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COUNTY OF PRINCE WILLIAM

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November 15, 2012

Dear Board Members,

On October 16th, the Board heard a presentation from staff on the budget choices facing the community as we work on the FY14 budget. At the end of that meeting, I requested that members of the Board be ready at the November 20th Board meeting to discuss their budget recommendations. To get us there, I am offering a proposal for discussion.

Since becoming Chairman in 2006, I have been proud to lead this Board as we have faced the impacts of the recent recession, achieved two additional AAA bond ratings, been ranked number 3 in job growth in the United States, and been named three times as one of the top 100 places in the United States for young people. This has not come without much hard work and collaboration and I thank my fellow Board members and the community for working together to get us where we are.

Over the past seven annual budgets, FY07-13 the County and School budget grew by a total of only 6.6% as compared to 111% from 2000-2006. I believe this demonstrates strong fiscal management. This was done by making tough choices, focusing on efficiency, and finding savings through such processes as zero-based budget analyses. Over the past seven years, We have been able to adopt balanced Five-Year Budgets and keep the average residential tax bill lower today than in FY05 in real dollars. The average Prince William residential tax bill remains 28% lower than the remainder of Northern Virginia. At the same time, the Board has invested in the priorities our citizens want and need – excellent schools, top notch public safety, and improvements to infrastructure - particularly transportation which supports our economic development.

Although we see positive signs on the horizon, I go into the FY14 budget process with concerns about the uncertainty created not at the local level but at the federal and state levels. Therefore, to give us as much flexibility to the Board and the community as we continue to discuss the choices for Prince William, I want to share ideas to achieve a flat tax bill in FY14 and reduce the tax bill growth in the out-years of the Five-Year Plan.

These recommendations start with the idea that no local government in the Commonwealth can continue to backstop the General Assembly's choices not to adequately fund the responsibilities that belong to the Commonwealth. We cannot continue to allow the General Assembly to pass on the burden of funding state services to our local taxpayers. Just this past August alone, the County had to write a check for \$1.21m to the Commonwealth, a version of reverse revenue sharing.

In addition, I am recommending cuts to programs that are local choices but that I believe are a lower priority than the County's Strategic Priorities of public safety and transportation/economic development. I also believe we must examine our community partners funding. We have held these partners harmless during the recession, but I believe they must assist us in this effort in FY14.

FY14: To get to a flat tax bill, the Board must cut \$9,147,808 from the budget. The cuts I am proposing are slightly more than this to give room for Board discussion.

No longer funding services that are the responsibility of the Commonwealth and are not mandated:

• Juvenile Court Services Unit	\$626,372
• Health Department including non-profits	\$3,675,760
TOTAL	\$4,302,132

Cuts to lesser priority services in FY14:

Parks, Recreation, and Cultural

• Eliminate Sports Tourism Grants	\$10,506
• Make Bluebird Bus Recreational Tours Self-Supporting	\$30,000
• Close all Neighborhood Libraries two days a week	\$360,362
TOTAL	\$400,868

Public Safety

• Shift 4 Middle School Resource Officers back to Patrol	\$520,000
TOTAL	\$520,000

Planning and Development

• Eliminate TRIP operating funds	\$460,822
• Eliminate TRIP capital funds	\$1,500,000
TOTAL	\$1,960,822

Human Services

• Aging – take Long-Term Care Ombudsman in-house	\$47,000
• CSB – Substance Abuse treatment for jail inmates	\$582,030
TOTAL	\$629,030

Non-Profit Donations/Organizations:

• No VA Family Services/Healthy Families donation	\$170,033
• Eliminate Arts Grants Donations	\$241,000
• Legal Services of No. Virginia non-profit donation	\$161,729
• High Growth Coalition	\$6,100
• VACO	\$88,440
• NACO	\$5,205
• NVRC	\$210,432
• Greater Washington Marketing Partnership	\$25,000
• ENS Youth Mentoring	\$33,357
TOTAL	\$941,296

Employee Compensation

• Eliminate two paid holidays Columbus Day and President's Day	\$900,000
TOTAL	\$900,000

TOTAL CUTS **9,654,148**

BALANCE **\$506,340**

In addition to these specific cuts, I would direct staff to do the following:

- At the request of the Flory Small Business Center shift the funding to this group from Economic Development to the Industrial Development Authority

Employee Compensation:

During the recent recession the largest savings came from freezing County employee salaries for two years and then significantly reducing the annual increases previously provided to staff. I greatly appreciate the sacrifices that County staff have made while still providing excellent service to our citizens.

In order to keep in place the compensation plan recommended by the County Executive and adopted by the Board of Supervisors in the Five-Year Plan, I am

recommending achieving savings by eliminating two holidays for Prince William County employees going from 12 paid holidays to 10 paid holidays, the same number as Federal Government employees. I am recommending eliminating Columbus Day and President's Day. These savings will ensure we are able to keep funding the salary increases in the Five-Year Plan.

As we go forward in this budget year, it is going to be very important that we work together to come to a final conclusion on the FY14 budget and the FY14-18 Five-Year Plan. I know that these cuts will generate much discussion and that we must listen to the community before any final decisions are made.

We must also continue to work with the School Board to learn the impacts of a flat tax bill on the Schools budget. Although I believe there are savings to be found in that budget, I do know that we continue to have a growing school population.

I am committed to working with my fellow Board members, the community, the School Board, and the staff to find the best path to continue to make Prince William County a "community of choice where individuals and families choose to live and businesses choose to locate."

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Stewart', with a stylized flourish at the end.

Corey A. Stewart