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Loudoun County Board of Supervisors, Finance/Government Operations and Economic Development Committee, Thursday, January 11, 2024

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- Agenda (Granicus): https://loudoun.granicus.com/AgendaViewer.php?view_id=73&clip_id=7570

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[00:07:22] - Good evening and welcome to the January meeting of the Board of Supervisors, Finance, Government Operations, and Economic Development Committee. This room has a hearing loop. If you need hearing assistance, switch your hearing aids to the telecoil mode. If you need a headset, we have those available as well. Please leave the clerk to request one.

[00:07:39] We have a full agenda this evening, but before we begin, I'd just like to take a moment to thank Supervisor Umstead for her work chairing this committee over the last two years. Coming out of COVID, we certainly had some very full agendas and a lot of work was done with the committee. So I appreciate all the effort that she put into that.

[00:07:55] I'd like to thank my colleagues for the opportunity to chair finance once again. Look forward to working with everybody in this capacity. We have a bit of a skeleton crew tonight. We're down Chair Randall, who had a conflict with Northern Virginia Transportation Authority, and then Supervisor Sains had a conflict with the rescheduled meeting date.

[00:08:16] We did reschedule the meeting so that we could all participate in the Dulles Greenway State Corporation Commission hearing at Freedom High School. And we had seven out of nine members of the

Board of Supervisors present for that, which I think was a great showing from the county. And I think the other two were with us in spirit.

[00:08:34] So that was worthwhile, but it did present some challenges from a scheduling standpoint for us. We will plan on taking a dinner break around seven o'clock. Just a couple other small housekeeping things. Supervisor Sains is vice chair of the committee.

[00:08:49] So in the event that I'm not here, he would take over. In terms of how we'll run motions and timing, we'll have time motions, but we will not have time on questions. I would ask everybody just to be reasonable on that, especially tonight, since we had such a late morning, night morning last night.

[00:09:08] But generally speaking, we'll let folks ask the questions that they need since we are in committee. Okay, we have, I'm actually going to propose 11 items for consent, and they are as follows. Item two, quarterly report, upcoming contracts, third quarter, FY24.

[00:09:25] Item four, contract renewal, roadway, and transportation design services. Item number five, FTE authority for the Department of Building and Development. Item number six, calendar year 2024 payment standards and utility allowances for the housing choice voucher program.

[00:09:43] Item number seven, affirmation of personal property tax rates for tax year 2024. Item eight, mid-year 2024, child protective services, family services, specialist budget allocations. Item number nine, 2023, family services advisory board annual report.

[00:10:01] Item number 10, fiscal impact committee 2023 annual report. Item number 13, American Rescue Plan ARPA tourism grant recommendations. Item number 14, American Rescue Plan Act update recommendation for ARPA Community Services Grant Program.

[00:10:19] And item 17, second substantial amendment to the five-year 21 to 25 consolidated plan and the FY24 annual action plan. I'll move approval of the consent agenda. Is there a second? Seconded by both my colleagues.

[00:10:34] We'll say Supervisor Ruff said any discussion on the consent agenda? Seeing none. All in favor say aye. Anyone opposed? Motion carries, 3-0-2. Okay, we'll move on to our information items, the first of which is our monthly Department of Economic Development reports.

[00:10:56] We have Colleen with us from Economic Development. Good evening. Good evening. Thank you. I'm happy to present to you tonight the first Economic Development Report of the year and the halfway mark for the fiscal year. So far in fiscal year 24, DED has secured 69 wins, just under 2,000 jobs and \$4.13 billion in investment. Our vacancy rate is currently at 2.9% with a direct vacant available office vacancy at 7.3. Since April 2023, demand for travel-related business has been comparable to 2019 levels. We're

[00:11:31] talking in the travel industry in terms of number of customers, but has been surpassing 2019 levels in terms of revenue. We're seeing the number of passengers at Dulles Airport was actually 5.9% higher in October compared to October 2019, so definitely getting back to pre-pandemic levels, which is good all around for business. Nationally, jobs increased by 216,000 in December, but this continues a trend towards what's called a soft landing, referring to bringing inflation back down without causing a recession, so lower monthly increases in jobs as jobs continue to be

[00:12:08] added every month over the three-year period. October is still the most recent month we have for local unemployment data with the rate at 2.6 for Loudoun, 2.7 for Virginia, and 3.9 for the U.S. The rate for the U.S. declined slightly to 3.7 in November and stayed steady at 3.7 again in December. So we'll continue to monitor our seeing an increase in as we do at this time of year in job fairs and boards and things of that nature. In addition to what you see in your packet programmatically, we will be increasing a lot of our business development efforts as we do as we go into the new year, particularly around our targeted industries and increasing the

[00:12:45] diversification of those wins as we get into the second half of the year. One last item of note that was in your packet, this year we're very happy as we bring to this committee the advisory bodies, the economic development advisory bodies on a regular basis. Staff has created the inaugural, but hopefully annual, Economic Development Advisory Committee orientation. We'll be hosting the Economic Development Advisory Commission, the Rural Economic Development Council, and the Economic Development Authority members for a half-day event where they will receive all of their required training, but also have an opportunity to hear from the county, from

[00:13:22] the department about economic development priorities, strategies, and then have the opportunity to collaborate and to network around their work goals before they bring them to you in the coming months. And with that, I'll take any questions. Okay. Questions from members of the committee.

[00:13:37] Supervisor Brisbane. Thank you. I don't really have a question. I was interested in your Launch Loudoun events, and I think the first one you did was in Sterling. and i just wanted to mention that spring is a lovely time to visit algonkian district and we have some beautiful venues that could host we would be happy to and one of the goals of the program is to make sure we're hurting all districts all towns our staff actually worked very diligently to make sure that all the towns are represented and we'll continue to spread those resources across the county thank you thank you any questions um just quickly i noted the on the

[00:14:16] commercial vacancy rates um a real improvement um in retail um which is something that we had kind of been hearing a lot about how it was dying but um now maybe that some of the inventory is just disappearing but the vacancy rates down to 3.4 percent um any you know any comment on that i think we're still seeing a real shifting coming out of covid of who is um retail being different than office i think we're going to see a very very difficult office market uh over the next three years, as we're all aware of. But I think Loudoun is a little bit more isolated than that. But what's happening is that retail is continuing to pick up from a spending standpoint, particularly

[00:14:55] as inflation continues to change. So we are seeing an increased interest in retail. If you'll see from our diversified wins, it's still one of our highest. I believe it's our third highest category. We continue to see that as a real strong point, that diversification within retail as well.

[00:15:16] But in terms of product, I think we're seeing a shifting more than a change at this point. Okay. Makes sense. All right. Thank you very much. Thank you. Have a good evening. Next item is item three, the quarterly report capital improvement projects.

[00:15:33] We'll have our capital team come on up. All right. Good evening, Scott.

[00:15:49] Thank you, and good evening, Chair Letourneau and members of the committee. We are here to present the quarterly report for the capital improvement projects for the second quarter of fiscal year

2024, which ran October through December of 23. Along with me tonight are Nancy Boyd, Jim Zeller, and Mark Hoffman to answer any questions you might have.

[00:16:09] I would like to note that our new PMO team from Kim Lee Horn is now on board. PMO, Project Management. Project Program Management Office. Program Management Office. Yeah, so they're integrated with us, working with us and OMB and other other to support.

[00:16:28] And they're getting up to speed, and this is the first quarter of the report that they were able to assist on. We don't have anything significant to highlight for you this quarter, so we are happy to take any questions you might have for us. Okay. Supervisor Brisbane, you have a question?

[00:16:46] Thank you. On the Route 7 pedestrian crossings, are they all complete, or are you just talking about the one at Potomac View Road? They're all complete. The other two, one at Lakeland and one at, well, the one at Lakeland and one at Potomac View were completed like a little over a year ago. Okay. And the one that was the third one that was just completed, it was at Campus Drive, Bartholomew Fair, uh, at the note right where the Nova campus is. Okay. Okay. And so we're just working on signaling timing,

[00:17:21] signal timing. No, that's all complete. All done. Okay. Okay. Great. I've, I drive through there often and um i've noticed uh i've noticed they've been working on it but i wasn't i wasn't uh convinced that they were complete that's great news um and then the sterling volunteer fire and rescue station will there be a um celebration for the completion yes that is uh i believe in the works and i think they're trying to schedule that with the uh the volunteer organization okay okay i'll be excited for that it's because i went to the groundbreaking um the bless park um facility

[00:17:56] improvements design phase was completed during this quarter what is next so it is currently advertised for bid so that went out i believe last week or so and um in about three or four weeks we'll get the bids in we'll evaluate the bids and then we'll come back to the board um and i have to look at the the which which month it'll come back but may february or march uh for the board to approve that contract okay and that's running as planned on schedule yes Okay. Fantastic. I've actually been wondering about that one. And then the LPAT signature project includes the bridge over horse pen run and the PHT construction.

[00:18:34] Yes, that is included. And that's all included in the design and all that. Yep. And we've picked that design off. Great. I was really disappointed that the Potomac View Road, I guess it's a shared east path or a sidewalk, between River Meadows and Route 7 has been delayed about six months because of utility coordination?

[00:18:56] Well, it's a variety of coordination, yes. Utility coordination. The other part of it is coordination with the Nova Campus. Really? Well, it's not, we're all in agreement on where the trail will go.

[00:19:12] We're now getting into the nitty-gritty of who's maintaining what. And so we've had some discussions between our department, General Services, and the NOVA campus. There's some disagreements still that we're trying to work out with them on specifically stormwater management, maintenance.

[00:19:34] to not get too into the weeds but i'll have to get a little bit into the weeds since that is a state agency they actually have their own stormwater permit that is separate from the county stormwater permit so one of the facilities for this trail is on that property and we collectively the county feel that that should be under the nova campuses stormwater permit and they would like it to be under like us to

maintain it but if it's not under our permit we shouldn't be maintaining it so it's it's it's we're getting into some of those nitty-gritty details and uh

[00:20:12] and and then there is a little bit of coordination with dominion to finalize the relocation of some poles out there but okay the trail itself i think we're all in agreement of where that's going to be it's it's getting those details ironed out all right that that's frustrating i see so many people walking on the east side of that road and really taking their lives into their hands but i also understand that things are always more complicated than we think they're going to be. All right, thank you. Thank you. Supervisor Umstead. Thank you, Chair Letourneau. On the Route 15 North

[00:20:45] project, the roundabout at Spinks Ferry Road and New Valley Church Road, it's been delayed because of, again, utility issues, utility relocation issues. Are we finding any delays in either that part of the Route 15 widening project or the first phase because of land acquisition issues.

[00:21:14] I'm going to answer. As in property owners not wanting to sell us the land. Well, the answer right now is not yet. We are in the process, for the widening between Battlefield and White's Ferry, we are now sending out offer letters for property for land acquisition so we have not gotten to the point where we're now getting responses back from individuals quite yet but that is happening

[00:21:47] right now the offer process at up at sphinx ferry that has not been initiated yet because we are still finalizing plats it's it's sort of the domino effect we are finalizing utility relocation And one of the issues that we came up upon is we've, after going through one round of coordination with the utilities, we've had to go back and take a few more soil borings to find the vertical location of a couple of buried utilities that were previously not identified.

[00:22:25] And now we're working through to identify that so we can get those on the plats, get the plats approved, then we start making offers. So that's the process. Okay. I know that Nancy and I had had a very brief discussion on this question probably over a year ago.

[00:22:44] There has been an effort of some folks living north on Route 15 to place conservation easements over the land adjacent to the proposed road in order to prevent the county from moving forward with the project.

[00:23:07] Do we have any more information on whether that effort would be successful or not, or do we believe we can go forward with the full project regardless of conservation easements?

[00:23:27] Supervisor Umstead, are you referring to the area a little bit farther north up towards Luckett's? Yes. Yeah, we're not quite to that point yet where we have received any additional information. All right. Nothing to report there yet. Do you all have any read from the county attorney on whether placing a conservation easement over land adjacent to a road project would make the road project impossible?

[00:23:58] Because I think that was the intent of some of the conservation easements. Yeah, so I've had some of that conversation. It certainly does make it more difficult. there's a process that we would need to go through and we would need to demonstrate through an environmental review process that we had no other alternative other than through an area like that that had been conserved so there are steps that we would need to go through and there's no promises you know how successful that would be but there is a process all right thank you very much um thanks just one question so one of my kind of pet projects to get moving is this tall cedars

[00:24:37] and nations intersection which has been really taking a long time um self-riding proprietary um i think needs to give an easement to dtci they've been waiting for a call on that for a while and uh so they would let they have their folks all ready to go um to turn it around quickly for us because i asked them to so can we please reach out to them and get the easement moving there so we can get that in line to be able to do the work.

[00:25:07] The letter is under review and about to go out. Oh, okay. Well, good. Great. That's all I have. Okay. Any other questions on the capital improvements projects? Thank you very much. Okay.

[00:25:25] Next up, moving into the action items, is item 11, which is Board of Equalization, Bylaws, Adoption, and Annual Reports. Mr. Keisters, welcome.

[00:25:46] Good evening. Item 11 presents the Board of Equalization's bylaws as well as the annual report. This is Kevin Keisters. He's the chair of the Board of Equalization and Susan Humphreys, who's our staff liaison.

[00:26:02] This item is presented to you to conform with the board's adopted bylaws for advisory bodies. The bylaws and noted in the staff report recommends one material change to the template, which the Board of Equalization members would like to be exempt from the rule that they can only serve on the BOE and one additional advisory body.

[00:26:27] The justification of that is that the BOE only meets when necessary. Their meetings are typically in the August time frame when not many other advisory bodies meet, and they would like the opportunity to serve the county and other advisory bodies beyond the BOE and just one other staff.

[00:26:46] I'm sorry, advisory body. And then the annual report is included. This is not a new report. It's distributed to the board and the treasurer on an annual basis, but it's included to comply with the board's new rules. Happy to take any questions. Okay.

[00:27:04] So Supervisor Briskman was chair of the Committee of Committees and I think has some strong feelings on the bylaw issue, so I'll turn it over to you, and then maybe you guys can hash it out right here. Thank you. So I'm inclined, well, first of all, Is the committee proposing just to strike that part of the bylaws or change the wording?

[00:27:25] Yes, ma'am. We were looking to strike it. We thought about trying to reword it, and we thought, well, that brought on more questions and more coordination. Okay. And how many folks are on the committee, the board?

[00:27:40] I think seven. Seven. Right now. Okay. Five with two alternates. Five with two alternates. Okay. So we talked about this a lot during the ad hoc committee that I chaired, which reviewed all of our committees, boards, and commissions in the county.

[00:28:02] And it was, gosh, a year, 18 months that we worked on this, and we debated this a lot. Part of the reason that language is in there as our standardized bylaws is because we really want to encourage new voices to serve in the county and, you know, from various walks of life, various, you know, age groups, genders, races, and all that.

[00:28:29] So that's the main reason why that is in there, so that we can just get some new voices in the county. um in addition um we we um i actually lost my second part i was going to say about that but anyway i'm i'm not supportive oh i know what i was going to say my fear with with doing this and just

leaving it open to how many committees and commissions and boards the five members and the two alternates could serve on um i think there's going to be a number of other boards and commissions that are going to come and try to strike that from their bylaws and that then would

[00:29:08] sort of be a slippery slope and and dilute the reason why we put it in there in the first place so i i would not be supporting also because the folks on that board still have an opportunity to serve on one other um committee or commission so okay um supervisor i mean i'm i'm happy to support the change i don't have a problem with it the change that's in the motion yes okay um so

[00:29:40] Let me ask then, Mr. Keeser, so do you know how many members of the board serve on other, more than one other commission? Was this because of a particular conflict or just a general feeling or statement? There's a particular conflict as well as there's two other reasons.

[00:30:01] The first reason was that the BOE is actually, it's not an advisory board. It's statutorily set up state law. And so from that perspective, doesn't it serve the same function?

[00:30:18] We actually, we're like the arbitrators for the real estate assessment. So if somebody doesn't like it and they work with the Commission of Revenue and they can't resolve it with them, then they come to us. And Commissioner Reverend actually does a pretty good job because over the years, the number of cases have gone way down.

[00:30:35] The second thing, and this wasn't in our discussion, but I literally just thought about it right now. There are certain requirements for membership on the board. A certain percentage, and I forget what it is, have to be homeowners.

[00:30:51] Also, you have to be either a realtor in the construction industry or in the finance real estate industry. So if you're not in one of those, I want to say, and I apologize because I didn't even think about this until just now, I think you can probably have like one person who has none of those affiliations on the board, but the majority has to be in a certain percentage.

[00:31:19] So that said, the specific conflict, there's a gentleman by the name of Cliff Kears, you probably all know because Supervisor Sainz just appointed him to the Planning Commission. Although when we were discussing this, he had no idea he was going to be in the Planning Commission.

[00:31:34] I actually am on the fiscal or was on the Fiscal Impact Commission or committee, and I thought he would be great on that committee because he's got that mindset and he's been HOA and all that. But he's also on the Heritage Commission, appointed by Supervisor Glass.

[00:31:51] So right now he's on the BOE, he's on the Heritage Commission, and now he's on the Planning Commission. So there actually would be a conflict. But I would also say this, our bylaws, if the BOE bylaws, as we proposed, just struck that line item, it wouldn't change the other bylaws.

[00:32:09] So if you're on any other committee, you wouldn't be able to serve on two advisory committees. But if you struck that completely, then you could serve on like an unlimited number of committees, right? The BOE bylaw would not prohibit you from serving on every committee.

[00:32:32] But the bylaws of any other committee might keep you from serving on multiple committees. I mean, I... Well, that's, I guess that is a point. Because every other board and commission has a bylaw that says you can only serve on one other one, right?

[00:32:50] So... And, I mean, to be honest, Supervisor Griskman, I had not known what the meaning was behind putting it in there. I certainly understand it. And quite frankly, none of us are going to lose sleep if you just tell us, no, we're going to keep it in there um well that because all the other boards of commissions have that restriction if you only have one that doesn't it's kind of meaningless right because by almost definition if the other one you're serving on would prohibit you from serving on more than one other one yes um well so the the bylaws as we understood it is for an advisory

[00:33:28] board and so since since the boe itself i don't think falls under that definition i see i mean And again, maybe I'm wrong. I mean, to be honest, the database setup now, you can look and see, pull anybody's name immediately and see how many they're on.

[00:33:46] So as supervisors, you have the option to limit that as much as you want. Although if you want it to automatically happen, of course, that would make sense to have it in the bylaws. Okay. It could really go either way.

[00:34:08] Well, I guess another option would be if the BOE bylaw said two instead of one as sort of a compromise because. I mean, I don't have a committee here, but I would imagine based on the conversation I remember, that would be fine, too.

[00:34:27] I mean, because to be honest, the person we're talking about, Mr. Kearse, I mean, he's retired now, but still serving on three boards. Yeah, that's too much. That's a commitment, but you can do it. But when you get past that, you can't really do it a good job.

[00:34:46] You would just prefer no change, keep it as well. Yes, Chair. I would just prefer no change, frankly. As I said, I think it's a slippery slope. And Mr. Kearse is actually an example as to why we put that in there.

[00:35:03] I mean, no, it's not personal at all. It's just to have someone on the BOE, to have someone on the BOE. If we didn't have this rule, he would be on the BOE, the Heritage Commission, the Planning Commission, and FIC. That's, how do I want to put it? I guess in a county of 430,000 people, I feel like we can find other voices and not have always the same perspective on all these different boards and commissions. And yeah, so I'm not, I wouldn't support it. I would hope that

[00:35:38] my colleagues would understand why we made the rule. And, you know, it's not personal. We just want to make sure that folks have opportunity and we also have you know a variety of voices and opinions and perspectives on our boards and commissions yeah or we could just simply not appoint people that are in more than one well actually to address that have you looked at on board lately have i looked at what on board on board yeah i mean it's really complicated to try to figure out who sits on what board and commission and committee i was just trying to my staff and i have actually struggled with this for the last four years trying to figure out when there's open

[00:36:16] seats and when there's not open seats and who sits on how many other ones um it's complicated and so that's also part of the reason why we put this rule in place because it's really hard to keep track of all of that um from from a supervisor standpoint and our staff could spend inordinate number of hours trying to figure out whether the person i want to appoint is already on two other committees um so it's just more efficient if we just have the rule okay if if the board were to reject this, then what happens? We go back and tell the BOE to make new bylaws or do we have the

[00:36:53] power just to simply say these are your bylaws? I believe the BOE has to recommend for the board's approval the bylaws. Okay. I mean, I would assume we would just vote to approve the bylaws as they were given to us. I mean, can I go back? We have to go back through that process. Is there any implication to not having bylaws in place for the BOE? They've finished their meetings for this term they'll restart in april okay all right i was i i think your question got answered i was

[00:37:30] just going to add that the finance committee can just um add the recommendation to the board that the bylaws be the recommendation from the boe be amended however you see fit and then the board determines whether they will accept the boe's bylaws or not and the boe will go back and adopt them i mean i i can certainly make a motion to recommend approval of the boe's recommended change

[00:38:04] i mean at least that'll get it to a vote yeah okay all right um i move the finance government operations and economic development committee recommend that the board of supervisors approve the board of equalization bylaws provided as attachment one to the january 11 2024 finance Government Operations and Economic Development Committee action item and endorse the 2023 Board of Equalization annual report.

[00:38:34] Second. All right, motion made by Supervisor Upstead. I second the discussion on the motion. The only thing I would say is that this proposed motion comes to us with a positive recommendation for both the BOE and staff, as I understand it, And I'm comfortable with the idea that if board members don't want to appoint individuals to multiple entities, they don't have to.

[00:39:02] I do agree with the opinion or the analysis that the BOE is not really an advisory board or commission to the Board of Supervisors, but an independent, almost judicial body, and therefore probably does not need to have the same rules applied to it that would apply to our normal advisory boards and commissions.

[00:39:32] Okay. Any other discussion to the motion? uh i think i laid out my case thank you so what i would say i'm going to vote in favor of this tonight um surprise if you want to change it for the board meeting then just bring an amendment there and we'll let the whole board pass it out make the decision it has to go to the whole board anyway so uh and then whatever the outcome is we'll let you you can be at that meeting too and we'll let you know uh but i i had put this on consent originally because i had the same logic where it's not really an advisory commission of the board and you know it only meets one month of

[00:40:06] the year, so it really shouldn't be held to the same standard. I can also understand the other argument. I don't feel that strongly. All right. All in favor of the motion, say aye. Aye. Opposed? Nay. No. Motion carries 2-1, so that will move to the Board of Supervisors meeting to be determined, I guess, with the recommendation of approval 2-1. Okay. Thank you very much. All right. Item 12, FY29-24 Capital Needs Assessments.

[00:40:41] So Megan gets to stay.

[00:40:45] We seem to be missing our presentation.

[00:42:05] Apologies. Sorry, what's that we're having? We can't seem to find our presentation right now. So we will locate it and be right. Let's see, do we have it in here? Yeah, we have it. Well, worst comes to worst, you can start.

[00:42:23] I mean, if it's up on everybody's, you can just get it up on your iPad. So if you want to just do it that way. Well, good evening, Chair. Will I introduce everybody? Yes, I will. For those who don't know me, I am Nikki Spate, Assistant Director in the Office of Management and Budget.

[00:42:43] I have with me Sandy Hayes. She is a Capital Budget Manager. Megan Burke, you know her. And Catherine Miller, she is a Capital Budget Analyst in our department as well. Very good. Thanks. I am here to present the proposed FY29 through FY2040 Capital Needs Assessment.

[00:43:00] My presentation this evening will cover the following topics that are on slide two of your presentation, an overview of the various capital planning products developed by staff and the Fiscal Impact Committee, an overview of the CNA, the outputs it produced, and its compliance with the 2019 general plan policies and the staff recommendation.

[00:43:28] The Fiscal Impact Committee, or FIC, as I'll refer to it in the presentation, is an advisory body of the board of supervisors which reviews and develops recommendations on financial demographic and economic factors as well as growth scenarios which are critical to the development of the county's capital planning documents the FIC produces guidelines which are long-range forecasts of residential and non-residential development and population households and employment FIC reviewed the guidelines in September of 2022 and the board adopted those in October of 22 and these

[00:44:01] estimates were used for the Metropolitan Washington COG round 10 forecasts. So to continue the discussion on capital planning products, the capital intensity factor or CIF establishes an estimate of the dollar amount of the capital facility's impact of a new residential unit in Loudoun County by type of residential unit and geographic location. The CIF is used in the evaluation and negotiation of proffers associated with residential rezonings. The CIF is developed by staff and reviewed by FIC. The current update will be presented to the board at the February 14th

[00:44:37] public hearing. The capital improvement program provides a six-year forecast of the county and government and school divisions, land, facility, and equipment needs with a financing plan to implement each need. The capital facility standards determine the type, acreage, and size of future capital facilities along with triggers based on population and demographic factors. The CFS is typically updated every two to four years, and the board adopted the most recent standards in December of 2022. The capital needs assessment uses the county population forecast and adopted

[00:45:13] CFS to identify the type and number of capital facilities that will be needed over a 10-year planning period beyond the end of the current CIP time frame, and the CNA is typically updated every two to four years. The CFS are included in the draft CNA document beginning on PDF page 12 of the attachment to the staff report.

[00:45:35] Limited adjustments were made to these standards in 2022. In particular, the standards for parks, recreation, and community services were revised to align with the Parks Master Plan and LPAT plan adopted by the board in June of 21. The standards for a community park and a neighborhood park were replaced by a community parkland standard of 2.75 acres per 1,000 residents, which aligns with the board's adopted Parks Master Plan.

[00:46:00] The standard for recreational trails has been revised from 0.4 miles per 1,000 residents to 1.2 miles per 1,000 residents to incorporate the standard approved in the board's adopted LPAT plan. This

graphic shows the relationship between all the capital planning products. As you can see, the FIC guidelines and the CFS are the basis for

[00:46:27] producing all the other planning documents. The CNA development process included analysis of the adopted CFS to identify the types and quantities of capital facilities needed throughout the CNA period. The analysis factored in county population projections based on the COG 10.0 forecasts.

[00:46:50] Populations in the planning sub-areas are incorporated for the relevant CFS to determine anticipated facility placement in addition to the year of the need. Since the CNA identifies facility needs based on the CFS, developers are able to proffer cash or improvements for such facilities, and staff has a document to support proffer negotiations. The CNA helps determine what projects should be considered for funding in the CIP. Projects identified in the CNA are generally considered first for inclusion in the CIP, subject to funding and land availability.

[00:47:22] However, projects do not have to first appear in the CNA in order to be funded in the CIP. The major components of the CNA are population forecasts, particularly in the 10 planning sub areas, CFS and department master service plans, as well as existing and planned facilities.

[00:47:41] Chapter 6 of the 2019 General Plan discusses fiscal management and public infrastructure and outlines the county's integrated approach to land use and fiscal planning. Most CNA projects have been placed into specific planning sub-areas and other projects are considered county-wide, consistent with the location, character, and extent of the 2019 General Plan.

[00:48:03] In addition, the 2019 Plan emphasizes the development of agency service plans and the adoption of capital facility standards as the mechanism to guide the county's capital facility development. County staff verified the capital facilities triggered within the CNA are an accurate portrayal of the need identified in the corresponding department service plans where applicable.

[00:48:22] As such, it is expected that further updates to the CFS will be made in the future and would also consider other factors and triggers that are not solely population-based. In terms of understanding the CNA output or triggers, these are determined by population forecast, if applicable, and the capital facility standards.

[00:48:44] This is also referred to in the CNA document as the raw need for facilities that does not include existing and planned facilities. The CNA summary is the result of applying the CNA output or triggers along with the existing and planned facilities.

[00:49:00] The CNA first analyzes what facilities are triggered and then incorporates the existing operational facilities and facilities that are planned to be built through the end of the CIP period, which is FY28. This is referred to the pre-CNA need. The triggers identified in FY29 through FY2040 are referred to as the CNA need and are evaluated against department master plans and adjusted if necessary. On the following slides, I will walk you through how the data comes together for the calculation of the CNA output and CNA summary using a fire station in the east as an example. And I apologize if this slide is difficult to read.

[00:49:40] The CFS is included for each facility, so at the top of this page, the capital facility standard for a fire station in the east is included. The following table below it are the population estimates for the eastern planning sub-areas, beginning in FY28, which is the final year of the CIP, carrying through 2040, which is the CNA period.

[00:50:03] The final table on this page is the raw need output, which is simply the math of the facility standard in the population estimates that gives the number of facilities that should be triggered based on that standard in the population. So using the Ashburn district as an example, as it's highlighted on that page, the 2028 population reflects that we would need five stations in Ashburn by 28. And then each year increments of a facility are triggered until we

[00:50:37] reach 2034 in which the next facility is triggered where we cross the next whole number showing six facilities. The same is true for Sterling where a facility one facility is called for through 28 and the next facility is triggered in 2039. So sorry is this saying total number of facilities or additional facilities? This is total number of facilities. And just to clarify you said district but it's planning sub area, right? Planning sub area, yes. The following tables summarize the

[00:51:14] results of the CNA output overlaying the existing and planned facilities. A summary of the years and locations in which facilities are triggered during the CNA period is provided. Then the needs are shown by pre-CNA need, 2028, the CNA period need, and then the total need by 2040. Looking at the pre-CNA need table we show what the CFS triggered as we saw on the prior page which was again looking at Ashburn the trigger of five facilities then incorporating the existing four facilities and

[00:51:49] that there are no facilities planned in the CIP through 28 the net need is one facility. Crossing over to the CNA need table this shows the incremental needs of facilities that are triggered during the CNA period, and then that final column, the pre-CNA need plus the CNA need, shows that we would need two facilities in the Ashburn planning sub area through 2040.

[00:52:16] So that represents the one facility needed at the end of the CNA period plus the additional triggers during the CNA period. The tables, these tables are reflected in the summary standard by standard section of the CNA document. The standards that are not driven by population are a more straightforward table that just indicates the total number of facilities needed, the number that are existing and planned, and then the remaining number to build.

[00:52:46] Based on the long-range forecast of population, staff has anticipated for a number of years that the rate of growth would slow, as would the growth of new facilities needed to be built. The outputs of the CNA are consistent with this expectation. And finally, staff's recommendation is that the Finance Committee recommend that the Board of Supervisors adopt the proposed CNA.

[00:53:07] We can take any questions. Okay, thank you. And just to kind of level set, should the Board wish to change an element of the CNA, is there a process by which we can do that? Or is this only coming to us and are our only options to approve it?

[00:53:24] So the CNA is based on our population forecast, which I'm not sure that's where you're interested in changing the output. but it's also based on the capital facility standards that we have. We'll be updating those because it's been two years during calendar year 2024.

[00:53:43] That would be our recommendation, that we focus on the facility standards themselves. But if you have a specific CNA output. Yeah, I think Theresa and I both do, and I'm going to let her kind of dive into it in a minute. But I'm just trying to level set sort of what a process would be and what leeway we have to actually influence it.

[00:54:02] Sure. We like to call this draft of the CNA, really, we did the math behind the triggers and the population forecast, but we're happy to take additional questions about programmatic and department

operations back to the departments. And I should note as well, we have the chairman of the Fiscal Impact Committee that has joined us this evening.

[00:54:20] So if you feel the need to jump in here, feel free. Okay. Did you want to start, Senator Bristman? Sure. So thank you. Thank you for this. It did shed some light on how we do these things. I've been struggling with how the CNA uses population to trigger and then sometimes doesn't.

[00:54:44] I really had some questions about this when we did the master plan for Parks and Rec. Specifically, you may recall my questions about recreation centers and why we are not triggering recreation centers by population. So, for example, we say we need six recreation centers in Loudoun County.

[00:55:01] We have two already built, two in process, and two that are needed without any recommendation as to where they might go geographically, either by planning area population or by population in general. So I do have a number of questions. My first top-line question is, do we have a need to readjust our lines for planning areas?

[00:55:26] And the reason I ask that is basically goes back to the example that you just showed us, and that is that the Ashburn planning area has, or will have, has now, I believe, or will in 28 have 140,000 residents, whereas the Potomac planning area will have like 47,000 residents.

[00:55:44] So to me, that just seems awkward. And I noticed it when I was looking at, you know, the triggers for Ashburn needed like four, I can't remember what it was. And I was like, wow, why does Ashburn need four XYZ? Oh, I see.

[00:55:59] The Ashburn sub-planning area has 140,000 people in it. Conversely, I was looking at some triggers or some things that were already built in, I think it's Route 7 West planning area. And, for example, they have something like 12 already mental health beds or something like that where some areas don't have nearly enough their way over.

[00:56:22] And they were way over on a couple other things, too. So I just started questioning, like, why is this happening? And I think Route 7 West also has double the number of community centers or something like that. And so I was just like, why is this happening if we're really analyzing what is needed by population?

[00:56:39] So I'll just start there. If you want to respond to any of that, I guess the first question is, do we need to readjust? And why are we not using population for some of the things? Sure. So to take your specific Recreation Center question, I think that's a valid question that I don't know if the Fiscal Impact Committee and the Parks and Recreation Community Services Department have discussed recently.

[00:57:05] So in the next iteration of the capital facility standards, I think that would be a worthwhile discussion to have with FIC and the department. But that has been the standard. It's a countywide standard, and that's what has been at the recommendation of the department.

[00:57:21] But we can take that back to Fiscal Impact Committee and the department and work through that during 2024 when we update the standards, if that would be helpful. Right, but this document lives until 2040. I mean, the CNA we refer back to over and over again, and we're about to approve something that will rule the county from 2029 to 2040.

[00:57:40] So that's why. So the CNA is supposed to be updated every four years. It has not been over the last eight years. So the intent is not for the CNA to last until 2040. It's intended to be a snapshot over the next four years.

[00:57:57] As we go through an update of the capital facility standards, we forecast the county's population. It's intended to be an iterative process. Over the last eight years, it has not been. I see. So, I guess, and I'll stop here, but the things that I identified were the community centers, I believe it was community centers, it was recreation centers, I'm just trying to get to the parks and rec pages here.

[00:58:32] Yeah, there's the recreation centers. There was also an issue for me with regional parks. I think it says we should have eight regional parks, but there's no population or planning area distinction as to where those might go. The same with, I think it's acreage of parks that we should have across the county.

[00:58:54] And the acreage, it just says we should have this many. I think it's point, they want 0.6 acres per capita, I believe it was. But it doesn't, there's no definition where it should go by population or by planning area. So, in other words, we could have it all clumped in one area of the county and not accessible by any other people in the county, if that makes sense.

[00:59:18] I understand your questions, but yes, some of these standards, I do agree, are countywide standards. They are not planning sub-area specific, and that has been the standard that we've presented by the department's recommendation.

[00:59:33] If that's something that the Finance Committee wants, the Fiscal Impact Committee, to go back and be more specific with standards and be more planning sub-area specific, I think that's a topic of discussion that I would imagine the Fiscal Impact Committee would be happy to have during the next iteration of the facility standards.

[00:59:52] So let me jump in a little bit on this. So I think part of the issue may be what was adopted in the capital facility standards by the board. And by eliminating neighborhood and community park standard and then creating just a general parkland standard, I don't think I realized we were, because community parks and neighborhood parks, I believe were planning sub area specific, because I remember having lots of discussions about a deficit of those things that we had in the Dulles planning sub area by moving to this community parkland standard it's all encompassing throughout the

[01:00:31] county so if we acquire 10 acres of land in western loudon some place all of a sudden that is you know meeting our overall need and we no longer are looking to try to acquire 10 acres for a neighborhood park or a community park in a different planning sub area even though there may be a need there it seems like we decoupled geography completely from this and maybe i'm wrong maybe we didn't but so this the facility standards the capital needs assessment in a have to work in concert with also departmental master plans so the parks and recreation master plan that you

[01:01:09] adopted a few years ago also intended for those standards to be more countywide as land is getting more scarce and population centers are shifting um so that was the intent and recommendation well the impact of the recommendations in the master plan was to be more so we'd have to go back to the prcs master plan if we really wanted to tweak that is there a way to try to bring back into the fold at least some consideration of of surprise bruce was saying population i think

[01:01:46] population and geography kind of work together but some analysis of where there are gaps in these types of facilities that we're talking about i'm using parks as an example but you know there are

others i mean we do that obviously when it comes to fire stations we just were talking about that but how would we get that back into the conversation could we at least ask fic to take a look at that so i think what you're seeing is the tail end of a process right so

[01:02:19] kind of what you're describing is what does occur between the departments and the fiscal impact committee during the process so in this case a lot of this data was developed three years ago using yes or four years ago in some cases so you know this specific cycle was i think adversely impacted a little bit by covid and what we were able to do in a more timely sense however as Ms. Burke has indicated, the intent or what the board typically charges us with is updating

[01:02:58] these standards every two years. And so the main purpose of them, well, one purpose of them is to help drive projects that come into the CIP and help the staff work with the board to determine what facilities should come into the six-year plan. That's one of the purposes. And I think that's the one that, at least if I'm interpreting the committee's comments correctly, is kind of what you're asking about. We also remember the other purpose of this, which is one of the drivers of it, is this is also the basis of our proffer system, right? So when we talk about

[01:03:33] capital facilities contributions, those capital facilities contributions are the basis of this is what you have in front of you. So then what happens, like you saw it last night, is somebody comes in, they want to build something that's either oversized for their facility, or it's something that doesn't fit directly to CNA, and so they want to go ahead and build it, and then they want you to give them a credit off those contributions. But this is the basis of that.

[01:04:03] So the challenge we have right now, which is why I think we're recommending adoption or recommending to the board to adopt it, is our current proffer numbers are from 2015. And so So these numbers are significantly better in terms of supporting that process because they, if you, you know, the basis of those proffers are to offset or mitigate, mitigate the pressures or the additional infrastructure that's required due to additional density that isn't by right, right?

[01:04:37] So that's kind of the focus in what this does. We can unravel it, but I think what we're going to do is start the process all over again this year. Yeah. And so I think that's why I'm saying instead of unraveling it, it's something that we can direct that there'd be some focus on.

[01:04:56] What I would recommend is that we go ahead and which I think we would really like to do is come and meet with each of the board members directly and do a briefing and talk about the process and then bring it back to finance if that's okay. But just because, you know, we're talking about a process that was developed circa 2003 probably and then revamped by us in 2019. And so, you know, I think it's probably a good idea for us to sit with each one of you and then get your thoughts and then come back with a revised process.

[01:05:27] However, right now we've got a CNA that's really outmoded, so our recommendation would be that you go ahead and adopt this and then we'll start the process over. Okay. So the other question I was going to ask was this, in some cases, flows into a land acquisition discussion.

[01:05:48] at least in this past term, the way that we started acquiring land was more by almost board initiative, more than staff. When we had these sort of geographic planning areas associated with everything, or geographic boundaries, I felt that there was more of a staff effort to identify things within. And then that's kind of shifted because if a board member, you know, sees something and, you know,

comes in and we go through a process. So, and it's sort of ad hoc. So do we also need to have a discussion about land acquisition in general.

[01:06:25] I mean, we're obviously running out of land. It just seems like our approach right now is not particularly strategic. Yeah, so the way I would answer that is, well, the short answer to that is yes, okay? I think what we can do is come and have that conversation.

[01:06:45] So what we have been doing the last few years is we will meet with each board member or we offer to meet with each board member in kind of that august september time frame to understand from you what your priorities are for the for the next year's capital plan i think what miss burkin and i can do is be a little more deliberate about how that how that those meetings are are guided or what's on the agenda there to talk more specifically about what's going on in your district what projects are coming up in your district and then also get an idea of what your interests are because to the extent that

[01:07:24] those match up with identified projects within the CIP or projects that we are seeing coming up through this the capital needs assessment we can then talk to each office specifically about land that you may want us to be considering or looking out for from the perspective of of acquisition and then bring those back to the full board okay um and then last thing and then open up back up to others. We are kind of in a budget development discussion as well tonight, not on this item

[01:07:59] specifically. However, it did lead me to wonder, as a budget development item, should we be looking to try to potentially increase our land acquisition side in the CIP at this stage, because we know we're going to have issues with land acquisition, or, you know, as opposed to just facilities?

[01:08:25] So we have, or let me rephrase that, not just as an item, as an overall pot of money, but should we be looking to try to acquire land in the CIP projects, even the ones that go out a ways earlier, because that becomes more difficult to do?

[01:08:46] Yes. And so I think in a roundabout way, that's what I was just saying, right? So we would talk with each of you in that August, September timeframe, walk through the projects that are in your district or maybe you have some some projects that are near a border for your district or something that would serve your district and then look at what's in the cip look at what's in the capital needs assessment or what could potentially be triggered in the cna look at what interest you have and then ms burke and i and ms mcclellan would kind of put all that

[01:09:21] together and then bring something to the board that talks about land acquisition so i think that's what you were saying i was just kind of saying in a yeah i but i think i'm more mean programmatic like as a as a sort of strategy within how we're allocating funding in the cip so in order to accelerating land acquisition so in order to do that process starts in july and then what we do is we come in that august september time frame because that's when we know what the big parts or pieces of the budget need to be and then we start narrowing down so uh that is the time frame

[01:10:01] in that August-September time frame where we have the most flexibility with respect to what's going into the next year's budget, right? Because like right now, today, January 11th, your budget's set. So unless you're going to increase the tax rate by 10 or 20 cents, or you're going to defund large components of the budget, your budget's already set, right? So in order to have that influence on looking at increasing land acquisition or targeting land acquisition that discussion is really a discussion in the fall which is why we come to the finance committee in

[01:10:40] the fall with several items that are focused on just what do you want to see in your upcoming budget that's why we come and meet with you to understand with each board member what is important to you in your district so that we can bring all those pieces together okay supervisor yes thank you i i feel like we got a little bit in the weeds um on that one uh i think i understand what you're saying uh mr hemstreet um i guess i'm a little bit frustrated because i started having

[01:11:13] this cna conversation when we initially started talking about the western loudon recreation center probably in 20 or 21 and then we had the conversation again when the parks and rec master plan came through, and I said at the time, why are we not locating facilities based on population?

[01:11:35] Is there not a national standard for things like parks and recreation centers and those sorts of things? And parks and rec, as I recall, didn't, or the consultant, didn't have a really good answer. So I guess I'm not so much satisfied with the idea that we would go back to parks and rec for an answer if that makes sense um i can understand maybe going to thick but in some ways i wasn't satisfied with the park and rec answer and in some ways the park and rec that's sort of

[01:12:14] like the tail wagging the dog as much as respect i have for parks and rec shouldn't we be going a little bit more from the ground where it's population and or what's needed in a planning area rather than i mean i know they look at some of those things so i guess my my bottom line question is, do we need to tweak the formulas that we're using in this product? If so, how do we do that? How do we tweak the formulas that are used in this product? Because again, for example, teen

[01:12:51] centers, one facility for 10,000, one facility per 10,000 people aged 12 to 14. But then it says there's basically no teen centers triggered. And it doesn't even say that we have a teen center at the Cascades Library. And then if you were to match together Sterling and Potomac, or you match together Ashburn and Dulles, that would trigger one and a half teen centers. So

[01:13:26] again, that's a population thing. We surely have enough population where Dulles and Ashburn meet, or Dulles and Broad Run meet, to trigger teen centers. We've been talking about teen centers on this dais for I don't know how long like so I think one answer is again and I'm gonna I'll reiterate it what you're seeing is the end product of a process that has been ongoing with several check-ins with the board over a three or four year period so one of the check-ins was when we came

[01:14:01] with the parks master plan the board did give us direction on how to utilize the information of what was in that plan so and i i remember piece of the conversation it's been a few years so i don't remember the entire conversation but i i do recall your comments however what we moved forward with was what the board directed us to move forward with so so i think there's a couple things that's part of this discussion one thing is i do think we would probably benefit from having an offline discussion with you i agree madam vice chair just because i think we could get

[01:14:37] a little more into the weeds of the discussion uh you know formulas are math so what you're seeing in terms of the mathematical output is intended again to be used as part of the land development process to calculate the mitigation to additional density right so that's how the math works and that's the purpose of the tool so what we have to go back to which is what i'm interpreting or what I'm hearing is how do the standards get developed, right? And so part of that and what the purpose of the parks master plan was, was to come to finance and the board and say, okay, what do you want to

[01:15:17] see? How many parks do you want to see? How many neighborhood parks do you want to see? And the department is there to facilitate that dialogue, right? So once we have that input from the board, what we then do is we break it down into a mathematical formula that can then be used to support our land development process and then also to inform us as to when we should add things into the CIP. We can also give you a direct briefing on teen centers, or we can bring that back to the finance committee, but the county has a long history on teen centers. We have made several recommendations as staff over the years about the development of teen centers,

[01:15:56] and the board has traditionally told us no so i we can rehash that but so but we can do that briefing but i think if it's okay with you what i'd like to do is for miss burke and i to have a have a briefing with you offline it and it doesn't if i might ask one more question to staff it's not really going to create any issues if we keep this in committee like timing issues for the budget or anything like that? Just for the proffers. The issue is everything we're doing is working off of something from 2015, so it's grossly out of date. Again, and I will remind you, this is an

[01:16:34] output of a process that has taken three to four years to put together. As Ms. Burke has said, we are getting ready to initiate in 2024 the update to this CNA. And so if you're going to keep it in committee or not want to afford it, then what I would say is to trash this, Have us start over again and just go with our FY24 process because that's where you are in the process.

[01:16:56] But my recommendation would be to you to adopt this so that at least we have something that's more current than 2015. All right. Other comments or questions? That was good. I mean, I know that was kind of weedy and difficult, but that was still, I mean, we need to have the discussion.

[01:17:14] So, all right. I will go ahead then to move us along. the finance government operations economic development committee recommend the board of supervisors adopt the fy 29 to fy 2040 capital needs assessment is shown in attachment one to the january 11 2024 finance government operations and economic development committee action item seconded by supervisor um so yeah i i think there are some issues here um for myself i didn't realize that that an acreage standard for parks would remove a geographic association basically which which is what appears to have happened at some point in the process.

[01:17:54] And I just kind of lost track of that. So I do would like to go back and have a discussion about that, but I don't want to hold up adoption of this for the reasons that the county administrator stated because it's not going to gain anything to do that.

[01:18:10] We're just going to be working off old numbers still, and we do have a lot of land development stuff coming. So if I want to do that, is it enough for me just to say that, that I want to have that discussion? Okay. Yes. Otherwise, you know, there's a lot of components to this.

[01:18:28] Updated numbers that are more realistic about what it costs for us are good and better. And then I think that leads to a discussion on land acquisition, which we kind of had a little bit, but we'll have more. And I think we'll just need to make sure to have periodic check-ins and be very intentional with the discussion that board members are having during budget development, particularly CIP development.

[01:18:53] And, you know, but I do think there's some merit to, in addition to just talking to individual board members about what they want in their districts, to more broaden that to, as a strategy across the CIP, should we be trying to acquire land more strategically or more aggressively for the projects that are

funded in the six-year CIP so that we don't end up in situations like we have with a lot of these road projects, you know, for instance, where we're at the last minute, we're actually under construction right now on one road project.

[01:19:24] We don't have all the land yet. And so, you know, we're completely getting held up and bent over on that, quite frankly. So let's try to, you know, be more strategic about that discussion. So that's kind of also what I meant. But, okay, any other discussions on the motion, Vice Chair Bristow?

[01:19:45] Let's just arrange a time to talk. I guess we should let this go to the full board. Thank you. Okay. All in favor of the motion, say aye. Aye. Anyone opposed? Motion carries 302. Be forwarded to the Board of Supervisors.

[01:20:01] And with that, I think we're ready for a dinner break.

[01:38:00] Okay, we are continuing our meeting with item 15,

[01:50:01] which is American Rescue Plan Update Recommendations, Child Care Fee Reduction Nonprofit Grant Program.

[01:50:24] Good evening.

[01:50:41] Good evening, Chair Letourneau and committee members. This committee item supports the county's efforts to provide child care fee reduction to residents that do not qualify for child care subsidy through Virginia's Department of Education program and whose income is at or below 80% area median income.

[01:51:05] The staff recommends a \$1 million allocation to the Northern Virginia Family Service to administer the grant for child care needs. In October 2023, the county released a request for applications and received one application with the request of \$1 million.

[01:51:22] The application was still received, reviewed, and scored by a review panel with human service and financial expertise. Applicants were evaluated on criteria for contributions to community, vetting of targeted populations for community services, partnerships with county, administrative resources to implement programs, and internal controls and record keeping.

[01:51:48] Staff has prepared a presentation for your review and questions, or we can take questions now at this time. Thank you. Okay. Questions from members of the committee? Supervisor Brissman? Thank you. Sorry, you went too fast.

[01:52:05] I still have a mint in my mouth. Just to confirm, there's still the \$1 million to respond to the needs assessment, correct? That is correct. Okay, awesome. Do you have any idea about how long this million will last?

[01:52:25] Unfortunately, we can't gauge the need at this time, but we are going to be working with Northern Virginia Family Service to make sure that we have a trend analysis at the same time as they're administering the program so that we know about, you know, a prediction of when it could sunset.

[01:52:46] Okay. And then, excuse me, I think if I recall correctly, it could be a 50% reduction in child care fees. There may be people who have looked into child care so they can go back to work and decided, well, I can't afford that, and so they may not be in the market for child care.

[01:53:07] Will there be an element of either the providers letting folks know or potential new clients know, new customers know, or will Northern Virginia Family Services do that? How will that work? I think it will be a combination. The way the application and request for applications was written is that Northern Virginia Family Service would conduct outreach to private child care providers and provide them with materials for outreach to families and the community area. Okay. Okay. Fantastic. I think

[01:53:42] those were, those were, oh, what, and the ages will be, actually, is it going to be after school care and before school care or will it just be like your standard on age five and under full day? So there are a couple of options we are looking at below kindergarten so they are not yet enrolled in kindergarten and the needs assessment that you referenced earlier will have some before and after school care questions so that we can gauge the need better at that time but it was our

[01:54:16] understanding from the data that really focusing under kindergarten, um, would give the highest impact. Okay. Okay. Well, great. I can't wait to see the results and I really appreciate all the hard work that's gone into this. I know that, you know, it's been a little bit of a rocky road and I'll really look forward to the, um, the needs assessment coming through and giving us more guidance and, um, you know, hopefully this will last a while and then we can work on making sure that we continue the the fee reduction thank you so um below 80 percent ami is getting state

[01:54:53] assistance so um at or below 85 percent state median income 85 percent yes gets um child care assistance through the state subsidy program and so what we are attempting to do is fill the gap between 80 percent ami of loudon's local median income and that 85 percent state median income so that is the seems very specific yes like this is a do we have any idea how big just the overall pool of people is out there that fit in that definition uh because we're looking at census

[01:55:29] data uh there aren't those specific numbers so we're kind of flying blind in that okay um and there was only one bidder. That's correct. Any, any, um, as to why that might be? Um, the hypothesis that, that staff would state is that really it's a very unique application that has very specific guidance on blending and braiding of funding of administration.

[01:55:59] And there are very few qualified applicants for that. Um, and it would take a large amount of documentation and capacity to be able to administer? Okay. Well, I'll support this using ARPA money. I don't know if it came down to the point where it became a county-funded project only because there are, I think, other ways where the county could do this through our own services. And we have been doing it. And I'm not convinced how successful this is going to be because it is so narrow. But we have the ARPA money. And talking to the county administrator, there really hasn't

[01:56:37] been a lot of other identified needs for it so we can give this a shot and see if it works would you like to make the motion um i i i would thank you um i i bet the needs assessment will show us some identified needs uh well it's not the same hang on i'm sorry i wasn't i wasn't ready for it sorry well i figured you might want to make i do want to make the motion i apologize i didn't even

[01:57:10] think about it i really appreciate it you're you are very kind um i found it oh oh okay thank you i move the finance government operations and economic development committee recommend that the board of supervisors approve one million in grant award funds to northern virginia family service family services to administer the arpa child care fee reduction grant to support loudon county residents who do not qualify for child care subsidy through virginia's department of education programming and whose income is at or below 80 percent Loudoun County area median income.

[01:57:47] Thank you. All right. Motion is made and seconded. Thank you. Thank you. I'm good. We can just vote. Okay. No further discussion. All in favor say aye. Aye. Anyone opposed? No. No one's opposed. The motion carries 302. Thank you. All right. Moving on to item 16, fare, free, local, fixed, bus and paratransit recommendations um i will note as staff is coming up i'm going to give them a little bit more of a hard time on this one because we are literally taking up an item that the board

[01:58:22] never directed or asked for the actual genesis of this was on the student uh uh free uh service and so um they will explain or i'm sure you've read why they had some difficulty with that and it kind of morphed into a larger discussion um i don't think the discussion is quite ready for action or prime time yet, but please, Mr. Brown, are you kicking this off? Yes, sir. Thank you, Committee Chair Letourneau, Madam Vice Chair, Supervisor Armstead. Thank you for the opportunity for us to present this. This evening, Supervisor Armstead, or Supervisor Letourneau, you are

[01:59:01] correct. This evolved from a 2021 BMI by Vice Chair Briskman to attempt to address free fares students that was investigated by staff and they ran into a number of logistical challenges between the school and the concept and so it stalled one of the concepts that did bubble up that does address free fares is the this issue of free fares universally across the local system and across the the paratransit

[01:59:36] system as well so this was an opportunity for us to bring back to the committee and the board for their consideration as an option to address that BMI but also to look at maybe what other individuals or other organizations across the country are doing. So before I go any further I would like to introduce the team. So to my far right is Mr. Jamie Cook. He is our new deputy director for transit fleet and facility operations. As part of our onboarding process in general services they have to be able to run the PowerPoint and so we

[02:00:10] will see how this turns out tonight. I told Ernie not to put me in front of it. She has an exemption from that, so she has a waiver. And you all know Ms. Penny Newquist, our Assistant Director for Transit and Commuter Services. And also with me to my left is Mr. Alec Moore, who is with SRF Consulting. He is our transit consulting firm, and he's come up here to be with us from North Carolina. So, uh, we have great team here this evening. And if, if we can, uh, implore you with a presentation, we would like to do so, uh, about the concept of free fare, uh, for, uh, local fixed

[02:00:47] route and paratransit recommendations. And then we would open up for any conversation or discussion that's for the committee may have. Yes. Um, but can you start with a response to the actual BMI? Yes, sir. So, I will do so. Thank you. In the very beginning of this, in the background of the item, it makes reference to back in July 2021, the board directed staff to examine the possibility of a free fare system for students using their ID, their student ID cards.

[02:01:24] Now, we worked with Loudoun County Public Schools. Well, staff did. Transit was currently, or at that time, was with DTCI and has since transferred last spring, transferred over to DGS. So they worked with LCPS on that, and they ran into a number of logistical impediments. Primarily, the school system does not have a standardized student ID system.

[02:01:51] It's basically left up to each individual school to do so, types, whether or not it exists at all. So there was a lot of inconsistency there. And in order to make this work properly with the free fare systems for students that is operated throughout the country, we needed to have a uniform student ID system so that they could present that upon entering the bus and it could be verified.

[02:02:15] So there were also some questions that came up about parental consent because there were some conversations about What if we gave them smart trip cards that they could issue through the school systems? And there were concerns expressed about that as well. So that solution did not seem to present itself through conversations with county staff and LCPS staff.

[02:02:33] So it stalled. We did pick this back up as an outstanding issue back in the spring. And the timing was such that we had brought on SRF and we asked them the question, do you have any ideas about free fares for students? And the conversation evolved into there is an emerging application of free fares across the system to, you'll see in the presentation, that results in increased ridership and removes any of the equity barriers or particular targeted communities that would get otherwise free or reduced.

[02:03:11] It just removes those equity barriers and it provides for that service unilaterally. So we explored that. We found it to be intriguing and something that we thought would be worthy of the board to at least hear about, and if it was something that the board was interested in pursuing, we would be prepared to do so.

[02:03:28] Did I get to the BMI, sir? Yeah. We may have some questions on the BMI, but yes. Yes, sir. Thank you. So if I may introduce again Mr. Alec Moore. Thank you very much, Ernie, and good evening, Chair Letourneau and members of the committee.

[02:03:46] My name is Alec Moore. I'm with SRF Consulting Group. I am a transit planner and project manager with the firm, and I'm very pleased to be here with you all tonight. As Ernie mentioned, we are going to run through a brief presentation that we have, and certainly I'll be happy to field what questions I can and provide responses.

[02:04:05] But again, this was an outgrowth of the BMI that we were just discussing, and a little bit more broader look at what fare-free transit could mean for Loudoun County on the fixed route bus system, local fixed route system and paratransit services and I do want to distinguish that we were not asked to look at commuter services those would be handled separately so this would just be for the local fixed route service and for the paratransit service so next slide please so just to give you a flavor of what we're going to be talking about tonight the first will be to provide a summary

[02:04:41] of the findings of our research talk a little bit about our study approach to this particular question. We'll also dive into some of the rationales that are being used and employed by other transit providers across the country, and then talk a little bit about an implementation strategy or approach here in Loudoun County. We do want to touch on some of those national case studies as well and provide you with some background of how we got there. And then also just the observations is really the high-level summary, if you will, and then we'll talk about staff recommendations following that. So in summary, just to kind of catch you all up and

[02:05:21] give you a flavor of where this is headed, as Ernie mentioned, one of the primary findings of a review of fare-free transit is that it has tremendous potential to increase transit ridership. We have seen that in case study after case study across the country. Certainly breaking that barrier between having to pay for a service and just simply opening the door and making it more available certainly has led to increased transit ridership across a number of different systems.

[02:05:48] There are also certainly system and operational efficiencies that go with that. That dives into some of the operating metrics perhaps a little bit more in detail, like things like on-time performance and

some of the other metrics that we use to evaluate transit service. By, again, eliminating the need for a transaction to happen when someone boards a vehicle, whether it's a large bus or a small bus, that can significantly reduce delay, for example, on a system.

[02:06:17] There are certainly also costs that come with implementing a fare program. Administrative costs and cash handling costs and security costs and so forth. And so by eliminating fares, you also eliminate those administrative costs. And that's a key part we found in some of the research nationally.

[02:06:36] As Ernie also mentioned, certainly in the recent context of the national dialogue around equity and economic opportunity, a number of systems that have looked at the fare-free route have certainly noted the equity implication and helped to address the equity disparities perhaps in certain communities they serve.

[02:06:57] There are also certainly some documented environmental benefits. This really also relates to having fare-free means perhaps less reliance on an automobile, which can also reduce the need for parking for some of those things. So there's some aspects of that which are a little more on the environmental side.

[02:07:14] And then lastly, as a final bullet, decreases in safety and security incidents. This really relates to when people need to pay a fare and they perhaps may not have that ability. There are certainly documented cases where the operators have been subject to physical violence, to emotional violence in terms of people using profanities or so forth, that tension is really released by not having a particular FAIR. Now, one thing I should mention is important is that any time you're considering taking this route of implementing a FAIR-free service, you want to

[02:07:53] carefully plan for doing that. What we have seen, at least in the national level of research, has been that for some programs that have sort of on a snap judgment basis implemented a fare-free program, they haven't necessarily either been ready for the response in terms of what kind of ridership increase they might be looking at, or it's been a bit, simply put, chaotic.

[02:08:16] And so the management of that, it's very important to plan for this kind of process, and we get into some of that in our implementation slide. so our a little bit about our study approach again this emerged from this board member initiative that we were asked to take a look at first starting with students but then more broadly and more holistically with that within loudon county on in terms of fare free fixed route local bus service and paratransit service so what we first wanted to do was to again understand the national experience with fair free transit we wanted to take a look at what agencies have

[02:08:54] implemented this approach and what have they learned from this approach. Again, both the pros and the cons. Our report dives into both of those, what we call the benefits and the burdens. And then also discuss the primary rationales that are being used to justify this approach. And then the last thing that we wanted to do was, to the degree we were able, was to test some of the scenarios, if you will, using current Loudoun County fair information. So we were able to work with our partners at the county, at General Services, to gather pertinent data around fare

[02:09:28] collection and look at what that might mean as far as, on a numbers basis, what that might mean in terms of going on a fare-free approach. So to dive into the rationale specifically, one of the primary drivers of this is to improve operational performance, certainly to improve ridership. That is

certainly a common goal that is shared across a number of the transit agencies that have implemented fare-free service.

[02:09:56] But then again, I also mentioned that there is a drive to reduce or eliminate administrative costs to the degree that it's possible. We'll dive into some of those numbers a little bit later, and I hope that you'll understand that. It's a little bit complex, but I'll do my best to describe it succinctly.

[02:10:13] Again, recently we've also heard a lot about enhancing equity as far as access to the system and economic opportunity, people having the ability to afford, whether it's food or access to other services without having to also account for a transit fare is important. And then lastly, I would say that another common theme or rationale we've seen from several transit providers has been to promote a cultural transit utilization, particularly among younger generations. And we have a case study that we'll dive into that deals specifically with student populations shortly, and that's in Tempe,

[02:10:50] Arizona. But one of the things that's very important when it comes to the rationale for pursuing a fare-free program is that it be tied to the transit operational goals and objectives for the service. And one of the things that we heard loud and clear at the start of this process was a real desire to grow transit ridership, particularly among the local fixed route service and then again also the paratransit service as eligible, but the focus again was driving transit ridership. So on an implementation basis, this is where I mentioned the careful planning that

[02:11:30] needs to be considered. There are a number of actions that are needed before you would just implement a fare-free approach, and again what we've tended to see is those systems or agencies that have sort of, if you will, to use the expression rip the band-aid and just implemented something immediately, that process has struggled because, again, I think that the research suggests that they haven't had sort of a defined program to get to a point of feeling comfortable and capable of implementing this kind of approach. There are a number of steps. So, again, we've talked a little bit already about defining the rationale and associating it with the goals for

[02:12:06] the service, but that also includes identifying a sustained funding source to replenish lost fair revenues. We also want to talk about a process for scheduling the closure of fareboxes or the removal of fare vending equipment, how that works and where that is also stored because there have been instances where some agencies have employed a fare-free program but needed to bring back fares. So what do you want to make sure that that equipment, if that is the case, is still available and not just discarded. The Title VI analysis, this is actually a Federal Transit Administration

[02:12:45] requirement. Anytime a transit agency adjusts fares on the basis of Title VI of the Civil Rights Act, the agency is required to conduct an equity analysis. That can be an adjustment of fares up or down. Generally speaking, if you're dropping the fare or reducing it in In this case, for these services to free, your equity analysis is going to look pretty favorable.

[02:13:11] So last couple of bullets here, certainly very important to create a public communication program so that folks understand when the service will become free. You want to make sure that they're aware of that. And then also considering coordination with other services in the region is very important.

[02:13:32] then, as I mentioned, identifying any contingency plans if needed. That's also very important as well, too. So I'm getting about halfway through the presentation right here, just a few more slides, but we wanted to provide you with some case studies, again, of what we're seeing nationally.

[02:13:50] There are a number of cities and transit authorities in larger and smaller municipalities across the country that have implemented a fare-free approach, and I think it's fair for me to pause and simply share with you that the overall experience with fare-free transit in the United States is still fairly nascent. There are, however, some communities on this particular list that have been employing this practice, in the case of Chapel Hill, for over 20 years.

[02:14:18] But several of these agencies, however, have only recently implemented this approach. And we'll dive into some of the specifics on that here in just a moment. But I did just want to acknowledge that we're still learning about this approach in the industry, so I'm sure there are some good questions to follow.

[02:14:35] So why don't we jump into our first case study. In 2019, late 2019, the city of Kansas City really rocked the transit world by announcing their intent to move to a zero-fair transit initiative.

[02:14:52] The rationale for this was really based on equity and accessibility. This was an initiative that had been really predominantly driven and championed by the executive director, the general manager of KCATA at the time. The approach was to be phased.

[02:15:09] It would start with a certain number of routes, and then it would climb eventually to a system-wide fare-free program. The results of this have actually been very interesting, and Kansas City provides us perhaps a unique perspective in that there's the University of Missouri at Kansas City in town.

[02:15:28] So there's some other research arms that have certainly had their ability to kind of look into the data more specifically. And what some of the initial results have been that there are a number of regular bus riders who report using transit much more frequently.

[02:15:43] Maybe they were making one trip or two on transit a day. Now they're making two or three, maybe even more trips using transit each day. There were more trips in documented research for food, for health care services, as well as access to jobs. And then one of the findings that I find most interesting has been that spending on goods and services is potentially generating more in gross domestic product in the Kansas City region than when fares were collected, meaning that people are spending money than they would have previously on transit fares.

[02:16:18] actually spending it on goods and services which is in turn creating more economic opportunity in the greater kansas city region and then lastly this was also an interesting finding from i believe it was the urban league of kansas city but the citizens felt that their government was listening to them and responding to their needs when they implemented this initiative so i think that was a very positive and encouraging finding from the research the next case study comes to us from Missoula, Montana, actually a city that I have also worked in. And Missoula implemented

[02:16:55] their fair free program in 2015. The idea here was to improve operational performance and to reduce costs for the agency. This was one of those case studies where they implemented the program immediately. And it has subsequently been approved by voters about, I want to say 2016, 2017. Voters, I could be a little wrong on my dates there, but voters have since approved the program to continue as fare-free for the overall system in the time since it was initially

[02:17:33] announced and implemented. Ridership in the first year increased almost 70 percent, actually, excuse me, that's between 2015 and 2018, a 70 percent increase in ridership following fare-free implementation. They established partnerships with local businesses to help recoup the cost of what fares

were lost or fair revenues were lost. And again, I mentioned already that voters have since approved moving forward from a demonstration project into an actual policy and operating policy of the agency. Last two case studies I believe we have. One comes to us from

[02:18:12] Olympia, Washington. This actually, I was living in the Tacoma area when this initiative was passed, But back in 2019, there was a voter referendum for transportation in the city of Olympia. This is an agency called Inner City Transit that would start a fare-free program beginning in 2020.

[02:18:33] The idea behind this was to reduce agency costs. One of the challenges that they were having was they had aging fare vending equipment, and they were actually finding it very difficult to replace that fare vending equipment. In fact, they had staff looking on eBay to find parts because the fare vending equipment was so old.

[02:18:54] So they said, you know, we're really spending a lot of time on this program, implementing this fare. What are we really getting out of it? And they decided to pursue this initiative to make it fare-free. So as it shows in the results, a voter-approved local tax initiative that funded transit investments, including new vehicles and service expansions, as well as fare-free transit.

[02:19:16] The aging of fare equipment and a desire for more technology-based fare payment was resulting in really significant costs to the agency. And I think, again, the last bullet there, after one month of the fare-free program, ridership increased by over 20% from the previous year's time frame.

[02:19:36] Oh, we do have one more, and that's from Corvallis, Oregon. This is actually one of the older examples of fare-free in the United States. It dates back to 2011. The rationale here was to reduce costs, improve equity, and improve overall performance.

[02:19:52] This was an initiative that was implemented immediately, and as the result bullet suggests, ridership increased by nearly 38% in the first year of the program from a transit operations. The money for this, actually, for covering the lost fare revenue came from a transit operations fee, which was a monthly surcharge paid by Corvallis residents, and it also helped fund expansion of the overall system.

[02:20:18] And then finally, as our final case study for this evening, Tempe, Arizona. Back in 1996, the city of Tempe advanced a transit tax initiative. This included route extensions and expansions of transit service, but also a fare-free for youth travel program.

[02:20:41] This was a focused implementation for fare-free, again, targeting those age ranges between 6 and 18. It is still in operation today, and some very interesting findings and data that's in our report from this. But this has, again, emerged from a half-cent sales tax to fund operations and this particular program.

[02:21:01] Certainly, the strongest utilization cohort is the 14- to 18-year-old range. And, again, this also speaks to that notion of building a culture of transit utilization. That was one of the intended goals of the program. The strongest in terms of the returns on this, between 2009 and 2012, there were over 600,000 trips.

[02:21:23] As you might expect, with any community that sees younger populations, there will be a rise, and then there will be a fall as far as those populations becoming older, becoming adults, and either aging out of a program or moving on in their lives. But the data has been observed that the use of this program is trending upward again at this point.

[02:21:46] So, again, just to round out the presentation, some general observations. In every case that we were able to find fare-free transit resulted in significant ridership increases. Ridership gains were the result, again, of comparing the previous year when fares were enforced to when they were not.

[02:22:07] Growth in ridership better positioned a number of these agencies, actually, for discretionary grants from the FTA. That is not the only criterion, ridership is not the only criterion for a number of discretionary grants, but it is certainly a key criterion. So being able to demonstrate to the FTA a growth in ridership is certainly advantageous from that perspective.

[02:22:30] We've talked a fair bit already about administrative cost reductions. Nationally, fair revenues constitute about 10 to 20 percent of agency-wide revenues. This comes from the Transit Cooperative Research Program. But juxtapose that against the fact that the same research is suggesting that fare collection and enforcement represents about 6% of total fare box revenues.

[02:22:55] So thinking about it in the case of Loudoun County, if right now fares are, I believe, \$1 for service, you know, from an overall collection standpoint, If that were to be, and I don't have the number in front of me, but if that were to be closer to that 10% mark, if fare enforcement and recovery is costing 6% of that, you are still gaining, but not nearly as much.

[02:23:19] So the math there is a little bit tricky. Again, this comes from National Observations, again, published by Transit Cooperative Research Program. And then lastly, identifying a sustained funding source will be very important moving forward to, again, replenish any lost fare revenues.

[02:23:39] That's, again, been looked at in the case of, I can tell you that in the case of Chapel Hill, they negotiated agreements with, obviously, in Chapel Hill, North Carolina, you have a large academic institution with a number of transit-dependent riders at the University of North Carolina.

[02:23:56] but the local transit agency negotiated agreements, for example, with the university to help cover some of those costs. So that's one avenue that could be where it's one entity, governmental entity, working with another public entity as well.

[02:24:13] So there's a number of ways that that combination could play out. So I guess I'll cover this, and then we'll open it up to questions. But the recommendations from our analysis would be that we suggest a fare-free transit for local bus and paratransit services in Loudoun County could be very feasible.

[02:24:33] Fares would, again, continue, as we were expressed to us when we started this effort, fares would continue on the commuter bus services. This would only be for local bus and for paratransit service. We have also talked with staff that this might be looked at from a three-year period, for example, a period of time to allow for recurring periodic evaluations.

[02:24:55] This would also allow for adjustments. In the public transit world, we like to specify a two- to three-year time frame any time we're implementing service changes or, in this case, a fair adjustment because we want to allow ridership to normalize a bit. We would anticipate, as we've seen elsewhere, that a fare-free program for local service and for paratransit service might mean an increase in ridership.

[02:25:18] This would, again, a periodic kind of evaluation basis would allow that ridership to normalize and then allow staff to also see what other adjustments might be needed to either the fare program or the service that is operated and implemented. And then that would also evaluate the long-term stability and the funding streams that we're replenishing the lost fare revenues.

[02:25:43] Again, also important, too, we want to make sure there's a feedback loop for the community as part of that. And, again, that would also give you the opportunity, as I've mentioned, to examine the benefits and the burdens. And I thank you for the opportunity to provide this presentation. I'll hand it back to Ernie. So thank you, Alex.

[02:25:59] So I don't think I can add anything to that. And we stand ready to answer any questions you may have. Okay. So I am concerned about how we went from zero to 100 on this. Thank you so much for the presentation. This is the first time the board has ever discussed this topic. And we're all of a sudden in it as a budget development item in January of the same fiscal year. So I think we need to slow down. We have absolutely no idea what's going on in our transit system right now.

[02:26:34] The board doesn't. I don't. I know we have a lot of empty buses running around. I know we just added It's a more service, service that I fought for and supported that I don't think is being utilized. So I think we need to start with an analysis of what our system is today, who it's serving, where it needs to serve, what the barriers are to ridership in it now.

[02:26:59] You all know I'm on the Metro board. Metro's done extensive research on this topic and on barriers to ridership. And one of the interesting things that's come across all of our research is that our fares are not the barrier. That's not the reason why people aren't using it.

[02:27:16] In Loudoun County, our fare is a dollar, right? Do you have any evidence that that dollar fare is the reason why ridership isn't higher? So to be very clear on your question, we do not have definitive data that says the \$1 fee is a primary impediment.

[02:27:42] We looked at several factors, and again, based on the information that you received tonight, it is an intriguing proposal. Not only the equity element that is very interesting to be looked at, also the cost savings associated with it.

[02:27:59] If we did, hypothetically, a two- or three-year pilot on this or an evaluation period, the expenses that we would invest into replacing all the fare boxes. Yeah, I was going to get to that in a second because I think that's, for us, that's probably the more applicable discussion here.

[02:28:19] But, you know, the concept, I mean, I was telling one of my colleagues, I went to APTA last year and sat through a whole multi-hour seminar on this, heard from Kansas City, also heard some of the downsides that they're experiencing, which are considerable as well, and we didn't cover some of those.

[02:28:37] But on our fare boxes specifically, so what is the current state of the fare box and exactly how much will it cost? I think it's \$1.127 million, but I'm not positive in here, to replace the fare boxes in the buses that we're specifically talking about that this would be applicable to.

[02:28:56] Certainly. I'm going to ask Penny to go into a little more detail because she's the pro in that area. Okay. Yeah, as you'll recall, we put in the CIP last year for 2024 a \$4.6 million project for fair equipment replacement for all 125 buses.

[02:29:12] We subsequently got 80% funding from DRPT for the grant that we applied for to help do the replacement. 80% grant. 80% grant. We had, I assume, 68% when we did the CIP, but they moved it to another category, and it gave us 80%.

[02:29:30] For removing the fare, not installing fare box equipment on the local fixed routes and paratransit would save \$1.2 million. Okay. How urgent is the need to replace on the current buses?

[02:29:50] It's very urgent. we we are we're not going on ebay to find parts yet but we're close so it we are at a point where we've got to start replacing equipment and that is one of the issues of timing for us the opportunity presented itself we were looking to we were on a pricing schedule for january uh to start purchasing those uh if this was something that the board did want to consider then we wanted to be able to uh leverage the offset could you get us an analysis of ridership by route yes sir we have that data for you we can get it for you okay um because i could see this if we did it as say as a

[02:30:28] pilot i could see it being on certain types of service certain areas of service something like that to start with where it might have the most impact and then i also i think we need to have a discussion about what we're running and whether we're running the right level of service for what the ridership is and what the demand is now that we've had metro open for over a year right um and all that sort of thing specifically on the school issue um couldn't we simply just wave on teenagers yes but then there's a question of age so uh it's an age verification there's an assumption made if

[02:31:05] we define an age uh grouping um there's still a what they call it flash passing i can't remember what they do but they still have to show their their id to be to verify their age if you assign an age grouping. Do we have any idea how many riders we have today that are like, say, under 18?

[02:31:23] Do we have any ridership survey data or anything? We don't have that data. We don't collect by category or anything like that. Have we investigated joining the Metro Lyft program, either opting in for Metro Transit, but also for our own transit, which is the low-income rider program? I believe we've got community members who are participating in that program when WMATA rolled out. Is the county facilitating enrollment in that program? If so, could that be extended to LC Transit? I would have to do further research on that, but when the

[02:32:02] program was rolled out, WMATA reached out to our agencies that worked with programs that would identify people who were qualified for that program. So I would have to go back to WMATA and get verification. Yeah, so the way that program works is if you're SNAP eligible, then you get a 50% discount on fare.

[02:32:22] And I know Metro has been looking for partners and governments and other agencies to help drive enrollment in that. So I think two-part question to come back with, are we doing that at all for Metro? Because that's a much bigger fare. It's a \$6 rail fare from here. And second, if we were doing it, could we extend it to our own system as well if we were doing that?

[02:32:41] All right, Supervisor Brisbane. Thank you very much. So thank you for this. I mean, I really like the idea. It sounds like we're predicting 10% to 20% increase in ridership potentially from the case studies.

[02:32:59] I also, I mean, just doing back of the napkin math, if we're going to save \$1.1 million and it normally costs us, what was it, \$348,000 to operate the fare collection system?

[02:33:18] That's what we generate in fares. That's what we generate in fares. Okay, okay. So, right, so if we lose, if we do it for three years, and we lose \$1.2 million, we're almost at a wash, if I'm doing the back of the napkin math correctly, right?

[02:33:34] So why not test it for three years, and then after three years, we would be able to go look at some other better equipment? Mr. Brown, is the operation of the equipment, maintenance of the equipment, and administration problematic?

[02:33:59] So these are aging and must be replaced there. There's when you when you have fares, you have to deal with the security with of the of the funds. So as as Alec mentioned in the in the in the presentation, the actual maintenance and and operating and security associated with those is about 10 to 20 percent.

[02:34:18] We don't know exactly. We haven't teased down the exact percentage, but that is approximately where we are. And, you know, we have our contract is over \$17 million to operate our transit contract. And \$320,000 to \$360,000 a year is a very small contribution toward that revenue.

[02:34:37] Right, right. So there's that element. That was one of the things that intrigued us was that it would actually reduce our administrative burden associated with that. And we would have to do more research if the board wanted us to explore this in more detail. we'd have to get a lot more granularity on those benefits.

[02:34:56] But we knew on the surface that they are there. But it's certainly not like Parks and Rec, which is revenue neutral, right? Like it pays for itself. Correct. It definitely is not paying for itself. We'll talk about... Not even close. So in the case studies, the national case studies, do you know how much the fare was in those cases?

[02:35:18] We do. pardon my hesitation so uh yes we do we can find that information out i can i can get that to uh my colleagues at the county that that would be i don't have it in front okay okay i mean what i'm getting at is we might not expect the same results if their fare was 220 a ride or something like that but i'm i would be very very even more into i mean i already like this idea but i i think that it's another way to justify it if those fares were also like a dollar and they saw that increase

[02:35:54] in ridership. I mean, the whole reason we brought the BMI was to increase ridership and to promote the idea of using public transit, getting people out of their cars, getting them off the roads that we have to maintain, getting the exhaust off the roads that they're using in their cars to help preserve the environment. And to me, this is a neutral idea for three years to try it. So um thank you very much for bringing it up um question on you said the the grant though so

[02:36:25] the 1.2 million is that after the drpt grants for 80 percent yep microphone oops that that is the difference between that's total cost of 4.6 preview um with 125 bus buses versus 60 buses assuming we went fare free on the local fixed routes which is 3.4 and the difference is 1.2 Wait a minute, though, because we're combining, when we bought these fare boxes, that was for all our whole fleet, right?

[02:36:58] The original project was for all of the fleet, 125 buses. But if we go fare free, we would eliminate 65 of those buses. And Supervisor Le Turner, if I could also qualify that. That is a net reduction of the entire amount.

[02:37:15] If you take the 80-20 application of that, then you'll see a further, a smaller number of the actual NVTAs 30% funds that were paying for that 20%. We were looking at it, just to be transparent, as a net reduction in public fund expenditures, which is the DRP.

[02:37:33] But not our fund. Not exclusively. The NVTAs 30% is ours that we can reallocate, as you know very well. Sure. So that funding would, we couldn't be reallocated. But I'm still not clear on what the \$1.2 million actually represents. because it's the net but that would include the the long-haul buses as well then no sir they're still going to be done those are still going to be done what what what gets complicated about

this calculation is that when you order 125 buses fare boxes yeah the price is cheaper than when you drop down to 60 so we pay a higher fee for an example project management goes up

[02:38:13] instead of down, and the cost goes up, too, with a smaller supply of fare boxes for the schedule. Could we just have you guys in finance work out an actual cost revenue analysis of what this would cost? We'll provide you with the details of the back of the house. We gave you the end result of that totality of savings off of the total amount. We'll give you the math. We'll show our work.

[02:38:42] I'm not against trying this, especially from the standpoint of it may not make sense to spend the money because we're not collecting enough. But I would want a lot more information about, like I said, the overall system, what we're running, where, who's using it.

[02:38:59] We haven't had that kind of data in a while since COVID. And we've been waiting. I think we all purposely decided let's let some time happen for recovery and all that. But I think we're at the point where we are where we are. We're going to have this discussion on the commuter buses later in the meeting.

[02:39:15] So what I would prefer to do is to keep this item at the Finance Committee and continue discussion of it. I think there's interest in pursuing it, but with more, at least for me, with more information, with more analysis, and maybe doing it as a targeted pilot or something like that, if we can identify routes where this would probably be most beneficial.

[02:39:38] And then also understanding, and we can talk offline a little bit more clearly, the fare box issue, how many we're going to be buying. We also are having a discussion potentially about eliminating some of our commuter bus routes later in the meeting. So I have some questions about what that does to the fleet and how that may further change the calculation.

[02:39:58] So, you know, but wrapping all that in is a more holistic discussion rather than sort of as a one-off. That's what I would prefer to do. Okay. You probably want to just pass it right now. I would pass it right now, but I know I don't have the votes for that.

[02:40:16] But I also would say, didn't we have a transit summit where we talked about ridership not too long ago? Or did we decide? We didn't do it last year. We did a transit summit in May or June of 2021. Got it. Okay, okay. Before we really started doing all that. That's fine. And I mean, Tim can tell you, I already asked, when can we do a transit summit?

[02:40:35] Because I love transit. I really do. I also love operating and how this is all supposed to work. And there's a lot of stuff in the industry that can be a little bit nonsensical, too, that I see a lot of Metro. And Supervisor Letourneau, at the ridership data, we've been restructuring how we collect that data in real time using BI.

[02:40:59] And it's becoming much easier to provide it. So for fear of not waiting until a summit to do that, with your concurrence, I can certainly send, we can have that information sent out to the board in a timely manner just so that it is available to you.

[02:41:15] It's a very, you know, you'll see some of that information for the long haul tonight, but it's very interesting data that we're using right now in our process of looking at optimizing our whole operation, which is what we're in the process of doing right now. And I will also add that since we started doing this and since we started our expansion, the cost structure and analysis of how we operate, and I would say how most of the local Virginia operators operate, has dramatically changed

[02:41:46] to the point where Metro's costs, I believe, are now not necessarily higher than what we're paying in our local contract. When the board made decisions around opting out of Metro bus, It was an extremely different environment from a cost structure standpoint.

[02:42:07] So a broader talk about all of these issues would also, I think, at some point include potentially revisiting that decision and figuring out kind of what that looks like from a cost basis compared to running our own system.

[02:42:32] Mr. Hepstreet. Mr. Chairman, do you know when this might come back to the committee? When could staff? Could it be next month? Depending on the detail of information that we need to get, one month may be a difficult proposition for us.

[02:42:49] So I suspect why you're asking is because this is a budget development item and you want to know whether you should include fares in the budget or not? Yes, sir. My answer is still probably yes for now. So abstinence directs from the board, we would assume that fares would continue to be collected.

[02:43:04] Yes, but could be taken out by board action in the budget process. Right, which would be an increase to the budget. By \$300,000, yes. Correct. With respect to fare boxes. I think certainly while we continue this discussion here, we probably need to hold on the fare boxes.

[02:43:28] Is there some timing issue with, are we currently proceeding with fare boxes or? We've gotten a new cost estimate that became effective January 1. We're looking at what that means for the fleet that we have, knowing that we have considerations right now with regard to local fixed route fare collection, along with our other discussion item tonight about long haul buses so once we have an indication of how we're going to go forward we will recalculate what those costs will be so can you line that up with coming back to the committee yes it might understand your question is also how long do we

[02:44:05] have before we are no longer in compliance with our fare boxes is that also i mean that that is a driver for us and i don't know if we have that information readily available we we are looking for parts right now okay so that is an eminent uh uh function for us to to make a move on sure go ahead julie i was going to suggest maybe my colleagues would be more comfortable with the motion that says that we recommend the board of supervisors um adopt a three-year pilot program

[02:44:38] for free fares on our fixed route and then that would give three years but it's not necessarily you know totally ripping off the band-aid it gives us an evaluation time and then they have certainty mr hemstreet has certainty but we haven't completely taken fares off the table forever well i don't want to take it off the table forever i'm not necessarily comfortable with the three-year pilot either because we haven't defined what the pilot is and i think if you listen to the free fares for fixed if you listen to the presentation though from our consultant it was you should do this in the context of a great deal of planning and discussion about

[02:45:17] where you want your system to go and how you want it to operate none of which we've done none of which so i the takeaway i had from this presentation is that we're not ready for this yet and that all these other agencies had a great deal of lead up to include voter referendums and all sorts of other things before they took this step so if it takes us a little longer it takes us a little longer but i don't appreciate getting sort of thrashed into january of the budget year having to make a decision like this when we haven't had any discussion or analysis about it because it is a bigger discussion than just the \$300,000 in this one year.

[02:45:49] So I think I would still prefer to keep it in committee at least for a month to see what you can do. And then, you know, I don't personally think it's a big deal if the board decides we want to do it to just take \$300,000 out of the budget that's presented to us or half of that or something.

[02:46:08] It's not like it's, you know. Well, we just heard two different answers on that. We have not placed an order for the new fare boxes. We're looking for some guidance on potential changes in the numbers.

[02:46:24] The other factor here is that we have recently received an FTA grant that requires certain excess vehicles, meaning if we're not reusing those buses such as in long haul that we need to decide how those will be dispersed or eliminated because FTA regs require that we have a 20% spare ratio.

[02:46:45] And given the overall downturn in ridership, we've got more than we need right now. OK, so we can delay, you know, we are we were awaiting this decision if a decision were to be made as to whether or not we pull the trigger to go and purchase the farebox replacements.

[02:47:11] Because if the board did desire to pursue this, then we would not pursue the farebox replacements. Any of them? The long haul obviously needs to need to continue. That's the OK that they need to continue. And we have replaced some of those already as as as they're well, excuse me, they've been purchased as the new buses come on.

[02:47:30] The NVT 30% funds, I mean, we don't want to waste the money, but as things progress, we will have to buy them as single purchases or low-volume purchases to maintain compliance.

[02:47:49] The savings that we were achieving through the bulk is a savings, but we will, operationally, we're not going to put a vehicle out of commission because of Fairbox. We will continue to purchase that. So I don't want to paint the paintbrush here that if a decision isn't made, we're not going to get the, you know, we're not, we're going to run out of fareboxes.

[02:48:07] We will make that work. We're just not going to make the wholesale investment at this time until a final decision is made because that's just a fiduciary responsible thing. But we do have enough buses in surplus that we can go cannibalize fareboxes if we have to, to make that work. So I don't want, I don't want to portray a doomsday environment over fareboxes, sir.

[02:48:27] All right. Great. Very good. We're going to send you back to finance, and this might be one that we might want to have some further offline discussion with individual members of the committee. We were missing two people tonight. That was also part of my thinking, and they probably should get a briefing and all that as well.

[02:48:45] So, okay. Thank you very much. Thank you.

[02:49:08] Okay. Item 18, volunteer fire and rescue company budget enhancement.

[02:49:44] Good evening.

[02:49:59] Good evening. Item 18 is the first of three budget development items you have on the agenda this evening. This item serves to transmit the request for additional funding from the Combined Systems Executive Committee to the Finance Committee, as well as provide staff's analysis of that funding request.

[02:50:29] In item 18 this evening, I think you have a presentation. We're still pulling it up on the monitor, but I will just launch into the item. So earlier at the end of 2023, we received a funding request through the

Administrative Operations Committee to the Executive Committee and through the system chief for an additional \$500,000 that would be provided, is requested to be provided to the volunteer corporations

[02:51:06] that would go to the operational support of the volunteer corporations. The board currently has in your budget \$6.37 million dedicated to those contributions, and the volunteer companies have requested an additional \$500,000 to support their operations. In addition to a 3% annual enhancement on an ongoing basis after FY25. Next slide, please. Your item details, just for some context,

[02:51:42] the different types of direct and pass-through resources that the county provides a volunteer system. First and foremost is the payment to volunteer companies, again, in the amount of \$6.37 million. This funding is distributed between the 15 volunteer fire companies based on what we refer to as the algorithm, which is a methodology agreed to and maintained by the Combined System Administrative Operations Committee. In addition to the funding that goes into the algorithm, the county also provides volunteer companies with entitlement revenues, more particularly

[02:52:21] the 4 for life and ATL funds and then the third major source of county direct funding is the EMS transport program revenue which is a pretty substantial revenue source that has continued to become available to volunteer companies since FY 26 and the next slide shows you a graphical representation of the resources that the county provides to volunteer companies so I think this is important to the discussion so it's a little hard to tell exactly this the trend line here has been

[02:52:56] going up but is there like an average or something like that that you can give us on this chart so the blue line obviously has not changed over the the period right um so i think probably thomas could probably run an average of the other revenue sources while i finish my presentation if that's right? Sure. There's also in the item itself, a tabular breakdown of the numbers. But I will

[02:53:30] ask Thomas to do that while I continue. If you go to the next slide, please, Thomas. So staff evaluated the request from the volunteer companies just through a number of different lenses. First and foremost, we thought it was important. The algorithm funding value, of course, has not been changed since FY15. However, over that same period of time, the county has taken on more and more responsibility for traditionally staffed volunteer shifts. In the item, it notes that

[02:54:05] the combined system is responsible for 145 minimum staff positions daily. On the daytime shift, career staff, staff 141 of the 145 minimum staff shifts. And on the evening side, the careers, career personnel staff 112 of the 145 minimum staffing shifts. And since as of October 2023, approximately 43% of evening minimally staff volunteer shifts were being covered by

[02:54:40] career personnel. And this comparison is just meant to put some context to though the amount given to volunteer companies has not changed in eight years, the responsibility of staffing a lot of those seats has been more on the county side over that same period.

[02:55:02] Of course, one of the contributing factors to the requests from the volunteer corporations is the site of inflation. Year over year, the cost of providing services has gone up, which we agree, and we wanted to note that over the eight-year period, that funding amount has not increased, but inflation has.

[02:55:25] From FY15 to now, the volunteer companies do have the benefit of the EOMS Transport Reimbursement Program. However, that revenue has been meant to go to enhancements to the system, and so it's not necessarily fair to count that as revenue that should support current standard operations.

[02:55:49] Next slide. And finally, we did take a look at tax form 990s of all the volunteer corporations just to get an understanding of their fiscal position. Overall, tax forms for all the companies were available through 2021, and we took a look at the overall picture of their reserves, and it did appear as if most volunteer companies did have sufficient resource reserves, which indicated to us that annually, volunteer companies were overall, on average, still able to fund their

[02:56:26] operations. Some were on the lower side of a reserve, some on the higher side, but overall, we did see a significant amount of funding in reserve for those volunteer companies so in conclusion based on the analysis that we've presented the office of management budget does not believe there's sufficient justification to recommend this funding increase be included in the budget however as noted in the staff report should the board want to consider a funding increase staff does recommend that you potentially direct staff to be a little bit more involved in

[02:57:03] how funding is distributed between volunteer corporations or what the funding should be put toward. An example in the staff report cites that, you know, these volunteer corporations are, are some have very large budgets and operate like a traditional nonprofit. And so they support staff in that nonprofit. The board could direct that some of those funds be used to um guide more professional management of those non-profits or um additionally staff at this

[02:57:39] point does not have a role in understanding or influencing the algorithm how funding is distributed between volunteer companies the board could encourage staff to work with the combined system and the executive committee to understand and add potentially more consistency to that algorithm understanding expenditures and revenues a little bit better so at this point um we are looking for guidance from the finance committee of course the fy25 budget will be proposed next month and so we are looking for additional feedback on how you'd like us to deal with that request from

[02:58:18] the executive committee we're happy to take any questions so is another issue i think you were kind of getting at this at the end, that we don't really understand the inputs to this calculation? We don't have any influence in the development of that calculation. That's not quite the same thing. I think we know what the inputs are, and I'm not necessarily... Well, like, on a per sort of unit basis, they may be calculating things differently, you know, like, different expenditures, different needs. There's no standardized sort of way of looking at that.

[02:58:56] oh Tim no no okay all right thank you all right my my inclination is to support the volunteer companies and their requests and so when we did last month a pre-agenda meeting on this topic

[02:59:29] I suggested that if there was solid data to dissuade me or other supervisors from supporting this request, it would be helpful to have it. I completely understand the county's been putting more resources into this, especially in terms of personnel and covering shifts.

[02:59:54] Does that necessarily, though, reduce the normal financial obligations of a volunteer company? because they've got to, they may own their station, they may own their equipment.

[03:00:11] And I know, I think Tim had said that the county plays a significant role in helping to purchase some equipment, but it may not be as important that we are covering more of their staffing needs if their other costs, their fixed costs or equipment costs are growing.

[03:00:35] So can you get into that a little bit? So what I can say is that, yes, the county does contribute significant resources to standardization of equipment purchases, as well as putting forward up to 59%

funding for apparatus that's still our volunteer-owned, considered volunteer-owned.

[03:01:00] But based on Supervisor Letourneau's comments, I do agree that we do not have a whole lot more visibility on the annual operating budget or the financial condition of those fire companies to fully answer your question.

[03:01:18] Okay. All right. Thank you. Supervisor Brisbane. Thank you. Just to confirm, did you say the last time we increased the disbursement was eight years ago? Yes, that's correct. Okay. I mean, eight years to increase half a million is actually not as drastic as I was initially thinking.

[03:01:42] I think Mr. Hemstreet wants to chime in on something. If you're finished, I was going to just make some comments about the analysis that the budget staff has done. Okay. I'll continue then for just a moment. Would it be possible to make the contribution or the funding contingent on allowing staff to have some sort of analysis or see behind the curtain?

[03:02:17] It sounds like that's a concern. Yes, I think that would be our recommendation that you would direct staff to work more closely with the executive committee to have more influence or at least transparency on the algorithm. And then how urgent is the need for the increase?

[03:02:34] It would just come in the next budget cycle, right? Yes, the request is for FY25 for that increase in funding. And then if that is given, then a 3% annual increase from there. Yeah. And the 3% is new as well?

[03:02:51] Yes. Oh, interesting. I do think that that's a bit to ask without us being able to see behind the curtain, so to speak. I'm not sure how to handle that with a motion tonight because I do also want to support our volunteer companies but I do agree with staff that we need to have a little bit more information Mr. I'm sure I was just gonna uh just kind of restate a little bit of what Ms. Burke has already

[03:03:23] said which is you know we have not been able to replicate a need financially from the algorithm. The part of the challenge, which I think is where Supervisor Letourneau was going, or Terry Letourneau was going, is that the way that the algorithm is done is it just accepts everything that a company considers as costs.

[03:03:47] And there's no standardization with respect to costs. So in some cases, we've got staff that the volunteer corporation has hired. So we've got one company that has two or three staff that are very well paid to run the corporation.

[03:04:04] And then we've got other companies that do not have any staff at all, but they're treated the same with respect to how the algorithm is put together. The other thing that I will say in those last eight years is that I'm not sure how clearly we did or how great a job we did in terms of making it come through, both in the item.

[03:04:23] But the portions of the system that the county is now covering or paying for has only increased. So we have increased our support, financial support of the system, and we do not have a lot of insight into the expenditures.

[03:04:40] And part of the reason has been that the way that the board provides money is you provide a donation. So these are 501c3 corporations. You provide a donation to them. Part of what we did with the 2014 ordinance is we then set up a self-governance structure for the corporations, and so they are

responsible for putting the algorithm together and then distributing the funds, which is why we don't really have a lot of insight into it because it's done through their self-governance model.

[03:05:12] The other thing that I'll say is that there are also companies, and Ms. Burke started to get into that at a high level, but there are also companies that do not provide any operational service that continue to receive funding from the algorithm.

[03:05:28] And so, you know, that's a significant difference from where we were eight years ago in terms of the contribution of some of these companies. And so I just want to make sure I kind of emphasize some of these things that are in the report and just say, you know, we're perfectly fine if you want to give them more money.

[03:05:46] However, just understand that where we think those funds are going is primarily for them to hire staff and to also purchase things that are not necessarily directly operational, which is a difference in where that funding was going, say, 10 years ago. So with that, and I had the benefit of the chair's briefing as well, I had all that discussion, which led me to believe that before we commit any additional funding, we need to have a discussion around the algorithm, around what the needs are.

[03:06:18] This equation of us, essentially, there is less volunteer service being provided today, significantly less. The county is essentially double paying because we have not reduced our contribution, and we are paying for that additional service, all those runs that are being run by career staff now.

[03:06:41] So at this point in time, we need to have visibility into what the algorithms are, what sort of standardization there is, what level of support the board wants to provide for non-operational companies, and that's just a policy question.

[03:06:56] we haven't had any of that discussion so i'm open to having those discussions in the finance committee i will say the 2014 ordinance was one of the more painful things that i've ever been a part of on the board because there's very strong feelings on this topic and we have some absolutely phenomenal volunteers many many phenomenal volunteers providing an incredible service throughout the county which we should not ever diminish but we have this governers responsibility here and funding responsibility. So I am not comfortable directing the county administrator to put the money in the budget this year. I think this could be, though, a discussion

[03:07:34] that we have in the finance committee to understand all of this and perhaps even figure out a cost structure that makes more sense. So that's where I am. Thank you, Mr. Chairman. Refresh my memory, Megan, the costs of acquiring equipment are going up, and we pay for part.

[03:08:02] We pay for a significant percentage of new equipment for the companies. Are we covering, through our contributions, the increased cost of, say, a new fire engine?

[03:08:19] Are we covering that enough so that staff would argue we don't need to give \$500,000? The board's funding policy for capital apparatus is to contribute 59% to a match of 41%.

[03:08:39] So we've kept up with the funding levels in the CIP that has increased year over year. And then the cost to purchase equipment like SCBAs or other fire equipment is escaping my brain right now. But the county bears that cost totally on our side because we want standardized equipment between career and volunteers.

[03:09:02] So we're paying for 59%, but 41% is being paid for by the company. So is that 41% going up in total dollar amounts to the point that their request is rational, legitimate, justified?

[03:09:23] That was not specifically mentioned as a justification for their funding request, but general inflationary pressures was the justification for the funding request. Do you agree that general inflationary pressure impacts them in a negative way, as it does us?

[03:09:50] Yes, it increases costs. However, the cost to provide staffing also has affected us, I think, pretty significantly over the past. true i i i understand it is affecting us i just i i don't want them to be operating at a loss because we are not keeping up with their increased inflationary expenses um so thank you okay so i think there's consensus from two out of three of us anyway at this time we're not ready to direct

[03:10:29] the county administrator to put this money in the budget but that we are willing to have further discussion and we would like to have more insight into the practices of who's getting funding now how the algorithm works and then identifying what these specific needs are and if we need to you know potentially do that we may have other opportunities to do that throughout the year so okay thank you yep okay okay thank you uh we're just going to take like a really quick three four

[03:11:07] minute break before we finish okay almost there two more items again again fortunately this is not

[03:18:01] the staff that had to be with the board at 2 a.m. last night but but tim was and the the clerks yes yeah you were so well i i couldn't i can make this as short as you need it to be but this this item and presentation just as a follow-up to the discussion we had at the december um actually november finance committee and then december board meeting where we recommended and board approved the appropriation of 40 million dollars to upgrade our enterprise resource planning

[03:18:34] system for both the county government and lcps because this project is being accelerated in the cip it's typical practice for us to bring a budget development item on that specific project so staff from dit are here but there are no updates to the presentation from the staff report we can go through the presentation or we can take questions i think questions are a great idea okay you guys really want to thank you i think also that we had quite a discussion about this during

[03:19:07] the fund balance conversation okay um the only question i have is once everything's upgraded i'm understanding this is also for the hr system so i don't know if you can answer this question what hr the job application system or the um hiring yes so that is a separate system that is currently being upgraded as well oh it will be or it already is it's part of this 40 in progress

[03:19:39] oh okay well i can bring my question to you offline then thank you okay okay so i think um we understand this is coming it's a lot of money but we're going to hit the point where we have to do it at some point eventually it decouples us from the school system which has operational benefits for both in terms of being able to be efficient and actually get things done so we're moving forward yes all right which brings us to our last item metro rail financial update

[03:20:14] so it's kind of cool today because i chaired a finance committee meeting for the metro board too where we move the budget forward so um i can certainly speak to some of this but there's good data in here on our situation in terms of taxes or things like that so I don't have a presentation but I do just wanted to provide some opening remarks so item 20 this evening is our annual

[03:20:51] metro rail financial update this item is being presented as a budget development item typically it's not just given the recommendations that staff has put forward specifically about Loudoun County Transit for FY25 section one of this item presents very positive actual as well as forecasted revenue generated in the Metro Rail Service District, which is used to fund Loudon's construction funding, commitments, and related debt. The levy on the real property is \$0.20 per \$100 of assessed value, and the levy is to remain, in effect, no longer than necessary to repay the county's

[03:21:27] obligations. Based on current projections, there will be sufficient funding revenue, sufficient revenue generated to pay the county's obligations, and over the next year, staff will evaluate the possibility of defeasing the debt more quickly over time or lowering the tax rate. Sections 2 and 3 of this item provide information about the county's operating and capital funding obligations as a WMATA compact member. As the committee may be aware, WMATA is experiencing a significant funding shortfall. Originally projected to be 750 million dollars, that shortfall was closed to 433 million in FY25 according to the general manager's

[03:22:07] proposed budget materials. I'm not up to speed on what happened today at the Finance Committee meeting, but service cuts and increases in fares are significantly impacting the budget proposal. There's not a clear resolution to address WMATA's funding issues at the state level, but action will be needed. Because Loudon's operating subsidy is constrained from increasing more than 3%. The fiscal impact to Loudon's FY25 budget can be funded and is estimated to be in the \$4 million range. The operating subsidy is funded by board policy with gasoline tax revenue.

[03:22:48] Loudon's capital subsidy is forecast to increase in line with prior year projections and is funded with NVTa 30% revenue. Staff will keep the board updated on any legislative action in Richmond with regards to Ramada funding, and I know we are aware of a bill that dropped yesterday in the House that we're currently looking at. And then finally, Section 4, as it relates to FY25 of the item, focuses on recommendations regarding the county's long-haul commuter bus service. By policy, this service, which operates in the morning and late afternoon rush hours from Loudoun to locations

[03:23:24] in Virginia and the district, is meant to be revenue neutral, with costs supported by fares in advertising revenue. The board has waived its revenue neutrality requirements through FY24. So in preparation for the FY25 budget, staff has evaluated ridership on the county's long haul routes in order to arrive at recommendations regarding revenue neutrality.

[03:23:46] Scenarios for the board's consideration for FY25 are detailed in table six of your item. Of the 50 long-haul routes, 11 by staff's analysis are considered to be underperforming, meaning there are on average nine or fewer daily riders.

[03:24:05] The policy decisions that staff is requesting the board to consider as part of the 25 budget work sessions is how to address revenue neutrality and whether or not the board would be supportive of eliminating the very underperforming 11 routes that I just mentioned.

[03:24:22] So, Table 6 includes a number of different scenarios that we put together for the Finance Committee's review ahead of the budget proposal. They all consider ridership, revenue neutrality, and what a revenue neutral fare would be based on different route changes.

[03:24:42] So, item, I mean, excuse me, Option 5 is the staff recommendation. This would eliminate 11 underperforming routes that, again, would have on average nine or fewer riders daily, and a three-year

phased approach to revenue neutrality.

[03:25:01] So we've calculated revenue neutrality at status quo to be \$28 per single ride. That's a pretty significant increase from \$10, which is current. If the board continues to maintain its revenue neutrality policy, we would recommend a phased implementation toward revenue neutrality, and that's what item five considers.

[03:25:26] It considers cost-effective route elimination as well as a phased approach so that we can reach revenue neutrality but also take into consideration the impact of fare increases on ridership over a few years. So the FY25 budget, as you will likely see it in February, has been prepared with no change to this program to allow the board maximum flexibility should you want to take up this discussion and work sessions in March.

[03:25:59] And we are looking for the Finance Committee's feedback going into the March budget deliberations. Happy to take any questions. Okay, so we really have like a bunch of completely different topics here in one item. And I wouldn't necessarily call the last one Metro Rail financial update.

[03:26:20] So let's take them one at a time, perhaps. Let's start with anything from anybody up here about the data on the tax revenues and how the tax districts are doing and all those kind of things. No.

[03:26:36] Okay. Which is generally they're doing well. So we're not going to have any issues there. Subsidy payments. So I can give a little bit of an update on this. So essentially, we've calculated the need, when you boil it all down, to be about \$130 million for the Commonwealth of Virginia.

[03:26:57] And of that, state law requires there to be a 50% local match. So essentially, what we're asking for from the General Assembly is going to be \$65 million from the state, which would then necessitate a \$65 million increase in local subsidies split amongst the metro jurisdictions.

[03:27:18] I don't remember off the top of my head exactly what Loudoun County's share is of that \$65 million. It's relatively small because we're, you know, I don't remember the percentage, 4% or 5%, basically, of the overall. So the discussion that the county administrator and I have had from the beginning has been that we should plan on kind of a worst-case scenario as a budget holder.

[03:27:42] Don't assume that we're going to get the state money, but if we do, you know, we'll likely end up with. So I guess my question to you, Tim, would be, what are you using as kind of your baseline going into the budget? That we have to cover the entire subsidy?

[03:28:01] I just want to make sure I'm answering that question. For the WMATA, what we pay WMATA. Operating, yeah. Operating. Operating capital, yeah. We are using the budget that was posted on December 14th.

[03:28:17] General Manager's proposed budget. Correct. Which does not include any additional state aid. It does not. We're using the raw number that is in that presentation. Okay. And even the maximum number, if we assume the whole 750, Loudoun County could still cover.

[03:28:34] But what we're using is that December 14th number, which is much smaller. Okay. So the way this would play out then, I mean, we're stuck at Metro because our whole budget is dependent on this. But throughout the legislative session, if there is funding that becomes available through the budget process, it may essentially, you know, half or reduce that number that we're locally responsible for.

[03:28:59] And that would be a revenue positive action for the board compared to where you are with your budget presentation. That's correct. I think the other thing that I would want to say is we're utilizing gas tax that we have available and has been set aside for us within NVTC.

[03:29:19] So all that would happen is it would lengthen or make longer the number of years that we can pay for the WMATA piece using that same funding source. So it's not tax dollars. We're not using anything out of the general fund. So there's no impact on our tax rate.

[03:29:34] yeah which is important to say because it's gas tax money um table three here is that showing that's showing our operating subsidy based on the gm's proposed budget yes and that yes yes all right so this is like the worst case scenario numbers here yes okay any questions discussion

[03:30:02] about that section okay i'm i'm confused um the subsidy number that's in the budget is what Based on this, for the operating subsidy, it would be \$19 million.

[03:30:28] \$19.9 million. \$19.9 million. And for capital, it would be \$7.9 million for FY25. And that's based on a budget in which Metro's entire gap has to be made up by localities through subsidy with no state aid.

[03:30:48] Oh, okay, okay, okay. And then does the gap assume the service cuts? Yes. oh yes closing nine stations or something like that closing 10 yes but so if if state aid is available then that all becomes sort of added back in it still would reduce our subsidy okay either way the subsidy number is not coming out of it's coming from gas tax revenue not our tax

[03:31:28] rate essentially has metro board talked about which stations are going to close the general manager has proposed that the 10 lowest ridership stations should be closed with without having two in a row be closed eight out of those ten are in virginia the board has not agreed to that because we're i mean what we move to public comment today is like a doomsday budget that we don't we hope is not really going to happen so we're not going to get into deciding exactly what closes

[03:32:04] and things like that until we know better where we're actually going to be for funding. But because of timing, he has to still present his budget, and then we have to have this discussion around layoffs because these are all represented employees, so they're not all but most.

[03:32:22] So there's like a six-month runway in order to lay them off and all that. So we have to start that process that we hope we're not going to have to finish, basically. Right. Okay. Yes. For the chair, so if the rule is they would not close two in a row, I assume one or more of the lowest-performing stations is probably Silver Line in Loudoun, or do you think not?

[03:32:50] Loudoun Gateway Station is definitely one of the lowest-performing stations. All right, but that would keep Ashburn open? Yeah, and I don't believe it's in the top. It's in the bottom 10 anyway. All right, okay. It actually does quite well. All right, thank you. But there are other Silver Line stations in Fairfax County that would be, if we follow that model, we may not.

[03:33:11] Well, first of all, I mean, I think the first thing to come off the cut list will be closing stations, actually. So, but, okay. So let's go to the long-haul commuter bus service piece of this, which I think is, I could sort of repeat my speech from earlier on.

[03:33:29] I think we need a holistic discussion of this service. We had all kind of agreed that we wanted to give some time for COVID and for ridership to come back and all that. I don't know what our percentage is of pre-COVID, but it's pretty low, isn't it?

[03:33:49] Do you know what it is? I don't have the exact number, but it is. Is it like below 50%? Does Scott know? So routes are at about 40%.

[03:34:05] Ridership is about 25% pre-COVID. Ridership is 25% pre-COVID. And again, this is an increasingly expensive service that we're providing, given what's happened with contracts and salaries and all that stuff. So we're spending a lot more, and we're serving 25% of the same people that we used to.

[03:34:27] At some point, we have to acknowledge they're all not coming back because the nature of their work changed and all that. And then that necessitates a discussion about what the actual need is that we're providing. And I think it's a very different discussion than it is on a local service because even at \$10, these aren't cheap.

[03:34:44] So the people we're serving are a little bit different and maybe not as transit dependent as others for the service. And so staff is proposing that we cut the 11 lowest routes. There was a table provided to the committee at the end of the presentation.

[03:35:07] You'd have to go all the way to the end. I mean, no offense, but this thing's like almost indecipherable because the route numbers don't match up. I know Tom talked to you today and he was able to help me kind of understand it a little bit, but this isn't going to mean anything to most people up here. And the question that all the board's going to want to ask is, well, what routes are being cut? So I do think we need something that actually details which routes are being proposed to cut. Now you can see with some of these and this is average daily ridership per route so there are one two three four five six

[03:35:43] seven eight nine of these that have under 10 riders on them and these are buses that seat how many 55 55 so i can understand why staff's making this proposal and i i think i'm in agreement but again it's a little difficult to be making these kind of decisions in a real vacuum without looking at kind of a more holistic view of what we're doing because you know some of these routes we're basically competing against the silver line on at this point which we're also spending

[03:36:19] pretty good money to run buses to those stations so you have to wonder whether you know i can we can maybe start with this 11 but how much of this really makes sense at this point and then we should also look at from the rider perspective what are these destinations and how easy are they to be served by WMATA. You know, for instance, Pentagon, which has traditionally been one of our big destinations, is kind of difficult to get to via rail. It's a multi-stop. You got to change trains.

[03:36:51] So I can understand we would maybe want to maintain that service, you know, irrespective, or some of it. Some of these other routes, on the other hand, are almost parallel. So that's the discussion I would like to have. You know, it sounds like we kind of need a transit summit, I think, to do all this. But those are just my sort of free-flowing thoughts.

[03:37:17] But let me turn it over to Sir Brother Brissman. Thank you. You raised some of the things that I was going to ask. Do we think that the ridership has not come back because of metro and work changes? In other words, do you think some people are riding metro instead of our long-haul buses?

[03:37:37] Our ridership is not going to be what it was in the past. It just simply isn't. I think, as i've stated before what we found is our local route system uh not necessarily the routes to the silver line but the routes around the community served our community well during covid and while ridership is not tremendous on those routes and we'll get you more holistic information as mr letourneau has requested

those routes do serve needs of our community um and um our long haul still has not come back the way it was um i think we're running 50 routes compared to what was the

[03:38:14] number pre-19 pre-covid so it's significant it's it's it's a whole new world in transit mr letourneau has been struggling with this with lamada because it's part of what we're dealing with but um ridership today on transit is very very different than pre-covid long haul was our moneymaker for us pre-covid it's not interesting but okay so it do you think it's more the change in work environment on the long metro yeah okay yeah okay um and uh do you think that well echoing

[03:38:51] what um chair letourneau said it's difficult for me to just say cut the nine buses or cut the nine routes 11 you guys want to do 11 right 11 i did nine because i was under oh i don't know okay maybe that's why I had nine in my head. It's hard for me to make a recommendation on that or endorse that without knowing where those routes are. And my other question would be, and I understand we're not, we don't, we shouldn't be right. I guess we really should not be driving a bus with four people a day on it. I agree with you, but I think for us in our positions, we really need to know

[03:39:31] how this may or may not impact our constituents. That's the thing. And so that's why we just kind need to know. I'm not going to say I'm going to fight for a bus that takes six people from Our Lady of Hope down to the Pentagon if there's only six people on it on average.

[03:39:47] We will provide more comprehensive information. That's great. And then the other thing I might like to see is, is there a way to combine, you probably have already done this, but is there a way to combine the routes at all so that...

[03:40:03] So, Vice Chair Brissman, this is not an action item. It's a lot, it's really designed for us to get feedback around this issue which is exactly what we're receiving okay the um and i want to frame that because it's important if you look at the the fiscal impact of this item we're recommending that uh absent different direction we're requesting that the that we're going to continue status quo which is currently in a waiver of the revenue neutrality for the commuter service buses because there is absent some very clear and somewhat draconian action

[03:40:42] we would need to raise these rates to 22 dollars each way right now and that Mr. Letourneau said it a lot better than I'm going to say it but that turns into a death spiral because when you increase rates you have a certain percentage of ridership loss and then you have to increase rates again and to offset that if you're going to maintain revenue neutrality on that and then you have additional ridership loss so it gets into a very difficult situation and we ran through many of those scenarios and wisely the recommendation was to to ask for the

[03:41:19] consideration of the status quo which is what the fiscal impact says we're going to continue status quo on that asking for the the the revenue neutrality waiver to continue and then we can further look into how is the best what are the best solutions to deal with this long haul right now we're looking at you know these 11 very low-performing buses that we would recommend in a the appropriate venue to look at cutting those okay we don't plan on taking that action based on this it we just wanted to kind of share the the the data with

[03:41:55] you the primary output and please correct me if I misspoke because you're the budget person but is the status quo is continue to waive the the revenue neutrality right yes and we owe the Finance Committee a report back on revenue neutrality as part of the budget development process. Unfortunately,

this is coming in January because we didn't have a December meeting, but the intent of this item was to lead into should the finance committee and board want to have a discussion during March work sessions, this is a topic that we said during the FY24 process we needed to come back and come to you

[03:42:34] with recommendations for FY25. Okay, okay, I got it. I think, Mr. Brown, the death spiral scenario, we should have brought you to the SCC hearing to talk about that. Yeah.

[03:42:54] I don't have as much of a problem, perhaps, as others in letting this service just go away. So I would certainly support the staff recommendation to do it over a period of time.

[03:43:11] I don't see the logic in subsidizing this service since I guess if we go for revenue neutrality, it'll kill it anyway. It's just too expensive to maintain. And I think as the chair pointed out, it competes with Metro.

[03:43:33] So I'll go with number five, the staff recommendation, phase it out over three years. If we figure revenue neutrality just is not going to work because we won't have enough people using it.

[03:43:52] Well, so the step number five is to phase in a fare increase, which I think would cause a death spiral. So we're not going to have a \$22 fare. Nobody's going to do that. I do think, I'll make a couple of statements.

[03:44:07] I think we should have a work session on this, or this should be a subject for a work session. We should be prepared to discuss specifics. there is a savings a local tax funding reduction savings for us you know just those 11 routes would save two to two and a half million dollars which i think will probably be welcome for us in a work session um i also think we should increase the fare from ten dollars not to not to reinstate the revenue neutral policy but similarly when's the last time we raised the ten dollar fare it's been

[03:44:42] a long time right probably at least five years ago because when so yeah i mean a lot of transit agencies do it annually obviously covid kind of but you know metro is talking about a 25 fair increase as part of the discussion i think it won't be that high but it will be a fair increase you know we should probably go to i don't know if it's 12 or whatever the number is probably go up a little bit and then we should look at how many routes to cut um i'm not sure if it's 11 the right

[03:45:16] number I think we would like to see all that data and dive into what we could you know and talk more with you but your recommendation is 11 so that's a good starting point to have some savings so I think we're interested in this discussion we're going to have to continue to waive the fair neutrality policy but I think we should put a fair increase on the table and talk about reducing some of this service and potentially further reducing the service and phasing out some of it over time perhaps you know initially these 11 routes and then maybe look at some additional

[03:45:52] reductions beyond that for the following year you know depending on giving people more time and that kind of thing so that's kind of where i'm at all good thank you okay you need anything else from us okay well that is the last item to come before the committee and we are adjourned



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