



Fiscal Affairs Advisory Commission  
Ellen M. Bozman Government Center  
2100 Clarendon Boulevard, Suite 501  
Arlington, Virginia 22201

July 8, 2021

The Honorable Matt de Ferranti

Chair, Arlington County Board

Ellen M. Bozman Government Center 2100 Clarendon Boulevard, Suite 300 Arlington, Virginia 22201

**RE: FAAC Recommendations for Proposed FY 2022 Capital Improvement Plan and Bond Referenda**

Dear Chair de Ferranti:

The Fiscal Affairs Advisory Commission (FAAC) submits the following letter for the consideration of the Arlington County Board, providing our recommendations on the FY 2022 Capital Improvement Plan (CIP) and November 2021 bond referenda.

We applaud the County Manager and staff for closely managing our debt capacity and capital projects through last years' one year CIP and the current proposed FY22-24 CIP, in what we hope will be our covid-19 recovery year. This letter outlines some considerations related to the proposed budget and provides specific recommendations.

**County Overlap with APS**

Discussion: Arlington Public Schools discussed accelerating some prior commitments which would have required the county to issue debt well in excess of the 10% limit, assuming no other projects were eliminated. The plan was based on building out the Career Center location near Columbia Pike for 2 schools, without consideration for opportunities for co-locating County activities.

Recommendation: FAAC applauds the fiscal responsibility reflected in the decision of APS to not adopt a CIP that would have breached the 10% debt service threshold. At the same time, we are concerned that APS is moving forward with plans to develop land in prime locations at great expense without consideration for opportunities to co-locate County activities. FAAC recommends that the County collaborate with APS in development activities to ensure that we are efficiently and responsibly utilizing public space and capital spending.

## **Equity**

Discussion: The CIP document includes descriptions of various funds and capital projects. It does not, however, include discussion or analysis of the equitable impact of the County's capital spending. The Manager noted "we had healthy, albeit initial, conversations about how each capital program could help with our equity initiative".

Recommendation: The FAAC enthusiastically supports the County's equity initiative and encourages these conversations about the impact of capital spending on equity to continue. Specifically, FAAC encourages the County to consider how the history of racially biased investment patterns has equity implications for a capital program that prioritizes maintenance. FAAC also encourages the County to include more information about the equity implications of capital projects in the CIP.

## **County Priorities**

Discussion: The County has a robust Comprehensive Plan and other important planning documents that recommend capital projects, but the CIP does not transparently reference the goals of those Master Planning documents.

Recommendation: The FAAC recommends that the County provide a more transparent and explicit link between the goals of the Comprehensive Plan and other planning documents and future CIPs.

## **Transportation**

Discussion: The CIP includes \$710 million in wide ranging transportation improvements including our obligatory contributions to Metro. These include ART operations and maintenance, streetlight program, repaving and bridge repair, two new Metro Station entrances, some rail, bus and other multi-modal enhancements.

Recommendation: FAAC supports the recommendations of the Transportation Commission. Regarding bus fares, the City of Richmond has been experimenting with eliminating fares. Arlington should study doing the same. The costs of credit card fees and handling currency are significant. In addition to eliminating those costs, there are environmental benefits to encouraging the use of transit. Fares are a regressive "tax": for individuals at the lower end of the economic spectrum paying \$20 a week for transportation to and from work is a hardship. Finally, encouraging use of transit can lead to cost savings in other areas that impact the County's budget: for example, students using transit could lead to savings for school buses. FAAC recommends exploring eliminating transit fares in Arlington, particularly for APS students.

## **Arlington Boathouse**

Discussion: The proposed CIP includes \$4.8 million of funding for an operation and management study followed by master planning in FY 2022 and design in FY 2024 for a boathouse and related facilities in Rosslyn, consistent with the May 2019 Programmatic Agreement between Arlington County and the

National Park Service, National Capital Planning Commission, District of Columbia State Historic Preservation Office and Virginia State Historic Preservation Office.

Recommendation: Given the constrained County capital funds and the fact that the boathouse would primarily serve a limited constituency, the FAAC recommends that the County explore using public-private partnerships to fund this project, decreasing the contribution from the public funds.

### **Parks and Rec**

Discussion: The proposed CIP includes \$34.3 million focussed primarily on Parks maintenance capital projects. These include renovating the Bluemont tennis courts and replacing three turf fields, converting a field at TJ from grass to synthetic, replacing bridges lost in the 2019 storm and planning funds for the Arlington boathouse.

Recommendation: The CIP should reference and comply with the Parks Master Plan.

### **Stormwater Management**

Discussion: Investments in the stormwater program total \$95.9 million over this three year CIP. The projects are primarily encompassing the Spout Run Watershed, Cardinal Elementary School Watershed Detention, Ballston Pond Watershed Retrofit and Donaldson Run Restoration.

Recommendation: The FAAC supports continuing with these important stormwater projects, but recommends that that County find ways to ensure that these projects are built in a way that supports other County priorities. For example, when land is recaptured to provide stormwater retention, the County should evaluate whether the design could serve needs identified in the Parks Master Plan, and when projects impact streets or trails, the County should replace streets or trails consistent with the layout called for in the Master Transportation Plan.

### **Technology**

Technology investment is being made to adapt to the new workplace and to guard against potential cyber threats. Cloud based systems and laptops v desktops are preferred along with some best practice recommendations for staff to help extend the lifespan of laptops and other mobile devices.

Body and vehicle cameras are a high priority for our public safety goals and should be fully funded.

### **Debt Capacity**

Discussion: Included in the \$62.535 million referenda are \$20.7 million for Metro, \$17.5 million for paving, \$2 million for Neighborhood Conservation, and \$9.73 million for courthouse renovations and courts and police building improvements. The referendum proposal also includes \$5 million for renovation of the Bluemont Park Tennis Court complex replacement and \$800,000 for planning the Arlington Boathouse project. The additional off year referenda will push us closer to our 10%

self-imposed debt limit to maintain our AAA rating. Close attention needs to be paid to school needs and the pace of the recovery.

Recommendation: Governmental Accounting Standards Statement 87 will change the way we account for leases. This will affect Arlington in FY24 and beyond. Management should disclose what accounting changes, if any, will have to be made as well as any changes necessitated in the County's debt policies.

Thank you for your consideration of these recommendations. Sincerely,

A handwritten signature in black ink that reads "Steve Baker". The signature is written in a cursive, flowing style.

Steve Baker, Chair

Fiscal Affairs Advisory Commission

CC:

Members, Arlington County Board

Arlington County Manager

Director, Arlington County Department of Management and Finance Members, Fiscal Affairs Advisory Commission