November 9, 2021– 9:30 a.m.
Matters Presented by Board Members

Chairman (At-Large):

1 *Joint Board Matter with Supervisor Lusk* - Proclamation Request

2 *Joint Board Matter with Supervisor Walkinshaw* - Request to Renew and Extend the Charter of the Redistrict Advisory Committee to Evaluate the Names of Magisterial Districts

Vice Chairman (Mason):
None Submitted.

Braddock:

3-4 *Joint Board Matter with Chairman McKay and Supervisors Alcorn and Storck* - Limiting the Purchase and Use of Gas-Powered Leaf Blowers on County Properties

5-10 Letter to Governor-Elect Glenn Youngkin

Dranesville:
None Submitted.

Hunter Mill:
None Submitted.

Lee:
None Submitted.

Mount Vernon:

11 Recognition of Gina Lynch

12 In-Person Early Voting Information Clarity

13-38 Adoption of the Auditor of the Board's September 2021 Quarterly Report

Providence:

39 *Joint Board Matter with Supervisors Gross and Smith* - Commission for Women's 50th Anniversary

40-41 Recognizing Holmes Run Acres' 70th Anniversary

Springfield:

42-43 Recognizing January 2022 as National Human Trafficking Awareness Month in Fairfax County

Sully:

44-57 *Joint Board Matter with Chairman McKay and Supervisor Foust* - Joint Capital Improvement Program Committee Report

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX
BOARD OF SUPERVISORS
FAIRFAX, VIRGINIA 22035

Suite 530
12000 GOVERNMENT CENTER PARKWAY
FAIRFAX, VIRGINIA 22035-0071

TELEPHONE 703- 324-2321
FAX 703- 324-3955

chairman@fairfaxcounty.gov

JEFFREY C. MCKAY
CHAIRMAN

Board Matter

November 9, 2021

I move to approve, without objection, the proclamation requests listed in this document:

- A recognition for the Franconia Museum in celebration of their 20th anniversary, co-sponsored with Supervisor Lusk, be presented in the Board room.

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX
BOARD OF SUPERVISORS
FAIRFAX, VIRGINIA 22035

Suite 530
12000 GOVERNMENT CENTER PARKWAY
FAIRFAX, VIRGINIA 22035-0071

TELEPHONE 703- 324-2321
FAX 703- 324-3955

chairman@fairfaxcounty.gov

JEFFREY C. MCKAY
CHAIRMAN

Joint Board Matter

Chairman McKay
Supervisor Walkinshaw

November 9, 2021

As you are aware this Board first approved a resolution in early 2021 to initiate the reapportionment process and charge the Redistricting Advisory Committee (RAC) with this task. While the original work of the committee is complete and their original charter closed, in the Committee Chair's final letter dated November 1, he wrote "I strongly encourage a community-driven process that evaluates the names of magisterial districts […] to bring greater equity to bear in Fairfax County."

That said, in coordination with the Chair of the RAC, I move that the Board renew and extend the charter of the committee to complete the suggested work of evaluating the names of magisterial districts until March 1, in line with the Attorney General's review of Fairfax County's final redistricting plan, and report back to the Board of Supervisors.

In addition, understanding that this is new work presented to the committee and not all of its original members may be able to continue this work, all appointing individuals and organizations should ask appointees if they would like to be reappointed. Should that individual no longer wish to serve, a letter declining reappointment should be received and a replacement should be found.

All names should be submitted to the Clerk by November 23, whether for reappointment or replacement. A final vote on the committee's membership will be taken by this Board at our December 7 meeting, as part of our vote on Citizen Boards, Authorities, Commissions, and Advisory Groups. As you will remember, this mirrors the process taken to originally appoint the RAC. In addition, I move that the County Executive identify appropriate staff, agencies, and resources to carry out this Committee.

James R. Walkinshaw
Braddock District Supervisor

9002 Burke Lake Road
Burke, VA 22015

703-425-9300
Braddock@fairfaxcounty.gov
www.fairfaxcounty.gov/braddock

Board Matter

Supervisor James Walkinshaw
Chairman Jeff McKay
Supervisor Walter Alcorn
Supervisor Dan Storck

Limiting the Purchase and Use of Gas-Powered Leaf Blowers on County Properties

Background

Mr. Chairman, as you're aware, the use of gas-powered leaf blowers presents a number of problems, most prominently their extreme and penetrating noise levels and the highly toxic emissions from the out-of-date two-stroke engines that they often use. Many gas-powered leaf blowers reach noise levels of 65 to 80 decibels at 50 feet away, enough to cause permanent hearing damage and/or tinnitus. Their engines are incredibly inefficient, releasing as much as 30% of oil/gasoline mixture they burn as aerosol. They emit 23 times more carbon monoxide than a Ford pickup truck.

This year, Supervisor Alcorn requested an accounting of how many gas-powered leaf blowers are owned and operated by County agencies. Additionally, the Board's recently-adopted Community-wide Energy and Climate Action Plan (CECAP) calls for the transition to electric vehicles and leaf blowers to achieve the County's emissions reduction goals. Fairfax County Public Schools have begun a pilot project at three schools to test the feasibility of switching to electric-powered tools on all of the district's 1,700 mowable acres.

County agencies work with the Department of Procurement and Material Management (DPMM) on product specifications when making purchases of leaf blowers. Agencies also place orders independently for products, and some agencies use third-party contractors for landscaping services. Due to the multifaceted nature of the acquisition and use of leaf blowers, a countywide policy would be necessary in order to institute the changes across departments and to express our commitment to a cleaner and quieter County.

Proposed Action

Therefore, Mr. Chairman, I move that the Board direct staff to take the following actions:

- The County Executive shall report back to the Board with a plan to discontinue the purchase of gas-powered leaf blowers as soon as is practical and;
- Relevant agencies to report back to the Board with a plan to update their procurement processes to incentivize electric use by awarding extra points to contractors which use electric leaf blowers and landscaping equipment

Finally, to encourage County residents to join us in this effort, I move that the Office of Environmental & Energy Coordination, the Office of Public Affairs, and the Department of Public Works and Environmental Services work to inform residents about the environmental hazards of gas-powered leaf blowers and the alternatives to grass and leaf collection. This work would include an announcement of what the County will be doing to limit and phase out gas-powered leaf blowers, as well as promotional pieces to be posted on the relevant County websites where information about leaf collection and lawn maintenance is listed.

James R. Walkinshaw
Braddock District Supervisor

9002 Burke Lake Road
Burke, VA 22015

703-425-9300
Braddock@fairfaxcounty.gov
www.fairfaxcounty.gov/braddock

Board Matter

Supervisor James Walkinshaw

Letter to Governor-Elect Glenn Youngkin

Background:
At this time of year, the Board spends a great deal of time working on our draft Legislative Program and Human Services Issue Paper, highlighting our legislative priorities for the upcoming 2022 General Assembly (GA) session, which begins in January. In fact, later today we will be holding a public hearing on those draft documents. Additionally, as Board members are aware, last week the voters of the Commonwealth elected a new Governor, Glenn Youngkin. When a new Virginia Governor is elected, we typically share some of the County's budget priorities with them, as they begin crafting their legislative agenda in advance of their first legislative session.

Virginia has an unusual budget process for new Governors – it is actually the departing Governor, in this case Governor Ralph Northam, who will propose the official introduced budget to the 2022 GA in December. It is then the incoming Governor, Governor-elect Youngkin, who will work with the 2022 GA on the budget throughout the session, as well as make legislative decisions about the final budget after the session has concluded. He will also be the Governor who implements the 2022-2024 biennium budget.

Mr. Chairman, as we enter this transition period and the change of leadership in Richmond, we congratulate Governor-elect Youngkin on his election and urge him to uphold the spirit of cooperation that the Board has enjoyed with the Commonwealth's Governors for many years. It is also important that we highlight our state budget priorities, and suggest areas where we may find common ground, including increased state funding support for K-12 public education, transportation, mental health, the environment, and affordable housing, among others – given that Governor-elect Youngkin is from Fairfax County, it is our hope that we will be able to work with him on a wide range of budget issues that are vital to the County.

Motion:
Therefore, I move that the Board send the attached letter, under the Chairman's signature, to Governor-elect Youngkin requesting his consideration of the County's budget priorities.

November 9, 2021

Governor-Elect Glenn Youngkin
Governor-Elect of Virginia
P.O. Box 601
Richmond, VA 23219

Dear Governor-Elect Youngkin:

On behalf of the Fairfax County Board of Supervisors, I would like to congratulate you on your recent election, and to share with you some of the County's priorities as we approach the 2022 General Assembly (GA) session.

As you may know, a wide range of programs and services in the Commonwealth require a strong partnership between the state and localities. That partnership has often been strained, because it has been the practice of the Commonwealth to significantly underfund core services, leaving localities to fill funding gaps with local revenues to maintain essential services. The funding challenge that Virginia localities continue to confront is that the Commonwealth never fully satisfies its funding obligations to shared state and local programs and services. As a result, even when the state economy is flourishing and revenues are growing, the gap between what the state should provide for critical services (including K-12, public safety, human services, transportation, and economic development, among others) and what it actually provides is simply too substantial to make up. And because the economic picture is often cyclical, when revenue challenges create a substantial impact, like the recession several years ago or the current global pandemic, the issue is compounded as the state shifts more of the fiscal burden to localities at a time when they can least afford it, allowing the gap to grow ever larger.

The allocation of resources is a way of prioritizing areas of importance for the state. If core services and shared state-local programs are not at the top of that list, the pro-business environment Virginia has become known for will be jeopardized. Regrettably, a national report indicates that, during the previous national recession, only a handful of state governments cut more funds to local governments and school districts than Virginia did. Though the Commonwealth's budget shortfall was the 20th largest in the nation, Virginia's cut to funding for localities was the third highest among states. Essentially, Virginia relied on cuts to localities and school divisions to a greater extent than most other states. It is vital that the state avoid this approach to the current pandemic-related economic challenges. Though there are a number of areas of particular concern for Fairfax County in terms of state funding needs, we would like to highlight a few critical items for your consideration as you craft your initial legislative agenda.

K-12 Education

Public education funding in the Commonwealth is enshrined in the Virginia Constitution as a joint responsibility of both state and local governments, so it is essential that the state fully and appropriately meet its responsibility to adequately fund K-12 education. However, the Commonwealth continues to allow the gap between state funding and the actual costs of providing a high-quality education, particularly in high cost-of-living jurisdictions like Fairfax County, to expand.

Virginia's state per pupil funding consistently ranks among the lowest compared to other states, a discrepancy that has become increasingly untenable at a time when a global pandemic has placed unprecedented challenges on public education. The enactment of amendments to the 2020-2022 biennium budget by the 2021 GA cast a particularly bright light on the size of the current imbalance when it became clear that the state's portion of salary increases for K-12 staff in Fairfax County Public Schools (FCPS) would have been over $22 million, while the local cost would have been over $100 million. That exceedingly high local cost is due in part to the Local Composite Index (LCI), which, while purportedly designed to measure local "ability to pay," fails to account for the impact of the high cost-of-living in areas like Northern Virginia. The local cost is driven even higher because the state only funds positions recognized in the Standards of Quality (SOQ) and only provides funds based on a weighted statewide average salary – leaving localities to pay the full costs of any positions exceeding state requirements and the full cost of any portion of salary beyond those weighted averages.

In that same vein, the County supports a full restoration of state Cost of Competing Adjustment (COCA) funding for K-12 support positions in the 2022-2024 biennium budget. The 2021 GA took an important step by including additional appropriations to restore funding for the COCA for support positions; however, the GA also included a required ratio for K-12 support staff that will increase local costs for implementation, erasing some of those gains. COCA is a factor used in the state K-12 funding formula, recognizing the competitive salaries required in high cost-of-living regions to attract and retain high-quality personnel – though it does not adequately address the cost-of-living factors that are unaccounted for in the current formula, it does provide some recognition of that failure in the current formula.

It is also important that the state increase funding support for school divisions with high numbers or concentrations of English learners (costs are approximately 30 percent higher than general education costs), students living in economically disadvantaged households (costs are approximately 10 percent higher than general education costs), and students receiving special education and mental health services (costs are approximately 100 percent higher than general education costs). The County also supports increased state resources for early childhood education programs in both public and community settings, including the Virginia Preschool Initiative (VPI), to allow localities to expand these critical programs. Research has increasingly shown the importance of high-quality early childhood education programs to children's cognitive and social-emotional development and their school success. Strong public schools and early childhood education are crucial to the economic competitiveness of our region and to the future of our Commonwealth.

Transportation

Transportation is a vitally important issue in Fairfax County and Northern Virginia. After decades of state underfunding, the Commonwealth enacted significant transportation revenues in 2013 and 2020 to help address our = transportation needs. The statewide and regional funding generated by that legislation provided substantial new resources to address transportation in Northern Virginia and the Commonwealth, providing necessary funding for new projects, state road maintenance (including improved repaving, snow removal, mowing in the right-of-way, and stormwater management), and continued state assistance for local and regional transit systems (including the Fairfax Connector, the Virginia Railway Express, and the Washington Metropolitan Area Transit Authority). However, while those efforts moved the Commonwealth in the right direction, the impacts of the COVID-19 pandemic have changed transportation in unexpected ways, which may lead to additional funding challenges that must be addressed.

In Northern Virginia, 65 percent of high-volume secondary roads and 52 percent of low-volume secondary roads are in Fair or Better condition. While this is an improvement, more must be done as these roads remain below the statewide targets of 82 percent for high-volume, and 60 percent for low-volume, secondary roads. Millions of people drive these roads every day, and pavement will continue to deteriorate unless additional funding is identified. Reducing transportation revenues, including the gas tax (which is directed to the Commonwealth Transportation Fund and provides vital funding for Highway Maintenance and Operations; construction programs, such as Smart Scale and Revenue Sharing; and public transportation), would reduce funding available to these and other programs, only further increasing transportation needs across the Commonwealth.

A modern, efficient, multimodal transportation system is essential to the Commonwealth, and is intrinsically tied to continued economic development and the ability to compete in a global economy, especially as efforts continue to recover from the effects of the COVID-19 pandemic. Fairfax County, along with localities throughout the state, continues to provide millions of dollars in local funds for transportation each year, and the County and the Commonwealth must continue to work together to ensure that infrastructure needs are met, maximizing the long-term benefits to the transportation system.

Behavioral Health

Fairfax County supports state funding, commensurate with the size of the population served, for implementation of STEP-VA (System Transformation, Excellence and Performance in Virginia), the Commonwealth's behavioral health transformation plan. The County also supports additional state funding to improve the responsiveness and increase the capacity of the behavioral system for Virginians of all ages, including programs that work in concert with STEP-VA core services, such as Marcus Alert, the Children's Regional Crisis Stabilization Program, and the Virginia Mental Health Access Program. The County opposes the use of a local ability to pay factor in the distribution of CSB funds, which would penalize localities that make funding with local dollars a priority.

In 2017, the Commonwealth enacted STEP-VA, which mandates that Community Services Boards (CSBs) provide nine new core services, implemented over a period of several years. Significantly, at no point during the four years of STEP-VA implementation has the Commonwealth provided adequate funding for any of the newly mandated services. This is further exacerbated as the state approves new behavioral health mandates, such as the recently established Marcus Alert (enacted during the 2020 General Assembly special session), requiring CSBs to create local protocols and establish either mobile crisis or community care teams. Fairfax County is already making significant local investments in community behavioral health services, using approximately $2.3 million in one-time federal funds and an anticipated $4 million in local funds to begin the implementation of co-responder teams. Such teams, comprised of behavioral health and law enforcement professionals, align with the state's goals for Marcus Alert. However, it is important to note that the state has only allocated $600,000 to CSBs in the first phase of Marcus Alert implementation, with no funding allocated for CSBs in the second phase of implementation (including the Fairfax-Falls Church CSB). It is clear at present that Marcus Alert will be underfunded from its inception. Sustaining such a high level of local funding while receiving inadequate support from the state, at a time that state mandates continue to grow, is becoming increasingly untenable.

Public Safety

The County supports restoring, or at a minimum providing level funding, for HB 599 law enforcement funding. Such funding, which is provided to localities with police departments, is crucial in meeting public safety needs. Although the Code of Virginia sets out a distribution formula for calculating the amounts for eligible localities, in recent years the GA has instead had allocations in a given fiscal year based on a standard, across-the-board percentage increase or decrease from the previous fiscal year's allocations. The distribution formula has, in effect, been superseded during those years. If state funding had consistently increased with state revenues, as is required, Fairfax County would have received approximately $85.7 million in additional funding over the past twelve years.

Affordable Housing

Fairfax County strongly supports additional state funding and actions to increase the availability of affordable housing options and prevent homelessness, including expanded investments in tools and programs to address affordable housing needs, particularly in high cost-of-living areas like Northern Virginia, and to mitigate evictions resulting from the economic impacts of the COVID-19 pandemic.

Affordable housing is critically important for all Virginians, but obtaining it is particularly challenging in Northern Virginia, where housing is increasingly out of reach for low- and moderate-income earners. Fairfax County is already experiencing a deficit of 31,000 affordable rental homes, and the gap between the need and the supply will grow considerably without new approaches for expanding housing availability and affordability. It is anticipated that 15,000 net new units, affordable to households earning 60 percent of area median income and below, will be needed by the year 2034.

Development and preservation of affordable housing is most critical for small families, individuals with disabilities, and seniors. The devastating economic effect of COVID-19 has exacerbated this looming crisis, placing many individuals and families at risk of eviction in Fairfax County, including communities of color who are disproportionately impacted by the pandemic. Prior to the pandemic, 45 percent of Fairfax County renters were already cost-burdened, spending at least 30 percent of their household income on rent. While there has been some short-term rental assistance funding and moratoriums to prevent evictions, the pandemic's financial impact will have long-term and pervasive consequences. Therefore, new substantial and sustained federal and state investments in programs and resources that enable renters to keep their housing is essential in preventing an eviction crisis and a resulting surge in homelessness in the community. Funding to mitigate the impacts of the pandemic on affordable housing must be in addition to the sizable resources already needed to address the existing affordable housing crisis in Northern Virginia, including substantially increasing funding for the Virginia Housing Trust Fund, raising the funding cap that each development can request, expanding the pool of resources available for down payment assistance (a major barrier to homeownership for low- and moderate-income earners), enhancing and creating more state-funded housing tax credits and rental assistance programs for individuals with disabilities and people experiencing homelessness, and increasing funding for permanent supportive housing units for individuals with severe mental illness, substance use disorder, and developmental disabilities.

Energy and Environment

Fairfax County is committed to reducing greenhouse gas emissions and operational demand for energy through efficiency, conservation, renewable energy, education, and other measures. Adopted in July 2021, the Carbon Neutral Counties Declaration commits Fairfax County Government to be carbon neutral by 2040. After years of small advances in addressing global climate change and environmental sustainability, the 2020 GA passed legislation creating much more substantial change. Fairfax County supports building on these efforts by increasing incentives and opportunities for the expansion of renewable energy and energy efficiency initiatives in a number of ways. First, state income tax incentives and rebates for businesses or residents should defray a portion of the cost of new construction, building improvements, or the transition to more efficient or alternative fuel vehicles, like electric vehicles (including new and used options), which save energy and mitigate adverse environmental impacts. Though the 2021 GA established an electric vehicle rebate program, funding was not provided to implement it – the County supports funding for the program, as well as flexibility in determining rebate eligibility in high cost-of-living areas like Northern Virginia. Second, the County supports funding for state renewable energy grant programs and incentives to assist the development and growth of energy businesses and technologies, such as renewable distributed energy generation.

Local Authority

Each level of government has unique strengths. However, because Virginia is a Dillon Rule state, local governments are significantly restricted in their authority, impeding their ability to react quickly and efficiently to emerging problems. An overemphasis on statewide uniformity does not adequately consider the particular issues experienced in growing and urbanizing localities in Northern Virginia, limiting the ability of local governments to respond to community standards and priorities. Existing local government authority should be preserved, particularly in such key areas as taxation, land use, and the protection of public health, safety, and welfare, where local governments must have sufficient authority to govern effectively. The local tax structure, which has become outdated and over-reliant on property taxes, must be modernized and diversified to reflect changes in the economy or technology, while avoiding new state mandates (and accompanying costs), as well as restrictions on local revenues. It is essential that state funding for core services increase, to ensure that additional funding obligations are not merely diverted to localities, leading to the very real possibility that state tax cuts will merely be replaced by local tax increases, as the actual costs of vital programs and services will not be reduced simply because the state does not pay its appropriate share – to provide some context using two specific proposals, the elimination of the sales tax on food would result in a loss of revenue of over $60 million per year in Fairfax County, while placing a school resource officer in every elementary school would cost the County approximately $14 million per year (the cost of those two items alone totals approximately three cents on the County's real estate tax rate). Collaboration between the Commonwealth and localities throughout the legislative process will be fundamentally important in avoiding such a scenario.

We look forward to working with you in the coming weeks and months as you prepare to take office, as well as in the years to come. Please feel free to contact me anytime, and to have your staff contact the County's Legislative Director, Claudia Arko, at (703) 324-2647 in Fairfax or (804) 788-4536 in Richmond after January 9, or at claudia.arko@fairfaxcounty.gov. Thank you for your time and attention to these critical matters.

Sincerely,

Dan Storck

Mount Vernon District Supervisor
Fairfax County Board of Supervisors
2511 Parkers Lane
Mount Vernon, VA 22306

Telephone: (703) 780-7518   E-mail: mtvernon@fairfaxcounty.gov

Recognition of Gina Lynch

Supervisor Dan Storck

November 9, 2021

Gina Lynch, Chairwoman for Fairfax County Animal Services Advisory Commission (ASAC) and Mount Vernon representative, was recently recognized by the Virginial Animal Control Association (VACA) with the 2021 Presidents Award! This award is presented to a community member who has made a difference in the community by assisting animal control on a local level. Supervisors in the Animal Protection Police (APP) felt that not only was her 20 plus years of dedicated service to ASAC worthy of this nomination, but also her relentless pursuit for justice in criminal cases against those who abuse animals. Last year she met with Commonwealth's Attorney Steve Descano on several occasions and was able to convince him that animal abuse and cruelty cases needed to be prosecuted in Fairfax County.

Gina is the go-to for all things animal related in our office and County wide, whether adoption, rabies clinics, TNR program or wildlife, we can always count on Gina to have the right answer and to help us in any way we ask and with a smile on her face. Thank you for your service to animals and their humans in our community, Gina!

Therefore, Chairman McKay, I ask without objection, that a proclamation be signed by the Chairman and myself to be presented to Gina, to take place outside of the board room, for her outstanding efforts in animal services in the County.

Dan Storck

Mount Vernon District Supervisor
Fairfax County Board of Supervisors
2511 Parkers Lane
Mount Vernon, VA 22306

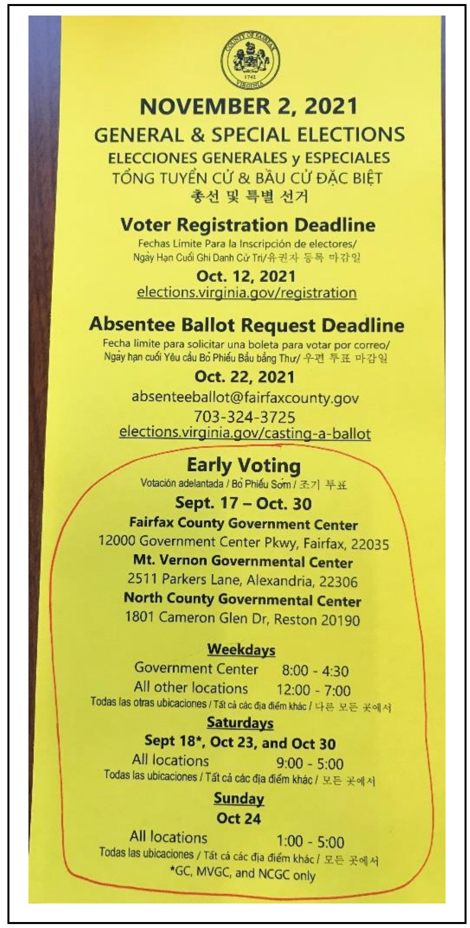
Mount Vernon

Telephone: (703) 780-7518 E-mail: mtvernon@fairfaxcounty.gov

In-Person Early Voting Information Clarity

Supervisor Dan Storck

November 9, 2021



Each year, Fairfax County makes great efforts to ensure all our citizens receive timely, accurate voting information and have a variety of options and locations for doing so. I applaud the Fairfax County Elections Office for the work they do to organize and staff satellite offices to make voting accessible for everyone.

Many thousands of citizens successfully voted at the Mount Vernon Governmental Center these past couple of months. Regrettably, each and every year, hundreds of citizens arrive at the Governmental Center and our office to absentee vote at the incorrect time and/or date. Each of them cites the voting hours of the main Government Center (12000 Government Center Parkway) as the reasoning for their error and they often leave very unhappy and frustrated. I believe this can be significantly remedied by altering the election card to better clarify and distinguish between the "Government Center" dates and times and the "Governmental Centers" dates and times. The names of the locations and their election card positioning next to each other make it too confusing for the typical voter to distinguish between the Centers.

Therefore, Chairman McKay, I ask for unanimous consent to direct the Office of Public Affairs to work with the Office of Elections, and the directly impacted District offices, to consider alternate language to the Early Voting section of the election card as it is being developed and prior to its printing.

Dan Storck

Mount Vernon District Supervisor
Fairfax County Board of Supervisors
2511 Parkers Lane
Mount Vernon, VA 22306

Mount Vernon

Telephone: (703) 780-7518 E-mail: mtvernon@fairfaxcounty.gov

Adoption of the Auditor of the Board's September 2021 Quarterly Report.

November 9, 2021

BACKGROUND: Chairman McKay, the Board of Supervisors has received the Auditor of the Board's Quarterly Report for September 2021. The report included the following study areas, recommendations, and managements' concurrence.

September 2021 Quarterly Report:

Fairfax County Department of Transportation Cash Proffers Study*:*

Auditor Recommends Staff:

- Assess aged *proffer* balances, project and financial activity to evaluate projects as going concerns or actions, such as: repurposing, escheating, or returning funds to developers.
- Assess inactive or not located *developers* and related proffer balances to determine if projects remain going concerns.
- Enhance *proffer* and *escrow* internal tracking to differentiate between these two financial instruments to ensure proper treatment of funds.
- Procure and maintain all proffer statements to support the related projects.

Community Services Board Revenue Analysis Study*:*

Auditor Recommends Staff:

- Enhance financial processes to improve healthcare revenue cycle, such as: patient facing and back-office billing functions, benchmarking, and consistently collecting patient insurance information upfront.
- Liaise with County Counsel and other appropriate parties to document and execute the Cities of Falls Church and Fairfax Shared Services agreements which includes billing methodologies.
- Construct and document the operational costs for health care services provided to the Cities of Falls Church and Fairfax. This captured cost information should assist staff with financial management thereby allowing for a better alignment between cost and negotiated rates with insurance companies. The by-product of this process will be a reduction in claims processing and disallowed claims.
- Assess adjustments/write-offs and identify root causes to reduce re-occurrences.

❖ *Management agreed with the recommendations.*

MOTION: *Chairman McKay, I move that the Board of Supervisors adopt the Auditor of the Board's September 2021 Quarterly Report.*

FAIRFAX COUNTY
VIRGINIA

OFFICE OF FINANCIAL AND PROGRAM AUDIT
SEPTEMBER 2021 QUARTERLY REPORT

BOARD OF SUPERVISORS
AUDITOR OF THE BOARD

www.fairfaxcounty.gov/boardauditor

Jim L. Shelton, Jr., MBA, CRP (Auditor of the Board)
Jim.Shelton@FairfaxCounty.gov

FAIRFAX COUNTY DEPARTMENT OF TRANSPORTATION
CASH PROFFER STUDY

Work Plan Review Areas:

- Proffer Posting Accuracy & Tracking
- Age/Use of Unused Proffer Balances
- Proffer Drawdowns & Closeouts

Additional Review Areas Covered:

- Proffer Developer Operating Status
- Proffer Statement Assessment
- Escrows Labeled as Proffers

OBSERVATIONS AND ACTION PLANS

The following tables detail the observations and recommendations for this study along with management's responses.

AGED PROFFER ANALYTICS

Observation

To perform this section of the study, we extracted all the open proffers **2015** and **older**. This information was stratified and reviewed to assess the last financial activity for the proffers. Below are the results of this analysis:

- **825** out of **1,068** (**77%**) Proffers 2015 & Older: **~$34.5M**
  - Proffers: Aged 5 – 48 Years
    - **349** of **825** (**42%**) Proffers **~$14.6M** (were in prior study)
- **30** of **825**: *Last Financial Activity* **13.99 – 35.58 years** as of *7/23/21*
  - 21 of 30 (70%) Proffers (not in prior study): No Financial Activity
  - 7 of 30 (23%) Proffers (included in prior study): No Financial Activity
  - 2 of 30 (7%) Proffers (included in prior study): Financial Activity Not Available
- ***Percentage Extrapolated as Context:***
  - No Financial Activity for **28** of **30** Proffers (**93%**) *at the Time of Study*
  - **93%** of **1,068** Proffers Represent **~993** *Proffers w/o Financial Activity*

Recommendation

Perform an analysis to assess the status of these aged proffer balances (5 – 48 years) and lack of financial activity (13.99 – 35.58 years) to determine if they remain a going concern. If these items cannot be considered a continued going concern, other use of funds should be considered (e.g., repurposed, escheated, or returned to developer).

Action Plan

Point of Contact	Target Implementation Date	Email Address
Tom Biesiadny (Director, FCDOT) Todd Wigglesworth (Div. Chief, FCDOT CFD)	6/30/2023	Tom.Biesiadny@fairfaxcounty.gov Todd.Wigglesworth@fairfaxcounty.gov

MANAGEMENT RESPONSE:

FCDOT concurs with OFPA recommendation. Staff will continue a review of Aged Proffer balances in consultation with the County Attorney's Office (OCA). Many of the older proffer deposits are in amounts insufficient to fully fund the smallest of projects. Searchable electronic databases did not exist when older proffers were received. Small deposits from years ago have been held until additional funding becomes available to fully cover project costs. FCDOT has been verifying these aged proffers and continues to match and aggregate aged proffers to appropriate improvements in accordance with state law.

FCDOT, in consultation with OCA, has established a process which focuses on the repurpose/escheatment of aged proffers oldest to newest. All Aged Proffers over $100,000 have been reviewed which resulted in ~$4.5M in contributions subject to escheatment (which require a public hearing). Staff anticipates scheduling late 2021/early 2022. ~$3M in contributions are subject to repurposing, Staff is working to appropriate funding into Fund 30040 as part of FY 2022 Mid-Year 3rd quarter reviews.

DEVELOPER OPERATING STATUS

Observation

To perform this section of the study, we extracted all the open proffers **2015** and **older**. From this extracted data we selected all open proffers dated **2010** and **older** with proffer balances greater than **$50K**. The data extraction yielded a population of **140** of **1,068** (**13%**) proffers. These proffers were the source of the developer operating status analysis. Below are the results of this analysis:

- **86** out of **140** (**61%**) *Developers Not Located*
- **25** out of **140** (**18%**) *Developers Inactive*
- **29** out of **140** (**21%**) *Developers Active*

Sources Utilized for Review:
- State Corporate Commission Website (LDS Developer Default Program)
- Virginia Company Directory Website

Disclaimer: Developers' status assessments may require additional work as the analysis was based on the two websites mentioned above using name searches for a large portion of the testing. Companies may: merge, be acquired, or go through name changes. For proffers and escrows with inactive developers, we recommend the agency liaise with the County Attorney on how to address the stewardship of these funds.

Recommendation

Assess the inactive or not located project developers and related proffer funds to determine if the related proffer funds and projects are continued going concerns. If these items cannot be considered a going concern, other use of funds should be considered (e.g., repurposed, escheated, or returned to developer).

Action Plan

Point of Contact	Target Implementation Date	Email Address
Tom Biesiadny (Director, FCDOT) Todd Wigglesworth (Div. Chief, FCDOT CFD)	6/30/2022	Tom.Biesiadny@fairfaxcounty.gov Todd.Wigglesworth@fairfaxcounty.gov

MANAGEMENT RESPONSE:

FCDOT concurs with OFPA recommendation. If it is determined that contacting developers is required as a result of FCDOT's current Aged Proffer repurposing process, then steps would be taken to identify and contact the developer. This recommendation is addressed in the current process for addressing Aged Proffers. FCDOT will investigate entries where developer information is missing. If it is determined that contacting developers is required as a result of FCDOT's current Aged Proffer repurposing process, then steps would be taken to identify and contact the developer. FCDOT will enter developer information into the tracking spreadsheet for all new contributions received.

ESCROWS LABELED AS PROFFERS

Observation

To perform this section of the study, we compared data provided by LDS *(the gatekeeper for proffers and escrows coming into the County)* to the proffer/escrow file provided by FCDOT. Based on LDS' source data *(as of 15th April 2021)* we identified **170** out of **1,872 (9%)** open escrows labeled as proffers in the FCDOT internal tracking document. We reviewed **30** out of **170 (18%)** open escrows labled as proffers. Below are the results of this analysis:

- **30** of **30** (**100%**) of these escrows were *labeled as proffers* *(results were confirmed by FCDOT)*

FCDOT Internal Tracker Does Not Differentiate Proffers & Escrows

Recommendation

FCDOT internal tracker enhancement to delineate proffers from escrows potentially through codes or another unique identifier. Proffered funds are used for enhancements to the project and are fully spent. Escrow funds are contingencies which in some cases are returned to developers at the completion of the project. Properly tracking these financial instruments would lessen the potential to misallocate funds.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Tom Biesiadny (Director, FCDOT) Todd Wigglesworth (Div. Chief, FCDOT CFD)	6/30/2022	Tom.Biesiadny@fairfaxcounty.gov Todd.Wigglesworth@fairfaxcounty.gov

MANAGEMENT RESPONSE:

FCDOT concurs with OFPA recommendation. FCDOT concurs with OFPA's recommendation to delineate between proffers and escrows and will update the status of all developer contributions to include this information. FCDOT continues to improve internal processes for tracking proffers, however, further refinements can be made. FCDOT will enter this information into the tracking spreadsheet for all new contributions received.

PROFFER STATEMENTS NOT AVAILABLE

Observation

To perform this section of the study, we selected **64** out of **1,068 (6%)** of open proffers to assess if proffer statements were on file with FCDOT. These **64** open proffers were selected from other substantive testing performed: proffers labeled as escrows **(30)**, earmarked proffer financial activity **(30)**, and continuity of proffer information testing between **2017** and **2021** reporting **(4)**. Below are the results of this analysis:

- **7** of **64 (11%)** *<u>Not Submitted by FCDOT & Requires Further Research</u>*
- **1** out of **64 (1%)** *<u>FCDOT Staff was Unable to Locate</u>*
- **56** out of **64 (88%)** *<u>Were Provided to Our Office by FCDOT</u>*

Recommendation

Perform research to locate the proffer statements not available during this study. If not located FCDOT should liaise with the County Attorney's Office to identify risk and next steps. Proffer statements provide the following critical information; proffer amount, project name/description, developer conditions, development plan, developer name, rezoning numbers, and other pertinent information.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Tom Biesiadny (Director, FCDOT) Todd Wigglesworth (Div. Chief, FCDOT CFD)	6/30/2022	Tom.Biesiadny@fairfaxcounty.gov Todd.Wigglesworth@fairfaxcounty.gov

MANAGEMENT RESPONSE:
FCDOT concurs with OFPA recommendation. FCDOT concurs that proffer statements be included into the internal tracking process. Most proffer statements have been located through online resources provided by LDS or visiting LDS office and securing hardcopies. FCDOT will continue to attempt to locate missing proffer statements, but this is dependent upon LDS either having this information online, or physically stored at LDS, or Department of Planning and Development (DPD) offices.

FAIRFAX & FALLS CHURCH COMMUNITYY SERVICES BOARD
REVENUE ANALYSIS STUDY

Work Plan Review Areas:

- Medicaid Reimbursement Processes
- Billing and Collection Efforts
- Reconciliation of Billable Services

Additional Review Areas Covered:

- Disallowed Amounts to Insurances
- Time to Bill for Services
- Time to Collect

OBSERVATIONS AND ACTION PLANS

The following tables detail the observations and recommendations for this study along with management's responses.

TIME TO BILL ANALYTICS W/O DISALLOWANCES

Observation

To perform this section of the study, we data mined the full population of ***FY20 & FY21*** billing data *(as of 20th July 2021)* provided by CSB. Also, we sampled 30 bills to identify related delays. We used these data to compare the patient's (**date of service**) to the CSB internal (**posting date**). Below are the results of this analysis:

- ***135,094*** *&* ***148,171*** *Bills Processed in* ***FY20*** *&* ***21****:* ***~$26.93M*** *&* ***~$32.39M***
  - ***FY20*** *Time to Bill Ranged up to* ***2,224*** *days*
    - ***32,001*** *of* ***135,094 (23.7%)*** *Processed* ***60 – 2,224*** *Days After Service* ***~$4.95M***
  - ***FY21*** *Time to Bill Ranged up to* ***644*** *days*
    - ***22,758*** *of* ***148,171 (15.4%)*** *Processed in* ***60 - 644*** *Days After Service* ***~$5.01M***
- ***30*** *Billing Delays Reviewed Reveal the Following Reasons (this list is not exhaustive):*
  - *Resubmission of Claims*
  - *Batched Late, Re-Batched, or Batched Billing Errors*
  - *Incomplete Insurance Information*

Recommendation

We recommend that staff identify areas to improve the revenue cycle, such as; reassess (patient facing) & (claims & medical billing) functions. This information should be used to track and benchmark the revenue cycle performance. This information would provide a pathway for improvements. We also recommend that staff be consistent with collecting patient insurance information upfront.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Daryl Washington (Director, CSB) Daniel Herr (Dep. Dir., CSB) Jessica Burris (CFO, CSB)	9/10/2022	Daryl.Washington@fairfaxcounty.gov Daniel.Herr@fairfaxcounty.gov Jessica.Burris@fairfaxcounty.gov

MANAGEMENT RESPONSE:

We have worked tirelessly to improve and maximize revenue. This has been evident in the work we've done not only with our billing team, but also the entire revenue cycle partners. In the past two years, some of our accomplishments have been:

- Developed billing dashboard for billing management (key to monitoring industry standard metrics)
- Created a Utilization Management team to assist with the MCO requirements around pre/authorizations
- Instituted meetings to provide feedback to all vested partners in the billing cycle (front door, clinical, utilization management, billing, informatics)

We have and will continue to use these tools to continually improve our Time-to-Bill so that the average remains less than 30 days.

TIME TO COLLECT *(IN FULL)* ANALYTICS

Observation

To perform this section of the study, we data mined the full population of ***FY20 & FY21*** collection data *(as of 20th July 2021)* provided by CSB. We used these data to compare the CSB internal (**bill batch date)** to the check issuance from vendors/patients for ***bills paid in full.*** Below are the results of this analysis:

- ***105,467*** *Payments for CSB Services: Processed in* ***FY20*** *Totaling* ***~$17.81M***
  - ***FY20*** *Time to Collect Ranged up to* ***2,358*** *days*
    - ***< 30 Days: Count (95,050) / ($16.76M)***
    - *30 – 60 Days: Count (4,234) / ($659k)*
    - *60 – 90 Days: Count (792) / ($107k)*
    - *90-180 Days: Count (949) / ($143k)*
    - *> 180 Days: Count (4,442) / ($136k)*
      - ***Cumulative*** *> 30 days: Count (**10,417**) / (**$1.05M**)*

- ***106,457*** *Payments for CSB Services: Processed in* ***FY21*** *totaling* ***~$18.93M***
  - ***FY21*** *Time to Collect Ranged up to* ***1,826*** *days*
    - ***< 30 Days: Count (96,206) / ($17.35M)***
    - *30 – 60 Days: Count (2,016) / ($419k)*
    - *60 – 90 Days: Count (2,368) / ($376k)*
    - *90-180 Days: Count (3,676) / ($503k)*
    - *> 180 Days: Count (2,191) / ($286k)*
      - ***Cumulative*** *> 30 days: Count (**10,251**) / (**$1.58M**)*

Recommendation

Collection for CSB under 60 days were 98% & 94% in FY20 & 21. The extended time for some receivables could be improved. *Given the high rate of collections,* ***(exclusive to the time to bill analysis),*** *OFPA passes further audit work on this section of the study.* ***(No recommended corrective actions)***

SHARED SERVICES BILLINGS

Observation

To perform this section of the study, we worked with staff to identify agreements between the County and the Cities of Fairfax and Falls Church. We also worked to identify the billing methodology used by the County for service provided to these cities.

Based on interviews with staff regarding healthcare related services to the Cities of Fairfax & Falls Church by the County, it was determined that CSB has an established *Annual Local Share Cost* which is billed to the Cities quarterly. As purported by staff, the basis for these billings is:

- The cities population and an escalation factor.
- City of Falls Church Annual Local Share for ***FY20 & FY21*** are ***~$887k*** & ***~$1.01M***.
- City of Fairfax Annual Local Share for ***FY20 & FY21*** are ***~$1.96M*** & ***~$2.22M***.

Also, purported by CSB, Services Agreements & Billing Methodologies not documented.

County's Operational Costs to provide these services had not been tracked at the time of this study.

Recommendation

We recommend that, CSB liaise with County Counsel and other related parties to either locate or create and execute the Cities of Falls Church and Fairfax Shared Service Agreements. These agreements should include billing methodologies for shared services and other pertinent contractual areas for services provided to the Cities of Falls Church and Fairfax.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Daryl Washington (Director, CSB) Daniel Herr (Dep. Dir., CSB) Jessica Burris (CFO, CSB)	09/10/2022	Daryl.Washington@fairfaxcounty.gov Daniel.Herr@fairfaxcounty.gov Jessica.Burris@fairfaxcounty.gov

MANAGEMENT RESPONSE:

The CSB does have a methodology for shared services revenue. It first takes the percent of the population owned by each jurisdiction (taken from the Weldon Cooper Center for Public Service Demographics) and applies this percent to the previous fiscal year's total adopted budget to arrive at the next fiscal year's proposed shared revenues. This calculation has shown that historically both Fairfax and Falls Church cities have not contributed a commensurate proportion of their revenue with their respective population statistics. Because the increase could prove burdensome to the local jurisdictions (greater than 50%), we opted for a total of 8.8% increase year over year (which includes a 5% escalation). This would also close the gap between what they contribute and what they should be contributing based on their population.

We do not have MOUs on file. CSB will work collaboratively with OCA, DMB, DPMM and the Cities of Falls Church and Fairfax to document and execute an agreement that will align as close and possible and with the constraints of any related covenants to maximize cost recovery.

DISALLOWED INSURANCE CLAIMS

Observation

To perform this section of the study, we data mined the ***FY20 & FY21*** collection files (full population) to compare the amounts billed by CSB to vendors and patients to the receipts from the vendors, patients, and the Cities of Fairfax and Falls Church. We also worked to identify the billing methodology used by the County for services provided to these cities. Below are the results of this analysis:

- ***66,866*** of ***129,537 (52%)*** bills in ***FY20*** were **disallowed** *(not paid by Insurances)* totaling ***~$2.83M***.
- ***63,125*** of ***122,099 (52%)*** bills in ***FY21*** were **disallowed** *(not paid by Insurances)* totaling ***~$3.13M***.

These bills were generated because services were provided. Purported through interviews with CSB staff, disallowed amounts are due to contractual agreements with insurance companies. The billed amount used in the records is based on self pay clients without insurance rates. The rates contracted with insurance companies are lower resulting in disallowances. The County's Operational Costs have not been established for these services and were not being tracked at the time of this study.

Recommendation

We recommend that staff perform analysis to identify, record and track County's Operational Costs for shared services provided to the Cities of Falls Church & Fairfax. The information should be used to establish contract rates for the Insurance Companies to which the County contracts services to support CSB programs. This review should better align the insurance companies' rates with the County's operational costs and drastically reduce disallowed claims.

Action Plan

Point of Contact	Target Implementation Date	Email Address
Daryl Washington (Director, CSB) Daniel Herr (Dep. Dir., CSB) Jessica Burris (CFO, CSB)	09/10/2023	Daryl.Washington@fairfaxcounty.gov Daniel.Herr@fairfaxcounty.gov Jessica.Burris@fairfaxcounty.gov

MANAGEMENT RESPONSE:

A disallowed amount is either (1) the difference between what has been billed by the health care provider and what the insurance company has paid, or (2) the cost for services for uninsured clients that do not have the financial means to pay for their services. These amounts are not billed to patient but written off by the CSB.

Our fees for services are aligned with Medicaid. While we have done analysis for some services to determine the true cost of providing those services, we have not done a comprehensive analysis for all services provided by the CSB.

Staff will perform analysis to identify, record and track County's Operational Costs for these services provided with the intent of better understanding our true cost to provide services. This information will be documented and periodically updated to potentially be used in future rate setting and contract negotiations.

BILLING ADJUSTMENTS

Observation

To perform this section of the study, we data mined the ***FY20*** & ***FY21*** billing files (full population) to identify the billing adjustments. We liaised with CSB to understand the causes for these adjustments. Based on interviews with CSB staff these adjustments are entries made by the billing staff. Staff makes these adjustments to correct: charges that exceed fee schedule, system errors, claims adjusted based on patient eligilibilty. This list in not exhaustive, its based on a sample **30** out of **48,299.** Below are the results of this analysis:

- ***39,042*** *Adjustments/Write-offs were Processed in* ***FY20 Totaling ~$5.86M***
- ***9,257*** *Adjustments/Write-offs were Processed in* ***FY21 Totaling ~$1.67M***

Recommendation

We recommend that staff review, stratify and categorize the adjustments/write-offs using a representative population, e.g.; month, fiscal year or measurement that could be performed with existing staff. This information should be used to identify root causes of these adjustments/write-offs to reduce re-occurrences where appropriate. Additionally staff should use this to develop a review process which could be used at the (frequency deemed appropriate by management).

Action Plan

Point of Contact	Target Implementation Date	Email Address
Daryl Washington (Director, CSB) Daniel Herr (Dep. Dir., CSB) Jessica Burris (CFO, CSB)	09/10/2022	Daryl.Washington@fairfaxcounty.gov Daniel.Herr@fairfaxcounty.gov Jessica.Burris@fairfaxcounty.gov

MANAGEMENT RESPONSE:

Our adjustments/write-offs include the following:

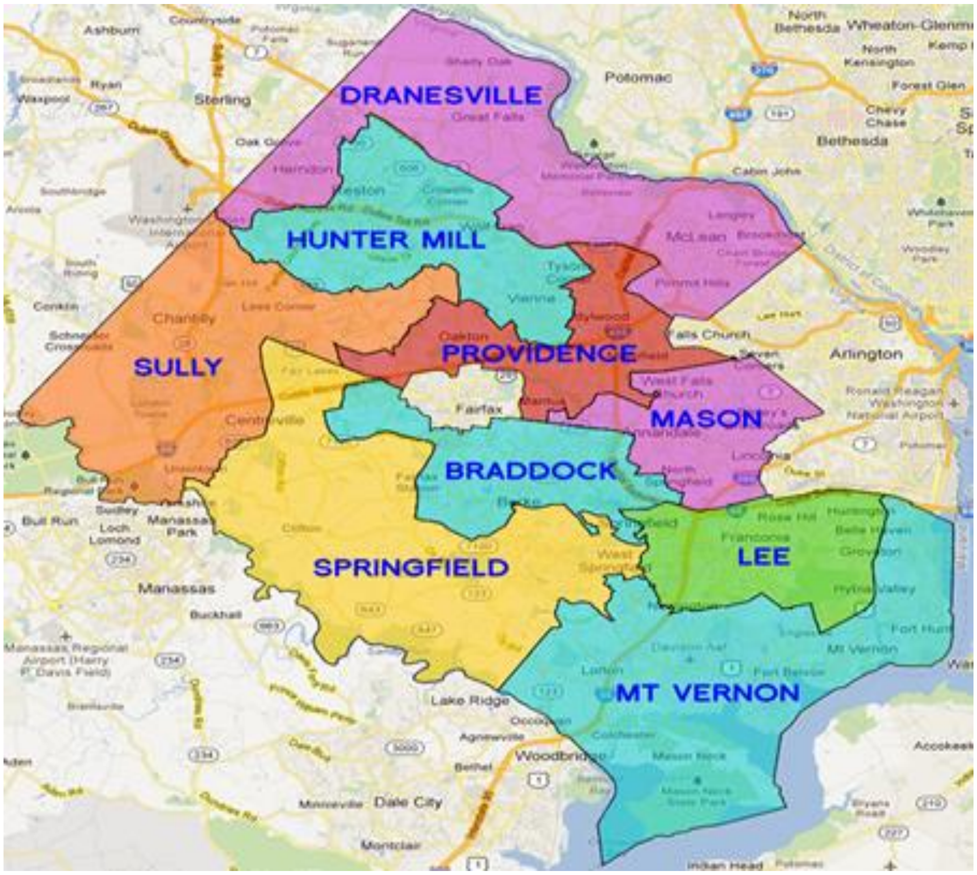
- Disallowed amounts based on contractual obligations
- Disallowed amounts based on client's liability and ability to pay
- Items that have exceeded the debt collection timeline

Staff will continue to use existing tools to review the adjustments/write-offs to understand root causes of them. We will use this data to provide feedback to all invested partners in the billing cycle to improve in areas where possible.

LIST OF ACRONYMS

AC	Audit Committee
BOS	Board of Supervisors
CSB	Fairfax Falls Church Community Services Board
FCDOT	Fairfax County Department of Transportation
FY	Fiscal Year
LDS	Land Development Services
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
OFPA	Office of Financial and Program Audit

Fairfax County
Office of Financial and Program Audit



FAIRFAX COUNTY BOARD OF SUPERVISORS
AUDITOR OF THE BOARD
www.fairfaxcounty.gov/boardauditor
Office of the Financial and Program Audit
12000 Government Center Parkway, Suite 233
Fairfax, Virginia 22035

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX
BOARD OF SUPERVISORS
FAIRFAX, VIRGINIA

Suite 218
3001 VADEN DRIVE
FAIRFAX, VA 22031

TELEPHONE 703-560-6946
FAX 703- 207-3541

providence@fairfaxcounty.gov

DALIA A. PALCHIK
PROVIDENCE SUPERVISOR

November 9, 2021

Joint Board Matter with Supervisors Gross and Smith

Commission for Women's 50th Anniversary

Members of the Board,

This year marks 50 years since the Commission for Women was established by the Fairfax County Board of Supervisors for the purpose of advising the Board on issues to eliminate violence against women and end gender- and sex-based discrimination against all women and girls in the County.

The Commission has become a vital force in the County due to its strong advocacy work toward helping establish the Turning Point Suffrage Memorial, pursuing the passage of the Equal Rights Amendment, and supporting paid family medical leave. They have established robust partnerships with organizations including the Campaign for a Family Friendly Economy, Domestic and Sexual Violence Services, League of Women Voters of the Fairfax Area, and the National Association of Commissions for Women, which have been pivotal in advancing the work of promoting gender equality and honoring women and girls. They remain committed to diversity, equity, and inclusion, in an effort to best serve our community members who are historically marginalized, underserved, unheard and underrepresented.

Therefore, we move, without objection, that the Office of Public Affairs prepare a proclamation to be presented outside the board room to recognize and honor the Commission for Women's 50th anniversary and their ongoing efforts to obtain equity for women and girls in Fairfax County.

DALIA A. PALCHIK
PROVIDENCE SUPERVISOR

COMMONWEALTH OF VIRGINIA
COUNTY OF FAIRFAX
BOARD OF SUPERVISORS
FAIRFAX, VIRGINIA

Suite 218
3001 VADEN DRIVE
FAIRFAX, VA 22031

TELEPHONE 703-560-6946
FAX 703- 207-3541

providence@fairfaxcounty.gov

November 9, 2021

Board Matter

Recognizing Holmes Run Acres' 70th Anniversary

Members of the Board,

This year marks the 70th Anniversary of Holmes Run Acres, a community born with unique architecture, a beautiful natural setting, and a strong sense of community. All anniversary events will be held during 2022, in hopes that the restrictions of the pandemic will be behind us, and we can all celebrate with the Holmes Run Community in person.

Holmes Run Acres began in 1945 when Mr. Herman Schmidt, a Washington investor and owner of a 122-acre tract, filed a Deed of Declaration naming the tract Holmes Run Acres. Development began in 1950 and the houses were constructed by three builders: the Luria brothers (Gerald and Eli), Gaddy Construction Company and Andre Bodor. In 1957, there were 326 homes in Holmes Run Acres. Today that number stands at 365 and while the community is larger, the spirit of Holmes Run Acres remains.

Holmes Run Acres was designed with unique contemporary architecture to save trees and blend into the Virginia countryside. That intentionality is evident viewed through the work of the Holmes Run Acres Civic Association, who have spent years carefully documenting their history and producing Holmes Run Nature guides, cookbooks, poetry books, art collections, gardening tips, and archives. The work of the civic association and engaged neighbors helped lead to my first board matter as supervisor, launching the work of the Department of Planning and Development to work with the community and my office in reviewing and preparing for a possible Historic Overlay District, expected to be completed later this calendar year.

In addition, Holmes Run Acres boasts an extensive array of community events from 'Day in the Park' to egg hunts, garden tours, and arts and craft exhibits. The association organizes fundraisers for community organizations and views the wellbeing of Woodburn Elementary School as a communal responsibility. They take great pride in looking out for their neighbors and checking in on one another. Holmes Run Acres continues to exemplify an active and caring community in Providence District, and in Fairfax County.

Therefore, I move that the Board extend our warm congratulations to Holmes Run Acres community for their 70th Anniversary and request that a resolution be prepared to be presented outside the Board room.

County of Fairfax, Virginia

Supervisor Herrity
Board Matter
Recognizing January 2022 as National Human Trafficking Awareness Month in Fairfax County
November 9, 2021

Background: January 2022 will mark National Human Trafficking Awareness Month. Human traffickers use fear and intimidation to keep trafficking victims silent, which makes raising awareness vitally important to ending this horrific crime. Trafficking is nefarious in its many forms and morphs to adapt to circumstances, even the pandemic. According to the Polaris Project, some forms of trafficking have moved to online methods over the last two years. We have seen this uptick in cyber trafficking here in Fairfax County. Victim recruitment is also increasing online. In 2020, fifty-nine percent of online victim recruiting in active trafficking cases occurred on Facebook, according to the Human Trafficking Institute's 2020 Federal Human Trafficking Report. It is critical to continue to educate residents on the signs of trafficking, what to do to protect themselves and those around them, and work to make Fairfax County a nonpermissive environment for all forms of exploitation.

As we educate ourselves and others on human trafficking, we need to publicly recognize the many forms it can take. In March 2019, I asked the Board to form an interdepartmental work group to focus on the issue of over 80 illicit massage businesses (IMBs) operating in Fairfax County. These businesses hide in plain sight among legitimate businesses and make up one of the largest and most networked markets in the United States sex trafficking industry. While the pandemic response has delayed that effort, I am eager to see the progress that comes out of this work group and other efforts to stop trafficking in our region.

Over the last two years, our law enforcement agencies have arrested multiple traffickers operating in Northern Virginia area. In many of these cases there was a connection to gang activity, specifically MS-13, taking advantage of our most vulnerable. According to the Polaris Project's 2019 data report, the top three risk factors for trafficking vulnerability are substance abuse concerns, runaway homeless youth, and recent migration/relocation. All these factors exacerbated by the pandemic cause our youth to be more vulnerable to gang affiliation and trafficking. In our efforts to raise awareness of human trafficking, we need to continue to crack down on the gangs that prey on our immigrant communities, runaways, and those with drug addictions while providing preventative services especially for our children.

Recognizing Human Trafficking Awareness Month in Fairfax County will reiterate Fairfax County's commitment to preventing human trafficking, and its across-the-board consequences for victims, their families, and the community.

SUPERVISOR PAT HERRITY
SPRINGFIELD DISTRICT
FAIRFAX COUNTY BOARD OF SUPERVISORS
6140 Rolling Road
Springfield, VA 22152
703-451-8873 TTY 711 Fax 703-451-3047
Springfield@fairfaxcounty.gov

Motion: Therefore Mr. Chairman, I ask without objection that the County Executive prepare a resolution recognizing January 2022 as Human Trafficking Awareness Month in Fairfax County and recognize the tireless efforts of our staff and County partners who have worked to raise awareness, aid survivors, and bring traffickers to justice.

SUPERVISOR PAT HERRITY
SPRINGFIELD DISTRICT
FAIRFAX COUNTY BOARD OF SUPERVISORS
6140 Rolling Road
Springfield, VA 22152
703-451-8873 TTY 711 Fax 703-451-3047

Springfield@fairfaxcounty.gov

Kathy L. Smith
Board of Supervisors
4900 Stonecroft Boulevard
Chantilly, VA 20151

703-814-7100
sully@fairfaxcounty.gov
www.fairfaxcounty.gov/sully

Sully District

Joint Board Matter
Chairman McKay
Supervisor Foust

Joint Capital Improvement Program Committee Report
November 9, 2021

Mr. Chairman:

At the Board of Supervisors/School Board retreat on February 3, 2020, the genesis for establishing a Joint Board of Supervisors/School Board Capital Improvement Program Committee was initiated. Chairman McKay you presented a Board Matter on February 11 on the areas that the Board and School Board could collaborate and at the February 25 Board meeting announced the creation of the Joint CIP Committee and that myself and Supervisor Foust would represent the Board.

On September 24, 2020 the first Joint CIP Committee meeting took place with representatives from the School Board and the Planning Commission. Laura Jane Cohen and Abrar Omeish represented the School Board and Tim Sargent and Phil Niedzielski-Eichner represented the Planning Commission as ex-officio members.

After a year of meetings that included excellent presentations and information from staff and robust conversations on how to move forward the Joint Committee produced a report that contains recommendations and suggestions for going forward. The report will be presented at our joint budget meeting with the School Board on November 23, and attached to this Board Matter is the report in advance of that meeting.

Mr. Chairman, I also want to thank the many County and FCPS staff that assisted in this effort and they are too numerous to name here, but they are recognized in the Acknowledgements section of the report.

Joint CIP Committee Report

Report and Recommendations of the Fairfax County Board of Supervisors and Fairfax County School Board Joint CIP (Capital Improvement Program) Committee

OCTOBER 2021

Members of the Joint CIP Committee

Kathy L. Smith, Fairfax County Board of Supervisors (Chair)
John W. Foust, Fairfax County Board of Supervisors
Laura Jane Cohen, Fairfax County School Board
Abrar Omeish, Fairfax County School Board
Timothy Sargeant, Planning Commission (ex-officio)
Phillip Niedzielski-Eichner, Planning Commission (ex-officio)

TABLE OF CONTENTS

ESTABLISHMENT OF THE JOINT CIP COMMITTEE

The Joint Board of Supervisors/School Board Capital Improvement Program (CIP) Committee was established following a Board of Supervisors/School Board retreat on February 3, 2020. The two Boards discussed several opportunities for continued collaboration and goals for the future, including scheduling a joint meeting between the School Board and Planning Commission to discuss the CIP and work done by the Commission in its CIP Committee. On February 25, 2020, Chairman McKay further defined that request to include a joint CIP working group to allow for information sharing, prioritizations, and planning by both the County and Fairfax County Public Schools.

On September 24, 2020, representatives from the School Board and the Planning Commission met to discuss the County and Schools CIP. The majority of the discussion focused on colocation/joint use facilities and current renovation schedules. The participants also emphasized continued work on integrating the One Fairfax initiative into the CIP process, considering available space for repurposing of facilities, and the potential for workforce housing on school sites.

ACKNOWLEDGEMENTS

The Committee wishes to acknowledge and recognize the work of County and School staff in the preparation of materials for Committee review and in the development of the Committee's recommendations. Specials thanks to: County Executive Bryan Hill; FCPS Superintendent Scott Brabrand; former County Chief Financial Officer, Joe Mondoro; Chief Financial Officer and Director of the Department of Management and Budget, Christina Jackson, FCPS Assistant Superintendent of Facilities and Transportation Services, Jeffrey Platenberg; County Capital Programs Coordinator, Martha Reed; FCPS Special Projects Administrator, Capital Improvements and Planning, Jessica Gillis; County Debt Manager, Joe LaHait; and staff from the Department of Planning and Development, Fairfax County Park Authority, Department of Public Works and Environmental Services and the Facilities Management Department.

BACKGROUND AND CONCLUSIONS

The Committee met approximately every six weeks for a year beginning in November 2020. All meeting materials and presentations can be found at: https://www.fairfaxcounty.gov/budget/joint-board-supervisorsschool-board-cip-committee.

Although the Committee considered several topics for evaluation, ultimately the following topics were discussed:

- ✓ Review of the County and Schools CIP and the CIP processes
- ✓ Success/history/outcomes of the last joint CIP Committee (Infrastructure Financing Committee)
- ✓ Bond funding levels and County/Schools split
- ✓ Financing Options Available for capital projects
- ✓ Coordination opportunities between Schools and County CIPs
- ✓ Prioritization of projects
- ✓ County/Schools Joint Use projects

Ultimately, the Committee spent its time 1) reviewing the County's existing Financial Policies, 2) considering the financing options available for capital projects, 3) understanding the capital project requirements identified for both the County and Schools, and 4) evaluating the current CIP Plan and processes. Following these discussions, the Committee arrived at the series of recommendations outlined later in this report.

Reviewing the County's existing Financial Policies

Several County policies were reviewed by the Committee. These policies provide the background and guidance that staff use to develop the CIP each year.

CIP Financial Policies and Guidelines

Ten Principles of Sound Financial Management

- Statement of Board's commitment to the County's financial policies
- Adopted in 1975, last amended in 2018
- Essential for maintaining the Triple A credit rating
- Debt as a percentage of market value should be below 3 percent (currently 1.10 percent)
- Debt as a percentage of General Fund Disbursements should be below 10 percent (currently 8.03 percent)
- Total bond sale limit is $300 million per year
- Debt Service affordability

Adopted Principles of Sound Capital Planning

- Comprehensive Plan is the basis for capital planning
- Public participation in the CIP process is encouraged
- Long-term maintenance, renewal and replacement requirements should be adequately addressed
- Supports efforts to promote economic vitality
- Supports the development of affordable and effective multi-use public facilities as feasible
- Provides for facilities that are cost effective and consistent with appropriate best practice standards
- Guided by the County's adopted Ten Principles of Sound Financial Management

PPEA Guidelines adopted in October 2005, Updated in FY 2008

- Has project already been identified as a Board priority and included in the CIP?
- What kind of budgetary resources will be required?
- Is timing of the essence to take advantage of the opportunity?
- Will this proposal interfere with projects currently identified in the CIP?
- Can any required debt be accommodated?

Cooperation between County and Schools Resolution adopted in September 2007

- County and Schools will share information about service delivery requirements
- Consider joint and compatible uses during CIP development
- The Park Authority will also share information and consider joint and compatible uses

In addition to the review of existing County Financial policies, the County's Financial Advisor, PFM Financial Advisors LLC, conducted a debt policy review of Fairfax County with comparisons to neighboring jurisdictions. This review included an evaluation of the County's entire debt program, and the following conclusions were reached:

- ✓ Fairfax County's existing debt policies and practices are sound
- ✓ Fairfax has additional borrowing capacity it can tap into without jeopardizing its bond ratings
- ✓ Debt service is a non-discretionary item in the operating budget

- ✓ More debt service requires flexibility in the operating budget to be able to manage through downturns and the unexpected
- ✓ Expanded use of pay-go (Paydown) sources adds flexibility

✓ Additional sensitivity analysis can be used to test results of higher borrowing levels

✓ Fairfax can explore possible ways to increase funding for the capital program but must:

- ✓ Maintain affordability of annual debt service in the operating budget
- ✓ Consider debt policies and the need to remain in compliance
- ✓ Assume protection of triple-A ratings
- ✓ Continue positive credit agency views of the County's debt burden

Considering the financing options available for capital projects

Many financing options for capital projects were discussed with the objective of addressing current and future capital needs. The Committee recognizes that all capital funding is supported by the General Fund or general tax dollars. Cash payments for capital projects are budgeted annually for selected projects and are referred to as Pay-go or Paydown projects. The more common financing method supporting the County's Capital Program is the use of General Obligation Bonds. This form of borrowing is commonly used by municipal and state governments and uses an amortization period of 20-30 years. This financing uses the Equity Principle, spreading the debt repayment over multiple generations of users. In addition, the interest rate on municipal and state bonds may be tax-exempt from federal and state taxes. Fairfax County also uses Economic Development Authority (EDA) Revenue Bonds, Sewer Revenue Bonds, and Virginia Resources Authority Bonds.

Additional information concerning the use of EDA bonds for both County and Schools capital projects in recent years can be found at: list of past and future Fairfax County Economic Development Authority - Q&A.

Understanding the capital project requirements identified for both the County and Schools

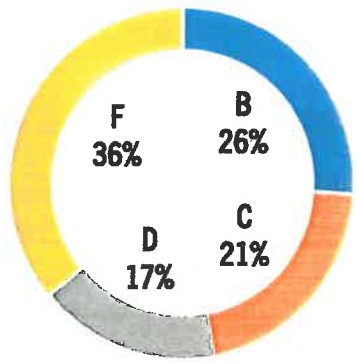
The Committee comprehensively reviewed both the Paydown (cash financed) and Bond capital programs as the most important financial tools in supporting both County and School capital projects.

Paydown: The Paydown Program typically includes infrastructure replacement and upgrades (Major Maintenance/Capital Renewal), ADA compliance, athletic field improvements, and other facility improvements of a capital nature.

A significant backlog of infrastructure replacement projects (Major Maintenance/Capital Renewal) was determined in both the County and Schools programs based on limited funding for Paydown projects. School funding for Paydown projects has been in the $25 million range for the past several years, with $13.1 million provided from the County based on the recommendations of the Infrastructure Financing Committee. This funding level has not changed since FY 2016. In addition, funding for the Schools program is supplemented with approximately $10 million per year for critical projects. Although best practices suggest that "maintenance and repair should be in the range of 2 to 4 percent of the Current Replacement Value (CRV) of facilities," the school system maintenance and repair funding is approximately 1.2 percent of the CRV.

The 5-year average for County Paydown annual funding has been approximately $5.8 million. The County has been successful at redirecting General Fund balances at quarterly reviews, specifically using year-end balances to supplement the Paydown Program. The 5-year average funding applied to the Paydown Program at quarterly reviews has been $8.9 million, for a total 5-year average annual program of $14.7 million. This practice, in addition to the Capital Sinking Fund program, has enabled many critical projects to move forward. The Capital Sinking Fund was established in FY 2014 as a mechanism to direct onetime year-end savings to critical infrastructure replacement projects. However, the County still operates with a significant backlog of projects identified as Category F: urgent/safety related, or endangering life and/or property; and Category D: critical systems beyond their useful life or in danger of possible failure which are unfunded on an annual basis. The following graphics demonstrates the breakdown of existing County projects by Category.

Percentage of Projects Identified in Deficiency Categories

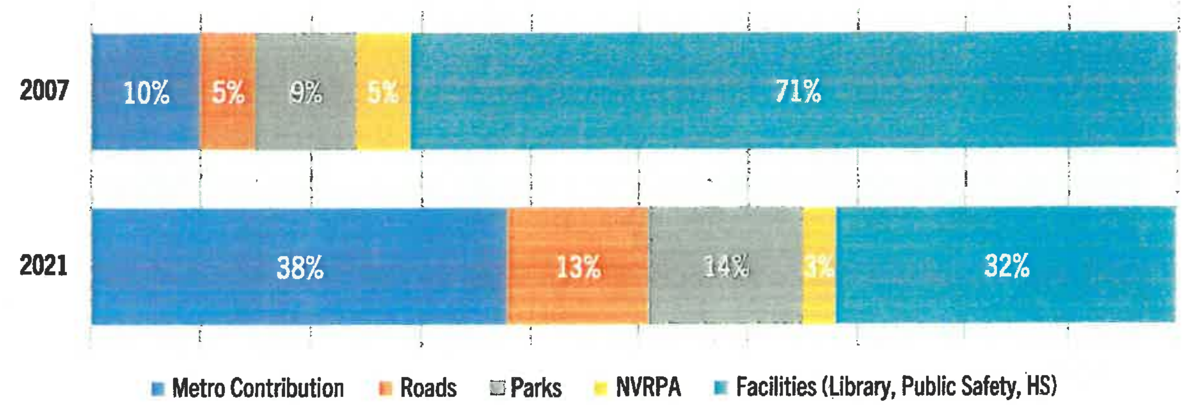


General Obligation Bond Program: The Committee comprehensively reviewed the General Obligation Bond Program as the single most important financial tool. In recent years both the County and Schools Bond programs have been experiencing challenges associated with bond sale limits and annual requirements for projects. The annual bond sale limits have not increased since 2007 for the County and since 2019 for the Schools.

The current annual bond sale limit results in a 37-year renovation cycle for school facilities. This can lead to equipment failures, energy inefficiencies, cost increases and safety concerns. The School Board has adopted the following policy for facility renovations: *It shall be the goal of the Fairfax County School Board to provide for the systematic renovation of the school facilities and other School Board-owned buildings. Further, it shall be the goal of the Fairfax County School Board that school facilities be renovated on a 20- to 25-year cycle. Building renovations shall be designed to meet the needs of the educational program and to extend the useful life of a facility by 20 or more years.* Additional bonding capacity would enable staff to update the renovation queue for the 200+ Schools and Centers spanning over 28 million square feet.

The County General Obligation Bond Program is also experiencing its own unique financing and cost challenges. The primary cost-driving factor is recent increased bond sale requirements for Metro. In 2007, Metro requirements represented 10 percent of the entire program and other County facilities represented 71 percent. In 2021, Metro requirements increased to 38 percent of the entire program and other County facilities decreased to 32 percent. The increased Metro requirements have significantly strained the needs for the remaining County programs. The County bond sales in both 2007 and 2021 totaled $110 million; however, the allocations within each sale differed vastly, as illustrated in the following chart.

2007 vs 2021 Bond Sale Comparison



Select County projects can change in scope, location, or are added into larger colocation projects (e.g. Kingstowne Complex). Additionally, the timeframe for completion of renovations is affected by the amount of work that can occur annually to minimize operational disruption (e.g. courtroom renovations). These factors have led to slower than initially projected bond cashflow requirements, and a backlog of bond sale amounts while approaching the County's eight-year bond referendum deadline. In many cases this will require a staff recommendation for the two-year extension to sell the remaining balance of the bonds. Finally, current construction market costs are being impacted by material price increases, material shortages, delivery and shipping delays, supply chain demands, an increase in labor wage rates compounded by a shortage of labor, and compliance with environmental/energy initiatives increasing the cost of capital projects.

Evaluating the Current CIP Plan and processes

Finally, the Committee reviewed the current County capital program, including the long-term bond referendum plan, and the CIP approval process and considered some changes to the program in order to appropriately scope and time future referendum.

The primary components of the County's capital program and the Board approval process for each component are outlined below:

The General Fund Capital Program is developed as part of the Advertised Budget and included in the CIP.

The Board approves the General Fund Capital Program as part of the budget adoption process.

The Capital Sinking Fund is approved by the Board as part of the Carryover Review by committing 20 percent of Carryover balances for critical infrastructure replacement and upgrades projects throughout the County.

Since FY 2014, the County has allocated $64 million to the capital sinking fund.

Rates for self-supporting funds are developed (Stormwater, Wastewater, Solid Waste) as part of the Advertised Budget and support projects in the CIP.

The Board approves these rates as part of the budget adoption process.

The General Obligation Bond Referendum Plan is developed as part of the CIP.

The Board approves the plan and bond resolutions each summer prior to the fall referendum.

The Board reviews and approves a citizen informational pamphlet on the proposed bond referendum projects.

GO Bond sales typically occur annually in January following Board approval.

Economic Development Authority Bonds provide opportunities for the County to leverage public and private sector funds to advance major capital investments in infrastructure.

These projects are proposed annually in the CIP, discussed in budget committee meetings and in individual Board member briefings. A formal plan of finance is then formally approved by the Board.

All CIP project funding and schedules are adjusted annually based on the most current information.
However, changes in appropriation levels are approved by the Board at quarterly reviews or as part of the annual budget process.

Some of the CIP changes for future consideration include:

- ✓ Reviewing and potentially adjusting the timing and size of future Bond Referenda for the County. The County may want to move away from the current schedule of planning referenda by purpose every 4 years. Based on actual experience, some referendum may not need to occur every 4 years.
- ✓ Reviewing the possibility of delaying the fall 2022 County Referendum. The current CIP includes a $97 million bond which maybe be recommended for deferral until a later year based on the backlog of bond sale requirements for current approved projects.
- ✓ Reviewing the assumptions used in future year CIP projections.
- ✓ Accounting for the complexity of co-location projects by providing more flexibility in bond referendum questions.
- ✓ Providing Paydown funding for feasibility studies to better define colocation opportunities, identify project needs, and develop better cost estimates.

RECOMMENDATIONS

The Committee's discussions proved to be very beneficial and helpful in developing the group's recommendations. The Committee forwards the following CIP recommendations to the Board of Supervisors and School Board for immediate consideration.

#1 Increase General Obligation Bond Sale limits from $300 million to $400 million annually

- ✓ The Committee recognizes that bond sale limits have not increased since 2007 for the County and 2019 for the Schools
- ✓ The Committee recommends a gradual increase to reach the $400 million sales per year. A bond sale increase of $50 million would be effective in January 2023 ($25 million each for County and Schools); and a bond sale increase of $100 million effective in January 2025 ($50 million each for County and Schools)
- ✓ Debt service payments would begin in the fiscal year following each bond sale
- ✓ Ultimately both the County and Schools would receive an additional $50 million
- ✓ The revised total for the County would be $170 million and for the Schools would be $230 million
- ✓ This change would be incorporated into the *Ten Principles of Sound Financial Management* as part of the adoption of the FY 2023 budget

#2 Dedicate the equivalent value of one penny on the Real Estate tax to the capital program

- ✓ Recommended as part of the FY 2023 budget to support both Paydown and future debt service
- ✓ In FY 2023, no debt service payments would be required, and the entire dedicated 'penny' would be directed to Capital Paydown
- ✓ First year Paydown increases would be split evenly between the County and Schools
- ✓ Assuming a penny value of $28 million, $14 million each would be provided for County/Schools Paydown projects in FY 2023

- ✓ The second year would include the first debt service payment with the balance in Paydown
- ✓ In FY 2024, assuming debt service requirements of $2 million each, approximately $12 million would be directed to County and Schools for Paydown
- ✓ As debt service requirements grow, Paydown would be reduced until reaching a baseline amount of $10 million
- ✓ Debt/Paydown needs would gradually exceed the value of one penny, but would be adjusted as part of annual budget process

Projected Allocations*
(in millions)

	County		Schools		
	Debt	Paydown	Debt	Paydown	Total
FY 2023	$0.0	$14.0	$0.0	$14.0	$28.0
FY 2024	$2.0	$12.0	$2.0	$12.0	$28.0
FY 2025	$4.0	$10.0	$4.0	$10.0	$28.0
FY 2026	$7.9	$10.0	$7.9	$10.0	$35.8
FY 2027	$11.7	$10.0	$11.7	$10.0	$43.4
FY 2028	$15.5	$10.0	$15.5	$10.0	$51.0

* Assumes $25 million increase each for County and Schools in January 2023 and January 2025; Assumes 3% interest rate

#3 Increase the percentage allocated to the Capital Sinking Fund at year-end and include Schools in the allocation

- ✓ The overall allocation to the Sinking Fund would increase from 20% to 30% of balances not needed for critical year-end items
- ✓ Schools would receive 25% of this allocation; County staff would reevaluate the percentages to each of the remaining areas (FMD, Parks, Walkways, County-owned Roads and Revitalization)
- ✓ This policy would have resulted in contributions for Schools totaling approximately $28 million over the past 5 years

These recommendations would allow both the County and Schools to support more critical infrastructure replacements projects and address backlogs, account for increased construction costs and impacts associated with a potential Prevailing Wage Ordinance and provide for enhanced environmental sustainability initiatives. In addition, this increased investment will allow the County to support increasing Metro capital obligations, while sustaining facility requirements and will allow the Schools to design and construct 1-2 additional school capital improvement projects per year.

TIMELINE FOR CHANGES

- November 23, 2021: Discuss Report at Joint Board of Supervisors/School Board Budget Policy Meeting
- December 2021: Discuss proposed changes with rating agencies in advance of January 2022 bond sale (to prepare for increased sale in January 2023)
- December 2021: School Board discussion regarding Boundary Change Report and potential next steps
- Spring 2022: Board of Supervisors approves FY 2023 Budget with change to *Ten Principles of Sound Financial Management* Bond Sale limits and increased Paydown
- January 2023: First Bond sale with higher sales (County at $145 million and Schools at $205 million)
- FY 2024: First year of debt service requirements for higher sales
- January 2025: Second Bond sale increase (County at $170 million and Schools at $230 million)
- FY 2026: First year of debt service requirements for the total $100 million increase

OTHER SUGGESTIONS FOR THE FUTURE

The Committee further benefited from a number of discussions and recommends the following suggestions for staff consideration in the future.

Refunding savings: If possible, any savings generated from the refunding of existing bonds should be redirected to one-time capital project costs. Staff will review the appropriate allocation of refunding savings in consideration of both County and Schools project needs.

Policy Plan updates: The planning process associated with the development of the CIP will be strengthened by the process currently underway to update the Policy Plan component of the County's Comprehensive Plan. The Planning Commission members of the Committee believe this work will result in additional ties between planning efforts and the CIP. The Planning Commission CIP committee and the Board of Supervisors will work with CIP staff to enhance their roles in the review and development of recommendations for the annual CIP.

Capital Project design: The Planning Commission has long supported the co-location efforts reflected in the CIP. With this in mind, staff should be encouraged to evaluate the use of incremental/modular design or prototype design when possible. Incremental or modular design efforts would include building facilities that can easily be expanded in the future and prototype design would include using the same design plans for several similar projects. This may result in cost savings and efficiencies in the future.

Feasibility Studies: To better define needs and prompt additional co-location projects, staff should consider annual funding for CIP feasibility studies as part of the proposed Paydown increase. These studies would enable staff to define and focus on the most pressing requirements and assess the feasibility of co-locating multiple County programs within one complex and/or co-locating County and Schools programs within one facility or complex. Feasibility studies would provide comprehensive evaluations, cost estimates, and allow for better referendum planning and timing.

Space Opportunities: Staff should continue to examine opportunities to use commercial space for County/School uses. It is anticipated that more space will become vacant as businesses adjust to larger teleworking postures as a result of the COVID-19 pandemic.

Continuous Discussions: The Board of Supervisors and the School Board should discuss the CIP on a continuous basis and not just once a year. The Committee would like to see more transparency in how things get included in the CIP and see closer ties between the CIP, One Fairfax, and the Environmental Agenda.

CONCLUSION

The Committee appreciated the opportunity to review and offer recommendations on these critical issues. The Committee believes that the recommendations included in this Report, if implemented, will help the County and Schools make significant progress in addressing the current capital challenges. The Committee looks forward to working with the full Board of Supervisors, School Board, and county and school staff in implementing these recommendations.

Adopted this 14th day of October 2021

Kathy L. Smith, Committee Chair
Board of Supervisors

John W. Foust
Board of Supervisors

Abrar Omeish
School Board

Laura Jane Cohen
School Board