

The General Capital Projects Fund or Pay-As-You-Go (PAYG) budget provides funding for capital improvements using current year ongoing revenue, one-time funding, state and federal grants, and developer fees. In addition to annual PAYG appropriations, short-term financing (in previous years, master lease financing), bond financing and various other dedicated funding sources are the other primary sources of funding for the capital projects included in the biennial Capital Improvement Plan (CIP), found on the County's website. The major difference between the use of PAYG and financed dollars is the useful life of the asset being replaced. PAYG funds, funded from the County's local tax dollars, are the most flexible of fund sources, and are historically used to fund assets with a useful life of ten years or less. Financed dollars, whether short or long term, set a repayment schedule of the debt (debt service) based on the useful life of the asset. Short-term finance (three to ten years) is used mostly for replacement of technology and equipment and long-term finance (bond funds) is used for the County's large capital infrastructure investments (fifteen to twenty years). Detailed information concerning the County's bond financing is contained in the Debt Service section of the FY 2019 Budget.

PAYG and voter approved bond funding have historically been the primary sources of funding for the County's maintenance capital program. The County's long stated goal for the maintenance capital program is to "maintain what we have." Towards that goal, programs periodically conduct a condition assessment of their capital assets so that they can provide a sustainable plan that prioritizes their inventory of needs. Both the Parks and Facilities maintenance programs are due for an update to their condition assessment systems, so that the County has current information on the condition of major assets and needed investments. Maintenance capital projects are designed to protect assets from premature failure and are focused on replacement and renewal of existing infrastructure. They differ from operating maintenance activities in cost, size, nature, and frequency of maintenance activity.

The General Capital Projects categories include Local Parks and Recreation, Transportation Initiatives, Government Facilities, Information Technology Investments, Community Conservation, and Regional Partnerships.

MAINTENANCE CAPITAL

The purpose of Arlington's Maintenance Capital (MC) program is to ensure that existing capital assets throughout the County are maintained in a reliable and serviceable condition, and are periodically updated and renewed as necessary. The MC program serves to prolong the useful life of these investments, while minimizing the need for repeated asset repair emergencies. Although MC funds are not contingency funds, they provide versatility in allowing the County to respond to unforeseen emergencies.

This budget continues our focus on Maintenance Capital – particularly our existing investments in facilities and parks assets, paving and information technology. The County has improved its efforts in maintaining capital assets. Examples of the changes made to enhance these efforts are:

- Continue the use of a variety of funding sources to best match the type of maintenance capital needs in order to execute as many projects within an affordable budget.
- Bundling projects where appropriate to minimize service disruption and achieve cost efficiencies.
- Adding staff to help with both planning and execution of capital projects.

OVERVIEW OF FY 2019

The FY 2019 Proposed budget reduces ongoing funding to PAYG by \$1,553,535. Total PAYG funding included in the FY 2019 Proposed budget is \$5,544,983, comprised of \$5,321,750 in ongoing annual funding and \$223,233 in one-time funding.

PAYG dollars have traditionally been invested in routine items like maintenance capital, in order to conserve assets from premature failure by focusing on replacement and renewal of existing infrastructure. PAYG, though, has also funded non-routine projects like land acquisition and significant facility interior renovations. PAYG is a flexible funding source, and allows the County the ability to fund different initiatives that would not necessarily be appropriate from other capital fund sources. The Proposed PAYG budget reduction enables the County to continue funding routine maintenance projects, like paving, while transferring most costs for transportation capital maintenance and pedestrian projects to dedicated transportation funds. The availability of the dedicated funds provides another fund source that has not historically been used for maintenance of the County's transportation infrastructure to the extent being proposed in the FY 2019 budget.

The FY 2019 PAYG budget focuses on funding routine capital expenditures, including maintenance of:

- streets
- traffic signals
- street lights
- building components
- fields, playgrounds and, ball courts
- technology equipment and systems
- neighborhood conservation projects and,
- contributions to regional programs.

Other maintenance and multi-modal projects including ART bus rehabilitation and repairs, bus stop accessibility, and transportation systems and signals are funded using Northern Virginia Transportation Authority (NVTA) local funds. While this funding will help bridge the gap for FY2019 budget reductions, it will not be a sustainable funding source.

Currently, legislation has been proposed in the Virginia General Assembly that aims to provide approximately \$154 million of dedicated funding for the Washington Metropolitan Area Transit Authority (WMATA). In one of the competing proposals, a portion of funding would divert existing NVTA local funds collected by Northern Virginia jurisdictions to WMATA. The impact to Arlington would potentially eliminate NVTA local funds available in FY 2019 for non-WMATA expenditures, and would severely reduce future revenues by approximately ninety percent over the next five years. Should this occur, the County will be required to re-prioritize its transportation program under this new reduced funding plan. This may result in the reduction, deferral, or cancellation of some projects, or require the use of debt financing to offset the loss of this revenue source. A final proposed WMATA funding plan will not be approved by the general assembly until after the County proposes the annual budget.

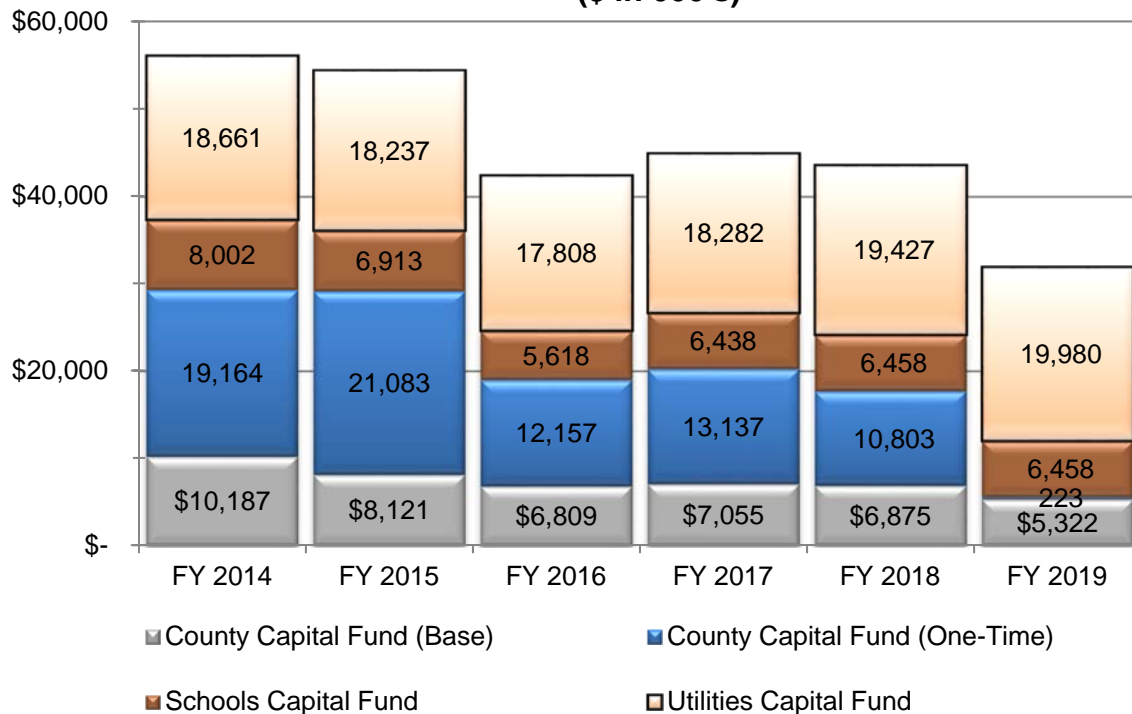
In addition to the FY 2019 ongoing funding in the Proposed budget, there is an additional \$4.95 million in one-time PAYG and GO bond funding from FY 2017 year-end closeout that will be carried forward for FY 2019 projects. This funding includes \$3.0 million in proceeds from borrowing (bond premium), generated by the spring 2017 bond sale, which is restricted in use to only capital projects, and previous years' project budget savings from both GO Bond and PAYG (\$0.85 million).

County capital project descriptions, PAYG appropriation charts, and fund statements are included on the following pages. Because projects are often multi-year in nature, appropriations rather than actual expenditures are presented. Appropriations more accurately reflect the County Board’s intent, priorities, decisions, and PAYG funding levels than actual expenditures. Fiscal impact is the net increase in annual operating costs associated with a capital funding decision. Capital funding decisions that expand or significantly change the nature and quality of an asset typically increase future operating budgets over the life of the asset. However, some capital funding decisions that replace current assets with efficient, low maintenance assets or extend the useful life of an asset can reduce future operating budgets.

In addition to the General Capital Projects Fund, there are PAYG investments in other funds and operations:

- The Utilities Fund FY 2019 proposed PAYG budget of \$19.98 million includes funding for Wastewater Treatment Plant capital maintenance and improvements to the Washington Aqueduct, which supplies the County with 100 percent of its drinking water.
- The School Superintendent’s proposed FY 2019 PAYG budget is \$6.5 million, which includes major maintenance and minor construction funding.

PAY-AS-YOU-GO APPROPRIATION HISTORY
FY 2014 - FY 2019
(\$ in 000's)



PAY-AS-YOU-GO APPROPRIATION HISTORY BY CATEGORY
(\$ in 000's)

PROGRAM CATEGORY	FY 2014	FY 2015	FY 2016	FY 2017	* Revised	
					FY 2018	FY 2019
Regional Partnerships	\$1,214	\$1,287	\$1,453	\$1,364	\$1,263	\$1,263
Transportation & Pedestrian	5,041	9,757	3,431	7,334	3,089	2,362
Government Facilities	3,408	2,890	5,249	3,695	5,081	-
Parks and Recreation	5,211	4,090	1,639	2,880	1,185	1,201
Technology Investment (IT)	1,000	4,517	502	1,373	1,452	400
Community Conservation	500	500	500	500	1,000	-
Public Art	-	-	-	-	-	-
Land Acquisition	-	-	-	361	4,010	-
County-Schools Joint Use Projects	8,634	2,000	2,500	2,500	-	-
Capital Contingency / Admin	4,343	4,163	3,692	185	598	319
Previous Year Capital Carryover	67,522	89,082	108,005	95,738	109,804	
Total County Capital Fund	\$96,873	\$118,286	\$126,971	\$115,930	\$127,482	\$5,545
Schools Capital Fund	8,002	6,913	5,618	6,438	6,458	6,458
Utilities Capital Fund	18,661	18,237	17,808	18,282	19,427	19,980
Total Capital Fund	\$123,536	\$143,436	\$150,397	\$140,650	\$153,367	\$31,983

Numbers may not add due to rounding.

*One-time carryover funds for the FY2019 budget are included in the Revised FY2018 Budget

PAYG PROJECTS (\$ in 000s)

PROGRAM CATEGORY	Base Funds	One-Time Funds	FY 2019 Proposed	FY 17 C/O Funds for FY 18 Projects	Total Funds
Transportation Maintenance Capital	\$1,888	\$223	\$2,111	\$140	\$2,251
Facilities Maintenance Capital	-	-	-	\$1,562	1,562
Parks Maintenance Capital	1,022	-	1,022	\$100	1,122
Subtotal Maintenance Capital	2,910	223	3,133	1,802	4,935
Regional Partnerships	1,263	-	1,263	-	1,263
Neighborhood Conservation	-	-	-	500	500
Information Technology	400	-	400	1,282	1,682
Transportation Multi-Modal	251	-	251	119	370
Park Master Plans	-	-	-	-	-
**Synthetic Turf	179	-	179	1,871	2,050
Facilities Design and Construction	-	-	-	855	855
Land Acquisition	-	-	-	-	-
Capital Contingent	319	-	319	-	319
Subtotal Other Capital	2,412	-	2,412	4,627	7,039
Total Projects	\$5,322	\$223	\$5,545	\$6,429	\$11,974

* Numbers may not add due to rounding.

**Synthetic turf carryover funds do not include Crystal City TIF funds or Partnership cost-sharing funds

Regional Partnerships **\$1,263,218**

Arlington annually contributes capital funding to several regional organizations that provide beneficial services to Arlington residents and visitors.

- Fiscal Impact - The Regional Partnerships program represents the County's annual contributions to support the capital efforts of regional programs. The County also contributes operating costs to the regional partnership programs detailed in the Regional's narrative. The County's share is based on each regional program's allocation formula.

▪ **Northern Virginia Regional Park Authority** **\$591,229**

The Northern Virginia Regional Park Authority (NVRPA) is a multi-jurisdictional agency comprised of Arlington County, Fairfax County, Loudoun County, and the Cities of Alexandria, Falls Church, and Fairfax. The Park Authority owns and operates over 10,000 acres of parklands with 21 major parks, including Potomac Overlook, Upton Hill and the W&OD Regional Parks in Arlington. The FY 2019 budget is based on a rate of \$2.57 per capita.

▪ **Northern Virginia Community College** **\$532,555**

This funding represents the County's ongoing capital contribution to the Northern Virginia Community College (NVCC) program for land acquisition and site development of all campuses. Arlington is one of nine jurisdictions that share costs associated with NVCC's capital program. The FY 2019 budget is based on a \$2.25 allocation for each person living in Arlington.

▪ **Northern Virginia Criminal Justice Academy** **\$139,434**

In 2006, the principal members agreed to fund the construction of the Emergency Vehicle Operations Center (EVOC). The initial payments began in FY 2007 and will continue through FY 2026. The FY 2019 budget reflects Arlington's contribution towards the annual debt payments of the EVOC.

Transportation – Maintenance Capital (\$2.251M PAYG, \$.209M GO Bonds) **\$2,460,000**

The Transportation Maintenance Capital program maintains transportation infrastructure by repaving streets, maintaining pedestrian and vehicular bridges, maintaining signals and signal infrastructure, replacing bus shelters, etc.

▪ **Intelligent Transportation System (ITS) Device Replacement (PAYG)** **\$140,000**

Based on the recently completed Intelligent Transportation System (ITS) fiber network for communications, the expansion of ITS components such as count stations, battery backup, and camera detection has provided the opportunity for remote monitoring and troubleshooting. However, the variety of devices in use throughout the County requires a special set of technical skills, including extensive knowledge of technical capabilities, supply chain, and networking that is unavailable in the County workforce. Thus, the County requires an on-call contractor support to maintain ITS equipment in order to meet reliability and performance expectations. Funding this program will allow the County a flexibility to maintain a highly reliable and functional portfolio of ITS devices.

▪ **Paving Program (\$1.376M PAYG & \$.209M GO Bonds)** **\$1,585,000**

The County currently maintains 1,051 lane miles by a combination of resurfacing, rebuilding and slurry seal maintenance. The type of maintenance for a particular street is based on the annual Pavement Condition Index (PCI) and the type of street (arterial, collector, neighborhood). Arterials are repaved more often due to the traffic volumes and type of vehicles using them, while neighborhood streets get slurry seal treatment every seven to ten years to extend their life rather than re-paving them as often.

▪ **Street Lighting Management Plan (PAYG)** **\$535,000**

The County is currently developing a management plan for the Street Lighting program that will maintain streetlight consistency over time. The FY 2019 funding will further continue this planning effort. The plan will also define maintenance plans, including the investment needed for capital improvements. In addition, the plan will further develop the Street Light Planning and Policy Guidelines (\$95,000).

The County receives approximately 14 repair service calls per day, which range from bulb changes to more complicated work such as knocked-down pole repair and underground conductor repair. This program funding will be used for repairing streetlight issues, fixing knockdown poles, upgrading/fixing underground streetlight conduit infrastructure (\$440,000).

▪ **Trail Lighting (PAYG)** **\$200,000**

In FY 2018, County leadership decided to have all the trail related lighting to be maintained by the Department of Environmental Services (DES). As a part of this effort, DES will be responsible for repairing and maintaining approximately 350 trail lights covering approximately ten miles of trails. DES is responsible for minor efforts such as bulb changes, splicing of wires, fuse replacements, repairing and cleaning of globes, power failures, leaning poles, fixture replacements (single) and, knocked-down poles. Any major repairs, including but not limited to underground conductor issues, work involving structural analysis of bridges or retaining walls,

and fixture replacements will be carried out by Department of Parks and Recreation (DPR) under the Trail Modernization Program. As the DES consultant completes the study of trail light infrastructure, a list will be created to identify locations where minor repairs (under DES's responsibility) are warranted for smooth operation of existing trail lights.

Transportation Multi-Modal Programs (\$.370M PAYG, \$.191M GO Bonds) \$561,000

▪ **Bicycle & Pedestrian Automated Counting Technology (PAYG) \$90,000**

As part of its network of bicycle and pedestrian facilities, Arlington County has a robust system of continuous, automated, permanent bicycle and pedestrian counters. These funds are for the maintenance and repair of the County's 38 existing counters, as well as the purchase of some new counters. Count data helps guide management, investment, and maintenance to strengthen active transportation. The more than eight-year record of active transportation data is useful for project-specific planning and forecasting, and pay dividends as a resource for further research and study.

The data is included in the DOT annual performance measures report, and is available on line as part of the Manager's open data initiative at: <http://counters.bikearlington.com/>

▪ **Parking Meters (GO Bonds) \$111,000**

This program enables the County to modernize and maintain its parking-meter equipment. This program will replace both multi-space and modern single-space meters as they reach the end of their useful operating life. This reduces the likelihood of meter failures, thereby improving customer satisfaction, preserving revenue, and reducing operating maintenance costs.

▪ **Parking Technology (PAYG) \$200,000**

This project will support the upgrade of the residential permit parking program's (RPPP) administration software, replacing an aging database system with one that is easier to administer, and which will come with access to third-party support. In FY 2020, this program will support the elimination of paper permits and passes and the need for an annual "crunch period" when all permits are renewed.

▪ **Transportation Asset Mgt. – Traffic Data Mgt. & Integration (PAYG) \$80,000**

This program will help the County to develop a central traffic database that can house both historic and recent traffic data, including volume counts, speed, collision, and occupancy. The central traffic data will have the following capabilities: open data accessibility to staff and public; integration with MS2 Software; integration with County's ArcGIS Server; integration with Cartegraph, the transportation asset management system; linkage to collision reports and traffic cameras; trend analysis; safety analysis; report and map generation; and system performance monitoring.

▪ **Transportation Asset Mgt. – Asset Management (GO Bonds) \$30,000**

This program will establish and maintain a real-time transportation asset management system for the County. The project includes implementing Cartegraph as the asset management platform, collecting existing traffic control assets data, establishing an inventory control system through an inventory management system, and connecting the work order system with asset and warehouse inventory so that the assets are closely tracked and managed. The program also includes asset condition studies, which includes but is not limited to a comparison between visual parking signs and Manual on Uniform Traffic Control Devices (MUTCD) parking signs and a study of the effectiveness of signs based on various factors.

- **Transportation Asset Mgt. – Warehouse & Inventory Mgt. (GO Bonds) \$50,000**
This project funds an initiative to provide a dedicated area to safely store streetlights, traffic signals, parking meters, and traffic signage equipment at 4300 S. Taylor St. Having a dedicated storage area will mitigate safety hazards caused by storing equipment on parking lots due to the shortage of warehouse space at the Trades Center. The project includes, but is not limited to, design, environmental permits, construction, fencing, and shedding work.

Facilities Maintenance Program (PAYG) \$1,562,000

This program plans for adequate maintenance of facilities through their cycle, periodic refreshment, and eventual replacement of obsolete facilities at the appropriate points in the life cycle.

- **Facilities Management Maintenance Capital (PAYG) \$1,052,000**

The FY 2019 Facilities Maintenance Capital Program funds will be used to address maintenance items identified in facility condition assessment studies and staff reports. The Facilities Management Bureau (FMB) maintains over 84 facilities totaling more than 2,400,000 square feet valued at over \$750 million. Projects will include façade cleaning of the Justice Center; the replacement of the HVAC system, interior lighting and the building automation system (BAS) at the Aurora Hills Library and Community Center; and the replacement of fire alarm systems at the Residential Program Center and the Arlington Arts Center. Additional maintenance capital projects will be funded with new GO bonds as part of the upcoming Capital Improvement Plan FY 2019 – FY 2028 formulation.

- **Furniture, Fixtures & Equipment (PAYG) \$210,000**

The FY 2019 Maintenance Capital funds for the Furniture, Fixtures, and Equipment (FF&E) program will be used to address FF&E items that are in need of a refresh. In making specific project recommendations, staff considers many factors, including conditions highlighted in the facility condition assessments, and "bundles" items to enable contracting efficiency, minimize impact to the users of the space, and yield an overall positive result and appearance. The FF&E program provides furnishings to over 95 County facilities, including shared spaces within Arlington County Public Schools (APS) and Arlington Economic Development (AED) facilities. FY 2019 funds will be used to provide approximately 200 new chairs and countywide interior upgrades.

- **Critical Systems Infrastructure (CSI) (PAYG) \$300,000**

There are several facilities throughout the County that are essential to the operations of Public Safety and First Responders. The intent of the CSI program is to centralize the monitoring and maintenance of the building systems for these 24/7/365 mission critical facilities. The FY 2019 funding will be used to replace two Uninterruptable Power Systems (UPS) in one of our critical facilities. Additional CSI projects will be funded with new GO bonds as part of the upcoming Capital Improvement Plan FY 2019 – FY 2028 formulation.

Facilities Design & Construction Program (\$.855M PAYG, \$.100M GO Bonds) \$955,000

The Facilities Construction program provides facilities for both existing and evolving services and programs, and encompasses both significant modernization and planned replacement of facilities, based upon facility life cycles and changing program demands and services. This program is carefully integrated with the Facilities Maintenance Capital program in planning for periodic renovations and eventual replacement of obsolete facilities at the appropriate points in the life cycle.

- **Master Planning & Feasibility Studies (\$0.355M PAYG, \$0.10M GO Bonds) \$455,000**

Facility master planning provides an integrated approach that addresses short, intermediate, and long-term future needs for County facilities. Planning proceeds in phases, and balances short-

term deficiencies with long range objectives for space management and efficiencies, often with emphasis on a particular site, or a certain subgroup of facilities. Projects for FY 2019 include site development for 26th and Old Dominion (\$45,000, PAYG), feasibility studies (\$250,000, PAYG), partial funding for Trades Center Master Plan (\$100,000, GO Bonds) and Fire Station #10 project management charges (\$60,000 PAYG).

- **ADA Remediation (PAYG) \$500,000**
In FY 2013, the County completed a comprehensive accessibility assessment of 54 facilities to identify facility deficiencies for persons with physical disabilities. This program is to remediate the identified issues in existing facilities. FY 2019 funding will address accessibility deficiencies in Gunston Community Center.

Parks Maintenance Capital Program (PAYG) \$1,122,000

Arlington County currently maintains an extensive inventory of park and recreation assets on over 900 acres of parkland, including playgrounds, athletic fields, athletic courts, field and court lighting, picnic shelters, comfort stations, site furnishings, parking lots, park trails and other assets. The Parks Maintenance Capital Program provides capital funding to maintain these valuable assets by proactively replacing inefficient and outmoded infrastructure and preventing premature failure. Additional maintenance capital projects will be funded with new GO bonds as part of the upcoming Capital Improvement Plan FY 2019 – FY 2028 formulation.

- **Gunston Park (PAYG) \$505,000**
This funding is for the design and construction for replacement of grass community field. This project is funded from FY 2019 new PAYG funds (\$405,000) as well as Parks program contingency funds (\$100,000).
- **Westover Park (PAYG) \$62,000**
This funding is for design and construction for renovation of a grass community field.
- **Capital Asset Manager (PAYG) \$155,000**
This funding is for the staff position that manages the Parks Maintenance Capital Program.
- **Parks Field Fund (PAYG) \$250,000**
The field fund is supported by an annual fee assessed on official affiliated youth and adult sports teams playing on Arlington County rectangular and diamond fields. The fees assessed for rectangular fields are directed to support replacement and construction of synthetic turf fields in the County (\$180,000). The fees are targeted towards conversion of one existing grass turf field to synthetic turf in FY 2019 as identified in the FY 2017–FY 2026 CIP and above. The fees assessed on diamond fields (\$70,000) are to be used each year for specific diamond field enhancements, such as improved irrigation, batting cages, or accelerated sod replacement.
- **Feasibility Studies (PAYG) \$150,000**
Master plan funds that provide the ability to conduct timely and relevant analysis as opportunities and needs arise.

Synthetic Turf Program (\$2.0M PAYG, \$1.3M CCTIF, \$0.49M Partnership) \$3,881,150

The synthetic turf program is largely focused on replacement of existing synthetic turf fields that are approaching the end of their useful life, combined with four new field locations over the next ten-year period. Funding for the FY 2019 program is from various sources in order to accommodate the program needs within the constraints of the reduced FY 2019 PAYG budget. The sources include new PAYG (\$179,000), the Crystal City TIF (\$1,334,771), the Parks synthetic turf program contingency

(PAYG balances) (\$810,000), field fund balances (PAYG balances) (\$1,061,000) and partnership cost sharing (\$496,379).

- **Long Bridge Synthetic Field #4 (Crystal City TIF) \$838,392**
Design and construction for replacement of the synthetic turf and site amenities. The field replacement will be funded from the Crystal City TIF funds. The field is within the boundaries of the Crystal City TIF and the scope of work is within the definition of the use of funds. The use of the Crystal City TIF funds for this project are shown in that section of the budget document.
- **Long Bridge Synthetic Field #1 (\$.496M CC TIF, \$.496M Marymount) \$992,758**
Design and construction for replacement of the synthetic turf and site amenities. The field replacement will be funded from the Crystal City TIF funds and a cost-share with Marymount University (50-50). The field is within the boundaries of the Crystal City TIF and the scope of work is within the definition of the use of funds. The use of the Crystal City TIF funds for this project are shown in that section of the budget document. In addition, the cost-share contribution from Marymount is not included in the front section's fund schedule for Parks since the funds will be received over a period of time.
- **New Field – Location TBD (PAYG) \$2,050,000**
Design and construction of a new field in a location to be determined as part of the ongoing Parks Open Spaces Master Plan process. The project is being funded with new PAYG (\$179,000), Parks synthetic turf program contingencies (\$810,000), and the field fund (\$1,061,000).

Information Technology \$1,682,134

The majority of equipment, systems and information technology (IT) projects will be funded under a short-term financing program. This financing mechanism will enable the County to acquire equipment, rolling stock, technology and systems that have useful lives ranging from three to ten years. These projects can be found under the short-term financing section of the budget.

Pay-As-You-Go (PAYG) funds are more flexible and can also be used to pay for equipment. The decision to use either short-term financing, revenue bonds or PAYG to pay for equipment depends on the type of equipment, affordability, and whether or not there are dedicated funding sources and timing of when the equipment needs to be purchased.

- **Network Equipment Refresh (PAYG) \$491,000**
FY19 funds provide for continuous refreshment of County network equipment as it reaches end of life and/or requires enterprise-level feature enhancements and upgrades. This funding is in addition to short-term financing funds.
- **Teleworking/Mobility (PAYG) \$261,134**
The refreshment of this hardware is necessary to support connections for remote workers to connect to County applications and network drives and enables teleworking. The support for existing equipment expires in the second quarter of FY 2019.
- **Security (PAYG) \$265,000**
With these FY 2019 funds, information security will be expanded by implementing a more robust mail filtering system that will catch more spam and malware and reduce the chances of a ransomware attack. An estimated 80% of the threats received from email would be captured by this tool.

- **DHS Housing Choice Voucher Payment System (PAYG) \$100,000**
FY 2019 funds will be used in migrating the Housing Choice Voucher (HCV) computer system to a new product as the vendor is sunsetting the current system by January 2019. The new system will manage all business functions needed in the administration of HCV programs including: client waiting list, eligibility determination, subsidy calculation, payments, financial reconciliation with County financial system, and be compliant with all HUD regulations and mandates.

- **DHS Local Housing and Benefits Software System (PAYG) \$315,000**
This new system will manage all business functions needed in the administration of Local Housing and Assistance Programs including: client's eligibility determination, benefit calculation, payments, financial reconciliation with County financial system, and reporting. Previously, these local programs were handled within the Housing Choice Voucher (HCV) system through a special configuration. The HCV system will no longer be viable beginning in January 2019. This project will continue the administration of rental housing subsidies to approximately 1,500 Arlington households, meeting County's eligibility requirements for local rental assistance and emergency financial assistance.

- **Electronic Summons System (PAYG) \$150,000**
Effective in FY 2015, the County began assessment of a \$5.00 fee as part of the costs in each criminal or traffic case in the district or circuit courts for the use of purchasing an electronic summons system. With an electronic summons system, citation data would be automatically scanned and electronically entered at the point of activity, improving efficiency and accuracy in the processing of issued citations. Once the citation is complete, the transaction data is sent electronically to the court's case management systems, allowing violators to prepay their fines promptly and aid the courts in managing their dockets while tracking their caseloads. The costs of the system include peripheral equipment such as handheld devices, portable printers, driver's license scanners, and barcode readers, as well as the maintenance required for the system. The FY 2019 PAYG budget reflects the projected annual revenue from the fees.

- **CAFR Software (PAYG) \$100,000**
Preparation of the County's Comprehensive Annual Financial Report (CAFR) requires financial data from multiple modules in various formats within the County's financial system. This new financial reporting software will be used to automate the preparation of the County's CAFR schedules and reports, thereby reducing personnel time spent and compounding resource utilization. Improved oversight of County-wide financial reporting and financial transactions will facilitate strong internal controls and reduce audit risks. Further, the system will provide quicker access and visibility into transactional data through a drill down capability, creation and monitoring of performance metrics, timely reconciliations and enhancement of standard, custom and FSG reports used for monthly, quarterly and annual reporting and compliance needs across the County. The system's dashboard functionality will increase transparency for better financial management, proactive oversight and financial cost control.

Neighborhood Conservation (PAYG) \$500,000
The Neighborhood Conservation (NC) Program funds public improvements in neighborhoods throughout the County for which the County Board has accepted Neighborhood Conservation Plans developed by civic associations. Projects include installation of curb, gutter, sidewalk, street lights, neighborhood signs, and landscape restoration, including tree installation; storm drainage improvements, including bio-retention basins; park enhancements and renovations; and reconfiguration of streets and intersections to address traffic management and increase pedestrian safety. Typically, the County funds the NC program through PAYG every year as well as bonds considered by voters every two years.

Capital Contingent (PAYG)

\$319,000

The FY 2019 proposed budget continues funding for administrative support of capital projects tracking and reporting in the Department of Management and Finance (\$130K). This was added in the FY 2015 adopted budget as one-time funding. Remaining balances (\$189K) are contingency funds for unplanned or unforeseen issues.

GENERAL CAPITAL PROJECTS FUND
FUND STATEMENT

	FY 2017 ACTUAL	FY 2018 ADOPTED	FY 2018 RE-ESTIMATE	FY 2019 PROPOSED
ADJUSTED BALANCE, JULY 1	\$ 87,907,183	\$ 54,907,183	\$ 102,616,769	\$ 67,616,769
REVENUES:				
Commonwealth of Virginia	996,057	-	-	-
Federal Government	871,158			
City of Falls Church	-	-	-	-
Charges for Services	690,849	-	-	-
Miscellaneous Revenue	7,146,831	-	-	-
Proceeds from Lease Purchase	9,530,658	-	-	-
Proceeds for bond premium	17,686,387			
TOTAL REVENUE	36,921,940	-	-	-
Transfers In (Out):	(2,500,000)			
Transfers In	20,213,499	13,570,178	13,570,178	5,544,983
TOTAL TRANSFERS IN (OUT)	17,713,499	13,570,178	13,570,178	5,544,983
TOTAL BALANCE, REVENUES AND TRANSFERS IN	142,542,622	68,477,361	116,186,947	73,161,752
EXPENDITURES:				
Capital Projects - Current Year	39,925,853	13,570,178	13,570,178	5,544,983
Capital Projects - Carry-Over		35,000,000	35,000,000	35,000,000
TOTAL CAPITAL EXPENDITURES	39,925,853	48,570,178	48,570,178	40,544,983
BALANCE, JUNE 30	\$ 102,616,769	\$ 19,907,183	\$ 67,616,769	\$ 32,616,769

Most capital projects span multiple years, from design to construction completion. The FY 2017 Actual and FY 2018 Re-Estimate columns reflect that funding for capital projects are carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds. The FY 2019 proposed budget column is presented in a similar fashion to show planned execution of projects in the fiscal year. These are staffs' best estimates based on preliminary plans and design and construction schedules.

Transportation Maintenance Capital				
Paving	The inventory of streets is broken down as follows: 25 percent are arterial streets, 11 percent are collector streets and 64 percent are residential streets. The Pavement Condition Index (PCI) is updated annually and Arlington's average PCI is currently 74. The County uses a variety of maintenance strategies to maintain streets as detailed below.			
Program	Description	PAYG	GO Bond Balances	2018 GO Bond Referenda
Hot Mix Overlay	Paving has been increased to over 75 lane miles annually. This includes about three lane miles of streets without curb and gutter (five percent of funding).	476,000	209,000	9,900,000
Slurry Seal	Slurry Seal extends the life of pavement on Residential Streets at a much lower per square yard cost. Program is based on approximately 40 lane miles being slurry sealed annually.	400,000		
Microsurfacing	Microsurfacing extends the life of pavement for Arterial Streets at a lower per square yard cost. Program is based on approximately 10 lane miles being microsurfaced annually.	500,000		
Re-Building of Streets	Re-builds include partial and total excavations of blocks to re-build the base and sub-base of roadways where significant roadway failure has occurred. Since 2008, an innovative process to stabilize soil with cement has reduced re-build costs by around 50 percent.			750,000
Subtotal Paving Program Only		\$1,376,000	\$209,000	\$10,650,000
Funding includes PAYG (\$1.38M) and *GO Bonds (\$10.85M)				
Other Transportation Maintenance Capital	Includes ITS Device Replacement, Street Lighting, and Trail Lighting.	875,000		
Multi-Modal	Includes bicycle and pedestrian projects, parking meters, parking technology and the transportation asset management program.	370,000	191,000	
GO Bonds are assumed from the upcoming 2018 GO Bond Referenda		\$2,621,000	\$400,000	\$10,650,000
Total (PAYG \$2.6M; Bonds \$11.05M)				

*Note: In addition to the FY 2019 PAYG funds the paving program will be funded with new GO bonds as part of the upcoming Capital Improvement Plan FY 2019 – FY 2028 formulation. GO bond funds in the amount of \$400,000 from program project balances have also been reallocated to the transportation program.

Facilities Maintenance Capital Program FY 2019 Project List	
Project Name - Description	Total
1. Justice Center Facade Cleaning - Power wash the Detention and Court Police Facade.	\$247,000
2. Aurora Hills Library and Community Center - total roof replacement; HVAC replacement; installation of building automation system (BAS) and lighting replacement.	\$705,000
3. Software/System Upgrades - Replace Fire Alarm systems at the Residential Program Center and Arlington Arts Center and upgrade access control panels	\$100,000
4. Critical Systems Infrastructure – Replace uninterruptable power systems (UPSs) in County network operating center (NOC)	\$300,000
Total PAYG	\$1,352,000

Facilities Design and Construction, FF&E Program FY 2019 PAYG Project List	
Project Name - Description	Total
1. Chair Replacement - Systematic annual chair replacement program to replace task chairs throughout County facilities. Existing chairs ten years or older will be replaced, supportive of the industry standard for life span - allowing for the replacement of approx. 200 chairs per year. This year would start the third year out of an eleven-year program.	\$110,000
2. Interior Maintenance Capital Improvement - Systematic capital maintenance program that allows for the annual interior refurbishment of flooring, wallpaper, painting and signage. Facility revitalization has been deferred over the past decade due to the lack of departmental funding sources. This program would enable the facilities to be upgraded through a systematic ranking of needs based on yearly assessments of our 90+ buildings by internal staff.	\$100,000
Total PAYG	\$210,000

Facilities Design and Construction Program FY 2019 PAYG Project List			
Project Name - Description	PAYG	GO Bond Balances	Total
1. ADA Remediation - In FY13, the County completed a comprehensive assessment of 54 facilities to determine any deficiencies in access for persons with physical disabilities in it. This program is to remediate existing facilities.	\$500,000		\$500,000
2. Facility Master Planning and Feasibility Studies - Facility master planning provides an integrated approach that addresses short, intermediate, and long-term needs for County facilities. This funding is for staff charges for the developer funded project at Fire Station#10 (\$60,000), site development at 26 th and Old Dominion (\$45,000), Feasibility Studies (\$250,000), and partial funding for the Trades Center Master Plan (\$100,000).	\$355,000	\$100,000	\$455,000
Totals	\$855,000	\$100,000	\$955,000

Note: Previous year GO bond balances in the amount of \$100,000 have been reallocated to the Facilities program

Parks Maintenance Capital Program FY 2019 Project List			
Project Name - Description	PAYG	Program Contingency	Total
1. Gunston Park – Design and construction. The project is for replacement of the grass community field.	\$405,000	\$100,000	\$505,000
2. Westover Park – Design and construction. The project is for replacement of the grass community field.	\$62,000		\$62,000
3. Capital Asset Manager – Staff resources to manage the capital asset program.	\$155,000		\$155,000
4. Field Fund Program – The fees assessed for rectangular fields are to support replacement and construction of synthetic turf fields in the County (annual estimate of \$180,000). The fees assessed on diamond fields (annual estimate of \$70,000) are to be used for specific diamond field enhancements, such as improved irrigation, batting cages, or accelerated sod replacement.	\$250,000		\$250,000
5. Feasibility Studies – These funds will provide the ability to conduct timely and relevant analysis and studies as opportunities arise. The program is meant for new planning initiatives that are outside current CIP projects. Examples are potential planning and analysis needs for parks and sites associated with site plan proposals, Arlington Public Schools proposals, affordable housing proposals, or land acquisition opportunities.	\$150,000		\$150,000
Totals	\$1,022,000	\$100,000	\$1,122,000

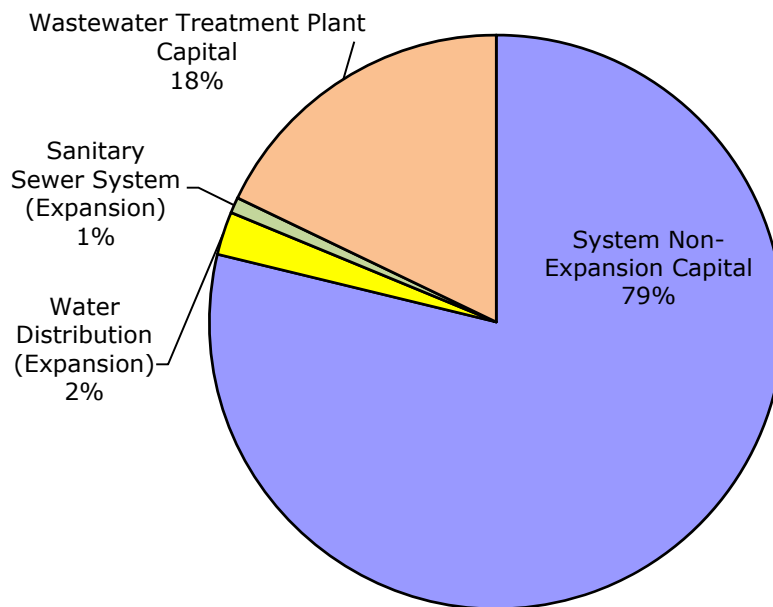
Parks Synthetic Turf Program FY 2019 PAYG Project List						
Project Name - Description	PAYG	Synthetic Turf Program Contingency	Cost Share	Field Fund	CC TIF	Total
1. Long Bridge – Design and construction of synthetic turf, infill and subbase repair for field #4.					\$838,392	\$838,392
2. Long Bridge – Design and construction of synthetic turf, infill, subbase repair and shade structures for field #1. There is a 50/50 cost share with Marymount University for this field.			\$496,379		\$496,379	\$992,758
3. New Field – Design and construction for new synthetic turf location, to be determined through the Public Spaces Master Plan update process. Project includes new subbase, synthetic turf, infill, site amenities (depends on site) and potentially lighting (depends on site).	\$179,000	\$810,000		\$1,061,000		\$2,050,000
Totals	\$179,000	\$810,000	\$496,379	\$1,061,000	\$1,334,771	\$3,881,150

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Our Mission: To provide and maintain a water distribution system, a sewage collection system, and a wastewater treatment plant

The Department of Environmental Services is responsible for managing the Utility Fund, which includes providing and maintaining a water distribution system, a sewage collection system, and a wastewater treatment plant. The Proposed FY 2019 Utility Fund Pay-As-You-Go Budget Summary, program budget appropriation distribution graph, project descriptions, and fund statement are included on the following pages.

Distribution of Fund Budget



FY 2019 PROPOSED PAYG BUDGET SUMMARY

PROGRAM CATEGORY	AMOUNT
UTILITIES	
Wastewater Treatment Plant Capital	\$3,574,000
System Non-Expansion Capital	15,744,500
Water Distribution System Improvements (Expansion)	487,000
Sanitary Sewer System Improvements (Expansion)	174,000
Total Project Cost	19,979,500
Less: Infrastructure Availability Fees & Other Revenue	5,954,200
Net Utilities Funds Support	\$14,025,300

Note: Other revenue includes non-expansion Interjurisdictional revenue of \$655,000 and a second installment reimbursement for the refuse and recycling share of the Utility Billing system (\$199,200).

FY 2019 PROPOSED UTILITIES BUDGET

Wastewater Treatment Plant Improvements (Non-Expansion) \$3,574,000

- **Water Pollution Control Plant Maintenance Capital Program.** This program provides for the annual repair, replacement, and upgrade of current equipment and infrastructure at the Plant and lift stations. Major program components include refurbishing or replacing equipment to prevent premature failure, infrastructure improvements, and automating treatment processes to increase operational efficiency, reliability, and redundancy. Additionally, studies of alternative treatment processes to increase efficiency and reduce environmental impact are funded through this program (\$2,000,000).
- **Technology Enhancements.** This program provides funding for the Plant's Process Control System (PCS) and other networked cyber/ security related initiatives. Several discreet projects have been identified as part of this program (\$749,000).
- **Primary Clarifier Upgrades.** This project will evaluate and rehabilitate/improve equipment and facilities associated with the primary clarifiers to ensure alignment with industry best practices. The last upgrade to the system was approximately twenty years ago. A holistic assessment of the equipment, facilities, process, and future needs is desirable to determine what improvements are needed to ensure the continued reliability and sustainability of this system (\$100,000).
- **Blue Plains Plant Capital.** The District of Columbia Water and Sewer Authority Blue Plains Plant processes a portion of Arlington County's sewage after transmission through Fairfax County mains. The capital program funds Arlington's annual payment through Fairfax County to the Blue Plains Plant for capital improvements. It also funds improvements to the transmission system. Payment is due under the terms of the October 3, 1994 Sewage Conveyance, Treatment, and Disposal Agreement with Fairfax County (\$725,000).

System Non-Expansion Capital **\$15,744,500**

The funding for these projects comes primarily from a transfer from the Utilities Operating Fund, which is an enterprise fund. The revenues for this enterprise fund are derived primarily from water and sewer utility billings. Fees charged to new users who increase demands on the system are an additional funding source for these projects. The following projects and programs are planned to replace and rehabilitate the County's water distribution and sewage collection system, and to pay for the County's share of planned capital improvements at the Washington Aqueduct.

- Water main replacement program (\$4,000,000)
- Non-expansion inflow and infiltration sanitary sewer capital repairs and replacements (\$3,000,000)
- Water main cleaning and re-lining projects (\$1,800,000)
- Sewer main replacement program (\$850,000)
- Water/sewer frames & covers (\$750,000)
- Manhole rehabilitation (\$500,000)
- Large diameter sewer rehabilitation/replacement (\$500,000)
- Technology enhancements (\$250,000)
- Small diameter valve rehabilitation & replacement (\$250,000)
- Large meter vault rehabilitation & replacement (\$200,000)
- Large diameter water main rehabilitation/replacement (\$177,000)
- Water Control Center improvements (\$575,000) at the Trades Center are necessary to replace the roof, HVAC system, emergency generator roll-up connection, and make ADA upgrades to the restroom facility.
- Capital improvements at the Washington Aqueduct (\$2,892,500), from which the County purchases drinking water. Arlington County pays approximately 16.25% percent of the capital costs for this organization.

Water Distribution System Improvements (Expansion) **\$487,000**

The water main projects in this program are designed to improve overall capacity or operation of the water distribution system. These projects are part of the Water Master Plan. Funding for these projects is generated from fees charged to new users who increase demands on the water distributions system.

- Improvements for development (\$487,000)

Sanitary Sewer System Improvements **\$174,000**

The sanitary sewer improvements are intended to provide additional capacity to existing sanitary sewer lines to accommodate new development in Arlington County. These projects are part of the Sanitary Sewer Master Plan. Funding for this program is generated from fees charged to new users who increase demands on the sewer system.

- Improvements for development (\$174,000)

TOTAL UTILITIES BUDGET **\$19,979,500**

UTILITIES CAPITAL PROJECTS FUND
FUND STATEMENT

	FY 2017 ACTUAL	FY 2018 ADOPTED	FY 2018 RE-ESTIMATE	FY 2019 PROPOSED
ADJUSTED BALANCE, JULY 1	\$54,088,359	\$54,688,359	\$50,415,504	\$49,143,044
REVENUES:				
Infrastructure Availability Fees	4,822,363	5,000,000	4,500,000	5,000,000
Sewage Treatment Service Charges	464,789	555,900	555,900	655,000
Interest	204,007	100,000	100,000	100,000
Misc. Revenue	68,745	-	-	-
TOTAL REVENUE	5,559,904	5,655,900	5,155,900	5,755,000
Transfers In (Out):				
Transfer in from General Fund	400,000	199,200	199,200	199,200
Transfer In from Utilities Operating Fund	13,910,500	13,571,640	16,571,640	14,025,300
TOTAL TRANSFERS IN	14,310,500	13,770,840	16,770,840	14,224,500
TOTAL BALANCE, REVENUES AND TRANSFERS IN	73,958,763	74,115,099	72,342,244	69,122,544
EXPENDITURES:				
Capital Projects - Current Year	18,281,500	19,426,740	19,426,740	19,979,500
Capital Projects - Carry-Over	5,261,759	3,772,460	3,772,460	6,000,000
TOTAL CAPITAL EXPENDITURES:	23,543,259	23,199,200	23,199,200	25,979,500
BALANCE, JUNE 30	\$50,415,504	\$50,915,899	\$49,143,044	\$43,143,044

Most capital projects span multiple years, from design to construction completion. The FY 2017 Actual and FY 2018 Re-Estimate columns reflect that funding for capital projects are carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds. The FY 2019 proposed budget column is presented in a similar fashion to show planned execution of projects in the fiscal year. These are staffs' best estimates based on preliminary plans and design and construction schedules.

In the past, the County has used master lease financing to acquire equipment, rolling stock, furniture, and technology purchases that have useful lives ranging from three to ten years. This type of financing is very flexible, allowing the County to finance projects with minimal transaction costs and on an “as needed” basis over the term of the master lease. However, due to changing market conditions, the County is exploring other short-term financing options for items that it had previously funded through master lease. Because of the shorter maturities of these financial products, interest rates are typically lower than rates available for long-term bonds. The projects discussed below are recommended to be financed through short-term financing with related debt service costs funded through the General Fund Non-Departmental budget or charge backs from the Auto Fund, as appropriate.

FY 2019 Short-Term Financing Project Costs (\$ in 000's)

	Short-Term Financing	PAYG	Total Funding
Endpoint Replacement	\$1,985		\$1,985
Network Equipment Refresh	1,500	491	1,991
Data Storage	500		500
Subtotal Enterprise Technology and Equipment	\$3,985	\$491	\$4,476
Fire Station Alerting System	1,110		1,110
Fire Breathing Apparatuses	3,298		3,298
ECC Radio System - Circuit to IP Simulcast Conversion	715		715
Subtotal Public Safety	\$5,123	-	\$5,123
General Fund: Program Costs	\$9,108	\$491	\$9,599
TOTAL Project Costs	\$9,108	\$491	\$9,599

The FY 2019 list of projects will replace aged and critical technology infrastructure and public safety equipment. The FY 2019 debt service budget of \$7.9 million in the General Fund Non-Department budget for short-term financing is a three percent increase from the FY 2018 adopted level. Various public safety equipment, previously funded through one-time federal and state grants and other sources, have reached their end of life and must be refreshed. This annual debt service budget level will cover the financing costs (principal and interest) of the General Fund’s base program projects listed in the table above and continue to cover debt service costs of capital projects previously approved.

Endpoint Replacement \$1,985,000

Most end user computing devices in the County currently operate on Windows 7. In January 2020, manufacturer support for this operating system will terminate, and any devices still running it will

stop receiving critical security patches. Thus, all County devices must be upgraded to Windows 10 before this date. These funds will be used to replace over 960 devices and upgrade over 1,200 devices.

Network Equipment Refresh **\$1,500,000**

These funds will be used to replace network switches and routers which are still being used past their useful life.

Data Storage **\$500,000**

These funds will be used to replace servers and other storage hardware that have reached the end of their useful life.

Fire Station Alerting System **\$1,110,000**

These funds will be used to upgrade and standardize station alerting, replacing the County's current twelve-year-old technology. The alerting system reduces response time for firefighters and paramedics, reducing the chance of flashover and increasing the chances of patient survival.

Fire Breathing Apparatuses **\$3,298,000**

These funds will be used to replace Self Contained Breathing Apparatuses (SCBA), which are devices that provide clean air to firefighters in hazardous conditions. The County's current SCBAs were purchased in September 2008 and will no longer be covered under the manufacturer's ten-year warranty as of September 2018. In addition, Arlington, Fairfax and Alexandria have jointly decided to move towards superior SCBAs with a starting pressure of 5500 psi, phasing out the region's current 4500 psi models. Arlington County frequently operates in mutual aid calls with these neighboring jurisdictions, and using the same SCBA model is essential to ensuring the safety of every firefighter on the scene in an emergency situation. A consistent SCBA allows for buddy breathing between jurisdictions and guarantees that firefighters from all jurisdictions are familiar with the operations of every SCBA available at an emergency event.

ECC Radio System – Circuit to IP Simulcast Conversion **\$715,000**

The existing emergency communication radio system network operates using circuit-based connectivity between remote sites within the system. Building more advanced features into this radio system will require first converting it to Internet Protocol (IP) based connectivity. These funds will convert all remote sites to the IP based connectivity and replace all relevant hardware and fiber.