



April 4, 2013

FY2014 Loudoun County Budget Report

Last night, the Board of Supervisors completed its work on the FY2014 budget. The budget passed on a 5-3-1 vote (4-3-1-1 on the tax rate). I voted yes. Overall, I'm pleased with this budget, which funds many important Dulles area projects that residents have long been seeking.

The final tax rate will be \$1.205/\$100 assessed -- two cents under the equalized tax rate (the amount that would represent a flat tax amount), three cents under the FY2013 rate, and eight cents below the rate when this Board took office in 2012. Given that assessments vary, it is possible that some will see their overall tax amount increase. However, the average resident in the Dulles District will see their tax burden decrease by about \$159. This tax rate includes a dedicated two cents for transportation projects—the first time that Loudoun has dedicated funds for road construction in the budget.

Overall, the County budget stands at \$1.8 billion, an increase of 3.6 percent from last year. In FY14 we are spending \$118.6 million on road projects, and \$12 million on school projects. The approved Capital Improvement Program (CIP) includes a total of \$215.4 million on road projects and \$406 million on school projects. I will discuss individual departments, including Loudoun County Public Schools, below.

Highlights in the Budget

I went into this budget season with several main objectives based on the needs of the Dulles District, and I'm pleased to report that they have been funded in the budget. All of these projects fit within the County's strict fiscal guidelines, which are formulated to help us keep our AAA bond rating from all three bond rating agencies, allowing for the best possible interest rates.

ROADS

Route 606: The Board funded \$40 million this year to widen Route 606 to four lanes. The overall project cost is \$120 million. Over the past year, we have been negotiating a three-way agreement with the Commonwealth of Virginia and the Metropolitan Washington Airports

Authority (MWAA). Governor McDonnell has committed to the state's share. MWAA has committed a portion of their share, and we're making progress toward obtaining the rest. This project has completed preliminary engineering and will now move to design. I'll be providing frequent updates on this project as things progress.

Braddock-Pleasant Valley Intersection: The Board added an additional \$200,000 at my request into this project, for a total of \$1.2 million. That allows us to compete for state cost share funds. We are making our case for those funds and we should know the outcome by June. Meanwhile, VDOT has come up with a design, and I am working with Fairfax Supervisor Michael Frey and Delegates David Ramadan and Jim LeMunyon on finalizing it.

Mooreview Parkway: We included \$6.3 million in FY14 to accelerate construction of the missing piece of Mooreview Parkway, from Croson Lane to Loudoun County Parkway. The County will be reimbursed for this piece by the Claude Moore Foundation, but we need to move forward on it to provide better access to Moorefield Station Elementary School and to the future Metro station at 772.

Waxpool Road Improvements: The Board has included projects in the CIP that will help improve the situation on Waxpool Road. First, the County has partnered with the State for a \$7.4 million project to make turn lane and intersection improvements at the intersection of Waxpool Road, Pacific Boulevard and Broderick Drive. Second, we have accelerated the funding for the completion of Gloucester Parkway to complete the connection from Loudoun County Parkway to Route 28. \$4 million has been allocated this year for design and engineering work to begin, \$28 million for construction in FY14 and an additional \$8 million for completion in FY15. The county will be reimbursed for the total \$40 million project cost through proffers as the Kincora development moves forward. Additionally, Kincora will be completing the construction of Pacific Boulevard with funding from a \$35 million Virginia Transportation Infrastructure Bank loan. Construction on this portion could begin in early 2014 depending on when the loan closes.

Belmont Ridge Road Improvements: Included in the CIP is funding for the widening of Belmont Ridge Road. This project has been broken up into phases. Design funding for the section of road from Gloucester Parkway to Hay Road and from Truro Parish Road to Croson Lane in the amount of \$3.3 million is included in FY15. Construction for the Gloucester Parkway to Hay Road portion is funded at \$12.7 million in FY16. Construction for the portion from Portsmouth Boulevard to Hay Road is funded at \$13.2 million in FY17. Finally, the portion from Truro Parish Drive to Croson Lane has been funded at \$15.7 million in FY18. Depending on what takes place at the State level regarding transportation funding, there may be an opportunity to move portions of this project up, if additional funding is made available.

PARKS AND RECREATION

Dulles South Multipurpose Center Phase II: Phase II of the Dulles South Multipurpose Center is a major, indoor aquatic center similar to Claude Moore Recreation Center in Sterling. The project has been under consideration for many years but now has been funded by the Board. I sincerely appreciate the support of my colleagues for this project. The overall project cost is \$36 million. \$19 million of that has already been obtained from developer

proffers. The County's share will be \$17 million, **which will need to be approved by the voters this fall.** The facility itself will be 100% self-funded—it will pay for itself through user fees. There is a strong demand for this facility in our district, and if the voters approve it, it should be open in 2015.

Dulles South Multipurpose Center Phase III: Phase III of the Multipurpose Center is a full scale senior center. I accelerated this project by reprogramming \$5.525 million from the Hanson Park project (which still will have plenty of funds to be completed). Currently, seniors in our area have two classrooms in Phase I of the Multipurpose Center, which was intended mostly to be a preschool. The preschool has a long waiting list, and the seniors have very little space and no room to attract more members. We have a growing senior population in the County, and I think they deserve their own facility for daily activities. In FY14, \$675,000 for the design of this project is allocated, and the \$5.525 million is allocated for FY15. There will be plenty of opportunities for the seniors to have input into the design of the building. **It will also need voter approval,** and I expect it to be on the ballot this year.

School Field Irrigation Systems: Many sports leagues in Loudoun rely on LCPS fields for their games. However, many of these fields, including those in the Dulles South area, are in poor condition. The Board added \$2.1 million to add irrigation systems to the 25 worst fields in the County, as graded by the Parks and Recreation department as part of my Field Utilization Initiative. The irrigation will allow for much better playing surfaces and more utilization.

LCPS Field Maintenance: For all school fields, we increased the Parks and Recreation budget by \$470,000 so that the County can maintain LCPS fields, excluding high schools, at a higher standard. This was recommended by the Parks and Recreation Board. The County is better equipped to prepare and maintain fields than LCPS, so we should see significant improvement over time.

PUBLIC SAFETY

New Community Policing Deputy for the Dulles South Station: During my review of the Sheriff's Office budget, I discovered that the Dulles South station was the only one that did not have a Community Policing Deputy. In fact, the Western Loudoun station was slated to have four Community Policing deputies, but we did not have a single one! The Community Policing deputies are focused more on dealing with ongoing issues, staying ahead of the curve and building intelligence in the community, as opposed to field deputies who are call driven. We are still a very safe community, but there have been a number of concerning incidents over the past year that lead me to believe we could really use our own Community Policing Deputy. The Board approved my motion to request that the Sheriff assign a deputy to the Dulles South Station, and Sheriff Chapman has agreed to honor the Board's request. I appreciate the cooperation of the Sheriff on this issue.

Sheriff's Office Budget: The Board provided \$76.3 million to LCSO, an increase of nearly five percent. Nearly half of that is allocated to let the Sheriff hire positions that were previously listed but not funded under the vacancy savings policy (which is currently under review by the Finance Committee).

Kirkpatrick West Fire Station: The Board allocated \$12 million in FY16 to build a new fire station on a proffered site in the new Kirkpatrick West development off of Braddock Road. The station will be a reliever to Station #19 (Dulles South) and Station #9 (Arcola/Brambleton). Our goal is to ensure excellent response times to emergency calls.

Fire-Rescue Budget: Overall, we provided Loudoun County Fire-Rescue with \$59.8 million, an increase of 5.4 percent. With that funding, the department will hire eight new firefighters, and be able to reduce the amount of overtime used to cover shifts.

COUNTY EMPLOYEES

FY2014 Salaries: The Board allocated funds for a 2 percent merit based pay raise. Our employees did not receive a merit-based pay raise last year and have seen significant changes to their retirement system, which were necessary over the long term to balance our budget.

LOUDOUN COUNTY PUBLIC SCHOOLS

Freedom High School and Mercer Middle School Additions: In order to keep pace with student growth, the Board allocated \$9.3 million this year to build additions to both schools. This will allow Freedom and Mercer to be the same size as Champe and Lunsford and make future planning easier for the School Board. In the long run, it will save money by pushing out the need for another high school and middle school.

ES-27: A new Dulles North elementary school to relieve overcrowding in the area of Creighton's Corner, Legacy, Rosa Lee Carter and Moorefield Elementary Schools. (Moorefield is not even open yet, but it will be at capacity in a few years.) The school has been funded at \$31 million for FY15.

MS-9: Funded in FY15 at \$50 million. This school will also serve the Dulles North area, relieving Stone Hill Middle School.

MS-7: Funded in FY17 at \$55 million, planned to be constructed on LCPS-owned property just west of John Champe High School. This will relieve Lunsford and Mercer.

ES-28: Funded in FY18 at \$36 million, will be constructed next to John Champe High School. This school will relieve Arcola, Buffalo Trail and Pinebrook Elementary Schools.

Operating Budget: The overall amount to be transferred to LCPS this year is \$853 million, an increase of \$20 million from FY2013. This follows last year's increase of \$66 million. So, in our two years, we've increased the School Budget about \$86 million to accommodate about 5,000 new students. Overall, I think that is a reasonable amount of budget growth. While it is true that the cost per pupil in Loudoun is among the lowest in the region, when capital construction costs are factored in, the costs become much higher. I am proud of this Board's support for new school construction and additional capacity to relieve overcrowding. We have not rejected a single request from the School Board to add schools, and in fact have worked together to accelerate several such as ES-21 and HS-6 in our district.

I did advocate for a slightly higher operating budget this year, but I received no support for a motion to add \$2.3 million back into the budget. Therefore, the overall gap between the School Board's request and this year's funded amount is \$16 million. That concerns me. However, the Board's allocated amount is consistent with the fiscal guidance given to the School Board prior to the budget process—the School Board just did not actually deliver a budget request to us within that guidance. Several Supervisors voted against the budget because they believed it did not cut enough, especially on the school side, so my support for the rate that passed represented the highest amount possible this year.

The Board of Supervisors is clearly looking for more cooperation with LCPS and the School Board to find areas of efficiency. For instance, we maintain two separate construction divisions, two different sets of energy efficiency engineers, and so on. There is a lot of duplication. While I maintain a very good relationship and open lines of communication with the Dulles District School Board member, Jeff Morse, I think overall communication between the two Boards could be improved, and that's something all of us should work toward.

In Summary

A budget is never going to be perfect. Some will think the tax rate is too high, and yes, some will think it is too low. We receive both sets of emails and feedback from constituents. At the end of the day, our job is to balance the needs of the County with the tax burden. This year is a bit more risky for Loudoun than last. The impact of sequestration is still largely unknown. I do know that some of our neighbors will be dealing with furloughs, reduced hours, contracts that aren't renewed, and other difficulties. While a penny or two on the tax rate may not seem like a lot, at the end of the day it adds up.

The reality for me is that we have been able to take care of a lot of our needs in this budget while lowering taxes. The Board's investment in transportation projects reflects our realization that our citizens are tired of being stuck in traffic, and that our growth has outpaced infrastructure. We're playing catch up. Amenities like the Dulles South Multipurpose Center are part of what will maintain our quality of life, and projects such as this one fit within existing budget guidelines and within a debt amount that has been planned for and incorporated into our tax rate. We are continuing to invest time, effort and energy in economic development, and the results are good. We are expanding our commercial tax base and are seeing the expected uptick of activity following our Metro decision. I'm going to continue to work hard in this area, as well as bringing additional retail and commercial entities to the Dulles South area. As always, I'm happy to answer your questions.

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