

## Summary – Board Budget Committee Meeting

July 24, 2018

Government Center – Conference Room 11

### **Committee Members Present:**

Sharon Bulova, Chairman  
Penelope Gross, Mason District (Vice Chairman)  
John Cook, Braddock District  
John Foust, Dranesville District  
Pat Herrity, Springfield District  
Catherine Hudgins, Hunter Mill District  
Jeff McKay, Lee District (Committee Chair)  
Kathy Smith, Sully District  
Linda Smyth, Providence District  
Dan Storck, Mount Vernon District

Previous Meeting Agenda and Materials (April 20, 2018):

<https://www.fairfaxcounty.gov/boardofsupervisors/board-budget-committee-meeting-april-20-2018>

July 24, 2018 Meeting Agenda:

<https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/july-24/agenda.pdf>

July 24, 2018 Meeting Materials:

[https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/july-24/2018\\_0711-edsf-nomination-status-chart.pdf](https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/july-24/2018_0711-edsf-nomination-status-chart.pdf)

[https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/july-24/1-refraction-innovation-hub\\_rev.pdf](https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/july-24/1-refraction-innovation-hub_rev.pdf)

[https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/july-24/2018\\_july\\_24\\_budgetorganizationandstrategicplanupdates.pdf](https://www.fairfaxcounty.gov/budget/sites/budget/files/assets/documents/budget%20committee%20meeting/2018/july-24/2018_july_24_budgetorganizationandstrategicplanupdates.pdf)

The meeting was called to order at 9:38 A.M.

### **Economic Development Support Fund Overview**

After a brief introduction by Supervisor McKay, Scott Sizer from the Fairfax County Office of Community Revitalization gave a summary of the \$5 million in initial funding for the Economic Development Support Fund. Deputy County Executive Rob Stalzer provided a brief introduction for Esther Lee, Managing Director of Refraction, and James Quigley, Vice-Chairman of the Fairfax County Economic Development Authority Board and co-founder of Refraction, to discuss the Refraction Innovation Hub.

### **Board Discussion**

- Supervisor Cook asked if Fairfax County youth have been surveyed to see if they want to return to the County after college for work. Mr. Quigley responded that George Mason has surveyed students and found there is a decline in youth wanting to return to the Commonwealth, however there is also area for growth as youth are unaware that these types of desired jobs existed in the area.
- Supervisor Storck expressed support for the project but questioned the structure, as well as the location and amount of money requested. Mr. Quigley stated that his intention is to split

Refraction out into a non-profit organization. Further, Mr. Quigley stated that some of the sponsorship dollars will be going to programming. Ms. Lee added that this funding will assist in seeking state funding, as well as corporate funding.

- Chairman Bulova inquired what Refraction would seek to do if less than \$1 million in funding was provided and whether startups being developed in Fairfax County remain in Fairfax County. Ms. Lee stated that the Federal government requires a 50 percent match, so this investment determines how much Refraction would get from the Federal government. In addition, the way to ensure startups remain in the County is to develop the technology ecosystem. She stated five of six startups remain in Fairfax. Mr. Quigley added that the ecosystem requires three things: talent, mentors, and capital to develop the technology economy.
- Supervisor Hudgins stated this was the intent of the EDSF: to invest in resources that provides return on investment.
- Supervisor Foust voiced his support for the plan and appreciated how it ties into the Strategic Plan.
- Supervisor Smyth stated that she needs additional information to support the investment in order to show the taxpayers the results of the investment. The important part is to show the taxpayers what they get out of the investment, but otherwise go forward with next steps.
- Supervisor McKay voiced his support as it is a great concept. Echoed Supervisor Storck's comment to ensure the project supports One Fairfax and wants to protect the County's 13-year investment made in our youth through FCPS to keep them in our community after schooling.
- Supervisor Cook asked about the timing and Supervisor McKay stated staff is aware and will come back to the Board with that information for an encumbrance vote.

#### **Discussion of Budget, Organizational and Strategic Plan Updates**

County Executive Bryan Hill and Chief Financial Officer Joe Mondoro presented the Budget, Organizational and Strategic Plan Updates, beginning with FY 2018 preliminary results and FY 2019 initial projections. Projected funding available at Carryover is approximately \$58 million, of which approximately \$10 million will be available for Board action, while FY 2019 Revenues are currently on track. The County is currently reviewing leased space for efficiencies within existing service designs, as well as reviewing existing owned space to accommodate necessary modifications. The County is also reviewing organizational structures, including succession planning, the realignment underway in the Health and Human Services System, as well as reporting under the vacant Deputy County Executive. Lastly, an update on the Strategic Plan was provided, with a new Strategic Planning Committee of the Board anticipated to begin to meet in the Fall.

#### **Board Discussion**

- Supervisor McKay thanked staff for their work over the past year on creating opportunities to be more creative moving forward.
- Chairman Bulova expressed her appreciation over the collaboration between the County and FCPS. In addition, she noted FCPS is looking at student security issues and expressed a desire to keep the Board informed. She thanked the County Executive for his work on space issues, building up reserves, and addressing succession planning. Lastly, she requested funding at Carryover for a Consideration Item to fund a Korean community center.
- Supervisor Foust asked what the policy is for the Economic Opportunity Reserve. CFO Mondoro replied that there will be a response to a more comprehensive replenishment approach. He also asked how the CEX will reorganize County staff without impacting current staff. Supervisor McKay stated there will be an impact on what people are doing, but the Board will take a look.
- Supervisor Smyth asked staff to keep in mind that many staff do very different things and cannot be homogenized. She noted that the public needs to be part of the process of the Strategic Plan.
- Supervisor Herrity stated he believes this is long overdue and the Board will need to make difficult decisions. In addition, Supervisor Herrity asked when the Strategic Plan would be implemented,

anticipating a new Board would be implementing a plan voted on by the current Board. County Executive Hill agreed. Lastly, he expressed support for the Korean community center.

- Supervisor Gross noted that many Boards, Authorities and Commissions have been around for a long time and expressed her gratitude for the CEX consolidating them.

The next meeting of the Board Budget Committee is scheduled for 3:30 P.M. on October 23, 2018.

The meeting adjourned at 11:09 A.M.