



## ARLINGTON COUNTY, VIRGINIA

### County Board Guidance for Preparation of the Manager's FY 2011 Budget

#### Goals:

The County Board directs the County Manager to prepare a FY 2011 budget that reflects the serious economic downturn while honoring the County's vision and legacy. Specifically, the FY 2011 budget must, at a minimum, fund services that protect the health and safety of our residents, continues our investments in affordable housing and environmental sustainability, funds the public schools, and ensures a safety net for those in need.

#### Principles:

The following principles shall guide the development of the Manager's Proposed FY 2011 budget:

1. Provide a balanced budget with expenditures no greater than the adopted FY 2010 budget and that equally divides the revenues/expenditures gap between proposed revenue increases and proposed expense/service reductions.
2. Ensure that the budget provides for long-term financial sustainability, anticipating no greater than flat revenue over the next two year period.
3. Preserve the County's triple AAA bond rating.
4. Fully fund all debt, lease and other contractual commitments, including those "subject to appropriation" in the base budget.
5. Add no new positions or programs supported by local tax revenues, unless bringing existing services in-house can be shown to save money or there is a new dedicated funding source.
6. Eliminate duplication and inefficiencies.
7. Abide by the Revenue Sharing Agreement with the Schools.
8. Provide options for compensation that address competitiveness and/or health care pressures.

The County Manager shall also provide: (1) an impact assessment were we to keep expenses within existing tax rates, and; (2) an impact assessment, including the extent to which tax rates would have to increase, were we to maintain services at the FY 2010 revised budget level. In addition, the Manager shall also provide an assessment of the impact of the 3 options above on the availability of debt capacity.

**Strategies:**

In developing the proposed budget, the Manager should:

1. Evaluate strategic choices such as investments in maintenance capital that would reduce on-going operating expenses.
2. When proposing the elimination of a non-essential service, present, where possible, fee options that could offset the potential elimination of a non-essential service and/or new public/private partnerships designed to deliver the service.
3. Present alternatives that reduce costs through consolidation, mergers, contracting, partnerships, and other service mechanisms.
4. Incorporate evaluation of 2010 cuts, where information is known, and identify performance measures that will be used to evaluate significant cuts proposed for 2011.
5. Provide comparative analysis of compensation in the region showing Arlington's performance in recent years and assessing current standing, and relating to longstanding County compensation goals.