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[00:00:03] We're going to go ahead and get started. It's now 9.30. I want to welcome everyone to the Budget Committee Meeting of September 16, 2025. And just as a reminder for folks watching, our next Budget Committee Meeting after today will be a joint meeting with the Fairfax County Public Schools and the School Board, which is scheduled for December 2, 2025, at 3 p.m. in Conference Room 11 here where we are today.

[00:00:30] With that, there's only two items on the agenda today. First is the FY 2025 carryover review, and after that, we will get an update on the joint committees with our school board colleagues that were created not long ago. With that being said, I'm going to turn the mic over to Phil Hagen, our Director of the Department of Management and Budget.

[00:00:49] Welcome. Good morning, and thank you, Mr. Chairman. With me at the table today are my Deputy Directors, Katie Horstman and Joe Lahate, as well as our Deputy County Executive, Alicia Seard-McCormick, and our Director of Information Technology, Matthew Harrison. I'm going to be walking through the staff recommendations of the FY2025 carryover review.

[00:01:09] This is our first opportunity to amend the FY2026 budget, primarily by identifying uses for the revenue and expenditure balances that remain at the end of FY2025. Carryover adjustments typically focus on capital and IT needs, as our quarterly reviews are the primary means of funding those items.

[00:01:29] I noted during last year's carryover presentation that we were expecting our year-end balances to decrease, and this slide gives some historical context on that. For revenues, our variances were typically below 1% of the estimate prior to the pandemic. Those variances increased to a high of 1.5% following the pandemic, primarily due to the high interest rate environment. We had remained conservative in our projections of interest earnings during that time frame due to concerns that those rates would decrease. FY 2025 ended with a variance of just under half a percent, which is similar to our position pre-pandemic. On the expenditure side, variances were typically

[00:02:05] below 2% prior to the pandemic. With the onset of the pandemic, we encouraged agencies to hold back on spending, and we also instituted a hiring freeze. And we saw the impact of those actions on our variances as they increased. With improvements in our position vacancy rates and the tightening of budgets due to multiple years of budget cuts, the expenditure variance for FY 2025 was a similar percentage to those pre-pandemic levels. I would note that that \$98 million expenditure variance includes \$49 million in encumbrances, which are orders that were placed but not paid for in the prior fiscal year, as well as the \$10 million one-time balance of the Reserve for Economic Uncertainty and the \$2 million balance of the Hiring Incentive Reserve.

[00:02:46] If we were to exclude those amounts, agency variances would total a much smaller amount, about \$37 million. As you see on this slide, just going to that bottom right-hand corner, the total variance of \$124 million is the smallest balance in CEFY 2020. As a result, balance available for investments in capital, IT, and other priorities is smaller than what we've seen in recent years. This next slide provides a high-level summary of staff recommendations for carryover. We have detailed slides on each of these items as we go through the presentation.

[00:03:16] And so as I noted on the prior slide, we start with a general fund balance of \$124 million, FY 2025 commitments, which include encumbrances, the reappropriation of those two reserves, the Reserve for Economic Uncertainty and the Hiring Incentive Program Reserve, as well as associated reserve contributions total \$64 million.

[00:03:33] Then we have \$13 million, which is related to either prior board commitments, critical requirements, or the results of state action. \$24.6 million reflects allocations to reserves and to capital. And then other staff recommendations total \$21.6 million.

[00:03:49] After these adjustments, a balance of \$1.13 million remains. ARPA stimulus funds are also shown on the slide, and we have a detailed slide a little bit further on. The remaining balance of \$7.6 million is recommended to be reappropriated in FY2026 to allow continued spending within the projects that those funds are fully allocated to.

[00:04:08] So as I noted earlier, the revenue balance of \$26 million, or just under a half percent of the estimate, is the smallest that we've seen in recent years. We're not recommending any adjustments to the FY2026 revenue estimates at this time. Our team continues to monitor impacts of federal action on our revenue sources, particularly those noted in that last bullet on the slide.

[00:04:30] Sales, BPOL, TOT, and food and beverage, we expect those to be more sensitive to economic conditions. I would note in particular that we won't see actual receipts for the food and beverage tax until February or March. Any FY2026 revenue adjustments would be presented to the board as part of either the December forecast or the FY2026 third quarter review.

[00:04:51] So we're nearing the end of our ARPA allocation of the \$222.89 million that we received. We've expended \$215 million, leaving a balance of \$7.6 million still to be spent during FY2026.

[00:05:06] These funds are fully allocated to projects. We were required to obligate all funds by last December, and we must spend them by December 2026. So the carryover action relative to the ARPA funds will be to reappropriate that remaining balance so that it can continue to be spent within the projects that it's been allocated to.

[00:05:25] I mentioned FY 2025 commitments earlier. As I said, we have \$49 million in encumbrances within agencies. Those are funds that are legally obligated for items and services where we haven't completed final processing prior to the end of the fiscal year. And then a little over \$12 million in unencumbered obligations, which includes the \$10 million one-time balance of the Reserve for economic uncertainty. I would note the board put that \$10 million into the reserve for economic uncertainty as part of the third quarter review. There was also about \$2.5 million in recurring funding that the board put into that reserve as part of the adopted budget. Since that funding

[00:06:04] is already in 2026, we don't need to do anything with the recurring piece. And then there's just under \$2 million. That's the balance of the hiring incentive program reserve. I would just note if you're totaling the numbers on this slide or any of the other slides to compare to the table at beginning the summary table that summary table included the reserve impact of these adjustments and so the numbers are a little higher in that summary table due to those reserves next we move on to critical requirements in prior board commitments we've included a number of things in this category for one we have the security system at the courthouse that needs replacement four million

[00:06:41] dollars identified for that continued food insecurity needs within the community two and a half million dollars is recommended to support those we also have two million dollars included in support for homeless services contracts then we have 1.8 million dollars for the second phase of the Park Authority's multi-year equity implementation plan which would really support the development of their registration system and really looking to get that process moving 1.4 million dollars would be for the one-time funding the capital equipment necessary to implement the next phase of the Park

[00:07:18] authority zero waste plan this would purchase equipment for the four remaining maintenance areas we had previously funded a pilot within two of the six maintenance areas and then we have the results of a few state actions or including the recent congressional election 0.6 million dollars for the special election that was just held on September 9th a small amount in three positions that are required for staffing within the office of the Commonwealth's attorney based on action included in the state budget and then a small increase in the state salary supplements the salary supplements will

[00:07:56] provide to state employees based on the approved state salary increase next we have our allocations for reserves and capital we have a few county policies that we've we've continued to abide by regarding how these year-end balances after critical requirements are allocated first we we do have a a requirement to allocate 40% of the balance to our reserves. This was put in in order to get us up to that 10% target. As the county continues to be at that 10% target, we don't have to put in that allocation this time. We do, however,

[00:08:34] have allocations to reserve included to kind of match all of these increases in disbursements that are recommended as part of carryover. Those total 5.66 million dollars, and that'll maintain us at the 10% target level. Then we have 30% of the balance allocated to the capital sinking fund. That totals \$14.18

million this year. I would note that's a smaller amount going to the capital sinking fund than we've seen in recent years. Just for comparison, we had allocated \$38 million last year. That decrease is certainly a function of

[00:09:08] the fact that we have a lower overall carryover balance this year. Then we're recommending that the 20% of the balance that it's been staff's action in recent years to allocate towards bicycle and pedestrian access, trying to get to that \$100 million target, staff are recommending that that 20% of the balance instead this year be allocated to the Reserve for Economic Uncertainty. That would total \$9.45 million. Adding on to the \$12.6 million already in that reserve, that will bring that reserve to just over \$22 million. We do believe that this reserve will be critical to

[00:09:45] making sure that the county is able to respond to any changes within revenue or within spending requirements. Also strengthening our financial profile as we go into our bond rating meetings in the winter as we look to defend that AAA bond rating. So then that would mean that no additional money is recommended to support the bicycle and pedestrian access programs as part of this carryover budget. So far to date, we've allocated just over \$82 million of the \$100 million target to that program. We do believe that there's enough funding within there for transportation staff to continue working on projects within that and continue making progress. So far,

[00:10:25] \$12 million of that funding has been spent or encumbered to date, and so we do believe that they'll be able to continue making progress. Next, we turn to facility improvements. We have allocated \$5 million to support emergency system failures at aging county facilities.

[00:10:43] This is an adjustment that you see, I believe, every single carryover, just making sure that we can continue to maintain those facilities as we have failures. Two and a half million dollars to purchase equipment and furniture at the Commons Mount Vernon, or as we've formally referred to it as, the original Mount Vernon High School.

[00:11:01] Two million dollars to place into the construction escalation reserve. This is dealing with increasing requirements within existing projects as we see escalations within the cost of those projects. \$2 million to support renewal and repairs at parks rec centers, and then \$1 million for building improvements at the workhouse campus.

[00:11:27] IT is certainly another focus that we have besides capital projects as part of our carryover. We've identified \$5.3 million for IT projects. There's a number of projects supported with this, and this is in addition to the funding that was identified as part of the third quarter review to support those.

[00:11:44] Third quarter and carryover really are the primary sources of funding that we have for IT projects. I would note that detail on where this \$5.3 million is going by projects is included on page 75 of the carryover package. And then we have \$2.5 million included to support the refresh of the public safety radio system.

[00:12:06] We do anticipate that this is going to be a multi-year project because it is a rather large cost overall in order to do this. And so I would expect that there's going to be either a recommendation to temporarily put this into our annual budget or you will see continued movement as part of our quarterly reviews to continue to identify funding for this project over a multi-year period.

[00:12:28] Environment and energy, we have a few investments here, \$6 million total for energy improvements, including \$4.5 million at park authority facilities and \$1.5 million at county facilities.

We've also included point four million dollars for continued investment the LED streetlight conversion program Well, we've fully funded the the initial plan within the LED street light conversion This will fund some non-standard street lights on route 7 and along the metro rail corridor in Tyson's and then point two million dollars for the Implementation of the residential energy program This next slide talking about the park authority

[00:13:08] all of the the funding items that are included in that second bullet I've noted on prior slides But we wanted to bring those together just to show the amount of funding going to the park authority as part of this package but then that first bullet so we've heard from both the park board as well as members of this board that It's been difficult to see really the full breadth of park funding the county support for the parks And so our staff worked with park staff in order to come up with a new way of doing things which will be creating a special revenue fund for the for the parks for the general fund support of the parks and

[00:13:45] That's going to provide some increased transparency of all of the county funding that goes to parks by bringing These multiple pots of money into a single fund right now the the funding for parks is divided between the general fund as well as between multiple Capital projects within some of the capital project funds in addition to enhancing Transparency this is also going to provide greater flexibility for parks to reallocate funding between some of these projects right now They're they're a little bit more siloed and what they can do with their funding, but they'll be able to Reallocate a little bit easier. They'll also be able to accumulate balances for initiatives that span multiple fiscal years

[00:14:19] I would note as we do this that the board will retain appropriation authority for this fund as these are general funds As part of the carryover review we are recommending 65 new positions be established I would note as we go through these that many of these are either fully offset by revenue or have no general fund impact as they reside within funds that have their own revenue sources.

[00:14:46] And so we have 26 positions within NCS, which will implement the Beyond the Bell pilot program for the school-age child care program, really looking to increase capacity and reduce some of those waiting lists. 14 positions within DFS in order to address some workload increases.

[00:15:03] nine positions within the Falls Church Community Services Board, sorry, the Fairfax Falls Church Community Services Board for support coordination services. Then we have five positions, as I noted earlier, within the Park Authority to begin that multi-year equity implementation plan, four positions in HCD to convert non-merit benefits eligible positions to address workloads, three positions, as I noted earlier, as a result of state action related to the Office of the Commonwealth's attorney, three positions within the McLean Community Center for operational program requirements supported by revenue within that fund, and then one position within

[00:15:42] Stormwater Services to support a grant from the Virginia Department of Conservation and Recreation. We also continue our review of unfunded vacant positions, and as you'll see in that bottom bullet, we've identified a number of positions that will be abolished as part of this review. Finally, we have three consideration items that have been put forward at this point, \$135,000 to study cost-effective invasive plant mitigation strategies that was put forward by former Supervisor Walkinshaw jointly with Chairman McKay and Supervisor Jimenez. \$130,000 to support the

[00:16:18] Richmond Highway Corridor Marketing Initiative put forward by Supervisor Stork, Chairman McKay, and Supervisor Lusk. And then \$8,000 to fund a part-time intern position within the Office of the

Financial and Program Auditor. It's put forward by Supervisor Stork, Supervisor Herity, Supervisor Jimenez and Supervisor Behrman.

[00:16:38] And then I wanted to take an opportunity just to touch on FY 2027 budget development. Certainly our next major touch point within the FY 2026 budget development will be the December forecast. So we last put out any kind of real estimate on the budget as part of the FY 2027 multi-year forecast, which was included in the FY 2026 adopted budget volumes.

[00:17:02] Certainly at that time, projecting a difficult budget picture, constrained revenue growth against what we included in there were just kind of our bare bones requirements of employee benefits and pay increases, as well as our debt service requirements and some of our other kind of mandatory needs, lease escalations, things like that.

[00:17:23] Certainly, we've seen some changes since then, some slightly positive, some slightly negative. Overall, we're kind of sitting in the same place, and we haven't seen too much in the way of major changes from what we saw as part of the FY 2027 multi-year forecast. So knowing that, going into FY 2027 budget development, the county executive requested 5% reductions from county departments.

[00:17:46] Certainly our staff are beginning to see those agency submissions come in, and we will be working through those, trying to determine what is possible and what is not, what we think we should include in the advertised budget plan. And certainly that 5% reduction target is lower than what we asked for from departments last year.

[00:18:04] We did put out that reduction target to this year to agencies. Knowing that the choices would be harder this year, considering the reductions we've already taken, but including in that directive noticed agencies that we're putting forward a smaller reduction target, but we do expect to take probably a larger share of those as we're working through.

[00:18:22] It's going to be difficult choices, but we're going to have to make those difficult choices. In addition to that, we are following the board direction that was included in the FY2027 budget guidance, which was to also solicit our employees for ideas about how to help balance the budget. And so that portal for employee suggestions went live last week.

[00:18:42] It will be open through October 31st, again, trying to gather those cost-saving ideas from employees. Already we've received, it's about 400 employee suggestions within the first, say, less than a week. We'll certainly be sifting through those, trying to figure out which ones are actionable, figuring out which ones we need to refer out to agencies in order to investigate further.

[00:19:04] We are going to continue promoting that through Newslink as well as the Fairfax Net homepage, and then we've included some incentives in order to try to generate participation and make sure that employees have a stake in helping us find those cost-saving ideas. And so then ending, just running through our budget calendar, some of the top-level dates that we have.

[00:19:24] Public hearing for the carryover review will be held on September 30th, 2025, with action by the board scheduled following that public hearing. The financial forecast is planned for the joint meeting with the school board on December 2nd.

[00:19:41] I have to get used to saying December forecast this year instead of November forecast. And then the FY2027 advertised budget plan will be presented to the board on February 17th, followed by the

FY2026 third quarter review on March 17th. Thank you very much.

[00:20:00] Just a few comments and questions, and then obviously turn over to my colleagues. I first want to thank the staff for, on page two, providing the carryover balances all the way back to 2016, because I think it tells an important story for some reason.

[00:20:19] Last time we talked about carryover, people started talking about surpluses and mischaracterizing what was here. And just to put this into context, as you mentioned, revenue was up 0.48 percent over the FY 2025 revised budget plan that staff presented.

[00:20:38] So this is a very tiny, tiny sliver. And when you look at this chart and you look at \$124 million, while that seems like a lot of money, in the context of the county budget, it is a very, very tiny sliver, quite a bit smaller than it has been in past years.

[00:20:55] And just as a reminder, we, of course, are required to balance our budget. And so when you're running an organization of this size and you reach the end of the calendar year, you better be in the black and not in the red. And really, that's what this figure reflects is sound financial management and obviously gives us the flexibility of appropriating those funds as the board deems necessary.

[00:21:20] So I do want to just make sure that that context is out there. I also want to thank staff for the prudent way in which many of the things in here are presented. I think everyone in this room knows that economic uncertainty might be an understatement of what it is we're facing, not only as a nation, but certainly in the DMV area and specifically Fairfax County.

[00:21:43] And so we know we're getting hit on multiple levels, from cuts to the federal workforce to cuts to federal funding. I think people forget in the context of talking about what's happening at the federal level that the county itself is exposed here as well directly with loss of federal grant money and other federal funds that would flow to the county for operations.

[00:22:05] And so we know there's been a lot of talk about how that's affecting schools, But I think it's important to remind everyone there's a huge potential impact to the county as well. And so I absolutely support putting as much extra money as we can in the reserve for economic uncertainty as we prepare.

[00:22:21] And certainly the work that our staff does and the work that our board does towards making sure we maintain the strongest bond ratings we possibly can. And this is not, you know, not a hypothetical nice thing to do this year, but we've seen people in our region, counties, and entire states in our region lose their AAA bond rating.

[00:22:41] So this is not a hypothetical moment. This is a serious moment where we need to do everything we can to make sure that we protect that coveted designation. I do want to focus for a moment on page 13, which are the position adjustments, because obviously I get great concern when we're doing position adjustments.

[00:23:01] at carryover for obvious reasons. We're looking at trying to provide funding for one-time expenses and not for recurring expenses. And several times in here you mentioned due to state requirements. So certainly Department of Family Services, the Commonwealth's Attorney's Office, you know, are directly related to and even indirectly related to the stormwater services position that's in here. So I guess a question is, those are recurring expenses in terms of positions that are required by the state. Are we obligated at carryover to act on those? And what are the

[00:23:41] consequences if we didn't? Hi, Katie Horstman. So for specific to state action, some of them I would say yes, some of them no, like Commonwealth's attorney positions, we should take action on. the dfs and the csb positions we certainly have more flexibility it will impact your workload though um in services actually being delivered to residents both the csb and the dfs positions are fully offset by additional revenue so there's no actual impact to the county and then we'll just pick up that adjustment as part of our 27 base moving into the 27 advertised budget so let me be

[00:24:19] more specific on the Commonwealth's attorney ones. Those are state action. We should do those at carryover. Are we required to do those into those positions when the state takes action like that to grow positions that are not supported by revenue like the other ones that you just mentioned? Do we have a period of time under which those have to be put into place? And is that period of time doesn't allow us to do that as a part of the regular budget process?

[00:24:50] So constitutionally, we would have to check with the attorneys to see whether we have to do it at our next budget process or quarterly review or whether we have time to actually implement it at a later date. So we can get back to you on that one. Yeah, we could just treat that as a budget Q&A just so we know because it's not specific to the Commonwealth's Attorney's Office.

[00:25:08] In this case, it is because that's what's before us. But when the state requires growth in those positions that we have to fund, that they're not funding, I think it's important for us to know how long we have to enact those positions or create those positions, I should say, because we try not to create positions as a part of carryover as a general rule.

[00:25:30] I mean, there are cases where we have to, and certainly the ones that are in here that are supported by revenue, make sense to do because that's just an accounting piece. And I certainly think the nine positions for CSB is a good news story, And that is obviously that we have new Medicaid waiver slots, and those are directly, you know, our constituents directly benefiting from those.

[00:25:51] So I think because of that state action and because of workload issues in that particular case, that one does make sense certainly to move forward with. I do have some problems, I'll just say, with the park authority positions that are in here. And I support everything that's in here for the park authority, except I am concerned about the positions, especially knowing the environment that we're going into.

[00:26:15] And I would just ask staff if they could, knowing that these positions are to help the park authority create a registration and sliding fee scale implementation program for equity. We know that the county already does that.

[00:26:33] We do it extensively in SAC. And so I would ask staff to come back with an alternative in this fiscal environment to adding positions at carryover, which we try not to do, and see if we can lean on some of our other county agencies to help implement that with the park authority already, who already do that work.

[00:26:52] And it may be that that can't be done without some positions, and I would like that explanation, But it is concerning to me that we would be adding positions that are discretionary to do set up of systems that we already have in the county and other departments that work and work well already.

[00:27:11] And so I just will put that out as a challenge for staff to come back with an explanation. I read the explanation that was in the documents that we got, but I think this is one of those creative moments to say this is not the first time we've done this. Other agencies have done it within the county.

[00:27:28] How can we lean on that to maybe be more efficient in that space? And then I would also ask one other budget question, and that relates to the bike and ped improvements, because obviously, you know, those are great targets for carryover in terms of being one-time expenses.

[00:27:45] We're not quite to the \$100 million that this board set out to achieve. We're heading that way with the \$82 million already in hand. But what concerned me was the comment made about \$12 million already being encumbered and spent.

[00:28:00] That's a tiny fraction of the \$82 million. And we've talked about this as a board before about why it takes so long to get these bike and ped improvements done. And it's troubling to me, one, that we're not continuing to make progress, but I'm cognizant of the financial times we're in and why it makes sense to not put more money into that right now.

[00:28:20] But I'm troubled that we have stretched and supported \$82.12 million for this program already, and we've only encumbered and spent \$12 million. So that's a lot of money still sitting there, and I would like to get a better explanation of why, when we know that there are bike and pedestrian improvements all over this county that are desperately needed.

[00:28:42] How we can speed up the pipeline on that, I think, is something that, you know, we should all be focused on here. And so I appreciate all the staff work on this and the follow-up questions that I've asked. And I would just say that in these tough times, I think you've put together a carryover package by and large with a couple of small exceptions that really reflects on the financial times that we're in right now and the bracing of ourselves that we have to do.

[00:29:10] And it is so important in this county to make sure we not only maintain our AAA bond rating, but that we see on the horizon the challenge ahead and are acting steadfast in that regard. And finally, before I turn it over to my colleagues, certainly the page that's in here about the ongoing work that's being done for the 2027 budget development unrelated to carryover is a really important slide in this package because, you know, we need to have options when it comes time for next year's budget.

[00:29:41] We know that the reductions that county departments are being asked to, many of them create significant challenges that require more vetting. This year, as you mentioned, some of the easier things have already been done, but to that end, really, I'm really glad to hear that there's already 400 comments in from our employees, bringing our employees into the conversation for ways to generate cost savings, and I would suspect we would continue at that clip, and that's something that this board asked for in the budget guidance and something I think is really important to make sure we're getting their perspective, especially as belts get tighter and times get tougher moving ahead.

[00:30:20] ahead. And so thank you for the presentation. And with that, would recognize any of my other colleagues if they have questions. And I'm going to start down here at this end. First, I'll start with Supervisor Lusk, and we'll go around. Thank you very much, Mr. Chairman. I'll start and very much appreciate the comments that you made and the recognition that we are in a very uncertain time as it relates to the economic climate, and there are going to be impacts that we might not even know about today that we'll be grappling with in the near future.

[00:30:55] So the first question I wanted to ask is I noticed, and this made perfect sense, the recognition for the special election for the 11th Congressional District. The question I'm going to ask is, do we have money in this carryover for the election that we just requested?

[00:31:19] We do not. Certainly when the carryover package was published, we didn't want to presuppose what the results of the September election would be. Certainly that's something that if the board chose to put that forward as funding as part of this package, we certainly have balance there that could be allocated towards that. It's also something that we could take a look at as part of the third quarter review, just coming in after the fact to make elections whole for whatever the cost of that might be.

[00:31:46] Okay. I was just thinking, and from a timing standpoint, we made the decision. Obviously, we're going to have to have some expenditure funding for that. So I hear we could do this later, or we could even do it now. But I guess the question would be, how much might we need? I guess we don't know that number at this point.

[00:32:02] So we we can work with election staff. We'll take that as a Q&A and come back with the estimate as part from election staff. And let me just add in in vain. Well, let me just add that, as you acknowledge, we we don't want to suggest the outcome of an election.

[00:32:17] Right. But the special election for Braddock supervisor is one. Depending on what happens in that election, we may be facing another special election for a vacant school board position. And so the fluidity of this is something that we just want to make sure we're cognizant of and we may be addressing both of those at third quarter.

[00:32:36] But there might not be just one additional special election. There could potentially be more than one. No, that's a good point. And then second, Mr. Chairman, I want to kind of go back to the point you were making about the position adjustments. One of the things that I got to do when I worked in the county many years ago in the 1990s is work in human services.

[00:32:55] And we were there during a time of economic uncertainty in the early 1990s. And you could see the increase in the caseloads and the difficulty with being able to process all those applications. I guess the question I wanted to ask, as you referenced the 14 positions in the Department of Family Services, is there specific allocation of those positions to areas?

[00:33:16] I just would be curious to know, do we have any additional specificity in terms of where they're going to go? At this juncture, Michael Beckett has a plan in place. We're going to allocate the positions where he feels that he needs the support and help.

[00:33:33] He has justified that he can get things done with what he has. I don't think at this juncture it's in our best interest to specify here exactly what he's thinking, but it will be coming forward quickly.

[00:33:50] I'm just making the point that it's a recognition of where the need is, So thinking about if it's in the food delivery or the medical service, I'm just trying to get a sense of where. We have a need on many things, and it could be everything you just mentioned as well as expansion.

[00:34:09] So he's got a plan in place. What I'll ask him to do is come sit down with each and every board member if you have specific questions, and he can address them individually. No, I appreciate that and look forward to having that discussion. And this is not a question about his oversight management, just a question and understanding how that's being processed.

[00:34:30] But I appreciate the answer. And then last, Mr. Sherman, I just wanted to make the point I very much appreciate the work on the food access program and just acknowledging we have seen the difficulty with food insecurity, particularly in my own district and I'm sure other districts.

[00:34:48] And it's been growing. It's a growing issue and one that I hate to say this. I'm certain that it's going to continue to grow based on what we're seeing with the economic environment, loss of jobs, the difficulty in getting rehired, and just the cost of everything, the explosion and the inflationary situation that we're in just makes it harder for people to be able to afford some of those basic needs and acknowledge that this effort here is to support that need.

[00:35:19] So with that, I will conclude. Thank you very much, Mr. Chairman. Thank you. Uh, supervisor Beerman. I want to make sure I heard that right. 12 million of 82 million has been spent on the transportation projects. Uh, that is what has been spender and comer to date.

[00:35:39] Yes. I'm tempted to cancel the entirety of our transportation committee's, uh, agenda this afternoon to talk exclusively about how completely unacceptable that is completely unacceptable.

[00:35:58] We cannot be allocating \$82 million for sidewalk projects, active transportation projects, and years, years afterwards, not be spending the money or getting the projects moving forward. The audit committee has on our audit work plan to look at this specific issue in the first quarter of next year.

[00:36:19] I'm like a broken record on it because I have had it up to here with hearing over and over again, delays, delays, delays, because also time is money. Time is money.

[00:36:36] It's costing us more money on these projects because things are taking too long. Now, I don't see our director of transportation in the room right now. I don't see deputy county executive. I am, again, like a broken record on this, but hearing those numbers is completely unacceptable.

[00:36:54] And I think everyone who works on those projects needs to understand that it's completely unacceptable because, by the way, not setting aside another \$18 million this year so that we can meet the obligations that we as a board decided to put in place makes perfect sense because we have not done nearly a good enough job of moving those projects forward.

[00:37:19] Why would we add money to a fund that's just sitting there while we don't move those projects forward? So I'm sorry to hijack the moment for a second here, but I want that on record. Yet again, it has to change.

[00:37:35] It has to change. And after that audit, by the way, we will be having a board transportation committee meeting on this topic. We will be finding ways to do things faster. And by the way, we have now this portal for how to save more money, employee suggestions.

[00:37:51] If you have suggestions for how to move projects faster within this county, we are all ears. I'm all ears. Call me personally. Put it in the portal, too, but call me personally. Thank you. And I just, you know, I think the frustration is clear here on this point. I know this is not the staff that's here, as you acknowledged. I think it is really important for us to understand if there's a layer of or a lack of cooperation from VDOT on some of these, and is that driving some of the delays? Because I, you know, I have a chairman's roundtable where We meet with people in industry who are trying to process plans in the county.

[00:38:30] And the number one complaint they all have is VDOT right now. I've even brought this up to the governor. We were at an NVBIA meeting together, and most of those builders said their biggest problem is getting through VDOT. And I know we, for years, had to set aside extra resources to potentially

expedite our own plans to fix infrastructure for VDOT in their right-of-way, to get permits to fix their infrastructure.

[00:38:59] And so I'm not saying that's what the cause is, but I do think it's important for us to understand this is not solely just a DOT issue, but it also, I do believe very much, and I'll be shocked if this is not the case, that there's a role with VDOT to play here too. And we need to be making sure, since these bicycle and ped improvements go to the benefit of all of our constituents, that our General Assembly members are aware of the challenges that VDOT is putting in place that hinder our ability to quickly do these projects as well.

[00:39:30] So I do think it makes great sense to have this as a Transportation Committee discussion. I am delighted that the Audit Committee is looking at this because this issue has to be fixed. It should not take this long to build sidewalks, as Supervisor Bierman pointed out.

[00:39:46] And so we want to make sure we're holistically looking at this and coming up with solutions to the challenge. Mr. Hill, you wanted to be recognized. Yeah, thank you, Chairman McKay, and thank you, Supervisor Behrman, for your thoughts. I just want to make sure everybody understands, and I'm not saying that the project shouldn't be moving any faster, but construction costs are always at the end of the project.

[00:40:06] So what I'm going to do before we leave here today is find out how many projects are in process and then tell you what the cost of those projects are. And then that \$82 million is going to be a little different of a number. I'm not disputing what the chairman has stated about issues with, i.e., other state entities or whatever, but I will tell you what the total cost of those projects will be, the ones that have been encumbered, because that's not the full price of encumbrance to finish the project.

[00:40:37] It's just a portion of the project cost. So maybe we have a different context to talk about, but I'm not saying it has, I'm not saying it shouldn't be going faster, but I'm going to give you the full cost once I know what projects have been encumbered and then what the total price would be.

[00:40:56] Yeah, Supervisor Beerman. Just as a quick comment, cosign everything that Chairman McKay said. And, yes, I understand County Executive Hill. Like, I get it. I get that the cost at the very end is when the money gets spent.

[00:41:12] But we still have a speed problem. And, by the way, when I asked for ideas, the idea may be, again, here's the issue that we're having with VDOT. If we could solve that problem with VDOT, we would move things along faster. And if we're able to take those ideas directly to our state legislators, that would be as well part of the solution.

[00:41:36] So thank you. Thank you, Supervisor Behrman. Supervisor Palchuk. Thank you, Mr. Chairman. Thank you to the staff. So I think maybe in that vein, but a little bit of a different angle for this, because I had these conversations last year with head of transportation, deputies of transportation, understanding why it takes so long, but then why we have to encumber the funds at the beginning in order to ensure that they will be there. We know, unfortunately, it could take 10 years to build a sidewalk. That's just been the reality. I don't know how much of that we can change. We'd love to, but I think my question is more as we look at, and I appreciate

[00:42:13] that we have needs for the increasing, increasing food insecurity and homelessness issues in every district. Are there ways maybe within the finance department budget management that we can work

with our agencies with transportation to understand, okay, if we know that we're encumbering the funds now for the entirety of a project that's going to take perhaps a decade, is there a different way so that we can maybe think about the way we're allocating those funds, saying, you know, I was going to ask where we are on our 10,000 units and the funding we need there and the two pennies.

[00:42:51] How are we on that timeline? And if we know that those projects maybe used to take longer, but now they're coming along more quickly and the transportation projects are still taking longer, knowing that we're in tough times, is there a different way to look at it collaboratively between our budget office and our transportation office to maybe rethink the way we encumber those funds so that I'll put to the smarter people in the room to help us figure out because as times are really tough I think being able to fund those priorities that we know can come along more quickly without taking away from what we know are important transportation projects so to that I guess I'll put it back to

[00:43:31] you and maybe that's a conversation once we're ready for transportation committee and our chairman to help us look through or budget, but very much appreciate, I was going to say, the influx for supporting food insecurity. We know we're seeing working families being in those food lines and waiting.

[00:43:49] And so I appreciate having a little more flexibility and that our HHS staff continue to monitor that as the situation moves along. That's all for today. Thank you. Thank you, Supervisor Palchuk. And I just want to hit on one thing you said just to be clear.

[00:44:06] The concern we have with the transportation projects, you know, we've sat around in this committee room and talked about the time it takes to get capital projects done, period, and transportation, talking about that here. But we have this problem in other areas, too, where we run into situations with, you know, voter-approved bonds, and the facilitation, i.e., the building of the capital improvements associated with those bonds, are many, many years after the voters approved them.

[00:44:36] And I know we had a whole presentation on this in the capital program and some of the delays. I think what we're saying is we need our best minds in the county staff, particularly right now, to be looking at how we can expedite these capital programs so that we're using the money that's already been approved real time.

[00:44:53] Certainly the items that are in bond packages, but also the items that the board has said are priorities for us, bicycle and ped. You know, the comment about affordable housing is a little bit different, but related. And so if we can just be really drilling down in our capital side of the house and making sure that we are as expeditiously as possible getting these projects moving, I think that frustration is what you're hearing here today.

[00:45:22] And I think it's something that we need to work on countywide and come up with what I believe to be our better solutions to expedite those. On that issue, yes, Supervisor Harry. You know, and I don't want to pile on, but I'm going to pile on a little bit, and I don't know where your offices are, but the security enhancements that were approved as, you know, after the attack on Conley's office, I mean, the money that's going in on, I mean, it's just drug on forever.

[00:45:52] And we keep getting reviews and departments not talking to each other. And so the problem clearly is bigger than sidewalks and pedestrians. I would love to give the ice maker example, but I'm not going to.

[00:46:08] I think one of the challenges, and this was highlighted in my housing board matter from last Tuesday, is getting our agencies out of their silos. I mean, we know in housing that they could process more PPEA opportunities if there were other agencies helping provide them the oversight and support who are specialists in those areas that aren't necessarily housing employees.

[00:46:33] I just made the comment about the sliding fee scale for the park authority. I mean, we have people in this organization that do that work. Why aren't we leveraging them instead of creating new positions to do the same thing in an agency that another agency is already doing? And so I think the times call for, and I know the county executives, all of them are working on this, but the times call for us to remember we're one county.

[00:46:59] Get out of the silos of your own department, and if your department can provide support and help for another department and has an expertise to offer, we need to be leveraging that, especially now. And certainly that was a part of my housing board matter. It's the root of my comments about the five park authority positions here.

[00:47:19] is, you know, there are better ways than just creating new positions. And in some cases, it's a matter of taking talent from one department and who does this stuff and helping a department who's struggling in that area. Mr. Hill? I thank you for saying that. I'm just making sure we all are working towards the end goal.

[00:47:39] There's many times our teams here, we want a lot of change, but we don't want anything to change. So mind you, when we come forward with the housing board matter, there's going to be a lot of change. If you want it done quicker and faster and you don't want me to change anything, it's almost impossible to get there.

[00:47:58] So I'm just forewarning everybody that's listening, that change is coming, and I've heard you loud and clear. Thank you. I really appreciate that because to do the things we're talking about doing are going to require this board's participation and support of.

[00:48:14] and doing things differently sometimes can be hard for some of us but is necessary as we know what what is coming forward and so i i appreciate that you know the board has a role to play in this and we've seen too many instances recently where staff has brought forward good changes and it's been a battle and you know we need to be thinking ourselves too about how things can be done differently and more spry and alignment with the financial environment that we find ourselves in now. Supervisor Stork. Thank you, Mr. Chairman. I'm going to change this slightly and then add

[00:48:49] another question. The carryover in here for the Audit Committee is really just the remnants of their budget from the previous fiscal year. I personally, I'm saying this out loud. We've not moved this forward, but we've had discussions on the Audit Committee about adding an additional position because, and I'm not proposing that at this point in time, but I just want to kind of prepare people that this is an opportunity. The ratio of dollars spent on the audit committee to dollars saved or additional revenue generated is 10 to 1 or so. In other words, for each dollar

[00:49:25] we spent on the audit committee, we're getting about \$10 or more back in benefits. So I think we need to look at that for the 2027 budget. I think it's a good investment. And I know the transportation committee, the audit committee work on transportation, I think is a good example.

[00:49:42] There are others that we could pursue, but we are somewhat limited because of the funding for that. By the way, the number of positions in the audit committee has not changed in 30 years, I believe. So there's, and obviously the county has grown over that course of time.

[00:49:58] So those are some of the things that we talked about, but just I wanted to set that up for our next budget conversation. My question has to do with the SAC positions, the 26 positions in SAC, and its connection to the budget, the Beyond the Bell.

[00:50:16] Can somebody just – I looked in our materials. I didn't see anything. I probably should have asked this ahead of time. I'm sorry for that. But if you could at least give me an overview. If not, then if somebody could see me later and help me understand that a little bit more, I'd appreciate it. Yes, so Chris Leonard sent a NIP on August 4th that we can recirculate to everyone that lays out the beyond the bell and what the intent is in the schools that have been targeted.

[00:50:37] But it is to address the wait lists at some of our higher-need schools. The 26 positions are really specific. I mean, they're not new positions. They're taking non-merit positions and converting them. They're converting benefits eligible back to merit positions, correct.

[00:50:53] The difference in cost between a non-merit position and a merit position is roughly? Per position, I'd have to look it up. The 26 positions, it's about \$650,000 because you're just picking up the fringe, the change in fringe, because the hours are not changing.

[00:51:10] So it's about 26 positions, \$600,000? Just over. I'm going to ask that Chris and team resubmit that NIP. I sent one, the same NIP, to Supervisor Herity last week, so I'll make sure the whole board gets the NIP again.

[00:51:27] That'd be appreciated. No worries. And I can then follow up with that before we vote on this. Okay, thank you. Okay. Other questions? Yes, Supervisor Smith. I'm happy Supervisor Stork brought that up, and I did have to go do my homework and find the NIP, but we are hearing questions of concern for the community, so help with that is appreciated.

[00:51:48] On slide 11, this can be a budget Q&A. The middle bullet is about the LED streetlight conversion, and a lot of my district is NOVEC. And so I would like an understanding of if the LED street conversion is just for Dominion or if it covers areas with NOVEC.

[00:52:11] The other issue I want to kind of bring up and talk about is when I looked at the schools part of the carryover, I saw that the \$8 million reserve for the schools is going down to \$6 million because they're using \$2 million for positions in the school board office and renovations of the school board offices.

[00:52:34] And when I got on the school board in 2002, that reserve was only \$8 million. It has stayed that way. And so my concern relates to I look at the work we're doing as a board and we're creating more reserves because we don't know what's happening in the future.

[00:52:53] And so I'm concerned from the school side that now this has been reduced by \$2 million. And I didn't know if there's any conversations that you're having with the schools about preparing for an unknown future. Before Phil goes there, I want to talk about NOVAC and the streetlights.

[00:53:11] They have not been involved or they're not in the process of putting LEDs throughout that portion of the county. This is all Dominion that's in this overview. Chris Harrington and others have reached out to NOVAC.

[00:53:29] They have been unresponsive. So back when we got to this point with the LEDs and Northern Virginia Regional Commission got involved and Sharon Boulava, and I know the way NOVAC is set up is different than how Dominion is set up, but if there's anything that we can do, and I did reach out to Chris Harrington a couple years ago and I didn't follow up, But anything we can do to get NOVAC on board would be appreciated.

[00:53:55] Heard you loud and clear. I guess I'm going to have to start dealing with NOVAC the way I've been dealing with Novinian. So I'll get back to you on that. Yeah, I'm happy to help. I've met with them a couple times, so happy to help. Thank you. Okay.

[00:54:11] Phil? With regards to schools, we'll certainly be having conversations with them over the coming months as we prepare for that December forecast, really looking ahead to the uncertainty in FY2027 and what that will bring. Also, I want to add that I believe it's time that the superintendent, myself, maybe even the chairman and the chair of the board of schools get together and talk about this even in more specificity because in my conversations with the superintendent, I've basically stated the number that they got last year is probably going to be that or less because we are in times of economic uncertainty,

[00:54:50] and I'm hopeful that they do not submit another budget of \$300 million dollar increases going forward, but obviously they do provide a budget of need, and we have to understand that's what they do, but we have to really create a budget of reality. And I would just add, we have had those conversations. I remember one just a few weeks ago with the county executive and superintendent and school board chair, and they're well aware of what our fiscal forecast looks like. They're well aware that we're meeting on December 2nd. They're well aware that we picked December 2nd to increase the school board's participation in that meeting per their

[00:55:30] request, and so we hope to have a good conversation on that day, but obviously I would encourage, and I think this goes without saying, members of this board to be also meeting with their counterparts on the school board to make sure they're aware of the financial challenges that are ahead. The county exec and I have done that with the school board chair and the superintendent, But to the point you just made, I'm not sure, based on some of the actions that have been taken, necessarily that that message is resonating as clearly as it needs to be.

[00:56:02] And we all have that obligation to be conveying that as well as we move forward. Because I think anyone who doesn't think we've got tough challenges ahead just doesn't have a newspaper subscription or a TV or isn't paying attention. I don't know. But that's the fiscal reality that we're facing, and it's going to take a cooperative effort with the school board.

[00:56:23] And so I know in our next presentation, we're going to be talking about the joint committees. And the timeliness of those is really relevant here, as we are going to need to have better and more complete conversations with our school board components on not just the financial reality that we're dealing with, but also better ways to do things more efficiently.

[00:56:43] Others who would like to ask any questions or have any comments on carryover before we move to the update on joint committees? Okay. Seeing and hearing none, item two on our agenda is update on joint committees. And let me turn this over to Mr. Lahate.

[00:57:02] Welcome. Got you, Chairman. Board members, good morning. Thank you all. A combination of myself and Mr. Harrison from DIT will give you guys some background in terms of where we are with

respect to the joint committees that were established. As you're all aware, based on a board matter we put together, you all put together this past spring, you know, I think we know the obvious here.

[00:57:22] Fairfax County Schools is the largest receiver of funding from our general fund disbursements, over 50%, and that amount constitutes just about 70% of their total budget as well, too. So at the same time, you know, I think we've had a lot of collaboration on both sides. It goes back years and years and years, and I think probably no more relevant to the prior conversation with respect to our sinking fund.

[00:57:43] That was a direct result of the Infrastructure Financing Committee that we set up back in 2013-2014. Supervisor Smith, you were there on the other side of the aisle, one of our more seasoned members of both these committees, too. But I think that, to me, we've put in almost over \$200 million to date within that sinking fund.

[00:58:00] Obviously, the balance is swing based on what we've got available with respect to the economy, but it's been a huge, huge assistance piece, I think, with respect to county pieces and school pieces as well, too. Obviously, the SCIFT is ongoing, the JET, in terms of the environmental guidance it gave you all, And then probably most recently, we had the joint committee meeting with respect to our CIP and our bond funding levels that gave a little bit more to the schools who had wanted some.

[00:58:21] And also at the same time, the county side, we had not really given ourselves a bump in a long, long time prior to that. So I think really here, just given the background, we stated this pretty succinctly. There's not a whole lot of new money flowing around. We remain on edge with respect to where the economy goes. We've got to look for efficiencies, cost savings, other things we can do better together.

[00:58:40] And I think both these committees will give us an opportunity to really explore all things, construction, permits, contracting, anything else we're doing, RFPs, PPEAs, everything's on the table. On the next slide, just to give some background again here, too, the capital facility side, Supervisor Behrman, welcome aboard, Supervisor Smith, and obviously on the IT side, Supervisor Alcorn, Supervisor Stork, and our respective school board members as well, too.

[00:59:06] so those are all laid out there. Next slide, four. So we put together a couple different draft mission statements from the county side. I don't know, Matt, did you want to offer anything from the DIT side, from your side? Sure. So really what we're focused on here is operational efficiencies in particular, identifying any opportunities we have for cost savings, and looking at our optimization of resources, IT resources on both sides.

[00:59:34] We have a couple of items that are already in flight, at least on our side here in the county government, that we're going to share with our counterparts on the school side. One is around device deployment, so things like your laptops, cell phones.

[00:59:49] We're looking at a program called Device as a Service, which really takes a lot of the work that we do internally to image, deploy, recycle laptops and Chromebooks and utilize a partner, Dell or a similar company, to actually do a lot of that work for us.

[01:00:08] And they do this really for pennies compared to what we do here in the organization. So that gives us an opportunity, especially with the number of Chromebooks and other endpoints that the schools have. We're going to benefit them probably more than it would us from a budget perspective.

[01:00:26] We're also looking at different procurement approaches. So we approach procurement or vendor analysis probably in some similar ways. So there's some potential here for doing some joint negotiation and bidding, looking at potentially consolidated purchasing, again, around devices, software, cyber, cloud, data center, all the things that we're really focused on.

[01:00:51] And from a resource utilization perspective, around cyber and the different technologies that we use there and services, I think that there might be an opportunity around shared tooling and also incident management. We work with a subsidiary of Google to help us with any kind of incident management that may occur.

[01:01:13] So it's not just us responding, but it's a large service that helps us do the kind of triage that we need to do and develop additional protections. On the AI side, I think we have a lot of opportunities. And one thing that we're currently looking at now is around help desk and how we handle some basic ticketing.

[01:01:33] So I consider this level one triage. So if somebody calls in, they need to have a password reset or something simple like that. There are lots of opportunities to use AI to actually handle that transaction completely without ever having to work with an agent.

[01:01:50] So we think that there are some opportunities here. During this fiscal year, my team and I are working on piloting and doing some proof of concepts in these different spaces. I'm meeting with my counterpart, Gautam Sethi, on the school side. We're having breakfast in a couple weeks to talk through some of these things so that when we get to our first discussions in October, that he and I are aligned and we can come together, you know, with the rest of the team with some specifics around these different kinds of ideas and hopefully make some progress.

[01:02:20] Thank you. Before Mr. Harrison closes, Matthew Harrison, Director of Information Technology. This is your first meeting, so I just want to make sure everybody knows who you are prior to you going into your talk, but thank you so much for the information.

[01:02:41] I had the pleasure of meeting with a couple of the members, so yes, thank you. Yes, for TV. Thank you, Mr. Hill. And then just one next slide. So on the equivalent side with respect to the capital piece, I think, again, just trying to level set expectations and some of the prior equivalents of these committees, the net result has always been a revised allocation of funding. And just to be honest here, I think we all know where we are funding-wise, economically, background. If we're doing anything right now, we're trying to find some cost efficiencies and savings that would potentially offset any desire for something new to come forward. Otherwise, I don't think it's really going to

[01:03:20] stand the chance of moving through. So I think the ability just to kind of be upfront and share that directly in the mission statement, and that drives directly off the board matter, just to have a little level set of expectations on both sides of the aisle here too. But I really do see this as an opportunity to kind of really share ideas that it's been several years.

[01:03:36] Some of the staff on the school side have turned over an opportunity to explain to them how we do things, at the same time how they do things, to get us both more informed. And I think commonality here definitely will be the size and speed of projects. Heard loud and clear, Supervisor Brinkman, that'll definitely be a topic of conversation from the start to finish.

[01:03:52] How do things move through with respect to permits, zoning, getting through design, construction, to give you kind of a life cycle of a project to get us ideas, how can we do things? I think

there's no expectation or assumption that we as a county get any special treatment from permanent reviews. We have to go at the exact same time that everyone else would.

[01:04:08] So I think a lot of times people somehow think that's the case. I haven't seen it. I don't get any special treatment personally, not that I'm actively involved in managing them, but just as context, too. But I think all things here, what we've done in prior committees, other procurement opportunities, the role of PPEAs can definitely bring leveraged private sector funding to the table.

[01:04:28] um co-location i think is probably got to be one of the biggest opportunities we've talked about this a lot before as well too um if we can get ahead of some of these things there's planning opportunities going on right now um i would say kingstown is absolutely the flagship of that what we do in the future down in mount burning with respect to fire police let's not forget the library and the school across the street to me it seems like the perfect opportunity to have these conversations with our school counterparts to figure out how can we plan for that in our cip and just find an efficiency we don't need to have dueling parking lots ev charging stations There's got to be some opportunities there. I think this is the perfect form to do so

[01:05:01] So just kind of moving on to your kind of how to tie this all together with respect to slide six our deliverables I know from a county perspective. We've talked to all of you on the committee. We've kept our higher-ups involved We've passed along formal agendas draft mission statements, you know Throwing ideas on the on the board We'd like to talk about with our school counterparts waiting to hear some feedback from them if they've got anything they want to offer Love to hear it. It's long overdue to have these conversations with them As soon as we hear updates, we'll obviously report back to our respective board members on each committee.

[01:05:35] And like I said, just being cognizant of the timing here, too, I think we're ready to go. You know, we used October as a start date, but obviously wanted to have some of these responses back as we get into, you know, the heat of all things FY27 advertised. So our goal would be to have recommendations and reports ready roughly in March of 2026.

[01:05:52] So with that, Chairman, I think that kind of covers the high level. We're open to any questions. Thank you, Mr. Lahate. Just a couple of comments and questions before I open it up to others. First of all, I appreciate my colleagues' support of standing up these committees. The timing here, you know, is absolutely critical.

[01:06:10] And, you know, frankly, a lot of work gets done. A lot more work can get done more productively with these subcommittees than our whole board's getting together and meeting. We've seen that happen, and we know some great policy outcomes have come out of some of that committee work.

[01:06:26] Just one thing on page three, obviously for those watching at home, Supervisor Walkinshaw is still listed on there. That is Supervisor Bierman now pursuant to the communication that I sent out to the board last night about some adjustments to some of the committee structures and some of the reactions we had to make to the vacancies created by Supervisor Walkinshaw's vacancy.

[01:06:50] So before Supervisor Behrman's speech early on the transportation stuff, I had already selected him, so he wasn't teed up already going to town, but for awareness for folks, that is the appointment for that.

[01:07:07] I do want to focus on page five for a moment, because you said, Phil, I mean, I'm sorry, you said, Joe, something that I think is really important, which is the co-location opportunity. We've been talking about that for a long time. It's not explicitly said in here.

[01:07:23] I'm not sure that it shouldn't be. I mean, obviously, it falls in that leveraging shared resources, sharing best practices piece, but maybe we even need to be more direct on the need to do that piece. You mentioned Kingstown. When I started that, it was 12 years ago when we started talking about that, and we're getting ready to open the facility here in short order.

[01:07:46] But those conversations, you know, even in that context didn't involve schools. It was just county agencies working with other county agencies. These can be very difficult. And so identifying them early, whether we get the cost savings now to combining some of those projects when we need them most is less concerning to me.

[01:08:07] What's concerning to me is that we get them. Future boards will be grateful that that work is being done now. And we know some of these things have a long, long timeline to be able to accomplish. I think the most critical sentence in here, well, part of a sentence, is the committee will focus exclusively on cost reduction and efficiency.

[01:08:29] What we don't need is a list of a whole lot of new things that cost money. And I want to be really clear about that. I think our board is in lockstep on this, but I just want to make it very clear to our school counterparts as well. We're looking exclusively for cost reduction and efficiency as a part of this effort.

[01:08:46] There may be opportunities to have conversations that go outside of that goal. Those can still continue, but these committees need to be exclusively focused on cost reduction and efficiency, and that leads me to my last comment, which is supportive of the schedule here, is that we also are not setting these committees up to meet for years.

[01:09:07] We're setting these committees up with a very deliberate agenda with a focus on cost efficiencies and reductions with a very targeted timeline, and I am presuming the timeline for all of these committees, with the exception of SCIP, which is on its own track, but the timeline for the committees discussed specifically in this meeting are all October 2025 to a completion date of March 2026, so that's not just for the IT, that's for capital, that's for all of the committees adhering to that same schedule and so it's going to be really important that sooner rather than later we set out what those meeting dates are because I know I've heard from

[01:09:44] some of my colleagues including on the school board side everybody's schedule is busy. We need to lock down these dates now. Board members need to know in September what that time commitment is looking like from October to March and we can always cancel meetings but I would suggest that an aggressive meeting schedule be cemented and distributed to the board members, all of the board, because these are open to all board members, but specifically to the appointed members that are on here from the school board and board of supervisors so that they can make sure they can accommodate these within their schedule.

[01:10:16] And so we really need to be doing that now. And with that, I'm going to open it up to my colleagues if they have any questions. Supervisor Palchuk. Thank you so much, Mr. Chairman. Thank you for the presentation. Yeah, I would say in addition to that, my one question, as we're talking about a lot of

this, is really, number one, how, you know, you're going to have four elected officials in each of these, right, who all love to talk.

[01:10:44] That's what we do. And we're not the experts. So I guess my question is, are we focused in addition to cost reduction and efficiency on if we need some, who's going to be managing these meetings, if we need outside expertise? And then finally, for me, the focus is on how do we look at innovation and valuing innovation?

[01:11:05] You know, I think there's such a fear of breaking things, right, and of not ensuring that we fulfill certain requirements. So I don't know if we've looked at the possibility of bringing in sort of a desire or an emphasis or investment or something around the innovation piece, which is, I think, the one we all internally and externally are looking to highlight and value.

[01:11:36] I don't know if I'm making sense, but that's what I'm thinking all morning. How do we ensure that we're able to innovate through this work that we're doing? Yeah, I think the one thing, from a staff perspective, I think we take the lead in whatever way we need to run with it. We're on it. We'll start scheduling those as soon as we get out of here.

[01:11:51] I think with respect to innovation and some of the prior equivalents of these committees, you know, we've brought in outside folks. I would defer to Mr. Harrington if he's got anybody on his side. In addition to standard project managers, Ms. Raju and Ms. Oak, we've had PFM come in at the time for various, you know, financial advisory outputs perspectives.

[01:12:09] I think both boards, excuse me, both staffers, I think definitely kind of as we move into the, you know, the green technology requirements, any best practices I think we could have from someone to give some further guidance on that. That's somewhat of a requirement, board strategy and policy, but any ability to help kind of help further guide us through that.

[01:12:25] Obviously, the net savings operationally, utility-wise, is helpful on that. And like I said before, I think any further brainstorming, and we threw a bunch of stuff at the school staff. If they've got any things on their side from an innovation perspective, we're more than willing to hear it and put together a draft agenda. Yeah, and I guess I'm just saying is, you know, we have the Fairfax Way.

[01:12:42] There's a lot we do well, right? But there are a lot of localities who have been facing these budget constraints longer than we have, have had to go further along and maybe have tried some things. So if we have the internal expertise, great, but if not, I would say this is an opportunity to invest a little bit in bringing in that external expertise to make sure that these committees have both the background, the management, but also the ideas of what's worked or hasn't worked elsewhere.

[01:13:11] And I guess just to say, if there needs to be a little bit of investment, to me, I think it would be very beneficial making sure that we have outcomes as quickly as we're asking for. Supervisor Power Check, if I may, I think that's a brilliant idea. We have a lot of vendors that have best practices on board as we speak right now.

[01:13:32] As Mr. LaHate mentioned, PFM, when it comes to the financial component, Mr. Harrington has people within his vendor list that we can also bring on. But what I really would love for the first one or two meetings is to get those ideas out there so we can then scrape together how we're going to move forward and then bring that information back to those two or four, sorry, committee members and then

put a process in place and a road map in place so we can move down the road. So we will get there quickly. And

[01:14:08] you heard the chairman say aggressive schedule. So please make sure that happens. Absolutely. Thank you. I just offer one thing from the innovation side on the IT perspective. We're very grateful that we have money in our budget for modernization and innovation. Very appreciative of that. What that allows us to do are short-term pilots, proof of concepts to really try to what I call confidence-building measures so that it's all focused on metrics, it's focused on process, so that when we do offer new solutions that we're really able to demonstrate how it works and how it will be efficient and cost savings and hopefully relieve some of the anxiety around that, we know

[01:14:46] we're never going to get rid of all of it. But then, you know, that has been on us from a change management point of view to help folks move through that in order to gain these efficiencies. Changing culture is the hardest, so thank you. Yeah, and a bit to dovetail off of what Mr. Harrison stated, I did send a nip out, I believe, about July 28th-ish about the new structure within DIT.

[01:15:10] That is the start of what he is talking about, and hopefully we can bring the schools along with us. All right. Supervisor Stork. I think one of the things we're asking ourselves is, How do we get beyond, you know, 5% or 10% adjustment in the budgets that the kind of executive has been doing, and we all recognize that there's value in that, but we also know that we're looking for something bigger in these committees.

[01:15:41] One of the things that I think would be helpful to me, and hopefully have enough time before the IT committee, is for somebody with the expertise that I don't have, but Matt, you may have it and others may have it, to give us some order of magnitude possibilities for what we could potentially reduce those costs to, at least reduce them relative to what they're likely to be in the future.

[01:16:07] So costs will not increase, maybe that's what it is, but regardless, as a percentage of our overall budget or et cetera, the cost would go down to get some order of magnitude potential for that. I mean, for me, and I think most people, we work best when we work towards a goal.

[01:16:24] And that would mean both myself and the school board members and we recognize that part of that is the challenge that we would be undertaking because we're talking about, if you will, breaking things and maybe bringing them back together in a different, better way.

[01:16:40] So I would ask that whatever we can do along those lines, please do. And if I could do that as a layperson, I would. But I mean, I know that we know that there's so many things that are changing in the IT world, AI world, et cetera, that the opportunities I'm sure exist.

[01:17:01] You know, outsourcing is clearly one of those. And I'm not saying that lightly. I recognize that that impact is significant. But, you know, in my business, when I can get particular service for 10% of what it costs me to have it done here, particularly on the IT side, that gets your attention and you have to recognize that you need to look at it even if you may ultimately not decide to go that way for lots of reasons.

[01:17:25] I completely agree. We have a five-year roadmap that we're working on from a modernization point of view, and part of that is focused on metrics. So what do we expect to achieve over that period? It's still being refined, especially as we identify the core efforts that we're going to be focused on over that five-year term.

[01:17:43] But there are absolutely opportunities. And sometimes it's not just looking at a reduction in the budget. But what it does is it looks at we're now able to reallocate people who were doing one thing that was manually intensive into something that is much more valuable and that the organization is getting that value from.

[01:18:02] And so quantifying that, we can absolutely do, along with the cost savings and efficiency side of it. Not necessarily job loss, but job opportunities that can be increased, and over time, those costs go down. Without growing the staff too far.

[01:18:18] Well, we saw today 65. That's a big hit for our budget for next year, 65 more positions, and we have to find ways to do that, to not increase those positions and hopefully be reallocated as we grow as a county. Thank you. Other questions before we wrap up?

[01:18:35] Supervisor Herdy. Yeah, a couple things. First, IT, I very much appreciate the outsourcing of the software piece. That's kind of a no-brainer in some of the other things you're looking at. One that might be worth looking at, we both pay an awful lot of people.

[01:18:51] I don't know, looking at payroll and combination of payroll. I personally have challenges with some of the things that we do in our system. I don't know. Do we do benefits together yet? And whether that gives you purchasing power, I'm thinking these are bigger term kind of things that it might be some savings there, might not be some savings there. You know, the development reviews, I think that's something we need to kind of look at. There are some simple ones we've been talking about with respect to

[01:19:31] Centerville, that there's some, and I know that's a long-term answer, not a short-term answer, and are we looking at, we are looking at that. Yeah, but nothing simple, it seems. No, it's never simple. But really, I mean, the big thing I want to, on the facilities area, I mean, it really all starts with projections, to me. I mean, we're at the same number of students as we were in 2011, if you look back at it. But our projections have been historically way off. And if you dive into our projections, best practices, Gibson Consulting says you should be less than 5% at your five-year

[01:20:10] projection. We don't do projections past five years in the schools. I don't understand why if you're building schools, you wouldn't look past five years. But I think, and this isn't going to be short-term savings, but I hope the committee spends some time looking at the projections and how they're done. As I understand it, there's not a lot of input from our side on new housing developments. We're looking at this now. I'm looking at Fair Oaks, looking at Fair Lakes, looking at Fairfax Corner. We look at it on our side, Brian, but the other side I don't think is

[01:20:46] looking at those and getting that input that they're going to need when they're doing their facilities discussions. I mean, if you look at best practices, Montgomery County, similar size, but their numbers are coming in within 1%. Arlington does a good job.

[01:21:02] They're smaller, obviously, but of projections, they go as far as looking at the fact that subsidized units have a higher number of kids than non-subsidized units. So I think we need to get schools working with DPZ, and this is about cooperation and coordination.

[01:21:22] So that's one thought is the – did you have something on this, Supervisor Behrman? I had two more comments. can i just so so very briefly yeah um i completely share your uh opinion that our projection should be accurate and that we should look to make sure that our projections are correct and

that we that all that matters i i just want to take issue though with the you suggested that there wasn't communications between our side of the the county with respect

[01:21:57] to new developments and with respect to schools. And I've heard that complaint made by my constituents quite a bit. And that isn't accurate. I mean, every one of our developments is making certain projections about student yields and sending packages directly to our schools who are then using them as a component of their projections. Now, should the school's projections be accurate yeah yeah i totally agree with you on that but let's be clear they are using data that we are providing them about our housing uh that we're building and about what you know what goes

[01:22:35] into that housing and they're using uh pre-standard models with respect to that so just just to be clear i mean in every staff report there is exactly yeah from the schools and so i but but but here's what i want to be really clear about we're not doing the work of these committees in this committee I understood.

[01:22:52] And so if you have questions about the committees, let's not get so far down in the weeds here. That's why we have these committees set up. And I think the mission statements are very clear, but they are also broad enough to incorporate in the kind of conversations that we're having here. And very clearly on the capital piece, we'll be looking at the types of issues that have been raised here.

[01:23:12] And so let's just make sure we're not trying to do the committee's work here. That was not the intention of this agenda item. Supervisor Herdy. Yeah. So I'll be briefer, but also go from five years. I think we need to look longer than five. I mean, it's just as a thought. This is very specific. Okay.

[01:23:28] Space management systems. I don't know what schools use as space management systems, but there is a chance, I think, in the IT area to integrate those two. What, if anything, we're using, what they're using. I'm throwing ideas out because I'm not on the committee.

[01:23:45] May I ask? Everyone can participate in the committees. They're set up. They're open to the public. Anyone can submit their comments. We're getting really down in the weeds here, guys. This is a budget committee meeting, not a joint committee that we're talking about. This was meant to make sure the board knew the structure of the committees, broadly what they will be working on, and it was not meant to provide all the detailed information you would like the committees to see.

[01:24:10] There is plenty of opportunity to do that, and that's encouraged, and I would hope that members of the board would be sharing that with staff, but also sharing it with their colleagues who were on the committee as well to make sure that those points are discussed in those committee meetings. All right. Supervisor Smith just offered to sit down and talk, so I will be having a conversation with her. So thank you.

[01:24:31] All right. Any other questions or comments about the presentation here? Okay. Seeing and hearing none. That is the last item on our agenda today for the budget committee meeting of September 16th, 2025. As a reminder, and I mentioned this at the beginning of the meeting, as a reminder, our next meeting will be a joint meeting with the Fairfax County Public Schools and School Board December 2nd, 2025 at 3 p.m. here in Conference Room 11. And with that, we will have about a four-minute break before we will begin our personnel committee with Supervisor Jimenez.

[01:25:07] And with that, we will adjourn. Thank you.



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