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[00:00:00] we good? We're going to go ahead and get started. Let me welcome everyone to our budget committee meeting of September 1st, 2026. We do have two agenda items today for discussion. One is the FY2026 carryover review, followed by a discussion of contributory fund reviews that have been done by staff. And to present the 2026 carryover review, and I'll mention this at the beginning, If you can hold your questions until staff finishes their presentation, at the end of their presentation, we'll have plenty of time for questions and discussions.

[00:00:36] With that, I am going to turn this over to Phil Hagen. Welcome. Good morning, Mr. Chairman and members of the board. I'm Phil Hagen, the director of the Department of Management and Budget, with me at the table, helping out with any questions. Christina Jackson, chief financial officer.

[00:00:51] My deputy directors, Katie Horstman and Joe Lahate. And also our expert on the contributory fund, Albena Aseneva, one of our division directors. So our first presentation, as Mr. Chairman, you said, is the FY2026 carryover review. The carryover review is our first opportunity to amend the FY2027 budget based on the actual results from FY2026.

[00:01:13] Staff recommendations were transmitted to the board back on August 3rd. In our presentation this morning, we'll provide a high-level overview of those recommendations. The carryover package has additional details. So starting off, this slide has a 10-year history of revenue and disbursement balances.

[00:01:30] Our goal is to end each year in the black with revenues slightly exceeding the projection and disbursements slightly below the budget. Fiscal 2026 finished in line with that goal and our historical trend. So revenues were 1.1% or \$64 million, higher than the estimate.

[00:01:47] That amount is spread over several categories that perform slightly better than the estimate, including personal property taxes, other local taxes, and interest on investments. Disbursements were 1.82 percent below budget. As you can see in the table, disbursement balances, they were elevated during the pandemic and coming out of the pandemic. If you'll recall, we instituted a hiring freeze early in the pandemic and then were very deliberate in trying to maximize these year imbalances early on based on the uncertainty that we faced during that time period. Disbursement balances then remained high as we faced recruitment challenges. We've now

[00:02:23] return to pre-pandemic levels, reflecting improvements in recruitment, as well as the impact of the past several years of agency budget reductions. I would note that the disbursement balances include both unspent appropriated reserves as well as encumbrances. And so a particular note in FY2026 is that we have \$24 million unspent in the Reserve for Economic Uncertainty. And so when you look at that \$107 million balance, it's really, it includes that \$24 million, our margin is really tighter than what that \$107 million would really indicate.

[00:03:00] And in the far right column, the combined revenue and expenditure variance is \$170.62 million. This slide is a summary of staff recommendations in this package. We start with that \$170.62 million from the prior slide, and we add to it the \$1.93 million that was set aside as part of the FY2027 adopted budget plan in the reserve for loss of UASI funding, and that results in a total of \$172.55 million available. \$1.5 million of that is the unexpended balance of ARPA coronavirus state and local fiscal recovery funds that are shown in the column on the right. As of year end,

[00:03:39] \$221.39 million had been expended out of the \$222.89 million received, and so that remaining 1.5 million dollars was fully obligated prior to the December 31 2024 deadline and it must be expended by this December 31st we're really in cleanup mode at this point with that funding it is fully obligated to projects and we do anticipate it all being spent by year end the other 171.05 million dollars is in the general fund staff recommendations total 169.43 million leaving a remaining balance of 1.62 million I'd note that all the categories on this slide include the

[00:04:17] associated impact of reserves and so if you add together the numbers on the later slides they won't quite match these subtotals the carryover package though has a more detailed version of this table that shows the reserve amounts allocated to each one of those categories making the math work in the in the package we have FY 2026 commitments totaling 65 million dollars that includes unencumbered sorry that includes encumbered carry forward of 39 million dollars as well as the carry forward of that \$24 million balance of the reserve for economic uncertainty.

[00:04:48] We have some staff recommendations on a later slide for reallocation of part of that reserve. And then critical requirements total \$10.6 million. The allocation of the capital sinking fund, including reserve requirements, is \$30 million. And other requirements total \$64 million. And I'll break down those three categories on later slides, and then we have much more detail, again, in the published package.

[00:05:08] So as I noted earlier, our actual revenues were 1.1% higher than the estimate. Business personal property taxes were higher based on assessments on data centers. Other local taxes that exceed the estimates include sales tax, BPOL, and food and beverage, as well as the recordation tax.

[00:05:25] The food and beverage tax brought in \$70.2 million over the initial six months of the tax, and so that slightly beat our estimate of \$67.9 million. We're continuing to monitor that revenue category, as well as the others that are sensitive to economic conditions. We haven't included any adjustments to FY2027 revenues in this package.

[00:05:45] We'll provide updates as part of the December forecast as we look ahead to FY2028. We have a recommendation that's kind of outside the norm of what we would normally include in carryover, which is an adjustment to our reserve policies. As the board is aware, we have three core general fund reserves that have a combined target balance of 10% of general fund disbursements.

[00:06:08] Those are the Revenue Stabilization Fund with a target of 5%, the Managed Reserve with a target of 4%, and the Economic Opportunity Reserve, excuse me, with a target of 1%. So the Economic Opportunity Reserve, or EOR, it was created as a revolving reserve with a dual purpose of both contributing to our overall reserve posture while also serving as a resource to spur economic development.

[00:06:33] Those dual purposes, unfortunately, are often in conflict. Any major expenditures from the reserve threaten to degrade our reserve posture, And so we're always having to, essentially, any expenditure out of the reserve, we must replenish at year-end.

[00:06:49] The board's budget guidance for FY2028 directed staff to return with a strategy regarding the EOR and improving flexibility regarding the reserve. And so we've included in our carryover recommendations what I'm really considering is step one in that strategy, which is to separate the EOR from that 10% reserve target.

[00:07:08] As shown in the table, we recommend to shift the 1% target of the EOR to the Revenue Stabilization Fund. And that results in our 10% being made up of 6% in the Revenue Stabilization Fund and 4% in the Managed Reserve. There's currently just under \$60 million in the EOR, of which 59 is not allocated to an existing project.

[00:07:28] We recommend transferring that 59 million to the Revenue Stabilization Fund, which results in full funding of that new 6% target. Assuming board approval of this recommendation, we'll return with formal changes to the 10 principles of sound financial management as part of the FY28 budget process.

[00:07:45] We do anticipate that this action is going to be viewed favorably by the bond rating agencies as really it takes our 10% and really consolidates it in our two most stable core reserves. As a result of this shift, the EOR will no longer have a defined target and it won't be tied to the core 10% target.

[00:08:06] Expenditures out of the reserve will no longer trigger required replenishment at year-end And so instead we'll be able to weigh contributions to the reserve against all of our other funding priorities during those quarterly review processes The the transfer of 59 million out of the EOR to the revenue stabilization fund fully depletes the unallocated balance of the EOR And so we've included a staff recommendation to transfer 15 million dollars in one-time funds from the reserve for economic uncertainty over to this reserve to provide some funding for any new projects that are identified during FY2027 or later fiscal years.

[00:08:42] So I refer to these financial moves as step one. Step two is going to be to review the existing EOR policies and processes to determine if there's any adjustments that are necessary to improve the overall utility of the reserve as that economic development tool.

[00:08:57] That conversation is slated for an Economic Initiatives Committee meeting later this month. So next, going over the critical requirements that are included in this package, we have \$2.76 million that's included to replace underground fuel storage tanks at the Germantown Maintenance Facility, the I-95 Landfill, and the Criminal Justice Academy.

[00:09:21] These are used by our fleet, and the tanks were originally installed over 30 years ago. They've met the end of their useful life. We have \$2.25 million for the next phase of access control systems replacement. This will address the system in this building. funding. We do anticipate additional phases of funding will be needed. The 20-year-old system is no longer supported by the vendor. It's used across the county at our facilities, and so we will need to make adjustments in order to fund improvements at other facilities as well. We've included \$2 million to replenish the Hiring Incentive Bonus Reserve, which

[00:09:57] has been a great tool to work on recruitment, especially in our public safety agencies. That reserve was fully depleted during the FY2026 third quarter review, and so this would provide funding for the FY 2027 program. \$1.93 million is required to replace lost UASI grant funding. We anticipated this requirement as part of the FY 2027 adopted budget plan, and so there was a \$1.93 million recurring reserve set up as part of the adopted budget plan. That reserve fully offsetting this requirement, including the recurring impact on FY 2028 and beyond.

[00:10:30] Then we have \$750,000 included for the primary election held last month, \$300,000 for cleanup at Royal Lake Park from the storm that downed numerous trees back in June, and \$220,000 that will allow for the replacement of the antenna at the P-Stock facility, that antenna providing reliable cell service throughout the facility.

[00:10:51] Our sinking fund allocation is then 30% of the remaining balance, or \$28.6 million. I'll stress here since it's pretty obvious that this number does not match the summary slide because this number does not include the reserve requirement Built in on top of this twenty eight point six million dollars Overall this allocation Continues the percentages established in prior years and also includes that twenty five percent allocation to schools Which generates seven million dollars for their facilities this year So as I noted earlier, we have several allocations recommended from the reserve for economic uncertainty

[00:11:30] I previously spoke about the \$24 million that remained in the reserve at the end of FY2026. Those are one-time funds. In addition, there's about \$7 million in recurring funding available in the reserve in the FY2027 adopted budget.

[00:11:46] And so we have a total of \$31 million available in the reserve as of the beginning of fiscal 2027. We're recommending a total of \$22 million to be utilized as part of this review. The largest portion of that is that \$15 million transfer of one-time funds to the EOR that I noted earlier.

[00:12:05] The remaining \$7 million in recommendations are largely recurring needs. First and foremost, \$5.2 million is required to offset increases in electricity rates. We noted those as a potential impact based on the negotiations with Dominion when we sent in our FY2027 add-on memo, and certainly we're seeing those impacts both for county facilities as well as for parks facilities.

[00:12:26] The remaining adjustments are other rising costs, primarily facility needs, but also the impact of state salary increases on the supplements that we provide to certain state positions. And so after these adjustments, there is a \$9.28 million balance remaining in the reserve.

[00:12:44] Almost all of that is then one-time funding available in FY2027. As the board is aware, much of our environmental program is supported by the carryover review each year. And so we've included \$5.9 million to support energy improvements at our facilities.

[00:13:00] \$2.4 million of that is targeted to Park Authority facilities. And we also have \$2.1 million that will support continued installation of EV charging stations at county facilities. We have also included significant contributions to our capital infrastructure in this package, which we typically do as part of carryover.

[00:13:20] We've recommended just under \$9 million for active transportation. This amount is half of the remaining \$18 million that's required to reach that \$100 million target. And so after this adjustment, we will have identified \$91 million for this to date.

[00:13:36] The next three adjustments listed will support maintenance at our aging county and parks facilities. And then we've included \$4 million to optimize and reconfigure county facilities to allow better use of our available space in light of teleworking, as well as the transition to digital records.

[00:13:52] Our goal overall with this is going to be to reduce our reliance on lease space by better utilizing the buildings that we own. Certainly an upfront cost, but eventually we're hoping for recurring savings as we get out of some leases. We've included \$3.2 million for the courthouse campus.

[00:14:08] That includes remediation of hazardous materials that we found at the historic courthouse, as well as a comprehensive study of the needs of the Jennings Judicial Center. And then finally, \$3.1 million is included to stabilize four of the buildings on the workhouse campus. IT projects continue to be funded through a combination of third quarter and carryover, and so the \$12 million here represents the carryover portion of this year's plan.

[00:14:33] The largest project adjustment that's included is for FOCUS, which is the enterprise resource planning system that serves the county and schools for our accounting, procurement, and HR needs. Upgrades are required to keep that system from falling out of date. \$8.9 million reflects the need to bolster vehicle replacement reserves as we see increases in the cost of fire apparatus, ambulances, as well as really all the vehicles that we're purchasing each year.

[00:15:02] Another million dollars will bolster library collection activities. And then we've included \$450,000 for the Park Authority to replace construction and maintenance equipment that is at or near the end of its useful life. A total of 30 merit positions are recommended in this package.

[00:15:24] The 26 that are listed on this slide have no net general fund impact. going through them briefly. We have 18 positions that will allow for the expansion of the Beyond the Bell program. These 18 positions are offset fully by program fees based on increased participation. We have five positions in family services that will support new mandates from the income payment program and the low-income home energy assistance program. Those positions are supported by state and federal revenue. Then we have two positions that will support functions previously funded by UASI grants. Those positions are supported by that \$1.93 million

[00:16:03] in funding that was set aside in the FY2027 adopted budget for the loss of potential UASI funding. And then finally, we have one position that will support increased affordable housing development efforts made possible by the dedication of an additional quarter penny on the real estate tax rate to affordable housing as part of the FY2027 budget. And that position will be supported by those

revenues in the affordable housing fund the remaining four positions have a net recurring impact of about half a million dollars these positions stem from the economic competitiveness and housing task forces we do anticipate that these positions will eventually provide a return

[00:16:42] on investment in future years but we have not recognized that revenue at this time so one position is included in the office of the county executive to coordinate county-wide activities and then three positions are in the department of economic initiatives to focus on workforce competitiveness as well as real estate opportunities this slide provides the current list of consideration items that have been submitted i do just want to note that we updated the slide yesterday to reflect that one of the items was pulled back and so our current list includes 900 000 for design permitting and bid administration for the chantilly arts hub submitted by supervisor smith 400 000 as a placeholder

[00:17:21] for high school crossing guards submitted by Supervisors Herity, Lusk, and Alcorn. \$45,000 for ballot drop boxes at the Mount Vernon and North County governmental centers submitted by Supervisor Stork. And \$20,000 for an intern in the Office of the Financial and Program Auditor submitted by Supervisors Stork, Bierman, Herity, and Jimenez. Next, of course, as we are working on the current year budget, FY 2027, we are actively working as well on FY 2028 budget development. We're continuing to focus on affordability for residents as directed in

[00:17:59] budget guidance, and we will again be looking for savings where possible. After several years of reductions, though, we do anticipate that any opportunities identified this year will include consolidating or eliminating programs or services, closing facilities, contracting out, or reducing services to mandated levels. Quite simply, the low-hanging fruit is gone. We're looking at all funds, not just the general fund, for opportunities since we know that our residents are impacted by our full array of taxes and fees. Our first touchpoint on the FY2028 budget is the joint

[00:18:33] forecast, which is scheduled for December 1st. And so I'll end here and open up for discussion with our calendar. The public hearing and action on carryover are scheduled in two weeks on September 15th. And then as we continue to work on the current year, FY2027 budget will present the third quarter review to the board on March 30th of next year. For FY2028 development, again, the forecast is scheduled for December 1st, and then the advertised budget is scheduled to be presented to the board on March 2nd. So thank you, and we're available for any questions. Thank you very much

[00:19:08] for that presentation, and just a couple comments I want to make and questions, and I'll open it up to everyone else. First, I do appreciate that you started this presentation by putting into context our balance relative to other years. There's always comments made about that, but we're within 1.1%, and frankly, \$170 million is a lot of money, but in the context of the larger county budget is a very tiny amount. If you do the percentages and you look at the revised percent of budget here, this is absolutely in range with where we would normally

[00:19:45] be. And as a AAA bond-rated agency, you want to be there. You don't want to be talking about being in the red here. So this is an important context. I also appreciate the work of the EOR. Just for the Board's, just as a reminder to the Board, this was part of our budget guidance, something that I've been advocating for for a while, which is more flexible use of the EOR. Obviously, we're in economically trying times right now. We have this reserve here, and to be able to responsibly use it and meet some of our needs but also deal with the reserve balances we have across our system has never been more important than now. Also,

[00:20:25] appreciate the sinking fund amounts that are in here. Again, we underemphasize this. We lose track of how much money we're investing in certain things, and certainly the additional \$7 million and going to schools here on top of the other ways that we help them with their capital program is notable. The positions, I normally at this time would give my speech and lecture about creating positions at carryover because I frankly hate it. I think it's a bad pattern to get into, but I think in this particular instance, the fact that there's a zero percent impact on the general

[00:21:00] fund, which is always my number one concern, makes sense. I would just say as a point of caution, Let me say positively first that the four positions that do have the impact on general fund but are recouped by future ROI are absolutely essential.

[00:21:17] The board matter that I did and the board supported on housing, but more importantly on economic competitiveness, need these positions. We've seen a number of examples of why they're needed. I think our deputy county executive, Jen Miller, has done outstanding work in presenting why these positions are so critically necessary, so I support those.

[00:21:36] The cautionary note I would have is that the positions that are dependent on state and federal revenue, that we have the flexibility real time to be able to deal with those. Because what you're seeing here, certainly with UASI and some other examples across our system, is where we are trying our best to mitigate reductions at the federal and state level, mitigate the impacts on our residents, and that is not sustainable.

[00:22:01] And so I think real-time looking at these positions, while they might be grant-funded now, those very easily could not be grant-funded in the future at the rate at which things are happening at the federal level in particular. So I think we just have to real-time monitor those and make sure that we're not on the hook for carrying through on what otherwise were grant-funded positions or stuck with them, even though they're doing important work if federal and state opportunities dry up.

[00:22:33] And I think we're in that era, so I would just issue that cautionary note on the positions. Last, the \$9 million that's going for active transportation. We've had extensive conversations about the need to be able to use that funding as quickly as possible.

[00:22:51] The board is doing its part here to fund active transportation, pedestrian, bicycle, other improvements. We're doing it every single chance we get. Not only are we putting money into these programs, but we're supporting the construction of the projects that are built with that money.

[00:23:08] This is infrastructure capital money. And so just emphasizing, again, the importance, which we have done before, of being able to spend that money. It's one to allocate it. It's another to – or it's one to appropriate it. It's another to allocate and spend it. And I just want to make sure that we are being active in building our active transportation projects because the board is doing its part in funding them.

[00:23:31] And then lastly, I would like to get a little bit more discussion. I think you've explained well the items that are included in the county executive's package, the county executive's recommendation, but obviously we do have these four consideration items, and I think it would be helpful for us to get a little bit more explanation on those.

[00:23:52] Some are obvious, some are not, but, you know, getting some feedback from staff on the consideration items, they're not in the package now, doesn't mean they won't be in the package at the time

the board adopts them, But you now have had these and been able to look at them.

[00:24:08] I know, for example, with the Chantilly Arts Hub, there might be an opportunity for matching funding. Maybe you can help explain that. The crossing guards we've talked about extensively. I don't know if we're any closer to understanding any immediate needs that might be there.

[00:24:24] I would like to get an explanation for the drop boxes. I think we're fully supportive of them, but just an understanding of the locations and why. And then, obviously, I think the intern for the Office of Financial and Program Auditor is another one of those where the ROI probably more than captures the cost of that consideration item.

[00:24:44] But if you can help us understand some of the analysis that is already underway in these four areas, I think it would be useful. So I can start, and certainly we can rely upon the board members that submitted the consideration items to provide some additional context.

[00:25:04] But for the first item, the \$900,000 for the Chantilly Arts Hub, we did receive, let's see, the \$1.2 or \$1.3 million in proffer funding that would go towards the design. I think they are also committed to doing some of the site work.

[00:25:20] And so this \$900,000 would be to fund the remaining pieces primarily for the design, get us through permitting. It would still be another 12 to 24 months, I think, before we would even be at the point where we would be at the construction phase.

[00:25:36] I think there is an option here to do a smaller amount and phase it in, maybe do about \$420,000 now, which would then require another \$480,000 down the line. But this \$900,000 would fully fund, again, those design and permitting costs. I'll skip high school and crossing guards for now.

[00:25:55] supervisor stork had submitted the consideration item for the ballot drop boxes um it's really just about equitable access to some of those boxes i know that we have some that are more centrally located in the county and i believe that you've coordinated this with the office of elections and so that forty five thousand dollars has been vetted um through that agency and then that last piece is just a continuation of um an intern that's been utilized from the the board auditor's office. And so that would be continuing that. So again, one time, it's personnel, but it's still one times because it would be a limited period of time for the intern. Okay. And on the school

[00:26:32] crossing guards issue, I don't know if we have any additional information from the point in time at which the board had a discussion about this Tuesday. We know about this reduction. This reduction was made when the budget was adopted over 100 days ago. And so I'm just interested if we know anything now that we have exactly one week of school under our belt, if we've been able to identify if that number is the right number, what potential uses of that number would be, because obviously as we go to adopt this, it is listed as a consideration

[00:27:10] item as a placeholder, meaning at the time this was put on the list, we really didn't have an idea of what dollar amount would be necessary to address any of the emergency issues that have come up, and I'm asking our staff if we are any closer to knowing that or knowing what that number might be or what is happening on that front. Chairman McKay, thank you for that.

[00:27:32] I have been in constant communication with Deputy County Executive Tom Arnold as well as Kevin Davis, our police chief. The total dollar amount needed to restore to all school crossing would be

over 900 about 900,000 when you ask about where we are in the process I have sent out two emails to the superintendent for which telling her that there are options that we could look at and as you stated it's 111 days ago we did the budget and I wasn't expecting to get that that that email

[00:28:08] from Southlakes on the day after school that that doesn't mean anything other than the fact that Deputy County Executive Arnold and myself and Greg Stevenson from V from FDOT as well as many others have been looking at this situation I believe at this juncture Tom to articulate where where we are we've had several meetings we've had several discussions so I give the mic to Tom to to go over where we are, but it will take \$900,000 to restore to all schools that are high school

[00:28:46] that needs crossing goods. Tom Arnold, Deputy County Executive. I think it's key that we look to when we made this decision, as you all are aware, after three years of budget reductions, and we know, and Phil mentioned we've cut the low-hanging fruit in previous years, that there were no good options for the reductions last year. Other reductions that were taken in consideration were the co-responder, CIT, school resource officers. They all come at a cost, and you all are obviously more aware of that than me with your constituency that is looking to you

[00:29:24] to make the decisions and have the final vote. What I can say is an unique perspective from my position. As you know, I was a firefighter before I came into this position and had the opportunity to be on many significant incidents. The one benefit of being a firefighter was something that they always taught us was when you would arrive at a fire, you would take time to do a lap at the structure, you would formulate a plan, and you would devise that, and then you would implement it. Things still go wrong. We always have injuries that occur from that. What I found the most unique coming to this role working with the police department was, and as you all have seen when we watch body-worn camera videos following significant events, is how quickly and

[00:30:03] how imminent things occur, and you have no idea what's coming. We often have to slow down the body-worn cameras to 0.5 because and we know what's going to happen and we still are shocked at how quickly it happens and so when we looked at the decisions and why I think this is relevant for the impact of the school crossing guards it certainly isn't at all that the student body and the students and their safety is not important they actually they absolutely are but for my position the most important thing to me and what I have to stay true to myself and the great people I get to work with is the safety of the people that are responding to these incidents. And if

[00:30:41] I make a decision that's going to weaken the ability for a patrol officer to arrive to an event timely, or maybe even more importantly, having a second patrol officer arrive, as we've all seen in instances that they have to make a determination on what they're going to do in a life and death situation by themselves or with a second person, I'm going to pick the decision and make the recommendation that is best for them when I think there is data to support the decision.

[00:31:10] That was the case in this situation. When we look at the school crossing guards and we compare it to all of our regional counterparts across the region, looking at some of the data available, and you can obviously find data on both sides of the story. But when we look at the high schools in general and we look back to last year, of all the high school crossings, only one of them had a level two crossing guard, which means that they could direct traffic. The others were all level one guards, which only allows them to stop traffic. And what we had found was after COVID, we had an

[00:31:46] increase in the reliance on the use of kiss and rides, student drivers, less students on the bus population. And so the schools are inundated with cars, obviously at morning and at night. And so when we look at our options right now, it comes down to oftentimes being a traffic congestion issue, maybe more so than a traffic safety issue.

[00:32:10] The two aren't synonymous, but certainly traffic congestion can cause traffic safety. And so we do have to be cognizant of that and look at that. What we have found, and obviously the first week of school, the first two weeks of school, are maybe not the best time to measure something because it's new.

[00:32:27] And you give it some time and maybe some things work the bugs out. But obviously, as we all saw today, there was an accident at South Lakes High School involving a student that was struck by a car that was cited, the driver was cited for going through an intersection without stopping. It was not at a location where we had a school crossing guard at last year.

[00:32:45] But I think, Chairman, specific to your question, is that we have six schools that are in an area where they're on main arteries or they're on sub-arteries. there's 12 schools total that are on a main artery or sub artery and that's consistent with what we see if we look at Montgomery Prince George's and our comparators so not only were we looking at do they have high school crossing guards or not it's what does the area around that look like and we're again we're comparable to that so from a standpoint right now I think that we could obviously quickly restore the guards if that's what the board directed us to do but I think there are opportunities to look at and something we

[00:33:24] have to consider as well is working with our partners at schools and obviously police have a great relationship with schools it goes back and forth they're in constant communication with each other at an operational level of in addition to considering whether we should restore crossing guards is do we need to look at how many students drive to school how many students are being dropped off multimodal transportation i.e. a bus is obviously a more efficient and effective way and reduces the reliance on the need for school crossing guards because if we get back into a situation where we restore these and we end up having to fall back using police officers because

[00:34:00] we're looking for traffic control not just stopping traffic then we're back to where we were where we are tying up more patrol officers like it was when we came here and we spoke to you all in 2024 and so i think that's the options and the recommendation i would have is that we work with schools for a while to see if they do have opportunities where they could address the amount of personal vehicles that are coming there. And certainly at that point, if not, we could restore whatever the board wanted.

[00:34:28] Thank you for that explanation, Tom. And I appreciate you putting that all out there. I think we all have our opinions on this. Obviously, the budget was adopted on a 9-1 vote. This was talked about at the time. It was not a surprise. School opened And, you know, we've heard of some concerns that are out there.

[00:34:48] And so I support having a placeholder there. I'm unclear on what dot dollar amount is. I don't think anyone on the board is advocating for restoration of all the high school crossing guards countywide. I could be wrong. But obviously that amount wouldn't do that. I don't think that's necessarily the right answer.

[00:35:05] I think every high school needs to be treated individually and differently, but equitably. And so, you know, to be clear, if we do something at one high school, we've got to offset that and make sure that

we're being fair to every other high school in the county and that there's a uniform standard of safety in place.

[00:35:22] I also appreciate you addressing the incident that happened this morning because it was not in a crosswalk, as I understand it. It was not in the area where the crossing guard would have been. And so, you know, I appreciate the emotion attached to this, but the facts actually matter, too, in this case.

[00:35:39] And so I want us to stay focused on the facts here. I think as we approach next week, we're going to need to get a better understanding from staff on what the appropriate dollar amount would be, what the continued collaborative plan is going to be with schools and VDOT, and what the criteria is going to be potentially for using that funding before we approve it.

[00:36:01] And I think that's going to be something that's going to be necessary. I will say, you know, of the two high schools I've heard the most about, West Springfield, I appreciate that Supervisor Herity has been working for some time with VDOT on others and getting a traffic signal put in place there because ultimately I think that's necessary there.

[00:36:19] I'm not aware of any efforts that are being done in Hunter Middle District on that front, but I would say this is a moment where we need to be looking at partnering with VDOT, partnering with the police, partnering with schools to not only look at school crossing guards, which are a snapshot in time of personnel that's out there and recurring costs, but what are some of the permanent fixes to some of these issues.

[00:36:44] I've responded to too many accidents where pedestrians, particularly kids, have been hit. They haven't been anywhere around schools in some cases. But they have been in cases where drivers have been cited for not paying attention. And in particular, around schools, it's hard for us to comprehend that, how a driver is not on high alert driving through schools.

[00:37:08] We, in the last couple years, have invested a lot of money and work with VDOT on wincomatics, on striping, on improvements. We have put in place speed cameras. I know we need further cooperation with schools on that issue to be able to keep the speed cameras that we have put in place and to be able to approve future ones.

[00:37:30] It's going to take cooperation and assistance from the schools, as I recently learned, to be able to make sure we can sustain our video program, which was not in place just a few years ago. And so a lot of work, a lot of money, a lot of effort has been spent on these issues.

[00:37:48] And I want to make sure the community understands those things before just jumping to conclusions based on, you know, anxiety and anger that is out there in the community, because we want to fix this problem, but we cannot do it alone.

[00:38:06] And we want to do this equitably with a focus on all of our high schools as we move forward. And so I'll just put that out there and be expecting that, you know, by the time this package is in front of us next week, that any motion I'm going to make to add consideration, and specifically to this one, because this is the gray one.

[00:38:26] To me, the other three have been, you know, worked through with staff. They're very clear. But on the crossing guard issue, we're going to need a justification for what the amount is, how we arrived at that, how those funds could likely be used, and what the process is going to be to using those.

[00:38:41] because, as you mentioned, we don't want to end up back in a situation where we don't have officers to respond to real critical life safety issues that are happening, which unfortunately seem to happen disproportionately during rush hours when there's more traffic out there, which is the same time our kids are going to and from school.

[00:38:58] And so protecting those kids will always be our highest priority. How we do that, maybe there are differences of opinion, but there's not a lack of effort being put into this issue, And that's why I wanted to give you an opportunity to give that explanation as we continue our conversation here this morning.

[00:39:16] With that, I'm going to go down in the order just so that I can keep track of everyone who would like to ask questions or make comments on the package before us. Remembering that we do have one other agenda item to get to after this. Supervisor Herdy. Yes, Mr. Chairman.

[00:39:33] On the school crossing guards, I wasn't going to start with that. But since we're there, I appreciate your comments. I think saying it was a choice between co-responders and this was a false choice. We could have cut something else in the budget. But other than that, I think we needed to walk into this, not run into it, and we made a decision.

[00:39:53] The 900K, specific question, the 900K, is that at all the schools, including the ones that didn't have crossing guards before, or just the ones that had crossing guards before? It would restore all of, I believe it was 13 or 14 crossing-hour positions that were eliminated in the budget.

[00:40:12] It would be restoring those positions because obviously that, or not obviously, because they're not 40-hour positions, more than one person can occupy one position. And so with those positions would allow us to hire the number that we would need to staff all of them. Is that with police overtime, crossing guards, or contracted guards?

[00:40:30] The restoration would be for us to add the full-time positions to hire county crossing guards. And so right now we are, we would be covering, police would be covering with on-duty officers, not through overtime.

[00:40:47] The contract allows for us to hire 54 for the contracted guards, of which we have not completed the full hiring of that yet. So it could be a combination of the two. But your approval for the budget item would be for us to hire county crossing guards to fill those positions.

[00:41:06] Okay. We're not confident that we can hire enough of the contract. So that's where we're airing and being safe, the presentation to you. And I know at least one would be willing to take the fourth spot back. So in some cases, as you said, it's not hiring in addition.

[00:41:22] It's giving the crossing guards that were reduced from three spots to two spots that give them their third spot back. So that's the incremental cost. Right. Okay. Just so I'm – thank you for mentioning West Brinkfield.

[00:41:41] We've been working for a light at Grigsby for a long, long time and doing the best we can. And it's – I think long-term, and I don't disagree that long-term, we might be able to get to a point where we don't have high school crossing guards. It is clear.

[00:41:56] I've got West Springfield officers that say they hate having to do the overtime at West Springfield because it's too dangerous for them. And it is too dangerous for a uniformed policeman to direct traffic. To me, it's too dangerous for our kids to cross.

[00:42:13] Let me ask you another question. Do you and the chief have the flexibility to restore high school crossing guards immediately where you see that there are conditions that warrant it? And if so, are you going to do that? that's a tough one. We can, yes, I mean, as you all know, Chief Davis and his team are committed to finding a solution if we have an issue. We've discussed utilizing some non-standing units, and while it's not an ideal situation, I would much rather we prefer we wait as long as we can and we look at the options that are available there. We are not able to patrol. The challenge with using

[00:42:49] patrol station by station is each district is different. Some stations have a lot of crossings that are needed because they don't have a lot of crossing guards and so they're relying heavily on patrol officers and others have very few and so you know it really comes down to the specific school on whether we would be able to free up an area officer for example and patrol district as opposed to pulling someone from a specific beat so i think that to your question supervisor harry could we yes is it ideal no but we would look to enlist the help of other specialty units and so forth that would allow us to do it to try and not cause additional strain on patrol. So we can make

[00:43:25] it work. I got a simpler answer for you. You could restore some of the crossing guards that lost crossings. You could restore them by asking. So Supervisor Herity, what Deputy County Executive Arnold is stating to you is that we do not have the crossing guards to restore. So that would be the police officer. There's a difference between a crossing guard and a police officer. Yeah. So you asked him a question if Chief Davis could do X. The answer is yes. However, Tom, sorry, Deputy County Executive Arnold is stating that it would take a little more time to get a crossing guard, which is very different than a police officer. Yep. We do have, there's obviously,

[00:44:04] as you've seen online with the job postings, that the school crossing guard, it has been open, it closes. One of the biggest challenges there, if we've looked through this, as we were here two years ago, talking about the challenge with recruiting school crossing guards, is we hire about 2% of the school crossing guards that apply.

[00:44:22] Now, that lends itself to think, and as police are doing right now, we're looking at what else can we do, and as you all have asked in the past, what can we do to hire more? We know the contracted guards are one answer, but a 2% rate, so we've had 235 applications over the last two years, and we've hired 10.

[00:44:39] And so right now, we're looking at those opportunities, should the board take action to restore us? What else can we do to make this more attractive? You know, it's a challenging job to fill. But that's the downside into what the county executive mentioned there is other than those crossing guards that would be able to take a fourth crossing back or that have been reduced, we would be relying on patrol or police until we are able to onboard additional crossing guards.

[00:45:05] Yeah, I would just, this supervisor would encourage you to take whatever steps you can to restore the ones that you'd know to be issues. And we know Southlakes clearly, West Springfield clearly, Centerville maybe less. And I know there's others. I'm not familiar with everybody's and everybody's district, so I'm not going to try to list them all.

[00:45:25] I can give you that. I mean, I think thus far what we've identified early on through a week of it would be Edison, Southlakes, West Springfield, Centerville, West Potomac. Those were the ones that from initial surveys indicate some of the more challenges. Can you come back to me after we do Crossing Arts because I don't want to miss that.

[00:45:43] Yeah, we can do that. And just real quick on that subject, in the conversation with schools, I hope we're talking about not just what police might be able to do there, but what we can do in partnership with schools specifically at those locations, because schools also have roving security officers that are not school-based.

[00:46:00] I don't know how they're being utilized in this conversation. We have SROs at those schools that have capital equipment, i.e. their police cars, that could very easily be positioned from a visibility standpoint as an interim in those schools. I just hope we're looking at all of the available resources across all of the different agencies in this issue as we move forward. And I know that we are. I just want to make sure that we're being clear as a board. We're telling the staff, look at this issue, but look at it in a way that is long-term sustainable. Look at it in a way that builds proper partnerships, Because this is not a police problem.

[00:46:39] This is not a county problem. In large cases, this is a pedestrians and or drivers not paying attention problem to what you mentioned earlier about drivers and distracted drivers and all the issues that we're dealing with. And we have pedestrian accidents, sadly, that happen way too often in this county that have nothing to do with schools.

[00:46:58] So it's a problem with people, drivers, and pedestrians understanding what they're supposed to do and not supposed to do. And so there's also an education piece of this that I hope all of that is being doubled down in this conversation. Let me ask, actually, because I probably don't – does anyone else want to speak specific?

[00:47:18] I don't want this meeting to turn into a meeting about school crossing guards because there's a lot in this package. And I want to give deference to the material that's before us. So if there are other questions or comments specifically about the crossing guard issue, Let me take those now and let me do that quickly so that we can return back to all the other issues that are before us here.

[00:47:38] Supervisor Pouching. Thank you, Mr. Chairman. And, you know, I would say as from my perspective, I like the one walk, not run, because it means let's really look. We talked in, we had a great conversation last week, right? So let's look at triaging.

[00:47:54] I think everyone here would agree. If you know where the spots are or you don't, let's review every single high school crossing, if that's where we're starting, and work with the SROs and understand. I have to tell you, I dropped off my daughter. First day of preschool, we passed by one of the most impressive crossing guards I've ever seen.

[00:48:14] There was also a patrol car there, right? So I know we're already doing that work of figuring out what is the safest way to support each school, each community. Growing up here, driving has never been as horrific as we're seeing today. So it is, it has to be looked at holistically long-term, but I think what I'm hearing is that the short term, let's make sure we have the funding and the data and the review of every single joint review of every single point of issues that we see.

[00:48:45] I see school board members here. We really appreciate those of you who are coming here. This is a joint conversation. I think that's what we had last week. So, Tom, if you have more on that, I think we all understand where you came from. I would push back a little bit and say, you know, as a former head of security for schools, just to say we have 190,000 presidents, right, every day that we take care of.

[00:49:05] That's our kiddos. So let's make sure that we're looking at the data and where we do have those pockets of vulnerability jointly with the schools. That's on that one. I won't give my other ones yet. Yeah, we'll circle back quickly. Supervisor Lusk.

[00:49:26] I appreciate the comments that were made by a number of my colleagues here I would agree never intended that we would replace all the crossing guards in all the high schools when this item came up at last meetings discussion the focus is to supervisor pal check focus on the critical incidents knowing where the problems are determining those and figuring out what the solution should be be around those particular issues. So that's where I am in terms of position, and we'll look forward to hearing more

[00:50:05] in terms of how you define the issues at all the schools, which ones have the most pressing problems and issues, and how we might be able to solve those. And with that, I'll conclude. Thank you. The one thing I would just add is I don't want to make this, we want to provide you data, but I think the realization, what comes down to what we've identified early on is when you have a road, a through road, and traffic's just going two directions, it's not as big of a deal.

[00:50:33] Obviously, issues happen. It's when you introduce turn lanes and when you have people turning on right, so forth. So we will do our best probably to pinpoint the pinch points of the intersections that are problematic. I think we know that the more students, the more vehicles that are driving, that's obviously an issue.

[00:50:49] That's an issue at every school. So I think what we could do is identify what is likely the intersections that pose the most challenges and what puts students at risk and provide that and include that in data. I just want to clarify, it could be qualitative data. It doesn't have to be quantitative. Thank you. Yeah, and to that point, I think also what the behavior is of the pedestrians in that area.

[00:51:10] Some of the videos that I've seen, I thankfully, until I saw those videos, had not seen kids walking diagonally across a crosswalk because that has never been taught. No one has ever said that's a good idea. And so there's also an education piece here. I am aghast that I saw kids walking diagonally across a crosswalk when we have spent a lot of money on countdown signal heads and striped crosswalks with an eye shot of them.

[00:51:33] I don't know how that happens. And so also the behavior, because there may be some things we need to do in place out there in terms of better behavior and making sure that there's somebody there channeling kids to use the infrastructure that we already have out there. And so that's a piece of this as well that I know we're looking at.

[00:51:52] Supervisor Jimenez. Thank you, Mr. Chairman. Just a quick question, just kind of, I was thinking about it. So let's say you identify five, six, whatever it is, schools where the biggest problems are. What happens then, I'm just throwing this out there, when another school a year later, six months later, all of a sudden that becomes the biggest problem, but we're not funding crossing guards at that school. Do we then shift over money or crossing guards, or is that school then left out because they weren't part of the initial? No, I think it would go back to, as we all know, there's an

[00:52:27] annual process where we survey the crossings to determine whether crossings needed to be added or be removed. And so in this instance, if the police department's goal, what will normally happen are open lines of communications between the principal, the Office of Safety and Security, and the SRO up

to the Traffic Safety Division within the police department. So however the information would flow up there and evaluation was done where one was needed or not needed.

[00:52:53] Obviously, you all were the ones that are approving the budget. And so if we needed money and positions, we would be coming to you and looking for it through the normal budget process. But in the meantime, we would look to staff positions by detailing officers and the police and fire and everyone else. Public safety has always done a good job of trying to absorb and rearrange resources in a temporary fashion until we're able to go through the applicable budget process to seek your approval for a request. So if new schools come up that are problematic, that weren't problematic at some point, we would then have to, as a board, vote to fund each additional school

[00:53:28] where there's new problems. Only if we did not have capacity to fund it with existing resources. That would be where we would get into a situation where we've exceeded the capacity to handle any need, whether it's a school resource officer or a patrol officer. We would then come to you all after we've exhausted all of our ability to come up with a reasonable solution and we were at a point where we needed more money and more positions, that's when we would come to you.

[00:53:52] Okay, thank you very much. Supervisor Behrman. Thank you, Mr. Chairman. I think we've totally overcomplicated this at the moment. There are six schools that you said were identified as potentially problematic. I suggest you have a police officer at every one of those schools tomorrow morning at the start of school.

[00:54:11] I suggest that's step one. I fear that a political discussion over a budget choice that was made 119 days ago has clouded the issue, which is we've got some schools where there are some dangerous things going on. In my district, I've had at least four schools that I've worked with on traffic safety issues, and it's always, frankly, been a really good relationship with principals, with FCDOT, VDOT and with the police. I had a kid who was crossing Georgetown Pike who was hit near Langley

[00:54:49] High School where there never was a high school crossing guard. We got a crosswalk put in in that location. We had some issues around Kent Gardens. We sent out police to do targeted enforcement at Kent Gardens and pretty soon all of the parents dropping their kids off at Kent Gardens drove a little bit better. We've had some issues with a right turn lane at Longfellow Middle School. We've been working with FCDOT and with VDOT to fix that right turn lane, change the design to make it safer. At Chesterbrook, we got really lucky because Delegate Rip Sullivan lived across the street from Chesterbrook, and that helped us get VDOT involved on changing some of the striping

[00:55:25] there. Every one of these things has been trying to work common sense solutions, and we have worked with principals in each of those cases. We've worked with the schools as well. But let's do that. That, in truth, doesn't actually necessarily cost money that's appropriated at carryover.

[00:55:45] That's something we can do tomorrow. That's something we could have been doing over the summer. I appreciate, Supervisor Herity, that you've been working on getting a signal at West Springfield. I wish that somebody had been working on potentially safety options at Southlakes before five days ago. Because if the only thing here is an appropriation that was made, again, 119 days ago, I would like to note that the school budget did not include money in it for school crossing guards. They put it all on us. But it doesn't need to be all on us, and it doesn't

[00:56:21] need to be all on the schools. It's a collaborative effort that we should all be working on tomorrow. Sorry, today. We should have been working on it yesterday. So I really hope that at the school that have been problematic. We have officers there tomorrow writing tickets, writing, you'll find, it'll be fun for the officers. They'll write some tickets and trying to improve safety.

[00:56:43] And that I hope that we go, going forward, we're working with our principals on information that they can put out to their students and their parents about safety. I hope that this can be a collaborative effort and we don't have to overcomplicate it. If ultimately down the line, we decide that we're going to restore some school crossing guards, be that as it may.

[00:57:04] But the problem is today. The problem was yesterday. The problem is tomorrow. And that is disaggregated, I think, from the ultimate question of exactly how much money we put into the carryover. And the \$400,000 placeholder, I think even Supervisor Herity, who came up with it, would note that it's not necessarily what we need to solve this problem tomorrow. So let's solve it tomorrow or let's solve it this afternoon, whatever it may be. And let's consider down the line, you know, whether there's an additional allocation of funds needed. But that is the approach that I

[00:57:44] hope will take to making these places safer for kids. Thank you. Thank you, Supervisor Beerman. And I agree with that. I think what we're going to need, though, for carryover for next week is because we do have a consideration item request, we're going to need that number refined and a better idea of the process staff will use to allocate those funds consistent with what you just said.

[00:58:04] Because I think the most important thing here is that any decision that we make is not just instinctive or emotional. It's based on data. It's based on equity. We have a lot of schools in this county and a lot of needs out there. And we're trying to balance all of those things as best we can.

[00:58:19] And it's cooperative with schools. What can they bring to the table to help us with this as well? Because it's not just, as I said before, a public safety or a county problem. It's a community problem. And community problems are solved by everybody working together. And they have some assets and resources they might want to bring to the table too.

[00:58:36] We need to do that in a cooperative way while we're going about trying to figure out what this placeholder amount is that we will have to act on next week so that we're putting the right number in there and we're understanding the criteria for how some of those resources might need to be used in the future.

[00:58:52] With that, I'm going to go back quickly to questions on the rest of the package because there's a lot here. And I'm going to go down in the same order. I'll start with you, Supervisor Herity. And I hope we use our flexibility to do what Supervisor Beerman said and get them covered. The ones we know are a problem.

[00:59:08] Page five, 100% agree. The 10%, we absolutely need to keep that. The Economic Opportunity Reserve, can somebody – what kind of projects are we looking to do there?

[00:59:26] Do we have a definitive list of what we're looking to do? I understand we're going to approve this on the 15th, this \$15 million thing that we can use at our will. And we are going to approve how we're going to use it a week later or talk about how we're going to use it a week later.

[00:59:48] it almost I hate to even say this because no I won't say it because it's political but we're gonna we're gonna pass something and then we're gonna decide how to use it later so I'd say as of right now there

is 60 million dollars in the economic opportunity reserve and we do have established policies and procedures that we've been following the board has approved a number of projects out of that fund already this really is shrinking that pot immediately because we're taking that 60 million out you'll end up with 15 million still in there after carrier was approved the existing policies and procedures as far as those projects are brought to the board for

[01:00:28] discussion and then brought to the board as part of a formal board meeting so it's that same process that same process is currently in place and that's what is guiding us the discussion then in a few weeks at the end of september would be would the board like to make changes to that would the board you like to revise what we have as current policies okay I know you've done this recently could you update the list of projects that have gone through and in the evaluation against the criteria I think you've had that as a budget question but if you could just update that recirculate it the ones that we've

[01:01:02] already approved through there and the on the next page seven and I'm going to try to hurry up mr. chairman I know we've got a lot I am really happy to see That the funds going to me I'm sorry to slide eight really happy to see the funds going to to maintenance We got a NIP response on July 30th Do we have a plan that the board's going to discuss the over 250 kind of critical?

[01:01:34] Mechanical engineering plumbing repairs that we need to figure out how we're going to take care of That are laid out in that memo that excludes renovations, but how are we going to? Is there going to be a time we're going to discuss how we're going to get that covered?

[01:01:52] I know we're not funding, and our big problem has been we have not been funding maintenance in our base budget. You guys have been doing a good job of funding maintenance at our quarterly reviews, but how are we going to address how we're going to get caught up on that \$250 million in critical maintenance backlog that's outside of the renovation budget?

[01:02:17] Thank you, Supervisor Herdy. As you can see, this is a start of it. We're going to consistently put money towards it, and we have asked the board to do base-level funding as well as carry forward. So as we move forward, we're going to do the most critical and work our way up the list.

[01:02:38] Okay, one additional effort on that. In the memo, so we're not going to do a board discussion, lay it out. You're just going to prioritize and keep doing it? Well, it's an operational issue. I mean, if you want to get into the operations of fixing a building, we certainly can.

[01:02:53] I mean, if that's what the board wants to do, that's just going to take more time on us fixing the building. So, I mean, we know we have a list of what's grade F, D, C, B, and A. Obviously, we're going to look at what the grade Fs are, and if we can put things in place to get the parts in place to fix the things, we will certainly do that.

[01:03:10] A lot of the issues that we have are not that we can't fix them. It's just that the parts don't come in time, and we're trying to hodgepodge things together. That's why we're taking systems down and moving things around. When the parts come in, we fix it. And if you look at Panino, we had a little pinhole, and it turned into a water intrusion.

[01:03:30] It took us almost six months to get all the parts together, inclusive of the elevators. So, I mean, if you want to talk about how we're going to do it, we're more than welcome to do that. But we have 187 buildings, so, I mean, I'm not sure how we do that in the process. When I have a building that's down, I want to get it back up.

[01:03:48] But if you want me to stop and talk to you before I get it back up, I can do that. No, I didn't ask that. Let me just ask you a simple question then. This room that we're sitting in today was created because our boardrooms, air conditioning and HVAC unit, were in critical need of failure.

[01:04:11] And we haven't done anything since this room was created to address the critical issues that we have in the boardroom with HVAC. When is that going to happen? I didn't realize it. That was before Brian. Why not? It's been that long. Yeah, I don't know.

[01:04:26] It's been that long. that we have been putting off that critical maintenance. Yeah, I mean, that's not the reason this room was created. I mean, it may be that there are issues that still have to be addressed with the HVAC in there, but that's not why this room was created. I mean, this room was created for a lot of different reasons, mainly IT-related reasons for remote participation and other purposes.

[01:04:47] But let me just make sure you have other questions. So there was a, on page two of the memo, Efforts to improve energy and efficiency have introduced advanced technologies that, while beneficial in the long term for operational environmental performance, require on-gramming count, basically require additional expenses.

[01:05:09] Can we get somebody to provide us some examples of that, and are we looking at that before we make those investments? Because it is, you can't change a light bulb anymore. You have to change a light fixture, and in some cases, you have to change the whole room. And I just need to make sure we're being smart, and I'm not sure in all cases we are.

[01:05:29] Let me hurry up here. Yeah, we need to get moving. I would just suggest, board members, if you have very granular questions about something, we have budget Q&A. We have other opportunities to be able to have that conversation and get the professional input from our staff on some of these very granular things.

[01:05:45] I actually understand that question, and I think we can get you that information pretty quickly. I appreciate that. So, I mean, I'll conclude with we're talking about consolidating and eliminating program and services again. And I appreciate your frankness that it's going to be a really, really difficult budget year.

[01:06:06] I don't know how we add the four positions that we're adding on page 15 and not wait so we can balance that against the critical consolidation or eliminating a program and services. That's not a question for you. That's a comment.

[01:06:22] We can't be sitting here creating \$15 million reserves and new positions outside of a budget process where we know going in that we're going to be eliminating programs like high school crossing guards and ambulances and all that stuff is going to come up again.

[01:06:42] I just don't understand. My last one is a schools carryover question. I continue to be frustrated with schools carryover. The largest item is always, in this case, I think it's \$166 million, but I'm not 100% positive.

[01:07:00] It's school-based carryover, and I could never get from schools more than a one-line description of what that \$166 million is. Can you put that in a budget Q&A? I will. I certainly will. I think that's the best way.

[01:07:16] I mean, other than just saying this, let's formally ask for budget Q&A. We have that tool and that instrument, and I think that's a good example of how we can do that. I will do that. Thank you, Mr. Chairman. Next up, Supervisor Stork. I'll take probably about one hundredth of that time.

[01:07:33] I just wanted to thank you for the EOR change. I think it's long overdue, essential, if we're really going to have it as a tool for economic development, which I have always viewed it that way, but it's always been felt constrained. I think that's a huge part of how we continue to grow our economy.

[01:07:51] I also recognize that we need more economically development-focused individuals and some of the housing issues, those are all very much tied to our success moving forward. The sinking fund and the changes there, I think, are essential to get to some of the maintenance stuff that we've been talking about, so very much supportive of that.

[01:08:10] I think the school issue, it's all the above, and I appreciate the chairman's comment. It is literally all the above. I want to see those auto cameras that we have, and I know, Tom, we have those still. We're adding to different schools. I think that's a key way. But there's a lot of things that we can do there.

[01:08:26] And I think it's all the above and to get that to be safer for everybody. And then the two, the workhouse is clearly saving and really preserving those historic buildings, which were required by law essentially to do. So I think if we don't do that now, it's going to cost us a heck of a lot of money, more money later on.

[01:08:45] So those are the minimums that I think we have to do, even though I know the cost is not what any of us want to spend. And then the Office of Financial and Program Auditing interns there, we get a 10-to-1 minimum return. We send Buck there, we get at least \$10 more in either savings or additional revenue.

[01:09:02] So to me, that's a no-brainer. And then the ballot box, I've been talking to the Board of Elections, and we have a monitored ballot box drop-off station at the government center that's here. But we have nothing anywhere else in the county.

[01:09:18] As somebody who looks out the window constantly during the primary season and election season, early voting, people come in constantly at 9 o'clock in the morning or 10 o'clock in the morning to vote. And, of course, we're not open, which is part of the problem that we have.

[01:09:34] But more importantly, they could at least drop off their ballots. And this will give us a monitored station that people can come either to North County or South County, essentially, And have three parts of the county where any time of the day, somebody can come and put their ballot in there, you know, even at 10 o'clock at night because it's monitored and contained.

[01:09:52] So I think it's a valuable addition to the tools that we offer. So thank you. Okay. Thank you. Are you Supervisor Sizemore Heiser? I'm not going to assume everyone wants to be recognized. So when I get to you, make sure you tell me you want to be recognized.

[01:10:08] Thank you. I appreciate it, Chairman McKay, and I appreciate staff for the report. I just wanted to kind of touch a little bit on a couple of things. I didn't speak to the crossing guards. One of the things my office is working on is trying to see if we can expedite that traffic light, which comes from my district for West Springfield.

[01:10:23] So it's a thing that we're looking at as well, and I know that work was started before. I really appreciate also the recognition that the microburst, I mentioned this to the legislative committee about the localized impact, and so looking at some additional funds for the cleanup at Royal Lake I think is really important.

[01:10:40] I wanted to touch on the economic opportunity reserve. I think it's a very important thing. As was mentioned, we're, you know, low-hanging fruit is cut. We're looking at additional program services and cuts, right? So the only way to get out of that do loop, given especially the economic uncertainty these days, especially coming from the federal government, there's two ways to get out of that do loop.

[01:11:01] You raise taxes or you raise revenue, right? In this era of affordability crisis, we really don't think raising, I don't really think raising taxes is the way to go. So you've got to figure out how to raise revenue. That doesn't happen overnight, but it happens through investment and effort.

[01:11:17] And so I think this is a smart long-term ploy, plan, to help get us out of this do loop that we're in due to the economic environment, which is also why I think having a reserve is important because of the continued economic uncertainty. You protect where we have now as best as possible while building for the future.

[01:11:34] I just wanted to put that out there. And so I appreciate the thought about it. I appreciate the thought that the new staff we're adding are going to bring in more in return than the cost. I think that's an important thing, but you have to invest to grow. And that's what I look at that as. As far as the crossing guards, I didn't speak to it earlier, just very quickly. I think we have to look holistically. There are, at the solutions, I think looking at critical junctures. I also think looking at the contractor who's contracted to do some of the crossing guards at elementary and middle schools, what their plan is if they have the person out for the day. What's their sub plan so it doesn't put more impact on our police, I think is an

[01:12:13] important question to ask the contractor. I want to put that out there. Otherwise, I appreciate the thoughtful use of carryover in these tough times, and I'll stop there. I have more that I'll do specifically. Thank you. Supervisor Malchick. Thank you, Mr. Chairman, and happy to follow my colleague. Good to have you back here because I was looking at slide four on revenue and economic update, and I know we focused a lot on the expenditures, but it does say that we've slightly outperformed our half-year projections, at least for the food and beverage tax, would it be, I guess it's a budget question, to get the revenue for each type of revenue for

[01:12:50] our half-year, whether it's projections or whatever you're able to share at this point. I think it's important for us to continue to monitor that as we look at our flexibility. Yes, Phil. Yeah, certainly for the food and beverage tax, we brought in \$70.2 million as opposed to the \$67.9 million estimate, so certainly a slight improvement there over what our initial projections were certainly good.

[01:13:14] No, that's helpful. But yeah, I think the more we can monitor line by line each of those revenue sources will be helpful. Yeah, okay. And then I would also as I've had frustration with the difficulty in using our economic opportunity reserves and projects that seemed like obvious uses, the fact that it has to be reimbursed in a yearly manner has made it such a challenge.

[01:13:40] So I just want to highlight and I wish all my colleagues did this, is our adaptability and flexibility and looking at changing times and how we focus, again, not just on our expenditures, but what is our ability to be a little more creative in financing projects. And I think some projects would even

include what we talked about recently, which is safety for pedestrians around economic centers, around places where people are gathering. I think there's a lot of opportunity that doesn't see that yearly return that really helps check the box in a lot of our initiatives and priorities. So I'm very

[01:14:17] excited to see the next phase of this. Thank you everyone who worked on this and looking forward to DEI focusing on this. And then finally, I really want to focus on slide 10. I don't think we've talked about it yet much, the environment and energy. I think this is just incredible work again and very strategic. Number one on the ESCOs which are the energy service companies which will help us both reduce our energy user costs as well as focus on our the environmental piece of it. So it's both important for our challenges and revenue but also our investments and quite a few in there

[01:14:56] but I also want to highlight the 0.15 million for the energy conservation assistance program which I know many of us are focused on the ability of some of our constituents, especially in very high heat times and poor, vulnerable, to have access to this.

[01:15:16] I know they've been really effective programs, especially, I believe, in South County. So I think just highlighting that we are funding some of our really effective programs for our priorities, but there are minimal amounts of maintenance, as well as focusing on ways to look at our revenue, increase the revenue, and the flexibility for economic opportunity reserves.

[01:15:38] And I guess my one question in addition to the revenue would be, as we look at the new ways to allocate EOR, it has to be specific. Do you see this expanding the ability to look at potentials like small infrastructure projects or small types of projects that maybe we cannot fund in other avenues but are tied to economic growth in the county?

[01:16:06] Yes. Is that a yes? Okay. It's entirely within the board's purview to kind of come up with a policy surrounding. And I appreciate that. We can just say no recurring. No, it's fine. As I go through our surrounding jurisdictions, some of which have different taxing authority, they're able to implement some of these changes and able to take in business from the county.

[01:16:28] I'm one of those people who goes over there because they're able to support their small businesses and their residents through some of these very minor improvements. So I think this is an exciting opportunity. Okay. We have eight minutes left and another agenda item still. So please, questions.

[01:16:45] If you have questions, next week when we adopt this, there's going to be plenty of time to talk about what we like and don't like. So let's see if we can focus on questions that people have so that we can make sure we get through the agenda. Supervisor Lusk. I'll cede my time. I support the EOR, recognize the importance of commercializing, expanding our commercial tax base.

[01:17:05] Thank you. Supervisor Bierman, you're good? I had comments not questions. Okay. Hold on to those because they're still going to be relevant a week from now for sure. And so with that let me go to our second agenda item which is contributory fund review. Yes fast. Yes I think I might skip about half the slides in this deck just to get us through quickly. So this presentation stems from conversations the audit committee earlier this year and also a desire from members of that committee to kind of expand the conversation in the brief amount of time that we have to the full board.

[01:17:39] So first of all, just a very, very quick overview of the fund. This is the fund that allows the board to make gifts to other organizations. And I say gifts because these transfers do not go through a

procurement process. Most do not have an associated contract or MOU. They're made at the discretion of the board.

[01:17:57] Most of these, though, are outstanding relationships that predate the existing board that come from prior boards. Currently, we have 37 organizations receiving a total of \$26 million in county funds. I won't go into details on the performance auditors review there are a number of recommendations that would improve D&B's process We are well on our way to completing those But there was also that healthy discussion by the committee regarding what can be done to improve overall both D&B's and the board's review We'd certainly like to support the board in their review of contributory funding as effectively as possible

[01:18:30] And so what we have here is a change recommended and how we would parse these organizations our annual budget process So essentially agencies submit their funding requests in mid-september Recommendations are included in the advertised budget I just want to note here that we have historically held funding at a flat absent specific direction by the board There are some contributions their formula based that we do adjust annually And then there's also been some situations where staff have recommended adjustments based on fiscal pressures within those agencies This pie chart shows our contributory funding

[01:19:07] we've struggled on kind of what words to use for the two categories we show on this pipe almost all of this funding really is discretionary the the board could choose to not continue this funding some of it though is less discretionary and so we've shown here in red we've labeled as obligated at 72 percent some of it is our TOT revenue that we are required by law to transfer to visit Fairfax other funding is like our support for the Office of the Public Defender our memberships in organizations like VACO and NACO and COG as well as some contracts those were considering obligated kind of less discretionary the remaining green

[01:19:44] 28% labeled as discretionary that's really the segment where we'd like to focus our review in the board's time There's some of the contributions that are large enough to break out But then we've broken out that other discretionary into the bar off on the right Our general recommendation in this in this presentation is to develop a rubric in order to categorize these organizations that we can really narrow the range of organizations the board is doing increased scrutiny on.

[01:20:11] And so on this slide, I'm going to pause here for a little while and talk through the next few slides right here just to get through quickly. This is kind of what we're proposing in order to funnel down the ones that we really have that focus review on. And so our first cut would be to look at the organizations that we're considering obligated, really that whole red almost three-quarters of the funding, asking the question, is the the funding amount determined by intergovernmental agreement or calculated by some formula or pro rata share. What we would be looking to do with these organizations would be can we take these and for one change our budget presentation to make it clear that these are memberships or other agreements that govern these or potentially even break them out of the contributory fund

[01:20:49] put them into a relevant agency or other fund in order to just separate them out. Take them out of the equation because it's not really something we make a decision on each year. level, are there other services provided by other organizations within the community that what we're looking for these organizations to do? This cut, we'd really be looking at, are there places where we could turn this contribution instead into a competitive procurement? Potentially savings here, but also potentially just

more efficient service, if really what we're doing is we're trying to buy service with this. The next cut, looking at, are there specific expectations or metrics that the county hopes to achieve. In this case, we might still be committed to funding a specific organization

[01:21:29] with their mission, but do we want to come up with an MOU, a performance contract, in order to really tie the money to their performance? Probably not looking at realizing savings here, but instead looking at are we able to get a better product for our residents coming out of this organization that we're funding. And so finally, as we narrow that down, we're hoping that we end up with a much narrower set of organizations that really are a gift from the county to support those organizations and trying to narrow down this field so that you as a board of supervisors have a smaller group of organizations to look at as you're trying to determine whether or not we continue funding.

[01:22:08] I'm going to skip ahead now to slide 12. Really here just highlighting that the board's accepting of what we've proposed here. We're going to do what we can to work this into the advertised budget process understanding that certainly to the degree that we're turning any of these into a competitive procurement that's going to take time it's not going to be an immediate FY 2028 budget action but we're going to begin to kind of parse through these organizations to see what we can do and start implementing this on a much and as timely a process as possible and I'll conclude there and leave a few minutes for discussion really just overall saying

[01:22:47] you know this fund does belong to the board and so overall we would welcome any any direction guidance on how we can support you in what you're doing to review the organizations that are funded through the contributory fund. Thank you. Thank you for that presentation. And you're most specifically focused on what you have determined to be, for lack of a better term, discretionary. Okay. Discussion, questions from board members? Supervisor Sizemoreheiser.

[01:23:18] Just really quickly, it seems like there's some overlap with some of these organizations in the organization with CCFP funding, which is a separate funding mechanism that's not run by the, you know, the awards are not made by the board. The board provides the funding for it.

[01:23:33] Is there, is part of your view looking at that overlap or looking at criteria for this fund or just more of a process for the fund? I think there's been minimal overlap. I believe that situations where we funded an organization through the contributory fund that maybe has also been seen in the funding pool is for very specific one-time needs.

[01:24:00] Otherwise, I know that a lot of community organizations have seen the contributory fund as maybe an opportunity. We steer them towards the consolidated community funding pool. That makes sense. I just think looking at some criteria of what belongs here might be helpful as well.

[01:24:17] Other questions? Supervisor Beerman. Can you expand upon the meaning of proactive monitoring for any groups with ongoing financial sustainability concerns and periodic in-depth reviews? I just want to understand more, if we're monitoring these, how often are we going to hear about them?

[01:24:38] Is this all something that gets sort of pushed into budget season because this is a one-time gift? Like, what's the trajectory of the monitoring of the organizations? So, as you're aware, as part of our process each year, we are receiving the financial statements from these organizations.

[01:24:58] We also have a number of situations where county staff are on the boards of these organizations in various capacities, often an ex-officio status. And so we do get some insights into what's

happening, not only based on their financials from their prior year, but also kind of what's developing.

[01:25:16] To the degree that a lot of these organizations rely on both county funding as well as other donors, they're doing fundraising, we've seen situations where they run into financial trouble, and that's been where some of our recent adjustments have been.

[01:25:33] I think to the degree that we're only really able to adjust the funding here at our quarterlies or as part of the annual process, where we would see that it's going to typically be, based on our recommendations coming forward during those, is when it would be brought to the board.

[01:25:49] Okay, great. I think that's actually why the idea of establishing certain formal MOUs and real defined clear deliverables and strategic outcomes is probably the best way to do this. And then keeping us abreast of the degree to which the contributories are hitting that over the course of the year before we get to the final funding decision at budget season is going to help us add transparency and it's also going to help us probably get better outcomes from the contributories that we do decide to fund, as well as highlighting if there are any contributories in the future that we decide not

[01:26:27] to fund. Thank you. Thank you, Supervisor Beerman. And I'm hearing uniform support for, you know, the recommendations of the auditor review, which I know are underway and, you know, locking down on these a little bit better. As we know, we've been through tough times. We've got tough times ahead. A lot of these are really good, important causes, but we have to weigh those against everything else that we're doing. So definitely appreciate the work that you're doing on that front. Supervisor Herity. No, just two general comments. And really a thank you to the audit committee and the board auditor for this. And second, this is what a deep dive of the budget looks at. This stuff has been there for a while, and

[01:27:07] and that's why we need to do a deep dive on our budget because there are a lot of other areas like this. We're literally doing that, and our team and this board is doing that every day. So I appreciate that. When someone says we're not doing a deep dive, you've witnessed it.

[01:27:25] Supervisor Beerman. Yeah, I've got my nose plugs in for the deep dive. Just going to throw that out there. All right. With that, that wraps up our committee meeting. I'll just reiterate on carryover, I mentioned next week because my weeks are running into each other, but I know we actually have two weeks between now and when we adopt carryover on September 15th.

[01:27:48] And so if you have questions that are generated from the carryover proposal of staff, we have the next two weeks to submit those questions, get answers from staff. Remember the work of this committee is happening in our offices every day. We work on the budget every day.

[01:28:04] So if you have carryover questions, be sure to get those in. Continue that dialogue with us because adoption of the carryover package will happen on September 15th. And with that, that brings us to the end of our budget committee meeting of September 1st.



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