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Fairfax County Board of Supervisors Meeting, Tuesday, April 28, 2026

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[00:00:06] Good morning, everyone, and welcome to our board meeting of October, I'm sorry, October, April, April 28, 2026. And as the board knows, we only have one agenda item today. But before we go to that agenda item, we are going to begin this meeting, as we always do, which is with a moment of silence to be followed by the Pledge of Allegiance.

[00:00:29] And before I ask those who are able to rise, I do want us to keep in our thoughts and prayers Senator Mark Warner and his family. As we all know, it's with profound sadness that we learned the passing of Madison Warner, the daughter of Senator Mark Warner, at the way too early age of 36. And Madison passed away after a decades-long battle with juvenile diabetes and other health issues. And this, obviously, is a very difficult moment for the senator and his wife, Lisa, to be

[00:01:04] in this position as parents. And we want to extend our heartfelt condolences to Senator Warner and his family. And I will mention that since the very first day I met Senator Warner, he's been talking about and advocating for cures and treatment for juvenile diabetes. And this hits personal for him, but I think it's just another tragedy, unfortunately, in a series of tragedies we've had in our community lately. And if we could keep Mark Warner in our thoughts and prayers, that would be appreciated by by me and I know he would appreciate hearing that from residents of Fairfax County during this tough time and if there's others

[00:01:44] who would like to be recognized for remembrances let me recognize Supervisor Jimenez thank you Mr. Chairman I'd like to take a moment to recognize the passing of John H. Hawes a longtime resident of our community in Mason district who passed away on April 3rd 2026 at the age of 84 Mr. Hawes lived a life defined by public service, intellectual curiosity, and a deep commitment to education.

[00:02:07] A graduate of Princeton University, John went on to serve our nation for three decades as a Foreign Service Officer with the United States Department of State. His work took him across the globe, where he played a role in advancing diplomacy. Following his distinguished federal career, Mr. Hawes continued his service closer to home as an educator in Fairfax County Public Schools.

[00:02:28] At Annandale High School, he inspired students through the International Bachelorette Program, earning recognition as Teacher of the Year and leaving a lasting impact on countless young people, including some of who worked alongside him after graduating.

[00:02:45] I would like to extend our county's condolences to his family, friends, former colleagues, and students. His legacy of service and education will continue to benefit our community for years to come. Thank you, Mr. Chairman. Thank you, Supervisor Jimenez, for that announcement. Seeing and hearing no other board members, if all who are able to, could rise for a moment of silence to be followed by the Pledge of Allegiance.

[00:03:08] And as I mentioned earlier, this meeting of the Board of Supervisors is for our budget markup for fiscal year 2027.

[00:04:04] And as the board knows, there are a number of actions that we'll be taking this morning, and I ask everyone for their patience with me. There's a lot to read here. Everyone should have the package in front of them. And we'll begin with the approval of the FY2026 third quarter review.

[00:04:20] And at this time, I am going to hand the gavel to Vice Chairman Smith, as I'll be making a number of motions. First, the FY2026 third quarter review, as advertised, included previous balances of \$52 million and recommended revenue spending and reserve adjustments totaling a net of \$50.3 million, with a majority proposed for investments in capital paydown, information technology projects, and support for the county's parks.

[00:04:49] The advertised budget included a net balance available to the Board of Supervisors of \$1.7 million, roughly. The board utilizes this balance to provide additional funding to the county's Reserve for Economic Uncertainty, which was established as part of the FY2026 budget to respond to changing economic conditions.

[00:05:10] I would further add that this reserve is not only for further economic conditions, but obviously to address a lot of the chaos that is happening in Washington, D.C. This action reflects our commitment to maintaining fiscal resilience and ensuring that the county is prepared to respond to potential revenue fluctuations or emerging needs.

[00:05:31] And so you can see in the chart there, the FY2026 third quarter board adjustment sends the entire remaining balance into our reserve for economic uncertainty. Therefore, I move approval of the FY2026 third quarter review, including approval of Supplemental Appropriation Resolution AS 26190, an amendment to the Fiscal Planning Resolution AS 26901, which include the revenue expenditure and transfer adjustments, grant awards and adjustments, and associated reserve adjustments contained in the counties and schools' third quarter review, dated March 17, 2026,

[00:06:11] and the appropriation of \$2 million from the fuel reserve as recommended in the add-on package dated April 16, 2026, and the board adjustments listed above, which result in a net balance of zero. I'll second that motion along with Supervisor Palachuk.

[00:06:28] Discussion on the motion, Mr. Chairman? No discussion. I would just suggest that, you know, again, this is sending the remaining balance, which is small, into our reserve for economic uncertainty, and clearly, I think we all know we're living in extraordinarily uncertain times as we deal with not only the chaos in Washington, D.C., but rising fuel costs, inflationary, and tariff impacts on so many residents in Fairfax County, and this is a proven action, and I'd appreciate the board's support.

[00:07:01] Thank you. Supervisor Herity? Well, I just know it's not just the \$1.6 million. There's a whole list of spending items that the county executive, the only change that's being made, which I support and I like, is the \$1.6 million.

[00:07:18] Correct. So I just want to make sure taxpayers know that there is a list of spending besides just taking the \$1.6 million that's left over and putting it there. Right, and, of course, that was reflected in what I read. Okay, seeing no further discussion, all those in favor of the motion, please say aye.

[00:07:36] Aye. Anyone opposed? Parity, nay. Any abstentions? That motion carries at a 9-1 vote. Mr. Chairman. Thank you very much. At this time, we move into the FY 2027 budget markup, and I will outline and move approval of the budget proposal.

[00:07:53] This package begins with a balance of \$23.17 million, which represents the balance included in the advertised budget, and no adjustments impacting this balance were recommended in the county executive's add-on package which was sent out April 16, 2026. And I'm going to begin with adjustments recommended by the board. The board appreciates the diligent and disciplined approach taken by the county executive in developing the FY 2027 advertised budget plan under challenging circumstances. The continued economic and political uncertainty created by the

[00:08:28] current federal administration has made long-term planning more difficult for residents, businesses, and local governments alike. Despite these headwinds, the county executive put forward a balanced budget that does not require an increase in the real estate tax rate. Navigating these challenges without raising the real estate tax rate has required a fourth consecutive year of agency budget reductions, with this sustained effort to control costs now totaling approximately \$124 million. In addition, the proposed budget included a comprehensive review of fees, such as those in our land development process.

[00:09:06] At the same time, the board appreciates the emphasis on our workforce with fully funding of the collective bargaining agreements with the county's three unions and equitable increases for non-represented employees that include pay scale adjustments to maintain internal equity between the S, M, and A scales.

[00:09:25] We also value the investment that this budget makes in our facilities, recognizing both the importance of safe, well-maintained infrastructure today and the need for continued investment in the years ahead. The proposed budget allocated just over 51 percent of the county's budget, or over \$3 billion to the Fairfax County public schools. The state has yet to finalize its budget. However, we remain optimistic that our state partners will step up to the plate and increase their support of K-12 education. In addition to operating support, the county's

[00:10:00] budget strengthens our investment in schools infrastructure, reflecting our shared challenges of aging facilities and deferred maintenance. Continued collaboration on capital planning and facility renewal will be essential to ensure both county and school buildings remain safe, functional, and able to support the wide array of services our residents and students rely on.

[00:10:22] The board's markup to the FY 2027 budget builds on the county executive's proposal to reducing the real estate tax rate by a further quarter penny from the current rate of \$112 and a quarter penny per \$100 of assessed value to \$112 even per \$100 of assessed value. At the current tax rate, the impact on the average real estate tax bill would have been \$357. With this rate reduction, the average increase is reduced to \$337. The board is acutely aware of the financial pressures and

[00:10:59] uncertainty many residents continue to face and believes it is important to moderate the impact on homeowners where possible. This reduction is made possible in large part due to the impact of the food and beverage tax on the county's budget, which has begun to deliver on its intended purpose of diversifying our revenue base, lessening our reliance on the real estate tax, and allowing some of the cost of county programs to be shared by visitors, commuters, and others who spend money in Fairfax County, but do not pay property taxes here. In developing this markup package, the board also carefully considered the concerns raised by residents about several programs that were

[00:11:39] recommended for full elimination. We recognize that achieving the necessary savings in this budget involves difficult choices and that these reductions are not without pain for the communities and individuals who rely on these services. However, in response to community input and with a focus on aligning resources with actual utilization, the board is partially restoring funding for four programs, \$250,000 for the low and moderate income home repair pilot, \$200,000 for the contract providing a part-time preschool program, \$130,588 for home-delivered

[00:12:18] meals, and \$310,000 for the Be Well program. These targeted restorations will allow these programs to continue in a right-sized form while still operating within a more efficient footprint. Where reductions remain, such as for our community centers, the board expects that staff will work with our nonprofit partners to ensure a seamless transition of services.

[00:12:41] The board is also deferring by one year the planned realignment of transition services provided to high school seniors with individualized education plans who are leaving FCPS and moving into adulthood. While these services remain more appropriately aligned with FCPS, This change will now be implemented as part of the FY 2028 budget rather than the upcoming fiscal year.

[00:13:07] This deferral will provide FCPS with additional time to prepare for and assume this function, ensuring a smooth transition for students and families. Two of my recent board matters directed staff to advance the board's priorities related to economic competitiveness and attainable housing.

[00:13:26] The recommendations emerging from these initiatives will require additional staff capacity to implement. To support the Housing Task Force and related work, the Board is creating one new position in Land Development Services, LDS, funded entirely by LDS revenues with no cost to the general fund.

[00:13:45] In addition, one new position will be added to the Department of Economic Initiatives to support the county's economic competitiveness efforts. The cost of this position will be largely offset by abolishing a vacant position in the Office of the Commonwealth's Attorney, reflecting the Board's

continued commitment to aligning resources with priority initiatives while minimizing the impact on taxpayers.

[00:14:09] Affordable housing remains a major priority for the Board of Supervisors, and we continue to take deliberate steps toward our goal of a minimum of 10,000 new affordable homes. As part of this markup package, the board is allocating the equivalent of additional quarter penny on the real estate tax rate, or roughly \$8.8 million to affordable housing.

[00:14:30] This brings our recurring baseline investment in affordable housing to a penny and a half on the real estate tax rate or \$52.7 million, providing a predictable, ongoing investment in affordable housing and reflecting our commitment to sustained progress on this critical community need.

[00:14:52] The remaining balance of \$4,676,495 is allocated to the Reserve for Economic Uncertainty. Given the continued volatility and unpredictability associated with the current federal administration and broader economic conditions, the Board believes it is prudent to bolster this reserve as a safeguard against potential revenue shortfalls or emerging expenditure pressures.

[00:15:21] Strengthening the reserve for economic uncertainty enhances the county's ability to respond quickly and responsibly to changing circumstances while helping to preserve critical services and maintain stability for our residents, businesses, and employees.

[00:15:38] And everything that I've just outlined, you can see in the chart, which shows you all the adjustments that are being made. And as a result of these changes, we have a balanced FY 2027 budget. This budget includes other tax and fee adjustments, including decreases to the following taxes.

[00:15:56] A decrease in the Route 28 Highway Transportation Improvement District tax from a rate of \$0.12 to \$0.105 per \$100 of assessed value. A decrease in the Phase 2 Dulles Rail Transportation Improvement Tax District from a rate of \$0.14 to \$0.12 per \$100 of assessed value.

[00:16:16] Increases are included in land use, refuse, and sewer charges as follows. an increase in the refuse collection fee from \$610 to \$630 per household, an increase in the refuse disposal fee from \$90 to \$98 per ton, an increase in the sewer service charges from \$9.33 to \$9.88 per 1,000 gallons, an increase in the sewer service base charge from \$5,262 to \$55.78 per quarter, an increase in the sewer availability charge from \$9,218 to \$9,398.

[00:16:55] Taxes and fees in the FY2027 budget that remain unchanged include the leaf collection rate, which remains at \$0.019 per \$100 of assessed value, the stormwater sewer services tax district, which remains at \$0.0325 per \$100 of assessed value, The Phase I Dulles Rail Transportation Improvement District Tax, which remains at \$0.09 per \$100 of assessed value.

[00:17:26] 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.

[00:17:41] Therefore, having provided public notice and conducted a public hearing as required by Virginia law, I move approval of the FY 2027 budget as advertised with the changes included in the add-on package dated April 16, 2026, and as outlined above, and required managed reserve adjustments.

[00:18:03] The tax and fee adjustments become effective on and after July 1, 2026, unless otherwise noted. These actions result in a balanced budget for FY 2027. I'll second that motion. Discussion on the motion, Mr. Chairman?

[00:18:21] Thank you very much, Vice Chairman Smith, and I may have further discussion later, but I do want to thank the public and members of this board for their participation in this year's budget process. As folks know, we heard from thousands of people, certainly I did across the county, and this budget reflects the lion's share of those interests that we heard throughout the process, whether that was in sustaining some of the core programs that were reduced in the county executive's budget, or whether that was to reduce the tax rate, which this budget does by a quarter of a penny.

[00:18:59] I would say that, you know, budgets are, we often look at budgets as a statement of our values, and I feel strongly about that. But I also believe that as supervisors, it is our role to vote on budgets in their totality.

[00:19:15] And so I will tell you, and I've told my colleagues and others this, that not everything in this budget do I agree with. But that's not really what the question is. It's not whether you agree with everything in this budget. It's whether this budget in its totality, does that reflect what we consider to be the will of the residents that we support.

[00:19:35] And I believe it does that, both in balancing a reduction in the tax rate, but also looking for structural savings within the county budget, which this clearly does, and most importantly, sets aside money in reserves in Fairfax County, which are all completely and totally funded due to a lot of work by this board over a lot of years to get to a point where our reserves are fully funded.

[00:20:03] And anyone who pays attention to what's going on in the news understands that there's potentially no place further impacted in the country by what's happening in Washington, D.C., than Northern Virginia. And if you look at what's happened in Maryland and D.C. with their credit ratings, we take our AAA bond rating here very seriously.

[00:20:23] and we do not want to succumb to the fiscal challenges that are significantly occurring throughout the DMV, but that while we are feeling the effects of those, we certainly don't want to position our county budget in any manner that would undermine the fiscal and financial stability of this county that not only our residents rely on, but our businesses rely on as well.

[00:20:48] This budget makes a significant investment in Fairfax County public schools, as we always do, knowing how important they are to the future financial success of the county. I mentioned in my motion, long motion, that there are a lot of positions that are cut in this budget, and I appreciate the county executive, the work that he did throughout the course of the last year to come forward with a package that restructures and creates savings within the county budget.

[00:21:20] And I would say that this board, contrary to what some say, this board works on the budget every single day of the calendar year. Not in the weeks leading up to the budget, not with special task forces, but we work on the budget every single day.

[00:21:37] Every single committee meeting of this board, I consider to be a subcommittee of the budget committee. Because every time we meet throughout the year, we are giving advice to county staff about how we want money and resources spent, what programs we support, and we, of course, vet those heavily throughout the entire calendar year.

[00:21:59] This is not a job where you show up, participate in public hearings for two weeks, and then say terrible things about the budget. This is a job that requires board members to show up throughout the year to vet budget proposals and to vet our resources as we head towards budget adoption.

[00:22:16] And so while today is a big day in terms of the budget calendar structurally, for me it's just another day of making sure that we prepare our county for challenges ahead, but also maintain and govern the largest county in Virginia, which requires a hands-on approach to our fiscal affairs every single day.

[00:22:37] And so I would appreciate my colleagues' support for this budget. Again, I think each one of us would find things in this budget we would have done a little bit differently. But the motion that I made reflects the consensus of the board in my conversations with every member of this board.

[00:22:54] But I also think most, in a most demonstrated way, also reflects the priorities of our residents and the people that we heard from throughout the calendar year leading up to today. Finally, you know, we always look at budgets in the year that we're doing them, but we look ahead to the year ahead.

[00:23:15] And I am hopeful that next year we're able to continue on this path of providing tax relief and savings to our residents. I'll just close by saying it is not lost on me that our residents are feeling the daily effects of absolute chaos that is occurring around them.

[00:23:33] Four plus dollar a gallon gasoline, inflation, tariffs, wars, reductions to federal programs, reductions to our federal workforce and contractors. There's not a place I can go in the county where people in this county are not suffering right now because of policies that are being pursued at the federal level.

[00:23:53] We have to take that into account, and I am hopeful next year that our General Assembly and Governor will continue to make big investments in public education to help relieve the real estate tax burden on residents of Fairfax County. The reduction that is in my proposed motion is largely there to the tax rate as a result of the meals tax and the revenue that's coming in on the meals tax, and I hope that continues to provide real estate tax relief in the years ahead because the two most important things for next year's budget will be state support for public education, which is the lion's share of

[00:24:30] our budget, and diversification so that we can continue, in my hope, continue to reduce the real estate tax rate on residents in Fairfax County. And so I look forward to the conversation and would appreciate my colleague's support. Thank you, Mr. Chairman. I have Supervisor Alcorn.

[00:24:49] Thank you very much, Madam Chair. Just a brief statement. I do appreciate all the work that's gone into this and all the work you, Mr. Chairman, have done and also the staff. I did say at the beginning of the budget process, at least this part of the budget process, that I would be watching for and listening carefully for the impacts on our most vulnerable.

[00:25:15] And I have listened, and I've come to the conclusion I cannot support a reduction of the real estate tax rate, even a small amount, while also cutting services across several programs to some of our most vulnerable residents. So I will be voting no on this markup motion. Thank you.

[00:25:34] Thank you, Supervisor Alcorn, Supervisor Pelczyk, Herity, and then Lusk. Thank you, Madam Vice Chair. I do have slightly longer comments, but I really appreciate the work of all of my colleagues. But especially I want to thank the chairman, his leadership and his approach to a difficult budget, and 10 different points of view on that budget, I know is not an easy task.

[00:25:58] And while none of us had everything we wanted, I feel that overall we have the right emphasis on this budget, especially gone through the weeks of public hearing and hearing from our community. I

believe the changes to the budget represent a balance of improving affordability for homeowners and renters while implementing targeted restorations to essential human services programs.

[00:26:19] We're able to transfer more funds to schools than we ever have before and are hopeful that when the General Assembly finally passes its budget, there will be additional funding for education. As was mentioned, the diversification of county tax revenue has created a buffer, enabling us to reduce the property tax rate while still maintaining investments in important county initiatives.

[00:26:42] For me, the housing affordability crisis is top of mind. As we put forward this budget, our budget is a representation of our values, and too many are left with inadequate housing options in our county, jeopardizing our long-term economic outlook as well. Just a few facts on that. In the rental market, Fairfax County has 59,000 cost-burdened renter households, paying more than 45% of their income on housing. And the increase in rent has outpaced increases in income, rents increasing by 5% on average, while incomes increase

[00:27:19] by 2%. On the home ownership side, it should bring us all pause that home ownership is so out of reach for working families and young professionals hoping to plant roots or stay here in Fairfax County. Buyers aged 25 to 34 have made up just 7 to 10% of all homeowners since 2010. Over the last decade, we've added 2.3 new jobs per new home. With this in mind, the county will need to add at least 41,000 new homes by 2035. I believe the increase in funding of a quarter penny to the

[00:27:54] county's affordable housing fund represents a meaningful step in moving us forward in our goal to reach two pennies for the dollar annually to accomplish our goal of 10,000 affordable homes by 2034. This additional commitment to the housing authority allows us to continue making loans to support affordable housing development projects in the existing pipeline and to capitalize on immediate strategic acquisition opportunities that have emerged in the market, and it solidifies our commitments to shovel-ready projects like the construction of Tyson Central, East County,

[00:28:30] and Dulles Green across the county. We have also made targeted restorations to programs that support our most vulnerable. All Ages Read Together, that serves the ALIS population, those who are asset-limited, income-constrained, and employed, providing supplemental education opportunities.

[00:28:47] The Home Improvement Pilot Program for seniors and adults with disabilities, Home Delivered Programs for seniors, and Be Well, a program that helps connect those that receive CSB support to access primary care and preventive health programs. All of these programs continue to show promising results in how they're supporting residents at every stage of life.

[00:29:07] But there's more work to be done to measure their impact and gauge how they fit into the county's web of supportive services. Through this budget, we'll continue to push forward our goals as a county, and I'm happy to see the adjustments that we have collaborated on through this process. And while we are hopeful when the General Assembly passes its budget, they will do their part in supporting education here in Virginia, we know that so much of that is here on the backs of our residents in Fairfax County.

[00:29:36] Finally, I want to thank our County Executive, Brian Hill, his team, our CFO, Christina, and everyone on the budget team, Phil and all those here, for their work, to my colleagues, and most of all to the constituents and the organizations that have thoughtfully made their voices heard, whether here in

person or reaching out directly to us. And I'm very, very happy to support the chairman's proposed budget. Thank you. I have Supervisor Herity, then Lusk, then Stork.

[00:30:06] Apologize, I'm going to be a little longer, but I want to start by thanking our staff, management and budget, the county executive. I know there were a lot of questions that were submitted and a lot of work done to get us some of the answers. Also want to thank our employees who took the time to submit 872 suggestions on how the budget could be improved.

[00:30:31] It is truly unfortunate because of collective bargaining that we were not even able to look at those suggestions and consider them in the budget. And I hope that issue gets resolved soon because I think our employees have a lot to offer here. But here we go again, we're at line item cuts.

[00:30:50] With all due respect to the chairman, we talk about doing the budget every day. This board knows that I consistently ask, what is the fiscal impact when we adopt policies? And most often those policies come without fiscal impacts, and you're going to hear later about some of those fiscal impacts, not all of them, but one or two of them.

[00:31:14] My main issue with this budget is affordability. Budgets are about priorities, and our taxpayers have not been a priority. Taxes are up 60% over 10 years. They're too high, and we've added a meals tax. The \$20 tax credit that the quarter penny gives our residents doesn't cut it because their taxes are still going up, and they've got the meals tax.

[00:31:39] The chairman mentioned the \$124 million in agency budget reductions proposed by the county executive. What wasn't mentioned is that these reductions were offset by significant increase in spending, spending driven by board policies and priorities.

[00:31:55] So it's clear to taxpayers the general fund did not go down by \$124 million. It went up by \$868 million over those four years. They were reductions to partly offset significant increases. The board promised the meals tax would offset real estate tax increases, But what it has done is reduce the increase necessary to keep up with additional spending.

[00:32:21] Tax bills are still going up despite the meals tax and the small reduction in the rate. Some reductions identified by the county executive and staff are good. And some of those were recommendations of mine last year, including the Commonwealth attorney position vacancies, streamlining agency functions in a couple of agencies.

[00:32:44] Some reductions are not good in being made to longstanding staples of our community. The Golden Gazette, which is a small cost to share information, the Meals on Wheels reductions, high school crossing guards, I mean, it's a good idea for staff to look, and I'm happy we're looking at outsourcing.

[00:33:06] However, I'm completely disappointed with the way this has been handled. We're still missing feedback from principals, bus driver leads, FCPS transportation. The number, the reduction number, is wrong. I never got an answer out of that budget committee.

[00:33:23] What I hear from parents, principals, bus drivers, commuters that drive past, that live in school zones, is that we're having issues with the bus driver pilot. We're going to need to do more work on that. Glad to see we're forcing a commitment to the middle school after school program.

[00:33:42] There are also needs that I don't think are adequately addressed in this budget. The library collection, sheriff deputies pay. You know, we have a real issue in the sheriff's department, and we've

talked about it at this dais for over two years, and now we're going to fund a study, and we know what happens when we fund a study.

[00:34:05] It's going to be another year, and we're way past the need for increases in our sheriff's department. Their numbers show it. You can actually get a cost savings by offsetting some overtime. I don't understand why that wasn't addressed in this budget.

[00:34:21] Increased maintenance funding, as I have been talking about, county parks, schools. On the county side, many of our Category F projects still go unfunded. We've got a maintenance backlog of over \$200 million. Base IT funding.

[00:34:38] It's too late to solve this when we get to the budget process. We can't lie down and cut our way to an affordable budget. For years, you've heard me say deep dive on the budget. I don't care what you call it. It's a strategic look. It gets outside help.

[00:34:55] It doesn't just mean looking at our budget strategically. It looks looking at our policies strategically. What are the fiscal impacts of the policies that are baked into the budget? Let me just give you an example, the energy investments that have unintended consequences, and I don't know if you saw the budget answer to this, so I'm going to read part of it.

[00:35:15] Modern critical building systems related to implementation of the county's community-wide energy and climate action plan, CCAP, and zero carbon initiatives are significantly more complex than those installed 20 to 30 years ago.

[00:35:31] And that complexity directly translates into higher maintenance costs. More energy efficiency has introduced advanced technologies that, while beneficial in the long-term for operational environmental performance, require ongoing calibration, software updates, and more frequent preventive maintenance. These systems are less tolerant of failure and more interdependent, meaning a single fault can impact multiple building functions.

[00:35:58] This evolution towards more complex energy efficient infrastructure is a key driver of rising maintenance expenditures. It shifts the cost profile from basic repairs to specialized technology-driven maintenance and support. We had to replace the entire lighting system at the Sharon Boulevard CSB building. I mean, the entire lighting system, and it wasn't built that long ago. Our policies are driving up costs, and when it gets to this dais, I ask about the cost impact.

[00:36:30] You've heard me, and often we go forward without understanding the cost impact. Another way to look strategically at the cost driver is our health insurance costs are going up. There are simple ways to encourage our employees to get physicals with financial incentives. It's the number one thing industry is doing to reduce health care costs. We can better educate our employees and not just sending emails but going out and meeting with them about the advantages to them of health savings account because it gets consumers involved in health care. These are simple things that we

[00:37:07] can do if we look at the budget strategically. Another is pension costs for general county employees, not public safety, just general county employees, they add 34 cents to every payroll dollar. For those that haven't been keeping track, that's up from 20 cents to every payroll dollar since 2015. I'm very proud of the two rounds of pension reform work the board accomplished some years ago, and we still have an above-market pension plan for our general county employees.

[00:37:42] That number would be higher today if not for those reforms, and I want to make a key point here because I got accused of trying to take people's pension benefits away. We did that without taking away pension benefits for existing employees. And any pension reform I'm ever involved with, we won't be taking benefits away from employees that currently have them.

[00:38:06] Several years ago, then-Supervisor Walkinshaw asked about investment returns and administration costs on our pensions. The board commissioned and funded a study of our pension returns and pension administration. That review was completed in September of 2024, but to my knowledge, the review results and recommendations have not been formally delivered to or discussed by this board.

[00:38:31] We always say personnel costs are a major driver of the budget. Well, pension costs are 33% to 60% on top of those costs and have been increasing. Have we delved into why and what we could do about it?

[00:38:48] At the same time, according to the budget question we received just before 5 last night, They indicate that they're not important to recruiting or retention. So for most firms, most companies, 33% is their entire fringe benefit package.

[00:39:08] Sick, vacation, holiday, health insurance, life insurance, FICA, FUTA. For us, it's just the pension costs, and it's gone up from 20% to 33%. We need to understand those costs. That report makes some significant recommendations that don't touch benefits.

[00:39:27] They address administration and the fact that our returns significantly lag S&P and the Dow Jones Industrial Average. These are the things we should be discussing, not line-item cuts to long-standing programs.

[00:39:44] I do appreciate the county executives and the chairman's focus on reserves. They are important. Keeping our AAA bond rating is critical, and I appreciate what's being done there. As you can infer from my comments, I won't be supporting the budget proposal.

[00:40:02] As a reminder, I have supported two budgets in my time on the board and look forward to the day when I can support another one. It just is not going to be today. Thank you, Supervisor Herity, Supervisor Lusk, Stork, then Bierman.

[00:40:18] Thank you very much, Madam Vice Chair. I want to begin by expressing my appreciation for the extensive work that has gone into this year's proposal and throughout this challenging budget cycle. I want to also thank the individuals and the organizations that took time to testify on our budget process and share their important thoughts with us.

[00:40:42] And to begin, I'll say I support the quarter penny reduction to the real estate tax rate, as this is an option that balances near-term relief with long-term responsibility. And we've discussed throughout the budget season, we must be mindful of the fiscal pressures we anticipate in FY 2028 and beyond.

[00:41:04] With this tax rate reduction, this will be the fifth time in six years that the Board of Supervisors has lowered the real estate tax rate. We recognize the serious concerns our residents continue to face with affordability in this region.

[00:41:21] I also want to express my strong support for the addition of an additional quarter penny to the affordable housing, which is so vital for the future of this county. Now, also note, this year's proposed

reductions require all of us to be thoughtful about what programs are essential to safety, stability, and well-being in our community.

[00:41:43] I appreciate that several restorations that my office advocated for have been included in this markup, especially the part-time preschool program, the home-delivered meals, and the low- and moderate-income home repair programs. All of these programs are extraordinarily important to some of the most vulnerable residents in our community.

[00:42:04] And these restorations ensure their continued operations. That said, I am concerned about eliminating the crossing guards that are high schools. Many of these schools sit on high-volume, dangerous roads with crash histories.

[00:42:20] However, we have new tools to improve safety in these school zones, like automatic speed cameras, which are expanded in this year's budget. We will continue to work with police and schools to ensure that students are getting safely to and from school, and we'll continue to work to improve the infrastructure around schools as they have already been done in many locations already.

[00:42:48] Therefore, I would advocate that staff who are involved in the Eliminated Kinship Program work with individuals who are a part of that program to move them into another kinship program, if possible.

[00:43:05] And in closing, this board has difficult choices ahead, but today and also in next year. And I believe that by providing tax relief, protecting essential safety and human services programs, and investing strategically in affordable housing preservation, we are taking a responsible series of steps that reflect our values as a county.

[00:43:29] Thank you, Madam Vice Chairman. Thank you, Supervisor Lusk. I have Stork, Bierman, and then Sizemore Heiser. Thank you, Madam Vice Chair, and I appreciate the opportunity, and I look forward to supporting this budget that's been presented.

[00:43:46] I always have to start by thanking the county executive for his long work, as well as the many staff members that were crucial parts of that. But just as importantly, I want to thank our residents and our many, many associations and groups who kind of weigh in on the budget and give us a sense of maybe where we are doing well or maybe where we need to strengthen or improve parts of the budget itself that's been proposed.

[00:44:09] No budget that I've ever been part of has ever been fully what I think it should be or addressed all the elements that I think are critical. But, again, budgets are value statements, and I think we are consistently making a strong positive value statement for the residents and the people of Fairfax County.

[00:44:30] Those value statements and those outcomes could be far better if we didn't have so many limitations and constraints on, frankly, how we put that budget together, and even more importantly, how we fund it. I know you all have heard me speak frequently because I think it's a core part of what is part of our challenge is that we send a dollar to Richmond, we get about 50 cents back on the dollar, just to get a few pennies more would make a huge difference and would lower the tax rate and lower, frankly, our property taxes overall, consistent with other many, many, and maybe most jurisdictions around the state.

[00:45:08] We don't have that luxury because we fund most of the state substantially, and that needs to change. And we need all of our state leadership to be working on that and to make progress on that over

time. It would make a huge difference not only for our county, but absolutely for our schools.

[00:45:26] So I'll continue to talk about that, even though I recognize that that's a longer-term challenge. In the interim, we have commitments. We have values that we have to sustain, and the way we sustain and the way we improve and represent those values is how we fund things that we can and should make a difference with, whether it's with the schools and our consistent high levels of funding for decades and the fact that we have one of the best school systems in the country.

[00:45:53] That's not because we were going to do this or that. It's because we made a long-term strategic commitment to that. We have housing that we've identified as a core issue in our community and we've looked at and we've been funding more and more, providing more and more support to that.

[00:46:11] At the same time, there's more support for things that could subsidize that. But even more importantly, for the other 90% of the housing that's going to get built, the chairman and many of us have worked with the housing committee. and the county executive has a housing group right now looking at how we can improve and reform and make a difference in how we increase the amount of housing.

[00:46:32] When housing is going up three times the rate of increases in wages, we know we have a problem. We also know we have something to be thankful for. There's a lot of places in the country that aren't seeing their housing prices go up the way ours are.

[00:46:48] And I know that for some folks that's painful. But if you live here, you recognize that that's also an important part of a statement about our economic development, about the economic opportunity, about the potential for thriving and doing well in Fairfax County. That's why we're continuing to grow, not only population-wise, but that's why we're continuing to grow economically far more than almost any other part of the state and definitely more than most other parts of the country.

[00:47:13] So we have a lot to be thankful for, proud of, and appreciative of, and the budget that we have in here helps to make those things possible. Again, always trade-offs. I would like to have done a little bit more to reduce that tax rate, and I'm going to be looking hard at it this year and the rest of this year and next year to see what more can be done.

[00:47:33] But I also know that there's some of the programs that we were changing have a real impact on the lives and, frankly, the importance of making sure that we leave no one behind. One of the best ways we do that and one of the things that I am proudest of is the relationship that we have with many, many not-for-profits in our community.

[00:47:57] Those not-for-profits absolutely increase, enhance the benefits of what we can provide to our community, county executives' budget, increase the support for those folks because they're having real challenges hiring staff and making a difference. Those organizations, those programs cost the county far less than the services they deliver, and for that we can all be deeply thankful.

[00:48:21] Additionally, we know that we have a couple programs in here that we needed to probably reduce and support and slow down a little bit those changes and give them more of a time to adjust to some of the things that we know longer term we probably can't sustain.

[00:48:37] So I recognize that those are key parts of it. Public safety, absolutely you hear that all the time, and we know it's true, whether it's in Mount Vernon, whether it's in Reston or anywhere else in the county,

we are the safest jurisdiction of our size, And we do that because we fund public safety, we support public safety, and we have made a difference for that.

[00:48:57] When you have a uniformed officer vacancy rate to 3%, we know that we have made those commitments over the last particularly four or five years and making a real difference. When you see the increasing percentages of minority and women that are part of our police force, particularly like I did last night with our police cadets, Where I see a group of people in a room, this is now probably 40, 50, late teens, early 20 folks who are part of our police cadet program.

[00:49:29] And you see and understand that they reflect the future of our police force. And those folks were far more than 30% of the folks in the room. So we know that we're doing it right. We're building it from the ground up. This budget builds it from the ground up.

[00:49:45] But a core part of that is making sure that we deliver on the things that our community wants, whether it's the Lorton Police Station, it's figuring out how to do a Huntington Community Center change that reflects and supports the values of that community while recognizing that we can't sustain programs that don't have enough folks that are attending and making that reality.

[00:50:10] The other point I would make is the foundational part of what we're doing, economic development. I think most of you hear me talk about that at almost every board meeting. Why do I talk about it at every board meeting? Because it is what sustains everything else that we do here.

[00:50:25] It allows us to fund the mental health programs, which we know are essential. It allows us to fund our schools, other public safety, housing, and so many other critical elements. We continue to make, and I'm hoping we'll make even more, investments in our economic development.

[00:50:40] We particularly have a Fairfax Founders Fund, which has been very successful. And I'm looking forward to adding some dollars to that, either through the Economic Opportunity Reserve or potentially in our fourth quarter carryover. But we need to continue to make investments there where a little bit of money with an entrepreneur or somebody who's starting out and really has a big idea can make a big difference long term.

[00:51:03] So we still have things that aren't quite finished here, but I can say wholeheartedly that we have a commitment by this board to make sure that we continue to reach consensus on the critical elements and we continue to grow not only our economy, but most importantly, the people that are part of our community.

[00:51:26] And helping them reach their full potential, helping our community reach their full potential, is the core of why I'm here. And I think my colleagues probably share that as well. So thank you. Thank you, Supervisor Stork. I have Supervisor Bierman and Sizemore Heiser and then Jimenez.

[00:51:44] Thank you, Vice Chair Smith. First of all, I want to thank the budget staff. You guys got to get to work this afternoon on next year. No, but seriously, I know that this is the end of a long process. know you all work hard I want to thank the deputy county executives who are all in the room as well and other members of county leadership of course our county executive Brian Hill for putting together this budget which I would describe as relatively stable in otherwise fairly chaotic times I will

[00:52:23] note that by dropping the tax rate in this budget to a dollar twelve it was mentioned what taxes were 10 years ago. 10 years ago, the rate was \$1.13. In the end, I make this terrible dad joke every time, but

this budget is balanced, and it is a practice in balance.

[00:52:48] It is a very challenging practice. I agree with a lot of things that have been said by my colleagues. I do wish that, frankly, we were in better fiscal times and we could in some ways do more for people. I do think it is difficult to be engaged in three straight years, actually four straight years of baseline spending cuts. I will push back. I do not think that the exercises that

[00:53:20] we have been doing are either meaningless or not systemic. I mean, I have to say in this budget, among our cuts, the single biggest line item was \$7.2 million out of our connector service.

[00:53:36] I don't celebrate cutting down on bus service. It doesn't feel good. It's not great. It's probably going to hurt some vulnerable people. But if you look at what we did, we did do a deep dive into our connector service. We looked at it. We found routes that were heavily underutilized.

[00:53:56] There's a route that goes through my district that had 144 people a day. It was costing us over \$1 million. We found other alternatives, and you can go look in our board package from, I believe it was April 14th, in which we went over all of that. I mean, I do think those are deep dives.

[00:54:18] I do think that some of the programmatic changes, you know, I'm going to disagree with both Supervisor Herity and Supervisor Lusk on this one. I think high school crossing guards, and if you go to question C-17, you'll find out that we are the only jurisdiction in Northern Virginia that offers high school crossing guards.

[00:54:40] I think determining that that was a program that we did not believe was absolutely necessary and also finding other cost alternatives for crossing guards, I think that absolutely is a deep dive change.

[00:55:01] We saved money on that, and I get that there's disagreement from Supervisor Lusk and Supervisor Herity on the importance of that, but I think that that's actually a good example of a situation where we did, and we have debated this, we've had it at public safety meetings, but ultimately making what ultimately is a fairly substantial cost savings on this is a challenge, and people will continue to disagree with it, But I do not think that you can say that what we've done in recent years has not been strategic.

[00:55:38] I'll also tell you, I read the answer to question C-81 as well, Supervisor Herity. I've actually asked county staff to update that answer because I thought that the answer itself did not do a great job of explaining the degree to which certain costs around the systems that we're buying are market dependent and not actually dependent on our policies.

[00:56:01] And what I mean by that is that, yeah, there probably were lower-cost alternatives for HVAC systems or other systems within the county facilities maintenance 30 years ago. Now the market has produced different things that are more complex.

[00:56:23] That's what is out there. That's what we're purchasing. That's what we have. Um, I, I mean, it, I, you know, I'm sorry to, I'm really not going that far afield, but it makes me think of this old, uh, op-ed in the Washington Post by one of the car talk hosts.

[00:56:39] And it was, uh, it's from September 28th, 2022, independent auto shops deserve the right to repair your car. And what the car talk host was talking about was the fact that the technology in your car these days is super complex.

[00:56:57] It's, frankly, we love our technology, right? But there have been problems, and candidly, they may be antitrust violations as well, because they are designed to be repaired by your dealership. And so your old mechanics that used to go in and, you know, mess with things with a screwdriver and a hammer, and you'd send your car, and they knew how to fix everything, cannot easily fix those computer systems.

[00:57:22] You have to take them back to the dealer. Well, people like those computer systems, but they may be more expensive ultimately. And I think we're seeing some of the same things with our maintenance costs in our buildings, things that are not necessarily dependent on us having changed energy efficiency policies.

[00:57:41] But, of course, by the way, I think we saved and we were told we saved about \$6 million in energy costs last year based on some of those changes. Sorry. This is a Coke Zero can, and I bring that up because I know that it's also been criticized sometimes about our zero waste in parks and the cost of that.

[00:58:07] Every day, Kathy Smith and I walk in, and there was a little while where, for some reason, there was only a trash can at our seat and not a recycling bin as well. And Kathy has been complaining about this for months. I don't know who she complained to, but we have our recycling bin right here.

[00:58:27] And by the way, when we implement our recycling ordinance in every park, we are going to have a recycling bin next to every trash can, which if you've been out watching your kid's soccer game and you want to throw away a Gatorade bottle, you look for a recycling bin.

[00:58:44] If you're a sports tourist coming here, you'd like there to be recycling bins. But yes, there is a cost associated with that, and I think we all know that, and we all understand that, and I think that cost is worth it. That's why as we make these baseline spending cuts, and I call them baseline spending cuts, we are still making investments.

[00:59:07] And by the way, Supervisor Herity, some of those investments are consistent with recommendations you've made, such as IT infrastructure and increased maintenance funding. So I don't know that we always get it perfectly right.

[00:59:23] I think Chairman McKay said there are parts of every budget that he likes and there are parts of every budget that he doesn't like. But I do not want to discount what we have been doing here because I do think it is important and I think it is something that should be lauded.

[00:59:44] I do think that it is an attempt to find balance. I do think it is a model, and we're not at budget guidance yet, but I'll talk about this a little later. It is a model that I would like to see undertaken by FCPS as well, which is 51% of our budget.

[01:00:01] I would like to see them doing these kinds of things and trying to find the cost savings and efficiencies. I do want to comment on the way we utilized as well the balance to mix in tax relief and drop the rate, which is helped by our revenue diversification, with affordable housing and more investment in that.

[01:00:34] I think a lot of us know that business and housing go hand in hand. We also know that affordable housing continues to be a challenge. And it was in response to question C-77, if you're trying to look it up there at home, that showed that these types of investments will kickstart more projects.

[01:00:54] And I see Tom Fleetwood in the room. And, Tom, they better kickstart more projects because, truthfully, this may be outside of this budget and budget alone. But speed, speed of delivering projects,

that is my big theme.

[01:01:11] It's been my big theme for a while. It's going to be my big theme next year. And I do think that is going to help us with business development. I think that is going to help us with cost savings. I think that is going to help us with delivering more for our residents. The last point I want to make is about collective bargaining in this budget.

[01:01:34] I think we are seeing collective bargaining for our public safety unions has been a, what a success story. Supervisor Stork mentioned it. Fiscal year 2024, the police vacancy rate was around 17%.

[01:01:50] According to a March safety and security meeting, we were down to 3%. The fire vacancy rate, according to one of our budget questions, I think it was, I'm going to mess up the budget question.

[01:02:07] I'm trying, guys, sorry. But it was down to 2%. We're actually looking at a situation where we can save money on smaller fire classes because we believe that with attrition, we can still bring in four classes of 25 each year. But the situation is stable that we're actually going to save money off of that.

[01:02:25] We do have the first collective bargaining agreement with our general county employees, and as question C-62 points out, the deal that was struck with general county employees was quite fair. Two percent COLA, an average of two percent to about seven percent, some changes to merit and step increases, but it was something that our employees got to come to the table, got to negotiate, And I do hope that it will help with recruiting and retention.

[01:02:57] I think that that is also a part of the ultimate success story of this budget. So a whole lot more work to do starting, I guess, take the afternoon off, but starting tomorrow for next year. A whole lot of things we need to do.

[01:03:15] We need to keep moving forward in this county. But thank you very much to budget staff for the work that you did, and I'd like to thank my colleagues and others for this relatively stable and balanced budget.

[01:03:31] Thank you. Thank you, Supervisor Bierman, Supervisor Sizemore Heiser, and then Jimenez. Thank you, Madam Vice Chair, Mr. Chairman, and my colleagues for working, and to the county staff, for working with me on this, which is my first county budget as a member of this board.

[01:03:50] and I look forward to supporting this budget as well. Thank you for your many months of work, county executive and your staff, on getting this budget ready and your patience with my multiple questions, especially since I walked in in the middle. It's been interesting going from budget chair of the school board to this side of the table, so I appreciate your help in getting me up to speed on that.

[01:04:10] It's always difficult to be faced with a tough budget in uncertain economic times and after multiple years of tough budget, so I appreciate the hard work that you all have done to balance the very many competing priorities. It is not easy. We have aging facilities because many of them were built at the same time, so they're getting old at the same time, and that's a challenge.

[01:04:31] We have an aging IT infrastructure at the same time that IT is changing rapidly and cyber security threats are changing rapidly as well. We have higher needs in our community with the affordability crisis, especially with the economic uncertainty driven by the federal government changes, tariffs, and the growing needs of our school population as well.

[01:04:51] I appreciate that many advocates and organizations in the community reached out to me to share their thoughts. We're so much stronger here and we can do our job so much better here when we have the voices of the community talking to us, sharing with us, helping us understand their perspectives.

[01:05:07] So I really appreciate their time. I appreciate that we've worked hard to continue our services as best as possible while looking at actual usage to ensure our programs are efficient and effective. That's a tough balance to find sometimes. I'm especially grateful that this budget demonstrates strong support for affordable housing.

[01:05:26] If you can't live here, you can't work here. It all stems from that. As we saw in Director Fleetwood's report from a few weeks ago, maybe a couple months ago, there are some alarming statistics around housing. This is not a unique issue for Fairfax County, but I believe we have the people here in Fairfax County.

[01:05:45] We have the brilliance. We have the dedication. We have the heart. And we can be innovative to be leaders in solving this problem. So I'm glad that we're both putting additional staff members, reassigning staff members to this work, as well as putting a quarter penny to this work as well.

[01:06:03] We need affordable housing. Right now, housing costs are significantly outpacing income. Home ownership is out of reach for households earning less than \$230,000 a year. Meanwhile, we have a two-to-one jobs-to-homes ratio to 2025.

[01:06:22] That's a great problem to have, as our chairman has said, but it's a problem we have to address. These figures compel us to act, and I'm glad of this quarter penny increase towards affordable housing. We're taking a bold step to meet what the moment demands of us. As the new housing committee chair, I'm committed to working with my colleagues and staff to, as my colleague just said, kickstart our development, work through some of the red tape.

[01:06:49] We need to do this. I know there's many in the community who may not be happy with certain programs that, well, partially restored, aren't fully restored. There may be many in the community who wish we'd put money towards somewhere else or have a higher decrease in the assessment.

[01:07:06] But if we cannot find a way that our young people can start their careers here, if our seniors can age in place here, and our families can raise their children and work here while taking advantage of our excellent schools, which are not just a driver for our county, but for the state, we need the state to step up and fill this gap.

[01:07:28] I don't know if they understand that where Fairfax County goes, so goes the state. That is just the reality. We've heard how we fund so much of the state. Well, they need to help us continue to grow our economy, especially with what's going on with the federal government.

[01:07:46] They need to help fund our schools, because our excellent schools are not just a moral imperative, they're an economic imperative. We have done our part. The state needs to step up and do their part. And I know they're working hard to do that, and I'm committed to working along with my colleagues, collaboratively with them, because we all have the same goal, which is ensuring that our economy and our county stay strong.

[01:08:10] In the meantime, I'm glad we're putting our own efforts towards economic competitiveness, especially in the change in the federal government. If we can grow our own strong economy here in

Fairfax, we can fund our quality services, our parks, our libraries, our schools, and reduce the burden on taxpayers.

[01:08:27] But meanwhile, it's just as important that we ensure people who have the basic needs have those needs met. Emergency housing, food, preschool, health. I'm glad we're balancing our budget, but still restoring some of the funding for those programs.

[01:08:43] In these tough times, we cannot forget those most in need. We cannot. And so I'm committed to continue to lift up those voices, working with nonprofits to meet those needs. I have to say I'm very grateful that the Transition Services and Development to Disabilities has paused for a year.

[01:09:00] We just need to make sure that we work through all of those issues so that the work that CSB has been doing effectively for years can continue and the schools can do their part. So thank you for that. Last, what I'm going to say is that budgets are never perfect, but budgets are a value statement.

[01:09:20] And I believe that we all share the value of growing our economy, of providing places for people to be able to afford to live, of keeping our schools and parks and services strong. And while we can't do everything, I'm glad we found a budget that can do a lot of it.

[01:09:36] So thank you. I look forward to the vote next week. Thank you. Supervisor Jimenez? Thank you so much. And thank you to Christina Jackson, all of the team, Executive Brian Hill, our budget committee for all the hard work and hours that they've put in, as well as the collegiate atmosphere that all of my fellow supervisors have during this budget season.

[01:10:01] We may not always get along, but it is important for us to be able to talk and have conversations, especially around such important matters that impact our residents. I've been thinking about this budget and the important decisions that we have to make, the difficult decisions that we have to make, and it doesn't end here.

[01:10:19] We'll be looking at tougher decisions next year. And as I think Supervisor Stork mentioned, these decisions are value-based. It's our values. It's the values of our community and our residents. And looking at our residents, it was, as always, wonderful to hear from our residents during this process, whether it was written letters or them coming to our office or testifying, you know, it's so important for us and for the process to be able to hear actual stories of how these programs are impacting our residents day in and day out. But that being said, I will say it is, it's great when

[01:10:58] we work with our advocates and with our individual residents, but I will say it is not helpful when certain groups attack us. Mr. Beerman mentioned, and I believe it was 51% of our budget goes through the Fairfax County Public Schools. We all on this dais care about our students, about our school system. We put a lot of time into visiting our schools, working with our principals, meeting our students, and it is absolutely disrespectful and it is absolutely mind-blowing sometimes when we

[01:11:37] get attacked on the board in such ways that aren't truthful, that aren't helpful. And I highly suggest that moving forward, certain groups change the way they practice their advocacy because it is not helpful. It is easier to work with us. We want to be helpful. We want to partner. But when you attack us, it makes that much more difficult. Moving forward, as I mentioned, our decisions will become harder, and we will be looking at advocates and groups and individuals and residents, our residents, to help us make the important decisions that we need to make as supervisors and as a board.

[01:12:17] And so I will just say that I am extremely grateful for those who have voiced their opinion, those who have not only had a seat at the table, but have a voice. And I want to continue to urge both our colleagues in Richmond and our local organizations to come with an attitude of yes, we want to work with you, we want to partner with you, and I hope that moving forward some of these relationships grow only stronger. Thank you. Thank you. You guys left

[01:12:48] a lot to still talk about here. I need to thank the county executive. It's not an easy job, right? We provide our budget guidance. He understands the values that the board has. He understands the community. I appreciate all the work that county executives does out in the community with his deputy county executives. I think we are at a perfect time to look at how we do things, to look at how we do economic development, to make changes to make us better. And we've been doing that the last few years, and that's a responsibility we have to see where we need to change what we do.

[01:13:28] We provide so much to our community, and everybody gets used to it, and even our nonprofit organizations depend on us so much. And we have to find a way to work that the community shares the load in a different way. I wish we didn't have to have a reserve for economic uncertainty. But as the chairman said, we are in a time of chaos. This isn't like regular budgeting. You know, during COVID, we were concerned that there was support from the federal government. And we are the backstop for our community, that we are going to ensure that

[01:14:07] they get the services they need. And I think this next year, I don't know what the impact is going to be. So I'm really happy we have that reserve. And to the chairman, it is not easy when you have a vision of where you want things to go. And there is the art of working with a board, right? And, you know, when we did that zoning ordinance a few years ago, There were things I wanted to accomplish where we didn't get.

[01:14:34] And so the work is appreciated. Your flexibility is appreciated. We live in a great community. We have a great workforce here. We didn't talk that much. This budget does support our employees. And the budget is going to grow, right?

[01:14:51] Our costs go up. We have to pay our employees. And so there is the difficulty for all of us. You're going to have half the people that love it and half that don't. But I appreciate all the hard work from our staff, from our county executive, and from my colleagues. Mr. Chairman.

[01:15:08] Thank you to all my colleagues for their comments. I was a little taken aback at Supervisor Herides because I'm reminded of my dad, who was the CFO, his famous phrase of, there are no free lunches. And it's easy to criticize and say, you know, we could have reduced the tax rate further and then make a long list of spending requests to criticize some of the reductions that are in this budget.

[01:15:34] And so, you know, I do appreciate the steady hand of my colleagues who not only look at this as a budget exercise, but an investment in the county's strong regional and national reputation. This is not a game. It's really easy to vote no or to pick at little programs.

[01:15:52] What we didn't do is spend a lot of time talking about all the things that are in this budget, that for those of us who have to make the hard vote every year to raise the money to run a AAA-respected county, when we show up at ribbon cuttings, we've done the work to get to those.

[01:16:10] When we celebrate our public safety officials, for me, I have voted yes on 18 budgets and yes on 16 pay increases for our public safety officials. When we criticize collective bargaining and don't recognize

the fact that our employees deserve pay increases and that collective bargaining is actually a reflection of the market that we're in for top talent and we celebrate our vacancy rate, lowest it's been in as long as I can remember in public safety, a lot of that is because there are a majority of this board that take the courageous votes to protect our community and invest in public safety.

[01:16:50] So it's easy to talk about things. It's a lot harder to vote to actually do them. And for those who are voting to actually do them, thank you. Because that's adulting. That's recognizing there's no free lunch.

[01:17:05] That's recognizing we have a reputation in this county of fiscal responsibility, pillars of fiscal responsibility, an expectation of our residents and our businesses to make sure our county is well-run and well-situated to weather fierce storms around us.

[01:17:23] Fierce storms right now that are occurring, no fault of this board, but are occurring at a national level every day when you read the papers and affecting our residents in profound ways. They seek refuge in the county and things that we do and do well here as the opposite of what they see happening nationally.

[01:17:44] The steady hand of a board that appreciates the assets we have realizes we can't deliver any of the services we have without respecting our employees. It's easy to criticize line items in here. I could spend the rest of the day doing that, but that's not what this exercise is about.

[01:18:00] This exercise is whether you believe in the fundamentals of this budget and the fundamentals of this county, and you believe it is our responsibility to protect the reputation of this county when things around us are absolute chaos. And so I will end by doing what others have done, which is thanking our budget staff, because as I mentioned before, this board does budgeting work. I do deep dives every day. Whatever you want to call them, it's called doing your job. It's called showing up and making the hard choices and critiquing operations in this county and making sacrifices and recognizing

[01:18:38] change is a good thing. We have some that reject change. Change is a good thing because that's what our households are doing too, changing some of the things that they're doing to reflect the reality that we're in. And those of us who show up every day and do the work, don't just show up here today and criticize the work, but do the work every single day, who contact me, who contact our staff, who don't just ask the hard questions, but then formulate in their own minds the right solutions to those that are fair, that also reflect the public that we have heard from.

[01:19:11] That is the hard job of being on this board. And for those who do it every day, I respect you and appreciate you, and for that, you know, this has not been the easiest budget year of all, although I will say it's been easier than the past couple of years, has not been the easiest budget year of all, and in part it's because of the things that are beyond our control that many of my colleagues here have mentioned, but what is in our control is setting the course for the county in the future, and that's what today's vote is about. Thank you. Thank you. All those in favor of the motion, please say aye. Aye. Anyone opposed? Nay. Any abstentions? That motion

[01:19:47] carries 8 to 2. Thank you, Mr. Chairman. Thank you very much, Supervisor Smith, and we now have some budget guidance, and this is several pages long, so bear with me as I read this, and I first want to reiterate what is in the first paragraph, so I'm going to say it twice, which is this budget guidance is not inclusive of all the thoughts that this board has. This is not a work plan for the Board of Supervisors, so if

there's something that is not mentioned in here, this is not designed to mention every single issue that we're grappling with, but

[01:20:23] to be strategic about some that we want to give the county executive and staff guidance on over the course of the next year. So as I mentioned, our next step is to adopt guidance for the development of the FY 2028 budget. The purpose of budget guidance is to indicate the board's support for initiatives included in this budget, but also to provide direction to the county executive and county agencies related to the implementation of the FY20-27 budget and to make recommendations to the county executive and county staff for the development of the FY20-28 advertised budget. Budget guidance is not inclusive of all priorities of the board, nor is it inclusive of all issues raised by the

[01:21:01] community during the development of this year's budget. And our first subject is economic and policy uncertainty. The county continues to navigate a period of heightened economic and policy uncertainty given the General Assembly's budget impasse, coupled with the volatility of the geopolitical conflicts. The current Iranian conflict could have significant economic impacts both for FY 2027 and lasting into FY 2028, mainly through disruptions to global energy markets.

[01:21:29] Because much of the world's oil flows through the Strait of Hormuz, instability there is already impacting oil and gas prices, increasing inflation, and raising costs for businesses and consumers. Prolonged disruption may also slow economic growth, strain supply chains, and heighten the risk of a broader global downturn.

[01:21:50] The FY2027 add-on package noted the county is already experiencing increases in fuel prices, relying upon the county's fuel reserve to absorb any immediate impacts. Staff will continue to monitor revenue categories sensitive to the macro economic trends and inflationary impacts on expenditures to determine if further adjustments will be necessary as part of the FY2026 carryover review.

[01:22:18] The county remains vigilant in monitoring potential impacts on federal revenue based on actions taken by the current administration. Direct impacts have thus far been limited, but we have seen delays in federal reimbursements, including federal solar tax credits as an example.

[01:22:35] Although federal revenue is a small portion of the county's overall budget, federal funding is a key component in some areas, such as human services and transportation, and is more significant for our partners at the Fairfax County Public Schools. It is important for staff to provide updates to the board as necessary when funding challenges arise, particularly as the county can no longer sustain replacing resources to offset funding losses.

[01:23:01] Consistent with staff recommendations, as noted in the FY2026 third quarter review, several local revenue streams remain highly sensitive to broader economic disruptions. Sales tax, transient occupancy tax, and the recently implemented food and beverage taxes are tied closely to consumer confidence and discretionary spending.

[01:23:22] The BPOL tax is susceptible to changes in the regional business climate and broader market shifts. Investment interest remains highly dependent on future actions taken by the Federal Reserve. The county continues to feel the impact of federal HR1, the one big beautiful bill, I've heard it called other things as well, which most notably through significant changes to Medicaid and the Supplemental Nutrition Assistance Program SNAP.

[01:23:49] These changes not only increase the county's administrative burden, but more importantly could result in coverage losses for some Fairfax County residents who struggle to meet the new requirements. A loss of eligibility in either program may further strain the health and human services system.

[01:24:06] Of primary concern is a shift in the SNAP administrative cost-sharing model effective October 1, 2026, alongside a potential state-mandated cost-share for benefits if statewide payment error rates are not substantially reduced. In addition, new federal mandates will increase the administrative workload of our county human services staff.

[01:24:27] Medicaid eligibility must now be reestablished every six months rather than annually, while expanded work and community engagement requirements further intensify staffing demands. Combined, these changes could lead to increased financial pressures for the FY 2028 budget.

[01:24:44] Given these uncertainties, the board is increasing the reserve for economic uncertainty, allowing for judicious use of the reserve to offset loss of federal funding or required increases for the county safety net programs. A strong reserve posture has consistently been a defining feature of our financial management and central to maintaining our AAA bond ratings.

[01:25:08] Fairfax County Public Schools. The board deeply values the strong partnership between our schools and county government and our shared commitment to students, families, and educators. Collaboration has never been more important than it is now as we navigate the economic uncertainty discussed above and work together to sustain the quality of our schools and the services that our community relies on. The FY 2027 budget provides over \$3 billion in funding for FCPS, more than 51 percent of the county's budget, including funding for operational needs, debt service requirements, and capital

[01:25:48] investments. The state has not yet adopted its budget, creating unnecessary doubt regarding whether FCPS will be funded at the amount requested by the school board. The board is optimistic, however, based on the budgets put forth by the General Assembly, that additional funding for schools will be forthcoming. As for FY 2028, it is expected to be another difficult budget year.

[01:26:10] If these resources exceed the existing funding gap for FCPS, the school board is strongly encouraged to use the excess funding for one-time needs or to set aside in a reserve for FY 2028. Regardless of the outcome for this budget cycle, the larger issue remains. Virginia continues to underfund K-12 education as confirmed by their own study. The board will continue to work with the school board and the General Assembly delegation to press for a fair and sustainable state funding model that recognizes the true cost of educating our students. Addressing this

[01:26:46] structural underfunding is essential to protecting our taxpayers while maintaining the excellence of our public schools. The county's FY 2027 budget includes deliberate steps to realign funding to FCPS for programs that are currently provided by the schools with the expectation that those important services will continue to be offered to our students. This includes the middle school after school program and the closely linked values and prevention program, which play a critical role in student engagement, safety, and enrichment. The board's expectation is clear. The middle school

[01:27:25] after school program must be continued with the funding that has been provided by the board. If the program is not maintained by FCPS to include the collection of fees utilizing a sliding fee scale, the

associated county funding will be rescinded.

[01:27:43] In addition, Fairfax Falls Church Community Services Board CSB staff are directed to coordinate with their FCPS counterparts to work towards a seamless realignment of transition services for students with individualized education plans, IEPs, which was proposed as part of the FY 2027 budget, but has been deferred to FY 2028.

[01:28:06] Staff should work with FCPS to clarify the roles and responsibilities of FCPS and CSB with respect to these transition services, such as there is not a reduction in transition support for these students. Our goal is to ensure that county dollars directly support students in ways that are predictable, collaborative, and fiscally responsible.

[01:28:30] In advance of next year's budget, in recognition of the fiscal environment and existing structural imbalances, the Board of Supervisors continues to urge the superintendent and school board to engage in a comprehensive process to identify cost savings, efficiencies, and reduction opportunities.

[01:28:47] We further urge FCPS to bring forth these changes early in the process and long before the county marks up its budget so that they can be fully evaluated. For the FY2028 budget development, as we turn to FY2028, as noted above, there is continued economic and geopolitical uncertainty, fiscal and operational pressures due to federal legislative changes, and the anticipated softening of the residential real estate market.

[01:29:14] While the revenue outlook is uncertain, funding needs to address employee compensation, support for schools, maintaining the county's infrastructure, and modernizing the county's IT infrastructure are considerable. The county must balance these competing priorities while continuing to consider the affordability of taxes for our residents and businesses.

[01:29:37] Affordability is a considerable concern for our community. With the full year of collections informing FY2028 revenue projections, we expect that the food and beverage tax will continue to alleviate pressure on the real estate tax rate. In addition, the Board has enhanced the county's senior real estate tax relief program in recent years to provide broader and more meaningful relief to fixed-income homeowners facing rising assessments.

[01:30:03] As part of next year's budget development, staff should conduct a comprehensive analysis of similar programs and other jurisdictions and an analysis of utilization rates and participation trends under the expanded relief tiers, as well as the relatively newer tax deferral program to inform future adjustments and ensure these tools are effectively reaching intended beneficiaries while managing the fiscal impact on the general fund.

[01:30:31] We remain committed to the ongoing evaluation of local tax rates and fees to ensure adequate cost recovery and appropriate inflationary adjustments. County staff will continue comprehensive benchmarking against our regional jurisdictions. This analysis is essential to maintaining a competitive and equitable tax environment that aligns with our counterparts while ensuring the county's revenue streams remain sustainable.

[01:30:57] Additionally, staff will continue to maximize state and federal reimbursements where possible and pursue grant opportunities that help to alleviate budget pressures, not exacerbate them. Maintaining the county's extensive network of aging facilities remains one of our most significant long-term fiscal challenges, expanding upon the progress made in the FY27 advertised budget plan, which increased

baseline funding for capital renewal for the county and schools, the board remains committed to increasing the baseline support for the county's capital renewal needs.

[01:31:32] This is a responsible approach that mitigates the significantly higher costs associated with full facility replacements or emergency repairs. Sustained investment in capital renewal is essential to ensuring our assets remain in a state of good repair, reducing our long-term reliance on one-time quarterly balances, and precluding the need for more costly bond-funded projects.

[01:31:54] The board also supports similar continued baseline investments in information technology, as many of the challenges that the county has faced regarding its aging facilities are also applicable to its information technology infrastructure. The board encourages the county executive to continue to pursue operational efficiencies and identify savings where possible.

[01:32:16] However, after four years of reductions totaling approximately \$124 million, A broad across-the-board reduction exercise may not yield meaningful results. The board recognizes that the county executive may need to consider program elimination, facility closures, reduce contributory support, and reducing services to mandated levels.

[01:32:39] Staff should continue to examine the utilization of programs as they evaluate potential reductions, as well as areas for potential consolidation or collaboration, particularly as it relates to services provided by our nonprofit partners. While recognizing this may be a longer-term initiative, staff should also further analyze the utilization of our community centers as well as their underlying governance and fee structures to determine if there are opportunities to create a more consistent level of service across the county.

[01:33:12] This analysis should bear in mind that our community centers serve a number of purposes, including as election sites. Overall, reductions should be strategic and aligned with sustaining essential functions while still maintaining accessibility for our residents.

[01:33:28] The Board acknowledges that these reductions will be challenging and will have a real impact on the community and the workforce. However, maintaining long-term fiscal stability and affordability is essential. The Board, as always, is ready to continue to engage in this work with budget conversations occurring year-round, not just in the weeks leading up to budget adoption.

[01:33:48] On the subject of county employee pay and collective bargaining, the Board appreciates the inclusion of full funding for the county's compensation plans in the FY27 budget, including the third and final year of the current agreements with the fire and emergency services and police bargaining units, and the first year of the new contract for general county bargaining unit as well, as well as pay adjustments for non-represented employees in accordance with established plans.

[01:34:16] This reflects a continued effort to maintain competitive compensation while managing overall fiscal constraints. For FY28, the county executive is directed to continue bringing forward recommendations that promote equitable compensation practices across all employee groups while accounting for variations in market demand and position-specific factors.

[01:34:40] The board supports the ongoing evaluation of potential efficiencies and savings associated with consolidating the county's three retirement boards. In addition, the board endorses the pay study for uniformed sheriff employees included in the FY26 third quarter recommendations with the goal of ensuring alignment with the appropriate peer groups.

[01:35:03] Affordable housing remains a core priority for the Board of Supervisors. As reflected in the board's budget guidance for the past few years, the county is committed to taking steps necessary to reach our goal of a minimum of 10,000 affordable homes. The board's dedication of \$8.8 million in recurring funds, the equivalent of an additional quarter penny on the real estate tax rate as part of the FY 2027 budget, is a substantial step forward towards our goal.

[01:35:32] In tandem with this, the board encourages the county executive to continue to pursue creative approaches and additional sources of funding, such as federal and state grants, to support affordable housing. We further encourage staff to be mindful of preservation needs and promoting homeownership as we continue to address the affordable housing needs of our community.

[01:35:54] The board also recognizes the needs in our community for affordable and attainable workforce housing have continued to evolve since first adopted and then expanded our workforce housing production and preservation goals. Our response to this challenge must continue to evolve.

[01:36:12] The recent housing needs assessment produced by our Department of Housing and Community Development clearly identifies the need for affordable homeownership and rental housing options for low and moderate income working families. Going forward, we will invest public resources to produce and preserve the housing needed by those earning up to 80% of area median income, AMI, and furtherance of our goals.

[01:36:36] At the same time, we will utilize public policies and other initiatives to foster the development of more diverse, abundant, attainable housing options for households earning over 80% of AMI. Finally, sustained housing affordability depends on more than just direct budget allocations.

[01:36:57] The provision of attainable housing is central to Fairfax County's long-term economic health and competitiveness, and we intend to remain a regional and national leader in responding to the housing crisis. The Chairman's September 2025 board matter, entitled Housing Initiatives to Increase Production and Sustain Our Economic Advantage, led to the creation of the Housing Task Force.

[01:37:19] The forthcoming task force report builds on initiatives previously directed by the board while also suggesting new recommendations. As those recommendations are considered over the course of the coming weeks and months, it is clear the board remains steadfast in its goal to support production at a scale that meets needs across the continuum so that residents of all income levels can find attainable homes to rent or own in Fairfax County, keeping our community vibrant, inclusive, and competitive.

[01:37:49] On the subject of the Economic Development Authority and Economic Initiatives, in alignment with the Chairman's recent board matter on economic competitiveness, this guidance directs that further and more formal collaboration be considered between the Department of Economic Initiatives, DEI, and the Economic Development Authority, EDA.

[01:38:09] In light of ongoing economic uncertainty, it is imperative that our economic development approach remains unified across all county departments. Formal discussions have already commenced between the county executive, the EDA, and members of the Board of Supervisors. Given the magnitude of this endeavor, county staff are tasked with preparing a comprehensive organizational review over the next several months.

[01:38:35] This will ensure a level of due diligence that accounts for best practices, including comparative organizational structures, optimized staffing models, and any legal considerations related to the authority.

This deliberate approach ensures that any potential realignment is both fiscally sound and strategically positioned to amplify our economic impact.

[01:38:57] Further, ongoing efforts will continue to evaluate options to aggressively expand the county's commercial tax base, thereby relieving the growing fiscal pressure on the residential tax base. Substantial progress is being made in this area, in some parts of the county, but more work needs to be done.

[01:39:15] These collaborative efforts will ensure that Fairfax County remains the premier destination for business investment and talent retention in an increasingly competitive global market. Where feasible, the county should have the ability to incentivize economic development and maintain dedicated, flexible funding for this purpose is essential.

[01:39:38] The county's Economic Opportunity Reserve, EOR, is currently intended to serve this role. However, as the EOR is one of three components of our county's core reserves, any use of this funding must be replenished at year-end to avoid negatively impacting reserve levels.

[01:39:55] As a result, the EOR, as it is currently structured, limits the county's ability to respond quickly to development opportunities. The county reserve target was increased from 5% to 10% of general fund disbursements in response to feedback from the bond rating agencies a decade ago, and the board recognizes that maintaining the county's core reserves at this level is imperative.

[01:40:18] Therefore, staff is directed to develop and return to the board with a strategy to transition the EOR into a more flexible tool for supporting economic development while ensuring that the county's reserve posture stays strong. This plan should be developed in time to support any updates to the county's 10 principles of sound financial management alongside the adoption of the FY2028 budget.

[01:40:44] Finally, on the subject of transportation, the identification of adequate recurring resources for the region's transportation systems is a perennial challenge that extends well beyond Fairfax County. The FY2027 budget addresses the county's share of Metro's operating subsidy without additional general fund resources.

[01:41:06] However, this was achieved only by maximizing the use of one-time state aid balances held at the Northern Virginia Transportation Commission, NVTC. State aid allocations are currently inadequate to cover the combined systemic requirements of the county's annual Metro subsidy and the Fairfax Connector bus system.

[01:41:26] Furthermore, current state aid funding levels do not account for the significant capital investment requirements that the DMV Moves Task Force and the Operating Requirements General Assembly's SJ28 Joint Subcommittee sought to address, with both focused on metro cost containment strategies and dedicated funding sources for regional transportation.

[01:41:52] Absent a legislative solution with dedicated transportation funding, the county faces a substantial increase in general fund support for both operational and capital system transportation needs in FY2028. Relying on local tax sources to fill these gaps is not a viable long-term strategy.

[01:42:13] The Board remains committed to working alongside our regional and state partners to secure a dedicated transportation funding source that ensures the sustainability of our transportation system. With that, I now move budget guidance that I just reviewed with the help that will help direct the FY2028 budget process.

[01:42:32] I will second that motion. Discussion on the motion. Mr. Chairman. Thank you very much. First, I want to thank my colleagues for their contributions to this. This, like the budget, is a collaborative effort. It does not have every word that everybody wants in here, or it would probably be 100 pages long.

[01:42:50] I do want to highlight that the areas that are in here are the areas that are of most significance for us, but again, are not a complete list of the issues that we'll be working on over the course of the next year. The budget guidance may seem like, when looked at in its totality, is a relatively negative, dark document about the future.

[01:43:14] But, you know, we need to be prepared. And what this document does is set the course for the unpredictability that we talked about earlier. And we need to be prepared. And this guidance does that. And so hopefully some of these things can be mitigated.

[01:43:29] They won't need to happen on some of the areas that have us most concerned. On the other hand, there is language in here with regard to economic development that I do hope happens, and we know we'll be getting the results of the board matter that I mentioned back shortly on opportunities for us to be even more aggressive.

[01:43:49] There is a sentence in here that talks about the county's ability to generate commercial tax base, And I know in the county executive's budget presentation, he highlighted a couple of districts that are doing really well in that space.

[01:44:05] And I commend those supervisors. And we know there are some districts, I won't name them here, that have very little commercial development activity. And so we all play a role in that. Easy to come and criticize the number countywide. But what are we doing day to day in our own districts to promote commercial development opportunities?

[01:44:23] And those aren't always easy, but they are essential to maintaining the county's fiscal health moving forward. And then finally, on the metro section, I will just say that we are still hopeful that there is a solution in Richmond. As soon as we're finished here, I have a call with the Secretary of Transportation with an update on that.

[01:44:44] But we are hopeful that there is some success that will occur to Richmond. And I want to be really clear about this, because metro is not Fairfax County's responsibility alone. This is a regional transportation network. As I mentioned earlier, due to a lot of federal chaos, our partners in Maryland and D.C. are struggling mightily, financially and fiscally, and they're going to have to come to the table, too.

[01:45:11] So our hope is that in Virginia right now, where we do not have those budget challenges, that the General Assembly acts on transportation, leads by example. If that doesn't happen this year, it could take many years. Because I personally don't see Maryland and the district being able to step up in these financial times right now to address this issue.

[01:45:32] And so we wanted to put a placeholder there in the budget guidance acknowledging this challenge that we're facing. But I just want to remind our staff, our taxpayers, our residents, that Metro is not Fairfax County's responsibility alone to fix.

[01:45:48] And we will help lead the way, as we have been, by encouraging our General Assembly to adopt something that Virginia at least can be better prepared to address the Virginia portion of the DMV moves recommendations that are so critical to our Metro network.

[01:46:04] And so, again, I want to thank my colleagues who contributed to this, to providing some of the language that we have in here. Again, largely a consensus document, much like the budget, that reflects some of the ideas that are on our minds, some of the concerns that are on our minds, and, again, advice to the county executive as he begins already working on next year's budget.

[01:46:26] And so I would appreciate my colleague's support. Supervisor Lusk, then Palchuk. Thank you, Madam Vice Chairman. I'll start by saying this year's budget guidance touches on several important points vital to the economic future of our county.

[01:46:42] In past years, I've discussed the long-term trends that have undermined and affected our local economy. And I'm very glad, very glad to see that we have seen signs of improvement in some areas. For example, office vacancies have begun to show improvement, which is a welcome change after several years of decline.

[01:47:04] And however, as the county, we should continue to monitor the economy and prepare for further economic uncertainty. And I believe we specifically need to continue supporting our local economic development authority as it works to attract, expand, and retain businesses in Fairfax County.

[01:47:24] As a former director in the Economic Development Authority, where I served for more than 21 years, I know firsthand the work that goes into supporting our local businesses and expanding our commercial tax base. It is imperative that we are both careful and deliberate as we weigh making changes to this organization that has been directly responsible for significant growth, and that is the growth of our local economy over the past five-plus decades.

[01:47:55] Again, I'll be tracking any proposed changes, and I'm committed to being thoughtfully engaged as those revisions to the organization are presented to the board for its consideration. And I do appreciate the point the chairman made about the EOR program and looking at the Economic Opportunity Reserve.

[01:48:17] We have not been as competitive as a county as some others as it relates to being able to put money into different types of economic development opportunities. And I think in some cases that's put us at a disadvantage, being able to put cash and put money into the deals.

[01:48:36] So I appreciate that we're going to look at this and determine if that's an appropriate thing for us to do in the future. Second, I wanted to express my strong support for the middle school after school program as it transitions to the Fairfax County Public Schools, because it is a priority.

[01:48:54] And this program has long provided academic support, mentorship, recreation, and safe environment during some pretty critical hours of the day for our students. And then third and finally, I also want to express my support for the addition of another quarter of a penny to the Affordable Housing Fund that is vital for the future of our county.

[01:49:18] And thinking back on the testimony that we received during the public hearing, and this affected me pretty dramatically, and I made some points about this with the chairman, we heard from many who came and spoke out about our manufactured home parks in support of additional affordability and preservation of their communities.

[01:49:39] And I heard them. I saw them, and I heard them. And I appreciate the budget guidance language and its importance of preservation in response to those who reached out. And I think we can

probably all agree that preservation is the most important and most cost-effective affordable housing strategy that we do have.

[01:50:01] And we must, I believe we must, uphold our no net loss policy, one that this board has talked about with regard to housing in the past. And so I'll be making a motion later to, which will be a friendly amendment, and I've distributed copies of the language that I'll be referencing, but you can see in the document that I have here in front of me, this language specifically includes manufactured housing and our affordable housing preservation efforts, which I think is something that we can all agree with.

[01:50:40] So with that, I will conclude my remarks. Thank you. Supervisor Lusk, are you proposing adding that language? I am. Do you want me to make it now? I think we should just deal with it right now.

[01:50:56] I was going to say I could wait. Okay. So, Madam Vice Chairman, I would move to amend the language that is connected to the affordable housing section on page 10.

[01:51:12] And that language would be amended to what you see in the bold color red, which is just after the reference to 80% of area median income, AMI, comma, language, including those living within our manufactured housing communities.

[01:51:33] Is there a second for that motion? Okay, seconded by Supervisor Alcorn. Discussion on the motion, Supervisor Lesk? Again, I just want to make the point that we heard from so many at the public hearing that was held just a few weeks back and acknowledging that we do need, based in my own community where I have two mobile home parks, we have the largest in Fairfax County, Audubon, with over 700 units.

[01:52:08] We have a second, which has approximately 91 units. So if you look at the total number of affordable housing units that are mobile homes across Fairfax County, approximately half of them are in the Franconia District.

[01:52:24] And many of the residents who came out to testify were from the Franconia District. And I'll just say, you know, we've been engaged over the years in trying to figure out what we can do to address some of the needs of these communities.

[01:52:42] And I'll say for the one that is probably the most challenged, which is harmony, the condition of the units, the quality of life that people have in that community is one that is concerning to me personally.

[01:53:02] And I have traveled and been into that community multiple, multiple times. and just looking for ways for us to help those residents who really see that as their home and providing them with the opportunity to stay in an affordable housing product here in Fairfax County.

[01:53:23] So this reference just calls out that this is a part of our affordable housing initiative and specifically manufactured housing communities. Thank you. Thank you, Supervisor Chairman McKay. Yeah, thank you, Madam Chair. First, I agree entirely with the notion of helping our manufactured housing communities.

[01:53:43] They're very unique. That's not what this is about. I represent 100% of the mobile homes in Fairfax County, and so I take this very seriously. My problem is not at all with the initiative. My problem is with inserting the language, because I think, for one thing-- and I'll ask Tom Fleetwood to confirm this if

he can-- which is manufactured housing is not excluded at all from any of our affordable housing dollars in terms of what we can do in manufactured housing communities.

[01:54:17] So I just want to give Tom the opportunity to confirm that because this adds, including one type of housing, and we know that affordable housing comes in many forms in Fairfax County, And so should the Department of Housing want to have a specific initiative related to manufactured housing communities, I just want a confirmation that you would not be precluded to do that, would you?

[01:54:42] Mr. Chairman, good morning. Tom Fleetwood with the Department of Housing and Community Development. That's correct. We would not be. So my concern with this is just taking away the creativity of housing to address in totality our affordable housing concerns.

[01:54:57] And I don't want to prioritize one type of affordable housing over another. And our current policies do not do that. In fact, they give Department of Housing complete flexibility to work with this board, with individual supervisors on initiatives to preserve and build affordable housing as they see appropriate and also to take advantage of a strategic moment in time where we may have an opportunity in one of these manufactured housing communities.

[01:55:24] We want staff to execute that and take advantage of it. We may have an opportunity to preserve thousands of garden-style apartments. We want that opportunity to be taken care of. And so I am absolutely in support of a reiteration that Mr. Fleetwood just did, that manufactured housing communities are included and eligible for funding within our affordable housing allocations.

[01:55:49] But I don't want to tie the hands of our county staff to address affordable housing in its totality, which our current policy already allows for. And so that's the reason I'm not supporting the addition. It's not because of the concern. It's more about making sure that we're not constraining staff's ability to address things real time and making sure that we're not, by adding this, that we're not excluding other types of affordable housing.

[01:56:14] Thank you, Mr. Chairman. I have Supervisor Bierman, then Palachuk. Yeah, I'm of two minds on this, and I do think it is manufactured housing. is a unique uh thing it's a unique situation yes um but i actually don't want us to think of it as that just because it's manufactured housing just because it's something different than what a lot of people live in manufactured housing is housing you know that that place where you've

[01:56:52] got manufactured housing that is housing just like any other apartment building just like any other development with single-family homes just like any other area of the county. I'm not sure that the addition of this language or the lack of addition of this language will change much at all as far as the work of Mr. Fleetwood, and I really hope it doesn't. But I actually think it would behoove us to, to some degree, to de-emphasize the differences between manufactured housing

[01:57:29] and other types of housing, and emphasize that it's all housing. It all matters. It all matters to the people who live there. And it's really important to have a roof over your head, no matter what kind of roof it is. Thank you.

[01:57:45] Thank you. I have Supervisor Palczyk, then Sizemore Heiser. Thank you, Madam Vice Chair. And, you know, I appreciate the conversation. had we i think we've had many on this topic uh it's funny because my first reaction to um our full package of um budget guidance is kind of like our former um legal package is getting very long and i'm wondering if we want to make sure we put in here to minimize you

know focus it next year but i know we have a lot of priorities um and i appreciate this i and it's interesting to hear what Supervisor Bierman said, because, you know, A, I didn't see this until just now. We sat down

[01:58:24] at the board, and so I've been looking at it, and A, my concern is really in a lot of our budget guidance that we're putting so much direction of the work that we know we're doing every moment of every year, especially those of us who chair certain committees with staff to make sure that that happens. My other concern is that, and I maybe open up a Pandora's box, is manufactured housing. I guess you have communities in here, and I know there are differences of, okay, you know, a home, trying to get cheaper ways to be able to design, build smaller homes, accessory living

[01:59:02] units. We want all of it, and so I do, I'm leaning more toward let's minimize it because we do trust our staff and we have metrics and we have reports so that's my feeling for the future is let's minimize it and let's work with staff thirdly I've been thinking a lot about the community that came and spoke I think that was more from Lafayette Parks I followed up with our housing staff to understand what we had done because I know just here in one of my apartment communities we heard concerns we went in we brought NCS we brought the police we brought code compliance we brought

[01:59:37] consumer affairs and I realize that we need to do more to ensure that all of our residents especially those who are living in you know lower-cost housing whether it be rental ownership or I guess park ownership with those main your manufactured communities is that we are more consistently ensuring that they know what their choices and their rights are and that we are bringing in So ensuring that those standards are being upheld by us, by the health department.

[02:00:12] That's the piece that I'm concerned about is there's a lot in that that we don't control. That's my big concern here is there's so much we don't control. Let's focus on what we do control there, which is how can we ensure that every housing in our community, and I have many rental communities of very low income residents that they are being upheld to the standards that we expect of all of our housing. So that's where I was going with some of this and having heard the testimony from some of your residents is I think it's a complex issue and we

[02:00:48] need to focus and make sure we're doing what we do control, what we can control, and that we're looking at creative solutions for what we don't. And I believe we need some, we may need some state authority for some of the things that I know you and we would like to do here. So I think I go back to the chairman and that in my mind, it's already, we're already too, we're too focused because we also, this is talking about 80% and we've heard a lot and we've seen that 60% and below is what's not going to be built by the market. So that's more my concern is that housing at 60% and below

[02:01:24] AMI is what, even if we make it easier to build, what the private sector is not going to build. We've seen that evidence. I want to thank Tom Fleetwood's team for giving us that really helpful information. So I actually have a concern in adding more into the 80% in that area, because I think we really need to be really cautious and put our time and our staff time into ensuring that those living at 60% and below have access to housing, because we've seen an increase in our demographics thanks to a question that was asked.

[02:01:59] And those living in the highest income brackets are now 36% of our population, I believe. And those in the lower brackets are much, much less, even more than before the pandemic. So that's what I'm really, really concerned about, that our limited resources are going to those getting 60% and below, and that for the 80% and above, we're working more on the land use and the open market for that.

[02:02:25] So that's my concern with it, but I understand where you're coming from. Supervisor Sleysmoorheiser. Thank you, and I appreciate the thought, and of course I want to make sure that everybody, especially those at 80% AMI, where their housing is, that it's safe and of a quality, and we use our tools that we have to ensure that.

[02:02:46] And so I appreciate naming this. However, I'm having just seen this, I have some questions as to why it would belong here. Because when I read this, it sounds like what we're trying to do is invest public resources in producing and preserving housing needed by those earning 80 AMI.

[02:03:04] So for those earning 80 AMI, that's whatever housing they're living in, correct? Whether it's a house or apartment complex or manufactured housing. So I don't quite know why we would specify manufactured housing if it's already including in that word housing needed.

[02:03:20] Maybe I'm being too much of a lawyer and parsing words, but it feels like if we're saying housing needed, that would include all housing, correct? Am I missing something? If I could just add, nothing in my guidance, I mean, there is a part that talks about 80% down below.

[02:03:39] But, you know, our guidance is to be mindful of preservation needs and promoting homeownership as we continue to address affordable housing without barrier. Like, it's not specific to, I think, deciding AMI rates here for certain language is a policy decision that is much outside of the scope of the budget guidance.

[02:03:58] My budget guidance included language that would be mindful of promoting preservation and homeownership. And that's, for me, as simple as I think the language in the budget guidance needs to be to add those components of importance to the work that Mr. Fleetwood is already doing.

[02:04:15] So I just want to clarify that. No, I appreciate that. I was just kind of commenting on this one, the 80%. But I guess to me, for already looking at housing writ large, in my previous role, my experience, if the board specifies a particular type of housing, that lifts up that as a priority.

[02:04:35] And I don't know if I'd want to lift that up as a priority over everything else. I think they're all a priority, right, and they're all important. And I also don't want to limit it to saying manufactured housing because it's housing needed, not just producing housing needed. So maybe there's in the future a better option than the manufactured housing for this population.

[02:04:53] I don't want to put anything that could be an unintentional limit. I don't think it's meant to be that way, but I don't want anything that could be read that way. I think to me, if we're going to look at ensuring quality of current housing, there's ways to do that that may not be this.

[02:05:11] So maybe I'm parsing my words as a lawyer, but to me, I feel like I don't want to limit housing or lift up a certain one while saying that we want to make sure that those who are in manufactured housing, and there is one in my district as well, that that is included and prioritized alongside everything else.

[02:05:27] So I don't feel comfortable adding this language, but I'm very comfortable with the sentiment and support it strongly. Thank you. I'm not going to be able to support the amendment either for a lot of the reasons that were listed. I see Supervisor Lusk's hand, but I'm going to go to Supervisor Stork first.

[02:05:43] Okay. Thank you. And I feel like much of the conversation is that my focus has been, as the board's kind of evolved, I mean, I don't know, at least six or seven years ago, we didn't regularly talk about

market affordable housing.

[02:06:02] We've had some really wonderful studies from our housing folks who have talked about market affordable as well as our subsidized. And I think all of those are really the continuum of options that we should be focusing. So in this case, I don't want to be explicit about manufacturing because I think there's lots of different ways.

[02:06:22] And particularly the acquisitions that the county has supported with not-for-profits and acquiring market affordable housing right now and preserving that long term has been another, I think, an exceptional way of ensuring that we have more affordable housing.

[02:06:39] that issue is not going to change it's going to continue to challenges and all the above strategy housing for all if you will and particularly for the folks who are the needy who have the greatest need is going to be my focus so thank you thank you Supervisor Lusk yeah so I'll just make a couple of points the first is it certainly wasn't included to preclude other housing it wasn't included to say that it's a priority over other housing types. I think what I'm trying to suggest

[02:07:11] is being responsive to that testimony and really acknowledging that there's a lot of pain and suffering that people are enduring in some of these communities. And I can't, in good faith, not do whatever I can to try to support them. So Tom, if I can ask you a question here on the record. You've said that this is a priority. Help me understand if you can share how we might go

[02:07:45] forward in addressing some of the concerns that we have in this community. Supervisor Lusk, I assume you're referring specifically to Harmony Place, right? I am. There are a variety of steps that we're already taking, as you're aware, we've implemented a new pilot home repair program.

[02:08:12] We will be also working with Rebuilding Together in terms of their efforts that could potentially be directed to that community. There are also a variety of other steps that we're looking at in terms of broadening the kinds of resources and therefore the people who could be served in that community, and not just that community and all of our manufacturing housing communities.

[02:08:38] We have, there are a number of options on the table, given, I think, the flexibility that the board has given us. So I only ask the question on the record in acknowledging that I'm aware of all the programs that are being done in the community.

[02:08:53] The point you just made, broadening the accessibility of some of this programming for residents, That's what's kind of the critical point that we've got to get to a place where we can support more residents in those communities.

[02:09:09] So I appreciate you saying that. I'll look forward to continuing the conversation. And with that, Mr. or Madam Vice Chairman, I will pull my... Okay, the motion's on the table. Oh, sorry. You can pull it. I can pull it. You can pull it.

[02:09:25] Second or three. Yeah. Okay. I'd like to... So my training, and I'm just going to say this, 14 years on the school board, is once the motion is made, the motion belongs to the board. And so if this board is more flexible and once and twice.

[02:09:41] I'm making the request that the board would pull the motion. I'm making the request that the board would do that. If they're not willing to do that, then go ahead and proceed with the vote, Madam

Vice Chairman. Okay. The motion is to pull the motion. Everybody, anybody in favor of that, please say aye.

[02:09:59] Aye. Oh, second. Second. It was seconded by Supervisor Alcoyne. Anyone opposed? Any abstentions? That motion carries. The motion is pulled. Thank you. Thank you very much. I am going to see if there's any other discussion on the budget guidance. Supervisor Palachuk?

[02:10:15] Thank you. I actually had a little bit other than what I already shared, which I think we should focus it a little bit next year, because there are a lot of good things in here that I don't want to get lost in the conversation. But I do want to share and appreciate the thoughtfulness that's been brought into what we know are our values and our focus for the coming years.

[02:10:34] Number one, and I spent quite a bit of time with our staff, with FCPS staff, and appreciate being able to move forward. The middle school, after school programs and VIP, I know we know they are critical components.

[02:10:50] We also know that we need to continue to understand, focus on, and improve on our partnerships and on the way those programs are impacting and on the metrics we get. So I want to thank the chairman for his language here. I think it's appropriate to be able to continue to fund that and to ensure that both our body and the school body are committed to what was proposed for that program.

[02:11:14] I also appreciate you sharing. I think I did a little bit in my comments about our ability to have the beginnings, the first few months of the food and beverage tax showing that we can and are diversifying our revenue base with the tools we have available.

[02:11:34] Important to understand, we are a deal and rule states. We don't receive authority. We are not able to use it. We do have this authority. There are other authorities we do not have, like a local income tax, which many of our neighbors have. So I appreciate that we're using the tools we have in order to take a little pressure off of our homeowners and to prepare us for times like these when there is national upheaval.

[02:11:59] And then in addition to the affordable housing, I really appreciate the work that's being done with economic development. I know a comment was made about one of our agencies representing 90% of Tyson's, which is the economic engine both of our county and of the Commonwealth, and seeing from the charts that we continue to have the highest rate of vacancy in our commercial.

[02:12:22] We know that there is a challenge. We know that there is a shift. We need to pivot. I like to say, not in the '90s anymore, right? I grew up here in the '90s. There were a lot of great things happening. There were others like things that weren't here yet that are here that are wonderful. And some of that to me is we built a lot of agencies, a lot of groups across the county to do work in isolation.

[02:12:43] And what I really appreciate in the conversation that's happening both around economic development and actually at SCIPT around how we support our children and youth is that we need, we have to really use, I think, this time, this challenging time to improve the way we do our work.

[02:13:02] To ensure that whether a family lives in Tysons, in Reston, in Franconia, in Braddock, wherever they live in the county, that they have access to the tools. and that includes our small businesses. We have had many, many different groups, and I think it's not wrong for us to say, just as we evaluated every other program in these challenging times, that we've created this new Department of Economic

Initiatives that's able to do great work, and that's giving us an ability to, as a county, better partner with our more external economic groups.

[02:13:40] I visit the central Fairfax Chamber often, 60% of their members are in the county, see the work they do, compared to what we're able to do in other parts of my district or the county. And so how do we bring those best practices and more coordination and less, you know, competition, I would say, because we are one Fairfax and we want to compete for all of our businesses, our big ones that our EDA is able to be mostly involved with, as well as our smaller businesses or our growing businesses and the work that's being done.

[02:14:13] yourself and many on the board. So, you know, to me, it's fixing the EOR, looking at it again, is critical because it's been a challenge trying to use that for projects that really will impact our businesses and our small areas, right? We can plan all we want for Merrifield, for Tyson's, but unless we're able to really get something built and something that's marketable, it's going to be a challenge.

[02:14:39] And so I think it's wise that we are, it's looking at, it's evaluating and trying to make improvements to what we already do well. I think there's an opportunity to do it better, to do it more coordinated with less silos and with joint outcomes.

[02:14:58] So I just want to share, I don't, to me, the work that's being put here is not a criticism, but rather a look at something that maybe the county hasn't focused on in some ways that we've focused on things like human services and our education, our parks, our libraries.

[02:15:15] How do we really focus on economic development at a time when we have no choice but to ensure our economic development is less tied to our federal government than ever? So I just wanted to share that. I appreciate the conversation.

[02:15:31] And I just wanted to be clear that those changes and foci, focuses on those areas, are not a criticism, but rather wanting to improve them. So I have Supervisor Herity, then Bierman, then Stork.

[02:15:47] Yeah, let me start with I appreciate Supervisor Lust's comment on economic development and the need for incentives. There was a time Fairfax County didn't need to do that. As I said last year, I think we do now. So I want to thank the chairman for putting that in, Supervisor Lust's comments on those.

[02:16:07] I also want to thank the chairman for his encouragement on the school budget. The school system today has fewer students than it did 10 years ago, but it has twice the budget. And unfortunately, that growth has not been in the classroom. It's been on the administrative side, and I think it needs focus.

[02:16:28] The language, and I quote, urge the superintendent and school board to engage in a comprehensive a process to identify cost savings efficiency and reduction opportunities is exactly what they and I believe we also need. It's something I've been calling on because it encourages not just the superintendent but the school board. Unfortunately the board in our budget guidance language is again directing the county executive to identify cuts instead of performing a deep dive review itself of our spending policy. Other than this supervisor's proposed reductions and the look at the

[02:17:05] contributory fund that the audit committee conducted, I am not aware of any board-initiated reductions. Board-reviewed, yes, but board-initiated, no. I certainly, and I also want to echo something Supervisor Berman made. The cuts the county executive came up with on Connector, and I missed pointing that out, that was the kind of review that we need to do because I had a few bus routes. I had

somebody complain to me about one of the bus routes that was being eliminated, and when she found out the cost of that bus

[02:17:43] right per seat, which I think was \$74 or something, she agreed with the elimination. So those are the kinds of reviews, and again, thank the county executive for the work he does there. Happy to see the language attainable housing and a focus outside of the 10 units that are expensive to build, hard to find occupants that can pay the rent, and have income qualifications that are below most of what our policemen, firemen, teachers, and nurses make.

[02:18:18] I recently talked with one of those affordable housing developments. They basically said, finding people to go into those developments is like finding a needle in the haystack. And that was a quote. They've got to make enough to be able to afford the rent.

[02:18:34] They can't be creative because they can't have roommates because those count in the income levels. But they can't make too much, and most of our policemen, firemen, and teachers make too much. We need to work on attainable housing, but the \$10,000, as the board knows, I disagree, is not the only answer.

[02:18:56] I also appreciate the mention of homeownership. It solves a lot of our problems, generational wealth. It lets people live where they can. But we haven't really seen anything on homeownership, so I hope that mention in this budget language gets us somewhere on homeownership as we talked, Mr. Chairman, when we went through the budget guidance.

[02:19:18] Unfortunately, what's still missing in our affordable housing discussion is a review of the cost impacts of the significant regulations we've added. And my favorite one is the plan roll, all the documents, the big documents, for the original Fair Lakes development was 12 pages long.

[02:19:41] They had 12 pages. Now a single building can have 12 pages for landscaping alone. That is a cost and a time burden. We've talked about process improvement for years. I hope the current review will yield some progress.

[02:19:58] At a recent chamber event that some of us were at, One of the housing developers said every month of delay increases the cost of a project by 1%. I haven't fact-checked it, but he's a reputable member of a chamber policy.

[02:20:16] But every month of delay increases the cost per unit by 1%. We can have a significant impact on housing prices if we get this right. But adding regulations, as I said when this board added 80 pages of new regulation to our comprehensive plan, we need to understand the fiscal impact of what adding regulation does.

[02:20:43] And what we haven't had is a look at where can we streamline, not just the process, but reduce and streamline the regulation. I do want to thank the chairman for the sentence on pensions, but I hope we'll include a more comprehensive review of pensions and their impact on the budget, as well as a detailed review of the 2024 report and the investment returns versus market returns. I encourage board members to look at the responses to the budget questions we received last evening. I mean, for pensions to

[02:21:22] be costing us \$0.33 on every payroll dollar, and remember, we always say payroll is our biggest expense. That's pretty significant, and we don't have to be reducing benefits to attack that number if you

look at the report. We just need to be smart. Mr. Chairman, I spoke many times in the past and earlier today about the need to do the deep dive, as other boards have done.

[02:21:47] I applaud much of what staff has done. We talked about the connector comment. I don't care how it's done. Outside budget experts, benchmarking, review cost increases, we as a board must get more engaged earlier in the process.

[02:22:05] I've made my position clear for years, and I've talked long enough, so I won't be making a motion, but will not support language that does not include some process other than abdicating reductions to the county executive. Thank you. I have Supervisor Bierman, then Stork.

[02:22:23] Thank you, Vice Chair Smith. I don't know. Personally, I've only been here for two years and four months, but I feel pretty involved in the process. Christina, Phil, do we talk a lot?

[02:22:39] You know, do we talk at our various committee meetings about ways to save money? Hey, the middle school after school program that we saved with a potential fee structure. Chris, Leonard, did I send you an email about that idea to recoup some of the costs there?

[02:23:00] You know, I do feel like we are doing, again, I do feel like the Board of Supervisors is absolutely involved. I will say that whoever wrote that sentence, the Board of Supervisors continues to urge the superintendent and school board to engage in a comprehensive process to identify cost savings, efficiencies, and reduction opportunities, really nailed it and did so because he thought that was what we're doing over here.

[02:23:28] So, you know, Supervisor Herity, I do believe we are going to be looking at pensions because that was in the board guidance. I do believe that the guidance every year talks about things that we're going to look at. I appreciate that we're going to be looking at potential senior tax relief and analyzing what the opportunities are there.

[02:23:51] I will say that solving a lot of these problems is not a one-year thing or a two-year thing. Sometimes they take a long time to solve, and we go in graduated steps on how we approach them.

[02:24:06] You see that, in fact, with a lot of the cuts that we make when we restore programs and think of it as somewhat bridge funding between total elimination or bridge funding to get to the next year to figure out what the next step for that program is.

[02:24:28] With the CSB in particular, Darrell Washington has moved on to bigger and better things or bigger and different things. I'm not sure, but sorry, bad Richmond joke. But a lot of what we did with the CSB last year is we did bridge funding.

[02:24:46] We changed things over time to try and reduce the negative impact that they have on our vulnerable population, but at the same time to ensure that we are being more fiscally prudent. I also appreciate that this budget guidance does talk about things that will be forthcoming about our housing task force and the ideas that we are going to be putting forth to build housing faster, to cut down on those timelines.

[02:25:18] And yes, that is something you are going to see over and over again as ways that I think we are going to try and drive down various costs. I do appreciate the comments in this budget guidance about middle school after school as well.

[02:25:37] I think it's really important that when we go through a process of working with the superintendent and working with our FCPS counterparts and we come up with a solution together, a creative solution, that we all honor that and that we continue to move forward with it.

[02:25:55] I do appreciate the language in here about contributory agencies, and yes, that does come out of a budget audit, which suggests that we should take a tighter look at contributory agencies, and I think we will do that in the next year. I very much appreciate the conversation about the Economic Opportunity Reserve.

[02:26:16] Candidly, I'm one of the people who have benefited from the current Economic Opportunity Reserve. The McLean Project for the Arts is opening their new space on Thursday. It's going to be great, but it is going to be a catalyst for McLean, and I want to make sure that we have more opportunities to do things like that all across the county.

[02:26:34] I appreciate that we are continuing to work on consolidating our placemaking organizations, along with our economic development organizations. Consolidating may be the wrong word, collaborating, whatever it may be, getting them to work better together, which is going to be extremely important to continuing to broaden our tax base and so that we can continue to pay for the important services that help the vulnerable, that our residents care about, that make Fairfax County a great place to live while

[02:27:11] also finding other ways to moderate the tax burden. So I strongly support this budget guidance. There's something that Chairman McKay said multiple times, which I think is worth emphasizing once more. Maybe the next folks can all emphasize it. It is non-exhaustive, and you know, you have your work cut out for you of continuing to get creative, find more ideas. We are here. If you have ideas, bring them to us. We'll bring ours to you, believe me. But thank you for this budget

[02:27:45] guidance, Chairman McKay and my colleagues. Thank you. Thank you. Supervisor Stork. Thank you, Madam Vice Chair, and I appreciate the opportunity to speak to this. And I want just a couple of points. One is, first and foremost, economic development. We all are aware of it, how critical it is to our future. And I'm very appreciative of the language that's in here, because I think The language, for the most part, recognizes what has made us great.

[02:28:15] We have had some amazing leaders and amazing expertise, amazing experience that has really helped us to exceed far beyond what 99-plus percent of the areas in the country have been successful.

[02:28:31] So we have an amazing group of folks who have helped us, lead us there over the last many decades. And it's important that we not only look at the future and how it's going to be different, which is what I think this identifies.

[02:28:46] We have to recognize that things are changing, things have changed, and look for ways to see how we can make a better future and ensure, really, that we are continuing to make the kind of economic progress that's really been our hallmark for decades.

[02:29:04] So looking at engaging the experience, expertise, the leadership of our existing EDA and our Department of Economic Initiatives. The county executive has been a huge part of that. Mr. Chairman, you've been a huge part of that. And, of course, we have many, many others here who have been essential parts of that.

[02:29:22] Victor Hoskins is EDA individual. So I think taking that expertise, taking that knowledge, bringing those folks together And looking comprehensively, 360, at what we've been doing, and even more importantly, what we should be doing going forward is an essential part of how we can sustain our just phenomenal success for the last many, many decades.

[02:29:45] That includes sales and marketing, which is a core part of what I have always viewed EDA to do. It includes business retention and expansion, which BRE, which is a core part of not only what EDA does but what our Department of Economic Initiatives and, frankly, each individual board member does here.

[02:30:02] Our commercial development is essential part of that. I know the chairman mentioned that earlier. Those are all key parts of it. and having, if you will, lots of options, economic incentive package or options that can help us ensure that we have the right tool for the right thing that needs to be fixed.

[02:30:23] Our past success is not a predictor of future success, so looking and making sure that we have those tools and that experience and expertise, and we've brought those folks together in a way that's ultimately successful is crucial. So much as we've done the last couple years in changing how the committees of the board that work on this issue, Council for Economic Opportunities, the board supported, how we've modified some of the department, how we've modified Economic Development Committee, those are all essential parts of that.

[02:30:54] The other major element I wanted to mention is we've heard, I've heard frequently, not only this year, but in previous years about doing a deep dive in the budget. I was here 10 years ago, and I know Vice Chair Smith was here and many others, and we did a deep dive in the budget.

[02:31:14] And as a new board member, I think it was probably helpful, but I also saw the huge amount of staff resource that it took to go through this line of business initiative and review that we did. And more importantly, as a business person, right, you want to make sure you're putting your time and effort into things that can make a huge difference.

[02:31:36] And the outcome of that was some, I think, some general changes, but I did not see the wholesale changes that I think we at times may need. But when you have all of staff focused on really supporting the board with a huge effort like that, it is not the right way to approach this.

[02:31:57] In my mind, and I think hopefully my colleagues can chime in on this, in my mind, the first and most important each of us do is to work with the county executive. I start with the county executive. We have our conversations regularly, and sometimes we agree, sometimes we disagree.

[02:32:16] More importantly, we have a dialogue about what we think, what I think, or what he thinks may or may not be particularly effective going forward. That additionally applies to our chief financial officer, Christina Jackson, working with you in those kind of conversations.

[02:32:32] I know Supervisor Beerman just got done really mentioning those, but it also applies to each of the deputy county executives. If we have an issue, we have an idea, we have a concern, we have a question, that's where you start. And you start by doing a little bit of homework on your part, not just saying, oh, do a deep dive.

[02:32:49] You pick a particular area that you think is worthy and critical to having that kind of in-depth look. You provide and you do some basic research on your part or your staff's part, and you share that with

the individual and staff. You then work with them, and then you can have that iterative process which identifies whether there's something real or something that maybe isn't so real there.

[02:33:11] As committee chairs, we each have that opportunity in a particular area. You know, committee chairs, I'm looking at those things, and what can we do? How should we look at each of these different elements? How can we save money, create opportunities within that? The audit committee in particular is one that I think we've been successful.

[02:33:30] I'm looking for additional support there with this upcoming budget. Not this year, but the one after that. I think we need to do more. I think we have more opportunities to have more savings. And then finally, and most importantly, I started with that really is my colleagues. Each of us need to identify an area that we think really needs a deeper dive.

[02:33:51] And you do your basic homework, have those conversations, and take ownership. Not just make this broad statement of deep dive. Be specific, come up with specific ideas or issues, and then use that basic research you do to have those collaborative conversations and then identify what may or may not be useful going forward.

[02:34:11] So I know we have board matters. That ultimately is a way to do that, too, but there's a lot of other steps before you even get to that point, and mostly it's having those conversations, making sure that staff's time is spent on productive issues and not on something that maybe has been looked at before and not found particularly consequential.

[02:34:30] So I'm going to continue to work hard myself. And as chair of the odd committee, I know we're going to continue to work hard at those things. But I really challenge each of my colleagues to do their work and identify things and share those conversations with the county executive and others who can help vet those and identify whether or not they're particularly valuable and or can provide the kind of outcome that might truly move the needle.

[02:34:54] So thank you. Thank you, Supervisor Stork, Supervisor Sizemore-Heiser. Thank you. I'll try to be quick. As I'm listening to everybody else speak. Okay, now it's pressed. Thank you. I appreciate it. Thank you. So I'll try to be brief, which is not something I'm known for.

[02:35:13] As I'm listening to everybody else speak, I think I just wanted to sort of share a few things publicly that what this budget has shown me and what our budget guidance has shown me and what I've been thinking about for a long time, and one of the reasons I wanted to run for this position is because we're at this crossroads here in Fairfax County that I think we're in a similar place probably in the 60s when we're transitioning from a rural to a suburban urban community. Now we're transitioning from the bedroom community of D.C. to our own place. So as we're looking at the budget next year, looking at county holistically, the districts holistically, economic development, housing,

[02:35:50] schools and services, transit holistically, as how do all those pieces fit into who we want to be for a sustainable future? And to what our strengths are here in Fairfax economically, our federal workers and the complex problems they've been working on, the skills they bring in defense tech and emerging industries of the future, in space tech, in cyber. How do we channel all of these great people and great work into figuring out what is a sustainable future and then build towards there and build the infrastructure, the transit, the housing, The schools, the services, the libraries.

[02:36:29] And then how do we do it in a way that honors who we are in Fairfax? I think we saw with this recent battle with the state over the casino that that is not who we are in Fairfax. But we have an immense opportunity here to shape it.

[02:36:45] So we don't have a state coming and telling us this is what you need to do. That is not based on who we really are. And so we talk about tight budgets and the difficult part of it. I think this is an immense opportunity for everybody in this room and many people who are not in this room to take us into this future at a moment where things seem like the future is very bleak.

[02:37:06] We have so much talent. We have threads of talent. And we have a Fairfax that's so amazing. The parks, the trails, the streams, the lakes. Let's build that. Thank you. Thank you.

[02:37:23] Mr. Chairman. Yeah, I'm going to try to be very brief here, just reflecting on some things I heard. First, I'm disappointed to hear anyone say this package simply advocates for further reductions. It's like they didn't listen to the whole motion.

[02:37:38] This motion is comprehensive, does far more than that. And this concept of the deep dive, I find it, I'm actually finding it quite offensive to our staff and the people who are involved every day who talk to me about the budget, our residents who have come forward with ideas.

[02:37:58] And frankly, I think it's code for, I didn't come up with any reductions, so I want other people to do that work. And that's our job. A lot of time, that's our job, to make those hard decisions and to defer that to others because someone on this board hasn't come forward with any credible reductions and put them on the table this year.

[02:38:18] That's work. That's what members of this board, as others have said, engage in every single day. Number two on the EDA-DEI thing, I just want to be clear. My language in here is reflecting on the fact that the EDA and DEI both do outstanding work for this county.

[02:38:39] They just don't do enough of it together. And there was a time we didn't have a DEI, and I give a lot of credit to the county executive pre-COVID for having the vision to say we needed that. Because if we go back in time, remember the DEI is doing a lot of work with our small businesses at a granular level, administering grants, doing things.

[02:39:00] The EDA is quick to always remind us properly that our county budget is driven by small businesses. And so what are we doing together to enhance that and to be thinking forward? And so this is not a criticism of either one of them. In fact, it's a celebration of their successes and a nudge to say, hey, can you guys work together in a way that comes up with a coalition when it comes to economic initiatives and economic opportunity?

[02:39:27] And that's really what this language does and what the conversations have been about. Third, middle school, after school. You know, I just want to emphasize what others have said. I want to be really clear about this. The school board must do this. In the same way, the schools rely on us to do SAC, crossing guards, school health nurses, school resource officers, all the things we do to support the school system every day.

[02:39:56] This is a tiny ask to say, you all should be running the middle school after school program, and we are bearing the entire risk of that program financially. We are transferring to them the money to do it.

We're asking them to set up a fee-based program so that some of that revenue can help support it, But we are on the hook to collect that and make the program whole.

[02:40:16] And so I want to be really clear about this. This is not a question of do middle school after school or not. This is a must do in the same way we must do the things we do to support the school system every single day. Third, in the way of regulations, you know, I have a roundtable.

[02:40:36] I meet with many times a year with small and large home builders. Supervisor Smith joins me on that as chair of the Land Use Process Committee, and we have made measurable improvements to our process to support home builders in the county. So that's the hard work that gets done every day, not just the we should reduce regulations, but I can list dozens of specific ones that we have made process improvements on in working with the development community.

[02:41:01] And then lastly, Supervisor Herity and I were also at another chamber event, and I would just remind my colleagues of this, what they already know, which is the three biggest challenges they have. Businesses in Fairfax County indicated in the panel that they have right now at this moment.

[02:41:19] Number one is produce more affordable housing for our workforce, which we've talked a lot about here. And people who supported the budget supported putting more money into affordable housing to do that. Number two, federal immigration policies are destroying our businesses, destroying them.

[02:41:37] HomeBuilder actually just recently told me, Jeff, number one thing you can do to help home construction in Fairfax County and support our home builders is stand firm against some of the immigration policies. Because our workers are literally running away the people who build our homes.

[02:41:54] Costs are going up for businesses because there's a lack of workforce right now. In everything from very specialized medical treatment, people not coming to this country to serve us, all the way down to the people who clean people's houses and provide home health care. Costs are going up for everyone in this country right now, not because of our policies, but because of immigration policy.

[02:42:17] And the third thing they said is what's happening at the federal level. The unpredictability of costs, tariffs, fuel costs, federal cuts, impacts to federal workforce, loss of federal contracts. Those are the things our business community is talking about and the things that this board works on all the time.

[02:42:38] Those are the biggest risks to our businesses and the biggest risk to our residents in terms of rising costs. And so, you know, the real estate tax rate is one thing, but what's really killing our families right now is the cost of goods and services regulated at the federal level.

[02:42:54] And I think we need to never lose sight of that. And so I appreciate my colleagues' support of the budget guidance language. It is comprehensive. It does talk about future reductions and efficiencies, and frankly, I think our residents deserve a board that will tell the county executive others to continue that work and come back with additional efficiencies, because that's what our residents are doing, and that's what they expect us to do.

[02:43:21] And so I'm not apologetic about including that in the budget guidance, but this guidance also is far broader than that in the things it asks us to consider over the course of the next year. So I appreciate my colleagues' support for it. Thank you. With that, all those in favor of the motion, please say aye.

[02:43:36] Aye. Any opposed? Fairity nay. Any abstentions? That motion carries 9 to 1. Thank you. Mr. Chairman. And, Madam Chair, we do have one final item. In this year, this contains zero changes from

what the Planning Commission adopted, but as the Board knows, we must approve the FY2027 to FY2031 Capital Improvement Program with fiscal years to 2036.

[02:44:00] And with that, I move that the Board approve of the FY 2027-FY 2031 Capital Improvement Program with future fiscal years to 2036 with the following amendments. And these are verbatim from the Planning Commission. One, direct staff to identify long-term funding strategies and resources to incrementally increase the baseline for capital renewal projects.

[02:44:21] Prioritizing preventative maintenance and system renewal as a fiscally responsible alternative to the higher cost of full renovations or facility replacements. Furthermore, maintaining assets in a state of good repair reduces the county's long-term reliance on bond-funded projects.

[02:44:37] And secondly, make all necessary adjustments to reflect actions taken during the Board's decision on the FY2026 third quarter review and the FY2027 adopted budget plan that impact the CIP. I'll second that motion along with Supervisor Palchuk. Any discussion on the motion?

[02:44:56] Seeing and hearing none, all those in favor of the motion, please say aye. Aye. Any opposed? Any abstentions? That motion carries unanimously. Thank you, Madam Chair, and I do want to close by thanking the staff. Everyone else has. I did a little bit, but the four folks sitting up there in front of us, but also all the folks behind them that support all the budget work that we do in Fairfax County every day, I show appreciation for them.

[02:45:22] I know that the weeks leading up to what we just did here are a lot more intense than other weeks, But there's a lot of intensity year-round, and we see you, and we appreciate the work that you do on behalf of Fairfax County. So thank you for that. And let me ask if there's further business to come before the board before we adjourn.

[02:45:41] Supervisor Alcorn. Yeah, just real quick, one announcement for the board. This would normally be a board matter, probably thing, but we're not doing board matters. It's not on the agenda. But given the fact that we've had elections and we continue to basically use our county's email and our county's public systems, I want to make sure that we're all aware of what the limits are in terms of what we can do with our newsletters, you know, in terms of weighing in on elections that are underway.

[02:46:15] And frankly, I've asked the county attorney, and I just want to make sure this is all public, I've asked the county attorney to review what those limits are for us and provide that information back to the board in terms of any legal limits, but also policy.

[02:46:32] What are our policies in terms of when we weigh in and guidance on that? Because I have seen at least one of our colleagues weigh in on an active election, which made me uncomfortable. Typically, I only put out information that tells people where they can vote and when and that kind of thing.

[02:46:52] So, Mr. Chair, I just wanted to make sure the board was aware of that. I appreciate that, Supervisor Alcorn, because I had the exact same concern. And just as a reminder, you know, our official county newsletters, emails, all that stuff, great to tell people when there are elections, where to vote.

[02:47:10] Really bad when you start telling people how to vote or suggesting how they vote. And so I appreciate and will look forward to the county attorney's review about that because I am very concerned about some things I've seen recently. And frankly, we need to get a reminder. So thank you for bringing that forward, Supervisor Alcorn.

[02:47:27] And if there's no further business to come before the board, our board meeting of April 28, 2026 is adjourned.



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