



County of Fairfax, Virginia

MEMORANDUM

DATE: March 18, 2013
TO: Board of Supervisors
FROM: Susan W. Datta, Chief Financial Officer 
SUBJECT: Responses to FY 2014 Budget Q&A Items (Package 2)

Attached for your information is FY 2014 Budget Q&A Package 2 containing completed responses to recent budget questions. Future responses will be included in subsequent packages. If you have any questions or need additional information, please contact me.

The following responses are included in this package:

Question Number	Question	Supervisor	Pages
	<i>Responses to Questions 1-8 were included in Package 1 dated March 12, 2013</i>		
09	What is the long term impact on the tax base of rezonings that have changed zoning from commercial to residential?	Herrity	20
10	Provide a detailed explanation of the plan to replace the shirts used by the Fire and Rescue Department including the timing, ongoing costs and projected savings associated with the plan.	Board of Supervisors	21-22
11	Provide the list of County Funded Programs for School-Related Services and note if any of the programs the County offers in support of Schools have been reduced in the <u>FY 2014 Advertised Budget Plan</u> .	McKay	23-27
12	Provide summary information on bond sale flexibility for both County and FCPS.	Gross	28
13	Provide comparative information for other AAA jurisdictions relative to the County's debt ratios.	Foust	29
14	Provide comparative data on full compensation for FCPS employees.	McKay	30-32

Attachment

cc: Edward L. Long Jr., County Executive
Patricia Harrison, Deputy County Executive
David J. Molchany, Deputy County Executive
David M. Rohrer, Deputy County Executive
Robert A. Stalzer, Deputy County Executive

Response to Questions on the FY 2014 Budget

Request By: Supervisor Herrity

Question: What is the long term impact on the tax base of rezoning commercial property to residential use?

Response: Over the last several years, nearly all rezonings of commercial property have allowed for mixed use development of property including office, hotel, retail and multi-family residential. Staff is not aware of any significant rezoning of commercial property to strictly residential zoning. Rezoning of commercial property to mixed use property can substantially increase the building density of the property. For example, in the Arbor Row development that was recently approved in Tysons, 335,000 square feet of existing office space was rezoned to allow for just over 2.5 million square feet of mixed-use development including office, retail, hotel and multi-family residential.

Long term, the added density from rezoning will increase the overall assessed value of the property, but the added density could not be attained without the multi-family component. While multi-family is used for residential purposes, it is valued as a commercial entity under the capitalized income approach to valuation. Based on different market dynamics, trends in the valuation of multi-family apartments do not always follow the trends of residential property. In FY 2014, for example, multi-family apartments increased in equalization by 4.9 percent compared to 3.5 percent for residential property. Multi-family assessments also increased by 14.54 percent and 12.60 percent in FY 2012 and FY 2013 respectively; again, far outpacing the gains in residential property. Likewise, multi-family apartment gains have also surpassed the equalization change for office buildings over the last few years.

Response to Questions on the FY 2014 Budget

Request By: Board of Supervisors

Question: Provide a detailed explanation of the plan to replace the shirts used by the Fire and Rescue Department including the timing, ongoing costs and projected savings associated with the plan.

Response: The current mix of uniform shirts issuance has been in place since about 1990. With input from field staff, the department periodically reviews uniform issuance practices to find alternative cost effective strategies that promote firefighter safety.

Presently the department issues a mix of Nomex (fire retardant) button up shirts and 100% cotton polo style shirts (non-fire retardant). Uniformed staff is currently issued six polo style shirts (3 short sleeve and 3 long sleeve) and four Nomex shirts (2 long sleeve and 2 short sleeve) for a total of 10 shirts at a total cost of approximately \$610 per person.

The proposed new issuance will include only six Nomex shirts (3 short sleeve and 3 long sleeve) at a total cost of \$479 per person. Implementation of this transition will include the purchase of four new Nomex shirts (2 short sleeve and 2 long sleeve) and retrofits two existing Nomex shirts (1 short sleeve and 1 long sleeve).

Unlike the polo style shirts, which wear out quickly and have to be regularly replaced, the Nomex shirts have a much longer life expectancy. In addition, the proposed new purchase of Nomex shirts will be more adaptable because they utilize removable name/rank tapes that can be updated and reattached to the shirt when personnel are promoted. Presently the polo shirts issued are no longer usable when an employee is promoted, requiring a complete reissuance of polo shirts with rank change. As a result of this change, FRD will provide staff with a longer lasting, fire retardant, shirt that is easily adaptable when personnel are promoted resulting in long term cost savings.

It should also be noted that current Nomex shirts in usable condition are not being discarded. FRD is taking a phased-in approach to the implementation of this new uniform complement. Phase I includes issuing new shirts with the name/rank tapes (2 short sleeve and 2 long sleeve). Phase II involves collecting existing Nomex shirts and retrofitting those in good condition by adding the removable name/rank tapes. The new shirts must be issued prior to retrofitting so personnel have uniform shirts while the others are being retrofitted. FRD estimates roughly half of the current supply of Nomex shirts will be in good enough condition for retrofit and reissue.

In terms of a cost-benefit analysis, while the additional cost of \$260,000 in FY 2013 is substantial, the following chart shows over a five-year period FRD will save money under the proposed plan.

	Shirt Replacement Under Current System	Shirt Replacement Under FRD Proposed System	Difference
FY 2013	\$240,000	\$500,000	\$260,000
FY 2014	\$240,000	\$0	(\$240,000)
FY 2015	\$240,000	\$125,000	(\$115,000)
FY 2016	\$240,000	\$125,000	(\$115,000)
FY 2017	\$240,000	\$125,000	(\$115,000)
Total	\$1,200,000	\$875,000	(\$325,000)

The chart assumes no additional shirt purchases will be required in FY 2014, and approximately one-quarter of the initial outlay will be required to be replaced primarily due to damage starting in FY 2015. It should be noted savings in FY 2014 and future years will be redirected to assist with supporting unbudgeted, increased costs associated with replacing and cleaning personal protective gear and increased costs associated with the Public Safety Occupational Health Center Contract.

In summary, although initially the cost is slightly more, standardizing uniforms, improving protection of personnel, and reducing lifecycle costs will provide long-term benefits to the department. Other reasons why the current time period is appropriate to implement this plan include:

- Safety & Efficiency: Nomex shirts are more fire retardant than polo shirts and have a longer life span allowing FRD to realize long term savings.
- Standardization: Transitioning everyone to the same uniform allows for better recognition of personnel by other public safety personnel and the public.
- Scheduled Implementation: Ensures everyone in the department transitions in a smooth and orderly fashion. Current department policy allows employees to initiate replacement when shirts are worn. They may re-order every two years; however some elect to wait much longer or choose not to re-order at all. In order to ensure all personnel transition to these shirts, FRD chose to implement the transition in a shorter time period.
- Policy/Standard Operating Procedure Updates: All department documents can be updated at once outlining uniform regulations.
- One Time Funding: Funding was available from cost saving measures implemented by FRD during this fiscal year (FY 2013).

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: Provide the list of County Funded Programs for School-Related Services and note if any of the programs the County offers in support of Schools have been reduced in the FY 2014 Advertised Budget Plan.

Response: The requested charts are attached on the following pages. In addition, they can be found online by accessing the following links.

http://www.fairfaxcounty.gov/dmb/fy2014/advertised/overview/35_School_Related_Services.pdf

http://www.fairfaxcounty.gov/dmb/fy2014/advertised/overview/36_General_Youth_Services.pdf

http://www.fairfaxcounty.gov/dmb/fy2014/advertised/overview/37_Additional_County_Administered.pdf

It should be noted that the County General Fund support for the Middle School After-School (MSAS) program is proposed to be reduced by \$200,000 as part of the FY 2014 Advertised Budget Plan. However, this funding is to be replaced with additional Fairfax County Public Schools (FCPS) revenue that would result from the implementation of a new annual fee for participants (not to exceed \$25 per year per participant, and students qualifying for the FCPS free and reduced price meals program would be exempt from the fee). In addition, School Age Child Care (SACC) fees for elementary school children will increase 5.0 percent beginning July 1, 2013. This revenue enhancement is in lieu of implementing further reductions to balance the budget and results in a lower net cost to the County General Fund.

FAIRFAX COUNTY
FY 2012 - FY 2014 County Funded Programs
for School-Related Services

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
General Fund Transfers				
General Fund Transfer to School Operating Fund	\$1,610,834,722	\$1,683,322,285	\$1,683,322,285	\$1,716,988,731
General Fund Transfer to School Debt Service	159,739,692	164,757,064	164,757,064	172,367,649
Subtotal	\$1,770,574,414	\$1,848,079,349	\$1,848,079,349	\$1,889,356,380
Police Department				
School Resource Officers (55/55.0 FTE)	\$6,063,284	\$6,522,819	\$6,477,587	\$6,639,668
Non-Billable Overtime Hours	248,967	300,667	267,640	267,640
School Crossing Guards (64/64.0 FTE)	2,525,542	2,686,813	2,722,345	2,793,863
Subtotal	\$8,837,793	\$9,510,299	\$9,467,572	\$9,701,171
Fire Department				
Fire safety programs for pre-school through middle school aged students	\$137,619	\$175,617	\$145,992	\$149,765
Subtotal	\$137,619	\$175,617	\$145,992	\$149,765
Health Department				
School Health (275/203.98 FTE)	\$12,986,292	\$14,441,758	\$14,376,516	\$14,957,813
Subtotal	\$12,986,292	\$14,441,758	\$14,376,516	\$14,957,813
Community Services Board (CSB) - Treatment				
Pre-Kindergarten programming (51/1.7 FTE)	\$189,489	\$180,258	\$170,204	\$174,185
Elementary school programming (1/0.01 FTE)	1,336	774	1,405	1,437
Middle school programming (1/0.01 FTE)	1,336	774	1,405	1,437
High school and alternative school programming (21/7.6 FTE)	621,684	642,203	716,133	732,775
Subtotal	\$813,845	\$824,009	\$889,147	\$909,834
Community Services Board (CSB) - Community Living¹				
Elementary school programming (4/1.6 FTE)	459,442	434,025	257,857	261,549
Middle school programming (34/2.13 FTE)	375,136	462,358	174,758	217,569
High school and alternative school programming (44/3.74 FTE)	1,772,468	1,833,044	362,587	448,514
Subtotal	\$2,607,046	\$2,729,427	\$795,202	\$927,632

FAIRFAX COUNTY
FY 2012 - FY 2014 County Funded Programs
for School-Related Services

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Department of Family Services				
Net Cost of the School-Age Child Care (SACC) Program (623/569.53 FTE) - Includes general services and services for special needs clients, partially offset by program revenues ²	\$8,285,215	\$10,310,570	\$9,607,557	\$8,804,738
Net Cost of the Head Start Program - General Fund (Higher Horizons, Gum Springs (18/18.0 FTE), Schools' Contract)	6,157,460	6,467,974	6,652,738	6,564,836
Head Start Federal Grant Funding (Local Cash Match) ³	985,844	1,019,786	1,019,786	1,019,786
Virginia Preschool Initiative Grant Funding (Local Cash Match)	1,287	100,000	100,000	100,000
Comprehensive Services Act (special education programs not in Fairfax County Public Schools)	20,507,026	19,016,225	20,794,930	20,771,584
County contribution to Schools for SACC space	750,000	750,000	750,000	750,000
Subtotal	\$36,686,832	\$37,664,555	\$38,925,011	\$38,010,944
Department of Neighborhood and Community Services				
After School Programs at Fairfax County Middle Schools	\$2,968,348	\$3,118,173	\$3,134,004	\$2,918,173
After School Partnership Program	145,000	145,000	145,000	145,000
Field Improvements ⁴	377,383	200,000	335,583	200,000
Therapeutic recreation	64,126	61,145	66,073	66,242
Subtotal	\$3,554,857	\$3,524,318	\$3,680,660	\$3,329,415
Fairfax County Park Authority				
Maintenance of Fairfax County Public Schools' athletic fields	\$1,801,405	\$1,772,535	\$2,543,924	\$1,772,535
Subtotal	\$1,801,405	\$1,772,535	\$2,543,924	\$1,772,535
TOTAL: County Funding for School Related Services	\$1,838,000,103	\$1,918,721,867	\$1,918,903,373	\$1,959,115,489

¹ Consistent with adjustments to specific Wellness and Health Promotion programs in schools as approved by the Board of Supervisors in the *FY 2012 Carryover Review* budget management plan, and resulting realignment of resources to broader community prevention programs, specific costs for these school-related services are reduced in the *FY 2013 Revised Budget Plan* and *FY 2014 Advertised Budget Plan*.

² Includes Fringe Benefits for merit employees in an effort to more accurately reflect true costs associated with the SACC program and to be consistent with SACC rate setting methodology.

³ This includes Local Cash Match funding for Federal Head Start and Early Head Start for the Higher Horizons, Gum Springs and Schools' contracts.

⁴ Only the cost of athletic field lighting is reflected here. All other Fairfax County Public Schools-related field improvement funding is managed by, and shown under, the Fairfax County Park Authority.

FAIRFAX COUNTY
FY 2012 - FY 2014 Additional County Funded Programs
for General Youth Services

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Additional County Funded Youth Programs				
Family Services - Net cost of services for children (excluding SACC and Head Start)	\$21,004,300	\$20,389,664	\$23,813,433	\$23,793,560
Juvenile and Domestic Relations District Court - Residential Services	3,166,872	2,861,494	2,900,739	2,892,912
Department of Neighborhood and Community Services - Therapeutic Recreation	1,282,528	1,222,902	1,321,458	1,324,840
Department of Neighborhood and Community Services - Teen Centers (excluding Club 78)	1,134,210	1,383,613	1,385,244	1,390,302
Department of Neighborhood and Community Services - Community Centers	1,740,519	1,989,441	1,995,197	1,938,718
Department of Neighborhood and Community Services - Net cost Extension/Community Education	57,695	71,000	73,305	71,000
Department of Neighborhood and Community Services - Youth Sports Scholarship	150,000	150,000	150,067	150,000
Fairfax County Park Authority - Athletic Field Maintenance (non-school fields)	2,673,676	2,500,000	2,691,938	2,500,000
Subtotal: Additional County Funded Programs for General Youth Services (Non-School)	\$31,209,800	\$30,568,114	\$34,331,381	\$34,061,332
TOTAL: County Funded Programs for Youth (Includes Both School and Non-School Programs)	\$1,869,209,903	\$1,949,289,981	\$1,953,234,754	\$1,993,176,821

FAIRFAX COUNTY
FY 2012 - FY 2014 Additional County-Administered Programs
for School-Related Services
Funding can be Federal, State, Local, or a Combination Thereof
(Actual Direct County Funding is Minimal)

	FY 2012 Actual	FY 2013 Adopted Budget Plan	FY 2013 Revised Budget Plan	FY 2014 Advertised Budget Plan
Additional County-Administered Programs for School-Related Services				
Department of Family Services - Head Start Grant Funding ¹	\$4,751,247	\$5,051,148	\$4,912,337	\$4,997,402
Department of Family Services - Early Head Start Grant Funding ¹	3,520,629	3,973,291	3,859,354	3,929,327
Department of Family Services - Virginia Preschool Initiative ¹	3,283,589	3,745,000	3,457,000	3,957,350
Subtotal: County-Administered Programs	\$11,555,465	\$12,769,439	\$12,228,691	\$12,884,079
 GRAND TOTAL	 \$1,880,765,368	 \$1,962,059,420	 \$1,965,463,445	 \$2,006,060,900

¹ It should be noted that these expenditures/budgets are by fiscal year. The amounts contain multiple program years in each fiscal year and therefore do not correlate to annual awards for these grants.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Gross

Question: Provide summary information on bond sale flexibility for both County and FCPS.

Response: Staff recommends that discussion of this topic be added to the agenda for the first meeting of the Joint Board of Supervisors/County School Board Capital Facilities and Debt Management Working Group.

Response to Questions on the FY 2014 Budget

Request By: Supervisor Foust

Question: Provide comparative information for other AAA jurisdictions relative to the County's debt ratios.

Response: The County's policy for net debt as a percentage of estimated market value shall be less than 3 percent, and the FY 2014 figure for this policy is projected to be 1.27%. The following provides a comparison of Triple A rated jurisdictions and their respective policy limit on this debt ratio.

Jurisdiction	Limit
Howard County, MD	4.8%
Arlington County, VA	4%
Chesterfield County, VA	3.5%
Virginia Beach, VA	3.5%
Fairfax County, VA	3%
Loudoun County, VA	3%
Prince William County, VA	3%
Hanover County, VA	2.5%
City of Alexandria, VA	1.6%
Montgomery County, MD	1.5%
Henrico County, VA	1.49%

Source: Comprehensive Annual Financial Reports and Operating Budgets for local jurisdictions

The County's policy debt service expenditures as a percentage of General Fund disbursements shall not exceed 10 percent, and the FY 2014 figure for this policy is projected to be 8.47%. The following provides a comparison of Triple A rated jurisdictions and their respective policy limit on this debt ratio.

Jurisdiction	Limit
Chesterfield County, VA	11%
Howard County, MD*	10%
Prince William County, VA*	10%
City of Alexandria, VA	10%
Arlington County, VA	10%
Fairfax County, VA	10%
Hanover County, VA	10%
Loudoun County, VA	10%
Montgomery County, MD	10%
Virginia Beach, VA	10%
Henrico County, VA	7.75%

* Debt Service as a % of Revenues

Source: Comprehensive Annual Financial Reports and Operating Budgets for local jurisdictions

Response to Questions on the FY 2014 Budget

Request By: Supervisor McKay

Question: Provide comparative data on full compensation for FCPS employees.

Response: The following response was prepared by Fairfax County Public Schools (FCPS):

FY 2014

BUDGET INFORMATION FORM

School Board Member Requesting Information: Megan McLaughlin

Answer Prepared By: Susan Quinn

Date Prepared: January 31, 2013

Question:

Please provide a salary and benefit comparison for surrounding jurisdictions.

Response:

Attached is a chart that compares the salary and benefits for a mid-career teacher for the jurisdictions that participate in the Washington Area Boards of Education (WABE) Guide. For each jurisdiction, the salary of a teacher with a master's degree step 9 is used for the comparison. Then the benefits paid by the jurisdiction on behalf of that teacher position are calculated. For health insurance, family coverage was selected. The chart below shows that FCPS ranks 6th in the region (out of 10 schools) for total compensation (salary and benefits) and 7th for salary alone. Details for each jurisdiction follow.

Overall Summary				
District	Total Comp. (Salaries & Benefits)	Rank Order for Total Comp.	Salary MA Step 9	Rank Order for Salaries
FCPS	\$88,657	6	\$58,303	7
Alexandria	\$104,651	1	\$70,808	2
Arlington	\$100,646	2	\$71,982	1
Falls Church	\$90,992	4	\$62,388	5
Loudoun	\$83,478	8	\$54,040	10
Manassas City	\$78,516	10	\$54,197	9
Manassas Park	\$81,018	9	\$55,758	8
Montgomery	\$96,629	3	\$67,723	3
Prince George's	\$89,070	5	\$63,020	4
Prince William	\$86,276	7	\$58,895	6

Jurisdiction	FCPS		Alexandria		Arlington		Falls Church		Loudoun	
	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary
Salary - Masters, Step 9		\$58,303		\$70,808		\$71,982		\$62,388		\$54,040
Benefits										
Social Security	7.65%	\$4,460	7.65%	\$5,417	7.65%	\$5,507	7.65%	\$4,773	7.65%	\$4,134
Retirement - Employer (ER) Rate	11.66%	\$6,798	11.66%	\$8,256	11.66%	\$8,393	11.66%	\$7,274	11.66%	\$6,301
Retirement - Employee Rate Paid by ER	3.00%	\$4,749	0.00%	\$0	0.00%	\$0	4.00%	\$2,496	4.00%	\$2,162
Retiree Health Care Credit	1.11%	\$647	1.11%	\$786	1.11%	\$799	1.11%	\$693	1.11%	\$600
Supplemental Retirement	5.34%	\$3,113	0.00%	\$0	0.40%	\$288	0.00%	\$0	0.00%	\$0
Life Insurance	0.87%	\$507	0.48%	\$340	1.19%	\$857	1.19%	\$742	1.19%	\$643
Health Insurance - PPO Family		\$12,273		\$18,283		\$12,267		\$12,626		\$14,532
Dental - DPPO Family		\$806		\$761		\$554		\$0		\$1,066
Total Benefits		\$30,354		\$33,843		\$28,664		\$28,604		\$29,438
Benefits Percent of Salary		52.1%		47.8%		39.8%		45.8%		54.5%
Compensation Total		\$88,657		\$104,651		\$100,646		\$90,992		\$83,478

Does not include all benefits options.

Jurisdiction	Manassas City		Manassas Park		Montgomery		Prince George's		Prince William	
	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary	Percent for WABE Mid Teacher Salary	Employer Cost Using Midpoint Salary
Salary - Masters, Step 9		\$54,197		\$55,758		\$67,723		\$63,020		\$58,895
Benefits										
Social Security	7.65%	\$4,146	7.65%	\$4,265	7.65%	\$5,181	7.65%	\$4,821	7.65%	\$4,505
Retirement - Employer (ER) Rate	11.66%	\$6,319	11.66%	\$6,501	13.29%	\$9,000	13.29%	\$8,375	11.66%	\$6,867
Retirement - Employee Rate Paid by ER	4.00%	\$2,168	4.00%	\$2,250	0.00%	\$0	0.00%	\$0	4.00%	\$2,356
Retiree Health Care Credit	1.11%	\$602	1.11%	\$619	0.00%	\$0	0.00%	\$0	1.11%	\$654
Supplemental Retirement	0.00%	\$0	0.00%	\$0	5.42%	\$3,671	0.00%	\$0	0.76%	\$448
Life Insurance	0.48%	\$260	1.19%	\$664	0.05%	\$32	1.62%	\$1,021	1.19%	\$701
Health Insurance - PPO Family		\$10,824		\$10,980		\$10,281		\$10,365		\$11,850
Dental - DPPO Family		\$0		\$0		\$741		\$1,468		\$0
Total Benefits		\$24,319		\$25,260		\$28,906		\$26,050		\$27,381
Benefits Percent of Salary		44.9%		45.3%		42.7%		41.3%		46.5%
Compensation Total		\$78,516		\$81,018		\$96,629		\$89,070		\$86,276

Does not include all benefits options.