

Fairfax County Federation of Citizens Associations
Resolution on the Fairfax County Advertised FY2017 Budget March 31, 2016 **MEMBER APPROVED**

Resolution on the Fairfax County Advertised Fiscal Year 2017 Budget

(Adopted by Membership March 31, 2016)

The following resolutions were adopted by the Fairfax County Federation of Citizens Associations (Federation) Membership on March 31, 2016. This package of resolutions submitted to the Fairfax County Board of Supervisors.

Tim Thompson, President
Fairfax County Federation of Citizens Associations

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I. INTRODUCTION

The Fairfax County Federation of Citizens Associations is a 75-Year organization representing over 60,000 homeowners throughout Fairfax County. The Federation applauds the County for putting forward a budget which:

- (a) strives to continue Fairfax County's bond rating as Triple-A by all three rating agencies;
- (b) continues to maintain a relatively safe and secure community; and
- (c) continues to recognize Fairfax County Public Schools (FCPS) as a most important reason for businesses from around the USA & world to relocate to our County.

These new businesses provide tax relief to the Federation's Membership by not increasing property taxes as high as would be necessary without a wide-ranging tax base.

However, the Federation still remains greatly concerned by the lack of transparency on a number of issues in the County, and by a hypocritical stance by the County Executive and Board of Supervisors with regard to school funding.

We agree with the Board of Supervisors that the Commonwealth must begin to reverse its precipitous decline in educational spending, and we appreciate the County's work with the Urban Crescent to accomplish that goal. But the County must be realistic in addressing FCPS' needs rather than simply shifting the blame for an underfunded system.

Since our school system is an anchor for our community and the #1 reason business choose to locate in Fairfax County, is it most essential that the funding per student is increased to at least 2009 levels. However, the Fairfax County Executive has again under-budgeted FCPS funding. Since 2009, the BOS has reduced its funding per student (adjusted for inflation) from \$13,340 to \$12,196 or 9%.^[1] FCPS' student population increased during this period by almost 20,000. Teacher pay is uncompetitive with our surrounding jurisdictions, and it will require a sustained, multi-year effort to change that. Given these facts, and given that the County regularly declares that FCPS are its #1 priority, we can only conclude that the County is not prioritizing very well.

We note, for example, that the FY 2017 Advertised Budget yields an effective pay raise for non-school County employees of 5.47%, while the County Executive's proposal would not fully fund FCPS' Advertised Budget teacher pay raise of 3.3%—which still leaves teacher pay uncompetitive. Last year's unfunded pay raise balance for County employees (FY 2016 Approved) should NOT be picked up and added to this year's pay increase thus making the "whole."

Meanwhile, we are concerned that the current trajectory of tax increases on homeowners is unsustainable. As the cost of living in Fairfax becomes higher, businesses may prefer to relocate away from Fairfax County, a result which is completely unsatisfactory to us. We urge the Board of Supervisors and County

Executive to rethink their funding sources and encourage them to diversify the County's revenue streams.

[1] Advertised Budget Presentation, Joint Board of Supervisors/School Board Meeting. February 26, 2016.

II. BUDGET PROCESS

WHEREAS, the Advertised Property Tax Rate for FY2017 had to be announced by March 1, 2016 just two weeks after the County Executive released his Advertised Budget; and

WHEREAS, the Advertised Budget was released on February 16, 2016, and the public hearings on the budget are scheduled to begin 49 days later, on April 5th to 7th; and

WHEREAS, the County and FCPS already develop a 5 year staffing plan and budget outlooks; and

WHEREAS, while the “performance” of most departments and agencies, while reported in the County’s proposed budget under the heading of Performance Measurement Results, include many activities, such as attending meetings and preparing reports, that are activities rather than real accomplishments/results; and

WHEREAS, both the County government and FCPS provide many non-mandated programs that should be reviewed for need and effectiveness, especially during economic downturns; 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 and schools programs, and to limit the burden on County taxpayers; and

THEREFORE, BE IT

- 1. Resolved**, 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
- 2. Resolved**, the Federation continues to strongly urge that the processes/calendar for County residents' informed input to the budget decision-making process allow at least 60 days between release of the Advertised Budget and the public testimony on the budget; and be it further
- 3. Resolved**, the Federation urges the County to publish 5-year budget goals; and be it further.
- 4. Resolved**, the Federation urges the County to publish a 5 year capital projects plan which includes projects for both the County and FCPS.

III. REVENUES

WHEREAS, the rising additional fees that directly affect homeowners (such as storm water fees and waste disposal fees) further increases the “tax burden” on homeowners; and

WHEREAS, the Board of Supervisors has the authority to adopt a zoning ordinance to assess and impose transportation impact fees on by-right commercial or mixed-use development, and to require that the collected impact fees be used to pay all or part of the costs of reasonable road improvements, and that new transportation revenues collected from fuel taxes be used to alleviate transportation congestion within the County; and

THEREFORE, BE IT

1. **Resolved**, the Federation recommends the Board of Supervisors pursue additional sources of revenue including but not limited to: (A) implementing a Meals Tax, (B) increasing fees for BPOL and residential permitting, and (C) implementing a plastic bag usage fee; and be it further
2. **Resolved**, the Federation recommends that the Board of Supervisors adopt a zoning ordinance to assess and impose transportation impact fees on by-right commercial or mixed-use development; the collected impact fees are to be used to pay all or part of the costs of reasonable road improvement, and that new transportation revenues collected from fuel taxes be used to alleviate transportation congestion within the County.

IV. DEBT MANAGEMENT

WHEREAS, Fairfax County has maintained a Aaa rating from Moody's Investors Service since 1975, a AAA rating from Standard & Poor's since 1978 and a AAA rating from Fitch Ratings since 1997; and

WHEREAS, as of January 2016, Fairfax County is only one of 11 states, 46 counties, and 33 cities to hold a Triple-A rating from all three rating agencies; and

WHEREAS, Fairfax County has been able to maintain its Triple-A bond rating throughout many economic downturns and Federal Government budget reductions over the past 36 years by following sound financial management practices; and

WHEREAS, interest payments on the debt amount to over \$100M per year; and

WHEREAS, taxpayer support for bonds may depend on the effective interest rate, including fees, being paid; and

WHEREAS, the County issues bonds annually at an average amount of \$100M, less than 3% of the annual operating revenue; and

WHEREAS, the purpose of Economic Development Authority Industrial Revenue Bonds (IRB) is to stimulate economic growth in the private sector; and

THEREFORE, BE IT

- 1. Resolved**, that the Federation recommends that the County continue to adhere to sound financial management policies and practices, including matching recurring requirements with sustainable and recurring sources of revenue, and if necessary defer or eliminate any new debt issuance that might place the County's strong debt rating and healthy financial condition at risk; and be it further.
- 2. Resolved**, that the County can only use Economic Development Authority IRB bonds when the underlying project will be paid by a revenue stream that does not consist of government funds; and be it further
- 3. Resolved**, just as regulations required publishing of both the stated interest rate and the annual percentage rate (APR) for consumers, similarly Fairfax County should report the effective interest rate, as well as additional costs, on existing bonds and the estimated effective interest rate, as well as additional costs, on proposed bonds.

V. COMPENSATION¹

WHEREAS, people live much longer than they did when the County retirement system was instituted (life expectancy is now 83, as compared to 70 not many years ago); and

WHEREAS, police and uniformed employees of the County are eligible for retirement at a much earlier age than taxpayers in the private sector; and

WHEREAS, the long-term liability of the defined benefit pension fund is uncertain under the present funding; and

WHEREAS, raising the age at which retirement benefits are first paid to County employees (not including uniformed services or FCPS) to age 66, we estimate would save the County \$150M per year when fully implemented in year ten; and

WHEREAS, the DROP program was introduced during the housing bubble, when the County had abundant income, but now, after the bubble burst, \$33M per year is required to fund the DROP program; and

WHEREAS, the DROP program gives employees a lumped-sum payment averaging \$250,000 upon retirement, over and above their pension plan; and

WHEREAS, the annual cost-of-living increase in the pension payments is 4% although the cost of living has increased recently only 1.65%, the difference adding \$4M to the current County expenditures; and

WHEREAS, the salaries of County employees are nearly the same as those in the private sector, although the fringe benefits that these employees receive amounts equal to 51-53% of their salaries, as compared to at most 30% in the private sector; and

WHEREAS, the private sector is moving to defined contribution pension plans away from defined benefit pension plans to increase portability and better control costs; and

THEREFORE, BE IT

- 1. Resolved**, that the cost-of-living increase in the pension funds be that of the current cost of living rather than having a minimum cost-of-living increase of 4%; and be it further
- 2. Resolved**, that, over a 10-year period, the County raise the age at which retirement benefits first are paid to the age of 66; and be it further
- 3. Resolved**, that, over a 10-year period, the DROP program be terminated; and be it further

¹ Dollar values in this section are the Federation's best estimate, as presented in Report 147 on the Federation's website budget page. The Federation would welcome the County's estimate and the supporting documentation.

4. Resolved, that the County and FCPS pay a living wage for a single person to low salary employees; and be it further

5. Resolved, that the County and FCPS should transition from a defined benefit to a defined contribution pension plan.

VI. SPECIFIC RESOLUTIONS

A. EDUCATION/FCPS TRANSFER

WHEREAS, the Fairfax County Public Schools (FCPS) Advertised FY 2017 budget requires a County transfer increase of about \$68 million more than in the County Executive's proposed increase (a difference which may be somewhat offset by additional state funds); and

WHEREAS, since FY 2009 FCPS has increased class size three times; and

WHEREAS, FCPS elementary school class sizes have now grown to as many as 35 students in some schools; and

WHEREAS, the FCPS Advertised FY 2017 budget includes about \$10 million to reduce the largest class sizes in elementary classrooms; and

WHEREAS, "FCPS is significantly below the market average for teacher salaries and total compensation," and, for example, at the 15th year, a "FCPS teacher's salary is about \$8,500 below the market average and about \$20,000 below an Arlington County teacher;"² and

WHEREAS, the FY 2017 FCPS Advertised budget includes about \$100 million for a salary increase to begin to address its uncompetitive salaries, including about \$40 million to improve the teacher salary scale in the career years where FCPS lags the local market the most; and

WHEREAS, FCPS opened this school year with 200 teacher vacancies, which is unprecedented and demonstrates a problem attracting and/or retaining teachers who are sufficiently qualified to serve our students; and

WHEREAS, younger employees often have different preferences and needs regarding the composition of their compensation as compared to employees close to retirement; and

THEREFORE, BE IT

- 1. Resolved**, the Federation requests the County to increase the proposed County transfer for schools so that FCPS can begin to substantively address the issues of teacher salary and large elementary school class sizes; and be it further
- 2. Resolved**, the Federation recommends that FCPS adopt more flexible compensation packages for their employees, permitting employees more choice in allocating their total compensation between salary and benefits; and be it

² Advertised Budget Presentation, Joint Board of Supervisors/School Board Meeting. February 26, 2016.

further

- 3. Resolved**, the Federation commends Superintendent Garza for reviewing the salary scales and the entire compensation package.

B. LIBRARY BUDGET RESOLUTION FOR FY2017

BACKGROUND

The Fairfax County Federation of Citizens Associations recommends a modest increase to the FY16 Library Advertised Budget to reverse the significant and disproportionate cuts sustained to the library since 2009. Key priorities include investing in library employees, providing adequate staffing to engage the public and care for the materials collection, and to increase the physical holdings of the library in order to restore Fairfax County Public Library to a world-class facility.

WHEREAS, the federal ESSA (Every Student Succeeds Act) signed into law December 2015 declares public and school libraries to be essential for public education and worthy of support³; and

WHEREAS, the home schooling of children in Fairfax County saves the taxpayers in excess of \$31M every year, and those children depend on public libraries to serve as their school libraries, budgeting for their educational library materials must be included in the library budget; and

WHEREAS, the Fairfax County Public Library has had its budget reduced to less than 1% (0.007) of the entire \$3.99B FY2016 County budget; and

WHEREAS, the County's population and cost of living increases since 2004 necessitates a library budget increase in excess of \$10 million to maintain services; and

WHEREAS, the proposed Advertised budget is inadequate to properly service and maintain current collection levels; and

WHEREAS, fourteen FTE (full time equivalent) circulation aide positions with budgeted funds to provide overtime were removed last year; and

WHEREAS, half the library page positions and their associated funding were removed in 2009; and

WHEREAS, library books are being discarded because of lack of adequate staff to shelve them; and

WHEREAS, the print collection has been and continues to be decimated by inappropriate culling with as many discards through the first six months of FY16 as the entire year of FY15 according to library documents provided to the Library Board; and

³ <http://www.ala.org/advocacy/sites/ala.org.advocacy/files/content/advleg/federallegislation/ALA%20-%20ESEA%20Conference%20Overview%20%2811-30-15%29.pdf>

<http://www.districtdispatch.org/2015/12/significant-victory-for-libraries-as-president-signs-essa-into-law/>

WHEREAS, the Library Board of Trustees requested an additional \$2M to the FY2015 budget to support staff levels and replenish the nonfiction collection diminished by twelve years of excessive culling; and

WHEREAS, the Fairfax County Federation of Citizens Associations included a request for an additional \$2M in their library budget resolution for FY2015; and

THEREFORE, BE IT

1. **Resolved**, that the Fairfax County Federation of Citizens Associations requests that the Board of Supervisors add \$2M to the FY2017 Advertised library budget; and be it further
2. **Resolved**, that 14 FTE (full time equivalent) circulation aide positions eliminated in FY2016 and their budgeted funding be restored to avoid cutting library hours; and be it further
3. **Resolved**, that the library page positions eliminated in FY2009 and their budgeted funding be restored; and be it further
4. **Resolved**, that appropriate measures to protect and maintain the print collection be enacted by the Board of Supervisors and the Library Board including the elimination of "grubby" lists, elimination of the 24-month low-demand review criteria and replacing it with American Library Association standard 60-month review criteria, allowing volunteers and library staff to mend lightly damaged books, and allowing donated books with less than four copies of each title be added to the library's print collection.

C. PUBLIC SAFETY COMMITTEE

WHEREAS, the FY 2017 Advertised Budget for Public Safety that includes salary and benefits of \$26.7M and 33 Positions; and

WHEREAS, the New South County Police Station when it opens in Spring 2021 will be required in the FY 2017 Budget to include 15/15.0 FTE positions to begin the hiring process; and

THEREFORE, BE IT,

1. **Resolved**, the Federations urges the Board of Supervisors to approve the salary and benefits of \$26.7 Million and 33 Positions in the FY 2017 Advertised Budget Plan; and be it further
2. **Resolved**, the Federation also supports the 18 – 24 months lead time to begin the hiring process for the 15/15.0 FTE positions for the New South County Police Station staffing.

D. ENVIRONMENT

WHEREAS the Fairfax County (FC) Park Authority (FCPA) has a budget of only 0.6% of the total FC Budget and manages 423 parks, that is 23,210 acres or 9% of the total land area in Fairfax County; and

WHEREAS our Parks are an important tool to successfully attracting new businesses, their employees, and new residents to relocate to Fairfax County; they also support the opportunity for all of us to pursue a high quality of life including a healthy lifestyle; they need to be adequately funded; and

WHEREAS the FCPA budget has endured annual cuts since 2007 resulting in our parks not living up to their full potential with a backlog of deferred maintenance, non-native invasive plants taking over the tree cover in our community parks, staffing shortages, and vacant staff positions; and

WHEREAS, the Federation on November 20, 2014 passed a Resolution recommending that the County's insecticide spraying program for the native Fall Cankerworm be immediately terminated and that a portion of funds approved be reallocated to citizen education and community outreach, yet as of March 31, 2016 this and other recommendations in that Resolution have not been implemented by County Staff;

THEREFORE, BE IT

1. **Resolved**, that the Fairfax County Park Authority's budget should be restored to at least 2007 levels (adjusted for inflation) so that our Parks and Fairfax County can regain our competitive edge and succeed in attracting new businesses, their employees and new residents to relocate to Fairfax County while at the same time support existing residents with healthy, well maintained parks; and be it further
2. **Resolved**, that additional funds be provided to address deferred maintenance projects in our parks and to fund non-native invasive plant removal and management that will improve the health of our parks and tree cover and contribute to a healthier environment from which all of us will benefit; and be it further
3. **Resolved**, that the Federation recommends that Fairfax County broaden the mission of the Forest Pest Management Program to include all aspects of forest health; and be it further
4. **Resolved**, that a portion of the funds allocated for the Fall Cankerworm program be re-allocated to citizen education and community outreach further described in the November 2014 Federation Resolution, along with increased funding for the County's Tree Action Plan to increase native species diversity and otherwise improve forest health in Fairfax County.