

Fairfax County Federation of Citizens Associations
Resolution on the Fairfax County Advertised FY2018 Budget March 23, 2017 **MEMBER APPROVED**

**Resolution on the
Fairfax County Advertised Fiscal Year 2018 Budget**

(Adopted by Membership March , 2017)

Respectfully submitted to the Fairfax County Board of Supervisors.

Tim Thompson, President
Fairfax County Federation of Citizens Associations

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A. INTRODUCTION

The Fairfax County Federation of Citizens Associations (The Federation) is a 75-Year old umbrella organization representing over 60,000 Fairfax County homeowners and District Councils.

As homeowners, our members are acutely aware that about 65% of the Fairfax County FY2018 Budget is dependent on real property taxes, primarily residential.

The Federation is also aware that changing demographics in the County and failures by the Commonwealth of Virginia and the Federal Government to provide adequate funding of their various mandates and responsibilities, has multiplied costs, and has shifted the burden of maintaining our schools, quality of life and infrastructure to the County, and disproportionately to homeowners. This abdication of responsibility needs to be strongly addressed by all County elected representatives. But, while awaiting redress, we cannot permit degradation of our essential services and our schools, which the Board has recognized as a priority asset and instrumental in attracting new residents and businesses, and building a diversified economy.

The Federation supported the recent Meals Tax Referendum as an important step in diversifying the revenue stream and providing critical support to schools and County services while slowing the rate of increase in property tax rates which would be otherwise required. The Federation believes it should not be assumed that the defeat of the Meals Tax Referendum signals an unwillingness on the part of taxpayers to support the growing needs of County and schools. Certainly, the upward trajectory of property tax increases is concerning but so are the needs to maintain citizens' quality of life and the primacy of FCPS as an economic stimulus to new businesses and property values.

Federation members recognize that our lifestyle comes at a cost, but continue to insist that the following critical needs are addressed by the Budget and the Board in FY2018 and successive years:

- (a) continued excellence of Fairfax County Public Schools (FCPS), which serve as a magnet for growth and provide the underpinning of the County's economic health;
- (b) a safe and secure community with a reasonable safety net for residents and families with mental, physical, or substance abuse issues or are homeless or living in poverty;
- (c) parks, recreational facilities, and libraries which are adequately maintained and staffed;
- (d) responsive, transparent and proactive governance and financial planning and oversight, including maintenance of the County's AAA bond rating;
- (e) improvement of environmental quality, recycling and pest management.

B. FINDINGS

I. REVENUES

WHEREAS, the changing needs and demographics of the County and Schools are reflected in rising property tax rates, and additional fees that directly affect homeowners (such as storm water fees and waste disposal fees) disproportionately increase the tax burden on homeowners; and

WHEREAS, under the “Dillon Rule” Counties in Virginia have limited authority to raise and collect revenue compared to rights granted to cities, but the Board of Supervisors has not fully implemented the authorities available to it including (but not limited to): (1) adopting a zoning ordinance to assess and impose transportation impact fees on by-right commercial or mixed-use development to defray costs of reasonable road improvements; (2) using new transportation revenues from fuel taxes to alleviate transportation congestion, or (3) imposing taxes, such as the Business/Professional/Occupational Licenses (BPOL) tax, at rates comparable to surrounding jurisdictions;

WHEREAS diversification of revenue is essential to good business and fiscal planning, and achieving revenue-generating authority on a par with that granted to cities would improve diversification and over-reliance on a single source revenue stream; and

WHEREAS fully exercising current revenue authority and seeking city-county parity would also ameliorate the tax burden of homeowners for whom rising tax bills do not necessarily reflect rising income or disposable wealth; and

II. COMPENSATION AND BENEFITS

WHEREAS, increases in life expectancy, early full retirement eligibility (police and uniformed), lump sum payments under the Deferred Retirement Option Payment (DROP) program, and a specified floor for cost of living increases for pensioners have combined to make annual County retirement contributions very expensive while the long-term liability of the defined benefit pension fund is uncertain; and

WHEREAS, Fairfax County’s defined benefit plans are better funded than many other public entities, but it is apparent that some changes will be required to assure benefits will be there for current employees, to avoid the crisis situation felt elsewhere and to better reflect changing attitudes of employees and the private sector movement away from defined benefit plans; and therefore the following areas need attention:

(a) development of a flexible combination of salary enhancement, defined benefit contributions and transportable retirement savings such as 401(k)s to reduce annual County and long-term County liabilities and allow for employee preferences;

(b) an examination of extending retirement ages and consideration of a system which combines chronological age with years of service;

(c) phasing out the DROP program and/or converting to multiple tranches which reward employee longevity with periodic enhanced contributions to individual retirement accounts; and

WHEREAS it is in the interests of all citizens that the County (and FCPS, discussed below) maintain a quality workforce and provide compensation, both salary and benefits, which is competitive with those offered by surrounding jurisdictions and/or, to the greatest extent possible, the private sector for similar positions; and

WHEREAS the County should undertake and release a study comparing County employee salary and benefits in order to demonstrate to County taxpayers that any proposed increases are needed to maintain parity with competing jurisdictions in order to attract and retain qualified employees; and

III. PUBLIC SAFETY

WHEREAS the FY 2018 Advertised Budget (Budget) includes necessary funding for an additional 26 public safety positions which are reasonably required to address population increases and demographic changes in the County; and

WHEREAS the Budget includes funding and makes appropriate lead time and organizational considerations for the 2021 opening of the new South County Police Station in a rapidly growing area of the County; and

WHEREAS the Budget does not fund the second tranche of the “Diversion First” program, begun in FY2017, putting in doubt the continuation of this initiative which diverts mentally ill or challenged offenders from the judicial system and probable incarceration to appropriate treatment; and

WHEREAS “Diversion First” has the potential to save the County significant monetary costs in police time, legal processes and incarceration as well as significant human costs to individuals and families, and may also reduce the unfortunate scenarios that too often result from the collision of mental illness with the judicial system; and

IV. EDUCATION FUNDING AND SCHOOL TRANSFER

WHEREAS Fairfax County’s continued economic growth and strong property values both depend on the excellence of its public schools, and FCPS is regularly recognized as a priority asset of the County by homeowners, by the Board of Supervisors (BOS), and by the County’s Economic Development Authority; and

WHEREAS, as is more particularly set forth in the “FCFCA Education Committee Resolution on the Fairfax County FY 2018 Budget” attached and incorporated herein, FCPS’ necessary expenditures continue to increase due to rising enrollment and student demographic changes, unavoidable increases in retirement and healthcare

expenses, and a need to bring teacher salaries to a competitive level compared to surrounding jurisdictions in order to attract and retain the best teachers; and

WHEREAS the Budget substantially underfunds FCPS and the School Transfer requested by the Fairfax County School Board, creating a current funding gap of over \$48M and threatening the ability of FCPS to meet needs, particularly in the priority area of teacher compensation; and

WHEREAS studies show that FCPS salaries are below market average, very significantly so in some experience ranges, which has caused the loss of experienced teachers and an unacceptable vacancy rate in teacher positions; and

WHEREAS in FY 2017 FCPS began a data-driven and targeted multiyear effort to close this salary gap by 2021, but the school transfer suggested in the Budget will hinder this effort; and

WHEREAS the inability to offer competitive salaries to qualified teachers threatens to dilute the excellence of FCPS and the economic health of the County because teacher quality is one of the most important factors in student achievement; and

V. PUBLIC WORKS AND ENVIRONMENT

WHEREAS the BOS approved the “Cool Counties Pledge” committing to specified reductions in greenhouse gases (GhG) by 80% by 2050 compared to 2005 recorded levels, as is more specifically discussed in “FCFCA Environment Committee Resolution on the Department of Public Works and Environmental Services (DPWES) Funding in the Fairfax County FY 2018 Advertised Budget”, attached hereto and incorporated herein, and

WHEREAS the County has reduced GhG but not to the agreed upon levels, necessitating additional action including, but not limited to: developing a comprehensive plan, establishing a Sustainability Office to assure goals are met and issuing annual reports on progress; and

WHEREAS current solid waste management regulations allow yard waste to be collected in plastic bags which have to be manually emptied, but if yard waste was required to be placed in compostable containers the expense of emptying would be avoided at no environmental cost, as discussed in the above referenced resolution; and

WHEREAS the Budget includes funds for Fall Cankerworm eradication, which is not recommended by the County Urban Forestry Management Division and is opposed by many residents, and those funds should be used for other purposes as discussed in the above referenced resolution; and

VI. FY 2018 PROPERTY TAX RATE

WHEREAS the Budget recommends the FY 2017 property tax rate (\$1.13 per \$100 of assessed valuation) be retained for FY 2018 which would cost the average homeowner only \$41 for the year and increase revenue sufficient to technically balance the Budget but not to provide adequate funding for FCPS or other County priorities; and

WHEREAS the maximum advertised tax rate was also set by the BOS at FY 2017 levels so that the FY 2018 rate may be lowered but not raised, which stifles the ability of citizens to discuss the proper balance of taxes and services, removes the flexibility of the BOS to respond to demonstrated needs, and may lead to precipitous raises in future years to address known needs, such as FCPS, Metro, and other Lines of Business (LOB); and

C. REQUESTED ACTIONS

NOW THEREFORE BE IT RESOLVED based on all of the foregoing that the Fairfax County Federation of Citizens Associations urges the Fairfax County Board of Supervisors (BOS) to take the following actions in adopting the FY 2018 County Budget:

Revenue

(1) the BOS should exercise all available authority to generate additional diversified revenue, including but not limited to raising the BPOL tax to at least that imposed by surrounding jurisdictions, taking all necessary steps to collect impact fees and permitting fees, and collect fuel tax revenues; and

(2) the BOS should pursue efforts to achieve City-County parity in taxing and other authorities, and should increase efforts, in concert with the Fairfax County School Board, to obtain a fairer share of funding from the Commonwealth and federal government; and

Public Safety

(3) the BOS should adopt the increased staffing and salary projections in the County's FY 2018 Advertised Budget; and

(4) the BOS should restore, as far as is possible, second year funds for the "Diversion First" program which promises to save both money and human life in the future; and

Compensation and Benefits

(5) the BOS should accept suggested employee compensation increases with the proviso that in future years a comprehensive study be done and publicized which compares salary and benefits in surrounding jurisdictions in order to determine competitiveness and relative salary position before base salaries are increased beyond cost of living; and

(6) the BOS should examine the retirement system and consider changes (targeting new and/or unvested employees) to retirement age, the DROP program, and annual cost of living increases and develop changes or reductions to the defined benefit plans to provide more flexible approaches to salary and retirement contributions (as reflected in the private sector) which may be more attractive to newer, younger employees while reducing potentially crippling long term liabilities; and

Environment and Public Works

(7) the BOS should accelerate “Cool Counties” progress by developing a comprehensive plan to meet goals and establish a Sustainability Office to assure goals are met and issue annual progress reports, with funding for the Sustainability Office to be realized through energy savings; and

(8) the BOS should establish solid waste management regulations to require yard waste be placed in compostable containers and the funds saved by eliminating the need for emptying plastic bags should be diverted to other solid waste management division activities such as community outreach and education on the County’s recycling programs; and

(9) the BOS should not expend funds for Fall Cankerworm eradication but should use funds saved for other pest management programs and/or public outreach about pest (including White-tailed Deer) and invasive plant management; and

Education and School Funding

(10) the BOS should increase the County’s transfer to FCPS beyond the recommendations in the County FY 2018 Advertised Budget, and to the extent possible given the constraints of other spending priorities; and

FY 2018 Property Tax Rate

BE IT FURTHER RESOLVED that the BOS should adopt the maximum advertised tax rate as the actual rate for FY 2018 to avoid any further deterioration in services and school funding and should, for FY 2019, improve communication and adopt a maximum advertised rate which does not effectively stifle citizen input on the proper balance of taxes and services and limit Board flexibility.