

Fairfax County Federation of Citizens Associations
Resolution on the Fairfax County Advertised FY2016 Budget March 19, 2015 **FINAL**

**Resolution on the
Fairfax County Advertised Fiscal Year 2016 Budget
(Adopted by Membership March 19, 2015)**

The following resolutions were adopted by the Fairfax County Federation of Citizens Associations (Federation) Membership on March 19, 2015. This package of resolutions will be submitted to the Fairfax County Board of Supervisors.

Tim Thompson, President
Fairfax County Federation of Citizens Associations

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I. INTRODUCTION

The Federation applauds the County for putting forward a budget which (a) contemplates some remaining funds available at the end of the fiscal year, (b) which does not contemplate an increase in the real property tax rate, and (c) which continues to maintain a relatively safe and secure community; however, we remain concerned about (1) the effect of an overall out-of-pocket increase in property taxes on the middle class taxpayers in the County and what this means for the future growth of the tax base, (2) the long term expenses built into the budget through underfunded and expensive pension plans, (3) unfunded repayments to the Commonwealth, and (4) the high cost of employee payroll benefit expenses during this period of low cost of inflation while Fairfax County taxpayers received much lower increases in their incomes.

II. SPECIFIC RESOLUTIONS

A. EDUCATION/FCPS TRANSFER

WHEREAS, over the last several years FCPS teacher salaries have become uncompetitive with surrounding jurisdictions, with our maximum teacher salary now ranked 9th out of 10 Washington area school districts—10 being lowest; and

WHEREAS, salaries are one element of total compensation that helps to attract and retain a strong workforce; and

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

WHEREAS, between FY 2010 and FY 2015 the FCPS student population has increased between 2,000 and 3,000 students each year; and

WHEREAS, due to enrollment increases and aging facilities, FCPS would require \$242 million annually to both build and to renovate schools at the industry standard schedule of 25 years, and is only provided with \$155 million annually to support the Capital Improvement Program; and

WHEREAS, both the Board of Supervisors and the School Board approved the recommendations of the Joint Infrastructure Financing Committee (IFC) to add \$13.1 million to FCPS' Capital Improvement Program in FY 2016, but the County Executive has proposed delaying this payment until FY 2017;

WHEREAS, the County Executive's proposed budget and the Board of Supervisors' guidelines both include a 3.20% increase in the School operating transfer, in recognition of significant cost increases;

THEREFORE BE IT

- 1. Resolved**, the Federation recommends that both FCPS and the County adopt more flexible compensation packages for their employees, permitting employees more choice in allocating their total compensation.
- 2. Resolved**, the Federation recommends that the School Board and the Board of Supervisors establish a joint committee to study how fringe benefits compare among various categories of workers in the two organizations.
- 3. Resolved**, the Federation requests the Board of Supervisors fulfill its commitment to add \$13.1 million to FCPS' Capital Improvement Program in FY 2016.

- 4. Resolved**, that the Schools operating transfer increase by no less than the recommendation of 3.20%.

B. LIBRARIES - RESTORATION OF 14 (13.5 FTE) LIBRARY CIRCULATION AIDE POSITIONS AND THEIR ASSOCIATED FUNDING TO FY2016 BUDGET

WHEREAS the Department of Management and Budget has requested the elimination of 14 (13.5 FTE) circulation aide positions in the FY2016 Advertised Budget as part of a 3% overall library reduction; and

WHEREAS the Library Board of Trustees budget subcommittee and Library Board of Trustees reluctantly voted in October 2014 to eliminate 14 (13.5 FTE) circulation aide positions as part of FY16 Budget reductions directed by the Fairfax County Executive; and

WHEREAS the Fairfax County Executive included the elimination of 14 (13.5 FTE) circulation aide positions in the FY2016 Advertised Budget as part of a 3% overall library reduction; and

WHEREAS circulation aides provide necessary services in the library branches including supervising volunteers, assisting patrons with technology, processing holds/deliveries/transfers, mending books, processing periodicals, overseeing handouts, dealing with lost/damaged items, processing library card applications and entering patron data, sweeping, straightening, marking items that are used in house, helping investigate and clearing up items on patron accounts, ordering supplies, putting up signs for holidays and closings, clearing the book drop, giving directions, helping with surveys, handling book bag sales, assisting with programs, organizing monthly exhibits of the patron's display cases, advising patrons on specific selections of books, providing translation assistance for patrons who speak languages other than English,¹ searching for items on various lists including "missing," "claims returned" and holds; and

WHEREAS circulation aides allow required staffing levels to keep branches open for their posted hours; and

WHEREAS eliminated staff positions can almost never be recovered; and

WHEREAS the next Library Director will very likely have a much stronger vision for using all our library staff more productively and by eliminating the 14 (13.5 FTE) positions, we are robbing the current Library Director's successor of that opportunity; and

WHEREAS the community library survey being drafted by the Library Board has not yet been conducted to provide community input as to what the citizens of Fairfax County want in a 21st Century library; and

WHEREAS funding allotments for the 14 (13.5 FTE) vacant circulation positions provide 30% of the total funding for overtime; and

WHEREAS overtime is now required in 90% of library branches to maintain hours of service, in part because of the vacant circulation aide positions; and

WHEREAS much of the library staff is nearing retirement age and cannot be expected to provide extensive overtime hours; and

WHEREAS the 14 (13.5 FTE) circulation aide vacancies have not been filled due to Department of Management and Budget policy rather than because of lack of need within the branches; and

WHEREAS the 14 (13.5 FTE) circulation aid positions represent a wholly inequitable share of 31% of net positions cut from all county agencies in the FY2016 Advertised Budget; and

WHEREAS the \$355,000 cut representing “efficiencies” in addition to the \$500,000 cut for circulation aide positions in the FY2016 Advertised Budget, in of and by itself, represents more than an adequate and proportional cut to the library after multiple years of declining budget and failure to fill library staff vacancies since 2013;

THEREFORE BE IT

1. **Resolved**, that the Fairfax County Federation of Citizens Associations requests that the Board of Supervisors completely restore the 14 (13.5 FTE) circulation aide positions and their associated funding in the FY2016 Adopted Budget.

1 Available for translation assistance from all FCPL branches are staff, including many circulation aides, proficient in the following languages: Amharic, Arabic, Bengali, Bulgarian, Chinese - Mandarin, Farsi, French, German, Hindi, Japanese, Korean, Macedonian, Marathi, Punjabi, Polish, Russian, Telugu, Urdu, Vietnamese.

C. 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 2015, Fairfax County is only one of nine states, 39 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, the county issues bonds annually at an average amount of \$100M, less than 3% of the annual operating revenue; 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.
- 2. Resolved**, that the county can only use Economic Development Authority IRB bonds *when the underlying project will produce* ~~there is~~ a revenue stream or is ineligible for general obligation bonds.

D. 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, we are concerned about the long-term liability of the pension fund, 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

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%.
2. **Resolved**, that the county gradually implement the following resolutions over a 10-year period:
 - a. **Resolved**, that the county raise the age at which retirement benefits first are paid to the age of 66, and
 - b. **Resolved**, that the DROP program be terminated.

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.

- 3. Resolved**, that the County and FCPS make every effort to pay a living wage to low salary employees.

E. ENFORCEMENT OF GRASS HEIGHT RESTRICTIONS

WHEREAS, Fairfax County Code §119-3-1 states It shall be unlawful for any owner of any occupied or vacant developed residential lot or parcel or undeveloped residential lot or parcel located within a subdivision where 90% of the lots have been developed—all of the prior being less than ½ acre—and any owner of vacant developed commercial/industrial property to permit the growth of any grass or lawn area to reach more than twelve (12) inches in height/length; and

WHEREAS, Fairfax County Code §119-3-2 states, “Any person aggrieved by the presence of grass or lawn area growth in violation of Section 119-3-1 may report such growth to the Code Enforcement Branch of Land Development Services of the Department of Public Works and Environmental Services;” and

WHEREAS, the current policy is to inspect complaints, attempt to convince violators to comply, and, in the case of continued non-compliance, to have contractors cut the grass at the violator’s expense, but the proposed policy would be only to send the violator an advisory letter; and

WHEREAS, the Department of Management and Budget publicly states that “discontinuing the enforcement of the grass and lawn provisions of the Fairfax County Code has the potential to have a significant impact on communities since uncut grass is an early indicator of potentially larger health and safety issues;” and

WHEREAS, ending this type of enforcement would reduce the budget only \$120,000; therefore a decision to completely cease enforcement appears “penny-wise and pound-foolish;” and

WHEREAS, neighborhoods with homeowner associations may still be able to enforce appearance standards, neighborhoods with civic associations and neighborhoods without associations would be disproportionately impacted because for them the only enforcement mechanism is county-level enforcement; and

WHEREAS, code enforcement is one of the more visible services that residents and visitors use to gauge the county’s commitment to quality of life issues such as clean, safe neighborhoods; and

WHEREAS, a lack of enforcement threatens property values which are important to property owners and which affect property tax revenue; and

WHEREAS, the situation of code that is unenforceable encourages violations and makes a mockery of Fairfax County Code;

THEREFORE BE IT

1. **Resolved**, that the Fairfax County Federation of Citizens Associations opposes the discontinuance of funding the enforcement of Fairfax County Code §119-3 as detailed in the FY 2016 Advertised Budget Plan, Volume 1, page 264.

III. REVENUES

WHEREAS, real estate values have increased on average 3.39% during the recent equalization process, meaning that maintaining the property tax rate of \$1.09 per \$100 would still generate about \$2.4B in revenue and increase the cost for the average homeowner of roughly \$190 per year; and

WHEREAS, tax payments are paid from income rather than home value; and

WHEREAS, county residents' income has increased only 1.6%; and

WHEREAS, the effects of the comprehensive State Transportation Act contains significant tax increases on sales, wholesale gasoline/diesel, property transfers, and other taxes; and

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 County has raised the SACC fees and other fees on County taxpayers; 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;

THEREFORE BE IT

- 1. Resolved**, the Federation recommends the Board of Supervisors implement additional sources of revenue including but not limited to: (A) implementing a Meals Tax, (B) increasing fees for BPOL, residential permitting, and SACC, and (C) implementing a plastic bag usage fee.
- 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. BUDGET PROCESS

WHEREAS, the Advertised Property Tax Rate for FY2016 had to be set for March 3, just two weeks after the County Executive released his FY2016 Advertised Budget; and

WHEREAS, the Advertised Budget was released on February 17, 2015, and the public hearings on the budget are scheduled to begin 49 days later, on April 7th to 9th; 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;

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.
- 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.
- 3. Resolved**, the Federation urges the County to publish 5-year budget goals.
- 4. Resolved**, the Federation urges the County to publish a 5 year capital projects plan which includes projects for both the County and FCPS.