

Fairfax County Federation of Citizens Associations

Resolutions Package

Fairfax County Advertised Fiscal Year 2011 Budget
and
Fiscal Year 2011-2015 Capital Improvement Program

OVERVIEW

The County Executive's total fiscal year (FY) 2011 Advertised Budget Plan totals \$6,085M, of which the General Fund Disbursements are \$3,294M, a decrease of \$36M or 1.1 percent from the FY 2010 Adopted Budget Plan.

The only good news is that last year's estimate of the FY 2011 shortfall was 23 percent too high. The proposed budget deals with the currently projected \$257M shortfall using the following strategies:

- reduce County spending by \$103M (1.1 percent)
- eliminate 298 County positions, of which about 200 are currently vacant
- reduce the School Operating Transfer by \$16M (1.0 percent)
- use balances/savings carried over from FY 2010 of \$38M
- increase revenue with new fees, adding \$121.4M
- reserve \$22M for estimated revenue reductions from the Commonwealth

The bad news is that the County Executive asserts that reductions in services and programs which will be made for FY 2011 will be permanent. The levels of services will become "the new normal," since the economy will not improve sufficiently in the foreseeable future to permit restoration of these reductions. The goal of the proposed budget is to sustain core services over the long term; maintain resilience to future economic challenges and new / expanded service requirements; and transform how the County and Schools work with the public and across County and School agencies.

This budget resolution package will address these issues in the following order. First we will consider the expenditures of the General Fund and evaluate proposed reductions, then the Capital Improvement Program. The third section will look at the proposed new revenues. The remainder of the package will address the County's budget process and provide a concluding resolution.

Some sections of this document contain a Background explanation for the benefit of the Federation Membership as well as a resolution pertaining to the topics of the section. The organization of the recommendations reflects the significance of the topics to the Federation's Standing Committees rather than be parallel to the Fairfax County Government or Public Schools structure.

I. GENERAL FUND EXPENDITURES AND REDUCTIONS

General Fund total disbursements, which is comprised of Direct Fund disbursements and "transfers out" to parts of the Schools, Capital Improvement Program, Community Services Board, and other funds, total \$3,294M, a decrease of 3.9 percent from the FY 2010 Revised Budget Plan.

The Direct Fund expenditures total \$1,185M, a decrease of \$95M or 7.4 percent from the FY 2010 Revised Budget.

Major characteristics of the proposed FY 2011 expenditures include:

- agency spending reductions of \$103M
- elimination of 298 positions, of which about 200 are currently vacant
- no County employee compensation increases for the 2nd consecutive year
- a 1.0 percent reduction in the General Fund transfer to Fairfax County Public Schools

A list of Agency Reductions which the County Executive has proposed can be found on the County website at http://www.fairfaxcounty.gov/dmb/fy2011/advertised/agency_reductions.pdf. This document will use the numbering of the County's Agency Reductions document.

Relative to the FY 2010 revised budget, the proposed General Fund reductions, rounded to whole number percentages, include: Department of Transportation, 41 percent; Office of Emergency Management, 22 percent; Public Libraries, 17 percent; Community Development, 16 percent; Park Authority, 13 percent; and Police and Fire & Rescue, 10 percent each.

A. EDUCATION

Education Resolution

Whereas, recent General Assembly actions will result in the Fairfax County Public Schools (FCPS) receiving a significantly higher amount of money from the Commonwealth than was anticipated in the FY 2011 FCPS Advertised Budget but incurring large and undeterminable shortfalls of at least \$100M in FY 2012 through 2014; and

Whereas, FCPS has recently proposed setting aside \$61.3M in FY 2011 as a reserve for future funding changes which will include (1) significantly increased Virginia Retirement System (VRS) contributions, with repayments including 7.5 percent to 7.8 percent interest, (2) expiration of federal stimulus monies, (3) payment of deferred FY 2011 fourth quarter VRS payment, (4) additional enrollment, (5) unknown inflation and health benefit costs, (6) a minimal 2.0 percent salary increase of about \$40M, after 2 years without any increase, (7) significant program reductions or revenue increases in FY 2012; and

Whereas, if the \$16.3M reduction proposed by the County Executive is restored to the FCPS transfer, resulting in the same transfer amount as FY 2010, class size increases will not be required, but there will still be reductions and cost avoidances including including (1) fee increases of \$4.3M, (2) elimination of 204 positions of which 99 are in the central office, (3) elimination of summer school except for those students needing one or two classes to graduate and the self supporting program, (4) the reduction of equipment replacement by 50 percent and the elimination of new bus and textbook purchases, (5) the closure of Pimmit Hills Alternative High School, and a further reduction of 66 custodian positions, and (6) no salary increases; and

Whereas, without the \$16.3M restoration, FCPS will have to either (1) remove additional funds from the proposed reserve, or (2) make additional reductions comparable to 297 additional positions or an increase in the average class size by one student per class, and

Whereas, the average class size has been increased by one student per class over each of the last 2 years; therefore, be it

Resolved, that the Fairfax County Federation of Citizens Associations (Federation) supports restoring \$8.15M to FCPS's transfer amount, and supports restoring the balance of \$8.15M requested by FCPS if additional funds can be found.

County Support for FCPS Programs Resolution

Whereas, the required debt service for FCPS facilities has decreased; and

Whereas, the County Executive proposed a reduction in maintenance of athletic fields; and

Whereas, there was no proposed reduction for school crossing guards; and

Whereas, the proposed changes in the School Age Child Care program (SACC) include (1) two additional classrooms at Mount Eagle Elementary School with position offsets from within the department, (2) an increase in SACC fees by 3.5 percent for all students, which for those paying full price amounts to \$10 per month per student, and (3) snacks were decreased; and

Whereas there is added support for Comprehensive Services Act (CSA) and Head Start program; and

Whereas, there is a proposed increase of one nurse for two new elementary schools – Laurel Hill and Luttie Lewis Coates, and the addition of two full-time nurses to serve as backup for school-aged children, both with positions offset from within the Health Department; and

Whereas, the Advertised County Budget places a moratorium on bond referenda which does not apply to FCPS renovation and construction projects, but does allow referenda for FCPS projects in the amount of \$240M in both FY 2011 and FY 2013, giving FCPS flexibility in issuing bonds; and

Whereas, the County Executive proposes elimination of funding for School Resource Officers at middle schools; positions that the Federation believes provide an essential information resource on illegal activities both within and outside of school, and positions which especially aid in gang prevention; and

Whereas, the County's Advertised Budget includes \$155M in bond issuance authority for FCPS, even though the need for renovation and construction of schools exceeds what can be accomplished with this annual funding for an extended time period; therefore, be it

Resolved, that the Federation supports most school related items in the advertised budget, but requests that the SACC fee continues to be on a sliding scale with lower charge for lower income families, and also requests full funding of \$2.1M for the police School Resource Officers at FCPS middle schools, as is also requested in the Public Safety section of this package; and be it further

Resolved, that the Federation encourages the Board of Supervisors to support an increase in bond issuance authority for FCPS greater than \$155M to the extent prudent to maintain the County's bond rating.

B. HUMAN SERVICES

Background. The Human Services area of the budget addresses all programs that service the needs of various populations, including low-income, homeless and senior residents. Funding includes direct expenditures to the County departments and the transfer to the Fairfax-Falls Church Community Services Board.

As a result of the continuing deterioration of the economy, Fairfax County continues to see a significant increase in the number of people needing assistance. In many cases, these individuals and families are the most susceptible to the economic downturn, forcing them from the margin of self-sufficiency to requiring assistance for basic needs very quickly. To address this rising need, the County's FY 2011 proposed budget has adjusted for service to residents who are the most susceptible. Notably, the County's Human Services, as a system of various County agencies, has been cited as an exemplary and innovative leader in the restructuring of agencies while enhancing service delivery to individuals and families needing assistance.

Human Services Resolution

Whereas, the Federation understands and recognizes that the current economic downturn in consecutive years has been challenging for the prioritization of programming by the various Human Services agencies in service delivery to its neediest and most vulnerable population, and

Whereas, the Federation recognizes the County's efforts to build safety net partnerships with community organizations that need to be maintained and supported, especially during these difficult times. Further, the Federation is appreciative of the diligent and caring work of the County Human Service staff for providing quality service in an efficient manner; therefore be it

Resolved, that the Federation concurs with the following as advertised in the County's FY 2011 budget:

- The one time Federal Stimulus Funding in the amount of \$5.5M should not be used to fund new initiatives and should be used to bridge gaps in service for FY 2011.

- As directed by the Fairfax County Board of Supervisors, a funding increase of \$877,424 will replace federal grant funding for public health preparedness and shall be used to add 9 additional staff to the Department of Public Health.
- A second reserve of \$1.0M for emergency support to community organizations in order to sustain the organizational operations and provision of short term adequate services. It is important to note that the same amount budgeted in FY 2010 is currently being used by the County to leverage \$4.0M in federal TANF Emergency Funds available through the American Recovery and Reinvestment Act of 2009 through a local match program to the Virginia Department of Social Services.
- The \$8.97M budgeted for the Consolidated Community Funding Pool and Proposed Changes to the Consolidated Community Funding Pool Advisory Committee in cooperation with the County's nonprofit partners.
- A reduction of \$4,157,446 for the Department of Family Services (DFS) in accordance with the agency's restructuring of business processes and identifying opportunities for efficiencies. In particular, the SACC program has adjusted staff schedule to align with the school year calendar; successfully increased the use of technology; and increased programming fee by \$10. These initiatives will increase the income of DFS by approximately \$1.0M and will be used to offset part of the budgeted reduction.

C. FAIRFAX – FALLS CHURCH COMMUNITY SERVICES BOARD

Background. Funding for the Fairfax – Falls Church Community Services Board is described in Volume 2 of the County Advertised Budget, and has not previously received close review by the Federation. Recent funding levels were \$141.557M and \$142.705M for the adopted FY 2009 and FY 2010 adopted budgets, respectively. Although the revised FY 2010 budget showed \$150.796M, the proposed \$139.214M for FY 2011 is only \$2.343M and \$3.491M less than the FY 2009 and FY 2010 budgets. A very quick review of the proposed reductions identified some that, based on the County's own statements, appear to be unacceptable.

Critical services that would be impacted include the elimination of the Adult Partial Hospital Program Service for individuals in North County Services, creating hardship for individuals served (\$497,244); the elimination of Emergency Services at the Northwest Center for Community Mental Health, leaving the Woodburn facilities near INOVA Fairfax Hospital as the alternative (\$88,385); the elimination Emergency Services at the Mount Vernon Center for Community Mental Health, also leaving the Woodburn facilities as the alternative (\$172,619); the elimination of clinical services at the Woodburn facilities from midnight to 8:00 a.m., resulting in critical overnight delays in treatment (\$66,904); the reduction of 2.5 positions for Alcohol and Drug Services, resulting in an extension of wait times for services (\$194,796); the elimination in home care relief with no other County or nonprofit organization providing these services (\$275,008); the elimination of two substance abuse counselors resulting in an extension of wait times (\$146,150); the elimination of one mental health forensic staff position at the Adult Detention Center that could lead to an increased risk of suicides or self injury (\$80,497); a decrease of operational expenses for Alcohol and Drug Service (Cornerstone Program) (\$80,000); the elimination one supervisory substance abuse counselor in preventative services, resulting in a critical loss to the Preventive Strategies Realignment Plan (\$84,235); the elimination of contracted services for Infant and Toddler Therapeutic Service, resulting in

delays in needed interventions (\$49,256); and the elimination of 2/2.0 Staff Year Equivalent (SYE) positions from the intensive day treatment BETA program, impacting the ability to treat the County's most at-risk youth and significantly increase the likelihood of criminal recidivism (\$238,795). These reductions total \$1.974M.

Fairfax – Falls Church Community Services Board Resolution

Whereas, the Fairfax County-Falls Church Community Services Board serves an important role in ensuring the mental and physical health of Fairfax County citizens; and

Whereas, some of the proposed budget reductions will seriously impair critical services, and create real hardships to individuals served; therefore, be it

Resolved, that the Federation supports the restoration of \$1.974M for the following positions and services provided by Community Services Board:

Physical Health: the Adult Partial Hospital Program Service for individuals in North County Services (\$497,244); the contracted services for Infant and Toddler Therapeutic Service, without which would result in delays in needed interventions (\$49,256); clinical service at the Woodburn facilities from midnight to 8:00 a.m. (\$66,904); home care relief service, as there is no other County or nonprofit organization providing these services (\$275,008); and

Mental Health: the Emergency Services at Northwest Center for Community Mental Health (\$88,388); Emergency Services at Mount Vernon Center for Community Mental Health (\$172,619); the 2.5 positions for Alcohol and Drug Services (\$194,796) and the two substance abuse counselors (\$146,150), without whom would result in an unacceptable extension of wait times; the one mental health forensic staff position at the Adult Detention Center, elimination of which may lead to increase risk of suicides or self injury (\$80,497); the one supervisory substance abuse counselor in preventative services, elimination of which would result in a critical loss to the Preventive Strategies Realignment Plan (\$84,235); the decreased operational expenses for Alcohol and Drug Service (Cornerstone Program) (\$80,000); and the Juvenile Forensics BETA program, reduction of which would impact the ability to treat some of the County's most at-risk youth and significantly increase the likelihood of criminal recidivism (\$238,795).

D. ENVIRONMENT

1. Stormwater Program

Background. The County Executive has proposed increasing the stormwater fee by ½¢ to 1.5¢ per \$100 assessed evaluation. This would increase the funding to about 4 percent over the 2009 funding but still 20 percent lower than the funding for 2008. Fairfax County has approximately 1500 miles of county-owned stormwater pipes, 250 miles of which are over 40 years old and in need of constant maintenance. Stormwater runoff affects the Chesapeake Bay, which failed to meet the urban/suburban water quality goals.

Stormwater Program Resolution

Whereas, the Advertised Budget proposes to increase the stormwater service fee to \$0.015 per \$100 assessed evaluation; therefore be it

Resolved, that the Federation endorses this increase as necessary to maintain the stormwater infrastructure.

2. Park Authority

Background. Parks are important to the quality of life of Fairfax County residents by offering opportunities for exercise, habitat for natural resources and secluded spaces for quiet contemplation. Parks improve the property values; one study concluded that the increase in property values and resulting property taxes were “sufficient to pay annual debt charges on bonds used to finance park acquisition and development”.

The FY 2011 Advertised Budget is reduced \$4,693,952 or 20 percent from the FY 2009 actual net cost to the County. The Park Authority serves over 18.5 million visitors at 417 parks, grooms fields for 225,000 competitors and maintains 300 miles of trails on a net cost budget of \$23,464,046 in 2009. So the cost of maintaining the park system based on the 2009 net cost is \$1.26 per visitor. The work force is 364 fulltime equivalent employees and has the greatest demand for their services in the summer months. That translates to 0.9 employees per park. The proposed budget includes no increase in employee compensation, and a reduction of 61 positions or 16 percent from the 2009 actual workforce or a reduction of the number of employees per park, which results in having only about 0.7 workers per park.

In addition to the severe cuts in services, the Park Authority will be increasing fees, turning off the lighting in park facilities, reducing summer programs and closing the Martin Luther King, Jr. Swimming Pool, which serves 7,500 people per year. The estimated savings for closing the swimming pool is \$51,393 or \$6.85 per patron.

Park Authority Resolution

Whereas, the Advertised Budget proposes reductions in cost-effective positions which (1) organize and oversee the Park Authority's volunteer workforce, and (2) perform strategic engineering analyses of the energy efficiency and long term operating costs of recreational facilities; and

Whereas, failure to maintain park facilities and provide nighttime lighting could lead to unsafe conditions, injuries, increased vandalism, and the use of parks for illegal activities; and

Whereas, summer programs such as summer camps and the Martin Luther King, Jr. Swimming Pool help to control the growth of gang activities and provide exercise for our youth; therefore be it

Resolved, that the Federation opposes the elimination or reduction of positions that support strategic initiatives, best utilizes volunteers, and decreases long term operating costs (Restore \$105,000 for Reduction 34; \$49,000, half of Reduction 35; and \$17,057 for Reduction 56); and be it further

Resolved, that the Federation encourages that the Administrative Assistant II position that supports communication functions be changed to a summer hire instead of being eliminated (Restore \$16,459, half of Reduction 55); and be it further

Resolved, that the Federation would encourage the Park Authority actively pursue increasing usage fees for monopolies in order to restore the Telecommunication/Monopole capital improvement fund (regarding Reduction 42); and be it further

Resolved, that the Federation requests that the Park Authority consider instituting a usage fee system to recoup the costs of night time lighting (regarding Reduction 45); and be it further

Resolved, that the Federation requests that the Park Authority consider leveraging summer park activities with local Scouting and Church organizations in order to expand the utilization of our parks by our youth rather than cutting this program further (regarding Reduction 47); and be it further

Resolved, that the Federation requests that the Park Authority investigate the possibility of getting grant funding and/or the institution of fees to support the Martin Luther King Jr. Swimming program and if unsuccessful, restore \$51,393 for Reduction 48); and be it finally

Resolved, that the Federation is concerned that reducing the maintenance of County Park fields could increase the chance of accidents and could lead to increased liabilities to the County over time. The Federation requests the restoration of \$79,741 for Reduction 39 and \$80,000 to Reduction 165 and the full restoration of the funding for Athletic Field Maintenance Programs in future years. The Federation feels that the maintenance of other fields could be accomplished by either increasing fees for the use of the fields and/or increasing the utilization of volunteers.

Summary: The Federation is requesting restoration of \$398,650 to the Park Authority and the Office of Capital Facilities.

3. Health Department

Background. Prior to 2009, Fairfax County maintained several air quality monitoring sites. All of these monitors have registered exceedances of the National Ambient Air Quality Standard (NAAQS) at some time. In the 2009 budget cuts the maintenance of these monitoring sites was turned over to the State Department of Environmental Quality (DEQ). Facing budget cuts of their own, the DEQ is planning to discontinue these monitors. Since these monitors have shown that the air quality was above NAAQSs, EPA regulations do not allow these monitors to be shut down. Several of these monitors are in areas that have been growing rapidly and may be more likely to exceed the NAAQSs in the future and should therefore be continued.

Fairfax County air quality staff also support the Metropolitan Washington Air Quality Committee (MWAQC) and sits on the MWAQC Technical Advisory Committee (TAC). The main purpose of the MWAQC TAC is to prepare the State Implementation Plan (SIP), which is the plan for the Metropolitan Washington Nonattainment Area to attain the NAAQSs. The SIPs include a number of voluntary measures that require annual progress documentation that the County is responsible for submitting. This function will be able to continue under the Health Department.

Health Department Resolution

Whereas, it may be necessary for the County to maintain some of the air quality monitors that were previously turned over to the Virginia Department of Environmental Quality; and

Whereas, it is necessary that the County continue to support the Metropolitan Washington Air Quality Committee Technical Advisory Committee; therefore be it

Resolved, that the Federation recommends that the County continue the Air Quality Program until EPA agrees that the Fairfax County monitors can be discontinued. The County should seek funding from the State to help fund the functions mandated by the Clean Air Act; in the interim the Federation recommends that \$100,000 be set aside for partial restoration of Reduction 79.

E. TRANSPORTATION

Background. Mass transit has two basic functions, to reduce the congestion on our roads and highways and to provide workforce transportation.

The Washington Metropolitan Area Transit Authority (WMATA) does not establish its budget until June. The current thinking of the WMATA Board is that the funding will remain constant. However, due to recent accidents and deaths WMATA is undergoing a major review of the safety of its operations. For safety reasons there may need to be significant increases in expenditures. Many of these changes may come from the capital accounts but some of the changes may have to come from the operating budget.

The primary function of the bus mass transit system should be to provide workforce transit, thus the proposed reductions in the hours of operation would mean that the workforce could not rely on the bus system to get them home if they had to work late hours or that only workers with other transit options could work late hours.

Since 2000 the County has received \$6.645M in annual operating support funding grant from Dulles Toll Road revenues from the Metropolitan Washington Airports Authority (MWAA) for Dulles Express Bus Service. The Dulles Express Bus Service has been partially funded through this grant from the Virginia Department of Rail and Public Transportation (DRPT). Initially the DRPT grant was sufficient to fund 50% of the Dulles Express Bus Service but through 2008 the County funding percentage has grown as the costs increased and the DRPT grant funding stayed constant. The grant was to remain in place to cover Dulles Express Bus Service through the completion of Metrorail to Wiehle Avenue. In November 2008 the Dulles Toll Road funding and the control of the DRPT grant was transferred to MWAA and subsequently discontinued. To make up for the funding cuts the Fairfax Connector is recommending:

- Increasing fares from \$1.25 to \$1.50
- Elimination of seven bus routes with one new route to partially provide service to the areas served by the seven routes being eliminated.
- Reduction in the number of evening bus trips on 26 routes, and
- Elimination of Sunday service on nine routes.

Transportation Resolution

Whereas, Metro is facing a \$189M deficit for Fiscal Year 2011 and is required to balance the budget. Its four main options are: 1) Raise fares; 2) Reduce service; 3) Obtain additional subsidies from the local jurisdictions that fund Metro; and 4) Divert funds from capital budget; and

Whereas, a Metro fare increase of \$89M and service cuts of \$33.7M have been proposed, leaving an unfilled \$40M gap; and

Whereas, the essential nature of Metro and the commuter infrastructure to the region's economy, security and environmental health suggests that the service cuts would be harmful and short sighted; and

Whereas, the final WMATA budget request will not be resolved until June; and

Whereas, cuts in late evening and weekend Connector bus service is not consistent with the primary mission of bus mass transit to support workforce transportation; therefore be it

Resolved, that the Federation commends the funding for Metro in the Advertised Capital Budget and urges the County to maintain the flexibility to provide subsidies sufficient to avoid Metro rail or bus service cuts; and be it further

Resolved, that the Federation requests an increase of \$3.9M in the General Fund transfer to Fund 100, to restore all of the "Reductions Resulting from the Loss of the Dulles Corridor Grant" especially evening and weekend Connector services coordinated with workers' hours at shopping malls and major businesses.

F. LAND USE

Background. A detailed analysis of the Community Development programs shows that all of the proposed reductions appear reasonable, except considerably greater reductions seem possible for the Land Development Services (LDS) part of Agency 31. To provide flexibility for future sudden increases in the LDS workload, contract personnel could be hired, rather than retaining lightly loaded County personnel. Human Rights and Equity Programs (Agency 39) may have some room for additional reductions because it consistently over-estimates its needs, by 18 percent in each of the last three years. Outcome-based performance measures are needed for the Economic Development Authority (Fund 16) and the Planning Commission (Agency 36). More of the performance measures for Housing and Community Development (Agency 38) should be outcome-based.

Land Use Resolution

Whereas, the Performance Measurement Results for the Land Development Services (LDS) agency show that the workload of that unit has decreased consistently and substantially since FY2000; and

Whereas, the Performance Measurement Results show that turn-around times for reviews have increased since FY2000; and

Whereas, the LDS unit has increased the number of employees and funding since FY2000; and

Whereas, the workload of LDS is and can more so be supported by outsourcing; and

Whereas, some if not much of the work of the Economic Development Authority duplicates the work of the Virginia Economic Development Partnership; therefore be it

Resolved, that the Federation agrees with the proposed decrease in the LDS personnel by a count of 10 under Community Development and another 8 under Public Safety (Budget Reduction Item #20), for a total reduction of \$3,661,904; however, Performance Measurement Results data¹ suggests that additional reductions can be made without injury to the performance of the agency such that the total budget reductions for this agency could amount to as much as \$10M. This represents a possible additional savings of up to \$6.3M; and be it further

Resolved, that to the extent that there exist in the County Executive's Advertised FY 2011 Budget funds that could be considered to support tourism over and above monies required by State law to be spent on tourism and the Economic Development Authority (EDA), the Federation requests that funds be backed out of the EDA account and used to offset some or all of the budget line item increases that the Federation has recommended.

G. PUBLIC SAFETY

Background. The public safety budget covers several key agencies: police, fire/rescue, sheriff's department/county jail, 911 emergency dispatching, and juvenile and family relations domestic court.

The proposed FY 2011 public safety budget is \$406,032,732, compared with \$432,159,084 in the FY 2010 adopted budget, just over a 6 percent reduction. Public safety represents 12.3 percent of the proposed County operating budget, compared with its 13 percent share in the adopted FY 2010 plan.

The most significant cuts occur in police and fire/rescue. The Police Department's FY 2011 budget totals \$158.6M, compared with \$170.9M in FY 2010. The budget relies heavily on personnel management tools, such as cutting overtime and keeping positions vacant, to cut costs. The plan does cut staff, calling for 1,666 SYE, compared with 1,730 in FY 2010.

Notable cuts include 26 Middle School resource officers, 16 police citizen aides, two officers dedicated to the traffic safety program, the Marine Patrol, and a number of administrative and management positions.

The FY 2011 Fire/Rescue budget is \$158,001,165, about \$10.2M less than last year's adopted budget, with a reduction in SYE positions from 1,465 to 1,434. Like the police budget, significant savings are projected through overtime reductions and management of vacant positions, as well as the elimination of some management positions.

Notable service cuts include:

- Reducing Basic Life Support ambulance service from 24 hours a day to eight, Monday through Friday, relying solely on Advanced Life Support ambulances in other hours. Slower response times are projected.
- Eliminating one Fire and Rescue Battalion, a step fire officials say could result in "creating an understaffed company, compromising operational efficiency and firefighter safety on-scene."

¹ <http://www.fcfca.org/pdf/LDSstudy2010-03.pdf>

- Eliminating a second set of gear to firefighters, increasing risk of burn injuries.
- Eliminating dedicated hazardous-materials staffing, potentially exposing the department and public should a hazmat and major fire emergency occur simultaneously.

Public Safety Resolution

Whereas, Public Safety accounts for \$406M, or 12.3 percent of the proposed FY 2011 operating budget; and

Whereas, Public Safety programs must be subjected to heightened fiscal scrutiny and bear their share of overall County budget cuts; and

Whereas, promotion of public safety is essential to Fairfax County's quality of life, the No. 1 County priority, and therefore must be balanced carefully against fiscal concerns; and

Whereas, physical well-being of the public and Fairfax's safety personnel must remain essential concerns of the County government, even in a troubled budget climate; and

Whereas, a diverse work force enhances the ability of police and firefighters to oppose youth crime and protect the broader community; and

Whereas, any restorations of Public Safety programs must be weighed against the costs and benefits of competing programs in other budget areas; therefore be it

Resolved, that the Federation supports the recommended cuts in Public Safety, except as specified below, as a responsible way of balancing of safety concerns and fiscal reality; and be it further

Resolved, that the Federation recommends the restoration of \$2,104,480 to pay for 26 middle school resource officers, who play a central, and not easily replaced, role in the fight against youth gangs, as also requested in the Education section of this package; and be it further

Resolved, that the Federation recommends the restoration of \$162,190 to pay for two positions in the police traffic safety program, noting that County budget documents say, "The potential negative impact is an increase in traffic safety related injuries and deaths"; and be it further

Resolved, that the Federation recommends the restoration of \$452,825 for dedicated HazMat staffing, noting that budget documents say that failure to do so could compromise the Fire Department's ability to respond effectively to simultaneous major incidents with potentially grave public health consequences.

Be it further resolved, that the Federation urges County officials to consider, if sufficient revenue becomes available, limited restoration of police pre-hiring program (current proposed cuts total \$623,084), with a focus of continuing to promote a culturally diverse police force; and be it further

Resolved, that the Federation urges County officials to consider, if sufficient revenue becomes available, restoration of \$692,705 to staff a fire/rescue battalion, noting that budget documents

says that failure to do so risks “compromising operational efficiency and firefighter safety on-scene”; and be it further

Resolved, that the Federation urges County officials to consider, if sufficient revenue becomes available, restoration of \$953,735 in proposed cuts for Basic Life Support ambulance service, noting that budget documents say failure to do so “will lead to response time delays and will accelerate the already declining ability to meet response targets.”

Be it further resolved, that the Federation urges County officials to review a recommendation to cut \$175,724 for medic trainee compensation, to ensure that this proposal is not a “false economy” that will trigger other offsetting costs; finally be it

Resolved, that the Federation urges County officials to conduct a public audit of operating increases of \$1,091,086 associated with the opening of the McConnell Public Safety and Transportation Operations Center facility, and \$4,629,000 associated with ongoing Information Technology projects to assess whether any savings or deferrals can be realized, without compromising officer or public safety.

H. LIBRARIES

Background. The Advertised Budget proposes further reduction of library hours from 1198 hours in FY 2010 to 1066 in FY 2011 resulting in a savings of \$2,514,000. However, this reduction in operating hours will have a significant adverse impact on the community and staff. Most draconian impacts of this budget proposal are the loss of 65 library staff positions and the reduction of hours of current staff; 35 deposit sites at senior living facilities, nursing homes and adult day care centers will no longer receive rotating collections of library books; and shorter summer reading program designed to engage at-risk youth.

Libraries Resolution

Whereas, a recent national study² funded by the Bill & Melinda Gates Foundation found that in 2009 libraries were a vital resource for an estimated 77 million Americans (a third of the teenage and adult US population), many of whom were low income, who used library computers to do research for homework and to seek jobs; and

Whereas, the proposed reduction in service hours at the regional and community libraries will adversely impact youth and adult library programs, such as the Summer Reading Program and preschool story times, and reduce the availability of meeting sites; and

Whereas, disabled and senior library users will no longer be able to order library materials for home delivery by the United States Postal Service or obtain them at 35 senior living facilities, nursing homes and adult care centers; and

Whereas, the FY 2011 Advertised Budget includes a reduction of \$2.5M in library funding and the elimination of 65 Full Time Equivalent staff positions; therefore, be it

Resolved, that the Federation strongly opposes these reductions and requests that they be restored, even if an increase in the real estate tax is required for the funding; and be it further

² <http://www.gatesfoundation.org/press-releases/Pages/opportunity-for-all-library-computer-use-study-100325.aspx>

Resolved, the Federation suggests that the library consider increasing fines and fees and consider instituting a fee of \$5 per hour for the use of meeting rooms and that these fees and fines be returned to the library operating budget.

I. COUNTY AND SCHOOL EMPLOYEES PENSION FUNDS

Background. A detailed Federation review of the County and FCPS pension funds addressed whether the pensions are adequately funded and adequately managed.

The funds included the Fairfax County Uniformed Retirement System (Fund 600 for firemen, etc.), the Fairfax County Employees' Retirement System (Fund 601), the Fairfax County Police Officers Retirement System (Fund 602), the Educational Employees' Supplementary Retirement System (Fund 691) and the Other Post-Employment Benefits (OPEB, Funds 603 and 692). We did not consider the Virginia Retirement System (VRS), which is at the State level.

Summary of conclusions: Except for Fund 601, under the County's reported actuarial assumptions, the pension funds are under-funded. The assumptions could have a significant impact on the difference between assets and liabilities; therefore, the actuarial values of assets and liabilities should be reported for other economic scenarios, including one equal to the record over the last ten years. A re-computation should also be made based on a high inflation rate, which so many financial experts are currently predicting.

Because the pension fund already is a major cost to the County, ways of reducing the cost by increasing employee contributions, delaying retirement age, etc. should be evaluated, as well as a switch to a defined-contribution plan. The switch could be for new employees only; however, a switch might be made also for current employees for all future years, as was done in the Federal government. The change would decrease pension costs and relieve the County of the burden of the uncertainty in the economy.

The OPEB reports should be made to conform to those of the other funds in which the unrealized capital gains are separated from the sum of realized capital gains, interest income, and dividend income.

Pension Funds Resolution

Whereas, the actuarial values of the assets and liabilities depend on the assumed values of inflation and return on investment,

Whereas, the currently assumed values of the rates of inflation and return on investment differ significantly from what has been experienced over the past ten years and from the longer-term S&P 500 rate, and

Whereas, under the current assumptions used by the County, a detailed study³ shows that the actuarial assets are less than the actuarial liabilities, indicating that the Fairfax County's defined-benefit pensions are currently under-funded; and

³ <http://www.fcfa.org/pdf/PensionFundsStudy2010-03.pdf>

Whereas, the County's pension costs are already a major component of the County's expenses; and

Whereas, many private companies, as well as the Federal government, have reduced their pension expenses by changing from defined-benefit plans to defined-contribution plans; and

Whereas, clarity is needed in the County's financial reports; therefore be it

Resolved, that the Federation recommends that the actuarial values be re-computed under alternative assumptions, including (1) the last decade's average values for the rate of return of the pension and the inflation rate and (2) the high inflation rates anticipated by many economists; and be it further

Resolved, that the Federation requests that the County evaluate adjusting the benefits of the defined-benefit plans and transitioning from the current defined-benefit plans to a new defined-contribution plan. The latter could apply to new employees only; however, a switch should also be evaluated if the new plan is applied to all employees for all of their future years, as was done in the Federal government; and finally be it

Resolved, that the Federation requests that the Other Post-Employment Benefits (OPEB, Funds 603 and 692) reports be made to conform to those of the other funds in which the unrealized capital gains are separated from the sum of realized capital gains, interest income, and dividend income and that the titles to these items be made the same as in the other funds.

II. CAPITAL IMPROVEMENT PROGRAM

Background. The advertised FY 2011-2015 Advertised Capital Improvement Program (CIP) provides for capital projects from all funding sources, but mainly from General Revenue Bonds, the General Fund, and fees and service district revenues. The FCPS has a separate CIP for which the County pays most of the bonded indebtedness.

Debt Capacity. The County Executive proposes to increase the General Fund transfer for County debt service \$10.94M or 9.86 percent above the FY 2010 level. The General Fund transfer for School debt service is decreased by \$3.06M or 1.87 percent. The increase for the combined County and School General Fund Transfers for debt service is \$7.88M or 2.87 percent.

Paydown. The CIP proposes \$15M for Paydown Capital Projects from the General Fund in FY 2011, a substantial decrease from the FY2010 Adopted Plan level of \$20.5M. It supports only the limited number of capital projects considered essential, but even some of these have been significantly reduced.

Bond Referenda. The County Executive proposed a County bond referendum of \$120M in FY 2011, to support the Metro Matters capital program, with referenda for FY 2013 and 2015 on hold. FCPS referenda are recommended for a steady level of support at \$240M for both Fall 2011 and 2012 (FYs 2012 and 2013).

Affordable Housing. The County Executive proposed a half penny to continue supporting the Affordable Housing program, but the Board has recently received a Housing Blueprint for a new

program which would shift emphasis from preserving affordable housing to 1) providing housing for those in the greatest need, 2) partnering with nonprofits, 3) refocusing existing resources, 4) bridging the affordability gap, 5) completing projects in the pipeline and 6) promoting workforce housing through land use policy and private sector partnerships. This information was too recent for the County Executive to include in the proposed CIP, and it has not yet been determined what funding would be available in FY 2011 to meet the \$10,110,400 in requirements identified in the Blueprint. Options have been suggested to the Board of Supervisors in the County Executive's Executive Summary accompanying the Advertised Budget and in a presentation to the Board of Supervisors on March 26, 2010.

Facility Renewal. New capital renewal funding is proposed as a combination of a \$3M in pay-as-you-go transfer from the General Fund and borrowing \$5M short-term borrowing (5 years). It is anticipated that \$15M will need to be borrowed in each of FY 2012 and 2013 in order to eliminate a \$35M backlog of renewal projects for the County's aging facilities.

Stormwater Management. Please refer to the Environmental Section of this budget package for a discussion of the proposed Stormwater Management program.

Capital Improvement Program Resolution

Whereas, the proposed total debt service for the County and FCPS is within the parameters set by the County's financial principles, which help us keep the AAA rating from all three ratings firms; and

Whereas, the paydown for capital projects supports only essential projects; and

Whereas, funding for the Blueprint for Affordable Housing is incomplete at this time; therefore, be it

Resolved, that the Federation supports the County Executive's conservative approach to incurring debt while sustaining the County's ability to execute its programs and services over the long term; and be it further

Resolved, that the Federation hopes that the Board of Supervisors and the County Executive can find County and private partnership funding of \$10M to meet the requirements identified in the Blueprint for Affordable Housing; and finally, be it

Resolved, that we reiterate our positions with respect to bonds for schools, athletic fields maintenance, the fee for stormwater management, and other CIP issues as stated in other sections of this resolution.

III. REVENUES

Background. In addition to reducing expenditures to balance the FY 2011 budget's project \$257.2M shortfall, the FY 2011 Advertised Budget includes revenue/fee enhancements of \$121.4M:

- real estate tax rate increase of \$0.05, generating \$93.4M
- vehicle registration license fee of \$33, generating \$27.0M

- School Age Child Care (SACC) fee increase, generating \$1.0 M.

With these rates, 62.1 percent of the County's General Fund revenues would come from real estate taxes, 15.4 percent from Personal Property taxes, and 14.7 percent from local taxes [which include local sales tax, Business, Professional and Occupational License (BPOL) fees, and other taxes]. General Fund revenue from the Commonwealth is estimated at \$89.4M (2.8 percent), not including funds for the Schools.

The proposed real estate tax rate will result in a decrease in the average homeowner's tax bill by approximately \$48 because of the decline in property values.

Increases were not recommended in the personal property tax rate, local sales tax rate, and the BPOL fees. Also, the County Executive considered but did not recommend a meals tax, which could generate \$80M at the maximum 4 percent rate and which would require a referendum; nor a fee on theater and entertainment admissions, which could generate \$3M at the maximum 10 percent rate.

Uncertainties about the revenue stream are related to the recovery of the economy, Federal stimulus funds, and the reduction of County revenues from the Commonwealth, which is itself facing a significant revenue shortfall. The County Executive has therefore recommended that \$21.7M be held in reserve in anticipation of possible State revenue reductions. It is the Federation's understanding that not all of this reserve will in fact be needed to cover those reductions.

Longer term, there are concerns about funding of County employee pensions, County deferral of funding for capital and Information Technology, and the use of one-time carry-overs to balance the Fiscal Year budget. The FY 2012 shortfall is currently estimated to be \$130M.

Revenues Resolution

Whereas, the Federation has requested approximately \$20M in restorations of reductions proposed in the Fairfax County Advertised Budget for FY 2011 (comprised of \$8.15M in Education on page 3, \$1.974M for the Fairfax County-Falls Church Community Services Board on page 6, \$0.399M for the Park Authority on pages 7-8, \$0.1M in the Health Department on pages 8-9, \$3.9M in Transportation on page 10, \$2.7M in Public Safety on pages 12-13, and \$2.5M for Libraries on pages 13-14); and

Whereas, the Federation has identified possible savings in the Land Development Services of \$6.3M on pages 10-11; and

Whereas, the Board of Supervisors has set the Advertised Real Estate Property Tax Rate at \$1.12 per \$100 assessed valuation; and

Whereas, the reinstatement of the vehicle registration fee and the increase in SACC fees, among others, will help balance the FY 2011 Budget; therefore be it

Resolved, the Federation endorses the increases in the vehicle registration fee and a sliding scale of SACC fees as necessary and reasonable; and

Resolved, that the Federation recommends that the real estate property tax rate be set at \$1.10 per \$100 of assessed valuation, amounting to an increase of \$18.7M above that proposed in the

Advertised Budget, and which will, with the restorations and fee increase above, balance the County's FY 2011 budget to within \$1.3M; and be it further

Resolved, that the Federation requests additional restorations of \$8.15M in Education (page 3), \$2.8M in Public Safety (pages 12-13), and \$10M for the Housing Blueprint (page 16) if funding can be found by the Board of Supervisors, which may include part of the \$21.7M advertised to be held in reserve in anticipation of possible State revenue reductions and part of funds backed out of the EDA account (page 11).

IV. FY 2011 COUNTY BUDGET PROCESS

Background. The current budget is the County's third consecutive "crisis budget," coming during a prolonged slump in real estate values. In such an environment, community input, and understanding of the budget, is more critical than ever.

As in recent years, County budget officials have held a series of public meetings to obtain community input on spending priorities.

Moreover, the Office of Management and Budget has dramatically improved its online presentation, with a "drill-down" tool that makes it easy to access agency budgets. But while these measures are commendable and beneficial, certain deficiencies noted in last year's Federation budget resolution continue to limit effective community input.

For instance, although community involvement has been broad, it is not as deep as could be. Public meetings can only gather general sentiments, not engage community members, especially those with budget expertise, in a thoughtful review of County budget priorities.

One idea suggested by the Braddock District Committee calls for an independent office with functions similar to the U.S. Government Accountability Office that would increase public knowledge by identifying inefficiencies in the County government. The Lee District Budget Advisory Group recommended that the Board of Supervisors create an independent audit and accountability office patterned after the U.S. Government Accounting Office to conduct audits of County programs and services.

We further note that the County has not adopted a longstanding Federation recommendation to establish a citizen advisory committee on budget matters, and which could recommend to the Board of Supervisors possible subjects of inquiry by a new governmental accounting office. The failure to create a budget advisory body grows more harmful as the County's budget choices become tougher and affect broader segments of the citizenry.

Moreover, the budget presentation makes it difficult to evaluate long-term changes in County priorities. The presentation does not include any commentary on the history or mission of individual budget items, nor does it track long-term spending trends, to help compare cost and perceived benefit of individual programs.

As an example first noted last year, we have been unable to determine how much flexibility exists in the funding for the Economic Development Authority budget. However, we believe that this budget could be reduced without seriously jeopardizing the effort to attract business to

Fairfax County, especially if other budget reductions result in the County being less attractive to businesses that are considering relocating here.

Budget Process Resolution

Whereas, broad public information and community input always are essential to ensure support for County fiscal priorities, and are especially crucial during this year's severe budget shortfall, which affects large segments of Fairfax County's citizenry through program cuts and an increase in the property tax rate; and

Whereas, community input must not only be broad, but also be informed by a depth of knowledge that effectively employs the diverse expertise of those who live and work in Fairfax County; and

Whereas, the ongoing crisis creates extreme competition among vital programs, making carefully tailored cuts especially important, based on a close examination of community needs; and

Whereas, the average real dollar amount of Fairfax property taxes nearly doubled during 2000 - 2007, and citizens are being asked to continue paying that level of taxation at a time of growing personal duress; and

Whereas, Fairfax County has an obligation to ensure the most efficient use of tax dollars at a time of continuing shortfalls, to minimize damage to essential County programs, and to limit the strain on County taxpayers; and

Whereas, the Board of Supervisors and Fairfax County School Board have established a Smart Services Committee comprised of three persons from each Board to consider/explore County and School functions that can be combined or better coordinated so as to realize additional efficiencies and monetary savings; therefore be it

Resolved, that the Federation praises the County's extensive series of public meetings to solicit community input on spending priorities, and urges that such meetings be continued in future years; and be it further

Resolved, that the Federation praises the County's improved online "drill-down" budget presentation, which makes it relatively easy, and more transparent, to explore proposed changes in specific departments. However, the Federation requests that all Performance Measurement results be reported in terms of accomplishments rather than activities such as attending meetings; and be it further

Resolved, that the Federation continues to offer its praise and voluntary support for the Smart Services Committee, which brings together members of the Board of Supervisors and the School Board, and requests a brief public accounting of any economies achieved in the committee's first year-plus of activity; and be it further

Resolved, that the Federation requests that the County augment its broad community outreach by reestablishing a citizens budget advisory committee, which can offer a community perspective that is informed by in-depth examination of County budget data, and that individual supervisors establish such committees to advise them on fiscal decisions; and be it further

Resolved, that the Federation requests that the County consider expanding its financial auditing, possibly in the form of an independent Government Accountability Office, to increase the County's capacity to conduct internal performance audits and better identify opportunities for savings and more efficient use of County resources; be it finally

Resolved, that the Federation suggests that the County explain more fully the history and mission of individual programs and departments, as well as spending increases over the previous 5-10 years, to help the public assess whether spending increases are justified or sustainable in changing budget environments.

V. CONCLUDING RESOLUTION

Whereas, the County Executive's FY 2011 Advertised Budget addresses the \$257M shortfall in part by proposing organizational efficiencies and numerous expenditure reductions, including staff reductions and cuts to County programs; and

Whereas, the Federation has proposed a few modifications to the Advertised Budget; therefore, be it

Resolved, that the Federation appreciates that the County Executive submitted to the Board of Supervisors a fiscally responsible proposed budget recognizing a significant reduction of anticipated revenues; and be it further

Resolved, that the Federation appreciates the challenges that the Board of Supervisors faces and the hard choices that it will have to make because of reduced revenues and increasing needs throughout the schools and services sectors of the County.

***Approved at the Federation Membership Meeting on
March 25, 2010***