

Board Guidance and Notes to Accompany FY 2018 Adopted Budget

1. Real Estate Tax Rate: The total real estate tax rate increased 1 ½ cents from \$0.978 to \$0.993 (base rate excluding the sanitary district tax) shared with the Schools (APS) per the Principles of Revenue Sharing. One-hundred percent of the tax rate increase will go towards funding the extraordinary needs of Metro and APS enrollment growth.
2. Schools: The County Board is allocating \$484,178,720 in ongoing funding to the Schools (an increase of \$19.7 million over FY 2017) and \$6,077,476 in one-time funds (an increase of \$3.6 million over FY 2017), for total funding of \$490,256,196 (a total increase of \$23.3 million over FY 2017). The FY 2018 adopted revenue sharing percentage remains at 46.6% for Schools and 53.4% for the County.
3. Tax Increment Financing Areas (TIFs) (the changes below are shared consistently per the Principles of Revenue Sharing):
 - a. Crystal City, Pentagon City & Potomac Yard TIF: The County Board accepted the Crystal City TIF reduction from 33% to 30% in the County Manager's Proposed Budget. The general fund money freed up from this reduction provides APS with an additional \$140,862 one-time funding and an additional \$293,799 in ongoing funding and provides the County with an additional \$161,418 in one-time funding and an additional \$336,671 in ongoing funding.
 - b. Columbia Pike TIF: Reset the Columbia Pike TIF baseline assessed value of all property in the area to January 1, 2018, freeing up \$881,550 in general fund revenues. The County's portion of \$470,748 will fund an additional \$200,000 in ongoing funding to the Columbia Pike Revitalization Organization (CPRO) and additional ongoing funding to the Affordable Housing Investment Fund (AHIF).
4. Residential Utility Tax (RUT): Increase the County's residential utility tax by 50% and share with the Schools per the Principles of Revenue Sharing. Even with the increase, the County retains the lowest RUT in the region. This is the first year of a planned two-year phase-in to increase the RUT to reach the Fairfax County rate.
 - a. FreshAIRE: Consistent with the County Board guidance provided during FY 2017 budget adoption, the County Board reaffirms that the County's portion of funding generated by the Residential Utility Tax shall be used solely as a dedicated funding stream for the

FreshAIRE program. This was the original intent when the Residential Utility Tax was established and shall be continued.

- b. The additional \$348,168 in County FreshAire funding generated by the RUT increase will fund an Environmental Management Position previously funded with General Fund dollars, \$100,000 for a consultant to update the Community Energy Plan, and \$98,168 for additional building energy retrofits.
5. ART Fare Increase – The County Board is advertising for a public hearing to increase Arlington Transit (ART) and Specialized Transit for Arlington Resident (STAR) fares by \$0.25 to be consistent with Metrobus rates with goal of adoption in May 2017.
6. Land Acquisition – Provide land acquisition funding in FY 2018 of \$4,009,893, including the amount funded in the County Manager’s Proposed Budget.
7. AHIF: The total FY 2018 funding is a combination of \$4.9 million in ongoing funds and \$10.1 million in one-time funds for a total allocation of \$15.0 million for FY 2018, \$1.3 million higher than FY 2017.
8. DES - Streetlights: Fund an alternative streetlight program staffing option from the County Manager’s Proposed budget. This option funds two additional street light technicians and one engineer, that when combined with the County’s two existing streetlight positions will deliver a more robust street light and trail light service level and reduce response times.
9. Sheriff – Staffing: Maintain funding for the seven Sheriff positions added in the County Manager’s Proposed budget but delay hiring. Funds the promotion of two sergeants in January of 2018, and the hiring of four deputies in December 2017, and three deputies in May of 2018.
10. DTS – Internet Circuits: Reduce the number of County and APS internet circuits from four to two, saving a combined \$120,000. This reduction will not impact service levels and will be shared equally between APS and the County.
11. DHS – Community Services Board: Authorize 2.2 Developmental Disability Specialist FTEs primarily funded through Medicaid reimbursements. The approximately \$11,000 not covered by Medicaid will be identified within DHS’ existing budget to fully fund the positions.
12. Tree Canopy Survey (DPR): Conduct an aerial tree canopy survey within existing funds for completion by the end of FY 2018.

Additional County Board Direction to the Manager

13. Advertising on Arlington Transit: Building on the Board's 2015 and 2016 direction to explore advertising options on Arlington transit, including Capital BikeShare and ART Bus stations ("Off-Site Facilities") and Capital BikeShare bicycles and ART buses ("Rolling Stock"), the Board directs the Manager to prepare a comprehensive progress report to the Board by the end of fourth quarter FY 2017 (June 30, 2017). All revenue generated pursuant to advertising for both Rolling Stock and Off-Site Facilities shall be designated exclusively for ART and Capital BikeShare operations.
14. Employee Gainsharing Program: The County Manager, working with the Department of Management and Finance and the Department of Human Resources, is directed to develop an employee incentive program, on a pilot basis, that would reward and recognize staff who submit actionable ideas that either reduce costs or waste, improve efficiencies or enhance customer service. A centralized review of all employee submissions shall be done. The County Manager shall report back to the County Board on the results of the pilot as warranted and provide a summary report by October 1, 2017 in order to facilitate the inclusion of actionable ideas as part of FY 2019 budget development.
15. Minimum Standards for BIDs and Partnership Organizational Documents: The County Board finds that certain baseline documentation standards with respect to Arlington's three BIDs (Rosslyn, Crystal City, Ballston) and three Partnerships (Columbia Pike Revitalization Organization, Clarendon Alliance, Lee Highway Alliance) should be required as a pre-condition to FY 2018 and future years County funding in order to ensure public transparency, accountability and compliance with applicable County requirements. The Board directs the County Manager to include in its official agreements with these entities the requirement that organizational, board member, and board meeting documentation be made publicly available.
16. Annual Budget Close-out/Carryover; Reserves: In addition to the County Manager's FY 2017 recommendation on budget carryover in the fall of 2017, the County Board directs the County Manager to provide an option for County Board consideration that would direct all carryover funds to consideration in the FY 2019 budget process, except for what the Manager deems to be emergency or unanticipated needs that, in his best judgment, require immediate allocation or appropriation.

The Manager shall also provide an updated accounting of all County fund balances and reserves at that time and advise the County Board what, if any, items that the Manager recommends for allocation or appropriation could be funded, in whole or in part, from such fund balances and reserves, in the County Board's discretion.

17. METRO: The Board directs that the County Manager develop and present a 10-year financial outlook of Arlington's jurisdictional obligations to WMATA based on the consensus assumptions and requisites presented by the WMATA General Manager and the MWCOG Technical Advisory Group. The outlook should present detailed options for funding Metro through FY 2020.
18. Columbia Pike Revitalization Organization (CPRO): The Board directs that the County Manager develop and execute a service agreement to accompany the \$400,000 grant to CPRO that details expected outcomes of: enhancing organizational capacity to sustain and expand its entertainment programming; instituting a "clean and safe" program to beautify the public realm; expanding a place-making program including developing activities and initiatives located at the western end of Columbia Pike.

The Board further directs that the \$150,000 allocation to Arlington Economic Development produce a retail and market study conducted by an independent firm that interprets existing commercial conditions and challenges and opportunities for revitalizing the Columbia Pike submarket. The County Manager will propose a scope of work to the County Board by the fall of 2017 and will consider these possible areas of analysis: existing zoning, transit and area plans; recommendations to encourage private investment; identification of where public or P3 investment is necessary and recommendations on branding opportunities for Columbia Pike nodes.

19. APS Budget Development: The Board directs that the County Manager engage the Arlington Public Schools Superintendent for the purpose of having APS provide County government staff with a balanced "anticipated revenues" based budget that can include options for supplemental funding. This is distinguished from an unbalanced "needs based budget" that includes options for reduced funding.
20. Childcare: Redirect \$115,698, 1.0 FTE from the AED BizLaunch program to CPHD for an associate planner (1.0 FTE) that would focus on zoning ordinance changes or other planning work, primarily related to child care facilities. The County Manager will provide an amended work plan by December 31, 2017. Additionally, \$50,000 in one-time funding is directed to Non-Departmental for consulting services needed to pursue other aspects of expanding and improving child care services in the County as described in the County Manager's Childcare Initiative addendum, including provider surveys, needs assessments and other analytical work.
21. Services for Undocumented Arlingtonians, Mixed Status Arlington Families and Refugees: The County Manager will provide the County Board with a recommended process for awarding grant funds to eligible non-profit organizations providing legal or other emergency services to Arlington County

residents who are or may be subject to non-criminal federal immigration enforcement action, and residents who are refugees. The grant-funded services may include, but are not limited to, legal consultations/workshops and emergency assistance. Funding of \$100,000 is included in Non-Departmental for this purpose.

22. Inventory of Mental Health Related Services: The County Manager should summarize and analyze those programs provided by the County that assist with the provision of mental health services. Included in this inventory should be those programs provided by the Department of Human Services, the County's public safety agencies (Fire/EMS, Police, Sheriff), and the Judicial System (General District, Circuit Court, Commonwealth's Attorney, Public Defender). The inventory should include non-profit service providers in the County who receive financial aid from the County, Commonwealth or Federal Government, as well as Virginia Hospital Center.
23. Non-Profit Analysis: The County Manager should suggest next steps to follow on to the non-profit analysis included in the Manager's Proposed budget. These next steps should include a proposal to consult with County non-profit providers and the appropriate advisory commissions. The suggested timeline should be provided to the County Board as part of the closeout of the Fiscal Year 2017 this Fall.
24. Mobile Library: The County Board directs the Manager to close the Crystal City pop-up library by December 15, 2017. By October 1, 2017, the County Manager will provide options for mobile pop-up library services with the intent of reaching neighborhoods underserved by library services.

	A	B	C	D	E	F
County Board FY 2018 Draft Adopted Budget - Balancing Spreadsheet						
		ONE-TIME	ONGOING	TOTAL	FTEs	Notes
5	Please note: The spreadsheet includes the \$.02 tax rate increase included in the County Manager's Proposed Budget.					
6	Positive numbers = Adding to available funding, Negative Numbers = Reducing Funding Available					
Instructions						
Enter changes in gray shaded cells only. Yellow cell indicates a cell linked to another input tab indicated in the "Notes" Column. To Adjust Tax Rate: Go to "Tax Calculator" tab and follow instructions.						
To make additional adjustments to the Proposed Budget: To add funding for an item enter number as a negative in gray cells below. Be sure to populate either the ongoing or one-time columns. To remove funding for an item enter number as a positive in gray cell below.						
Budget Reduction Options: the "Budget Reduction Options" tab details the CM's reduction options for the County Board. To include a budget reduction copy and paste the entire row in to the gray adjustments area below.						
11	Revenue Adjustments:					
12	Unallocated FY 2016 Close-out Carryover	3,272,000	0	3,272,000		
13	FY 2017 one-time funds included in proposed budget	2,819,889	0	2,819,889		
14	Mid-Year / 3rd Quarter Review (net to County)	3,808,478	0	3,808,478		Net of Schools
15	Compensation Board Adjustments	(164,974)	207,630	42,656		
16	Subtotal	9,735,393	207,630	9,943,023		
18	Tax rate adjustment (County Portion)	2,935,665.00	5,934,080.34	8,869,745.34	Total Tax Change	Assumed 1.5 pennies shared with Schools at revenue sharing percentage. To change tax rate go to "Tax Calculator" tab
19					\$0.015	
20	Total Revenue Adjustments	12,671,058	6,141,710	18,812,768		
23	LESS: Allocation of Revenue Adjustments in CM Proposed					
24	Additional Funding for Metro		(7,408,340)	(7,408,340)		Funded in CM's proposed budget w/ 1 penny tax rate increase not shared with APS
25	AHIF	(2,247,079)		(2,247,079)		
26	Housing Grants	500,000		500,000		
27	PAYG	(1,700,000)		(1,700,000)		
28	Paving	(650,000)		(650,000)		
29	Street Lights and Trail Light Inventory Assessment	(260,000)		(260,000)		
30	Land Acquisition	(1,976,102)		(1,976,102)		
31	Fire - Second Recruit Class	(1,027,406)		(1,027,406)		
32	Sheriff - New uniforms	(400,000)		(400,000)		
33	Sheriff - Equipment for new positions	(62,502)		(62,502)		
34	Miscellaneous Smaller Maintenance Projects	(335,000)		(335,000)		Woodmont restrooms & Community Residences
35	NonD- Lee Highway Planning Study	(500,000)		(500,000)		
36	Libraries - Pop-Up Space to Columbia Pike	(150,000)		(150,000)		Move Pop-Up from Crystal City to Columbia Pike
37	Libraries - Materials	(250,000)		(250,000)		
38	AED - ConnectArlington Connection Grants	(250,000)		(250,000)		
39	Miscellaneous One-time Items	(448,800)		(448,800)		Software Upgrade (Noetix), Windows 10 licenses, funding for County Board digitization, Litigation Hold software, Arlington Independent Media
41	Total Recommendations in the County Manager's Proposed	(9,756,889)	(7,408,340)	(17,165,229)		
43	Subtotal: Total Revenue Unallocated before County Board adjustments	2,914,169	(1,266,630)	1,647,539	0	Positive number = additional revenue to allocate. Negative number = Over Budget
45	LESS: Additional County Board Allocations and Reductions after Work Session and Public Comment					
46	Changes to School Transfer	0	0	0		Linked below to Schools Funding Summary
47	Reduce Crystal City TIF Allocation from 33% to 30%	161,418	0	161,418		Included in the County Manager's FY 2018 Proposed Budget. Net of Schools If you wish to increase ART fares by \$0.25 enter \$292,000 in the ongoing column as a positive amount
48	\$0.25 ART Fare Increase	0	292,000	292,000		If you wish to provide one-time tax relief to residents enter the total amount as a negative number in the one-time column and note in column A whether it is Personal Property or Utility Tax relief
49	One-time Tax Relief to Residents	0	0	0		
50	CAO Ethics Position	0	152,141	152,141	(1.00)	
51	DES: Street Lights	132,835	302,916	435,751	(2.00)	Alternative staffing Option #2, adding 3 FTEs (2 Techs, 1 Engineer)
52	DMF: Capital Coordinator to support JFAC	0	160,000	160,000	(1.00)	
53	Sheriff	0	295,079	295,079		Alternative Phasing Option #2
54	CPHD: Eliminate Office Supervisor	(58,527)	88,527	30,000	(1.00)	
55	CPHD: Reset Columbia Pike TIF Baseline	0	470,748	470,748		Shared with Schools per the revenue sharing principles. Funds \$200K to CPRO and portion of additional AHIF
56	CPHD: Childcare/ZO Position + Consultant	(50,000)		(50,000)		Shift from AED to CPHD + \$50K for consultant
57	DPR: Health and Movement Position	0	50,473	50,473	(0.50)	
58	DTS: Reduce # of County & APS Internal Circuits from 4 to 2	0	120,000	120,000		Schools will share in the cost reduction
59	DES: Environmental Management Program position	0	150,000	150,000	(1.00)	Reduced GF support for position. Position funded from additional RUT 1st of 2-yr phase increase to reach Fairfax rate. Covers \$150K Energy Mgr + items in Line 61
60	Residential Utility Tax	0	348,168	348,168		\$100K for consultant, \$98,168 for additional building energy retrofits, \$150,000 to fund Environmental Management position
61	CEP Update Consultant & County/APS building efficiency/	0	(348,168)	(348,168)	1.00	
62	Environmental Management Position	0		0	2.20	DHS to find \$10,894 (non-Medicaid portion) within its existing GF budget
63	CSB: Developmental Disability Specialists - 2.2 FTEs	0	(129,000)	(129,000)		
64	Doorways	0		0		
65	AFAC	(50,000)	0	(50,000)		
66	VCE: Financial Education	0	(32,583)	(32,583)		
67	Pop-Up Library	131,000	0	131,000		Eliminate Pop-Up Libraries by January 2018. Cost is \$19K.
68	DPR Intern	0	49,725	49,725		
69	DPR: Mowing and Landscaping	0	50,000	50,000	(1.00)	
70	AHIF	(867,104)	(432,896)	(1,300,000)		
71	CPRO	0	(200,000)	(200,000)		support for FT FTEs
72	AED: Columbia Pike	(150,000)		(150,000)		
73	LHA	0	(60,500)	(60,500)		
74	Land Acquisition	(2,033,791)	0	(2,033,791)		
75	Clerk of the Circuit Court	0	(45,000)	(45,000)		
76	Circuit Court Judiciary	0	(15,000)	(15,000)		
77	Immigration Services	(100,000)	0	(100,000)		
78	Arts Challenge Grants	(30,000)	0	(30,000)		
79	Total Revenue Unallocated	0	0	0	(4.3)	Positive number = additional revenue to allocate. Negative number = Over Budget

	A	B	C	D	E	F
1	County Board FY 2018 Draft Adopted Budget - Balancing Spreadsheet					
2						
3						
82		ONE-TIME	ONGOING	TOTAL	FTEs	Notes
83						
84	SCHOOLS FUNDING SUMMARY	ONE-TIME	ONGOING	TOTAL		Consistent with Revenue Sharing Principles
85	Tax rate adjustment (School Portion)	2,561,835	5,178,430	7,740,265		Assumed 1.5 pennies shared with Schools at revenue sharing percentage. To c
86						
87	One-time funds assumed in FY 2018 Proposed Budget	655,463.00		655,463.00		stronger CY 2017 RE Assessments & CC TIF Reduction
88	Mid Year / Third-Quarter Review	2,860,178.00	0.00	2,860,178.00		
89	APS Funding from Additional Transfer: RUT increase and Columbia Pike TIF	0.00	714,634.00	714,634.00		\$303,832 from RUT increase, and 410,802 from Columbia Pike TIF
90	Additional APS Funding per revenue sharing principles since Nov	6,077,476	5,893,064	11,970,540		
91						
92	Superintendent's Budget Gap		11,176,571	11,176,571		
93	Difference	6,077,476	(5,283,507)	793,969		