Call to Order. President Art Wells called the meeting to order at 7:30 p.m. in the Packard Center.

Presentation by BOS Chairman Kate Hanley.
Chairman Hanley reviewed the major issues facing the BOS this year, i.e.,
- public safety improvements in the wake of 9/11—communications, regional planning, hazmat
- effects of the faltering economy and failure of the General Assembly to approve a budget for FY2002
- no recession in Fairfax, but growth at a slower rate; strong residential real estate market and auto sales
- increased value of personal property requires a larger transfer from the state to localities for the car tax
- financial forecast for FY2002 and 2003 based on Fall 2001 data (See handouts)
- actions taken to reduce expenditures for FY2002
- greater reliance on real estate taxes because other sources of revenue have weakened
- one penny of real estate tax rate = $11M for FY2003
- residential tax base has grown while commercial tax base has declined (15% vacancy rate.
- increases in school costs because of growth, salary step increases, and reductions in state aid
- additional losses in state funding for public safety, sheriff’s office, libraries, human services
- the need for tax restructuring in Virginia (See Virginian-Pilot hand-out: Private Wealth, Public Ills)

During a lengthy Q&A session, the Chairman answered questions and discussed these topics:
- the difficulty of considering a reduction in the tax rate, given the lack of other revenue sources
- new information about under-funding of the state’s 6-year plan for transportation
- the possibility of $300M being transferred from the Transportation Trust Fund to the General Fund
- the County’s request to be held harmless in loss of school aid based on changes in the Composite Index
- exploring the feasibility of providing technical support for production of a Neighborhood Watch video
- the low percentage of personal property tax coming back to Fairfax County
- Northern Virginia having 25% of state population, which generates 40% of state income tax
- the deductibility of state income tax from federal taxes, in contrast to the personal property tax
- the pros and cons of statewide vs. regional tax referenda
- problems with the current authority of BOS to levy an income tax (limited to transportation, maintenance of effort clause, sunset clause)
- differences in the Rollison and Colgan bills (as introduced) for sales tax referenda
- results of the last school funding disparity suit in Virginia
- the possibility of ballot overload, e.g., referenda for parks/recreation, higher education bonds, transportation, school construction
- the sharing of power on the Transportation Authority
- financial and operating problems with the Route 28 public/private partnership
- need to increase the width of access ramps at the Beltway and Dulles Access Road
- reasons for not rolling back the reduction in car tax paid by the owner
- alternative sources of revenue available to cities but not to counties in Virginia
- consequences of reducing or freezing the salaries of public employees
- utilizing technology to support governmental functions

The Chairman ended by urging members to review the County Executive’s Proposal for FY2003, which will be presented to the BOS on Monday and posted on the county web-site. Art Wells thanked Kate for spending 1.5 hours for review of such a wide range of topics with the Federation membership. She noted the importance of informed testimony by the Federation and its units during the budget deliberations.

Announcements
1. Art Wells reviewed the scope of Federation positions and testimony since September.
2. Board members were asked to stay for a brief discussion of the Awards Banquet plans.
3. Superintendent Domenech will meet with the Federation Board on February 28. Others are invited.
4. County Exec Griffin will present the Proposed County FY2003 Budget at the Membership meeting on March 7. The Federation position will be developed by the Board on March 14 and distributed for action at the Membership meeting on April 4.
5. Treasurer Charles Dane distributed a report on the FCFCA balance. (Attached.)