

## Response to Questions on the FY 2009 Advertised Budget Plan

**Request By:** Supervisor Bulova

**Question:** What has previously been supported by the General Fund that is proposed to be shifted to the Penny for Stormwater and the Penny for Affordable Housing funds?

**Response:** Penny for Stormwater Management Fund:

The FY 2009 Advertised Budget Plan includes a proposal to charge staff and operating costs for the entire Stormwater Planning Division (SPD) and a portion of the Maintenance and Stormwater Management Division (MSMD) costs to Fund 318, Stormwater Management Program (The Penny for Stormwater Management Fund). The entire Stormwater Planning Division includes 34 positions and totals \$2,131,165. The Stormwater Planning Division provides stormwater planning, monitoring and capital project design and floodplain management, as well as administers the federally mandated Municipal Separate Storm Sewer System (MS4) permit. The recovery for the Maintenance and Stormwater Management Division includes a portion of that cost center's funding or \$2,000,000. The Maintenance and Stormwater Management Division provides maintenance and rehabilitation services on existing stormwater infrastructure such as pipes, catch basins, drainage channels, stormwater facilities and dams. Together the two divisions fully support the County's stormwater program. It is proposed that salary and associated costs for these divisions be charged to Project FX0005, Operations Support, within Fund 318, and not be charged to individual projects throughout the fund. This action results in a reduction of \$4,365,213 of General Fund support for the Stormwater program including \$4,131,165 associated with the charge out of positions and associated costs, and \$234,048 in Agency 89, Fringe Benefits.

The presentation by the County Executive to the Board of Supervisors on February 25, 2008, included a proposal to charge out the remaining funding within the Maintenance and Stormwater Management Cost Center to Fund 318. This proposal was estimated to generate an additional \$3,218,626 to be charged to the Stormwater Penny Fund. This additional proposal would include 75 positions from the Maintenance and Stormwater Management Division, for a total of 109 stormwater positions.

The total \$7,583,839 proposed to be charged to Fund 318 represents 33 percent of the total \$22,800,000 budgeted in Fund 318. These costs were previously supported entirely by the General Fund.

Agency 29, Stormwater Management, also includes 23 positions and \$3,625,684 in associated costs that work on the transportation services program and the snow emergency response program. These positions and associated costs are not proposed to be charged to Fund 318.

Penny for Affordable Housing Fund:

As part of the February 25, 2008 proposed reductions to address the projected FY 2009 budget shortfall since publication of the FY 2009 Advertised Budget Plan, the County Executive recommends using the equivalent of 2.5 percent of the annual funding in Fund 319, The Penny for Affordable Housing Fund to offset administrative costs. This

equates to \$570,000 for FY 2009 as the approximate value of one penny on the real estate tax rate is \$22.8 million in the FY 2009 Advertised Budget Plan.

Fund 319 was established in FY 2006 and is designed to serve as a readily available source of funding for the preservation of affordable housing in the County. On May 23, 2005, the Board of Supervisors adopted a policy to allow up to 2.5 percent of the annual funding in Fund 319 to be used for administrative costs (e.g., planning dollars, consultant services, staff expenses). Expenditures in the amount of \$570,000 currently associated with administrative support of Fund 319 (e.g., policy oversight, program management, budgeting, and project management) that were previously supported by the General Fund would now be charged to Fund 319.