

BOARD MOTIONS

BUDGET GUIDELINES FISCAL YEAR 2007

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 18, 2005, the Board approved the following Budget Guidelines for FY 2007:

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, and
 - 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 of Supervisors 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 our 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 Fund, 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 of Supervisors 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

In the area of 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 their 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 of Supervisors 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 promotion opportunities and recruitment. This review should be staffed by the chiefs and staff of each public safety department and the Departments of Human Resources and 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 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 Virginia Retirement System (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.

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Nancy Vehrs,
Clerk to the Board of Supervisors