

Fairfax County Federation of Citizens Associations
Membership Meeting of March 27, 2003
DRAFT MINUTES

The meeting of FCFCA was held at the Packard Center at 7:30 p.m. (Attendance list is attached.) President Art Wells introduced County Executive Tony Griffin. The topic for the evening was the FY 2004 Advertised County Budget.

Program – County Executive Tony Griffin began the evening by reminding everyone that the budget process is far from over. This is an election year and while he is recommending a decrease of two cents from the rate of \$1.21 per \$100 assessment, the Board is looking at reducing it even further. This is the third year in a row that assessments have increased by double digits. Taxpayers are paying 50 percent more than three years ago. To facilitate the reduction of the 2 cents in the property tax, the County Executive has recommended a reduction of 114 positions and that combined with the program reductions allows 6M reduction in the budget.

The County Board has already advertised the rate at \$1.19 so they are obligated to that rate but they can go lower. The challenge of this budget comes because all other sources of revenue have been stagnant. Fifty nine percent of the revenue comes from real estate taxes and 41 percent from all other sources. The 41 percent is increasing by .002 percent. In the past the investment income has given the County a reasonable rate of return but even that is not happening. The rate is comparable to the Federal Reserve rate. The portfolio is averaging about 1.3 percent

Fairfax County has 18M square feet of office space. Fairfax County has been very successful in its commercial property. It is now the 5th largest office park in the U.S. Unfortunately 18 percent of the office space is vacant making the commercial property base flat.

There is not much difference between the County position and the School Board position on the County transfer to the schools.

Questions were than taken from the floor.

How are commercial properties assessed?

Commercial properties are assessed by the income they generate rather than by the replacement cost. They are assessed by area in the sub-market category. The peak was in 1992 when the commercial base supplied 27 percent of the budgeted income. It is now lower than it was in 1975 and the prediction is that it will continue to dip until the vacant space is gone. The prediction is that it will continue to dip for the next five years to as low as 16 percent of the budgeted revenue.

What is happening to the assessments in the region?

Most areas are seeing double digit increases

Prince William = 15.8%

Arlington = 17.3 %

Alexandria = 25%

Loudoun = 8% probably a lot to do with AOL and WorldCom

Fairfax = 14.3%

Are assessments done individually?

No they are done by neighborhood. Similar properties are grouped together. There is an appeals process if anyone thinks that their assessment is out of line from the properties that are in their community.

If revenue is continuing to increase, what is happening on the spending side that is making the County propose spending cuts to all programs?

The schools are getting the six percent increase. The County spending is going up by less than one percent to cover the increased costs of labor such as health care and salary increases.

If the Board is wants to reduce the rate further, where can they get the money?

It appears that taxing cell phones, increasing fees on services by those utilizing them and possibly lowering salary increases are options that the Board is considering.

There were many comments made about the budget process, the value system of the County, the Board of Supervisor's input, and the weighting of revenue vs. spending. The response by the Federation can be found in the motion approved later in the evening

Business Meeting.

- a. The minutes of the January 17, 2003 membership meeting were approved as published.
- b. A motion to receive the Treasurer's report was approved. There was a lengthy discussion about increasing our membership to stay on target with the approved budget.
- c. Proposed resolution on "Fairfax County Advertised FY 2004 Budget" – A motion by S. Ormsby was approved. A motion to amend the resolution to restore seven positions in the Sheriff's Department (c. Program Resolutions) was defeated.
- d. Proposed resolution on "Fairfax County Advertised Capital Improvement Program Fiscal Years 2004-2008" was approved.
- e. A motion was made and approved to defer the Proposed Resolution on the Legislative Tax Code Study Committee until the April meeting.

April 6 is the Awards Banquet at the Fairview Park Marriott Hotel. Representative Tom Davis is the keynote speaker and Supervisor Kate Hanley will introduce him.

Meeting adjourned at 10:30 p.m.

Addendum:

Proposed Resolution Fairfax County Advertised FY 2004 Budget
Proposed Resolution Fairfax County Advertised Capital-Improvement Program Fiscal Years 2004-2008.

