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Fairfax County Board of Supervisors Meeting, Tuesday, May 6, 2025

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[00:00:04] Good morning, everyone, and welcome to our board meeting of May 6, 2025. This is our shortened markup meeting, and we'll have a series of actions coming up in a moment. But before we turn to that, I'm going to begin this meeting the way we begin every meeting, which is asking if my colleagues have anyone that they would like to keep in our thoughts and prayers.

[00:00:25] And let me start with Supervisor Walkinshaw. Thank you, Mr. Chairman. I'm sad to share the loss of longtime Burke legend Glenn Howard Curtis, who passed away on May 3rd at the age of 94. Glenn was born in the Marshall House, to the home of his great-uncle John Marshall, who was the first postmaster of Burke.

[00:00:49] He attended Burke Elementary School, which is now the historic White Oaks property. Glenn and his brother Marshall were charter members of the Burke Volunteer Fire Department in 1948. The equipment at the time consisted of a water pumper, which could hold several hundred gallons mounted on a 1934 Ford chassis known as Old Red.

[00:01:11] If you want to see a picture of that, they have one on the wall at the Burke Fire Station. It's pretty cool. The Curtis brothers managed the fire department over the years, including the paid and volunteer members. And I met Glenn last year at our Soldiers of Howie Field memorial event because he was one of the firefighters who responded to the tragedy at Howie Field on June 1, 1967.

[00:01:41] As the board knows, but for folks in the audience, on that day in 1967, six soldiers were killed when a flagpole they were erecting was hit by a gust of wind and struck a nearby power line. Glenn returned every year, and we're scheduled to have that event on May 31st this year.

[00:02:01] And unfortunately, Glenn won't be with us in person, but I know he will be with us in spirit. Glenn retired from the fire department in 1982. He was a lieutenant. He survived by a large and loving family. His favorite hobby was splitting wood, which he continued right up until his final year at the age of 94.

[00:02:25] So I just ask that we keep the Curtis family in our thoughts and prayers today. Next, I'm also sad to share the loss of Lieutenant Colonel Robert Bob Lee Jenks, who passed away on April 26.

[00:02:42] Lieutenant Colonel Jenks was the longtime Burke Nursery and Garden Center assistant manager. So the Burke community knew him very well. He joined the Army in 1959. He and his wife, Betty, traveled the world in the Army, raising their family in Germany, Texas, Utah, and finally settling here in Fairfax County.

[00:03:06] Lieutenant Colonel Jenks devoted himself to a life of service and had a distinguished military career. And I'm going to read all of it because I think it's important. He was an airborne artillery officer, a jungle warfare expert, a defense intelligence agency imagery intelligence officer, a recruiter and adjutant for 22 years.

[00:03:28] He served two terms in Vietnam from 1968 to 1971, where he became known as a warrior who faced the challenges of war with unwavering resolve and integrity. He earned the Presidential Unit Citation, two Meritorious Service Medals, four Bronze Star Medals, two Air Medals, including citations for 25 combat aerial missions over Vietnam, three Army Commendation Medals, two Army Achievement Medals, two Vietnam Service and Campaign Ribbons,

[00:04:06] two Armed Forces Reserve Medals, and the National Defense Service Medal. He earned one of those air medals for successfully landing an F-100 surveillance aircraft from the back seat after the pilot was incapacitated, saving both the aircraft and, more importantly, the pilot's life.

[00:04:26] He was an incredible community member here in the county, sports coach, church usher, choir member, dedicated member of the Knights of Columbus at St. Mary of Sorrows, troop master, on and on and on, And his loss is an incredible loss for our entire community.

[00:04:46] And I ask that we keep his family and all of those in the Burke area who loved him in our thoughts and prayers today. Mr. Chairman, thank you. Thank you very much. Supervisor Walkinshaw, Supervisor Alcorn. Thank you, Mr. Chairman. I am sorry to announce the passing away of Reston, longtime Reston resident, Cheryl Terrio-Simon.

[00:05:11] She passed away on the 25th of April. She was an attorney, very active in the community. She had been legal counsel at the American Institute of Architects, the Associated General Contractors of America, and she also was very active in the American Bar Association Forum and also the National Coalition to Save Our Mole in D.C.

[00:05:37] So she, in the community, had served on Reston Association's Design Review Board for a time, the Lake Ann Condominium Association, and the Reston Historic Trust Board of Directors. She was also

instrumental in getting Lake Ann on the National Register of Historic Places by the U.S. Park Service, which happened in 2017.

[00:05:59] And she was, for 20 years, 22 years, married to Robert E. Simon, Jr., the founder of Reston, and was with him until the day he passed away in 2015. So I just want to give Cheryl a shout-out and let her family know we miss her.

[00:06:23] Thank you, Mr. Chairman. Thank you very much. Supervisor Alcorn, Supervisor Behrman. Thank you, Mr. Chairman. I'm sorry to report on the passing of John Adams, a longtime McLean resident and steadfast community advocate who passed away Sunday, April 20th at the age of 90.

[00:06:42] There's a lot in McLean that his fingerprints are on. He was the president of the Georgetown Pike Association and was a tireless defender of Georgetown Pike and worked to make it Virginia's first designated scenic and historic byway. His efforts to preserve open space and preserve places like Salona and Scott's Run definitely shaped the landscape of McLean.

[00:07:06] In 1968, it was John who actually helped stop the clear-cutting of the burling tract or organizing local volunteers and even reaching out to the Secretary of the Interior, a classic McLean move, to secure funding that led to the creation of the Scott's Run Nature Preserve.

[00:07:24] He served on numerous educational and civic boards, including the McLean Baptist Endowment Fund, the Board of Directors of the McLean Citizens Association, and the McLean Conservancy. He was a long-serving member of the McLean Citizens Association's Transportation Committee, and he was McLean's Citizen of the Year in 1999.

[00:07:45] He also co-created the McLean Trees Foundation. Despite many accomplishments, he never really sought the spotlight. He preferred to work quietly but persistently, ensuring outcomes that benefited the entire community. My condolences to his wife, Barbara, their family and friends, and I ask that we keep them in our thoughts and prayers.

[00:08:05] And finally, a Celebration of Life Memorial will be held Sunday, May 18, 2025, at McLean Baptist Church, which is at 1367 Chainbridge Road in McLean at 2 o'clock in the afternoon. Thank you. Thank you, Supervisor Behrman. Seeing and hearing no one else, if all who are able could rise for a moment of silence, to be followed by the Pledge of Allegiance.

[00:08:27] Please face the flag.

[00:08:53] I pledge 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. And as I mentioned earlier, this is our budget markup process and FY 2027 Budget Plan Recommendations Day.

[00:09:22] There are five actions that we need to take, and if people could be patient with me, there's a lot to read into the record here this morning, and everyone should have a summary copy of my comments in front of you. And we're going to begin this morning with the approval of the FY20-25 third quarter review, which as advertised included previous balances of \$28 million and recommended revenue spending and reserve adjustments totaling a net of \$19.9 million, with a majority of that proposed for investments in capital paydown,

[00:09:58] information technology projects, and support for our county's parks. The advertised package included a net balance available to the Board of Supervisors of \$8.1 million. As the Board considered the

third quarter package, our overriding concern has been to prepare for the impact of the new presidential administration's actions on our residents and our local economy.

[00:10:20] Federal employees and contractors, many of whom are our residents, are feeling the brunt of the administration's assault on government. Meanwhile, the president's trade war threatens our region's economy. In the face of these uncertain times, the county must remain nimble, and the county must be ready to adjust to the challenges.

[00:10:40] To those ends, the board has examined its own funding and identified one-time balances totaling \$2 million in the board's direct capital project funds that could be repurposed. These funds have been allocated over multiple quarterly reviews over many years and have been used to address small-scale capital project needs such as upgrades to existing streetlights, installation of new streetlights based on safety concerns and residence requests, construction of missing trail segments and walkways, repairs to pedestrian bridges, and other county facilities.

[00:11:15] While this reduction will impact board members' ability to respond to the needs in their districts, freeing these funds for use in the county's response to emerging challenges is a prudent action. With these reductions summarized in the table below, the net available balance increases to \$10.1 million, and you'll see in the table below the current balances, committed funds, balance reduction, and remaining balance per magisterial district.

[00:11:42] And I would just point out that there's a wide range here of current balances, starting with the lowest current balance in the Springfield District, meaning the most of this fund has been spent to the highest in Mount Vernon District. And you can see the range that's there and also the range of reductions leading to and also then the remaining balances in those accounts.

[00:12:05] This fund balance is allocated to a new reserve for economic uncertainty, which will better position the county to respond to negative impacts on our revenues from economic conditions and to increase and increases in demand for county services. This reserve will augment our existing reserves, which already include a managed reserve, revenue stabilization fund, and economic opportunity reserve, demonstrating our commitment to bolster our financial posture at a time when the bond rating agencies are questioning the stability of jurisdictions with close ties to

[00:12:41] federal spending. As a reminder, the Revenue Stabilization Fund is the primary reserve available to the county during times of economic stress. A withdrawal from the reserve can be made only if projected revenues reflect a decrease of more than 1.5 percent from the current year estimate, with the withdrawal not exceeding one-half of the fund's balance. In addition, any withdrawal must be accompanied by expenditure reductions. The new reserve created as part of This process will be more readily available for the board to assess, providing a means to more immediately respond to the needs in our community.

[00:13:21] After funding these board adjustments, there remains a balance of zero. So again, you can see in the chart below what I just put into the narrative, which shows the third quarter balance, the reducing the uncommitted funds in the district capital project funds, and the set aside for a third quarter balance, which is being called third quarter balance in reserve for economic uncertainty, which several of us have coined the Washington, D.C. chaos reserve, but it's reserve for economic uncertainty, which then leaves that reserve with

[00:13:55] a balance of \$10,055,008. Therefore, I move approval of the FY 2025 third quarter review, including Approval of Supplemental Appropriation Resolution AS24279 for FY 2024 adjustments to reflect the final audit, Approval of Supplemental Appropriation Resolution AS25190, and Amendment to the Fiscal Planning Resolution AS25901, which include the Revenue, Expenditure, and Transfer adjustments, Grant Awards and Adjustments,

[00:14:30] and associated reserve adjustments contained in the county's third quarter review dated March 18, 2025, and the school's third quarter recommendations forwarded to the board and added to the county's third quarter package on March 31, 2025, and the board adjustments listed above resulting in a net balance of zero. I'll second that motion. Any discussion on the motion? Supervisor Stork?

[00:15:00] Thank you, Madam Vice Chair, and thank you for putting this package together, even though, as I think you all know and heard from me, it's a very painful one, at least a portion of it, for the Mount Vernon District capital piece. And I just really wanted to explain very briefly what it means and why it has the balance that it has and to, if nothing else, to at least sensitize you to the need to address some of these issues as we go forward in other ways.

[00:15:32] So specifically for Mount Vernon, that balance is that high because there's a number of projects that are coming online in Mount Vernon right now, Richmond Highway being number one, the BRT. And there's elements of that that a few dollars here or there, meaning tens of thousands or even hundreds of thousands of dollars here or there, could really make a difference in the project itself.

[00:15:53] That came up the other day, and I'm going to use this as one example, and then I can move on, is we have a section of the highway that will have undergrounding, but a portion of that, one of the properties, will not have undergrounding. So this could be a little bit of a difference so that you could have that whole block be undergrounded, the utilities undergrounded.

[00:16:13] So there's pieces like that. As the chairman mentioned, there's also elements of sidewalks and other pieces. In Lorton specifically, there's a Lorton visioning process where we are looking to do What really has been done in Springfield and other areas is to brand that, create a little bit more of identity, and the signage there will cost something to implement the Lorton Visioning Project, which has really been a five-, six-year process that we've been going through to try to get master plans and other things together.

[00:16:42] So I'm sharing that with you because there may be things that I come back to at a later date and say, this is something specific that I'd like to see us do, and wanted to at least explain that we were trying to be very, very prudent, with those dollars and not use them until we knew that the highest possible use could be it could be applied to so i understand the situation we're in but i also wanted to make sure that you all were sensitive to the issue that i'm trying to address with it so thank you thank you seeing no further discussion all those in favor of the motion say aye aye anyone opposed any abstentions that motion

[00:17:21] carries mr chairman thank you very much uh vice chairman smith um i will next outline and move approval of the budget proposal. And this, again, is the FY2026 budget markup. This package begins with a balance of \$5.62 million, which represents the balance included in the advertised budget, and no adjustments were recommended by the county executive's add-on package of April 24, 2025.

[00:17:45] And so I'm going to begin talking about the adjustments recommended by the board. The board appreciates the balance approach taken by the county executive in his proposed budget, focusing

expenditure increases on employee compensation while offsetting other requirements with targeted reductions to limit the required increase in the real estate tax rate.

[00:18:04] The advertised budget was developed before the new administration took office. Thus, it did not contemplate the extensive economic instability which has been generated in such a short period of time. However, as we mark up the budget today, we're fully aware of the damage that the administration has already caused in its first few months.

[00:18:24] We understand that our residents are worried, worried about losing their jobs, especially if they work for the federal government, worried about their 401ks, worried about rising costs caused by the disastrous Trump tariff plan, and worried about the federal programs and services that they have come to rely on.

[00:18:44] Our actions on the FY2026 budget, just as they did with the third quarter review, reflect our ongoing concern about the situation in Washington. We have included extensive language in our budget guidance section later in this package, which addresses these concerns and the imperative to stay abreast of the actions taken by the administration and to maintain maximum flexibility as we work to combat the potential negative impacts to our county.

[00:19:11] The Board's adjustment to the budget seek to build upon a solid foundation of the proposed budget. The advertised budget included options to diversify the county's revenues, including an increase in the transit occupancy tax from 4% to 6%, with half of the resulting revenue held in reserve for tourism-related initiatives.

[00:19:33] It included full funding of the county's compensation plan, including the second year of collective bargaining agreements with our public safety employees. It funded required adjustments such as increased debt service, contract rate, and lease obligations while including limited and necessary investments in affordable housing and information technology.

[00:19:54] And it shared the county's projected revenue growth with Fairfax County Public Schools, which is a fair and equitable strategy when budgets are tight. It should be noted that this package maintains a school operating transfer increase of almost \$119 million included in the county executive's proposed budget, representing an increase of 4.6%.

[00:20:14] For the second year in a row, the school board requested an increase of more than \$250 million, and for the second year in a row, this request would have asked too much of our taxpayers, particularly given our current economic climate.

[00:20:30] Anticipated funding from the state should help partially close the funding gap, but schools will likely have to prioritize their spending just as the county has done in order to balance their budget. The board hopes that FCPS will use the significant increase in the county transfer for school operations strategically, targeting compensation increases where they are most needed based on market competitiveness, turnover, and difficulty in filling positions.

[00:20:56] The board believes that FCPS will be able to provide sizable salary increases that align with the spirit of the negotiated agreement, particularly when considered over the three-year lifespan. While the advertised budget sought to minimize to the extent possible the impact on taxpayers, the increase in the average real estate tax bill in the county executive's proposal was \$638, far higher than this board can support.

[00:21:23] Most of this increase was driven by rising residential real estate values and not the one and a half cent increase proposed by the county executive. Regardless of the cause, the board recognizes the financial pressures and uncertainty that many of our residents are facing.

[00:21:41] Thus, this markup package eliminates the proposed one and a half cent increase and actually reduces the real estate tax rate further by a quarter penny from the current rate of \$1.12 and a half per \$100 of assessed value. The resulting rate of \$1.1225 results in an average increase of \$499. To offset the almost \$60 million reduction in revenue resulting from this change, the board supports the implementation of a 4% food and beverage tax commonly referred to as the

[00:22:17] meals tax. For many years, the county sought additional authority from the state to diversify our revenue and help loosen and lessen our reliance on real estate taxes. In 2020, the General Assembly granted additional authority, including the ability to implement a meals tax of up to 6%. However, lingering impacts from the pandemic discouraged us from taking this action until now. A meals tax provides advantages beyond reducing our reliance on real estate taxes.

[00:22:47] It is estimated that a third of the meals tax receipts will be paid for by those who live outside of Fairfax County, allowing us to transfer some of the costs of maintaining county programs to tourists, visitors, and those who commute into our county. Additionally, counter to what some of our public hearing testimony portrayed, a meals tax is not regressive in nature. In fact, those with higher incomes generally pay a greater proportion of their overall income on eating out at restaurants. Thus, this tax will more significantly impact those who are more able to afford it. It is also important to note that most of the jurisdictions that surround us already

[00:23:27] have a meals tax in place and vibrant and thriving restaurant industry still exists in those counties and cities. Just as our residents add to the coffers of those jurisdictions when they go to a restaurant outside of the county, this action will help us level the playing field, bringing in vital additional revenue. Restaurants themselves will benefit from the reduction in the real estate tax rate, but we also have included an initial dealer discount of 3%, which will help offset implementation costs that some restaurants may realize. Most of the feedback on the budget this

[00:24:06] year revolved around the targeted reductions proposed by the county executive to balance the budget. This was the third straight year that spending reductions have been included, meaning that the cuts proposed this year had greater impacts in services and programs offered by the county. The board appreciates the thorough and thoughtful process that county staff undertook to develop the proposed reductions, and the board supports a vast majority of those recommendations.

[00:24:32] However, a number of the reductions risk going too far in impacting critically essential services or simply went too fast in changing programs upon which our residents rely. Particularly as many of our residents face an uncertain future, it is necessary for us to remain prudent and cautious as we strive to balance potential cost savings with the cutting of county services.

[00:24:55] The greatest concern that we heard from the community was the impact that the proposed programmatic reductions would have on services provided by county agencies in support of FCPS. Chief among those was the Middle School Afterschool Program, MSAS, a program that our students enjoy and that many families rely upon for supervised afterschool care.

[00:25:17] It became clear during our deliberations on the budget that the program is worth preserving, though changes could be made to reduce costs. MSAS will be fully funded for the 2025-26 school year at the \$3.93 million, and county and school staff will work together to propose changes to the program, including development of a fee model that will consider ability to pay.

[00:25:43] Similarly, funding of \$0.84 million is restored to allow the police department to continue to provide crossing guards at Fairfax County public high schools, though staff will continue to look for efficiencies within the program. Finally, transition services provided by the Falls Church Community Services Board to students with developmental disabilities who are leaving FCPS and moving into adulthood are restored at a cost of \$0.42 million.

[00:26:10] We also heard from many residents regarding the impact that the proposed reductions will have on emergency response in our community. A total of \$2.65 million is restored to allow the ambulance at Clifton, Crosspoint, Gunston, and Northpoint stations to continue to provide their current operations.

[00:26:29] In addition, we recognize the value provided by our volunteer partners with a partial restoration of \$35,000 to the apparatus stipends provided to volunteer fire departments and a full restoration of \$34,000 to continue the community emergency response team known as CERT.

[00:26:49] Our health and human services system provides services that are vital to vulnerable populations. Funding of \$0.59 million is restored to the Fairfax Falls Church Community Services Board to allow it to continue to provide post-secondary education services for one year to families currently being served to allow time for a planned transition from the program.

[00:27:12] Half of the proposed reductions are restored to the supportive and inclusion services provided at Department of Neighborhood and Community Services Senior Centers and to contracted services provided by the Juvenile and Domestic Relations District Court to survivors of domestic violence.

[00:27:29] Finally, the proposed reduction to case management services and emergency shelters is restored. Several reductions were proposed in the advertised budget that would reduce maintenance at our facilities, particularly at our parks. The pandemic has demonstrated the value of open spaces and outdoor recreation, and it's important to maintain them at a standard that our community expects.

[00:27:52] Funding for \$0.38 million is restored to provide trail maintenance and mowing at parks, while \$0.22 million will provide for grounds maintenance at other county facilities. We also recognize the important role that the Park Foundation plays in raising funds to support park programs.

[00:28:10] The proposed reduction of county support to the foundation will be phased in, with only half of the proposed reduction taken in FY2026 to allow the foundation time to explore options to reduce its reliance on county funding for its operations.

[00:28:27] Recognizing the fiscal challenges that the county faces, the board has worked within its own budget and with partners to identify additional reductions to augment those proposed by the county executive. Board of Supervisors' office budgets will be held at the FY 2025 level, a decrease of \$0.28 million, or 3.4 percent, from the funding level proposed in the advertised budget, as board office will absorb the cost of compensation increase for office staff within the existing funding levels.

[00:28:58] In addition, the IAFF, representative of the Firefighters and Public Safety Communicators Union, has proposed that the Fire and Rescue Department shorten the internship for the Advanced Life

Support ALS Certification Program from six months to four months at a savings of \$0.38 million.

[00:29:17] The Tyson's Community Alliance has also proposed a \$0.25 million reduction in the county's contribution towards its work. After all of the aforementioned adjustments in the FY2026 budget, including these additional recommendations for reductions, a balance of \$2.55 million remains.

[00:29:38] This funding is added to the Reserve for Economic Uncertainty that we mentioned earlier this morning, resulting now in \$12.60 million being held in reserve for potential federal impacts. Our cautious approach to this year's budget extends beyond the annual budget itself.

[00:29:55] Included in the Board's motions to approve this year's capital improvement program, included later in this package, is an action to delay activity on the planned judicial annex for at least one year. This project is expected to be financed using Economic Development Authority bonds with a planned construction cost of \$185 million and an estimated first-year debt service payment of approximately \$17 million due in FY 2027.

[00:30:21] Although delaying the project could result in inflationary cost increase, the current bid environment could be negatively impacted by the ongoing tariffs. As a result, the board feels that the risks of proceeding in an uncertain market outweigh the potential cost of delaying the project.

[00:30:41] You'll see below the chart, and I'm going to run through this quickly with the adjustments that I just mentioned in the narrative, you'll see the balance as of add-on at \$5,619,575. You see the establishment of the food and beverage tax at a rate of 4% and an initial deal or discount rate of 3% included in that figure and shows you the revenue generation of \$67,900,000.

[00:31:11] And I'm going to go through quickly the restorations that I just read to make sure that we get the complete list. Some of these are whole restorations and some of them are partial. First is adding 21 positions and operating expenses to the Department of Tax Administration and the Department of information technology to update county systems to administer the food and beverage tax, and this was discussed extensively with the board. The next is reduce the real estate tax rate from the current

[00:31:41] rate of 1.125 per \$100 of assessed value by one quarter cent to 1.1225 per \$100 of assessed value. This is a reduction of one and three quarters pennies from the proposed rate in the county executive's budget. Provide funding in the Department of Neighborhood and Community Services to allow FCPS to continue to operate the middle school after school program during the FY 2020, I'm sorry, during the 2025 to 2026 school year while transitioning to a fee-based model. Restore

[00:32:16] funding in 16 positions in the police department for crossing guards at FCPS high schools. Restore funding in three positions in the Fairfax Falls Church Community Services Board for services to support students with developmental disabilities who are transitioning out of FCPS, restore funding to Ambulance 416 Clifton, Ambulance 441 Crosspoint, Ambulance 420 Gunston, and Medic 439 Northpoint in the Fire and Rescue Department, restore half of the proposed reduction for volunteer fire

[00:32:51] apparatus stipends in the Fairfax County Fire and Rescue Department, restore funding to the Community Emergency Response Team CERT program in the Fire and Rescue Department, provide bridge funding in Fairfax Falls Church Community Services Board for one year for post-secondary education services within the self-directed services program for adults with developmental disabilities, restore half of the proposed reduction in the Department of Neighborhood and Community Services for supportive

and inclusion services provided at senior centers, restore funding in the Department of Housing and Community Development

[00:33:28] for case management services provided to adults in emergency shelters. Restore half of the proposed reduction for juvenile and domestic relations district court contract for services to survivors of domestic violence. Restore funding for parks trail maintenance and mowing for the Fairfax County Park Authority. Delay implementation of the full reduction to Park Foundation staff support by restoring partial funding to the Fairfax County Park Authority. Restore funding in the Facilities Management Department for Landscaping and Ground Maintenance Services at County-owned Buildings and Facilities.

[00:34:05] Reduce funding for the paramedic, and these are net positives, these next couple, and that is reduce funding for the paramedic internship program as recommended by the International Association of Firefighters, IAFF. Reduce operational funding for the Tyson's Community Alliance provided through the Contributory Fund and elimination of the proposed increase in Board of Supervisors office budgets.

[00:34:30] That brings us to a balance of \$2,546,212, which we will set aside in the Reserve for Economic Uncertainty, the reserve I mentioned earlier today, and with those changes brings us a balance of zero.

[00:34:46] This budget includes other tax and fee adjustments, including decreases in the following taxes. A decrease in the Route 28 Highway Transportation Improvement District tax rate from \$0.14 to \$0.12 per \$100 of assessed value.

[00:35:03] A decrease in the Phase 2 Dulles Rail Transportation Improvement District tax rate from \$0.16 to \$0.14 per \$100 of assessed value. In addition, this budget includes other tax and fee adjustments, including increases in refuse and sewer charges as follows.

[00:35:24] An increase in the refuse collection fee from \$555 to \$610 per household. An increase in the refuse disposal fee from \$79 to \$90 per ton. An increase in sewer service charges from \$8.81 to \$9.33 per 1,000 gallons.

[00:35:44] An increase in the sewer base charge from \$49.73 to \$52.62 per quarter. and an increase in the sewer availability charge from \$9,038 to \$9,218.

[00:36:00] Taxes and fees in the FY2026 budget that remain unchanged include leaf collection rate, which remains at \$0.019 per \$100 of assessed value, the stormwater services district tax rate, which remains at \$0.0325 per \$100 of assessed value, The Phase 1 Dulles Rail Transportation Improvement District Rate, which remains at \$0.09 per \$100 of assessed value.

[00:36:30] The Reston Service District Tax Rate, which remains at \$0.021 per \$100 of assessed value. The Tyson Service District Tax Rate, which remains at \$0.05 per \$100 of assessed value.

[00:36:47] Therefore, having provided public notice and conducted a public hearing as required by Virginia law, I move approval of the FY2026 budget as advertised with the changes as outlined above and required managed reserve adjustments. The tax and fee adjustments become effective on and after July 1, 2025, unless otherwise noted, and these actions result in a balanced budget for FY2026.

[00:37:13] I'll second that motion along with Supervisor Palachuk. Discussion on the motion. Supervisor Alcorn. Yeah, thank you. have a clarification question sorry I believe this is for Deputy County Executive Arnold one of the one of the cuts the county executive cuts we were looking at was relating to the

volunteer fire retention efforts hundred thousand dollars and my understanding is buried under that program was the length of

[00:37:47] service awards program for volunteers and my understanding is that really it wasn't so much the money or it's not so much the money that is behind that that it's really more of a thank you to our volunteers I just want to make sure we're going to be able to continue or they're going to be able to continue that that program Tom Arnold deputy county executive I will have to verify file that for you real quickly right now I do know that there was a substantial balance just a little less than a million dollars in the fund and so we were confident the number of people pulling from it we were well funded into

[00:38:24] the future but I will get back to you on that before yeah thank you because I mean it's a hundred thousand dollar cut but even five or ten grand if there's remaining balance again not a huge budget issue just a thank you issue so thank you supervisor Lusk thank you very much madam vice chairman I want to the chairman for his work specifically as our board chair connected to the budget this was a very difficult year and will acknowledge that coming into

[00:38:56] this this is not exactly just thinking about the pain that's been caused by so many factors whether it's the commercial tax base whether it's the work of our president in DC as it relates to affecting our federal government employees, our contractors, and all of the ancillary services and companies that support that. It is a very tough year. This is the best outcome based on the circumstances that we have, and I want to thank Mr. Chairman for that. I'll just make a couple points as it relates to the

[00:39:34] markup motion. Very supportive of the meals tax and acknowledge its importance in helping us to eliminate the one and a half cent real estate tax increase that was proposed in the county executive's budget and it also helps us to eliminate that quarter cent reduction in the real estate tax rate so that's I think very positive I want to note too when we talk about the mills tax you look at all the jurisdictions around us they're imposing this mills tax this is an opportunity for us to do what many of them are doing which is relieving some of that financial pressure that are on their residents and their businesses, which I think is so important

[00:40:13] at this particular time. And the other point that's important is that we're going to have so many residents being supported by those who are visitors to the county and those who commute into the county helping us pay this tax. So that's a significant point as well. And then I'll say, Just in closing on that point, this 4% meals tax helps the budget by giving an opportunity for us to save money for both our businesses and our residents.

[00:40:49] We're also able to keep some of the very important services that were discussed during the deliberations at the public hearings. We heard from so many speakers about the need for making sure we didn't cut certain programs.

[00:41:05] It also gives us the opportunity to put aside, and this is the most important thing, we have to prepare for what we know is going to be a worsening economic condition for the county. And I think this is a responsible way to do that. And, again, just acknowledging being able to take away some of those very impactful and unpopular reductions in services.

[00:41:30] Second, I wanted to just note on the middle school after school program, This one was one that got to me almost immediately once I heard about it and I just felt a tinge that it was obviously included in the budget.

[00:41:46] And then after having the opportunity to talk to both students and also teachers who are involved with the program, it became clear to me the program is effective in helping us improve students' grades. They have tutoring services.

[00:42:01] They have opportunities to prepare for tests and quizzes and also their behavior. behaviors were improved with this program. So I'm happy that we're able to keep it and appreciate that it has a pathway to be retained for this upcoming year. And I'll also say I'm okay with this idea of looking at the feasibility of implementing a fee structure. But personally, I just want to be clear and be on the record on this point, I do not think we should be charging those that are on free and reduced lunch for this program. And I guess we'll have to see

[00:42:36] what comes back, but I have a personal concern about that. And then the other program that kind of falls in my wheelhouse as it relates to the chairmanship of the Public Safety and Security Committee is the high school crossing guards. And I'm just so happy we're able to restore the funding for that because, as some might not be aware, we actually pay our police officers to fill in as crossing guards when we have people who are unable to do that it takes them off of their main responsibility and we have been discussing this in our safety and security

[00:43:16] committee and we've said we need to look at a program or process where we can privatize and set up a pilot to do that so we're in the throes of initiating that work and we believe if we are successful, we could save the county up to \$800,000 if we're able to eliminate that overtime for some of our police officers. So again, we're anticipating that this will come back to the committee sometime later this fall or early winter. And again, appreciate that we

[00:43:51] have the opportunity to consider that as a possibility as well. And then I'd like to also just say on the ambulance program, again connected to the public safety role, so important that we're able to restore that. And just want to thank the chairman for helping us to look for a measure and a method for that. And as we heard in the public hearings, it's critical and vital that we're able to provide life-saving services. And every second makes a difference, and we know it matters in

[00:44:29] medical crises. So I just want to acknowledge that point. And then I'll close Mr. Chairman by saying that there were some other reductions that were restored. You mentioned CERT and again we've worked so closely with CERT over the years in my district in Franconia. They've done extraordinary work in helping us with some of our community events and programs. The trail maintenance and other Park Authority funding has been really significant. I I want to acknowledge also on the domestic violence survivors funding, too, how important that is.

[00:45:04] And I personally was touched by the speaker who came in to talk about that. And we'll note senior support services and others are so important for the residents here in Fairfax County.

[00:45:20] Thank you so very much, Madam Vice Chairman. Thank you. I have Supervisor Herity to be followed by Palchuk and Jimenez. All right, let me start by thanking staff for all their hard work and their answers to my many, many questions and timely answers, so I very, very much appreciate that.

[00:45:38] We have known for years that this is going to be a very, very difficult budget. That was before the federal workforce reductions or the potential impact of tariffs. I didn't comment at third-quarter review, but I want to thank the chairman for setting up that reserve for economic uncertainty.

[00:46:01] It's refreshing to see that we're setting aside money rather than spending money at third-quarter review, so I very, very much appreciate that. Last week, I circulated my proposed changes to the budget. I was disappointed we didn't have the opportunity Friday to get together as a group and have a conversation about proposed changes because I thought there were a few good ones on there, including Celebrate Fairfax, which I hope we look into the mission there and what to do there.

[00:46:30] I am happy to see that we won't be cutting critical services like ambulance, high school crossing guards, services for older adults, and in our shelters. We shouldn't have to cut critical services in order to reduce the tax burden on our residents.

[00:46:51] I'm glad to see some reductions in the tax burden from what was initially projected, but the package I presented would have eliminated taxing. The tax rate increase reduced non-critical spending enough that no meals tax would be necessary.

[00:47:07] I know that many of the proposed cuts aren't acceptable to my fellow board members. certainly the affordable housing one, I know. I think this board knows my position on the meals tax. I do understand that up to 30% of the tax comes from non-residents, and that's a strong argument. But our residents have resoundingly told us twice that they oppose it. It's also a single industry tax on an industry that was just recovering from the pandemic and is now going to be dealing with what all of us will be dealing with, which is federal workforce reductions

[00:47:47] and the potential impact of tariffs. I will notice somebody mentioned all of our surrounding jurisdictions are doing the meals tax. Prince William County is actually rolling theirs back because of the impact on their residents. So I just felt that was important to point out.

[00:48:06] I'll have more to say on next year's budget and budget guidance, but I'm not going to be supporting the budget as moved. Thank you. Supervisor Palcic, Jimenez, then Bierman. Thank you, Madam Vice Chair. First of all, I always want to thank our incredible staff, many who are here, many who are behind the scenes, especially to the leadership by CFO Christina Jackson, Budget Director Phil Hagen, County Executive Hill, and his entire team.

[00:48:34] We could not do this without you, so thank you. It is absolutely no exaggeration to say that this was one tough budget. As Sharon Bulova would say, never waste a good crisis. In my mind, the best outcome of this budget has really been the ability to communicate and to have some really honest and tough conversations with some of you in this room included.

[00:48:55] That, in my mind, is how relationships are built. The budget feedback process worked well because we are now restoring cuts to programs we heard from our community advocates and stakeholders. Together, we were able to restore cuts to critical programs, including the middle school after school programs, supportive and inclusion services for seniors, transition services for students with disabilities, fire apparatuses, volunteer programs, parks maintenance and mowing, and so on.

[00:49:28] This is all being accomplished in large part thanks to our ability to diversify our revenue with the implementation of a meal stack for the first time here in Fairfax County. We were also able to slightly offset our real estate taxes beginning with this very first only half year of implementation of this additional tax.

[00:49:49] Today we vote on this budget, but tomorrow we start on next year's budget. We now have an opportunity for more honest and open dialogue with our partners at the schools and across our

community and to do so early on. Every conversation we have and every new perspective and community conversation we have from our diverse stakeholders helps us do a better job.

[00:50:14] They are the same stakeholders. Moving forward, we must look for more ways to always improve our collaborations, our conversations, to include metrics, engagement, and outcomes. I see that being critical for everything we share from our facilities, such as the judicial complex, which I want to make sure we continue to discuss.

[00:50:36] to our other public programs and shared programs. To me, that is the spirit of One Fairfax. I will be brief today. With that, Mr. Chairman, I want to thank you for your leadership in this extremely challenging budget cycle. I want to thank my colleagues for the teamwork in ensuring a productive budget process.

[00:50:55] And I especially want to thank all of our residents and stakeholders who have reached out, who have been engaged, who have added their voices to the conversation. That is what makes us the best county, I would say, in the world. But finally, I believe we have a great framework, both for this year and for a process going into next year.

[00:51:16] I am fully supportive of the FY2026 budget as advertised. Thank you. Thank you. Supervisor Jimenez, Bierman, then Stork. Thank you very much, Madam Chair. And I'm going to touch on a couple of the issues in this budget that were important to both Mason District, myself, and to many sitting here at the dais.

[00:51:36] So it has undoubtedly been a difficult budget, as Supervisor Palachuk and others have mentioned, given the fiscal constraints we face and the challenging decisions ahead. I would like to express my appreciation to my colleagues for their willingness to work collaboratively as we speak to address key priorities that are critical to Fairfax County and its residents.

[00:51:57] One area of particular importance is the county's trail system. Maintaining our trail network is essential not only from a safety perspective, but also for promoting the physical and mental well-being of our residents. These trails are accessible to all regardless of socioeconomic status, and I strongly believe that continued funding for their upkeep is a just and equitable investment in public health.

[00:52:21] By funding this, we put One Fairfax not just into words but into action. It is also vital to highlight that Mason District is home of two of the busiest fire stations in the county, both of which are staffed by dedicated volunteers. Our volunteer personnel, alongside professional staff, play an indispensable role in ensuring the safety of our community.

[00:52:43] Thus, I have been urging our colleagues to prioritize funding for the apparatus stipends and ensure that our volunteers at the fire departments have the necessary resources to maintain their critical operations. In addition, I want to emphasize the importance of maintaining funding for our caseworker positions.

[00:53:01] That is essential in preventing delays for residents seeking assistance, Although this position has been vacant for some time, keeping it funding is crucial to ensure that we continue to meet the needs of our most valuable residents. One thing that I have been looking at as I visited our shelters is if we don't have caseworkers, we can't move those who are there along to a new position.

[00:53:28] The idea is not to keep them at the shelter, but making sure that they have a path toward living on their own, which is important if we don't have caseworkers, they will be stuck there. And the idea of shelters, as we all know, is to make sure that they are not a forever home.

[00:53:44] The middle school after school program is another key priority that warrants our full support. We have heard from thousands of residents and students who have voiced the profound impact of this program on their lives. This is a clear investment in the future of our youth, and it is imperative that we protect and sustain it.

[00:54:00] Similarly, the CERT program, while a relatively small item in the budget, provides significant value to both the volunteers who serve and the broader community. I strongly have advocated for its continued funding, recognizing the vital role it plays in the community preparedness and resilience. Finally, even as we work to maintain these essential services and programs, I believe we must also remain vigilant in identifying savings and efficiencies wherever possible.

[00:54:26] Though these savings may be modest in the context of the overall budget, they have a meaningful impact on our constituents and reflect commitment to responsible stewardship of public resources. Thank you, Madam Chair. Thank you. I have Supervisor Bierman, then Stork, then Walkinshaw.

[00:54:43] Thank you, Madam Chair. Thank you, Mr. Chairman. First off, thank you to the budget staff. This budget, I know, took a lot of time because I know it started the day that we passed the last budget. And I know that the next budget will start, we'll give you a few days off, maybe next week, maybe Monday.

[00:55:01] We know that this is a year-round process and that you are looking at efficiencies, looking at opportunities the entire year. And we know, as we've seen when people come testify, that for almost every cut, there's a constituency.

[00:55:18] For almost every change, there's a constituency. Change is hard. But we also know that you approach this with professionalism and that you tried to come up with ways in which we could balance this budget and be more efficient and spend more wisely.

[00:55:34] It might not be a great news budget. Maybe there's some top lines in this budget that are challenging or hard, but I believe it's a responsible budget. It does lower our tax rate for residential property tax, which is what I hear most about from just about everybody.

[00:55:54] It does have a meals tax to diversify tax revenue, and it includes a transient occupancy tax borne mostly by non-residents. It also includes \$51 million in spending reductions. We worked hard to find ways to preserve or delay certain reductions that were especially of interest to the community.

[00:56:16] And I think actually, to some degree, that second word is really important. On some of these, we delayed it. We took action to prevent a rug pull on critical services or critical programs, but we know that next year is unfortunately just going to be tougher.

[00:56:36] We got creative on things like the middle school after school program, and we looked into what it would cost, for instance, if we turned it into a fee structure. I know there were people who didn't like that idea, but it's an idea. We're out here trying. We're out here trying to figure out what we do.

[00:56:54] We did restore ambulances. We do have CERT funding, and we did restore things like post-secondary assistance for people with developmental disabilities. And I actually want to talk about that

restoration for just a second there, because it's kind of critical and key with respect to why this job is a little bit hard.

[00:57:16] You know, we are restoring a program that currently helps 130 seniors at FCPS with developmental disabilities as they transition into adulthood. And one of the people who had benefited from that program came to me and he said, you can't cut this program because if you cut this program, you could actually cost us more money in the future.

[00:57:42] Because this program was a lifeline for my child while she was working to get a Medicaid waiver, which took too long, to help her with independence. And if you cut this program, you may end up costing yourselves more money in the long run.

[00:57:59] And that's true of a lot of programs. Frankly, that could be true of programs that we ultimately decide we do have to cut because we do have to balance a budget every year. But I think it's really, really important to remember that that is a dynamic that we see in a lot of what we do.

[00:58:20] You know, we try to become a more efficient and effective government. You know, Supervisor Herity walked out of the room, but he and I often are talking, for instance, about cutting red tape on development plans. But one way to cut more red tape is to buy more scissors.

[00:58:39] So we need to understand that these cuts and these tradeoffs are incredibly challenging and that this is just the first of many years. Now, during budget guidance, when we discuss it, I'll save my remarks on the school transfer to that time.

[00:58:59] I do just want to make some comments about the meals tax. I think that revenue diversification is a really good thing. I think that putting all of our eggs into a real estate tax bucket is not a sustainable or the right way to do it.

[00:59:20] I think that we enact the meals tax within an important context. We enact it in a commonwealth where 62 counties of 95 have meals taxes. We enact it in a county where our residents are already going out to eat in Arlington and paying for Arlington teachers.

[00:59:40] Where, by the way, they actually raised their meals tax this year by a percentage. Prince William dropped it. Arlington raised it. Where people are going out to eat in Alexandria City, as I did with my cousin on Sunday, and paid for Alexandria City police. Or crossing the river to going out to eat in D.C. to pay for D.C. services. We're enacting it in a context where Fairfax County residents are paying meals taxes in the Drainsville District every time they eat out in Herndon, or in the Hunter Mill District when they eat out in Vienna, or yes, even in the

[01:00:17] Springfield District when they eat out in Clifton. So we are not enacting this tax in a vacuum. People have heard me make the joke a million times, and I'm a sucker for dad jokes. I don't know if they tax their food in Bland County, Virginia. Sorry, I don't know if they spice their food in Bland County, Virginia, but they taxed their meals. Bland County, Virginia is about 300 miles from Arlington County, Virginia. Arlington County, Virginia voted 77% for Kamala Harris.

[01:00:54] Bland County voted 84% for Donald Trump. Because by the way, these taxes are also supported by both sides of the aisle all across the Commonwealth of Virginia. You might have also heard my joke, is there a meals tax in Montgomery County? It's a trick question, folks, because there is a meals tax in Montgomery County, Virginia, which is where the town of Blacksburg is, where there is also a meals tax.

And if you send your kids to Virginia Tech, you're probably paying those taxes. There isn't a meals tax in Montgomery County, Maryland, but there is a 3.2% income tax, which would raise,

[01:01:33] by the way, in Fairfax County, \$2.6 billion. But believe me, nobody, nobody, nobody has ever come and asked me to implement an income tax. People have come and asked to implement a meals tax.

[01:01:49] Now, there are some arguments against the meals tax, and I know one is this idea that it's somehow anti-democratic because we had a referendum nine years ago and it failed. I'll note that when I ran for office. I said that I support a meals tax. My opponent, I said it in a debate, my opponent put it on a mailer, sent it out to 30,000 households. Jimmy Beerman said he would vote to tax your meals.

[01:02:17] I'm here, my opponent isn't. I will also note that the Venn diagram of people complaining about Virginia becoming California and the people who seemingly say that we can only implement a tax with a referendum is a concentric circle, which I find very comical. I lived in California. I know all about their referendums. I know that there's an argument that it's a single industry tax, but as we noted in a March 11th budget committee meeting, we have dozens of single industry taxes, our B-pole taxes, in this county. In fact, there was somebody who testified complaining about

[01:02:56] various B-pole taxes. So it's not actually out of step. There's an argument that it is regressive. Well, sure. Property taxes are also regressive. Anything is more regressive than an income tax, but we know that lower income people pay a significantly higher percentage of their income on housing. And if you look at the numbers, it's always hard to get apples to apples comparisons.

[01:03:25] But if you look at question C88 about the meals tax, you'll see that in large part, it's six and one half dozen the other one percent on meals tax very much equates to one percent on the property tax and of course course excuse me and of course 33 percent of the meals tax is paid by people who don't live in our county and there was some talk oh well this is going to kill the tourism business it's not just tourists folks it's people come to work here every single day

[01:04:03] there was some joke that not joke there was some concern that wouldn't help with respect to other taxes, but of course it did in this budget. It allowed us to restore lots of frontline services. It allowed us to restore a lot of proposed cuts and it allowed us to drop the tax rate. Now I am, of people up here on the dais, I think I share, I actually think there's unanimity. We are all concerned about next year. We are all concerned about the economy. We are all concerned about

[01:04:42] the tariffs. We are all concerned about the cuts to the federal government and what they will do on our economy. But when we implement and make this change, we are making it in a very specific context. And in that very specific context and during a time when we need to figure out how to diversify our revenue sources, where we need to reduce the over-reliance on residential

[01:05:11] property taxes. It makes sense, and I support it. Thank you. Thank you. I have Supervisor Stork and then Walkinshaw. Thank you, Madam Vice Chair, and thank you, especially thank you to the County Executive, Christina, Phil, your staff, and the work that you not only have done the last few weeks, which gets more intense as the weeks get closer, but also the months, starting back, truly when we probably finish this budget, a few weeks after that, you're starting the next one.

[01:05:44] And they're all, as we talked about, they're all difficult budgets, and I'm going to talk in a minute just about why I think they're so difficult and what needs to be done to help improve them. But I especially wanted to thank you all and thank Jim McKay and staff, because the amount of work that goes

into this in bringing us together and finding a consensus, never easy, of course, but one that is the responsibility of all of us, and in the end to make sure that it's a balanced one.

[01:06:16] So that's the most maybe important part of our role is to make sure that what we have automatically balances and we're prepared for whatever that future may hold. And in this case, there's a lot of unknowns. President Trump has added some tariff taxations that are huge, will have a huge impact across the board in the economy.

[01:06:37] I know that as a business person. I know that as a consumer, and I also know that in our particular region, the impact of that on individuals is not only personal, but also financially difficult. And businesses in our area will clearly suffer that impact as well, whether it's health care or meals or food or services of any kind, household, et cetera.

[01:07:03] We all recognize that those are sensitive issues that we're going to have to be alert and monitor to see what that ultimate impact will be for us. I think it's another reason, another important thing to say about why diversifying our revenue is so critical.

[01:07:19] The meals taxes others have kind of elaborated on is an important way of doing that. My predecessor, Jerry Highland, advocated for that for decades, and the Mount Vernon Council of Civic Associations has advocated for that for decades. A lot of the reasons you've, again, heard today and why they've continued to support that.

[01:07:41] The transit occupancy tax, folks of you here may know that the deep commitment that I've had to tourism and improving visitation in the southern part of the district, southern part of the county, Mount Vernon district, et cetera. And we know that those can have an impact.

[01:07:58] But as we all also know, when we go and stay at a hotel, wherever it is in the country, those taxes are much higher and they haven't seemed to deter folks attending particular events or activities. So we know that those are sensitive issues, but we also know that they can help raise money.

[01:08:16] They can help fund a tourism marketing budget. Our tourism marketing budget is lower than, on a per capita basis, lower than almost all the other ones around us, and significantly lower by double digits, if you will, what is spent in the District of Columbia and even the city of Alexandria.

[01:08:38] So additional dollars to spend on marketing and promoting and getting folks to come to Fairbanks County in particular, for those of you who may know, Potomac Bank, something that we've created in the southern part of Fairfax to try to promote not only Mount Vernon, but also George Mason, the U.S. Museum for the Army, Workhouse Arts Center, and really so many other locations.

[01:09:04] Those are all important parts of how do we continue to strengthen our economy and diversify our revenue from not just professional services, but also folks who visit the area and spend a lot of money in restaurants and hotels and in other ways.

[01:09:22] The difficult budget year that I referenced earlier is definitely going to get harder. I spoke, I think, of the impacts that President Trump's taxes are going to have on all of us. But it's going to get harder, especially harder. because we are treated so poorly by the state of Virginia.

[01:09:43] I know that others have heard me speak on this. I'm going to keep repeating it until there is some kind of change. But we start with education funding, and I know everybody here talks about that. We

know that if the state just funded education at the level that recommended by their bipartisan, their joint legislative review organization, we would get almost \$600 million more in Virginia.

[01:10:09] What does that mean? It means that the state would contribute towards schools at an average of all states around the country. It doesn't stop there. It doesn't stop there at all. Staff here, if you look at the budget Q&As, you can see it yourself, direct dollars we get is about 22 cents, but more importantly, all the county, all the state services that we get in this area, direct and indirect, indirect meaning universities and state employees that provide services, as well as our prison system, etc., those, you add them up, they come to maybe 50 cents on the dollar.

[01:10:46] So we send a dollar Richmond through our income taxes, billions of dollars to Richmond in our income taxes, and we get back 50 cents. That's not fair. That's not fair. And what makes it particularly unfair is that if we got back 51%, not just, okay, we're getting 50, if we get back 51%, that would reduce our real estate tax rate by 25 cents.

[01:11:13] 25 cents. And that particularly is frustrating to me because I'm a member of the VACO board and as others here, and we go to events all the time and talk to our colleagues around the state. And it's a wonderful way to get connected and better understand their situations. And my colleague Today mentioned the fact that Bland County, Virginia, they have a meals tax, right?

[01:11:39] I don't know their real estate tax rate, but I guarantee you it is far lower than the \$1.12, whatever we're going to end up with here, but it's far lower than ours. And typically it's in the \$0.70 or \$0.80 per \$100 taxation rate.

[01:11:58] So we are subsidizing the rest of the state in a big way. And I think we recognize that our wealth and so forth is a reason why we may not ever get back our full dollar. But 50 cents? Really? 50 cents? It's just not fair.

[01:12:15] So I'm going to keep on that, and I urge you to do the same. We have an election this fall, and there's an opportunity to talk with the folks who are running statewide, as well as with delegates, and share that with them, and urge them to take a harder look and do a better job of bringing back more of those dollars to Ferris County.

[01:12:33] It's not fair to our taxpayers. It's not fair to the services that we provide, but the ones we can't provide because we can't afford them. Two more comments I wanted to make, and that is the services. I absolutely appreciate the work that's put together to restore some of the services, particularly the ambulance services.

[01:12:53] For those of you who may know, in Lorton, excuse me, in Gunston, as well as in Crosspoint, That adds back ambulance services that are critical to responsiveness to members of the community. That few minutes can make a difference and can save a life, and that is why we're doing it.

[01:13:12] That's why the board is supportive of it. I absolutely appreciate the hard work that went into that to decide what could be funded, what couldn't be, but in the end, the board has a responsibility for making sure that that ambulance shows up as quickly as it can to address whatever that life-saving or life-giving support might provide.

[01:13:36] Additionally, we have a Lorton Police Station. I have to speak to it. I know we have an opportunity to continue to hopefully recruit officers. I know we're doing well. We're not quite where we

need to be. I respect the fact that our officers are still working 12-hour shifts.

[01:13:52] That's not, to me, acceptable a long time. It's not acceptable for the family impacts that that has. But I also know that the Lorton Police Station needs to be fully staffed, and we are nowhere near that. Although I have specifically asked the police chief to make sure that we have a community relations officer there, we need that outreach to the community.

[01:14:13] The community there needs to be and feel more connected to the police station, even if it is only limitedly staffed at this point in time. I'm going to stay on that. I'm not going to let that go until we have that community relations officer there. Additionally, crossing guards and CERT programs, those are all powerful, important parts of how we support our community.

[01:14:34] Education in general, as a former school board member, this is a tough budget. Man, it's two years in a row that I have now not supported fully funding schools. I've never done that in my life, whether on the school board and chair of the school board or even here for almost a decade before that.

[01:14:51] But I also can't accept that we can provide increases that are double the average of the last couple decades. We just can't. We're stepping up. The county's stepping up. I know the school board and superintendent have to do likewise to take a harder look at their budget and make some of the tougher decisions that are part of that.

[01:15:12] I don't envy them, but that's their job, not my job. But I urge them to take a hard look and make the best decisions that they can to make a difference for our kids while reducing administrative costs and other ways to be able to afford and do that.

[01:15:28] Middle school after school, when I was on the school board, I was one of the founders and advocates of that program. I did it because I saw the need. I saw kids coming out of middle school and hanging around other kids' homes when parents went around, and I said that is not good, not healthy, and I'm very supportive of making sure we keep that program.

[01:15:49] But I also think there's a way to do that, much like we do the school-age child care program, which is a sliding fee scale. Services, seniors absolutely support that. We've done a lot of things. We've also increased some of the senior center rates.

[01:16:06] Those are all things that try to balance and try to make sure we have that balance. Domestic violence survivors, man, we know that those folks have a rough time. We need to support them in any way and every way we can. Park Authority restoring a couple of the key elements there, but we all recognize, I think, that we're looking for ways to support the Park Authority more because we know there's a lot more opportunities there to do more.

[01:16:31] And finally, this ties into one of the core beliefs and issues and concerns I have, but this board has stepped up. We're doing it, which is we have an environmental program, environmental operations strategy that we are funding still in full.

[01:16:47] We are still driving to address and make sure that we are part of the initiatives that help to reduce our carbon emissions and get us to net zero and other ways that can protect our environment and provide the quality of life that we all, I think, care deeply about.

[01:17:05] In housing, we, of course, are funding this in a way that I think continues our commitment to have that be successfully addressed as we move forward. So, again, I thank you, and I look forward to

supporting this motion. We have Supervisor Walkinshaw and Alcorn.

[01:17:22] Thank you, Madam Vice Chair. I'll echo the thanks to staff and to the chairman for the very, very hard work on this budget. But maybe more importantly, I want to thank all of the community members who provided testimony over the course of our three days of public hearings and before the public hearings and since the public hearings, we have received some really high-quality testimony and input from the community throughout this process, much of which I think is reflected in this package.

[01:17:56] Look, one of the biggest challenges of local government is we are downstream of the actions or the inaction of both the federal government and the state government. And it has been said many times already that the reckless actions of the Trump administration have created economic uncertainty in our region, and that's certainly true.

[01:18:18] It's also created certainty for some folks. I was at a community event recently in the Braddock District, and there were 20 of our neighbors there. Four of those 20 had lost their job in the federal government as a result of the Trump administration's actions.

[01:18:35] So those four families and thousands of other families in Fairfax County have certainty, certainty that their job is gone. And those impacts will be felt over the course of the fiscal year and certainly as we move into the next fiscal year.

[01:18:54] So we have to be prudent in recognizing that and acknowledging that. And that's why I'm supportive of the albeit modest economic uncertainty reserve to prepare for those worst-case scenarios that could impact us.

[01:19:10] It's been touched on state funding of education or lack thereof, and we spent a lot of time in this dais talking about the 2023 JLARC report. There was new census data that came out earlier this week that reiterated that the Commonwealth of Virginia is in the top 15 states in terms of wealth and median income and is in the bottom 15 states in terms of state funding for education.

[01:19:41] And I want to acknowledge some progress and appreciation for folks in our Fairfax delegation who fought for this this year. It does seem that Governor Youngkin has reluctantly gone along with the elimination of the cap on funding for support positions, which will be an additional \$21 million for FCPS this year.

[01:20:04] That's a small piece of the \$550-plus million state funding shortfall in Fairfax County that the JLARC report indicated. And I'll just point out, that specific cut, the cap on support positions, was implemented by the General Assembly during the Great Recession in 2009 and 2010.

[01:20:32] It's one of the ways they balanced the state budget then. A kindergartner who started here in FCPS, the year that that cut was put in place, has completed her career in FCPS, moved on to college or the workforce, and just now today we're talking about that cut being restored.

[01:20:56] That's not where we should be as a Commonwealth when it comes to education funding. So we have a lot more progress to be made there. Folks have already talked about the food and beverage tax or the meals tax. Supervisor Bierman certainly talked about it, covered a lot of territory.

[01:21:14] You know, I'll just say I've been consistent when I ran in 2019, when I ran for re-election in 2023, that I would consider the implementation of a meals tax if we could demonstrate that it diversifies our revenue, puts downward pressure on the real estate tax rate, and gives us resources to support our

incredible county employees and teachers and i am certainly hopeful that next year when we have the full fiscal year's worth of food and beverage tax revenue that we'll be able to dedicate that funding to pay including pay for fcps as the

[01:21:51] chairman knows i fought very hard to save the middle school after school program as a lot of of folks up here did. You know, it's personally important to me, a few folks up here know that that is a program that then Chairman Jerry Connolly spearheaded. It was part of the county's gang prevention efforts at the time. But we know today that it is incredibly valuable for 23,000 plus kids in this county. So I'm appreciative of the preservation of that. And I think it will be

[01:22:24] really important to have an honest dialogue with FCPS about that program and how we can ensure that it's sustainable moving forward. Because the families that utilize it and the families of kids who will be moving into their middle school years deserve certainty that that program will be there for the future. With respect to the ambulances, I want to express my appreciation to IAFF Local 2068. I think this is an example of the best kind of partnership between the county government and

[01:23:00] our employee groups. Look, I am sure, I know that from the perspective of IAFF, their strong preference would be that there not be any cuts to fire and rescue, but they recognize that we're in a very difficult situation this year. And they came to the table with positive and proactive solutions. They highlighted the changes that would be most impactful and worked with us to address them, and I deeply appreciate that. I'll jump ahead to a budget guidance issue, and I'll keep my mouth shut during that portion. The Employee Child Care Center is in the Braddock

[01:23:39] District, and a plurality of the families who utilize it live in the Braddock District based on my conversations with them and and look i'm a parent uh like a couple of us up here of a child in uh daycare and preschool and i i know how important it is to have a place that you trust where you feel your kids are safe because it is a hard thing to hand over your child in the morning and come back at the end of the day and pick them up and trust that they're going

[01:24:17] to be cared for in every way, and the Employee Child Care Center has done that, and I appreciate the inclusion of the budget guidance language that I submitted to ensure that before any outsourcing of that program moves forward, that there's a robust dialogue with the families and the staff to examine other ways to reduce costs and continue that program, and I look forward to those conversations. Look, moving forward, we have to establish a formal process

[01:24:53] to ensure that we can honor both county and FCPS collective bargaining agreements. It is extraordinarily frustrating to me that a commitment was made to FCPS employees without, in my view, adequate communication with our budget staff and with the county executive to determine whether there is a likelihood that that commitment could be kept. That is extraordinarily frustrating to me, and so I appreciate the inclusion of the budget guidance language to ensure that we

[01:25:28] improve that process moving forward. And an important piece of that is when FCPS negotiates a collective bargaining agreement with their employees, they have to recognize that there are two funding partners, primarily two funding partners for FCPS.

[01:25:47] This board absolutely is one of them, no question. But Richmond and the General Assembly are also a funding partner. And this year, FCPS negotiated a collective bargaining agreement with 7% pay raises for their employees.

[01:26:05] Shortly thereafter, the General Assembly adopted a budget with 3% pay raises for teachers. And we need to ensure that FCPS, when they sign a collective bargaining agreement, communicates with our delegation and the leadership and the General Assembly to ensure that the General Assembly's budget can be reflective of it.

[01:26:25] And the communication with our staff needs to ensure that our budget can be reflective of it. So there's a lot of work to be done on that process. I do believe that the increase in the transfer, as the package notes, will provide the opportunity to provide significant raises for FCPS employees this year and allow us to meet the spirit of the CBA over the course of three years.

[01:26:51] And I know most of us here are committed to doing that. Thank you, Madam Chair. Thank you. Supervisor Al Kuhn. Thank you. Just a follow-up with Deputy County Executive Arnold. On the Volunteer Length of Service Award Program, can you confirm, just for clarification, that that program will be able to continue next year?

[01:27:09] Yes, sir. For all members that are currently in the program, it will continue into perpetuity until the fund balance is zero. Great. Appreciate that. Just want to make sure that was on the record. And then just a couple quick comments from me. First of all, I appreciate so many of the comments by my colleagues.

[01:27:26] Happy is not a word that is probably going to be used a lot around this budget. but I do want to say I am happy that we've restored a couple of proposed cuts to some critical services. And just to follow up on a couple that were mentioned, Supervisor Jimenez mentioned the case management services in our shelters.

[01:27:50] That's in that category. And also, Supervisor Bierman mentioned the transitional support services from the community services, done by the community services board. So I am happy about that. So maybe not about a lot of things, but definitely those.

[01:28:09] And one other thing, I am also happy, and it's been mentioned once or twice, about following through in our commitment to affordable housing. This budget does that. It does take a step forward, which is super important, and I think is consistent with one Fairfax and, frankly, our values.

[01:28:29] so I appreciate that happening so I I think honestly for me this is I think this is the best we can do as a board this year I know we're not able to fund everything and everybody but with that in mind I am going to be supporting the motion thank you thank you I'm gonna make a couple comments before I call on the chairman you you reflect on a day like today about all the budgets you've dealt with. And we always say it's a tough budget. I think the one year that we thought it wasn't

[01:29:03] going to be a tough budget was calendar year 2020. We're like, oh, we're going to get that extra penny for affordable housing. It's going to be a great budget. And then the pandemic came. And it's a tough budget because we're dealing with really the real estate tax and being able to afford the services that we provide to so many people in the community. And in those services, they need and it's hard it's hard to balance that because anybody that needs a service wants to make sure you provide it I really appreciate the comments that

[01:29:40] my colleagues made about the education in the state funding we keep advocating with the community the community is starting to talk to the General Assembly and I'm not going to repeat the comments that my colleagues made it's really hard in this budget process to get a true understanding of

the impacts of reductions. And so you read the list of reductions and you're thinking, okay, that looks okay. And then, thank the Lord, we have the public hearings and we hear from people. And so then you

[01:30:16] get a real picture of what is the effect of this reduction on a family. And I'm happy that we're going to make sure that we keep funding right now for the post-secondary education services. We do have to look at how we do things and look at better ways and transition, but people need the time to do that.

[01:30:38] And especially when we had Autism Acceptance Month and all of these things came together, we need to ensure that people can get a job and can move forward and do their work. I'm happy we're doing the meals tax. I spoke to my HOA from my community and had this discussion, well, hopefully if we do the meals tax, we can reduce the real estate tax rate.

[01:30:59] There were a lot of people saying, no, you wouldn't do that. Well, we are able to do that. But the other thing that I try really hard to do in this budget process is to keep an open mind. The budget comes out and people want to know, what do you think?

[01:31:18] And I really value the discussions that I've had with our staff to understand what is the impact of this reduction. I appreciate the conversations with the community, but we are in a situation where we can't do everything. I really appreciate the chairman's work to get us to consensus.

[01:31:37] There's things in here I would say we shouldn't do that, right? And so moving forward into this next year, I commit myself to listening to the data, looking at what we can do, and getting us to the best place we can do in this next budget.

[01:31:53] But it's hard because it's emotional for people and they're used to what we do. And so for me, we do need to take a hard look. We need to see how we can do things differently. People depend on us to have this continue to be a great place to live.

[01:32:10] Okay, I think I hit my main points. I'm going to turn to the chairman. Thank you, Vice Chairman Smith. And I'm going to be brief because I have long budget guidance I'm going to read that really reflects a lot of my thoughts and what has been said here already. But I do want to take note at this moment that what you are witnessing here is the absolute opposite of what's happening in Washington, D.C.

[01:32:35] The absolute opposite. Here you have a AAA bond-rated jurisdiction who had a public, open, transparent process to get comments from people, including its valued employees. You have our employees who understand this board supports them and believes in them and wants that them contribute to good government.

[01:32:59] You have a balanced budget, record deficits, chaos, attack on federal workforce, tariffs, uncertainty on the stock market. And you're watching your AAA bond-rated jurisdiction do the responsible thing and put together a budget that reflects a lot of what we heard during the public testimony.

[01:33:23] And I want to start real quickly because I do want to mention one thing about the meals tax because I'll never forget this moment. Supervisor Stork mentioned Vaco. People who are watching this might have heard of Rockingham County, Virginia, the most conservative county in the Commonwealth of Virginia.

[01:33:43] And our friend from Rockingham County, Vaco, who years ago, this is almost 10 years ago now, rural counties in Virginia were lobbying the General Assembly to remove any cap on the meals tax. They

wanted unlimited flexibility to charge as much as they could on the meals tax.

[01:34:00] And I remember saying to my friend Billy, you know, we don't have a meals tax in Fairfax County. He almost fell on the floor. He said, you don't have a meals tax in Fairfax County? He said, God, that's the only thing that prevents us from having to raise taxes every year.

[01:34:17] If we didn't have a meals tax, we'd be thrown out of office, is what the chairman at the time of the Rockingham County Board of Supervisors told me. Rockingham County has a 6% meals tax in place today. The state maximum. The state maximum.

[01:34:33] used to offset real estate taxes in the most conservative jurisdiction in Virginia. And so if we think this is political, the most conservative areas of the state have the highest meals taxes. Why? Because they knew. They knew. We didn't have the ability to do it. They knew the value in diversifying revenue and trying to maintain real estate taxes that were affordable.

[01:34:56] Here, we have the three legs of the meals tax stool that I've talked about all along, which is meals tax should be used, number one, for real estate tax relief. Without the meals tax in this budget, we would not be wiping out the penny and a half increase that the county executive has proposed on real estate taxes.

[01:35:14] We wouldn't be doing it. Without the meals tax, we wouldn't be reducing the rate by another quarter of a penny. We wouldn't be doing that. And without the meals tax, we wouldn't be restoring core services that my colleagues have listed and that I read into the motion. I consider it to be core services.

[01:35:30] These are not nice-to-have things. Ambulance services, middle school, after school programs to keep kids out of trouble, support for intellectually disabled and seniors are not nice to have things. We heard right here from a ton of people during the budget testimony how important these things were to the value set that we have in Fairfax County.

[01:35:51] And so this budget, I think, can be best described as responsive and prudent, responsive to what we heard during the budget testimony. There's things for every individual to look at this budget and to hate, and things in this budget to love. Just like Fairfax County, we all have very diverse views, but what this budget does is bring those together where I think the vast majority of these residents of Fairfax County are, which is in the middle.

[01:36:17] They want a reliable government. They want a fiscally well-managed government. They want services that they rely on that contribute to the quality of their life, and they want us to find savings where we can and to manage the real estate tax rate. This year, there are \$50 million in cuts that we are taking that were recommended by the county executive, \$50 million on top of \$40 million last year, cuts that are in this budget.

[01:36:42] And so this is about bringing together what I consider to be various different viewpoints on the budget and bringing it to the center, which is where a majority of the residents of this county are, ideologically and from a principal standpoint.

[01:36:59] And so I'm very proud we are where we are. I will lastly say that, and I'm going to read it in my budget guidance in a moment, and I'm going to give thanks to all the people involved in this at the very end today. I appreciate everybody else doing that. I want to do that at the end. But the mention of the

JLARC study is important because I have people come up to me and say, why do you keep talking about that?

[01:37:20] There's no hope you're going to get that in Richmond. Well, there's no hope if Virginia's economy gets driven into the ditch because of all the federal cuts that are happening right now. Governor Yunkin said, no big deal, people will find jobs, we're okay with this.

[01:37:35] And then last week, he made \$900 million in reductions in the state budget because of the fear that he now sees in what's happening to Virginia's economy. The fear that we were talking about here months ago, that there were cheerleaders cheering this on, now making \$900 million in cuts.

[01:37:53] And so prudent because we don't know where that's going moving forward. The reason why the JLARC study is so important is, sure, it's \$569 million. To the taxpayers of Fairfax County, that is almost 17 cents on your tax rate that the state owes us.

[01:38:14] 17 cents. Not two or three. I'm not fighting over two or three cents. It's 17 cents on your tax rate is the equivalent of what the state's own auditors found is owed to Fairfax County if we funded public education at the national average.

[01:38:32] Not at the level Fairfax County expects, but at the national average. And where we stand today as a commonwealth is we are trailing states like Kentucky and West Virginia on public education funding. And as a result of getting Virginia, getting their butts kicked by Kentucky and West Virginia, Fairfax County has to figure out how to fill that \$0.17 hole in state funding that the state auditor said Fairfax County is due.

[01:38:59] So, yeah, I'm not going to stop talking about it. I appreciate that my colleagues are, and I really appreciate that people in the general public are talking about this. Because we know housing is expensive, and we know \$0.17 on the real estate tax rate is a lot of money. It's \$1,330 for the average taxpayer.

[01:39:16] That's why we talk about JLARC. It's \$1,330 of your money that goes to Richmond that helps fund programs in other parts of the state, places like Rockingham County that I mentioned before, that balances their budget on a 6% meals tax and your income tax.

[01:39:33] That's what we're talking about, and that's why we're going to continue to talk about it here. I'm not going to mention all the restorations that others have mentioned because I read them, and I'm going to talk about them in budget guidance. But again, I feel like the public testimony we got was the best I've seen in a long time.

[01:39:48] This is my 10th year as budget chair, my 17th round of budget public hearings, and I got to tell you, I think the quality of the input that we got this year was the best. And I want to encourage our employees because I mentioned earlier the opposite of D.C.

[01:40:07] It is our employees that provide the services that our county residents enjoy. And it is our employees that are getting the pay increases that they are due in the pay plan in Fairfax County, including our public safety agencies whose collective bargaining is funded.

[01:40:24] But we're also going to need those employees, and you'll hear about this in my budget guidance. We are inviting those employees to play a more substantial role in helping us solve next year's budget challenges. And we're already working on that, including our frontline employees, many of which have ideas for savings.

[01:40:42] And we're going to provide a mechanism for them to bring those forward because they know their work and they know their work better than anyone else. And so we want to encourage them and be partners with them and support and value them because they are part of helping us get through difficult budgets.

[01:40:59] And I will save the rest of my comments for budget guidance, Madam Chair. Okay, with that, I'm ready to call the vote. All those in favor of the motion, please say aye. Aye. Any opposed? Majority nay. Any abstentions? That motion carries. Mr. Chairman. Thank you, Vice Chairman Smith.

[01:41:14] We now have to take formal action on the food and beverage tax ordinance, and this is consistent with what was in the budget package that we just went through. And I move that the board adopt the proposed ordinance to amend Chapter 4 of the Fairfax County Code by adding a new Article 31 relating to a food and beverage tax with an initial rate of 4%.

[01:41:34] Of the amount paid for food and beverages sold as meals by restaurants and caterers, which permits a sales I'm sorry permits a sellers Commission of 3% of the amount of tax due and accounted for until January 1 2028 at which time the sellers Commission will be reduced to 1% of the amount of the tax due and accounted for all on the terms set forth in the ordinance and the provisions of this ordinance will take effect on January 1 2026. I'll second that motion with a bunch of other people. All those so you have comments?

[01:42:12] Supervisor Alcorn? Yeah just sorry just an item for the record the afternoon of this public hearing I was attending a state subcommittee meeting of the SJ 28 Transit Funding Subcommittee however I did go back and view the video for this public hearing so I will be participating and thank you. Supervisor Palczyk then Thank you. Madam Vice Chair, I have some late information from one of the Mantua Citizens Association, and because I did not speak to the meals tax earlier, I just wanted to share some of the comments that the President gathered

[01:42:49] from so far I believe over 180 course respondents. So a little bit editorialized, but I'm very unhappy about the proposal to cancel middle school after-school programs. Also, our property taxes are out of control. I much prefer the meals tax option. In favor of the meals tax, but not in favor of increase to property tax rate.

[01:43:13] Finally, a meals tax is in place with all of our neighboring jurisdictions. It's not only a good revenue source, but it's a fairness issue as well. It's unfair that dollars from county residents go to pay for false church city schools, but not vice versa. And those who are opposed to the meals tax have generally combined their opposition with general opposition to all taxes. And as was mentioned is we are all concerned about the current job and economy situation. But to summarize, and I believe the survey is still open, to date, comments in favor of the meals tax have outweighed

[01:43:50] those against it 4 to 1. No one wants to have to add a new tax. No one wants to have to add a meals tax. But as my colleagues have said, it's a math problem. We are not getting the additional support that we need from the state and the federal government. And so it does rely on our ability to raise taxes locally and to be able to diversify how that hits our community.

[01:44:13] And at a time of a housing, really, crisis, to me, it just makes complete sense that we look at other revenue sources, and the meal tax is the only other one we have that gives the same level of revenue and also not as impacted to our local residents.

[01:44:32] So I appreciate all the work on this. It's not an easy moment, but I am happy that we finally have the option to be able to diversify our taxes here at the local level. Supervisor Herody.

[01:44:48] Yeah, I think I've already laid out my reasons for being against the meals tax. I appreciate Supervisor Palczyk's comment because I think it is the level of spending that people think if we approve a meals tax, the spending will go up, and that's why there is a lot of opposition.

[01:45:04] But I found it interesting that a couple of supervisors mentioned their support of the meals tax, and I commend them for actually taking a public position because not everybody does on whether they support it or oppose the meals tax as we went through those elections.

[01:45:21] But I figured I would add my results to that. I was consistent on, no, I didn't support the meals tax. I am in a 38 percent Republican district, but got 56 percent of the vote. That's probably the biggest swing, but I would bet that that wasn't because of the meals tax. So I figured I would share my results to go with your results.

[01:45:43] Thank you. Seeing no further discussion, all those in favor of the motion say aye. Aye. Anyone opposed? Parity, nay. Any abstentions? That motion carries. Mr. Chairman. Thank you, and if my colleagues could bear with me, this next section is a little bit long, but this is budget guidance for FY2026 and 2027.

[01:46:02] And our next step is to adopt guidance for the development of the FY2027 budget. The purpose of budget guidance is to indicate Board of Supervisors' support for initiatives included in the FY2026 budget to provide direction to the county executive and county agencies related to the implementation of the FY2026 budget and to make recommendations to the county executive and county staff for the development of the FY2027 advertised budget.

[01:46:28] Budget guidance is not, 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. At a regular meeting of the Board of Supervisors of Fairfax County, Virginia, held in a board auditorium of the Fairfax County Government Center on Tuesday, May 6, 2025, I am seeking board approval for the following budget guidance.

[01:46:52] First section, economic uncertainty. Not since the initial days of the pandemic have we faced the levels of economic uncertainty that we face today. Global financial markets are in turmoil as the Trump administration's actions on tariffs have created chaos and have weakened both equities and bonds as well as the U.S. dollar.

[01:47:11] Economists are increasingly predicting a recession in the coming months with some placing those at odds greater than 60 percent. Still others are worried about stagflation, an extended period of high inflation and unemployment, accompanied by slow economic growth. As the administration continues to attack its federal workforce and contractors, our regional economy is in an even more precarious position. Thousands of federal workers have lost their jobs, although many are challenging the administration's actions in court. Federal contracts and grants are being canceled on almost a daily basis. These actions have already led to a downgrade of the District of Columbia's

[01:47:49] bond rating falling from AAA to AA1 with the expectation that they will erode the stability that the institutional presence of the federal government has historically had on the district's economy.

Although the county's exposure is not as great as our nation's capital, federal workers are a sizable portion of the overall workforce in Fairfax County. We know nearly 80,000 of them.

[01:48:16] As we continue our efforts to assist these workers in finding other employment and urge the state to do more, it's imperative that we stay informed of the specific economic impacts that irresponsible actions are having on our county's budget. Although a large proportion of the county's general fund revenues are set based on values as of January 1, other revenue categories such as sales tax and BPOL, business professional, and occupational license tax are especially sensitive to these economic conditions.

[01:48:46] In addition, federal revenue that the county receives directly from the federal government will be jeopardized. Looking ahead in FY 2027, the Trump administration's actions could significantly harm the health of our residential housing market and could mitigate improvements in the commercial market that we have been working towards following the pandemic.

[01:49:07] The board will receive revenue updates as part of our normal budget processes, but more frequent updates may be necessary. In addition, the board directs staff to continue to work collaboratively with our partners at the EDA to gather data and analyze economic trends in order to better understand the potential impacts to our residents, local businesses, and the county's overall finances.

[01:49:28] It's important for us to be transparent with our community regarding these impacts, be prepared to assist residents as necessary, and be flexible as we navigate the upcoming year. With this backdrop, much of the guidance that follows must be considered in light of these challenging and uncertain economic times.

[01:49:45] And I'm going to start with Fairfax County Public Schools, FCPS. By far the largest share of our general fund budget is dedicated to supporting our excellent schools. Given our current economic climate, the need for the Board of Supervisors and School Board to work together has never been greater. Our boards continue to jointly advocate for increased state funding with the need confirmed by the state's own Joint Legislative Audit and Review Committee, J. Lark's study.

[01:50:11] These efforts must continue. As a result of joint efforts related to our respective capital programs, the county has taken measures to provide consistent additional funding to FCPS, including increasing bond sales by \$50 million annually and providing capital sinking funds to FCPS, including capital sinking fund allocations at year end.

[01:50:31] In the past three years, these allocations alone have totaled almost \$29 million. Similar to these efforts, both boards have agreed to two new joint committees that will work across our organizations to identify cost savings and efficiencies in the areas of information technology and capital facilities.

[01:50:50] However, it is imperative that this collaboration extend to the broader budget. For the past 13 budget cycles, we have been including a multi-year budget as part of our budget materials, providing an early look at our revenue and expenditure projections for the following year. Similarly, we work with our FCPS counterparts to develop our joint fiscal forecast, which we present in November of each year.

[01:51:13] For the past two years, however, despite tepid revenue projections, FCPS has requested the two largest transfer increases in history, with each more than double the average increase requested over the prior decade. Such funding requests, which ignore revenue projections and the potential impact on our taxpayers, provide no benefit.

[01:51:34] Instead, they send mixed messages to our residents and set unrealistic expectations for our residents, teachers, and parents. Additionally, FCPS is then forced to resolve a budgetary gap in a truncated time frame, limiting the ability for the school community to fully understand and shape the budget.

[01:51:51] While the goal of releasing early budgetary projections is to provide transparency to our residents, another key purpose is to share information with FCPS to help inform their budget development process. FCPS is strongly encouraged to formulate an FY 2027 school operating transfer request which considers preliminary revenue estimates and the overall economic climate. This in no way impedes FCPS's ability to fully advocate for schools funding, but preparing a transfer request based upon current economic conditions while also explaining the potential impacts resulting from

[01:52:29] the transfer amount can help to educate our residents to allow for more robust and informed budget conversations. The driving factor behind the increased transfer request this year was the 7% compensation increase for FCPS negotiated for employees in the licensed and structural and operating bargaining units with the increase proposed to be extended to all employees.

[01:52:53] The board believes that the sizable increase in the school operating transfer provided in FY2026 will allow the school board to provide significant targeted salary adjustments for its school-based employees. The board supports the empowerment of employees through collective bargaining.

[01:53:09] However, agreements must be rooted in reason. Affordability must be a key consideration in these discussions as well as targeting increases for specific job classes based on market comparisons. The board regrets that FCPS's collective bargaining negotiations took place with limited input from county budget staff, creating a situation where a fiscal commitment was made absent the confidence that it could be met. The board's expectation is that the county executive work with the superintendent to establish a formal process to avoid such a situation moving forward. FCPS is encouraged to engage its funding partners in its collective

[01:53:47] bargaining negotiations, and the county stands ready to assist, as we always have in this endeavor. This process should also involve FCPS engagement with the Fairfax delegation to the General Assembly to ensure that the General Assembly budget reflects pay raises included in the collective bargaining agreement.

[01:54:07] With regard to the FY 2027 budget development, as noted at the outset, given the considerable economic uncertainty facing our county and the region, especially predicting how our FY 2027 budget will be balanced is virtually impossible. County revenues for the next budget year are difficult to project, as future federal actions could have sweeping and significant implications.

[01:54:29] We track revenue and economic data over the following months. we will have a better understanding of what might lie ahead. But we need to be prepared to adjust to changing economic conditions and adjust our projections and expectations accordingly. In order to balance the FY2026 budget, the county took a multi-pronged approach, diversifying the county's revenue by implementing a food and beverage tax, focusing expenditure increases on employee compensation and required spending, and cutting \$51 million in expenditures and 189 positions through an extensive reduction exercise undertaken.

[01:55:08] Further options to diversify our revenue are few, as the state continues to limit the county's ability to reduce our over-reliance on real estate taxes. Thus, for our FY2027 budget, we will need to focus on limiting expenditure growth and pursuing additional cost-cutting measures.

[01:55:25] Over the past three years, as lingering impacts of the pandemic have continued to impact county revenues, particularly as it relates to commercial real estate values, the county has included budgetary reductions as a key element of our budget process, budget balancing practices.

[01:55:42] In total, the county has cut expenditures by over \$90 million during this time frame by identifying efficiencies, eliminating unfunded vacant positions, and implementing targeted programmatic cuts and service changes. In order to provide options to balance the budget, particularly in light of an uncertain revenue outlook, the board anticipates that the county will once again be pursuing cost-cutting measures.

[01:56:07] While all opportunities for savings should be explored, reviews should specifically focus on programs that could be designed or enhanced through the use of new technologies to be improved, streamlined, and consolidated, need to be adjusted based on changing residents' needs, service demands, or county priorities, or may no longer align with the county's current and future priorities.

[01:56:29] In addition to the evaluation of programs, agencies should continue to thoughtfully evaluate their resource requirements on a smaller scale. This may include adjusting job classifications or realigning positions when vacancies arise based on changing business needs or considering opportunities to boost productivity such as increased training or enhanced use of technology for specific positions.

[01:56:54] Many of the reductions proposed as part of the FY2026 budget process generated significant community feedback, resulting in the Board's restoration of cuts such as ambulance staffing, park trail maintenance, and supportive services provided at senior centers, to name a few.

[01:57:10] Aside from those reductions that are specifically addressed through our budget guidance, Agencies are encouraged to consider community and board feedback received during this budget cycle when recommending restored reductions again for FY 2027.

[01:57:26] Furthermore, all levels of the organization, including management levels, should be reviewed to determine if efficiencies can be gained and savings captured. While the board appreciates that direct employee involvement in these exercises can create considerable challenges and unnecessary workplace disruption, It's important that employees have an opportunity to provide their input.

[01:57:48] Thus, the Board directs that as part of any FY2027 reduction exercise, a portal be established to allow employees to provide direct cost-saving ideas to the Department of Management and Budget. This should include an option for employees to submit ideas anonymously if they so choose.

[01:58:08] Additionally, a program should be explored which allow employees submitting viable cost-saving options to receive a reward such as a monetary stipend or additional leave. With regard to county employee pay and collective bargaining, the board is pleased that the FY2026 budget provides full funding of the county's compensation plans, including the second year of the collective bargaining contracts with our fire and emergency services and police bargaining units, as well as increases based on the established pay programs for our non-represented employees. This would not

[01:58:44] have been possible without both county staff and our public safety unions considering affordability at the negotiating table and the board incorporating agency reductions identified by the county executive in recent years. An election for the general county bargaining unit is currently underway. Assuming that employees opt for union representation, the board's expectation is that the resulting negotiations would likewise consider affordability and the market position of specific job class classifications. It must be noted that, given the unpredictable path of the economy as discussed earlier, full funding compensation in the upcoming budget

[01:59:23] may be difficult. Consistent with past board guidance, the county executive is directed to recommend equitable pay adjustments across the various employee groups. On transportation, the Commonwealth's 2025-26 biennium budget provided temporary fiscal relief for Metro in FY 2025 and FY 2026. This supplemental funding for Metro addressed approximately half of Virginia's jurisdictional share of the system's needs during this period.

[01:59:54] Consequently, Fairfax County's general fund contributions to Metro has remained unchanged for these two fiscal years. This enhanced level of state support is not anticipated to continue in FY 2027. Projections indicate that the baseline state transportation aid allocated to Fairfax County, will be inadequate to cover the county's required operating subsidy for Metro in FY 2027 and beyond. Compounding this pressure, the state aid allocation is also used to partially support the operating subsidy for our Fairfax connector bus system. The board remains

[02:00:30] vigilant in monitoring the progress of regional efforts aimed at addressing Metro's long-term fiscal stability. Key initiatives include the work of the DMV Moves Coalition and the General Assembly's SJ28 Joint Subcommittee, both focused on identifying viable metro cost containment strategies and establishing a dedicated, reliable funding source for regional transportation that does not rely upon local real estate taxes. Fairfax County continues to be an active participant in those critical regional discussions, investing considerable staff and board time

[02:01:05] and resources. The board looks forward to working with the new Virginia Governor and General Assembly following this fall's election in finding a solution to this perennial funding issue. Failure to achieve a regional consensus on sustainable funding or significant operational efficiencies for Metro presents a considerable financial risk to the entire region. Without such changes, addressing Metro's antiquated operating and capital requirements in FY 2027 will likely require a substantial increase in the county's general fund investment.

[02:01:40] Metro is not the only transportation funding priority that must be considered. As we continue to see demand for enhancements to pedestrian and bicycle infrastructure as well as needs within our own connector bus system, as we see increased pressures on our general fund, the board directs staff to examine whether capacity exists to accommodate transportation needs other than Metro within our general obligation bond program moving forward.

[02:02:07] On affordable housing, we know that affordable housing continues to be a top priority, and once again, the Board is reaffirming the goal of meeting a minimum of 10,000 new affordable housing units by the year 2034. This will require baseline funding equivalent to two pennies on the real estate tax rate.

[02:02:24] The FY2026 budget dedicates an additional one-quarter of a penny on the real estate tax rate, bringing the baseline resources to one and one-quarter pennies, or \$42.44 million. These baseline

resources, coupled with more than \$97 million in one-time funding added between FY 2022 and 2024, demonstrates the Board's commitment to expanding the county's affordable housing portfolio.

[02:02:51] It is hoped that the equivalent of two pennies on the real estate tax rate will be reached by FY 2027. However, until this goal is achieved, the county executive is encouraged to identify one-time balances at quarterly reviews and pursue other funding opportunities. Further, the county executive is directed to identify opportunities to increase the speed with which new affordable housing is delivered and reduce the cost to do so.

[02:03:16] These opportunities should include encouraging fast-tracking, predominantly affordable residential developments, and developing a timeline and process for implementing existing state authority to moderate or reduce development and regulatory fees for affordable housing developments.

[02:03:35] On parks, the FY2026 budget incorporates a partial restoration for essential Fairfax County Park Authority services, including trail maintenance, mowing, and support to the Fairfax County Parks Foundation. The foundation, through its 25-year history, has successfully fundraised, obtained grants, and created partnerships to supplement county funds for park services, programs, and facilities.

[02:03:59] The board directs the foundation, without restrictions, to investigate and pursue the potential to support other governments or other entities engaged in the public benefit consistent with the mission of promoting parks, the environment, open space, sports, and recreation.

[02:04:17] This opportunity provides for a more diverse development portfolio and ensures the long-term sustainability of the foundation. County looks forward to working with the foundation to explore options for further reducing reliance upon county funding in FY 2027 and beyond. Options to be considered should be developed in time for inclusion in the FY 2027 advertised budget. Consistent with the county's commitment to achieving zero waste by 2030 under the operational energy strategy, efforts to expand enhanced Fairfax County Park Authority trash and recycling collection were

[02:04:53] initiated in a pilot program for two of the six maintenance areas in FY 25. While this pilot program has been successful, we continue to hear from the community about the lack of recycling receptacles at parks and other parts of the county. As a result, funding for the one-time capital requirements for the four remaining maintenance areas not covered by the pilot should be prioritized in the FY 2025 carryover review. Any associated recurring operational costs will be incorporated into the FY 2027 budget development process. Finally, the board supports

[02:05:31] the ongoing discussions between DMB and the Fairfax County Park Authority staff regarding the park authority's operational and capital needs. Much progress has been made in this area as we have seen consistent investments for parks outside of our normal annual budget process.

[02:05:48] In total, the county has provided over \$90 million to parks through our quarterly reviews in just the past five years and an additional \$40 million through ARPA stimulus funding. The board encourages this type of commitment and encourages continued collaboration to examine opportunities to provide more flexibility in meeting the challenges currently facing the park authority we mentioned earlier the employee's child care center the board has heard from many parents and staff regarding the employee's child care center and appreciates the thoughtful feedback and suggestions in particular given the child care shortage the board agrees that access

[02:06:25] to child care should be maximized it was clear from the testimony that both families and staff are passionate about the services and have ideas on how to make the program successful therefore Before the Department of Neighborhood and Community Services, NCS moves forward with contracting out this service.

[02:06:43] They are directed to engage with families of children currently enrolled to explore options to reduce costs while maintaining service quality. NCS should report back to the board on progress and next steps at an upcoming Human Services Committee meeting in time for recommendations to be incorporated into the FY27 budget.

[02:07:03] On middle school and after school program, this is a partnership with our Fairfax County Public Schools that has provided a safe, supervised learning environment after the regular school day since its inception in 2007. The board recognizes the value families place in these options and the immediacy of the proposed reductions cause significant challenges.

[02:07:25] As such, the Board is restoring the proposed reduction for the 2025-26 school year for one year, with the expectation that the program will continue for the 2026-27 school year at a reduced cost. Staff are directed to work with FCPS to develop potential program savings, including fee options, as consideration as part of the FY2027 advertised budget.

[02:07:51] The proposed fee structure should incorporate a reduced fee amount to ensure alignment with our joint One Fairfax efforts. Further, staff are directed to pursue a memorandum of understanding to both update and memorialize the partnership. These efforts should include a clear agreement on funding responsibility and management of the program, program consistency among our middle schools, and mechanisms for regular reporting of metrics regarding utilization and demographics to both boards. Staff from the county and schools should report back to the board at a human Services Committee meeting as soon as possible. It is imperative that decisions about this program

[02:08:30] be made well in advance of the development of the FY27 budget, taking into consideration the integration of the middle school after school program with other programs and allowing adequate time to plan for future school year programming. With regard to post-secondary education program, the Fairfax Falls Church Community Services Board operates the Self-Directed Services SDS program to support adults with developmental disabilities as they learn or improve important skills so that they can be active in our communities.

[02:09:02] While two of the three components of the SDS program, employment and community-based day activities, will be maintained, the board recognized families were facing an abrupt end of funding for the third component, post-secondary education, PSE support, and is concerned with the commitment made to the families already receiving that support.

[02:09:23] Accordingly, the Board has restored the funding to continue these programs for currently enrolled families for one year. Moving forward, CSB should consider options to reduce funding needs, including the institution of a cap on support, sunseting services not reimbursed by Medicaid Developmental Disabilities DD waiver, and working with alternative service providers to develop lower-cost options for families in need of PSE services.

[02:09:49] Staff should report back to the Board on progress and next steps at a Human Services Committee meeting in time for recommendations to be incorporated in the FY27 advertised budget. On

New Generations and Cornerstones, the Fairfax Falls Church Community Services Board operates New Generations and Cornerstones as part of a continuum of care to address substance use disorders with or without co-occurring mental health disorders.

[02:10:17] Given the number of individuals these two programs serve, both will be discontinued in FY2026. However, the Board is committed to ensuring existing clients at New Generations and Cornerstones continue to receive uninterrupted services as they transition out of these two programs and into other CSB programs. On the issue of the Sheriff, the Office of the Sheriff continues to experience heightened vacancy rates among Deputy Sheriffs requiring mandatory overtime and increased costs to staff, the adult detention center, courts, and civil enforcement.

[02:10:52] The board directs staff to investigate the root causes of these vacancies and return to its Public Safety and Security Committee with recommendations to improve staffing levels, which could include increased funding for recruitment initiatives, the identification and accelerated implementation of operational efficiencies, and revisions to staffing formulas.

[02:11:14] The community has come to rely, in addition, on the child safety seat inspections provided by the police department. However, utilizing sworn police officers in this capacity increases overtime costs and reduces the number of officers available for patrol and other duties.

[02:11:31] Therefore, the police department is directed to review other options to provide this valuable service to the community, which could include training volunteers in the CERT or auxiliary police to fulfill this role. With regard to school crossing guards, many residents contacted the board to express their concerns regarding the proposed elimination of crossing guards at all FCPS high schools.

[02:11:55] The board has restored funding to continue that service in FY2026 and remains committed to improving safety for our school children and other pedestrians as demonstrated by the significant investments we've made for pedestrian and bicycle infrastructure over the past several years, totaling over \$82 million.

[02:12:14] However, the police department has faced difficulties in recruiting crossing guards, requiring sworn police officers to fill in at many school crossings each day, increasing overtime expenses and reducing the number of officers available to respond to calls for service.

[02:12:29] The police department is directed to continue to explore cost-saving measures for this program, such as those discussed at the safety and security committee meeting on July 23, 2024, that would identify alternative staffing or a contract provider to alleviate the impact of crossing guard vacancies.

[02:12:51] The placement of crossing guards and any decisions to add or remove protected crossings must continue to be based upon clearly defined metrics that prioritize the safety of students, while also considering the impact on school bus, kiss and ride operations.

[02:13:07] The police department should solicit feedback from existing crossing guards on how to recruit and retain more guards, as well as challenges they experience at their unique crossings. On police overtime, one recommendation recommended by the police department and included in the FY2026 budget is a decrease of \$1.7 million in the department's overtime budget, which represents 3.7% of the department's total overtime spending last year.

[02:13:38] These savings recognize recent improvements in overtime policy and procedure compliance and police officer retention recruitment, with the number of sworn vacancies decreasing by over 25% in the last year, reducing the need to rely on overtime to meet daily staffing.

[02:13:57] We continue to support initiatives such as a successful hiring incentive program that will reduce officer vacancies and drive down overtime expenses further. However, the safety of our community and our officers must continue to be the priority.

[02:14:13] Therefore, staff is directed to monitor police staffing and overtime trends and report to the board on any negative operational impacts resulting from this decrease in overtime funding. On the Office of the Public Defender, the county provides supplements to the salaries of many state employees, including those in the Office of the Public Defender.

[02:14:33] While these supplements are an important tool that help them recruit and retain highly qualified employees, the Office of the Public Defender has highlighted several situations where the current process of administering them creates challenges during the promotional processes. Therefore, staff are directed to work with the Office of the Public Defender to explore changes to the administration of these supplements, including providing funds directly to the Indigent Defense Commission and report back to the board with any recommendations.

[02:15:02] On the issue of TOT tax and tourism, as part of the FY2026 advertised budget plan, a 2% increase in the transient occupancy tax TOT rate has been approved, bringing the rate from 4% to 6%, aligning Fairfax County with comparable regional jurisdictions.

[02:15:21] Pursuant to state code requirements, revenue generated from the first additional percentage point must be designated and spent solely on tourism promotion, marketing, and initiatives developed in consultation with local tourism industry organizations.

[02:15:39] Funding derived from this specific percentage point increase is currently held in reserve for those dedicated tourism-related purposes. Recognizing the importance of tourism and industry feedback received during the FY26 budget process, the Board requests hospitality industry representatives to collaborate with Visit Fairfax to develop a proposed outline for the optimal use of these reserve funds.

[02:16:05] Subsequently, Visit Fairfax is directed to then present these recommendations to the Board via the Economic Initiatives Committee, EIC, in the fall of 2025. This presentation will inform strategic decisions regarding the deployment of these funds for the benefit of the county and the tourism industry.

[02:16:24] Separately, county staff will continue collaborating with the hospitality industry to explore potential remedies, including relief mechanisms or caps, concerning credit card processing fees charged to lodging establishments. Should viable solutions be identified, staff will include appropriate recommendations within the county's upcoming legislative program.

[02:16:44] And with that, I now move the budget guidance that I just reviewed, which will help direct the FY 2027 budget process. I will second that motion. Is there any discussion on the motion? Supervisor Alcorn? Thank you. Definitely. I'll be supporting this motion.

[02:17:00] I want to thank the chairman for, first of all, reading the whole thing. So that's a big step. But also the level of detail and, frankly, the reflection. I think what we heard during the public hearing process incorporated into a lot of this.

[02:17:17] And I don't want to repeat what Supervisor Walkinshaw said during the markup discussion, but just to reemphasize on FCPS the need for a process. And this guidance addresses that, I mean, and I'll just repeat it very specifically.

[02:17:35] The board's expectations that the county executive work with the superintendent to establish a formal process going forward to avoid some of the things. So that's super, super helpful. And, yeah, I'm not happy about where we got this year either.

[02:17:54] You know, I think if you look at our number one light item, it's obviously public education. And within that, the biggest cost is teacher salaries. And so we obviously have to have a better process moving forward.

[02:18:10] on that. And I also want to thank another process issue for the middle school after school program. I look forward to the memorandum of understanding and also having more discussion at the board's human services committee. I think I learned a lot about that program over the last few weeks. There's a lot there I didn't know about. And also similarly, not with the school system, but with the CSB on the post-secondary education program.

[02:18:41] So we obviously have a lot of work to do, but this is going to be so important as we go into FY27 and beyond. Thank you, Manager. Thank you. I have Supervisor Herity, then Palchuk, then Lusk. Yeah, just a couple of quick comments. There is a lot to like in budget guidance and I'll echo what you said on, clearly what you said on schools. And some of it's just disappointing for two years in a row I mean 12 employees on the superintendent's leadership team

[02:19:14] making over 250 K five of those are new the fact that we are the fact that we're actually not doing as well in test scores and all that kind of stuff and we continue to grow that we've got a system that's not it's grown a little bit now but it's not significantly growing and we've got a system that encourages people to leave the schools rather than stay as principals and go work at gatehouse and that was a decision it was made some time ago but to go to the 7% across the

[02:19:50] board just makes no sense to me or most of the people on the dais I think happy to see involving the employees in in our cost-cutting I like the the additional idea of rewarding them if if we can get that to work that makes a lot of sense You know, on the affordable housing, I know the board and I disagree quite a bit on affordable housing, but, you know, encouraging – I've got a 400-unit LIHTC building.

[02:20:21] I just can't get through our process, so I very much appreciate the process focus here. I, you know, I think we've got a lot to do in terms of process to make all of our housing, market-based housing, more affordable.

[02:20:38] I'm trying to get through this quickly. happy to see the overtime I mean the the sheriff salaries you know 14 million in overtime I mean we've got a I think recruit will help that school crossing guards I appreciate the additional language on the school crossing guards I am I remain disappointed that to date we haven't reached out to our current school crossing guards on recruiting and retention I think that needs to be done yesterday and I hope it does get done yesterday with that sorry some papers

[02:21:16] around for the last several years I've shared my proposed budget guidance on the need to do a deep dive in the budget and I shared it again with the board this week actually was yesterday not this weekend I'd planned for this weekend several of you have shared privately shared with me the need for

such a review none of the proposed cuts in this budget were proposed by supervisors with the exception of the third quarter review to reduce actually

[02:21:52] there were two the third quarter review to reduce our our supplemental budgets and then the the holding our budgets flat I do appreciate that it is a step in the right direction all of the line item cuts were proposed by the county executive and staff or our union friends from the IAFF our county executive and office of management and budget staff do an incredible job each year of trying to find savings and proposing greater efficiencies but they can't set priorities for the board as staff we work under the direction that they work

[02:22:29] under the direction of the board an outside budget review group would provide a greater diversity of perspectives and options on the budget as As the guidance states, I'm wide open to whatever format that looks like. While line item cuts are sometimes necessary, if we want to look for ways to significantly reduce the tax burden and address the \$271 million shortfall in 2027, we need to consider how board processes and policies are driving up costs.

[02:22:59] You're not going to get \$271 million out of line item reductions. I mean, it's just, it's difficult to impossible. These are not going to show up as line items in the budget. It's too late to do them in the short time frame we have between February and April. These include things like prevailing wage and project labor agreements, the move from LEED Silver to LEED Gold.

[02:23:23] According to our own staff, these two decisions by the board alone increased project costs from 18% to 25% before the impact of our land use regulations. Those were board decisions, an 18% to 25% increase on costs, according to our staff.

[02:23:44] Our operational energy strategy, which is not fiscally constrained, staff continues down the path of going all EV. We're not even looking at the impact of the number of new police vehicles that will need to be required because they are used pretty much all the time.

[02:24:05] We need to do a deeper dive into these things. sustainable development policy collective bargaining as some of these are unpalatable but we need to look at the fiscal impact of these um therefore mr chairman i uh i moved the following and i shared this language do you want me to read the entire language or just oh i think you have to okay i think i have to okay so the uh i moved the following amendment to budget guidance which is convene and outside budget experts for a deep dive on the budget

[02:24:37] County Executive's initial 2027 budget forecast is projecting a \$271 million shortfall and a, quote, a challenging picture since early revenue projections indicate continued constrained growth while disbursements increases far exceed anticipated resources, end quote.

[02:24:58] This forecast was prepared before the challenges of a shrinking federal forecast and uncertainty over tariffs. It is clearer than ever that we need to do a comprehensive review of the budget and cannot wait until the budget process early in 2026.

[02:25:14] Prior to fiscal year 2000, there were several commissions and task forces formed to address county revenues and expenditures, emphasizing efficiency and fiscal constraint, from the Coal Commission under then-Chairman Tom Davis to the Task Force on Revenues and Expenditures under then-Chairman Kate Hanley.

[02:25:31] More recently, we had the line of business reviews under then-Chairman Sharon Bouliva. These provided a forum for citizens of diverse backgrounds with fiscal expertise to review the county's revenues and expenditures, sharing feedback to the board year-round outside of the annual budget process.

[02:25:49] Based on the testimony we heard from numerous citizens on the impact of the tax increases and recommendations of organizations like the McLean Citizens Association, The board should 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.

[02:26:12] This group should be comprised of constituents with demonstrated budget expertise from diverse backgrounds for purposes of providing recommendations on how the county can provide quality services in a more cost-efficient manner, provide options for revenue diversification, benchmark with other jurisdictions, review the areas the budget has grown, review programs started during the pandemic for their continued need and effectiveness, and provide options to address the reduced commercial tax base with the goal of reducing the costs of government and the tax burden on county residents and businesses.

[02:26:50] Our county executive and Office of Management budget staff do an incredible job each year balancing the county budget, finding savings, proposing greater efficiencies to the board. As staff work under direction of the board, an outside budget review group will provide a greater diversity of perspectives on the budget which may aid this board and staff in their efforts.

[02:27:11] So moved. Okay. I don't hear a second, so the motion doesn't go forward. Thank you. Okay. Any other discussion? I have Palchuk, Luskin, and Beerman.

[02:27:29] Thank you, Madam Chair. I just wanted to share a little personal perspective. I really, first of all, appreciate the budget guidance. I think it goes into what's behind a lot of the numbers and a lot of the work that's done in the county. I was looking back at the date. We were sitting here on February 18th, I believe, when we received the county executive's proposed budget, and none of us at the dais had seen that until it was put before us on our desks. It covered, I believe, close to 200 cuts.

[02:28:03] And as with some of my colleagues, and as a former K-8 teacher, middle school, after school, I think winner of being in every single club possible and as the mom of a thrilled thinking about the future I was shocked sitting here at the table and looking at some of the proposals especially the middle school after school program other impacts to working families especially working moms who really struggle to try to balance all of it in one place child care second biggest

[02:28:41] cost after housing, which has grown incredibly. Inclusion services. We know that many families, especially military families, choose Fairfax County Public Schools because we do an excellent job supporting our students with special needs. There is so much that was proposed that I know for many of us was heart-wrenching. And to go through the past three months and do the work that so many of us did, rolling up our sleeves, having conversations with residents, with staff, with each other, with community organizations.

[02:29:18] This really was difficult, but I think this was shared earlier. And as the chairman shared in his budget guidance, we can't cut our way to continued excellence, but I do think we can collaborate our way to improved excellence.

[02:29:37] And I disagree that we don't have excellent schools or that people are not moving here in businesses because of our schools is quite the opposite is what we hear across the county and from our business partners. My concern is that the schools can't do it alone.

[02:29:53] That's why I ran for this board, because the schools have a huge job, but they can't do it alone. So I appreciate that we've taken the time to try to think about transitions. I learned transitions a lot from my three-year-old. They're tough. And transitioning from our current programs over budget cuts that we saw in February, I think were the hardest pill to swallow, to understand.

[02:30:20] And I think that we've been able to find ways to do that. And my hope is to have better programming. We need to be able to ensure that we partner on the excellence, ensuring integrity and implementation of our countywide programs in such a large county, that we look at metrics and at best practices, and a lot of them are different from when they were 10, 20, 30 years ago when some of our programs were created.

[02:30:45] So to me, programs like middle school, after school, like the need for childcare, like the need to be able to streamline our process to ensure that we have housing for everyone who lives here, to continue to live here, who wants to move here and raise a family to do that.

[02:31:04] There's a lot here, and again, I appreciate that we're going to have two different ways to continue to improve those discussions, and whether it's programmatic or facilities, I don't see us continuing to make cuts that keep this county as excellent as it is, but I do see improved implementation and improved coordination.

[02:31:31] And to me, the biggest frustration, and it is when we continue to have silos, whether within our own county, our own agencies, or across our different county agencies and providers. And my hope and my wish for this is, as I said earlier, that in light of one Fairfax, we break down more of those silos. We did it during the pandemic, and I don't see us continuing to be spearheading a lot of the excellent work that we do here in Fairfax without breaking more those silos. So I know that the work that we have ahead of us that starts tomorrow,

[02:32:05] maybe we'll take two days off, starts in three days, really is to look at we do so much really, really good work. How do we make it more efficient and more effective for all our families? Thank you. Thank you. Supervisor, excuse me, Lusk, Beerman, and Stork. Okay, thank you, Madam Vice Chairman.

[02:32:23] First, I want to say I support the budget guidance as written, but I'd like to highlight some points in the first section on economic uncertainty and then later in the FY27 budget guidance sections as well. So under the layers of this budget lies a serious problem lingering from the pandemic that we as a board have to address. We must find a way to expand our commercial sector and grow our non-residential tax base. Five years of negative equalization of our office elevator properties,

[02:32:59] which are nearly a quarter of our entire non-residential tax base, have placed additional strain on our finances. Now, with more stress on our commercial and industrial businesses coming, based on what we see with tariffs and actions by the federal government, we need to consider new strategies and investments to grow our business sector.

[02:33:24] We should consider the use of reserve funds to strategically invest in the Economic Development Authority and the Department of Economic Initiatives in order to invest in the future of our commercial sector. I've seen and looked at the blueprint document, which is a great start for us.

[02:33:41] However, we need to develop an implementation strategy that defines very clearly the roles and responsibilities of each area, the Department of Economic Initiatives and the Economic Development Authority. This implementation strategy will be important in helping us bring new businesses from emerging markets.

[02:34:01] And we've heard this from our director of the Economic Development Authority, President and CEO, on quantum computing, aerospace, space technologies, and artificial intelligence. These are the areas that we need to be focusing on. We must also continue to expand and support the startup ecosystem through events and programs, many that we have underway today, including our Accelerate Breakfast program, which supports early stage companies accessing capital to grow their businesses right here in Fairfax County.

[02:34:35] If we do this, we will set our county up for success, and we will build on our economic resiliency by growing our commercial tax base and reducing what we all have said is an over-reliance on our residential property taxes.

[02:34:51] So on that economic development point, I certainly look forward to continuing to talk more about this and figuring out how we can make these changes here in Fairfax County. I appreciate the comments on the sheriff and really appreciate her testimony here during the budget public hearings and recognize the difficulty she has in trying to fill those vacant positions.

[02:35:17] And we'll agree that this is an area that will also come back to our Safety and Security Committee, and we'll do everything we can to get that towards the end of this year with coordination. And I'll be coordinating this with Tom Arnold, our Deputy County Executive.

[02:35:34] On the public defender, also agree and appreciate that we're looking at that point because it's a tough one as you're thinking about promotional opportunities for your staff and not having the ability to compensate them. So if this issue also needs to come back to the Public Safety and Security Committee, we can make that arrangement and have it on a timeline where it can be towards the end of the year or beginning of early next year as necessary.

[02:36:02] And then on the affordable housing, again, this point is so vital and important and just really do appreciate the board's position on adding additional quarter of a penny to this budget.

[02:36:18] But when we look at the issue of the cost of housing, we've got to build more housing in general. We've got to build more affordable and attainable housing for those who work here and struggle to meet the cost demands here in Fairfax County.

[02:36:37] So increasing the supply is something that's going to be so vital and so important. And this funding will be a vehicle to help us meet that goal. And then on the middle school, after school program, I just wanted to acknowledge I do appreciate this will be coming back to the board.

[02:36:57] And I just wanted to note, and I think this is implied, that it will also be coming back to the skip committee for them to have the opportunity to weigh in on this as well. I know we had a conversation at the skip meeting during our pre-budget hearings, and I thought it was helpful for us to be able to do that.

[02:37:17] So I'm assuming that that's implied. And then last on the transient occupancy tax, and I think this point came up too also in the public hearings, as Visit Fairfax is looking at how to coordinate on the use and appropriation of that funding, that they will coordinate with the park authority to think about the

promotion of facilities that are a part of the park holdings, whether that's historic, educational, recreational, and other, because I think it's an opportunity to expand the use of those funds

[02:37:54] to help cover the promotion of those park facilities as well. So with that, Madam Vice Chairman, I will conclude my remarks. Thank you so very much. Thank you. I have Supervisor Bierman, then Stork. Thank you, Madam Vice Chairman. I think also that there's a lot of good stuff in this budget guidance.

[02:38:16] I want to talk really about three specific things. I'm going to try to hold myself to it. No promises. Budget development, the school transfer, and the middle school after school program. So with respect to budget development, I think we all know that next year is probably going to be worse. We are probably going to have to find more savings and more efficiencies.

[02:38:43] And I think that this budget development document really does make light of that. It asks for things like programs that can be redesigned or enhanced through new technologies or need to be adjusted based on changing residents' needs, service demands, or may no longer align with the county's current and future priorities. It basically sends the county executive and the deputy county executives and others back to do much of the same type of work that they did this

[02:39:15] year. Although, again, it does actually talk about certain systemic changes and moving beyond just line item budget cuts. And I guess that's where, you know, he walked out of the room again.

[02:39:32] Supervisor Herity and I actually had a lot of agreement on a bunch of things in what he said. I agreed with him on the hard work of the county executive and what they had done. One thing I think that we just have a fundamental disagreement on is whether the best way to engage in this process is more internal or more external, whether it's about bringing in outsiders only or whether it should be focused more on what we do here. And in large part, I just have a very

[02:40:07] different conception of how this budget is put together, apparently, because I feel like our committees, our work throughout the year, that virtually everything we're ever talking about has a budgetary impact. I feel like our committee meetings often come back to what's the budgetary impact of this. I feel like even the budget development talking about next year and things that we want to be working on, we're sending middle school after school to the Health and Human Services Committee. We're sending the crossing guards to the Public Safety Committee.

[02:40:43] We're looking at using our committee structure to come up with and to define our priorities moving forward um i look for uh you know you can't see it if you're watching on tv but the 10 people sitting right in the front row here are all deputy county executives or budget staff except for tony who works on public affairs uh he's cool too but virtually everyone up there has at some point gotten some call from me about something budget related throughout the year and I'm one of 10. And I'm assuming you get a whole, you know, take the number of calls I do and you

[02:41:21] get 10 times that. So, you know, their phones must be ringing off the hook. You know, when we think about budgetary impacts, you know, we've heard, for instance, about the development process. Well, at the last audit committee meeting, we talked about potential audits for next year. And one of the things on the audit committee was looking at development timelines. So to me, these are things that we are doing throughout the year and we can do them better. We definitely can. In fact, I see someone in the room today who, when he testified, pointed out that he felt that employees did not

[02:42:00] have enough role of a role in figuring out what some of these budget reductions should look like. And sure enough, right here, it is important that employees have an opportunity to provide their input. And we direct the county executive to try and figure out how this process is going to also include more employee input.

[02:42:23] You know, and back also just one other thing, and I'll try to get to the next topic. But when we talk about just line items, systemic things, I mean, if you look at, for instance, some of the things that Fire and Rescue did this year. We talk about the things that made it back in, but there were certain things where we changed staffing mixes.

[02:42:43] We changed the way we were doing things to try and find better efficiencies and things that made more sense for our spending. Those weren't just, frankly, line item cuts. They were bigger than that. And good work to our deputy county executive, Tom Arnold, who I know worked on that.

[02:42:58] Himself, a former firefighter. So I think that this budget guidance is really important because it continues to build on what we've done the last two years. Now, I want to talk a little bit about the school transfer this year. And I have found a lot of the rhetoric and a lot of the discussion about this school transfer to be deeply, deeply frustrating.

[02:43:24] And I think there is unanimity on this board that we are all kind of frustrated with how this went. We sat at a meeting back in November and we looked at our revenue projections and we looked at what the schools might be asking for based on projections back in November.

[02:43:47] And we said, this is kind of a high watermark. And by the way, we were conservative on that. We actually did a little bit better, but this isn't going to work this way where this is not, there's a gulf here and we need to close it.

[02:44:06] And absolutely nothing happened between that meeting and the start of the budget process. Instead, the rhetoric got out there that the Board of Supervisors doesn't care. That's wrong. We do care.

[02:44:22] We're, in fact, providing a \$119 million increase in the school transfer over last year. We do care. In fact, we are providing a school transfer that would allow the school board and, frankly, will allow the school board to make targeted raises in the job classes and the areas where it feels it really needs to do it. There is a lot of flexibility in this budget. What our budget guidance says and what our budget and what the budget markup motion talked about is a fair and

[02:44:59] equitable strategy. We share revenue increases on both our side of the table and their side of the table. We go into this together. 51% of the budget, 51.5% goes to the schools. We are working hard on this to also provide for our schools. And the rhetoric that's been out there by certain members of the school board, by the superintendent at times, by certain teachers has been completely

[02:45:32] off and completely unhelpful. I think that on page 12, such funding requests which ignore revenue projections and the potential impact on our taxpayers provide no benefit. We have to do better. And I go back to that meeting. I went and watched it just the other day, and Supervisor Alcorn asked the superintendent, he said, we're asking for departments to come back with reductions.

[02:46:09] Has the school system undertaken anything similar, and if so, could you describe that? November 28th. And the superintendent said, well, one of the things we've done the last two years is not gone to departments with any new program asks. There have been no new initiatives or new programs.

[02:46:26] We are certainly looking at efficiencies in the budget. The board directed that work. A budget cycle will go, and therefore we're working with the Baldrige process and really trying to identify efficiencies and align our work to our resources, which should support a more thoughtful budget process moving forward.

[02:46:44] So this year I asked a budget question. Go check out question C23. What have you found through the Baldrige process? And if you read the answer, the answer was essentially admitting that the Baldrige efficiency review hadn't yet happened, that there would be a Baldrige award application forthcoming, and that results culminating in recommendations would happen in the spring of 2026.

[02:47:08] That's not going to work. That's not how we should be doing this. We should be working together to try to come up with creative solutions within the constraints of our fiscal reality.

[02:47:25] And the last thing I want to talk about, and really, I am going to stick to my three things, was middle school after school. Middle school after school is a great program. I think we all know that. It's a great program. It's also funded out of the Neighborhood and Community Services budget to the tune of \$4 million a year.

[02:47:46] It is administered by the schools. It's not administered by us. And this year, a proposal was to try and find a way. Well, frankly, the proposal was cut it. But then a bunch of us talked about trying to find a way to make it more fiscally sustainable.

[02:48:04] And we started talking about a fee program. And frankly, I know Supervisor Lusk mentioned some of his challenges with a fee program. And by the way, I don't think a fee program is necessarily better, but it's a matter of fiscal sustainability. And throughout this process, again, not everybody talked to some members of the school board who were ready to roll up their sleeves and get to work.

[02:48:27] But some people said, absolutely not. That changes the program. That kills it. It's done. And that just isn't useful. It's not useful. The fact of the matter is that we, again, need to get creative.

[02:48:47] We need to figure out what we can do. We need to potentially restructure some programs. Now, that money comes out of the Neighborhood and Community Services budget. And this year, there was a cut in the Neighborhood and Community Services budget that directly affected my district and that directly affected people and that I didn't necessarily like.

[02:49:08] But I accepted it, or I didn't fight it, because I thought ultimately it made sense based on the data that we had. That was closing down the Pimmit Hills Senior Center. There are lots of really good people who go to the Pimmit Hills Senior Center.

[02:49:26] They like the Pimmit Hills Senior Center. It is their senior center. But with the Pimmit Hills Senior Center, we had seen 13,000 visits a week pre-pandemic. During the pandemic, the Pimmit Hills Senior Center shut down. And when it reopened, we were only seeing 4,000, sorry, 13,000 visits a year.

[02:49:47] Sorry. Only seeing 4,000 visits a year. At the same time, we have another senior center, which is 1.1 miles away, the Lewinsville Senior Center. And at the same time, we are building, based on prior plans and the developer preference part, a Tyson Senior Center, which will also be close by.

[02:50:07] It's open. There we go. So my point, my point is that for those individuals who will now have to choose to go to a different senior center, things will be different. It won't be as good. I know it won't be as good. I don't feel good about it not being as good.

[02:50:28] But when the data presents itself and there's an opportunity to be a little bit more fiscally responsible in a time when we are forced to make these hard choices, you have to make those hard choices. And that's the same pot of money that middle school after school comes out.

[02:50:49] At my first town hall, I took an earful over the Pimmitt Hills Senior Center. I will tell you, the middle schoolers were a lot more polite about their program than the earful I took at my first town hall about the Piment Hills Senior Center. But ultimately, we make the tough choices based on where we are at.

[02:51:13] And my hope is that going forward and that next year, we all, on all sides, all sides of the county, all of us, are trying our best to figure out how we're going to make those choices and not simply starting from a starting point of if you don't do every single thing that we want, you guys don't like education because that isn't going to work. Anyway, thank you.

[02:51:49] Thank you. Supervisor Stork. Thank you, Madam Vice Chair. And on that point, I'm going to pick up one piece that Supervisor Beerman just brought up, which is tough choices are what we do and what it's about it's not just tough choices that staff presents to us.

[02:52:11] It needs to be tough choices that we initiate, we identify, whether it be on the revenue side or the expense side. And those tough choices have to do with the whole process that we use to create the budget. And I start with the county executive and his staff, and I thank them for their work in putting these together and the tough choices that we don't always see that they're working through.

[02:52:35] And some of them we hear about, but many of them are not as visible to us as the things that were actually in the, if you will, the cut list. That's important. Those things matter. And the core of that, in my mind at least, is that the board needs to get and be more engaged in that process.

[02:52:54] And I very much appreciate that in this budget guidance, there's additions to that process that I think will ultimately help us to be more effective, efficient, more targeted. And specifically when we discuss looking at revenue review, doing reviews that should specifically focus on programs that should be redesigned or enhanced, new technologies that can impact positively that, changing residents' needs, services, and demands, and accounting priorities.

[02:53:25] Those are all critical things that this board, I believe, needs to be engaged in more earlier on. There's things that don't align with our current and even our future priorities. And those are critical things, I think, that we need to have conversations about early on.

[02:53:43] And those are things that aren't something that I think is the wrong way to do it, because I've been there, not only when I first got on the board in the process that was used for the line of business review. That was a fantastic learning experience.

[02:53:59] I really loved all that I learned. But I go back and I look at what we actually implement, what we actually change, how we affected the budget. And I have a hard time identifying anything that was that dramatic or significant.

[02:54:15] Great learning opportunity helped me to understand and maybe helped me be a more effective, better supervisor, but don't see the specific outcome. I've been in corporations where they've done these wide-ranging corporate reviews. They bring in outsiders. pay tens of millions of dollars for their expert advice and instruction or guidance.

[02:54:35] And in the end, it comes back down to our employees themselves and what they know in many ways how we can do things better. And I, again, appreciate that that's in this guidance. So those are a couple of things I think can make a difference for us.

[02:54:51] But the core of that is the board needs to be early on in this process. We need to systematize this. We need to, frankly, find a way to integrate us earlier on in that process. Of course, with staff giving us the tools and the back-end support to help us understand what kinds of conversation we're having, what it means, and whether or not it's truly significant, whether it's positive or negative.

[02:55:16] So I strongly support that. I think it can make a real difference for us. That synthesis is where we can, I think, truly achieve some of the objectives that we have that we identify as this part of the budget guidance here. Being on the audit committee, chairing the audit committee, I think, and I know our colleagues here are with me on that, we see, when we take a deeper dive in some of these programs, we see there's real opportunities there.

[02:55:42] We saw it with the EMS billing. We see that there's millions of dollars that we think we can do better, and we're proposing, and I think there'll be some things introduced as part of that. But there are many other areas, and as my colleagues know, and I will be bringing forward at a later time, I think we can do more to enhance and improve our audit process with additional staff that can generate literally \$5 to \$10 for every dollar that we spend there.

[02:56:09] On revenues, diversification does matter. I talked about that earlier. The number one opportunity we have to diversify our revenue is to get the state to, frankly, give us our dollars back, Give us at least a portion of those dollars back.

[02:56:27] The income tax is the most fair form of taxation, progressive form of taxation. One percent more means that we can reduce our real estate tax rate by 25 cents. There's no bigger bang for the buck than that. And those revenues are things that we generate from the efforts and successes that we've had in Fairfax County that percolate and permeate the rest of the state in terms of their ability to do their budgets.

[02:56:53] I know that we are clearly the engine of success in Virginia, and how we're going to stay there, how we're going to have to keep working to do that is critical. And that's a lot of what the blueprint for the future talks about and one I think we're going to be talking a lot more about.

[02:57:11] We can do this, but we know we're facing some really difficult challenges in that process. I thank my colleagues for the opportunity to really share and connect and put this guidance together because I think it puts us in the right direction.

[02:57:27] Now the toughest part of it all is to implement it, actually make it real and make it work. Thank you. Thank you. Supervisor Alcorn. Thank you again. Just very quickly, there have been a lot of good suggestions put out here. I do want to point out some of them.

[02:57:44] We need more discussion in these committees. including some of the ideas put forward by Supervisor Harrity. And I do look forward to having very open and thorough discussions with Supervisor Beerman about some of these items as well.

[02:57:59] So we have a lot to look forward to. Thank you. Thank you. Chairman McKay. Thank you very much. I'm going to be really brief because every word in this budget guidance is a word I support or I

wouldn't have moved it. But I do want to thank my colleagues for their input, including a lot of input over the weekend.

[02:58:16] I do want to, though, address a couple things with schools that some of my colleagues have. And I think it's important because the middle school after school program, you know, the first instinct when that reduction was in here of schools was they told me it's gone.

[02:58:33] You don't fund it. We don't do it. And then they told me how vitally important it was. And so, you know, there is a disconnect here. And it's troubling because we talked about the lack of state funding, \$569 million hold for schools.

[02:58:51] This board didn't say, sorry, we're not going to do anything about it. Actually, this board stepped in this year with \$120 million, \$119 million more for schools. And so this attitude of something that's important to you, if it's not completely funded, we just call it quits and walk away, is a really bad message to send to the community.

[02:59:13] And so we immediately started in conversations with schools about how can we right-size this program moving forward. And again, it was, if it's not fully funded this year, we really can't do anything about it. So that's what the buying time is here. I hate that it was in the cut list because it caused a lot of fear in a lot of people in the community.

[02:59:33] But I also like that it was in the cut list because, as someone else said, we learned a lot about it. And I'll say as one person, I learned a lot of troubling things about it. It was troubling to me how long it took us to get data. It's troubling to me how very different this program is from middle school to middle school, which I personally find a violation of our One Fairfax policy.

[02:59:57] It's troubling to me how hard it was to get metrics. And as a middle school parent, it was troubling to me to learn about some of the things about the program and the accounting for students.

[03:00:13] And the first thing we got from schools was 29,000 kids affected. completely misleading to what the program is. I wish it affected immediately 29,000 kids, and I wish 29,000 kids were in this program, and I wish 29,000 kids went to this program religiously.

[03:00:31] But the facts of it are very different. So there's things that need to be improved here. We can serve more kids. We can have a more robust program. We can make sure that the kids originally targeted by this program are still considered strongly in this program and targeted to make sure that those interventions and healthy habits are formed.

[03:00:50] We learned one other thing about middle school after school. I think that the community learned, and particularly the schools learned, is that there are a ton of things in this county budget that nobody in the schools thought were in the county budget, but thought were in the school's budget.

[03:01:06] Let me name a few. The debt service payments for school capital in our budget. Schools crossing guards in our budget. School resource officers in our budget. The SAC after school program in our budget.

[03:01:24] 100% of the school health nurses in our budget. Middle school after school program in our budget. All the things that are funded by the county that support the schools. And so anytime someone talks about underfunding the schools, it's hard to take.

[03:01:43] It's really hard to take. Because this board in this county does more to support our school system than any other county out there. And as I said before, if it weren't for this county board, our school system would be a shell of the excellence. It is today. If it relied on state funding, it would be a shell of the excellent. In fact, it is the school system. It is because this board of supervisors every single year increases the amount of transfer to the schools. What happened this year was unfortunate because the transfer

[03:02:18] amount was nowhere in the universe of the data we had been presenting to the schools. And I want to defend one thing that happened with the schools and collective bargaining because I learned this. And this is unfortunate and I think something that has to be looked at moving forward. As you've heard many mention, the collective bargaining agreement was agreed to in October, the end of October.

[03:02:38] A month later, we shared with the schools that we were projecting a \$300 million shortfall. And I asked, well, what happened in that period of time? I mean, couldn't we have gone back, refined the collective bargaining agreement, maybe changed the ordering of it, and instead of a 7% across the board increase to everyone, and maybe we look at strategic areas of school personnel that should get 7% and deserve 7%, or maybe we need to look at reordering the years of the collective bargaining agreement so the highest percentage doesn't come first in a year that we have a \$300 million shortfall, but maybe it comes later.

[03:03:15] And the legitimate answer I got from them, which I think is something we need to think about, is they told me that legally they couldn't reenter those conversations because that instance was not a trigger to go back to the conversation. And if your principal funding partner is projecting a \$300 million shortfall, we need to look at what triggers the conversation to go back and happen again because we could have had a much more productive, schools could have had a much more productive conversation with the teacher unions on reconfiguring the collective bargaining agreement so that it could be fully funded this year.

[03:03:54] And there was a legal reason why that couldn't happen. And I think that's something we need to think about with collective bargaining. This is the first time we've done this. And you learn things through that process. I still believe that the transfer this year, because of the size of it, is absolutely going to be sufficient to provide substantial pay increases for all, every FCPS employee, if that's what schools choose, or an even higher percentage if they choose to fund certain positions over others.

[03:04:24] It will allow for a sizable increase, and I believe the language of, in spirit, not to the letter of the wall, but within the spirit of a three-year collective bargaining agreement, I find this transfer to be in compliance with that, even though it's not to the letter.

[03:04:41] And so there are going to need to be adjustments made. I wish those adjustments could have been made before we were sitting here, but I understand the process that they had. I understand the legal challenges that they had. But, you know, we just adopted a meals tax a few minutes ago, and 51% of that is automatically going to go to the schools.

[03:05:01] We forget about that because 51% of all of our revenue plus, 51 plus, goes to schools in the transfer. And so next year, the meals tax revenue is a part of that revenue. And somebody asked me, well, what will the school board get out of it? They're going to get more than half of the meals tax that we just adopted in years moving forward.

[03:05:22] And that's the type of partnership that we have with them. And I hope we can turn down the temperature on some of the things that have been said. Because it is a disservice to our community to suggest that this board is underfunding schools. And I say that as a parent of two FCPS students, a product of FCPS, the brother of a public school teacher, the son of a former public school teacher.

[03:05:49] Education is in the core of my family's bloodstream, literally. And we support every single thing the schools do. And I always tell folks, if you want to improve your day, go spend some time talking to the young people in our classroom who are bright.

[03:06:06] Talk to the teachers who work their tails off every single day. And it is a complete disservice to them to suggest to them that there's a collective bargaining agreement signed that they plan off of without also very clearly explaining to them that in the Commonwealth of Virginia, it is only legally allowed, subject to appropriations.

[03:06:28] And we had a \$300 million shortfall, and the schools continued to tell their folks, everyone's going to get a 7% pay increase. And so with this transfer, the schools can do a higher pay increase for their employees than county employees this year. But somehow that's under funding the schools. It's the largest increase of anything in our budget, and it's going to schools.

[03:06:51] And so we are not the underfunders of public education. The state is. We are, in fact, the salvation for the school's budget in coming in with as much revenue as we possibly can, \$120 million more dollars, \$119 million more dollars in one year to help fund the hardworking people in FCPS.

[03:07:11] And so my hope is that the school board will take every penny of this transfer increase and apply it to pay for their staff and come as close to the spirit of the collective bargaining agreement that they can, and that we provide better mechanisms moving forward for revisiting components of it based on very real revenue projections, because it is not a service to the teachers and hardworking staff to tell them what they're going to get before we even know if the revenue is going to be there supported.

[03:07:42] And that is troubling and should be troubling to all of our staff. We certainly do that with our county employees. When the county executive releases his budget, what's in there is compensation for county employees. And every county employee knows that that compensation doesn't become real until this board adopts its budget.

[03:07:59] It's a proposal at that point. And finally, as the budget guidance points out, we had a very successful negotiation with public safety. And it was because those conversations were built around what was the art of the possible.

[03:08:16] How can we come out of collective bargaining supporting all of our employees, but also making sure that the revenue would be there to support the agreement? And that's how it should work. And my hope is that how it works in the future and can show, you know, this board's continued overwhelming support, not just of FCPS and their budget, but of all the programs that we provide that are essential to a good public school system, the ones I mentioned, but also even the restorations that are throughout this document, are restorations focused on helping our youth and helping our youth perform well in school.

[03:08:54] And that is an important role that we play on this board and part of the balance that we have to strike every single year in our budget. Lastly, I thank all my colleagues for their input in this guidance, including the folks like myself who worked all weekend on it, and we got some comments back from

people over the weekend, making sure that we could put together the most inclusive document of all the things we've talked about possible, and I hope that we follow through on this over the course of the next year, every word of this.

[03:09:24] Thank you. Okay, I'm going to call for a vote on the budget guidance. All those in favor, say aye. Aye. Anyone opposed? Herity Day. Any abstentions? That motion carries, Mr. Chairman. Thank you very much, Vice Chairman Smith. We have one additional item, which is the approval of the FY2026 to FY2030 Capital Improvement Program with future fiscal years to 2035.

[03:09:46] I move that the Board approve the FY2026 to FY2030 Capital Improvement Program with future fiscal years to 2035 with the following four amendments. One, direct staff in the Department of Transportation to continue to prioritize setting aside a portion of the funding allocated for the bicycle and pedestrian access program as part of the next year and process to augment and enhance safety measures that prioritize intersections, sidewalks, and bikeways near metro stations and other activity centers.

[03:10:18] Two, direct staff to review and update the existing maintenance backlogs, review the categorical funding, allocation of the sinking fund, and consider future funding strategies and other available resources to begin to address the current maintenance backlogs. Additional strategies may be necessary to ensure the progress that the county has been making is not lost and to mitigate the potential risk associated with economic uncertainty.

[03:10:43] Three, and this is one that's been referenced several times earlier today, direct staff to postpone actions to request construction bids and pursue financing for the judicial annex for at least one year. Although this new 150,000 square foot facility is anticipated to be a valuable addition to the judicial complex, providing expanded space for a number of county agencies and programs, the projected debt service requirements for FY 2027 are concerning given the fiscal climate. Staff is encouraged to use the additional time to scrutinize the design

[03:11:19] for the new facility to determine if there are any potential cost-saving adjustments. And then finally, I move that we make all necessary adjustments to reflect actions taken during the Board's decision on the FY 2025 third quarter review and the FY 2026 adopted budget plan that impact the CIP. I'll second that motion. Any discussion? Supervisor Pelchuk? Madam Chair, Thank you.

[03:11:43] Just a clarification question, if I could, with either Christina Jackson or Phil. Although the language for the judicial annex does say for at least one year, my understanding is just to have that flexibility and that the intent is to revisit it next year. But if you could please confirm or clarify.

[03:12:02] Christina Jackson, county CFO, that's correct. You know, our intent is to revisit this when we're putting together the CIP for next year. But depending on what the construction environment looks like, the interest rate environment looks like, We wanted to just give ourselves the flexibility in order to come back to the board and ask again whether or not we want to defer it as part of next year's process.

[03:12:21] Thank you. I appreciate the clarification. Supervisor Herity. Yeah, I'm happy to see the deferral of, and I'll be supporting the CIP package, but I'm happy to see the deferral of the judicial annex. We're obviously sitting on a mostly empty police station, and I know that wouldn't happen here but the the fiscal pressures next year are going to be pretty obvious and I do appreciate the line in here mr. chairman about about looking for cost saving adjustments and I hope that during this delay we look at some of the things that I talked about earlier prevailing wage and project labor

[03:12:58] agreements which staff said add 10 to 15 percent to the cost of a project the move from lead gold the solar which staff said adds 6 to 10 percent to the costs of a project and that's according to our own staff that this would increase project costs 16 to 25 percent I know in my district Fairview fire station and this is according staff at 1.5 million dollar increase which was about 10 percent of the cost just to go from lead silver to lead gold that's 1.5

[03:13:34] million that I don't know and the payback on that's over 45 years in terms of the energy savings so I just I don't understand it with those two things alone would be 37 million on this 185 million dollar project 37 million and those are from decisions we made as a board without looking at the fiscal impact our operational energy strategy is not fiscally constrained and sustainable down not to mention our own land use regulations and all kind of stopped there but I I hope we go back and take a look at those as we move

[03:14:14] forward and look for ways to save save money on this project thanks thank you seeing no further discussion all those in favor of the motion please say aye anyone opposed any abstentions that motion carries mr. chairman thank you madam chair I want to close by by doing what others have done but I want to do it as chair of the budget committee who worked with these folks so so closely over the past couple weeks but really throughout the year and that is of course, thanks to our extraordinary budget staff and all the folks that they reach out to for information, because I know, you know, they're also calling a lot of people to track down

[03:14:51] information, and how quickly they can respond to our budget staff is much appreciated. All the extra hours that went into the work that you do, and contrary to what some think, I know that while this is these weeks leading up to markup are intense. I know that this work is all year and that contrary to what has been said, you don't take a few days off and start working on next year's budget in a few days. That was wishful thinking. We know you've been working on next year's budget already for months. And that's just the reality of our budgeting situation and the

[03:15:26] work that's done. I also want to thank the folks from Channel 16 covering this meeting, but also all the extra hours covering all of the budget testimony that we heard from the community making sure that was documented the clerk's office who is on this ride with us constantly putting in the extra time a lot of late nights as well and then of course my colleagues for your input through this budget process every budget has its own personality and the collegiality of this year's process I think spoke volumes and the help that you provided in some of

[03:16:03] the language and decisions that were made ultimately in the document that could secure a nine-to-one vote I really appreciate that it's overwhelming and not something that happens in every jurisdiction and then lastly of course to the public who put in a lot of time and effort not only writing to us but showing up we have committees citizen committees that opined on the budget we have individual groups all throughout this county regular citizens who actually literally play a role in our budget decision every year so in terms of deep dives they're doing deep dives just like we are constantly into the

[03:16:41] budget and so I do want to thank the public for that and all the correspondence that my office received as I said earlier the quality of the public input this year while it was voluminous what was excellent so was the demeanor in the way in which the public transpired or the public process transpired through our budget process I think was signature professional respectful Fairfax which is what what we want to see here and so with that I am going to say that brings

[03:17:13] this to the end of our board meeting of May 6 2025 and as the board knows next week we will do formal adoption of this budget but we will not go through everything that we just went through here so thank you for sharing your thoughts today it will be a few minute process not a few hour process a week from Tuesday and with that our board meeting of May 6 2025 is adjourned



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