



SHARON BULOVA
CHAIRMAN

COMMONWEALTH OF VIRGINIA
County of Fairfax
BOARD OF SUPERVISORS

12000 GOVERNMENT CENTER PKWY
SUITE 530
FAIRFAX, VIRGINIA 22035-0071
TELEPHONE: 703/324-2321
FAX: 703/324-3955
TTY: 711

chairman@fairfaxcounty.gov

June 16, 2009

To the Citizens of Fairfax County:

I am pleased to present to you the Fiscal Year 2010 Adopted Budget Plan. In spite of the extraordinarily challenging context of a severe national economic downturn, the Board of Supervisors' vote on this budget package was unanimous.

Budget is about philosophy. A budget tells the story of a community – what is happening during a period of time. It is when a community's **priorities** are decided and funded. This budget manages to maintain the County's highest priorities and funds the most critical human services for the residents who are the most vulnerable in this recession.

When the Board adopted the FY 2009 budget, we did so believing that we were dealing with a severe economic downturn and a cyclical market correction of real estate values. We were beginning to see mortgage foreclosures, fueled by lack of regulation and irresponsible lending practices. What we didn't know was that the summer and fall of 2008 would see the failure of this country's major financial institutions or Federal bailouts and takeovers of insurance and lending giants.

Local governments have been hit hard by the housing crisis. The downturn has resulted in plummeting housing prices, pulling down our overall tax base with it. Here in Fairfax, real estate values make up more than 60% of our revenue. Falling home values would have resulted in an 8% projected loss in revenue compared to last year.

While our revenue is shrinking, local jurisdictions have seen a significant increase in the number of people needing assistance as a result of the deteriorating economy. And this downturn is not over. There are 16,000 homes in the Commonwealth that have been foreclosed upon and are owned by lenders. In Fairfax County, as of May, there were 1,347 properties that are still owned by lending institutions. This number has dropped significantly from the County's peak in September 2008 when there were 2,257 bank-owned properties.

In the face of these challenges, this year our Board and staff conducted an unprecedented degree of community outreach and engagement. Community dialogues on the budget were hosted throughout the County so that we could invite our residents to be at the table with us to: (1) learn about our current severe economic situation and how and why it is affecting us; (2) discuss their priorities; and (3) identify programs and services that could be eliminated, reduced or that they would be willing to fund via user fees.

Our Board also conducted a Lines of Business Review, pouring through County services and programs with Agency and Department heads, who came to these sessions with potential reductions for us to consider. The School Board conducted a similar Program Review effort.

When the County Executive put together an Advertised Budget to receive comment and feedback, he did so with more up-front engagement than ever before. More than 2,200 people provided input during the Community Dialogues and the public hearings on the Advertised Budget, many with constructive suggestions for the delivery of services.

The FY 2010 plan adopted by the Board provides for a balanced budget that funds its key priorities and keeps the County focused on its long term goals. Total General Fund Disbursements are projected to total \$3.33 billion, a decrease of \$91.9 million or 2.69 percent from the FY 2009 Revised Budget Plan.

The Budget we adopted held the line on taxes (a modest *decrease* of \$55.00 from FY 2009 for the average residential taxpayer), established a Stormwater Service District with a levy of \$0.01/\$100 of assessed value to address our County's aging public works infrastructure, maintained funding for our Fairfax County Public Schools at the FY 2009 level, reduced the budget for most County agencies and departments, kept all County salaries at the FY 2009 level, and reallocated funding in the County Executive's Advertised Budget to restore cuts to critical human services and public safety programs.

The County's highest priority continues to be the excellence of the education provided to our children. The Fairfax County Public Schools Transfer remains at the FY 2009 level, \$1.6 billion. Funding for many of the County programs conducted in and for the Schools such as Head Start, School Resource Officers, and Clinic Room Aides are restored from the County Executive's earlier advertised proposal. The Schools have also benefited from Federal stimulus funds that helped closed the gap between this Transfer and the School Board's request.

We are not out of the woods. The fiscal situation for next year will continue to be challenging with further declines in key sources of revenue. **The Dialogues will continue** so that our community can continue to work together – in partnership – with their local government as we navigate this crisis.

Sincerely,

A handwritten signature in black ink that reads "Sharon Bulova". The signature is written in a cursive, flowing style.

Sharon Bulova