

FISCAL YEAR 2017 BUDGET GUIDANCE DIRECTION TO THE COUNTY MANAGER FOR PREPARATION OF THE FY 2017 BUDGET

The County Board directs the County Manager to prepare a FY 2017 budget that reflects current economic conditions, while honoring the County's vision. Specifically, the FY 2017 budget must, at a minimum, fund services that protect the health and safety of our residents, continue our investments in a quality public education, a safety net for those in need, affordable housing and environmental sustainability.

Should either the local, state or national economic forecast change significantly prior to budget submission, the County Manager will update the Board and the community in a timely manner on potential near- and long-term financial impacts that may need to be factored into FY 2017 budget discussions.

In developing his Proposed FY 2017 Budget, the County Manager is directed to:

1. Present a balanced budget that assumes no increase in tax rates. Proposed expenditure or service enhancements that are fully offset by fee revenue or by reallocations are permitted.
2. If total tax revenue growth exceeds the expected growth of up to 2.4%, the Manager should provide the following 3 scenarios: (1) a reduction in tax rates, (2) applying funds toward meeting increased priority demands, such as student enrollment growth, new facilities, affordable housing or other areas impacted by population growth in the County, and (3) a combination of (1) and (2).
3. Present options for (a) program and personnel reductions or eliminations, (b) proposals to eliminate duplication and inefficiencies, (c) additional or alternative early retirement incentives and (d) employee healthcare benefits modifications. With respect to (d), the Manager will propose a process to potentially include an expert consultant on such benefits and ensure that employees are involved in an inclusive and comprehensive manner.
4. Apply the County/School revenue allocation reflected in the FY 2016 budget (53.5% County / 46.5% Schools). The APS final percentage of locally generated revenue will be adjusted through budget deliberations. Given the current tax rate and current projected assessment growth, a minimum of \$8.2 million of projected new revenue will be available to APS above the FY 2016 County transfer.
5. Provide a compilation of tax and fee tools that the Board has at its disposal, either on its own authority or as governed by the Commonwealth. The compilation shall include a discussion of the legal parameters of such fees and charges as well as requirements governing the uses and applications of such taxes, fees and charges.
6. Provide a comparative analysis of Arlington's current senior tax relief program to neighboring jurisdictions' programs and propose options for adjusting Arlington's current program.
7. Provide for an enhanced public engagement process that potentially includes one additional County-wide public budget hearing.
8. Ensure that the budget provides for long-term financial sustainability.
9. Preserve the County's triple-AAA bond rating.
10. Fully fund all debt, lease and other contractual commitments including those "subject to appropriation" in the base budget.
11. Explore further collaborations with Arlington Public Schools as well as regional collaborations and partnerships that might lead to cost savings and efficiencies.