

# County Manager's Proposed FY 2021 Budget

## OVERVIEW

**County Board Meeting**

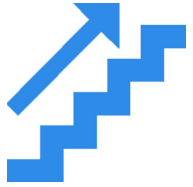
Tuesday, February 25, 2020 @ 6:45 p.m.



# Overview

- Focus on foundational areas of County government
- Shores up investments in County infrastructure & core services
- Consistent with County Board guidance:
  - No change from the current tax rate
  - Investment in housing affordability, stormwater, schools, workforce, and Metro

# Proposed FY 2021 Budget: Revenue Growth



**Overall Tax Revenue:** 4.6% increase



**Real Estate Assessments:** 4.6% increase

- Commercial: **4.9% increase**
- Residential: **4.3% increase**



**Office tax base:** 2.5% increase

- *Driven by a decline in office vacancy rate*

# Proposed FY 2021 Budget: By the Numbers

## TOTAL BUDGET

**\$1.4 billion**

2.9% increase (\$40.0 million) from FY 2020 (ongoing and one-time)



## COUNTY OPERATING

**\$846 million**

2.7% increase (\$22.2 million) from FY 2020 (ongoing and one-time)

## SCHOOLS TRANSFER

**\$550 million**

3.3% increase (\$17.7 million) from FY 2020 (ongoing and one-time)

# COUNTY SUPPORT FOR SCHOOLS

\$550M transfer to APS (FY 2021)

**PLUS...** More than \$12M in County services



- > Parks
- > Athletic field maintenance
- > Clubs & camps



- > Fleet management, maintenance, financing, fueling, washing, parking for 132 school buses & 107 support vehicles



- > School Zone Flashing Signals
- > I-Ride student transit program
- > Crosswalks, markings, signage, flashers



- > Registered nurses, clinic aide for each school
- > Dental services, mental health services
- > Disease surveillance, teen pregnancy prevention
- > Immunizations, school physicals



- > Libraries & youth programming



- > School Resource Officer program
- > Crossing Guard Unit



- > Early childhood education & parenting
- > Joint Employee Assistance Program
- > Residential & youth outreach programs



- > Joint use facilities
- > Construction & occupancy permits, inspections
- > Contract management (trash & recycling)
- > Connect Arlington



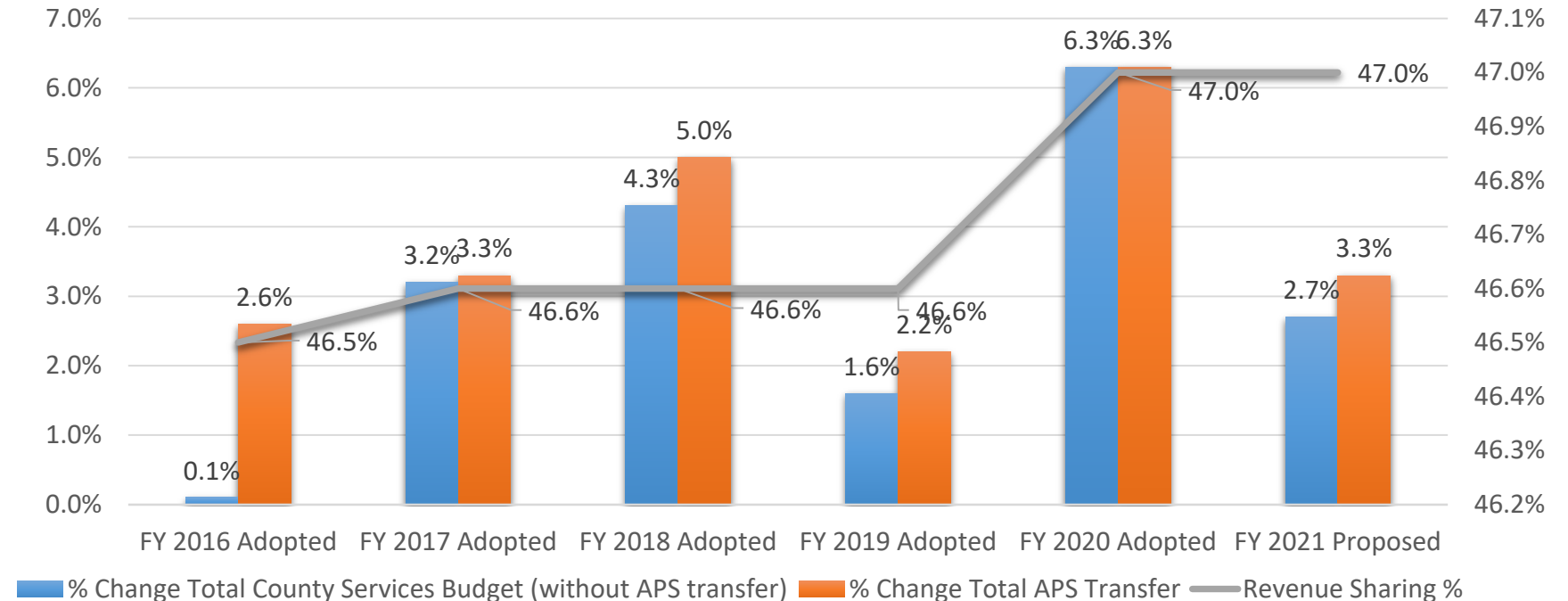
# Arlington Public Schools



**Total Proposed County Transfer to Schools: \$550 million**

*Up \$17.7 million (3.3%) from FY 2020 and \$50 million over two years (FY 2019 adopted to FY 2021 proposed)*

**% Change in County Services Budget vs. School Transfer & Revenue Sharing**



- Share of tax revenue for APS at **47 percent**
- WABE per pupil costs: **\$19,921** (highest in the region)



# Priorities: Housing Affordability

***\$9.1 million in funding for housing, per the Board's guidance***

- **AHIF:** \$2.7 million increase (from \$16.0 million to \$18.7 million)
- **Recommendation to allocate potential increase in Cigarette Tax:** \$2.0 million
- **Housing Arlington:** \$248,750 (one-time funding) for research, analysis, and community outreach and engagement plus an additional Principal Planner (1.0 FTE)
- **Housing Support:**
  - \$801,781 increase in Housing Grants from \$9.3 million to \$10.1 million
  - \$412,554 for Permanent Supportive Housing program from \$2.1 million to \$2.5 million
  - \$250,000 for pilot program to support youth aging out of foster care
  - 3 FTEs for permanent housing locator and case manager
- **Dedication of Columbia Pike TIF funding to affordable housing:** \$2.3 million

***More than 5% of the County's operating budget is dedicated to housing  
AND more than 15% is dedicated to safety net services and housing***

# Priorities: County Workforce



- **Merit-based Compensation**

- Public safety personnel: 5.5% increase, plus 1% MPA for most public safety employees
- General employees: 3.25%-3.50% increase
- Minimum and maximum of salary ranges increased 5%
- Continuation of job family studies (\$1.55M)

- **Benefits**

- Increased paid parental leave from 4 to 6 weeks
- Added Election Day 2020 as County holiday
- Increased shift differential pays for public safety and trades workers
- Doubled dependent care benefit from \$500 to \$1,000
- Increased transit benefit from \$180 to the \$225 maximum





# Priorities: Public Safety

- **Fire Personnel**

- 9 positions to continue implementing Kelly Day staffing for the Fire Department
- Funded a second recruit class
- Position to support recruitment and human resources
- Increased the medic premium

- **Sheriff's Office**

- Position for the Mental Health Docket
- Entry pay slightly higher than other public safety (5.5%)

- **Police**

- New policy initiative with establishment of Traffic Control Officers
- One position to expand business outreach
- Increase Public Service Aid pay

- **Recruitment**

- New recruitment approaches for our emergency communications center
- One-time funding to assist in Sheriff and Police recruitment

# Priorities: Infrastructure & Core Services

- **Traffic & Road Safety**
  - 6 new positions in the Police Department that will focus on traffic enforcement and control
  - New staffing capacity to address maintenance of County's streetlights
  - Funding for concrete maintenance and a sidewalk condition assessment
- **Internal Infrastructure**
  - Staffing capacity in purchasing, real estate assessments, and human resources
  - Modernization of our enterprise-wide financial and human resource system and technology investments in critical human service systems
- **Expansion of Library collections**

# Other Budget Priorities



**Metro:** Increased contribution (\$1.7 million) for the County's share of Metro's operating budget and the Phase 2 of the Silver line



**Stormwater:** Flood sensors pilot program for County intersections and eligible residences, 2 new Stormwater Inspectors, and upcoming November 2020 bond referendum for stormwater & watershed infrastructure



**Trees:** \$250,000 to improve tree pruning and tree pest management; an additional urban forester position



**Facilities:** New and expanded facilities, including Long Bridge Aquatics and Fitness Center, Lubber Run Community Center and Courthouse Library



**Cultural Affairs:** More flexible hours, a revised fees schedule, and a manager for the Scenic Studio; transitioning the Mobile Stage to a vendor model; pilot program for Signature Theater to manage the CostumeLab; and \$30,000 one-time funding for additional arts grants

# Tax & Fee Burden on Average Household

	CY 2017	CY 2018	CY 2019	CY 2020	% Change '19 to '20
Real Estate Tax (includes sanitary district tax)	\$6,209	\$6,447	\$6,757	\$7,041	4%
Personal Property	968	1,024	994	1,049	6%
Vehicle License Fee	66	66	66	66	-
Refuse Fee	314	316	306	319	4%
Water / Sewer Service	817	817	828	852	3%
Residential Utility Tax	72	72	72	72	-
<b>Total</b>	<b>\$8,446</b>	<b>\$8,742</b>	<b>\$9,023</b>	<b>\$9,399</b>	<b>4%</b>
<b>Total \$ change from prior year</b>	<b>\$253</b>	<b>\$296</b>	<b>\$281</b>	<b>\$376</b>	

# Real Estate Tax Rates: Peer Comparison

	CY 2019	CY 2020 Proposed	CY 2020 Advertised
<b>Arlington</b>	<b>\$1.013</b>	<b>\$1.013</b>	Expected <b>Feb. 25</b>
<b>Alexandria</b>	<b>\$1.130</b>	<b>\$1.150</b>	Expected <b>Mar. 10</b>
<b>Fairfax</b>	<b>\$1.150</b>	Expected <b>Feb. 25</b>	Expected <b>Mar. 10</b>
<b>Loudoun</b>	<b>\$1.045</b>	<b>\$1.035</b>	<b>\$1.045</b>
<b>Prince William</b>	<b>\$1.125</b>	<b>\$1.145</b>	<b>\$1.170</b>

*Rates shown reflect base tax rates.*

# Reserves & Financial Policies

- Proposed update to the Financial Policies to reflect the Board's action in FY 2020 adopted and FY 2019 close-out to increase the Stabilization Contingent to 1% of the General Fund.
- Changes include transitioning from a Contingent to a Reserve and creating the 1% as the minimum amount of the Reserve.

# Tax & Fee Advertisements: Feb. 25, 2020

- County Manager proposes no change in the CY 2020 tax rate
- No changes to Personal Property, BPOL, BID, or Stormwater tax rates
- Fee Changes Proposed
  - Household Solid Waste increase of \$13.03 (to \$319.03)
  - Water/Sewer rate of \$14.20/thousand gallons (up \$0.40/thousand gallons, or approx. additional \$24/year)
  - Increased fees for development services and site plan review by a 2.5% inflationary rate
  - Increased two Land Disturbing Activity (LDA) fees
  - New fee for certified vital records to offset the cost of administration
  - New fee for Workforce Development clients who receive childcare, computer training and certification services provided by DHS
  - New fees associated with Long Bridge Aquatics & Fitness Center
  - Increase fees for outdoor facility rentals, nature summer camps extended day options, adult 3-verses-3 basketball tournaments, and lifeguard classes
  - Fee adjustments for aquatics and gymnastics teams, creative arts programs, summer camps, youth sports leagues
  - New fees for residential alarm registrations and increased fees for false alarms
  - **Elimination of overdue fines to make the Library collections more accessible to all users**

# Looking Ahead

- A typical continuing services budget grows 3-4% annually
- Many of our priorities will require continued commitments in coming years:
  - Stormwater/Infrastructure
  - Housing affordability
  - Workforce & public safety staffing
  - Metro
  - Arlington Public Schools
- As our financial picture brightens, we will continue to make measured and strategic investments in our community
- We may see gradual revenue growth from Amazon HQ2 (FY 2022 and beyond)



<b>February 25</b>	<b>Proposed Budget:</b> County Manager's Proposed FY 2021 Budget submitted to the County Board
<b>February 27</b>	<b>Schools Budget Proposed</b>
<b>March 2–April 3</b>	<b>Budget Work Sessions:</b> County Board holds a series of budget work sessions with County Departments, Constitutional Offices, and the School Board
<b>March</b>	<b>Mid-year Review:</b> County Manager submits FY 2020 mid-year review of expenditures and revenues to the County Board
<b>March 31</b> 7:00 p.m., County Board Room 2100 Clarendon Blvd.	<b>Public Hearing:</b> County Board hosted public hearing on Proposed FY 2021 Budget including County expenses and real estate tax, personal property tax rates, and other taxes and fees
<b>April 2</b> 7:00 p.m., County Board Room 2100 Clarendon Blvd.	<b>Public Hearing:</b> County Board hosts second public hearing on proposed FY 2021 budget including County expenses and real estate tax, personal property tax rates, and other taxes and fees
<b>April 18</b>	<b>County Budget Adoption:</b> County Board adopts FY 2021 Budget and Appropriations Resolutions for the County government, the public schools, and Pay-As-You-Go Capital. County Board adopts CY 2020 real estate tax rate and other FY 2021 taxes and fees
<b>May 7</b>	<b>Schools Budget Adoption:</b> School Board adopts FY 2021 school budget
<b>July 1</b>	<b>FY 2021 begins</b>

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