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CHAIRMAN

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**County of Fairfax**  
BOARD OF SUPERVISORS

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Dear Fairfax County residents and corporate neighbors:

I am pleased to present to you the Fiscal Year 2014 Adopted Budget Plan. What a difference a year makes. Last year when this Board engaged in adopting the Fiscal Year 2013 Advertised Budget, we were beginning to see some positive signs of recovery from the Great Recession that began in 2007.

Last year commercial real estate values grew by an exciting 8.2%. Commercial leasing and building activity had strengthened and General Fund revenue growth was projected to increase by 3.56%. I wince now when I read through my remarks from last year's Mark-up that we were "*hopefully beginning to see the dawn of a new day.*"

Sadly, the optimism was short lived. This year our country has incorporated new language into our common vocabulary - *Congressional inaction, Fiscal Cliff, Sequestration* - policies/situations that have thwarted those hopeful early signs of recovery.

Fairfax County is very much affected by what goes on at the federal level. Just *announcements* about cutbacks in federal spending and contracting have already resulted in a roll back of growth in our commercial sector. We are already seeing the effects of this in reduced sales tax revenue.

The Fiscal Year 2014 Budget is a responsible fiscal plan that reflects our current difficult situation, and helps to restore structural balance as we continue to struggle with increasing needs, but decreasing revenues.

In a nutshell, **the approved Fiscal Year 2014 Budget does the following:**

- Increases the **Real Estate Tax Rate** by one cent, from the current \$1.075 to **\$1.085** rather than the Advertised two cent increase. The result of this action on the average homeowner's annual bill will be an increase of \$216.
- **Eliminates a projected budget shortfall** of \$169 million
- Increases the County's Total General Fund Budget (General County plus the School Transfer) by **only 1.37% over the FY 2013 Adopted Budget Plan**. The County's **General Fund (non-school spending) is an increase of only 0.43%**.
- Includes \$20.8 million in County agency **reductions** and the **net elimination of 41 positions**.

- Per testimony and comments received during the Budget process, **includes \$1.2 million for critical programs and services not included in the Advertised Budget.**
- **Maintains an \$8.1 million Reserve to address the impact of Sequestration and Federal Cuts, with at least \$1 million of this available to address critical items in the Human Services area.**
- Provides a **2% increase to the Fairfax County School Transfer**, less than the School Board's budget request, but funding sufficient to address their projected increase in the student population.
- Provides **no increase in compensation** for County employees, with the exception of longevity step increases included in the Advertised Budget. To maintain equity among our employees and to prevent a structural imbalance for next year, the Schools are asked to follow suit.
- Includes strong direction to our senior staff and to our workforce to work together during the next months to develop recommendations for a **new, sustainable compensation plan in time for consideration of our Fiscal Year 2015 Budget.**

Adoption of the budget is the most important thing we do and each member of our Board of Supervisors has provided opportunities for County residents to be involved in this critical process. When the Board adopts the budget, we are collectively agreeing to fund our community's priorities. The process requires good faith, collaboration, and compromise. In the end, I believe this budget has been made better as a result of the hard work and engagement of members of this Board, our Budget Committees, our constituents and corporate neighbors who have taken their time to join us in making these decisions.

Fairfax County will continue to engage with our community and develop annual budgets that invest in our community's priorities while remaining sensitive to our taxpayers. The Fairfax County Board of Supervisors is committed to keeping Fairfax County a great place to live, work, play and grow older comfortably.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon Bulova". The signature is written in a cursive, flowing style.

Sharon Bulova