

FY2008

Fiscal Plan



Prince William Board of County Supervisors

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County Executive

Information about the FY 2008 Fiscal Plan is available online at
<http://www.pwcgov.org/budget>

In addition, for information about the Fiscal Plan you may contact the Office of Executive Management/Budget and Analysis Office at (703) 792-6720 from 8:00 a.m. to 5:00 p.m. Monday - Friday or visit the office at McCoart Building, 1 County Complex Court, Suite 200, Prince William, Virginia 22192

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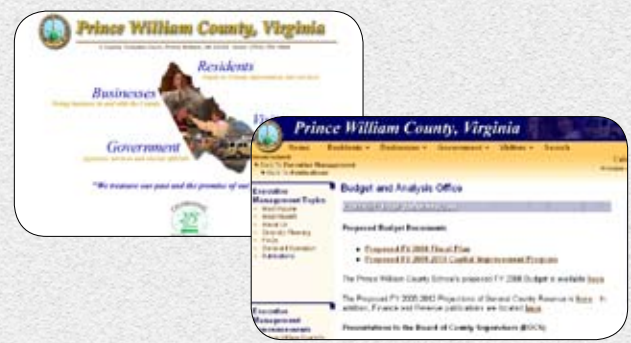
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For more information:
www.pwcgov.org/budget



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**Prince William County
Virginia**

Special Performance Measures Recognition

For the Fiscal Year Beginning

July 1, 2006

A handwritten signature in cursive script, likely belonging to the President of the GFOA.

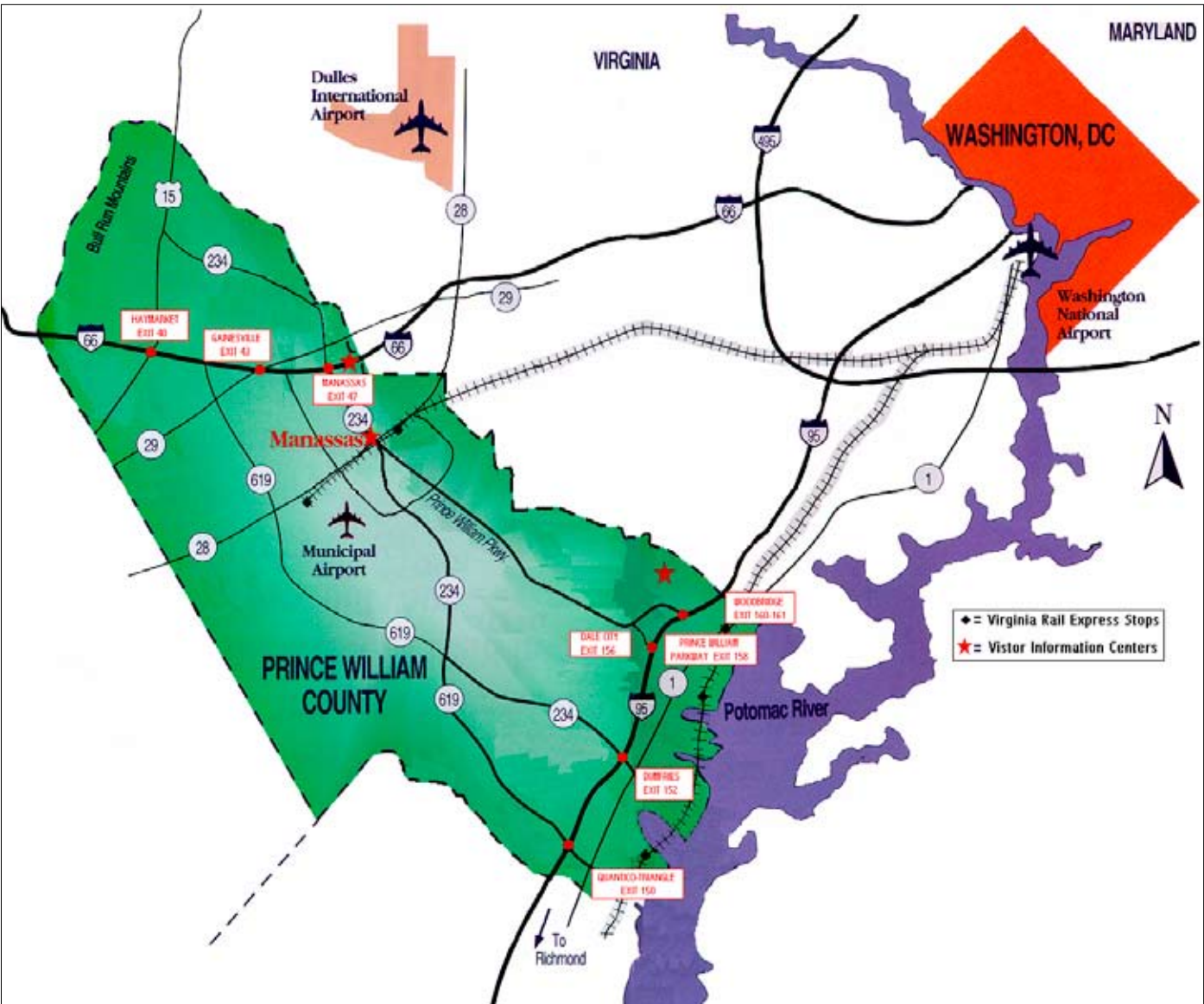
President

A handwritten signature in cursive script, likely belonging to the Executive Director of the GFOA.

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Prince William County, Virginia for its annual budget for the fiscal year beginning July 1, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



- **Suburb of Washington, D.C.**
- **Population approx. 404,250**
- **Eight-Member Elected Board of County Supervisors**
- **Appointed County Executive**



HISTORY

Captain John Smith first discovered Prince William County during an expedition up the Potomac River in 1608. Smith found the region inhabited by Anacostan, Doeg, Iroquois, and Piscataway Indians. The first known colonial settlement was founded in 1722. In 1730, the Virginia General Assembly carved out an area approximately 2,000 square miles in size and named it Prince William County, after the second son of England's King George II. At that time Prince William County comprised all of "Northern Virginia" but by 1759, the General Assembly substantially reduced the County's size. Fairfax County was formed in 1742 and Fauquier County was formed in 1759, both from the original Prince William County area.

In 1730, the Dumfries area was prominent in the County and may have been the location of an official Tobacco Inspection Station due to its close proximity to the Potomac River. This is important because the Potomac River was a major regional route used to export tobacco to England, which was profitable for the southern colonial regions. The Tobacco Inspection law, passed in Virginia in 1730, required all exported tobacco shipments to bear an inspection certificate. Dumfries officially became a town in 1749 and in 1763 it reached an economic milestone by exporting more tobacco tonnage than the colony of New York.

Economic and political displeasure with the British government reached the breaking point for Prince William colonists in 1773. Pro-colony groups such as the Prince William Resolvers voiced their protest against the erosion of colonial liberties. As England had ordered all colonial governors to cease granting lands, except to veterans of the French and Indian War, further financial strains were wrought against the colonies through taxation, including the infamous Tea Act and Stamp Act.



Prince William

In 1774, under ever mounting pressure, the Virginia Convention adopted resolves against the importation of British goods and the importation of slaves. The Virginia Convention also required each county to form a volunteer

company of cavalry or infantry. Prince William already formed a volunteer unit the year before. The Independent Company of Prince William, under the leadership of



Original Seal of Prince William County

Captains William Grayson and Philip Richard Francis Lee, was a volunteer unit comprised of 40 plus infantrymen. Many troops from the Independent Company of Prince William joined others from around the state to form two [State] regiments sanctioned by the third Virginia Convention in 1775. After the start of the Revolutionary War, the remaining troops of the "Company" became known

as the Prince William District Battalion in 1776. Later in June of that year, Captain Grayson was appointed Assistant Secretary to General George Washington.

The war ended and news of the ratification of the Treaty of Paris between the United States and Great Britain reached Virginia on February 3, 1784. Remaining Prince William County soldiers from the Virginia regiments returned home to their families. Although there was heavy troop movement through the County from all sides, it escaped the massive destruction leveled against Richmond. The County wasn't as fortunate, however, during the Civil War.

Before the Civil War, the population of Prince William County reached 11,000 and the African American population was 43.4 percent. Many African Americans in Virginia at this time were free from slavery and indentured servitude. Virginia legislators passed a law in 1782 permitting the freeing of slaves, however, colonies further south did not participate in similar legislation. Haymarket emerged as a large population center in 1799, with Occoquan following in 1804 and Brentsville in 1822. The County thrived through the early and mid 1800's. The railroad era began in Virginia around 1811 and in 1851 the railroad reached Manassas. Manassas Junction brought a new form of shipping and travel to the area. It also became a crucial stratagem for cutting off supplies to either side throughout the War. The first threat to the railroad junction was the Battle at Blackburn's Ford after Virginia seceded from the Union in 1861. Although the Battle at Blackburn's Ford was short lived, it was a prelude to the First Manassas Battle three days later. First Manassas

at Bull Run was the first major land battle of Union and Confederate armies in Virginia after the Confederate takeover of Fort Sumter in South Carolina. Thomas J. Jackson earned his now very famous nickname “Stonewall” Jackson towards the end of this battle. The Union objective was to seize the Manassas Junction Railroad.

Many lesser-known principal battles were also fought in the County; they include Cockpit Point, Manassas Station, Chapman’s Mill, and Bristoe Station. Cockpit Point, a stretch of shoreline along the Occoquan River, is where



Bennett School

the Confederate army formed a blockade at the Potomac River to cut off supplies to Washington. The Battle at Manassas Station was a Confederate victory where the Union supply depot at Manassas Junction was destroyed. The skirmish near Chapman’s Mill ensured another Union defeat at the Second Battle of Bull Run; a swift Union retreat allowed two Confederate battalions to join together. This single inconsequential action virtually ensured the Union Army defeat during the Second Battle at Bull Run. The last principal battle fought in Prince William County was at Bristoe Station in 1863. A Confederate corps happened upon a retreating Union army at Bristoe Station and attacked. Other Union soldiers in the area countered the small corps and captured the Confederate battery of artillery.

Manassas became a town in 1873. Later, in 1892, Manassas became the County Seat for Prince William. Rebuilding the area to its former glory was almost an impossible task for locals. Grand manors and local businesses blighted during the War were replaced by modern inventions and post war architecture. The railroad was reconstructed and expanded westward. Education became more important and schools sprung up - almost overnight. Ironically, a former Union Army Officer, George Carr Round, relocated to Manassas and helped to build its first public school. He later served on the Town Council and was a member of the Virginia

General Assembly. Many schools and colleges sprung up in the County to include the Manassas Industrial School for Colored Youth and Eastern College. The Manassas Industrial School for Colored Youth was founded by Jennie Dean in 1894. The purpose of the school was to improve the moral and intellectual condition of the youth placed under its care.

Eastern College attracted students from over 22 states and 2 foreign countries. Eastern was transformed into a military academy and later closed in 1935. Other academies and military schools opened in the area in the early 1900’s. The ultimate military training academy of a sort was founded on a peninsula southwest of the Town of Occoquan, on the Quantico River in 1917. The Quantico Marine Base became an official training facility for the Navy before World War I, and was one of the first Marine training centers not housed on a Naval base. The Town of Quantico, surrounded by the training center, was incorporated in 1927.

After two World Wars and the incorporation of the cities of Manassas and Manassas Park in 1975, present day Prince William County is a thriving and diverse community. The County has a population of 346,790 people and boasts a median household income of \$81,904 as indicated by the Census Bureau’s 2005 American Community Survey (2005 ACS). It is also a “young” County with 30.0% of its population below eighteen years of age as of the 2005 ACS. Prince William County was the birthplace or home of many notable personalities including George Mason II, Henry Lee III (the father of General Robert E. Lee), William Grayson, John Ballendine, Parson Mason Locke Weems, Benita Fitzgerald-Brown, The Chinn Family, Simon Kenton, Jennie Dean, James Robinson, Wilmer McLean, and many more. From pre-colonial times to modern day, Prince William County is a very interesting place to live. It is full of history. And now as the County enters the 21st Century, the promise of a bright future is all hers.

REGIONAL PERSPECTIVE

Prince William County is located in Northern Virginia, approximately 30 miles southwest of Washington, D.C. The County encompasses an area of 348 square miles, 18.8% of which is federally owned land.

Prince William’s location in Metropolitan Washington, D.C. and the availability of excellent transportation in the region is a catalyst for growth in the County which





continues to provide numerous economic advantages. Interstate 95 and U.S. Highway 1 connect the County with Washington, D. C. to the north and Richmond, Virginia to the south. Interstate 66 connects the western portion of the County with Washington, D.C. to the east and Interstate 81 to the west. The Route 234 Bypass links Interstate 66 in the west with 7,000 acres designated for industrial and commercial growth. Prince William Parkway includes a new interchange on Interstate 95 and prime development locations through the eastern portion of the County.

The County has a number of freight and passenger rail service alternatives available to its citizens and businesses. CSX and Norfolk Southern Railway provide freight service to the County. Amtrak passenger trains provide inter-city service to points up and down the Eastern seaboard from stations in the Town of Quantico and the City of Manassas. The Virginia Railway Express provides passenger service thirty-two times a day to and from the District of Columbia from four stations within the County.

Dulles International Airport, Reagan National Airport, and Manassas Municipal Airport, a regional facility, provide air transportation within easy access of Prince William County.

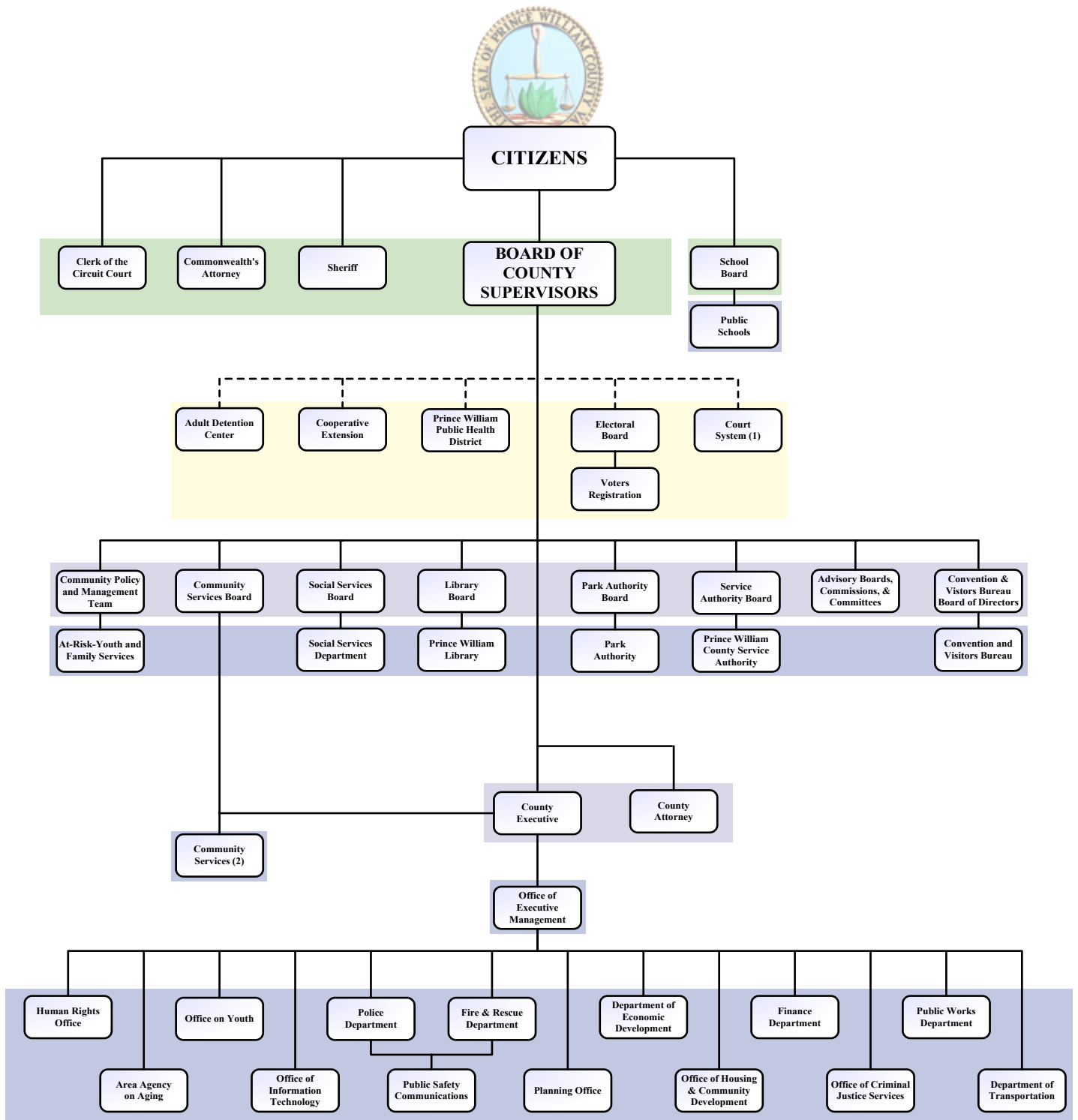
LOCAL GOVERNMENT

For 275 years, Prince William County Government has exercised local governing powers granted to it by the Virginia General Assembly. Since 1972, Prince William County has had the County Executive form of government. Under this form of government, an eight member Board of County Supervisors has full power to determine the policies covering the financial and business affairs of the County government. The Board appoints a County Executive to act as the County government's chief administrative officer and to execute the Board's policies. The Board also appoints a County Attorney and several separate Boards and Authorities to administer the operations of certain services. The County provides a full range of local government services including police, fire and rescue, court services, education, development administration, library, water and sewer services, park and recreational services, health and social services, public improvements, planning and general administration.

Did you know?

The County Seal commemorates the most important cash crop of the colonial period. It depicts a hand holding scales evenly balanced over a stalk of tobacco.





Notes:

(1) Circuit Court, General District Court, Juvenile & Domestic Relations Court, Juvenile Court Services, Law Library, Magistrate & Circuit Court Judges

(2) Mental Health, Mental Retardation & Substance Abuse Services

Legend

- Elected Officials /Constituional Officers
- State and Local Services
- Appointed By BOCS, Boards and Commissions
- Agencies and Departments





Back row (left to right): John D. Jenkins, Michael C. May, Corey A. Stewart, John T. Stirrup, Jr.
 Front row (left to right): Wally Covington, Hilda M. Barg, Maureen S. Caddigan, Martin E. Nohe

Prince William County, Virginia
 For more information visit www.pwccgov.org/BOCS
 AGENDA
 BRIEF

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Brentsville District

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Maureen S. Caddigan

Gainesville District

John T. Stirrup, Jr.

Neabsco District

John D. Jenkins

Occoquan District

Michael C. May

Woodbridge District

Hilda M. Barg





July 1, 2007

Mr. Chairman and Members of the Board:

On behalf of Prince William County government staff, I am pleased to deliver the adopted FY 2008 Fiscal Plan and FY 2008-2012 Five-Year Budget Plan. The Fiscal Plan implements the Board of County Supervisors' policy guidance and works to achieve some of the community's Vision and Strategic Goals. In legal terms, this document fulfills statutory requirements and my administrative responsibilities under the County Executive form of government.

The Board of County Supervisors set forth a Vision in its Strategic Plan that states:

"Prince William County is a premier community where we treasure the richness of our past and the promise of our future. We are diverse and dynamic with a thriving economy where citizens and businesses grow and succeed together. We are a global business and technology leader for the 21st century."

In order to achieve this vision, the Board has adopted six Strategic Goals. Those are:

- Community Development
- Economic Development
- Education
- Human Services
- Public Safety
- Transportation

The Board prioritized these goals making Education, Transportation and Public Safety the top priorities. The FY 2008 Fiscal Plan and associated Five-Year Budget Plan works with the community to "Build a Premier Community" as called for in the Strategic Vision Statement.

In addition to policy guidance, the Board of County Supervisors has established fiscal guidance. In policy terms, the FY 2008 Fiscal Plan and associated Five-Year Budget Plan implements the Board's direction to:

- Implement County/School revenue agreement
- Earmark increased Recordation Tax Revenue for roads
- Use a Real Estate Tax Rate of 78.7 cents

In fiscal terms, this budget positions the County to maintain its AAA bond rating - a rating earned by less than 1% of jurisdictions in the country. This was evidenced by Fitch's recent granting of AAA status to \$32.5 million of General Obligation Bonds, where the rating agency recognized the County for its "strong financial management."

The County government organization has also adopted a Vision Statement that supports the achievement of the Strategic Plan and the community's Strategic Goals. As employees, our Vision states:

"Prince William County Government is an organization where elected leaders, staff and citizens work together to make our community the best. We, as employees, pledge to do the right thing for the customer and the community every time. We, as a learning organization, commit to provide the necessary support and opportunities for each employee to honor this pledge."

Economic Outlook

Local indicators of economic strength in Prince William County show a mixed bag of sorts, but continue in a generally more positive tone than national trends, the housing market notwithstanding. The civilian labor force continues near full employment, with unemployment at 2.3% in May 2007. It continues to remain below unemployment rates in Virginia and the Nation. At-place employment decreased by -0.2% from the 3rd to 4th Quarter 2006, led by net losses in construction, but still grew at an annual rate of 2%. The County's retail sales tax



revenues, while experiencing a plateau of sorts, continued at a healthy trend.

The housing downturn has rippled through the national, regional and local economy. As fewer houses are sold, as fewer are built, it follows that fewer commercial properties will be needed to service those new residences. Likewise, there can be expected a downturn in revenues from business and sales taxes.

Even though the underlying infrastructure of a strong local economy remains in place, a downturn in anticipated general revenues from a year ago in the amount of \$82.4 million occurred. The reduction in available revenues has presented challenges to both the County and Schools, forcing reductions to both fiscal plans.

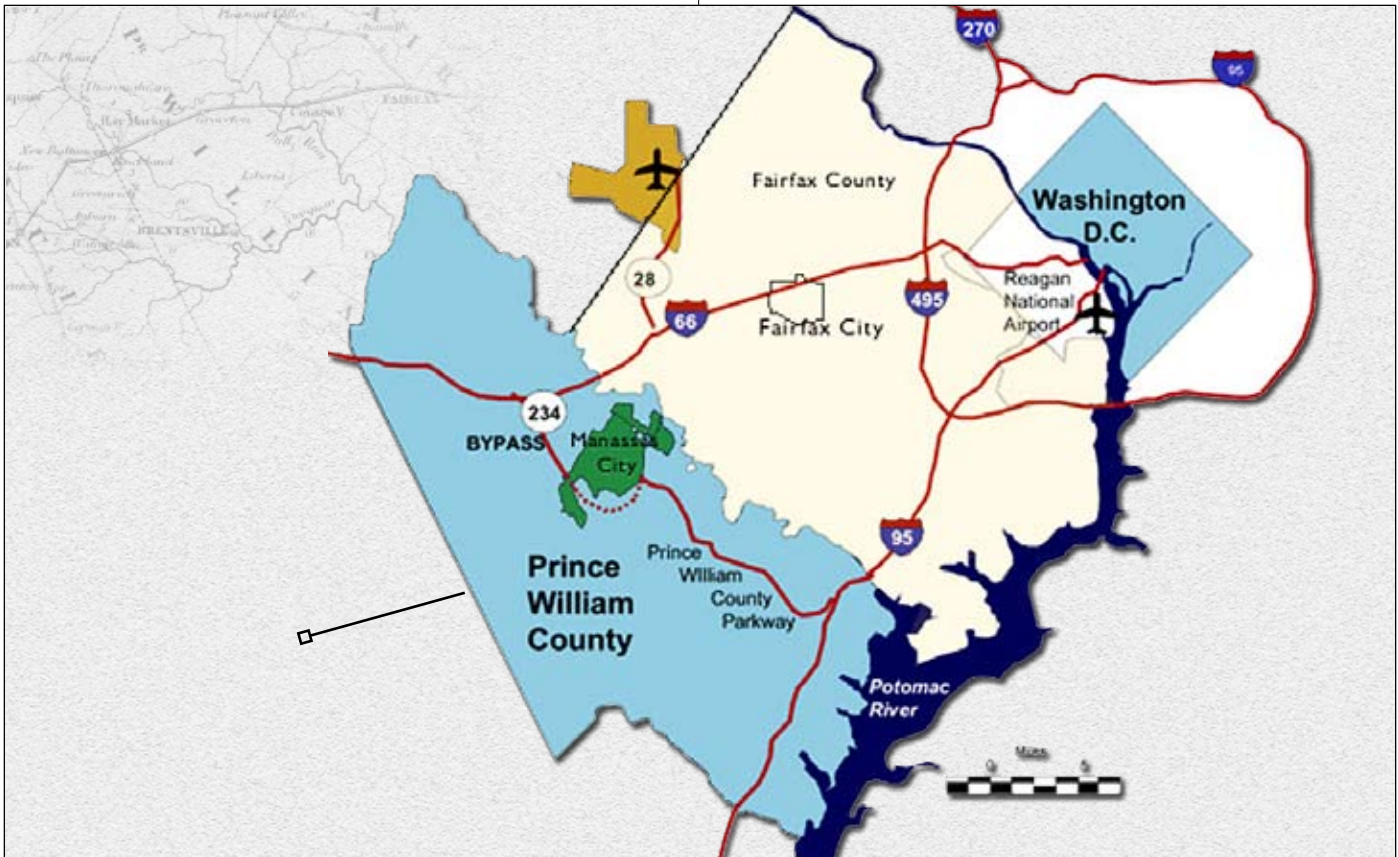
- Schools will:
 - Defer new school construction
 - Defer school renewal and renovation projects
- County will:
 - Defer two voter approved road bond projects, five voter approved park bond projects and one voter approved library

- Significantly reduce entire departments
- Privatize functions of government
- Reduce County-wide support functions

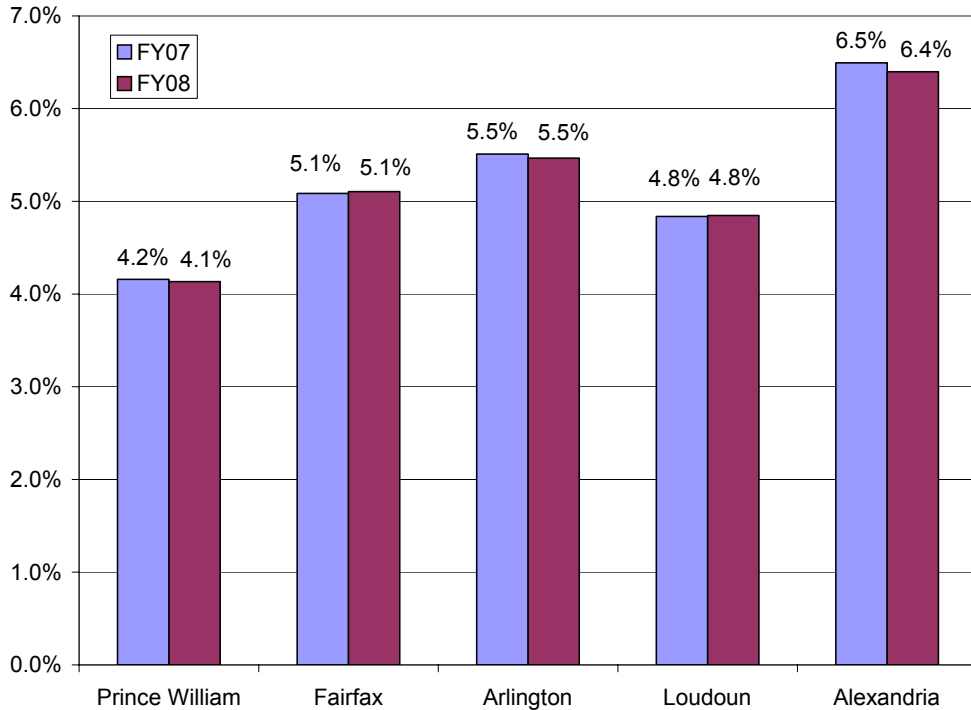
Implementing Board Fiscal Guidance

Before the specific initiatives of the FY 2008 Fiscal Plan are discussed, we would like to reiterate one of the County's financial and policy successes, Managing Tax Bill Growth. When the Board of County Supervisors began its tax rate reduction plan in FY 01, County tax bills were on par with the rest of Northern Virginia - below Fairfax, Alexandria and Loudoun and slightly above Arlington. That has reversed dramatically as Prince William County is one of very few jurisdictions in the Commonwealth of Virginia to commit so much of its increased revenue growth as a way to cut the real estate tax rate and reduce the growth in homeowners' and businesses' tax bills.

The data shows that with the adoption of the FY 2008 Fiscal Plan, Prince William County currently has the lowest tax bills and the lowest tax burden in Northern Virginia - the County's average tax bill is \$3,260 compared to the average of \$4,557 and our tax burden is 4.0% of



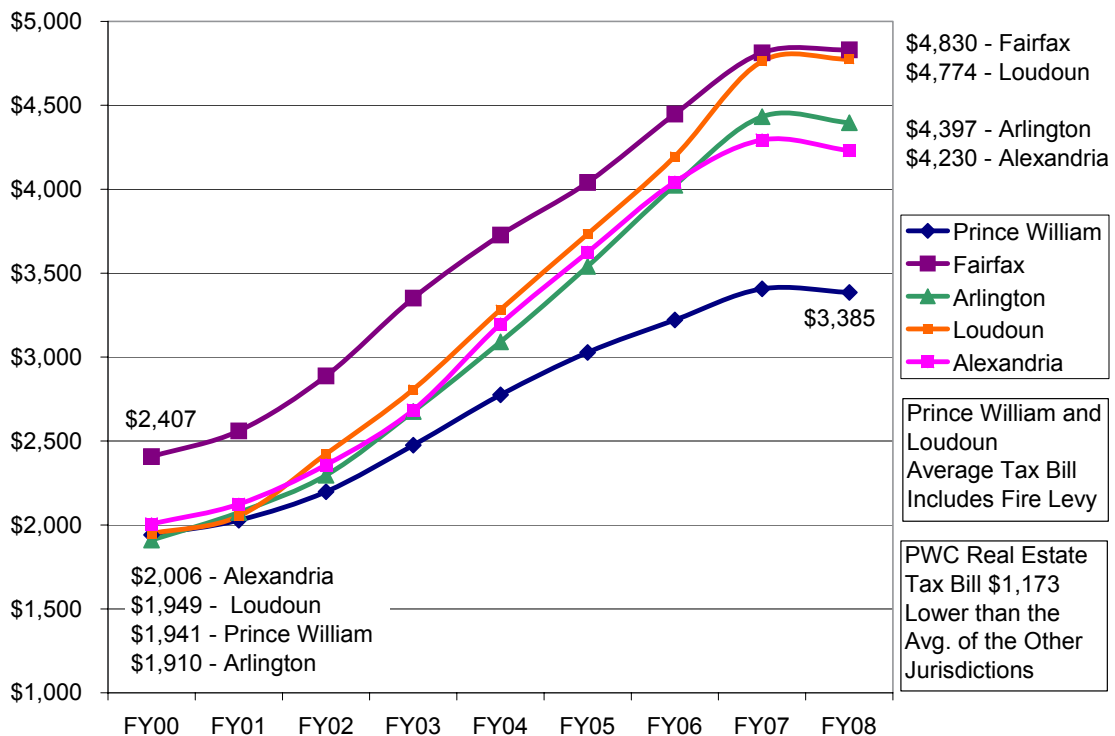
Average Real Estate Tax Bill as a Percentage of Median Household Income



Prince William and Loudoun Data Includes Fire Levy

Median Household Income Data Source:
U.S. Census: 2005 American Community Survey

History of Average Real Estate Tax Bill



Prince William and Loudoun Average Tax Bill Includes Fire Levy

PWC Real Estate Tax Bill \$1,173 Lower than the Avg. of the Other Jurisdictions



2005 median household income (as reported in the 2005 American Community Survey).

- **Success in Real Estate Tax Rate Reduction** - Strong revenue growth over the past several years allowed the County to surpass its original tax trigger goal of reducing the tax rate by eight cents over ten years. The result was a tax rate reduction of 44.3% or \$.602 from \$1.36 per \$100 of assessed value in FY 00 to \$0.758 adopted in FY 07.
- **Board FY 08 Tax Policy Direction** - In January, the Board directed the County Executive to develop a proposed budget that maintained a tax rate of \$0.758. The Board later adopted a tax rate of \$0.787. The FY 2008-2012 Five-Year Budget Plan uses the adopted tax rate in all years.
- **County Real Estate Tax Bills** - Because of the decrease in the assessed values, even when coupled with a slightly higher tax rate than a year ago, the average tax bill will still decrease by \$20 in FY 08.

County/School Revenue Agreement

The revenue sharing agreement adopted by the Board of County Supervisors and the School Board establishes the split of General Revenues, with the Schools receiving 56.75% and the County receiving 43.25%. In FY 06, the revenue agreement was modified to specify that any additional State money for education would stay with the Schools and increased recordation tax revenue would stay with the County and be earmarked for roads.

This agreement is the backbone of the Five-Year Plan; it has allowed the County government and the Schools to plan their fiscal and capital programs on a five-year basis. Under this agreement, the Schools will receive \$410.6 Million in FY 08; \$9.6 million more than in FY 07.

FY 2008 - 2012 Budget Initiatives

Education

Education is one of the Board's Strategic Goals and one of the areas that citizens said was most important in our Citizen Survey. Over the years, the Board of Supervisors has demonstrated a strong commitment to quality public schools in Prince William County. The Schools also face issues that they must address including:

- Growing student enrollment
- External funding pressures
- Maintaining competitive wages and benefits
- Completing the implementation of full-day kindergarten
- Technology improvements
- Renovating and replacing older schools

In FY 08, the Schools' adopted budget accommodates a student membership increase of 1,760 (a 24% increase in students in five years), expansion of full day kindergarten to all classes, completion of the I-Net, and priority repair and renewal projects. The School's adopted budget funds step increases for all employees of 3% along with a 2% cost of living adjustment.

The School's Five-Year Budget Plan continues to focus resources on the most critical school needs including:

- Accommodating a student membership increase of 7,500
- Step increases and salary scale adjustments
- Construction of six new schools, replacement of three schools, and construction of a new Leadership Building
- \$103 million for scheduled repair and renewal projects

Public Safety

Public Safety continues to be one of the Board's primary Strategic Goals. This adopted budget provides staffing for the opening of an additional 200 beds at the Adult Detention Center (ADC) as well as other means for



dealing with the growing incarcerated adult population. During the past year, the facility was over its rated capacity every day. Funding to deal with this constantly expanding adult detention center population is included in the form of additional staff for the 200 bed expansion (scheduled to open in July 2008), medical expenses, farm outs (paying other facilities to house our prisoners) and day-to-day operating expenses. The staff associated with the opening of the fully functional expanded ADC is included in the Five-Year Plan.

Despite a slowing real estate market, this adopted budget does not eliminate any staff in either the Police or Fire and Rescue departments, however, it does slow the rate at which these departments grow over the next five years. We



are adding 18 officers and shifting 7 to operations in the Police Department. In order to accomplish this addition, we eliminated the BE AWARE program and \$150,000 from community policing and shifted those resources to operations in the Police Department. The Five-Year Plan funds additional staff for the Police Department and Fire and Rescue of 138 and 112, respectively; compared to the 145 for the Police Department and 154 for Fire and Rescue anticipated a year ago.

Transportation

The 2004-2008 Strategic Plan focus groups indicated that roads are the number one concern of Prince William County residents. This is further evidenced by a citizen satisfaction rate, in 2006, that only 39.6% of citizens were satisfied with the ease of getting around the County.

In FY 08, we improve transportation by continuing construction on the 1998 and 2002 Road Bond Referenda projects approved by the voters, and introducing projects from the \$300 million November 2006 referendum - \$45.1 million for Route 1 in the east and Route 15 in the west. In addition, recordation tax will fund debt service on \$22.3 million of Virginia Resources Authority Bonds that

fund the completion of Linton Hall Road and Spriggs Road. The FY 08 budget contains \$17.6 million in cash funding for County road projects and \$25 million in debt service for road bond projects. This significant investment in transportation will improve citizen's satisfaction with getting around in the County.

Community Development

During the development of the 2004-2008 Strategic Plan, the Board of Supervisors added a new Community Development goal.

An area of renewed focus in this budget is the agencies that support Building and Site Development. As development in the County has continued to grow so has the demand for services. The fees for these development support agencies has not increased significantly since FY 98, yet developer requests for service have grown substantially. In order to improve customer service and address the increased service demands in the County, this budget includes fee increases of \$3.6 million to provide service enhancements. The proposed fee increases have been discussed with the Commercial Development Committee and the Builder Developer Advisory Group.

The following areas of service will improve:

- Average residential plan review time
- Average commercial plan review time
- Average Quality Control Inspection rating
- Inspections performed for day requested
- Plans per plan reviewer
- Permits issued per technician
- Construction Inspections performed per inspector
- Quality Control

For parks and recreation, compensation increases, increased capital maintenance funds, increased funding for risk mitigation projects, and debt service and operating expenses for the park referendum (\$27 million) approved in November 2006 are included in the budget. Offsetting the increases, are reductions in the County transfer to the Park Authority that will impact: advertising, public relations, marketing, grounds and landscape, administration, outdoor parks, fitness and facility maintenance. The reductions will necessitate the elimination of 23 positions. Additionally,



the Park Authority is increasing fees for adult and youth sports, community aquatics and fitness programs at its centers.

Human Services

We continue to see demand for services to help the elderly, the mentally retarded and mentally ill, those in need of medical services who have no insurance and those facing difficulty sustaining their families due to economic difficulties. The adopted budget:

- Increases funding for At-Risk Youth and Family Services
- Increases hours of psychiatric care to the severely mentally ill clients
- Provides substance abuse counseling for youth in every high school
- Increases services for the elderly

As discussed earlier in this letter, we found it necessary to significantly reduce certain functions of County government. Further, we privatized entire functions of government. One of the areas of government impacted greatest by these recommendations was Human Services. There are reductions to the budgets of the Department of Social Services and Community Services.

In the Department of Social Services total reductions of \$701,000, including 12 FTE's, were approved. Seven positions in agency administration were eliminated, affecting the areas of volunteer programs, information technology, division management, supportive services and administrative support. We will no longer staff and operate the day reporting center nor offer post-dispositional services at the Juvenile Detention Center (JDC). The day reporting center provided after school activities for juvenile offenders referred by the Juvenile and Domestic Relations Court. Funding for the post dispositional unit was eliminated and that funding was shifted to nursing home and assisted living services.

In Community Services, we saved \$710,000 in contractual services for the mentally retarded. These savings are available because the estimates of service contracts needed for FY 08 are less than in prior years.

And lastly, staff recommended and the Board approved shifts of existing resources in Human Services. The first is the continuation of the New Horizons Program in County

high schools. The Community Services Board identified its priority as serving the needs of the most chronic and urgent cases, specifically the seriously mentally ill, and recommended the elimination of the New Horizons program. That action would have shifted the existing resources to serve the severely mentally ill, and thereby address the needs of over 100 clients on the waiting list. Upon further examination of the New Horizons program against other County programs, the decision was made to continue this program and continue services to 1,120 clients.

The other shift we recommended and the Board approved was to eliminate \$206,000 in funding for post-dispositional secure detention at the Juvenile Detention Center and shift those resources to Birmingham Green. Birmingham Green is a nursing home and assisted living facility serving 56 County residents. It is run by an inter-jurisdictional partnership of which the County is a 20% partner. Post-dispositional secure detention was a program originally funded by the State from which it withdrew its funding in 2004. As the result of re-examining priorities; it has now become necessary for the County to terminate this service.

Attract and Retain Quality Employees

In the adopted Five-Year Plan, we maintain our progress toward attracting and retaining quality County employees. In a previous budget (FY 05), the Board achieved its compensation policy to have County average starting salaries equal to the average starting salaries of our comparison jurisdictions - Fairfax County, Arlington County and the City of Alexandria. In FY 08, we achieve Board policy through a 2.75% market pay adjustment and the continuation of pay-for-performance. Pay-for-performance has been the hallmark for County employees since 1980. The Five-Year Plan includes a 2.5% market adjustment for each year FY 09-12, plus pay for performance. The budget funds increases in employee health and dental insurance.

Conclusion

The adopted General Fund Budget totals \$860.6 million, including the school transfer. This is an increase of 0.39% from FY 07. The total County General Fund budget excluding schools is \$450.0 million, a 1.37% decrease from FY 07. The transfer to the Schools is \$410.6 million, an increase of 2.39%. The adopted FY 2008 budget, while



resource constrained due to the downturn in the local real estate market, implements the Board's policy.

In closing, let me thank the Budget and Analysis Office and agency staff for their tireless efforts to produce this budget and to ensure that our efforts are in keeping with the Board's and community's policies and direction. A special thanks to the agency staffs who in the face of cutting millions of dollars from the County budget never lost sight of why we exist – to work together with the elected leaders and the citizens of Prince William County. As such, we are confident the adopted Five-Year Plan addresses the Board's and the community's priorities. We also believe it lays the groundwork for community discussion during coming years. Over the next two years the Board and the community will receive the 2030 Future Report, 2025 Comprehensive Plan Update and 2012 Strategic Plan.

The adopting of the budget is the last milestone in one budget process and the first milestone in the next. We know that there are particular issues that will require additional work as we move forward. We welcome discussing the impact of this budget with you and the citizens during the coming weeks and months, and as always, we are committed to providing support to the Board on all budget matters throughout the year.

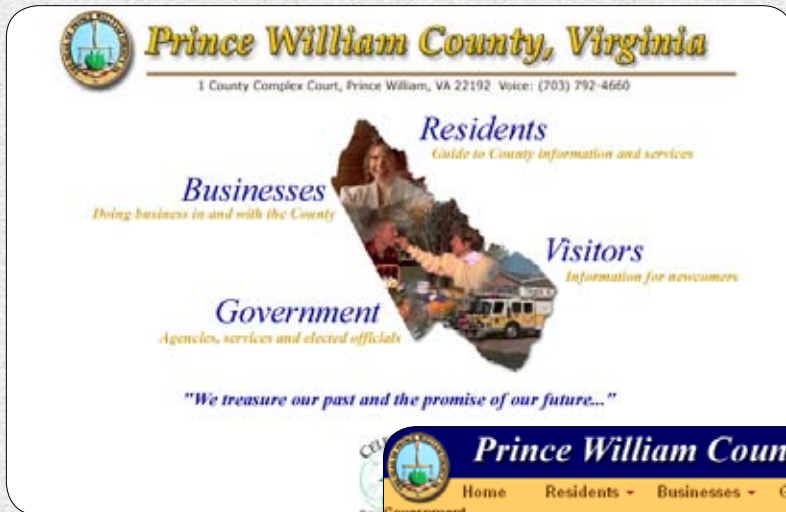
Sincerely,



Craig S. Gerhart
County Executive

For more information:

www.pwcgov.org/budget



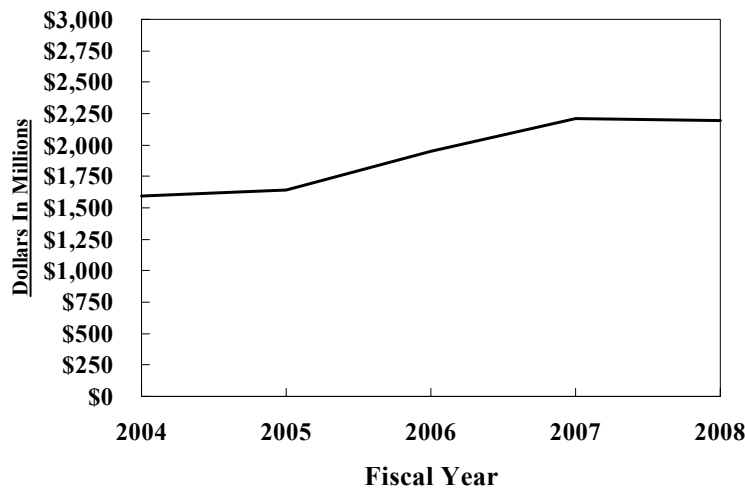
All Funds Expenditure Budget and General Fund Expenditures

The total FY 08 Adopted All Funds budget is \$2.199 billion as shown below. This is a decrease of -0.69% from the FY 07 Adopted Total.

All Funds Expenditure Summary

Funding Area	FY 04 Adopted Budget	FY 05 Adopted Budget	FY 06 Adopted Budget	FY 07 Adopted Budget	FY 08 Adopted Budget	% Change 07 To 08 Adopted
General Fund	\$611,088,978	\$680,971,398	\$765,242,298	\$857,264,992	\$860,611,261	0.39%
Special Revenue Fund	\$54,829,767	\$58,757,625	\$64,400,922	\$70,579,876	\$74,289,799	5.26%
Capital Projects Fund	\$150,506,389	\$46,150,009	\$108,556,646	\$68,411,017	\$54,428,450	-20.44%
Enterprise Fund	\$15,736,850	\$12,549,017	\$21,508,732	\$14,412,172	\$17,151,728	19.01%
Internal Service Fund	\$35,126,842	\$42,776,494	\$50,664,684	\$56,016,321	\$60,774,314	8.49%
Fire & Rescue Levy Fund	\$22,899,222	\$22,868,052	\$24,101,119	\$28,493,503	\$26,948,237	-5.42%
Schools	\$702,633,508	\$781,208,676	\$915,516,154	\$1,118,696,340	\$1,104,415,824	-1.28%
Total All Funds	\$1,592,821,556	\$1,645,281,271	\$1,949,990,555	\$2,213,874,221	\$2,198,619,613	-0.69%

All Funds Expenditure Budget History



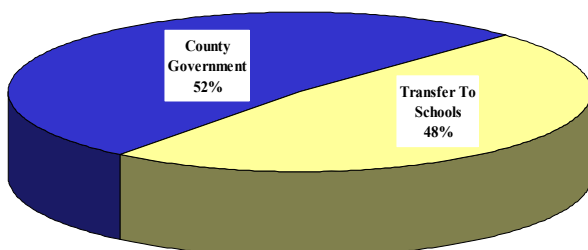
Note: All Years Adopted

The two major components of General Fund expenditures are the Prince William County Government and the local share of the Prince William County Schools System's budget. Shown below are the expenditure levels adopted for FY 07 and adopted for FY 08 for those two areas.

General Fund Expenditures

Funding Area	FY 07 Adopted	FY 08 Adopted	Dollar Change	Percent Change
County Government	\$456,244,136	\$450,012,296	(\$6,231,840)	-1.37%
Transfer To Schools	\$401,020,856	\$410,598,965	\$9,578,109	2.39%
Total General Fund	\$857,264,992	\$860,611,261	\$3,346,269	0.39%

Fiscal Year 2008 Adopted General Fund Budget



Fiscal Year 2007 Adopted General Fund Budget

