



Fiscal Affairs Advisory Commission
Report to the County Board

FY 2019 Proposed Budget

Budget Area:	Department of Environmental Services (DES)
FAAC Reviewers:	Peter Robertson, Gillian Burgess
Date of FAAC Action:	March 1, 2018
Presenter:	Tenley Peterson, FAAC Chair

FAAC Opinion

The County Manager's proposal for the Department of Environmental Services (DES) is \$99,358,598, a three percent increase over the FY 2018 adopted budget. The proposed budget reflects some personnel increases and non-personnel expense increases in a variety of areas throughout the department.

There are fee revenue adjustments including an increase in the Household Solid Waste Rate and the parking meter rate.

There are a number of proposed budget reductions, the most significant of which are:

- Eliminating Arlington Transit Routes 92 and 54;
- Reducing contracted services and facility energy projects, elimination of the homeowner energy rebate program, and reduction of consultant funding for the Arlington Initiative to Rethink Energy (AIRE) program;
- Eliminating three full-time and one part-time positions from various programs;
- Reductions in some facilities management services (porter service at Arlington Mill Community Center, window cleaning at all county buildings, and instituting a custodial services pilot program in Courts Police Building that would reduce cleaning in nonpublic areas).

The FAAC believes that the County Manager's proposed budget for DES for FY 2019 represents a reasonable proposal given the current fiscal situation. The department has proposed cuts and fee increases that balance the budget without significantly impacting the level of services to Arlington residents.

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Overall Budget

FAAC Recommendation #1			
The FAAC recommends that the County Board approve funding for DES as proposed in the County Manager's FY2019 budget.			
Vote	Yes: 9	No: 3	Abstain 1
Comments	The FAAC's Chamber of Commerce representative voted no because of the Manager's recommendation to modify the recycling inspection fee system.		

Household Solid Waste Rate Increase

FAAC Recommendation #2			
The FAAC recommends that the County Board approve the proposed recommendation for an increase in the Household Solid Waste Rate from \$314.16 to \$316.16.			
Vote	Yes: 11	No: 2	Abstain 0
Comments	The Household Solid Waste Rate is proposed to increase by \$2.00 (\$314.16 to \$316.16) to account for cost increases for refuse, recycling and yard waste collection from single family, duplexes and townhouses.		

Increase in Parking Meter Rates and Enforcement Hours

FAAC Recommendation #3			
The FAAC recommends that the County Board approve the proposed increase to the parking meter rate by \$0.25 per hour with an extension in hours to 8:00 a.m. – 8:00 p.m.			
Vote	Yes: 8	No: 5	Abstain 0
Comments	The current maximum rates on metered parking is \$1.25/hour on short term meters and \$1.50 per hour on long term meters. The current hours are 8:00 a.m. – 6:00 p.m. The increase in rate and enforcement hours will increase revenues by \$3,775,000, to align revenues with costs to the County for parking. Two of the no votes were based on the extension of hours.		

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	Two of the “no” votes were due to the increase in parking meter hours. They supported the increase in fees.
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Increase in Residential and Commercial Utility Taxes

FAAC Recommendation #4			
The FAAC recommends that the County Board approve the proposed increase in the Utility Rate.			
Vote	Yes: 9	No: 3	Abstain 1
Comments	This proposal would increase both residential and commercial utility taxes, raising an additional \$3.2 million.		

Elimination of ART routes

FAAC Recommendation #5			
The FAAC recommends that the County Board approve the proposed elimination of ART routes 92 (Crystal City - Long Bridge Park – Boeing/Pentagon) and 54 (Dominion Hills – East Falls Church).			
Vote	Yes: 13	No: 0	Abstain 0
Comments	These routes are not meeting the minimum ridership levels necessary to sustain service, despite outreach attempts. The routes would be eliminated even if the County were not facing a difficult fiscal situation. Routes may be re-added in the future if demand changes.		

Reductions in AIRE Program

FAAC Recommendation #6			
The FAAC recommends that the County Board approve the proposed reductions in the AIRE program.			
Vote	Yes: 13	No: 0	Abstain 0
Comments	These proposals would reduce contracted services and facility energy projects; they would also eliminate the homeowner energy rebate program, which provides rebates to County residents that install certain energy efficient HVAC systems or make other energy efficiency home improvements.		

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	Reduction of consultant funding will reduce certain education and outreach efforts.
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Miscellaneous Personnel Reductions

FAAC Recommendation #7			
The FAAC recommends that the County Board approve the proposed elimination of three full-time and one part-time position from various DES programs.			
Vote	Yes: 12	No: 1	Abstain 0
Comments	<p>These reductions would eliminate the vacant Chief of Staff and the part-time filled Communications Specialist in the Director's office; a filled Administration/Front Desk Support position in Transportation Engineering and Operations; and a vacant Custodian position in Facilities Management Services. Savings would be approximately \$238,000.</p> <p>As mentioned previously, the FAAC encourages the county to place staff whose positions are eliminated into other County openings, when appropriate.</p>		

Reductions in Miscellaneous Facilities Management Services

FAAC Recommendation #8			
The FAAC recommends that the County Board approve the proposed reductions in some facilities management services (porter service at Arlington Mill Community Center, window cleaning at all county buildings, and instituting a custodial services pilot program in Courts Police Building that would reduce cleaning in nonpublic areas from five to three days a week).			
Vote	Yes: 13	No: 0	Abstain 0
Comments	These are efforts designed to cut costs while imposing only modest reductions in services. Savings would be \$163,000.		

Future Considerations

DES continues to develop better linkage between operating and capital budgeting, but the growth in the number of County facilities continues to put pressure on the maintenance budget.

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This issue has been noted for the department for years, and this budget could exacerbate some issues associated with this tension between operating and capital budgeting.

The County has made certain realignments to the budget for various functions out of funds supported by dedicated revenues instead of out of the general fund. These proposed realignments are, the County Manager's message states, "to ensure appropriate cost allocation." Some of these realignments will affect projects or programs within DES' responsibilities. For example, the entire cost of the street sweeping program will be moved from the General Fund to the Stormwater Fund. This move, as the County Manager's message notes, could require an increase in the stormwater tax rate in the future. This change comes as the County's stormwater permit is about to expire, and future permit periods will require significantly greater reduction in pollutant loadings (which may well require additional investments by the County).

Redirecting money from tax increment funds to the General Fund is a similar example, as is the decision to increase the utility tax and direct the additional funding to affordable housing. Such decisions, made in times of fiscal challenges, must also be informed by the potential for future impacts on the departments whose programs they touch.