

Review of the Budget & Taxation Committee for the May 23, 2019 Annual Meeting

Every year, the Budget & Taxation Committee works on a resolution that analyzes the County and school system proposed budgets and recommends a real estate tax rate.

Our resolution commended the Supervisors for holding the tax rate flat, so that higher property taxes resulted solely from higher assessed values of homes. We compared sales prices to tax assessments in 2017 and 2018. Higher-priced homes – other than those just built – were more likely to be over-assessed. New construction and less valuable existing homes tended to be under-assessed. We continue to analyze data on these patterns, and are glad to report that in 2019, tax assessments for McLean rose less than tax assessments for most of the County.

In a prior MCA resolution, we questioned the County's cost assumptions for services, which the County uses set fees. The Supervisors' Auditor concluded that the cost of providing garbage collection services was substantially higher than the \$345 per year that the County had charged since FY 2009. That fee was raised in FY 2020. Our resolution encourages the County to use the same approach with other services, including those provided to developers.

We continue to urge the Supervisors and School Board members to reduce pension benefits and commended the School Board for finally bringing teacher salaries up to market levels. Currently, new employees receive costly pension benefits in excess of those provided by other Virginia local governments and school districts, even though the School Board and Supervisors recently reduced pension benefits for new employees. Given optimistic assumptions used to calculate the costs of these pensions, we also expect our cash costs to balloon in future years.

County and school district budgets have skimmed on maintenance for over a decade, and employees and advisory groups are sounding alarms about how pinching pennies on maintenance will result in higher future costs. Our FY 2020 budget resolution urges Supervisors and School Board members to prioritize maintenance over expanding or creating programs. We are looking now at the parks, which particularly need more funds in light of bad weather that has increased maintenance costs while reducing park authority revenues.

We commended the Supervisors for increasing the school bond limit to \$180 million, which should reduce the use of trailers. We also urged the School Board to expedite boundary changes that save money, such as moving students from McLean HS to Langley HS. We are analyzing the formula for developer contributions to cover the costs of educating children who move into their developments. So far, we have discovered that the County does not consider the cost of acquiring land for new schools.

Public safety is a core governmental service, and the opening of the Metro stations around Tysons Corner has led to higher crime rates. The police department's McLean District station is responsible for Tysons and Merrifield, and the police department requests for additional police officers was dismissed, while the Supervisors voted to hire more officers in South County.

Meanwhile, the police department is having difficulty recruiting new officers. We are meeting next month with a police department expert on hiring, to learn more about the reasons why.