



Fiscal Year 2014 Budget Message to the Residents of Arlington County

We knew that the Fiscal Year (FY) 2014 budget would be a challenging one. The uncertainty surrounding the federal government's sequestration, the continued impact of the Base Realignment and Closure (BRAC) process and the sluggish pace of the nation's recovery meant we had to make many difficult choices.

Our guidance to the Manager in the fall of 2012 allowed her to begin developing a budget that balanced the need for spending reductions and revenue increases.

During months of public consideration of the proposed budget, we heard from Arlingtonians that you wanted to preserve key services, restore proposed cuts to our police and fire departments and inspections of child care facilities; care for those most in need; do what it takes to keep our schools among the nation's best; and increase our investments in affordable housing. This budget builds on the Board's direction to the Manager to sustain vital services while building for the future.

When the County Board adopted the budget in April, I noted that this is a year to ensure that the fundamental commitments we have made to public safety, our social safety net and affordable housing remain funded -- not a year to do many new things.

The Board believes that the \$1.09 billion General Fund adopted budget, and the 3.5 cent real estate tax rate increase, reflects the values of our community. Arlington's tax rate is the lowest in the region, while our services and schools remain among the best in the nation.

The Board was able to restore a number of the proposed cuts to public safety, social safety net programs, and programs to protect our environment and natural resources, even as we made almost \$7 million in program and staffing reductions.

One note of caution: a number of programs were allocated one-time funding. This funding may not continue in FY 2015, a year in which we expect continued economic uncertainty.

Arlington's budget choices were validated by the reaffirmation of our Triple-AAA bond rating, a rating enjoyed by just a handful of communities across the nation. Our County remains financially sound, and we continue to make strategic investments in schools, parks, community centers and other important infrastructure.

Highlights of the FY 2014 adopted budget include:

Public Safety – The FY 2014 Proposed budget included reductions to the community policing program and Fire staffing. Both of these reductions were restored by the County Board in the adopted budget.

Social Safety Net – Funding for the County's most vulnerable continues to be a priority for the community and the County Board. A number of programs which were being considered for funding reductions were restored. The County Board also added funding for employment and education, mental health case management, funding for permanent supportive housing and a number of other critical social safety net programs.

Affordable Housing – The Board has increased the funding for housing with increases in both one-time and ongoing funds. Building on the commitment made in FY 2013, FY 2014 includes a

total of \$12.5 million, a \$3.0 million increase, to the Affordable Housing Investment Fund. The County continues to make progress on the housing study which will assess the gaps in existing housing programs, determine long-term goals and funding priorities, and identify funding strategies and new tools that can help us achieve our goals.

Commitment to the Environment – The Board reaffirmed the County's commitment to Arlington's natural environment, with funding for nature centers, tree planting and watering, combating invasive plant species that threaten the tree canopy, and parkland acquisition.

Continuing Our Commitment to Employees – We recognize that employees are being asked to do more with less. With the reductions that have been made to a number of programs, employees are being asked to continue providing the high quality and range of services the community expects. The four-year competitiveness review of salaries that began in FY 2012 will continue in FY 2014.

Commitment to Schools – The single largest investment of County resources is in Arlington's schools. The County Board approved a funding increase to the schools of \$9.1 million over FY 2013. In addition, the County set aside \$6.6 million in Pay-As-You Go capital funding to address community enhancements for various County/School projects. As the schools pursue an aggressive capital program to meet enrollment growth, the community has identified numerous transportation, pedestrian and bike safety, recreation, and other capital project needs.

This year's adopted budget is the result of a collaborative partnership among the Board, residents and advisory groups, and staff. I want to thank all involved for their efforts. I believe that the FY 2014 adopted budget keeps us on the path for continued success and growth in our community while allowing us to reflect our stated values as a caring, inclusive community in which each person is indeed a valued and important member.

Sincerely,



J. Walter Tejada
Chairman, Arlington County Board