

Subject: DMF- Falls Church Agreements

FY 2017 Proposed Work Session Follow-Up

March 22, 2016

The information below is a summary of the County's agreements with the City of Falls Church presented as follow-up information to the discussion at the FY 2017 Budget Work Session held on March 11, 2016.

Arlington County provides a number of services to residents of the City of Falls Church, including fire, jailing of prisoners, and judicial and public safety services.

The table below provides greater detail on revenue the County receives from Falls Church for these services.

	FY 2015 Actual	FY 2016 Adopted	FY 2017 Proposed	% Change '16 to '17
Circuit Court	\$28,364	\$36,299	\$43,546	20%
Clerk of the Circuit Court	133,636	135,181	141,351	5%
Community Corrections	14,614	15,022	12,268	-18%
General District Court	7,982	10,969	10,375	-5%
Magistrate	2,104	2,319	2,305	-1%
Juvenile and Domestic Relations Court	91,329	93,227	127,962	37%
Commonwealth's Attorney	133,639	141,783	142,180	-
Sheriff	618,115	610,444	550,136	-10%
Fire	2,242,741	2,588,523	2,455,859	-5%
Emergency Communications Center	471,302	573,638	520,634	-9%
Department of Management and Finance	8,887	10,189	10,152	-
Fire Station 6 - Capital Improvements & Operations Maintenance	309,610	-	-	-
Total	\$4,062,323	\$4,217,594	\$4,016,768	-5%

A brief overview of the three contracts covering these services is provided below.

1. Fire and Emergency Medical Services Agreement

The County formally entered into an agreement in 1989 (the 1989 Agreement) with the City of Falls Church regarding sharing responsibilities for the provision of fire and emergency response services to the residents and businesses in the City of Falls Church as well as in the northwest region of Arlington County. Geographically, one half of Fire Station 6's primary response area is in the City of Falls Church and one half is in Arlington County. While the City owns the land and building at Fire Station 6, the County agreed to staff Fire Station 6 with 30 firefighters with the costs divided evenly between the County and the City of Falls Church.

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The Fire and Emergency Medical Services agreement replaces and terminates this 1989 Agreement.

The new contract for Fire and Emergency Medical Services accomplishes three important goals. First it clearly defines operations, response area, policy and command structure for incident response, personnel, vehicles and equipment required to perform services, and facility maintenance. Second, the agreement defines how ambulance revenues generated from Fire Station 6 activities are apportioned between the County and the City of Falls Church. Third, it defines cost-sharing of Falls Church Fire Station operating and maintenance expenses.

In order to refresh the contracts for current day use, County and City staff reviewed how services are delivered and shared. The scope of services was expanded and revised as appropriate and costs-sharing associated with the scope of services were clearly defined. Examples of some of the more significant changes are detailed below.

1. The new agreement recognizes that standardization of apparatus with the rest of the County's fleet provides an operational advantage. According to the 1989 Contract, the primary apparatus was furnished by either the City of Falls Church or the Falls Church Volunteer Fire Department and did not define replacement or maintenance schedules. Under the new contract, the County is responsible for purchasing the Engine, Ladder Truck and Ambulance Unit for Fire Station 6, and the apparatus will be replaced according to the County's replacement schedule. The City will reimburse the County for the purchase and replacement costs of these apparatus. This ensures that the apparatus are standardized with the rest of the County's fleet. In addition, the County will be responsible for fuel and the annual maintenance costs associated with the apparatus.
2. The new agreement updates the previous staffing model for the Fire Station 6. Under the previous agreement Fire Station 6 was staffed with 30 County firefighters. The City reimbursed the County for 50 percent of the salaries and benefits. Under the new agreement, staffing is updated to include 3 additional County firefighters, for a total of 33. The County and City agree to continue to evenly divide the cost of these 33 firefighters; however the cost sharing was updated to include overtime callback pay.
3. The new agreement assigns specific responsibilities for building maintenance and capital improvements at Fire Station 6. Maintenance and capital items were not clearly defined under the previous agreement. Under the previous agreement the City was responsible for funding maintenance of the station with minimal County involvement. The new agreement clearly defines what expenses will be considered maintenance or capital items and outlines a process for identifying, developing and prioritizing a five year capital improvement plan for the facility. The City will be responsible for paying for capital items, and the County will be responsible for paying for facility maintenance. The County is responsible for managing and performing maintenance and all aspects

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of capital project management. In addition, in the first year of the agreement, the City provided funding for critical upfront capital and corrective maintenance required to bring the facility to an acceptable operating baseline.

2. Jailing of Prisoners

Arlington County built its current regional jail facility over twenty years ago. The facility is owned by Arlington County and operated by the Arlington County Sheriff. Since 1993, the City and Arlington County have adhered to a contract for the confinement of the City's offenders in the detention facility. The services the County provides include detention, medical care, social service programs, and some transportation of the City's prisoners, along with booking, court security, and pre-trial program services. The County updated this contract in 2012 to thoroughly capture all of the detention facility services provided by Arlington County and the cost of the services. In October 2015, the County and the City modified the agreement to extend the term of the agreement into perpetuity, until terminated by either party.

The updated contract also modifies the cost calculation formulas to rely on a modified version of the State's Jail Cost Report for Arlington County and on actual prisoner days utilized by the City, instead of a monthly average. Costs include expenses incurred by DHS and Libraries for services provided at the detention facility but exclude certain medical costs that are directly billed to the City for services received by prisoners outside the detention facility. The daily prisoner rate is also offset by the Commonwealth's Prisoner Reimbursement Rate. The new contract provides important updates to the scope of services, contract terms, and cost allocation that was well overdue considering how services and service delivery has evolved since 1993.

The City of Falls Church has been decreasing its utilization of the Arlington County Detention Facility over the last couple years, placing more state responsible inmates with the City of Alexandria. Detention facility revenues from Falls Church have been declining due to this decreased utilization. We decreased the FY 2016 budget from \$772,361 to \$600,000 and the FY 2017 budget from \$600,000 to \$540,000 to reflect this trend. Revenues attributable to FY 2015 were \$612,392, compared to \$1,210,131 in FY 2014.

3. Judicial & Public Safety Services

In 2012 a new contract was developed that covers the City's usage of Judicial Services, Argus House, the ECC, the Sheriff's Alcohol Safety Action Program, and Community Corrections. It also covers the County's usage of Aurora House, a long term residence program for delinquent adolescent girls. In October 2015, the County and the City modified the agreement to extend the term of the agreement into perpetuity, until terminated by either party.

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The County and the City have had a long term contractual agreement since 1989 that covered some of these same services. The contractual update in 2012 more clearly and accurately captures all of the judicial services provided by the County to the City and the cost of those services. It also more clearly defines the cost calculation and cost allocation formulas for the services provided. One of the more substantial changes under the new agreement is the way we charge the City for usage of the ECC. Instead of a low flat rate, the new contract is based on the City's portion of personnel, radio, and maintenance contract costs allocated to the City based on the percent of incoming 911 calls and the radio air time minutes used.

Under the terms of the Judicial and Public Safety Services agreement, the budgeted revenue from Falls Church is based on the upcoming fiscal year's budget with an adjustment—either upwards or downwards—to account for the differences between the City's share of the County's budgeted and actual costs from the most recently-ended fiscal year. This reconciliation process explains the substantial swings for some departments' budgeted revenue from one year to the next.

This is the same methodology used for Arlington's payment to the City for its use of Aurora House. Arlington's payment to Falls Church for Aurora House in FY 2017 is lower by \$58,000 primarily due to a downward adjustment for the FY 2015 reconciliation of actual costs. The City used more child care days at Aurora House than budgeted, which decreases the amount the County owes in FY 2017.