

*Our Mission: To provide County agencies a single location for cost effective services and technical advice that will meet their printing, copying, graphic design, and mail services needs*

### **Printing and Mail Services**

- Produce high volume copies for County agencies using high production digital machines that produce the best quality at the lowest price.
- Provide critical printing, graphics, and bindery services to meet the needs across the County.
- Manage all walk-up copiers and mobile printing applications for all County departments to meet their copying needs. By holding a master contract for copiers, the County achieves cost savings, and provides better services.
- Handle outgoing and interoffice mail as well as special mailing projects for the County.
- Provide County departments and Arlington Public Schools (APS) with postage savings on large mail jobs using the latest technology and smart mail applications.
- Utilize 30 percent post-consumer recycled paper for all print jobs.

### **SIGNIFICANT BUDGET CHANGES**

The FY 2026 proposed expenditure budget for the Department of Environmental Services' Printing Fund is \$1,689,534, a 16 percent decrease from the FY 2025 adopted budget. The FY 2026 proposed budget reflects:

- ↓ Expenses and revenues decline due to the transition away from an on-premise County-run Print Shop to an outsourced, contracted out model.
- Print revenue has been declining in recent years as the demand for printed materials has dropped. The Print Shop is an internal service fund, funded through chargebacks for services to departments. The fund is no longer able to cover its expenses on an annual basis.
- The print shop will transition to a contract model over the course of the next 12 – 18 months. Some specialty print services are already contracted out; the transition will include setting up additional contract mechanisms and processes and procedures for departments to order routine printing and printer maintenance services. The mail function will continue to operate but will transition to be funded in the general fund at the conclusion of the transition.
- The mail metering and postage equipment will continue to be operated to save money on large mailings.

### **FY 2026 Proposed Budget Reductions**

#### **Print Fund**

- ↓ Transition Print Shop to an Outsourced Model (\$318,866) - The Print Shop is an internal service fund, funded through chargebacks for services to departments. DES recommends transitioning from an on-premise model to an outsourced model over the next 12 – 18 months. The fund is no longer able to cover expenses as demand for printed materials has dropped.

IMPACT: The print shop currently has seven authorized FTEs. Four are proposed to be eliminated mid-way through FY 2026, of which 2 will be vacant due to planned retirements. The remaining three positions will be used to help transition the County to an outsourced print model and to manage mail services. The future staffing model and budget will be

finalized during the transition project. Any remaining functions will be transferred to the General Fund in a future budget year.

## PROGRAM FINANCIAL SUMMARY

|                              | FY 2024<br>Actual  | FY 2025<br>Adopted | FY 2026<br>Proposed | % Change<br>'25 to '26 |
|------------------------------|--------------------|--------------------|---------------------|------------------------|
| Personnel                    | \$680,873          | \$805,392          | \$517,873           | -36%                   |
| Non-Personnel                | 1,531,081          | 1,201,234          | 1,171,661           | -2%                    |
| GASB Expense                 | 2,785,113          | -                  | -                   | -                      |
| <b>Total Expenditures</b>    | <b>4,997,067</b>   | <b>2,006,626</b>   | <b>1,689,534</b>    | <b>-16%</b>            |
| County Revenue               | 1,402,019          | 1,659,314          | 1,015,122           | -39%                   |
| Outside Revenue              | 41,930             | 50,000             | 50,000              | -                      |
| GASB Revenue                 | 2,785,113          | -                  | -                   | -                      |
| General Fund Transfer        | 777,258            | 297,312            | 297,312             | -                      |
| <b>Total Revenues</b>        | <b>\$5,006,320</b> | <b>\$2,006,626</b> | <b>\$1,362,434</b>  | <b>-32%</b>            |
| Permanent FTEs               | 8.00               | 7.00               | 7.00                |                        |
| Temporary FTEs               | -                  | -                  | -                   |                        |
| <b>Total Authorized FTEs</b> | <b>8.00</b>        | <b>7.00</b>        | <b>7.00</b>         |                        |

## PERFORMANCE MEASURES

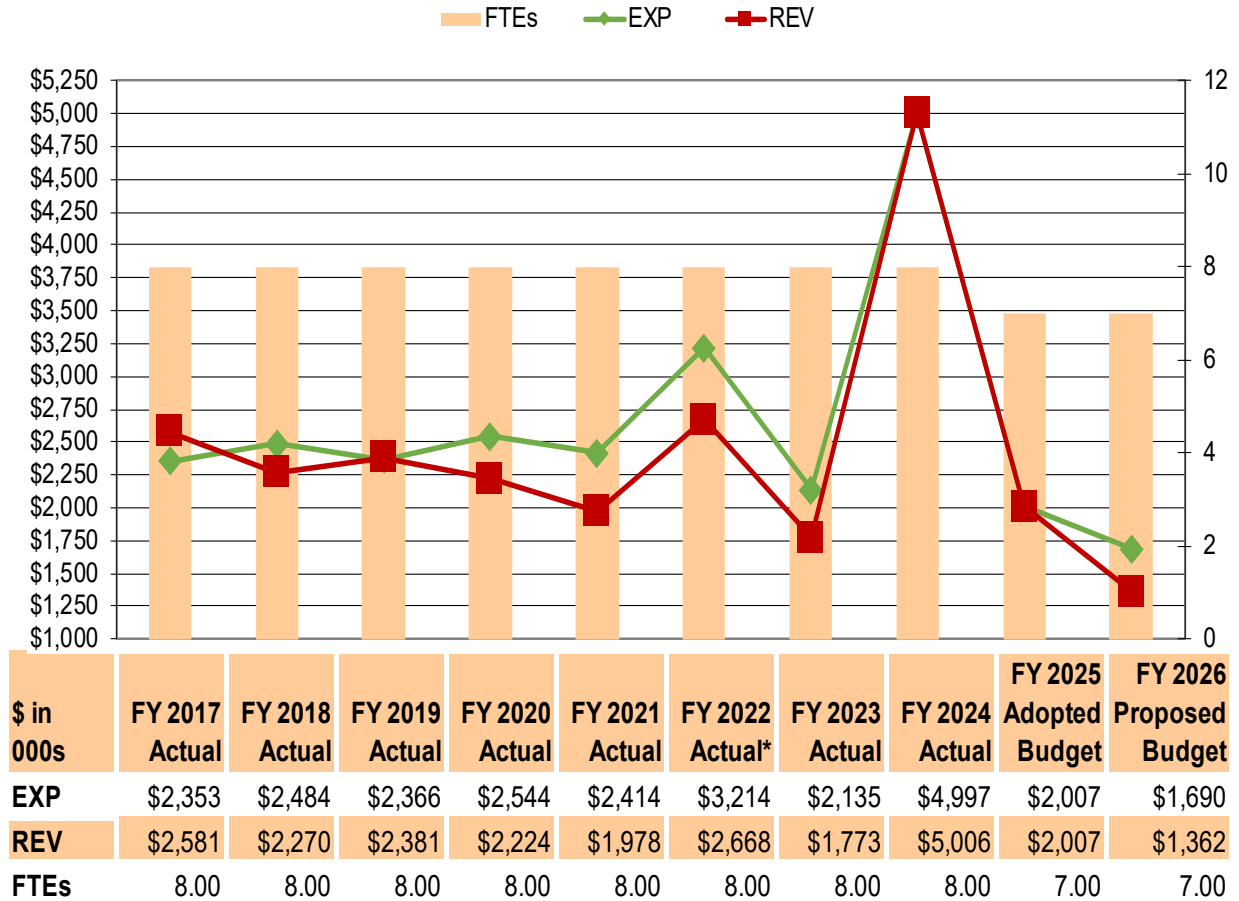
### Printing and Mail Services

| Critical Measures                                | FY 2021<br>Actual | FY 2022<br>Actual | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Estimate | FY 2026<br>Estimate |
|--------------------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Assisted copies completed by due date            | 98%               | 99%               | 99%               | 99%               | 99%                 | N/A                 |
| Percent of printing orders completed by due date | 98%               | 99%               | 99%               | 99%               | 99%                 | N/A                 |

| Supporting Measures                      | FY 2021<br>Actual | FY 2022<br>Actual | FY 2023<br>Actual | FY 2024<br>Actual | FY 2025<br>Estimate | FY 2026<br>Estimate |
|------------------------------------------|-------------------|-------------------|-------------------|-------------------|---------------------|---------------------|
| Completed jobs submitted per fiscal year | 1,884             | 2,014             | 1,756             | 2,326             | 2,100               | N/A                 |
| Total impressions per fiscal year        | 3,486,294         | 2,742,811         | 2,141,821         | 2,814,488         | 2,200,000           | N/A                 |

- The number of completed jobs submitted per fiscal year decreased in FY 2023 due to employees not returning to the workplace after the pandemic.
- Impressions are copies of a publication printed at one time from the same set of type. The total amount of impressions per fiscal year are based on the amount requested in each fiscal year.

**EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS**



\*Beginning in FY 2022, actual expenditures and revenues received reflect the first year of implementing new Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

| <b>Fiscal Year</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>FTEs</b> |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| FY 2017            | <ul style="list-style-type: none"> <li>Non-personnel increased due to contractual obligations for equipment and supplies (\$27,915), purchase of services (\$60,000), and presort mail services for special projects (\$100,000).</li> <li>Revenue from County departments and Arlington Public Schools (APS) increased due to volume of jobs and special services including presort mail services (\$213,633).</li> <li>Transfer from the General Fund, which supports the mail operation, increased primarily due to increases in personnel costs (\$3,901) and an increase in equipment lease costs (\$6,384).</li> </ul>                                                                                                                               |             |
| FY 2018            | <ul style="list-style-type: none"> <li>Non-personnel increased primarily due to contractual obligations for equipment and supplies as a result of new photocopier/printer contract that requires all County photocopiers and printers be leased through the Print Shop (\$351,344), an increase in operating supplies (\$45,000), primarily offset by a decrease in internal services (\$50,000).</li> <li>County revenue increased from County departments due to the new printer/photocopier contract (\$315,482), and an increase in printing revenue outside of County departments (\$20,000).</li> <li>Transfer from the General Fund, which supports the mail operation, increased due to an increase in equipment lease costs (\$7,831).</li> </ul> |             |
| FY 2019            | <ul style="list-style-type: none"> <li>Non-personnel increased due to contractual obligations for equipment and supplies (\$20,129), offset by a decrease in internal services (\$30,000).</li> <li>County revenue increased from County departments due to an increase in photocopier leases and printing services (\$47,412).</li> <li>Outside revenue increased to align with FY 2017 outside revenue actuals (\$20,000).</li> <li>Transfer from the General Fund, which supports the mail operation, decreased due to eligible personnel expenses (\$7,263).</li> </ul>                                                                                                                                                                                |             |
| FY 2020            | <ul style="list-style-type: none"> <li>Decreased funding for contractual obligations related to the County's contract with Xerox (\$60,000).</li> <li>Decreased non-personnel funding for outside print shop charges (\$40,000).</li> <li>County revenue decreased due to a slight decline in print production and mail services (\$135,000).</li> <li>General Fund Transfer increased due to an increase in eligible personnel expenses (\$4,045).</li> </ul>                                                                                                                                                                                                                                                                                             |             |
| FY 2021            | <ul style="list-style-type: none"> <li>Non-personnel decreased primarily due to contractual obligations related to the County's contract with Xerox (\$71,000), partially offset by anticipated higher paper costs (\$6,311).</li> <li>County revenue increased from County departments due to the addition of a 15 percent increase to printing fees to adjust for annual inflationary increases for paper and salary increases (\$195,459), partially offset by decreases due to a slight decline in print production and mail services as County departments move to more online notifications (\$39,839) and aligning budget with actuals (\$40,161).</li> </ul>                                                                                       |             |

| <b>Fiscal Year</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>FTEs</b> |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|                    | <ul style="list-style-type: none"> <li>Outside revenue increases due to aligning budget with actuals (\$80,000).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |             |
| FY 2022            | <ul style="list-style-type: none"> <li>The County Board added funding for a one percent merit pay adjustment, a five percent increase in the range, and an increase to the one-time bonus for staff from \$500 to approximately \$900.</li> <li>Reduced the County's contract cost with Xerox based on renegotiating portions of the County's printing services contract (\$175,699).</li> <li>Reduced printer expenses (\$6,323).</li> <li>County revenue from departments decreased due to less demand for the purchase of paper as a result of COVID-19 and increased telework (\$470,459).</li> <li>Outside revenue decreased due to less demand for the purchase of paper as a result of COVID-19 and increased telework (\$40,000).</li> <li>The General Fund transfer increased based on expenses supporting the County's mail operation (\$8,597).</li> <li><i>In FY 2021 closeout, funding was added for a one percent merit pay adjustment and a one-time bonus for staff of \$450.</i></li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |             |
| FY 2023            | <ul style="list-style-type: none"> <li>The County Board approved an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, and increased the pay range movement to five percent. Additional compensation changes approved by the County Board include an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more, a one-time increase in shift differential pay from \$0.75 to \$1.00 per hour for the B shift and from \$1.00 to \$1.30 per hour for the C shift, and a one-time increase in language premium from \$0.69 to \$0.92 per hour.</li> <li>Non-personnel expenses decreased primarily due to printer reductions (\$73,958).</li> <li>Vehicle expenses increased due to adjustments to the annual expense for maintenance and replacement of County vehicles (\$1,103) and the addition of one-time funds to replace an internal combustion engine vehicle with an electric vehicle (EV) that was due for replacement (\$26,206).</li> <li>County revenue from departments decreased due to less demand for the purchase of paper in FY 2023 as a result of COVID-19 and increased telework (\$71,382).</li> <li>Outside revenue decreased due to less demand for the purchase of paper in FY 2023 as a result of COVID-19 and increased telework (\$85,000).</li> <li>The General Fund Transfer increased based on expenses supporting the County's mail operation (\$7,679).</li> </ul> |             |
| FY 2024            | <ul style="list-style-type: none"> <li>Added funding for a one-time \$2,000 (gross) employee bonus (\$17,506).</li> <li>Removed a position that has been vacant for a long time (\$89,641).</li> <li>Non-personnel budget decreased mainly due to the printer contract savings with Xerox (\$126,852).</li> <li>Removed FY 2023 one-time funding for an electric vehicle that is due for replacement (\$26,206).</li> <li>Revenue decreased due to less demand for the purchase of paper and print jobs because of increased telework (\$350,618).</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (1.00)      |

| <b>Fiscal<br/>Year</b> | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                 | <b>FTEs</b> |
|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
|                        | <ul style="list-style-type: none"><li>▪ The General Fund Transfer increased primarily due to the one-time funding from General Fund that is based on expenses to support the County's mail operation (\$500,000).</li></ul>                                                                                                                                                                                        |             |
| FY 2025                | <ul style="list-style-type: none"><li>▪ County revenue from departments increased due to printing and mailing services (\$356,314).</li><li>▪ Outside revenue from Arlington Public Schools increased (\$5,000).</li><li>▪ The General Fund Transfer decreased primarily due to the one-time funding from the General Fund that is based on expenses to support the County's mail operation (\$479,946).</li></ul> |             |