



**County Executive  
Presentation of the  
FY 2013 Advertised Budget Plan**

**February 28, 2012**



**Fairfax County**

**Department of  
Management and Budget**

**12000 Government Center Parkway,  
Suite 561**

**Fairfax, VA 22035**

**703-324-2391**

***Budget Information:***  
**[www.fairfaxcounty.gov/budget](http://www.fairfaxcounty.gov/budget)**

**Provide feedback on the FY 2013  
Advertised Budget Plan at:**

**[www.fairfaxcounty.gov/budget/fy13-advertised-input.htm](http://www.fairfaxcounty.gov/budget/fy13-advertised-input.htm)**

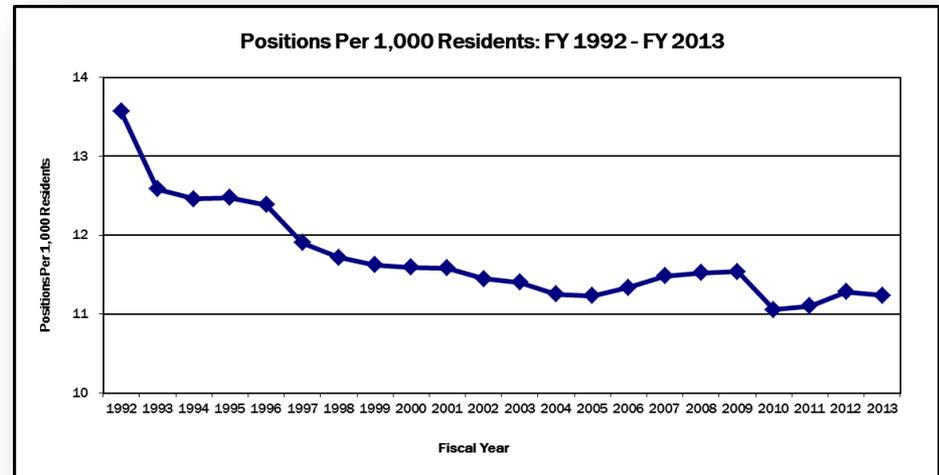
# ***FY 2013 BUDGET RECOMMENDATIONS: SUMMARY***

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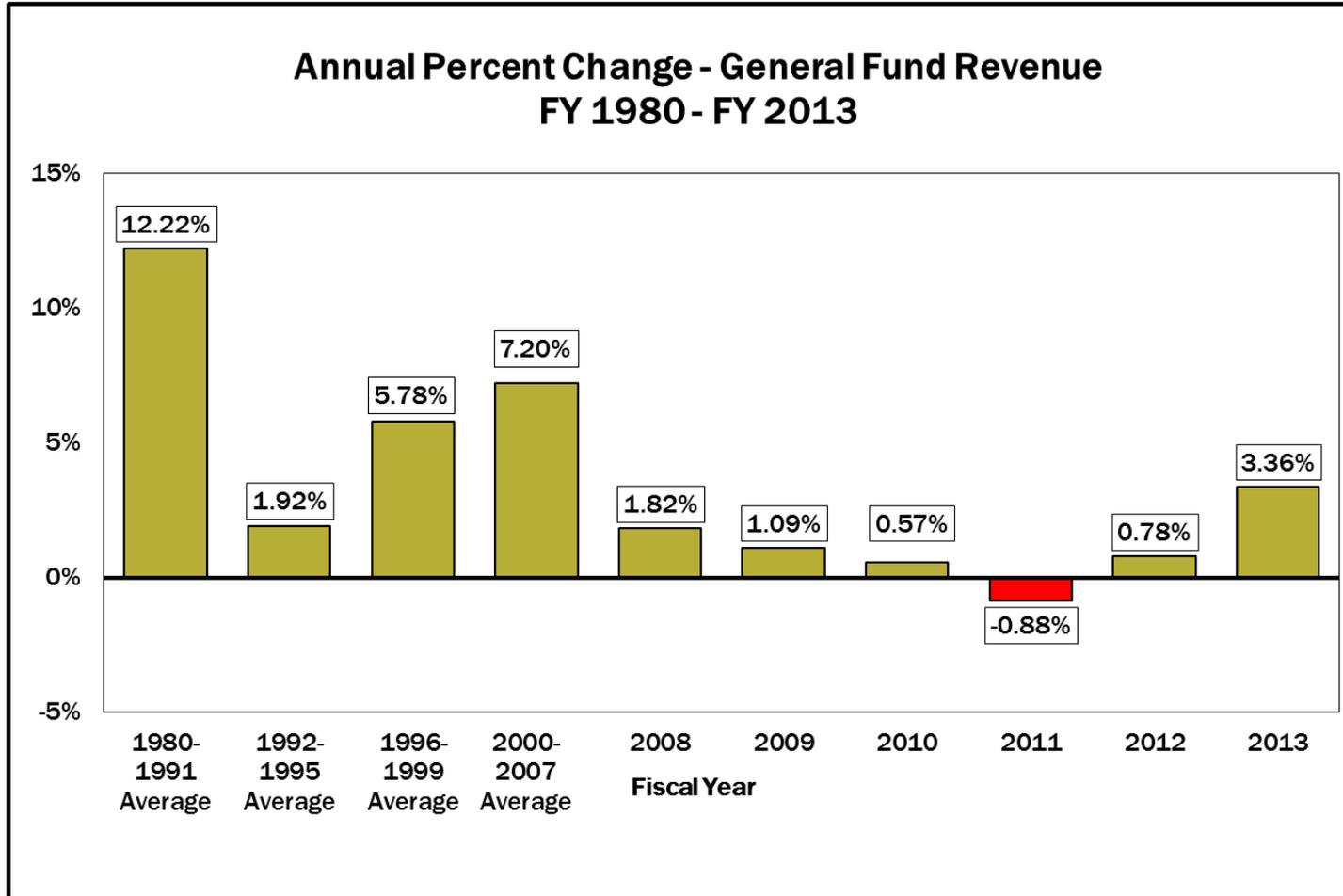
- **Balanced budget with limited increases in General Fund disbursements and direct expenditures**
- **Maintain consistent support for FCPS budget with General Fund Transfer of 52.5%**
- **No Real Estate Tax rate increase**
  - Keep impact on average taxpayer relatively flat
- **Increase in the Stormwater fees and several other fee and fare increases**

# ***FY 2013 BUDGET RECOMMENDATIONS: SUMMARY***

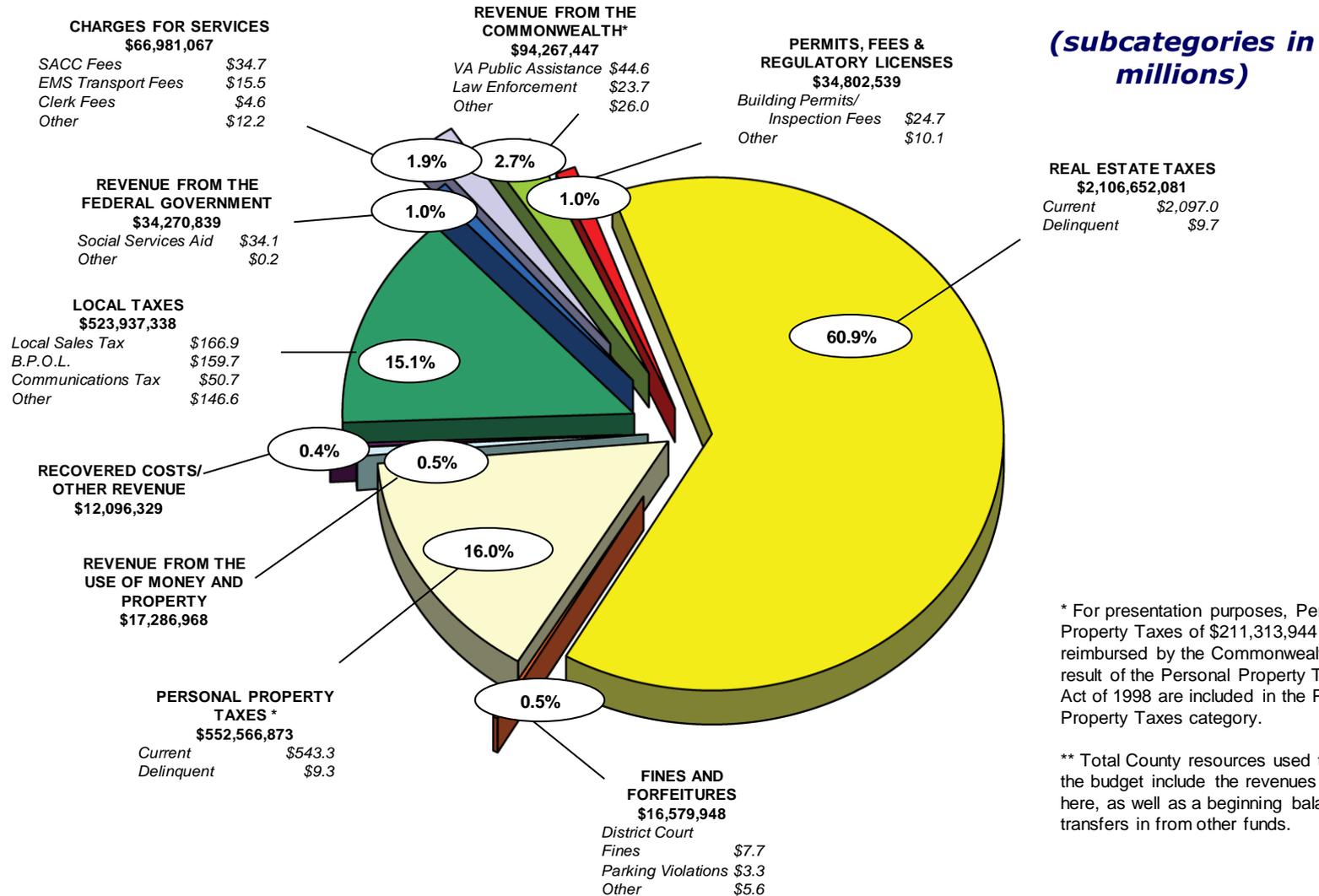
- **Spending increases cover only critical requirements**
  - 2.18% Market Rate Adjustment (MRA) for all public safety and non-public safety employees
  - Limited infrastructure investment
- **Made strategic reductions while retaining core and critical services**
  - (\$10.64) million in General Fund agency expenditure reductions
- **Net reduction of 2 positions**
  - FY 2013 budget includes 34/33.27 SYE new positions
  - Budget recommendation includes 36 positions for abolishment as part of recommended agency reductions
  - Positions per capita ratio @ 11.24 positions per 1,000 residents



# GENERAL FUND REVENUE GROWTH



# FY 2013 GENERAL FUND RECEIPTS ("WHERE IT COMES FROM")



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

\*\* Total County resources used to support the budget include the revenues shown here, as well as a beginning balance and transfers in from other funds.

**FY 2013 GENERAL FUND RECEIPTS\*\* = \$3,459,441,429**

# REAL ESTATE TAX BASE

	1993	1994	1995	1996	1997	1998	1999
<b>Equalization</b>	(6.48)%	(2.46)%	(1.29)%	0.36%	0.57%	0.80%	1.77%
- Residential	(3.74)	(0.52)	0.01	0.49	(0.23)	(0.50)	0.04
- Nonresidential	(13.22)	(7.86)	(5.28)	(0.09)	3.27	5.05	7.12
<b>Growth</b>	0.40	1.08	1.97	2.16	2.13	1.93	2.19
<b>TOTAL</b>	<b>(6.08)%</b>	<b>(1.38)%</b>	<b>0.68%</b>	<b>2.52%</b>	<b>2.70%</b>	<b>2.73%</b>	<b>3.96%</b>
	2000	2001	2002	2003	2004	2005	2006
<b>Equalization</b>	2.96%	5.13%	9.70%	11.72%	9.94%	9.54%	20.80%
- Residential	0.77	5.13	11.26	16.27	14.55	11.29	23.09
- Nonresidential	9.24	5.15	5.92	0.52	(2.94)	3.74	12.74
<b>Growth</b>	3.37	3.81	3.94	3.42	2.54	2.50	2.69
<b>TOTAL</b>	<b>6.33%</b>	<b>8.94%</b>	<b>13.64%</b>	<b>15.14%</b>	<b>12.48%</b>	<b>12.04%</b>	<b>23.49%</b>
	2007	2008	2009	2010	2011	2012	2013
<b>Equalization</b>	19.76%	2.47%	(1.02)%	(10.52)%	(8.98)%	2.67%	2.53%
- Residential	20.57	(0.33)	(3.38)	(12.55)	(5.56)	2.34	0.71
- Nonresidential	16.64	13.57	7.00	(4.51)	(18.29)	3.73	8.21
<b>Growth</b>	2.94	1.68	1.53	0.57	(0.22)	0.60	0.74
<b>TOTAL</b>	<b>22.70%</b>	<b>4.15%</b>	<b>0.51%</b>	<b>(9.95)%</b>	<b>(9.20)%</b>	<b>3.27%</b>	<b>3.27%</b>

Projected Value of "One Penny" in FY 2013 = \$19.95 million in revenue



# RESIDENTIAL MARKET

## Residential Market – Calendar Year 2011:

- The number of homes sold fell 13.1% from 13,894 to 12,077
- Home prices
  - Average price of \$472,344, rose 3.3%
- Average days on the market in 2011 are in-line with the time it took to sell a home in 2006 - prior to the downturn
- The percentage of seriously delinquent loans continues to decline:
  - Prime loans that are seriously delinquent (90+ days past due) fell to 1.4% in the 3<sup>rd</sup> quarter of 2011 from 2.0% in the 3<sup>rd</sup> quarter of 2010. Subprime mortgage delinquencies fell from 14.6% to 10.0%



2011			
<b>January</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>February</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	<b>March</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>April</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30
<b>May</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>June</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>July</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>August</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
<b>September</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>October</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	<b>November</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	<b>December</b> S M T W T F S 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

# ***RESIDENTIAL EQUALIZATION***



## **Residential**

**Approximately 74.05% of total base**

### **Residential Equalization Percent Changes**

<b>Housing Type (Percent of Base)</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>
Single Family (72.8%)	20.37	(0.43)	(3.12)	(11.34)	(5.50)	2.10	0.70
Townhouse/Duplex (18.8%)	22.69	0.64	(4.96)	(16.06)	(4.44)	3.73	1.20
Condominiums (7.7%)	25.97	(2.23)	(4.54)	(19.51)	(10.45)	2.53	(0.06)
Vacant Land (0.5%)	25.44	3.86	7.66	(7.08)	(6.68)	(3.50)	(1.66)
Other (0.2%)	9.67	2.97	6.46	(4.99)	(3.60)	2.69	2.56
<b>Total Residential Equalization (100%)</b>	<b>20.57</b>	<b>(0.33)</b>	<b>(3.38)</b>	<b>(12.55)</b>	<b>(5.56)</b>	<b>2.34</b>	<b>0.71</b>

# ***NONRESIDENTIAL REAL ESTATE***

## **Fairfax County's Office Vacancy Rates at Year-end 2011:**

- Direct – 13.8% up from 13.3%
- Including sublet space – 15.7% up from 15.3%

## **Total 113.6 million Square Feet of Office Space in the County**

- 9 buildings totaling 1.6 million square feet are under construction

## **Renewed Interest in Speculative Building**

- Nearly three-quarters of the construction activity is 100% speculative

## **Leasing Activity was Strong at 11.5 million Square Feet**

- Below record of 13.6 million square feet in 2010
- Well above the five year average of 10.8 million square feet



# NONRESIDENTIAL EQUALIZATION

## Nonresidential Equalization Percent Changes

Category (Percent of Base)	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Apartments (21.2%)	11.65	22.59	6.41	(6.96)	(12.69)	14.54	12.60
Office Condominiums (4.3%)	1.96	13.76	4.78	(1.10)	(7.57)	(1.53)	(0.31)
Industrial (6.6%)	12.61	14.34	14.08	(1.08)	(23.48)	(0.31)	6.75
Retail (14.0%)	15.95	8.78	6.47	(1.74)	(16.07)	1.90	7.16
Office Elevator (37.5%)	24.16	15.93	5.68	(6.62)	(24.31)	1.88	11.34
Office – Low Rise (3.8%)	23.94	10.18	9.16	(3.35)	(23.86)	0.49	7.18
Vacant Land (3.8%)	21.88	14.99	7.67	(3.87)	(26.53)	(2.07)	2.01
Hotels (3.4%)	25.54	9.58	11.28	(7.06)	(34.03)	11.35	3.87
Other (5.4%)	12.19	10.05	7.63	(2.07)	(12.84)	2.37	3.27
<b>Total Nonresidential Equalization (100%)</b>	<b>16.64</b>	<b>13.57</b>	<b>7.00</b>	<b>(4.51)</b>	<b>(18.29)</b>	<b>3.73</b>	<b>8.21</b>

# ***NONRESIDENTIAL REAL ESTATE REVENUE***

## **Nonresidential**

**Commercial/Industrial percentage of total real estate assessment base:**

- FY 1990 = 26.76% (highest rate in two decades)
- FY 2000 = 24.32%
- FY 2005 = 18.20%
- FY 2006 = 17.36%
- FY 2007 = 17.22%
- FY 2008 = 19.23%
- FY 2009 = 21.06%
- FY 2010 = 22.67%
- FY 2011 = 19.70%
- FY 2012 = 19.64%
- FY 2013 = 20.77%



# **IMPACT ON TYPICAL FAIRFAX COUNTY HOUSEHOLD**

<b>Fiscal Year</b>	<b>Mean Assessed Value of Residential Property</b>	<b>Real Estate Tax Rate per \$100</b>	<b>Tax per Household</b>
FY 2007	\$544,541	\$0.89	\$4,846.41
FY 2008	\$542,409	\$0.89	\$4,827.44
FY 2009	\$525,132	\$0.92	\$4,831.21
FY 2010	\$457,898	\$1.04	\$4,762.14
FY 2011	\$433,409	\$1.09	\$4,724.16
FY 2012	\$445,533	\$1.07	\$4,767.20
FY 2013	\$448,696	\$1.07	\$4,801.05

**(\$45.36)**     **\$33.85**

Projected value of “One Penny” on FY 2013 Real Estate Revenue = \$19.95 million  
 Each penny change = \$45 on the tax bill

## ***OTHER REVENUE CATEGORIES***

Comprise less than 40% of total General Fund Revenue

### ***Projected Growth Rates of Selected Categories***

<b><i>SOURCE</i></b>	<b><i>PERCENTAGE OF BASE</i></b>	<b><i>PROJECTED FY 2013 CHANGE</i></b>
Personal Property Tax	16.0%	5.7%
Local Sales Tax	4.8%	4.3%
BPOL Tax	4.6%	4.4%
Federal and State Revenue	3.7%	(1.0%)

# ***FY 2013 BUDGET PROPOSAL***

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**The total recommended FY 2013 budget for All Funds is \$6.729 billion**

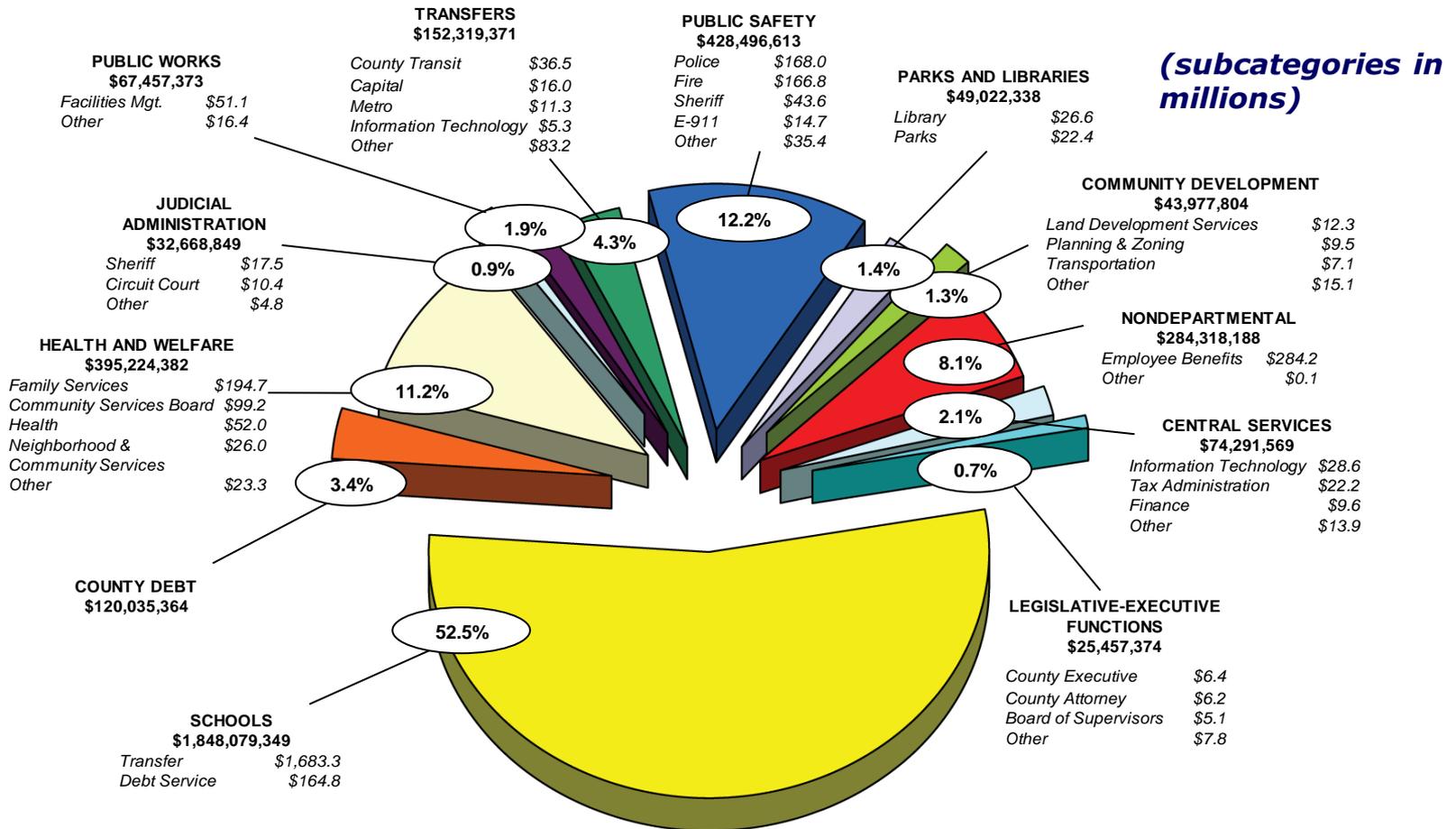
**General Fund Disbursements total is \$3.521 billion**

- 1.71% increase from the *FY 2012 Revised Budget*
- 4.26% increase over FY 2012 Adopted Budget Plan

**General Fund Direct Expenditures total is \$1.287 billion**

- (0.90%) decrease from the *FY 2012 Revised Budget*
- 4.10% increase over the FY 2012 Adopted Budget Plan

# FY 2013 GENERAL FUND DISBURSEMENTS ("WHERE IT GOES")



**FY 2013 GENERAL FUND DISBURSEMENTS = \$3,521,348,574 \***

\* In addition to FY 2013 revenues, available balances and transfers in are also utilized to support disbursement requirements.

# **FAIRFAX COUNTY PUBLIC SCHOOLS**

- The combined transfer for School operating and School debt service is \$1.85 billion
  - The County's support of FCPS represents 52.5% of total County disbursements.
  - FY 2013 Transfer for School Operations = \$1.68 billion
    - An increase of \$72.5 million or 4.5% over the FY 2012 level
  - School Board Request = \$1.75 billion:
    - An increase of \$135.8 million or 8.4% over FY 2012
    - \$63.3 million more than recommended in the County Advertised Budget
  - FY 2013 Transfer for School Debt Service = \$164.8 million
    - Increase of \$1.3 million over FY 2012
    - School bond sales at \$155 million per year
- The County also provides additional support for the Schools in the amount of \$69.6 million for programs such as Head Start, School Health, School Resource Officers, School Crossing Guards, after-school programming, field maintenance and recreational programs, among others



# ***FY 2013 DISBURSEMENTS***

**FY 2013 Disbursements increase \$143.87 million or 4.26% over FY 2012 Adopted Budget:**

<b>Total Increase for FCPS</b>	<b>\$73.77 million</b>
<b>Cost of County Operations</b>	<b>\$64.60 million</b>
<b>Major Human Services Requirements</b>	<b>\$5.35 million</b>
<b>Transportation</b>	<b>\$3.60 million</b>
<b>Community Development</b>	<b>\$3.76 million</b>
<b>Public Safety</b>	<b>\$2.18 million</b>
<b>Capital Construction, Debt and Environment</b>	<b><u>\$1.25 million</u></b>
<b>Subtotal</b>	<b>\$80.74 million</b>
<b>Agency Reductions</b>	<b><u>(\$10.64) million</u></b>
<b>Total County</b>	<b>\$70.10 million</b>

## ***COST OF COUNTY OPERATIONS***

***\$64.60 MILLION***

- 
- **2.18% Market Rate Adjustment (MRA) for FY 2013** **\$22.35 million**
  - **Full-Year Impact of 2.0% FY 2012 MRA** **\$19.40 million**
  - **Retirement Funding** **\$7.48 million**
  - **Other Post-Employment Benefit (OPEB) Requirements** **\$8.00 million**
  - **Health Insurance and Other Benefits** **\$3.20 million**
    - Projected premium increases of 10% for all health insurance plans, effective January 1, 2013

## ***COST OF COUNTY OPERATIONS***

***\$ 64.60 MILLION***

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- **Audit and Implementation Costs** **\$0.93 million**
- **Department of Vehicle Services Charges** **\$0.82 million**
- **Office of Elections** **\$0.56 million**
  - Primarily associated with required costs to support the November 2012 Presidential election
- **Streetlight Utility Costs** **\$0.80 million**
- **New Facilities Maintenance Costs** **\$0.48 million**

## **MAJOR HUMAN SERVICES REQUIREMENTS**

**\$5.35 MILLION**

- **Contract Rate Increases** **\$3.38 million**
- **School-Age Child Care (SACC)** **\$0.50 million**
  - Funding included for 3/2.27 SYE positions associated with opening three SACC rooms (two rooms at the new Lacey Elementary School and one room at the renovated Graham Road Elementary School)
  - The expenditure increase is partially offset by an increase of \$373,026 in SACC revenue for a total net impact to the County of \$124,342
- **Consolidated Community Funding Pool** **\$0.45 million**
- **Grants – Local Cash Match Requirements** **\$0.38 million**
- **Human Services Contributories** **\$0.30 million**
  - Includes \$0.28 million in funding increase for Birmingham Green Adult Care Residence

- **Metro Operations and Construction**
  - Washington Metropolitan Area Transit Authority (WMATA) staff project an increased FY 2013 operating subsidy requirement from local jurisdictions of \$5.6 million, which will be partially offset by additional State Aid and Gas Tax revenue
- **County Transit**
  - Increased funding of \$3.60 million in General Fund support for Fund 100, County Transit Systems, which supports FAIRFAX CONNECTOR and Virginia Railway Express (VRE)
  - Primarily required to support additional CONNECTOR bus replacement requirements in FY 2013, help support the purchase of 15 new buses associated with expanded Dulles Rail Phase I-related routes, and support an increase in VRE subsidy requirements

# **COMMUNITY DEVELOPMENT**

**\$3.76 MILLION**

- **Lorton Arts Foundation (LAF)** **\$2.6 million**
  - The total funding for the Foundation is \$3.35 million in FY 2013, which includes \$0.75 million for the annual operating support and \$2.6 million to address debt service requirements. A similar adjustment will be forthcoming at the *FY 2012 Third Quarter Review* to meet debt service requirements prior to June 30, 2012.
- **Tyson's Redevelopment** **\$0.76 million**
  - Included in this amount is funding for 2/2.0 SYE new positions within the Department of Transportation, and funding for previously unfunded positions which will support Tyson's redevelopment in the Office of Community Revitalization, Department of Public Works and Environmental Services and Park Authority.
- **Community Development Contributories** **\$0.40 million**
  - Funding includes \$0.25 million to support the Fairfax 2015 World Police and Fire Games

# **PUBLIC SAFETY**

**\$2.18 MILLION**

- **Police Department Personnel Services** **\$2.0 million**
  - Based on a review of current staffing, overtime and programmatic requirements consistent with Board of Supervisors' direction that staff monitor the impact of reductions to public safety
  
- **Animal Shelter Positions** **\$0.18 million**
  - Funding included for 2/2.0 SYE positions required to provide additional support for the expanded Animal Shelter facility to be completed in mid FY 2013
    - 1/1.0 SYE position for Shelter Operations and Business Manager and 1/1.0 SYE position for Assistant Kennel Manager
    - Square footage to nearly double from 15,000 sq. ft. to over 29,000 sq. ft.

# **CAPITAL CONSTRUCTION, DEBT AND ENVIRONMENT**

**\$1.25 MILLION**

- **Capital Construction (Total - \$16.0 million) \$0.59 million**
- **County Debt Service (Total - \$120.0 million) \$0.66 million**
- **Stormwater Services Fee**
  - Proposed to increase \$0.01 for a total of \$0.025 per \$100 of assessed real estate value in FY 2013
  - Impact of rate increase on the average homeowner is \$44.87
  - Required to meet the increasing federal and state regulatory requirements pertaining to the Municipal Separate Storm Sewer System (MS4) Permit requirements, and State and Federal mandates associated with the Chesapeake Bay
  - Will support increased capital funding and 22/22.0 SYE new positions

# **AGENCY REDUCTIONS**

**(\$10.64) MILLION**

## **Agency Budget Reductions**

**(\$10.64) million**

- Requires agencies to hold positions vacant longer, and to maintain work and service levels within reduced resources
- Recommended fee increases:
  - Rec-PAC program fees
  - SACC fees
  - CONNECTOR fares
- Have not recommended all reductions submitted by agencies
  - Complete list of FY 2013 reduction options which are not recommended is available online at <http://www.fairfaxcounty.gov/dmb/fy2013/advertised/FY2013-other-reductions.pdf>

# ***LOOKING AHEAD***

## **Significant challenges loom on the horizon:**

- Addressing needs of Fairfax County Public Schools
- Appropriately compensating County employees
- Maintaining County's safety net of services
- Funding Public Portion of the ongoing transformation of Tysons
- Meeting our transportation requirements
- Seeking revenue diversification



# **FOR MORE INFORMATION AND HOW TO SHARE YOUR INPUT**

***Your feedback on this budget proposal is appreciated:***

**[www.fairfaxcounty.gov/budget/fy13-advertised-input.htm](http://www.fairfaxcounty.gov/budget/fy13-advertised-input.htm)**

The entire *FY 2013 Advertised Budget Plan* and the *FY 2013 – FY 2017 Capital Improvement Program* (CIP) are available on the Internet:

•**<http://www.fairfaxcounty.gov/budget>**

All of these County documents are available on one compact disc from the Department of Management and Budget (DMB).

In addition, one reference copy of the budget is available at each County library facility.

# ***FY 2013 BUDGET SCHEDULE***

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**February 28, 2012**

County Executive presents FY 2013  
Advertised Budget Plan

**March 6, 2012**

Advertisement of FY 2013 tax rates and  
*FY 2012 Third Quarter Review*

**April 10-12, 2012**

Public Hearings on FY 2013 Budget, *FY 2012  
Third Quarter* and FY 2013-FY 2017 Capital  
Improvement Program

**April 24, 2012**

Budget Mark-Up

**May 1, 2012**

Budget Adoption

To sign up to speak at one of the public hearings, call the Clerk to the Board's Office at (703) 324-3151 or (703) 324-2391 (TTY 711) or to access the form to sign up to speak, go to

**[https://www.fairfaxcounty.gov/bosclerk/speaker\\_bos.htm](https://www.fairfaxcounty.gov/bosclerk/speaker_bos.htm)**

The public can send written testimony or communicate with the Clerk's Office by email at: **[clerktothebos@fairfaxcounty.gov](mailto:clerktothebos@fairfaxcounty.gov)**