



January 17, 2019

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Another Step in Addressing the County's Unsustainable Pensions

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Budget Town Hall Meeting: Save The Date - Please save Thursday, March 21st at 7:00 p.m. at my West Springfield office for my annual budget town hall meeting with the County Executive and CFO.

Sports Tourism Task Force Issues Interim Report

On June 6, 2017, the Board of Supervisors approved my motion to create a Sports Tourism Task Force. The Task Force was formed to better understand the potential economic impact of the \$10 Billion and growing sports tourism market and how Fairfax County can take advantage of this market in order to diversify its tax base and develop facilities for its residents paid for in whole or in part by sports tourism-generated revenue.

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Sports Tourism is a rapidly growing market nationwide. To date, it has proven to be recession-proof and has been the driving force behind some economic development and revitalization activities across the country. According to the U.S. Travel Association, more than 20% of all trips taken in the U.S. were for the purpose of attending organized sporting events. The facilities driving sports tourism have been developed in urban, suburban and rural areas.

Closer to home in Virginia, localities from James City County to Chesterfield County are investing in sports tourism facilities because not only do they pay for themselves, they help meet the growing demand for sports facilities for residents and diversify the general fund tax base. In fiscal 2017, Chesterfield County's 50 sports tourism events had an economic impact of over \$81.7 million, which was up from the previous year, and generated \$38.6 million in revenue. Locally, Loudoun County and Montgomery County have invested in a significant number of multi-field complexes.

Sports tourism generates several types of revenue from sports tourism events - the direct revenues (admission fees, rental of facilities, etc.) and indirect revenues (hotel and restaurant spending, increased sales tax, etc.). Fairfax County has had some success with sports tourism largely due to the efforts of Visit Fairfax and athletic organizations. It is host to several large tournaments on a regular basis and has hosted several major sporting events, most notably the World Police and Fire Games in 2015. There are many more sports tourism opportunities that are looking to come to the county than the county has the facilities to actually handle.

Until the formation of the Sports Tourism Task Force, the county has not had a coordinated approach to sports tourism. The Task Force brought together for the first time all of the stakeholders - the Fairfax County Park Authority (FCPA), Neighborhood and Community Services (NCS), Visit Fairfax, the Athletic Council, Fairfax County Public Schools (FCPS), NOVA Parks, George Mason University (GMU), Northern Virginia Community College, Fairfax County Economic Development Authority, the Fairfax County Government, and the private industry - to address sports tourism in the county.

While the county has many quality sports facilities available to its residents, they are not clustered or designed to meet the demand of sports tourism driven events. In order to grow sports tourism in Fairfax County, where possible new sports facilities should be built to meet the market demands of this industry through clustering of the facilities at specified locations. These facilities, funded or financed largely with private and/or sports tourism dollars, would be available to residents when not used for sports tourism purposes, thus addressing community needs.

Here are some examples of planned, clustered sports tourism inspired designs:

Patriot Park



Indoor Hard Court Complex



Sports tourism facilities should be placed where the county can take advantage of both direct and indirect sports tourism dollars. These facilities need to include the amenities necessary to attract events including access to hotels, amenities for non-participants and food and beverage options.

The Task Force believes that both Fairfax County residents and the tax base would benefit greatly from investments in sports tourism opportunities. Some of these opportunities will require little to no investment from the County (Indoor Ski and Snow Sports Facility/Mountain Biking) and some may require investment (Indoor Track/Field House/Multi-sport Hardcourt). The Task Force also has identified a number of policy and governance issues that need to be addressed. These recommendations are discussed in detail in the report.

I have included a link to the final report as well as the subcommittee reports directly below:

<https://www.fairfaxcounty.gov/springfield/sports-tourism-task-force>

I hope that you find the report informative. As Chairman of the Sports Tourism Task Force, I look forward to continued collaboration with the stakeholders to make Fairfax County a sports tourism destination and will keep you apprised of our efforts. Please let me know if you have any thoughts or suggestions.

Another Step in Addressing the County's Unsustainable Pensions

I have received a number of requests from Herrity Report readers to provide an update on the pension reform vote in December. I want to start by thanking the many Fairfax County residents and organizations that showed up to testify in support of the changes at the public hearing on the proposed pension reforms. I also want to thank those that called their Supervisor, sent emails and wrote letters of support on reforming Fairfax County's unsustainable pensions. There was significant resident support to adopt all five reforms.

Since elected to office in 2008, I have been working to address the County's compensation and pension issues. Pensions alone currently cost the county 30 cents on top of every payroll dollar - over 65 cents if you include all benefits. Pension costs compete with our ability to fund the services our residents expect, compete with our ability to pay salaries that attract the best and brightest employees and teachers, and are a big reason homeowner taxes have increased 25% in the last five years.

When I joined the Board, employees could retire as early as age 50 with a pension that is significantly higher than surrounding jurisdictions. On top of that very generous pension, they also received a benefit unheard of anywhere else - a county paid social security benefit from their date of retirement until the date they are eligible to receive federal social security. I was able to get the Board to review pensions in 2013, but could only get them to raise the retirement age from 50 to 55. Thanks largely to the debate on the meals tax, the Board agreed to take another look at pension costs and began another review in late 2016.

Staff proposed a number of changes to the pension plans which were presented to a working group consisting largely of employee unions. Below is a list of options presented at the Board's Personnel Committee meeting in June, which was whittled down to just five changes:

Proposed Package

Final package considered, but not supported, by Retirement Workgroup

Potential Change for New Hires		3/13/18 Package
1a	MINIMUM RETIREMENT AGE: Increase Minimum Retirement Age in ERS from 55 to 60	<input checked="" type="checkbox"/>
1c	MINIMUM RETIREMENT AGE: Establish a Minimum Retirement Age of 50 in URS/PORS	<input checked="" type="checkbox"/>
2	RETIREMENT ELIGIBILITY: Increase from Rule of 85 to Rule of 90 in ERS	<input checked="" type="checkbox"/>
3a	SALARY AVERAGING: Increase Salary Averaging Period from 3 Years to 5 Years	<input checked="" type="checkbox"/>
4	ELIMINATE PRE-SOCIAL SECURITY SUPPLEMENT: Eliminate Pre-Social Security Supplement in ERS/URS	<input checked="" type="checkbox"/>
9	ELIMINATE 3% FORMULA INCREASE: Eliminate the provision that increases the calculated retirement annuity by 3%	<input checked="" type="checkbox"/>
10	INCREASE EMPLOYEE CONTRIBUTION: Increase the employee contribution rate from 5.33% to 6% (ERS), from 7.08% to 8% (URS), and from 8.65% to 10% (PORS)	<input checked="" type="checkbox"/>
Employees' System Percent Change in Employer Normal Cost		(24.68%)
Uniformed System Percent Change in Employer Normal Cost		(20.41%)
Police Officers System Percent Change in Employer Normal Cost		(18.63%)
Total Projected GF Savings when Fully Realized based on Current Payroll		\$16.38m

June 26, 2018

Retirement System Review

The changes would only apply to employees hired after June 30, 2019, and if all approved, would still leave our county employees with the best pensions in the region. At the December 4th meeting, my motion to approve all five changes was only supported by Supervisors John Cook and Linda Smyth. The Board ultimately voted to approve only two of the five proposed amendments, including the elimination of the pre-social security supplement.

We still have work to do to reform our pensions. Too much of our compensation dollar still goes to pensions, our pension benefits are still much greater than surrounding jurisdictions, and the cost is unsustainable. All of Fairfax County's pension projections are based on a 7.25% return on investment. However, our professional advisors have told us not to expect greater than 4.8% over the next ten years. If that projection comes true, our unfunded liability for the County doubles to around \$5 Billion and the county's pension cost projections are also significantly off base.

While I believe the Board missed an opportunity last year to truly address our pension issues and develop an overall compensation plan that would provide a mix of salary, pensions, and benefits that would attract the best employees and teachers, these changes are another important step. I look forward to working on further reforms to the county's pensions so that we will be able to continue to provide the high-quality services important to you without having to raise taxes.

Upcoming Events

Free AARP Foundation Tax-Aide Program Available Feb. 1st - April 15, 2019

The AARP Foundation Tax-Aide program, offered in conjunction with the IRS, provides free federal tax return preparation and e-filing from Feb 1 through April 15, 2019 by volunteers certified by the IRS. The twelve centers in Northern Virginia also prepare Virginia returns. Sites also have a number of counselors qualified to prepare Maryland and DC returns. Travel Teams are available for Shut-Ins, Call 571-766-6268.

Counselors handle almost all forms of income and work with taxpayers to help them get all the deductions and credits for which they qualify. Although the program has no income limits, Tax-Aide clients are generally low and middle income taxpayers.

You do not have to be an AARP member to take advantage of this service, which is available to taxpayers of all ages, with special attention to seniors. Taxpayers need to bring with them: a photo ID; Social Security cards for themselves and dependents; a copy of last year's tax returns (even if taxes were done at the site the prior year) and all tax documents they have received including but not limited to W-2s, Social Security benefit statements, 1099 interest, dividend, and pension/IRA statements, brokers' statements, and W-2Gs for gambling winnings.

Self-employed individuals should bring information about the earnings and expenses of their businesses. Also necessary, for those who itemize deductions, are documents and records concerning outlays such as mortgage interest, real estate tax, personal property tax, medical expenses and charitable contributions. Those claiming education credits should bring form

1098-T from the relevant educational institution and records of outlays for tuition and other qualifying expenditures such as course books. Direct deposit of refunds and direct debit of taxes owed require the bank routing number and the taxpayer's account number.

The locations and times are provided below:

Mason District Government Center 6507 Columbia Pike

Annandale, VA 22003

Tue, Wed, Fri 9:30 am - 1 pm

Mon & Thurs. 1 pm - 8 pm (Closed Feb 18th)

Saturday 9 am - 1 pm

Sherwood Regional Library 2501 Sherwood Hall Lane

Alexandria, VA 22306

Monday - Saturday 10:15am - 2pm

Evening Hours, Mon - Thurs 5pm - 8pm

(Closed Feb 18th)

SunTrust Bank of Vienna 515 Maple Avenue East

Vienna, VA 22180

Monday - Friday 10 am - 2 pm (Closed Feb 18th)

Arlington Central Library

1015 North Quincy Street

Arlington, VA 22201

Tuesday 10 am - 7 pm

Thursday 10 am - 4 pm

Monday April 15th, 10 am - 7 pm

Centreville Regional Library

14200 St. Germain Drive

Centreville, VA 20121

Tuesday 4 pm - 8 pm & Wednesday 1 pm - 5 pm

Columbia Pike Branch Library

816 South Walter Reed Drive

Arlington, VA 22204

Tuesday 1:15 pm - 7:45 pm

Friday & Saturday 10 am - 2 pm

James Lee Community Center

2855 Annandale Road

Falls Church, VA 22042

Tuesday & Thursday 1 pm - 4:30 pm

Bull Run Regional Library 8051 Ashton Avenue

Manassas, VA 20109

Mon 10am - 5pm (Closed Feb 18th) Thurs 10am - 7pm (Closed Feb 21st & Mar 28th)

Sat 10am-3pm (Feb 9&23, Mar 9&30, Apr 6&13)

Providence Community Center

3001 Vaden Drive

Fairfax, VA 22031

Saturday 9:30 am - 1:30 pm (Closed Feb 16th)

Mott Community Center

12111 Braddock Road

Fairfax, VA 22030

Thursday 9:30 am - 1:30 pm Saturday 1 pm - 5 pm (Closed Feb 16th)

Reston Community Center

2310 Colts Neck Road

Reston, VA 20191

Tuesday 9 am - 2 pm Thursday 4:30 pm - 8:30 pm Saturday 9 am - 3 pm

Chinn Park Regional Library

13065 Chinn Park Drive

Woodbridge, VA 22192

Tues & Thurs 10 am - 3 pm (Closed Mar 6th)

Sunday, Feb 24, March 10 & 24 12 pm - 3 pm

Budget Town Hall Meeting: Save The Date

Please save Thursday, March 21, 2019 at 7:00 p.m. at my West Springfield office for my annual budget town hall meeting with the Fairfax County Executive and Fairfax County Chief Financial Officer.

My office is located at the following address:

West Springfield Government Center

6140 Rolling Road

Springfield, VA 22152