

FY 2009 Proposed Fiscal Plan



Dulles South Business Alliance

February 19, 2008

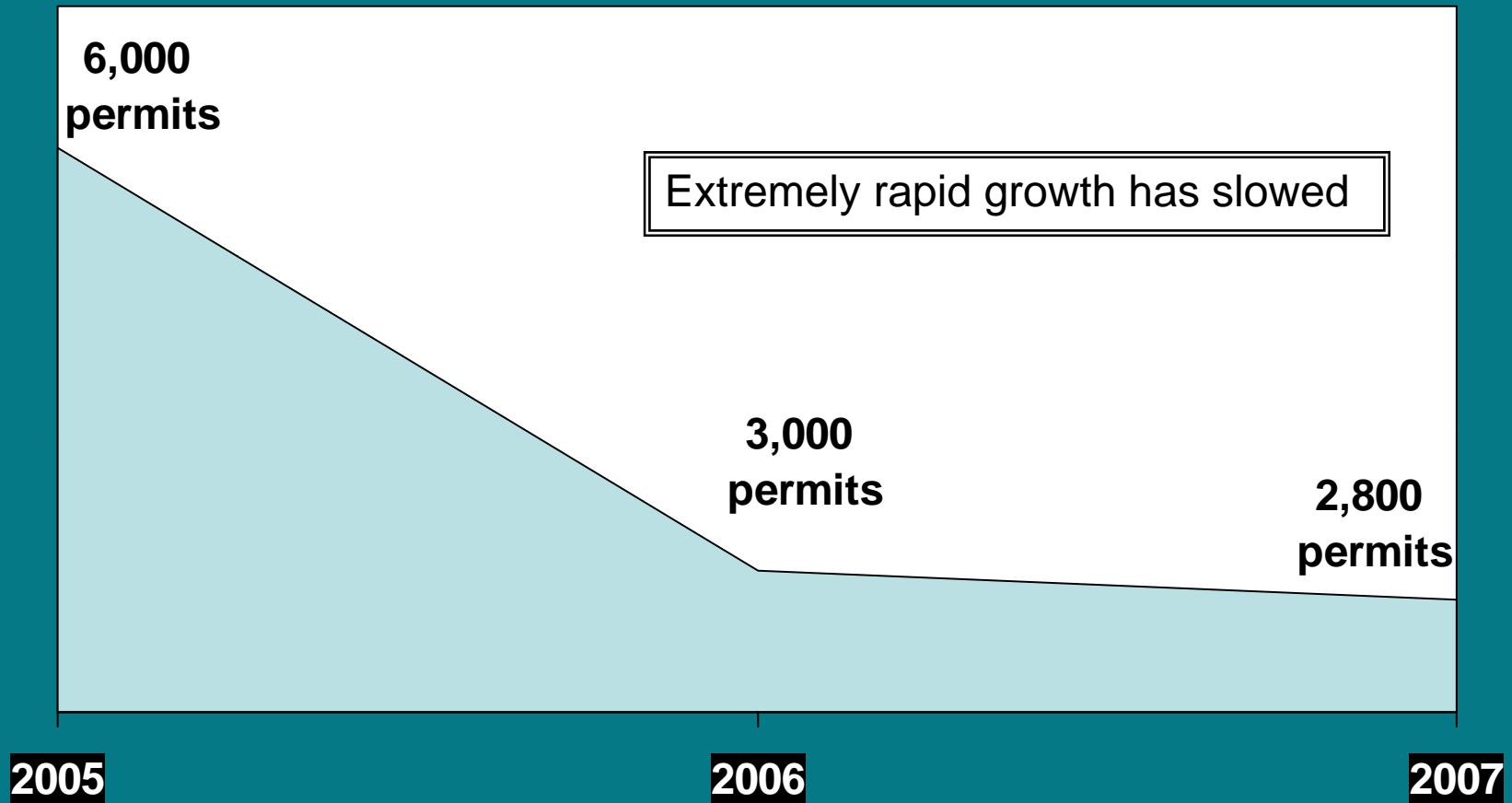
Economic Trends

- Extremely challenging economic environment
- Significant national trends that impact Loudoun County
- Trends include: rising energy and health care costs; system-wide credit crunch; declining property values; weakening employment growth
- Trends limit the financial resources available to the county
- Trends work together to increase the demand for services and facilities

Residential Property Values

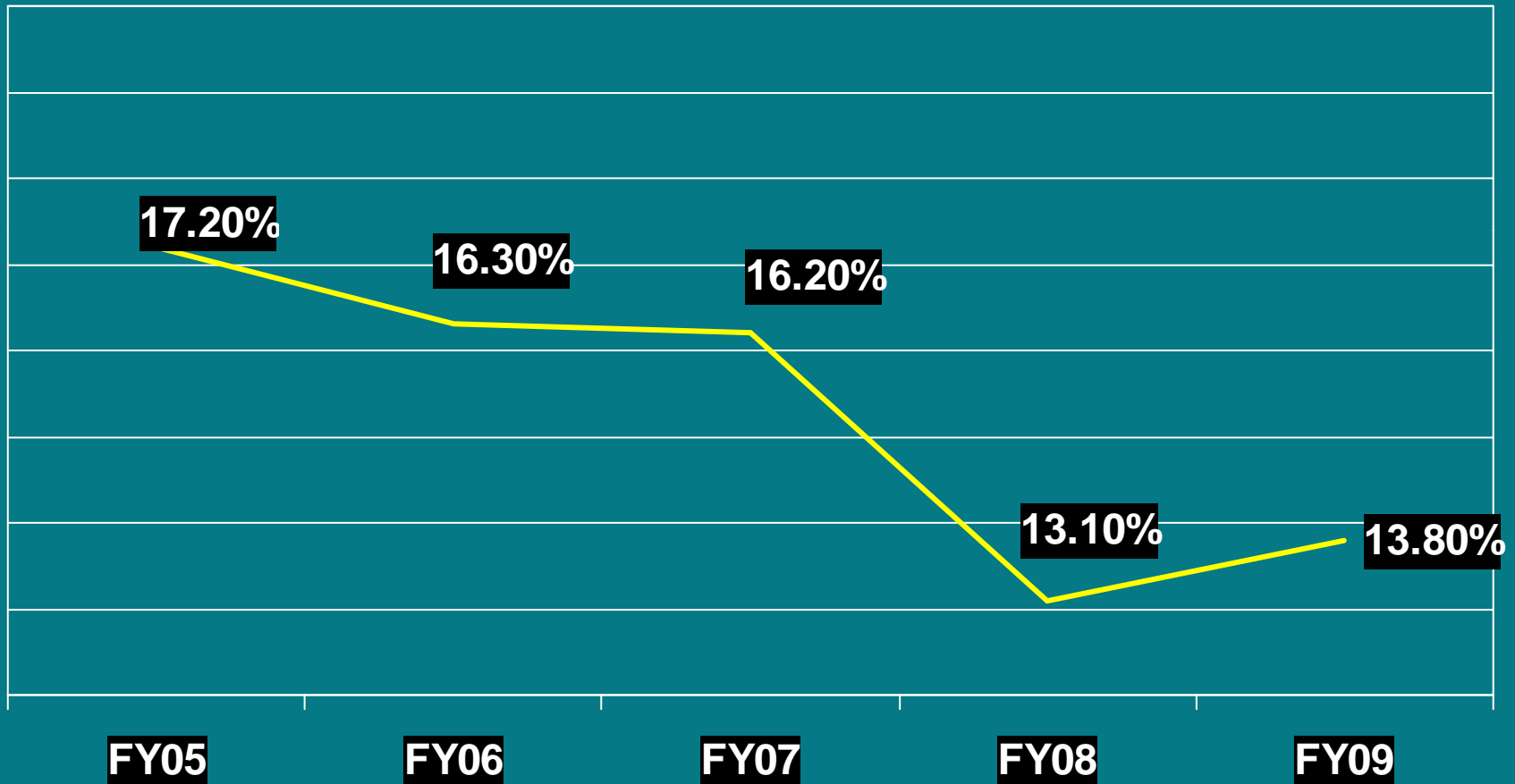
- Residential property values in Loudoun County are continuing to decline
- Real property taxes are the majority of Loudoun County's tax base
- Value of the average home in Loudoun will decrease by 12% from 2007 to 2009
- The decline significantly impacts our tax base and affects residents' views of their own prospects

Number of Building Permits



Decreasing State Share of Constitutional Offices' Budgets

(% of Comp Board revenue compared to agency expenditures)



2007 Survey of Loudoun Residents



- 92% rated “Quality of Life” as good or excellent
- 75% felt that Loudoun County provided good value for their tax dollar
- Citizens continue to be satisfied or very satisfied with county services
- Transportation and growth remain the top 2 concerns

Factors Shaping the FY09 Fiscal Plan

- Rate of population growth has slowed
- Continued growth in the school system – 6.1% increase in student population in 2008
- New facilities will open in the next several years
- Loudoun residents have among the highest income levels in the country
- There is an increased reliance on county services and programs during an economic downturn

Recent Accomplishments

- Maintained Triple-A bond ratings
- Opened a new Emergency Operations Center
- Upgraded our emergency 911 system
- Implemented community policing in Ashburn Farm
- Began the design of 5 critical interchanges
- Expanded our commuter bus services

New Parks and Recreation Facilities



Franklin Park Performing Arts Center



Carver Senior Center

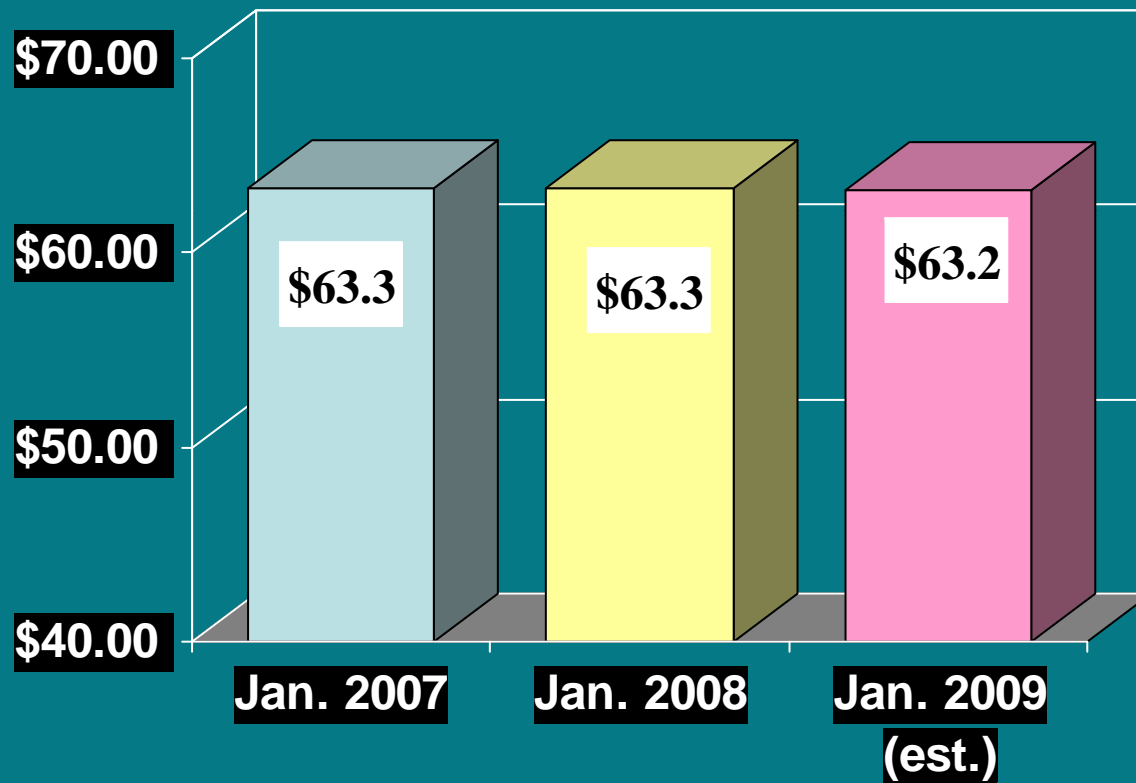
Claude Moore
Recreation
Center



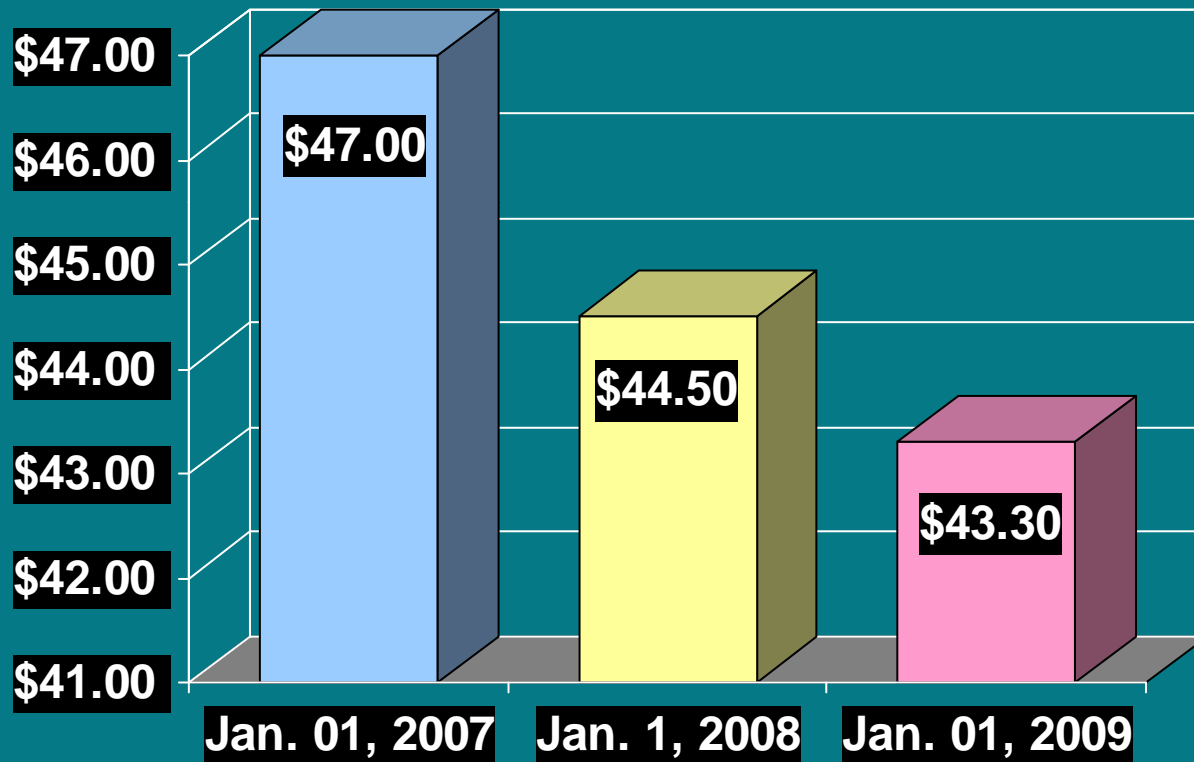
Recent Accomplishments

- Ranked by the Center for Digital Government as one of the top 10 counties in the nation for the use of information technology
- Implemented countywide multi-lingual initiatives plan
- Significantly expanded the number of teleworking employees

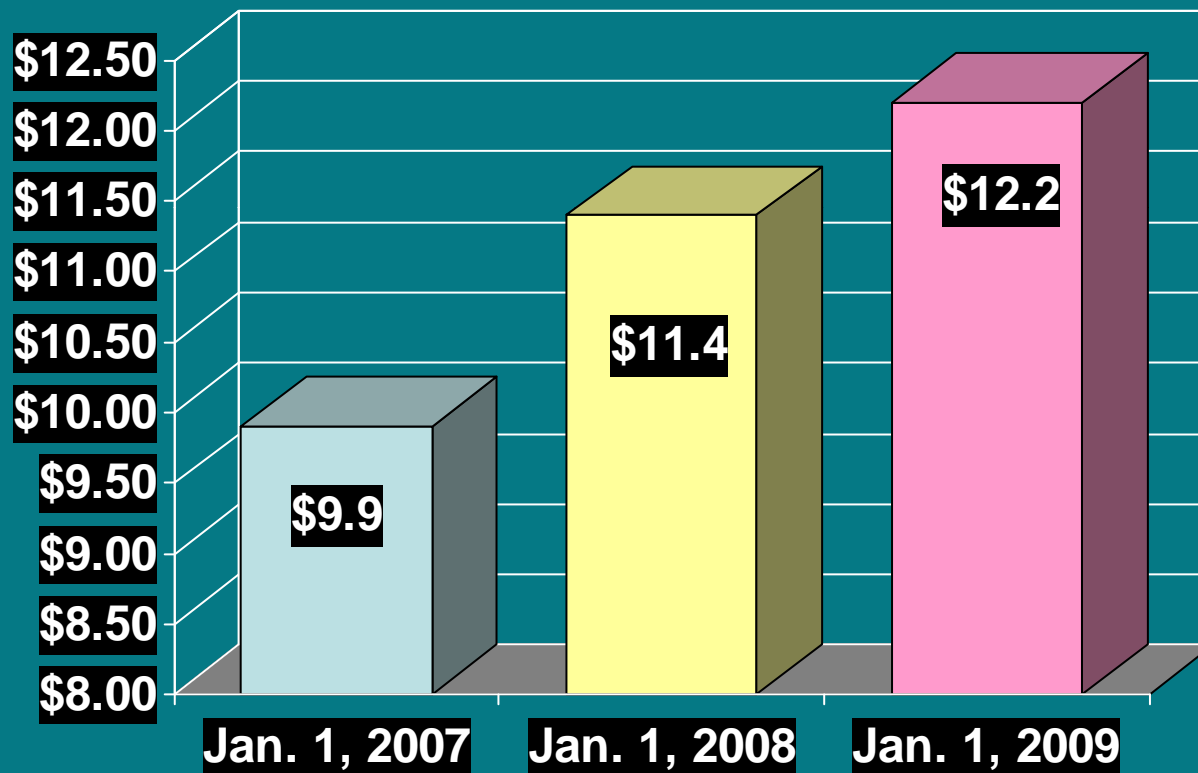
Estimated Fair Market Value of Taxable Real Property (in billions)



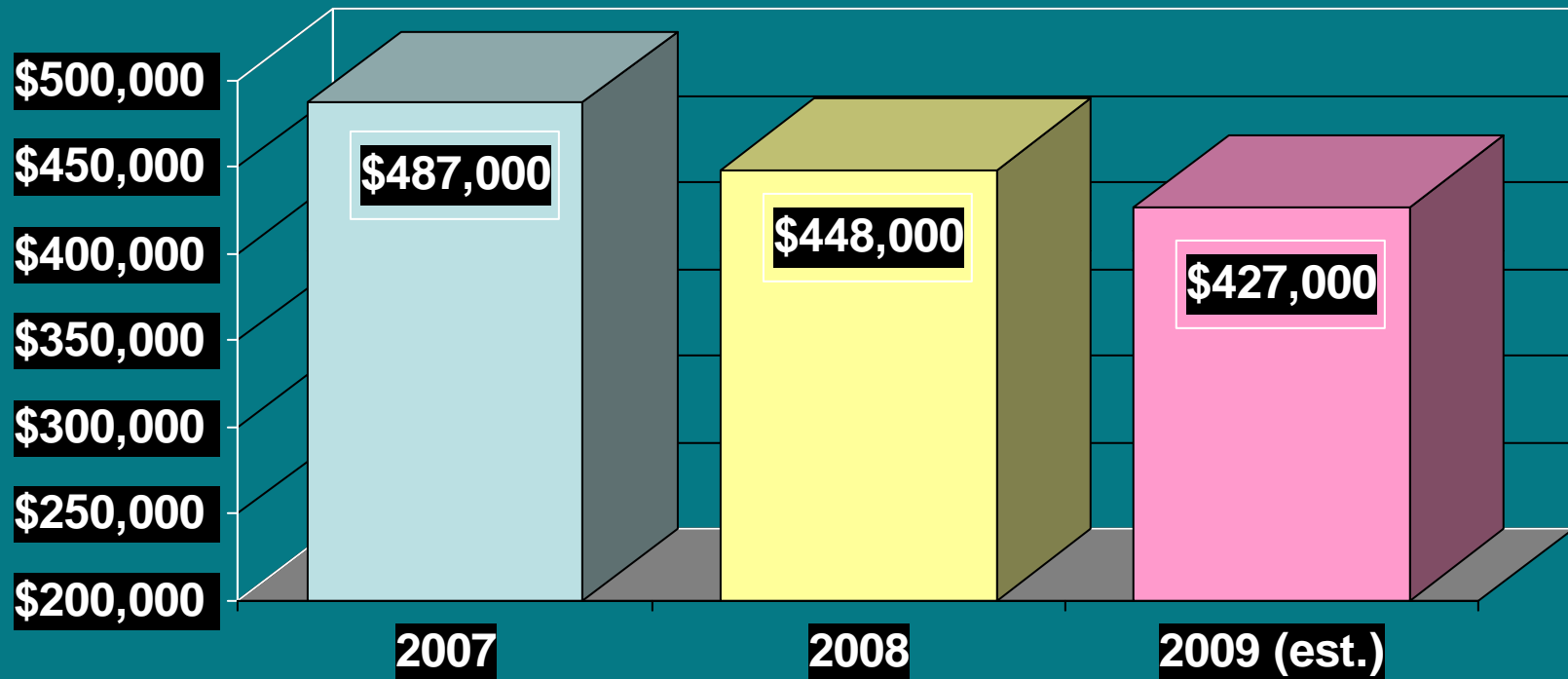
Residential Property Values (in billions)



Commercial Property Values (in billions)



Value of Average Single Family Home



12% decrease in average assessed value

FY 09 Budget Considerations

- \$5 million in cost savings has been achieved
- Fund balance has significantly decreased
- Debt service continues to grow
- Fund balance and debt service are placing upward pressure on the tax rate
- The school system accounts for 70% of expenditures
- Real property value is flat and base budget increases

FY09 Proposed Fiscal Plan

County Enhancements

Departments identified \$31 million in resource needs

Proposed Fiscal Plan recommends \$4 million in enhancements

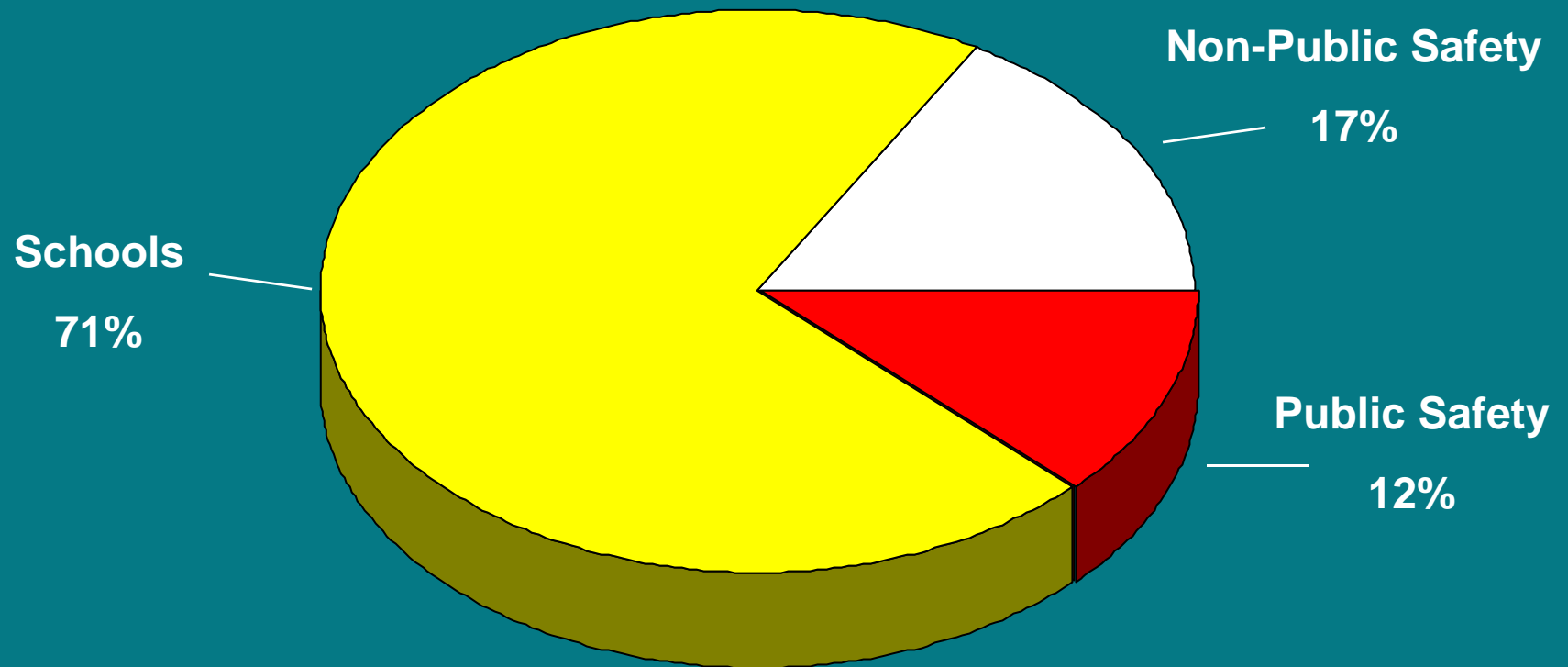
- Public safety resources
- Court security personnel
- Supervisory School Resource Officer
- Animal control staff
- Social workers for adult and child protective services
- Staff for Women, Infant, & Children (WIC) nutritional program

FY 09 Proposed Fiscal Plan

School System

- Funding to address student growth and inflation
- FY 09 proposal represents \$81 million increase in school operating funds over FY08
- This equates to more than 5% increase per student
- My proposal recommends funding that is \$23 million less than the School Board's request

Investment in Education & Public Safety



% of Local Tax Funding

Schools Capital Improvement Program

Fiscal Years 09 - 14

- Board of Supervisors directed the School Board to identify school construction cost savings during the FY 08 budget process
- The Proposed Capital Improvement Program totals \$850 million for school projects over the next six years
- This will fund 17 new schools (11 elementary schools, 3 middle schools, and 3 high schools)
- This will accommodate 17,700 additional students

County Capital Improvement Program

Fiscal Years 09 - 14

County government portion of CIP totals \$1 billion dollars

- Northern Virginia Transportation Authority road projects and Dulles Metro Rail total \$446 million
- Fire and rescue stations in Aldie, Kirkpatrick Farms, Leesburg, and Western Loudoun and additional apparatus
- Expansion of county courts complex and a new government center

County Capital Improvement Program

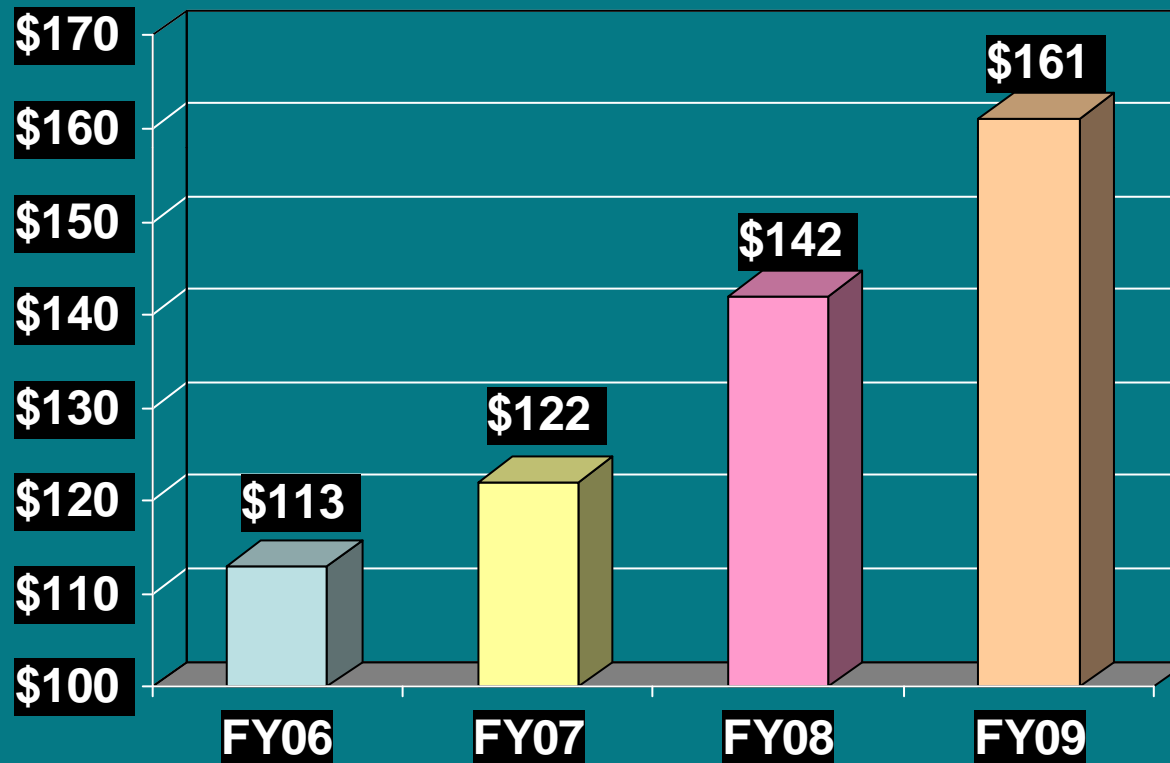
Fiscal Years 09 - 14

- Western Loudoun Sheriff's substation and expansion of the Juvenile Detention Center
- Residential facilities for Mental Health/Mental Retardation clients
- Gum Springs Library
- Regional park and ride lots and expansion of the landfill

Debt Service

(in millions)

\$1.4 billion in new debt will be issued from FY 09 to FY 14



FY 09 - \$38 million for County projects and \$122 for School projects

Budget Summary

- County government appropriations increased by \$27 million – 9%
- Appropriations for school system increased by \$81 million – 12%
- Overall 12% increase in local tax funding

FY 09 Real Property Tax Rate

- Proposed FY 09 Fiscal Plan is balanced at a combined rate of \$1.216
- With anticipated change in residential assessments, this results in a 13.6% increase in the average homeowner's tax bill
- The increase in the average residential tax bill would be \$640

FY 09 Revenue Options

- Proposed Fiscal Plan includes Board options that could reduce the proposed tax rate:
 - BPOL Tax – Six categories that have not been revisited since 1973-1995 (\$2.5 million)
 - Restaurant Meals Tax – Up to 4%, requires referendum (\$13 million)
 - EMS Fee – Two-tier ambulance fee billed to insurers (\$5 million)

Public Input

Public hearings will be held in the Board of Supervisors' Meeting Room

- February 27, 2008, 3:30 PM and continuing at 6:30 PM
- February 28, 2008, 6:30 PM if necessary

Board of Supervisors' worksessions begin on March 1. Budget worksession with the School Board will be March 5, 2008 with follow-up on March 12.

FY 2009 Proposed Fiscal Plan



Loudoun Chamber of Commerce Board
February 27, 2008