



CLERK'S BOARD SUMMARY

REPORT OF ACTIONS OF THE FAIRFAX COUNTY BOARD OF SUPERVISORS

**MONDAY
April 18, 2005**

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Budget Mark-up Session

10-05

PW:pw

At the Budget Mark-up meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Government Center at Fairfax, Virginia, on Monday, April 18, 2005, at 10:01 a.m., there were present:

- Chairman Gerald E. Connolly, presiding
- Supervisor Sharon Bulova, Braddock District
- Supervisor Michael Frey, Sully District
- Supervisor Penelope A. Gross, Mason District
- Supervisor Gerald W. Hyland, Mount Vernon District
- Supervisor Dana Kauffman, Lee District
- Supervisor Linda Q. Smyth, Providence District

Supervisor Catherine M. Hudgins, Hunter Mill District, arrived at 10:02 a.m.

Supervisor Joan M. DuBois, Dranesville District, arrived at 10:06 a.m.

Supervisor Elaine McConnell, Springfield District, arrived at 10:11 a.m.

Others present during the meeting were Anthony H. Griffin, County Executive; David P. Bobzien, County Attorney; Catherine A. Chianese, Assistant to the County Executive; Nancy Vehrs, Clerk to the Board of Supervisors, Patricia Wood, Administrative Assistant, Office of the Clerk to the Board of Supervisors; and Dianne Tomasek, Administrative Assistant, Office of the Clerk to the Board of Supervisors.

1. **10 A.M. – BOARD DECISION ON THE COUNTY'S AND SCHOOLS' FISCAL YEAR (FY) 2005 THIRD QUARTER REVIEW AND BOARD MARKUP OF THE COUNTY EXECUTIVE'S FY 2006 ADVERTISED BUDGET PLAN WITH REVENUE AND ADMINISTRATIVE ADJUSTMENTS INCLUDED IN THE FY 2006 ADD-ON PACKAGE**
(10:01 a.m.)

(SARs)
(FPR)

Following an opening statement, Supervisor Bulova moved:

- Board approval of the *FY 2005 Third Quarter Review* as advertised with the amendments as included in the document entitled “April 18, 2005, FY 2006 Budget Markup Process”; the FY 2006 revenue and administrative adjustments as identified in the *FY 2006 Advertised Budget Plan* and the FY 2006 Add-on Memo dated April 6, 2005; and the adjustments to the FY 2006 Budget as included in the documents entitled “April 18, 2005, FY 2006 Budget Markup Process.” This includes adjustments to the Managed Reserve based on the actions taken by the Board on the *FY 2005 Third Quarter Review* and the FY 2006 Budget to maintain the reserve at two percent of total disbursements. These actions result in a balanced budget for FY 2006.
- Board approval of Supplemental Appropriation Resolution (SAR) AS05076 and Amendment to the Fiscal Planning Resolution AS05901 which includes the revenue, expenditure and transfer adjustments, and grant awards and adjustments contained in the County’s and School’s Third Quarter Review as advertised with the approved amendments included in the document entitled “April 18, 2005, FY 2006 Budget Markup Process” and SAR AS04094 which reflects final FY 2004 audit adjustments.

Supervisor Hyland seconded the motion and it **CARRIED** by a recorded vote of nine, Supervisor Bulova, Supervisor DuBois, Supervisor Gross, Supervisor Hudgins, Supervisor Hyland, Supervisor Kauffman, Supervisor McConnell, Supervisor Smyth, and Chairman Connolly voting “**AYE**,” Supervisor Frey voting “**NAY**.”

(NOTE: Later in the meeting, there was a clarification of this action. See Clerk’s Summary Item CL#4.)

2. **BUDGET GUIDELINES FOR FISCAL YEAR (FY) 2007** (10:12 a.m.)

Supervisor Bulova moved that the Board reaffirm and approve Budget Guidelines for FY 2007 as follows:

1. The Board of Supervisors directs the County Executive to prepare a budget that will allow the Board to reduce the real estate tax rate further in FY 2007 if real estate tax assessments and other revenues increase significantly, as currently projected. The Board directs the County Executive to maximize homeowner real estate tax relief.
2. Information on the FY 2007 revenue and economic outlook should be forwarded with a financial forecast to the Board for discussion. This financial forecast will provide the framework for the continued County-School discussion on the budget and will help identify resources available for Board priorities, including tax relief. The Board of Supervisors, the School Board, and staff from both the County and Fairfax County Public Schools shall continue to work together to:
 - Identify and implement strategies to achieve and maintain excellent quality for County and School services.
 - Limit future spending growth.
 - Reduce the impact of the rising real estate tax share of the budget for residential taxpayers.

As a result of this work and consistent with the direction to limit future budget growth, the Board directs the County Executive to develop a budget for Fiscal Year 2007 that limits increases to what is needed to accommodate growth and cost factors, and clearly identifies funding requirements driven by State and/or federal mandates and major County initiatives. In addition, the Board directs that increases in the transfer to the School Operating Fund also be contained within the same parameters as the General County Budget. Funding requirements beyond this increase will be identified and discussed in terms of initiatives to be undertaken if funding is available. Specific direction on targeted budget growth rates should be provided to County staff and the School Board by the August 2005 Board meeting.

3. The Board directs that the County Budget presentation continue to focus on Board priorities and County Vision Elements. The County Executive and County staff will also provide contextual information regarding the growth in the budget, including, but not limited to, population growth, market forces impacting the budget, demographic changes, and other primary drivers for growth. In addition, the presentation of the budget should include a clear

identification of the resources and new initiatives targeted for seniors, a rapidly growing group in the County's population.

4. In order to avoid structural imbalances between County resources and requirements, resources should be allocated with consideration for the continued availability of these funds:
 - Non-recurring funds will be directed toward non-recurring uses.
 - Only recurring resources may be targeted toward recurring expenses.
 - The County's Policy concerning the utilization of recurring and non-recurring funds should be followed by the School Board.
5. Any available balances materializing at the Carryover and Third Quarter Reviews that are not required to support County expenditures of a critical nature or to address the Board's policy on the Revenue Stabilization fund should be held in reserve to offset future requirements or to address one-time requirements such as unfunded capital paydown projects and equipment replacement since adequate funds are not available in the annual budget process. Funding for paydown is necessary to meet capital renewal, streetlight, trail and sidewalk funding, among other things, as well as to reduce reliance on debt service. In addition, balances at Carryover resulting from resources that are recurring should be reviewed to address further senior and disabled persons' tax relief.
6. The Board accepts and approves the County Executive's recommendation that the value of one penny of the real estate tax be dedicated on an annual basis to stormwater management projects. The Board feels that the allocation of the equivalent of \$0.01 on the real estate tax rate is the most efficient, effective, and immediate funding source available for this critical program. Other funding approaches may be appropriate and are not to be ruled out for future consideration. County staff is directed to focus on implementation of the stormwater management program. As such, and in order to maximize the impact of the stormwater management program, staff is directed to identify a plan and provide it to the Board on June 20, 2005, with a spending plan for the first year of funding which focuses the majority of the funds on implementing stormwater improvements projects.

7. The Board directs the ongoing allocation of funding from the Athletic Services Application Fee revenue for enhanced maintenance and the initiation of an artificial turf program. This will represent an ongoing maintenance of effort for maintaining and enhancing athletic fields.
8. The Board directs the following reviews of County programs:

Affordable Housing Preservation Initiatives

The County Executive is directed to identify an allocation process before the Board's fall recess, to be approved by the Board of Supervisors, to prioritize and monitor affordable housing preservation initiatives funded through the annual designation of the value of one penny on the real estate tax rate. This process should be designed to quickly and significantly impact the availability of affordable housing in the County within established criteria. An initial amount of \$17.9 million is included in a new County fund, Housing Flexibility, in the FY 2006 Budget for this purpose.

Public Safety And Transportation Operations Center

County staff is directed to prepare a complete briefing to the Board on the new center including a timeframe for construction, how the center will be configured, what agencies and organizations will occupy the space, the total project costs, and changes to the plan since its origination prior to the execution of the master development agreement. A date for this meeting will be set quickly and will be provided to the Board within the next two weeks.

Young People Concerned About Gangs

County staff from the Department of Community and Recreation Services will work with the County's Gang Prevention Coordinator, Board offices, representatives of Young People Concerned about Gangs, and others, to identify and implement strategies designed to promote gang prevention activities targeted to the Latino population including identification of after-school activities, homework assistance, sports, and arts and crafts activities at locations near the population being served.

Compensation

The Board directs the County Executive to review and make recommendations on improvements to the County's compensation

program. These reviews should be completed and recommendations made in time for incorporation into the FY 2007 Budget.

Specifically:

Regarding Market-Based Compensation

The Board's Policy as it relates to compensation is that pay will remain market-based and adjustments to pay shall be based on market factors, not pay parity among public safety agencies or other County departments or agencies. However, in cases where evidence of a negative impact on recruitment and/or retention for a specific agency or department can be supported by data, this information, in conjunction with market data, should be provided to the County Executive and the Board for consideration and decision. The Board directs that the County Executive conduct the annual market rate study and benchmark key County positions, (to include police citizen aide positions), to the appropriate local and regional employment markets.

Regarding Public Safety Pay Plans

The Board directs staff to undertake a comprehensive review of the public safety pay plans. As a result of adjustments made over the last several years, pay grades within the pay plans are compressed making individual position class adjustments based on the market difficult. The compression between pay grades also impacts promotional opportunities and recruitment. This review should be staffed by the chiefs and staff of each public safety department, the Department of Human Resources, and the Department of Management and Budget.

Regarding the Pay for Performance Program

The Board continues to support the concept of the pay for performance system and considers the currently established distinctions in pay between high performing and lower performing employees as a valuable component of the pay for performance system. No consideration will be given at this point in time to returning to a system of annual cost-of-living adjustments that effectively grant employees with varying performance levels the same annual increase. The annual market review addresses the competitiveness of the salary scales and should continue as designed. However, a comprehensive review of the performance rating terminology shall be undertaken to provide more clarity regarding an employee's performance, and included as changes, if

appropriate, to the pay for performance system in FY 2007. This review should include staff identified by the County Executive and representatives of the Employee Advisory Council.

Regarding Overtime Compensation

The Board directs staff to review current overtime compensation policies in County departments, including public safety agencies, and identification of strategies to control and limit reliance on overtime to provide appropriate staffing.

Regarding Competitive Pay for State Magistrate, Probation Officer Positions and District Court Employees

The Board directs staff to include the issue of inadequate pay for the magistrates, probation officers and District Court employees, in the 2006 legislative package. This action is in recognition of the fact that these are State positions and it is the State's responsibility to fund pay adjustments that are competitive for the region for these positions.

Regarding Health Department Employee Virginia Retirement System (VRS) Retirement Issues

The Board directs staff to review the various issues and requests of the employees in the Health Department who are under the VRS. The review should be provided to the Board for consideration and decision, and shall include alternatives and their associated impacts, as quickly as possible. Resolution of some issues may be appropriate as part of the FY 2005 Carryover Review and no later than the FY 2007 Budget.

Supervisor McConnell asked unanimous consent that the Board direct staff to provide an accounting at the end of the year regarding the County's ability to provide affordable housing to the County's employees and the number served. Without objection, it was so ordered.

Following discussion, the question was called on the motion to adopt the budget guidelines, and it **CARRIED** by a recorded vote of nine, Supervisor Frey voting "NAY."

3. **BOARD MARKUP OF THE CAPITAL IMPROVEMENT PROGRAM (CIP) FOR FISCAL YEARS (FY) 2006–2010 (WITH FUTURE FISCAL YEARS TO 2015)** (10:20 a.m.)

Supervisor Bulova moved approval of the FY 2006 – 2010 CIP (with future fiscal years to 2015) with the following amendments:

- Adjust the construction schedule for the Burke Centre Community Library to reflect no delay associated with the Burke Virginia Railway Express interim parking project. The completion schedule would be similar to the proposed Oakton Community Library schedule.
- Explore the concept of Board Members' offices being located in libraries or other public facilities in addition to Police Stations. Opportunities may exist during renovations of libraries and other public facilities, or new construction projects, which will provide sufficient space for Board Member offices, enhance public access, better utilize public facility space, and provide room for expansion at the district stations.
- Make all necessary adjustments to reflect actions taken during the Board's decision on the FY 2006 Adopted Budget Plan that impact the CIP.

Supervisor Hyland seconded the motion and it carried by unanimous vote.

4. **CLARIFICATION REGARDING THE BUDGET MOTION** (10:22 a.m.)

(NOTE: Earlier in the meeting, the Board approved the Fiscal Year 2006 Budget. See Clerk's Summary Item CL#1.)

Following discussion, with input from Edward L. Long, Jr., Chief Financial Officer, it was clarified that the main budget motion included approval of the Supplemental Appropriation Resolutions and Fiscal Planning Resolutions, though they were not explicitly delineated.

5. **HUMAN SERVICES COUNCIL'S FISCAL YEAR (FY) 2006 UNFUNDED LIST** (10:23 a.m.)

Supervisor Bulova stated that there were three items on the Human Services Council's FY 2006 unfunded list which were totally supported by Medicaid revenues but required the addition of positions. These items were not included in the approved package.

Supervisor Bulova moved that the Board direct staff to review the classification of positions which are supported by State and federal funding, specifically as it is possible and more appropriate to treat them as grant positions. Staff is directed to return to the Board during FY 2006, or sooner, with any recommendations. Supervisor Gross seconded the motion.

Following discussion regarding capacity for services and the capping of the staffing increase, with input from Anthony H. Griffin, County Executive, and

Susan W. Datta, Director, Department of Management and Budget, the question was called on the motion and it carried by unanimous vote.

Supervisor Bulova expressed appreciation to the Board; Ms. Datta and her staff, Edward L. Long, Jr., Chief Financial Officer; and Mr. Griffin for their efforts in producing the budget.

6. **CONTRACT FUNDING FOR THE NORTHERN VIRGINIA RESOURCE CENTER FOR THE DEAF AND HARD OF HEARING** (10:28 a.m.)

Supervisor Gross asked unanimous consent that the Board direct staff to provide the Board with a resolution of the issue of funding for the Northern Virginia Resource Center for the Deaf and Hard of Hearing. Without objection, it was so ordered.

7. **ITEMS FOR THE RECORD** (10:29 a.m.)

Chairman Connolly provided tallies of the 579 written communications his office received regarding the budget.

Supervisor Bulova submitted items for the record.

DET:det

BOARD MATTERS

8. **CONCURRENT PROCESSING AND DATE-CERTAIN BOARD SCHEDULING OF SPECIAL EXCEPTION APPLICATION SE 2004-PR-037 (ANTHONY TEDDER) (PROVIDENCE DISTRICT)** (10:31 a.m.)

Supervisor Smyth stated that Anthony Tedder, the applicant for Special Exception Application SE 2004-PR-037, requested that he be permitted to submit his site plan for concurrent review by the Department of Public Works and Environmental Services. He has assured Supervisor Smyth that he fully understood that he could run the risk of potentially having to redesign and resubmit a new site plan if substantial design changes occurred during the special exception process. Therefore, Supervisor Smyth moved that the Board:

- Approve concurrent processing of the site plan for the pending Special Exception Application SE 2004-PR-037.
- Direct staff to schedule a public hearing to be held before the Board regarding Special Exception Application SE 2004-PR-027 before the Board on May 23, 2005.

Supervisor DuBois seconded the motion and it carried by unanimous vote.

9. **ACKNOWLEDGEMENTS** (10:32 a.m.)

Chairman Connolly thanked Budget Committee Chairman Bulova for her diligent work on the budget and his colleagues for their civility and respect during the budget process. Chairman Connolly noted that the Board had approved a historic tax rate reduction, the largest single tax rate reduction in the County's history which would result in the lowest tax rate in the County's modern history.

10. **CAKE BAKEOFF** (10:34 a.m.)

Jointly with Supervisor Hyland, Supervisor McConnell announced that they were having a bake-off in the back room to determine who made the best cake.

11. **FURTHER ACKNOWLEDGEMENTS** (10:34 a.m.)

Chairman Connolly thanked staff for the work they did on the budget, members of the School Board for their cooperation, and County Executive Anthony H. Griffin for putting together a budget that was roundly accepted early in the process.

12. **BOARD ADJOURNMENT** (10:34 a.m.)

At 10:34 a.m., the Board adjourned.