

County of Fairfax, Virginia



FY 2009 Advertised Budget Plan

Citizen's Guide To The Budget

Highlights From The County Executive's Message

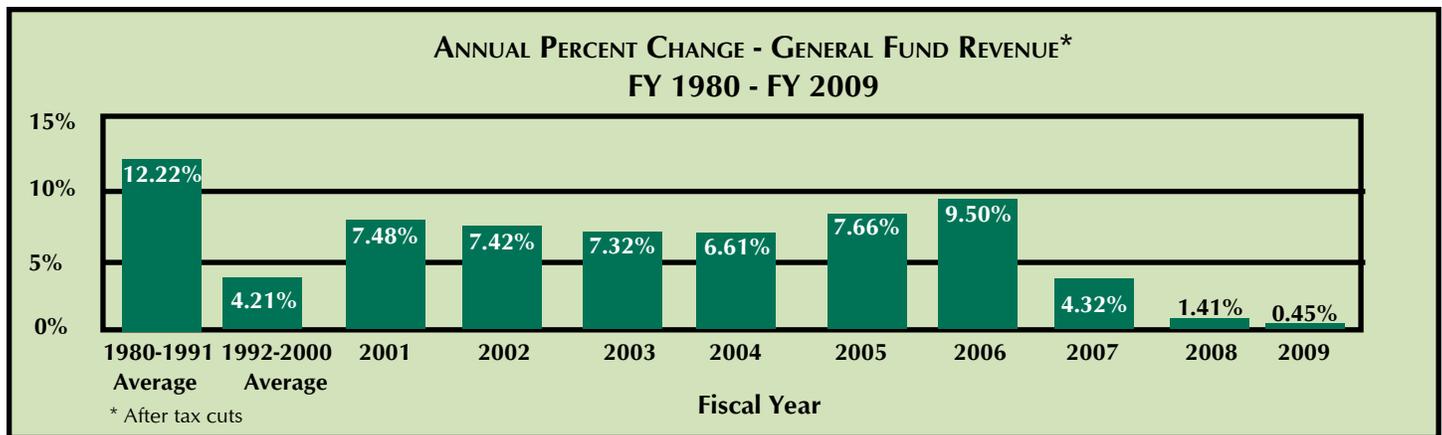
The Fiscal Year 2009 budget proposal includes General Fund Disbursements of \$3,322,726,158, representing a 1.59 percent decrease from the FY 2008 Revised Budget Plan and an increase of just \$5.3 million or 0.16 percent over the FY 2008 Adopted funding level. The FY 2009 budget plan is based on a Real Estate Tax rate of \$0.89 per \$100 of assessed value. In accordance with the Board's budget guidelines, the transfer for school operations has been held to the FY 2008 level and County spending has been held flat.

In presenting his budget, County Executive Anthony H. Griffin noted, "The ramifications to both the Schools and the County of this constrained budget will be significant." For County government, the FY 2009 budget guidelines required strict action to eliminate a deficit of \$120 million from the budget. This has been achieved through a series of measures including a net 4 percent reduction in agency salary budgets over and above the salary vacancy factor, a reduction of 50 percent in employee compensation increases, elimination of full funding for inflationary adjustments or those required by population increases, federal and state mandates, or new service requirements, and reductions in capital project funding. In addition, fee enhancements, utilization of new transportation revenues and the use of one time balances have been necessary to balance this budget.

The County Executive suggested that the Board advertise a real estate tax rate that provides the Board with flexibility in its budget deliberations. "Striking the proper balance between rising assessments and reducing the real estate tax rate is a challenge with each budget. Over the past seven years, the Board has reduced the tax rate 34 cents and addressed public demands for services while maintaining the high quality of life in Fairfax County. With this in mind, I believe it would be prudent that the Board consider advertising an increase in the tax rate, of at least 3 cents, in order to give itself the opportunity to address the ever-changing and worsening economic outlook for the nation and the region. It should be noted that because of residential assessments, the average homeowner would still pay less in taxes in FY 2009, even with a 3 cent tax rate increase."

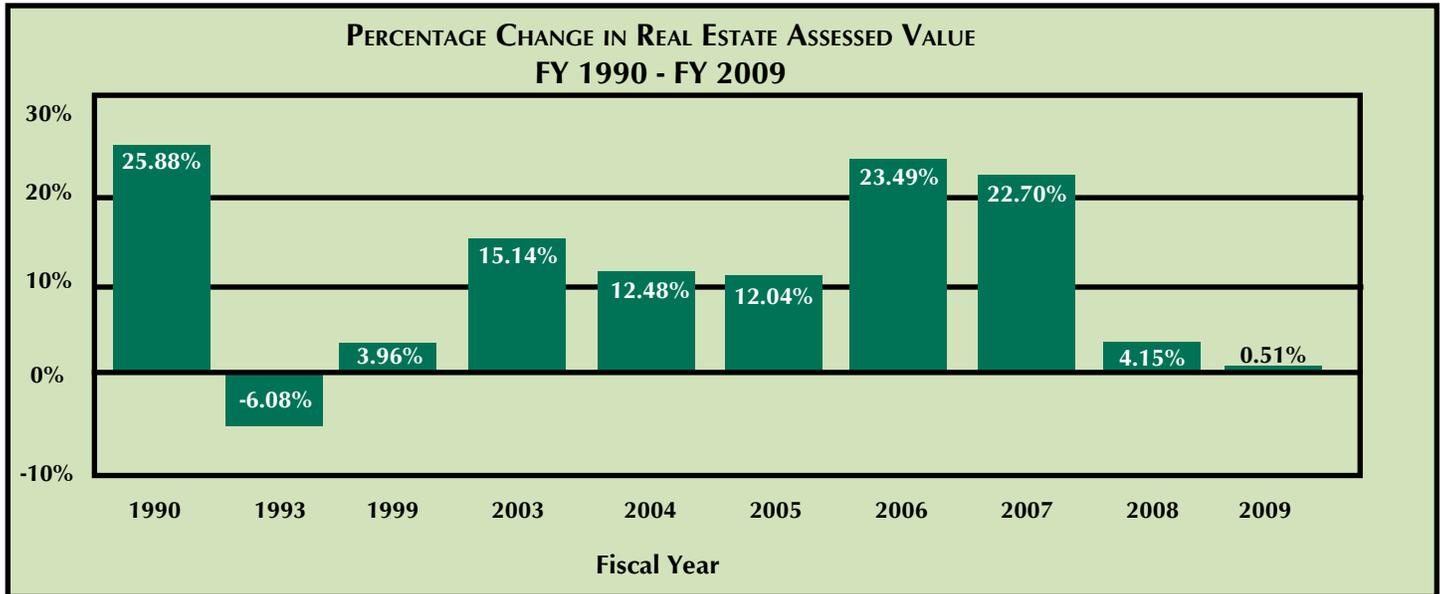
FY 2009 Revenue

FY 2009 General Fund revenues total \$3.30 billion, an increase of just \$14.72 million or 0.45 percent over the FY 2008 Revised Budget Plan. This is a sharp departure from revenue growth rates over the past seven years which allowed the Board to reduce the real estate tax rate 34 cents from \$1.23 to \$0.89 per \$100 of assessed value. In the early part of the current decade, County revenues experienced healthy growth in the 7 percent range due to the robust real estate market. General Fund revenue growth accelerated to 9.5 percent in FY 2006 due to the strong overall economy – the real estate market, business spending, and a nearly 160 percent increase in interest on investments. The housing market reversed course in 2006 and the FY 2007 revenue growth rate of 4.3 percent was less than half the rate achieved in FY 2006. The economic slowdown has resulted in revised projected revenue growth for FY 2008, from the 2.3 percent anticipated in the FY 2008 Adopted Budget Plan to an increase of just 1.4 percent. The substantial slowdown in FY 2009 revenue is due to a decrease in residential assessments. Based on a tax rate of \$0.89 per \$100 of assessed value, Real Estate Tax receipts are anticipated to increase \$10.0 million or 0.5 percent, and represent 60.0 percent of total General Fund revenue. All other revenue categories combined are forecasted to decline 0.3 percent from FY 2008 levels primarily due to lower interest on investments based on interest rate projections and a decrease in personal property tax collections resulting from reduced new vehicle sales.



Highlights From The County Executive's Message

In FY 2009, the real estate tax base is projected to increase just 0.5 percent. A drop in residential assessments due to worsening conditions in the housing market was offset by a moderate increase in nonresidential properties. Residential equalization, the reassessment of existing property based on economic conditions, fell 3.38 percent in FY 2009 following the reduction of 0.33 percent in FY 2008. Further contraction of the residential housing market is expected in calendar year 2008 severely impacting revenue in FY 2010.



The value of nonresidential properties continued to rise but at a reduced pace in FY 2009. Nonresidential equalization registered a 7.00 percent increase, down from 13.57 percent in FY 2008. This deceleration reflects the softening of the office market during 2007. The decline in residential values combined with a rise in nonresidential property values resulted in an increase in the Commercial/Industrial percentage of the County's Real Estate Tax base from 19.23 percent to 21.06 percent. More detailed information on FY 2009 revenue projections is included in the General Fund Revenue Overview section in the Overview Volume of the [FY 2009 Advertised Budget Plan](#).

FY 2009 Disbursements

The Board of Supervisors' Priorities and the County Vision Elements guided the strategic allocation of resources in developing recommendations for FY 2009 disbursements. The only new positions proposed in this budget are 41/41.0 SYE positions directly supported by new transportation-related revenue. No other additional staffing requests were recommended. As part of this budget, the number of authorized positions per 1,000 residents will decline from 11.51 in FY 2008 to 11.49 in FY 2009.

Summary of the FY 2009 Advertised Budget

Summary General Fund Statement (in millions of dollars)

	<i>FY 2007</i> <i>Actuals</i>	<i>FY 2008</i> <i>Revised</i> <i>Budget Plan</i>	<i>FY 2009</i> <i>Advertised</i> <i>Budget Plan</i>	<i>Inc/(Dec)</i> <i>Over</i> <i>Revised</i>	<i>%</i> <i>Inc/(Dec)</i> <i>Over</i> <i>Revised</i>
Beginning Balance ¹	\$168.89	\$184.20	\$89.99	(\$94.21)	(51.15%)
Revenue ²	\$3,236.60	\$3,282.26	\$3,296.97	\$14.71	0.45%
Transfers In	\$2.41	\$2.53	\$2.22	(\$0.31)	(12.42%)
Total Available	\$3,407.90	\$3,468.99	\$3,389.18	(\$79.81)	(2.30%)
Direct Expenditures	\$1,144.91	\$1,259.15	\$1,230.25	(\$28.90)	(2.30%)
Transfers Out					
School Transfer ³	\$1,533.22	\$1,586.60	\$1,586.60	\$0.00	0.00%
School Debt Service	142.27	147.86	154.63	6.77	4.58%
Subtotal Schools	\$1,675.49	\$1,734.46	\$1,741.23	\$6.77	0.39%
Metro	\$20.32	\$20.32	\$17.51	(\$2.81)	(13.81%)
Community Services Board	97.94	101.09	102.56	1.47	1.45%
County Transit Systems	31.00	34.67	34.67	0.00	0.00%
Capital Paydown	49.54	25.63	11.84	(13.79)	(53.80%)
Information Technology	13.50	12.36	11.80	(0.56)	(4.51%)
County Debt Service	110.69	113.37	113.17	(0.21)	(0.18%)
Other Transfers	80.31	75.32	59.70	(15.62)	(20.74%)
Subtotal County	\$403.32	\$382.76	\$351.25	(\$31.51)	(8.23%)
Total Transfers Out	\$2,078.81	\$2,117.22	\$2,092.48	(\$24.74)	(1.17%)
Total Disbursements	\$3,223.72	\$3,376.37	\$3,322.73	(\$53.64)	(1.59%)
Ending Balance	\$184.20	\$92.62	\$66.45	(\$26.16)	(28.25%)
Less:					
Managed Reserve	\$65.78	\$67.53	\$66.45	(\$1.07)	(1.59%)
Reserve for Board Consideration as Part of the FY 2009 Budget ⁴	\$28.34				
Reserve for FY 2008 Third Quarter Requirements and/or FY 2009 Budget Development ⁵	\$0.00	\$2.63			
Total Available	\$90.08	\$0.00	\$0.00	\$0.00	-

¹ The FY 2008 Revised Budget Plan Beginning Balance reflects audit adjustments for revenue and expenditures as included in the FY 2007 Comprehensive Annual Financial Report (CAFR). As a result, the FY 2008 Revised Beginning Balance reflects a net increase of \$11.03 million. Details of the FY 2007 audit adjustments will be included in the FY 2008 Third Quarter Package.

² FY 2008 Revised Budget Plan revenues reflect a net decrease of \$8.41 million based on revised revenue estimates as of fall 2007. The FY 2008 Third Quarter Review will contain a detailed explanation of these changes.

³ In accordance with the Board adopted guidelines for the FY 2009 Budget, the proposed County General Fund transfer for school operations in FY 2009 totals \$1,586,600,722, a 0% increase over the FY 2008 Adopted Budget Plan level. It should be noted that the Fairfax County Public Schools Superintendent's Proposed budget reflects a General Fund transfer of \$1,642,449,067, an increase of 3.5% or \$55,848,345 over the FY 2008 Adopted Budget Plan. Adjustments to the Superintendent's Proposed budget, adopted by the School Board on February 14, 2008 will be reflected in the County Executive's Budget Message.

⁴ As part of the FY 2007 Carryover Review, the Board of Supervisors set aside funding of \$22.5 million to be held in reserve to address the development of the FY 2009 Budget. It should be noted that as part of the FY 2009 Advertised Budget Plan this reserve has been utilized to balance the budget.

⁵ A reserve of \$2,628,347 has been set aside to address FY 2008 Third Quarter Requirements and/or FY 2009 Budget Development. This reserve includes the net increase as a result of audit adjustments of \$11,034,259 offset by a net decrease of \$8,405,912 in revenue as a result of the Midyear Revenue estimate. Based on more recent revenue information it is anticipated that additional revenue reductions will be required for FY 2008 and it is anticipated that this balance as well as agency budget reductions will result in a net impact of \$0.

FY 2009 Advertised Budget Highlights

BOARD OF SUPERVISORS' PRIORITIES

- Strong investment in education
- Public safety and gang prevention
- Affordable housing
- Environmental protection
- Transportation improvements
- Revenue diversification to reduce the burden on homeowners

COUNTY CORE PURPOSE

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

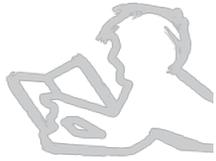
- Maintaining Safe and Caring Communities 
- Building Livable Spaces 
- Practicing Environmental Stewardship 
- Connecting People and Places 
- Creating a Culture of Engagement 
- Maintaining Healthy Economies 
- Exercising Corporate Stewardship 

Major funding adjustments are tied to Fairfax County's strategic priorities in order to clarify the linkage of the investment of resources to the desired outcomes. These budget highlights are listed by the County vision element and/or the Board of Supervisors' priority that they support.

SUPPORT FOR FAIRFAX COUNTY PUBLIC SCHOOLS

For FY 2009, Fairfax County is providing \$1,741.2 million or over 52 percent of its total General Fund budget to Fairfax County Public Schools (FCPS). The County provides funding through two transfers: one to support FCPS operations and another to support debt service for bond-funded projects to build new schools and renew older facilities. These transfers are as follows:

BOARD PRIORITY:



Strong Investment in Education

- The County General Fund transfer for school operations in FY 2009 totals \$1,586,600,722. In accordance with the Board-adopted guidelines for the FY 2009 Budget, the proposed transfer is being held at the FY 2008 level. It should be noted that the actual transfer request proposed by the School Superintendent is \$1,642,449,067, an increase of \$55.85 million, or 3.5 percent over the FY 2009 Advertised Budget Plan transfer.
- A transfer of \$154,633,175 is provided for School Debt Service, which is an increase of \$6,774,471 or 4.6 percent over the FY 2008 level and will support current School bond debt service as well as new bond sales of \$155.0 million in FY 2009.

In addition, Fairfax County provides additional support to FCPS totaling \$63.5 million for the following programs:

- \$31.9 million for the Comprehensive Services Act (CSA), Head Start and School-Age Child Care (SACC) programs within the Department of Family Services;
- \$12.6 million to support School Health including Public School Nurses and Clinic Room Aides;
- \$10.1 million for School Crossing Guards; Resource Officers who are assigned to all FCPS high schools, middle schools and alternative schools; and security for activities such as proms and football games;
- \$3.7 million primarily for after-school programming in middle schools;
- \$3.3 million in services provided by the Fairfax-Falls Church Community Services Board;
- \$1.7 million for athletic field maintenance and other recreation programs; and
- \$0.2 million for fire safety education programs for students.



More detailed information regarding this additional support for FCPS may be found in the Financial, Statistical and Summary Tables section in the Overview Volume of the FY 2009 Advertised Budget Plan.

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MAINTAINING SAFE AND CARING COMMUNITIES



In order to support the County vision element of *Maintaining Safe and Caring Communities*, as well as the **Board's priority of Public Safety and Gang Prevention**, the following initiatives are funded to support the programs, personnel and facilities necessary to ensure that Fairfax County remains a very safe community. In addition, it should be noted that a number of these initiatives are focused on continuing the County's tradition as a caring community that strives to sustain, protect and nurture its most vulnerable residents. The following represent the more significant funding strategies for FY 2009:

PUBLIC SAFETY COMPENSATION

Market Rate Adjustment **\$6.4 million**

An increase of \$6.4 million, including fringe benefits, is recommended for a 2.96 percent Market Rate Adjustment discounted by 50 percent to 1.48 percent for public safety personnel including uniformed Police, Sheriff, Public Safety Communications, and Fire and Rescue employees to maintain pay competitiveness. This includes \$5,091,901 for the 1.48 percent adjustment and \$1,270,741 in associated fringe benefits for a total of \$6,362,642.

Merit Increments **\$3.1 million**

An increase of \$3.1 million is provided for merit increments for those public safety employees eligible to receive them based on grade and step. It is anticipated that between 45 and 50 percent of uniformed public safety employees will be eligible to receive merit increments in FY 2009.

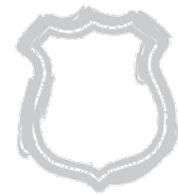
Employer Contribution for Police Retirement **\$1.3 million**

An increase of \$1.3 million is included for Police Retirement primarily for a \$0.9 million benefit enhancement resulting from continuation of the phased-in reduction in the employee contribution rate from 11.00 to 10.00 percent of pay. This decrease in the employee contribution rate will reduce Police Officers' out-of-pocket costs and make the Police benefits package more competitive with surrounding jurisdictions. Currently, the percentage of pay that Police Officers contribute to the retirement system is higher in Fairfax County than in several surrounding localities. Moreover, because Police Officers do not participate in Social Security, nor receive Social Security benefits unless they qualify through other employment, Police Officers' net income replacement ratio at retirement is lower than that of other County retirees who do participate in Social Security.

Gang Prevention Services **\$0.1 million**

An increase of \$120,000 is included to provide gang prevention services/efforts in targeted areas of the County. These efforts had been supported by an expiring federal grant. The funding will support contracted case management services to youth in gangs and youth at risk of becoming gang members focused on the East County and South County areas. Approximately 100 youth and families have been served since the inception of the program, an amount that is expected to at least be matched in FY 2009.

BOARD PRIORITY:



**Public Safety
and Gang Prevention**

Child Care Assistance and Referral Program **\$2.6 million**

An increase of \$2,591,187 is included for the Child Care Assistance and Referral (CCAR) Program. State funding cuts for subsidized child care, combined with an ongoing demand for services, have created considerable challenges for the County in helping low-income working families manage the cost of child care. In FY 2007, Fairfax County's subsidy funding from the state was reduced by \$10.4 million and in FY 2008 it was further reduced by \$2.6 million. However, the County has committed \$2.6 million in local funding to address the most recent state reduction. Even with the additional funding, the County is providing subsidized child care to approximately 1,600 fewer children at a time when low unemployment rates and the high cost of living is creating a great need for subsidized child care. With the additional funding in FY 2009, the CCAR program can support 5,141 children.

Comprehensive Services Act **\$4.1 million**

In an effort to address the Comprehensive Services Act (CSA) anticipated expenditure shortfall in FY 2009, \$4.1 million has been placed in reserve in Agency 87, Unclassified Administrative Expenses, for this purpose. The increased costs are attributed to the recent reinterpretation of the state policy regarding foster care prevention. This reinterpretation was intended to prevent the relinquishment of custody by parents whose children are in need of mental health services, but for whom there is only limited non-mandated funding available to purchase services. By broadening the foster care prevention population, which is mandated, more youth can now receive services. Other factors attributed to the increased costs include an increase in the number of children served in FY 2007 and an overall increase in the cost per child associated with contract rate increases. Staff is still awaiting final implementation guidelines from the state.

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Realignment of Domestic Violence Programs

A realignment of domestic violence programs is included as part of the FY 2009 Advertised Budget Plan. Funding and positions previously reflected in Fund 106, Fairfax-Falls Church Community Services Board, are being moved to the Office for Women and Domestic Violence Services in the Department of Family Services as part of a multi-agency effort to streamline and strategically focus the County's domestic violence services.

Citizen Corps Programs **\$0.1 million**

An increase of \$80,000 is included to continue support of Citizen Corps volunteer programs, previously supported by grant funding. Citizen Corps programs provide volunteer support for several County agencies, including the Office of Emergency Management's Citizen Corps Council, the Police Department's Neighborhood Watch and Volunteers in Police Services (VIPS) programs, the Fire and Rescue Department's Community Emergency Response Team (CERT), and the Health Department's Medical Reserve Corps (MRC). The volunteers participating in these programs are able to supplement County first responders both in emergencies and on a daily basis. The funding will be used to purchase supplies and equipment, as well as support classes, training and exercises for the volunteers. It is estimated that at least 6,700 volunteers participate in the core programs (Neighborhood Watch, VIPS, CERT and MRC).

Office of the Commonwealth's Attorney **\$0.5 million**

An increase of \$450,000 is included to allow for staffing initiatives within the Office of the Commonwealth's Attorney in response to significant workload-related issues and to provide for an improved career ladder and retention of employees. The reorganization will result in the conversion of vacant administrative/support positions to higher grade positions to support court requirements. This funding allows for the expansion of the number of attorneys as the number of cases per prosecutor handled by this office is one of the largest and most complex in the Commonwealth.

Contractual Increases **\$2.0 million**

Funding of \$2,038,719 is included to fund limited contract rate increases to providers, as well as accommodate increases in medical supplies and services to meet the needs of individuals served. Of this total, an increase of \$924,305 is for the Fairfax-Falls Church Community Services Board (CSB) supporting a 2.71 percent contract rate adjustment for providers of contracted mental health, mental retardation, alcohol and drug abuse treatment, early intervention services and CSB-wide services; an increase of \$500,171 is for the Department of Family Services for providers of mandated and non-mandated services including Home Based Care Services, Merits for Head Start, Emergency Shelter program, Healthy Families Fairfax, Federal Reimbursement Unit, Burial Services, Northern Virginia Resources Center for the Deaf and Hard of Hearing, Legal Services, Bathing Ser-

vices, Independent Home and Community-Based Contracts, Hypothermia Prevention, and the Health Access Assistance Team (HAAT); and an increase of \$380,305 is for the Office of the Sheriff to support contractual adjustments for medical exams, drugs/pharmaceuticals, and food.

Mental Health Adult Outpatient Services **\$0.6 million**

An increase of \$571,038 is included to continue ongoing efforts to address timely access and manageable caseloads for Mental Health adult outpatient services. Funding will ensure that access and caseload standards can be met by maintaining current clinical capacity, as a temporary action while awaiting the Board-appointed Beeman Commission proposals and recommendations to improve the County's mental health services delivery systems.

Special Education Graduates

CSB Mental Retardation Services currently projects that all special education graduates expected in June 2008 can be served at no additional cost through a combination of approved Medicaid MR Waiver slot allocations, program attrition, efficient use of existing funding, and continuation of recently implemented management initiatives. Overall, in June 2008, there are expected to be 70 new special education graduates turning 22 years of age who are eligible for day support and employment services.

BUILDING LIVABLE SPACES



The Penny for Affordable Housing **\$22.8 million**

An amount of \$22.8 million represents the Board's ongoing commitment to preserve and create affordable housing opportunities by dedicating revenue equivalent to the value of one penny on the Real Estate Tax specifically for affordable and workforce housing. As of January 2008, a total of 2,207 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 1,955 units are preserved for 20 years or longer.

BOARD PRIORITY:



Affordable Housing

FY 2009 Advertised Budget Highlights

CIP Issues and Capacity

The FY 2009-FY 2013 Advertised Capital Improvement Plan (With Future Fiscal Years to 2018) anticipates continuation of the approved bond sale limits, \$275 million or \$1.375 billion over a five-year period with a technical limit of \$300 million in any given year. The ratio of debt to taxable property value is projected to remain less than 3.0 percent and the ratio of debt service to Combined General Fund disbursements is projected to remain less than 10.0 percent. In FY 2009, total new bond sales are projected at \$266.93 million. Actual County and School bond sale amounts are based on the cash requirements for each project and municipal bond market conditions.

The FY 2009 Advertised Budget Plan includes \$22.0 million for Paydown Capital Projects, representing a decrease of \$13.3 million from the FY 2008 budget due in part to one-time project funding not required in FY 2009 as well as a reduction in funding due to budget constraints. Reductions to a variety of projects have been necessary in FY 2009, including support for the development of Laurel Hill, capital renewal requirements mentioned below, additional courtroom renovations, and other projects. In addition, no funding has been included in FY 2009 for the County's land acquisition reserve.

Capital Renewal

\$6.9 million

Funding in the amount of \$6,924,321 is included in FY 2009 for the most critical prioritized renewal projects, such as electrical systems, HVAC, fire alarm system replacement and emergency generators, among other needs, which are categorized as Category F, projects that are urgent/safety related, or endangering life and/or property. Fairfax County presently has a facility inventory of 170 County-owned, General Fund-supported buildings with approximately 7.8 million square feet of space throughout the County. With such a large inventory, and the acquisition of additional facilities, it is critical that a planned program of repair and restoration be maintained. In addition, the age of a major portion of this inventory of facilities is reaching a point where major reinvestment is required in the building subsystems.

Athletic Field Maintenance

\$5.1 million

In FY 2009, a total of \$5.1 million, an increase of \$150,000, is included in order to support maintenance efforts at both County and Fairfax County Public Schools (FCPS) fields to ensure greater availability of fields for community use. Revenue in the amount of \$950,000 generated from the Athletic Services Fee directly supports this program. An amount of \$2.43 million supports field maintenance efforts including electricity for lighted facilities and maintenance of lighting systems, water and irrigation system maintenance, and minor ball field repairs. An amount of \$0.25 million supports continued replacement and upgrading of FCPS boys' athletic field lighting systems and installation of lights on FCPS athletic fields and County park fields used for girls' softball. Funding of \$1.7 million is provided for school athletic fields to ensure a consistent mowing frequency schedule and

maintenance for high school diamond fields, as well as diamond field infield preparation twice a week for all elementary, middle and high school fields.

An amount of \$0.2 million is also provided 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. Finally, an amount of \$0.5 million will support the Synthetic Turf Development Program. This program facilitates the development of synthetic turf fields in the County.



PRACTICING ENVIRONMENTAL STEWARDSHIP



Penny for Stormwater Management

\$22.8 million

The approximate value of one penny from the County's Real Estate Tax, or \$22.8 million, has been included for prioritized capital improvements to the County's stormwater system. Proper management of stormwater is essential to protect public safety, preserve home values and support environmental mandates such as those aimed at protecting the Chesapeake Bay and the water quality of other local waterways. The County's stormwater system, which includes 1,800 miles of storm drainage conveyance systems, 45,000 stormwater drainage structures, approximately 1,200 publicly-maintained stormwater management ponds, and approximately 2,400 privately-maintained stormwater management facilities, is strained by an aging infrastructure and rapid urbanization that has occurred over the past two decades. This, in combination with higher

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water quality standards that must now be addressed by local governments, requires a more significant, multiyear investment in terms of funding and staff resources.

Projects supported by this funding include: repairs to stormwater infrastructure, measures to improve water quality, such as stream stabilization, rehabilitation and safety upgrades of dams, repair and replacement of underground pipe systems and surface channels, structural flood proofing and Best Management Practices (BMP) site retrofits. This funding also supports development of watershed master plans, increased public outreach efforts and stormwater monitoring activities.

In FY 2009, the Stormwater Planning Division (SPD) and a portion of the Maintenance and Stormwater Management Division (MSMD) within the Department of Public Works and Environmental Services (DPWES) will charge positions and associated costs totaling \$4.4 million to Fund 318, Stormwater Management Program. This represents 34 positions from SPD and partial support of positions in MSMD. Historically, these expenses have been supported by the General Fund; however, based on budget constraints in FY 2009, the General Fund cannot fully support the Stormwater program.

Energy Coordinator **\$0.1 million**
\$0.1 million is included to fund a redirected position that will serve as the County's Energy Coordinator in the Office of the County Executive. This position will lead work across a number of County agencies to develop coordinated, cross-agency energy efficiency/conservation and cost-avoidance actions, as well as policies that could be directly linked to enhancing air quality, reducing adverse climate change impacts and cost savings through reduced emissions and cost-avoidance associated with reduced electricity demand. This individual will also serve as a central conduit of information to and from agencies and the community to better understand and leverage energy efficiency and conservation practices employed and lessons learned.

Environmental Projects **\$0.6 million**
An amount of \$0.6 million, consistent with FY 2008 funding, is included to provide funding for prioritized initiatives that directly support the Board of Supervisors' Environmental Agenda. The Environmental Excellence 20-year Vision Plan (Environmental Agenda) includes six topic areas: Growth and Land Use; Air Quality and Transportation; Water Quality; Solid Waste; Parks, Trails and Open Space; and Environmental Stewardship. FY 2009 prioritized initiatives include: continued outreach materials for air quality awareness targeted at County employ-



ees, residents, school children and business owners (\$30,000); removal of invasive plants that threaten native plant communities and expansion of Park Authority volunteer and outreach programs (\$150,000); an additional five remote household hazardous waste events (\$75,000); litter campaign and other environmental initiatives (\$66,900); and energy management at eight park facilities (\$278,100). In addition, an amount of \$108,000 has been provided in Fund 119, Contributory Fund to continue partnering with three non-profit agencies to expand tree planting throughout the County.

Support for Non-Revenue Generating Solid Waste Programs **\$1.3 million**

The FY 2009 General Fund Transfer of \$1.25 million to Fund 110, Refuse Disposal, fully supports those programs that do not entirely recover costs such as the County's Recycling Program, the Code Enforcement Program, the Household Hazardous Waste (HHW) program, and the Citizen's Disposal Facilities. The FY 2009 General Fund transfer reflects a decrease of 50 percent from the FY 2008 Adopted Budget Plan transfer of \$2.5 million based on limited availability of General Fund monies and the current level of program requirements.

CONNECTING PEOPLE AND PLACES



Transportation Enhancements

In the FY 2009 Advertised Budget Plan, new funding sources are available to support a major expansion of transportation, including additional personnel, operations, and capital projects. This funding is available on an annual basis, beginning in the second part of FY 2008, as a result of the General Assembly's April 4, 2007 passage of the Governor's substitute for House Bill 3202 (HB 3202). This bill is the first infusion of new transportation dollars in Northern Virginia in more than 20 years. The County will merge the current activities, program, and staff of the County's Department of Transportation with the staff of the Department of Public Works and Environmental Services (DPWES) who currently support planning and design related to roadway improvements. The merging of all staffing functions and programs in support of transportation permits an integrated seamless system for addressing a current and growing list of transportation capital projects and efforts to improve traffic flow, transit and general mobility of Fairfax County residents.

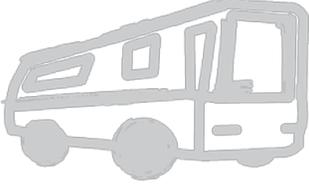
Two significant sources of funding included in the FY 2009 budget are: revenue remitted to the County from the Northern Virginia Transportation Authority (NVTA), and funding from a proposed increase to the County's commercial real estate tax. House Bill 3202 gave the NVTA the authority to implement seven new taxes and fees to support transportation-related projects and services. This revenue will raise over \$300 million per year for Northern Virginia. From these funds, NVTA annually will set-aside \$25 million for VRE operating and capital expenses and \$50 million for Metro capital expenses. It will utilize 60

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percent of the balance of raised funds for regional projects, and will return the remaining 40 percent to the jurisdiction where the funds were raised. The FY 2009 Advertised Budget Plan includes a projected \$60.0 million in revenue associated with the 40 percent returned to Fairfax County from this NVT distribution.

HB 3202 also gives local jurisdictions within Northern Virginia the authority to increase the commercial real estate tax, which was previously held to the same value as the residential real estate tax, by as much as 25 cents per \$100 assessed value in support of transportation. The FY 2009 Advertised Budget Plan includes a recommended commercial real estate tax rate increase of 12 cents which will generate a projected \$52.8 million. Of this new revenue, 8 cents will address transportation project increases, approximately 2 cents will address new staffing requirements due to the influx of transportation project funding and approximately 2 cents will fund existing staff resources and related costs associated with transportation planning and implementation projects. A total of 93/93.0 SYE existing County positions, including 75 in the Department of Transportation and 18 in the Office of Capital Facilities will now be supported by these funds.

BOARD PRIORITY:



Transportation Improvements

In addition, sufficient funding is available to begin the phase-in of 41/41.0 SYE new positions in support of transportation planning, management, and engineering design. These positions will also address future planned expansions of the FAIRFAX CONNECTOR; proffer and zoning workload increases resulting from transportation studies and improvements to the Tysons area and revitalization areas; and increasingly complex prioritizing, reporting, and invoicing requirements associated with major projects with multiple funding sources.

County Transit Funding – General Fund Transfer \$34.7 million

The total FY 2009 General Fund Transfer for Fund 100, County Transit Systems, is \$34.7 million, the same level as the FY 2008 budget but incorporates increases to fund FY 2009 partial year operations of the new West Ox Bus Operations Center, costs associated with new operational and service contracts for CONNECTOR operations, and additional estimated CONNECTOR fuel costs based on continuing increases in diesel fuel prices as well as a 21 percent increase in the County's subsidy requirement for the Virginia Railway Express (VRE) based on operating system and debt service requirements. In addition to the General Fund Transfer support, \$12,000,000 in newly authorized State Aid support for mass transit will support

FY 2009 projected expenditures. The newly authorized mass transit support results from a provision within HB 3202 that provides for an earmark for mass transit of 2 cents per \$100 of State recordation tax collections.



Metro Funding – General Fund Transfer \$17.5 million

The General Fund Transfer in support of Metro Operations and Construction totals \$17.5 million, a decrease of \$2.8 million or 13.8 percent from the *FY 2008 Revised Budget Plan* level based on savings associated with the Board-approved transfer of the 12s and 20s Metrobus service to the FAIRFAX CONNECTOR, and the application of a higher level of State Aid and Gas Tax revenue in support of Metro. The total Fairfax County requirement for Washington Metropolitan Area Transit Authority (WMATA) Operating Expenses totals \$68.6 million, an increase of 8.6 percent over the *FY 2008 Revised Budget Plan*.

Overall, this funding level supports an operating increase of 10.0 percent over the *FY 2008 Revised Budget Plan* for Metro Operations partially offset by a decrease in payments due to WMATA associated with the current WMATA 12s and 20s Centreville/Chantilly routes. The estimated decrease results from the Board of Supervisor's approval, in February 2006, of the transfer of these non-regional routes to the County in the second half of FY 2009, at which time the service will be provided by FAIRFAX CONNECTOR.

FY 2009 Capital Construction expenditures are focused on the Metro Matters Program, which supports the acquisition of facilities, equipment, rail cars, and buses, as well as provides general infrastructure support to the 106-mile Metrorail system.

Information Technology (IT) Funding – General Fund Transfer \$11.8 million

Total funding of \$22.8 million, which includes a General Fund transfer of \$11.8 million, a transfer from Fund 506, Health Benefits Trust Fund of \$7.0 million, a transfer from Fund 105, Cable Communications, of \$1.8 million, State Technology Fund revenue of \$1.0 million and interest income of \$1.2 million, is provided for initiatives that meet one or multiple priorities established by the Senior Information Technology

FY 2009 Advertised Budget Highlights

Steering Committee. These initiatives include a mix of projects that provide benefits for both residents and employees and that adequately balance continuing initiatives with the need for maintaining and strengthening the County's technology infrastructure. Funded projects will support initiatives in the Human Services, Planning and Development, General County Services and Public Safety program areas.

The County's long-term commitment to provide quality customer service through the effective use of technology is manifested in service enhancements, expedited response to citizen inquiries, improved operational efficiencies, better information for management decisions and increased performance capabilities.

CREATING A CULTURE OF ENGAGEMENT



Burke Community Library **\$0.6 million**

An increase of \$639,418 is included to fund the full year Personnel Services and ongoing operating costs associated with opening the Burke Community Library, scheduled to open in spring/summer 2008. This facility will meet increased service demands due to insufficient capacities at both the Kings Park Community Library and Pohick Regional Library. The library site is adjacent to the Fairfax County Parkway and is expected to attract a broad customer base of Parkway commuters in addition to the library's geographically defined community. Funding was included in FY 2008 for the four-month period of March-June 2008, and this increase is required to provide full year funding in FY 2009.

Costs Associated with Presidential Election **\$0.3 million**

An increase of \$324,293 in the Office of Elections is included reflecting funds for both Personnel Services and for additional postage for the mailing of voter cards and absentee ballots to help support the costs associated with the 2008 Presidential election. Presidential elections, and the months immediately preceding them, represent the peak period of activity for the Department of Elections over any four-year period. In addition to the spike in voter turnout on Election Day, there is a significant increase in electoral interest and participation throughout the year. Absentee voting activity will more than double or triple the levels seen in non-presidential years.

Consolidation of Office of Human Rights and Office of Equity Programs

The Office of Human Rights and the Office of Equity Programs have been merged to form the new Office of Human Rights and Equity Programs. The mission of this office will be to institute an affirmative human rights program of positive efforts to eliminate discrimination and to provide the public and Fairfax County employees with recourse for discriminatory acts. It is anticipated that there will be savings in administration as a result of this consolidation.

MAINTAINING HEALTHY ECONOMIES



Community Funding Pool – General Fund Transfer **\$9.0 million**

Funding of \$8,970,687, an increase of \$249,918, or approximately 3.0 percent, over the *FY 2008 Revised Budget Plan* reflects the General Fund transfer to support the first year of the new two-year cycle in the Consolidated Community Funding Pool (CCFP) to leverage nonprofit organizations' resources to meet community challenges. Funds are awarded for a two-year period on a competitive basis after a citizen Selection Advisory Committee has reviewed responses from all eligible community organizations to the Request for Proposals (RFP). The Board of Supervisors approved the Consolidated Community Funding Advisory Committee's (CCFAC) FY 2009/ FY 2010 recommended priorities on July 9, 2007. A major responsibility of the CCFAC is to recommend funding priorities for the CCFP. The CCFAC maintains an ongoing process for the review and analysis of both data and community input that provides the information on which funding priority allocations are based. Community input processes include a variety of citizen and provider input activities conducted throughout the year around the County. Subsequent to the receipt and review of public comments, the CCFAC finalizes the funding priorities and forwards them to the Board of Supervisors for action.

Contributory Funding - General Fund Transfer **\$13.6 million**

General Fund appropriations of specified amounts are made available through Fund 119, Contributory Fund, to various nonsectarian, nonprofit or quasi-governmental entities for the purpose of promoting the general health and welfare of the community. Contributory agency positions are not part of the County merit system and funding for all contributory agencies is reviewed annually. Each request is reviewed on the basis of the benefit to Fairfax County citizens, contractual or regional commitments, the responsibilities of state agencies, and a prior County commitment of funding.

FY 2009 funding totals \$13,553,053, an amount entirely supported by a General Fund Transfer, reflecting an increase of \$301,171 or 2.3 percent over the FY 2008 Revised Budget Plan funding level of \$13,251,882. The overall increase is due in part to increases for the Northern Virginia Healthcare Center/ Birmingham Green Adult Care Residence, mainly attributable to budgeting for full-year costs associated with the new expanded assisted living facility scheduled to open in the February/March 2008 timeframe and an increase for the Convention and Visitors Corporation based on projected transient occupancy tax revenue for FY 2009.

FY 2009 Advertised Budget Highlights

EXERCISING CORPORATE STEWARDSHIP



Personnel Service Reductions to Balance Budget (\$16.5 million)

In order to meet budget limitations based on available resources as a result of the continued softening of the residential real estate market, a two percent across-the-board reduction in Personnel Services totaling \$16.5 million was taken in General Fund and General Fund-supported agencies. This is in addition to a similar two percent reduction taken as part of the [FY 2008 Adopted Budget Plan](#) and Pay for Performance adjustments noted below.

Pay for Performance \$6.3 million

\$6.3 million is provided in order to continue the Pay for Performance (PFP) program for over 8,000 non-public safety employees; however, as a result of budget constraints in FY 2009, employee increases as part of the PFP system have been discounted by 50 percent.

Fuel Costs \$2.5 million

An additional \$2,532,509 in General Fund support over the [FY 2008 Adopted Budget Plan](#) is included to address higher fuel prices and related Department of Vehicle Services' charges as a result of market conditions. Countywide fuel and fuel-related expenditures for FY 2009 are funded at \$33.4 million, an increase of \$8.0 million or 31.3 percent over the [FY 2008 Adopted Budget Plan](#) total of \$25.5 million and an increase of \$13.3 million or 66.2 percent over the FY 2007 Actual of \$20.1 million. The dramatic increase is due to the actual price pattern seen in the fall of 2007, especially as it pertains to diesel fuel. The FY 2009 recommended budget assumes an average agency per gallon price of \$3.32 - a 78-cent, or over 30 percent, increase over the [FY 2008 Adopted Budget Plan](#) level and also allows room for moderate growth in overall number of gallons consumed. The General Fund impact of this increase is \$2.5 million as the remainder of the increase is being absorbed by Fairfax County Public Schools, non-General Fund supported entities such as the Solid Waste funds, and the increase attributable to FAIRFAX CONNECTOR is being covered by the new sources of transportation funding available to the County.

New Facilities Operations \$1.6 million

An increase of \$1,592,315 in the Facilities Management Department for increased custodial, utility, repair and maintenance, and landscaping costs is associated with new facilities opening in FY 2009. These facilities include the West Ox Bus Operations Garage, Forensics Facility, McConnell Public Safety and Transportation Operations Center (MPSTOC) and the Girls Probation House. Combined these facilities account for an additional 203,160 square feet to the inventory maintained by the Facilities Management Department.

Benefits

Funding for Fringe Benefits totals \$209.3 million, an increase of \$8.6 million or 4.3 percent over the *FY 2008 Revised Budget Plan* level, primarily due to the following:

Health Insurance \$2.2 million

Health Insurance funding is increased \$2.2 million, or 3.5 percent, over the *FY 2008 Revised Budget Plan*. The increase is based on a projected average increase of 5.0 percent for all County health insurance plans, effective January 1, 2009. The large percentage increases experienced by most employers earlier this decade have somewhat mitigated, and the County's experience mirrors this trend. However, advances in medical technology, the increasing cost of medical malpractice and liability insurance, and increased utilization will continue to drive increases in medical costs.

Fairfax County Government offers its employees and retirees several health insurance alternatives, with the intent of offering employees options that are both comprehensive and cost effective. The County's current selection of health insurance alternatives is a result of revisions enacted in FY 2007. The County partnered with Fairfax County Public Schools and undertook a selection process in calendar year 2006 to choose new providers for all health insurance products in order to leverage the County's position in the marketplace and achieve competitive rates. In addition to implementing the self-insured OAP option effective January 1, 2007, enhanced vision benefits were also instituted across all health insurance plans as a result of the selection process. It should be noted that the County also intends to examine plans related to Medicare Part D to aid in finalizing an approach to the implementation of this new prescription drug benefit product.



It should be noted that the self-insured health insurance choices are administered through Fund 506, Health Benefits Trust Fund. For a more detailed discussion of the County's self-insured health trust fund, refer to Fund 506 in Volume 2 of the [FY 2009 Advertised Budget Plan](#).

FY 2009 Advertised Budget Highlights

Dental Insurance **\$0.2 million**

Dental Insurance funding reflects a net increase of \$0.2 million or 8.7 percent over the *FY 2008 Revised Budget Plan* based on a projected premium increase of 5.0 percent, effective January 1, 2009, and increased employee participation. The County contributes 50 percent of the premium for this benefit with the employee paying the remainder of the cost.

Social Security (FICA) **\$4.1 million**

Social Security funding reflects a net increase of \$4.1 million or 9.8 percent over the *FY 2008 Revised Budget Plan*. The increase includes \$3.9 million associated with salary adjustments necessary to support the County's compensation program for merit increases and pay for performance and to reflect the change in the federally set maximum pay base against which contributions are calculated and \$0.2 million based on the FY 2009 Market Index of 1.48 percent included for employees on the public safety pay scales (C, F, O and P), effective the first full pay period of FY 2009. It should be noted that the Social Security wage base increases from \$97,500 to \$102,000 as of January 1, 2008 for the 6.20 percent base contribution rate. The wage base against which the 1.45 percent rate for Medicare is applied remains unlimited. The overall Social Security rate remains unchanged at 7.65 percent. The wage base and/or rate change for January 1, 2009 is not yet known; any subsequent adjustments to the Social Security wage base with a fiscal impact will be included at a quarterly review during FY 2009 as necessary.

Retirement **\$2.2 million**

Retirement funding (Fairfax County Employees', Uniformed, and Police) reflects a net increase of \$2.2 million or 2.4 percent over the *FY 2008 Revised Budget Plan*. The increase includes \$1.6 million associated with salary adjustments necessary to support the County's compensation program for merit increases and pay for performance; \$1.0 million based on the FY 2009 Market Index of 1.48 percent included for employees on the public safety pay scales (C, F, O and P), effective the first full pay period of FY 2009; and \$1.4 million based on projected increases in the employer contribution rates, partially offset by a decrease of \$1.8 million based on projected savings in FY 2008.

The increase in rates for FY 2009 follows the current effective actuarial funding policy whereby contribution rates are adjusted to fund approved benefit enhancements and/or to recognize funding adjustments required when the funding ratio is below 90 percent or above 120 percent.

Retiree Health Insurance **\$0.3 million**

Retiree Health Insurance increases \$0.3 million or 5.9 percent over the *FY 2008 Revised Budget Plan* level of \$5.5 million to \$5.8 million and is due to a projected increase in the number of retirees receiving the health insurance subsidy in FY 2009.

This is being supported in FY 2009 by one time or limited savings in employer health plan contributions available due to lower than anticipated actual cost growth experience and excess plan contributions. The County's retiree health benefit subsidy was previously funded out of Fund 500, Retiree Health Benefits; however, as part of the FY 2009 Advertised Budget Plan, the benefit and administrative costs related to the subsidy will be paid from Fund 603 as a result of implementation of GASB 45. The County provides monthly subsidy payments to eligible 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 detailed in the following table. It should be noted that the retiree health benefit 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.

RETIREE HEALTH BENEFIT SUBSIDY	
Years of Service at Retirement	Monthly Subsidy
5 to 9	\$30
10 to 14	\$65
15 to 19	\$155
20 to 24	\$190
25 or more	\$220

GASB 45 Liability Reserve **\$8.2 million**

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. Fund 603, OPEB Trust Fund, has been created in order to capture long-term investment returns and make progress towards reducing the unfunded actuarial accrued liability under GASB 45 and funds the cost of other post-employment benefits (OPEBs) including health care, life insurance, and other non-pension benefits offered to retirees, such as the County's retiree health benefit subsidy. As of July 1, 2007, the Annual Required Contribution (ARC) to Fund 603 has been calculated at approximately \$32 million. In FY 2009, the County's contribution towards the ARC of \$8.2 million will be made through a transfer from Fund 506, Health Benefits Trust Fund, as a result of excess revenues received from employer contributions. Any future balances identified in Fund 506 as a result of excess revenues received from employer contributions will also be considered for possible transfer to Fund 603 to assist in addressing the County's unfunded OPEB liability which has been calculated at nearly \$380 million, excluding schools.

FY 2009 Advertised Budget Highlights

Wellness Initiative

A new Health Promotion and Wellness Initiative is supported by anticipated savings in County health plans. The goal of the initiative is to significantly improve employees' overall health and well-being, while also serving to curb rising health care costs. Components of the new program included in Fund 506, Health Benefits Trust Fund, include:

- » Health risk assessments (HRAs) and targeted programming;
- » Enhancement of the County's Disease Management Program;
- » Influenza vaccinations for employees and retirees; and
- » Reduced membership fees at County RECenters

A comprehensive wellness program is expected to reduce the rate of escalation of health care costs, resulting in savings for self-insured plans through cost avoidance. As such, expenses related to the new Health Promotion and Wellness Initiative are included in Fund 506 as it is anticipated that increases in self-insured claims expenses will be impacted as benefits of the program begin to materialize.

Enterprise Information Technology System Project **\$7.0 million**

Funding of \$7.0 million, from a transfer from Fund 506, Health Benefits Trust Fund, is included for a multi-year, joint initiative between the County and the Schools to modernize the County's enterprise information technology systems that support finance, human resources and payroll, budget, procurement and related applications. This FY 2009 funding is available from savings in employer contributions for health insurance and will be used to offset the costs of Phase I of the project which will replace the County's Human Resources and Payroll system. Previous assessments of these aging corporate systems revealed that they are past their projected useful lifecycle, no longer comply with today's technology standards, and do not meet the demands of resource and financial management and decision-making. Short-term changes made to make the systems functional have resulted in increased risk for fraud and security flaws. Due to their age, many of these systems have no vendor support and rely on senior in-house staff for maintenance. The systems are written in technical code that is outdated, not practiced by the vast majority of the industry labor pool, and thus are unable to be integrated with future mandated requirements. Of these systems, the County government's Personnel Resource

Information System Management (PRISM) is the most vulnerable to immediate obsolescence issues. It is over 20 years old and highly customized based on historical County operational practices to the extent that it cannot be further enhanced. Further, attrition of in-house technical staff as they approach retirement age is jeopardizing future support for maintaining this legacy application with the other systems approaching a similar expert support dilemma. FY 2009 funding, followed by future-year investments, will allow for the award of software and systems implementer contracts.

FEE ADJUSTMENTS

New User Fees

As part of the development of the FY 2009 budget, a review of the County's General Fund fees and user charges was conducted. Fees were compared to state maximum rates and to those of surrounding jurisdictions. As a result of this review, General Fund fee increases, totaling \$4.5 million in revenue, are included in the FY 2009 Advertised Budget Plan. The bulk of the additional revenue is the result of a proposed increase to the Emergency Medical Services (EMS) Transport Fee structure, which is expected to generate an additional \$3.5 million in FY 2009. Current General Fund fees to be raised also include Fire Marshal fees, parking garage fees, various parking violation fines, police report and photo fees, and taxi cab licenses. These increases will raise cost recovery in FY 2009, while maintaining consistency with surrounding jurisdictions. More information about the fee increases are available in the General Fund Revenue Overview section in the Overview Volume of the FY 2009 Advertised Budget Plan.

BOARD PRIORITY:



**Revenue
Diversification
to Reduce the Burden
on Homeowners**

FY 2009 Advertised Budget Highlights

Refuse Collection Fee

Residents within Sanitary Refuse Collection Districts who receive County refuse collection service are charged an annual service fee through the semiannual property tax bill for regular trash pick-up and recycling. These districts are created by the Board of Supervisors upon citizen petition, which has been increasing in recent years. Due to increasing disposal fees, rising personnel expenses and lower fund balances, the annual fee was increased from \$315 in FY 2007 to \$330 in FY 2008, which was still consistent with rates charged by private sector haulers. In order to cover anticipated expenditures in FY 2009 and maintain essential reserves, an increase in the annual fee to \$345 is required for approximately 44,000 customers who receive this service. This increase is based on increasing disposal tipping fees, maintenance and fuel charges, as well as accelerated equipment replacement costs.

Sewer Fees

Changes to the FY 2009 Sewer Service Charge and Availability Fee are based on increased costs associated with capital project construction, system operation and maintenance, debt service and upgrades to reduce nitrogen discharge from wastewater in order to meet more stringent environmental regulations.



The Availability Fee charged to new customers for initial access to the system will increase from \$6,506 to \$6,896 for single-family homes based on current projections of capital requirements, which is consistent with the analysis included in the Forecasted Financial Statement for July 1, 2007 through June 30, 2012.

The Sewer Service Charge is billed to all existing customers and is used to fully recover operating and maintenance costs, debt service payments and capital project funding primarily attributable to improving wastewater treatment effluent standards as mandated by federal and state agencies. The Sewer Service Charge will increase from \$3.74 to \$4.10 per 1,000 gallons of water consumption in FY 2009. This equates to a rate increase of approximately 9.75 percent and a cost increase of \$27.36 to the typical household.

The increase in Sewer Service Charges is adjusted based on federally mandated requirements which will result in the renovation and rehabilitation of existing treatment facilities. New Chesapeake Bay water quality program requirements include reductions in the amount of nutrient pollutants discharged from wastewater treatment facilities. In December 2004, the state notified the County that the renewal of County's National Pollutant Discharge Elimination System (NPDES) permit will include a requirement that nutrient removal be performed at the "Limits of Technology." Current technology allows for discharge limits of less than 3.0 milligrams per liter of nitrogen and 0.1 milligrams per liter for phosphorus. The County currently has the capability to meet a voluntary nitrogen removal standard of 8.0 milligrams per liter. A phased approach is recommended to renovate and upgrade current plant facilities to accommodate these more stringent nutrient discharge requirements.

McLean Community Center Special Property Tax District

Facilities and operations of the McLean Community Center (MCC) are supported primarily by revenues from a special property tax collected from all residential and commercial properties within Small District 1, Dranesville. The Small District 1 real estate tax rate for FY 2009 is recommended for reduction by \$0.002 from \$0.028 to \$0.026 per \$100 of assessed property value based on annual operation costs and available balances. It should be noted that this two-tenths of a penny reduction reflects a savings of just under \$20 on the average Small District 1 residential tax bill.

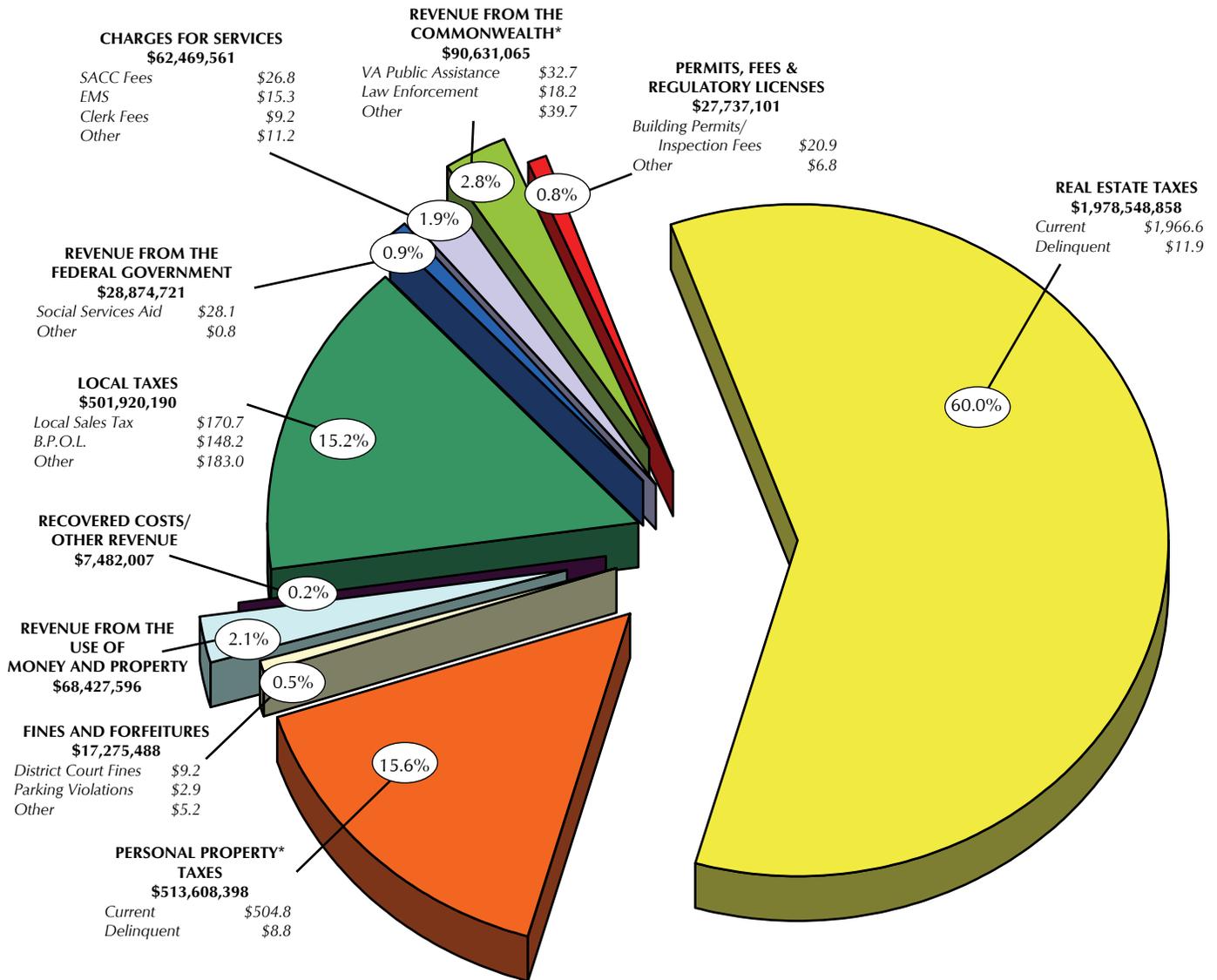
Commercial Real Estate Tax

The Commercial Real Estate Tax for County transportation projects is recommended to be \$0.12 per \$100 of assessed value. This tax will be levied on all commercial and industrial properties in the County and is in addition to the real estate tax rate of \$0.89 per \$100 of assessed value.

FY 2009 Budget At A Glance

FY 2009 GENERAL FUND RECEIPTS **

Where it comes from . . .
(subcategories in millions)



FY 2009 GENERAL FUND RECEIPTS = \$3,296,974,985**

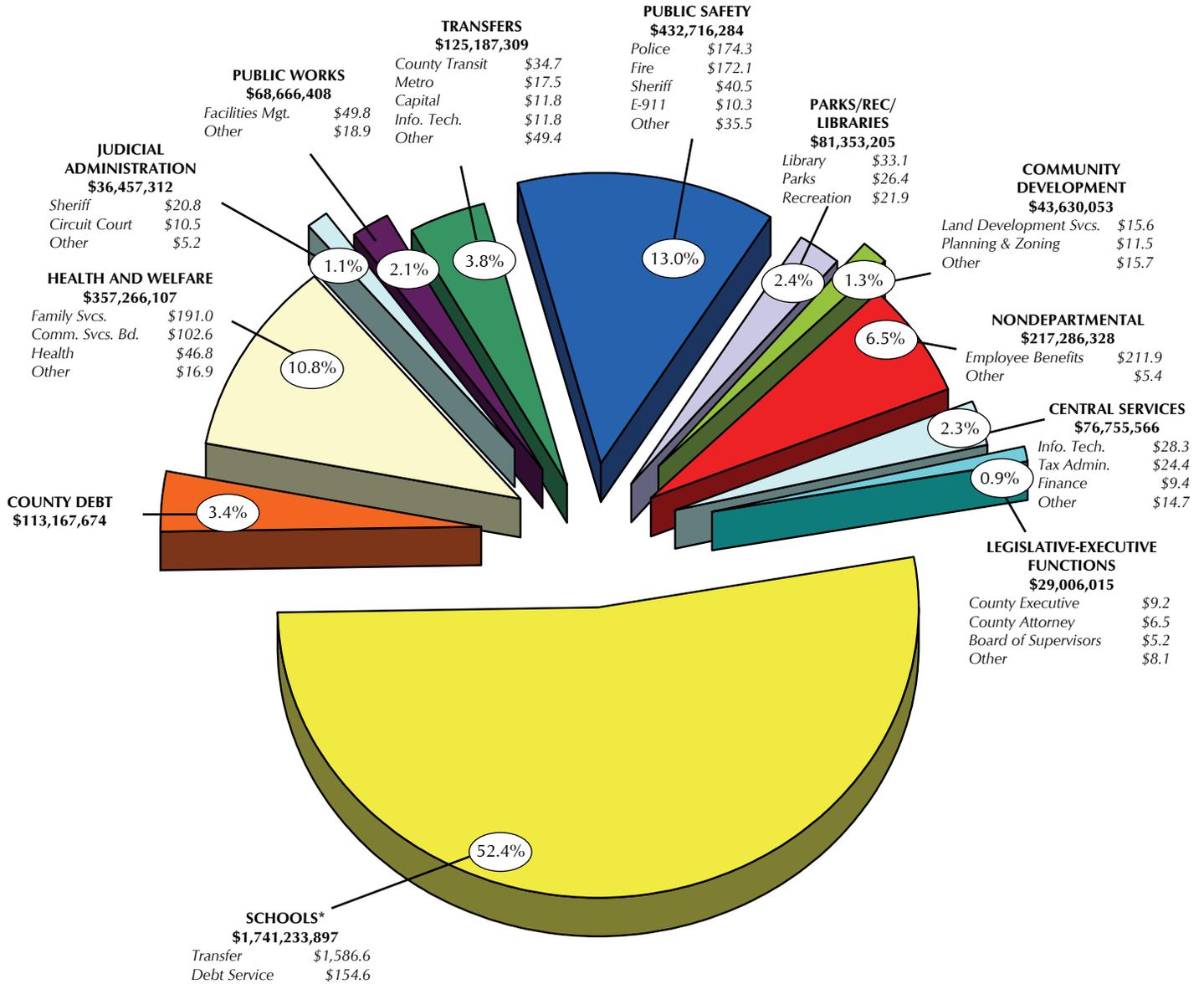
* For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

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

FY 2009 Budget At A Glance

FY 2009 GENERAL FUND DISBURSEMENTS

Where it goes . . .
(subcategories in millions)



FY 2009 GENERAL FUND DISBURSEMENTS = \$3,322,726,158

* In accordance with the Board adopted guidelines for the FY 2009 Budget, the proposed County General Fund transfer for school operations in FY 2009 totals \$1,586,600,722, a 0% increase resulting in no increase over the FY 2008 Adopted Budget Plan level. It should be noted that the Fairfax County Public Schools Superintendent's Proposed budget reflects a General Fund transfer of \$1,642,449,067, an increase of 3.5% or \$55,848,345 over the FY 2008 Adopted Budget Plan. Adjustments to the Superintendent's Proposed budget, adopted by the School Board on February 14, 2008 will be reflected in the County Executive's Budget Message.

FY 2009 Advertised Budget Highlights

What's Not Funded in the FY 2009 Budget

There are several important initiatives and requests could not be funded, or in some cases fully funded, because of the current fiscal situation.

- In terms of **employee compensation**, the Pay for Performance program for general County employees and the Market Rate adjustment applied to public safety salaries and all pay scales have been reduced by 50 percent.
- A **second two percent across-the-board Personnel Services reduction** totaling \$16.5 million in General Fund and General Fund-supported agencies has been implemented in addition to the two percent reduction taken as part of the FY 2008 Adopted Budget Plan. Taken as a whole, this four percent reduction results in approximately \$32.8 million being removed from agency budgets. These reductions will require agencies to hold positions vacant and reduce overtime, impacting customer wait times, and other employee-related services to our customers as well as staff support of some county initiatives or deployments.
- This budget does not address real **needs in Public Safety agencies**, such as the Police Department's request for 35 additional patrol officers or additional Police requests in support of the Department's Information Technology Bureau, Criminal Investigations Bureau, and Technical Services Bureau. Likewise, the budget does not accommodate an increase the minimum staffing from three to four firefighters per ladder truck. Fairfax County is the only jurisdiction in excess of one million residents without a minimum of four persons on each ladder truck. The County's physical features, building/structure make-up and demographic characteristics make this a safety issue and thus a high priority.
- This budget does not fund a proposal to reinforce existing work in the area of **code enforcement** which included reorganizing and supplementing existing code enforcement staff and resources into a single code enforcement organization/entity and establishing a consolidated intake center to field all complaints and provide status reports to complainants.

In addition, other areas in which additional resources were not available include:

- The **Sheriff's request to provide positions to staff juvenile detention cells** at the newly expanded courthouse. These new positions were requested in order to provide supervision in the five small holding cells next to the new courtrooms and escort juveniles to and from the Juvenile Holding Area, the five small holding cells, and the courtrooms.
- **Additional resources in support of Mental Health Services.** Temporary action has continued to address timely access and manageable caseloads for critical services in adult outpatient services while the Board-appointed Josiah H. Beeman Commission is at work developing proposals to improve our mental health services delivery systems. These recommendations will require the redirection of resources which have not been identified in this budget plan.
- **Human Services' caseloads.** The County exceeds caseload standards in Public Assistance, Child Welfare and Adult Protective Services. In the Coordinated Services Planning Program Area, the volume of calls has increased from just under 300 calls per day in the first seven months of FY 2007 to 375 calls per day in the first seven months of FY 2008. Additionally, the Community Services Board continues to struggle with case management and caseload requirements which are above state and professional standards.
- **New School-Age Child Care (SACC) rooms.** Despite space being made available, no additional SACC rooms have been included in FY 2009. There are still six elementary schools in the County with no SACC program. The additional SACC rooms would have provided before- and after-school supervision to 175 children.
- **Additional support for the Child Care Assistance and Referral (CCAR) program** in Family Services. The budget does include additional funding to replace the most recent loss of federal pass-through funds for this program which provides child care funding assistance to families in Fairfax County. However, overall program funding is still down over 20 percent compared to the FY 2006 level, impacting services to nearly 1,500 children.
- **Replacement of the County's voting machines.** The FY 2009 budget does not include funding for replacement of the County's voting machines despite anticipated federal requirements as well as unavailability of additional machines to meet precinct requirements. Longer lines and wait times at the polls are likely. The County Executive anticipates recommending some funding as part of the FY 2008 Third Quarter Review to assist in meeting the shortage of machines.
- **County Facility Maintenance.** The most recent County facility assessment indicated a total of \$80 million would be needed through 2010 for facility repair and equipment replacement needs. These assessments lists were prioritized and funding is available to fund only some of the repairs in the "F" category noting requirements which were urgent/safety related or endangering property.

FY 2009 Advertised Budget Highlights

FY 2009 Budget Guidelines

- The Board directed the County Executive to prepare a financial forecast including information on the FY 2009 revenue and economic outlook which provided the framework for the continued County-School discussion on the budget and helped identify for the Board the projected state of the housing market and the associated impact on revenue projections. Based on this financial forecast, which was the framework for the County-School discussion on the budget held on July 30, 2007, overall County revenues were projected to be flat in FY 2009. As a result, County spending in FY 2009 must also reflect no growth. The Board of Supervisors directed that the School Board and the Superintendent of Schools be provided with a FY 2009 County transfer to the School Operating fund which matches revenue growth of 0%.
- The County Budget presentation should continue to focus on Board priorities and County vision elements. The County Executive and County staff will also provide contextual information regarding the growth in the budget, including but not limited to population growth, market forces impacting the budget, demographic changes, mandates and other primary drivers for growth. In addition, the presentation of the budget should continue to include a clear identification of the resources and new initiatives targeted for seniors, a rapidly growing group in our population.
- In order to avoid structural imbalances between County resources and requirements, resources should be allocated with consideration for the continued availability of these funds:
 - o Non-recurring funds will be directed toward non-recurring uses.
 - o Only recurring resources may be targeted toward recurring expenses.
 - o The County's policy concerning the utilization of recurring and non-recurring funds should be followed by the School Board.
- Any available balances materializing at the Carryover and Third Quarter Reviews that are not required to support County expenditures of a critical nature should be held in reserve to fund expenses in FY 2009 ensuring that non-recurring funding is dedicated to non-recurring expenditures, to offset future requirements or to address one-time requirements such as GASB 45 liability, unfunded capital paydown projects, unfunded School Board priorities, and equipment replacement.

TAX AND FEE FACTS				
Type	Unit	FY 2007 Actual Rate	FY 2008 Actual Rate	FY 2009 Advertised Rate
Real Estate	\$100/Assessed Value	\$0.89	\$0.89	\$0.89
Personal Property	\$100/Assessed Value	\$4.57	\$4.57	\$4.57
Integrated Pest Management Program	\$100/Assessed Value	\$0.001	\$0.001	\$0.001
Refuse Collection	Household	\$315	\$330	\$345
Refuse Disposal	Ton	\$50	\$52	\$57
Solid Waste Landfill Ash Disposal	Ton	\$11.50	\$11.50	\$11.50
Leaf Collection	\$100/Assessed Value	\$0.015	\$0.015	\$0.015
Sewer Availability Charge	Residential	\$6,138	\$6,506	\$6,896
Sewer Service Charge	Per 1,000 Gallons	\$3.50	\$3.74	\$4.10
McLean Community Center	\$100/Assessed Value	\$0.028	\$0.028	\$0.026
Reston Community Center	\$100/Assessed Value	\$0.047	\$0.047	\$0.047
Commerical Real Estate Tax for Transportation	\$100/Assessed Value	-	-	\$0.12

FY 2009 Advertised Budget Plan: Public Hearings

Public Hearings on the FY 2009 Advertised Budget Plan, and the FY 2009 - FY 2013 Capital Improvement Program (With Future Years to 2018) will be held in the Board Room of the Fairfax County Government Center on the following dates and times:

<i>Date</i>	<i>Time</i>
March 31, 2008	7:00 p.m.
April 1, 2008	7:00 p.m.
April 2, 2008	7:00 p.m.

To sign up to speak at one of the public hearings, call the Clerk to the Board's Office at 703-324-3151 or 703-324-2391 (TTY 711) or to access the form to sign up to speak, people need to go to https://www.fairfaxcounty.gov/bosclerk/speaker_bos.htm. The public can send written testimony or communicate generally with the Clerk's Office by e-mail to: clerktothebos@fairfaxcounty.gov

THE FY 2009 ADVERTISED BUDGET PLAN IS AVAILABLE:

On the World Wide Web at: <http://www.fairfaxcounty.gov/dmb/>

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