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April 3, 2014

Mr. and Mrs. Charles and Linda McAndrew  
12808 Willow Glen Ct.  
Oak Hill, VA 20171

Dear Mr. and Mrs. McAndrew:

Thank you for contacting me to share your concerns about the Fiscal Year 2015 Budget and the real estate tax rate. The Board of Supervisors is faced with some challenging decisions this year and I appreciate knowing your thoughts.

As you noted in your message, the Board of Supervisors voted to advertise a real estate tax rate of \$1.105 per \$100 of assessed value on March 4 and set that as the upper threshold for the tax rate in the FY2015 Budget. The Board can adopt a tax rate that is lower than what is advertised but we cannot adopt a higher rate. The Board's action does not mean that the advertised rate is what will be adopted in April when the Board "marks up" and formally adopts the budget. As Chairman of the Board of Supervisors and Chair of the Board's Budget Committee, I am seeking reductions, implementation delays and operational efficiencies to avoid adopting a budget which increases the rate estate tax rate by two cents.

Throughout March, my colleagues and I have engaged in extensive community outreach to discuss the tax rate as well as other components of the FY2015 Advertised Budget. The County Executive's Advertised Budget reflects many different economic factors, including flat commercial real estate tax revenues and lower than expected sales, hotel, and business and professional license tax revenues. The only uptick is an increase in the assessed values for residential property. Under the FY2014 tax rate of \$1.085 per \$100 of assessed value, this would mean an increase in the average residential tax of about \$330.

In addition to slow revenue growth as a result of the tepid economy, Fairfax County is faced with cost challenges which originated in the recession. Like many businesses and organizations around the country, Fairfax County is faced with rising healthcare and retirement costs for our employees. This challenge is compounded by similar issues for the Fairfax County Public School System, which is heavily dependent on the transfer of funds from the County General Fund to compensate their employees.

Reduced state and federal spending has not lifted requirements imposed on local governments, either. The Board created the stormwater service district to respond

to unfunded federal and state water quality requirements. If we fail to comply with these mandates, we face the possibility of costly penalties and the loss of authority to implement the solutions we feel are the most effective and affordable.

Next week, the Board of Supervisors will hold public hearings on the budget on April 8, 9 and 10. We will then meet to discuss changes to Advertised Budget on April 18 before formally revising or 'marking up' the budget on April 22. A final budget will be adopted on April 29.

When the Board of Supervisors adopts a budget, we are funding the community's priorities and the Board must be sensitive to the economic circumstances we are facing. Over the past year, many businesses and households in the County have been impacted by the Fiscal Cliff, Sequestration or the federal government shutdown. The Board of Supervisors will continue to seek a responsible balance between the services and programs which support the quality of life which Fairfax County is known for while keeping tax bills affordable for residents, many who are struggling with their household budgets.

My colleagues on the Board of Supervisors and I have made hard choices during the Great Recession to manage costs. Between FY2009 and FY2014, county agency budgets have been cut by \$150 million through targeted reductions. Over 500 County positions have been eliminated and employee salaries were frozen for three out of the past five years. A comprehensive list of the reductions we have taken since FY2010 is online at <http://www.fairfaxcounty.gov/dmb/budget-reductions.htm> and we will continue to seek similar efficiencies and consider further reductions in the FY2015 budget.

Thanks again for writing to share your comments. I will keep them in mind throughout the FY2015 budget process.

Sincerely,

A handwritten signature in black ink that reads "Sharon Bulova". The signature is written in a cursive, flowing style.

Sharon Bulova