

TOWN OF HERNDON

Enriching the Quality of Life and Promoting a Sense of Community



NEWS RELEASE

FOR IMMEDIATE RELEASE

Press Contact: Anne Curtis
703/435-6800 X2010
anne.curtis@herndon-va.gov

TOWN OF HERNDON PROPOSED FY 2010 BUDGET PRESENTED TO TOWN COUNCIL

Herndon, VA (March 31, 2009) – Herndon Town Manager Arthur A. Anselene has proposed a FY 2010 Budget of \$41,128,785, a 6.3 percent decrease from the current (adopted) FY 2009 Budget.

According to Anselene, balancing the town's budget during the current economic environment requires spending reductions in virtually all areas of town operations. However, he said, "In spite of the significant, detrimental impact of the economy on our world, nation, state and town, Herndon's business and financial environment remains vibrant. With the planned extension of Metrorail to Washington Dulles International Airport, imminent development of the old lumber site adjacent to the W&OD Trail and continued planning for a hotel in our downtown, we anticipate growth of our town during the next year."

Highlights of the proposed FY 2010 budget include:

- General Fund recurring expenditures (includes personnel, operations and maintenance, debt service and minor capital) totaling \$30,107,530, a decrease of 3.4 percent from FY 2009
- Projected decrease in recurring revenues (includes real estate and other taxes, permit fees, planning fees, fines, grants, interest income and fees for service) of 3.1 percent

from FY 2009. Most significantly, this is impacted by a town-wide average decline in assessed real estate value of 16 percent, with residential real estate values alone falling 27 percent.

- \$.02 increase in the real estate property tax, to \$.26 per \$100 of assessed value. When measured against the reduction in residential real estate assessments, this increase results in more than 90 percent of homeowners receiving a tax decrease, with an average decrease of \$200 per household.
- \$.10 increase in the cigarette tax, to \$.60 per pack.
- Changes in the rates charged for water and sewer service, as approved by the Herndon Town Council and in response to increases in treatment costs as well as costs to maintain the system.
- A Capital Improvement Program (CIP) that focuses on planning for infrastructure improvements related to neighborhoods and transportation. The CIP includes expenditures of \$1,907,000 for the General Fund (\$1,134,000 of which is provided through grants and developer proffers) and \$635,000 for Enterprise Fund operations.

Spending reductions included in the proposed FY 2010 Budget include 11 positions identified as vacant in FY 2009 that will not be filled in FY 2010; no market rate adjustment or pay-for-performance increases for employees; revision of on-call and overtime scheduling to reduce costs; increased health insurance premiums to employees; and reduction or elimination of some employee benefits. Operations and Maintenance expenditure reductions include reduction of general operating expenditures; reduction of operating hours at the Herndon Community Center and the Neighborhood Resource Center; reduction of some promotional and special event expenditures; and scaling back on some

services such as refuse pick-up on holidays. Replacement of vehicles and equipment is also being deferred, and a 12 percent reduction in grant funding allocation is recommended.

“The fiscal conditions under which the FY 2010 budget initiatives will be executed ensures the town’s financial viability and, with the proposed tax rate increase, demonstrates the town efforts to maintain our AA + financial rating by recognizing the importance of balancing the town’s real estate tax revenues,” Anselene said.

A Citizen’s Guide to the Proposed FY 2010 Budget will be mailed to all households in the town and is attached. The proposed FY 2010 Budget is available for review in its entirety on the town’s Web site at www.herndon-va.gov. Hard copies are also available at the Herndon Municipal Center, 777 Lynn St., and the Herndon Fortnightly Library, 768 Center St.

Mayor DeBenedittis and the Herndon Town Council will hold two public hearings for citizen comments on the proposed FY 2010 Budget, on April 14 and April 28. Both hearings begin at 7 p.m. and are held at the Herndon Council Chambers, 765 Lynn St. Citizens may also contact the Mayor and Town Council via email at town.clerk@herndon-va.gov or by phone at (703) 435-6804.

The Town of Herndon was incorporated by the General Assembly of the Commonwealth of Virginia on January 14, 1879. Located in western Fairfax County, Herndon is the 3rd largest town in the Commonwealth and is home to more than 23,000 citizens. Businesses located within the Town of Herndon, which range from high tech enterprises to entrepreneurially-owned establishments, employ approximately 25,000 people. *Business Week* Magazine has named Herndon one of the nation’s “Best Affordable Suburbs.”

For more information, visit the town’s Web site at www.herndon-va.gov.

###