



## March 2010 “A Month in Review”

- **Creating Jobs and Opportunities in Northern Virginia** – To get credit moving again I recently proposed an initiative to have the county examine moving a portion of our investment accounts, currently held by a large national TARP bank, into some of our local community banks. This credit is the lifeblood of our job creators – businesses.
- **Controlling Retirement Costs** – Retirement costs are straining municipal budgets all across the country, including ours. The Board approved my motion to study converting from a defined benefit pension plan to a defined contribution retirement plan for new county employees. It may also help attract new employees.
- **Save Clifton ES** – Fairfax County Public Schools staff is considering closing Clifton ES and building a new 900+ elementary school adjacent to Liberty ES. Clifton ES is too important to our children and the community to allow to close.
- **Upcoming Events**
  - **Town Hall Meeting on I-66 Solutions** – April 19th, 7:00 PM at the **Fairfax County Government Center (12000 Government Center Parkway, Fairfax)**
  - **3rd Annual Centreville-Clifton-Chantilly Relay for Life** – May 22<sup>nd</sup> at **Centreville High School**

### Creating Jobs and Opportunities in Northern Virginia

Credit is the life blood of small business, but since the start of our current recession lending has dried up in many communities, including ours. To get credit moving again in Northern Virginia I recently proposed an initiative to have the county examine moving a

portion of our investment accounts, currently held by a large national TARP bank, into some of our local community banks. This would increase the assets held by our community banks thereby increasing their ability to lend to Northern Virginia small businesses. Having greater access to capital would increase growth opportunities for our small businesses and lead to the creation of new jobs in our community.

Small businesses are the backbone of our economy. They account for more than half of non-farm private GDP, employ just over half of all private sector workers and represent 99.7% of all employer firms. Small businesses have also been the main job creators in our economy over the last 15 years. From 1993 to 2008 small businesses accounted for 64 percent of the 22.5 million net new jobs created in the United States.

For small businesses to continue to grow they need access to capital. Since the recession began that access has reduced dramatically. According to the U.S. Treasury Department, the country's largest banks reduced their collective small business lending balance by \$1 billion in November 2009. While large financial institutions have reined in their lending to small businesses, community banks have not. As of January 2009, community banks made 20% of all small-business loans, even though they represent only about 12% of all bank assets. In addition, community banks make about 50% of all small business loans under \$100,000.

Our economic recovery will be brought about by the growth of our small businesses. Our community banks play a major role in helping Northern Virginia small businesses grow and the Board of Supervisors has the ability to aid their efforts. Moving some of the county's investment funds into our community banks is a great common sense way to start.

### **Controlling Retirement Costs**

At our March 23<sup>rd</sup> Board Meeting, the Board unanimously approved my motion to have county staff study converting from a defined benefit pension plan to a defined contribution retirement plan for new county employees. I asked for this study because retirement costs are putting a great strain on the county's budget and because today's workers are more transient and less interested in pensions, making portable defined contribution plans more attractive. For FY 2011, as we are cutting the county budget by approximately \$100 million for the second year in a row, the county's retirement obligations require us to increase our payment into the system by \$26.5 million.

Fairfax is not alone in dealing with increasing retirement costs. According to a recent study conducted by the Pew Center there is a \$1 trillion gap between what states and participating localities have promised their current and retired workers in pension, health care and retirement benefits and what they have on hand to pay for them.

Defined contribution retirement plans offer governments a way deal with this problem. They set only the level of contributions employers and employees have to make to the retirement system each year and not the level of guaranteed benefits employers are

required to provide after retirement. This arrangement offers stability and predictability for the government while removing the possibility of out of control retirement costs down the road. Contribution levels are known well in advance and will not change, allowing for accurate long term planning. Contrast this to a defined benefit plan where a dip in the stock market can cause an immediate and unexpected need for an employer, in our case the government, to increase their contribution to the retirement fund. As we all know there are only two ways to pay for that, cut something else in the budget or raise taxes.

Another benefit of defined contribution plans is that they can help with recruitment because they offer the benefit of portability whereas defined benefit plans do not. In this day and age where a new college graduate is very likely to hold multiple jobs throughout his or her career, offering a retirement plan that does not penalize them for leaving for a more attractive job after 5, 10 or 15 years is a recruitment tool for employers.

Defined contribution plans have become the norm in the private sector and they are starting to catch on in the public sector as well. Montgomery County moved to a defined contribution plan in 1995 and states such as Colorado, Florida, Louisiana, Maine and Virginia all offer defined contribution plans to at least some of their state employees.

This type of study has been done before in Fairfax County, back in the mid 1990s, but these are different times with different dynamics that warrant another look. Getting our retirement costs under control is the right thing to do for the county and for the taxpayer.

### **Save Clifton ES**

The Fairfax County Public School (FCPS) system is considering closing Clifton ES and building a new 900+ student elementary school adjacent to Liberty MS. The purported reasons for this closure and the building of the new school are the cost of renovating Clifton ES and overcrowding in the southwestern portion of the county. The reality is the FCPS Southwestern Regional Planning Study Group identified the overcrowded areas are not in the Clifton ES or Liberty Middle School sections of the county and the group has also indicated there are options that enable Clifton ES to be renovated cost effectively. We need to save Clifton ES.

Clifton ES is a source of pride for the small, rural community and serves as the community center for the Clifton area. Often times Clifton ES is the place where families first meet and it is a heavily used gathering spot for many local community organizations. Clifton ES is also one of the best performing schools in the county and was awarded the Governor's Award for Educational Excellence in 2009.

Clifton ES is also important to the local businesses located within the town of Clifton. Businesses regularly report decreased sales in the summer when the school is closed but business always picks up again in the beginning of September when children and parents return to the school. There is no doubt that closing the school will result in a permanent downturn in business for merchants in the town of Clifton.

Keeping Clifton ES open is the right thing to do and I will be continue to be a vocal supporter for the school as we move through this process. A community group, Clifton RED, has formed to spearhead the effort of saving Clifton ES. I ask you to please get involved by visiting their website at <http://savecliftonelementary.org/>

Also, the study group that has been formed to address the overcrowding issues in the southwestern portion of the county is holding community engagement meetings throughout April. Please attend and show your support for Clifton ES. The meeting schedule is as follows:

**Community Engagement Focus Groups--presented by members of the Southwestern Regional Planning Study Committee**

**Tuesday, April 13**, 7 p.m., at Robinson Secondary School, blue cafeteria (5035 Sideburn Rd., Fairfax)

**Thursday, April 15**, 7 p.m., at Chantilly High, cafeteria (4201 Stringfellow Rd., Chantilly)

**Monday, April 19**, 7 p.m., at Stone Middle, cafeteria (5500 Sully Park Dr., Centreville)

**Tuesday, April 20**, 7 p.m. at Centreville High, cafeteria (6001 Union Mill Rd., Centreville)

**Upcoming Events**

**Town Hall Meeting on I-66 Solutions**

Along with Congressman Wolf and Supervisor Michael Frey, I will be hosting a Town Hall Meeting on **April 19, 2010, at 7:00 PM.** at the Fairfax County Government Center (12000 Government Center Parkway, Fairfax, VA). Titled "***I-66 - Today and the Future: Common Sense Solutions to Address Gridlock,***" we invite you to learn the about short and long-term solutions to the congestion on I-66 outside of the Beltway that are underway or being discussed including:

- Extended use of the shoulder lanes, including weekends
- Non-HOV use of the ramps at Monument Dr. and Stringfellow Rd. outside of normal HOV hours
- The bus-only ramp at Nutley (Vaden Street)
- The interchange at I-495 and I-66
- The status of the Environmental Impact Statement for an I-66 Multimodal Study
- The status of the Virginia Department of Rail and Public Transportation's study of Transit/Transportation Demand Management for I-66
- A session on Bus Rapid Transit (BRT).

There will also be a question and answer session where the public will be provided an opportunity to ask questions and provide input on these important issues.

### **3rd Annual Centreville-Clifton-Chantilly Relay for Life**

On May 22, 2010, Centreville High School in Clifton will host the third annual Relay For Life of Centreville-Clifton-Chantilly. Relay is the American Cancer Society's signature fundraising event. It offers everyone in the community an opportunity to participate in the fight against cancer. Teams of people camp out at the high school and take turns walking around the track. One of the best things about Relay is that there is a place for everyone: teams can have members from all age groups and can represent churches, businesses, schools, and other organizations. Teams have fun while raising much-needed funds to fight cancer and raise awareness of cancer prevention and treatment. **The Opening Ceremony on May 22 is scheduled for 4:00 pm and the Luminaria Ceremony is set for 9:30 pm.**

In addition to being a team member, people can volunteer, donate, or simply visit the event. Visitors can cheer on survivors during the opening lap, take kids to the children's area, honor loved ones during the Luminaria Ceremony, and more. Relay offers us a chance to celebrate those who are fighting cancer or who have fought cancer and won, remember those lost to the disease, and fight back against this disease by raising resources and awareness.

I encourage you to volunteer, form a team or dedicate a luminary. To obtain more information about the event, please visit [www.CentrevilleRelay.org](http://www.CentrevilleRelay.org), or email the planning committee at [CentrevilleRelay@gmail.com](mailto:CentrevilleRelay@gmail.com).

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The *Herrity Report* is a monthly publication from the Office of Supervisor Pat Herrity to keep citizens informed on the issues facing Fairfax County. Communication is important to Supervisor Herrity and he encourages your feedback on the items in the *Report* or other issues that concern you. Past issues of the *Herrity Report* can be found at <http://www.fairfaxcounty.gov/springfield/herrity-report-newsletter.htm>. To sign up for the Herrity Report please go to <http://www.fairfaxcounty.gov/springfield>. If you no longer wish to receive the *Herrity Report*, please send an e-mail to [springfield@fairfaxcounty.gov](mailto:springfield@fairfaxcounty.gov) with "Unsubscribe" in the subject line or call us at 703-451-8873.