

**FINAL DIRECTION TO THE COUNTY MANAGER
FOR PREPARATION OF THE FY 2023 BUDGET**

The County Board directs the County Manager to prepare a FY 2023 budget that is responsive to the health and safety needs of our community while prioritizing those basic human needs of health, secure housing, and food. The budget should follow the County’s vision; be consistent with the Equity Resolution; ensure long-term financial sustainability; preserve the County’s triple-AAA bond rating; and fully fund all debt, lease and other contractual commitments including those “subject to appropriation” in the base budget.

As of this date, the Board recognizes that FY 2023 revenues and expenditures will still be affected by the COVID-19 pandemic and recovery. The Board recognizes that the Manager may need to use one-time funds (including American Rescue Plan funds) in his development of the FY 2023 budget as a bridge to a post-pandemic economy, and asks that the Manager balance year-to-year budget stability with structurally sustainable funding of ongoing expenditures.

The County Manager is further directed to propose a balanced budget that:

1. Recognizes that the County’s workforce is integral to the County’s operational performance and continued COVID-19 response, present competitive compensation and benefit enhancements that reflect both the Total Compensation Philosophy and that staff have seen only very limited compensation increases during the prior two fiscal years.
 - a. Includes increases in compensation that the Board is taking the unusual step of committing in this guidance to at least:
 1. Merit-based increases of 4.25% for all General employees depending on pay plan (adjusted for pay-for-performance)
 2. Merit-based increases of 6.5% for uniformed public safety staff
 - b. In addition, the Manager should pursue the continuation of job studies planned that keep current with the market and address pay compression and pay range adjustments, as appropriate.
2. Includes proposals for long-term efficiencies and improvements in service delivery that will continue beyond FY 2023. Proposals should incorporate adjustments to services and facility use that were brought about by the pandemic and continue to make sense for long-term provision of services to our community.
3. Funding options (including use of American Rescue Plan funds as appropriate) for:
 - a. Affordable housing with a primary focus on eviction prevention and housing grants
 - b. Investment in AHIF at least at level funding, with additional funding if projections support further investment;
 - c. Community Recovery efforts including food assistance and business support;

- d. COVID-19 testing, contact tracing, PPE, and vaccine programs; and,
 - e. Continued funding of budget cuts for FY 2022 and other ARPA funded priority programs.
4. Proposals for any additional funding needed for the continued implementation of collective bargaining and the Police Practices Group recommendations.
 5. Provide funding consistent with the Principles of Revenue Sharing and apply the County/School revenue allocation reflected in the FY 2022 adopted budget (53% County / 47% Schools). Additionally, provide analysis of how Principles of Revenue Sharing meet or may not meet the need to address the educational challenges presented by the pandemic.

Further, the Manager's Proposed FY23 Budget should include information and updates regarding (and where relevant, revenue and expenditure changes reflecting) the implementation of:

- a) The County's Framework for Racial Equity
- b) A "whole of government" approach to achieving Arlington's Climate Change and Sustainability goals.
- c) A Stormwater Utility fee