

Summary – Board Budget Committee Meeting

April 20, 2018

Government Center – Conference Room 11

Committee Members Present:

Sharon Bulova, Chairman
Penelope Gross, Mason District (Vice Chairman)
John Cook, Braddock District
John Foust, Dranesville District
Pat Herrity, Springfield District
Catherine Hudgins, Hunter Mill District
Jeff McKay, Lee District (Committee Chair)
Kathy Smith, Sully District
Dan Storck, Mount Vernon District

Previous Meeting Agenda and Materials (April 3, 2018):

<https://www.fairfaxcounty.gov/budget/board-supervisors-budget-committee-april-3-2018>

April 20, 2018 Meeting Agenda:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/april-20/budget-committee-agenda-4-20-18.pdf>

April 20, 2018 Meeting Materials:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/april-20/fy-2019-mark-up-package-draft.pdf>

The meeting was called to order at 3:02 P.M.

Discussion of FY 2018 Third Quarter Review

After a brief introduction by Supervisor McKay, Joe Mondoro, Chief Financial Officer, presented the *FY 2018 Third Quarter Review* adjustments. The proposal is amended to provide support for several Board priorities, including funding to support the Arts Council of Fairfax County and for construction of the Turning Point Suffragist Memorial.

Board Discussion

- Supervisor Cook asked questions regarding the Spot Improvement Fund. Asked what amounts are available and what the criteria is for projects. Mr. Mondoro responded that funding was provided two years ago, but those budgets have not been replenished recently. Supervisor Cook asked the Board to consider using Third Quarter balances to do so.

Discussion of FY 2019 Budget Mark-Up

Mr. Mondoro discussed the FY 2019 Add-On Package, highlighting that there is an additional \$900,000 in additional revenue based on anticipated state budget actions and no consideration items. In order to help mitigate the impact of an increase in the Real Estate tax rate on our County's homeowners, the proposed 2.5 cent increase in the tax rate is reduced to a 2.0 cent increase. To balance the budget with the lower tax rate increase, the transfer to the School Operating Fund is decreased by \$3.6 million and County support for Capital Paydown and IT Projects is decreased by \$3.2 million.

Board Discussion

- Supervisor McKay noted that the schools sales tax numbers are not based on state action, particularly on any additional revenue from Medicaid expansion, so the amounts may improve based on state budget actions.
- Supervisor Foust noted that the Schools released information on the FY 2019 budget, which includes a \$17.9 million increase in pay for administrators. Unlike pay increases for teachers to bring them into market, these pay increases are not being phased in over multiple years. Supervisor Foust wants to know how the County transfer is going to be spent, how much will the employees' pay increases be, and how much would the increase be if phased in over three years? Does the \$17.9 million include benefits? Mr. Mondoro said it should, but will confirm.
- Supervisor McKay stated that he needs a chart showing how many employees fall into each percentage. Notes we make a transfer to them and cannot dictate the terms to them, but we can set the transfer amount.
- Supervisor Herrity noted that he also would like the same information, wanting to know the future impact. How is the significant change in the salary scales going to affect us in the following years? We were told this was going for teacher raises, but a significant portion is not going to teachers. *Budget Q&A: What is the compensation philosophy for administrators versus teacher and principal raises?* Administrators are getting raises in disproportionate amounts to their share of employees.
- Supervisor McKay asked what percent of the budget is for teachers versus administrators? Mr. Mondoro answers that the Superintendent presented on February 27th four different pieces of employee pay increases: 1) Step \$44 million; 2) Teacher Salary Scale Enhancement: \$53 million 3) Fix for teachers in BA Lanes: \$1.3m 4) Non-teacher salary scale implementation: \$17.9 million.
- Supervisor Smith commented that she cannot say what the School Board is doing is correct or incorrect. She looks forward to getting information from Schools, but is withholding judgment. Chairman Bulova and Supervisor Herrity agree.
- *Supervisor Foust: Budget Q&A What would it cost to phase in \$17.9 million non-teach pay raises over 3 years?*
- *Note: Many of the questions regarding the Schools pay proposal are addressed in the Q&A Package dated April 20, 2018.*

Discussion of Budget Guidance for FY 2019 and FY 2020

Supervisor McKay covered the budget guidance for FY 2019 and FY 2020 in detail.

Board Discussion

- Supervisor Gross commented that she is concerned our strategic plan is leaving out our County staff, those important in helping us achieve our aspirational goals. We need to capture those issues important to our employees so we can all move forward on a plan together. County Executive Bryan Hill responds that the Guidance was brief, with a follow-up memo on personnel issues anticipated in mid-May, prior to the May 22nd Personnel Committee Meeting.
- Supervisor Foust asked if the County Executive could share examples of what he is looking for in a quality strategic plan. In addition, can the Housing Strategic Plan succeed, as it has forward momentum. Supervisor McKay responded that all plans currently underway will continue.
- Chairman Bulova requested that the section on Metro be amended to read that "The approach that is left on the table further hinders road building and transportation in the Commonwealth."
- Supervisor Cook noted that there is a belief among County staff that if Lake Accotink were to be dismantled, the County would then be required to make up the sediment the lake is currently collecting. And that cost is greater than dredging the lake. He requested that when a recommendation for Lake Accotink is presented, there is a timeline set for the Board to act. The cost items are laid out in the options. If the Lake fills in, it is estimated the cost of remediating

the streams to make up for the sediment is \$86m, the cost of doing a dredge is \$46m, and there are lower cost items still being assessed to determine whether they can capture the sediment.

- Supervisor McKay requested the Budget Guidance language for Lake Accotink be changed to read “The County Executive is directed to develop various options for the repair of Lake Accotink” or come up with various language knowing there are six options. The language will be amended to ask staff for a recommended way to pay for each of the options. Supervisor Cook recommends “funding mechanisms for each of the options under consideration.”
- Supervisor Foust requested that Metro section be amended to read something to the effect of “The Board is disappointed that existing NVTVA funding will be used and that the funding enhancements sought by the Governor to amend the original General Assembly Metro bill were not approved.”
- Supervisor Hudgins requested that data is presented to see the impact of SCYPT on not investing on the overall school. Supervisor McKay requested the data also present outcomes, but also budgetary impacts of the cost of the programs, as well as estimates of downstream savings due to the program.
- Supervisor Herrity requested that the Budget Guidance be amended under Public Safety Priority Issues to include APPs and salary compression. Supervisor McKay agreed, emphasizing the language be crystal clear that this does not preclude other police pay issues.

Discussion of Approval of the FY 2019-FY 2023 Capital Improvement Program (with future fiscal years to 2028)

Supervisor McKay covered the proposed amendments to the FY 2019-FY 2023 Capital Improvement Program (CIP) in detail.

Board Discussion

- Supervisor Herrity requested to add language on the General Fund impact to items in this and future CIPs.
- Chairman Bulova requested to add language clarifying that the County’s policy is to have the most accessible buildings, beyond minimum ADA requirements when refurbishing or constructing new buildings. Mr. Mondoro responded that this information is in Q&A Package 10, which was published during the committee meeting.
- Supervisor Cook renewed his request for a legal review from the County Attorney on ADA compliance.
- Supervisor Storck requested clarification on the timeline for County agencies to collaborate amongst themselves and with FCPS to identify shared facility and co-location opportunities. Mr. Mondoro responded that it is an ongoing recommendation. In addition, Supervisor Storck asked if this applies to those items bonded, or only those going forward. Mr. Mondoro stated that it can apply to all items.

The next meeting of the Board Budget Committee is scheduled for 1:30 P.M. on Tuesday, June 12, 2018. *(Note: This meeting was later cancelled.)*

The meeting adjourned at 4:29 P.M.