

Budget Highlights

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FY 2006 FAIRFAX COUNTY BUDGET FACTS

Budget Guidelines

- ◆ In April 2005, the Board of Supervisors finalized **Budget Guidelines** that directed the County Executive to develop a budget for Fiscal Year 2007 that will allow the Board to reduce the real estate tax rate further if real estate assessments and other revenues increase significantly, as currently projected.
- ◆ **Information on FY 2007 revenue and the economic outlook** should be forwarded to the Board by August 2005 in order to provide guidance regarding the County and Schools budget growth rate.
- ◆ **The County budget presentation** should continue to focus on Board priorities and the County Vision Elements, as well as provide contextual information regarding the growth in the budget including the resources and initiatives targeted for seniors, a rapidly growing sector of the population.
- ◆ **In order to prevent future structural imbalances**, non-recurring funds will be directed toward non-recurring uses and only recurring resources may be targeted toward recurring expenses, and the **County's policy concerning the utilization of recurring and non-recurring funds should be followed by the School Board.**
- ◆ **Available balances materializing at the Carryover and Third Quarter Reviews** that are not required to support expenditures of a critical nature or to address the Board's policy on the Revenue Stabilization Fund should be held in reserve to offset future requirements or unfunded capital needs, as well as address additional senior and disabled persons' tax relief.
- ◆ **The value of one penny of the real estate rate will be dedicated annually to stormwater management projects** and staff will identify a spending plan for such projects for Board approval on June 20, 2005.
- ◆ **The Athletic Services Application Fee** will be used for enhanced field maintenance and the initiation of an artificial turf program.
- ◆ **A process will be identified for Board approval regarding initiatives for affordable housing** funded through the annual designation of one penny on the real estate tax rate.

Expenditures

- ◆ **General Fund Direct Expenditures** total \$1.08 billion, an increase of \$29.99 million or 2.85 percent over the *FY 2005 Revised Budget Plan*.
- ◆ **General Fund Disbursements** total \$3.02 billion and reflect an increase of \$162.69 million or 5.69 percent over the *FY 2005 Revised Budget Plan*.
- ◆ **The County General Fund Transfer** for school operations totals \$1.43 billion, an increase of \$108.96 million or 8.24 percent over the *FY 2005 Revised Budget Plan* transfer.
- ◆ **Expenditures for All Appropriated Funds** total \$5.08 billion.
- ◆ **General Fund Support for Information Technology (IT) Projects** is \$13.41 million. FY 2006 project consideration was guided by priorities established by the IT Senior Steering Committee. Projects with the highest priority include those mandated by the federal or state government, as well as those necessary to complete previous project investments, enhance County security, improve service and efficiency, and maintain the IT infrastructure.
- ◆ **Pay-As-You-Go Capital Construction** projects total \$74.61 million.
- ◆ **Authorized Positions** for all funds are increasing by 192/182.36 SYE positions in FY 2006, most of which are for new facilities and public safety requirements.

Tax Base

- ◆ **Total FY 2006 General Fund Revenue** is \$2.99 billion and reflects an increase of \$189.13 million or 6.76 percent over the *FY 2005 Revised Budget Plan*.
- ◆ **One Real Estate Penny** is equivalent to approximately \$17.9 million in tax revenue.
- ◆ **One Personal Property Penny** is equivalent to approximately \$1.0 million in tax revenue.
- ◆ **Average Residential Assessed Property Value** is \$444,766.
- ◆ **The Commercial/Industrial percentage** of the County's Real Estate Tax base is 17.36 percent, the lowest rate in over 20 years.
- ◆ **Assessed Value** of all real property is projected to increase \$34.0 billion or 23.49 percent over FY 2005.
- ◆ **Real Estate and Personal Property Taxes** (including the Personal Property portion being reimbursed by the Commonwealth) comprise approximately 75.6 percent of General Fund Revenues.

Tax Rates

- ◆ **Real Estate Tax Rate** is reduced by \$0.13, from \$1.13 per \$100 assessed value to \$1.00 per \$100 assessed value.
- ◆ **Personal Property Tax Rate** remains at \$4.57 per \$100 assessed value.
- ◆ **Leaf Collection Rate** remains at \$0.015 per \$100 assessed value.
- ◆ **Refuse Collection Rate** for County collection sanitation districts increases from \$240 to \$270 per household.
- ◆ **Refuse Disposal Rate** remains at \$48 per ton.
- ◆ **Solid Waste Ash Disposal Rate** remains constant at \$11.50 per ton.
- ◆ **Integrated Pest Management Program**, a Countywide Special Tax, remains at \$0.001 per \$100 of assessed value, or an average of \$4.45 annually per household.
- ◆ **E-911 Tax Rate** will increase from \$2.50 to \$3.00 per line per month in order to enhance recovery of expenditures allowable by the Code of Virginia.
- ◆ **Sewer Service Rate** increases from \$3.20 to \$3.28 per 1,000 gallons of water consumption.
- ◆ **Sewer Availability Charge** for new single-family homes increases from \$5,621 to \$5,874.

Population

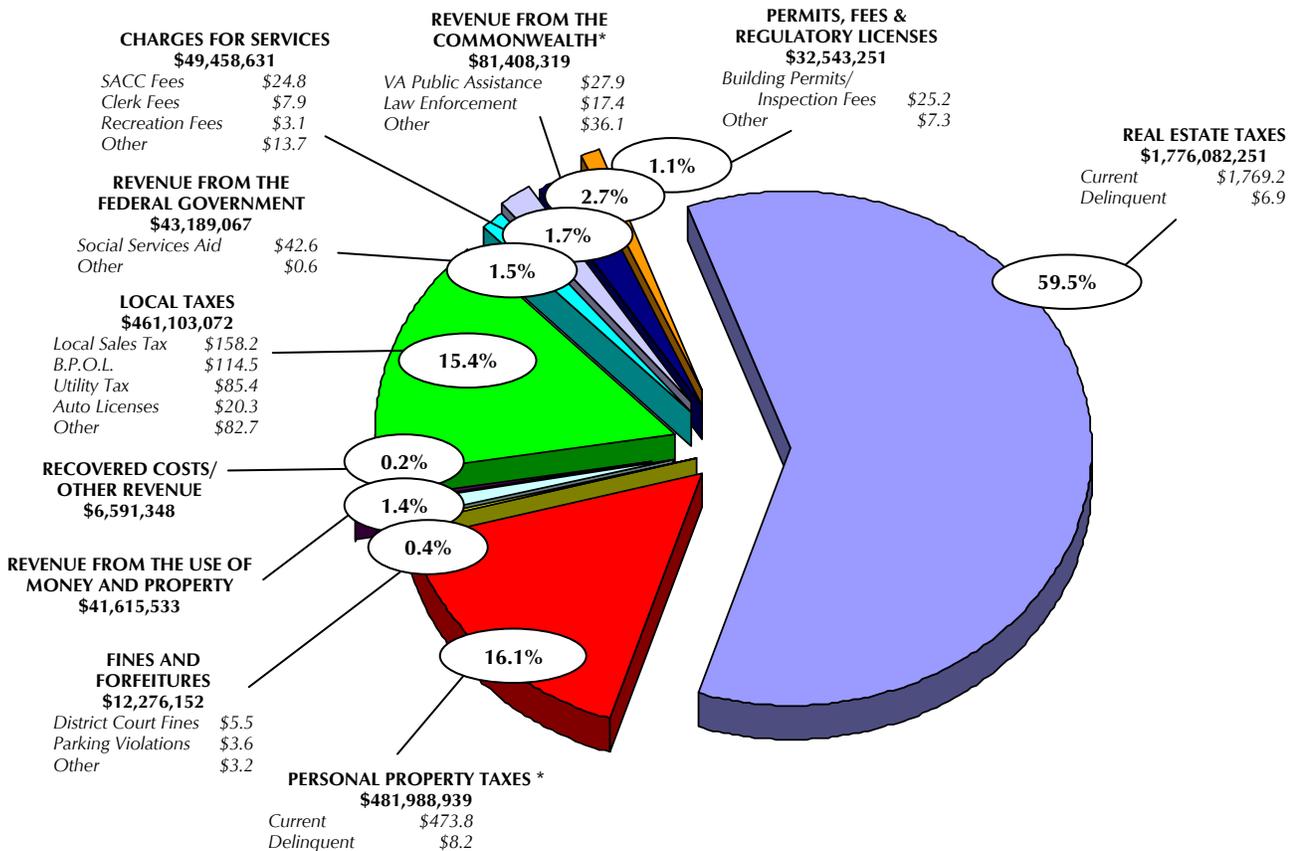
- ◆ **Fairfax County's population** is estimated to be 1,041,200 persons as of January 2005. This is an increase of 1.8 percent over the January 2004 estimate of 1,022,298 and is an increase of 27.20 percent over the 1990 census count of 818,584.

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FY 2006 BUDGET GENERAL FUND REVENUES

FY 2006 revenues are projected to be \$2,986,256,563, an increase of \$189,132,654 or 6.76 percent over the FY 2005 Revised Budget Plan. This level of revenue growth in FY 2006 is due predominantly to an increase of \$141.7 million or 8.67 percent in Real Estate Tax revenue. All other categories reflect a net increase of approximately \$47.4 million or 4.1 percent over FY 2005. The FY 2006 real estate tax base is projected to grow 23.49 percent due to an increase in equalization of 20.80 percent and growth of 2.69 percent due to new construction.

\$2,986,256,563
(subcategories in millions)



* For presentation purposes, Personal Property Taxes of \$202,154,629 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.

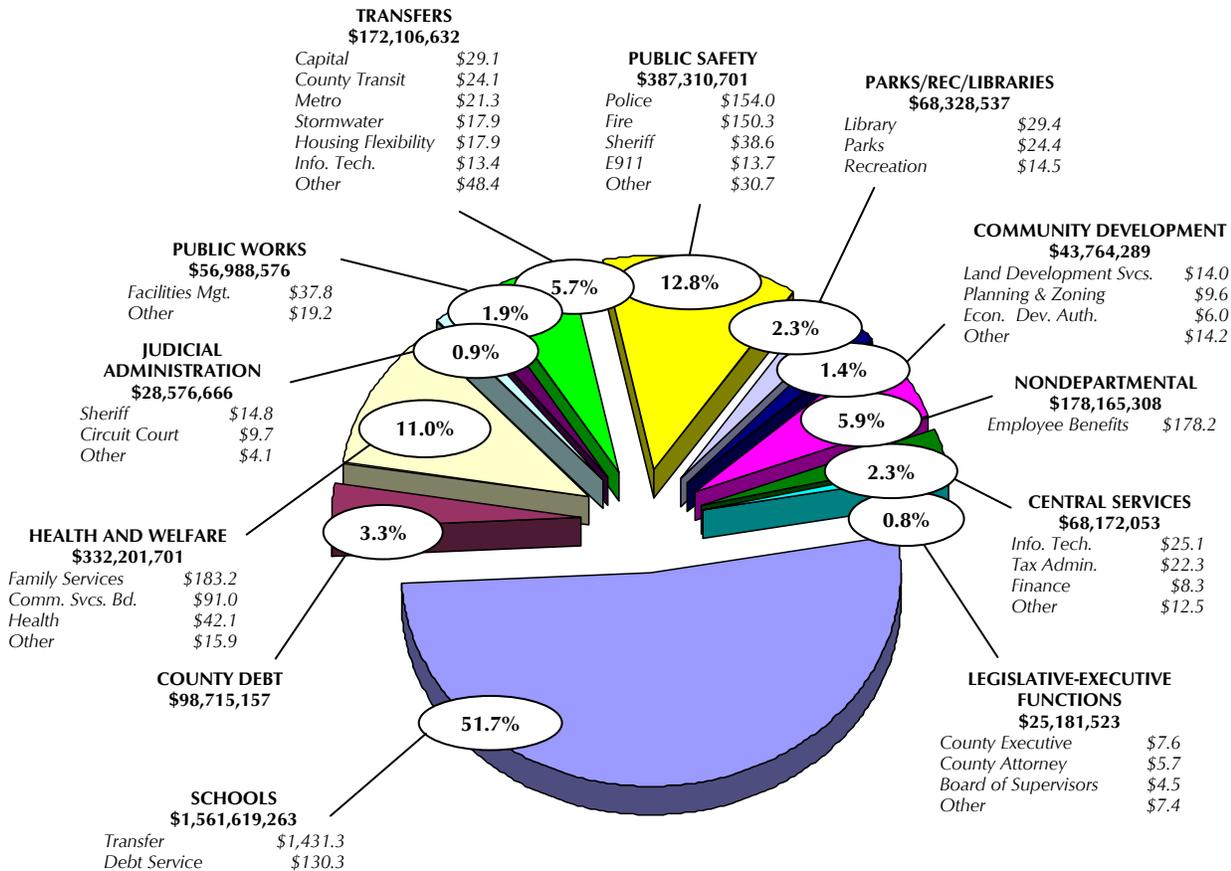
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FY 2006 BUDGET GENERAL FUND DISBURSEMENTS

FY 2006 disbursements total \$3,021,130,406, an increase of \$162,687,843 or 5.69 percent over the *FY 2005 Revised Budget Plan* amount of \$2,858,442,563. Of this increase, \$112,717,023 or 69.3 percent is attributable to the County's transfer to the School Operating Fund and School Debt Service. The recommended transfer to the School Operating Fund is \$1,431,337,820, which is an increase of \$108,963,633 or 8.24 percent over FY 2005. In addition, the County's contribution to School Debt Service for FY 2006 is \$130,281,443, reflecting an increase of \$3,753,390 or 2.97 percent over the FY 2005 level.

Recommended General Fund Direct Expenditures total \$1,083,966,875 and reflect an increase of \$29,987,420 or 2.85 percent over the *FY 2005 Revised Budget Plan*. A summary of the major recommendations included in the FY 2006 Adopted Budget Plan is presented on the following pages. Details concerning each of these items can be found in the various budget volumes.

\$3,021,130,406
(subcategories in millions)



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Major funding adjustments for FY 2006 are tied to Fairfax County's strategic priorities in order to clarify the linkage of the investment of resources to the desired outcomes. The road map used is based on the County Core Purpose supported by its seven associated vision elements (see box to right) as well as the priorities that the Board of Supervisors identified for the next four years at their strategic planning retreat in February 2004 (see below). Strategies and funding to address these priorities have been incorporated in the

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

FY 2006 Adopted Budget Plan and are addressed in greater detail on the following pages. These budget highlights are listed by the County vision element and/or Board of Supervisors' priority that they support. It should be noted that some of these initiatives may support more than one vision element; however, they are shown here based on their predominant focus.

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

BOARD PRIORITY: Strong Investment in Education

For FY 2006, Fairfax County is providing \$1,561.62 billion or approximately 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:

- A transfer of \$1,431,337,820 to the School Operating Fund is included, which represents an increase of \$108,963,633 or 8.24 percent; and
- A transfer of \$130,281,443 is provided for School Debt Service, which is an increase of \$3,753,390 or 2.97 percent over the FY 2005 level. FY 2006 debt service is based on funding of \$130 million for new school construction as well as renewals.

In addition to \$1.56 billion in the County transfers to FCPS for operations and debt service, Fairfax County provides additional support totaling \$52.72 million for the following programs:

- \$27.56 million for the Comprehensive Services Act (CSA), Head Start and School-Age Child Care (SACC) programs within the Department of Family Services;
- \$11.18 million to support School Health including Public School Nurses and Clinic Room Aides;
- \$7.22 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;
- \$4.90 million for athletic field maintenance and other recreation programs;
- \$1.76 million in services provided by the Fairfax-Falls Church Community Services Board; and
- \$0.10 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 of this Overview Volume of the FY 2006 Adopted 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 citizens. The following represent the more significant funding strategies for FY 2006:

- \$3.5 million for 36/36.0 SYE positions and operating expenses for the new Crosspointe Fire Station scheduled to open in May 2006. Positions will be recruited and trained eight months in advance of the planned opening of the new station. This new station will provide additional response capacity to the southern part of the County. Countywide, the number of incidents continues to increase annually as a result of population growth. The aging of the population also contributes to increased calls for service. In recent years, less than 60 percent of fire suppression calls have had a response time of five minutes or less from dispatch to arrival on the scene. This is primarily due to congested roads and increased activity that may require the second or even third due station to respond when the first due unit is already on a call. The addition of this station will improve the percentage of the County that is within a five-minute response time, which is critical to successful fire suppression efforts. It will also enhance the percentage of incidents that meet the target of a six-minute travel response for emergency medical services (EMS) calls.
- \$2.2 million to implement Phase II of the Fire and Rescue Department's (FRD) Emergency Medical Services (EMS) Staffing Plan to provide 23/23.0 SYE positions in order to reach a full complement of these essential Advanced Life Support (ALS) and administrative staff to meet operational needs, as well as reduce the reliance on overtime and accompanying employee burn-out. The FRD is required to maintain a minimum level of staffing 24 hours a day, 365 days a year, including an ALS provider on all engines, two ALS providers on all medic units, and an EMS Captain in each of the six battalions. In recent years, the FRD has had to require mandatory recall on days off or obligate ALS providers to stay past their assigned shift for a period of up to 12 hours in order to meet minimum ALS staffing. This staffing shortage began with the Paramedic Engine Program when a paramedic was placed on all engines countywide to increase the FRD's capability to provide ALS services to citizens. This program was undertaken without additional personnel. The shortage has been exacerbated by the continued increase in the volume of medically-related calls requiring ALS staff.

To address this growing problem, the Board of Supervisors approved a two-phase process as part of the *FY 2004 Carryover Review* which adds 42/42.0 SYE ALS providers and 4/4.0 SYE civilian support positions over a two-year period. The 42 ALS positions will enable the assignment of 14 additional ALS providers to each of the three FRD shifts. An amount of \$2.2 million, including 21/21.0 SYE ALS Technician positions and 2/2.0 SYE administrative support positions, was included as part of the *FY 2004 Carryover Review* to support Phase I of this process. The first phase added seven ALS providers to each shift day. The second phase of this process, including 21/21.0 SYE additional ALS Technician positions and 2/2.0 SYE additional administrative support positions, is being funded as part of the FY 2006 Adopted Budget Plan. This second phase will achieve the goal of adding 14 additional ALS providers per shift day.

- \$1.1 million for 12/12.0 SYE positions as well as operating supplies for the new positions to complete the phase-in of improvements to address needs in the FRD's Emergency Medical Services (EMS) program. In order to address the growing number of responses and the increased complexity of EMS responses, ensure the high quality of the care provided to citizens and maintain the necessary level of training for providers, the FRD developed a two-year plan to overhaul the command and oversight infrastructure of the EMS program. As a part of the *FY 2004 Carryover Review*, the Board of Supervisors approved \$1.3 million for Phase I, including 9/9.0 SYE positions for emergency medical services daily program supervision, compliance, quality assurance, training and continuing education management. In FY 2006, Phase II continues EMS infrastructure development by increasing the number of positions associated with quality assurance and training. Five Lieutenants will be assigned to training and quality assurance. Three

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Management Analysts I will be assigned to assist in quality assurance and research by addressing issues related to monitoring new procedures and equipment, publishing standards, system evaluation, incident reporting system, and evaluation of educational/training program development. In addition, three Nurse Practitioners will focus primarily on training issues related to Continuing Medical Education and Basic Life Support certification/recertification. One Administrative Assistant III will support EMS management and administration. The administrative functions include data management and trend analysis, equipment allocation, maintenance and record keeping, protocol and procedure development, fiscal and grant management, procurement and inquiries/investigations.

- \$1.2 million to provide 8/8.0 SYE additional Police Officers for the Patrol Division to support the County's eight District Police Stations based on increased population which is driving service demands. This will help to reduce response times, enhance community policing, enable officer safety training, and engage citizens in partnerships to prevent crime. Officers assigned to Patrol provide essential law enforcement and public safety services by responding to emergency and non-emergency calls for service, as well as assisting with traffic control, community policing, and other activities in order to protect and serve the residents of Fairfax County. In addition to Personnel Services, funding is included for Operating Expenses and Capital Equipment (police cruisers and related equipment).
- \$0.6 million to add 4/4.0 SYE Police Officers to the Police Department's Gang Investigations Unit, expanding this unit from 8 to 12 detectives in order to keep up with the number of gang-related crimes as well as address community awareness and prevention/intervention measures. Officers assigned to the Gang Unit are responsible for investigating gang-related crimes and gathering intelligence, as well as addressing enforcement and community outreach activities. The unit has had to absorb a significant workload as gang-related crime has become a more prevalent issue in the County. The addition of these positions will help alleviate and better distribute the additional public education, investigative and enforcement responsibilities handled by the eight existing detectives. The expansion will also allow the Gang Unit to develop and address regional and national cases in a thorough and coordinated manner in partnership with the FBI's Washington Field Office and the Northern Virginia Regional Gang Task Force. In addition to Personnel Services, funding is included for Operating Supplies and Capital Equipment (police cruisers and related equipment).
- Several initiatives to enhance the staffing and structure of the Public Safety Communications Center (PSCC) including the following:
 - \$0.9 million for 11/11.0 SYE positions to continue to address significant recruitment and retention issues and staffing shortages through a revised organizational structure that will focus on developing business analyses to measure and monitor performance; enhancing the management structure to provide leadership in the areas of client services and call center operations; and providing human resources support for reengineering the recruitment program, redesigning the new hire and promotion programs to encourage retention. During FY 2005, a PSCC study was conducted, revealing several operational issues within the existing center. Expenditure patterns reflected the continued dependence upon overtime to offset high vacancy and turnover rates. Call volume for both emergency and non-emergency lines – approximately 1.1 million calls annually – continued to stretch the center's capacity to maintain an acceptable level of performance to answer the calls, resulting in longer wait times, and the heavy workload resulted in low morale and high turnover. The review, performed jointly by the County and a consultant, resulted in a number of recommendations to enhance the center and provide the structure necessary for the new Public Safety and Transportation Operations Center (PSTOC) scheduled to open in November 2007.

BOARD PRIORITY:
**Public Safety and
Gang Prevention**

The reorganization of the existing PSCC is a first step in the change plan. In FY 2006, the center will be moved from a division within the Police Department to independent agency status in Fund 120 as Agency 95, Department of Public Safety Communications. This agency will report to the Deputy County Executive, along with the other public safety agencies. A Client Advisory Board of Directors

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will also be established to promote and improve service levels to client agencies served by the Department.

- A transfer of \$0.5 million and 153/153.0 SYE positions from the PSCC within the Police Department to a separate agency is necessary to create the separate Department of Public Safety Communications. It should be noted that the majority of funding supporting the 153/153.0 SYE positions and PSCC operating expenses is already reflected in Fund 120, E-911, as all expenditures allowable by law associated with the PSCC are billed directly to that fund. This \$0.5 million represents non-allowable expenses in the Police Department that will now be reflected in the new Department of Public Safety Communications, shown in Volume 2, Capital Construction and Other Operating Funds. This reorganization is effective July 1, 2005.
 - \$2.3 million in order to convert PSCC staff from the Fairfax County Employees' Retirement System to the Uniformed Retirement System in order to enhance recruitment and retention. In FY 2006, the first-responder positions, primarily Public Safety Communicator positions performing call dispatch and call taking functions, will be moved from the Fairfax County Employees' Retirement System to the Uniformed Retirement System, reflecting consistency within County public safety agencies for front-line, first-responder staff. The Uniformed Retirement System is structured to compensate employees who perform first-responder functions in a high stress environment daily. This change in retirement system is a key part of immediately addressing both the recruitment and retention issues facing the center. All new hires into first-responder positions within the Department of Public Safety Communications will be part of the Uniformed Retirement System, and existing first-responder staff will have the option of converting to that system, although they will be required to contribute to the conversion based on their salary and number of years of service.
- \$1.1 million for 11/11.0 SYE positions associated with opening the second half of a new floor of the Adult Detention Center (ADC) to accommodate a current and anticipated increase in the number of inmates due to a combination of more stringent DUI laws enacted by the state, as well as a continuing trend in general growth. A physical expansion of the ADC was completed in mid-FY 2001 and was partially opened for inmate housing. As part of the *FY 2004 Carryover Review*, the Board of Supervisors approved funding to address opening new jail space based on existing and projected jail population growth. The Carryover funding supported the opening of half of one floor. FY 2006 funding will enable the opening of the remaining half of that floor, providing for another 96 general inmate population cells. This, along with existing space, will provide capacity for 1,339 inmates double-bunked. The FY 2004 average daily inmate population was 1,253 with a peak of 1,313 during the year. Current estimates are that the inmate population will increase by 90 per year. Based on this trend, it may be necessary to continue to staff and fund at the rate of a half floor each year the remaining one and one-half floors of the ADC. Nevertheless, opening the new floors will not totally mitigate the jail overcrowding issue, requiring the Office of the Sheriff to continue to address a rising inmate population through double-bunking and the Electronic Incarceration Program.
- \$15.0 million in FY 2006 to support the new Public Safety and Transportation Operations Center (PSTOC), which will house the state-of-the-art Public Safety Communications Center (PSCC) and the Emergency Operations Center (EOC) required to accommodate a tremendous growth in emergency calls and other workload, as well as significantly enhanced technology. There has been an 80 percent increase in calls handled by the current center since it opened in 1985 and the operations floor at the Pine Ridge facility cannot support additional equipment to expand call-taking or dispatching capability. As part of the Fall 2002 Public Safety Bond Referendum, voters approved \$29 million for the PSTOC. This facility, planned for the Camp 30 site on West Ox Road, will ensure adequate space, technology, security and communications capability to manage the increased volume of 911 emergency calls. The total cost of the PSTOC including construction, equipment, information technology, furnishings, etc. is projected to be \$102.5 million. Funding for this facility has been identified over several quarterly reviews as one-time balances became available. A total of \$57.5 million has been appropriated to date. The FY 2006 allocation, along with funding of \$30 million approved as part of the *FY 2005 Third Quarter Review*, will completely fund this project. The facility is scheduled to open in November 2007.

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- \$10.5 million including fringe benefits for a 3.07 percent Market Rate Adjustment for Public Safety personnel including Police, Sheriff, and Fire and Rescue Department employees. In FY 2002, the County adopted a Market Index to maintain pay competitiveness in the future and avoid the need for large adjustments to catch up with the market. The Market Index consists of the following components: the Consumer Price Index (CPI) for the Washington-Baltimore area, which represents 70 percent of the index; the Employment Cost Index, which measures the rate of change in employee compensation (private sector, state and local government employees) and accounts for 20 percent of the index; and the Federal Wage Adjustment for the Washington-Baltimore area, which accounts for 10 percent of the index. It should be noted that while the index is applied to public safety uniformed staff salaries, as of FY 2001, non-public safety employee raises are based solely on their performance ratings. However, to ensure that pay scales remain competitive with the market, non-public safety pay scales are adjusted in accordance with the annual market index. Non-public safety employees do not receive this adjustment as they did in the past through a cost-of-living adjustment; however, by having their pay scales adjusted, their long-term earning potential remains competitive with the market.
- \$11.2 million including fringe benefits to provide a 4.0 percent across-the-board salary adjustment for uniformed Police and Fire and Rescue personnel. A review of public safety compensation was performed to ensure salaries remain competitive with neighboring jurisdictions in order to attract and retain highly qualified staff. In 1996, the Board of Supervisors approved a compensation policy to align pay at the market average (using the midpoint pay rate) of Metropolitan Washington area comparators. This year's survey data showed the pay rate for a number of Police and Fire and Rescue job classes to be below market. However, prior to recommending changes to the pay grades of specific job classes, staff reviewed the impact of any proposed changes in terms of internal alignment or possible pay compression between ranks. As a result, the entire O and F pay scales (uniformed Police and Fire and Rescue personnel) will be adjusted by 4 percent in FY 2006. Also, despite the past practice of maintaining parity between Police and Sheriff personnel, survey data over the last several years have clearly shown that Sheriff salaries (C pay scale) are extremely competitive in the market and therefore do not require a salary adjustment beyond the market rate adjustment. Fairfax County has demonstrated a high degree of efficiency and effectiveness in both the Police and Fire and Rescue workforces compared to jurisdictions of similar size (for details on comparative performance, refer to the Public Safety Program Area Summary in Volume 1 of the FY 2006 Adopted Budget Plan).
- \$2.5 million 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 2006.
- \$2.4 million to adjust shift differential and holiday pay, particularly for those who provide essential services 24 hours a day, seven days a week. This includes Police, Fire, Sheriff, E-911, Elderly Housing, and Fairfax-Falls Church Community Service Board personnel among others and brings these rates and practices more in line with neighboring jurisdictions. The shift differential rates would increase from \$0.65 to \$0.85 per hour for the evening shift, and from \$0.90 to \$1.10 per hour for the midnight shift. The adjustment to holiday pay changes County policy from a standard payment for eight hours of holiday pay regardless of the shift worked to granting hour for hour holiday pay/compensatory time to all employees who are required to work a schedule of more than eight hours per day and who are required to work on the County-observed holiday. In the case of Fire and Rescue employees on a 24-hour shift, the number of holiday pay hours would increase to 16, which is the typical way other jurisdictions have addressed the holiday pay issue for 24-hour shifts.

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- \$1.1 million and 1/1.0 SYE Health and Safety Coordinator to support the Automated External Defibrillator (AED) program for County and School facilities. Funding will provide for equipment acquisition, installation and first-year inspection, maintenance and training for all schools and schools facilities used by the public, as well as prioritized County facilities. This funding represents 50 percent of the total required in anticipation of Fairfax County Public Schools (FCPS) funding for their share of the project. The Health and Safety Coordinator position will provide contract oversight and ensure the County's due diligence in managing the AED program. Other duties include the development of educational programs in the County and community; and development of protocols, policies and communication strategies for the AED program, as well as other workplace injury prevention programs.
- \$1.0 million to fund an additional hour of guaranteed overtime from two to three hours for police officers required to appear in court to testify in felony and misdemeanor trials on behalf of the County. Given traffic conditions, officers have seen increased time to travel to mandatory court attendance, particularly during rush hour. Currently, police officers are entitled to claim two hours of overtime for court attendance. This additional hour recognizes the increasing time and cost of commuting, as well as need for childcare arrangements when police officers are required to fulfill this essential job duty.
- \$0.7 million and 4/3.0 SYE positions for expansion of Club 78 into three additional FCPS middle schools. Club 78 is an after-school enrichment program designed to provide middle school youth with diverse educational, social and recreational opportunities in a safe, supervised environment. Program components include activities such as a homework lab, drama, recreation, sports, and life skills training aimed at avoiding gang involvement and substance abuse. The expansion of the program into three additional schools will provide an additional 180 participant slots. Of the total expenditures of \$665,046, an estimated \$498,785 will be recovered from fee revenues, resulting in a net cost of \$166,261 to the County.
- \$0.5 million for the Juvenile and Domestic Relations District Court including an increase of \$250,000 to support the Enterprise Alternative School, \$194,008 and 4/3.0 SYE positions for the Intensive Supervision Program (ISP) and \$71,195 in contract services based on a projected loss of federal dollars for the ISP and Juvenile Sex Offender program. The Enterprise School (TES) is a partnership between the nonprofit TES, FCPS and the Juvenile Court. TES serves approximately 40 youths who have been unable or unwilling to comply with the requirements of public school. Most have demonstrated a pattern of challenging authority, delinquent behavior and academic shortcoming, in addition to mental health and substance abuse issues. TES enables the Court and Schools to refer youths to this intensive therapeutic educational setting within the community. Through FY 2003, TES was funded with County General Fund dollars. As part of the FY 2004 budget, General Fund support was eliminated and TES was funded with Title IV-E funds that are now not guaranteed, making this funding necessary to ensure that these students who cannot be mainstreamed back in public school are served. The ISP provides enhanced probation/parole services for youth who are considered serious offenders and are at high risk of re-offending. Approximately 70 percent of the youths assigned to the ISP are identified as "gang involved."
- \$0.4 million for a pilot program to provide services to medically fragile homeless persons. Since the program will not be operational until September 2005, funding is for nine months in FY 2006. This pilot program will fill an unmet need by providing a central intake and assessment team; shelter-based medical respite services at two shelters (one singles shelter and one family shelter); and a medical facility-based program by contracting for beds at an assisted living facility and/or nursing home.
- \$0.3 million for the General District Court including an increase of \$261,849 to provide a 25 percent supplement to the state salaries of magistrates, as well as \$55,780 and 1/1.0 SYE Probation Counselor II associated with substantial workload-related issues. This position will address an increased workload including providing investigative information on incarcerated defendants to judges and magistrates to assist them with release decisions; providing pretrial community supervision to defendants awaiting trial; and supervising probation for convicted misdemeanants and convicted non-violent felons. In FY 2004, the Court's probation counselors each had an average daily caseload of 46 pretrial cases as well as 56 probation cases, which exceeds the state's standards of 25 pretrial cases and 50 probation cases.

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- \$0.2 million and 4/3.27 SYE positions associated with the opening of the new South County Secondary School in September 2005. Funding will support the addition of 2/2.0 SYE Public Health Nurses and 2/1.27 SYE Clinic Room Aide positions. Public Health Nurses are responsible for developing and implementing health plans for students with identified health conditions, while Clinic Room Aides administer medication, provide care for sick and injured students, and conduct vision and hearing screenings. These additional positions will provide coverage to the new school, as well as act in a roving capacity at 188 Fairfax County Public School sites.
- \$0.2 million and 2/2.0 SYE Public Health Nurses (PHN) for the Health Department's School Health program. Due to the growing number of students with health plans required to be in place, as well as the increased complexity and scope of procedures performed in the school setting, additional Public Health Nurses are included to improve the ratio of nurses to students and the rate at which health plans are implemented. These additional positions will act in a roving capacity at 188 Fairfax County Public School sites. There are currently 53 Public Health Nurses that serve the entire school district and are responsible for developing and implementing health plans for students with identified health conditions, as well as addressing other student health issues. On average, there is one PHN for every 3,137 students. In 1993, the Board of Supervisors established a School Health Task Force to evaluate the school health program. At that time, the Task Force recommended a ratio of one PHN for every 2,000 students. The Health Department also has an objective of putting student health plans in place within five days of notification that such a plan is necessary. However, given staffing availability, only 36 percent of students have had their plans in place within five days. These positions will help improve that percentage and together with the 2/2.0 SYE positions associated with the new South County Secondary School, will result in a PHN to student ratio of 1:2,930. The agency will continue to annually review the PHN to student ratio and monitor the number and percentage of students that have their health plans in place within five days of notification.
- \$0.2 million and 9/9.0 SYE positions associated with the start-up of the Little River Glen Adult Day Health Care Center. Little River Glen is expected to open in early FY 2007 and will have the capacity to serve 35 clients per day to promote the health and independence of frail elderly and adults with disabilities as an alternative to more costly nursing home placement and to provide a respite for family caregivers. Funding will support three months of salary costs for the Center Nurse Coordinator and an Administrative Assistant IV, who will coordinate the hiring of additional staff and purchase all the necessary supplies and equipment prior to the center's opening. Funding will also support 1/1.0 SYE Public Health Nurse II, 1/1.0 SYE Recreation Specialist III, 1/1.0 SYE Senior Center Assistant, and 4/4.0 SYE Home Health Aides.
- \$0.1 million for 1/1.0 SYE position in the Fairfax-Falls Church Community Services Board to address the increased case management workload associated with June 2005 special education graduates and the administrative oversight of the expected additional Medicaid Waiver slots to be awarded to the CSB in Spring 2005. Based on the anticipated Medicaid revenue from the state, it is projected that the 57 special education graduates entering the CSB system in June 2005 can be accommodated without supplemental funding from the County. This will allow additional time to design and begin implementing a new service delivery model that incorporates consumer-directed care. As part of the FY 2006 Budget Guidelines approved by the Board of Supervisors on April 19, 2004, the Board directed County staff, with input from the Human Services Council, the Community Services Board and advocacy groups to develop a program for serving special education graduates that encourages greater family participation in order to reduce the County's costs for these services.

County staff and stakeholder groups, with the assistance of a consultant, have identified a two-pronged approach to meet this directive. First, after reviewing national trends and practices for service cost containment strategies, and meeting with stakeholder groups comprised of family members, service providers and advocates to ensure community support for implementation of a pilot program, the work group is exploring a consumer-directed model for providing services. Second, staff will continue to implement recommendations from the two previous studies on MR special education graduates, completed in 2002 and 2004, to achieve program efficiencies and to maximize non-County revenue. In FY 2005, the CSB received a total of 94 new Medicaid Waiver slots from the Virginia General Assembly

Budget Highlights

that offset the need for additional County funding for the June 2004 graduates. The CSB also anticipates another allocation of Medicaid Waiver slots effective FY 2006 that will offset the projected costs for the June 2005 special education graduates.

BUILDING LIVABLE SPACES

The FY 2006 Adopted Budget Plan provides the opportunity to address a number of unmet needs that have been on hold pending the availability of funding. Several of these will help protect the County's significant infrastructure investment, while others will enhance affordable housing and revitalization. The following addresses major initiatives that support the County vision element of **Building Livable Spaces** and the Board's priority of **Affordable Housing**.

In FY 2006, an amount of \$74,610,900 has been included for the Capital Paydown Program. This funding level is supported by the General Fund in the amount of \$64,888,212 and state revenue in the amount of \$9,722,688. In recent years, the paydown construction program has been considerably constrained due to budget limitations. The FY 2006 paydown commitment represents a substantial increase largely due to several major projects that will be funded with General Fund dollars. Between FY 1986 and FY 1990, the County paydown construction program averaged approximately \$46.0 million or 4.6 percent of the General Fund disbursements. The FY 2006 Adopted Budget Plan paydown program of \$74.6 million represents 2.5 percent of General Fund disbursements. The FY 2006 funding level also reflects an increase of \$55.3 million over the FY 2005 Adopted Budget Plan. This increase can be primarily attributed to \$15 million for the Public Safety and Transportation Operations Center (PSTOC) and \$17.9 million each, approximately the value of one penny of the real estate tax, which will be used for capital improvements to the County's stormwater system, as well as initiatives to preserve affordable housing. Major expenditures associated with this program include the following:

- \$17.9 million is included to provide funding for the Housing Assistance Program for Affordable/Workforce Housing. A report from the Affordable/Workforce Housing Preservation Action Committee called for the dedication of one penny on the real estate tax rate to help keep 1,000 units of housing at affordable rental rates. The supply of affordable housing in Fairfax County is rapidly decreasing based on market forces. Since 1997, the County has lost 1,300 affordable units that have been converted into luxury condominiums or market-rate apartments. An infusion of public funding is necessary to stem the loss of affordable housing units in the County.

BOARD PRIORITY:
Affordable Housing

- \$7.2 million is included in Fund 317, Capital Renewal Construction, in FY 2006 to provide much-needed investment in building renewal to protect the County's investment in order 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. Capital renewal is the planned replacement of building subsystems such as roofs, electrical systems, HVAC, plumbing systems, carpet replacement, parking lot resurfacing, fire alarm replacement and emergency generator replacement for systems that have reached the end of their useful life. Without significant reinvestment in building subsystems, older facilities can fall into a state of ever-decreasing condition and functionality, and the maintenance and repair costs necessary to operate the facilities will increase. Fairfax County presently has a facility inventory of 155 buildings (excluding schools, parks, housing and human services residential facilities), with over 7.3 million square feet of space. Historically, only the most critical renewal requirements have been funded; however, with such a large inventory and the acquisition of additional facilities, it is essential 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. Of this funding, \$2.2 million is supported by the General Fund. An additional \$5.0 million is associated with General Obligation Bond funding specifically for library, juvenile and human services facilities capital renewal, approved as part of the November 2004 bond referenda.

Budget Highlights

- \$5.1 million is included to continue to address property management and development, as well as continued asbestos mitigation efforts at the Laurel Hill property. This amount fully funds all anticipated requirements for both asbestos removal and site stabilization efforts. Laurel Hill, formerly known as the Lorton Correctional Facility, was transferred to the County by the federal government in early 2002. The property includes approximately 2,340 acres of land and 1.48 million square feet of building space. In FY 2005, the County Executive approved the redirection of 1/1.0 SYE position to the Department of Planning and Zoning in order to address significant workload-related issues associated with Laurel Hill. This position, a Project Coordinator, will coordinate the activities of a multi-agency team in the development and adaptive reuse of the Laurel Hill properties. This position will focus on three main objectives: adaptive reuse of historic buildings and structures located within the site's eligible historic district; coordination of the design, funding and construction of public infrastructure; and development of a financing and/or partnership strategy that leverages resources and minimizes public costs.
- \$1.0 million is provided for enhanced maintenance of high school athletic fields due to the appropriation of \$907,869 in revenue from the Athletic Field Application fee, which is supplemented by a General Fund transfer of \$160,000 from the Department of Community and Recreation Services (CRS) operating budget. This funding is also supplemented by the reallocation of \$340,000 in other field maintenance funding, resulting in consolidated funding of \$1,407,869 to provide an enhanced level of maintenance including a consistent mowing schedule for high school diamond fields, as well as diamond infill preparation twice per week for all elementary, middle and high school fields. It will also enable the establishment of post-season field treatment standards and a maintenance schedule for recently completed irrigation and lighting projects on FCPS fields.
- \$0.3 million in the Department of Housing and Community Development for Fund 966, Section 8 Annual Contributions Housing Choice Vouchers (HCV) to fund a projected FY 2006 revenue shortfall due to revisions in the U.S. Department of Housing and Urban Development (HUD) calculations for Housing Assistance Payments and corresponding reductions in fees earned for administering the program. Without this General Fund support, the County would be unable to administer the program at its current staffing level, thereby impacting the support provided to citizens receiving vouchers, and potentially delaying placements, responses to inquiries and in making payments to landlords.
- \$2.0 million is provided for the renovation and expansion of the Mott Community Center. The acceleration of the Mott Community Center expansion is based on several significant events and changes, including increased programming needs, changing demographics of the community served by the center, designation of the center for a new computer clubhouse, and the anticipated development of the Popes Head Park site. The center is currently comprised of a half-court gymnasium and one large multipurpose room that can be divided into three small program rooms. Programming space at the center can no longer accommodate the needs of the community. In order to address these spatial constraints, the proposed renovations include the expansion of the gymnasium to full court and construction of additional classroom space. In addition, the center has been designated the regional teen services hub for the West County region. As a result, over 300 additional youths are now served at Mott. Additional space is necessary to adequately serve these teens, as well as provide for a continued increase in participation expected from an expanded variety of teen programming. This expansion will accommodate the regional teen center, the new computer clubhouse, and the anticipated continued increase in center usage.
- \$0.2 million in increased County funding for maintenance contracts is included to support the Commercial Revitalization Program. In the past several decades, the County has provided a significant investment in revitalization and neighborhood improvements to help stabilize and enhance the condition and appearance of its older communities. These programs have focused on the preservation and improvement of older, yet stable communities that are currently vulnerable to deterioration. Many of these revitalization improvements now require annual maintenance including landscaping, mowing, trash pickup, and maintenance of bicycle racks, area signs and street furniture. Maintenance is provided in four major revitalization areas of the County, including Annandale, Route 1, Springfield and Baileys Crossroads to improve the appearance and ensure the vitality of these aging business districts.

Budget Highlights

- \$0.2 million is included for the Fairfax County Park Authority (FCPA) to implement the Community Connections program. Urbanization has resulted in increased demand for public services and the need for community involvement throughout Fairfax County. In many areas, the once rural nature of parks has been transformed to that of urban parks with greatly increased demands and uses. Coupled with cultural diversity issues that present new demands for recreational services and facilities, the FCPA is facing unprecedented community expectations. This program will provide onsite staffing at traditionally non-staffed park facilities and will increase the presence of park staff at community events and large gatherings.
- Net funding of \$20,000 for the Office of Capital Facilities is associated with an increase of \$0.1 million in Personnel Services, partially offset by Recovered Costs to provide for 2/2.0 SYE additional Engineer II positions required to assist with construction administration at the West Ox Road Complex for the PSTOC and other facilities, as well as other construction projects included in the Fall 2004 Bond Referenda approved by voters on November 2, 2004. Sufficient staffing is required to ensure proper contract administration and the timely completion of these projects.

PRACTICING ENVIRONMENTAL STEWARDSHIP

The quality of life in Fairfax County is maintained and enhanced when we invest in the Board of Supervisors' priority of **Environmental Protection**, as well as ensure that we are addressing the County vision element of **Practicing Environmental Stewardship**. While there are many activities going on throughout the County to support Environmental Stewardship, the following are a few of the major funding commitments for FY 2006:

- \$17.9 million in General Fund monies has been included for prioritized stormwater capital improvements in 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. There is an unfunded backlog of projects totaling several hundred million dollars to be addressed. This dedicated funding, the equivalent of one penny on the real estate rate, will enable the County to begin addressing this backlog. This is a more efficient manner of funding these critical projects than establishing a stormwater utility which takes time to implement and would have significant administrative requirements to operate. A total of 3/3.0 SYE Engineer positions will be provided to assist in addressing requirements associated with maintenance and rehabilitation of the County's stormwater infrastructure and compliance with various water requirements. Their salaries will be recovered from the \$17.9 million in stormwater projects. The dedication of the equivalent of one penny on the real estate tax rate is in addition to \$1.74 million in ongoing funding allocated to emergency watershed improvements, Kingstowne environmental monitoring, dam repairs, and requirements associated with the Municipal Separate Storm Sewer System (MS4) permit.
- An increase of \$0.1 million for the Northern Virginia Soil and Water Conservation District (NVSWCD) is included to support the soil mapping contract in FY 2006. 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. In FY 2001, Fairfax County entered into a partnership with the NVSWCD to support the cost of soil mapping the southeastern portion of the County. Under the agreement, the U.S. Department of Agriculture's Natural Resource Conservation Service provides a survey team which is managed by the NVSWCD. Fairfax County's portion of the annual cost of the Soil Survey Project is \$195,000 annually; however, due to carryover of funding from previous years, the amount over the baseline funding required for FY 2006 is \$100,375. It is anticipated that this project will be completed in FY 2007.

BOARD PRIORITY:
**Environmental
Protection**

Budget Highlights

CONNECTING PEOPLE AND PLACES

A county the size of Fairfax, with over one million residents, has the potential to be perceived as large, impersonal and distant by its citizens. The shifting demographics of the County, e.g., the growth in the number and percentage of those ages 65 and older, also presents a challenge for **Connecting People and Places** in order to connect residents with the services they need as well as enable them to feel as if they are part of the greater community. In addition, the County's tremendous success in attracting businesses, jobs and residents can also overwhelm the capacity of the transportation infrastructure to support them. Consequently, one of the Board's priorities is **Transportation Improvements**. In support of the Board's priority and the County vision element, the following initiatives are included in the FY 2006 Adopted Budget Plan.

➤ The total Fairfax County requirement (subsidy) for the Washington Metropolitan Area Transit Authority (WMATA) operating expenses totals \$59.3 million, an increase of 9.5 percent over the *FY 2005 Revised Budget Plan* and supports Metro rail, Metro bus and Metro Access (para-transit) service. This large increase in jurisdictional subsidy is based on the WMATA General Manager's proposed budget and the undesirability of additional fare hikes after two straight years of increases. Based on the Northern Virginia Transportation Commission (NVTC) formula, the County receives State Aid and Gas Tax Receipts to support operating requirements. In FY 2006, a total of \$26.5 million in State Aid and \$12.8 million in Gas Tax Receipts will be used for WMATA. In addition, \$19.6 million is supported by a General Fund Transfer, \$0.3 million will be funded from interest on funds at NVTC, and \$0.1 million will be transferred from Fund 301, Contributed Roadway Improvement Fund, to support shuttle service in the Franconia/Springfield area. It should be noted that the \$19.6 million General Fund total reflects an increase of \$3.1 million or 18.8 percent over the FY 2005 total of \$16.5 million. The General Fund is bearing a disproportionately large portion of Fairfax County's overall subsidy increase due primarily to the fact that very little additional State Aid is projected to be available in FY 2006 above the FY 2005 level.

In addition, the County's share for capital requirements totals \$37.5 million, of which \$28.0 million is supported by Fairfax County General Obligation Bonds. The remainder is funded through Virginia Transportation Act 2000 funds, State Aid and Gas Tax receipts. Capital expenditures are focused on the recently approved Metro Matters Program, including acquiring facilities, equipment, rail cars and buses. This includes \$15.8 million for the Infrastructure Renewal Program (IRP), which includes the rehabilitation of the railcar fleet, upgrades to Metrorail system components such as fare gates and farecard machines, improvements to Metrobus and Metrorail facilities, and capital equipment. It is anticipated that this amount will continue to increase in future years. The System Access Program (SAP) requires \$18.1 million, primarily to fund Fairfax County's share of the purchase cost of new railcars and buses. An amount of \$0.4 million is to support preliminary engineering requirements associated with the System Expansion Program (SEP) and \$3.2 million funds Adopted Regional System (ARS) debt service requirements.

➤ An increase of \$3.0 million or 13.1 percent in General Fund support for County Transit Systems will enable mass transit service enhancements as well as the continuing transition of the FAIRFAX CONNECTOR fleet to ultra-low sulfur diesel (ULSD) fuel. The total FY 2006 General Fund Transfer for Fund 100, County Transit Systems, is \$24.1 million. Included in this total is \$1.4 million in funding for additional service hours in the Huntington Division to address unanticipated ridership increases and to annualize service enhancements started in late September 2004 as part of the larger public transportation initiative in South County to provide citizens with more peak and mid-day service as well as new travel options to recent development in the area. In addition, \$0.6 million is included for increased service in the Reston-Herndon Division pending receipt of additional state Dulles Corridor Rapid Transit funds to focus on service between the Reston South Park and Ride and West Falls Church Metro, express service between the Herndon-Monroe Park and Ride and West Falls Church Metro, and for additional service to Metro stations starting at 5:00 a.m. when WMATA starts train service. This total also funds \$0.7 million for a 2.58 percent personnel-based contractual adjustment for FAIRFAX CONNECTOR contractors based on the Washington/Baltimore area inflation rates as required by the

BOARD PRIORITY:
**Transportation
Improvements**

Budget Highlights

contract and measured by the Consumer Price Index (CPI) and provides \$0.9 million in funding for increased Department of Vehicle Services charges due primarily to increased fuel prices as well as costs associated with FAIRFAX CONNECTOR's continuing transition to ultra-low sulfur diesel fuel. These increases are partially offset by \$0.6 million in savings achieved through targeted expenditure cuts in non-service-related items, as well as increased farebox revenue estimates based on projected ridership.

- \$3.1 million in Local Cash Match is anticipated to be required for various transportation-related projects primarily funded through the Congestion Mitigation Air Quality program, Regional Surface Transportation Program, Job Access/Reverse Commute program, and federal appropriations. This total reflects an increase of \$1.7 million over the FY 2005 Adopted Budget Plan total of \$1.4 million, but will allow the Department of Transportation (DOT) to leverage over \$11.5 million in federal funds for projects in the Route 236 Corridor and the Richmond Highway Corridor, as well as expansions and improvements at the Reston East and Springfield Park and Ride facilities, and Virginia Railway Express (VRE) station parking lots. This funding is consistent with information previously provided to the Board when applications were made or when federal funding opportunities have been identified. As in the past, the DOT will formally notify the Board of Supervisors when formal awards are made and obtain the Board's concurrence prior to spending these funds.
- \$0.4 million is included for enhanced maintenance of bus shelters located in the County. More specifically, an increase of \$0.2 million supports an increased level of maintenance for County-owned bus shelters, including the new shelters for the Richmond Highway Public Transportation system, and an additional \$0.2 million provides for a basic level of maintenance at shelters owned by WMATA and VDOT, as well as those whose ownership is undetermined at this time. In particular, trash removal will be increased to three times a week from once a week for all County-owned bus shelters. Weekly trash removal will be provided for all other bus shelters. Having cleaner bus shelters will help attract and retain riders, as well as promote a positive environment for residences and businesses located near the shelters.
- \$0.4 million and 5/5.0 SYE positions in the Department of Transportation (DOT) are provided to address considerable workload-related issues. The last position increase as part of an annual budget process was six positions approved as part of the FY 2001 Adopted Budget Plan. Among other responsibilities, these positions will address expanded workload in traffic calming, pedestrian safety, Residential Traffic Administration Programs, traffic operations activities and the bus stop safety study. In addition, these staff will enable DOT to complete work associated with Metrobus Service and Operations Planning, work on issues arising from the Tyson's Area Transportation and Land Use Study, and work on the Laurel Hill Plan Update. Additional oversight will be provided on contract-related issues including safety, security, risk management and customer service including regular verification of contractual performance requirements. Additional capacity will be available to respond to daily operational issues impacting service delivery and to coordinate dissemination of transit-specific information to the public. These positions will also assist in developing, maintaining and updating contingency and emergency plans, and will coordinate with other planning and incident management personnel at VDOT as well as regional, county, contractor and other contacts.
- \$0.1 million and 1/1.0 SYE Planner III, as well as limited term funding, for the Department of Planning and Zoning (DPZ) will be dedicated to the Dulles Rail initiative, the extension of the Metrorail system, which will pass through the Tysons Corner area to Dulles Airport and into Loudoun County. This Planner III will serve as DPZ's liaison with various County and state agencies in addition to providing guidance and assistance on the project's implementation with the Virginia Department of Rail and Public Transportation (VDRPT). Other workload includes Special Exception and Proffered Condition Amendments for the rail station areas and surrounding areas, as well as responsibility for the anticipated increase in rezoning applications in areas of proximity to rail stations as property owners seek to increase density, and any associated increase in related 2232 applications.
- 5/5.0 SYE mechanic positions in the Department of Vehicle Services (DVS) are included in order to address workload issues associated with the increase in the number of school buses in the fleet to ensure that students are transported safely and efficiently each day. In the period from June 1999 to June 2004,

Budget Highlights

the number of school buses maintained by DVS increased by 19.5 percent from 1,295 to 1,547. In order to accommodate this increased workload, DVS has increasingly relied on overtime and additional commercial repair contracts with outside vendors. With the addition of the 5/5.0 SYE positions, the department will be able to provide improved service to address FCPS' growing fleet. The costs associated with these positions will be recovered as a result of savings in overtime and contracted services.

- \$0.4 million will support 3/3.0 SYE social worker grant positions that will provide comprehensive case management services to consumers in the Home Delivered Meals program, in addition to the provision of ethnic meals at one site serving 45 clients.
- \$13.6 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 citizens 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. In recent years, the County has scaled back its strategic project efforts to a modest level of investment due to countywide fiscal constraints; however, the FY 2006 funding level of \$13.6 million more adequately supports the County's goals of providing an appropriate infrastructure of basic technology for agencies to use in making quality operational improvements, and to generate administrative efficiencies and redesign business processes to achieve large-scale improvements in service quality. 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. Although many initiatives meet more than one of the technology priorities, for narrative purposes below, projects have been grouped into only one priority area. In addition, they may also address other vision elements; however, have been included under **Connecting People and Places** because that is a key focus for many of them.

Priority	FY 2006 Adopted Funding
Mandated Requirements	\$0.5 million
Completion of Prior Investments	\$2.4 million
Enhanced County Security	\$1.4 million
Improved Service and Efficiency	\$4.7 million
Maintaining a Current and Supportable Technology Infrastructure	<u>\$4.6 million</u>
TOTAL	\$13.6 million

CREATING A CULTURE OF ENGAGEMENT

As noted previously, the sheer size of Fairfax County can sometimes inhibit citizen interaction. In addition, the multitude and diversity of challenges faced in all aspects of County government make it necessary to partner with the community in order to achieve mutually beneficial outcomes. The FY 2006 Budget contains the following funding adjustments in order to address the vision element of **Creating a Culture of Engagement**:

- \$0.7 million to provide a 10.2 percent increase in the General Fund Transfer to Fund 118, Consolidated Community Funding Pool, in order to leverage nonprofit funding and tie it to performance on achieving community challenges. The total General Fund support for Fund 118 for FY 2006 is \$7.5 million. The Consolidated Community Funding Pool is funded from federal Community Development Block Grant (CDBG) funds for Targeted Public Services and Affordable Housing; Federal Community Services Block

Budget Highlights

Grant funds; as well as local Fairfax County General Funds. FY 2006 is the second year of the two-year funding cycle and while this 10.2 percent increase fully funds the General Fund contribution, the status of CDBG funding is unclear given recent recommendations in the President's budget which effectively proposes elimination of the CDBG program. The impact of subsequent proposals to replace CDBG, as well as the result of Congressional deliberations on the President's budget, are as yet unknown. It is anticipated in the FY 2006 budget that CDBG funding would be approximately \$2.2 million.

- ▶ \$0.3 million and 5/5.0 SYE positions for the Department of Community and Recreation Services including funding for three months of salary costs for 1/1.0 SYE Recreation Specialist IV, 1/1.0 SYE Recreation Specialist III, 1/1.0 SYE Recreation Specialist II, and 2/2.0 SYE Recreation Specialists I, as well as one-time start-up costs to prepare the Southgate Community Center for opening in early FY 2007. The Southgate Community Center will be the center for regional services in the North County region, including areas in the Hunter Mill, Dranesville and Sully districts and is estimated to serve 19,000 attendees per year. The size of the new Southgate Community Center will increase from 3,600 square feet to over 7,700 square feet and will provide a teaching kitchen for nutrition programs and cooking classes, a daycare facility, and a $\frac{3}{4}$ gym for fitness and sports programs. Its programs will range from after-school and summer programs targeted toward at-risk youth, as well as programs designed for adults and seniors.

MAINTAINING HEALTHY ECONOMIES

The County benefits from a highly successful local economy; however, the long-term sustainability of Fairfax County depends on its success in achieving the vision element, *Maintaining Healthy Economies*. The following initiatives are intended to continue that success:

- ▶ \$2.7 million and 39/31.59 SYE positions are associated with the opening of 13 additional School-Age Child Care (SACC) classrooms at Canterbury Woods, Colin Powell, Colvin Run, Floris, Forest Edge, Greenbriar East, Groveton, Island Creek, Laurel Ridge, Lorton Station, Navy, Stratford and Sunrise Valley elementary schools in order to provide safe, quality child care for working parents.
- ▶ \$1.2 million and 14/14.0 SYE additional positions in Land Development Services of the Department of Public Works and Environmental Services due to requirements in Site Development and Building Code Services associated with the increased level of development within the County. These staff will address longer plan review times, increased inspection requirements associated with more stringent environmental standards and increased workload due to greater volume and complexity of development such as an increase in revitalization and single lot (infill) projects. In addition, it should also be noted that Land Development Services fees are also proposed to increase in order to recover approximately 90 percent of program costs. These fees have not been increased since FY 1996, resulting in a current cost recovery rate of approximately 75 percent, below the Board's 90 percent target. These fee increases will generate an additional \$4.2 million in additional General Fund Revenue and will also offset the cost of the 14 positions necessary to address the growing and increasingly more complex workload associated with development.
- ▶ \$0.1 million and 1/1.0 SYE Planner II in the Department of Planning and Zoning (DPZ) will be dedicated to reviewing special permits for the Board of Zoning Appeals. Due to a recent amendment to the Zoning Ordinance, most variance applications will now be considered special permit uses. Unlike variances that require only a factual staff report, special permits require a full site inspection and report, notification of adjacent homeowners and more detailed analysis based on Zoning Ordinance Standards. It is anticipated that the number of applications for special permits will increase from approximately 200 to 300 per year. This position will help offset the increased workload due to the significant increase in the amount of staff time needed to process special permits including research, site visits, analysis and applicant support.

Budget Highlights

EXERCISING CORPORATE STEWARDSHIP

In order to continue to earn the trust and enjoy the support of citizens, it is critical that County government be accountable for demonstrating proper stewardship of public resources. For FY 2006, there are a number of initiatives to support the Board priority of **Revenue Diversification to Reduce the Burden on Homeowners**, as well as ensure comprehensive support for the vision element, *Exercising Corporate Stewardship*. These include:

- Increase Land Development Services fees in order to recover approximately 90 percent of program costs. County building fees have not been adjusted since FY 1991 and site review and inspection fees have not changed since FY 1996, resulting in a current cost recovery rate of approximately 75 percent, below the Board's 90 percent target. These fee increases will generate an additional \$4.2 million in additional General Fund Revenue and will also offset the cost of the 14 positions necessary to address the growing and increasingly more complex workload associated with development.

In recent years, LDS' costs to process plans and permits, and perform inspections have increased, particularly in the site inspection area. These increased costs are due to more complex development associated with increases in infill and redevelopment projects, as well as state and federal mandates such as the Chesapeake Bay Ordinance and Erosion and Sediment Control requirements. The proposal is to increase the fees for site plan review (except Fire Marshal fees) by 38 percent, increase site inspection fees by 82 percent, and increase various building code fees as detailed in the staff report provided to the Board of Supervisors on January 24, 2005. In consideration of the large increase in site inspection fees and based upon input from industry, the site inspection increase will be phased in over two years. All other fees would be fully adopted and effective on July 1, 2005.

BOARD PRIORITY:
**Revenue
Diversification to
Reduce the Burden
on Homeowners**

- Increase fees for all zoning applications and appeals and zoning compliance letters by up to 55 percent, which would be more comparable to the fees charged by similar local jurisdictions and would generate approximately \$0.7 million in additional revenue each year. Current zoning fees cover only about a third of the costs incurred by DPZ staff involved in the processing of zoning applications (rezonings, special exceptions, special permits, variances and amendments), appeals, and zoning compliance letters. A fee increase will enable DPZ to recover approximately 50 percent of costs related to processing zoning applications.
- Increase the E-911 fee to the State maximum charge of \$3.00 per line per month from the current \$2.50 rate. This change would be effective September 1, 2005 based on notification requirements, and in combination with the trend of declining number of eligible phone lines, would result in FY 2006 revenue of \$19.9 million, an increase of \$3.0 million over the FY 2005 level. Despite the revenue increase, the General Fund Transfer to support the Public Safety Communications Center will also increase from \$9.8 million in FY 2005 to \$13.7 million in FY 2006 based on program requirements. The increase in costs is being driven by salary adjustments, an increase in the number of positions required to perform necessary program functions, as well as increased contractual, telecommunications and repair costs. To fully recover all allowable expenses without General Fund support would require an E-911 monthly charge per line of \$4.99.
- Provide \$9.8 million including \$8.0 million for the General Fund and \$1.8 million for General Fund-supported agencies in order to continue the Pay for Performance program for over 8,000 non-public safety employees. The program retains the 0-6 percent range for employee raises and uses the more rigorous point requirements developed for FY 2005. As noted previously, the non-public safety pay scales are increased in accordance with the annual market index in order to keep County pay scales from falling below the marketplace, and requiring large-scale catch-up. However, it is important to note that employees do not receive this adjustment as they did in the past through a cost-of-living increase. Pay increases can only be earned through performance. By adjusting the pay scales, however, employees' long-term earning potential remains competitive with the marketplace.

Budget Highlights

► Funding for Fringe Benefits totals \$176.48 million, an increase of \$14.76 million or 9.1 percent over the *FY 2005 Revised Budget Plan* of \$161.72 million primarily due to the following:

- Retirement (Fairfax County Employees', Uniformed, Police) reflects a net increase of \$7.16 million or 10.6 percent over the *FY 2005 Revised Budget Plan*. This increase is primarily due to the impact of increases in the employer contribution rates and salary adjustments necessary to support the County's compensation program, offset by a reduction due to one-time savings as a result of the full-year implementation of the Deferred Retirement Option Plan (DROP) for Uniformed and Police employees and the subsequent reduction in the underlying salary base used to calculate contributions as a result of excluding the salaries of those who enroll in DROP. Included in the increase is \$0.79 million for the Uniformed system employer contribution rate change required to fund the transfer of non-administrative employees in the Public Safety Communications Center (PSCC) from the Employees' to the Uniformed system. This benefit enhancement resulted in a decrease of \$0.09 million in contributions to the Employees' system due to a slight reduction in the employer contribution rate. However, this decrease was offset by a \$0.38 million increase due to a rate change required to fund the proposed DROP benefit enhancement and a \$0.20 million increase due to a rate change based on the funding ratio falling further below the pre-defined 90 percent threshold. A \$0.41 million increase in employer contributions for the Police Officers' system is also included as a result of a rate change due to a retiree cost-of-living increase benefit enhancement approved by the system's Board of Trustees effective July 1, 2004. In March 2002, the Board of Supervisors adopted a corridor approach to employer contributions, which enhances stability and ensures adequate funding for the retirement systems. In the corridor approach, a fixed contribution rate is assigned to each system, with the County funding contributions at that rate unless benefit enhancements are approved or the system's funding ratio falls outside of a pre-determined corridor (90-120 percent). Once outside the corridor, the County rate is either increased or decreased to accelerate or decelerate the funding until the ratio falls back within the corridor.
- Health Insurance funding is increased \$3.22 million or 6.0 percent over the *FY 2005 Revised Budget Plan*, based on a projected premium increase of 12.0 percent for the self-insured plan and an average increase of 15.0 percent for the HMOs, effective January 1, 2006, as well as adjustments to reflect the inclusion of new positions. It should be noted that the primary factors for the premium increase are escalating cost growth, increased utilization and the rising costs of prescription drugs. This increase has moderated from increases in recent years as a result of strategies employed by the County to contain health care costs such as increasing deductibles and out-of-pocket limits, as well as added incentives for generic drugs.
- Retiree Health Insurance increases \$0.12 million or 3.2 percent over the *FY 2005 Revised Budget Plan* level of \$3.70 million to \$3.82 million. Monthly subsidy payments to eligible County retirees to help pay for insurance are provided in Fund 500, Retiree Health Benefits. Beginning in FY 2004, payments were adjusted to reflect changes to the subsidy structure, which includes a change from the flat per month subsidy to a graduated subsidy based on age and length of service. No changes are recommended in the payment levels; however, the average number of subsidy recipients, including new retirees, who are eligible to receive the subsidy, is expected to increase by 160 or 8.1 percent, from 1,979 in FY 2005 to 2,139 in FY 2006. Estimates of the average number of subsidy recipients are based on a review of the projected number of retirements as well as the health subsidy eligibility of personnel already retired from the Fairfax County Employees', Uniformed, and Police Officers Retirement Systems.

In addition, it should be noted that beginning in FY 2008 the County's financial statements will be required to implement Governmental Accounting Standards Board (GASB) Statement No. 45 for post-employment benefits including health care, life insurance and other non-retirement benefits offered to retirees. This new standard addresses how local governments should 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. Currently, the County's subsidy is funded on a pay-as-you-go basis. GASB 45 will require that the County accrue the cost of these post-employment benefits

Budget Highlights

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 will have the option of continuing to fund benefit payments as they come due, which would result in a large unfunded liability, or prepay during employees' active employment in order to decrease the unfunded liability. The County's actuarial accrued liability with advanced funding is \$250 million or \$575 million with no advanced funding. In FY 2006, the County will continue to examine the advantages and disadvantages of each option to ensure that the County responds to the new GASB standard properly, while maintaining the fiscal integrity of the County.

- Dental Insurance totals \$1.76 million and reflects the first full-year impact of the provision of a 50 percent employer contribution for employees who elect coverage. Fairfax County Government offers its employees and retirees a dental insurance preferred provider option in order to provide a comprehensive plan with maximum flexibility. The new dental insurance plan became effective January 1, 2005, and replaced three plans with a single dental insurance Preferred Provider Organization (PPO) plan. The inclusion of an employer contribution as part of the award of contract allowed the County to acquire a high quality, affordable dental insurance plan.
 - Social Security reflects a net increase of \$3.05 million or 8.1 percent over the *FY 2005 Revised Budget Plan*, based on salary adjustments necessary to support the County's compensation program and the change in the federally set maximum pay base against which contributions are calculated from \$87,900 to \$90,000.
- \$2.5 million is included for various agencies for Fair Labor Standards Act (FLSA) overtime as a result of a bill adopted by the General Assembly during the 2005 session. Code of Virginia provisions adopted in 2001 guaranteed overtime to eligible fire protection personnel regardless of whether the employee worked the full pay period, as long as they were in pay status. For 2005, the General Assembly added law enforcement personnel, including those in the Police Department as well as Office of the Sheriff personnel. Subsequently, the Board of Supervisors approved the inclusion of all County employees consistent with their FLSA eligibility.
- Provide \$0.1 million and 1/1.0 SYE Retirement Counselor position due to the implementation of the Deferred Retirement Option Plan (DROP) for the Employees' Retirement System. Additional limited term funding is included for increased hours due to the workload associated with a rise in retirees and retirement-eligible employees. The investment portfolios and investment strategies for the systems have increased in volume and complexity and are anticipated to continue to grow as the systems pursue more sophisticated means of enhancing returns in a managed-risk environment. Meeting investment targets in the capital markets environment over the next decade will require the use of more complex investment instruments and stronger analytical resources.
- Provide \$0.2 million and 3/3.0 SYE positions for the Police Department, including 1/1.0 SYE Management Analyst II for the Financial Resources Division, 1/1.0 SYE Management Analyst I for grants administration, and 1/1.0 SYE Internet/Intranet Architect II to act as the agency's Web site administrator. Given the County's growing population, and subsequently, the size of Police Department's sworn force, additional civilian staff has also become necessary to support the administrative, fiscal, logistical and technical functions of the Department. Specifically, the Management Analyst II will assist existing staff in managing a General Fund budget of over \$150 million and other fiscal issues related to a force of over 1,700 sworn and civilian positions. The Management Analyst I will assist in the administration of COPS UHP, homeland security, emergency management, and gang-related grants. The Department's level of grant funding and number of grant-funded positions have both grown by over 100 percent over the last eight years. The Internet/Intranet Architect II will assist the agency in further developing its Web site in order to provide an enhanced channel of communication with the public and improve e-government services to further the Department's customer service capabilities.

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- Provide \$0.1 million and 2/2.0 SYE additional positions in the Facilities Management Department for preventive and regular maintenance of County facilities due to the increase in number as well as square footage. Between 1984 and 2005, square footage of County facilities grew from 2.5 million square feet to 7.3 million square feet. The positions added include an Electronic Equipment Technician to help support the County's 130 fire alarm, 135 fire suppression and 83 generator systems that require periodic testing and maintenance. A Building Maintenance Worker at the South County Center would assist the one position currently assigned there with plumbing and carpentry work.
- In order to achieve greater efficiencies and find additional savings in the budget, a fleet analysis was performed during the first half of 2005. This study included identifying under-utilized vehicles, which take up a disproportionate amount of resources for maintenance as well as replacement contributions and staff time compared to their use. Vehicles with less than 4,000 miles driven between June 1, 2003 and June 1, 2004 were reviewed and agencies had to justify their continued ownership in light of their low usage. As a result of this review, 109 vehicles were recommended for rotation, reassignment or sale. Of this total, 17 are being redirected to address critical requirements that would otherwise have resulted in the acquisition of new vehicles in FY 2005 or FY 2006. The remaining 92 vehicles will be designated as surplus and removed from the fleet. One-time savings of approximately \$1.2 million, as well as ongoing annual savings of approximately \$250,000 in maintenance and replacement requirements will result from this contraction of the fleet. The one-time savings generated from this analysis has been used in FY 2005 to support agencies that require additional funding due to the substantial increase in the cost of fuel beyond the FY 2005 budgeted amount, as well as the increased use of the more expensive ultra-low sulfur diesel fuel. Additional savings of \$500,000 is anticipated in FY 2006 as the Department of Vehicle Services will continue to identify operating efficiencies associated with underutilized vehicles.

TAX AND FEE ADJUSTMENTS

The following describes the Tax Relief Program and the Real Estate Tax Rate Reduction, as well as fee increases in several Other Funds such as E-911, solid waste and sewer service.

Tax Relief Program

The FY 2006 Adopted Budget Plan maintains the current Tax Relief Program with the maximum level of assets allowed for Real Estate Tax relief eligibility at \$240,000. Income limits remain at 100 percent exemption for elderly and disabled taxpayers with incomes up to \$40,000; 50 percent for eligible applicants with income between \$40,001 and \$46,000; and 25 percent if income is between \$46,001 and \$52,000.

Real Estate Tax Rate Reduction

The FY 2006 Adopted Budget Plan reduces the real estate tax rate from \$1.13 per \$100 assessed value to \$1.00 per \$100 assessed value. This results in a savings of \$578 to the typical homeowner compared to what would have been paid under the \$1.13 rate. With this cut, the total tax rate reduction since FY 2002 is 23 cents or approximately \$1,665 in annual savings for residential taxpayers.

Refuse Collection Fee Increase

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. From FY 2000 through FY 2004, the annual fee was maintained at \$210 per unit in order to draw down the unreserved fund balance. Over the past few years, this balance has been reduced. In fact, during FY 2004, more fund balance was used than projected due to the substantial clean-up services required as a result of Hurricane Isabel. These costs were beyond the amount of the reimbursement from the Federal Emergency Management Agency (FEMA). Due to increasing disposal fees, rising personnel costs and low fund balance, it is necessary to increase the annual fee from \$240 per unit in FY 2005 to \$270 in FY 2006 for approximately 40,000 customers who receive this service.

Budget Highlights

E-911 Fee Increase

Fund 120, E-911, includes funding for the Department of Public Safety Communications as well as various public safety information technology projects. This involves the emergency dispatch of police fire and rescue units; emergency medical dispatch (EMD), a medical intervention program that provides emergency medical instructions by phone until emergency services personnel arrive on the scene; critical incident management services to County agencies; response to all commercial and residential alarm calls; and non-emergency services such as responding to the non-emergency phone line, reporting tow-ins and providing teletype operations. These services are supported by an E-911 fee levied per line per month. Current authorizing legislation allows for recovery of costs associated with the E-911 system's capital equipment, installation, maintenance and system upgrades, as well as salaries of call-takers and dispatchers that are directly attributable to the program.

The E-911 fee will increase to the State maximum charge of \$3.00 per line per month from the current \$2.50 rate. This change would be effective September 1, 2005 based on notification requirements and in combination with the trend of declining number of eligible phone lines, would result in FY 2006 revenue of \$19.9 million, an increase of \$3.0 million over the FY 2005 level. However, it should be noted that even with this increase, the General Fund Transfer will also be required to increase from \$9.8 million in FY 2005 to \$13.7 million in FY 2006 in order to support the necessary costs of the program.

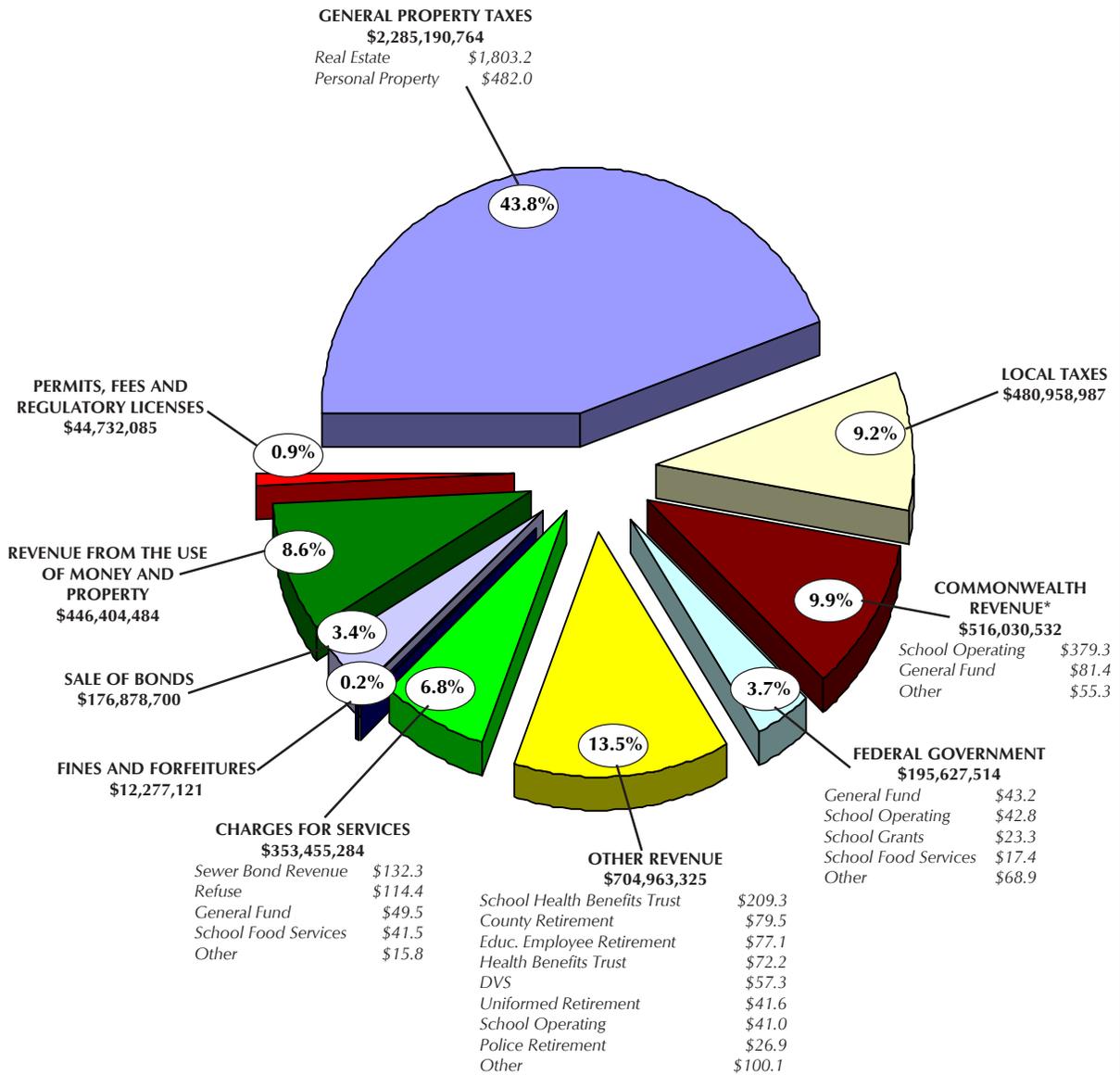
Sewer Fees Increase

The FY 2006 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. In FY 2006, the Availability Fee charged to new customers for initial access to the system will increase from \$5,621 in FY 2005 to \$5,874 for single-family homes based on current projections of capital requirements and is consistent with the analysis included in the Forecasted Financial Statement for July 1, 2004 through June 30, 2009.

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 state and federal agencies. The Sewer Service Charge will increase from \$3.20 to \$3.28 per 1,000 gallons of water consumption in FY 2006. Based on this rate increase, the additional annual cost to the typical household is anticipated to be \$6.08.

FY 2006 REVENUE ALL FUNDS

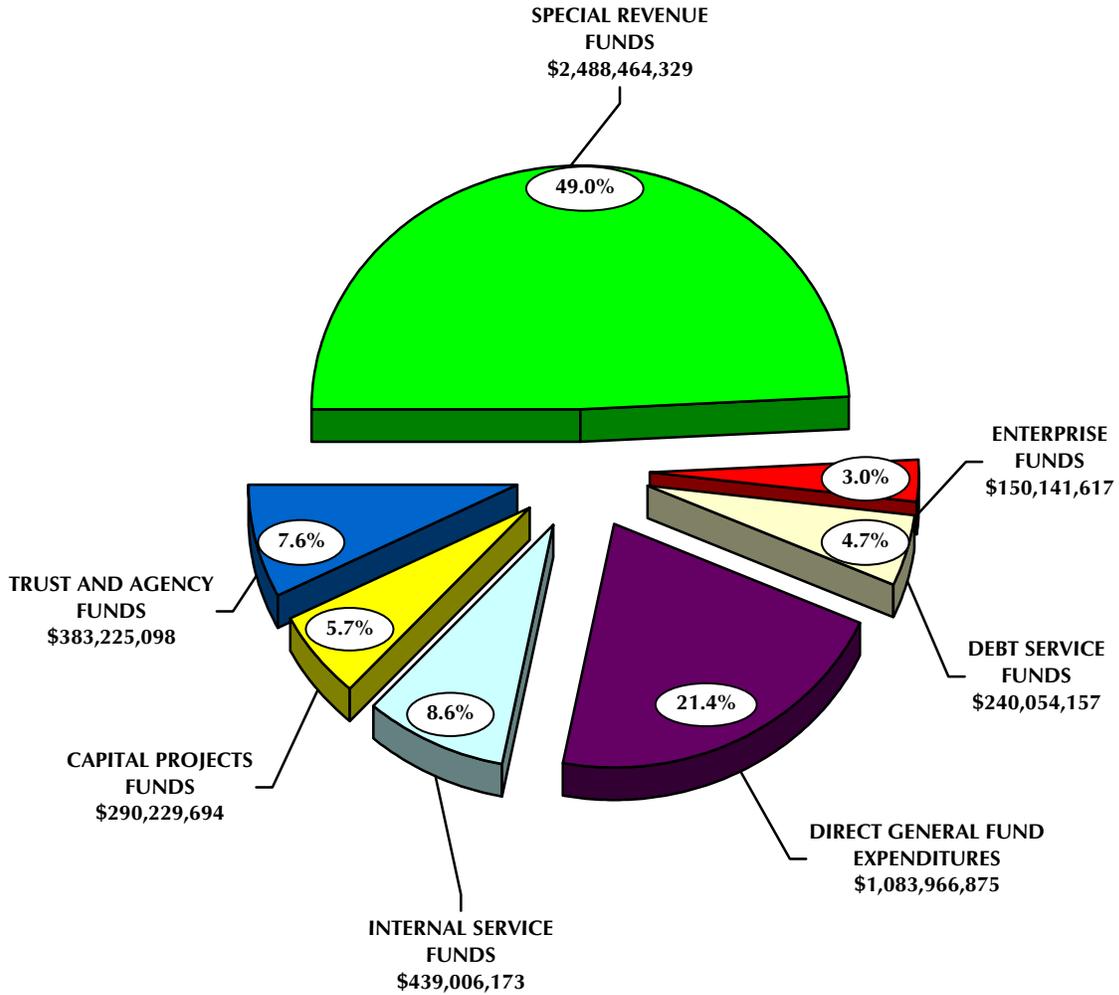
(subcategories in millions)



TOTAL REVENUE = \$5,216,518,796

* For presentation purposes, Personal Property Taxes of \$202,154,629 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 2006 EXPENDITURES ALL FUNDS



TOTAL EXPENDITURES = \$5,075,087,943