

County Manager's Proposed  
FY 2025 Budget

# Budget Overview

*February 24, 2024*





# Overall Budget Summary: By the Numbers

## TOTAL BUDGET

**\$1.62 billion**

4.7% increase (\$72 million) from FY 2024  
(ongoing and one-time)



## COUNTY OPERATING

**\$997 million**

5.7% increase (\$54 million) from FY 2024  
(ongoing and one-time)

## SCHOOLS TRANSFER

**\$627 million**

3.0% increase (ongoing up \$27 million; one-time down \$8 million) from FY 2024

# Overall Budget Summary: Revenue

**General Fund budget totals \$1.62 billion, a 4.7% increase over FY 2024**

## **Real Estate base tax rate is proposed to change from \$1.030 to \$1.028/\$100**

- Shift from a stormwater tax rate of \$0.017/\$100 to a fee
- “Average” homeowner pays 4.8% more or \$389 at proposed tax rate
- “Average” residential property tax & fee increase of 4.7% = \$500 overall
- “Average” apartment unit assessment increases 6.6%
  - New metric for FY 2025
  - CY 2023 = \$327,375 / CY 2024 = \$348,965
  - Calculated by taking the total apartment tax base divided by the # of units in the County

## **Tax revenue growth 4.4%**

- Real Estate assessment growth of 2.5% (3.2% residential & 1.6% commercial)
- Business Professional and Occupational License (BPOL) tax receipts up 3.9%
- Personal Property up 2.9%
- Sales: up 9.3%
- Meals: up 12.2%
- Hotel Taxes: up 18.2%

***Advertisement of tax & fee rates planned for Tuesday's Board meeting (highest rate Board can adopt)***

# Balancing the Budget



- Services & Program Reductions and Budget Efficiencies (\$10.1 million)
- Higher than anticipated Real Estate Assessments
- Growth in other taxes, particularly recovery of consumption taxes
- Capturing Vacancy Savings
- Tax rate dedicated to meeting high priority community needs

***\$1.3 million one-time  
remains unallocated***

# Tax Rate Increase for Priority Needs

## Proposed real estate tax rate increase of 1.5 cents

*Proposed tax rate increase allows for funding important ongoing needs that face our community.*

*Proposal is a half cent less than allowed by the Board's budget guidance.*



### **Housing**

*\$3.0 million in ongoing for housing grants plus expansion of critical staffing*



### **Human Services**

*\$1.2 million for youth and teen programming and nearly \$2.0 million towards new contracts (in key areas including food security)*



### **Arlington Public Schools**

*More funding (\$6.4 million ongoing and \$3.2 million one-time) to meet challenges faced by Arlington Public Schools*



### **Eviction Prevention**

*\$1.4 million in ongoing plus expansion of critical staffing*



### **Environment**

*\$1.0 million for the Climate Action Fund, \$1.0 million investments to support tree canopy, and \$0.3 million response efforts to address invasive threats*

# Service & Program Efficiencies

## \$10.1 million in Departmental Cuts and Eliminates 33.15 Positions

- Eliminating ART 62 (\$348,613); restructuring ART 61 & 53 (\$316,940)
- Freezing two additional Police (\$228,114) and two additional Sheriff positions (\$210,200)
- Eliminating one vacant DES Solid Waste Litter Collection position
- Eliminating DPR's Personal Training Program (\$348,446, 2.0 filled FTEs)
- Eliminating two CPHD Associate Planners in Current Planning & Comprehensive Planning (\$267,273)
- Eliminating DHS's Behavioral Intervention Services (\$277,093, 2.0 filled FTEs)
- Eliminating DHS's Tuberculosis Outreach Worker (\$102,281, 1.0 filled FTE)
- Shifting DHS's Dental Program to a non-profit provider (\$165,581, 2.0 FTEs)

# Workforce Investment



## Collective Bargaining Agreements (CBA)

- Proposed budget meets all obligations of the 3 certified union groups
- Step increases for Fire (IAFF) and Police (ACOP)
- 4.75% for Service/Labor/Trades



## Job Family Studies

- Fund *Job Family Studies* for Parks & Programming, Accounting & Financial, Judicial & Legal Services, Human Rights, Human Resources and Safety



## Other Salary Increases

- 4.75% for General Employees
- 4.75% for Uniformed Sheriff
- Introduction of new pay plan
- Introduction of new retirement plan



## Health Insurance Premium Increase

- 7.0% premium increase assumed for health insurance rates; 5% increase for dental

# Teen Investment Overview



**\$2.0 million in FY 2024  
& FY 2025 funding**

**FY 2024:** \$750k one-time

**FY 2025:** \$700k ongoing  
& \$500k one-time



## Values & Priorities

- Priority is intervention for at-risk teens & families (Tiers 2 & 3)
- Balanced by investments in prevention and education
- Piloting programs, followed by evaluation of outcomes
- Racial equity
- Teen & family engagement
- Ensuring safe & secure programs



# Teen Investments To Date

## Arlington County & Arlington Public Schools: Investments focus on teens and families experiencing immediate substance and mental health issues



- Placement of 4 DHS therapists in high schools in the 2023-2024 school year
- Teen intensive outpatient programs
- Increased distribution of Naloxone to teens and families and at schools
- Addition of 12 substance use and intervention counselors in schools
- Addition of 4 Dean of Students at comprehensive high schools
- Preventive education curriculum for students grades 6 through 12
- Comprehensive Naloxone training for APS staff
- Introduction of online therapy for teens

*Investments to serve the County's adult population include the Crisis Intervention Center, the Mobile Outreach Support Team (MOST), the Marcus Alert system, and expansion of mobile crisis response.*

# Teen Investment

## Adding \$1.2 million dedicated for teen mental health and substance use intervention, prevention, and education

### Intervention Investments



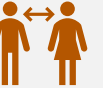
- Dedicated case management
- RISE Mentor program expansion
- Additional staffing for Young Achiever and Girls' Outreach Programs
- Substance use IOP at Northern Juvenile Detention Center

### Prevention Investments



- Campaign, community & staff training on Adverse Childhood Experiences (ACEs)
- Weekend evening programming for teens – soccer, basketball, and teen nights
- Pilots at Kenmore & W-L
- Upgrade of media room and gaming equipment

### Education & Engagement



- Website & digital strategies to reach targeted audiences
- Exchange of tools between Arlington County and Arlington Public Schools
- Outreach in the community
- Language translation to share information with those who speak other languages

# Public Safety

## Police

- Addition of three Transportation Safety Specialist positions and a Transportation Safety Supervisor position for the Traffic Management Unit to reduce the reliance of sworn officer resources directed towards traffic safety along with providing strategic parking enforcement services (\$392,904, 4.0 FTEs)
- Recruitment Funding (\$250,000)

## Sheriff

- Axon Body Worn Cameras for jail staff (\$172,687)
- DHS licensed therapist for jail-based team (\$134,131)
- Public Defender (convert paralegal to mitigation/mental health attorney position) (\$25,000)
- Continuation of jail-contracted security (\$116,000), sublocade for MAT/MOUD inmates (\$222,000), and Inmate Care Program (\$205,000, 1.0 FTE)

## Fire

- Increases for medical & wellness programs (\$440,500)
- Establishing a new Office of Professional Standards for enhanced support of departmental investigations and accreditation initiatives (\$356,829, 2.0 FTEs)
- Addition of a Physician Assistant to support Treat No Transport (\$189,028, 1.0 FTE)

# Housing



**\$110 million dedicated to housing programs**

**Housing Grants: \$15.1M, up \$0.7M from \$14.4M in FY 2024**

- Transition to all ongoing funding
- Funding for a new pilot housing grants category for youth aging out of foster care (\$101,232)
- Plus an additional 2.0 FTEs for higher caseloads

## **Barcroft Debt**

- \$15M for debt buydown
- Continued dedication of Columbia Pike TIF (\$2.0M)

**Affordable Housing Investment Fund: \$20.5M base budget, up \$5.2M from \$15.3M in FY 2024**

\$10.5M ongoing; \$10.0M one-time

**Eviction Prevention: \$2.3M, down \$2.3M from \$4.6M in FY 2024**

- Transition to all ongoing funding
- Plus an additional 2.0 FTEs

**Permanent Supportive Housing: \$5.7M, up \$0.3M from \$5.4M in FY 2024**

**Housing Choice Vouchers: \$26.6M, up \$0.2M from \$26.4M in FY 2024**



# Environment



- Climate Action Fund: \$1.0 million additional funding
  - Continued conversion to LEDs, facility electrification, building energy pilot for low-income residents
- Funding for 23 electric vehicles in continued fleet transition efforts
- Support for AIRE initiatives
- Tree Maintenance: Additional \$1.0 million
- Invasives: Additional \$300,000
  - Proactively address emerging invasive threats to the over 500 acres of Arlington County natural lands
  - Expansion of DPR's existing invasives management program
    - Addresses 375 acres by 2030
    - Transitions the remaining larger parcels of natural land to dedicated maintenance by 2032

## **PAYG \$s**

- County buildings and facilities: renewable energy installation in County facilities (\$300k), energy performance upgrades (\$475k), and a window replacement project in Argus House to increase the building energy efficiency.
- Continued investment in increasing the number of electric vehicle chargers (\$250k) to support the conversion of the County fleet to electric vehicles and electric vehicle chargers for public accessibility (\$500k).

# Capital Investments



## Energy Management

County facility renewable energy installation, energy performance upgrades, electric vehicle chargers (internal and public accessibility)



## Arlington Neighborhoods Program

Sidewalk and park improvement projects



## Transportation

BikeArlington, bridge maintenance, signals and ITS device replacement, street safety improvements, paving, markings and slurry seal



## Technology

Bozman Data Center Migration, continuing the Cloud Migration Project, and replacement/upgrade of DHS information systems, Revenue and Collection System (ACE/CAPP), voting machines, PC systems, servers, AV and network equipment



## Parks

Arlington Hall West Park Playground Replacement (Design/Construction), Thomas Jefferson Middle School and Greenbrier Park/Yorktown High School Stadium Synthetic Field Replacements, Public Spaces Master Plan Update



## Public Safety

Fire breathing apparatus compressors, Fire Bomb Squad X-ray System, Police and Sheriff radios, Courthouse Magnetometer & X-ray Machine, Servers



## Facilities

Argus House window replacement, Detention Center air compressors, Court Square West electrical switchgear replacement, ECC UPS upgrades, Fire Station 9 (Walter Reed) – Air Circulation System, Oakland Street Police Warehouse renovation

# Development Services



## Planning, Zoning, & Development Fee Review

- Cross department effort to evaluate fees charged through the development process
- Re-aligning fees to more appropriately capture cost recovery for the specific permitting activity
- Multi-year re-alignment and review
- Fees proposed to increase, decrease, eliminated, or remain unchanged
  - Out-year analysis may include additional fee consolidation and elimination to simplify the permitting process

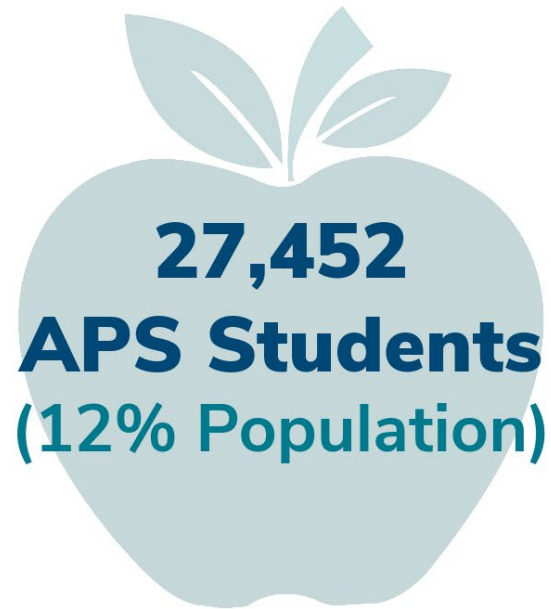


## Permitting Center

- Effective July 1, 2024, the Permit Arlington Center will be open to support walk-in customers four days per week.
  - Expansion of the current hours of Tuesday & Thursday from 9:00 am to 3:00 pm.
- Expansion of days will allow for customers who prefer to receive support in person to interact with staff directly in answering their technical questions and facilitate the submission of their applications
- Improving customer experience with in-person help navigating online permitting system.

# County Support for Schools

## Additional Support to Schools Above \$627M Revenue Sharing Transfer

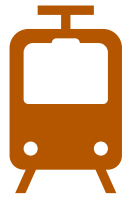


**27,452**  
**APS Students**  
**(12% Population)**





# Looking Forward



**WMATA &  
ART Bus  
Service**



**Libraries**



**Fire  
Station**



**Long Bridge  
Aquatics & Fitness  
Facility**



**Housing  
Demand &  
Affordability**



**Office Market/  
Commercial  
Vacancies**



**Retaining a  
High-Quality  
Workforce**



**Northern Virginia  
Juvenile Detention  
Center**

# Real Estate Tax Rates: Peer Comparison



	CY 2024	CY 2025 Proposed	CY 2025 Advertised
<b>Arlington</b>	\$1.013	\$1.028	Expected Feb. 27
<b>Alexandria</b>	\$1.110	Expected Feb. 29	Expected March
<b>Fairfax</b>	\$1.095	\$1.135	Expected March 5
<b>Loudoun</b>	\$0.875	\$0.875	\$0.885

# Tax & Fee Advertisement

<b>Real Estate Tax Rate</b>	\$1.028/\$100 of assessed value (1.5 cent base rate increase offset by the elimination of the 1.7 cent stormwater rate) <ul style="list-style-type: none"><li>• New stormwater utility annual fee of \$258 per Equivalent Residential Unit (most homes have 1 or less)</li></ul>
<b>Personal Property &amp; BPOL Tax Rates</b>	No Change
<b>BID Tax Rates</b>	Flat at CY 2023 Level
<b>Household Solid Waste:</b>	Rate increases to \$415.70, a \$9.56 increase primarily due to higher contractual and personnel costs <ul style="list-style-type: none"><li>• Increases to mulch delivery &amp; private hauler permit fees as well</li></ul>
<b>Department of Environmental Services (DES)</b>	Increase of up to 15 percent to ART bus fares to align with anticipated WMATA Metrobus rate increases
<b>Department of Parks &amp; Recreation (DPR)</b>	Fee increase for fitness classes, select camps, competitive teams, sports, and other programs to more accurately reflect cost recovery
<b>Fire &amp; Police</b>	Increases to special event fees for cost recovery

# Tax & Fee Advertisement (Cont.)

<b>Development Fund &amp; General Fund Development Services</b>	4.9% inflationary increase and increases plus other changes resulting from recent fee study to better achieve cost recovery
<b>Fire</b>	<ul style="list-style-type: none"><li>• New Treat No Transfer fee of \$250 to replace the discontinued ET3 program telemedicine fee</li><li>• Increase to the in-person qualified healthcare practitioner fee (from \$200 to \$250)</li><li>• Change to the fee structure for hazardous materials cleanup to align fee with special events fees</li></ul>
<b>Police</b>	Photo speed fine increases from \$50 to \$100 per violation
<b>Utilities</b>	Overall increase of 4.9% to water/sewer rates (all customer classes)



# Impact of Tax & Fee Changes

	FY 2022	FY 2023	FY 2024	FY 2025	\$ Change '24 to '25	% Change '24 to '25
<b>Real Estate Tax (excludes sanitary district tax)</b>	\$7,338	\$7,726	\$8,089	\$8,478	\$389	4.8%
<b>Stormwater Utility Fee (formerly Sanitary District Tax*)</b>	123	130	136	258	\$122	90.0%
<b>Personal Property**</b>	1,137	1,224	1,182	1,123	(\$59)	-5.0%
<b>Vehicle License Fee**</b>	66	-	-	-	-	-
<b>Refuse Fee***</b>	319	308	406	416	\$10	2.5%
<b>Water / Sewer Service***</b>	711	742	788	826	\$38	4.8%
<b>Residential Utility Tax***</b>	72	72	72	72	-	-
<b>Total</b>	<b>\$9,766</b>	<b>\$10,201</b>	<b>\$10,673</b>	<b>\$11,173</b>	<b>\$500</b>	<b>4.7%</b>

\*Effective January 1, 2024, the County Board voted to repeal the sanitary district tax of \$0.017 per \$100 of assessed value and replaced it with a new stormwater utility fee of \$258 per equivalent residential unit (ERU). The majority of homes in the County are one ERU or under so for FY 2025, the average homeowner will pay \$258 or less.

\*\*Assumes two conventional vehicles per household, the approximate average number of vehicles owned per Arlington household. The personal property tax figures do not reflect the PPTRA subsidy for personal property tax relief. For FY 2023, the average tax bill assumes a one-time assessment ratio of 88% adopted by the County Board. The vehicle license fee was permanently eliminated with the FY 2023 adopted budget.

\*\*\*Water/sewer rate reflects 48 thousand gallons of water consumption, a revision in FY 2022 of average usage. Historical costs also reflects this assumption. Residential utility tax assumptions are based on the ceiling tax rates.

# FY 2025 Budget Calendar

<b>February 24</b>	County Manager's Proposed FY 2025 Budget Submitted to the County Board
<b>February 27</b>	County Board Advertises the Tax Rate
<b>February 29</b>	Schools Budget Proposed
<b>March 5 to April 16</b>	Budget Work Sessions: County Board holds a series of budget work sessions with County Departments, Constitutional Offices, and the School Board
<b>April 2</b>	Public Hearing: County Board hosted public hearing on Proposed FY 2025 Budget
<b>April 4</b>	Public Hearing: County Board hosts public hearing on CY 2024 tax rates
<b>April 20</b>	FY 2025 Budget Adoption: County Board adopts FY 2025 Budget
<b>May 9</b>	Schools Budget Adopted: School Board adopts FY 2025 School Budget
<b>July 1</b>	FY 2025 Begins



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