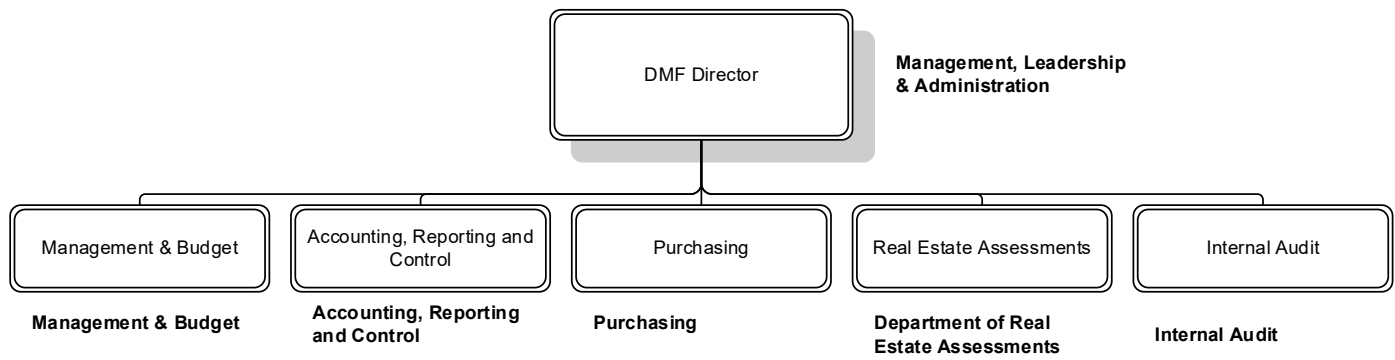


***Our Mission: To ensure the prudent use of County resources***

The Department of Management and Finance (DMF) provides sound, accurate, and timely financial analysis to ensure the prudent use of County resources and enable the delivery of high-quality services. Specific services include financial management, innovative problem-solving and policy support, annual real property assessments, project finance assistance, economic analysis, purchasing, internal auditing, accounting, and providing financial information for the County Board, the public, the County Manager, and County departments.

**LINES OF BUSINESS**



**SIGNIFICANT BUDGET CHANGES**

The FY 2023 adopted expenditure budget for the Department of Management and Finance is \$10,061,086 a 14 percent increase from the FY 2022 adopted budget. The adopted budget reflects:

- The County Board added funding for 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, increased the pay range movement to five percent, and an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more (\$7,687).
- The County Board reduced the DMF budget for a Prevailing Wage position (\$94,500, 1.0 FTE) and reallocated some of the funding to non-personnel for Prevailing Wage software maintenance and support (\$41,200).
- ↑ Personnel increases due to the addition of a Commercial Real Estate Appraiser position (\$125,194, 1.0 FTE), an Accounts Payable/Accounting position (\$98,681, 1.0 FTE), addition of three permanent positions authorized for Prevailing and Living Wage Administration support at FY 2021 close-out (\$263,250, 3.0 FTEs), employee salary increases, slightly higher retirement contributions based on current actuarial projections, adjustments to salaries resulting from Administrative and Real Estate Appraisers’ job family studies (\$76,524), and the items noted above.
- ↑ Non-personnel increases due to the addition of one-time funding for records digitization and indexing of the Department of Real Estate Assessments’ documents (\$140,000), contractual increases (\$20,219), and the item noted above, partially offset by the adjustments to the annual expense for maintenance and replacement of County vehicles (\$514).

- ↑ Fee revenues increase due to higher projections in Signature Theatre revenue (\$74,000), restored to a pre-pandemic level.
- ↑ Transfers from other funds increases due to administrative fees from the Business Improvement Districts for the County-wide administrative support (\$1,992).
- As a part of the FY 2022 adopted budget, the County Board approved use of American Rescue Plan Act (ARPA) funding to restore programs and positions that had been proposed as cuts. The FY 2023 adopted budget continues ARPA funding for restoration of these reductions including:
  - Senior Financial Analyst – Internal Audit (\$74,913, 0.5 FTE)
  - Internal Audit contractor support (\$68,500, one-time)
- As a part of FY 2021 close-out, the County Board approved additional allocations of the remaining ARPA funding for programs based on the Guiding Principles presented by the County Manager in September; the Board directed the County Manager to include funding for these programs in the FY 2023 adopted budget including the Disparity Study (\$500,000 one-time). This funding is budgeted in the County’s Non-Departmental account.

**DEPARTMENT FINANCIAL SUMMARY**

	FY 2021 Actual	FY 2022 Adopted	FY 2023 Adopted	% Change '22 to '23
Personnel	\$7,610,588	\$7,878,516	\$8,916,998	13%
Non-Personnel	898,695	943,183	1,144,088	21%
<b>Total Expenditures</b>	<b>8,509,283</b>	<b>8,821,699</b>	<b>10,061,086</b>	<b>14%</b>
Fees	58,548	268,000	342,000	28%
Transfers From Other Funds	407,894	415,016	417,008	-
<b>Total Revenues</b>	<b>466,442</b>	<b>683,016</b>	<b>759,008</b>	<b>11%</b>
<b>Net Tax Support</b>	<b>\$8,042,841</b>	<b>\$8,138,683</b>	<b>\$9,302,078</b>	<b>14%</b>
Permanent FTEs	59.50	60.50	64.50	
Temporary FTEs	-	-	-	
<b>Total Authorized FTEs</b>	<b>59.50</b>	<b>60.50</b>	<b>64.50</b>	

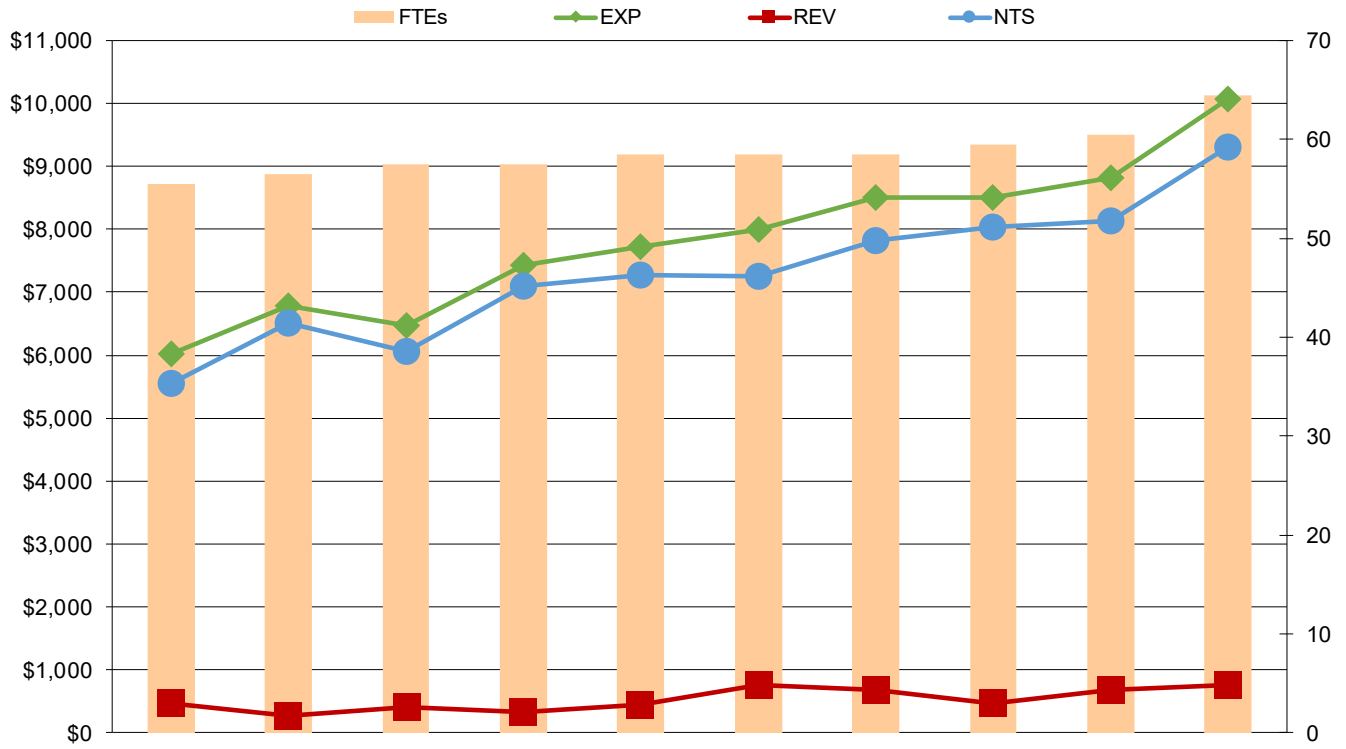
**Expenses by Lines of Business**

	FY 2021 Actual Expense	FY 2022 Adopted Expense	FY 2023 Adopted Expense	% Change '22 to '23	FY 2023 Adopted Revenue	FY 2023 Net Tax Support
Management and Budget	\$2,650,825	\$2,814,333	\$2,871,687	2%	\$752,008	\$2,119,679
Accounting, Reporting & Control	1,576,727	1,387,870	1,943,211	40%	7,000	1,936,211
Internal Audit	278,269	452,748	438,926	-3%	-	438,926
Purchasing	1,191,020	1,258,824	1,362,242	8%	-	1,362,242
Real Estate Assessments	2,812,442	2,907,924	3,445,020	18%	-	3,445,020
<b>Total</b>	<b>\$8,509,283</b>	<b>\$8,821,699</b>	<b>\$10,061,086</b>	<b>14%</b>	<b>\$759,008</b>	<b>\$9,302,078</b>

**Authorized FTEs by Line of Business**

	FY 2022 FTEs Adopted	FY 2023 Permanent FTEs Adopted	FY 2023 Temporary FTEs Adopted	FY 2023 Total FTEs Adopted
Management and Budget	17.00	16.00	-	16.00
Accounting, Reporting & Control	9.00	13.00	-	13.00
Internal Audit	1.50	1.50	-	1.50
Purchasing	10.00	10.00	-	10.00
Real Estate Assessments	23.00	24.00	-	24.00
<b>Total FTEs</b>	<b>60.50</b>	<b>64.50</b>	<b>-</b>	<b>64.50</b>

EXPENDITURE, REVENUE, NET TAX SUPPORT AND FULL-TIME EQUIVALENT TRENDS



	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Adopted Budget	FY 2023 Adopted Budget
<b>EXP</b>	\$6,018	\$6,781	\$6,480	\$7,428	\$7,725	\$8,005	\$8,507	\$8,509	\$8,822	\$10,061
<b>REV</b>	\$474	\$273	\$419	\$326	\$443	\$757	\$686	\$466	\$683	\$759
<b>NTS</b>	\$5,544	\$6,508	\$6,061	\$7,102	\$7,282	\$7,248	\$7,821	\$8,043	\$8,139	\$9,302
<b>FTEs</b>	55.50	56.50	57.50	57.50	58.50	58.50	58.50	59.50	60.50	64.50

Fiscal Year	Description	FTEs
FY 2014	<ul style="list-style-type: none"> <li>▪ The County Board added one-time funding for a Capital Projects Coordinator in the Management and Budget Division (\$131,645).</li> <li>▪ Eliminated 0.5 of 1.0 FTE Assistant Director, Real Estate Assessment (\$80,241) as part of the County-wide budget reductions.</li> <li>▪ Non-personnel expenses increased due to the addition of one-time funding for internal audit services and adjustments to the annual expense for the maintenance and replacement of County vehicles (\$254,730).</li> </ul>	1.00  (0.50)
FY 2015	<ul style="list-style-type: none"> <li>▪ Removed FY 2014 one-time funding for the Capital Project Coordinator (\$131,645).</li> <li>▪ Removed FY 2014 one-time funding for internal audit (\$250,000) and adjustments to the annual expense for maintenance and replacement of County vehicles (\$337).</li> <li>▪ Added a Procurement Officer position in the Purchasing Division (\$120,000).</li> <li>▪ <i>The County Board added one-time funding for internal audit as part of FY 2014 closeout (\$200,000).</i></li> <li>▪ <i>During FY 2015, reallocated a 0.5 FTE position from the Real Estate Assessment line of business to serve as a budget and financial analyst in the Management and Budget line of business.</i></li> </ul>	1.00
FY 2016	<ul style="list-style-type: none"> <li>▪ Converted temporary Internal Audit Position to permanent (\$50,912).</li> <li>▪ Converted previously authorized overstrength employee to permanent Financial Analyst to continue capital project monitoring in support of the County's growing CIP (\$55,212).</li> <li>▪ Converted previously authorized limited term full-time employee to permanent Financial Analyst to continue capital project financial monitoring. The salary for this position remains fully charged to Pay-As-You-Go Fund and does not change the authorized FTE count.</li> <li>▪ Reallocated funds and personnel within the department to create the Internal Audit line of business and added \$200,000 in ongoing non-personnel funding to support the internal audit operations.</li> <li>▪ <i>Reclassified 2.0 limited term full-time employees to 2.0 permanent full-time County funded positions in the Department of Real Estate Assessments Line of Business.</i></li> </ul>	0.50 0.50
FY 2017	<ul style="list-style-type: none"> <li>▪ No significant changes.</li> </ul>	
FY 2018	<ul style="list-style-type: none"> <li>▪ Added a purchasing position to support the increasing demands of capital projects (no general fund support – salary charged to capital projects).</li> <li>▪ Fee revenue increases for the addition of administrative fees and annual property tax payment related to the Arlington/Alexandria Waste-to-Energy Plant (\$94,000).</li> </ul>	1.00

Fiscal Year	Description	FTEs
FY 2019	<ul style="list-style-type: none"> <li>▪ The County Board adopted a one-time tax rate increase for the Ballston Business Improvement District which increased the Transfers from Other Funds revenue derived from administrative fees (\$5,176).</li> <li>▪ Transfers from other funds increased due to the County increasing administrative fees to the Business Improvement Districts (\$75,218) from one percent to two percent for County-wide administrative support.</li> <li>▪ Elimination of a vacant limited-term Staff Support Technician (\$90,076).</li> <li>▪ The adopted budget reflects the transfer in of resources from DTS to support the PRISM Enterprise System through the addition of an IT analyst position in DMF (\$144,488).</li> <li>▪ <i>Reclassified 1.0 limited term full-time employee to 1.0 permanent full-time County funded positions in the Management and Budget Line of Business.</i></li> </ul>	<p>(1.00)</p> <p>1.00</p>
FY 2020	<ul style="list-style-type: none"> <li>▪ Reduced wireless service charges as part of a County-wide review of wireless service providers (\$1,729).</li> <li>▪ Reduced consultant funding used to help implement county-wide auditing (\$50,000).</li> <li>▪ Increased projection for the real estate taxes paid by the operator of the Alexandria Waste to Energy plant (\$10,000).</li> </ul>	
FY 2021	<ul style="list-style-type: none"> <li>▪ Added a Procurement Officer position in the Purchasing Division (\$124,615).</li> <li>▪ Added non-personnel funding due to increases for the contractual maintenance and licensure of the budgeting software (\$61,010) and the real estate mobile assessor software (\$9,650).</li> <li>▪ Increased fee revenue due to higher projections in the County’s Purchase Card rebates based on the reconciliation of prior year actual revenue (\$20,000).</li> <li>▪ Transfers from other funds increased due to administrative fees to the Business Improvement Districts for the County-wide administrative support (\$43,268).</li> </ul>	<p>1.00</p>
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>▪ The County Board added a 1.0 FTE Prevailing Wage Administration position.</li> <li>▪ The County Board added American Rescue Plan funding for an Internal Audit FTE (\$89,957) and Internal Audit contractor support (\$68,500 non-personnel), which had been proposed as reductions.</li> <li>▪ Added funding for an annual e-Procurement software license (\$12,786).</li> <li>▪ Decreased Signature Theatre revenue based on the impact of current COVID-19 conditions into FY 2022 (\$74,000).</li> </ul>	<p>1.00</p>

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> <li>▪ Decreased administrative fees to the Business Improvement Districts for the County-wide administrative support (\$2,233).</li> <li>▪ <i>In FY 2021 closeout, funding was added for a one percent merit pay adjustment (\$34,426) and a one-time bonus for staff of \$450 (\$30,758).</i></li> <li>▪ <i>In FY 2021 close-out, the County Board approved the creation of three permanent full-time positions, two Prevailing Wage Analysts (2.0 FTEs) and an Administrative Specialist (1.0 FTE) to support Prevailing Wage and Living Wage Administration activities and processes.</i></li> </ul>	3.00
FY 2023	<ul style="list-style-type: none"> <li>▪ The County Board added funding for 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, increased the pay range movement to five percent, and an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more (\$7,687).</li> <li>▪ The County Board reduced the DMF budget for a Prevailing Wage FTE (\$94,500) and reallocated some of the funding to non-personnel for Prevailing Wage software maintenance and support (\$41,200).</li> <li>▪ Added a Commercial Real Estate Appraiser position (\$125,194).</li> <li>▪ Added an Accounts Payable/Accounting position (\$98,681).</li> <li>▪ Increased salaries resulting from Administrative and Real Estate Appraisers positions job family studies (\$76,524).</li> <li>▪ Added non-personnel funding due to the addition of one-time funding for the indexing of the Department of Real Estate Assessments' documents (\$140,000) and contractual increases (\$20,219), offset by the adjustments to the annual expense for maintenance and replacement of County vehicles (\$514).</li> <li>▪ Increased fee revenues for the Signature Theatre revenue (\$74,000), restored to pre-pandemic level.</li> <li>▪ Increased transfers from other funds due to administrative fees from the Business Improvement Districts for the County-wide administrative support (\$1,992).</li> <li>▪ As a part of the FY 2022 adopted budget, the County Board approved use of American Rescue Plan Act (ARPA) funding to restore programs and positions that had been proposed as cuts. The FY 2023 adopted budget continues ARPA funding for restoration of these reductions including: <ul style="list-style-type: none"> <li>○ Senior Financial Analyst – Internal Audit (\$74,913, 0.5 FTE)</li> <li>○ Internal Audit contractor support (\$68,500, one-time)</li> </ul> </li> <li>▪ As a part of FY 2021 close-out, the County Board approved additional allocations of the remaining ARPA funding for programs based on the Guiding Principles presented by the County Manager in September; the Board directed the County Manager to include funding for these programs in the FY 2023 adopted budget including: <ul style="list-style-type: none"> <li>○ Disparity Study (\$500,000 one-time). This funding is budgeted in the County's Non-Departmental account.</li> </ul> </li> </ul>	(1.00)  1.00 1.00