BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
MINUTES
AMERICAN RESCUE PLAN ACT (ARPA) WORK SESSION
September 20, 2022

CALL TO ORDER – A work session of the Stafford County Board of Supervisors was called to order by Crystal Vanuch, Chairman, at 1:00 p.m. on Tuesday, September 20, 2022, in the ABC Conference Room, George L. Gordon, Jr. Government Center, 1300 Courthouse Road, Stafford Virginia.

ROLL CALL – The following members were present: Crystal Vanuch, Chairman; Pamela Yeung, Vice Chairman; Tinesha O. Allen; Meg Bohmke; Thomas C. Coen; Darrell English; Monica Gary.

Also in attendance were Randal Vosburg, County Administrator; Rysheda McClendon, County Attorney; Julia Homes, Assistant Deputy Clerk; various staff members; and other interested parties.

Ms. Vanuch called the meeting to order at 1:02 p.m.

WORK SESSION

DISCUSS DEBT FINANCING STRATEGIES FOR HIGH SCHOOL #6 PROJECT
Mr. John Munch, Chief Financial Officer, said Mr. Kevin Roddy from PFM, the County's financial advisory company, was also present. He said they would review a potential strategy or outlook to save funds by altering the CIP in terms of the debt financing plan for the High School #6 project.

Mr. Kevin Roddy said he would discuss the financing of High School #6. He said it was about a $165M project, and about $9.6M had other sources, proffers, and cash. He said the County was left with $155.1M of the project to debt finance. He said to date, about $9.3M of the leftover total had been financed. He said there was still a balance of $145M, and that would be the subject of the work session. He said construction bids were expected to go out in the spring. He said the funds would need to be drawn down starting in FY 24 and through FY 25. He said they would be discussing the cheapest way to perform the drawdown of funds.

Mr. Roddy said the recommended approach was to go through the Virginia Public School Authority (VPSA). He said the County had used the VPSA before, but they participated in the pooled financing program where they were in with other municipalities. He said the pool was rated AA+/AA+/AA1, but now the County had AAA/AAA/AAA bond ratings. He said if the County went through VPSA and issued a standalone basis—meaning the County's full faith and credit were backing the loan—then they would be able to borrow at AAA/AAA/AAA bond rates, the lowest rates possible. He said the recommendation was to follow that approach.

Mr. Roddy said the recommended approach afforded the County a couple of distinct advantages. He said it allowed the County to control the timing and set its own structure. He noted the VPSA pooled financing program was issued twice a year in April and October. He said the recommended approach allowed the County to look at the interest rate environment and better match them to the County's needs. He said the plan had been regularly followed by other highly rated Virginia entities—Prince William County followed the plan regularly on an annual basis. He noted that Henrico, Chesterfield, and Hanover also participated in the program.

Mr. Roddy the program provided an economic benefit if the entity had a higher bond rating than the pool. He said the program would allow the County to control its own project timing, examine the interest environment, and examine the spending rate. He said they would be able to consider other programs, as well. He noted there were several programs in the Commonwealth seeking to provide support to school systems, but they were in the early stages. He noted the Literary Loan Fund, a fund historically able to provide an economic advantage to localities. He said they were trying to figure out a school grant program to provide one-time grant funds for specific projects. He said there was a formulaic program which the County had received money from. He said the programs would continue to be monitored.

Mr. Roddy said interest rates were a driving factor. He said interest rates had increased significantly over the course of the year, mainly driven by inflation among other factors. He said the Fed open market committee was meeting that week, and there was talk they would raise short-term interest rates another 75 basis points. He noted the market was aware of the potential change, and the Fed had forecasted the rate hikes. He said the chart displayed was for the Municipal Market Index, the base index rate used to set borrowing rates. He said a credit spread would be added to the rate based on the credit quality of the municipal borrower. He said the chart showed that there was a good interest rate environment for a while, but rates had increased.

Mr. Roddy said the chart displayed various maturities. He said the gray bar represented the interest rates over the past 30 years—ranging from 5 basis points to a maximum of 4.95% over 30 years. He said the yellow slashes on the bar represented the current interest rates, and the blue slashes represented the historical averages. He said the bottom row showed the percent of market days that the rate had been higher or lower than the average. He said for the one-year rates, the market had been lower 62% of the time, and for the 20-year rates, the market had been lower about a third of the time. He said while interest rates had gone up, historically, it was not a bad time to borrow funding.

Mr. Roddy said if the County went to market that day, they would lock in interest rates in the 3.75% range—not terrible, but not as good as the rates from 1.5 years ago. He said the slide laid out the strategy for what they would be seeking. He said if the Board wanted to move forward with the plan, it would have to grant authorization to go down the route. He said they would then be making decisions as to the proper timing and the amount of borrowing they would want. He said if they believed interest rates were going to increase in the future, they would want to lock in as much of the debt as they could. He said if they believed they were in a historically higher interest rate environment, then they could lock in less debt service to carry the County through to a period with lower interest rates where they would then perform a future issuance.

Mr. Roddy said the recommended timing would be to do the bond sale in five months. He said they would return to the Board with a formal recommendation at another time. He said the Board should be aware that the money was borrowed and then invested. He said historically, the practice had not amounted to much in terms of potential interest earnings. He said the general rule of municipal finance, according to the IRS, was if the municipality spent the funds within 24 months and earned more than the borrowing costs, they were allowed to keep the funds.

Mr. Roddy said the three-month treasury rate was nearly 4%, and there was the chance to make additional interest earnings on the loan. He said generally, a municipality wanted to spend the money within 36 months. He said on the table at the bottom of the slide, there were two options displayed—borrowing all the funds up front or borrowing in two issuances. He said the top row of the table showed what was projected in the CIP.

Mr. Roddy said they would review a couple of different scenarios. He said the first was the increasing interest rate environment. He said it had a forecast of showing interest rates that the County borrowed annually, and interest rates go up 50 basis points a year, so they were borrowing at much higher interest rates as they went along, but they were just executing the CIP. He said option one was one issuance, and option two was two issuances. He said the bottom of the chart showed a stable interest rate environment.

Mr. Munch noted the second to last line in each of the tables displayed the total debt service. He said when the adopted CIP was examined with the increasing interest environment, there was about $223.2M of debt service. He said in terms of option two, there was more flexibility because there were two issuances, and there was about $220.4M. He said there was a potential saving if the rates were to continue to go up by about 0.5% over the next four years of just under $3M. He said Mr. Roddy noted they would be able to invest more of the money up front and earn a higher yield because interest rates were increasing. He said they would pick up about $1.4M of interest earnings that could be applied to the project.

Mr. Munch said in regard to the stable interest rate forecast, there was still a total debt service savings of about $1.3M by issuing more of the debt upfront and having only two issuances instead of the four contemplated in the CIP.

Mr. Roddy said they believed there would be multiple issuances unless interest rates suddenly went down and they were able to lock in favorable terms. He said the amount and the timing were fluid. He noted the Fed was projected to raise interest rates by 75 basis points. He questioned what would happen to the economy after the rates were increased. He said they would know more in the upcoming months before they did the borrowing. He said staff's job would be to get the Board some amount of money that would carry the project for a period of time, then they would decide how much that is and when to do that.

Mr. Roddy said they factored the future debt into the Board's self-imposed debt rations—there were two, geo-debt as a percent of the taxable assessed value, and the debt service was a percent of the budget. He said in either the frontloaded or the multiple issuance approach, the Board was under its ratios with the full amount of borrowing.

Mr. Munch said the item was being introduced as a point of discussion to introduce the strategy. He said they intended to introduce the strategy to the School Board's Finance and Budget Committee on October 4. He said they would return to the School Board for their general work session on October 11. He said they had the opportunity, on October 18, at the Joint Schools Committee meeting to discuss the proposal with both groups. He said in terms of action items, they would not be looking for a decision until November 1 when staff would ask the Board to authorize the County Administrator to advertise a public hearing for the meeting on November 15. He said the public hearing would cover two topics—the item would require appropriation action because the current CIP contemplated less of an issue until FY 23 so there would be an appropriation action, and there would be a resolution to authorize the issuance. He said the School Board would be requested to take the required action on November 8—they would be requested to authorize the application and formerly request the County issue the geo-debt.

Mr. Munch said they approached VPSA because they were out of cycle with the association's normal process in terms of asking for a standalone application. He said they met the prior week, so the County was unable to introduce the item in time. He said the requests were normally considered as part of the pooled programs, but because the County could not meet the timelines, it requested an off-cycle meeting. He said VPSA tentatively approved the off-cycle meeting, and they were potentially holding the meeting in late November or early December. He said the timeline would see the County performing an issuance in February 2023—several months before an issuance would be possible through the spring pool.

Ms. Vanuch clarified the Board would not take action until November 1.

Ms. Yeung asked if the cost of land grading and project management was included or needed to be considered. She noted prices were increasing. She asked if the Mary Washington area was considered as a location for the school.

Ms. Vanuch said she wanted to keep the conversation focused specifically on debt issuance. She said Ms. Yeung's questions were specific to building High School #6, a different conversation from the debt issuance. She said it was not an appropriate setting to discuss project details specific to High School #6.

Ms. Yeung said her question was about the costs.

Ms. Vanuch said they had to act on what the Board voted on, and the CIP stated $155M, so the debt issuance was set at that level.

Mr. Roddy said the Board would provide an amount that they wanted to borrow. He said the amount typically included all the costs Ms. Yeung referenced.

Ms. Allen asked if the cost was tied into the increase in interest rates. She asked how they would handle costs becoming more expensive.

Mr. Munch said the figures were representative of the actual amount borrowed—the principal portion of the borrowing. He said the debt service costs—over $200M—factored in an anticipated increase in the borrowing rate of 0.5% per year over the next four years. He said another chart represented what the rates were as of September 13 staying the same over the next four years.

Ms. Allen asked if the County would start making payments in FY 23. She asked how long the County would wait before beginning to make payments.

Mr. Roddy said for municipal bonds, the first interest payment was normally six months after the bonds were sold and the first principal payment was typically one year after. He said the County would be making payments in the FY 24 budget, and there would be no payments in the FY 23 budget.

Mr. Munch added that the County had some flexibility to structure the maturities on the bonds to try to mimic the four-year plan, but that would impact the interest rates, or coupons, on the bonds because some would be issued for longer. He said they could do an interest only if cash flow during a particular fiscal year was of concern.

Mr. Roddy confirmed that was correct.

Ms. Allen asked if the penny on the tax rate was known for either option.

Mr. Munch said he had not calculated the tax rate, but he would ask Ms. Andrea Light to help determine the figure.

Ms. Allen said it would be helpful to have that information to make a decision.

Ms. Bohmke asked if PFM oversaw the investment of the securities. She noted the funds may not be all spent within the first year. She asked if the County relied on a partner other than PFM to do the investing of the securities.

Mr. Roddy said there was a range of options, but most municipalities went with the state non-arbitrage pool, so they invested through the state. He explained the state pool was a variable rate interest rate. He said it would be evaluated by the state.

Ms. Bohmke said when they reached that point, she would be interested in seeing what the County eventually decided to do. She said the rates were not high.

Mr. Roddy said in the early aughts, the rates were in the 6% to 7% range.

AMERICAN RESCUE PLAN ACT (ARPA) REVIEW OF FUTURE PROJECTS

Ms. Andrea Light, Director of Budget and Management, said the purpose of the work session was to provide the Board with a review of ARPA projects that had been requested but not appropriated. She said they requested the Board's input as to how to spend the remainder of the funds.

Ms. Light said Stafford received a total of $29.7M in funding, and the Board had appropriated $12.8M to date. She said there was body-camera funding in FY 2022 appropriated by the Board, however, the contract was not enacted in FY 22 mainly due to supply chain issues. She said the Sheriff's Department anticipated the order coming within the next month or so.

Ms. Light said with the body-camera funding, it was a 10-year contract. She said they discussed in the budget work sessions reducing the reliance on the use of ARPA year after year so that the costs would all be subsumed under general fund funding by FY 25. She said since the FY 22 funding had not been used, it could be returned to the ARPA fund for some other purpose without impacting the body-camera contract or the projected financing.

Mr. Coen asked for clarification. He said if the supply chain issues delayed the contract for a year and the funds were used somewhere else, then the cost would fall on the taxpayers of the County rather than from the federal tax revenues.

Ms. Light said it was a different methodology. She said over the course of the 10-year contract, there would be less ARPA money spent. She noted there were time limitations to spend ARPA funds, and the new approach would allow the ARPA funds to be quickly reused in the general fund.

Ms. Light said the fiber project had begun with funding in FY 22 of $1.5M, and in 2024, they anticipated it to be about $1.7M to complete the fiber project. She said the project would bring fiber connectivity to all of the County facilities that did not have access. She said those facilities included some fire stations, parks and recreation facilities, and wastewater treatment facilities among other utility buildings.

Ms. Light said the Board set aside VATI grants for the FY 23 VATI match of $1.3M in anticipation of getting the grant at a later date. She said if awarded and in conjunction with Comcast, the grant would be able to provide service to just under 1,300 homes. She said there were future year projects that were adopted with the FY 22 budget including grants, accountant and grants coordinator, ERP systems accountant and analyst, priority-based budgeting, and VA Consortium workforce development. She said similar to the body-camera contract, the County would reduce reliance on ARPA funds and include the costs in the general fund.

Mr. Coen asked what the impact on taxes would be if the County decided to reappropriate the ARPA funding allocated for the body-camera contract. He noted the Sheriff anticipated the issue would be resolved in the coming months. He asked if it made sense to delay the contract if it was only a couple of months away.

Ms. Light said the body-camera initiative was about $800K annually—about $0.0025 on the tax rate.

Ms. Vanuch confirmed when they voted on the budget for FY 23, it assumed the 10-year cost for the body cameras within the adopted tax rate.

Ms. Light said that was correct.

Ms. Vanuch clarified the cost was not additional and was assumed to be continuing.

Ms. Light clarified that in the budget, there was just under $100K of general funds used for the body-camera initiative, and the remainder would come from ARPA funds in FY 23.

Ms. Vanuch said the longevity of the taxes over the 10 years was assumed.

Ms. Light said yes.

Mr. Coen said he did not know why the funds would be delayed if the contract would begin in a couple of months.

Ms. Light explained the funds were disbursed in different fiscal years. She said the funds for the contract were budgeted and appropriated for FY 22 because they had anticipated the contract to begin the past December. She said the contract was not expected to start until the late fall or early winter, and the 10-year contract was starting nearly a year later. She explained the funding from FY 22 could be used for the body cameras if the Board decided to continue to use the funds in that way.

Ms. Light explained the timing for ARPA funds required them to be encumbered by the end of calendar year 2024 and spent by 2026. She said the plan, as laid out, allowed the County to reduce the use of ARPA gradually over the next few fiscal years.

Ms. Bohmke asked why they would pay a contract of $800K if they did not have the body cameras in place. She asked, in terms of fiber service, if fiber would be placed at any fire stations the County intended to rebuild or renovate or relocate. She said that Chief Cardello had noted the locations of some fire stations were not ideal.

Ms. Light said she had spoken with Captain Stout the previous day, and they anticipated the contract to begin based on the deliverables of the equipment. She said the Sheriff was present and may be able to provide more information. She said they were waiting for the equipment before they started the contract.

Ms. Bohmke noted when the Board agreed to the body-camera contract, they knew the delivery would be in tranches because they could not take them all at once and have them equipped and trained.

Police Major Jason Dembowski said they were scheduled to begin installation of the in-car cameras. He said the County had in-car cameras for many years, and it was a higher priority to install the rest of the in-car cameras first before deploying the body cameras in January. He said the in-car cameras were not deliverable until the fall due to supply chain issues. He said they were scheduled for installation in late October or early November after which the body cameras would be deployed.

Ms. Bohmke clarified the supply issue was not with the body cameras, it was with the car cameras.

Mr. Dembowski said that was correct. He said they wanted to have the car cameras in place first. He explained that as soon as they took custody of any deliverables, the contract began.

Ms. Bohmke said she did not understand why ARPA funds would not be used for the project.

Ms. Yeung brought up the topic of project management.

Ms. Light asked if Ms. Yeung was referencing project management for a specific project, such as the IT fiber project.

Ms. Yeung said it had to do specifically with the body-camera project. She said it had been mentioned there was some kind of work to be done for the cameras to work.

Ms. Light said she believed Ms. Yeung was referencing the integration with CAD. She said the Sheriff's Department had been working on a CAD study, but it was not complete. She said the results of the study would be brought back before the Board.

Ms. Yeung asked if the study was supposed to be included as part of the body-camera project.

Ms. Light explained that the Board appropriated funds separately from the ARPA funding using general fund revenue.

Ms. Yeung asked if the funds would still be needed if the ARPA funding from FY 22 was reallocated.

Ms. Light said they were in the midst of performing the CAD study to see how it integrated with the body cameras or what else they would want to work with on the CAD to make it a better system.

Ms. Yeung said when a project was delayed for so long, there were new updates. She asked if they were prepared to take into account the changes.

Ms. Vanuch noted the sheriff was shaking his head to mean yes.

Sheriff Decatur said the integration of the body cameras with the CAD was critical, so they were mindful of it. He said it was important to ensure that new pieces of technology were able to work within the system when they were integrated. He noted the CAD was separate from the body cameras because they were two separate projects.

Ms. Vanuch noted the CAD was not included in the agenda item.

Ms. Light said the fire stations included the Falmouth Fire Station, Mountain View Fire, Mountain View Rescue, Rock Hill Fire and Rescue, and White Oak Fire and Rescue. She said the last stations mentioned were stations that Fire and Rescue had identified to be located together at a potentially different site.

Ms. Bohmke asked why then was fiber was being installed.

Mr. Michael Cannon, Chief Technology Officer said they were currently doing the engineering on the project, and they would have precise costs for each one before they deployed the fiber. He said they would have to determine what would be affordable, and they were performing more engineering than what they could actually install.

Ms. Bohmke clarified the item would return to the Board with more information.

Mr. Cannon said they would prioritize. He said the item would be brought back before the Board.

Ms. Vanuch asked if they could ensure the item came back under infrastructure. She said Ms. Bohmke's point was a good point, and she further questioned why fiber would be installed at a station that would only be operable for a few more years.

Mr. Cannon said it had been a consideration. He said in terms of the CAD, the study was complete and they were in the middle of the review process. He said a key requirement was the integration with the body-worn cameras.

Ms. Light said there were a number of ARPA projects to review. She said the first was furloughed employees. She said when staff made the recommendation to the Board to set aside funds for furloughed employees, there was not as strict guidance as was in the final rule. She noted the furloughed employees were composed of primarily Parks and Recreation employees that performed the program work. She said they had been rehired, so staff believed the project and funding were no longer necessary. She said the Board could reprogram the $3.6M into other projects.

Ms. Allen requested the Board consider using the funds from the furloughed employee project to rebuild the Carl Lewis Center.

Ms. Vanuch said she was not sure the use of the funds in that manner would be ARPA eligible.

Ms. Light said there were citizens assistance funds that were set aside by the Board of 10% of the whole ARPA allocation—about $2.9M. She explained that $388K was used for United Way and the Office on Youth. She said $1.3M was reallocated to VATI 23, and that funding was still set aside in the case the VATI 23 grant was awarded. She said there was a remainder of almost $3M that the Board could reallocate into other ARPA projects.

Ms. Light said there were other projects that had started and come in over cost— the Patawomeck Tribe Access Drive and the Public Safety Building HVAC projects. She said staff recommended the Board appropriate the increased amount of $75K for the access drive project and $16.728K for the HVAC project. She said if the Board was amenable, they would bring the item back at a future Board meeting for appropriation.

Ms. Light explained the water transmission main was a project the Board tentatively approved as part of the ARPA strategy approved in October 2021. She said the project would connect an existing Enon Road water storage tank to the existing Center Port Parkway, making a major pathway for water from Lake Mooney. She said the project had an overall cost of $7.3M, but in FY 21, the project had increased by up to $7.3M, so the $2.4M ARPA funding covered the cost increase.

Ms. Light said there were a number of IT projects that had not been appropriated. She said the first was the WIFI access points (AP). She said IT had worked with the Sheriff's Office to identify where the WIFI APs needed to be placed at the public safety building. She said staff was working with the courts in Chichester buildings. She said it was anticipated the project would be completed by the end of FY 23. She noted the funds had not been appropriated, so they would be brought back before the Board for consideration.

Ms. Light said the firewalls were for those areas where fiber would be deployed. She said the cost had increased from an estimated $590K to $660K, and none of the funding had been appropriated, so the item would be brought back before the Board.

Ms. Light noted there had been new project requests. She said the first was for generators at the shelter sites at St. Peter's and the Courthouse Community Center. She said the request had been provided to the County's consultants, and they had not responded to whether the request was eligible for ARPA funds. She said the Board was being asked to consider the funds, and the item would be brought back at a future meeting.

Ms. Light said the Commissioner of the Revenue had requested $150K for a lobby renovation. She said the renovation would replace the existing citizen greeting area with a glass wall-style reception area. She noted there would be cubbies in the lobby so there would be separation between citizens and employees. She said IEM had reviewed the project, and they deemed it to be eligible for ARPA funds.

Mr. English asked how the renovation would look.

Mr. Scott Mayausky said it was in keeping with the security plan the Board received at the end of the year. He said they recommended that in their office and all of the public-facing offices, there be a physical barrier between the employee space and the customer space, similar to the setup of the HR office.

Mr. English asked about the construction design.

Mr. Mayausky said it would be similar, but it would not be raised. He said the desks would be lower, and there would be speaker holes and dip trays for documents to be exchanged. He said it was part of the security recommendation, so it would have to be constructed at some point.

Ms. Bohmke noted it was also recommended the front entrance be addressed. She said it was a priority, and it needed to be added to the ARPA projects if it was eligible.

Ms. Vanuch asked if staff could examine the remodel of the front entrance and possibly combine the projects to get a better bid for more work.

Ms. Yeung clarified whether staff was reviewing if St. Peter's and Courthouse would qualify.

Ms. Light said that was correct.

Ms. Yeung asked if there was a backup plan if they did not qualify. She said she would like a copy of the study for the COR lobby remodel. She asked if the Carl Lewis Center had burned down. She asked how many children used the center before it burned. She said there was a list of projects, and they needed to have backup plans for projects.

Ms. Bohmke noted there were new Board members, but they had approved the front entrance remodel, but they did not appropriate funding for it. She asked if that was correct.

Ms. Light said there had been discussion over the years about the security of the front entrance, but no money had been allocated. She said they had reached out to the County's contracted group, and the group had provided options and costs, so those would be provided to the Board.

Ms. Gary said she was reviewing the Fire and Rescue request, and she noted there was a fire station in her district falling apart and needing about $150K. She said she would like to include that fire station in the project.

Ms. Vanuch said staff could review that information and come back before the Board with costs. She asked how much the Carl Lewis Center was valued when it burned and what the insurance estimate was.

Mr. Morris said they had an engineer doing a preliminary cost estimate of what it would cost to rebuild the center.

Ms. Vanuch said she was not asking about the cost to rebuild the center. She said she was asking about the insurance costs and the value of the property.

Mr. Morris said the insurance was approximately $300K.

Ms. Vanuch clarified the request was to replace it with a $3.6M building.

Ms. Allen said that was not what she was saying.

Mr. Morris said they did not know what the cost would be.

Ms. Allen said the cost was $203K from insurance. She noted it was the only facility in the entirety of Widewater, and no one had access to any other building.

Ms. Vanuch said at least there was a facility in the district.

Ms. Light said a request was received from the Stafford Regional Airport to use ARPA funds for an availability fee connection at the airport—approximately $147.147K. She said if the Board requested staff to reconsider using ARPA funds for the project, they would review it.

Ms. Yeung asked for clarification on what the ARPA funds were supposed to be used for.

Ms. Light explained ARPA funds could be used for several categories included in the Treasury Guidance—used to help mitigate the COVID-19 response and aid citizens. She said there was an emphasis on broadband and technology access. She said the legislation was written broad enough to help counties and municipalities get to a place where they may not have been prior in terms of capital or infrastructure costs.

Ms. Light responded that was included in the cost.

Ms. Light said the EDA worked with County staff to provide a recommendation for the use of the $2.9M set aside for the economic initiatives. She said there were about $2M of projects identified, so that left about $900K in savings that could be reprogrammed into other projects. She said the projects included programs for workforce development, training, hospitality, connected communities, entrepreneurship, and infrastructure.

Ms. Light said workforce development was two different items. She said the first was direct marketing for new and advanced employment opportunities promoting cyber security and distribution services of about $72K. She said the second was to support businesses hiring new employees requiring wraparound services. She explained wraparound services referred to travel costs, childcare, rental assistance, or a housing allowance.

Ms. Light said the third was training for impacted industries, and it was to support new EMT and health services training at Germanna Community College.

Ms. Bohmke asked if they needed to do the program with Germanna Community College or if they could use the funds to implement their own in-house training program with Fire and Rescue.

Mr. John Holden, Director of Econmic Development and Tourism, said he would be glad to further investigate the request with the Chief and Germanna Community College. He said the item could be brought back before the Board for later consideration.

Mr. English noted they were doing a nursing program. He asked if that was wrapped up in this as well, and clarified they were separate.

Mr. Holden said the particular item was a physical training unit. He said he would see what other jurisdictions could be considered.

Ms. Vanuch noted often with the EDA requests, they included one high-level bullet that left the Board confused about what they were voting on and what they were requested to provide feedback on. She asked if it was possible to bring each of the items back to the CEDC so they could be reviewed so the Board could get detailed information on what the EDA requests were.

Ms. Gary said she was supportive. She noted the only item she knew that was time-sensitive was the funding for the aerodrome for the Langley Flight Foundation. She said she did not know if it could be addressed separately, but it was time-sensitive.

Ms. Vanuch asked how time sensitive the aerodrome project was.

Mr. Chris Horning, President of the Langley Flight Foundation, said in terms of time sensitivity, the goal was by the fall.

Ms. Vanuch asked if that meant by November.

Mr. Horning said they believed that would work.

Ms. Bohmke said in terms of the EDA request, she did not see a problem. She said the request was similar to other requests they were receiving. She said a few of the projects were obvious approvals.

Ms. Light said it was important for the Board to consider that as they were reviewing the projects, all of the requests had been provided to the consultant, and the consultant had not yet provided an opinion on any of the EDA project requests. She said while it was important to set aside the money, they would like to receive feedback from the consultants first to receive better guidance on what is eligible.

Ms. Yeung said she felt that staff had to do its due diligence. She said the items should come back before the Board so they could be reviewed in more detail. She said the EDA had made several attempts to bring these items to their attention.

Ms. Gary asked if there was an estimate on how long it would take for the consultant to respond and provide feedback on the EDA requests.

Ms. Light said the consultant had responded and indicated they would have an evaluation by Friday.

Ms. Vanuch clarified there was a CEDC at the next Board meeting. She said the ARPA requests that the Board was unsure of should be included in the CEDC meeting because there was not another ARPA work session scheduled.

Ms. Allen said some of the projects did not need hashing out, so they would have to determine what needed to be further debated. She said it may take time to figure out what the Board wanted to include because if there were time-sensitive topics or self-explanatory topics, then they did not need to wait for the CEDC. She said she agreed that the projects that needed more information should be included at the CEDC meeting, but the ones that did not should be addressed at the moment.

Ms. Vanuch said in terms of the conceptual plan for the trail network, she wanted to ensure there were no redundancies in the plan with GWRC, VAMPO, and the other groups. She said in terms of the Duff Green water, the Board was in agreement. She said she would need more information for the UMWF project. She said she would like to know more about the success of the RioT Entrepreneur Accelerator program and how it was different from the workforce development of the Bay Consortium.

Ms. Allen clarified the RioT program was going to expand the program that was already operating.

Mr. Holden said it would be expanded and extended.

Ms. Allen said they were expanding the test bed.

Ms. Vanuch said she would like to see the success of the projects and a business plan. She noted the other items could likely move forward. She said she was looking for whether there was disagreement with the projects she selected for more information.

Ms. Bohmke said the kiosk project had been before the Board for three years. She said it should be moved forward. She noted the Langley Flight Foundation could wait until November. She said the consultant's Friday response was fine. She noted the connected communities was a conceptual plan. She said she did not know what plan the County would get, and she questioned whether they would be investing $250K to receive a plan they could not use for 50 years. She clarified it was all sidewalks.

Ms. Vanuch clarified Ms. Bohmke was requesting more information on the item.

Ms. Bohmke said she was ok with the Duff Green project. She said in terms of the RioT program, she had spoken with her EDA appointee, and the project was simply expanding the work the County was already doing. She said she had attended a few of the RioT events. She noted they were receiving national and international interest in the test bed. She said the County was at a critical point where they should expand the program. She said she had educated herself on the program over the last year, and she believed it would be money well spent. She said they could get a development plan.

Ms. Vanuch said that was what she wanted to see as a CEDC member.

Ms. Yeung said she agreed with the connected communities. She said there was a study for the Garrisonville and Rock Hill area to examine networking and trails. She said she was not sure if the connected communities study was for the whole County.

Ms. Vanuch confirmed it was. She said that was why it would be a good idea to get more information.

Ms. Gary said unless there was concern with the Langley Flight Foundation request, she would like to move it forward.

Ms. Vanuch said if they moved forward with the requests, they would show up on the consent agenda of the next meeting as long as they were not controversial.

Ms. Allen said she was willing to agree to wait on the connected communities conceptual plan and UMWF property. She said she had not received much information on it. She said she was ready to move forward with the other requests.

Ms. Bohmke said she was ok with moving forward with the Langley Flight Foundation request.

Mr. Coen said he was ok with the Langley Flight Foundation request. He said only certain members got to vote on CEDC.

Ms. Vanuch clarified nothing could be stopped at a committee.

Mr. Coen noted that certain people had more emphasis in a committee than a full Board meeting.

Mr. English said he wanted more information. He said believed it was a non-profit effort for the Langley Flight Foundation.

Ms. Yeung said she also wanted more information.

Ms. Vanuch said the consensus of the Board was that it could move forward with consent. She asked if Ms. Yeung and Mr. English wanted more information to make a decision or if they wanted the item included under new business.

Mr. English said he would like it included under new business.

Ms. Yeung said she would like it under new business.

Ms. Vanuch asked if other Board members cared if the items were brought back as new business and said she was trying to ask the process questions to make sure it was right.

Ms. Gary noted concerns raised about items coming before committees. She said that she was the chair of CEDC, and if there were any concerns about related issues to come speak to her.

Ms. Vanuch said there was consensus on which requests would be coming back before the Board for more information and which ones would be moving forward on consent. She noted the Langley Flight Foundation would be moving forward under new business.

Mr. Holden said he had connected communities, the EMT training program at Germanna, and the UMWF project.

Ms. Vanuch said that was correct.

Ms. Bohmke clarified that UMWF would be coming back before the Board.

Ms. Vanuch said it would come back before CEDC for more information.

Ms. Light said Fire and Rescue had planned projects that the Board tentatively agreed to as they approved the ARPA strategy but had not been appropriated. She said those projects included storage needs. She said they identified that there was not any warehouse space to use for their storage needs. She said projects included a headquarters renovation, which would entail renovating part of the basement that had not been built out and creating office spaces that were more appropriately used. She said there were hazmat apparatus replacements, light and air apparatus replacements, and rehab apparatus replacements.

Ms. Light noted there were new projects for consideration. She said at the last ARPA work session, Fire and Rescue was asked to evaluate a fuel station. She said staff was working on the proposal and would bring it back to the Board for consideration once it was complete. She said they had requested for First Watch—a data visualization system with a $140K initial cost along with ongoing costs.

Ms. Light said in the Sheriff's Department, there had been a request to add new project requests for messaging boards and speed boards—two each—with a cost of just under $40K. She mentioned the fueling project which had already been appropriated at $100K and noted the cost had increased to $153K.

Ms. Bohmke asked if they could do the same process on this item. She said she was not opposed to anything on the list, but she would need more information on the headquarter renovations because the funding request was large. She said many of the items listed had been discussed by the Board, and they were all one-time expenses.

Ms. Vanuch asked if there were any objections to Ms. Bohmke's suggestion.

Ms. Yeung stated she was good with public safety.

Ms. Vanuch confirmed they were all supportive of the items coming back before the Board under the consent agenda for appropriation.

Mr. English clarified all the items except for the headquarters renovations.

Mr. Coen said he would like more information on the fuel station.

Ms. Gary said she would like more information on those items.

Ms. Vanuch confirmed there would be more information about the headquarters renovations. She asked Ms. Light for more details about the fuel station.

Ms. Light said the request was part of the public safety committee examining a fueling station, and Fire and Rescue staff were evaluating the cost.

Ms. Gary asked if the $150K mentioned for the Brooks Station repairs could be included.

Ms. Vanuch said that would be to come back for additional information. She said she wanted to ensure they did the same process they did with Rock Hill, where the ownership of the building was transferred to the County so that the money came back. She said they were performing the same for all of the fire stations so they were investing from a renovation standpoint.

Ms. Gary said she had more information to share from her understanding.

Ms. Vanuch said they could discuss it offline later.

Ms. Gary mentioned there were complications with the ownership of the property.

Ms. Yeung said she thought Brook Station would be replaced.

Ms. Vanuch said that was why she wanted the money back if the property was sold.

Ms. Yeung asked if they wanted to repair it.

Ms. Gary said it would not happen any time soon and there was not even a location selected.

Mr. English noted the station was in bad shape.

Ms. Light said the Sheriff's Department identified that the state police had increased their beginning salary to $65.958K. She said in the County, deputy entry pay was $51.302K. She said if the Sheriff's Department was able to move the payscale up 20% for the department only, it would incur an annual cost of about $4.6M. She said based on the memorandum from the Sheriff's Department for the request to use ARPA funds, that would be $3.45M in year one assuming an October 1 cost with the remainder of those funds in FY 24. She said there would be a $3.4M increase to the general fund in FY 24.

Ms. Light said the request assumed the full implementation as of October 1, 2022. She said it may be an aggressive deadline, and HR and Payroll may have a significant amount of work between the directive and the next payroll cycle to put the salary increase into place correctly. She staff had worked with IEM in looking at the ARPA rules to see what portions of the funding could be used and trying to establish different strategies.

Ms. Vanuch asked Ms. Light to expound on the revenue that was projected. She wondered if they implemented the request on January 1, what the cost would be to implement the scale increase, and what the revenue impacts would be.

Ms. Light explained if they implemented it on January 1, there would be about a $2.3M increase. She said she had spoken with Ms. Vanuch about the topic, and she recalled she said that sales tax at the time would come in over budget by about $2.2M. She cautioned the Board that if the economy was entering a recession period, that would be the only time in the past 12 years the County had seen sales tax come down. She noted since 2010, year-over-year, it did decrease by 4.3%. She said over the last three years, sales taxes increased by approximately 15% every year, higher than the budget projections.

Ms. Vanuch asked if online taxes were available in 2010.

Ms. Light said they were not, but they did not.

Ms. Vanuch asked if the Board had voted on pay increases outside of the budget cycle.

Ms. Light said the Board used ARPA funds last year to help the Sheriff's Department with pay differentials for the night and midnight shifts. She said it was about equivalent to $1/hour and a total of $180K.

Ms. Vanuch noted that in September 2021, the Board voted to increase bus driver pay, a $2M recurring cost. She said the bus drivers were given a 25% pay increase because of the efficiency stresses across the system.

Ms. Light said it had been identified as a real need for bus drivers, and they used one-time funding from the schools to support the cost in the first year. She added that the schools later incorporated the cost into its budget in FY 23.

Ms. Bohmke said they also performed a pay increase for the 911 operators. She asked if that was correct. She noted they were having issues filling the operator positions.

Sheriff Decatur clarified that a stipend was offered while they conducted a comprehensive pay study, to hold them in place.

Ms. Vanuch asked Sheriff Decatur if there were further items he wanted to bring to the Board. She noted he did one-on-one and two-on-one meetings with Board members to discuss staffing challenges.

Sheriff Decatur said he believed it was important after the Commonwealth passed the state budget, the state police came out with an aggressive pay increase which elevated the state police pay by $15K or more above the County's starting pay. He said it was unique because it was possible to stay in the County and work for the state police without moving. He said it was hard to predict the impact and how many people would leave. He said they were aggressively recruiting. He said over 40% of the deputies could leave and receive a pay increase of more than $10K.

Mr. English asked if other jurisdictions were increasing pay in attempt to attract more applicants. He noted Fairfax offered $15K signing bonuses.

Sheriff Decatur said it was an ongoing challenge. He noted the new payscale that was implemented the prior year helped with recruitment and retention, but it was an ongoing process because there was a finite amount of applicants that could be recruited, and many people did not want to come into the profession. He said most agencies were always looking for ways to improve the agency's attraction.

Ms. Vanuch asked how long it took the County to fill positions when a deputy left. She said it was not like when a County Government employee leaves and we may be able to fill the position within a few days if it were advertised and it was an hourly position. She asked what the impact of five deputies leaving the department would have.

Sheriff Decatur said in terms of recruitment and retention, the hiring process for someone who was not certified through the state required mandated training through the academy. He said the timeline was at least eight months before the person could go through the academy and post-academy training. He noted the hiring process also took time.

Sheriff Decatur said they were always challenged on many different fronts. He said mental health was a need. He noted how many hours per month were spent at the hospitals. He noted the prior month, over 700 hours were spent at the hospital. He said traffic fatalities had increased. He mentioned the opioid epidemic and school protection. He said whenever the department lost employees, others had to be held over from other shifts or they had to be pulled from other units or divisions.

Ms. Vanuch said when people were held over, they implemented mandatory overtime. She asked what the impact was on the individuals, such as the 911 operators, when they had to perform mandatory overtime.

Sheriff Decatur said the telecommunicators worked 18 hours mandatory a month because people were leaving. He said it was tough to recruit and retain employees in the industry. He said it created additional stress on people because they had to work extra hours to fill the void. He said telecommunication dispatchers could not be pulled from other departments because it was a specialty position.

Sheriff Decatur said the traffic safety unit had grown because it was a top priority. He said sworn officers from other units could be pulled to fulfill traffic safety positions.

Ms. Bohmke noted how the state was putting additional challenges on the Board. She said people were not seeking law enforcement jobs, and it was discouraging. She commended the Sheriff's Department for their work. She noted there were several financial pressures in the community as it related to compensation. She said the CIP needs in a growing community were huge. She said she was not in a position to make a decision at the meeting. She said she needed the data to support her decision, but she knew the Board would be kept up to date moving forward. Ms. Bohmke stated that she did not find Supervisor Vanuch's comment that a government employee could be replaced in three days was respectful of our staff. Ms. Bohmke said she had a tremendous amount of respect for them.

Ms. Vanuch replied that her point was more if there was an hourly employee.

Ms. Bohmke stated that people were listening to the meeting and that it was not a fair comment.

Ms. Gary said during her campaign, they met ahead of time about how the Sheriff's Department needed more resources and staffing. She said when the Board had access to resources to be able to help the department, they should. She said it was a matter of how much and when. She said people agreed across the political spectrum regarding SROs. She noted there were needs in many areas, but this was a priority. She said the Sheriff's Department could not wait until an emergency to address its staffing needs. She said her preference was that the request would not be politicized.

Sheriff Decatur said he often said it was important to know that the Sheriff's Department had a working partnership with the County government and the Board. He said the department had received a lot of support.

Mr. English said he worked part time with the Sheriff's Office, and he had worked with them for nearly 43 years. He said it was the worst time he had seen. He mentioned the efforts to defund and dismantle the police and said the Board would have to do something to address the staffing issues.

Ms. Gary said the same discussion was held in the Legislative Committee, and in a way, it was a benefit. She noted the comparison to other northern Virginia counties. She said they brought up the discussion on COCA for the schools, and she had discussed the topic with some of the delegates. She said there were a lot of needs, but this could allow access to other things.

Mr. Coen when he joined the Board, they were doing the payscale analysis. He said once people in the department knew the payscale was being reviewed, the anxiety of people leaving diminished. He said the long-term outlook was important. He said he had been in a system where the payscale was implemented and then frozen later on. He said if they were not able to fund the payscale increase in the future, then they were doing a disservice to the department. He said the request was not yet ready. He said many of the employees were faced with challenges.

Ms. Yeung said she agreed with the points made. She mentioned the topic of defunding the police. She said during times of turmoil, they needed to come up with ideas to bring the County together. She said they had to work to bring individuals from different races, cultures, and backgrounds together to discuss issues. She mentioned they worked on the school system and worked to increase diversity in the department. She said they assessed what was done in the school system.

Ms. Yeung said Fire and Rescue went into burning buildings, and when they stopped people on the road, their lives were in danger. She said teachers' lives were in danger from mass shooters. She said she thought about the teachers each time there was a request for raises for the Sheriffs. She said she wanted to grant the request for more funds, but they had to be deliberate. She said when it came to ARPA funds, they had to ensure the funds were used for the intended purpose.

Ms. Yeung said she was about equity and equality for everyone. She said she wanted to ensure the morale of every employee. She said everyone deserved a raise. She said they should ensure they have a plan to move the request forward during budget season. She said the bus drivers were so underpaid they would rather be at home with COVID-19 funds than be at work.

Sheriff Decatur said February was when they would perform their regular salary and compensation review. He said that could be accomplished in time for FY 24.

Ms. Allen said on Saturday, she had attended a Unity Breakfast. She said one of the key people invited was a sheriff's deputy who gave a moving prayer. She said the deputies were able to sit at a table and offer a prayer for an entire community. She said it was unfortunate, but the County was experiencing the convergence of several community needs. She noted growth had exploded.

Ms. Allen said there were needs with the school system, transportation needs, CIP needs, and government needs. She said many of the policies being passed were reactionary to the labor markets. She said instead of taking a reactionary action, it would be prudent to utilize a budget session to figure out how the County could remain competitive moving forward.

Ms. Allen said they did not want to have to freeze the payscale increase because it would cause morale issues. She said they looked for long-term commitment from law enforcement. She said it was not prudent to use one-time funds for ongoing fiscal costs. She noted another 5% raise was coming for state police, and they had a 1.5% escalator built into the rate as well. She said staff had to be given enough time to determine how to best move forward financially.

Ms. Gary noted the tax implications. She said from her discussions with Stafford citizens, they were supportive of pay increases for the Sheriff's Office. She said she hoped people would feel the same support when it came to funding schools.

Ms. Allen said she would like to see more data about what the other comparable districts were doing to provide guidance. She said she had conversations with Loudon County, and she noted they had not touched their salary scale. She noted Prince William County was also not addressing payscale. She said they wanted to first determine the impacts. She said it would give the Sheriff's Office to provide more data related to attrition.

Ms. Vanuch said she was ready to move forward with the request. She noted that three Board members expressed the opinion they were ready to take action on implementation which was why it was included in the ARPA work session. She said law enforcement was a competitive business which was why several jurisdictions were offering signing bonuses and increases to payscales. She said Prince William County had an entire squad turn in papers.

Ms. Vanuch said they had to be proactive. She said waiting until the issues became an emergency was a mistake. She noted the time it took to hire a new deputy. She said the Board's number one initiative was traffic and school safety. She said when the Sheriff's Office lost employees, the safety of those areas suffered. She said their job was to prioritize the budget annually.

Ms. Vanuch said the starting pay for the deputies was the same hourly rate as the bus drivers. She said a 10-year deputy could make $10K less than a 10-year teacher. She said those were issues. She noted that no other state department received a 26% pay raise like the state police. She noted how the County gave the teachers pay raises between 10% and 30%.

Ms. Vanuch said the dispatchers were already working 18 hours of overtime. She said it was a crisis, and the Board had to address it. She said the Board should come back on October 4 to address the request. She suggested staff return with an adjusted payscale for first sergeants and below. She said it was unacceptable to wait for the budget process, and she requested the other Board members consider addressing the issue sooner.

Mr. English said he agreed the item should come back on October 4.

Ms. Gary said she would like to see the item come back to the Board on October 4 as well.

Ms. Yeung asked how many openings the Sheriff's Office currently had.

Sheriff Decatur said they had about 17 open positions.

Ms. Yeung asked how long those positions had been open.

Sheriff Decatur said that it has been recurring.

Ms. Yeung said there were 25 openings needing to be covered.

Ms. Vanuch said they could not fill them.

Sheriff Decatur said there were 17 positions that were approved and paid for.

Ms. Gary said she wanted to voice support to bring the item back with different figures.

Ms. Allen said they needed ample time to determine how to address the request. She said they needed to determine if it was a short-term or long-term solution. She said giving staff until October 4 was only two weeks. She said the process for the teacher pay raises and the bus driver pay raises was addressed during the budget season.

Ms. Vanuch said on September 7, 2021, the Board had voted unanimously, 5-0, to give the bus drivers a 25% pay raise outside of the budget cycle. She noted Ms. Allen had been absent from the vote. She said the raise was given for the same reasons the raise for the Sheriff's Office was justified. She said the raise resulted in a recurring cost of $2M. She said the precedent had been set.

Ms. Bohmke said she would like to review additional information as it related to the deputies and first sergeants. She said the issue would not go away. She noted the Board had taken action outside of the normal budget cycle. She said they needed to review actions as soon as they could and gather additional data. She said if the majority of the Board wanted to wait for the budget cycle, it could be done, but she did not think it was responsible given what they knew. She said she wanted to be in a position where if they needed to make a quick decision, they would be able to make an informed, deliberate, and responsible decision.

Mr. Coen said on October 4, there was the CEDC and infrastructure, which were both busy, full agendas. He said there was a School Board meeting. He said on October 18, Public Safety was at 1:30 p.m. followed by a presentation from SCPS on their fiscal year review. He mentioned the joint CIP meeting. He said they needed a lot of information, and he did not know if it could be done appropriately by October 4. He said he was not saying they wait until the budget cycle, but there were many other weeks available before February.

Ms. Yeung said she would be out of the country until October 3 with no access to a computer, email, or text messaging for her own security. She requested the information be provided to her, and that the conversation on the Sheriff's payscale increase happen during the budget cycle or before. She said she wanted to be deliberate and make informed decisions.

Ms. Vanuch said she had talked with Senate Finance that morning, so she would forward the Board an email.

Ms. Yeung said there was a House Bill addressed by the prior legislative session that addressed payscales.

Ms. Vanuch said there was enough Board direction to come back on October 4. She asked if they wanted to set up a work session or if the item should come before the CEDC. She said the agenda was limited. She said it could be included under new business, also. She noted the work session was televised. She said it would mean 12 p.m. on October 4. She said there was Board consensus to address the item on October 4 at noon.

Ms. Yeung said she returned on October 3.

Ms. Vanuch said the Board would be meeting an hour earlier to discuss the item. She said the meeting was on October 4.

Ms. Yeung said she knew when the meeting was. She clarified she would not have access to materials to prepare for the meeting. She said she would like time to prepare. She said she did not know why they were rushing the item.

Ms. Bohmke suggested a work session held the following week when there was no meeting.

Ms. Vanuch said it would be too late.

Mr. Coen said on October 11, there was nothing scheduled. He noted National Night Out was that day at 5 p.m.

Ms. Vanuch said they would have to coordinate with staff on the openings. She said if the work session happened, they usually only received documents a couple days in advance. She said they were not committing to taking action at the meeting. She said they were preparing information.

Ms. Yeung asked if they would only review the Sheriff's Office request.

Ms. Vanuch asked the Board if they wanted to address the item at 12 p.m. on October 4.

Ms. Gary said yes.

Ms. Vanuch said she needed another date when the Board could have a meeting.

Mr. Coen suggested a work session starting at 1 p.m. on October 11.

Ms. Vanuch said she was out of town on October 11.

Mr. Coen said a date other than October 4.

Ms. Vanuch asked if there was a date prior to October 11. She noted the Board meeting was on October 18.

Ms. Vanuch said the item should come back before the Board prior to the October 18 meeting.

Ms. Vanuch said it would give a week.

Sheriff Decatur said they would get a poll out. He said he was concerned about what additional information was requested. He said he did not know exactly what was requested by the Board.

Ms. Vanuch asked the Board members to send their requests for additional information. She said her request was the impact of the payscale implementation on January 1 for first sergeants and below.

Ms. Gary said she wanted to see two other options for funding below the 20%.

ADJOURNMENT

At 3:01 p.m., Chairman Vanuch adjourned the September 20, 2022 American Rescue Plan Act Work Session of the Stafford County Board of Supervisors.

Randal E. Vosburg
County Administrator

Crystal Vanuch
Chairman