



County of Fairfax, Virginia

MEMORANDUM

DATE: April 15, 2015
TO: Board of Supervisors
FROM: Susan W. Datta, Chief Financial Officer
SUBJECT: Responses to FY 2016 BOS Budget Questions – Package 5

Attached for your review is Package 5 of responses to Board questions on the FY 2016 budget. If you have any questions or need additional information, please contact Joe Mondoro.

The following responses are included in this package:

Question Number	Question	Supervisor	Pages
	<i>Questions 1-15 answered in Package 1 dated March 11, 2015</i>		<i>1-36</i>
	<i>Questions 16-24 answered in Package 2 dated March 26, 2015</i>		<i>37-67</i>
	<i>Questions 25-37 answered in Package 3 dated April 7, 2015</i>		<i>68-85</i>
	<i>Questions 38-48 answered in Package 4 dated April 13, 2015</i>		<i>86-105</i>
49	Please provide the General Fund costs associated with increasing the Market Rate Adjustment to various amounts, including the full 1.68% adjustment.	Cook	106
50	What did the County spend on non-local (outside the DC area) travel and training last year?	Smyth	107
51	What are the alternatives and how will issues be addressed if the proposed reduction to reduce one service director position and restructure staff within jail-based behavioral health services at the Adult Detention Center (ADC) is not restored?	Hyland	108
52	Provide details on why Fairfax County self-imposed a tax exemption moratorium. Does the City of Fairfax have a Consolidated Community Funding Pool Program in addition to the tax exemption program that provides relief to the Brain Foundation's three group homes there?	Bulova	109-110
53	Provide details on Loudoun County's tax exemption program for nonprofits.	Herrity	111-116
54	Please provide a list of environmental initiatives that the County supports.	Gross	117-120
55	Please provide comparative data on Sheriff's compensation in surrounding jurisdictions.	Bulova	121-122
56	Please provide details on how pay equity for the Sheriff could be achieved with cost neutrality.	McKay	123
57	Please provide a summary of the Legal Services Contract for Persons with Disabilities program, including a discussion of any revenue that would reduce the net cost of the reduction	Bulova	124

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County of Fairfax, Virginia

MEMORANDUM

58	In prior years, additional funding has been available at mark-up for restorations and adjustments by reducing the estimated increase in health insurance premiums. Is it appropriate to reduce the projected 10 percent increase for health insurance plans in the <u>FY 2016 Advertised Budget Plan</u> and make any savings available for restorations and adjustments?	Foust	125-126
59	What is the year-by-year annual FCPS expenditure for outside legal counsel over the last five years? How many hours of legal work were billed by outside counsel in each of those years?	Cook	127
60	Please provide an update on the current gap between the Schools Operating transfer request and the transfer funded in the County's Advertised Budget, reconciling back to the initial \$14 million differential.	Herrity	128-129

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 2016 Budget

Request By: Supervisor Cook

Question: Please provide the General Fund costs associated with increasing the Market Rate Adjustment to various amounts, including the full 1.68% adjustment.

Response: Funding of \$9,461,439 would be required to fully fund the 1.68% Market Rate Adjustment (MRA) for all County employees. The MRA is calculated using a formula approved by the Board of Supervisors and provides a guide to the pay structure adjustment necessary to keep County pay rates competitive with the market. Funding for half of the calculated MRA, or 0.84%, was included in the FY 2016 Advertised Budget Plan.

The General Fund costs associated with increasing the MRA to various amounts, including the full 1.68% adjustment, are outlined below.

Market Rate Adjustment	Increase over 0.84% included in Advertised	General Fund Impact
1.00%	0.16%	\$1.80 million
1.10%	0.26%	\$2.93 million
1.25%	0.41%	\$4.62 million
1.30%	0.46%	\$5.18 million
1.50%	0.66%	\$7.43 million
1.68%	0.84%	\$9.46 million

Response to Questions on the FY 2016 Budget

Request By: Supervisor Smyth

Question: What did the County spend on non-local (outside the DC area) travel and training last year?

Response: Please find below a listing of FY 2014 General Fund spending by agency on non-local conferences, travel and training.

Agency	FY 2014
Board of Supervisors	\$10,816
County Executive ¹	\$40,982
Department of Cable and Consumer Services	\$15,560
Department of Finance	\$5,676
Facilities Management Department	\$224
Department of Purchasing and Supply Management	\$7,991
Office of Elections	\$14,950
Office of the County Attorney	\$8,326
Department of Management and Budget	\$2,370
Capital Facilities	\$1,725
Land Development Services	\$7,144
Planning Commission	\$1,475
Department of Transportation	\$30,267
Fairfax County Public Library	\$1,264
Department of Tax Administration	\$46,645
Department of Information Technology	\$48,646
Department of Neighborhood and Community Services	\$8,484
Circuit Court and Records	\$79,990
Office of the Commonwealth's Attorney	\$1,047
General District Court	\$17,351
Office of Emergency Management	\$21,489
Department of Code Compliance	\$1,863
Department of Housing and Community Development	\$26,262
Fairfax County Park Authority	\$2,269
Office of Human Rights and Equity Programs	\$3,822
Economic Development Authority	\$102,798
General Fund Total	\$509,436

¹ The Office of the County Executive includes the Office of Public Private Partnerships, Office of Internal Audit, Office of Community Revitalization, and Administration of County Policy.

It should be noted that travel pertaining to legislative functions (primarily in the Office of the County Executive) as well as travel associated with extraditions and long distance inmate transportation (Office of the Sheriff) have been removed from the above total.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Hyland

Question: What are the alternatives and how will issues be addressed if the proposed reduction to reduce one service director position and restructure staff within jail-based behavioral health services at the Adult Detention Center (ADC) is not restored?

Response: The Fairfax-Falls Church Community Services Board (CSB) Service Director position proposed for reduction is responsible for developing, servicing and administering a program of behavioral health services for incarcerated individuals and their families, as well as serving as CSB's liaison to the Sheriff's Department, courts, attorneys, state hospitals and family members. If the position is eliminated, the on-site management and supervision responsibilities would likely be absorbed by remaining staff. This could reduce responsiveness to complicated, sensitive clinical and legal issues.

At present, there is also a Mental Health Manager and two supervisory positions that provide administrative oversight for CSB staff at the ADC. As services in the ADC are not mandated, it would be difficult for the CSB to eliminate other mandated services to replace the proposed reduction. The CSB agrees with the testimony of the CSB Board, as well as other stakeholders, which seeks the restoration of this item. Should this item be restored, the CSB would recommend reclassifying the Service Director position as a direct service position to provide increased discharge/release planning and diversion services. Appropriate discharge/release planning has been shown to be an effective intervention to reduce recidivism in the criminal justice system. Currently, there is not a dedicated staff person responsible for these services, as those services are a part of the array of services provided by CSB staff at the ADC.

Reclassifying a vacant MH/ID/ADS Senior Clinician to a Mental Health Therapist reclassification will result in a cost savings to the County. Although this reduces capacity to engage individuals early in their incarceration, it allows the CSB to have an additional position that will focus efforts on discharge/release planning for those individuals with mental health and substance abuse issues leaving the ADC.

Response to Questions on the FY 2016 Budget

Request By: Chairman Bulova

Question: Provide details on why Fairfax County self-imposed a tax exemption moratorium. Does the City of Fairfax have a Consolidated Community Funding Pool Program in addition to the tax exemption program that provides an exemption to the Brain Foundation's three group homes there?

Response: Prior to 2003, local tax exemption designations for non-profit entities were granted by the Virginia General Assembly upon recommendation by the local governing body. This was changed by an amendment to the Virginia Constitution as of January 1, 2003, at which time the authority to grant local tax exemptions, pursuant to enabling statutes, was delegated solely to the local governing body. The enabling legislation found in the *Code of Virginia*, §58.1-3651 states "...any county, city, or town may by designation or classification exempt from real or personal property taxes, or both, by ordinance adopted by a local governing body, the real or personal property, or both, owned by a nonprofit organization that uses such property for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes." Any ordinance exempting property must be preceded by advertisement and a public hearing.

Because of the potential significant fiscal impact, the frequency of applications and the declining economy, the Fairfax County Board established a self-imposed moratorium in the mid-1990s on tax exemption of nonprofit organization by designation. The economic dynamics have not changed much from when the moratorium was last revisited in 2011. At that time, the Board once again chose not to resume a tax exemption program by designation.

The exemption process for certain entities continues to this day and is unaffected by the local moratorium. These exemptions pertain to entities that, by virtue of their classification, are automatically exempt following an administrative review by the Department of Tax Administration. Examples of these exemptions include all levels of government owned property; property owned by churches used for worship; and, disabled veterans. These types of entities do not need to seek a local designation from the Board in order to obtain future exemptions.

For perspective, approximately 5.6 percent of the County's real estate value is exempt as being property owned by federal, state, regional or local government. Another 1.3 percent of non-governmental property is also exempt. The non-governmental property exemptions result in unrealized real estate tax revenue totaling approximately \$35 million, the largest percentage of which stems from church-owned property. Of the \$35 million, approximately \$9.3 million is associated with more than 500 charitable, non-profit organizations that were exempted prior to the 2003 amendment to the Virginia Constitution. The charitable, non-profit organizations that are already exempt are grandfathered by statute and continue to remain exempt. New exemption applications would have to first receive a local designation from the Board pursuant to the adoption of an ordinance. It is this latter process that is held in abeyance by the self-imposed moratorium.

In addition, since FY 1997, Fairfax County has provided significant funding to many non-profit organizations that serve our community through the Community Funding Pool (CCFP). In FY 2016, the CCFP will provide \$12.5 million to County nonprofits. The City of Fairfax does not have a program similar to the County's Community Funding Pool.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Herrity

Question: Provide details on Loudoun County's tax exemption program for nonprofit organizations.

Response: Loudoun County provides real and personal property tax exemption to non-profit organizations by classification and considers exemption by other non-profits by designation. Determinations of property tax exemption by classification are made by the Commissioner of the Revenue, a prime example being church-owned property used for worship. This same process is administered by DTA in Fairfax County, as governed by the Code of Virginia.

Like all Virginia localities, Loudoun County is also subject to the January 1, 2003 amendment to the Virginia Constitution. Since 2003, charitable, non-profit organizations, that are not otherwise automatically exempt by classification, can only be exempted by local designation by the governing body pursuant to adoption of a local ordinance. Similar to Fairfax County, Loudoun County has been operating on a self-imposed moratorium for new exemption applications from charitable, non-profit organizations. Their self-imposed moratorium has been in effect since October 2008.

However, in December 2013, the Loudoun County Board of Supervisors lifted their self-imposed moratorium and Loudoun is now accepting new applications to consider for local exemption designations. Non-profit organizations that do not qualify for exemption by classification may seek property tax exemption by designation by completing an application that is first considered by the Board's Finance/Government Services and Operations Committee (FGSO). The FGSO committee's recommendations for property tax exemptions are then provided to the full Board of Supervisors for consideration. Loudoun County's application for non-profit property tax exemption is attached.

Since lifting the moratorium, Loudoun approved approximately 20 exemption applications in 2014, and approximately 9 applications have been received for consideration in 2015.

LEESBURG OFFICE

1 Harrison St. SE 1ST Floor
Leesburg, VA 20175-3102

**Robert S. Wertz, Jr.
Commissioner of the Revenue**

Mailing Address: PO Box 8000
Leesburg, VA 20177-9804
(703) 777-0260
Email: cor@loudoun.gov

STERLING OFFICE

21641 Ridgetop Cir. Ste 100
Sterling, VA 20166-6597

2015 APPLICATION FOR EXEMPTION FROM PROPERTY TAXATION

Filing Deadline: APRIL 1, 2015

Any exemption, if granted, is for the subsequent tax year

This application is for use by nonprofit organizations seeking exemption from taxes on property used for religious, charitable, patriotic, historical, benevolent, cultural, or public park and playground purposes only. The application and supporting documents are considered public information and will be made available for public review during the application process. Please complete the application in its entirety and mail it to the Commissioner of the Revenue's Leesburg address. A letter acknowledging receipt will be mailed to the organization within ten business days of receipt of the application. Questions that cannot be answered within the space provided may be answered by attaching additional sheets to this application. Failure to answer all questions and/or provide required documentation may result in a delay in processing the application. The application must be signed by a duly authorized officer, director or member who is knowledgeable as to the organization's activities and operations, and who can attest to the accuracy of the information provided. A written notification of determination will be mailed to the applicant after the application and all supporting documentation have been reviewed.

Applications from nonprofit organizations that are not eligible for property tax exemption by classification pursuant to § 58.1-3600 et seq. of the *Code of Virginia* may be forwarded to the Board of Supervisors for consideration for exemption by designation. In the event that the Board of Supervisors wishes to move forward with the adoption of a resolution granting a property tax exemption by designation, a public hearing will be held to allow citizen input. The cost of publishing the notice of the hearing will be the responsibility of the applying organization. Unless and until an organization has been notified that it is exempt from property taxes, the organization is instructed to continue filing all appropriate tax documents and returns, and continue to pay all taxes in a timely fashion. Failure to file required returns may result in an assessment of penalties or loss of eligibility, if an exemption is not granted. As part of our review, it may be necessary to request and review additional records. If you have any questions regarding the application for exemption process, please call (703) 777-0260.

2015 LOUDOUN COUNTY TAX EXEMPTION APPLICATION

For Real and/or Personal Property

LEESBURG OFFICE
1 Harrison St. SE 1ST Floor
Leesburg, VA 20175-3102

Robert S. Wertz, Jr., Commissioner of the Revenue
P O Box 8000 Leesburg, VA 20177-9804
(703) 777-0260
Email: cor@loudoun.gov

STERLING OFFICE
21641 Ridgetop Cir. Ste 100
Sterling, VA 20166-6597

Organization's Name					
Organization's Federal Identification Number		_____ - _____		Date Organization Began Operations in Loudoun County	
Contact Name		Phone Number		(____) _____ - _____	
Contact Title		E-Mail Address			
Mailing Address					
Street Address or P.O. Box		City / Town		State	Zip Code
Loudoun Location					
Street Address NO P.O. Box		City / Town		State	Zip Code
1. What is the organization's purpose?					
2. Briefly describe the services provided to the residents of Loudoun County by the organization.					
3. What is the organization's federal tax designation?					
<input type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c)(4) <input type="checkbox"/> 501(c)(6) <input type="checkbox"/> 501(c)(7) <input type="checkbox"/> Other: _____					
4. Please provide a detailed list of all real estate, tangible personal property, or vehicles owned by the Organization for which a Loudoun County property tax exemption is sought.					
REAL ESTATE					
Property Identification Number (PIN)	Property Address		Date Began use of property exclusively for organization's non-profit purpose		Use of Property
Vehicle Identification Number (VIN)	Year Acquired	Purchase Price	Vehicle Year	Vehicle Make	Location where vehicle is normally garaged, docked or parked Is the vehicle exclusively used for the organization's nonprofit purpose? <input type="checkbox"/> YES <input type="checkbox"/> NO
					<input type="checkbox"/> YES <input type="checkbox"/> NO
					<input type="checkbox"/> YES <input type="checkbox"/> NO
					<input type="checkbox"/> YES <input type="checkbox"/> NO

OTHER TANGIBLE PERSONAL PROPERTY <i>(e.g., computer equipment, furniture and fixtures, etc.)</i>			
Description	Location as of January 1 st	Year Acquired	Original Cost

5. Please select the Category of Exemption requested.

<input type="checkbox"/> Church/Religious Body <input type="checkbox"/> Non-profit Cemetery <input type="checkbox"/> Library/Non-profit Institution of Learning <input type="checkbox"/> Museum <input type="checkbox"/> Young Men's Christian Association or similar religious organization <input type="checkbox"/> Park/Playground <input type="checkbox"/> Benevolent or charitable Lodge organization <input type="checkbox"/> Volunteer fire department or rescue squad <input type="checkbox"/> Society for the Prevention of Cruelty to Animals	<input type="checkbox"/> Club affiliated with the Boys Clubs of America and Girls Clubs of America <input type="checkbox"/> Boy Scouts and Girl Scouts of America <input type="checkbox"/> Home Demonstration Club/4-H Club/Future Farmers of America, Inc. <input type="checkbox"/> American National Red Cross <input type="checkbox"/> College Alumni Association or foundation <input type="checkbox"/> Farm Club Association <input type="checkbox"/> The State Future Farmers of America/Future Homemakers of America /Future Business Leaders of America <input type="checkbox"/> Auxiliaries of the Veterans of World War I
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If a specific category was selected in Question 5 above, please skip to the last page of the application and complete the Appointment of Representative statement, if applicable, and sign the application acknowledging the accuracy of the data provided and submit along with a copy of IRS Tax Exempt Status Determination Letter and a Copy of Board minutes authorizing signatory to file application on organization's behalf.

If the organization does not fit any of the categories listed in Question 5, please continue to Question 6 and complete the application in its entirety.

6. Please list salaries or other compensation, if any, received by the organization's officers, directors and Board members and three highest paid employees.

Name	Title	Annual Compensation

7. What is the dollar value of the services provided by the organization last calendar year? What was the source of funds in percentages for last calendar year for each of the following categories? A. Cash contributions, B. in-kind or material services, and C. local, D. state or E. federal funds or grants?

\$ _____ (dollar value of services provided) A. _____ % B. _____ % C. _____ % D. \$ _____ % E. _____ %

8. Does the organization have a current alcoholic beverage license for serving alcoholic beverages issued by the Virginia Alcoholic Beverage Control (ABC) Board for use on the property listed on this application?

☐ YES ☐ NO

9. Does the organization provide services exclusively to Loudoun County residents?
<input type="checkbox"/> YES <input type="checkbox"/> NO, If no, please list other localities where those residents receiving services reside:
10. Does the organization engage in any activities unrelated to the purpose for which it was established?
<input type="checkbox"/> NO <input type="checkbox"/> YES, If yes, please describe:
11. Does the organization have any rule, regulation, policy, or practice that unlawfully discriminates on the basis of religious conviction, race, color, sex, or national origin?
<input type="checkbox"/> YES <input type="checkbox"/> NO
12. Does any part of the earnings of the organization inure to the benefit of any individual?
<input type="checkbox"/> YES <input type="checkbox"/> NO
13. Is the organization involved in carrying on propaganda, or otherwise attempting to influence legislation?
<input type="checkbox"/> YES <input type="checkbox"/> NO
14. Does the organization participate or intervene in any political campaign on behalf of any candidate for public office?
<input type="checkbox"/> YES <input type="checkbox"/> NO
15. Please provide copies of the following documents along with the completed application.
a. IRS Tax Exempt Status Determination Letter
b. IRS forms 990/990T for two prior years
c. Income and Expense statements for two prior years
d. Certificate of Good Standing from the Virginia State Corporation Commission
e. Mission Statement, if any
f. Articles of Incorporation or Organization, and any amendments thereto
g. Current alcoholic beverage license issued by Virginia Alcoholic Beverage Control, if any
h. Pamphlets, brochures, weekly bulletins or any literature that describes the religious, charitable, patriotic, historical, benevolent, cultural, public park or playground purposes of the organization
i. Copy of Board minutes authorizing signatory to file application on organization's behalf
j. Statement of Justification describing the organization, its services, and why Loudoun County should consider granting it a tax exemption (<i>maximum 3 pages in length</i>)
16. Describe how funds received by the organization are used.
17. Describe how the property requested for exemption is currently used and how it will be used in the future.
18. Please provide the following fiscal impact information:
a. Total number of persons employed by the organization as of December 31, 2014.
b. Number of employees residing in Loudoun County as of December 31, 2014
c. Place of residence of other employees as of December 31, 2014
d. Average annual income (all employees) during 2014
e. Average annual income (employees residing in Loudoun County) during 2014

19. Describe the extent to which services provided by the applicant organization directly benefit Loudoun residents and businesses.			
20. If not specifically identified in the financial statements provided with this application, please state the annual amount spent by the applicant during the preceding two fiscal years for the following purposes:			
Fiscal Year Period (start and end dates):		to	
Marketing or Promotion	\$ _____		
Government Relations	\$ _____		
Fiscal Year Period (start and end dates):		to	
Marketing or Promotion	\$ _____		
Government Relations	\$ _____		

APPOINTMENT OF REPRESENTATIVE

(Not required, complete only if you wish to appoint a representative)

I hereby appoint _____ whose telephone number is _____ and mailing address is _____ to represent me during the tax exemption application process this year. I hereby give my permission to Commissioner of the Revenue employees to discuss this application with my representative and I agree to provide the necessary information should my appointed representative fail to do so.

By my signature, I willfully declare that the information provided is true, correct and complete, and I am authorized to file this form on behalf of the organization.

I acknowledge that the application and supporting documents are considered public information and will be made available for public review during the application process.

I further certify that any change in the use of any property listed in this application will result in immediate notification to the Office of the Commissioner of the Revenue since it may affect the property's tax status.

Applicant's Signature

Date

FOR OFFICE USE ONLY			
Date Received:		TOTAL Assessed Value	TOTAL Taxes
Real Estate:			
Vehicle Personal Property:			
Other Tangible Personal Property:			

Response to Questions on the FY 2016 Budget

Request By: Supervisor Gross

Question: Please provide a list of environmental initiatives that the County supports.

Response: Fairfax County government has long been proactive in its environmental stewardship and the Board of Supervisors has set the framework for the county's environmental initiatives through its vision, goals, policies and ordinances and has dedicated considerable resources to implementing these initiatives. For example, significant efforts have been made over time in the areas of air quality, land use planning and zoning, transportation, tree and open space preservation, solid waste management, recycling, energy conservation and efficiency, renewable energy and water conservation and reuse.

It should be noted that in the area of solid waste management the County continues to provide efficient and effective collection, recycling, and disposal in an environmentally responsible manner. The Solid Waste Management Program improves the quality of life for Fairfax County residents and businesses by properly managing wastes produced in the county, ensuring that:

- waste is collected according to County Code;
- materials are recycled;
- waste is disposed efficiently and economically;
- pollutants are reduced; and
- economics are considered.

The Solid Waste Management Program supports the development and implementation of a comprehensive Plan for how waste and recycling are managed in the county in compliance with federal and state regulations and permits. The program:

- exceeds the state's mandate to recycle at least 25% of the solid waste stream; (the Calendar Year 2014 recycling rate in Fairfax County was 48 percent)
- developed an innovative arrangement to build and support a waste-to-energy facility; (the new contract with Covanta Fairfax, Inc. begins February 2, 2016)
- collects waste and recycling from 44,000 homes located in sanitary districts;
- consolidates 3 collection trucks of waste delivered to the Transfer Station into one transfer trailer before transport to the waste-to-energy facility, saving energy and reducing air pollution by reducing the number of trucks on the roads;
- maintains closure oversight for 2 landfills that must meet permit standards for air, groundwater and landfill gas emissions;
- supports residents by operating 2 recycling and Disposal Centers, e-waste collection, household hazardous waste collections, yardwaste recycling, management of used tires, paper shredding events, and many other programs that benefit the environment; and
- explores innovative technologies/processes that address waste management and keep the county's integrated solid waste management system functioning well.

For more information about the Solid Waste Program, please see <http://www.fairfaxcounty.gov/living/recycling/>.

In addition, the Stormwater Management Program develops and maintains a comprehensive watershed and infrastructure management program that protects property, health and safety, enhances the quality of life and preserves and improves the environment. The Stormwater Management Program is supported by a dedicated funding source for environmental mandates such as those aimed at protecting the Chesapeake Bay and the water quality of other local jurisdictional waterways. Projects in this fund include repairs to stormwater infrastructure, measures to improve water quality such as stream stabilization, rehabilitation, safety upgrades of state regulated dams, repair and replacement of underground pipe systems, surface channels, structural flood proofing and best management practices (BMP), site retrofits and improvements. In FY 2016, the stormwater service rate will increase from \$0.0225 to \$0.0250 per \$100 of assessed real estate value and generate approximately \$56.5 million. For more information about the Stormwater Program, please see: <http://www.fairfaxcounty.gov/dpwes/stormwater>

The basis for these efforts is Fairfax County's strategic direction and commitment to achieve environmental and energy goals, including those set forth in the Board's 2004 Environmental Agenda, the 2007 Cool Counties Initiative, the 2009 Energy Policy and the County's Comprehensive Plan. County staff support environmental initiatives through several county agencies and funds. The county's actions in support of this strategic direction and commitment are documented in its FY 2015 Sustainability Initiatives report, available at www.fairfaxcounty.gov/living/environment/sustainability/.

Although the county supports environmental initiatives in the Board-adopted Environmental Excellence 20-year Vision Plan (Environmental Agenda) through several county agencies and funds including but not limited to the Capital Improvement Program (CIP), the information provided below focuses on environmental initiatives and projects that are supported through the County's Environmental Improvement Program (EIP), which funds projects identified through a collaborative and coordinated process and based on a rigorous project selection process.

As a result of this process, the FY 2016 Advertised Budget Plan includes funding of \$535,000 for environmental initiatives. The specific projects are detailed below:

- An amount of **\$150,000** is included to continue the Invasive Plant Removal Program. The Park Authority manages this volunteer program, as well as other invasive removal initiatives. These programs restore hundreds of acres of important natural areas, protect tree canopy, and reach thousands of volunteers. Currently more than 10,000 trained volunteer leaders have contributed 34,000 hours of service since the Program's inception in 2005, improving over 1,000 acres of parkland.
- An amount of **\$75,000** is included for Energy Education and Outreach initiatives. This program is intended to increase the awareness of Fairfax County residents and businesses regarding their energy consumption and to encourage them to reduce consumption. Program objectives include educating residents and businesses about home and workplace energy consumption, explaining the energy assessment (audit) process, and encouraging residents and businesses to undertake energy-savings measures.

- An amount of **\$10,000** is included for the Green Purchasing Program. This program is designed to support two interns to assist in clearly specifying environmental attributes during the County's procurement process. Fairfax County has a current inventory of over 2,400 contracts and emphasizing environmental attributes such as recycling, energy efficiency, durability and reduced toxicity during the procurement process can contribute to the purchase of green products, creating fiscal and environmental saving.
- An amount of **\$75,000** is included for the Watershed Protection and Energy Conservation Matching Grant Program. This program is intended to support the Energy Education and Outreach initiatives and promote community engagement around sustainability and conservation issues. Specifically, the Watershed Protection and Energy Conservation matching grant program would provide financial incentives to empower homeowners through their associations to implement on-the-ground sustainability projects. The initiative would build on current programs that provide technical assistance, hands-on support, outreach and education to Fairfax County homeowners and residents. Projects would improve water quality, reduce greenhouse gas emissions and conserve energy and water. The \$75,000 program funding level would include printing and materials, matching grants of \$500 - \$3,500 up to \$35,000 total for all grants and one limited term full-time position to support the program, conduct outreach and education, site assessments, inspections and other responsibilities.
- An amount of **\$95,000** is included to install Water Smart web-based irrigation controllers utilizing ET (Evapotranspiration) weather technology at 20 Park facilities that have existing irrigation systems with the opportunity to reduce energy use, water consumption and reduce environmental impacts.
- An amount of **\$105,000** is included for lighting retrofits and upgrades at Fairfax County Park Authority facilities for energy efficiency and conservation. Lighting will be upgraded to LED fixtures and lighting controls will be installed to manage operating hours more efficiently. These energy saving retrofit replacements will reduce approximately 80 percent of energy usage, improve lighting, reduce the Greenhouse gas inventory and contribute to the dark skies initiative.
- An amount of **\$25,000** is included to install a Variable Frequency Drive (VFD) at two RECenter pools. A VFD is a type of [adjustable-speed drive](#) used to control motor speed by varying motor input frequency and voltage. VFDs have been shown to increase performance in pool pumping applications. A VFD could save up to 60% or more on a pump's electricity usage. The pool pump will operate more efficiently, which will result in a cost savings to the county due to lower electricity use and reduced maintenance costs.

EIP projects were first funded as part of the FY 2004 Carryover Review (September 2004). To date, the total EIP project funding including the FY 2014 Carryover Review (September 2014) is roughly \$6.8 million. These initiatives generally support the Board of Supervisors Environmental Agenda.

The projects listed below have been supported by the county's General Fund; however other environmental projects have been supported by the Energy Efficiency and

Conservation Block Grant (as part of the American Recovery and Reinvestment Act of 2009) and by the county's Contributory Fund (the latter of which funded tree planting partnerships with three non-profit organizations). In addition, several important environmental program areas and initiatives are supported through funding sources outside of the EIP and General Fund.

Projects funded through the EIP to date include:

- Purchase of wind energy.
- Air quality education and Clean Air Partners (media sponsorship to continue public outreach to improve air quality).
- Conversion of 163 Fairfax Connector buses to ultra-low sulfur fuel and addition of particulate traps to reduce emissions.
- Community cleanup/revitalization/blight abatement projects.
- Toxicity reduction public outreach program.
- Expansion of the business recycling program.
- Pedestrian improvements in the Richmond Highway corridor.
- Riparian buffer restoration.
- Cleanup of unauthorized dumpsites.
- Park Authority stewardship education.
- GIS-data green infrastructure for park natural resource management.
- Low impact development demonstration projects.
- Park trails mapping (comprehensive mapping program to allow the Park Authority to better manage and plan the trail system).
- Invasive Management Area program.
- Landfill gas utilization project at the I-95 Landfill.
- Remote household hazardous waste collection events.
- Tree canopy campaign at county facilities.
- Energy efficiency/renewable energy at county facilities.
- Litter campaign.
- Lighting retrofits and upgrades at Fairfax County Park Authority facilities.
- Green Purchasing.
- Energy Education and Outreach.
- Water Conservation and Efficiency at Park Authority facilities.

Response to Questions on the FY 2016 Budget

Request By: Chairman Bulova

Question: Please provide comparative data on Sheriff's compensation in surrounding jurisdictions.

Response: The County's Department of Human Resources performs a market comparison for all public safety agencies on an annual basis. The most recent market study, completed in the fall of 2014, indicated that the Sheriff pay scales were competitive with the six other local jurisdictions examined. These jurisdictions include Alexandria, Arlington, Loudoun, Montgomery, Prince George's, and Prince William. Three Sheriff job classes are used as "benchmark" classes in the market comparison; these classes represent those with the best matches (based on actual job duties and responsibilities) to job classes in other jurisdictions.

	MIN	MID	MAX
Deputy Sheriff I (Grade C17-2)			
Market Average	\$45,592	\$59,860	\$74,128
Fairfax	\$47,805	\$62,838	\$77,870
Fairfax as % of Market		105%	
Deputy Sheriff II (Grade C18)			
Market Average	\$51,105	\$67,594	\$84,082
Fairfax	\$49,990	\$65,710	\$81,430
Fairfax as % of Market		97%	
Deputy Sheriff Captain (Grade C28)			
Market Average	\$75,260	\$104,239	\$133,218
Fairfax	\$73,740	\$96,928	\$120,115
Fairfax as % of Market		93%	

Current County policy is that adjustments to a pay scale will be recommended when 2 of the 3 benchmark classes fall more than 5% behind the market average midpoints. As the data above indicates, only one of the Sheriff benchmark classes, Deputy Sheriff Captain, fell outside of the competitive corridor (or below 95%). As a result, no adjustments were recommended to the Sheriff pay scales in FY 2016.

It should be noted that although the market comparison is based on the pay scale and not actual salaries, the actual average salary in Fairfax County was above the market average for all three of the above job classes (ranging from 101% to 110% of market).

Pay Parity in Other Jurisdictions

For those local jurisdictions with separate Police and Sheriff's departments, only one – Prince William County – offers pay parity between the two departments. (Fire and Rescue employees are also included on the public safety scale.) However, it should be noted that the county offers Police Officers above the hiring rank 3-5% in additional pay for retention purposes. Thus, although all public safety employees are on the same pay

plan and similar positions are at the same grade, Police Officers are generally paid higher salaries than those in the Sheriff's office.

Arlington County previously offered parity, but established different pay scales in order to allow reflection of market conditions for the separate departments. Currently, the Police and Sheriff pay plans are at the same level, but market-based adjustments may end this parity in the future.

Montgomery and Prince George's County both maintain separate pay plans for Police and Sheriff employees (corrections and court services employees are on separate plans), with Police pay being higher.

Alexandria retains different pay plans for its Sheriff and Police employees. Currently, the Sheriff pay plan is higher than Police due to the compensation changes required for the Virginia Retirement System (whereby employee pay was increased, but a commensurate increase in the employee contribution rate to VRS was required).

Response to Questions on the FY 2016 Budget

Request By: Supervisor McKay

Question: Please provide details on how pay equity for the Sheriff could be achieved with cost neutrality.

Response: The full-year cost of providing pay parity between uniformed employees in the Office of the Sheriff and the Police Department is estimated at \$2.49 million. Reinstating parity would result in increases of 4.0% for most ranks, with increases of 17.4% for those in the Deputy Sheriff Major and Chief Deputy Sheriff classes. The Pay Equity Proposal presented by the Sheriff's Office in September 2014 proposed that the costs could be offset by utilizing churning funds, eliminating environmental pay, and increasing State Court Security Fees. However, some of these funds are one-time in nature and others require action from the Virginia General Assembly; thus, no recurring source of existing revenue has been identified to completely offset the increased costs.

The Sheriff's Office has a balance of \$1.15 million in churning funds. These funds were accumulated over several years through proceeds generated from undercover operations. However, these funds are one-time in nature and, thus, are not recommended to be used to offset recurring expenses of increased compensation.

Environmental pay is a recurring expense and elimination of this stipend would save the County approximately \$969,000 annually. The \$2,500 annual stipend was added in FY 2009 as an incentive to attract and retain staff assigned to the Adult Detention Center. The increased costs in FY 2009 were offset with additional revenues generated when the County implemented a State-approved increase in the Courthouse Security fee from \$5 to \$10. The fee is charged for each criminal or traffic case in the Fairfax district or circuit courts where the defendant is convicted of a violation of any statute or ordinance. Where elimination of the stipend would provide savings, there would be no differential in pay for employees assigned to work in the jail and those assigned to work in the courthouse.

To help offset the costs associated with pay parity, the Sheriff's Office recommends pursuing legislation in the Virginia General Assembly to increase the maximum Courthouse Security Fee from \$10 to \$20. Upon approval at the state level, the County would then have to take action to increase the fee in the County. Because of the timing related to these changes, it is not feasible that increased revenues could be realized to offset costs in FY 2016. If the fees were doubled, it is estimated that they would bring in an additional \$1.89 million.

Response to Questions on the FY 2016 Budget

Request By: Chairman Bulova

Question: Please provide a summary of the Legal Services Contract for Persons with Disabilities program, including a discussion of any revenue that would reduce the net cost of the reduction.

Response: The Department of Family Services contracts with Legal Services of Northern Virginia (LSNV) to administer the Legal Services for Persons with Disabilities program. This contract provides legal assistance for low income people with disabilities who are unable to work in the areas of Social Security appeals, disability rights, housing, employment, transportation, healthcare, Medicaid, family, education or financial legal matters. The program also provides free legal counsel to low income people with disabilities who have faced discrimination and are not able to afford legal counsel on their own in the areas of housing, employment, transportation, and public accommodations. In addition, training and technical assistance on these topics for DFS staff and customers are also provided, as well as an ongoing public education campaign.

One of the services provided through this program assists people with disabilities who are permanently unable to work, appeal Social Security Disability claims that were previously denied by the Social Security Administration (SSA). Priority is given to customers referred by DFS who are beneficiaries of the County's General Relief program. By transitioning people from County General Relief payments to Social Security benefits, costs are shifted from the County to the federal government. Additionally, once a customer successfully transitions from County General Relief to federal Social Security benefits, the County receives reimbursements from the SSA for payments made to DFS customers from the County's General Relief funds during the interim period that the customer's disability claim was denied. These refunds represent General Relief dollars that the County would not have spent if the customer's disability claim was approved by the SSA when they first applied. The refund is backdated to when the customer first applied for Social Security benefits. It should be noted that the County receives reimbursements for claims that are successfully appealed regardless of whether a customer receives services through this program.

As the reimbursements are meant to refund money that would not have otherwise been expended by the County, these repayments free-up General Relief funds making them available to serve additional customers. However, this does not result in additional revenue to the County and therefore there is no net decrease to the cost of the program. Refunds to the County from the SSA for General Relief payments through the legal services contract vary from year to year. Below are the total refund amounts recovered over the last two years:

- FY 2013--\$16,720
- FY 2014--\$21,340

Response to Questions on the FY 2016 Budget

Request By: Supervisor Foust

Question: In prior years, additional funding has been available at mark-up for restorations and adjustments by reducing the estimated increase in health insurance premiums. Is it appropriate to reduce the projected 10 percent increase for health insurance plans in the FY 2016 Advertised Budget Plan and make any savings available for restorations and adjustments?

Response: The estimated health insurance premium increases that are included in the Advertised Budget each year are based on early projections of cost growth in the plans, taking into account current plan surpluses or deficits and the current level of reserves in the fund. In recent years, the estimated premium increases have been reduced as part of mark-up in recent years to allow for restorations and adjustments, based on the expectation that cost growth might be more moderate than the initial estimate. However, actual cost growth has often been higher than the initial estimate, requiring premium increases at or above the estimated premium increases included in the Advertised Budget. The table below provides a comparison of the Advertised and Adopted premium increase estimates, actual cost growth experience across the self-insured health plans, and the actual premium increase for the Cigna Co-Pay Plan (formerly the Cigna OAP High Plan), the County's self-insured health plan with the highest enrollment, for each of the past four fiscal years.

	Advertised Premium Estimate	Adopted Premium Estimate	Actual Cost Growth (FY)	Cigna Co-Pay: Actual Premium Increases (CY)
FY 2012	10%	10%	11.4%	10.0%
FY 2013	10%	8%	(0.1%)	13.6%
FY 2014	8%	7%	11.9%	2.0%
FY 2015	8%	6%	7-10% (est.)	8.0%

As shown in this table, cost growth has fluctuated but has typically been higher than the premium estimate included in the Advertised Budget. Cost growth has often ranged between 10 and 12 percent in recent years, though it can vary greatly. The high level of variability in cost growth, which in recent years have ranged from essentially flat in FY 2013 to as high as 13.6 percent in FY 2011, is due to both trends in healthcare costs, such as the expiration of patents on prescription drugs or the development of new high-cost drugs targeted to specific diseases, and the utilization of the healthcare system by the County's covered population.

It is important that premium increases keep pace with cost growth so that plan revenues are sufficient to cover plan expenses. However, premium increases must also take into account any current surplus or deficit experienced by the health plans. In the case of the Cigna Co-Pay Plan, there is currently a deficit as the current premium levels are not sufficient to cover expenses. In FY 2015, a portion of the Premium Stabilization Reserve is being used to cover this deficit. However, premiums must be increased in the future to fully cover plan expenses as reserve funds are depleted.

The FY 2016 Advertised Budget Plan includes a premium increase estimate of 10 percent, and it is recommended that this estimate be maintained. Due to the current deficit in the Cigna Co-Pay Plan, it is anticipated that this level of premium increase will be required even if cost growth is more moderate than the recent trend of 10 to 12 percent. Staff continues to pursue cost-saving strategies in the County's approach to health care. While a reduction in the premium increase estimate is not recommended, savings may be realized in FY 2016 through other plan design changes such as the introduction of a lower cost health plan.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Cook

Question: What is the year-by-year annual FCPS expenditure for outside legal counsel over the last five years? How many hours of legal work were billed by outside counsel in each of those years?

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

This is in response to the Board of Supervisors' request for year-by-year annual FCPS expenditure for outside legal counsel and hours of legal work billed.

For the purpose of this response, legal fees and billable hours are set forth below for the three most recently completed fiscal years. Disbursements for expenses such as copies, delivery/messenger services, online research, and Court fees are excluded from these figures. FY 2012, FY 2013, and FY 2014 are available pursuant to FCPS retention schedule. Legal fees and hours billed prior to FY 2012 would require extensive effort to retrieve from archives.

	FY 2012	FY 2013	FY 2014	TOTAL
Legal Fees Billed	\$2,661,041.78	\$1,438,709.06	\$1,393,084.68	\$5,492,835.52
Hours Billed to FCPS	8,479.68	4,916.30	4,718.88	18,114.86
Average Hourly Rate	\$313.81	\$292.64	\$295.22	\$303.22

As you can see, there is a significant downward trend in legal fees over the past three years. While future litigation costs remain difficult to predict because they are contingent on future suits that may be filed against FCPS by currently unknown parties, the Office of Division Counsel continues to seek ways in which to reduce legal fees, including the referral of certain litigation matters to the County Attorney's Office, which represents FCPS where the matter presents no conflict of interest, is within the County's expertise, and is manageable within the constraints of the County's litigation workload. On behalf of FCPS, the County Attorney's Office has defended a variety of cases including insurance, disability, and property damage, and has handled collection cases. The Office of Division Counsel consists of four attorneys, one paralegal, and one administrative assistant.

Response to Questions on the FY 2016 Budget

Request By: Supervisor Herrity

Question: Please provide an update on the current gap between the Schools Operating transfer request and the transfer funded in the County's Advertised Budget, reconciling back to the initial \$14 million differential.

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

On February 5, 2015, the School Board adopted the FY 2016 Advertised Budget that includes a requested increase in the county transfer of \$70.6 million, or 3.99 percent, to help with the costs for enrollment growth and student demographic adjustments; full-day Mondays; step increases for eligible employees; and a 1.0 percent market scale adjustment for all employees. To balance the FY 2016 Advertised Budget, a shared approach of making expenditure reductions coupled with a requested increase in funding from Fairfax County was utilized. The Advertised Budget includes budget reductions totaling \$55.4 million.

County's Advertised Budget

The County Executive presented his FY 2016 Advertised Budget on February 17, 2015, which included a school operating fund transfer increase of \$56.65 million or 3.2 percent (3 percent plus the cost of full-day Mondays). The recommended transfer to the School Operating Fund results in a shortfall of \$14.0 million as compared to FCPS' FY 2016 Advertised Budget.

State Update

Based on data from the Virginia Department of Education, the final state budget result in a net positive impact of \$9.9 million as compared to FCPS' FY 2016 Advertised Budget. Below is a summary of the adjustments as a result of the state budget:

- \$4.7 million **increase** in revenue for the compensation supplement
- \$0.8 million **decrease** in revenue due to the VRS rate decrease to 14.06 percent and the basic aid offset
- \$6.0 million **decrease** in expenditures due to the reduced VRS rate

Required Adjustments to FCPS' Advertised Budget

Each spring, FCPS updates the enrollment and student demographic projections that are used to calculate staffing for the following school year. Staffing is calculated for each school at both the proposed (fall) and approved (spring) stages of the budget process. The final cost of enrollment growth and changes in student demographics is calculated in the spring, and any changes from the projected cost included in the proposed budget become part of the approved budget adjustments.

The projected impact of the spring enrollment and student demographic revisions is an increased cost of \$4.0 million. Projections have been updated for Special Education, General Education, Advanced Academics, and English for Speakers of Other Languages are being finalized.

Based on these changes, the projected shortfall (after considering the County's Advertised Budget, the impact of the state budget, and the preliminary approved enrollment projections) is as follows:

Approved Budget Adjustments	\$ in millions
County	
County Transfer Shortfall	\$14.0
State	
VRS Rate - Revenue Reduction and Basic Aid Offset	\$0.8
Employee Compensation Incentive	(\$4.7)
VRS Rate - Expenditure Reduction	(\$6.0)
Spring Enrollment Updates	
Special Education	\$4.0
Projected Shortfall to Date	\$8.1
General Education	TBD
Advanced Academics	TBD
English for Speakers of Other Languages	TBD
Final Projected Shortfall	\$8.1