



2016 LOB Presentation Meeting Recap

Tuesday, May 10, 2016

Board Members Present:

Jeff McKay, Lee District, Budget Committee Chair
Sharon Bulova, Chairman
Penelope Gross, Mason District, Vice Chairman
John Cook, Braddock District
John Foust, Dranesville District
Pat Herrity, Springfield District
Catherine Hudgins, Hunter Mill District
Kathy Smith, Sully District
Linda Smyth, Providence District
Daniel Storck, Mount Vernon District

Human Rights and Equity Programs (Ken Saunders, Michael Simms, Mair McCafferty, Bonnie Freeman)

<http://www.fairfaxcounty.gov/dmb/lob/2016/g3939-ppt.pdf>

- Succession planning and tenure with the office discussed given niche expertise needed.
- Composition of the student Human Rights Committee in terms of race, gender, etc was discussed.
- Frequency of mandatory training refreshes discussed.
 - ? Supervisors Gross and McKay – Provide a list of staff training opportunities sponsored by the office of Human Rights and Equity Programs (OHREP).
- Reimbursement for activities shown on slide 11 discussed.

Compensation (Christina Jackson, Phil Hagen, Cathy Spage, John Clough, Jeff Weiler)

<http://www.fairfaxcounty.gov/dmb/lob/2016/g3939-ppt.pdf>

- ? Supervisor Foust – Provide information on the accounting changes impacting the data shown on slide 3 showing the change in General Fund employee compensation and retiree health cost from FY 2007 to FY 2017.
- ? Supervisor Smyth – Provide a list of overtime costs by agency.
- Adjustments for retirees discussed.
 - ? Supervisor Foust – Provide what COLA and step increases have been over the last ten years for Federal employees and retirees.
- Discussion took place regarding compensation comparisons which are typically made to other governments.
 - Staff indicated that some private comparators are used.
 - Compensation studies are also purchased to compare compensation.
- ? Supervisor Smyth – Update the average annual salary data shown on slide 32 to include overtime and stipends.
- ? Supervisor Herrity - At what point will the County have more people in the retired category versus the active employee category and what is the impact?
 - Police Officers Retirement System almost there.
- ? Supervisor Foust – Add other fund costs to slide 39 for more comprehensive picture of retirement costs.
- ? Chairman Bulova – Compare retirement income for similar employees in the Virginia Retirement System and the FCPS Supplemental Retirement System versus the County's Employees' Retirement System.
- ⓘ Importance of Personnel Committee reviewing the Deferred Retirement Option Program (DROP) highlighted again, including issues such as:
 - Original goals and impact on succession planning
 - How many people have enrolled since the program's inception

- Interest paid on retiree deposits relative to portfolio earnings over the long term and currently
- Who/how many are eligible to enter DROP in the near term?
- **?** Supervisor Herrity - Describe the basic components of the FCPS Supplemental Retirement System.
- **?** Supervisor Smyth – How many jurisdictions offer pre-Social Security Supplements to their retirees and what are the associated costs compared to Fairfax County's program?
- ⌚ Hoover Institute study was discussed and a request was made for staff to review given mention of Fairfax County.
- **?** Supervisor Foust – Describe the different health care options available to retirees, including Medicare.
- Cost of specialty drugs mentioned as major cost driver for the County.
- ⌚ Provide information on design of health plan and options to address increasing costs.
- ⌚ Premium subsidies should be considered as ways to shift more people to co-insurance plans are explored.
 - Significant issue because employer share is considered by employees to be a core benefit.
- Uncertainty regarding Affordable Health care Act and Cadillac tax discussed.
 - ⌚ Legislative – given high cost of area must keep advocacy part of our legislative package.
- Benchmark slides were complimented.
- ⌚ Desire for total picture of benefits as percentage of compensation expressed and how the County differs from private sector and other jurisdictions.
- Hearing from agency directors that the county is low on salary and high on benefits which is hurting in terms of recruitment.
 - ⌚ Need to look at pensions and health care strategy long term.
 - Consider more equal sharing of premium increases between the employer and the employee.
 - Suggested rebalancing benefits and use comparators. Give people opportunity to choose pay over benefits, portability, etc.
- **?** Supervisor Cook- What are typical payouts for leave when people separate from County employment.
- Previous study confirmed that defined benefit plan works for the County.
 - Supervisor Smyth suggested that should reconsider since other jurisdictions have changed and may help to limit liability.
- **?** Supervisor Gross – Describe how Volunteer Leave been used since it was added for County employees.
- **?** Supervisor Gross - How does the County compare to other jurisdictions with respect to leave policies?