

BOARD MOTIONS

BUDGET GUIDELINES FISCAL YEAR 2006 Revised May 24, 2004

At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center on Monday April 19, 2004, the Board reaffirmed and approved Budget Guidelines for FY 2006:

1. The Board directs the County Executive to develop a budget for Fiscal Year 2006 that limits increases in expenditures to projected increases in revenue.
2. Information on the FY 2006 revenue and economic outlook should be forwarded with a financial forecast to the Board for discussion in late 2004 so that guidance can be provided to the Schools regarding the School operating transfer.
3. If real estate tax assessments and other revenues increase significantly for FY 2006, the Board will direct the County Executive to prepare a budget which will allow the Board to reduce the real estate tax rate further. In enabling this reduction, the Board will consider all sources of increasing revenue, including state dollars, and will review for reduction the entire County budget.
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. The available balances materializing at the Carryover and Third Quarter Reviews which 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 the one time requirements noted below:
 - The Board approves a policy whereby one-time balances generated at quarterly reviews will be considered for redirection to unfunded capital paydown programs since adequate funds are not available in the annual budget process.
 - In addition, the Board supports the creation of a replacement reserve in Fund 503, Department of Vehicle Services and Fund 505, Technology Infrastructure Services for School buses and School computers and directs that one-time balances generated at the *FY 2004 Carryover Review* be considered for redirection to establish these reserves. The County will work with the School System on the development of a methodology/criteria for the reserves and a strategy for funding future annual contributions.
6. The Board directs the following reviews of County programs:

COUNTY/SCHOOL SERVICES REVIEW

County staff is directed to work with their counterparts in the school system to identify savings and management efficiencies that can be realized as a result of further consolidation of County and School services, particularly in the human services area. The review, fiscal impact and recommendations should be provided to the Board of Supervisors prior to consideration of the FY 2006 Advertised Budget Plan. As an incentive, a portion of the savings realized as a result of the implementation of further consolidation will be reinvested in the School system.

COMPENSATION

The Board of Supervisors endorses the Fairfax County Pay for Performance program for non-public safety employees as a critical aspect in the compensation package, including the recommended adjustments included for FY 2005 which establish a range of pay awards from 0-6 based on performance and recalibrates the points required to achieve various pay increases. This Pay for Performance system is consistent with the County's goals and competitive marketplace practices. The Board directs the County Executive to work with the Employee's Advisory Council (EAC) to refine and improve our pay for performance system and to advise the Board as part of the Personnel Subcommittee on issues and recommendations.

In the area of compensation, the Board directs the County Executive to review and make recommendations on a number of proposals brought forth during this year's budget deliberations. This review process should be completed and recommendations made in time for their incorporation into the FY 2006 budget.

Specifically:

- A comprehensive review and ranking of public safety salaries in comparison to our local employment market in order to insure pay competitiveness. This review should include the identification of a pay study methodology which is supported by the chiefs and staff of each department and the Departments of Human Resources and Management and Budget. The salary review should also include an analysis of police citizen aide positions. The review should also include an analysis of holiday pay policies for both public safety and non-public safety agencies with the direction that a change in the holiday pay calculation be incorporated in the FY 2006 budget.

- The extension of the Deferred Retirement Option Program (DROP) to non-public safety employees based on the experiences of a full year of the program as implemented for public safety personnel. In FY 2004, the Board approved the establishment of a DROP program for public safety employees as a pilot program. The County Executive should review the participation data and costs associated with the program and provide the Board with a recommendation on its expansion to the rest of the County workforce.

- The evaluation and cost analysis of strategies to offset the costs of health insurance for our retirees. This review should include analysis of post employment health plans, and savings plans for health insurance as well as the impact of increased County subsidies for health insurance costs.

SPECIAL EDUCATION GRADUATES

The FY 2005 budget included proposed changes to the County's special education graduate program. While many of the administrative and planning recommendations will be helpful, the proposed program for FY 2005 will direct new funding toward those graduates with the most profound level of mental retardation and medical and physical challenges. As a result, it is estimated that approximately 31 graduates will go without County support for services. As a result, the Board directs staff with input from the Human Services Council, the Community Services Board and advocacy groups to develop a "scholarship" approach to the MR Graduates program with goals of County involvement in identifying and facilitating placement but County funding based on need and circumstances. The report should be provided to the Board by Fall 2004. A funding reserve of \$500,000 has been included in the budget for potential General Fund requirements of the scholarship program. In addition, options concerning a private foundation to supplement County funding are to be reviewed. This funding should be focused primarily on direct service provision.

ATHLETIC SERVICES APPLICATION FEE

The FY 2005 budget includes an athletic services application fee to partially offset the cost of scheduling and coordinating community use of public athletic facilities. Estimated revenues totaling \$1.67 million have been included. Based on feedback received from meetings with the athletic community, the Department of Community and Recreation Services (CRS) staff has developed alternatives for how the fee is imposed to address the concerns of the various athletic organizations. These alternatives are based upon a per participant charge which would allow organizations to know their exact charge prior to setting their registration fee and would address issues related to season length. The Board directs the CRS staff to work with the Fairfax County Athletic Council (FCAC) to finalize the fee structure. In addition, the Board directs CRS staff to perform an evaluation of the fee's implementation, its subsequent impact on the various athletic organizations and on field maintenance at the end of one year. This evaluation will include involvement from County athletic organizations.

COUNTY POPULATION/DEMOGRAPHICS FORECAST

The Board directs staff to review currently occurring and forecasted changes to the County's demographics and the impact on County services delivery and costs. Growth in the number of seniors, residents with special needs and our new immigrant populations will have an impact on the County's budget and the capacity of County government to provide services. This review, to be shared with the School system, will provide a framework for discussion and public policy decisions. Staff should provide this information to the Board in Fall 2004,

REVIEW OF ORGANIZATION/COMPENSATION ISSUES ASSOCIATED WITH COUNTY CONSTITUTIONAL OFFICERS AND OTHER STATE POSITIONS

The Board directs staff to review the compensation and organization supporting County constitutional officers and other state reimbursed positions including the commonwealth attorney, clerk to the court, sheriff, secretary to the electoral board and general registrar, and magistrates. The review will focus on the comparability of compensation among our neighboring jurisdictions, and the availability of state funds to provide for these salaries. Recommendations regarding compensation or organizational adjustment should be provided by January 1, 2005.

A Copy - Teste:

Nancy Vehrs,
Clerk to the Board of Supervisors