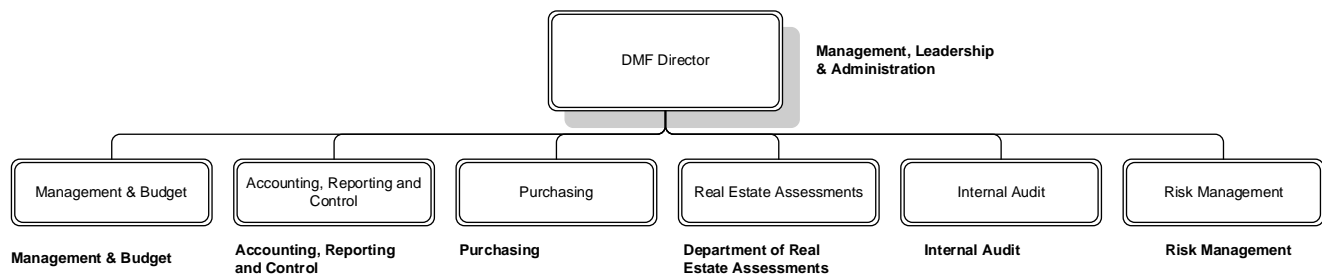


Our Mission: To ensure the prudent use of County resources

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 2025 adopted expenditure budget for the Department of Management and Finance is \$11,766,374, a 14 percent increase from the FY 2024 adopted budget. The FY 2025 adopted budget reflects:

- The County Board approved the conversion of a Limited-Term Budget Analyst position to a permanent position (1.0 FTE).
- The County Board added funding for to the Board of Equalization to increase rate for members from \$200 to \$300 per meeting (\$31,000).
- ↑ Personnel increases due to employee salary increases, an increase in the County’s cost for employee health insurance, slightly higher retirement contributions based on current actuarial projections, adjustments to salaries resulting from Accounting, Fiscal, Revenue Services and Financial job family studies (\$265,909), Real Estate Appraisers compression study (\$80,000), one-time funding to support a Budget Analyst position in the Budget Division (\$126,786), the addition of a Commercial Real Estate Appraiser position (\$138,004, 1.0 FTE), and the addition of a Risk Manager position and the transfer of the Risk Management Program from the Human Resources Department to the Department of Management and Finance at FY 2023 closeout (\$383,393, 2.0 FTEs); partially offset by the reduction listed below.
- ↑ Non-personnel increases are due to contractual increases (\$25,657), data management software to support the internal hosting of the new Arlington Wallet and PRISM+ data pipeline (\$20,000), and adjustments to the annual expense for maintenance and replacement of County vehicles (\$740).
- ↓ Fees revenue decreases primarily due to Signature Theatre miscellaneous revenues decreases (\$112,000).

- ↑ Transfers from other funds increase due to administrative fees from the Business Improvement Districts for County-wide administrative support (\$914).

FY 2025 Adopted Budget Reductions

Internal Audit

- ↓ Eliminate ongoing funding for Co-sourced Audit Partner and replace with one-time funds in FY 2025 (\$217,000)

IMPACT: For the FY 2025 adopted budget, one-time funding will replace the ongoing budget to allow for execution of planned Internal Audits. In subsequent years, if not restored, this will reduce the number of audits by four to six per year.

Real Estate Assessments

- ↓ Staff Support Technician (\$39,900, 0.50 FTE)

IMPACT: This position is a half-time limited term position currently utilized in the Department of Real Estate Assessments. The position in the Records Division assists in processing transfers, completing re-subdivisions, and responding to inquiries. This work would be absorbed by existing staff and may increase the time to process the work.

DEPARTMENT FINANCIAL SUMMARY

	FY 2023 Actual*	FY 2024 Adopted	FY 2025 Adopted	% Change '24 to '25
Personnel	\$8,691,413	\$9,506,272	\$10,876,436	14%
Non-Personnel	1,108,157	951,606	1,029,003	8%
GASB*	187,739	-	-	-
Intra-County Charges	-	(132,443)	(139,065)	5%
Total Expenditures	9,987,309	10,325,435	11,766,374	14%
Fees	145,782	349,837	243,703	-30%
GASB*	187,739	-	-	-
Transfers From Other Funds	411,984	425,292	426,206	-
Total Revenues	745,505	775,129	669,909	-14%
Net Tax Support	\$9,241,804	\$9,550,306	\$11,096,465	16%
Permanent FTEs	64.50	63.00	66.50	
Temporary FTEs	-	-	-	
Total Authorized FTEs	64.50	63.00	66.50	

* FY 2023 actual expenditures and revenues received reflect the Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

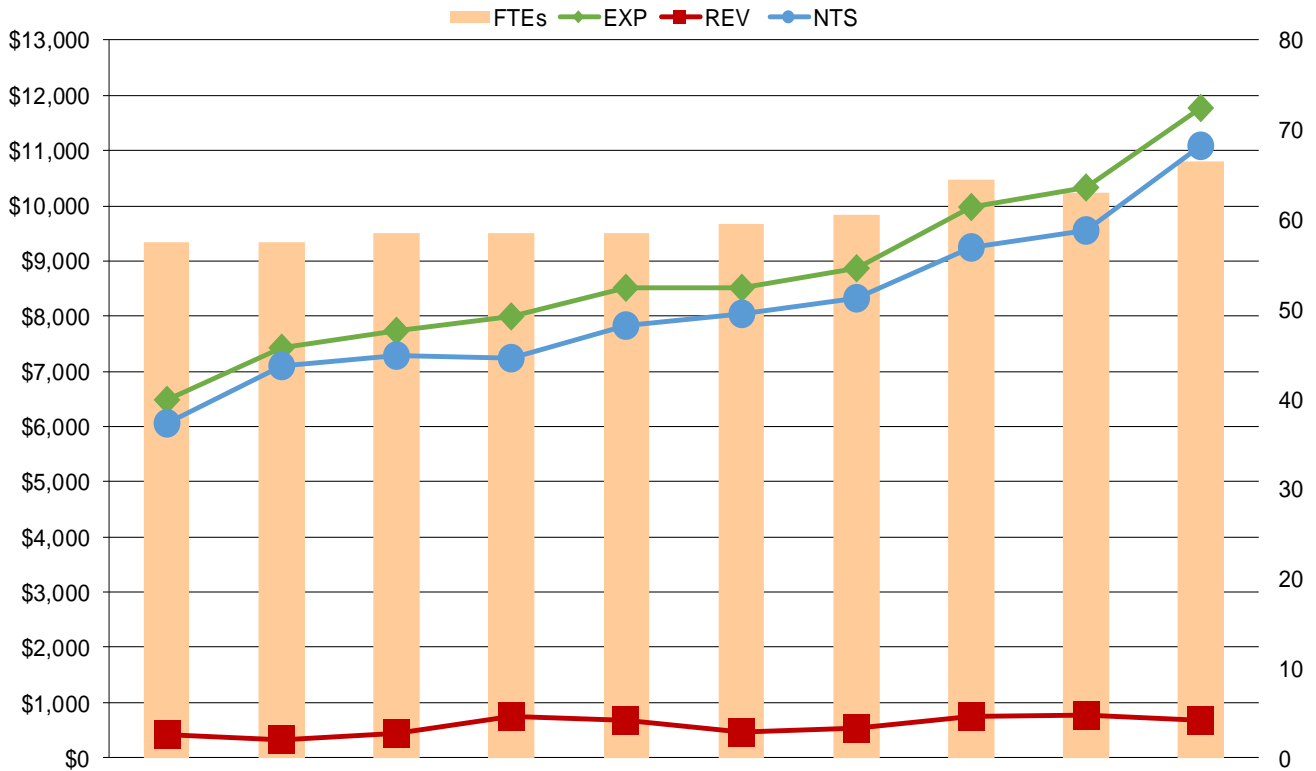
Expenses by Lines of Business

	FY 2023 Actual Expense	FY 2024 Adopted Expense	FY 2025 Adopted Expense	% Change '24 to '25	FY 2025 Adopted Revenue	FY 2025 Net Tax Support
Management and Budget	\$3,077,533	\$2,994,529	\$3,562,121	19%	\$659,104	\$2,903,017
Accounting, Reporting & Control	1,545,111	1,746,569	1,649,969	-6%	10,805	1,639,164
Internal Audit	561,582	499,965	524,912	5%	-	524,912
Risk Management	-	-	383,393	-	-	383,393
Purchasing	1,552,092	1,647,472	1,835,190	11%	-	1,835,190
Real Estate Assessments	3,250,991	3,436,900	3,810,789	11%	-	3,810,789
Total	\$9,987,309	\$10,325,435	\$11,766,374	14%	\$669,909	\$11,096,465

Authorized FTEs by Line of Business

	FY 2024 FTEs Adopted	FY 2025 Permanent FTEs Adopted	FY 2025 Temporary FTEs Adopted	FY 2025 Total FTEs Adopted
Management and Budget	16.00	18.00	-	18.00
Accounting, Reporting & Control	10.00	9.00	-	9.00
Internal Audit	1.50	1.50	-	1.50
Risk Management	-	2.00	-	2.00
Purchasing	12.00	12.00	-	12.00
Real Estate Assessments	23.50	24.00	-	24.00
Total FTEs	63.00	66.50	-	66.50

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



	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
\$ in 000s	Actual	Actual	Actual	Actual	Actual	Actual	Actual*	Actual*	Adopted Budget	Adopted Budget
EXP	\$6,480	\$7,428	\$7,725	\$8,005	\$8,507	\$8,509	\$8,861	\$9,987	\$10,325	\$11,766
REV	\$419	\$326	\$443	\$757	\$686	\$466	\$539	\$746	\$775	\$670
NTS	\$6,061	\$7,102	\$7,282	\$7,248	\$7,821	\$8,043	\$8,322	\$9,241	\$9,550	\$11,096
FTEs	57.50	57.50	58.50	58.50	58.50	59.50	60.50	64.50	63.00	66.50

* Beginning in FY 2022, actual expenditures and revenues received reflect Governmental Accounting Standard Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. See the County Government GASB Summary for department details in the front section of the budget book.

Fiscal Year	Description	FTEs
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> 	<p>0.50</p> <p>0.50</p>
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). ▪ 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> 	<p>(1.00)</p> <p>1.00</p>
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). 	

Fiscal Year	Description	FTEs
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> 	<p>1.00</p> <p>3.00</p>
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). ▪ 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). ▪ Added a Commercial Real Estate Appraiser position (\$125,194). ▪ Added an Accounts Payable position (\$98,681). ▪ Increased salaries resulting from Administrative and Real Estate Appraisers positions job family studies (\$76,524). 	<p>(1.00)</p> <p>1.00</p> <p>1.00</p>

Fiscal Year	Description	FTEs
	<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). ▪ Increased fee revenues for the Signature Theatre revenue (\$74,000), restored to pre-pandemic level. ▪ 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). ▪ 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). ▪ <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). ▪ Increased salaries resulting from Finance and Accounting and Administrative job family studies (\$69,480). ▪ Eliminated a vacant Prevailing Wage Analyst position (\$98,967). ▪ Reduced a Staff Support Technician position (\$37,998). ▪ Intra-County charges increased due to Procurement Officer compensation being charged to the Transportation Capital Fund (\$132,443). ▪ Removed one-time FY 2023 funding for the indexing of the Department of Real Estate Assessments’ documents (\$140,000). ▪ Decreased non-personnel due to adjustments to the annual expense for maintenance and replacement of County vehicles (\$5,759). ▪ Eliminated external hosting of Arlington Wallet (\$103,400). ▪ 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). ▪ <i>In FY 2023 close-out, the County Board approved the creation of a Risk Manager position (0.5 FTE) and the transfer of the Risk Management Program (1.5 FTEs) from the Human Resources Department to the Department of Management and Finance. The funding added to the Department of Management and Finance was \$214,429.</i> 	<p>(1.00)</p> <p>(0.50)</p> <p>2.00</p>
FY 2025	<ul style="list-style-type: none"> ▪ The County Board approved the conversion of a Limited-Term Budget Analyst position to a permanent position. 	1.00

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> ▪ The County Board added funding to the Board of Equalization to increase rate for members from \$200 to \$300 per meeting (\$31,000). ▪ Increased salaries resulting from Accounting, Fiscal, Revenue Services and Financial job family studies (\$265,909) and Real Estate Appraisers compression study (\$80,000). ▪ Added one-time funding for a Budget Analyst position (\$126,786). ▪ Added a Commercial Real Estate Appraiser position (\$138,004). ▪ Eliminated a half-time limited term Staff Support Technician position (\$39,900). ▪ Added ongoing funding for contractual increases (\$25,657) and data management software to support the internal hosting of the new Arlington Wallet and PRISM+ data pipeline (\$20,000). ▪ Increased non-personnel due to adjustments to the annual expense for maintenance and replacement of County vehicles (\$740). ▪ Eliminated ongoing funding for Co-sourced Audit Partner and replaced with one-time funds (\$217,000). ▪ Decreased fees revenue for the Signature Theatre (\$112,000). ▪ Transfers from other funds increased due to administrative fees from the Business Improvement Districts for County-wide administrative support (\$914). 	<p>1.00</p> <p>(0.50)</p>