

NON-DEPARTMENTAL BUDGET SUMMARY

Non-departmental accounts include County-wide costs for insurance premiums and claims (including workers' compensation), fringe benefits for retirees (health and life insurance premiums), miscellaneous expenses, County building rent, overhead charges to certain County agencies, and contingents held for future County Board actions, such as the Affordable Housing Investment Fund.

NON-DEPARTMENTAL FINANCIAL SUMMARY

	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	% Change '24 to '25
Insurance	\$6,278,771	\$5,100,000	\$5,700,000	12%
Retiree Benefits/Health Plan Adjustment	16,702,649	14,890,000	14,890,000	-
Miscellaneous	19,547,233	24,667,408	25,440,685	3%
Contingents	54,926,836	19,651,984	39,106,069	99%
GASB*	-	-	-	-
Total Expenditures	\$97,455,489	\$64,309,392	\$85,136,754	32%

* Beginning in FY 2022, actual expenditures and revenues received reflect the first year of implementing new 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.

INSURANCE COSTS

The County's insurance portfolio is comprised of commercially purchased insurance and a program of fully funded self-insurance. Arlington County is a member of The Virginia Association of Counties Group Self-Insurance Risk Pool (VAcorp).

The self-insurance program provides coverage for general liability, auto liability and Worker's Compensation. Nineteen policies of insurance are purchased to provide coverage for various risk exposures of Arlington County. These policies include excess umbrella coverage for auto and general liability, medical malpractice, comprehensive and collision coverage for Arlington County Fire Department (ACFD) vehicles and equipment, and other smaller miscellaneous policies.

The County also maintains a Self-Insurance Reserve (\$5,000,000) and a General Fund Operating Reserve funded at five and one-half percent of General Fund expenditures.

	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	% Change '24 to '25
Insurance Cost	\$6,278,771	\$5,100,000	\$5,700,000	12%
Total Expenditures	\$6,278,771	\$5,100,000	\$5,700,000	12%

RETIREE BENEFITS AND HEALTH PLAN ADJUSTMENTS

This account includes the employer's share of retirees' health and life insurance premiums and adjustments related to the employer's share of health plan expenses for general employees.

	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	% Change '24 to '25
Retirees' Health & Life Insurance	\$9,253,436	\$790,000	\$790,000	-
Other Post Employment Benefits (OPEB - trust)	6,000,000	14,100,000	14,100,000	-
Health Plan Adjustment	1,449,212	-	-	-
Total Expenditures	\$16,702,649	\$14,890,000	\$14,890,000	-

- OPEB funding levels are based on the most recent actuarial study and ensure that the County is fully meeting its annual required contribution to the fund. The total funding for OPEB (current costs plus future liability) is \$14.1 million in FY 2025.

MISCELLANEOUS EXPENSES

These County expenses include rent, overhead charge-backs to some County agencies, the cost of the County's annual external audit and other consulting fees, national and state association memberships (National League of Cities, National Association of Counties, Virginia Municipal League, and Virginia Association of Counties), and other miscellaneous expenses not allocated to County departments.

	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	% Change '24 to '25
Facility Rent and Operating Charges	\$11,306,037	\$12,796,312	\$12,872,835	1%
Intra-County Charges	(411,794)	(469,505)	(469,209)	-
Consultants	675,202	1,302,681	2,820,743	117%
Contracted Services	493,359	478,000	478,000	-
Memberships	150,474	214,000	214,000	-
Special Events & Unclassified Services	150,837	150,000	150,000	-
Mass Transit Credit	(1,182,744)	-	-	-
Employer of Choice	510,583	(1,172,000)	(2,432,000)	108%
Fuel, Fleet, & Utility Savings	-	(500,000)	(500,000)	-
Short-term Financing	3,964,733	8,767,920	9,206,316	5%
Bank Fees	759,293	700,000	700,000	-
IDA Debt Service on Ballston Skating Facility	3,131,252	2,400,000	2,400,000	-
Total Expenditures	\$19,547,232	\$24,667,408	\$25,440,685	3%

- ↑ Consultant expenses increase primarily due to the addition of one-time funds for the Resiliency Notice of Funding Award (NOFA) (\$110,000), Climate Action Fund (\$1,000,000), and Teen and Youth Substance Abuse Prevention Programming (\$500,000 one-time and \$500,000 ongoing). These increases are partially offset by the removal of FY 2024 adopted one-time funding for a benefits study (\$200,000), collective bargaining (\$100,000), the Arlington County Fair (\$50,000), and a grant to the Animal Welfare League for the study of a possible relocation (\$275,000).
- ↓ Employer of Choice program funding decreases primarily due to the removal of FY 2024 one-time funding for compression pay; the remaining budget is corporate credit for turnover (CFT) to account for the anticipated continued challenges of hiring throughout the organization. Specific departmental CFT is accounted for in each department; however, it is anticipated that additional budgetary personnel saving will be achieved throughout the fiscal year across the organization.

- ↑ Short-term Financing increases based on an inflationary adjustment for the financing of projects in the Pay-As-You-Go capital fund.
- The Ballston Skating Facility, the practice facility for the National Hockey League’s Washington Capitals ice hockey team, which opened in November 2006, was financed with Industrial Development Authority (IDA) taxable revenue bonds. It is projected that lease payments to the IDA from the Capitals will be sufficient to pay the debt service on the bonds.

CONTINGENTS

The non-departmental accounts also hold the County Board's contingents. These contingents are appropriated funds established to cover unforeseen expense items, new projects initiated after a fiscal year has begun, or for a particular purpose (Affordable Housing Investment Fund).

In December 2021, the County Board provided a \$150 million loan to support acquisition of the property by Jair Lynch Real Estate Partners. This County loan, in combination with a \$160 million low-rate loan from the Amazon Housing Equity Fund, will support the preservation of all Barcroft apartments as affordable units. Beginning with the FY 2024 adopted budget, both existing balances and new revenue in the Columbia Pike TIF will be dedicated to this investment in Barcroft Apartments.

The FY 2025 proposed budget includes a total of \$17 million dedicated to preserving the affordability of the Barcroft Apartments, of which \$15 million is one-time General Fund funding for a payment towards principal and \$2 million is ongoing Columbia Pike TIF funding to contribute to debt service. The remainder of the debt service will be paid out of AHIF funding.

The Affordable Housing Investment Fund (AHIF) for the FY 2025 proposed budget totals \$20.5 million. This includes:

- \$9.7 million of ongoing General Fund support;
- \$10.0 million of one-time General Fund support;
- \$0.8 million in federal HOME monies budgeted in the Housing and Community Development Fund.

Source	Funding
General Fund Support - ongoing	\$9,673,250
Federal HOME (in Housing and Community Development Fund)	789,206
One-time funding	10,000,000
TOTAL	\$20,462,456

The Economic Development Contingent decreases in FY 2025 based on projected payments for economic incentive grants. Economic incentives are used to attract businesses to Arlington to help reduce the office vacancy rate and spur investment in the Arlington community. The total funding for economic incentives is \$2,432,819, including \$932,819 in one-time funds and \$1,500,000 in ongoing funding.

The Proposed Budget includes a \$2.0 million County Manager’s Contingent to address unforeseen needs which arise during the fiscal year.

The American Rescue Plan Act (ARPA) funding concludes in FY 2024. ARPA funding has been used to support critical programs throughout the COVID-19 pandemic including childcare needs, eviction prevention, housing needs, and a number of other human service and housing programs. Remaining funding for ARPA in FY 2024 is being used for the required reporting and monitoring of ARPA-funded programs.

**NON-DEPARTMENTAL
BUDGET SUMMARY**

	FY 2023 Actual	FY 2024 Adopted	FY 2025 Proposed	% Change '24 to '25
Affordable Housing Investment Fund (AHIF) ¹	\$38,210,319	\$14,488,254	\$19,673,250	36%
Barcroft Financing	-	-	15,000,000	-
Economic Development Contingent	2,266,955	3,028,730	2,432,819	-20%
County Manager's Contingent	2,064,106	2,000,000	2,000,000	-
Countywide ARPA Programs/COVID Contingent	12,385,456	135,000	-	-100%
Total Expenditures	\$54,926,836	\$19,651,984	\$39,106,069	99%

¹ The FY 2025 AHIF budget shown in the table reflects the General Fund portion only (\$19.7 million). The remaining amount is budgeted in the Community Development Fund (\$0.8 million).