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[00:00:05] just looking around to see if we have a quorum from both bodies. All right. Thank you, everyone.

[00:00:23] It is 6.02 on Wednesday, September 23rd, 2026. I'm going to officially call this to order. I'm looking around. We have a quorum on both sides, on both respective bodies. Thank you, everyone, for joining us today. We have a lot to discuss, and I'm hoping that we will also have a fruitful conversation at the end to make sure that we are fully aligned on the issues that impact both boards. I'm going to turn it over to my counterpart, Chair Lateef, for his remarks.

[00:00:56] Good evening, everyone. Thank you again for coming. We always look forward to working with the Board of County Supervisors on a host of a range of issues, and we're hoping that tonight's presentation will provide the public and us a good opportunity to chat about the most important things and priorities we have in this county. Thank you, Madam Chair.

[00:01:16] All right. I'm going to turn it back over to you because you are going to kick off the discussion items. Oh, I'm sorry. Quickly, before we do, we do have some QIAs. So, Supervisor Boudy. Thank you,

Madam Chair. Always great to be here in the Kelly Center. Madam Chair and Mr. Chairman, before the board and school board begin their discussion in consideration of universal pre-K, school enrollment and capacity, shared facilities, capital planning, the economic forecast, debt management, and other school-related items, I need to declare a personal interest in these matters.

[00:01:48] My wife is a school's employee. As a school's employee, my wife and I are members of a group which is affected by these matters. I will be participating in these matters because I am able to do so fairly, objectively, in the public interest. Thank you, Madam Chair and Mr. Chairman. Thank you, Supervisor Angry. Yes, ma'am. Madam Chair, Mr. Chair, before the board and school board began their discussion and consideration of universal pre-K school enrollment and capacity shared facilities, capital planning and economic forecast, debt management, and other school-related matters, i need to declare a personal matter a personal interest in these matters my wife is a school's employee as a school's employee my wife and i are members of a group which is affected by these

[00:02:27] matters i will i will be participating in these matters because i am able to do so fairly objectively and in the public interest thank you all right thank you very much dr latif thank you madam chair thank you all for being here um you're going to hear a number of presentations from the prince william county staff um the first being universal pre-k we are extremely excited about this program this is a first in the commonwealth for any county one of the first for any large county in the nation there are a number of large cities with universal pre-k there's five states with the universal pre-k but we will be the first outside of a state to actually you know who's who's

[00:03:05] doing it already to do it and we're doing it on our own we're doing it with the help of the board of county supervisors the support that they have provided the school division over a number of years you're going to hear a little bit about you're going to hear actually a lot about how we plan on making this happen this will be a program where any child who's four years old will have access to a pre-k program regardless of income in this county and when we talk about affordability and we talk about things that matter to our public especially a county like ours where we do have a lot of young folks this matters for our families this is a big deal on average it's about fifteen thousand dollars we believe in savings for a family to send

[00:03:43] someone to a public universal pre-K program. And that's a significant savings. It opens up the opportunity for those same families to send their three-year-old maybe to a pre-K program that they would not have otherwise thought of. It may give them the opportunity to, you know, do a lot of different things and spend, you know, differently in the county and really a real economic boon.

[00:04:04] And you're going to hear a little bit of, you know, the reasons and why we're doing what we're doing. But we're very excited about it. You'll hear next about our school enrollment and capacity issues and the work that we have done in the past to address capacity issues and the work we're going to do moving forward it is a big project to address capacity and redistricting and it's constantly something that the superintendent and the board has had their eye on and you're going to hear a little bit about that tonight I want to thank the school board for their support over all the years of really working hard to making sure Prince William County has a highly competitive

[00:04:39] highly productive and an incredible school division that i believe actually they've done in the public really truly appreciates this is a public in our county who is practical pragmatic and appreciative of what the school divisions do if you go to any of our football games i would challenge and argue that we

have the best attendance of football games of all the counties in the region we have great attendance at our theater programs our orchestra programs we have incredible interest by our community in our schools and so we are grateful to continue at work with the Board of County Supervisors to provide Prince William County with a high-level education system. Dr. McDade. Thank you

[00:05:16] Dr. Lateef. Through our, just to expand on what you've already stated about Universal Pre-K, through our Elevate 2030 strategic plan, Prince William County Public Schools is working towards Universal Pre-K with the goal of expanding access to high-quality early childhood education for every family by 2030 so this is a four-year phased process the work really is about access because we know that the foundation for academic success is built well before a student enters kindergarten high quality preschool strengthens early literacy language development numeracy and the social emotional skills students need to thrive in school and in life and so we are expanding pre-k to help remove

[00:05:55] barriers for our families creating greater consistency in kindergarten readiness, and to allow us to identify and respond to student needs earlier with greater efficacy. Universal Pre-K will require continued collaboration among PWCS, Prince William County, our community partners, and families.

[00:06:14] It's a long-term investment, but one that can have an impact throughout a student's entire educational journey. And so at this time, I would like to introduce our Associate Superintendent for Special Education and Early Intervention, Dr. Ashley Ryer and Director of Preschool Programs, Nora Bryant, to share a presentation on universal pre-K and to give a high-level overview in some of the numbers.

[00:06:51] Good evening. Thank you, Dr. McDade, members of the school board and Board of County Supervisors. We are pleased to be here this evening to share some information with all of you about our both short and long-term goals around universal pre-K and PWCS. And so we want to begin just with bringing some clarity around our long-term goal to be achieved by 2030 and that is that every family in Prince William County who has a four-year-old and desires to access publicly funded preschool programming through our school system will have a seat available to them by 2030.

[00:07:24] As has already been stated this will require a phased expansion effort to reach an eventual percent capacity where we are serving greater than 80 percent of the known four-year-olds in our community we know that the research is clear about both the short and long-term outcomes that high quality early childhood education provides for our students setting them up not only for a strong foot as they enter our kindergarten classrooms but also as hallmarked through a recent breakthrough study coming out of Georgetown University that these outcomes track with them far beyond just the elementary years we know that students

[00:08:03] who experience high-quality preschool have outcomes that track with high school graduation and beyond taking them into adulthood. We wanted to talk just for a few moments about the community landscape here in Prince William County around early childhood. First, as was also earlier referenced, we know that for one child to participate in high quality early childhood experiences, that cost to a family per child is approximately between seventeen thousand and twenty thousand dollars and so we point that out just to underscore what an investment

[00:08:39] this is for our community and our greater education goals we have some evidence that's a recent about evidence of family interest in our community in just this year as we are in year one of our phased expansion we had over 730 children on the wait list as of this past August and so the word is out there families are listening, they're hearing about preschool in PWCS, and the information that they're

sharing with us is that they're eager for their children to be able to have this opportunity through subsequent seats that are available in the years to come. We also wanted to take just a moment to

[00:09:19] talk about supply and demand in the broader community around early childhood care and education. Every region in the Commonwealth has what is called a ready region and that is a network of all the early childhood care and education providers that come together with a lead agency and that lead agency here is foundation first which is a nonprofit organization that really serves as the oversight body and looking at program quality and demand and so foundation first has put out and continues to put out data about the total population of children birth through five in the community and what that data is

[00:09:58] suggesting to us is while our goal is to serve all of our four-year-olds in that critical year prior to them entering kindergarten that we certainly still will continue to have demand through our community providers our private providers our local businesses for children in those younger age ranges birth to four we wanted to point that out so that it's openly known that we've been partnering and with the support of Foundation First being very communicative with the local providers in our community so that they understand that our goals are to partner along this endeavor alongside them in such a

[00:10:35] way that they can be supportive of business for children in those younger age ranges so you'll see on this slide our start to finish percent capacity increases as we seek to serve four-year-olds in our community and so what I want to point out here is that we'll begin this year with serving 38 percent of four-year-olds with an ultimate goal of getting into the 80s range by the final year which is the 2030 31 school year so we do know that there are some planning assumptions that were taken into consideration in

[00:11:12] development of this long-term plan and that is that these percentages were based on the known data that was available at the time which is consecutive years birth rate data and so we are continuously updating that information as it becomes available and that's something that we'll do year-to-year as we get updated information about what the actual numbers of children are to meet those percent capacity targets i want to talk a little bit additionally about those percent capacity targets we've gotten questions as to why our goal by 2030 31 is it 100 of all four-year-olds and so just to be

[00:11:50] transparent and clear in the response to that we know that preschool is not currently a mandated service that our families must send their children to such as when they turn six and must enter kindergarten but we also know that there's a variety of options that exist within our community and so we know that some families may elect to pursue a different type of early childhood education option which is why we felt comfortable with targeting our our final metric in that 83 to 86 percent capacity range we believe this range to be ambitious but also very backed by the research that was done in other school divisions, states

[00:12:30] and localities that have taken on similar endeavors as well as just on the feelers that are out there in terms of the demand in our community as evidenced by the waitlist that I referenced. So on this slide you will see our year-to-year projected increase that we refer to as our roadmap. We opened this school year serving 2,184 four-year-olds which is an increase of approximately 190 children when compared to last year. I do just want to be clear that every time that we're referring to universal pre-k we are specifically referring to the educational experiences of

[00:13:07] four-year-olds. We do serve three-year-olds in our schools and sometimes even children who are younger and that is most likely due to programming that is mandated due to younger children who

require early childhood special education services but our goals around universal pre-k are really targeting four-year-olds which is reflected by the numbers and the increases that you'll see here on this slide we're excited to report that we have already hit some year one milestones and so as we talk about expansion it's important to also recognize that while we're expanding

[00:13:44] seats and the numbers of children that we're serving we would be remiss if alongside that we weren't also monitoring for program quality because we know that the high quality learning experience that the children receive through participation in preschool is what's really driving those outcomes that are supported by the research and so some of these milestones intended to get exactly at that which is just in continuously improving the quality of the preschool experience that children receive in our school division um so first and foremost we did meet that initial year one target of serving 38

[00:14:18] percent of four-year-olds in Prince William County we did this by opening 33 new classrooms this school year which provided a full day experience for all of our four-year-olds so no longer having the length of the day vary according to program type funding source but all of our four-year-olds attend a full day of early learning and we're proud to report that we opened our classrooms fully staffed and our teachers are also working to implement a new curriculum this year that curriculum is creative curriculum and it's also backed by the research and endorsed by Virginia Department of Education and was

[00:14:57] selected based on teacher feedback input and really a need to ensure that alongside all the things that we're doing in our school system that we're really taking into account the full range of learners who are in our classrooms as well as the needs of their families and so that curriculum implementation is underway and we're looking forward to monitor on the effectiveness that we see in outcomes for our youngest learners. We also have in our school division what's called reverse inclusion programs and so those are classrooms where half of the amount of students are students who have been

[00:15:33] identified and are found eligible as children with disabilities and require early childhood special education services. A classroom is designated as reverse inclusion when at least half of the remaining number of children in the classroom are those without disabilities or those who we may refer to as general education students so we've had some development in that area as well where for the first time this school year those community peers are fully enrolled experiencing the full preschool program just the same as any other student we serve and that's inclusive of providing them transportation and so we have heard

[00:16:12] some positive feedback from our families around our ability to transport them and provide a full day of school for those community peers and then finally we are very excited to share some great news about the washington reed preschool center which you'll see featured through the photograph on this slide and the next but we opened this school year with washington reed serving as the first standalone pre-k center in pwcs this was due to the addition of a new wing which was completed ahead of schedule so i want to acknowledge

[00:16:49] our partners in the arenas of construction and facilities for delivering early so that our preschoolers and staff could begin on day one into a beautiful new wing of 13 state-of-the-art preschool classrooms we're also on track for the renovation of the old wing to be completed by january of this school year which will provide for an additional 10 plus more classrooms on the campus of Washington Reed.

[00:17:17] Washington Reed is staffed with a dedicated site leadership as well as additional staffing considerations for the first time, such as encore teachers, teachers that provide music, art, PE

experiences, a school counselor, so that a child who attends Washington Reed gets the full experience that would be comparable to any of those who are attending at our elementary schools.

[00:17:44] As we look at years to come, we have projected some year-by-year milestones. And again, all of these are necessary to hit those year-by-year targets that were presented in our roadmap. For the year 27-28, the upcoming school year, we are anticipating the addition of 28 classrooms.

[00:18:02] This is inclusive of Washington Reed opening at full capacity. We're also looking forward to implementing priority-based lottery and enrollment for our families. so that will be a single one-stop shop we like we refer to it as a single point of entry where families will be able to provide information about themselves their children and allow us to try to match them with a preschool seat that is if available in their zoned boundary and area the priority-based lottery and enrollment will also take some other variables into consideration

[00:18:37] such as need so that we're certain that we're serving and providing equitable opportunities for all of our families regardless of any barriers that they may face in the following two school years 2028-29 and 2029-30 we'll continue to expand with what we're projecting is opening an additional 22 school-based classrooms each school year again to meet those demands that we're continuously monitoring with birth rate data and then our final year 2030-31 we anticipate opening additional school-based classrooms if needed and up to two additional preschool centers

[00:19:16] following the washington reed model that we'll have had established each of those would be able to serve an additional 30 classrooms of students and again all of that will be determined by monitoring demand and so as we close we wanted to summarize with this slide that just once again provides information to you about our expected year-to-year growth, as well as those benchmarks that we will be working towards in order to meet our ultimate goal of implementing universal pre-K

[00:19:51] in full by 2020-30, as is articulated and hallmarked in our strategic plan Elevate 2030. So that concludes the information that we wanted to provide to you this evening. We're happy to take any questions at this time. I'll turn the mic over to Madam Chair. She has some questions.

[00:20:11] all right thank you so very much personally this is something i'm very excited about because i know that early education has such a profound impact on learners again not just in that immediate you know first year but throughout their academic career i have questions on slide number seven again i want to understand a little bit more about the priority-based lottery some of the additional criteria like literally what are you looking at is it going to be students with with disabilities or special needs?

[00:20:42] Is it going to be people with a certain economic status? And I do want to talk about some of the locations where you're looking to have additional classroom space, because I know we have some schools that are under capacity. And where are you looking at having two additional standalone centers?

[00:21:03] Absolutely. So what I can address is the questions around the priority-based ladder in enrollment. So first, one question that I think one factor you included in your question was about students who are students with disabilities and require special education services.

[00:21:18] They certainly would be included in this lottery. This lottery would be holistic and a way for us to assess how all the four-year-olds, where they are, and how we can best meet their needs. But I did just feel it necessary to point out that early childhood special education services is a mandated service.

[00:21:36] So we would not be relying upon any sort of lottery drawing to ensure that those children receive services. That's governed by their IEPs. And so we would be ensuring that they're served no matter the particulars of the lottery.

[00:21:51] The actual algorithm that we'd be looking with is under development right now. We're actually contracting with a contractor that has done this type of work throughout the country. But it certainly would consider things like location of the family.

[00:22:07] We are supportive of, to the extent possible, children attending within or close to their base schools, just to minimize the length of transportation bus rides for our youngest learners. And we certainly would be looking at needs as well, because we know, as evidenced by our waitlist data, that we still have families who meet poverty thresholds that are established by what some of our grant-funded classrooms are in terms of VPI, the Virginia Preschool Initiative, and Head Start.

[00:22:36] we still have families who meet those thresholds that we certainly wanna get into our preschool programs because of their needs. We also have quite a number of families who might fall right below that threshold where still when we consider the cost of private preschool, we know that that is financially burdensome on those families and so we wanna make sure that we're really looking holistically at serving all of our children and then by 20, 31, there really being no need for a lottery because our goal is to have a seat available for anyone who desires it.

[00:23:11] In response to your question about locations, that really is work that's underway in collaboration with our planning team, who I think you're gonna hear from a little bit later in this meeting, as well as any decisions about preschool centers working through the capital improvement process.

[00:23:29] - All right, thank you so very much. - Ms. Bailey, Supervisor, Potomac District. - Thank you so much, Mr. Chairman, and good evening to everyone. And I just wanted to, first of all, congratulate you on this yeoman's job and moving forward with this. My friend, Mr. Wilk, and I were just talking.

[00:23:47] We've been talking about this since 2020 on the campaign trail 2019. So to see it come to fruition is certainly a blessing for our county. My question is, in this wonderful place that will start the excellence of the children in our county, Have you considered or is it a consideration to collaborate with the Marine Corps at all?

[00:24:13] Because I know that there is a need there as well. And oftentimes when military folk transition from one station to another, they need this type of educational opportunity. So I know that there's a STARS program that you have won awards for in that regard.

[00:24:33] So is that a consideration as well? Thank you, Supervisor Bailey. I think that you raise a great point, and we can certainly connect with, we certainly want to take our military-connected families into consideration, make sure that they're aware of these opportunities, and we would love to collaborate with anyone that wants to collaborate.

[00:24:52] There's been a lot of collaboration throughout the community, and so we will take you upon that suggestion for looking for additional opportunities with the military, thank you. - Thank you so much, and congratulations again. - Supervisor Bode, Occoquan District. - Thank you, Mr. Chairman.

[00:25:07] Thank you so much for the presentation, and ditto to a lot of what my colleagues have already said. As someone who has a four-year-old kindergartner right now and a three-year-old who is on that

custom show probably starting two school years from now, I really appreciate this. Now, I will likely be too late to enjoy this, but I can tell you as someone whose son last year was in the peer model program at Occoquan Elementary, there is so much that goes into that, and I really appreciate the comments there around reverse inclusion and what have you.

[00:25:38] That said, that leads into my question. Knowing that there are schools right now, especially elementary schools, that have those robust peer model programs, how do you see that deploying alongside this preschool initiative? So we're very proud of our reverse inclusion programs.

[00:25:56] It really aligns with one of our core values of inclusivity and really is a pipeline for an inclusive K-12 experience that we want all of our children to have. So, you know, I do want to point out, I have sitting next to me, Dr. Nora Bryant, our director of preschool programs and so she and her team should be commended for the work that's been done this year and really unifying our preschool programs under one department so that the leadership of preschool is fully inclusive so it includes children who are participating as those receiving services it includes those who are identified on a needs basis but do not have a disability

[00:26:32] because of meeting those poverty thresholds and it includes our community peers which is the new the new name for peer models so even just in that we're really fully embracing opportunities for children to be in the same classrooms and learning together so with this expansion we absolutely would be continuing to put forward reverse inclusion models I mean it is a model recognized by the state but even more important to that it represents what we believe in Prince William County which is all really means all in every student it requires a high or deserves a high quality experience in every single classroom. Appreciate you and I had a follow-up if you don't mind Mr. Chairman and it's slightly

[00:27:10] different and I appreciate that that's really like I said having experienced that and it's gotten him as a four-year-old who just started kindergarten it was a great way to get his feet wet especially since it was a half-day program what have you but on the flip side of that one of the things that I enjoy about having my other one in private daycares there are frankly days where the schools are closed the private daycare is open so while we can sort of make it work right now there are likely families where for a reason or not they can't make all the different school holidays work with their schedules and so what's the thought process there especially in light of

[00:27:45] universal pre-k so thank you for raising that we've heard some feedback along those lines and so that is a great example of when I referenced us really doing this in partnership with the providers in our community that is one way that they may be able to be a part of this effort and just think a little differently about serving children in tandem with us the other thing that we are actively exploring is making sure that preschool is incorporated into any of our school aged care opportunities because we do recognize that working families or families whose work schedules don't align to the preschool we have heard some positive feedback that the

[00:28:24] lengthening of the full day this year has alleviated some of that but we certainly want to continue to hear from our families so that we can make this accessible to them and all those considerations appreciate and I'll just add as a final part with that is especially families that have teachers as part of the parent or structure because what happens all the time my house there will be teacher work days my wife is gone but I have to have a kid so it's that dynamic of making sure that no matter what that

family makeup looks like there's an option as we continue to move forward so I really appreciate the thoughtfulness there thank you on this side of the table mr. Jesse Occoquan

[00:28:59] district school board member yeah thank you uh this is a question and and for to clarify just because a school has is under capacity doesn't mean that it's suited for pre-k uh and could you give us i think every pre-k classroom has to have a a bathroom and clothes every other they can share bathroom but they they have to have a bathroom facility for pre-k thank you Mr. Jessie so there are some facilities standards that we're ensuring our

[00:29:38] classrooms have so you know we do need to kind of navigate between the gold standard and what the actual state requirement is but to address your first question more than just capacity in the building and there really is a deeper analysis that's done about the location and placement of our preschool programs we do absolutely look at capacity because that is a feasibility consideration but we also need to look at things like where children live what is the community footprint of demand of four-year-olds and and some of those other considerations so as we place the additional classrooms that are earmarked

[00:30:14] for the next several years we'll be looking holistically looking at capacity but also ensuring that like I said one of our goals is to serve our families as close if not within their base school as possible there is immense value in that year before kindergarten actually occurring in and at the site where the child will then matriculate up into kindergarten can you clarify the bathroom situation per is it every classroom has to have their own bathroom or can they share it's about access I'm currently our classrooms I believe all

[00:30:50] do you have bathrooms that are either shared or attached directly to their classrooms so that is something that we definitely are looking at as well as well as opportunities to make modifications facilities has been a great partner and in times where maybe a space is identified but it doesn't meet the specifications and standards and they have come up with through some really creative problem-solving and helping us to make those modifications when needed yeah thank you I just want to point out to everyone that retrofitting A school to have a bathroom is not an easy undertaking.

[00:31:28] Supervisor Tom Gordy, Brindsville District. Well, good evening, everybody. It's good to be here with everyone. Thank you for this presentation. To kind of go to the standards question, as you guys are sort of kind of plowing the field ahead of everyone else, can you speak to a little bit of, for instance, like with class sizes, teacher-to-student ratios, Is there a state standard or are you creating that standard?

[00:31:57] Are you sort of trying to establish a baseline, see what works, what doesn't work? Could you speak to that? Sure. So in terms of class size, we do follow, there is a state standard of a class cap of 18. That is a general education class size.

[00:32:12] And so then we also have taken the different iterations of where we offer preschool along the full continuum. And so we have some of our reverse inclusion classes are either operating at 16 children. They can be operating as low as 12 children.

[00:32:28] We also have our children that have the greatest and most significant needs that might be in what we refer to as a special class setting, which is a much smaller class size altogether. But we do adhere very strongly to not only the student-teacher ratios, but also the staffing ratios in terms of how many adults.

[00:32:48] We locally have determined to be necessary based on the number of children in the classroom and also what some of the requirements under our Head Start grant require of us. Okay. So just kind of looking at it, and you have, excuse me, I've served on a parent advisory committee and, you know, have worked through those class size issues, but also tracking funding per child as it comes.

[00:33:13] So in terms of, you know, you know, a kindergarten student may is it provides more funding to the school, say, than an older child. How would you compare the student funding requirements as compared to elementary age students for this program?

[00:33:35] So the funding for our preschool program is different than our elementary school age programming. we have multiple funding sources our current programming is really a blend and a braid of some grant funding also some funding that we always historically have needed to make available locally to provide the extent of those mandated services any child who requires special education services and then additional local funds that will be put towards this initiative okay so so instead of it being like a per you know say eight eighty five hundred dollars per student it's

[00:34:11] pretty much you're pulling funds together to pay for the program as opposed to just you know sending the money with the child yeah there there are multiple variables that go into that including some of those grant funding sources we did just this year take a look at how our pre-k students are included in the funding that goes to our schools so some examples are when a school has ratio positions such as the hiring of a school counselor or an assistant principal our preschool students for the first time this year were included in that count there's been extensive work with our

[00:34:47] colleagues in budget around that and so we could potentially provide some greater detail about how all of that works it is a little bit different in preschool than it is k-12 yeah thank you very much appreciate your answers and uh your briefing anyone else on this side oh mr wilk thank you dr latif and thank you for that presentation I think tonight my theme is going to be all about students with disabilities and special education you know you mentioned a number of times about the targeting the reverse inclusionary practices and expansion you know as as we continue navigating

[00:35:25] through the post-COVID era we're seeing obviously a rise in special education all over the country I ran some numbers and in the state of Virginia alone between the two years before 2025 special education in preschool grew 24 percent whereas k-12 was 13 still large astronomical numbers but if we're targeting a specific group of kids we're looking at the challenges we're facing for us alone between 23 and 24 we grew with special education 5.3 percent in pre-k 24 to 25 another 2.2 percent and the numbers are still out obviously for this year as well and i would imagine those

[00:36:03] numbers have increased you know from a personal experience as a parent with a child with disabilities who was put into the child find program years ago identified as it we I hear so often from parents that that waiting list you know we need more opportunities to get our kids early identification because again the research shows as most you probably can understand is the earlier you get students identified and address their disabilities or delays the bigger impact we're going to have on their overall k-12 experience so just like college and career readiness they say it starts at the cradle well addressing special education begins very early

[00:36:42] and that's expensive as those numbers go up it's more uh it's astronomical when you start thinking of the per pupil spending like you were just saying there did you want to yes miss jesse Ms. Bailey-Afferman.

[00:37:05] Just a question on the lottery system. Is there any considerations for teachers, first responders to have priority? Yeah. Mr. Jesse, all of the variables and kind of the formula is not quite developed yet.

[00:37:22] So this will be some of the business rules that we'll grapple with, as well as actually asking families just to comment around some of the comments and accolades that have been shared around reverse inclusion, is that reverse inclusion opportunities would also be built into the lottery so that families can actually indicate that they believe this would be a good experience for their child.

[00:37:42] So there'll be many variables that come into play, and we can certainly share more once those business rules within the lottery have been finalized. Ms. Bailey. Thank you, Mr. Chairman. Just to piggyback on something that Mr. Wilk had said in reference to special education, I think that the model that you've presented to us tonight is absolutely a starter, a great starter and allowing us to really assist in the future of our children with special needs.

[00:38:15] Do you see this model? Because it was, in fact, an opportunity for us for a very long time. So to put them in an environment like that, do you see this from a funding perspective and an educational perspective, both hand in hand for the future? This model will be for the future of Prince William County. So sure. Happy to address that. The function of Child Find actually falls within my office as well not necessarily through the preschool program but through our special education department and so we're really excited about this opportunity to engage with all of our four-year-olds we think that getting to

[00:38:55] know them a year before we might have otherwise is really going to help us with child find efforts in two ways one in being able to determine early if their developmental needs that maybe haven't been caught or addressed by the family and their providers but also by educating these children on a daily basis we're also going to have a better way to monitor their response to high quality instruction and so really intervention being the first thing that we want to look at to try to intervene as early as possible we believe that universal

[00:39:29] pre-k will offer that for all of our families okay so just to wrap up I do think that people of Prince William County and are going to be very proud of this program. I can't thank the supervisors enough again for supporting this. This is a big idea.

[00:39:45] When you're in elected office and you talk about big ideas, this is a big idea. We are the first to do this in the Commonwealth. There are five or six states, you know, Florida, Oklahoma, West Virginia, Vermont, Wisconsin does it, New Mexico and Colorado are almost there. But this is a big idea. Some of the large cities, some of the big reasons people move into Washington, D.C.

[00:40:09] is because they have a universal pre-K and 3K. So 4K and 3K. And so I would challenge my board and the other boards that as we get this done, then I would take the next step to go to 3K. I think Prince William County can do something like that, and we would be a leader in the nation, you know, along with some of the other places that have done it, and I think it's a great idea.

[00:40:30] On the other flip side, I want to credit our superintendent and the staff. In the last five years, we have more students leaving 12th grade with college credit that's dollars in their pockets as well savings intuition savings going into an associate's degree program a third or a quarter or a halfway done at the community college these are real dollars we are saving for real people in a real county and I think that's really important we will work very hard to continue to reimagine 12th grade so more students end up in

college with a lot more credits they can finish in two years or three years get their trade degrees these are things that will impact the affordability of

[00:41:09] living in Prince William County and I promise you will make people want to move here rather than anywhere else so thank you for allowing us on that presentation Dr. McDade next presentation up all right the next presentation is going to be from Scott Halsey our supervisor of demographic projection and planning and he'll provide an enrollment recap just a point to note is that we don't have our final numbers for the current school year that we're in so he'll give a recap of what he shared in over the past projected five years thank you

[00:41:45] dr mcdade good evening everybody so today we'll be talking about our enrollment projections and our capital improvement planning timeline and then we'll go into some of our data we had from last year and some preliminary data that we are seeing so far this year for the school year so in august and september we start with our development review we look at the review of the residential construction that is forthcoming we work directly with the planning office over at the county and we compare and contrast what we are seeing and what they're seeing based off what they send over each month with the site development permits the review and the approved with the rezonings

[00:42:24] so we gather all that input and then we start looking to see where all those developments are and where they could start yielding students in september then we get to our official student enrollment count which that gives us an opportunity to start that forecasting season which geocoding data so taking text addresses and looking at them spatially where these students are plotted around our county it allows us to look at the housing yield rates we do it with 10 year homes 10 year old and newer and 10 years old and older as well and that gives two different yield rates amongst around our county we look at the transfer rates and we look at

[00:43:02] different geographic progressions and grade progression ratios that allows us to go into the projection modeling what informs our capital improvement program over the next five years so looking at our student enrollment from this past school year you can see we are very top-heavy in Prince William County the bottom is the bottom cohorts are kind of smaller in stature around 1,500 students from the top to the bottom and as these start matriculating through we're going to start seeing smaller and smaller cohorts and overall enrollment within Prince William

[00:43:39] County Public Schools. If we don't see birth rates start to rise or migrations start to rise this is going to give us around probably 75,000 students in the next 10 years. We're seeing this year preliminary numbers that our second grade cohort is going to be falling under 6,000 students for the first time since 2008 which at that point we were seeing roughly 75,000 students within our county. Some of the things that we look at what we were talking about are the new housing construction

[00:44:13] trends. We currently move to a bottom-up approach which allows historical build rates to indicate how many units are going to be built per year. If the development is new and doesn't have their rezoning in place or they have not started building we use county-wide build rates to indicate how many homes could be built in the out years so we do divide that by multi-family homes townhomes and single-family detached homes in our numbers right here age-restricted units are not included as we do not typically see them generate students you do have those one-off cases but

[00:44:51] roughly there was I think like 300 age-restricted units built this past year which we do not count in that. We saw roughly a preliminary around 900 units being built and most are multifamily homes

and some of the other ones are the single family attached homes. We only saw roughly I think 200 detached homes built this past year. In years four through five or four through six you do see a big increase in how many homes we are expected to see being built and that's from all the rezoning submitted right now. So we don't add them into our forecast until year four through six as they're

[00:45:27] still going through that rezoning process to get their site development permit. Looking at our historical projected enrollment PK through 12, as preliminary numbers are showing, we're going to be around a one percent projection error. We're roughly looking at roughly a little bit over 88,000 students this coming school year, which is a very good projection error if you're under one percent.

[00:45:52] New industry standards are saying 3% to 6% are the new industry standards post-pandemic for one-year projections. So we're well within that era of projection. Over the next five years, we are looking to decrease roughly 3,000 students.

[00:46:10] So our next steps, we're going to be looking at our official enrollment in October. That will be released. And then October through December, we're going to start planning and forecasting will be updated, which is going to inform our capital improvements program and our forecast will be released in January at the work session also we are currently working with a consultant on a holistic approach on a feasibility study through our county looking at our schools what are overcrowded and under undercrowded underutilized and that deliverable will be in the summer fall of 2027 looking at a

[00:46:48] five to ten year roadmap. Happy to answer any questions. Mr. Gordy. Thank you so much for the presentation. I represent the Brentsville district and when you take a look at our build out analysis we have about 20,000 units in the pipeline in the county. 8,000 of those are in the Brentsville district. So as you can imagine this is of great concern to me as it relates to capacity within our schools in this area and it actually becomes a limiting factor in some areas where we have overcapacity. One of the things as we've been looking at our development plan and working with

[00:47:27] the developers, one thing that we've noticed is that we literally, for many families, they got into their starter home but could not get out. They're stuck. So what we are doing is we're building homes that transition folks out of their starter home to open those homes back up to the starter home market. And so when you take a look, particularly in the Linton Hall corridor, what you can see where you've got families that entered in with young kids.

[00:47:57] Well, those kids are now in high school getting ready to potentially go to college. If they move out and young families move back into these neighborhoods, that's going to end up, that will change the dynamics within those locations, not just where we're building new homes, but also where those starter homes exist, right?

[00:48:16] So have you taken a look at sort of how that potentially that dynamic is at play in and how instead of just looking at, OK, we're going to build this number of houses and we anticipate this, but just sort of a little bit more dynamically from as people because we think there's going to be people moving out of many of the townhomes and the two over twos into the transition market as those houses come online and younger families coming back in to fill in while at the same time having other families move in.

[00:48:46] to those uh new developments so you know so have you how does that measure that sort of that dynamic play into your projections yeah so something we do look at is length of ownership yeah and we are seeing like you said in those linton hall corridor that haymarket area the length of ownership is

almost 20 plus years which at that point you're not seeing those childbearing kids come through our system so we do look at length of ownership and we do continue to see what's being generated by length of ownership so once we start getting the new numbers for length of ownership that will help then change those housing yield rates for single-family detached single-family attached and

[00:49:26] multi-family homes looking at multi-family homes seeing how many homes or what are the apartment styles what are going in there are they one bedroom are they two bedroom because those are going to yield different numbers than maybe a three-bedroom multi-family apartment complex do So it is something we do take an eye on as we're looking through, and within our student yield rates, we do have the length of ownership component piece on the bottom side showing what the yield rates are based off length of ownership, too.

[00:49:55] So it is something we are considering. Very good. Thank you very much. Appreciate that. You're welcome. Mr. Angry, Neabsco District. Thank you, Mr. Chairman. You know, this discussion opens basically a Pandora's box of real conversation, and I think this communication of this joint session and this topic here,

[00:50:13] If you just take what Supervisor Gordy just said for Brentsville, you can look at the Neasco District, and when you talk about even the word affordability, I consider affordable homes in the Neasco District my 1970s Hilton-built homes, if you will, because while they may have gone up in price for the appraisals, the reality is that's what affordability is now, because anything new we're building, even to an apartment, which is not a home for a family, That should be a temporary living where you move into at least a townhouse or start a home and then move up.

[00:50:49] But to the similar point of what Supervisor Gordy just mentioned, we have people living in apartments that have been there for a while. We have overcrowding in the community, which I think really hurts your numbers in trying to figure out what families are living on the first floor of a home and who's living in the basement of a home.

[00:51:07] and so so we really have a i really believe a a coordinated conversation that we we should have really about how we're doing this and let me just say this last thing to your point of bringing up over 55 communities we i don't i would really love to know the number of 50 over 55 communities we have in the county because i think as we're looking at the amount that we have that is not creating families if you will and children for our school system so there should be a whole list of conversation about how we're developing this county around the school system and what we're actually the numbers we're using to actually maximize our enrollment

[00:51:46] in the school so I think this topic is a real good topic that we should dig deeper into maybe you won't get it all in this kind of this conversation here but it is an air area of concern of not just mine but I believe both of these boards would be concerned with that thank you yeah thank you yeah we are seeing where multi-family units don't generate as many students we're talking about the new housing too as well where new housing is not generating the same amount of students as we're seeing older housing because you go back to the affordability component piece and we're not seeing where new

[00:52:19] housing is affordable to yield students what's the likelihood of a k-5 parent generate an elementary school student at 1.2 million dollars at some of these new home values so it is very hard and we We are looking at literature as well as we continue to look through to see what's going on nationwide too.

[00:52:38] Mr. Stewart, Gainesville. Thank you. So how much, how far do you dig into the national macroeconomic picture to, because some of these problems that we're talking about when it comes to home, well, the ability for families to buy homes.

[00:53:03] As we saw in the last year, the average age of the first time home buyer has now risen to 40. And there's a macro picture that not just on a county level, but on a Commonwealth level and a national level that right now with a rising interest rate environment, that sort of thing, that might be short term insurmountable.

[00:53:30] Do you dig into that data to a point to figure out which levers to push and pull as far as how to attract more students? Also, we're dealing globally with a falling population decline.

[00:53:50] And, you know, so what sort of headwinds are you finding? What sort of challenges are you finding with this? And what sort of strategies are you conceiving to deal with these type of issues? I think the biggest component piece that we're dealing with right now in Prince William County is not really the home rates, it's the declining birth rates.

[00:54:12] We're not an attractive county for those families that are within those age-bearing 18 to 44 window. You are seeing the older population, the ones who have been here for a while, either not leaving. And that's one of the big component pieces.

[00:54:28] Our birth rates over the last, I think, 10 years, we were seeing roughly 6,600 births each year. We're down to 5,600 births. So 1,000 births over a 10-year cycle, which is quite dramatic. and that's going to decline and hinder our student enrollment population.

[00:54:47] Through the pandemic, the work from home, we saw everybody leave this Northern Virginia area because they were able to go to the Richmond suburbs, North Carolina, where the cost of living was cheaper, and they were still able to get the same pay that they were because they were able to work from home.

[00:55:04] And that's something where we are coming back to. I think we're seeing more people migrate in Prince William County than out of Prince William County. But those are other big component pieces. It's not just the housing market. Okay, thank you. Just as a, because I know my wife and I, we migrated here from New York because of affordability, and we're raising our five-year-old here now, and, you know, because this was attractive to us.

[00:55:30] So it's interesting that there's a thing where people are moving away from, you know, so I guess it's all perspective. But thank you very much. Thank you very much.

[00:55:45] I just want to comment, um since we're in a in a group where we have county and schools here together um that i i've lived in the county for a long time and i've seen the boom and bust cycle of housing experienced it firsthand um where my kids were in very overcrowded schools and now those very same schools are under capacity because of like i said kind of a boom and bust cycle of housing especially in the western regions in Prince William County and obviously the school division is a little bit

[00:56:25] reactive we have to be reactive we don't make the decisions for where to build the houses what housing developments to approve we don't decide how quickly they get built what sizes they are anything we are we have to by by definition be reactive and so you know back in the heyday of 2005 2006 2007 you know we had to react we had to build schools rapidly because schools were filling up as fast as we were

building them you know and now you know I guess my point is it's different it's different now and and now we're dealing with the consequences of that boom cycle and now we're in a little bit

[00:57:02] of a bust cycle although I don't know because if we have 20,000 houses that could potentially be built we as a school board have no idea how quickly those houses are going to come on board what types of houses are actually going to be built? Will people be able to afford them? What will the interest rates be? Are people interested in having kids anymore? Is Texas more desirable? Are we all moving to Florida? You know, like these are things we don't know and we can't say, right? And so we should, we shall move to Florida. No, I'm just kidding. So I guess, you know, it's what I'm, I'll make my point and then I'll be quiet. We need to work together and we

[00:57:39] need to be talking to each other regularly or we're just going to continue making mistakes that have been made in the past and as we build schools and we look at capacity we need to understand i mean we can't we have we try to have a crystal ball but we're not going to be perfect at it so dialogue communication um it's going to be really important um and and looking at our strategic facilities feasibility study looking into the future for any future redistricting all of these factors are going to be a consideration and we'll try to get it right but we're going to have to

[00:58:18] adapt and we're going to have to accept that variability and unforeseeability is part of the equation as well i guess those are my points thank you very much thank you okay oh uh um miss It's Jesse Vega, Coles District.

[00:58:40] Thank you, Mr. Lateef, chairman at large. What does a projected decline of 3,000 students mean for operational cost, classroom utilization, and staffing over the next five years?

[00:59:00] That's actually our CFO would have to work those numbers up. Do you have anything general to say? So typically every year we build enrollment projections but when you extrapolate it to the classroom level it is not as significant.

[00:59:29] Even a 3,000 in a year would it would be it would be it would be large but we have to extrapolate it to the classrooms and it could be 0.8 student per classroom etc depending on how how things are but each year we take class we take enrollment as one of the inputs in a budget.

[00:59:50] I don't have what a \$3,000 reduction would cost to affect operational costs at this moment. But each year we build in the new enrollment forecast and what the impacts are. And typically it affects our staffing.

[01:00:07] So Ms. Vega, just on that note, so part of the work that you heard about is we did hire a consulting firm to help us with redistricting. redistricting will address capacity issues and and and may incur savings or ways where we can reduce Operational costs. I mean in the end you're you know, you're trying to streamline efforts by not having buildings that they're sitting empty and not having buildings that are Overpopulated and sitting with trailers So a lot of that work is going to go into you know, what what are the enrollment projections and what is redistricting look like?

[01:00:41] And I think you know I've tried to be transparent with the public and I think tonight would be a good opportunity to let everyone know in the county that redistricting will come it's gonna come so folks in certain districts are gonna change schools change high schools and it is not a easy thing for a school board to do it's something that we're gonna take very seriously the study that's gonna start now and as you heard deliverables will be next summer 27 fall summer and then we'll start looking at actually doing the

redistricting and that will be based on things as supervisor Gordy said where is new construction happening where people and where we overcrowded now where we

[01:01:20] under crowded and so we have to balance that out but it will not be an easy thing to do and in redistricting is never popular so we're winning popularity contests you know I will not be winning one for when we do this because there'll be some hard decisions that have to be made that are necessary and and you know And I'll, you know, say that it was a lot harder to do this five years ago, ten years ago.

[01:01:47] I think with Dr. McDade's commitment to improving all of our schools in a strong commitment to improving, you know, a commitment to installing strong leadership and folks focused on instruction, I think you're seeing a lot of our schools improving in ways that folks will appreciate moving to, if and when that happens.

[01:02:11] Erica Trudenik, Brentsville District. Well, Dr. Lateef just stole my thunder right out from under me because I have been, since I got here, screaming from the rooftops that we needed to redistrict. And, you know, right as we all are getting ready to be done with our term, we've decided to go ahead and start that effort.

[01:02:28] Although, I will say that we've been in the works for a while. It does take time. And hearing people talk about, you know, we need to do a better job of paying attention to the numbers. Since I got here, I've been so impressed with the feedback that you've taken from people like Supervisor Gordy, other people that may have worked in Supervisor Gordy's office that watched these things occur and then pointed them out to you all.

[01:02:54] And you all have really taken that data, looked at things that you may not have looked at before. But it's shocking to know behind the scenes how much work you guys really do. Pay attention. You know, we're not in charge of the school. The school board's not in charge of the development.

[01:03:09] but you all are paying attention so that we do what's best for the kids in our county. And it's no secret that I've been saying the Brentsville District has schools that are severely over capacity and then schools that are under capacity. And I've told my colleagues multiple times that's only solved by redistricting, and I know we have that in other districts as well.

[01:03:30] And we're not here for popularity. We're here to do what's best for the kids. So I encourage us to get it done as quick as possible and correctly, which I think we're really doing a good job in the process. Mr. Halsey is phenomenal, does a great job, and I ask some crazy questions, and he always has great numbers and feedback.

[01:03:50] And if he doesn't, he goes and finds out. So I really appreciate that, and I think that the collaboration that we have and the constant communication is always helpful. Okay, I think in the interest of time, we should probably move on. but I think it should be noted to thank Mr. Denik and Mr. Gordy.

[01:04:06] They pushed some very innovative practices for us to address some of these issues that we did do over the last couple of years and will likely have to continue to do until we get the full redistricting set up. So we appreciate that commitment to getting it right.

[01:04:23] And I can tell you it's making a huge difference from our planning perspective. So thank you very much for the collaboration, the partnership, the communication that is ongoing it has certainly made it better for us in terms of knowing how to plan more effectively so thank you for all that work on that and

as Mr. Odenik pointed out thank the staff superintendent for being nimble and agile when asked to do some of these you know challenging things so we really appreciate it I'll turn the meeting over to Cher Jefferson all right thank you so very much and I wanted to say how much I appreciate the presentations from

[01:04:58] to schools and I also have to highlight Dr. McDade for your leadership I remember going to when you unveiled the new strategic plan and I was mesmerized and I think that the types of initiatives and things that you are pursuing will really help make us a community of choice I was struck by what was said we need to do more to be an attractive desk destination for those younger families and that's something an area where we can certainly collaborate and that's

[01:05:28] It's something that I will say that my board thinks about when we are looking at new housing development and other, you know, opportunities to bring in jobs, retail development and placemaking. That's something that we've talked a lot about. So now we are going to move into the county's portion, and we are going to begin by talking about their shared facility and capital planning opportunities.

[01:05:49] I'm going to turn it over to our CXO, Mr. Chris Shorter. All right. Thank you very much, Madam Chair, Mr. Chair, members of the board. Good evening. I also want to, you heard it in the first presentation, I just want to acknowledge and thank, we just completed obviously our summer construction season.

[01:06:07] The amount of work that happened over the summer between our team, development services, land and building staff, as well as the school's constructions department was absolutely phenomenal. So just want to acknowledge and thank all the work that happened over the summer between our two organizations.

[01:06:26] The next item, Madam Chair, on the agenda is really meant to be an open discussion. There is a presentation that's part of this discussion. We can take the presentation first and then open it up, or based on the county's agenda, do the discussion first and then the presentation, however you'd like to handle it.

[01:06:50] I think actually if we just start with the presentation, that would be great. Sounds good. So we're going to hear from Janet Barknick, who is the acting director of our Parks and Recreation Department. She does absolutely phenomenal work. She's been in the role as acting director for two weeks, four, yes, but comes to us with 23 years of experience in the Parks and Recreation Arena, a phenomenal leader.

[01:07:15] And with that, the intent of this presentation is really to talk about what is currently in the CIP, So where we work together with schools, there are some great examples of opportunities, obviously, for us to collaborate.

[01:07:31] This presentation will show what we're actually doing together in terms of cooperation. And so with that, Madam Director, I'll turn it over to you. Thank you, Mr. Shorter. I brought with me Trey Payne. He's our manager of sports services, just in case I need a little backup.

[01:07:49] Thank you very much. I'd like to start by thanking all of you very much for the cooperation that's long-standing between the school district and the county. We have had a cooperative agreement for as long as from about 1989. It's been revised a few times, most recently in 2025.

[01:08:08] That long-standing cooperation results in the maximization of our public investment and expands access and opportunity across the county for all of our residents as well as for our school patrons. It's incredibly important to understand that this gentleman and his team, you may be surprised to know, program over 126,000 hours of time.

[01:08:32] And that out-of-school time that's spent between our facilities and the school facilities is an incredible protective factor that results in positive youth development and supports a lot of both physical health as well as social and emotional development and safety for all of our youth.

[01:08:49] so really glad that we're able to work together with you all on this some of the most recently completed projects that you'll see we recently re-turfed saunders middle school there are a total of seven middle school fields that are turf that we share both for school activities as well as for out of school time programming for parks and recreation supported and sponsored events and activities saunders was the first one that was completed last year we've also done some work together in and around innovation elementary school and rosemont lewis park i'm glad to see

[01:09:25] that we could do some irrigated fields and some restroom construction there together and then parks came in and did some work at the park to add a playground and improve some trails in that area the very first ever cricket field for the schools was developed at mountain view elementary our role with parks and recreation really was as advisor to help and assist in finding a good location that was suitable for the field and to help identify a vendor who truly understood cricket very nice job there and one of the neat things that we do together is we utilize the same

[01:10:00] scheduling software called events manager and using that we both contribute to share in that joint scheduling software so what's on deck talked about the seven turf fields that we share and we do have three in the schedule for fiscal 27.

[01:10:20] the school district is funding gainesville middle and we are funding hampton and lake ridge that will leave two additional fields that are due for replacement on the replacement schedule at grand park and woodbridge for fiscal 28. so hopefully we'll see those done here soon and last but not least we want to thank the openness of the school district in allowing us to consider adding some extra lines there may be a little bit of a pickleball frenzy going on in the Braemar area and I'm looking at Erica because she knows that well we are not able to accommodate all the pickleball demand in that area

[01:10:58] and by adding a few extra lines onto an already scheduled renovation project at Marcellar Middle we'll be able to accommodate more of the pickleball demand in the area last but not least we are going to be doing some work at the community use site at Tyler Elementary that involves quite a bit of stormwater and drainage work that needs to be done on the community use site there so that's what we have for you today all right thank you so very much I know there's just a lot to discuss around that I want to see you there's any

[01:11:33] discussion I'm looking at you Supervisor Bodie I think Bailey beaten all right thank you very much madam chair and mr. Bodie this is exciting when I saw this and just thank you so much Janet for all the hard work that you do in partnering with the schools. How are these sites selected? When you say site are you meaning the community use sites? Uh-huh. You want to answer that? Just to clarify are you talking the artificial turf

[01:12:10] schools that are going through the replacement? Yes. So it's a joint review between Prince William County Schools Facilities and our grounds department in terms of determining which field is up for that replacement. There are seven in total that have come up to their 10-year cycle so we strategically went through and assessed each one of those fields to determine how what that order should be okay and I'm assuming that that the partnering so this the project selection how you partner has to do with the goals

[01:12:43] and objectives of the community and how is the community engaged a supervisor Bailey Vernon Bach chief operating officer with Prince William we work very closely with parks and rec through the cooperative agreement I thought it'd be worth mentioning as well we do have four of those middle school turf fields in our current cip for replacement and we're working to replace four of those fields as well okay thank

[01:13:17] you did you have i'm sorry you good i wasn't quite sure what you were asking you were specifically asking about how the turf sites were and how the partnership comes about is it related to the needs and that the community has and how you know yeah are they satisfying the goals and the objectives in terms of the school and us and how does that come together i'm pretty sure we use just about every school site we can possibly get our hands on i think it would be fair to say it that way

[01:13:52] to do 126 000 hours out of school time that's a lot of use of gyms and outdoor school space i will say 73 of that is time that is covered by our parks but we certainly can't do it alone and getting that other 27 of that time covered within the school properties it has to be across the county we grab school facilities pretty much everywhere we can yeah my reasoning as of asking that is just to say that there is so much there's a lot more opportunities between in the partnering the jointness of what what we're doing today how we can go forward in the partnership of that and

[01:14:32] was looking for what your thoughts were school and county what that looks like and that's going together because sometimes that needs to be described i okay now i get more of what you're asking i love the idea there i was being gentle thank you yeah i appreciate that cxo shorter shared how old i am but i have i actually have more more than 23 years of experience in parks and recreation and everywhere i've ever worked we always work very closely with the schools it's incredibly important to the mission of parks and recreation in every way that we can

[01:15:10] identify the needs assessment data that tells us what our needs are in the community we can then work with the schools to marry what we need in the community with what the schools need knowing that the schools generally are going to use the facilities from early in the morning until 5 5 30 and then we're going to take over in that after school time or on weekends to take over as much as possible i i will say i've worked in so many different types of facilities that are shared facilities from just as simple as a gym and a pool to a full-blown physically connected community center that's attached to a

[01:15:46] middle school to having a facility that was specifically built by a joint school district city collaborative that created its own district in Missouri to do a 19 million dollar recreation center which that was a few sleeps ago that would probably be about an 80 million dollar facility today thank you mr. chair chair Jefferson thank you for that the purpose I just wanted to say the purpose of my asking that is because we've been talking about this on the board a lot and just to describe like what tom just described what that looks like going

[01:16:24] forward is important as we have these discussions so i appreciate your indulgence with that all right well i know but hold on um i'm going to go over to supervisor bode i'm going to i've written you guys

down it's their system i believe you can only have a couple microphones on or something at a time so um supervisor bode thank you madam chair thank you for the presentation Janet and appreciate the emphasis on the the joint nature of it in the collaboration it's also a testament to the

[01:17:00] superintendent and the and the cxo and how they foster that in everyone so i just wanted to say kudos to that first i guess my my first question goes back to a follow-up basically as a bailey's question is you know you've been able to advance a lot of this partnership you like you said you sort of grab up any school property you can to sort of use for community use where are the gaps in your opinion right like where the major i'd say two or three gaps that you think that we can work on together currently i know that we're looking at a track and field as one of those

[01:17:38] opportunities to expand that usage the we continue to see a large increase in our indoor scheduling as well in terms of the volume and number of schools i believe we're up to 40 different schools that we schedule indoor wise during the winter and fall so it's we're certainly seeing increased opportunities in both those and the only thing i'd add to that supervisor bode is i know that there's a need to add more ability to use the schools as a reprieve in the summertime during our day camp heavy period and that can be a challenge depending on what the school district

[01:18:14] is doing for maintenance in various facilities but anytime that we could expand the use and opportunity in schools for camps in the summer would be great appreciate it just one quick follow-up question to that i appreciate that and it helps i think frame the conversation we're going to have the other sort of acute need that was at least expressed to me recently and i'm sure some of my colleagues have heard this as well is basketball especially at the high school level what have you there's a lot of a lot of folks competing for a very few courts i know that how the high schools do it differently in the middle and elementary school center that that event and reservation system so i want to know if you could speak to that at all and sort of what folks are

[01:18:53] thinking about in terms of looking at that issue specifically yeah absolutely we're taking a multi-layered approach to uh looking at the indoor programming as a whole high schools has come up a number of times within the conversations and we work closely with the Department of Security and Crisis Readiness to ensure that all the student of all the school events and activities are being implemented into the scheduling system to really provide a clearer picture of what that availability would exist at each one of those schools so the utilization of that program has been paramount and trying to encourage the continued use of that in

[01:19:31] In addition, we've had a number of conversations with the director of student activities, Mr. Alfonso Smith, in terms of just working with the individual DSAs to identify, again, where those opportunities may exist, understanding that some schools may be more heavily utilized than others and kind of relocating or shuffling some of that, those requests over to the schools that may have a little bit more availability.

[01:19:57] So there's, yeah, a multi-layer approach that we're currently looking at for that. All right, Mr. Jesse, I want to come back to you because I had a couple of lights on. Was it Supervisor Stewart or was it School Board Member Wall?

[01:20:14] I'm going to move this closer. Okay, great. Thank you. I, first of all, did not know about a cricket field at Mountain View, so that's pretty cool. Do we have other cricket fields anywhere? Do we have leagues anywhere? Can you tell me a little bit more about this? It seems so out of that field.

[01:20:31] So we actually have a cricket field already at Beth's Park, and we are finishing construction of... Sorry, Veterans Park. Sorry, Veterans Park. We had the first one. Okay. So this is number two. And we're... Actually? Orchard Bridge. Which was first? Which was first?

[01:20:47] Orchard Bridge or... No, Veterans was first, but then was it Orchard Bridge? It doesn't matter, but you have a couple of them. We have another one that we're finishing some improvements to Orchard Bridge cricket pitch. On the league issue, I don't know if there's a formal league, but they play a lot.

[01:21:02] They used to play in Garfield's parking lot. That's where they used to play all the time. And so there are a lot of weekend folks playing on that. So it's on Mountain View's fields, but it's a county facility or a county administered facility that the community could rent or sign up to use?

[01:21:24] Yes, we do the permitting for the community use at that facility. I know that we also have had conversations with Washington Cricket League in terms of potentially bringing some opportunities to the local high school, Battlefield High School being the closest and increasing some programming opportunities that way.

[01:21:43] I'll do a quick shout out to their CFO here for Prince William County Schools. He was instrumental in helping identify that location and getting this program, getting that field installed. I was going to do the same. I was going to give Shaquille a big shout out. was a great partnership between the school system and the county and the facilities team did construct the field in conjunction with collaboration with parks and rec excellent very excited to hear this thank you for the additional information um my second question relates to our earlier discussion about thinking back to what may attract families to prince

[01:22:20] william county um and encourage people to settle here and have kids here um i know and and then lots of kids lots of kids track and field usage um i know i'd be interested to know if the county is still discussing considering pondering um uh indoor track facility or something on a big enough scale that it could bring revenue to the county um and provide opportunities for our children to compete here instead of traveling to prince george's county in maryland or down to

[01:22:54] i'll virginia beach i was going to get into that next okay because we have we do have other opportunities to talk about that okay so i'll put that question on hold um and then my my third question is kind of related but um up where we are in the western end of prince william county there's zero um there are zero like indoor rec type places there's just like nothing um so maybe i i don't really count freedom center because that's george mason but i i would be interested to know and maybe that's in the upcoming thing too but that is also something that i hear families

[01:23:30] express an interest in we as schools provide you know our facilities kids can play on teams in our schools but not everybody can be on the basketball team not everybody can be on the volleyball team and there are plenty of families who would love to have additional opportunities for healthy recreation um and casual you know use and so um i'm interested to know from from a school board perspective i don't know so i'm interested to hear what the county has been talking so i was going to say after we finish this discussion we're going to get into adaptive reuse opportunities and then future joint recreation center and school construction opportunities so jen

[01:24:08] you're channeling what is to come all right thank you very much and i neabsco i saw a light on down there earlier is that all right mr blake thank you thank you for the presentation um i was just

wondering to go back to the turf field like i saw the the seven original ones that you guys did and have you went back again and reassessed whether the community use in any of the other middle schools like you know have we have we seen do we have heavy use and where we could add more

[01:24:44] turf fields or what do we need do we need to do a partnership or how do we get that done to like put some more turf fields at the middle school around the county now i'm happy to answer that it was we actually had a joint meeting i would say maybe about two months ago to discuss additional turfing opportunities within the county i can tell you that the it seems that there's been a stronger emphasis on ensuring that the high schools were having access to each one each turf field that they each had access to a turf field i believe we've accomplished most of that

[01:25:19] and that we've now looking we're now looking at other opportunities for middle schools as well that would have that that possibility that we could go ahead and go and turf a football field or something similar I know something I know like in the Neabsco district we have Hampton but Beville we have Beville and I just know that the community uses that a lot you know it's that main thoroughfare right there on Fidel Boulevard so I didn't I just didn't know how how you came to the conclusion that Hampton was you know we wanted to put a

[01:25:53] hampton not beveled just speaking personally in my district right no it's uh uh it's a joint assessment for sure in terms of the amount of community use that each one of these fields get and uh looking at the field conditions as a whole as well uh potomac is like another good example where it's a lighted football field it gets a lot of use but it's been very difficult to maintain that level of turf the natural turf given the amount of use and the fact that it's lighted and and they can go up to as late as 10 o'clock.

[01:26:23] So we look at a number of different variables when determining where to focus some of those resources. - Thank you. - All right, I'm gonna go to school board member, Richard Jesse, then I'll go back to my colleague, Victor Angry.

[01:26:42] - Yeah, I want to check to make sure. My question is more on the sharing of bonds and so forth. Is this the time or is this the inappropriate? That's going to be in debt when we talk about debt management later.

[01:26:59] All right, Mr. Angry, and then Dr. Lateef. So last for the parks, I'll just mention too, Mr. Blake's kind of comments about the district, Neabsco. Andrew Leake Water Park, I know I see, and I haven't seen it recently, but the side over there where they basically made a soccer field, you know what I'm talking about, on the parking lot area.

[01:27:23] Is there a proposal to put a soccer field on? I know they've kind of beat that up a bit, and maybe we've turned them off from doing that because I see grass growing again over there. But was there ever a proposal? I know soccer is huge everywhere. And, you know, similar to playing cricket in the parking lot at Garfield, you know, they kind of make fields where they can.

[01:27:43] So is that ever any kind of idea? And maybe we should talk about that offline. I just wanted to kind of bring that up here. I can tell you, I have not seen anything in our capital improvement plans that would create a soccer field in that space.

[01:27:59] I cannot tell you what may have happened previously, but Trace has been here a while. Yeah, I believe it was originally a stone dust field, and it just, we moved away from programming it over the years, and now, like you said, it's been grown over, so the space is being not completely utilized at this point.

[01:28:22] All right, thank you. Chair Lateef? Quick comment so just if everyone doesn't know the the high school tracks are open to the public the hours are on our website folks any time in the community when the school is not using the tracks have access to most of our high school tracks not all of them but most of them to use throughout the summer on the weekends and when the students aren't using them so I'd encourage the public it took a long time to get us there. Credit Mr. Wilk, Dr. McDade, but we got there, and I'm excited about that. One thing I'd like everyone to think about or look at, and I know this would be under

[01:29:01] parks and recs, but it's also a school thing. You know, we do charge people to use the community use facilities, whether the rec leagues who do use our places. I would challenge the boards to consider finding ways to reduce the cost to the community. So for those leagues that want to use it are there ways we could further subsidize that are there ways we can channel dollars into making sure that those are more available in and so I think that's something that I would ask each of you to consider we wanted there was folks who came to me wanted to start a badminton league mid-county and the cost was prohibitive to rent out the middle schools for that league and for

[01:29:40] those folks whereas in Loudoun County there's a lot of schools doing badminton And, you know, it's a very robust thing happening up there. So there's badminton, pickleball, all sorts of neat things. So I would ask you all to consider that. And then last, we are one of the few counties that offer middle school sports.

[01:29:58] So our middle schools are busy. And so, you know, I want to tell all the folks, you know, we try to make our facilities available for the community to use them. But as stated by Parks and Recs, it's based on, you know, when the schools aren't using them. And because we have so many middle school sports, I mean, we have volleyball.

[01:30:15] We have basketball, we have baseball, we have football, track. We have a robust middle school program. Fairfax, I don't think, had one until relatively recently they're starting, if they're even starting. It is pricey. It's expensive. But it's another example of affordability for our families because they can do school sports at the middle school level and not have to always pay to be in a rec league.

[01:30:38] And it's another outlet and opportunity, as Ms. Wall points out, for our community. And so we value that highly. But that also limits our ability for community use. But I want to find ways to continue to work together to maximize facility use, reduce cost for our community members.

[01:30:54] And I think there are ways that I think, you know, we can use those tax dollars to benefit the community. And the tracks are open. All right. Thank you so very much. We are actually going to move on to a couple subtopics. One of them is adaptive reuse opportunities.

[01:31:10] Mr. Shorter. So really, so this is the open discussion part. so if there were i know that i heard from a few board members with some ideas suggestions about opportunities for us to work together so i just want to invite our board members to just jump in this is the open discussion part of the agenda item i was thinking this is going to be a boardy special but we're going to start with the gordy thank you madam chair this kind of ties into the last question uh conversation as well um right now uh we are working through a bent hills uh

[01:31:50] small area plan the county already owns land within that corridor there were some land donated as a proffer for the purpose of a school that where now the grizzlies play football so we are

looking for we are looking at those sites for what we can do for the community but one of the things that we are looking at specifically is a third place for young people a place that they can walk to after school a place where they can get together it's safe and a place for them to be able to come together as community and so when we think about some of those types of

[01:32:29] opportunities i think there's potentially a way some things that we could do to collaborate another thing that we are working on is because we have these conservation residential type of developments now coming there's land being donated and right now we are looking at a significant amount of land that is will eventually potentially be part of the bristow battlefield but it there are forests over there you've got kettle run you so this is a an incredible place for outdoor recreation

[01:33:06] of cycling of biking historical discovery but you know I attended a field trip with my daughter when they went out to do the testing for water and the ecological experiments at the the battlefield and and in my mind I've thought about what if we had this incredible educational facility that could that could be utilized by by both the county and the schools for those types of programs you could have a classroom and they go out into the into the forest go out to the creeks and be able to use those for exploration and education so

[01:33:44] looking at some of these opportunities on the front end as these proper that were that that are going to be coming forward how can we utilize those as shared spaces between ourselves and and the the school system I see there's great opportunity and great potential there so um just teeing that up for future conversation but but i think when we start looking at these these shared spaces and things that where we can do i i'm i'm open to uh working through that on uh because we're literally talking about greenfield development

[01:34:21] right now opportunities and uh and just seeing what the possibilities are to make that happen thank you all right mr bode thank you madam jenna this is going to be a boardy special because a lot what Suarez Gordius just said, I'm going to say ditto and then also frame it a slightly different way. So one, ditto on the third spaces. We have a lot of young people that when they're done with school, especially your older teenagers, they have a lot of, I wouldn't call it free time, but they have a lot of time where they may be in between homework and shifting or something else where they don't really have a lot of places to go. Now that's also on us to talk about more transportation options for that cohort, but we also need places for them to go to utilize that

[01:35:00] transportation that's one um so really looking forward to having more conversations around on both sides of the fence so existing county facilities that we could partner with you all more closely on how we get more young people to utilize them i'm not talking about rec centers our libraries what have you that's number one but two on the other side is um i know in the last couple years you on the school division side have are or are going to be closing down some of these school buildings. I would love for us to actually at least have an opportunity to talk to you about those facilities. The old Occoquan Elementary School is one, Potomac View is another one, where

[01:35:37] before we talk about tearing something down, is there an opportunity to preserve part of that building for some kind of community use, and what does that partnership look like? Because if there's a gymnasium that just needs a little bit of work that's in the existing school building, rather than demo it, is there an opportunity to provide some of that space that folks would need there, what have you so that's another one um the third one is in my district alone we have two uh two county-owned properties one is

going to be smarter the part of the landing which we talked about before but the other one is the uh the maxwell property which sits between the mccourt building

[01:36:14] and davis ford road and the the fire and rescue and and new police station over there on davis ford are there opportunities for us to look at county-owned land as well and school-owned land to have more joint use facilities where it isn't just a school facility or just a county-owned facility that we sort of swap usage of at different times can we have opportunities where we have truly joint use facilities as was said earlier in these other localities where you have actual physical integration of buildings of school buildings program act buildings what have you so there's more partnership there and frankly knowing that our community wants to be closer

[01:36:52] together when it comes to these issues and not have to drive as far to utilize this there's another affordability issue there too is how do we get these kids and these other people all across the county if we can co-locate more facilities thank you all right i'm looking at you woodbridge supervisor jeannie la croix i just wanted to mention that i talked to dr latif i guess a couple weeks ago and we talked about maybe merging together and working towards having a school facility for the the senior center and we were going to look at some possibilities but I I love

[01:37:30] the idea of merging and the rec centers that was that was music to my ears I think that would be something that would be really good for the kids and for the schools and for the the citizens just working together I love it supervisor Bailey thank you madam chair this is my favorite part of being here tonight because I think it just has an ebb flow for creativity, but in terms of adaptive reuse opportunities, I know we're talking about VOCS and school partnerships, but there's

[01:38:07] a reuse opportunity when we also talk about our towns and what kind of buildings there are in our towns, and we need to partner there more. And so, for example, there's the Clyde Washington Center in the town of Dumfries that's sitting and it's next to a park, and it could be a candidate for evaluation for partnership.

[01:38:29] It's an old fire station, but they're looking to rehabilitate it for recreation. So that could be, when I looked at the strategic plan, that could be an opportunity. And then future Joint Recreation Center, I know we're looking at, and that's in the future, the Triangle South Elementary School, that in the future, in the future, not now, in the future.

[01:38:54] But when it's chosen, you know, that could be an opportunity, too, to revitalize a building, to have that as an elementary school for Triangle South rather than building it from the ground. What does that partnership look like?

[01:39:11] And then, of course, there's what I call in my district the Golden Jewel, the Potomac Shores, right, Justin? Yeah, okay. Very special. Yeah, it's land there where there could be opportunity for partnership as we are growing that development there. And then the other thing that I've had several conversations with the superintendent about this when I looked at the strategic plan.

[01:39:33] And I agree with Madam Chair, the vision for the school board, how that's been crafted together is just impeccable. And so when you talk about communities and partnerships, how can we partner when we talk about affordability and workforce development and teacher housing?

[01:39:52] I know that one of the things that you do as a school board, you bring foreign teachers over to teach ESL. And so that could be an opportunity for housing for families and for the teachers. And so how

do we partner together with the private industry to build housing?

[01:40:10] suffice what you're trying to do as well as what we're trying to achieve. So I just wanted to offer that. I'm going to have to jump in real quick because I'm also looking at time. I'm going to go over and we can have a discussion during open discussion. Maybe about that. Okay. I'm going to go over to Supervisor Angry. Thank you, Madam Chair. I'll just be real quick because I've been here before. On behalf of all of those families and track stars who petitioned us back in 2019 for an indoor sports complex, that is a real discussion.

[01:40:40] And I will tell you, as we talked about New York and Virginia Beach having this facility, Jamestown, Williamstown, and James City partnered in a triple partnership and built a facility there, and it's up and running.

[01:40:56] And we've got to get serious about this because we all have seen those emails, and I'm not here to blame anyone for any of whatever staffing or scheduling should have been. the issue is clear we have more needs for more sporting events than we can house in this county in our school system and we don't have anything in the county to manage that so we really should be looking holistically as a common as a joint system to figure this out and get something built soon to accommodate all of these families which will solve many of the problems I've heard here today from many districts with many opportunities because this is

[01:41:32] a multi-function facility that can do many things for the county so i'm before i go to you we're going to go into that next discussion again the next discussion for us on our agenda was future joint recreation center school construction opportunities i just also want to be mindful time it's almost 7 45 but we still have a lot of presentations to go um quickly that's been a discussion with the board of county supervisors and we're going to get into debt management a little bit later because that has been a real hurdle for us so that might be have to be a conversation at a later point where if schools are willing to work with us on some of the capital

[01:42:10] costs I know that my colleague Tom Gordy and I have talked a lot about about getting a rec center on the western of the county but that's also a very different thing than having a sports complex that's a different conversation we've talked about an area called the landing where that could be a possibility but there are also other things that the landing could be and I know economic development is still working on their plans for that but school board member Tracy Blake. I was just gonna piggyback off of that complex though it would be very advantageous for this district for this community to

[01:42:49] have a building here so just just the schools alone the graduation we have to all of our families have to leave go out to Fairfax go spend their money in Parfax after the graduation all of that they stay there they don't drive 30 minutes back to come eat here there we go there we go across the street and was it packed for hours every graduation so we I've just however we need to get it done we need to you know get that done for the community the betterment of everybody I'm gonna take mr. Wilk and then we're gonna have to move on again

[01:43:23] for the sake of time mr. Wilk yeah I just want to highlight an active of collaboration that hopefully is coming to fruition within the next couple of years, but the animal shelter right down the road, it's called an animal shelter, right?

[01:43:38] I always wanna say pounds, but that's not, you know, no, not a pound, animal shelter service center. And we're looking at a collaborative approach with the county, the animal advisory board, is that what they're, and then our CTE group, looking at expanding opportunities with a vet tech program for our students in the future as part of the strategic plan so we're very excited about that uh in the potomac district and for the entire county um with that expanded program opportunity all right thank you very much i'm going to we're going to move on dollars and cents

[01:44:18] where are we headed as a county the economic forecast um it's going to be very important i expect a hopefully a robust discussion around this issue mr shorter if you're ready to take it away thank you very much madam chair so and i'll say on the last discussion just as a reminder earlier this calendar year there was a directive issued and we are going to be doing the parks and recreation department county-wide assessment around opportunities with an emphasis on princeville opportunities for recreation and recreation programming around the county with that i'm going to invite leslie weldon our cfo and director of finance to come up to introduce this next

[01:44:58] presentation. Here we go. Good evening, Madam Chair, Mr. Chair, and members of both boards.

[01:45:16] We're going to start off here with an economic and financial market review. If you just bring the mic a little closer so the folks in the back don't care. All right. Jack Snorbus is an institutional relationship manager with PFM Asset Management, a division of U.S. Bank Corp Asset Management, where he focuses on serving public sector clients across the Commonwealth. Jack provides investment advisory services for the Virginia State Non-Arbitrage Program, or SNAP, supporting clients through portfolio structuring and

[01:45:51] analysis, cash flow modeling, asset allocation, investment policy review, and economic research. So today, Jack is going to present the economic and financial update. Thank you. Thank you, Leslie. It's a pleasure to be here with you this evening. My name is Jack I work with PFM asset management we've had the pleasure to work with the county for close to ten ten years it is a near and dear relationship as I'm a former alumnus of Prince William County so to be here and provide an economic update

[01:46:26] it's it's very special and really that the goal today is really to help you with really to help the board here with identifying what's really driving the market says there's a lot of noise what's going there's a lot of noise but being able to determine what are the actual signals that are happening in the markets and really what's happening across Virginia I work with localities from here all the way down to Virginia Beach and so there's a lot of questions a lot of counties are asking as the economic uncertainty is elevated and

[01:47:01] there's a lot of dynamics in the market that keep everyone on their toes so some themes that we're seeing in the market today are really pegged around one core theme and that is the geopolitical climate in Iran and how long this conflict is going to last the markets have repriced this event several times when we first began in in late February early March this was first deemed as a quick surgical conflict has been much longer and the markets as a result have

[01:47:39] had to digest quite a bit of headlines, and as a result of this, we've seen the energy markets become very volatile. And because of that, we've seen inflation rear its ugly head back into the picture this year. If we think back to where we were last year, inflation was moderating. It wasn't as much of a concern, but we've seen it come back, and it's well above the Fed's target, and we'll talk about that. But as energy

and as inflation continues to be a headwind. We're seeing the consumer face challenges, whether it's at the pump,

[01:48:17] whether it's paying bills. And so I'm going to point out a few statistics that we're looking at that show the consumer's having to pull back slightly. And finally, what we see is what's driving the economy. One shining beacon is this private investment in AI, both in Virginia and And across the U.S., we're seeing this tremendous exuberance of AI investment, numbers that most economists never imagined we would see that we are seeing today, both this year and for years to come.

[01:48:48] So all this lies at the feet of the Fed in trying to determine how they're going to navigate monetary policy. Now, the Fed, they manage to a dual mandate, price stability, maximum employment. And right now, as we'll look at, the concern for them is inflation, price stability.

[01:49:07] they have gone a significant amount of time of struggling to rein it in with their target of 2 percent. So we'll look at that. We'll look at Treasury yields. I'll be conscious of time, so if there's any questions, feel free to address them.

[01:49:24] So if we look at inflation, what I have here today is CPI. Now, this is a metric both the Fed, economists used to track how inflation is measured.

[01:49:39] It has spiked this year. In fact, May alone was the highest we've seen in three years. In May we had a 4.2 percent CPI inflation rate. This was largely driven by energy. We saw 60 percent of the May CPI was driven by higher energy costs.

[01:49:58] We've seen that come down, but as we've seen lately with the geopolitical uncertainty and the supply of energy going through the strait, we've seen this impact CPI more so. So right now we're at 3.4 percent.

[01:50:15] This is headline CPI. Now there's another measure that's not on here called core CPI. What core does is it takes out food and energy because it's very volatile, and the reason why they do that is, one, it's volatile, but it's a way for the Fed to navigate the seasonality of inflation, whether you can have, like we're seeing now with energy spike, but that is still above their 2% target.

[01:50:41] If we look on the right-hand side, we have the metrics of where we see energy. You can see 14.7% up year over year, apparel up 3.9%. There's no free lunch right now, and it's very hard to find anything that is going down in price, and a lot of this is driven by energy prices.

[01:51:02] It takes oil, it takes gas to transport everything. And so on this next page, what I'm going to highlight is what we're seeing across the industry for energy markets. It's a global commodity. While we are not a massive net importer of energy from the Strait of Hormuz, it's a global commodity, and it's priced that way.

[01:51:24] And so I want to point out a couple things here. Brent crude. Brent crude is very important. As of September 11th on this chart, it was up 74%. Brent crude is part of every producer's manufacturing. So when that goes up, it costs more to produce that product.

[01:51:41] Therefore, it costs more for the consumer to buy it. Same with diesel. Nothing gets around this country without diesel. Trucks use it all the time. And so while we are actually a net exporter of diesel, it's a global commodity, global prices, that's up 70%.

[01:51:56] So when we go to the grocery store and we see food up 10%, 15%, that's what I look at is the diesel price because that's what's taking it to their final destination. Then finally, retail gas. As of Virginia, the national average is at 4.21% for a gallon of gas.

[01:52:17] This is significantly higher than it was last year. Diesel's at \$6.78 a gallon. This is below national averages, but there is a concern right now that we could see higher prices as long as this duration of the conflict in Iran persists.

[01:52:36] So one of the things that we'll look at when we look at the consumer is the personal savings rate. Personal savings rate measures disposable income and personal savings. And one of the things that we're seeing is this erosion in the wallet share for the consumer.

[01:52:54] The last reading in July was at 3%. In June, it was at 2.7%. We haven't seen that in 20 years. Largely driven by higher costs, largely driven by energy prices. But when we listen to CEOs on earnings calls, one of the things we're seeing is consumers are trying to limit their travel.

[01:53:17] If they can go to one shop and buy it all in one swing, they'll do that. But overall, what we're seeing this trend is people are saving less and trying to make up with what they have. So we're seeing that savings rate hit 3%. And you can see on the right-hand side, for the past 2010 to 2019, it was at 6.2%.

[01:53:35] So a dramatic shift there. And on the left-hand side, it gets even more scary as we look at credit card balances. Credit card balances are at \$1.26 billion. So that means a lot of consumers are putting it on credit. Now, one of the concerns when you use credit is interest rates tied to credit.

[01:53:55] It's pretty hard to find a credit card that offers an interest rate below 10%. Most are in the 20s. So these balances are losing their purchasing power as they're sitting. The good news is we're not seeing delinquency rates spike.

[01:54:10] Currently, delinquency rates are at 2.85%, which is actually very manageable. When we get concerned, it's around 4%, 5%. Right now, it's still hanging in there. And I think it really echoes this theme that you've probably heard of, this K-shaped economy.

[01:54:28] You have income earners at the top spending a lot more money. You have income earners at the bottom spending less. And so it kind of distorts some of these balances. But overall, regardless how you view this K-shaped economy, we're just seeing the overall consumers being stretched thinner and thinner as this conflict proceeds.

[01:54:48] If we look at the labor market, now when we started the year, the labor market was much more of a concern. We didn't see a tremendous amount of growth last year. This year alone, we've seen it stabilize. I wouldn't go on the record in saying it's resilient, but it's hung in there.

[01:55:06] The last three months, we've seen a rolling average of 72,000 jobs gains, and that's great. Considering all the headwinds with energy costs, with inflation, that's positive. If you look in the left-hand side, you'll see the unemployment rate's at 4.1 percent.

[01:55:23] That's as of August. This is a solid number. The Fed's target is 4 percent, so they are very close to their target rate. Historically speaking, it's typically, the historical unemployment rate's about 5.7%, so we're well below.

[01:55:41] But one of the concerns that we'll look at is where are we seeing the gains? Is it broadening in the market? If you look below, one of the things that I included here was just so you could see across

northern Virginia what the unemployment landscape looks like.

[01:55:56] You can see Prince William County's at 3.5%. This is a fantastic percentage. This is a great... Considering the amount of federal workforce in Prince William County, and that we've seen close to 300,000 layoffs this year, it shows that there is a robust labor market within the county.

[01:56:18] Now, it's not something that, again, it's constricted with some of the constraints with energy and inflation, but considering the tremendous amount of federal employees that live within Prince William County, that's a good number. And you can compare it to other localities across both the state, 3.7 percent, and other localities.

[01:56:39] So one of the things that we looked at in the last August report was where are we seeing this broadening out of the labor market. And this was an interesting report for a few reasons. One, July we showed a negative growth in the labor market, and that got revised up.

[01:56:55] But what we saw in the August report was this broadening out of the job sectors that we're hiring. In an environment where we see interest rates higher, we typically will see sectors that are not as interest rate sensitive higher.

[01:57:11] So think health care, education. You're always going to need a teacher. You're always going to need a doctor, regardless of where the interest rates lie. Whereas you have maybe a financial services company, if interest rates are high, it costs them a lot more money to borrow, and they're going to try and find ways to expand their current workforce with productivity.

[01:57:31] So what we saw was gains in leisure and hospitality, and I think this echoes this theme of K-shaped economy because if you have the money right now, you're able to go on vacations, you're able to spend that money, and that's where we see those gains in leisure and hospitality, and this is adjusted for seasonality.

[01:57:51] So it's not just August vacations. We are seeing a tremendous amount of gains there, and if you look further across the chart, you'll see manufacturing's up. that's good. But again, these numbers are very small when we compare them to historically where we've seen job growth. So again, it's something that's a very fluid situation, but as right now for the Fed, inflation continues to be their concern. If you look at GDP, GDP right here,

[01:58:26] it's hanging in there too. We've had tremendous amount of spending in private investment in AI. This year alone, we'll look at shortly, it's just been tremendous. We've had close to \$760 billion of issuance projected this year in AI spending, with next year expected a trillion dollars.

[01:58:50] Those figures continue to evolve, but what's interesting about this private investment is if we didn't have it, we would actually see the past few quarters would look a lot worse. In fact, we would actually see Q4 2025 be negative, And I think it would be a much different scenario.

[01:59:08] So what continues to drive the economy, private investment in AI and consumer spending. So we're still seeing them hang in there despite some of the headwinds. But overall, the overall economic climate continues to be resilient. We included this just so you could see where this private investment is dedicated towards.

[01:59:29] Prince William County is home to a lot of data centers. And as you can see, a lot of this investment is also going towards software, communications and equipment, computers. Right now, on an

annualized basis, we're seeing about \$1.5 trillion is going to be spent on AI over the next year.

[01:59:49] So it's going to continue to be a theme. While I'm sure we're all tired of hearing AI, we're still in the early innings, and we're going to see a lot more of it. But right now, in terms of GDP growth and corporate fundamentals, it's driving a lot of growth.

[02:00:07] If we look at the Fed, where's the Fed today? The Fed met last week, and they made an interest rate hike. Now, when we started the year, the markets priced in, we would see two cuts. So it was a completely different environment. We have new leadership with the Fed, with Kevin Warsh, sworn in in May.

[02:00:25] And this was the first rate hike that we've seen in three years. And as you can see, that Fed Fund's target rate is now at 3.75% to 4%. Now, what is the Fed Fund's target rate? Just as a refresher, this is what banks are borrowing overnight from each other.

[02:00:41] And this impacts the front end of the yield curve. So think overnight funds. And this will slowly permeate across the yield curve. So think two years and then going out. It takes time. But this was a response to inflation.

[02:00:56] As the Fed came out and they were more hawkish, they were more concerned with inflation, and they felt that inflation has gone too long without being reined in. We've gone close to 65 months where the Fed has been unable to get inflation to their 2% target.

[02:01:15] So this cut is a symbolic gesture for now that they're trying to bring it in. Right now, markets are pricing another rate hike in December with a potential third one in 2027. But right now, it's still very fluid.

[02:01:32] A lot can change. A lot of economic indicators are moving from month to month based on energy prices. But when we typically see a tightening policy from the Fed, we don't see just one cut. We'll see multiple cuts. So it's definitely something we're keeping an eye on as this impacts overall rates across the curve.

[02:01:53] And finally, the yield curve. What I want to point out on this page is this shaded area is the one-year range. And that dark blue line is where we are as of the 10th. And as of today, we're higher.

[02:02:09] We are at historic levels right now for fixed income yields. We are at a positive normal yield environment, which is great for investors because if you're investing, it means higher income as these yields are higher. But on the other side, for existing investments, it's an inverse relationship.

[02:02:28] As yields go higher, market values go down. So what we're seeing right now across the board is as you go further out, you're being rewarded by higher yield. These just reflect the current environment that we're in where there's a lot of uncertainty and the markets are pricing that in.

[02:02:46] So there's a risk premium. So all that, wrap it in, it's a very fluid environment, but the economy is very resilient, just like the consumer. We've handled a lot, and they've been able to hang in there despite some of the concerns that we see today.

[02:03:03] So I'll hold back if there's any other questions. - So for the sake of time, I'm hoping that we can go into the next presentation unless someone has really burning questions because we do have debt management we have to get through and I want to try to get us out of here and be respectful to our host.

[02:03:23] So Mr. Shorter, if you can tee up. - Ms. Jefferson, we just have one question. What school did you go to Jack? - Battlefield. - I think there might have been some sports action or some poly market going on over here.

[02:03:39] Purple Tide gave it away. Thank you very much, Madam Chair, and thank you very much for the presentation, Jack. So the next presentation is one where we're going to be talking about our credit rating and how we manage our debt and reserves. So with that, PFM, I will turn it over to Leslie to introduce the presentation.

[02:03:59] Good evening again. Introduction for Sarah Frey. She serves as the director at PFM Financial Advisors, where she has served for nearly 25 years, advising local government clients primarily in the Commonwealth. Sarah's work spans financial planning, bond transaction execution, credit presentations, debt policy development, and resilience strategies.

[02:04:24] Today, Sarah will be presenting debt management practices to include a discussion on credit ratings. And I will note that while they both have PFM in the name, they are two different companies.

[02:04:39] - Thank you for that. - Good evening, Ms. Chair, Mr. Chair, members of the boards. Appreciate the opportunity to speak with you this evening. I will move quickly, since Lizzie just gave the introduction. Again, Jack works on the investment side and I work on the debt side, so I help the county with the issuance of debt, helping for planning execution of your bond issuances, refinancing when that's appropriate.

[02:05:03] And as part of that, help the county with its credit rating strategy. So the plan for the discussion this evening to talk about what credit ratings are what the county's credit ratings are give a little bit of an update for the most recent credit review the county just went through ended earlier this month i'll talk about some of the credit challenges so as a preview the county maintains the highest possible credit ratings and so there have been some challenges in maintaining those high credit ratings that we've been talking about for the past year or so and some actions that are underway to address that I'll speak to those and then I'll move into the debt talk about what the current

[02:05:42] debt portfolio looks like show the school's debt the county's debt what you have now what's projected in the future and I'll also talk about some ideas about how their locality share debt allocation between county and schools just to give us some ideas of what works for others so to start what is a credit rating it's an independent review from a third party about the ability and willingness of an entity to repay its debt there are three main credit rating agencies moody's smp and fitch the county maintains a credit rating from all three of these

[02:06:20] higher credit ratings means lower risk to investors lower risk that the bonds won't be paid in full and on time and so higher credit ratings lower risk means a lower borrowing rate the highest possible credit ratings are triple a and the county maintains a triple a from all three of those major rating agencies the county has maintained these triple a's since 2011 so 15 years at this highest possible level it's a real testament to the strength of the county's economy its finances and its management in virginia we're in a land of very high credit quality there are 13

[02:06:58] counties in virginia that have this distinction of the three triple a's but nationwide if you look at all the counties across the nation less than two percent of counties maintain these high credit ratings just hypothetically to give you a sense of the cost and what these credit ratings mean so every time you go to

borrow because you have the highest credit ratings it means you have the lowest possible cost of capital if hypothetically the county were to be downgraded based on what you're projected to issue in debt in the next five years it would cost you over a million dollars a year in additional debt service that would be paid in part by the schools and in

[02:07:35] in part by the county and we'll talk about how that split in a little bit. The county's credit was most recently reviewed by Moody's and S&P a year ago. We have calls scheduled in the next few weeks to update those and the Fitch rating was updated again earlier this month. I do want to take a minute just to talk about the Fitch rating because we've been on a bit of a roller coaster with Fitch and how they review the county's credit and in part is a follow-up because in March I spoke with the county board the budget and finance committee about this in some detail and

[02:08:10] so I wanted to give you some clarity in what's happened there and so back in 2024 Fitch changed their methodology for rating local governments they moved to a model driven rating approach with the goal of being more transparent to investors of how they come up with ratings and so last year the county's score credit score was a 10.16 and we talked about that because in Fitch's language that is considered a low AAA. That rating was based on the fiscal 24 financials.

[02:08:40] The review we just went through, two things happened. They rolled the model forward, so we have now the fiscal 25 financials, which are put into the model. Between fiscal 24 and fiscal 25, the county's debt increased, and so that pulled down the county's debt score. Now, before that was published, we did see that. We did speak with the Fitch analysts. The county team did a tremendous job about talking about the growth of the county's economy and the tax base and we requested and the fitch analysts agree to giving an additional what they call an analytical adjustment to that score that the model was showing so they added one point to the score so the score came out at a 10.89 so

[02:09:20] what was published was a 10.89 which is now a strong triple A so again just to be clear over the past year, never at any point did the county's rating fall below the AAA. But just to show you the components, the debt did start to bring that score down, but it was more than offset by the growth in the county's tax base. So we are pleased with where that stands, much, much stronger now than it was a year ago. Can I just jump into a quick question? Sure. Did the other two rating

[02:09:52] agencies ever give or provide comment on this or tell you that this was a risk for us? The next slide we'll talk about the risks from the other three agencies. So yes, debt is a challenge from S&P as well, specifically, and reserves are a challenge from Moody. So they all look at different factors and weigh them differently. So in this slide, we're putting together for all three of the major rating agencies, a summary of how they look at the strengths and weaknesses of the county's credit. So to your question, debt is still a concern with S&P. And specifically,

[02:10:28] what they have noted is given the increase in debt, and we'll talk about that going forward, show you what those numbers look like, they are watching to see if debt service grows faster than the tax base. And so to them, if sustainably debt service grows much faster than the tax base, that could be a credit risk. So Fitch, we're in a much better position, but it's still something we need to watch with the others. So my specific question is that's sort of broadly how they look at counties, what you're telling me, have they provided written concern or guidance when they

[02:11:02] provide you the rating of these issues as a problem for us? Did Fitch provide written? Did anybody, yeah. So like when we get our internal audit, right, or we do an audit, audit will say, here's a risk,

here's an issue, here's something you should watch for. Do the rating agencies provide similar comments when they provide a, so did they tell you we're at risk? Yes. So every report, and every report will say here are the credit strengths here are the credit challenges here are risks that could make the rating go up or down so that is very clear okay can you get that those provided to us

[02:11:38] sure thanks um here just again very broadly across all three rating agencies some things they look at as the strengths the revenue base is growing it's diversifying management gets the very top scores across the board even among triple a's the county's planning and multi-year planning is viewed very favorably that certainly helps the rating we've talked about the economy and comments about the economy being concentrated relative to other credits and that being a relative weakness what we flagged here again is factors that the rating agencies rating agencies say could challenge this

[02:12:17] credit going forward one of those being reserve levels the reserve levels have been stable but they do lag medians and by that they lag medians within the state so lower reserves than peer communities in the state and lower reserves and other AAAs nationally also the debt burden is moderate and so that's where they say well it's already moderate and they look at the approved CIP and the debt plan and say if that continues to increase they want to make sure that debt is increasing in a manageable way so these are two areas that they have flagged that they're

[02:12:51] continuing to watch so as I mentioned we've been talking about this we talked about this with the county board back in the march there have been subsequent conversations about it there was three specific actions that we recommended and the county board has taken steps to begin addressing those so we talked about holding or building reserves again because the county's reserves do lag those medians and the board took the action of increasing its financial policies the principles of sound financial management for reserve within there is the unassigned fund balance policy that's been in

[02:13:27] a minimum target of seven and a half and the county board doubled that to 15 percent it will take some time to move the reserves up to that level but that goes a long way to addressing that potential credit concern the other thing we talked about is staying below the debt limit so there are multiple debt limits within the county's principles of sound financial management these are the guiding financial policies the the debt ratio that is the most constraining is debt service relative to expenditures, and I'll show that here in a few minutes. That today exists as a maximum

[02:14:03] policy of 13 percent. Last week, county staff recommended lowering that to 10 percent. If the county were to go all the way up to that 13 percent policy as it exists today, we do believe it would be a credit problem. We think staying below that 10 percent is more consistent with the current credit ratings of AAA. And then again, the other thing we're looking at is debt service growth relative to revenue growth and both the county and schools have taken action on that so on the county side we were able to delay two bond sales that were planned for this fall this is

[02:14:41] without delaying the projects that are underway but because just looking at the cash flows of the projects we're able to say we don't need to issue the debt this year we can wait until next year which helps us not incur that debt service any sooner than we need to so 63 million of county debt plan for this year is pushed to next and then on the school side we've been having similar conversations with staff about these debt levels and these credit concerns and challenges that we're watching and schools were able to reduce what the plan borrowing was for this fall so last

[02:15:14] year we're looking at borrowing 251 million this year that has been reduced to 178 million so in total compared to what we were looking and projecting in debt issuance this year we've brought that down 136 million of county debt and so it will show you those in the projections it has helped the projected debt look more manageable going forward so shifting to an overview of the county's existing debt at the end of fiscal 26 there was just under 1.2 billion dollars of debt

[02:15:50] outstanding 70 percent 78 percent of which was for schools and as as you know just to be clear schools are not allowed in virginia issue debt on their own so that debt is issued by the county it's backed by the county's credit rating it carries the full faith and credit of the county it's a general obligation pledge but debt service on the school debt is paid by the schools so paid after the county revenue transfer and out of other revenues that they have available the debt service cost so what's paid annually to pay down the existing debt is shown in this graph

[02:16:25] on the right debt service in fiscal 26 and fiscal 27 is right around 150 million around 120 million of that is paid by schools and the balance paid by the county here we are showing a 10-year historical look at new debt that was issued for both the county and the schools and the planned issuance over the next five years and this is planned issuance based on the adopted capital improvement plans and the timing that's expected to fund those projects and there are two

[02:17:05] main takeaways i want to leave you with on this slide the first is that the overall level of debt is projected to increase so over the past 10 years the county issued an average of just under 120 million dollars a year and over the next five years projected to issue just under 270 million so the absolute level of the debt projected to increase significantly the other main takeaway from this is just looking at the split. So in this graph the county debt is shown in the dark blue and the schools in the light blue. So the schools are more consistently in the market so borrowing money

[02:17:44] the amount varies year over year but needing to borrow for projects in schools every year and the county history of borrowing has not been as consistent and you can see over the past looking at what's been issued over the past 10 years and what's to come a big change there. So the county needs are really growing relative to what they were in the past so what is driving that what's driving the increased debt issuance over the next five years there are several relatively large projects that are planned on the county side that includes the judicial center expansion at 200

[02:18:21] million the county-wide space project at 220 million and three fire stations totaling just under \$100 million. On the school side, that includes major renovations across five schools totaling \$365 million, each back replacements across a number of schools at just under \$180 million, and two new elementary schools at \$130 million. As I mentioned earlier, the primary metric

[02:18:54] that most constrains the issuance of new county debt is this debt service to expenditures ratio, which is what we're showing here so this is the projection debt service to expenditures the existing debt in the green and again the county in dark blue and the projected school in the light blue so you can see this ratio is projected to grow from around seven and a half percent in 27 to just under nine percent over five years within this we're assuming debt service grows right around

[02:19:29] eight percent a year and here we did make an assumption about what the tax base does so here we've assumed that revenue grows four percent a year and therefore expenditures grow four percent a year I'd like to hope that's an optimist or a conservative assumption if we look over the past five years that

has grown around eight percent but if we hit you know just think about on the other side, if we hit any economic downturn, if expenditures are flat to where they are in

[02:20:02] 2027, you would be projected to hit that 10% max within the five years. So the debt service again growing at 8%. The revenue here we're estimating grows at 4. And so you can see the debt capacity will be more limited if those assumptions play out. Real quick question. So the chart on slide 10 is the projected borrowing, and that's the same numbers you included that keeps us under the 10%

[02:20:36] for the next slide. Correct. And you said that debt servicing is going up 8%, revenue is only coming in at 4%, so that's a risk. Correct. On its own, but are you combining that with something else to tell me we're still below the 10, so we're not at risk? Because there's two issues here, right? Issue one is the rating agency says our debt servicing shouldn't go higher than our projected revenues. That's a concern. Second issue is just in general, we want to keep our debt below the 10% cap on this restricted. So there are two issues here, right? So the agency

[02:21:12] will look at two different things. Correct. That's correct. You are projected to remain below this max, which is important to stay within your policies. So that is a helpful fact. And again, this assumes revenue grows at 4%. Will revenues grow at 4% over the next five years? Maybe, maybe not but based on what's adopted and what's planned i mean the debt service you know we have an assumption about what our borrowing rate is that could change as well um but probably less variability there and that if we if we execute these projects as planned that's eight percent

[02:21:47] fixed cost growing year over year and and just to show you that on the next slide this is putting those in dollars um so the same numbers that you saw on the last slide but in terms of the debt service expense. So in fiscal 27, schools debt service estimated at a fixed \$125 million. So that's projected to grow again with those same planned debt issuance that we're showing. Just over \$8 million a year. So in five years, your fixed debt service cost would be \$157 million on the school side. On the county side, we have fixed debt service estimated at \$34 million in fiscal

[02:22:27] 27. That is projected to double within this five-year time frame to \$68 million by fiscal 31. Again, consistent with the same planned bond issuances and new issuance that we showed on slide 10. Do you know historically over the last decade or so, what's the highest we got? Have we hit 9%, 10%? We've been over 10% or we always hang around seven and a half, eight? I would have to go back and look historically how close we've gotten. Somebody old around here? Okay. That'd be

[02:23:06] great information if, you know, where we were over the last decade or two. And because the debt service is projected to increase, and again, depending on what happens to the revenue over the next five years, that debt capacity is projected to get more limited. I did just want to share a few ideas of how other localities talk about this issue of splitting debt capacity and sharing it between schools in the county so in the the county to date what we've done is we've

[02:23:40] been able to fund the county needs and the school needs and no real set split on how that debt capacity was allocated between the two sides this is not a recommendation this is just sharing some ideas of what has worked for others just to to spark some ideas in conversation here so so two ideas one is a percent of the cip allocation so to give a fixed percent to the schools versus the county this is what loudon county does so they generally allocate a percent of the total cip

[02:24:17] between in their case they allocate between county transportation and schools so those percentages are part of the standing cip guidance that the county board confirms each year another alternative in similar vein is to set a fixed dollar amount so to set an annual max that could be issued by counties that could be issued by schools this is what fairfax county does so their financial policies have a dollar amount of how much general obligation bonds they can issue in of a year that amount is revisited periodically but within that they have a joint committee that

[02:24:54] looks at facility needs and have a projected max for counties and schools and so both sides plan within a dollar amount so that helps them know and they can plan up to a certain amount and and that's how that allocation is split but just to give you a third example arlington county doesn't have a set allocation between county and schools it varies each year based on need just the way it does here in prince william county so not a singular model that fits for everyone but just sharing again some ideas and then just to put some numbers behind that on the county side just

[02:25:31] to show you again over the past 10 years and what's projected for the next five that split between county and schools for your debt service roughly 75 25 percent if you're looking across this time horizon interesting to me when i look back 10 years to 2017 you can see that county portion of the debt service was higher at 34 percent it's it's come down to the most narrow it's been in 26 and 27 and projected with the planned issuance to grow again as a percent up to 30 percent

[02:26:08] my last slide before opening up for questions just to go over again that the takeaways today the triple a ratings benefit both the county and the schools when you go to sell bonds it helps lower the borrowing cost and to maintain that there are some things we need to make to do there's a high credit quality and so the two things we're watching reserves the board's already acted on that and then the debt growth in both county and schools have lowered the debt issuance plans for this year's which is certainly helping towards that we talked about the tighter debt

[02:26:47] policy that will go a long way to maintaining the credit ratings you are projected to remain within the projected debt limits but that capacity is projected to tighten to get tighter as the debt service increases over the near term that i'm happy to answer questions so thank you very much I just want to frame a couple things first.

[02:27:09] I think, yes, it would be very helpful to understand historically how close we've gotten to that 10% cap because that's something that we need to think about moving forward. Please go back to slide 14. And this is not a decision for tonight, but this is something I think that is worth a further discussion, particularly ahead of next budget season, is do we have some sort of predefined split so that we can be aggressive about paying down our debt That is a concern for me. And going back to a conversation that we started earlier regarding an indoor sports facility, I know that that's something the community's been asking for.

[02:27:50] But I, for my 1-8th on the Board of County Supervisors, I've been hesitant because of the debt that we already have and what we know is coming. The new judicial center is needed. It is needed. McCourt. In my conference room, I have an office in McCourt. In my conference room, I have a couple outlets that aren't working.

[02:28:12] We don't know what room temperature is in my office because it's always just cold. Even in the dead of July, you know, middle of December, it makes no difference. We are running out of space, and we have a lot of lease space. A new fire station, that's not something I'm going to argue with.

[02:28:31] And obviously, whatever debt the schools have does count against the county. So that's one thing I want us to think about with this discussion. We have to balance our needs with our nice-to-haves. And maybe there's some things we have to look at even further out until we can really get a hold of our debt.

[02:28:52] I see a light. I don't know if that is our school member, Lisa Zagarpur, and then I'll go to Chair Lateef. Thank you, Chair. Hello. Thank you, Chair Jefferson. While we're on this slide, you said that Fairfax does one of these, and was it Loudon that did another, or was it Arlington?

[02:29:18] Loudon does the percent, and Fairfax does a fixed dollar amount. Okay. Are their bond ratings the same as ours? Yes. Okay. I'm not sure where I want to go with this. I am an employee in one of those other counties, and I can say that the ways in which buildings are taken care of vary from place to place.

[02:29:53] As an employee, the discussions that take place about budget for the schools and then budget for the county and the way they decide things have very real implications on whether the schools are able to keep employees and programs and things like that.

[02:30:12] And just to make sure if we're going to look at these alternatives to understand what it actually looks like to be just saying. So that's my cautionary tale. Slide 12.

[02:30:29] The projects that Chair Jefferson mentioned, are those built into your borrowing projections? Yes. Judicial center, McCourt, fire station. Yes. What's not is the sports complex is not in there, right? Correct. Okay. So everything else, though, is in there based on these slides.

[02:30:47] Correct. Okay. And I think it bears, it's important to remind everyone, as you pointed out early in the discussion, that the school division has paid and we do all our debt servicing out of our share of the revenue correct and I think someone did give me the answer to your question so the the max debt service to expenditures ratio was 12 percent in fiscal 22 22 do we know what it like in the like when we were really building a lot of schools in like um we built something like 15 schools between

[02:31:20] 2000 and sort of nine-ish in 2022 or so or 20 maybe did we had did we ever over 12 or were we running on average 9 10 anybody know that 20 and 21 you were right around 11 it went up to 12 and 22 so so based on all the borrowing that you're projecting that we all need to do now we're going to be around nine correct and again this is relative to expenditure so part of this equation as also the tax base has grown.

[02:31:51] Do you know how we were for expenditures back then? I mean, were we, because I know, you know, there were a lot of times before we had the data centers, expenditures weren't growing maybe as fast as debt servicing, but that did not impact our AAA bond rating. Correct.

[02:32:07] Okay. All right, I'm going to go over to Bodie, then Wall. Thank you, Madam Chair. And I'm going to ask them that Suarez Agordi usually asks about, which is right now with how the credit agencies look at reserves and debt, They consider the county debt and the school debt, but they only consider the county reserves, not the school reserves.

[02:32:29] Is that right? Correct. Have they ever explained why they do it that way? Virginia is unique in how schools are funded, and so they are trying to get comparability across all the credits nationally. So in most states, school districts are their own entity with their own debt and with their own reserves.

[02:32:46] And so that's the reason why, and you do see across the board in Virginia debt levels are higher because cities and counties are funding schools, and they have to take that into account. But they do it for comparability across the nation. Thank you. Quickly, I'm going to go to Walt and Lateef.

[02:33:07] So I have two questions. My first question is the revenue number, the revenue growth of being 4%. Is that 4% from last year? And then historically, what is that? This is projected average annual growth.

[02:33:24] Average annual growth. So historically, over the past five years at least, this expenditure measure has grown 8.2%. 8.2% higher today than five years ago? Average annual growth over the past five years has been 8.2%.

[02:33:42] Okay. I wondered because that number surprised me a little bit just considering all of the additional revenue that's come in from data centers, massive explosion of data centers. I'm surprised that's as low as it is honestly so I would be interested in more data on that like more historic data to get a better picture over time and maybe some of those benchmarks like when did we start when did we increase the computer peripherals tax etc etc because I mean I'm not questioning the numbers I just think I need a greater understanding to know that significance of 4% or the relatively small significance of it and then my other

[02:34:21] question is the going back to the slide where it kind of showed the historic percentage of how much the BOCS anyway the one that was like this I don't know which slide it was yes that one so new lease a couple of questions I'm curious why are we running out of space why are we why do we need a lot more lease space and do we what is the growth of the BOCS budget I mean I'm familiar with the school board budget growth over the last time I've been on the board but what is the ba ocs

[02:35:00] budget growth historically maybe over the last five six ten years um like are we having an increase in hiring do we have more people on our payrolls do we have are we increasing our services I'd be interested in a little bit more transparency on that side of it but that's not in this I mean just in the future because I have I need to understand better what kind of like what's going on with the BOCS budget as far as growth of the budget and how does that relate to this you know 25 23 26 30 percent average debt service split with with the schools because I understand like

[02:35:35] the county we're not really growing I don't think I don't in population and I mean from a school standpoint we're not building schools like we used to I mean we are building things but we're not building them at the same rate that we used to so I'm trying to get a better understanding of why we have bigger budgets and and why and that proportionality between the schools and the county so those are just my questions but maybe they don't have answers now I don't know yeah and I just one point I mean that what that graph was showing the one you're looking at was just on debt service itself not the full budget and the debt service growth I mean these are the large projects

[02:36:11] that are driving that so we haven't had to fund a judicial center expansion in in a very long time or county-wide space in the fire stations. So just the magnitude of these costs happening all at once is what's driving the debt surface growth. Okay, yes, that makes sense.

[02:36:27] And I understand that because we sometimes do that where we don't build anything and then we suddenly build a high school. So that's probably the factor. We're going to do Lateef, Jesse Stewart. Real quick, so I'm glad you guys decided to, you took action to fund the county reserve.

[02:36:46] Can you remind us what that action was so the public is aware? So increase the minimum unassigned fund balance target from 7.5% to 15%. But how did we increase funding the reserve this past year? In part through surplus funds.

[02:37:05] Yeah, so do we know how much that was this year? I think it's projected to go to 11% in fiscal 26. Yes, so for right now fiscal 26 is still under audit, but we are projected to have about \$90 million in excess.

[02:37:24] Coming up? Yes. But this past year in June, was it about, what, 55, 60 million that you swept? That's the true up, right, the surplus that you used to fund the county reserve. What was the total from the true up, the surplus? Or FY25? Whatever we just did in May or June.

[02:37:41] Okay, yes, that was FY25. That's 26. The surplus, I believe, was about 11 million. And then from the surplus, we first fund the unassigned, which would have been 7.5%. once that was funded i think that left about a million that was split between schools and the county and of that the schools got about 540 000 offset by what what fiscal year are we in right now is it called 27 we're in 27 now so what was 26 you're telling me 25 what was 26 fiscal 26 is

[02:38:18] not finalized yet it's still but you you kind of know what those numbers were what yeah what were they they weren't 11 million it was higher than that yes it's higher than 11 what was it about 90 90. Okay. Oh, I see. That's what I'm saying. So you said that, 90, not 27. 27, we don't know.

[02:38:33] 27, we don't know. Right. Do you have a projection on 27? We do not. Is 11%, like when we say surplus, like when you guys do your budgeting over there, I mean, is there a best practice number on what the surplus, what you expect it to be?

[02:38:51] Because, you know, that's money we're not budgeting. It's money, like, for example, Supervisor Bode wanted to get some money from the schools, and he wanted to fund the bus system, but it was like four or five million you needed for the bus. It seems like if we have a 90 million surplus in looking at past years, and I've been on this board longer than I think most folks, nine, 10 years, the share of the school's surplus is 57.23%.

[02:39:15] So on 90 million, our share would have been, well, that's 90 million, it's about 50 million, right? So what I want the public to know, and I think everyone should be aware, Is that the school division paid into the county reserve this year about 57.23% of 90 million?

[02:39:34] Is that right? Well, it isn't calculated yet. These are estimates, but yes, that's how it would work. So that's about 45, 50 million. Yes. So it's good that, you know, the school division, you know, I'd like the public to know that the school division has committed to helping fund the county reserves out of monies that would have gone to the schools.

[02:39:58] And typically, for the public to know, when we get those surplus funds at the end of the year, the school division has two major practices with that money. Either cash to construction, to lower our borrowing, or to pay down debt. So I think it is important for everyone to know that the school division did commit \$45, \$50 million.

[02:40:18] You'll tell us when you finish the math of what it was. And we should let the public know that, because I think that's important. Thank you. All right. And just for my one part, before I go on to Mr. Jesse.

And either way, it is going to put us in better financial position so that we can continue to borrow at a competitive rate.

[02:40:40] Mr. Jesse. I think we have a real catch-22 in this whole thing. I remember, I think, I forgot your name, but you brought it up at the, now I forget everybody's name, so don't take it personally.

[02:41:02] You know, at 82, you forget a lot of things. But, and I suggested to Dr. Lizzie, perhaps we should look at a percent of what we do. We are 150, we have 90-some schools, we probably have 150 buildings.

[02:41:24] And some of those buildings, like the Occoquan School that we were tearing down, was almost 100 years old, and that school was going. Dr. McDade now has a systematic way of determining what school needs to do what. it sounds like to me that the county has not taken care of some of the buildings that they needed to take care of which means that you have more of a needs in some for catching up on some

[02:41:53] things but if you have 20 20 000 new homes come into the area you'll be like potomac shores when you know and these are not cheap homes like you were saying these are expensive homes over in potomac shores and those parents demanded a new school and next in two or three years when you start all this building out west those parents are going to demand a new school and they're going to

[02:42:31] demand a police department and a fire thing but the first thing that they want is a new school and our our debt and so forth we have to look into that it is it's a real kiss 22 when you guys need the money and i think the fairest way again is is a agreement on percentage but at the same time that does not help you as much as you need to because you probably have a bigger

[02:43:04] need than we do from a thing but i don't know the answer to it but i do know that what drives people to this county our schools and we got to keep our schools going and and with this this administration with tears and all this stuff that coming down the road it's going to get more expensive than less expensive and we're going to have to deal with that which means that you know we won't be

[02:43:37] able to build and repair as much because of that thank you all right thank you i'm going to go to Mr. Stewart, Supervisor Stewart. Thank you, Madam Chair. So a couple of questions for, I guess, the whole PJM team as I kind of walk through this.

[02:43:55] So back on slide six, or I'm sorry, go the other way, 11, there we go, 10, 10, sorry. So this was a slide that was presented to us, I want to say, two quarters ago, and none of the numbers have changed.

[02:44:24] Now, does this include, this doesn't include desk service. This just includes the capital that's needed, right? So with the advent of rising interest rates, taking the Fed funds rate somewhere up to four and a quarter to four and a half percent, that was an unforeseen circumstance that we didn't see maybe two quarters ago when we first saw this chart.

[02:44:53] Number one, and I know that some of that capital has been reduced, some of it has been pushed off to a later time when we're going to catch the coupon rate of that debt to be higher than what we would have expended now.

[02:45:13] First of all, so how close does that push us away from your projected numbers here? yeah that's a that's a good question we project so all the debt this is as you mentioned this is the new debt so this is how much money you need and then later we project the debt service the debt service projections in here

assume a borrowing rate of four and a half percent which is above where 20 year 30 year averages have been unfortunately it's close to where we

[02:45:47] are today I think if you were to borrow today you'd borrow around 4.4 so it doesn't put us over those estimates, it puts us close to it. Right. But with an assumed, as, as, as we mentioned before, um, three interest rate cuts or increases at, at 25 basis points each. And, you know, I'll go conservatively and say that the fed funds rate will be four and a quarter. What rate would we be looking at a coupon then? What, what? Yeah. I mean, and the fed funds rate is, is, uh, as Jack

[02:46:25] mentioned, it's an overnight borrowing rate, so it's a very short-term rate. Your debt is issued over 20 years, so we don't always see a direct correlation. If the Fed funds rate is going up 75 basis points, it doesn't mean your borrowing rate goes up 75 basis points because we're looking longer term. If you believe the Wall Street projections about where long-term borrowing rates will be on your bonds, they may go up closer to a quarter, 25 basis points. That's what the projections show that over the long term they'll stay in this range over the next year maybe in the

[02:47:01] 4.5 4.75 range okay so which which kind of brings me to another point talking about long-term interest rates and as as it relates to something that we were talking about earlier when it comes to housing starts which I believe was down like 2.9 percent in August which which is making a lot of home builders a little nervous about building housing which you know like my colleague and I were discussing we you know refinancing and I've said you know right now maybe not such the better

[02:47:35] idea because we're tripping 7% right now and that is going to further exacerbate the affordability crisis and you know if we're looking for a greater population for the county younger families that that are already stretched and strained again average on under the former economy which where interest rates were a little lower uh 40 years old that's going to be exacerbated to maybe push

[02:48:11] that number a little higher and then you know maybe we end up with 55 plus communities by default right but um you know just what's going into these long-term projections and the headwinds we're facing has all of that been considered in your model because I and I get it it's very dynamic but also at the same time not only are we going to be dealing with a couple of more years of this but also there's going to have to

[02:48:51] be some difficult choices made to unravel it all which may also further drive up interest rates and spark Main Street to start doing layoffs so I mean has has any of that stuff been figured into your into your model it's not in what we're showing you here tonight but we do run sensitivity analysis on that so we shock it and a common thing we look at typically is if expenditures go down that's probably the biggest driver of getting close to this this max and we look at in terms of debt service and you know I think there's a number of

[02:49:30] variables and we could show you that this is just one kind of base case of assessment of a starting place of how to think about that but yes we do have sensitivity analysis so that we look at and I and I think you know that part of what we would do and staff would do is bring that back to you if we see these getting really out of line with our assumptions if debt service really does go much higher than what we assumed then then we would show you that and it might need to revisit. You might want to revisit what the debt plans are in that case.

[02:50:01] Okay. And I look forward to having further, you know, more granular conversations about that as we go forward. Thank you. All right. Before I call on the guy on the corner, I have to explain the Bordy joke because one day I was looking at one of them and I got confused and Bordy came out. So, but they always kind of compliment each other. So I'm going to go to guy in the corner. Thank you, Madam Chair. Now, Mr. Jesse, thank you for what you said. You know,

[02:50:28] When you take a look, you know, when I look at this, you know, the three things that I always focus on is one is, okay, the elements that drive our AAA bond rating and the big one right now that we can control, we can control, and that is our reserves, right?

[02:50:44] And so if we can solve to that problem, help position ourselves in a very strong way on that, that's going to help us with these credit agencies. In terms of the demand on the bonds, you know, the biggest bill that we have is that judicial center.

[02:51:03] And that is a must-pay bill. We are directed to pay that bill, to build that judicial center. And it's being driven because of actions taken in the General Assembly that is increasing the number of jury trials. And so because of that, we need a bigger judicial center.

[02:51:21] And so, and that's a must-pay bill because we are mandated by state law in order to do that. And I'm not speaking as a lawyer. Please don't. I want to make sure our county attorney is, I'm not putting her on the spot either.

[02:51:40] But the other side of this, and I'll tell you that has me concerned, is if you take a look at much of our revenue growth over the past few years, it has come from one industry, right? Well, right now we're about 10% operational of what has been approved.

[02:51:58] I'm sorry, about 20%. It's 10 million square feet, about 20%. We currently have sites that are built but can't turn on because they do not have electrical power. We have sites that have been approved but aren't selling. When you go back to the conversation of where the investments in this country are going, it is going to one industry, it's going to AI, And the people who are putting that nearly trillion dollars are expecting an ROI.

[02:52:27] That ROI should happen in the short term. Right now, data centers are being told 10, 15 years to get power. So guess what? Those investments probably aren't coming here. In fact, the data center companies themselves are chasing power outside of Prince William County. They're not here anymore.

[02:52:44] So this is also the part, I'm not saying that we have a trend yet, But it's the one that I'm concerned about and that I'm watching, that what is going on with that industry and how we are, because we built so much in a power-constrained area, that that now has become a limiting factor on our ability to grow our revenues based on that expected growth of a single industry.

[02:53:12] So for me, this is something personally I'm concerned about. And I think over the next two years, we should understand what that trend line is. But I think this is something that we all need to keep in the back of our mind to keep an eye on, because that's where our revenue growth has been, that's what we're counting on.

[02:53:33] And I'm concerned it may not materialize in the time span that we expected. So that also has me very much concerned in terms of how we're talking about this debt issue. And so I just put that out there as what I'm seeing happening is something that we really need to be aware of across the board.

[02:53:55] Thank you. Thank you. We're going to go to Chair Lateef and then we're going to wrap because we still have an open discussion. Thank you, Madam Chair. Real quick, so Mr. Gordy, great comments, but there's even other things we can control, and that's our spending, right? And so, as Jen Wall mentioned, you know, what does the spending look like on the county side?

[02:54:15] What does the spending look like on the school side? Obviously, you know, we all can look at that as our sort of number one point. I think it's important to know that the school division, you know, has good team players. When Chair Jefferson came to us and said, you know, we want to fund the county reserves, Dr. McDade and I saw that as a critical matter, something that impacts the AAA bond rating as clearly outlined in today's presentation.

[02:54:41] The school board does most of the borrowing in the county. And so the AAA bond rating is impacted a lot by our ability to debt service, our ability to borrow and be good players, but also at the same time making sure that you all have what you need to keep the AAA bond rating.

[02:54:58] And so I think when you guys decided to keep the true up, you know, the school division decided to go along with that. And I think it's a good plan to help fund the county reserves. I do think it's important as a last minute, because, you know, Mr. Jesse brought up, you know, solutions.

[02:55:17] And you guys in this presentation said, what are the kinds of options moving forward? How do we look at, you know, borrowing? I think it's important if you look at slide 10, if someone can pull that up. You know, if we look at year, and this is a little confusing to me, but you don't have to explain it now. You said 22, where we were at 12%, but that was the year we did our least amount of borrowing, 23, 59, 42.

[02:55:39] But, you know, regardless of what the percent was that year, you know, we were low that year. That would have been a good time for us to work with the county to say, hey, that was a good year for the county to issue debt or bonds, right? So we would have stayed under the cap and maybe reduced long-term averaging on the county side.

[02:55:54] But maybe we all need to do a better job of working together on planning when we are going to borrow. And so if we're looking at the different options you laid out there in on what page are the options moving forward?

[02:56:11] 14. Can we pull up that slide? Oh, it's on. Yeah, great. So the first option is, you know, no preset split where we work together to look out those years to see, hey, look, we're going to borrow less that year. You guys borrow more. We do a better job planning.

[02:56:28] So I like the strategy of a preset split. I like the strategy of, you know, Chair Jefferson coming to us and saying, look, you know, here's how we're going to, we're thinking about funding the county reserve. You know, working together has benefited the county for a long period. Working together will continue to benefit us.

[02:56:44] And I think the school board here wants to continue to be a good player. But I think, you know, when you create sort of these artificial splits, you know, it really can hamstring us. We already are on a revenue-sharing agreement.

[02:57:00] We are already hamstrung relative to other regions. We are already underfunded on a per-pupil basis than the people we are directly competing with, which is Loudoun and Fairfax. And so within our

hamstrung budgeting, we have been able to remain and compete with those places at a lower per pupil spend rate and while we're servicing our own debt.

[02:57:25] And so I think it's important that as we move forward, rather than create artificial sort of percentages where we do this or that, and so to the point I was trying to make earlier, 10% is our cap, 13% you could go up to, where have we been? And I think it's important that, you know, those are – we realize that we never really got downgraded.

[02:57:47] We want to watch the risk. We do have capacity and cushion. And I think if we all work together on sort of looking out years to see, hey, this year the schools aren't going to borrow that much. We have more – you know, I think it makes sense for us to plan better together. So I'd like to leave on the note of the school board sort of wanting to focus along those lines of being a good team player of the county.

[02:58:09] I do think there's definitely opportunities, and we can certainly talk offline about greater cooperation and maybe doing something different ahead of the school presentation to us next year. I'm open for suggestions because obviously strong schools make for a strong county, while also being mindful of the debt and what we have in reserves.

[02:58:33] I, just speaking for myself, getting to 12% makes me a little nervous, and I would like to adhere to best practices as best possible so thank you Mr. Shorter thank you everyone county staff great job very informative discussion I appreciate as always the work that you do we are going to move on into open discussion and I just want to again time check we're just after nine o'clock p.m. I think that this is a great discussion and certainly one that will continue whether that is if the boards are meeting formally or if people would like to speak with their colleagues on the school board or the board of county supervisors.

[02:59:10] So I don't know if anyone has anything that they wanted to have for open discussion. I'm looking around. All right. I'm going to take that as people are ready. Now we do have to do a formal vote on the board of county supervisors.

[02:59:27] I don't believe you have to do that. Do you? So I would like a member of the board of county supervisors, a motion to adjourn. So moved. All right. it's been properly moved by, I will give it to Bodie Bailey. All right, all in favor? - Aye.

[02:59:42] - All right. Any nays, any oppositions? If not, we are adjourned.



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