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[00:00:03] Good morning, everyone, and welcome to our March 10, 2026 Board of Supervisors Budget Committee meeting. I appreciate we're starting just a few minutes late, but we have only one thing on our agenda today, which is an overview of the FY 2027 to 2031 Capital Improvement Program, and at this time, I'm going to turn it over to Christina Jackson, our Chief Financial Officer, for a presentation.

[00:00:30] Welcome. Good morning, everyone. It's different doing this in the morning. Usually our meetings are in the afternoon. So I'm joined at the table by Phil Hagen, Budget Director, Joe Lahate, Deputy Director, and Martha Reed, the Capital Coordinator for many years, who's also going to be retiring this year.

[00:00:49] So I just want to note that to make sure that everyone gives Martha her proper shout-out because we're going to miss her tremendously. So, yes, our only agenda item today is our CIP. We're going to be going into a little bit more detail than what we've previously done.

[00:01:05] But certainly there are some changes that we propose as part of our GEO bond program. We have some significant projects on the horizon that we are planning to finance outside of the GEO program. And we want to talk about how this program is going to, whether or not it's going to be affordable in future years.

[00:01:23] We're going to talk about some of those affordability challenges as well. So if we move to the next slide. So just kind of an overview of the CIP. You know, all of you are familiar with our document. There is a lot there that's kind of outside of the focus of today's presentation.

[00:01:40] Certainly, if you look in the CIP, that includes capital programs that are self-supported, transportation, stormwater, et cetera. Really, what we're going to be focused on today is that last bullet. So our geo-bond program, our EDA program, and some of those longer-term debt projects, and look at our timeline for those and some of the changes that we're proposing.

[00:02:04] The CIP also does include our general fund-supported program for maintenance. And as we talked in some of our previous meetings, certainly you saw in this year's budget, there's a renewed emphasis on maintenance of our existing capital facilities, certainly with what we've seen happening at this work courthouse.

[00:02:22] and Panino. So I just want to call back the work that was done on the Joint CIP Committee a couple of years ago. We noted this at our meeting a couple of weeks ago as well. There were three primary recommendations that came out of that committee in 2021, and we're happy to say that we've now met all of those. The first was increasing the annual bond sale limit from \$300 to \$400 million.

[00:02:47] We achieved that last January. The most difficult one for us was that second one, which was getting to the dedication of at least a penny on the real estate tax rate for capital renewal or towards increased debt service payments on those additional bonds that we were selling. And as part of FY27, we're going to meet that goal. A reminder that the value of a penny is about \$35 million, and our investments in the 27 budget are estimated to be just shy of \$45 million.

[00:03:16] \$20 million of it is related to just baseline capital renewal dollars, \$10 million for the county and \$10 million for schools. And about \$25 million is associated, again, with those increased debt service requirements on that additional \$100 million in bond sales. And then the last recommendation was increasing the allocation year-end to our capital sinking fund from 20% to 30%, and including schools. And just since we've made that change, that's provided an additional \$32 million for FCPS. And since we started the capital sinking fund, we've allocated

[00:03:54] almost \$220 million. So that was an important opportunity and option for us to be able to put more money into our facilities. So when we look at our bond program, you know, many of our projects are financed by our geo bonds, our general obligation bonds. Those are those bonds that we sell every January. We do have a sunset rule for those, so we are required to sell those bonds within eight years. If we cannot do that, we do have an option to petition the court for a two-year extension. We will be requesting an extension for the 2018 public

[00:04:32] safety bonds in the fall. We still have a number of outstanding projects there, primarily related to co-location opportunities, which have pushed back those timelines. We have the land sale associated with the Criminal Justice Academy. We also had additional funds for the CJA as part of our 2024 bond program. And so when we have those types of opportunities, sometimes it creates delays in projects. And so we will be requesting an extension there. But when we get the referendum approved by our voters. We work on an annual basis to determine what the cash flow needs are

[00:05:07] for each project, and that's how we determine how much we will sell on an annual basis. Certainly for schools, we're always selling the full \$230 million, just based on the fact that they always have

schools projects going on. And then we note on this last bullet that we have a number of more complex projects, which would be more challenging for us to finance through our GO program, and so we do pursue alternative financing options, particularly EDA bonds, and we have a little bit more detail later on those in the slides. When we look at our bond program, certainly we have to take into consideration our 10 principles of sound financial

[00:05:45] management. There are two primary ratios that we look at. First is our debt to the market value of properties in the county. That limits 3%. We're under 1%. That's not usually a ratio that we have a lot of concern with. The second ratio is our debt compared to our general fund disbursements. That target's 10%. You'll see currently we're at 6.4%. We don't have a lot of concern there, but certainly that's one that we keep an eye on, particularly if we are in an environment where we think that revenues might drop. But really the primary consideration when

[00:06:21] we're planning our debt plan, our bond program is affordability. You guys saw that our anticipated debt service increase as part of the FY27 budget was almost \$19 million that's shared between the county and schools. But, you know, as we look ahead and we'll talk through this, we have a number of larger projects that are on the horizon, which are going to create some significant debt service requirements. And so certainly we're going to be mindful of that as we move forward. And I would anticipate some additional changes to our program over the next few years accordingly.

[00:06:55] In January, again, we sold \$400 million in bonds, \$230 million for the schools, the remainder for the county. You can see the detail there outlined in the chart on the right. We were able to achieve interest rate of 3.37%, which was down from the interest rate that we got last year, which was good news. And then you can see the differential between the bond buyer index that day, which is a AA-graded bond, 4.76%. Just on that one bond sale in 2027, that savings of over \$5 million.

[00:07:28] So, you know, the fact that we are a triple-triple-A rated jurisdiction, it does save us money in the long term, and we work very hard to maintain that triple-triple-A. If we look just over the last 10 years and we look at the 20-year history of those bonds, it's over \$415 million dollars in savings and that includes savings from a refunding that we did just two weeks ago which I believe we got the nip out to you guys this morning a little bit of detail on that where we had a refunding opportunity and that saved us a little over five million dollars of the life of those bonds so we're always looking at opportunities that we can go back out to the market and refinance

[00:08:06] our bonds for a lower interest rate and so those savings that I noted the 415 does include those funding opportunities as well. So for FY27, we do have some proposed changes to our bond referendum plan. Again, really trying to focus our limited resources on shoring up our existing facilities and trying to look at places where we have some opportunities to maybe defer projects or move them around based on the existing condition of facilities. And so that's really what drove some of the proposed changes that we have here we have more detail in the following slides but

[00:08:45] quickly you can see in the chart that we have proposed deferring the springfield community center from the 2026 human services bond to 2032 removing the early childhood 25 million dollars bond from the plan we have some switcheroos i'll say for the libraries which we'll talk about a little more detail in a minute and then it's not for a little while but for our 2030 public safety bond, we've looked at reducing some of the scopes of those projects, again, to just trying to bring the cost of those projects down. But

certainly we have, since that's 2030, we have a little bit more time to kind of work through some of those details. So when we look at human services

[00:09:24] specifically, we noted that we were looking to defer the Springfield Community Center to the 2032 bond. What we had previously planned for 2026 was \$25 million. You can see that the options that are being considered are more than that. But even more so, you know, the county's invested about \$3 million into the current lease space for that facility.

[00:09:46] The lease extends to 2034, I believe. And so particularly since that's a new facility, we felt like we should defer that, again, to try to focus some of our resources on our existing facilities. And then similarly for early childhood, I think that the county has done a good job at looking for early childhood opportunities in other capital projects, you know, Kingstown, the commons, just in the past five years, our carryover processes alone, we've proposed \$20 million in additional resources for early childhood. And so we didn't have any specific projects that were planned for this early

[00:10:25] childhood referendum. And because we've been successful at building early childhood into, So especially our co-location projects, we've removed that from the upcoming 2026 referendum. And so what is included in the 2026 referendum is the Joanne Jorgensen Health Lab at \$35 million, the only locally funded public health lab in Virginia.

[00:10:50] That's going to include both renovations and an expansion of that facility. And then on the Tim Harmon campus, we have \$40 million for renovations for both A New Beginning and the Fairfax Detox Center. Those have been on their bond plan, I think, for a little while.

[00:11:07] The health lab was a little bit newer. I think Tim Harmon has been planning for that 2026 bond for a little while. On the next slide, for parks, we've maintained the \$180 million for parks. You know, we have been working with them, and we noted this in the advertised presentation, not necessarily to change the \$180 million, but we have been working with them in terms of what we sell for them every year, recognizing that they have some pretty significant cash flow needs, particularly for the rec centers.

[00:11:38] And so we've been working with them to try to increase the amount that we sell for them each year, as well as putting in additional funding for them as part of our quarterly reviews, recognizing that, you know, the county facilities have issues, the school facilities have issues and the parks facilities have issues as well. For libraries, this is probably kind of the most complicated series of changes that we've proposed as part of our geo plan. But when we're looking at our plan each year, we are working with facilities management to determine which facilities are having the most significant issues in terms of, you know, we have an emergency fund

[00:12:16] where if there's an emergency HVAC issue, we can tap into that. Which facilities are the ones actually require the most urgent need. And so we originally had Herndon and Kings Park libraries on the upcoming bond, but those facilities are actually in better shape than Centerville and Chantilly.

[00:12:33] So as a result, we've deferred or proposed deferring Herndon and Kings Park to 2032. And for Chantilly and Centerville, we're going to move those up. However, we've taken them out of our GO program because there are some opportunities to better utilize that space, particularly potentially co-locate some affordable housing on those sites. And so as a result, they've been moved up in the process, but then they've also been moved over to our EDA financing plan. And so, you know, they haven't been

forgotten. They're just a different financing source. And so certainly we're working with our partners in HCD on the timing of

[00:13:08] those. I think there's some flexibility there, but I think that we're excited about continuing those projects and being able to both meet the library's needs as well as achieve some of the board's affordable housing goals. And then for public safety, you know, again, we haven't really changed the facilities that are on the upcoming 2030 referendum. However, we have limited the scope a little bit, really focused more on those major building systems and not so much other types of renovations. But again, this is a number of years out. Some of us will still plan to be here in 2030.

[00:13:44] I know that I will be. So, you know, we'll continue to work with the public safety agencies to make sure that we're meeting their needs and that we can right size those as we get to that point. And so when we look at our upcoming plan with all of those changes, you can see it here.

[00:14:03] And again, you know, we go to referendum in the even years, the schools go to referendum in the odd years. So, you know, our upcoming 2026 referendum would total about \$255 million. You know, I did want to note here that if you look at what our annual bond sale limit is compared to what we propose going out to referendum with for schools, it's really fully loaded, right?

[00:14:25] We can sell \$230 million a year, so we go out to referendum for \$460 million every two years. On the county side, I mean, a full GO program would be \$340 million a year. So you can see that we are under that amount for each of the county referendum upcoming, and that's primarily because what we have included in the EDA plan.

[00:14:46] And so we didn't believe that we were in a position where we could essentially fully program our general obligation plan as well as pursue all of these other projects through EDA and alternative financing. So that's one of the reasons why you don't see as much in this GO program because we recognize the debt service requirements which are going to be required for our other financing projects.

[00:15:09] And those are listed here on this slide. And we won't go into each of them, but you can see that the ones that are kind of first on the list are Pindall and Reston Town Center North. I will note for that for this chart, FY27 would be the year that we would sell the bonds, but the debt service would not hit until FY2028. And certainly for each of these projects, we'll be looking to see if there are opportunities to face them, maybe spread them out. If based on the timeline, there might be need to defer some of these. I will note just with some of the work being done in a historic courthouse, I don't know

[00:15:48] if there's going to be a need to try to move that one up. So again, we'll work with the board. Certainly board items would come before the board, before action was taken. You may recall last year we had pushed back the judicial annex. We were kind of at that decision point for the judicial annex and we had deferred that. We have pushed that back even more as part of these recommendations.

[00:16:08] You can see that's now scheduled for FY2029, but that's an almost \$200 million facility. And so certainly we were concerned with associated debt service that would be required for that particular facility. Bless you.

[00:16:26] And so when you look at this next slide, this is really kind of where the rubber meets the road. This is the projected debt service on the program that we've just outlined, including both GO and EDA. The blue bars are, bless you, are the pre-approved general obligation bonds, anything that we've already approved that's kind of in the works.

[00:16:49] And then the orange bars are the additional debt service that would be required for those EDA-funded projects. And so you can see we've listed them there. So in FY2028, we would be looking at an increase of \$25 million overall.

[00:17:05] This includes county and schools, I would note. And again, that \$18 million is associated with the debt service for Pindall and the Reston Town Center North, including some infrastructure, the shelter, and the library. I would note that what we've assumed here is a 4% interest rate.

[00:17:24] So, you know, just for example, that \$18 million, if we had a 3% interest rate, would shave off about \$2 million. So, you know, certainly I would say maybe this is worst case scenario in terms of the projections. But we do recognize particularly 28, 29, 30, those are sizable increases.

[00:17:44] So, again, you know, we'll be working with you, working with our staff and capital facilities to try to determine kind of the right timeline to see if we can maybe smooth out some of this impact. You'll see actually the GO program, those blue bars, again, because we've shifted, you can see that debt service increase is more manageable.

[00:18:06] We included a slide here just about the recent facility closures. you know, I would note that we had pretty much made decisions on our CIP before the closure happened at Panino. I will say that it worked really nicely into our theme for this budget and the investments that we were making. It was unfortunate, but I think that, you know, our buildings are certainly showing their age, and so we have some significant investments that we need to make for Panino. You know, we do have insurance to cover that. We have a \$500,000 deductible.

[00:18:40] However, sometimes that reimbursement takes a while, so we're utilizing some reserves that we have in our county insurance fund to front the cost of those repairs. And again, for Historic Courthouse, we recognize that that's on our longer-term plan, and so we'll be looking at the timing of that facility to determine if that can and should be moved up based on the significant repairs.

[00:19:01] They can't just do repairs to that system. They really do have to do a full replacement, and so that's going to take some time. Switching gears just a little bit, and we talked about this at our joint meeting, but, you know, aside from our bond program, we do have additional funding included for capital renewal.

[00:19:23] I talked about the \$10 million baseline funding that we have for both county and schools. This just notes that additional seven and a half on both sides, you know, three quarters of our buildings are at least 20 years old. More than half are 30 years old. And you start seeing issues with some of those building systems at like 20 or 25 years.

[00:19:42] So we are certainly in that sweet spot where a majority of our facilities are in need of repairs. And so that's why you're seeing that additional investment there. Then the budget also includes some additional position to support that maintenance. We contract out a lot of that work, but we've also added positions for facilities maintenance and particularly for some of our residential facilities.

[00:20:06] We felt like we needed to have enhanced maintenance for those 24-7 facilities, and we've included dedicated maintenance staff for the commons because that's such a large facility. And so easiest slide. Our next steps, these align pretty closely with our normal budget calendar.

[00:20:27] You know, there have already been a number of planning commission meetings. The planning commission will mark up the CIP on April 8th ahead of our public hearings on the 14th through the 16th, and then the Board usually approves the CIP as part of markup on April 28th.

[00:20:43] So I'll note that we have not only Joe and Martha here to answer questions, but I believe we also have capital facilities and facilities maintenance staff to help us answer questions as well. So certainly happy to entertain any questions that you have.

[00:20:59] Thank you very much, Christina, for that presentation. And I do, you know, I just want to point out a couple things and then just ask you to explain something I think a little bit better, particularly for those who might be watching this, because there have been some questions that have come up recently about our bond capacity, and I think, you know, first of all, the \$415 million in savings over the past 10 years of maintaining a AAA bond rating, not to mention the over \$1 billion not adjusted for inflation since the 1970s is huge and I think speaks to the fiscal discipline of the county, but more

[00:21:36] importantly, we have never lost sight of, and this is something that when people bring this up, they're unaware of, which is the 10 principles of sound financial management and how all of this fits into the overall fiscal package of the county. It's not just a simple thing where you just go out and extend your capacity. That being said, I know that, you know, there's a lot of struggling facilities throughout the county. We did increase bonding capacity not that long ago by a substantial amount for the county and for schools.

[00:22:05] And so, you know, I think most people, they A, don't understand why a AAA bond rating is important, and maybe they still don't even understand it when they hear the dollar amount, but B, they don't know how this works into the whole county's financial strategy. So I just want to reiterate those points because I think they're feathering your cap, but also an important thing for our taxpayers to hear and to understand.

[00:22:29] You mentioned, and by the way, I appreciate the shift in looking at almost equally the maintenance needs of the county as well as the new facilities. It's great to open new facilities. Everyone at this dais loves to open new facilities. But equally, it is so important that every facility in this county look like the expectations that our residents have for what it looks like.

[00:22:54] And I know for some of these older facilities, the stark contrast between new facilities in the county and the condition of some of our older facilities is a struggle. And so I appreciate all the work that staff has done in looking at reprioritizing some of these and looking at ways to increase the big maintenance costs that we have and try to deal with that as we think about new facilities as well.

[00:23:20] And so that is appreciated by me. I know appreciated by others. My question is with the EDA bonds, because a lot of people don't have any concept of how those work. And so can you explain a little bit better what your thought process for what should be offloaded to an EDA bond?

[00:23:38] What is the pro and cons of that for the county long term, especially as it relates to our GO bond capacity? Yeah, gotcha. Chairman, I'll take a stab at that one. So traditionally, option one would always be a voter approved GO bond.

[00:23:54] In some cases, we've always wanted some flexibility as sort of a backup option. And the EDA clearly is that conduit we've always wanted. Again, Supervisor Laskin, your prior life, we've worked a lot on those pieces together, too. And it's been helpful. We've done a lot of them with respect to transportation-related things.

[00:24:10] We would not have been able to fund our Dulles Rail obligations without that option. I think through the years, we've also viewed it as, you know, are there certain buildings that have just been, I don't know, the timing of them, of the developers involved, co-location? Is there a public-private partnership? It's given us flexibility to kind of take it off the main lane and have the ability to kind of work through that unique process so it's not holding anything back.

[00:24:33] Fundamentally sound and legal, as validated through the courts forever, acknowledged and understood by the rating agencies. Just for comparison's sake, it hits pretty hard in terms of competitiveness. You're always going to get AAA, the GO approved bond, because it's got the voter referendum piece to it too.

[00:24:50] The EDA bonds, because they're essentially, when you look to it all, where's the debt getting paid from? It's getting paid from our general fund, albeit subject to appropriation, the little one-notch penalty you take because you don't have that voter-approved referendum. But we only lose one notch on the rating. So we're AA1 or AA plus since you one click below our AAA value.

[00:25:08] And I anticipated this last night. So for comparative sake, like if we ran a bond, you're talking maybe at best five or seven basis point differential. So it's competitive. I don't want to give anyone the appearance that we're somehow taking a huge hit and this is costing us that much more.

[00:25:24] At the end of the day, the rating agencies, the bondholders are saying, where does this come from and what's the base that's paying its back? And it's the Fairfax County General Fund that's on the hook for both those pieces. I mean, we view them honestly in the highest regard of priority. I think on an annual basis, you've got to make your pension obligations and you've got to make your debt service obligations, two huge factors that are reviewed and considered in the context of the rating agencies and investors.

[00:25:47] And our ability to fully appropriate those two years essentially leads to the trust to have those investors coming back and buy these bonds. But I think as the concept of co-location and trying to leverage partnership deals, it's really been an incredible, flexible option in our tool to kind of go dual track down that line.

[00:26:05] I think as far as, I think the most recent piece, too, I'd say would be the Tyson's Community Center. Our ability to run parallel with the housing authority as they leverage developer bonds, tax credits, and we came along kind of parallel in the sidecar to fund our component of the community center. On time, in terms of everything we needed to get straight, that didn't mess anything up in terms of the finish line to ensure everything would open together.

[00:26:27] Crucial component of anything that's got co-location with so many different sets of monies. So like I said, Chairman, I think those are probably the high-level pieces in terms of where it goes. But again, it's just been a really good, stable option for us to have. And there's other places you could go. You can use some financing options through the state.

[00:26:43] I think we just prefer to do this in our own backyard, our own terms, and not letting potentially a state financing authority kind of tell us, we really think you should add this, this, and this. and i think that the one distinction piece too is um we don't have to fund reserves with these eda bonds in some cases if you're looking sort of outside our backyard you might have to what that ultimately translates into is just really higher carrying costs and additional funds that otherwise we wouldn't have to do so i think we've got

a pretty good structure we've used it quite frequently public safety headquarters full of mental health center just to name a few others and the other pieces you can kind of see here that we've got and the planning works i'll hold there chairman

[00:27:20] Thank you, Joe. And just one other piece of it, I just want to make sure people understand, because I've been asked this question, and I appreciate the, you know, how you're looking at and coordinating these with the geo bonding capacity that we have. But no effect on people's ability to come in and request industrial revenue bonds from us, because there have been some folks who have traditionally gotten those who don't understand necessarily how these overlap with our other bonding capacity and just want to make sure we're not foregoing potential capacity for supporting industrial revenue bonds in the future.

[00:27:53] No, there's no issue there. That's it. I wanted to verify that. Okay. I'm going to open it up to other questions. And before I do that, first of all, Martha is not allowed to retire. I'm channeling the personnel chair for a moment.

[00:28:09] Martha is not allowed to retire, and we're all delighted to hear Christina intends to be here. So thank you for that, both of you. And with that, I'm going to start with Supervisor Herity. I have a few here, and I'm going to go in reverse order on the slides.

[00:28:28] The maintenance for residential properties, which properties are those for? I'm sorry, slide 17, the additional six positions. Supervisor, it's primarily the human services residential facilities that run 24-7.

[00:28:48] I think the challenge is we've traditionally always had sort of an office commercial structure to attest to facilities pieces. I think the point at this time now was just those facilities need a little more detailed care, and this was the approach we kind of started here right now to kind of put those dedicated positions to have them there on the spot as opposed to someone in, like, a rotating capacity.

[00:29:08] So at the board meeting, I think it was two board meetings ago, we request kind of a renovation queue. Do we know where that is, that response? We're getting a Q&A package out today, but I don't believe that that's in that current package.

[00:29:24] We're working on a number of Q&As. We're trying to get those out as soon as we can. Okay. On slide 16, we talked about recent facility closure, but we also have two libraries that are closed. So, I mean, I didn't want to miss that because libraries are important, and I've got a lot of residents, even though neither one are in my district.

[00:29:43] One of them is close, and I hear about that quite a bit. Well, I know you hear about it more. in your district i hear about them all yeah unfortunately um on page 14 um just a couple of questions the sherwood center in fairfax city where is that and why is that like not like not on here yep um we have prior peru general obligation bonds that we put for the willard center back in the 2020 ballot um we have the full appropriation ready to go there's obviously ongoing conversations

[00:30:21] with the city. We just met with their leadership last week. I think there's some additional conversations that are hopefully going to be happening over the course of the next couple of weeks. What we're targeting is just trying to get some finality on this by mid to late April to determine the next steps in terms of where this would go. I'll pause there. Kent, executive, do you want to add anything else? Yeah, we

had a really good conversation with this new city manager, Dan Alexander, and J.P. J.C.'s last name. I don't remember J.C.'s last name, but he's a Great guy from the finance office there.

[00:30:53] And we have a plan in place. Dan's going to speak with a couple of his board members. The due date for us, drop dead date, is April 28th, if I'm not mistaken. Again, it was a very spirited conversation, and I assume that we will have communication coming back soon.

[00:31:14] There will be a joint committee meeting scheduled. I don't know the date of that yet because Dan has to get his ducks in line before we move forward with that proposed date. So it's coming. When is the board going to weigh in on that?

[00:31:31] Because I know we deferred it. We pushed it to be deferred. Was that the year before or last or last year? Well, you're a part of that joint meeting, aren't you? Are you not? Yeah, I will be. Okay. Then that's when the board, you'll get your information there and you'll bring it back here.

[00:31:48] Okay. All right. I don't see the old courthouse on here anywhere, and I know we've gotten three different letters on the old courthouse as well as the historic. I see the historic courthouse. There's three courthouses. There's the new, as I've been educated, the new courthouse, the old courthouse, and the historic courthouse.

[00:32:09] The historic one's the really old one, and I'm surprised to see it pushed out as far as it is. But I know we've got a number of issues with the old courthouse. That's not going to be done through Capitol. It's going to be done through maintenance. I'm just curious. We just went over slide.

[00:32:31] We just went through slide 15 and maybe at some juncture, we need to understand the priorities of the board because you're asking us, why is it pushed out? I mean, it's called affordability, you ask me, but I'm not sure I understand your question. Well, we end up with a failure there.

[00:32:59] Our court system is not going to be able to operate, so I would expect it to be either in maintenance or in the capital, and I'm asking which one it's in, I guess. So I think we would go to the same dual track part.

[00:33:16] Major renovations will all be included in the EDA bond plan. If there's anything from a capital renewal, major renovations, you're going to see that through a combination of ongoing operating funds, emergency fund, coupled with quarterly reviews to supplement that, and as part of our capital renewal pieces. And then, like I said, in large part, you're going to see sinking fund pieces at the end of the year, a carryover, that go exactly through those projects.

[00:33:37] I think what we're trying to do is just get the most complete list we can from FMD, and we're going after the worst of the worst and trying to chop them off. Add that baseline funding, which I think is an absolutely essential part of this budget per the county executive, to go after some of those pieces right there to kind of, as best possible, buy some time before the major renovations are needed.

[00:33:54] I think the point in all this is we're trying to get more proactive, realizing the value of these assets and the time it takes to just kind of make these renovations and not kind of keep deferring the cost deferring. And the impact if they fail, which can be pretty significant. That's the exact answer I was looking for.

[00:34:10] So thank you for that. I think I'm just looking at my board cohorts because we can't control this. But, you know, Prince William County, Loudoun County have all deferred new school construction

because their projections are the same as ours. that the school system population is declining, but we're funding their CIP, and I think they need to get the same message we've got, which is we've got to focus a little more on renovations and less on new.

[00:34:43] Quick question on – sorry, I'm taking so much time. Last question. Okay, go ahead. Real quick, Pat. I mean, one of the reasons why I mentioned what I mentioned about the importance of our AAA bond rating is there are some members of the school board that don't share our opinion about the importance of that, and that is very concerning.

[00:35:00] And that's why maintaining this, and, in fact, people have forgotten the dramatic increase that the board approved not that long ago to bonding capacity for schools and for county, and I think it was significant. And so I'm in agreement with what you said.

[00:35:15] I would just say that the only piece of it that gives me pause is I'm not looking to compare our system to Prince William and Loudoun because they're apples and oranges in terms of the number of buildings, when they were built, some of the other requirements on them. But I absolutely agree with the point, and that's one of the reasons why we reiterated it and wanted to make sure that this presentation was done.

[00:35:35] And I think this presentation needs, and I was going to bring this up at the end of our meeting, but I'll bring it up now because I think it's pertinent. This presentation needs to be shared with the school board as well so that they can understand and see exactly what we're dealing with and all the things we're trying to do to creatively deal with maintenance and other things and how we've balanced that approach with new facilities.

[00:35:57] Thank you. Let me just go to slide 11 real quick. Chantilly and Centerville Libraries, if we're looking at residential components, has anybody looked at the ability to add market rate housing there and get the libraries paid for?

[00:36:17] I know those kind of projects are being done all across the country where public facilities are being built in addition to, you know, housing projects. And we might be able to take both of those off of our CIP with a private sector, public-private partnership with market rate housing.

[00:36:38] I'd say fair point. Unless Mr. Fleetwood is somewhere behind me, I can't see him. Can we just follow up with that? I mean, I think options are on the table. But I think the key piece in all this was that we didn't want to get too far in a silo to say, let's just build a library here. And then three years later, someone's like, oh, wow, what a great opportunity to leverage the land.

[00:36:54] So I think it's an option for us to consider. We can get some follow-up details back from the housing folks. But I think to their credit, they came to us. And our whole point is we just want to work collaboratively with Vaught County agencies to try to make the best use of that site. So we'll look into it, if that sounds all right. I've got one or two more I'm going to go ahead and submit because they're going to be more detail.

[00:37:10] But thank you. And sorry I took so much time, Mr. Chairman. No, that's fine. That's why I leave plenty of time for Q&A from the board, because this is our chance to do this. And I would just say I'm looking at Jen Miller. She doesn't know it right now, but she's working heavily on the housing initiatives for the county.

[00:37:28] And I think looking at, you know, what Supervisor Herity just raised, and I would just say any housing, not just market, but affordable, a mix of affordable. Given the magnitude of housing shortage that we have, is there any way to marry these two things up?

[00:37:43] has been mentioned before i know i worked on one of those for years and years and years in franconia and then the market tanked and there was supposed to be affordable housing built with what is now going to be soon to be open the kingstown library working with the private sector so you know that was a long time ago and the market has changed dramatically and i do think if there's a way to marry up what we're doing with housing in general uh with the issues that are presented in this presentation are there opportunities and where are those and when when And how should we strategically go after them, I think, makes sense.

[00:38:16] Supervisor Alcorn. Yeah, thank you, Mr. Chairman. First of all, thank you very much for flushing out the 10 principles of sound financial management and also the differences between the GO and EDA bonds. I think it's a really helpful discussion. I couldn't agree more, you know, the need for all of us in elected office to understand sort of these really financial baseline issues that we all face.

[00:38:42] So thank you very much for flagging that. I do just have, I guess, kind of a question on slide five or maybe an observation. You know, these 10 principles, wow, it's several decades we've been doing this, right?

[00:38:59] And I know over the years, yeah, I'll just say me, so that's okay. I'm the only one getting old in this room, right? But in terms of the 10% debt ratio, historically, that has at least been closer to 10, right, over the years, like going back.

[00:39:24] Yeah, Supervisor, we could even put together a Q&A. We've kind of straddled anywhere, maybe a little bit over eight, maybe briefly we got close to nine. But we've been pretty comfortably under it. Now, again, you could kind of say, yeah, obviously there's been growth over time. But I do think the management of it and the 10% probably has more emphasis.

[00:39:41] 3%, we've never come anywhere close to even halfway there. 10%, I think we've generally kept in line. Yeah. And no, that's super helpful. And that 6.43% includes both GO and VA debt service. Yeah, I think the simplest way to say is every single debt obligation that's paid out of the general fund is reflected in that 10%.

[00:40:00] Anything from a self-supporting separate one office excluded since it has no general fund impact. Yeah, and I completely support our conservative approach. But it is just an interesting observation that affordability, you know, is the term now, which is probably our primary constraint.

[00:40:19] And I think, you know, we also have to remind ourselves for the general fund, that's property taxes. And so, you know, and particularly the burden borne by our residential homeowners as really the primary constraint for what we're dealing with, which is interesting, I would say.

[00:40:39] But I do think this helps me very much get my head around that and how things have changed over time. I'm also not today, but I'm going to submit a separate budget question on the related issue of how much space we're leasing versus we're owning and maintaining.

[00:40:57] But I'll put that together. That's not a CIP issue, but just understanding where we are on all that. And I think strategically, as we have been, but looking, are there opportunities where we can get out a

lease space and utilize space that's underutilized in the county?

[00:41:13] And I know we've done a lot of that here in this building, but there's still some more that could be done. I just want to piggyback on one thing that Supervisor Alcorn mentioned, because on the 6.43%, as you mentioned, that's a really important thing that we look at in terms of affordability, as much as are we getting up to the 10%.

[00:41:34] Can you reiterate again, because I think a part of this that was maybe glossed over, was for FY27, that's the first year that a penny on the real estate tax rate will be utilized for debt service. So can you give us, as a budget Q&A, also a kind of a historical analysis of that?

[00:41:53] Can you chart for us where that's been so that we know? This is the first time I've seen that, and I think it speaks specifically to the issue of affordability when we're trying to balance our budget. And so if you can tell us where that's historically been and kind of what you see are the big drivers to why we're now realizing that at this point.

[00:42:11] Okay. Let's see. Supervisor Stork. Thank you, Mr. Chairman. And thank you all very much for the presentation. We had an exchange. Christine and I had an exchange. And, I mean, I clearly love the savings that we get not only from our AAA bond rating, but, frankly, the way we redo bonds that are already out there and gain savings off of that.

[00:42:37] And I think that's huge. And it's worth millions of dollars, which is what we don't always think about. But in that exchange, that's, frankly, part of the learning curve I learned is that just even a half a percent, which is what we – which really is, frankly, what we get, not only because we're Fairfax County, but also the AAA is just huge.

[00:42:58] And compared to the average around the country, it's even bigger than a half percent. So on the sinking fund, I know we're looking and we've been adding more as part of our year-end balances. Where are we at overall with the sinking fund percentage that we want to fund and where and what is funded?

[00:43:18] Any sense of that? If you don't know it offhand, then I'll take it as either a budget question or as a NIP or something. yeah i think we'll just if you don't mind supervise it obviously carryover is the primary mechanism which we do that go through a few tiers of what's available but that really is one of the main components we use a carryover to make those one-time contributions to further supplement a baseline and anything else we've done a third quarter various allocations amongst fmd schools parks and a few other revitalization pieces too we've got the splits and a percent we'll shoot it to you all in a follow-up q a just to give you some context maybe in the last year or two how much has been allocated towards those things. But I think it's been an absolute game changer.

[00:43:54] And interestingly enough, that actually originated from the 2014 Infrastructure Financing Committee, former chairman Kathy Smith on that. I was just going to say, that's Kathy. I think just as context, you know, prior to that, you know, we didn't have that much funding dedicated and available. We actually at some point in time had done some short-term loans to try to get that same cash that we needed. But you had the debt to come back with to pay that. In this case, we've kind of moved and shifted away from that to kind of put those true cash needs, cash is king, to go after it. Any ability, I think, is absolutely crucial, but we'll give you all a little more detail on the Q&A just to show you where it's going. Any sense of order of magnitude, Joe?

[00:44:30] Are we at 50% or 80%? Any sense of, I'll leave it alone if not, but I just was just more order of magnitude. So just to piggyback on that, this past carryover, it was just over \$14 million that we were able to dedicate towards the capital sinking fund at year end. I would note that's Lower I forget the exact number from the prior year. We are seeing those carryover balances decrease as a result of the reduction environment we've been in agencies just have lower balances the end of the year and so A lot of my crystal ball out yet for the end of this year But we're certainly expecting probably same magnitude or lower for carryover balances And so I do think that highlights you know as we're looking at the facility needs that we have

[00:45:10] Just the need for baseline funding. That's just what we're working towards this year That's probably the reason I'm bringing it up, is that's truly a maintenance, if you will. It's a redo fine, which makes it easier to make the repairs, and not just repairs, but the replacement, because that's what those dollars are for.

[00:45:26] So, yeah, okay, thank you. The transportation, how much of, if WMATA were to change, obviously it's in here for basically \$43 million. Is that expected? Is that part of what, and I don't know this numbers as well as my colleagues here, If we get what we're looking for the state, does that basically go away and be used for other purpose?

[00:45:50] Or is that still something over and above we're going to need to kick in? And I see all the smiles. I know we're all very, very attentive to this. I think this is probably top on our list from this row of if that state funding doesn't come through, we're going to be awake at night a lot for a long period of time.

[00:46:10] And I would point to slide 13, if you don't mind here. And so we've already kind of got a baseline \$200 million in there, and just assume roughly \$15 million over four years. If the state funding plan does not come through, you will absolutely see that number skyrocket, and it's going to hit us in the back pocket on the home front.

[00:46:29] Yeah, I think at present there was a plan A and a plan B, and there's folks who didn't like plan A love plan B, and folks who like plan B didn't like plan A, so now they're trying to figure out a plan C. I've spoken to a couple people who did not appreciate Plan A because they felt as though they were going to lose funding or did not recoup funding from 2018.

[00:46:53] It's been a very difficult conversation with the Secretary of Finance and as well as the Secretary of Transportation. So I believe in the next two weeks, I hope to have something that I can be more definitive with. But I think we have to get our NVTAs, our NVTCs, and all of them on the same page as we move forward.

[00:47:17] And I think, you know, as you mentioned, we'll know that in a couple weeks and have to recalibrate. I think one of the concerns that, you know, we reference is that we were supporting a long-term fix to this challenge because even if what's approved takes care of this year, we're going to be having the same conversation in future years, not the least of which it makes Metro being able to plan for future improvements that much more inefficient to have to live year to year. And so we'll be looking at this. I will just also say that I think we're protective of a lot of things here. As the NVT member, people need to understand that if NVT becomes the bank account for this, that has happened before. We're still not back to

[00:47:54] where we were before. And that affects other transportation projects that are not Metro projects. And so it may be one thing to go to find another source of funding to get it off the back of the General Assembly, but if it's things like NVTa, then we have to start explaining all the delays to all the other transportation projects that are important to this county, and those have an economic impact on us as well. And so I think this is a big picture conversation, and we're going to know in a couple weeks what our next steps are. I will just say that the mayors and chairs are having conversations about this because, in particular, I think the budget was supposed to

[00:48:33] come out Thursday. It might not come out Thursday. There's going to be a lot of people paying attention to that, and based on what's in that, I think there's going to be a lot of lobbying work that's going to have to be done and likely beyond just this year. Mr. Chairman. Yeah, thank you. Yeah, just to build on that, that \$200 million, that's the 2018 capital fix that really only lasts about 10 years so this is this is the end of the last time uh that metro financing was addressed but now we have the next 10 20 30 years yeah so thank you appreciate it last item i had and we know that's

[00:49:12] that's really the 800 pound gorilla in the room and we're we all recognize the impact but the last thing is again what i haven't talked about so far is that we do have other needs even though our principal focus I know needs to be maintenance and maintaining and looking to to support what we already got but we know early childhood development we know there's real needs and opportunities there and having facilities and we recognize at least I recognize as former school board member how much the schools can play a critical role in that and their boundary and from my perspective their boundary study was frankly a bust in terms of what they said they

[00:49:47] we're going to do and what they've actually done. And having the facilities which could have come out of that, which would have enabled us to maybe do more in the way of early childhood development is critical. But now we're looking for the county once again, how can we support that? And I know the commons is one of those places. I know that we need to find a lot more. I know even on the Richmond Highway corridor, I don't know the specific number, but I know at least it was about 800 kids particularly that were needing it. Maybe this will reduce it by about 200 for the commons, but we still have a big gap, and do we have any way of looking at this differently to try to address

[00:50:23] that? Yeah, so I think absent, like, true specific locations, that was one of the reasons we wanted to essentially pull it from the ballot this fall, but I don't want to give any impression that we've stopped planning and looking at all options that are out there. I think you cited several that are underway. Obviously, Kingston will open in a few months. That's another place as well, too. I think we've got, you know, joint working groups on the county side, coupled with the school folks. You guys should expect that, and as we will, continue working with our school of counter colleagues to ensure we continue to kind of see what options we've got out there. So we do have some existing funds on hand that we could use for a combination of feasibility studies. If there's anything to pursue, again, for just the whole goal here of co-location, if it's out there, it absolutely is

[00:51:03] worth looking at. But to get some more detailed specific sites, I think it'd be far more helpful before kind of going out there with a sort of a blank page of not totally knowing where we want to go dollar wise so looking for just what what our projected needs are again i know we do this every year but just would appreciate that and then looking to see what if any cip future cip plans how we work with the schools to try to do something more yeah and i absolutely you know this is you've been conversation of the

skip committee for a while and a lot of us like you supervisor stork strong supporters of this i would just say that you know we have been trying to chip away at

[00:51:41] this through capital improvements, and some of those were just mentioned. I would just mention that in this time of challenges with affordability, we also had to be cognizant of the operating costs of those two. And so, you know, that's the other side of this strain that, you know, we've been trying to balance on that. Certainly, if there are opportunities to have more space at no or reasonable cost, handling the operating costs is a little bit, you know, makes it a little bit easier to deal with, but in terms of balancing our budget every year, every time we open those slots, we are, of course, adding to the operating costs as well, side of the equation. I think we

[00:52:18] all know that. I just want to remind us of that. Supervisor Pouchik. Thank you, Mr. Chairman. First of all, thank you to Christina, Katie, and the Ken Executive who joined us last night for, I think, it was a very productive community budget town hall. My first question is a little bit following up on Supervisor Stoic. First of all, just making sure that we are continuing, right, the commitment. So it's good to hear. I was more concerned that the coordination and the conversations are still happening. I know having that CIP on the table really was the impetus for

[00:52:54] having the two sides come together. So if we can make sure that continues to happen. That was on last year for SCIP. This year, we were focused on workforce and opportunity youth. So just want to make sure that the strategic plan for early childhood is still in place.

[00:53:11] And I think for me personally, it's one of the reasons all you just read together, all of the facilities are donated. It's about \$1,000 per child for really not, you know, full time, but where there's that gap until we can really figure out how to continue to grow our early childhood programs.

[00:53:29] I think it's a great cost-effective way to do that. I think beyond that, I'm pretty excited to better understand the EDA bonds and how they work and how they give us that extra tool, right? We have so many tools. I know quite a bit about the TIF, but understanding more of the EDA and that tool.

[00:53:48] I would say when we talk about co-location, and I know many of these properties we also look at through the proffer system, so ensuring we continue to analyze, right, where those needs are, that they're in our planning process, and that we know when new development comes forward with an opportunity, right, for public-private partnerships, co-location, that we're ready, right?

[00:54:10] We're ready to say, this is what's needed here. We have the data. We know that there's a need here, so let's get that space. I don't think we fully have that yet in place, so I think that would be very helpful as we have now the financing, but also the ability to locate where things are needed.

[00:54:30] And then my last question would be really for you, Joe, and the team. You have such a great way of describing all our different bonding and financing systems, and I'm wishing we could take your brain and put it into a visual that we can easily share out.

[00:54:47] Careful what you asked for. But no, I mean, there's a lot going on. Yeah, I bet. All right, don't worry. My nephew just started making videos for his finance class.

[00:55:04] I'm like, if we could just describe these things more easily-- not just to us, but to the public. Because this comes up in our community meetings. What are these tools? And the fact that we are looking

at them through the affordability lens and the sustainability lens, and trying to be creative and use those tools.

[00:55:21] And you do that so well. So if there's an easy way-- I know Supervisor Lusk is always asking for those visuals. I want that one-pager visual that we can easily say, these are the tools that we currently use. I think we've got some semblance of those presentations through the years.

[00:55:37] We've revised, maybe you've seen the whole iterations. We can redo them. I'll be the first to admit I'm not the most creative with presentation graphics. Other people can help. But I think a lot of times, I mean, anything we do with the county's finances, analogies we can make to people's own personal households, I think is really what resonates.

[00:55:53] You know what I mean? In terms of how much we pay for debt and how much is set aside, the obvious question is what does your rent and or mortgage take up as a percent of your total monthly income? That, to me, is the simplest way to kind of tie this thing back home in terms of how we do it. We do affordability and not to be overleveraged and use proper guidance and principles to guide us through the way.

[00:56:09] But we can absolutely work on that. I've written down Q&A, visual, Joe's brain. We all will know what that means. I mean, I think there are online tools now maybe if we trust them. But, yes, Joe's brain. Thank you. Okay, Supervisor Sizemore Heiser, and then we're going to -- I've been going down the line.

[00:56:28] We're going to go down the line here. Great, thank you, and I appreciate the information. And I would also love that visual, so put me down as a second on that, especially as I'm trying to share more in my own newsletter, my socials, about what does the county do, what are the different mechanisms for funding, what does this mean.

[00:56:45] I think the more we can help educate our public on some of these challenges and opportunities, the more they'll understand some of the decisions we make. So just going to second that. Thank you for bringing that up. And thank you for recommending that or clarifying that the transportation funds. That was one of my questions, that 42.975 on slide 6, that is still from the previous obligation in 2018, right?

[00:57:07] That's not talking about what obligations we may have depending on what the state funding comes through. I just wanted to clarify that. That's correct. So that's still a big unknown number about what our obligations may be around Metro funding. Correct. So I'll put that out there. And I, you know, as I was to say, I agreed there are some of my former colleagues who did struggle with understanding the value of the AAA bond rating.

[00:57:28] I was not one of them, but I just wanted to clarify that for the public. You know, I do understand. I mean, when you talk about your mortgage, you know, we're owning the county's house, the taxpayers' house, right? And we need to be mindful of being, you know, frugal with how we, you know, encumber debt upon the county's house, essentially.

[00:57:50] So I do understand the value of that. It's a simple way of putting it, but the value of that. I did have a question, though. I will say from the Braddock seat, you know, watching Audrey Moore get delayed and now Kings Park get delayed, and knowing that Braddock does not have a regional library, right, and the other library in Braddock is at the very corner of it, which I think is probably more utilized by Springfield residents. You're welcome.

[00:58:13] You know, I'm kidding. Yeah, right. It's at the very – so, you know, when you looked at delaying these library renovations, I have two questions. But the first one is, what criteria did you look into around usage when you say Centerville and Chantilly is more, and I'm happy to submit these as budget questions if that's easier, but Chantilly and Centerville are in worse shape. I'd be curious to know what you looked at. I can just tell you from having my office at Kings Park Library, it's not in great shape.

[00:58:39] So I was just kind of curious what the criteria you went out and looking at, because it would help me explain to my community, hey, I know you think this library may be too small and it's heavily used, but here's what these other libraries were like, and here's what the decision was made. So that would be a question I had.

[00:58:54] And then the other question is if Centerville and Chantilly are being funded out of EDA bonds, and Kings Park and Franconia were GO bonds, why do they have to be delayed if it's a different bucket of funding? It's a different financing plan, but the debt is still paid out of the general fund.

[00:59:16] So it's debt servicing. I want to add a debt service. That's what I thought, but I wanted to see if there's something. Because, again, initially when you're asking the community, they're like, well, if those are EDA bonds, why are you not spending GO bonds, right? And so it's basically, so if we had both of them, one out of GO bonds, one out of EDA bonds, the debt servicing would get so high that it would potentially impact the AAA bond rating or just not be sort of wise.

[00:59:40] I mean, it really is about affordability. It's kind of like if I finance my car through my credit union or through the car dealership, right? It's a different financing option, but I'm still ultimately paying that monthly bill. And so, again, we were trying to balance, recognizing that we were shifting so much to EDA. We really just kind of look at it all in totality and then look at the debt service that's going to be required.

[01:00:01] So you can see that one chart that was later, you know, includes the anticipated debt service. And so it was really just trying to balance that out. And I guess I just look at the impact on a certain community, right, from that one Fairfax lens in terms of the Penn Center, the Audrey Moore, you know, you've got Kings Park.

[01:00:17] So it does have, you know, an impact. And that may be happening, I'm new to it, that may have been happening in other areas, right? But just from that one Fairfax lens, I think it would be helpful to explain to my constituents around that too. But that was my biggest question was the two bucket of funds and trying to understand that. And just one piece, Supervisor, the 10% piece too as well.

[01:00:36] I think if you double down on both those pieces at the same time, EDA with the GO on top, you'd get a couple of those areas, you'd be bumping pretty close to that. And I think that ties back to affordability, both in context, our ratios as well as affordability. And to hit both of those too much is just too much. That's kind of what I thought.

[01:00:51] I just didn't know how that balanced out. Absolutely. And so that was my question. And then the last thing I just wanted to mention around the early childhood, I'm wondering as I'm listening to the conversation whether this is a ripe opportunity to reconfigure the joint CIP with a focus on co-locating early childhood in the schools.

[01:01:07] I will say, having come off being the Braddock District School Board member, I had some ideas of where some of our school's facilities could be used. And I don't know if that's a possibility or not, but I

just wanted to throw that out there. It's always a possibility. I will just say that, you know, they recently stopped doing their work for the time being because there's a lot of work that staff has to do, including, you know, this presentation here and what they've been doing in terms of trying to be spry with this.

[01:01:32] But obviously there's always... No, it's fair. Yeah. That, yeah, I mean, right now I know the joint IT committee of schools and county board are still doing their work. We have this skipped, and so we just need to be cognizant of the staff time and ability to do that. But I'm always open to doing that, and I would say that one in particular is probably one that never goes away, that needs to be re-upped every couple years so that we can get, at a minimum, have a conversation about the type of updates that we're getting today so that our colleagues on the school board and county board both have the same information.

[01:02:04] And so I'm open to looking at that. I know that, you know, there's a reason why the work had to be suspended right now. We're taking a look at that and trying to determine what that might look like in the future. And then the other thing, and you are particularly aware of this, there's been a slight change to the school board makeup, which has required them to look at.

[01:02:23] Yes, this is newsworthy, has required them to look at some of their appointees on some of these committees, too. And I'm in conversation with the school board chair to try to get some of these things possibly reconfigured as a result of that change. No, absolutely. And I don't want to add to staff workload at all.

[01:02:39] So maybe there's existing mechanism we can do. I just think it's a worthwhile conversation. I don't disagree with you in terms of the boundary of your view, but I think there's, you know, there's worthwhile conversations as we're looking at co-locating. I mean, early childhood to me is an economic imperative because all the data shows so strongly that when you have good early childhood, it leads to better school outcomes and better job outcomes.

[01:02:59] And so it helps us to have, you know, people in our community who are able to work and contribute to our community. So I'm, you know, very interested in figuring out ways to help solve some of these problems. So thank you. Thank you for that. And I, you have, I mean, this board's strong support for that program is there.

[01:03:15] It's just a question of, you know, how you work it into. It is a, from where we were just a handful of years ago in terms of the number of slots to where we are today is dramatically better. And so I don't want to, you know, ignore the fact that tremendous progress in that area has been made, still progress to be made moving forward.

[01:03:34] And I think some of the constraints that we've seen here, I think in our own minds, we need to be thinking about the most creative ways to do that moving forward, which has been some of the conversation here. And then also balancing the operational costs that come with that in our general fund, because we're, you know, going through a budget process right now.

[01:03:53] We've been through a couple of tough ones, and not necessarily the fault of the counties, but with the world swirling around us, we probably have a couple more years of that. And so I think the marching orders for staff some years ago was to aggressively chip away as much as we can at the need and make sure that we're building new facilities.

[01:04:14] We're trying to work in space as much as we can for early childhood. And that's the reason the needle has been moved significantly in the number of slots. And maybe it would probably make sense, I'm

not trying to unload on staff here, but when we're doing budget Q&A, this is not one we need right now or the next couple weeks, but it would be good for us to kind of get a pulse check on where we are with that.

[01:04:35] Where were we 20 years ago in terms of the number of slots and where are we today? Because I think many people would be surprised at the progress that's being made on that, but we all know there's still work to be done. Yeah, and I appreciate that because I think we've done great work on the county side on, you know, early childhood.

[01:04:54] And I'm just trying to figure out creative ways to look at facilities we have, whether it's schools or county, to continue that good work. So I appreciate that. Thank you. Absolutely. Thank you. Supervisor Lusk. Thank you, Mr. Chairman. Appreciate the presentation. And I'll say, Joe, I really did enjoy working with you when I was at the EDA.

[01:05:12] The opportunity on the Industrial Revenue Bond Program was just a phenomenal one. I do want to just make maybe a couple of points, and I appreciate the chairman's acknowledgement of the work that he did many, many years ago with regard to the library and the coordinated, consolidated facility that we now have in the Kingstown area because it does provide for this mix and bringing under one roof multiple uses.

[01:05:42] So having a library, having a police station, having a supervisor's office, having a child care, having an adult care all in one location. So there are benefits in doing that. So I just wanted to reiterate that point. And then wanted to note this question in the libraries is one that's kind of affected my district pretty dramatically.

[01:06:02] So I appreciate the point that Pat was making earlier as it relates to Richard Byrd Library. So Richard Byrd's been closed for three months because of its HVAC problems. And we know this is an issue that is causing problems in other libraries as well.

[01:06:20] So I just wanted to maybe, this might end up going more to the facilities management department, but just trying to understand how did we review our existing libraries and then how do we look at the current situation with their HVAC systems?

[01:06:37] because we know there's obviously a problem with some of the ones that we have in operations today and just wanted to see how did we incorporate those issues in our CIP discussion as well.

[01:07:01] Oh, Jose's coming up. We've got it. Mr. Comeyawa will speak to those pieces. Good morning. Jose Comeyawa, Director of the Facility Management Department. To the first part of your question.

[01:07:19] Yes. We always conduct condition assessments, which tells us about the conditions of the equipment in this case the HVAC system. What that tells us is not only the current Condition of the equipment, but we also tells us the age of the equipment. We try to stay ahead of it and we work very closely with folks in the budget office County executive and other executives as well as some of you board members in terms of

[01:07:52] including those aspects into our CIP, meaning if the age of the equipment is fast approaching the end of the life cycle, then we incorporate that in our capital renewal program. That is your question. Yep, that's the question. And then how have we looked at your evaluation of those systems as a part of our CIP? Every year we review the needs for capital renewal. The biggest challenge which is, I'm going to say twofold, funding and time.

[01:08:28] Time is my worst enemy. Sometimes we can't get fast enough to that equipment when it fails, and I see a lot of head shakings because I know a lot of you suffer the consequences of that time, but time is my worst enemy. Ideally, we will be replacing a lot of these critical building systems when they are 15, 20 years.

[01:08:50] We're replacing a lot of this equipment way past their life cycle. meaning 25, 30 years out. Yeah, and maybe that's the point I was trying to raise is that obviously there's an issue and we got into a situation where we actually had to close libraries because the system's failures.

[01:09:10] So the question is we've got to make sure we're doing everything we can to prevent those types of closures in the future. I think with the approved, hopefully approved funding that we have for capital renewal and facilities renewal this year, We'll start seeing that start to dissipate as we move forward.

[01:09:32] Done a really good job, in my opinion, of identifying where we need to address quickly. Obviously, the base funding is key because if you don't have the funding, you can't really address. We kind of band-aid it together. Jose has done a great job band-aiding, but now it's time to fix.

[01:09:48] Yeah, and this is not an indictment on your department in any way. It's just an acknowledgment that we can see that we're having challenges, and what are we doing to try to rectify this in the future is the only point I was making. So thank you very much. Yeah, thank you. And, you know, part of that is kind of the purpose behind the presentation, but I still think, you know, we need to continue to stay on top of this.

[01:10:11] I mean, some of these failures that are happening are in buildings that were largely built around the same time frame too. And so we have to keep in mind that, you know, probably some long-term planning towards the days that we're facing now wasn't really taking place the way it should have.

[01:10:26] And we're getting hit with a lot of buildings in the same era of time that they were built in, having not just basic maintenance failures, but very large failures that, as you mentioned, time is, of course, a challenge. And so, obviously, closing a library for the extended period of time that this one's been closed is not ideal in any stretch.

[01:10:49] What I am equally concerned about is if that had happened in a facility that we didn't have the flexibility to close. And so I would hope that, you know, part of our looking at this is, you know, maintaining tiers of criticality in terms of operations.

[01:11:06] Because clearly, you know, if this was a police station, that would present a different challenge for us than a library. Not that libraries aren't critical infrastructure and really important to the community, because they are and we hear from the people in the libraries right away. But in terms of county operations, we need to make sure we're focused also on those buildings where if there is a critical failure, there is a critical life safety issue for the residents of the county and being mindful of that.

[01:11:34] Supervisor Bierman. Thank you, Mr. Chairman. My comments actually piggyback on the last two. So one thing I wanted to clarify, I mean, I think I know the answer to this, but it it does get confusing for the public. On page four, you say that all referenda expire in eight years from the date of voter approval. So am I right to say that when we approve a bond sale at a certain threshold, that doesn't mean that the next year we just sell all those bonds. Instead,

[01:12:12] we target when we sell those bonds for when the properties are actually ready to be renovated or done. Is that correct? That's exactly the case, Supervisor. So that kind of piggybacks, I think, on what Supervisor Sizemore-Heiser was talking about. Ultimately, we're making decisions based on year to year what type of debt obligations we're going to be incurring. And so that's why just because we approved something in a general obligation bond a while ago doesn't mean we are going out and spending and doing all of that immediately we're still trying to

[01:12:49] sequence and make things work correct exactly it's a smoothing process okay well complementary of that Jimmy I think it's also important to point out that we only fund those projects that are explicitly in the bond question and are listed at the time so we don't have the flexibility if one of those projects get delayed to move that money from one project to another because this is what the voters have approved and we absolutely have strict adherence to make sure every dollar is used for the purpose that it was advertised on the bond referenda and supported by the voters and I just want we have some flexibility within the question so yeah so it's a library bond we're not moving

[01:13:29] from libraries to correct yes correct and and I think that's really important to know because a lot of people have asked that question how when we keep approving these bonds are we having some of these problems where you don't have the flexibility to move something from public safety into using it to repair an HVAC system at a library.

[01:13:47] Absolutely. Correct. Now, to use a sports term, and I was never very fleet of foot. That's why when I got to college, they wouldn't let me play the defensive line. They put me on the offensive line. But the sports term is speed kills. And it's not necessarily a great term in terms of public service.

[01:14:09] but speed kills. So that piggybacks on the last, and to get very clear, speed kills as in speed wins. Speed is the key. Speed kills. You want your football team to be fast. Again, I was slow.

[01:14:25] That's why I was an offensive lineman. But, you know, to piggyback on the last comments from Supervisor Lusk, I think that, I think we are doing this, and I think this is part of a whole of government effort. And a lot of this isn't necessarily up to the people who are sitting at the table from the budget office in particular. But I think it's good that when we're looking at things like how we build housing faster in the county, when we're looking at things like economic development, we're also looking at ways to make sure that our processes are more efficient, that

[01:15:02] we are making more, that when we are ready to renovate a rec center, I heard the term on time and on budget. There is a radio ad, and I can't get it out of my head, that ends with our projects will be on time and on budget. And I think that's really, to some degree, the most important aspect of making sure that this program continues to work well, that we make sure that when we do put those funds out for sale. We are ready to go. We are ready to spend the money. Because also on slide, I think it was, yeah, slide eight, for instance, Springfield Community Center planned for 2026

[01:15:41] at \$25 million, deferred to 2032. Several options are being considered ranging from \$28 to \$42 million. We know if it's done after 2032, it's probably going to cost more than if it was done in 2026. So I just want to highlight that as something that we need to be extremely focused on in every aspect of what we do. That is going to be ultimately an important money saver for us.

[01:16:08] And I'm glad to see that we had, you know, time is my worst enemy was a quote earlier. You bet. Let's move things along as fast as possible. Thank you. Thank you, Supervisor Beerman. Supervisor Smith.

I never thought I'd hear Chantilly and Centerville mention so much at a meeting.

[01:16:29] So just to remind people, we already moved the date of Centerville, or Chantilly, I know at least, was it last year's budget that we moved them forward? I think they were going to be 26. Yeah, that's right. Okay. So they got moved forward. I appreciate the analysis to look at that.

[01:16:46] It's been a number of years. I want to say at least four or five that I've been talking with the housing department about putting affordable housing at the Chantilly site. Then, when there was a recognition that Centerville was going to be up for renovation, we started having talks about affordable housing there.

[01:17:04] Perfect locations between need of the community, schools close by, other facilities, that these make sense. I am really happy that we stepped back from silo discussions to have a discussion about looking at this together and looking at the EDA bonds.

[01:17:21] I think that's a smart decision for the community. And I think those things are needed. I think Supervisor Herity brought up an issue about should any market rate be there. But I think this is when we do our best work, when we come together as different departments and really have those discussions.

[01:17:38] So I really appreciate that. I think that one of the other things that we've had difficulties with from the school site is the whole co-location, right? How do we do this? Who pays for it? And I have to tell you, this started with Phil Nagelski-Eichner and Graham Road Elementary School, right?

[01:17:56] And so I think the board can't lose sight of staff-to-staff. A lot of work gets done, and that really is the important place for those discussions. We just might need little updates if you're having problems or something's going on for us to know that. And the last thing, I am going to ask a budget question because I don't totally understand recommendation number two from the Joint CIP Committee about dedicate the equivalent value of one penny on the real estate tax to the capital program. So I'll do a budget Q&A and get answers about that. But thank you for all the work. Thank you, Supervisor Smith. And we're going to wrap up, but I'm going to remind

[01:18:36] folks that some questions to some budget Q&As came out. Was it today? Yeah. So if I can direct your attention to that, there were some budget Q&As that came out today. And I would just suggest that, you know, we do have a couple months here before we adopt our next budget, but I also know how much work goes in right at the end, so I'm just going to emphasize again to my colleagues that if you have budget Q&As, please get them in now.

[01:19:01] Don't send them all in a week or two before budget adoption, especially if they're pertinent to the adoption of the budget that we're talking about here and wanting to get to. And then I have one other comment. Do you have a really pressing supervisor to work? Yeah. request is just, I looked through the CIP, I assume there's something in there that lists all the county buildings and kind of what their status is when they were last renovated, when they were kind of key maintenance things, just if there wasn't, isn't something in there, is that something available? I don't know if that's a budget question, but it would be helpful to me, particularly, I know we've had a lot of comments here about libraries and elevators that

[01:19:37] are not working, and those are issues in particular for all of our facilities, but there are different needs and different ones, and just if there's something overall, if it's not done, that would be helpful. We can pull that together. I think that was asked by Supervisor Warren as well, too. Okay. It was part of the board matter that was approved by the board. Okay, great. Thank you.

[01:19:54] Okay, and I'm just going to emphasize again to my colleagues that what we had here was a really good short presentation, a majority of the time dedicated for my colleagues to ask the questions that they needed to ask. In concert with that, there is a lot more time that the Budget Committee is not in session than it is and so don't necessarily wait to feel like you need to come to a committee meeting to ask those questions and that again is why the budget questions are such a good tool but I would just you know encourage my colleagues to keep focused on committee meetings the majority of the time being used for the board members to ask questions and to give

[01:20:34] staff some feedback that is the value of these committee meetings and so I just want to emphasize that again. And then finally, one last note as we leave here, because we've given a lot of talk to the savings that have been generated by having the AAA bond rating that we have in the county. I don't think we've given as much appreciation to the fact that there is an enormous, unquantifiable impact of having our AAA bond rating on everything we do in this county and reputationally. You do not want to live in a county that does not have a AAA bond rating.

[01:21:08] Our county executive moved a county from one bond rating to AAA bond rated, and I think he would even agree. You'd much rather live in a county with a AAA bond rating, and there are folks, and I know because I've talked to them, that make financial decisions about whether to come to this county or invest in this county or grow their business in this county based on the fiscal health of the jurisdiction that they're coming into.

[01:21:33] And the starting point of that is having a AAA bond rating. And so there is an unquantifiable relationship between having that and the reputational brand protection that we need to do in a county like Fairfax County that is not lost on me.

[01:21:48] I know it's not lost on anyone in this committee. It's not necessarily felt the same way by all people, but I feel like that's something we need to focus on and why the 10 principles of sound financial management are so important, also making sure that whatever we do uh even the tweaks that we make and the creativity of staff here fits within the framework of affordability uh for our residents and so i want to thank staff for their work on this um as i mentioned earlier in the meeting if we could uh work on circulating this to the school board with maybe just a cover sheet of the conversation we had including uh potentially the the link here uh to the video of this meeting so if they want to go back and watch

[01:22:27] the conversation that the Board had, I think it's really important for them to have the opportunity to do that, and if we can make sure that happens, I would appreciate it. And with that, the Budget Committee is adjourned. We have a couple minutes before our next committee.

