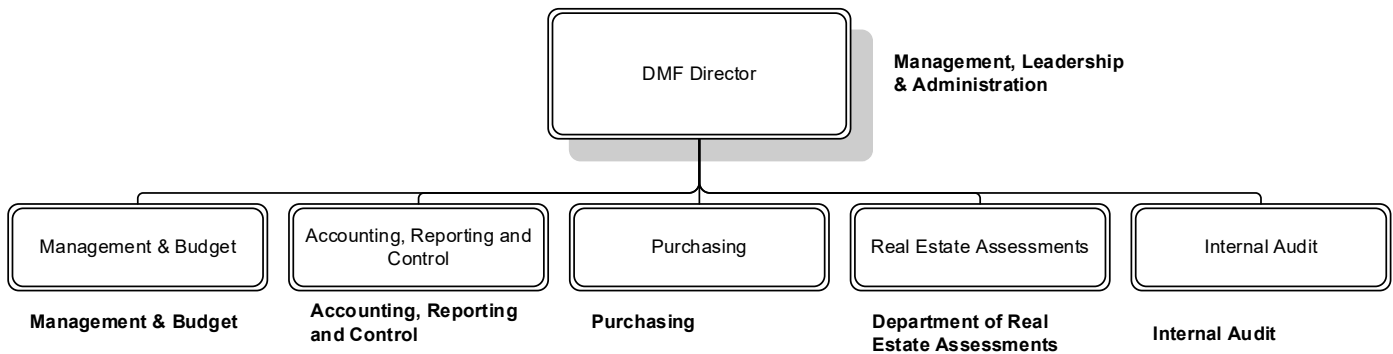


Our Mission: To ensure the prudent use of County resources

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 2024 adopted expenditure budget for the Department of Management and Finance is \$10,325,435, a three percent increase from the FY 2023 adopted budget. The adopted budget reflects:

- ↑ Personnel increases due to employee salary increases, an increase in the County’s cost for employee health insurance, one-time \$2,000 (gross) employee bonuses (\$160,466), adjustments to salaries resulting from Finance and Accounting and Administrative job family studies (\$69,480), and slightly higher retirement contributions based on current actuarial projections, partially offset by the reductions itemized below.
- ↓ Non-personnel decreases are primarily due to elimination of one-time FY 2023 funding for records digitization and indexing of the Department of Real Estate Assessments’ documents (\$140,000), a reduction in annual expense for maintenance and replacement of County vehicles (\$5,759), and reduction below, partially offset by the addition of one-time funding for Indirect Cost Allocation consultant services (\$20,000) and contractual increases (\$36,677).
- ↑ Transfers from other funds increase due to administrative fees from the Business Improvement Districts for County-wide administrative support (\$8,284).

FY 2024 Adopted Budget Reductions

Management & Budget

- ↓ Eliminate external hosting of Arlington Wallet (\$103,400)

IMPACT: Transitioning from an externally managed solution to an internally developed solution will result in the savings noted above as well as better leveraging of existing Microsoft licensing and staff resources.

No impacts to the public are anticipated. The existing functionality can be replicated, or nearly replicated, to the functionality of the existing externally hosted solution in exchange for these cost savings. DMF will need to ensure that additional staff are trained on Microsoft PowerBI so that adequate resiliency exists.

Purchasing

- ↓ Eliminate a 1.0 vacant Prevailing Wage Analyst Position (\$98,967, 1.00 FTE)

IMPACT: This position was added in FY 2022 to support the implementation of Prevailing Wage and the administration of Living Wage. Since then, robust software was purchased to help manage these tasks, and with existing staff, this position is not needed to manage the programs. However, once the Prevailing Wage Program is operating at full contract capacity, it is possible that this staffing reduction could limit the amount of field compliance work the County is able to conduct. Compliance work will still occur but would potentially be limited to fewer site visits.

- ↓ Reduce "Transportation Capital Fund" Procurement Officer position compensation (\$132,443)

IMPACT: Elimination of this vacant position will not significantly impact the current demands of the Transportation Program as this workload is being spread across the entire Division. However, the reduction of a position will reduce capacity in the Division to support the procurement needs of the entire organization.

Real Estate Assessments

- ↓ Reduce a Staff Support Technician Position (\$37,998, 0.50 FTE)

IMPACT: This position is currently utilized in the Department of Real Estate Assessments as a half time position with the current incumbent. A portion of the budgetary funding will be eliminated to reflect the current staffing needs of the Department. There will be no impact to the delivery of services in the Department.

DEPARTMENT OF MANAGEMENT AND FINANCE
DEPARTMENT BUDGET SUMMARY

DEPARTMENT FINANCIAL SUMMARY

	FY 2022 Actual	FY 2023 Adopted	FY 2024 Adopted	% Change '23 to '24
Personnel	\$7,944,901	\$8,916,998	\$9,506,272	7%
Non-Personnel	915,743	1,144,088	951,606	-17%
Intra-County Charges	-	-	(132,443)	-
Total Expenditures	8,860,644	10,061,086	10,325,435	3%
Fees	207,973	350,084	349,837	-
Transfers From Other Funds	330,773	417,008	425,292	2%
Total Revenues	538,746	767,092	775,129	1%
Net Tax Support	\$8,321,898	\$9,293,994	\$9,550,306	3%
Permanent FTEs	60.50	64.50	63.00	
Temporary FTEs	-	-	-	
Total Authorized FTEs	60.50	64.50	63.00	

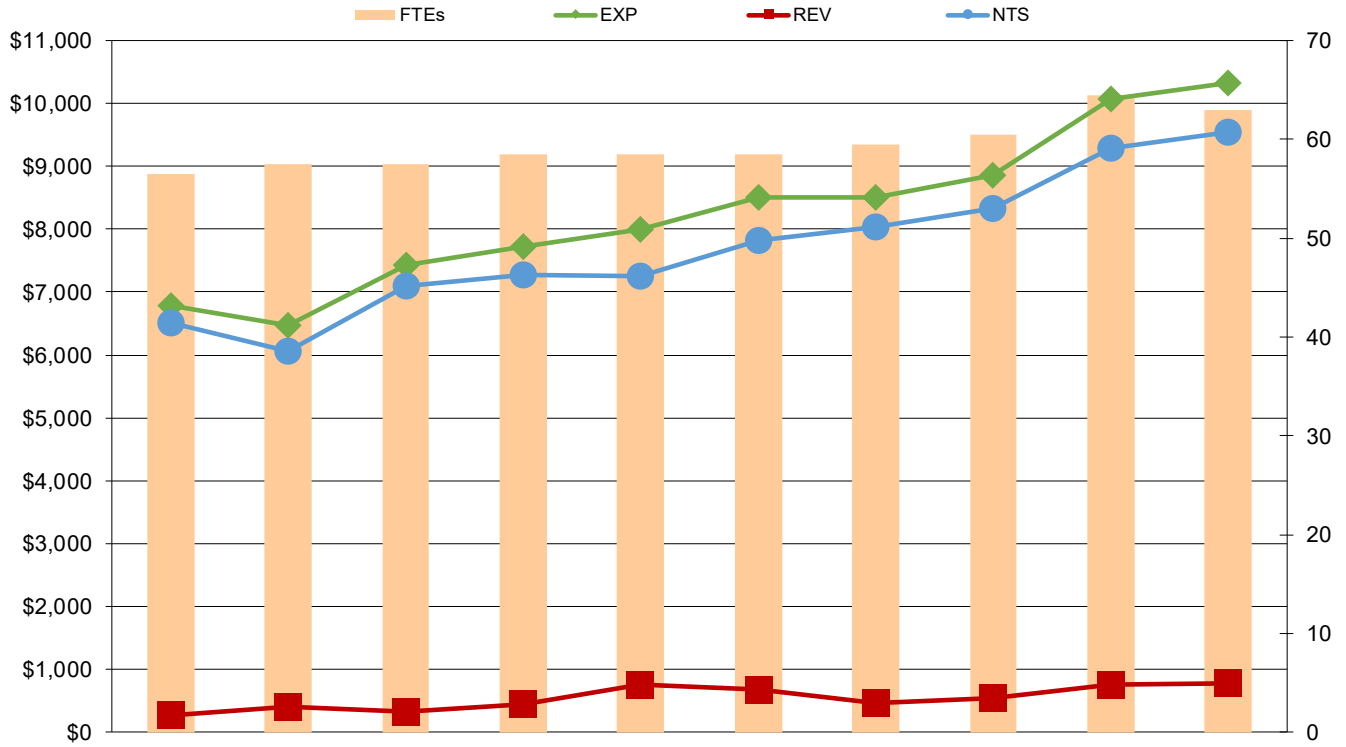
Expenses by Lines of Business

	FY 2022 Actual Expense	FY 2023 Adopted Expense	FY 2024 Adopted Expense	% Change '23 to '24	FY 2024 Adopted Revenue	FY 2024 Net Tax Support
Management and Budget	\$2,857,822	\$2,871,687	\$2,994,529	4%	\$768,129	\$2,226,400
Accounting, Reporting & Control	1,485,311	1,943,211	1,746,569	-10%	7,000	1,739,569
Internal Audit	343,778	438,926	499,965	14%	-	499,965
Purchasing	1,247,463	1,362,242	1,647,472	21%	-	1,647,472
Real Estate Assessments	2,926,271	3,445,020	3,436,900	-	-	3,436,900
Total	\$8,860,644	\$10,061,086	\$10,325,435	3%	\$775,129	\$9,550,306

Authorized FTEs by Line of Business

	FY 2023 FTEs Adopted	FY 2024 Permanent FTEs Adopted	FY 2024 Temporary FTEs Adopted	FY 2024 Total FTEs Adopted
Management and Budget	16.00	16.00	-	16.00
Accounting, Reporting & Control	13.00	10.00	-	10.00
Internal Audit	1.50	1.50	-	1.50
Purchasing	10.00	12.00	-	12.00
Real Estate Assessments	24.00	23.50	-	23.50
Total FTEs	64.50	63.00	-	63.00

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



	FY 2015 Actual	FY 2016 Actual	FY 2017 Actual	FY 2018 Actual	FY 2019 Actual	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted Budget	FY 2024 Adopted Budget
EXP	\$6,781	\$6,480	\$7,428	\$7,725	\$8,005	\$8,507	\$8,509	\$8,861	\$10,061	\$10,325
REV	\$273	\$419	\$326	\$443	\$757	\$686	\$466	\$539	\$767	\$775
NTS	\$6,508	\$6,061	\$7,102	\$7,282	\$7,248	\$7,821	\$8,043	\$8,322	\$9,294	\$9,550
FTEs	56.50	57.50	57.50	58.50	58.50	58.50	59.50	60.50	64.50	63.00

Fiscal Year	Description	FTEs
FY 2015	<ul style="list-style-type: none"> ▪ Removed FY 2014 one-time funding for the Capital Project Coordinator (\$131,645). ▪ 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). ▪ Added a Procurement Officer position in the Purchasing Division (\$120,000). ▪ <i>The County Board added one-time funding for internal audit as part of FY 2014 closeout (\$200,000).</i> ▪ <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> 	1.00
FY 2016	<ul style="list-style-type: none"> ▪ Converted temporary Internal Audit Position to permanent (\$50,912). ▪ Converted previously authorized overstrength employee to permanent Financial Analyst to continue capital project monitoring in support of the County's growing CIP (\$55,212). ▪ 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. ▪ 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. ▪ <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> 	0.50 0.50
FY 2017	<ul style="list-style-type: none"> ▪ No significant changes. 	
FY 2018	<ul style="list-style-type: none"> ▪ Added a purchasing position to support the increasing demands of capital projects (no general fund support – salary charged to capital projects). ▪ 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). 	1.00
FY 2019	<ul style="list-style-type: none"> ▪ 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). ▪ 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. ▪ Eliminated a vacant limited-term Staff Support Technician (\$90,076). 	(1.00)

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ 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). ▪ <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> 	1.00
FY 2020	<ul style="list-style-type: none"> ▪ Reduced wireless service charges as part of a County-wide review of wireless service providers (\$1,729). ▪ Reduced consultant funding used to help implement county-wide auditing (\$50,000). ▪ Increased projection for the real estate taxes paid by the operator of the Alexandria Waste to Energy plant (\$10,000). 	
FY 2021	<ul style="list-style-type: none"> ▪ Added a Procurement Officer position in the Purchasing Division (\$124,615). ▪ 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). ▪ 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). ▪ Transfers from other funds increased due to administrative fees to the Business Improvement Districts for the County-wide administrative support (\$43,268). 	1.00
FY 2022	<ul style="list-style-type: none"> ▪ 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. ▪ The County Board added a 1.0 FTE Prevailing Wage Administration position. ▪ 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. ▪ Added funding for an annual e-Procurement software license (\$12,786). ▪ Decreased Signature Theatre revenue based on the impact of current COVID-19 conditions into FY 2022 (\$74,000). ▪ Decreased administrative fees to the Business Improvement Districts for the County-wide administrative support (\$2,233). ▪ <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> ▪ <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> 	1.00 3.00

DEPARTMENT OF MANAGEMENT AND FINANCE
TEN-YEAR HISTORY

Fiscal Year	Description	FTEs	
FY 2023	<ul style="list-style-type: none"> ▪ 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). 		
	<ul style="list-style-type: none"> ▪ 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). 	(1.00)	
	<ul style="list-style-type: none"> ▪ Added a Commercial Real Estate Appraiser position (\$125,194). 	1.00	
	<ul style="list-style-type: none"> ▪ Added an Accounts Payable position (\$98,681). 	1.00	
	<ul style="list-style-type: none"> ▪ Increased salaries resulting from Administrative and Real Estate Appraisers positions job family studies (\$76,524). 		
	<ul style="list-style-type: none"> ▪ Added one-time funding for the indexing of the Department of Real Estate Assessments' documents (\$140,000) and contractual increases (\$20,219). 		
	<ul style="list-style-type: none"> ▪ Increased fee revenues for the Signature Theatre revenue (\$74,000), restored to pre-pandemic level. 		
	<ul style="list-style-type: none"> ▪ 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 a Senior Financial Analyst in Internal Audit (\$74,913, 0.5 FTE) and Internal Audit contractor support (\$68,500). 		
	<ul style="list-style-type: none"> ▪ 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 funding for the Disparity Study (\$500,000 one-time in Non-departmental). 		
	<ul style="list-style-type: none"> ▪ <i>A technical adjustment was approved by the County Board in April 2023 to appropriate funding from Non-Departmental to Departments to allocate the budget for bonuses funded in the adopted budget. The funding added to the Department of Management and Finance was \$116,384.</i> 		
	FY 2024	<ul style="list-style-type: none"> ▪ Added one-time \$2,000 (gross) employee bonuses (\$160,466). 	
		<ul style="list-style-type: none"> ▪ Increased salaries resulting from Finance and Accounting and Administrative job family studies (\$69,480). 	
		<ul style="list-style-type: none"> ▪ Eliminated a vacant Prevailing Wage Analyst position (\$98,967). 	(1.00)
<ul style="list-style-type: none"> ▪ Reduced a Staff Support Technician position (\$37,998). 		(0.50)	
<ul style="list-style-type: none"> ▪ Intra-County charges increased due to Procurement Officer compensation being charged to the Transportation Capital Fund (\$132,443). 			
<ul style="list-style-type: none"> ▪ Removed one-time FY 2023 funding for the indexing of the Department of Real Estate Assessments' documents (\$140,000). 			
<ul style="list-style-type: none"> ▪ Decreased non-personnel due to adjustments to the annual expense for maintenance and replacement of County vehicles (\$5,759). 			
<ul style="list-style-type: none"> ▪ Eliminated external hosting of Arlington Wallet (\$103,400). 			

**Fiscal
Year**

Description

FTEs

- Added one-time funding for Indirect Cost Allocation consultant services (\$20,000) and ongoing funding for contractual increases (\$36,677).
- Transfers from other funds increased due to administrative fees to the Business Improvement Districts for County-wide administrative support (\$8,284).