BOARD OF SUPERVISORS
STAFFORD, VIRGINIA
MINUTES
FIVE YEAR FINANCIAL PLAN WORK SESSION: GENERAL FUND AND OTHER FUNDS
NOVEMBER 14, 2023

CALL TO ORDER – A work session of the Stafford County Board of Supervisors was called to order by Dr. Pamela Yeung, Chairman, at 2:00 p.m. on Tuesday, November 14, 2023 in Conference Room ABC, George L. Gordon, Jr. Government Center, 1300 Courthouse Road, Stafford, VA.

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

Absent was Supervisor Crystal Vanuch.

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

Dr. Yeung called the meeting to order at 2:00 p.m.

WORK SESSION AGENDA ITEMS

Andrea Light, Chief Financial Officer, said that this afternoon, they would continue discussing the five-year financial plan, focusing on the general fund. She said that they would also examine transportation, fire levy, and utilities. She said that from this presentation, they would seek the Board's input on pay and market study, the general fund, and the direction they would like to see them take in Fiscal Year 25 concerning transportation, fire levy, and utilities. She said that she would briefly address the market, merit, and scale adjustment strategies. She said that the five-year plan considered salaries under three different categories, which were market, merit, and scale adjustments, and the Board had seen these previously.

Ms. Light said that she examined the cost of incorporating the market into the budget, anticipating a two-year implementation. She said that both merit and scale were crucial factors to consider together, as the Board had done in previous instances. She said that the scale generally followed an upward trajectory in line with CPI or another index, while merit focused on individual assessments to avoid compression issues. She said that the market study was completed and would be thoroughly reviewed during the presentation alongside consultants and Ms. Wagner. She said that they would transition to that portion of the presentation and then come back to the remainder of the presentation.

Ms. Bohmke asked if, when considering market, merit, and scale, for individuals who were at the market level, those who were not performing would still receive a market-based pay raise.

Mr. Vosburg said that market adjustment referred to an adjustment based on how positions are aligned with the market. He said that when discussing individuals, there would still be a merit component, which was determined by their work performance. He said that they would delve into this further as they transitioned from a merit-light approach to a more comprehensive merit medium. He said that to directly address the question, there might be some market adjustments that may not consider performance because they were based on the appropriate scale for each position.

Donna Krauss said that one of the strategies this year they spent considerable time discussing with Human Resources was to ensure that their foundation was solid. She said that this involved examining the job market and evaluating the functionality of their jobs in relation to industry standards. She said that once they established a stable and structurally sound foundation, they would then focus on assessing employees' performance, merit, and goals.

Ms. Krauss said that today they would delve deeper into these aspects. She said that their goal was to maintain consistency and purposefulness in ensuring that their organizational structure remained competitive within the market. She said that by conducting these evaluations more frequently, as Ms. Wagner would elaborate upon, they could better adapt to market changes and strive for fair compensation for their employees relative to industry standards.

Ms. Shannon Wagner, Director of Human Resources said that she would introduce the Board to Patrick Bracken with Segal. She said that Segal was the consultant who assisted them in conducting their market study this year. She said that Mr. Bracken was the Vice President and leader of the Public Sector Compensation and Career Strategies Practice. She said that he would present the results of the market study, and there was a prepared presentation for their reference. She said that earlier, Ms. Krauss had mentioned that after analyzing the market study's findings, they would shift their focus to integrating them into their organizational structure. She said that this process would be a significant component of the FY25 budgeting procedure.

Mr. Patrick Bracken said that he was with Segal. He said that the agenda for today's presentation covered seven major topics. He said that their primary objective was to orient the audience to the work they did, how they did it, and their findings. He said that he would provide a brief introduction to Segal, stating that they were a national human resources consulting firm with approximately 1,100 employees across the country.

Mr. Bracken said that his group, Competition and Career Strategies, specialized exclusively in public sector compensation work and had been serving the public sector for about 30 years. He said that several individuals were part of their team, including himself, T.L. Cox, Marian Oyaas, and Colin Grant. He said that they collaborated with Ms. Wagner and her team to complete the work. He said that they were engaged to conduct a compensation benchmarking study, which was the focus of the presentation.

Mr. Bracken said that they outlined a methodology for assessing the County's current pay structures and pay ranges for positions. He said that this allowed them to conduct a custom survey targeted at specific peer employers, focusing on the labor market that Stafford County recruits and attracts employees from. He said that they supplemented their analysis with private sector information by purchasing licenses to survey sources such as nationally known comp analyst, economic research institute, and pay factors. He said that these were all data warehouses that surveyed thousands of private sector employers, which they referenced to supplement the custom survey conducted among public sector entities.

Mr. Bracken said that by combining this information, they determined the overall labor market and competitive compensation levels for job titles. He said that during the analysis process, they worked with clients to identify where they competed for talent, who they lost people to, and who they recruited from. He said that they also considered factors such as government structure, size, commuting distance to Stafford County, and other demographic information. He said that their goal was to understand more specifically which types of positions or job titles the County may have historically or recently struggled to recruit, and whether compensation played a role in this. He said that it was crucial to focus on two essential questions because they wanted to refine their approach.

Mr. Bracken said that the first question was determining who would be the subject of their custom survey, and the second one concerned which benchmark jobs should be included. He said that these were the job titles that helped them estimate and analyze the competitiveness of the overall compensation structure. He said that regarding the peer employers for one of these questions, they had conducted two studies, with general County peers listed on the left side of the slide, such as Arlington County, Chesterfield, City of Alexandria, Hanover County, Henrico, Loudoun County, Prince William County, the Service Authority of Prince William County, and Spotsylvania County.

Mr. Bracken said that they called these general County peers because they were surveyed for all benchmark jobs. He said that additionally, they had an extra sworn or certified peer group, which was a subset of Arlington, City of Alexandria, Loudoun, Prince William, and Spotsylvania, consisting of five specific sworn certified positions. He said that they began working with the County during the scoping phase to collect market data on both the general population and specific sworn positions. He said that regarding benchmark jobs, these job titles were identified in collaboration with the County as a proxy for sampling to ensure a comprehensive representation of the various job functions maintained by the County.

Mr. Bracken said that after careful consideration, 50 benchmark jobs were selected to provide a broad enough composition. He said that the jobs were then categorized into job families on the right-hand side of the slide. He said that these job families may have been previously defined for the study or were currently used; their purpose was to group similarly situated jobs. He said that administrative support, fire and rescue, finance and accounting were among the major job families considered in analyzing the distribution of benchmark jobs throughout the County.

Dr. Yeung asked if, when displaying all the various counties, including some west and others north, they had considered the salaries by taking into account that they were in Stafford County while inputting the data for market rates.

Mr. Bracken said that he used a geographic differential to assess the differences.

Ms. Krauss said that she would like to add some information regarding the next slide on job positions. She said that staff collaborated with departments to address the issue of hard-to-recruit positions, which had been frequently discussed during their budget meetings. She said they worked together to identify specific jobs within the 50 benchmark and ensured that department directors were consulted to ensure their inclusion in their analysis. She said this approach differed from previous benchmarking efforts.

Mr. Bracken said that he appreciated the additional information provided. He said that that covered the summary of benchmark jobs and their distribution by job family. He said that they then focused on two primary areas within the scope of their survey. He said that first, they examined pay ranges, which included minimums, midpoints, and maximums for similar positions among peer groups.

Mr. Bracken said that additionally, they conducted pay practice questions, analyzed work week definitions according to the Fair Labor Standards Act (FLSA), and calculated average pay. He said that to perform work week adjustments, they required both the work week and FLSA information, considering any differences between Stafford and peer employers based on FLSA exemption status. He said that then, where it was possible, they included actual average pay in their comparisons.

Mr. Bracken said that he would guide them through how they reported their data findings. He said that earlier he had mentioned that their survey included public sector data, which was custom-conducted by them. He said that they contacted the specific peer employers for information. He also said that they had access to private sector data, which were the sources that Segal used and referenced for private sector comparisons. He said that then, they combined both public and private sector data equally to determine an overall market average. He said that they conducted the process at the benchmark job level, such as at the job level of an accountant.

Mr. Bracken said that they collected pay information for accountants from peer employers, examined private sector accountant data, and compared Stafford County's pay range for accountants to those overall market averages. He said that the orange bar at the bottom of the table represented the overall market basis, which was a blend between the private sector and public sector. He said that they presented their findings across all benchmark jobs, including 45 in this case, excluding the five public safety sworn positions.

Mr. Bracken said that when considering the aggregate information, they observed that Stafford County, when examining the numbers shown at the bottom, was 88% of the average market pay range minimum, 91% at the average pay range midpoint, and 92% at the pay range maximum. He said that this implied that if they took the average of the Stafford County pay ranges for benchmark jobs and compared it to the average of the market data, Stafford was at 91% of the average, with the midpoint being their primary focus.

Mr. Bracken said that they conveyed this information to their clients through color-coding. He said that red indicated what they called below market, which was below 95% of the average. He said that they illustrated a corridor of market competitiveness ranging from 95% to 105%. He said that if one was within plus or minus 5% of the average, they were considered market competitive. He said that in this case, there was one cohort at the private sector maximum, represented by black ink, indicating market competitiveness. He said that if it was below 95%, it was in red, and one could see this phenomenon across all sectors, public, private, and overall. He said that in every benchmark job category, the pay ranges were below market.

Mr. Bracken said that it should be noted that there was significant variability; some jobs were competitive with the market, others exceeded the market, while still others fell short. He said that despite the fact that 91% of positions exhibited this trend, it was essential to recognize that not all roles fit this pattern. He said that some were satisfactory, and others even surpassed expectations. He said that they wished to draw attention to this variability as they analyzed the overall findings and considered the nuances at the individual job level, where the story may differ depending on which position they examined.

Ms. Gary said that last year, during the budget discussion, they considered pay for the Board. She asked if this was something they could revisit or if they should address it later. She said that the topic was postponed due to debates on school funding and related matters that interfered with the discussion. She asked when they would review this issue again.

Ms. Krauss said that a specific study had been completed approximately one year ago regarding the Board and constitutional officers, so they had the results of that.

Ms. Gary asked if that could be looked at again.

Ms. Krauss said yes, it absolutely could be brought forward as a part of the budget process for the Board to consider.

Ms. Allen asked what the determining factor was when deciding whether or not a job should be benchmarked.

Mr. Bracken said that the decision was primarily influenced by two key factors, one was ensuring a diverse range of departments and job families were represented among the 50 positions, and focusing on highly populated jobs because they knew there were many people in those positions and therefore had a greater impact on the study's coverage, as well as on unique jobs that might be difficult to recruit or retain. He said that to identify these challenging roles, they consulted with stakeholders at the beginning of the process and highlighted areas where specific job pockets would be suitable for inclusion as benchmarks.

Ms. Wagner said that she would like to add that her staff and the consultant collaborated closely. She said that in addition to Mr. Bracken's input, they examined the positions from the previous market study and other analyses conducted by her team. She said that they also considered how long it had been since some of these jobs had last been reviewed. She said that they sought feedback from various departments to ensure a comprehensive approach in establishing the benchmark jobs.

Ms. Allen said that in the past, there had been an issue with government salaries, as well as in general. She said that the problem was that the initial market salary for entering certain jobs was not sufficient to attract people. She said that it was great that the maximum salary in the private sector for this benchmark was 96%, but it was not enough to entice individuals to wait until they reached 96%. She said that when capturing data points, she asked if only pure data, such as the low-end, mid-point, and high-point salaries were considered, or did they also look for nuances that could provide a deeper understanding of why certain salaries were at specific percentages, like 85% or 88%.

Ms. Allen said that for the County, the initial offering or salary was crucial. She said that although it considered experience and merit, if the starting pay range was not competitive, people may not consider working there, regardless of potential growth opportunities later on. She said that the challenge was attracting talent to even explore the possibilities. She said that she was curious about whether the data provided any insights into this issue.

Mr. Bracken said that they did consider pay ranges, meaning that if someone were to go on Arlington County's website and look at what they published as the minimum and maximum for a benchmark job, that was what they pulled and referenced in the data presented on that slide. He said that part of the reason they did this was that the concept involves determining a minimum value and a maximum value associated with the skill set attributable to that job function.

Mr. Bracken said that employers would pay within a range anywhere between these minimum and maximum values, which depended on employees' backgrounds, prior employment history, and other intangibles that contributed to setting pay for an employee in that job title. He said that measuring where each employee fell within this range was difficult because it was highly dependent on individuals' unique profiles and backgrounds. He said that they are unable to evaluate where people fell within the range due to these individual characteristics.

Ms. Allen said that she asked the question because Stafford Hospital had recently made a pay adjustment. She said that although they were still not as competitive as desired, her salary was higher than some of her colleagues with similar experience and educational backgrounds. She said that she was curious about how such differences could be accurately captured.

Mr. Bracken said that on the previous slide, it discussed the compensation benchmarking findings in aggregate across all benchmark jobs. He said that now, they would break down the analysis by peer organizations to provide Stafford County with a better understanding of how they compared competitively or noncompetitively against other employers. He said that the metric remained the same, as it was still Stafford County's percentage of the market average; however, he noted that the market averages were now specific to each peer organization. He said that the color-coding remained consistent. He said that red indicated below market value, black represented market value, and blue signified above market value.

Mr. English asked if when conducting these surveys, they took into account the benefits associated with the job, such as annual leave, sick leave, and others. He said that he wanted to know if this aspect was included in the survey results or not.

Mr. Bracken said that this study only included base pay.

Mr. English asked if they included no information regarding the benefits of jobs.

Mr. Bracken said that they did, but this was referring to just base pay.

Dr. Yeung asked Mr. Vosburg how they were planning on using the surveys in the five-year plan.

Mr. Vosburg said that the original goal aimed to present the information to the Board for their understanding and to ask questions related to the consultant's experience in the process. He said that as they proposed a budget, they would consider addressing all aspects within their financial capacity. He said that they focused on merit, market, and scale as key factors. He said that scale could also be referred to as COLA. He said that their objective was to make the salary plan competitive, with the midpoint target at 100%. He said that after evaluating internally, they concluded that achieving this goal in a year would be too expensive. He said that therefore, they devised a multiyear strategy to bring before the Board, aiming to get closer to the 100% market standard while maintaining competitiveness and incorporating merit and scale into their pay plan.

Dr. Yeung said that in her opinion, she would like to see them utilize the survey while ensuring that they did not attempt to favor one department over another. She said that she noticed that this document contained some elected positions. She said that when they looked at the Board, they only examined the County itself. She said that they still needed to allocate funds for the school system. She said that she wanted them to maintain a broader perspective. She said that they had a certain budget available. She said that yes, they wanted to support their employees, but what would it take if they were to allocate more resources to themselves, given that some had eight and others had five.

Dr. Yeung said that she was looking after her employees when certain Board members would only consider one department and say they were responsible for that department. She said that she wanted them to give a fair assessment and to assess the entire County holistically. She said that although they could not make everyone happy, at least they could attempt to address different areas and determine what they felt was best. She said that if they managed to secure seven departments, then the school would receive six, and other departments would get six or seven as well. She said that this way, they could prevent losing employees to neighboring regions.

Ms. Bohmke said that she appreciated that approach because she agreed with the need to consider it holistically. She said that Supervisor English's point about certain public safety department benefits should be acknowledged in that they needed to evaluate the entire package.

Mr. Vosburg said that that was a part of the picture, and it was a complex issue. He said that even some of the jurisdictions being compared had a workweek of 37.5 hours while Stafford still operated on a 40-hour workweek. He said that it became complex when delving into hourly rates, benefits, and the significance of these factors. He said that it also involved telework, noting that they allowed two days, whereas some other jurisdictions had more extensive telework policies, approaching 100%. He said that there were numerous intricacies that complicated the matter and held value. He said that they were happy to engage in discussions regarding the benefits and explore potential combinations of factors that may not be monetary, allowing the Board to make decisions between them. He said that the primary concern with regard to monetary comparisons was that they lost individuals to some of the jurisdictions they benchmarked against. He said that it was unfortunate that, while they must compete with these jurisdictions, they did not possess their resources. He said that it was a complex issue, as they currently lacked those resources but were working toward acquiring them. He said that they were aware of this matter.

Ms. Bohmke said that in the past three years, while teleworking had become a norm, it was essential to evaluate their productivity and accountability. She said that they must assess the performance of those who worked remotely and make necessary adjustments accordingly.

Mr. Vosburg said that yes, they had collected data on their workforce's teleworking performance. He said that they were currently analyzing this information. He said that they were enhancing accountability measures, which would be further improved with their transition to Office 365. He said that the change would introduce remote-friendly systems and communication tools, promoting easier accountability. He said that as they continued to review the policy and delve deeper into the data, more updates will follow.

Mr. Vosburg said that in response to Dr. Yeung's point, he believed that the market study leveled the playing field between them and the schools because they had collected their market data. He said that the Superintendent and previous Superintendents had presented salary administration plans. He said that with the current plan, they were in the first or second year of implementation for the School Board, but he could not recall exactly. He said that soon they would possess a plan that aligned with theirs. He said that they must recognize the importance of examining how the markets differed and how the School Board collected its data and where they were losing individuals to, in comparison to the County’s benchmarking needs. He said that this would bring them closer to parity when considering their five-year plans and salary administration.

Ms. Allen said that she wanted to make two comments and then ask their consultant a question. She said that with the telework, they should not lose sight of its importance and focus on productivity and where it fits in as they transition the workforce. She said that if the pool of prospective applicants wanted telework and it was not offered by the County, they would have issues. She said that it was essential to be mindful that it was not about what the County wanted but about what the market was dictating.

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Ms. Allen said that benefits were essential, but if they did not address the base pay issue, the impact of benefits would be limited. She said that they should ensure that they remained mindful of both benefits and compensation when addressing employee retention. She said that her question for the consultant was regarding data. She said that Prince William County's minimum pay scale area was competitive with other regions. She said that there was a significant gap between the midpoint and maximum salary levels. She said that this raised concerns about long-term incentives for employees to stay beyond a certain period or salary threshold. She said that attracting candidates with higher salaries had become challenging due to this disparity. She said that the drop from 92 to 80 was concerning.

Mr. Bracken said that he would discuss the mathematical aspects of the situation, which indicated that the minimum salary levels were acceptable, although they were just below the market competitive quarter. He said that Prince William County had set significantly higher maximum pay ranges than Stafford County. He said that this discrepancy could have a significant impact on their recruitment efforts.

Mr. Bracken said that he would discuss the mathematical aspects of the situation, which indicated that the minimum salary levels were acceptable, although they were just below the market competitive quarter. He said that Prince William County had set significantly higher maximum pay ranges than Stafford County. He said that this discrepancy could have a significant impact on their recruitment efforts. He said that deliberate decisions might be made regarding employee pay at Prince William. He said that it could be that they wanted employees there to have a clear line of sight and remain with the organization due to potential pay growth opportunities.

Mr. Bracken said that it could also be, and some clients make this decision, that they did not want to be limited by having people reach their maximum too early. He said that they might artificially set higher maximums, knowing that no one would ever reach them or it would take an extremely long time. He said that there were various factors that could contribute to these findings. He advised the Supervisors to not to assume that everyone was being paid at or close to the maximums without further examination of their data.

Ms. Wagner said that in 2018 and 2019, they conducted a comprehensive compensation and classification study with the aim of resetting their entire system. She said that this was more intensive than the current project. She said that during that study, they examined the range spread, which revealed that their pay range at the time was significantly narrower than it was today. She said that based on their peers' practices, they made decisions to increase the range spread so that the difference between the minimum and maximum was now 70%. She said that she did not recall the exact percentage before this change but believed it was around 60% percent.

Ms. Wagner said that at that time, they were below their peers' standards; however, now they are in the middle of the range. She said that some of their neighboring regions, such as Prince William and others in the north, had wider pay ranges even compared to what they have now. She said that this resulted in an acceptable minimum wage but a maximum that was significantly out of alignment. She said that there were some jurisdictions where theirs were narrower, resulting in them being at the minimum and worse off.

Ms. Wagner said that Spotsylvania served as an example. She said that at the minimum, they were worse off, but by the time they reached the maximum, they significantly surpassed the others. She said that she believed that the average was lower than the minimum. She said that referring to the slides for these figures, at the minimum on the overall picture, it was 88% and at grade midpoint, 91%; while at maximum, it reached 92%. She said that as a whole, their range was slightly wider than the average across all markets, but there were individual employers where they were out of alignment in the opposite direction.

Dr. Yeung asked who should receive the more detailed questions from Board members about the document.

Ms. Krauss said that questions should be directed to herself and Ms. Wagner.

Mr. Coen said that when conducting the study on working from home, he would be interested in the findings. He said that there was anecdotal evidence suggesting that individuals who work remotely experience a reduction in daycare costs, subsequently increasing their disposable income.

He said that he was curious about whether this factor contributed to the growing demand for remote work opportunities. He said that while maintaining high productivity levels, these workers no longer had to bear exorbitant expenses. He said that therefore, he considered it an important issue to look at.

Mr. Vosburg said that they actually lost a candidate for that exact scenario. He said that they were working from home to the north of them. He said that he had the ability then to provide daycare themselves, and Stafford County's offer was not competitive enough to overcome the cost of daycare, and so they lost that candidate.

Ms. Allen asked if information about the cost of living so they could see the cost of living in all of the jurisdictions as well as the average wealth. She said that some areas may have a higher cost of living that may impact how base pay was calculated.

Ms. Krauss said that staff could put together that information.

Ms. Wagner said that the consultant provided them with one factor they used to adjust the date, which was cost of labor. She said that although it differed from what they were discussing, it addressed the relative cost of labor in other jurisdictions. She said that the consultant adjusted the data to equalize this factor for all the peers they were studying.

Ms. Gary said regarding Mr. Coen's remarks, it seemed like the issue had been raised before. She said that people had varying life circumstances when it comes to childcare while working from home, and many still required traditional childcare services. She said that she did not want this to be perceived as an opportunity to cut costs based on someone's work situation. She added that this was a unique scenario that needed consideration, so she just wanted to bring it up.

Dr. Yeung asked Ms. Light to resume her presentation.

Ms. Light said that she would begin by addressing the five-year plan. She said that going through the general fund, this information was provided to both the Board and the public in October, and this was a follow-up to a previous meeting, aiming to gather the Board's input on how to build the Fiscal Year 25 proposed budget. She said that this budget should align with the Board's priorities, as they have expressed different levels of importance for schools, parks, and transportation.

Ms. Light said that last year, the schools had provided a five-year financial plan, which could be seen in the red bar on the graph displayed on the slide. She said that if the same percentage of their revenue were to continue, it would result in a $11 million variance by Fiscal Year 25. She said that these assumptions were preliminary, as they have not yet received the Superintendent's budget or the School Board's request. She said that to provide some insight into where the rolling average may be slightly off, which was what they used, by examining the last five years of funding provided, it would give schools approximately $9.3M.

Ms. Light said that in Fiscal Year 24, the Board provided $16.2 million. She said that based on the five-year plan, they anticipated that the Superintendent would require around $20 million. She said that these figures represented a low point, midpoint, and high point. She said that they were seeking the Board's preference for a particular direction. She said that the base plan included an additional $9.3 million in Fiscal Year 25. She said that increasing funding to $20 million would result in an almost 5-cent increase on the tax rate. She said that they could now proceed to discuss school debt service.

Ms. Bohmke said that she wanted to make a comment as she had recently attended the VACO conference. She said that Jim Regimbal, in charge of fiscal analytics, discussed the JLARC study extensively. She said that it had been over four decades since school funding was last studied, and there was a reason why the state had not provided that data. She said that they had consistently underfunded schools since 1974. She said that therefore, they were lagging behind, even compared to other localities in Kentucky and West Virginia. She said that the state could not make up for this deficiency in one year, and a strategic plan would be necessary.

Ms. Bohmke said that she would inform them that from the education committee that she served on, a proposal emerged from their summer meetings to develop a statewide strategic plan with a major marketing firm to raise awareness. She said that they could not depend solely on PTAs, PTOs, and parents. She said that the situation necessitated a comprehensive strategic plan because counties could not sustain the existing mandates from the state while funding education at the current rate. She said that they must educate the entire population and exert pressure on their legislators to implement these changes in Richmond. She said that she would provide further details as they finalized this strategic plan.

Mr. Coen asked if Ms. Light could please provide a brief explanation regarding base plan funding in FY 2024. He asked if she could clarify the initial allocation of $16 million, which decreased to $9.3 million in 2025. He said that he wanted to know whether the same pattern would apply for someone who comes across this information online or through Ask Blue. He asked if it was proposed to allocate a certain amount and only increase it by $9.3 million or provide only $9.3 million. He said that he believed someone might interpret it that way, so he sought clarification on this matter. He said that he thought he knew the answer, he felt it was necessary to ask for the sake of those viewing this meeting at home.

Ms. Light said that it would result in an increase of $9.3 million during Fiscal Year 25. She said that the school debt service was expected to rise from $34.3 million to $56 million at the end of the five-year period, pertaining to High School 6, elementary schools 18 and 19, as well as 3R, as adopted. She said that unfortunately, the joint School Board and Supervisors meeting mentioned on the slide did not occur yesterday; thus, it was not presented to them.

Ms. Light said that however, the large project requests for elementary schools 18 and 19 had increased by approximately $37 million, amounting to about $3.1 million in new debt service or roughly 1.3 cents on the tax rate. She said that they had yet to examine how these new requests would fit into the debt capacity and had not thoroughly vetted this aspect with the schools. She said that the information provided was preliminary as they commenced their CIP and future meetings.

Dr. Yeung said that she wanted to inform the rest of the Board, as well as the audience listening, that they did not have their joint Board meeting and School Board meeting yesterday. She said that they believed they were planning to discuss future CIP buildouts, including 19 and possibly others. She said that her primary concern, as expressed in her email, was to request that Ms. Light share any relevant information with the rest of the Board once it became available.

Dr. Yeung said that there had been a mention of high school 6 opening costs, along with ES18 and 19. She said that she and Mr. English were on the same page regarding this matter. She said that Mr. Coen had motioned to combine projects 18 and 19, which would result in approximately $14 million in savings. She said that this did not happen, and consequently, the $14 million in potential savings was no longer applicable.

Ms. Gary said that when discussing building projects 18 and 19 in the same year, it did not matter if they pushed it and put elementary school 19 in a Brook Point parking lot that would result in the loss of tennis courts and parking spaces. She said that this could hinder Brook Point's ability to expand in the future if necessary. She said that to address her concern, she formally requested a traffic study for the Brook Point area before any construction took place, regardless of whether it is on their land or not.

Ms. Gary said that she wanted a VDOT study of the traffic pattern for all these parents who will be taking their children, as well as high school students exiting from the same parking lots. She said that she was aware that new schools were being requested. She said that she was particularly interested in Drew High School, where ceiling tiles had been falling and posed a safety concern. She said that this school should be prioritized on the list for construction, as it was essential. She said that before considering any other options, she wanted to ensure adequate funding for both Drew and Rising Star schools, rather than adding new buildings to the list.

Ms. Gary said that she would like to express her gratitude personally for Dr. Yeung advocating on her behalf because the schools had a significant impact on her children. She said that this had been quite challenging for her as well, fighting to advance the construction of the elementary school. She said that she would continue to do whatever was in her power to support their schools and officially state that. She said that she anticipated better financial decisions from the Board in the future.

Mr. Coen that there had been considerable debate about obtaining permission from the state to utilize a penny of sales tax revenue for school construction. He said that for future discussions, he believed it would be beneficial to mention that this would likely generate around $25 million, which would not even cover the increase in funding needed for elementary schools, currently at $33 million. He said that this information would be helpful for the Board during their deliberations.

Ms. Bohmke said that she wanted to bring up another topic discussed extensively during the conference, which was the implementation of a 1% sales tax. She said that as the Board was aware, there were currently seven or eight localities that had already adopted this 1% rate. She said that this discussion had been quite intense because many areas had aging buildings, and while they focused on new construction, these older structures required attention. She said that there was a push to encourage legislators to allow local decision-making regarding whether to include the 1% sales tax in ballot measures. She said that it should be their choice, rather than the legislators,' to determine which areas would benefit from this additional revenue source.

Ms. Light said that as the Board was aware, the parks were currently primarily funded through proffers. She said that this was mainly due to the CIP process that occurred in previous years, where these parks did not score highly against public safety needs, school requirements, and road improvements. She said that consequently, the only allocation of funding was through proffers. She said that according to their master plan, four parks had planned funding from proffers, which were Patawomeck, Musselman, Mountain View, and Duff. She said that some Board members had expressed a desire to advance these projects or invest additional funds. She said that staff would appreciate any guidance the Board could provide in this regard.

Ms. Allen said that she had asked about the lack of consideration for park bonds in their County. She said that by having needs and prioritizing them, they had not considered funding parks through a bond. She said that their survey revealed that parks were highly desired by the community. She said that the issue was localized, with some areas not easily accessible to others.

Ms. Allen said that to address this, she suggested putting park expansion and facility improvements into a bond and letting residents decide. She said that if they did not, parks would continue to be neglected in favor of other priorities. She said that parks consistently scored high in community preferences. She said that it was time for them to consider asking the public if they truly wanted parks and recreation to be a priority, given the financial burden, and if so, vote for it.

Mr. English said that he hoped they could find a solution for the parks. He asked how much their profit was for Falmouth Beach this year after paying for everything.

Ms. Light said that they had a negative profit.

Mr. English said that he had believed they had $18,000 in profit. He asked why they were not charging non-County residents who utilized their facilities. He proposed that this could be an alternative method of generating revenue instead of burdening taxpayers further. He said that they had Curtis Park and people were using it, so they should collect fees. He said that they used the beaches and other amenities as well, so non-County residents should pay for access to their facilities. He said that other places did this, but they did not. He said that it was unfair to their citizens that they had to bear the cost of others using their parks. He said they should examine this approach more closely, which might help alleviate their park issues.

Ms. Gary said that in response to Supervisor Allen's comments, she agreed that exploring a bond for their parks was something they should consider. She said that she recalled that they had previously piloted this idea and decided against it due to it turning into a deficit. She said that they shifted from a week-long event to weekend events in order to mitigate the financial loss.

Ms. Gary said that if they were to see an increase in attendance during the weekends, it could potentially generate enough revenue to fund additional park improvements. She said that at present, she was open to doing it at Aquia Landing on weekends, as this had also been discussed. She said that however, she did not believe that it would be sufficient to turn a substantial profit and allow them to invest significantly in their parks. She said that she wanted to further investigate the bond option.

Ms. Bohmke said that some of Prince William County's parks were open, with no charges for certain amenities. She said that their largest park had also opened. She said that it would be beneficial to gather information about this particular park and compare it to other parks in the northern region.

Dr. Yeung said that she could confirm as a former resident of Prince William that the park did not cost anything.

Ms. Bohmke said that before making any decisions, it was crucial for them to gather relevant information. She said there was no doubt about the necessity of enhancing their parks with additional amenities. She said that if they were to pursue a park bond issue, they must carefully consider placing a 1% tax on it. She said that they needed to be mindful of what they included in the ballot, especially given that they were also planning to issue bonds for transportation projects approved three or four years ago.

Ms. Bohmke said that unfortunately, they had not utilized any funds from those approvals yet. She said they must take their community's lack of faith in their ability to manage bond issues into account. She said that to make educated and fair decisions, it was essential to conduct a comprehensive analysis of all parks, identifying which ones had the necessary amenities and which did not.

Mr. English said that he agreed with the point about the proffers but added that if they had these proffers known to them, they had proffer money from a subdivision that may never be built. He said that he believed they needed to establish a clear understanding of their financial situation regarding proffers. He asked what their absolute bottom line was and what funds they currently had available for immediate use, specifically in cash form.

Ms. Allen said that to rebut what Mr. English was saying, and Ms. Gary actually hinted at it, in order to turn a profit and reinvest those funds in their parks, they needed attractions that people wanted to visit and spend money on. She said that if they did not make the initial investment, their efforts to attract more visitors and grow that part of their revenue would be futile.

Ms. Allen said that for the beach, if they stayed open for a certain amount of time, they would incur losses due to staffing needs, paying for staffing, benefits, and other expenses. She said that she did not see the logic in charging for a service that was not generating income. She said that at present, she could not determine what to charge users of Patawomeck. She said that people would not be willing to pay when they could easily access a similar service nearby, like Prince William Park, which was just a short distance away and open to the public.

Mr. Coen said that in order to provide a comprehensive strategy for park development, it would be advisable to prioritize Patawomeck Park, Musselman Park, and Mountain View Park at this juncture. He said that these areas have already demonstrated high population density, making them ideal candidates for immediate attention. He said that McDuff was within his jurisdiction, and the proposed plan lacked theoretical soundness and could contribute to increased traffic in a less populated rural area. He said that to minimize congestion on weekends, it would be more effective to focus first on parks located in densely populated regions.

Dr. Yeung said to Ms. Light that based on her understanding of the conversation, it appeared that park projects were mainly funded through proffers. She said that she had left the detailed list of these proffers and their sources downstairs. She asked if it was possible to mix or match proffers for funding purposes. She said that some of them were specific for certain areas, and her question was regarding the allocation of funds for each area. She said that she could not find this information provided.

Ms. Light said that the information had not been presented, but she could provide it.

Dr. Yeung said that she was asking about the current proffers they possessed. She said that one aspect of concern was whether the validity period for some of these proffers had expired. She said that this was important because she was aware of the unused funds and wanted to utilize them effectively. She said that her objective was to determine how, where, and for what purpose she could use these proffers, with the intention of resolving certain issues related to the current proffers.

Ms. Light said that Dr. Yeung had made excellent points. She said they had planned to bring a more thorough discussion to the first CIP review in December. She said that in this discussion, staff would present recommendations on where to place proffers, specifically those that were not being used, along with the expiration dates. She said their aim was to provide as much information as possible for the Board's consideration during the budget season and decision-making process.

Mr. Vosburg said that in anticipation of this discussion, about two weeks ago he submitted the proffers for the parks to the Board.

Dr. Yeung said that she had received that list but had failed to bring it to this work session. She said that there was a considerable amount of money there, so they would knock out whatever they could.

Ms. Light said that for investments in staffing and technology, the base plan, which was just the minimum required to maintain current service levels, had resulted in their general government having seven positions. She said that they had observed that this amount was closer to 13 positions annually. She said that their Sheriff's Department, with a base plan of four annually, had averaged around eight over the past three years. She said that meanwhile, their Fire and Rescue Department, with a base plan of two 12-member crews over a five-year period, was significantly different from what they had requested and what they would need to staff all their stations.

Ms. Light said that in terms of technology, there were two significant programs coming into the next five fiscal years. She said that the Sheriff's Computer Aided Dispatch (CAD) program was the first. She said that the RFPs for the Sheriff's CAD program had been released, and responses were being reviewed by Sheriff's staff. She said they anticipated that this program would have an impact on the Fiscal Year 25 budget; however, they did not yet know the extent of this impact due to the ongoing procurement process.

Ms. Allen asked for clarification from Ms. Light regarding the base plan being seven but was actually 13.

Ms. Light said that the base plan was seven for general government and on average they had been implementing about 13, excluding social services.

Ms. Allen said that the amount was almost double.

Ms. Light said that the organization was currently anticipating the implementation of a new financial system. She said that recently, a needs assessment had been conducted to evaluate the requirements and resources needed for the project. She said that IT and Finance Departments were collaborating to plan the necessary steps, and it was expected that this change would have a considerable impact on the Fiscal Year 2026 budget for the new system.

Mr. Vosburg asked if Ms. Light could please clarify the base plan for general government. He said that the original plan included seven, but they had averaged around 13 in recent years. He said that without social services, the current year's count was approximately 4 or 5 positions.

Ms. Light said that in Fiscal Year 2022, there were 20 positions, in Fiscal Year 23, there were nine positions, and in Fiscal Year 24, there were 12 positions, which were primarily general government roles. She said that these figures included positions within the Fire and Rescue or Sheriff's Department such as administrative assistants.

Ms. Allen said that she understood. She thanked staff for the clarification.

Ms. Light said that moving on to partner agencies, the jail and the juvenile center were initiating their budget process. She said that although it was slightly premature for staff to possess accurate information regarding this matter, they had assumed an increase of 10% in the first year and 6% in subsequent years for the jail. She said that the juvenile detention center was projected to experience a 4% annual growth. She said that the library had submitted their budget proposal which included an 8.6% increase or $474,000, and what was included in the presented plan was $200,000 less than their requested amount, for a total 4.4% increase.

Ms. Light said that there have been additional requests from the Health Department, which had been presented to the Finance Committee. She said that in Fiscal Year 25, they requested annual increases of $637,000 or 53% more funding than the current allocation in Fiscal Year 2024. She said that they sought a new building. She said that these requests would be presented to the committee for consideration.

Mr. English asked if Ms. Light knew whether they charged inmates a dollar a day or something. He said that he wanted to know if they got charged and if there were places that did that. He also inquired about the fees for inmates, asking if it was a monthly fee or just a one-time fee.

Mr. Vosburg said that he believed there was some kind of fee.

Dr. Yeung asked if they were referring to a housing coverage service.

Ms. Gary said that there was a fee, which was standard in many places. She said that she did not know the exact amount the jail currently charged, but she believed it would be less than a dollar.

Mr. English said that he knew it was not a dollar, but was just curious.

Ms. Gary said that it never truly compensated. She said that it only made a small dent in the budget. She said that the situation was often regressive because once people got out of jail, they could not afford to pay it because they struggled to find jobs. She said that it therefore was not an ideal solution; however, they did have one.

Dr. Yeung said that she understood the percentages Ms. Light had provided, but she was unsure of their significance because when they discussed the school's requirements, they agreed that they were requesting five cents on the dollar. She said that it would be helpful to determine their current position as they progressed and ascertain the exact amounts owed. She said that this information would enable them to make informed decisions regarding necessary actions or inactions.

Ms. Light said that she understood Dr. Yeung's point and would discuss the next slide, which illustrated the potential real estate tax implications of those decisions. She said that the final question for the Board concerned museum funding. She said that the museum had requested that 1% of transient occupancy taxes be allocated to their organization, generating approximately $416,000 in unrestricted funds annually, available for any of the Board's priorities. She said that alternatively, they could consider the museum's participation in a partner agency program. She said that this program would involve all partner agencies submitting their needs, strategic planning, and financial information into a centralized system for evaluation.

Ms. Gary asked if there had been any discussions held with the museum staff concerning the potential effects of adopting the partner agency submission process. She said that they were seeking a dedicated funding stream and its influence on other investments they would receive. She said that she was curious to learn about the impact this may have on their access to additional funds, which was an essential aspect for them.

Ms. Light said that it depended on how the Board perceived the museum and dedicated funding. She said that today, as transient occupancy was unrestricted funding, this Board could determine that this was dedicated funding for the museum. She said that next year, the Board might consider this as dedicated funding for her newest priority. She said that it created the possibility that the Board did not have to follow through with this plan. She said that going through the transient occupancy tax plan may raise concerns about potentially not receiving the same information as they would with the partner agency plan. She said that the latter was fully vetted and underwent a series of reviews by different staff members to rank it against other partner agencies.

Ms. Gary said that she would like to address one point and then ask a follow-up question. She said that the museum had provided them with comprehensive support and transparency in this matter. She said that in her opinion, their efforts had been commendable. She said that moving forward, she was curious about the potential impact of their decision on the museum's ability to secure funding from other investors. She said that they were currently discussing partnerships with various organizations. She asked if they could provide information on how choosing a partner agency submission process instead of the dedicated transient occupancy tax option might affect the outcome.

Ms. Light said that she did not have information on that at this time.

Ms. Gary said that she understood. She said that she would need more information on that before she could make a decision on it.

Dr. Yeung said that she would like to know more about Ms. Light's first bullet, which discussed a 10% increase in jail funding during the first year and its 6% impact in the following years. She asked if Ms. Light could provide more information on this matter.

Ms. Light said that assuming a 10% increase for the jail in the first year, there would be a 6% increase for years two through five. She said that the amount being discussed was the total increase year over year.

Dr. Yeung asked what the 10% increase referred to.

Mr. Vosburg said that the primary factor influencing the budget of the jail was related to salaries. He said that the indexing of these salaries was based on the average bailiff's salary across all jurisdictions served by the jail, which included Spotsylvania, Fredericksburg, Stafford, and King George. He said that the bailiff's salary increased, primarily due to Stafford's rise in the Sheriff's Office, it raised the overall salary for bailiffs. He said that this led to a preliminary estimation of a 10% increase in salaries, which was a significant expense for jail organizations. He said that the 10% increase in personnel salaries was directly tied to the median bailiff's salary.

Dr. Yeung asked if they had failed to consider this factor when they raised the Sheriff's Office budget by 15%. She asked if now the bailiffs were seeking a raise as well due to this decision.

Mr. Vosburg said that he would not phrase it in that manner. He said that the jail was being reactive, as they were a year behind in developing their budgets. He said that their policy focused on data analysis, particularly the median bailiff salary, and followed a specific formula when making requests. He said that this approach was a consequence of regional decisions to raise law enforcement salaries.

Ms. Bohmke said that in 2020, there was a significant increase in the TOT. She asked if Ms. Light could provide some historicals over the last five years of the TOT, when they increased it, how much they increased it, and how much money it generated the next year just from the increase. She asked if the same could be provided about the sales tax.

Ms. Light said absolutely.

Ms. Gary said she would like a little more information on that. She said that if they could also obtain any projected tourism revenue that the museum staff were stating this could generate. She said that they were requesting it to come from that source, then what figures were they suggesting as potential earnings. She said that it would be important to hold up those numbers. She said that they might have seen them at some point, but they were not readily available in her memory, so she asked them to compile the data.

Ms. Allen said that she was not familiar with the jail or their agreement. She said that in this case, she wanted to know if the County was obligated to give them the 10%.

Ms. Light said that in the five-year plan, it was estimated that their contribution to the jail may increase by 10%. She said that currently, they provided $6.8 million annually for the jail's expenses. She said that when finalizing their budget, the jail considered the population from all jurisdictions and distributed the uncovered costs among them based on the population. She said that according to the memorandum, once they adopted the budget, the County was obligated to contribute their share.

Ms. Light said that to Dr. Yeung's point, the spreadsheet provided included the base plan and other potential investments suggested by the Board. She said that based on the assumptions in the long sheet, the anticipated tax rate increase from 93 cents to 97 cents was expected in Fiscal Year 25. She said that in Fiscal Year 2029, up to $1.18 could be arrived at if this five-year plan was followed precisely.

Ms. Light said that any increases required for schools to meet their financial plan would result in a cumulative increase of approximately 4.5 cents for general government staffing, Sheriff, Fire and Rescue, in the first year, which amounted to about 2 cents. She said that the Health Department's increases would be 0.003 cents, while any transportation-related shortfalls would be addressed in the next session. She said that the plan included provisions for other areas that would be discussed further during the meeting. She said that reduction of the tax rate for future economic growth impacts was included and could come from a variety of measures.

Ms. Allen asked what was expected regarding the reassessment values.

Ms. Light said that assuming a 3% or 3.1% growth rate in the budget, they could see that their 93 cents did not equal $0.93. She said that this assumed a 3.1% increase in the assessment, making $0.93 a higher tax rate.

Ms. Gary asked if the increase in Sheriff staffing was the one they had made during the previous budget cycle.

Ms. Light said no, that would be an assumption made in this plan for new deputies. She said that it would be in addition to that. She said that this was estimated for every year, but on average they had been doing 8.

Ms. Gary said that specifically for that pay increase they implemented, the funds they used were from ARPA at the time, so she would like to know when would those funds run out.

Ms. Light said that they would see the impact in Fiscal Year 25.

Ms. Gary asked what they would have to pay to maintain those raises level at that time.

Ms. Light said that it was about $3 million, or just over a penny.

Ms. Bohmke said that in this base plan and in other investments, Ms. Light had made a considerable number of assumptions, which served as the backbone for these numbers. She said that regarding the disabled veteran tax, she asked if Ms. Light could please clarify which assumption she would like them to discuss. She said that she doubted that it would remain stable at its current rate this year.

Ms. Light said no. She said that they had continued to increase the tax rate at a consistent 15% of the assessed value. She said that as the assessed value had increased, so had the tax amount, which now stood at 15% of the updated value.

Ms. Bohmke said that last year, it was about $17 million or 7% of their budget.

Ms. Light said that it was $14.7 million for elderly and disabled veterans, and went up to $15.5 in 2025, and up to $21 million in 2029.

Ms. Gary said that she would like to make a comment regarding the ongoing issue because it continues to arise without resolution. She said that last year, unfortunately, they were essentially told to abandon this matter and not bring it back as it would not be addressed. She said that however, she believed that such an outcome was unacceptable for their County and its current situation.

Ms. Gary said that they had already exonerated over $50 million, and now they were adding more debts on top of that amount. She said that this situation appeared to be out of control, with back pay being another contributing factor when individuals filed their claims. She said that if they proceeded with the year's agenda, this issue should still be a focus for their legislative committee, regardless of its members. She said that they should not accept going away as an answer.

Ms. Bohmke said that she saw a chart just this weekend and learned that Fairfax County's disabled veterans exemption was the highest in the state at $25 million. She said that a couple years ago, one cent on their tax weight was equal to about $25 million, so it was probably higher now. She said that however, it was only 0.001 percent of their budget because their budget was so large.

Ms. Light said that she would next discuss transportation operating revenues. She said that they were anticipating steady growth in gas tax and interest revenues, as they were currently coming in very strong. She said that in fiscal years 28 and 29, a portion of the personal property tax would start covering some of the operating funds, primarily due to increases in debt service. She said that they would discuss this further in the next few slides.

Ms. Light said that they were assuming that their FRED bus, now called FXBGO!, would reach pre-pandemic levels in Fiscal Year 25, which was $495,000. She said that the Board may recall that FRED bus had been very prudent with their CARES and ARPA funds, using them to reduce localities' payments for the last couple of fiscal years. She said that they were also increasing BRE and PRTC based on their six-year plan, taking into account all associated costs.

Dr. Yeung said that she would like to request that the person responsible for the committee ensure that, due to the reduction in ARPA funds, necessary adjustments were made. She said that it appeared that a general fund transfer was required. She said that they must examine how many individuals were utilizing these resources. She said that the transportation, particularly when considering remote work, should be gradually implemented according to population size and the number of passengers.

Mr. Coen said that he learned from talking to Mr. Ollis at a meeting last week that they had data on popular routes and ride usage. He said that he was interested in accessing this information for their purposes, and wanted to know about the subsidy they provided. He said that there was an offset where riders paid a certain amount, but the County contributed another amount as a happy little subsidy. He said that he would like to understand the current status of this arrangement.

Ms. Gary said that she would speak to VRE. She said that the issue at hand was quite complex, with a lot of things happening. She said that the primary concern involved the potential impact of adding a third rail on the local highway and freight services. She said that this information was obtained from FAMPO and the Freight Summit, and it was relevant to regular car transportation as well. She said that for ridership, increasing it allowed them access to more federal funds. She said that their goal is to make necessary adjustments in VRE while transitioning away from ARPA dollars, which they have begun discussing within their budget. She said that overall, she believed they were on the right track and would continue to work toward resolving these issues.

Ms. Bohmke said that she would simply reiterate what Supervisor Gary said. She said that the entire VRE model required everyone to become knowledgeable about VRE and its activities. She said that it was not solely based on ridership, as she had challenged the Board members in the room regarding their subsidies. She said that they were looking at a new model to be considered, where the organization would no longer just be a commuter rail but would also offer weekend services. She said that there was an idea that their subsidy may increase as well as those of the City of Fredericksburg and Spotsylvania. She said they had a master agreement in place. She said that she believed that as a Board, they needed to hold a work session on this topic so that everyone understood it when budget season arrived.

Ms. Allen said that at their last meeting, Executive Director Schneider briefly discussed the organization's revenue and planned to present more information soon. She said that one point that caught her attention, along with Ms. Gary, was the mention of a significant increase in revenue. She said that this was because the majority of funds were aimed at returning to pre-pandemic levels for both Fred and PRTC. She said that additionally, the revenue would be based on maintaining fleet services, managing equipment, and competing effectively.

Ms. Allen said that it was more nuanced, but there was a significant increase. She said that she recalled thinking to herself that there was no way she could see Ms. Light would be unhappy reading some of these numbers. She said that it was a positive aspect, but she was just astonished, realizing that it represented a considerable amount of money they were requesting. She asked whether any assumptions had been made about the revenues they would receive as a result of this increase, such as the gas tax.

Ms. Light said that assuming a 3.5% increase in their gas tax aligned with the projections made by PRTC, as they generally got them quite accurate. She said that they usually followed their six-year plan, so they had included this assumption in their calculations. She said that PRTC was an organization that serves various counties, and Stafford County does not have any commuters other than those buses dedicated through the I-81 commuter choice. She said that Stafford County should not be responsible for covering the increase in their fleet costs.

Ms. Light said that they should not contribute to the rising operational costs of PRTC either. She said that the focus should be on addressing the administrative center's expenses that helped Stafford receive the gas tax revenue back. She said that any increases in PRTC's fleet, fuel, and other service-related costs, which primarily benefited communities other than Stafford County, should not come back on Stafford County.

Ms. Light said that in the five-year portion of the capital plan, capital revenues had been maximized across the plan with approximately $78 million in funding from both state and federal sources. She said that $13.1 million was the assumed type of funding they would discuss in a few slides. She said that the Board could engage in strategic discussions on investments in transportation. She said that the Transportation Master Plan discussion had already begun. She said that a regional transportation authority was discussed at their last Board meeting, and it was also on the agenda for this meeting, so the conversation was ongoing.

Ms. Light said that changes to personal property or real estate taxes may be considered to support any future increases in transportation funding. She said that the Virginia Resources Authority (VRA) did have a Transportation Revenue Fund, which was essentially a debt funding service for highly rated localities. She said that this was a relatively new program offered by VRA. She said that when project shortfalls became more apparent, the Board would have an easier avenue to pursue rather than resorting to traditional methods.

Ms. Light said that this option should be considered for future projects as well. She said that she would now discuss fully funded transportation projects that were moving forward. She said that these included bond and non-bond projects. She said that transportation debt service, which Ms. Bohmke mentioned earlier, included anticipation of issuing these bonds in fiscal years 27 and 28 based on their cash flows for bond projects. She said that this was non-taxable debt with spend down requirements that must be met when drawing down debt to minimize interest impacts.

Ms. Light said that the current high-interest rate environment meant that they should reduce the cost and staff time by being strategic about the timing of issuances. She said that any changes to the construction schedule could impact the borrowing timeline. She said that if projects were to be moved up, those projects may require adjustments to the borrowing schedule. She said that staff had begun working with financial advisors and transportation staff to ensure that cash flows were accurately timed.

Ms. Light said that the transportation projects not fully funded within the five-year plan were listed in a blue box on the slide and included Brook Road construction, road reconstruction, US-17 business pedestrian improvements, and Onville Road. She said that together, these projects totaled \$11.1 million. She said that it was well known that Garrisonville had a \$33.9 million shortfall over the last five years of the CIP. She said there was a phase one, phase two approach that was being considered for addressing this issue.

Ms. Light said that discussions were ongoing regarding funding strategies for the \$11.1 million, which encompassed three projects. She said that there were three options available. She said that they could issue debt of \$11.1 million with an annual debt service of nearly a million dollars, or increase tax-funded revenue. She said that it would be approximately 15 cents on personal property or 0.008 cents on real estate.

Ms. Light said that they could wait on the impacts of the regional transportation authority, revenue sharing, or grant fund results. She said that another option was to remove projects and reallocate funds. She said that this proposal involved a limited number of projects, specifically three, with a total cost of \$11.1 million. She said that there were several different approaches to address this issue.

Ms. Light said that regarding the fire levy, the five-year plan and the Capital Improvement Program (CIP) for the fire levy were still being developed. She said that it was assumed that in Fiscal Year 25, there would be an increase from 1.5 cents to 3 cents for the fire levy. She said that this increase aimed to continue supporting only those capital expenditures. She said that in the expenditures, capital construction had established a team to work on updated capital costs due to inflation pressures.

Ms. Light said that moving on to utilities, in the last budget, the Board approved a three-year rate adjustment of 6.5% for Fiscal Year 24 through 26. He said that in the five-year plan, they anticipated decreased revenues in development fees, which would also affect the general fund. He said that they expected bond funding requirements for large capital projects as well. She said that the three main areas of expenditure driving utility costs were personnel, 3R, and the CIP.

Ms. Light said that they anticipated adding new positions to the Fiscal Year 25 budget for utilities. She said that the 3R program would focus on neighborhoods, transmission improvements at Butler Road, Ferry Farm Neighborhood Project updates, water and wastewater treatment facility upgrades, and several other 3R projects. She said that the capital program included ongoing projects in Fiscal Year 2025, such as the utilities department facility relocation to a new site to support growth.

Ms. Light said that there were several items to come back to the Board to provide different information. She said that these topics included a traffic study at Brook Point High School, evaluating existing facilities and enhancing them, promoting the 1% sales tax, improving parks after gathering data, analyzing transportation options with VDOT, FREDbus, and PRTC, addressing partner agency concerns regarding transient occupancy and the museum. She said that they would provide all this information to the Board and that she was open to answering any additional questions or receiving further guidance.

Ms. Bohmke said that she wanted to bring up an issue that would significantly affect the state, although it primarily related to northern Virginia, which was the WMATA. She said that this was the metro rail in northern Virginia facing a fiscal cliff of $750 million. She said that a 67% decrease in their service would be necessary to address this issue. She said that all of the localities in the area were concerned because they could not absorb such a change. She said that northern Virginia had experienced significant economic development, which impacted the entire Commonwealth. She said that the resolution of this matter remained uncertain; however, she said it was crucial that they monitored its progress.

Ms. Bohmke said that she wanted to revisit the Infrastructure Committee. She said that she saw Onville Road mentioned, and then at slide 19, she noticed Brook and US-17, but Onville Road was listed with an assumed revenue sharing of $3.9 million. She asked if this applied to the CMAQ STBG section as well. She asked if it was the same part of Onville Road.

Mr. Coen said that he asked Ms. Light about the analysis of people working from home in daycare. He said that it also may potentially be useful to the Board as it moved forward to have information regarding known retirements. He said that for instance, in utilities, he discovered through a ride-along that there were several staff members nearing retirement within a specific time frame. He said that he believed obtaining this information would be helpful. He said that he was aware of Ms. Light's awareness on this matter but thought the Board needed to have access to such data.

Mr. Matt Lehane asked if Ms. Bohmke's question was regarding the CMAQ STBG and its costs.

Ms. Bohmke said that her question was that it was also referenced in another section. She asked if this was revenue sharing money that would be used as a match.

Mr. Lehane said yes, they would apply for revenue sharing. He said that if they received 100%, it would be quite close to that amount. He said that however, if they did not receive 100%, they might need to find additional funding to cover the remaining costs.

Ms. Bohmke said that there were a lot of assumptions made in various situations. She said that it was crucial for the Board to recognize these assumptions on each slide presented. She said that by doing so, they could better understand the implications of their decisions when making cuts or returning to essential services after evaluating the tax rate. She said that this may be the baseline, but this baseline held a lot of assumptions.

Ms. Light said that included in the Board materials was a large sheet that depicted the changes year over year, meant to provide the cost of all of those assumptions.

ADJOURNMENT

At 3:44 p.m., Chairman Yeung adjourned the November 14, 2023 Stafford County Board of Supervisor's Five Year Financial Plan work session.

Randy Vosburg
Randal E. Vosburg
County Administrator

Yeung
Dr. R. Pamela Yeung
Chairman