

# County Manager's FY 2017 Proposed Budget Overview

- **Maintain Our Commitments to Fund Services For:**
  - Health & Safety of the Community
  - Long Term Financial Sustainability
  - Providing a Safety Net For Those in Need
  - Environmental Sustainability
  - Affordable Housing
  - Public Schools
- **Tax Rate & Growth**
  - Present a balanced budget that assumed no increase in tax rates
  - If total tax revenue growth beyond estimates at Budget Planning (2.4%) then the Manager should provide options to the County Board
    - Reduction in tax rates
    - Applying funds to meet demands of student enrollment growth, new facilities, affordable housing, or other areas impacted by population growth in the County
    - Combination of the prior two options
- **Schools**
  - Provide the Schools with a share of local tax revenue equal to the FY 2016 adopted budget level (46.5%)
  - A minimum of \$8.2 million in additional funding will be available above the FY 2016 level
  - Schools final percent allocation will be determined through budget deliberations

# Balanced County Budget

- In November we projected a County gap of \$1 - \$3 million
- Tax revenue estimates were slightly higher than projected (up 3.0%)
- Retirement costs came in lower than originally estimated, enabling us to close the gap
- Additional Funds Available Above County Board Guidance

# General Fund Budget Overview



- Proposed Budget Keeps Base Real Estate Tax Rate at \$0.996/\$100 (includes Stormwater)
- Proposed Total General Fund budget of \$1.19 billion (2.8% increase over FY 2016)
- County Operating Budget (excluding Schools) totals \$727.4 million

## Areas of Focus

- Economic Development
- Easier Access to County Programs and Data
- Strategic Planning and Budgeting

## Initiatives

- Public Safety
- Workforce Investment
- Infrastructure

# Areas of Focus

- Economic Development
  - \$1.5 million one-time funds to continue incentive strategy
- Easier Access to County Programs and Data
  - \$0.3 million of on-going funds for streaming of meetings, open data initiatives and record storage-archiving
  - Funds allocated in the Development Fund to continue the investments in a new online permitting system
- Strategic Planning and Budgeting
  - Propose a multi-year and more systematic approach toward program and service evaluation

- Public Safety (\$1.6 million of on-going & \$0.4 million of one-time funds)
  - Fire – addition of 8.0 firefighters for the two remaining fire suppression units
  - Police – addition of 6.0 patrol officers
  - Sheriff – addition of 4.0 uniformed officers and 1.0 administrative position
  - One-time funds for equipment of new staff and monies to assist in identifying enhancements to the courts facility

# Initiatives (continued)

- Workforce Investment (\$6.3 million)
  - Merit-based compensation increase for all pay plans
  - Open ranges replace grade and step plan
  - Expanding pay ranges by 1.75%
  - All permanent employees paid a minimum of \$14.50 per hour
  - Increases to Live-Where-You-Work program, employee clinic hours, tuition reimbursement program, and new parent leave
- Infrastructure (\$0.4 million)
  - Streetlight repair
  - Residential concrete maintenance



## Schools

- Ongoing funding \$462.5 million, up \$10.8 million or 2.4%
- One-time funding of \$2.4 million
- Local tax revenue sharing remains at FY 2016 level at 46.5% Schools/53.5% County
- Above revenue sharing County provides other services to the Schools costing more than \$7 million each year
  - Includes School resource officers, School health nurses and clinic aides and crossing guards
- Superintendent proposes his budget on February 25<sup>th</sup>

- **Additional One-time Funds Included (\$22.1 million)**
  - The majority of one-time funds are from prior year savings discussed during FY 2015 closeout
- **Use of One-time Funds:**
  - Economic Development - \$1.5 million
  - Housing Grants - \$3.7 million
  - Library Pop-Up Space - \$0.25 million
  - Public Safety - \$0.4 million
  - Inauguration & Elections - \$0.6 million
  - Affordable Housing Investment Fund (AHIF) - \$8.2 million
  - Maintenance Capital - \$1.7 million
  - Economic & Revenue Stabilization Reserve - \$3.0 million
  - Miscellaneous one-time investments - \$0.25 million
  
  - Schools - \$2.4 million

## Funding Above County Board Guidance: \$6.2 million

- Reduce the Tax Rate by ½ cent
  - Reduction cost = \$3.5 million

### Balance of Funding Available (\$2.7 million)

- Share with School adhering to Principles of Revenue Sharing (\$1.3 million)
- Expand hours of School Health Clinic Aides (\$142k)
- Add Fire medic unit to address peak demand in the daytime (\$332k)
- Expand the streaming of public meetings (\$100k)
- Unallocated balance of \$900k to address other priorities identified during the budget process

- February 23 (Tuesday recessed County Board meeting) the County Board will determine the tax & fee levels to advertise
- Real estate tax rate advertisement sets the highest rate the County Board can adopt
- Business Improvement District (BID) tax rates
- No changes to other taxes proposed (personal property, BPOL, Stormwater)
- Fee Changes Proposed
  - Household Solid Waste Rate – Proposed increase of \$36.24 to \$307.28/year
  - Ambulance Fee – Increase to Fairfax County rates
  - Library Fees – set all fees to \$0.30/day some fees lowered / some increased
  - Parks & Recreation fee adjustments
  - No change proposed – Water/Sewer Rate – remains at \$13.27/thousand gallons

# Tax & Fee Burden on Average Household

## Summary of Residential Taxes and Fees

Average Homeowner Impact	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016 (FY 2017) Current tax rate	CY 2016 (FY 2017) 1/2 Cent Rate Reduction	
<b>Average Assmt</b>	519,400	524,700	552,700	587,100	<b>\$603,500</b>	<b>\$603,500</b>	
Tax Rate (Inc. Sanitary Dist)	<b>\$0.971</b>	<b>\$1.006</b>	<b>\$0.996</b>	<b>\$0.996</b>	<b>\$0.996</b>	<b>\$0.991</b>	
Real Estate Tax	\$5,043	\$5,278	\$5,505	\$5,848	\$6,011	\$5,981	
Personal Property*	368	410	459	454	474	474	
Annual Decal Fee*	66	66	66	66	66	66	
Refuse Fee**	294	294	271	271	307	307	
Water / Sewer Service	883	883	913	929	929	929	
Residential Utility Tax	72	72	72	72	72	72	
<b>Total Residential Tax &amp; Fees</b>	<b>\$6,726</b>	<b>\$7,003</b>	<b>\$7,286</b>	<b>\$7,640</b>	<b>\$7,859</b>	<b>\$7,829</b>	
Percent Change	3.0%	4.1%	4.0%	4.9%	2.9%	2.5%	
Dollar Change	\$199	\$277	\$283	\$354	\$219	\$189	
			monthly change	\$24	\$29	\$18	\$16

\* For two car household

# Timeline

- Feb. 18 County Manager Worksession/Overview of Proposed Budget
- Feb. 20 Proposed Budget released & online
- Feb. 23 County Manager presentation  
County Board action on tax and fee advertisements
- Feb. 25 Superintendent proposes budget to School Board
- Mar. 3 County Board work sessions begin and continue through mid-April
- Mar. 29 Public hearing on tax rates/fees and budget
- Mar. 31 Public hearing on tax rates/fees and budget
- April 19 Budget adoption