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Fairfax County Board of Supervisors Markup, Tuesday, April 30, 2024

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[00:00:04] welcome everyone to our board meeting of april 30th 2024 uh today we have only one item on our agenda and that is of course well three items on our agenda but they are all budget related and that of course is the third quarter review uh advertised uh budget plan and add-on package and the capital improvement program uh but before we uh delve into that um i will just begin by saying

[00:00:33] I think all of us are very sad over what happened in Charlotte yesterday where four law enforcement officers were fatally killed while doing a routine part of their job.

[00:00:48] And obviously, we're praying for Charlotte, but also recognizing that our own public safety officials throughout Fairfax County put themselves in harm's way every time they put on the uniform. And we think about them and pray for their good health and safety every single day.

[00:01:09] And if anyone else has anyone or any entity or any person they would like to keep in our thoughts and prayers, I would recognize them at this time. Supervisor Herdy. And I'm going to keep this real brief, but our public safety officials in Virginia are clearly going through very tough times now as they deal with, I don't know if you want to call them protesters, because it's gone beyond protest to criminal activities at our college campus.

[00:01:34] So I think we keep them in our thoughts and prayers as well. We keep all those affected by what's happening in the Middle East and our thoughts and prayers because there's a lot of people who have been affected by that. Anyone else who would like to comment?

[00:01:51] Seeing and hearing no others, if we could rise for the Pledge of Allegiance. Pledge of Allegiance to the flag of the United States of America and to the republic for which it stands, one nation, under God, indivisible, with liberty and justice for all.

[00:02:15] And normally, if this was a regular board meeting, we'd be going into presentations and celebrations. But instead, we are going to move right into our FY 2025 budget markup process and FY 2026 budget plan recommendations.

[00:02:38] And as a reminder for those watching, we did have a pre-markup on Friday afternoon here where the board was in attendance. And I read through this entire package, which I am going to do again this morning. and we will take it in parts there have been only a few tiny very minor edits to the package that we saw on friday otherwise it's largely the exact same package that we saw on friday afternoon and so if the board could bear with me as i read through these various sections i will pause in between them obviously we're going to vote and if we have any discussion on those we'll

[00:03:15] have discussion at that time and i'm going to begin with approval of the fy 2024 third quarter review. The FY 2024 third quarter review, as advertised, included previous balances of $54 million and recommended spending and reserve adjustments of approximately $49 million, with a majority proposed for investments in capital paydown and information technology needs.

[00:03:38] As a result, the advertised budget included a net balance available to the Board of Supervisors of $5.2 million. This package utilizes the available balance in order to address several one-time funding needs, as well as to bolster resources dedicated to meeting the county's affordable housing goals.

[00:03:54] The largest adjustment allocates $4 million to affordable housing, which, when combined with baseline funding, results in total county funding of $35.4 million in FY 2024. If also including federal stimulus funding dedicated to affordable housing during the current fiscal year, this total grows to $54.4 million in FY 2024 for affordable housing.

[00:04:23] Additionally, consistent with actions taken in prior years, $500,000 in funding is provided to supplement Fairfax County Public Library collections, and $300,000 is included to support county parks specifically to construct dedicated pickleball courts at Wakefield Park.

[00:04:39] Other adjustments include $150,000 to offset unanticipated expenses for the Women's Center related to relocation costs and $58,000 to finalize the construction of the Eileen Garnett Civic Space in downtown Annandale. After funding these board adjustments, there remains a balance of $229,126, which will be held in balance for consideration as part of the FY 2024 carryover review.

[00:05:09] And you can see all of those adjustments in the chart that everybody has in their handout. Therefore, I move approval of the FY 2024 third quarter review, including approval of supplemental appropriation resolution AS-23291 for FY 2023 adjustments to reflect the final audit, approval of supplemental appropriation resolution AS-24190, and amendment to the fiscal planning resolution AS-24901, which include the revenue, expenditure, and transfer adjustments, grant awards and adjustments,

[00:05:44] and associated reserve adjustments contained in the county and school's third quarter review dated March 19, 2024, and the board adjustments listed above resulting in a net balance of $229,126. It's been moved. I'll second that. Any discussion on the motion?

[00:06:05] Supervisor Herring. Just very quickly, and I'm not going to rehash everything. said uh uh friday which was not that long ago anyway the um happy to see the library collection and the pickleball courts in here i would have rather certainly seen the affordable housing investment go to cover the deferred i.t maintenance that we're deferring in the main budget of five million um so i i will not be supporting this thank you any further discussion i just wanted to make one clarification the end of the second paragraph the affordable housing of the current

[00:06:37] fiscal year gross to 45.4 million I want to make sure that's that is correct 45.4 million okay thank you um seeing no further discussion all those in favor of the motion say aye aye anyone opposed herity nay any abstentions that motion passes with supervisor herity voting nay thank you uh vice chair smith uh next we have the fy 2025 budget markup and i will outline uh and move approval of the budget proposal. Add-on adjustments. This package begins with a balance of $11.01 million

[00:07:13] available after the adjustments included in the county executive's add-on package of April 19th, 2024. This balance is attributable to the pre-funding of the FY 2025 reserve requirements as part of the FY 2024 third quarter review and reflects updated projections regarding transit occupancy tax. And you will see once again in your handout the chart that has all the add-on adjustments. Adjustments recommended by the board. With the current strains on the county's real estate market, particularly our commercial properties, the board recognizes the resulting

[00:07:49] revenue constraints that impacted the FY 2025 budget. With limited options for revenue generation available as we continue to operate under the state's outdated tax system, changes to the real estate tax rate are the only significant lever that the county has to generate the resources necessary to meet our needs. With that being said, we understand the burden that increased real estate taxes can place on our residents, and this budget strives to find a balance between taxing levels and addressing our most urgent priorities. The advertised budget plan included a proposed increase in the real estate tax rate of four cents. Through the identification of other

[00:08:27] resources which will be described later, this package reduces that increase by one cent which will result in a real estate tax rate of $1.12.5 per $100 of assessed value. As a result, the increase on the average real estate tax bill will drop from approximately $524 to $450.

[00:08:50] The needs that face this county each year are significant. Providing appropriate compensation increases for both county and schools employees is of utmost importance. Addressing the needs of our community, especially those who are most vulnerable, is vital.

[00:09:05] Meeting the needs of our students and our schools to ensure that we remain one of the top education systems in the country is a necessity. Maintaining an efficient transportation network to encourage economic development and growth is essential, but we cannot do this alone.

[00:09:21] We appeal to our state partners to work with us. As this board will later address as part of the budget guidance, it is imperative that we continue our efforts to push the state to finally implement real tax reform. At the same time, the state must recognize its own role in directly supporting public schools and metro infrastructure as maintaining strong schools and a solid transportation network help to draw

people to this area, bringing development, jobs, and further economic growth, which can benefit the entire Commonwealth of Virginia.

[00:09:54] Fairfax County Public Schools, as with all schools across the state, remain significantly underfunded as the state's own JLARC study has proven. Similarly, as Maryland and D.C. have stepped up and indicated their support for additional funds to support the region's metro system, so far the state has failed to coalesce around providing additional transportation funding.

[00:10:18] Relying upon existing state aid balances, which have all been allocated and which are rapidly depleting, is not the answer. Our hope and, frankly, our expectation is the final state budget package, not expected, unfortunately, to be approved until mid-May, will include some of these important investments.

[00:10:37] Because the state has yet to adopt a final budget, you will see that we have assumed only limited additional revenue from the state. This package includes just under $2.7 million related to anticipated compensation adjustments, state aid to localities with police departments, better known as HB 599 funding, and state aid to local public libraries.

[00:11:00] Any additional state revenue will be recognized as part of budget adjustments at the upcoming FY 2024 carryover review. With the expectation that the state will come to the table with additional resources for FCPS, This budget maintains the proposed school operating transfer increase at $165 million, which represents an increase of 6.8% over just last year.

[00:11:27] This board recognizes that this increase falls short of the requested increase of over $250 million. However, approving this unprecedented request would have placed too heavy a burden on our taxpayers, as fair compensation increases for our teachers seems to be an area where there is consensus between the governor and General Assembly, the board is optimistic that state funding will help to shrink the remaining shortfall and allow for investments in teacher compensation. This budget continues our commitment to employees, most notably through funding the first year

[00:12:03] of the contracts that were negotiated with our two public safety unions. This is a big event. In addition, we've continued to fund the performance and longevity increases that allow general county employees to advance through their pay scales. With these adjustments and the 2% market rate adjustment, general county employees will see salary increases that range between 3.25 and 6% in FY 2025, with nearly 1,200 of these employees receiving an additional 5% increase based on the results of the annual benchmark reviews that ensure our pay ranges continue to

[00:12:41] keep pace with the market. Our non-represented public safety employees in the office of the sheriff will receive merit and longevity increases, with many benefiting from a new 10-year longevity step, in addition to the 2% market rate adjustment. Deputy sheriffs will, on average, receive increases of 7.85% in FY 2025. As the challenges of this budget were known well in advance of release of the proposed budget, the board appreciates the foresight exhibited and the efforts directed by the county executive to find efficiencies and savings in our baseline budget.

[00:13:18] In total, our agencies identified over $34 million in reductions, more than one penny on the real estate tax rate, which were utilized to free up resources for other purposes. Combined with the reductions put into place last year, the board recognizes that agency budgets are tight and we cannot expect to see the same level of reductions in future years without impacting our employees or the services

that we offer to our residents. With that in mind, the board did not pursue additional reductions beyond those included in the proposed budget and are making only one minor

[00:13:55] restoration, $25,000 for the youth leadership program. This program provides opportunities for high school students to intern with county agencies during the summer months as well as participate in educational sessions throughout the school year on county government. Given its small price tag, but the big impact this program has on many of our youth to pursue careers in public service, the board believes this small $25,000 adjustment is necessary. As they do each year, staff continues to monitor revenue and expenditure trends after the advertised budget is released.

[00:14:31] As noted earlier, the add-on package presented to the board provided more than $7 million in additional resources, primarily due to the prepayment of county reserves as a part of a third quarter review. After the presentation of the add-on recommendations, based on the release of the latest economic data and projections regarding potential Federal Reserve action on interest rates, staff increased its revenue forecast for investment income. As Federal Reserve action on rates is now anticipated to occur later in the year, additional revenue of $11.1 million

[00:15:04] can be recognized, with reductions in this category anticipated in future years. This additional revenue is being used primarily to reduce the increase on the real estate tax rate. This package includes other minor changes to the proposed budget. Consistent with the actions taken by the board on the proposed increases to zoning, fire marshal, and land development fees, the proposed increases in senior center membership fees will be phased in over a two-year period to moderate

[00:15:35] the impact of our residents at a cost of $33,641. After consultation with staff, the 5.0 million increase in information technology investments and just over 2.5 million for increased fuel costs have been deferred. It is anticipated that additional funding for IT needs will be made available to be accommodated as part of the upcoming carryover review, with this adjustment resulting in no negative impacts to work currently underway. Similarly, staff will continue to monitor fuel prices and will work with agencies to reduce overall mileage on county vehicles

[00:16:12] and any necessary adjustments will be made as part of a future budget cycle. The board also included funding of $24,000 to increase the stipends paid to members of the Fairfax County Planning Commission, raising the stipend from $23,000 to $25,000 annually. This adjustment will bring stipends in line with those paid in neighboring Loudoun County. Similarly, also included in our actions as part of the budget adoption will be a resolution to set the compensation for board members of the Fairfax County Water Authority at $25,000 annually and for the Water

[00:16:47] Authority Board Chairman at $31,250 annually. These amounts were last adjusted in 2007 and have no impact on the county's budget as they are paid for from water authority revenues. And again, you will see a chart at the bottom of page 5 with these funding adjustments. And as you can see, the final remaining balance of zero. As a result of these changes, we have a balanced FY 2025 budget. In addition, this budget includes other tax and fee adjustments, including decreases in the following taxes.

[00:17:21] A decrease in the Route 28 Highway Transportation Improvement District rate from $0.16 to $0.14 per $100 of assessed value, a decrease in the Phase 2 Dulles Rail Transportation Improvement District tax rate from $0.18 to $0.16 per $100 of assessed value.

[00:17:40] Taxes and fees in the FY 2025 budget that remain unchanged include maintaining the Stormwater Services District tax rate of 0.0325 per $100 of assessed value, maintaining the Phase 1 Dulles Rail Transportation Improvement District tax rate of $0.09 per $100 of assessed value, maintaining the Reston Service District tax rate of $0.021 per $100 of assessed value, maintaining the Tyson Service District tax rate at $0.05 per $100 of assessed value.

[00:18:14] This budget contains increases in refuge charges, including an increase in the leaf collection rate from 0.012 to 0.019 per $100 of assessed value, an increase in the refuse collection fee from $490 to $550 per household, and an increase in the refuse disposal fee from $72 to $79 per ton.

[00:18:40] The board approved increases in sewer charges following a public hearing on April 16th, including an increase in sewer charges from $8.46 to $8.81 per 1,000 gallons, an increase in the sewer service-based charge from $44.81 to $49.73 per quarter, an increase in the sewer availability charge from $8,860 to $9,038.

[00:19:11] Therefore, having provided public notice and conducted a public hearing as required by Virginia law, I move approval of the FY 2025 budget as advertised with the changes as outlined above and required managed reserve adjustments.

[00:19:27] The tax and fee adjustments become effective on or after July 1, 2024, unless otherwise noted. These actions result in a balanced budget for FY 2025. I'll second that motion. Is there any discussion on the motion?

[00:19:44] Supervisor Herity. yeah well let me start by thanking staff i know a lot of work and thank you for getting the questions at least the ones in your control answered very timely they they help our residents as well as us so thank you for all the hard work and i shared most of my thoughts on the current budget on friday so i'm not going to go through and reiterate those this morning with the exception of the elimination of the appos as i shared on friday the move to eliminate appos has and still has a lot of issues, and I do not believe moving forwards in the best interest of our residents at this time.

[00:20:21] I shared additional issues on Friday, but to summarize, this was kind of a completely botched process from the beginning, lacking transparency and input from a large number of stakeholders. As noted in our budget guidance, our very own budget guidance, we still haven't addressed what's going to happen with wildlife services.

[00:20:42] We'll figure it out later. is not good enough when you're looking at a major restructuring like this we heard overwhelming opposition from a very diverse group of our residents everything from employee groups to hoas to wildlife rehabilitators to environmentalists there's been no cost impact analysis done there's been no real clear rationale to move away from what i consider to be the gold standards which is what the appos represent therefore mr chairman i move to amend the motion on the floor to remove the consolidation of animal control services

[00:21:21] from the 2025 budget. So moved. It's been moved. Is there a second on that motion? Hearing no second, the motion the amendment does not move forward. Madam Chair, could we just confirm for the record two parts of the motion? The motion as read was intended to provide for an increase in the refuse collection fee from $490 to

[00:21:51] 555 dollars per household and that secondly the motion as part of the motion to um on the budget was intended to say the tax and fee adjustments become effective on and after july 1st of 2024 just

want to confirm that for the record yes become effective on and after july 1st yes okay um supervisor harry you were well that's it for that the reasons i mentioned friday i won't

[00:22:22] be supporting the budget okay um supervisor palchuk um thank you uh madam vice chair first of all i want to respond a little bit to what was shared by supervisor herity and i know that um this has been a difficult topic a hard topic on the going back to the animal protection police so i um i know as well as many of my colleagues have taken the time not just in testimony here but to meet with the stakeholders to meet with the staff i've even called many many of our police officers

[00:22:59] across the county to better understand this is the best policy decision we can be making i know it might not be agreed upon wholeheartedly across the board politically across the board but first of all i want to say and thank our staff starting with tom arnold and the team who have spent countless hours doing the legwork on this trying to understand what would be a very difficult decision for us that to support a change like this we know there have been changes over the years and while there was

[00:23:39] testimony on both sides of it I know that having heard about the programmatic implications both from our residents who've been involved with the animal services as well as current and past animal shelter directors and officers and sworn police across across the county who I rely on for a lot of support and guidance as we go through this I know it's not exactly what everyone wants to hear but I have to say and I want to thank all those in the APOs who've come

[00:24:15] out with their with their support their guidance and their time and I know you spent so much of that. I know some of you are here in the audience today. I've really appreciated it, but know that I and we have done outreach and engagement with many of the stakeholders, right? So this is not an easy decision, but from what I have seen and from the potential impact and improvements on our current offerings that are excellent in many ways, but I think could really use, as we've all agreed, some improvements in the way it's communicated, structured, and meeting our needs and wanting to continue to be the best

[00:24:54] and looking at best practices. So I guess on that, because that was brought up, I want you to know that we have heard you. I don't believe the fact that it was not well thought out, that it was not well communicated, and that there has not been a lot of attention to questions that some still exist and have to be worked out. But I do believe it's time to make that change for the betterment of the program and I especially appreciate that our employees will will not be held will be held harmless through the process and so to that that's just what I want to say it has kept me up many nights and I know I spent

[00:25:31] countless hours hearing testimony and having conversations with many of our stakeholders and so that's that's my position on why I support this change to the budget this is the main time I will speak I know we all spoke on many of us spoke on Friday this is clearly one of the toughest budgets we've had in many many years the toughest and first for this board but I'm really more worried about the next few years this has been a tough budget and we know that we're gonna continue to have to look at how we how we address the needs especially as

[00:26:08] we go into the collective bargaining for our full employees I just wanted to share a few things. I and we heard from our constituents. Residents of Fairfax County strongly support our public schools, our public parks, public transit, our public safety, our public community centers, health services, and so many of the investments that we make here in Fairfax County. And we've heard from many of our families, our

seniors, and our workforce that housing continues to be one, if not the biggest challenge in Fairfax County. We have one of the hardest

[00:26:43] working and dedicated staff and and and workforces in the nation and and i know we all here believe that we need to continue to support them um we also know as the chairman stated earlier in his testimony is that we cannot do this alone not only do we appeal to our state partners to work with us on all of these issues we also can't hold our breath for them to step up so we are pushing and we hope that they will finalize a budget and bring us more state champions who will help us

[00:27:18] bear the burden of funding those services that keep us a great community, our schools, our public safety, our parks, and everything that we do here. But we've also seen that we currently rely on our real estate taxes to fund 66% of our budget, and that is becoming harder and harder for so many in our community. So to me, the next portion is really the only glimmer of hope in this budget is the guidance, which helps us look at what is next. How do we continue to ensure that we can diversify our tax base, that we continue to invest in our housing and our employees, and that

[00:27:57] hopefully we're not faced with harder budgets than this one, though right now it is looking very likely that that is the case. So I know we are waiting for full representation of all of our county employees and we we will have to figure out how we fund that who's going to be responsible for that and as was said before we are waiting for those state champions to really step up and not have it be on the backs of our local taxpayers so with that I am it's a difficult budget to support because it does not meet the needs we are looking for but it is as balanced

[00:28:36] as we can do with the existing circumstances we have. So I am happy to support the budget prepared. And thank you to the staff and to the chairman and to our county executive for their work on this. Thank you. Supervisor Beerman.

[00:28:52] Thank you. Excuse me. I'll reserve most of my comments on the budget and to our budget guidance, not repeat everything that was said on Friday at our budget policy committee meeting.

[00:29:08] And I share a lot of Supervisor Palchek's concerns, both about this budget and about future budgets. But what I did want to address was why I am supporting this proposal regarding animal police protection officers and animal control officers.

[00:29:25] I spent a lot of time last night writing up my thoughts, and unfortunately, old habits die hard. I'm looking at a legal brief here that is in no ways brief, but I will try to cut down on why I ended up supporting this decision. I have struggled with the decision, and I've met with the APPOs, and I've met with numerous stakeholders, and heard a myriad of voices regarding this proposal.

[00:29:49] But in the end, to me, what we're voting on is more or less a singular question. Can the general day-to-day services and work currently performed by sworn police officers be instead performed by civilians without a negative effect on animal services? To me, this question is worth asking given clear conflicts between the Department of Animal Sheltering and the APPO unit and given a general and worthy trend, in my view, to decouple policing from community service provision wherever possible, in part because we so often burden police officers with acting both as law enforcement and social service providers.

[00:30:23] to the detriment of both roles. In my conversations with the APPOs themselves, I understand their perspective and their assertions for why this cannot be achieved with animal control officers. They

emphasize the dangers inherent in their jobs, the extensive and comprehensive training they believe is crucial to their ability to perform, the aspects of their jobs that align with typical law enforcement actions, and the security they feel emanates from their status and rights as sworn officers.

[00:30:48] That being said, it also appears clear to me that the vast majority of APPO work can be performed by a civilian animal control officer, and I do believe that there are community benefits to this model. In response to repeated questions from the board, the FCPD and management regarding APPO's calls for service wrote that most emergency calls for animal services in Fairfax County are not law enforcement matters. The majority of calls are requests for assistance with ill, injured, orphaned, or stray animals or involved minor code violations. This seems directly borne out in the statistics provided by the FCPD showing that in the past year there were

[00:31:23] 18,000 calls for service with 223 citations issued. While the 223 citations strike me as a better marker of what situations may be risky than the one custodial arrest, this number still pales in comparison to the total calls for service. Moreover, as the FCPD noted in response to question C11, there's been a shift in policing in recent years toward community-based alternatives in which non-police personnel respond to calls for service when there are no threats of violence and request support as needed.

[00:31:55] Furthermore, when it comes to risk tolerance, it must be noted that as explained in response to question C-23, many Fairfax County employees experience safety and risk factors associated with their line of work. This includes, among others, social workers, probation officers, code enforcement officers, that engage with the public, enter residential homes, and have the potential to encounter dangerous situations.

[00:32:17] In those lines of work, engaging the insistence of a law enforcement officer remains an option when necessary, just as it would for a civilianized animal control officer. I'm also not persuaded by the argument that they would be ill-equipped to do their job without full law enforcement training. In response to question C-17, management explained that ACOs would be trained to enforce all applicable laws and regulations and cited a lot of responsibilities of ACOs that I don't think are honed necessarily at the Criminal Justice Academy.

[00:32:46] I've also heard arguments from the wildlife and conservation community. First, with respect to how management has addressed the concerns of groups like Nature Forward, it's worth noting that the program that arguably needs the supervision of law enforcement will be remaining with the police, the deer management program.

[00:33:02] The deputy county executive has made clear that this program will remain with the police. Second, with respect to the arguable ethical conflict, most bluntly described as the need to euthanize more wild animals while domestic shelters carry the goal of euthanizing as few animals as possible.

[00:33:18] It's neither clear why only a sworn police officer can perform such a role, nor why a Department of Animal Sheltering cannot identify and direct animal control officers based on the differing needs of domestic animals and wildlife. Third, in fact, animal control officers will have the means to euthanize animals in the field, including through chemical euthanasia and when necessary through the use of a firearm.

[00:33:43] Lastly, though, accepting it's true that there's a different ethic in dealing with wildlife than in dealing with domestic animals, I feel confident that civilian employees can be trained to handle both, just as sworn officers are. I was impressed by management's careful consideration of the wildlife-related concerns and willingness to modify the proposal to reflect these concerns.

[00:34:03] Some people have seen the proposal's modification as a sign that it was all done behind closed doors. I actually see the proposal's modification as responsive to what we heard from the public. I'll also note that some who have spoken out against this proposal seem to be speaking out against certain policies and approaches of the Department of Animal Sheltering that have little or nothing to do with whether animal services are performed by sworn law enforcement officers or not.

[00:34:26] But these are, again, not arguments in my view germane to the question of whether or not animal control needs to be the purview of sworn officers. I'll close with the final reason why I can support this proposal, in spite of opposition to it by the current APPOs. I'm entirely sympathetic to the resistance to this change from current APPOs.

[00:34:45] I've devoted time and resources to considering this proposal, in large part out of my respect for the people who will perform this job. While current APPOs are faced with a choice, they are not left without options. The compassion and attention to their community that I've heard from the APPOs I've met with make me feel that they truly do represent the best of our police force, and I would be happy to see them join FCPD in full if that is what they choose.

[00:35:10] Similarly, I know that a number of our APPOs would quite obviously make fine animal control officers. These changes would occur without loss of pay or benefits for these APPOs, nor are these changes immediate. A transition period will occur, and during the transition, current APPOs will have more time to evaluate what they want to do, whether they transition into one of those roles, or even if they go into an entirely different life direction.

[00:35:35] I understand that this is hard, and I understand that these words probably offer cold comfort, if no comfort, but I wanted to explain myself and explain why I will be supporting this proposal. Thank you. Thank you. Supervisor Walkinshaw.

[00:35:52] Thank you, Madam Chair. I'll speak to the overall budget and then I was planning to save this for guidance, but we seem to be going down the path of discussing the consolidation as well. You know, when we started the budget process, I said that my goals, and I think a lot of my colleagues share these goals, was to continue and maintain our investments in the core services that our community expects us to provide and reduce the rate increase.

[00:36:21] For me, the rate increase and the tax increase that was in the proposed budget was more than I could stomach. And I think for a lot of my constituents, they felt the same. So I want to congratulate the county executive, budget staff, chairman on the great work that has been done to reduce that increase in the rate.

[00:36:43] I feel better about where we are. I don't feel great about this budget, but I feel much better about where we are. And, you know, to Supervisor Palczyk's comments about the challenges ahead of us, I think that is absolutely correct.

[00:36:59] I think like probably all local jurisdictions or most local jurisdictions in this country, we're moving into an era where we're going to have to find out, figure out how to do more with less because that

commercial office market is not going to recover in a year or in two years.

[00:37:18] We have some great programs and policies and efforts in place to accelerate that recovery, but it is going to be a long road, so we should expect some difficult years ahead of us. We should celebrate for those of us who were supportive of collective bargaining for our county employees.

[00:37:40] We're maybe taking it for granted that we are fully funding the collective bargaining agreements for our public safety employees, for police, and for fire. Not an easy thing to do. It's been a long road for us to get there through the adoption of the ordinance, through the negotiation, successful negotiation of two contracts, and now funding of those contracts, which for those two will give us certainty for the next two years moving forward will allow us to plan our budget and allow those employees to plan their budgets and have some certainty about the increases that they will see in their salaries.

[00:38:16] So I want to congratulate everyone involved in that process, including our public safety organizations who negotiated those contracts. It has been mentioned, I'll mention it again, this budget occurs against the backdrop of severe underfunding of K-12 education in this commonwealth.

[00:38:37] The J. Lark study laid that bare, and it's incumbent upon all of us, especially us in local government, to continue to highlight that issue and the challenges it creates. And it is very stark.

[00:38:54] In this Commonwealth, in the Commonwealth of Virginia, there are schools with holes in the roofs. There are teachers who are paid far below the national average. That's not the case here in Fairfax County, and it's not the case in Fairfax County because we fully fund our local share of education. This board and local taxpayers fully fund the local share of education. The Commonwealth of Virginia does not. I'm hopeful and optimistic that in the next couple of weeks, a little bit of progress will be made in Richmond and the negotiations

[00:39:28] between the governor and the General Assembly, but they have a long way to go, a long way to go to filling the $3.5 billion gap that exists in state funding for K-12 education. And all of us as Virginians should be ashamed of that fact, and we're going to work to change it.

[00:39:49] With respect to the Animal Services Consolidation, I think Supervisor Bierman did a great job of articulating a lot of the issues. You know, I will just say that the term gold standard has been used a lot, And I believe very firmly that our people are the gold standard.

[00:40:12] Our APPOs are the gold standard. Our animal shelter staff are the gold standard. But those people have been working in a model that is not the gold standard. It is not the gold standard nationally. It is not the gold standard in our region.

[00:40:29] It is a flawed, bifurcated, siloed model. You have two different organizations requiring handoffs. And just to quote a former shelter employee who wrote us a letter, said it leaves residents frustrated and confused.

[00:40:45] Those residents would be better served if issues were addressed during the first interaction. And Supervisor Herity said he hasn't heard a strong rationale for the consolidation. Well, all of us received a lot of correspondence on this from folks in support and opposed.

[00:41:05] And we received letters from, I think, the last 20 years of shelter directors, all of which said a lot of the same things. One of them described the current model as creating frustration, division, and

discord.

[00:41:22] Another one said, I left Fairfax County early because of the dysfunction caused by having animal control in the shelter reporting to two different supervisors. Another one, and this individual, Dr. Diveny, had been quoted by some folks in opposition to the consolidation, including Supervisor Herdy.

[00:41:47] She sent us a letter. She said, initially, after the 2016 study, things went well, but progress began to erode, and they were unable to develop a collaborative and professional relationship despite significant efforts.

[00:42:04] She said it is time for Fairfax County to embrace this change. Pretty striking to have all of the modern era shelter directors sharing the exact same concerns taking place over the course of decades.

[00:42:21] This isn't about challenges between one individual or two groups of people not getting along. It's not a challenge that's solved by having another weekly meeting or additional weekly meetings. This is structural. It is a structural challenge.

[00:42:37] We've heard from a master naturalist who supported the consolidation. It feels like it can help improve our natural resources management. We've also heard from some police officers sharing their concerns and struggles within the current system.

[00:42:55] So, you know, a lot of those came by way of letters. Not all those folks came here before us to testify. But there has been significant support for this consolidation. And after meeting with many, many people, sat down again last week and read all of the correspondence that came in, I think this is the best decision for our county.

[00:43:23] I'll also add, Supervisor Beerman mentioned, you know, the wildlife angle. And I've talked to a lot of folks in the wildlife rehab community, and obviously there's a spectrum of opinions there. The Wildlife Center of Virginia said the consolidation will achieve efficiency and improvement. The Wildlife Rescue League surveyed their members, 80% supported the consolidation and said they don't see any negative impacts. A former veterinarian at Pender wrote us describing the challenges and flaws with the current system and model shelter volunteers have

[00:43:59] written us. This would be a very easy decision. I just think structurally, it is a very easy decision. No business, at least no well-run business, Supervisor Herdy, would allow this kind of situation to continue. The only thing that's hard about it is what my colleagues have said. We have animal protection police officers who are the gold standard, who are committed to the community, committed to protecting animals and animal life, and do an incredible job. But I'm become convinced they're doing an incredible job within a flawed system that needs to be changed

[00:44:35] thank you mr chairman thank you supervisor lusk thank you very much um let me start with the budget as a whole and i'll share some of the same comments that were shared by my colleagues i want to thank the chairman and i want to thank staff for the work that they've done specifically on this very difficult budget, and I think we can see that the real elephant in the room is really around the generation of revenue, and clearly, we are in a place where I think

[00:45:11] we might have sustained problems over time, looking at the commercial tax base in particular and trying to figure out what's really going to happen with office properties, and I think we've got to come to a decision I think collectively as a board in terms of how we're going to respond to this specific long-

term challenge I mentioned and I won't go through all the points I made the last markup session but I do want to reiterate two of the things and one I made reference to the the coal report

[00:45:46] that was done back in 1976 so at that time the board was in a very similar situation we had declining revenues we could see that our commercial tax base was not growing and that the decision was made that we had to do something so we put together a panel of business leaders and others and they came back they came back with a series of recommendations and in the recommendations that they brought back, they felt that we needed to expand the service offering of the Fairfax County Economic Development Authority and to do more marketing, both nationally as well as to do more

[00:46:25] business attraction and retention as a way for us to address shoring up our commercial tax base. As a result of that, we saw lots of companies coming into Fairfax County. We saw lots of Exposure to the county to places both nationally and internationally.

[00:46:43] So that, I would say, was a checkmark for those who were a part of that effort. Second, in 1998, Fairfax County hosted the World Congress on Information Technology. They had thousands of people come in from all across the world, including Margaret Thatcher.

[00:47:02] And at that conference, they had conversations about emerging technology as a way to expand and grow the emerging technology base. The Board of Supervisors then made a commitment to have additional hiring at the Fairfax County Economic Development Authority to promote additional promotion, to promote expansion of our international program, and then also to look at ways to support attraction.

[00:47:34] And as a result, we saw lots of investment coming in again. So I'll make the point that there are opportunities for us to look at the examples of the past and to hone it for our current condition. And looking at where we are today, looking at what our economic development authority, president, and CEO has said, we have an opportunity to grow our base in AI, in quantum computing, in space.

[00:48:02] So I'll look forward to seeing how we, as a board, look at these opportunities and figure a way to address it to shore up our commercial tax base. In addition, we have to look at other taxing authorities.

[00:48:19] We have to look at ways to get the state to support our education and other services, and that's something that's going to be ongoing. So I support my colleagues in that point as well and appreciate the comments that were made. And I'll say that, you know, this is a tough year for our residents, and I struggle with this as well.

[00:48:39] So thinking back to the comments from Supervisor Walkinshaw, when we first talked about the 4-cent increase, I mean, looking at the emails that came in, it was clearly a non-starter. So many people were very upset in my community in talking about how they can't afford it, they can't sustain it.

[00:48:59] And when I look at the value appreciation, looking at the increased assessments, they are at the lower income property. So if you're looking at townhomes and condominiums, that's where you're seeing the highest assessments. They're already paying more in their increased assessed value, and now we're going to be asking them to pay even more on top of that.

[00:49:22] So clearly this question about the four cents on the real estate tax was a very important one. So I appreciate being able to bring that down to three cents, but recognizing this is something that's going to

be an ongoing problem for this board as we think about our future revenue generation and how we deal with the question of future real estate tax assessments and our rate adjustments.

[00:49:49] For the budget as well, I'd like to just identify a couple of things I'm also appreciative of, and a couple of my colleagues did mention this. collective bargaining that we did for public safety and acknowledging that we're able to get to a place on you know pay benefits and working conditions that i think is going to make a difference for us to be more competitive both in the hiring and then also in the retention of our public safety personnel and for those regular county employees and i think this is so important is that as we get to a place where we have a similar opportunity um with collective

[00:50:28] bargaining, we will look to address those same concerns in those agreements in the future. I also want to note on the senior centers, looking at the reduction of fees, I appreciate the decision that was made there because I got a lot of comments from seniors too about the increased cost being prohibitive and difficult.

[00:50:52] And then as we look at the affordable housing question, it continues to be a big one for us to try to tackle and try to address and i i struggle with this one personally too because i i think about myself and i know that the reason that i sit on this board the reason that i'm at this dais is because housing was provided to me by my grandparents my grandparents stepped in when we needed housing my brother my mother and i and they provided it and as a result i was in a stable

[00:51:32] home. I was able to think about school. My grandparents gave me great guidance and support and made sure that I did the right things. They made sure that I eventually went on to college, and they made sure that I became a good citizen. The way that they lived their life was an example to me to be someone who cared about others and who lived a life of service. And I've tried to do that in honor of them. And when I think about all the kids and all of the seniors and all of

[00:52:08] those who struggle to get housing, I feel their pain personally, because I know what that's like. And I also know what housing can do to give you a stable life and to help you become productive.

[00:52:25] And I think we have to be focused on this. We have to be focused and intentional on affordable housing because it is so necessary and so important and vital to people's lives and then the last point i'll make is on the consolidation and i i do appreciate all the comments that my colleagues have made and i really appreciate mr bierman supervisor bierman i think those extra hours you spent last night working on your talking points you did a very exceptional job um i think this

[00:53:01] Idea, though, I feel kind of similar to Supervisor Walkinshaw in the point that do we really need to have sworn officers doing this role? That's really where I came down on it. And I think about my own community again.

[00:53:17] I have to think about where do we have some of the greatest needs for these services in the community? And you look at South County. It's disproportionately in South County that these services are required for the strays and other wounded animals.

[00:53:35] And I think that as I've seen what the shelter has done in the community in terms of being able to come out and to establish rapport with the residents and to be able to provide the services as it relates to vaccinations, helping with food and other components.

[00:53:59] You could see the engagement of the community so clearly because this was not at the behest or at the direction of the police or of a department, and I think that's an important distinction.

[00:54:18] And then second, I want to make the point that I appreciate so much all of the individuals that I had the opportunity to meet, and particularly the APPOs, and I know their heart is in the work that they do. I could feel it, I could hear it, and I know that we are fortunate to have the APPOs on staff that we do.

[00:54:42] I hope that the process that we've talked about here in markup will hopefully help as we move to the discussion of implementation and the discussion of transition. There are going to be some specific details that we're going to have to work out, And I've already committed with Tom Arnold as a chair of the public safety committee to have meetings that we can bring to the board as well.

[00:55:10] And then include those in the community, staff, and others to talk about those next steps. So with that, Madam Chairman, I will say thank you for the opportunity to make my comments.

[00:55:25] And I hope we don't have another budget like this next year. Thank you, Supervisor Lusk. Supervisor Alcoyne. Thank you very much, Madam Vice Chair. I don't have a brief, but briefly, I do appreciate the comments that have been made on the APBOs.

[00:55:48] And I want to start just by saying I appreciate the work of Deputy County Executive Tom Arnold, all he's done, and the service and the advocacy of the APBOs that have met with me several times. But we need a better process for consolidating and reforming in county government.

[00:56:15] You know, especially it's been said by a couple of my colleagues, several of my colleagues, things are going to get tougher, likely to get tougher over the next year or two. And we really do need a better process. i support the consolidation but let's let's set up a process that we can do this in a way with better communication and frankly as needed and as appropriate better engagement with our employees that are directly affected so thank you mr chairman supervisor stork well thank you madam chairman

[00:56:53] i'm going to say my kind of future remarks when we get to the guidance but i at least wanted to to say a couple comments now and first and foremost wanted to thank county executive brian hill obviously the key budget staff christina jackson phil hagan for your absolute work this was incredibly difficult it started a long time ago and and my thanks really is the vision that came with that process to identify ahead of time that that every county agency needed to be charged to come back with a budget that is seven percent less i think that's the core of where we are today

[00:57:28] Is that we know that when people do that individual departments do that they look at their operations much more carefully? They're doing the kind of thorough review that I hope that they would always do but in this particular case We know that it resulted in significant savings on the part of the county and not only dollars, but also staff positions and and that Was the foresight that you all had to get us where we are today to make this process Still painful, but but easier and frankly more effective because ultimately you're creating something that's can last longer time longer term So again, my my appreciation for that process

[00:58:05] I think it was valuable and I think it's helped us to get where we are today Which as we all know will never be quite enough, but but we still made a down payment. I think on some of the other Changes that we're gonna have to look at I do want to say something that that's really crucial to What we are as a county is that we have had really an extraordinary few years here There's major investments that we've

made across the board in about everything I mean, I know we talk about housing because we know that's one of our major challenges But even human services health care

[00:58:41] I mean go back the last couple years and we put money where it matters in the things that make a difference in people's lives Make a difference in our community and what people voted Yes, we had election last year and yes people said we do appreciate the focus that you've had the Investments that you've made and the services that you've provided and even yes amenities Whether it's pickleball courts or what have you. Those are things that that help people feel good and want to live here long term I think those are powerful. I know particularly in the Mount Vernon district I've seen some of those things from the South County Police Station animal shelter

[00:59:17] Which serves obviously a lot of other places having a police station Lorton is huge We have a new Mount Vernon Rec Center. We've funded and started the process of fixing the original Mount Vernon High School. There's lots and lots of ways, but that comes with providing resources and investments to make differences long term.

[00:59:37] And the key part of that, we all know, I think, is the staff that we have here. They've been an extraordinary part of this. We could not have done it without them. And I know we're making investments and I know some will always feel like we could have done more.

[00:59:54] And we'll look at that and go, we recognize that because costs are going up and we all feel that. But there's no doubt that we've made with our collective bargaining, as well as the commitments and the increases that we're providing in this budget, we've made a huge commitment to that.

[01:00:11] Even while we know that there's areas that we're going to still have to continue to look at certain particular jobs that we're going to have to be more competitive about. Our compensation packages, which are sometimes the biggest challenge we have is people not understanding that it's not just the wage you're taking home, but it's the overall package.

[01:00:28] Those are all key parts of, I think, the education and the advocacy that we need to be doing. I know that we made tough decisions, and the county executive brought us a tough decision that reduced the request with the superintendent. I think that was appropriate. I've spoken to that previously. think it's where we are and we need not only we need the the school board is and I look at Supervisor Palachick and Supervisor Lusk and Supervisor Smith sorry that we have been there making those tough decisions and they're not gonna be easy for the school board but but that's part of their job we can't tell them what to do I'm not here to tell them what to do I'm here though to

[01:01:04] say you're gonna have to make the same kinds of tougher decisions that we're all making and where you put your money does matter and for me that's obviously You want to do that with the teachers because those are going to have the biggest impacts. I think in the end, with this budget we have in front of us and the package that the county executive and others brought to us, there's some things in here that I'm not in love with, but there's things that I definitely recognize that are part of a package.

[01:01:34] And we need to recognize that there's some things that you're not going to like as much as others. I mean, some of the fire stuff with the service levels, I am worried about that. confident that that's been looked at carefully and we're obviously will be monitoring that and if there's a major impact in service area levels and I'm sure we'll have those conversations whether it's a public safety committee meeting or with mr. Arnold or others I've had like all of you innumerable conversations with the the folks

about the animal protection police and the shelter and how it all fits together I've had I don't know how many meetings

[01:02:11] I've heard lots of different views, and I've heard really strong views on all sides of this issue. And I think we all have shared that. I shared in the budget markup kind of my particular thoughts about it, but the one thing I know more than anything else that we all saw and felt is the personal passion and professional passion that the APPOs shared with us about what they do, how they do it, and how committed they are to doing that well.

[01:02:42] And I I'm I'm saying that I'm not taking anything away from that. In fact, I'm looking for ways to try to enhance that and frankly have it Be more aligned with what we are doing on our human services I what we're doing with our police in general and that's the what I call the co-responder a lot of model It's a community response model. I think we have similar opportunities here with how our Animal control officers work with the community how we have our police work with our animal control officers I think there's an opportunity there and I know that that's will be part of the conversation that we have over the next

[01:03:17] Many months is how that will work going forward, but I respect the fact that that a different approach is being Proved here, and I am supporting that process even though I recognize it like everything We do we'll continue to monitor to make sure that it meets the best needs of our community So in summary, I I'm going to support this package of Budget because I think it's balanced. It's never perfect and we have far more work to do Which I'll speak about when we talk about the budget guidance, but but thank you madam chair. Thank you Supervisor Jimenez. Well, thank you. Thank you so much

[01:03:56] Madam chair, and I feel like Supervisor Beerman and I really got thrown into it this year So kind of really trial by fire here first I'd like to thank a group of folks that I don't think we've heard much from They really deserve recognition when it comes to the budget, and it's our staff.

[01:04:16] It's my staff back in the district. It's everyone's staff here. They work tirelessly. They help us put things together, help give us recommendations. And so I'd like to thank all of our staff. Before I get into a quick statement, I do have to say that a couple of the things really quickly that concern me moving forward and I'd like to really address not only now, but I'd like to address moving forward in the future, is kind of the needs of our sheriff's office, our EMS fire police, our park maintenance on the weekends. That is extremely concerning to me. I didn't think I was going to say this out loud,

[01:04:53] but one of the craziest things to me since I've been here in the last couple of months is learning that there is no park cleanup on the weekend. Our residents find parks a place where they can go and they can share time with their families at the community it's accessible for us as a county not to have park cleanup on the weekends when they're there with their family is unacceptable and that is something i think we all need to look at as well as the structure overall of the park authority when it comes to our board now let's get into my quick statement this was an exceptionally tough

[01:05:31] budget given the realities the board of supervisors faces the options presented to us and the choices we had to make were not easy. I know we will continue to work to identify savings and efficiencies with the tools we have while also looking to advocate to the state for a more fair and just tax system. It is obvious that we will not be able to count on real estate and property tax to get out of our main issues. I am hopeful that our state partners will enter into good faith efforts to modernize our tax systems that would

allow our residents, especially working families, those on fixed incomes and others with very needs to be able to take advantage of everything our county

[01:06:10] has to offer. I'm going to pause real quick right there. We talk a lot about the relationship between the state and how we're looking at the state to do better, which they must. And they need to look at what they're funding and how that impacts the residents of Virginia. But I will say, and I'm going to be very proactive, I need to go talk more to not just the state senators in my area, but more because they need to understand the impacts of what they don't do and the impact that brings here to Fairfax County. Because at the end of the day, they're not just our residents in Fairfax County, it's their residents as well. And they need to be caring and understanding the

[01:06:49] issues just as much as we do. And that I think is an educational piece that I can, I promise I will be helping to share with them because they need to be doing better and they need to actually listen, not just stare. They need to listen. Residents live in Fairfax County because our services are unmatched and the quality of life that exists should be part, should be attainable for all residents. This is in large part because of our tremendous work of county staff, this board and the folks who served on the board previously. I believe budget guidance we've collected for the FY26 has a solid foundation because of that work and is informed by a diverse and wide range of

[01:07:26] feedback. Some of the feedback in response to the consolidation of animal control services and I welcome the guidance which i believe will better contextualize and lay out what this shift truly entails it is not lost on me that this topic has been one that received a lot of attention and understandably so even though the outcome may not be what many had hoped for i genuinely appreciate the time advocates afforded me and my office and sharing their views and concerns so many times i think that folks say oh thank you for your time i think that what we need to do and i think we've

[01:08:01] done it here today you know mr bierman mr walkinshaw etc is thank you for your time you're taking time out of your day you're taking time out of work taking time out of your families to come and advocate something that means a lot to you so i want to say thank you for that when i look at the long-term trajectory of fairfax county i feel more confident as a board we have a grasp of what our mission is and where our efforts should be focused on it is imperative that we strike a balance between maintaining our quality of life we have while not overburdening our residents.

[01:08:33] It is also vitally important that we work to ensure that it is realistic and that the opportunity exists for all in our community who want to call Fairfax County home to do so. Of course, part of that depends on our state partners working with us. Nonetheless, this is a tough time for so many in our community, and as a board, we are mindful of that.

[01:08:54] to close out i'd like to thank our staff the county staff for their hard work that started months before we even saw a proposed budget thank you county executive mr hill christina jackson phil hagan and all those on your team i really am so grateful that so many of you showed up to my first town hall budget i was pretty nervous about it and because of fairfax county staff when i walked in i really felt a lot better you helped guide us you helped talk to the community you help to answer questions so thank you for your time and thank you for being willing to do that

[01:09:29] uh chairman mckay uh thank you vice chairman smith and i want to start by uh thanking our staff as others have done the entire team that's here i mean this and the only thing i will will correct that i've heard so far is you know for their work on this budget and over the last couple months to be clear

budgeting in this county is year-round these guys never stop working on the budget we might focus on it. The community might focus on it during a couple months of the year, but they work on it 12 months out of the year and do an exceptional job. I also want to thank the vice

[01:10:07] chairs of the budget committee, Supervisor Smith, Supervisor Pouchik, for their work on this budget, and so many from the community and our staff who have shared their opinions about this budget. And I think, you know, that those opinions obviously have formed, I think, a better product. But as the theme that we've heard here today, I will also agree that this was a hard budget, but a responsible budget. And sometimes it's hard to just be responsible when you'd rather do other

[01:10:39] things. But let us sink in for a moment that this is a AAA bond rated county, highly regarded as one of the best managed jurisdictions in the United States, routinely topping every statistic as our starting point. And it's this board's job to maintain that reputation, which is sometimes hard, but is the responsible thing to do. And this budget epitomizes that. I do want to say that there has been a lot of focus on the state more so than normal. And people ask me all the time

[01:11:16] why I'm fixated on that, because that is at the heart of this entire challenge that we're facing today. Consider a few statistics. If the state were to fund their own standards of quality and implement the recommendations of the JLARC study, they would be sending Fairfax County by FCPS's calculation a check for $568.7 million that they owe Fairfax County public schools based on their own adopted standards. The state owes us 568, almost 569 million dollars every year. This

[01:11:55] year, that's the equivalent of 18 cents on the tax rate. We're sitting here today contemplating a four penny increase. My motion increases the tax rate by three cents. We would be sitting here talking about reducing our tax rate dramatically if the 18 cents that the state owes us by their own formula arrived here at the government center in the form of a check. That's why our residents are suffering with real estate assessments because they pay a lot in income taxes to Richmond and

[01:12:31] then we have to charge them a lot for real estate tax assessments to pay to maintain a high quality public school system and our own staff. Consider when you look at our budgets, people ask, you know, why not more flexibility? 82 percent of general fund expenditures in Fairfax County go to compensation. 82%. In the school system, that figure is 89% of money going to FCPS goes for compensation because we know our people are the most important asset that we have. Over half of our budget gets transferred to the school system. So half of our budget going to the school system,

[01:13:09] the remaining amount in Fairfax County, 82% of that goes into compensation. It's math, folks. These are where the major buckets are. This is why the flexibility becomes very difficult at our level and why we have to over-rely on real estate tax assessments and tax rates to pay for our service because we are doing the hard, responsible thing of maintaining the level of services that people come to this county for.

[01:13:39] High-quality public schools, safest jurisdiction of our size in the United States, a social safety net that respects people, parks, libraries, recreation opportunities, an address for climate change, the focus on bicycle and transportation infrastructure, the things that are why people come to Fairfax County, we must fund those things.

[01:14:02] So even if the state doesn't do their job, the people at this dais still have to come do our job. And our job is hard but responsible, just like this budget is. And I do want to address our county employees for a moment because we know that the services we have are because of our staff and our people. That's

why over 80% of our budget goes into personnel costs. That's why several of us here have said that when it comes to our animal patrol officers, the gold standard is the people, not the program. And to suggest that it's not a gold standard all of a sudden is to suggest that

[01:14:41] those people aren't going to continue to do an exceptional job in the jobs that they do. And I don't believe that. I know they will because they care about this county. They care about public safety. They care about animals. They care about wildlife. They care about humanity. And that's one of the reasons why we have to continue to talk about how this happens. But the gold standard is not a program. It's not a line item. It's the people who work for this county. And that's why we dedicate 80% of our budget to them. And in this budget, there are major investments in our county employees. We all acknowledge that we couldn't get to the full MRA that was calculated, which is disappointing, I think, to each and every one of us. But we need to recognize that,

[01:15:21] as several others have said, this board is funding a landmark collective bargaining agreement for our public safety officials. We talk about how much we respect our police and fire. This respects them, this collective bargaining agreement, and the people who vote for it respect them, respect the hard job they do and deserve that they need a contract and they need compensation to allow them to continue to do the hard work that they do in our county. This budget funds performance and longevity increases as a starting point. How many years we've debated that. In hard years,

[01:15:58] how many times we've had to freeze those things or modify them. This fully funds them. We know that there is a 2% market rate adjustment in here, but we also know that we need to go to a new standard that's more predictable and reliable for our employees. And we know that when you calculate the adjustments that are made to compensation, the question isn't 2%. The answer is our employees are receiving between 3.25 and 6 percent compensation increases with over a thousand of those employees being affected by the annual benchmark reviews that we do because it's important

[01:16:36] for us to keep our employees in market and competitive and I would encourage you know the schools to do that same thing because they're facing the same challenges we are which is how to fund a budget that is largely personnel because we know it's the people in the school system that make our quality Fairfax County public school system work and I do believe this transfer allows them to take advantage of every dollar at the state level for teacher pay and just just to remind folks the state approves the teacher pay increase and we get the invoice so this 165

[01:17:11] million dollar increase over last year in the transfer is to pay the state's invoice for declaring an increase in teacher pay which we support the increase in teacher pay but make no doubt about it, who pays for that teacher pay is here in this building, not at the Capitol in Richmond. And so that's an invoice that has to be paid. We have to match in order to get every dollar from the state that goes into that, which is peanuts compared to the total cost of that compensation increase. But because we value teachers and the people who work for our organizations, we have to make sure that that happens. And then finally, for the animal patrol officers,

[01:17:48] I can't really add much more than I think people have very well articulated from this dais, the difficult position that we're in. But again, it's the people that are the gold standard. And we can change the programs as many times as we want.

[01:18:04] The question is whether you value the people there. And I know that I do, and I appreciate and have learned a lot through this process about the people. But it's also this board's responsibility. I've heard

about the way the process went. It's also this board's responsibility to ask tough questions.

[01:18:21] Many of us have asked them to Mr. Arnold and staff and gotten the answers. And it's this board's responsibility to fairly articulate to their constituents what's going on and not to pour gasoline on fires and cause chaos, but to actually explain to people properly what is happening.

[01:18:40] Several of the groups that I met with said it's not the consolidation that there's a concern that they have. It might be about a philosophy changing. And I said, well, show me where the philosophy changing is. And there's a lack of information there because there's not a lot of philosophy changing here.

[01:18:57] There's how do we perform the services that we perform now, hopefully perform them better, perform them more consistently with what is the norm and value the people who perform those services and reward them for that. And I do think that this proposal, as it has been constructed, does protect our current personnel, looks forward to future personnel, and respects the animals that cause so many people passion.

[01:19:26] You know, whenever you talk about animals, it brings out people on very emotional fronts, myself included, that it's not quite like talking about my kids, but close. It brings out passions for people who have very strong opinions, both about animal welfare, about public safety, and I respect their passion, and I have learned a lot through this process, but at the end of the day, we have the gold standard because we have the right people doing these jobs, and we'll continue to have the right people doing these jobs, and it's because of the investments that we make in compensation.

[01:20:04] So this budget does not do everything for everyone. I am glad it reduces the tax rate by a penny because folks have suggested, why are we reducing the tax rate? We are reducing the increase from $0.04 to $0.03 above last year.

[01:20:20] And as Supervisor Lusk said, the challenge with assessments is many of the lowest assessed properties in this county had the highest assessment increases, which shows how regressive real estate taxes and punitive real estate tax bills can be on people.

[01:20:36] It has no bearing on measure of wealth. And you have people living in lower-priced units, lower-assessed units that went up 15%, 20% in some communities where they already are facing challenges being able to pay their rent every month.

[01:20:53] I've had several residents confirm to me that something that's probably happened to a lot of us, which is for the first time in our lives, our escrow is a larger percentage of our mortgage payment than the interest that we're paying on our loan, if you have an escrow. And that gets people's attention.

[01:21:10] And that's why I have been consistently saying we needed to address the tax rate, but also have consistently pointed to where the problem begins here. And it is, we must continue to work with our delegation. We must continue to lobby them.

[01:21:28] They do have the same constituents that we have. The residents of this county are represented by us or represented by members of the General Assembly. And they have to understand that the state owes us over a half a billion dollars a year. And we would be having at this dais a very, very different conversation if even a fraction of that were secured to be able to support the services in this county that drive the state's economy, that literally drive the state's economy.

[01:21:57] So not only is this do we have shared constituents, but the state has an enormous fiscal interest in making sure that Fairfax County remains successful, and they have a bill to pay to ensure that that happens so that we don't have these types of budgets in the future.

[01:22:13] And so, as I said, this is a hard but responsible budget, and it's hard, and it takes our responsibility to stay at the top and to make the hard choices, and today marks a lot of hard choices for us, but to do the right thing, pass a balanced budget, and maintain the reputation of this county that we have earned over many, many decades. And so I do appreciate my colleagues' support. Thank you, Mr. Chairman. Just briefly, you know, we knew last year it was going to be a tough budget year, and I want to thank the county executive for working with the agencies to look

[01:22:50] for reductions. It was over $34 million. It was more than a penny on the tax rate. It was reducing staff by I think it was about 84 positions and so that was an important beginning but you've heard my colleagues talk about funding at the state the J-LARC study the education funding and what I have come to learn being an elected official for many years it's not enough for us to talk to the General Assembly so every time constituents have come in to meet with me to talk about the budget I've used that as a chance to educate them and I think we all have that

[01:23:27] responsibility of anyone that understands how the funding works and how much of the of what we have in this great county comes from real estate we need to educate our general assembly members and they need to hear from hundreds of us right and so to me that is going to be my advocacy over this next year is to keep working on that because the general assembly you know we talk about education funding it's the jails it's it's so many things where they could do better and they have income tax, and that is a more fair way to tax people. And so hopefully someday all of that

[01:24:04] will change. The other thing, the Animal Protection Police. I want to thank you for your passion, for your work, and your commitment. But listening to all of the information we got and all of the testimony, I do believe we have to get away from a bifurcated model. And I know that we're going to work really hard with the staff in those current positions and find a way to have a good transition. I know in the beginning I was very concerned what are we going to do with deer management and some of those pieces because those are vital things that keep our community safe

[01:24:44] and so I know we'll work forward through that. I want to thank you animal protection officers and our wildlife biologists for all the work you do and I know that we'll work forward to have a system that works really well and so with that i am going to call for the vote on the motion all those in favor of the motion say aye aye anyone opposed harry nay any abstentions that motion passes with supervisor harry voting nay uh thank you uh vice chair smith and we are now going to move on to budget guidance i am going to try to quickly read this because i read the entire thing on friday

[01:25:22] and only a few words in it have changed but for those who may not have been tuned in friday to get it on the record. I'm going to quickly read through. At our regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in the Board Auditorium of the Fairfax County Government Center on Tuesday, April 30th, 2024, the Board approved the following budget guidance for FY 2025 and FY 2026. Our next step is to adopt guidance for the development of the FY 2026 budget. The purpose of budget guidance is to indicate Board of Supervisors' support for initiatives included in the FY 2025 budget, to provide direction to the county executive and

[01:26:00] county agencies related to implementation of the FY 2025 budget, and to make recommendations to the county executive and county staff for the development of the FY 2026 advertised budget. Budget guidance is not inclusive of all priorities of the board, nor is it inclusive of all issues raised by the community during the development of this year's budget. This is not our agenda for the coming year. This is budget guidance, and I just want to make sure that's clear because this document has grown largely over the years into something larger than life, and we've tried

[01:26:37] to pare it back down into what is actual budget guidance. And I'm going to start with Fairfax County Public Schools, FCPS. The board appreciates the continued collaboration with the school board on our joint legislative priority of securing increased state funding for schools. The Joint Legislative Audit and Review Commission JLARC study found that the state uses a complex and unreasonable funding formula, quote unquote, that results in the underfunding of schools by $1,900 per student when compared to the national average.

[01:27:08] Implementing all JLARC recommendations would result in an additional $568.7 million for the Fairfax County public school system. The cost of supporting our schools falls disproportionately on our local homeowners. As a result, it is imperative that we continue to pressure the state for increased funding as growth in our local revenue sources will be limited.

[01:27:31] FCPS is encouraged to develop an FY2026 transfer request that is consistent with the projected revenues that will be presented as part of the joint fiscal forecast in November. On the state budget, the Governor and General Assembly continue to negotiate on a state budget with hopes for a compromise by mid-May.

[01:27:52] The budget passed by the General Assembly in March promised significant progress towards addressing Metro's budget deficit with the pledge of additional state resources over a two-year period. The governor's amendments reverse course, seeking to balance Metro's budget by redirecting county funds that are held at the Northern Virginia Transportation Commission, NVTC, for planned replacement of our connector bus fleet and that could be depleted as early as October of 2024.

[01:28:20] Metro is a critical component of Virginia's transportation infrastructure that keeps our economic engine moving. Funding the Metro system is a shared responsibility between the state and localities, and significant new state revenues are required this year to support Metro's operations.

[01:28:39] Staff is directed to report back to the board regarding state budget action on Metro, as well as other possible actions impacting the county budget, such as an expansion of the sales tax base to include digital purchases with any recommended changes in funding allocations as part of the FY 2024 carryover review. FY 2026 budget development.

[01:29:03] The FY 2025 budget presented a challenging year with limited revenue growth to support our expenditure requirements. County staff, through an extensive process last year, identified the equivalent of over one cent on the real estate tax rate, primarily through expenditure reductions to allow limited investments in county priorities.

[01:29:22] However, the burden on real estate taxpayers has continued to grow with real estate taxes increasing as a percentage of our county's budget from 63.5% to 66% over the past 10 years. This is creating an affordability challenge for all Fairfax County residents, particularly those on fixed incomes and those who are already struggling to make ends meet in a region with a high cost of living.

[01:29:48] The FY2026 budget, based on early forecasts, appears to be similarly challenging. Projected requirements for employee compensation in schools will leave limited flexibility to address other priorities or provide relief to taxpayers.

[01:30:05] This dynamic has been building for a number of years and is likely to continue. Changing it will require state advocacy for the development of other revenue options. The JLARC study, as noted above, plainly stated the systematic underfunding by the state of school systems across Virginia.

[01:30:22] However, in addition to direct support of schools by the state, real tax reform is necessary to provide localities with options to reduce their over-reliance on real estate taxes and to help diversify their tax bases.

[01:30:41] While the world around us continues to modernize, Virginia's tax structures remain rooted in the past. As we look ahead to our legislative program for the coming session, we should continue to advocate for broader taxing authority that will provide options to diversify our revenue base and for the state to meet its responsibility to fund shared services such as schools and transportation.

[01:31:07] We also direct the county executive to review all existing taxing authority and come back to the board at a future budget committee meeting with recommendations for strategies to diversify our revenue base and reduce the over-reliance on real estate tax. Employee pay and collective bargaining.

[01:31:25] The FY 2025 budget is our first to be adopted following negotiations with employees representing the fire and emergency services and police bargaining units. One theme arising from these initial agreements is that our employees desire predictability in their pay.

[01:31:42] The market rate adjustment, MRA, has fluctuated widely in recent years, proving to be a challenge for our budget and a source of uncertainty for our employees. We support the county executive's proposal to implement a more stable and predictable means of keeping our pay scales in line with the market, coupled with a commitment to more consistently fund those adjustments.

[01:32:02] We also encourage the Department of Human Resources to evaluate additional ways to help employees more easily calculate the graduated performance pay increases that are rewarded to general county employees.

[01:32:15] The county will continue to use all its available tools to recruit, retain, and reward employees, including merit increases, performance increases, longevity increases, the hiring incentive bonus program approved by the board in 2022, and the annual benchmarking of salary ranges against competitors that resulted in the adjustment of the salary grades of nearly 1,200 general county employees for FY 2025.

[01:32:44] Retirement. One of the ways that our county exemplifies support for its outstanding employees is through the funding of employee benefits, particularly our strong defined benefit retirement plans. Two studies are currently underway by the Retirement Administration Agency that will help ensure that the county is transparent to our employees and our residents about the financial health of our plans and that we will remain vigilant in maximizing investment income, which can help offset county costs.

[01:33:12] The first is a comprehensive stress test of all systems which will help us understand the financial strength of our systems. The second is a consultant review that will examine the overall

governance of the systems as well as investment policies and procedures based on best practices of other public retirement systems.

[01:33:31] The board supports both of these efforts and looks forward to the results and recommendations of each. County position review and vacancy analysis. The county, like many employers across the country, has faced significant challenges in the recruitment and retention of employees as the post-pandemic labor market has been strong.

[01:33:50] As the county has made great strides with programs like the board-approved hiring incentive bonuses, it has been difficult to assess our successes based on vacancy metrics due to the large number of unfunded positions throughout county agencies. The board recognizes that many of these positions are unfunded, And as a result of budget reductions, some going back to actions taken following the Great Recession.

[01:34:15] In some cases, these positions provide flexibility for agencies to adapt their organizations to changing needs. However, it is important for the board and for our residents to have a clear picture regarding the number of positions that are vacant and are able to be filled.

[01:34:33] As a result, the board directs staff to continue its ongoing comprehensive review of county positions. This review conducted by the Department of Management and Budget in concert with agency directors should include a focus on eliminating vacant positions that are unfunded and examining whether funded positions are appropriately classified.

[01:34:53] Steps to address any identified issues should be implemented as soon as possible, but no later than as a part of the FY2026 budget. Consolidation of Animal Control Services. the board agrees with the staff proposal to consolidate animal control services into the Department of Animal Sheltering, DAS. However, we heard concerns throughout the budget season from the public and staff regarding how this new model would impact service delivery. Given the concerns voiced by some of our residents, additional clarification on how this consolidation will be operationalized and a clear timeline of implementation strategies are needed to provide further

[01:35:33] transparency. Staff is directed to return to the board as part of a public safety, as part of a safety and security committee meeting to provide additional details regarding the roles of DAS staff and police officers under this new structure and any changes to the philosophical approach to wildlife and other services. Affordable housing. As reflected in the board's budget guidance for the past few years, the county is committed to taking necessary steps to reach our goal of a minimum of 10,000 new affordable homes by the year 2034. Although unable to commit additional

[01:36:10] baseline funds as part of the FY 2025 budget, the board recognizes that additional capital investments are necessary and approve the allocation of $4 million for this purpose as part of the FY 2024 third quarter review. Baseline funding of $32.3 million is currently included in this budget, which is the equivalent of one penny on the real estate tax rate.

[01:36:34] Including the additional $4 million, one-time funding of $89 million has also been allocated since FY 2022 for this important initiative. This one-time funding is a combination of utilizing $55 million in federal stimulus funds and $34 million from one-time general fund balances.

[01:36:54] The board remains steadfast in its resolve to add recurring baseline funding for this initiative with the goal of reaching a total investment of two pennies on the real estate tax rate by FY 2027. As such,

the county executive is encouraged to add recurring resources in FY 2026. In addition, the board encourages the county executive to continue to pursue additional sources of funding, such as federal and state grants, to support affordable housing needs, including for the county's manufactured housing communities and to expand the county's efforts on promoting

[01:37:27] homeownership. Parks. In January of 2024, the Fairfax County Park Authority, FCPA, and their outside consultants provided a presentation at a board committee meeting on the review of equity of FCPA's Revenue and Operating Fund. Due to a reliance on the current fee structure, there are several FCPA programs that charge more than local comparators and have priced out many county residents. The presentation provided several recommendations to provide greater equity in FCPA programs. The next step in the process will be for neighborhood and community

[01:38:04] services and FCPA staff to conduct a thorough public outreach process. This coordination will provide departmental insight into existing county programs that already implement some of the recommendations, such as school-age child care sliding fee scale, and provide a guide to best practice implementation. County staff, in concert with the Fairfax County Park Authority Board, are directed to review the current funding structure of FCPA to determine if there are alternative approaches that could be considered to improve park services, facilities, and maintenance to further address equity.

[01:38:43] The board recognizes that these changes will require significant fiscal resources and organizational change and expects any recommendations to be phased in over multiple years. Workhouse Arts Center. Similar to other nonprofits in the region and nationally, the Workhouse Arts Foundation, WAF, was able to emerge from the pandemic but has been experiencing financial challenges to their operating budget for the last two fiscal years.

[01:39:09] This has been driven largely by lower revenues from class registrations, grants, contributions, and special events. WAF has utilized a portion of its reserves to balance its budget, but this is not sustainable long term. WAF board members have formally asked the county for financial assistance for FY 2025 and potentially for the next several fiscal years.

[01:39:33] The board recognizes the need to ensure the vitality of this campus and the unique programs WAF offers and encourages the exploration of additional opportunities, such as public-private partnerships, to generate further development on the campus.

[01:39:49] The opening of a brewery on the campus later this spring is the first of what the board hopes will be many successes to attract more visitors to the site. The board requests that WAF provide further background and justification for its request for operational subsidy assistance, which could be considered as part of a future budget process. This should include an out-year financial forecast, actions from the WAF board to ensure proactive oversight, fundraising and member expansion, and review of joint coordination efforts with county agencies and non-profit

[01:40:23] organizations such as Celebrate Fairfax, Visit Fairfax, and Arts Fairfax. Support for the arts. Fairfax County is home to a variety of organizations that further arts, cultural, and tourism-related activities. Consistent with the county's strategic plan, these activities are foundational to the overall quality of life and well-being of Fairfax County residents and visitors and contribute significantly to our community's social connectivity and health. The county currently provides direct contributions through its contributory fund for arts organizations

[01:40:58] and, in some cases, county funds are further leveraged in the form of grant funding opportunities for organizations. The board remains committed to the arts in the county and requests staff review options to expand the annual funding dedicated towards the arts. Finally, Consolidated Community Funding Pool. The Consolidated Community Funding Pool, CCFP, has been a valuable tool in partnering with the nonprofit community for the delivery of human services for our most vulnerable residents. CCFP allows for innovative service delivery, but also addresses core basic

[01:41:32] needs. This was most evident during the COVID-19 pandemic when the county saw an unprecedented need for services, and the county's partnership with the nonprofit community was instrumental in delivering these services. With the pandemic-era funding coming to an end, Now is the time to evaluate what level of resources are needed and what is the most efficient method for delivering these services.

[01:41:57] Staff should convene a work group and report back to the board at a future Health and Human Services Committee meeting on recommendations for moving forward with the expansion of these recommendations with the expectation that these recommendations are included in the FY2026 advertised budget plan.

[01:42:14] I now move the budget guidance that I've just reviewed, which will help direct the FY2026 budget process. I'll second that motion. Any discussion on the motion? Let me go to Supervisor Herring. Supervisor Herring.

[01:42:31] I guess I'm first up again. First of all, I very, very much appreciate the inclusion of the park facilities and maintenance in that section. So I am happy to see that. I want to thank Supervisor Lusk again for bringing up the Coal Commission and the 1998 World Congress on Information Technology.

[01:42:53] I still have the little trinket from that sitting on my desk in my Springfield office, believe it or not. It was quite a time, but, you know, I shared my proposed guidance on a deep dive into the budget on Friday. Several supervisors echoed the need for us to really do an in-depth look at the budget.

[01:43:12] There are no substantial cuts in this budget other than the savings that the county executive brought us. We really didn't do a whole lot of this other than defer some IT and find some additional revenue that the county executive found. We really do need to look for ways to reduce the tax burden.

[01:43:30] And you can't do that in the time between the presentation by the county executive in February and where we are today. There's just not enough time to talk about restructurings or anything else that needs to be done.

[01:43:46] I mean, I hope I don't need to say this isn't partisan. I don't care how it's done. We just need to do it. Next year is going to be a really, really bad year. It's going to be a lot worse than this if you look at where commercial real estate is going. And you know it.

[01:44:01] I've been to several industry presentations. County executive and OMB staff have done an incredible job each year of finding savings and greater efficiencies. But the board, you know, they can't set priorities.

[01:44:19] That needs to be us, and we really need to look at it. Therefore, Mr. Chairman, I move that we add the following language to the FY2026 budget guidance, and I'm wide open to this being amended in any way anybody wants.

[01:44:35] The board will convene a group of citizens and or consultants to conduct a deep dive review of the budget for areas where the county can provide services more efficiently and reduce the impact on residents. This group will be comprised of constituents with demonstrated budget expertise from diverse backgrounds for the purpose of providing recommendations on how the county can provide quality services in a more effective manner, provide options for revenue diversification benchmark with other jurisdictions review areas in the budget the budget has grown and provide options to address the reduced commercial tax

[01:45:11] base with the goal of reducing the cost of government and tax burden on the county resident on county residents and businesses and i'll add the i'll add before i say so moved that the school board is doing this on their side and uh again this is this is nothing new so so moved it's been Is there a second to the motion? Hearing no second, the amendment dies.

[01:45:41] Supervisor Beerman. I'm sorry, I had Supervisor Alcorn first. And then I'm sorry, I didn't look at my list. I'll go very quickly. So just a couple quick things.

[01:45:57] First of all, in terms of reforms and looking at things, I think the board knows this. I'm working on a couple things in 100 Mill District, specifically some things with the town of Vienna and also in Reston.

[01:46:15] And, you know, many of these efficiencies are not limited to just Fairfax County government activities. Many times you have to look really at least at a local level at other entities that are involved and perhaps providing similar overlapping services or facilities and then look at it that way.

[01:46:35] So that's a process we're doing. I'd encourage, you know, all my colleagues, including Supervisor Herity, to look for those opportunities as well. I do have one quick question on the CCFP, and this is probably a question for Deputy County Executive for this, and it just came to me, the staff should convene a work group.

[01:46:57] will that include representatives of any of our bacs um because i i do want to make sure we have a lot of relevant uh boards authorities and commissions that this overlaps with yes that absolutely will include uh our non-profits also include our ccfac okay fantastic thanks i just just wanted to make sure it wasn't clear all right thank you very much okay thank you now supervisor bierman thank you um i wanted to comment both on the budget guidance and on supervisor herity's motion um the reason why i didn't second the motion is because i don't

[01:47:33] is because of the words outside budget experts as far as i'm concerned the budget experts should be the 10 people on this dais the folks over there the folks who work for the county i've got 342 pages of budget questions answered i read them all and i'm sure the people on this dais read them all as well that's our job christina and phil you are two of my favorite employees in the county And by the end of next year, I will probably not be one of your favorites because every time I have an idea about the budget, you will hear from me.

[01:48:09] And I'm sure you're going to start hearing from all of us because we know what's ahead. And I actually think that already in the budget guidance, there are, for instance, the discussion of a county position review and vacancy analysis, the discussion of budget development.

[01:48:26] I think it's clear that we are keeping everything on the table here. I think one of the most important sentences in the whole thing is we also direct the county executive to review all existing taxing

authority and to come back to the board with a future budget committee meeting with recommendations for strategies to diversify our tax base and reduce the over-reliance on the real estate tax.

[01:48:49] I think it's incredibly important that we try to diversify our tax base, and we try to take the tools available to us that the state has given to us as limited as they are. And similarly, and if you want to even know what they are, question C134.

[01:49:06] And similarly, you know, I think it's really important that we continue to engage in reduction exercises, that we continue to look for efficiencies, and it is going to be hard. It's going to be awful. I mean, it was awful this year. I mentioned this on Friday, but I don't like the tanker cross-staffing plan.

[01:49:26] I don't love it, but it's part of the budget. And I thought that in the end, it was necessary to support this budget as a whole and to support that. And I think we're going to have to continue to look for every available opportunity that we have.

[01:49:43] In the end, I think our goal has to be to try and reduce the real estate tax burden and reduce the real estate tax burden on our seniors and people with fixed incomes. I brought up senior tax relief, potentially expanding our programs. That was question C-139.

[01:50:00] But, you know, I think that what we did in this budget is we took a step to try and reduce that burden. I'll note that the tax rate that we are at is still below the fiscal year 2022 tax rate, and it is actually below the tax rate going all the way back to fiscal year 2016.

[01:50:20] That was the last time that it was higher than our tax rate this year. I'll close by saying that, or actually I won't close by saying I got two more things, sorry. Affordable housing investment, something we talked about in this budget, sorry, in budget guidance.

[01:50:39] I looked at our budget guidance last year, and it was very similar to our budget guidance this year. We didn't get to two pennies, obviously. We're moving towards there. But I do think it is important that we continue to make that commitment. That is one of the biggest challenges facing this county today, is the availability of affordable housing, being able to live here, being able to work here.

[01:51:05] In fact, when we talk about our county employees and what we were or weren't able to do for them in this budget, we also want our county employees to be able to live here. That's part of workforce and affordable housing development that we need to continue to work on.

[01:51:21] What I will close by saying is, you know, one of the things I really appreciate that our staff did was a benchmarking analysis to try and make sure that our county employees, our rates, our pay scales were competitive because we are very much in an employee's, not an employer's market.

[01:51:42] People do have other options, and the steps taken were very important. I think what you will see if you look at some of the questions that were answered by the schools with respect to this budget is that there's a real opportunity when it comes to schools to engage in a similar benchmarking analysis to make sure we take care of our teachers.

[01:52:01] And I do think that this budget provides a lot, a lot of, sorry, just a lot. It does. 6.8% in a transfer increase to the schools to try and make sure that we remain competitive. That is something to like about this budget.

[01:52:18] And that's all I got. Thank you. Thank you. Supervisor Palczyk, then Stork. Thank you, Madam Chair. and first of all i want to thank my our two new colleagues because i think while they are they get to

play the newbie card they're not using it um they've clearly done um so much work and research and it is a harder to budget than we've had since this board started in the one before there are a couple things that are in here that i did not already mention number one um i want to highlight that uh while it was mentioned that it's not this budget guidance is not inclusive of all

[01:52:55] priorities it definitely has some of the major major priorities um and as i said earlier would agree with uh supervisor beardman that housing continues to be a priority and we see it across the board right i'm looking back at the 2022 um guidance which was the last time we expanded tax relief for our seniors for the first time in many years and added the deferral program Back in 2022, we were facing two things that we're not, we're raising, sorry, three things, and we still face two of those, right?

[01:53:31] Those looking to live here, to buy a home here. Number one, low inventory, continues to be record low inventory. And number two, that comes with very high demand. A little bit like Supervisor Lusk said earlier, some of us have very special circumstances that allowed us to both live, grew up in this county, growing up on supports from the county.

[01:53:58] But one of the things that happened decades ago that is no longer happening is the ability to live here. My family was able to purchase a home because there had been an oil spill. I don't want that to be the reason people can buy homes here on $20,000 a year, right?

[01:54:18] we no longer have the number of homes being built for our workforce to live here, for our retirees to have options to live here. One thing that has changed from 2022 is we no longer have the record low interest rates. And as those of us who have to buy in the housing market, once those rates started going up, we know that that's an additional challenge and burden for so many in our community.

[01:54:41] And so as we talk about being able to balance and use different tools, as we see that the real estate tax is becoming more regressive because the multifamily homes in Providence are definitely the ones that increase the most.

[01:54:58] We also know that the lack of housing and housing options, supply, demand, intro.econ 101, are the major barrier and the major force behind what we're seeing.

[01:55:13] It's not the rate on taxes, it's those assessment values continue to be raised because we are not able to supply enough housing and definitely not enough workforce housing. So, as was mentioned, there are a lot of priorities here. It's going to be tough budgets ahead.

[01:55:29] I, again, want to applaud our staff. I know that we didn't look at those full 7% lists that were created by our departments. And as was mentioned by my colleagues, those are the targeted and smart investments that, you know, we were able to not have to address, that we very likely will have to address unless a lot of things come into play.

[01:55:52] And a major one, and I know we keep bringing it back to our taxing authority and the state supports, Number one, as many know, in the D.C. area, other places do have local income tax. We do not. That is why we've had to rely so heavily on our real estate taxes.

[01:56:09] Number two, I'm hearing conversations. I know the chairman has been with our school board colleagues and our staff down in Richmond. We still don't know whether the state is going to give the transfers and hold harmless things like the grocery tax reductions that would help schools have what they need to make it we don't know that so I know that we've addressed here coming back to us when the state

finally finalizes their budget and I know we are hoping and will continue to communicate with our community when our representatives that we've done everything we absolutely can do and we really need the state to

[01:56:47] step up and help support the teachers and our staff and the community resources and our ability to not have to continue to rely so heavily on real estate taxes. But like I said earlier, I'm not holding my breath. I do think we need to come back once that's finalized.

[01:57:04] And this is a tough, tough budget. But we have to continue to invest. And so I appreciate that in the budget guidance, I am more comfortable seeing in here that the county executive is encouraged to add recurring resources in 26 for housing, that i know we continue to look at one-time funds and i would ask that our county executive and staff whenever we're looking at recurring funds my hope is that they will prioritize the housing until we're able to put that in the baseline because that is at the the bottom at the heart of not being able to recruit and retain some of the best employees here in our area thank you

[01:57:42] thank you supervisor stork thank you madam chair um and and thank you again to kind of executive budget staff absolutely appreciate all the work you do year round and but especially the intensity of that work over the last several months is I know difficult and then I saw all the budget questions and when I was going through them it's just it's just an incredible amount of information there so that alone takes far more time than you can even afford except that there are elements of that that you know need far more focus and far more review by us and I'm confident we're going

[01:58:22] to be doing that over the next year because we recognize there are some things that are crucial to our community. And we've, I think, addressed those consistently, which is kind of health and welfare. We've focused on that in COVID especially, and we're continuing to do and make investments there. We know housing is one of the most consistent issues and challenges that we have, and that's not going away. And we know that it's not just about the county. It's about how we engage the private sector, how we have them do their work, because in the end, most of that housing is going to come through through our work with the private sector and ensuring that they have an easier path if you will to create that kind of housing we've addressed that in some of the work

[01:58:59] that we've done with our zoning and other ordinance to try to make that process a smoother and a simpler one and I know we'll continue to do that because that's a core part of our role in this if you will public private partnership that we have in our community the the key pieces of this in my mind are how do we go about doing that and this budget guidance I think lays a very clear plan and process for doing that and we need to then get into the details of this which is my confidence that we are going to be doing that we have some vehicles for doing that the audit committee is clearly one of those

[01:59:36] vehicles it's been revitalized and we have new staff and we have folks who are ready willing and able to do some of the not only the cost in savings and efficiencies but also looking at revenue enhancements that are a key part of what we need as a county additionally we have the core of our work together with our community is the economic development that we do we know particularly over the past year we looked at accelerating our repurposing of office space that was something that we did more than a year ago we did that because we saw where

[02:00:12] things are going and we recognized things need to be different I have no illusions that that challenge is going to continue and and potentially in the short term will get worse but I also recognize that that we are looking and actively addressing those issues and I assure you that as part of your part of all of

our work that we're doing economic development committee we're going to continue to look for other ways to do that we've put a lot of time and effort into data centers there's a lot of other developments that are happening in the economy with with AI artificial intelligence the space industry those

[02:00:47] are clearly areas that Fairfax County can and are currently leading in many many ways and look forward to continue to develop and I know the county executive has been to a number of conferences where he's been speaking and addressing and frankly helped supporting the work of our economic development authority and getting getting companies and others to recognize that Fairfax County is a place to come to be part of that but all that will be a challenge because the buck does stop with us the buck stops with us and the buck stopping us off with us means that we are spending county tax dollars on things that our community cares deeply about whether it's schools

[02:01:27] mental health I mean we fund I mean I know most of our community doesn't appreciate that we fund almost 80% of the cost of our mental health services in this county not the state not the state but our taxpayers and our real estate taxpayers as well at two-thirds of the level of that.

[02:01:46] So we have an issue that we are recognizing we're going to step up because we know those kind of mental health and substance abuse and other kinds of services can make a difference in having a healthy, safer community. So not only do we fund and have spent an incredible amount of money over the past few years in funding and increasing salaries for our public safety, particularly our police officers, but We're also funding the co-responder models, which we've implemented over the last year or two, because we know that all those pieces work together.

[02:02:17] Mental health, substance abuse, co-responders, law enforcement. We know it's a package of keeping our county the safest community of its size in the country. So we've made those investments. We're going to keep making those investments. But we also recognize that we need help. And that's really the messaging that we're all sharing today is that we send a dollar to Richmond and we get 23 cents back in direct revenue, if you will, direct support.

[02:02:43] I know there's other indirect support that we get, and I recognize that that's out there. But no matter how you slice it, it's still not a fair deal, and I would say it's not a good deal at all for Northern Virginia, and that needs to change. And I used this statistic the other day in our Friday session because it's been on my mind for a long time, and I appreciate county staff helping me identify this.

[02:03:08] But if we took just 1% of the dollars that we send downstate, 1% of those dollars, 1% of that income tax rate, and we kept that 1 cent, 1% and 1 cent of that per $100 that we send to Richmond, that would effectively reduce our real estate tax rate here about 25 cents.

[02:03:33] That's more than a 20% reduction because the amount of money that we send And frankly, the economic power of Fairfax County and the tax revenue generation of Fairfax County is that strong and powerful.

[02:03:51] So we recognize that there's an equation here that needs to be rebalanced. And that's really truly our advocacy over this next year or two to try to change that formula, change that balance. We talked earlier, and I had the chairman talked earlier about the school budget and more than half a billion you know 500 million plus dollars of that we're short if you will by this by the state and how they fund schools that's not unique to Fairfax County I know many of my colleagues here on the Virginia Association of County Boards and this is a universal concern I'll say even

[02:04:29] criticism around the state in fact there was an article we all read recently that talked about some of the counties south of us who are starting to feel the impact of their their formulas where they're getting less money from state for education they're starting to feel that impact because their property values are going up well their property values are their property tax rates are half our property tax rates and they're like losing their mind because the state is going to give them less education funding well we we've been suffering for that for a long time we recognize that that has to change and then final piece of that is at the federal level and this isn't set off enough either the federal government made promises

[02:05:09] that is not delivered to our special education teachers forever they said they would fund a substantial part of special education in the country they have never come even close to that it's worth hundreds of millions of dollars to our education budget additionally the the military dependents and federal government dependents the amount of money that they give us for their education is is less than five hundred dollars per student and our budget obviously our cost for education are you know 50 times that so we have issues that we need to keep working on um and those are not just today's issue they're not even probably this coming year's issue they're going to

[02:05:47] be multiple year process and um i'm there i got my elbows on the table i'm here to work hard i'm here to challenge and talk with my colleagues not only at the table and what do we need to do if you will, on our efficiency and effectiveness side, our streamlining side, but just importantly, what do we need to do to be treated fairly and to get our fair share from the state?

[02:06:09] So the buck does stop here, but that doesn't mean we have to be accepting of that. We need to go out and change how that's funded, and I'm here to do just that. Thank you very much. Thank you. Chairman McKay. Thank you, and I concur with everything that Supervisor Stork just said.

[02:06:25] I appreciate my colleagues' support of the budget guidance. I do want to just point out a couple things real quick. First, on affordable housing, Supervisor Palchuk is exactly right. Supervisor Lusk on the need for affordable housing. We are steadfast and committed to that.

[02:06:41] One other thing that's different than FY 2022 is we have built thousands and thousands of units since then of affordable housing. And we know we have thousands and thousands more to go. But we also know that we are pacing well ahead of our goal by 2034 because we have taken advantage of every single revenue that's been available at different intersections of the budget and consistently applied it to affordable housing as we are with the extra $4 million as part of third quarter review.

[02:07:11] And I know there's some other funds within the county that we may want to look at for additional affordable housing support. But as I said on Friday, affordable housing is an investment in our community because what we put in is a fraction of the value of the affordable housing that's being built largely by nonprofits, for-profit affordable housing developers with state and federal money that we're able to draw down.

[02:07:36] As I mentioned on Friday, we're usually the funding source of last resort to get a project across the finish line, and we need to continue to do that with great speed. And in addition, build additional housing units in the county. And I think if you map those across magisterial districts over the last 10 years, you'll see that there's room for opportunity in some of our magisterial districts that unfortunately in many ways have said we're off limits to new development.

[02:08:02] And that, of course, challenges our affordable housing issue, certainly from a supply and demand standpoint. And so I do think we have to look at that. And then finally, I do want to comment Supervisor Stork well articulated the school problem, but I want to add one other element, and we're talking a lot about the state, and I want to preface this by saying how much we appreciate so many members of our delegation who do understand this, who are fighting in Richmond for additional funding.

[02:08:29] This is not an indictment of our General Assembly delegation, but the state as a whole. And the reason why I bring that up is because Delegate Watts, who has long served Fairfax County, probably knows tax structures better than anyone in Virginia, reminded me recently with the problem that we have right now that we're talking about is that when she began in the General Assembly, the sales tax rate was the same every single place in Virginia.

[02:08:57] And what has happened over time, because of the state's inability to raise revenue to pay for schools, they have put jurisdictions in a desperate position to try to figure out every other revenue source they can possibly come up with to fund schools.

[02:09:14] And what has been created as a result of that? Probably one of the most uneven public education systems in the country, in Virginia, where you have localities with no economy, leaking roofs, no way to raise revenue. Here, we have a challenge where the state owes us a lot of money and funds for our public education, but one luxury we have here is because of the foresight of boards before us and this board, we have built the economic engine in Virginia so that we can generate the revenue to offset some of the school costs that we're experiencing here.

[02:09:49] But we also know in this budget we're at a breaking point on that front. We have a public that understands the importance of public education and boldly wants it invested in. That's what we've done. We're transferring $165 million more than last year, while we know the state owes us over a quarter of a billion dollars.

[02:10:08] And so Delegate Watts' assessment is dead on right. If you want to create the most uneven system of public education in the country, keep pushing localities to raise funds locally alone in the wilderness to pay for schools. And you will get a school system commensurate with the strength of the economy in that jurisdiction.

[02:10:29] We talked about Vaca. We literally know of two counties where a Walmart is located in one county and the next county over doesn't have the Walmart. And so the county next door is suffering because they have no revenue, sales tax revenue coming in.

[02:10:45] Yet all of their residents are driving over to the other county to the Walmart, spending money and paying for schools in that county. That's how irresponsible the system is of let the just let the counties figure it out. We need the state to invest, take their constitutional role seriously and invest in public education, not just because we need it here, But because by not doing that, you've created the most uneven system of public education.

[02:11:13] That's not fair to other people in the state. Not everyone has an electorate like we do that says public education matters and we want to pay for it. And we understand that that contributes to the strength of the economy because if you have good public schools, people want to live here. And so I just wanted to emphasize that point because it's a long forgotten part of why fundamentally education starts as

a state's responsibility to make sure there's some semblance of equity in public education opportunities no matter what zip code in Fairfax no matter what zip code in Virginia you live in and in Fairfax County we

[02:11:49] have set the standard high because we know it pays dividends in our budget and to our economy and so absolutely affordable housing funding for public education absolutely critical elements to the budget guidance this year for all the reasons that many of my colleagues have mentioned today and I appreciate the board's support for the budget guidance.

[02:12:09] Thank you. With that, I am going to call for the motion, which I'll remind you is on the budget guidance. All those in favor of the motion say aye. Aye. Anyone opposed? Herity, nay. Any abstentions? That motion passes with Supervisor Herity voting nay. Thank you very much, Supervisor Smith.

[02:12:27] Next, we have approval of the FY 2025 to FY 2029 capital improvement program with future fiscal years to 2034. I move board approval of the FY 2025 to FY 2029 Capital Improvement Program with future fiscal years to 2034 with the following amendments.

[02:12:50] Direct staff in the Department of Transportation has set aside a portion of the funding allocated for the Bicycle and Pedestrian Access Program as part of the next year-end process to begin to provide safety measures that prioritize sites near metro stations and other activity centers, and direct staff to formalize the process of equity review when making an annual CIP decision and, where possible, highlight communities of opportunity associated with capital projects in the CIP to support equity, informed planning, decision-making, and alignment with relevant focus areas in the One Fairfax policy.

[02:13:26] And I should note, these are almost verbatim the exact same motions and recommendations that were sent to us by the Fairfax County Planning Commission, which we typically honor in this process. I'll second that motion. Any discussion on the motion? All those in favor of the motion say aye.

[02:13:45] Aye. Anyone opposed? Harity, nay. Any abstentions? That motion passes with Supervisor Harity voting nay. Thank you, Vice Chair Smith. And with that, that brings us to the end of our board meeting, April 30th, 2024. The board is adjourned.

