156 additional positions are included in the FY 2019 forecast.

Based on available resources and projected requirements, the FY 2019 projected County budgetary shortfall is $95.85 million, indicating that FY 2019 will be another challenging budget year. Based on these preliminary estimates, the funding available to the County of just over $31 million would not be sufficient to cover the County's base compensation plan which totals over $40 million excluding the impact of any adjustments resulting from market studies. In the fall, we will be presenting an updated forecast to the Board of Supervisors and the School Board in order to set the stage for the development of the FY 2019 budget. In the meantime, however, we will continue to update the Board on specific issues that may impact the FY 2019 budget, such as

Metro discussed earlier. Additionally, impacts resulting from LOBs Phase 2 projects may also impact our projections for next year.

Budget Drivers

As you review the budget information in detail that follows, please do so in the context of the Countywide dashboard information presented below. The figures cited in the overall County dashboard, and the individual agency dashboards, are a combination of key outputs, indicators or statistics. Drivers will naturally change over time and these drivers will be built into the annual budget process and into needs discussions with the community. This visual representation of what is driving the County's budget will improve the communications with the community and the Board as it relates to specific budget requests.

When we discuss what is driving our overall County needs, we must remember:

COUNTYWIDE DASHBOARD				
	Key Data	FY 2017	FY 2018	FY 2019
1.	Residential Real Estate Equalization	1.64 percent	0.68 percent	1.00 percent
2.	Commercial Real Estate Equalization	2.87 percent	1.85 percent	1.00 percent
3.	Office Vacancy Rates - Direct/with Sublets	16.2%/17.2%[1]	16.5%/17.4%[2]	16.5%/17.4%[2]
4.	Projections for School Enrollment Growth/ cost of growth and demographic changes	(1,703)/ ($6.7) million	1,932/ $10.0 million	627/ $5.8 million
5.	Increases in Employee Pay	$36.53 million	$28.52 million[3]	$43.40 million

[1] Year-end 2015 vacancy rates

[2] Mid-year 2016 vacancy rates

[3] Includes costs associated with Pay Scale Leveling for uniformed Police and Sheriff and FLSA overtime for uniformed Fire and Rescue.

Our reliance on the Real Estate tax is indicated by the fact that it constitutes 64.6 percent of General Fund receipts in FY 2018. The change in values of existing properties, or equalization, is clearly an important driver in the development of annual budgets. Fortunately, both residential and commercial equalization are both positive for the second straight year. However, residential equalization increases have been declining, while nonresidential equalization has fluctuated in recent years. Additionally, the mid-year 2016 direct office vacancy rate was the highest recorded since 1991. Experts anticipate continued high vacancy rates based on sluggish economic conditions, concerns about the federal budget, and continuing trends towards small lease space per employee.

On the expenditure side, the Countywide drivers include two categories that represent a significant portion of our budgets: the transfer to Schools and compensation increases. Based on the Fairfax County Public Schools (FCPS) projections, growth in student enrollment has slowed but continues, and complex challenges associated with specific special education services that are pushing costs upward. As we have been saying for many years, the State is not meeting its share

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of funding for K-12 education in Fairfax County. Between FY 2010 and FY 2016, Virginia implemented sizeable structural budget cuts to K-12, costing localities a cumulative $6 billion. It is imperative that we continue to partner with the Schools to advocate at the State level for more funding for our schools. Compensation costs continue to be a major driver in the County budget. In the FY 2018 proposed budget, pay increases constitute over 60 percent of all County disbursement increases recommended – not including employee benefits.

In closing, I respectfully submit the FY 2018 Advertised Budget Plan, which includes the plan for FY 2019, for your consideration. Overall, I believe the budget I am proposing today represents a fair and balanced approach to allocate limited resources across a number of important priorities, and I look forward to the discussions that will take place over the coming months. Although slow economic growth is anticipated for the foreseeable future, particularly if the sequestration cuts become reality in the fall, the foundation of Fairfax County is strong. With the consistent leadership demonstrated by our Board and the unwavering dedication of our community, we are well-equipped to address the challenges ahead. By working in collaboration with the Fairfax County Public Schools, our employees, and our residents, I am confident that we will arrive at a budget that balances the needs of all parties, while ensuring that we maintain the quality of life that each of us enjoys in Fairfax County.

Respectfully submitted,

Edward L. Long Jr.
County Executive

FY 2018 Advertised Summary General Fund Statement

(in millions)

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan [1]	FY 2018 Advertised Budget Plan	Inc/(Dec) Over Adopted	% Inc/(Dec) Over Adopted
BEGINNING BALANCE	$164.92	$88.59	$166.09	$105.74	$17.15	19.36%
REVENUE [2]	$3,849.96	$4,010.96	$4,022.00	$4,099.16	$88.21	2.20%
TRANSFERS IN	$9.83	$10.17	$10.17	$10.07	($0.10)	(0.98%)
TOTAL AVAILABLE	$4,024.71	$4,109.72	$4,198.25	$4,214.97	$105.25	2.56%
SCHOOL DISBURSEMENTS						
Transfers Out						
School Operating [3]	$1,825.15	$1,913.52	$1,913.52	$1,965.21	$51.69	2.70%
School Construction	13.10	13.10	13.10	13.10	0.00	0.00%
School Debt Service	187.16	189.87	189.87	189.13	(0.74)	(0.39%)
SUBTOTAL SCHOOLS	$2,025.41	$2,116.49	$2,116.49	$2,167.44	$50.95	2.41%
COUNTY DISBURSEMENTS						
Direct Expenditures [2]	$1,401.67	$1,474.56	$1,516.59	$1,512.27	$37.71	2.56%
Transfers Out						
Contributory Fund	$14.89	$13.16	$13.30	$13.47	$0.31	2.36%
Information Technology	2.70	4.77	4.77	4.77	0.00	0.00%
County Debt Service	127.79	136.75	136.75	146.04	9.29	6.79%
County Transit	33.41	34.93	34.93	34.58	(0.35)	(1.00%)
Community Services Board	116.24	124.88	126.08	129.33	4.45	3.56%
County Insurance	25.82	24.16	24.16	24.18	0.02	0.08%
Capital Program	42.32	19.54	28.95	19.44	(0.10)	(0.51%)
Other Post-Employment Benefits	21.00	16.00	16.00	10.49	(5.51)	(34.44%)
Other Transfers	31.98	36.59	36.59	36.16	(0.43)	(1.18%)
Subtotal County Transfers Out	$431.54	$421.49	$442.94	$423.48	$1.99	0.47%
SUBTOTAL COUNTY	$1,817.82	$1,885.34	$1,938.12	$1,930.73	$45.39	2.41%
RESERVE DISBURSEMENTS						
Transfers Out						
Revenue Stabilization [4]	$15.38	$10.71	$21.41	$5.03	($5.68)	(53.03%)
Total Disbursements	$3,858.62	$4,012.54	$4,076.02	$4,103.20	$90.66	2.26%
Total Ending Balance	$166.09	$97.18	$122.23	$111.77	$14.59	15.01%
Less:						
Managed Reserve [5]	$88.59	$97.18	$105.74	$109.78	$12.60	12.97%
Reserve for Potential FY 2017 One-Time Requirements [6]			5.46			--
FY 2016 Audit Adjustments [2]			0.68			--
FY 2017 Mid-Year Revenue Adjustments [1]			10.35			--
Reserve for Board Adjustments [7]				1.99	1.99	--
Total Available	$77.50	$0.00	$0.00	$0.00	$0.00	--

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[1] *FY 2017 Revised Budget Plan* revenues reflect a net increase of $10,351,830 based on revised revenue estimates as of fall 2016. The *FY 2017 Third Quarter Review* will contain a detailed explanation of these changes. This amount has been held in reserve for one-time FY 2017 requirements and is not carried forward into FY 2018.

[2] In order to appropriately reflect actual revenues and expenditures in the proper fiscal year, FY 2016 revenues are increased $800,205 and FY 2016 expenditures are increased $123,112 to reflect audit adjustments as included in the FY 2016 Comprehensive Annual Financial Report (CAFR). As a result, the *FY 2017 Revised Budget Plan* Beginning Balance reflects a net increase of $677,093. Details of the FY 2016 audit adjustments will be included in the FY 2017 Third Quarter package. This one-time funding is expected to be utilized as part of the *FY 2017 Third Quarter Review* and, as a result, is not carried forward into FY 2018.

[3] The proposed County General Fund transfer for school operations in FY 2018 totals $1,965,211,830, an increase of $51,692,928, or 2.7 percent, over the FY 2017 Adopted Budget Plan. It should be noted that the Fairfax County Public Schools Superintendent's Proposed Budget reflected a General Fund transfer increase of $108,184,674, or 5.7 percent, over the FY 2017 Adopted Budget Plan. In their action on the Superintendent's Proposed Budget on February 9, 2017, the School Board increased the transfer request by $4,360,000 to $112,544,674, an increase of 5.9 percent over the FY 2017 Adopted Budget Plan.

[4] Target funding for the Revenue Stabilization Fund is 5.00 percent of total General Fund disbursements, consistent with the County's *Ten Principles of Sound Financial Management* as updated by the Board of Supervisors on April 21, 2015. As a result of reserve adjustments included in the FY 2018 Advertised Budget Plan, the FY 2018 projected balance in the Revenue Stabilization Fund is $183.94 million, or 4.48 percent of total General Fund disbursements.

[5] Target funding for the Managed Reserve is 4.00 percent of total General Fund disbursements, consistent with the County's *Ten Principles of Sound Financial Management* as updated by the Board of Supervisors on April 21, 2015. As a result of reserve adjustments included in the FY 2018 Advertised Budget Plan, the FY 2018 projected balance in the Managed Reserve is $109.78 million, or 2.68 percent of total General Fund disbursements.

[6] As part of the *FY 2016 Carryover Review*, an amount of $5,463,153 was set aside in reserve to address potential FY 2017 one-time requirements. This one-time funding is expected to be utilized as part of the *FY 2017 Third Quarter Review* and, as a result, is not carried forward into FY 2018.

[7] As part of the FY 2018 Advertised Budget Plan, an amount of $1,990,557 is available for the consideration of the Board of Supervisors during their deliberations on the FY 2018 budget.

FY 2018 and FY 2019 MULTI-YEAR BUDGET PLAN: TAX AND FEE FACTS					
Type	Unit	FY 2016 Actual Rate	FY 2017 Actual Rate	FY 2018 Recommended Rate	FY 2019 Planned Rate
GENERAL FUND TAX RATES					
Real Estate	$100/Assessed Value	$1.09	$1.13	$1.13	$1.13
Personal Property	$100/Assessed Value	$4.57	$4.57	$4.57	$4.57
NON-GENERAL FUND TAX RATES					
REFUSE RATES					
Refuse Collection (per unit)	Household	$345	$345	$345	$345
Refuse Disposal (per ton)	***Ton***	***$62***	***$62***	***$64***	***$64***
Leaf Collection	***$100/Assessed Value***	***$0.015***	***$0.015***	***$0.013***	***$0.013***
SEWER CHARGES					
Sewer Base Charge	***Quarterly***	***$20.15***	***$24.68***	***$27.62***	***$30.38***
Sewer Availability Charge	***Residential***	***$7,750***	***$7,750***	***$8,100***	***$8,100***
Sewer Service Charge	***Per 1,000 Gallons***	***$6.65***	***$6.68***	***$6.75***	***$7.00***
COMMUNITY CENTERS					
McLean Community Center	$100/Assessed Value	$0.023	$0.023	$0.023	$0.023
Reston Community Center	$100/Assessed Value	$0.047	$0.047	$0.047	$0.047
OTHER					
Stormwater Services District	***$100/Assessed Value***	***$0.0250***	***$0.0275***	***$0.0300***	***$0.0325***
Route 28 Corridor	$100/Assessed Value	$0.18	$0.18	$0.18	$0.18
Dulles Rail Phase I	$100/Assessed Value	$0.19	$0.17	$0.17	$0.17
Dulles Rail Phase II	$100/Assessed Value	$0.20	$0.20	$0.20	$0.20
Integrated Pest Management Program	$100/Assessed Value	$0.001	$0.001	$0.001	$0.001
Commercial Real Estate Tax for Transportation	$100/Assessed Value	$0.125	$0.125	$0.125	$0.125
Tysons Service District	***$100/Assessed Value***	***$0.05***	***$0.05***	***$0.06***	***$0.06***
Reston Service District	***$100/Assessed Value***	***--***	***--***	***$0.021***	***$0.021***

Rates ***italicized and in bold*** are proposed to be adjusted in FY 2018.

See the "Adopted Budget Summary" section for details regarding the final budget approved by Board of Supervisors.

County Executive Summary

FY 2018 Reductions

General Fund Impact

The following table summarizes all of the proposed reductions included in the FY 2018 Advertised Budget Plan. Reductions total $5,931,367, including $4,781,957 in disbursement savings and $1,149,410 in revenue enhancements. In addition, 13 positions are proposed to be eliminated.

These reductions will be considered by the Board of Supervisors during their deliberations on the FY 2018 budget.

It should be noted that in addition to the reductions listed below, additional recurring savings of $7,487,546 are included in the FY 2018 budget. These savings include $6,000,000 based on continued savings in retiree health expenses related to the implementation of an Employer Group Waiver Plan in 2016, $850,000 based on projected fuel savings, and $637,546 based on an analysis of cost recovery efforts in the Department of Public Works and Environmental Services. In total, including revenues, the FY 2018 Advertised Budget Plan includes $13,418,913 in reductions and savings.

Reduction Title / Impact Statement	Reduction Funding	Reduction Posn
10001 - General Fund		
02 - Office of the County Executive		
Eliminate a Program and Procedures Coordinator	$40,000	1
A decrease of $40,000 will result from the elimination of 1/1.0 FTE Program and Procedures Coordinator in Administration of County Policy. The reduction will impact Administration of County Policy's ability to provide staff support and analysis of new initiatives created by the County Executive or Board of Supervisors.		
Manage Position Vacancies to Achieve Savings	$25,000	0
A decrease of $25,000 will be achieved in the Office of Community Revitalization by extending the period of time that positions are held vacant. This reduction will have a manageable impact on the agency's operations as current staffing levels are sufficient.		
Reduce Funding for Limited Term Positions	$13,527	0
A decrease of $13,527 in the Office of Public Private Partnerships will result in reduced funding for limited term positions. The reduction will require the agency to reduce support for the Grants Research and Training Center, and will impact the agency's ability to perform research on countywide initiatives, as limited term positions have performed these duties.		
Reduce Operating Expenses	$2,500	0
A decrease of $2,500 in Internal Audit will be achieved through savings in Operating Expenses in areas such as printing costs, and should have a manageable impact.		
Reduce Business Development Resources	$2,500	0
A decrease of $2,500 in the Office of Public Private Partnerships will result in the agency no longer participating in two Chambers of Commerce. This will reduce the agency's ability to develop business and community connections to support County initiatives.		
02 - Office of the County Executive Total	**$83,527**	**1**
04 - Department of Cable and Consumer Services		
Return Vehicle	$3,894	0
A decrease of $3,894 requires the return of a vehicle used by the Regulation and Licensing Branch to conduct taxicab, massage establishment, and tow operator inspections and investigations. This reduction would impact the agency's ability to perform same day inspections and to confirm the accuracy of taxicab rates and charges as the current vehicle is equipped with specialized equipment to perform this task; however, the agency would still be able to require taxicabs in question to come to a County facility to be tested. As a result, this reduction is anticipated to have a manageable impact.		

FY 2018 Reductions
General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn
Reduce Miscellaneous Operating Expenses	$1,807	0
A decrease of $1,807 requires staff to eliminate unnecessary printing and postage expenses for materials that may be made available to the public in alternate formats. This reduction is anticipated to have a minimal impact on the agency's operations.		
04 - Department of Cable and Consumer Services Total	**$5,701**	**0**
06 - Department of Finance		
Reduce the Printing of the CAFR and Eliminate the Production of the CAFR on CD-ROM	$3,071	0
Eliminating CAFR CD production and switching to a print-on-demand policy would reduce expenditures by $3,071. Given the availablity of the CAFR on the website, it is not expected to impact the availability of the document to the public.		
06 - Department of Finance Total	**$3,071**	**0**
08 - Facilities Management Department		
Reduce Natural Gas Allocation	$250,000	0
This reduction will result in a $250,000 decrease in the natural gas budget, an 11 percent decrease from the FY 2017 Adopted Budget Plan level of $2,266,098. This reduction is based on the current projected costs of natural gas and savings realized in prior fiscal years. These savings have provided flexibility for the Department to accept specialized projects as well as meet overtime requirements. Reducing this allocation may impact the Department’s flexibility. The Energy Coordinator will continue to review all utility requirements and identify savings as appropriate.		
Reduce Maintenance and Repair Service Contracts Funding	$250,000	0
This reduction will result in a $250,000 decrease in the maintenance and repair service contracts budget, a 6 percent decrease from the FY 2017 Adopted Budget Plan level of $3,954,545. This reduction is based on actual experience in prior years and will reduce funding available for contracted maintenance and repair services. Based on limited staffing levels available to maintain County facilities, FMD relies heavily upon the use of outside contractors to perform minor repairs and preventative maintenance. A reduction in funding will result in increased workload to existing County staff and when unexpected emergencies occur, the Department may need to adjust workloads.		
Increase Parking Garage Fees	$221,000	0
The parking fees at the Massey/Courthouse Complex Visitor Garage will be increased from $2 per hour, with a maximum of $10 per day, to $2.50 per hour, with a maximum of $12.50 per day. The projected revenue increase in FY 2018 is $221,000. The fees at the visitor garage have remained unchanged since FY 2009. This revenue enhancement opportunity is consistent with the rates charged by other jurisdictions in the area that currently charge maximum daily rates ranging between $10 and $20.		
Recognize Savings associated with Mortgage Payoff	$206,410	0
Funding is provided in Facilities Management Department to support the General Fund portion of the mortgage of the Department of Housing and Community Development's (HCD) administrative building on Pender Drive. The mortgage will be paid off in FY 2017, so savings to the General Fund of $206,410 will result.		
08 - Facilities Management Department Total	**$927,410**	**0**
11 - Department of Human Resources		
Reduce Benefit Mailings	$20,000	0
A reduction of $20,000 would eliminate the printing and mailing of the benefit enrollment guide to active employees. The benefit enrollment guide used for open enrollment must be made available, though it is not required to be provided in printed format. This reduction would require that employees access this information online and print it themselves if they need to share the information with other decision makers in their family. The benefit enrollment guide would continue to be printed for retirees and new employees.		

County Executive Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn
Reduce Funding for Limited Term Support	$15,000	0
This reduction will affect the department's capacity to hire part-time, entry-level personnel. Limited-term staffing provides a cost-effective way to complete projects and meet workload demands during peak periods. This reduction will require the department to maintain vacancies in order to hire limited-term staff in the future.		
11 - Department of Human Resources Total	**$35,000**	**0**
13 - Office of Public Affairs		
Reduce Translation Services	$2,000	0
A decrease of $2,000 will require the agency to reduce translation services. This reduction would have a manageable impact as an agency employee at the main information desk is fluent in Spanish which has reduced the agency's utilization of translation services.		
Eliminate Outside Training and Professional Contracts	$2,000	0
A decrease of $2,000 will require the agency to eliminate outside training and professional contracts. As a result, the agency would be required to rely solely on the countywide training program for staff development and would not have the flexibility to hire an outside photographer.		
13 - Office of Public Affairs Total	**$4,000**	**0**
15 - Office of Elections		
Redesign Voter Registration Process	$60,000	0
A decrease of $60,000 is possible based on the automation of the process for sending voter registration notices to citizens. The redesigned process will result in reduced postage and staff costs and is not anticipated to significantly impact the agency's operations.		
15 - Office of Elections Total	**$60,000**	**0**
17 - Office of the County Attorney		
Manage Position Vacancies to Achieve Savings	$50,000	0
This reduction will require the agency to manage their position vacancies. Savings will be achieved by delaying the hiring of current and future merit openings and/or hiring at a lower level on the pay scale. This reduction will have a manageable impact on staffing needs of the Office.		
17 - Office of the County Attorney Total	**$50,000**	**0**
20 - Department of Management and Budget		
Recognize Personnel Services Savings and Eliminate Vacant Position	$30,000	1
This reduction would recognize Personnel Services funding associated with anticipated savings resulting from staff turnover and retirements. Additionally, this reduction would eliminate a vacant unfunded position no longer required based on an organizational redesign to generate efficiencies related to budget system administration and budget production.		
Eliminate Printing of Budget Documents	$15,000	0
This reduction would eliminate the printing of Advertised and Adopted Budgets, including the Citizen's Guide. In recent years, the printing of budget volumes has been greatly curtailed; printed budgets are provided only to the Board of Supervisors, Senior Management, and Department of Management and Budget staff. Citizen's Guides are currently provided to residents at community meetings. As a result of this reduction, budget documents will be accessible only through the department's website.		
20 - Department of Management and Budget Total	**$45,000**	**1**

FY 2018 Reductions
General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn
25 - Business Planning and Support		
Reduce Operating Expenses	$5,000	0
Operating Expenses are reduced $5,000 or nearly 3 percent. This funding supports the provision of leadership and program coordination across the DPWES business areas, including initiatives related workplace safety, emergency management, information technology, environmental compliance and sustainability, and community outreach and public education. This reduction is anticipated to have a minor impact on the provision of these support services based on recent year-end balances.		
25 - Business Planning and Support Total	**$5,000**	**0**
26 - Office of Capital Facilities		
Realign Cost Recovery from Projects	$50,000	0
Savings of $50,000 can be achieved by increasing the budget for Work Performed for Others (WPFO) to reflect recent experience for positions supporting capital projects. The Department of Public Works and Environmental Services (DPWES) Capital Facilities recovers salaries through charges to capital projects and bond funds. In each of the last three fiscal years, Capital Facilities' actual recovered costs have exceeded the budget. As a result, WPFO can be increased with no programmatic impact.		
26 - Office of Capital Facilities Total	**$50,000**	**0**
35 - Department of Planning and Zoning		
Implement Setback Certification Process Improvement	$90,000	0
A savings of $90,000 in Personnel Services is achieved by implementing a more efficient process for reviewing residential property setbacks. When residential property owners seek to construct a home or addition that approaches the limits of the minimum yard size, a new certified house location plat will be required in place of a setback certification. This process will reduce the staff time required for DPZ staff to review whether setback requirements are met, resulting in the identified savings. Additionally, the cost to the property owner to obtain a new certified house location plat is comparable to the cost of obtaining a setback certification and the process change will allow DPZ to complete the review before construction begins, making any required changes less costly for the property owner.		
Institute Fees for Public Facilities Review Processes	$85,000	0
An increase of $85,000 in revenue will be achieved by implementing fees to recover staff time costs associated with reviewing public and telecommunications facility applications. The benefits and impacts of changes to public facilities are reviewed through the 2232 process. Public facilities reviewed through this process include parks, schools, libraries, sanitary sewer infrastructure, public safety facilities, gas infrastructure, solid waste collection and disposal sites, electrical power generation and distribution facilities, stormwater management infrastructure and water utility infrastructure. Applications for the 2232 process will be subject to a $1,000 review fee. Telecommunications facilities like monopoles, treepoles, and towers are reviewed through the 6409(a) process and will be subject to a $620 fee to recover the cost of staff time required for the review. The proposed fees are based on the staff time required to review comparable applications and fees assessed in other jurisdictions.		
Digitize Staff Report Production and Distribution	$25,000	0
A savings of $25,000 in printing and binding costs results from reducing the quantity of printed staff reports which DPZ provides. Staff reports are used to disseminate the professional analysis completed by DPZ staff for the benefit of decision-makers and public. The Board of Supervisors (BOS), the Planning Commission (PC) and other county agencies which have received printed reports will receive reports digitally, reducing printing costs and staff time required to distribution. The impact of this change is anticipated to be minimal because the BOS, the PC and county agencies are increasingly adept at viewing reports digitally. A number of printed reports will still be produced for public hearings and archives.		

FY 2018 Reductions
General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn
Streamline Review Process for Second Kitchens and Wet Bars	$15,000	0
The review process for second kitchens will be streamlined to achieve $15,000 in savings in Personnel Services. Property owners who want to install a second kitchen or wet bar will continue to apply for a permit from the Department of Land Development Services (LDS) but the supplemental DPZ Zoning Administration review will be eliminated, saving the funding equivalent of 0.25 FTE in review time. The impact of this process improvement is anticipated to be minimal; the LDS permit process will continue to ensure that new construction complies with building codes and the Department of Code Compliance will continue to investigate any code violations for illegal second dwellings.		
35 - Department of Planning and Zoning Total	**$215,000**	**0**
38 - Department of Housing and Community Development		
Recognize Personnel Services Savings	$50,000	0
Based on an analysis of current staff salaries and projected recruitments, savings of $50,000 in Personnel Services can be realized. Savings have materialized gradually over the last several years, so the impact of this reduction will be minimal.		
38 - Department of Housing and Community Development Total	**$50,000**	**0**
39 - Office of Human Rights and Equity Programs		
Reduce Operating Expenses	$24,000	0
This reduction reflects savings identified in various operating expenses, including office supplies and equipment, computer accessories, and furniture. Additionally, based on prior year spending trends, savings have been identified in funding for Americans with Disabilities Act (ADA) requests. Funding for ADA requests was previously included in the Department of Human Resources; however, the administration of these requests is transferred to the Office of Human Rights and Equity Programs (OHREP) as part of the FY 2018 Advertised Budget Plan. It should also be noted that, in addition to this reduction, OHREP is absorbing the cost of the workload-related position added in FY 2017 due to identified balances and efficiencies.		
39 - Office of Human Rights and Equity Programs Total	**$24,000**	**0**
40 - Department of Transportation		
Increase Work Performed for Others (WPFO) Salary Charges to Transportation Projects	$68,450	0
Based on 25 percent of two staff persons' time (1,040 hours) spent on the Transportation Capital Projects, this would result in a $68,450 annual savings to the General Fund. Acceptance of this option may decrease funding available for Transportation Capital Projects.		
40 - Department of Transportation Total	**$68,450**	**0**
41 - Civil Service Commission		
Reduce Operating Expenses - Memberships	$200	0
Savings of $200 will be achieved by not renewing the Society for Human Resource Management (SHRM) membership, an online research database utilized by both the Civil Service Commission and Alternative Dispute Resolution program providing information on human resource management best practices.		
41 - Civil Service Commission Total	**$200**	**0**

County Executive Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn
51 - Fairfax County Park Authority		
Reduce Limited Term Support	$59,000	0

This reduction is accomplished by eliminating two limited term positions within the Director's Office and Park Operations Divisions. The Director's Office limited term position currently performs required research and technical review of documents, drafts operating procedures and policy, coordinates and schedules meetings, updates Park Board policy, coordinates the review of the Friends Groups Manual, and assists in other administrative functions. The Park Operations Division's limited term position assists with the implementation of the Fairfax County Public Schools (FCPS) Athletic Field Maintenance Program including, updating GIS maps annually for all FCPS sites and over 420 fields, creating and managing mowing, calculating and updating athletic field acreages, reviewing the field scheduling system to evaluate the integration of fields into FCPS programs, and performing quality control checks on contractor performance. This reduction in limited term staff will lengthen the time to complete these projects.

Charge Salary Costs Associated with the Archaeological Program to the Park Authority Construction Fund	$49,384	0

This reduction is accomplished by charging 50 percent of the salary costs of a Heritage Resource Specialist III (Senior Archaeologist) to Fund 30400, Park Authority Bond Construction. The Senior Archaeologist is responsible for reviewing countywide development projects that require archaeological input. There is currently a team of three archaeologists and one Branch Chief working on projects supported by the General Fund and limited term staff currently work on projects supported by bond funds. This reduction will impact the availability of bond funds to support limited term employees and may result in an increase in the amount of time to complete a project.

Charge Salary Costs Associated with Capital Project Management to the Park Authority Construction Fund	$30,000	0

This reduction is accomplished by charging salary costs associated with Capital Project Management positions to Fund 30400, Park Authority Bond Construction. These positions are responsible for overseeing and managing bond funded projects. This reduction results in the appropriate charging of salary costs associated with capital project work to Fund 30400, Park Authority Bond Construction, but will result in a decrease of available funding for capital project work.

Increase Park Foundation Support	$30,000	0

This reduction is accomplished by transferring expenses incurred in the General Fund to the Fairfax County Park Foundation. The Fairfax County Park Foundation supports the Fairfax County Park Authority by raising private funds, obtaining grants and creating partnerships that supplement tax dollars to meet the community's needs for park land, facilities and services. This reduction could impede the work of the Foundation and will reduce funding available for park projects.

Charge Salary Costs Associated with the Telecommunications/Monopole Program to the Park Improvement Fund	$20,000	0

This reduction is accomplished by charging salary costs associated with positions that directly support the Telecommunications/Monopole Program to Fund 80300, Park Improvement Fund. This reduction appropriately charges the administrative and management costs associated with the Telecommunications/Monopole Program to the Fund. Telecommunications/Monopole Program staff manage, negotiate fees, issue and monitor the license program for the installation of private telecommunication facilities on park property; coordinate approval of licenses with the Park Authority Board, and collect fee payments. The reduction will decrease the funding available for other Park Authority capital improvements, including: repair, maintenance and development of parks; and countywide Natural and Cultural projects.

Charge Salary Costs of a Deputy Director to the Park Authority Construction Fund	$13,000	0

This reduction is accomplished by charging a portion of the salary costs associated with the Deputy Director/Chief of Business and Development position to Fund 30400, Park Authority Bond Construction. The Deputy of the Business and Development Branch is directly responsible for overseeing and managing bond funded projects. This reduction results in the appropriate charging of salary costs associated with capital project work to Fund 30400, Park Authority Bond Construction, but will result in a decrease of available funding for capital project work.

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FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn
Increase use of Community Labor Force	$10,000	0
As a result of Lines of Business (LOBS) Phase 2 work, a reduction of $10,000 is associated with the Sheriff's Community Labor Force (CLF) assuming a portion of Park Authority maintenance on trails including tree and brush pruning as well as other trail-related upkeep. The CLF provides offender work teams to support community improvement projects, such as, landscaping, litter removal, construction, painting, snow removal, and graffiti abatement.		
51 - Fairfax County Park Authority Total	**$211,384**	**0**
52 - Fairfax County Public Library		
Reduce Technical Operations	$150,000	1
This reduction will result in the reduction of 1/1.0 FTE vacant position and operating expenses associated with the Technical Operations Center, which became an option as part of an internal realignment of library operations in FY 2017 that was undertaken to provide additional clarity and maximize the use of library resources, and improve service delivery, programs, and customer service. This reorganization within the Technical Operations Center will be completed by reengineering work processes to gain efficiencies and should have a manageable impact.		
52 - Fairfax County Public Library Total	**$150,000**	**1**
57 - Department of Tax Administration		
Implement Car Tax Subsidy (PPTRA) Compliance Program Revenue Enhancement	$450,000	0
The PPTRA Compliance Audit Program currently adds approximately $1 million to the Delinquent Personal Property Tax roll. In Calendar Year 2016, DTA staff worked on Tax Year 2013, reviewing information received from state tax returns. The proposed program enhancement would shift two existing staff members to the program area to begin the auditing process sooner. In Calendar Year 2017, DTA could complete audits for tax years 2014 and 2015, rather than than just tax year 2014. This would generate $500,000 in additional revenues in FY 2018. It should be noted that $50,000 in additional expenditure authority is included to cover the costs of a new non-merit limited term employee to help with the existing workload resulting from the reallocation of two existing staff members to the Compliance Audit Program.		
Implement Target Program Revenue Enhancement	$150,000	0
The Target Program is currently adding approximately $2 million to the Personal Property Tax Roll. Target Program staff currently splits its time between canvassing assigned districts and researching and assessing Personal Property taxes back in the office.The proposed program enhancement would create a Target Drive-By Team consisting of one existing merit and one existing non-merit limited term position to be reallocated from other sections. The two employees would focus on canvassing all districts to identify out-of-state plates for potential property tax evasion, allowing existing Target Program staff to concentrate all of its efforts on the research and subsequent assessment of Personal Property taxes. This would generate $200,000 in additional revenue. It should be noted that $50,000 in additional expenditure authority is included to cover the costs of a new non-merit limited term employee to help with existing workload resulting from the reallocation of resources to the Target Program.		
57 - Department of Tax Administration Total	**$600,000**	**0**
67 - Department of Family Services		
Recognize Personnel Services Savings	$750,000	0
This reduction will impact the department's Personnel Services budget and is based on historical savings in this area as a result of current staffing levels. Although no significant impact is expected, the department will be required to closely manage their position vacancies and monitor spending patterns.		
67 - Department of Family Services Total	**$750,000**	**0**

County Executive Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn

70 - Department of Information Technology

Restructure Administrative Processing	$200,000	2

A decrease of $200,000 results from the elimination of 2/2.0 FTE vacant administrative positions and other associated personnel-related savings based on the agency streamlining the administrative activities for processing financial documents. As the volume of financial transactions increased in recent years, the agency reallocated several positions to manage the increased workload; however, upgrades to the County's financial system that are now in place have allowed the Department to automate a portion of this work. Despite these changes, the time required to process certain financial documents may increase slightly during peak periods; however, this should have a manageable impact on the agency's operations.

70 - Department of Information Technology Total	$200,000	2

71 - Health Department

Reduce Insight Memory Care Center (IMCC) Contract	$150,000	0

This reduction will reduce the Health Department's contract with IMCC by 50 percent. Currently, all County residents suffering from mid-late state dementia are eligible for dementia-specific day care services at a reduced fee. This reduction caps those eligible to receive the reduced fee at 400 percent of the federal poverty level. Therefore, this reduction should not impact low-income individuals receiving services. The IMCC contract also provides community outreach, education, support and training for at least 350 family caregivers. There will be minimal impact to this piece of the contract.

Increase Fees for Laboratory and Clinical Services	$125,000	0

The Health Department provides a range of clinical services and laboratory testing that includes services such as pregnancy testing, drug testing, vaccinations, and various health assessments. Each service is provided for a set fee that varies based on the service provided. An increase in fees of approximately 10 percent would bring in an estimated $125,000 in additional revenue. It is anticipated that raising fees will have minimal impact on clients' ability to access public health services, as there is an established fee waiver policy and payment plan option for low-income residents who are unable to pay, or for those who meet certain Virginia Department of Health or age criteria.

71 - Health Department Total	$275,000	0

73 - Office to Prevent and End Homelessness

Reduce Funding for Last Resort Housing	$200,000	0

OPEH utilizes motels as a last resort housing option for families with children who are experiencing homelessness when the main shelters are full or in cases where a family member has medical needs that make a typical shelter facility an inappropriate placement. This reduction will reduce funding for motel placements by approximately 50 percent. The need for motel placement has been declining over the last several years as concerted efforts have been made to move clients more rapidly into permanent housing, thus increasing the availability of shelter beds and reducing the need for motel usage. It is anticipated that this reduction will have minimal impact on services based on the current trend and continued efforts to move clients out of the shelters and into permanent housing. This does however reduce the amount of resources available to respond to housing needs should the demand for family shelter increase.

73 - Office to Prevent and End Homelessness Total	$200,000	0

79 - Department of Neighborhood and Community Services

Recognize Personnel Services Savings	$50,000	0

This reduction will impact the department's Personnel Services budget and is based on historical savings in this area as a result of current staffing levels. Although no significant impact is expected, the department will be required to closely manage their position vacancies and monitor spending patterns.

79 - Department of Neighborhood and Community Services Total	$50,000	0

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn

80 - Circuit Court and Records

Implement Hourly Fee for Historic Courthouse Wedding Rental	$9,600	0

A revenue increase of $9,600 can be generated through leasing the 1799 Courtroom for hourly wedding ceremony rentals under the jurisdiction of the Chief Judge. This is primarily due to the historic charm and close proximity to the Clerk's Office Marriage License counter, where couples complete marriage license requirements. The Circuit Court anticipates 8 rentals per month, at a rate of $100/hour, which would generate annual revenues of $9,600. A revision to Procedural Memorandum 25-31 will be required to allow this type of event use. Currently, Procedural Memorandum 25-31 specifies that room use is restricted to licensed attorneys during trials, official County business, mediation services, and the Fairfax Bar Association and Virginia State Bar Association. In addition, no recording or picture taking is allowed in the Courthouse. Finally, the Courthouse currently rents rooms on a daily basis, not an hourly basis. It should be noted that the estimated revenue associated with this action is shown in the Facilities Management Department FY 2018 budget; however, the administrative aspects of this initiative will be handled by Circuit Court.

80 - Circuit Court and Records Total	$9,600	0

85 - General District Court

Reduce Operating Expenses	$8,309	0

This reduction is achieved through efficiencies that have been implemented such as reducing the number of printed notices and forms for staff and the public. These include information on navigating the judicial process such as fine, payment, and appeal information as well as amounts owed and upcoming court dates. Recent automation has decreased the number of notices printed, resulting in the public and legal community relying on online information in lieu of printed information. Reductions in printing will likely have no significant negative effect on day-to-day business operations nor on the public.

85 - General District Court Total	$8,309	0

91 - Office of the Sheriff

Manage Position Vacancies to Achieve Savings	$250,000	0

A decrease of $250,000 will be achieved by extending the period of time that positions are held vacant. This reduction is anticipated to have a manageable impact on the agency's operations as current staffing levels are sufficient especially given recent jail average daily population (ADP) levels. As recently as FY 2014, the average monthly ADP was 1,233; however, by December 2016 the amount was down to 1,039.

91 - Office of the Sheriff Total	$250,000	0

92 - Fire and Rescue Department

Restructure EMS Recertification Program to Occur On-Duty	$225,000	0

A decrease of $225,000 will result from the Department restructuring the Emergency Medical Technician (EMT) recertification training process. Currently, personnel attend a four day training, provided by an outside vendor, to obtain the necessary credit hours. In the future, all required trainings will be offered in-house and staff will not be required to attend the four day training which will result in reduced overtime costs for the Department.

Eliminate National Counterterrorism Center (NCTC) Detail	$159,927	0

A decrease of $159,927 will result from no longer dedicating a position to the Interagency Threat Assessment and Coordination Group (ITACG) at the National Counterterrorism Center (NCTC). Since FY 2011, the Department has dedicated a staff member to this effort promoting interagency coordination as it relates to terrorism, strategic threat assessments and information dissemination; however, any impact is anticipated to be manageable as coordination for these functions occurs through multiple channels. Savings will be generated by reassigning the position to the field which will result in reduced overtime costs as the position will no longer require backfill while away on special assignment.

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn
Reduce VCU program from Six to Five Personnel	$85,000	0

A decrease of $85,000 will result from reducing the number of individuals participating in the Virginia Commonwealth University (VCU) paramedic training from six to five annually. The training is a joint effort between FRD and VCU hosted at the Fire Training Academy utilizing instructors from within the department with VCU providing the administrative support, curriculum development resources, and clinical resources to provide an Advanced Life Support (ALS) certification program. This could potentially impact FRD's ability to maintain the appropriate number of staff with ALS training; however, the Department will work to mitigate this potential impact.

92 - Fire and Rescue Department Total	**$469,927**	**0**

93 - Office of Emergency Management

Reduce Emergency Operations Center Training	$18,275	0

A decrease of $18,275 will result in reduced training opportunities for County employees who are required to work in the Emergency Operations Center (EOC) during a significant event. The trainings provide employees with the necessary skills to perform functions during EOC activations that help protect residents, employees and property during a potential catastrophic event. As a result, the Office will be required to identify critical trainings to ensure that County employees have adequate training to work in the EOC.

Manage Position Vacancies to Achieve Savings	$17,000	0

A decrease of $17,000 will be achieved by managing position vacancies. This reduction will have a manageable impact on the agency's operations as current staffing levels are sufficient.

93 - Office of Emergency Management Total	**$35,275**	**0**

97 - Department of Code Compliance

Reduce Grass Inspector Positions	$32,400	0

A reduction of $32,400 is based on the elimination of two vacant exempt limited term Grass Inspector positions which provide seasonal inspections to ensure that residential and commercial properties comply with the Grass Ordinance. While this reduction would reduce budgeted grass inspection hours by 26.8 percent, public awareness of ordinance requirements has increased and non-compliance rates have declined since the Grass Ordinance was adopted in 2008, reducing the follow-up work required for inspectors and the impact this reduction.

Reduce Operating Expenses	$21,000	0

A reduction of $21,000, or nearly 4 percent, in Operating Expenditures is included based on recent operating expense balances that have materialized. The impact of this reduction is anticipated to be minimal.

Implement Cost Recovery Charge in Illegal Sign Program	$8,810	0

An increase of $8,810 in revenue from fees to recover the costs associated with enforcing the Illegal Sign program. The Code of Virginia permits jurisdictions to recover enforcement costs in addition to fines from owners of signs illegally posted along roadways. A $10 fee per sign is required to offset the vehicle and staff costs associated with the program. Based on enforcement experience in FY 2017, DCC estimates that 881 signs will be subject to enforcement in FY 2018. Please note this is in addition to the revenue associated with the $100 per sign penalties collected beginning in FY 2017 and included in the FY 2018 Advertised Budget Plan to support a new position.

97 - Department of Code Compliance Total	**$62,210**	**0**
10001 - General Fund Total	**$4,898,064**	**5**

County Executive Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn

30010 - General Construction and Contributions

Eliminate FY 2018 Funding for the Emergency Directive Program	$100,000	0

The FY 2018 funding for the Emergency Directive Program within Fund 30010, General Construction and Contributions, is eliminated. The Emergency Directives Program was established to provide for abatement services of both emergency and non-emergency directives related to health and safety violations, grass mowing violations, and graffiti removal directives. The funds are used to perform corrective maintenance for code violations under Chapter 46 and Chapter 119 of the Fairfax County Code, in which cited property owners fail to correct. The current available balance in this project is expected to be sufficient for this program through FY 2018 without additional funding. There will only be an impact if there is a significant increase in the number of directives, and/or a decrease in the collection of fees and fines from the property owners where the directive occurred.

	Funding	Posn
Total	$100,000	0
30010 - General Construction and Contributions Total	**$100,000**	**0**

40040 - Fairfax-Falls Church Community Services Board

Eliminate the Youth Day Treatment Program	$460,000	4

This reduction eliminates the Youth Day Treatment Program and 4/4.0 FTE positions, including one Mental Health Manager, one Behavioral Health Supervisor, one Mental Health Therapist, and one CSB Aide/Driver providing therapeutic day treatment to youth ages 13 to 18 with medium to high acuity serious emotional disturbance or co-occurring substance use disorders. In FY 2016, the Youth Day Treatment program served 82 youth, providing significant supportive and intensive services including individual, group, and family therapy, case coordination, medication management, and an onsite alternative school program operated by Fairfax County Public Schools. As a result of this reduction, resources will be redeployed to continue serving this population through outpatient services such as individual, group and family therapy and case coordination. Outpatient services will be supplemented by in-home and intensive in-home services provided by contracted providers with dedicated funding streams, such as Mental Health Initiative state and local funds as well as Children's Services Act (CSA) funds, to maintain stability by utilizing natural community supports. In the event these outpatient services are insufficient for youth to maintain stability in the community, there are alternatives including community-based partial hospitalization for youth with private insurance, therapeutic day treatment programs operated in partnership with FCPS for youth with Medicaid, residential diversion programs, or CSA services.

Eliminate the Community Readiness and Support Program	$373,303	4

This reduction eliminates the Community Readiness and Support Program (CRSP), a directly-operated psychosocial rehabilitation program for adults with serious mental illness, substance use and/or co-occurring disorders who are transitioning to employment. Closure of this program involves eliminating 4/4.0 FTE positions, including one Behavioral Health Supervisor, one Behavioral Health Nurse Clinician/Case Manager, and two Mental Health Therapist positions. In FY 2016, CRSP provided highly-intensive clinical support, including ongoing mental and physical health assessments, nursing services, medication supports, and linkage to community services, benefits, housing and employment to 42 individuals. While this reduction would eliminate capacity in CSB directly-operated programs, existing contract providers in the Northern Virginia region have sufficient capacity to absorb CRSP clients. With a carefully implemented transition plan created in partnership with all stakeholders, CSB anticipates no waitlists due to this reduction.

	Funding	Posn
Total	$833,303	8
40040 - Fairfax-Falls Church Community Services Board Total	**$833,303**	**8**

See the "Adopted Budget Summary" section for details regarding the final budget approved by Board of Supervisors.

County Executive Summary

FY 2018 Reductions

General Fund Impact

Reduction Title / Impact Statement	Reduction Funding	Posn
40330 - Elderly Housing Programs		
Reduce General Fund Transfer	$100,000	0

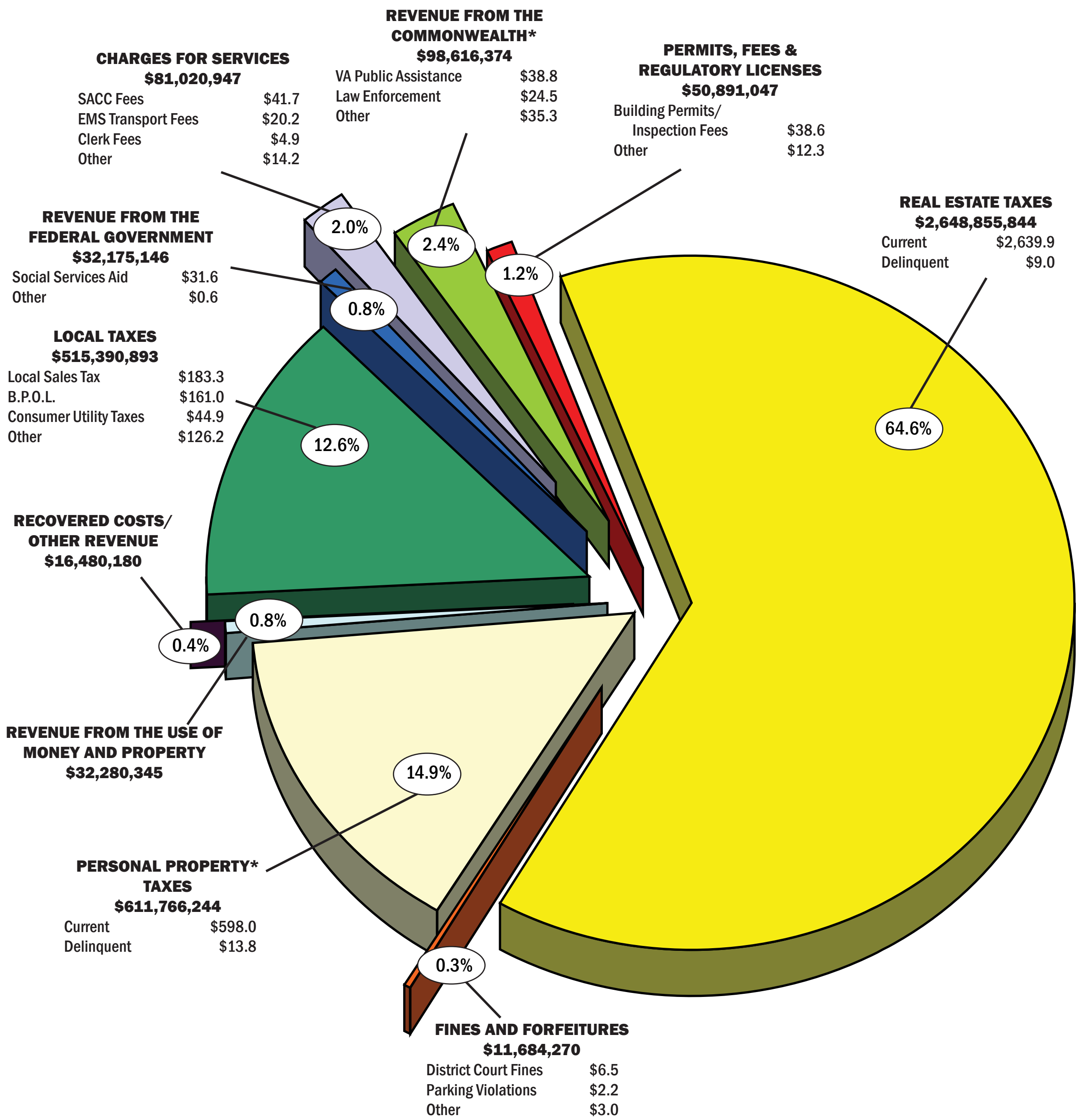
The General Fund transfer can be reduced $100,000, or 5.2 percent, due to the elimination of General Fund support for Lewinsville associated with the upcoming transfer of the operation and maintenance to a private management company. Additionally, based on an analysis of actual personnel expenses for operation and maintenance of the properties supported by the fund, savings can be realized. A couple of years ago, HCD transitioned from an allocation model for staff time to actual time posting by property. As a result, less staff time is being charged to this portion of the Department of Housing and Community Development portfolio.

Total	$100,000	0
40330 - Elderly Housing Programs Total	$100,000	0
Total Reductions	$5,931,367	13

FY 2018 ADVERTISED GENERAL FUND RECEIPTS

Where it comes from . . .

(subcategories in millions)



FY 2018 GENERAL FUND RECEIPTS = $4,099,161,290 **

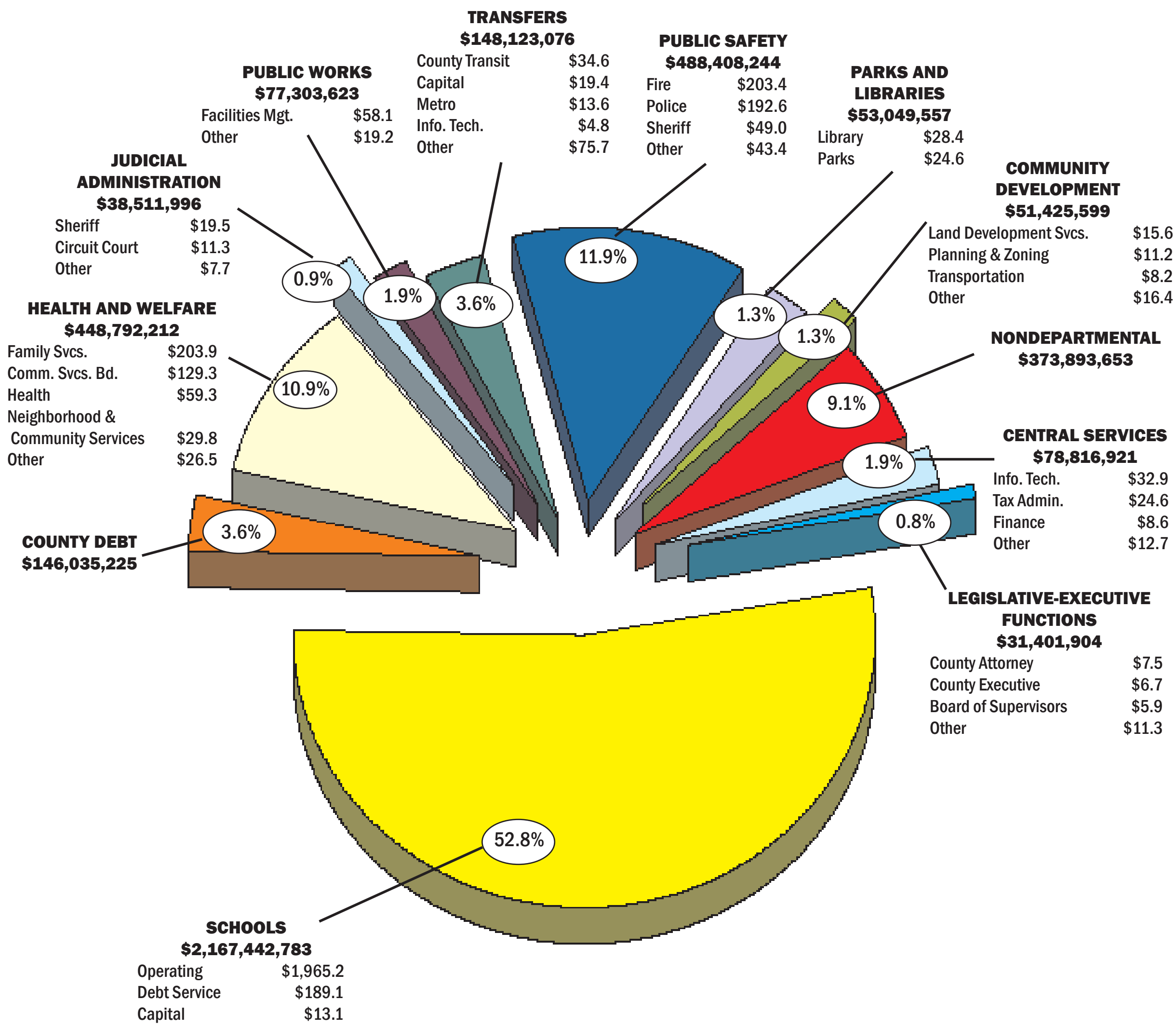
* For presentation purposes, Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

** Total County resources include the receipts shown here, as well as a beginning balance and transfers in from other funds.

FY 2018 ADVERTISED GENERAL FUND DISBURSEMENTS

Where it goes . . .

(subcategories in millions)

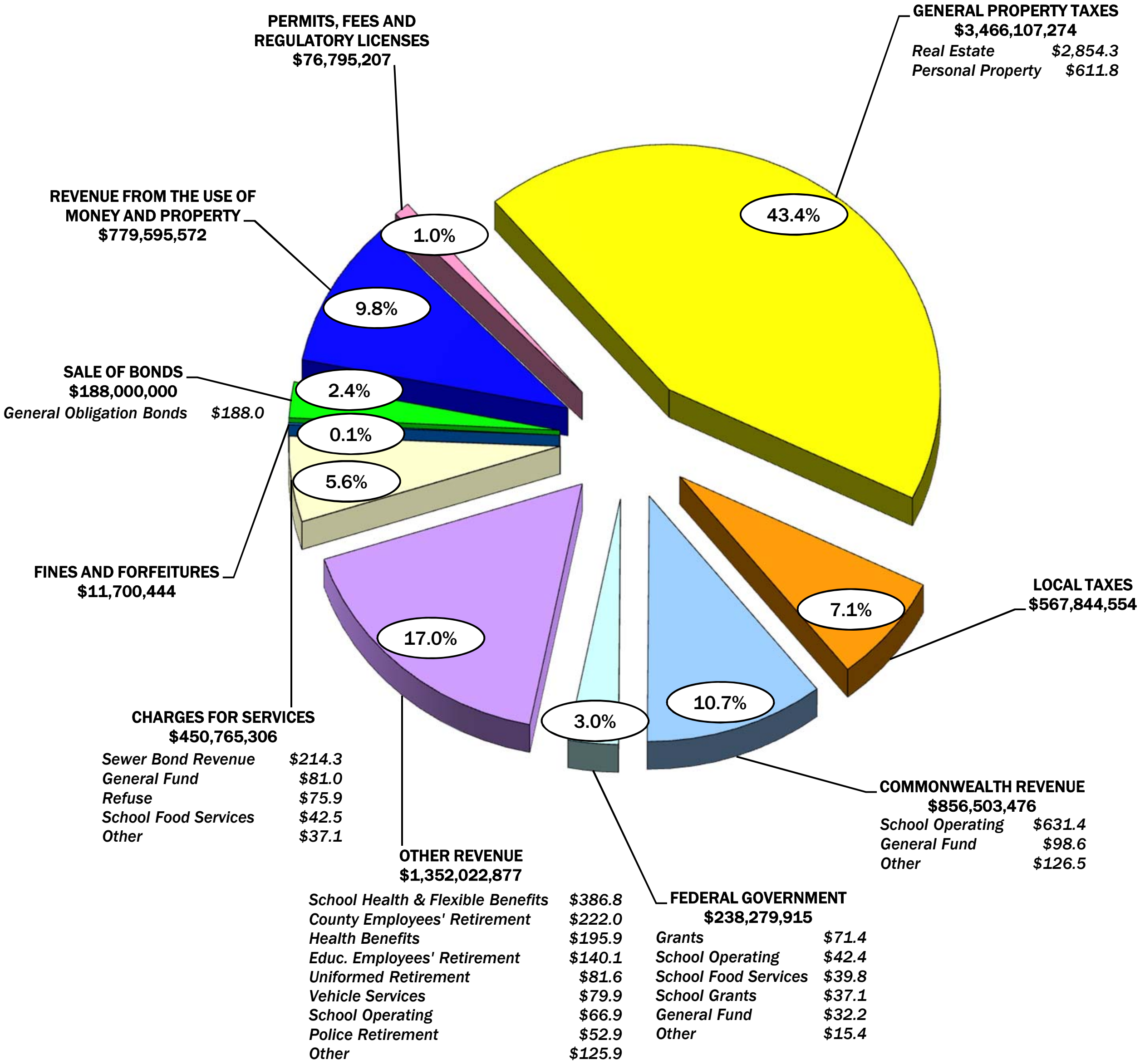


FY 2018 GENERAL FUND DISBURSEMENTS = $4,103,204,793

In addition to FY 2018 revenues, available balances and transfers in are also utilized to support disbursement requirements.

FY 2018 ADVERTISED BUDGET PLAN
REVENUE ALL FUNDS

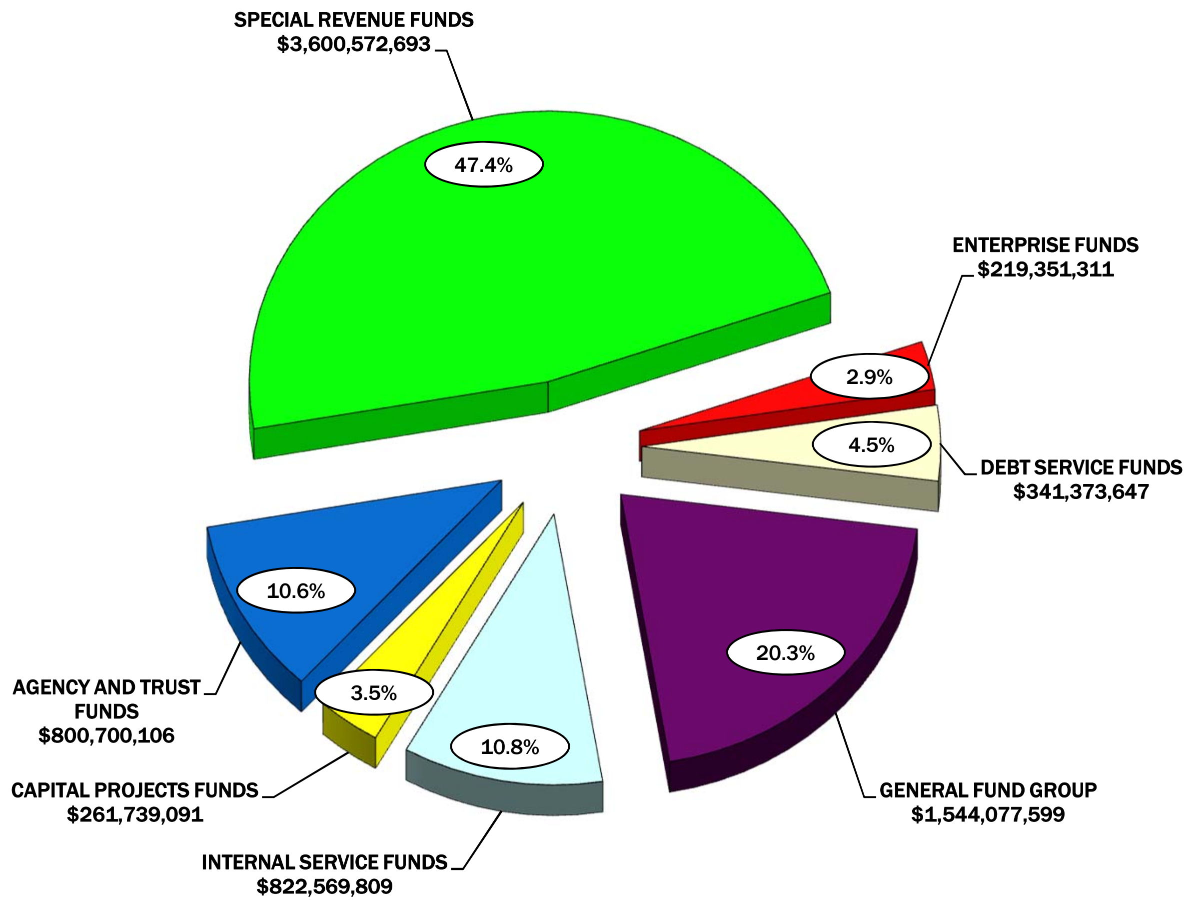
(subcategories in millions)



TOTAL REVENUE = $7,987,614,625

For presentation purposes, Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

FY 2018 ADVERTISED BUDGET PLAN
EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = $7,590,384,256

FY 2018
Adopted Budget Plan

Multi-Year Budget – FY 2018 and FY 2019

MULTI-YEAR FINANCIAL PLANNING PROCESS/FINANCIAL FORECAST

Beginning in FY 2014, the County undertook a more comprehensive multi-year General Fund budgeting process - the development of a two-year budget framework. The two years include the budget proposed to the Board of Supervisors (FY 2018) and the subsequent year framework (FY 2019). In this way County staff throughout the organization will be able to more completely outline the prospective issues that will need to be addressed as part of the budget process for the following year, more clearly demonstrate the impact of decisions in the budget being adopted, and lay out a more accurate projection for the next year as well as any associated options for balancing that budget. The process will culminate in the adoption each year of the annual budget, as required by State Code.

SUMMARY OF THE FY 2018 AND FY 2019 MULTI-YEAR BUDGET

The current forecast for FY 2019 indicates a challenging budget environment similar to FY 2018. Revenue growth is projected at a modest 1.97 percent assuming no tax rate increases, only slightly higher than the 1.94 percent growth rate seen in FY 2018. Between this revenue growth and savings as a result of reserve adjustments, available resources would allow County disbursements and support for the Fairfax County Public Schools to increase by approximately 2 percent. As a result, $38.81 million would be available for County funding priorities and total County support for the Schools would increase by $43.41 million.

	County	$ in Millions	Schools
Available Funding	$38.15	Additional County Base Revenue ($80.97)	$42.82
	$0.66	Reserve Savings ($1.26)	$0.59
	$38.81	Total Available	$43.41

The Schools continue to be the County's top funding priority, and the division of available resources shown in the table above would maintain total support for the Schools at 52.8 percent of disbursements, the same share as in the FY 2018 Adopted Budget Plan. After accounting for a required debt service increase of $7.10 million, the transfer for School operations would increase by $36.31 million, as shown in the table below. As a result, FY 2019 support for the Schools would include transfers of $2.00 billion for operations, $196.2 million for debt service, and $13.1 million for construction.

	FY 2019 (in millions)
School Allocation	$43.41
Debt Service	$7.10
Increase in School Operations Transfer	$36.31

Meanwhile, disbursement requirements continue to increase both as a result of the factors that drive expenses in the County and Schools budgets, such as population growth and employee compensation increases, and as a result of the need to address the priorities of the community, including reductions in class sizes and continued implementation of the Diversion First program. The available resources identified for FY 2019 will fund only a small subset of these priorities. The projected increase in the transfer for School operations of $36.31 million will only be sufficient to fund enrollment growth and partially fund employee compensation increases. Similarly, the priorities that have been identified by County agencies exceed the projected resources available. As shown in the table below, the County allocation is $31.18 million after required debt service adjustments, which will fund only a portion of employee compensation increases and increases in employer costs for fringe benefits. Funding all of the priorities that have been identified by County agencies would result in a projected shortfall of $95.71 million. Therefore, balancing the FY 2019 budget will require difficult decisions regarding which priorities to fund, which to exclude or delay, and whether programmatic reductions should be made in other areas or revenue enhancements should be considered.

	FY 2019 (in millions)
County Allocation	$38.81
Debt Service	$7.63
Net Balance	$31.18
Employee Pay	$43.40
Employee Benefits	$13.00
Net Balance	($25.22)
Other Priorities	$70.49
Net Balance	($95.71)

The projections for revenues and expenditure requirements included in the following sections are an early forecast of the challenges that will be faced in the coming budget cycle. In addition, there are other items for which the FY 2019 fiscal impact is uncertain. For example, the County will face increased funding needs for Metro, as WMATA (Washington Metropolitan Area Transit Authority) has proposed drastic increases in capital spending to address aging infrastructure. Other funding priorities are likely to develop prior to the release of the FY 2019 Advertised Budget Plan.

Development of the FY 2019 budget will span the majority of the next year. The next step in the process will be a series of joint meetings between the Board of Supervisors and School Board in the fall. Updated projections will be presented at those meetings to provide a better picture of anticipated revenues based on the most recent data, and the inventory of County and School priorities will be refined based on input from the two boards.

Revenue Assumptions

Based on the assumptions and estimates detailed below, General Fund revenues are projected to experience an increase of 1.94 percent in FY 2018 as a result of a 1.89 percent rise in real estate assessments as well as modest growth in other revenue categories. **General Fund revenue growth of 1.97 percent is currently projected in FY 2019.** Revenue growth rates for individual categories are shown in the following table:

ACTUAL AND PROJECTED REVENUE GROWTH RATES

	ACTUAL	PROJECTIONS		
Category	FY 2016	FY 2017[1]	FY 2018	FY 2019
Real Estate Tax - Assessment Base	3.46%	2.98%	1.89%	1.90%
Equalization	2.40%	1.94%	0.97%	1.00%
Residential	3.39%	1.64%	0.68%	1.00%
Nonresidential	(0.60%)	2.87%	1.85%	1.00%
Normal Growth	1.06%	1.04%	0.92%	0.90%
Personal Property Tax - Current[2]	2.00%	1.16%	2.00%	2.00%
Local Sales Tax	1.40%	0.00%	2.50%	2.50%
Business, Professional and Occupational, License (BPOL) Taxes	0.66%	1.00%	1.50%	1.50%
Recordation/Deed of Conveyance	(0.02%)	0.49%	0.21%	0.21%
Interest Rate Earned on Investments	0.66%	1.03%	1.25%	1.65%
Building Plan and Permit Fees	8.06%	4.70%	1.33%	2.00%
Charges for Services	8.64%	1.68%	1.03%	0.77%
State/Federal Revenue[2]	5.35%	(1.01%)	0.17%	0.00%
TOTAL REVENUE	**3.00%**	**4.49%**	**1.94%**	**1.97%**

[1] FY 2017 growth rate of 4.49% includes the impact of a $0.04 increase in the Real Estate Tax rate to $1.13 per $100 assessed value. Excluding the Real Estate Tax rate increase, the FY 2017 growth rate was 2.07%.

[2] The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

Economic Indicators and Assumptions

Economic projections for the national and local economies were reviewed from a variety of sources in the development of these revenue estimates including IHS, the Congressional Budget Office and the National Association of Realtors. Projections specific to Fairfax County are obtained from economic forecaster IHS.

The U.S. economy expanded at a rate of 1.2 percent during the first quarter of 2017 after growing 2.1 percent in the fourth quarter of 2016. Consumer spending, which makes up more than two-thirds of economic activity, grew just 0.4 percent in the first quarter, compared to 2.4 percent in the fourth quarter. Federal, and state and local government expenditures decreased modestly during the first quarter. For all of 2016, the U.S. economy grew 1.6 percent, compared to an increase of 2.6 percent in 2015.

The pace of employment growth in 2016 slowed compared to 2014 and 2015. The U.S. economy added just over 2.2 million jobs in 2016 compared to 2.7 million in 2015. On average, 187,000 jobs per month were added during 2016, compared to an average monthly gain of 226,000 jobs in 2015. In May, the unemployment rate fell to a 16-year low of 4.3 percent.

Gains in home prices nationwide continued their rise in 2016, supported by low interest rates, declining unemployment, and rising disposable personal income. Gains continued during the first quarter of 2017. According to the S&P/Case-Shiller home price index, home prices were up 5.9 percent for the 12 months ending March 2017. Home prices in the Washington Metropolitan area posted a slightly more modest 4.2 percent gain during the same period.

The County's economy has been stagnant in the past several years as it has been impacted by federal sequestration and defense budget cuts. Employment in Fairfax County fell 0.6 percent in 2013 and another 1.2 percent in 2014. This equated to almost 11,000 jobs lost over the two years. Many were in high-wage sectors such as professional services and the federal government. In 2015, the labor market in the County started to show improvement, which continued in 2016. Employment increased by 15,700 jobs over the two years. Employment in Professional and Business Services, which includes most federal contractors, lost almost 12,600 jobs in 2013 and 2014 and remained flat in 2015. In 2016, employment in this sector increased by 2,300 jobs; however, this level is 4.5 percent below the 2012 level. Other industry sectors that created new jobs in 2016 include Leisure and Hospitality, Education and Health Services, and Financial Activities. The County's unemployment rate is 3.0 percent as of March 2017, down from 3.2 percent in March 2016.

Based on the latest available data, federal procurement contracts in the County increased 4.4 percent in FY 2016 after decreasing 2.6 percent in FY 2015. Federal procurement spending in Fairfax County grew 13.3 percent per year from FY 2007 to FY 2011. It was flat in FY 2012 before dropping almost 13 percent in FY 2013. The FY 2016 level is 9.5 percent below FY 2012.

According to estimates from IHS, the County's Gross County Product (GCP), adjusted for inflation, declined 1.1 percent in 2013 and another 1.0 percent in 2014, before increasing 1.0 percent in 2015. Based on preliminary estimates, GCP increased at a rate of 1.1 percent in 2016. This tepid growth illustrates the continued economic impact of the Sequester. Uncertainty associated with the direction of the federal budget and potential reductions in federal workforce under the new administration could impact the County's ability to grow its economy in the coming years.

Real Estate Taxes

Based on the assumptions below, the total Real Estate Tax base is expected to rise 1.89 percent in FY 2018 and 1.90 percent in FY 2019.

Local Housing Market

Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in Fairfax County rose just 0.1 percent from $544,055 in 2015 to $544,416 in 2016. Since 2009, the average sales price of housing has risen 30.5 percent, although gains have flattened in recent years, with the average sales price increasing just 2.4 percent since 2013. MRIS also reported that 15,755 homes sold in the County in 2016, up 6.1 percent over 2015. Homes that sold during 2016 were on the market for an average of 52 days, the same as in 2015. Home sales throughout 2017 will impact the FY 2019 real estate assessment base.

After increasing 1.64 percent in FY 2017, residential values rose 0.68 percent in FY 2018 to a mean assessed value for residential property of $533,168. An increase of 1.00 percent is anticipated in FY 2019.

Local Nonresidential Market

According to the Fairfax County Economic Development Authority, the direct office vacancy rate was 15.8 percent at the end of 2016, down from 16.2 percent at year-end 2015. The overall office vacancy rate, which includes empty sublet space, was 16.8 percent at the end of 2016, down from 17.2 percent recorded at year-end 2015. The amount of empty office space dropped to 19.5 million square feet. Industry experts expect vacancy rates to remain relatively stable through 2017 as tenants monitor economic conditions and the direction of the federal budget.

Office leasing activity topped 10.7 million square feet in 2016. As has been the case for the past several years, the overwhelming majority of leasing activity in 2016 involved renewals and consolidations. Lease rates for new space are adjusting to market conditions as many tenants are taking advantage of favorable rates, and others are looking to capitalize on market conditions by consolidating operations in newer space near Metro stations. Submarkets along and near the Silver Line – Tysons Corner, Reston and the Herndon area – are especially well-positioned to take advantage of this trend. More than 52 million square feet of new office space is in the development pipeline countywide. This "flight to quality," however, results in vacancies in office space that is older and often farther from transit and amenities.

In FY 2018, nonresidential values increased 1.85 percent due to equalization compared to 2.87 percent growth in FY 2017. The main cause for the lower FY 2018 increase is the decline in the values of Office Elevator properties. Office Elevator properties (mid- and high-rises), the largest component of the nonresidential tax base at 31.4 percent, experienced a decline of 1.39 percent in FY 2018 after increasing 3.42 percent in FY 2017. Apartment values, which represent 25.9 percent of the total nonresidential base, rose 3.37 percent in FY 2018. In FY 2019, the overall value of all types of nonresidential properties is projected to increase 1.0 percent over FY 2018.

New Construction

The Real Estate Tax base will also be impacted by new construction in the County. At the end of 2016, office development continued around Metro stations in the Silver Line corridor and in other areas of the County as well. The amount of new office space that delivered in 2016 – more than 800,000 square feet – exceeded the roughly 370,000 square feet of space delivered in all of 2015. At year-end 2016, nine office buildings totaling more than 3.1 million square feet were underway in seven submarkets. More than 58 percent of the space being built is leased or will be occupied by owners. Fairfax County ranks as the 15th most active office construction market nationally.

Based on current activity, total new construction is projected to add 0.9 percent to the overall real estate base in FY 2019, a rate on par with FY 2018.

Personal Property Taxes

Current Personal Property Tax revenue, which represents approximately 15 percent of total General Fund revenue, is anticipated to experience an increase of 2.0 percent in FY 2018 due to a projected increase in the vehicle levy, as well as an increase in the Business Personal Property levy. The vehicle component comprises over 76 percent of the total Personal Property tax levy. Nationwide, new vehicle sales in 2016 rose for a seventh consecutive year since 2009. Manufacturers' incentives contributed to the increase. According to National Automobile Dealers Association, new vehicle sales are expected to increase in 2017, albeit at a slower pace, due to rising interest rates and longer loan terms. However, the effects of higher interest rates would likely be offset by rising automaker incentives. These factors will impact Personal Property Tax revenue in FY 2019, which is projected to increase 2.0 percent over FY 2018.

Other Major Revenue Categories

Sales tax receipts increased 1.4 percent in FY 2016 and are projected to remain level in FY 2017 primarily due to a $2.5 million refund for taxes paid in previous years based on a state audit. Growth of 2.5 percent is projected in both FY 2018 and FY 2019. BPOL (Business, Professional and Occupational License tax) receipts are sensitive to economic conditions and are particularly impacted by federal procurement spending in the County as the Consultant and Professional Business Services categories comprise approximately 42 percent of total BPOL receipts. Total FY 2017 BPOL receipts are anticipated to increase 1.0 percent in FY 2017 and experience growth of 1.5 percent in FY 2018 and FY 2019. Recordation and Deed of Conveyance revenues, which are paid for recording deeds, are anticipated to be slightly down in FY 2017 primarily due to declines in mortgage refinancings. A very modest growth is projected in FY 2018 and FY 2019 based on modest growth in home sales.

Due to continued development around the Metro's Silver Line in Tysons and Fort Belvoir construction activity, building permit fee revenue is forecasted to grow 2.0 percent in FY 2019. Other permits, licenses, and user fees are also expected to experience modest growth throughout the forecast period.

Revenue from Interest on Investments is highly dependent on Federal Reserve actions. After increasing the target range for the federal funds rate for the first time in almost a decade back in December 2015, the Federal Reserve raised the rate again in December 2016 and March 2017. It is expected that the Fed will continue raising the rate at a gradual pace throughout 2017. The average annual yield on County investments is anticipated to be 1.25 percent in FY 2018 and 1.65 percent in FY 2019.

State and federal revenue categories are expected to remain essentially flat in FY 2018 and FY 2019. Staff will continue to monitor the impact of state and federal spending on County funding streams.

DISBURSEMENT PRIORITIES

The disbursement requirements and priorities that have been identified through the FY 2018 and FY 2019 multi-year budget process are discussed below. Among these items are basic requirements such as funding of County and School debt service, employee pay increases and benefit cost increases, increases resulting from budget drivers such as increased workloads and School enrollment, and implementation of programs that have been identified as Board priorities. In addition to the costs noted below, the County's reserve policy requires that an amount equal to ten percent of any increase in General Fund disbursements be allocated between the Managed Reserve and the Revenue Stabilization Fund.

The items identified below and associated expenditure levels will be revalidated during the FY 2019 and FY 2020 multi-year budget development process in light of updated data and revenue projections. However, the increases that could be accommodated within the modest revenue growth that is currently projected are limited to funding of County and School debt service and funding increases resulting from School enrollment growth, with partial funding of employee pay increases. Therefore, in order to develop a balanced budget and address Board priorities, it will be necessary to consider revenue enhancement options and programmatic reductions or to defer some of these items to FY 2020 or beyond.

Fairfax County Public Schools (FCPS)

An increase in the transfer to the Fairfax County Public Schools for operations will be required to support increased expenses resulting from enrollment growth and demographic changes, employee compensation increases including support to continue the teacher scale enhancement, and benefit cost increases. In addition, FCPS' strategic plan will require additional, long-term investments, and previously identified unfunded needs include reducing class sizes at middle and high schools, special education needs for elementary enhanced autism, investing in parent liaisons and additional psychologists and social workers, eliminating pre-k waitlists, replacing textbooks, computers and buses, providing students with computers, and investing in preventive and major maintenance. It is anticipated that guidance regarding the increase in the County transfer for operations will be developed during the joint meetings of the Board of Supervisors and the School Board. It should be noted that each one percent increase in the transfer for operations is approximately $19.67 million.

For the purposes of this projection, it has been assumed that County disbursements and County support for the Schools will both increase at the same rate in FY 2019. As a result, total County support for the Schools is projected to increase by approximately 2 percent, or $43.41 million. This amount comprises an increase of $36.31 million for school operations and an increase of $7.10 million for debt service based on the size of bond sales for School facilities, which remains at $155 million. Consistent with the recommendations of the Infrastructure Financing Committee, the County transfer of $13.1 million to the School Construction Fund is anticipated to be maintained in FY 2019.

Employee Pay

For purposes of the FY 2019 plan a $43.40 million placeholder for employee pay increases is used. It is based on:

1) Market rate increases (MRA) for all employees are assumed at an estimated cost of $18.40 million which assumes a 1.5 percent MRA. The actual MRA, based on the previously agreed to funding calculation, will be calculated in the fall of 2017. The MRA increase in funding is applied to employee salaries at the beginning of the fiscal year. The MRA provides a guide to the amount of pay structure adjustment needed to keep County pay rates competitive with the market.

2) Funding of $12.50 million is required for General County employee pay increases, which reflects the performance and longevity program for all eligible General County employees approved by the Board of Supervisors in fall 2014 and implemented in FY 2016. The funding reflects increases effective July 2018 for graduated performance increases, based on where employees are on the pay scale, and the 4 percent longevity increases provided to employees who reach 20 or 25 years of service as of June 30 each year. The performance increases range from 3 percent for employees within 15 percent of the bottom of the pay scale to 1.25 percent for employees within 25 percent of the top of the pay scale. The average increase in FY 2019 is projected to be 2.0 percent.

3) Funding of $10.00 million is required for public safety pay increases which reflect merit and longevity increases for all eligible public safety employees. The funding reflects the full-year impact of merit and longevity increases provided to uniformed employees in FY 2018 and the partial-year costs for merit and longevity increases provided to uniformed employees in FY 2019 since all increases are effective on the employee's anniversary date. Merit increases are awarded to public safety employees as they progress through the pay scale. Public safety employees who have reached a combination of length of service (15 and 20 years) and have otherwise reached the top step of their pay scale are eligible for longevities. Merit and longevity increases are each 5 percent for public safety employees. In any given year between 40 and 50 percent of public safety employees are eligible for one or the other.

4) A placeholder of $2.50 million is included in FY 2019 for compensation adjustments that would result from the annual review of County job classifications. The process for review uses representative job classes from among job families and compares pay levels with our competitors in the local job market.

Fringe Benefits

A total increase of $13.00 million is required for benefits for FY 2019, primarily as a result of increases for health insurance ($7.00 million) and retirement ($6.00 million).

Health insurance cost increases are primarily the result of actual experience in the County self-insured health plans. The estimated increases in FY 2019 total $7.00 million, based on projected 7 percent premium increases for all health insurance plans in plan years 2018 and 2019. It should be noted that these premium increases are budgetary projections only, and final premium decisions are made in the fall prior to the beginning of each plan year based on updated claims experience.

Also required in FY 2019 is a net $6.00 million increase for fiduciary requirements associated with the County's retirement systems and as a modest investment to strengthen the systems' funding ratios. The County is committed to further strengthening the financial position of the systems, and has established a goal to reach a 90 percent funded status for all plans by FY 2025. In order to meet this goal, the County has established a multi-year strategy that includes increases in the employer contribution rates so that the County will amortize 100 percent of the unfunded liability by FY 2020 at the latest. The assumption for FY 2019 is an increase from 98 percent to 99 percent. The County will continue to use a conservative 15-year amortization period.

In addition, it is anticipated that FY 2019 will be the third and final year of the Board-directed 3-year plan to enhance benefits for service-connected disability retirees by eliminating the Social Security offset in the Employees' and Uniformed systems. The FY 2018 Adopted Budget Plan includes a reduction to the offset from 10 percent to 5 percent, and it is anticipated that the final 5 percent will be eliminated in FY 2019. Although this benefit enhancement is anticipated to have a nominal impact on the FY 2019 employer contribution rates, it will result in a $1.4 million increase in the liability of the systems. The retirement system funding strategy approved by the Board of Supervisors as part of the adoption of the FY 2016 Adopted Budget Plan requires that any increase in the liability of the systems that results from benefit enhancements be fully funded immediately. Therefore, it is anticipated that this one-time $1.4 million increase in employer contributions will be included in the *FY 2018 Third Quarter Review*.

Other Funding Requirements

In addition to pay and benefit requirements for County employees, other priorities included in the forecast total $78.12 million. These priorities are outlined by funding category below.

Staffing requirements identified for FY 2019 include 156 additional positions. These positions are identified based on current and planned conditions and service requirements. As part of the FY 2019 budget development process, all position requirements will be reviewed thoroughly and workload requirements analyzed prior to inclusion in the FY 2019 budget. As new information becomes available additional positions may be identified.

Capital Construction and Debt Service

A significant increase in capital construction funding is needed in order to meet the County's backlog of requirements, primarily infrastructure upgrades and replacements at County-owned facilities. An increase of $10.00 million is identified at this time for FY 2019. As capital requirements are refined over the upcoming year this amount will be revisited and the priority projects will be identified for its use.

In addition, a debt service increase of $7.63 million is identified for FY 2019 to reflect the required costs for County bond projects supporting the County's Capital Improvement program (CIP). The estimate for FY 2019 is consistent with the projects outlined in the CIP and will be refined based on the timing of bond sales and cash flow requirements at the time of the sale. The actual debt service requirement will be based on the size and timing of the sale and the interest rate received by the County.

Public Safety

Multi-Year Public Safety Staffing Plan

The largest single component for Public Safety in the Multi-Year Budget for FY 2019 is the Multi-Year Public Safety Staffing Plan, which includes $8.48 million and 58 positions. Additional positions are included as part of the plan in future years. The details of the original plan are available online at: www.fairfaxcounty.gov/dmb/fy16-fy20-public-safety-staffing-plan.pdf. Due to constraints in available funding during recent budget processes, implementation of the staffing plan has been delayed with many positions deferred until FY 2019 or later. In addition, other public safety staffing priorities have developed since the staffing plan was drafted and have been funded in recent annual budgets. These include supporting the countywide Diversion First initiative (begun in FY 2017 and continuing in FY 2018); beginning the process of staffing the South County Police station (begun in FY 2017 and continuing in FY 2018); implementing adjustments resulting from the review of the Police Department's organizational structure and pay plan, including the creation of additional Relief Sergeant positions to provide a regular resource to fill operational vacancies (included in the FY 2018 budget); and providing additional support for the Internal Affairs Bureau (IAB) based on increased workload associated with the establishment of an Office of the Independent Police Auditor and a Police Civilian Review Panel (also included in the FY 2018 budget).

There were five overarching trends that Fairfax County public safety agencies agreed are factors that impacted staffing and personnel resources now and in the future. The identified trends are urbanization, population/demographics, technology, mandates/standards, and natural and man-made threats:

- Urbanization is a trend that will impact public safety incrementally over the next several decades as areas continue to transition from suburban to higher-density growth patterns. The impacts of urbanization will include longer response times to calls in high rise buildings, increased traffic congestion, and the need to shift to higher capacity responses.

- The total population of the County is growing both in terms of residents and those working in the County and impacting service delivery while here. In 2005 there was a total population of approximately 1.6 million, including both residential and employment populations, and it is projected to reach 1.8 million by 2020. In addition to growing overall, the County's senior population is increasing. The County is expected to have a rapidly increasing population of persons age 65 and older, particularly as the Baby Boomer generation ages. As of 2011, the oldest boomers turned 65, but the greater impacts are expected to occur as the boomers reach age 80 beginning in 2026. Currently, approximately 12 percent of Fairfax County's population is age 65 or older, and by 2025 this is anticipated to rise to 14.3 percent.

- Emerging technology is increasingly challenging for public safety. Efforts to investigate criminal activity are becoming more complex and more time consuming. Cell phones have become mobile computers that easily facilitate criminal enterprise and are now used more than traditional computers. The inability to effectively extract computerized/digital evidence continues to hamper the successful prosecution of criminal investigations.

- Federal, state, and local mandates also impact public safety. A significant example is the training mandates for police officers that continue to be a factor taking officers off of the street. Complex case law rulings in recent years have lengthened the time officers spend in court. DWI initiatives have increased the enforcement levels of DWIs which has resulted in lengthier court times and multiple court appearances for officers and attorneys.

- Natural and man-made threats always pose a challenge for public safety agencies and their resources. In the current environment of terrorism, bombings, and mass shootings, it is imperative that minimum staffing levels and appropriate coverage of the entire County is maintained. Natural disasters also pose a challenge to public safety agencies and their resources. Major weather events require large scale public safety responses, sometimes for an extended amount of time. Adequately staffing each patrol area is critical to effectively responding to calls for service and maintaining a safe environment for residents and businesses.

FY 2019 funding and position increases associated with the staffing plan, as well as other Public Safety priorities for FY 2019, are outlined by agency below.

Commonwealth's Attorney

Multi-Year Staffing Plan

A total of 10/10.0 FTE positions and funding of $1.33 million is identified for FY 2019 based on the multi-year staffing plan. Based on caseload numbers, the Fairfax County Office of the Commonwealth's Attorney handles the greatest workload of any prosecutor's office in the state. In addition, a number of changes have occurred over the years that have dramatically increased the amount of time spent in court and preparing for court. Standards in discovery for criminal cases, which require written responses, continue to expand and the office must now respond in writing to all pretrial motions when previously only oral responses were required. In addition, jury trials now consist of longer periods of jury selection and are bifurcated into two separate phases, a guilt phase and a sentencing phase. This has resulted in jury trials that last for multiple days where they would once be concluded in a day. Longer trials result in attorneys being in court multiple days and thus unavailable to assist in covering the day-to-day courtroom assignments. Also, given the length of the courtroom dockets, jury trial preparation cannot be completed during business hours, and this leads to attorneys working late hours and weekends. As an example of the shortage in staffing, the ratio of attorneys per citizen for the four largest court systems in the state are 1 per 5,733 in Richmond, 1 per 6,817 in Norfolk, 1 per 12,189 in Virginia Beach, and 1 per 35,548 in Fairfax. As a result, 5 attorney positions are identified for FY 2019.

In addition to the 5 attorney positions, 1 management analyst, 2 administrative assistant positions and 1 paralegal position would provide needed support for the attorneys in the preparation of cases. Currently, attorneys in the office are tasked with completing clerical duties such as copying, filing, faxing, and answering phones in addition to all of their other professional and legal responsibilities. The addition of administrative assistants, a paralegal, and a management analyst would allow attorneys more time to meet with witnesses, prepare for their trials, respond to motions, and draft appeals. Finally, a network analyst position is necessary. There is no other technology support within the Office of the Commonwealth's Attorney. Budget constraints prevented the office from filling a position in the past and keeping up with ever-changing technological advances. Surveillance and video equipment used by law enforcement agencies, businesses and citizens continue to change. Video is often delivered to the Office of the Commonwealth's Attorney in many different formats that require specific programs or software. At the same time, judges and juries increasingly expect the use of such technologies in the course of courtroom presentations, hearings and trials. Due to these factors, this office has been unable to keep up with the technologies necessary to view, copy, and convert CDs received as evidence or to employ many of the other technological innovations available to the courtroom practitioner today.

The multi-year staffing plan included 39 positions for the Commonwealth's Attorney, including the 10 positions discussed above.

Police Department

Multi-Year Staffing Plan

A total of 7/7.0 FTE positions and funding of $1.33 million is identified for FY 2019 based on the multi-year staffing plan. The Fairfax County Police Department is the largest local police agency in the Commonwealth of Virginia. With a population of more than one million residents, Fairfax County is one of the safest communities in the Washington Metropolitan area. Despite being the most populated community in the region, crime remains at record low levels. In addition, the Fairfax County Police Department continues to maintain the lowest officer to resident ratio of all other police departments in this region and across the nation when compared to departments of similar size and population density. In spite of the success at keeping the crime rate low the department is experiencing deficits in several key areas, and after an extensive analysis of all bureaus a staffing request for critical positions was developed. This analysis took into consideration the five key overarching trends that impact public safety resources as well as internal factors such as a culture of safety and the agency's strategic plans. As a result, 2 explosive ordinance technicians, 2 computer forensics detectives, 2 animal control officers and 1 civilian investigator are identified for FY 2019.

Explosive Ordinance Disposal (EOD) technicians respond to suspicious events where explosive or otherwise hazardous packages, munitions, or devices have been located. The EOD technician determines the threat to public safety, recommends appropriate evacuation zones, renders safe the device, transports the device to a disposal location, and then destroys or dismantles the device. They provide security sweeps with explosive detecting dogs at public venues, mass transit sites, and in VIP security details. They serve as liaison with Fire Department HAZMAT, FBI EOD teams, and other EOD teams in the NCR. In 1981, EOD was formed with two full-time EOD technicians; currently there are still only two full-time technicians. Technology has also impacted EOD, as their tools and the threats they deal with have advanced dramatically. The use of robots and high resolution x-rays have increased safety, but require more advanced training. Currently, two EOD technicians must respond on every call per protocol. Once the EOD technicians arrive on the scene, the examination of the device takes longer because of the range and complexity of equipment. The typical incident lasts between two and six hours. Adding two additional full-time EOD technicians would provide the County with the resources required to handle two bomb/explosive events simultaneously. The full-time EOD technicians are also EOD canine handlers. The EOD canine capability is critical in protective sweeps at large public events and mass transit sites. EOD canines regularly do sweeps at Metro stations, adding another team would expand the Department's ability to conduct safety sweeps.

While crime has generally dropped to the lowest level in several decades, both in Fairfax County and across the country, one growth area for criminal activity is in computer and Internet-related crime. This trend is reflected in the investigative workloads handled by both the Financial Crime Section and the Computer Forensics Section in the Criminal Investigations Bureau; both have increased dramatically in recent years. The backlog of evidence to be processed by the Computer Forensics Unit is months long. A recent independent analysis of the department's computer-related crime statistics indicated that the caseload is projected to increase by approximately 6 percent annually for the foreseeable future. Due to the constantly increasing workload demand on the Computer Forensic Section, property cases now have an average seven-month wait time for processing, causing many cases to be dropped in court, which the addition of 2 detective positions could help to minimize.

Animal Protection Police Officers perform a wide range of animal control duties to include responding to calls for service, investigating animal bite cases, conducting investigations in sensitive cases of alleged animal cruelty, interviewing witnesses and suspects, and securing and serving warrants related to animal and wildlife offenses. These officers work in close cooperation with the Health Department, Zoning Enforcement, and the Commonwealth's Attorney's Office. They rescue injured animals and/or perform field euthanasia of injured and sick animals as necessary. These officers are also tasked with inspecting kennels, boarding stables, pet shops and traveling animal exhibits to ensure compliance with County, state, and federal laws and regulations. Currently, Animal Services is authorized 26 Animal Protection Police Officer (APPO) positions. The APPOs are assigned to four squads covering the day work and evening shifts seven days a week. The minimum staffing of each squad is four APPOs. Based on the Department's patrol staffing model, each squad should be staffed with seven APPOs. This is based on minimum staffing plus three officers, which provides sufficient coverage for officer safety, officers on personal leave, injury leave, and attending training. Both day work squads are currently staffed with seven APPOs, however, each evening shift squad is only staffed with six APPOs. Whenever minimum staffing is not met, overtime is required to fill the minimum staffing positions for the shift. In addition, Animal Services continues to experience increases in workload including active investigations, calls for service and total cases assigned. The addition of the 2 officers will address this gap in staffing.

The Financial Crimes squad consists of 15 full-time employees, which include 12 detectives and three civilian fraud investigators. The Financial Crimes detectives investigate fraud and financial cases, including ID theft, embezzlement, credit card theft, and bad check cases. The Financial Crimes squad has the largest caseload in the Major Crimes Division (MCD) with an average of 3,000 cases per year. Due to the high volume of cases and delays in response to victims, the squad has been experiencing the highest number of citizen complaints in MCD. Currently, the civilian employees triage each case for further potential follow-up. The addition of one civilian investigator would add to the capacity of the squad, improving response times and customer satisfaction.

The multi-year staffing plan included a total of 80 positions for the Police Department. A total of 14 of these positions have been funded to date, not including positions for the South County Police Station discussed below, reducing the remaining amount to 66 positions including the 7 positions discussed above.

South County Police Station

An increase of $3.40 million is identified for FY 2019 to support 17/17.0 FTE positions, reflecting the third year of a multi-year process to staff the South County Police Station. The station is scheduled to open in July 2021, and it is estimated that 70/70.0 FTE uniformed positions and associated support staff will be required to fully staff the station. A phased staffing approach was adopted based on the large number of staff required and the significant lead time associated with hiring and training new recruits. This approach also allows for continued analysis to ensure that current staffing estimates are accurate. The FY 2017 Adopted Budget Plan included funding to support 15/15.0 FTE positions to start the staffing process, and the FY 2018 Adopted Budget Plan includes an additional 5/5.0 FTE positions. The remaining 50 uniformed positions are proposed to be spread across three fiscal years, with 17 positions included in FY 2019, 17 positions included in FY 2020, and 16 positions included in FY 2021.

Criminal Intelligence Unit Grant Position

Funding of $0.17 million is identified to support the conversion of 1/1.0 FTE grant position supporting the Criminal Intelligence Unit (CIU) to a merit position. The position, which is currently being supported by a grant from the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), supports long term complex investigations related to untaxed and illegal sales of cigarettes, stolen property, narcotics, murder for hire and document fraud. Grant funding is anticipated to expire in FY 2018 and there is a very low likelihood of an extension thus requiring ongoing General Fund support to continue this critical position in FY 2019.

Consultant Recommendations after Review of the Police Department's Organizational Structure

Based on the FY 2016 budget guidelines, the PFM Group provided recommendations for reorganizing the operational and administrative structure of the Police Department to adequately address the growing needs of the County.

As part of the FY 2018 Adopted Budget Plan, funding of $0.8 million has been included to support 18/18.0 FTE Relief Sergeants in the Police Department and $2.7 million has been included for pay scale adjustments in the Police Department and Office of the Sheriff. It is important to note that due primarily to operational requirements including the significant lead time to hire new staff, approximately two-thirds of the full-year funding amount required to implement the Relief Sergeant effort was not required in FY 2018. As a result, additional funding of $1.6 million is estimated to be required as part of the FY 2019 budget to support this initiative; however, this figure may be partially offset by overtime savings.

An additional PFM finding, consistent with recommendations from the Ad-Hoc Police Practices Review Commission and the Police Executive Research Forum (PERF), found a need to create a more manageable span of control by reducing the number of subordinates per supervisor. This is essential to facilitate effective management and communication, especially during critical incidents where use of force might be necessary. PFM also found the need for 24/7 commander coverage at the station level. Adequate supervisory and command-level oversight on critical incidents is vital to ensuring that line officers have the support needed to accomplish the police mission as safely as possible. The PFM recommendation included an additional 36/36.0 FTE Lieutenant positions in Patrol, with an estimated cost of $7.9 million. Once approved, implementation will be phased in, ideally by division, within a reasonable timeframe to maintain operational continuity. Once implemented, the span of control of each sergeant will be significantly lower as the number of subordinates per supervisor will be reduced from an average of 14 to an average of 7. Each station will have more supervisors and one watch commander available for critical incidents.

Office of the Sheriff

A total of 22/22.0 FTE positions and funding of $2.75 million is identified for FY 2019 based on the multi-year staffing plan. Eight of these positions are for direct supervision of female inmates in the Adult Detention Center (ADC), which will allow placement of female inmates in multiple areas of the facility. The numbers of females incarcerated in the ADC has increased in recent years. This dedicated female direct supervision post would help accommodate fluctuations of the female inmate population and appropriate placement within the ADC.

Another 4 positions (1 per squad) would support the hospital post. On average, each confinement shift has 2 inmates admitted to the hospital due to serious medical issues above and beyond the ADC medical staff's capabilities. Each inmate at the hospital requires a minimum of 1 deputy, and maximum custody inmates may require 2 deputies per shift. Historically, the hospital post was not staffed on a daily basis because inmates were not admitted to the hospital as frequently.

A total of 8 positions would support the male forensics posts. In 2003, staffing of the male forensics post began as a pilot program based on the requirements associated with inmates with mental health issues. This class of inmates continues to grow and has shown an increase since 2009. The units housing inmates with mental health issues are in close proximity to classrooms and forensics health staff. These inmates require intensive supervision and enhanced security.

The last group of 2 positions is for Courthouse security (outside of the deputies in courtrooms). Recent budget constraints resulted in the redeployment of 15 of the 20 uniformed Courthouse security staff. Prior to the reduction in staff, the Courthouse Facility Security Section was responsible for and always took a proactive approach towards security for the 52 acre Fairfax County Courthouse complex, with the intent to reduce crimes, manage emergencies and thwart any acts of terrorism towards visitors and employees. Although still responsible for addressing issues within the complex, the current primary focus is on situations occurring within the courthouse itself. Visitors entering the courthouse totaled an annual average of 908,242 for FY 2013 - FY 2015. The duties of the five members of the Facility Security staff supplement contracted security within the facility. Based on the volume of visits to the facility an increase in staffing is needed to maintain a high level of efficiency and timely response to events on the judicial complex.

The multi-year staffing plan included a total of 37 positions for the Office of the Sheriff, including the 22 positions discussed above.

Fire and Rescue Department

Multi-Year Staffing Plan

A total of 17/17.0 FTE positions and funding of $2.76 million is identified for FY 2019 based on the multi-year staffing plan.

The Fire and Rescue Department (FRD) has identified the need for a Research and Development Section to provide dedicated staff to keep pace with technological advancements so that Fairfax County remains on the cutting edge of fire suppression, emergency medical services and special operations service delivery. Technology is evolving rapidly in firefighting and emergency medical services. As the science of firefighting and emergency medical services is more widely studied, the evolution of equipment and technology is swiftly advancing. FRD currently has an Innovation and New Ideas Committee responsible for reviewing recommendations for altering equipment or changing fire, rescue, and emergency medical services delivery. While this committee has been helpful in reviewing recommendations, the exponential pace at which technology is advancing has surpassed the ability of an ad-hoc committee to keep up with research to evaluate proposals. With emergency medical equipment specifically, improvements to the way emergency services are rendered changes every six to eight months. FRD must keep abreast of advancements and make informed decisions about which technology to purchase, which generation of the technology should be purchased and whether or not the cost is worth the return on investment. The creation of a Research and Development Section will provide dedicated staffing to manage the research, selection, review, and evaluation process of new equipment, tools, technologies, and innovations that will improve service delivery to residents, businesses, employees, and visitors to Fairfax County. An additional 17/17.0 FTE positions and $2.35 million in FY 2019 would begin the process of staffing additional capacity units for the Department, as well as supplementing the Department's Risk Management Safety Bureau and assorted uniformed and civilian support positions. The County will continue to apply for grants to offset the cost of these positions.

In addition, funding of $0.41 million is required for 18 positions that were added in FY 2016 and funded through a Staffing for Adequate Fire and Emergency Response (SAFER) grant. The two-year period of the grant will end in early FY 2018. The FY 2018 Adopted Budget Plan includes partial-year funding of the ongoing support required to maintain these positions. This additional increase in FY 2019 is required to fund the full-year cost of these positions. These 18 positions, combined with two previous SAFER awards that provided a total 31 positions, have allowed the department to complete the process of implementing its top priority of four-person truck staffing. Four-person truck staffing has enhanced FRD's ability to provide fire, rescue and medical emergency services in a timely manner, increased the ability to complete time-critical tasks on scene as quickly as possible with the right amount of personnel thus reducing property loss and the risk of firefighter injury or death. Adding a fourth staff person to truck companies has also brought units into compliance with Occupational Safety and Health Administration (OSHA) and NFPA standards.

The multi-year staffing plan included a total of 166 positions for the Fire and Rescue Department. A total of 49 of these positions have been added to date as a result of SAFER grants, reducing the remaining amount to 117 positions including the 17 positions discussed above.

Fire and Rescue Apparatus

An increase of $2.0 million is required to support the second and third years of a multi-year process to gradually increase the annual contributions to the Large Apparatus Replacement Fund and Ambulance Replacement Fund. It should be noted that $1.775 million in baseline funding was included for this purpose in the FY 2017 Adopted Budget Plan and additional one-time funds may be considered as part of the *FY 2017 Carryover Review*. However, due to budget constraints no funds were available for this purpose in the FY 2018 Adopted Budget Plan, which had been planned to be the second year of the multi-year replenishment process.

This funding would be in addition to the department dedicating additional grant funds, additional baseline funds and one-time contributions in support of this effort. Additional contributions are required due to the increasing cost of vehicles and fleet growth. Without additional funding, the replacement reserves will be depleted in the near future. Starting in FY 2014, FRD has increased its baseline contribution to the Large Apparatus Reserve by $250,000 and has supported some ambulance purchases through the use of Four-for-Life grant funds. FRD, with the assistance of the Department of Management and Budget, has developed several scenarios with the goal of stabilizing the replacement reserve and ensuring sufficient funding is available in future years.

Office of Emergency Management (OEM)

A total of 2/2.0 FTE positions and funding of $0.31 million is identified for FY 2019 as a result of notice received that reductions in the Department of Homeland Security Urban Area Security Initiatives (UASI) grant funding are likely. Within OEM, the Emergency Planner, Training and Exercise Officer and the NIMS Compliance Officer positions have been identified as future reductions of the UASI funding for the National Capital Regional (NCR). In addition, the Grants Manager position is currently grant funded through the Emergency Management Performance Grant and UASI grant funding. Based on the prospect that grant funding may be reduced or eliminated, all four of these positions are identified in the OEM staffing plan with the Emergency Planner and the Training and Exercise Officer identified for FY 2019. The loss of these positions would equate to a one-third reduction of OEM agency staffing.

These positions are needed to create and maintain countywide emergency plans, develop and conduct countywide training and exercises that ensure County readiness for all disaster types, and ensure federal grant compliance. Failure to fund these positions will prevent OEM from meeting these strategic goals:

- OEM will maintain operational readiness to effectively support Fairfax County and its residents.
- OEM will build unity of effort for countywide readiness through collaborative partnerships.
- OEM will be a fiscally sound organization that leverages a stable and diverse funding base to achieve its mission.

These positions are critical to maintaining appropriate staffing levels within the Emergency Operations Center during emergency activations; to continue maintaining the level of service to residents during emergencies and to continue to provide coordination of emergency planning and training countywide. Without the requested funding, OEM will be unable to sustain training and exercise levels for countywide readiness initiatives. The County could potentially fail to meet compliance with federal mandates in regards to the National Incident Management System which could result in the loss of federal preparedness assistance (through grants, contracts and other activities) for the entire County.

The multi-year staffing plan included a total of 10 positions for the Office of Emergency Management, including the 2 positions discussed above.

Department of Public Safety Communications

While there are no positions identified for FY 2019, the multi-year staffing plan included a total of 20 positions for the Department of Public Safety Communications. All of the increases are based on anticipated increases in call volume and complexity with the transition to Next Generation 911 requiring increased numbers of call takers.

Juvenile and Domestic Relations District Court

An increase of $0.23 million and 1/0.5 FTE position is required to continue the Safe Havens Supervised Visitation and Safe Exchange Program in the Fairfax County Juvenile and Domestic Relations District Court due to the expiration of grant funding that has supported this program. In operation since February 2013, Safe Havens provides no-cost, safe and reliable visitation and exchange services to victims and families of domestic violence, stalking, dating violence, sexual abuse, or child abuse. Clients can be court-ordered from JDRDC or Circuit Court, referred through the Department of Family Services, community organizations or citizens with legal agreements that mutually agree to use supervised visitation and exchange services. The program was originally funded through a federal grant awarded to Fairfax County by the Department of Justice - Office on Violence Against Women. Those funds will expire in late FY 2017 and existing Title IV-E balances will be used for the remainder of FY 2017 and FY 2018 to support the program. Ongoing funding will then need to be included in the FY 2019 budget. Funds support 1/0.5 FTE part-time merit position, limited term support, fringe benefits and associated operating support such as language translation, security, transportation, and legal services.

Department of Animal Sheltering

Funding of $0.28 million and 3/3.0 FTE positions is identified to provide administrative support for the newly established Department of Animal Sheltering. As part of the *FY 2016 Carryover Review,* the Board of Supervisors approved removing the Animal Shelter from the Police Department and creating an independent Department of Animal Sheltering reporting to the Deputy County Executive for Public Safety. As part of the FY 2018 Adopted Budget Plan, funding of $2.5 million is transferred from the Police Department to support the new department's personnel and operating requirements; however, the department will still be reliant in FY 2018 on the Police Department to perform administrative functions such as budgeting, human resources, purchasing, information technology support, and other related functions.

Ad-Hoc Police Practices Review Commission Recommendations/Diversion First

Funding of $7.5 million is identified as a placeholder for continued implementation of the recommendations of the Ad-Hoc Police Practices Review Commission, including Diversion First. The commission was formed to review all Police Department policies related to critical incidents, including those policies related to use-of-force training, threat assessments, the Internal Affairs Division, and the release of information. The commission has recommended changes to the Police Department's policies and procedures as well as changes that will require the collaboration of multiple County agencies through the Diversion First initiative to redirect individuals with mental illness from the judicial system into the health care system. This funding, when combined with $7.5 million included in the FY 2017 Adopted Budget Plan and $2.0 million included in the FY 2018 Adopted Budget Plan, would bring total funding for commission recommendations to $17 million out of a total estimated cost of $35 million.

One recommendation that is anticipated to require funding in FY 2019 is the use of body cameras by the Fairfax County Police Department. During the January 31, 2017 Board Public Safety Committee meeting, the use of body cameras by the Fairfax County Police Department was discussed and direction was given to return to the Committee at the June 13, 2017, committee meeting with a final draft of a proposed implementation policy. By that time, the County will have selected a vendor for a pilot program, identified necessary staff resources, and completed other necessary planning work. Assuming the Board's concurrence with the proposed implementation policy, a full pilot is then anticipated to commence. Funding to support the pilot program is available from the remaining undesignated balance of recurring funds budgeted for Ad-Hoc-related recommendations in FY 2017; however, assuming success of the initial pilot program, it will then be necessary to identify funds for full program implementation in FY 2019. At this time, exact cost implications are not known, but given equipment, staffing, data storage, and other related requirements, the cost is anticipated to be significant.

In addition, funding to support the continued implementation of the multi-year Diversion First initiative has been identified as a requirement in FY 2019. Diversion First is a multi-agency effort to redirect individuals with mental illness, developmental disabilities, and co-occurring substance use disorders from the judicial system into the health care system to improve public safety, promote a healthier community, and maximize public resources in the most cost-effective manner. The FY 2019 requirements support staffing increases in the Police Department and the Office of the Sheriff to increase the availability of officers/deputies to provide security and assume custody of diverted individuals at the Merrifield Center. This funding also supports the deployment of additional Fairfax-Falls Church Community Services Board staff across the five intercept points where contact between individuals and law enforcement occur and opportunities for diversion to treatment exist, including a third Mobile Crisis Unit and a second Jail Diversion Team. Finally, funding would allow the General District Court to maintain manageable and safe caseload levels for counselors as program participation is projected to continue increasing considerably.

Human Services

Department of Family Services

Children's Services Act
An increase of $3.5 million is included to support increasing expenditures in the Children's Services Act (CSA) program. The Children's Services Act is a mandated program and the County is required to provide services if the youth meets CSA program eligibility requirements and/or the youth receives services through a school Individualized Education Plan (IEP). A total of 1,494 youth were served in FY 2016, an increase of 151 youth, or 11.2 percent, over FY 2015. It is anticipated that the number of youth receiving services will continue to increase. In addition, it is expected that changes in state policy, effective January 1, 2017, will lead to an increase in costs. This policy change will increase the number of children served in residential treatment services. Children served in residential treatment services are the most costly in the CSA program. The expenditure increase would be partially offset by $1.5 million in revenue for a net impact to the County of $2.0 million.

System of Care
Funding of $1.0 million and 3/3.0 FTE positions is identified to expand the System of Care (SOC) model which connects the continuum of supports and services across County agencies, Fairfax County Public Schools and community partners. Funding would support services for youth with emerging mental health and substance use issues. The System of Care model is the result of the recommendations presented to the Human Services Committee of the Board of Supervisors on October 8, 2013. These recommendations were the direct result of the guidance included by the Board of Supervisors as part of the FY 2014 Adopted Budget Plan directing staff to identify requirements to address youth behavioral human services requirements in schools and the broader community. This funding would support the expansion of short-term behavioral health services for 350 youth at ten high schools; telepsychiatry and psychiatric consultation for children and youth in need of psychiatric services but unable to access them due to the shortage of child psychiatrists in Northern Virginia who accept Medicaid and/or other private health insurance; continuation of the crisis textline; and the expansion of the utilization review function in the Children's Services Act.

School Readiness
An increase of $1.0 million and 5/4.0 FTE positions is identified for the next phase of School Readiness funding. This would provide funding to expand school readiness activities in support of community programs serving young children. Funding is specifically aimed at creating a network of programs that promote school readiness through the alignment of curricula to the Virginia Foundation Blocks for Early Learning, as well as supporting children living in poverty to reach fall kindergarten benchmarks. Early childhood education programs support the cognitive, social, emotional and physical development of a child. The Department of Family Services (DFS) addresses school readiness through quality community-based programs that are accessible even to those most vulnerable. Funding will expand community-based programs by increasing opportunities for coaching and professional development and expanding both the neighborhood school readiness teams and the rating and improvement system supporting child care programs in the community. DFS has worked closely with FCPS to develop a mixed-delivery system providing community-based as well as school-based options for school readiness.

Public Assistance

An increase of $0.8 million and 8/8.0 FTE positions is identified to continue to address increasing public assistance caseloads in the Self-Sufficiency division. The number of residents receiving public assistance has increased steadily over the past several years with current average monthly caseloads totaling more than 97,000, representing an 87 percent increase over 2008. In accordance with federal and state mandates, the County is required to determine eligibility and deliver benefits within a certain timeframe. The County is not currently meeting these mandates. This leaves the County vulnerable to both internal and external audit findings. In fact, for the fourth consecutive year, the external audit for the year ending June 30, 2016 found material noncompliance in the Medicaid program. The external auditor also cited the County for having material weaknesses in internal controls over eligibility determination and redetermination. Through the creation and redeployment of additional positions in FY 2014, FY 2015 and FY 2016, the division has been able to improve its response time; however, it is anticipated that additional resources will still be needed to bring the County back into compliance with federal mandates.

Positions Supporting the Adult and Aging Population

In the coming years, it is anticipated that there will be a significant increase in the older adult population. Therefore, a multi-year plan has been developed to address the needs of this growing population. Funding of $0.7 million and 6/6.0 FTE positions has been identified to support case management and mandated pre-admission screenings in Adult Services; investigations of suspected abuse, neglect and exploitation in Adult Protective Services; and case management in the Home Delivered Meals Program.

School-Age Child Care (SACC) Rooms

Funding of $0.38 million and 2/1.6 FTE positions has been identified to support two new SACC rooms at White Oaks Elementary School. Renovations at White Oaks Elementary School, which currently has no dedicated space for SACC, will be completed in FY 2019. In keeping with County policy, two new SACC rooms will be constructed as part of the renovation. The expenditure increase would be partially offset by $0.34 million in revenue for a net impact to the County of $0.04 million.

Artemis House

Artemis House, the County's only 24-hour crisis shelter for victims (and their children) of domestic and sexual violence, stalking and human trafficking, is a 42-bed shelter program that provides a safe and comfortable environment for those who are fleeing violence. The current bed count equates to only one bed for every 31,000 residents in the County. This compares to the national standard of one bed for every 14,000 residents. Additionally, last year Artemis House turned away more than 250 families. Funding of $0.7 million is needed to expand capacity, as well as cover the additional costs of contracted services and rent.

Health Department

Epidemiology

In order to successfully plan for and respond to current public health challenges, $0.4 million and 3/3.0 FTE positions have been identified to expand capacity for communicable and non-communicable diseases. This would be the first year of a multi-year phase-in to improve the Health Department's capacity to prevent and control infectious diseases as well as develop capability to monitor the health status of the community and guide new approaches to the delivery of population-based health services.

School Health

Funding of $0.26 million and 2/2.0 FTE positions will support additional training and clinical practices now required as the result of recent case decisions and agreements rendered by the U.S. Department of Education, Office of Civil Rights (OCR). OCR has extended the requirements for health support services beyond the academic day to all school-sponsored activities including extracurricular activities and field trips. Additionally, OCR mandates that staff is prohibited from requesting that a parent or guardian provide any diabetes-related aids or services to the student unless the parent or guardian has submitted a written request to provide the student with the aid or service. Both of these changes will require additional support from Clinical Specialists and cannot be accommodated within existing resources.

Consistent with the increasing enrollment in the Fairfax County Public Schools, the number of students with health conditions continues to increase. However, the number of Public Health Nurses has not kept pace. During the 2011-2012 school year, there were 47,511 students with health conditions supported by 71 Public Health Nurses. During the 2015-2016 school year, there were 58,800 students with health conditions supported by 73 Public Health Nurses. Additionally, the increase in students with health conditions has led to the increased demand for student health assessments and health care planning. Both are necessary so that students are able to attend school, ready to learn. Funding of $1.0 million will allow the Health Department to fill 8/8.0 FTE Public Health Nurse positions that are currently vacant and not funded.

Medically Fragile Program

The Medically Fragile program provides one-on-one nursing services for medically fragile students enrolled in Fairfax County Public Schools. If a student is found eligible, services are mandated under federal law. The Medically Fragile program serves both full-time and preschool students. There has been a significant increase in the number of students found eligible for one-on-one nursing services between the 2014-2015 school year and the 2016-2017 school year. It is anticipated that this number will continue to grow as more medically fragile students are entering the school system at the age of preschool and remaining in the system until the completion of their school years. Funding of $0.20 million is identified for FY 2019 to address the anticipated increased demand for these mandated services.

Fairfax-Falls Church Community Services Board (CSB)

Medicaid Waiver Redesign

Pursuant to DOJ settlement implementation, the Commonwealth of Virginia has redesigned the previously separate service delivery systems for people with intellectual disability (ID) and developmental disabilities (DD) into one Developmental Disabilities (DD) services system. The term “developmental disabilities” is now understood to include intellectual disability as well as disorders on the autism spectrum and other developmental disabilities. As of July 1, 2016, all CSBs throughout the Commonwealth, including the Fairfax-Falls Church CSB, became the single point of eligibility determination and case management for people with intellectual and developmental disabilities. CSB’s role and oversight responsibility have grown larger, and the number of people served is increasing. As of October 2016, there were approximately 2,000 Fairfax residents on the state waiting list for Medicaid Waivers, with about 1,000 of those considered to have “urgent need.” The U.S. Department of Justice has ordered the Commonwealth to develop waivers to address those waiting for services at the time of the settlement. An increase of $1.9 million has been identified as a placeholder for FY 2019 to serve newly eligible individuals.

In addition, an increase of $2.9 million would support the June 2018 special education graduates of Fairfax County Public Schools turning 22 years of age who are eligible for day support and employment services and currently do not have a funding source for such services. This funding would be required to maintain the program as currently designed, with no cut to program enhancement or local support, and would prevent any special education graduates from being without services.

Psychiatrist Pay and Emergency Services

Funding of $1.25 million has been identified for compensation adjustments in FY 2019 for psychiatrists and emergency services personnel. Recently, CSB Medical Services experienced considerable difficulty retaining and recruiting qualified psychiatrists, particularly those specializing in children’s and emergency services, as well as services to the Spanish-speaking community. CSB Emergency Services experienced similar difficulties with personnel providing crisis intervention and stabilization services such that the average wait time for face-to-face services exceeded one hour for several months. CSB, in collaboration with the Department of Human Resources and the Department of Management and Budget, reviewed current pay plans for the relevant job classes, finding that Fairfax County wages were lower than average based on a local benchmark survey. Compensation adjustments implemented in April 2015 for 25 merit Psychiatrists, 35 non-merit Psychiatrists, and 23 merit Emergency Services staff have resulted in increased retention and successful recruitment for several critical positions vacant for extended periods. As part of both the *FY 2015 and FY 2016 Carryover Reviews*, the Board of Supervisors approved an increase of $1.25 million to cover costs associated with these increases. While staff will continue to monitor the impact of these increases on resources for FY 2018, this funding is a placeholder for purposes of the FY 2019 budget.

Conversion of grant positions in support of the Domestic Violence Action Center

Fairfax County was awarded grant funding from the U.S. Department of Justice, Office for Violence Against Women to staff and operate a Fairfax County Domestic Violence Action Center. This is a collaborative effort among several County agencies as well as two nonprofit agencies. The original grant award supported 5/4.5 FTE grant positions in three County agencies. Funding was decreased and in order to continue these vital services, and 3/2.5 FTE positions were converted to merit status in the General Fund as part of the FY 2016 Adopted Budget Plan. Partial grant funding is available through FY 2018; however, it is still not known how much funding will be available beyond FY 2018. Therefore, the remaining 2/2.0 FTE positions and $0.38 million have been identified for FY 2019 in order to maintain this critical unit. Staff will continue to apply for grant funding and pursue all options to preclude the need for General Fund support.

Parks and Libraries

Park Authority

Park Authority Operations and Maintenance

Funding of $1.41 million is identified for Park operations and maintenance to support benefits eligible positions for each of the seven area maintenance districts. Since FY 2010 there has been a 69 percent increase in citizen complaints regarding park maintenance and infrastructure care. Funding would also provide for increased custodial support associated with the upkeep of Park Nature Centers and Historic Sites, contracted arboreal work to provide the ability to respond to tree complaints promptly, contracted mowing for facilities that require infrequent or specialized mowing, and support for an Encroachment Prevention Plan to address encroachment violations on park land.

Social Equity

Funding of $0.60 million has been identified to advance the county's mission of social equity. The Park Authority is taking steps to offer equitable access to classes and RECenters to align with the Board of Supervisors Social Equity Resolution adopted on July 12, 2016. In order to meet the scholarship demands of the growing number of County residents living in poverty so that they, too, may enjoy access to recreational amenities, the Park Authority has identified a level of funding that current resources are unable to bear without General Fund assistance.

Capital Equipment

Funding of $0.57 million has been identified for replacement grounds maintenance equipment which is beyond its life expectancy. Approximately 11 percent of the grounds maintenance equipment has been rated as being in very poor condition.

Fairfax County Public Library

Non-Fiction Collection
Funding of $0.25 million is identified to expand the Fairfax County Public Library's non-fiction collection. This funding would secure approximately 13,000 new non-fiction titles, bolstering the most underfunded segment of the library's collection.

Cost of County Operations

Facilities Management Department

Project Manager
Additional funding of $0.13 million and 1/1.0 FTE position is identified for FY 2019 to support a Project Manager to provide plan review for transportation and building projects, as well as supplement infrastructure upgrades and replacement staff to ensure higher quality plan review, design and construction management.

Lease Costs
Funding of $0.50 million is identified for increased lease requirements. Annual lease escalation rates are projected to be in the 2 to 5 percent range.

Office of Capital Facilities

Funding of $0.33 million and 3/3.0 FTE positions is identified to address increased design and construction project workload. Projects approved in the 2015 Public Safety Bond Referendum include four fire stations which require the design and construction of a temporary fire station (Merrifield, Reston, Penn Daw, and Edsall); a Police Station/Supervisor Office which will be phased and occupied during construction (Franconia); a heliport; and a tactical operations center. Additionally, new and more rigorous Americans with Disabilities Act and building code requirements, increased volume and scale of projects, new and more stringent environmental and stormwater management requirements, and increasingly complex building systems, materials and assemblies have increased the need for inspectors to make sure contractors are performing all of the elements of the project plans and specifications. Adequate inspections are required to protect the County's interests during construction by outside low bid contractors. Several projects are projected to transition to the construction phase in FY 2019, including the Lorton Events Center, Pine Ridge, the Springfield Parking Garage, the South County Police Station, and the Reston Fire Station, among others.

Information Technology

IT Security
An increase of $0.37 million and 2/2.0 FTE positions is identified to address evolving IT security needs. These information security analyst positions would focus on cyber statutory compliance and cloud and application databases. It should be noted that these positions are in addition to two positions added in FY 2017.

IT Project Support
Funding of $7.2 million is identified to support critical IT investments designed to improve access to County services, promote government operational efficiencies and effectiveness, and increase performance and security capabilities. A significant portion of this increase will support the Planning Land Use System (PLUS) project and the Circuit Court Management System. The PLUS project will consolidate a number of legacy and disparate land use systems that support zoning and development plan review, building

permit/license issuance, code enforcement, inspection, and cashiering activities with an integrated adaptable enterprise solution, and on-going implementation and integration of electronic e-plans review capabilities. The Circuit Court Management System project will result in a fully-integrated system which allows for e-filling case pleadings, digital evidence submission, electronic orders, digital audio recordings, electronic signatures, and e-appeals.

PC Replacement/Technology Infrastructure Fund

Funding of $2.7 million is identified to address PC Replacement and Infrastructure-related requirements in the Department of Information Technology (DIT). As part of the FY 2015 annual budget process, DIT performed a significant review of the PC Replacement program, at which time the program shifted from a four-year replacement cycle to a five-year replacement cycle. In addition, the number of PCs included in the program and the number of software licenses possessed by the County was increased. Based on the increased number of PCs and software licenses included in the program, increased General Fund support of $708,500 was originally included in the FY 2015 Advertised Budget Plan. This funding was removed from the budget as part of final deliberations; as it was determined that sufficient balance was available to implement program changes without additional funds in FY 2015. However, it is projected that that balance will no longer be available by FY 2019.

In addition, funding is needed to update the current chargeback system for technology infrastructure as the system has not been updated following the transition of the County financial and business systems to FOCUS. An initial analysis of long-term costs has been conducted; however, significant changes related to the services provided are anticipated to occur during FY 2018 which will impact future year costs. As a result, additional analysis will be conducted by staff and specific recommendations for revising the model for charging user agencies (including FCPS) at an appropriate level will be made as part of the FY 2019 budget process.

NEXT STEPS IN THE MULTI-YEAR PROCESS

Balancing the FY 2019 Budget

Although the revenue projections and inventory of disbursement priorities included above set the stage for the FY 2019 budget, significant effort will be required to build and balance the budget. While some of the necessary changes will occur naturally over the next year before the release of the FY 2019 and FY 2020 Multi-Year Budget, others will require policy decisions to be made. Adjustments to develop a balanced FY 2019 budget could include efficiencies, reduction options, revenue enhancement options or deferral of a number of the items that have been outlined above. It is anticipated that these decisions will be guided by input received from the Board of Supervisors and School Board through their joint meetings in the fall.

The FY 2019 budget forecast presents a challenging picture as a result of projections that the County will continue to experience constrained revenue growth. The disbursement increases that could be accommodated within the projected revenue growth are limited, and would not address a number of County and Schools items that have been identified based on information available today. However, there is also the potential for changes as more information is available over the course of the next year. The items that need to be funded in FY 2019 will therefore be considered in the context of Board priorities, and decisions will be made by the County Executive on what specific items to recommend for FY 2019 and which items to exclude or delay until FY 2020 or beyond.

FY 2018

Adopted Budget Plan

Strategic Linkages

Strategic Linkages

Context and Background

Fairfax County has been working on a number of initiatives over the last 15 years to strengthen decision making and infuse a more strategic approach into the way business is performed. These initiatives include developing an employee Leadership Philosophy and Vision Statement, identifying the priorities of the Board of Supervisors, incorporating Performance Measurement and benchmarking into the budget process, implementing a countywide Workforce Planning initiative, increased transparency and a review and inventory of County programs and services (Lines of Business Review) among other things. The process has been challenging and has required a shift in organizational culture; however, the benefit of these efforts is a high-performing government in Fairfax County, which is more accountable, forward-thinking and better able to further its status as one of the premier local governments in the nation.

Employee Leadership Philosophy

We, the employees of Fairfax County, are the stewards of the County's resources and heritage. We are motivated by the knowledge that the work we do is critical in enhancing the quality of life in our community. We value personal responsibility, integrity, and initiative. We are committed to serving the community through consultative leadership, teamwork, and mutual respect.

Strategic Thinking

Among the first steps Fairfax County took to improve strategic thinking was to build and align leadership and performance at all levels of the organization through discussions and workshops among the County Executive, senior management and County staff. This initiative included the development of an employee Leadership Philosophy and Vision Statement to help employees focus on the same core set of concepts. This dialogue among the County Executive, senior management and staff has continued over several years and culminated in the development of seven "Vision Elements" for the County, which are consistent with the priorities of the Board of Supervisors. These Vision Elements are intended to describe what success will look like as a result of the County's efforts to protect and enrich the quality of life for the people, neighborhoods, and diverse communities of Fairfax County by:

Employee Vision Statement

As Fairfax County Employees we are committed to excellence in our work. We celebrate public service, anticipate changing needs, and respect diversity. In partnership with the community, we shape the future.

We inspire integrity, pride, trust and respect within our organization. We encourage employee involvement and creativity as a source of new ideas to continually improve service. As stewards of community resources, we embrace the opportunities and challenges of technological advances, evolving demographics, urbanization, revitalization, and the changing role of government. We commit ourselves to these guiding principles: Providing Superior Service, Valuing Our Workforce, Respecting Diversity, Communicating Openly and Consistently, and Building Community Partnerships.

Maintaining Safe and Caring Communities: The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

Building Livable Spaces: Together, we encourage distinctive "built environments" that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.

Connecting People and Places: Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe, and convenient manner.

Maintaining Healthy Economies: Investments in the workforce, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

Practicing Environmental Stewardship: Local government, industry and residents seek ways to use all resources wisely and to protect and enhance the County's natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

Creating a Culture of Engagement: Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

Exercising Corporate Stewardship: Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

Vision Element posters are prominently placed in County facilities to continue to foster the adoption of these concepts at all levels of the organization and to increase their visibility to citizens as well.

Strategic Linkages

Strategic Planning

Strategic planning furthers the County's commitment to high performance by helping agencies focus resources and services on the most strategic needs. The County process directs all agencies to strengthen the linkage between their individual missions and goals, as well as to the broader County vision laid out in the seven countywide vision elements.

Lines of Business (LOBs)

The County completed Phase I of its comprehensive Lines of Business (LOBs) initiative in 2016, the first step of a multi-year process to shape the County's strategic direction and validate County priorities. The LOBs process crosses multiple years and consists of two phases. Initially, LOBs are anticipated to be used to educate readers on the array of services provided by Fairfax County and to begin discussions at the Board of Supervisors and community levels regarding which programs/services should be more closely evaluated. Phase 2, which began in September 2016, focuses on programs/services to be reviewed for improved efficiency and effectiveness and direction of staff to create project plans around implementation of recommendations from the Board. Ultimately, the Board will be better positioned to approve a sustainable financial plan to invest in the County's future success.

The County budget includes a vast array of programs and services to support the diverse population of more than one million people. Essentially, LOBs is one way in which to inventory, catalog and examine all these programs and services. The County offers a full range of municipal services in exchange for taxes or other fees paid. These services include, but are not limited to, public education; public safety such as police, fire, emergency medical services, 9-1-1, and correctional facilities; human services such as public assistance, child and adult protective services, childcare, health, etc.; public works; transportation; planning and zoning; parks and libraries; and stormwater and sanitary sewer, among other functions deemed necessary by the government. Many of the programs and services are primarily funded from revenue collected from residential real estate taxes and personal property revenues. These funding streams are referred to as the General Fund. Other significant revenue sources support specific programs such as Solid Waste, Wastewater and are referred to as Other Funds.

The County has 390 Lines of Business covering all funding sources. The Lines of Business discussion focused on the approximately 47 percent of the General Fund that is non-school, as well as all other non-General Fund services. The complete list of LOBs from #1-390, as well as completed LOBs documents, are available at http://www.fairfaxcounty.gov/budget/2016-lines-of-business.htm. This information is typically organized by County department; however, it is also accessible in a number of different ways to attempt to customize access to a variety of readers.

Strategic Linkages

Economic Success Strategic Plan

The Board of Supervisors' Economic Advisory Commission (EAC) worked collaboratively with County executive leadership and staff to develop The Strategic Plan to Facilitate the Economic Success of Fairfax County, ("Strategic Plan") an update of the 2011 EAC Strategic Plan. In March 2015 a broad spectrum of stakeholders in the community participated in validating the Strategic Plan goals and strategies, including representatives in business, higher education, transportation, land development, housing, tourism, arts, health, human services, the Fairfax County Economic Development Authority, among others.

Fairfax boasts one of the strongest and largest economies in the region. However, the county needs to continue expanding its economic efforts as the region confronts:

- Fewer federal jobs due to the recession and sequestration;
- Slowing wage growth;
- Differential job recovery rates that has focused on new employment sectors; and
- Higher office vacancy rates.

The resulting EAC Strategic Plan focuses on six policy recommendation goal areas to support economic vibrancy:

- Further diversifying our economy
- Creating places where people want to be
- Improving the speed, consistency, and predictability of the County's development review process
- Investing in natural and physical infrastructure
- Achieving economic success through education and social equity
- Increasing the agility of county government

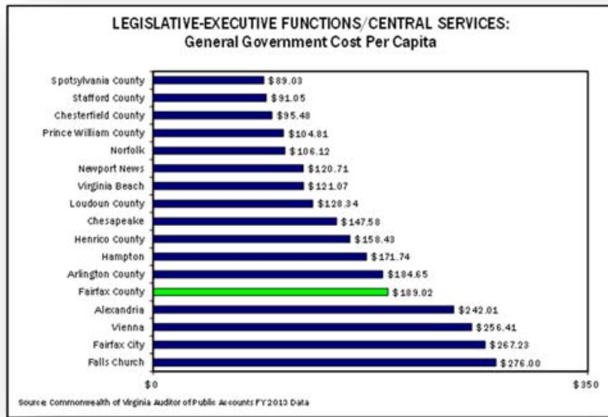
Success of the Strategic Plan will require broad participation from numerous county agencies as well as the participation of our private sector partners on item-specific Action Teams. These Action Teams will review actions; propose prioritization; determine metrics; and lead implementation of individual actions. Oversight of the Action Teams will be managed by the Office of the County Executive. Additional resources will be required for implementation of these recommendations and will be identified through the Action Teams.

Performance Measurement

Since 1997, Fairfax County has used performance measurement to gain insight into, and make judgments about, the effectiveness and efficiency of its programs, processes and employees. While performance measures do not in and of themselves produce higher levels of effectiveness, efficiency and quality, they do provide data that can help to reallocate resources or realign strategic objectives to improve services. Each Fairfax County agency decides which indicators will be used to measure progress toward strategic goals and objectives, gathers and analyzes performance measurement data, and uses the results to drive improvements in the agency.

In July 2016, Fairfax County was one of only 34 jurisdictions to receive ICMA's highest recognition for performance measurement, the "Certificate of Excellence."

Fairfax County also uses benchmarking, the systematic comparison of performance with other jurisdictions, in order to discover best practices that will enhance performance. The County has participated in the International City/County Management Association's (ICMA) benchmarking effort since 2000. According to ICMA, about 80 cities and counties provide comparable data annually in the following service areas: Police, Fire/EMS, Library, Parks and Recreation, Youth Services, Code Enforcement, Refuse Collection/Recycling, Housing, Fleet Management, Facilities, Information Technology, Human Resources, Risk Management and Purchasing, although not every participating jurisdiction completes every template. ICMA performs extensive data cleaning to ensure the greatest accuracy and comparability of data. In service areas that are not covered by ICMA's effort, agencies rely on various sources of comparative data prepared by the state, professional associations and/or nonprofit/research organizations. It is anticipated each year that benchmarking presentations will be enhanced based on the availability of information. Cost per capita data for each program area, (e.g., public safety, health and welfare, community development) has also been included at the beginning of each program area summary in Volume 1 of the FY 2018 Adopted Budget Plan. The Auditor of Public Accounts for the Commonwealth of Virginia collects this data and publishes it annually. The jurisdictions selected for comparison are the Northern Virginia localities, as well as those with a population of 100,000 or more elsewhere in the state.



The FY 2018 Adopted Budget Plan features an "agency dashboard" for every General Fund and General Fund Supported agency. These dashboards identify key drivers for these agency budgets. These dashboards are not replacing agency performance measures, but rather provide an additional snapshot of relevant statistics that pertain directly to why our agencies are funded as they are. The purpose of these drivers is to keep County decision-makers aware of this key data and how they are changing over time. Drivers will change over time and these drivers will be built into the annual budget process and into needs discussions with the community. This visual representation of what is driving the County's budget will improve the communications with the public and the Board as it relates to specific budget requests. The County Executive also developed a countywide dashboard to provide a snapshot of data, including commercial and residential real estate data, projected School enrolment data, and increases in employee compensation.

AGENCY DASHBOARD			
Key Data	FY 2014	FY 2015	FY 2016
1. Number of screenings, investigations, and treatment for selected communicable diseases	34,550	32,485	30,949
2. Number of vaccines administered to children	30,590	34,417	31,559
3. Number of primary care visits provided through the Community Health Care Network	50,174	48,100	37,365
4. Number of student visits to school health rooms	731,306	793,252	768,676
5. Number of Environmental Health community-protection activities: inspections, permits, and service requests	30,983	29,543	29,885
6. Number of community members served through outreach and health promotion activities	23,423	42,477	86,882

Agency Dashboard for the Health Department

Workforce Planning

The County's workforce planning effort began in FY 2002 to anticipate and integrate the human resources response to agency strategic objectives. Changes in agency priorities such as the opening of a new facility, increased demand for services by the public, the receipt of grant funding, or budget reductions can greatly affect personnel needs. Given these varying situations, workforce planning helps agency leadership to retain employees and improve employee skill sets needed to accomplish the strategic objectives of the agency. Effective workforce planning is a necessary component of an organization's strategic plan, to provide a flexible and proficient workforce able to adapt to the changing needs of the organization.

In FY 2008, Fairfax County added a Succession Planning component to workforce planning. The Succession Planning process provides managers and supervisors with a framework for effective human resources planning in the face of the dramatic changes anticipated in the workforce over the next five to ten years. It is a method for management to identify and develop key employee competencies, encourage professional development and contribute to employee retention. Approximately 15 percent of current employees will be eligible for retirement by the end of FY 2018, and roughly a third will be eligible within the next five years. To address this challenge, the County plans to re-tool and strengthen existing succession planning and knowledge transfer efforts–to build the capacity to support a "promote from within" when appropriate philosophy.

The County will recruit externally when strategically advantageous and will strengthen recruitment effectiveness by encouraging employee referrals and deepening the County Executive's leadership team's engagement with executive level recruitments. Shifting the performance evaluation focus from "the amount of the pay increase" to better communication and employee development will also help the County address the exit of many tenured County employees.

Information Technology (IT) Initiatives

The County is committed to providing the necessary investment in IT, realizing the critical role it plays in improving business processes and customer service. Fund 10040, Information Technology Fund, was established to accelerate the redesign of business processes to achieve large-scale improvements in service quality and to provide adequate enterprise-wide technological infrastructure. Consequently, the County is consolidating its investments to accommodate and leverage technological advancements and growth well into the 21st century. Constrained funding will impact the number of new IT projects that can be undertaken in the next year. However, the County continues to explore and monitor all areas of County government for IT enhancements and/or modifications which will streamline operations and support future savings.

In FY 2018, funding of $7.17 million, which includes a General Fund transfer of $4.77 million, a transfer from Fund 40030, Cable Communications, of $2.30 million, and interest income of $0.10 million, is provided for initiatives that meet one or multiple priorities established by the Senior Information Technology Steering Committee. These initiatives include a mix of projects that provide benefits for both residents and employees and that adequately balance new and continuing initiatives with the need for securing and strengthening the County's technology infrastructure. Funded projects will support initiatives in general County services, public safety, human services and enterprise technology security and infrastructure. Although many initiatives meet more than one of the technology priorities, for simplicity, projects have been grouped into only one priority area.

Strategic Planning Links to the Budget

The annual budget includes links to the comprehensive strategic initiatives described above. To achieve these links, agency budget narratives include discussions of County Vision Elements and agency strategic planning efforts; program area summaries include cross-cutting efforts and benchmarking data; and the Key County Indicator presentation in this section demonstrates how the County is performing as a whole. As a result, the budget information is presented in a user-friendly format and resource decisions are more clearly articulated to Fairfax County residents.

- ***Agency Narratives***: Individual agency narratives identify strategic issues, which were developed during the agency strategic planning efforts, link core services to the Vision Elements and expand the use of performance measures to clearly define how well the agency is delivering a specific service. Agency narratives are included in budget Volumes 1 and 2.

- ***Program Area Summaries***: Summaries by Program Area (such as Public Safety, Health and Welfare, Judicial Administration) provide a broader perspective of the strategic direction of several related agencies and how they are supporting the County Vision Elements. This helps to identify common goals and programs that may cross over departments. In addition, benchmarking information is included on program area services to demonstrate how the County performs in relation to other comparable jurisdictions. Program area summaries are included in budget Volumes 1 and 2.

- ***Key County Indicators***: The Key County Indicator presentation provides several performance measurement indicators for each Vision Element. The presentation gives the reader a high-level perspective on how the County is doing as a whole to reach its service vision. The presentation of Key County Indicators will continue to be refined to ensure that the measures best represent the needs of the community. A detailed presentation and discussion of the Key County Indicators is included following this discussion on the next page.

- *Schools*: The Fairfax County Public Schools provide an enormous contribution to the community and in an effort to address the County's investment in education and the benefits it provides, a list of Fairfax County School Student Achievement Goals are included following the Key County Indicator presentation.

Next Steps

The development of the County's leadership philosophy and emphasis on strategic planning is an ongoing process that will continue to be refined in the coming years. The County budget is extremely well received within the County and nationally. As a measure of the quality of its budget preparation, Fairfax County was awarded the Government Finance Officers Association's Distinguished Budget Presentation Award by meeting rigorous criteria for the budget as a policy document, financial plan, operations guide, and communications device for the 32nd consecutive year. The County will continue to build on this success for future budget documents in order to enhance the accountability, transparency, and usefulness of the budget documents.

Key County Indicators

Introduction

The Key County Indicator presentation communicates the County's progress on each of the Vision Elements through key measures. The Indicators were compiled by a diverse team of Fairfax County senior management and agency staff through a series of meetings and workshops. Indicators were chosen if they are reliable and accurate, represent a wide array of County services, and provide a strong measure of how the County is performing in support of each Vision Element. The County also compiles Benchmarking data, providing a high-level picture of how Fairfax County is performing compared to other jurisdictions of its size. Benchmarking data is presented within the program area summaries in budget Volumes 1 and 2.

Key County Indicators—How is Fairfax County performing on its seven Vision Elements?

- ✓ Maintaining Safe and Caring Communities
- ✓ Practicing Environmental Stewardship
- ✓ Building Livable Spaces
- ✓ Maintaining Healthy Economies
- ✓ Connecting People and Places
- ✓ Creating a Culture of Engagement
- ✓ Exercising Corporate Stewardship

The following presentation lists the Key County Indicators for each of the Vision Elements, provides actual data from FY 2014, FY 2015, and FY 2016, and includes a discussion of how the Indicators relate to their respective Vision Elements. In addition, the Corporate Stewardship Vision Element includes FY 2017 and FY 2018 estimates in order to present data related to the current budget. For some indicators, FY 2015 is the most recent year in which data are available, and FY 2016 Actuals will be included in the following year's budget document. All of the indicator data are for Fairfax County only, listed by Fiscal Year, unless otherwise noted in the text. The County plans to expand its benchmarking initiative as part of a LOBs Phase 2 initiative.

Strategic Linkages

Maintaining Safe and Caring Communities: The needs of a diverse and growing community are met through innovative public and private services, community partnerships and volunteer opportunities. As a result, residents feel safe and secure, capable of accessing the range of services and opportunities they need, and are willing and able to give back to their community.

Key County Indicators	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
Ratio of Crimes Against Persons Offenses to 100,000 County Population (Calendar Year)	685.9	685.3	700.9
Clearance rate of Crimes Against Persons Offenses (Calendar Year)[1]	65.7%	58.6%	56.5%
Percent of time Advanced Life Support (ALS) transport units on scene within 9 minutes	89.1%	90.0%	89.6%
Fire suppression response rate for engine company within 5 minutes, 20 seconds	53.0%	51.9%	50.7%
Percent of low birth weight babies (under 5 lbs 8 oz)[1]	6.9%	7.0%	NA
Immunizations: completion rates for 2 year olds	61%	62%	57%
Virginia Department of Education (VDOE) On-Time Graduation Rate	92.9%	92.7%	92.3%
Children in foster care per 1,000 in total youth population[2]	0.75	0.77	NA
Percent of seniors, adults with disabilities and/or family caregivers who express satisfaction with community-based services that are provided by Fairfax County to help them remain in their home/community	94.0%	93.5%	93.5%
Percent of food service establishments found to be in compliance, at the completion of the inspection cycle, with control measures that reduce the occurrence of foodborne illness	NA	90%	93%

[1] Prior year actuals on the percent of low birth weight babies are provided by the Virginia Department of Health, and FY 2015 is the most recent data available in time for budget publication.

[2] Prior year actuals on Children in foster care per 1,000 in total youth population are provided by the American Community Survey (ACS) of the United States Census Bureau, and FY 2015 is the most recent data available in time for budget publication.

Fairfax County is one of the nation's safest jurisdictions in which to live and work. In CY 2016, the Fairfax County **ratio of 700.9 Crimes Against Persons Offenses** per 100,000 residents reflected one of the lowest rates of any large jurisdiction in the United States**.** It is important to note that Crimes Against Persons Offenses includes all Forcible and Non Forcible Sex Offenses, Kidnappings/Abductions, Homicides and Assaults that were reported to the Police Department. In the past, this indicator reported on the ratio of "Violent" Group A Offenses per 100,000 residents that were assigned to the Criminal Investigations Bureau. The Crimes Against Persons indicator will be used in the future to be consistent with Fairfax County Police Department's annual report on Group A Offenses which can be accessed via the following link http://www.fairfaxcounty.gov/police/crime/statistics/.

In CY 2016, the case **clearance rate of Crimes Against Persons Offenses** was 56.5 percent. This rate remained high when compared to similar jurisdictions across the nation.

The Fairfax County Fire and Rescue Department Advanced Life Support (ALS) and fire unit measures are standards set by the National Fire Protection Association (NFPA). The **five minute and 20 seconds fire suppression response standard** of the NFPA was met 50.7 percent of the time in FY 2016. **Advanced Life Support transport units arrived on the scene within 9 minutes** 89.6 percent of the time in FY 2016.

Strategic Linkages

The health and well-being of children in Fairfax County is evident in the low percentage of children born with **low birth weight** and the high **immunization completion rates** for two-year-olds. The County's FY 2015 incidence rate of 7.0 percent of low birth weight babies compares favorably against the state average of 7.9 percent. The FY 2016 immunization completion rate of 57 percent for two-year olds was slightly lower than in FY 2015. The Health Department will strive to achieve a completion rate of 60 percent in FY 2017. It is important to note that by the time of school entry, many children are adequately immunized, although they may have lacked these immunizations at the age of two.

The Fairfax County Health Department is committed to protecting the health of County residents by ensuring restaurants operate safely.

Fairfax County also funds numerous programs to help children stay in school and provides recreational activities in after-school programs. These services contributed to the County's FY 2016 **Virginia Department of Education (VDOE) On-Time Graduation rate** of 92.3 percent. In FY 2015, the **ratio of children in foster care per 1,000** in the total population of children 0–18 years old was 0.77. Fairfax County remains committed to further decreasing the number of children in foster care as well as reducing the time spent in foster care through intensive prevention and early intervention efforts and a stronger emphasis on permanent placements of children in foster care who are unable to return safely to their families.

The County continues to be successful in **caring for older adults and persons with disabilities by helping them stay in their homes** as indicated by the 93.5 percent combined satisfaction rating for two support programs: Adult Day Health Care (ADHC) and Congregate Meals programs. ADHC satisfaction was 97 percent in FY 2016. Department of Family Services staff regularly solicits input from Congregate Meal clients, including the growing ethnic client population, and constantly works with food vendors to revise food options accordingly. Client satisfaction increased slightly in FY 2016 to 90 percent.

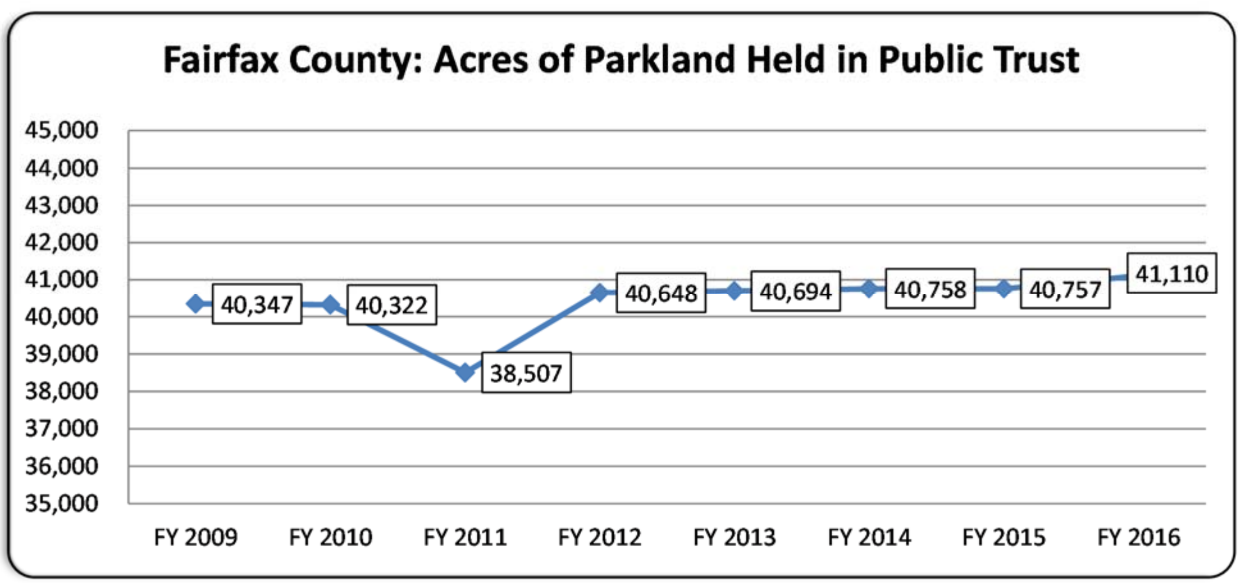
In FY 2015, the Fairfax County Health Department (FCHD) implemented a new process to categorize food establishments and conduct inspections on a risk and performance based frequency. Depending on its assigned risk category, food establishments were inspected one, two, or three times. In FY 2016, inspections were conducted based on both risk and performance. Based on the compliance history of each food establishment, FCHD provided tailored services (e.g., inspection, onsite training, and risk control plan) to help the establishment achieve long-term compliance with the regulations. In FY 2016, FCHD found that 93 percent of all food establishments were in compliance with FDA risk factor control measures to reduce foodborne illness.

Strategic Linkages

Building Livable Spaces: Together, we encourage distinctive "built environments" that create a sense of place, reflect the character, history, and natural environment of the community, and take a variety of forms – from identifiable neighborhoods, to main streets, to town centers. As a result, people throughout the community feel they have unique and desirable places to live, work, shop, play, and connect with others.

Key County Indicators	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
Acres of parkland held in public trust	40,759	40,766	41,110
Miles of trails and sidewalks maintained by the County	656	669	658
Annual number of visitations to libraries, park facilities and recreation and community centers	11,001,119	11,100,982	11,011,123
Value of construction authorized on existing residential units	$114,540,853	$124,263,353	$122,368,210
Annual percent of new dwelling units within business or transit centers as measured by zoning approvals	87.0%	90.2%	99.0%
Percent of people in the labor force who both live and work in Fairfax County	54.8%	54.5%	54.4%
Number of affordable rental senior housing units	3,119	3,135	3,113

Many of the indicators above capture some aspect of quality of life for Fairfax County residents and focus on the sustainability of neighborhoods and the community. The amount of **acres of parkland held in public trust** is a preservation of open space that enhances the County's appeal as an attractive place to live. This indicator measures parkland in the County held by the Fairfax County Park Authority, the Northern Regional Park Authority, state and federal governments, and other localities. In FY 2016, there was a net increase in acres due to revised calculations related to Fairfax County, U.S. Fish & Wildlife Service (Elizabeth Hartwell Mason Neck) and Northern Virginia Conservation Trust. This adjustment brought the FY 2016 total acreage to 41,110. In addition, the availability of trails and sidewalks supports pedestrian friendly access, and accessibility for non-motorized traffic. This indicator is measured by the **miles of trails and sidewalks** that are maintained by the Department of Public Works and Environmental Services (DPWES). A GIS-based walkway inventory now provides a more accurate estimate of miles. By the middle



of FY 2017, DPWES maintained 658 miles of trails and sidewalks. In addition to miles maintained by the County, approximately 1,678 miles are maintained by the Virginia Department of Transportation (VDOT) and approximately 326 miles are contained within County parks. In addition, approximately 1,117 miles of walkway are maintained by private homeowners associations. The number of walkways in the County contributes to the sense of community and connection to places. The County will continue to improve pedestrian access and develop walkways through the use of funding support from a variety of sources, including bond funding and the commercial and industrial real estate tax for transportation.

The County maintains 658 miles of trails and sidewalks in addition to the nearly 1,678 miles of trails and sidewalks maintained by the Virginia Department of Transportation within Fairfax County's boundaries.

Availability and **use of libraries, parks and recreation facilities** is often used as a "quality-of-life" indicator and is cited as a major factor in a family's decision for home location and a company's decision for site location. In the fall of 2012, the voters approved a bond referendum in the amount of $25 million to renovate four priority library facilities. These libraries include Pohick, Tysons Pimmit, Reston and John Marshall. The renovations will provide for upgrades to all of the building systems, including roof and HVAC replacement, which have outlived their useful life and will be designed to accommodate current operations and energy efficiency. In addition, the renovations will provide a more efficient use of the available space, meet customers' technological demands and better serve students and young children. The quiet study areas and group study rooms will be improved, the space to accommodate a higher number of public computers will be increased, and wireless access will be enhanced. In FY 2016, the number of visits to all libraries, parks and recreation facilities decreased to 11,011,123.

Resident investment in their own residences reflects the perception of their neighborhood as a "livable community." The **value of construction authorized on existing residential units** in FY 2016 remained essentially flat compared to FY 2015. It is projected that the total value of issued construction permits will rise as the economy and housing market strengthen. When the economy improves, home values start to rise and consumer confidence increases, homeowners start to increase their spending on their home.

The measure for the **percent of dwelling units within business or transit centers as measured by zoning approvals** provides a sense of the quality of built environments in the County and the County's annual success in promoting mixed use development. The Comprehensive Plan encourages built environments suitable for work, shopping and leisure activities. The County encourages Business Centers to include additional residential development to facilitate an appropriate mix of uses. In FY 2014, approximately 87 percent of the new proffered residential units were located within business or transit centers. This large proportion is attributed to the approval of 2,698 new residential units in Tysons Corner and 1,016 new residential units in other business and transit centers during FY 2014. In FY 2015, 90.2 percent or 3,940 of the new residential units approved through the zoning process in the County were located within business or transit centers. It should be noted that approximately half of the newly approved units located within business or transit centers (approximately 55 percent or 2,385 units) were approved to be located in Tysons Corner. In FY 2016, 99 percent or 4,745 new residential units approved through the zoning process in the

County are located within business or transit centers. It should be noted that approximately half of the newly approved units located within business or transit centers (approximately 45 percent or 2,010 units) were approved to be located in Tysons Corner. Thus far in FY 2017, 1,562 dwelling units have been approved and almost all are within the business or transit centers.

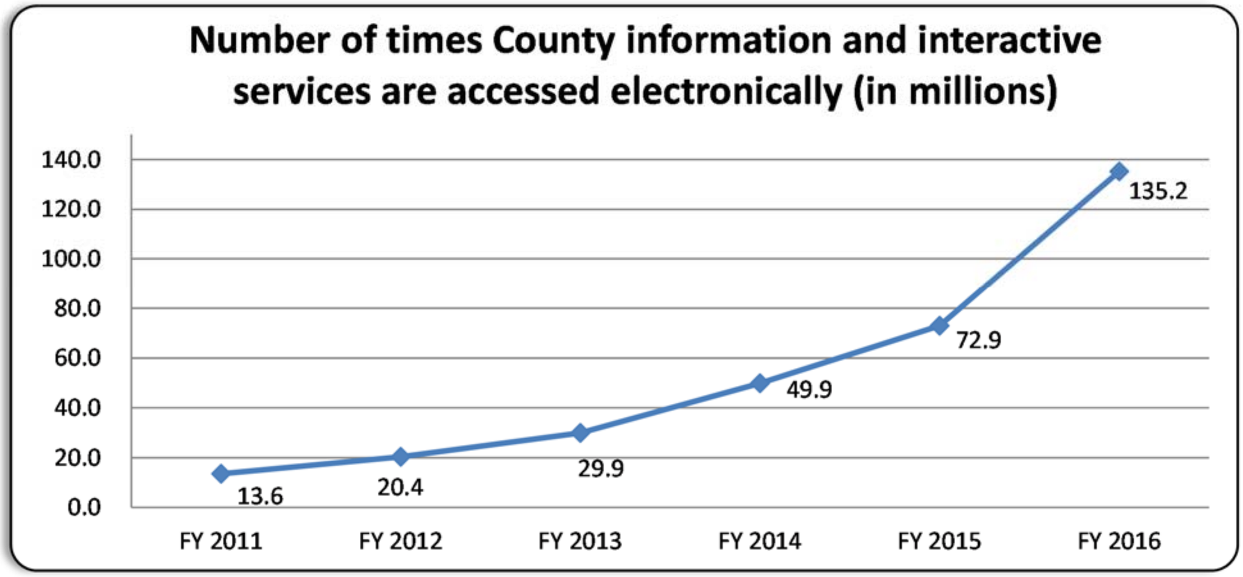
The **percentage of employed people who both live and work in Fairfax County** is currently above 54 percent and may be linked to both quality of life and access to mixed use development in the County. Additional residential development in business centers also increases the potential for the members of the workforce to live in proximity to their place of work. In addition, the County is actively promoting the creation and preservation of affordable dwelling units to support those who both live and work within the County.

Continued production of affordable senior housing by the Fairfax County Redevelopment and Housing Authority (FCRHA) and others, as well as FCRHA preservation efforts, are helping to offset the loss of affordable senior rental units on the market. As of the close of 2016, there was an inventory of 3,113 affordable senior housing units, including both publicly and privately owned rental apartment complexes.

Connecting People and Places: Transportation, technology, and information effectively and efficiently connect people and ideas. As a result, people feel a part of their community and have the ability to access places and resources in a timely, safe and convenient manner.

Key County Indicators	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
Number of times County information and interactive services are accessed electronically (millions)	49.9	72.9	135.2
Library materials circulation per capita	11.3	10.6	10.5
Percent of library circulation represented by materials in languages other than English	1.4%	1.5%	1.4%
Percent change in transit passengers (Metrobus and Metrorail)	(1.19%)	(1.36%)	(11.19%)

Fairfax County also has a robust and nationally-known social media program that encourages interaction with and sharing of County information so residents can serve as information ambassadors to friends, neighbors and co-workers who may not otherwise have access (this is especially important during emergencies). By using tools like Facebook, Twitter, YouTube and an emergency blog, Fairfax County delivers a high quality experience for residents on those platforms with relevant, timely and actionable information. The County also interacts directly with residents and reaches people in ways that were not possible a few short years ago. These efforts are paying dividends both for the exchange of information and improving awareness of County resources. For example, ongoing surveys of County Facebook page fans and County Twitter followers showed that more than 80 percent of respondents said Fairfax County's use of those tools has helped them learn more about their local government, programs and services. Evidence of the County's success in providing useful and convenient access to information and services can also be found in the FY 2016 measure of 135.2 million total interactions with key County online platforms (website visits, emergency blog views, Facebook daily total reach, Twitter impressions, YouTube video views, and SlideShare presentation views). These numbers will continue to grow as residents increasingly consume, create and interact with official County information.



For residents of Fairfax County who do not have access to a computer at home or at work, or who do not possess the technical skills or are not able to utilize technology due to language barriers, the County utilizes other methods and media to connect them with information and services. Libraries, for example, are focal points within the community and offer a variety of brochures, flyers and announcements containing information on community activities and County services. One indicator of use by the library industry to demonstrate utilization of Fairfax County libraries is demonstrated by the **library materials circulation per capita**, which was 10.5 in FY 2016. This high circulation rate demonstrates the availability of an extensive selection of materials and a desire for library resources among Fairfax County residents. In addition, interest in library resources can be seen in the number of unique visitors to the Library's website, which totaled 4,681,672 in FY 2016. For additional information on benchmarks, please refer to the Parks and Libraries Program Area Summary in Volume 1.

As previously mentioned, Fairfax County is becoming an increasingly diverse community in terms of culture and language. As of 2009, 35.0 percent of Fairfax County residents spoke a language other than English at home. In an attempt to better serve the non-English speaking population, the Fairfax County Public Library has dedicated a portion of its holdings to language appropriate materials for this portion of the community. With a circulation of more than 12 million items by Fairfax County Public Library (FCPL) in FY 2016, the 1.4 percent reported for the circulation of non-English materials represents a significant number of materials being used by a multi-language population.

Another important aspect of connecting people and places is actually moving them from one place to another. The County operates the FAIRFAX CONNECTOR bus service; provides FASTRAN services to seniors; and contributes funding to Metro and the Virginia Railway Express (VRE). The **percent change in transit passengers** measures the impact of County efforts as well as efforts of Metro and the VRE. The County experienced a significant decrease of 11.19 percent in Fairfax County transit passengers (Metrorail, Metrobus) in FY 2015, down from 37.8 million in FY 2015 to 33.6 million in FY 2016.

FAIRFAX CONNECTOR ridership decreased 8.0 percent in FY 2016 which mirrors decline throughout the WMATA system and is comparable to declines experienced by regional peers and is attributable to several factors including:

- WMATA safe track rebuilding initiative
- Reduction in federal transit subsidy
- Low average fuel prices that encourage automobile use
- A mode shift from bus to rail in response to completion of the Silver Line Phase 1
- Possible effects of employment shifts due to sequestration and the economy

In FY 2018, the County will continue its support of Metro Operations and Construction, CONNECTOR bus service, and the VRE subsidy. For more information, please see Fund 30000, Metro Operations and Construction, and Fund 40000, County Transit Systems, in Volume 2.

While transportation funding and improvements to date have been largely a state function, the County also has supported a large portion of local transportation projects in an effort to reduce congestion and increase safety. The County continues to broaden its effort to improve roadways, enhance pedestrian mobility, and support mass transit through funding available from the 2007 Transportation Bond Referendum and from the commercial and industrial real estate tax for transportation. This tax was first adopted by the Board of Supervisors in FY 2009, pursuant to the General Assembly's passage of the Transportation Funding and Reform Act of 2007 (HB 3202). Commercial and Industrial (C&I) real estate tax revenue is posted to Fund 40010, County and Regional Transportation Projects, and then a portion is transferred to the County Transit Systems budget. Commercial and Industrial (C&I) real estate tax revenue is posted to Fund 40010, County and Regional Transportation Projects, and then a portion is transferred to the County Transit Systems budget. In FY 2018, this amount totals $23.7 million. This amount, will fund West Ox Division rush hour and midday service, support for increased frequencies on overcrowded priority bus routes, support of I-95 Express lanes service and the Tysons Circulator. Beginning in FY 2014, the County benefits from approximately $125 million annually in regional revenues dedicated to transportation as a result of the State Transportation funding plan approved during the 2013 Session by the General Assembly (HB 2313). On January 28, 2014, the Board approved a list of nearly 230 priority local roadway and transit projects that will require various amounts of staff management, oversight, and review over the foreseeable future. Fund 40010, County and Regional Transportation Projects, provides funding and support for the implementation of projects and services funded with the State Transportation funding plan (HB 2313).

Maintaining Healthy Economies: Investments in the work force, jobs, and community infrastructure and institutions support a diverse and thriving economy. As a result, individuals are able to meet their needs and have the opportunity to grow and develop their talent and income according to their potential.

Key County Indicators	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
Total employment (Total All Industries, All Establishment Sizes, equaling the total number of jobs in Fairfax County)	588,507	596,878	603,412
Growth rate	-1.2%	1.4%	1.1%
Unemployment rate (not seasonally adjusted)	4.2%	3.6%	3.2%
Commercial/Industrial percent of total Real Estate Assessment Base	19.96%	19.01%	18.67%
Percent change in Gross County Product (adjusted for inflation)	-1.0%	1.0%	1.1%
Percent of persons living below the federal poverty line (Calendar Year)	5.8%	6.6%	6.1%
Percent of homeowners that pay 30.0 percent or more of household income on housing (Calendar Year)	26.2%	26.0%	26.6%
Percent of renters that pay 30.0 percent or more of household income on rent (Calendar Year)	44.1%	46.1%	44.4%
Direct (excludes sublet space) office space vacancy rate (Calendar Year)	16.3%	16.2%	15.8%

Maintaining a healthy economy is critical to the sustainability of any community. In addition, many jurisdictions have learned that current fiscal health does not guarantee future success. Performance in this area affects how well the County can respond to the other six Vision Elements. The above eight indicators shown for the Healthy Economies Vision Element were selected because they are perceived as providing the greatest proxy power for gauging the overall health of Fairfax County's economy.

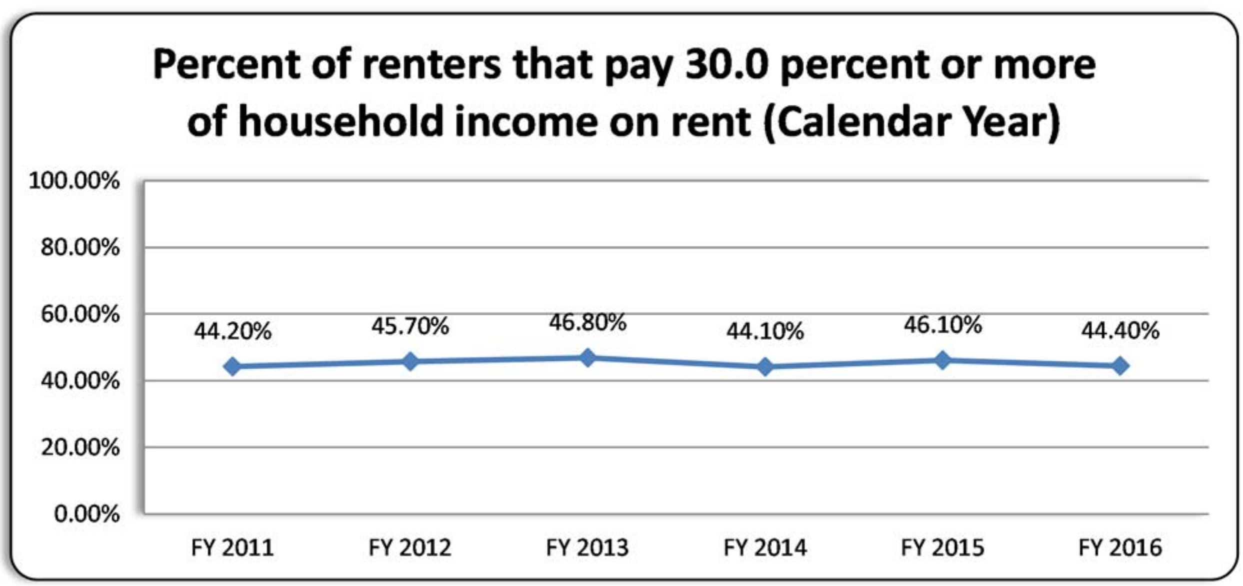
For years, Fairfax County has benefited from its proximity to the federal government. During the recession, the region was an anomaly in that it shed fewer jobs than most other areas in the country as the federal government increased spending and hiring to prop the economy. In 2013 and 2014, however, the local economy underperformed, as the ripple effects from sequestration cuts proved more long-lasting than initially expected. The cornerstone sectors – the federal government and professional services – lost jobs during this time. However, beginning in 2015, the negative trend in total employment reversed itself and growth continued in 2016.

Total employment illustrates the magnitude of Fairfax County's jobs base. In FY 2016, the number of jobs increased for the second straight year. In June 2016, employment was 1.1 percent above the June 2015 level. While related to the number of jobs, the **unemployment rate** is also included because it shows the proportion of the County's population out of work. The County's unemployment rate was 3.2 percent in 2016, down from 3.6 percent in 2015.

The **Commercial/Industrial percent of total Real Estate Assessment Base** is a benchmark identified by the Board of Supervisors, which places priority on a diversified revenue base. The target is 25 percent of the assessment base. From FY 2001 to FY 2007, the Commercial/Industrial percentage declined from 25.37 percent to 17.22 percent, in part due to vacant office space early in this period and further exacerbated by the booming housing market attributable to record low mortgage rates that resulted in double-digit residential real estate assessment increases for several consecutive years. This imbalance increased the burden on the residential component to finance government services. Starting in FY 2008, when the housing market began to slow down, the Commercial/Industrial percentage increased for three consecutive years, reaching 22.67 percent in FY 2010 as a result of declining residential values. When nonresidential values declined a record 18.29 percent, the Commercial/Industrial percentage declined 2.97 percentage points to 19.70 percent in FY 2011 and another 0.06 percentage points in FY 2012. It rose to 20.77 percent in FY 2013. The Commercial/Industrial percentage declined for three consecutive years and stood at 18.67 percent in FY 2016 as a result of the increase experienced in the residential portion of the Real Estate Tax base and the decline in the nonresidential portion. The Commercial/Industrial percentage of the County's FY 2018 Real Estate Tax base is 19.12 percent, an increase of 0.23 percentage points over the FY 2017 level. Commercial/Industrial property values as a percentage of the Real Estate Tax base increased in FY 2018 as a result of new office construction and a slower increase experienced in the residential portion of the Real Estate Tax base.

Gross County Product (GCP) is an overall measure of the County's economic performance. The percentage change in the GCP indicates whether the economy is expanding or contracting. Based on estimates from IHS, Gross County Product (GCP), adjusted for inflation, increased 1.1 percent in 2016 after decreasing 1.0 percent in 2014, and increasing 1.0 percent in 2015.

While it was recognized that **percent of persons living below the federal poverty line** is an imperfect measure due to the unrealistic level set by the federal government, i.e., $24,250 for a family of four, it is a statistic that is regularly collected and presented in such a way that it can be compared to other jurisdictions, as well as tracked over time to determine improvement. In relative terms, Fairfax County's 6.1 percent poverty rate in FY 2016 is better than most, yet it still translates to almost 70,000 persons living below the federal poverty level. *(Note: Census data are reported based upon the calendar year (CY) rather than the fiscal year and are typically available on a one-year delay. FY 2016 data represent CY 2015 data.)*



The next two measures, **percent of homeowners that pay 30 percent or more of household income on housing** and **percent of renters that pay 30 percent or more of household income on rent,** relate the cost of housing to income and provide an indication of the relative affordability of living in Fairfax County. That capacity has an effect on other aspects of the County's economy. For example, if housing is so expensive that businesses cannot attract employees locally, they may choose to relocate from Fairfax County, thus resulting in a loss of jobs. In FY 2016, 26.6 percent of homeowners paid 30 percent or more of their household income on housing, while a substantially greater number of renters, 44.4 percent, paid 30 percent or more of their household income on rent. *(Note: Census data are reported based upon the calendar year rather than the fiscal year and are typically available on a one-year delay. FY 2016 data represent CY 2015 data.)*

Finally, the **direct (excludes sublet space) office space vacancy rate** reflects yet another aspect of the health of the business community. The direct office vacancy rate decreased from 16.2 percent in 2015 to 15.8 percent as of year-end 2016. Including sublet space, the overall office vacancy rate as of year-end 2016 was 16.8 percent, a decrease from the 17.2 percent recorded as of year-end 2015. The amount of empty office space stood at approximately 19.5 million square feet. Industry experts anticipate vacancy rates to remain stagnant through 2017 due to sluggish economic conditions and concerns about the federal budget. Total office leasing activity during 2016 was over 10.7 million square feet, an increase over the 10.3 million square feet leased in 2015. Demand for newer space, and space near Metro rail stations, remained strong while many older buildings experienced an increase in vacancy.

Fairfax County devotes considerable resources to attracting and maintaining businesses that will contribute to the revenue base through income and jobs, which helps to ensure a healthy local economy. It should be noted that income growth does not affect Fairfax County tax revenues directly because localities in Virginia do not tax income; however, revenues are indirectly affected because changes in income impact the County's economic health.

Practicing Environmental Stewardship: Local government, industry and residents seek ways to use all resources wisely and to protect and enhance the County's natural environment and open space. As a result, residents feel good about their quality of life and embrace environmental stewardship as a personal and shared responsibility.

Key County Indicators	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
Unhealthy Air Days as reported by Metropolitan Washington Council of Governments (Calendar Year)	10	14	13
Overall Level of Stream Quality as a weighted index of overall watershed/ stream conditions on a scale of 5 (Excellent) to 1 (Very Poor)	2.6	2.7	2.6
Percent of Tree Coverage in County	50%	50%	50%
Number of homes that could be powered as a result of County alternative power initiatives	45,884	42,618	38,878
Solid Waste Recycled as a percentage of the waste generated within the County (Calendar Year)	48%	50%	50%

The Environmental Stewardship Vision Element demonstrates the County's continued commitment to the environment. Rapid growth and development since the 1980's created new challenges for environmental preservation and stewardship. In recent years, Fairfax County has sought greater integration of environmental issues into all levels of agency decision-making and a proactive approach in preventing environmental problems and associated costs. On June 21, 2004, the Board of Supervisors adopted the Environmental Excellence 20-year Vision Plan (Environmental Agenda). The Environmental Agenda is organized into six areas: growth and land use; air quality and transportation; water quality; solid waste; parks, trails and open space; and environmental stewardship. The underlying principles of the Environmental Agenda include: the conservation of limited natural resources being interwoven into all governmental decisions; and the County commitment to provide the necessary resources to protect the environment. In addition, the Environmental Coordinating Committee developed the Environmental

Improvement Plan (EIP), a tactical plan with concrete strategies, programs and policies that directly support the goals and objectives of the Board's Environmental Agenda.

In support of the regional goal of attaining the federal ambient air quality standard for ozone levels, Fairfax County is committed to minimizing **unhealthy air days** as measured and defined by all criteria pollutants. Fairfax County has implemented air quality improvement strategies that include the purchasing of wind energy credits, reducing County vehicle emissions through the purchase of hybrid vehicles, diesel retrofits and the use of ultra-low sulfur fuel, not allowing refueling of County vehicles except emergency vehicles on Code Red Days, encouraging County residents to use the FAIRFAX CONNECTOR bus rides on Code Red Days, teleworking, not allowing mowing of grass at County properties on Code Red Days, use of low Volatile Organic Compound (VOC) paints, promoting County building energy efficiency programs, tree canopy and planting activities, green building actions, community outreach and maintaining standards and procedures that promote healthy air. In addition to supporting the regional efforts to improve the air quality, in 2007 Fairfax County joined other counties across the country to create the cool counties climate stabilization initiative with the goal of reducing carbon emissions that contribute to global warming by 80 percent by the year 2050.

Air quality monitoring in the County is conducted by the Virginia Department of Environmental Quality (DEQ). The EPA calculates the Air Quality Index (AQI) for five major air pollutants regulated by the Clean Air Act: ground-level ozone, particulate matter, carbon monoxide, sulfur dioxide, and nitrogen dioxide. The Air Quality Index for the criteria pollutants assigns colors to levels of health concern, code orange indicating unhealthy for sensitive groups; code red – unhealthy for everyone and purple - very unhealthy. The County uses the same color indicator on unhealthy air days. Air quality, although reported as a key County indicator, should be distinguished in a regional context. The number of unhealthy air days for sensitive groups in the Metropolitan area in FY 2015 was 14, which went down to 13 days in FY 2016 as reported by Metropolitan Washington Council of Governments (MWCOG). The County continues to work with MWCOG and the Clean Air Partners, a volunteer, non-profit organization chartered by the MWCOG, and the Baltimore Metropolitan Council (BMC) to examine the adequacy of current air pollution control measures and practices, education and notification processes, and codes and regulations to make further progress.

Stream quality in Fairfax County may affect residents' recreational use of streams and other water bodies as well as the quality of drinking water. Monitoring the health of waterways and preparing watershed management plans provide a head start for the County in satisfying the federal and state regulatory requirements as dictated by the County's MS4 permit and Total Maximum Daily Loads (TMDLs) already established for several streams. Since 2006, significant resources have been expended towards the watershed improvement program which implements water quality improvement projects such as retrofits to existing stormwater management facilities, new stormwater management facilities, low impact development (LID) practices and stream restorations. Fairfax County has taken significant steps toward meeting the goal of improving stream conditions countywide and contributing to the restoration of the Chesapeake Bay.

Since 2004, a stratified random selection procedure has been used to identify monitoring sites used for assessing and reporting the overall ecological condition of the County's streams each year. A stream quality indicator (SQI) was developed from the annual benthic macroinvertebrate monitoring data to establish overall watershed/stream conditions countywide. The SQI is an index value ranging from 5 to 1, with the following qualitative interpretations associated with the index values: 5 (Excellent), 4 (Good), 3 (Fair), 2 (Poor) to 1 (Very Poor). The SQI had fluctuated over the last eleven years between 2.0 at its low and 2.9 at its highest level as the County strives to meet the goal of a future average stream quality index value of 3 or greater (Fair to Good stream quality). Fluctuations in the SQI score is to be expected as sites are selected randomly and could result in more good or bad sites being selected year to year. Variability in annual weather patterns (i.e. drought or snowfall) may also affect these fluctuations.

Fairfax County's urban forest is critical to enhancing the livability and sustainability of our community. Tree canopy (**Tree Coverage**) improves air quality, water quality, stormwater management, carbon sequestration, energy conservation and human health and well-being. Management of the trees within urban forests to maximize the multitude of benefits they provide to residents is an essential step in successfully reaching the commitments and goals of the Board of Supervisor's Environmental Agenda, the Tree Action Plan, the Cool Counties Climate Stabilization Initiative, and other County public health, livability and sustainability initiatives and programs. Tree coverage in the County is expressed as the percent of the County's land mass covered by the canopies of trees. Recent analysis conducted by the University of Vermont's Geospatial Laboratory utilizing state-of-the-art urban tree canopy detection techniques and high resolution satellite imagery has estimated that the County has a tree canopy level of approximately 50 percent which is significantly higher than previous estimates of 40 to 45 percent. The County has exceeded its 30-year canopy goal of 45 percent. This satellite imagery was updated in the summer of 2015 and a new analysis of tree canopy and land use will be published in February 2017.

Alternative power initiatives highlight County efforts to contribute to pollution prevention through the use of cleaner, more efficient energy sources. These initiatives are expressed through the actions of the Fairfax County Solid Waste Management Program (SWMP) by its ability to generate alternative forms of energy. County **alternative power initiatives** are expressed as the equivalent number of homes that could be powered by energy realized from alternative sources, such as the electrical energy from the Energy/Resource Recovery Facility (E/RRF) generated from County waste and from methane recovery at the County's two closed landfills. Landfill gas is also used as alternative fuel to natural gas to generate heat for several County facilities, equivalent to 4.5 million therms for electricity generation. In FY 2016, the equivalent number of homes powered by alternatively generated electrical energy was 38,878 homes. The number of homes powered annually has been declining in recent years, due to a reduction in waste processed at the Covanta plant associated with outages for facility maintenance and repairs. In addition, there has been a modest, but typical, decline of landfill gas generation.

Solid waste management is a key environmental responsibility of Fairfax County. Fairfax County manages trash and **recycling** according to the solid waste hierarchy that prefers reduction, reuse and recycling before incineration or landfilling. The County's Solid Waste Management Program (SWMP) has responsibility for providing a system for municipal solid waste generated as documented in the 20-Year Solid Waste Management Plan approved by the Board of Supervisors in May 2015. This plan, mandated by state law and administered by the Virginia Department of Environmental Quality (DEQ), documents the County's integrated management system and provides long-range planning for waste disposal and recycling for the next 20 years. The County's solid waste program provides opportunities for both residents and businesses to properly manage waste that they generate. Residents can recycle bottles, cans, paper, cardboard, motor oil, antifreeze, and used cooking oil at the County's two solid waste management complexes. Fairfax County continues to administer and enforce requirements to recycle paper, cardboard, glass, plastic and metal food and beverage containers from all residential properties. Non-residential properties are required to have paper and cardboard recycling. The County's recycling rate is calculated on a calendar year basis according to a procedure defined by state regulations and is due to the Virginia Department of Environmental Quality on April 30 of each calendar year. The annual countywide recycling rate, as reported to the Department of Environmental Quality, is estimated to be 50 percent (for calendar year 2016), which exceeds the state-mandated requirement of 25 percent.

Strategic Linkages

Creating a Culture of Engagement: Individuals enhance community life by participating in and supporting civic groups, discussion groups, public-private partnerships, and other activities that seek to understand and address community needs and opportunities. As a result, residents feel that they can make a difference and work in partnership with others to understand and address pressing public issues.

Key County Indicators	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual
Volunteerism for Public Health and Community Improvement (Medical Reserve Corps and Volunteer Fairfax)[1]	13,449	23,609	15,799
Volunteer hours leveraged by the Consolidated Community Funding Pool	479,813	440,351	463,571
Residents completing educational programs about local government (includes Citizens Police Academy and Fairfax County Youth Leadership Program)	121	142	180
Percent of registered voters who voted in general and special elections	46.8%	45.7%	30.3%
Percent of Park Authority, Fairfax County Public Schools, and Community and Recreation Services athletic fields adopted by community groups	28.0%	28.6%	29.0%

[1] FY 2014 indicators decrease as a result of a revised classification methodology for determining the number of volunteers in the Medical Reserve Corps and a reduction in the Volunteer Fairfax individuals primarily associated with a participation spike for the Presidential Inauguration activities in FY 2013. A discussion of the Medical Reserve Corps revision is provided below. FY 2015 indicators increase associated with a Volunteer Fairfax contract to provide recruitment for the World Police & Fire Games – Fairfax 2015. Output indicators include directly placed volunteers and hours.

Volunteerism for Public Health and Community Improvement is strongly evident in two local programs: the **Medical Reserve Corps (MRC) and Volunteer Fairfax.** Fairfax County benefits greatly from citizens who are knowledgeable about and actively involved in community programs and initiatives. Nationally, the Medical Reserve Corps (MRC) consists of more than 200,000 volunteers organized into 1,000 individual units, whose purpose is to build strong, healthy, and prepared communities. At the local level, over 500 active medical and non-medical volunteers serve in the Fairfax MRC. Volunteers participate in trainings, exercises and response activities to augment local resources that serve Fairfax residents prior to, during, and after a public health emergency. To be classified as an "active" MRC volunteer, individuals must complete three mandatory trainings (total time commitment is about 10 hours) – MRC orientation, introduction to the National Incident Management System (NIMS), and introduction to the Incident Command System (ICS) in their first year with the program. In addition, they must participate in at least one activity in subsequent years to maintain "active" status.

During FY 2016, Fairfax MRC volunteers participated in 42 training and exercises, as well as several real world emergencies and planned events. FY 2016 saw the successful rollout of the use of MRC volunteers to support in-school vision and hearing screenings. Twenty-one MRC volunteers contributed 189 hours of service in support of this critical endeavor. During this fiscal year, MRC volunteers also provided medical and non-medical assistance to the five district offices in support of back to school vaccinations; 18 volunteers dedicated approximately 235 hours of service, providing vaccination, administrative support and language interpretation. In addition, 51 hours of online and in-person training were completed by medical volunteers to be eligible for this assignment. Fairfax County Health Department (FCHD) conducted a Community Assessment for Public Health Emergency Response (CASPER) in select neighborhoods throughout the county. The survey was conducted by teams comprised of Medical Reserve Corps (MRC), Community Emergency Response Team (CERT), and American Red Cross (ARC) volunteers, along with some county staff. The total number of volunteers involved was 48 MRC, 4 ARC and 7 CERT, as well as 6 FCHD staff, 4 FCHD interns, and 1 staff member from the Office of Emergency Management (OEM). These volunteers committed over 175 hours in training to prepare for CASPER, and 550-plus hours doing the assessment. In total, MRC volunteers contributed 3,368 hours in service to the County in FY 2016. Current and future efforts are focused on enhancing volunteer skills and capabilities by increasing the number of volunteers that have completed their required training, increasing volunteer engagement in emergency preparedness and response-related as well as routine public health and outreach activities, and recruiting diverse volunteers that better-represent the population of the County. The Fairfax MRC will continue to engage volunteers with beneficial training and exercise opportunities to better prepare them to support the Fairfax County Health Department in responding to natural and man-made disasters and emergencies.

Volunteer Fairfax, a private, nonprofit corporation (created in 1975) to promote volunteerism through a network of over 900 nonprofit agencies, has mobilized people and other resources to meet regional community needs. Volunteer Fairfax connects individuals, youth, seniors, families and corporations to volunteer opportunities, honors volunteers for their hard work and accomplishments, and educates the nonprofit sector on best practices in volunteer and nonprofit management. To make volunteering easy and accessible for all who wish to serve, Volunteer Fairfax uses an easy-to-use online database that provides immediate information and referral to individuals, civic groups, and corporations. People of all ages can access between 250 and 400 active volunteer opportunities by searching by mission type and geographic location as well as requested skills. They also offer board member matching through this system.

Volunteer Fairfax is also active in disaster. In Fairfax County's Emergency Operation Plan they are responsible for the Volunteer and Donation Management annexes coordinating spontaneous volunteers in a disaster situation. Over the past three years they have worked to make Fairfax County a more resilient community. Bringing together faith communities, homeowner and civic associations, nonprofits, businesses and the county government to create district specific Community Resiliency Groups (CRG's). These CRG's have been trained and exercised to further enhance our network's pre-disaster. Volunteer Fairfax is one of 250 local volunteer centers affiliated with the national HandsOn Network.

Through various programs and services, Volunteer Fairfax has referred or connected 15,082 individuals in FY 2016 which equates to 41,215 hours volunteers contributed to Fairfax County with a value of $1.08 million. Volunteer Fairfax specially recognized 198 volunteers who have given outstanding service to the County during their annual Volunteer Service Awards program; and offered 65 customized trainings to over 900 participants.

Volunteerism not only reflects a broad-based level of engagement with diverse organizations and residents throughout Fairfax County, but also greatly benefits County residents through the receipt of expertise and assistance at minimal cost to the County. As indicated by the number of volunteer hours garnered by the **Consolidated Community Funding Pool** (CCFP), there is a strong nucleus and core of invested volunteers who participate in vital community programs, and they make a difference in the community. Numbers fluctuate from year to year since new and revamped programs are funded every two years.

In addition to its many volunteer opportunities, Fairfax County has designed several programs to educate citizens about local government. The **Citizens Police Academy** is an educational outreach program designed to provide a unique "glimpse behind the badge" as participants learn about police department policies, procedures, and the men and women who comprise an organization nationally recognized as a leader in the law enforcement community. Participants learn about the breadth of resources involved in preventing and solving crime and the daily challenges faced by Fairfax County police officers. The Fairfax

County Police Department hosts five programs under the CPA concept. Academies for adults are held twice a year and are ten weeks in duration. Classes meet one night a week for 3.5 hours and are a combination of lecture, tour, and hands-on activities. Shorter community-based academies may also be offered at the request of station commanders. In 2016 the FCPD launched a series of three-hour forums around the county to provide a brief overview of the FCPD and its use of force policies. The FCPD also hosts two programs for high school students each summer. The Teen Police Academy is a week-long program for high school students enrolled in criminal justice classes. The program provides scenario-based training and explores careers in law enforcement. Future Women Leaders in Law Enforcement is a week-long program for high school girls who are interested in exploring careers for women in law enforcement. The Fairfax County Citizens Police Academy was selected "best in the nation" in 2009 by the National Citizens Police Academy Association (NCPAA). In FY 2016, 155 residents completed a CPA course.

The **Fairfax County Youth Leadership Program** is designed to educate and motivate high school students to become engaged citizens and leaders in the community. This is a very selective program with one to two students from each of the County's 25 high schools represented. The students are chosen based on a range of criteria including student activities and awards, written essays and recommendations. During a one-year period, the program includes a series of monthly sessions about County government, work assignments related to each session, a summer internship in a County agency and a presentation to 8th grade civics students. The goal of this initiative is to inspire young people to become citizens who will share their ideas and bring their energy to local government.

Fairfax County has a civic-minded population. Voter participation levels in Fairfax County reflect a community that is well informed, engaged, and involved with local government to address community needs and opportunities. The percent of Fairfax County residents voting in recent elections generally exceeds state averages. Although the turnout for the November 2015 General Election for state and county offices (FY 2016) was only 30.3 percent it surpassed turnout in many Virginia counties. A low turnout, however, normally indicates that voters are satisfied with their county representatives and services. The County's 30.3 percent turnout represents 181,632 citizens who voted at the polls on Election Day and 15,202 voters who applied for absentee ballots. In addition, more than 2,400 civic minded citizens and over 350 high school students volunteered at County polling places to conduct the 2015 Election.

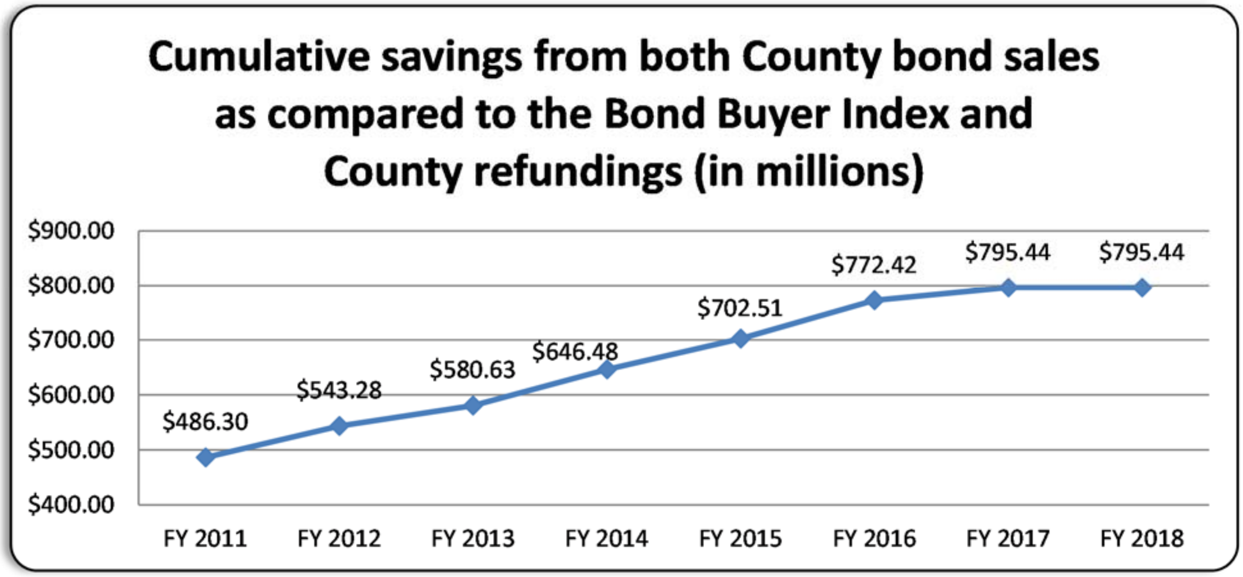
Another aspect of an engaged community is the extent to which residents take advantage of opportunities to improve their physical surroundings and to maintain the facilities they use. The percent of athletic field adoptions – 29.0 percent in FY 2016 – by community groups is solid and evidenced by the consistent community support of approximately one-third of total fields over the recent period. Athletic field adoptions reduce the County's financial burden to maintain these types of public facilities and improve their quality. Analysis indicates that organizations in Fairfax County annually provide over $4 million in support for facility maintenance and development. In addition to natural turf field maintenance, community organizations continue to develop synthetic turf fields by partnering with the County and funding the development independently. New incentives have recently been put into place to encourage groups to maintain and increase adoptions despite the current economic climate. The Department of Neighborhood and Community Services, Fairfax County Park Authority (FCPA), and Fairfax County Public Schools (FCPS) continue to work with a very involved athletic community to design and implement the FCPS diamond field maintenance plan. This plan established an enhanced level of consistent and regular field maintenance at school softball and baseball game-fields. This benefits both scholastic users as well as community groups that are reliant upon use of these fields to operate their sports programs throughout the year.

Strategic Linkages

Exercising Corporate Stewardship: Fairfax County government is accessible, responsible, and accountable. As a result, actions are responsive, providing superior customer service and reflecting sound management of County resources and assets.

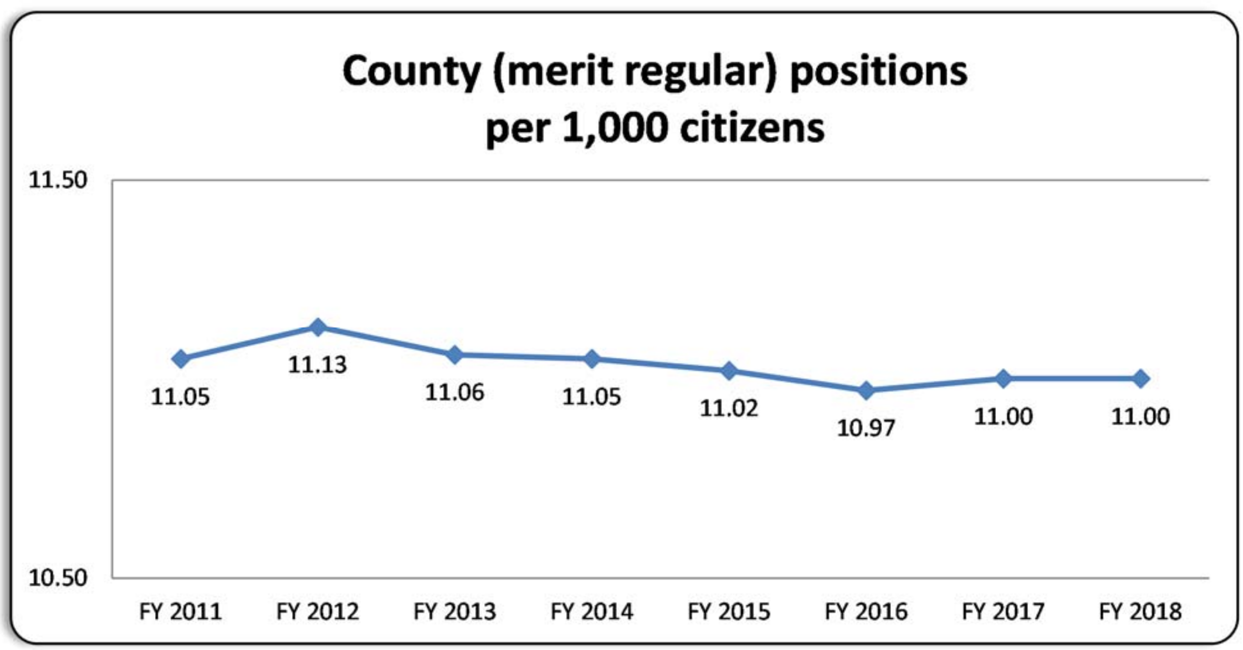
Key County Indicators	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Estimate	FY 2018 Estimate
Average tax collection rate for Real Estate Taxes, Personal Property Taxes and Business, Professional, and Occupational License Taxes	99.33%	99.69%	99.65%	99.30%	99.51%
County direct expenditures per capita	$1,160	$1,196	$1,242	$1,336	$1,326
Percent of household income spent on residential Real Estate Tax	4.58%	4.82%	4.92%	5.09%	4.97%
County (merit regular) positions per 1,000 citizens	11.05	11.02	10.97	11.00	11.00
Number of consecutive years receipt of highest possible bond rating from major rating agencies (Aaa/AAA/AAA)	36	37	38	39	40
Cumulative savings from both County bond sales as compared to the Bond Buyer Index and County refundings (in millions)	$646.48	$702.51	$772.42	$795.44	$795.44
Number of consecutive years receipt of unqualified audit	33	34	35	36	37

The Corporate Stewardship Vision Element is intended to demonstrate the level of effort and success that the County has in responsibly and effectively managing the public resources allocated to it. The County is well regarded for its strong financial management as evidenced by its long history of high quality financial management and reporting (See chart above for "**number of consecutive years receipt of highest possible bond rating" and "unqualified audit"**). The Board of Supervisors adopted *Ten Principles of Sound Financial Management* on October 22, 1975, to ensure prudent and responsible allocation of County resources. These principles, last updated in April 2015 to strengthen reserve policies, have resulted in the County receiving and maintaining a Aaa bond rating from Moody's Investors Service since 1975, AAA from Standard and Poor's Corporation since 1978 and AAA from Fitch Investors Services since 1997. Maintenance of the highest rating from the major rating agencies has resulted in significant flexibility for the County in managing financial resources generating **cumulative savings from County bond sales and refundings** of $795.44 million since 1978. This savings was achieved as a result of the strength of County credit compared to other highly rated jurisdictions on both new money bond sales and refundings of existing debt at lower interest rates. This means that the interest costs that need to be funded by County revenues are significantly lower than they would have been if the County was not so highly regarded in financial circles as having a thoughtful and well implemented set of fiscal policies.



Recent recognitions of sound County management include continuing annual recognition by the Government Finance Officers Association (GFOA) for excellence in financial reporting and budgeting, and receipt of the International City/County Management Association (ICMA) 2016 Certificate of Excellence for the County's use of performance data from 15 different government service areas (such as police, fire and rescue, libraries, etc.) to achieve improved planning and decision-making, training, and accountability. Fairfax County was one of 34 jurisdictions that earned this prestigious certificate out of 79 jurisdictions participating in ICMA's Center for Performance Measurement.

The success in managing County resources has been accompanied by the number of **merit regular positions per 1,000 citizens** being managed very closely. Since FY 1992 the ratio has declined from 13.57 to 11.00 in FY 2018. The ratio has declined since FY 2014 due to limited position growth while the County population has increased at a faster rate. The long-term decline in the positions to citizen ratio indicates a number of efficiencies and approaches - success in utilizing technology, best management processes and success in identifying public-private partnerships and/or contractual provision of service.



The County consistently demonstrates success in maintaining high **average tax collection rates,** which results in equitable distribution of the burden of local government costs to fund the wide variety of County programs and services beneficial to all residents.

County direct expenditures per capita of $1,326 in FY 2018 represent a slight decrease from FY 2017. Recent budgets have accommodated operating adjustments for new facilities, critical infrastructure requirements, population growth and workload increases with modest expenditure increases by enduring significant budget reductions, including $12.70 million in budget reductions as part of the FY 2018 Adopted Budget Plan. More cost per capita data, showing how much Fairfax County spends in each of the program areas, is included at the beginning of each program area section in Volume 1 of the FY 2018 Adopted Budget Plan. The jurisdictions selected for comparison are the Northern Virginia localities as well as those with a population of 100,000 or more elsewhere in the state (the Auditor of Public Accounts for the Commonwealth of Virginia collects this data and publishes it annually). Fairfax County's cost per capita in each of the program areas is highly competitive with others in the state.

The **percent of household income spent on residential Real Estate Tax** reflects a decrease from FY 2017 primarily reflecting no change in the Real Estate Tax rate, as well as a slight increase in "typical" household income that outpaced the growth in the mean assessed value of residential properties within the County. It should be noted that Fairfax County continues to rely heavily on the Real Estate Tax at least in part due to the lack of tax diversification options for counties in Virginia. In FY 2018, real property taxes represent **64.6** percent of total General Fund revenues.

Ignite: Fairfax County Public Schools (FCPS) Strategic Plan

The School Board's Strategic Plan was prepared to Ignite the hearts and minds of the community to ensure that every student receives the best possible education, preparing them for their best possible futures. Each year, the School Board is updated on the four Ignite goals, which include:

Ignite Goals

- Student Success
- Caring Culture
- Premier Workforce
- Resource Stewardship

Mission

Fairfax County Public Schools, a world-class school system, inspires and empowers students to meet high academic standards, lead ethical lives, and be responsible and innovative global citizens.

Beliefs

- We Believe in Our Children.
- We Believe in Our Teachers.
- We Believe in Our Public Education System.
- We Believe in Our Community.

Vision

- Looking to the Future
- Commitment to Opportunity
- Community Support
- Achievement
- Accountability

Portrait of a Graduate

1. Communicator
2. Collaborator
3. Ethical and Global Citizen
4. Creative and Critical Thinker
5. Goal-Directed and Resilient Individual

Fairfax County Public Schools' beliefs, vision, mission, and student achievement goals are discussed in more detail at: http://www.fcps.edu/schlbd/bmv.shtml

School system performance is monitored regularly throughout the year by the School Board to assure that reasonable progress is being made toward achieving the student achievement goals and that the system is complying with the Board's operational expectations.

Fairfax County PUBLIC SCHOOLS
ENGAGE • INSPIRE • THRIVE

FCPS Overview

- **FY 2017, FCPS' total approved membership is 186,842; nation's 10th largest school district.**
- **198 schools and centers.**
- **Full-day kindergarten at all elementary schools.**
- **Needs-based staffing at all schools.**
- **Eighty-eight percent of FCPS graduates plan to continue to post-secondary education.**
- **Thomas Jefferson High School of Science and Technology was ranked by *U.S. News and World Report* as the number five gold medal school and number three for the best STEM school in the nation.**

FCPS is Efficient

- **FCPS ranks 5th when compared to other local districts in average cost per pupil (FY 2017 WABE Guide).**

FCPS students scored an average of 1672 on the SAT, exceeding both the state and national average for 2015-2016 school year:

FCPS	1672
VA	1522
Nation	1453

FY 2018

Adopted Budget Plan

COUNTY OF FAIRFAX

1742

VIRGINIA

General Fund Statement

FY 2018 ADOPTED FUND STATEMENT
FUND 10001, GENERAL FUND

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Beginning Balance	$164,916,223	$88,589,636	$166,089,457	$105,741,710	$106,708,719	($59,380,738)	(35.75%)
Revenue							
Real Property Taxes	$2,437,226,930	$2,600,366,481	$2,600,366,481	$2,648,855,844	$2,649,504,731	$49,138,250	1.89%
Personal Property Taxes [1]	380,957,000	383,274,181	388,018,873	400,452,300	400,452,300	12,433,427	3.20%
General Other Local Taxes	509,362,023	510,976,755	507,645,070	515,390,893	515,390,893	7,745,823	1.53%
Permit, Fees & Regulatory Licenses	48,443,054	47,384,162	50,178,317	50,891,047	50,891,047	712,730	1.42%
Fines & Forfeitures	11,648,758	12,443,009	11,553,152	11,684,270	11,684,270	131,118	1.13%
Revenue from Use of Money & Property	21,635,558	22,582,955	25,674,277	32,280,345	32,280,345	6,606,068	25.73%
Charges for Services	79,208,450	76,031,208	80,537,966	81,020,947	81,370,947	832,981	1.03%
Revenue from the Commonwealth [1]	306,621,718	309,930,318	310,292,200	309,930,318	310,510,318	218,118	0.07%
Revenue from the Federal Government	37,177,865	31,501,656	32,175,146	32,175,146	32,175,146	0	0.00%
Recovered Costs/Other Revenue	17,680,571	16,471,349	16,423,681	16,480,180	16,480,180	56,499	0.34%
Total Revenue	$3,849,961,927	$4,010,962,074	$4,022,865,163	$4,099,161,290	$4,100,740,177	$77,875,014	1.94%
Transfers In							
Fund 40030 Cable Communications	$3,532,217	$3,869,872	$3,869,872	$3,772,651	$3,772,651	($97,221)	(2.51%)
Fund 40080 Integrated Pest Management	141,000	141,000	141,000	141,000	141,000	0	0.00%
Fund 40100 Stormwater Services	1,125,000	1,125,000	1,125,000	1,125,000	1,125,000	0	0.00%
Fund 40140 Refuse Collection and Recycling Operations	548,000	548,000	548,000	548,000	548,000	0	0.00%
Fund 40150 Refuse Disposal	577,000	577,000	577,000	626,000	626,000	49,000	8.49%
Fund 40160 Energy Resource Recovery (ERR) Facility	49,000	49,000	49,000	0	0	(49,000)	(100.00%)
Fund 40170 I-95 Refuse Disposal	186,000	186,000	186,000	186,000	186,000	0	0.00%
Fund 69010 Sewer Operation and Maintenance	2,850,000	2,850,000	2,850,000	2,850,000	2,850,000	0	0.00%
Fund 80000 Park Revenue	820,000	820,000	820,000	820,000	820,000	0	0.00%
Total Transfers In	$9,828,217	$10,165,872	$10,165,872	$10,068,651	$10,068,651	($97,221)	(0.96%)
Total Available	$4,024,706,367	$4,109,717,582	$4,199,120,492	$4,214,971,651	$4,217,517,547	$18,397,055	0.44%
Direct Expenditures							
Personnel Services	$759,408,376	$808,169,412	$804,229,446	$828,332,622	$829,082,703	$24,853,257	3.09%
Operating Expenses	351,506,336	345,803,713	390,869,847	349,880,397	349,315,086	(41,554,761)	(10.63%)
Recovered Costs	(42,763,989)	(35,130,994)	(34,673,297)	(36,588,399)	(36,588,399)	(1,915,102)	5.52%
Capital Equipment	2,553,594	860,822	2,996,964	116,058	116,058	(2,880,906)	(96.13%)
Fringe Benefits	330,966,386	354,853,322	358,310,864	370,532,016	370,918,880	12,608,016	3.52%
Total Direct Expenditures	$1,401,670,703	$1,474,556,275	$1,521,733,824	$1,512,272,694	$1,512,844,328	($8,889,496)	(0.58%)
Transfers Out							
Fund S10000 School Operating	$1,825,153,345	$1,913,518,902	$1,913,518,902	$1,965,211,830	$1,966,919,600	$53,400,698	2.79%
Fund S31000 School Construction	13,100,000	13,100,000	13,100,000	13,100,000	13,100,000	0	0.00%
Fund 10010 Revenue Stabilization [2]	15,381,802	10,711,034	22,316,221	5,031,906	5,221,570	(17,094,651)	(76.60%)
Fund 10020 Community Funding Pool	10,611,143	11,141,700	11,141,700	11,141,700	11,141,700	0	0.00%
Fund 10030 Contributory Fund	14,894,637	13,158,773	13,298,773	13,467,254	13,467,254	168,481	1.27%
Fund 10040 Information Technology	2,700,000	4,770,240	4,770,240	4,770,240	4,770,240	0	0.00%

FY 2018 ADOPTED FUND STATEMENT
FUND 10001, GENERAL FUND

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Transfers Out (Cont.)							
Fund 20000 County Debt Service	127,793,296	136,752,654	136,752,654	146,035,225	146,035,225	9,282,571	6.79%
Fund 20001 School Debt Service	187,157,477	189,870,099	189,870,099	189,130,953	189,130,953	(739,146)	(0.39%)
Fund 30000 Metro Operations and Construction	11,298,296	13,557,955	13,557,955	13,557,955	13,557,955	0	0.00%
Fund 30010 General Construction and Contributions	28,561,768	17,733,427	25,516,384	17,115,923	17,115,923	(8,400,461)	(32.92%)
Fund 30020 Infrastructure Replacement and Upgrades	13,353,356	1,408,449	10,503,138	1,825,953	1,825,953	(8,677,185)	(82.62%)
Fund 30060 Pedestrian Walkway Improvements	300,000	400,000	1,045,571	500,000	500,000	(545,571)	(52.18%)
Fund 30070 Public Safety Construction	100,000	0	0	0	0	0	-
Fund 40000 County Transit Systems	33,407,739	34,929,649	34,929,649	34,579,649	34,429,649	(500,000)	(1.43%)
Fund 40040 Fairfax-Falls Church Community Services Board	116,243,498	124,877,551	126,077,551	129,331,015	130,429,318	4,351,767	3.45%
Fund 40330 Elderly Housing Programs	1,896,649	1,923,159	1,923,159	1,837,024	1,837,024	(86,135)	(4.48%)
Fund 50000 Federal/State Grants	5,408,464	5,480,836	5,480,836	5,106,999	5,106,999	(373,837)	(6.82%)
Fund 60000 County Insurance	25,819,826	24,162,115	27,888,115	24,184,081	24,184,081	(3,704,034)	(13.28%)
Fund 60020 Document Services Division	2,278,233	3,941,831	3,941,831	3,941,831	3,941,831	0	0.00%
Fund 73030 OPEB Trust	21,000,000	16,000,000	14,500,000	10,490,000	10,490,000	(4,010,000)	(27.66%)
Fund 83000 Alcohol Safety Action Program	486,678	545,171	545,171	572,561	572,561	27,390	5.02%
Total Transfers Out	$2,456,946,207	$2,537,983,545	$2,570,677,949	$2,590,932,099	$2,593,777,836	$23,099,887	0.90%
Total Disbursements	$3,858,616,910	$4,012,539,820	$4,092,411,773	$4,103,204,793	$4,106,622,164	$14,210,391	0.35%
Total Ending Balance	$166,089,457	$97,177,762	$106,708,719	$111,766,858	$110,895,383	$4,186,664	3.92%
Less:							
Managed Reserve [3]	$88,589,636	$97,177,762	$106,471,193	$109,776,301	$110,657,857	$4,186,664	3.93%
Reserve for Board Adjustments [4]				1,990,557		0	-
Reserve for Potential FY 2018 One-Time Requirements [5]			237,526		237,526	0	0.00%
Total Available	$77,499,821	$0	$0	$0	$0	$0	-

[1] Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

[2] Target funding for the Revenue Stabilization Fund is 5.00 percent of total General Fund disbursements, consistent with the County's *Ten Principles of Sound Financial Management* as updated by the Board of Supervisors on April 21, 2015. As a result of reserve adjustments included in the FY 2018 Adopted Budget Plan, the FY 2018 projected balance in the Revenue Stabilization Fund is $185.04 million, or 4.51 percent of total General Fund disbursements.

[3] Target funding for the Managed Reserve is 4.00 percent of total General Fund disbursements, consistent with the County's *Ten Principles of Sound Financial Management* as updated by the Board of Supervisors on April 21, 2015. As a result of reserve adjustments included in the FY 2018 Adopted Budget Plan, the FY 2018 projected balance in the Managed Reserve is $110.66 million, or 2.69 percent of total General Fund disbursements.

[4] As part of the FY 2018 Advertised Budget Plan, an amount of $1,990,557 was available for the consideration of the Board of Supervisors during their deliberations on the FY 2018 budget. This funding, along with additional funding identified during the mark-up process, is utilized as part of the FY 2018 Adopted Budget Plan.

[5] As part of the *FY 2017 Third Quarter Review*, an amount of $237,526 was set aside in reserve to address potential FY 2018 one-time requirements.

FY 2018 ADOPTED SUMMARY GENERAL FUND DIRECT EXPENDITURES

#	Agency Title	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
	Legislative-Executive Functions / Central Services							
01	Board of Supervisors	$5,064,665	$5,848,161	$5,888,767	$5,925,237	$5,925,237	$36,470	0.62%
02	Office of the County Executive	6,144,930	6,718,712	6,714,397	6,713,575	6,713,575	(822)	(0.01%)
04	Department of Cable and Consumer Services	1,045,067	0	0	0	0	0	--
06	Department of Finance	7,954,620	8,476,753	9,162,373	8,610,967	8,610,967	(551,406)	(6.02%)
11	Department of Human Resources	6,892,095	7,476,553	7,843,380	7,454,411	7,454,411	(388,969)	(4.96%)
12	Department of Procurement and Material Management	4,805,795	4,739,981	4,854,697	4,792,666	4,792,666	(62,031)	(1.28%)
13	Office of Public Affairs	1,210,221	1,271,906	1,558,107	1,563,193	1,563,193	5,086	0.33%
15	Office of Elections	4,377,734	4,098,565	5,529,312	4,073,433	4,073,433	(1,455,879)	(26.33%)
17	Office of the County Attorney	6,437,736	7,212,543	8,833,306	7,537,381	7,537,381	(1,295,925)	(14.67%)
20	Department of Management and Budget	4,437,213	4,528,121	4,534,009	4,897,568	4,897,568	363,559	8.02%
37	Office of the Financial and Program Auditor	303,928	378,512	378,522	385,525	385,525	7,003	1.85%
41	Civil Service Commission	395,006	439,953	439,953	442,846	442,846	2,893	0.66%
42	Office of the Independent Police Auditor	0	0	76,681	305,992	305,992	229,311	299.05%
57	Department of Tax Administration	23,758,903	24,209,865	24,454,748	24,570,373	24,570,373	115,625	0.47%
70	Department of Information Technology	31,701,834	32,622,609	33,639,446	32,945,658	32,945,658	(693,788)	(2.06%)
	Total Legislative-Executive Functions / Central Services	$104,529,747	$108,022,234	$113,907,698	$110,218,825	$110,218,825	($3,688,873)	(3.24%)
	Judicial Administration							
80	Circuit Court and Records	$10,715,709	$11,137,339	$11,294,639	$11,309,839	$11,375,052	$80,413	0.71%
82	Office of the Commonwealth's Attorney	3,632,170	3,845,240	3,826,917	3,923,319	3,923,319	96,402	2.52%
85	General District Court	2,339,517	3,783,472	3,908,739	3,812,237	4,135,049	226,310	5.79%
91	Office of the Sheriff	20,397,963	19,029,350	20,195,904	19,466,601	19,466,601	(729,303)	(3.61%)
	Total Judicial Administration	$37,085,359	$37,795,401	$39,226,199	$38,511,996	$38,900,021	($326,178)	(0.83%)
	Public Safety							
04	Department of Cable and Consumer Services	$648,798	$808,305	$808,531	$831,288	$831,288	$22,757	2.81%
31	Land Development Services	10,581,485	10,353,488	10,595,477	10,585,413	10,585,413	(10,064)	(0.09%)
81	Juvenile and Domestic Relations District Court	22,285,861	22,802,735	23,272,135	23,185,328	23,185,328	(86,807)	(0.37%)
90	Police Department	182,499,532	189,745,479	191,720,844	192,636,648	192,718,611	997,767	0.52%
91	Office of the Sheriff	42,983,012	47,842,043	48,316,718	49,004,885	49,280,493	963,775	1.99%
92	Fire and Rescue Department	188,123,919	196,655,196	203,083,966	203,361,036	202,961,036	(122,930)	(0.06%)
93	Office of Emergency Management	1,734,965	1,872,473	2,449,222	1,853,283	1,853,283	(595,939)	(24.33%)
96	Department of Animal Sheltering	0	0	1,128,275	2,478,434	2,478,434	1,350,159	119.67%
97	Department of Code Compliance	4,150,382	4,339,241	4,339,241	4,471,929	4,471,929	132,688	3.06%
	Total Public Safety	$453,007,954	$474,418,960	$485,714,409	$488,408,244	$488,365,815	$2,651,406	0.55%

FY 2018 ADOPTED SUMMARY GENERAL FUND DIRECT EXPENDITURES

# Agency Title	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Public Works							
08 Facilities Management Department	$55,210,287	$57,393,164	$59,226,502	$58,097,741	$58,047,741	($1,178,761)	(1.99%)
25 Business Planning and Support	985,551	1,258,884	1,432,747	1,070,611	1,070,611	(362,136)	(25.28%)
26 Office of Capital Facilities	13,542,941	14,033,088	14,327,856	14,186,577	14,186,577	(141,279)	(0.99%)
87 Unclassified Administrative Expenses	4,508,078	3,665,562	4,306,806	3,948,694	3,948,694	(358,112)	(8.32%)
Total Public Works	$74,246,857	$76,350,698	$79,293,911	$77,303,623	$77,253,623	($2,040,288)	(2.57%)
Health and Welfare							
67 Department of Family Services	$194,710,122	$202,003,003	$205,658,759	$203,879,132	$203,879,132	($1,779,627)	(0.87%)
68 Department of Administration for Human Services	12,801,367	13,490,180	13,633,403	13,685,589	13,685,589	52,186	0.38%
71 Health Department	53,635,598	58,526,590	62,734,767	59,315,897	59,315,897	(3,418,870)	(5.45%)
73 Office to Prevent and End Homelessness	11,980,919	12,971,017	14,089,406	12,779,820	12,779,820	(1,309,586)	(9.29%)
79 Department of Neighborhood and Community Services	27,943,469	29,635,648	30,114,322	29,800,759	29,800,759	(313,563)	(1.04%)
Total Health and Welfare	$301,071,475	$316,626,438	$326,230,657	$319,461,197	$319,461,197	($6,769,460)	(2.08%)
Parks and Libraries							
51 Fairfax County Park Authority	$23,445,623	$24,142,901	$24,611,490	$24,604,681	$24,604,681	($6,809)	(0.03%)
52 Fairfax County Public Library	28,698,456	27,908,287	29,284,971	28,444,876	28,444,876	(840,095)	(2.87%)
Total Parks and Libraries	$52,144,079	$52,051,188	$53,896,461	$53,049,557	$53,049,557	($846,904)	(1.57%)
Community Development							
16 Economic Development Authority	$7,459,647	$7,570,640	$7,570,640	$7,638,060	$7,638,060	$67,420	0.89%
31 Land Development Services	13,828,750	15,255,591	17,601,440	15,584,901	15,474,075	(2,127,365)	(12.09%)
35 Department of Planning and Zoning	10,519,552	10,973,643	12,383,350	11,200,554	11,200,554	(1,182,796)	(9.55%)
36 Planning Commission	722,937	820,729	820,687	829,747	829,747	9,060	1.10%
38 Department of Housing and Community Development	5,778,538	6,366,067	6,539,096	6,370,366	6,370,366	(168,730)	(2.58%)
39 Office of Human Rights and Equity Programs	1,347,232	1,527,648	1,701,108	1,581,246	1,581,246	(119,862)	(7.05%)
40 Department of Transportation	7,842,483	8,128,830	9,082,730	8,220,725	8,220,725	(862,005)	(9.49%)
Total Community Development	$47,499,139	$50,643,148	$55,699,051	$51,425,599	$51,314,773	($4,384,278)	(7.87%)
Nondepartmental							
87 Unclassified Administrative Expenses	$0	$2,407,036	$7,350,653	$1,973,787	$1,973,787	($5,376,866)	(73.15%)
89 Employee Benefits	332,086,093	356,241,172	360,414,785	371,919,866	372,306,730	11,891,945	3.30%
Total Nondepartmental	$332,086,093	$358,648,208	$367,765,438	$373,893,653	$374,280,517	$6,515,079	1.77%
Total General Fund Direct Expenditures	$1,401,670,703	$1,474,556,275	$1,521,733,824	$1,512,272,694	$1,512,844,328	($8,889,496)	(0.58%)

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FY 2018

Adopted Budget Plan

General Fund Revenue Overview

SUMMARY OF GENERAL FUND REVENUE AND TRANSFERS IN

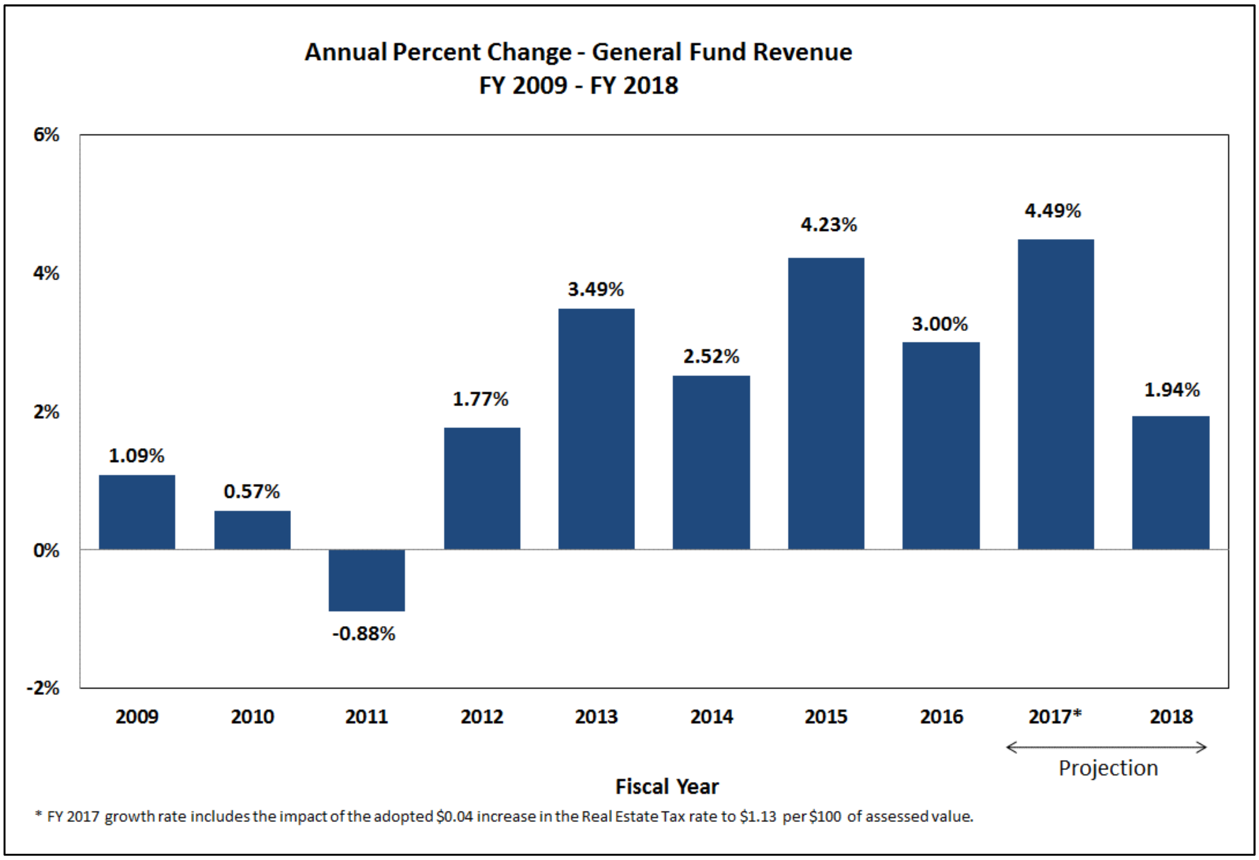
Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Change from the FY 2018 Advertised Budget Plan: Increase/ (Decrease)	Change from the FY 2018 Advertised Budget Plan: Percent Change
Real Estate Taxes - Current and Delinquent	$2,437,226,930	$2,600,366,481	$2,600,366,481	$2,648,855,844	$2,649,504,731	$648,887	0.02%
Personal Property Taxes - Current and Delinquent[1]	592,270,944	594,588,125	599,332,817	611,766,244	611,766,244	0	0.00%
Other Local Taxes	509,362,023	510,976,755	507,645,070	515,390,893	515,390,893	0	0.00%
Permits, Fees and Regulatory Licenses	48,443,054	47,384,162	50,178,317	50,891,047	50,891,047	0	0.00%
Fines and Forfeitures	11,648,758	12,443,009	11,553,152	11,684,270	11,684,270	0	0.00%
Revenue from Use of Money/Property	21,635,558	22,582,955	25,674,277	32,280,345	32,280,345	0	0.00%
Charges for Services	79,208,450	76,031,208	80,537,966	81,020,947	81,370,947	350,000	0.43%
Revenue from the Commonwealth and Federal Government[1]	132,485,639	130,118,030	131,153,402	130,791,520	131,371,520	580,000	0.44%
Recovered Costs / Other Revenue	17,680,571	16,471,349	16,423,681	16,480,180	16,480,180	0	0.00%
Total Revenue	**$3,849,961,927**	**$4,010,962,074**	**$4,022,865,163**	**$4,099,161,290**	**$4,100,740,177**	**$1,578,887**	**0.04%**
Transfers In	9,828,217	10,165,872	10,165,872	10,068,651	10,068,651	0	0.00%
Total Receipts	**$3,859,790,144**	**$4,021,127,946**	**$4,033,031,035**	**$4,109,229,941**	**$4,110,808,828**	**$1,578,887**	**0.04%**

[1] The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

As reflected in the preceding table, FY 2018 General Fund revenues are projected to be $4,100,740,177, an increase of $1,578,887 or 0.04 percent over the FY 2018 Advertised Budget Plan. The increase is primarily due to additional revenue from Real Estate taxes and Revenue from the Commonwealth.

Incorporating Transfers In, FY 2018 General Fund receipts are anticipated to be $4,110,808,828. The Transfers In to the General Fund total $10.1 million and reflect $3.8 million from Fund 40030, Cable Communications, $2.9 million from Fund 69010, Sewer Operation and Maintenance, $1.1 million from Fund 40100, Stormwater Services, and $2.3 million from various other funds for indirect support provided by the County's General Fund agencies.

The following chart shows General Fund revenue growth since FY 2009. Since the Great Recession, revenues have risen at a modest rate, averaging annual increases of 1.9 percent in the period from FY 2009 to FY 2015. General Fund revenue in FY 2016 increased 3.00 percent. FY 2017 revenue is expected to increase 4.49 percent as a result of a 2.98 percent rise in real estate assessments and a 4 cent increase in the Real Estate tax rate from $1.09 to $1.13 per $100 of assessed value, as well as modest growth in other revenue categories. General Fund revenue growth of 1.94 percent is projected in FY 2018 as a result of a 1.89 percent rise in real estate assessments and projected growth in other revenue categories.



Economic Indicators

The U.S. economy expanded at a rate of 1.2 percent during the first quarter of 2017 after growing 2.1 percent in the fourth quarter of 2016. Consumer spending, which makes up more than two-thirds of economic activity, grew just 0.4 percent in the first quarter, compared to 2.4 percent in the fourth quarter. Federal, and state and local government expenditures decreased modestly during the first quarter. For all of 2016, the U.S. economy grew 1.6 percent, compared to an increase of 2.6 percent in 2015.

After increasing the target range for the federal funds rate for the first time in almost a decade back in December 2015, the Federal Reserve raised the rate again in December 2016 and March 2017. It is expected that the Fed will continue raising the rate at a gradual pace throughout 2017.

The pace of employment growth in 2016 slowed compared to 2014 and 2015. The U.S. economy added just over 2.2 million jobs in 2016 compared to 2.7 million in 2015. On average, 187,000 jobs per month were added during 2016, compared to an average monthly gain of 226,000 jobs in 2015. In May, the unemployment rate fell to a 16-year low of 4.3 percent.

Gains in home prices nationwide continued their rise in 2016, supported by low interest rates, declining unemployment, and rising disposable personal income. Gains continued during the first quarter of 2017. According to the S&P/Case-Shiller home price index, home prices were up 5.9 percent for the 12 months ending March 2017. Home prices in the Washington Metropolitan area posted a slightly more modest 4.2 percent gain during the same period.

The County's economy has been stagnant in the past several years as it has been impacted by federal sequestration and defense budget cuts. Employment in Fairfax County fell 0.6 percent in 2013 and another 1.2 percent in 2014. This equated to almost 11,000 jobs lost over the two years. Many were in high-wage sectors such as professional services and the federal government. In 2015, the labor market in the County started to show improvement, which continued in 2016. Employment increased by 15,700 jobs over the two years. Employment in Professional and Business Services, which includes most federal contractors, lost almost 12,600 jobs in 2013 and 2014 and remained flat in 2015. In 2016, employment in this sector increased by 2,300 jobs; however, this level is 4.5 percent below the 2012 level. Other industry sectors that created new jobs in 2016 include Leisure and Hospitality, Education and Health Services, and Financial Activities. The County's unemployment rate is 3.0 percent as of March 2017, down from 3.2 percent in March 2016.

Based on the latest available data, federal procurement contracts in the County increased 4.4 percent in FY 2016 after decreasing 2.6 percent in FY 2015. Federal procurement spending in Fairfax County grew 13.3 percent per year from FY 2007 to FY 2011. It was flat in FY 2012 before dropping almost 13 percent in FY 2013. The FY 2016 level is 9.5 percent below FY 2012.

According to estimates from IHS, the County's Gross County Product (GCP), adjusted for inflation, declined 1.1 percent in 2013 and another 1.0 percent in 2014, before increasing 1.0 percent in 2015. Based on preliminary estimates, GCP increased at a rate of 1.1 percent in 2016. This tepid growth illustrates the continued economic impact of the Sequester. Uncertainty associated with the direction of the federal budget and potential reductions in federal workforce under the new administration could impact the County's ability to grow its economy in the coming years.

Local Housing Market

Based on information from the Metropolitan Regional Information System (MRIS), the average sales price of homes sold in Fairfax County rose just 0.1 percent from $544,055 in 2015 to $544,416 in 2016. Since 2009, the average sales price of housing has risen 30.5 percent, although gains have flattened in recent years, with the average sales price increasing just 2.4 percent since 2013.

MRIS also reported that 15,755 homes sold in the County in 2016, up 6.1 percent over 2015. Homes that sold during 2016 were on the market for an average of 52 days, the same as in 2015.

Local Nonresidential Market

According to the Fairfax County Economic Development Authority, the direct office vacancy rate was 15.8 percent at the end of 2016, down from 16.2 percent at year-end 2015. The overall office vacancy rate, which includes empty sublet space, was 16.8 percent at the end of 2016, down from 17.2 percent recorded at year-end 2015. The amount of empty office space dropped to 19.5 million square feet. Industry experts expect vacancy rates to remain relatively stable through 2017 as tenants monitor economic conditions and the direction of the federal budget.

At the end of 2016, office development continued around Metro stations in the Silver Line corridor and in other areas of the County as well. The amount of new office space that delivered in 2016 – more than 800,000 square feet – exceeded the roughly 370,000 square feet of space delivered in all of 2015. At year-end 2016, nine office buildings totaling more than 3.1 million square feet were underway in seven submarkets. More than 58 percent of the space being built is leased or will be occupied by owners. Fairfax County ranks as the 15th most active office construction market nationally.

Office leasing activity topped 10.7 million square feet in 2016. As has been the case for the past several years, the overwhelming majority of leasing activity in 2016 involved renewals and consolidations. Lease rates for new space are adjusting to market conditions as many tenants are taking advantage of favorable rates, and others are looking to capitalize on market conditions by consolidating operations in newer space near Metro stations. Submarkets along and near the Silver Line – Tysons Corner, Reston and the Herndon area – are especially well-positioned to take advantage of this trend. More than 52 million square feet of new office space is in the development pipeline countywide. This "flight to quality," however, results in vacancies in office space that is older and often farther from transit and amenities.

Revenue

In FY 2018, current and delinquent Real Estate Tax revenue comprises 64.6 percent of total County General Fund revenues. FY 2018 Real Estate property values were established as of January 1, 2017 and reflect market activity through calendar year 2016. The Real Estate Tax base is projected to increase 1.89 percent in FY 2018, and is made up of a 0.97 percent increase in total equalization (reassessment of existing residential and nonresidential properties), and an increase of 0.92 percent for new construction.

The FY 2017 and FY 2018 General Fund revenue estimates discussed in this section are based on a review of Fairfax County economic indicators, actual FY 2016 receipts, and FY 2017 year-to-date collection trends. Forecasts of economic activity in the County are provided by IHS and a variety of national economic forecasts are considered. Based on analysis of projected trends, revenue categories are expected to experience moderate growth through FY 2018.

MAJOR REVENUE SOURCES

The following major revenue categories discussed in this section comprise 98.7 percent of total FY 2018 General Fund revenue. Unless otherwise indicated, comparative data are presented relative to the FY 2018 Advertised Budget Plan. The revenue estimates for all General Fund Revenue categories are shown in the Summary Schedule of General Fund Revenues in the section of this volume titled "Financial, Statistical and Summary Tables."

						Change from the FY 2018 Advertised Budget Plan	
Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan[1]	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase / (Decrease)	Percent Change
Real Estate Tax - Current	$2,428,758,149	$2,591,405,466	$2,591,405,466	$2,639,894,829	$2,640,543,716	$648,887	0.02%
Personal Property Tax							
Current[1]	579,578,127	581,535,038	586,279,730	598,013,157	598,013,157	0	0.00%
Paid Locally	368,264,183	370,221,094	374,965,786	386,699,213	386,699,213	0	0.00%
Reimbursed by Commonwealth	211,313,944	211,313,944	211,313,944	211,313,944	211,313,944	0	0.00%
Business, Professional and Occupational License Tax-Current	153,540,723	154,059,333	155,076,130	157,402,272	157,402,272	0	0.00%
Local Sales Tax	178,839,665	183,495,638	178,839,665	183,310,657	183,310,657	0	0.00%
Recordation/Deed of Conveyance Taxes	30,252,619	28,976,408	30,401,582	30,466,027	30,466,027	0	0.00%
Gas & Electric Utility Taxes	45,152,756	46,274,832	44,926,992	44,926,992	44,926,992	0	0.00%
Communications Sales Tax	17,010,456	16,005,070	14,825,739	14,825,739	14,825,739	0	0.00%
Vehicle License Fee - Current	26,154,345	26,573,911	26,573,911	26,706,780	26,706,780	0	0.00%
Transient Occupancy Tax	20,504,253	21,054,723	21,054,723	21,581,091	21,581,091	0	0.00%
Cigarette Tax	7,166,598	7,073,909	7,003,682	6,968,664	6,968,664	0	0.00%
Permits, Fees and Regulatory Licenses	48,443,054	47,384,162	50,178,317	50,891,047	50,891,047	0	0.00%
Investment Interest	16,168,492	19,724,724	23,621,772	30,233,911	30,233,911	0	0.00%
Charges for Services	79,208,450	76,031,208	80,537,966	81,020,947	81,370,947	350,000	0.43%
Fines and Forfeitures	11,648,758	12,443,009	11,553,152	11,684,270	11,684,270	0	0.00%
Recovered Costs / Other Revenue	17,680,571	16,471,349	16,423,681	16,480,180	16,480,180	0	0.00%
Revenue from the Commonwealth and Federal Government[1]	132,485,639	130,118,030	131,153,402	130,791,520	131,371,520	580,000	0.44%
Total Major Revenue Sources	**$3,792,592,655**	**$3,958,626,810**	**$3,969,855,910**	**$4,045,198,083**	**$4,046,776,970**	**$1,578,887**	**0.04%**

[1] The portion of the Personal Property Tax reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 is included in the Personal Property Tax category for the purpose of discussion in this section.

REAL ESTATE TAX-CURRENT

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$2,428,758,149	$2,591,405,466	$2,591,405,466	$2,639,894,829	$2,640,543,716	$648,887	0.02%

The FY 2018 Adopted Budget Plan estimate for Current Real Estate Taxes is $2,640,543,716 and represents an increase of $648,887 over the FY 2018 Advertised Budget Plan and an increase of $49,138,250 or 1.9 percent over the *FY 2017 Revised Budget Plan*. The increase is the result of the rise of the Real Estate tax base of 1.89 percent, no change in the Real Estate Tax rate of $1.13 per $100 of assessed value, and an additional $648,887 in excess Mosaic revenue, which will remain in the General Fund and will not be transferred to Fund 70040, Mosaic District Community Development Authority based on actual expenditure requirements in the fund.

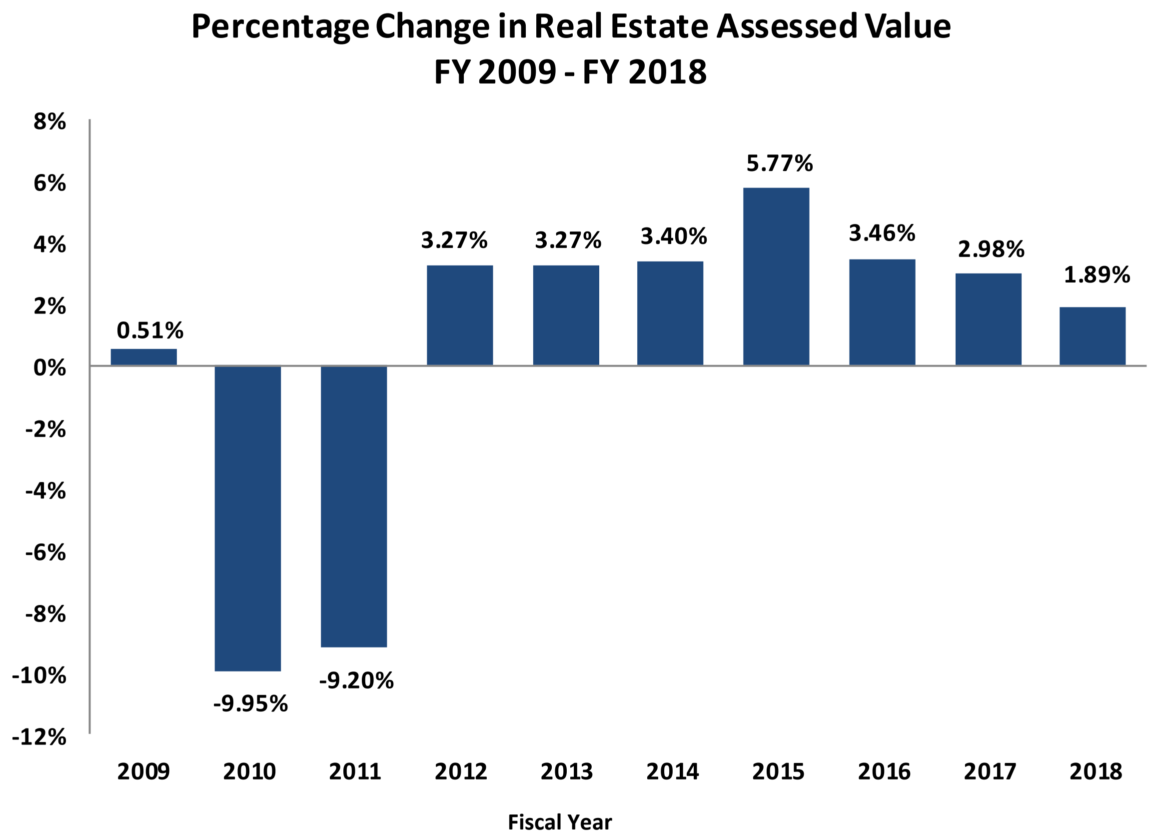
The FY 2018 value of assessed real property represents an increase of 1.89 percent, as compared to the FY 2017 Real Estate Land Book, and is comprised of an increase in equalization of 0.97 percent and an increase of 0.92 percent associated with new construction. The FY 2018 figures reflected in this document are based on final assessments for Tax Year 2017 (FY 2018), which were established as of January 1, 2017. In addition to the revenue shown in the table above, the projected value of one-half penny on the Real Estate Tax rate ($11.9 million) is allocated to The Penny for Affordable Housing Fund. Throughout FY 2018, Real Estate Tax revenues will be adjusted as necessary to reflect changes in exonerations, tax abatements, and supplemental assessments, as well as any differences in the projected collection rate of 99.70 percent.

The FY 2018 **Main Assessment Book Value** is $237,791,162,200 and represents an increase of $4,418,020,930, or 1.89 percent, over the FY 2017 main assessment book value of $233,373,141,270.

From FY 2005 through FY 2007, the assessment base experienced double digit advances. Deceleration began in FY 2008, when the assessment base rose just 4.15 percent, and continued in FY 2009 with a modest increase of 0.51 percent. Following the financial crisis and a general decline in economic conditions, the FY 2010 assessment base declined 9.95 percent, which was the largest drop on record. The assessment base decreased for a second consecutive year in FY 2011, declining 9.20 percent. Since then, the assessment base increased 3.27 percent in both FY 2012 and FY 2013, 3.40 percent in FY 2014, 5.77 percent in FY 2015, 3.46 percent in FY 2016, and 2.98 percent in FY 2017.

General Fund Revenue Overview

The following chart shows changes in the County's assessed value base from FY 2009 to FY 2018.



Equalization	**-1.02%**	**-10.52%**	**-8.98%**	**2.67%**	**2.53%**	**2.63%**	**4.84%**	**2.40%**	**1.94%**	**0.97%**
Res	-3.38	-12.55	-5.56	2.34	0.71	3.50	6.54	3.39%	1.64%	0.68%
NonRes	7.00	-4.51	-18.29	3.73	8.21	0.14	-0.10	-0.60%	2.87%	1.85%
Growth	**1.53%**	**0.57%**	**-0.22%**	**0.60%**	**0.74%**	**0.77%**	**0.93%**	**1.06%**	**1.04%**	**0.92%**
TOTAL	**0.51%**	**-9.95%**	**-9.20%**	**3.27%**	**3.27%**	**3.40%**	**5.77%**	**3.46%**	**2.98%**	**1.89%**

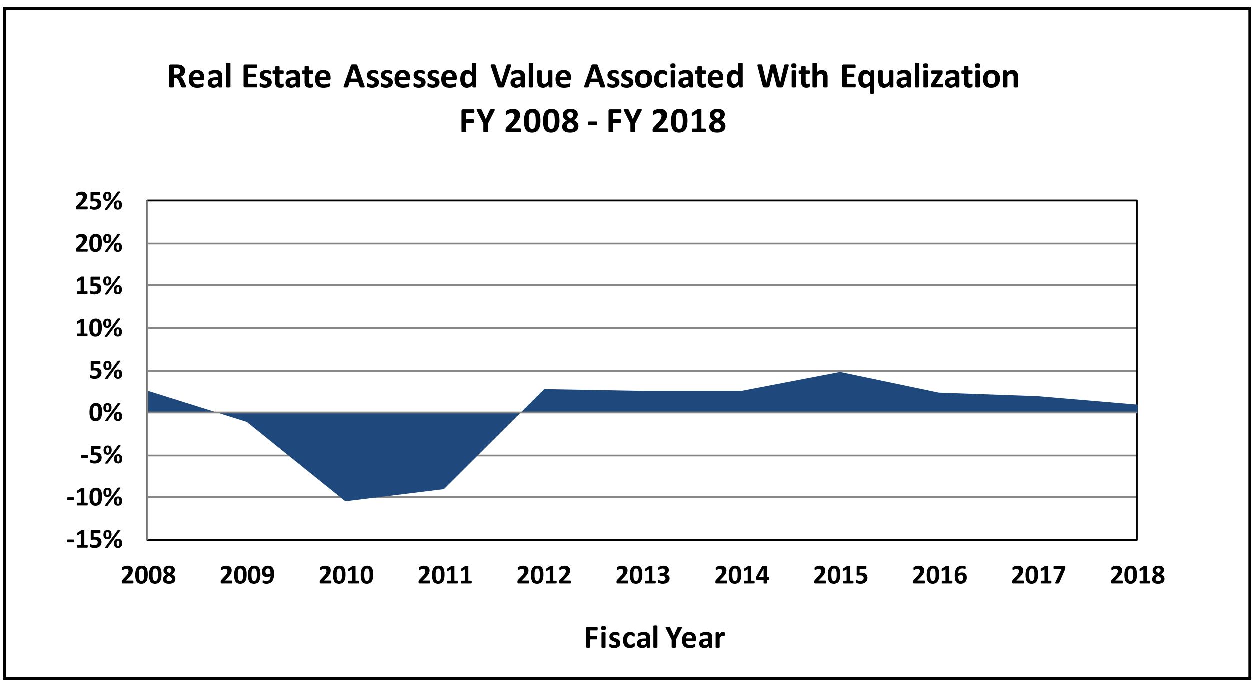
The overall change in the assessment base is comprised of **equalization** and **normal growth.** For reporting purposes, individual properties are identified as being in either the equalization category or the growth category, but not both. Equalization properties are those whose values change due to market fluctuations. Growth is a category of properties whose value changes are also influenced by new construction, remodeling or rezonings. Once growth factors are identified, *the entire property value* is shown in the growth category, even though the property is also influenced by equalization. The FY 2018 assessment base reflects a total equalization increase of 0.97 percent and an increase of 0.92 percent associated with the growth component. As a result of changes in equalization and growth, the residential portion of the total assessment base decreased from 75.07 percent in FY 2017 to 74.43 percent in FY 2018. The following table reflects changes in the Real Estate Tax assessment base from FY 2012 through FY 2018.

Main Real Estate Assessment Book Value and Changes

(in millions)

Assessed Base Change Due To:	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Equalization	**$5,015.3**	**$4,904.1**	**$5,259.4**	**$10,026.1**	**$5,269.7**	**$4,401.5**	**$2,269.9**
% Change	2.67%	2.53%	2.63%	4.84%	2.40%	1.94%	0.97%
Residential	2.34%	0.71%	3.50%	6.54%	3.39%	1.64%	0.68%
Nonresidential	3.73%	8.21%	0.14%	(0.10%)	(0.60%)	2.87%	1.85%
Normal Growth	**$1,123.5**	**$1,440.4**	**$1,550.4**	**$1,922.0**	**$2,318.0**	**$2,362.6**	**$2,148.1**
% Change	0.60%	0.74%	0.77%	0.93%	1.06%	1.04%	0.92%
Residential	0.37%	0.26%	0.42%	0.51%	0.51%	0.56%	0.36%
Nonresidential	1.31%	2.26%	1.79%	2.13%	2.74%	2.54%	2.61%
Total Change	**$6,138.8**	**$6,344.5**	**$6,809.8**	**$11,948.1**	**$7,587.7**	**$6,764.2**	**$4,418.0**
% Change	3.27%	3.27%	3.40%	5.77%	3.46%	2.98%	1.89%
Total Book	$193,918.9	$200,263.3	$207,073.1	$219,021.3	$226,609.0	$233,373.1	$237,791.1

Equalization, or reassessment of existing residential and nonresidential property, represents an increase in value of $2,269,942,240, or 0.97 percent, in FY 2018. Both residential and non-residential property values rose in FY 2018. Existing residential property values have increased in each of the last seven years; however, growth has significantly decelerated since FY 2016. While the number of homes sold increased in calendar year 2016, the average price of homes sold saw minimal growth. Overall, residential equalization reflects a 0.68 percent increase in FY 2018, compared to a 1.64 percent increase in FY 2017. Changes in the assessment base as a result of equalization are shown in the following graph.



Residential equalization rose at double digit rates from FY 2002 through FY 2007 due to high demand but a limited supply of housing. Strong job growth, the easy availability of credit and profit-led speculation contributed to price appreciation in the local housing market. In FY 2008, FY 2009, FY 2010, and FY 2011, overall residential equalization declined 0.33 percent, 3.38 percent, 12.55 percent, and 5.56 percent, respectively, as the inventory of homes for sale grew and home prices fell in the County, as they did throughout the Northern Virginia area. After falling four consecutive years, the value of residential properties in the County increased in the last seven years: 2.34 percent in FY 2012, a slight 0.71 percent in FY 2013, 3.50 percent in FY 2014, 6.54 percent in FY 2015, 3.39 percent in FY 2016, 1.64 percent in FY 2017, and 0.68 percent in FY 2018. However, growth has been trending down since FY 2016. The total value of residential properties including new construction in FY 2018 is $177.0 billion.

The County's median assessment to sales ratio is in the mid-90 percent range, well within professional standards that assessments should be between 90 percent to 110 percent of the sales prices experienced in a neighborhood.

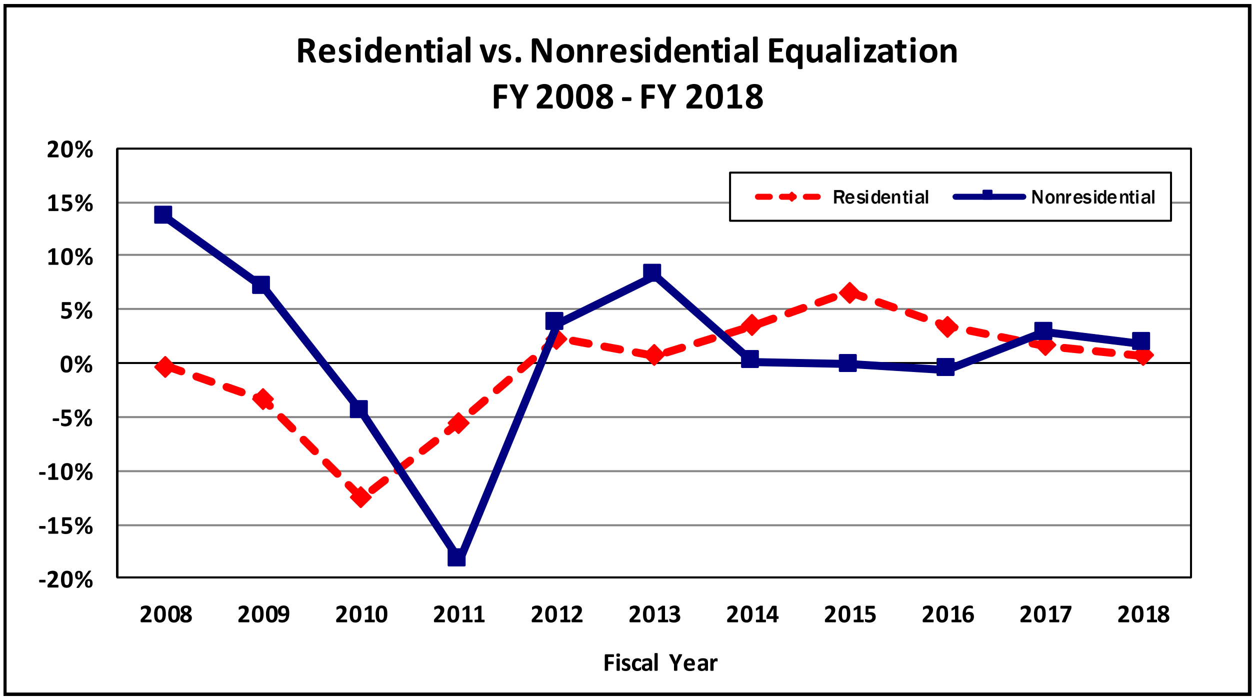
Overall, single family property values increased 0.62 percent in FY 2018. The value of single family homes has the most impact on the total residential base because they represent nearly 72 percent of the total. The value of townhouse properties increased 1.37 percent in FY 2018, while that of condominium properties decreased 0.32 percent. Changes in residential equalization by housing type since FY 2013 are shown in the following table. Changes represented in this chart are for the category as a whole. Individual neighborhoods and properties may have increased or decreased by different percentages based on neighborhood selling prices.

Residential Equalization Changes

Housing Type/ (Percent of Base)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Single Family (71.7%)	0.70%	3.13%	5.82%	3.27%	1.69%	0.62%
Townhouse/Duplex (19.7%)	1.20%	4.50%	8.39%	3.81%	2.05%	1.37%
Condominiums (8.0%)	(0.06%)	5.42%	10.51%	4.48%	0.73%	(0.32%)
Vacant Land (0.5%)	(1.66%)	2.89%	3.38%	3.03%	0.92%	0.03%
Other (0.1%)[1]	2.56%	4.74%	3.42%	2.56%	6.42%	9.52%
Total Residential Equalization (100%)	**0.71%**	**3.50%**	**6.54%**	**3.39%**	**1.64%**	**0.68%**

[1] Includes, for example, affordable dwelling units, recreational use properties, and agricultural and forestal land use properties.

As a result of the increase in residential equalization, the mean assessed value of all residential property in the County is $533,168. This is an increase of $3,601 over the FY 2017 value of $529,567. At the Real Estate tax rate of $1.13 per $100 of assessed value, the typical residential annual tax bill will rise, on average, $40.69 in FY 2018 to $6,024.80.



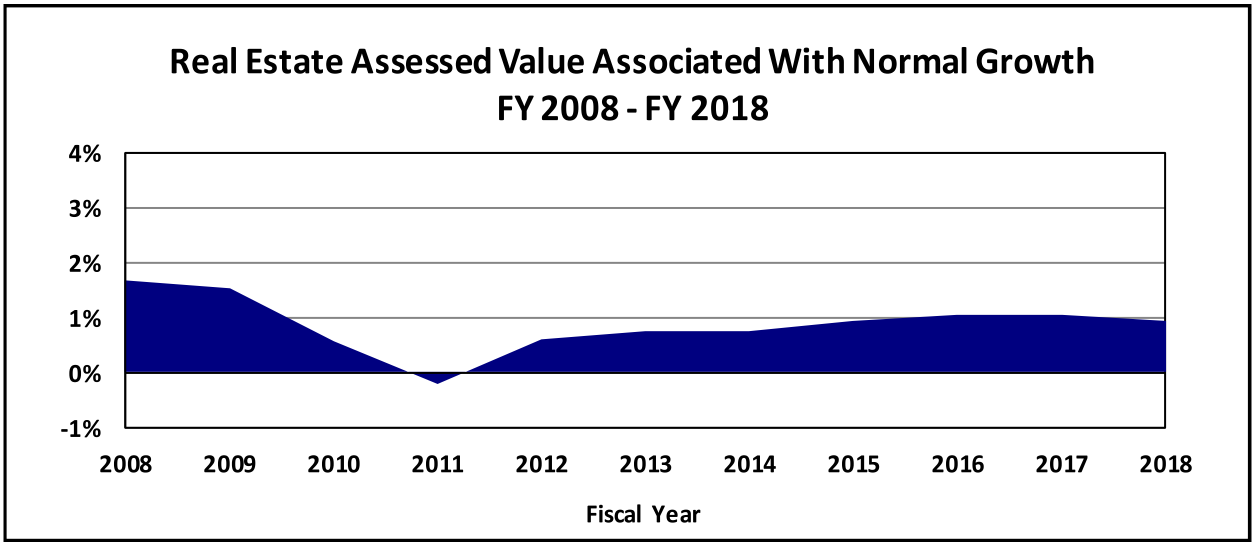
After experiencing a record decline of 18.29 percent in FY 2011, **nonresidential equalization** rebounded 3.73 percent in FY 2012, and a strong 8.21 percent in FY 2013. In FY 2014, nonresidential values stayed essentially level with FY 2013, increasing only 0.14 percent. In FY 2015 and FY 2016, nonresidential values decreased a slight 0.10 percent and another 0.60 percent, respectively, before increasing 2.87 percent in FY 2017. In FY 2018, nonresidential values increased 1.85 percent due to equalization. The total value of nonresidential properties including new construction in FY 2018 is $60.8 billion.

The main cause for the lower FY 2018 increase in nonresidential values compared to the growth experienced in FY 2017 is the decline in the values of Office Elevator properties. Office Elevator properties (mid- and high-rises), the largest component of the nonresidential tax base at 31.4 percent, experienced a decline of 1.39 percent in FY 2018 after increasing 3.42 percent in FY 2017. Apartment values, which represent 25.9 percent of the total nonresidential base, rose 3.37 percent in FY 2018. Retail properties increased a strong 7.39 percent in FY 2018. Nonresidential equalization changes by category since FY 2013 are presented in the following table.

Nonresidential Equalization Changes

Category (Percent of Base)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Apartments (25.9%)	12.60%	4.90%	3.59%	1.20%	2.92%	3.37%
Office Condominiums (3.9%)	(0.31%)	(0.66%)	(0.07%)	0.58%	1.86%	0.49%
Industrial (6.6%)	6.75%	0.69%	1.77%	5.83%	7.43%	(0.26%)
Retail (17.1%)	7.16%	1.18%	1.52%	2.46%	1.60%	7.39%
Office Elevator (31.4%)	11.34%	(2.41%)	(2.93%)	(4.67%)	3.42%	(1.39%)
Office - Low Rise (3.0%)	7.18%	(1.72%)	(2.41%)	(5.00%)	1.73%	1.39%
Vacant Land (3.0%)	2.01%	(0.74%)	(1.19%)	(4.62%)	1.50%	(1.17%)
Hotels (3.3%)	3.87%	(3.94%)	(4.82%)	0.26%	3.61%	(0.12%)
Other (5.8%)	3.27%	1.17%	2.37%	5.26%	3.70%	6.73%
Nonresidential Equalization (100%)	**8.21%**	**0.14%**	**(0.10%)**	**(0.60%)**	**2.87%**	**1.85%**

The **Growth** component increased the FY 2018 assessment base by $2,148,078,690, or 0.92 percent, over the FY 2017 assessment book value. New construction increased the residential property base by 0.36 percent and nonresidential properties by 2.61 percent.



In addition to the final equalization and normal growth adjustments in the Main Assessment Book, the following projected adjustments were made to the FY 2018 Real Estate Tax revenue estimate:

Additional Assessments expected to be included in the new Real Estate base total $405.1 million, or a levy increase of $4.6 million, and include both prorated assessments and additional supplemental assessments. Prorated assessments are supplemental assessments that include assessments which are made during the year for new construction that is completed subsequent to finalizing the original assessment book.

Exonerations, Certificates and Tax Abatements are anticipated to reduce the Real Estate assessment base by $653.8 million in FY 2018, resulting in a reduction in levy of $7.4 million.

Mosaic District Community Development Authority (CDA) was created to assist commercial investment in the Merrifield area of the County. The Mosaic CDA is funded with tax increment financing which reduces the taxable value of property in the district. The reduction is based on the current assessed property value in the CDA compared to the property value in 2007 when the district was created. In FY 2018, the Mosaic District Tax Increment Financing (TIF) reduces the assessment base by $519,258,930 and the tax levy by $5,867,626. This reduction is based on the difference between the FY 2018 assessed property value in the district compared to the property value in 2007 when the district was created. The FY 2018 funds necessary to cover the debt service associated with the Mosaic TIF are in the amount of $5,218,739. Accordingly, the excess revenue of $648,887 will remain in the General Fund and will not be transferred to Fund 70040, Mosaic District Community Development Authority. For more information, see Fund 70040 in Volume 2 of the budget.

Tax Relief for the Elderly and Disabled is projected to reduce the Real Estate assessment base in FY 2018 by $2,570.0 million. The reduction in tax levy due to the Tax Relief program is approximately $29.0 million at the proposed Real Estate tax rate of $1.13 per $100 of assessed value. In FY 2018, the income limits of the Tax Relief program provide 100 percent exemption for elderly and disabled taxpayers with incomes up to $52,000; 50 percent exemption for eligible applicants with income between $52,001 and $62,000; and 25 percent exemption if income is between $62,001 and $72,000. The allowable asset limit in FY 2018 is $340,000 for all ranges of tax relief. Veterans, who have a 100 percent permanent and total disability related to military service, or their surviving spouse, are eligible for full Real Estate Tax relief regardless of income or assets. The table below shows FY 2018 income and asset thresholds for the Tax Relief Program for the Elderly and Disabled.

FY 2018
Real Estate Tax Relief for the Elderly and Disabled

	Income Limit	Asset Limit	Percent Relief
Elderly and Disabled	Up to $52,000	$340,000	100%
	Over $52,000 to $62,000		50%
	Over $62,000 to $72,000		25%
100% Disabled Veterans or Surviving Spouse	No Limit	No Limit	100%

The FY 2018 local assessment base of $234,453,160,301 is derived from the main assessment book and subsequent adjustments discussed above. From this local assessment base, a local tax levy of $2,649,320,711 is calculated using the Real Estate Tax rate of $1.13 per $100 of assessed value. Based on an expected local collection rate of 99.70 percent, revenue from local assessments is estimated to be $2,641,372,749. In FY 2018, every 0.01 percentage point change in the collection rate on the locally assessed Real Estate Tax levy yields a revenue change of $0.3 million, while every penny on the tax rate yields $23.8 million in revenue.

FY 2018 Estimated Real Estate Assessments and Tax Levy

	Assessed Value	FY 2018 Tax Levy at $1.13/$100 of Assessed Value
FY 2017 Real Estate Book	$233,373,141,270	$2,637,116,496
FY 2018 Equalization	2,269,942,240	25,650,347
FY 2018 Growth	2,148,078,690	24,273,289
TOTAL FY 2018 REAL ESTATE BOOK	**$237,791,162,200**	**$2,687,040,132**
Exonerations	($600,000,000)	($6,780,000)
Certificates	(2,500,000)	(28,250)
Tax Abatements	(51,331,687)	(580,048)
Subtotal Exonerations	($653,831,687)	($7,388,298)
Supplemental Assessments	$405,088,718	$4,577,503
Mosaic District TIF[1]	(519,258,930)	(5,867,626)
Tax Relief	(2,570,000,000)	(29,041,000)
Local Assessments	**$234,453,160,301**	**$2,649,320,711**
Public Service Corporation	$922,307,948	$10,422,080
TOTAL	**$235,375,468,249**	**$2,659,742,791**

[1] In FY 2018, the Mosaic District Tax Increment Financing (TIF) reduces the assessment base by $519,258,930 and the tax levy by $5,867,626. This reduction is based on the difference between the FY 2018 assessed property value in the district compared to the property value in 2007 when the district was created. The FY 2018 funds necessary to cover the debt service associated with the Mosaic TIF are in the amount of $5,218,739. Accordingly, the excess revenue of $648,887 will remain in the General Fund and will not be transferred to Fund 70040, Mosaic District Community Development Authority.

Added to the local assessment base is an estimated $922,307,948 in assessed value for Public Service Corporations (PSC) property. Using the proposed Real Estate tax rate of $1.13 per $100 of assessed value, the tax levy on PSC property is $10,422,080. The collection rate on PSC property is expected to be 100.0 percent.

The total assessment base, including Public Service Corporations, is $235,375,468,249, with a total tax levy of $2,659,742,791 at the Real Estate Tax rate of $1.13 per $100 of assessed value. Estimated FY 2018 revenue from the Real Estate Tax, including receipts from Public Service Corporations, as well as the excess revenue from the Mosaic TIF totals $2,652,443,716. Of this amount, the approximate value of one-half cent on the Real Estate Tax rate, $11,900,000, has been directed to Fund 30300, The Penny for Affordable Housing Fund.

Total General Fund revenue from the Real Estate Tax is $2,640,543,716. The total local collection rates experienced in this category since FY 2003 are shown in the following table:

Real Estate Tax Local Collection Rates

Fiscal Year	Collection Rate	Fiscal Year	Collection Rate
2003	99.67%	**2011**	99.67%
2004	99.61%	**2012**	99.69%
2005	99.62%	**2013**	99.71%
2006	99.62%	**2014**	99.74%
2007	99.64%	**2015**	99.77%
2008	99.66%	**2016**	99.75%
2009	99.66%	**2017 (estimated)**[1]	99.70%
2010	99.71%	**2018 (estimated)**[1]	99.70%

[1] In FY 2018, every 0.1 percentage point change in the collection rate yields a revenue change of $2.65 million.

The Commercial/Industrial percentage of the County's FY 2018 Real Estate Tax base is 19.12 percent, an increase of 0.23 percentage point over the FY 2017 level of 18.89 percent. Commercial/Industrial property values as a percentage of the Real Estate Tax base increased in FY 2018 as a result of new office construction and a slower increase experienced in the residential portion of the Real Estate Tax base. The Commercial/Industrial percentage is based on Virginia land use codes and includes all nonresidential property except multi-family rental apartments, which make up 6.45 percent of the County's Real Estate Tax base in FY 2018. Fairfax County's historical Commercial/Industrial percentages are detailed in the following table:

Commercial/Industrial Percentages

Fiscal Year	Percentage	Fiscal Year	Percentage
2003	21.97%	**2011**	19.70%
2004	19.14%	**2012**	19.64%
2005	18.20%	**2013**	20.77%
2006	17.36%	**2014**	19.96%
2007	17.22%	**2015**	19.01%
2008	19.23%	**2016**	18.67%
2009	21.06%	**2017**	18.89%
2010	22.67%	**2018**	19.12%

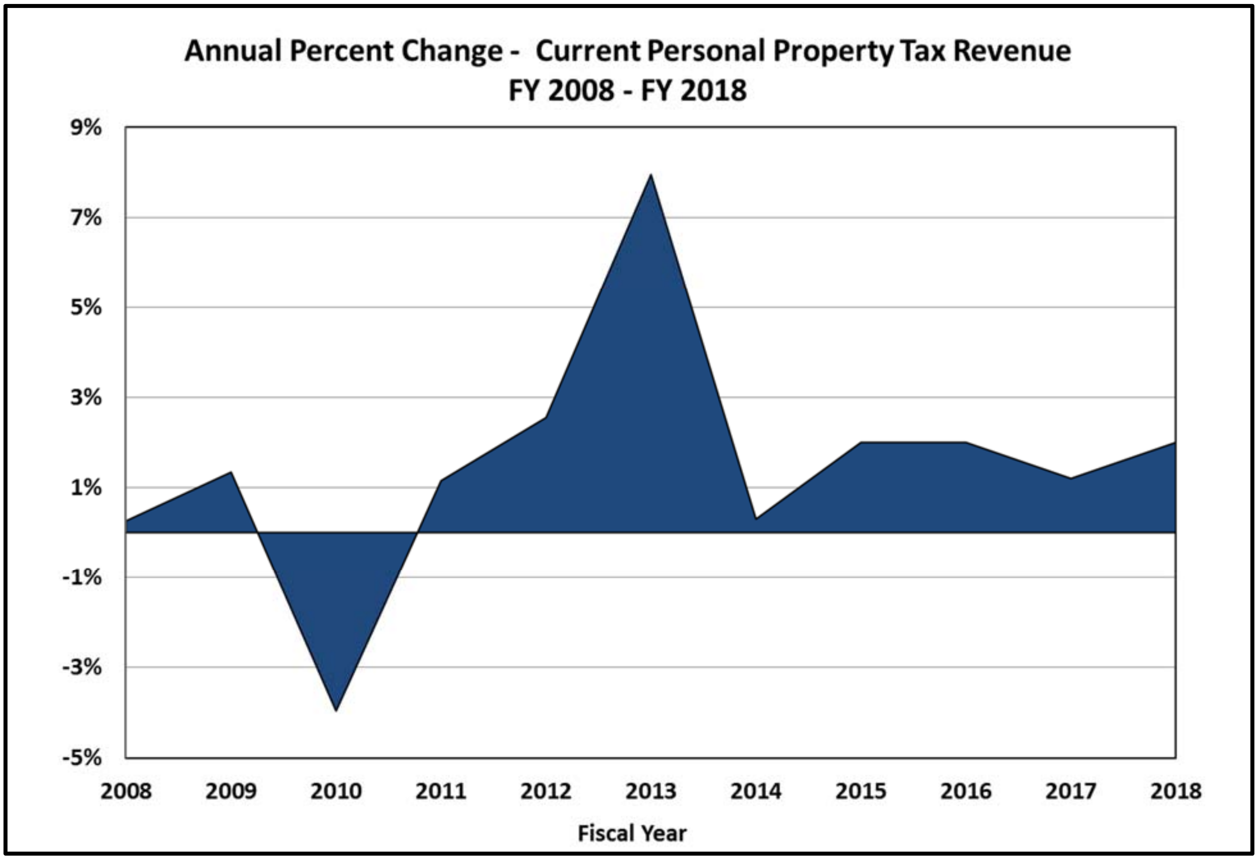
PERSONAL PROPERTY TAX-CURRENT

	FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
Paid Locally	$368,264,183	$370,221,094	$374,965,786	$386,699,213	$386,699,213	$0	0.0%
Reimbursed by State	211,313,944	211,313,944	211,313,944	211,313,944	211,313,944	0	0.0%
Total	$579,578,127	$581,535,038	$586,279,730	$598,013,157	$598,013,157	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Personal Property Tax revenue of $598,013,157 represents no change from the FY 2018 Advertised Budget Plan and an increase of $11,733,427 or 2.0 percent over the *FY 2017 Revised Budget Plan*. The increase is primarily due to an increase in the vehicle levy based on analysis of vehicles currently in the County valued with information from the National Automobile Dealers Association, as well as an increase in the Business Personal Property levy.

The Personal Property Tax on vehicles represents 76.4 percent of the total assessment base in FY 2018. The vehicle component is comprised of two parts, that which is paid locally and that which is reimbursed by the Commonwealth of Virginia to the County as a result of the Personal Property Tax Relief Act (PPTRA) of 1998. The PPTRA reduces the Personal Property Tax paid on the first $20,000 of the value for vehicles owned by individuals. In FY 1999, the first year of implementation, taxpayers were billed for the entire amount of tax levy and received a refund of 12.5 percent of the tax on the first $20,000 of the value of their personal vehicle from the Commonwealth of Virginia. Vehicles valued less than $1,000 were refunded 100 percent. From FY 2000 to FY 2002, the PPTRA reduced the Personal Property Taxes paid by citizens by 27.5 percent, 47.5 percent, and 70 percent, respectively, with an offsetting reimbursement paid to the County by the Commonwealth. Under the original approved plan, taxes paid by individuals were to be reduced by 100 percent in FY 2003. However, due to the Commonwealth's lower than anticipated General Fund revenue growth, the reimbursement rate remained at 70 percent in FY 2003 through FY 2006. The 2004 General Assembly approved legislation that capped statewide Personal Property Tax reimbursements at $950 million in FY 2007 and beyond. Fairfax County's allocation has been set at $211.3 million based on the County's share of statewide tax year 2004 collections. Each year County staff must determine the reimbursement percentage based on the County's fixed reimbursement from the state and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage attributed to the state will vary. Based on a County staff analysis, the effective state reimbursement percentage was 66.67 percent, 67.0 percent, and 68.5 percent in FY 2007, FY 2008 and FY 2009, respectively. The reimbursement percentage was set at 70.0 percent in both FY 2010 and FY 2011, and at 68.0 percent in FY 2012. Due to a continued increase in vehicle volume and average levy, the reimbursement percentage was lowered to 63.0 percent in FY 2013 where it remained in FY 2014. In FY 2015, FY 2016, and FY 2017, the reimbursement percentage was lowered again to 62.0 percent. Based on an estimate of the number and value of vehicles that will be eligible for tax relief in FY 2018, the reimbursement percentage is set at 60.5 percent.

Annual percentage changes in total Personal Property Tax revenues are shown in the following graph.



As the economy began to slow, Personal Property Tax receipts rose modestly in FY 2008 and FY 2009 at rates of 0.3 percent and 1.3 percent, respectively. In FY 2010, receipts decreased 4.0 percent mainly as a result of a significant decline of 10.8 percent in average vehicle levy reflecting the downturn in the economy in calendar year 2009. FY 2011 Personal Property Tax receipts increased 1.1 percent due to an increase in the average vehicle levy, partially offset with a decrease in business volume and average business levy. FY 2012 Personal Property Tax receipts increased 2.6 percent due to an increase in both the average vehicle and business levies. FY 2013 receipts increased a solid 7.9 percent mainly as a result of a rise of 7.1 percent in total vehicle levy. A reduction in the supply of new vehicles increased prices of both new and used automobiles. The decrease in supply was a result of a decline in U.S. auto production due to the slowdown in the economy and the earthquake and tsunami in Japan, which not only impacted Japanese automakers but also U.S. automakers that rely on parts from Japan. This situation caused the value of many used vehicles to depreciate less than what traditionally has been experienced and resulted in some vehicles actually appreciating over the year. This was not unique to Fairfax County, but was experienced nationwide. Total FY 2014 Personal Property Tax revenue increased a slight 0.3 percent as the depreciation of vehicles returned to more normal levels, followed by an increase of 2.0 percent in FY 2015 and FY 2016. Personal Property Tax receipts are expected to increase 1.2 percent in FY 2017, and growth of 2.0 percent is projected in FY 2018. The vehicle component, which comprises over 76 percent of total Personal Property levy, is expected to increase 0.6 percent based on analysis of vehicles in the County valued with information from the National Automobile Dealers Associations (NADA). Total vehicle volume is forecast to increase 0.5 percent in FY 2018.

Changes in vehicle volume and average vehicle levy since FY 2008 are shown in the following table.

Fairfax County
Personal Property Vehicles

Fiscal Year	% Change in Vehicle Volume	Average Vehicle Levy	% Change in Average Levy
FY 2008	(0.1%)	$424	(1.6%)
FY 2009	0.8%	$434	2.4%
FY 2010	0.1%	$387	(10.8%)
FY 2011	0.9%	$397	2.6%
FY 2012	0.7%	$411	3.5%
FY 2013	0.7%	$437	6.3%
FY 2014	0.9%	$445	1.8%
FY 2015	0.0%	$451	1.3%
FY 2016	0.0%	$457	1.3%
FY 2017 (est.)	0.0%	$469	2.6%
FY 2018 (est.)	0.5%	$470	0.2%

Business Personal Property is primarily composed of assessments on furniture, fixtures and computer equipment. Business levy is impacted by the number of new businesses and whether existing businesses are expanding or contracting. As government contractors cut back employment due to lower federal procurement spending, they delayed business expansions. Business levy rose a modest 0.8 percent in FY 2014 and 1.0 percent in FY 2015. Growth accelerated slightly in FY 2016 to 1.2 percent and an increase of 4.7 percent is projected in FY 2017 based on business filings through December 2016. Business levy is anticipated to grow 1.0 percent in FY 2018 based on the expectation that economic conditions will continue to improve modestly.

In accordance with assessment principles and the Code of Virginia, which require that property is taxed at fair market value, the Department of Tax Administration (DTA) reviews the depreciation rate schedule for computer hardware due to the speed with which computer values change. The current schedule depreciates computer equipment 50 percent, one year after acquisition. In subsequent years, the percent of the original purchase price taxed is 35 percent, 20 percent, and 10 percent, in year two, three and four, respectively. After five or more years, computer equipment is valued at 2 percent of its original acquisition price.

Personal Property Tax revenue estimates are based on a tax rate of $4.57 per $100 of valuation for vehicles and business property, and a tax rate of $1.13 per $100 of valuation for mobile homes and non-vehicle Public Service Corporations properties. The following table details the estimated assessed value and associated levy for components of the Personal Property Tax.

FY 2018 Estimated Personal Property Assessments and Tax Levy

Category	FY 2018 Assessed Value	Tax Rate (per $100)	FY 2018 Tax Levy	Percent of Total Levy
Vehicles				
Privately Owned	$9,910,207,966	$4.57	$394,792,077	65.2%
Business Owned	557,061,443	4.57	22,177,428	3.7%
Leased	1,174,425,695	4.57	45,538,812	7.5%
Subtotal	$11,641,695,104		$462,508,317	76.4%
Business Personal Property				
Furniture and Fixtures	$1,990,333,510	$4.57	$91,498,718	15.1%
Computer Equipment	803,182,635	4.57	36,862,614	6.1%
Machinery and Tools	34,546,336	4.57	1,582,641	0.3%
Research and Development	489,635	4.57	24,324	0.0%
Subtotal	$2,828,552,116		$129,968,297	21.5%
Other Personal Property				
Boats, Trailers, Miscellaneous	$17,303,348	$4.57	$813,930	0.1%
Mobile Homes	15,483,491	1.13	174,474	0.0%
Subtotal	$32,786,839		$988,404	0.1%
Exonerations	($91,539,267)	$4.57	($26,705,926)	-4.4%
Omitted Assessments	331,130,891	4.57	5,934,650	1.0%
Total Local Assessed Value and Levy	$14,742,625,683		$572,693,742	94.6%
Public Service Corporations				
Equalized	$2,852,795,930	$1.13	$32,210,121	5.3%
Vehicles	7,371,777	4.57	336,890	0.1%
Subtotal	$2,860,167,707		$32,547,011	5.4%
TOTAL	**$17,602,793,390**		**$605,240,753**	**100.0%**

FY 2018 Personal Property Tax assessments including Public Service Corporations are $17,602,793,390, with a total tax levy of $605,240,753. Personal Property Tax revenue collections are projected to be $598,013,157, of which $211.3 million will be reimbursed from the state. The collection rate associated with the taxpayer's share is estimated to be 98.0 percent. Total collection rates experienced in this category since FY 2003 are shown in the following table:

Personal Property Tax Collection Rates

Fiscal Year	Collection Rate	Fiscal Year	Collection Rate
2003	96.8%	**2011**	97.9%
2004	96.9%	**2012**	98.2%
2005	97.9%	**2013**	98.4%
2006	98.1%	**2014**	97.4%
2007	98.3%	**2015**	98.4%
2008	98.0%	**2016**	98.5%
2009	97.9%	**2017 (estimated)**[1]	98.0%
2010	97.8%	**2018 (estimated)**[1]	98.0%

[1] Each 0.1 percentage point change in the collection rate on the local tax levy will impact revenues by approximately $0.4 million, and each penny on the tax rate yields a revenue change of $1.2 million.

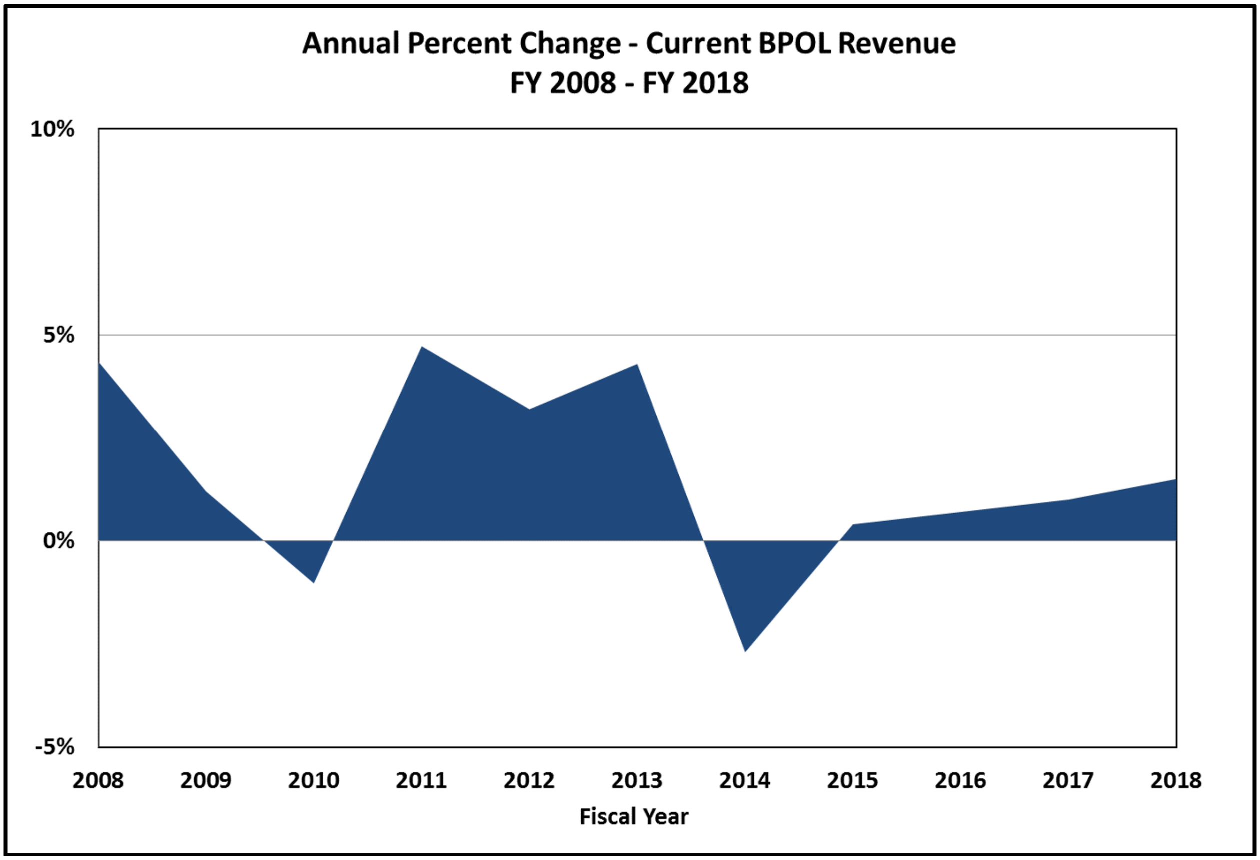
FY 2017 Personal Property Tax Revenue

The FY 2017 Personal Property Tax estimate was increased $4.7 million during the fall 2016 revenue review as a result of higher than projected vehicle and business levy.

BUSINESS, PROFESSIONAL AND OCCUPATIONAL LICENSE TAX-CURRENT

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$153,540,723	$154,059,333	$155,076,130	$157,402,272	$157,402,272	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Business, Professional, and Occupational License Taxes (BPOL) of $157,402,272 reflects no change from the FY 2018 Advertised Budget Plan and an increase of $2,326,142 or 1.5 percent over the *FY 2017 Revised Budget Plan* estimate. As shown in the chart below, growth in BPOL receipts was 4.4 percent in FY 2008. In FY 2009, BPOL receipts were up just 1.2 percent over FY 2008. This modest rate of growth reflected the downturn in the local economy late in 2008. In FY 2010, BPOL receipts, which were based on the gross receipts of businesses in calendar year 2009, fell 1.0 percent. Growth of 4.7 percent in FY 2011 BPOL receipts reflected the improvement in local economic conditions. Receipts increased a moderate 3.2 percent in FY 2012, and 4.3 percent in FY 2013, but decreased 2.7 percent in FY 2014 likely due to lower federal government procurement spending. Due to anemic job growth, BPOL receipts were essentially flat in FY 2015, increasing only 0.4 percent over FY 2014. FY 2016 receipts increased 0.7 percent over the FY 2015 level. The combined Consultant and Business Service Occupations categories, which represent 42 percent of total BPOL receipts, decreased 1.0 percent from the FY 2015 level. The remaining categories rose a combined 1.9 percent. The Retail category, which represents 20 percent of total BPOL receipts, rose 2.4 percent in FY 2016.



Based on actual FY 2016 receipts and an econometric model using calendar year Sales Tax receipts and employment as predictors, the FY 2017 BPOL estimate was increased $1.0 million during the fall 2016 revenue review, representing an increase of 1.0 percent over FY 2016. A 1.5 percent growth in BPOL receipts is projected in FY 2018.

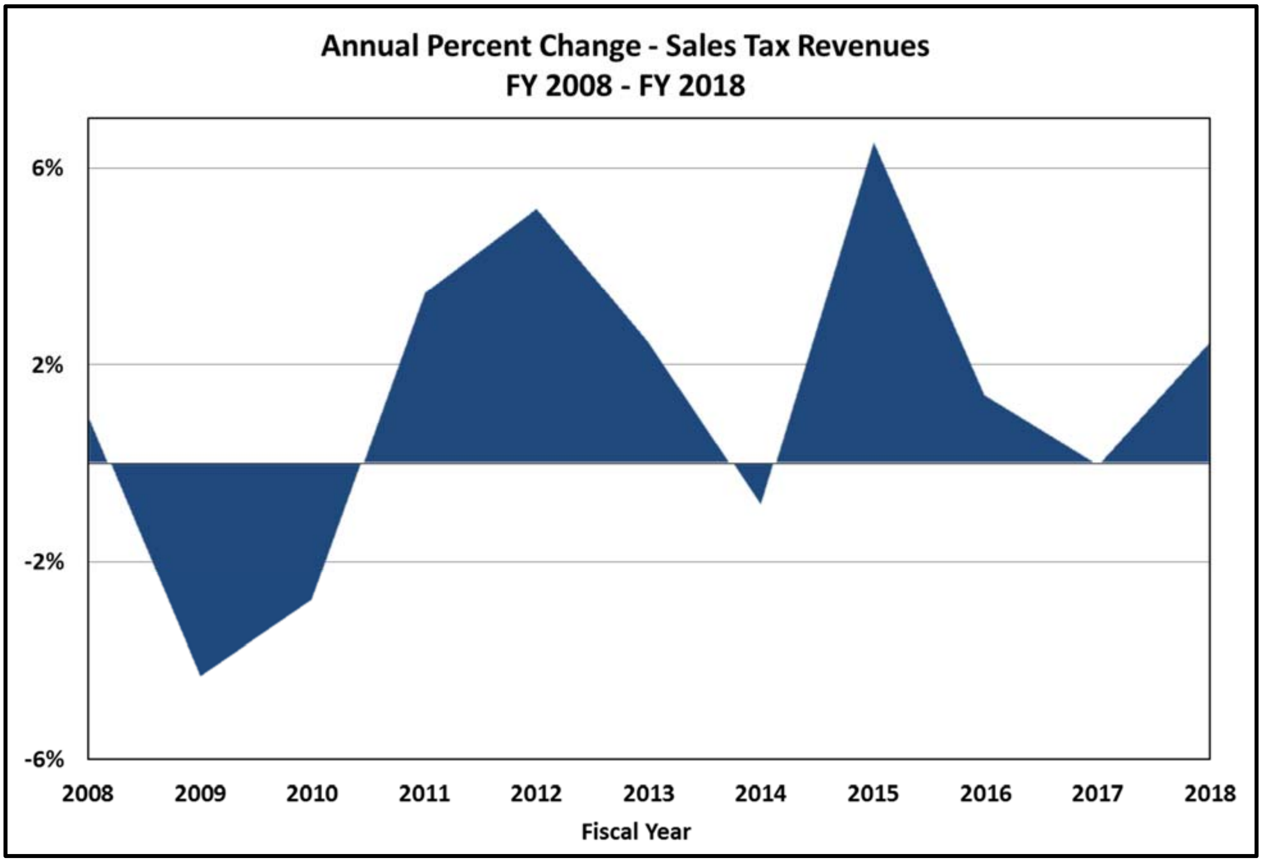
In January 2015, the Virginia Supreme Court affirmed a Virginia Commissioner of the Revenue formula to deduct gross receipts from out-of-state operations for the purposes of determining the BPOL tax basis. Fairfax County had eight appeals based on the new formula. These appeals are for multiple years and total approximately $37.5 million including interest. The Board of Supervisors established a litigation reserve in FY 2014 for the refunds. In the beginning of FY 2017, a portion of the refunds in the amount of $17.1 million was processed. Several of the cases currently remain under review with the Department of Tax Administration.

LOCAL SALES TAX

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$178,839,665	$183,495,638	$178,839,665	$183,310,657	$183,310,657	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Sales Tax receipts of $183,310,657 reflects no change from the FY 2018 Advertised Budget Plan and an increase of $4,470,992 or 2.5 percent over the *FY 2017 Revised*

Budget Plan. The following chart illustrates that the level of Sales Tax receipts has varied with economic conditions.



FY 2008 Sales Tax revenue rose just 1.0 percent due to the national recession which began in December 2007, followed by a decline of 4.4 percent in FY 2009. This was the first decline since FY 2002 and only the third decrease in over 30 years. Although the national recession was reported to have reached its trough in December 2009, job losses continued and Sales Tax collections fell 2.8 percent in FY 2010. Sales Tax receipts rose 3.5 percent in FY 2011, the first increase since FY 2008. Growth continued in FY 2012 with Sales taxes rising 5.2 percent, the strongest rate of growth since FY 2005. In FY 2013, Sales Tax receipts continued to grow but at a more modest rate of 2.5 percent. Total FY 2014 Sales Tax receipts were down 0.9 percent, the first decline in four years. The decline was primarily due to the severe winter weather, as well as federal sequestration and refunds for prior year's receipts totaling $2.0 million. FY 2016 Sales Tax receipts grew a modest 1.4 percent after increasing a strong 6.6 percent in FY 2015. Growth would have been weaker absent a transfer of $2.2 million that the County received in FY 2016 as the result of a state audit. During the fall 2016 revenue review, the FY 2017 estimate was decreased $4.7 million to the same level received in FY 2016 based on year-to-date collections. November receipts included a refund of $2.5 million for taxes paid in previous years based on a state audit. Sales Tax receipts in FY 2018 are projected to rise 2.5 percent over the FY 2017 estimate based on the anticipation that consumer spending will increase moderately throughout FY 2018.

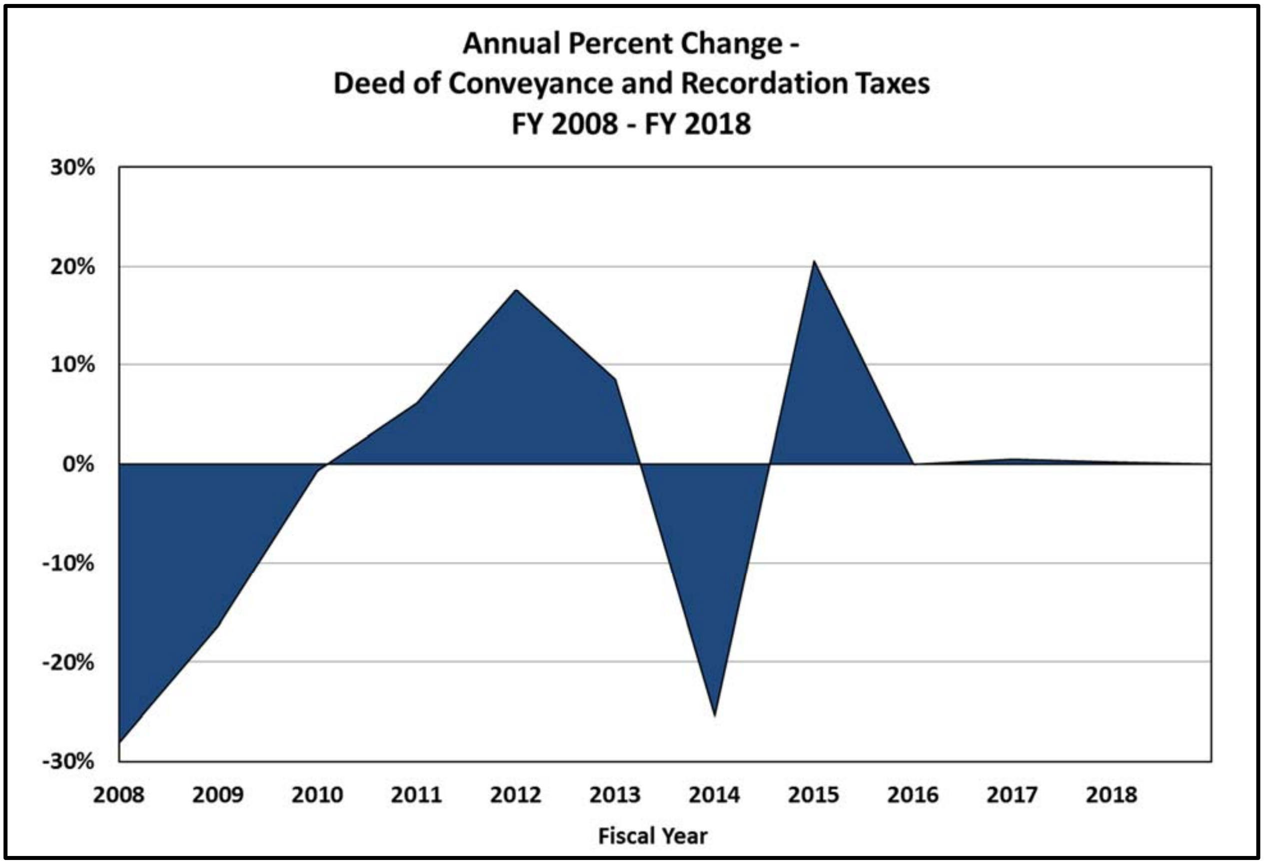
RECORDATION/DEED OF CONVEYANCE TAXES

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$30,252,619	$28,976,408	$30,401,582	$30,466,027	$30,466,027	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Recordation and Deed of Conveyance Taxes of $30,466,027 represents no change from the FY 2018 Advertised Budget Plan and an increase of $64,445 or 0.2 percent over the *FY 2017 Revised Budget Plan* estimate. The FY 2018 estimate is comprised of $23,957,088 in Recordation Tax revenues and $6,508,939 in Deed of Conveyance Tax revenues. Recordation and Deed of Conveyance Taxes are levied in association with the sale or transfer of real property located in the County. Recordation Taxes are also levied when mortgages on property located in the County are refinanced, making Recordation Tax revenues more sensitive to interest rate fluctuations than Deed of Conveyance Taxes. Home values and interest rate projections are used in an econometric model that assists in developing estimates for these categories.

Fairfax County's Deed of Conveyance Tax is assessed at a rate of $0.05 per $100. Local Recordation Taxes are set at one-third the State's Tax rate. From September 2004 through FY 2012, the State Recordation Tax was $0.25 per $100 of value. The rate was lowered on mortgage refinancing transactions to $0.18 per $100 of value effective July 1, 2012; however, all refinancing transactions are now taxable, whereas previously refinancing with the same lender was exempt from the tax. The State Recordation Tax rate on home purchases was not reduced and remained at $0.25 per $100. Therefore, as of FY 2013, the County's Recordation Tax rate on home purchases is $0.0833 per $100 of value, while the tax rate on mortgage refinancing is $0.06 per $100 of value.

During the housing slump, revenue from these categories decreased a combined 28.1 percent in FY 2008, 16.4 percent in FY 2009, and a slight 0.7 percent in FY 2010. Primarily due to increased mortgage refinancing activity as a result of historically low mortgage interest rates, revenues increased 6.1 percent in FY 2011, 17.6 percent in FY 2012, and 8.5 percent in FY 2013. FY 2014 receipts declined a combined 25.4 percent due to a decline in mortgage refinancing as a result of higher interest rates, as well as a decline in the number of home sales. FY 2016 receipts remained level, after increasing a strong 20.5 percent in FY 2015. Based on actual FY 2016 receipts and year-to-date collection trends, the FY 2017 estimate for Recordation and Deed of Conveyance Taxes was increased $1.4 million, reflecting an increase of 0.5 percent over the FY 2016 level. The FY 2018 estimate for Recordation and Deed of Conveyance Taxes is essentially level, reflecting a growth of just 0.2 percent. Mortgage refinancing is expected to slow as a result of rising mortgage interest rates and home sales are expected to stabilize, while home values are anticipated to increase slightly in FY 2018.



CONSUMER UTILITY TAXES - GAS AND ELECTRIC

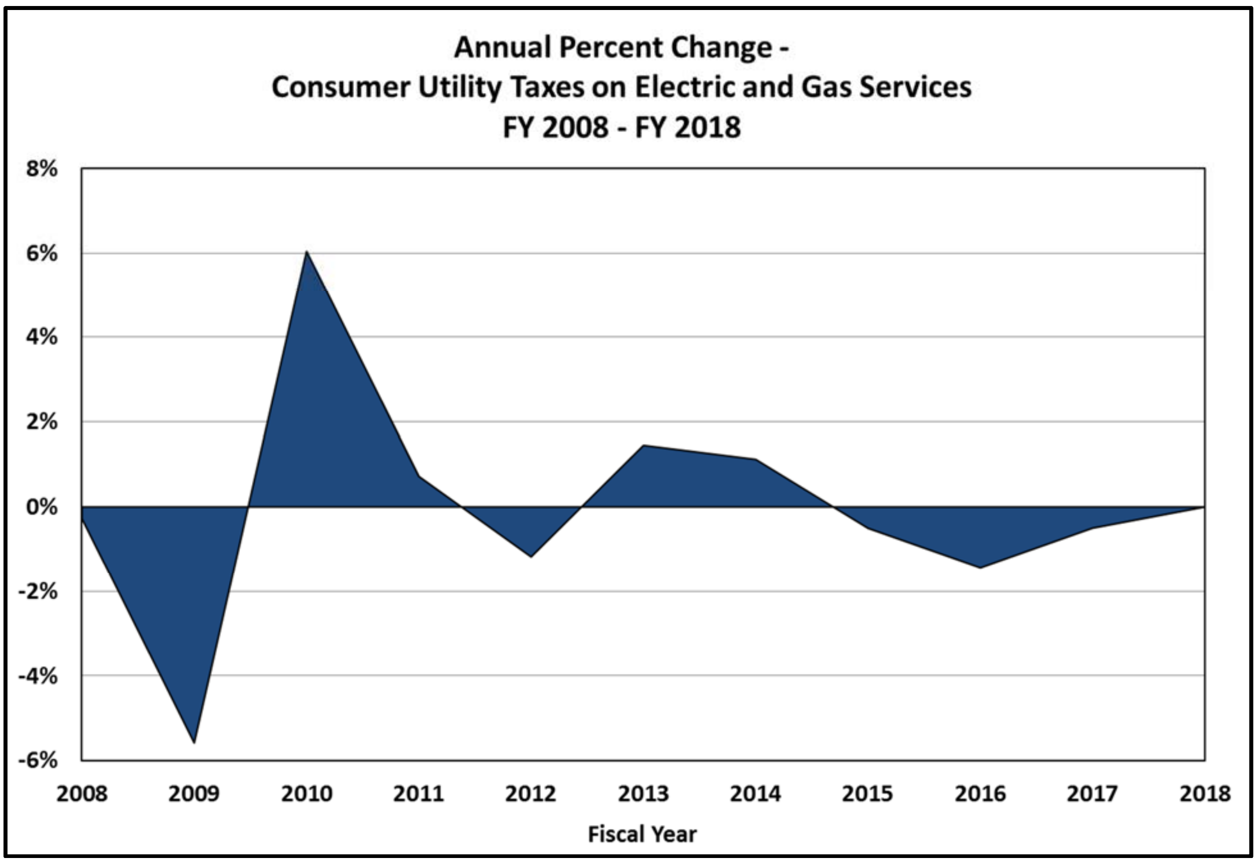
FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$45,152,756	$46,274,832	$44,926,992	$44,926,992	$44,926,992	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Consumer Utility Taxes on gas and electric services of $44,926,992 represents no change from the FY 2018 Advertised Budget Plan and is level with the *FY 2017 Revised Budget Plan* estimate. The FY 2018 estimate is comprised of $35,788,038 in taxes on electric service and $9,138,954 in taxes on gas service. County residents and businesses are subject to Consumer Utility Taxes based on their consumption of electricity and gas services. Tax rates by customer class are shown in the table below.

Revenue from Consumer Utility Taxes on gas and electric services from FY 2008 to FY 2014 grew at an average annual rate of just 0.4 percent. Receipts in FY 2015 fell 0.5 percent and another 1.5 percent in FY 2016. Based on actual FY 2016 collections and year-to-date trends, the FY 2017 revenue estimate was decreased $1.3 million during the fall 2016 revenue review and reflects a decrease of 0.5 percent from FY 2016. Based on collection trends over the past several years, receipts in FY 2018 are expected to remain level with the FY 2017 estimate.

CONSUMER UTILITY TAXES ON ELECTRICITY AND NATURAL GAS

ELECTRICITY		NATURAL GAS	
Electric Power Customer Class	Monthly Tax FY 2001 - FY 2018	Natural Gas Customer Class	Monthly Tax FY 2001 - FY 2018
Residential	$0.00605 per kWh	**Residential**	$0.05259 per CCF
Minimum	+$0.56 per bill	Minimum	+$0.56 per bill
Maximum	$4.00 per bill	Maximum	$4.00 per bill
Master Metered Apartments	$0.00323 per kWh	**Master Metered Apartments**	$0.01192 per CCF
Minimum	+$0.56 / dwelling unit	Minimum	+$0.56 / dwelling unit
Maximum	$4.00 / dwelling unit	Maximum	$4.00 / dwelling unit
Commercial	$0.00594 per kWh	**Nonresidential**	$0.04794 per CCF
Minimum	+ $1.15 per bill	Minimum	+ $0.845 per bill
Maximum	$1,000 per bill	Maximum	$300 per bill
Industrial	$0.00707 per kWh	**Nonresidential Interruptible**	$0.00563 per CCF
Minimum	+$1.15 per bill	Minimum	+$4.50 per meter
Maximum	$1,000 per bill	Maximum	$300 per meter



COMMUNICATIONS SALES TAX

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$17,010,456	$16,005,070	$14,825,739	$14,825,739	$14,825,739	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for the General Fund portion of the Communications Sales Tax of $14,825,739 reflects no change from the FY 2018 Advertised Budget Plan and is level with the *FY 2017 Revised Budget Plan* estimate. The Communications Tax is a statewide tax that was first implemented in January 2007, after the 2006 Virginia General Assembly session approved legislation that changed the way in which taxes are levied on communications services. Based on this legislation, local taxes on land line and wireless telephone services were replaced with a 5 percent statewide Communication Sales Tax. In addition to the communications services previously taxed, the 5 percent Communication Sales Tax applies to satellite television and radio services, internet calling and long-distance telephone charges. As part of this legislation, local E-911 fees were repealed and replaced with a statewide $0.75 per line fee. These rates were meant to provide revenue neutrality with FY 2006 receipts. All communications taxes are remitted to the state for distribution to localities based on the locality's share of total statewide FY 2006 collections of these taxes. Fairfax County's share is determined by the state and is set at 18.89 percent. Of the total tax, the Cable Franchise portion is directed to Fund 40030, Cable Communications. Prior to FY 2015, the percentage of the remaining revenue was directed to Fund 40090, E-911 and the General Fund based on their relative share of the tax in FY 2006. However, to cover all the expenses in the E-911 Fund, a transfer from the General Fund was still required. To eliminate the need for a General Fund transfer, beginning in FY 2015, more Communications Sales Tax revenue is directed to Fund 40090, E-911. In FY 2018, total Communications Sales Taxes are projected to be $75.2 million. Of the total tax, Cable Franchise Fees of $18.4 million will be directed to Fund 40030, Cable Communications. Of the remaining tax, $42.0 million will be posted in Fund 40090, E-911 and $14.8 million to the General Fund in FY 2018. The distribution of the tax since FY 2016 is shown below.

Communications Sales Tax Revenue

Fund	FY 2016	FY 2017 Projected	FY 2018 Projected
Fund 40030, Cable Communications	$18,313,257	$18,300,000	$18,350,000
Fund 40090, E-911	41,320,122	42,012,354	42,012,354
General Fund	17,010,456	14,825,739	14,825,739
Total	$76,643,835	$75,138,093	$75,188,093

Since its inception, this statewide tax has been fraught with errors in under-reporting by some providers and over-collection by others. The Commonwealth found that revenue during FY 2007 was lower than anticipated due to errors in reporting the tax by two large communications providers which resulted in an under-collection of the statewide tax during FY 2007 and part of FY 2008. These providers remitted back taxes and corrected the errors in FY 2008. In FY 2009, the Virginia Department of Taxation verified that taxes totaling $21.3 million statewide had been collected by service providers from entities that should have been tax exempt. Therefore, refunds were made over four months spanning FY 2009 and FY 2010. Fairfax County's share of the refunds was $4.0 million. Due in part to the refunds, Fairfax County's General Fund receipts in this category fell 3.9 percent in FY 2009 and another 3.2 percent in FY 2010. FY 2011 General

Fund collections declined an additional 2.6 percent. FY 2012 receipts fell 7.3 percent, as a $14.3 million statewide refund was processed relating to the erroneous collection of taxes on data services by a wireless provider. The County's share of this refund was $2.7 million. Even without the refunds, collections in FY 2012 would have been lower possibly due to continued declines in land line telephones. FY 2013 General Fund revenue from the tax was $47.9 million, an increase of 1.9 percent over FY 2012. This was the first increase since 2008, the first full fiscal year of statewide tax collection. FY 2014 General Fund receipts decreased 4.4 percent.

The FY 2017 General Fund estimate was reduced $1.2 million as part of the fall 2016 revenue review based on actual receipts during FY 2016 and collection trends during FY 2017. In FY 2018, the General Fund estimate remains level, and the distribution of revenue to Fund 40090, E-911 is unchanged based on actual requirements.

VEHICLE REGISTRATION LICENSE FEE - CURRENT

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$26,154,345	$26,573,911	$26,573,911	$26,706,780	$26,706,780	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Vehicle Registration Fee revenue of $26,706,780 reflects no change from the FY 2018 Advertised Budget Plan and an increase of $132,869 or 0.5 percent over the *FY 2017 Revised Budget Plan*. Fairfax County levies the fee at $33 for passenger vehicles that weigh 4,000 pounds or less and $38 on passenger vehicles that weigh more than 4,000 pounds. In addition, fees are $18 for motorcycles and $25 for buses used for transportation to and from church. The County does not require the display of a decal on the vehicle. The FY 2018 estimate represents an increase of 0.5 percent primarily due to an increase in projected vehicle volume. Payment of Vehicle Registration License Fees is linked to the payment of Personal Property Taxes on October 5 each year. Vehicles owned by disabled veterans, members of volunteer fire departments and auxiliary police officers are exempt from the fee.

TRANSIENT OCCUPANCY TAX

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$20,504,253	$21,054,723	$21,054,723	$21,581,091	$21,581,091	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Transient Occupancy Tax of $21,581,091 represents no change from the FY 2018 Advertised Budget Plan and an increase of $526,368 or 2.5 percent over the *FY 2017 Revised Budget Plan* estimate. Transient Occupancy Taxes are charged as part of a hotel bill and remitted by the hotel to the County. The Transient Occupancy Tax has been levied at 4 percent since the Virginia General Assembly permitted the Board of Supervisors to levy an additional 2.0 percent Transient Occupancy Tax in FY 2005. A portion, 25 percent, of the additional 2.0 percent must be appropriated to a nonprofit convention and visitors' bureau located in the County. The remaining 75 percent must be used by the County to promote tourism.

During FY 2013 and FY 2014, business travel was reported to have been down in the region due to federal spending reductions and Transient Occupancy Tax revenue declined for two consecutive years. After rising a robust 9.3 percent in FY 2015, Transient Occupancy receipts increased 2.3 percent in FY 2016. Based on collection trends, as well as data on room and occupancy rates, the FY 2017 collections are estimated to increase 2.7 percent. The FY 2018 estimate reflects a similar growth of 2.5 percent, which assumes a continued improvement in tourism and business travel.

CIGARETTE TAX

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$7,166,598	$7,073,909	$7,003,682	$6,968,664	$6,968,664	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Cigarette Tax of $6,968,664 represents no change from the FY 2018 Advertised Budget Plan and a decrease of $35,018, or 0.5 percent, from the *FY 2017 Revised Budget Plan* estimate. Fairfax County and Arlington County are the only counties in Virginia authorized to levy a tax on cigarettes. The maximum rate authorized is the greater of 5.0 cents per pack or the rate levied by the Commonwealth. The County's rate is 30 cents per pack, the same as the state rate.

Cigarette Tax receipts fell for a fourth consecutive year, decreasing 2.9 percent in FY 2016, after declines of 7.3 percent in FY 2013, 6.0 percent in FY 2014, and 2.9 percent in FY 2015. During the fall 2016 revenue review, the FY 2017 estimate was decreased $70,227, reflecting a decline of 2.3 percent, based on actual receipts during FY 2016 and current collections trends. FY 2018 Cigarette Tax receipts are anticipated to decline 0.5 percent based on trends experienced over the last several years.

PERMITS, FEES AND REGULATORY LICENSES

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$48,443,054	$47,384,162	$50,178,317	$50,891,047	$50,891,047	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Permits, Fees, and Regulatory Licenses of $50,891,047 represents no change from the FY 2018 Advertised Budget Plan and an increase of $712,730, or 1.4 percent, over the *FY 2017 Revised Budget Plan* estimate. This increase is primarily due to an increase in projected Land Development Services (LDS) fees.

LDS fees for building permits, site plans, and inspection services make up over three-quarters of the Permits, Fees, and Regulatory Licenses category. Changes in LDS fee revenue typically track closely to the current condition of the real estate market, as well as the size and complexity of projects submitted to LDS for review. In FY 2016, LDS fee revenue grew more than expected, increasing 8.1 percent. During the fall 2016 revenue review, the FY 2017 LDS revenue estimate was increased $2.3 million to $37.8 million based on actual FY 2016 receipts and year-to-date collections. During the *FY 2017 Third Quarter Review*, the estimate was increased by $250,000 as a result of anticipated higher Elevator and Escalator Inspection revenue. Continued growth in permitting activity is anticipated during FY 2018. As a result, FY 2018 receipts are projected to increase $0.5 million, or 1.3 percent.

In addition, an increase of $85,000 in Zoning fee revenue in FY 2018 is associated with the implementation of a fee to recover staff time costs of reviewing public and telecommunications facility applications. The benefits and impacts of changes to public facilities are reviewed through the 2232 process. Public facilities reviewed through this process include parks, schools, libraries, sanitary sewer infrastructure, public safety facilities, gas infrastructure, solid waste collection and disposal sites, electrical power generation and distribution facilities, stormwater management infrastructure and water utility infrastructure. Applications for the 2232 process will be subject to a $1,000 review fee. Telecommunications facilities like monopoles, treepoles, and towers are reviewed through the 6409(a) process and will be subject to a $620 fee. The fees are based on the staff time required to review comparable applications and fees assessed in other jurisdictions.

During the fall 2016 revenue review, various other permits and fees were reviewed and, based on actual receipts during FY 2016 and year-to-date collections, FY 2017 estimates were increased a net $0.2 million.

INVESTMENT INTEREST

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$16,168,492	$19,724,724	$23,621,772	$30,233,911	$30,233,911	$0	0.0%

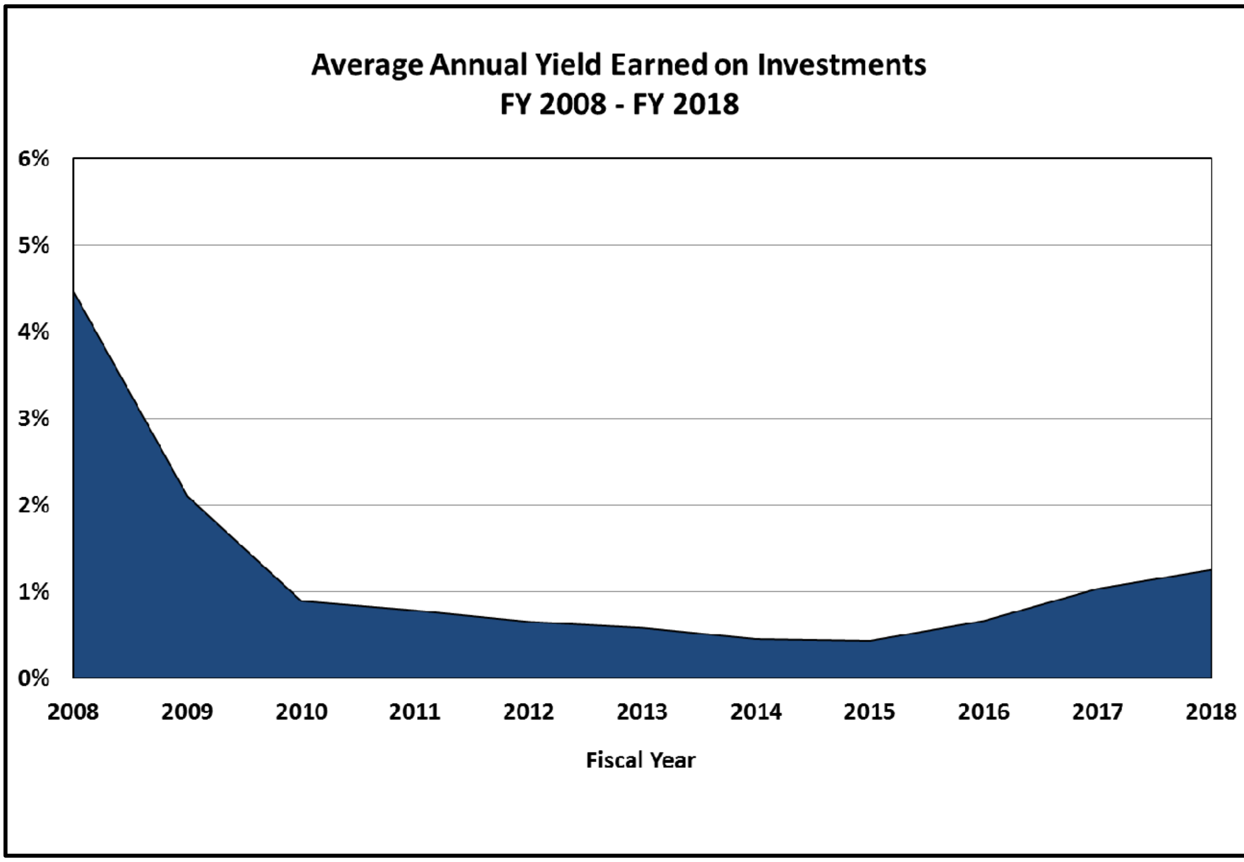
The FY 2018 Adopted Budget Plan estimate for Investment Interest of $30,233,911 represents no change from the FY 2018 Advertised Budget Plan and an increase of $6,612,139, or 28.0 percent, over the *FY 2017 Revised Budget Plan* estimate. Revenue from this category is a function of the amount invested, the prevailing interest rates earned on investments, and the percentage of the total pooled investment portfolio attributable to the General Fund. The County's investment managers keep a little over a third of investment holdings in short-term investments for liquidity needs such as meeting County and school payrolls. The remainder is invested with a maximum maturity of two years. These longer-term investments generally earn a higher yield.

Revenue from Interest on Investments is highly dependent on Federal Reserve actions. From 2004 to 2006, the Federal Reserve increased interest rates from 1.0 percent to 5.25 percent in an effort to stem inflation. As a result of higher rates, the annual average yield on County investments was 5.1 percent in FY 2007, and revenue from Interest on Investments was a record high of $92.1 million. In FY 2008, the County's portfolio generated $78.2 million for the General Fund, with an average annual yield of 4.46 percent. The federal funds rate remained unchanged from the end of 2008 to December 2015. During this period, it was set at 0.0 to 0.25 percent, its lowest in history, "to promote the resumption of sustainable economic growth" in the wake of the Great Recession. The yield earned in FY 2009 was 2.1 percent and General Fund revenue from Investment Interest was $36.5 million. In FY 2010, the County's portfolio generated $16.8 million for the General Fund, with an average annual yield of 0.89 percent. The yield continued to fall in FY 2011 and FY 2012 to 0.78 percent and 0.60 percent, respectively. The average annual yield was 0.58 percent in FY 2013 and decreased again in FY 2014 to 0.45 percent. Interest on Investments was $10.7 million in FY 2015, a slight decrease of $0.1 million from the $10.8 million earned in FY 2014. The FY 2015 annual yield was 0.43 percent.

In December 2015, the Federal Reserve raised the target range for the federal funds rate by a quarter-percentage point for the first time in almost a decade as policy makers cited the improved labor market conditions and the solid pace of economic activity. As a result, FY 2016 Interest on Investments increased $5.5 million to $16.2 million at an annual yield of 0.66 percent. The Fed raised the interest rate again in December 2016 and March 2017 and is expected to continue raising it at a gradual pace throughout 2017. The projected FY 2017 estimate of Interest on Investments revenue was increased $3.9 million during the fall 2016 revenue review to $23.6 million. The projected annual yield for FY 2017 is 1.03 percent. The FY 2018

Adopted Budget Plan estimate for Investment Interest of $30.2 million is based on a projected average yield of 1.25 percent, a portfolio size of $3.0 billion and a General Fund percentage net of administrative fees of 75.44 percent. All available resources are pooled for investment purposes and the net interest earned is distributed among the various County funds, based on the average dollars invested from each fund as a percentage of the total pooled investment. Total Interest on Investments for all funds is estimated to be $37.5 million in FY 2018.

The following table shows the yield earned on investments since FY 2008.



CHARGES FOR SERVICES

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$79,208,450	$76,031,208	$80,537,966	$81,020,947	$81,370,947	$350,000	0.43%

The FY 2018 Adopted Budget Plan estimate for Charges for Services revenue of $81,370,947 represents an increase of $350,000, or 0.4 percent, over the FY 2018 Advertised Budget Plan and an increase of $832,981, or 1.0 percent, over the *FY 2017 Revised Budget Plan.* This increase is associated with the implementation of a fee for land records filed by paper. During the 2017 session, the General Assembly approved amendments that allow the Clerk of the Court to charge a $5.00 fee for any land record instrument filed by paper. The Clerk for Fairfax Circuit Court records approximately 70,000 paper documents annually. Based on the new Code provision, it is estimated that an additional $350,000 in annual revenue could be realized. In addition, revenue from School Age Child Care (SACC) fees, Emergency Medical Services (EMS) Transport fees, and Parking Garage fees is expected to increase during FY 2018.

SACC fees of $41.7 million comprise more than 51 percent of the total Charges for Services category. The projected FY 2018 increase in SACC revenue is $0.2 million or 0.5 percent. EMS fees are projected to increase $0.1 million or 0.5 percent in FY 2018. In addition, an increase of $221,000 is projected as a result of increasing Parking Garage fees at the Massey/Courthouse Complex Visitor Garage from $2 per hour, with a maximum of $10 per day, to $2.50 per hour, with a maximum of $12.50 per day. The fees at the visitor garage have remained unchanged since FY 2009. These rates are consistent with the rates charged at other jurisdictions in the area that currently charge maximum daily rates ranging between $10 and $20. The Health Department Medical Clinic fees are projected to increase $0.1 million. The County's Health Department provides a range of clinical services and laboratory testing that includes services such as pregnancy testing, drug testing, vaccinations, and various health assessments. Each service is provided for a set fee that varies based on the service provided. An increase in fees of approximately 10 percent is being implemented in FY 2018. It is anticipated that raising fees will have minimal impact on clients' ability to access public health services, as there is an established fee waiver policy and payment plan option for low-income residents who are unable to pay, or for those who meet certain Virginia Department of Health or age criteria.

Since the adoption of the FY 2017 budget, estimated Charges for Services revenue has been increased $4.5 million. The FY 2017 estimate for SACC fee revenue was increased $2.2 million during the fall 2016 revenue review based on actual FY 2016 collections and year-to-date collection trends. In addition, the FY 2017 estimate of the EMS Transport fee was increased $2.1 million, also based on actual FY 2016 collections and current trends. During the *FY 2017 Third Quarter Review*, revenue was increased $0.3 million for reimbursement of costs incurred by the Police Department during the 2017 Presidential Inauguration.

FINES AND FORFEITURES

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$11,648,758	$12,443,009	$11,553,152	$11,684,270	$11,684,270	$0	0.0%

The FY 2018 Adopted Budget Plan estimate for Fines and Forfeitures of $11,684,270 represents no change from the FY 2018 Advertised Budget Plan and a net increase of $131,118, or 1.1 percent, over the *FY 2017 Revised Budget Plan.* The increase is primarily the result of anticipated revenue from the Illegal Signs and Advertising in the Right-of-Way Program in the Department of Code Compliance. The department is projected to collect $88,109 in fines from the program as the result of its enforcement efforts in FY 2018.

The FY 2017 estimate for Fines and Forfeitures was decreased a net $0.9 million during the fall 2016 revenue review. The decrease is primarily the result of adjusting the estimate for General District Court fines, which declined 16.0 percent in FY 2016. Based on actual FY 2016 receipts and year-to-date collection trends, the FY 2017 estimate for General District Court fines was lowered by $0.6 million from the adopted estimate.

REVENUE FROM THE COMMONWEALTH/FEDERAL GOVERNMENT[1]

FY 2016 Actual	FY 2017 Adopted	FY 2017 Revised	FY 2018 Advertised	FY 2018 Adopted	Increase/ (Decrease)	Percent Change
$132,485,639	$130,118,030	$131,153,402	$130,791,520	$131,371,520	$580,000	0.44%

[1] Excludes Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998. See the "Personal Property Tax - Current" heading in this section.

The FY 2018 Adopted Budget Plan estimate for Revenue from the Commonwealth and Federal Government of $131,371,520 reflects an increase of $580,000, or 0.4 percent, over the FY 2018 Advertised Budget Plan and an increase of $218,118 over the *FY 2017 Revised Budget Plan*. The increase is the result of state budget amendments approved during the 2017 General Assembly. The General Assembly approved an increase to the state-supported employee compensation of Constitutional Officers and their employees.

The *FY 2017 Revised Budget Plan* estimate for Revenue from the Commonwealth and Federal Government represents an increase of $1.0 million over the FY 2017 Adopted Budget Plan estimate. The *FY 2016 Carryover Review* included an increase of $0.7 million in additional revenue from the state to expand the Healthy Families Fairfax program. The revenue increase is completely offset by an expenditure increase for no net cost to the County. In addition, the estimate was increased by $0.3 million during the *FY 2017 Third Quarter Review* as a result of an offsetting expenditure adjustment for the Children's Services Act (CSA).

FY 2018
Adopted Budget Plan

General Fund Disbursement Overview

SUMMARY OF GENERAL FUND DIRECT EXPENDITURES

Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Revised	Percent Increase/ (Decrease)
Positions / Full-Time Equivalents	9,812 / 9,689.14	9,831 / 9,708.64	9,872 / 9,751.93	9,922 / 9,801.93	50 / 50.00	0.51% / 0.51%
Personnel Services	$759,408,376	$808,169,412	$804,229,446	$829,082,703	$24,853,257	3.09%
Operating Expenses	351,506,336	345,803,713	390,869,847	349,315,086	(41,554,761)	(10.63%)
Recovered Costs	(42,763,989)	(35,130,994)	(34,673,297)	(36,588,399)	(1,915,102)	5.52%
Capital Equipment	2,553,594	860,822	2,996,964	116,058	(2,880,906)	(96.13%)
Fringe Benefits	330,966,386	354,853,322	358,310,864	370,918,880	12,608,016	3.52%
Total Direct Expenditures	$1,401,670,703	$1,474,556,275	$1,521,733,824	$1,512,844,328	($8,889,496)	(0.58%)

Details of program and staffing adjustments are provided in the individual agency narratives in Volume 1. Major changes are summarized by category in the narrative description. Additional information is provided in the *Financial, Statistical and Summary Tables* section of this Overview volume.

The FY 2018 Adopted Budget Plan direct expenditure level of $1,512,844,328 represents a decrease of $8,889,496 or 0.58 percent from the *FY 2017 Revised Budget Plan* direct expenditure level of $1,521,733,824. The FY 2018 funding level reflects an increase of $38,288,053, or 2.60 percent, over the FY 2017 Adopted Budget Plan direct expenditure level of $1,474,556,275.

Personnel Services

In FY 2018, funding for Personnel Services totals $829,082,703, an increase of $24,853,257 or 3.09 percent over the *FY 2017 Revised Budget Plan* funding level of $804,229,446. Personnel Services increased $20,913,291, or 2.59 percent, over the FY 2017 Adopted Budget Plan funding level of $808,169,412. The net FY 2018 General Fund agency positions represent an increase of 50/50.00 FTE positions over the *FY 2017 Revised Budget Plan*. For agency-level detail, the FY 2018 Adopted Personnel Services by Agency chart in the Overview Volume under the *Financial, Statistical and Summary Tables* tab breaks out Personnel Services funding by each agency. The changes for each category of Personnel Services expenditures are provided as follows:

- **Regular Salary** funding (net of Position Turnover) of $747,880,659 reflects a net increase of $9,580,936 or 1.30 percent over the FY 2017 Adopted Budget Plan. This increase primarily reflects funding for performance-based and longevity increases for non-uniformed merit employees, both effective July 2017; merit and longevity increases (including the full-year impact of FY 2017 increases) for uniformed employees awarded on the employees' anniversary dates; employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions; and the full-year impact of the increase in the County's living wage (from $13.13 to $14.50 per hour), effective October 2016 for all impacted employees, as approved by the Board of Supervisors as part of the *FY 2016 Carryover Review.*

- **Limited Term** position funding (temporary and part-time employees) reflects an increase of $1,002,240 or 5.11 percent over the FY 2017 Adopted Budget Plan primarily due to increases in the Fairfax County Public Library and Police Department associated with net zero reallocations of the agencies' Personnel Services budgets to more closely align with actuals.

- **Overtime Pay** funding reflects an increase of $10,278,957 or 22.49 percent over the FY 2017 Adopted Budget Plan primarily due to increases in both the Police Department and the Fire and Rescue Department (FRD) due to compensation adjustments and increases, effective July 2017; net zero reallocations of the agencies' Personnel Services budgets to more closely align with actuals; and an increase to cover costs associated with a Fair Labor Standards Act (FLSA) court ruling in FRD.

- **Position Adjustments** in the FY 2018 Adopted Budget Plan reflect a net increase of 50/50.00 FTE positions over the *FY 2017 Revised Budget Plan*. Position adjustments totaling an increase of 55/55.00 FTE positions were partially offset by a decrease of 5/5.00 FTE positions in the following agencies:

  - An increase of 28/28.0 FTE positions in the Police Department includes 18/18.0 FTE positions to create additional relief Sergeant positions to provide a regular resource to fill operational vacancies, 5/5.0 FTE positions to continue the process of staffing the South County Police Station, 3/3.0 FTE associated with the County's successful Diversion First program, and 2/2.0 FTE positions due to increased workload associated with the establishment of an Office of the Independent Police Auditor;

  - An increase of 9/9.0 FTE positions in Capital Facilities to address the growing workload associated with transportation, stormwater and wastewater design and construction;

  - An increase of 5/5.0 FTE positions in the General District Court to support the second year of the County's successful Diversion First initiative;

  - An increase of 3/3.0 FTE positions in the Facilities Management Department to support maintenance activities at the new Public Safety Headquarters;

  - An increase of 3/3.0 FTE positions in the Office of the Sheriff to support the second year of the County's successful Diversion First initiative;

  - An increase of 2/2.0 FTE positions in the Department of Transportation to support transit-related programs;

  - An increase of 2/2.0 FTE positions in the Department of Planning and Zoning to support the start of a comprehensive review of the Zoning Ordinance needed to respond to emerging trends like peer-to-peer home stay networks and building repurposing;

  - An increase of 1/1.0 FTE position in the Department of Code Compliance to support growing workload associated with the Illegal Signs and Advertising in the Right-of-Way Program;

  - An increase of 1/1.0 FTE position in the Department of Family Services to respond to recommendations from the Board of Supervisors-initiated Sexual Violence Task Force and testimony at public hearings that highlighted the impact of human trafficking on victims and families;

  - An increase of 1/1.0 FTE position in the Circuit Court and Records to support a fifteenth Circuit Court Judge to the bench of the 19th Judicial Circuit, effective January 1, 2018;

- A decrease of 2/2.0 FTE vacant positions in the Department of Information Technology based on the agency streamlining the administrative activities for processing financial documents;

- A decrease of 1/1.0 FTE vacant position in the Department of Management and Budget based on an organizational redesign to generate efficiencies related to budget system administration and budget production;

- A decrease of 1/1.0 FTE vacant position in the Office of the County Executive based on the position being vacant for an extended period of time; and

- A decrease of 1/1.0 FTE vacant position in the Fairfax County Public Library based on an internal realignment of library operations in FY 2017 that was undertaken to provide additional clarity and maximize the use of library resources, and improve service delivery, programs, and customer service.

Fringe Benefits

In FY 2018, funding for Fringe Benefits totals $370,918,880, an increase of $12,608,016 or 3.5 percent over the *FY 2017 Revised Budget Plan* level of $358,310,864 and an increase of $16,065,558 or 4.5 percent over the FY 2017 Adopted Budget Plan level of $354,853,322. The increase over the FY 2017 Adopted Budget Plan is primarily due to the following increases, partially offset by net savings in other areas.

♦ An increase of $6,541,250 reflects the impact of employee compensation adjustments, including performance-based and longevity increases for non-uniformed merit employees effective July 2017; merit and longevity increases (including the full-year impact of FY 2017 increases) for uniformed employees awarded on the employees' anniversary dates; employee pay increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions; adjustments to the uniformed Police Department and Office of the Sheriff pay scales to provide greater consistency across pay plans; and the full year impact of the increase in the County's living wage (from $13.13 to $14.50 per hour), effective October 2016 for all impacted employees, as approved by the Board of Supervisors as part of the *FY 2016 Carryover Review*. These increases impact Social Security and Retirement.

♦ An increase of $4,717,715 in employer contributions to the retirement systems is due to adjustments to the employer contribution rates, partially offset by savings based on year-to-date FY 2017 experience. As a result of changes due to an actuarial experience study conducted in FY 2016 to review the actual experience of the preceding five years, along with the results of the annual actuarial valuation based on FY 2016 experience and a change in the amortization schedule to increase the amortization level from 97 percent to 98 percent, there is a net increase to the employer contribution rate for the Employees' system and a net decrease in the employer contribution rates for the Police Officers and Uniformed systems for FY 2018. However, based on the County's commitment to not reduce employer contributions to the systems until they have reached 100 percent funding, the rates for the Police Officers and Uniformed systems will be maintained at the FY 2017 levels.

♦ An increase of $2,563,242 in Fringe Benefits is based on funding for new positions added in FY 2018 and funding required for the full-year impact of positions added in FY 2017. This increase impacts Health, Dental and Life Insurance, Social Security, and Retirement.

- An increase of $2,132,985 in Health Insurance premiums is due to projected premium increases of 7.0 percent for all health insurance plans, effective January 1, 2018, and the full-year impact of January 1, 2017 premium increases, partially offset by year-to-date FY 2017 experience.

Operating Expenses

In FY 2018, Operating Expenses total $349,315,086, a decrease of $41,554,761 or 10.63 percent from the *FY 2017 Revised Budget Plan* funding level of $390,869,847. Operating Expenses increased by $3,511,373 or 1.02 percent over the FY 2017 Adopted Budget Plan funding level of $345,803,713. Major adjustments from the FY 2017 Adopted Budget Plan are as follows:

- A net increase of $2,497,126 in the Police Department is primarily associated with the establishment of 28/28.0 FTE positions to support multiple initiatives and net zero reallocations of the agency's budget to more closely align with actuals.

- A net increase of $560,734 in the Department of Family Services is primarily associated with the transfer of Local Cash Match funding from Fund 50000, Federal-State Grant Fund, to Agency 67, Department of Family Services and an increase in order to appropriate additional federal revenue to expand the Healthy Families Fairfax (HFF) program;

- A net increase of $397,836 in the Facilities Management Department is primarily associated with utilities, custodial contracts, and security at the new Public Safety Headquarters, and lease rate adjustments.

Capital Equipment

In FY 2018, Capital Equipment funding for General Fund agencies totals $116,058, a decrease of $2,880,906 or 96.13 percent from the *FY 2017 Revised Budget Plan* funding level of $2,996,964. Capital Equipment funding decreased by $744,764 from the FY 2017 Adopted Budget Plan funding level of $860,822. The FY 2018 funding of $116,058 is required to purchase equipment for the Police Department to support the establishment of 5/5.0 FTE positions to continue the process of staffing the South County Police Station.

Recovered Costs

In FY 2018, Recovered Costs total $36,588,399, an increase of $1,457,405 or 4.15 percent over the FY 2017 Adopted Budget Plan level of $35,130,994 and an increase of $1,915,102 or 5.52 percent over the *FY 2017 Revised Budget Plan* level of $34,673,297. This is primarily due to position increases in Capital Facilities and the Department of Transportation as the salaries associated with these positions will be charged to capital projects.

SUMMARY OF GENERAL FUND TRANSFERS

The FY 2018 Transfers Out from the General Fund total $2,593,777,836, an increase of $23,099,887, or 0.9 percent, over the *FY 2017 Revised Budget Plan* Transfers Out of $2,570,677,949. These transfers support programs and activities that reflect the Board of Supervisors' priorities.

Adjustments are summarized below.

	Increase/ (Decrease) Over FY 2017 Revised
Fund S10000, Public School Operating	$53,400,698
Fund 10010, Revenue Stabilization Fund	(17,094,651)
Fund 10030, Contributory Fund	168,481
Funds 20000 and 20001, Consolidated Debt Service	8,543,425
Fund 30010, General Construction and Contributions	(8,400,461)
Fund 30020, Infrastructure Replacement and Upgrades	(8,677,185)
Fund 30060, Pedestrian Walkway Improvements	(545,571)
Fund 40000, County Transit Systems	(500,000)
Fund 40040, Fairfax-Falls Church Community Services Board	4,351,767
Fund 40330, Elderly Housing Programs	(86,135)
Fund 50000, Federal-State Grant Fund	(373,837)
Fund 60000, County Insurance Fund	(3,704,034)
Fund 73030, OPEB Trust	(4,010,000)
Fund 83000, Alcohol Safety Action Program	27,390
Total	**$23,099,887**

Fund S10000, Public School Operating

The FY 2018 General Fund transfer to Fund S10000, Public School Operating, is $1,966,919,600, an increase of $53,400,698, or 2.8 percent, over the *FY 2017 Revised Budget Plan* transfer of $1,913,518,902. The greatest share of the County budget is dedicated to Fairfax County Public Schools (FCPS), which underscores that education continues to be the highest priority. The transfer to Public School Operating, the School Construction Fund, and School Debt Service represents 52.8 percent of total General Fund Disbursements.

Fund 10010, Revenue Stabilization Fund

The FY 2018 General Fund transfer to Fund 10010, Revenue Stabilization, is $5,221,570, a decrease of $17,094,651, or 76.6 percent, from the *FY 2017 Revised Budget Plan* transfer of $22,316,221. This adjustment is based on the total change in General Fund Disbursements, as an amount equal to 10 percent of the increase in General Fund disbursements is allocated between the Managed Reserve and the Revenue Stabilization Fund. It should be noted that a significant one-time increase was made in the *FY 2017 Revised Budget Plan* transfer in accordance with the Board's new reserve policy.

Fund 10030, Contributory Fund

The FY 2018 General Fund transfer to Fund 10030, Contributory Fund, is $13,467,254, an increase of $168,481, or 1.3 percent, over the *FY 2017 Revised Budget Plan* transfer of $13,298,773. More detail on the Contributory Fund follows the General Fund Disbursement Overview.

Funds 20000 and 20001, Consolidated Debt Service
The FY 2018 General Fund transfer to Funds 20000 and 20001, Consolidated Debt Service, is $335,166,178, an increase of $8,543,425, or 2.6 percent, over the *FY 2017 Revised Budget Plan* transfer of $326,622,753. This increase is primarily attributable to scheduled requirements for existing debt service.

Fund 30010, General Construction and Contributions
The FY 2018 General Fund transfer to Fund 30010, General Construction and Contributions, is $17,115,923, a decrease of $8,400,461, or 32.9 percent, from the *FY 2017 Revised Budget Plan* transfer of $25,516,384. *The FY 2017 Revised Budget Plan* includes one-time funding adjustments as approved by the Board of Supervisors as part of the Third Quarter and Carryover Reviews. FY 2018 funding is limited to only the most critical priority projects.

Fund 30020, Infrastructure Replacement and Upgrades
The FY 2018 General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, is $1,825,953, a decrease of $8,677,185, or 82.6 percent, from the *FY 2017 Revised Budget Plan* transfer of $10,503,138. *The FY 2017 Revised Budget Plan* includes one-time funding adjustments as approved by the Board of Supervisors as part of the Third Quarter and Carryover Reviews. FY 2018 funding is limited to only the most critical priority projects.

Fund 30060, Pedestrian Walkway Improvements
The FY 2018 General Fund transfer to Fund 30060, Pedestrian Walkway Improvements, is $500,000, a decrease of $545,571, or 52.2 percent, from the *FY 2017 Revised Budget Plan* transfer of $1,045,571, The *FY 2017 Revised Budget Plan* includes one-time funding adjustments as approved by the Board of Supervisors as part of the Third Quarter and Carryover Reviews. FY 2018 funding is limited to only the most critical priority projects.

Fund 40000, County Transit Systems
The FY 2018 General Fund transfer to Fund 40000, County Transit Systems, is $34,429,649, a decrease of $500,000, or 1.4 percent, from the *FY 2017 Revised Budget Plan* transfer of $34,929,649, due primarily to lower price per gallon estimates for fuel in FY 2018.

Fund 40040, Fairfax-Falls Church Community Services Board
The FY 2018 General Fund transfer to Fund 40040, Fairfax-Falls Church Community Services Board, is $130,429,318, an increase of $4,351,767, or 3.5 percent, over the *FY 2017 Revised Budget Plan* transfer of $126,077,551. The net increase is primarily due to performance-based and longevity increases for non-uniformed merit employees, as well as employee pay increases for specific job classes identified in the County's benchmark class survey; increased fringe benefit requirements in FY 2018; additional funding and positions to support the second year of the County's successful Diversion First initiative; and additional funding and positions to provide support coordination services to individuals with intellectual and developmental disabilities in the community. These increases are partially offset by decreases associated with reductions utilized to balance the FY 2018 budget. Detailed information can be found in the Fund 40040, Fairfax-Falls Church Community Services Board, narrative in Volume 2 of the FY 2018 Adopted Budget Plan.

Fund 40330, Elderly Housing Programs
The FY 2018 General Fund transfer to Fund 40330, Elderly Housing Programs, is $1,837,024, a decrease of $86,135, or 4.5 percent, from the *FY 2017 Revised Budget Plan* transfer of $1,923,159. This net decrease is due to a reduction utilized to balance the FY 2018 budget, which includes a reduction in anticipated staff time requirements and the transfer of Lewinsville operations to a private management company, partially offset by performance-based and longevity increases for non-uniformed merit employees, effective July 2017. Detailed information can be found in the Fund 40330, Elderly Housing Programs, narrative in Volume 2 of the FY 2018 Adopted Budget Plan.

Fund 50000, Federal-State Grant Fund
The FY 2018 General Fund transfer to Fund 50000, Federal-State Grant Fund, is $5,106,999, a decrease of $373,837, or 6.8 percent, from the *FY 2017 Revised Budget Plan* transfer of $5,480,836. The transfer reflects the anticipated Local Cash Match needed to maximize the County's ability to leverage Federal and State grant funding. The Reserve for Local Cash Match is a projection of the County contributions required for anticipated and unanticipated grant awards. This decrease in Local Cash Match requirements is due to a decrease in requirements for the Office to Prevent and End Homelessness and the Fire and Rescue Department, partially offset by an increase in requirements for the Department of Transportation, Department of Family Services, and the Police Department.

Fund 60000, County Insurance Fund
The FY 2018 General Fund transfer to Fund 60000, County Insurance, is $24,184,081, a decrease of $3,704,034, or 13.3 percent, from the *FY 2017 Revised Budget Plan* transfer of $27,888,115. This decrease is primarily associated with one-time increases during the *FY 2017 Third Quarter Review* for accrued liability adjustments. Accrued liability adjustments are based on actuarial analysis that is performed every year by an outside actuary to estimate the ultimate value of losses for which the County is liable. Detailed information on the County Insurance Fund can be found in the Fund 60000, County Insurance, narrative in Volume 2 of the FY 2018 Adopted Budget Plan.

Fund 73030, OPEB Trust
The FY 2018 General Fund transfer to Fund 73030, OPEB Trust, is $10,490,000, a decrease of $4,010,000, or 27.7 percent, from the *FY 2017 Revised Budget Plan* transfer of $14,500,000. This net adjustment is primarily due to reduced General Fund contribution requirements as a result of the implementation of the Employer Group Waiver Plan (EGWP) for Medicare retiree prescription drug coverage in January 2016. A total of $16 million in recurring General Fund savings has been realized since FY 2017 as a result of EGWP. This decrease is partially offset by an increase of $490,000 to fund increased benefit payments as a result of an adjustment to the Retiree Health Benefit Subsidy, which was last adjusted January 1, 2006. An increase of $10 per month will result in a subsidy that ranges from $40 to $230 per month depending on years of service. This increase in the Retiree Health Benefit Subsidy will be included in the July 1, 2017, actuarial valuation of the County's actuarial accrued liability under GASB 45. Detailed information on the OPEB Trust Fund can be found in the Fund 73030, OPEB Trust, narrative in Volume 2 of the FY 2018 Adopted Budget Plan.

Fund 83000, Alcohol Safety Action Program
The FY 2018 General Fund transfer to Fund 83000, Alcohol Safety Action Program, is $572,561, an increase of $27,390 or 5.0 percent over the *FY 2017 Revised Budget Plan* transfer of $545,171. This increase is primarily associated with performance-based and longevity increases for non-uniformed merit employees, effective July 2017.

Summary of Contributory Agencies

Fund 10030, Contributory Fund, was established in FY 2001 to reflect General Fund support for agencies or organizations that receive County contributions. FY 2018 funding totals $13,492,965 and reflects an increase of $308,481 or 2.3 percent over the FY 2017 Adopted Budget Plan funding level of $13,184,484. The required Transfer In from the General Fund is $13,467,254. Individual contributions are described in detail in the narrative of Fund 10030, Contributory Fund, in Volume 2 of the FY 2018 Adopted Budget Plan.

Contributory funding is in compliance with the Board of Supervisors' policy to make General Fund appropriations of specified amounts to various nonsectarian, nonprofit, or quasi-governmental entities for the purpose of promoting the general health and welfare of the community. Since public funds are being appropriated, contributions provided to designated agencies are currently made contingent upon submission and review of quarterly, semiannual and/or annual reports. This oversight activity includes reporting requirements prescribed by the County Executive, which require designated agencies to accurately describe the level and quality of services provided to County residents. Various County agencies may be tasked with oversight of program reporting requirements. Contributory agencies that do not file reports as requested, may, at the discretion of the County Executive, have payments withheld until appropriate reports are filed and reviewed.

The following chart summarizes the funding for the various contributory organizations.

Fairfax County	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Legislative-Executive Functions/Central Service Agencies:					
Dulles Area Transportation Association	$15,000	$15,000	$15,000	$15,000	$15,000
Metropolitan Washington Council of Governments	969,114	992,555	992,555	1,039,064	1,039,064
National Association of Counties	21,635	21,635	21,635	21,635	21,635
Northern Virginia Regional Commission	643,861	725,462	725,462	734,481	734,481
Northern Virginia Transportation Commission	168,142	170,160	170,160	173,721	173,721
Virginia Association of Counties	234,966	239,666	239,666	239,446	239,446
Washington Airports Task Force	50,000	50,000	50,000	50,000	50,000
Subtotal Legislative-Executive	**$2,102,718**	**$2,214,478**	**$2,214,478**	**$2,273,347**	**$2,273,347**
Public Safety:					
NOVARIS	$9,577	$9,577	$9,577	$9,577	$9,577
NVERS	0	0	140,000	15,000	15,000
Subtotal Public Safety	**$9,577**	**$9,577**	**$149,577**	**$24,577**	**$24,577**
Health and Welfare:					
Health Systems Agency of Northern Virginia	$108,200	$108,200	$108,200	$108,200	$108,200
Medical Care for Children	237,000	237,000	237,000	237,000	237,000
Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence	2,576,887	2,452,456	2,452,456	2,605,826	2,605,826
Volunteer Fairfax	405,772	405,772	405,772	405,772	405,772
Subtotal Health and Welfare	**$3,327,859**	**$3,203,428**	**$3,203,428**	**$3,356,798**	**$3,356,798**

Fund 10030
Summary of Contributory Agencies

Fairfax County	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Parks, Recreation and Cultural:					
Arts Council of Fairfax County	$331,694	$331,694	$331,694	$331,694	$331,694
Arts Council of Fairfax County - Arts Groups Grants	96,900	96,900	96,900	96,900	96,900
Challenge Grant Funding Pool for the Arts	444,125	444,125	444,125	444,125	444,125
Dulles Air and Space Museum	100,000	100,000	100,000	100,000	100,000
Fairfax Symphony Orchestra	261,032	261,032	261,032	261,032	261,032
Fort Belvoir Army Museum	150,000	150,000	150,000	150,000	150,000
Northern Virginia Regional Park Authority	2,137,446	2,149,947	2,149,947	2,158,822	2,158,822
Reston Historic Trust	16,150	16,150	16,150	16,150	16,150
Town of Herndon	40,000	40,000	40,000	40,000	40,000
Town of Vienna Teen Center	32,300	32,300	32,300	32,300	32,300
Wolf Trap Foundation for the Performing Arts	125,938	125,938	125,938	125,938	125,938
Subtotal Parks, Recreation & Cultural	**$3,735,585**	**$3,748,086**	**$3,748,086**	**$3,756,961**	**$3,756,961**
Community Development:					
Architectural Review Board	$3,500	$3,500	$3,500	$8,200	$8,200
Commission for Women	6,916	6,916	6,916	6,916	6,916
Convention and Visitors Corporation	2,506,188	2,728,925	2,728,925	2,797,148	2,797,148
Earth Sangha	16,150	16,150	16,150	16,150	16,150
Fairfax 2015 World Police and Fire Games	3,000,000	0	0	0	0
Fairfax County History Commission	21,013	21,013	21,013	21,013	21,013
Fairfax ReLeaf	41,990	41,990	41,990	41,990	41,990
Greater Reston Incubator	24,225	24,225	24,225	24,225	24,225
Inova Translational Medicine Institute	500,000	500,000	500,000	500,000	500,000
Northern Virginia 4-H Education Center	15,000	15,000	15,000	15,000	15,000
Northern Virginia Community College	88,418	87,443	87,443	86,887	86,887
Northern Virginia Conservation Trust	227,753	227,753	227,753	227,753	227,753
Southeast Fairfax Development Corporation	183,320	183,320	183,320	183,320	183,320
Women's Center of Northern Virginia	27,023	27,023	27,023	27,023	27,023
Subtotal Community Development	**$6,661,496**	**$3,883,258**	**$3,883,258**	**$3,955,625**	**$3,955,625**
Nondepartmental:					
Employee Advisory Council	$33,000	$33,000	$33,000	$33,000	$33,000
Fairfax Public Law Library	92,657	92,657	92,657	92,657	92,657
Subtotal Nondepartmental	**$125,657**	**$125,657**	**$125,657**	**$125,657**	**$125,657**
Total County Contributions	**$15,962,892**	**$13,184,484**	**$13,324,484**	**$13,492,965**	**$13,492,965**

FY 2018

Adopted Budget Plan

Other Funds Overview

OTHER FUNDS OVERVIEW

Other Funds reflect programs, services and projects funded from non-General Fund revenue sources or a mix of General Fund and non-General Fund sources. These sources include federal or state grants, specific tax districts, proceeds from the sale of bonds, and user fees and charges. Included are the following categories of Other Funds:

- General Fund Group
- Debt Service Funds
- Special Revenue Funds
- Internal Service Funds
- Enterprise Funds
- Agency and Trust Funds

Other Funds expenditures are supported through a total available balance of $10,092,912,942 (excluding the General Fund) and total revenues of $3,881,802,033 (excluding the General Fund). The revenues are a decrease of $1,345,778,188, or 25.74 percent, from the *FY 2017 Revised Budget Plan* and a decrease of $63,893,218, or 1.62 percent, from the FY 2017 Adopted Budget Plan. The decrease from the *FY 2017 Revised Budget Plan* is primarily the result of the carryover of authorized but unissued bonds for capital construction projects, County and regional transportation project revenue, Stormwater Services revenue, anticipated grant revenue, and various other changes rather than the result of changes in the revenue stream for Other Funds. The decrease in revenues from the FY 2017 Adopted Budget Plan is due primarily to increased County and Fairfax County Public Schools (FCPS) retirement fund-related revenues, Stormwater Services and Sewer revenues, anticipated grant revenue and various other revenue changes. Details concerning significant changes in revenue growth are discussed for each specific fund in Volume 2, Capital Construction and Other Operating Funds, in the FY 2018 Adopted Budget Plan. Also, the FY 2018 revenues for Other Funds are summarized by revenue type and by fund type in the *Financial, Statistical and Summary Tables* section of this Overview Volume.

FY 2018 expenditures for Other Funds total $6,077,952,420 (excluding General Fund direct expenditures), and reflect a decrease of $2,226,629,467, or 26.81 percent, from the *FY 2017 Revised Budget Plan* funding level of $8,304,581,887. This decrease is primarily due to the effect of significant carryover for capital construction projects, stormwater projects, sewer construction projects, County and regional transportation projects, and grant-funded projects, and should not be perceived as a major change to programs or operations. Excluding adjustments in FY 2017, expenditures increased $80,847,521, or 1.35 percent, over the FY 2017 Adopted Budget Plan total of $5,997,104,899. Of this increase, an amount of $95,371,034 reflects an increase to the Public School Operating Fund, $20,851,103 reflects an increase to the Consolidated Debt Service Fund, and $20,882,107 reflects a net increase to both the Health Benefits Fund and the Public School Health and Flexible Benefits Fund, partially offset by a decrease of $104,993,827 in the Sewer Bond Construction Fund. In addition, an amount of $33,431,276 reflects the combined increase in the Employees, Uniformed, Police, and Educational Employees Retirement Funds resulting from a higher number of retirees and higher individual payment levels.

The following is a brief summary of the various funds types. Not included in these discussions are Capital Projects Funds, which are presented in the Capital Projects Overview of this Overview Volume. A complete discussion of funding and program adjustments for all Other Funds is found in Volume 2, Capital Construction and Other Operating Funds in the FY 2018 Adopted Budget Plan. Summary information is provided in the *Financial, Statistical and Summary Tables* section of this Overview Volume. It should be noted that Special Revenue funding for the FCPS is discussed in further detail in the Fairfax County School Board's FY 2018 Adopted Budget.

GENERAL FUND GROUP

The General Fund Group consists of four funds in addition to the General Fund and accounts for revenue and expenditures for the Consolidated Community Funding Pool, Contributory, Revenue Stabilization, and Information Technology Funds. Prior to the FY 2014 Adopted Budget Plan, all of these funds, except for the Revenue Stabilization Fund, were part of Special Revenue Funds. In FY 2018, General Fund Group expenditures total $31,804,905 (excluding the General Fund), a decrease of $29,814,202, or 48.38 percent, from the *FY 2017 Revised Budget Plan* funding level of $61,619,107 due primarily to the carryover of ongoing IT project funds. Excluding adjustments in FY 2017, expenditures increased $664,721, or 2.13 percent, over the FY 2017 Adopted Budget Plan level of $31,140,184.

DEBT SERVICE FUNDS

The Consolidated Debt Service Fund accounts for the general obligation bond debt service of the County as well as general obligation bond debt for the FCPS. In addition, debt service expenditures are included for the Economic Development Authority Lease Revenue bonds associated with County government and School facilities and payments for Fairfax County Redevelopment and Housing Authority (FCRHA) Lease Revenue bonds. Revenues for the debt service funds are derived principally from a transfer from the General Fund. Debt service on sewer revenue bonds is reflected in the Enterprise Funds. FY 2018 Debt Service expenditures total $341,373,647.

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds from specific sources that are legally restricted to expenditures for a specific purpose. These proceeds include state and federal aid, income derived through activities performed by the Division of Solid Waste, special levies, program activity revenue, and operation of the public school system. In FY 2018, Special Revenue Fund expenditures total $3,602,821,983, a decrease of $713,232,873 or 16.53 percent, from the *FY 2017 Revised Budget Plan* funding level of $4,316,054,856 due primarily to the effect of significant carryover of unexpended project balances in the County and Regional Transportation Projects Fund and the Stormwater Services Fund as well as the carryover of unexpended grant balances previously approved by the Board of Supervisors in the Federal/State Grant Fund. Excluding adjustments in FY 2017, expenditures increased $101,111,776, or 2.89 percent, over the FY 2017 Adopted Budget Plan level of $3,501,710,207.

INTERNAL SERVICE FUNDS

Internal Service Funds account for services commonly used by most agencies, and for which centralized organizations have been established in order to achieve economies of scale necessary to minimize costs. These internal agencies provide services to other agencies on a cost reimbursement basis. Such services consist of vehicle operations, maintenance, and replacement; insurance coverage (health, workers compensation, automobile liability, and other insurance); data communications and processing; and document services. Where possible, without degradation of quality, joint County and School service delivery (printing and vehicle maintenance) or joint procurement (health insurance) activities are conducted in order to achieve economies of scale and to minimize costs. FY 2018 Internal Service expenditures total $820,810,264, a decrease of $42,584,630, or 4.93 percent, from the *FY 2017 Revised Budget Plan* level of $863,394,894 primarily due to one-time FY 2017 expenditures in the County Insurance Fund related to Tax Litigation Expenses. Excluding adjustments in FY 2017, expenditures increased $19,897,675, or 2.48 percent, over the FY 2017 Adopted Budget Plan level of $800,912,589.

ENTERPRISE FUNDS

Fairfax County's Enterprise Funds consist of five funds within the Wastewater Management Program (WWM), which account for the construction, maintenance and operational aspects of the countywide sewer system. The cost of providing sewer service to County citizens and businesses is financed or recovered primarily from user charges. FY 2018 Enterprise Funds expenditures for sewer operation and maintenance and sewer debt service total $219,351,311, a decrease of $187,724,894, or 46.12 percent, from the *FY 2017 Revised Budget Plan* total of $407,076,205 primarily due to the carryover of unexpended project balances in the Sewer Bond Construction and Sewer Construction Improvement Funds to provide funding for future treatment plant requirements. Excluding adjustments in FY 2017, expenditures decreased $108,718,809, or 33.14 percent, from the FY 2017 Adopted Budget Plan level of $328,070,120.

The County's wastewater treatment plant serves an estimated 365,838 households with public sewer service.

AGENCY AND TRUST FUNDS

Agency and Trust funds account for assets held by the County in a trustee or agency capacity and include the four pension trust funds administered by the County and Schools, as well as County and Schools trust funds to pre-fund other post-employment benefits. FY 2018 Agency and Trust funds combined expenditures total $800,051,219, an increase of $40,753,849, or 5.37 percent, over the *FY 2017 Revised Budget Plan* funding level of $759,297,370. This increase is primarily due to increases in the four existing retirement funds resulting from a higher number of retirees and higher individual payment levels. Excluding adjustments in FY 2017, combined Agency and Trust funds expenditures increase $38,677,709, or 5.08 percent, over the FY 2017 Adopted Budget Plan level of $761,373,510.

FY 2018

Adopted Budget Plan

Capital Projects Overview

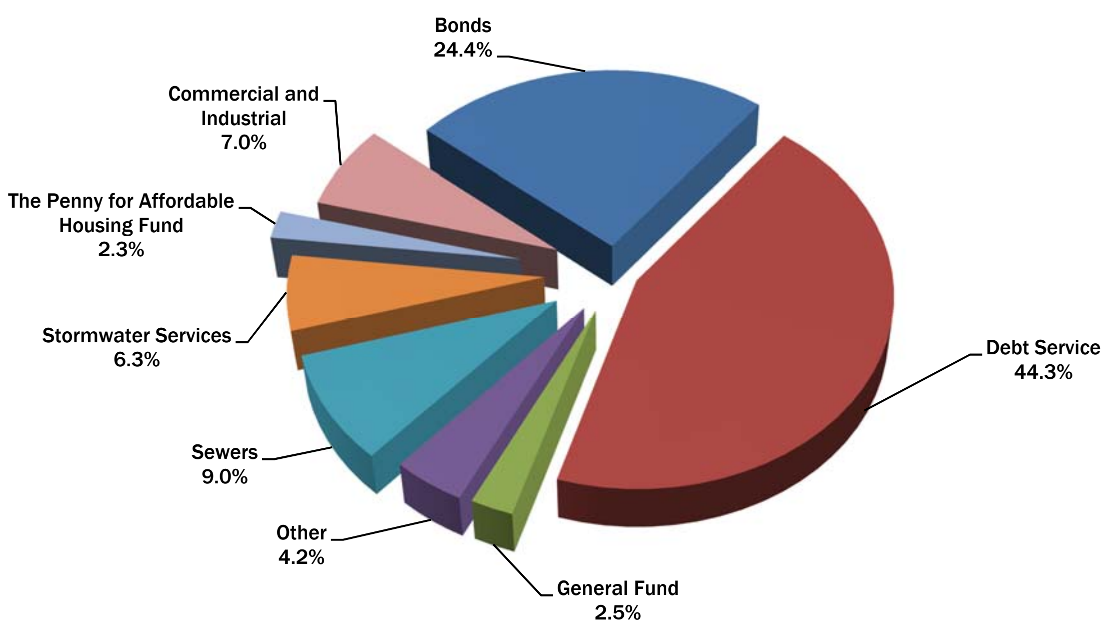
Summary of Capital Construction Program

The Capital Construction Program of Fairfax County is organized to meet the existing and anticipated future needs of the citizens of the County and to enable the County government to provide necessary services. The Capital Construction Program (other than sanitary sewer construction and resource recovery projects) is primarily financed through transfers from the General Fund and the sale of General Obligation Bonds. Supplementing the General Fund and General Obligation Bond monies are additional funding sources including federal and state grants, contributions, and tax revenues from special revenue districts.

The Fairfax County Capital Construction Program includes, but is not limited to construction of both new and renovated school facilities, park facilities, transportation facilities, libraries, trails/sidewalks, fire stations, government centers with police substations, stormwater management facilities, athletic fields, housing units to provide affordable housing opportunities to citizens, commercial revitalization initiatives and infrastructure replacement and upgrades at County facilities. In addition, the Program includes contributions and obligations in support of the capital construction.

Funding in the amount of $771,368,771 is included in FY 2018 for the County's Capital Construction Program. Of this amount, $341,373,647 is included for debt service and $429,995,124 is included for capital expenditures. The source of funding for capital expenditures includes: $19,441,876 from the General Fund; $188,000,000 in General Obligation Bonds; $69,339,663 in sewer system revenues; $17,627,927 in Real Estate revenues supporting the Affordable Housing Program; $48,577,294 in Stormwater Services revenue; $53,932,085 in Commercial and Industrial revenues; and $33,076,279 in financing from various other sources. Other sources of financing include, but are not limited to, transfers from other funds, pro rata share deposits, user fees, developer contributions and/or payments.

FY 2018 Capital Construction Program



TOTAL CAPITAL PROGRAM = $771,368,771

General Fund Support

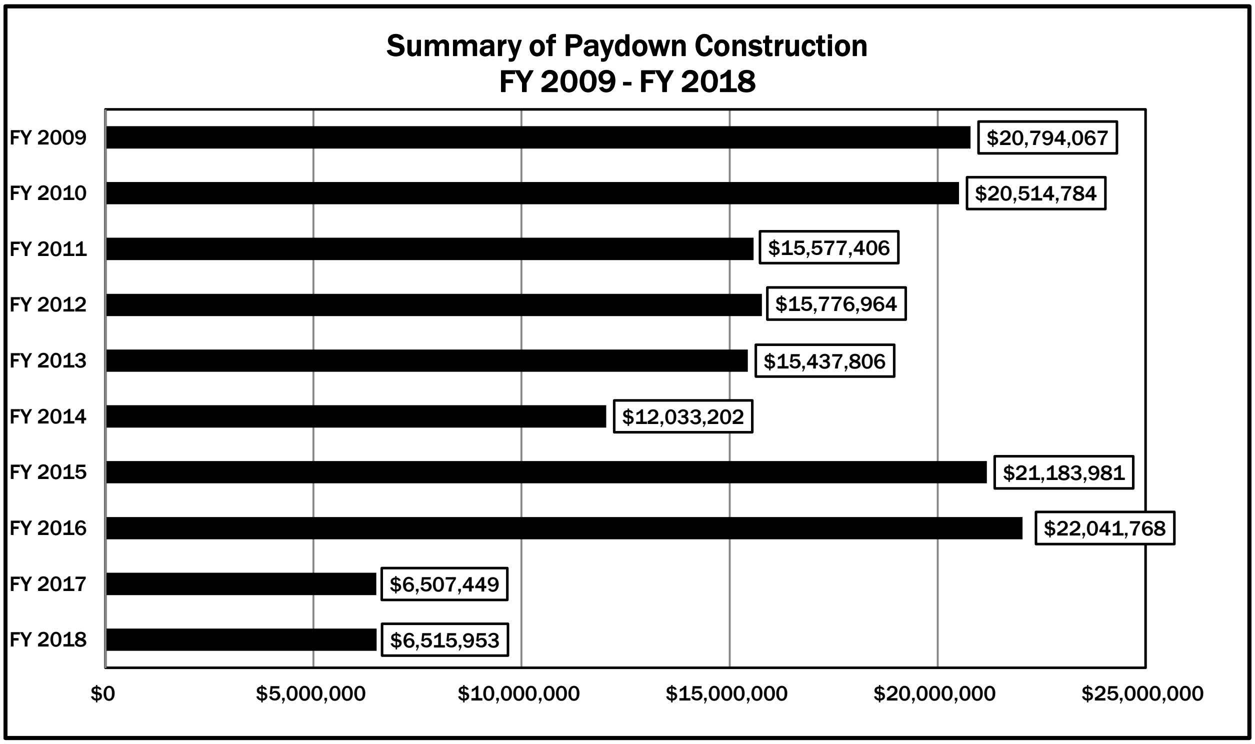
In FY 2018, an amount of $19,441,876 is supported by the General Fund for capital projects. This includes an amount of $12,925,923 for commitments, contributions and facility maintenance and $6,515,953 for Paydown projects. The Paydown program has been redesigned at the request of the Board of Supervisors to exclude those projects that are on-going maintenance projects or annual contributions. Paydown now includes infrastructure replacement and upgrades, ADA compliance, athletic field improvements and other capital improvements. FY 2018 funding for the Paydown program is consistent with the FY 2017 Adopted Budget Plan; however, based on the Board of Supervisor's FY 2018 Budget Guidance to "increase funding for infrastructure both in the use of one-time balances and by increasing the level of funding in the annual budget", total funding of $8,117,505 for Paydown projects was included as part of the *FY 2017 Third Quarter Review*. Of this amount, $1,278,458 was included to support the continuation of ADA improvements at County owned facilities, $800,000 was included to support the continuation of Park Authority ADA improvements, $5,544,047 is included for infrastructure replacement and upgrades, and $495,000 was included for other one-time capital projects.

The FY 2018 General Fund Supported Program is illustrated below:

FY 2018 Capital Construction/Paydown Summary			
	Commitments, Contributions and Facility Maintenance	Paydown	Total General Fund Support
Athletic Field Maintenance and Sports Projects	$4,435,338	$1,700,000	$6,135,338
Park Authority Maintenance and Infrastructure Upgrades	$960,000	$1,690,000	$2,650,000
Environmental Initiatives	$535,000	$0	$535,000
On-Going Development and Revitalization	$2,595,000	$0	$2,595,000
Payments and Contributions	$4,400,585	$0	$4,400,585
County Infrastructure Replacement and Upgrades	$0	$1,825,953	$1,825,953
Reinvestment, Repair, and Emergency Maintenance of County Roads and Walkways	$0	$1,100,000	$1,100,000
Developer Default Improvements	$0	$200,000	$200,000
Total General Fund Support	**$12,925,923**	**$6,515,953**	**$19,441,876**

Reflects General Fund support. Other funding sources such as dedicated revenue and bond funding is not included in these totals.

The graph below depicts the level of Paydown funding between FY 2009 and FY 2018. The decrease in FY 2017 and 2018 is associated with the revised definition of Paydown program.



Specifics of the FY 2018 General Fund Supported Program include:

Athletic Field Maintenance and Sports Programs

FY 2018 funding in the amount of $7,610,338 has been included for the athletic field maintenance and sports program. This level of funding is supported by a General Fund transfer of $6,135,338 and revenue generated from the Athletic Services Fee in the amount of $1,475,000. Of the Athletic Services Fee total, $800,000 will be dedicated to the turf field replacement program, $275,000 will be dedicated to custodial support for indoor sports organizations, $250,000 will be dedicated to maintenance of school athletic fields, $75,000 will be dedicated to synthetic turf field development, and $75,000 will partially fund the Youth Sports Scholarship Program.

Specific funding levels associated with maintenance include:

- An amount of $860,338 provides for specific contracted services aimed at improving the condition of athletic fields scheduled for community use at FCPS elementary schools, middle schools and centers. Maintenance responsibilities include mowing at a frequency of 32 times per year and annual aeration/over-seeding. This effort is supported entirely by the General Fund and is managed by the Park Authority.

- An amount of $1,000,000 is dedicated to the maintenance of diamond fields at Fairfax County Public Schools and is partially supported by revenue generated by the Athletic Services Fee. This funding is used for contracted maintenance aimed at High School programs, athletic field renovations, and irrigation maintenance of non-Park Authority athletic fields. This includes 428 non-Park Authority athletic fields of which 361 are located at elementary, middle schools, and centers. All field maintenance is coordinated between the Park Authority and the Department of Neighborhood and Community Services. Of the total funding, an amount of $250,000 is included for this program based on the FY 2018 projection of revenue generated from the Athletic Services Fee and $750,000 is supported by the General Fund.

- An amount of $50,000 is included for routine maintenance of girls' softball field amenities on select Fairfax County Public School sites. These amenities, such as dugouts, fencing and irrigation systems, were added or constructed by the County based on recommendations from the citizen-led Action Plan Review Team (APRT) in order to reduce disparities in the quality of fields assigned to boys' baseball and girls' softball organizations. Routine maintenance is necessary both to maintain equity and to ensure safety. For five years, funding of $200,000 was provided to support Girls' Fast Pitch Field Maintenance improvements to various girls' softball fields throughout the County as requested by the Fairfax Athletic Inequities Reform (FAIR). FY 2018 funding will provide maintenance to the improvements and amenities previously made to girls' softball fields. This project is supported entirely by the General Fund and coordinated by Department of Neighborhood and Community Services.

- An amount of $75,000 is included to support the development of synthetic turf fields. Fields are chosen through a review process based on the need in the community, projected community use and the field location and amenities. This effort is coordinated between the Park Authority and the Department of Neighborhood and Community Services and funding is provided from revenue generated from the Athletic Services Fee. It should be noted that as part of the *FY 2013 Carryover Review*, a Joint County School initiative was implemented to develop new synthetic turf fields throughout the County. This recommendation was based on the findings of the Synthetic Turf Field Task Force in its July 2013 report which determined the need for synthetic turf fields at 8 remaining high schools in the County that did not have turf fields. This program is now fully funded.

- An amount of $2,700,000 is included for athletic field maintenance and repairs, irrigation repairs, lighting repairs, turf maintenance, utility costs, and capital equipment replacement costs. The Park Authority is responsible for full service maintenance on 268 athletic fields, of which 40 are synthetic turf, 228 are natural turf, 113 are lighted and 113 are irrigated. The fields are used by more than 200 youth and adult sports organizations as well as Fairfax County citizens. This effort is supported entirely by the General Fund and is managed by the Park Authority.

- An amount of $275,000 is included for custodial support for indoor gyms used by sports organizations. The use of FCPS indoor facilities on the weekend requires FCPS to schedule a school system employee to open and close the facility. Revenue generated from the Athletic Services Fee is used to provide payment for FCPS staff, eliminating the need for indoor sports organizations to pay the hourly rate previously charged. This project is entirely supported by revenue generated from the Athletic Services Fee and is managed by the Department of Neighborhood and Community Services.

- An amount of $150,000 is included for the Youth Sports Scholarship Program. The Youth Sports Scholarship Program provides support to youth from low-income families who want to participate in community-based sports programs. Of the total funding, an amount of $75,000 is included for this program based on the FY 2018 projection of revenue generated from the Athletic Services Fee, and $75,000 is supported by the General Fund.

Specific funding levels associated with Paydown capital improvements include:

- An amount of $250,000 is included to continue the replacement and upgrading of Fairfax County Public Schools (FCPS) athletic field lighting systems at middle and high schools used by many County organizations. Funding supports a replacement and repair schedule, as well as improvements to bring existing lighting systems up to new standards. The school system's Office of Design and Construction Services ensures lighting standards are maintained and FCPS annually prioritizes funding for field lighting. FY 2018 funding supports the replacement and repair for one field's existing lighting systems. This project is supported entirely by the General Fund and coordinated by the Department of Neighborhood and Community Services.

- An amount of $2,250,000 is included for the turf field replacement program in FY 2018. Funding of $800,000 is supported by Athletic Service Fee revenue and $1,450,000 is supported by the General Fund. There are a total of 86 synthetic turf fields throughout the County, of which 23 are FCPS stadium fields and 63 are County Parks/FCPS non-stadium fields. There are over 130,000 youth and adult participants (duplicated number) annually that benefit from rectangular turf fields. Funding is needed to address the growing need for field replacement and to support a replacement schedule over the next 10 years. If turf fields are not replaced when needed, they may need to be closed for safety reasons. Most manufacturers provide an 8-year warranty for a properly maintained synthetic turf field; however, it is a generally accepted practice to assume a life expectancy of the synthetic turf field of no more than 10 years. For planning purposes, the County adopted an annual budget estimate of a little more than half of the installation funding, which is a generally accepted practice for the industry. The current projected replacement cost per field is approximately $450,000. Based on a projected 10-year replacement cycle and the current 63 County field inventory, replacement funding requires a regular financial commitment. Therefore, staff developed a 10-year replacement plan for the current inventory which requires revenue from the Athletic Fee and the General Fund support.

Park Inspections, Maintenance and Infrastructure Upgrades

FY 2018 funding in the amount of $2,650,000 has been included for Park facilities and grounds. This amount includes an increase of $741,000 over the FY 2017 Adopted Budget Plan funding level. The Park facilities maintained with General Fund monies include but are not limited to: rental properties, historic properties, nature centers, maintenance facilities, sheds, shelters, and office buildings. Park priorities are based on the assessment of current repair needs including safety and health issues, facility protection, facility renewal and improved services. In addition, Park maintenance requirements are generated through scheduled preventative maintenance or from user requests for facility alterations. Without significant reinvestment in building and grounds, older facilities can fall into a state of ever decreasing condition and functionality, resulting in increased maintenance and repair costs in the future. Preventative and repair work is required for roof replacement and repair, HVAC, electrical and lighting systems, fire alarm systems and security systems. Funding is essential to the maintenance and repair of building stabilization, including capital renewal of over 567,053 square feet at non-revenue supported Park Authority structures and buildings.

Specific projects funded in FY 2018 include:

Facility Maintenance Supported by the General Fund

- An amount of $476,000 is provided to fund annual requirements for Parks grounds at non-revenue supported parks. The Park Authority is responsible for the care of a total park acreage of 23,372 acres of land, with 427 park site locations. This funding is used for mowing and other grounds maintenance, as well as arboreal services. Arboreal services are provided in response to Park staff and citizens' requests and include pruning, removal and inspections of tree health within the parks. There has been a rise in staff responses to requests for the inspection and removal of hazardous or fallen trees within the parks and those that may pose a threat to private properties.

- An amount of $484,000 is included to provide corrective and preventive maintenance and inspections at over 567,053 square feet at non-revenue supported Park Authority structures and buildings. This maintenance includes the scheduled inspection and operational maintenance of HVAC, plumbing, electrical, security and fire alarm systems. This funding is critical in order to prevent the costly deterioration of facilities due to lack of preventative maintenance.

Infrastructure Replacement and Upgrades (Paydown)

- An amount of $925,000 is included for general park infrastructure replacement and upgrades at non-revenue supported Park facilities. These requirements include: major non-recurring repairs/replacements and improvements to picnic shelters ($220,000); renovations to outdoor restrooms ($70,000); replacement of security and fire alarm systems ($135,000); replacement of roofs ($120,000); replacement of aged fire and security systems at the Burke Lake ice cream parlor ($45,000); replacement of HVAC systems and electrical panels at various locations ($124,000); and replacements/improvements to building structures as various locations ($211,000). The FY 2018 funding level represents an increase of $500,000 to begin to address a significant backlog of critical infrastructure replacement.

- An amount of $765,000 is included to provide improvements and repairs to park facilities and amenities including tennis courts, picnic shelters, bridges and parking lots. In addition, funding will provide for annual maintenance and storm related repairs to 325 miles of trails with different surface types. This funding represents an increase of $241,000 to begin to address neglected areas and to respond to citizen complaints concerning trail upkeep.

Environmental Initiatives

FY 2018 funding of $535,000 has been included for environmental initiatives. FY 2018 projects were selected based on the project selection process supported by the Environmental Quality Advisory Council (EQAC). The selection process includes the application of specific project criteria, review of proposals from County agencies, and identification of projects for funding. Specific funding levels include:

- An amount of $200,000 is included to continue the Invasive Plant Removal Program. The Park Authority manages this volunteer program, as well as other invasive removal initiatives. These programs restore hundreds of acres of important natural areas, protect tree canopy, and reach thousands of volunteers. Currently more than 12,000 trained volunteer leaders have contributed 37,400 hours of service since the program's inception in 2005, improving over 1,000 acres of parkland. The FY 2018 level of funding represents an increase of $50,000 based on requirements to implement portions of unfunded treatment plans to control non-native invasive vegetation.

- An amount of $5,000 is included for the Green Purchasing Program. This program is designed to support limited term staff to assist in clearly specifying environmental attributes during the County's procurement process. Fairfax County has a current inventory of over 2,400 contracts and emphasizing environmental attributes such as recycling, energy efficiency, durability and reduced toxicity during the procurement process can contribute to the purchase of green products, creating fiscal and environmental savings.

- An amount of $6,600 is included for spring outreach programs. These programs reach thousands of people in the County and have a deep impact on many youth and adults. Programs include classroom presentations, outdoor learning experiences, outreach events and festivals, high school Envirothon competitions, rain barrel workshops, Seedling Sales, high school science fair project judging, stream monitoring, Enviroscape trainings, storm drain markings, the Sustainable Garden Tour and more.

- An amount of $75,000 is included for the Watershed Protection and Energy Conservation Matching Grant Program. This program is intended to support Energy Education and Outreach initiatives and promote community engagement around sustainability and conservation issues. Specifically, the Watershed Protection and Energy Conservation matching grant program will provide financial incentives to empower homeowners through their associations to implement on-the-ground sustainability projects. The initiative builds on current programs that provide technical assistance, hands-on support, outreach and education to Fairfax County homeowners and residents. Projects will improve water quality, reduce greenhouse gas emissions and conserve energy and water. The $75,000 program funding level will include printing and materials, matching grants of $500 - $3,500 up to $30,000 total for all grants and one limited term full-time position to support the program, conduct outreach and education, site assessments, inspections and other responsibilities.

- An amount of $42,400 is included to design and plant a pollinator meadow at the Alban Department of Vehicle Services Maintenance Facility. The proposed landscaping improvement project at Alban complies with the state required storm water permit, shows commitment to federal clean water regulations, reduces maintenance costs, supports the Fairfax County Natural Landscaping Policy and exemplifies another step in the larger, multi-agency plan to save pollinators. The proposed project will treat runoff from the impervious surfaces on the site by making landscaping improvements that incorporate pollinator friendly practices. The result will be one meadow that will attract and feed insects such as bees and butterflies that pollinate plants. In addition, storm water runoff will be treated before running into Accotink creek.

- An amount of $50,000 is included to support a Honey Bee Initiative Pollinator Program (HIPP) at the I-95 landfill property. This project provides for the installation of honeybee hives and pollinator habitat. It will provide educational opportunities for students and the community and increase sustainability and diversity of desirable plant species in the county while lowering maintenance costs at the landfill complex. The project will serve to transform the vista of the landfill with spring, summer and fall blooming plants to enhance the natural beauty of Fairfax County. As the plant species become established communities of perennially-blooming plants, this plant propagation will use nutrients available in the soil and will act to prevent nutrient runoff, protecting water quality and assisting in compliance with the County's Municipal Separate Storm Sewer System (MS4) permit.

- An amount of $126,000 is included to install real-time water leak and freeze detection controls at County RECenter and historic sites. The water leak system is the most effective method of monitoring property water usage in real time and is designed to inform, alert and conserve water. Water sensors monitor pulses from water meters in real time. After a spike in water usage is detected the system will send alerts via text to a mobile device and email accounts. Water usage and trends can also be monitored on the systems dashboard. If a plumbing failure occurs when a building is vacant, the sensors will automatically tell the system to shut off the building's main water supply and an alert will be sent through the buildings security system. The same will be true if the temperature sensor detects temperature approaching freezing.

- An amount of $30,000 is included for the purchase of two alternative fueled propane ride-on mowers for the Park Authority. Propane mowers can burn up to 35 percent cleaner than gas lawn mowers while reducing carbon emissions by 50 to 70 percent. This project is important for conserving energy and reducing environmental impacts while supporting the County's commitment to reduce carbon emissions.

In addition, an amount of $58,140 has been provided in Fund 10030, Contributory Fund, to continue partnering with two non-profit agencies to support tree planting efforts throughout the County.

On-going Development and Revitalization

- Funding of $1,260,000 is included to address only the most critical aspects of property management at the Laurel Hill property. Laurel Hill was transferred to the County by the federal government and includes approximately 2,340 acres of land and 1.48 million square feet of building space. Of the amount funded in FY 2018, $860,000 will fund the Facilities Management Department's security, maintenance services, and grounds maintenance. The remaining $400,000 will fund the Park Authority's critical maintenance activities and support staff.

- An amount of $50,000 is included to support payments to developers for interest earned on conservation bond deposits. The County requires developers to contribute funds to ensure the conservation of existing natural resources. Upon satisfactory completion of projects, the developer is refunded the deposit with interest. This estimate is based on actual funding requirements in the past several years.

- An amount of $75,000 is included to support the maintenance of geodetic survey control points for the geographic information system (GIS). This project also supports the development and maintenance of an interactive, GIS-based website that will provide convenient and cost effective monumentation information to the County's land development customers.

- An amount of $750,000 is included to continue routine and non-routine repairs in five major commercial revitalization areas (Annandale, Route 1, Springfield, McLean and Baileys Crossroads). The goal of this program is to provide an enhanced level of infrastructure and right-of-way features in these urbanizing areas in order to facilitate pedestrian movements and create a "sense of place." The maintenance in the commercial revitalization areas currently includes trash removal and quality control inspections once a week; grass mowing and weed control once every two weeks; edging, bus shelter glass cleaning, and night light inspection once a month; fertilization and shearing once every three months; pest control, leaf removal, and shrub pruning once every four months; mulching and seasonal flower rotation once every six months; and irrigation maintenance as necessary. FY 2018 funding will support improvements such as maintenance and/or replacement of degraded and/or failing sidewalk and crosswalk pavers.

- An amount of $460,000 is included to support routine and non-routine repairs to the Tysons Corner and Silver Line project. More specifically, this project will provide funding for recurring landscaping maintenance associated with the Tyson's Corner Silver Line area along the Route 7 corridor, from Route 123 to the Dulles Toll Road. Routine maintenance services include landscape maintenance along the median and both sides of the road, trash removal, snow removal, and stormwater facility maintenance. The primary difference between maintenance requirements related to the Silver Line Metro system stations (Phase I) and other existing Metro stations is the County's maintenance requirement associated with 27 water quality swales under the raised tracks of the Silver Line located in VDOT Right-of-Way. Typical maintenance for the swales will include litter and sediment removal, vegetation care, and structural maintenance. It is anticipated that additional maintenance responsibilities may be added during the construction of Phase II of the Silver Line.

Payments and Obligations

- Funding of $859,592 is included for the annual payment associated with the Salona property based on the Board of Supervisors' approval of the purchase of this conservation easement on September 26, 2005. The total cost of the property is $18.2 million with payments scheduled through FY 2026.

- Funding of $1,000,000 is included for the County's annual contribution to offset school operating and overhead costs associated with School-Age Child Care (SACC) Centers.

- Funding of $2,540,993 is included for Fairfax County's contribution to the Northern Virginia Community College (NVCC). Funding provides for the continued construction and maintenance of various capital projects on college campuses within the NVCC system. The FY 2018 rate of $2.25 per capita is applied to the population figure provided by the Weldon Cooper Center.

County Infrastructure Replacement and Upgrades

Infrastructure Replacement and Upgrades support the long-term needs of the County's capital assets to maximize the life of County facilities, avoid their obsolescence, and provide for planned repairs, improvements and restorations to make them suitable for organizational needs. Fairfax County will have a projected FY 2018 facility inventory of over 9 million square feet of space (excluding schools, parks, housing and human services residential facilities). This inventory continues to expand with the addition of newly constructed facilities, the renovation and expansion of existing facilities and the acquisition of additional property. With such a large inventory, it is critical that a planned program of repairs and restorations be maintained. In addition, the age of a major portion of this inventory of facilities is reaching a point where major reinvestments are required in the building subsystems.

Each year, the Facilities Management Department (FMD) prioritizes and classifies infrastructure replacement and upgrade projects into five categories. Projects are classified as Category F: urgent/safety related, or endangering life and/or property; Category D: critical systems beyond their useful life or in danger of possible failure; Category C: life-cycle repairs/replacements where repairs are no longer cost effective; Category B: repairs needed for improvements if funding is available, and Category A: good condition.

The requirement for County infrastructure replacement and upgrades is estimated at $26 million per year. This estimate is based on current assessment data, as well as industry standards (2 percent of the current replacement value). Based on current staffing levels, the complexity of many of the projects, and the timeline for completing replacement and upgrade projects, it is estimated that approximately $15 million per year would be a good funding goal. Due to budget constraints, in FY 2018, an amount of $1,825,953 is included to address two of the top priority Category F projects. Funding of $300,000 will provide for repairs to the Kings Park Library roof and replacement of the roof at the Kings Park Board of Supervisors wing. This building is currently experiencing water leaks, increased utility costs, and maintenance/repairs are no longer feasible. The Springfield Warehouse was installed in 1995 and is also experiencing water leaks, increased utility costs and maintenance issues. Funding in the amount of $1,525,953 will provide for a replacement roof at this 204,708 square foot facility. Typically, roofs at County facilities range in warranty periods from 10 to 20 years, and both of these roofs have exceeded the warranty period and outlived their useful life. In addition, funding in the amount of $5,544,047 was provided as part of the *FY 2017 Third Quarter Review* for a total of $7,370,000 in FY 2018 identified projects. These projects, all category F, will address HVAC system upgrades and replacement, fire alarm system replacement and roof repairs and waterproofing.

Reinvestment, Repair, and Emergency Maintenance of County Roads and Walkways

- An amount of $600,000 is included for the Reinvestment, Repair, and Emergency Maintenance of County Roads. The County is responsible for 38 miles of roadways not maintained by VDOT. Funding was previously approved to build an accurate inventory and condition assessment of County-owned roads and service drives. As a result, the 2015 Rinker study identified an amount of $4 million in reinvestment funding required for the roadways with the most hazardous conditions, as well as increased annual funding for emergency repairs. On-going road maintenance includes, but is not limited to, pothole repair, pavement rehabilitation, sidewalk and curb repairs, traffic and pedestrian signage, hazardous tree removal, grading, snow and ice control, replacement of substandard materials, patching of existing travelways, minor ditching and stabilization of shoulders, slopes and drainage facilities. It is anticipated that funding for the $4 million reinvestment program will be funded over a 5-year period, with funding from the allocation of the Capital Sinking Fund. Annual funding of $600,000 in FY 2018 is also consistent with the 5-year plan.

- An amount of $500,000 is included to meet emergency and critical infrastructure requirements for County trails, sidewalks and pedestrian bridges. In addition to the infrastructure replacement and upgrades of 673 miles of walkways, the Department of Public Works and Environmental Services (DPWES) and the Fairfax County Department of Transportation are responsible of 69 pedestrian bridges. On-going critical repairs include the correction of safety and hazardous conditions such as the damaged trail surfaces, retaining wall failures, handrail repairs, and the rehabilitation of pedestrian bridges. Funding was previously approved to build an accurate inventory and condition assessment of County walkways and revealed that there are approximately 10 miles of trails in extremely poor condition requiring $3 million in reinvestment. It is anticipated that funding for the $3 million reinvestment program will be funded over a 3-year period, with funding from the allocation of the Capital Sinking Fund. Annual investment funding is recommended to increase each year. The FY 2018 annual funding level is consistent with the recommendation of the 3-year plan.

Developer Default Improvements

Funding of $300,000 is included to support the Developer Default program, including $200,000 in General Fund monies and $100,000 in anticipated developer default revenue. This project is necessitated by economic conditions surrounding the construction industry that result in some developers not completing required public facilities, including acceptance of roads by the state, walkways and storm drainage improvements.

ADA Compliance

No funding is included in FY 2018 for the Americans with Disabilities Act (ADA) Compliance Program. The Board of Supervisors approved funding in the amount of $1,278,458 to support the continuation of ADA improvements at County owned facilities and $800,000 to support the continuation of Park Authority ADA improvements as part of the *FY 2017 Third Quarter Review*. The continuation of Park Authority ADA improvements and the continuation of ADA improvements at County owned facilities are required as part of the Department of Justice audit and identified in the settlement agreement signed by the Board of Supervisors on January 28, 2011. In May and June 2007, the United States Department of Justice conducted an audit of County government facilities and programs to determine compliance with the ADA. The audit of Fairfax County was part of a national audit program, and was not a result of any specific complaints in the County. The audit listed violations ranging from updating emergency management procedures, web-based services, and general communication procedures, to improving access to buildings, parking garages, restrooms and elevators. In addition, the County and Parks are required as part of the agreement with the DOJ to perform assessments at all remaining facilities. These assessments are now complete and resulted in increased retrofitting requirements.

Capital General Obligation Bond Program

The Board of Supervisors annually reviews cash requirements for capital projects financed by General Obligation bonds to determine the ongoing schedule for construction of currently funded projects as well as those capital projects in the early planning stages. The bond capital program is reviewed annually by the Board of Supervisors in association with the Capital Improvement Program (CIP) and revisions are made to cashflow estimates and appropriation levels as needed. The CIP is designed to balance the need for public facilities as expressed by the countywide land use plan with the fiscal capability of the County to meet those needs. The CIP serves as a general planning guide for the construction of general purpose, school, and public facilities in the County. The County's ability to support the CIP is entirely dependent upon and linked to the operating budget. The size of the bond program in particular is linked to the approved General Fund disbursement level.

The Virginia Constitution requires that long-term debt pledged by the full faith and credit of the County can only be approved by voter referendum. There is no statutory limit on the amount of debt the voters can approve. It is the County's own policy to manage debt within the guidelines identified in the *Ten Principles of Sound Financial Management*. The *Ten Principles* specifically indicate that debt service expenditures as a percentage of General Fund disbursements should remain under 10 percent and that the percentage of debt to estimated market value of assessed property should remain under 3 percent. The County continues to maintain these debt ratios with debt service requirements as a percentage of General Fund disbursements at 8.39 percent, and net debt as a percentage of market value at 1.19 percent as of June 30, 2016.

Continual monitoring and adjustments to the County's CIP have been necessary, as economic conditions have changed. The FY 2018 – FY 2022 Adopted Capital Improvement Program (With Future Fiscal Years to 2027) was approved on April 25, 2017. It should be noted that the operating budget is directly affected by the approval of the capital budget and its capital project components. The operating budget must support the debt service costs of all bond issues related to the capital budget, as well as the operating maintenance costs for each facility and improvement.

In FY 2018, an amount of $188,000,000 is included in General Obligation Bond funding. Specific funding levels in FY 2018 include:

- Funding in the amount of $155,000,000 is included for various school construction projects financed by General Obligation Bonds. For details, see the Fairfax County Public School's FY 2018 Approved Budget.

- Funding in the amount of $30,000,000 is included to support the 117-mile Metrorail system as well as to maintain and/or acquire facilities, equipment, railcars and buses.

- Funding of $3,000,000 is included for the County's annual contribution to the Northern Virginia Regional Park Authority (NVRPA) Capital program. The NVRPA Park system includes 30 parks and over 12,000 acres of land, over 100 miles of trails, numerous historic sites, five waterparks, two family campgrounds, three golf courses, a nature center, botanical gardens, rental cabins and cottages, five marinas, and over 40 miles of protected shoreline along major rivers and reservoirs.

Stormwater Management Program

Stormwater Services are essential to protect public safety, preserve property values and support environmental mandates such as those aimed at protecting the Chesapeake Bay and the water quality of other local jurisdictional waterways. Projects in this fund include repairs to stormwater infrastructure, measures to improve water quality such as stream stabilization, rehabilitation, safety upgrades of state regulated dams, repair and rehabilitation of underground pipe systems, surface channels, structural flood proofing and best management practices (BMP), site retrofits and other improvements. This funding also supports the implementation of watershed master plans, public outreach efforts, and stormwater monitoring activities as well as operational maintenance programs related to the existing storm drainage infrastructure as it pertains to stormwater conveyance and stormwater quality improvements.

As part of the FY 2010 Adopted Budget Plan, a special service district was created to support the Stormwater Management Program and provide a dedicated funding source for both operating and capital project requirements, as authorized by Code of Virginia Ann. Sections 15.2-2400. In FY 2018, the stormwater service rate will increase from $0.0275 to $0.0300 per $100 of assessed real estate value. In FY 2015, staff developed a five-year rate plan and a phased approach for funding and staffing to support the anticipated regulatory increases. The 5-year spending plan includes approximately $225 million in required projects and operational support; therefore, the plan includes an annual increase in the rate of ¼ penny each year. The FY 2018 rate of $0.0300 per $100 of assessed real estate value is consistent with the 5-year plan.

The FY 2018 levy of $0.0300 will generate $70,398,306, supporting $20,696,012 for staff and operational costs; $48,577,294 for capital project implementation including, infrastructure reinvestment, regulatory requirements, dam safety, and contributory funding requirements; and $1,125,000 transferred to the General Fund to partially offset central support services such as Human Resources, Purchasing, Budget and other administrative services supported by the General Fund which benefit this fund.

In FY 2018, an amount of $48,577,294 is included for Stormwater Services capital projects. Specific funding levels in FY 2018 include:

- Funding in the amount $6,500,000 is included for the Stormwater Regulatory Program. The County is required by federal law to operate under the conditions of a state issued Municipal Separate Storm Sewer System (MS4) Permit. Stormwater staff annually evaluates funding required to meet the increasing federal and state regulatory requirements pertaining to the MS4 Permit requirements, and State and Federal mandates associated with controlling water pollution delivered to local streams and the Chesapeake Bay. The MS4 Permit allows the County to discharge stormwater from its stormwater systems into state and federal waters. The County currently owns and/or operates approximately 7,000 regulated outfalls within the stormwater system that are governed by the permit. The current permit was issued to the County in April 2015. The permit requires the County to better document the stormwater management facility inventory, enhance public outreach and education efforts, increase water quality monitoring efforts, provide stormwater management and stormwater control training to all County employees, and thoroughly document all of these enhanced efforts. The permit also requires the County to implement sufficient stormwater projects that will reduce the nutrients and sediment delivered to the Chesapeake Bay in compliance with the Chesapeake Bay TMDL implementation plan adopted by the State.

- Funding in the amount of $7,500,000 is included for Dam Safety and Facility Rehabilitation. There are currently more than 6,100 stormwater management facilities in service that range in size from small rain gardens to large state regulated flood control dams. The County is responsible for inspecting both County owned and privately owned facilities and for maintaining County owned facilities. This inventory increases yearly and is projected to continually increase as new developments and redevelopment sites are required to install stormwater management controls. This program maintains the control structures and dams that control and treat the water flowing through County owned facilities. This initiative also includes the removal of sediment that occurs in both wet and dry stormwater management facilities to ensure that adequate capacity is maintained to treat the stormwater. The program results in approximately 25 projects annually that require redesign and construction management activities as well as contract management and maintenance responsibilities.

- Funding in the amount of $7,000,000 is included for Conveyance System Inspections, Development and Rehabilitation. The County owns and operates approximately 1,400 miles of underground stormwater pipes and improved channels with an estimated replacement value of over one billion dollars. The County began performing internal inspections of the pipes in FY 2006. The initial results showed that more than 5 percent of the pipes were in complete failure and an additional 15 percent of them required immediate repair. Increased MS4 Permit regulations apply to these 1,400 miles of existing conveyance systems and 62,000 stormwater structures. Acceptable industry standards indicate that one dollar re-invested in infrastructure saves seven dollars in the asset's life and 70 dollars if asset failure occurs. The goal of this program is to inspect pipes on a 20-year cycle and rehabilitate pipes and improved channels before total failure occurs. Total funding in FY 2018 includes $2.0 million for inspections and development and $5.0 million for rehabilitation.

- Funding in the amount of $22,126,119 is included for Stream and Water Quality Improvements. This program funds water quality projects necessary to mitigate the impacts to local streams and the Chesapeake Bay resulting from urban stormwater runoff. This includes water quality projects such as construction of stormwater management ponds, implementation of low impact development techniques on stormwater facilities, stream restorations, and approximately 1,700 water quality projects identified in the completed countywide Watershed Management Plans. In addition, Total Maximum Daily Load (TMDL) requirements for local streams and the Chesapeake Bay are the regulatory process by which pollutants entering impaired water bodies are reduced. The Chesapeake Bay TMDL was established by the EPA and requires that MS4 communities as well as other dischargers implement measures to significantly reduce the nitrogen, phosphorous and sediment loads entering waters draining to the Bay by 2025. Compliance with the Bay TMDL requires that the County should undertake construction of new stormwater facilities, retrofit existing facilities and properties, and increase maintenance. Preliminary estimates indicate that the projects needed to bring the County's stormwater system into compliance with the Bay TMDL could cost between $70 and $90 million per year. Most of the 1,700 watershed management plan projects contribute towards achieving the bay and local stream TMDL requirements.

- Funding in the amount of $1,000,000 is included for the Emergency and Flood Control Program. This program supports flood control projects for unanticipated flooding events that impact storm systems and flood residential properties. The program provides annual funding for scoping, design, and minor construction activities related to flood mitigation projects.

- Funding in the amount of $3,000,000 is included for Flood Prevention in the Huntington area. This program will address the health and public safety concerns associated with the recurring flooding in the Huntington area by designing and constructing a levee and community drainage improvements that will ensure the safe operation and long-term sustainability of this critical piece of infrastructure. Initial funding of $30,000,000 was approved as part of the 2012 Stormwater Bond Referendum. The bond amount approved by the voters was based on a preliminary design by the US Army Corps of Engineers (USACE). The current, updated total project estimate is approximately $40,000,000. To accommodate funding beyond that currently approved, a strategy was developed using a portion of revenue from the Stormwater Service District allocated to the Stream and Water Quality Improvements Program. The strategy reallocates a total of $10,000,000 over a four year period. Use of the Stormwater Service District for this project is consistent with the goals of the program to address structural flooding and other critical community stormwater needs.

- Funding in the amount of $800,000 is included for the Stormwater Allocations to Towns project. On April 18, 2012, the State Legislature passed SB 227 which entitles the Towns of Herndon and Vienna to all revenues collected within their boundaries by Fairfax County's stormwater service district. An agreement was developed for a coordinated program whereby the Towns remain part of the County's service district and the County returns 25 percent of the revenue collected from properties within each town. This allows for the towns to provide services independently such as maintenance and operation of stormwater pipes, manholes, and catch basins. The remaining 75 percent remains with the County and the County takes on the responsibility for the Towns' Chesapeake Bay TMDL requirements as well as other TMDL and MS4 requirements. This provides for an approach that is based on watersheds rather than on jurisdictional lines.

- Lastly, FY 2018 funding of $651,175 is included for County contributions. An amount of $527,730 is provided for the Northern Virginia Soil and Water Conservation District (NVSWCD). The NVSWCD is an independent subdivision of the Commonwealth of Virginia that provides leadership in the conservation and protection of Fairfax County's soil and water resources. The work of NVSWCD supports many of the environmental efforts set forth in the Board of Supervisors' Environmental Excellence 20-year Vision Plan. The goal of the NVSWCD is to continue to improve the quality of the environment and general welfare of the citizens of Fairfax County by providing them with a means of dealing with soil, water conservation and related natural resource problems. It provides County agencies with comprehensive environmental evaluations for proposed land use changes with particular attention to the properties of soils, erosion potential, drainage and the impact on the surrounding environment. NVSWCD has consistently been able to create partnerships and leverage state, federal and private resources to benefit natural resources protection in Fairfax County. In addition, an amount of $123,445 is provided for the Occoquan Watershed Monitoring Program (OWMP) to ensure that water quality is monitored and protected in the Occoquan Watershed. Given the many diverse uses of the land and water resources in the Occoquan Watershed (agriculture, urban residential development, commercial and industrial activity, water supply, and wastewater disposal), the OWMP plays a critical role as the unbiased interpreter of basin water quality information.

The Penny for Affordable Housing Fund

The Penny for Affordable Housing Fund, formerly known as the Housing Flexibility Fund, was established in FY 2006 and is designed to serve as a readily available local funding source with the flexibility to preserve and promote the development of affordable housing. For fiscal years 2006 through 2009, the Board of Supervisors dedicated revenue commensurate with the value of one cent from the Real Estate tax rate to the Preservation of Affordable Housing, a major County priority. In FY 2010, the Board of Supervisors reduced annual funding to Fund 30300, The Penny for Affordable Housing Fund, by 50 percent in order to balance the budget. From FY 2006 through FY 2017, the fund has provided a total of $204.5 million for affordable housing in Fairfax County.

A total of 2,786 affordable units have been preserved for both homeownership and rental purposes in a variety of large and small projects. Of that number, 252 units are preserved as affordable housing for periods of five years or less, and 2,534 units are preserved for 20 years or longer. A variety of funding sources were used to preserve these units; however, Fund 30300 funds were critical for the preservation of several large multifamily complexes purchased by private nonprofits and for-profit organizations. These purchases represent a significant portion of the units: 319 units in Janna Lee Villages in the Hybla Valley area (Lee District), 148 units in Hollybrooke II and III in the Seven Corners area of Falls Church (Mason District), 105 units in Coralain Gardens located on Arlington Boulevard (Route 50) in Falls Church (Mason District), 90 units in Sunset Park Apartments in Falls Church (Mason District), 130 units at Mount Vernon House in Alexandria (Mount Vernon District), and 216 units in Madison Ridge in Centreville (Sully District). These funds were also instrumental in preserving two large complexes: 180 units at the Crescent apartment complex in Reston (Hunter Mill District) and 672 units at the Wedgewood Apartments complex in Annandale (Braddock District). These projects were purchased by the County and are being managed by the Fairfax County Redevelopment and Housing Authority (FCRHA) as part of the low- and moderate-income rental program. Without the availability of Fund 30300, both of these apartment complexes may have been lost as affordable housing.

In FY 2018, Fund 30300 funding of $17,627,927 is allocated as follows: $5,752,657 for Wedgewood for the annual debt service, $2,494,372 for Crescent Apartments annual debt service, $3,000,000 for the Bridging Affordability Program, $6,083,398 for the Housing Blueprint Project, and $297,500 for Affordable/Workforce Housing.

Wastewater Management System

The Fairfax County Wastewater Management Program is operated, maintained, and managed within the Department of Public Works and Environmental Services (DPWES), and includes nearly 3,430 miles of sewer lines, 63 pumping stations, and 57 flow metering stations, covering approximately 234 square miles of the County's 407-square-mile land and water area. Treatment of wastewater generated is provided primarily through six regional wastewater collection and treatment plants. One of the six regional plants is the County owned and operated Noman M. Cole, Jr. Pollution Control Plant (NCPCP), which is currently permitted to treat 67 million gallons per day (MGD) of flow. By agreement, other regional facilities include the Alexandria Renew Enterprises (ARenew) Treatment Plant, the Upper Occoquan Service Authority Plant, the District of Columbia Blue Plains Plant, Loudoun Water and the Arlington County Plant. Fairfax County utilizes all of these facilities to accommodate a total treatment capacity of 157 MGD.

Photo of the Noman M. Cole, Jr. Pollution Control Plant

Total FY 2018 funding is $69,339,663 including support for the following projects:

- Funding in the amount of $12,424,000 is included for facility improvements to the DC Water's Blue Plains Treatment Plant to comply with nutrient discharge limits. Projects supporting the Enhanced Nitrogen Removal Program include providing an additional 40 million gallons of new anoxic reactor capacity for nitrogen removal, a new post aeration facility, pump station, and other new facilities to store and feed methanol and alternative sources of carbon. Construction continues on this project and is scheduled to be completed in 2018. In addition, funding will also provide for the Clean Rivers Project to prevent combined storm and sanitary overflows during major storm events by storing the overflow in tunnels until the plant has capacity to fully treat the water. This project is currently under construction and is scheduled to be completed by the summer of 2018. The County is responsible for 31 mgd of the 370 mgd or 8.38 percent of the capacity at the Blue Plains Treatment Plant.

- Funding in the amount of $18,034,000 will fund the County's share of the upgrades to the Alexandria Renew Enterprises Treatment Plant (ARenew). Funding supports the design and construction of a State of the Art Nitrogen Upgrade Program (SANUP) for nitrogen removal. The SANUP will be completed in 6 phases to allow the spread of design and construction costs over an 8-year period. The long range plan was completed in 2008, and 2 of the 6 phases were completed in 2011; the remaining phases will be completed by 2018. FY 2018 funding is included for engineering design, construction management, landscape architecture and engineering services during construction to comply with the nutrient discharge limits. The County is responsible for 32.4 mgd of the 54 mgd or 60 percent of the capacity at the Alexandria Renew Enterprises' Treatment Plant.

- Funding in the amount of $1,164,000 is included for plant upgrades at the Arlington Wastewater Treatment Plan. This funding will support annual repair and rehabilitation work for various facilities as scheduled in Arlington County's Capital Improvement Program. The County is responsible for 3.0 of the 40 mgd or 7.5 percent of capacity at the Arlington Wastewater Treatment Plant.

- Funding in the amount of $14,680,739 is included for the continuation of systematic rehabilitation of structures and equipment at the Noman M. Cole, Jr. Pollution Control Plant (NMCPCP). FY 2018 funding will provide for the rehabilitation and replacement of pumps, gates, and valves; stormwater runoff improvements, and continuation of the rehabilitation of the motor control centers/distribution centers (MCC/DC) and raw wastewater pump station facility.

- Funding in the amount of $3,000,000 is included to satisfy the annual appropriation requirement for the County's Extension and Improvement (E&I) Program as approved by the Board of Supervisors on April 12, 2011. This policy adjusts the Connection Charges such that the future cost of the E&I Program is shared equally between the County's Sewer Fund and the property owners seeking public sewer service, when the Health Department determines the properties' septic systems have failed.

- Funding in the amount of $5,616,773 is provided for the systematic rehabilitation of the County's 3,430 miles of sanitary sewer lines. Rehabilitation includes, among other things, the use of trenchless technology to rehabilitate approximately 20 miles of sewer per year.

- Funding in the amount of $4,487,642 is included to complete the rehabilitation of force mains at the Barcroft I, Barcroft II, Langley School, Mt. Vernon Terrance, Wellington I, Ravenwood, Springfield, Wayne Wood I, and Wayne Wood II.

- Funding in the amount of $5,673,694 is included for the regularly scheduled repair, renovation, and replacement of pumping station equipment and facilities. There will be four pump stations in the design phase and three pump stations in the construction phase in FY 2018.

- Funding in the amount of $750,000 is included for the planned replacement of sewer meters throughout the County. FY 2018 funding is provided for the continuation of replacing sewer meters used for measuring wastewater flow to and from other jurisdictions for billing and monitoring purposes as well as portable meters used in infiltration and inflow studies to measure wet weather flows.

- Funding in the amount of $1,256,000 is included for the condition assessment of 166 segments of 8 to 15 inch gravity sewer lines and provides recommendations for the rehabilitation and/or replacement alternatives. FY 2018 funding will provide for the next phase of this program, which includes construction work.

- Funding in the amount of $2,140,815 is included for the condition assessment of 49 miles of sewer lines with a diameter of 15 inches or larger and provides recommendations for the rehabilitation and/or replacement alternatives. FY 2018 funding will provide for the next phase of this program which includes construction work.

- Funding in the amount of $112,000 is included for the maintenance of the Robert P. McMath Facility that is the headquarters for the Wastewater Collection Division.

County and Regional Transportation Projects Fund

County and Regional Transportation Projects Fund supports the County's implementation of new transportation projects and is funded by the commercial and industrial real estate tax for transportation and Northern Virginia Transportation Authority (NVTA) local tax revenues. The taxing authority for commercial and industrial real property was authorized under the Transportation Funding and Reform Act of 2007 (HB 3202), approved by the Virginia General Assembly on April 4, 2007, and implemented by the Board of Supervisors as part of the FY 2009 Adopted Budget Plan. This revenue helps accelerate the County's implementation of roadway, transit and pedestrian projects.

HB 3202 allows localities to assess a tax on the value of commercial and industrial real estate and to use the proceeds on new transportation improvements. The County's FY 2018 rate is $0.125 per $100 of assessed value (the maximum allowed per state code), which will generate approximately $53.3 million in revenue. This estimate is based on current projections in the commercial real estate market.

On April 3, 2013, the Virginia General Assembly approved HB 2313, a transportation funding package. The bill included regional components for planning districts that meet certain thresholds (population, registered vehicles, and transit ridership). Northern Virginia meets these criteria for the imposition of certain taxes, and HB 2313 is expected to generate over $300 million per year for transportation projects in the region. The bill mandates that 70 percent of this regional funding be allocated by the NVTA, with the remaining 30 percent provided to the individual localities embraced within NVTA for their determination. Fairfax County's local share of HB 2313 funds is projected to be $42.7 million in FY 2017 and $43.6 million in FY 2018. By adopting the commercial and industrial property tax rate of $0.125, the County qualifies to receive these 30 percent revenues.

FY 2018 disbursements include $8.9 million for operating and staff support for project implementation; $50.9 million for capital projects; $3.0 million for EDA transportation bonds debt service; and a $34.2 million transfer to Fund 40000, County Transit Systems, for the FAIRFAX CONNECTOR for bus service.

Other Financing

Funding in the amount of $33,076,279 includes $1,575,000 that is associated with projects discussed above including $100,000 in developer default revenues and $1,475,000 in athletic services fees. The remaining $31,501,279 supports various other projects financed by other sources of revenue. Specific funding levels in FY 2018 include:

Housing:

- Funding of $147,932 is included for the Undesignated Housing Trust Fund project for reallocation to specific projects when identified and approved by both the Fairfax County Redevelopment and Housing Authority (FCRHA) and Board of Supervisors during FY 2018.

- Funding in the amount of $410,000 is included for the Land/Unit Acquisition project for reallocation to specific projects when identified and approved by both the FCRHA and Board of Supervisors during FY 2018.

Other:

- Funding in the amount of $1,904,000 will support improvements to Reston Community Center, as well as operational enhancements to the natatorium.

- Funding in the amount of $1,200,000 is included for Phase II of the Intelligent Transportation Systems (ITS) project for County Transit Systems. The Intelligent Transportation System (ITS) includes computer aided dispatching (CAD) and automatic vehicle locator (AVL) systems, mobile data terminals, automated passenger counters, stop annunciators, and real-time passenger information. Reports and information generated from the ITS system allow for more efficient scheduling, route refinements, and faster schedule development, which will increase FAIRFAX CONNECTOR operational efficiencies and provide real-time service information for riders.

- Funding in the amount of $1,100,000 is included to work with WMATA and their vendor to develop a program which will allow FAIRFAX CONNECTOR to continue using the SmarTrip fare collection system. This funding is necessary to replace the current system, which is obsolete, and will enable Fairfax County to continue participating in the regional fare program.

- Funding in the amount of $2,550,000 includes $1,600,000 to support the construction of an enclosed Solid Waste facility to handle the Hazardous Waste Materials at the I-95 Complex improving environmental conditions and customer service. The building will be comprised of two components: a base structure to provide push walls for dumping and loading activities as well as sound suppression, and a fabric structure to provide protection from the elements, as well as natural lighting with no internal columns for dumping clearance inside the structure. In addition, an amount of $950,000 will support the I-95 Landfill Lot B Redesign project.

- Funding in the amount of $24,189,347 is included for various school construction projects financed from a state construction grant, Parent Teachers Association/Parent Teacher Organization receipts, and transfers from Fund S31000, Public School Construction Fund. For more details, see the Fairfax County Public School's FY 2018 Adopted Budget.

Capital Construction and Operating Expenditure Interaction

To maintain a balanced budget, annual revenues are projected and operating and capital construction expenditures are identified to determine the County's overall requirements and funding availability. Funding levels for capital construction projects are based on the merits of a particular project together with the available funding from all financing sources, with primary reliance on General Obligation bonds. The Board of Supervisors annually reviews cash requirements for capital project financing.

The County's capital program has a direct impact on the operating budget, particularly in association with the establishment and opening of new facilities. The Board of Supervisors continues to be cognizant of the effect of the completion of capital projects on the County's operating budget. The cost of operating new or expanded facilities or infrastructure is included in the fiscal year the facility becomes operational. However, in some cases, like the construction of the expanded and renovated Courthouse, the operating impact may be absorbed gradually over several years. For example, costs associated with loose and systems furniture, moving expenses, providing for additional security and staffing, renovating existing courtrooms, implementing new courtroom technology, and setting up an Operations and Maintenance satellite shop with staff dedicated to the courthouse facility are all costs that can be phased in over time, thus spreading the operating impact over a number of years, rather than concentrating costs in the fiscal year the facility opens.

Capital projects can affect future operating budgets either positively or negatively due to an increase or decrease in maintenance costs, or by providing capacity for new programs or services. Such impacts vary widely from project to project and, as such, are evaluated individually. Operating costs resulting from the completion of a capital project differ greatly depending on the type of capital project and construction delays. A new facility, for example, will often require additional staff, an increase in utility costs, and increases in custodial, security and maintenance contracts. Conversely, a capital project that renovates an existing facility may reduce operating expenditures due to a decrease in necessary maintenance costs. For example, funding HVAC and electrical system repair or replacement projects has the potential to reduce operating expenditures by reducing costly maintenance and staff time spent addressing critical system repairs. The same is true for projects such as fire alarms, emergency generators, and carpet replacement, as well as roof repairs. Investing in aging and deteriorating building systems and components can alleviate the need for future expenditures, often resulting in significant cost avoidance. Additionally, if a system failure should occur, there is the potential that a County facility must shut down, suspending services to citizens and disrupting County business. The County's emphasis on capital renewal and preventative maintenance works to ensure these kinds of interruptions are avoided.

The opening of new County facilities results in the widest range of operating costs. For example, equipment and furniture, a book buy, additional staff, and an increase in utility costs may all be necessary to prepare for the opening of a new library or extensive library expansion/renovation. These costs are estimated as the project is developed and included in the appropriate agency budget in the year the facility becomes operational.

New, Renovated, or Expanded County Facilities in FY 2018

Facility	Fiscal Year Completion	Additional Positions	Estimated Net Operating Costs
FY 2018 New, Renovated, or Expanded Facilities			
Facilities Management Department (FMD) Operational Costs for New Facilities	FY 2018	3/3.0 FTE	$595,252
Total FY 2018 Costs		**3/3.0 FTE**	**$595,252**

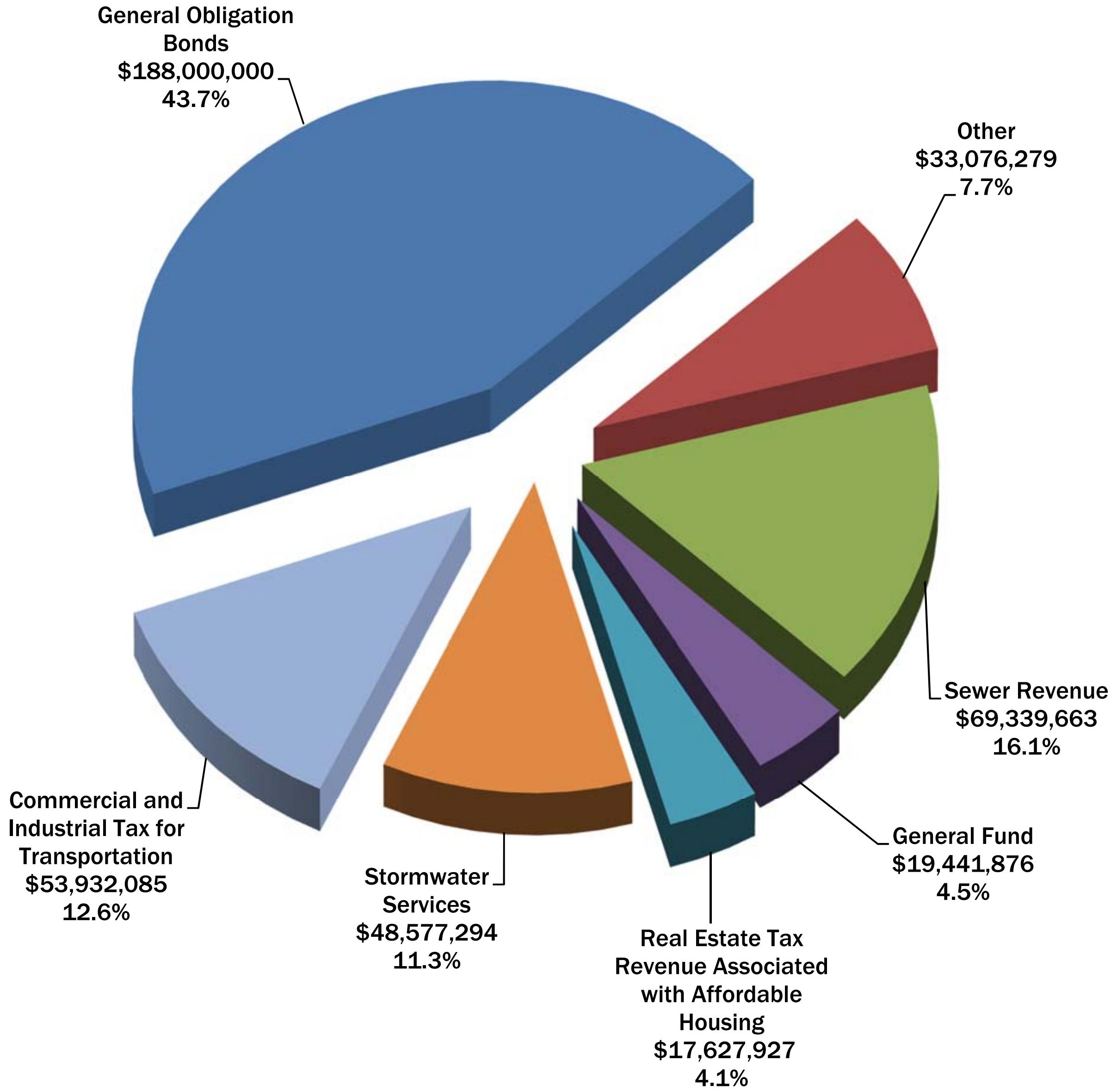
The following facilities are scheduled to open in FY 2018 or later and may require additional staffing and operating costs beginning in FY 2019. Requests for funding will be reviewed as part of the development of the annual budget in the year the facility becomes operational.

Facility	Fiscal Year Completion
Reston-Herndon Bus Operations Facility Renovations	FY 2018
West Ox Bus Operations Center Phase II	FY 2018
Tysons Pimmit Regional Library	FY 2018
Herndon Station Parking Garage	FY 2019
Innovation Center Station Parking Garage	FY 2019
John Marshall Community Library	FY 2019
Lewinsville Redevelopment	FY 2019
Burkholder Renovations	FY 2019
Lorton Fire Station	FY 2020
Jefferson Fire Station	FY 2020
Merrifield Fire Station	FY 2020
Springfield Commuter Parking Garage	FY 2021
Reston Fire Station	FY 2021
Penn Daw Fire Station	FY 2021
Woodlawn Fire Station	FY 2021
Events Center	FY 2021
Police Tactical Operations Renovation (Pine Ridge)	FY 2021
South County Police Station/Animal Shelter	FY 2022
Edsall Road Fire Station	FY 2022
Franconia Police Station	FY 2022
Courtroom Renovations Phase III and IV	TBD
Sully Community Center	TBD
Lorton Community Center	TBD
Bailey's Shelter	TBD
Mount Vernon RECenter	TBD
Patrick Henry Shelter	TBD
Embry Rucker Shelter	TBD

Summary of FY 2018 Capital Construction Program

Major segments of the County's FY 2018 Capital Construction Program are presented in several pie charts that follow to visually demonstrate the funding sources for capital expenditures. Capital construction expenditures by fund are shown in the Summary Schedule of FY 2018 Funded Capital Projects. In addition, a list of all projects funded in FY 2018 and their funding sources has been included in this section. For additional information, see the Capital Project Funds section of the Capital Construction and Other Operating Funds in Volume 2. Detailed information concerning capital projects in Fund S31000, Public School Construction, can be found in the Fairfax County Public School's FY 2018 Approved Budget.

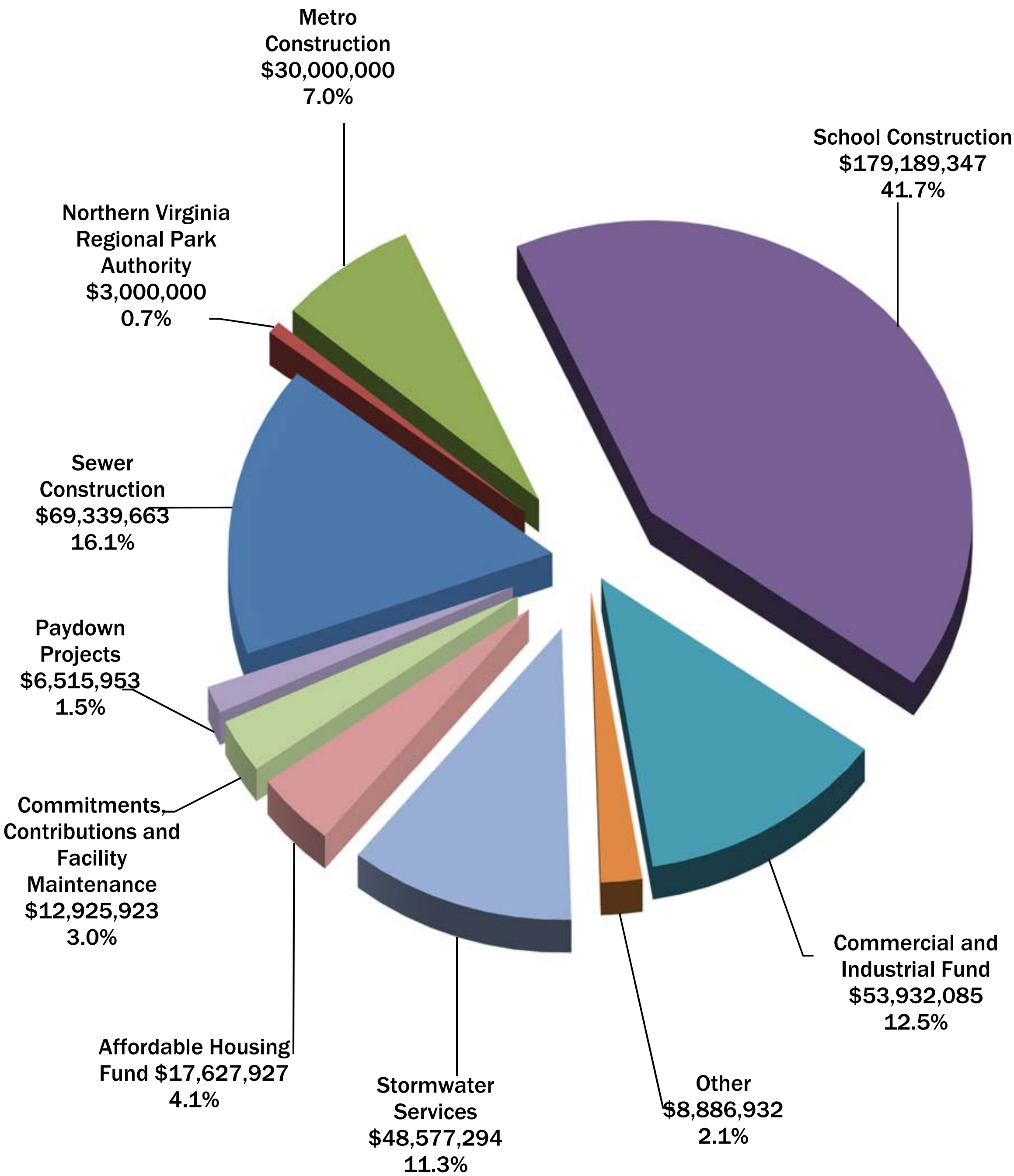
CAPITAL CONSTRUCTION PROJECTS
FY 2018 SOURCE OF FUNDS



TOTAL = $429,995,124

NOTE: This chart does not include debt service funding.

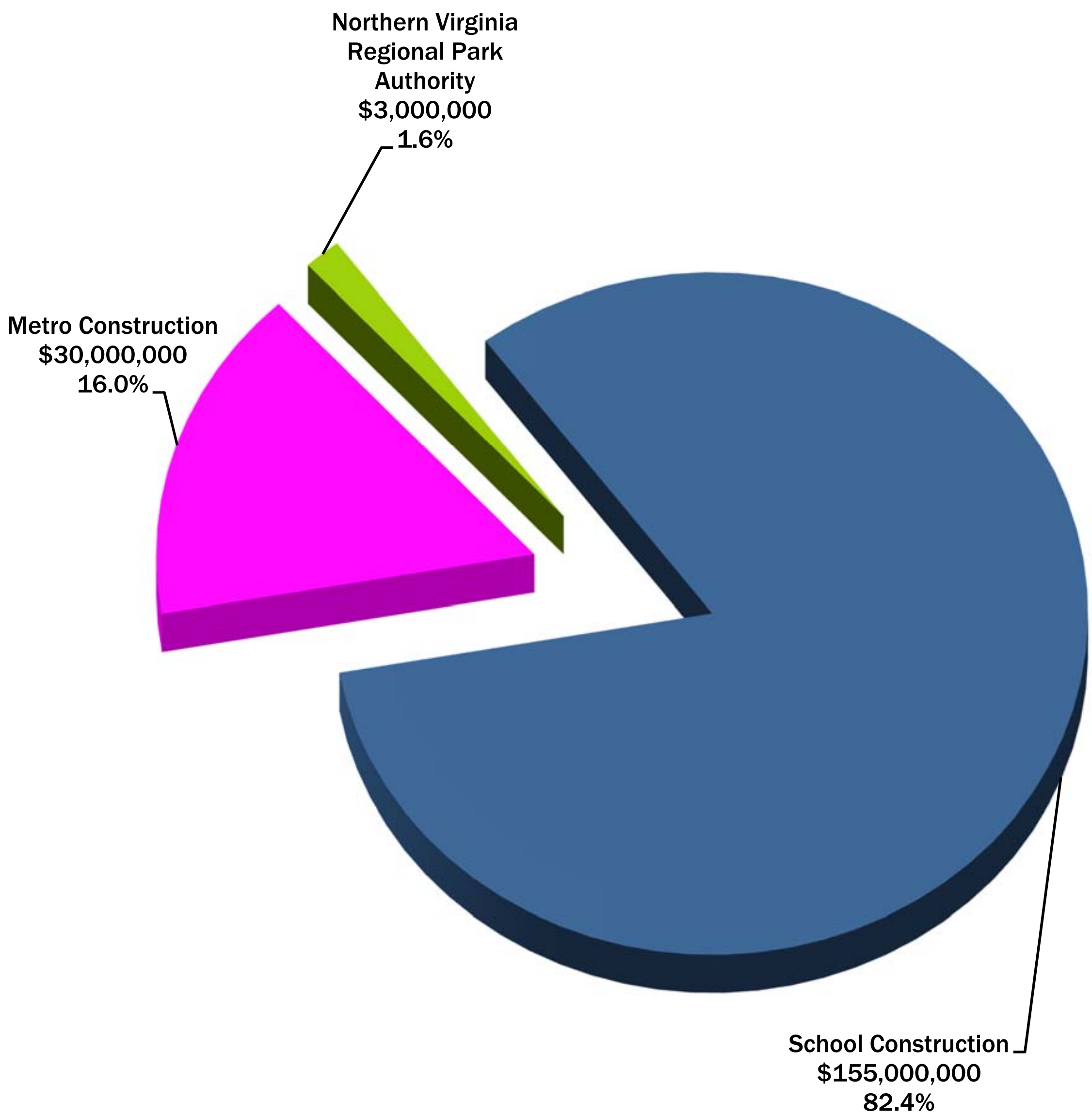
CAPITAL CONSTRUCTION PROJECTS
FY 2018 EXPENDITURES



TOTAL = $429,995,124

NOTE: This chart does not include debt service funding.

GENERAL OBLIGATION BOND FINANCED CAPITAL PROJECTS FY 2018 EXPENDITURES



TOTAL = $188,000,000

SUMMARY SCHEDULE OF FY 2018 FUNDED CAPITAL PROJECTS

					FY 2018 FINANCING			
Fund/Title	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Adopted Budget Plan	General Obligation Bonds[1]	General Fund	Federal/ State Aid	Other[2]
SPECIAL REVENUE FUNDS [3]								
40000 County Transit Systems	$3,756,965	$4,500,000	$8,440,069	$2,300,000	$0	$0	$0	$2,300,000
40010 County and Regional Transportation Projects	41,339,526	56,218,434	350,140,718	53,932,085	0	0	0	53,932,085
40050 Reston Community Center	198,525	471,300	1,416,367	1,904,000	0	0	0	1,904,000
40060 McLean Community Center	479,822	3,179,749	8,175,053	0	0	0	0	0
40100 Stormwater Services[4]	28,343,475	42,511,612	112,002,976	48,577,294	0	0	0	48,577,294
40140 Refuse Collection and Recycling	11,397	0	801,915	0	0	0	0	0
40150 Refuse Disposal	285,214	0	3,678,624	0	0	0	0	0
40170 I-95 Refuse Disposal	657,346	600,000	7,673,691	2,550,000	0	0	0	2,550,000
40300 Housing Trust Fund	1,114,980	484,155	9,216,480	557,932	0	0	0	557,932
Subtotal	**$76,187,250**	**$107,965,250**	**$501,545,893**	**$109,821,311**	**$0**	**$0**	**$0**	**$109,821,311**
DEBT SERVICE FUNDS								
20000 Consolidated County and Schools Debt Service Fund	$315,976,456	$320,522,544	$333,285,595	$341,373,647	$0	$334,362,178	$0	$7,011,469
Subtotal	**$315,976,456**	**$320,522,544**	**$333,285,595**	**$341,373,647**	**$0**	**$334,362,178**	**$0**	**$7,011,469**
CAPITAL PROJECTS FUNDS								
30000 Metro Operations and Construction[5]	$24,100,000	$30,000,000	$30,000,000	$30,000,000	$30,000,000	$0	$0	$0
30010 County Construction and Contributions	29,088,067	22,308,427	217,503,787	21,690,923	3,000,000	17,115,923	0	1,575,000
30020 Infrastructure Replacement and Upgrades	11,981,221	1,408,449	28,944,458	1,825,953	0	1,825,953	0	0
30030 Library Construction	2,916,631	0	32,003,751	0	0	0	0	0
30040 Contributed Roadway Improvement Fund	603,080	0	44,615,987	0	0	0	0	0
30050 Transportation Improvements	16,527,833	0	137,490,083	0	0	0	0	0
30060 Pedestrian Walkway Improvements	946,210	400,000	4,492,714	500,000	0	500,000	0	0
30070 Public Safety Construction	67,933,886	0	292,355,335	0	0	0	0	0
30080 Commercial Revitalization Program	297,328	0	2,023,766	0	0	0	0	0
30090 Pro Rata Share Drainage Construction	2,577,768	0	1,404,866	0	0	0	0	0
30300 The Penny for Affordable Housing Fund	12,165,986	12,251,850	46,783,387	17,627,927	0	0	0	17,627,927
30310 Housing Assistance Program	19,785	0	6,567,734	0	0	0	0	0
30400 Park Authority Bond Construction	10,987,638	0	139,551,823	0	0	0	0	0
S31000 Public School Construction	192,922,672	175,955,030	569,085,033	179,189,347	155,000,000	0	0	24,189,347
Subtotal	**$373,068,105**	**$242,323,756**	**$1,552,822,724**	**$250,834,150**	**$188,000,000**	**$19,441,876**	**$0**	**$43,392,274**

SUMMARY SCHEDULE OF FY 2018
FUNDED CAPITAL PROJECTS

Fund/Title	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Adopted Budget Plan	FY 2018 FINANCING: General Obligation Bonds[1]	FY 2018 FINANCING: General Fund	FY 2018 FINANCING: Federal/ State Aid	FY 2018 FINANCING: Other[2]
ENTERPRISE FUNDS								
69300 Sewer Construction Improvements	$86,272,087	$74,650,000	$122,430,222	$69,339,663	$0	$0	$0	$69,339,663
69310 Sewer Bond Construction	16,030,594	104,993,827	138,772,965	0	0	0	0	0
Subtotal	**$102,302,681**	**$179,643,827**	**$261,203,187**	**$69,339,663**	**$0**	**$0**	**$0**	**$69,339,663**
TOTAL	**$867,534,492**	**$850,455,377**	**$2,648,857,399**	**$771,368,771**	**$188,000,000**	**$353,804,054**	**$0**	**$229,564,717**

[1] The sale of bonds is presented here for planning purposes. Actual bond sales are based on cash needs in accordance with Board policy.

[2] Other financing includes developer contributions and payments, sewer system revenues, transfers from other funds, pro rata deposits, special revenue funds, and fund balances.

[3] Reflects the capital construction portion of total expenditures.

[4] As part of the FY 2010 Adopted Budget Plan, a service district was created to support stormwater management operating and capital requirements, as authorized by Code of Virginia Ann. sections 15.2-2400.

[5] Reflects capital construction portion of Metro expenses net of State Aid.

FY 2018 FUNDED CAPITAL PROJECTS
(For additional information see referenced Fund narratives)

Fund	Project Name	Project	FY 2018 Adopted Total	General Fund	General Obligation Bonds	Athletic Services Fee	Sewer Revenues	Stormwater Revenues	Penny for Affordable Housing	Commercial and Industrial Revenues	Other Revenues
30000	Metro Operations and Construction Contribution	N/A	$30,000,000		$30,000,000						
30010	Athletic Field Maintenance	2G51-002-000	$2,700,000	$2,700,000							
30010	Athletic Fields – APRT Amenity Maintenance	2G79-220-000	$50,000	$50,000							
30010	Athletic Fields - FCPS Lighting	PR-000082	$250,000	$250,000							
30010	Athletic Fields - Park Maintenance at FCPS	2G51-001-000	$860,338	$860,338							
30010	Athletic Services Fee - Custodial Support	2G79-219-000	$275,000			$275,000					
30010	Athletic Services Fee - Diamond Field Maintenance	2G51-003-000	$1,000,000	$750,000		$250,000					
30010	Athletic Services Fee - Sports Scholarships	2G79-221-000	$150,000	$75,000		$75,000					
30010	Athletic Services Fee - Turf Field Development	PR-000080	$75,000			$75,000					
30010	Athletic Services Fee - Turf Field Replacement	PR-000097	$2,250,000	$1,450,000		$800,000					
30010	Developer Defaults	2G25-020-000	$300,000	$200,000							$100,000
30010	EIP - Environmental Initiatives	2G02-001-000	$179,000	$179,000							
30010	EIP - Invasive Plant Removal	2G51-032-000	$200,000	$200,000							
30010	EIP - Park Lighting and Energy Retrofits	2G51-034-000	$156,000	$156,000							
30010	Laurel Hill Development - FMD	2G08-001-000	$860,000	$860,000							
30010	Laurel Hill Development - Parks	2G51-008-000	$400,000	$400,000							
30010	NOVA Community College Contribution	2G25-013-000	$2,540,993	$2,540,993							
30010	NVRPA Contribution	2G06-003-000	$3,000,000		$3,000,000						
30010	Parks-Preventative Maintenance And Inspections	2G51-007-000	$484,000	$484,000							
30010	Parks - Building/Structures Reinvestment	PR-000109	$925,000	$925,000							
30010	Parks - Infrastructure/Amenities Upgrade	PR-000110	$765,000	$765,000							
30010	Parks - Ground Maintenance	2G51-006-000	$476,000	$476,000							
30010	Payments Of Interest On Bond Deposits	2G06-002-000	$50,000	$50,000							
30010	Reinvestment and Repairs to County Roads	2G25-021-000	$600,000	$600,000							
30010	Revitalization Maintenance - CRP Areas	2G25-014-000	$750,000	$750,000							
30010	Revitalization Maintenance - Tysons	2G25-088-000	$460,000	$460,000							
30010	Salona Property Payment	2G06-001-000	$859,592	$859,592							
30010	School-Aged Child Care Contribution	2G25-012-000	$1,000,000	$1,000,000							
30010	Survey Control Network Monumentation	2G25-019-000	$75,000	$75,000							
30020	Roof Repairs and Waterproofing	GF-000010	$1,825,953	$1,825,953							
30060	Reinvestment and Repairs to County Walkways	2G25-057-000	$500,000	$500,000							
30300	Affordable/Workforce Housing	2H38-072-000	$297,500						$297,500		
30300	Bridging Affordability Program	2H38-084-000	$3,000,000						$3,000,000		
30300	Crescent Apartments Debt Service	2H38-075-000	$2,494,372						$2,494,372		
30300	Housing Blueprint Project	2H38-180-000	$6,083,398						$6,083,398		
30300	Wedgewood Debt Service	2H38-081-000	$5,752,657						$5,752,657		
40000	Connector Intelligent Transportation System	3G40-003-000	$1,200,000								$1,200,000
40000	Farebox Upgrade/Replacement	TF-000039	$1,100,000								$1,100,000
40010	Construction Reserve	2G40-001-000	$22,570,023							$22,570,023	
40010	Construction Reserve NVTA 30%	2G40-107-000	$26,668,964							$26,668,964	
40010	EDA Revenue Bond-Debt Service	2G40-125-000	$3,000,000							$3,000,000	
40010	Herndon NVTA 30% Capital	2G40-105-000	$998,226							$998,226	
40010	Vienna NVTA 30% Capital	2G40-106-000	$694,872							$694,872	

FY 2018 FUNDED CAPITAL PROJECTS
(For additional information see referenced Fund narratives)

Fund	Project Name	Project	FY 2018 Adopted Total	General Fund	General Obligation Bonds	Athletic Services Fee	Sewer Revenues	Stormwater Revenues	Penny for Affordable Housing	Commercial and Industrial Revenues	Other Revenues
40050	Reston Com. Center-Improvements	CC-000001	$804,000								$804,000
40050	Reston Com. Center-Natatorium Mechanical System	CC-000009	$1,100,000								$1,100,000
40100	Conveyance System Inspection/Development	2G25-028-000	$2,000,000					$2,000,000			
40100	Conveyance System Rehabilitation	SD-000034	$5,000,000					$5,000,000			
40100	Dam Safety and Facility Rehabilitation	SD-000033	$7,500,000					$7,500,000			
40100	Emergency and Flood Response Projects	SD-000032	$1,000,000					$1,000,000			
40100	Flood Prevention-Huntington Area-2012	SD-000037	$3,000,000					$3,000,000			
40100	NVSWD Contributory	2G25-007-000	$527,730					$527,730			
40100	Occoquan Monitoring Contributory	2G25-008-000	$123,445					$123,445			
40100	Stormwater Allocation to Towns	2G25-027-000	$800,000					$800,000			
40100	Stormwater Regulatory Program	2G25-006-000	$6,500,000					$6,500,000			
40100	Stream and Water Quality Improvements	SD-000031	$22,126,119					$22,126,119			
40170	I-95 Landfill Lot B Redesign	SW-000020	$950,000								$950,000
40170	I-95 Transfer/Materials Recovery Fac.	SW-000022	$1,600,000								$1,600,000
40300	Land/Unit Acquisition	2H38-066-000	$410,000								$410,000
40300	Undesignated Housing Trust Fund	2H38-060-000	$147,932								$147,932
69300	Alexandria WWTP Upgrades and Rehabilitation	WW-000021	$18,034,000				$18,034,000				
69300	Arlington WWTP Rehabilitation	WW-000020	$1,164,000				$1,164,000				
69300	Blue Plains WWTP Upgrades and Rehabilitation	WW-000022	$12,424,000				$12,424,000				
69300	Collection System Replacement and Rehabilitation	WW-000007	$5,616,773				$5,616,773				
69300	Extension and Improvement Projects	WW-000006	$3,000,000				$3,000,000				
69300	Force Main Rehabilitation	WW-000008	$4,487,642				$4,487,642				
69300	Integrated Sewer Metering	WW-000005	$750,000				$750,000				
69300	Large Diameter Pipe Rehabilitation and Replacement	WW-000026	$2,140,815				$2,140,815				
69300	Noman Cole Treatment Plant Renewal	WW-000009	$14,680,739				$14,680,739				
69300	Pumping Station Rehabilitation	WW-000001	$5,673,694				$5,673,694				
69300	Robert P. McMath Facility Improvements	WW-000004	$112,000				$112,000				
69300	Sewer Sag Program	WW-000024	$1,256,000				$1,256,000				
S31000	Public School Construction	N/A	$179,189,347		$155,000,000						$24,189,347
		Total	$429,995,124	$19,441,876	$188,000,000	$1,475,000	$69,339,663	$48,577,294	$17,627,927	$53,932,085	$31,601,279

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FY 2018

Adopted Budget Plan

Trends and Demographics

HOUSEHOLD TAX ANALYSES

The following analyses illustrate the impact of selected County taxes on the "typical" household from FY 2012 to FY 2018. This period provides five years of actual data, estimates for FY 2017 based on year-to-date experience, and projections for FY 2018. Historical dollar amounts are converted to FY 2018 dollar equivalents for comparison purposes using the Consumer Price Index for All Urban Consumers (CPI-U) for the Washington-Baltimore area. The Washington metropolitan area has experienced average annual inflation of 1.3 percent from FY 2012 to FY 2016. Projections for inflation in FY 2017 and FY 2018 are based on a forecast of 2.4 percent in FY 2017 and 2.3 percent in FY 2018 using forecasts from the Congressional Budget Office.

HOUSEHOLD TAXATION TRENDS: SELECTED CATEGORIES FY 2012 - FY 2018

The charts on the following pages show the trends in selected taxes (Real Estate Taxes, Personal Property Taxes, Sales Taxes and Consumer Utility Taxes) paid by the "typical" household in Fairfax County. The Real Estate Tax analysis includes the adopted FY 2018 Real Estate tax rate of $1.13 per $100 of assessed value. It is important to note that the following data are not intended to depict a comprehensive picture of a household's total tax burden in Fairfax County.

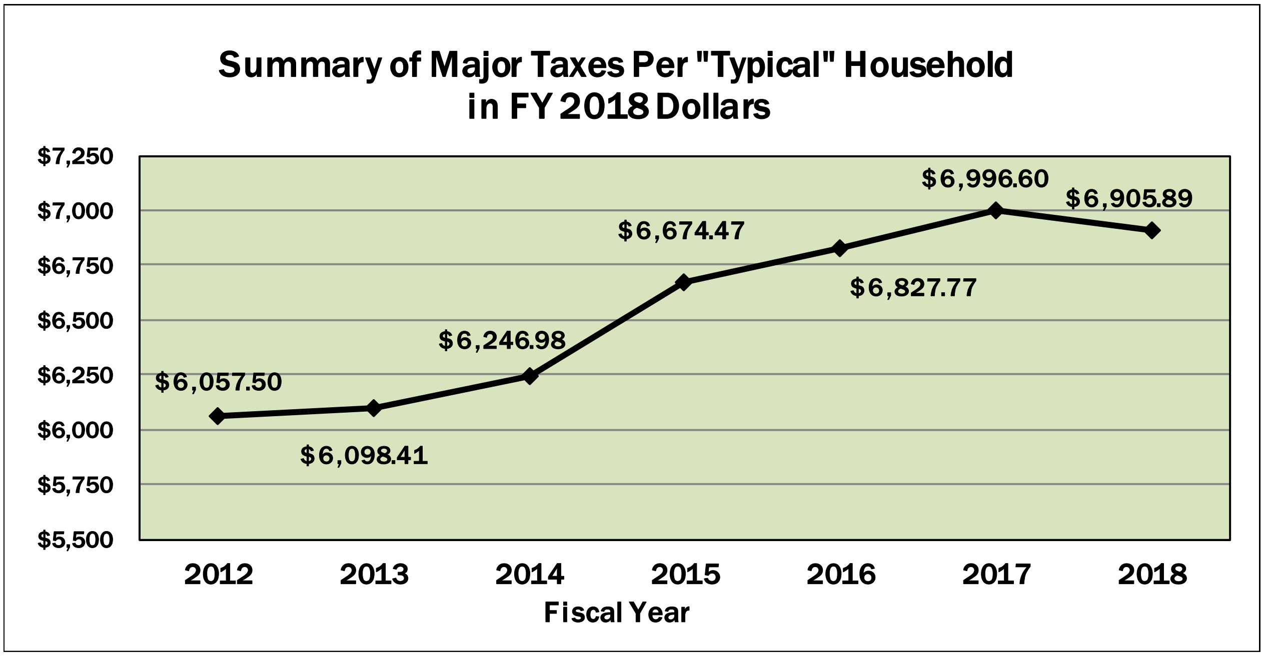
The "typical" household in Fairfax County is projected to pay $6,905.89 in selected County General Fund taxes in FY 2018, $90.71 less than in FY 2017 after adjusting for inflation. From FY 2012 to FY 2018, the inflation adjusted County taxes paid by the "typical" household have increased $848.39. Note that taxes paid in FY 2012 through FY 2018 reflect the Commonwealth's Personal Property Tax Relief Act, which reduces an individual's Personal Property Tax liability on vehicles valued up to $20,000 (see the section entitled "Personal Property Tax per Typical Household" for more information.)

Summary of Major Taxes Per "Typical" Household

	Number of Households	Real Estate Tax in FY 2018 Dollars	Personal Property Tax in FY 2018 Dollars[1]	Sales Tax in FY 2018 Dollars	Consumer Utility Tax in FY 2018 Dollars	Total Taxes in FY 2018 Dollars[1]
FY 2012	398,700	$5,256.39	$290.08	$450.34	$60.69	$6,057.50
FY 2013	399,500	$5,233.55	$352.19	$452.00	$60.67	$6,098.41
FY 2014	401,000	$5,396.35	$351.13	$439.07	$60.43	$6,246.98
FY 2015	403,900	$5,788.95	$362.47	$463.70	$59.35	$6,674.47
FY 2016	402,400	$5,927.64	$376.85	$465.56	$57.72	$6,827.77
FY 2017[2]	405,200	$6,121.74	$367.66	$451.51	$55.69	$6,996.60
FY 2018[2]	407,850	$6,024.80	$377.54	$449.46	$54.09	$6,905.89

[1] Personal Property Taxes paid incorporate reductions in Personal Property Tax bills sent to citizens under the state's Personal Property Tax Relief program. The reductions were 68.0 percent in FY 2012, 63.0 percent in both FY 2013 and FY 2014, 62.0 percent in FY 2015, FY 2016, and FY 2017. The reduction in FY 2018 is set at 60.5 percent. The difference in revenue will be paid to the County by the Commonwealth.

[2] Estimated.



Real Estate Tax
Per "Typical" Household

	Mean Assessed Value of Residential Property	Tax Rate per $100	Tax per Household	Tax per Household in FY 2018 Dollars
FY 2012	$445,533	$1.070	$4,767.20	$5,256.39
FY 2013	$449,964	$1.075	$4,837.11	$5,233.55
FY 2014	$467,394	$1.085	$5,071.22	$5,396.35
FY 2015	$500,146	$1.090	$5,451.59	$5,788.95
FY 2016	$519,134	$1.090	$5,658.56	$5,927.64
FY 2017[1]	$529,567	$1.130	$5,984.11	$6,121.74
FY 2018[1]	$533,168	$1.130	$6,024.80	$6,024.80

[1] Estimated.

As shown in the preceding table, Real Estate Taxes per "typical" household are projected to increase $40.69 between FY 2017 and FY 2018 to $6,024.80, not adjusting for inflation. This increase is the result of the 0.68 percent increase in the mean assessed value of residential properties within the County and no change in the General Fund Real Estate Tax rate of $1.13 per $100 of assessed value.

Since FY 2012, Real Estate Taxes have increased $1,257.60, or an average annual increase of 4.0 percent per year, not adjusting for inflation. Adjusted for inflation, Real Estate Taxes per "typical" household are $768.41 more than in FY 2012, an average annual increase of 2.3 percent.

Personal Property Tax
Per "Typical" Household

	Personal Property Taxes Attributed to Individuals	Number of Households	Tax per Household	Tax per Household in FY 2018 Dollars	After PPTRA: Adjusted Tax per Household[1]	After PPTRA: Adjusted Tax per Household in FY 2018 Dollars[1]
FY 2012	$327,790,000	398,700	$822.15	$906.51	$263.09	$290.08
FY 2013	$351,467,917	399,500	$879.77	$951.87	$325.51	$352.19
FY 2014	$357,621,289	401,000	$891.82	$949.00	$329.97	$351.13
FY 2015	$362,819,728	403,900	$898.29	$953.88	$341.35	$362.47
FY 2016	$380,942,855	402,400	$946.68	$991.70	$359.74	$376.85
FY 2017[2]	$383,229,914	405,200	$945.78	$967.53	$359.40	$367.66
FY 2018[2]	$389,817,697	407,850	$955.79	$955.79	$377.54	$377.54

[1] Personal Property Taxes paid incorporate reductions in Personal Property Tax bills sent to citizens under the state's Personal Property Tax Relief program. The reductions were 68.0 percent in FY 2012, 63.0 percent in both FY 2013 and FY 2014, 62.0 percent in FY 2015, FY 2016, and FY 2017. The reduction in FY 2018 is set at 60.5 percent. The difference in revenue will be paid to the County by the Commonwealth.

[2] Estimated.

Personal Property Taxes paid by the "typical" household are shown in the preceding chart. Personal Property Taxes paid reflect the Commonwealth of Virginia's Personal Property Tax Relief Act (PPTRA), which reduces an individual's Personal Property Tax payment. In FY 2007, statewide reimbursements were capped at $950 million, with each locality receiving a percentage allocation from this fixed amount determined by the locality's share of statewide tax year 2004 collections. Each year, County staff must determine the reimbursement percentage based on the County's fixed reimbursement of $211.3 million and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage attributed to the state will fluctuate. Based on a County staff analysis, the effective state reimbursement percentage was 68.0 percent in FY 2012, 63.0 percent in both FY 2013 and FY 2014, and 62.0 percent in FY 2015, FY 2016, and FY 2017. The reimbursement percentage in FY 2018 is set at 60.5 percent.

The tax per household analysis shown above assumes that the "typical" household's vehicle(s) are valued at $20,000 or less in order to qualify for a reduction under the PPTRA. Adjusted for inflation, Personal Property Taxes per "typical" household are projected to increase $9.88 between FY 2017 and FY 2018 to $377.54. The FY 2018 Personal Property Tax per "typical" household is $114.45 higher than what was paid in FY 2012, not adjusting for inflation. When adjustments are made for inflation, the "typical" household is projected to pay $87.46 more in FY 2018 than FY 2012. There have been no changes to the Personal Property Tax rate of $4.57 per $100 of assessed value for individuals during the FY 2012 to FY 2018 period, except for mobile homes and boats which are taxed at the prevailing Real Estate Tax rate each fiscal year.

The FY 2018 Adopted Budget Plan also includes an annual Vehicle Registration Fee on motor vehicles. The fee will be levied at $33 for passenger vehicles that weigh 4,000 pounds or less and $38 on passenger vehicles that weight more than 4,000 pounds. The fee for motorcycles is $18.

Sales Tax
Per "Typical" Household

	Total Sales Tax	Number of Households	Tax per Household	Tax per Household in FY 2018 Dollars
FY 2012	$162,839,599	398,700	$408.43	$450.34
FY 2013	$166,893,847	399,500	$417.76	$452.00
FY 2014	$165,459,545	401,000	$412.62	$439.07
FY 2015	$176,374,517	403,900	$436.68	$463.70
FY 2016	$178,839,665	402,400	$444.43	$465.56
FY 2017[1]	$178,839,665	405,200	$441.36	$451.51
FY 2018[1]	$183,310,657	407,850	$449.46	$449.46

[1] Estimated.

As shown in the table above, FY 2018 Sales Tax paid per household is estimated to be $449.46 or $41.03 more than FY 2012, not adjusting for inflation. This represents an average annual increase of 1.6 percent since FY 2012. Adjusting for inflation, FY 2018 Sales Tax paid per household is essentially unchanged compared to FY 2012, decreasing just $0.88 during this period.

Because this analysis assumes all Sales Taxes are paid by individuals living in Fairfax County, the impact on the typical household is somewhat overstated. A segment of the County's Sales Tax revenues are paid by businesses and non-residents who either work in the County or are visiting. As the County becomes more of a major employment hub in the region, the contribution of non-residents to the County's Sales Tax revenues will continue to expand.

Consumer Utility Taxes - Gas & Electric
Per "Typical" Household

	Total Consumer Utility Taxes Paid by Residential Consumers	Number of Households	Tax per Household	Tax per Household in FY 2018 Dollars
FY 2012	$21,943,780	398,700	$55.04	$60.69
FY 2013	$22,399,854	399,500	$56.07	$60.67
FY 2014	$22,771,865	401,000	$56.79	$60.43
FY 2015	$22,573,422	403,900	$55.89	$59.35
FY 2016	$22,171,148	402,400	$55.10	$57.72
FY 2017[1]	$22,060,293	405,200	$54.44	$55.69
FY 2018[1]	$22,060,293	407,850	$54.09	$54.09

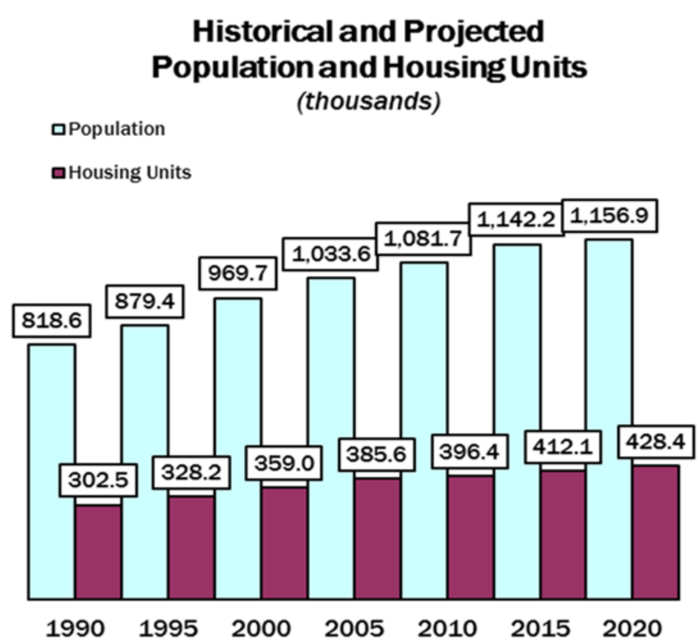
[1] Estimated.

Based on data from the utility companies, it is estimated that residential consumers pay approximately 43.0 percent of the Electric Taxes and 73.0 percent of the Gas Taxes received by the County. Utility Taxes per household have remained relatively stable from FY 2012 through FY 2018. In FY 2018, the "typical" household will pay an estimated $54.09 in Consumer Utility Taxes, $0.95 less than in FY 2012, without adjusting for inflation. From FY 2012 to FY 2018, the "typical" household has experienced an average annual decrease of 1.9 percent, or $6.60 over the period, adjusted for inflation.

DEMOGRAPHIC TRENDS

Demographic trends strongly influence Fairfax County's budget. Changing demographics or population characteristics affect both the cost of government services provided, as well as tax revenues. The descriptions and charts contained in this section provide some examples of how various demographic trends affect the Fairfax County budget. Although these trends are discussed separately, the interactions between these demographic trends ultimately influence the direction of expenditures and revenues. While certain demographic trends may suggest reduced expenditures in a program area, other demographic trends may increase program expenditures at the same time. The following information is based on the most recent data available at the time of publication.

Population and Housing

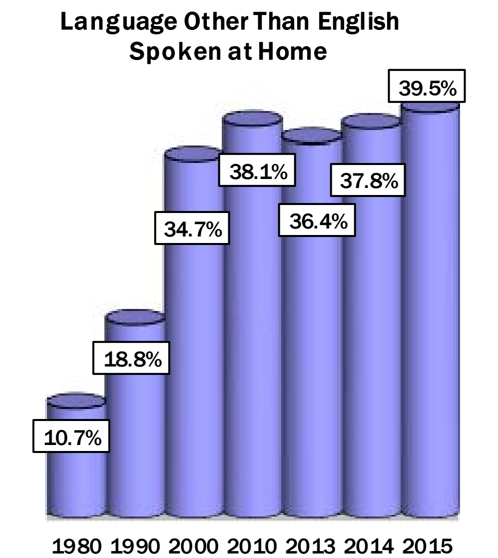


Sources: 1990, 2000 and 2010 U.S. Decennial Censuses; 2015 American Community Survey, Fairfax County Department of Neighborhood and Community Services.

Some of the strongest demographic influences on Fairfax County expenditures and revenues are those associated with the growth in total population and housing units. From 1990 to 2000, the County added over 151,100 residents. This increase in Fairfax County's population between 1990 and 2000 is comparable to adding more than the entire population of the City of Alexandria to the County. The County's population growth decelerated, adding 112,000 residents between 2000 and 2010. Based on the 2015 American Community Survey, Fairfax County had a population of 1,142,234 residents in 2015. Between 2010 and 2020, the population of Fairfax County is expected to increase over 75,200 residents to 1,156,852.

Between 1990 and 2000, housing units grew 18.7 percent, just slightly above population growth of 18.5 percent. From 2000 to 2010, this trend reversed, with population growth at 11.5 percent, surpassing housing unit growth of 10.4 percent. From 2010 to 2020, population and housing units are anticipated to grow 7.0 percent and 8.1 percent, respectively. Many County programs, such as fire prevention, transit, water and sewer, are impacted by the number of housing units. Other program areas such as libraries, recreation, and schools, are impacted more by the growth in population.

Cultural Diversity

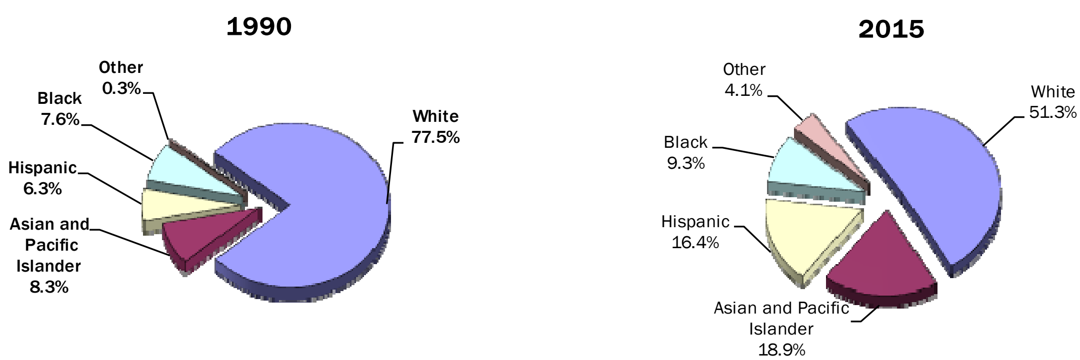


Sources: 1980, 1990, 2000 and 2010 U.S. Decennial Censuses; 2013, 2014, and 2015 American Community Surveys.

Fairfax County's population is rich in diversity. Based on the 2015 American Community Survey, the number of persons speaking a language other than English at home is estimated to be approximately 420,607 residents, or 39.5 percent of the County's population age five years or older. In 1980, less than 11 percent of residents age five years or older spoke a language other than English at home. This percentage rose to nearly 19 percent in 1990. By 2000, it was 34.7 percent. The most frequently spoken languages other than English include Spanish, Korean, Vietnamese and Chinese.

These language trends affect many County programs. For example, the Fairfax County Public Schools have experienced rapid growth in English for Speakers of Other Languages (ESOL) programs. Between FY 2000 and FY 2016, total public school membership increased 20.4 percent, while ESOL enrollment grew 131.1 percent. Also, general government services such as the courts, police, fire and emergency medical services, as well as human service programs and tax related programs are impacted by the County's cultural and language diversity. The County continues to develop various means to effectively communicate with residents for whom English is not their native language.

Racial / Ethnic Composition



Sources: 1990 U.S. Decennial Census and 2015 American Community Survey.

In 1990, racial and ethnic minorities comprised less than a quarter of Fairfax County's population. In 2015, almost 49 percent of County's population consisted of ethnic minorities. The two fastest growing groups are Hispanics and Asians and Pacific Islanders, which have both more than doubled their share of the County's population between 1990 and 2015. These two minority groups are anticipated to remain the County's most rapidly expanding racial or ethnic groups during the next five years. As the County's population continues to become more diverse, the number of persons speaking a language other than English at home is anticipated to continue to grow and impact a wide range of services provided by the County.

Population Age Distribution

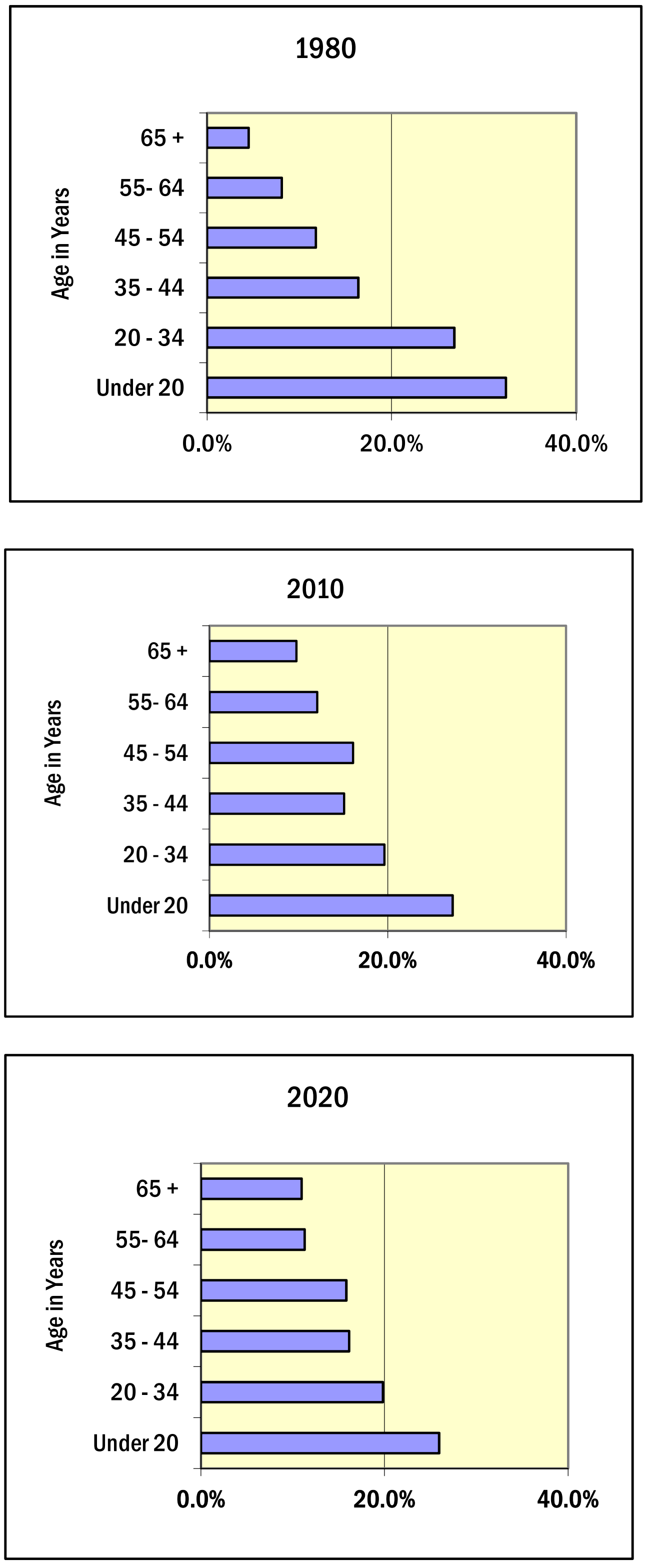
Fairfax County's population has grown steadily older since 1980. Between 1980 and 2010, the percentage of children age 19 years and younger became a smaller proportion of the total population, dropping from 32.4 percent to 26.4 percent in 2010. It is anticipated that the percentage of children will remain fairly steady through 2020, with the percentage of those 19 years old and younger decreasing slightly to 26.2 percent.

The number of adults age 45 to 54 years expanded rapidly between 1980 and 2010, as the first "baby boomers" began to enter into their fifties. This age group's sharp growth trend will begin to reverse between 2010 and 2020, as the final "baby boomers" enter this age group and the oldest of the "baby boom" generation move to the next age group.

Between 1980 and 2010, the seniors' population, those age 65 years and older, more than doubled in size and was the fastest growing segment of County residents. This age group is expected to continue increasing in size, with its share of the population reaching 13.1 percent by 2020.

The age distribution of Fairfax County's population greatly impacts the demand and, therefore, the costs of providing many local government services. For example, the number, location, and size of school and day care facilities are directly affected by the number and proportion of children. Transportation expenditures for both street maintenance and public transportation are influenced by the number and proportion of driving age adults and their work locations. The growing number of persons age 65 years and older will influence expenditures for programs such as adult day care, senior centers, and health care.

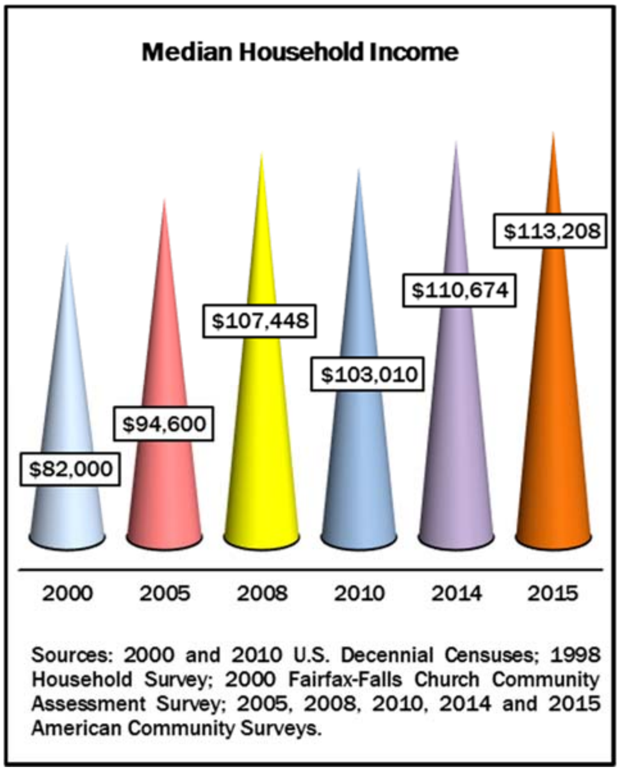
Population Age Distribution



Sources: 1980 and 2010 U.S. Decennial Censuses and 2020 Fairfax County Department of Neighborhood and Community Services estimate.

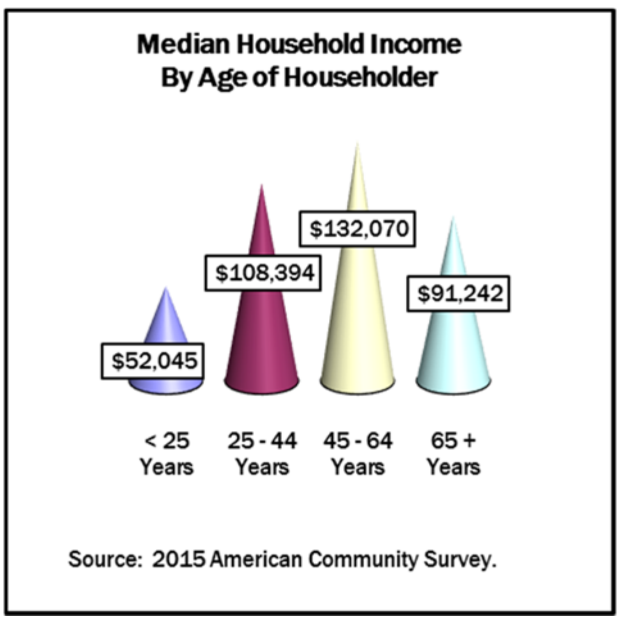
Public safety programs also are impacted by age demographics. Crime rates, for example, are highest among persons age 15 to 34. In addition, the youngest and the oldest drivers have the greatest probability of being involved in traffic accidents.

Household Income



The median household income in Fairfax County was $113,208 in 2015, one of the highest in the nation for counties with a population of 250,000 or more. Fairfax County's 2015 median household income increased 2.3 percent compared to 2014. Consequently, households in Fairfax County had more disposable income to spend or save. Since 2000, median household income in the County has risen at a rate of 2.2 percent per year.

Income growth does not directly impact Fairfax County tax revenues because localities in Virginia do not tax income; however, revenues are indirectly affected because changes in income impact the County's economic health. Tax categories affected by income include Sales Tax receipts, Residential Real Estate Taxes and Personal Property Taxes.



Incomes peak among persons aged 45 to 64 years, who are in their prime earning years. As the number of households headed by this age group is projected to shrink during the next 10 years, various tax revenues may be impacted. Sales Tax revenues, for instance, may experience more modest growth. The median income for heads of households between the ages of 45 and 64 was $132,070 in 2015.

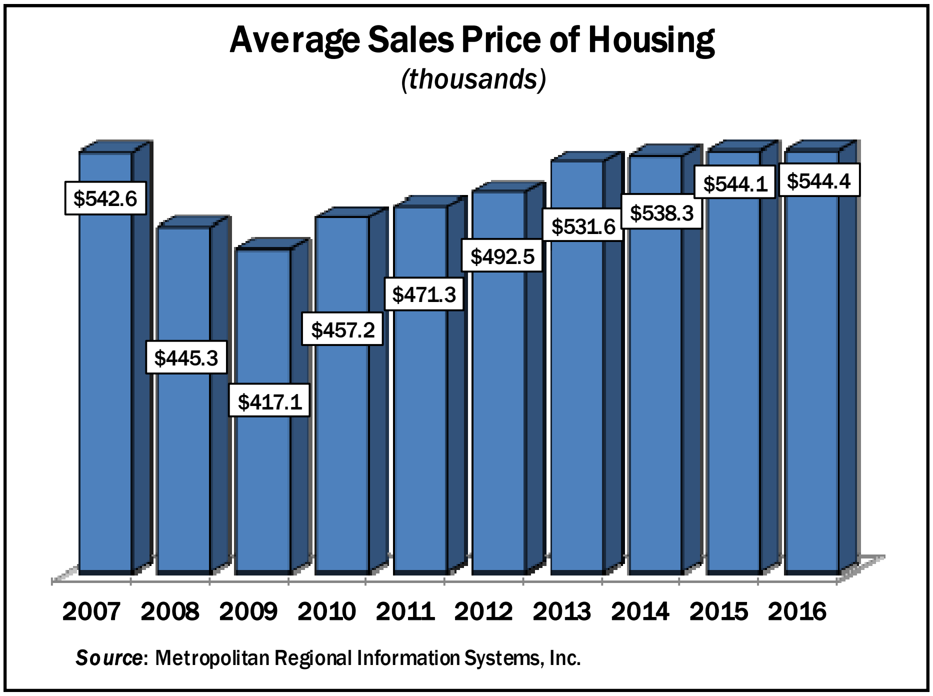
The median household income of people age 65 or older drops to $91,242. A population containing a larger number of seniors, age 65 and older, will put downward pressure on tax revenues. These senior households are typically on a fixed income and have less discretionary money to spend. In addition, persons in this age group own fewer motor vehicles and may qualify for Real Estate Tax Relief.

ECONOMIC TRENDS

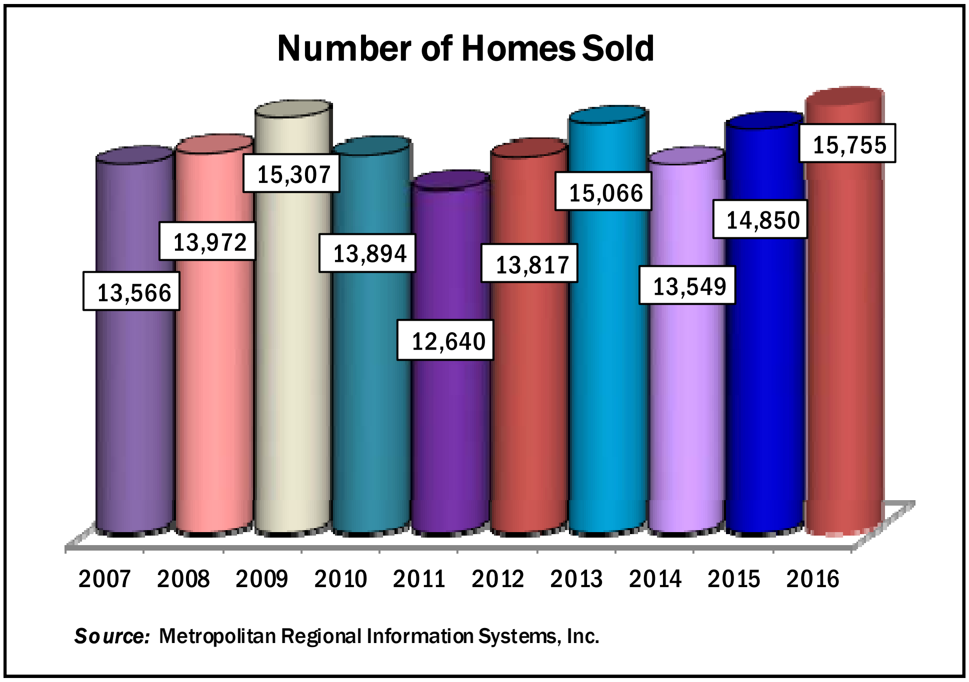
Housing Market

In FY 2018, Real Estate Tax revenue is projected to comprise over 64 percent of all General Fund Revenues and residential properties make up the majority of the value of the Real Estate Tax base. As a result, the changes in the residential housing market have a very significant impact on Fairfax County's revenues.

Average Sales Price of Housing



Based on data from the Metropolitan Regional Information Systems, Inc. (MRIS), the average sales price for all types of homes sold in Fairfax County increased just 0.1 percent from $544,055 in 2015 to $544,416 in 2016. Due to the recession, home prices fell each year from 2006 through 2009. Since 2009, the average sales price of housing has risen 30.5 percent, although gains have flattened in recent years, with the average sales price increasing just 2.4 percent since 2013.

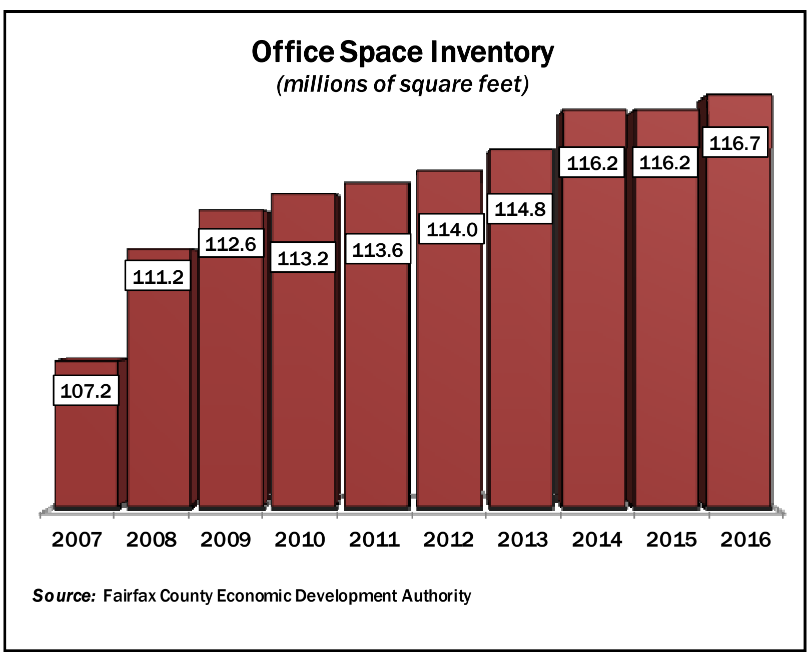


Homes Sold in Fairfax County

Based on data from MRIS, 15,755 homes were sold in Fairfax County during 2016, a 6.1 percent increase over the 14,850 sold in 2015. The number of homes sold peaked in 2004, when 25,717 homes were sold and hit a nine-year low of 12,640 in 2011. Including 2016, the number of homes sold has averaged 14,718 over the past three years. The average days on the market for active residential real estate listings in Fairfax County was 52 days for all of 2016 – the same as in 2015.

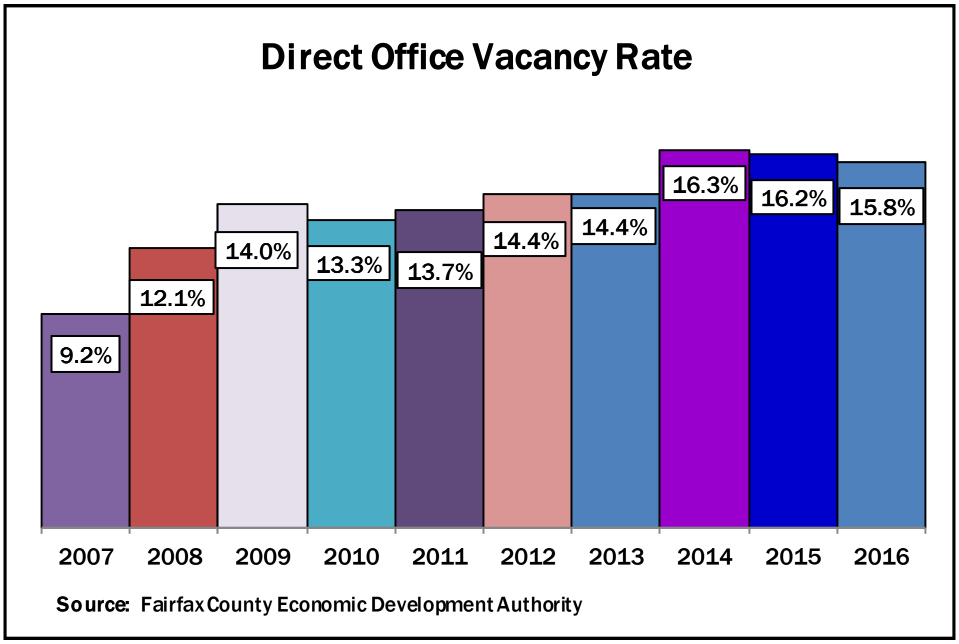
Office Market

Business activity has an effect on Real Estate Taxes, business Personal Property Tax revenues and Business, Professional and Occupational License (BPOL) revenues. Business expansion also influences expenditures for water and sewer services, transportation improvements, police and fire services, and refuse disposal. According to the Fairfax County Economic Development Authority, the commercial real estate market in 2016 remained steady.



Office Space Inventory

The largest component of non-residential space in the County is office space. The office space inventory was 116.7 million square feet as of year-end 2016, an increase of 0.5 million square feet over 2015. Since 2007, the total inventory of office space in Fairfax County has risen about 9.5 million square feet. As of year-end 2016, more than 3.1 million square feet of space were under construction in the County. More than 58 percent of the space under construction has been preleased. Also, submarkets near Metro stations, especially Reston and Tysons on the Silver Line, have begun to see increased redevelopment activity as older buildings are demolished to make way for new development.



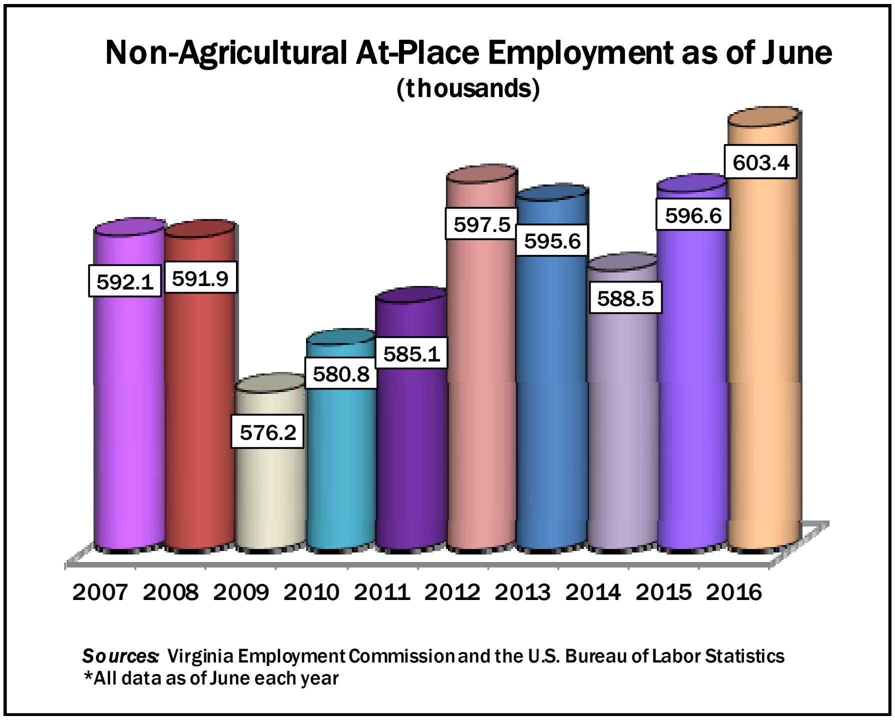
Office Vacancy Rates

The direct office vacancy rate decreased from 16.2 percent in 2015 to 15.8 percent as of year-end 2016. The rate has decreased for two years in a row. Demand for newer space, and space near Metro stations, remained strong while many older properties experienced increased vacancies. Including sublet space, the overall office vacancy rate as of year-end 2016 was 16.8 percent, down from the 17.2 percent recorded as of year-end 2015. The amount of empty office space fell to 19.6 million square feet. Industry experts anticipate vacancy rates to remain high through 2017 as tenants monitor economic conditions and the direction of the federal budget.

New office deliveries exceeded 500,000 square feet during 2016. This compares to approximately 370,000 square feet of space delivered in all of 2015. Total office leasing activity in 2016 was 10.7 million square feet, up from 10.3 million square feet leased in 2015.

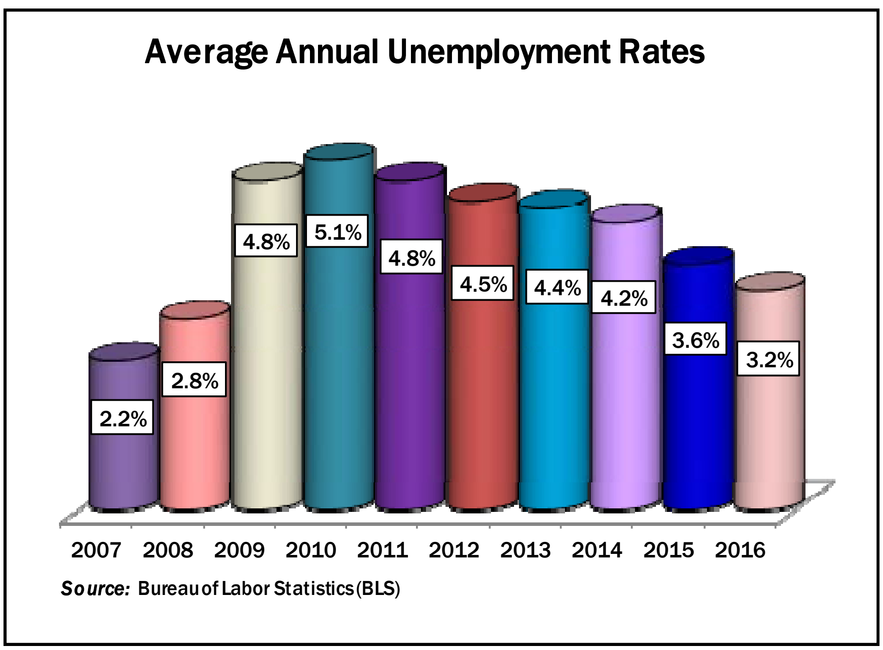
Employment

Employment serves as a gauge of the number of jobs created by businesses located in Fairfax County. Growth in both employment and the number of businesses generate increased tax revenues and additional expenditures for Fairfax County. Unemployment rates show the strength of the Fairfax County economy by indicating how many Fairfax County residents are actively seeking but are unable to obtain employment.



At-Place Employment

According to data from the Bureau of Labor Statistics, the number of jobs in Fairfax County remained flat in 2008 before dropping by 15,700 jobs, a 2.7 percent decline, in 2009 due to the recession. Jobs in the County expanded at modest rates of 0.8 percent and 0.7 percent in 2010 and 2011, respectively. In 2012, employment growth rose by 12,400 jobs, or 2.1 percent, and the number of jobs exceeded its pre-recession peak. However, job losses occurred in 2013 and 2014 primarily due to federal spending cuts that reduced federal employment and professional and business services employment. Employment fell 0.3 percent in 2013 and 1.2 percent in 2014. Employment growth resumed in 2015 and continued through mid-2016. As of June 2016, the estimated number of non-agricultural jobs in the County totals 603,379. This represents an increase of almost 6,800 jobs over June 2015, or 1.1 percent, and is the highest employment level ever in Fairfax County.



Unemployment Rates

During the last decade, residents of Fairfax County have experienced low unemployment rates even during economic recessions. Mainly driven by an increase in federal procurement spending, the unemployment rate was extremely low—2.2 percent in 2007. Due to the economic downturn, the average unemployment rate in 2008 increased to 2.8 percent. Job losses accelerated in 2009 and the average unemployment rate rose two percentage points to 4.8 percent. In 2010, the unemployment rate rose again to 5.1 percent. The unemployment rate has fallen each year since 2010. In 2016, the unemployment rate of 3.2 percent was the lowest in eight years.

FY 2018

Adopted Budget Plan

COUNTY OF FAIRFAX

1742

VIRGINIA

Long-Term Financial Policies and Tools

Long-Term Financial Policies and Tools

This section identifies some of the major policies, long-term financial management tools and planning documents that serve as guidelines for decisions, support the strategic direction of the County and contribute directly to the outstanding fiscal reputation of the County. Adherence to these policies has enabled the County to historically borrow funds at the lowest possible interest rates available in the municipal bond market.

Fairfax County is proud to have been named "one of the best-managed jurisdictions in America" by *Governing* magazine and the Government Performance Project (GPP) during their last evaluation of counties in 2001. The GPP conducted a comprehensive study evaluating the management practices of 40 counties across the country and Fairfax County received an overall grade of "A-," one of only two jurisdictions to receive this highest grade. For the past 32 years, Fairfax County has earned the Government Finance Officer's (GFOA) Distinguished Budget Presentation Award. Fairfax County also received accolades from GFOA for "Special Performance Measures Recognition" in fiscal years 2004, 2005, 2007, 2008 and 2009. Fairfax County has been nationally recognized as a leader in performance measurement, garnering awards such as the International City and County Management Association's (ICMA) Center for Performance Measurement Certificate of Distinction for each fiscal year from 2004 through 2016. In addition, the County received ICMA's Certificate of Excellence, its newest and highest level of recognition for excellence in performance measurement from 2009 through 2016.

The keystone to the County's ability to maintain its fiscal integrity is the continuing commitment of the County's Board of Supervisors. This commitment is evidenced by the Board of Supervisors' adoption of the *Ten Principles of Sound Financial Management (Ten Principles)* in 1975, which remain the policy context within financial decisions are considered and made. These principles relate primarily to the integration of capital planning, debt planning, cash management and productivity as a means of ensuring prudent and responsible allocation of the County's resources.

In addition to the *Ten Principles*, this section includes an overview of the County's long-term financial policies with a brief description of policies relating to the budget guidelines, reserves, internal financial controls, debt management, risk management, information technology, and investments. Long-term financial management tools and planning documents used by the County are also briefly described.

Ten Principles of Sound Financial Management

The *Ten Principles*, adopted by the Board of Supervisors on October 22, 1975, endorsed a set of policies designed to contribute to the County's fiscal management and maintain the County's "triple A" bond rating. The County has maintained its superior rating in large part due to its firm adherence to these policies. The County's exceptional "triple A" bond rating gives its bonds an unusually high level of marketability and results in the County being able to borrow for needed capital improvements at low interest rates, thus realizing significant debt service savings for the residents of Fairfax County now and in the future.

From time to time the Board of Supervisors amends the *Ten Principles* in order to address changing economic conditions and management practices. In FY 2016 as a response to concerns from the bond rating agencies, the Board committed to increasing the County's reserve policies to strengthen the County's financial position. As a result, the Managed Reserve will increase from 2 to 4 percent of General Fund Disbursements and the Revenue Stabilization Reserve will increase from 3 to 5 percent of General Fund Disbursements, and there will be a new Economic Opportunity Reserve established at 1 percent of General Fund Disbursements (revising the total for these primary reserves from 5 to 10 percent), as well as funding other replacement reserves. As a result, the County reserve policy will be more in-line with other triple-A jurisdictions. Funding of this increase began immediately; however, it will take several years to fully fund the new target level.

In FY 2008, the Board authorized the use of variable rate debt. Variable rate obligations are debt obligations that are frequently used for short-term or interim debt financing and have an interest rate that is reset periodically, usually for periods of less than one year. Variable rate debt is typically used to take advantage of low short-term rates in anticipation of converting to longer-term fixed rate financing for complex projects or to mitigate the impact of volatile markets. In May 2006, reflecting changes in the economy and the market place, annual bond sale limits were increased from $200 million to $275 million per year.

In addition to the more traditional methods of long-term financing through General Obligation Bonds, the County has been able to accomplish major capital improvements through the use of alternative financing while maintaining the County's fiscal integrity as required by the *Ten Principles*. Accomplishments such as Metrorail station parking garages, construction of Route 28, the opening of a commuter rail and construction of government facilities have all been attained in addition to a robust bond construction program. In 2003, the County was able to accelerate the construction of a new high school by three years through the creative use of revenue bonds in connection with the joint development of a senior care facility and a golf course. From 1999 through 2016, the County has approved $4.24 billion of new debt via referendum, with $2.62 billion for Schools and $1.62 billion for the County.

Since 1975, the savings associated with the County's "triple-A" bond rating is estimated at $514.87 million. Including savings of $280.57 million from the various refunding sales, the total benefit to the County equates to $795.44 million. Also, implementation of a Master Lease program and judicious use of short-term lease purchases for computer equipment, copier equipment, school buses and energy efficient equipment have permitted the County and Schools to maximize available technology while maintaining budgetary efficiency.

The *Ten Principles* full text is as follows:

Ten Principles of Sound Financial Management
April 21, 2015

1. **Planning Policy**. The planning system in the County will continue as a dynamic process, which is synchronized with the capital improvement program, capital budget and operating budget. The County's land use plans shall not be allowed to become static. There will continue to be periodic reviews of the plans at least every five years. Small area plans shall not be modified without consideration of contiguous plans. The Capital Improvement Program will be structured to implement plans for new and expanded capital facilities as contained in the County's Comprehensive Plan and other facility plans. The Capital Improvement Program will also include support for periodic reinvestment in aging capital and technology infrastructure sufficient to ensure no loss of service and continued safety of operation.

2. **Annual Budget Plans**. Annual budgets shall continue to show fiscal restraint. Annual budgets will be balanced between projected total funds available and total disbursements including established reserves.

   a. Managed Reserve shall be maintained in the General Fund at a level sufficient to provide for temporary financing of critical unforeseen disbursements of a catastrophic emergency nature. The reserve will be maintained at a level of not less than four percent of total General Fund disbursements in any given fiscal year.

Ten Principles of Sound Financial Management
April 21, 2015

b. A Revenue Stabilization Fund (RSF) shall be maintained in addition to the managed reserve at a level sufficient to permit orderly adjustment to changes resulting from curtailment of revenue. This Fund shall be maintained at five percent of total General Fund disbursements in any given fiscal year. Use of the RSF should only occur in times of severe economic stress. Accordingly, a withdrawal from the RSF will not be made unless the projected revenues reflect a decrease of more than 1.5 percent from the current year estimate and any such withdrawal may not exceed one half of the RSF fund balance in that year. A drawdown of this Fund should be accompanied with expenditure reductions.

c. An Economic Opportunity Reserve shall be established in addition to the Managed Reserve and the Revenue Stabilization Fund. This reserve is meant to stimulate economic growth and will provide for strategic investment opportunities that are identified as priorities by the Board of Supervisors. When fully funded, this reserve will equal one percent of total General Fund disbursements in any given fiscal year. Funding for this reserve would only occur after the Managed Reserve and the Revenue Stabilization Fund are fully funded at their new levels of four percent and five percent, respectively. Criteria for funding, utilization, and replenishment of the reserve will be developed and presented to the Board of Supervisors for approval. The criteria for use will include financial modeling analysis (e.g. cost-benefit, etc.) to determine the fiscal impact to the County of the proposed investment opportunity and will require approval from the Board of Supervisors for any use.

d. Budgetary adjustments which propose to use available general funds identified at quarterly reviews should be minimized to address only critical issues. The use of non-recurring funds should only be directed to capital expenditures to the extent possible.

e. The budget shall include funds for cyclic and scheduled replacement or rehabilitation of equipment and other property in order to minimize disruption of budgetary planning from irregularly scheduled monetary demands.

3. **Cash Balances**. It is imperative that positive cash balances exist in the General Fund at the end of each fiscal year. If an operating deficit appears to be forthcoming in the current fiscal year wherein total disbursements will exceed the total funds available, the Board will take appropriate action to balance revenues and expenditures as necessary so as to end each fiscal year with a positive cash balance.

4. **Debt Ratios**. The County's debt ratios shall be maintained at the following levels:

a. Net debt as a percentage of estimated market value shall be less than 3 percent.

b. Debt service expenditures as a percentage of General Fund disbursements shall not exceed 10 percent. The County will continue to emphasize pay-as-you-go capital financing. Financing capital projects from current revenues is indicative of the County's intent to use purposeful restraint in incurring long-term debt.

c. For planning purposes annual bond sales shall be structured such that the County's debt burden shall not exceed the 3 and 10 percent limits. To that end sales of General Obligation Bonds and general obligation supported debt will be managed so as not to exceed a target of $275 million per year, or $1.375 billion over five years, with a technical limit of $300 million in any given year. Excluded from this cap are refunding bonds, revenue bonds or other non-General Fund supported debt.

Ten Principles of Sound Financial Management
April 21, 2015

d. For purposes of this principle, debt of the General Fund incurred subject to annual appropriation shall be treated on a par with general obligation debt and included in the calculation of debt ratio limits. Excluded from the cap are leases secured by equipment, operating leases, and capital leases with no net impact to the General Fund.

e. Use of variable rate debt is authorized in order to increase the County's financial flexibility, provide opportunities for interest rate savings, and help the County manage its balance sheet through better matching of assets and liabilities. Debt policies shall stipulate that variable rate debt is appropriate to use when it achieves a specific objective consistent with the County's overall financial strategies; however, the County must determine if the use of any such debt is appropriate and warranted given the potential benefit, risks, and objectives of the County. The County will not use variable rate debt solely for the purpose of earning arbitrage pending the disbursement of bond proceeds.

f. For purposes of this principle, payments for equipment or other business property, except real estate, purchased through long-term lease-purchase payment plans secured by the equipment will be considered to be operating expenses of the County. Annual General Fund payments for such leases shall not exceed 3 percent of the annual General Fund disbursements, net of the School transfer. Annual equipment lease-purchase payments by the Schools and other governmental entities of the County should not exceed 3 percent of their respective disbursements.

5. **Cash Management**. The County's cash management policies shall reflect a primary focus of ensuring the safety of public assets while maintaining needed liquidity and achieving a favorable return on investment. These policies have been certified by external professional review as fully conforming to the recognized best practices in the industry. As an essential element of a sound and professional financial management process, the policies and practices of this system shall receive the continued support of all County agencies and component units.

6. **Internal Controls**. A comprehensive system of financial internal controls shall be maintained in order to protect the County's assets and sustain the integrity of the County's financial systems. Managers at all levels shall be responsible for implementing sound controls and for regularly monitoring and measuring their effectiveness.

7. **Performance Measurement**. To ensure Fairfax County remains a high performing organization all efforts shall be made to improve the productivity of the County's programs and its employees through performance measurement. The County is committed to continuous improvement of productivity and service through analysis and measurement of actual performance objectives and customer feedback.

8. **Reducing Duplication**. A continuing effort shall be made to reduce duplicative functions within the County government and its autonomous and semi-autonomous agencies, particularly those that receive appropriations from the General Fund. To that end, business process redesign and reorganization will be encouraged whenever increased efficiency or effectiveness can be demonstrated.

Ten Principles of Sound Financial Management
April 21, 2015

9. **Underlying Debt and Moral Obligations**. The proliferation of debt related to but not directly supported by the County's General Fund shall be closely monitored and controlled to the extent possible, including revenue bonds of agencies supported by the General Fund, the use of the County's moral obligation and underlying debt.

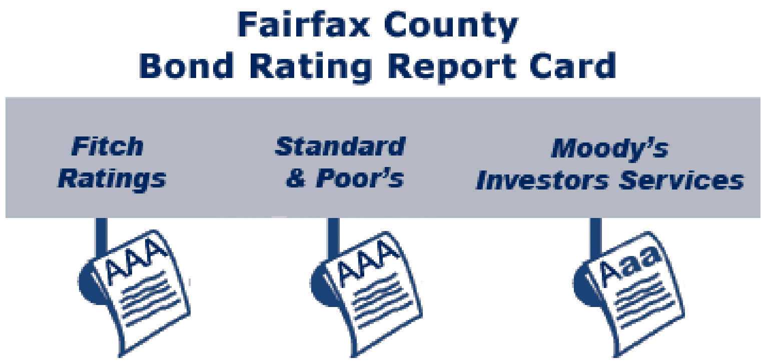
    a. A moral obligation exists when the Board of Supervisors has made a commitment to support the debt of another jurisdiction to prevent a potential default, and the County is not otherwise responsible or obligated to pay the annual debt service. The County's moral obligation will be authorized only under the most controlled circumstances and secured by extremely tight covenants to protect the credit of the County. The County's moral obligation shall only be used to enhance the credit worthiness of an agency of the County or regional partnership for an essential project, and only after the most stringent safeguards have been employed to reduce the risk and protect the financial integrity of the County.

    b. Underlying debt includes tax supported debt issued by towns or districts in the County, which debt is not an obligation of the County, but nevertheless adds to the debt burden of the taxpayers within those jurisdictions in the County. The issuance of underlying debt, insofar as it is under the control of the Board of Supervisors, will be carefully analyzed for fiscal soundness, the additional burden placed on taxpayers and the potential risk to the General Fund for any explicit or implicit moral obligation.

10. **Diversified Economy**. Fairfax County must continue to diversify its economic base by encouraging commercial and, in particular, industrial employment and associated revenues. Such business and industry must be in accord with the plans and ordinances of the County.

Long-Term Financial Policies and Tools

Through the application of the *Ten Principles*, careful fiscal planning and sound financial management, Fairfax County has achieved a "triple A" bond rating from the three leading rating agencies. The County has held a Aaa rating from Moody's Investors Service since 1975, a AAA rating from Standard and Poor's Corporation since 1978, and a AAA rating from Fitch Investors Services since 1997. As of January 2017, Fairfax County is 1 of only 46 counties in the country with "triple A" bond ratings from all three rating agencies.



As of January, 2017 only a limited number of jurisdictions, including Fairfax County, have received a "triple A" bond rating from Moody's Investors Service, Standard and Poor's Corporation, and Fitch Investors Services:

- only 46 of the nation's 3,069 counties
- only 12 of the nation's 50 states
- only 33 of the nation's 35,000+ cities and towns

Long-Term Financial Policies

The following is a description of the primary financial policies that are used to manage the County's resources and contribute to its outstanding fiscal condition.

Budget Guidance

Each year during budget adoption, the Board of Supervisors reaffirms and approves budget guidelines for the next budget year. These guidelines then serve as a future budget development tool.

Budget Guidance for FY 2018 and FY 2019

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center on Tuesday, April 25, 2017, the Board approved the following Budget Guidance for FY 2018 and FY 2019:

Schools Operating Support and Board of Supervisors/School Board Collaboration

With limited projected revenue growth and an estimated budgetary shortfall of over $95 million in FY 2019, next year is shaping up to be another difficult budget year. The approach taken in the development of the FY 2018 budget was to focus on the needs of both the County and the Schools through continued collaboration between the two Boards and to provide equitable increases consistent with available resources. This approach should be continued in the formation of the FY 2019 budget. As in FY 2018, it is likely that many important priorities on both sides will not be able to be funded next year. However, it is important that work continue through the Joint Budget Development Workgroup and the Boards continue to hold more frequent discussions on budget issues, utilizing the joint budget development timeline presented to the Boards in February. For example, at the upcoming Public Safety Committee meeting in June, the Boards will have an opportunity to discuss the impact of gang violence in our community. As part of this discussion, the Board of Supervisors should consider funding a reserve for gang prevention using balances available at the *FY 2017 Carryover Review*. The Boards, as well as staff from both the County and Schools, should also continue collaborative work regarding shared services, joint capital initiatives (and their impact on the Capital Improvement Program), early childhood development, the opioid use epidemic, and possible additional cost saving and space efficiency opportunities in the School-Age Child Care (SACC) program. This work includes the efforts of SCYPT (Successful Children and Youth Policy Team). These discussions, as well as the presentation of updated revenue projections and forecasts in the fall, should help shape the joint list of County priorities and provide for a more well-informed backdrop as FY 2019 budget decisions are made.

Employee Pay

Based on funding for performance, merit, and longevity increases included in the FY 2018 budget, almost 80 percent of employees will receive a pay adjustment in the coming fiscal year. Due to constrained resources, however, the Market Rate Adjustment (MRA) could not be funded. The Board appreciates the hard work and dedication of all of our County employees and is concerned about the competitiveness of the County's pay scales, which the MRA is designed to maintain. As part of the development of the FY 2019 Advertised budget, the County Executive is directed to prioritize employee pay in the context of impacts on employees and the market position of County pay scales.

Employee Pensions

In FY 2012, the County conducted a comprehensive study of the County's three retirement systems and implemented benefit changes for new employees hired on or after January 1, 2013. As part of the FY 2016 Adopted Budget Plan, the Board of Supervisors adopted a multi-year strategy to increase contributions to the systems and to manage liability growth. Although these steps have been vital in strengthening the financial position of the retirement plans, it is important that we continue to examine our plans in light of changes in the Virginia Retirement System (VRS) and other local plans, a challenging investment environment, and evolving employee and retiree demographics.

As part of the Lines of Business (LOBs) exercise, the Board received a presentation on employee pay and benefits, including retirement. Subsequent to that presentation, a thorough reexamination of the

County's systems was requested as a LOBs Phase 2 project, directing staff to return to the Board with detailed information on hiring and retirement trends, the VRS mandate, and benefit levels. As part of this review, the Board will examine plan provisions and benefits such as the minimum retirement age, Rule of 85, and pre-Social Security supplement. A review of the County's DROP (Deferred Retirement Option Plan) will also be included in the analysis, including such items as the program's utilization and effect on succession planning and the guaranteed interest rate given recent market conditions. The Board commits that any adjustments will apply only to new hires, except in the case of possible adjustments related to DROP.

The first discussion is expected to take place at an upcoming Personnel Committee meeting in June. Additional discussions should take place so that the Board's review can be completed in time to make recommendations for inclusion in the FY 2019 Advertised Budget. Feedback from staff, employee groups, and residents will be considered as part of the Board's deliberations.

Length of Service Award Program for Volunteer Firefighters

The Board of Supervisors is grateful for the support that the County receives from its volunteer firefighters, both in terms of funding and, most especially, the commitment of time from residents in our community. Ensuring that we maintain an appropriate volunteer force to augment our career firefighters is important to providing adequate coverage across the County. Through the use of grant funding, the Fairfax County Volunteer Fire and Rescue Association began funding a Length of Service Award Program (LOSAP) in 2014, providing a defined benefit pension plan to eligible volunteer firefighters. As part of the FY 2019 budget development, staff is directed to work with the Fire and Rescue Department and the Volunteer Association to determine how the County can assist in continuing the LOSAP program to help recruit and retain qualified volunteer firefighters. This work should include an analysis of the funding needs of the LOSAP program, investment options, and oversight structure, especially if County funds are required.

Uniformed Police Pay and Staffing

Based on Board guidance for FY 2016 and FY 2017, a comprehensive consultant analysis of the rank, organizational, and pay structure for the Police Department and Office of the Sheriff was completed last fall. Based on the scale of the overall study and estimated costs, recommendations resulting from the study were expected to be implemented in stages over multiple years. In line with study recommendations, additional Police positions were included in the FY 2018 budget, with more expected to be included in future budgets, to decrease the span of control for supervisory positions. For recommendations involving Police employee pay, the FY 2018 budget includes funding to standardize the uniformed Police (O-Scale) pay plan but defers funding related to increasing pay grades of specific job classes based on budgetary limitations. It is important that we continue to implement the recommendations resulting from the analysis, particularly in regards to employee pay, to ensure that pay remains competitive in the region and the County continues to be able to recruit and retain highly skilled Police Officers. As part of the FY 2019 Advertised Budget Plan, the County Executive is directed to utilize updated market data to determine the appropriate pay grades for Police positions and to include the necessary funding to continue implementation of the study's recommendations.

Recommendations of the Ad-Hoc Commission on Police Use of Force

The recommendations of the Ad-Hoc Commission on Police Use of Force recommended a number of items with significant financial costs, which have been endorsed by the Board of Supervisors. The Board was unable to fund most of the costs of these recommendations in the FY 2018 budget and, under current budget projections, will have significant difficulty funding all of these recommendations in the near future. Therefore, staff is directed to develop for the Board a five-year, fiscally-constrained plan for the implementation of the most important and beneficial recommendations of the Ad-Hoc Commission and to brief the Board on this revised plan by the end of the calendar year.

Fire and Rescue Compensation and Organization Study

Consistent with the comprehensive study recently conducted to review the rank, organizational, and pay structure of the Police Department and Office of the Sheriff, funding is included in the *FY 2017 Third Quarter Review* to conduct a similar study for the Fire and Rescue Department. This analysis should be completed by the fall to allow recommendations to be included in the County Executive's FY 2019 Advertised Budget Plan.

Public Safety Staffing Plan

In 2014, County staff developed the Five-Year Public Safety Staffing Plan. Since its adoption by the Board of Supervisors, limited funding has been available to meet the priorities as originally identified. Since 2014 staff has had the opportunity to review the plan in light of evolving circumstances, and is better able to prioritize programs and estimate costs. Therefore, staff is directed to develop a revised five-year, fiscally-constrained public safety staffing plan that is realistic in light of current budget projections and meets the most pressing public safety needs of the County, including a plan to fully staff the new South County Police Station by 2021.

Pre-Notification 9-1-1

The procurement and implementation of a pre-notification 9-1-1 data repository would allow residents to voluntarily log personal details into the 9-1-1 system prior to an emergency incident. These details would then be immediately available to first responders if and when a call is received from a registered phone number. Data such as any mental or physical limitations, required medications, and/or identifying characteristics of family members are among the numerous types of information that could be registered through a system of this nature. Staff is directed to continue to explore options related to this functionality as it relates to the next generation 9-1-1 system and opportunities for regional cooperation in procuring and implementing such a system. Staff should report back to the Board of Supervisors at a future Public Safety Committee meeting as new information becomes available.

Diversion First

Diversion First is a key priority of the Board of Supervisors. However, given current revenue projections and competing priorities, it may be difficult for the Board to fund this program at the pace originally envisioned. As the program has developed staff is learning more about costs and priorities and is better able to estimate costs now than when the program originated. Therefore, staff is directed to develop a five-year, fiscally-constrained implementation plan for Diversion First that continues significant forward progress, while operating within realistic fiscal goals. Staff is directed to present this revised implementation plan to the Board of Supervisors by the end of this calendar year, so it may be included in the FY 2019 budget.

Employment and Day Services for Individuals with Developmental Disabilities

During FY 2017, the Board directed the Fairfax-Falls Church Community Services Board (CSB) to analyze the resource and service impacts of the various Employment and Day Services options for individuals with Intellectual and Developmental Disabilities and return to the Health, Housing, and Human Services (HS) Committee with a recommendation creating an equitable and sustainable service model. Staff continues to evaluate the model presented at the February 21, 2017 HS Committee meeting in the context of experience to date and is directed to return to the Board with an update by the end of September 2017 so that the Board can provide direction on how to proceed with service delivery in FY 2019 to accommodate advance planning for June 2018 graduates and others in the community who come forward for service. The evaluation and implementation process should include continued collaboration and consultation with service providers, advocacy groups, and impacted residents. Additionally, the County Executive is directed to fully fund Employment and Day Services in the FY 2019 Advertised Budget consistent with the direction to be provided by the Board in the fall.

Tax Relief for Surviving Spouses of First Responders Killed in the Line of Duty

In November, Virginia voters approved a constitutional amendment which allows localities the option to grant real estate tax relief for surviving spouses of first responders killed in the line of duty. While it is difficult to estimate the potential revenue loss from implementing this change, it is important that we recognize the potential financial difficulties suffered by those who lose a loved one in the course of protecting the community overall. Therefore, staff is directed to pursue implementation, developing a proposal for the Board's approval, making the necessary system changes, and working to identify qualified residents in time for an effective implementation date of January 1, 2018. The estimated revenue impact should be included in the FY 2019 Advertised Budget Plan.

Inova Translational Medicine Institute

In FY 2015, the County entered into a partnership with Inova to support the Inova Translational Medicine Institute, providing $500,000 annually to advance research in the application of genomics in personalized health care. The Board believes that this investment will generate significant returns on investment both in terms of economic development in the County and improved health outcomes for our residents and others. In order to ensure accountability and transparency of the use of County funding, staff is directed to continue to work with Inova to schedule an annual presentation before the Economic Advisory Commission to update the Board on the work being supported by County dollars, progress made in the Institute's research programs, and the economic benefit of that work.

Visit Fairfax

The Board will be meeting with the Board of Visit Fairfax this fall. The tourism industry presents a significant opportunity for expanding a sector of the Fairfax County economy that is not dependent on the federal government. Tourism growth is an important component of the County's Economic Success Plan. Opportunities for enhancing our tourism industry may require changes in state legislation and additional local funding, perhaps through means other than the General Fund. Staff is directed to work with the staff of Visit Fairfax to present the Board of Supervisors with options for growing our tourism industry.

Opioid Use Epidemic

As staff has reported previously to the Board, there are several efforts underway to combat the opioid epidemic including national, state, regional, and local initiatives. The summary included in the recent Budget Q&A indicated that due to the dynamic nature of the situation and ongoing efforts, these efforts would be subject to change. The Board directs that staff continue to provide ongoing updates of the work being done and any changes in the impact that the epidemic is having on the community. Staff is also directed, consistent with the recommendation of the Human Services Council, to continue to work with our national, state, and regional partners on strategies to combat the epidemic and to identify funding needs that the Board should consider during FY 2018 as these updates and recommendations are provided. The Board will also consider a reserve at the *FY 2017 Carryover Review* to provide flexibility for these potential requirements.

<u>Human Service System Resources</u>

The needs assessment developed for the Human Service System last year is a roadmap for the system in the coming years. Using this roadmap the Board directs that staff and the Human Services Council identify priority funding needs over the next five years. The plan should recognize that the County will be fiscally constrained during this period. The plan should also take into account the priorities already established by the Board and the Human Service System. At the same time the plan should be flexible enough to respond to changing priorities, the impact of changes in programming and County demographics, and shifts in federal funding.

<u>Metro</u>

The level of ongoing commitment to funding Metro will be a significant policy discussion in future years. Historically, the County has relied on modest General Fund support, state aid and gas tax receipts, and General Obligation bonds to meet our share of operating and capital expenses for WMATA (Washington Metropolitan Area Transit Authority). State aid and gas tax represent the County's share of these revenues held on behalf of the County by the Northern Virginia Transportation Commission (NVTC). <u>It is anticipated that FY 2019 and future years will require significant increases in County contributions which are not sustainable within existing revenue resources</u>. The County's growing and future transportation needs to support our economic growth will only be met by a safe and reliable Metro system. Given the urgency of Metro funding and need for reforms, staff is directed to continue to monitor this situation, participate in regional discussions on funding options to include federal and state commitments to Metro funding, and brief the Board as necessary at upcoming Budget Committee and Transportation Committee meetings on the options available for future year funding decisions.

<u>Federal Budget Issues</u>

The potential impact of the federal budget on the County is significant both in terms of the next round of sequestration that is looming in the fall and on long term changes proposed to programs ranging from the environment to human services. The local economy is also going be affected as federal employees are eliminated and funding for federal contractors is reduced. The County does not have the ability to replace federal funding given the size and scope of the impacts. Staff is therefore directed to monitor the federal budget as it progresses through the process to ensure that the Board has a complete understanding of the impacts. The County strategy as it relates to lobbying Congress as well as to developing contingency plans for the reductions of the highest priority to the County can then be discussed by the Board. The Department of Housing and Community Development has already begun providing updates and other departments are directed to do the same as appropriate. Staff should recommend putting in place reserves as part of the *FY 2017 Carryover Review* based on the information available at that time and based on the successful use of reserves when we were last faced with sequestration.

I now move the Budget Guidance that I just reviewed which will help direct the FY 2019 Budget process.

A Copy Teste:
Catherine A. Chianese
Catherine A. Chianese,
Clerk to the Board of Supervisors

Reserve Policies

The reserve policies adopted by the County are complimentary to the requirement for balanced budgets. Among the long standing policies are that:

- Annual budgets be balanced between projected total funds available and total disbursements including funding for established reserves;
- It is imperative that positive cash balances exist in the General Fund at the end of each fiscal year; and
- If an operating deficit appears to be forthcoming in the current fiscal year wherein total disbursements will exceed the total funds available, the Board will take appropriate action to balance revenues and expenditures as necessary so as to end each fiscal year with a positive cash balance.

There are three primary General Fund reserves:

- **Managed Reserve** – Policy of 4 percent of General Fund Disbursements. Per the FY 2018 Adopted Budget Plan, funding equates to 2.69 percent or $110.66 million.

- **Revenue Stabilization Fund** – Policy of 5 percent of General Fund Disbursements. Per the FY 2018 Adopted Budget Plan, funding equates to 4.51 percent or $185.04 million.

- **Economic Opportunity Reserve** – Policy of one percent of General Fund Disbursements. Funding for this reserve would only occur after the Managed Reserve and the Revenue Stabilization Fund are fully funded at their new policy levels of four percent and five percent, respectively.

A Managed Reserve shall be maintained in the General Fund at a level sufficient to provide for temporary financing of critical unforeseen disbursements of a catastrophic emergency nature. The reserve will be maintained at a level of not less than four percent of total Combined General Fund disbursements in any given fiscal year. Funding of the additional two percent will be made through a combination of annual appropriations, balances available at year end and by applying one time resources such as bond refundings until the full four percent is reached.

A Revenue Stabilization Fund (RSF) shall be maintained in addition to the managed reserve at a level sufficient to permit orderly adjustment to changes resulting from curtailment of revenue. The ultimate target level for the RSF will be five percent of total General Fund Disbursements in any given fiscal year. Use of the RSF should only occur in times of severe economic stress. Accordingly, a withdrawal from the RSF will not be made unless the projected revenues reflect a decrease of more than 1.5 percent from the current year estimate and any such withdrawal may not exceed one half of the RSF fund balance in that year. Funding of the additional two percent will be made through a combination of annual appropriations, balances available at year end and by applying one time resources such as bond refundings until the full five percent is reached.

In order to make a withdrawal from the Fund, three specific criteria that must be met:

- Projected revenues must reflect a decrease greater than 1.5 percent from the current year estimate;
- Withdrawals must not exceed one-half of the fund balance in any fiscal year; and
- Withdrawals must be used in combination with spending cuts or other measures.

The RSF was used for the first and only time in FY 2009. A withdrawal of $18.7 million was a small part of the total plan approved by the Board which included significant reductions, a furlough for employees and application of other balances to address a $64.7 million shortfall at the *FY 2009 Third Quarter Review*. As a result of available balances at FY 2009 year-end, the reserve was fully replenished.

An Economic Opportunity Reserve shall be established in addition to the Managed Reserve and the RSF. This reserve will provide for strategic investment opportunities that are identified as priorities by the Board of Supervisors and will serve as a revolving investment fund. The ultimate target will be one percent of General Fund Disbursements in any given fiscal year. Funding for this reserve would only occur after the Managed Reserve and the Revenues Stabilization Fund are fully funded at their new levels of four percent and five percent, respectively. Criteria for the utilization and amount of funds will include financial modeling (e.g. cost-benefit analysis, etc.) to determine the fiscal impact to the County of the proposed investment opportunity and final approval from the Board of Supervisors.

In addition to the Managed Reserve, the RSF, and the Economic Opportunity Reserve, the County has many reserves maintained within various funds. Among these reserves are those designated for replacement of equipment and facilities, identified for long-term liabilities, to meet debt service requirements and as operating / rate stabilization reserves. Staff identifies potential changes to funding levels and brings to the Board policy decisions which need to be made in relation to Reserve Policies as part of the annual budget process. In addition, during the Carryover process at year end, reserve balances are often reset as a result of actual fund balances and/or actuarial analyses. More detail about the size of reserves and the specific use for them is available in each agency narrative but the Board policies concerning reserves are summarized below.

Replacement Reserve Policies: The Board of Supervisors has repeatedly reaffirmed the policy that the County budget shall include funds for cyclic and scheduled replacement or rehabilitation of equipment and other property in order to minimize disruption of budgetary planning from irregularly scheduled monetary demands. These reserves are necessary to provide a source of funding for planned replacement of major equipment or infrastructure over several years. For example, the County maintains a vehicle replacement reserve within the Department of Vehicle Services to plan for vehicle replacement once age, mileage and condition criteria have been met. General Fund monies are set aside each year over the life of the existing vehicle in order to pay for its replacement. Helicopter, ambulance and large apparatus replacement funds are also maintained for the Police and Fire and Rescue Departments. Fixed payments to these reserves are made annually to ensure funding is available at such time that the equipment must be replaced.

Outstanding Liability Policies: The Board of Supervisors has also consistently funded reserve requirements for outstanding liabilities as they are identified and in conformance with accounting standards and practices. It is important to note that contributions to these liability reserves have been sustained even as reductions in services have been made, demonstrating the commitment of the Board to meet its fiduciary responsibilities. An example of a liability reserve is the County's Self Insurance program which is evaluated each year by an actuary and the liability for all self-insured programs is identified. The accrued liability reserve identified as of year-end each year is funded during a subsequent quarterly review. An additional reserve is also currently identified by County policy for catastrophic loss above and beyond the identified accrued liability. Beginning in FY 2008, the County's financial statements were required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits. As a result, an annual required contribution (ARC) to meet the long-term liability is funded by both the County and Schools.

Debt Service Reserve Policies: The majority of debt service reserves are maintained by a trustee as stipulated by the terms of the bond documents for the bonds which are being supported. However, as an Enterprise System of the County, Sewer Bond Debt Reserves were established in Funds: 69000, Sewer Revenue; 69030, Sewer Bond Debt Reserve; and 69040, Sewer Bond Subordinate Debt Reserve, to provide one year of principle and interest for the outstanding bond series as required by the Sewer System's General Bond Resolution.

Operating and Rate Stabilization Reserve Policies: The County has also identified reserves for potential operating adjustments that may be required and/or to help mitigate the need for significant shifts in tax rates or charges for services. The Boards of both the County and Schools have often approved set aside reserves to assist in budget development for the next year. These reserves have been established as the result of balances accumulated through expenditure savings and conservative revenue projections consistent with the policy that positive cash balances are available at year end.

In addition to its standard reserve policies, the Board regularly reviews the status of fund reserves and makes policy decisions to improve the County's reserve position based on availability and budget flexibility.

Third Quarter/Carryover Reviews

The Department of Management and Budget conducts a Third Quarter Review on the current year Revised Budget Plan which includes a detailed analysis of expenditure requirements. All agencies and funds are reviewed during the Third Quarter Review and adjustments are made to the budget as approved by the Board of Supervisors. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to Board action when the potential increases in the appropriation are greater than 1.0 percent of expenditures. The Board's Adopted Budget guidelines indicate that any balances identified throughout the fiscal year, which are not required to support expenditures of a legal or emergency nature, must be held in reserve.

Carryover Review represents the analysis of balances remaining from the prior year and provision for the appropriation of funds to cover the prior year's legal obligations (encumbered items) in the new fiscal year without loss of continuity in processing payments. Carryover extends the prior year funding for the purchase of specific items previously approved in the budget process, but for which procurement could not be obtained for various reasons. All agencies and funds are reviewed during the Carryover Review and adjustments are made to the budget as approved by the Board of Supervisors. Again, the Code of Virginia requires that a public hearing be held prior to Board action when the potential increases in the appropriation are greater than 1.0 percent of expenditures.

Cash Management/Investments

Maintaining the safety of the principal of the County's public investment is the highest priority in the County's cash management policy. The secondary and tertiary priorities are the maintenance of liquidity of the investment and optimization of the rate of return within the parameters of the Code of Virginia, respectively. Funds held for future capital projects are invested in accordance with these objectives, and in such a manner so as to ensure compliance with U.S. Treasury arbitrage regulations. A senior interagency Investment Committee develops investment policies and oversees the effectiveness of portfolio management in meeting policy goals.

The County maintains cash and temporary investments in several investment portfolios. A general investment portfolio holds investments purchased by the County for the pooled cash and General Obligation Bond funds. Investments for this portfolio are held by a third-party custodian. Other portfolios are managed to meet the specific needs of County entities, such as, the Fairfax County Economic Development Authority Parking Revenue Bond (the Vienna Metrorail Parking Garage Project), Sewer Revenue Bonds, Fairfax County Redevelopment and Housing Authority Bonds. Investments for all portfolios are held by a third-party custodian.

Except where prohibited by statutory or contractual constraints, the General Fund is credited with interest earned in the general investment pool. Non-General Fund activities that earn interest through centralized investment management contribute to the cost of portfolio management by way of a market-based administrative charge that accrues to the General Fund.

Debt Management/Capital Improvement Planning

The Commonwealth of Virginia Constitution requires that long-term debt pledged by the full faith and credit of the County can only be approved by voter referendum. There is no statutory limit on the amount of debt the voters can approve. It is the County's own policy to manage debt within the guidelines identified in the *Ten Principles of Sound Financial Management*. Specifically, debt service expenditures as a percentage of General Fund disbursements should remain under ten percent and the percentage of debt to estimated market value of assessed property should remain under three percent. The County continues to maintain these debt ratios, as shown in the following tables:

Debt Service Requirements as a
Percentage of Combined General Fund Disbursements

Fiscal Year Ending	Debt Service Requirements[1]	General Fund Disbursements[2]	Percentage
2014	295,451,022	3,637,841,492	8.12%
2015	313,968,578	3,729,624,836	8.42%
2016	323,859,385	3,860,655,340	8.39%
2017 (est.)	333,903,566	4,092,411,773	8.16%
2018 (est.)	354,176,875	4,106,622,164	8.62%

[1] The amount includes total principal and interest payments on the County's outstanding tax supported debt obligations, including General Obligation Bonds, economic development authority bonds, and other tax supported debt obligations budgeted in other funds. Source: FY 2014 to FY 2016 Comprehensive Annual Financial Report; FY 2017 and FY 2018 Fairfax County Department of Management and Budget.

[2] Source: Fairfax County Department of Management and Budget.

Net Debt as a Percentage of
Market Value of Taxable Property

Fiscal Year Ending	Net Bonded Indebtedness[1]	Estimated Market Value[2]	Percentage
2014	2,832,532,000	221,465,365,745	1.27%
2015	2,863,139,000	233,351,721,357	1.23%
2016	2,875,166,000	241,306,896,262	1.19%
2017 (est.)	2,929,242,000	248,403,290,626	1.18%
2018 (est.)	3,002,833,000	252,978,261,639	1.19%

[1] The amount includes outstanding General Obligation Bonds and other tax supported debt obligations as of June 30 in the year shown and is from the Fairfax County Department of Management and Budget. Source: FY 2014 to FY 2016 Comprehensive Annual Financial Report and Fairfax County Department of Tax Administration; FY 2017 and FY 2018 Fairfax County Department of Management and Budget and Department of Tax Administration.

[2] Source: Fairfax County Department of Tax Administration and the Department of Management and Budget.

Per capita debt is also an important measure used in analyses of municipal credit. Fairfax County has historically had moderate to low per capita debt and per capita debt as a percentage of per capita income due to its steady population growth, growth in the assessed valuation of property and personal income of residents, combined with a record of rapid repayment of capital debt.

The *Ten Principles* establishes, as a financial guideline, a self-imposed limit on the level of the average annual bond sale. Actual bond issues are carefully sized with a realistic assessment of the need for funds, while remaining within the limits established by the Board of Supervisors. In addition, the actual bond sales are timed for the most opportune entry into the financial markets. The policy guidelines enumerated in the *Ten Principles* also express the intent of the Board of Supervisors to encourage a diversified economy in the County and to minimize the issuance of underlying indebtedness by towns and districts located within the County.

It is County policy to balance the need for public facilities, as expressed by the countywide land use plan, with the fiscal capacity of the County to provide for those needs. The five-year Capital Improvement Program (CIP), submitted annually to the Board of Supervisors, is the vehicle through which the stated need for public facilities is analyzed against the County's ability to stay within its self-imposed debt guidelines as articulated in the *Ten Principles*. The CIP is supported largely through long-term borrowing that is budgeted annually in debt service or from General Fund revenues on a pay-as-you-go basis.

Pay-as-you-go Financing

Although a number of options are available for financing the proposed CIP, including bond proceeds and grants, it is the policy of the County to balance the use of the funding sources against the ability to utilize current revenue or pay-as-you-go financing. While major capital facility projects are funded through the sale of General Obligation Bonds, the Board of Supervisors, through the *Ten Principles*, continues to emphasize the importance of maintaining a balance between pay-as-you-go financing and bond financing for capital projects. Financing capital projects from current revenues indicates the County's intent to show purposeful restraint in incurring long-term debt. No explicit level or percentage has been adopted for capital projects from current revenues as a portion of either overall capital costs or of the total operating budget. The decision for using current revenues to fund a capital project is based on the merits of the particular project in relation to an agreed upon set of criteria. It is the Board of Supervisors' policy that non-recurring revenues should not be used for recurring expenditures.

Risk Management

Continuing growth in County assets and operations perpetuates the potential for catastrophic losses resulting from inherent risks that remain unidentified and unabated. In recognition of this, the County has adopted a policy of professional and prudent management of risk exposures.

To limit the County's risk exposures, a Risk Management Steering Committee was established in 1986 to develop appropriate policies and procedures. The County Risk Manager is responsible for managing a countywide program. The program objectives are as follows:

- To protect and preserve the County's assets and workforce against losses that could deplete County resources or impair the County's ability to provide services to its citizens;
- To institute all practical measures to eliminate or control injury to persons, loss to property or other loss-producing conditions; and
- To achieve such objectives in the most effective and economical manner.

While the County's preference is to fully self-insure, various types of insurance such as workers' compensation, automobile, and general liability insurance remain viable alternatives when they are available at an affordable price.

Pension Plans

The County funds the retirement costs for three separate retirement systems, including the Police Officers Retirement System, the Fairfax County Employees' Retirement System and the Uniformed Retirement System, while the Fairfax County Public Schools funds the cost of the Educational Employees Supplementary Retirement System. These retirement systems are administered by the County and are made available to Fairfax County government and school employees in order to provide financial security when they become retirement eligible or cannot work due to disability. In addition, professional employees of the Fairfax County Public Schools participate in a plan sponsored and administered by the Virginia Retirement System. The Board of Supervisors reviews the three County retirement plans annually and takes action to fund the County's obligation.

At the end of FY 2001, the funding ratios for the County's three retirement systems ranged from 97 percent to 102 percent. In FY 2002, the Board of Supervisors adopted a corridor approach to employer contributions, which was designed by the County's actuaries to set annual contributions at the level necessary to maintain strong funding ratios in each of the plans while reducing the volatility in the employer contribution rates that is typical for plans that are near fully-funded. In the corridor method of funding, a fixed contribution rate is assigned to each system and the County contributes at the fixed rate unless the system's funding ratio falls outside the pre-selected corridor of 90-120 percent or if benefit enhancements are approved. If the funding ratio falls below 90 percent, the unfunded actuarial accrued liability below 90 percent is amortized over a conservative 15-year period, and this amount is included in the annual employer contribution for each fund.

The corridor approach cushioned the County from dramatic rate adjustments for several years. However, the global financial crisis during FY 2009 resulted in significant losses in the value of the invested assets of all three retirement systems. Because only 90 percent of the unfunded liability is amortized and included in the employer contribution under the corridor approach, the funding ratios have improved, but at a slower pace than desired. As a result, the County has taken multiple steps to improve the financial position of the retirement systems. These steps include increasing contribution levels and limiting increases in liabilities:

- In FY 2010, the requirements regarding the award of ad-hoc Cost-of-Living Adjustments (COLAs) were tightened. Retirees are eligible to receive an annual base COLA which is the lesser of the Consumer Price Index (CPI) for the 12 months ending on the previous year's March 31, or 4.0 percent. If certain conditions are met, an additional 1.0 percent ad-hoc COLA can be awarded at the discretion of each retirement system's Board of Trustees. This additional ad-hoc COLA is considered a benefit enhancement and results in an increase in the employer contribution rate. Staff reviewed the ad-hoc COLA policy at the Board of Supervisors' direction in FY 2010, and it was determined that the financial conditions that must be met in order for a Board of Trustees to consider granting an ad-hoc COLA should be strengthened, especially since the granting of such a COLA impacts the employer contribution rates and, thus, requires County funding. As a result, the Fairfax County Code was changed to require that the retirement system must have an actuarial surplus, demonstrated by having a funding ratio exceeding 100 percent, before an ad-hoc COLA can be considered.

- In FY 2011, the employer contribution rates were increased by adjusting the amortization level of the unfunded liability from 90 percent to 91 percent.

- In FY 2012, the Department of Human Resources, as directed by the Board of Supervisors, contracted with a benefits consultant to conduct a comprehensive review of the retirement plans. The consultant's report was presented in February and March 2012. Based on the results of this study, the Board of Supervisors adopted several modifications to the retirement systems, which apply only to new employees who are hired on or after January 1, 2013. These changes include increasing the minimum retirement age for normal service retirement from 50 to 55 in the Employees' system; increasing the rule of 80 (age plus years of service) to the rule of 85 in the Employees' system; placing a cap on the use of sick leave for purposes of determining retirement eligibility and benefits at 2,080 hours for all three retirement systems; and, for the Deferred Retirement Option Plan (DROP), removing the pre-Social Security supplement from balances accumulated during the DROP period in the Employees' and Uniformed systems. No changes were made to benefits for current employees. The savings resulting from these changes have been incorporated in the employer contribution rates. Although initial savings are minimal, savings are expected to grow as more employees are hired under these new plan provisions.

- In FY 2016, the employer contribution rates were increased to adjust the amortization level of the unfunded liability from 93 percent to 95 percent.

- In FY 2017, the employer contribution rates were increased to adjust the amortization level of the unfunded liability from 95 percent to 97 percent.

Despite the changes made both to the retirement systems and the employer funding levels, mixed investment returns in recent years have resulted in the funding ratios for each of the retirement systems decreasing slightly, and currently range from 70 percent to 82 percent. The County is committed to further strengthening the financial position of the systems, and has established a goal to reach a 90 percent funded status for all plans by FY 2025. In order to meet this goal, the Board of Supervisors approved, as part of the adoption of the FY 2016 Adopted Budget Plan, the following multi-year strategy:

- Increases in the employer contribution rates will continue so that the County will include amortization of 100 percent of the unfunded liability in the actuarially determined contributions for all systems by FY 2020 at the latest. The County will continue to use a conservative 15-year amortization period.

- Until each system reaches 100 percent funded status, employer contributions to that system will not be reduced. Various factors, such as the historical trend of the County's investment returns exceeding the assumed rate of return, could allow employer contribution rates to be reduced from current levels. However, the County is committed to maintaining the rates and redirecting any potential savings into further improvement in the systems' funded positions.

- Any additional unfunded liability created as a result of approved benefit enhancements, such as ad-hoc COLAs, will be fully funded. It is the intent that no adjustments to benefit levels will reduce the funded status of any of the systems.

In keeping with this strategy, the employer contribution rates in the FY 2018 Adopted Budget Plan include increases to adjust the amortization level of the unfunded liability to 98 percent. Additional increased funding required as a result of this multi-year approach will be included in the County's financial forecasts.

The County continues to use conservative assumptions regarding its funding approach including a 15-year amortization period and a discount rate of 7.25 percent, which was lowered from 7.5 percent following a FY 2016 experience study.

The School Board reviews the Educational Employees' Supplementary Retirement plan annually and takes action to fund the County's obligation based on actuarial valuations that are usually performed annually. Benefits are defined in each system according to the requirements of an ordinance of the Fairfax County Code. Each retirement system is governed by a Board of Trustees whose function is the general administration and operation of the system. Each Board has full power to invest and reinvest the accumulated monies created by the systems in accordance with the laws of the Commonwealth as they apply to fiduciaries investing such funds. Investment managers are hired by each Board and operate under the direction of the Boards' investment objectives and guidelines. Each Board meets once a month to review the financial management of the funds and to rule on retirement applications.

Other Post-Employment Benefits (OPEB)

Beginning in FY 2008, the County's financial statements were required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for OPEB. This standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits. Currently, the County offers retirees the option to participate in County group health insurance, life insurance, and dental plans. These benefits are offered to retirees at premium rates established using the blended experience of the active and retiree populations. As such, retirees receive an "implicit" benefit, as these premium rates are typically lower than if they were set solely using the experience of the retiree group. In addition, County retirees receive an explicit benefit through the retiree health benefit subsidy. The County provides monthly subsidy payments to eligible County retirees to help pay for health insurance. The current monthly subsidy, approved in FY 2006, commences at age 55 and varies by length of service. As part of the FY 2018 Adopted Budget Plan, the monthly subsidy is recommended to increase by $10. The monthly subsidy is provided to retirees on a discretionary basis, and the Board of Supervisors reserves the right to reduce or eliminate the benefit in the future if the cost of the subsidy becomes prohibitive or an alternative is chosen to aid retirees in meeting their health insurance needs.

GASB 45 requires that the County accrue the cost of post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. The County established the OPEB Trust Fund in FY 2008 to pre-fund the cost of post-employment healthcare and other non-pension benefits. Establishing such a trust fund allows the County to capture long-term investment returns and make progress towards eliminating the unfunded liability over a 30-year period. This methodology mirrors the funding approach used for pension benefits. As a result, the County is required to make an annual contribution towards the long-term liability. This includes an amount for benefits accrued by active employees during the fiscal year, as well as an additional amount in order to address the unfunded actuarial accrued liability.

The County recently implemented an Employer Group Waiver Plan (EGWP) for Medicare retiree prescription drug coverage. The EGWP is a standard Medicare Part D plan with enhanced coverage. By implementing an EGWP, the County is able to maximize prescription drug subsidies from the federal government and pharmaceutical manufacturers. This plan replaces the prescription drug coverage that was previously provided to Medicare retirees through the County's self-insured health plans and the Retiree Drug Subsidy (RDS) that the County previously received from the Centers for Medicare and Medicaid Services. This change has had a significant impact on the County's GASB 45 liability, as GASB accounting rules allow EGWP revenue to directly offset plan costs in the GASB valuation, impacting the Actuarial Accrued Liability (AAL), whereas the RDS could not be reflected in the liability calculations. As a result, the fund status of the plan will show notable improvements in the coming years. Progress towards funding the liability is reported in the County's Comprehensive Annual Financial Report (CAFR).

The actuarial accrued liability is calculated annually as part of the actuarial valuation and includes adjustments due to benefit enhancements, medical trend experience, and normal growth assumptions. Before approving additional benefit enhancements, the County must carefully consider not only the impact on the current fiscal year budget, but also the long-term impact on the County's OPEB liability and annual required contribution.

Fairfax County Public Schools (FCPS) offer similar benefits to their retirees, which result in a separate OPEB liability. FCPS also created an OPEB Trust Fund in FY 2008 to begin to address their unfunded liability and pre-fund the cost of other post-employment benefits.

Grants

County policy requires that the initial application and acceptance of all grants over $100,000 be approved by the Board of Supervisors. Each grant application is reviewed for the appropriateness and desirability of the program or service. Upon completion of the grant, programs are reviewed on a case-by-case basis to determine whether the program should be continued utilizing County funds. The County has no obligation to continue either grant-funded positions or grant-funded programs if continued grant funding is not available.

Effective September 1, 2004, the Board of Supervisors established a new County policy for grant applications and awards that meet certain requirements. If a grant is $100,000 or less, with a required Local Cash Match of $25,000 or less, with no significant policy implications, and if the grantor does not require Board of Supervisors' approval, the agency can work directly with the Department of Management and Budget to receive the award and reallocate funding from the anticipated/unanticipated reserve directly to the agency. If an award exceeds these limitations but was listed in the Anticipated Grant Awards table in the Adopted Budget for the current fiscal year, Board of Supervisors' approval is not required unless the actual funding received differs significantly from the projected funding listed in the budget. For any grant that does not meet all of the specified criteria, the agency must obtain Board of Supervisors' approval in order to apply for or accept the grant award.

Contributory Policies

To improve the general health and welfare of the community, as well as leverage scarce resources, it is the policy of the Board of Supervisors to make General Fund appropriations of specified amounts to various nonsectarian, nonprofit or quasi-government entities. Because public funds are being appropriated, funds provided to designated contributory agencies are currently made available contingent upon submission and review of financial reports. This oversight activity includes program reporting requirements that request designated contributories to describe accurately, in a manner prescribed by the County Executive, the level and quality of services provided to County residents.

Information Technology

The following ten strategic directions are fundamental principles upon which Fairfax County will base its Information Technology (IT) decisions in the upcoming years. These are intended to serve as guidelines to assist County managers in applying information technology to achieve business goals.

Ten Fundamental Principles of Information Technology

In addition to the Department of Information Technology's Mission and Goals, Fairfax County Information Technology (IT) projects and processes are guided by ten fundamental principles approved by the Board of Supervisors in 1996, and updated in 2003.

1. Our ultimate goal is to provide citizens, the business community, and County employees with timely, convenient access to appropriate information and services through the use of technology.

2. Business needs drive information technology solutions. Strategic partnerships will be established between the stakeholders and County so that the benefits of IT are leveraged to maximize the productivity of County employees and improve customer services.

3. Evaluate business processes for redesign opportunities before automating them. Use new technologies to make new business methods a reality. Exploit functional commonality across organizational boundaries.

4. Manage Information Technology as an investment.
   - Annually allocate funds sufficient to cover depreciation to replace systems and equipment before life-cycle end. Address project and infrastructure requirements through a multi-year planning and funding strategy.
   - Manage use of funds at the macro level in a manner that provides for optimal spending across the investment portfolio aligned to actualized project progress.
   - Look for cost-effective approaches to improving "legacy systems". Designate systems as "classic" and plan their modernization. This approach will help extend investments and system utility
   - Invest in education and training to ensure the technical staffs in central IT and user agencies understand and can apply current and future technologies.

5. Implement contemporary, but proven, technologies. Fairfax County will stay abreast of emerging trends through an ongoing program of technology evaluation. New technologies often will be introduced through pilot projects where both the automation and its business benefits and costs can be evaluated prior to any full-scale adoption.

6. Hardware and software shall adhere to open (vendor-independent) standards and minimize proprietary solutions. This approach will promote flexibility, inter-operability, cost effectiveness, and mitigate the risk of dependence on individual vendors.

7. Provide a solid technology infrastructure as the fundamental building block of the County's IT architecture to support reliability, performance and security of the County’s information assets. Manage and maintain the enterprise network as an essential communications channel connecting people to information and process via contemporary server platforms and workstations. It will provide access for both internal and external connectivity; will be flexible, expandable, and maintainable; be fully integrated using open standards and capable of providing for the unimpeded movement of data, graphics, image, video, and voice.

Ten Fundamental Principles of Information Technology

8. Approach IT undertakings as a partnership of central management and agencies providing for a combination of centralized and distributed implementation. Combine the responsibility and knowledge of central management, agency staff, as well as outside contract support, within a consistent framework of County IT architecture and standards. Establish strategic cooperative arrangements with public and private enterprises to extend limited resources.

9. Consider the purchase and integration of top quality, commercial-off-the-shelf (COTS) software requiring minimal customization as the first choice to speed the delivery of new business applications. This may require redesigning some existing work processes to be compatible with beneficial common practice capabilities inherent in many off-the-shelf software packages, and, achieves business goals. In consideration of this, it is recognized that certain County agencies operate under business practices that have in established in response to specific local interpretations and constraints and that in these instances, the institutionalization of these business practices may make the acquisition of COTS software not feasible. Develop applications using modern, efficient methods and laborsaving tools in a collaborative application development environment following the architectural framework and standards. An information architecture supported by a repository for common information objects (e.g., databases, files, records, methods, application inventories); repeatable processes and infrastructures will be created, shared and reused.

10. Capture data once in order to avoid cost, duplication of effort and potential for error and share the data whenever possible. Establish and use common data and common databases to the fullest extent. A data administration function will be responsible for establishing and enforcing data policy, data sharing and access, data standardization, data quality, identification and consistent use of key corporate identifiers.

Financial Management Tools and Planning Documents

This section is intended to provide a brief description of some of the financial management tools and long-range planning documents used by the County.

Budget

The primary financial management tool used by the County is the annual budget process. This involves a comprehensive examination of all expenditure and revenue programs of the County, complete with public hearings and approval by the Board of Supervisors.

Capital Improvement Program (CIP)

The Board of Supervisors annually considers and adopts a five-year Capital Improvement Program (CIP) which supports and implements the Comprehensive Plan. The CIP includes five years of project planning and forecasts project requirements for an additional five-year period. The CIP helps to balance the need for public facilities identified by the Comprehensive Plan with the County's fiscal resources and serves as a planning guide for the construction of general County facilities, schools, and public utilities. The CIP process provides a framework for development of reliable capital expenditure and revenue estimates, as well as the timely scheduling of bond referenda.

The CIP is an integral element of the County's budgeting process. The Capital Budget is the foundation for the first year of the adopted five-year CIP. The remaining four years in the CIP serve as a general planning guide. Future planning requirements five years beyond the CIP period are also included. The CIP is supported largely through long-term borrowing, which is budgeted annually in the debt service fund or from General Fund revenues on a pay-as-you-go basis.

The Board of Supervisors has approved Principles of Sound Capital Improvement Planning and Criteria for Recommending Capital Projects which are applied every year in the development of the CIP. The principles establish the County's Comprehensive Plan as the basis for capital planning requirements and emphasize the principle of life-cycle planning for capital facilities. The CIP is an integral part of the annual budget plan and is included on the County's website.

In October 2005, Fairfax County adopted revised guidelines for review of unsolicited Public Private Educational Facilities and Infrastructure Act (PPEA) proposals. In FY 2008, project screening criteria as presented in the CIP was approved for determining when an unsolicited PPEA project should be pursued or rejected. It is anticipated that other refinements, including any required legislative updates to the PPEA evaluation and review process will be developed and presented to the Board of Supervisors as needed. As of January 28, 2008, the County will only pursue an unsolicited PPEA project if, based on minimal analysis; the project offers a significant contribution to near term CIP goals, it offers significant savings to the General Fund or a significant positive effect on our debt capacity.

Revenue Forecast

Revenue estimates are monitored on a monthly basis to identify any potential trends that would significantly impact the revenue sources. A Revenue Task Force meets regularly to review current construction trends, the number of authorized building permits, housing sales, mortgage rates, and other economic data which impact Real Estate Tax revenue collections. In addition, the Revenue Task Force uses statistical models to estimate such revenue categories as: the Personal Property Tax; Local Sales Tax; Business, Professional, and Occupational License Tax; Consumer Utility Tax; and Recordation Tax.

Financial Forecast

A forecast of General Fund receipts and disbursements is developed as part of each year's budget process and is updated periodically. Individual and aggregate revenue categories, as well as expenditures, are projected by revenue and/or expenditure type. Historical growth rates, economic assumptions and County expenditure priorities are all used in developing the forecast. This tool is used as a planning document for developing the budget guidelines and for evaluating the future impact of current year decisions.

Fiscal Impact Review

It is County policy that all items having potential fiscal impact be presented to the Board of Supervisors for review. Effective management dictates that the Board of Supervisors and County citizens be presented with the direct and indirect costs of all items as part of the decision making process. In addition to its preliminary review of items presented to the Board of Supervisors, County staff also review state and federal legislative items which might result in a fiscal or policy impact on the County.

FY 2018
Adopted Budget Plan

COUNTY OF FAIRFAX
1742
VIRGINIA

Financial, Statistical and Summary Tables

Explanation of Schedules

General Fund Statement

General Fund Statement
Presents information for Fund 10001, General Fund. The General Fund Statement includes the beginning and ending balances, total available resources and total disbursements, including revenues, transfers in from other funds, expenditures and transfers out to other funds and reserves.

General Fund Direct Expenditures
Provides expenditure information, organized by Program Area and agency, with totals included for each Program Area and for the entire General Fund.

Summary of Appropriated Funds

Summary of Appropriated Funds by Fund Type
Includes Budget Year Summary of Beginning Balance, Revenues by Category, Summary of Transfers In, Expenditures by Program Area, and Summary of Transfers Out for all Appropriated Funds.

Revenue and Receipts by Fund - Summary of Appropriated Funds
Includes revenues for all appropriated funds, organized by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Expenditures by Fund - Summary of Appropriated Funds
Includes expenditures for all appropriated funds, organized by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Changes in Fund Balance - Summary of Appropriated Funds
Includes changes in fund balance for all appropriated funds by the three major fund groups - Governmental, Proprietary and Fiduciary funds.

Tax Rates and Assessed Valuation

Summary of County Tax Rates
Presents historical and current fiscal year tax rates for Real Estate, Personal Property, Sewage, Refuse Collection and Disposal, Consumer Utilities, E-911 Fees, and special taxing districts.

Assessed Valuation, Tax Rates, Levies and Collections
Details the assessed valuation and levy of taxable Real Estate and Personal Property, reports actual and estimated collections and reflects the percentage of the total levy collected.

Summary of Revenues

General Fund Revenues
Details General Fund revenues by each source, subtotaled by category, for the prior, current and upcoming fiscal year.

Revenue from the Commonwealth
Summarizes revenues from the Commonwealth of Virginia by fund for the prior, current and upcoming fiscal year.

Revenue from the Federal Government
Summarizes revenues from the Federal government by fund for the prior, current and upcoming fiscal year.

Other Expenditure Schedules

County Funded Programs for School-Related Services
Summarizes all Fairfax County contributions to school-related programs. Congregating the General Fund transfer to the Schools, school debt service, and the numerous school-related programs funded in County agency budgets, reflects a more complete picture of how much the County spends on its schools on an annual basis. Provides additional expenditure data on County-funded programs for youth services (non-school related youth programs) and County-administered programs for school-related services, including programs for which the County has administrative oversight, but not sole funding responsibility.

Services for Older Adults
Summarizes contributions to services for seniors in General Fund and General Fund Supported agencies.

FY 2018 ADOPTED FUND STATEMENT
FUND 10001, GENERAL FUND

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2016 Carryover	FY 2017 Third Quarter	Other Actions July-June	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Beginning Balance	$164,916,223	$88,589,636	$76,822,728	$0	$677,093	$166,089,457	$105,741,710	$106,708,719	($59,380,738)	(35.75%)
Revenue [1]										
Real Property Taxes	$2,437,226,930	$2,600,366,481	$0	$0	$0	$2,600,366,481	$2,648,855,844	$2,649,504,731	$49,138,250	1.89%
Personal Property Taxes [2]	380,957,000	383,274,181	0	0	4,744,692	388,018,873	400,452,300	400,452,300	12,433,427	3.20%
General Other Local Taxes	509,362,023	510,976,755	0	0	(3,331,685)	507,645,070	515,390,893	515,390,893	7,745,823	1.53%
Permit, Fees & Regulatory Licenses	48,443,054	47,384,162	0	250,000	2,544,155	50,178,317	50,891,047	50,891,047	712,730	1.42%
Fines & Forfeitures	11,648,758	12,443,009	0	0	(889,857)	11,553,152	11,684,270	11,684,270	131,118	1.13%
Revenue from Use of Money & Property	21,635,558	22,582,955	0	0	3,091,322	25,674,277	32,280,345	32,280,345	6,606,068	25.73%
Charges for Services	79,208,450	76,031,208	0	255,887	4,250,871	80,537,966	81,020,947	81,370,947	832,981	1.03%
Revenue from the Commonwealth [2]	306,621,718	309,930,318	0	361,882	0	310,292,200	309,930,318	310,510,318	218,118	0.07%
Revenue from the Federal Government	37,177,865	31,501,656	673,490	0	0	32,175,146	32,175,146	32,175,146	0	0.00%
Recovered Costs/Other Revenue	17,680,571	16,471,349	10,000	0	(57,668)	16,423,681	16,480,180	16,480,180	56,499	0.34%
Total Revenue	$3,849,961,927	$4,010,962,074	$683,490	$867,769	$10,351,830	$4,022,865,163	$4,099,161,290	$4,100,740,177	$77,875,014	1.94%
Transfers In										
Fund 40030 Cable Communications	$3,532,217	$3,869,872	$0	$0	$0	$3,869,872	$3,772,651	$3,772,651	($97,221)	(2.51%)
Fund 40080 Integrated Pest Management	141,000	141,000	0	0	0	141,000	141,000	141,000	0	0.00%
Fund 40100 Stormwater Services	1,125,000	1,125,000	0	0	0	1,125,000	1,125,000	1,125,000	0	0.00%
Fund 40140 Refuse Collection and Recycling Operations	548,000	548,000	0	0	0	548,000	548,000	548,000	0	0.00%
Fund 40150 Refuse Disposal	577,000	577,000	0	0	0	577,000	626,000	626,000	49,000	8.49%
Fund 40160 Energy Resource Recovery (ERR) Facility	49,000	49,000	0	0	0	49,000	0	0	(49,000)	(100.00%)
Fund 40170 I-95 Refuse Disposal	186,000	186,000	0	0	0	186,000	186,000	186,000	0	0.00%
Fund 69010 Sewer Operation and Maintenance	2,850,000	2,850,000	0	0	0	2,850,000	2,850,000	2,850,000	0	0.00%
Fund 80000 Park Revenue	820,000	820,000	0	0	0	820,000	820,000	820,000	0	0.00%
Total Transfers In	$9,828,217	$10,165,872	$0	$0	$0	$10,165,872	$10,068,651	$10,068,651	($97,221)	(0.96%)
Total Available	$4,024,706,367	$4,109,717,582	$77,506,218	$867,769	$11,028,923	$4,199,120,492	$4,214,971,651	$4,217,517,547	$18,397,055	0.44%
Direct Expenditures										
Personnel Services	$759,408,376	$808,169,412	$1,522,563	$1,200,124	($6,662,653)	$804,229,446	$828,332,622	$829,082,703	$24,853,257	3.09%
Operating Expenses	351,506,336	345,803,713	37,656,483	2,048,086	5,361,565	390,869,847	349,880,397	349,315,086	(41,554,761)	(10.63%)
Recovered Costs	(42,763,989)	(35,130,994)	0	0	457,697	(34,673,297)	(36,588,399)	(36,588,399)	(1,915,102)	5.52%
Capital Equipment	2,553,594	860,822	1,037,751	255,000	843,391	2,996,964	116,058	116,058	(2,880,906)	(96.13%)
Fringe Benefits	330,966,386	354,853,322	1,821,221	1,636,321	0	358,310,864	370,532,016	370,918,880	12,608,016	3.52%
Total Direct Expenditures	$1,401,670,703	$1,474,556,275	$42,038,018	$5,139,531	$0	$1,521,733,824	$1,512,272,694	$1,512,844,328	($8,889,496)	(0.58%)
Transfers Out										
Fund S10000 School Operating	$1,825,153,345	$1,913,518,902	$0	$0	$0	$1,913,518,902	$1,965,211,830	$1,966,919,600	$53,400,698	2.79%
Fund S31000 School Construction	13,100,000	13,100,000	0	0	0	13,100,000	13,100,000	13,100,000	0	0.00%
Fund 10010 Revenue Stabilization [3]	15,381,802	10,711,034	10,695,387	909,800	0	22,316,221	5,031,906	5,221,570	(17,094,651)	(76.60%)
Fund 10020 Community Funding Pool	10,611,143	11,141,700	0	0	0	11,141,700	11,141,700	11,141,700	0	0.00%
Fund 10030 Contributory Fund	14,894,637	13,158,773	140,000	0	0	13,298,773	13,467,254	13,467,254	168,481	1.27%
Fund 10040 Information Technology	2,700,000	4,770,240	0	0	0	4,770,240	4,770,240	4,770,240	0	0.00%
Fund 20000 County Debt Service	127,793,296	136,752,654	0	0	0	136,752,654	146,035,225	146,035,225	9,282,571	6.79%
Fund 20001 School Debt Service	187,157,477	189,870,099	0	0	0	189,870,099	189,130,953	189,130,953	(739,146)	(0.39%)
Fund 30000 Metro Operations and Construction	11,298,296	13,557,955	0	0	0	13,557,955	13,557,955	13,557,955	0	0.00%

FY 2018 ADOPTED FUND STATEMENT
FUND 10001, GENERAL FUND

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2016 Carryover	FY 2017 Third Quarter	Other Actions July-June	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Transfers Out (continued)										
Fund 30010 General Construction and Contributions	28,561,768	17,733,427	5,209,499	2,573,458	0	25,516,384	17,115,923	17,115,923	(8,400,461)	(32.92%)
Fund 30020 Infrastructure Replacement and Upgrades	13,353,356	1,408,449	3,550,642	5,544,047	0	10,503,138	1,825,953	1,825,953	(8,677,185)	(82.62%)
Fund 30060 Pedestrian Walkway Improvements	300,000	400,000	645,571	0	0	1,045,571	500,000	500,000	(545,571)	(52.18%)
Fund 30070 Public Safety Construction	100,000	0	0	0	0	0	0	0	0	-
Fund 40000 County Transit Systems	33,407,739	34,929,649	0	0	0	34,929,649	34,579,649	34,429,649	(500,000)	(1.43%)
Fund 40040 Community Services Board	116,243,498	124,877,551	1,200,000	0	0	126,077,551	129,331,015	130,429,318	4,351,767	3.45%
Fund 40330 Elderly Housing Programs	1,896,649	1,923,159	0	0	0	1,923,159	1,837,024	1,837,024	(86,135)	(4.48%)
Fund 50000 Federal/State Grants	5,408,464	5,480,836	0	0	0	5,480,836	5,106,999	5,106,999	(373,837)	(6.82%)
Fund 60000 County Insurance	25,819,826	24,162,115	0	3,726,000	0	27,888,115	24,184,081	24,184,081	(3,704,034)	(13.28%)
Fund 60020 Document Services Division	2,278,233	3,941,831	0	0	0	3,941,831	3,941,831	3,941,831	0	0.00%
Fund 73030 OPEB Trust	21,000,000	16,000,000	0	(1,500,000)	0	14,500,000	10,490,000	10,490,000	(4,010,000)	(27.66%)
Fund 83000 Alcohol Safety Action Program	486,678	545,171	0	0	0	545,171	572,561	572,561	27,390	5.02%
Total Transfers Out	$2,456,946,207	$2,537,983,545	$21,441,099	$11,253,305	$0	$2,570,677,949	$2,590,932,099	$2,593,777,836	$23,099,887	0.90%
Total Disbursements	$3,858,616,910	$4,012,539,820	$63,479,117	$16,392,836	$0	$4,092,411,773	$4,103,204,793	$4,106,622,164	$14,210,391	0.35%
Total Ending Balance	$166,089,457	$97,177,762	$14,027,101	($15,525,067)	$11,028,923	$106,708,719	$111,766,858	$110,895,383	$4,186,664	3.92%
Less:										
Managed Reserve [4]	$88,589,636	$97,177,762	$8,563,948	$729,483		$106,471,193	$109,776,301	$110,657,857	$4,186,664	3.93%
Reserve for Potential FY 2017 One-Time Requirements [5]			5,463,153	(5,463,153)					0	-
FY 2016 Audit Adjustments [6]				(677,093)	677,093				0	-
FY 2017 Mid-Year Revenue Adjustments [1]				(10,351,830)	10,351,830				0	-
Reserve for Board Adjustments [7]							1,990,557		0	-
Reserve for Potential FY 2018 One-Time Requirements [8]				237,526		237,526		237,526	0	0.00%
Total Available	$77,499,821	$0	$0	$0	$0	$0	$0	$0	$0	-

[1] *FY 2017 Revised Budget Plan* revenues reflect a net increase of $10,351,830 based on revised revenue estimates as of fall 2016. These changes are shown in the "Other Actions July-June" column. This amount was utilized as part of the *FY 2017 Third Quarter Review*.

[2] Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

[3] Target funding for the Revenue Stabilization Fund is 5.00 percent of total General Fund disbursements, consistent with the County's *Ten Principles of Sound Financial Management* as updated by the Board of Supervisors on April 21, 2015. As a result of reserve adjustments included in the FY 2018 Adopted Budget Plan, the FY 2018 projected balance in the Revenue Stabilization Fund is $185.04 million, or 4.51 percent of total General Fund disbursements.

[4] Target funding for the Managed Reserve is 4.00 percent of total General Fund disbursements, consistent with the County's *Ten Principles of Sound Financial Management* as updated by the Board of Supervisors on April 21, 2015. As a result of reserve adjustments included in the FY 2018 Adopted Budget Plan, the FY 2018 projected balance in the Managed Reserve is $110.66 million, or 2.69 percent of total General Fund disbursements.

[5] As part of the *FY 2016 Carryover Review*, an amount of $5,463,153 was set aside in reserve to address potential FY 2017 one-time requirements. This one-time funding was utilized as part of the *FY 2017 Third Quarter Review*.

[6] As a result of FY 2016 audit adjustments, an amount of $677,093 was available to be held in reserve in FY 2017. This one-time funding was utilized as part of the *FY 2017 Third Quarter Review*.

[7] As part of the FY 2018 Adopted Budget Plan, an amount of $1,990,557 was available for the consideration of the Board of Supervisors during their deliberations on the FY 2018 budget. This funding, along with additional funding identified during the mark-up process, is utilized as part of the FY 2018 Adopted Budget Plan.

[8] As part of the *FY 2017 Third Quarter Review*, an amount of $237,526 was set aside in reserve to address potential FY 2018 one-time requirements.

FY 2018 ADOPTED SUMMARY GENERAL FUND DIRECT EXPENDITURES

# Agency Title	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2016 Carryover	FY 2017 Third Quarter	Other Actions July - June	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
Legislative-Executive Functions / Central Services										
01 Board of Supervisors	$5,064,665	$5,848,161	$42,836	($2,230)	$0	$5,888,767	$5,925,237	$5,925,237	$36,470	0.62%
02 Office of the County Executive	6,144,930	6,718,712	25,933	(30,248)	0	6,714,397	6,713,575	6,713,575	(822)	(0.01%)
04 Department of Cable and Consumer Services	1,045,067	0	0	0	0	0	0	0	0	--
06 Department of Finance	7,954,620	8,476,753	704,781	(19,161)	0	9,162,373	8,610,967	8,610,967	(551,406)	(6.02%)
11 Department of Human Resources	6,892,095	7,476,553	366,827	0	0	7,843,380	7,454,411	7,454,411	(388,969)	(4.96%)
12 Department of Procurement and Material Management	4,805,795	4,739,981	114,716	0	0	4,854,697	4,792,666	4,792,666	(62,031)	(1.28%)
13 Office of Public Affairs	1,210,221	1,271,906	294,054	(7,853)	0	1,558,107	1,563,193	1,563,193	5,086	0.33%
15 Office of Elections	4,377,734	4,098,565	1,230,747	200,000	0	5,529,312	4,073,433	4,073,433	(1,455,879)	(26.33%)
17 Office of the County Attorney	6,437,736	7,212,543	1,620,763	0	0	8,833,306	7,537,381	7,537,381	(1,295,925)	(14.67%)
20 Department of Management and Budget	4,437,213	4,528,121	27,582	(21,694)	0	4,534,009	4,897,568	4,897,568	363,559	8.02%
37 Office of the Financial and Program Auditor	303,928	378,512	1,741	(1,731)	0	378,522	385,525	385,525	7,003	1.85%
41 Civil Service Commission	395,006	439,953	0	0	0	439,953	442,846	442,846	2,893	0.66%
42 Office of the Independent Police Auditor	0	0	0	76,681	0	76,681	305,992	305,992	229,311	299.05%
57 Department of Tax Administration	23,758,903	24,209,865	44,883	200,000	0	24,454,748	24,570,373	24,570,373	115,625	0.47%
70 Department of Information Technology	31,701,834	32,622,609	1,016,837	0	0	33,639,446	32,945,658	32,945,658	(693,788)	(2.06%)
Total Legislative-Executive Functions / Central Services	$104,529,747	$108,022,234	$5,491,700	$393,764	$0	$113,907,698	$110,218,825	$110,218,825	($3,688,873)	(3.24%)
Judicial Administration										
80 Circuit Court and Records	$10,715,709	$11,137,339	$157,300	$0	$0	$11,294,639	$11,309,839	$11,375,052	$80,413	0.71%
82 Office of the Commonwealth's Attorney	3,632,170	3,845,240	0	(18,323)	0	3,826,917	3,923,319	3,923,319	96,402	2.52%
85 General District Court	2,339,517	3,783,472	134,597	(9,330)	0	3,908,739	3,812,237	4,135,049	226,310	5.79%
91 Office of the Sheriff	20,397,963	19,029,350	466,554	0	700,000	20,195,904	19,466,601	19,466,601	(729,303)	(3.61%)
Total Judicial Administration	$37,085,359	$37,795,401	$758,451	($27,653)	$700,000	$39,226,199	$38,511,996	$38,900,021	($326,178)	(0.83%)
Public Safety										
04 Department of Cable and Consumer Services	$648,798	$808,305	$226	$0	$0	$808,531	$831,288	$831,288	$22,757	2.81%
31 Land Development Services	10,581,485	10,353,488	126,989	115,000	0	10,595,477	10,585,413	10,585,413	(10,064)	(0.09%)
81 Juvenile and Domestic Relations District Court	22,285,861	22,802,735	469,400	0	0	23,272,135	23,185,328	23,185,328	(86,807)	(0.37%)
90 Police Department	182,499,532	189,745,479	1,812,172	163,193	0	191,720,844	192,636,648	192,718,611	997,767	0.52%
91 Office of the Sheriff	42,983,012	47,842,043	1,174,675	0	(700,000)	48,316,718	49,004,885	49,280,493	963,775	1.99%
92 Fire and Rescue Department	188,123,919	196,655,196	4,528,770	1,900,000	0	203,083,966	203,361,036	202,961,036	(122,930)	(0.06%)
93 Office of Emergency Management	1,734,965	1,872,473	583,476	(6,727)	0	2,449,222	1,853,283	1,853,283	(595,939)	(24.33%)
96 Department of Animal Sheltering	0	0	1,128,275	0	0	1,128,275	2,478,434	2,478,434	1,350,159	119.67%
97 Department of Code Compliance	4,150,382	4,339,241	0	0	0	4,339,241	4,471,929	4,471,929	132,688	3.06%
Total Public Safety	$453,007,954	$474,418,960	$9,823,983	$2,171,466	($700,000)	$485,714,409	$488,408,244	$488,365,815	$2,651,406	0.55%
Public Works										
08 Facilities Management Department	$55,210,287	$57,393,164	$1,833,338	$0	$0	$59,226,502	$58,097,741	$58,047,741	($1,178,761)	(1.99%)
25 Business Planning and Support	985,551	1,258,884	183,759	(9,896)	0	1,432,747	1,070,611	1,070,611	(362,136)	(25.28%)
26 Office of Capital Facilities	13,542,941	14,033,088	294,768	0	0	14,327,856	14,186,577	14,186,577	(141,279)	(0.99%)
87 Unclassified Administrative Expenses	4,508,078	3,665,562	386,244	255,000	0	4,306,806	3,948,694	3,948,694	(358,112)	(8.32%)
Total Public Works	$74,246,857	$76,350,698	$2,698,109	$245,104	$0	$79,293,911	$77,303,623	$77,253,623	($2,040,288)	(2.57%)

FY 2018 ADOPTED SUMMARY GENERAL FUND DIRECT EXPENDITURES

#	Agency Title	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2016 Carryover	FY 2017 Third Quarter	Other Actions July - June	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Inc/(Dec) Over Revised	% Inc/(Dec) Over Revised
	Health and Welfare										
67	Department of Family Services	$194,710,122	$202,003,003	$2,984,237	$671,519	$0	$205,658,759	$203,879,132	$203,879,132	($1,779,627)	(0.87%)
68	Department of Administration for Human Services	12,801,367	13,490,180	203,471	(60,248)	0	13,633,403	13,685,589	13,685,589	52,186	0.38%
71	Health Department	53,635,598	58,526,590	4,208,177	0	0	62,734,767	59,315,897	59,315,897	(3,418,870)	(5.45%)
73	Office to Prevent and End Homelessness	11,980,919	12,971,017	1,118,389	0	0	14,089,406	12,779,820	12,779,820	(1,309,586)	(9.29%)
79	Department of Neighborhood and Community Services	27,943,469	29,635,648	503,674	(25,000)	0	30,114,322	29,800,759	29,800,759	(313,563)	(1.04%)
	Total Health and Welfare	$301,071,475	$316,626,438	$9,017,948	$586,271	$0	$326,230,657	$319,461,197	$319,461,197	($6,769,460)	(2.08%)
	Parks and Libraries										
51	Fairfax County Park Authority	$23,445,623	$24,142,901	$468,589	$0	$0	$24,611,490	$24,604,681	$24,604,681	($6,809)	(0.03%)
52	Fairfax County Public Library	28,698,456	27,908,287	1,485,841	(109,157)	0	29,284,971	28,444,876	28,444,876	(840,095)	(2.87%)
	Total Parks and Libraries	$52,144,079	$52,051,188	$1,954,430	($109,157)	$0	$53,896,461	$53,049,557	$53,049,557	($846,904)	(1.57%)
	Community Development										
16	Economic Development Authority	$7,459,647	$7,570,640	$0	$0	$0	$7,570,640	$7,638,060	$7,638,060	$67,420	0.89%
31	Land Development Services	13,828,750	15,255,591	2,210,849	135,000	0	17,601,440	15,584,901	15,474,075	(2,127,365)	(12.09%)
35	Department of Planning and Zoning	10,519,552	10,973,643	1,409,707	0	0	12,383,350	11,200,554	11,200,554	(1,182,796)	(9.55%)
36	Planning Commission	722,937	820,729	3,916	(3,958)	0	820,687	829,747	829,747	9,060	1.10%
38	Department of Housing and Community Development	5,778,538	6,366,067	195,729	(22,700)	0	6,539,096	6,370,366	6,370,366	(168,730)	(2.58%)
39	Office of Human Rights and Equity Programs	1,347,232	1,527,648	180,079	(6,619)	0	1,701,108	1,581,246	1,581,246	(119,862)	(7.05%)
40	Department of Transportation	7,842,483	8,128,830	953,900	0	0	9,082,730	8,220,725	8,220,725	(862,005)	(9.49%)
	Total Community Development	$47,499,139	$50,643,148	$4,954,180	$101,723	$0	$55,699,051	$51,425,599	$51,314,773	($4,384,278)	(7.87%)
	Nondepartmental										
87	Unclassified Administrative Expenses	$0	$2,407,036	$5,001,925	($58,308)	$0	$7,350,653	$1,973,787	$1,973,787	($5,376,866)	(73.15%)
89	Employee Benefits	332,086,093	356,241,172	2,337,292	1,836,321	0	360,414,785	371,919,866	372,306,730	11,891,945	3.30%
	Total Nondepartmental	$332,086,093	$358,648,208	$7,339,217	$1,778,013	$0	$367,765,438	$373,893,653	$374,280,517	$6,515,079	1.77%
	Total General Fund Direct Expenditures	$1,401,670,703	$1,474,556,275	$42,038,018	$5,139,531	$0	$1,521,733,824	$1,512,272,694	$1,512,844,328	($8,889,496)	(0.58%)

FY 2018 ADOPTED SUMMARY OF APPROPRIATED FUNDS BY FUND TYPE

	General Fund Group	Debt Service Funds	Capital Project Funds	Special Revenue Funds [1]	Internal Service Funds [2,3]	Enterprise Funds	Agency Funds	Trust Funds	Total by Category
Beginning Fund Balance	$284,750,482	$0	$1,628,220	$325,258,454	$175,867,571	$105,278,571	$0	$9,306,837,453	$10,199,620,751
Revenues									
Real Property Taxes	$2,649,504,731	$0	$11,900,000	$183,434,690	$0	$0	$5,218,739	$0	$2,850,058,160
Personal Property Taxes [4]	611,766,244	0	0	0	0	0	0	0	611,766,244
General Other Local Taxes	515,390,893	0	0	42,012,354	0	0	10,441,307	0	567,844,554
Permits, Fees & Regulatory	50,891,047	0	0	25,904,160	0	0	0	0	76,795,207
Fines & Forfeitures	11,684,270	0	0	16,174	0	0	0	0	11,700,444
Revenue from the Use of Money and Property	33,380,345	0	0	10,199,005	18,776,417	779,000	1,000,000	715,460,805	779,595,572
Charges for Services	81,370,947	0	1,475,000	153,987,245	54,756	214,267,358	0	0	451,155,306
Revenue from the Commonwealth [4]	99,196,374	0	0	757,887,102	0	0	0	0	857,083,476
Revenue from the Federal Government	32,175,146	2,100,000	0	203,004,769	0	0	0	1,000,000	238,279,915
Sale of Bonds	0	0	188,000,000	0	0	0	0	0	188,000,000
Other Revenue	16,480,180	580,000	7,084,307	83,367,072	716,970,118	350,000	0	525,431,655	1,350,263,332
Total Revenue	$4,101,840,177	$2,680,000	$208,459,307	$1,459,812,571	$735,801,291	$215,396,358	$16,660,046	$1,241,892,460	$7,982,542,210
Transfers In	$47,773,415	$339,497,647	$56,233,558	$2,198,794,978	$30,632,355	$219,434,663	$0	$10,490,000	$2,902,856,616
Total Available	$4,434,364,074	$342,177,647	$266,321,085	$3,983,866,003	$942,301,217	$540,109,592	$16,660,046	$10,559,219,913	$21,085,019,577
Expenditures by Category									
Legislative-Executive/Central Services	$119,750,412	$0	$0	$0	$0	$0	$0	$0	$119,750,412
Education	$0	0	179,189,347	2,887,377,636	466,180,023	0	0	231,906,222	3,764,653,228
Judicial Administration	$38,900,021	0	0	763,632	0	0	0	0	39,663,653
Public Safety	$488,390,392	0	0	78,513,277	0	0	0	0	566,903,669
Public Works	$77,253,623	0	0	156,963,472	0	219,351,311	0	0	453,568,406
Health and Welfare	$333,959,695	0	0	233,105,335	0	0	0	0	567,065,030
Parks and Libraries	$56,766,518	0	0	15,635,948	0	0	0	0	72,402,466
Community Development	$55,255,398	0	58,532,868	225,387,683	0	0	16,660,046	0	355,835,995
Capital Improvements	$0	0	24,016,876	0	0	0	0	0	24,016,876
Debt Service	$0	341,373,647	0	0	0	0	0	0	341,373,647
Non-Departmental	$374,373,174	0	0	5,075,000	354,630,241	0	0	551,484,951	1,285,563,366
Total Expenditures	$1,544,649,233	$341,373,647	$261,739,091	$3,602,821,983	$820,810,264	$219,351,311	$16,660,046	$783,391,173	$7,590,796,748
Transfers Out	$2,593,777,836	$804,000	$2,953,774	$81,928,535	$0	$222,284,663	$0	$0	$2,901,748,808
Total Disbursements	$4,138,427,069	$342,177,647	$264,692,865	$3,684,750,518	$820,810,264	$441,635,974	$16,660,046	$783,391,173	$10,492,545,556
Ending Fund Balance	$295,937,005	$0	$1,628,220	$299,115,485	$121,490,953	$98,473,618	$0	$9,775,828,740	$10,592,474,021

[1] Not reflected are the following adjustments to balance in FY 2018:
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of $12,994,029.
Fund S50000, Public School Grants and Self-Supporting Programs, assumes carryover of Reserves of $446,235.

[2] Not reflected are the following adjustments to balance in FY 2018:
Fund S60000, Public School Insurance Fund, assumes carryover of Allocated Reserve of $8,382,322.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of Premium Stabilization Reserve of $39,871,404.

[3] For presentation purposes, all County Internal Service Funds expenditures are included in the Nondepartmental Category.

[4] For presentation purposes, Personal Property Taxes that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes Category.

FY 2018 ADOPTED REVENUE AND RECEIPTS BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2016 Actual [1]	FY 2017 Adopted Budget Plan [2]	FY 2017 Revised Budget Plan [3]	FY 2018 Advertised Budget Plan [4]	FY 2018 Adopted Budget Plan [5]	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
GOVERNMENTAL FUNDS							
General Fund Group							
10001 General Fund	$3,849,961,927	$4,010,962,074	$4,022,865,163	$4,099,161,290	$4,100,740,177	$77,875,014	1.94%
10010 Revenue Stabilization	572,835	1,000,000	1,000,000	1,000,000	1,000,000	0	0.00%
10030 Contributory Fund	1,000,000	0	0	0	0	0	-
10040 Information Technology	1,547,656	43,760	1,126,002	100,000	100,000	(1,026,002)	(91.12%)
Total General Fund Group	$3,853,082,418	$4,012,005,834	$4,024,991,165	$4,100,261,290	$4,101,840,177	$76,849,012	1.91%
Debt Service Funds							
20000 Consolidated Debt Service	$3,830,727	$2,680,000	$2,680,000	$2,680,000	$2,680,000	$0	0.00%
Capital Project Funds							
30000 Metro Operations and Construction	$23,190,000	$30,000,000	$30,000,000	$30,000,000	$30,000,000	$0	0.00%
30010 General Construction and Contributions	13,065,954	4,575,000	115,943,085	4,575,000	4,575,000	(111,368,085)	(96.05%)
30020 Infrastructure Replacement and Upgrades	467,321	0	0	0	0	0	-
30030 Library Construction	7,000,000	0	19,615,000	0	0	(19,615,000)	(100.00%)
30040 Contributed Roadway Improvements	2,978,000	189,605	408,391	150,380	150,380	(258,011)	(63.18%)
30050 Transportation Improvements	20,000,000	0	118,839,500	0	0	(118,839,500)	(100.00%)
30060 Pedestrian Walkway Improvements	599,923	0	526,690	0	0	(526,690)	(100.00%)
30070 Public Safety Construction	18,547,200	0	202,925,000	0	0	(202,925,000)	(100.00%)
30080 Commercial Revitalization Program	168,030	0	1,029,556	0	0	(1,029,556)	(100.00%)
30090 Pro Rata Share Drainage Construction	2,577,768	0	371,045	0	0	(371,045)	(100.00%)
30300 The Penny for Affordable Housing Fund	16,751,960	12,251,850	12,251,850	17,627,927	17,627,927	5,376,077	43.88%
30310 Housing Assistance Program	0	0	0	0	0	0	-
30400 Park Authority Bond Construction	17,000,000	0	135,960,000	0	0	(135,960,000)	(100.00%)
S31000 Public School Construction	171,969,021	155,806,000	503,970,313	156,106,000	156,106,000	(347,864,313)	(69.02%)
Total Capital Project Funds	$294,315,177	$202,822,455	$1,141,840,430	$208,459,307	$208,459,307	($933,381,123)	(81.74%)
Special Revenue Funds							
40000 County Transit Systems	$23,944,046	$30,652,330	$29,583,953	$28,902,545	$28,902,545	($681,408)	(2.30%)
40010 County and Regional Transportation Projects	104,494,607	95,477,706	212,134,526	97,005,158	97,005,158	(115,129,368)	(54.27%)
40030 Cable Communications	25,644,810	25,863,861	26,013,861	25,819,120	25,819,120	(194,741)	(0.75%)
40040 Fairfax-Falls Church Community Services Board	36,365,644	36,449,287	35,849,287	36,409,287	36,449,287	600,000	1.67%
40050 Reston Community Center	8,101,819	8,330,240	8,330,240	8,476,319	8,476,319	146,079	1.75%
40060 McLean Community Center	5,611,057	5,737,291	5,737,291	5,351,879	5,351,879	(385,412)	(6.72%)
40070 Burgundy Village Community Center	61,851	63,377	63,377	61,614	61,614	(1,763)	(2.78%)
40080 Integrated Pest Management Program	2,251,490	2,334,421	2,334,421	2,378,246	2,378,246	43,825	1.88%
40090 E-911	46,320,993	46,772,354	46,772,354	46,772,354	46,772,354	0	0.00%
40100 Stormwater Services	63,101,009	64,075,000	92,886,687	70,398,306	70,398,306	(22,488,381)	(24.21%)
40110 Dulles Rail Phase I Transportation Improvement District	23,015,682	22,455,503	22,455,503	24,090,847	21,256,630	(1,198,873)	(5.34%)
40120 Dulles Rail Phase II Transportation Improvement District	15,183,292	15,814,410	15,814,410	16,350,924	16,350,924	536,514	3.39%
40125 Metrorail Parking System Pledged Revenues	7,475,746	5,967,000	86,457,948	7,533,430	7,533,430	(78,924,518)	(91.29%)
40130 Leaf Collection	2,277,656	2,316,831	2,316,831	2,112,583	2,112,583	(204,248)	(8.82%)
40140 Refuse Collection and Recycling Operations	18,275,807	18,762,653	17,417,653	17,008,472	17,008,472	(409,181)	(2.35%)
40150 Refuse Disposal	29,749,777	45,557,601	25,894,914	50,428,345	50,428,345	24,533,431	94.74%
40160 Energy Resource Recovery (ERR) Facility	23,588,660	19,716,811	19,716,811	0	0	(19,716,811)	(100.00%)
40170 I-95 Refuse Disposal	8,538,906	9,124,137	5,984,837	9,298,956	9,298,956	3,314,119	55.38%
40180 Tysons Service District	6,420,811	6,947,796	6,947,796	8,691,916	7,243,263	295,467	4.25%
40190 Reston Service District	0	0	0	910,727	910,727	910,727	-
40300 Housing Trust Fund	4,162,366	484,155	742,561	557,932	557,932	(184,629)	(24.86%)
40330 Elderly Housing Programs	1,491,585	1,657,744	1,442,165	1,396,320	1,396,320	(45,845)	(3.18%)
40360 Homeowner and Business Loan Programs	2,202,599	2,276,304	2,250,174	2,001,082	2,001,082	(249,092)	(11.07%)
50000 Federal/State Grants	93,237,481	103,833,552	224,338,828	108,631,874	108,631,874	(115,706,954)	(51.58%)

FY 2018 ADOPTED REVENUE AND RECEIPTS BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2016 Actual [1]	FY 2017 Adopted Budget Plan [2]	FY 2017 Revised Budget Plan [3]	FY 2018 Advertised Budget Plan [4]	FY 2018 Adopted Budget Plan [5]	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Special Revenue Funds (Cont.)							
50800 Community Development Block Grant	$5,708,527	$4,873,926	$9,418,388	$4,923,230	$4,923,230	($4,495,158)	(47.73%)
50810 HOME Investment Partnerships Program	2,261,210	1,431,830	3,496,933	1,509,811	1,509,811	(1,987,122)	(56.82%)
S10000 Public School Operating	696,674,277	699,602,936	723,008,200	740,703,007	740,703,007	17,694,807	2.45%
S40000 Public School Food and Nutrition Services	75,520,738	81,120,244	81,313,606	83,548,199	83,548,199	2,234,593	2.75%
S43000 Public School Adult and Community Education	8,563,514	9,275,462	9,105,726	9,372,850	9,372,850	267,124	2.93%
S50000 Public School Grants and Self Supporting Programs	49,172,654	49,221,210	67,662,519	53,410,108	53,410,108	(14,252,411)	(21.06%)
Total Special Revenue Funds	$1,389,418,614	$1,416,195,972	$1,785,491,800	$1,464,055,441	$1,459,812,571	($325,679,229)	(18.24%)
TOTAL GOVERNMENTAL FUNDS	$5,540,646,936	$5,633,704,261	$6,955,003,395	$5,775,456,038	$5,772,792,055	($1,182,211,340)	(17.00%)
PROPRIETARY FUNDS							
Internal Service Funds							
60000 County Insurance	$970,706	$720,859	$720,859	$1,020,859	$1,020,859	$300,000	41.62%
60010 Department of Vehicle Services	73,643,837	78,656,220	78,829,847	79,924,644	78,165,099	(664,748)	(0.84%)
60020 Document Services	3,130,424	5,453,800	5,453,800	5,482,389	5,482,389	28,589	0.52%
60030 Technology Infrastructure Services	30,001,751	36,815,242	36,815,242	36,915,664	36,915,664	100,422	0.27%
60040 Health Benefits	178,235,719	192,247,034	192,247,034	196,290,983	196,290,983	4,043,949	2.10%
S60000 Public School Insurance	13,521,142	13,081,339	13,081,339	13,081,339	13,081,339	0	0.00%
S62000 Public School Health and Flexible Benefits	369,366,160	391,181,466	379,930,547	404,844,958	404,844,958	24,914,411	6.56%
Total Internal Service Funds	$668,869,739	$718,155,960	$707,078,668	$737,560,836	$735,801,291	$28,722,623	4.06%
Enterprise Funds							
69000 Sewer Revenue	$206,276,973	$224,472,112	$215,199,545	$215,396,358	$215,396,358	$196,813	0.09%
69030 Sewer Bond Debt Reserve	0	5,006,173	5,006,173	0	0	(5,006,173)	(100.00%)
69310 Sewer Bond Construction	2,022,616	104,993,827	125,132,241	0	0	(125,132,241)	(100.00%)
Total Enterprise Funds	$208,299,589	$334,472,112	$345,337,959	$215,396,358	$215,396,358	($129,941,601)	(37.63%)
TOTAL PROPRIETARY FUNDS	$877,169,328	$1,052,628,072	$1,052,416,627	$952,957,194	$951,197,649	($101,218,978)	(9.62%)
FIDUCIARY FUNDS							
Agency Funds							
70000 Route 28 Taxing District	$10,311,414	$11,402,824	$11,402,824	$11,441,307	$11,441,307	$38,483	0.34%
70040 Mosaic District Community Development Authority	4,529,965	5,531,544	5,531,544	5,867,626	5,218,739	(312,805)	(5.65%)
Total Agency Funds	$14,841,379	$16,934,368	$16,934,368	$17,308,933	$16,660,046	($274,322)	(1.62%)
Trust Funds							
73000 Employees' Retirement Trust	$187,846,047	$488,648,836	$488,648,836	$495,287,043	$495,287,043	$6,638,207	1.36%
73010 Uniformed Employees Retirement Trust	68,791,994	199,347,751	199,347,751	194,486,787	194,486,787	(4,860,964)	(2.44%)
73020 Police Retirement Trust	64,044,756	152,606,055	152,606,055	147,700,835	147,700,835	(4,905,220)	(3.21%)
73030 OPEB Trust	14,122,557	2,544,836	8,870,836	2,654,022	2,654,022	(6,216,814)	(70.08%)
S71000 Educational Employees' Retirement	115,843,201	382,697,133	349,071,504	369,458,761	369,458,761	20,387,257	5.84%
S71100 Public School OPEB Trust	21,368,002	27,546,013	27,546,013	32,305,012	32,305,012	4,758,999	17.28%
Total Trust Funds	$472,016,557	$1,253,390,624	$1,226,090,995	$1,241,892,460	$1,241,892,460	$15,801,465	1.29%
TOTAL FIDUCIARY FUNDS	$486,857,936	$1,270,324,992	$1,243,025,363	$1,259,201,393	$1,258,552,506	$15,527,143	1.25%
TOTAL APPROPRIATED FUNDS	$6,904,674,200	$7,956,657,325	$9,250,445,385	$7,987,614,625	$7,982,542,210	($1,267,903,175)	(13.71%)
Appropriated From (Added to) Surplus	$160,594,034	($545,730,236)	$574,791,197	($443,540,091)	($454,547,260)	($1,029,338,457)	(179.08%)
TOTAL AVAILABLE	$7,065,268,234	$7,410,927,089	$9,825,236,582	$7,544,074,534	$7,527,994,950	($2,297,241,632)	(23.38%)
Less: Internal Service Funds	($668,869,739)	($718,155,960)	($707,078,668)	($737,560,836)	($735,801,291)	($28,722,623)	4.06%
NET AVAILABLE	$6,396,398,495	$6,692,771,129	$9,118,157,914	$6,806,513,698	$6,792,193,659	($2,325,964,255)	(25.51%)

FY 2018 ADOPTED REVENUE AND RECEIPTS BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2016 Actual [1]	FY 2017 Adopted Budget Plan [2]	FY 2017 Revised Budget Plan [3]	FY 2018 Advertised Budget Plan [4]	FY 2018 Adopted Budget Plan [5]	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised

EXPLANATORY NOTE:

The "Total Available" indicates the revenue in each fiscal year that is to be used to support expenditures. This amount is the total revenue adjusted by the amount of funding that is either appropriated from fund balance or added to fund balance. In some instances, adjustments to fund balance that are not currently reflected in the "Changes in Fund Balance" table also affect the "Total Available." Explanations for these adjustments are provided below. The "Total Available," plus (minus) the effect of these changes matches the expenditure totals by fiscal year of the "Expenditure by Fund/Summary of Appropriated Funds," net of any transfers between funds.

[1] Not reflected are the following adjustments to balance in FY 2016:
Fund 60000, County Insurance, net change in accrued liability of $3,726,000.
Fund 69020, Sewer Bond Parity Debt Service, does not reflect non-appropriated amortization expense of ($25,000).
Fund S40000, Public School Food and Nutrition Services, change in inventory of ($323,910).
Fund S60000, Public School Insurance, net change in accrued liability of $1,960,115.

[2] Not reflected are the following adjustments to balance in FY 2017:
Fund 69020, Sewer Bond Parity Debt Service, does not reflect non-appropriated amortization expense of ($25,000).
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of $9,033,086.
Fund S50000, Public School Grants and Self-Supporting Programs, assumes carryover of reserves of $2,550,968.
Fund S60000, Public School Insurance Fund, assumes carryover of Allocated Reserve of $9,494,015.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of premium stabilization reserve of $38,576,888.

[3] Not reflected are the following adjustments to balance in FY 2017:
Fund 69020, Sewer Bond Parity Debt Service, does not reflect non-appropriated amortization expense of ($25,000).

[4] Not reflected are the following adjustments to balance in FY 2018:
Fund 10001, General Fund, does not reflect carryover of FY 2016 Audit Adjustment Reserve of ($677,093), Reserve for Potential FY 2017 One-Time Requirements of ($5,463,153), and FY 2017 Mid-Year Revenue Adjustment Reserve of ($10,351,830).
Fund 40150, Refuse Disposal, assumes balance of $58,616,901 will be moved from Fund 40160, Energy Resource Recovery (ERR) Facility, at year-end FY 2017.
Fund 40160, Energy Resource Recovery (ERR) Facility, does not reflect carryover of ($58,616,901) as any remaining balances at year-end FY 2017 will be moved to Fund 40150, Refuse Disposal.
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of $12,994,029.
Fund S50000, Public School Grants and Self-Supporting Programs, assumes carryover of reserves of $446,235.
Fund S60000, Public School Insurance Fund, assumes carryover of Allocated Reserve of $8,382,322.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of Premium Stabilization Reserve of $39,871,404.

[5] Not reflected are the following adjustments to balance in FY 2018:
Fund 40150, Refuse Disposal, assumes balance of $55,616,901 will be moved from Fund 40160, Energy Resource Recovery (ERR) Facility, at year-end FY 2017.
Fund 40160, Energy Resource Recovery (ERR) Facility, does not reflect carryover of ($55,616,901) as any remaining balances at year-end FY 2017 will be moved to Fund 40150, Refuse Disposal.
Fund S40000, Public School Food and Nutrition Services, assumes carryover of General Reserve of $12,994,029.
Fund S50000, Public School Grants and Self-Supporting Programs, assumes carryover of reserves of $446,235.
Fund S60000, Public School Insurance Fund, assumes carryover of Allocated Reserve of $8,382,322.
Fund S62000, Public School Health and Flexible Benefits, assumes carryover of Premium Stabilization Reserve of $39,871,404.

FY 2018 ADOPTED EXPENDITURES BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2016 Estimate	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
GOVERNMENTAL FUNDS								
General Fund Group								
10001 General Fund	$1,454,186,630	$1,401,670,703	$1,474,556,275	$1,521,733,824	$1,512,272,694	$1,512,844,328	($8,889,496)	(0.58%)
10020 Consolidated Community Funding Pool	10,687,193	10,678,406	11,141,700	11,150,487	11,141,700	11,141,700	(8,787)	(0.08%)
10030 Contributory Fund	15,967,166	15,962,892	13,184,484	13,324,484	13,492,965	13,492,965	168,481	1.26%
10040 Information Technology	42,808,773	14,817,775	6,814,000	37,144,136	7,170,240	7,170,240	(29,973,896)	(80.70%)
Total General Fund Group	$1,523,649,762	$1,443,129,776	$1,505,696,459	$1,583,352,931	$1,544,077,599	$1,544,649,233	($38,703,698)	(2.44%)
Debt Service Funds								
20000 Consolidated Debt Service	$327,588,780	$315,976,456	$320,522,544	$333,285,595	$341,373,647	$341,373,647	$8,088,052	2.43%
Capital Project Funds								
30000 Metro Operations and Construction	$32,950,226	$32,950,226	$41,051,989	$41,031,136	$40,904,941	$40,904,941	($126,195)	(0.31%)
30010 General Construction and Contributions	118,824,283	29,088,067	22,308,427	217,503,787	21,690,923	21,690,923	(195,812,864)	(90.03%)
30020 Infrastructure Replacement and Upgrades	29,955,220	11,981,221	1,408,449	28,944,458	1,825,953	1,825,953	(27,118,505)	(93.69%)
30030 Library Construction	33,305,382	2,916,631	0	32,003,751	0	0	(32,003,751)	(100.00%)
30040 Contributed Roadway Improvements	44,942,247	603,080	0	44,615,987	0	0	(44,615,987)	(100.00%)
30050 Transportation Improvements	149,422,916	16,527,833	0	137,490,083	0	0	(137,490,083)	(100.00%)
30060 Pedestrian Walkway Improvements	4,324,452	946,210	400,000	4,492,714	500,000	500,000	(3,992,714)	(88.87%)
30070 Public Safety Construction	359,364,221	67,933,886	0	292,355,335	0	0	(292,355,335)	(100.00%)
30080 Commercial Revitalization Program	2,108,022	297,328	0	2,023,766	0	0	(2,023,766)	(100.00%)
30090 Pro Rata Share Drainage Construction	3,654,721	2,577,768	0	1,404,866	0	0	(1,404,866)	(100.00%)
30300 The Penny for Affordable Housing Fund	45,979,463	12,165,986	12,251,850	46,783,387	17,627,927	17,627,927	(29,155,460)	(62.32%)
30310 Housing Assistance Program	6,587,519	19,785	0	6,567,734	0	0	(6,567,734)	(100.00%)
30400 Park Authority Bond Construction	58,864,461	10,987,638	0	139,551,823	0	0	(139,551,823)	(100.00%)
S31000 Public School Construction	546,786,302	192,922,672	175,955,030	569,085,033	179,189,347	179,189,347	(389,895,686)	(68.51%)
Total Capital Project Funds	$1,437,069,435	$381,918,331	$253,375,745	$1,563,853,860	$261,739,091	$261,739,091	($1,302,114,769)	(83.26%)
Special Revenue Funds								
40000 County Transit Systems	$114,013,266	$94,719,159	$99,880,480	$108,205,115	$100,485,425	$100,135,425	($8,069,690)	(7.46%)
40010 County and Regional Transportation Projects	326,680,510	46,326,158	63,874,776	358,518,741	62,821,229	62,821,229	(295,697,512)	(82.48%)
40030 Cable Communications	19,709,908	10,420,737	13,488,171	21,955,037	14,500,241	14,500,241	(7,454,796)	(33.95%)
40040 Fairfax-Falls Church Community Services Board	159,369,688	149,422,478	161,326,838	170,790,434	165,740,302	166,878,605	(3,911,829)	(2.29%)
40050 Reston Community Center	9,529,883	7,636,245	8,650,339	9,616,802	10,238,358	10,238,358	621,556	6.46%
40060 McLean Community Center	8,060,467	5,442,006	8,791,646	13,813,934	5,351,879	5,351,879	(8,462,055)	(61.26%)
40070 Burgundy Village Community Center	96,475	74,846	45,711	230,711	45,711	45,711	(185,000)	(80.19%)
40080 Integrated Pest Management Program	3,405,084	2,398,241	3,185,712	3,212,017	3,205,344	3,205,344	(6,673)	(0.21%)
40090 E-911	52,568,278	45,488,304	46,824,921	53,546,669	47,611,893	47,611,893	(5,934,776)	(11.08%)
40100 Stormwater Services	110,130,493	46,025,006	62,950,000	133,325,325	69,273,306	69,273,306	(64,052,019)	(48.04%)
40110 Dulles Rail Phase I Transportation Improvement District	17,341,662	34,740,288	17,345,313	15,890,417	15,569,700	15,569,700	(320,717)	(2.02%)
40120 Dulles Rail Phase II Transportation Improvement District	16,150,000	7,500	500,000	16,150,000	500,000	500,000	(15,650,000)	(96.90%)
40125 Metrorail Parking System Pledged Revenues	8,787,713	8,451,471	8,785,213	102,769,961	8,784,563	8,784,563	(93,985,398)	(91.45%)
40130 Leaf Collection	2,397,156	1,921,070	2,187,182	2,238,978	1,872,293	1,872,293	(366,685)	(16.38%)
40140 Refuse Collection and Recycling Operations	20,725,941	17,162,454	19,292,040	21,630,425	18,725,663	18,478,880	(3,151,545)	(14.57%)
40150 Refuse Disposal	53,033,744	25,493,831	43,892,758	29,113,717	53,514,775	53,514,775	24,401,058	83.81%
40160 Energy Resource Recovery (ERR) Facility	25,924,699	24,197,242	26,805,549	29,818,911	0	0	(29,818,911)	(100.00%)
40170 I-95 Refuse Disposal	16,135,835	7,316,398	8,807,949	16,463,004	10,618,874	10,618,874	(5,844,130)	(35.50%)
40180 Tysons Service District	6,450,000	0	0	6,450,000	0	0	(6,450,000)	(100.00%)
40300 Housing Trust Fund	5,916,924	1,114,980	484,155	9,126,480	557,932	557,932	(8,568,548)	(93.89%)
40330 Elderly Housing Programs	3,962,522	3,171,843	3,580,904	3,276,065	3,233,344	3,233,344	(42,721)	(1.30%)
40360 Homeowner and Business Loan Programs	3,386,229	1,685,610	2,331,087	4,005,576	2,080,081	2,080,081	(1,925,495)	(48.07%)
50000 Federal/State Grants	256,790,556	101,047,125	109,314,388	265,880,518	113,738,873	113,738,873	(152,141,645)	(57.22%)
50800 Community Development Block Grant	10,351,331	5,836,869	4,873,926	9,578,783	4,923,230	4,923,230	(4,655,553)	(48.60%)
50810 HOME Investment Partnerships Program	3,773,138	2,092,925	1,431,830	3,717,547	1,509,811	1,509,811	(2,207,736)	(59.39%)
S10000 Public School Operating [1]	2,597,234,175	2,492,894,761	2,609,766,024	2,701,146,053	2,703,429,288	2,705,137,058	3,991,005	0.15%
S40000 Public School Food and Nutrition Services	87,262,515	74,199,901	90,153,330	94,772,568	96,542,228	96,542,228	1,769,660	1.87%

FY 2018 ADOPTED EXPENDITURES BY FUND
SUMMARY OF APPROPRIATED FUNDS

Fund	FY 2016 Estimate	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
Special Revenue Funds (Cont.)								
S43000 Public School Adult and Community Education	$10,133,046	$9,167,702	$9,510,462	$9,369,217	$9,607,850	$9,607,850	$238,633	2.55%
S50000 Public School Grants & Self Supporting Programs	96,410,871	71,046,186	73,629,503	101,441,851	76,090,500	76,090,500	(25,351,351)	(24.99%)
Total Special Revenue Funds	$4,045,732,109	$3,289,501,336	$3,501,710,207	$4,316,054,856	$3,600,572,693	$3,602,821,983	($713,232,873)	(16.53%)
TOTAL GOVERNMENTAL FUNDS	$7,334,040,086	$5,430,525,899	$5,581,304,955	$7,796,547,242	$5,747,763,030	$5,750,583,954	($2,045,963,288)	(26.24%)
PROPRIETARY FUNDS								
Internal Service Funds								
60000 County Insurance	$62,968,566	$28,652,307	$25,827,740	$68,327,740	$26,424,371	$26,424,371	($41,903,369)	(61.33%)
60010 Department of Vehicle Services	82,359,754	73,314,030	80,896,874	85,146,829	83,888,574	82,129,029	(3,017,800)	(3.54%)
60020 Document Services	5,870,611	5,350,832	9,742,167	9,985,121	9,800,756	9,800,756	(184,365)	(1.85%)
60030 Technology Infrastructure Services	38,329,840	36,015,743	42,819,296	43,825,967	41,059,182	41,059,182	(2,766,785)	(6.31%)
60040 Health Benefits	196,717,557	176,332,082	189,292,804	211,674,260	195,216,903	195,216,903	(16,457,357)	(7.77%)
S60000 Public School Insurance	26,846,747	14,615,490	22,575,354	25,752,399	21,463,661	21,463,661	(4,288,738)	(16.65%)
S62000 Public School Health and Flexible Benefits	403,231,566	370,015,613	429,758,354	418,682,578	444,716,362	444,716,362	26,033,784	6.22%
Total Internal Service Funds	$816,324,641	$704,296,097	$800,912,589	$863,394,894	$822,569,809	$820,810,264	($42,584,630)	(4.93%)
Enterprise Funds								
69010 Sewer Operation and Maintenance	$97,560,730	$91,477,954	$98,697,646	$96,144,371	$98,676,187	$98,676,187	$2,531,816	2.63%
69020 Sewer Bond Parity Debt Service	20,906,350	17,662,918	23,510,500	23,510,500	25,550,727	25,550,727	2,040,227	8.68%
69040 Sewer Bond Subordinate Debt Service	26,318,820	26,087,284	26,218,147	26,218,147	25,784,734	25,784,734	(433,413)	(1.65%)
69300 Sewer Construction Improvements	134,052,309	86,272,087	74,650,000	122,430,222	69,339,663	69,339,663	(53,090,559)	(43.36%)
69310 Sewer Bond Construction	27,648,702	16,030,594	104,993,827	138,772,965	0	0	(138,772,965)	(100.00%)
Total Enterprise Funds	$306,486,911	$237,530,837	$328,070,120	$407,076,205	$219,351,311	$219,351,311	($187,724,894)	(46.12%)
TOTAL PROPRIETARY FUNDS	$1,122,811,552	$941,826,934	$1,128,982,709	$1,270,471,099	$1,041,921,120	$1,040,161,575	($230,309,524)	(18.13%)
FIDUCIARY FUNDS								
Agency Funds								
70000 Route 28 Taxing District	$11,047,464	$10,186,839	$11,402,824	$11,529,035	$11,441,307	$11,441,307	($87,728)	(0.76%)
70040 Mosaic District Community Development Authority	4,529,965	4,529,965	5,531,544	5,531,544	5,867,626	5,218,739	(312,805)	(5.65%)
Total Agency Funds	$15,577,429	$14,716,804	$16,934,368	$17,060,579	$17,308,933	$16,660,046	($400,533)	(2.35%)
Trust Funds								
73000 Employees' Retirement Trust	$306,730,875	$291,111,401	$316,052,401	$316,052,401	$340,357,173	$340,357,173	$24,304,772	7.69%
73010 Uniformed Employees Retirement Trust	103,558,966	95,706,315	107,670,019	107,670,019	110,660,617	110,660,617	2,990,598	2.78%
73020 Police Retirement Trust	77,675,496	74,569,771	84,233,227	84,233,227	89,398,036	89,398,036	5,164,809	6.13%
73030 OPEB Trust	14,120,060	18,532,437	10,317,370	16,643,370	11,069,125	11,069,125	(5,574,245)	(33.49%)
S71000 Educational Employees' Retirement	198,323,622	187,974,538	208,671,625	200,143,274	209,642,722	209,642,722	9,499,448	4.75%
S71100 Public School OPEB Trust	16,779,500	16,775,656	17,494,500	17,494,500	22,263,500	22,263,500	4,769,000	27.26%
Total Trust Funds	$717,188,519	$684,670,118	$744,439,142	$742,236,791	$783,391,173	$783,391,173	$41,154,382	5.54%
TOTAL FIDUCIARY FUNDS	$732,765,948	$699,386,922	$761,373,510	$759,297,370	$800,700,106	$800,051,219	$40,753,849	5.37%
TOTAL APPROPRIATED FUNDS	$9,189,617,586	$7,071,739,755	$7,471,661,174	$9,826,315,711	$7,590,384,256	$7,590,796,748	($2,235,518,963)	(22.75%)
Less: Internal Service Funds [2]	($816,324,641)	($704,296,097)	($800,912,589)	($863,394,894)	($822,569,809)	($820,810,264)	$42,584,630	(4.93%)
NET EXPENDITURES	$8,373,292,945	$6,367,443,658	$6,670,748,585	$8,962,920,817	$6,767,814,447	$6,769,986,484	($2,192,934,333)	(24.47%)

[1] Pending School Board approval, FY 2018 expenditures for Fund S10000, Public School Operating, are reduced from the amount shown in the School Board's Advertised Budget to offset the discrepancy between the County's approved Transfer Out from the General Fund to Fund S10000 and the Transfer In from the General Fund reflected in the School Board's Advertised Budget. Final adjustments will be reflected at the *FY 2017 Carryover Review*.

[2] Total Appropriated Funds Expenditures are reduced by Internal Service Fund Expenditures, as the amounts are already included.

FY 2018 ADOPTED CHANGES IN FUND BALANCE
SUMMARY OF APPROPRIATED FUNDS

Fund		Balance 6/30/15	Balance 6/30/16	Balance 6/30/17	Balance 6/30/18	Appropriated From/(Added to) Surplus
GOVERNMENTAL FUNDS						
General Fund Group						
10001	General Fund	$164,916,223	$166,089,457	$106,708,719	$110,895,383	($4,186,664)
10010	Revenue Stabilization	121,140,663	141,620,035	178,012,489	185,038,059	(7,025,570)
10020	Consolidated Community Funding Pool	76,050	8,787	0	0	0
10030	Contributory Fund	123,240	54,985	29,274	3,563	25,711
10040	Information Technology	36,137,773	29,247,894	0	0	0
	Total General Fund Group	$322,393,949	$337,021,158	$284,750,482	$295,937,005	($11,186,523)
Debt Service Funds						
20000	Consolidated Debt Service	$10,213,173	$12,763,051	$0	$0	$0
Capital Project Funds						
30000	Metro Operations and Construction	$889,147	($20,853)	$0	$0	$0
30010	General Construction and Contributions	60,572,840	76,044,318	0	0	0
30020	Infrastructure Replacement and Upgrades	20,371,350	18,441,320	0	0	0
30030	Library Construction	8,305,382	12,388,751	0	0	0
30040	Contributed Roadway Improvements	42,166,106	44,397,201	0	0	0
30050	Transportation Improvements	15,178,416	18,650,583	0	0	0
30060	Pedestrian Walkway Improvements	2,129,077	2,920,453	0	0	0
30070	Public Safety Construction	138,717,021	89,430,335	0	0	0
30080	Commercial Revitalization Program	1,123,508	994,210	0	0	0
30090	Pro Rata Share Drainage Construction	1,033,821	1,033,821	0	0	0
30300	The Penny for Affordable Housing Fund	29,945,563	34,531,537	0	0	0
30310	Housing Assistance Program	6,587,519	6,567,734	0	0	0
30400	Park Authority Bond Construction	(2,420,539)	3,591,823	0	0	0
S31000	Public School Construction	37,924,521	42,737,166	1,628,220	1,628,220	0
	Total Capital Project Funds	$362,523,732	$351,708,399	$1,628,220	$1,628,220	$0
Special Revenue Funds						
40000	County Transit Systems	$11,879,876	$10,158,786	$765,774	$965,774	($200,000)
40010	County and Regional Transportation Projects	168,498,790	189,392,337	7,184,679	7,168,771	15,908
40030	Cable Communications	11,938,592	11,446,566	1,870,255	487,389	1,382,866
40040	Fairfax-Falls Church Community Services Board	11,411,867	14,598,531	5,734,935	5,734,935	0
40050	Reston Community Center	5,938,135	6,403,709	5,117,147	3,355,108	1,762,039
40060	McLean Community Center	10,441,982	10,611,033	2,534,390	2,534,390	0
40070	Burgundy Village Community Center	314,039	301,044	133,710	149,613	(15,903)
40080	Integrated Pest Management Program	2,769,053	2,481,302	1,462,706	494,608	968,098
40090	E-911	7,752,941	8,585,630	1,811,315	971,776	839,539
40100	Stormwater Services	25,612,635	41,563,638	0	0	0
40110	Dulles Rail Phase I Transportation Improvement District	58,589,673	46,865,067	53,430,153	59,117,083	(5,686,930)
40120	Dulles Rail Phase II Transportation Improvement District	50,740,723	65,916,515	65,580,925	81,431,849	(15,850,924)
40125	Metrorail Parking System Pledged Revenues	20,616,004	23,860,792	11,769,292	10,518,159	1,251,133
40130	Leaf Collection	4,134,070	4,490,656	4,568,509	4,808,799	(240,290)
40140	Refuse Collection and Recycling Operations	10,108,717	10,674,070	5,913,298	3,894,890	2,018,408
40150	Refuse Disposal	9,748,504	13,427,450	9,631,647	61,536,118	(51,904,471)
40160	Energy Resource Recovery (ERR) Facility	66,425,583	65,768,001	55,616,901	0	55,616,901
40170	I-95 Refuse Disposal	35,657,796	36,694,304	26,030,137	24,524,219	1,505,918
40180	Tysons Service District	7,279,794	13,700,605	14,198,401	21,441,664	(7,243,263)
40190	Reston Service District	0	0	0	910,727	(910,727)
40300	Housing Trust Fund	5,565,593	8,612,979	229,060	229,060	0
40330	Elderly Housing Programs	2,701,802	2,918,193	3,007,452	3,007,452	0
40360	Homeowner and Business Loan Programs	3,982,076	4,499,065	2,743,663	2,664,664	78,999

FY 2018 ADOPTED CHANGES IN FUND BALANCE
SUMMARY OF APPROPRIATED FUNDS

Fund		Balance 6/30/15	Balance 6/30/16	Balance 6/30/17	Balance 6/30/18	Appropriated From/(Added to) Surplus
Special Revenue Funds (Cont.)						
50000	Federal/State Grants	$39,204,297	$36,803,117	$742,263	$742,263	$0
50800	Community Development Block Grant	288,737	160,395	0	0	0
50810	HOME Investment Partnerships Program	52,329	220,614	0	0	0
S10000	Public School Operating	146,668,729	142,045,745	45,181,842	15,866,438	29,315,404
S40000	Public School Food and Nutrition Services	12,462,035	13,458,962	0	0	0
S43000	Public School Adult and Community Education	397,679	28,491	0	0	0
S50000	Public School Grants and Self Supporting Programs	12,727,348	11,922,007	0	0	0
	Total Special Revenue Funds	$743,909,399	$797,609,604	$325,258,454	$312,555,749	$12,702,705
	TOTAL GOVERNMENTAL FUNDS	$1,439,040,253	$1,499,102,212	$611,637,156	$610,120,974	$1,516,182
PROPRIETARY FUNDS						
Internal Service Funds						
60000	County Insurance	$115,928,812	$117,793,037	$78,074,271	$76,854,840	$1,219,431
60010	Department of Vehicle Services	32,042,703	32,372,510	26,055,528	22,091,598	3,963,930
60020	Document Services	1,066,335	1,124,160	534,670	158,134	376,536
60030	Technology Infrastructure Services	6,699,099	5,306,532	1,841,198	204,123	1,637,075
60040	Health Benefits	47,394,518	49,298,155	29,870,929	30,945,009	(1,074,080)
S60000	Public School Insurance	51,296,268	52,162,035	39,490,975	39,490,975	0
S62000	Public School Health and Flexible Benefits	39,401,484	38,752,031	0	0	0
	Total Internal Service Funds	$293,829,219	$296,808,460	$175,867,571	$169,744,679	$6,122,892
Enterprise Funds						
69000	Sewer Revenue	$113,352,458	$77,112,069	$75,761,614	$71,723,309	$4,038,305
69010	Sewer Operation and Maintenance	11,210,730	6,082,776	88,405	2,218	86,187
69020	Sewer Bond Parity Debt Service	1,948,521	3,260,603	2,625,103	4,376	2,620,727
69030	Sewer Bond Debt Reserve	21,728,541	21,728,541	26,734,714	26,734,714	0
69040	Sewer Bond Subordinate Debt Service	2,874,166	286,882	68,735	9,001	59,734
69300	Sewer Construction Improvements	47,663,309	47,780,222	0	0	0
69310	Sewer Bond Construction	3,220,340	13,640,724	0	0	0
	Total Enterprise Funds	$201,998,065	$169,891,817	$105,278,571	$98,473,618	$6,804,953
	TOTAL PROPRIETARY FUNDS	$495,827,284	$466,700,277	$281,146,142	$268,218,297	$12,927,845
FIDUCIARY FUNDS						
Agency Funds						
70000	Route 28 Taxing District	$1,636	$126,211	$0	$0	$0
70040	Mosaic District Community Development Authority	0	0	0	0	0
	Total Agency Funds	$1,636	$126,211	$0	$0	$0
Trust Funds						
73000	Employees' Retirement Trust	$3,693,354,953	$3,590,089,599	$3,762,686,034	$3,917,615,904	($154,929,870)
73010	Uniformed Employees Retirement Trust	1,525,612,553	1,498,698,232	1,590,375,964	1,674,202,134	(83,826,170)
73020	Police Retirement Trust	1,280,910,163	1,270,385,148	1,338,757,976	1,397,060,775	(58,302,799)
73030	OPEB Trust	224,667,263	241,257,383	247,984,849	250,059,746	(2,074,897)
S71000	Educational Employees' Retirement	2,179,692,115	2,107,560,778	2,256,489,008	2,416,305,047	(159,816,039)
S71100	Public School OPEB Trust	95,899,763	100,492,109	110,543,622	120,585,134	(10,041,512)
	Total Trust Funds	$9,000,136,810	$8,808,483,249	$9,306,837,453	$9,775,828,740	($468,991,287)
	TOTAL FIDUCIARY FUNDS	$9,000,138,446	$8,808,609,460	$9,306,837,453	$9,775,828,740	($468,991,287)
TOTAL APPROPRIATED FUNDS		$10,935,005,983	$10,774,411,949	$10,199,620,751	$10,654,168,011	($454,547,260)

GENERAL FUND PROPERTY TAX RATES
FY 2009 - FY 2018
(per $100 assessed valuation)

Tax Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Advertised	FY 2018 Adopted
Real Estate	$0.92	$1.04	$1.09	$1.07	$1.075	$1.085	$1.090	$1.090	$1.130	$1.130	$1.130
Public Service	0.92	1.04	1.09	1.07	1.075	1.085	1.090	1.090	1.130	1.130	1.130
Personal Property[1]	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57	$4.57
Special Subclass[2]	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Machinery and Tools	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Development	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57	4.57
Mobile Homes[3]	0.92	1.04	1.09	1.07	1.075	1.085	1.090	1.090	1.130	1.130	1.130
Public Service	0.92	1.04	1.09	1.07	1.075	1.085	1.090	1.090	1.130	1.130	1.130

[1] Includes vehicles owned by individuals, businesses and Public Service Corporations, business furniture and fixtures, and computers.

[2] On April 30, 1990, the Board of Supervisors established a subclass for personal property taxation purposes. This subclass includes vehicles specifically equipped for the handicapped, privately-owned vans used for van pools, and vehicles belonging to volunteer fire and rescue squad members. The same rate also applies to antique automobiles. In FY 1996, vehicles owned by auxiliary police officers, aircraft and flight simulators, and property owned by homeowners' associations were added to the special subclass. Boats were added in FY 2000 and vehicles owned by reserve deputy sheriffs were included in FY 2007. Beginning in FY 2012, one vehicle owned by a fully disabled veteran is included in this special subclass.

[3] In accordance with the Code of Virginia, mobile homes are considered a separate class of Personal Property and are assessed and taxed in the same manner as local real property.

SUMMARY OF SELECTED NON-GENERAL FUND TAX RATES

FY 2009 - FY 2018

Tax Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018 Advertised	FY 2018 Adopted
Sewage Rates (Fund 69000)											
Sewer Charge (per 1,000 gal.)	$4.10	$4.50	$5.27	$6.01	$6.55	$6.55	$6.62	$6.65	$6.68	$6.75	$6.75
Availability Fee - Single Family Home	$6,896	$7,310	$7,750	$7,750	$7,750	$7,750	$7,750	$7,750	$7,750	$8,100	$8,100
Refuse Rates											
Leaf Collection (Fund 40130)[1]	$0.015	$0.015	$0.015	$0.015	$0.015	$0.015	$0.015	$0.015	$0.015	$0.013	$0.013
Refuse Collection per unit (Fund 40140)	$345	$345	$345	$345	$345	$345	$345	$345	$345	$345	$345
Refuse Disposal per ton (Fund 40150)	$57.00	$60.00	$60.00	$60.00	$60.00	$60.00	$62.00	$62.00	$62.00	$64.00	$64.00
Community Centers											
Reston (Fund 40050)[1]	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047	$0.047
McLean (Fund 40060)[1]	$0.026	$0.024	$0.024	$0.023	$0.022	$0.022	$0.023	$0.023	$0.023	$0.023	$0.023
Burgundy Village (Fund 40070)[1]	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02	$0.02
Other Special Taxing Districts											
Commercial & Industrial Tax for Transportation Projects (Fund 40010)[1,2]	$0.11	$0.11	$0.11	$0.11	$0.11	$0.125	$0.125	$0.125	$0.125	$0.125	$0.125
Integrated Pest Management Program (Fund 40080)[1]	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001	$0.001
Stormwater Services (Fund 40100)[1,3]	--	$0.010	$0.015	$0.015	$0.020	$0.020	$0.0225	$0.0250	$0.0275	$0.0300	$0.0300
Dulles Rail Phase I (Fund 40110)[1]	$0.22	$0.22	$0.22	$0.22	$0.22	$0.21	$0.21	$0.19	$0.17	$0.17	$0.15
Dulles Rail Phase II (Fund 40120)[1]	--	--	$0.05	$0.10	$0.15	$0.20	$0.20	$0.20	$0.20	$0.20	$0.20
Tysons Service District (Fund 40180)[1,4]	--	--	--	--	--	$0.04	$0.04	$0.05	$0.05	$0.06	$0.05
Reston Service District (Fund 40190)[1,5]	--	--	--	--	--	--	--	--	--	$0.021	$0.021
Route 28 Corridor (Fund 70000)[1]	$0.20	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18	$0.18

[1] Per $100 of assessed value.

[2] This district was created in FY 2009 after the Virginia General Assembly enacted legislation allowing Northern Virginia jurisdictions to levy an additional real estate tax on commercial and industrial properties for new transportation initiatives.

[3] This service district was created in FY 2010 to support stormwater management operating and capital requirements, as authorized by the Code of Virginia §15.2-2400.

[4] This service district was established on January 8, 2013 to fund transportation infrastructure in Tysons.

[5] This service district was created as part of the FY 2018 Budget process.

ASSESSED VALUATION, TAX RATES, LEVIES AND COLLECTIONS
GENERAL FUND, FISCAL YEARS 2016-2018

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
ASSESSED VALUATION OF TAXABLE PROPERTY					
Real Estate					
Local Assessment	$226,608,986,400	$233,373,141,270	$233,373,141,270	$237,791,162,200	$237,791,162,200
Public Service Corporations	892,919,132	892,919,132	892,919,132	922,307,948	922,307,948
Supplemental Assessments	452,259,354	456,982,400	456,982,400	405,088,718	405,088,718
Less: Tax Relief for Elderly/Disabled	(2,540,813,446)	(2,581,478,915)	(2,581,478,915)	(2,570,000,000)	(2,570,000,000)
Less: Exonerations/Certificates/Tax Abatements	(586,042,002)	(598,248,412)	(598,248,412)	(653,831,687)	(653,831,687)
Less: Tax Increment Financing (TIF)[1]	(415,593,110)	(489,517,210)	(489,517,210)	(519,258,930)	(519,258,930)
Total Real Estate Taxable Valuation	$224,411,716,328	$231,053,798,265	$231,053,798,265	$235,375,468,249	$235,375,468,249
Personal Property					
Vehicles	$11,275,024,498	$11,368,094,769	$11,570,336,974	$11,641,695,104	$11,641,695,104
Business Property (excluding vehicles)	2,674,864,798	2,688,614,907	2,800,546,646	2,828,552,116	2,828,552,116
Mobile Homes	15,386,567	15,198,777	15,483,491	15,483,491	15,483,491
Other Personal Property[2]	17,195,032	16,985,171	17,303,348	17,303,348	17,303,348
Public Service Corporations	2,700,963,612	2,702,902,740	2,707,894,321	2,860,167,707	2,860,167,707
Omitted Assessments	298,376,962	321,649,147	328,831,083	331,130,891	331,130,891
Less: Exonerations	(86,631,535)	(89,131,243)	(90,903,502)	(91,539,267)	(91,539,267)
Total Personal Property Valuation	$16,895,179,934	$17,024,314,268	$17,349,492,361	$17,602,793,390	$17,602,793,390
Total Taxable Property Valuation	$241,306,896,262	$248,078,112,533	$248,403,290,626	$252,978,261,639	$252,978,261,639
TAX RATE (per $100 assessed value)					
Real Estate					
Regular-Local Assessment	$1.09	$1.13	$1.13	$1.13	$1.13
Public Service Corporations-Equalized	1.09	1.13	1.13	1.13	1.13
Personal Property					
Vehicle/Business/Other	$4.57	$4.57	$4.57	$4.57	$4.57
Public Service Corporations-Equalized	1.09	1.13	1.13	1.13	1.13
Mobile Homes	1.09	1.13	1.13	1.13	1.13
LEVIES AND COLLECTIONS					
Property Tax Levy					
Real Estate Tax Levy	$2,446,087,709	$2,610,907,920	$2,610,907,920	$2,659,742,791	$2,659,742,791
Personal Property Tax Levy	581,630,565	588,461,408	599,542,949	605,240,753	605,240,753
Total Property Tax Levy	$3,027,718,274	$3,199,369,328	$3,210,450,869	$3,264,983,544	$3,264,983,544
Property Tax Collections					
Collection of Current Taxes[3]	$3,019,636,276	$3,184,640,504	$3,189,385,196	$3,249,807,986	$3,250,456,873
Percentage of Total Levy Collected	99.7%	99.5%	99.3%	99.5%	99.6%
Net Collections of Delinquent Taxes	21,161,598	22,014,102	22,014,102	22,714,102	22,714,102
Total Property Tax Collections	$3,040,797,874	$3,206,654,606	$3,211,399,298	$3,272,522,088	$3,273,170,975
Yield of $0.01 per $100 of Real Estate Tax Collections	$22,656,077	$23,307,324	$23,307,324	$23,753,781	$23,753,781
Yield of $0.01 per $100 of Personal Property Tax Collections	$1,203,644	$1,205,524	$1,215,821	$1,237,729	$1,237,729

[1] In FY 2018, the Mosaic District Tax Increment Financing (TIF) reduces the assessment base by $519,258,930 and the tax levy by $5,867,626. This reduction is based on the difference between the FY 2018 assessed property value in the district compared to the property value in 2007 when the district was created. The FY 2018 funds necessary to cover the debt service associated with the Mosaic TIF are in the amount of $5,218,739. Accordingly, the excess revenue of $648,887 will remain in the General Fund and will not be transferred to Fund 70040, Mosaic District Community Development Authority.

[2] Other Personal Property includes boats, trailers, and miscellaneous.

[3] Includes the approximate value of one-half of one cent on the Real Estate Tax rate, which is directed to The Penny for Affordable Housing Fund. The value is $11.30 million, $11.70 million, and $11.90 million in FY 2016, FY 2017 and FY 2018, respectively. In addition, includes $648,887 in excess Mosaic revenue.

FY 2018 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
TOTAL REAL PROPERTY TAXES							
Real Estate Tax - Current	$2,419,025,674	$2,581,315,480	$2,581,315,480	$2,629,472,749	$2,630,121,636	$648,887	0.0%
R. E. Tax - Public Service Corps	9,732,475	10,089,986	10,089,986	10,422,080	10,422,080	0	0.0%
Subtotal R. E. Tax - Current	$2,428,758,149	$2,591,405,466	$2,591,405,466	$2,639,894,829	$2,640,543,716	$648,887	0.0%
R. E. Tax Penalties - Current	$4,132,742	$3,954,824	$3,954,824	$3,954,824	$3,954,824	$0	0.0%
R. E. Tax Interest - Current	98,216	63,249	63,249	63,249	63,249	0	0.0%
R. E. PSC - Penalty Current	51,632	2,038	2,038	2,038	2,038	0	0.0%
R. E. PSC - Interest Current	933	42	42	42	42	0	0.0%
R.E. Tax Delinquent - Prior Years	3,513,055	4,317,675	4,317,675	4,317,675	4,317,675	0	0.0%
R.E. Tax Penalties - Prior years	572,191	544,570	544,570	544,570	544,570	0	0.0%
R.E. Tax Interest - Prior Years	100,011	78,617	78,617	78,617	78,617	0	0.0%
Subtotal R. E. Tax - Delinq. Collections	$8,468,781	$8,961,015	$8,961,015	$8,961,015	$8,961,015	$0	0.0%
TOTAL REAL PROPERTY TAXES	$2,437,226,930	$2,600,366,481	$2,600,366,481	$2,648,855,844	$2,649,504,731	$648,887	0.0%
PERSONAL PROPERTY TAXES							
Personal Property Tax - Current	$338,537,047	$339,394,375	$344,139,067	$354,282,539	$354,282,539	$0	0.0%
P. P. Tax - Public Service Corps	29,727,136	30,826,719	30,826,719	32,416,674	32,416,674	0	0.0%
Subtotal P. P. Tax - Current	$368,264,183	$370,221,094	$374,965,786	$386,699,213	$386,699,213	$0	0.0%
P. P. Tax Penalties - Current	$5,571,375	$4,982,675	$4,982,675	$5,682,675	$5,682,675	$0	0.0%
P.P. Tax Interest - Current	431,051	324,163	324,163	324,163	324,163	0	0.0%
P.P. Tax Delinquent - Prior Years	4,863,139	6,153,349	6,153,349	6,153,349	6,153,349	0	0.0%
P.P. Tax Penalties - Prior Years	1,381,748	800,591	800,591	800,591	800,591	0	0.0%
P.P. Tax Interest - Prior Years	445,504	792,309	792,309	792,309	792,309	0	0.0%
Subtotal P. P. Tax - Delinquent	$12,692,817	$13,053,087	$13,053,087	$13,753,087	$13,753,087	$0	0.0%
TOTAL PERSONAL PROPERTY TAXES	$380,957,000	$383,274,181	$388,018,873	$400,452,300	$400,452,300	$0	0.0%
GENERAL OTHER LOCAL TAXES							
Short-Term Daily Rental	$371,546	$351,015	$371,547	$375,499	$375,499	$0	0.0%
Vehicle Registration Fee	26,154,345	26,573,911	26,573,911	26,706,780	26,706,780	0	0.0%
Vehicle Registration Fee - Delinquent	651,963	568,388	568,388	571,230	571,230	0	0.0%
Auto Delinquent - DMV Hold	(32,660)	0	0	0	0	0	--
Bank Franchise Tax	19,994,503	16,407,450	17,995,053	18,175,004	18,175,004	0	0.0%
Cigarette Tax	7,166,598	7,073,909	7,003,682	6,968,664	6,968,664	0	0.0%
Gross Receipts Tax on Rental Cars	2,709,902	2,596,556	2,764,100	2,819,382	2,819,382	0	0.0%
Land Transfer Fees	24,726	23,663	23,663	23,663	23,663	0	0.0%
Communication Sales and Use Tax	17,010,456	16,005,070	14,825,739	14,825,739	14,825,739	0	0.0%
Subtotal	$74,051,379	$69,599,962	$70,126,083	$70,465,961	$70,465,961	$0	0.0%
Sales Tax - Local	$178,738,384	$183,410,638	$178,738,384	$183,209,376	$183,209,376	$0	0.0%
Sales Tax - Mobile Home	101,281	85,000	101,281	101,281	101,281	0	0.0%
Subtotal Sales Tax	$178,839,665	$183,495,638	$178,839,665	$183,310,657	$183,310,657	$0	0.0%
Deed of Conveyance Tax	$6,444,494	$6,004,283	$6,444,494	$6,508,939	$6,508,939	$0	0.0%
Recordation Tax	23,808,125	22,972,125	23,957,088	23,957,088	23,957,088	0	0.0%
Subtotal Deed of Conveyance/Recordation Taxes	$30,252,619	$28,976,408	$30,401,582	$30,466,027	$30,466,027	$0	0.0%

FY 2018 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
Transient Occupancy Tax	$9,902,105	$10,139,022	$10,139,022	$10,392,498	$10,392,498	$0	0.0%
Transient Occupancy Tax -- Additional	10,602,148	10,915,701	10,915,701	11,188,593	11,188,593	0	0.0%
Subtotal Transient Occupancy Tax	$20,504,253	$21,054,723	$21,054,723	$21,581,091	$21,581,091	$0	0.0%
TOTAL Other Local Taxes	$303,647,917	$303,126,731	$300,422,053	$305,823,736	$305,823,736	$0	0.0%
Electric Utility Tax - Dominion Virginia Power	$34,236,788	$34,760,748	$34,065,603	$34,065,603	$34,065,603	$0	0.0%
Electric Utility Tax - No. Va. Elec. Coop.	1,731,091	1,736,274	1,722,435	1,722,435	1,722,435	0	0.0%
Subtotal Electric Utility Tax	$35,967,878	$36,497,022	$35,788,038	$35,788,038	$35,788,038	$0	0.0%
Gas Utility Tax - Washington Gas	$8,694,931	$9,251,707	$8,651,457	$8,651,457	$8,651,457	$0	0.0%
Gas Utility Tax - Columbia Gas of VA	489,946	526,103	487,497	487,497	487,497	0	0.0%
Subtotal Gas Utility Tax	$9,184,878	$9,777,810	$9,138,954	$9,138,954	$9,138,954	$0	0.0%
TOTAL Consumer Utility Tax	$45,152,756	$46,274,832	$44,926,992	$44,926,992	$44,926,992	$0	0.0%
Electric Consumption Tax	$2,876,204	$3,035,385	$2,910,231	$2,924,782	$2,924,782	$0	0.0%
Natural Gas Consumption Tax	681,431	860,210	689,400	692,847	692,847	0	0.0%
Subtotal Consumption Tax	$3,557,635	$3,895,595	$3,599,631	$3,617,629	$3,617,629	$0	0.0%
BPOL Tax - Amusements	$307,655	$242,333	$310,732	$315,393	$315,393	$0	0.0%
BPOL Tax - Builders and Developers	286,148	217,717	289,010	293,345	293,345	0	0.0%
BPOL Tax - Business Service Occupation	33,027,185	34,955,593	33,357,457	33,857,819	33,857,819	0	0.0%
BPOL Tax - Consultant/Specialist	31,665,564	31,077,377	31,982,219	32,461,953	32,461,953	0	0.0%
BPOL Tax - Contractors	7,526,542	8,566,748	7,601,808	7,715,835	7,715,835	0	0.0%
BPOL Tax - Hotels and Motels	1,560,424	1,452,969	1,576,028	1,599,668	1,599,668	0	0.0%
BPOL Tax - Money Lenders	825,250	806,548	833,503	846,006	846,006	0	0.0%
BPOL Tax - Personal Service Occupations	6,215,081	6,656,053	6,277,232	6,371,390	6,371,390	0	0.0%
BPOL Tax - Prof. & Spec. Occupations	19,020,126	18,298,493	19,210,327	19,498,482	19,498,482	0	0.0%
BPOL Tax - Real Estate Brokers	1,685,998	1,837,820	1,702,858	1,728,401	1,728,401	0	0.0%
BPOL Tax - Rent of House, Apt & Condo	12,511,291	12,694,533	12,636,404	12,825,950	12,825,950	0	0.0%
BPOL Tax - Repair Services	1,732,767	1,586,717	1,750,095	1,776,346	1,776,346	0	0.0%
BPOL Tax - Research and Development	902,972	584,620	912,001	925,681	925,681	0	0.0%
BPOL Tax - Retail Merchants	30,973,501	30,550,665	31,283,236	31,752,485	31,752,485	0	0.0%
BPOL Tax - Telephone Companies	3,066,624	3,103,069	3,097,290	3,143,749	3,143,749	0	0.0%
BPOL Tax - Wholesale Merchants	2,233,594	1,428,078	2,255,930	2,289,769	2,289,769	0	0.0%
Subtotal BPOL - Current	$153,540,723	$154,059,333	$155,076,130	$157,402,272	$157,402,272	$0	0.0%
BPOL Tax - Penalties & Interest - Current Year	$366,515	$360,000	$360,000	$360,000	$360,000	$0	0.0%
BPOL Tax - Delinquent Taxes - Prior Years	2,021,023	2,731,264	2,731,264	2,731,264	2,731,264	0	0.0%
BPOL Tax - Delinquent Penalty & Interest - Prior Years	1,075,455	529,000	529,000	529,000	529,000	0	0.0%
Subtotal BPOL - Delinquents	$3,462,992	$3,620,264	$3,620,264	$3,620,264	$3,620,264	$0	0.0%
TOTAL Business, Professional & Occupational Licenses	$157,003,715	$157,679,597	$158,696,394	$161,022,536	$161,022,536	$0	0.0%
TOTAL GENERAL OTHER LOCAL TAXES	$509,362,023	$510,976,755	$507,645,070	$515,390,893	$515,390,893	$0	0.0%
PERMITS, FEES & REGULATORY LICENSES							
Building Permits	$14,680,407	$10,944,697	$15,271,528	$15,576,957	$15,576,957	$0	0.0%
Electrical Permits	2,949,700	3,241,242	3,067,688	3,129,042	3,129,042	0	0.0%
Plumbing Permits	1,929,703	2,116,562	2,006,891	2,047,029	2,047,029	0	0.0%
Mechanical Permits	1,851,731	2,344,119	1,925,800	1,964,316	1,964,316	0	0.0%
Cross Connection Charges	612,478	1,542,583	636,978	649,718	649,718	0	0.0%
Home Improvement Inspection Licenses	5,788	9,705	6,019	6,139	6,139	0	0.0%
Elevator Inspection Licenses	1,963,148	2,088,363	2,291,674	2,082,507	2,082,507	0	0.0%
Appliance Permits	609,545	571,083	633,927	646,606	646,606	0	0.0%
Building Re-inspection Fees	10,548	27,943	10,970	11,189	11,189	0	0.0%

FY 2018 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
Electrical Re-inspection Fees	9,018	12,862	9,379	9,567	9,567	0	0.0%
Plumbing Re-inspection Fees	4,590	12,124	4,774	4,869	4,869	0	0.0%
Mechanical Re-inspection Fees	6,444	13,282	6,702	6,836	6,836	0	0.0%
Plan Resubmission Fee - New Construction	265,753	318,820	276,383	281,911	281,911	0	0.0%
Plan Resubmission Fee - Alteration Construction	505,158	473,244	525,364	535,871	535,871	0	0.0%
Subtotal Inspection Services	$25,404,010	$23,716,629	$26,674,077	$26,952,557	$26,952,557	$0	0.0%
Site Plan Fees	$3,292,476	$4,124,606	$3,424,175	$3,492,659	$3,492,659	$0	0.0%
Developer Bond Extension	442,350	436,944	460,044	469,245	469,245	0	0.0%
Subdivision Plat Fees	227,148	241,388	236,234	240,959	240,959	0	0.0%
Subdivision Plan Fees	2,493,562	2,277,247	2,593,305	2,645,171	2,645,171	0	0.0%
Landfill Special Fees	17,611	180,466	18,316	18,682	18,682	0	0.0%
Utility Permit Fees	21,378	23,270	22,233	22,678	22,678	0	0.0%
Inspection - Site Plans	3,345,986	3,596,273	3,479,826	3,549,423	3,549,423	0	0.0%
Inspection - Subplans	895,985	797,148	931,825	950,462	950,462	0	0.0%
VSMP Maintenance Fee	120,475	500	125,294	127,800	127,800	0	0.0%
VSMP Permit Fee	63,318	100,000	65,851	67,168	67,168	0	0.0%
VSMP Civil Penalties	0	100	100	102	102	0	0.0%
VSMP Transfer Fee	3,000	300	3,120	3,182	3,182	0	0.0%
VSMP Modification Fee	700	0	728	743	743	0	0.0%
VSMP Discharge Fee	57,165	0	59,452	60,641	60,641	0	0.0%
Subtotal Design Review	$10,981,154	$11,778,242	$11,420,503	$11,648,915	$11,648,915	$0	0.0%
TOTAL Inspection Services and Design Review	$36,385,164	$35,494,871	$38,094,580	$38,601,472	$38,601,472	$0	0.0%
Zoning Fees	$2,126,358	$1,918,955	$2,126,358	$2,239,530	$2,239,530	$0	0.0%
Sign Permit Fees	133,375	127,387	127,387	127,387	127,387	0	0.0%
Board of Zoning Appeals Fees	167,968	206,968	198,274	198,274	198,274	0	0.0%
Wetlands Permits	600	600	600	600	600	0	0.0%
Non-Residential Use Permits Fees (NON-RUP's Fees)	159,530	154,280	149,100	149,100	149,100	0	0.0%
Zoning Compliance Letters/Temp Special Permits	229,325	221,137	215,437	215,437	215,437	0	0.0%
Subtotal Zoning Revenue	$2,817,156	$2,629,327	$2,817,156	$2,930,328	$2,930,328	$0	0.0%
Dog Licenses & Dangerous Dog Fees	$878,471	$913,140	$878,471	$878,471	$878,471	$0	0.0%
Auto Graveyard Licenses	150	100	150	150	150	0	0.0%
Carnival Permits	25	0	25	25	25	0	0.0%
Dance Hall Licenses	2,910	3,690	3,690	3,690	3,690	0	0.0%
Fortune Teller Licenses	500	1,000	1,000	1,000	1,000	0	0.0%
Mixed Drink Establishment Licenses	247,925	210,000	247,925	250,404	250,404	0	0.0%
Land Use Assessment Application Fees	792	1,241	792	792	792	0	0.0%
Massage Therapist Permits	50,575	51,095	51,095	51,975	51,975	0	0.0%
Election Filing Fees	0	1,250	1,250	200	200	0	0.0%
Concealed Weapon Permits	238,270	190,048	238,270	191,354	191,354	0	0.0%
Precious Metal & Gem Dealers / Pawnbrokers Licenses	10,850	11,850	11,850	11,850	11,850	0	0.0%
Solicitors Licenses	13,020	12,740	12,740	12,740	12,740	0	0.0%
Going Out of Business Fees	0	65	65	65	65	0	0.0%
Towing Permit	1,800	1,500	1,500	1,500	1,500	0	0.0%
Fire Prevention Code Permits	1,835,328	1,799,363	1,850,735	1,887,750	1,887,750	0	0.0%
Fire Marshal Fees	4,806,501	4,755,386	4,806,501	4,902,631	4,902,631	0	0.0%
Acceptance Test Overtime Fees	13,104	125,000	15,000	15,000	15,000	0	0.0%
Home Childcare Permits	20,966	25,140	20,966	20,966	20,966	0	0.0%
Alarm Systems Registrations	122,699	122,575	122,575	122,575	122,575	0	0.0%
Taxicab Licenses	143,955	149,390	141,455	141,455	141,455	0	0.0%
Subtotal Misc. Permits, Fees & Licenses	$8,387,841	$8,374,573	$8,406,055	$8,494,593	$8,494,593	$0	0.0%
Swimming Pool Licenses	$268,183	$264,583	$264,583	$267,229	$267,229	$0	0.0%
Alternate Discharge Permits	10	825	825	825	825	0	0.0%
Alternative Sewage Systems Plan Review	24,550	29,275	29,275	29,275	29,275	0	0.0%
Camps/Campgrounds--State Health Fee	360	360	360	360	360	0	0.0%

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Food Establishment Operating Permits	96,605	93,150	93,150	94,082	94,082	0	0.0%
Building Permits Review	51,300	52,875	52,875	52,875	52,875	0	0.0%
Site Development Review	14,450	17,425	17,425	17,425	17,425	0	0.0%
Hotel Permits--State Health Fee	5,240	5,600	5,600	5,600	5,600	0	0.0%
Miscellaneous Environmental Fees	3,203	1,898	1,898	1,898	1,898	0	0.0%
Portable Toilet Fees	775	540	540	540	540	0	0.0%
Private Schools/Day Care Center Licenses	16,645	16,450	16,450	16,450	16,450	0	0.0%
Public Establishment Review	23,740	25,810	23,740	23,740	23,740	0	0.0%
Restaurants--State Health Fee	57,405	55,000	55,000	55,550	55,550	0	0.0%
State Share Septic Tank Permits	82,995	95,340	82,995	82,995	82,995	0	0.0%
State Share Well Permit Fees	42,300	46,300	46,300	46,300	46,300	0	0.0%
Routine Water Sample Fees	3,725	3,325	3,325	3,325	3,325	0	0.0%
Sanitation Inspection Licenses	1,900	2,400	2,400	2,400	2,400	0	0.0%
Septic Tank Permits	54,080	62,430	54,080	54,080	54,080	0	0.0%
Septic Tank Truck Licenses	76,278	77,275	77,275	77,275	77,275	0	0.0%
Well Water Supply Permits	28,300	31,530	31,530	31,530	31,530	0	0.0%
Well Water Supply Licenses	850	900	900	900	900	0	0.0%
Soil Consultant License	0	2,100	0	0	0	0	--
Subtotal Health Dept. Permits, Fees & Licenses	$852,893	$885,391	$860,526	$864,654	$864,654	$0	0.0%
TOTAL Misc. Permits Fees & Licenses	$9,240,734	$9,259,964	$9,266,581	$9,359,247	$9,359,247	$0	0.0%
TOTAL PERMITS, FEES & REGULATORY LICENSES	$48,443,054	$47,384,162	$50,178,317	$50,891,047	$50,891,047	$0	0.0%
FINES AND FORFEITURES							
Attorney Fee - Collection of Delinquent Taxes	$13,798	$9,816	$9,816	$9,816	$9,816	$0	0.0%
Circuit Court Fines and Penalties	128,659	156,504	128,659	128,659	128,659	0	0.0%
County Fee - Administrative - Collections of Delinquent Taxes	1,691,581	1,828,203	1,691,581	1,691,581	1,691,581	0	0.0%
Juvenile & Domestic Relations Court (J&DR) Fines/Interest	1,893	2,148	2,148	2,148	2,148	0	0.0%
General District Court Fines/Interest	134,492	127,574	134,492	134,492	134,492	0	0.0%
General District Court Fines	6,148,575	7,088,297	6,443,706	6,475,925	6,475,925	0	0.0%
County Fines - J&DR Court	37,761	81,744	37,761	37,761	37,761	0	0.0%
Alarm Ordinance Violations	605,063	598,382	570,065	570,065	570,065	0	0.0%
Collection Agency Fees	37,162	0	0	0	0	0	--
State Set-Off Debt Service (SOF)	210,988	215,425	210,988	210,988	210,988	0	0.0%
County Fines/Penalties	427	1,927	1,927	90,036	90,036	0	0.0%
Parking Violations	2,470,250	2,157,996	2,157,996	2,168,786	2,168,786	0	0.0%
Non-Tax Penalty for Late Payment	128,841	139,821	128,841	128,841	128,841	0	0.0%
Non-Tax Interest	36,025	32,036	32,036	32,036	32,036	0	0.0%
Non-Sufficient Funds Check Return	3,244	3,136	3,136	3,136	3,136	0	0.0%
TOTAL FINES AND FORFEITURES	$11,648,758	$12,443,009	$11,553,152	$11,684,270	$11,684,270	$0	0.0%
REVENUE FROM USE OF MONEY & PROPERTY							
Interest on Investments	$16,168,492	$19,724,724	$23,621,772	$30,233,911	$30,233,911	$0	0.0%
Rent of Real Estate	4,548,797	1,978,307	1,145,307	1,154,907	1,154,907	0	0.0%
Rent on Communication Sites	792,654	792,342	792,342	774,600	774,600	0	0.0%
Cafeteria Commissions/Vending Machines	103,561	71,482	103,561	105,632	105,632	0	0.0%
Cash Over and Short	10	0	0	0	0	0	--
Bicycle Locker Rentals	8,860	15,000	10,195	10,195	10,195	0	0.0%
Facility Use Fee	13,184	1,100	1,100	1,100	1,100	0	0.0%
TOTAL REV. FROM USE OF MONEY & PROPERTY	$21,635,558	$22,582,955	$25,674,277	$32,280,345	$32,280,345	$0	0.0%

FY 2018 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
CHARGES FOR SERVICES							
Courthouse Maintenance Fees	$379,821	$393,411	$393,411	$393,411	$393,411	$0	0.0%
Court Security Fees	1,584,877	1,695,833	1,695,833	1,695,833	1,695,833	0	0.0%
Criminal Justice Academy Fee on Criminal Offenses	158,804	178,948	168,975	168,975	168,975	0	0.0%
EMS Transport Fee	19,915,403	18,017,051	20,114,557	20,215,130	20,215,130	0	0.0%
Copying Machine Revenue	109,095	110,447	110,447	110,447	110,447	0	0.0%
Reimbursement for Recorded Tapes/FOIA Fees	17,143	13,161	17,143	17,143	17,143	0	0.0%
Proposed Vacation Fees	200	800	400	400	400	0	0.0%
Refuse Collection Fees	0	2,900	0	0	0	0	--
Jail Fees / DNA Fees	66,992	70,115	70,115	70,115	70,115	0	0.0%
Parental Support - Boys Probation House	475	1,380	475	475	475	0	0.0%
Parental Support - Girls Probation House	925	500	925	925	925	0	0.0%
Parental Support - Supervised Visitation	6,566	5,868	5,868	5,868	5,868	0	0.0%
Commonwealth's Attorney Fees	29,626	29,761	29,761	29,761	29,761	0	0.0%
Police Reports and Photo Fees	232,908	234,414	234,414	234,414	234,414	0	0.0%
Sheriff Fees	66,271	66,271	66,271	66,271	66,271	0	0.0%
Police Reimbursement	1,056,749	1,224,027	1,312,636	1,056,749	1,056,749	0	0.0%
Animal Shelter Fees	284,721	292,700	284,721	284,721	284,721	0	0.0%
Miscellaneous Charges for Services	415	0	0	0	0	0	--
Seniors on the Go	22,020	23,680	21,620	21,620	21,620	0	0.0%
Taxi Access	9,840	11,490	11,490	11,490	11,490	0	0.0%
Parking Garage Fees	891,516	883,372	883,372	1,104,372	1,104,372	0	0.0%
Adoption Service Fees	7,631	4,228	7,631	7,631	7,631	0	0.0%
Street Sign Fees	2,450	1,737	1,737	1,737	1,737	0	0.0%
Restricted Parking Fees	3,030	3,030	3,030	3,030	3,030	0	0.0%
Sales - Mapping Division	8,845	23,088	4,926	4,926	4,926	0	0.0%
Copay - Inmate Medical	15,898	14,400	15,898	15,898	15,898	0	0.0%
Coin-Operated Copiers	212,920	217,257	217,257	219,430	219,430	0	0.0%
Library Overdue Penalties	1,103,296	1,110,301	1,103,296	1,103,296	1,103,296	0	0.0%
Employee Child Care Center Fees	1,235,537	1,243,979	1,243,979	1,243,979	1,243,979	0	0.0%
School Age Child Care (SACC) Fees	40,709,609	39,290,521	41,523,801	41,731,420	41,731,420	0	0.0%
County Clerk Fees	4,758,161	4,524,289	4,805,743	4,853,800	4,853,800	0	0.0%
Circuit Court Paper Land Records Fee	0	0	0	0	350,000	350,000	--
Domestic Violence Services Client Fees - ADAPT	80,479	73,941	73,941	73,941	73,941	0	0.0%
FASTRAN Rider Fees	16,492	21,349	21,349	21,349	21,349	0	0.0%
Medicaid Client Fees - Logisticare	106,208	85,331	106,208	106,208	106,208	0	0.0%
Subtotal Misc. Charges for Services	$73,094,922	$69,869,580	$74,551,230	$74,874,765	$75,224,765	$350,000	0.5%
Senior Center Annual Participant Fees	$183,048	$162,850	$183,048	$184,879	$184,879	$0	0.0%
James Lee Theatre	22,652	20,202	23,495	23,495	23,495	0	0.0%
Rec - Non-County Resident Sport Fee	442,026	430,262	442,026	442,026	442,026	0	0.0%
Rec - Community Use/Building Director Fee	36,876	39,751	36,876	36,876	36,876	0	0.0%
DNCS Recreation Class Fees	82,907	65,000	82,907	82,907	82,907	0	0.0%
Park Authority Recreation Class Fees	814,879	900,953	807,981	807,981	807,981	0	0.0%
Rec - Neighborhood Ctr/Therapeutic Rec Fees	300,577	308,357	299,754	299,754	299,754	0	0.0%
Custodial Fees	217,677	235,156	235,156	235,156	235,156	0	0.0%
Subtotal Recreation Revenue	$2,100,642	$2,162,531	$2,111,243	$2,113,074	$2,113,074	$0	0.0%
Nursing Home Pre-Screening Admission Fee	$282,600	$272,569	$282,600	$296,730	$296,730	$0	0.0%
Speech Fees	133,255	147,156	115,749	115,749	115,749	0	0.0%
Hearing Fees	80,089	41,696	80,089	80,089	80,089	0	0.0%
Vital Statistic Fees	611,946	629,847	629,847	629,847	629,847	0	0.0%
Dental Health Fees	24,004	26,354	26,354	26,354	26,354	0	0.0%
Pharmacy Fees	29	25	0	0	0	0	--
X-Ray Fees	6,710	8,065	6,710	6,710	6,710	0	0.0%
General Medical Clinic Fees	962,867	908,838	924,239	1,067,724	1,067,724	0	0.0%
Family Planning Services	35,365	41,555	35,365	35,365	35,365	0	0.0%
Medicaid Dental Fees	27,984	39,216	21,609	21,609	21,609	0	0.0%

FY 2018 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
Lab Services Fees	617,370	644,363	582,363	582,363	582,363	0	0.0%
Administrative Fees - Health Dept	12,931	7,296	7,296	7,296	7,296	0	0.0%
Non-Medicaid Pediatric Clinic Visits	11	0	0	0	0	0	--
Non-Medicaid Maternal Clinic Visits	32	0	0	0	0	0	--
Sewage Disposal/Well Water Evaluation	2,800	3,600	2,800	2,800	2,800	0	0.0%
Adult Day Health Care Fees	875,018	931,321	863,276	863,276	863,276	0	0.0%
Adult Day Health Care Medicaid Reimbursement	339,875	297,196	297,196	297,196	297,196	0	0.0%
Subtotal Health Dept Revenue	$4,012,886	$3,999,097	$3,875,493	$4,033,108	$4,033,108	$0	0.0%
TOTAL CHARGES FOR SERVICES	$79,208,450	$76,031,208	$80,537,966	$81,020,947	$81,370,947	$350,000	0.4%
RECOVERED COSTS							
City of Fairfax Shared Govt. Expenses	$3,928,524	$4,046,380	$4,021,172	$4,101,595	$4,101,595	$0	0.0%
City of Fairfax Public Assistance	1,125,322	1,027,338	1,027,338	1,027,338	1,027,338	0	0.0%
City of Fairfax - FASTRAN/Employment	12,839	12,839	12,839	12,839	12,839	0	0.0%
Falls Church Public Assistance	862,639	862,479	871,104	871,104	871,104	0	0.0%
Falls Church - FASTRAN/Employment	14,119	14,119	14,119	14,119	14,119	0	0.0%
Falls Church Health Dept. Services	328,469	379,461	379,461	379,461	379,461	0	0.0%
Inmate Room and Board	559,091	537,046	559,091	559,091	559,091	0	0.0%
Boarding of Prisoners	461,808	141,541	42,477	42,477	42,477	0	0.0%
Professional Dues Deduction	43,411	43,136	45,205	45,205	45,205	0	0.0%
Recovered Costs - Circuit Court	20	25	25	25	25	0	0.0%
Recovered Costs - General District Court	78,062	93,466	81,391	81,391	81,391	0	0.0%
E-Rate Telecom Program	40,785	14,855	14,855	14,855	14,855	0	0.0%
Misc. Recovered Costs - Other	731,967	35,435	45,435	44,245	44,245	0	0.0%
Child Care Services for Other Jurisdictions	117,223	117,096	117,096	117,096	117,096	0	0.0%
CPAN, Circuit Court Computer Service	322,786	333,500	333,500	333,500	333,500	0	0.0%
Golden Gazette	88,924	88,500	82,923	82,923	82,923	0	0.0%
Police Academy Cost Recovery	22,400	25,100	25,100	25,100	25,100	0	0.0%
FASTRAN	72,743	70,590	70,590	70,590	70,590	0	0.0%
Reimbursement - School Health	3,995,766	3,995,766	3,995,766	3,995,766	3,995,766	0	0.0%
State Reimbursement Adult Detention Center	2,303,520	2,234,740	2,234,740	2,234,740	2,234,740	0	0.0%
Admin -- City of Fairfax	0	7,131	0	0	0	0	--
TOTAL RECOVERED COSTS	$15,110,418	$14,080,543	$13,974,227	$14,053,460	$14,053,460	$0	0.0%
REVENUE FROM THE COMMONWEALTH							
State Shared Rolling Stock Tax	$109,526	$109,704	$109,704	$109,704	$109,704	$0	0.0%
State Law Enforcement Funding (HB 599)	23,731,260	24,481,261	24,481,261	24,481,261	24,481,261	0	0.0%
State Indirect Aid	56,219	54,217	54,217	54,217	54,217	0	0.0%
Subtotal Non-Categorical State Aid	$23,897,005	$24,645,182	$24,645,182	$24,645,182	$24,645,182	$0	0.0%
State Shared Retirement - Circuit Court	$175,359	$176,465	$176,465	$176,465	$176,465	$0	0.0%
State Shared Commonwealth Atty. Expenses	2,065,371	1,738,655	1,738,655	1,738,655	1,774,655	36,000	2.1%
State Shared Retirement - Commonwealth Atty.	38,843	32,309	32,309	32,309	32,309	0	0.0%
State Shared Dept. of Tax Admin/Finance Expenses	2,141,006	2,094,754	2,094,754	2,094,754	2,154,754	60,000	2.9%
State Shared Retirement - Dept. of Tax Admin./Finance	43,694	55,172	55,172	55,172	55,172	0	0.0%
State Shared Sheriff Expenses	14,657,404	14,925,954	14,925,954	14,925,954	15,205,954	280,000	1.9%
State Shared Retirement - Sheriff	294,009	278,576	278,576	278,576	278,576	0	0.0%
State Shared General Registrar/ Electoral Board Expenses	623,104	85,806	85,806	85,806	85,806	0	0.0%
Subtotal Shared Expenses	$20,038,791	$19,387,691	$19,387,691	$19,387,691	$19,763,691	$376,000	1.9%

FY 2018 ADOPTED GENERAL FUND REVENUE

Revenue Category	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Advertised	% Increase/ (Decrease) Over Advertised
Libraries State Aid	$498,839	$500,819	$500,819	$500,819	$500,819	$0	0.0%
Virginia Share Public Assistance Programs	35,609,921	38,785,936	39,147,818	38,785,936	38,785,936	0	0.0%
Va Child Care Supplement - SACC Program	1,116,272	1,036,072	1,036,072	1,036,072	1,036,072	0	0.0%
Va. Juvenile Crime Control Act Funding	624,829	621,170	621,170	621,170	621,170	0	0.0%
State Share J&DR Court Residential Services	2,242,077	2,452,428	2,452,428	2,452,428	2,452,428	0	0.0%
Subtotal Categorical State Aid	$40,091,938	$43,396,425	$43,758,307	$43,396,425	$43,396,425	$0	0.0%
State Reimb. - General District Court	$92,677	$85,265	$85,265	$85,265	$85,265	$0	0.0%
State Reimb. - Health Department	9,077,567	9,077,567	9,077,567	9,077,567	9,244,567	167,000	1.8%
State Reimb. - Residential Beds - JDC	2,850	10,850	10,850	10,850	10,850	0	0.0%
State Reimb. - Commonwealth Atty. Witness Expense	15,832	16,400	16,400	16,400	16,400	0	0.0%
State Reimb.- Police Intoxication	4,175	6,125	6,125	6,125	6,125	0	0.0%
State Share J&DR Court Services	2,086,939	1,990,869	1,990,869	1,990,869	2,027,869	37,000	1.9%
Subtotal State Recovered Costs	$11,280,040	$11,187,076	$11,187,076	$11,187,076	$11,391,076	$204,000	1.8%
State Reimb - Personal Property Tax (PPTRA)	$211,313,944	$211,313,944	$211,313,944	$211,313,944	$211,313,944	$0	0.0%
TOTAL REVENUE FROM THE COMMONWEALTH	$306,621,718	$309,930,318	$310,292,200	$309,930,318	$310,510,318	$580,000	0.2%
REVENUE FROM THE FEDERAL GOVT.							
J&DR Court - USA Grant	$96,575	$99,500	$99,500	$99,500	$99,500	$0	0.0%
USDA Grant - Office for Children/Human Svc.	48,635	44,689	44,689	44,689	44,689	0	0.0%
Federal Direct Aid	0	23,000	23,000	23,000	23,000	0	0.0%
Criminal Alien Assistance Program	832,745	400,000	400,000	400,000	400,000	0	0.0%
Federal Emergency Assistance	40,768	0	0	0	0	0	--
Subtotal Categorical Federal Aid	$1,018,723	$567,189	$567,189	$567,189	$567,189	$0	0.0%
DFS Federal and Federal Pass-Through	$35,957,432	$30,889,467	$31,562,957	$31,562,957	$31,562,957	$0	0.0%
Payments in Lieu of Taxes - Federal	6,649	45,000	45,000	45,000	45,000	0	0.0%
Federal Aid for Indirect Costs	195,060	0	0	0	0	0	--
TOTAL REVENUE FROM THE FEDERAL GOVERNMENT	$37,177,865	$31,501,656	$32,175,146	$32,175,146	$32,175,146	$0	0.0%
Combined State & Federal Public Assistance	$71,567,353	$69,675,403	$70,710,775	$70,348,893	$70,348,893	$0	0.0%
MISCELLANEOUS REVENUE - GIFTS, DONATIONS, OTHER							
Litigation Proceeds	$143,254	$115,000	$186,150	$143,254	$143,254	$0	0.0%
Miscellaneous Revenue - Environ Mgmt.	2,130	14,632	2,130	2,130	2,130	0	0.0%
Contract Rebates	1,922,661	2,016,169	2,016,169	2,036,331	2,036,331	0	0.0%
Gifts, Donations & Miscellaneous Revenue	379,317	130,000	130,000	130,000	130,000	0	0.0%
Linebarger Collection Fees	173	0	0	0	0	0	--
Sales of Land, Vehicles and Salvage	122,619	115,005	115,005	115,005	115,005	0	0.0%
TOTAL MISCELLANEOUS/OTHER	$2,570,153	$2,390,806	$2,449,454	$2,426,720	$2,426,720	$0	0.0%
Total Recovered Costs/Misc./Other Revenue	$17,680,571	$16,471,349	$16,423,681	$16,480,180	$16,480,180	$0	0.0%
GRAND TOTAL GENERAL FUND REVENUE	$3,849,961,927	$4,010,962,074	$4,022,865,163	$4,099,161,290	$4,100,740,177	$1,578,887	0.0%

FY 2018 ADOPTED
REVENUE FROM THE COMMONWEALTH [1]

Fund/Fund Title	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
10001 General Fund [2]	$306,621,718	$309,930,318	$310,292,200	$309,930,318	$310,510,318	$218,118	0.07%
10030 Contributory Fund	1,000,000	0	0	0	0	0	-
30010 General Construction and Contributions	0	0	100,000	0	0	(100,000)	(100.00%)
30020 Infrastructure Replacement and Upgrades	467,321	0	0	0	0	0	-
30040 Contributed Roadway Improvement	4,600	0	218,786	0	0	(218,786)	(100.00%)
30060 Pedestrian Walkway Improvements	385,571	0	0	0	0	0	-
30080 Commercial Revitalization Program	168,030	0	1,029,556	0	0	(1,029,556)	(100.00%)
40000 County Transit Systems	14,160,353	21,447,928	21,800,668	21,019,260	21,019,260	(781,408)	(3.58%)
40010 County and Regional Transportation Projects	50,959,333	42,723,012	107,729,014	43,592,917	43,592,917	(64,136,097)	(59.53%)
40040 Fairfax-Falls Church Community Services Board	11,850,482	11,716,017	11,716,017	11,886,443	11,886,443	170,426	1.45%
40090 E-911	4,629,914	4,600,000	4,600,000	4,600,000	4,600,000	0	0.00%
40100 Stormwater Services	38,265	0	5,123,171	0	0	(5,123,171)	(100.00%)
40140 Refuse Collection and Recycling Operations	129,453	128,034	128,034	129,453	129,453	1,419	1.11%
50000 Federal/State Grants	30,171,855	31,174,522	43,893,593	35,062,988	35,062,988	(8,830,605)	(20.12%)
69310 Sewer Bond Construction	1,958,258	0	20,138,414	0	0	(20,138,414)	(100.00%)
S10000 Public School Operating	590,072,748	593,626,528	605,863,561	631,425,294	631,425,294	25,561,733	4.22%
S40000 Public School Food and Nutrition Services	1,049,064	1,153,857	1,153,857	1,217,890	1,217,890	64,033	5.55%
S43000 Public School Adult and Community Education	725,301	744,292	744,292	747,063	747,063	2,771	0.37%
S50000 Public School Grants and Self Supporting Programs	11,731,474	9,909,251	12,035,016	8,205,794	8,205,794	(3,829,222)	(31.82%)
Total Revenue from the Commonwealth	$1,026,123,740	$1,027,153,759	$1,146,566,179	$1,067,817,420	$1,068,397,420	($78,168,759)	(6.82%)

[1] In addition to funds received by the County directly from the State in the funds listed herein, it is projected the State will provide $110,245,059 to the Northern Virginia Transportation Commission (NVTC) in FY 2018 as a credit to help offset Fairfax County's Operating Subsidy and $10,000,000 as a credit to help offset Fairfax County's Capital Construction Subsidy in Fund 30000, Metro Operations and Construction. State aid in the amount of $17,732,424 is also projected to be disbursed to NVTC in FY 2018 which will be utilized to offset operations in Fund 40000, County Transit Systems.

[2] Personal Property Taxes of $211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Revenue from the Commonwealth category in accordance with guidelines from the State Auditor of Public Accounts.

FY 2018 ADOPTED
REVENUE FROM THE FEDERAL GOVERNMENT

Fund/Fund Title	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
10001 General Fund	$37,177,865	$31,501,656	$32,175,146	$32,175,146	$32,175,146	$0	0.00%
20000 Consolidated Debt Service	2,889,783	2,100,000	2,100,000	2,100,000	2,100,000	0	0.00%
30060 Pedestrian Walkway Improvements	23,333	0	526,690	0	0	(526,690)	(100.00%)
40010 County and Regional Transportation Projects	688,662	0	0	0	0	0	-
40040 Fairfax-Falls Church Community Services Board	4,226,961	4,228,673	4,228,673	4,208,641	4,208,641	(20,032)	(0.47%)
40100 Stormwater Services	774,323	0	0	0	0	0	-
40360 Homeowner and Business Loan Programs	527	26,130	0	0	0	0	-
50000 Federal/State Grants	60,985,541	70,928,744	138,571,624	71,436,434	71,436,434	(67,135,190)	(48.45%)
50800 Community Development Block Grant	5,276,494	4,873,926	9,418,388	4,923,230	4,923,230	(4,495,158)	(47.73%)
50810 HOME Investment Partnerships Program	1,688,280	1,431,830	3,496,933	1,509,811	1,509,811	(1,987,122)	(56.82%)
73030 OPEB Trust	1,419,231	1,000,000	1,000,000	1,000,000	1,000,000	0	0.00%
S10000 Public School Operating	41,154,625	42,219,310	51,852,234	42,355,500	42,355,500	(9,496,734)	(18.31%)
S31000 Public School Construction	13,499,004	0	9,410,082	0	0	(9,410,082)	(100.00%)
S40000 Public School Food and Nutrition Services	34,821,381	36,075,261	36,075,261	39,840,792	39,840,792	3,765,531	10.44%
S43000 Public School Adult and Community Education	1,766,774	1,666,438	1,751,564	1,666,438	1,666,438	(85,126)	(4.86%)
S50000 Public School Grants and Self Supporting Programs	34,153,302	30,905,754	46,353,193	37,063,923	37,063,923	(9,289,270)	(20.04%)
Total Revenue from the Federal Government	$240,546,086	$226,957,722	$336,959,788	$238,279,915	$238,279,915	($98,679,873)	(29.29%)

FAIRFAX COUNTY
FY 2016 - FY 2018 County Funded Programs for School-Related Services

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
General Fund Transfers					
General Fund Transfer to School Operating Fund	$1,825,153,345	$1,913,518,902	$1,913,518,902	$1,965,211,830	$1,966,919,600
General Fund Transfer to School Construction Fund	13,100,000	13,100,000	13,100,000	13,100,000	13,100,000
General Fund Transfer to School Debt Service	187,157,477	189,870,099	189,870,099	189,130,953	189,130,953
Subtotal	**$2,025,410,822**	**$2,116,489,001**	**$2,116,489,001**	**$2,167,442,783**	**$2,169,150,553**
Police Department					
School Resource Officers (55/55.0 FTE)[1]	$6,749,707	$7,020,636	$7,054,416	$7,252,317	$7,252,317
Non-Billable Overtime Hours[1]	193,391	194,698	174,624	201,123	201,123
School Crossing Guards (64/64.0 FTE)[1]	2,901,410	3,095,166	3,052,035	3,197,306	3,197,306
Subtotal	**$9,844,508**	**$10,310,500**	**$10,281,075**	**$10,650,746**	**$10,650,746**
Fire Department					
Fire safety programs for pre-school through middle school aged students	$158,609	$156,455	$163,960	$169,107	$169,107
Subtotal	**$158,609**	**$156,455**	**$163,960**	**$169,107**	**$169,107**
Health Department					
Net Cost of School Health (281/209.59 FTE)[1]	$16,819,321	$17,044,608	$17,353,844	$17,681,122	$17,681,122
Subtotal	**$16,819,321**	**$17,044,608**	**$17,353,844**	**$17,681,122**	**$17,681,122**
Community Services Board (CSB)					
Infant and Toddler Connection[1,2]	$168,233	$179,187	$175,437	$179,617	$179,617
Youth and Family Services[1,2]	6,695,234	9,270,242	8,116,600	7,931,566	7,931,566
Subtotal	**$6,863,467**	**$9,449,429**	**$8,292,037**	**$8,111,183**	**$8,111,183**
Department of Family Services					
Net Cost of the School-Age Child Care (SACC) Program (534/514.16 FTE) - includes general services and services for special needs clients, partially offset by program revenues[3]	$6,240,973	$8,604,867	$7,051,615	$7,468,463	$7,468,463
Net Cost of Locally Funded Head Start and School Readiness Activities (21/21.0 FTE)[1]	7,727,506	8,159,934	8,366,828	8,199,577	8,199,577
Local Cash Match Associated with the Head Start/Early Head Grant Funding[4]	1,188,122	1,194,786	1,424,261	1,194,786	1,194,786
Local Cash Match Associated with the Virginia Preschool Initiative Grant Funding	261,704	325,000	402,205	325,000	325,000
Behavioral Health Services for Youth (3/3.0 FTE)[1]	492,357	1,224,705	1,278,164	1,234,479	1,234,479
Net Cost of Children's Services Act (10/10.0 FTE)[1]	20,907,504	21,699,335	22,022,004	21,700,181	21,700,181
County contribution to Schools for SACC space	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Subtotal	**$37,818,166**	**$42,208,627**	**$41,545,077**	**$41,122,486**	**$41,122,486**
Department of Neighborhood and Community Services					
After School Programs at Fairfax County Middle Schools	$3,151,066	$3,269,835	$3,269,835	$3,269,835	$3,269,835
After School Partnership Program	145,000	145,000	145,000	145,000	145,000
Field improvements[5]	332,614	250,000	448,616	250,000	250,000
Therapeutic recreation	54,593	62,066	63,891	63,715	63,715
Subtotal	**$3,683,273**	**$3,726,901**	**$3,927,342**	**$3,728,550**	**$3,728,550**
Fairfax County Park Authority					
Maintenance of Fairfax County Public Schools' athletic fields	$1,798,874	$1,910,338	$3,754,634	$1,910,338	$1,910,338
Subtotal	**$1,798,874**	**$1,910,338**	**$3,754,634**	**$1,910,338**	**$1,910,338**
TOTAL: County Funding for School Related Services	**$2,102,397,040**	**$2,201,295,859**	**$2,201,806,970**	**$2,250,816,315**	**$2,252,524,085**

[1] Includes Fringe Benefits in an effort to more accurately reflect program costs.

[2] As part of a system-wide review of behavioral health services for youth, the Fairfax-Falls Church Community Services Board (CSB) has adopted a broader definition of services to be reflected herein as compared to previous years. CSB now includes services that support maintaining children and youth in school or those transitioning to or back to school. It should be noted that CSB's provision of such behavioral health services for youth reduces the need for more intensive services or out-of-home placements, often at higher cost, as mandated under federal and state law.

[3] Includes Fringe Benefits in an effort to more accurately reflect program costs associated with the SACC program and to be consistent with SACC rate setting methodology.

[4] This includes Local Cash Match funding for Federal Head Start and Early Head Start for the Higher Horizons, Gum Springs and Schools' contracts.

[5] Only the cost of athletic field lighting is reflected here. All other Fairfax County Public Schools-related field improvement funding is managed by, and shown under, the Fairfax County Park Authority.

FAIRFAX COUNTY
FY 2016 - FY 2018 Additional County Funded Programs for General Youth Services

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Additional County Funded Youth Programs					
Community Services Board (CSB) - Infant and Toddler Connection[1]	$3,749,662	$4,496,699	$4,988,124	$5,096,019	$5,096,019
CSB - Medical Services[1]	1,358,037	1,224,431	1,652,700	1,510,656	1,510,656
CSB - Wellness Health Promotion and Prevention[1]	652,557	828,467	943,406	975,677	975,677
CSB - Emergency[1]	306,841	495,298	642,771	664,634	664,634
CSB - Support Coordination[1]	1,513,437	1,255,693	2,317,862	2,924,687	2,924,687
Family Services - Net cost of services for children (excluding SACC, Head Start, School Readiness)	25,973,548	25,451,711	25,803,924	25,595,928	25,595,928
Juvenile and Domestic Relations District Court - Residential Services	3,169,329	3,148,842	3,288,090	3,203,753	3,203,753
Department of Neighborhood and Community Services - Therapeutic Recreation	1,091,860	1,241,316	1,277,821	1,274,302	1,274,302
Department of Neighborhood and Community Services - Teen Centers (excluding Club 78)	1,103,619	1,316,960	1,382,626	1,393,901	1,393,901
Department of Neighborhood and Community Services - Community Centers	2,226,014	2,742,307	2,560,430	2,497,689	2,497,689
Department of Neighborhood and Community Services - Extension/Community Education	79,200	89,900	89,900	89,900	89,900
Department of Neighborhood and Community Services - Youth Sports Scholarship	150,000	150,000	150,000	150,000	150,000
Fairfax County Park Authority - Athletic Field Maintenance (non-school fields)	2,248,943	2,700,000	3,665,992	2,700,000	2,700,000
Subtotal: Additional County Funded Programs for General Youth Services (Non-School)	**$43,623,047**	**$45,141,624**	**$48,763,646**	**$48,077,146**	**$48,077,146**
TOTAL: County Funded Programs for Youth (Includes Both School and Non-School Programs)	**$2,146,020,087**	**$2,246,437,483**	**$2,250,570,616**	**$2,298,893,461**	**$2,300,601,231**

[1] As part a system-wide review of behavioral health services for youth, the Fairfax-Falls Church Community Services Board (CSB) has adopted a broader definition of services to be reflected herein as compared to previous years. CSB now includes services that support maintaining children and youth in school or those transitioning to or back to school. It should be noted that CSB's provision of such behavioral health services for youth reduces the need for more intensive services or out-of-home placements, often at higher cost, as mandated under federal and state law.

FAIRFAX COUNTY
FY 2016 - FY 2018 Additional County-Administered Programs for School-Related Services
Funding can be Federal, State, Local, or a Combination Thereof
(Actual Direct County Funding is Minimal)

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Additional County-Administered Programs for School-Related Services					
Wellness Grant Funding Administered by CSB[1]	$59,700	$59,925	$59,925	$59,925	$59,925
Infant and Toddler Connection Grant Funding Administered by CSB[1]	4,739,548	4,210,541	4,423,223	4,423,223	4,423,223
Youth & Family Grant Funding Administered by CSB[1]	702,253	702,253	702,253	702,253	702,253
Health Planning Region Funding Administered by CSB[1]	1,125,000	1,000,000	2,038,964	2,038,964	2,038,964
Head Start Grant Funding Administered by DFS[2]	4,787,642	4,967,101	5,175,758	5,072,875	5,072,875
Early Head Start Grant Funding Administered by DFS[2]	4,894,758	4,864,961	5,646,350	4,912,046	4,912,046
Virginia Preschool Initiative Administered by DFS[2]	5,094,960	4,905,000	5,344,318	5,378,125	5,378,125
SOC Expansion & Sustainability Grant Administered by DFS[2]	0	0	405,911	0	0
Subtotal: County-Administered Programs	**$21,403,861**	**$20,709,781**	**$23,796,702**	**$22,587,411**	**$22,587,411**
GRAND TOTAL	**$2,167,423,948**	**$2,267,147,264**	**$2,274,367,318**	**$2,321,480,872**	**$2,323,188,642**

[1] As part of a system-wide review of behavioral health services for youth, the Fairfax-Falls Church Community Services Board (CSB) has adopted a broader definition of services to be reflected herein as compared to previous years. CSB now includes services that support maintaining children and youth in school or those transitioning to or back to school. It should be noted that CSB's provision of such behavioral health services for youth reduces the need for more intensive services or out-of-home placements, often at higher cost, as mandated under federal and state law.

[2] It should be noted that these expenditures/budgets are by fiscal year. The amounts contain multiple program years in each fiscal year and therefore do not correlate to annual awards for these grants.

Services for Older Adults

Fairfax County projects a significant increase in the older adult population. Between 2010 and 2030, the County expects the 50 and over age group to increase by 19 percent, the 65 and over age group by 51 percent, and the 70 and over age group by 55 percent. This dramatic increase in the older population led to Board of Supervisors to adopt The Fairfax County 50+ Community Action Plan in September 2014. The Action Plan includes 31 initiatives regarding housing, transportation, community engagement, services, safety and health and long-range planning. Given this aging of the population, the County highlights services currently provided to older adults. It should be noted that the figures in the following table do not reflect the cost of all services provided to older adults, as only those services specifically designed for older adults, or those where participation by this population has been tracked or can be reasonably estimated, have been included. There are many general County services that are used extensively by the older adult population, such as Emergency Medical Services and cultural tours, but limited data on actual utilization rates makes it difficult to quantify those costs.

Given the rapid growth in the older adult population in the County, the increasing trend of older adults aging in place and the commensurate increase in demand for services, a large number of service delivery models have been undertaken in various County agencies in recent years. Following the adoption of the FY 2010 budget and at the direction of the Board of Supervisors, staff from agencies providing services to older adults, including the Department of Family Services, the Fairfax-Falls Church Community Services Board, the Department of Housing and Community Development, the Health Department and the Department of Neighborhood and Community Services have evaluated the continuum of older adult services including but not limited to Senior Centers, Senior+ and Adult Day Health Care Centers to ensure coordination of programs and opportunities for provision of more cost efficient service delivery with the ultimate goal to promote long term sustainability.

The table on the following pages details the cost of services provided specifically to older adults included in the FY 2018 Adopted Budget Plan. Following the table is a description of the programs, as well as utilization data by age if available. In FY 2018, services to older adults total $80.4 million or 2.0 percent of General Fund Disbursements of $4.1 billion. Excluding the General Fund Transfer to Fairfax County Public Schools and School Debt Service of $2.2 billion, spending on services for older adults is approximately 4.1 percent of the remaining General Fund Disbursements.

County Funded Programs for Older Adults[1]

Name and Description of Service	FY 2016 Actual	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Facilities Management Department				
Lease for the Lorton Senior Center at Gunston Plaza (Operated by the Dept. of Neighborhood and Community Services)	$124,055	$132,000	$135,300	$135,300
Department of Neighborhood and Community Services				
Senior Center and Support Services for Older Adults	$4,337,565	$4,325,448	$4,172,731	$4,172,731
Seniors-On-the-Go! Taxi Cab Voucher Program	126,633	326,648	320,270	$320,270
Subtotal Dept. of Neighborhood and Community Services	$4,464,198	$4,652,096	$4,493,001	$4,493,001
Fairfax County Public Library				
Programs Primarily Used by Older Adults	$410,318	$424,679	$424,679	$424,679
Department of Tax Administration				
Tax Relief for the Elderly and Disabled	$27,694,867	$29,170,712	$29,041,000	$29,041,000
Department of Family Services				
Adult Protective Services	$1,837,556	$2,112,167	$2,084,515	$2,084,515
Adult and Aging Services	10,982,330	11,738,804	11,647,423	$11,647,423
Subtotal Department of Family Services	$12,819,886	$13,850,971	$13,731,938	$13,731,938
Health Department				
Long-Term Care Developmental Services[2]	$3,671,294	$3,535,573	$3,288,975	$3,288,975
Fire and Rescue Department				
Senior Safety Programs	$78,962	$81,838	$84,771	$84,771
Subtotal - General Fund	**$49,263,580**	**$51,847,869**	**$51,199,664**	**$51,199,664**

County Funded Programs for Older Adults[1]

Name and Description of Service	FY 2016 Actual	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan
Fund 50000, Federal-State Grant Fund[3]				
Community-Based Social Services	$1,056,320	$1,624,581	$996,357	$996,357
Ombudsman	653,392	816,850	711,714	711,714
Fee for Service	280,652	311,041	280,709	280,709
Congregate Meals	1,510,598	2,918,645	1,554,021	1,554,021
Home-Delivered Meals	1,477,220	2,425,726	1,542,051	1,542,051
Care-Coordination	709,641	1,037,034	816,622	816,622
Caregiver Support	331,723	475,319	320,499	320,499
Chronic Disease Self Management	7,614	12,925	0	0
Subtotal Fund 50000	$6,027,160	$9,622,121	$6,221,973	$6,221,973
Fund 40040, Community Services Board				
Countywide Older Adults and Families Program	$1,097,386	$1,283,395	$1,312,381	$1,312,381
Fund 10030, Contributory Fund				
Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence	$2,576,887	$2,452,456	$2,605,826	$2,605,826
Fund 40330, Elderly Housing Programs[4]				
Lewinsville Senior Residences, Little River Glen, and Lincolnia Center	$3,171,843	$3,276,065	$3,233,344	$3,233,344
Fund 30000, Metro Operations and Construction				
MetroAccess	$13,661,240	$13,262,069	$15,471,530	$15,471,530
Fund 60030, Technology Infrastructure Services				
Computer Labs	$334,140	$344,065	$347,506	$347,506
Subtotal - General Fund Supported	**$26,868,656**	**$30,240,171**	**$29,192,560**	**$29,192,560**
TOTAL SERVICES FOR OLDER ADULTS	**$76,132,236**	**$82,088,040**	**$80,392,224**	**$80,392,224**

[1] This analysis reflects only those services included in General Fund and General Fund Supported agencies, and does not include services supported by non-General Fund or non-appropriated funds, such as rent relief provided through Fund 81100, Fairfax County Rental Program, or recreational activities provided by Fund 40050, Reston Community Center. Likewise, this analysis does not include capital projects funded in prior years, such as senior centers or adult day health care facilities. Capital expenses vary significantly from year to year and one year's data cannot serve as a proxy for "average" capital expenditures in a particular service area.

[2] Includes Insight Memory Care Center (IMCC), formerly known as Alzheimer's Family Day Center. A reduction of $150,000 to the IMCC contract has been included in the FY 2018 Adopted Budget Plan. Funding of $150,000 was included as part of the *FY 2017 Third Quarter Review* to delay the reduction until FY 2019. This funding will be included as unencumbered carryover as part of the *FY 2017 Carryover Review* in order to fully fund the contract in FY 2018. For more information, see the Agency 71, Health Department narrative in Volume 1.

[3] The FY 2018 funding level represents anticipated funding, actual funding received may be different.

[4] Beginning in FY 2018, funding for Lewinsville Senior Residences will no longer be funded in Fund 40330, Elderly Housing Programs. The Fairfax County Redevelopment and Housing Authority (FCRHA) will retain ownership of the property but the facility will be managed by a private firm. This is consistent with five other FCRHA properties (Gum Springs Glen, Morris Glen, Olley Glen, Herndon Harbor House, Braddock Glen) benefiting the elderly.

Services for Older Adults

The following provides a brief description of the programs, as well as utilization data if available, included in the Services for Older Adults table on the previous two pages. For additional information please refer to the specific agency narrative in Volume 1 and Volume 2.

Department of Neighborhood and Community Services

Senior Center and Support Services for Older Adults

Senior Centers for Active Adults offer opportunities to make friends, stay on the move, and learn new things. Fairfax County residents age 50 and over may join any of the 14 senior centers sponsored by the Department of Neighborhood and Community Services. Support services for older adults enables seniors with minor cognitive and physical disabilities to actively participate in the day-to-day activities at Fairfax County Senior Centers. These support services replaced the Senior Plus Program, which was redesigned and no longer operates as a separate program within the Senior Centers, but rather as a service for all center participants as needed.

***Seniors on the Go!* Taxi Cab Voucher Program**

The *Seniors on the Go!* Taxi Cab Voucher Program allows older adults to purchase vouchers that partially subsidize the cost of taxi rides. Vouchers can be used by married couples over 65 with less than $50,000 in combined income and by single persons over 65 with less than $40,000 in income. In FY 2016, 134 older adults were newly enrolled in the program.

Fairfax County Public Library

Programs Primarily Used by Older Adults

The Fairfax County Public Library offers several programs which, although not limited to the older adult population, are heavily used by older adults (those 62 and older). Examples of programs include talking books; home delivery program; book collections maintained at older adult residences, nursing homes, and adult day care centers; large print books; and a self-help group for adults who are coping with loss of vision.

Department of Tax Administration

Tax Relief for the Elderly and Disabled

Tax relief is provided to adults 65 and older and disabled persons on a graduated scale depending upon the level of income and net assets, which must not exceed $72,000 and $340,000, respectively. In FY 2016, 7,252 people participated in the program.

Department of Family Services

Adult Protective Services

Adult Protective Services provides mandated investigations of situations of suspected abuse, neglect or exploitation involving older adults age 60+ and incapacitated adults age 18+ as well as case management services to provide protection for at-risk adults in the community and in public and private facilities. In FY 2016, 1,061 investigations were conducted.

Adult Services and Aging Services

Adult Services and Aging Services provides case management, including needs assessment, care plans, coordination/authorization of services, and follow-up for adults age 60 and older and adults age 18 and older with disabilities. Services may include home-based care and mandated Medicaid preadmission screenings. Some services may have functional and financial eligibility requirements. In FY 2016, 2,496 clients were served. Transportation services are also provided between older adults' residences and their local senior center and adult day health care facility as well as trips in support of basic living. A fee of $0.50 is charged for each one-way trip. Older adults 60 and older who are attendees of a senior center, adult day health center, or residents of senior housing are eligible for services. In FY 2016, 106,700 trips were provided.

Health Department

Long-Term Care Services

Long-Term Care Developmental Services includes both the Adult Day Health Care program and the Insight Memory Care Center, formerly known as Alzheimer's Family Day Center. The Adult Day Health Care program provides therapeutic recreational activities, supervision and health care to meet the needs of adults, 18 years and older who have physical and/or cognitive disabilities. Services are provided on a sliding fee scale. The goal is to provide services to 250 older adults in FY 2018, and that 92 percent of participants will meet the criteria for institutional level of care, but their participation in the program enables them to continue to live at home in the community. The Insight Memory Care Center provides specialized day care services for people with Alzheimer's type illnesses as well as respite, support and education for their care giving families. In FY 2016, Insight Memory Care Center reached 555 Fairfax family caregivers and the Health Department, Adult Day Health Care program, reached 472 caregivers by providing community outreach, education, support and training.

Fire and Rescue Department

Senior Safety Programs

The Fire and Rescue Department offers various older adult safety programs for individuals 55 and older, including Basic Fire Safety, Emergency Preparedness for the Older Adult, Life Safety Education Seniors Program, Caregiver and Staff Training for those who care for older adults, "Battery for Life" which provides free smoke alarm batteries, and the "File of Life" Program which is an educational program that stresses the importance of maintaining current medication dosages and current physician information. The department plans to reach 8,000 older adults in FY 2018.

Fund 50000, Federal-State Grant Fund

Community-Based Services

Community-Based Services provides services to adults age 60 and older to enable them to live as independently as possible in the community. This includes assisted transportation, information and referral, telephone reassurance, volunteer home services, insurance counseling, and other related services. In FY 2016, 16,928 callers or persons making email inquiries to the Adult and Aging Division within the Department of Family Services received information and referral services and/or access to the services.

Ombudsman

The Ombudsman Program, serving the City of Alexandria and the counties of Arlington, Fairfax, and Loudoun, improves quality of life for the more than 10,000 residents in 107 nursing and assisted living facilities by educating residents and care providers about patient rights and by resolving complaints against nursing and assisted living facilities, as well as home care agencies, through counseling, negotiation and investigation. More than 48 trained volunteers are part of this program. The program also provides information about long-term care providers and educates the community about long-term care issues. Please note Prince William County is no longer part of this partnership.

Fee for Service

Fee for Service provides home-based care to adults age 60 and older to enable them to remain in their homes rather than in more restrictive settings. Services are primarily targeted toward those older adults who are frail, isolated, of a minority group or in economic need.

Congregate Meals
Congregate Meals are provided in 27 congregate meal sites around the County including the County's senior and adult day health centers, several private senior centers and other sites serving older adults such as the Alzheimer's Family Day Center. Congregate Meals are also provided to residents of the four County senior housing complexes. In FY 2016, 238,164 congregate meals were served to 2,282 participants.

Home-Delivered Meals
Home-Delivered Meals provides meals to frail, homebound, low-income residents age 60 and older who cannot prepare their own meals. In FY 2016, 254,732 meals were provided to 920 older adults and younger adults with disabilities. Meals are delivered through partnerships with 26 community volunteer organizations that drive 46 delivery routes.

Caregiver Support
Caregiver Support provides education and support services to caregivers of persons 60 and older, or older adults caring for grandchildren. Services include scholarships for respite care, gap-filling respite and bathing services, assisted transportation (which is also reflected in Community-Based Services), assistance paying for supplies and services, and other activities that contribute to the well-being of older adults and help to relieve caregiver stress. In FY 2016, 38 clients received services through the Adult Day Health Care respite scholarship, 115 clients through the bathing and respite program, 41 clients through the Discretionary Fund, and 38 clients received assisted transportation services, taking 846 one-way trips. Over 27,000 readers of the Golden Gazette received caregiver related information. An online version for caregivers reached 2,186 monthly subscribers.

Fund 40040, Fairfax-Falls Church Community Services Board
Countywide Older Adults and Families Program
The Older Adults and Families Program of the Fairfax-Falls Church Community Services Board (CSB) provides strengths-based, person-centered, and solution-focused mental health outpatient treatment and case management services for older adults. Services support recovery and independence appropriate to the individual's physical and cognitive abilities and are provided in either an office or community-based setting, as appropriate. To address the unique needs of older adults, services include psychiatric evaluation, medication management, case management and supportive counseling, with linkage to and coordination of services with other community agencies, health care providers and family caregivers. In FY 2016, the program served 590 older adults age 60 and over for a total of 11,593 service hours.

Fund 10030, Contributory Fund
Northern Virginia Healthcare Center/Birmingham Green Adult Care Residence
This facility is owned by the counties of Fairfax, Fauquier, Loudoun and Prince William, and the City of Alexandria as tenants in common. During FY 2016, 130 Fairfax County citizens were served in the facility (100 in the nursing facility and 30 in assisted living). To be eligible for admission to the nursing and assisted living facilities, older adults and adults with disabilities must meet income, resource, and functional requirements. The Department of Family Services' Self Sufficiency Division accepts and processes applications for Medicaid and auxiliary grants, and the Department of Family Services' Adult and Aging Division assesses for functional eligibility.

Fund 40330, Elderly Housing Programs

Lewinsville Senior Residences, Little River Glen, and Lincolnia Center

The Department of Housing and Community Development provides services related to the County's support of the operation of two locally-funded elderly housing developments, Little River Glen and Lincolnia Center Residences, which are owned or leased by the Fairfax County Redevelopment and Housing Authority (FCRHA). The programs 198 available units/beds in the three facilities support clients who are 62 and older and also meet income requirements. It should be noted that beginning in FY 2018, funding for Lewinsville Senior Residences will no longer be funded in Fund 40330, Elderly Housing Programs. The FCRHA will retain ownership of the property but the facility will be managed by a private firm. This is consistent with five other FCRHA properties (Gum Springs Glen, Morris Glen, Olley Glen, Herndon Harbor House, Braddock Glen) benefiting the elderly.

Fund 30000, Metro Operations and Construction

MetroAccess

MetroAccess is a door-to-door paratransit service for people with disabilities who are not able to use fixed-route forms (bus and rail) of public transportation due to functional limitations that relate to their disability. MetroAccess provided approximately 276,176 completed stops for Fairfax County residents in FY 2016. An estimated 59 percent of MetroAccess customers residing in Fairfax County are over 55 years old.

Fund 60030, Technology Infrastructure Services

Computer Labs

The Department of Information Technology supports computer labs at libraries and recreation/senior centers that are used by citizens, many of whom are older adults.

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FY 2018

Adopted Budget Plan

Compensation and Positions

Explanation of Schedules

Personnel Services and Fringe Benefits

Personnel Services Summary
Summarizes Personnel Services funding by major expense categories (regular salaries, extra compensation, fringe benefits, etc.) for the General Fund, General Fund Supported Funds, and Other Funds.

Personnel Services by Agency
Displays Personnel Services funding, organized by fund, program area, and agency or fund.

Summary of General Fund Employee Benefit Costs by Category
Provides a breakdown of General Fund expenditures for all employee benefits by individual category, including health insurance, dental insurance, life insurance, FICA (Social Security), unemployment, language proficiency pay, employee assistance program, and training.

Distribution of Fringe Benefits by General Fund Agency
Combines Personnel Services, Operating Expenses, and Capital Equipment with Fringe Benefits expenditures for each General Fund agency to reflect a total cost per agency.

Summary of Positions

Regular Positions All Funds
Displays the number of General Fund positions by Program Area, the number of positions in the General Fund Supported Funds, and in Other Funds.

Summary of Position Changes
Provides the total position count for all agencies and funds with funding appropriated by the Board of Supervisors. The change in the position count for each year is broken out into categories, including positions which have been "Abolished", were necessary to support "New Facilities", or required for "Other Changes", including workload increases. Also included is the number of positions that were added by the Board of Supervisors at other times during the fiscal year, i.e. "Other Reviews."

Position Summaries
Details the position count and full-time equivalents (FTE) for the prior, current and upcoming fiscal year, including regular County positions, State positions, and County grant positions.

FY 2018 ADOPTED PERSONNEL SERVICES SUMMARY

(All Appropriated Funds excluding Schools Funds)

	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Revised
Regular Positions						
General Fund	9,812	9,831	9,872	9,894	9,922	50
General Fund Supported	1,327	1,355	1,367	1,372	1,383	16
Other Funds	1,246	1,252	1,241	1,264	1,247	6
Total	12,385	12,438	12,480	12,530	12,552	72
Regular Salaries and Compensation Increases						
General Fund	$678,230,182	$802,097,739	$792,282,510	$812,173,629	$812,923,710	$20,641,200
General Fund Supported	83,735,745	101,985,098	103,341,066	101,837,801	102,587,735	(753,331)
Other Funds	72,433,466	86,004,685	86,480,946	87,009,223	87,009,223	528,277
Total	$834,399,393	$990,087,522	$982,104,522	$1,001,020,653	$1,002,520,668	$20,416,146
Limited Term						
General Fund	$23,855,617	$19,618,077	$20,578,868	$20,620,317	$20,620,317	$41,449
General Fund Supported	6,345,935	5,749,134	6,316,871	6,296,485	6,296,485	(20,386)
Other Funds	3,189,686	2,937,279	2,871,567	2,943,976	2,943,976	72,409
Total	$33,391,238	$28,304,490	$29,767,306	$29,860,778	$29,860,778	$93,472
Shift Differential						
General Fund	$3,930,231	$4,553,545	$4,567,035	$4,604,703	$4,604,703	$37,668
General Fund Supported	370,475	376,904	369,441	378,550	378,550	9,109
Other Funds	266,012	940,993	940,993	943,676	943,676	2,683
Total	$4,566,718	$5,871,442	$5,877,469	$5,926,929	$5,926,929	$49,460
Extra Compensation						
General Fund	$53,392,346	$45,698,067	$50,566,700	$55,977,024	$55,977,024	$5,410,324
General Fund Supported	1,750,470	1,618,438	1,607,974	1,533,093	1,533,093	(74,881)
Other Funds	5,499,080	5,487,287	5,480,495	5,556,570	5,556,570	76,075
Total	$60,641,896	$52,803,792	$57,655,169	$63,066,687	$63,066,687	$5,411,518
Position Turnover						
General Fund	$0	($63,798,016)	($63,765,668)	($65,043,051)	($65,043,051)	($1,277,383)
General Fund Supported	0	(8,969,709)	(8,967,466)	(9,121,450)	(9,121,450)	(153,984)
Other Funds	0	(3,009,284)	(3,009,282)	(3,048,661)	(3,048,661)	(39,379)
Total	$0	($75,777,009)	($75,742,416)	($77,213,162)	($77,213,162)	($1,470,746)
Total Salaries						
General Fund	$759,408,376	$808,169,412	$804,229,446	$828,332,622	$829,082,703	$24,853,257
General Fund Supported	92,202,625	100,759,865	102,667,886	100,924,479	101,674,413	(993,473)
Other Funds	81,388,244	92,360,960	92,764,719	93,404,784	93,404,784	640,065
Total	$932,999,245	$1,001,290,237	$999,662,051	$1,022,661,885	$1,024,161,900	$24,499,849
Fringe Benefits						
General Fund	$330,966,386	$354,853,322	$358,310,864	$370,532,016	$370,918,880	$12,608,016
General Fund Supported	36,866,616	37,814,125	38,644,354	42,459,088	42,802,312	4,157,958
Other Funds [1]	212,852,120	225,849,006	248,276,378	233,726,252	233,726,252	(14,550,126)
Total	$580,685,122	$618,516,453	$645,231,596	$646,717,356	$647,447,444	$2,215,848
Total Costs of Personnel Services						
General Fund	$1,090,374,762	$1,163,022,734	$1,162,540,310	$1,198,864,638	$1,200,001,583	$37,461,273
General Fund Supported	129,069,241	138,573,990	141,312,240	143,383,567	144,476,725	3,164,485
Other Funds	294,240,364	318,209,966	341,041,097	327,131,036	327,131,036	(13,910,061)
Total	$1,513,684,367	$1,619,806,690	$1,644,893,647	$1,669,379,241	$1,671,609,344	$26,715,697

[1] It should be noted that the Other Funds amount for fringe benefits includes payments made for claims and administrative expenses for the County's self-insured health insurance plans in Fund 60040, Health Benefits. These expenses total $194,338,938 for the FY 2018 Adopted Budget Plan. Fringe benefit expenses for the General Fund, General Fund Supported Funds, and all Other Funds include employer contributions made to the Health Benefits Fund to support the $194.3 million for claims and administrative expenses. Thus, this amount should be excluded when determining countywide Fringe Benefit expenditures.

FY 2018 ADOPTED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation [1]	Fringe Benefits	New Positions	Compensation Increases [2]	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
Legislative-Executive Functions / Central Services									
01 Board of Supervisors	$5,327,156	$0	$0	$77,866	$0	$0	$0	($51,735)	$5,353,287
02 Office of the County Executive	6,196,625	0	0	83,226	138,220	0	0	(368,612)	6,049,459
06 Department of Finance	4,669,684	0	0	90,108	0	0	0	(582,456)	4,177,336
11 Department of Human Resources	6,321,493	0	0	92,148	72,318	0	17,000	(325,476)	6,177,483
12 Department of Procurement and Material Management	3,761,196	0	0	58,594	79,588	0	6,716	(417,165)	3,488,929
13 Office of Public Affairs	1,721,037	0	0	26,555	37,863	0	0	(104,881)	1,680,574
15 Office of Elections	1,617,141	0	0	31,916	1,340,607	0	318,897	(96,765)	3,211,796
17 Office of the County Attorney	7,937,088	0	0	120,139	0	0	0	(467,170)	7,590,057
20 Department of Management and Budget	5,089,933	0	0	86,639	0	0	0	(459,823)	4,716,749
37 Office of the Financial and Program Auditor	346,346	0	0	7,013	0	0	0	0	353,359
41 Civil Service Commission	318,879	0	0	3,093	54,688	0	0	0	376,660
42 Office of the Independent Police Auditor	273,317	0	0	0	0	0	0	0	273,317
57 Department of Tax Administration	20,193,797	0	0	382,009	197,828	0	220,224	(2,088,974)	18,904,884
70 Department of Information Technology	25,285,359	0	0	316,729	113,341	0	32,664	(1,821,045)	23,927,048
Total Legislative-Executive Functions / Central Services	$89,059,051	$0	$0	$1,376,035	$2,034,453	$0	$595,501	($6,784,102)	$86,280,938
Judicial Administration									
80 Circuit Court and Records	$9,915,606	$0	$60,213	$190,569	$150,128	$0	$88,302	($1,020,592)	$9,384,226
82 Office of the Commonwealth's Attorney	4,031,514	0	0	85,931	61,467	0	0	(376,227)	3,802,685
85 General District Court	2,869,149	0	317,694	38,494	45,754	14,271	10,708	(70,186)	3,225,884
91 Office of the Sheriff	15,022,166	0	0	316,591	0	6,500	1,542,808	(1,452,693)	15,435,372
Total Judicial Administration	$31,838,435	$0	$377,907	$631,585	$257,349	$20,771	$1,641,818	($2,919,698)	$31,848,167
Public Safety									
04 Department of Cable and Consumer Services	$774,298	$0	$0	$16,590	$0	$0	$0	($134,347)	$656,541
31 Land Development Services	11,091,068	0	0	182,172	816	0	0	(2,083,710)	9,190,346
81 Juvenile and Domestic Relations District Court	21,476,806	0	0	425,235	694,933	173,109	432,799	(2,175,137)	21,027,745
90 Police Department	144,697,506	0	1,230,151	2,535,990	412,569	1,333,474	23,828,559	(7,210,851)	166,827,398
91 Office of the Sheriff	43,509,652	0	219,000	864,108	0	470,699	3,669,990	(5,281,064)	43,452,385
92 Fire and Rescue Department	155,719,265	0	0	3,176,497	422,892	2,457,649	23,185,826	(10,742,409)	174,219,720
93 Office of Emergency Management	1,344,112	0	0	16,273	0	0	0	(15,931)	1,344,454
96 Department of Animal Sheltering	2,045,278	0	0	19,130	40,814	0	77,870	(347,572)	1,835,520
97 Department of Code Compliance	3,744,563	0	60,213	60,824	226,916	0	184,064	(346,031)	3,930,549
Total Public Safety	$384,402,548	$0	$1,509,364	$7,296,819	$1,798,940	$4,434,931	$51,379,108	($28,337,052)	$422,484,658
Public Works									
08 Facilities Management Department	$13,958,810	$0	$181,106	$239,094	$95,279	$4,200	$619,349	($1,021,797)	$14,076,041
25 Business Planning and Support	1,990,873	0	0	18,675	0	0	0	(11,761)	1,997,787
26 Office of Capital Facilities	12,224,250	0	869,438	181,713	500	0	0	(259,586)	13,016,315
Total Public Works	$28,173,933	$0	$1,050,544	$439,482	$95,779	$4,200	$619,349	($1,293,144)	$29,090,143

FY 2018 ADOPTED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation [1]	Fringe Benefits	New Positions	Compensation Increases [2]	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
Health and Welfare									
67 Department of Family Services	$98,134,044	$0	$87,767	$1,998,196	$7,182,916	$0	$1,061,225	($10,419,628)	$98,044,520
68 Department of Administration for Human Services	12,894,385	0	0	187,269	100,896	0	0	(937,638)	12,244,912
71 Health Department	41,548,646	0	0	727,625	1,159,596	0	0	(2,688,393)	40,747,474
73 Office to Prevent and End Homelessness	846,767	0	0	8,803	0	0	0	0	855,570
79 Department of Neighborhood and Community Services	15,505,672	0	0	451,144	3,443,196	15,982	79,192	(1,589,339)	17,905,847
Total Health and Welfare	$168,929,514	$0	$87,767	$3,373,037	$11,886,604	$15,982	$1,140,417	($15,634,998)	$169,798,323
Parks and Libraries									
51 Fairfax County Park Authority	$23,401,673	$0	$0	$365,110	$2,596,091	$10,762	$119,535	($2,604,061)	$23,889,110
52 Fairfax County Public Library	22,082,055	0	0	423,774	1,485,564	118,057	407,850	(1,999,788)	22,517,512
Total Parks and Libraries	$45,483,728	$0	$0	$788,884	$4,081,655	$128,819	$527,385	($4,603,849)	$46,406,622
Community Development									
16 Economic Development Authority	$3,906,517	$0	$0	$72,172	$24,385	$0	$8,851	($261,957)	$3,749,968
31 Land Development Services	15,203,187	0	65,826	252,395	0	0	0	(3,147,279)	12,374,129
35 Department of Planning and Zoning	11,232,521	0	175,534	186,011	0	0	0	(1,058,698)	10,535,368
36 Planning Commission	492,048	0	0	9,018	289,374	0	10,144	0	800,584
38 Department of Housing and Community Development	4,909,994	0	0	57,877	151,778	0	54,451	(414,006)	4,760,094
39 Office of Human Rights and Equity Programs	1,573,287	0	0	28,718	0	0	0	(140,754)	1,461,251
40 Department of Transportation	9,599,261	0	172,668	168,043	0	0	0	(447,514)	9,492,458
Total Community Development	$46,916,815	$0	$414,028	$774,234	$465,537	$0	$73,446	($5,470,208)	$43,173,852
Nondepartmental									
89 Employee Benefits	$0	$370,918,880	$0	$0	$0	$0	$0	$0	$370,918,880
Total Nondepartmental	$0	$370,918,880	$0	$0	$0	$0	$0	$0	$370,918,880
Total General Fund	$794,804,024	$370,918,880	$3,439,610	$14,680,076	$20,620,317	$4,604,703	$55,977,024	($65,043,051)	$1,200,001,583
GENERAL FUND SUPPORTED FUNDS									
40040 Fairfax-Falls Church Community Services Board	$72,854,440	$32,704,955	$1,335,372	$1,395,097	$6,150,000	$216,400	$1,150,000	($7,205,606)	$108,600,658
40330 Elderly Housing Programs	404,192	205,824	0	(9,698)	68,772	3,087	26,804	(33,553)	665,428
60000 County Insurance	1,239,061	481,440	0	17,960	0	0	0	(100,498)	1,637,963
60010 Department of Vehicle Services	17,399,848	6,687,355	57,471	316,664	0	138,020	252,740	(1,378,184)	23,473,914
60020 Document Services	1,391,913	725,056	0	21,865	8,652	7,463	35,442	(23,333)	2,167,058
60030 Technology Infrastructure Services	6,075,268	1,997,682	0	88,282	69,061	13,580	68,107	(380,276)	7,931,704
Total General Fund Supported Funds	$99,364,722	$42,802,312	$1,392,843	$1,830,170	$6,296,485	$378,550	$1,533,093	($9,121,450)	$144,476,725

FY 2018 ADOPTED PERSONNEL SERVICES BY AGENCY

# / Agency Title	Regular Compensation [1]	Fringe Benefits	New Positions	Compensation Increases [2]	Limited Term	Shift Differential	Extra Compensation	Turnover	Personnel Services
OTHER FUNDS									
40010 County and Regional Transportation Projects	$4,495,335	$2,172,110	$152,444	$49,625	$0	$0	$0	$0	$6,869,514
40030 Cable Communications	4,231,932	1,943,016	0	58,718	324,187	0	83,098	(96,849)	6,544,102
40050 Reston Community Center	2,893,492	1,444,599	0	41,733	1,129,234	15,094	34,895	(22,259)	5,536,788
40060 McLean Community Center	1,730,104	904,776	0	4,501	590,387	7,776	18,707	0	3,256,251
40070 Burgundy Village Community Center	0	1,378	0	0	18,687	0	0	0	20,065
40080 Integrated Pest Management Program	1,051,587	300,437	0	14,335	0	0	11,138	0	1,377,497
40090 E-911	14,660,177	7,887,455	0	495,455	0	148,400	3,409,064	(941,650)	25,658,901
40100 Stormwater Services	13,590,581	6,467,999	114,940	209,805	424,080	0	182,588	(651,343)	20,338,650
40140 Refuse Collection and Recycling Operations	6,765,498	3,434,827	0	116,354	5,688	0	472,798	(313,491)	10,481,674
40150 Refuse Disposal	8,776,420	3,363,900	0	144,842	29,263	518,861	588,167	(164,668)	13,256,785
40160 Energy Resource Recovery (ERR) Facility	0	0	0	0	0	0	0	0	0
40170 I-95 Refuse Disposal	2,690,432	920,921	0	35,660	42,864	202,556	95,003	(70,641)	3,916,795
50800 Community Development Block Grant	1,012,251	438,304	0	0	0	0	0	0	1,450,555
50810 HOME Investment Partnerships Program	74,667	34,593	0	0	0	0	0	0	109,260
60040 Health Benefits [3]	120,000	194,413,938	0	0	105,000	0	0	0	194,638,938
69010 Sewer Operation and Maintenance	20,454,663	8,771,108	0	347,728	246,586	50,989	656,344	(787,760)	29,739,658
73000 Employees' Retirement Trust	1,780,860	838,820	0	27,993	20,000	0	2,968	0	2,670,641
73010 Uniformed Employees Retirement Trust	380,216	179,073	0	5,999	3,000	0	1,000	0	569,288
73020 Police Retirement Trust	380,216	181,128	0	5,999	5,000	0	800	0	573,143
73030 OPEB Trust	93,249	27,870	0	1,412	0	0	0	0	122,531
Total Other Funds	$85,181,680	$233,726,252	$267,384	$1,560,159	$2,943,976	$943,676	$5,556,570	($3,048,661)	$327,131,036
Total All Funds	$979,350,426	$647,447,444	$5,099,837	$18,070,405	$29,860,778	$5,926,929	$63,066,687	($77,213,162)	$1,671,609,344

[1] The Regular Compensation category includes the full-year impact of merit and longevity increases provided to uniformed public safety employees in FY 2017 as well as the full-year impact of an increase in the County's living wage. It should be noted that these increases impact the Fringe Benefits and Extra Compensation categories as well. The total FY 2018 General Fund expenditure impact across all categories of the full-year cost of FY 2017 compensation increases is $5,164,905.

[2] The Compensation Increases category represents the salary costs of FY 2018 increases, including merit and longevity increases provided to uniformed public safety employees on their anniversary dates, performance increases provided to non-uniformed merit employees in July 2017, and increases for specific job classes identified in the County's benchmark class survey of comparator jurisdictions. It should be noted that these increases impact other categories as well, including Fringe Benefits, Limited Term, Extra Compensation, and Turnover. The total FY 2018 General Fund disbursement impact of these FY 2018 compensation increases across all categories totals $18,666,908. This total includes $5,172,259 for uniformed merit and longevities, $12,265,371 for non-uniformed performance increases, and $1,229,278 for the benchmark class review.

[3] It should be noted that the fringe benefit amount listed for Fund 60040, Health Benefits, includes payments made for claims and administrative expenses for the County's self-insured health insurance plans. These expenses total $194,338,938 for the FY 2018 Adopted Budget Plan. Fringe benefit expenditures for all funds include employer contributions made to the Health Benefits Fund, and these contributions support the $194.3 million paid in claims and administrative expenses. Thus, this amount should be excluded when determining countywide Fringe Benefit expenditures.

FY 2018 ADOPTED SUMMARY OF GENERAL FUND
EMPLOYEE BENEFIT COSTS BY CATEGORY

This schedule summarizes total General Fund Employee Benefit costs, including certain benefit costs and associated reimbursements for employees of General Fund agencies that are expended in the General Fund and reimbursed by capital projects.

BENEFIT CATEGORY	FY 2016 Actual	FY 2017 Adopted Budget Plan	FY 2017 Revised Budget Plan	FY 2018 Advertised Budget Plan	FY 2018 Adopted Budget Plan	Increase/ (Decrease) Over Revised	% Increase/ (Decrease) Over Revised
FRINGE BENEFITS							
Group Health Insurance	$99,582,250	$106,664,379	$106,799,902	$109,522,109	$109,627,286	$2,827,384	2.6%
Dental Insurance	3,983,405	4,148,115	4,153,434	4,196,728	4,201,110	47,676	1.1%
Group Life Insurance	2,085,306	1,492,018	1,493,865	2,341,551	2,343,390	849,525	56.9%
FICA	46,201,912	49,300,193	49,383,297	50,305,852	50,346,885	963,588	2.0%
Employees' Retirement	77,147,788	83,683,598	85,151,055	93,847,865	93,922,934	8,771,879	10.3%
Uniformed Retirement	59,983,417	62,830,823	64,430,823	64,083,251	64,160,851	(269,972)	(0.4%)
Police Retirement	40,552,210	44,859,601	44,923,893	45,129,800	45,211,564	287,671	0.6%
Virginia Retirement System	618,209	678,426	678,426	609,004	609,004	(69,422)	(10.2%)
Line of Duty	1,181,980	1,252,264	1,252,264	1,460,681	1,460,681	208,417	16.6%
Flexible Spending Accounts	129,282	129,131	129,131	129,802	129,802	671	0.5%
Unemployment Compensation	234,554	181,884	181,884	242,506	242,506	60,622	33.3%
Capital Project Reimbursements	(1,284,124)	(976,895)	(976,895)	(1,946,918)	(1,946,918)	(970,023)	99.3%
Employee Assistance Program	237,890	249,785	249,785	249,785	249,785	0	0.0%
Tuition Reimbursement	312,307	360,000	460,000	360,000	360,000	(100,000)	(21.7%)
Total General Fund Fringe Benefits	$330,966,386	$354,853,322	$358,310,864	$370,532,016	$370,918,880	$12,608,016	3.5%
OPERATING EXPENSES							
Employee Awards Program	$143,505	$215,000	$215,000	$215,000	$215,000	$0	0.0%
Employee Development Initiatives	976,202	1,172,850	1,888,921	1,172,850	1,172,850	(716,071)	(37.9%)
Total Operating Expenses	$1,119,707	$1,387,850	$2,103,921	$1,387,850	$1,387,850	($716,071)	(34.0%)
TOTAL GENERAL FUND EMPLOYEE BENEFITS	$332,086,093	$356,241,172	$360,414,785	$371,919,866	$372,306,730	$11,891,945	3.3%

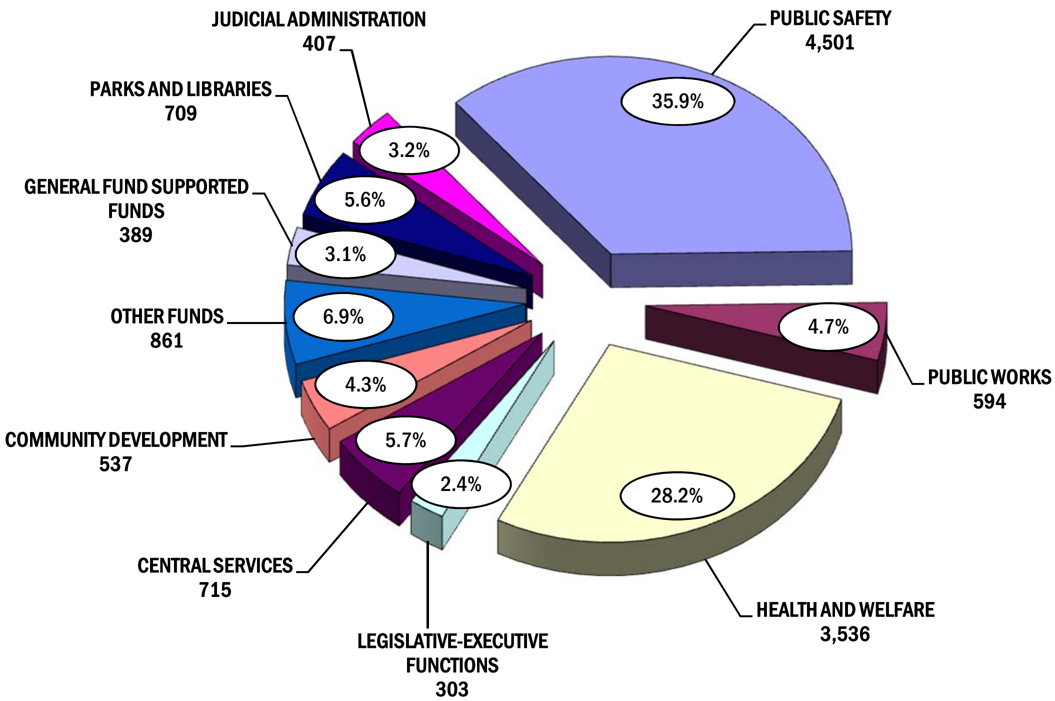
FY 2018 ADOPTED DISTRIBUTION OF FRINGE BENEFITS
BY GENERAL FUND AGENCY

#	Agency Title	Personnel Services	Fringe Benefits	Operating Expenses	Recovered Costs	Capital Equipment	Total Cost
	Legislative-Executive Functions / Central Services						
01	Board of Supervisors	$5,353,287	$2,394,978	$571,950	$0	$0	$8,320,215
02	Office of the County Executive	6,049,459	2,706,435	664,116	0	0	9,420,010
04	Department of Cable and Consumer Services	0	0	0	0	0	0
06	Department of Finance	4,177,336	1,868,876	5,185,328	(751,697)	0	10,479,843
11	Department of Human Resources	6,177,483	2,763,711	1,276,928	0	0	10,218,122
12	Department of Procurement and Material Management	3,488,929	1,560,893	1,592,540	(288,803)	0	6,353,559
13	Office of Public Affairs	1,680,574	751,863	122,501	(239,882)	0	2,315,056
15	Office of Elections	3,211,796	1,436,908	861,637	0	0	5,510,341
17	Office of the County Attorney	7,590,057	3,395,675	413,846	(466,522)	0	10,933,056
20	Department of Management and Budget	4,716,749	2,110,201	180,819	0	0	7,007,769
37	Office of the Financial and Program Auditor	353,359	158,087	32,166	0	0	543,612
41	Civil Service Commission	376,660	168,512	66,186	0	0	611,358
42	Office of Independent Police Auditor	273,317	122,278	32,675	0	0	428,270
57	Department of Tax Administration	18,904,884	8,457,755	5,665,489	0	0	33,028,128
70	Department of Information Technology	23,927,048	10,704,594	9,018,610	0	0	43,650,252
	Total Legislative-Executive Functions / Central Services	$86,280,938	$38,600,766	$25,684,791	($1,746,904)	$0	$148,819,591
	Judicial Administration						
80	Circuit Court and Records	$9,384,226	$4,198,359	$1,990,826	$0	$0	$15,573,411
82	Office of the Commonwealth's Attorney	3,802,685	1,701,263	120,634	0	0	5,624,582
85	General District Court	3,225,884	1,443,211	909,165	0	0	5,578,260
91	Office of the Sheriff	15,435,372	6,905,549	4,031,229	0	0	26,372,150
	Total Judicial Administration	$31,848,167	$14,248,382	$7,051,854	$0	$0	$53,148,403
	Public Safety						
04	Department of Cable and Consumer Services	$656,541	$293,726	$174,747	$0	$0	$1,125,014
31	Land Development Services	9,190,346	4,111,620	1,395,067	0	0	14,697,033
81	Juvenile and Domestic Relations District Court	21,027,745	9,407,490	2,157,583	0	0	32,592,818
90	Police Department	166,827,398	74,636,018	26,472,561	(697,406)	116,058	267,354,629
91	Office of the Sheriff	43,452,385	19,439,930	5,828,108	0	0	68,720,423
92	Fire and Rescue Department	174,219,720	77,943,233	28,741,316	0	0	280,904,269
93	Office of Emergency Management	1,344,454	601,488	508,829	0	0	2,454,771
96	Department of Animal Sheltering	1,835,520	821,183	642,914	0	0	3,299,617
97	Department of Code Compliance	3,930,549	1,758,467	541,380	0	0	6,230,396
	Total Public Safety	$422,484,658	$189,013,155	$66,462,505	($697,406)	$116,058	$677,378,970
	Public Works						
08	Facilities Management Department	$14,076,041	$6,297,405	$52,628,373	($8,656,673)	$0	$64,345,146
25	Business Planning and Support	1,997,787	893,779	163,588	(1,090,764)	0	1,964,390
26	Office of Capital Facilities	13,016,315	5,823,300	9,455,051	(8,284,789)	0	20,009,877
87	Unclassified Administrative Expenses	0	0	3,953,694	(5,000)	0	3,948,694
	Total Public Works	$29,090,143	$13,014,484	$66,200,706	($18,037,226)	$0	$90,268,107

FY 2018 ADOPTED DISTRIBUTION OF FRINGE BENEFITS
BY GENERAL FUND AGENCY

#	Agency Title	Personnel Services	Fringe Benefits	Operating Expenses	Recovered Costs	Capital Equipment	Total Cost
	Health and Welfare						
67	Department of Family Services	$98,044,520	$43,863,614	$106,369,361	($534,749)	$0	$247,742,746
68	Department of Administration for Human Services	12,244,912	5,478,186	1,504,820	(64,143)	0	19,163,775
71	Health Department	40,747,474	18,229,795	18,568,423	0	0	77,545,692
73	Office to Prevent and End Homelessness	855,570	382,769	11,924,250	0	0	13,162,589
79	Department of Neighborhood and Community Services	17,905,847	8,010,801	20,700,420	(8,805,508)	0	37,811,560
	Total Health and Welfare	$169,798,323	$75,965,165	$159,067,274	($9,404,400)	$0	$395,426,362
	Parks and Libraries						
51	Fairfax County Park Authority	$23,889,110	$10,687,621	$4,811,732	($4,096,161)	$0	$35,292,302
52	Fairfax County Public Library	22,517,512	10,073,989	5,927,364	0	0	38,518,865
	Total Parks and Libraries	$46,406,622	$20,761,610	$10,739,096	($4,096,161)	$0	$73,811,167
	Community Development						
16	Economic Development Authority	$3,749,968	$1,677,678	$3,888,092	$0	$0	$9,315,738
31	Land Development Services	12,374,129	5,535,995	3,453,678	(353,732)	0	21,010,070
35	Department of Planning and Zoning	10,535,368	4,713,362	665,186	0	0	15,913,916
36	Planning Commission	800,584	358,169	29,163	0	0	1,187,916
38	Department of Housing and Community Development	4,760,094	2,129,593	2,122,772	(512,500)	0	8,499,959
39	Office of Human Rights and Equity Programs	1,461,251	653,741	119,995	0	0	2,234,987
40	Department of Transportation	9,492,458	4,246,780	468,337	(1,740,070)	0	12,467,505
	Total Community Development	$43,173,852	$19,315,318	$10,747,223	($2,606,302)	$0	$70,630,091
	Non-Departmental						
87	Unclassified Administrative Expenses	$0	$0	$1,973,787	$0	$0	$1,973,787
89	Employee Benefits	0	0	1,387,850	0	0	1,387,850
	Total Non-Departmental	$0	$0	$3,361,637	$0	$0	$3,361,637
	GENERAL FUND DIRECT EXPENDITURES	$829,082,703	$370,918,880	$349,315,086	($36,588,399)	$116,058	$1,512,844,328

FY 2018 REGULAR POSITIONS ALL FUNDS



TOTAL REGULAR POSITIONS = 12,552

General Fund Program Areas include: General Fund agencies and Fund 40040, Fairfax-Falls Church Community Services Board, in Health and Welfare, Fund 40090, E-911, in Public Safety, and Fund 40100, Stormwater Services, in Public Works.

General Fund Supported Funds include: Fund 40330, Elderly Housing Programs; Fund 60000, County Insurance; Fund 60010, Department of Vehicle Services; Fund 60020, Document Services Division; and Fund 60030, Technology Infrastructure Services.

Other Funds include: Fund 40010, County and Regional Transportation Projects; Fund 40030, Cable Communications; Fund 40050, Reston Community Center; Fund 40060, McLean Community Center; Fund 40080, Integrated Pest Management Program; Fund 40140, Refuse Collection and Recycling Operations; Fund 40150, Refuse Disposal; Fund 40160, Energy Resource Recovery (ERR) Facility; Fund 40170, I-95 Refuse Disposal; Fund 69010 Sewer Operation and Maintenance; Fund 73000, Employees' Retirement Trust; and Fund 73030, OPEB Trust.

Summary of Position Changes

FY 1991 - FY 2018

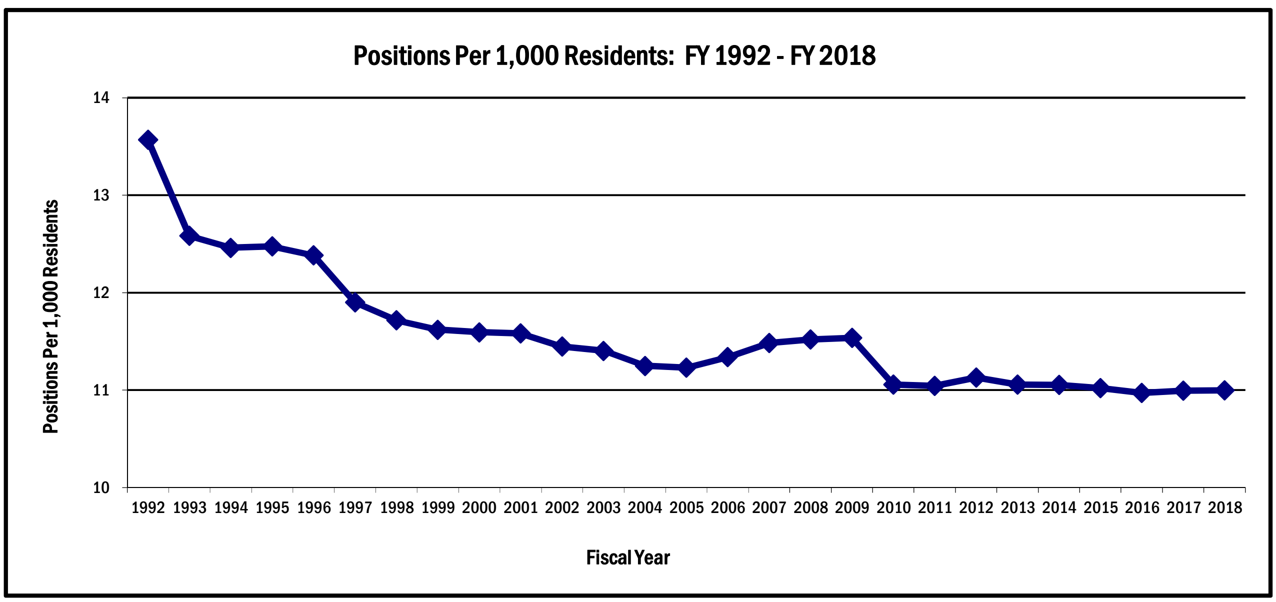
Authorized Positions - All Funds

Fiscal Years[1]	From	To	Abolished	New Facilities	Other Changes	Other Reviews	TOTAL CHANGE	Population[2]	Positions Per 1,000 Residents
FY 1991 to FY 1992	11,164	11,124	(153)	41	20	52	(40)	832,130	13.57
FY 1992 to FY 1993	11,124	10,628	(588)	0	13	79	(496)	844,500	12.58
FY 1993 to FY 1994	10,628	10,685	(88)	62	56	27	57	857,496	12.46
FY 1994 to FY 1995	10,685	10,870	(157)	94	131	117	185	871,268	12.48
FY 1995 to FY 1996	10,870	11,016	(49)	60	76	59	146	889,526	12.38
FY 1996 to FY 1997	11,016	10,782	(477)	150	(14)	107	(234)	905,888	11.90
FY 1997 to FY 1998	10,782	10,802	(56)	4	43	29	20	921,789	11.72
FY 1998 to FY 1999	10,802	10,911	(35)	26	41	77	109	938,912	11.62
FY 1999 to FY 2000	10,911	11,108	(17)	106	26	82	197	958,060	11.59
FY 2000 to FY 2001	11,108	11,317	0	25	107	77	209	977,058	11.58
FY 2001 to FY 2002	11,317	11,385	(2)	14	39	17	68	994,401	11.45
FY 2002 to FY 2003	11,385	11,498	(48)	70	1	90	113	1,008,263	11.40
FY 2003 to FY 2004	11,498	11,443	(124)	49	0	20	(55)	1,017,194	11.25
FY 2004 to FY 2005	11,443	11,547	(4)	56	0	52	104	1,027,972	11.23
FY 2005 to FY 2006	11,547	11,742	(21)	163	50	3	195	1,035,479	11.34
FY 2006 to FY 2007	11,742	11,936	0	159	16	19	194	1,039,409	11.48
FY 2007 to FY 2008	11,936	12,024	0	55	15	18	88	1,043,601	11.52
FY 2008 to FY 2009	12,024	12,101	0	0	33	44	77	1,048,842	11.54
FY 2009 to FY 2010	12,101	11,796	(308)	2	0	1	(305)	1,066,858	11.06
FY 2010 to FY 2011	11,796	12,031	(191)	4	11	411	235	1,089,262	11.05
FY 2011 to FY 2012	12,031	12,278	0	3	36	208	247	1,103,262	11.13
FY 2012 to FY 2013	12,278	12,281	(26)	5	45	(21)	3	1,110,673	11.06
FY 2013 to FY 2014	12,281	12,314	(83)	2	40	74	33	1,113,933	11.05
FY 2014 to FY 2015	12,314	12,354	(45)	11	46	28	40	1,120,823	11.02
FY 2015 to FY 2016	12,354	12,385	(70)	0	51	50	31	1,128,650	10.97
FY 2016 to FY 2017 Revised	12,385	12,480	(17)	18	52	42	95	1,135,025	11.00
FY 2017 to FY 2018 Adopted	12,480	12,552	(9)	8	73	0	72	1,141,275	11.00
Total	**11,164**	**12,552**	**(2,568)**	**1,187**	**1,007**	**1,762**	**1,388**		

In addition, a total of 168 project positions have been abolished since FY 1991, resulting in a total of 2,736 abolished positions. This results in a net increase of 1,220 positions through the FY 2018 Adopted Budget Plan. Despite the net addition of positions, Positions Per 1,000 Residents have decreased dramatically during the period between FY 1992 and FY 2018, from 13.57 (including the 168 project positions) to 11.00, a 19.0 percent decrease.

( ) Denotes Abolished Positions
[1] Fiscal Year totals reflect actuals except for the current and budget year which reflect latest budgeted position counts.
[2] Population numbers used to compute Positions Per 1,000 Residents are provided by the Department of Neighborhood and Community Services and adjusted for fiscal year.

During the period FY 1992 - FY 2018, the following chart depicts the trend in merit regular positions per 1,000 residents:



Summary of Position Changes

FY 2018 Position Actions

Total Change: 72 Regular Merit Positions

Agency	Explanation	# of Positions
NEW POSITIONS		**81**
Facilities Management	Maintenance for Public Safety Headquarters	3
Capital Facilities	Capital Project Workload	9
Planning and Zoning	Zoning Ordinance Review and Update	2
Transportation	County Transit	2
Family Services	Human Trafficking	1
Circuit Court and Records	Support for New Circuit Court Judge	1
General District Court	Diversion First	5
Police	Diversion First	3
Police	Internal Affairs Bureau	2
Police	Relief Sergeants	18
Police	South County Police Station	5
Sheriff	Diversion First	3
Code Compliance	Illegal Signs in the Right-of-Way Inspector	1
County and Regional Transportation Projects	State Transportation Funding Plan	2
Community Services Board	Diversion First	7
Community Services Board	Support Coordination	12
Stormwater Services	Stormwater Activities	2
Vehicle Services	Vehicle Maintenance	1
Sewer Operation and Maintenance	Sewer Operations	2
REDUCTIONS/REALIGNMENTS		**(9)**
County Executive	Process and Procedures Coordinator	(1)
Finance	Transfer from Management and Budget	1
Human Resources	Transfer to Police	(1)
Management and Budget	Transfer from Neighborhood and Community Services as part of Demographics Realignment	3
Management and Budget	Transfer from Tax Administration	1
Management and Budget	Transfer to Finance	(1)
Management and Budget	Eliminate Vacant Position	(1)
Library	Reduce Technical Operations	(1)
Tax Administration	Transfer to Management and Budget	(1)
Information Technology	Restructure Administrative Processing	(2)
Neighborhood and Community Services	Transfer to Management and Budget as part of Demographics Realignment	(3)
Police	Transfer from Human Resources	1
Community Services Board	Eliminate the Youth Day Treatment Program	(4)
Refuse Disposal	Transfer from Energy Resource Recovery (ERR) Facility	12
Energy Resource Recovery (ERR) Facility	Transfer to Refuse Disposal	(12)
	TOTAL CHANGE:	**72**

Summary of Position Changes

FY 2017 Position Actions

Total Change: 95 Regular Merit Positions

Agency	Explanation	# of Positions
NEW POSITIONS		**70**
Facilities Management	Maintenance for Public Safety Headquarters	3
Facilities Management	Maintenance for original Mt. Vernon High School	3
Elections	Absentee voting and information technology support	2
Information Technology	Information technology security	2
General District Court	Diversion First	5
Police	Patrol (Public Safety Staffing Plan)	14
Police	South County Police Station	15
Police	Diversion First	3
Police	Human Trafficking Task Force	2
Police	Polygraph Positions	2
Sheriff	Diversion First	3
Community Services Board	Diversion First	8
Community Services Board	Support Coordination	4
Stormwater Services	Administrative support for work order system and safety program	1
Sewer Operation and Maintenance	Wastewater activities	3
REDUCTIONS/REALIGNMENTS		**(17)**
Cable and Consumer Services	Transfer to Document Services as part of Mailroom Realignment	(12)
Cable and Consumer Services	Transfer to Cable Communications as part of Mailroom Realignment	(2)
Management and Budget	Central Services Redesign	(2)
Park Authority	Elimination of positions vacant for extended period	(12)
Library	Transfer to Document Services as part of Archives Realignment	(6)
Administration for Human Services	Transfer from Community Services Board	1
Information Technology	Elimination of positions vacant for extended period	(2)
Cable Communications	Transfer from Cable and Consumer Services as part of Realignment	2
Community Services Board	Transfer to Administration for Human Services	(1)
Document Services	Elimination of position vacant for extended period	(1)
Document Services	Transfer from Library as part of Archives Realignment	6
Document Services	Transfer from Cable and Consumer Services as part of Mailroom Realignment	12
OTHER CHANGES DURING FISCAL YEAR		**42**
County Executive	Transfer from Park Authority	2
Facilities Management	Transfer from Refuse Disposal	1
Human Resources	Transfer from Park Authority	2
Office of Public Affairs	Freedom of Information Act (FOIA) Related Staffing (FY 2016 Carryover)	3
County Attorney	Freedom of Information Act (FOIA) Related Staffing (FY 2016 Carryover)	2
Business Planning and Support	Transfer from Capital Facilities	2
Business Planning and Support	Transfer to Land Development Services	(1)
Business Planning and Support	Transfer from Stormwater Services	7
Business Planning and Support	Transfer from Refuse Disposal	5

Summary of Position Changes

FY 2017 Position Actions

Agency	Explanation	# of Positions
Business Planning and Support	Transfer from I-95 Refuse Disposal	1
Business Planning and Support	Transfer from Sewer Operations and Maintenance	4
Capital Facilities	Transfer to Business Planning and Support	(2)
Capital Facilities	Transfer from Park Authority	1
Land Development Services	Transfer from Business Planning and Support	1
Land Development Services	Transfer from I-95 Refuse Disposal	1
Land Development Services	Transfer to Stormwater Services	(2)
Human Rights and Equity Programs	Transfer from Park Authority	1
Independent Police Auditor	Establishment of Agency (Board Action 9/20/2016)	3
Park Authority	Transfer to County Executive	(2)
Park Authority	Transfer to Human Resources	(2)
Park Authority	Transfer to Capital Facilities	(1)
Park Authority	Transfer to Human Rights and Equity Programs	(1)
Park Authority	Transfer to Retirement	(1)
Family Services	Healthy Families Fairfax (FY 2016 Carryover)	5
Family Services	Transfer to Health	(1)
Family Services	Transfer to Neighborhood and Community Services	(2)
Information Technology	Freedom of Information Act (FOIA) Related Staffing (FY 2016 Carryover)	1
Health	Transfer from Family Services	1
Neighborhood and Community Services	Transfer from Family Services	2
Police	Diversion First (FY 2016 Carryover)	1
Police	Drinking While Intoxicated Enforcement Initiative (FY 2016 Carryover)	9
Police	Transfer to Animal Sheltering	(31)
Sheriff	Diversion First (FY 2016 Carryover)	1
Animal Sheltering	Transfer from Police	31
County and Regional Transportation Projects	State Transportation Funding Plan (FY 2016 Carryover)	5
Community Services Board	Support Coordination (FY 2016 Carryover)	10
Stormwater Services	Transfer to Business Planning and Support	(7)
Stormwater Services	Transfer from Land Development Services	2
Stormwater Services	Transfer from Refuse Collection and Recycling Operations	1
Refuse Collection and Recycling Operations	Transfer to Stormwater Services	(1)
Refuse Collection and Recycling Operations	Transfer to Refuse Disposal	(8)
Refuse Collection and Recycling Operations	Transfer to I-95 Refuse Disposal	(1)
Refuse Disposal	Transfer to Facilities Management	(1)
Refuse Disposal	Transfer to Business Planning and Support	(5)
Refuse Disposal	Transfer from Refuse Collection and Recycling Operations	8
Refuse Disposal	Transfer to I-95 Refuse Disposal	(1)
I-95 Refuse Disposal	Transfer to Business Planning and Support	(1)
I-95 Refuse Disposal	Transfer to Land Development Services	(1)
I-95 Refuse Disposal	Transfer from Refuse Collection and Recycling Operations	1
I-95 Refuse Disposal	Transfer from Refuse Disposal	1
Vehicle Services	FCPS Vehicle Maintenance (FY 2016 Carryover)	2
Sewer Operation and Maintenance	Transfer to Business Planning and Support	(4)
Retirement	Transfer from Park Authority	1
	TOTAL CHANGE:	**95**

Summary of Position Changes

FY 2016 Position Actions

Total Change: 31 Regular Merit Positions

Agency	Explanation	# of Positions
NEW POSITIONS		**51**
Elections	Electoral Board support	2
Economic Development Authority	Business development for data analytics and cloud computing	1
Transportation	County Transit	1
Family Services	Self Sufficiency	20
Family Services	Domestic Violence	2
Health	School Health	4
Commonwealth's Attorney	Domestic Violence	1
General District Court	Veteran's Docket	2
Police	Regional Gang Task Force	2
County and Regional Transportation Projects	Transportation funding	13
Stormwater Services	Stormwater activities	1
Vehicle Services	School bus mechanics	2
REDUCTIONS/REALIGNMENTS		**(70)**
County Executive	Office of Public Private Partnerships	(1)
Cable and Consumer Services	Mail services	(1)
Human Resources	Employee benefits	(2)
Purchasing and Supply Management	Warehouse driver	(1)
Public Affairs	Government Center lobby reception	(1)
Management and Budget	FOCUS Business Support Group	(2)
Business Planning and Support	Transfer of Information Technology support from Land Development Services	2
Business Planning and Support	Transfer of Information Technology support from Refuse Collection and Recycling	2
Land Development Services	Transfer of Information Technology support to Business Planning and Support	(2)
Housing and Community Development	Transfer of position to Administration for Human Services	(1)
Human Rights and Equity Programs	Human Rights Specialist	(1)
Parks	Financial management	(1)
Parks	Strategic planning	(1)
Parks	Volunteer services	(1)
Parks	Technology support	(1)
Parks	Night guards	(2)
Library	Library aides	(14)
Administration for Human Services	Financial processing	(2)
Administration for Human Services	Transfer from Housing and Community Development	1
Information Technology	FOCUS support	(2)
Health	Annandale Adult Day Health	(8)
Neighborhood and Community Services	Division Director	(1)
Neighborhood and Community Services	Regional services	(1)
Neighborhood and Community Services	Human services system planning	(1)

Summary of Position Changes

FY 2016 Position Actions

Agency	Explanation	# of Positions
Neighborhood and Community Services	Coordinated services planning	(1)
Community Services Board	Special projects	(1)
Community Services Board	Substance Abuse Counselor	(1)
Community Services Board	Assessments and screening	(2)
Community Services Board	Service Director	(1)
Community Services Board	Assisted community residential services	(2)
Community Services Board	Residential treatment and supportive residential services	(8)
Community Services Board	Sojourn House	(10)
Refuse Collection and Recycling Operations	Transfer of Information Technology support to Business Planning and Support	(2)
OTHER CHANGES DURING FISCAL YEAR		**50**
County Attorney	Workload requirements	2
Capital Facilities	Transfers from Refuse Collection and Recycling Operations	7
Land Development Services	Transfers from Refuse Collection and Recycling Operations	3
Land Development Services	Realignment of position	(1)
Housing and Community Development	Transfer from Elderly Housing	1
Park Authority	Realignment of position	(1)
Family Services	Self Sufficiency (FY 2015 Carryover)	9
Family Services	Self Sufficiency (FY 2016 Third Quarter)	16
Family Services	School Health (FY 2016 Third Quarter)	1
Family Services	Transfer to Administration for Human Services	(1)
Administration for Human Services	Transfer from Family Services	1
Fire and Rescue	SAFER grant	18
Community Services Board	Mobile Crisis Unit (FY 2015 Carryover)	6
Stormwater Services	Transfer from Refuse Collection and Recycling Operations	1
Refuse Collection and Recycling Operations	Transfer from Refuse Disposal	1
Refuse Collection and Recycling Operations	Transfers to Capital Facilities, Land Development Services, Stormwater Services, and I-95 Refuse Disposal	(12)
Refuse Disposal	Transfers from I-95 Refuse Disposal	2
Refuse Disposal	Transfer to Refuse Collection and Recycling Operations	(1)
I-95 Refuse Disposal	Transfer from Refuse Collection and Recycling Operations	1
I-95 Refuse Disposal	Transfers to Refuse Disposal and Sewer Operation and Maintenance	(3)
Elderly Housing	Transfer to Housing and Community Development	(1)
Sewer Operation and Maintenance	Transfer from I-95 Refuse Disposal	1
	TOTAL CHANGE:	**31**

FY 2018 ADOPTED POSITION SUMMARY

(GENERAL FUND)

	FY 2016		FY 2017										FY 2018					
	Actual		*Adopted*		*Carryover*		*Out of Cycle*		*Third Quarter*		*Revised*		*Advertised*		*Adopted*		*Inc/ (Dec)*	
# Agency Title	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*
Legislative-Executive Functions / Central Services																		
01 Board of Supervisors	77	77.00	77	77.00	0	0.00	0	0.00	0	0.00	77	77.00	77	77.00	77	77.00	0	0.00
02 Office of the County Executive	53	53.00	53	53.00	0	0.00	2	2.00	0	0.00	55	55.00	52	52.00	54	54.00	(1)	(1.00)
04 Department of Cable and Consumer Services	14	14.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
06 Department of Finance	55	55.00	55	55.00	0	0.00	0	0.00	0	0.00	55	55.00	56	56.00	56	56.00	1	1.00
11 Department of Human Resources	75	75.00	75	75.00	0	0.00	2	2.00	0	0.00	77	77.00	76	76.00	76	76.00	(1)	(1.00)
12 Department of Procurement and Material Management	49	49.00	49	49.00	0	0.00	0	0.00	0	0.00	49	49.00	49	49.00	49	49.00	0	0.00
13 Office of Public Affairs	17	17.00	17	17.00	3	3.00	0	0.00	0	0.00	20	20.00	20	20.00	20	20.00	0	0.00
15 Office of Elections	28	28.00	30	30.00	0	0.00	0	0.00	0	0.00	30	30.00	30	30.00	30	30.00	0	0.00
17 Office of the County Attorney	62	62.00	62	62.00	2	2.00	0	0.00	0	0.00	64	64.00	64	64.00	64	64.00	0	0.00
20 Department of Management and Budget	52	52.00	50	50.00	0	0.00	0	0.00	0	0.00	50	50.00	52	52.00	52	52.00	2	2.00
37 Office of the Financial and Program Auditor	3	3.00	3	3.00	0	0.00	0	0.00	0	0.00	3	3.00	3	3.00	3	3.00	0	0.00
41 Civil Service Commission	3	3.00	3	3.00	0	0.00	0	0.00	0	0.00	3	3.00	3	3.00	3	3.00	0	0.00
42 Office of the Independent Police Auditor	0	0.00	0	0.00	0	0.00	3	3.00	0	0.00	3	3.00	3	3.00	3	3.00		
57 Department of Tax Administration	283	283.00	283	283.00	0	0.00	0	0.00	0	0.00	283	283.00	282	282.00	282	282.00	(1)	(1.00)
70 Department of Information Technology	250	250.00	250	250.00	1	1.00	0	0.00	0	0.00	251	251.00	249	249.00	249	249.00	(2)	(2.00)
Total Legislative-Executive Functions / Central Services	1,021	1,021.00	1,007	1,007.00	6	6.00	7	7.00	0	0.00	1,020	1,020.00	1,016	1,016.00	1,018	1,018.00	(2)	(2.00)
Judicial Administration																		
80 Circuit Court and Records	163	163.00	163	163.00	0	0.00	0	0.00	0	0.00	163	163.00	163	163.00	164	164.00	1	1.00
82 Office of the Commonwealth's Attorney	41	41.00	41	41.00	0	0.00	0	0.00	0	0.00	41	41.00	41	41.00	41	41.00	0	0.00
85 General District Court	23	23.00	28	28.00	0	0.00	0	0.00	0	0.00	28	28.00	28	28.00	33	33.00	5	5.00
91 Office of the Sheriff	169	168.50	169	168.50	0	0.00	0	0.00	0	0.00	169	168.50	169	168.50	169	168.50	0	0.00
Total Judicial Administration	396	395.50	401	400.50	0	0.00	0	0.00	0	0.00	401	400.50	401	400.50	407	406.50	6	6.00
Public Safety																		
04 Department of Cable and Consumer Services	10	10.00	10	10.00	0	0.00	0	0.00	0	0.00	10	10.00	10	10.00	10	10.00	0	0.00
31 Land Development Services	99	99.00	99	99.00	0	0.00	(2)	(2.00)	0	0.00	97	97.00	97	97.00	97	97.00	0	0.00
81 Juvenile and Domestic Relations District Court	303	301.50	303	301.50	0	0.00	0	0.50	0	0.00	303	302.00	303	302.00	303	302.00	0	0.00
90 Police Department	1,722	1,722.00	1,758	1,758.00	(31)	(31.00)	10	10.00	0	0.00	1,737	1,737.00	1,763	1,763.00	1,766	1,766.00	29	29.00
91 Office of the Sheriff	431	430.50	434	433.50	0	0.00	1	1.00	0	0.00	435	434.50	435	434.50	438	437.50	3	3.00
92 Fire and Rescue Department	1,592	1,592.00	1,592	1,592.00	0	0.00	0	0.00	0	0.00	1,592	1,592.00	1,592	1,592.00	1,592	1,592.00	0	0.00
93 Office of Emergency Management	13	13.00	13	13.00	0	0.00	0	0.00	0	0.00	13	13.00	13	13.00	13	13.00	0	0.00
96 Department of Animal Sheltering	0	0.00	0	0.00	31	31.00	0	0.00	0	0.00	31	31.00	31	31.00	31	31.00		
97 Department of Code Compliance	45	45.00	45	45.00	0	0.00	0	0.00	0	0.00	45	45.00	46	46.00	46	46.00	1	1.00
Total Public Safety	4,215	4,213.00	4,254	4,252.00	0	0.00	9	9.50	0	0.00	4,263	4,261.50	4,290	4,288.50	4,296	4,294.50	33	33.00
Public Works																		
08 Facilities Management Department	203	203.00	209	209.00	0	0.00	1	1.00	0	0.00	210	210.00	212	212.00	213	213.00	3	3.00
25 Business Planning and Support	19	19.00	19	19.00	0	0.00	18	18.00	0	0.00	37	37.00	19	19.00	37	37.00	0	0.00
26 Office of Capital Facilities	155	155.00	155	155.00	0	0.00	(1)	(1.00)	0	0.00	154	154.00	164	164.00	163	163.00	9	9.00
Total Public Works	377	377.00	383	383.00	0	0.00	18	18.00	0	0.00	401	401.00	395	395.00	413	413.00	12	12.00
Health and Welfare																		
67 Department of Family Services	1,491	1,465.14	1,491	1,465.14	5	5.00	(3)	(2.05)	0	0.00	1,493	1,468.09	1,496	1,470.14	1,494	1,469.09	1	1.00
68 Department of Administration for Human Services	166	165.50	167	166.50	0	0.00	0	0.00	0	0.00	167	166.50	167	166.50	167	166.50	0	0.00
71 Health Department	653	580.75	653	580.75	0	0.00	1	1.84	0	0.00	654	582.59	653	581.59	654	582.59	0	0.00
73 Office to Prevent and End Homelessness	8	8.00	8	8.00	0	0.00	0	0.00	0	0.00	8	8.00	8	8.00	8	8.00	0	0.00
79 Department of Neighborhood and Community Services	220	220.00	220	220.00	0	0.00	2	2.00	0	0.00	222	222.00	218	218.00	219	219.00	(3)	(3.00)
Total Health and Welfare	2,538	2,439.39	2,539	2,440.39	5	5.00	0	1.79	0	0.00	2,544	2,447.18	2,542	2,444.23	2,542	2,445.18	(2)	(2.00)
Parks and Libraries																		
51 Fairfax County Park Authority	349	347.75	337	336.25	0	0.00	(7)	(7.00)	0	0.00	330	329.25	334	333.25	330	329.25	0	0.00
52 Fairfax County Public Library	386	365.50	380	359.50	0	0.00	0	0.00	0	0.00	380	359.50	379	358.50	379	358.50	(1)	(1.00)
Total Parks and Libraries	735	713.25	717	695.75	0	0.00	(7)	(7.00)	0	0.00	710	688.75	713	691.75	709	687.75	(1)	(1.00)
Community Development																		
16 Economic Development Authority	36	36.00	36	36.00	0	0.00	0	0.00	0	0.00	36	36.00	36	36.00	36	36.00	0	0.00
31 Land Development Services	175	175.00	175	175.00	(2)	(2.00)	4	4.00	0	0.00	177	177.00	177	177.00	177	177.00	0	0.00
35 Department of Planning and Zoning	133	133.00	133	133.00	0	0.00	0	0.00	0	0.00	133	133.00	135	135.00	135	135.00	2	2.00
36 Planning Commission	7	7.00	7	7.00	0	0.00	0	0.00	0	0.00	7	7.00	7	7.00	7	7.00	0	0.00
38 Department of Housing and Community Development	44	44.00	44	44.00	0	0.00	0	0.00	0	0.00	44	44.00	44	44.00	44	44.00	0	0.00
39 Office of Human Rights and Equity Programs	16	16.00	16	16.00	0	0.00	1	1.00	0	0.00	17	17.00	17	17.00	17	17.00	0	0.00
40 Department of Transportation	119	119.00	119	119.00	0	0.00	0	0.00	0	0.00	119	119.00	121	121.00	121	121.00	2	2.00
Total Community Development	530	530.00	530	530.00	(2)	(2.00)	5	5.00	0	0.00	533	533.00	537	537.00	537	537.00	4	4.00
Total General Fund Positions	9,812	9,689.14	9,831	9,708.64	9	9.00	32	34.29	0	0.00	9,872	9,751.93	9,894	9,772.98	9,922	9,801.93	50	50.00

FY 2018 ADOPTED POSITION SUMMARY
(GENERAL FUND SUPPORTED AND OTHER FUNDS)

	FY 2016		FY 2017										FY 2018					
	Actual		*Adopted*		*Carryover*		*Out of Cycle*		*Third Quarter*		*Revised*		*Advertised*		*Adopted*		Inc/(Dec)	
Fund	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*
General Fund Supported																		
40040 Fairfax-Falls Church Community Services Board	958	954.00	969	965.00	10	10.00	0	0.00	0	0.00	979	975.00	983	979.00	994	990.00	15	15.00
40330 Elderly Housing Programs	12	12.00	12	12.00	0	0.00	0	0.00	0	0.00	12	12.00	12	12.00	12	12.00	0	0.00
60000 County Insurance	14	14.00	14	14.00	0	0.00	0	0.00	0	0.00	14	14.00	14	14.00	14	14.00	0	0.00
60010 Department of Vehicle Services	260	260.00	260	260.00	2	2.00	0	0.00	0	0.00	262	262.00	263	263.00	263	263.00	1	1.00
60020 Document Services	10	10.00	27	27.00	0	0.00	0	0.00	0	0.00	27	27.00	27	27.00	27	27.00	0	0.00
60030 Technology Infrastructure Services	73	73.00	73	73.00	0	0.00	0	0.00	0	0.00	73	73.00	73	73.00	73	73.00	0	0.00
Total General Fund Supported	1,327	1,323.00	1,355	1,351.00	12	12.00	0	0.00	0	0	1,367	1,363.00	1,372	1,368.00	1,383	1,379.00	16	16.00
Other Funds																		
40010 County and Regional Transportation Projects	47	47.00	47	47.00	5	5.00	0	0.00	0	0.00	52	52.00	54	54.00	54	54.00	2	2.00
40030 Cable Communications	52	52.00	54	54.00	0	0.00	0	0.00	0	0.00	54	54.00	54	54.00	54	54.00	0	0.00
40050 Reston Community Center	50	50.00	50	50.00	0	0.00	0	0.00	0	0.00	50	50.00	50	50.00	50	50.00	0	0.00
40060 McLean Community Center	31	28.18	31	28.18	0	0.00	0	0.20	0	0.00	31	28.38	31	28.38	31	28.38	0	0.00
40080 Integrated Pest Management Program	11	11.00	11	11.00	0	0.00	0	0.00	0	0.00	11	11.00	11	11.00	11	11.00	0	0.00
40090 E-911	205	205.00	205	205.00	0	0.00	0	0.00	0	0.00	205	205.00	205	205.00	205	205.00	0	0.00
40100 Stormwater Services	182	182.00	183	183.00	3	3.00	(7)	(7.00)	0	0.00	179	179.00	188	188.00	181	181.00	2	2.00
40140 Refuse Collection and Recycling Operations	129	129.00	129	129.00	(1)	(1.00)	(9)	(9.00)	0	0.00	119	119.00	128	128.00	119	119.00	0	0.00
40150 Refuse Disposal	145	145.00	145	145.00	0	0.00	1	1.00	0	0.00	146	146.00	156	156.00	158	158.00	12	12.00
40160 Energy Resource Recovery (ERR) Facility	12	12.00	12	12.00	0	0.00	0	0.00	0	0.00	12	12.00	0	0.00	0	0.00	(12)	(12.00)
40170 I-95 Refuse Disposal	40	40.00	40	40.00	0	0.00	0	0.00	0	0.00	40	40.00	40	40.00	40	40.00	0	0.00
69010 Sewer Operation and Maintenance	316	316.00	319	319.00	0	0.00	(4)	(4.00)	0	0.00	315	315.00	321	321.00	317	317.00	2	2.00
73000 Employees' Retirement Trust	25	25.00	25	25.00	0	0.00	1	1.00	0	0.00	26	26.00	25	25.00	26	26.00	0	0.00
73030 OPEB Trust	1	1.00	1	1.00	0	0.00	0	0.00	0	0.00	1	1.00	1	1.00	1	1.00	0	0.00
Total Other Funds	1,246	1,243.18	1,252	1,249.18	7	7.00	(18)	(17.80)	0	0.00	1,241	1,238.38	1,264	1,261.38	1,247	1,244.38	6	6.00
Total All Funds	12,385	12,255.32	12,438	12,308.82	28	28.00	14	16.49	0	0.00	12,480	12,353.31	12,530	12,402.36	12,552	12,425.31	72	72.00

FY 2018 ADOPTED POSITION SUMMARY
(GENERAL FUND STATE POSITIONS)

	FY 2016		FY 2017										FY 2018					
	Actual		*Adopted*		*Carryover*		*Out of Cycle*		*Third Quarter*		*Revised*		*Advertised*		*Adopted*		*Inc/(Dec)*	
Agency Title	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*
Circuit Court and Records	15	15.00	15	15.00	0	0.00	0	0.00	0	0.00	15	15.00	15	15.00	15	15.00	0	0.00
Juvenile and Domestic Relations District Court	43	43.00	43	43.00	0	0.00	0	0.00	0	0.00	43	43.00	43	43.00	43	43.00	0	0.00
General District Court	94	91.10	117	114.10	0	0.00	0	0.00	0	0.00	117	114.10	117	114.10	117	114.10	0	0.00
Office of the Sheriff	27	27.00	27	27.00	0	0.00	0	0.00	0	0.00	27	27.00	27	27.00	27	27.00	0	0.00
Total General Fund	179	176.10	202	199.10	0	0.00	0	0.00	0	0.00	202	199.10	202	199.10	202	199.10	0	0.00

FY 2018 ADOPTED POSITION SUMMARY

(GRANT POSITIONS)

	FY 2016 Actual		FY 2017 Adopted		FY 2017 Carryover		FY 2017 Out of Cycle		FY 2017 Third Quarter		FY 2017 Revised		FY 2018 Advertised		FY 2018 Adopted		Inc/(Dec)	
Fund/Agency Title	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*	*Pos*	*FTE*
Fund 50000, Federal/State Grant																		
Office of Human Rights and Equity Programs	3	2.90	4	3.90	0	0.00	(1)	(0.90)	0	0.00	3	3.00	3	3.00	3	3.00	0	0.00
Department of Transportation	7	7.00	7	7.00	0	0.00	0	0.00	0	0.00	7	7.00	7	7.00	7	7.00	0	0.00
Department of Family Services	178	174.40	178	172.00	0	0.00	0	3.00	0	0.00	178	175.00	178	169.80	178	169.80	0	(5.20)
Health Department	64	64.00	63	63.00	0	0.00	1	1.00	0	0.00	64	64.00	64	64.00	64	64.00	0	0.00
Fairfax-Falls Church Community Services Board	60	60.00	60	59.80	0	0.00	5	5.20	0	0.00	65	65.00	65	64.80	65	64.80	0	(0.20)
Department of Neighborhood and Community Services	3	3.00	1	0.90	0	0.00	2	2.10	0	0.00	3	3.00	1	0.90	1	0.90	(2)	(2.10)
Juvenile and Domestic Relations District Court	1	0.50	1	0.50	0	0.00	0	0.00	0	0.00	1	0.50	1	0.50	1	0.50	0	0.00
General District Court	9	9.00	8	8.00	0	0.00	1	1.00	0	0.00	9	9.00	8	8.00	8	8.00	(1)	(1.00)
Police Department	10	10.00	6	6.00	0	0.00	3	3.00	0	0.00	9	9.00	8	8.00	8	8.00	(1)	(1.00)
Fire and Rescue Department	18	18.00	18	16.80	0	0.00	1	2.20	0	0.00	19	19.00	18	16.80	18	16.80	(1)	(2.20)
Emergency Management	4	4.00	4	4.00	0	0.00	0	0.00	0	0.00	4	4.00	4	4.00	4	4.00	0	0.00
Total Federal/State Grant Fund [1]	357	352.80	350	341.90	0	0.00	12	16.60	0	0.00	362	358.50	357	346.80	357	346.80	(5)	(11.70)
Fund 50800, Community Development Block Grant																		
Department of Housing and Community Development	17	17.00	17	17.00	0	0.00	0	0.00	0	0.00	17	17.00	17	17.00	17	17.00	0	0.00
Total Community Development Block Grant	17	17.00	17	17.00	0	0.00	0	0.00	0	0.00	17	17.00	17	17.00	17	17.00	0	0.00
Fund 50810, HOME Investment Partnerships Program																		
Department of Housing and Community Development	2	2.00	2	2.00	0	0.00	0	0.00	0	0.00	2	2.00	2	2.00	2	2.00	0	0.00
Total HOME Investment Partnerships Program	2	2.00	2	2.00	0	0.00	0	0.00	0	0.00	2	2.00	2	2.00	2	2.00	0	0.00

[1] It should be noted that the FY 2017 Revised position count includes grant positions that are funded with prior year awards for which additional funding is not anticipated.

FY 2018

Adopted Budget Plan

COUNTY OF FAIRFAX

1742

VIRGINIA

Glossary

GLOSSARY

Account: A separate financial reporting unit. All budgetary transactions are recorded in accounts.

Accounting Period: A period of time (e.g., one month, one year) where the County determines its financial position and results of operations.

Accrual: Accrual accounting/budgeting refers to a method of accounting/budgeting in which revenues are recorded when earned and outlays are recorded when goods are received or services are performed, even though the actual receipts and disbursements of cash may occur, in whole or in part, in a different fiscal period.

Accrual Basis of Accounting: A method of accounting where revenues are recorded when service is given and expenses are recognized when the benefit is received. In Fairfax County, governmental and agency funds are accounted for on a modified accrual basis of accounting in which revenue is recognized when it is measurable and available. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. Expenditures are generally recorded when the related fund liability is incurred, with the exception of principal and interest on general long-term debt and certain other general long-term obligations.

Actual: Monies that have already been used or received; different from budgeted monies, which are estimates of funds to be spent or received.

Actuarial: A methodology that makes determinations of required contributions to achieve future funding levels by addressing risk and time.

Adopted Budget Plan: A plan of financial operations approved by the Board of Supervisors highlighting major changes made to the County Executive's Advertised Budget Plan by the Board of Supervisors. The Adopted Budget Plan reflects approved tax rates and estimates of revenues, expenditures, transfers, agency goals, objectives and performance data. Sections are included to show major budgetary/financial policies and guidelines used in the fiscal management of the County.

Affordable Care Act: The Patient Protection and Affordable Care Act (PPACA), commonly called the Affordable Care Act (ACA) is a United States federal statute enacted in March 2010. The Affordable Care Act was intended to increase health insurance quality and affordability, lower the uninsured rate by expanding insurance coverage and reduce the costs of healthcare. It introduced mechanisms including mandates, subsidies and insurance exchanges. The law requires insurers to accept all applicants, cover a specific list of conditions and charge the same rates regardless of pre-existing conditions or sex.

Ad Valorem Tax: A tax levied on the assessed value of real estate and personal property. This tax is also known as property tax.

Advanced Live Support (ALS): The rapid intervention of advanced emergency medical services such as cardiac monitoring, starting intravenous fluids, giving medication, manual defibrillation, and the process of using advance airway adjuncts.

Advertised Budget Plan: A plan of financial operations submitted by the County Executive to the Board of Supervisors. This plan reflects estimated revenues, expenditures and transfers, as well as agency goals, objectives and performance data. In addition, sections are included to show major budgetary/financial policies and guidelines used in the fiscal management of the County.

Affordable Housing: Housing is generally considered affordable when the cost of rent/mortgage does not exceed 30-35 percent of the annual gross household income.

Amortization: The reduction of debt through regular payments of principal and interest sufficient to retire the debt instrument at a predetermined date known as maturity.

Annual Required Contribution (ARC): The actuarially determined amount of employer funding required to support pension or OPEB (other post-employment benefit) costs. The ARC is composed of the normal cost, which is the cost of benefits earned in the current year, and the amortization of the unfunded liability for benefits earned in prior years.

Appropriation: A specific amount of money authorized by the Board of Supervisors to a specified unit of the County government to make expenditures and to incur obligations for specific purposes. Appropriation authorizations expire at the end of the fiscal year.

Appropriation Controls: A specific amount of money authorized by the Board of Supervisors to a specified unit of the County government to make expenditures and to incur obligations for specific purposes. Spending is generally controlled either at the bottom line of appropriation categories such as Personnel Services, Operating Expenses, Recovered Costs (Work Performed for Others), or Capital Equipment (for operating agencies) or the bottom-line of a project budget, e.g., for capital construction funds or grant budget. In addition, agencies cannot transfer funds from one fund to another fund without authorization from the Board of Supervisors. Agencies cannot adjust their bottom-line budget expenditures without authorization from the Board of Supervisors. Typically, the Board of Supervisors approves agency bottom-line expenditure adjustments during the next budget review cycle, i.e., Third Quarter or Carryover. With adequate justification and DMB approval, agencies can perform a budget transfer of funds from one category to another, e.g., from Personnel Services to Operating Expenses, as long as there is no change to the agency's bottom-line budget and the budget transfer must occur within the same agency and/or fund.

Appropriated Fund: Funds budgeted and authorized by the Board of Supervisors for County agencies and funds to incur liabilities for the acquisition of goods and services. These funds, which include revenues derived from governmental sources, require annual appropriation by the Board of Supervisors for legal spending authority by agencies.

Arbitrage: With respect to the issuance of municipal securities, arbitrage usually refers to the difference between the interest paid on the tax-exempt securities and the interest earned by investing the security proceeds in higher yielding taxable securities. Internal Revenue Service regulations govern arbitrage on the proceeds from issuance of governmental securities.

Area Median Income (AMI): A measure of the amount of income for a specific geographical area where one-half of that area's population earns more than the AMI and the other half of the population earns less than AMI.

Assessed Property Value: The estimated actual value set upon real estate or other taxable property by the County Property Appraiser (Department of Tax Administration) as a basis for levying real estate tax. Real property is assessed as of January 1 each year at the estimated fair market value of all land and improvements, with the resulting taxes being payable in the subsequent fiscal year. Real estate taxes are due in equal installments, on July 28 and December 5. Unpaid taxes automatically constitute liens on real property which must be satisfied prior to sale or transfer, and after three years, foreclosure proceedings can be initiated.

Assessment: The official valuation of property for purposes of taxation.

Assessment Ratio: The ratio of the assessed value of a taxed item to the market value of that item. In Fairfax County, real estate is assessed at 100 percent of market value as of January 1 each year.

Assets: Resources owned or held by a government which have monetary value. Assets may be tangible or intangible and are expressed in terms of cost or some other value.

Audit: An audit is an official examination and verification of accounts and records, especially of financial accounts, annually performed by an independent body. The County's financial statements are audited as required by the Code of Virginia. In addition to meeting the requirements of the state statutes, the County's independent audit meets the requirements of in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. The report of the independent auditors on the basic financial statements can be found in the financial section of the Comprehensive Financial Audit Report (CAFR). The Single Audit Report, issued separately, contains the independent auditor's reports related specifically to the single audit. As a recipient of federal and state financial assistance, the County also is responsible for maintaining an adequate internal control structure to ensure and document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluation by management and the County's Internal Audit Office staff.

Audit Adjustment: This is an adjustment for an expenditure or revenue collection which has not been included in the Carryover Actuals, but has been deemed by the auditors to have occurred in the previous fiscal year. When an audit adjustment occurs, the Actual expenditures or revenues are either increased or decreased, resulting in a change to the actual Ending Balance and the Revised Beginning Balance. In addition, an audit adjustment can sometimes affect the revised budget plan for the following fiscal year.

Auditor of Public Accounts (APA): A state agency that oversees accounting, financial reporting and audit requirements for the units of local government in the Commonwealth of Virginia.

Authorized but Unissued Bonds: Bonds authorized by the Board of Supervisors following a referendum, but not issued to the bond markets. Bonds approved after July 1, 1991 have a maximum of 10 years available by law in which to be issued.

Average Household Size: The average number of persons residing within a household in a particular area. It is computed by dividing the total population in households (excluding group quarters such as correctional facilities, nursing homes and college dormitories) by the total number of occupied housing units in that area.

Balanced Budget: A budget is balanced when projected total funds available equal total disbursements, including established reserves. All local governments in the Commonwealth of Virginia must adopt a balanced budget as a requirement of state law no later than by July 1.

Base Budget: Cost of continuing the existing levels of service.

Basic Life Support (BLS): The level of medical care which is used for victims of life-threatening illnesses or injuries until they can be given full medical care at a hospital. It can be provided by trained medical personnel, including emergency medical technicians, paramedics, and by laypersons who have received BLS training. BLS is generally used in the pre-hospital setting, and can be provided without medical equipment.

Basis Point: Equal to 1/100 of one percent. For example, if interest rates rise from 6.50 percent to 6.75 percent, the difference is referred to as an increase of 25 basis points.

Beginning Balance: Unexpended funds from the previous fiscal year that may be used to make payments during the current fiscal year if appropriated.

Benchmarking: The systematic comparison of performance with other jurisdictions in order to discover best practices that will enhance performance. Benchmarking involves determining the quality of products, services and practices by measuring critical factors (e.g., how effective, how much a product or service costs) and comparing the results to those of highly regarded competitors.

Benefits: Expenditures related to employee benefits that are funded through employee and employer payroll deductions, like health insurance, retirement, and social security costs.

Best Practice: Program or service that is the most effective technique to reach an intended outcome when applied to a particular condition or circumstance. Best practices are generally documented as evidence-based by national organizations' review of research.

Board of Supervisors: The Code of Virginia (§ 15.2-802) provides that the powers of the County as a body politic and corporate shall be vested in an urban county board of supervisors, to consist of one member from each district of such county and to be known as the board of supervisors (the board). Each member shall be a qualified voter of his or her district and shall be elected by the qualified voters thereof. In addition to the above board members, the voters shall elect a county chairman who shall be a qualified voter of the county. The Board of Supervisors of Fairfax County is composed of ten members, one from each of the nine County magisterial districts, plus a chairman. Supervisors are elected for four-year terms.

Bond: A written promise to pay a specified sum of money (called the principal), at a specified date in the future, together with periodic interest at a specified rate. In the budget document, these payments are identified as debt service. Bonds may be used as an alternative to tax receipts to secure revenue for long-term capital improvements. The two major categories are General Obligation Bonds (G.O. Bonds) and Revenue Bonds. The majority of bonds issued for County and School construction projects are known as General Obligation Bonds.

Bond Covenants: A legally enforceable promise made to the bondholders from the issuer, generally in relation to the source of repayment funding.

Bond Proceeds: The money paid to the issuer by the purchaser or underwriter of a new issue of municipal securities. These moneys are used to finance the project or purpose for which the securities were issued and to pay certain costs of issuance as may be provided in the bond contract.

Bond Rating: A rating (made by an established bond rating company) from a schedule of grades indicating the probability of timely repayment of principal and interest on bonds issued. Fairfax County uses the services of the nation's three primary bond rating services, Moody's Investors Service, Standard & Poor's, and Fitch, to perform credit analyses to determine the probability of an issuer of debt defaulting partially or fully. Fairfax County has maintained a Triple A bond rating status from Moody's since 1975, Standard and Poor's since 1978, and Fitch since 1997.

Bond Referendum: A process whereby the voters of a governmental unit are given the opportunity to approve or disapprove a proposed issue of municipal securities, most commonly required for the approval of General Obligation Bonds. Requirements for voter approval may be imposed by constitution, statute or local ordinance.

Budget: A plan for the acquisition and allocation of resources to accomplish specified purposes. The term may be used to describe special purpose fiscal plans or parts of a fiscal plan, such as "the budget of the Police Department," "the Capital Budget," or "the School Board's budget," or it may relate to a fiscal plan for an entire jurisdiction, such as "the budget of Fairfax County."

Budget Calendar: A schedule of key dates which the County follows in the preparation, adoption and administration of the budget.

Budget Message: Included in the Overview Volume, also referred to as the *County Executive Summary*, the budget message provides a summary of the most important aspects of the budget, changes from previous fiscal years, and recommendations regarding the County's financial policy for the upcoming period.

Budget Transfers: Budget transfers shift previously budgeted funds from one item of expenditure to another. Transfers may occur throughout the course of the fiscal year as needed for County government operations.

Build-Out: This refers to the time in the life cycle of the County when no incorporated property remains undeveloped. All construction from this point forward is renovation, retrofitting or land cleared through the demolition of existing structures.

Business Process Redesign: A methodology that seeks to improve customer service by focusing on redesigning current processes, and possibly incorporating automation-based productivity improvements. Redesign efforts require an Information Strategy Plan (ISP) which identifies and prioritizes the business areas to be redesigned. New or enhanced Business System Applications (BSAs) are usually required to improve the flow of information across organizational boundaries.

Business, Professional and Occupational License (BPOL) Tax: Businesses, professions, trades and occupations are assessed a license tax based on gross receipts for the prior year, without deductions. Exclusions are deductions from the definition of gross receipts. Section 4-7.2-1(B) of the Fairfax County Code and Chapter 37 of Title 58.1 of the Code of Virginia lists the only deductions that can be claimed. Individuals engaged in home occupations and who are self-employed must also file if their gross receipts are greater than $10,000. Receipts of venture capital or other investment funds are excluded from taxation except commissions and fees.

Calendar Year: Twelve months beginning January 1 and ending December 31.

Capital Asset: Property that has an initial useful life longer than one year and that is of significant value. The useful life of most capital assets extends well beyond one year and includes land, infrastructure, buildings, renovations to buildings that increase their value, equipment, vehicles, and other tangible and intangible assets.

Capital Equipment: Equipment such as vehicles, furniture, technical instruments, etc., which have a life expectancy of more than one year and a value of over $5,000. Equipment with a value of less than $5,000 is operating equipment.

Capital Expenditure: A direct expenditure that results in or contributes to the acquisition or construction of major capital assets (e.g., lands, roads, buildings). The expenditure may be for new construction, addition, replacement or renovations to buildings that increase their value, or major alteration of a capital asset. Capital assets include land, infrastructure, buildings, equipment, vehicles and other tangible and intangible assets that have useful lives longer than one year.

Capital Facilities: Fixed assets, such as buildings or land.

Capital Improvement Program (CIP): A five-year plan for public facilities which addresses the construction or acquisition of fixed assets, primarily buildings but also including parks, sewers, sidewalks, etc., and major items of capital equipment and operating expenses related to new facilities.

Capital Outlay: Expenditures for capital-related expenditures.

Capital Paydown: Capital construction funded with current year General Fund revenues as opposed to construction financed through the issuance of bonds. This is also referred to as "pay-as-you-go" construction.

Capital Project: Major construction, acquisition, or renovation activities which add value to a government's physical assets or significantly increase their useful life.

Capital Renewal: Capital renewal is the planned replacement of building subsystems such as roofs, electrical systems, HVAC systems and plumbing systems that have reached the end of their useful life. Major capital renewal investments are required in facilities to replace old, obsolete building subsystems that have reached the end of their life cycle.

Capital Projects Funds: Funds, defined by the State Auditor of Public Accounts, that account for the acquisition and/or construction of major capital facilities or capital improvements other than sewers.

Carryover: The process by which certain unspent or unencumbered funds for appropriations previously approved by the Board of Supervisors and for commitments to pay for goods and services at the end of one fiscal year are reappropriated in the next fiscal year. Typically, funds carried over are nonrecurring expenditures, such as capital projects or capital equipment items.

Cash Management: An effort to manage cash flows in such a way that interest and penalties paid are minimized and interest earned is maximized.

Cash Management System: A system of financial practices which ensures that sufficient cash is available on a daily basis for payment of County obligations when due.

Chart of Accounts: A list of expenditure, revenue, and other accounts describing and categorizing financial transactions.

Child Care Assistance and Referral (CCAR) Program: The CCAR program provides financial assistance for child care to families with low to moderate income who are working, or who are in education/training programs and need assistance with paying for the cost of child care. The program pays for child care in center-based and family child care programs. CCAR provides information about County child care programs and supports families in choosing care.

Children's Health Insurance Program (CHIP): This federally administered program is run by the U.S. Department of Health and Human Services that provides matching funds to states for health insurance to families with children. The program was designed to cover uninsured children in families with incomes that are modest but too high to qualify for Medicaid.

Children's Services Act (CSA): The Children's Services Act (CSA) provides both community- and facility-based services to at-risk children and their families. Services offered through CSA are driven by federal and state mandates in foster care and special education. County agencies and Fairfax County Public Schools (FCPS) work collaboratively to design service plans meeting the unique needs of families with children and youth who have, or are at-risk of having, serious emotional or behavioral difficulties.

Class: A group of positions which are sufficiently alike in general duties and responsibilities to warrant the use of the same title, specification and pay range.

Classification: The grouping of positions in regards to:

- kinds of duties performed and responsibilities;
- level of duties performed;
- requirements as to education, knowledge and experience and ability;
- tests of fitness; and ranges of pay.

Class Series: A number of classes of positions which are substantially similar as to the types of work involved and differ only in rank as determined by the level of the duties and degree of responsibility involved and the amount of training and experience required.

Class Specification: A written description of a class consisting of a class title, a general statement of the level of work, a statement of the distinguishing features of work, some examples of work, and the minimum qualifications for the class.

Client Cost for Service: The direct cost, as charged to the client, of receiving a service.

Commonwealth Coordinated Care Program Plus (CCCP): Beginning in July 2017, the Commonwealth of Virginia will move from a fee-for-service delivery model into a managed care model, to be known as the Commonwealth Coordinated Care Program Plus (CCCP), for individuals who receive both Medicare and Medicaid. This statewide managed care program will serve approximately 213,000 individuals throughout the Commonwealth. The CCCP program allows individuals who receive both Medicare and Medicaid the opportunity to received integrated coordinated care to improve health outcomes.

Community Health Care Network (CHCN): This network is a partnership of health professionals, physicians, hospitals and local government. CHCN was formed to provide primary health services for low income, uninsured residents of Fairfax County and the cities of Fairfax and Falls Church, who cannot afford primary medical care services for themselves and their families. The Fairfax County Health Department operates three health centers located in Falls Church, Alexandria and Reston. These centers have been established to provide the kind of medical care offered in a family doctor's office. When needed, medical specialists, ancillary services, and other referrals will be made, as available.

Comprehensive Annual Financial Report (CAFR): This official annual report, prepared by the Department of Finance, presents the status of the County's finances in a standardized format. The CAFR is organized by fund and contains two basic types of information: (1) a balance sheet that compares assets with liabilities and fund balance, and (2) an operating statement that compares revenues and expenditures. The CAFR contains the annual audited results of the County's financial position and activity.

Comprehensive Plan: The plan that guides and implements coordinated, adjusted, and harmonious land development that best promotes the health, safety, and general welfare of County residents. It contains long-range recommendations for land use, transportation systems, community services, historic resources, environmental resources, and other facilities, services, and resources.

Consolidated Community Funding Pool (CCFP): A separately-budgeted pool of County funding, located in Fund 10020, which was established in FY 1998 to facilitate the implementation of a competitive funding process through which community-based organizations, which are primarily human-services oriented, will be awarded County funding on a competitive basis. These organizations previously had received County funding either as a contribution or through contracts with specific County agencies. Since FY 2001, the County has awarded grants from this pool on a two-year funding cycle to provide increased stability for the community-based organizations.

Consolidated Plan: The U.S. Department of Housing and Urban Development (HUD) requires a Consolidated Plan application which combines the planning and application submission processes for several HUD programs: Community Development Block Grant, HOME Investment Partnerships Program, Emergency Shelter Grant, and Housing Opportunities for Persons with AIDS. Citizen participation is required as part of the process and is accomplished through representation on the Consolidated Plan Review Committee (CPRC), involvement in public hearings held on housing and community development needs, and participation in public hearings at which the Board of Supervisors takes action on the allocation of funds as recommended by the CPRC.

Constant or Real Dollars: The presentation of dollar amounts adjusted for inflation to reflect the real purchasing power of money as compared to a certain point in time in the past.

Consumer Price Index: CPI is a measure of the price level of a fixed "market basket" of goods and services relative to the value of that same basket in a designated base period. Measures for two population groups are currently published by the Bureau of Labor Statistics, CPI-U and CPI-W. CPI-U is based on a market basket determined by expenditure patterns of all urban households including professionals, self-employed, the poor, the unemployed, retired persons, and urban wage-earners and clerical workers. The CPI-W represents expenditure patterns of only urban wage-earner and clerical-worker families including sales workers, craft workers, service workers, and laborers. The CPI is used as appropriate to adjust for inflation.

Contingency: An appropriation of funds available to cover unforeseen events that occur during the fiscal year.

Contractual Services: Services rendered to a government by private firms, individuals, or other governmental agencies. Examples include utilities, rent, maintenance agreements, and professional consulting services.

Contributory Agencies: Governmental and nongovernmental organizations that are supported in part by contributions from the County. Examples include the Northern Virginia Regional Commission, the Northern Virginia Regional Park Authority, and the Arts Council of Fairfax County, and community agencies such as Volunteer Fairfax.

Cost Center: Expenditure categories within a program area that relate to specific organizational goals or objectives. Each cost center may consist of an entire agency or a part of an agency. The Civil Service Commission, for example, being small and having a single purpose, is treated as a single cost center. The Office of the County Executive consists of four cost centers: Administration of County Policy, Office of Equity Programs, Office of Internal Audit, and Office of Partnerships.

Costs of Issuance: The expenses associated with the sale of a new issue of municipal securities, including such items as printing, legal and rating agency fees, and others.

Credit Rating: The credit worthiness of a governmental unit as determined by an independent rating agency. Fairfax County is rated by three rating agencies: 1) Moody's Investors Service; 2) Standard and Poor's; and Fitch Investors Services.

Cross-Cutting Initiative: A cross-cutting initiative involves the participation of two or more government agencies in addressing a challenge or implementing a program in Fairfax County. For example, there is a coordinated effort to address the challenge of West Nile Virus control by several agencies including the Health Department, the Park Authority, the Department of Public Works and Environmental Services, the Office of Public Affairs, and others.

Dashboard: Beginning with the FY 2014 Advertised Budget Plan, each General Fund and General Fund Supported agency budget narrative features a high-level dashboard of key drivers and metrics.

Debt Limit: The maximum amount of debt which an issuer of municipal securities is permitted to incur under constitutional, statutory or charter provisions.

Debt Service: The amount of money necessary to pay interest on an outstanding debt; the principal of maturing serial bonds and the required contributions to a sinking fund for term bonds. Debt service on bonds may be calculated on a calendar year, fiscal year, or bond fiscal year basis.

Debt Service Funds: Funds defined by the State Auditor of Public Accounts to finance and account for the payment of principal and interest on borrowed funds such as bonds. Fairfax County has three debt service funds, one for school debt, one for the Wastewater Management Program, and one for bonds issued to finance capital expenditures for all other agencies (County debt service). These funds receive revenue primarily by transfers from the General Fund, except for the Sewer Debt Service Fund, which is supported by sewer service fees.

Defeasance: A provision that voids a bond when the borrower sets aside cash or bonds sufficient to service the borrower's debt. When a bond issue is defeased, the borrower sets aside cash to pay off the bonds; therefore, the outstanding debt and cash offset each other on the balance sheet and do not need to be recorded.

Deferred Retirement Option Plan (DROP): A provision within a defined benefit retirement system that allows an employee who reaches retirement eligibility to agree to defer leaving employment until a specified date in the future, on the condition of being deemed to have retired for purposes of the retirement system. The employee continues to receive a salary and fringe benefits; however, contributions on the employees' behalf to the retirement system cease, while the payments the employee would receive if he/she was retired are invested and provided when the employee reaches the agreed upon date (no more than three years).

Deficit: The excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Defined Benefit Pension Plan: A pension plan having terms that specify the amount of pension benefits to be provided at a future date or after a certain period of time. The amount specified usually is a function of one or more factors such as age, years of service, and compensation.

Department: All office, divisions and other work units, which are under the control of a single department head. Example: Community Services Board (CSB).

Depreciation: The decrease in value of physical assets due to use and the passage of time. In financial terms, it refers to the process of allocating the cost of a capital asset to the periods during which the asset is used.

Devolution: The transfer or delegation of power to a lower level, especially by federal or state government to a local or regional government.

Dillon Rule: Fairfax County operates under the urban county executive form of government, an optional form of Virginia county government, and like other Virginia local governments, Fairfax County has limited powers. This doctrine of limited authority for local governments is commonly called the Dillon Rule, a name that is derived from the writings of a judge and law professor named John Forrest Dillon (1831-1914). The Dillon Rule is used in interpreting law when there is a question of whether or not a local government has a certain power. The Dillon Rule narrowly defines the power of local governments. Virginia courts have concluded that local governments in Virginia have only those powers that are specifically conferred on them by the Virginia General Assembly. Fairfax County has limited powers in and cannot take certain actions without appropriate action from the state, which limits revenue diversification options among other things.

Direct Costs: These are capital costs that can be traced easily to a specific project, activity, or product. Examples of such costs include the contract price, preliminary engineering studies, surveys, legal fees to establish title, installation costs, freight, and materials used in the construction or installation of the asset.

Disbursement: An expenditure or a transfer of funds to another accounting entity within the County financial system. Total disbursements equal the sum of expenditures and transfers out to other funds.

Distinguished Budget Presentation Program: A voluntary program administered by the Government Finance Officers Association to encourage governments to publish efficiently organized and easily readable budget documents.

Diversion First: Fairfax County community and government leaders have launched an effort, called Diversion First, to reduce the number of people with mental illness in local jails by diverting nonviolent offenders experiencing mental health crises to treatment rather than bringing them to jail. The Diversion First team includes county and state leaders, judges and magistrates, public defender and commonwealth's attorney, mental health advocates and consumers, and public safety chiefs and staff.

Economic Success Strategic Plan (ESSP): Fairfax County's strategic plan for economic success focuses on high-level policy recommendations to help the county to expand and diversify the economy. The Board of Supervisors approved this plan on March 3, 2015. This economic roadmap was created by the 50-member, board-appointed Economic Advisory Commission, along with county staff. The group broadly sought input to craft the plan, obtaining feedback from more than 250 participants. Stakeholder representation was inclusive of various members of the community, including business, community, and civic leaders, local chambers of commerce, area colleges and universities, and local residents. The strategy focuses on high-level policy recommendations to help the county to expand and diversify the economy, and it focuses on six goals:

- Further diversifying our economy
- Creating places where people want to be
- Improving the speed, consistency, and predictability of the county's development review process
- Investing in natural and physical infrastructure
- Achieving economic success through education and social equity
- Increasing the agility of county government

Effectiveness: The degree to which an entity, program, or procedure is successful at achieving its goals and objectives.

Efficiency: The degree to which an entity, program, or procedure is successful at achieving its goals and objectives with the least use of resources. Efficiency measures are one of the four performance indicators in Fairfax County's Family of Performance Measures. This indicator reflects inputs used per unit of output and is typically expressed in terms of cost per unit or productivity.

Eligibility: The conditions and requirements established by a service provider for clients to access specific services.

Employees Advisory Council (EAC): Established by the Fairfax County Merit System Ordinance to provide a continuing medium through which all employees in the competitive service, both Schools and County, may contribute their advice and suggestions for the improvement of the career merit system and other aspects of the government of Fairfax County.

Emergency Management Performance Grant (EMPG): This is a federally funded program which plays an important role in the implementation of the National Preparedness System (NPS) by supporting the building, sustainment, and delivery of core capabilities essential to achieving the National Preparedness Goal (the Goal) of a secure and resilient Nation. The purpose of EMPG is to provide federal funds to assist State, local, territorial, and tribal governments in preparing for all hazards.

Encumbrance: An obligation incurred in the form of purchase orders, contracts and similar items that will become payable when the goods are delivered or the services rendered. An encumbrance is an obligation of funding for an anticipated expenditure prior to actual payment for an item. Funds are usually reserved or set aside and encumbered once a contracted obligation has been entered.

ENSNI: Estimate, No Scope, No Inflation. Term used in the Fairfax County CIP to describe funding estimates for future capital projects which have not yet been scoped and are developed using today's dollars without considering inflation.

Enterprise Funds: Funds, defined by the State Auditor of Public Accounts to account for operations that are financed and operated in a manner similar to private business enterprises. An enterprise fund is a self-supporting fund design to account for activities supported by user charges. For example, funds which support the Wastewater Management Program are classified as enterprise funds.

Equalization: An annual assessment of real estate to ensure that assessments accurately reflect current market values. Equalization revenue is the annual increase or decrease in collected revenue resulting from adjustments to the assessment of existing property in the County. This annual increase or decrease is due to value changes rather than to new construction.

Escrow: Money or property held in the custody of a third party that is returned only after the fulfillment of specific conditions.

Expenditure: The disbursement of appropriated funds to purchase goods and/or services. An expenditure is the actual outlay of monies for goods and services. There are three basic types of expenditures: operating, capital and debt. Operating expenditures are, in a broad sense, current day-to-day expenses such as salaries, supplies, and purchase of equipment or property below a certain dollar threshold or useful life. Usually, these are items which are consumed during the fiscal year in which they are purchased or acquired.

Fairfax First: Fairfax First is a County initiative to implement tactical recommendations to improve the speed, consistency, and predictability of the County's land development process. This initiative supports the Economic Success Strategic Plan (ESSP).

Family Access to Medical Insurance (FAMIS): This is the Commonwealth of Virginia's health coverage program for children up to age 18 who are without health insurance coverage. This program is designed to cover children of working families.

Fiduciary Funds: Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and which, therefore, cannot be used to support the County's own programs. The County maintains two types of fiduciary funds: trust funds to account for the assets of its pension and retiree health plans, held by the County under the terms of formal trust agreements, and agency funds to account for assets received, held and disbursed by the County on behalf of various outside organizations.

Financial Forecast: A financial model that estimates all future revenues and disbursements based on assumptions of future financial and economic conditions.

Fines and Forfeitures: Consists of a variety of fees, fines and forfeitures collected by the County.

Fiscal Plan: The annual budget.

Fiscal Planning Resolution: A legally binding document prepared by the Department of Management and Budget identifying changes made by the Board of Supervisors to the Advertised Budget Plan during the adoption of the annual budget. Fiscal Planning Resolutions approved by the Board subsequent to the Adopted Budget Plan change only transfers between funds. These documents are used at the annual or quarterly reviews whenever changes in fund transfers occur.

Fiscal Restraint: The practice of restraining growth in expenditures and disbursements to stay within revenue forecasts.

Fiscal Year: In Fairfax County, the twelve months beginning July 1 and ending the following June 30. (The Commonwealth of Virginia's fiscal year begins on July 1. The federal government's fiscal year begins October 1).

Fixed Asset: Items the County owns that have a considerable cost and a useful life greater than one year, such as infrastructure, sewer lines, computers, furniture, equipment and vehicles.

Fleet: The vehicles owned and operated by the County.

FLSA: The Fair Labor Standards Act (FLSA) is a federal law which establishes minimum wage, overtime pay eligibility, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in federal, state, and local governments.

FMLA: This refers to the Family and Medical Leave Act, which is a federal law that guarantees certain employees up to 12 workweeks of unpaid leave each year with no threat of job loss for qualified medical and family reasons. FMLA also requires that employers covered by the law maintain the health benefits for eligible workers just as if they were working.

FOCUS (Fairfax County Unified System): This refers to the joint Enterprise Resource Planning (ERP) system which Fairfax County Government and Fairfax County Public Schools implemented in November 2011 to replace the legacy finance, procurement, and human resources systems with a single, unified system.

Forecasts: Projections tempered by policy estimates which strive to reconcile past and current trends with current and anticipated policy.

Forfeiture: The automatic loss of property, including cash, as a penalty for breaking the law, or as compensation for losses resulting from illegal activities. Once property has been forfeited, the County may claim it, resulting in confiscation of the property.

Fringe Benefits: The fringe benefit expenditures included in the budget are the County's share of employees' fringe benefits. Fringe Benefits are job-related benefits, such as pension, paid vacation and holidays, and insurance, which are included in an employee's compensation package. Fringe benefits provided by Fairfax County include FICA (Social Security), health insurance, dental insurance, life insurance, and retirement. The County's share of most fringe benefits is based on a set percentage of employee salaries. This percentage varies per category, e.g., Uniformed Fire and Rescue, Sheriff, and Public Safety Communications Employees; Uniformed Police Officers; and General County Employees.

Full-Time Equivalent (FTE): An FTE reflects whether authorized positions are full-time or part-time. A position authorized for 40 hours per week is reflected in the budget as one authorized position with a full-time equivalent of one (1/1.0 FTE). In comparison, a position authorized for 20 hours per week would be indicated as one authorized position with a FTE of 0.5 (1/0.5 FTE).

Fund: A set of interrelated accounts to record revenues and expenditures associated with a specific purpose. A fund is also a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities, or balances and changes therein. Funds are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Fund Balance: The difference between assets and liabilities in a governmental fund. At the end of a fiscal year, if there are more resources than expenditures, the remainder is called "fund balance." This is sometimes referred to as "carried forward fund balance" because the resources can be "carried" into the next fiscal year. This is an important resource because some may be used in combination with revenues to fund new expenses. Fund balance may be restricted or unrestricted, reserved for a specific purpose or unreserved and used for future requirements. Restricted fund balance may be set aside for funding certain programs and activities. A fund balance represents the residual funding on an annual basis from revenues and transfers-in less expenditures and transfers-out. A fund balance also reflects the fund equity of all funds.

Fund Type: A group of funds that have similar activities, objectives, or funding sources as defined by the State Auditor of Public Accounts. Examples include Special Revenue Funds and Debt Service Funds.

GASB: This refers to the Governmental Accounting Standards Board which is currently the source of generally accepted accounting principles (GAAP) used by state and local governments in the United States. It is a private, non-governmental organization. The GASB has issued *Statements*, *Interpretations*, *Technical Bulletins*, and *Concept Statements* defining GAAP for state and local governments since 1984.

GASB 34: In June 1999, GASB Statement No. 34 (or GASB 34) set new GAAP requirements for reporting major capital assets, including infrastructure such as roads, bridges, water and sewer facilities, and dams. Fairfax County has implemented the Governmental Accounting Standards Board's (GASB) Statement Number 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments, financial reporting model. This standard changed the entire reporting process for local governments, requiring new entity-wide financial statements, in addition to the current fund statements and other additional reports such as Management Discussion and Analysis.

GASB 45: Beginning in FY 2008, the County's financial statements are required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for other post-employment benefits (OPEBs) including health care, life insurance, and other non-pension benefits offered to retirees. This new standard addresses how local governments should account for and report their costs related to post-employment health care and other non-pension benefits, such as the County's retiree health benefit subsidy. Historically, the County's subsidy was funded on a pay-as-you-go basis. GASB 45 requires that the County accrue the cost of the retiree health subsidy and other post-employment benefits during the period of employees' active employment, while the benefits are being earned, and disclose the unfunded actuarial accrued liability in order to accurately account for the total future cost of post-employment benefits and the financial impact on the County. This funding methodology mirrors the funding approach used for pension/retirement benefits. The County has established Fund 73030, OPEB Trust Fund, to fund the cost of post-employment health care and other non-pension benefits. Fund 73030 will allow the County to capture long-term investment returns and make progress towards reducing the unfunded liability. The schools have also established and OPEB trust fund to capture their costs, Fund S71100, School OPEB Trust Fund.

General Debt: Principal and interest payments on outstanding debt repaid from the General Fund.

General Fund: The primary tax and operating fund for County Governmental Activities used to account for all County revenues and expenditures which are not accounted for in other funds, and which are used to support the general operating functions of County agencies. Revenues are derived primarily from general property taxes, local sales tax, utility taxes, license and permit fees, and state shared taxes. General Fund expenditures include the costs of the general County government and transfers to other funds, principally to fund the operations of the Fairfax County Public School system, the Fairfax-Falls Church Community Services Board, Metro, the Fairfax CONNECTOR, and County and School system debt service requirements.

General Fund Direct Expenditures: These are General Fund expenditures for County agencies and they are organized by Program Area categories.

General Fund Disbursements: Direct expenditures for County services such as Police or Welfare expenses and transfers from the General Fund to Other County funds such as School Operations or Metro Operations. General Fund Disbursements consist of two parts: (1) General Fund transferred support to other funds and (2) General Fund direct expenditures or agency expenditures. Some agencies, e.g., Housing, may have funds that reside both in the General Fund and other funds.

General Ledger: A general ledger account contains financial activity that is needed to prepare financial statements and perform fiduciary oversight, and includes accounts for assets, liabilities, equity, revenues and expenditures.

General Obligation (GO) Bond: Bonds for which the full faith and credit of the issuing government are pledged. County general obligation debt can only be approved by voter referendum. The State Constitution mandates that taxes on real property be sufficient to pay the principal and interest of such bonds.

Goal: A general statement of purpose. A goal provides a framework within which the program unit operates; it reflects realistic constraints upon the unit providing the service. A goal statement speaks generally toward end results rather than specific actions, e.g., "To provide maternity, infant and child health care and/or case management to at risk women, infants, and children in order to achieve optimum health and well-being." Also see Objective.

Governmental Funds: Governmental funds are typically used to account for most of a government's activities, including those that are tax-supported. The County maintains the following types of governmental funds: a general fund to account for all activities not required to be accounted for in another fund, special revenue funds, a debt service fund, and capital projects funds.

Grant: A contribution by one governmental unit to another unit. The contribution is usually made to aid in the support of a specified function.

HIPAA: The Health Insurance Portability and Accountability Act of 1996 (HIPAA) was enacted by the United States Congress and signed by President Bill Clinton in August 1996. Title I of HIPAA protects health insurance coverage for workers and their families when they change or lose their jobs. Title II of HIPAA, known as the Administrative Simplification (AS) provisions, requires the establishment of national standards for electronic health care transactions and national identifiers for providers, health insurance plans, and employers. Title II of HIPAA defines policies, procedures and guidelines for maintaining the privacy and security of individually identifiable health information as well as outlining numerous offenses relating to health care and sets civil and criminal penalties for violations.

HB 2313: HB 2313 is a Commonwealth of Virginia transportation funding bill signed into law in May 2013. HB 2313 requires that each locality's total long-term benefit from these transportation funds be approximately equal to the proportion of the fees and taxes received attributable to that locality. HB 2313 also established a new transportation revenue source for Northern Virginia.

Homeless: The U.S. Department of Housing and Urban Development defines homeless as an individual or family who lacks a fixed, regular, and adequate nighttime residence.

Incentive Reinvestment Initiative: This initiative, which the Board of Supervisors approved in December 2013, allows agencies to identify savings and efficiencies in the current budget year and retain a portion to reinvest for employee development in the upcoming budget year.

Incumbent: The person who currently occupies and works in a particular position within the County government.

Indirect Costs: These are non-capital costs that are not easily traceable to a specific project, activity, or product. Examples of such costs include general administrative costs, advertising costs, or routine office expenses.

Inflation: A rise in price levels caused by an increase in available money and credit beyond the proportion of available goods. This is also known as too many dollars chasing too few goods.

Infrastructure: Public domain, fixed physical assets including roads, curbs, gutters, sidewalks, drainage systems, lighting systems and other similar items that have value only to the users.

Inova: Inova Health System is a not-for-profit health care system based in Northern Virginia that consists of hospitals and other health services including emergency and urgent care centers, home care, nursing homes, mental health and blood donor services, as well as wellness classes.

Input: The value of resources used to produce an output. Input can be staff, budget dollars, work hours, etc.

Interest: The amount paid by a borrower as compensation for the use of borrowed money. This amount is generally an annual percentage of the principal amount.

Interest Income: Revenue associated with the County cash management activities of investing fund balances.

Internal Service Funds: Funds established to finance and account for services furnished by a designated County agency to other County agencies, which charges those agencies for the goods and services provided. An example of an Internal Service Fund is Fund 60010, Department of Vehicle Services.

Interfund Billing: Departmental or fund charge made by one agency/fund to another for services or goods performed or received, such as Department of Vehicle Services (DVS) fuel and vehicle replacement charges, computer replacement charges, radio charges, etc.

Issuing Bonds: To "issue" bonds means to sell, deliver, and receive payment for bonds. The County may issues bonds throughout the year upon determining the amount of cash necessary to implement projects during that year.

Key County Indicators: Key County Indicators are high-level, countywide measures, organized by vision element, that help assess if Fairfax County government is meeting the needs of citizens and positively impacting the community as a whole.

Lease Purchase: This method of financing allows the County to construct or acquire property and pay for it over a period of time by installment payments rather than an outright purchase. The time payments include an interest charge which is typically reduced because the lessor does not have to pay income tax on the interest revenue.

Level of Need: The minimum, measurable quantity of assistance that is required to meet identified client needs; for example, the number of people in need of vocational training programs or, the number of monthly provider contacts needed by households currently being served.

Liability: An obligation incurred in past or current transactions requiring present or future settlement.

Line Item: A specific expenditure category within an agency budget, e.g., rent, travel, motor pool services, postage, printing, office supplies, etc.

Lines of Business (LOBs): Reference to the County's review of its discrete agency lines of business. LOBs are essentially an inventory of County programs and services offered by each individual agency. In 2016, Fairfax County undertook a comprehensive, multi-year approach to its review of 390 discrete Lines of Business. The County has previously undertaken Lines of Business reviews in 2008, 2001, 1996 and 1993.

Local Composite Index (LCI): The Commonwealth of Virginia's Local Composite Index (CI) determines a school division's ability to pay education costs fundamental to the Commonwealth's Standards of Quality (SOQ). The Composite Index is calculated using three indicators of a locality's ability-to-pay:

- True value of real property (weighted 50 percent)
- Adjusted gross income (weighted 40 percent)
- Taxable retail sales (weighted 10 percent)

Each locality's index is adjusted to maintain an overall statewide local share of 45 percent and an overall state share of 55 percent.

Local Match: County cash or in-kind resources that are required to be expended simultaneously with federal, state, other locality, or private sector funding, and usually according to a minimum percentage or ratio.

Line of Duty Act (LODA): The Virginia Retirement System Line of Duty Act (LODA) is established by §9.1-400 of the Code of Virginia. LODA provides benefits to public safety first responders and their survivors who lose their life or become disabled in the line of duty.

Long-Term Debt: Debt with a maturity of more than one year after the date of issuance.

Managed Reserve: A reserve, held in the General Fund, which has a target balance equal to 4.0 percent of General Fund disbursements. Established by the Board of Supervisors on January 25, 1982, the purpose of the reserve is to provide temporary financing for emergency needs and to permit orderly adjustment to changes resulting from the sudden, catastrophic termination of anticipated revenue sources.

Management by Objectives: A method of management of County programs which measures attainment or progress toward pre-defined objectives. This method evolved into the County's performance measurement system.

Management Initiatives: Changes to internal business practices undertaken by County managers on their own initiative to improve efficiency, productivity, and customer satisfaction.

Mandate: A requirement from a higher level of government (federal or state), that a lower level government perform a task in a particular way or in conformance with a particular standard.

Market Pay: A compensation level that is competitive and consistent with the regional market. The County analyzes the comparability of employee salaries to the market in a number of different ways. A "Market Index" has been developed that factors in the Consumer Price Index, federal wage adjustments, and the Employment Cost Index (which includes state, local and private sector salaries). The index is designed to gauge the competitiveness of County pay scales in general.

Measurement: A variety of methods used to assess the results achieved and improvements still required in a process or system. Measurement gives the basis for continuous improvement by helping evaluate what is working and what is not working.

Medicaid: This is a federal social health care program for families and individuals with limited resources. The Social Security Amendments of 1965 created Medicaid by adding Title XIX to the Social Security Act, 42 U.S.C. §§ 1396 et seq. Generally, individuals who are eligible for both Medicaid and Medicare are older or disabled (or both) and need help paying their Medicare costs because they have very low incomes. Medicaid covers premiums, deductibles, co-payments, coinsurance, and other Medicare costs and provides some health benefits that Medicare does not. Medicare and Medicaid were signed into law to protect older and poorer Americans against the high cost of health care.

Medical Reserve Corp (MRC): The Fairfax MRC is an all-volunteer program designed to increase the ability of the County's public health system to help the community when disaster strikes.

Medicare: Medicare is a health insurance program funded and run by the federal government that guarantees health coverage to older Americans. Medicare is a single-payer, national social insurance program administered by the U.S. federal government since 1966, currently using about 30–50 private insurance companies across the United States under contract for administration. Medicare is funded by a payroll tax, premiums and surtaxes from beneficiaries, and general revenue. Medicare is not income-based. People who have paid Medicare taxes on their earnings are automatically eligible at age 65, but some people with disabilities qualify for Medicare coverage earlier than age 65, and people with end-stage renal disease qualify at any age.

Merit System: Refers to the system of personnel administration applicable to the competitive service. It is governed by the Merit System Ordinance, any applicable provisions of other County ordinances, Personnel Regulations, and all applicable and lawful personnel management directives of the Board of Supervisors, the County Executive, and Department of Human Resources Director.

Mission Statement: A mission statement is a broad, philosophical statement of the purpose of an agency, specifying the fundamental reasons for its existence. A mission statement describes what an organization is in business to do. Therefore, it also serves as a guiding road map.

Modified Accrual Basis: The basis of accounting under which revenue is recognized when it is measurable and available. Revenue from the use of money and property and from intergovernmental reimbursement grants is recorded as earned. Other revenues are considered available to be used to pay liabilities of the current period if they are collectible within the current period or within 45 days thereafter. Expenditures are generally recorded when the related fund liability is incurred, with the exception of principal and interest on general long-term debt and certain other general long-term obligations

Municipal Bond: Bond issued by a state, local or another government authority, especially in the U.S. The interest is exempt from U.S. Federal taxation and usually from state taxation within the state of issue, as is the case in Virginia.

Net Debt as a Percent of Estimated Market Value: Total debt (less debt that is self-supported by revenue-producing projects), divided by the total market value of all taxable property within the County expressed as a percentage. Since property taxes are a primary source of revenue for the repayment of debt, this measure identifies the debt burden compared with the worth of the revenue-generating property base.

Net Total Expenditures: See Total Budget.

Non-Appropriated Funds: These funds do not require annual appropriation by the Board of Supervisors and represent activities that are supported by non-governmental revenue sources such as direct fees for service or revolving loan programs. The legal spending authority is based on revenue availability and may be derived from an action by the Board in response to state, or federal mandate. The appropriation control for these funds resides with the respective boards associated specifically with the funded programs, e.g., Fairfax County Redevelopment and Housing Authority (Funds 81000 through 81530), Alcohol Safety Action Program Policy Board (Fund 83000), and the Park Authority Board (Funds 80000 and 80300). These boards are separate legal entities.

Non-Pay Employee Benefits: Expenditures for employee benefits that are funded through direct employee support, such as the Employee Assistance Program and unemployment compensation.

Nonresidential: Property designed for use by educational, government or other institutional use or for use by retail, wholesale, office, hotel, service, or other commercial use.

Objective: A statement of anticipated level of achievement; usually time limited and quantifiable. Within the objective, specific statements with regard to targets and/or standards often are included, e.g., "To respond to 90 percent of ambulance calls within a 5-minute response time."

Obligations: Amounts which a government may be legally required to pay out of its resources. They include actual liabilities and encumbrances not yet paid.

One Fairfax: In July 2016, the Fairfax Board of Supervisors and School Board jointly passed a resolution, creating the development of a racial and social equity policy for adoption and strategic actions to advance opportunities and achieve equity for all publicly delivered services as a means to eliminate disparities, and work together to build a vibrant and opportunity-rich community for all.

Operating Budget: A budget for general revenues and expenditures such as salaries, utilities and supplies.

Operating Equipment: Equipment that has a life expectancy of more than one year and a value of less than $5,000 dollars. Equipment with a value greater than $5,000 dollars is capital equipment.

Operating Expenses: Expenditures for regular, non-capital and non-personnel expenses. The commitment items in this group cover a large range of expenditure types, including office supplies and utility payments.

Ordinance: A formal legislative enactment by the County that carries the full force and effect of the law within the boundaries of Fairfax County unless in conflict with any higher form of law, such as the Commonwealth of Virginia or the federal government.

Other Post-Employment Benefits (OPEB): Post-employment benefits other than pension benefits. OPEB includes post-employment healthcare benefits, regardless of the type of plan that provides them, and all post-employment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits. Post-employment refers to the period following termination of employment, including the time between termination and retirement.

Outcome: Qualitative consequences associated with a program service, e.g., reduction in fire deaths or percent of juveniles not reconvicted within 12 months. Also refers to quality performance measures of effectiveness and of achieving goals.

Out-of-Cycle: A term that characterizes budget adjustments outside of the annual and quarterly budget processes.

Output: Quantity or number of units produced. Outputs are activity-oriented, measurable, and usually under managerial control. Also refers to process performance measures of efficiency and productivity, that is, per capita expenditures, transactions per day, etc.

Pay-As-You-Go Financing: The portion of capital outlay which is financed from current revenue, rather than by borrowing.

Paydown Construction: Capital construction funded with current year General Fund revenues as opposed to construction financed through the issuance of bonds. This is a method of paying for capital projects that relies on current tax and grant revenues rather than by debt. This is also referred to as "pay-as-you-go" construction.

Pension Fund: This is a fund that accounts for the accumulation of resources to be used for retirement benefit payments to retired County employees eligible for such benefits.

Per Capita: A measurement of the proportion of some statistic to an individual resident determined by dividing the statistic by the current population.

Per Capita Debt: The amount of an issuing municipality's outstanding debt divided by the population residing in the municipality. This is used as an indication of the issuer's credit position since it can be used to compare the proportion of debt borne per resident with that borne by the residents of other municipalities.

Performance Budget: A budget wherein expenditures are based primarily upon measurable performance activities and work programs.

Performance Indicators: As used in Fairfax County's Performance Measurement System, these indicators represent the four types of measures that comprise the Family of Measures and consist of output, efficiency, service quality and outcome.

Performance Measurement: The regular collection of specific information regarding the results of service in Fairfax County, and which determines how effective and/or efficient a program is in achieving its objectives. The County's performance measurement methodology links agency mission and cost center goals (broad) to quantified objectives (specific) of what will be accomplished during the fiscal year. These objectives are then linked to a series of indicators, known as a "Family of Measures," that present a balanced picture of performance, efficiency and effectiveness with these four indicator types: output, efficiency, service quality and outcome.

Performance Measurement System: The County's methodology for monitoring performance measures and outcomes.

Permit Revenue: Fees imposed on construction-related activities and for non-construction permits such as sign permits, wetland permits, etc.

Personal Property: Property other than real estate identified for purposes of taxation, including personally owned items as well as corporate and business equipment and property. Examples include automobiles, motorcycles, boats, trailers, airplanes, business furnishings, and manufacturing equipment. Goods held for sale by manufacturers, wholesalers or retailers are not included.

Personal Property Tax Relief Act (PPTRA) of 1998: Legislation approved by the Virginia General Assembly that reduces the Personal Property Tax on the first $20,000 of the value for vehicles owned by individuals. From FY 2000 to FY 2002, the PPTRA reduced the Personal Property Taxes paid by individuals by 27.5 percent, 47.5 percent, and 70 percent respectively, with an offsetting reimbursement paid to the County by the Commonwealth. Due to the Commonwealth's lower than anticipated General Fund revenue growth, the reimbursement remained at 70 percent from FY 2003 through FY 2006. The 2004 General Assembly approved legislation that capped statewide Personal Property Tax reimbursements at $950 million in FY 2007 and beyond. Fairfax County's allocation has been set at $211.3 million. Each year, County staff must determine the reimbursement percentage based on the County's fixed reimbursement from the state and an estimate of the number and value of vehicles that will be eligible for tax relief. As the number and value of vehicles in the County vary, the percentage of tax relief will vary.

Personnel Services: A category of expenditures which primarily covers salaries, overtime and shift differential paid to County employees and also includes certain fringe benefit costs.

Persons with Special Needs: Includes individuals and families who are homeless, persons with disabilities and low-income seniors.

Planning Districts: The 14 areas into which Fairfax County is divided for planning purposes. The planning districts' boundaries tend to remain stable over time.

Planning System: Refers to the relationship between the Annual Budget, the Comprehensive Plan, and the 5-year Capital Improvement Plan.

Position: A group of duties and responsibilities, as prescribed by an office or agency, to be performed by a person on a full-time or part-time basis.

The status of a position is not to be confused with the status of the employee. For the purpose of the County's budget, the following definitions are used solely in describing the status and funding of positions:

- An established position is a position that has been classified and assigned a pay grade.
- An authorized position has been approved for establishment by the Board of Supervisors. The authorized position is always shown as a single, not a partial position. Full-Time Equivalent (FTE) reflects whether positions are authorized for full-time (40 hours per week) or part-time. A full-time position would appear in the budget as one authorized position and one full-time equivalent (1/1.0 FTE). A half-time position would be indicated as one authorized position and 0.5 full-time equivalents (1/0.5 FTE).

The following defines the types of positions in Fairfax County. They can be either full or part-time status.

- A regular position is a career position, which falls within all provisions of the Merit System Ordinance.
- A grant position is a position with full benefits and full civil service grievances, although the employment term is limited by the grant specifications. The position is funded by a specific grant. At the end of the grant position, the person is the first eligible for hire for another similar position in the County. Incumbents in grant positions fall within the provisions of the Merit System Ordinance.
- A benefits eligible, non-merit position is an employee working between 1,040 and 1,560 hours annually, and eligible for health, dental and flexible spending benefits.
- A temporary, non-merit position is an employee working fewer than 900 hours annually and not eligible for benefits.
- An exempt position does not fall within the provisions of the Merit System Ordinance. It includes elected and appointed positions.

Cooperative funding of some positions occurs between the federal and state governments and Fairfax County. Numerous funding and reimbursement mechanisms exist. The County's share of a position's authorized funding level is that portion of a position's salary and/or fringe benefits paid by the County which is over and above the amount paid by the state or federal government either based on the County's pay classification schedule or based on a formal funding agreement. The share of state or federal funding varies depending upon the eligibility of each individual agency and type of position.

- A state position is a position established and authorized by the state. These positions may be partially or fully funded by the state.

- County supplement is the portion of a state position's authorized salary (based on the County's compensation plan) that exceeds the state's maximum funding level. This difference is fully paid by the County.

Position Turnover: A budget offset that reduces gross salary projections to recognize anticipated and normal position vacancies, delays in filling vacancies, and historical position turnover information.

Poverty Thresholds: Poverty thresholds are based on the Social Security Administration's definition of the minimum income that allows for a nutritionally adequate diet and adequate housing. It allows for differences in the size and composition of families. The poverty income cutoffs are revised annually to allow for changes in the cost of living as reflected in the Consumer Price Index.

Present Value: The discounted value of a future amount of cash, assuming a given rate of interest, to take into account the time value of money. Stated differently, a dollar is worth a dollar today, but is worth less tomorrow.

Prime Interest Rate: The rate of interest charged by banks to their preferred customers.

Principal: The face amount of a security payable on the maturity date.

Proffer System: A proffer is a contribution of land, capital improvement, and funding collected from a developer to address the demand for community services created by new development. In July 1975, "proffers" were introduced to the process for rezoning property within Fairfax County. The act of proffering involves making an offer of something prior to any formal negotiations. The concept of supplementing regulations of the Zoning Ordinance by conditions proffered by an applicant seeking an amendment to the zoning map is cited in the Code of Virginia (now Sect. 15.2-2303, see Appendix A). Implicit in the term proffer, as defined by the State Code, is the understanding that proffers are voluntarily submitted by the property owner. The proffer system continues today with support from the various participants in the rezoning process, including, the development community, citizens, staff and County officials. The conditions in a proffer statement typically address issues such as noise mitigation measures to be employed, buffering, landscaping, urban design features, architectural elements, and other similar design elements, tree preservation, commitments to address transportation impacts, etc.

Program Area: A grouping of County agencies with related countywide goals. Under each program area, individual agencies participate in activities to support that program area's goals. The Public Safety Program Area, for example, includes the Police Department and the Fire and Rescue Department, among others. The Auditor of Public Accounts for the Commonwealth of Virginia provides direction on which agencies are included in each program area.

Program Budget: A statement and plan which identifies and classifies total expenditures and revenues by activity or program. Budgets are aggregated into program areas. This is in contrast to a line-item budget, which identifies expenditures only by objects for which money is spent, e.g., personnel services, operating expenses, recovered costs or capital equipment.

Projections: Projections are based upon trend analyses utilizing statistical techniques.

Property Tax: A tax levied on the assessed value of real and personal property. This tax is also known as an ad valorem tax.

Property Tax Rate: The rate of taxes levied against real or personal property, expressed as dollars per $100 of equalized assessed valuation of the property taxed.

Proposed Budget: The Code of Virginia (Sections 15.2-516 and 2503) requires that the County Executive submit a proposed budget to the Board of County Supervisors no later than April 1 for the upcoming fiscal year. Sections 15.2-2506, 58.1-3007, and 58.1-3321 of the Code of Virginia govern the public notice requirements that guide the County's budget review and public comment period. After receipt of the proposed budget, the first action by the Board of Supervisors (BOS) is to authorize the advertisement of the proposed tax and levy rates. Once the proposed rate is advertised, the BOS can adopt lower tax and levy rates, but cannot, without additional advertisement, adopt higher rates. The Code also requires the BOS to hold public hearings on the proposed budget and the proposed tax and levy rates to collect public comment.

Proprietary Funds: Proprietary funds are enterprise and internal service funds used to account for business-type activities that are similar to the private sector and in which fees are charged for goods or services. They are related to assets, liabilities, equities, revenues, expenses and transfers. The County maintains both types of proprietary funds: enterprise funds to account for the Integrated Sewer System and internal service funds to account for certain centralized services that are provided internally to other departments such as Vehicle Services and Document Services.

Public-Private Education Facilities and Infrastructure Act (PPEA): During its 2002 session, the Virginia General Assembly enacted the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA). This law provides that once a "responsible public entity" such as Fairfax County adopts appropriate procedures to implement the PPEA, it may solicit proposals to acquire a "qualifying project" from private entities (i.e., issue an Invitation for Bid or Request for Proposal) or may consider proposals that are submitted by a private entity without a prior solicitation ("unsolicited proposal").

Public Hearing: A public hearing is a specifically designated time, place, and opportunity for citizens, community groups, businesses, and other stakeholders to address the Board of Supervisors on a particular issue. It allows interested parties to express their opinions and the Board of Supervisors and/or staff to hear their concerns and advice. Section 15.2-2507 of the Code of Virginia requires that a public hearing be held prior to the adoption of amendments to the current year budget when the adjustments exceed one percent of total expenditures. In addition, any amendment of one percent of expenditures or more requires that the Board advertise a synopsis of the proposed changes, such as done as part of *Third Quarter* or *Carryover*.

Rating Agencies: The organizations which provide publicly available ratings of the credit quality of securities issuers. The term is most often used to refer to the nationally recognized agencies, Moody's Investors Service, Inc., Standard & Poor's Corporation, and Fitch Investors.

Reallocation: With adequate justification and DMB approval, agencies can perform a budget transfer of funds from one category to another, e.g., from Personnel Services to Operating Expenses, as long as there is no change to the agency's bottom-line budget and the budget transfer must occur within the same agency and fund.

Real Property: Real estate, including land and improvements (buildings, fences, pavements, etc.) classified for purposes of assessment.

Reclassification: An administrative review process by which a County position is re-evaluated to determine if the position has been appropriately classified under the County's personnel classification system.

Recovered Costs: Reimbursements to an agency for specific services provided to another agency. Recovered Costs, or Work Performed for Others, are reflected as a negative figure in the providing agency's budget, thus offsetting expenditures. An example is the reimbursement received by the Department of Information Technology from other agencies for telecommunication services.

Rec-PAC: Rec-PAC (Pretty Awesome Children), operated by Fairfax County Park Authority, is a six-week structured recreation program offered during the summer with emphasis on leisure skills designed for elementary school children.

Reduction in Force (RIF): A permanent elimination of an excess number of filled merit positions.

Referendum: A referendum is a means by which a legislative body requests the electorate to approve or reject proposals such as Constitutional amendments, long-term borrowing; and other special laws.

Refunding: Retiring an outstanding bond issue at maturity (sometimes done before maturity date if rate is favorable) by using money from the sale of a new bond offering. In other words, issuing bonds to pay off the old bonds. In an Advance Refunding, a new bond issuance is used to pay off another outstanding bond. The new bond will often be issued at a lower rate than the older outstanding bond. Typically, the proceeds from the new bond are invested and when the older bonds become callable, they are paid off with the invested proceeds. In a Crossover Refunding, the revenue stream pledged to secure the securities being refunded is being used to pay off debt on the refunded securities until they mature.

Rent Affordability: The generally accepted definition of rent affordability is for a household to pay no more than 30 percent of its annual income on housing. Families who pay more than 30 percent of their income for housing are considered cost burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care. (U.S. Department of Housing and Urban Development)

Reserves: A portion of the fund balance or retained earnings legally segregated for specific purposes. Reserves are lump sum dollars set aside in a budget for unanticipated needs or for specific future needs. Reserves are not distributed or allocated to operating expenditures or capital expenditures because the specific requirements for the reserves are not known at the time of budget adoption or because bond documents require their establishment. The County is required to amend its budget in order to allocate reserve funds to an operating or capital project account. In many cases, a reserve can only be used for a specific purpose.

Resolution: A special or temporary order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue: Monies received from all sources (with exception of fund balances) that will be used to fund expenditures in a fiscal year. In the broadest sense, revenue is an increase in financial resources. Revenues are funds received by the County from its activities or external sources such as real estate taxes, property taxes, local sales tax, fees for services, fines, grants, payments from other governments, etc.

Revenue Bond: A municipal bond secured by the revenues of the project for which it is issued. Revenue Bonds are those bonds whose principal and interest are payable exclusively from earnings of an enterprise fund. Sewer and utility bonds are typically issued as revenue bonds. The County also issues Lease Revenue bonds, a form of revenue bond in which the payments are secured by a lease on the property built or improved with the proceeds of the bond sale.

Revenue Forecast: A projection of future County revenue collections.

Revenue Stabilization Fund: In FY 2000, the Board of Supervisors approved the creation of this fund to provide a mechanism for maintaining a balanced budget without resorting to tax increases and/or expenditure reductions that aggravate the stresses imposed by the cyclical nature of the economy. The target balance of this fund is 5 percent of General Fund Disbursements.

Staffing for Adequate Fire and Emergency Response (SAFER) Grants: These grants were created to provide funding directly to fire departments and volunteer firefighter interest organizations to help them increase or maintain the number of trained, "front line" firefighters available in their communities. The goal of SAFER is to enhance the local fire departments' abilities to comply with staffing, response and operational standards established by the National Fire Protection Association (NFPA).

Sales Tax: Tax imposed on the taxable sales of all final goods.

School Board Budget: Includes the School Operating Fund, the School Food and Nutrition Services Fund, School Grants and Self Supporting Programs, School Adult and Community Education, Public School OPEB Trust Fund, the School Insurance Fund, the School Construction Fund, the School Central Procurement Fund, the School Health and Flexible Benefits Trust Fund and the Educational Employees' Supplementary Retirement Fund, identifying both expenditure levels and sources of revenue. The Board of Supervisors may increase or decrease the School Board budget but normally does so only at the fund level (i.e., by increasing or decreasing the General Fund Transfer to the School Operating Fund without specifying how the change is to be applied). By state law, the Supervisors may not make specific program or line item changes, but may make changes in certain major classifications (e.g., instruction, overhead, maintenance, etc.).

School Board Transfer: A transfer out of funds from the General Fund to the School Operating Fund. State law requires that this transfer be approved by the Board of Supervisors by May 15, for the next fiscal year.

School Operating Fund: This fund provides for the day-to-day operations and maintenance of the schools and is funded primarily by county and state funds. In the Transparency Application, this fund is separated into: Operating Fund – Operations; and Operating Fund – Central and Grants. The School Operating Fund is FCPS' primary (or general) fund. Those activities that are partially supported by grants and activities managed by departments on behalf of schools are shown separately from general operating activities.

Self-Sufficiency: The ability to consistently meet basic needs – such as food, housing, utilities, healthcare, transportation, taxes, dependent care, and clothing – without assistance or subsidies from private or public organizations (excluding Social Security retirement, Social Security Disability Insurance, and Medicare).

Sequestration: Budget sequestration is a procedure in United States law that limits the size of the federal budget. Sequestration involves setting a hard cap on the amount of government spending within broadly-defined categories; if Congress enacts annual appropriations legislation that exceeds these caps, an across-the-board spending cut is automatically imposed on these categories, affecting all departments and programs by an equal percentage. The amount exceeding the budget limit is held back by the Treasury and not transferred to the agencies specified in the appropriation bills.

Service Capacity: The measurable quantity of assistance that can be provided without sacrificing quality of assistance provided; for example, the number of spots available in vocational training programs, or, the number of provider contacts with households than can be provided in one month.

Service Level: The measurable quantity of assistance that is being provided for an individual or family; for example, the number of individuals currently enrolled in vocational training programs, or the frequency of professional contact with a household.

Service Quality: Degree to which customers are satisfied with a program, or how accurately or timely, a service is provided.

Set-Aside Reserve: A reserve made up from available balances materializing throughout one or more fiscal years which are not required to support disbursements of a legal or emergency nature and are held (set aside) for future funding requirements.

Sewer Funds: A group of self-sufficient funds that support the Wastewater Management Program. Revenues consist of bond sales, availability fees (a one-time fee paid before connection to the system and used to defray the cost of major plant and trunk construction), connection charges (a one-time fee to defray the cost of the lateral connection between a building and the trunk), service charges (quarterly fees based on water usage which defray operating costs and debt service), and interest on invested funds. Expenditures consist of construction costs, debt service, and the cost of operating and maintaining the collection and treatment systems.

Short-Term Debt: Debt with a maturity of less than one year after the date of issuance.

Special Revenue Funds: Funds defined by the State Auditor of Public Accounts to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds account for the revenues and expenditures related to Fairfax County's state and federal grants, the operation of the Fairfax County Public Schools, and specific taxing districts that are principally financed by special assessment tax levies in those districts.

Strategic Plan: A document outlining long-term goals, critical issues and action plans to increase the organization's effectiveness in attaining its mission, priorities, goals and objectives. Strategic planning starts with examining the present, envisioning the future, choosing how to get there, and making it happen.

Strategic Planning Process: The strategic planning process provides the County the opportunity to identify individual agency missions and goals in support of the public need, action steps to achieve those goals and measures of progress and success in meeting strategic goals. Strategic planning helps ensure that limited resources are appropriately allocated to achieve the objectives of the community as determined by the Board of Supervisors.

Successful Children and Youth Policy Team (SCYPT): First convened in May 2013, the SCYPT is composed of leaders from multiple sectors within Fairfax County. The team's role is to set community-wide goals and priorities for public policy as it relates to children, youth and families. According to the team's charter, "in order to become confident individuals, effective contributors, successful learners and responsible citizens, all of Fairfax County's children need to be safe, nurtured, healthy, achieving, active, included, respected and responsible. This can only be realized if the county, schools, community and families pull together to plan and deliver top-quality services, which overcome traditional boundaries." Membership on the team is divided among representatives from Fairfax County Government, Fairfax County Public Schools and the community. Two members from both the Board of Supervisors and the School Board participate. Community members are identified to provide the perspective of various sectors impacting youth well-being, including health care, nonprofit, faith and philanthropy.

Supplemental Appropriation Resolution: Any appropriation resolution approved by the Board of Supervisors after the adoption of the budget for a given fiscal year. The legal document reflecting approved changes to the appropriation authority for an agency or fund.

Supplemental Nutrition Assistance Program (SNAP): The Supplemental Nutrition Assistance Program (SNAP, formerly known as the Food Stamp Program) is the nation's most important anti-hunger program. SNAP offers nutrition assistance to millions of eligible, low-income individuals and families and provides economic benefits to communities. SNAP is the largest program in the domestic hunger safety net. The federal Food and Nutrition Service works with State agencies, nutrition educators, and neighborhood and faith-based organizations to ensure that those eligible for nutrition assistance can make informed decisions about applying for the program and can access benefits.

Supportive Services: Assistance, provided to individuals and families in housing of any type that is designed to and provided with the intent of increasing their ability to live independently, improving their life skills, maintaining residential stability, and ultimately moving toward self-sufficiency.

System of Care: System of Care is an integrated continuum of services and supports for children, youth and families provided by Fairfax County human services departments, public schools, County-funded providers and community-based advocacy and service organizations. It includes behavioral health services for youth and services covered under the Children's Services Act (CSA).

Taxable Value: The assessed value less homestead and other exemptions, if applicable.

Tax Base: The aggregate value of taxed items. The base of the County's real property tax is the market value of all real estate in the County. The base of the personal property is the market value of all automobiles, trailers, boats, airplanes, business equipment, etc., which are taxed as personal property by the County. The tax base of a sales tax is the total volume of taxable sales.

Tax Levy: Charges imposed by a government to finance activities for the common benefit. Fairfax County's tax levies are based on an approved tax rate per $100 of assessed value.

Tax Rate: The level of taxation stated in terms of either a dollar amount or a percentage of the value of the tax base. The Board of Supervisors fixes property tax rates for the period beginning January 1 of the current calendar year when the budget for the coming fiscal year is approved. The property tax rate is applied to the value of property assessed as of January 1 each year.

Technology Infrastructure: The hardware and software that support information requirements, including computer workstations and associated software, network and communications equipment, and mainframe devices.

Temporary Assistance for Needy Families (TANF): This program — formerly AFDC (Aid to Families with Dependent Children AFDC) — is a federal/state public assistance program authorized by the Code of Virginia and Title IV-A of the Social Security Act. TANF is funded through a federal block grant and through state funds authorized by the Virginia General Assembly. The purpose of TANF is to provide temporary cash assistance to families in need and to end the dependence of needy parents on government benefits by promoting job preparation and work. With few exceptions, assistance under TANF is restricted to a lifetime limit of 60 cumulative months.

Third Quarter Review: The current year budget is reevaluated approximately seven months after the adoption of the budget based on current projections and spending to date. The primary areas reviewed and analyzed are (1) current year budget versus year-to-date expenditures plus expenditure projections for the remainder of the year, (2) emergency requirements for additional, previously unapproved items, and (3) possible savings. Recommended funding adjustments are provided for Board of Supervisors' approval.

Title VI: Fairfax County operate programs and services without regard to race, color, and national origin in accordance with Title VI of the Civil Rights Act. Any person who believes she or he has been aggrieved by any unlawful discriminatory practice under Title VI may file a complaint with the Fairfax County Office of Human Rights and Equity Programs within 180 days of the date of the alleged discrimination.

Total Budget: The receipts and disbursements of all funds, e.g., the General Fund and all other funds. Net total expenditures (total expenditures minus expenditures for internal service funds) is a more useful measure of the total amount of money the County will spend in a budget year, as it eliminates double accounting for millions of dollars appropriated to operating agencies and transferred by them to internal service agencies. General Fund total disbursements (direct General Fund expenditures plus transfers to other funds, such as the School Operating Fund) are a more accurate measure of the cost of government to the local taxpayers.

Total Project Estimate: A capital project Total Project Estimate (TPE) is composed of funds already expended, currently appropriated, proposed or adopted in the budget year, and proposed for future years. In short, it is the total amount proposed to be expended over the life of the project.

Transfer: A movement of funding from one fund to another. The largest such transaction is the annual transfer of funds from the General Fund to the School Operating Fund. Further complicating the structure of the budget and the process of adopting a budget are numerous movements of dollars among the funds and they are, therefore, internal to the County structure. The amount transferred out of one fund is recorded ("Transfers Out") and the amount transferred into another fund is also recorded ("Transfers In"). The County records this movement of funds as a "transfer" in the budget and in the accounting system in order to more accurately represent financial activity. Transfers provide money to programs that may not have adequate revenue from grants or fees generated by the program.

Translational Medicine: Translational medicine is a rapidly growing discipline in biomedical research and aims to expedite the discovery of new diagnostic tools and treatments by using a multi-disciplinary, highly collaborative, "bench-to-bedside" approach.

Transport Fees: The cost to provide ambulance transportation to patients from home to hospital.

Trust Funds: A categorization of accounts defined by the State Auditor of Public Accounts consisting of funds established to account for money and property held by the County government in the capacity of a trustee or custodian for individuals or other specified purposes. Examples are the various retirement funds, which contain contributions from the County government and individual employees.

Unappropriated: Not obligated for a specific purpose.

Urban Area Security Initiative (UASI): The UASI program is intended to provide financial assistance to address the unique multi-discipline planning, organization, equipment, training, and exercise needs of high-threat, high-density urban areas, and to assist these areas in building and sustaining capabilities to prevent, protect against, mitigate, respond to, and recover from threats or acts of terrorism using the Whole Community approach. Activities implemented with UASI funds must support terrorism preparedness by building or enhancing capabilities that relate to the prevention of, protection from, mitigation of, response to or recovery from terrorism in order to be considered eligible. Fairfax County's Office of Emergency Management (OEM) utilizes UASI funds for multiple purposes, such as sustaining operational readiness, training County personnel and preparing its residents.

Undesignated: Without a specific purpose.

Unencumbered: This term refers to unspent funds. An unencumbered balance of funds in an account is not restricted or reserved with respect to their availability for future use.

Unfunded Positions: Positions that departments have elected to hold vacant in order to achieve personnel expenditure savings beyond the normal expected turnover savings. These positions are in the departments' FTE counts, and remain eligible for departments to request restored funding at some future date.

Useful Life: The period of time that a fixed asset is able to be used. This can refer to a budgeted period of time for an equipment class or the actual amount of time for a particular item.

User Fees: Charges for expenses incurred when services are provided to an individual or groups and not the community at large. The key to effective utilization of user fees is being able to identify specific beneficiaries of services and then determine the full cost of the service they are consuming or using.

Vacancy Rate: Residential Vacancy Rate is the percentage of total housing units that are unoccupied. Nonresidential Vacancy Rate is the percentage of the total available square footage not leased.

Virginia Initiative for Employment not Welfare (VIEW): This program supports the efforts of families receiving Temporary Assistance for Needy Families (TANF) to achieve independence through employment. VIEW focuses on the participants' strengths and provides services to help them overcome job-related challenges, as well as personal, medical and family challenges that affect employment. The Fairfax County Department of Family Services (DFS) administers benefits under the federal TANF program, which provides temporary cash assistance to low-income families with children. Parents who receive this assistance, and are able to work, are required to participate in the VIEW program. The VIEW program offers parents the assistance and resources needed to find and keep a job. An important aspect of the program is the strong support participants receive from their VIEW case manager, who focuses on each family's individual situation and works with them to support their goals of employment and independence.

Vision Elements: The vision elements were developed in FY 2005 by the County Executive and the Senior Management team to address the priorities of the Board of Supervisors and emphasize the County's commitment to protecting and enriching the quality of life for the people, neighborhoods, and diverse communities of Fairfax County. There are seven vision elements including: Maintaining Safe and Caring Communities, Building Livable Spaces, Connecting People and Places, Maintaining Healthy Economies, Practicing Environmental Stewardship, Creating a Culture of Engagement and Exercising Corporate Stewardship.

Waiting List: A roster of those waiting for a service or product to be provided, established when the demand for a specific program exceeds the program's service capacity.

Watershed: A region or area bounded peripherally by water parting and draining ultimately to a particular watercourse or body of water.

Workforce Housing: Fairfax County defines "workforce housing" as rental or for-sale housing units that are affordable to households with maximum income limits up to and including 120 percent of the Area Median Income (AMI) for the Washington Metropolitan Statistical Area, as determined periodically by the U.S. Department of Housing and Urban Development. (Fairfax County Comprehensive Plan-Policy Plan).

Workforce Planning: A systematic process designed to anticipate and integrate the human resources aspect to an organization's strategic plan by identifying, acquiring, developing, and retaining employees to meet organizational needs.

Work Performed for Others (WPFO): Expenditure credits for services provided on behalf of a different County agency.

Wrap-Around: Intensive, individualized comprehensive services that are coordinated across multiple disciplines and/or agencies to create the greatest impact with the least number of barriers and ultimately meet the client needs.

ACRONYMS

(Where items are underlined, see fuller definitions in the preceding *Glossary* section)

ADA: Americans with Disabilities Act

ADC: Adult Detention Center

ADHC: Adult Day Health Care

AED: Automatic External Defibrillator

AEOC: Alternate Emergency Operations Center

AFIS: A multi-jurisdictional Automated Fingerprint Identification System

ALS: Advanced Life Support

AMI: Area Median Income

ARRA: American Reinvestment and Recovery Act

ASAP: Alcohol Safety Action Program (Fund 83000)

ASSB: Advisory Social Services Board

BPOL: See Business, Professional and Occupational License

BPR: See Business Process Redesign

CAD: Computer Aided Dispatch

CAFR: See Comprehensive Annual Financial Report

CCAR: Child Care Assistance and Referral program

CCCP: See Commonwealth Coordinated Care Program Plus

CCFAC: Consolidated Community Funding Advisory Committee

CCFP: See Consolidated Community Funding Pool

CJAB: Criminal Justice Advisory Board

CERF: Computer Equipment Replacement Fund

CERT: Community Emergency Response Team

CHCN: See Community Health Care Network

CHINS: Child In Need of Supervision or Services

CIP: See Capital Improvement Program

COG: Metropolitan Washington Council of Governments

CPAN: Courts Public Access Network

CPI: See Consumer Price Index

CRA: Clinic Room Aide

Glossary

CRIS: Community Resident Information Services (kiosks used by Fairfax County)

CSA: See Children's Services Act

CSB: Fairfax-Falls Church Community Services Board

CSU: Court Service Unit (Juvenile and Domestic Relations District Court)

CTB: Commonwealth Transportation Board

DROP: See Deferred Retirement Option Plan

DPWES: Department of Public Works and Environmental Services

EAC: See Employees Advisory Council

EAP: Employee Assistance Program

EMPG: Emergency Management Performance Grant

EMS: Emergency Medical Service

ENSNI: Estimate, No Scope, No Inflation

EOC: Emergency Operations Center

ESOL: English as a Second Language

FCEDA: Fairfax County Economic Development Authority

FCPA: Fairfax County Park Authority

FCPL: Fairfax County Public Library

FCPS: Fairfax County Public Schools

FCRHA: Fairfax County Redevelopment and Housing Authority

FOCUS: Fairfax County Unified System

FTE: Full-Time Equivalent

FY: Fiscal Year

GAAP: Generally Accepted Accounting Principles

GASB: Governmental Accounting Standards Board (See GASB in Glossary)

GFOA: Government Finance Officers Association

GIS: Geographic Information Systems

HIPAA: Health Insurance Portability and Accountability Act

HMO: See Health Maintenance Organization

ICMA: International City/County Management Association

iNet: Institutional Network

LAN: Local Area Network

LCI: See Local Composite Index

LOBs: See Lines of Business

LODA: See Line of Duty Act

MPSTOC: McConnell Public Safety and Transportation Operations Center