

## Budget & Taxation Committee Report for the October 2004 MCA Board Meeting

The Budget & Taxation Committee met on September 21, 2004. The guest speaker was John Adair, Program Auditor for the County, reporting directly to the Board of Supervisors. Mr. Adair reported that he has just hired Ron Coen. Mr. Coen was formerly the director of the County's Internal Auditor Office before retiring the first time from Fairfax County.

Mr. Adair reported that Board Chairman Connolly has charged the Program Auditing staff (all two of them) to look for some "big-ticket" items that can provide further tax relief. Mr. Connolly, who campaigned against the establishment of Inspector General, is reported to have indicated that he wants to demonstrate that the current auditing staff is sufficient to identify the same level of cost cutting that an Inspector General could offer. Therefore, there seems to be strong support on the Board for the important work of the Program Auditor and for following his cost-cutting proposals.

At the present time, the Program Audit office is studying the County's motor vehicle fleet with a goal of reducing its size from 5600 vehicles. (Approximately 2200 of those vehicles are school buses.) County vehicles that are not driven significantly (*e.g.*, more than 5000 miles per year) will likely be targets for elimination in favor of County car pools or reimbursing employees mileage costs for the use of personal vehicles. Mr. Adair said that, since the County annually funds a replacement program for its vehicles (except for school buses), the reduction in the size of the County's vehicle fleet would also permit the County to reduce its cash set-aside payments for vehicle replacement. He also noted that, several years ago, the County added funds to the School budget to build a reserve for bus replacement. However, School officials spent those funds on other programs, which has contributed to the relatively high average age of FCPS' buses.

Mr. Adair also informed the Committee that his office is completing its report on travel expense abuses. (There were recent newspaper articles about the Office of Consumer Protection's former director spending excessive sums on travel.) Unlike the Commonwealth of Virginia, which uses the federal government's per-diem rates for employee travel, Fairfax County reimburses any expenses that are deemed reasonable by the traveling employee's department. The County Board is expected to adopt new rules that will use the federal government's per diem reimbursement schedule. (Subsequent to our committee meeting, this recommendation was adopted by the Board of Supervisors.)

MCA members also suggested to Mr. Adair areas where the Board of Supervisors and the Program Auditor might focus future attention. Four areas were identified: 1) the operations of the cable TV regulatory group that seems to have been co-opted by Cox Cable; 2) the taxpayer-funded Economic Development Authority (EDA); 3) the process for assessing commercial real estate; and 4) the Pay-for-Performance program. Committee members mentioned several problems or apparent abuses with these programs. For example, the cable TV regulators were unresponsive to citizens' complaints about damage down during Cox's network upgrade

program. Also, the EDA has made unsupported claims about its results<sup>1</sup> and does not seem open to reasonable oversight from County officials.

The Committee has invited Senator Howell and Delegates Callahan and Scott to speak to the group at its October 19 meeting. They have been asked to discuss the following three topics: 1) adequate public facilities laws and development impact fees on all commercial and residential development, in addition to proffers on rezoning; 2) Fairfax County Public Schools' share of state aid for education, in light of tax reform; and 3) transportation funding. (As of September 30, Janet Howell has indicated that she would not be able to attend because of a prior speaking commitment in Arlington. We have not yet received responses from McLean's two Delegates.)

Respectfully submitted,  
Rob Jackson, Chair  
Budget & Taxation Committee

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<sup>1</sup> For instance, in response to data requests from MCA, the EDA claimed its advertising, as opposed to the large increases in federal spending for defense and homeland security, significant portions of which occurred in Fairfax County and other parts of Northern Virginia, was responsible for the fact that Fairfax County's post-9/11 economy did not falter to the extent that other communities' economies did. This claim is so preposterous that even pro-developer advocate and George Mason professor Stephen Fuller has argued to the contrary.