

FISCAL WELLNESS COMMITTEE

FY27 ANNUAL OPERATING BUDGET RECOMMENDATIONS

BACKGROUND

With Henrico County's FY26 Proposed Operating Budget, the County Manager announced a goal to find savings in the upcoming year roughly equivalent to the revenue from one cent on the \$0.83/\$100 real estate tax rate. The savings, valued at \$6 million, would be subject to two constraints:

- **Reductions would not negatively impact service levels.**
- **Reductions would not result in a reduction in force.**

The County Manager's office appointed an inter-departmental team of nineteen employees to the task in June 2025, which came to be known as the Fiscal Wellness Committee. Finance Director Sheila Minor, Fleet Division Director Larry Maready, and Chief of Emergency Management & Workplace Safety Rob Rowley were appointed co-chairs.

PROCESS

The committee met bi-weekly from June 2025 until January 2026. Initial brainstorming sessions were facilitated by Human Resources' Organizational Learning and Training Division to generate ideas for specific savings, methods for soliciting ideas from across the organization, people who should be included in the process, and areas to explore for further efficiencies. The Committee divided into subcommittees along general themes identified in that first session: Facilities, Finance and Administration, Fleet Management, Human Resources, and Information Technology. Coordinators for each subcommittee scheduled meetings with the teams throughout the fall to solicit ideas through county-wide and targeted surveys, focus groups, and outreach to various departmental employees. The subcommittees vetted the ideas through meetings with subject matter experts and impacted agencies, and worked with financial stakeholders and the Office of Management and Budget to quantify savings and any related costs of implementation.

Although mindful of its initial charge, the Committee received numerous ideas that resulted in greater efficiency or which might require longer-term implementation than the initial mandate of savings for the FY27 budget. This report is inclusive of not only immediate budgetary savings, but also recommendations

to increase employee efficiency or productivity, generate additional revenue, or result in savings beyond the FY27 budget timeframe. The Committee’s work will continue beyond the FY27 planning period as the County continues to seek creative ways to maximize fiscal efficiency and responsibility.

All ideas were separated into three categories based on implementation timeframe: Immediate impacts (“quick wins”), mid-term initiatives, and long-term strategies. This report includes three sections of recommendations: immediate impacts with budgetary impact, immediate impacts that increase efficiency, avoid future costs, or generate revenue, and mid-term ideas beyond the FY27 timeframe.

A summary of the recommendations and their fiscal impacts is included as an attachment to this document.

IDENTIFIED SAVINGS WITH IMMEDIATE BUDGETARY IMPACT

1. TRANSITION PUBLIC SAFETY MOBILE RUGGED DEVICES TO A NEW VENDOR (TECHNOLOGY)

Recommendation: The County purchases ruggedized Panasonic laptop computers for public safety, installing them in police vehicles and fire trucks on specialized docking stations. The committee recommends researching and testing the use of Dell ruggedized equipment that will provide the same level of service but for a significantly lesser cost. The needs/testing outcomes could be different for each of the public safety agencies.

Implementation Considerations and Costs: This recommendation would require the purchase and installation of compatible docking stations in all public safety vehicles utilizing these computers. There are tradeoffs in screen size as well.

Estimated Budgetary Savings: \$450,000 (annually over a period of five years.)

2. MIGRATE TEXT TO SPEECH PLATFORM FOR CAD TO A NATIVE SOLUTION (TECHNOLOGY)

Recommendation: The County currently procures ‘Quick Voice’ to handle text to speech services in the CAD client, increasing awareness to those using CAD. Windows (and the County’s Microsoft development platform) has built in tools that could replace Quick Voice as long as research and testing concludes this is successful with CAD users.

Implementation Considerations and Costs: The Department is finalizing the solution, testing with CAD users, and coordinating with the timing of the existing vendor agreement. Costs have been absorbed within existing appropriations.

Estimated Budgetary Savings: \$50,000.

3. ENCOURAGE MOTOR POOL USAGE BY REDUCING OR ELIMINATING THE PERSONAL MILEAGE REIMBURSEMENT RATE (FLEET)

Recommendation: The current mileage reimbursement rate in use by the County General Government for 2026 is \$0.725 per mile. While this rate is set to match the IRS standard mileage rate for taxpayers, this rate does not incentivize the use of County vehicles as an alternative to personal use reimbursement. As such, County vehicles are often available but not utilized, resulting in the additional cost to the County of expense reimbursements. County travel policy should be revised to remove the “or expedient” qualification on the availability of County vehicles, establishing a requirement to use County vehicles for business travel when they are available.

Implementation Considerations and Costs: There are no hard costs associated with this recommendation. Other recommendations in this report expand the availability of motor pool vehicles, therefore providing additional opportunities for the use of County vehicles rather than personal vehicles. This recommendation would apply to general government employees and not apply to elected officials or others where County vehicles are not readily available.

Estimated Budgetary savings: \$30,000 (represents a 20% reduction in the total mileage reimbursement spent in FY25. These savings would be split among various agencies paying personal mileage to employees.)

4. CONTRACT THIRD-PARTY TO AUDIT HEALTHCARE CLAIMS FOR POTENTIAL RECOVERY OF OVERPAYMENTS (FINANCE/ ADMIN)

Recommendation: Use of a specialized payment integrity contractor to analyze healthcare claims data for recoverable costs. One vendor's marketing materials suggest they've found \$392/employee/year.

Implementation Considerations and Costs: The County would procure a third-party auditor. This could be compensated on a percentage of costs recovered, avoiding direct costs to the County.

Estimated Budgetary Savings: \$450,000, (assumes \$100 savings/employee for 4,500 employees.)

5. INSTALL MOTOR POOL KEY KIOSKS AT BOTH MH/DS/SUD FACILITIES, WGC AND REDUCE DEDICATED VEHICLE FLEET (FLEET)

Recommendation: The County’s vehicle fleet operates on a combination of motor pool vehicles available for check out by any approved County employee, and vehicles serviced by the Central Automotive Maintenance (CAM) that are dedicated to specific County agencies or their operating units. The committee has reviewed vehicle usage records and recommends a proposal to install key kiosks at agency facilities that may be better served by an as-needed “checkout” style approach to motor pool vehicles, rather than maintaining under-utilized dedicated County vehicles. In consultation with the Department of Mental Health/ Developmental/ Substance Use Disorder Services (MH/DS/SUD), the committee recommends installing a kiosk at both the MH/DS/SUD office buildings and the Western Government Center (WGC). Recognizing a portion of the MH/DS fleet were purchased through grant funds, those vehicles would remain with MH/DS and be supplemented by a smaller number of County-owned vehicles. All vehicles could be maintained by CAM. The existing number of vehicles at the MH/DS facilities could be reduced by three.

At the WGC, the committee recommends reclassifying more vehicles as motor pool, rather than dedicated vehicles, and reducing the number of vehicles by 10% at the WGC. A kiosk has been installed in the parking garage at the WGC and will be operational by July 1, 2026.

Implementation Considerations and Costs: Costs for this recommendation are estimated at \$20,000 for the installation of three key kiosks at the proposed locations.

Estimated Budgetary Savings: \$285,000

- \$13,200 (represents a three-vehicle reduction at MHDS)
- \$72,300 in capital savings from reduced replacement costs.
- \$30,800 (represents a seven-vehicle reduction at the WGC)
- \$168,700 in capital savings from reduced replacement costs.

6. INSTALL PRIVATE FIBER BETWEEN SCHOOL FACILITIES (TECHNOLOGY)

Recommendation: By installing private fiber for communications between school buildings, HCPS can save on the current costs of leasing the fiber backbone.

Implementation Considerations and Costs: The \$5 million of implementation costs were largely covered by the E-rate program, with HCPS incurring roughly a 10% portion of that cost. This is already being implemented (a 1-year construction build timeline that started in summer 2025).

Estimated Budgetary Savings: \$1,000,000 annually starting in FY27.

7. LEVERAGE COOPERATIVE CONTRACTS FOR MOBILE PHONES IN THE FIRE DEPARTMENT. (TECHNOLOGY)

Recommendation: The committee recommends that the County ride the Fairfax County contract with Verizon, the existing mobile phone vendor, for potential savings. Other County agencies are currently utilizing this contract, and it is available for use by the Fire Department once their existing contract expires.

Implementation Considerations and Costs: No anticipated implementation impacts or costs. Information Technology has proactively begun the process of implementation.

Estimated Budgetary Savings: \$69,000 in annual savings.

8. REDUCE SPENDING ON CATERING AND FOOD EXPENDITURES (FINANCE/ ADMIN)

Recommendation: The appropriate business purposes section of the County's Procurement Manual specifies that food and drink are generally inappropriate procurement transactions utilizing County funds, but provides guidance for exceptions, which would include but are not limited to:

- Non-routine departmental events (i.e., retreats, special business meetings, award ceremonies recognizing multiple employees, and any other non-routine event/meeting with a clear business purpose.
- Regional, state, or other County-hosted training sessions with external parties.
- Boards (or staff) meetings during regular meal hours (generally 12pm to 1pm, 5pm to 7pm).
- Meetings of elected or appointed Boards and commissions, or meetings involving public or resident participation.
- Staff in extraordinary circumstances (working overtime to meet a deadline for a significant department/County project or in an emergency, for example). If a meal is provided, gratuity exceeding 20% is not allowed.
- Purchases for the operating needs of school nutrition, County cafeteria, jail cafeteria or other food services staff."

With this guidance in place, the committee examined spending in food supplies and food service supplies account codes organization-wide. Spending patterns aligned with the intent of the appropriate business purposes guidance, however, there were opportunities for savings in some areas.

Implementation Considerations and Costs: No anticipated implementation costs.

Estimated Budgetary Savings: \$25,000 in general government savings, \$180,000 in School operations.

9. REDUCE SPENDING ON TRAVEL AND CONFERENCES (FINANCE/ ADMIN)

Recommendation: Disparities exist between agencies on the amounts incurred for travel and conferences, particularly in the number of staff attending conferences or travel and the distance traveled to out-of-state conferences. The committee recommends additional guidelines to agencies on the number and frequency of conference and other travel opportunities, particularly those that are out-of-state.

Implementation Considerations and Costs: No anticipated implementation costs.

Estimated Budgetary Savings: \$50,000 in general government savings, \$360,000 in School operations.

10. ELIMINATE EXCESS COVERAGE POLICY FOR COUNTY'S HEALTH INSURANCE PLAN (FINANCE/ ADMIN)

Recommendation: Currently, the County pays for excess, or secondary, health insurance coverage for claims that exceed \$2 million. Once an individual's health insurance claims costs reach the \$2 million threshold, this coverage is in effect and will cover any further claims payments more than the threshold.

Implementation Considerations and Costs: No cost to implement. The insurance bought for large healthcare claims is like most policies, the more risk assumed the higher the claim costs, but the lower the premium. \$5 million less in premium costs are paid than would be if the prior threshold remained unchanged. With an average of \$4 million annually in high claims, the county would benefit by \$1 million in average savings, noting that there is a large and routine variability in high claims.

Estimated Budgetary Savings: \$900,000 annually (the existing health insurance excess policy premium.)

11. RENEGOTIATE OR REBID CANCER SCREENING CONTRACTS FOR FIRE & EMS

Recommendation: Firefighters may elect to receive an ultrasound cancer screening every three years as an early detection tool. The current contracted rate is \$5,600 per day, with 14 spots available. The full cost is paid regardless of whether the spots are filled.

Implementation Considerations and Costs: A renegotiated or new contract would result in savings at no cost to implement.

Estimated Budgetary Savings: \$11,000 annually (175 screens.)

12. PREPAY VENDORS FOR SELECT FIRE AND EMS APPARATUS

Recommendation: Apparatus vendors will offer a significant discount, based on current interest rates and delivery schedules, for significant downpayments after contracts are signed for the purchase of large apparatus. These contracts are legally binding and bonds are required from the vendor, thus providing protection to the County for the funds invested in the purchase.

Implementation Considerations and Costs: Consideration should be made on a case-by-case basis on the potential savings of taking advantage of the discount in light of the current interest rate environment and the presence of appropriate bonds to protect the County's interest.

Estimated Budgetary Savings: \$500,000 annually.

13. UTILIZE MOBILE PHONE POOLS RATHER THAN INDIVIDUAL ASSIGNMENT OF COUNTY MOBILE PHONES AND/OR REDUCE ZERO-USE PHONES. (TECHNOLOGY)

Recommendation: Explore options for checking-in/checking-out phones for those that only need to use them periodically or when in the field. Turn in phones that are underutilized.

Implementation Considerations and Costs: No hard costs of implementation. Will require leadership buy-in.

Estimated Budgetary Savings: \$33,000 (assuming 1/3rd of latest County zero-use reports in last 90 days are turned in (\$98,757 total.) MHDS already identified & disconnected seven lines (\$37/mo. - \$3,107/yr.) As of December 2025, HCPS is now reviewing zero-use division issued phones (\$18,000/year savings removing 37 current zero-use phones at HCPS - identified in December 2025).

14. EXPLORE OTHER OPTIONS FOR LANGUAGE/ INTERPRETER SERVICES (TECHNOLOGY)

Recommendation: The committee recommends that the County explore existing and new contracts for interpreter services, particularly in MH/DS for telephonic interpretation. HCPS and Henrico Children’s Services Act use a contract with a vendor called Volatia that provides the same service at a 75% lower cost than the current vendor used by MH/DS. The current vendor MH/DS uses charges \$2.48 per minute and Volatia charges between \$0.58-\$0.72 per minute.

Implementation Considerations and Costs: For MH/DS, there is no cost to implement. They have now added Volatia to their internal vendor list.

Estimated Budgetary Savings: \$30,000 annually.

IDEAS FOR INCREASED EFFICIENCY, REVENUE ENHANCEMENT, OR COST AVOIDANCE

1. UTILIZE ARTIFICIAL INTELLIGENCE IN RESPONSE ASSISTIVE CALL TAKING FOR SPECIFIC, NON-EMERGENCY CALLS PLACED TO EMERGENCY COMMUNICATIONS CENTER. (TECHNOLOGY)

Recommendation: Implement AI/Tech solutions to modernize processes to provide real-time language translation services, accurately automate call transcriptions, and manage call volume.

Implementation Considerations and Costs: Funds have been appropriated for the purchase.

Estimated Cost Avoidance: \$50,000 in annual labor cost avoidance.

2. INSTALL GPS FLEET TRACKING EQUIPMENT IN COUNTY FLEET VEHICLES (FLEET)

Recommendation: Installation of GPS based fleet tracking system in vehicles leased by CAM to allow for closer monitoring of vehicle usage and allow for better optimization of these resources. This system would track location, mileage, idling time, speed, fuel usage, etc.

Implementation Considerations and Costs: The tracking devices cost approximately \$70 per vehicle. The County already owns the software that receives data from these tracking devices and would not incur additional costs.

Estimated Efficiencies: Information from vehicle location will encourage the appropriate and efficient use of County vehicles and deterring misuse or abuse. Benefits include awareness of employee activities, responsiveness to public inquiries about the location of County vehicles (at shopping centers, etc.), and encouraging safe driving habits.

3. DEVELOP DIGITAL FORMS AND AUTOMATE APPROVAL WORKFLOWS FOR STANDARD HR PROCESSES (HUMAN RESOURCES)

Recommendation: The committee recommends the development of automated forms for standard human resources tasks not involving confidential information or which maintain confidentiality and security as needed. As able, these could automate workflows for approval by the necessary parties. These recommendations can be created within currently available technology.

Implementation Considerations and Costs: Information Technology and Human Resources are actively reviewing ideas to implement this recommendation. The specific forms to be automated will be dependent on the type of form, area of human resources, and the confidentiality of information involved. While no direct costs have been identified to date, the design of electronic forms and workflows will take staff time from both agencies and others. The implementation of the Avature system, additional utilization of BI, and further expansion of Adobe Sign will also assist in this process.

Estimated Efficiencies: Implementation of this recommendation is expected to save time for agency managers and supervisors and streamline record keeping for Human Resources staff.

4. FACILITY MAINTENANCE WORKGROUP FORMATION (FACILITIES)

Recommendation: Establish a workgroup to review and update policies, procedures, and budget allocations for facility maintenance. Specifically, this work group would be charged with the following goals:

- Establishing and maintaining an up-to-date, Countywide list of facility and maintenance points of contact (POCs) for each agency, coordinated with General Services. Each agency would designate at least two POCs responsible for submitting and prioritizing facility requests, coordinating with General Services, and ensuring alignment with County priorities.

Fiscal Wellness Committee – FY27 Annual Operating Budget Considerations

- Clearly determining and documenting the budgetary and administrative responsibilities for various facility maintenance needs between agencies with extensive and specialized facilities and General Services.
- Exploring opportunities for facility maintenance consolidation and coordination with vendors.

Implementation Considerations and Costs: Agencies will need to assign staff with sufficient authority and bandwidth to serve as work group members, and ultimately POCs.

Estimated Efficiencies:

- Enhanced communication & a reduction in duplicated efforts.
- More efficient scheduling of maintenance and capital work when priorities are agreed upon.
- Potential reduction in emergency & reactive work.
- Better ability to compare vendor performance when responsibilities and expectations are clearly articulated.

5. EXPLORE OPPORTUNITIES FOR GRANT OR OTHER AGENCY FUNDED WORKFORCE TRAINING PROGRAMS TO PROVIDE INDIVIDUALS TO PERFORM VARIOUS TASKS (HUMAN RESOURCES)

Recommendation: Programs, such as a workforce training initiative through the Department of the Blind and Vision Impaired or the military-funded Department of War (DoW) SkillBridge program, provide workers seeking to build marketable skills and gain civilian work skills free of charge to employers. The committee recommends exploration of such programs to match skilled and unskilled workers to appropriate responsibility areas within the County.

Implementation Considerations and Costs: Would require investment by County supervisors and managers to supervise workers participating in these training programs. By nature, these programs have high turnover of 6 weeks to 6 months, which will require a training commitment by participating agencies.

Estimated Budgetary Savings: This program saves on recruitment costs to hire temporary employees for these roles, saves on the salary and benefits for the participants in these positions, and potentially leads to skilled new hires for permanent positions.

6. EXPLORE OPPORTUNITIES TO UTILIZE VOLUNTEERS TO PERFORM VARIOUS TASKS (HUMAN RESOURCES)

Recommendation: The committee recommends exploration and enhancement of the current use of volunteers for staffing County projects and programs. The County’s Volunteer Coordinator is currently developing an application that would better manage volunteer resources. Current volunteers are manually assigned from emails expressing interest in various tasks and projects. As the Volunteer Coordinator develops a new application and tracking system, this will modernize how volunteers are recruited, screened, assigned, and managed. This structure will also improve accountability, reporting, and compliance.

This would result in an inventory of specific volunteer projects where volunteers can select projects and experiences. Potential volunteers can self-select based on their skills, interests, and abilities.

Implementation Considerations and Costs: Care would have to be exercised in the screening of volunteers for specific jobs and programs. The Volunteer Coordinator would incur additional workload with the expansion of volunteer programs and the number of volunteers to coordinate. The Volunteer Coordinator will work on:

- Developing standardized volunteer role descriptions aligned with departmental operational needs.
- Ensuring appropriate screening and training protocols based on the nature of the assignment.
- Gaining departmental leadership buy-in to view volunteers as a resource for both operational support and cost efficiency.

Estimated Efficiencies: Creates greater flexibility for staff in time and resource delegation while deepening community bonds with patrons.

7. CONTINUE EFFORTS TO AUTOMATE TIMEKEEPING IN PILOT DEPARTMENTS WITH GOAL TOWARD REPLACING MANUAL TIME ENTRY IN ALL COUNTY DEPARTMENTS (FINANCE/ADMIN)

Recommendation: The Fire Department is actively migrating from an on-premise to a cloud solution for timekeeping with UKG. Police and the Department of Emergency Communications are working toward utilizing the same platform. Upon completion of these pilot programs, other departments with

complex timekeeping needs can be evaluated for migration to the same system, streamlining County time and attendance tracking.

Implementation Considerations and Costs: Implementation costs are projected to be \$50,000 per large agency, based on the Police and DEC agreements with UKG. Ongoing costs are just under \$8 per user per month under the current Omnia contract.

Estimated Efficiencies: Efficiency savings from eliminating errors in manual timekeeping processes could free up timekeepers in certain departments for other duties.

8. REDUCE PRINTED CHECKS AND DELIVER MORE PAYMENTS THROUGH ACH (FINANCE/ ADMIN)

Recommendation: The County currently pays vendors through a combination of in-house printed checks, third-party processor printed checks, and third-party ACH payments. Third-party ACH payments are the most efficient and cost effective of the three methods, therefore the committee recommends transitioning more vendors to ACH payment.

Implementation Considerations and Costs: No cost to the County to implement, however, the current third-party check processor directs vendors to a fee-for-payment premium account for ACH, which has not been the County's preference. With the transition of banking services for the County to Wells Fargo in 2026, County staff have partnered with Wells Fargo to provide third-party payment services via ACH and check that will not push vendors into a fee-based program. County emphasis on ACH enrollment has paused until the payment processing is fully transitioned to Wells Fargo.

Estimated Cost Avoidance: \$36,000 in cost avoidance. (Assumes a 50% reduction; it costs to County more than \$1 per printed check. During 2025, the County issued almost 73,000 checks.)

9. AUTOMATE VENDOR INVOICE PROCESSING (FINANCE/ ADMIN)

Recommendation: Information technology has recently leveraged the use of Artificial Intelligence to aid in the input of vendor invoices to the County's Oracle Accounts Payable module. AI will review invoices presented and populate the necessary fields in Oracle from the vendor invoice. The result is reviewed by staff and approved or edited if needed. This greatly increases the speed with which invoices can be processed.

Implementation Considerations and Costs: No implementation costs anticipated for this recommendation. The process is already available to the user community. Training will be needed.

Estimated Efficiencies: This would create time savings for administrative staff across the County.

IDEAS FOR MID-TERM IMPLEMENTATION (FY28-FY30)

1. IMPLEMENT AN E-PROCUREMENT SYSTEM (FINANCE/ ADMIN)

Recommendation: The implementation of an e-Procurement system will significantly enhance operational efficiency by streamlining solicitation intake, review, and advertisement processes. The solution provides advanced contract management functionality, including automated renewal notifications delivered to departments on a pre-defined schedule, and consolidates solicitations, bid/proposal submissions, and executed contracts within a single platform. This centralized structure improves accessibility and transparency, enabling departments to efficiently locate and for Purchasing to manage contract documents. The system supports solicitation development, fostering effective collaboration with departments while reducing manual errors and ensuring compliance throughout the procurement lifecycle. Additionally, an e-Procurement system may be the solution for compliance with the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA standards.

Implementation Considerations and Costs: The system will cost approximately \$160,000, and an estimate of \$35,000 for professional services for initial implementation. As with most technology system subscriptions, there will be an annual escalation.

Estimated Cost Avoidance: In today's highly competitive construction and procurement market, timing is critical. For example, in 2022, HCPS bid out the ACE Center Renovation project during the same period that private data centers and Chesterfield County's Falling Creek Middle School project were soliciting bids. The County's bid was due a couple days after the other projects. As a result, the County received only one bid totaling \$56,826,310, \$10 million over available funds. A more efficient e-Procurement system would enable faster solicitation development and issuance, allowing the County to release opportunities ahead of neighboring localities and potentially secure more competitive pricing. In a volatile market where pricing fluctuates rapidly, even a one-two day acceleration in the solicitation process may result in vendors quoting lower prices.

According to an Air Force case study conducted by a e-Procurement system provider, implementing an e-Procurement solution can achieve up to a 20% faster acquisition timeline, equivalent to approximately 2,800 labor hours or the workload of 1–2 full-time employees per 100 staff. This improvement translates directly into cost avoidance and resource optimization for the County.

2. DEVELOP A PROCESS FOR REPORTING SUBSTANDARD PERFORMANCE BY CONTRACTORS AND SUPPLIERS (FACILITIES)

Recommendation: Develop and implement a clear, accessible, and well publicized Standard Operating Procedure (SOP) for reporting and resolving supplier complaints related to facilities and maintenance contracts (and other County contracts). Ensure that all agencies understand how to document performance issues and how these issues feed into contract renewals and future solicitations.

The contracts efficiency proposal recommends a formal SOP for supplier complaints and notes that concerns about vendor reliability are common among committee members. Without a consistent process, negative experiences may not be captured systematically, and poor performance may persist through automatic renewals. An effective complaint process, paired with training, supports both fiscal stewardship and service quality.

Implementation Considerations and Costs:

- Finalize and publish a concise SOP on the Purchasing intranet site, including required documentation, service level expectations, response timelines, and escalation paths.
- Provide short training modules or job aids for agency staff who frequently interact with vendors.
- Integrate complaint data into the annual contract review process so that chronic performance issues are addressed before renewal.
- Where feasible, use technology to capture complaints and status (e.g., a simple online form linked to contract records).

Estimated Efficiencies:

- Indirect savings from improved vendor performance and reduced repeat work, call-backs, or emergency repairs.
- Better data to inform negotiations and renewals, which can lead to more favorable pricing or vendor changes.

- Reduced staff time spent informally escalating issues when a clear channel and expectation is available.

3. INCREASE BUILDING EFFICIENCY THROUGH NEW TECHNOLOGIES (FACILITIES)

Recommendation: Implement targeted technology upgrades that reduce consumable usage, lower labor requirements for routine facility tasks, and improve the efficiency and reliability of building operations. Key components include high velocity hand dryers, reusable launderable mop heads, automated restrooms, sensor operated trash receptacles, automatic gates, Musco lighting controls and LED upgrades, motion sensor interior lighting, and remote telemetry units (RTUs) for pump stations.

This proposal provides ROI calculations and qualitative benefits for multiple upgrades, particularly within Recreation & Parks facilities. These technologies reduce recurring consumable costs (e.g., paper towels, disposable mop heads), decrease staff time required for repetitive tasks (e.g., gate rounds, manual lighting and trash monitoring), and improve safety, user experience, and data availability. Many of these investments have payback periods of 1–3 years and can be scaled across sites.

Implementation Considerations and Costs:

- Prioritize deployments where existing data shows the highest consumable usage or labor intensity (e.g., high traffic restrooms, parks with long gate routes, facilities with frequent lighting issues).
- Coordinate with energy efficiency and BAS initiatives to ensure controls and automation are integrated rather than siloed.
- Develop standard specifications and preferred product lists to ensure consistency and maintainability.
- Where possible, pilot within Recreation & Parks and then expand to other departments based on results.

Estimated Budgetary Savings:

- High velocity hand dryers: A sample facility shows 5year costs of approximately \$50,000 for dryers (including installation of new equipment) versus about \$74,940 for paper towels, with net savings of roughly \$24,500 over five years and a 1–2 year payback.
- Reusable mop heads: Estimated 5-year cost of about \$5,054 versus \$34,675 for disposable heads, avoiding roughly 9,100 mop heads and paying back in the first year.

Fiscal Wellness Committee – FY27 Annual Operating Budget Considerations

- Automated restrooms: Industry estimates suggest annual operating savings of \$20,000–\$30,000 per unit through reduced utilities and labor.
- Automatic gates: Current manual gate operations are estimated at roughly \$128,500 per year in labor for park routes; automation would free those hours for higher value tasks and reduce vehicle wear.
- LED and Musco lighting controls: LED retrofits can reduce energy consumption by up to 80% compared to older HID sources, while automated controls prevent lights from being left on unnecessarily.
- RTUs: Reduce site visits, enable faster response to pump issues, and support predictive maintenance, improving uptime and lowering repair costs.

4. INTERNALLY CONDUCT A FLEET USAGE ASSESSMENT AND, IF NEEDED, INSTALL MOTOR POOL KEY KIOSKS AT ADDITIONAL COUNTY FACILITIES AND REDUCE DEDICATED VEHICLE FLEET (FLEET)

Recommendation: The committee recommends an internal review of the mileage on County vehicles to evaluate the efficient usage of County vehicles, and to assess opportunities for the expansion of the use of kiosks to other high-density County facilities with operations which utilize County vehicles.

The previous immediate budgetary impact section of this report includes a recommendation to install motor pool key kiosks at MH/DS/SUD facilities and the WGC to streamline the availability and usage of County vehicles and reduce the number of vehicles directly assigned to County agencies. Upon the successful completion of this pilot program, the committee recommends expansion of the motor pool program with kiosks at other facilities, as appropriate.

Implementation Considerations and Costs: Fleet usage assessment to be conducted internally (no cost); \$10,000 per kiosk if additional key kiosks are recommended as a result of the usage assessment.

Estimated Budgetary Savings: \$24,100 savings for each vehicle identified as unnecessary (to be removed from the fleet). It would also result in reduced annual rental rate payments of approximately \$6,500 per vehicle.

5. UTILIZE ALTERNATE VENDORS FOR COUNTY MOBILE PHONES (TECHNOLOGY)

Recommendation: The committee recommends that the County explore use of HCPS’ contract with T-Mobile for mobile phone services. HCPS indicates savings of \$20 per phone per month using a Fairfax cooperative contract.

Implementation Considerations and Costs: Would need staff time to negotiate new contract with vendor.

Estimated Budgetary Savings: The Committee estimates cost savings of approximately \$139,000.

6. EVALUATE COUNTY-OWNED PROPERTIES THAT CURRENTLY REQUIRE ROUTINE MOWING. DIRECTLY REDUCE OR ELIMINATE MOWING AND/OR PLANT LOW-MAINTENANCE NATIVE PLANTS. (FACILITIES)

Recommendation: The committee recommends that the County identify and convert selected County-maintained grassy areas to lower-maintenance landscapes such as naturalized meadows, native plantings, no-mow zones, or alternative ground covers. Focus initially on large areas where reduced mowing will not conflict with recreation, safety, or sightline needs. Mowing is a recurring operating cost that, via contractors or county staff, includes labor, fuel, equipment purchases and replacement, and maintenance. This recommendation would reduce these costs and provide an opportunity for more sustainable and ecologically functioning habitats, such as pollinator meadows.

Implementation Considerations and Costs: Staff time to negotiate new contract with vendor and conduct thorough analysis of applicable acres.

Estimated Budgetary Savings: \$5,250 per acre per year. Number of applicable acres will require thorough analysis and various levels of approval.

7. IMPOSE ADDITIONAL RESTRICTIONS ON MOBILE PHONE PURCHASING STANDARDS COUNTY-WIDE, REQUIRING JUSTIFICATION FOR DEVICES AND SERVICES BEYOND BASIC LEVELS. (TECHNOLOGY)

Recommendation: The committee recommends that the County tighten wireless phone purchasing standards. Information Technology should provide a list of basic offerings for mobile phones with fewer,

lower cost phone options as the basic service and require needs analysis/justification for more costly devices.

Implementation Considerations and Costs: Would need staff time to create and maintain a list of available devices at an acceptable cost.

Estimated Budgetary Savings: \$25,000 in potential annual savings.

8. EXPLORE ADDITIONAL IMPLEMENTATION OF NETWORKED, SHARED PRINTING IN LIEU OF DESKTOP PRINTERS. (TECHNOLOGY)

Recommendation: The committee recommends moving away from individual desk printers to shared printers. Where necessary, implement swipe to print/click to print to facilitate security of print jobs on shared devices. Authorize Information Technology to review and approve justifications for exceptions to shared printing.

Implementation Considerations and Costs: Will require buy-in from agency leadership to adopt changes in business process.

Estimated Budgetary Savings: \$25,000 in potential annual savings.

CONCLUSION

The Co-chairs would like to thank the County Manager for the opportunity and the members of the Fiscal Wellness Committee for their tireless efforts during this project. Specific thanks to Angela Bennett, Vaughan Crawley, Catherine Latimer, Thomas Meade, and Michel Roth for leading the sub-committees which did the hard work of this report. Special thanks also to Alex Sebold, Melody Rawles and Lynda Carter-Tubbs for providing technical, logistical, and administrative support to the Committee.

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FISCAL WELLNESS COMMITTEE
FY27 Annual Operating Budget Recommendations

Report #	Title	Subcommittee	Description of Idea	Challenges to Implement	Estimated Annual Savings	Cost to Implement
Immediate Budgetary Impact						
1	Transition Police/Fire Rugged Laptops from Panasonic to Dell	Technology	Deployment of Dell rugged devices vs. Panasonic (Fire, police) \$3000/laptop for 1000+ machines, savings over 4-5 years	Department leadership buy-in on adopting new rugged devices. In testing.	450,000	annual savings netted by cost to implement
2	Migration of text to speech platform for VCIN to native solution	Technology	Replacement of Quick Voice to a native solution. Most code is already complete.	Finalizing solution, testing with VCIN users, and timing of existing agreement with vendor.	50,000	already absorbed
3	Revise personal vehicle mileage reimbursement policy.	Fleet	Current policy for personal vehicle use mileage reimbursement may be interpreted differently by the various departments/agencies. Policy should be revised to encourage/require staff to use the County fleet vehicles, where available.	May be an adjustment for some departments that frequently use personal vehicles for County business and submit for mileage reimbursement. This policy change may not be well received by those departments.	30,000	0
4	Payment integrity review of healthcare claims for potential recovery	Technology	Use of software (or specialist payment integrity firm) to analyze healthcare claims data for recoverable costs. One vendor's marketing materials suggest they've found \$392/employee/year.	Negotiations with claims service provider. RFP process.	450,000	annual savings netted by cost to implement
5	Revise vehicle use/management procedures for MHDS & WGC	Fleet	Develop additional Daily Motor Pool fleet locations across the County. Currently only located in West End, but may be utilized more if readily available in other areas (East End, etc.). Currently MHDS fleet vehicles are not being used/made available efficiently. This can be remedied by using an automated kiosk to manage keys/usage and treating dept vehicles as an internal motor pool.	Automated kiosk is \$10,000. Would need to reassign fleet vehicles, motor pool key kiosk, and determine appropriate location(s).	44,000	20,000
6	HCPS-implementing private fiber between schools with Segra contract	Technology	FY27 savings for HCPS - \$1M/year savings with private fiber between schools with Segra contract (E-rate funds are substantially funding this \$5M project for HCPS.)	In process.	1,000,000	already absorbed
7	Leverage Fairfax contract w/Verizon Wireless (Fire)	Technology	County now uses Fairfax Verizon Wireless contract (except Fire)	In the works for FY26	69,000	0
8	Reduce Spending on Catering & Food	Finance-Admin	Evaluate departmental spending in 50501 and potentially revise overarching policies	Requires departmental discretion and oversight to enforce.	205,000	0
9	Reduce Spending on Travel & Conferences	Finance-Admin	Place restrictions on departments for the number of conferences attending each year and number of staff attending the conferences at one time. Limit or add additional review to out of state travel.	Different processes for approval in different departments.	410,000	0
10	Healthcare Fund policy	Finance-Admin	Adjust Risk Management strategy for the Healthcare Fund to cancel the \$1 million dollar policy which caps the County liability at \$2 mil.	Leadership and BOS buy-in	900,000	0
11	Rebid cancer screenings	N/A	Firefighters may elect to receive an ultrasound cancer screening every three years as an early detection tool. The current contracted rate is \$5,600 per day, with 14 spots available. The full cost is paid regardless of whether the spots are filled.	Leadership buy-in	11,000	0

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12	Pre-pay fire apparatus	N/A	Apparatus vendors will offer a significant discount, based on current interest rates and delivery schedules, for significant downpayments after contracts are signed for the purchase of large apparatus. These contracts are legally binding and bonds are required from the vendor, thus providing protection to the County for the funds invested in the purchase.	Case-by-case consideration	500,000	0
13	Utilize Mobile Phone Pools	Technology	Explore options for checking-in/checking-out phones for those that only need to use them periodically or when in the field. Turn in phones that are underutilized.	Leadership buy-in	33,000	0
14	Language & Interpretation Services	Technology	The committee recommends that the County explore existing and new contracts for interpreter services, particularly in MH/DS for telephonic interpretation. HCPS and Henrico Children's Services Act use a contract with a vendor called Volatia that provides the same service at a 75% lower cost than the current vendor used by MH/DS. The current vendor MH/DS uses charges \$2.48 per minute and Volatia charges between \$0.58-\$0.72 per minute.	In Process.	30,000	0
Total, Immediate Budgetary Impact, net of cost					\$ 4,162,000	
Increased Efficiency, Revenue Enhancement or Cost Avoidance						
1	Implement AI Solution for Assistive Call Taking and Automated Non-Emergency Triage (Emergency Communications) (**NEW**)	Technology	Implement AI/Tech solutions to modernize processes to provide real-time language translation services, accurately automate call transcriptions, and manage call volume.	None. Department-supported and funds have been appropriated for the purchase.		
2	Install GPS fleet tracking equipment in all County fleet vehicles.	Fleet	Installation of GPS based fleet tracking system would allow for closer monitoring of vehicle usage and allow for better optimization of these resources. This system would track location, mileage, idling time, speed, fuel usage, etc.	Tracking hardware is \$70/vehicle. Can be installed by CAM. County already has software/licenses needed.		
3	Digital Forms & Automation Developments where applicable	Human Resources	Develop a forms and automation process for various HR related tasks	Developing a multi purpose form and maintaining confidentiality. Created with in current available technology.		-
4	Confirm and communicate agency/general services facility/maintenance POCs	Facilities	Having single points of contact for GS and agencies related to facility/maintenance needs will improve efficiency and confirm vendor quality	Formalize process to ensure cross-county compliance over time		
5	Third party organization workforce	Human Resources	Example DBVI (Department of the Blind and Vision Impaired) received grant funding for training to help their client build skills to be marketable for employment opportunities.	As with any grant or third party funded position they have to be available and the skillset should match tasks needed. So the challenge would be timing and needs related.		

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6	Volunteer Role	Human Resources	Determine tasks that can be managed by volunteers.	Finding roles that can be managed by volunteers giving staff time for other prioritized tasks. If possible this may be department specific.		
7	Timekeeping Improvements	Finance-Admin	Finance payroll and IT work with departments who are still doing manual timecard entry (Schools, DPW, others) to move into another solution (maybe Telestaff as enterprise solution)	Implementation of system(s) across multiple agencies.		
8	Reduce printed checks - push ACH	Finance-Admin	Banking change may improve the onboarding of vendors resulting in an increase in suppliers accepting direct deposit/ACH payments rather than mailed checks; MHDS feedback that foster parents get LOTS of paper checks every month.	Fees, communication, set-up, refusals		
9	Automate Vendor Invoice Processing	Finance-Admin	IT has developed a custom process where vendor invoices (electronic or paper) can be processed by AI to populate key fields and has related workflow for Dept approval and interface to Oracle AP. Currently in a limited Pilot stage, but could be expanded.	Not all vendor invoices are the same which creates challenges to AI and requires manual intervention. Also will require significant training efforts and support when new process rolled out to other departments.		
Mid-Term Implementation (FY28-FY30)						
1	E-Procurement System	Finance-Admin	Create better visibility throughout the procurement process and allow for tagging contract items and ease of purchasing through an electronic procurement system. Implementation will delay the need for additional procurement analysts.	May need to wait for the new ERP system		195,000
2	Find efficiencies within facilities contracts, vendors, and improved supplier complaint process.	Facilities	Processes within contracts may have inefficiencies. Supplier complaint process education could improve use and decrease renewal with underperforming vendors.	Will take time to review contracts and explore potential efficiencies while remaining aligned with various contract terms and timelines. Education and related policy will require sustainability in application.		
3	Efficiency through technology	Facilities	Decreasing consumables by installing hand dryers instead of paper towels, washer/dryers instead of disposable mop heads, etc. Building automation systems like automatic gates, keyless entry, and automatic bathroom cleaning decrease personnel costs	Upfront cost of systems		100,000
4	Fleet Utilization Assessment & Additional Daily Motor Pool fleet locations	Fleet	Conduct fleet utilization/usage assessment to identify if/where fleet can be downsized/reassigned. Vehicles that are identified not to be needed full-time can be supplemented by motor pool. Develop additional Daily Motor Pool fleet locations across the County. Currently only located in West End, but may be utilized more if readily available in other areas (East End, etc.).	Cost of assessment unknown. Is current vehicle usage data enough for a detailed assessment? May need to wait until after implementation of other fleet management recommendations in order to get accurate results. Would need to reassign fleet vehicles, motor pool key kiosk, and determine appropriate location(s).		30,600 (per vehicle)

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5	Add T-Mobile as option to Verizon for County cell phones	Technology	Consider adding T-Mobile as option to Verizon for County cell phones. HCPS has indicated that they were able to save \$20 per phone/month using a Fairfax cooperative contract.	Billing and reconciliation. Agency buy-in for transition/change in service.	139,000	
6	Reduce land area that requires mowing to reduce mowing related expense	Facilities	Evaluate county lands to determine areas that do not require mowing and/or those grass areas that could be replaced with low maintenance native plants, pollinator species, etc.	Cost/upkeep of native plants	5,250	(per acre)
7	Implement Wireless Phone Purchasing Standards	Technology	Tighten wireless phone purchasing standards and implement county-wide. Provide fewer, low cost phone options as the basic service and require needs analysis/justification for more costly devices.	Requires buy-in from agencies and leadership support.	25,000	
8	Switch from individual desk printers to shared printers	Technology	Move away from individual purchased desk printers to shared printers. Where necessary, implement swipe to print/click to print to facilitate security of print jobs on shared devices. Annual cost savings.	Leadership buy-in.	25,000	
Ideas for mid-term implementation (FY28-FY30)					\$ 324,850	