Chair Karrie Delaney called the meeting to order at 9:03.

Welcome Karrie Delaney, Chairman, Library Board of Trustees:

Chair Delaney welcomed the Trustees to their Board Retreat. She spoke about the Trustees’ commitment to their communities, as supported by the completion of the community engagement process and the forthcoming strategic plan. She shared three goals for the Board Retreat: define the role of the Trustees, streamline the governance of the Board and set priorities for the coming year.

Best Board Practices, Board Oversight, Management Oversight - Kim Armentrout Public Library Consultant, Library of Virginia

PPT attached

During and following the presentation by the State Library, Trustees asked questions on a number of topics. Questions and areas of discussion included making sure that Board-set policy is matching up with the day-to-day work of employees, the annual evaluation of the Director, annual meetings for Trustees such as VLA or ALA, who pays for Board memberships to VLA, and is there training available online for Trustees.

The Board engaged in a longer discussion about lobbying. Board members may only lobby on items that relate directly to the County’s legislative platform, such as funding, but as private citizens they are welcome to lobby on areas that might not be on the County’s legislative platform. The County employs legislative staff that does most of the lobbying on behalf of the County.

There was further discussion about the Library’s budget and its breakdown. The Library’s direct budget is approximately $28 million with roughly an additional $10-$12 million supporting the Library but not included (pensions, health care, janitorial, debt service, etc). The State Library funds approximately $500,000.

Chair Delaney would like the Public Relations Committee to work with library marketing to craft a unified message on the board and their priorities. All communication should go through the Chair to keep a unified message.
There was a discussion about receiving information that is used to make decisions. When presented with new information, the Board usually receives it a week before the meeting in the packet, but does not have a way for discussion or questions before the meeting.

A question about conference calls came up pertaining to discussions between meetings. Conference calls normally cannot take the place of a public meeting unless there is an emergency, and it would still need to be an open public meeting through the phone. An action item for a future meeting could be how the board deals with decision-making. Board members should not have an email discussion with all board members because that is a considered to be a meeting depending on the timing between responses.

Any notes or writing that a Trustee creates during a public meeting on a topic of Board business is a public record, and needs to be kept for three years. Digital copies may be created to replace physical copies. The Chair will always need to retain what he/she writes for his/her records. Individual Trustees only need to keep the last item in an email string.

After the presentation there was discussion on how to run meetings so that everyone is able to engage in dialog. It was determined that the Vice Chair will take on the role of keeping a queue to make sure that everyone gets to speak. This will make for a more robust conversation and will help streamline the conversation to lead to more efficient decision-making. There was a conversation about having a New Business section in the agenda or splitting the roundtable discussion into two sections.

**Priority Setting, Jessica Hudson, Director, Fairfax County Public Library**

Library Director Hudson, after revisiting the raw data from the Community Survey, soliciting input from library staff, and reviewing the data with her leadership team, presented the Board with five suggested priorities:

1. Youth Services
2. Technology
3. Marketing and Branding
4. Collection Development
5. Public Access

There was a discussion about target marketing and how the library currently markets itself. There was a suggestion to change the tag line “We are everywhere you are.” With the development of the Strategic Plan the library may market itself differently or change the tag line, while also taking into account the mission, vision and values of the county and the Library.

Director Hudson asked the Board to focus on three priority areas, keeping them broad so many things can fit within each category, and planning to review these priorities every 2-3 years.
Priorities set by the Board do not mean that other important areas will be ignored. Fewer priorities will result in a more focused vision. The goal of the Library Board is to serve the community. The areas that most serve customers of the library need to be considered in the priority setting.

Discussion took place over what would serve the needs of customers and how they would align with the priorities. Access and Programming were topics that the Board felt needed to be addressed. Marketing and Public Access were deemed to encompass and support many of the other priorities. After discussing the suggested priorities the Board selected the following:

1. Collection Development
2. Technology
3. Localized programming

Library Budgeting, Melanie Quinn, Beth Feely, & Rabindra Dhakal, Financial Services Division, Fairfax County Public Library

PPT and documents attached

During and following the presentation by Library Fiscal staff, Trustees asked questions on a number of topics. Specific questions and discussion areas included what is part of the capital budget, what is in the Library’s personnel budget versus County-funded personnel areas, and how revenues (fines and fees) generated by the Library are absorbed into the general fund.

The presentation gave a list of dates important for the budget process. Chair Delaney would like the Finance Committee to keep track of these dates. It was suggested there should be public hearings at the June Board meeting on the budget.

After the financial presentation, the Board returned to the conversation on priorities. The Library Board is meeting with the Board of Supervisors on February 7. Chair Delaney would like to have the priorities set so they can be included in that meeting. Mr. Fegan made a motion to adopt the recommended priorities. Mr. Jasper seconded the motion and it was passed. The priorities will be an action item at the February Board meeting and language can be clarified then.

Mr. Fegan made a motion to adjourn with Mr. Ewing seconding the motion. Chair Delaney adjourned the meeting at 2:01 p.m.
**Members Present**
Yearn Hong Choi
Priscille Dando
Karrie Delaney
Michael Donovan
Darren Ewing
Charles Fegan
Will Jasper
Sheila Janega
Suzanne Levy
Fran Millhouser
Gary Russell
Miriam Smolen

Respectfully Submitted:

[Signature]
Jessica Hudson
Library Director

**Members Absent**

Approved: [Signature]
Kkarrie Delaney, Chairman
FCPL, Board of Trustees
### Board Best Practices and the Role of Facilitation in Libraries

Presented by
Kim Armentrout, Public Library Consultant
kim.armentrout@lva.virsfnia.gov
January 28, 2017

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### Being a Trustee:

**Roles and Responsibilities**

- Advocacy
- Evaluation
- FOIA

Managing Public Records

---

### Governing Boards

**Duties and Responsibilities**

1. Employ a competent and qualified library director.

2. Determine the mission, goals and objectives of the library, and adopt written policies governing the library. Policies provide the basis for procedures, which describe how activities are carried out. Procedures are developed by staff and do not require board approval.

3. Secure adequate funds to carry out the library’s program; assist in the preparation of the annual budget. Officially approve budget requests.
Governing Boards
Duties and Responsibilities

4. Ensure that the library has a long-range planning process that considers the library's strengths and weaknesses, and can be implemented and evaluated.

5. Be familiar with local, state, and federal library laws.

6. Establish, support, and participate in a planned public relations program.

Governing Boards
Duties and Responsibilities

7. Attend all board meetings and see that accurate records are kept on file at the library.

8. Attend regional, state, and national trustee meetings and workshops.

9. Report regularly to the governing officials and the general public.

Relationship Between Board and Staff

- Board hires director to manage library, including all other personnel
- Neither board nor individual trustee should intervene between staff member and director
- If staff approaches board with concerns, board should remind them of the grievance procedure
Relationship Between Board and Staff (cont.)

• Board members should not issue orders to the staff or make demands of them except through the director.
• When trustees typically work with staff: committees, long-range planning, library social events, etc.

Your job is...

To Know

• Library services & resources
• Needs and interests of community
• Library trends, standards, developments
• Laws that affect libraries
• Local gov’t structure, people, operation
• How to work effectively in a group
• Your duties and responsibilities as a trustee

Your job is...

To Attend

• Board and committee meetings
• VLA conferences
• Regional, state, and national meetings and workshops
Your job is...

To Support

- Your library and library director
- The community and citizens you represent
- Your local governing body
- Appropriate Library legislation

Funding

Library boards should have...

- a thorough knowledge of the allocating authorities responsible for library funds
- an awareness of supplementary sources of revenue
- a clear understanding of the current financial needs of the library
- a strategic plan for helping obtain funds to carry out goals and objectives of the library
- an understanding of the legal regulations and accountability required for library funding
- a willingness to support requests for increased funding

How to Advocate

- Participate in public relations events
- Be vocal, visible, and well-informed
- Use the library and spread the word
- Listen to the community
- Talk to individual groups about the library's progress, plans, and policies
- Work closely with local officials according to library's plan
- Tell people what trustees do, who they are, when they meet, and how they can be reached
- Sell the philosophy and merits of high-quality library service
- Support the Friends of the Library and recruit members
FOIA
(also known as)
Freedom of Information Act

Public Meetings

What is a public meeting under FOIA?

• 3 members of a public body gathered +
• discussing library business

Public Records

What are public records under FOIA?

• Any writing, images or recordings in any format +
• prepared or owned by, or in the possession of a public body or its agents +
• in the transaction of public business
Records Management Locality General Schedules

Minutes and agenda packets

Correspondence
E-mail basics

- You are responsible for managing your sent and received e-mail.
- Requests from the public must be honored the same as any other public record request.
- E-mail must remain accessible during the entire retention period.

E-mail tips

- Use an official signature
- Proofread
- Retain final e-mail in a thread
- Use a useful subject line
- Don't put something in an e-mail that you wouldn't want to see in tomorrow's newspaper

Trustee Self-Evaluations
Facilitation

It All Starts At Home...

Setting Expectations for the group

- Agenda
- Treatment of action items
- Status of input (final or future recommendation)
- Participant roles

Managing time

- Map out time limitations for each agenda item
- Appoint a timekeeper
- Have a visible clock in the room
- Be flexible
Establishing ground rules

- Start and end sessions on time
- Commit to being back from breaks on time
- Everyone participates
- All participants are considered equal
- Only one person talks at a time - don’t interrupt
- It’s okay to disagree, but don’t be disagreeable
- Listen to ideas without judging

Library As Community Facilitator

Resources

Virginia Public Library Trustee Handbook
Freedom of Information Act: Issues Impacting Library Boards
http://www.youtube.com/watch?v=N04-j-J-6r8
United for Libraries
http://www.ala.org/united/trustees
Records Management - Chad Owen
Chad.owen@virginia.gov
Introduction to Planning and Facilitating Effective Meetings, by NOAA Coastal Services Center
TWELVE GOLDEN RULES FOR BOARD MEMBERS

The following tips are excerpted from The Public Library Start-Up Guide by Christine Lind Hage (chapter 3, page 21), available at www.ala-store.ala.org.

1) A Trustee must have an interest in the library. Does she or he believe enough in the educational, informational, and recreational role of the library to fight for the library as the church member fights for her or his church, the school person for her or his educational program, the doctor for her or his patient? It is a duty of the Trustee to do so.

2) A Trustee must have time to give to the library. Continuity of policy is almost impossible if a board member is absent two out of three meetings. No citizen should accept appointment as a library Trustee if she or he does not intend to come regularly to meetings. Likewise, a Trustee who finds new interests interfering with attendance should resign.

3) A Trustee must consider the position not a matter of prestige but an opportunity for courageous and forward-looking efforts to push the library ahead. An ideal trustee is a good businessperson, is interested in education, has few prejudices, and has good judgment, sound character, common sense, and public spirit. A Trustee should be chosen with these personal qualities in mind and not because of the church she or he attends, the section of town in which she or he lives, her or his political party affiliations, and so on.

4) A Trustee must know the law under which the library is organized:

5) A Trustee serves without compensation.

6) A Trustee carries a full share of responsibility as a board member, assuring that a few members do not have to do all the work or take all the blame or praise.

7) A Trustee does not voice her or his opposition or criticism, either publicly or privately, after a policy or rule is adopted by a majority vote of the board.

8) A Trustee is careful to keep confidential information confidential and does not give out information regarding future board actions or plans.

continued on reverse
9) A Trustee treats the staff members and the librarian in a completely impersonal fashion. Under no circumstances does a Trustee listen to grievances of staff members or treat individual problems on her or his own. The librarian is in charge of the staff and has administrative control until a grievance is presented to the library board as a whole.

10) A Trustee should know the funding sources of the library and be familiar with the library budget.

11) A Trustee must know the needs of the library and community and be aware of trends and new procedures in the library field. The best and perhaps only way to do this is to read professional library publications, meet with Trustees of other libraries, visit other libraries, and attend the annual conferences and meetings of Trustees and librarians.

12) A Trustee knows that all powers are always vested in the library board and none at all in the individual board member. The individual has no power to act for the library in any way, unless authorized by the board itself; it is always the board as a unit that holds the responsibility and the powers.
HOW TO CHAIR A COMMITTEE

Adapted with permission from the blog of Wayne Bivens-Tatum
(http://blogs.princeton.edu/librarian/2013/02/how-to-chair-an-ala-committee-meeting)

1) Remember the Chair is in Charge
The committee chair is in charge, period. Everyone should participate and have a say. Decisions should be the result of group deliberation. But if something derails the meeting, it’s the chair’s job to get it back on track, even if that means being blunt or forceful.

2) Do Everything Virtually That You Can
This might seem obvious, but the pattern of work of some hasn’t progressed along with the technological capacity for virtual work. The old norm was for long, multiple face to face meetings, because it was much harder to do group work at a distance. Email has modified that considerably, and tools such as www.gotomeeting.com and simple conference calls finish the job.

3) Give the Committee a Structure
Again, it seems like an obvious point, but it’s not. Many people tend to be nice, democratic people. They want to solicit opinions, gather viewpoints, and then consider acting at some time in the future. Give people options: adopt this, critique it so that it can be improved, or ignore it and propose your own alternative. Everyone gets a say, but people are more likely to speak if they have something in front of them to critique.

4) Give the Committee a Deadline
To avoid procrastination, provide a deadline. Something like this usually works: “Here is a possible plan/revision/document that moves us along on the project we’re working on. Please adopt it, critique it, or provide an alternative by one month from today. If I don’t hear from you, I’ll assume you approve.” That last bit is crucial. Always take their silence for assent. People will usually respond, often enough with good criticisms of the proposal. Those who don’t respond had their chance, and everyone knows it.

5) Call for Agenda Items
Agenda items should require in-person discussion and action. Calling for them includes everyone in the discussion.

6) Create an Agenda
If you can’t come up with any agenda items that require in-person discussion or action, then you should cancel the meeting. Avoid announcements or anything that could just as easily be handled in an email.

continued on reverse
7) **Send out Documentation Well in Advance**  
Any documentation that’s necessary to understand the agenda items or prepare people for action should be sent out well in advance. A month is a good lead time, because it lets you wait to set the agenda, but gives people ample time to read the documentation. Announce that the documentation needs to be read in advance of the meeting.

8) **Start on Time**  
Time is increasingly precious. Also, anyone who is late to a meeting (barring some sort of emergency or alternate commitments) is being discourteous to those who showed up on time. Don’t do a further discourtesy to those people by saying, “let’s wait another ten minutes to see if more people show up.” Unless you have rules about quorums for votes, then who shows up shows up, and start on time.

9) **Stick to the Agenda**  
After you start, stick to the agenda. You might move things around depending on events, you might even drop something, but don’t add anything or allow for irrelevant discussions until you get through the agenda. People know the time and plan in advance, and respect them enough to stick to it. Focus, focus, focus.

10) **Deter or Defer the Timewasters**  
Time wasting is relative. Committees need to get the work of the agenda done. If someone brings up an irrelevant and unimportant issue, acknowledge it but then say we have to move on and we can possibly discuss that after we’ve completed the business at hand, by which time everyone will have forgotten about it.

11) **End on Time, or Early**  
Time is tight and people have other commitments. If they don’t they’ll still be tired of sitting in the same chair for an hour or two. End the meeting on time. If you run out of time, postpone the business to the next meeting.
The Fairfax County Budget Process and the Basis of Library Budgeting

Library Board Retreat – Saturday, January 28, 2017
The County Process — How the Budget is Developed

- A budget process is defined as a systematic activity that develops a plan for the expenditure of a usually fixed resource, such as money or time, during a given period to achieve a desired result.

- There are two concurrent budget processes:
  1) the current year
  2) the upcoming year

- All County departments are issued guidance/direction from the Department of Management and Budget in the development of the budget. Guidance is issued by the Board of Supervisors via the budget guidelines that are approved when the Budget is adopted.

- Budget Video
How is This Accomplished?

- Management of the budget requires a process of constantly comparing how much money there is, what's been spent, was the expense posted to the budget plan properly and accurately, making corrections as needed, and moving monies within the budget as expenses are fluctuating.

- Budget review includes monitoring upcoming and ongoing needs as well as external factors impacting the budget and forecasting budget outcomes.
The Current Year – How Are We Doing

- There are two times per year that a budget can be adjusted:
  - 1) **Third Quarter** (February/March)
  - 2) **Carryover** (July/September)
- Instructions for preparing these packages are provided by the Department of Management and Budget.
The Budget Calendar

<table>
<thead>
<tr>
<th>Future Year</th>
<th>Current Year</th>
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</thead>
<tbody>
<tr>
<td>Fiscal Year Begins</td>
<td>July 1</td>
</tr>
<tr>
<td>Fiscal Year Ends</td>
<td>June 30</td>
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<tr>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
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<td>Board approves Carryover</td>
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<td>County Executive reviews: Budget Office recommendations</td>
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<tr>
<td>Budget Office reviews annual budget submissions</td>
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<tr>
<td>Public Hearings on Advertised Budget</td>
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<tr>
<td>Board approves Tax Rates and Adopted Budget</td>
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Library staff continually monitors and reviews revenues and expenditures compared to the adopted and revised Third Quarter and Carryover budget dates.
# A Closer Look . . . .

## County Budget Dates
- Fiscal Year Begins July 1
- Annual submissions due in September/October (upcoming year)
- Third Quarter Review approved in April (current year)
- Public Hearings on proposed budget April (upcoming year)
- Budget approved in April/early May (upcoming year)
- Fiscal Year End/Closing June 1 through June 30 (current year)
- Carryover Review approved in September (current year)

## Library Dates
- Fiscal Year begins July 1
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- Third Quarter Review due in February (current year)
- Fiscal Year End/Closing June 1 through June 30 (current year)
- Carryover Review due in July (current year)
The Library Budget

- Budget plans are broken out into three (3) parts:
  - 1) Personnel
  - 2) Operating
  - 3) Capital

- Within these categories lie the individual groups of expenses.
## A Historical View

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>$21,310,774</td>
<td>$21,314,695</td>
<td>$21,801,666</td>
<td>$21,697,368</td>
<td>$21,980,923</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$6,151,068</td>
<td>$5,776,831</td>
<td>$6,026,831</td>
<td>$5,971,756</td>
<td>$5,927,364</td>
</tr>
<tr>
<td>Capital Equipment</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

**Total**

- FY 2013: $27,461,842
- FY 2014: $27,091,526
- FY 2015: $27,828,497
- FY 2016: $27,669,124
- FY 2017: $27,908,287
After a significant loss of both positions in funding and positions in FY 2010, the library's budget has been relatively stable, even receiving a boost in funding and positions in FY 2013 which added 14 positions and $586,500 to expand hours which increased 14% that year.

<table>
<thead>
<tr>
<th></th>
<th>FY 13</th>
<th>FY 14</th>
<th>FY 15</th>
<th>FY 16</th>
<th>FY 17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reduction in Hours</strong></td>
<td>Adopted</td>
<td>Variance (over FY 12)</td>
<td>Adopted</td>
<td>Variance (over FY 13)</td>
<td>Adopted</td>
</tr>
<tr>
<td>Reduction in Hours</td>
<td>1246</td>
<td>14%</td>
<td>1246</td>
<td>0%</td>
<td>1246</td>
</tr>
<tr>
<td>Reduction in Budget</td>
<td>$27,461,842</td>
<td>5%</td>
<td>$ 27,091,526</td>
<td>-1%</td>
<td>$ 27,828,497</td>
</tr>
<tr>
<td>Reduction in Merit Positions</td>
<td>407</td>
<td>4%</td>
<td>402</td>
<td>-1%</td>
<td>400</td>
</tr>
</tbody>
</table>
Operating Budget

$5,927,634

- Contractual & Administrative Expenses: $2,456,345
- Interfund Bills: $1,438,886
- Available for Other Items including Materials: $2,032,403

Diagram shows the breakdown of the operating budget.
Support Provided by Others

FCPL is supported by many other county agencies; some provide service to us at no additional cost while others bill us for services. The value of this support is listed below:
Support Provided by Others

Common Governmental Expenses

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2013</td>
<td>$10,469,879</td>
</tr>
<tr>
<td>FY 2014</td>
<td>$10,674,276</td>
</tr>
<tr>
<td>FY 2015</td>
<td>$10,855,364</td>
</tr>
<tr>
<td>FY 2016</td>
<td>$11,196,683</td>
</tr>
</tbody>
</table>
LBOT Suggested Process

- Review the outcomes of the community engagement effort to assess customer feedback

- Review the Fairfax County Plan for Economic Success and ascertain what role the library will play

- Monitor the library strategic plan to ensure the priorities and system direction are clearly matched with priorities

- Create a schedule of public hearings annually on funding priorities in order to collect real-time customer feedback

- Establish/review funding priorities as a board annually

- Continue annual meeting with the Board of Supervisors, but meet at least annually to discuss priorities and prior to the budget season
## County Budget Dates
- Fiscal Year Begins July 1
- Annual submissions due in September/October (upcoming year)
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- Public Hearings on proposed budget April (upcoming year)
- Budget approved in April/early May (upcoming year)
- Fiscal Year End/Closing June 1 through June 30 (current year)
- Carryover Review approved in September (current year)

## Library Board of Trustees
- Fiscal Year begins July 1
- July - Review the year-end closing and carryover with staff. Hold public hearings on upcoming budget submission
- September - Announce/publish LBOT annual priorities/guidelines for library director.
- October - Approve submission
- January - Review 3rd quarter trends and projections through the end of the year. Fiscal Year End/Closing June 1 through June 30 (current year)
- Request review of how priorities were supported with Library Director

## Library Dates
- Fiscal Year begins July 1
- Annual submission due in August/September/October (upcoming year)
- Third Quarter Review due in February (current year)
- Fiscal Year End/Closing June 1 through June 30 (current year)
- Carryover Review due in July (current year)
Resources

- Department of Management and Budget - Fairfax County, Virginia
  - Budget Documents and Lines of Business
- Fairfax County Financial Transparency Portal http://www.fairfaxcounty.gov/transparency/
Question?

Financial Services Division
FCPL
January, 2017
Mission
The mission of the Fairfax County Public Library is to educate, enrich and empower our diverse community.

### AGENCY DASHBOARD

<table>
<thead>
<tr>
<th>Key Data</th>
<th>FY 2013</th>
<th>FY 2014</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Open Hours</td>
<td>67,008</td>
<td>62,655</td>
<td>63,381</td>
</tr>
<tr>
<td>2. Catalog Logins (hits)</td>
<td>10,619,497</td>
<td>10,401,561</td>
<td>9,839,718</td>
</tr>
<tr>
<td>3. Number of Library Visits</td>
<td>5,221,226</td>
<td>4,990,860</td>
<td>4,814,043</td>
</tr>
<tr>
<td>4. Early Literacy Outreach</td>
<td>560</td>
<td>887</td>
<td>1,534</td>
</tr>
<tr>
<td>6. Registered Cardholders</td>
<td>471,028</td>
<td>473,411</td>
<td>456,806</td>
</tr>
<tr>
<td>7. Materials Turnover Rate</td>
<td>6.00</td>
<td>5.70</td>
<td>5.00</td>
</tr>
<tr>
<td>8. Number of Information Requests from the Public Addressed</td>
<td>2,286,534</td>
<td>2,185,650</td>
<td>2,108,216</td>
</tr>
</tbody>
</table>

Focus
The Fairfax County Public Library (FCPL) operates eight regional libraries and 14 community libraries conveniently located to serve all the residents of Fairfax County and Fairfax City. FCPL also has Access Services, located at the Fairfax County Government Center, which provides unique services for residents with visual and physical disabilities. In addition to operating these 23 public service sites, the Library has developed an impressive and expanding array of library services, including; early literacy materials, e-books, and other digital material for remote users accessible through the Library’s web pages on the County’s website as well as on WiFi and public computers at each of the library branches. Nearly 5.0 million visits to Fairfax County libraries were made in FY 2015.
A full range of library services are available to customers who visit libraries including: access to over 2.5 million items for borrowing or onsite use; professional research assistance; programs for adults and children of all ages; student homework support; electronic information resources; and public Internet access. FCPL customers borrowed over 12.0 million items in FY 2015. In addition, remote use of FCPL resources continues to increase annually as more interactive services are enabled and access to information databases is increased.

Responding to the changes occurring industrywide as well as customer expectations, FCPL seeks to become a more customer driven organization. The Library Board is embarking on a public engagement process to solicit public feedback.

The highly-anticipated renovation of the Woodrow Wilson Community Library (Mason District) began in September 2013, and was completed in early 2015 with the grand re-opening on March 21, 2015. The new facility offers expanded access to meet the electronic and technological needs of the community. A voter-approved bond referendum in Fall 2012 included funding for renovations of the Pohick Regional Library (Springfield District), John Marshall Library (Lee District) and Tysons-Pimmit Regional Library (Dranesville District). These renovations are necessary to promote facilities that meet the technological requirements of 21st century library service. In addition, voters also approved bond funding of $10 million towards a new Reston Regional Library. Renovation of the Pohick Regional Library began in early fall 2015 and the Tysons-Pimmit library renovations began in early 2016.

As part of the FY 2017 Adopted Budget Plan, the Archives and Record Management function previously located in the Administration cost center in the Fairfax County Public Library is being moved to Fund 60020, Document Services, as part of a restructuring designed to enhance the synchronization of scanning and archiving the County’s temporary and historical records. Document Services will be responsible for accurately and efficiently managing the storage and retrieval of County records and will be responsible for identifying and implementing opportunities to enhance safety, security, and customer service in this area.
## Budget and Staff Resources

### FY 2015 - FY 2017

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Adopted</th>
<th>FY 2016 Revised</th>
<th>FY 2017 Advertised</th>
<th>FY 2017 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditures:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personnel Services</td>
<td>$19,537,275</td>
<td>$21,697,368</td>
<td>$20,981,894</td>
<td>$21,980,923</td>
<td>$21,980,923</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>7,271,699</td>
<td>5,971,756</td>
<td>8,582,840</td>
<td>5,927,364</td>
<td>5,927,364</td>
</tr>
<tr>
<td>Capital Equipment</td>
<td>46,205</td>
<td>0</td>
<td>626,095</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$26,849,179</td>
<td>$27,669,124</td>
<td>$30,190,829</td>
<td>$27,908,287</td>
<td>$27,908,287</td>
</tr>
<tr>
<td><strong>Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coin-Operated Microform Readers</td>
<td>$194,621</td>
<td>$174,544</td>
<td>$215,106</td>
<td>$217,257</td>
<td>$217,257</td>
</tr>
<tr>
<td>Library Database Fees</td>
<td>0</td>
<td>5,834</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Library Overdue Penalties</td>
<td>1,167,049</td>
<td>1,277,251</td>
<td>1,137,603</td>
<td>1,110,301</td>
<td>1,110,301</td>
</tr>
<tr>
<td>Library State Aid</td>
<td>500,942</td>
<td>500,819</td>
<td>500,819</td>
<td>500,819</td>
<td>500,819</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$1,862,612</td>
<td>$1,958,448</td>
<td>$1,853,528</td>
<td>$1,828,377</td>
<td>$1,828,377</td>
</tr>
<tr>
<td><strong>NET COST TO THE COUNTY</strong></td>
<td>$24,986,567</td>
<td>$25,710,676</td>
<td>$28,337,301</td>
<td>$26,079,910</td>
<td>$26,079,910</td>
</tr>
</tbody>
</table>

### FY 2017 Funding Adjustments

The following funding adjustments from the FY 2016 Adopted Budget Plan are necessary to support the FY 2017 program. Included are all adjustments recommended by the County Executive that were approved by the Board of Supervisors, as well as any additional Board of Supervisors’ actions, as approved in the adoption of the budget on April 26, 2016.

- **Employee Compensation**
  
  An increase of $678,214 in Personnel Services includes $287,009 for a 1.33 percent market rate adjustment (MRA) for all employees and $391,205 for performance-based and longevity increases for non-uniformed merit employees, both effective July 2016.

- **Archives and Records Management Realignment**
  
  Funding of $439,051, including $394,659 in Personnel Services and $44,392 in Operating Expenses, and 6/6.0 FTE positions, are being transferred to Fund 60020, Document Services, as part of a restructuring designed to enhance the synchronization of scanning and archiving the County’s temporary and historical records. Document Services will be responsible for accurately and efficiently managing the storage and retrieval of County records and will be responsible for identifying and implementing opportunities to enhance safety, security, and customer service in this area. It should be noted that a decrease of $187,713 in Fringe Benefits funding is included in Agency 89, Employee Benefits, for a total reduction of $626,764 in FY 2017. For further information on Fringe Benefits, please refer to the Agency 89, Employee Benefits, narrative in the Nondepartmental program area section of Volume 1. A corresponding increase of $601,764 and 6/6.0 FTE positions will be made in Fund 60020, Document Services, resulting in a net savings of $25,000 to the General Fund, which will be achieved through maximizing operational efficiencies.
Changes to FY 2016 Adopted Budget Plan

The following funding adjustments reflect all approved changes in the FY 2016 Revised Budget Plan since passage of the FY 2016 Adopted Budget Plan. Included are all adjustments made as part of the FY 2015 Carryover Review, FY 2016 Third Quarter Review, and all other approved changes through April 30, 2016.

♦ Carryover Adjustments

As part of the FY 2015 Carryover Review, the Board of Supervisors approved encumbered funding of $2,160,124 primarily associated with Library materials and kiosk updates. In addition, unencumbered funding of $469,318 includes $370,560 to support loose furniture and equipment requirements for the renovation of the Pohick Regional Library and $98,758 was approved as part of the Incentive Reinvestment Initiative that allowed agencies to identify savings and efficiencies in FY 2015 and retain a portion to reinvest in employees.

♦ Incentive Reinvestment Initiative

A net decrease of $107,737 reflects 50 percent of the savings generated as the result of careful management of agency expenditures during the fiscal year and was returned to the General Fund as part of the FY 2016 Third Quarter Review. The remaining 50 percent was retained by the agency to be reinvested in employee training, conferences and other employee development and succession planning opportunities.

Cost Centers

The four cost centers of the Library are Administration, Support Services, Library Operations, and Customer Services. The cost centers work together to fulfill the mission of the Library and carry out the key initiatives for the fiscal year.

Administration

The Administration cost center provides the administrative support to the Fairfax County Public Library system through maintaining efficient and cost-effective services to Fairfax County and Fairfax City residents.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>FY 2016</th>
<th>FY 2017</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Adopted</td>
<td>Revised</td>
<td>Advertised</td>
<td>Adopted</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$3,037,333</td>
<td>$3,009,631</td>
<td>$3,299,773</td>
<td>$2,644,975</td>
<td>$2,644,975</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
</tr>
</tbody>
</table>

| 1 Library Director                      | 1 Management Analyst I | 1 Training Specialist I |
| 1 Deputy Director                       | 1 Business Analyst III | 0 Archives Technicians (-2T) |
| 1 IT Program Manager I                  | 1 Business Analyst II | 2 Administrative Assistants IV |
| 1 Management Analyst IV                 | 1 Internet/Intranet Architect I | 0 Administrative Assistants III (-1T) |
| 2 Library Branch Coordinators           | 1 IT Technician I | 2 Administrative Assistants II (-1T) |
| 2 Internet/Intranet Architects II       | 0 County Archivists (-1T) | 1 Administrative Associate |
| 1 Management Analyst III               | 0 Assistant Archivists (-1T) | |

TOTAL POSITIONS 18 Positions (-6T) / 18.0 FTE (-8.0T) (T) Denotes Transferred Positions
Support Services
The Support Services cost center provides access to information and materials via selecting, cataloging, and distributing to meet the needs of the citizens. Information and materials includes electronic and audio formats, as well books and reference materials.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Adopted</th>
<th>FY 2016 Revised</th>
<th>FY 2017 Advertised</th>
<th>FY 2017 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENDITURES</td>
<td>$7,902,091</td>
<td>$6,724,132</td>
<td>$9,047,326</td>
<td>$6,921,085</td>
<td>$6,921,085</td>
</tr>
</tbody>
</table>

| Regular           | 44 / 43.5      | 44 / 43.5       | 44 / 43.5       | 44 / 43.5          |

Library Operations
The Library Operations cost center provides public services to library customers including access to information, programs to meet community needs, educational support to the Fairfax County Public Schools, and building neighborhood partnerships. This cost center represents the day-to-day operation of the Libraries.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Adopted</th>
<th>FY 2016 Revised</th>
<th>FY 2017 Advertised</th>
<th>FY 2017 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXPENDITURES</td>
<td>$15,088,341</td>
<td>$16,948,960</td>
<td>$16,826,099</td>
<td>$17,313,528</td>
<td>$17,313,528</td>
</tr>
</tbody>
</table>

| Authorized Positions/Full-Time Equivalent (FTE) |
| Regular                               | 321 / 301 | 307 / 287.5 | 306 / 286.5 | 305 / 286.5 |

| 8 Librarians IV | 8 Library Assistants IV | 1 Administrative Assistant V |
| 23 Librarians III | 14 Library Assistants III | 2 Administrative Assistants IV |
| 31 Librarians II, 6 PT | 16 Library Assistants II | 3 Administrative Assistants III |
| 43 Librarians I, 3 PT | 22 Library Assistants I, 7 PT | 1 Administrative Assistant II |
| 55 Library Assistants I, 21 PT | 1 Library Aides, 2 PT | 78 Library Aides, 2 PT |

TOTAL POSITIONS
366 Positions / 286.5 FTE

PT Denotes Part Time Positions
Customer Services
The Customer Services cost center provides system-wide programming, educational services including early literacy outreach to Head Start classrooms and day care centers and Changing Lives Through Literature, marketing, and 24/7 customer access via the Library’s website. This cost center emphasizes the library’s commitment to its customers and reflects a paradigm shift in library services nationwide.

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Adopted</th>
<th>FY 2016 Revised</th>
<th>FY 2017 Advertised</th>
<th>FY 2017 Adopted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$821,414</td>
<td>$986,401</td>
<td>$1,017,631</td>
<td>$1,028,699</td>
<td>$1,028,699</td>
</tr>
<tr>
<td><strong>AUTHORIZED POSITIONS/FULL-TIME EQUIVALENT (FTE)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular</td>
<td>12 / 11.5</td>
<td>12 / 11.5</td>
<td>12 / 11.5</td>
<td>12 / 11.5</td>
<td>12 / 11.5</td>
</tr>
<tr>
<td>1 Management Analyst IV</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Management Analyst II</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Librarian II</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Library Assistant IV</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Communications Specialist III</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Supervising Graphic Artist</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Graphic Artist II</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Administrative Assistant IV</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Administrative Assistant III</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>1 Library Aide, PT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL POSITIONS</strong></td>
<td>12 Positions / 11.5 FTE</td>
<td>PT Denotes Part Time Position</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Key Performance Measures

<table>
<thead>
<tr>
<th>Indicator</th>
<th>FY 2013 Actual</th>
<th>FY 2014 Actual</th>
<th>FY 2015 Estimate/Actual</th>
<th>FY 2016</th>
<th>FY 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Satisfaction</td>
<td>96%</td>
<td>NA</td>
<td>95%/NA</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Registered users as a percent of population</td>
<td>41%</td>
<td>41%</td>
<td>41%/40%</td>
<td>38%</td>
<td>37%</td>
</tr>
<tr>
<td>Percent of documents retrieved and shipped within 24 hours</td>
<td>98%</td>
<td>99%</td>
<td>95%/96%</td>
<td>95%</td>
<td>95%</td>
</tr>
<tr>
<td>Support Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Circulation per capita</td>
<td>11.5</td>
<td>11.3</td>
<td>11.0/10.6</td>
<td>10.1</td>
<td>9.6</td>
</tr>
<tr>
<td>Percent change in circulation per capita</td>
<td>(2.5%)</td>
<td>(2.0%)</td>
<td>(2.5%)/(4.4%)</td>
<td>(4.4%)</td>
<td>(4.6%)</td>
</tr>
<tr>
<td>Library Operations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contacts per capita</td>
<td>35.1</td>
<td>34.4</td>
<td>33.1/32.7</td>
<td>31.4</td>
<td>30.1</td>
</tr>
<tr>
<td>Reference completion rate within 24 hours</td>
<td>73%</td>
<td>73%</td>
<td>72%/73%</td>
<td>72%</td>
<td>72%</td>
</tr>
<tr>
<td>Customer Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent change in Library website page views</td>
<td>(3.8%)</td>
<td>2.0%</td>
<td>1.5%/(4.0)</td>
<td>(4.0%)</td>
<td>(4.0%)</td>
</tr>
</tbody>
</table>

A complete list of performance measures can be viewed at [www.fairfaxcounty.gov/dmb/fy2017/adopted/pm/52.pdf](http://www.fairfaxcounty.gov/dmb/fy2017/adopted/pm/52.pdf)
Performance Measurement Results

The library's annual survey to gauge customer satisfaction and provide feedback on library services was postponed from FY 2015 to FY 2016 as part of the agency's community survey and outreach effort to update the strategic plan. Though customer satisfaction over the past few years has remained high, input from library customers as well as the community as a whole, is being sought to help FCPL focus its resources, services and staff into the future. However, nearly 5 million people came through the doors of the library in FY 2015 and the customer satisfaction rate is expected to continue to exceed the performance target of 95 percent.

Despite recent budget reductions impacting materials, in FY 2015, the library was able to achieve a circulation per capita rate of 10.6, just under the performance target. However, this is a decrease of 6.2 percent from the FY 2014 rate of 11.3 items per capita. Additional funding for materials was included in the FY 2015 Adopted Budget Plan, and when this amount is combined with funding already previously included in the baseline budget, it is expected that approximately 200,000 items will be ordered and received in FY 2016. The library continues to maintain a high reference completion rate. In FY 2015, the reference completion rate within 24 hours was 73 percent, exceeding the performance target. The contacts per capita rate was 32.7 in FY 2015 which is a decrease from the FY 2014 rate of 34.4.

Library branches continue to address customer questions in a timely manner and customer satisfaction with library resources and services remains high. The Customer Service cost center reflects a renewed commitment to the customer. The percent of documents retrieved and shipped within 24 hours was 99 percent in FY 2015. The library will continue to identify and implement opportunities to improve employee safety, security, productivity and customer service in future years.
Fairfax County Financial Transparency Portal

www.fairfaxcounty.gov/transparency

- Allows for public viewing of budget data, expenditure data and specific vendor payments for the current fiscal year-to-date. This interactive tool was developed and is used by both the Fairfax County government and the Fairfax County Public Schools;

- The tool is part of a larger Fairfax County initiative to provide financial transparency to the citizenry;

- County-wide experience that was implemented by the Department of Information Technology the County’s FBSG (the financial software support group), the Department of Management and Budget, the Office of Public Affairs, the Fairfax County Public Schools and the Department of Finance;

- Data is based on the county-wide classification system. This system is somewhat generic and is based on a structure that is relative to all County agencies, i.e., the description of the line item, etc.
  A. All County agencies use the FOCUS (Fairfax County Unified System) software for financial transactions and is the data source for the portal;
  B. The classification structure, a series of funds, fund centers, and accounts was established by the FBSG (the financial software support group) prior to implementation. The naming conventions for these accounts are not necessarily identified in a more common, agency-specific vernacular.

- Individual agencies do not have the capability to change the view or the specific information that is provided through the portal;

- The citizenry views the data at a high level of detail and is unable to “drill-down” to very specific details of the fiscal plan, i.e., expenditures are shown in groups of expenditures versus specific line items.
• Allows for public viewing of budget data, expenditure data and specific vendor payments for the current fiscal year-to-date. This interactive tool was developed and is used by both the Fairfax County government and the Fairfax County Public Schools;

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• County-wide experience that was implemented by the Department of Information Technology the County’s FBSG (the financial software support group), the Department of Management and Budget, the Office of Public Affairs, the Fairfax County Public Schools and the Department of Finance;

• Data is based on the county-wide classification system. This system is somewhat generic and is based on a structure that is relative to all County agencies, i.e., the description of the line item, etc.
  A. All County agencies use the FOCUS (Fairfax County Unified System) software for financial transactions and is the data source for the portal;
  B. The classification structure, a series of funds, fund centers, and accounts was established by the FBSG (the financial software support group) prior to implementation. The naming conventions for these accounts are not necessarily identified in a more common, agency-specific vernacular.

• Individual agencies do not have the capability to change the view or the specific information that is provided through the portal;

• The citizenry views the data at a high level of detail and is unable to “drill-down” to very specific details of the fiscal plan, i.e., expenditures are shown in groups of expenditures versus specific line items.
The portal does not show an agency's commitments/obligations, called encumbrances.
FCG and FCPS Financial Transparency Application

Fact Sheet

- **Project Scope:**
  - Joint project between FCG and FCPS.
    - Consistent approach (refresh, data, layout) for both FCG and FCPS applications/sites.
  - Official project start date - November 2012
  - Developed by in-house staff (FBSG, DIT, DMB, OPA, FCPS, and DOF).
  - ERP “FOCUS” system serves as the data source for the “transparency” application.

- **Data Refresh:**
  - Information updated by 25th of the following month for the previous month.

- **Available Data:**
  - At go-live, will contain data from all of FY2013 and 1 month (July) of FY2014.

- **2 Views:**
  1. Ability to view payments to certain vendors:
     - Allows a user to view year-to-date payments made to vendors (General trade vendors and employee benefit payment vendors (e.g. CIGNA, BCBS)) doing business with the County Government or the Public Schools in the fiscal year selected.
     - Display results contain columns for department, fund, fiscal month, and amount (aggregated payments by month).
     - In compliance with law, filter payments to sensitive vendors by restricting certain expense accounts (GLs) and payments to individuals.
  2. Ability to view budget vs actual expenditure data w/ drill down to commitment item (expenditure)
     - Allows a user to view a comparison of current budget to year-to-date actual expenditures for either a specific general fund department or a specific fund for the fiscal year and month selected. In addition you will be able to drill down to see certain categories of expenses (e.g. compensation, operating expenses).
       - FCG View Option - General Fund department or other specific fund.
       - FCPS View Option - View by Fund or Fund/Department/Office
TO: Agency Directors

FROM: Joseph Mondoro, Chief Financial Officer
       Department of Management and Budget

SUBJECT: FY 2017 Third Quarter Budget Review

The FY 2017 Third Quarter Budget Review is scheduled to begin in the Department of Management and Budget (DMB) on Thursday, February 9, 2017. Agency directors should submit their completed Third Quarter Review to DMB by no later than close of business on February 9th, although DMB encourages agencies to submit their completed Third Quarter Review prior to this date if possible. Since there is a limited amount of time for DMB review and reconciliation of issues, your timely submission is critical to ensure completion of the FY 2017 Third Quarter Review within the scheduled time period. Submissions should be made electronically and all supporting documentation should be included as attachments. Please send the email to your budget analyst and copy their supervisor; in addition, make sure the agency director/designee has indicated their approval somewhere in the email.

The FY 2017 Third Quarter Review will be included in the March 14, 2017, Board package requesting authorization to hold a public hearing. The public hearing on Third Quarter is scheduled for April 4-6, 2017 and Board action is scheduled for April 25, 2017. After Board approval, Third Quarter adjustments will be interfaced to FOCUS on or before April 28.

While there will be no major changes to the Third Quarter submission process, it is important to note that General Fund agencies will have the opportunity to participate in the Board of Supervisors (BOS) approved Incentive Reinvestment Initiative. The initiative was established to encourage staff to identify additional savings and efficiencies by allowing County departments to retain a portion of the savings generated to reinvest in employees. As a result, General Fund agencies will have the opportunity to identify savings of up to 1 percent of their FY 2017 Personnel Services budget in their Third Quarter submissions. A portion of these savings, 50 percent, will be returned to the General Fund as part of Third Quarter. The remaining 50 percent will be carried over as part of the FY 2017 Carryover Review, assuming that this amount is available at year-end, to be reinvested into employee training, conferences and other employee development and succession planning opportunities. Additional information related to this initiative and how it will be managed as part of the FY 2017 Third Quarter Review has been included in the FY 2017 Third Quarter Agency Instructions.

Due to the compressed timeframe for this process, the Third Quarter Review process will be streamlined for FY 2017. Agencies will not be required to submit FY 2017 projections as part of their Third Quarter submission. However, they should perform these projections to determine if there is a potential for a budgetary shortfall or significant balances. In addition, agencies should make sure their reconciliations are up to date and they have done a thorough review of their budgets.

Unless otherwise instructed by your budget analyst, Third Quarter submissions need only to address the following:

- Flagging Concerns – If, based on agency analysis, there is the potential for an agency/fund to flag (bottom-line expenditures exceed budget authority) at year-end, these concerns should be addressed in the cover memo.
Department of Management and Budget

FY 2017 Third Quarter
Agency Instructions
PACKAGING INSTRUCTIONS

An electronic copy (please send the email to your analyst and cc their supervisor) of the Third Quarter Review must be submitted to the Department of Management and Budget by close of business February 9, 2017. The submission should include the following items:

1. Cover Memorandum (Highlighting issues, indicating whether the agency will participate in the Incentive Reinvestment Initiative, clearly identifying requested adjustments, addressing any potential shortfalls or significant surpluses)

2. Copy of FY 2017 projection calculations and FOCUS reports used in analysis, if requesting budgetary adjustments based on these projections

3. Loading information (if applicable, for new funding requests, Incentive Reinvestment Initiative savings, etc.)

4. Fund Statement (if applicable)

5. Summary of Capital Projects (if applicable)
QUARTERLY GRANT REVIEW

Agencies with grants in 500-C50000, Federal-State Grant Fund that have closeouts, new or supplemental awards, or reallocations are required to submit the following Third Quarter package. If your agency grants do not require any of these adjustments, you do not need to submit a Grant Third Quarter package. However, you need to indicate in your cover memorandum that no grant adjustments are included. Furthermore, if you choose, your grant submission does not need to include all grants, but rather only those with changes.

As a reminder, grant activities recorded in FOCUS are as of July 1, 2011 (i.e., the beginning of FY 2012). Any activity prior to July 1, 2011 is still in FAMIS and should be viewed using DART. Consequently, in order to review the entire budget and actuals associated with awards straddling the July 1, 2011 system conversion date, you will need to look at both FOCUS and DART. The following FOCUS reports will assist with your grant review:

1. Y_DE1_02000001 (FM report by commitment item)
2. Y_DE1_02000006 (GM report by Sponsored Program and Sponsored Class)
3. Y_DE1_02000015 (GM report by Sponsored Program and Sponsored Class with all grants in the defined range in the body of the report)
4. Y_DE1_02000020 (Commitment item report for the life of the grant); and/or
5. S_PLN_16000269 (grant line item report)

The Third Quarter Grant Review is required to ensure the following:

- Review year-to-date expenditures and revenues and ensure they are in line with appropriation totals.
- Closeout grants that meet established closeout criteria.
- Complete funding adjustments to current awards, as approved by the Grantor.
- Appropriate any new or supplemental grant awards.
- Provide summary of awards approved administratively during the year.
- Ensure that FOCUS is correct for the current year Revised Budget Plan revenues, expenditures, and appropriations.

Grant Closeout Procedures:
A grant is considered ready to be closed out when:

- The program year expires and the Grantor has not approved its extension, and/or
- The project has been completed, and/or
- All the funding has been expended and all revenues have been received.

When a grant falls into one or more of the above categories, the grant can be closed out. Closing out a grant means that all Grantor requirements stipulated in the grant agreement have been met and the financial records of the grant project are finalized and are ready to be closed. Being closed means that:

- No more financial transactions will be necessary or required for this grant project or program year,
- All budgetary authority has been deobligated, and
- The Board will be notified (via the third quarter or carryover package) of the close out.
FY 2017 Third Quarter Instructions

Areas" choose "Budget Process" and then choose "Third Quarter;" under the "Grant Instructions and Forms" section click on the "Grant Master Data Form."

- Grant Budget Loadings
DMB will do all budget loadings centrally at Third Quarter; however, agencies must complete the Grant Budget Loading Template in order for DMB to complete this task. The Grant Budget Loading Template is available on the DMB fairfaxNET page at http://fairfaxnet.fairfaxcounty.gov/Dept/DMB/Pages/default.aspx. Under “DMB Areas" choose “Budget Process" and then choose “Third Quarter;" under the “Grant Forms" section click on the “Grant Budget Loading Template.” The “Grant Budget Loading Template” has two worksheets, one for new awards (tab in workbook called NEW AWARDS) and one for supplemental awards (tab in workbook called SUPP-REAL).

- Positions (if applicable)
All new grant positions being requested as part of third quarter should be detailed in the submission memo. The actual position control form creating the position will not be submitted until after the position is approved; however, please include the following information in the submission memo:
  - Grant name and number position will be associated with
  - Position Grade and Class
  - Whether the position is grant merit, B or T status

- Summary paragraph
For the summary paragraph, the agency should write a brief paragraph on each new/supplemental award included at third quarter. The paragraph should include; grant name and number, funding source, amount of Local Cash Match or in-kind requirements, grant period, a brief description of the grant program, whether the grant was anticipated or unanticipated, the reason for the adjustment (if applicable), and any new or continued positions associated with the grant.

Reallocation Procedures:
If the grantor is allowing for the reallocation of funds between Grants or Sponsored Programs, please complete the budget loading template. The budget loading template can be accessed on the on the DMB fairfaxNET page at http://fairfaxnet.fairfaxcounty.gov/Dept/DMB/Pages/default.aspx. Under “DMB Areas" choose “Budget Process" and then choose “Third Quarter;" under the “Grant Forms" section click on the “Grant Budget Loading Template.” The “Grant Budget Loading Template” has two worksheets; please complete the worksheet for reallocations (tab in workbook called SUPP-REAL). In addition, for reallocations between Grants, documentation of grantor approval must be submitted.

Other Important Notes:
1. Temporary allocations done in advance of third quarter will be backed out by DMB, but the agency should submit the official documentation of the award (in the form of a letter, email etc.) as part of their submission.

2. Quarterly Local Cash Match drawdowns should already have been submitted. However, if they have not, they can be submitted prior to Third Quarter.

3. Summary paragraphs of grants approved administratively by DMB during the year should have been submitted at the same time that the budget document was submitted. However, if an agency has not submitted a summary paragraph (similar to the paragraph required for new awards as part of Third Quarter described above), this should be done prior to Third Quarter.
INCENTIVE REINVESTMENT INITIATIVE

The Incentive Reinvestment Initiative, as approved by the Board of Supervisors, will continue as part of the FY 2017 Third Quarter Review. The initiative was established to encourage staff to identify additional savings and efficiencies by allowing County departments to retain a portion of the savings generated to reinvest in employees. General Fund agencies will be challenged to save an amount equal to 1 percent of their personnel budget. It is important to note that agencies will be allowed to identify savings less than, but not more than, 1 percent of their personnel budget. Of the total amount identified, 50 percent will be returned to the General Fund as part of Third Quarter. The remaining 50 percent will be treated as unencumbered carryover during the FY 2017 Carryover Review if it is not spent in FY 2017.

As part of the FY 2017 Third Quarter Review, agencies should note in their cover memorandum whether they intend to participate in the program. Agencies that participate in the program will be required to provide the loading information associated with their identified savings (Fund Center(s) and GL Account(s)). As part of Third Quarter, DMB will transfer all savings identified within an agency to a unique GL Account in a single Fund Center. As a result, agencies with multiple Fund Centers should indicate where they would like the savings to be located. This will allow for both DMB and agency financial contacts to more easily manage the identified savings.
3) Fund-Or Value(s)
   - Enter the appropriate fund, such as 100-C10001 (General Fund)

4) Funds Center
   - Enter the funds center grouping, such as G7979 or enter a specific funds center in the Or Value(s) field, such as G797901001.
   - When using a funds center grouping, users can still view data on specific funds centers after executing the report.

5) Commitment Item
   - There are three main commitment item groups that can be used in this field. These groups will allow users to view data by superior commitment item group, with the option of expanding data to see individual commitment items.
     - Enter "FCG" for County expenses & transfers out
       - Enter "FCGLITE" for County expenses
     - Enter "FCGR" for County revenues & transfers in
       - Enter "FCGRLITE" for County revenues
     - Enter "G" for County revenues, expenses & transfers

Once all criteria has been entered, users can execute the report.

Analyzing Reports

1) When executed, the report appears with the report navigation section turned on. To close this screen (and see more columns on the report), click the Navigation On/Off button.

2) When the navigation screen is on, users can drill down to see specific data elements, such as funds centers. In this example, Funds Center is chosen in the Variation: Characteristics section, therefore users can drill down on specific funds centers in the Variation: Funds Center section. Depending on the data and the criteria used when running reports, users may be able to drill down on funds, grants, and funded programs as well.
PERSONNEL SERVICES

Agencies can utilize FOCUS reports in conjunction with PEAQ data to perform Personnel Services projections. Pay Period #1 has posted in FOCUS, and, as of January month-end, there will be 12.5 pay periods remaining in the fiscal year. When performing projections, agencies should keep in mind the impact of new hires, anticipated retirements, and leave payouts.
FY 2017 Third Quarter Instructions

REFERENCE SECTION

Payroll Chart

<table>
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<th>Number of Pay Periods Remaining</th>
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<tr>
<td>3</td>
<td>01/21/17 - 02/03/17</td>
<td>11.5</td>
</tr>
<tr>
<td>4</td>
<td>02/04/17 - 02/17/17</td>
<td>10.5</td>
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<td>5</td>
<td>02/18/17 - 03/03/17</td>
<td>9.5</td>
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<td>03/04/17 - 03/17/17</td>
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<td>03/18/17 - 03/31/17</td>
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</tr>
<tr>
<td>8</td>
<td>04/01/17 - 04/14/17</td>
<td>6.5</td>
</tr>
<tr>
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<td>04/29/17 - 05/12/17</td>
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Intergovernmental Agency Billings

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<tr>
<td>Department of Vehicle Services:</td>
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<tr>
<td>Document Services:</td>
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</tr>
<tr>
<td>- Postage¹</td>
<td>6.5</td>
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<tr>
<td>Department of Information Technology:</td>
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<tr>
<td>- Copier</td>
<td>6</td>
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<tr>
<td>- Telephone (baseline)</td>
<td>12</td>
</tr>
<tr>
<td>- Telephone (moves, adds, and changes)</td>
<td>6</td>
</tr>
<tr>
<td>- Radio Center</td>
<td>7</td>
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<tr>
<td>- Technology Infrastructure Services</td>
<td>12</td>
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<tr>
<td>- PC Replacement</td>
<td>12</td>
</tr>
<tr>
<td>- Print Shop</td>
<td>7</td>
</tr>
<tr>
<td>Division of Solid Waste:</td>
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</tr>
</tbody>
</table>

¹The postage billing cycle starts in mid-June with a bill for one-half month. Billings are monthly thereafter for a year-to-date total of 6.5 months.
DATE: July 24, 2015

TO: Department Directors

FROM: Joseph M. Mondoro
Acting Chief Financial Officer/Director
Department of Management and Budget

SUBJECT: FY 2017 Budget Development Guidance

Congratulations on the close of another successful fiscal year! All departments and funds finished FY 2015 within their appropriations. We appreciate the hard work of you and your financial management staff toward this achievement.

As is always the case this time of year, we need to turn our focus to the development of the upcoming budget. We recognize this year that the timing of the budget process parallels the considerable efforts departments are making to complete the first phase of LOBs. As a result, we have attempted to simplify the process somewhat.

At this stage in the FY 2017 budget development process we are projecting a deficit for the County’s General Fund of approximately $96 million. In addition, the Schools are projecting a deficit of $80 million after accounting for their projected requirements and a 3 percent increase in the County transfer.

Built into the County projected shortfall are a number of new positions and program expansions. Given the magnitude of the deficit, it is likely that most, if not all, of these will be deferred. That said, it is important to identify what our needs are so the tradeoffs that are necessary in building the budget are well informed. More detail is provided below in the Multi-Year section of this memo concerning identifying these requests.

While we are projecting a substantial deficit at this point, and it is likely that some level of reductions will be necessary, we are not requiring that reductions be submitted by you at this time but may be required at a later date. Instead, during the Fall, in addition to making refinements to the projections for FY 2017 revenues, DMB staff will also be compiling a list of possible reduction options for consideration and discussion with the County Executive and the Deputies. These reductions will be identified from the array of reduction options that have been submitted in the past as well as the Mission Savings ideas that were generated last Fall. If any of these reductions are identified as options, DMB will coordinate with you to ensure that the complete impact is identified and your perspective is incorporated before any recommendations are made. In addition, if there are any additional opportunities for generating efficiencies / making reductions that you think should be considered, please let me know.

In addition, staff will be reviewing overall spending trends in categories of expenditures to determine if savings are possible for FY 2017. As an example, a number of departments continue to see a large number of retirements. Potentially these retirements are producing flexibility in personnel services that can offset cost increases in FY 2017. Finally, the DMB Revenue Team will be reviewing revenue categories to determine what options exist for adjusting them for FY 2017. Your revenue analysts will be contacted individually if one of your categories will be discussed for adjustment.
The Board of Supervisors were very clear in their direction in April 2015 that funding for full compensation be included for FY 2017. Consequently, DMB will calculate the costs for public safety merits and longevities and general county performance increases and longevities to be included in the FY 2017 Advertised Budget. Later in the Fall, once the data is available, we will do the same for the Market Rate Adjustment.

**Agency Budget Submission Due Dates**
We have not identified specific due dates again this year recognizing that each department’s internal schedule is a little different. Therefore, please consult with your DMB analyst regarding mutually acceptable dates for your department budget submission. Generally speaking, the goal is to have General Fund submissions due by early October 2015 and Capital and Other Fund submissions due by mid-September 2015.

**Multi-Year Budget Plan**
Expanding on the success of the “Multi-Year Budget Plan” initiated in FY 2014, we will begin to present projected budgets for an additional year in the future. Multi-year budgeting serves as a planning tool to provide County decision-makers with a broader perspective of issues and options by providing:

- more complete outline of prospective FY 2017, FY 2018 and FY 2019 issues that need to be addressed as part of the budget process
- concise analysis of the impact of decisions

As we build the multi-year budget, please identify anticipated needs and requirements for the period of FY 2017 - FY 2019 in your submission memo, including:

- New Positions
  - number of positions requested
  - job class of positions requested
  - salaries, including calculated fringe benefit amount, of positions requested
- New Facilities
- Federal and State Government reductions
- Contract Rate Adjustments
- Other Cost Drivers

In addition funding requirements will also be identified for overall categories of

- Compensation (DMB and DHR)
- Fringe Benefits (DMB, DHR and Retirement)
- Revenues (Revenue team will consult with Departments)

**COMPLETE INSTRUCTIONS AND FORMS**
The online FY 2017 budget development instructions include information and forms necessary to assist agencies in formulating their baseline request for FY 2017 as well as any addendum requests for new positions and new facilities. All the relevant forms are posted on the DMB FairfaxNet site at http://fairfaxnet.fairfaxcounty.gov/Dept/DMB/Pages/BudgetDevelopmentGuide.aspx. This information includes:
Submission requirements
- Budget narratives:
  - Org Chart
  - Mission
  - Focus (agencies are recommended to review and shorten this section where possible)
  - Position Detail by Cost Center – hand mark changes
- Fund Statements (if applicable)
  - Summary of Capital Projects (if applicable)
- General Fund Revenues Form (if applicable)
- FY 2017–FY 2019 Anticipated Requirements (outlined in your submission memo)
- Performance Measurement Efficiency Calculation Spreadsheet
- Instructions for Capital Projects
- Instructions for Federal/State Grants

The following summary information is also provided:

**Loadings** - DMB will continue using an internal database for budget development and to facilitate populating FOCUS. This database is not currently web-enabled and therefore will be maintained by DMB so agencies will not be required to load adjustments into it. Personnel Services will be adjusted to reflect FY 2017 salary increases, including the full year impact of FY 2016 actions for Public Safety merits and longevities, while Operating Expenses, and Recovered Costs will remain at the FY 2016 Adopted Budget level and Capital Equipment will be zeroed out. It should be noted that recurring adjustments included for the *FY 2015 Carryover Review* will also be loaded centrally by DMB once Carryover is approved by the Board of Supervisors on September 22, 2015. Please contact your budget analyst to request a download of FY 2017 baseline budget data for your fund/department. For those funds that are not populated by DMB, please provide the loading information in the Department Adjustment column on the Excel spreadsheet so that your DMB analyst can load the budget into the budget database. In addition, if you have reallocations you need to make, please work with your analyst to determine the best way to provide this information.

**Personnel Services** - Agencies are encouraged to use available resources, such as PEAQ and the Payroll Cost Detail Report in FOCUS, to perform projections in order to validate personnel services budgets. For funds other than the General Fund, this review should include fringe benefits. If you have concerns with your personnel services budget, please contact your analyst.

**Operating Expenses** - Contract rate increases should be requested at 2 percent for Personnel Service driven contracts. At this point it is not guaranteed that this increase will be funded.

Potential other adjustments to internal service fund charges like fuel and telecommunications will be made centrally by DMB. If changes are made, more information will be provided to you later in the Fall/Winter 2015.

While discretion will remain with agency heads, there will also be the need to maintain tight limits on travel and training expenses for all agencies in FY 2016 and FY 2017, focusing expenditures on training that ensures continuity of mission critical operations and succession planning.

**Performance Measurement** - Agencies are required to update the Performance Measurement (PM) database ([https://infoweb.fairfaxcounty.gov/pmapp](https://infoweb.fairfaxcounty.gov/pmapp)) with all the requisite information for prior and current years, including FY 2015 actuals, Current Estimate for FY 2016 and Future Estimate for FY 2017.
For the FY 2017 Advertised Budget Plan, we will publish the following performance measures:

- FY 2013 Actual
- FY 2014 Actual
- FY 2015 Estimate/Actual
- Current Estimate FY 2016
- Future Estimate FY 2017

**Agency Dashboards** - The “Agency Dashboards” embedded in the budget narrative will have to be updated to include FY 2015 actuals. Please confirm the accuracy of all data submitted in this table.

**Capital Programs** - Concerning capital program submissions, FY 2017 capital budget requests should be submitted to DMB and should contain requests for funding in FY 2017 only. General Fund Capital Project requests must reflect fiscal constraint, including emergency/critical requirements only.

All capital project requests for General Fund money should be presented in priority order and must clearly identify the safety and other special considerations necessitating funding.

- Provide a clear statement indicating the impact if the requested General Fund money is not provided.
- Provide a brief summary of the non-critical requests that might have been included should funding have been available. DMB will also be contacting agencies directly concerning any project balances that may be required to fund project shortfalls or critical new projects.
- Requests for bond funded projects should be in compliance with the cashflow approved as part of the Adopted FY 2016 - FY 2020 Capital Improvement Plan (with Future Fiscal Years to 2025). Requests for funding beyond the FY 2016 approved CIP schedules will be considered based on bond cashflow flexibility and determined during the development of the FY 2017 budget.

**Information Technology Projects** - Information about the Information Technology (IT) project submission process for FY 2017 will be coming from the Department of Information Technology.

**Grants** - For Fund 50000, Federal and State grants, submissions requiring local cash match must also be prioritized.

Cc: Edward L. Long Jr., County Executive
Patricia Harrison, Deputy County Executive
David Molchany, Deputy County Executive
David M. Rohrer, Deputy County Executive
Robert A. Stalzer, Deputy County Executive