

County of Fairfax, Virginia

*County of Fairfax
Board of Supervisors'
Priorities*



**Strong Investment
in Education**



**Public Safety
and Gang Prevention**



**Affordable
Housing**



**Environmental
Protection**



**Transportation
Improvements**



**Revenue
Diversification**

FY 2007

Adopted Budget Plan

Citizen's Guide To The Budget

FY 2007 Adopted Budget Highlights

On May 1, 2006, the Fairfax County Board of Supervisors approved the FY 2007 Budget. The challenge was to balance the need for real estate tax relief, while meeting the increasing needs of a growing, diverse and aging population. The Board listened to speakers at three-nights of public hearings, as well as at numerous meetings open to the public. They also received considerable input through telephone calls and mail, including e-mail. This input and the Board's own strategic priorities helped guide their funding decisions.

The FY 2007 Budget approved by the Board is intended to preserve the high quality of life and outstanding services that residents expect, while balancing the cost of these services against taxpayers' ability to finance them. For the sixth consecutive year, average residential real estate assessments increased by double-digits. In order to help mitigate the effect of rising assessments, the Board of Supervisors reduced the Real Estate Tax rate from \$1.00 per \$100 of assessed value to \$0.89 per \$100 of assessed value. This results in a savings to the average residential taxpayer of \$595 compared to what would have been paid without the FY 2007 Real Estate Tax rate reduction. Additionally, the Board eliminated the Automobile Decal Fee, resulting in an estimated savings of \$58 per household.



FY 2007 Disbursements

The FY 2007 Adopted Budget Plan represents a fiscally sound approach to address the Board of Supervisors' strategic priorities, as well as the County's Core Purpose and seven vision elements (see page six). The Board approved FY 2007 Disbursements of \$3.21 billion. This disbursement level includes both County Direct Expenditures, as well as transfers to the Fairfax County Public Schools (FCPS) Operating Fund and Debt Service; Metro; the Fairfax-Falls Church Community Services Board; and County Debt Service, among others.

The Board of Supervisors approved a transfer to the School Operating Fund of \$1.53 billion, which is an increase of \$93.88 million or 6.56 percent over FY 2006. In addition to the Operating Transfer, the County contribution for School Debt Service for FY 2007 is \$142.27 million, an increase of \$11.99 million or 9.20 percent over FY 2006. This is an increase of \$8.0 million over the FY 2007 Advertised Budget Plan and is intended to address the Initiatives for Excellence teacher pay proposal. In addition, the Board committed to funding another \$8.0 million in FY 2008 to support the Initiatives for Excellence. The Board also recognized the challenge of meeting the federal government's *No Child Left Behind* (NCLB) mandates and committed to providing \$8.0 million in one-time funding at the *FY 2006 Carryover Review* to support non-recurring items in order to enable FCPS to direct recurring funding toward NCLB requirements.

Another component of General Fund Disbursements is Direct General Fund expenditures, which are associated with traditional municipal services such as police, fire, EMS, libraries, parks, recreation, etc. The Board approved funding of \$1.17 billion, an increase of \$42.27 million or 3.75 percent over the *FY 2006 Revised Budget Plan*. This reflects the ongoing commitment to minimize budget growth, which has been limited for the most part to those adjustments associated with public safety, new facilities and continued operations.

The Citizen's Guide to the Budget contains brief summaries of highlights from the FY 2007 Adopted Budget Plan. Additional details can be found in Volumes 1 and 2, as well as the Overview Volume.



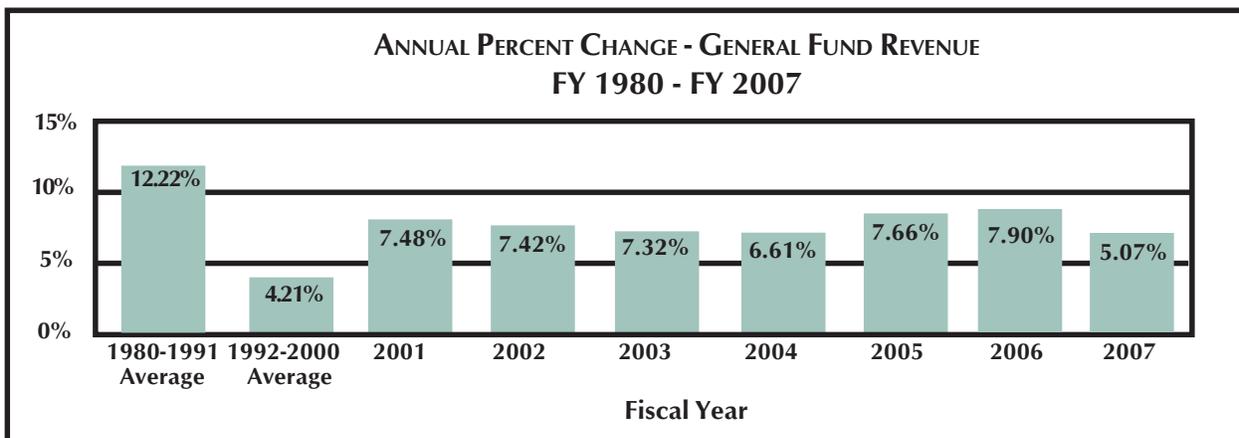
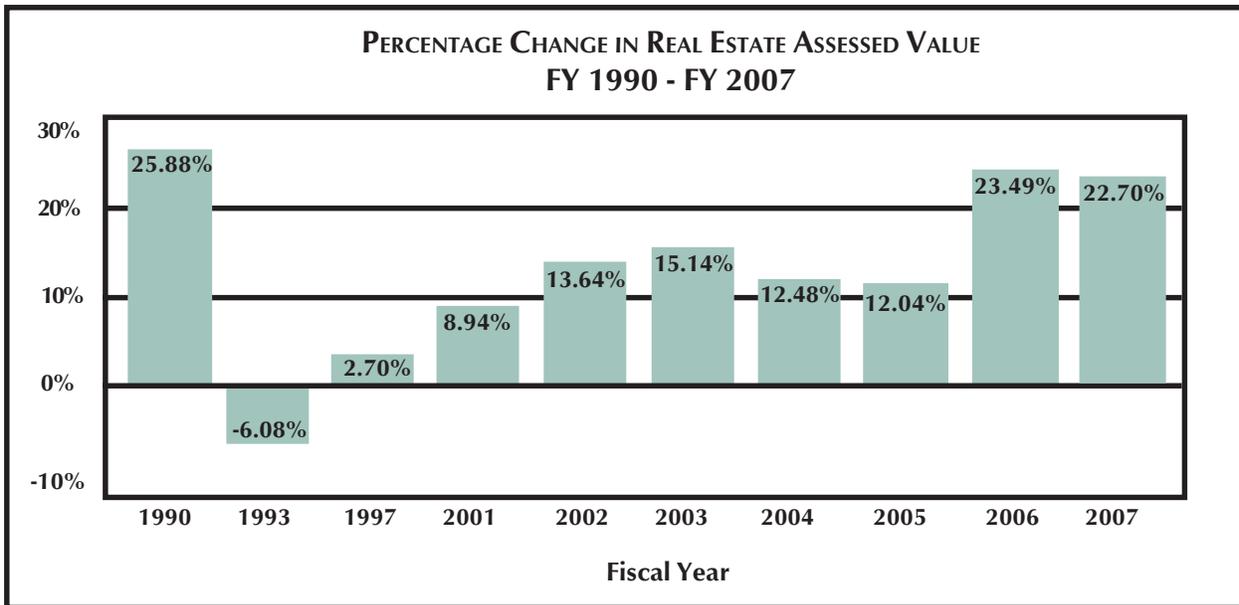
FY 2007 Adopted Budget Highlights

FY 2007 Revenues

FY 2007 General Fund revenues total \$3.21 billion, an increase of \$154.96 million or 5.07 percent over FY 2006. Based on the Board's adopted rate reduction of 11 cents, real estate tax receipts are anticipated to increase 6.86 percent over FY 2006 and represent 58.91 percent of total revenue. All other categories of revenue are forecasted to increase a moderate, but solid 2.60 percent.

Despite growth in other categories, the increase in tax assessments, including both the residential and non-residential sections, continues to be the focal point of County revenue growth. The FY 2007 real estate tax estimate is based on a 22.70 percent increase in the valuation of real property, reflecting a 19.76 percent increase in equalization (the reassessment of existing property) and a 2.94 percent increase due to new construction. It is not surprising that the residential component continues to account for the majority of this increase. Fueled by low mortgage rates and increased demand as a result of healthy job growth in the region, as well as a supply that has not kept pace, home prices continued to climb during 2005. As a result, the County's residential equalization increased 20.57 percent for FY 2007. This was a decrease from the FY 2006 level of 23.09 percent and shows the beginnings of a cooling market. All categories of residential property experienced double-digit increases in value. Since FY 2001, average house values have more than doubled, growing 160 percent, from \$208,126 to \$540,746 for FY 2007. The real estate tax rate reduction proposed for FY 2007 marks the fifth such reduction. These rate reductions have offset a large part of the assessment increases.

The FY 2007 increase in the non-residential real estate tax base reflects an increase of 16.64 percent in equalization, up from the FY 2006 increase of 12.74 percent. Leasing of office space continued at near-record levels in 2005, with the County's overall office vacancy rate declining from 8.6 percent at year-end 2004 to 7.8 percent at year-end. This is largely due to a significant influx of federal dollars associated with defense and homeland security that increased demand for office space.



Summary of the FY 2007 Adopted Budget

Summary General Fund Statement (in millions of dollars)

	FY 2006 Revised Budget Plan	FY 2007 Advertised Budget Plan	FY 2007 Adopted Budget Plan	Increase/ (Decrease) Over Revised	Percent Inc/(Dec) Over Revised
Beginning Balance ¹	\$177.53	\$61.95	\$63.48	(\$114.06)	(64.25%)
Revenue	\$3,057.11	\$3,319.45	\$3,212.07	\$154.96	5.07%
Transfers In	\$2.60	\$2.41	\$2.41	(\$0.20)	(7.54%)
Total Available	\$3,237.25	\$3,383.81	\$3,277.95	\$40.70	1.26%
Direct Expenditures	\$1,127.01	\$1,166.55	\$1,169.28	\$42.27	3.75%
Transfers Out					
School Transfer	\$1,431.34	\$1,517.22	\$1,525.22	\$93.88	6.56%
School Debt Service	130.28	142.69	142.27	11.99	9.20%
<i>Subtotal Schools</i>	<i>\$1,561.62</i>	<i>\$1,659.91</i>	<i>\$1,667.49</i>	<i>\$105.87</i>	<i>6.78%</i>
Metro	\$21.32	\$21.32	\$20.32	(\$1.00)	(4.69%)
Community Services Board	90.98	96.31	97.48	6.50	7.15%
County Transit Systems	26.39	30.70	30.70	4.31	16.33%
Capital Paydown	65.09	16.15	33.58	(31.51)	(48.42%)
Stormwater Management Program ²	17.90	0.00	0.00	(17.90)	(100.00%)
Penny for Affordable Housing ²	17.90	0.00	0.00	(17.90)	(100.00%)
Information Technology	19.16	16.04	12.54	(6.62)	(34.56%)
County Debt Service	98.72	112.81	110.69	11.98	12.13%
Other Transfers	127.70	62.74	71.61	(56.08)	(43.92%)
<i>Subtotal County</i>	<i>\$485.15</i>	<i>\$356.05</i>	<i>\$376.91</i>	<i>(\$108.23)</i>	<i>(22.31%)</i>
Total Transfers Out	\$2,046.76	\$2,015.96	\$2,044.40	(\$2.36)	(0.12%)
Total Disbursements	\$3,173.77	\$3,182.51	\$3,213.68	\$39.91	1.26%
Ending Balance	\$63.48	\$201.29	\$64.27	\$0.80	1.26%
Less:					
Managed Reserve	\$63.48	\$63.65	\$64.27	\$0.80	1.26%
FY 2007 Reserve for GASB 45 Requirements ³		\$10.20			
FY 2007 Reserve for Jennings Courtroom Renovations and Elevator Modifications ³		\$15.55			
FY 2007 Reserve for Construction Inflation Adjustments ³		\$12.00			
FY 2007 Reserve for County Entryway Signage Enhancements ³		\$0.50			
FY 2007 Reserve for Land Acquisition/Facility Opportunities ³		\$8.00			
FY 2007 Reserve for Critical Board Projects ³		\$10.00			
FY 2007 Reserve for Safety Enhancements at Bus Shelters and Bus Stops ³		\$10.00			
FY 2007 Reserve for Capital Renewal Projects ³		\$11.84			
FY 2007 Reserve for Board Consideration ³		\$56.85			
Managed Reserve Adjustment if Reserves moved to Disbursements ³		\$2.70			
Total Available	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

Summary of the FY 2007 Adopted Budget

Summary General Fund Statement Footnotes

¹ The FY 2006 Revised Beginning Balance reflects audit adjustments for revenue and expenditures as included in the FY 2005 Comprehensive Annual Financial Report (CAFR). As a result, the FY 2006 Revised beginning balance reflects a net increase in available balance of \$1,347,508 based on an increase of \$1,851,508 in revenue offset by an increase of \$504,000 in expenditure requirements.

² As part of the FY 2007 Advertised Budget Plan, the approximate value of one penny of the real estate tax rate for both Fund 318, Stormwater Management Program, and Fund 319, The Penny for Affordable Housing Fund, will be reflected as revenue in the funds instead of as a transfer in from the General Fund.

³ As part of the FY 2007 Advertised Budget Plan, the County Executive recommended various reserves to address requirements that could not be funded within the Board adopted guidelines for County growth. These reserves represented opportunities for investment and included funding to begin to address the County's GASB 45 liability, funding for courtroom renovations and elevator replacement at the Jennings building, funding to cover escalation in construction costs for County facilities, funding to implement recommendations regarding safety enhancements at bus shelters and bus stops, and funding to allow the Board of Supervisors to provide additional tax relief or fund consideration item requests. The Board of Supervisors utilized the majority of the funding available in these reserves for additional real estate tax relief of \$0.04 per \$100 of assessed value and additional funding for the Fairfax County Public Schools. A portion of the funding for GASB 45 (\$8,200,000), courtroom renovations and elevator modifications (\$2,900,000), construction inflation (\$8,000,000), safety enhancements at bus shelters and bus stops (\$2,500,000) and capital renewal (\$3,841,000) were approved by the Board and are appropriated to these projects as part of the FY 2007 Adopted Budget Plan.

FY 2007 Adopted Budget Highlights

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

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 

Major funding adjustments for FY 2007 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, as well as the priorities that the Board of Supervisors identified at their strategic planning retreat in February 2004. Strategies and funding to address these priorities have been incorporated in the [FY 2007 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.

SUPPORT FOR FAIRFAX COUNTY

PUBLIC SCHOOLS

For FY 2007, Fairfax County is providing \$1,667.49 million or 51.9 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 \$1,525,218,089 to the School Operating Fund is included, which represents an increase of \$93,880,269 or 6.56 percent. In addition, the Board of Supervisors committed to providing \$8.0 million in one-time funding at the *FY 2006 Carryover Review* to support non-recurring items to enable FCPS to address No Child Left Behind program requirements with recurring funding; and
- A transfer of \$142,269,368 is provided for School Debt Service, which is an increase of \$11,987,925 or 9.20 percent over the FY 2006 level.

BOARD PRIORITY:



**Strong Investment
in Education**



Education continues to be one of the Board's main priorities.

In addition to \$1.67 billion in the County transfers to FCPS for operations and debt service, Fairfax County provides additional support totaling \$57.55 million for the following programs:

- \$29.01 million for the Comprehensive Services Act (CSA), Head Start and School Age Child Care (SACC) programs within the Department of Family Services;
- \$11.94 million to support School Health including Public School Nurses and Clinic Room Aides;
- \$7.98 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;
- \$3.95 million primarily for after-school programming in middle schools including additional funding of \$2.40 million to address the Board's priority of gang prevention;

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- \$2.60 million in services provided by the Fairfax-Falls Church Community Services Board;
- \$1.94 million for athletic field maintenance and other recreation programs; and
- \$0.13 million for fire safety education programs for students.

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 2007:

Fire and Rescue Department 7th Battalion **\$1.7 million**

An increase of \$1,706,121 for an additional 8/8.0 SYE positions is associated with the creation of a 7th Battalion. The additional battalion will ensure appropriate oversight, management and control of the increasing complement of field personnel and will lower the station-to-battalion ratio, both of which have grown since the creation of the 6th Battalion in FY 1996. With the opening of the North Point Fire Station in FY 2000 and three new upcoming fire stations — the Fairfax Center Fire Station, which is scheduled to open in summer 2006, and the Crosspointe and Wolf Trap Fire Stations, which will become operational in FY 2007 and FY 2008, respectively, the number of stations will increase from 34 in FY 1996 to 38. The addition of the 7th Battalion will provide adequate operational and management support for this increase in stations and personnel.



Fire and Rescue Department staff with visitors during Fire Prevention Week.

Rescue Company Safe Staffing **\$3.3 million**

Funding of \$3,334,041 for 32/32.0 SYE positions, supplies and equipment is associated with the addition of a fourth person to each of the Fire and Rescue Department's rescue companies. Current minimum staffing for a rescue company consists of one driver, one officer and one fire technician. Providing an additional fire technician to each rescue company will allow crew members the ability to operate in separate teams of two in order to conduct tactical assignments such as forcible entry, primary search and fire attack, as well as allow quicker extrication of trapped victims. This level of staffing is consistent with National Fire Protection Association standards, which recommend that fire companies whose primary functions are rescue and/or incident response be staffed with a minimum of four on-duty personnel.

Police Patrol and Department of Public Safety Communications Staff **\$4.2 million**

An increase of \$4,231,475 is for the addition of 29/29.0 SYE positions assigned to support the County's eight District Police Stations and emergency operations. 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. The addition of the Police Officer positions will allow greater opportunity to reduce response times, further develop community policing concepts, engage residents in partnering to reduce crime, and enhance officer safety training. Of the 29/29.0 SYE positions, 24/24.0 SYE

Police Officers will be deployed to district stations. The Department will use the additional positions to improve response times to calls for service, particularly for Priority 1 emergency calls. In CY 2004, the average response time for all types of calls for service was 22.1 minutes, compared to 18.4 minutes in CY 2000, and 16.0 minutes in CY 1996. Priority 1 emergency call response times increased to 6.9 minutes in CY 2004 from 6.1 minutes in CY 2003, an increase of 13.1 percent and a trend that the Department is working diligently to reverse. The CY 2005 average response time of 6.1 minutes for Priority 1 calls is an indication that the Department's efforts are beginning to have a positive effect. The additional Patrol positions are expected to contribute to this downward trend.

BOARD PRIORITY:



**Public Safety and
Gang Prevention**

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In addition to the 24/24.0 SYE Patrol Officers, 5/5.0 SYE Police Lieutenants will be deployed to the Department of Public Safety Communications (DPSC) to provide a 24-hour, 365-day sworn Police presence at the DPSC facility. The Officers assigned to the DPSC will provide guidance and direction to call-takers and dispatchers for Police-related calls and emergencies, and will be the primary liaison between the DPSC and the Police Department for operational issues as they relate to communications and the deployment of resources during emergency events.

Criminal Investigations Bureau **\$0.9 million**

Funding of \$867,671 is for the addition of 6/6.0 SYE positions in the Criminal Investigations Bureau. Included are 4/4.0 SYE Police Detective positions to provide additional investigative support in the areas of fraud/financial crimes and identity theft, organized crime and narcotics, and other investigations as needed. The Department has seen a trend of offenders switching from traditional property-related index crimes (burglary, larceny and vehicle theft) to other less traditional property crimes such as identity theft and fraud. This is demonstrated by the numbers of cases investigated by the Financial Crimes Section, increasing from 952 cases handled in 1998 to 1,604 cases in CY 2000, and more than 3,000 cases in CY 2005.

In addition, 1/1.0 SYE Police Sergeant is included as a supervisor for the Homicide/Sex Crimes Cold Case Squad that is responsible for reviewing unsolved homicides, abductions, rapes and other sexual predator crimes. Members of the Homicide Squad average approximately 580 investigations per year involving unnatural deaths such as suicides, accidental deaths and homicides, while the Sex Crimes Squad investigates approximately 320 cases per year. The addition of the Police Sergeant will help to improve supervision in this section, allowing for more cases to be reopened, and will share in the substantial workload handled by this squad. Finally, 1/1.0 SYE Crime Analyst I position is included to assist the Criminal Investigations Bureau by integrating crime information and data to identify crime trends at the local, state and federal levels in order to target crime patterns and provide predictive analysis for the deployment of personnel and other operational resources.

Police Support Positions **\$0.5 million**

An increase of \$476,705 is for 5/5.0 SYE positions to perform a range of critical functions within the Police Department, including 1/1.0 SYE Police Officer position for the Department's sworn force recruitment efforts; 1/1.0 SYE Police Sergeant and 1/1.0 SYE Property and Evidence Technician for management of the Department's Property and Evidence Room; and 1/1.0 SYE Business Analyst II and 1/1.0 SYE IT Technician III for Information Technology support related to management of the Department's Mobile Computer Terminal units and Automated Field Reporting system.

Animal Control Officers **\$0.3 million**

Funding of \$319,927 is for 3/3.0 SYE Animal Control Officers (ACOs) to be assigned to the four existing squads that provide coverage throughout the County. ACOs respond to calls for service involving animal-related events that have a public safety and health impact, including pet licensing and inoculation violations, wildlife and exotic animal calls, firearm permit inspections, and hunting and fishing violations. The addition of these positions allows an opportunity for improved response times to calls for service, more time to be spent on investigations when necessary, greater opportunity for back-up when needed, and the ability to be more proactive and participate in educational and community policing functions. In 2005, the Animal Services Division handled 14,609 animal-related cases, including 7,013 impoundments and 889 bite cases, as well as 1,481 arrests for rabies and license violations, inhumane animal treatment, and other animal-related infractions.



Public safety outreach programs are targeted toward all age groups.

After-School Program at Fairfax County Middle Schools **\$2.4 million**

To address the Board's priority of gang prevention, an amount of \$2.4 million is included to support the expansion of after-school programming providing middle school youth with diverse educational, social and recreational opportunities in a supervised environment. This initiative will expand services from three days per week to five days per week, a minimum of two hours per day, at Fairfax County middle schools. Fairfax County Public

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Schools program coordinators will develop, plan and oversee implementation of a calendar of academic, social/enrichment and recreational activities, work with communities to develop program resources and sponsorships, coordinate prevention and recreation programs with the Department of Community and Recreation Services (CRS), schedule community use, and provide outreach to at-risk youth. The CRS coordinator will work with each school to organize the placement of County prevention programs, develop community/business resources, and create linkages between County and School programs and resources. This funding level allows for the full implementation of the program one year earlier than originally planned.

Youth Worker Program **\$0.1 million**

As another initiative in response to the Board's priority of gang prevention, an amount of \$0.1 million is included to expand the Youth Worker Program, originally initiated in the summer of 2005 (FY 2006) in the Falls Church, Baileys and Annandale areas. County teens will assess and make recommendations for improvement to existing youth services in Fairfax County with emphasis on the effectiveness of these services in reaching youth at risk for gang involvement. Additionally, the youth workers will be responsible for developing and implementing a marketing plan to reach underserved populations, as well as developing and implementing a gang prevention curriculum for elementary-aged youth.

Courthouse Expansion **\$9.3 million**

\$9.3 million will support a major expansion to the Jennings Judicial Center, anticipated to be complete in April 2007. This expansion includes a 316,000-square-foot addition to the existing building including courtrooms, judges' chambers, office space, necessary support spaces, and site improvements. The expansion will consolidate court services, reduce overcrowding, allow after-hours access to the public law library and other court clerk functions, and provide additional courtroom space. The Courthouse Expansion is greatly needed to keep pace with the growth in population, which has had a direct impact on caseload growth, translating into requirements for additional judges and support staff.



Artist rendering of the Courthouse Expansion.

Funding includes \$1.6 million and 16/16.0 SYE positions to meet the needs associated with the expanded space. The Facilities Management Department positions (5/5.0 SYE) are necessary to establish an Operations and Maintenance satellite shop with staff dedicated to the courthouse facility. Staff will be on-site during construction, enabling them to become familiar with the equipment and systems as they are installed. Administrative positions (2/2.0 SYE) funded in the Office of Public Affairs will manage the information desk, while Sheriff Deputies (6/6.0 SYE) will provide the necessary level of security and surveillance within the expanded area of the Courthouse. Finally, the information technology positions (3/3.0 SYE) will provide centralized information technology support for the entire Judicial Center. These positions will provide immediate response to courtrooms during trials, provide training to court staff, coordinate audiovisual teleconferences, support programming code, and help archive and retrieve electronic court records.

Additional funding totaling \$7.7 million is included to support the expanded facility and is associated with moving costs, utilities, maintenance and custodial work, courtroom technology, systems furniture and loose furniture for public spaces, the new cafeteria, conference rooms and other common areas.

PUBLIC SAFETY COMPENSATION

Market Rate Adjustment **\$15.6 million**

\$15.6 million is recommended for a 4.25 percent Market Rate Adjustment (MRA) for public safety personnel including Police, Sheriff, Department of Public Safety Communications, 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-scale 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.

The MRA for FY 2007 is significantly higher than previous years, which ranged from 2.56 to 3.07 percent. Due to the significant spike in energy costs after the natural disasters last year, the CPI data for September, the month typically used by the County for the CPI factor as it was generally the last month available before the decisions on the upcoming budget were made, reflected the substantial short-term jump in the cost of gasoline as a result of damaged refineries in the Gulf of Mexico. It should be noted that applying the CPI data from other available months would have resulted in a significantly lower MRA (approximately 0.5 percentage point less). While the index is applied to public

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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.

Public Safety Adjustments **\$3.4 million**

\$3.4 million will provide a 2.0 percent across-the-board salary adjustment for uniformed Fire and Rescue personnel. 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. The annual review of public safety compensation was performed to ensure salaries remain competitive with neighboring jurisdictions and it indicated that adjustments are necessary in order to attract and retain highly qualified staff. In addition, the pay scales of Police Majors and Deputy Chiefs of Police have been adjusted to be aligned with the Deputy Fire Chiefs and Assistant Fire Chiefs; however, based on the relatively low number of staff involved, this cost will be absorbed. Police Medics will also receive an increased stipend aligning their Advanced Life Support (ALS) certification pay with that of Fire and Rescue ALS providers, the additional cost of which is \$75,548. 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; however, competitive pay is necessary to ensure the County is able to continue to attract and retain the most qualified individuals that sustain this high level of performance.

Merit Increments **\$2.0 million**

\$2.0 million is provided 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 2007.

Shift Differential **\$0.4 million**

\$0.4 million is included to adjust shift differential payments, 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 Services Board personnel among others, and brings these rates and practices more in line with neighboring jurisdictions. The shift differential rates will increase from \$0.85 to \$0.90 per hour for the evening shift, and from \$1.10 to \$1.30 per hour for the midnight shift. In addition, adjustments to the holiday pay policies, the costs for which will be absorbed in FY 2007, provide compensation to employees who are required to work on the actual holiday when that differs from the County-observed holiday (New Year's Day, 4th of July, Veteran's Day, Christmas Eve or Christmas Day). Employees will now also receive hour-for-hour compensation for call-back and mandated overtime hours worked (not to exceed the employee's normal scheduled work

hours) when the holiday (actual and observed) falls on a scheduled day off. Additionally, holiday policy will be revised to clarify that employees will receive hour-for-hour holiday compensation on holidays (actual and observed) that fall on their scheduled work day in situations where the employee does not work, consistent with their scheduled hours.

Braddock Glen **\$1.2 million**

An increase of \$1.2 million has been included to support the Braddock Glen Adult Day Health Care Center, formerly known as Little River Glen, and the Braddock Glen Assisted Living Facility. These two facilities are associated with the second phase of the Little River Glen campus and are expected to open in late FY 2006. The Adult Day Health Care Center will serve an estimated 35 individuals daily and will provide an alternative to nursing home placement for adults with disabilities and seniors, as well as respite for family caregivers. Braddock Glen will offer 60 assisted living units for low and moderate income seniors, enabling them to remain in the County close to family.



Braddock Glen Adult Day Health Care Center.

Clinic Room Aides **\$0.1 million**

An increase of \$74,964 for 2/1.27 SYE Clinic Room Aides and operating expenses is associated with the opening of Eagle View Elementary School (formerly known as West Fairfax Elementary School) and increased enrollment at Westfield High School. Clinic Room Aides (CRAs) provide first aid and care to sick and injured students, administer medication, and conduct hearing and vision screenings for students in Fairfax County Public Schools (FCPS). As new schools are opened, additional CRAs are needed. In FY 2007, FCPS will open Eagle View Elementary School. One CRA has been added to serve this new school, while another has been added to address higher than originally projected enrollment at Westfield High School. Like most high schools, Westfield was initially staffed with one CRA. However, enrollment has risen to 3,300 students, requiring an additional CRA to accommodate the larger student population.

FY 2007 Adopted Budget Highlights

Public Health Nurses

\$0.2 million

An amount of \$161,359 for 2/2.0 SYE Public Health Nurses II is associated with additional Health Department support for the Fairfax County Public Schools. Public Health Nurses develop and implement health plans for students with identified health conditions such as asthma, diabetes, life-threatening allergies, and cancer. If a student has a serious medical condition, he or she is prohibited from attending school until an adequate health plan is in place. During the 2005 school year, over 46,000 students were on the Medical Flag List and 28 percent of the total student population had an identified health condition. Additional Public Health Nurses will reduce the ratio of students to Public Health Nurses from 3,036:1 to 2,895:1 and are projected to increase the health plan completion rate within five school days of notification from 36 percent to 62 percent.

Medical Reserve Corps

\$0.2 million

An increase of \$170,455 is included for 1/1.0 SYE Management Analyst III and 1/1.0 SYE Community Health Specialist associated with the Medical Reserve Corps (MRC). The Fairfax County MRC, with over 3,000 trained volunteers, is the largest in the Commonwealth of Virginia and has been nationally recognized for its recruitment and rigorous training. MRC volunteers are utilized to staff and operate vaccination or medication-dispensing sites across the County should a bioterrorist event such as anthrax or smallpox or a naturally occurring epidemic such as pandemic flu require such intervention. In the past, the MRC program was funded by a temporary grant from the U.S. Surgeon General, and upon expiration of the grant in FY 2006, County resources are needed to keep this model program operational. Current estimates indicate that 12,000-14,000 volunteers would be needed to adequately respond to the entire County population within the required time for treatment.

Communicable Disease Positions

\$0.2 million

Funding of \$159,459 is provided for 1/1.0 SYE Public Health Nurse II and 1/1.0 SYE Community Health Specialist associated with the Health Department's Communicable Disease/Epidemiology Program. The focus of the Communicable Disease/Epidemiology Program is to prevent epidemics and the spread of disease, and to promote and encourage healthy behaviors. Reportable communicable diseases and investigations of consumer complaints are higher than previous years, and the Health Department needs resources to cover this increasing workload. Public Health Nurses in the Communicable Disease Program investigate reports of disease and disease outbreaks, provide daily reports on illnesses and diseases to the State Health Department, maintain syndromic surveillance at local hospitals seven days a week, and participate in emergency response planning and implementation. An additional Public Health Nurse will increase the County's capacity to manage communicable diseases effectively by spreading the workload to a manageable size. Focusing on the promotion and encouragement of healthy behaviors, an additional Community Health Specialist will act as

a Health Educator, educating the public about bioterrorism preparedness and communicable disease prevention, as well as assist with Medical Reserve Corps training.

Health Department Strategic Planning

\$0.1 million

An increase of \$94,925 for 1/1.0 SYE Management Analyst III will allow the Health Department to more effectively perform management analysis activities. These activities include program evaluation, performance measurement development and monitoring, strategic planning, statistical analysis, data gathering, community needs assessment and program development. This Management Analyst will begin work on four critical projects for the agency: a community-wide strategic planning tool known as "Mobilizing Action through Planning and Partnerships;" a pandemic flu plan with isolation and quarantine components; a public health action plan for reversing the upward trend of obesity and overweight individuals in the community; and a strategic review of the school health program.

Chemical Hazards Staff

\$0.2 million

Funding of \$156,212 is provided for 1/1.0 SYE Environmental Health Specialist II and 1/1.0 SYE Environmental Health Specialist III to reestablish a chemical hazard response capability within the Health Department. These positions will provide the initial industrial hygiene expertise needed to collaborate more effectively with the Fire and Rescue Department to mitigate incidents involving chemical hazards. Such incidents involve exposure to toxic substances such as asbestos, carbon monoxide, lead, mercury, organic solvents, pesticides, and microbiologic agents that cause building-related illnesses. In addition, staff with industrial hygiene expertise can conduct a public health risk assessment for exposure to acute releases of hazardous materials such as gasoline and heating oil. This expertise is critical to monitoring and preventing public health exposures and environmental contamination of groundwater, as well as appropriately responding to and investigating environmental-related terrorist activity and other emergency/non-emergency chemical releases.

Child Care Assistance and Referral

\$4.1 million

An increase of \$4.1 million has been included to support an enrollment level of 5,400 child care years in the Child Care Assistance and Referral (CCAR) program. This enrollment level is based on July 2005 service levels and will provide services to approximately 400 more children compared to the FY 2006 Adopted Budget Plan. Increasing enrollment is attributed to several demographic and social factors including low unemployment rates, greater numbers of Temporary Assistance to Needy Families (TANF) and Virginia Initiative for Employment, not Welfare (VIEW) cases, and growth in the County population. Additional program growth will be managed through the implementation of a waiting list. This expenditure is partially offset by an increase of \$0.8 million in federal funding for a net County cost of \$3.3 million.

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School-Age Child Care **\$1.2 million**

Funding of \$1.2 million is provided for 18/14.58 SYE positions that are associated with opening six new School-Age Child Care (SACC) rooms, two at Oak Hill Elementary School, and two at Cherry Run Elementary School, based on room availability and two at the new Eagle View Elementary School scheduled to open for the 2006/2007 school year. The new rooms will provide affordable, safe, quality child care services to an additional 210 children. Countywide, the waiting list for SACC is currently over 3,000 children.



Children taking part in one of many enriching SACC activities.

Katherine K. Hanley Family Shelter **\$1.2 million**

Funding of \$1.2 million, including \$700,000 for operating expenses for six months and \$500,000 in one-time start-up costs, has been included for the Katherine K. Hanley Family Shelter, scheduled to open in April 2007. This new 20,000-square-foot facility will provide comprehensive emergency shelter services to approximately 20 homeless families, a majority of whom are children. Family shelter services will focus on assisting homeless families in crisis to stabilize and obtain self-sufficiency through employment, stable housing and successful family functioning. The facility will be located in western Fairfax County, near the intersection of Route 29 and Stringfellow Road.



Artist rendering of the Katherine K. Hanley Family Shelter

Medically Fragile Homeless Care Program **\$0.2 million**

An increase of \$0.2 million has been included for 2/2.0 SYE positions to provide nurse practitioner services in the five homeless shelters located throughout the County. One position is being converted from an exempt limited-term position to a merit position and will continue providing services at the Embury Rucker shelter in conjunction with the Medically Fragile Homeless Care Pilot program approved by the Board of Supervisors during the FY 2006 budget process. The second nurse practitioner position is being converted from a grant position to a merit position due to the loss of grant funding. This position will continue the provision of medical services in the remaining four homeless shelters.

Leadership and Resiliency and Student Assistance Programs **\$0.8 million**

As part of deliberations on the FY 2007 Adopted Budget Plan, the Board of Supervisors approved \$782,888 in Operating Expenses, partially offset by \$50,000 in additional revenue from Fairfax County Public Schools, to expand the Alcohol and Drug Services' Leadership and Resiliency and Student Assistance Programs to a total of 15 County high schools through contracted services. The Leadership and Resiliency Program is currently offered in six high schools and is a school- and community-based substance abuse and violence prevention program for high school students. The Student Assistance Program is currently available in eight high schools and is a school-based alcohol and drug screening, assessment and early prevention program for youth.

Comprehensive Services Act **\$0.4 million**

Funding of \$440,650 in Operating Expenses is included to provide home-based and residential service treatment to at-risk youth who are involved in the juvenile justice system and have significant behavioral and mental health issues. These youth are eligible for, but do not currently receive services under the Comprehensive Services Act through the Fairfax-Falls Church Community Services Board's Mental Health Services.

The Enterprise School **\$0.1 million**

Fairfax County has over 80 alternative schools operated by County agencies and Fairfax County Public Schools. The Enterprise School (TES) is the only public/private partnership for alternative schools and the only one that offers mental health counseling and intervention. In FY 2006, TES staffing and educational instruction is supported by a \$250,000 General Fund contribution, an \$80,000 federal grant and fees charged to parents. The grant expires on June 30, 2006 and is not anticipated to be renewed. In order to continue existing programs and maintain the current level of service, additional County funding of \$80,000 has been included in the FY 2007 Adopted Budget Plan to offset the loss of grant funding, for a total County contribution of \$330,000.

FY 2007 Adopted Budget Highlights

Public Safety and Transportation Operations Center Staff **\$0.3 million**

Funding of \$0.3 million is included for 7/7.0 SYE positions and operating expenses for the Public Safety and Transportation Operations Center (PSTOC) scheduled to open by summer 2008. The PSTOC is projected to be a 113,000-square foot facility that will house critical safety, transportation and security components of both County and state operations. These include the Public Safety Communications Center and the Emergency Operations Center as well as the Virginia Department of Transportation (VDOT) Smart Traffic Center, the Virginia State Police, a Forensics Lab and training facilities.

Of the staff, 6/6.0 SYE positions are in the Facilities Management Department (FMD), which will establish an Operations and Maintenance satellite shop with staff dedicated to the facility. This is necessary due to the 100 percent redundancy requirements in much of the mechanical and electrical systems based on the critical 24-hour/seven days a week nature of the facility, and assumes contractor support services for specialty systems. Positions necessary in FY 2007 will be on-site during construction, which will enable staff to become familiar with the equipment and systems as they are installed. Including key maintenance personnel as an integral part of the construction team can help eliminate system component errors, as well as design omissions and conflicts. These staff will also be able to inventory equipment, develop the maintenance plan for the PSTOC during the construction phase and schedule required preventive maintenance in FMD's Computerized Maintenance Management System. It should be noted that only three of the PSTOC positions are funded in FY 2007. All six positions will be funded in FY 2008 after the facility opens.



Artist rendering of the Public Safety and Transportation Operations Center on West Ox Road.

In addition, 1/1.0 SYE PSTOC General Manager position is included to ensure the coordination of facility use and resources. The PSTOC General Manager will oversee the administrative needs of the facility, including the management and development of inter-local agreements, contracts, standard

operating procedures for shared systems and spaces, and the Joint Operations Agreement. The position will also act as a key facilitator and negotiator, and aid in decision-making among County and state agency partners, the PSTOC Operating Board, and the PSTOC Governing Board.

Security for New Judges **\$0.3 million**

Funding of \$336,587 including \$214,500 in Personnel Services and \$93,586 for fringe benefits, as well as \$28,501 for Operating Expenses is associated with the addition of 1/1.0 SYE Deputy Sheriff I and 3/3.0 SYE Deputy Sheriffs II to provide the necessary security for one additional judge each for the General District Court and the Juvenile and Domestic Relations District Court as recommended by the General Assembly's Court of Justice and Finance committees effective July 1, 2006.



Additional Probation Counselors **\$0.1 million**

Funding of \$129,585 including \$102,156 in Personnel Services and \$27,429 for fringe benefits is included for 2/2.0 SYE Probation Counselor II positions to offer informal intake/probation services for cases referred by the Juvenile and Domestic Relations District Court's Intake Section. These positions will help prevent youth from becoming involved in more serious offenses.

BUILDING LIVABLE SPACES

Penny for Affordable Housing **\$21.9 million**



An amount of \$21.9 million represents a financial commitment on behalf of the Board of Supervisors to preserve and create affordable housing opportunities by dedicating revenue equivalent to the value of one penny on the Real Estate Tax specifically for affordable and workforce housing. Given that the County lost 1,300 affordable units between 1997 and 2004, and that increases in rents and the prices of homes continue to outpace income growth, many individuals and families are finding it increasingly difficult to find affordable housing in the

FY 2007 Adopted Budget Highlights

County. As a result, the Board of Supervisors established Fund 319, The Penny for Affordable Housing Fund, with \$17.9 million in FY 2006 and set a County goal to preserve 1,000 units of affordable housing, as well as create 200 new affordable units, by the end of FY 2007. Since the cost of land and the value of existing property in Fairfax County are at an all-time high, County funding and financing are critical to achieving these goals. As of April 2006, a total of 871 affordable units have been preserved for both homeownership and rental purposes in a variety of large and small projects. Of that number, 252 units are preserved as affordable housing for periods of five years or less and 619 units are preserved for 20 years or longer. Various funding sources were used to retain these units; however, Fund 319 funds are critical for the preservation efforts.



Combined Community Inspector Program \$0.5 million
Funding of \$511,653 is provided for 5/5.0 SYE positions, limited term staffing, fringe benefits and operating expenses associated with the new Combined Community Inspector Program. This increased staffing will accompany the relocation of the property maintenance function from the Health Department to the Department of Planning and Zoning, effective FY 2007. As a result of review by staff in the Strengthening Neighborhoods and Building Communities effort, the development of a Combined Community Inspection Program is recommended to ensure that the County continues to respond to zoning and health-related complaints as they increase both in terms of volume and complexity. This increase in zoning and health-related complaints is unlikely to abate, given current trends in aging housing stock, population growth in the County and rising housing costs.

While the number of complaints received has risen significantly, the number of inspectors assigned to respond to the increased number of complaints has remained flat. The Combined Community Inspector Program will create a group of cross-trained inspectors to be designated as Combined Community Inspectors (CCIs). The CCIs will receive the appropriate classroom and field training to recognize, report and resolve property maintenance complaints. These positions will engage in formal and regular dialogue with the Department of Health, the Department of Housing and Community Development, and the Department of Public Works and Environmental Services; however, the location of the inspectors within the Department of Planning and Zoning will improve efficiency both internally and for citizens, essentially creating a one-stop program and eliminating many of the cross-agency referrals that have occurred in the past since many complaints involve violations that cross traditional agency lines of responsibility.

CLEMYJONTRI Park/Turner Farm Position \$0.1 million
An increase of \$0.1 million and 1/1.0 SYE position is associated with the opening of CLEMYJONTRI Park in McLean and Turner Farm in Great Falls in late FY 2006. CLEMYJONTRI Park will



One of the affordable housing sites in Fairfax County.

GIS Specialist for Housing \$0.1 million
An increase of \$90,025, including fringe benefits, is associated with the addition of 1/1.0 SYE Geographic Information Spatial (GIS) Analyst III for the Department of Housing and Community Development to develop and manage databases containing GIS information that will be used in designing creative approaches to neighborhood redevelopment and to attract private development and investment in support of revitalization activities.



CLEMYJONTRI Park will be the County's first fully accessible playground for disabled children.

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have the County's first fully accessible playground serving disabled children. It is a unique 18.55 acre park with over an acre of fully accessible playground equipment, an accessible carousel, picnic pavilion, perimeter trail, restrooms, a house and gardens. The purpose of this park is to provide an accessible and barrier-free playground that will enable children with a wide-range of disabilities to play alongside children without disabilities in a broad mix of playground activities. There is no other playground of this type in the entire County and visitation at this site is projected at over 50,000 per year.

With the assistance of the Turner Team, a group of volunteers in Great Falls, Fairfax County has acquired Turner Farm and is developing trail-related facilities at the site. Once completed, the facility will be operated by Park Authority staff with the continued volunteer assistance of the Turner Team. The facility will provide County residents with increased opportunities for equestrian activities. Since CLEMYJONTRI Park and Turner Farm are located approximately nine miles apart, one staff member will provide service at both parks.

Athletic Field Walk-On Use **\$0.9 million**

An amount of \$0.9 million is included to implement policies developed by the multi-agency Walk-on Use committee to ensure scheduled access to County fields by a variety of groups. As part of the *FY 2005 Carryover Review*, the Board of Supervisors directed that the recommendations from the multi-agency Walk-on Use Committee considering unauthorized and/or unscheduled use of County fields be reviewed and considered for implementation. Damage from field use abuses has increased significantly over the past few years and has undermined the efforts and resources the County and community have put into field improvements. Both the community and the County have invested millions of dollars in the development and maintenance of County fields, and a policy is needed to ensure access for scheduled use, as well as to increase awareness and enforcement of unauthorized and/or unscheduled use by the community and the damaging impact such use causes.

Of the funding total, \$0.4 million will provide for two teams of two officers each within the Police Department to monitor fields on the weekends, as well as expand the field monitoring program by adding nine field monitors; \$0.4 million will support recurring costs including contractual services with school security, trash removal, portable toilets and other miscellaneous expenses; while the remaining \$0.1 million is for non-recurring expenses supporting outreach and educational efforts including the installation of signs in multiple languages at various field sites.

Athletic Field Maintenance, Synthetic Turf Field Development Program and Custodial Support **\$5.1 million**

In FY 2007, funding of \$5.1 million is included for athletic field maintenance, synthetic turf field development and custodial support. The revenue to be generated by Athletic Field Application Fees in the amount of \$0.9 million will partially support these costs.

An amount of \$2.3 million is associated with the County athletic field maintenance program, including electricity for lighted facilities and maintenance of lighting systems, water and irrigation system maintenance, and minor ball field repairs. An amount of \$0.2 million supports continued replacement and upgrading of Fairfax County Public Schools (FCPS) boys' baseball field lighting systems and installation of lights on FCPS and County park fields used for girls' softball. Funding of \$0.7 million is provided for enhanced maintenance of school athletic fields. The enhanced level of maintenance will provide a consistent mowing frequency schedule for high school diamond fields, as well as diamond field infield preparation twice a week for all elementary, middle and high school fields. It will also establish post-season field treatment standards and a maintenance schedule for recently completed irrigation and lighting projects on FCPS fields. An amount of \$1.0 million is necessary to support the Synthetic Turf Development Program. Fields are chosen through a review process based on the need in the community, projected community use, and the field location and amenities.

Funding of \$0.2 million provides for custodial support for indoor gyms used by sports organizations. The use of FCPS indoor facilities on the weekend requires FCPS to schedule a school system employee to open and close the facility. Beginning in FY 2006, revenue generated from the Athletic Services Fee is used to provide payment for FCPS staff, eliminating the need for indoor sports organizations to pay the hourly rate previously charged. Finally, \$0.7 million is included to support mowing and general maintenance at designated FCPS athletic fields. This maintenance effort includes a consistent mowing frequency of 28 times per year at 473 athletic fields (approximately 160 school sites) and provides for aeration and over-seeding to improve turf coverage and reduce the chance of injury.



One of the many athletic fields maintained by the County.

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Increased Debt Capacity

The FY 2007-FY 2011 Adopted Capital Improvement Plan (With Future Fiscal Years to 2016) includes an increase of \$75.0 million per year for increased bond sale capacity with \$50 million for County projects and \$25 million for Schools for a period of six years. This results in an increase of approximately \$2.0 million for FY 2007 debt service. In FY 2007, new bond sales are projected at \$163.47 million, with an additional \$75 million budgeted for increased capacity.

Additional bond sale capacity is needed in order to keep pace with rising construction costs and to provide flexibility in completing approved referenda projects. Correspondingly, the target on annual sales is proposed to increase from \$200 million or \$1.0 billion over a five-year period to \$275 million or \$1.375 billion over a five-year period, with a technical limit of \$300 million in any given year. The ratio of debt to taxable property value is projected to remain less than 3.0 percent and the ratio of debt service to Combined General Fund disbursements is projected to remain less than 10.0 percent.

PRACTICING ENVIRONMENTAL STEWARDSHIP



Penny for Stormwater Management

\$21.9 million

\$21.9 million, or the approximate value of one penny from the County's Real Estate tax, has been allocated directly to Fund 318, Stormwater Management Program, for prioritized capital improvements to 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. The County's stormwater system, which includes 1,400 miles of storm drainage conveyance systems, 45,000 stormwater drainage structures, and 1,100 stormwater management ponds, is strained by an aging infrastructure and rapid urbanization that has occurred over the last 20 years.

The watershed planning process is anticipated to generate an average of 300 water quality, storm drainage and flood control projects in each of the 30 watersheds. Approximately 37 percent or \$8 million of the FY 2007 funding is identified for various watershed implementation projects. Projects include repair of flood walls, berms and stormwater infrastructure, as well as measures to improve water quality such as stream stabilization, rehabilitation and safety upgrades of dams, repair and replacement of underground pipe systems and surface channels, structural flood-proofing, and best practice site retrofits. Funding of \$6.7 million will support the Infrastructure Maintenance and Replacement Program, which is a comprehensive engineering and inspection assessment of the public and private stormwater management infrastructure as required under the County's MS4 permit. This funding also supports development of watershed master plans, public outreach efforts and monitoring activities.

Stormwater Management Staff

\$0.2 million

Funding of \$242,924 for 3/3.0 SYE positions is associated with the enhanced Stormwater Management Program. The three positions will be responsible for managing over 100 stormwater construction contracts.



Part of the County of Fairfax's extensive stormwater management system.

Developer Default Program

\$0.2 million

An increase of \$158,079 is for the addition of 2/2.0 SYE positions in the Office of Capital Facilities for the Developer Default Program. The Developer Default Program was created to address situations where, as a result of economic conditions in the construction industry, some developers do not complete required public facilities, including walkways, storm drainage improvements and acceptance of roads by the state. When this occurs and a developer does not complete a facility, projects are considered in default. As a result of a large increase in construction over the past few years, the Office of Capital Facilities expects approximately 15-20 developer default projects in FY 2007, which is an increase of 200-300 percent over recent years' figures of five per year.

BOARD PRIORITY:



Environmental Protection

Urban Forestry Program

\$0.2 million

Funding of \$204,716 including fringe benefits was approved for 2/2.0 SYE positions for the Urban Forestry Program including 1/1.0 SYE Urban Forester II and 1/1.0 SYE Urban Forester III in the Environmental and Site Review Division to improve the County's ability to monitor and inspect development projects involving tree-related proffers and other development conditions.

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CONNECTING PEOPLE AND PLACES



Metro Funding: General Fund Transfer

\$18.6 million

The total Fairfax County requirement (subsidy) for Washington Metropolitan Area Transit Authority (WMATA) Operating Expenses totals \$61.1 million, an increase of 7.3 percent over the *FY 2006 Revised Budget Plan* and supports Metrorail, Metrobus and MetroAccess (paratransit) service. This increase in jurisdictional subsidy is based on the WMATA General Manager's proposed budget. Based on the Northern Virginia Transportation Commission (NVTC) formula, the County receives State Aid and Gas Tax Receipts to support operating requirements. In FY 2007, a total of \$26.4 million in State Aid and \$14.0 million in Gas Tax Receipts will be used for WMATA. In addition, \$18.6 million is supported by a General Fund Transfer, \$0.3 million will be funded from interest on funds at NVTC, \$0.1 million will be transferred from Fund 301, Contributed Roadway Improvement Fund, to support shuttle service in the Franconia/Springfield area, and \$1.7 million will be funded from available balance.

In addition, the County's share for capital requirements totals \$23.3 million, of which \$13.7 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.

County Transit Funding: General Fund Transfer

\$30.7 million

An increase of \$4.3 million or 16.3 percent for County Transit Systems will enable the FAIRFAX CONNECTOR to maintain FY 2006 levels of service, as well as provide support for several new requirements. Included in this total is \$4.2 million that will support a 4.5 percent personnel-based contractual adjustment for FAIRFAX CONNECTOR contractors, as well as cover significant costs associated with higher fuel prices and FAIRFAX CONNECTOR's continuing transition to ultra low sulfur diesel



High gas prices have made the FAIRFAX CONNECTOR a popular option for County commuters.

fuel. An additional \$0.6 million is included to support the new Reston Town Center Transit Center, implement SmarTrip fareboxes on Connector buses, support emergency preparedness initiatives, and provide full-year funding for the Virginia Railway Express (VRE) Burke Library shuttle. In addition, \$0.5 million is included to increase the County's estimated share of VRE operating expenses. Fairfax County's VRE subsidy increase is based primarily on higher diesel fuel costs, increased insurance premiums and an increased capital match for new rail cars.

BOARD PRIORITY:



Transportation Improvements

Department of Transportation Staff

\$1.0 million

In FY 2007, the Department of Transportation will be adding a total of 7/7.0 SYE positions to address substantial workload-related issues and provide services in areas of interest to the Board. The County Executive's proposed budget included 3/3.0 SYE new positions. Of this total, one position will address expanded workload in the Residential Traffic Administration Program (RTAP) which is primarily associated with an increase in requests for the creation of Community Parking Districts. Another position will act as Metrobus Service Planner for the County. The incumbent will develop and update five-year service plans, as well as coordinate ongoing operational issues with WMATA. A third position will administer and provide oversight of FAIRFAX CONNECTOR contract service delivery operations including safety, security, service delivery, risk management, emergency preparedness, compliance with the Americans with Disabilities Act (ADA), and other customer service issues.

During their deliberations on the FY 2007 budget, the Board of Supervisors approved an additional 4/4.0 SYE positions. Of this total, one position will serve as a Bicycle Coordinator and along with associated funding for consultant services, will begin the development of a comprehensive map of bicycle facilities in the County. An additional two positions will enhance the County's transportation planning, analysis and modeling capacities. These positions will provide the resources to conduct sub-area analyses, provide additional review capacity on multi-modal transportation studies, provide input on the cumulative transportation impacts of development, and enable a higher level of review of outside transportation/traffic impact studies. Finally, one position will expand the resources dedicated to Transportation Demand Management (TDM). This position will oversee TDM proffers and special conditions development, coordinate with developers and staff to create proffers that reduce reliance on single occupant vehicle trips, and monitor and evaluate proffer and special condition implementation.

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Information Technology (IT) Funding: \$12.5 million
General Fund Transfer

Total funding of \$13.3 million, which includes a General Fund transfer of \$12.5 million and interest income of \$0.8 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 to maintain and strengthen 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.

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.

Priority	FY 2007 Adopted Funding
Mandated Requirements	\$0.5 million
Completion of Prior Investments	\$1.1 million
Enhanced County Security	\$1.3 million
Improved Service and Efficiency	\$5.4 million
Maintaining a Current and Supportable Technology Infrastructure	<u>\$5.0 million</u>
TOTAL	\$13.3 million

Computer Center Operations and Equipment \$2.4 million

An increase of \$2.4 million is included for Technology Infrastructure Services to support the operation and maintenance of the County computer center and server platforms 24 hours a day, seven days per week; the safeguarding of County software license obligations, data repositories and information assets; additional security measures for daily operations and incident investigation required to further protect the County from unauthorized entry into County systems, attacks, viruses, data destruction and other cyber threats; the maintenance of County data and radio communication networks; and the upgrade of desktop computers to remain consistent with advancements in technology required for service delivery. Due to the increasing cost of software licenses and maintenance contract renewals, as well as telecommunication increases upwards of 12 percent annually, and the need to expand the amount and types of data storage, the County anticipates continued growth in this area. In addition, beginning in FY 2007, a General Fund Transfer is provided to maintain adequate reserves for the upgrade of existing computer center equipment and capacity.

CREATING A CULTURE OF ENGAGEMENT



Community Funding Pool: \$8.3 million
General Fund Transfer

Funding of \$8.3 million represents the General Fund transfer to support the first year of the next two-year cycle in the Consolidated Community Funding Pool (CCFP) and reflects a 10 percent increase over the FY 2006 General Fund transfer level, as well as the restoration of Community Development Block Grant (CDBG) funds reduced by the U.S. Department of Housing and Urban Development. When combined with CDBG funds, the total available to community organizations in FY 2007 is \$10.4 million. This funding will be used to promote self-sufficiency in the community, provide affordable housing to those in need, assist youth in making good choices to avoid destructive behaviors including gang involvement, and meet the basic needs of struggling families and individuals.

Contributory Funding \$11.7 million

Through Fund 119, Contributory Fund, General Fund appropriations of specified amounts are made available to various nonsectarian, nonprofit or quasi-governmental entities for the purpose of promoting the general health and welfare of the community. FY 2007 funding totals \$11,661,539 and reflects a decrease of \$441,762 or 3.6 percent from the *FY 2006 Revised Budget Plan* funding level of \$12,103,301. This decrease is primarily attributable to decreases of \$1,500,000 to the Lorton Arts Foundation, whose future contributions are contingent on meeting fundraising goals and will be included in a regularly scheduled quarterly review, as appropriate; \$50,000 for the Greater Reston Arts Center (GRACE) which was provided as one-time, non-recurring funding as part of the FY 2006 Adopted Budget Plan; \$50,000 included as one-time funding for the Fairfax Symphony Orchestra's 50th anniversary season; \$25,000 for the Police and Fire World Games, which was approved by the Board of Supervisors as non-recurring funding as part of the *FY 2005 Carryover Review*; and \$93,444 for the Virginia Municipal League.

These decreases are partially offset by an increase of \$425,522 for the Convention and Visitors Corporation based on projected receipts from the Transient Occupancy Tax. As required by the legislation approved by the 2004 Virginia General Assembly, Fairfax County must designate no less than 25 percent of the additional revenue received from the County levy to a nonprofit convention and visitors corporation located in the County. Therefore \$2,425,522 is appropriated directly to the Convention and Visitors Corporation. This is an increase of \$425,522 or 21.3 percent over the FY 2006 Adopted Budget Plan amount. Based on final revenue estimates, any adjustments to this funding level will be made as part of the *FY 2006 Carryover Review*. Also included is funding of \$30,000 for the Greater Reston Chamber of Commerce's Incubator Program, a new contributory beginning in FY 2007. The program provides business services,

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technical support and physical space to help emerging businesses grow. The Incubator had previously been funded as part of the Economic Development Authority budget, but more appropriately fits the status of a contributory agency. Other increases include \$116,576 for the Northern Virginia Regional Park Authority; \$60,486 for the Northern Virginia Regional Commission; \$28,300 for the Metropolitan Washington Council of Governments; and \$13,205 for the Fairfax Symphony Orchestra.

In addition, as part of their deliberations on the FY 2007 budget, the Board of Supervisors approved new funding of \$550,000 for the creation of a Challenge Grant Funding Pool for the Arts. Funding will be made available on a competitive basis to community arts organizations to help leverage private funding that will enable the arts to continue to flourish in the County. The Board also approved additional funding of \$20,000 to provide increased staff support for Volunteer Fairfax's Alternative Community Service (ACS) Program. The ACS Program works collaboratively with the County to divert individuals from incarceration by placing and monitoring court-referred clients in nonprofit and public agency community service positions.

Senior Initiatives

\$2.4 million

Funding of \$2.4 million is included to support five separate countywide senior initiatives. This includes \$500,000 to support the Fairfax County CARE Fund, a project to address current shortages in low-income, assisted living facilities. The CARE Fund is intended to be a public/private collaborative partnership that will provide a one-time public investment of \$500,000 to leverage an additional \$2 million in private funds to address the critical shortage in assisted living options for low-income seniors and adults with disabilities. Only two facilities currently target low-income persons, Lincolnia Center (52 beds), and the District Home (64 beds, with 19 of these earmarked for Fairfax County residents). Currently, there is a waiting list of 205 individuals for the Lincolnia Center and/or the District Home. Once established, the CARE Fund will help develop affordable assisted living options for these individuals.



Seniors enjoying some of the many Community and Recreation Services' programs.

The second senior initiative, supported by an amount of \$400,000, will support a new long-term care non-profit that will integrate the various long-term care support programs in the community, build capacity, and develop a single, coordinated long-term care system that will be easier for families to navigate when seeking the most effective care for their loved ones. This organization will help facilitate community participation, assure capacity expansion, support implementation of the Long-Term Care Strategic Plan and stimulate collaborative partnerships. It will serve as the focal point for the development of a quality long-term care system, leveraging additional resources among providers, consumers, government agencies, nonprofits, for profits, educational institutions, businesses and faith-based organizations to cooperatively develop long-term care solutions. An amount of \$300,000 in recurring funds will significantly leverage additional resources and specifically fund late-stage Alzheimer's care in the community through a contractual arrangement with the Alzheimer's Family Day Center (AFDC). AFDC is the sole provider of late-stage dementia care in the community for those with limited incomes. Each year, AFDC receives an average of 32 percent of their referrals from the County, primarily from the Adult Day Health Centers, and serves approximately 65 individuals and their families. AFDC also promotes caregiver education, strengthening and support.

An expansion of the Senior Plus program beginning January 1, 2007 will be funded with \$915,000 in order to provide services for senior adults who require a higher level of assistance to participate in senior activities within existing Senior Centers. The purpose of the program is to assist seniors in sustaining involvement in social activities in the least restrictive environment, prevent further decline in their health and well being, and serve as a transition service to the Adult Day Health Care Program. The program currently exists at two sites within the County (Herndon Harbor and James Lee) and as part of this expansion, will add five additional sites: the South County, Little River Glen, Lorton, Lincolnia and Sully Senior Centers. Current estimates are of approximately 255 clients (or 26 percent of the average attendance at Senior Centers) for whom Senior Plus services are necessary in order to maintain their participation at Senior Center activities as opposed to transferring them to the more costly Adult Day Health Care Program.

Lastly, an amount of \$300,000 is also included to support the proposed Fairfax County Incentive Fund (FCIF). The FCIF will widen the array of services available in the community by providing grants to community organizations to stimulate the development of self-sustaining initiatives that will build additional long-term care options for seniors and adults with disabilities in underserved communities. Special attention will be paid to ethnic and cultural minorities. This program will be established with an initial \$300,000, and supported by a recurring investment for three years.

FY 2007 Adopted Budget Highlights

MAINTAINING HEALTHY ECONOMIES



Inmate Tracking

\$0.3 million

An amount of \$300,852 is included, but is offset by revenue, to place all inmates currently in the Work Release Program and Electronic Incarceration Program (EIP) on an active Global Positioning System (GPS) tracking system. The Work Release program is a structured residential-based program that enables selected low-risk inmates who live in the Pre-Release Center to work and participate in community programs to aid in their transition back into the community upon their release. These inmates go into the community each day to work and attend rehabilitation programs, and/or other designated programs. The EIP is an extension of the Work Release Program. EIP inmates are monitored from home and are not jailed at all, but instead return home at the end of the workday and the home becomes the jail. These two programs provide alternative incarceration solutions that allow otherwise incarcerated individuals an opportunity to earn income to offset their housing and service costs, pay restitution, child support, and/or provide financial assistance to their families. Funding for the new active tracking system will allow Sheriff Deputies to monitor, in real time, the location of inmates who are working in the community in order to continue to provide a safe environment. This system will allow the Sheriff's Office to expand the Community Labor Force, which saves taxpayer dollars and helps eliminate suburban blight. It should be noted that increased fees charged to inmates in the two programs will offset the cost of the new tracking system.

Information Technology Interoperability

\$0.5 million

An increase of \$454,898, including fringe benefits, is for an additional 4/4.0 SYE positions in the Department of Information Technology (DIT) including 1/1.0 SYE Deputy Director, 1/1.0 SYE Network Telecom Analyst IV, 1/1.0 SYE Information Technology (IT) Systems Architect, and 1/1.0 SYE IT Security Analyst III. The Deputy Director position is needed to manage the day-to-day tactical implementation, support, maintenance and customer service of the County's information technology environment and systems that span across four divisions of the department. The Network Telecom Analyst IV will manage the wireless services and infrastructure for voice and data applications, which have expanded exponentially in the past five years. A variety of recently implemented IT projects addressed the need for mobile computing, and agencies seeking ways to more effectively utilize staff and streamline processes are creating a growing demand for wireless support that exceeds DIT's capacity to effectively address the issue and create a consolidated approach that optimizes resources and infrastructure.

The IT Systems Architect will provide needed support for the County to continue its role in regional interoperability initiatives, both in the Commonwealth and in the National Capital region. A dedicated interoperability position will enable the County to develop an enterprise approach for the use of organizational data and processes that balance business, privacy and security needs. The addition of an IT Security Analyst III is necessary to continue to provide 24 x 7 secure, reliable e-government services to the residents and business partners of Fairfax County, as well as support new security initiatives. In response to the recent creation of the National Capitol Regional Interoperability Pilot Project, the Fairfax County Government Alternate Emergency Operations Center, the future Public Safety and Transportation Operations Center and the Department of Homeland Security CAPSTAT initiative to share data between regional emergency operation centers, DIT has been tasked with providing the highest level of secure communications available for the County and region, when called upon.

EXERCISING CORPORATE STEWARDSHIP



Fuel Costs

\$5.4 million

An increase of \$5.4 million over the FY 2006 Adopted Budget Plan is included for fuel-related expenses in FY 2007, which reflects market conditions, as well as the County's ongoing conversion to ultra low sulfur diesel fuel. The total funding requirement for fuel in FY 2007 is \$21.0 million, which represents an increase of 34.6 percent over the FY 2006 Adopted Budget Plan amount of \$15.6 million.



One of the County's fuel-efficient hybrid vehicles.

FY 2007 Adopted Budget Highlights

Utility Costs

\$0.8 million

An increase of \$0.8 million is associated with utilities costs provided through the Facilities Management Department and includes \$0.7 million for higher natural gas costs based on projections for the County's participation in the regional natural gas contract through the Washington Metropolitan Council of Governments and \$0.1 million for the second year of a two-year contract for Fairfax County to purchase five percent of its energy for County government buildings from wind energy. The purchase of wind energy reduces emissions from power plants and supports the Board of Supervisors' adopted Environmental Excellence 20-year Vision Plan (Environmental Agenda).

Pay for Performance

\$10.8 million

Funding of \$10.8 million is provided including \$8.8 million for the General Fund and \$2.0 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 includes the additional fifth bar, "In development," in FY 2007. 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 are earned solely based on performance. By adjusting the pay scales, however, employees' long-term earning potential remains competitive with the marketplace.

Position Regrades

As a result of the annual market study performed by the Department of Human Resources to address issues of employee recruitment and retention, as well as to ensure pay competitiveness, certain job classes are benchmarked against comparable positions in both the public and private sectors. This year, approximately 100 job classes were reviewed and for the first time in a number of years, a large number of non-public safety job classes will be regraded in FY 2007. The need to regrade a large number of classes in a single year is potentially a concern if it means that the County compensation package is falling behind those of other employers with whom it competes for qualified employees. While classes are not automatically adjusted based solely on comparative data, they are reviewed for adjustment if they are found to be five percent or more below the market average, there are recruitment or retention issues associated with them, and/or if they are a job class closely related to one found to require an adjustment.

The classes being regraded are as follows: Deputy Division Director, Zoning, Deputy Director, Park Authority, Legislative Director, Information Officer III, Information Officer II, Information Officer I, Investment Analyst, Purchasing Supervisor, Buyer II, Buyer I, Programmer Analyst III, Environmental Health Specialist III, Environmental Health Specialist II, Public Health Nurse IV, Public Health Nurse III, Public Health Nurse II, Home Health Aide, Clinic Room Aide, Physical Therapist II, Occupational Therapist II, Probation Supervisor I, Probation Counselor II, Social Worker II, Outreach Worker II, Outreach Worker I, Library Associate, Library Assistant II, Library Assistant I, Library Aide, Emergency/Mobile Crisis Supervisor, MH/MR/ADS Senior Clinician, Mental Retardation Specialist V, Mental Retardation Specialist IV, Mental Retardation Specialist III, Mental Retardation Specialist II, Mental Retardation Specialist I, Substance Abuse Counselor V, Substance Abuse Counselor IV, Substance Abuse Counselor III, Substance Abuse Counselor II, Substance Abuse Counselor I, Mental Health Division Director, Mental Health Manager, Mental Health Supervisor, Mental Health Therapist, Mental Health Counselor, Park Division Director (Planning & Development), Park Division Director (Operations), Park Division Director (Services), Park Division Director (Resource Management), Park Division Director (Administration), Security Analyst, Correctional Health Nurse I, Building Plan Review & Permits Division Director, Environmental & Site Review Division Director, Environmental & Facilities Inspection Director, Engineering Technician II, Urban Forestry Division Director, Engineering Drafter, Environmental Technician II, Planning Division Chief, Zoning Administrator, Building Inspections Division Director, Heavy Equipment Supervisor, Heavy Equipment Operator, Motor Equipment Operator, Truck Driver, Carpenter II, Carpenter I, Electrician II, Electrician I, Painter II, Painter I, Plumber II, Plumber I, HVAC II, HVAC I, Senior Building Systems Technician and Plant Operator.

In accordance with current Personnel Regulations, individuals on the S pay plan, unlike those on public safety pay plans, move to a new pay grade but remain at their current pay rate unless their pay falls below the minimum of the pay grade, therefore resulting in no funding adjustment. In addition the E scale is being adjusted to reflect the results of the market survey which indicated that many positions were behind the market. Consistent with the S scale adjustments, incumbents on the E scale do not receive a pay increase unless they are below the new minimums.

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BENEFITS

Funding for Fringe Benefits, including the transfer for the Retiree Health Benefits subsidy, totals \$195.19 million, an increase of \$17.8 million or 10.0 percent over the *FY 2006 Revised Budget Plan* of \$177.41 million primarily due to the following:

Health Insurance **\$2.8 million**

Health Insurance funding is increased \$2.8 million or 5.0 percent over the *FY 2006 Revised Budget Plan*, based on a projected average increase of 10.0 percent for the HMOs and no premium increase for the self-insured plan, effective January 1, 2007, as well as adjustments to reflect the inclusion of new positions. After significant increases in medical costs at the beginning of the decade, cost growth has begun to moderate in the last few years. On average, most employers nationwide are experiencing cost increases from 8-10 percent per year. The County's experience under the HMOs mirrors this trend, but the self-insured plan has experienced medical cost growth below the national average. As a result of lower than anticipated medical and prescription claims in recent years, the County's self-insured plan will not increase premiums effective January 1, 2007 for the final six months of FY 2007. Despite holding premiums flat, Fund 506, Health Benefits Trust Fund, should remain solvent while maintaining a revenue stream that will cover the cost of health claims and maintain reserve funding. It should be noted that advances in medical technology, the increasing cost of medical malpractice and liability insurance, and increased utilization continue to drive increases in medical costs. As a result, the fact that there will be no premium increase for the self-insured plan should not be interpreted as part of a trend of slower premium growth. Depending on the outcome of the upcoming selection process, described further below, claims experience and cost growth, it may be necessary for premium increases to return to levels more consistent with national averages in future years.



As of December 31, 2006, the County's contracts with the current HMO providers are set to expire, and the contract for the self-insured products will expire as of December 31, 2007. In calendar year 2006, the County will be partnering with Fairfax County Public Schools and undergoing a selection process to choose new providers for all health insurance products in order to leverage the County's position in the marketplace and achieve competitive rates. This process may result in changing the range of health insurance options to best fit the needs of employees. As part of this process, the County will also be examining plans related to Medicare Part D to aid in finalizing an approach to the implementation of this new prescription drug benefit product. However, due to the delays in the market for Medicare Part D products, this examination may not be completed until calendar year 2007. Any changes to the health insurance options would be effective January 1, 2007, although changes related to Medicare Part D offerings may not be effective until after this date.

Dental Insurance **\$0.6 million**

Dental Insurance reflects a net increase of \$0.6 million or 36.2 percent over the *FY 2006 Revised Budget Plan* based on a projected premium increase of 10.0 percent, effective January 1, 2007, increased employee participation, and the inclusion of new positions.

Social Security **\$3.8 million**

Social Security reflects a net increase of \$3.8 million or 9.8 percent over the *FY 2006 Revised Budget Plan*, based on salary adjustments necessary to support the County's compensation program, the inclusion of new positions, and the change in the federally set maximum pay base against which contributions are calculated from \$90,000 to \$94,200.

Retirement **\$10.2 million**

Retirement (Fairfax County Employees', Uniformed, Police) reflects a net increase of \$10.2 million or 13.7 percent over the *FY 2006 Revised Budget Plan*. This increase is primarily due to the impact of increases in the Employer Contribution rates, salary adjustments necessary to support the County's compensation program and the inclusion of new positions, offset by a reduction due to projected savings in FY 2006, including one-time savings as a result of the implementation of the Deferred Retirement Option Program (DROP) for members of the Employees' Retirement System 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.

Following the current effective actuarial funding policy, contribution rates are adjusted only to fund approved benefit enhancements, and to recognize funding adjustments required

FY 2007 Adopted Budget Highlights

when the funding ratio falls below 90 percent or rises above 120 percent. In addition, a five-year experience study was performed in FY 2006 concurrent with the June 30, 2005 valuation to analyze economic and demographic assumptions. As a result of the study, several assumption changes were made which impacted the employer contribution rates. The overall retirement increase includes an increase of \$3.02 million for employer contributions to the Employees' system based on rate adjustments, consisting of a \$3.47 million increase as a result of changes in demographic assumptions based on the five-year experience study, partially offset by a decrease of \$0.45 million based on an improvement in the funding ratio toward the pre-defined 90 percent threshold. Also included is a \$1.44 million increase in the employer contribution for the Uniformed system due to a rate adjustment as a result of changes in demographic assumptions based on the five-year experience study. In addition, employer contributions to the Police system increase \$1.02 million due to rate adjustments, consisting of a \$0.42 million retiree cost-of-living benefit enhancement and a \$0.60 million increase due to changes in demographic assumptions based on the five-year experience study.

Retiree Health Insurance **\$0.3 million**

Retiree Health Insurance increases \$0.25 million or 6.6 percent over the *FY 2006 Revised Budget Plan* level of \$3.82 million to \$4.07 million. Monthly subsidy payments to eligible County retirees to help pay for insurance are provided in Fund 500, Retiree Health Benefits. The current monthly subsidy, approved in FY 2006, commences at age 55 and varies by length of service. Effective January 1, 2006, the subsidy was increased 25 percent for the short-term in response to the implementation of the new Medicare Part D prescription drug benefit. The cost of the increase in the subsidy is expected to be completely offset by federal funding from the Centers for Medicare and Medicaid Services (CMS).

It should be noted that County staff will work to develop a long-term County strategy for Medicare Part D, which may include elimination of the 25 percent increase in the subsidy. Final recommendations regarding Medicare Part D were anticipated to be considered during calendar year 2006; however, due to delays in the market for Medicare Part D products, options will not be presented to the Board of Supervisors for approval until calendar year 2007. The average number of subsidy recipients, including new retirees who are eligible to receive the retiree health benefit subsidy, is expected to increase by 125 or 6.0 percent, from 2,076 in FY 2006 to 2,201 in FY 2007. 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', Employees' Uniformed, and Police Officers' Retirement Systems.

In FY 2006, the Board of Supervisors approved an additional retiree health benefit to Health Department employees who remained in the Virginia Retirement System (VRS) after their conversion from state to County employment in 1995. There are approximately 20 retirees eligible for the additional benefit in FY 2007. Furthermore, effective July 1, 2006, the County will begin providing the maximum retiree health benefit subsidy to those Police officers hired before July 1, 1981 who have retired or will retire with full retirement benefits after only 20 years of service. Approximately 188 Police retirees and their spouses will receive the higher subsidy level in FY 2007. Both of these benefit enhancements will impact the County's accrued actuarial liability under Governmental Accounting Standards Board (GASB) Statement No. 45 and will be included as part of the annual actuarial valuation. Any change in this liability will affect the annual contribution required by the County in order to make progress toward reducing the unfunded portion of the liability.

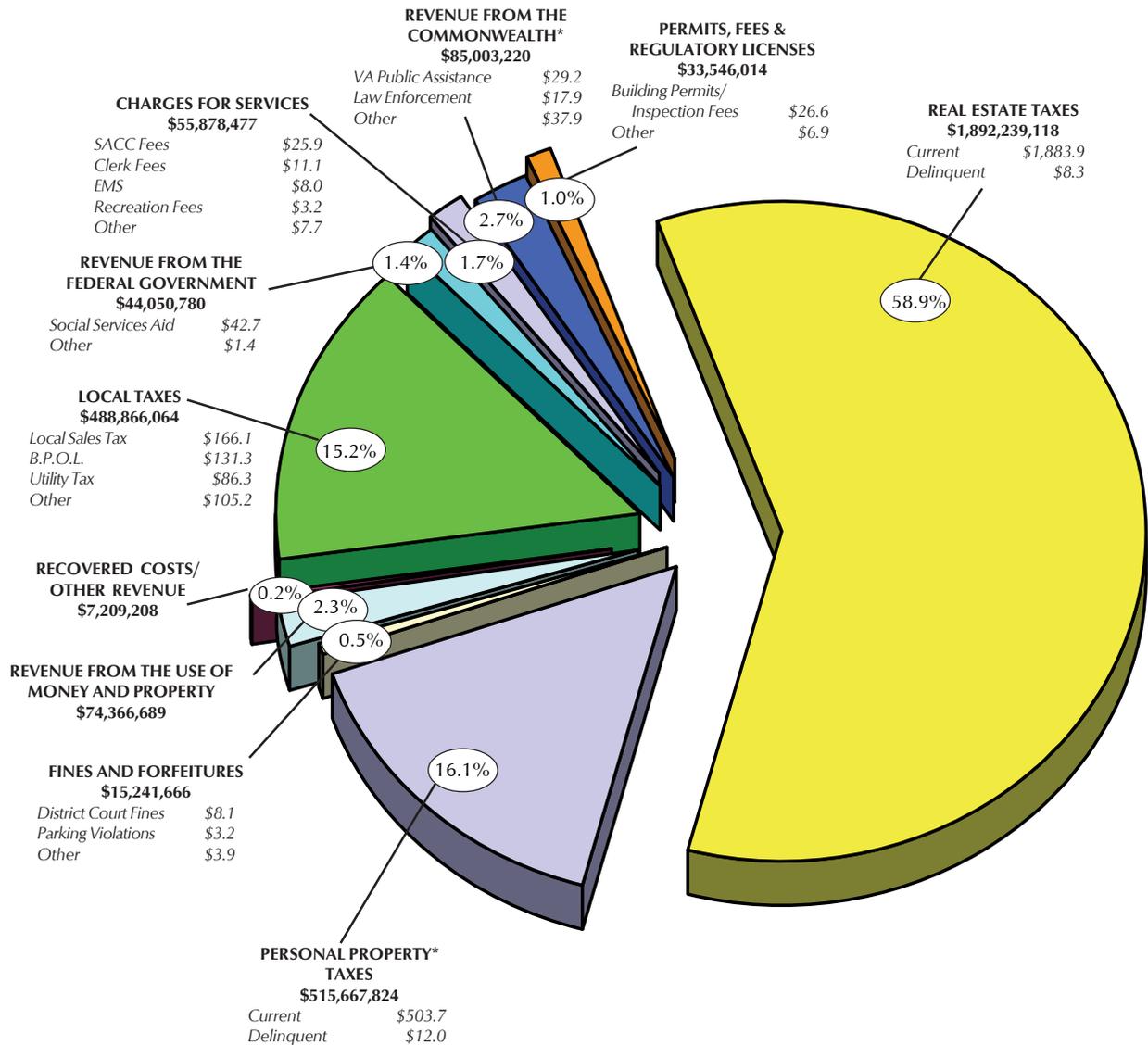
GASB 45 Liability Reserve **\$8.2 million**

As part of the FY 2007 Adopted Budget Plan, the Board of Supervisors approved a General Fund transfer of \$8.2 million to Fund 506, Health Benefits Trust Fund, in order to increase the GASB 45 Liability Reserve. GASB 45 refers to the standard set for post-employment benefits, including healthcare, life insurance, and other non-retirement benefits offered to retirees, by the Governmental Accounting Standards Board (GASB), the source of generally accepted accounting principles used by state and local governments in the United States. This funding, in addition to \$10 million set aside as part of the *FY 2005 Carryover Review*, is anticipated to be transferred to a new trust fund which will be established in FY 2007 to begin pre-funding post-employment healthcare and other non-pension benefits. For more information on GASB 45, please refer to Fund 500, Retiree Health Benefits, in Volume 2 of the FY 2007 Adopted Budget Plan.

FY 2007 Adopted Budget Highlights

FY 2007 GENERAL FUND RECEIPTS

Where it comes from . . .
(subcategories in millions)



FY 2007 GENERAL FUND RECEIPTS = \$3,212,069,060 **

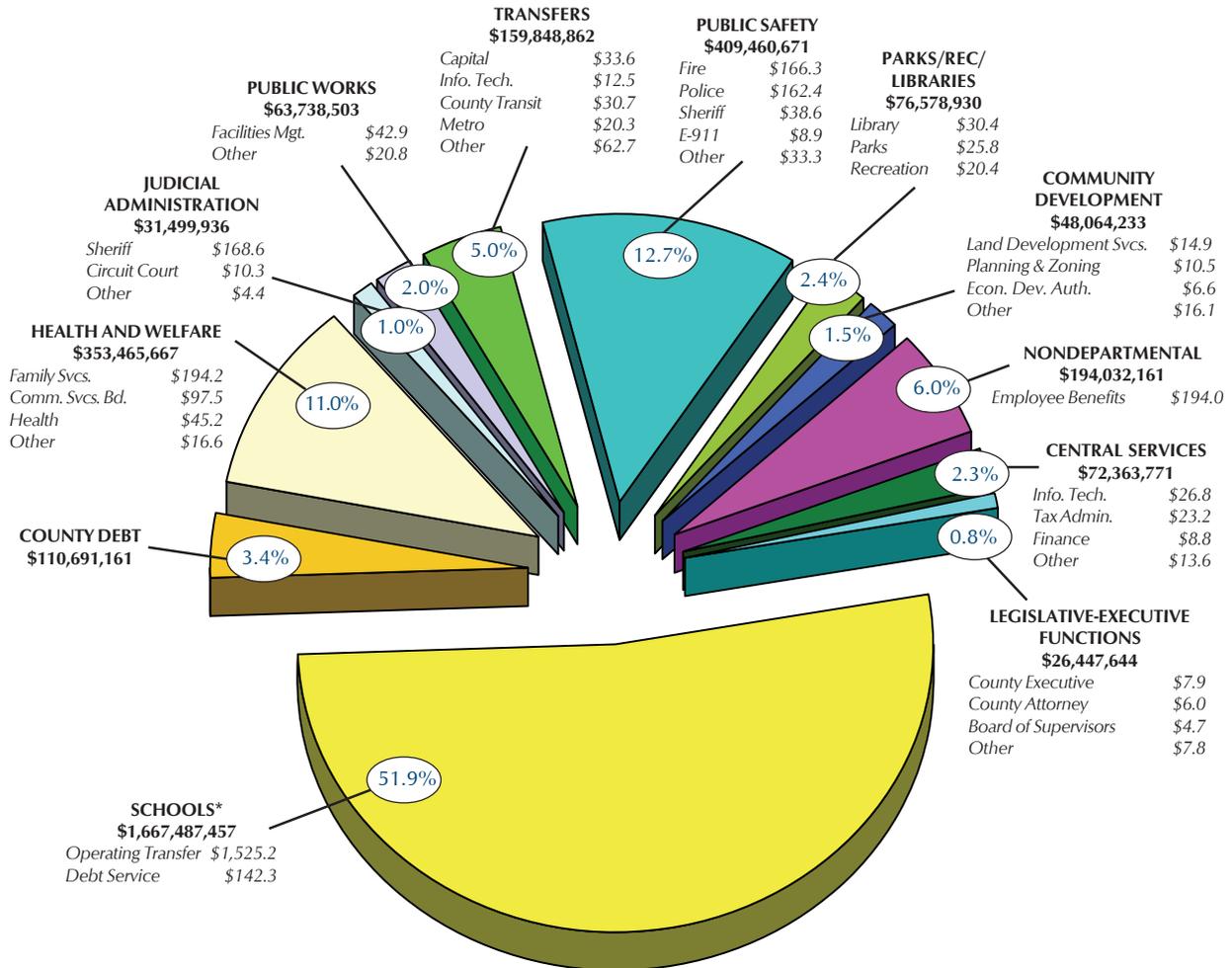
* For presentation purposes, Personal Property Taxes of \$211,313,944 that are reimbursed by the Commonwealth as a result of the Personal Property Tax Relief Act of 1998 are included in the Personal Property Taxes category.

** Total County resources include the receipts shown here, as well as a beginning balance and transfers in from other funds.

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FY 2007 GENERAL FUND DISBURSEMENTS

Where it goes . . .
(subcategories in millions)



FY 2007 GENERAL FUND DISBURSEMENTS = \$3,213,678,996

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TAX AND FEE ADJUSTMENTS

Real Estate Tax Rate Reduction

In adopting the FY 2007 Budget, the Board of Supervisors reduced the Real Estate Tax rate from \$1.00 to \$0.89 per \$100 of assessed value. This brings the total rate reductions from FY 2002 to FY 2007 to \$0.34 per \$100 of assessed value. The eleven-cent reduction for FY 2007 results in a savings of \$595 for the typical homeowner compared to the FY 2006 rate. However, even with this tax rate cut, the typical homeowner will still see an increase of \$328 or 7.3 percent over FY 2006 due to the assessment increase.

Elimination of Automobile Decal Fee

The Board of Supervisors also eliminated the \$25 automobile decal fee, resulting in an average savings of \$58 per household and a General Fund revenue decrease of \$20.7 million. This action is effective July 1, 2006.

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 to draw down the unreserved fund balance. Due to increasing disposal fees, rising personnel expenses, and lower fund balances, the annual fee was increased from \$210 to \$240 in FY 2005 and to \$270 in FY 2006, which was still consistent with rates charged by private sector haulers.

In order to cover anticipated expenditures in FY 2007 and maintain essential reserves, an increase in the annual fee to \$315 is required for approximately 40,000 customers who receive this service. Future rate increases are also anticipated.



Collection on one of the Citizen-Petition Sanitary Refuse Collection District Routes.

Sewer Fees

In FY 2007, the Availability Fee charged to new customers for initial access to the system will increase from \$5,874 to \$6,138 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, 2005 through June 30, 2010. 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 \$3.28 to \$3.50 per 1,000 gallons of water consumption in FY 2007. This equates to a 6.75 percent increase in rates and will result in an anticipated increase in the annual cost to the typical household of \$16.72.

This rate increase represents a departure from the rate schedules that have been projected in the past. The higher increase in Sewer Service Charges is due to federal mandates associated with the renovation and rehabilitation of existing treatment facilities. New Chesapeake Bay water quality program requirements include reductions in the amount of nutrient pollutants discharged from wastewater treatment facilities. In December 2004, the state notified Fairfax County that renewal of the County's National Pollutant Discharge Elimination System (NPDES) permit will include a requirement that nutrient removal be performed at the "Limits of Technology." Current technology allows for discharge limits of less than 3.0 milligrams per liter of nitrogen and 0.1 milligrams per liter for phosphorus. The County only has the capability to meet the current nitrogen removal standard of 8.0 milligrams per liter. A phased approach is recommended to renovate and upgrade current plant facilities to accommodate these more stringent nutrient discharge requirements. Due to the significant level of requirements, the FY 2007 budget also includes a planned bond sale in the amount of \$150 million to provide maximum flexibility to meet new state regulatory requirements in the Wastewater Management Program.

BOARD PRIORITY:

Revenue Diversification to Reduce the Burden on Homeowners

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FY 2008 Budget Guidelines

- The Board of Supervisors approved **Budget Guidelines** that directed the County Executive to develop a budget for FY 2008 that limits increases to what is needed to accommodate growth and cost factors, and clearly identifies funding requirements driven by state and/or federal mandates and major County initiatives, and that the transfer to the School Operating Fund also be contained within the same parameters as the General County Budget, with specific direction on targeted budget growth rates provided by the July 31, 2006 Board of Supervisors' meeting.
- **The County Budget presentation should continue to focus on the Board's Priorities and the County Vision Elements.** The budget should address market forces impacting the budget, demographic changes, mandates and other budget growth drivers, as well as include a clear identification of initiatives targeted at seniors, a rapidly growing segment of the population.
- **In order to avoid 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 should be held in reserve to offset future requirements or one-time requirements such as the GASB 45 liability, unfunded capital paydown, the County's commitment of \$8 million to the School Board for No Child Left Behind requirements, and for equipment replacement. In addition, Fairfax County Public Schools should identify the School system's GASB 45 liability and provide information prior to the FY 2008 budget to the Board of Supervisors on how this will be addressed and over what time period.
- **Various programs should be examined** including a comprehensive review of the current compensation program for general County employees (Pay for Performance); Animal Control Officer pay plan; Police Retirement; additional Police Officers; possible strategies to procure state funding for traffic enforcement and congestion mitigation resulting from the Dulles Rail project; Developer Default Program; and potential efficiencies in Court operations.

TAX AND FEE FACTS				
Type	Unit	FY 2005 Actual Rate	FY 2006 Actual Rate	FY 2007 Adopted Rate
Real Estate	\$100/Assessed Value	\$1.13	\$1.00	\$0.89
Personal Property	\$100/Assessed Value	\$4.57	\$4.57	\$4.57
E-911	Per Line Per Month	\$2.50	\$3.00	\$3.00
Integrated Pest Management Program	\$100/Assessed Value	\$0.001	\$0.001	\$0.001
Refuse Collection	Household	\$240	\$270	\$315
Refuse Disposal	Ton	\$48	\$48	\$50
Solid Waste Landfill Ash Disposal	Ton	\$11.50	\$11.50	\$11.50
Leaf Collection	\$100/Assessed Value	\$0.010	\$0.015	\$0.015
Sewer Availability Charge	Residential	\$5,621	\$5,874	\$6,138
Sewer Service Charge	Per 1,000 Gallons	\$3.20	\$3.28	\$3.50
McLean Community Center	\$100/Assessed Value	\$0.028	\$0.028	\$0.028
Reston Community Center	\$100/Assessed Value	\$0.52	\$0.52	\$0.47

FY 2007 Adopted Budget Highlights

THE FY 2007 ADOPTED BUDGET PLAN IS AVAILABLE:

On the World Wide Web at: <http://www.fairfaxcounty.gov/dmb>

At your Local Fairfax County Public Library. Reference copies of all budget volumes are available at all Fairfax County Public Libraries. **On compact disc (CD) and in print:** Copies of all budget volumes and the compact disc version are available from Publication Sales at no cost. Inventories of the printed version are limited, so please call in advance to confirm availability. Contact:

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Fairfax County Department of Management and Budget
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Fairfax, VA 22035

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