



# County of Fairfax, Virginia

## MEMORANDUM

**DATE:** September 19, 2016  
**TO:** Board of Supervisors  
**FROM:** Joseph M. Mondoro, Chief Financial Officer  
**SUBJECT:** Responses to BOS Budget Questions – Carryover Package

Attached for your review are responses to Board questions raised on the *FY 2016 Carryover Review*. If you have any questions or need additional information, please contact me.

The following response is included in this package:

Question Number	Question	Supervisor	Pages
C1	Please circulate the current living wage policy approved by the Board in 2007. Please provide information on what it would cost and how many people would be impacted if the living wage was increased to \$15.00. Also, include a comparison of Arlington County's employee benefits to those of Fairfax County.	Gross, Hudgins, K. Smith	1-18

### 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 2017 Carryover

**Request By:** Supervisors Gross, Hudgins and Smith

**Question:** Please circulate the current living wage policy approved by the Board in 2007. Please provide information on what it would cost and how many people would be impacted if the living wage was increased to \$15.00. Also, include a comparison of Arlington County's employee benefits to those of Fairfax County.

**Response:** The County's living wage policy was adopted by the Board on September 10, 2007, with an effective date of September 15, 2007. The policy adopted at that time was that the living wage hourly rate for all merit employees would be the higher of the rate paid in Arlington County or the City of Alexandria. The living wages for Arlington County and the City of Alexandria are based on the federal poverty level and other factors, such as the average employer cost for health insurance. As part of their action on the *FY 2008 Carryover Review* on September 8, 2008, the Board extended the living wage to non-merit employees who are scheduled to work 1,039 hours or more per year.

The following documents are included as attachments to this response to provide historical context for the living wage policy:

- Attachment 1 – Board Summary of the August 6, 2007, meeting during which staff were directed to provide recommendations for the living wage policy.
- Attachment 2 – Action item from the September 10, 2007, Board meeting that included staff recommendations for the adoption of the living wage policy, including memoranda dated July 25, 2007, and October 6, 2006.
- Attachment 3 – Board Summary of the September 10, 2007, meeting during which the living wage policy was adopted for all merit employees.
- Attachment 4 – Board Summary of the September 8, 2008, meeting during which the living wage policy was extended to non-merit employees who are scheduled to work 1,039 hours or more per year.

The living wage is currently \$13.13 per hour. However, the living wage of Arlington County was increased to \$14.50 per hour and the living wage of the City of Alexandria was increased to \$14.13 per hour, both effective July 1, 2016. As a result, the *FY 2016 Carryover Review* includes an adjustment to match the higher of these rates by increasing the County's living wage to \$14.50 per hour. This change will impact 232 employees, with a partial-year cost to the General Fund of \$144,661 in FY 2017. If the living wage were instead increased to \$15.00, a total of 269 employees would be impacted at a total partial-year cost to the General Fund of \$299,091 in FY 2017.

Arlington County provides a similar array of benefits to those offered to Fairfax County employees, including retirement plans, health insurance, dental insurance, life insurance, and the accrual of annual and sick leave. There are differences in the benefits offered, such as the structure of the retirement systems, health insurance plan design, and the level of employer cost sharing. However, the overall level of benefits provided by the two entities to full-time merit employees is similar. Fairfax employees affected by the living wage policy are predominantly non-merit benefits-eligible employees working in the County's parks and recreational facilities. Fairfax non-merit benefits-eligible employees

can participate in several of the County's benefit programs such as health insurance, dental insurance and flexible spending accounts, but cannot participate in the retirement system and do not accrue annual or sick leave. Similarly, the workforce of the Arlington County Department of Parks and Recreation includes many temporary employees. Arlington benefit-eligible temporary employees have access to similar programs as those available to Fairfax non-merit benefits-eligible employees but are also eligible for life insurance, accrue annual and sick leave, and receive paid holiday time off.

indicated interest in working with the County to advocate for green building tax incentives at a statewide level.

Accordingly, Chairman Connolly moved that the Board direct staff to work with NAIOP and the Fairfax legislative delegation to explore the desirability of statewide tax incentives that might encourage the widespread application of green building practices. Supervisor McConnell seconded the motion.

Following discussion, Supervisor Frey asked to amend the motion to include in the discussion the builders and contractors, such as the Northern Virginia Building Industry Association (NVBIA), and this was accepted.

The question was called on the motion, as amended, which carried by unanimous vote.

27. **ENACTMENT OF A LIVING WAGE** (11:23 a.m.)

(P) Chairman Connolly said that this Board Matter is presented jointly with Supervisor Bulova, Supervisor DuBois, Supervisor Gross, Supervisor Hudgins, Supervisor Hyland, Supervisor Kauffman, Supervisor McConnell, and Supervisor Smyth. He credited Supervisor Hudgins with bringing the issue of a living wage to the Board's attention. He said that the County is constrained in what it can do because Virginia is a Dillon Rule state. He noted that the current federal minimum wage was recently raised to \$5.85 per hour. Assuming a normal 2,000 hour work year, he said that that equates to a yearly salary of \$11,700. The current federal poverty guideline for a single person household is \$10,210. This figure is a nationwide average for the continental United States and does not address the differential high cost of living in Northern Virginia. For example, the average monthly rent for an efficiency apartment in Fairfax County is \$894, or \$10,728 yearly, thereby comprising more than the entire federal poverty guideline income.

Chairman Connolly said that providing a living wage for employees recognizes that actual costs of living in a region are not adequately addressed by existing minimum wage guidelines to enable workers to subsist on their salaries. In addition, providing a living wage produces positive transportation and environmental pollution reduction benefits for the community at large. Enabling employees who serve in a jurisdiction to afford to live in that jurisdiction will reduce traffic since those employees will not have to travel as far for their daily commutes. Reducing the number of vehicle-miles traveled in the region reduces congestion and improves air quality.

Therefore, on behalf of the Board Members listed at the beginning of this item, Chairman Connolly moved that the Board hereby declares that it shall be the Policy of Fairfax County that all County employees must be paid a living wage at the current prevailing living wage of either Arlington County or the City of Alexandria, whichever is higher, and to be reviewed annually.

Chairman Connolly further moved, on behalf of those same Board Members, that:

- The Board direct the County Executive to return to the Board at the September 10 meeting, as it considers the Fiscal Year 2007 Budget Carryover, with an implementation schedule for this action.
- It shall be the Policy of this Board to encourage and exhort all County vendors and all employers located within the County to similarly adopt a living wage for their employees.

Supervisor Gross seconded the motion.

Discussion ensued regarding the administrative implementation within personnel policies and the need for a meeting of the Board's Personnel Committee.

Following discussion regarding covered employees, with input from Anthony H. Griffin, County Executive, and Edward L. Long, Jr., Deputy County Executive, it was clarified that that this would apply only to regular merit employees.

Discussion ensued, with input from Mr. Griffin, regarding pay compression issues as well as the fact that the Personnel Committee was not scheduled to meet for some time.

Following a query to Catherine A. Chianese, Assistant to the County Executive, regarding the committee schedule, Chairman Connolly asked unanimous consent that the Board direct staff to schedule a brief Personnel Committee meeting on this topic only on September 10 at 8:30 a.m. Without objection, it was so ordered.

Further discussion ensued, with input from Mr. Griffin, regarding implementation of the Policy for County vendors.

Supervisor Hudgins asked unanimous consent that the Board direct staff to provide recommendations as to how the Policy can be conveyed and measured. Without objection, it was so ordered.

The question was called on the motion, which carried by unanimous vote.

Following final comments, Vice-Chairman Bulova returned the gavel to Chairman Connolly.

28. **SCHEDULING OF THE PUBLIC HEARING FOR REZONING APPLICATION RZ 2006-PR-028 (PROVIDENCE DISTRICT)** (11:35 a.m.)

Supervisor Smyth stated that Tycon Towers I Investment Limited Partnership, Towers Crescent LLC, and Towers Crescent Land LLC have filed Rezoning Application RZ 2006-PR-028 on property identified as Tax Map 39-2((29)) 1, A1,

Board Agenda Item  
September 10, 2007

ACTION - 5

Fairfax County Government Living Wage Policy

ISSUE:

Approval of a schedule for the implementation of a new, Living Wage Policy for Fairfax County Government. On August 6, 2007 the Board directed that the Living Wage hourly rate would be the higher of the rate paid in Arlington County or the City of Alexandria, and, would be reviewed annually. (Current Arlington County rate is \$11.80; City of Alexandria rate is \$12.75)

RECOMMENDATION:

The County Executive recommends implementing the living wage policy with an effective date of September 15, 2007, for all merit, regular, retirement eligible Fairfax County Government employees.

TIMING:

Board action is requested on September 10, 2007, to ensure the timely implementation of Fairfax County Government's new Living Wage Policy commensurate with the pay period beginning September 15, 2007.

BACKGROUND:

The Board, at its August 6, 2007 meeting, directed the County Executive to return to the Board at the September 10, 2007 meeting with a schedule for the implementation of a new, Living Wage Policy for Fairfax County Government. The Board further directed that the Living Wage hourly rate would be the higher of the rate paid in Arlington County or the City of Alexandria, and, would be reviewed annually. (Current Arlington County rate is \$11.80; City of Alexandria rate is \$12.75)

Also, at the August 6, 2007 meeting, the Board stated that it shall be the policy of the Board to encourage and exhort all County vendors and all employers located within the County to similarly adopt a living wage for their employees. Therefore, and because the County Attorney has opined that Fairfax County Government cannot legally mandate a living wage for vendors and other employers, the following clause will be part of each County purchasing proposal:

Board Agenda Item  
September 10, 2007

“Although paying a living wage shall not be a factor in awarding or administering any County contract, Fairfax County is committed to paying a living wage to all qualified County employees and encourages contractors and subcontractors involved in all County programs, services, and activities to pay a living wage to their employees.”

Information regarding the County’s living wage policy and wage rate will be posted on the County’s website in the near future.

FISCAL IMPACT:

The yearly fiscal impact of this action based on current, affected employee pay rates is projected to be \$52,834.00. The cost will be absorbed by County agencies.

This action will impact 49 employees primarily in: maintenance, custodial, and administrative positions.

ENCLOSED DOCUMENTS:

Attachment 1: Memorandum to the Board of Supervisors dated July 25, 2007, titled Living Wage Consideration for Carryover

STAFF:

Edward L. Long, Jr., Deputy County Executive

Peter. J. Schroth, Human Resources Director

Cathy A. Muse, Director, Department of Purchasing & Supply Management



## County of Fairfax, Virginia

**MEMORANDUM**

DATE: JUL 25 2007

TO: Board of Supervisors

FROM: Anthony H. Griffin  
County Executive

SUBJECT: Living Wage Consideration for Carryover

As part of the budget guideline process, the Board of Supervisors directed staff to return prior to the FY 2007 Carryover Review with information regarding regular status employees who currently earn less than a living wage.

**Living Wage Policies of Neighboring Jurisdictions:**

Living wage policies have been implemented in a number of surrounding jurisdictions. The process for calculating the living wage amount and the policy for review and updating of the living wage amount are different:

Arlington County, VA.

Arlington County implemented its living wage program in July, 2003. The living wage amount is reviewed annually with consideration given to Federal Poverty level information (published annually by the U. S. Department of Health and Human Services (HHS); the Self-Sufficiency Standards report of 2005, spotlighted by the Wider Opportunities for Women (WOW) organization and, the funding level available within the County's budget. The living wage amount for FY 2007 and FY 2008 is \$11.80/hour.

Alexandria, VA

The City of Alexandria implemented its living wage program in October, 2000. The living wage amount is reviewed annually with consideration given primarily to the Federal Poverty level information which is updated annually by the Federal Government and posted on the Federal Register website each year. The living wage amount for FY 2007 is \$12.66/hour.

Prince William County, VA

Prince William County does not have a living wage policy at the current time.



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**Living Wage Consideration:**

**Cost to Convert Existing Employees Earning Less than Living Wage:**

The Arlington living wage rate of \$11.80 per hour; the City of Alexandria living wage rate of \$12.66 per hour; and, the 2005 Self-Sufficiency Standard living wage rate for a family of four with two wage earners for Fairfax County, as noted by the WOW organization, of \$15.74 per hour.

The results of the above comparisons are shown below:

5 Full Time Merit employees earn less than \$11.80 an hour (average rate of \$11.45/hr)  
Moving them to a minimum rate of \$11.80, the yearly difference in rate would be approximately \$3,598.00 (\$4,210 including benefits)

42 Full Time Merit employees earn less than \$12.66 an hour (average rate \$12.21/hr)  
Moving them to a minimum rate of \$12.66, the yearly difference in rate would be approximately \$39,455.00 (\$46,162 including benefits)

723 Full Time Merit employees earn less than \$15.74 an hour (average rate \$14.75/hr)  
Moving them to a minimum rate of \$15.74, the yearly difference in rate would be approximately \$1,482,448.00 (\$1,734,464 including benefits)

**Ongoing Impact of Implementing Living Wage Policy:**

The County's current pay structures include pay ranges that have entry level pay rates from \$7.13 thru \$11.36 per hour. These pay structures (S-1 thru S-8 of the general County pay scale) are typically utilized for seasonal employees (lifeguards, recreation program participants, etc.) and part-time employees working less than 20 hours per pay period such as cooks aide, administrative assistant I, cashier, etc. In addition, there are currently 26 regular, merit position classes in these pay ranges that could be impacted should a living wage policy be enacted (In this instance \$11.80 per hour was used) . For new employees entering these positions, the financial impact of the living wage requirement is estimated to be low based on the usually low turnover in these positions. The implementation of the living wage, however, is expected to cause a compression issue with existing employees. When turnover of one or more of these positions occurs, new employees would be hired at the living wage rate which could be the same as other employees who have longer tenure with the County because the living wage threshold would artificially lift the entry level for the lower pay ranges. The higher the living wage threshold wage rate, the more pay classes would be included and the greater the compression issues with existing employees.

**Other Considerations:**

It is also worth noting that based on a recent computer analysis of the County's workforce, nearly fifty percent of the County's employees live in jurisdictions outside Fairfax County, mostly to the South and West of the County, where living costs are climbing, but still lower than those found in Fairfax County.

Please note that I have also attached to this memorandum a previously distributed memo from the Director, Purchasing and Supply Management describing the potential considerations associated with a living wage policy encompassing the County's contractors.

Please feel free to contact me if you need more information or have additional questions.

cc: Edward L. Long, Jr., Deputy County Executive  
David J. Molchany, Deputy County Executive  
Verdia L. Haywood, Deputy County Executive  
Robert A. Stalzer, Deputy County Executive  
✓ Peter J. Schroth, Director, Department of Human Resources  
Susan W. Datta, Director, Department of Management & Budget  
Cathy Muse, Director, Department of Purchasing and Supply Management

Attachment



## County of Fairfax, Virginia

**MEMORANDUM**

**DATE:** October 6, 2006

**TO:** Board of Supervisors

**FROM:** Anthony H. Griffin  
County Executive

**SUBJECT:** Living Wage Board Matter

Supervisor Hudgins requested that staff provide the number of contracts up for renewal in FY 2007 and the labor rates of the current contracts in consideration of a Living Wage Board Matter. The County Attorney advised the Board of Supervisors that a living wage requirement in County contracting is not consistent with the Virginia Public Procurement Act. In response to Supervisor Hudgins' request the Department of Purchasing and Supply Management staff researched the request. The department administers approximately 2,700 contracts to support Fairfax County Government and Fairfax County Public Schools operations. Staff categorized the contracts into 5 types (professional services, consultant services, goods, non-professional services, and blended – both goods and services). Professional service contracts, consultant service contracts and commodity contracts were eliminated from further review as they have no basis in low or minimum wage labor. Staff then reviewed the list of non-professional service and blended contracts to identify the contracts most likely to contain low or minimum wage rates.

The number of contracts expiring in FY 2007 and subsequent fiscal years that fall into a category where low or minimum wage workers are likely to perform services is provided in the table below.

*Non-professional Services and Blended Contracts Expiring in FY 2007 and Beyond*

Fiscal Year	Number of Expiring Contracts	Value
FY 2007	78	\$21,159,279
FY 2008	24	\$ 5,598,601
FY 2009	57	\$40,291,230
FY 2010	40	\$ 2,322,047
FY 2011	21	\$ 1,131,325
<b>TOTAL</b>	<b>220</b>	<b>\$70,502,482</b>

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The non-professional services and blended contracts expiring in FY 2007 were reviewed for labor rates. Most of the contracts are fixed price and do not have a breakdown of hourly rates. For example, custodial services at the Public Safety Center are provided at a monthly cost of \$38,746 to include all labor, supplies, material, overhead and profit. Worker wages are not disclosed in the pricing structure for these or other similar contracts. Labor rates from a sample of contracts expiring in FY 2007 are provided below. The rates shown are the rates charged by the contract to provide services to the County and in all likelihood, not the rates paid to workers. None of the contracts reviewed provide information on the actual *wage* rates paid to the worker in question.

*Labor Rates from a Sample of Current Contracts*

Contract Title	Labor Category	Labor Rate
In-Home Care Services	Home health aide	\$10.50
	Personal care aide	\$10.75
Mulch, Wood Installation for Playgrounds	Laborer	\$24.99
Cabling Services, Inside Plant	Non-specified	\$32.00
Generators, Maintenance and Repair	Generator Mechanic	\$60.00
	Electrician Helper	\$45.00
Temporary Clerical Services	Administrative Assistant I	\$8.89 - \$11.07
Fencing, Installation	Non-specified	\$37.00

Based on the information contained in the contract files it is not possible to determine worker labor rates. Further information would be available if the County elects to exercise the audit provision of the contracts. This effort would involve a very significant level of staff resources that currently do not exist.

According to the Living Wage Resource Center, an offshoot of the Association of Community Organizations for Reform Now, there are 140 local living wage laws currently in place. In our region, the City of Alexandria, Arlington County, Montgomery County and Prince Georges County in Maryland, and the District of Columbia have implemented living wage requirements for contractors providing services to the jurisdiction. In the Commonwealth of Virginia, the City of Alexandria, Arlington County, and the City of Charlottesville have enacted living wage ordinances.

Peer jurisdictions that have enacted living wage laws include Ventura County, CA, New York City, NY, Palm Beach County, FL, Westchester County, NY, Broward County, FL, Suffolk County, NY, Santa Cruz, CA, Los Angeles County, CA, Miami-Dade County, FL, Cook County, IL, City of Los Angeles, CA, Montgomery County, MD and Prince George's County, MD. Peer status was determined by population (700,000+).

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In several jurisdictions the living wage requirements are limited to specific locations. For instance, in the City of Alexandria and Arlington County, the requirement to pay a living wage is limited to contracts providing services on City or County owned or controlled property. For example, a contractor providing home healthcare services to citizens in their home would not have to pay a living wage to the healthcare workers because the services are not performed on City/County owned or controlled property. Jurisdictions that have not included a location restriction in the law have found that its absence has created contract problems. For example, Montgomery County, MD has a service contractor located in rural Pennsylvania and providing services to the County from within their facility, is now required to pay employees the living wage as determined by Montgomery County. The County wage rates far exceed the wages currently paid and increasing worker wages to the Montgomery County living wage would greatly affect this contractor's competitive position for other jurisdictions' contracts.

In many jurisdictions the living wage requirements apply to contracts over a certain dollar limit and exempt certain types of contracts and contractors. For example, in Arlington County the living wage requirement applies to contractors who have contracts worth over \$100,000 and in the City of Alexandria, the District of Columbia, Prince George's County and Montgomery County the requirement applies to contractors who have contracts worth over \$50,000. Each of the local jurisdictions exempts construction and construction related services contracts.

Attachment 1 provides a brief summary of the legislation, its impact and the current living wage rate for each of the jurisdictions in our region, the Commonwealth and peer jurisdictions.

Based on statistical data and anecdotal information collected from regional and peer jurisdictions, the cost impact of living wage requirements on governmental budgets created between a 15% and 18% increase on the affected contracts. In the City of Alexandria, where the living wage requirements are very narrowly applied based on contract dollar value and location limitations, the cost impact in the first year was an increase of 15% over the cost of services the previous year, or \$250,000 for 19 affected contracts valued at approximately \$1.7 million, employing 100 low wage workers. Today, the requirement affects 26 contracts valued at \$4.6 million, employing 370 low wage workers. Based on these numbers, the current cost of the living wage requirement to the City of Alexandria is in the neighborhood of \$690,000.

In Montgomery County, MD, where the living wage requirements are applied based on contract dollar value with no location limitations, the cost impact is estimated as an increase of 18% over the cost of services prior to living wages for the 235 contracts affected. Montgomery County has approximately 2,900 contracts, half of which are for services.

In order to determine the impact of a living wage requirement on Fairfax County staff analyzed existing contracts, separated materials and equipment from services on contracts, and applied the following assumptions.

1. Living wage requirements would be narrowly applied based on contract dollar value (\$50,000) with location limitations;

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2. Living wage requirements are applied only to contract costs and do not include County employee wages;
3. The impact would be an increase of approximately 15% over the current cost of services;
4. The County would renegotiate existing contracts affected by living wage requirements to allow living wages to be paid to affected workers;
5. Living wage requirements would be applied to County and Schools contracts; and
6. Costs of administration, oversight and enforcement are excluded.

Based on this analysis, I estimate the cost to implement a living wage requirement in Fairfax County to be approximately \$10.4 million over a five-year period.

A breakdown of the impact of a living wage requirement by fiscal year is shown in the table below.

*Impact of a Living Wage in Fairfax County*

Fiscal Year	Number of Expiring Contracts Valued Below \$50K	Value	Living Wage Impact
FY 2007	66	\$20,815,954	\$ 3,122,393
FY 2008	11	\$ 5,508,935	\$ 826,340
FY 2009	40	\$39,981,227	\$ 5,997,184
FY 2010	31	\$ 2,293,296	\$ 343,994
FY 2011	12	\$ 983,698	\$ 147,555
<b>TOTAL</b>	<b>160</b>	<b>\$69,583,110</b>	<b>\$10,437,466</b>

In my opinion, implementation of a living wage ordinance in Fairfax County would result in significant administrative expenses in collecting and reviewing documentation and monitoring the contractors to ensure compliance. The challenge in implementation would also lie in ensuring that the higher contract fees paid on Fairfax County contracts are not used to subsidize low bids on contracts with other area entities and commercial operations.

Based on the discussion at the Board of Supervisor's Legislative Committee Meeting on Friday, September 29<sup>th</sup>, staff will work with the Board to structure a legislative initiative that accomplishes the Board's goals.

If you should have any questions or need any additional information, please contact Cathy Muse, Director, Department of Purchasing and Supply Management.

cc: Edward L. Long, Deputy County Executive  
Cathy A. Muse, Director, Department of Purchasing & Supply Management  
David Bobzein, County Attorney  
Sue Mittereder, Legislative Liaison

## ATTACHMENT 1

## Living Wage Law Summary

JURISDICTION	EFFECTIVE DATE	APPLICATION	CURRENT WAGE	RESTRICTIONS	EXEMPTIONS
<b>REGIONAL</b>					
District of Columbia	January-06	Contracts of <\$100K and subcontracts receiving <\$50K	\$11.75	none	construction
Prince George's County, Maryland	June-03	Contracts of <\$50K employing <10 workers	\$11.25	none	construction
Arlington County, Virginia	June-03	Contracts of <\$100K	\$11.20	work location	construction
Montgomery County, Maryland	June-02	Contracts of <\$100K with for profit firms employing <10 workers	\$11.60	none	construction
City of Alexandria, Virginia	June-00	Contracts of any value	\$12.66	work location	construction
<b>COMMONWEALTH OF VIRGINIA</b>					
Arlington County, Virginia	June-03	Contracts of <\$100K	\$11.20	work location	construction
City of Alexandria, Virginia	June-00	Contracts of any value	\$12.66	work location	construction
City of Charlottesville, Virginia	November-01	Contracts of any value	\$9.73	none	construction
<b>PEERS</b>					
City of Ventura, California	May-06	Contract of <\$25K	\$9.75 w/health \$12.50 w/o health \$10.04 w/o health	none	none
Palm Beach County, Florida	February-03	Construction contracts of <\$100K	(increases to \$10.39 10/06)	construction only	all other contracts
New York City, New York	February-03	Most service contracts	\$10.00	none	some contract types
West Chester County, New York	November-02	Contracts of <\$50K and firms receiving <\$100K in economic dev.	\$11.50 w/health \$13.00 w/o health	none	none
Broward County, Florida	October-02	County & contractor employees providing food prep, security, maint., clerical, transportation & printing	\$10.50 w/health \$11.48 w/o health	none	all other contracts
Montgomery County, Maryland	June-02	Contracts of <\$100K with for profit firms employing <10 workers	\$11.60	none	construction
Santa Cruz, California	October-02	City employees, non-profits and for profits firms providing services	\$12.43 w/health \$13.56 w/o health	none	none
Los Angeles County, California	June-99	Contracts of <\$25,000	\$8.32 w/health \$9.46 w/o health	none	none
Miami-Dade County, Florida	May-99	County & contractor employees providing food prep, security, maint., clerical, transportation & printing for contracts of <\$100K	\$9.81 w/health \$11.23 w/o health	none	all other contracts
Cook County, Illinois	September-98	All service contracts	\$9.43 w/health \$11.78 w/o health	none	none

16. **A-5 – FAIRFAX COUNTY GOVERNMENT LIVING WAGE POLICY**  
(10:58 a.m.)

(P) On motion of Supervisor Hudgins, seconded by Supervisor Gross, and carried by unanimous vote, the Board concurred in the recommendation of staff and implemented the living wage Policy with an effective date of September 15, 2007, for all merit, regular, and retirement eligible Fairfax County Government employees.

17. **I-1 – CONTRACT AWARD TO KCI TECHNOLOGIES, INCORPORATED - DEVELOPMENT OF ACCOTINK CREEK WATERSHED MANAGEMENT PLAN (BRADDOCK, HUNTER MILL, LEE, MASON, MOUNT VERNON, PROVIDENCE, AND SPRINGFIELD DISTRICTS)** (10:59 a.m.)

The Board next considered an item contained in the Board Agenda dated September 10, 2007, requesting authorization for staff to award a contract to KCI Technologies, Incorporated, in the amount of \$1,960,000 for architectural/engineering design services for the Accotink Creek Watershed Management Plan, in Fund 318, Stormwater Management Program, which is funded by the dedicated one penny of the real estate tax.

The staff was directed administratively to proceed as proposed.

18. **I-2 – CONTRACT AWARD – CLASSIFICATION AND COMPENSATION PLANS REVIEW** (10:59 a.m.)

The Board next considered an item contained in the Board Agenda dated September 10, 2007, requesting authorization for staff to award a contract to Segal Company in the amount of \$439,466 for consultant services for compensation and classification services.

The staff was directed administratively to proceed as proposed.

19. **I-3 – CONTRACT AGREEMENT WITH DOMINION VIRGINIA POWER FOR ELECTRIC SERVICE EFFECTIVE JULY 1, 2007, THROUGH DECEMBER 31, 2010** (10:59 a.m.)

The Board next considered an item contained in the Board Agenda dated September 10, 2007, regarding the contract agreement with Dominion Virginia Power for electric service effective July 1, 2007, through December 31, 2010.

The staff was directed administratively to proceed as proposed.



NV:nv

9. **10 A.M. – PH ON THE COUNTY AND SCHOOLS’ FISCAL YEAR (FY) 2008 CARRYOVER REVIEW TO AMEND THE APPROPRIATION LEVEL IN THE FY 2009 REVISED BUDGET PLAN** (10:34 a.m.)

(FPR) (O)  
(SAR)

A Certificate of Publication was filed from the editor of the *Washington Times* showing that notice of said public hearing was duly advertised in that newspaper in the issues of August 21 and August 28, 2008.

Susan W. Datta, Director, Department of Management and Budget, presented a brief staff report regarding the budget. The year ended with a total balance of \$22.2 million within a total budget of approximately \$3.3 billion.

Following the public hearing, Chairman Connolly stated that the record would remain open for written statements only.

Following an explanation, Supervisor Bulova, Chair, Board’s Budget Committee, moved approval of the Carryover package including Supplemental Appropriation Resolution AS 09017 and Amendments to the Fiscal Planning Resolution AS 09900, including the FY 2008 Carryover Review Package as presented on August 4, 2008, with her proposed adjustments to the Carryover package as presented in Attachment A as distributed to the Board:

- An additional administration adjustment to both County revenues and expenditures of \$3.9 million to reflect the County reimbursement payment to the State as a result of FY 2009 State budget reductions.
- The establishment of an appropriated Reserve for FY 2010 Requirements of \$12.4 million.
- Funding of \$370,000 for the County’s support of extending the \$13.13 per hour living wage to limited term employees who are scheduled to work 1,020\* hours or more per year as requested in the Carryover consideration item.
- Adjustments to the Managed Reserve to maintain the reserve at two percent of total disbursements.

As a result of these actions, a reserve of \$12.4 million has been identified to address FY 2010 budget requirements. Supervisor Hyland seconded the motion.

Chairman Connolly relinquished the Chair to Acting-Chairman Hyland and asked to amend the motion to provide guidance from the Board directing the County Executive to:

- Manage the remainder of this fiscal year by limiting the filling of County positions on an as-needed basis only.
- Review all travel with an aim toward reducing travel except for those that are deemed essential or of priority importance to the job or mission at hand.
- Manage the replacement of vehicles in the fleet on a priority basis to minimize such replacement with an aim toward achieving savings.

This was accepted.

Acting-Chairman Hyland returned the gavel to Chairman Connolly.

Chairman Connolly raised the subject of the writing of traffic tickets as the subject of an audit report and noted that police officers were to cite County Code, rather than State Code, to ensure that the revenue goes to the County. According to projections by the County auditors, this action should generate an additional \$1.7 million in revenue over the course of the next year. Staff will monitor this issue.

In regard to hiring, travel, and vehicles, Supervisor Herrity asked to amend the motion to direct the County Executive to communicate to the School Superintendent the same guidance for possible implementation within the School Division, and this was accepted.

Supervisor Herrity noted that he would be presenting a Board Matter later in the meeting regarding a hiring freeze and a brief discussion ensued.

(NOTE: Later in the meeting, the Board took action regarding a hiring freeze. See Clerk's Summary Item #42.)

\*Supervisor Bulova noted a correction for the record. The actual threshold of hours for limited term employees is **1039** hours, not 1020.

Chairman Connolly expressed appreciation to Supervisor Bulova and staff for their efforts.

A brief discussion ensued regarding possible high election costs, costs in the Sheriff's Department, and the additional savings achieved to stockpile as much surplus as possible in anticipation of a deteriorating revenue situation in the next fiscal year.

The question was called on the motion, as amended, which carried by unanimous vote, Supervisor Bulova, Supervisor Foust, Supervisor Frey, Supervisor Gross, Supervisor Herrity, Supervisor Hudgins, Supervisor Hyland, Supervisor McKay, Supervisor Smyth, and Chairman Connolly voting “AYE.”

### **ADDITIONAL BOARD MATTER**

10. **COMMUNITY DIALOGUES ON THE COUNTY BUDGET** (10:49 a.m.)

Supervisor Bulova noted that the County and Schools will be kicking off the Fiscal Year (FY) 2010 Budget process this month. The Board will be meeting with County agencies and the School Division to review all County services and programs to examine and evaluate agency lines of business (LOBs). The purpose is to identify multi-year opportunities for cost reductions, efficiencies, and saving to address the projected FY 2010 Budget deficit. This review will include program delivery options as well as possible service consolidations and eliminations. She distributed copies of the schedule for LOB review workshops.

Supervisor Bulova added that County and School Division staff have scheduled a series of Community Dialogue meetings to engage both the community and employees on ways to address the upcoming budget challenges. She noted that she provided copies of a flyer announcing the Community Dialogues which Board Members can post in their offices or in other key community locations to promote these public meetings. She also noted that comments can be shared by calling the budget hotline at 703-324-9400 or by completing a budget feedback form online at [www.fairfaxcounty.gov/budget](http://www.fairfaxcounty.gov/budget).

Supervisor Bulova explained that the dialogues do not take the place of public hearings that will be held when the Board considers action on the FY 2010 Budget in the spring. She also acknowledged that Board Members and other community groups are, or will be, hosting forums and town meetings on this subject. Supervisor Herrity recently hosted a meeting at the Government Center. Supervisor Bulova asserted that it is an unprecedented degree of community participation and expressed her belief that the process will be valuable in helping to shape funding and organizational decisions and improving the way the County provides essential services.

Accordingly, Supervisor Bulova moved that the Board direct the Office of Public Affairs to distribute the aforementioned posters and take other steps to promote these Community Dialogues since an engaged community is a critical part of this process. Supervisor Foust seconded the motion.

Discussion ensued regarding citizen input past and present, the value of the LOB process on the expenditure side, and Federal and State mandates.