



## Response to Questions on the 2016 LOBs

**Request By:** Supervisor Cook

**Relevant LOB(s):** LOB #358

**Question:** Please provide a summary of the current financial terms associated with the Covanta contract.

**Response:**

The Original Service Agreement between Covanta (Formerly Ogden Martin Systems) and Fairfax County was executed in FY 1988 for construction and operation of the waste-to-energy facility. The facility opened in FY 1991 and operated under terms of the original agreement for 20 years. Once the bonds were paid off, the original agreement was extended for another 5 years and the savings realized from the prior debt service were set aside for future rate stabilization needs in Fund 40160, Energy/Resource Recovery Facility (ERRF) totaling approximately \$53.9 million since FY 2011. Under this service agreement, the County participated in the facility's operation by paying the tip fee which was calculated as the cost of the debt service, operation and maintenance costs, and other approved pass through costs that were reduced by a share of electrical and metal revenue. On February 1, 2016, the facility converted to a merchant plant, wholly owned by Covanta, per the original service agreement. To meet the solid waste needs of Fairfax County, a new Waste Disposal Agreement (WDA) was negotiated with Covanta meeting the following Board objectives:

- Minimize environmental impact;
- Provide economic flow control and below market disposal pricing;
- Provide flexibility for recycling, changing waste streams, new technologies; and,
- Provide a reliable waste disposal solution.

The terms of the WDA met these objectives and included the following provisions:

- 5-year term with 2 potential mutual 5-year renewals;
- Fixed price, below market pricing, subject to escalation;
- Limits uncontrollable cost risks;
- Receipt of host community fee (merchant fee); and,
- Minimal customer impact.

The following table summarizes the Covanta Agreement, including the terms under the signed service agreement, during the 5-year extension and under the new Waste Disposal Agreement.



**Solid Waste Management Program**  
**Covanta Agreement Financial Analysis - February 1, 2016**

	<b>Original Service Agreement FY 2010 (Actual)</b>	<b>5-Year Extension of Service Agreement FY 2015 (Actual)</b>	<b>Waste Disposal Agreement FY 2017 (Est.)</b>
Total Tons Delivered to Covanta <sup>1</sup>	966,703	943,089	650,000
Cost per ton for waste delivered to Covanta <sup>2</sup>	\$36.67	\$17.66	\$28.70
Net Debt Service (Bonds)	\$22,532,050	\$0	\$0
Operations and Maintenance Costs (O&M)	\$26,385,797	\$29,355,887	\$0
Approved Pass Through Costs (APTC)	\$8,399,991	\$10,071,542	\$0
Less: Electrical Revenue	(\$20,875,238)	(\$21,003,795)	\$0
Less: Metal Revenue	(\$997,004)	(\$1,767,424)	\$0
<b>Total Cost to Dispose at Covanta</b>	<b>\$35,445,596</b>	<b>\$16,656,210</b>	<b>\$18,655,000</b>
<b>Other County Revenues from Covanta Deal</b>			
Merchant Fee - \$2.08/ton @400,000 tons <sup>3</sup>	\$0	\$0	\$832,000
Road Maintenance Fees for Landfill Access <sup>4</sup>			\$25,000
Ash Disposal Fee (24% of tons X \$25.50 Rate) <sup>5</sup>			\$2,448,000
Ash Hauling Fee (\$1.50 ton) <sup>6</sup>			\$1,575,000
<b>Total Revenues</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,880,000</b>
<b>Net Cost of Covanta Disposal</b>	<b>\$35,445,596</b>	<b>\$16,656,210</b>	<b>\$13,775,000</b>

**Footnotes:**

<sup>1</sup> Tons used as the basis of Waste Disposal Agreement annual delivery amount. The County meets the contract terms plus or minus 5 percent of the 650,000 tons.

<sup>2</sup> For FY 2017 the cost per ton is estimated because the indices used in the calculation are not available until May-June of 2016. However, the rate is approximately 27.8 percent lower than the rate charged the County in FY 2010.

<sup>3</sup> Covanta agreed to pay a merchant fee for each ton of waste (other than the County's) that is delivered to the facility. Based on an estimated total of 1,050,000 tons, of which 650,000 is Fairfax County, the calculation would be 400,000 tons times the \$2.08 per ton fee resulting in \$832,000 in revenue.

<sup>4</sup> Under the WDA, Covanta agreed to share in road maintenance expenses for the Landfill Access Road. The actual share will be based upon the amount of merchant waste tons delivered to the facility. \$25,000 or more would be a reasonable charge to Covanta for annual maintenance.

<sup>5</sup> Covanta agreed to bring its ash to the County's Landfill at the current disposal rate of \$25.50 per ton. The ash resulting from processing has been 23-24 percent of the total waste tons delivered to the facility. The calculation would be 24 percent of the total ash tons minus the County ash tons (1,050,000 tons minus 650,000) @ \$25.50 per ton.

<sup>6</sup> Covanta agreed for the County to transport all the ash generated by Covanta regardless of source from the facility to the County's landfill. The calculation is based upon 1,050,000 tons of waste delivered @ \$1.50 per ton.



## Response to Questions on the 2016 LOBs

**Request By:** Supervisor Gross

**Relevant LOB(s):** NA

**Question:** Please provide a comparison of functions and funding sources between the Circuit Court and the General District Court.

**Response:**

### Circuit Court and Records

#### Budget and Staff Resources

Category	FY 2014 Actual	FY 2015 Adopted	FY 2015 Revised	FY 2016 Advertised	FY 2016 Adopted
<b>FUNDING</b>					
<b>Expenditures:</b>					
Personnel Services	\$8,586,106	\$8,657,225	\$8,508,939	\$8,829,340	\$8,851,819
Operating Expenses	1,940,357	1,998,576	2,100,290	1,985,826	1,985,826
Capital Equipment	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$10,526,463</b>	<b>\$10,655,801</b>	<b>\$10,609,229</b>	<b>\$10,815,166</b>	<b>\$10,837,645</b>
<b>Income:</b>					
Land Transfer Fees	\$23,663	\$27,650	\$23,663	\$23,663	\$23,663
Courthouse Maintenance Fees	32,475	34,664	32,475	32,475	32,475
Circuit Court Fines and Penalties	166,319	140,533	166,319	166,319	166,319
Copy Machine Revenue	77,189	71,436	71,436	71,436	71,436
County Clerk Fees	4,584,944	5,979,269	4,258,254	4,258,254	4,258,254
City of Fairfax Contract	184,861	184,861	205,017	196,170	196,170
Recovered Costs - Circuit Court	46	200	200	200	200
CPAN	326,806	327,300	331,840	333,500	333,500
State Shared Retirement - Circuit Court	172,722	176,465	176,465	176,465	176,465
<b>Total Income</b>	<b>\$5,569,025</b>	<b>\$6,942,378</b>	<b>\$5,265,669</b>	<b>\$5,258,482</b>	<b>\$5,258,482</b>
<b>NET COST TO THE COUNTY</b>	<b>\$4,957,438</b>	<b>\$3,713,423</b>	<b>\$5,343,560</b>	<b>\$5,556,684</b>	<b>\$5,579,163</b>
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	139 / 139	139 / 139	139 / 139	139 / 139	139 / 139
Exempt	24 / 24	24 / 24	24 / 24	24 / 24	24 / 24
State	15 / 15	15 / 15	15 / 15	15 / 15	15 / 15

The Fairfax Circuit Court is a Virginia “court of record” and has jurisdiction over Fairfax’s Criminal and Civil cases, as well as appellate review over several lower courts and tribunals. Fifteen judges constitute a full complement of the Circuit bench, and the county Clerk’s Office supports these judges as they hear the over 25,000 new civil and criminal cases taken in each year. The Circuit Court also has original jurisdiction over other matters such as attachments, adoptions, divorce proceedings, disputes concerning wills, trusts and estates, election recounts, eminent domain and controversies involving personal and real property. FY 2016 funding of \$10,837,645 is



provided by the County for 139 Regular Merit and 24 exempt positions. The 15 State positions reflect the Judges and are funded by the Commonwealth of Virginia. The Circuit Court does not receive Grant funding.

As a court of record, the Circuit Court has jurisdiction over appeals from the General District Court (GDC). Because all appeals from these lower courts are heard *de novo*, the cases are tried from the beginning; a new hearing on the facts of the case. And, as opposed to lower courts, the parties in Circuit Court have a right to a jury trial. Citizens also can seek judicial review of administrative agency decisions in Circuit Court, and the Court hears appeals from the Board of Zoning Appeals, the Virginia Employment Commission and even the Department of Motor Vehicles (DMV). In criminal cases, the Circuit Court has original jurisdiction over the trial of all felonies (crimes that are punishable by more than one year in prison.) The Circuit Court also has jurisdiction over misdemeanor offenses (crimes carrying a penalty of 12 months or less) that are appealed from the GDC and real property. As the recorder of deeds and custodian of the public record, the Clerk of Circuit Court maintains the record of all transactions and transfers effecting real estate in Fairfax, like deeds, trusts, releases, easements, liens, and all judgments. Because Virginia offers “administrative probate” the Circuit Court Clerk’s Office also serves a quasi-judicial function, probating wills and administering estates.

## General District Court

### Budget and Staff Resources<sup>1</sup>

Category	FY 2014 Actual	FY 2015 Adopted	FY 2015 Revised	FY 2016 Advertised	FY 2016 Adopted
<b>FUNDING</b>					
<b>Expenditures:</b>					
Personnel Services	\$1,232,931	\$1,274,759	\$1,262,011	\$1,316,933	\$1,471,873
Operating Expenses	854,539	961,772	1,070,927	898,972	898,972
Capital Equipment	0	0	0	0	0
<b>Total Expenditures</b>	<b>\$2,087,470</b>	<b>\$2,236,531</b>	<b>\$2,332,938</b>	<b>\$2,215,905</b>	<b>\$2,370,845</b>
<b>Income:</b>					
Courthouse Maintenance Fees	\$407,791	\$419,439	\$407,791	\$407,791	\$407,791
General District Court Fines/Interest	127,574	96,000	127,574	127,574	127,574
General District Court Fines	7,875,886	8,307,930	7,088,297	7,088,297	7,088,297
Recovered Costs - General District Court	106,418	125,275	106,418	106,418	106,418
State Reimbursement - General District Court	98,173	85,265	85,265	85,265	85,265
<b>Total Income</b>	<b>\$8,615,842</b>	<b>\$9,033,909</b>	<b>\$7,815,345</b>	<b>\$7,815,345</b>	<b>\$7,815,345</b>
<b>NET COST TO THE COUNTY</b>	<b>(\$6,528,372)</b>	<b>(\$6,797,378)</b>	<b>(\$5,482,407)</b>	<b>(\$5,599,440)</b>	<b>(\$5,444,500)</b>
<b>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</b>					
Regular	21 / 21	21 / 21	21 / 21	21 / 21	23 / 23
State	94 / 91.1	94 / 91.1	94 / 91.1	94 / 91.1	94 / 91.1

<sup>1</sup> It should be noted that Personnel Services-related costs for state positions are funded by the State; however, the County does provide partial Operating Expenses and Capital Equipment support for these positions. In addition to what is reflected in this table, it should be noted that the General District Court has an additional 8/8.0 FTE Grant Positions and FY 16 funding of \$751,907 in Fund 50000, Federal-State Grants.



The General District Court (GDC) operates under the administrative guidance of the Office of the Executive Secretary of the Supreme Court of Virginia and the Committee on District Courts. It is responsible for the administration of justice for Traffic, Criminal and Small Claims cases, providing equal access for the fair and timely resolution of court cases. It advocates public safety through cost-saving community supervision programs in lieu of incarceration and manages county resources and assets. The state Clerk's Office provides extensive public service to citizens, provides judicial support, performs case management, and collects local revenue.

GDC operations include the County-supported Court Services Division (CSD) and the state Clerk's Office. FY 2016 funding of \$2,370,845 is provided by the County to support 23 regular merit positions in the CSD and operating expenditures for both the CSD and for the 91 State employees in the state Clerk's Office and Judges, whose salaries are funded by the Commonwealth of Virginia. In addition, an amount of \$751,907 supporting 8 Grant positions is funded by a Virginia Department of Criminal Justice Services award.

Very recently, the court received an additional federal grant which will support 1.5 Grant positions to support the Fairfax Veterans Treatment Docket. Federal funding is \$350,000 with a County cash match of \$116,667 for the three-year federal grant period. This will be reflected in future year budget documents.

The General District Court judicial and clerical staff comprise the Civil Division, Criminal Division, Traffic Division, and Administration who handle over 300,000 cases per year and operate 11-12 courtrooms daily. The GDC has exclusive authority to hear civil cases with claims of \$4,500 or less (Small Claims) and shares authority with the Circuit Court to hear cases with claims between \$4,500 and \$25,000. Examples of civil cases are landlord and tenant disputes, contract disputes and personal injury actions. Other Civil cases include protective orders, mental health admission, and emergency medical authorizations. The GDC hears criminal misdemeanors and holds preliminary hearings on felony charges. If certified as a felony, the case is forwarded to the Circuit Court, while misdemeanors are tried at the General District Court level. Traffic cases range from traffic infractions, contested parking matters, and toll violations to Hit and Run, Driving on Suspended license and Driving While Intoxicated charges. All General District appeals are elevated to the Circuit Court.

The state Clerk's Office provide extensive public service to an estimated 250,000 citizens and operate over 20 public service counters in three locations, Fairfax, Herndon, and Vienna. A primary function of the state Clerk's Office is to collect revenue for the County, including for the Sheriff, Police, and Law Library. They also collect revenue for toll entities such as Washington Metropolitan Airport Transit Authority and Hot Lanes operator Transurban. A total of \$11 million is collected in revenue including approximately \$8 million for Fairfax County General Fund receipts.



The CSD collects and provides information on incarcerated defendants to assist judges and magistrates with release decisions, evaluates inmates for Pre-trial supervision or detention, and provides record checks to Police, Judges, Magistrates, Probation Officers, and other County agencies and courts. The CSD provides intensive pre-trial supervision for GDC, Juvenile and Domestic Relations District Court, and Circuit Court. Post-trial supervision (probation) is also a key component of community supervision and operates alcohol diversion and driving on suspended license programs, and manages restitution and court cost collection and monitoring. Community supervision allows inmates to be supervised outside of the Adult Detention Center, creating an estimated cost-savings of \$6 million in FY 2015 as fewer inmates were housed in the Adult Detention Center. The CSD also manages appointment of legal counsel to indigent defendants and assigns foreign language interpreters to non-English speaking court participants, as well as a volunteer program that engages citizens.





## Response to Questions on the 2016 LOBs

**Request By:** Supervisor Herrity

**Relevant LOB(s):** NA

**Question:** Where is the County relative to the 10% goal for park acreage both with and without other partners?

**Response:**

The Fairfax County Park Authority currently owns 9.0 percent of the 260,322 acres in Fairfax County. Including partner organizations, total parkland in the County is 15.7 percent of total land mass.

**Fairfax County Park Acreage<sup>1</sup>**

Partner Organizations	Acreage	% Fairfax County Acreage
<b>Fairfax County Park Authority</b>	<b>23,354</b>	<b>9.0%</b>
<b>Partners</b>	<b>17,406</b>	<b>6.7%</b>
Fairfax City	306	
Town of Herndon	105	
Town of Vienna	157	
Commonwealth of Virginia	2,381	
Northern Virginia Regional Park Authority	8,545	
National Park Service	2,920	
Bureau of Land Management	802	
U.S. Wildlife and Fisheries (Mason Neck)	1,484	
Northern Virginia Conservation Land Trust	707	
<b>TOTAL PARK ACREAGE</b>	<b>40,760</b>	<b>15.7%</b>

<sup>1</sup> Details may not add due to rounding.