



FY 2007 Major Accomplishments

Loudoun County's emphasis on delivering quality services is reflected in the wide variety of its accomplishments over the past year. These include:

- The County opened its new Emergency Operations Center. With more than 11,000 square feet, the facility has the latest in technology, which will help the county respond efficiently and effectively to major emergencies.
- The Office of Emergency Management trained more people for the Community Emergency Response Teams (CERT), bringing the number of trained CERT members to more than 100. CERT trains residents who may be on their own immediately following a disaster to manage utilities, put out small fires, provide basic medical aid, and search for and rescue victims safely.
- The Department of Fire, Rescue and Emergency Management, Sheriff's Office and the Department of Information Technology worked together to implement an upgraded E-911 telephone and recording system to better serve the public.
- A multi-media campaign designed to attract volunteers to Loudoun's fire and rescue system is credited with helping recruit nearly 300 new volunteer members in FY 07. During the year, 112 volunteer fire and rescue members completed firefighter and emergency medical technician training through the County.
- The Loudoun County Gang Response Intervention Team and the Regional Gang Task Force reached out to the Hispanic community by providing a public presentation on gang activity in Spanish. The presentation focused on gang activity, what to look for and how parents can keep their children safe.
- Ashburn Farm became the ninth neighborhood served by the Sheriff's Community Policing Unit. Community policing is based on the concept of building relationships between law enforcement and residential and business communities.
- The Department of Animal Care and Control has recently received national, regional and state recognition. The Animal Control Division was named as the Outstanding Animal Control Agency by the National Animal Control Association. The Companion Animal Resource Effort (CARE) program received an achievement award from the Virginia Association of Counties, and the department was honored by the Metropolitan Washington Council of Governments for Animal Services with the Animal Care Award, Adoption Award, and Domestic Animal Rescue Award.
- The County's Commuter Bus Service continued to grow with more buses added to the fleet and service expanded to the Dulles South area. Ridership increased by more than 8 percent to more than 652,000.
- The County implemented the process of moving five interchanges into the design stage and on to construction: Route 7 interchanges at Loudoun County Parkway, Ashburn Village Boulevard and River Creek Parkway; and Route 28 interchanges at Innovation Drive and Nokes Boulevard.



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- The Planning Department coordinated the creation and launch of an online, interactive guide to the county's Historic and Cultural Districts: Aldie, Bluemont, Goose Creek, Oatlands, Taylorstown, and Waterford. The guide uses Internet and video technology to create an engaging and educational resource about the districts.
- The Department of Building and Development began a program to improve the efficiency of inspectors. The "Mobilization of Inspectors" program is designed to outfit an inspector's vehicle so that it can be used as an office allowing inspectors to use laptop computers, access job assignments online, print inspections results in the field, and handle emergency assignments while in the field.
- Several new parks and recreation facilities opened in FY 2007, including Claude Moore Recreation Center and the newly restored Carver Senior Center in Purcellville. New parks included Lyndora Park, Lansdowne Sports Park, Ray Muth Sr. Park, Byrne's Ridge Park, Beth Miller Memorial Park, and the Potomac Heritage National Scenic Trail. The Trail received the 2007 Design Excellence Program Award from the Loudoun County Economic Development Design Cabinet.
- The Loudoun County Department of Family Services issued its first loans under the Loudoun County Homes Improvement Program (LCHIP) and the Eastern Loudoun Revitalization Home Loan Program (LCHRP) in FY 07. Both programs provide loans to rehabilitate owner-occupied homes for low- and moderate-income households.
- The Loudoun County Health Department created a pandemic influenza plan and website, and made presentations throughout the county to more than 3,000 residents to help ensure preparedness in the event of a flu pandemic. The County received a VACo Achievement Award for its Partnership Model for County Pandemic Influenza Planning.
- Working with school nurses and community groups, the Health Department held special Saturday immunization clinics for public school children, providing the new tetanus, diphtheria, and pertussis (Tdap) vaccine that is required for children.
- Loudoun County Public Library received "Special Mention" in FY 07 as *Library Journal's* Library of the Year. This award is given to library systems that show creativity and innovation in developing specific community programs that increase library usage, and show leadership in creating programs that can be emulated by other libraries.
- Loudoun County Public Library was also selected as one of 25 libraries in the country to be featured in the fifth edition of "Excellence in Library Service to Young Adults," which will be published in the summer of 2008. The library received this honor for its After Hours Teen Center, young adult programming, age-specific materials and collection and volunteer opportunities that encompass its outreach to teens.
- The MH/MR/SAS Emergency Services Program provided a 100 percent positive response rate to law enforcement requests for on-site mental health assistance during hostage/barricade incidents and increased awareness of law enforcement staff in understanding and responding to individuals with mental illness.
- The County received awards of excellence from the Government Finance Officers Association of the United States and Canada for its budget document and Comprehensive Annual Financial Report.



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- Management and Financial Services' Procurement Division received the Outstanding Agency Accreditation Achievement Award from the National Institute of Government Purchasing and the Achievement of Excellence in Procurement Award from the National Purchasing Institute.
- In a national survey of how local governments are evolving in their use of information technology, the Center for Digital Government ranked Loudoun among the top ten counties in its population category for the fourth consecutive year.
- The County website has recently given users the ability to complete online Business Personal Property Tax declarations, business license renewals, and juror questionnaires.
- The County received an Award of Excellence from the National Association of County Information Officers for the 2006 Loudoun County Annual Report.
- Loudoun County received two awards for its innovative telework program, which makes working from home an option for many county employees. The County received a Tele-Vision Award from the Telework Exchange as the top local government telework program in the nation. Loudoun also received an achievement award from the National Association of Counties for its telework program.
- Loudoun County's Human Resources Division implemented a new online job application system in FY 07 to improve efficiency and service to job seekers. The system allows job seekers to create an online employment application and submit the application electronically for multiple vacant positions. The new paperless system creates a faster and more flexible employment application process.
- Loudoun County was recognized in *American City & County Magazine* for the design and implementation of an innovative employee Wellness Program. Following an in-depth needs assessment, various programs were designed to target the most critical at risk health and wellness issues.



FY 09 Base Budget

Expenditure Reductions

To address the fiscal challenges facing the County in the coming months, the County Administrator directed departments to identify expenditure savings in their budgets. County agencies identified nearly \$4.7 million in expenditure savings between FY 08 and FY 09. The proposed fiscal plan also eliminates four code enforcement positions in Building and Development in response to reduced land development activity. These reductions will offset the rate of expenditure growth and generate additional fund balance in the General Fund and the Fire/EMS Tax District.

General Fund

The base operating budget for the County's General Fund rises by about \$15.6 million, or 5.4%, prior to any enhancements. Within the base budget are:

- \$3.9 million for increased health insurance, retirement and life insurance costs incurred by the County;
- \$1.7 million for the annualized impact of employee compensation increases effective September 2007;
- \$3.6 million for 13.11 FTE authorized by the Board of Supervisors over the course of the year and full-year costs for 19.12 FTE authorized for mid-year hires during the FY 08 budget process;
- \$4.0 million for inflationary increases in contractual and insurance costs, and utilities and lease expenses for County facilities, offset by \$2.3 million in reductions to departments' operating budgets, and;
- \$4.8 million to fund the 3% performance-based pay increase for eligible County employees.

In addition, the FY 09 base budget reflects the elimination of a \$1.1 million one-time unspecified reduction approved by the Board during the FY 08 budget process and a \$0.8 million readjustment of the annual personnel vacancy savings estimate to reflect actual and anticipated attrition for the County government.

Fire/Emergency Services District

The base operating budget for the Fire/EMS District rises by about \$2.1 million, or 3.7%, prior to enhancements. The base budget includes the annualized impact of employee compensation increases and 26.88 FTE authorized by the Board for mid-year hires, inflationary increases in contractual costs and funding for the 3% performance-based pay increase for eligible County employees.



**Loudoun County Government
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Post-Retirement Employee Benefits

The FY 09 Proposed Fiscal Plan begins to address the new accounting policies which will require the establishment of a reserve for future retirees' health benefits. The proposed fiscal plan includes \$10 million, consisting of \$7 million for Schools' retirees and \$3 million for County retirees, which will begin to bring the County into compliance with this requirement.



School Board Request

The School system projects that Loudoun's school population will increase from 54,047 in 2007 to 76,794 in 2013, an average increase of approximately 3,800 students per year, about 7% annually. The school population is projected to grow by 3,270 students in 2008, or 6.1%. These enrollment increases have a significant impact on the School System's operating budget in many areas, including new teachers, bus drivers, custodial support and utility bills.

The School Board's proposed operating budget for FY 09 totals \$804.3 million, an increase of \$103.8 million, or 15%, over FY 08. Of the School Board's proposed operating budget, \$585.6 million would require local funding, an increase of \$72.4 million, or 14%. Under the School Board's proposed budget, per pupil total expenditures would increase from \$12,962 in FY 08 to \$14,033 in FY 09, or 8.3%.

The FY 09 Proposed Fiscal Plan increases funding for the Schools by \$81.1 million, a 12% increase over FY 08, and an increase of 5.2% per pupil, and provides sufficient funding to address student growth and inflation (\$44.2 million), provide a 5% compensation increase for all personnel (\$31.9 million) and to fund a modest package of new initiatives (\$5 million). This proposal represents a \$22.6 million reduction from the School Board's budget.

The School Board also proposed a \$368,595 increase in local tax funding for the School Cafeteria Fund, which received a local tax funding subsidy for the first time in FY 08, to subsidize an increase in student lunch costs. The proposed fiscal plan maintains local tax funding at \$900,000, which is unchanged from FY 08.

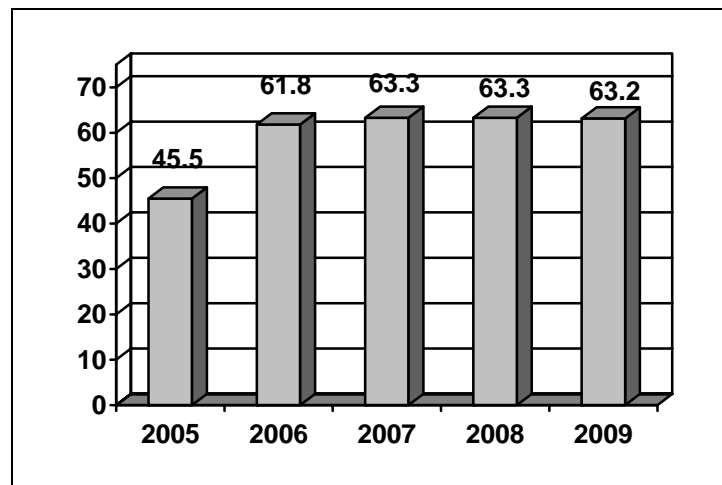


Real Property Assessments

The estimated fair market value of taxable real property is projected to remain flat at \$63.3 billion from January 1, 2007 to January 1, 2008, and then decline slightly as of January 1, 2009. The projected stagnation in the County's real property tax base represents a significant departure from recent historical trends, and is reflective of the softening real estate market.

Residential property values, including new construction, declined by \$2.5 billion from January 1, 2007 to January 1, 2008. The decline in assessments was partially offset by nearly \$1.4 billion in new construction and growth. The 2007 decline is projected to continue in 2008, with the residential tax base declining by an additional \$1.2 billion, to \$43.3 billion, by January 1, 2009. The average assessed value of a single family home in Loudoun decreased for the second consecutive year, from \$487,187 in 2007 to \$447,605 in 2008, and is anticipated to decline further to \$426,951 by 2009, a 12.4% decrease over that period.

**Estimated Total Fair Market Value of Real Property
(in billions)**



Commercial and industrial values increased by \$569 million from new construction and growth and by \$911.5 million from revaluation, or by about \$1.5 billion in total, a 15% increase from January 1, 2007 to January 1, 2008, and are projected to increase by another 7% from 2008 to 2009. Agricultural property values increased by about \$678 million, or 16%, from 2007 to 2008.

Real Property Tax Rate

The FY 09 Proposed Fiscal Plan is balanced at a proposed real property tax rate of \$1.15 for the General County Government and Schools, and 6.6¢ for the Fire and EMS Tax District. Combined, these rates total \$1.216, a 25.6¢ increase from FY 08. This would result in an increase of 13.6% in the average residential tax bill.

Of this amount, 85.4¢ supports the school system, with the operating budget constituting the largest share at 71.1¢ and debt service at 12.6¢. 27.7¢ supports the County Government, 6.6¢ supports the Fire/Emergency Services District and 0.6¢ supports the Comprehensive Services Act. In addition, the proposed fiscal plan includes 1.3¢ as an allowance toward post-retirement health benefits for County and Schools retirees.



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The FY 09 Proposed Fiscal Plan does not fully fund either the School Board's FY 09 proposed budget or its adopted FY 09-14 Capital Improvement Program. Fully funding the School Board's operating and capital budgets would require an additional \$42.5 million in local tax funding, or a 5.0¢ increase in the real property tax rate, for a combined total of \$1.266, and financing an additional \$115.5 million in FY 09, which would place the County in excess of its annual debt issuance policy. To provide the Board with all possible options, the budget has been advertised with a \$1.266 real property tax rate.

The table on the following page details the line items that constitute local tax funding. Real and personal property taxes represent the largest components. In addition, the revenue estimate for FY 09 reflects revenues at the proposed combined General and Fire/EMS District tax rate of \$1.216. Each cent on the real property tax rate equals about \$8.53 million in revenue and carryover, an 8.2% decline from the per penny yield estimated for the FY 08 adopted budget.

FY 09 Proposed Local Tax Funding			
Description	FY 08 Adopted	FY 09 Proposed	Change
<u>Revenue</u>			
Real Property Taxes (General)	\$567,399,417	\$654,165,387	\$86,765,970
Public Service Property Taxes (General)	13,668,541	18,649,900	4,981,359
Fire/EMS District Revenue	27,246,056	38,948,043	11,701,987
Delinquent Real Property Taxes	3,500,000	4,000,000	500,000
Penalties and Interest	3,388,000	4,200,000	812,000
Personal Property	120,731,701	123,292,701	2,561,000
Delinquent Personal Property	2,500,000	2,800,000	300,000
Mobile Homes	15,101	11,287	(3,814)
Aircraft	52,000	38,000	(14,000)
Heavy Equipment	1,600,000	1,800,000	200,000
Machinery and Tools	1,151,000	1,252,400	101,400
Sales Tax	44,500,000	47,400,000	2,900,000
Consumer Utility/Franchise Taxes	7,471,406	7,110,000	(361,406)
Short-Term Rental Tax	290,000	290,000	0
Transient Occupancy Tax	<u>2,231,000</u>	<u>2,355,000</u>	<u>124,000</u>
<i>Subtotal, Revenue</i>	<i>\$795,744,222</i>	<i>\$906,312,718</i>	<i>\$110,568,496</i>
<u>Use of Fund Balance</u>			
General Fund	\$52,353,994	(\$47,931,036)	(4,422,958)
Fire/EMS Tax District	<u>13,623,028</u>	<u>6,520,944</u>	<u>(7,102,084)</u>
<i>Subtotal, Use of Fund Balance</i>	<i>\$65,977,022</i>	<i>\$54,451,980</i>	<i>(\$11,525,042)</i>
Total	\$861,721,244	\$960,764,697	\$99,043,453



**Loudoun County Government
FY 2009 Proposed Fiscal Plan**

FY 09 Proposed Enhancements

Continued population growth has spurred service demand across nearly every County agency and program. Last fall, the County Administrator met with departments to identify resource requirements for the upcoming year. Departments identified nearly \$31 million in additional resource needs to respond to service demands and the opening of new facilities. Of this amount, nearly \$19 million was identified for public safety and judicial administration and a little more than \$8 million was identified for parks, libraries and human services.

The FY 09 Proposed Fiscal Plan recognizes current fiscal challenges by limiting recommended enhancements to increased local match requirements for grant-funded activities, situations in which the lack of funding would result in serious lapses in service, operational funding for facilities that are scheduled to come online and essential human services programs. The result is an extremely limited enhancement list, which is summarized on the following table. Additional information regarding the proposed enhancements may be found in the department narratives.

FY 09 Recommended Enhancements			
Department	Description	FY 09 LTF	FY 09 FTE
<u>Public Safety & Judicial Administration</u>			
Animal Care & Control	Mobile Animal Adoption Unit	\$35,000	0.53
Animal Care & Control	Animal Control Dispatcher	57,000	1.07
Commonwealth's Attorney, Comm. Corrections, JCSU, Sheriff	Replace Expiring Grant Revenue	67,000	0.00
Fire & Rescue Services	Brambleton Station Staffing	613,000	15.68
Sheriff	Eastern Loudoun Station Staffing	268,000	4.00
Sheriff	Brambleton Station Staffing	414,000	3.14
Sheriff	School Resource Officer	169,000	1.07
Sheriff	Adult Detention Center Staffing	1,912,000	25.54
Sheriff	Court Bailiffs	<u>161,000</u>	<u>2.14</u>
Subtotal Public Safety & Judicial Administration:		\$3,696,000	53.17
<u>Health & Welfare</u>			
Family Services	Adult Protective Svcs. Social Worker	\$133,000	1.00
Family Services	Child Protective Svcs. Social Worker	85,000	1.00
Health Services	WIC Nutritionist and Assistant	<u>112,000</u>	<u>2.00</u>
Subtotal Health & Welfare:		\$330,000	4.00
<u>Parks, Recreation & Culture</u>			
Parks, Recreation & Comm. Svcs.	Fee Offset Programs	\$0	<u>7.10</u>
Subtotal Parks, Recreation & Culture:		\$0	7.10
<u>Miscellaneous</u>			
Nondepartmental	2% Market Adjustment	<u>\$3,500,000</u>	<u>0.00</u>
Subtotal Miscellaneous:		\$3,500,000	0.00
Total:		\$7,526,000	64.27



Capital Improvements and Debt Service

The FY 09-14 proposed Capital Improvement Program includes nearly \$1.9 billion in projects for the County and Schools. While the proposed CIP complies with the Board of Supervisors' debt issuance policies, it will be necessary for the Board to conduct a careful review in light of the impact of reduced population growth and softening real property assessments on the County's debt ratios. Detailed information regarding the proposed Capital Improvement Program and debt service expenses can be found beginning on page 7 - 1 of this document.

Schools CIP Projects

The School Board's adopted CIP includes \$1.3 billion for 21 new schools, including 12 elementary schools, four middle schools, four high schools, and the advanced technology academy. It also includes renovations to four schools and the Monroe Technology Center.

During the FY 08 budget process, the Board of Supervisors directed the School Board to identify cost savings for school system construction projects and appropriated reduced budgets for schools in the CIP. This initiative was intended to address the rising cost of school system project submissions, which by FY 14 include nearly \$140 million for high schools, \$70 million for middle schools, and \$37 million for elementary schools. The proposed CIP maintains the reduced funding allocations approved by the Board last year.

County Government CIP Projects

The proposed FY 09-14 Capital Improvement Program, which totals \$846 million for Schools projects, addresses the most pressing school system capacity issues by including funding for 17 new schools. Three schools proposed by the School Board in FY 14 as undesignated are eliminated and one middle school proposed for FY 13 is placed in future fiscal years. Renovation projects that do not increase capacity were also placed in future years.

The County Government portion of the proposed CIP, including land purchases for County projects and transportation initiatives, totals \$1 billion. Transportation projects, consisting principally of NVTVA road construction funding and Loudoun's contribution toward the Dulles Metrorail project, total \$446 million. Additional projects include:

- Fire and Rescue stations in Aldie, Kirkpatrick Farm, Leesburg and western Loudoun, and funding for renovations to fire and rescue stations and additional apparatus;
- Expansion of the County Courts complex and the Juvenile Detention Center, as well as a western Loudoun Sheriff's substation;
- Transitional and emergency homeless shelters and townhouses, group homes and supported living residences for mental health and retardation clients;
- The second phase of the Dulles Multipurpose Center, renovations to County community centers, and Gum Spring Library in Dulles South, and;
- Regional park and ride lots and capacity improvements to the County landfill.



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As in prior years, long-term debt is the major source of funding for the CIP. The proposed CIP will require issuing more than \$1.4 billion in new debt. There is also a significant proposed commitment of pay-as-you-go financing for capital projects. Nearly \$302 million would be financed from local tax funding, grants, gas tax, proffers and fees from FY 09 through FY 14. Combined with \$180 million in anticipated revenue from the Northern Virginia Transportation Authority, pay-as-you-go financing would constitute 26% of the CIP for that period.

Capital Asset Preservation Program

The School Board's budget request included a \$511,000 increase in the Capital Asset Preservation Program (CAPP). The FY 09 Proposed Fiscal Plan maintains local tax funding for the County and Schools' CAPP at \$3,023,000 and \$4,129,000, respectively, unchanged from FY 08.

Debt Service

Debt service for the County government, Fire/EMS District and the school system totals \$161 million in FY 09, an increase of about \$19.3 million over FY 08. Debt service associated with \$36.5 million for General County projects, \$2.1 million for the Fire/EMS Tax District, and \$122.4 million for School projects.



Loudoun County Government
FY 2009 Proposed Fiscal Plan

Financial Summary

The following series of tables provide a summary of the FY 09 Proposed Fiscal Plan for the County school system, County Government Operations, the Fire/EMS Tax District, CIP, Debt, Capital Asset Replacement, and other related funds at the proposed \$1.216 real property tax rate. The Proposed Fiscal Plan includes an estimated undesignated fund balance of \$591,079.

FY 2009 Proposed Local Tax Funding				
Appropriations Category	Expenditures	Revenue/ Carryover	Local Tax Funding	% of Total
<u>Operating Appropriations</u>				
County General Fund	\$319,557,904	\$142,922,733	\$176,635,171	18.40%
Fire/EMS Tax District	49,391,110	6,083,373	43,307,737	4.51%
School Fund	781,700,922	218,753,112	562,947,810	58.63%
School Cafeteria Fund	21,363,191	20,463,191	900,000	0.09%
Comprehensive Services Act Fund	9,714,932	5,183,390	4,531,542	0.47%
Legal Resource Center (Law Library)	84,729	84,729	0	0.00%
Restricted Use TOT Fund	3,531,000	3,531,000	0	0.00%
Rental Assistance Fund	7,668,299	7,668,299	0	0.00%
<u>Post-Retirement Benefits</u>	<u>10,000,000</u>	<u>0</u>	<u>10,000,000</u>	<u>1.04%</u>
<i>Operating Appropriations</i>	<i>\$1,203,012,087</i>	<i>\$404,689,827</i>	<i>\$798,322,260</i>	<i>83.14%</i>
<u>Debt Service Appropriations</u>				
County Government/Transportation	\$36,475,882	\$8,895,310	\$27,580,572	2.87%
Fire/EMS Tax District	2,161,250	0	2,161,250	0.23%
School System	122,366,336	22,986,800	99,379,536	10.35%
Route 28 Special Tax District	10,505,000	10,505,000	0	0.00%
Aldie Sewer Service District	31,000	31,000	0	0.00%
Hamilton Sewer Service District	231,000	143,000	88,000	0.01%
<u>Dulles Industrial Park Tax District</u>	<u>106,840</u>	<u>106,840</u>	<u>0</u>	<u>0.00%</u>
<i>Debt Service Appropriations</i>	<i>\$171,877,308</i>	<i>\$42,667,950</i>	<i>\$129,209,358</i>	<i>13.46%</i>
Operating & Debt Service	\$1,374,889,395	\$447,357,777	\$927,531,618	96.60%
<u>Capital Appropriations</u>				
County/Transportation Capital Projects	161,874,000	146,355,000	15,519,000	1.62%
County Asset Preservation	3,023,000	80,000	2,943,000	0.31%
School System Capital Projects	81,615,000	73,064,000	8,551,000	0.89%
School System Asset Preservation	4,129,000	0	4,129,000	0.43%
<u>Computer System Replacement Fund</u>	<u>6,554,000</u>	<u>5,054,000</u>	<u>1,500,000</u>	<u>0.16%</u>
<i>Capital Appropriations</i>	<i>\$257,195,000</i>	<i>\$224,553,000</i>	<i>\$32,642,000</i>	<i>3.40%</i>
Total	\$1,632,084,395	\$671,910,777	\$960,173,618	100.00%



**Loudoun County Government
FY 2009 Proposed Fiscal Plan**

The FY 09 Proposed Fiscal Plan proposes a \$122.9 million increase in operating appropriations, or 11%. County government appropriations would increase by \$27.2 million, or 9%, while operating appropriations for the School system would increase by \$81.1 million, or 12%. The proposed fiscal plan includes \$22.6 million less in appropriations authority than proposed by the School Board.

FY 09 Proposed Appropriations Schedule			
Appropriations Category	FY 08 Adopted	FY 09 Proposed	Difference
<u>Operating Appropriations</u>			
County General Fund	\$292,265,911	\$319,557,904	\$27,291,993
Fire/EMS Tax District	47,898,892	49,391,110	1,492,218
School Fund	700,564,208	781,700,922	81,136,714
School Cafeteria Fund	19,538,655	21,363,191	1,824,536
Comprehensive Services Act Fund	9,450,482	9,714,932	264,450
Legal Resource Center (Law Library)	74,552	84,729	10,177
Restricted Use TOT Fund	2,510,000	3,531,000	1,021,000
Rental Assistance Fund	7,755,359	7,668,299	(87,060)
<u>Post-Retirement Benefits</u>	<u>0</u>	<u>10,000,000</u>	<u>10,000,000</u>
<i>Operating Appropriations</i>	<i>\$1,080,058,059</i>	<i>\$1,203,012,087</i>	<i>\$122,954,028</i>
<u>Debt Service Appropriations</u>			
County Government/Transportation	\$22,546,640	\$36,475,882	\$13,929,242
Fire/EMS Tax District	702,375	2,161,250	1,458,875
School System	118,454,617	122,366,336	3,911,719
Route 28 Special Tax District	9,420,000	10,505,000	1,085,000
Aldie Sewer Service District	33,000	31,000	(2,000)
Hamilton Sewer Service District	249,000	231,000	(18,000)
<u>Dulles Industrial Park Tax District</u>	<u>106,840</u>	<u>106,840</u>	<u>0</u>
<i>Debt Service Appropriations</i>	<i>\$151,512,472</i>	<i>\$171,877,308</i>	<i>\$20,364,836</i>
Operating & Debt Service	\$1,231,570,531	\$1,374,889,395	\$143,318,864
<u>Capital Appropriations</u>			
County/Transportation Capital Projects	\$87,250,000	\$161,874,000	\$74,624,000
County Asset Preservation	3,023,000	3,023,000	0
School System Capital Projects	54,861,257	81,615,000	26,753,743
School System Asset Preservation	4,129,000	4,129,000	0
<u>Computer System Replacement Fund</u>	<u>4,725,000</u>	<u>6,554,000</u>	<u>1,829,000</u>
<i>Capital Appropriations</i>	<i>\$153,988,257</i>	<i>\$257,195,000</i>	<i>\$103,206,743</i>
Total	\$1,385,558,788	\$1,632,084,395	\$246,525,607



**Loudoun County Government
FY 2009 Proposed Fiscal Plan**

The FY 09 Proposed Fiscal Plan requires the use of \$960 million in local tax funding for all funds. That is an increase of approximately \$99.6 million, or 12%. Of this increase, \$51.9 million supports all school funds; this amount includes \$23.5 million in proposed reductions to local tax funding transfers requested by the School Board for the School Operating, Cafeteria and Asset Preservation Funds. In addition, the proposed fiscal plan does not include \$128.7 million in capital expenditures requested by the School Board for additional projects in FY 09.

FY 09 Proposed Use of Local Tax Funding & Fund Balance			
	FY 08	FY 09	
Category	Adopted	Proposed	Difference
<u>Operating Local Tax Funding</u>			
County General Fund	\$149,760,013	\$176,635,171	\$26,875,158
Fire/EMS Tax District	42,863,923	43,307,737	443,814
School Fund	513,204,485	562,947,810	49,743,325
School Cafeteria Fund	900,000	900,000	0
Comprehensive Services Act Fund	4,500,000	4,531,542	31,542
Legal Resource Center (Law Library)	0	0	0
Restricted Use TOT Fund	0	0	0
Rental Assistance Fund	0	0	0
<u>Post-Retirement Benefits</u>	<u>0</u>	<u>10,000,000</u>	<u>10,000,000</u>
<i>Operating Local Tax Funding</i>	<i>\$711,228,421</i>	<i>\$798,322,260</i>	<i>\$87,093,839</i>
<u>Debt Service Local Tax Funding</u>			
County Government/Transportation	\$16,798,030	\$27,580,572	\$10,782,542
Fire/EMS Tax District	702,375	2,161,250	1,458,875
School System	104,184,617	99,379,536	(4,805,081)
Route 28 Special Tax District	0	0	0
Aldie Sewer Service District	0	0	0
Hamilton Sewer Service District	88,000	88,000	0
<u>Dulles Industrial Park Tax District</u>	<u>0</u>	<u>0</u>	<u>0</u>
<i>Debt Service Local Tax Funding</i>	<i>\$121,773,022</i>	<i>\$129,209,358</i>	<i>\$7,436,336</i>
Operating & Debt Service LTF	\$833,001,443	\$927,531,618	\$94,530,175
<u>Capital Local Tax Funding</u>			
County/Transportation Capital Projects	\$17,380,000	\$15,519,000	(\$1,861,000)
County Asset Preservation	2,948,000	2,943,000	(5,000)
School System Capital Projects	1,625,000	8,551,000	6,926,000
School System Asset Preservation	4,129,000	4,129,000	0
<u>Computer System Replacement Fund</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>0</u>
<i>Capital Local Tax Funding</i>	<i>\$27,582,000</i>	<i>\$32,642,000</i>	<i>\$5,060,000</i>
Total	\$860,583,443	\$960,173,618	\$99,590,175

County government functions and the Comprehensive Services Act increase by \$37.7 million, primarily due to softening departmental and flat State revenues. The proposed fiscal plan also includes \$10 million in local tax funding to begin compliance with post-retirement health benefit accounting requirements.



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The following table provides a historical perspective on the impact of local tax funding requirements on the real property tax rate and the average single family home's tax bill.

Historical Real Property Tax Rates & Average Tax Bill by Category						
Category	FY 07 Adopted		FY 08 Adopted		FY 09 Proposed	
	Tax Rate	Avg. Tax Bill	Tax Rate	Avg. Tax Bill	Tax Rate	Avg. Tax Bill
<u>Operating Tax Rate/Tax Bill</u>						
County General Fund	\$0.186	\$995	\$0.176	\$857	\$0.216	\$945
Fire/EMS Tax District	n/a	n/a	0.042	205	0.063	275
School Fund	0.528	2,825	0.572	2,787	0.713	3,118
School Cafeteria Fund	0.000	0	0.001	5	0.001	4
Comprehensive Services Act	0.003	16	0.005	24	0.006	26
<u>Post-Retirement Benefits</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>n/a</u>	<u>0.013</u>	<u>57</u>
<i>Operating Tax Rate/Tax Bill</i>	<i>\$0.717</i>	<i>\$3,837</i>	<i>\$0.796</i>	<i>\$3,878</i>	<i>\$1.012</i>	<i>\$4,425</i>
<u>Debt Service Tax Rate/Tax Bill</u>						
County Government/Transportation	\$0.017	\$91	0.019	\$93	\$0.035	\$153
Fire/EMS Tax District	n/a	n/a	0.001	\$5	0.003	\$13
<u>School System</u>	<u>0.099</u>	<u>530</u>	<u>0.116</u>	<u>565</u>	<u>0.126</u>	<u>551</u>
<i>Debt Service Tax Rate/Tax Bill</i>	<i>\$0.116</i>	<i>\$621</i>	<i>\$0.136</i>	<i>\$663</i>	<i>\$0.164</i>	<i>\$717</i>
Operating & Debt Service	\$0.833	\$4,457	\$0.932	\$4,541	\$1.176	\$5,142
<u>Capital/Asset Preservation</u>						
County Government/Transportation	\$0.035	\$187	\$0.021	\$102	\$0.024	\$105
School System	0.022	118	0.007	34	0.016	70
<i>Capital Tax Rate/Tax Bill</i>	<i>\$0.057</i>	<i>\$305</i>	<i>\$0.028</i>	<i>\$136</i>	<i>\$0.040</i>	<i>\$175</i>
Tax	\$0.890	\$4,762	\$0.960	\$4,677	\$1.216	\$5,317



Board Options

The County Administrator’s FY 09 Proposed Fiscal Plan includes the core requirements necessary to maintain government operations in the current challenging fiscal climate. The Board of Supervisors may wish to consider a number of options that could be funded by \$591,079 in undesignated fund balance identified as part of the proposed fiscal plan. In addition, the County Administrator has identified several revenue options that the Board may wish to pursue to reduce the reliance on real property taxes and/or fund additional initiatives.

Expenditure Options

Inspector General/Internal Audit – At its September 18, 2007, business meeting, the Board of Supervisors directed the County Administrator to include an initiative in the proposed fiscal plan that would establish dedicated internal audit and inspector general functions. The Board action designated a 3.00 FTE unit for the inspector general and a 2.00 FTE unit for internal audit, at an estimated cost of \$375,000 in FY 09.

Blight Abatement – At its December 4, 2007, business meeting, the Board of Supervisors voted to implement a blight abatement program and directed the County Administrator to include \$100,000 in the proposed fiscal plan for abating and removing nuisances as part of the program.

Revenue Options

Business License (BPOL) Tax –FY 09 Proposed Fiscal Plan includes \$23.4 million in revenue from the Business, Professional and Occupational License Tax (BPOL). The BPOL tax is levied on businesses’ gross receipts in excess of \$200,000 at varying rates per \$100 depending on the category of business. The Board may wish to increase BPOL tax rates on seven categories of business, several of which have not been increased in more than a decade. The additional revenue would help offset anticipated reductions in General Fund revenue resulting from the anticipated diversion of BPOL revenue to pay debt service on the Dulles Metrorail project. Staff would recommend reviewing the rates for the following:

Possible BPOL Tax Rates				
Business Category (Last Increased)	Current Rate	Suggested Rate	Statutory Limit	Additional Revenue
Bus. Service Occupations (1992)	\$0.17	\$0.21	\$0.36	\$1,249,000
Aircraft Leasing (1991)	\$0.05	\$0.10	\$0.10	35,000
Renting by Owner (1973)	\$0.16	\$0.21	\$0.36	197,000
Repair Service Occupations (1992)	\$0.16	\$0.21	\$0.36	88,000
Retail Merchants (1995)	\$0.17	\$0.20	\$0.20	972,000
Money Lenders (1973)	\$0.16	\$0.21	\$0.36	15,000
Total				\$2,556,000

A comparative analysis indicates that Loudoun’s BPOL rates are generally lower than neighboring jurisdictions. In addition, Loudoun County is the only jurisdiction among the neighbors surveyed that exempts gross receipts below \$200,000 from taxation. Comparative information is shown on the following table.



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BPOL Rates in Neighboring Jurisdictions						
Business Category	Current Rate	Suggested Rate	Fairfax County	Pr. William County	Arlington County	Alexandria City
Bus. Svc. Occupations	\$0.17	\$0.21	\$0.19	\$0.21	\$0.35	\$0.35
Aircraft Leasing	\$0.05	\$0.10	\$0.19	\$0.21	\$0.35	\$0.35
Renting by Owner	\$0.16	\$0.21	\$0.26	n/a	\$0.28	\$0.50
Repair Svc. Occupations	\$0.16	\$0.21	\$0.19	\$0.21	\$0.35	\$0.35
Retail Merchants	\$0.17	\$0.20	\$0.17	\$0.17	\$0.20	\$0.20

BPOL taxes are administered on a calendar year basis. To amend these rates, the Board would be required to adopt an ordinance before January 2009.

Restaurant Meals Tax – The Code of Virginia authorizes counties to levy a tax of up to 4% on food and beverages sold for human consumption in restaurants. Four of Loudoun County’s five incorporated towns currently have a meals tax in place, with Hamilton, Leesburg, Middleburg and Purcellville at 4.0%, 3.5%, 3.0% and 4.0%, respectively. The restaurant meals tax must be approved by a countywide referendum, and would apply to unincorporated areas of the County. Staff estimates that a 4% tax would generate approximately \$13 million annually. The adoption of a restaurant meals tax would significantly enhance the Board’s ability to direct resources towards its major priorities. The Board could designate meals tax revenue to increase the local tax funding contribution to the Capital Improvement Program which, as proposed, will require the issuance of \$1.4 billion in new debt from FY 09 through FY 14. Alternatively, the Board could designate a portion of the meals tax revenue to provide an ongoing source of support to implement the recommendations of the Housing Advisory Board for the Affordable Housing Trust Fund. A referendum on a restaurant meals tax was last held in 1998, when it failed to gain majority approval.

Emergency Medical Services (EMS) Fee – The EMS billing fee concept was first identified in the 2002 EMSSTAR study of the County’s fire and rescue system, and was included as a Board option in the FY 2007 Proposed Fiscal Plan. With the majority of private health insurance companies incorporating ambulance transport costs into their fee structures, this practice has become more common among neighboring jurisdictions; currently, Fairfax, Arlington and Montgomery (Maryland) counties and the City of Alexandria bill for EMS services.

The Code of Virginia authorizes localities to make reasonable charges for the use of EMS vehicles, with the fee schedule to be established by the governing body. Utilizing a two-tier system for basic and advanced life support could generate up to \$5 million annually, based on \$400 ALS and \$250 BLS fees as a point of reference, with revenue in the initial year a much smaller number due to the time required for implementation. Billing services would be provided under contract.

Principal concerns that have been raised regarding this proposal have focused around the potential impact of an EMS fee on volunteer companies’ fundraising and the ability of noninsured residents to obtain emergency transport services when needed. These issues could be addressed by implementing a “soft” billing system that would only assess the fee on those patients with private or public medical insurance coverage. A soft billing regime would be transparent to patients, as their insurance companies would be billed directly.



**Loudoun County Government
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History of Expenditures by Department

Department	FY 05 Adopted	FY 05 Actual	FY 06 Adopted	FY 06 Actual
Boards, Commissions and Committees	\$2,155,000	\$2,404,671	\$2,272,000	\$2,620,902
County Administrator	2,136,000	2,178,177	2,599,000	2,673,942
Public Information	559,000	637,461	644,000	801,911
General Registrar	352,000	380,910	459,000	333,186
Regional Organizations & Contributions	3,481,000	3,466,769	4,308,000	4,294,678
County Attorney	1,661,000	2,175,616	1,906,000	2,264,125
Office of the County Assessor**	2,007,000	2,021,538	2,285,000	2,045,254
Treasurer	2,983,000	2,993,689	3,235,000	3,120,106
Commissioner of the Revenue	2,102,000	1,841,247	2,296,000	1,794,308
Clerk of the Circuit Court	2,422,000	2,539,038	2,739,000	2,851,725
Commonwealth's Attorney	2,506,000	2,305,681	2,601,000	2,536,930
Sheriff	43,628,000	42,292,245	50,383,000	49,066,927
Management & Financial Services	7,666,000	8,666,231	9,855,000	9,902,285
Information Technology	12,195,000	13,581,301	14,822,000	16,563,122
General Services	16,453,000	18,760,998	20,199,000	21,890,386
Office of Capital Construction*	N/A	N/A	N/A	N/A
Courts	862,000	772,820	900,000	828,630
Building and Development	16,717,000	15,545,950	19,027,000	18,281,995
Fire and Rescue Services	29,582,000	29,582,933	34,414,000	38,454,743
Planning Services	2,328,000	2,001,846	2,487,000	2,460,399
Economic Development	1,605,000	1,818,849	1,840,000	2,001,283
Solid Waste Management	3,440,000	5,873,693	3,694,000	4,513,681
Mapping & Geographic Information	1,653,000	1,824,308	1,802,000	1,776,390
Animal Care and Control	1,909,000	1,764,153	2,000,000	2,063,288
Health Services	3,653,000	3,512,415	3,855,000	3,886,190
Transportation Services	4,810,000	4,859,882	5,379,000	5,823,475
Library Services	9,533,000	9,433,194	10,360,000	10,200,285
Community Corrections	958,000	971,325	1,229,000	1,129,282
Mental Health & Mental Retardation	24,851,000	21,943,378	26,769,000	24,705,253
Parks, Recreation & Community Services	22,278,000	22,884,573	25,268,000	24,962,105
Juvenile Court Services Unit	1,282,000	1,364,465	1,602,000	1,648,636
Family Services	26,924,000	27,112,041	28,539,000	29,124,409
Extension Services	487,000	465,984	503,000	471,898
Miscellaneous	4,044,000	5,362,136	1,236,000	5,389,267
General Government Subtotal	\$259,222,000	\$263,317,717	\$291,507,000	\$300,480,996
Schools	\$462,217,000	\$484,015,461	\$537,542,000	\$555,633,524
Total	\$721,439,000	\$747,333,179	\$829,049,000	\$856,114,520

* The Office of Capital Construction was established effective FY 07 with a combination of new resources and existing staff from the Departments of General Services and Parks, Recreation and Community Services.

** The Assessor's Office was established effective FY 07. Prior to FY 07, this office was included in Management and Financial Services. Prior year history is shown for comparative purposes.



**Loudoun County Government
FY 2009 Proposed Fiscal Plan**

History of Expenditures by Department – Continued

Department	FY 07 Adopted	FY 07 Actual	FY 08 Adopted	FY 09 Proposed
Boards, Commissions and Committees	\$2,619,000	\$2,777,863	\$3,199,000	\$3,359,000
County Administrator	3,105,000	3,389,934	3,274,000	3,266,000
Public Information.	606,000	757,408	644,000	778,000
General Registrar	546,000	499,113	647,000	662,000
Regional Organizations & Contributions	4,446,000	4,601,255	4,556,000	4,480,000
County Attorney	2,214,000	2,760,052	2,251,000	2,304,000
Office of County Assessor**	2,526,000	2,532,338	2,950,000	3,363,000
Treasurer	3,608,000	3,391,021	3,814,000	3,864,000
Commissioner of the Revenue	2,368,000	2,397,198	2,695,000	2,769,000
Clerk of the Circuit Court	3,038,000	3,093,013	3,391,000	3,521,000
Commonwealth's Attorney	2,790,000	2,848,805	3,074,000	3,096,000
Sheriff	58,501,000	57,744,306	65,153,000	70,390,000
Management & Financial Services	10,439,000	10,923,750	10,977,000	11,713,000
Information Technology	16,539,000	20,883,127	16,679,000	16,746,000
General Services	22,807,000	26,106,163	23,849,000	25,957,000
Office of Capital Construction*	2,806,000	2,716,416	4,195,000	4,208,000
Courts	955,000	940,916	1,091,000	1,140,000
Building and Development	21,309,000	20,488,119	23,000,000	23,194,000
Fire and Rescue Services	40,256,000	42,514,705	47,899,000	49,683,000
Planning Services	2,965,000	2,809,374	3,138,000	3,220,000
Economic Development	1,893,000	1,895,782	1,894,000	1,866,000
Solid Waste Management	4,625,000	4,637,749	5,075,000	5,155,000
Mapping & Geographic Information	1,997,000	2,069,769	2,247,000	2,216,000
Animal Care and Control	2,174,000	2,305,734	2,419,000	2,835,000
Health Services	3,837,000	4,013,121	4,219,000	4,779,000
Transportation Services	7,797,000	7,510,080	8,313,000	9,236,000
Library Services	10,981,000	10,903,123	11,641,000	11,790,000
Community Corrections	1,404,000	1,225,545	1,523,000	1,585,000
Mental Health & Mental Retardation	28,384,000	27,571,867	30,091,000	30,954,000
Parks, Recreation & Community Services	28,945,000	27,603,459	32,792,000	32,929,000
Juvenile Court Services Unit	1,900,000	1,839,982	2,019,000	2,024,000
Family Services	30,637,000	30,770,934	31,798,000	32,651,000
Extension Services	542,000	516,962	584,000	580,000
Miscellaneous	(5,950,000)	1,609,665	(7,506,000)	5,637,000
General Government Subtotal	\$323,609,000	\$338,648,648	\$353,585,000	\$381,950,000
Schools	\$613,857,000	\$606,465,800	\$700,564,000	\$781,701,000
Total	\$937,466,000	\$945,114,448	\$1,054,149,000	\$1,163,651,000

Note: Expenditures for County Government agencies comprise all operational expenditures including County special revenue funds.

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Loudoun County Government
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FTE (Full-Time Equivalent) History by Department

Department	FY 05	FY 06	FY 07	FY 08	FY 08
Boards, Commissions and Committees	0.75	0.75	0.75	1.75	0.75
County Administrator	19.80	21.53	24.53	24.80	25.53
Public Information	5.00	4.80	4.80	4.80	6.80
General Registrar	6.77	7.77	7.77	8.77	8.77
Regional Organizations & Contributions	0.00	0.00	0.00	0.00	0.00
County Attorney	17.00	19.00	20.00	20.00	20.00
Office of the County Assessor***	27.00	29.00	29.00	30.00	34.00
Treasurer	38.34	39.34	40.34	40.34	42.00
Commissioner of the Revenue	32.55	32.55	32.55	34.55	34.55
Clerk of the Circuit Court	38.00	40.00	41.00	43.53	43.53
Commonwealth's Attorney	31.00	32.00	33.00	34.00	34.00
Sheriff	520.24	588.72	624.18	663.63	699.52
Management & Financial Services	63.44	72.64	73.64	75.64	78.64
Information Technology	74.39	78.39	81.39	84.39	86.39
General Services	84.00	94.00	80.00	81.48	80.00
Office of Capital Construction*	N/A	N/A	25.00	31.00	32.00
Courts	6.00	6.00	6.00	7.00	7.00
Building and Development	235.60	255.40	256.90	258.80	254.80
Fire and Rescue Services	332.84	378.08	445.16	492.81	509.05
Planning Services	27.00	28.00	31.00	31.00	31.00
Economic Development	16.00	16.77	16.77	15.77	15.77
Solid Waste Management	25.10	25.10	28.10	28.10	28.10
Mapping & Geographic Information	23.80	23.80	23.80	23.80	23.80
Animal Care and Control	31.89	32.89	32.89	32.89	34.49
Health Services**	74.00	80.00	82.00	84.00	84.00
Transportation Services	15.00	15.00	18.00	18.77	18.77
Library Services	144.63	144.63	145.16	145.71	145.71
Community Corrections	15.06	16.33	17.33	18.86	18.86
MH, MR, & Substance Abuse Services	324.83	341.30	344.64	343.44	345.10
Parks, Recreation & Community Services	383.18	428.65	476.65	494.86	497.59
Juvenile Court Service Unit**	32.63	34.77	35.84	35.84	35.84
Family Services	177.73	185.45	189.05	193.25	196.80
Extension Services**	10.37	11.37	11.37	11.37	11.72
Miscellaneous	0.00	0.00	0.00	0.00	0.00
General Fund Subtotal	2,833.94	3,084.03	3,278.61	3,414.95	3,484.88
School Fund	6,429.40	7,143.50	7,998.90	8,563.80	9,119.30
Central Services Fund	12.27	13.27	13.27	11.27	10.27
Law Library Fund	0.53	0.53	0.53	1.00	1.00
Total All Funds	9,276.14	10,241.33	11,291.31	11,953.56	12,615.45

* The Office of Capital Construction was established effective FY 07 with a combination of new resources and existing staff from the Departments of General Services and Parks, Recreation and Community Services.

** Personnel counts in these departments include both State and County FTE.

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