

**ATTACHMENT B:**

**MEMO AND ATTACHMENTS I – VII  
TRANSMITTING THE COUNTY’S  
FY 2022 CARRYOVER REVIEW  
WITH APPROPRIATE RESOLUTIONS**



# County of Fairfax, Virginia

ATTACHMENT B

## MEMORANDUM

**DATE:** August 1, 2022

**TO:** Board of Supervisors

**FROM:** Bryan J. Hill   
County Executive

**SUBJECT:** FY 2022 Actual Revenues, Expenditures and Carryover Supplemental Appropriation

Attached for your review and consideration is the FY 2022 Carryover Package. The document includes the following attachments for your information:

- |                |   |
|----------------|---|
| Attachment I   | A General Fund Statement including revenue and expenditures, as well as a summary reflecting expenditures by fund   |
| Attachment II  | A summary of General Fund receipt variances by category   |
| Attachment III | A summary of significant General Fund expenditure variances by agency   |
| Attachment IV  | An explanation of General Fund Unencumbered Carryover   |
| Attachment V   | A detailed description of new and unexpended federal/state grants, as well as anticipated revenues associated with those grants that are recommended for appropriation in FY 2023   |
| Attachment VI  | A detailed description of significant changes in Other Funds  |
| Attachment VII | Supplemental Appropriation Resolution AS 22288 and AS 23009 and Fiscal Planning Resolution AS 23900 providing for the appropriation of outstanding encumbrances and unspent balances for federal/state grants, as well as prior commitments of the Board of Supervisors, such as unspent capital project balances |

The Code of Virginia requires that the Board of Supervisors hold a public hearing prior to the adoption of amendments to the current year budget when potential appropriation increases are greater than 1.0 percent of expenditures. In addition, the Code requires that the Board advertise a synopsis of the proposed changes. Since the *FY 2022 Carryover Review* recommends changes to the FY 2023 Adopted Budget Plan over this limit, Board action on the Carryover Review has been scheduled at the same time as the public hearing on October 11, 2022.

### **FY 2022 Carryover Summary**

The *FY 2022 Carryover Review* includes recommendations based on prior County commitments, Board of Supervisors priorities, and other critical requirements. These recommendations also include the carryforward of unspent federal stimulus funds received through the America Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).

The County received \$200.24 million from the CARES Coronavirus Relief Fund in FY 2020. Of the total, \$186.03 million was expended in FY 2020 and FY 2021, with the balance of \$14.21 million carried forward into FY 2022. The remaining balance of \$14.21 million was expended in FY 2022, and no balance will be carried forward into FY 2023.

The County received \$111.45 million in funding through the ARPA Coronavirus State and Local Fiscal Recovery Funds in FY 2021. A second tranche of \$111.45 million was received in FY 2022, bringing total funding to \$222.89 million. Of the total, \$36.67 million was expended during FY 2022. The remaining balance of \$186.22 million will be carried forward into FY 2023.

Both the CRF and the CSLFRF revenues and expenses are included in the County's General Fund (although they are tracked separately in the County's financial system), thus schedules included in the *FY 2022 Carryover Review* – such as the General Fund statement – reflect these federal stimulus funds in addition to County funds. The table below reflects balances for the General Fund, the Coronavirus Relief Funds, and the Coronavirus State and Local Fiscal Recovery Funds.

**General Fund and Federal Stimulus Balances**  
(in millions)

	<b>General Fund</b>	<b>CARES Coronavirus Relief Fund</b>	<b>ARPA Coronavirus State and Local Fiscal Recovery Funds</b>	<b>Total</b>
Revised Expenditure Budget	\$1,734.17	\$14.21	\$111.45	\$1,859.83
Actual Expenditures	\$1,603.08	\$14.21	\$36.67	\$1,653.96
<b>Expenditure Balance</b>	<b>\$131.09</b>	<b>\$0.00</b>	<b>\$74.77</b>	<b>\$205.87</b>
Revised Revenue Budget	\$4,561.89	\$0.00	\$0.00	\$4,561.89
Actual Revenues	\$4,630.41	\$0.00	\$111.45	\$4,741.85
<b>Revenue Balance</b>	<b>\$68.52</b>	<b>\$0.00</b>	<b>\$111.45</b>	<b>\$179.96</b>
<b>TOTAL AVAILABLE BALANCE</b>	<b>\$199.61</b>	<b>\$0.00</b>	<b>\$186.22</b>	<b>\$385.83</b>

The carryover of the balance in the Coronavirus State and Local Fiscal Recovery Fund is included as an Administrative Adjustment, as it is necessary to reappropriate the balance of this fund to allow for spending during FY 2023. Otherwise, adjustments included in this package are focused on balances excluding the federal stimulus funds, which net to \$199.61 million. The *FY 2022 Carryover Review* recommends allocations of \$190.05 million (excluding the carryforward of federal stimulus funds), resulting in an available balance for the Board's consideration of \$9.56 million.

A brief summary of the recommendation included in the *FY 2022 Carryover Review* follows.

**FY 2022 Carryover Review Recommended Adjustments**  
(in millions)

	Positions	General Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
<b>Available Balance</b>		<b>\$199.61</b>	<b>\$186.22</b>	<b>\$385.83</b>
<b>FY 2022 Commitments (\$73.57 million)</b>				
Outstanding Encumbered Obligations		(\$46.26)	--	(\$46.26)
Outstanding Unencumbered Obligations		(\$23.75)	--	(\$23.75)
Associated Reserve Adjustments		(\$3.56)	--	(\$3.56)
<b>Balance after FY 2022 Commitments</b>		<b>\$126.04</b>	<b>\$186.22</b>	<b>\$312.26</b>
<b>Allocations for Reserves/Capital (\$69.72 million)</b>				
30% of Balance to Infrastructure Sinking Reserve Fund		(\$37.81)	--	(\$37.81)
20% of Balance to Bicycle and Pedestrian Access		(\$25.21)	--	(\$25.21)
Associated Reserve Adjustments		(\$6.70)	--	(\$6.70)
<b>Balance after Allocations for Reserves/Capital</b>		<b>\$56.32</b>	<b>\$186.22</b>	<b>\$242.54</b>
<b>Other Requirements* (\$232.98 million, 30 positions)</b>				
ARPA Coronavirus State and Local Fiscal Recovery Funds Balances		--	(\$186.22)	(\$186.22)
Net Revenue Adjustments		\$32.90	--	\$32.90
Construction Escalation Reserve		(\$15.00)	--	(\$15.00)
IT Project Investment		(\$10.73)	--	(\$10.73)
Environmental Energy Initiatives		(\$6.50)	--	(\$6.50)
Park Authority CIP Projects		(\$5.00)	--	(\$5.00)
Historic Courthouse		(\$4.80)	--	(\$4.80)
Space Realignment		(\$4.00)	--	(\$4.00)
Utilities Increases		(\$3.52)	--	(\$3.52)
Original Mount Vernon High School Childcare Center		(\$3.50)	--	(\$3.50)
Emergency Systems Failures		(\$3.00)	--	(\$3.00)
Hybla Valley Community Center		(\$3.00)	--	(\$3.00)
Network Infrastructure Replacement		(\$2.50)	--	(\$2.50)
Tysons Anchor Organization		(\$2.50)	--	(\$2.50)
Executive and Managerial Benchmark Compensation Study Adjustments		(\$2.04)	--	(\$2.04)
Electric Vehicles and Charging Stations		(\$2.00)	--	(\$2.00)
South County Animal Shelter	27	(\$1.93)	--	(\$1.93)
LED Streetlight Conversion		(\$1.82)	--	(\$1.82)
Patrick Henry Shelter		(\$1.51)	--	(\$1.51)
Contract Rate Increase for FASTRAN Human Services Transportation Program		(\$1.24)	--	(\$1.24)
Tysons Community Center		(\$1.00)	--	(\$1.00)
Transfer to New LDS Fund		(\$0.90)	--	(\$0.90)
Workhouse Buildings Improvements		(\$0.75)	--	(\$0.75)
Developer Defaults		(\$0.66)	--	(\$0.66)
Community Labor Force Landscaping		(\$0.62)	--	(\$0.62)
General District Court Agency Leadership	2	(\$0.38)	--	(\$0.38)
Replacement Capital Equipment		(\$0.38)	--	(\$0.38)
Business Investment Digital Marketing Campaign		(\$0.37)	--	(\$0.37)

	Positions	General Fund	ARPA Coronavirus State and Local Fiscal Recovery Funds	Total
Election Officer Stipends		(\$0.34)	--	(\$0.34)
Warehouse Operations		(\$0.30)	--	(\$0.30)
Build-Out Costs for Springfield Center Without Walls		(\$0.25)	--	(\$0.25)
Justice Park		(\$0.18)	--	(\$0.18)
Planning Initiatives		(\$0.15)	--	(\$0.15)
Employee Commuter Benefits		(\$0.10)	--	(\$0.10)
Tuition Assistance Program		(\$0.10)	--	(\$0.10)
Appropriation of Zoning Violation Revenue		(\$0.08)	--	(\$0.08)
LDS Proffer Coordinator	1	\$0.00	--	\$0.00
Office of the Sheriff Savings		\$1.00	--	\$1.00
Fairfax-Falls Church Community Services Board Savings		\$10.00	--	\$10.00
Associated Reserve Adjustments		(\$9.53)	--	(\$9.53)
<b>Net Available for One-Time Requirements</b>	<b>30</b>	<b>\$9.56</b>	<b>\$0.00</b>	<b>\$9.56</b>

*\*Does not include reallocations or net-zero adjustments which do not include positions*

### **FY 2022 Year-End Summary**

FY 2022 General Fund Revenues and Transfers In were \$4.77 billion, an increase of \$179.96 million, or 3.92 percent, over the *FY 2022 Revised Budget Plan* estimate. Of the increase, \$111.45 million is unbudgeted federal stimulus revenue from the American Rescue Plan Act (ARPA) that the County received at the end of FY 2022. The remaining increase of \$68.52 million is primarily the result of higher-than-expected Property Tax receipts, Other Local Taxes, Permits, Fees, and Regulatory Licenses, Revenue from the Use of Money and Property, Charges for Services, and Recovered Costs/Other Revenue. Projecting revenues during FY 2022 continued to be a challenge as many of the County's revenue streams recovered, while others were still negatively impacted by the effects of the pandemic. Excluding the one-time federal stimulus received in FY 2022, the revenue variance compared to the *FY 2022 Revised Budget Plan* estimate was 1.50 percent. More detail on FY 2022 Revenue Variances may be found in Attachment II.

In addition, County agencies realized disbursement balances as a result of continuing close management of agency spending and as many agencies continued to experience prolonged vacancy levels. Total disbursements were below *FY 2022 Revised Budget Plan* projections by \$205.87 million, or 4.21 percent. Excluding CARES Coronavirus Relief Funds and ARPA Coronavirus State and Local Fiscal Recovery Funds, the disbursement variance was \$131.09 million, or 2.75 percent. It should be noted that disbursements include budgeted transfers to other funds. When looking solely at agency direct expenditures, the FY 2022 variance was \$131.09 million, or 7.56 percent. More detailed information on FY 2022 General Fund Expenditure Variances is included in Attachment III. Included in this balance are funds required for both encumbered and unencumbered items. Encumbered carryover includes legally obligated funding for items/services for which final financial processing has not been completed. Unencumbered carryover includes funding for items previously approved but not purchased based on timing or other issues.

### ***FY 2022 Carryover Review***

As a result, the combined revenue and disbursement balance, after funding prior year obligations and reserve adjustments, is \$312.26 million, or 6.39 percent of the total County General Fund budget. Excluding CARES Coronavirus Relief Funds and ARPA Coronavirus State and Local Fiscal Recovery Funds, the net balance is \$126.04 million, or 2.65 percent of the total budget.

### **Carryover Actions**

Allocation of the \$126.04 million balance is used to meet Board policy for contributions to reserves and capital and to fund requirements identified subsequent to the adoption of the FY 2023 budget or deferred as part of the FY 2023 budget development. Recommendations included in the *FY 2022 Carryover Review* allocate \$116.48 million of this balance, and result in an available General Fund balance of \$9.56 million.

#### **Allocations for Reserves/Capital (\$69.72 million, including \$6.70 million in associated reserve adj.)**

Consistent with the Board's policies on funding the County's Infrastructure Sinking Reserve Fund and the staff recommendation, discussed as part of the December 14, 2021 Transportation Committee meeting, to utilize balances for Bicycle and Pedestrian Access, Carryover contributions have been calculated based on available balances after outstanding encumbered and unencumbered commitments.

The County's policy has been to allocate 40 percent of the balance to reserves in order to allow the County to make progress towards its target reserve level of 10 percent of General Fund disbursements. Due to the County's progress in increasing its reserve levels in prior years, this allocation is not required as pre-Carryover reserve levels slightly exceed the target of 10 percent. It is important to note, however, that all Carryover adjustments included in this package have been accompanied with reserve contributions to allow the reserves to remain at the targeted level. As a result, total contributions to reserves at Carryover total \$19.79 million and results in total reserves of 10 percent, including the Managed Reserve at 4 percent, the Revenue Stabilization Reserve at 5 percent, and the Economic Opportunity Reserve at 1 percent.

Of the \$126.04 million balance, 30 percent, or \$37.81 million, is allocated for the Capital Sinking Fund and reflects an increased allocation consistent with the recommendation from the Joint County/Schools Capital Improvement Program (CIP) Committee. The capital sinking funds are recommended to be allocated as follows: 45 percent for the Facilities Management Department, 25 percent for the Fairfax County Public Schools, 15 percent for Parks, 7 percent for walkways, 5 percent for County-maintained roads and service drives, and 3 percent for revitalization area improvements. This allocation was developed to accommodate the inclusion of FCPS in the funding allocation, while maintaining the approximate amount dedicated to each County program area in the past. This allocation results in the following funding amounts: \$17,015,961 for FMD, \$9,453,312 for FCPS, \$5,671,987 for Parks, \$2,646,927 for Walkways, \$1,890,662 for County-Owned Roads, and \$1,134,397 for Revitalization. The Capital Sinking Fund will provide for infrastructure replacement and upgrades such as the replacement of roofs, electrical systems, and HVAC units at both County and Park Authority facilities, repairs to County-owned roads and walkways, and revitalization area infrastructure repairs.

In addition, 20 percent of the balance, or \$25.21 million, is allocated to support additional bicycle and pedestrian access throughout the County. The Board of Supervisors has consistently emphasized the importance of providing safe access for pedestrians and bicycles, especially near schools, parks, activity centers, transit station areas, and revitalization areas. During the COVID-19 pandemic, pedestrian and bicycle activity increased throughout the County and this increased usage highlighted the inadequacies of the existing infrastructure. This funding will help expedite efforts to make one-time investments in pedestrian and bicycle infrastructure that will have long-term, meaningful impacts on accessibility and safety in the community. Per the Board's directive, new funding for this program is targeted at \$100 million over approximately six years through FY 2027. This allocation of \$25.21 million, combined with funding of \$5 million approved for this program as part of the *FY 2022 Mid-Year Review*, results in total funding of \$30.21 million towards the \$100 million target.

### ***FY 2022 Carryover Review***

**Other Adjustments (\$232.98 million, including \$9.53 million in associated reserve adjustments)**

Finally, there are a number of other General Fund adjustments that are recommended as part of the package. These include required adjustments to carryforward the balance of federal stimulus funds, adjustments to FY 2023 revenue estimates, funding to accommodate inflationary pressures on County operations, new positions necessary to staff the new South County Animal Shelter, and investments in Board priorities such as the County's environmental and energy initiatives, early childcare, and support for County employees. Investments are included for the County's IT and capital infrastructure needs, including funding which was unable to be included in the current year baseline budget and was deferred to quarterly reviews, as has been done in prior years.

The adjustments listed below represent highlighted recommendations but are not all-inclusive. The Administrative Adjustments section, which is included later in this memo, lists all General Fund adjustments included in the *FY 2022 Carryover Review*.

**Carryforward of Federal Stimulus Funds**

The largest adjustment included in this package is related to the carryforward of unexpended ARPA Coronavirus State and Local Fiscal Recovery Funds. Of the total funding of \$222.89 million received, \$36.67 million was expended during FY 2022. The remaining balance of \$186.22 million will be carried forward to allow the County to continue to spend against the funds. These funds must be encumbered by December 31, 2024 and expended by December 31, 2026.

It should also be noted that, as part of unencumbered adjustments included in this package, funding of \$22.24 million is included to reappropriate balances from the Reserve for the Coronavirus Pandemic. The Reserve for Coronavirus Pandemic was originally established as part of the *FY 2020 Third Quarter Review* in order to provide immediate response to the pandemic. The majority of these funds are unallocated and are available to supplement federal stimulus dollars.

**Investments in Board Priorities**

Funds available as part of the *FY 2022 Carryover Review* are recommended to be utilized to support County employee pay and benefits and to be used for investments towards the County's environmental, early childhood education, and economic development initiatives.

- Funding of \$2.58 is included for adjustments to employee pay, benefits and stipends. These adjustments follow other recent efforts to improve employee retention and recruitment, including accelerating benchmark regrades to February 2022, hiring incentives for hard to fill classifications, funding of the full FY 2023 compensation program, and implementing an additional step for eligible uniformed employees in July 2022. Adjustments recommended as part of Carryover include:
  - \$2.04 million to support the pay adjustments associated with the Executive and Managerial Benchmark Compensation Study. The study, which was presented to the Board at its July 26 Personnel and Reorganization Committee meeting, marks the first comprehensive review of pay ranges for these positions since 2009.
  - \$0.10 million to increase the monthly maximum subsidy of the Employee Commuter Benefits Program to bring it in line with the benefits available to federal government employees. This program provides a benefit to eligible County employees and encourages the use of transit or vanpools instead of single-occupant vehicle travel for trips to and from work.

- \$0.10 million to increase the maximum annual reimbursement amount from \$1,600 to \$2,000 per employee in the Tuition Assistance Program (TAP).
- \$0.34 million to increase Election Officer stipends that have not increased since 2013. This increase is needed to address recruitment and retention issues, equity, and other challenges associated with maintaining a qualified group of election officers.
- Funding of \$10.32 million is included for continued support of the County's environmental and energy strategies. This includes:
  - \$6.50 million to support energy initiatives. Of this total, \$4.50 million will support building energy improvements recommended by Energy Service Companies (ESCOs). These improvements support energy and water use efficiency targets outlined in the Operational Energy Strategy (OES). The remaining \$2.00 million will support the County's renewable energy strategies as outlined in the Operational Energy Strategy (OES). Funding will support solar and/or renewable energy installations identified by either ESCOs or by the Office of Capital Facilities at several sites.
  - \$2.00 million to support Electric Vehicles and Charging Stations at County facilities. This program supports the transition of the County's fleet electrification targets as stated in the Operational Energy Strategy (OES). EV charging stations at a total of 43 parking spaces were installed by May 2022 at five County parking garages. Before the end of 2022, newly installed EV stations are anticipated to be completed at an additional 91 parking spaces at County parking garages and surface lots.
  - \$1.82 million for the fourth year of the five-year LED streetlight conversion plan, with a goal to convert more than 56,000 existing mercury vapor, high pressure sodium and metal halide fixtures to Light Emitting Diodes (LED) streetlights. Over 27,000 streetlights have been converted throughout the County to date.
- Funding of \$3.50 million is included to support an expanded Childcare Center at the site of the Original Mount Vernon High School (OMVHS) redevelopment project. This additional funding will provide for childcare space to support affordable, high quality, full-time early childhood services for children ages birth to five, including children whose families live with moderate incomes. The original project included childcare support for 86 children; however this additional funding will allow for an expansion to accommodate a total of 172 children to meet the County priority and demand for childcare in the surrounding community.
- Funding of \$2.50 million is included to provide initial funding to establish the Tysons Anchor Organization, a new nonprofit community organization designed to serve as a catalyst for the transformation of Tysons into an inclusive, vibrant, and globally attractive urban center.

### *Inflationary Pressures*

Several adjustments have been included as part of the *FY 2022 Carryover Review* to accommodate projected cost increases due to inflationary pressures, including \$3.52 million based on notification of impending rate increases from the County's electricity and natural gas providers and \$1.24 million to support significant contract rate increase costs for the FASTRAN Human Services Transportation program following renegotiation of drivers' hourly wages. An increase of \$15.00 million is also included for the construction escalation reserve, as project costs continue to increase due to inflation and disruptions to global supply chains for most basic raw materials. Current cost estimates from professional consultants on many of the projects currently in design are trending approximately 20 percent higher than the previously approved budget.

### ***FY 2022 Carryover Review***



*Support for the Park Authority*

Continuing the County's strong support for the Parks system, adjustments are recommended that will bolster Parks capital construction and maintenance. As noted in the FY 2024 Budget Guidance from the Board of Supervisors, it was anticipated that the Park Authority would require County support outside of the bond program to bridge funding gaps prior to the next referendum. In addition, the Park Authority is experiencing inflation and project cost escalation on existing projects. Funding of \$5.00 million is included to help with escalating costs, expedite projects already underway, and alleviate some pressure on the Bond program. Staff is continuing to work with the Park Authority with Capital Program planning and will be coming to the Board in the fall with future recommendations, which are likely to include utilizing federal stimulus funds. Funding of \$0.38 million is also included to replace capital equipment necessary to support various construction and maintenance tasks that serve park properties throughout the County. Finally, funding of \$0.18 million is included for invasives clean up and construction of a picnic shelter at Justice Park. Justice Park was created in 1961 and is the only local park of its size and type in the Bailey's Crossroads / Seven Corners area. The park serves a densely populated area that also has some of the highest socioeconomic needs in the County.

*New Facilities (Operations and Capital)/Facility Improvements*

Multiple adjustments are included to support improvements at County facilities, construction of new facilities, and partial-year operations at new facilities that are anticipated to open during FY 2023. These include:

- \$4.80 million to support the demolition of the two 1950's Historic Courthouse wings at the rear of the building and the associated site work. The rear of the Historic Courthouse will be restored to its pre-1950 appearance when these appendages are removed. Funding will also be used for masonry repairs for the entire building.
- \$3.00 million to support design for the Hybla Valley Community Center project. This initial design funding will support renovations and long-term facility enhancements including the community center, a childcare center, an athletic field, and associated site improvements. When complete, the Center will provide recreation, youth programs, and other equitable, accessible, and effective resources for the community. Funding for the construction phase of the project will be requested at a future budget cycle once the full scope is determined.
- \$1.93 million and 27/27.0 FTE new positions to fully staff the South County Animal Shelter. The shelter is anticipated to open in May 2023 and will provide rabies clinics, pet adoptions, spay and neuter services, wildlife education, and a volunteer program in the southern part of Fairfax County.
- \$1.51 million to support the Patrick Henry Family Shelter as construction begins in fall 2023. This funding will support the nonprofit operator, shelter unit rent during construction of the new facility, maintenance, repairs, and one-time expenses for moving and furnishings.
- \$1.00 million to support the Tysons Community Center project, which is being developed as part of a Partnership with the Department of Housing and Community Development (HCD), the Department of Public Works and Environmental Services (DPWES) and a private developer. It is anticipated that the design and construction of the Community Center will be financed with Economic Development Authority (EDA) bonds.
- \$0.75 million to support historic preservation and renovations for adaptive reuse of two buildings at the Workhouse Campus. The County is marketing these buildings to interested parties to establish and operate restaurants, craft beverage productions, or tasting rooms to further enhance and activate the campus.

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- \$0.25 million to support construction and build-out costs for a newly leased facility in Springfield that will be dedicated space to operate Center Without Walls under the existing parameters of the program. The programming at Center Without Walls is coordinated by participant volunteers in partnership with staff from the Department of Neighborhood and Community Services to allow older adults to participate in health and wellness activities such as tai chi, Zumba, line dancing, and yoga while engaging with others.

### IT Investments

Consistent with actions taken in prior years, funding for Information Technology (IT) projects was not included in the FY 2023 Adopted Budget Plan and was anticipated to be funded utilizing balances at quarterly reviews. IT project funding of \$10.73 million in this package includes \$5.23 million for projects identified through IT project review meetings, \$5.00 million for the Office of Elections as the first year in a multiyear strategy for the replacement of voting machines, and \$0.50 million for the E-summons program.

In addition, funding of \$2.50 million is included for the upgrade of network switches and uninterruptable power supplies. Over 150 network switches are either past their end of life or approaching it and require replacement to maintain connectivity throughout the County network. This funding will support the replacement of these critical components and expand deployment of uninterruptable power supplies to additional county sites.

### Efficiencies and Savings

The *FY 2022 Carryover Review* includes two adjustments to recognize one-time and recurring savings in County agencies. One-time savings of \$10 million in the Fairfax-Falls Church Community Services Board will be returned to the General Fund in FY 2023. The CSB continues to have significant challenges hiring and retaining staff, and has implemented multiple initiatives, such as sign-on bonuses for difficult to fill positions, virtual interview processes to maintain a ready pool of candidates, and employee surveys for departing staff, to help mitigate the ongoing attrition. Over the past several years, the CSB has also redesigned programming that has led to significant savings in various programs such as Assisted Community Residential Services, which has allowed the agency to redirect savings to other areas in most need. In addition, non-County revenues increased 10.3 percent. As a result, one-time savings are available to support other needs, and the unreserved balance remaining in the CSB is sufficient to address any unforeseen issues in the coming year.

In addition, a reduction of \$1,000,000 in the Office of the Sheriff reflects savings based on efficiencies and a historically smaller inmate population. This recurring reduction will help offset increased costs in the Facilities Management Department as a result of suspending the Community Labor Force program and in the General District Court as the agency transitions from State to County leadership.

All General Fund adjustments are detailed in the Administrative Adjustments section later in this letter. Additional adjustments may be recommended as part of the *FY 2023 Third Quarter Review*, as necessary.

### Position Adjustments

A total of 30 net new positions are recommended to be established as part of the *FY 2022 Carryover Review*. The majority of these positions – 27 in total – are included in the Department of Animal Sheltering to fully staff the South County Animal Shelter, which is anticipated to open in May 2023. An additional 2 positions are included in the General District Court to establish a Director of Courts Services and a Management Analyst to facilitate the transition from a State-led department to a County-led department. This change will be similar to how the Juvenile and Domestic Relations District Court (JDRDC) is

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structured in terms of the relationship between the State and the County. Finally, 1 new position is included in Land Development Services to support proffer coordination among development agencies.

### **Reserves**

Over the past several years, the Board has consistently demonstrated its commitment to increasing the County's reserve levels from the previous target of 5 percent of General Fund disbursements to the new target of 10 percent. The *FY 2022 Carryover Review* includes total reserve contributions of \$19.79 million, which maintain the Revenue Stabilization Reserve, Managed Reserve, and Economic Opportunity Reserves at their new target levels of 5 percent, 4 percent, and 1 percent of General Fund disbursements. The combined balance of the three reserves as a result of the adjustments included in the *FY 2022 Carryover Review* is 10 percent of General Fund disbursements, excluding one-time disbursements related to the ARPA State and Local Fiscal Recovery Funds.

### **FY 2022 Audit Adjustments**

As the Board is aware, the financial audit of FY 2022 is currently being conducted. Necessary adjustments as a result of this work will be included in the FY 2022 Comprehensive Annual Financial Report and in the audit package that is presented for the Board's approval as part of the *FY 2023 Third Quarter Review*.

### **Other Funds Adjustments**

Attachment VI of the *FY 2022 Carryover Review* details changes in other funds, including those which do not have a General Fund impact. This attachment includes a review of the FY 2022 fund expenditure and revenue variances and notes changes in FY 2023 expenditures. It should be noted that three funds exceeded their expenditure authority in FY 2022, including Fund 73010, Uniformed Retirement Trust, by \$689,597 due to higher than budgeted benefit payments to retirees, Fund 73020, Police Retirement Trust, by \$839,905 due to higher than budgeted benefit payments to retirees, and Fund S71100, Public School OPEB Trust, by \$17,389 due to higher than budgeted administrative expenses and benefits paid. Supplemental Appropriation Resolution AS 22288 for FY 2022 is included in Attachment VI to reflect these increases.

## **Carryover Administrative Adjustments**

The *FY 2022 Carryover Review* includes net General Fund administrative adjustments and associated reserve adjustments totaling \$302.70 million. These adjustments are divided into two categories – Allocations for Reserves/Capital and All Other Requirements – and include the following:

### **ALLOCATIONS FOR RESERVES/CAPITAL**

***\$69.72 million, including \$63.02 million in reserve/capital contributions and \$6.70 million in associated reserve adjustments***

#### **Capital Sinking Fund**

		<b>NON-RECURRING</b>
Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	\$11,343,973
Fund 30020, Infrastructure Replacement and Upgrades	FY 2023 General Fund Transfer	\$17,015,961
Fund S31000, Public School Construction	FY 2023 General Fund Transfer	<u>\$9,453,312</u>
	<b>Net Cost</b>	<b>\$37,813,246</b>

The General Fund Transfer to capital funds is increased by a total of \$37,813,246 in accordance with revised recommendations of the Joint County Board/School Board CIP Committee. The Capital Sinking Fund was first established as a new budgetary mechanism for funding infrastructure replacement and upgrade

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requirements and was approved by the Infrastructure Financing Committee. On December 7, 2021, the Board of Supervisors endorsed the recommendations of the Joint CIP Committee which included increasing the percentage allocated to the Capital Sinking Fund at year-end from 20 percent to 30 percent and including Fairfax County Public Schools (FCPS) in the funding allocation. Based on the County's unencumbered carryover balance after funding critical requirements, an amount of \$37,813,246 represents 30 percent and is allocated to separate Capital Sinking Fund projects.

The allocation formula has also been adjusted to accommodate the inclusion of FCPS. The distribution of capital sinking funds is recommended as follows: 45 percent for Facilities Management Department (FMD), 25 percent for FCPS, 15 percent for the Park Authority, 7 percent for walkways, 5 percent for County maintained roads and service drives, and 3 percent for revitalization area improvements. This allocation was developed to accommodate FCPS, while maintaining the approximate amount dedicated to each County program area in the past. The specific allocation includes: \$17,015,961 for FMD, \$9,453,312 for FCPS, \$5,671,987 for Parks, \$2,646,927 for Walkways, \$1,890,662 for County-Owned Roads, and \$1,134,397 for Revitalization.

Each agency maintains a prioritized list of needed infrastructure replacement and upgrade projects and reviews that list periodically throughout the year. Once the Board approves the allocation of the Sinking Fund at the Carryover Review, funds become available for prioritized projects. The Sinking Fund is dedicated to projects that are capital in nature and considered an asset improvement. Sinking Fund dollars are not used for preventative maintenance, cleaning, debris removal or snow removal which are more operational in nature. In anticipation of the *FY 2022 Carryover Review* Sinking Fund allocation, FMD will continue to review their existing deficiency list. The list of deficiency projects is subject to change with the passage of time, but the current list includes the of the following major projects: building envelop repairs to the Courthouse and Herry Building; replacement of the Air Handling Unit at the Pennino Building; replacement of the generator at the Adult Detention Center; HVAC replacement at the Woodrow Wilson Library; and waterproofing and concrete repairs at the Government Center. The Park Authority continues to implement projects based on condition assessments, priority ranking and specific selection criteria. Projects are proposed at parks throughout the County and include playground repairs, trail and pedestrian bridge reinvestment, tennis and basketball court repairs, and parking lot repairs. A condition inventory and assessment were completed for County-owned walkways and roads in 2013 and 2015 respectively and Sinking Fund projects will continue to be implemented in priority order. In addition, many pedestrian bridges are deteriorating and are being repaired using Sinking Fund dollars. Finally, Revitalization area funding will continue to aide in reinvestment projects designed to enhance the appearance, functionality, and sustainability of the pedestrian environment in Commercial Revitalization Districts.

#### **Bicycle and Pedestrian Access**

Fund 30050, Transportation Improvements

#### **NON-RECURRING**

FY 2023 General Fund Transfer \$25,208,830

**Net Cost \$25,208,830**

The General Fund transfer to Fund 30050, Transportation Improvements, is increased by \$25,208,830 to continue to support additional bicycle and pedestrian access throughout the County. The Board of Supervisors has consistently emphasized the importance of providing safe access for pedestrians and bicycles, especially near schools, parks, activity centers, transit station areas, and revitalization areas. During the COVID-19 pandemic, pedestrian and bicycle activity increased throughout the County and this increased usage highlighted the inadequacies of the existing infrastructure. This funding will help expedite efforts to make one-time investments in pedestrian and bicycle infrastructure that will have long-term, meaningful impacts on accessibility and safety in the community. Per the Board's directive, new funding for this program is targeted at \$100 million over approximately six years through FY 2027. At the December 14, 2021, Transportation Committee meeting, staff recommended setting aside a percentage of year-end balances. Based on prior year-end balances, 20 percent is estimated to generate over \$80 million

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in six years. Funding of \$5 million was approved for this Program as part of the *FY 2022 Mid-Year Review* and funding of \$25,208,830 is included for FY 2023 based on 20 percent of FY 2022 year-end balances.

## **OTHER REQUIREMENTS**

***\$232.98 million, including \$223.45 million in adjustments and \$9.53 million in associated reserve adjustments***

### **ARPA CSLFRF Fund**

Agency 87, Unclassified Administrative Expenses

### **NON-RECURRING**

FY 2023 Expenditure \$186,221,010

**Net Cost \$186,221,010**

Funding of \$186,221,010 is required to recognize the second tranche of funding totaling \$111,447,319 from the American Rescue Plan Act (ARPA) Coronavirus State and Local Fiscal Recovery Funds (Fiscal Recovery Fund) as well as to re-appropriate the balance of \$74,773,691 associated with the first tranche of funding from the ARPA Fiscal Recovery Fund. The ARPA Fiscal Recovery Fund gives broad flexibility in how funding can be used. This includes supporting the public health response, including services to address behavioral healthcare needs; providing housing, food, and job training assistance to workers and families; supporting small businesses and impacted sectors that have suffered negative economic impacts of the pandemic; supporting communities disproportionately impacted by the pandemic, through housing, education, and childcare assistance; and providing for replacement of lost revenue by state, local or tribal governments. Staff continues to submit reports to the Board of Supervisors regarding utilization of the funds and these memorandums are available at <http://www.fairfaxcounty.gov/budget>.

### **Increase in Revenue from the Commonwealth and Investment Interest**

Fund 10001, General Fund

### **NON-RECURRING**

FY 2023 Revenue \$32,902,710

**Net Cost (\$32,902,710)**

FY 2023 General Fund revenues are recommended to increase a total of \$32,902,710, including an increase of \$6,337,107 in Revenue from the Commonwealth and an increase of \$26,565,603 in Investment Interest revenue.

Typically, revenue adjustments as a result of the adopted state budget are considered as part of the Add-on package for inclusion in the County's adopted budget. This year, the General Assembly adjourned in March without completing the state budget for the new biennium. Later, it reconvened in a Special Session and a conference report was approved in early June. As a result of these state budget actions, there is a projected increase for HB 599 funding (State Aid to Localities with Police Departments), as well as projected increases in Compensation Board state reimbursements for constitutional officers and their employees, based on a 5 percent compensation increase, effective August 1, 2022.

The County's FY 2023 Adopted Budget Plan estimate for Investment Interest revenue did not account for interest rate increases by the Federal Reserve to rein in inflation. The yield assumed in the adopted budget was 0.60 percent. The FY 2023 Add-on package noted that adjustments to the estimate were likely to be included as part of the *FY 2022 Carryover Review* to reflect the Fed's actions. Currently, the Fed funds rate is at 2.50 percent, with more rate increases expected throughout the year. As a result, it is projected that the County will be able to earn a higher yield on its investment portfolio compared to the level assumed in the adopted budget. The revised estimate for Investment Interest revenue reflects an increase of \$26,565,603 and is based on a projected yield of 1.5 percent.

Other FY 2023 revenue categories such as Sales Tax, Business, Professional and Occupational License Tax, Transient Occupancy Tax, Recordation and Deed of Conveyance taxes will be closely monitored and the impact of economic conditions, including inflation, consumer confidence, and interest rates among

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others, will be evaluated once several months of actual revenue collections information is available. Any necessary FY 2023 revenue adjustments will be made as part of the fall 2022 revenue review or during the *FY 2023 Third Quarter Review*.

#### **Construction Escalation Reserve**

#### **NON-RECURRING**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	\$7,500,000
Fund 30070, Public Safety Construction	FY 2023 General Fund Transfer	<u>\$7,500,000</u>
	<b>Net Cost</b>	<b>\$15,000,000</b>

The General Fund transfers to Fund 30010, General Construction and Contributions, and Fund 30070, Public Safety Construction, are increased \$7,500,000 each for a total of \$15,000,000 to support current experience with construction project cost escalation. Project costs have been increasing due to inflation and disruptions to global supply chains for most basic raw materials. Price increases have been experienced in many commodities and materials utilized in construction projects, such as lumber, steel, copper, plastics, and metal products. These increased material costs and delays in receiving supplies have also resulted in contractor backlogs. Current cost estimates from professional consultants on many of the projects currently in design are trending approximately 20 percent higher than the previously approved budget. In addition to the market escalation, construction cost increases include updated requirements to achieve the Board of Supervisors adopted Operational Energy Strategy and Prevailing Wage Ordinance.

#### **IT Project Investment**

#### **NON-RECURRING**

Fund 10040, IT Projects	FY 2023 General Fund Transfer	<u>\$10,725,000</u>
	<b>Net Cost</b>	<b>\$10,725,000</b>

The General Fund transfer to Fund 10040, IT Projects, is increased by \$10,725,000 to support the funding of continuing and new IT projects. As indicated in the FY 2023 Adopted Budget Plan, no General Fund support of IT projects was included in the FY 2023 budget proposal, consistent with the strategy employed in recent years to use one-time funds at Third Quarter and Carryover to support these initiatives. Included in the \$10,725,000 is \$5,225,000 for projects identified through the IT project review meetings, \$5,000,000 for the Office of Elections as year one in a multiyear strategy for the replacement of voting machines, and \$500,000 for the E-summons program that has been realizing declining revenue since the pandemic. More detail regarding these projects is included in the Other Funds Detail write-up on page 82 of this package.

#### **Environmental Energy Initiatives**

#### **NON-RECURRING**

Fund 30015, Environmental and Energy Programs	FY 2023 General Fund Transfer	<u>\$6,500,000</u>
	<b>Net Cost</b>	<b>\$6,500,000</b>

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by \$6,500,000 to support energy initiatives. Funding of \$4,500,000 will support building energy improvements recommended by Energy Service Companies (ESCOs). These improvements support energy and water use efficiency targets outlined in the Operational Energy Strategy (OES). The OES targets include decreasing energy use 25 percent by 2030, and 50 percent by 2040, as compared to the FY 2018 baseline. Currently there are four Investment Grade Audits (IGAs) underway that will identify recommended energy improvements at County facilities. Increased funding will ensure that the improvements identified in the IGAs can proceed and that additional IGAs can be conducted, and appropriate energy improvements can begin. Funding of \$2,000,000 will support the County's renewable energy strategies as outlined in the Operational Energy Strategy (OES). Funding will support solar and/or renewable energy installations identified by either ESCOs or by the Office of Capital Facilities at several sites. Currently, a solar panel system at the Sully Community Center is in final design, with installation expected to be complete by fall

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2022. Conceptual design is underway at the Reston and Woodlawn Fire Stations, with completion of solar panel installation anticipated by winter 2023. The Pender Office Building and I-66 Transfer Station are also being considered for solar panel installations. General Fund support is needed to proceed with improvements which may not be able to be absorbed in existing renovation projects or are located at facilities not currently being renovated.

**Park Authority CIP Projects**

**NON-RECURRING**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<u>\$5,000,000</u>
	<b>Net Cost</b>	<b>\$5,000,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$5,000,000 to support Park Authority capital projects. As in all areas of the Capital Program, the Park Authority has experienced project delays, contributing to a backlog of unsold bonds. The recently approved increase in the annual bond sale limit from \$300 million to \$400 million will help to alleviate pressure in the Bond Program but is expected to take several years. As directed by the Board, staff has been working with the Park Authority to appropriately size annual bond sales to address the current backlog and to develop future bond referendum proposals that address needs and conform to the County's overall limitations. As noted in the FY 2024 Budget Guidance from the Board of Supervisors, it was anticipated that the Park Authority would require County support outside of the bond program to bridge funding gaps prior to the next referendum. In addition, the Park Authority is experiencing inflation and project cost escalation on existing projects. Funding will help with escalating costs, expedite projects already underway, and alleviate some pressure on the Bond program. Staff is continuing to work with the Park Authority with Capital Program planning and will be coming to the Board in the fall with future recommendations, which are likely to include utilizing federal stimulus funds.

**Historic Courthouse**

**NON-RECURRING**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<u>\$4,800,000</u>
	<b>Net Cost</b>	<b>\$4,800,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$4,800,000 to support the demolition of the two 1950's Historic Courthouse wings at the rear of the building and the associated site work. The rear of the Historic Courthouse will be restored to its pre-1950 appearance when these appendages are removed. The wings and the sallyport are partially vacant with major on-going and costly capital renewal /maintenance needs that limit their occupancy. The scope, as recommended in the final Judicial Complex Master Plan, will also include site work to transform the grounds surrounding the Historic Courthouse and Historic Jail into a green space park, and improve pedestrian safety in the area. The design work is currently underway and is anticipated to be complete in December 2022. Additional funding will fund the demolition work, restoration of the directly affected building, site improvements, and masonry repairs for the entire building.

**Space Realignment**

**NON-RECURRING**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<u>\$4,000,000</u>
	<b>Net Cost</b>	<b>\$4,000,000</b>

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by \$4,000,000 to support space realignment and reconfiguration projects at the Government Center complex and throughout the County. These projects will maximize owned space and eliminate leased space. Funding will provide the investment in the near term to explore opportunities to create a sustainable model balancing service delivery requirements and resources into the future. Resources will be provided to

identify long-term solutions for space redesign and reconfiguration of County owned space to increase operational efficiencies and sustainability, including more efficiently utilizing the space in the Government Center, Pennino and Herrity buildings, and reducing costly leased space. As part of this County space and facility utilization effort, leases will be reviewed for elimination or reduction by redesigning/reconfiguring County-owned space to accommodate operational requirements. The allocation of County space will be reviewed to make it more equitable while exploring opportunities for reorganizations and consolidations and short-term investments may be required to provide the flexibility for longer term efficiencies and sustainability. Increased teleworking has also provided an opportunity to reexamine space and realize more efficiencies.

#### **Utilities Increases**

		<b>RECURRING</b>
Agency 08, Facilities Management Department	FY 2023 Expenditure	\$2,800,000
Agency 26, Office of Capital Facilities	FY 2023 Expenditure	<u>\$723,000</u>
	<b>Net Cost</b>	<b>\$3,523,000</b>
Agency 08, Facilities Management Department	FY 2024 Expenditure	\$2,800,000
Agency 26, Office of Capital Facilities	FY 2024 Expenditure	<u>\$723,000</u>
	<b>Net Cost</b>	<b>\$3,523,000</b>

Funding of \$3,523,000 is required due to anticipated utilities increases in Agency 08, Facilities Management Department (FMD), and Agency 26, Office of Capital Facilities. Of this total, an amount of \$2,800,000 is required for Agency 08, FMD, including \$700,000 for natural gas costs and \$2,100,000 for electricity costs based on current and impending rising utility costs. The County was notified that a higher rate for the County's natural gas contract will go into effect on August 1, 2022. The therm rate for natural gas will increase from \$0.44 to \$0.83, an increase of \$0.39. FMD maintained accounts consume between 1.85 million and 2 million therms annually. In addition, in February 2022, Dominion Energy notified the Virginia Energy Purchasing Governmental Association (VEPGA) that starting April 1, 2022, there would be significant cost increases in the cost of electricity services provided by Dominion Energy. An average increase rate of 21 percent is projected for the 251 electricity accounts that FMD manages. The normal annual electricity costs in FMD range between \$10 million and \$11 million. It should be mentioned that during FY 2021 and FY 2022, the County's annual utility expenses were temporarily lower due to the COVID-19 pandemic. The remaining amount of \$723,000 is required for Agency 26, Office of Capital Facilities, to support the projected increased costs for streetlight electricity in FY 2023 based on the anticipated rate increases, along with the addition of new streetlights. It should be noted that over 27,000 streetlights have already been successfully converted to LED lights as part of the five-year streetlight LED conversion plan.

#### **Original Mount Vernon High School Childcare Center**

		<b>NON-RECURRING</b>
Fund 81400, FCRHA Asset Management	FY 2023 General Fund Transfer	<u>\$3,500,000</u>
	<b>Net Cost</b>	<b>\$3,500,000</b>

A General Fund Transfer to Fund 81400, FCRHA Asset Management, of \$3,500,000 is included to support an expanded Childcare Center at the site of the Original Mount Vernon High School (OMVHS) redevelopment project. The OMVHS redevelopment project includes master planning of the entire site, building programming, and design and construction for the renovations and the adaptive reuse of the school building. In order to apply for historic tax credits associated with this project, an OMVHS Development LLC project has been created in Fund 81400. Under state law, tax credit investors may receive a tax credit of 25 percent of the qualified rehabilitation expenditures for investments in historic properties. On November 19, 2019, the Board of Supervisors approved multiple actions to syndicate Virginia Historic Rehabilitation Tax Credits for the renovation of OMVHS. It is expected that the Fairfax County



Redevelopment and Housing Authority (FCRHA) will issue bonds which will generate the revenue required to fund the project. This additional \$3.5 million will provide for childcare space to support affordable, high quality, full-time early childhood services for children ages birth to five, including children whose families live with moderate incomes. The original project included childcare support for 86 children; however additional funding will allow for an expansion to accommodate a total of 172 children to meet the County priority and demand for childcare in the surrounding community.

#### **Emergency Systems Failures**

#### **NON-RECURRING**

Fund 30020, Infrastructure Replacement and Upgrades	FY 2023 General Fund Transfer	<u>\$3,000,000</u>
	<b>Net Cost</b>	<b>\$3,000,000</b>

The General Fund transfer to Fund 30020, Infrastructure Replacement and Upgrades, is increased by \$3,000,000 to support emergency systems failures that occur at aging County facilities throughout the year. Funding will provide for emergency repairs in the event of a major systems failure such as a large HVAC system or roof. The County has very limited capacity to deal with potential system failures. Although preventative maintenance is preferred, as the inventory of County facilities age, emergency repairs and maintenance requirements continue to grow. This increase will provide a source of funding and additional flexibility for unforeseen emergency repairs.

#### **Hybla Valley Community Center**

#### **NON-RECURRING**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<u>\$3,000,000</u>
	<b>Net Cost</b>	<b>\$3,000,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$3,000,000 to support design associated with renovation of the Hybla Valley Community Center project. In April 2020, Fairfax County purchased the Mount Vernon Athletic Club with plans to establish a multi-service Center to meet the immediate needs of the surrounding community. Limited interior building upgrades have been completed for the Workforce Development Center on the site. This portion of the Center will provide for workforce development, skills training classrooms, and workshops with a focus on skilled trades as well as technology focused training. When complete, the Center will provide recreation, youth programs, and other equitable, accessible, and effective resources for the community. The site includes a 49,000 square-foot sports facility on 5.3 acres of land. This initial design funding will support the renovations and long-term facility enhancements which include the community center, a childcare center, an athletic field, and associated site improvements. Construction costs are dependent on the final scope and may include replacement windows, doors, insulation, sprinkler systems and Mechanical, Electrical and Plumbing (MEP) improvements. Funding for the construction phase of the project will be requested at a future budget cycle once the full scope is determined.

#### **Network Infrastructure Replacement**

#### **NON-RECURRING**

Fund 60030, Technology Infrastructure Services	FY 2023 General Fund Transfer	<u>\$2,500,000</u>
	<b>Net Cost</b>	<b>\$2,500,000</b>

The General Fund transfer to Fund 60030, Technology Infrastructure Services, is increased by \$2,500,000 for the upgrade of network switches and uninterruptable power supplies. Network switches connect devices such as computers, printers and wireless access points to the County's network and allow them to exchange data. Over 150 network switches are either past their end of life or approaching it and are in need of replacement to maintain connectivity throughout the County network. Uninterruptable power supplies provide battery back-up to network devices in the event that a building encounters a power issue, ensuring

uninterrupted voice and data communications. This transfer supports the replacement of these critical components and expands deployment of uninterruptable power supplies to additional County sites.

**Tysons Anchor Organization**

Fund 10030, Contributories

		<b>RECURRING</b>
	FY 2023 General Fund Transfer	<u>\$2,500,000</u>
	<b>Net Cost</b>	<b>\$2,500,000</b>
	FY 2024 General Fund Transfer	<u>\$3,000,000</u>
	<b>Net Cost</b>	<b>\$3,000,000</b>

The General Fund Transfer to Fund 10030, Contributory Fund, is increased by \$2,500,000 to provide initial funding to establish the Tysons Anchor Organization, a new nonprofit community organization designed to serve as a catalyst for the transformation of Tysons into an inclusive, vibrant, and globally attractive urban center. It is anticipated that recurring annual funding for the organization will be included as part of the FY 2024 budget process. The organization envisions a set of four core operational initiatives and programs, including *Communications and Place Branding*; *Research Planning and Economic Development*; *Placemaking, Activation, and Management*; and *Transportation and Mobility*.

The program area of *Communications and Place Branding* will build and maintain a multimedia communications platform, establish a public relations and communications program, brand and advertise Tysons, and facilitate community cohesion and livability through outreach. The program area of *Research, Planning, and Economic Development* will maintain a “data hub” to collect information about the retail, office, hotel, residential, and service economies of Tysons, produce publicly available market data reports, and hold meetings with brokers and company marketing directors to better understand their needs. The program area of *Placemaking, Activation and Management* will set new standards for streetscape improvement, parks, and plazas, catalyze public space developments and improvements, and upgrade and beautify streetscape and street furnishings. The program area of *Transportation and Mobility* will coordinate with Metro, the County, and the Commonwealth to plan and ensure the timely delivery of new transit services and infrastructure, reduce congestion, and improve connectivity by helping to attract public and private investments in shuttle buses and the use of automated vehicles, and promote multi-modal transit, bike, and pedestrian improvements.

The organization will be a publicly chartered, private, non-profit corporation to serve as the entity for implementation of the Comprehensive Plan for Tysons. It will be governed by a Board of Directors consisting of 35-40 voting members, including members of the private and public sectors, and residents of Tysons. The Board will also feature a smaller executive committee as the lead set of decision makers, again balanced among the private sector, public sector, and residents.

<b>Executive and Managerial Benchmark Compensation Study Adjustments</b>		<b>RECURRING</b>
General Fund Agencies	FY 2023 Expenditure	\$1,781,622
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2023 Expenditure	\$133,183
Fund 40045, Early Childhood Birth to 5	FY 2023 Expenditure	\$17,497
Fund 60020, Document Services	FY 2023 Expenditure	\$9,807
Fund 60030, Technology Infrastructure Services	FY 2023 Expenditure	\$88,272
Fund 83000, Alcohol Safety Action Program	FY 2023 Expenditure	<u>\$5,923</u>
	<b>Net Cost</b>	<b>\$2,036,304</b>
General Fund Agencies	FY 2024 Expenditure	\$3,510,404
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2024 Expenditure	\$177,569
Fund 40045, Early Childhood Birth to 5	FY 2024 Expenditure	\$23,329
Fund 60020, Document Services	FY 2024 Expenditure	\$13,076
Fund 60030, Technology Infrastructure Services	FY 2024 Expenditure	\$117,694
Fund 83000, Alcohol Safety Action Program	FY 2024 Expenditure	<u>\$7,897</u>
	<b>Net Cost</b>	<b>\$3,849,969</b>

Funding of \$2,036,304 is required to support the pay adjustments associated with the Executive and Managerial Benchmark Compensation Study to be implemented in October 2022. It should be noted that the full cost of these adjustments is offset by the utilization of one-time savings available in several agencies to absorb a portion of the costs, resulting in a net General Fund impact. Baseline funding for these pay adjustments will be included in the FY 2024 Advertised Budget Plan.

<b>Electric Vehicles and Charging Stations</b>		<b>NON-RECURRING</b>
Fund 30015, Environmental and Energy Programs	FY 2023 General Fund Transfer	<u>\$2,000,000</u>
	<b>Net Cost</b>	<b>\$2,000,000</b>

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by \$2,000,000 to support the continued installation of Electric Vehicle (EV) charging stations at County properties. This program supports the transition of the County's fleet electrification targets as stated in the Operational Energy Strategy (OES). EV charging stations at a total of 43 parking spaces were installed by May 2022 at five County parking garages. Before the end of 2022, newly installed EV stations are anticipated to be completed at an additional 91 parking spaces at County parking garages and surface lots. Sites for 2023 and beyond are likely to be located primarily at surface parking lots. Experience to date indicates that additional funding is required due to the complexities associated with the installation of EV stations at surface parking lots. Unlike parking garages, installations on surface lots require a feasibility study to address technical and environmental considerations, such as electric utility infrastructure capacity and substantial construction-related costs associated with modifying existing lots. Additional resources are also required due to continuing supply chain constraints, delays associated with upgrades to the electric utility's distribution system, and competition among governments and other entities to install EV charging stations.

**South County Animal Shelter**

Agency 96, Department of Animal Sheltering	FY 2023 Expenditure	<b>RECURRING</b> \$1,507,354
Agency 89, Employee Benefits	FY 2023 Expenditure	<u>\$418,229</u>
	<b>Net Cost</b>	<b>\$1,925,583</b>
Agency 96, Department of Animal Sheltering	FY 2024 Expenditure	\$2,120,412
Agency 89, Employee Benefits	FY 2024 Expenditure	<u>\$836,458</u>
	<b>Net Cost</b>	<b>\$2,956,870</b>

Funding of \$808,954 is included to support 27/27.0 FTE new positions to fully staff the South County Animal Shelter. The shelter is anticipated to open in May 2023 and provides services in response to the growing need of the southern part of Fairfax County. Some of these services include rabies clinics, pet adoptions, spay and neuter services, wildlife education, and a volunteer program. Due to the anticipated lead time in hiring and training staff, partial year funding is included for these positions. In addition, funding of \$698,400 is included to support one-time operating expenses to the necessary equipment ahead of full operational status. It should be noted that an increase of \$418,229 in Fringe Benefits funding is included in Agency 89, Employee Benefits. Full-year funding of \$1,617,907 to support the positions and \$502,505 to support operations and programs at the shelter are anticipated as part of the FY 2024 budget process. It should be noted that an increase of \$836,458 in Fringe Benefits is included in Agency 89, Employee Benefits.

**LED Streetlight Conversion**

Fund 30015, Environmental and Energy Programs	FY 2023 General Fund Transfer	<b>NON-RECURRING</b> \$1,820,000
	<b>Net Cost</b>	<b>\$1,820,000</b>

The General Fund transfer to Fund 30015, Environmental and Energy Programs, is increased by \$1,820,000 for the fourth year of a 5-year LED streetlight conversion plan. The goal of the plan is to convert more than 56,000 existing mercury vapor, high pressure sodium and metal halide fixtures to LED streetlights. Nearly 27,164 streetlights have been converted to LED as of June 2022. The new LED streetlights are “Smart City Capable” with features being incorporated through added hardware and software upgrades. This conversion plan is estimated to cost a total of \$9 million, which will be partially offset by projected savings in utility costs. It is anticipated that the conversion of streetlights to LED will remove approximately 32.4 million pounds of CO<sub>2</sub>e annually and will result in reduced maintenance costs, higher quality lighting, and allow for dimming and automated outage reporting once smart technologies are implemented. In addition, an increase of \$20,000 is included to incorporate 126 streetlights on Park Authority properties into the LED streetlight conversion program.

**Patrick Henry Shelter**

Agency 38, Housing and Community Development	FY 2023 Expenditure	<b>NON-RECURRING</b> \$1,511,297
	<b>Net Cost</b>	<b>\$1,511,297</b>

Funding of \$1,511,297 is included to support the Patrick Henry Family Shelter in FY 2023. This funding will support the nonprofit operator, shelter unit rent during construction of the new facility, maintenance, repairs, and one-time expenses for moving and furnishings. Construction on the Patrick Henry Family Shelter is slated to begin in the fall of FY 2023.

<b>Contract Rate Increase for FASTRAN Human Services Transportation Program</b>		<b>RECURRING</b>
Agency 67, Department of Family Services	FY 2023 Expenditure	\$663,861
Agency 79, Department of Neighborhood and Community Services	FY 2023 Expenditure	\$323,056
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2023 General Fund Transfer	<u>\$251,975</u>
	<b>Net Cost</b>	<b>\$1,238,892</b>

Agency 67, Department of Family Services	FY 2024 Expenditure	\$663,861
Agency 79, Department of Neighborhood and Community Services	FY 2024 Expenditure	\$323,056
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2024 General Fund Transfer	<u>\$251,975</u>
	<b>Net Cost</b>	<b>\$1,238,892</b>

Funding of \$1,238,892 is required to support significant contract rate increase costs for the FASTRAN Human Services Transportation program. Renegotiations of drivers' hourly wages to bring compensation in line with market and economic conditions concluded in July 2022 and resulted in a large increase in cost for contracted FASTRAN services.

<b>Tysons Community Center</b>		<b>NON-RECURRING</b>
Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<u>\$1,000,000</u>
	<b>Net Cost</b>	<b>\$1,000,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$1,000,000 to support the Tysons Community Center project. This funding will accommodate Value Engineering consultant services during the design phase, Mechanical, Electrical and Plumbing (MEP) peer review, and County staff hours for project management. This project is being developed as part of a Partnership with the Department of Housing and Community Development (HCD), the Department of Public Works and Environmental Services (DPWES) and a private developer. The development of Dominion Square in Tysons includes this 30,000-square-foot community center on the site. It is anticipated that the design and construction of the Community Center will be financed with Economic Development Authority (EDA) bonds.

<b>Transfer to New LDS Fund</b>		<b>NON-RECURRING</b>
Fund 40200, Land Development Services	FY 2023 General Fund Transfer	<u>\$898,000</u>
	<b>Net Cost</b>	<b>\$898,000</b>

Agency 31, Land Development Services, was transferred to a new Fund 40200, Land Development Services, as part of the FY 2023 Adopted Budget Plan to provide an accounting mechanism to reflect all revenues and expenditures associated with LDS activities in a dedicated Special Revenue Fund. The new fund will continue working to realize the Board of Supervisors' vision and community values for safe and sustainable communities, as codified in the regulations that guide building and land development design and construction. A one-time General Fund transfer of \$898,000 to Fund 40200 is required to cover outstanding encumbrances in the amount of \$247,904 from Agency 31 and other increased expenditures in FY 2023.

It should be noted that in FY 2022, the Building and Inspection fees revenue generated by Land Development Services activities exceeded the General Fund budget expenditures associated with Agency 31, including the significant General Fund contributions to funding the PLUS project, by approximately \$650,000.

**Workhouse Buildings Improvements**

**NON-RECURRING**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<u>\$750,000</u>
	<b>Net Cost</b>	<b>\$750,000</b>

The General Fund Transfer to Fund 30010, General Construction and Contributions, is increased by \$750,000 to support building improvements at the Workhouse Campus. This project provides historic preservation and renovations for adaptive reuse of two buildings, identified as Workhouse-13 and Workhouse-15. The County is marketing these buildings to interested parties to establish and operate restaurants, craft beverage productions, or tasting rooms to further enhance and activate the campus. Additional funding in the amount of \$750,000 will support the standard tenant improvement contributions and the marketing expenses associated with the leasing of Workhouse-13 and Workhouse-15.

**Developer Defaults**

**NON-RECURRING**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<u>\$655,000</u>
	<b>Net Cost</b>	<b>\$655,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$655,000 to complete several developer default projects. The Developer Default program is funded annually for the purpose of completing private development projects on which developers have defaulted. Typical defaults include storm drainage, trails, sidewalks pavements or street improvements to enable acceptance into the VDOT street system for maintenance. The program is supported by developer bonds and the General Fund. General Fund contributions are often required when the developer bonds are not sufficient to fund the total cost of the improvements. Funding of \$655,000 will provide for three projects which are VDOT street acceptance projects and once improvements are made, the County will no longer be responsible for the maintenance of those streets. These dedicated public streets are owned and maintained by the County until road construction is completed to state standards and accepted by VDOT for maintenance.

**Community Labor Force Landscaping**

**RECURRING**

Agency 08, Facilities Management Department	FY 2023 Expenditure	<u>\$623,000</u>
	<b>Net Cost</b>	<b>\$623,000</b>

Agency 08, Facilities Management Department	FY 2024 Expenditure	<u>\$654,000</u>
	<b>Net Cost</b>	<b>\$654,000</b>

Funding of \$623,000 is included in Agency 08, Facilities Management Department (FMD) to support landscaping services at 48 County locations. The Community Labor Force (CLF) was previously responsible for providing these landscaping services; however, as of September 2022, the CLF will be suspended. The CLF Program offers low-risk inmates an opportunity to provide mowing, bus shelter clean-up, snow removal and landscaping services at County facilities. This program has provided a tremendous asset to the community for many years, and FMD has been able to benefit from reduced landscaping costs. Low staffing levels within the Office of the Sheriff and a reduced inmate population has impacted their ability to maintain this program.

**Replacement Capital Equipment**

Agency 51, Park Authority

**NON-RECURRING**

FY 2023 Expenditure	<u>\$379,200</u>
<b>Net Cost</b>	<b>\$379,200</b>

Funding of \$379,200 is required to replace capital equipment necessary to support various construction and maintenance tasks that serve park properties throughout the County. The Park Authority will use this funding to replace a compact Track Loader, a Tandem Dump Truck, and a Dump Bed on an existing Tandem Dump Truck. In response to the pandemic and loss of revenue over the past two years, the Park Authority delayed reinvestment in key, movable capital assets. This replacement equipment is critical to systemwide maintenance and upkeep efforts.

**General District Court Agency Leadership**

Agency 85, General District Court

Agency 89, Employee Benefits

**RECURRING**

FY 2023 Expenditure	\$252,008
FY 2023 Expenditure	<u>\$124,992</u>
<b>Net Cost</b>	<b>\$377,000</b>

Agency 85, General District Court

Agency 89, Employee Benefits

FY 2024 Expenditure	\$252,008
FY 2024 Expenditure	<u>\$124,992</u>
<b>Net Cost</b>	<b>\$377,000</b>

Funding of \$377,000 is increased to Agency 85, General District Court, and Agency 89, Employee Benefits, to support 2/2.0 FTE positions to establish a Director of Courts Services and a Management Analyst to facilitate the transition from a State-led department to a County-led department. This change will be similar to how the Juvenile and Domestic Relations District Court (JDRDC) is structured in terms of the relationship between the State and the County. The Court Services Division has expanded tremendously with the implementation of specialty dockets with a goal to divert people from arrest, reduce the jail population, and successfully connect people to treatment, requiring increased administrative support and oversight. These positions will manage County administrative functions and provide oversight of operations. It should be noted that an increase of \$124,992 in Fringe Benefit funding is included in Agency 89, Employee Benefits. Full year funding of \$377,000 is anticipated for FY 2024.

**Business Investment Digital Marketing Campaign**

Agency 16, Economic Development Authority

**NON-RECURRING**

FY 2023 Expenditure	<u>\$365,627</u>
<b>Net Cost</b>	<b>\$365,627</b>

Funding of \$365,627 is required for a business investment digital marketing campaign that will provide visibility of Fairfax County as a business location and generate prospects and new announcements for the County as the U.S. and worldwide economies emerge from the pandemic. This funding is made available in accordance with the Fairfax County Economic Development Authority (FCEDA) Commission *Administrative Fees Policy for the Fairfax County EDA*, approved on September 9, 2019. This policy provides guidelines to ensure that the revenue collected by FCEDA from the Industrial Revenue Bond issuance fees is expended in a strategic, responsible, and transparent manner, in alignment with the FCEDA mission. A total of \$365,627 has been collected and deposited in the County's General Fund since assessment of these fees began in FY 2018.

**Election Officer Stipends**

Agency 15, Office of Elections

**RECURRING**

FY 2023 Expenditure	<u>\$335,700</u>
<b>Net Cost</b>	<b>\$335,700</b>

FY 2024 Expenditure	<u>\$335,700</u>
<b>Net Cost</b>	<b>\$335,700</b>

Funding of \$335,700 is included in Agency 15, Office of Elections, to increase Election Officer stipends that have not increased since 2013. This increase is needed to address recruitment and retention issues, equity, and other challenges associated with maintaining a qualified group of election officers. Pay will increase from \$250/day to \$350/day for Chiefs; \$225/day to \$300/day for Assistant Chiefs; and \$175/day to \$250/day for Regular Officers.

**Warehouse Operations**

Agency 15, Office of Elections

**NON-RECURRING**

FY 2023 Expenditure	<u>\$300,000</u>
<b>Net Cost</b>	<b>\$300,000</b>

One-time funding in the amount of \$300,000 is required to support the Office of Elections section of the Morrisette Warehouse. Of this amount, \$150,000 is for security improvements, \$50,000 is for equipment, \$70,000 is for shelving and cabinets, and \$30,000 is for moving expenses.

The County entered into a lease agreement to acquire two warehouse units located at the Morrisette Warehouse Complex in West Springfield. The warehouse lease provides 41,881 square feet of storage and will support the needs of multiple County agencies.

**Build-Out Costs for Springfield Center Without Walls**

Agency 79, Department of Neighborhood and Community Services

**NON-RECURRING**

FY 2023 Expenditure	<u>\$250,000</u>
<b>Net Cost</b>	<b>\$250,000</b>

Funding of \$250,000 is required to support construction and build-out costs for a newly leased facility in Springfield that will be dedicated space to operate Center Without Walls under the existing parameters of the program. The programming at Center Without Walls is coordinated by participant volunteers in partnership with staff from the Department of Neighborhood and Community Services to allow older adults to participate in health and wellness activities such as tai chi, Zumba, line dancing, and yoga while engaging with others.

**Justice Park**

Fund 30010, General Construction and Contributions

**NON-RECURRING**

FY 2023 General Fund Transfer	<u>\$175,000</u>
<b>Net Cost</b>	<b>\$175,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$175,000 for invasives clean up and construction of a picnic shelter at Justice Park. Justice Park was created in 1961 and is the only local park of its size and type in the Bailey's Crossroads / Seven Corners area. The park serves a densely populated area that also has some of the highest socioeconomic needs in the County. The Park has become overgrown with invasives and funding will augment existing support to realize the intentions of the original master plan for Justice Park. The original master plan included a picnic shelter that could be used for community events and family gatherings. This addition would provide shade to the children and families using the tot lot.



**Planning Initiatives**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<b>NON-RECURRING</b> <u>\$150,000</u>
	<b>Net Cost</b>	<b>\$150,000</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$150,000 to support planning initiatives that arise throughout the fiscal year. This funding will provide for consultant studies associated with planning development projects and potential development opportunities.

**Employee Commuter Benefits Program**

Agency 40, Department of Transportation	FY 2023 Expenditure	<b>RECURRING</b> <u>\$100,000</u>
	<b>Net Cost</b>	<b>\$100,000</b>
	FY 2024 Expenditure	<u>\$100,000</u>
	<b>Net Cost</b>	<b>\$100,000</b>

Funding of \$100,000 is required for increased support for the Employee Commuter Benefits Program. This program provides a benefit to eligible County employees and encourages the use of transit or vanpools instead of single-occupant vehicle travel for trips to and from work. This adjustment is intended to increase the current monthly maximum subsidy in order to bring it in line with the benefits available to federal government employees. Further opportunities to improve this program are under review and will be considered as part of the FY 2024 annual budget development process.

**Tuition Assistance Program**

Agency 89, Employee Benefits	FY 2023 Expenditure	<b>RECURRING</b> <u>\$100,000</u>
	<b>Net Cost</b>	<b>\$100,000</b>
	FY 2024 Expenditure	<u>\$100,000</u>
	<b>Net Cost</b>	<b>\$100,000</b>

Funding of \$100,000 is required to increase the maximum annual reimbursement amount from \$1,600 to \$2,000 per employee in the Tuition Assistance Program (TAP) as part of the employee retention strategies presented to the Personnel and Reorganization Committee on February 1, 2022. The TAP was established to attract and retain qualified persons for County services, to improve the quality of leadership and productivity in County operations, and to encourage employees to continue their education as a means for improving job skills and enhancing promotional opportunities.

**Appropriation of Zoning Violation Revenue**

Fund 30010, General Construction and Contributions	FY 2023 General Fund Transfer	<b>NON-RECURRING</b> <u>\$83,359</u>
	<b>Net Cost</b>	<b>\$83,359</b>

The General Fund transfer to Fund 30010, General Construction and Contributions, is increased by \$83,359 to allocate revenue collected from court ordered fines for zoning violations associated with the Strike Force Blight Abatement program. As part of the FY 2009 Adopted Budget Plan budget guidelines, the Board of Supervisors directed that any revenue generated from zoning violation fines in excess of the baseline total of \$122,215 be made available to support the activities of the Department of Code Compliance. Zoning violation revenues have exceeded the base revenue amount by \$83,359 in FY 2022. As a result, this amount is being allocated to the Strike Force Blight Abatement project for use in support of code compliance-related activities.

**Communication Specialist**

		<b>RECURRING</b>
Agency 02, Office of the County Executive	FY 2023 Expenditure	(\$85,591)
Agency 03, Department of Clerk Services	FY 2023 Expenditure	<u>\$85,591</u>
	<b>Net Cost</b>	<b>\$0</b>
Agency 02, Office of the County Executive	FY 2024 Expenditure	(\$85,591)
Agency 03, Department of Clerk Services	FY 2024 Expenditure	<u>\$85,591</u>
	<b>Net Cost</b>	<b>\$0</b>

Funding of \$85,591 and 1/1.0 FTE position is transferred from Agency 02, Office of the County Executive, to Agency 03, Department of Clerk Services, to support the requirement to inform the public about the meetings and actions of the Board of Supervisors and the Planning Commission. This action has no net impact to the General Fund.

**Office of the Sheriff Savings**

		<b>RECURRING</b>
Agency 91, Office of the Sheriff	FY 2023 Expenditure	(\$1,000,000)
	<b>Net Cost</b>	<b>(\$1,000,000)</b>
Agency 91, Office of the Sheriff	FY 2024 Expenditure	(\$1,000,000)
	<b>Net Cost</b>	<b>(\$1,000,000)</b>

A reduction of \$1,000,000 in Personnel Services reflects savings based on efficiencies and a historically smaller inmate population. This reduction will help offset increased costs in Agency 08, Facilities Management Department, as a result of suspending the Community Labor Force program and in Agency 85, General District Court, for administrative support and oversight.

**Fairfax-Falls Church Community Services Board Savings**

		<b>NON-RECURRING</b>
Fund 40040, Fairfax-Falls Church Community Services Board	FY 2023 Transfer to the General Fund	(\$10,000,000)
	<b>Net Cost</b>	<b>(\$10,000,000)</b>

A transfer to the General Fund of \$10,000,000 from Fund 40040, Fairfax-Falls Church Community Services Board (CSB), is included in FY 2023 due to higher than anticipated savings in Personnel Services and Operating Expenses, intensified by higher than anticipated revenue collections. In FY 2022, the CSB had significant challenges hiring and retaining staff. The agency has implemented multiple initiatives, such as sign-on bonuses for difficult to fill positions, virtual interview processes to maintain a ready pool of candidates, and employee surveys for departing staff, to help mitigate the ongoing attrition. Over the past several years, the CSB has also redesigned programming that has led to significant savings in various programs such as Assisted Community Residential Services, which has allowed the agency to redirect savings to other areas in most need. In addition, non-County revenues increased 10.3 percent above the *FY 2022 Revised Budget Plan* of \$36,165,350. This surplus is primarily due to efforts to maximize revenue by improving the revenue cycle through Revenue Matrix Management, recovering revenue from prior periods, implementing current technology, building provider relationships in business development, as well as more diligent claims management and eligibility. As a result, one-time savings in the amount of \$10 million will be returned to the General Fund in FY 2023. The unreserved balance remaining in the CSB is sufficient to address any unforeseen issues in the coming year.

**Reserve Adjustments**

		<b>NON-RECURRING</b>
Fund 10010, Revenue Stabilization Fund	FY 2023 General Fund Transfer	\$9,193,598
Fund 10015, Economic Opportunity Reserve	FY 2023 General Fund Transfer	\$2,198,660
	<b>Net Cost</b>	<b>\$11,392,258</b>

The transfers from the General Fund to Fund 10010, Revenue Stabilization Fund, and Fund 10015, Economic Opportunity Reserve, are increased by a total of \$11,392,258 based on revised FY 2023 Total General Fund Disbursement levels. This is consistent with the County's reserve policy. The Revenue Stabilization Reserve, Managed Reserve and Economic Opportunity Reserve are fully funded at their new target levels.

It should be noted that an additional \$8,398,510 is also allocated to the Managed Reserve as part of the *FY 2022 Carryover Review*, for a total General Fund increase to reserves of \$19,790,768.

**Consideration Items**

At this time, there is one consideration item from the Board of Supervisors. This item, introduced by Chairman McKay, proposes to collaborate with the School Board to address the lack of permanent restroom facilities at 15 Fairfax County Public Schools outdoor high school stadiums. The cost to install permanent restroom facilities is estimated at approximately \$0.8 to \$1.2 million per site, or approximately \$15 million to address all 15 high school stadiums. The staff recommendations included in the FCPS FY 2022 Final Budget Review propose to fund half of this cost, or \$7.5 million, with Schools year-end balances.

**Additional Adjustments in Other Funds**

Total FY 2023 expenditures in Appropriated Other Funds, excluding School funds, are requested to increase \$2.68 billion over the FY 2023 Adopted Budget Plan. In addition to the adjustments in Appropriated Funds, there are adjustments totaling \$132.43 million in Non-Appropriated Other Funds. Details of Fund 50000, Federal/State Grant Fund, are discussed in Attachment V, while details of FY 2023 adjustments in Appropriated and Non-Appropriated Other Funds other than Federal and State Grants are found in Attachment VI. School Board adjustments total \$989.99 million, excluding debt service, over the FY 2023 Adopted Budget Plan. Details of School Board actions are available in Attachment C.

**Summary of Recommended Actions**

*In summary, I am recommending that the Board take the following actions:*

Approve Supplemental Appropriation Resolutions AS 22288 and AS 23009 as well as Fiscal Planning Resolution AS 23900 to provide expenditure authorization for FY 2022 Carryover encumbrances, unexpended balances, and administrative adjustments, including the following:

- Board appropriation of \$46.26 million in General Fund encumbrances related to Direct Expenditures from FY 2022 as noted in the General Fund Statement and in Attachment III.
- Board appropriation of General Fund unencumbered commitments totaling \$23.75 million as detailed in Attachment IV.
- Board appropriation of General Fund administrative adjustments as detailed earlier in this memorandum.
- Board appropriation of Federal/State grants in Fund 50000, Federal/State Grant Fund, totaling \$442.85 million, or an increase of \$316.64 million, as detailed in Attachment V.

***FY 2022 Carryover Review***

## **ATTACHMENT B**

- Board appropriation of remaining Other Funds Carryover. Details are available in Attachment I, Carryover Expenditures by Fund; in Attachment VI, Other Funds Detail; and in Attachment C, Fairfax County School Board's FY 2022 Final Budget Review and Appropriation Resolutions.
- Board approval of adjustments to the Managed Reserve to reflect all carryover adjustments.