

Human Services Council Meeting
Monday, February 26, 2007

Kevin H. Bell, Chairman	Present	Michael Kwon	Excused
Colonel Marion Barnwell	Present	Herk Latimer	Present
Richard P. Berger	Present	Molly C. Lynch	Excused
Robert L. Faherty	Excused	Laura I. McDowall	Excused
Donna J. Fleming	Present	Stephanie Mensh	Present
Baba Freeman	Present	John Niemiec	Present
Robert Gaudian	Excused	Dr. Virginia P. Norton	Excused
Richard Gonzalez	Excused	J. Jay Volkert	Excused
Tom Grodek	Present	Marnie Wightman	Excused
Bill Kogler	Present	Henry Wulf	Present

Staff:	
Verdia L. Haywood, Deputy County Executive	Present
Ken Disselkoen, Department of Systems Management for Human Services	Present
Chip Gertzog, Department of Systems Management for Human Services	Present
Ken Garnes, Department of Administration for Human Services	Present
Ron McDevitt, Department of Administration for Human Services	Present
Deborah H. Gutierrez, Department of Systems Management for Human Services	Present

Guests: County Executive, Anthony H. Griffin

Other Attendees: Marijke Hannam, Jerry Kieffer, Fran Keiffer, Barbara Antley, Dana Paige, Sarah Allen, Ginny McKernan

Call to order: 7:30 - 7:40PM

Kevin Bell called the meeting to order at 7:42 PM.

FY 2008 Advertised Budget Presentation

HSC Chair, Kevin Bell introduced County Executive, Tony Griffin to present to FY 2008 Advertised Budget Plan to the Human Services Council. County Executive, Tony Griffin reviewed with the Council his presentation to the Board of Supervisors that he presented earlier that morning. County Executive, Tony Griffin answered the questions of the council members as part of his presentation and at fielded additional questions at the end of the presentation. He provided copies of his slide presentation to the Board of Supervisors and copies of the Citizen's Guide to the Budget to all in attendance, noting that it was also available on the Fairfax County web site. Primarily, he reviewed the slide presentation, noting specific slides and topics of special interest to the members of the Human Services Council.

The following represents highlights of the budget presentation, questions raised and their respective answers:

- Mr. Griffin began his FY2008 advertised budget presentation by saying that he feels that the county is much better positioned to handle the downturn this time than in the early 1990's (Slide 2).
- He noted specifically the substantial downturn in residential assessments as the major contributor to the loss of revenue (Slide 6).
- Mr. Griffin highlighted the comparison of Fairfax County with other neighboring jurisdictions with respect to the downturn in residential assessments (Slide 7).
- He noted that while the real estate market had cooled significantly with regards to residential properties, commercial real estate was still doing well, with most commercial property located in the county leased to capacity. The county continued to see a gain in job creation within the Washington Metropolitan region. However, one thing for all to consider is that on the horizon most new proposed commercial building development is speculative. The current decline in demand for residential property results from an unsustainable home value appreciation over a period of several years, which has made housing in the county less affordable. Incomes simply have not kept pace with the increase in house prices. (Slides 8-13)
- Mr. Griffin stated this year Personal Property taxes are remaining relatively flat (Slide 14).
- He highlighted that significant commercial and new growth has balanced out the decline in revenue from residential properties (Slide 15).
- He stated that there is a projection of a 1.5% decrease in residential assessments. There is a potential range of a decrease of 2% or the decrease could be less than 1% (Slide 16).
- Mr. Griffin commented that the average for a nine year period between 1992 and 2000 was relatively flat in residential appreciation. Similarly, to the level of residential activity in the 80's and 90's, it is once again decreasing (Slide 17).
- Of all housing types within residential property, Townhouses are holding their value and are now the affordable housing unit within Fairfax County. Condominiums are currently facing a glut in the market, but in the future Condominiums will join Townhouses as the affordable housing units in the county. Tax assessments this year, as opposed to other years, will be sent to all county real estate property owners. Most will see either no increase or a slight decrease, and only a few will see a modest increase in tax assessed values (Slide 18-20).
- Most of the Non-residential property is commercial real estate classified as Office Elevator (Slide 21).
- Commercial real estate revenues remained flat or low because of the high assessments in Residential properties (Slide 23).
- Mr. Griffin reviewed the General Fund Disbursements (Slide 24, 25).
- The recommended budget for FY08 from FY07 is a modest increase (Slide 25). Chair, Kevin Bell posed a question of how this compares. Mr. Griffin noted that it is a 1.34% increase over the FY07 Revised Budget.
- Mr. Griffin highlighted how the county is supporting the Fairfax County Public Schools and the FY08 Advertised Budget includes additional expenses for schools (Slide 26, 27)

- He stated that the FY08 Advertised Budget includes a recommendation for new positions, which include 14 positions for Police and additional staff for new county facilities opening up (i.e. Katherine K. Hanley Family Shelter). There is a proxy for efficiencies that will allow for new positions that is based on a ratio of the # of county positions to # of county residents (Slide 28, 29).
- Mr. Griffin stated that positions had been identified under the county vision element of Maintaining Safe and Caring Communities. A Victim Services Advocate position has been recommended by Chief Rohr to be made permanent because this issue is significant to the community and was successfully modeled this past year. Additional new permanent positions relative to the new courthouse project have been recommended (Slide 30-34). Council Member, Baba Freeman asked for a clarification on the new position (Police Psychologist) that is designated in the slide presentation as 1/1.0 SYE. Mr. Griffin confirmed that is was a request for a new position.
- Mr. Griffin noted the recommended operational costs for FY08 in relation to the opening of the Katherine K. Hanley Family Shelter in the summer of 2007. He also noted the additional monies requested for Contracts related to the CSB, Family Services, and the Health Department (Slide 33).
- He highlighted the recommendation of funds for the Youth in Crisis program and the Leadership and Resiliency and Student Assistance programs. Mr. Griffin explained that the recommended proposal for funding these programs was in accordance to “extending payments” and likened the proposal to a “increasing a 3 year loan for a new, smaller car to a 6 year loan” and if circumstances change, then the programs funding can be accelerated if possible at a later date. This proposal was recommended because of the concern over the FY09 and FY10 budgets. Depending on how the budgets fall out, there could be greater monies available and then could do more funding for these programs at that time (Slide 34).
- Mr. Griffin stated that the revenue generated from the Penny for Affordable Housing was increased by \$800,000. Kevin Bell added clarification that the monies collected with the Penny for Affordable Housing went from \$18 million to \$22.7 million (Slide 35).
- Mr. Griffin noted that in the FY08 Advertised Budget Plan \$2.7 million was being recommended to build two new county libraries and renovate two county libraries. These funds would include staff, operating expenses, and equipment (Slide 40).
- He stated that he was recommending a 5% increase from the General Fund in the Consolidated Community Funding Pool, which will allow for increased leveraging of additional funds and relationships within the community. This increase will minimize the impact on the Board of Supervisors and makes the allocation of funds less political in nature (Slide 42).
- Mr. Griffin highlighted the increase from 1% to 2% in personnel services reduction. Agencies have been asked to better manage their vacancies and include a lapse factor for normal turnover. Agency Directors have been granted the ability on a selected basis to leave a position open for an additional three months for a total of six months. Additionally, Directors have the discretion to move positions around within the agency to best manage staffing needs. The only other option is a “cut” to balance the budget and we are trying to avoid that option. Chair, Kevin Bell

commented that the County Executive has masterfully managed community turmoil related to “cuts”. Carryover will be less than 1% and will require greater discipline in how to best use the carryover monies and thinking in the short-term and not the long-term because of the concern that FY09 there will be less carryover monies than in FY08. Good management at the department and agency level has helped to manage the carryover monies successfully thus far. Council Member, Tom Grodek raised a question with regards to how agencies manage keeping monies in carryover. Mr. Griffin replied that a reserve of monies is being used now, but “reserve” monies are not held by an agency. The monies are normally turned back over to the county as a whole. A follow-on question was raised with regards to how agencies can petition to use monies (i.e. for Special Education Graduates). County Executive, Tony Griffin stated that the funds requested needed to be justified (i.e. VH is a CSB Reserve of \$800,000 or \$900,000 and is funded as a special revenue fund) (Slide 43).

- Mr. Griffin noted that the county has costs associated with Water and Sewer because of the county’s regional obligations to the Chesapeake Bay regulations (Slide 46).
- Council Member, Baba Freeman asked for clarification from County Executive, Tony Griffin on the “no child left behind” initiative and the impact of the federally mandated testing on the Fairfax County Public Schools funding for this initiative. Mr. Griffin respectfully stated that this question could be much better answered by the school superintendent. He went on to state that it may impact the FY08 budget, but added that hopefully the Federal Government will modify the testing policy. The county’s position is that more than one year (as requested by the Federal Government) is needed of testing for young immigrant students; one year or less is not acceptable.
- Mr. Griffin highlighted other initiatives included in the FY08 Advertised Budget Plan. He noted that revitalization is important to the Board of Supervisors. In the Fall of 2006 they had a retreat on this very subject. A recommended plan for using a \$100,000 Neighborhood Grant is being constructed. Basically, Home Owner’s Associations will be allowed to apply for grant monies and possibly 2500 grants of varying amounts will be awarded in relation to building cohesion within communities or in improving their appearance. The program is being created now and guidelines are being established to be reviewed by the BOS. Mr. Griffin highlighted a second initiative, a modest program: Supervised Visitation and Supervised Exchange Program. Additionally, he commented on a third initiative by Fairfax County. This initiative will allow Fairfax County to develop a plan to start to look at alternative fuel sources for county facilities. Between the FCPS and the county government, 400 facilities exist. One possible solution would be to outfit all FCPS and county government buildings with solar power because of the rising fuel costs (Slide 47).
- Mr. Griffin reviewed the dates for the BOS presentations and markups and adoption of the FY08 budget. The budget is on-line on the county’s website for citizen review (Slide 48, 49).

- Mr. Griffin opened the floor up for general questions and concerns.
- Chair, Kevin Bell mentioned the transportation funding of bonds and the related proposed bill (introduced Saturday in the Virginia General Assembly and asked what plans did the county have for looking further into the bill and its impact on the county. County Executive, Tony Griffin mentioned county staff was reviewing it and initial reaction to the proposed bill was that the county was not happy with its provisions. County staff is in the process of reviewing the 100 plus pages of the proposed bill against what the county would like to get. The initial understanding of the bills provisions is that it allows for local governments to tax themselves. County staff is currently studying the unintended consequences of the bill. The bill is allowing localities in Northern Virginia to assess an additional \$0.25 cents to be assessed against commercial properties to help generate transportation funds. County staff must look at this proposal against already existing tax districts and the implications on tax districts and the affects on revitalization initiatives. The county was looking for an increase in state sales tax instead of the local real estate tax. There has been an increase in the car registration by \$10 and the understanding is that there is already money in the state's general fund to fund transportation bonds. In the past the cost of transportation has never been pitted against Human Services. This proposal will create the environment where Public Safety and Education will be competing for funds and they have never had to do so before. Governor Kaine has stated that he may veto the bill and is not in support of it as written. **There is a political component to the passage of this bill because currently the Republican party controls the Virginia General Assembly and next year is an election year in which the entire House of Delegates come up for reelection.** The assumption is that there will always have transportation monies for bonds. The state is not seeing that the county budgets will be effected and in turn effect the state budget. This is an issue that the county must continue to watch and monitor. There also is a proposal that creates the transference of the responsibility of road maintenance to the localities from the state and additionally there will be new standards by which the state will accept roads into state maintenance; a secondary road would only qualify for state maintenance, if it was connected to a primary artery. The state appears to be looking at this issue also as a way to institute growth control.
- **Council Member, Henry Wulf, asked a question referencing page 8 in the Citizen's Guide to the Budget publication also handed out by the County Executive at the council meeting. Mr. Wulf's question related to the reduction in funding for Child Care Assistance as noted on page 8. County Executive, Tony Griffin, noted in response that there is no additional help from the state and that the county will manage the decrease in enrollment over time through attrition. The county will be using existing committed state monies and county monies so that there will not be a mandatory disenrollment; as children move out of enrollment, they will not be replaced. Council Member, Henry Wulf commented that the waiting list for these services will grow. A general discussion ensued concerning how other programs will also be impacted by a decreased flow of state and federal monies. **One specific example referenced was that of the Medicaid waiver program Medicaid waiver program = 1 medicaid slots, # of \$ rate increase fees – impacts providers****

differential for Nova of 17% -TG 330 slots in Nova. General increase statewide (3%) + nova differential of 15%

- Chair, Kevin Bell recognized Chip Gertzog. Mr. Gertzog noted that he with the assistance of Marijke Hannam had an answer to an earlier point of clarification with regards to what the percentage of difference was between the \$253 million for the FY07 Revised Budget Plan from the FY08 Advertised Budget Plan. The answer stated was around 2%.
- Chair, Kevin Bell concluded the budget presentation portion of the meeting by thanking the County Executive for his help in assisting with the funding issue of the Leadership and Resiliency program back in January. He followed by saying the compromise is a good one and that he really appreciated Mr. Griffin's management of crises before they come. Mr. Griffin responded by stating the he is trying to avoid what the county went through in the early 90's. The reasonable thing to do is modify funding not cut funding.

FY 2008 HSC Budget Review Process

Chair, Kevin Bell asked Henry Wulf, HSC Budget Chair, to discuss the FY 2008 HSC budget review process with council members. Henry Wulf addressed the budget schedule. Hearings will commence on Monday, March 12 and Wednesday, March 14. On Wednesday, March 21, the council will discuss the budget draft. Ron McDevitt will work on the council budget and it will be finalized on Wednesday, March 28, if handling the budget discussion / comments can be done via email. Donna Fleming will present the HSC Budget to the Board of Supervisors in Kevin's absence. Verdia Haywood added that non-profit organizations will be invited to the hearings conducted on March 12 and March 14.

Other Business

A motion was made and seconded to accept the previous meeting minutes from December 18 and January 8. The council so approved.

Announcements – Vice Chair, Donna Fleming announced that Marlene Blum is this year's Katherine K. Hanley Public Service Award recipient. Leadership Fairfax will be hosting its 16th Annual Board of Supervisors Breakfast on March 14 at 7:30 AM at the Hilton McLean Tysons Corner and will be honoring her for her outstanding service. Mrs. Blum will be presented this well deserved award by LFI at this ceremony and all council members are welcome to attend.

Kevin Bell announced that there will be a PTSA meeting held **date & time ????? – location - near Robinson**. Members of Virginia General Assembly have been invited to speak and explain how schools (& human services) are protected with regards to the proposed state transportation bill in that the bill proposes that funds committed to secure transportation bonds will be coming from state General Fund monies.

9:10 PM: Adjournment