County of Fairfax, Virginia

MEMORANDUM

DATE: November 20, 2018
TO: Board of Supervisors
FROM: Joseph M. Mondoro, Chief Financial Officer
SUBJECT: Responses to BOS Budget Questions – Package 15

Attached for your review is Package 15 of responses to Board questions on the budget. If you have any questions or need additional information, please do not hesitate to contact me. The following responses are included in this package:

Question Number	Question	Supervisor	Pages
74	Please provide information about how much the new heliport is going to cost and provide justification on why we need two helicopters.	Smyth	257
75	Please report on the feasibility and the effort required to share the speed data between the Fairfax County Police Department (FCPD) and the Fairfax County Department of Transportation (FCDOT).	Herrity	258
76	Please show the mean and median income, assets, and property values of participants in the County's real estate tax relief program for calendar year 2018.	Foust and Storck	259
77	Please show the mean assessed values of residential properties in Fairfax County for the last 5 years.	Hudgins	260
78	Provide estimates on what it would cost for the County to make a deferred compensation contribution to non-merit employees. Identify one-time or recurring costs.	Bulova	261-262
79	How many non-merit benefits eligible employees does the County have? How long have they worked for the County? How many hours do they work?	Foust	263

It should be noted, the estimated time to compile this response was 16 hours of county staff time.

Attachment
cc: Bryan J. Hill, County Executive
Tisha Deeghan, Deputy County Executive
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Response to Questions on the FY 2019 Budget

Request By: Supervisor Smyth

Question: Please provide information about how much the new heliport is going to cost and provide justification on why we need two helicopters.

Response:

On November 3, 2015, voters approved a Public Safety Bond Referendum to fund various public safety initiatives to include $13,000,000 for a new Heliport. The current facility was constructed in 1984 and no longer met the needs of the specialized staff and equipment assigned to the 24/7 facility. The helicopter is available for both medevac and law enforcement missions. The flight officers, pilots, paramedics and maintenance crews perform more than 150 helicopter missions per month and more than 80 medical evacuations per year. Each helicopter crew includes one pilot and two paramedic qualified flight officers who work 12-hour shifts and average two to four flights a shift. The pilots are civilians; the paramedics are police officers. As a result of the heavy maintenance cycles for helicopters, it is not unusual for a helicopter to be out of service for several days or even up to a week. Having two helicopters ensures consistent 24/7 coverage of the county. The helicopter on duty is always the official Fairfax 1, although in extreme emergencies or during times of large scale events, both helicopter units can be deployed at the same time.

Response to Questions on the FY 2018 Carryover

Request By: Supervisor Herrity

Question: Please report on the feasibility and the effort required to share the speed data between the Fairfax County Police Department (FCPD) and the Fairfax County Department of Transportation (FCDOT).

Response: The Fairfax County Police Department currently has ten pole-mounted speed display signs strategically located through the county. Each display sign has an annual subscription to TrafficCloud, which is a secure, web-based traffic management and data system. This system allows remote access to change sign messaging as well to capture data for reporting.

The Fairfax County Department of Transportation (FCDOT) received $30,000 during the *FY 2018 Carryover Review* for the procurement of four pole-mounted speed display signs to establish a one-year pilot program as part of FCDOT's Traffic Calming Program. Included in the funding was a one-year subscription for each device for TrafficCloud in order to be consistent with the methodologies used by FCPD and to provide a platform for data sharing between FCPD and FCDOT. Upon completion of the pilot, staff will provide an update to the Board of Supervisors on the outcomes of the program and request additional funding, as necessary, for sustainment of the program.

Response to Questions on the FY 2019 Budget

Request By: Supervisor Foust and Supervisor Storck

Question: Please show the mean and median income, assets, and property values of participants in the County's real estate tax relief program for calendar year 2018.

Response:

The mean and median income, assets, and property values of participants in the County's real estate tax relief program for calender year 2018 are shown in the table below:

	Total	**Income**		**Assets**		**Assessed Value**	
% Relief	*Count*	*Mean*	*Median*	*Mean*	*Median*	*Mean*	*Median*
25%	517	$66,418	$66,195	$125,182	$100,325	$473,583	$449,810
50%	816	$56,620	$56,545	$129,024	$109,895	$458,935	$434,000
100%	5,306	$31,768	$32,793	$96,185	$57,284	$434,944	$405,680
All	**6,639**	**$37,521**	**$37,483**	**$102,479**	**$67,324**	**$440,902**	**$413,690**

Response to Questions on the FY 2019 Budget

Request By: Supervisor Hudgins

Question: Please show the mean assessed values of residential properties in Fairfax County for the last 5 years.

Response:

Mean assessed values of residential properties in Fairfax County for the last 5 years are shown below:

Fiscal Year	Mean Assessed Value of Residential Property	Change from the Previous Year
FY 2015	$500,146	--
FY 2016	$519,134	3.8%
FY 2017	$529,567	2.0%
FY 2018	$535,597	1.1%
FY 2019	$549,630	2.6%
Change since FY 2015		9.9%

Response to Questions on the FY 2019 Budget

Request By: Chairman Bulova

Question: Provide estimates on what it would cost for the County to make a deferred compensation contribution to non-merit employees. Identify one-time or recurring costs.

Response:

Prior to 2018, participation in the County's deferred compensation plan was limited to merit employees. In 2018, the plan was opened to non-merit benefits-eligible employees that are scheduled to work between 1,040 and 1,560 hours per year and are eligible to participate in other County benefit programs such as health and dental insurance. Non-merit temporary employees scheduled to work fewer than 900 hours per year continue to be ineligible to participate in the County's benefit programs.

Participation in the deferred compensation plan is voluntary and completely employee-funded. The County currently does not provide an employer contribution for merit employees or non-merit benefits-eligible employees. If an employer contribution were implemented, the cost of the program would depend on a number of factors, including:

- **Eligibility:** As of September 30, 2018, there were 1,210 non-merit benefits-eligible employees that are eligible to participate in the deferred compensation plan. Some of these non-merit benefits-eligible employees are concurrently employed in a merit position that is eligible for participation in one of the County's defined benefit retirement systems, and some of these employees have previously retired from a County merit position and are currently receiving a County retirement annuity. Additionally, the County has some non-merit benefits-eligible positions that are highly compensated, such as psychiatrists and physicians. The cost of an employer contribution would vary depending on whether eligibility is restricted based on any of these factors or if eligibility is expanded to include additional groups of employees.

- **Vesting:** Many employers that provide an employer contribution to a defined contribution retirement plan have a vesting requirement on those contributions to encourage employees to stay with the employer longer and to limit the cost of benefits for short-term employees. A vesting requirement would limit the application of an employer contribution to longer-term employees, and would therefore reduce the cost.

- **Matching:** Many employers that provide an employer contribution to a defined contribution retirement plan do so by matching employee contributions up to a defined threshold. This requires that employees commit to investing their own funds toward retirement in order to take advantage of the employer contribution. A matching requirement would reduce participation and cost, but would encourage greater savings among those employees that choose to participate. Alternatively, an employer contribution can be provided as a "seed" contribution with no requirement for employee matching requirements, which would result in greater participation but less incentive for employees to save for retirement.

Based on the September 30, 2018, count of 1,210 employees, a one-time employer contribution of $250 for current non-merit benefits-eligible employees would cost approximately $300,000. This estimate assumes that all employees in a non-merit benefits-eligible position as of a certain date receive the full $250, and would therefore be lower if any of the above factors limit eligibility or the rate of participation.

Alternatively, an employer contribution could be implemented on an ongoing basis to encourage employees to continue to save for retirement. An annual employer contribution capped at $250 per year per employee would cost approximately $425,000 per year, assuming all individuals that occupy a non-merit benefits-eligible position throughout the year receive the full $250 per year. It should be noted that this annual cost is greater than the cost stated above for a one-time contribution because multiple employees may fill a single non-merit benefits-eligible position at different times throughout the year due to recruitment and attrition. As with the estimate for a one-time contribution, this cost would be lower if any of the above factors limit eligibility or the rate of participation.

Response to Questions on the FY 2019 Budget

Request By: Supervisor Foust

Question: How many non-merit benefits-eligible employees does the County have? How long have they worked for the County? How many hours do they work?

Response:

Non-merit benefits-eligible positions are those positions with scheduled work hours between 1,040 and 1,560 per calendar year. Employees in non-merit benefits-eligible positions are eligible for benefits including health and dental insurance, flexible spending benefits, and participation in the deferred compensation plan. As of October 1, 2018, the County has 1,210 non-merit benefits-eligible employees working in positions such as Day Care Center Teachers in the Department of Family Services, Park and Recreation Support Assistants in the Park Authority, Substitute Relief Counselors in the Fairfax-Falls Church Community Services Board, and Administrative Assistants across multiple agencies.

Of these 1,210 non-merit benefits-eligible employees, 499 or 41.2 percent, were hired within the last year; 393 or 32.5 percent, were hired between one and three years ago; 137 or 11.3 percent, were hired between three and five years ago; and 181 or 15.0 percent, were hired more than five years ago. Staff is currently reviewing the status of non-merit benefits-eligible positions to ensure compliance with existing and new requirements to determine what status adjustment, if any, is appropriate.

Over a 12-month period, these employees combined to work a total of 1,116,203 hours. These employees worked an average of 25 hours per week that they were employed in a non-merit benefits-eligible position.