



County of Fairfax, Virginia

NEWS RELEASE

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OPA

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Board of Supervisors Approves Fiscal Year 2005 Carryover Review

Following a public hearing on September 12, 2005, the Fairfax County Board of Supervisors took action on the Carryover Review for fiscal year 2005, which ended June 30, 2005. In addition, they made necessary carryover adjustments for fiscal year 2006, which began July 1, 2005. Primarily as a result of the improving economy, which generated a higher level of revenue, Fairfax County realized a positive year-end balance of \$46.6 million, after netting out outstanding encumbrances, unencumbered commitments and associated Managed Reserve adjustments. This represents less than 2 percent of the total fiscal year 2005 General Fund disbursements and consisted of additional revenue of \$34.4 million, as well as expenditure savings of \$12.2 million on a \$2.9 billion budget.

After careful consideration, the Board of Supervisors chose to invest slightly over 50 percent of the balance or \$24.4 million for Tax Relief, the County's Revenue Stabilization Fund, and other Reserves. The Board approved funding of \$5.8 million to expand the Real Estate Tax Relief Program for the Elderly and Disabled by increasing the net combined financial asset eligibility requirement from \$240,000 to the state maximum of \$340,000 and increasing the income limit from \$52,000 to the state maximum of \$72,000. A public hearing on the required Fairfax County Code amendments needed to provide this expansion of the Tax Relief Program is scheduled for October 17, 2005.

In addition, as part of their ongoing commitment to set aside balances at quarterly reviews for the Revenue Stabilization Fund (RSF), a fund that the Board of Supervisors created in 1999 to provide a mechanism for maintaining a balanced budget in times of severe fiscal stress, the Board approved the transfer of \$14.6 million of the balance for this fund. This brings the RSF balance to \$62.7 million, which is approximately 2.0 percent of Total Disbursements and represents 67.5 percent of the targeted balance of 3.0 percent of Total Disbursements.

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Board Adopts Fiscal Year 2005 Carryover Review (cont.)

Among the transfers to reserves, the Board approved \$2.0 million for the Reserve for Catastrophic Occurrences in Fund 501, County Insurance, in order to support the self insurance program that the County uses for a significant portion of its loss exposures. Another \$1.0 million for Fairfax County Public Schools will be held in reserve pending the school system's identification of computer and bus replacement priorities, or expenses associated with Hurricane Katrina such as higher gasoline prices and/or additional students displaced by the hurricane who have relocated to the area. The Board also allocated \$0.5 million for the Lorton Arts Foundation (LAF) to be held in reserve pending certification that LAF has raised the required matching funds of \$0.5 million, as well as Board approval of their financing and management plan. Lastly, the Board approved \$0.5 million to be held in reserve pending approval of a list of prioritized environmental projects in accordance with their adopted plan, "Environmental Excellence for Fairfax County – A 20-Year Vision."

The Board of Supervisors targeted nearly 30 percent of the fiscal year 2005 Carryover balance or \$13.3 million toward public safety requirements including gang prevention activities, as well as equipment and facility needs. Among the major expenditures in this category, the Board approved \$2.0 million for the Fire and Rescue Department's Large Apparatus Replacement Fund in order to ensure the timely replacement and availability of critical emergency response vehicles. An amount of \$1.1 million was included to fund after-school programs in County middle schools that provide academic, social and recreational enrichment, and offer a safe alternative to gang participation for at risk youth. To address critical facility needs, \$5.0 million was allocated for the Forensics Facility to be constructed as part of the Public Safety and Transportation Operations Center at the West Ox Complex. In addition, \$3.5 million was approved, primarily to support cabling and technology for the Judicial Center Expansion and Renovation Project. The Board also approved \$0.5 million for prioritized security improvements at County facilities; \$0.4 million for transportation improvements necessary at the Leesburg Pike frontage of the Wolf Trap Fire Station site; \$0.3 million for prioritized feasibility studies to establish accurate project estimates for various public safety facilities in the fall 2006 Public Safety Bond Referendum; and \$0.3 million to address safety concerns at the Police Driver Training Track.

A total of 12 percent or \$5.6 million of the balance was approved for one-time capital construction and renewal requirements, as well as costs associated with new facilities. Items funded include: \$3.5 million to acquire half of the opening collection of materials for the Oakton and Burke Centre community libraries scheduled to open in 2007; \$1.0 million for HVAC projects to support the County's infrastructure investment at various County facilities; \$0.4 million for additional construction costs associated with the Katherine K. Hanley Family Shelter; \$0.3 million primarily to support critical developer default projects where developer contributions are not sufficient to complete construction of road improvements and drainage repairs; \$0.1 million to improve pedestrian access to the Burke Centre Virginia Railway Express station; \$0.1 million for the Herndon Harbor House Senior Center Congregate Meal program due to higher than projected meal costs and an increased number of participants at this facility; and \$0.1 million to provide for prioritized stabilization efforts at the Mt. Gilead property.

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Board Adopts Fiscal Year 2005 Carryover Review (cont.)

The remaining \$3.3 million or almost 8 percent includes \$2.1 million for Information Technology projects to improve services to the public, as well as efficiently store and retrieve sensitive records; \$0.2 million to provide additional Affordable Housing resources including an ombudsman position and resources to support relocation counseling to households being displaced due to demolition of existing affordable housing and the increasing number of condo conversions; \$0.2 million to provide “gap” funding for maintenance salaries during fiscal year 2006 as the Department of Housing and Community Development transitions to project-based budgeting as required by the federal government; and \$0.8 million for the required Managed Reserve adjustments associated with all the above-mentioned funded Carryover adjustments.

Information on the fiscal year 2005 Carryover Review is available on the County’s Web site at www.fairfaxcounty.gov/dmb and by calling the Department of Management and Budget at 703-324-2391, TTY 711.

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