

The General Capital Projects Fund or Pay-As-You-Go (PAYG) Budget provides funding for capital improvements using current year ongoing revenue, one-time funding, state and federal grants and developer fees. In addition to annual PAYG appropriations, master lease financing and voter approved bond financing are the other primary sources of funding for the capital projects included in the biennial Multi-Year Capital Improvement Plan (CIP), found on the County's website. Detailed information concerning the County's bond financing is contained in the Debt Service section of the FY 2014 Budget.

PAYG funding has historically been the primary source of funding for the County's maintenance capital program – seeking to achieve a long stated goal to “maintain what we have.” Maintenance capital projects are designed to protect assets from premature failure and are focused on replacement and renewal of existing infrastructure. Maintenance capital activities differ from operating maintenance activities in cost, size, nature, and frequency of occurrence of the maintenance activity.

The General Capital Projects categories include Local Parks and Recreation, Transportation and Pedestrian Initiatives, Government Facilities, Information Technology Investments, Community Conservation and Regional Partnerships.

Maintenance Capital

This budget continues our focus on Maintenance Capital – particularly reinvestment in facilities and parks assets. Great progress has been made over the past three years:

- The Board-appointed CIP working group helped staff develop a multi-year strategy & principles to address the maintenance capital reinvestment backlog.
- Staff developed principles that drive the project prioritization process in both parks and facilities.
- The Board approved a roughly ½ cent increase in the real estate tax rate in FY 2013 that provided an additional \$2.8 million in ongoing funding.
- The FY 2013 – 2022 CIP, adopted by the Board in July 2012, laid out a detailed implementation plan, based in part on the CIP working group's efforts, including increased bond funding for parks and facilities maintenance capital. The CIP also included detailed project plans for four years.

Parks & Facilities Maintenance Capital Background & Strategy

Building on the condition assessments completed in 2008 – 2009, the CIP Working Group's efforts resulted in three major recommendations, paraphrased below, that informed the FY 2013 - 2022 CIP and this year's PAYG request:

1. Eliminate the maintenance capital backlog over a roughly five year period, using a gradual ramp up funding approach on the backlog (catch-up).
2. To pay for catch-up and keep-up, determine what can be bonded, what is PAYG, and what is operating. Bundle projects as total rehabs or renovations to reduce costs and service disruptions and allow bonding.
3. Ensure all the required resources (staffing, planning, design, and procurement) are sufficient to address identified catch up and keep up needs, building requirements into base budgets, and considering close-out funds and new funds as other options.

As noted by the working group, the backlogs identified in the assessments were rough estimates, to be used as a starting point, since they did not include certain project delivery cost items (e.g., design, staff chargebacks, permit fees, construction administration, stormwater improvements (for parks) and third party inspection when needed), and many factors actually affect project costs after they are fully scoped, designed, and bid. Partially offsetting this effect, they did include some items that are normally addressed with operating funds. Additionally, the assessments did not account for underutilized or vacant assets, planned replacements, appropriate deferrals, and the positive effects of bundling. While total needs over time are thus influenced by factors that can either increase or decrease the bottom line reflected in the database, it will remain a very useful tool for both budgeting and project planning. And it will remain dynamic as both unit costs and inventory changes over time, including additions to the inventory such as Arlington Mill Community Center, Long Bridge Park, Penrose Square and Barcroft Park Field #6. With that as context, the following is an illustration of how the funding will affect the backlog that was identified at a point in time for analysis by the CIP working group. As a rough approximation of the costs and inventory not currently included in the assessments, the table below includes a 20 percent adjustment factor to account for any difference.

Facilities Maintenance Capital (\$ in 000's)							
FY	PAYG	Bonds	PAYG & Bonds Total	Assessment Results	** Assessments Adjusted 20% (See Footnote)	Cumulative Funding vs. Identified Need	Cumulative Percent of Identified Need Funded
13	4,659	1,038	5,697	9,235*	11,082	(5,385)	51%
14	2,221	2,587	4,808	6,009	7,211	(7,788)	57%
15	6,470	3,500	9,970	9,613	11,536	(9,353)	69%
16	3,657	3,500	7,157	14,672	17,606	(19,803)	58%
17	4,000	3,000	7,000	2,733	3,280	(16,082)	68%
18	4,034	3,000	7,034	4,700	5,640	(14,688)	74%
19	3,500	3,500	7,000	3,855	4,625	(12,314)	80%
Total	28,541	20,125	48,666	50,817	60,981		

Notes:

* Original backlog of \$15.7 million adjusted to \$9.2 million based upon a number of facilities that are deemed to be subject to reuse, repurposing, or deconstruction.

** 20% adjustment to account for associated costs not captured in the EMG data base such as design fees, permitting, and other soft costs.

For facilities, this illustrates that our funding plan makes measurable progress on the backlog, but suggests caution on sufficient funding for keep up, particularly when the assessments recommend a high level of investment in one particular year, as indicated in FY 2016. While a concern, we must also be cautious to not over rely on this one indicator, but rather use the indicator carefully. Therefore, we plan to update and record results of the database at a set point every year, so we can have a consistent basis for plotting trends. The annual reading will reflect the accumulated effect of completed projects, appropriate deferrals, changes in unit costs from actual bid experience, any changes in our assumptions on useful life of certain elements, and any changes in inventory. Another indicator will be contractor-assisted updates to the condition assessments, where actual conditions in the field will be reassessed. We believe a four year cycle is appropriate

for facilities and parks. DES is working with its consultant to update its assessments in the calendar year 2013 in light of the new administrative spaces, warehouses, and community centers added to the inventory since the last assessment in 2009. The assessments will also include condition surveys, inventory of fixtures, furniture, and equipment (FF&E), and an upgraded database platform with custom reporting tools along with training and support.

Parks Maintenance Capital (\$ in 000's)							
FY	PAYG	Bonds	PAYG & Bonds Total	Assessment Results	** Assessments Adjusted 20% (See Footnote)	Cumulative Funding vs. Identified Need	Cumulative Percent of Identified Need Funded
13	3,722	3,225	6,947	29,200	35,040	(28,093)	20%
14	1,930	3,643	5,573	6,420	7,704	(30,224)	29%
15	3,281	6,240	9,521	5,554	6,665	(27,368)	45%
16	2,253	6,165	8,418	4,761	5,713	(24,663)	55%
17	2,253	6,483	8,736	3,300	3,960	(19,887)	66%
18	3,367	6,677	10,044	4,300	5,160	(15,003)	77%
19	2,253	3,500	5,753	4,100	4,920	(14,170)	80%
Total	19,059	35,933	54,992	57,635	69,162		

Notes:

**** 20% adjustment to account for associated costs not captured in the EMG data base such as design fees, permitting, and other soft costs.**

For parks, this also illustrates steady progress on the identified backlog. However, interpretation and judgment is needed, since this was the first assessment on parks, and the assessments did not include costing for items such as storm water, permitting, design, construction admin, and bringing up to standards. After applying judgment, our target is to get through 70-80% of the backlog by FY 2019 for parks. Over time, the plan is to achieve a long term sustainable balance with a minimal backlog.

The parks asset database will be updated in calendar year 2013 to reflect new assets to the inventory that have occurred since the 2008-2009 assessment was completed including Long Bridge Park, Penrose Square and Barcroft Park Field #6. The consultant will also be updating the condition assessments and reassessing the level of detail and grouping of data elements and sub elements.

The maintenance capital (MC) funding strategy outlined above relies on a combination of funding sources:

- Bonds – This CIP continues the practice of funding MC projects from bonds when projects meet bond capitalization criteria – minimum cost of \$100,000 and the useful life is not less than the average life of the bonds (typically 10-11 years). The adopted CIP reflects an increased level of bond funding for parks and facilities, totaling \$10.5 million in the November 2012 referenda (which includes FY 2013 and 2014 in the tables above) compared to \$8.1 million in the last CIP. Out-year referenda requests range from \$17.0 million to \$19.0 million.

- PAYG – The CIP includes increased levels of PAYG funding for parks and facilities, reflecting both historic levels of baseline PAYG funding as well as the recent increase in real estate taxes that yields an additional \$2.8 million in ongoing funding. To fully realize the PAYG amounts noted in the tables above, additional one-time money, ranging from \$2 million - \$4 million annually could be needed.

The FY 2014 adopted PAYG budget takes into account the factors discussed above and also reflects the prioritization criteria endorsed by the County Board, shown in the tables below.

Facilities Maintenance Capital Prioritization Methodology
<u>Urgency (50%)</u>
<ul style="list-style-type: none">- Items that require immediate action (leaking roofs)- Corrections to prevent failures of life/safety systems (fire alarms)
<u>Facility Condition (30%)</u>
<ul style="list-style-type: none">- Reliability of HVAC, electrical and plumbing components or systems- Preventing accelerated deterioration
<u>Special Considerations (20%)</u>
<ul style="list-style-type: none">- Components or systems that require replacement to meet changing program goals, energy-efficiency goals, etc.- Timely combination with other projects or component replacements

Parks Maintenance Capital Prioritization Methodology
<u>Condition (50%)</u>
<ul style="list-style-type: none">- Age and life safety- Ordinance and policy compliance- Americans with Disabilities Act (ADA) and Consumer Product Safety Commission (CPSC)
<u>Program Adequacy (30%)</u>
<ul style="list-style-type: none">- Usage, community need, program demand- Industry standards, County standards
<u>Special Considerations (20%)</u>
<ul style="list-style-type: none">- Project synergies, economies of scale, project readiness, adopted master plans, and County Board priorities.

OVERVIEW OF FY 2014

The funding for the FY 2014 base budget totals \$10.2 million of on-going funds. This reflects a decrease of 1.7% or \$173,606 over the FY 2013 level of on-going funds. Changes are comprised of a new adult assessment fee for parks field use (\$50,800), higher decal fee revenue (\$36,364) dedicated to bike / pedestrian safety, and lower commercial utility tax revenue (\$260,770) that had previously been dedicated to PAYG for a net reduction of \$173,606. In addition, the adopted tax rate increase generates \$8.5 million of one-time funds due to the June real estate tax payment, of which \$5.5 million is dedicated to a contingent to address needed community enhancements at new Schools projects and to address investment at joint use facilities, \$2.0 million is approved for parks land acquisition and \$1.0 million is for maintenance capital and technology investment. The combined amount of \$18.7 million makes up the FY 2014 adopted PAYG budget.

In addition, there is a total of \$11.7 million from FY 2012 closeout and that is considered as one-time funds for capital projects. During the closeout process, four capital projects were approved for FY 2013 (Long Bridge park play features (\$1.25M), additional County share of Washington-Lee softball field (\$153K), consolidation of Department of Human Services (DHS) (\$3.8M) at the Sequoia facility (which will likely occur over a two year period), and additional funding for County's share of the Firing Range at the Metropolitan Washington Airports Authority (\$4.0M). The balance (\$2.5M) is expected to be carried into FY 2014 for various projects, including parks land acquisition

(\$500K), synthetic fields (\$400K), paving (\$497K) and the contingent for joint County-Schools projects (\$1.1M, bringing the total contingent to \$6.6M).

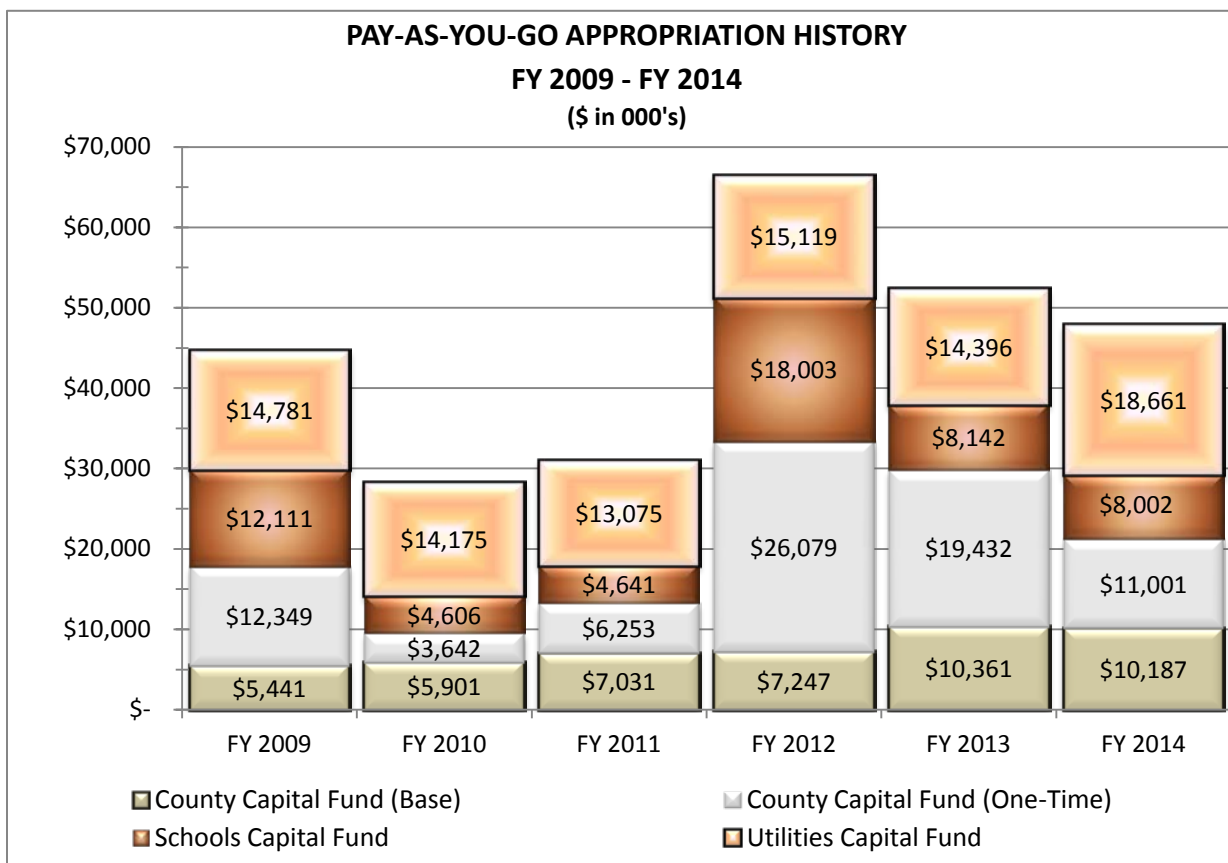
The FY 2014 adopted PAYG budget funds routine and non-routine capital expenditures. The routine expenditures include maintenance capital, regional contributions, neighborhood conservation, replacement of building components, fields, playground and technology equipment and systems. Non-routine expenditures include conversion of land acquisition, meter pay stations and facilities planning.

County capital project descriptions, PAYG appropriation charts, and fund statements are included on the following pages. Because projects are often multi-year in nature, appropriations rather than actual expenditures are presented; appropriations also indicate more about County Board priorities, decisions, and PAYG funding levels than actual expenditures.

Fiscal impact is the net increase in annual operating costs associated with a capital funding decision. Capital funding decisions that expand or significantly change the nature and quality of an asset typically increase future operating budgets over the life of the asset. However, some capital funding decisions that replace current assets with efficient, low maintenance assets or extend the useful life of an asset can reduce future operating budgets.

In addition to the General Capital Projects Fund, there are other PAYG investments:

- The Utilities Fund FY 2014 adopted PAYG budget of \$18.7 million includes funding for Wastewater Treatment Plant capital maintenance and improvements to the Washington Aqueduct, which supplies the County with 100% of its drinking water.
- The FY 2014 School Board's adopted PAYG budget is \$8.0 million, which includes major maintenance and minor construction funding.



PAY-AS-YOU-GO APPROPRIATION HISTORY BY CATEGORY
(\$ in 000's)

PROGRAM CATEGORY	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Regional Partnerships	\$1,119	\$1,128	\$1,152	\$1,166	\$1,136	\$1,214
Transportation & Pedestrian	4,736	2,813	5,432	7,939	4,037	3,601
Government Facilities	4,400	880	3,019	14,871	13,356	2,458
Parks and Recreation	3,300	200	1,001	4,166	6,410	5,011
Technology Investment (IT)	2,000	70	100	1,475	1,090	900
Community Conservation	500	350	350	800	500	500
Public Art *	-	-	100	150	50	-
County-Schools Joint Use Projects	-	-	-	-	-	6,634
Capital Contingency / Admin	1,735	4,102	2,130	2,759	3,214	870
Total County Capital Fund	\$17,790	\$9,543	\$13,284	\$33,326	\$29,793	\$21,188
Schools Capital Fund	12,111	4,606	4,641	18,003	8,142	8,002
Utilities Capital Fund	14,781	14,175	13,075	15,119	14,396	18,661
Total Capital Fund	\$44,682	\$28,324	\$31,000	\$66,448	\$52,331	\$47,851

* Prior to FY 2013, the Public Art Program was a budgeted capital program in the Department of Parks and Recreation. Effective in FY 2013, the Public Art capital program is transferred to Arlington Economic Development.

PAYG PROJECTS
(\$ in 000's)

PROGRAM CATEGORY	Base Funds	One-Time Funds	FY 2014 Adopted	FY 2012 C/O Funds	Total Funds
Regional Partnerships	\$ 1,214	-	\$ 1,214	-	\$1,214
Transportation Maintenance Capital	2,854	-	2,854	-	2,854
Facilities Maintenance Capital	2,221	-	2,221	-	2,221
Energy Efficiency	112	-	112	-	112
Parks Maintenance Capital	1,930	-	1,930	-	1,930
IT Maintenance Capital	800	100	900	-	900
Subtotal Maintenance Capital	9,131	100	9,231	-	9,231
Neighborhood Conservation	500	-	500	-	500
Facilities Planning	125	-	125	-	125
Multi-Space Pay Stations	250	-	250	-	250
Synthetic Fields	-	-	-	400	400
Field Fund	181	-	181	-	181
Paving	-	-	-	497	497
Parks Land Acquisition	-	2,000	2,000	500	2,500
County-Schools Joint Use Projects	-	5,534	5,534	1,100	6,634
Capital Contingency	-	870	870	-	870
Subtotal Other Capital	1,056	8,404	9,460	2,497	11,957
Total FY 2014 Projects	10,187	8,504	18,691	2,497	21,188
FY 2013 Projects					
Long Bridge Park Play Features	-	-	-	1,250	1,250
Washington-Lee Softball Field	-	-	-	153	153
DHS / Sequoia Consolidation	-	-	-	3,800	3,800
Firing Range	-	-	-	4,000	4,000
Total FY 2013 Projects			-	9,203	9,203
Total PAYG Projects			\$18,691	\$11,700	\$30,391

REGIONAL PARTNERSHIPS

\$1,214,210

Arlington annually contributes capital funding to several regional organizations that provide beneficial services to Arlington residents and visitors.

- Fiscal Impact - The Regional Partnerships program represents the County's annual contributions to support the capital efforts of regional programs. The County also contributes operating costs to the regional partnership programs. The County's share is based on each regional program's allocation formula.

Northern Virginia Regional Park Authority

\$555,130

The Northern Virginia Regional Park Authority (NVRPA) is a multi-jurisdictional agency comprised of Arlington County, Fairfax County, Loudoun County, and the Cities of Alexandria, Falls Church and Fairfax. The Park Authority owns and operates over 10,000 acres of parklands with 21 major parks, including Potomac Overlook, Upton Hill and the W&OD Regional Parks in Arlington. This capital funding for FY 2014 represents Arlington's annual contribution to NVRPA's capital program and is based on the percentage of population of the six jurisdictions.

Peumansend Creek Regional Jail Authority

\$138,558

This funding for FY 2014 represents the County's proportional share of the FY 1992 decision to design, construct, and operate a low to medium security regional jail in Caroline County on land (Fort A. P. Hill) transferred by the Department of Defense. Arlington is one of six jurisdictions that provide funds based on the allocated beds. This is part of an overall strategy for housing local prisoners in a cost-effective manner. Legislation in the 1996 General Assembly provides for a state reimbursement of 50 percent of allowable construction costs. Arlington's annual share of the capital cost is based on current bed allocation and is projected at 24.0 percent for the 60 beds allocated to Arlington. The County has provided a moral obligation, "joint and several" pledge on this financing and will have capital commitments from this bond financing through the year 2017 as well as ongoing operating commitments as a member of this Authority.

Northern Virginia Community College

\$375,153

This funding represents the County's ongoing capital contribution to the Northern Virginia Community College (NVCC) program for land acquisition and site development of all campuses. Arlington is one of nine jurisdictions that share costs associated with NVCC's capital program. The FY 2014 budget is based on a \$1.75 allocation for each person living in Arlington. The County Manager will establish a working group among County Government, Arlington Public Schools and NVCC to develop long-term efforts to better integrate NVCC programs into the Arlington community.

Northern Virginia Criminal Justice Academy

\$145,369

In 2006, the principal members agreed to fund the construction of the Emergency Vehicle Operations Center (EVOC). The initial payments began in FY 2007 and will continue through FY 2026. The FY 2014 budget reflects Arlington's contribution towards the annual debt payments of the EVOC.

MAINTENANCE CAPITAL

The purpose of Arlington's Maintenance Capital (MC) program is to ensure that existing capital assets throughout the County are maintained in a reliable and serviceable condition, and are periodically updated and renewed as necessary. Through the Capital Improvement Plan, the County has invested a significant amount of financial resources in building its infrastructure. The MC program serves to prolong the useful life of these investments, while minimizing the need for repeated asset repair emergencies. Although MC funds are not contingency funds they provide versatility in allowing the County to respond to unforeseen emergencies.

Funding amounts below include FY 2014 adopted funding and FY 2012 closeout funds allocated to capital projects.

Transportation Maintenance Capital \$3,351,472

The Transportation Maintenance Capital program maintains the transportation infrastructure by repaving streets, maintaining pedestrian and vehicular bridges, maintaining signals and signal infrastructure, and replacing bus shelters.

■ Paving Program \$1,030,000

The County currently maintains over 970 lane miles by a combination of resurfacing, rebuilding and slurry seal maintenance. The type of maintenance for a particular street is based on the most recent (not more than three years old) Pavement Condition Index (PCI) and the type of street (arterial, collector, neighborhood). Arterials are repaved more often due to the traffic volumes and type of vehicles using them, while neighborhood streets get slurry seal treatment every 7-10 years to extend their life rather than re-paving them as often.

■ Bridge Maintenance \$300,000

This program is responsible for the maintenance of more than 50 vehicular and pedestrian bridges in Arlington County. Twenty-five of the bridges are included in the Federal Highway Administration (FHWA) National Bridge Inventory (NBI), which establishes standards for inspection and maintenance of public highway bridges. All NBI bridges are required to be inspected and reported at least bi-annually. This is an ongoing program that provides funding to cover the cost of annual inspections, routine and emergency maintenance, and rehabilitation projects for the County's bridge inventory.

■ Pedestrian and Bike Safety \$1,187,879

The primary objective of this program initiative is to improve access and increase safety for all modes of transportation on the Arlington street network with a primary focus on pedestrian and bicycle travel on arterial streets. This initiative builds on the existing bicycle and pedestrian transportation infrastructure with a vision of achieving the goals of the Master Transportation Plan. Funding for this program is provided by a portion of the motor vehicle license fee, which was designated for bike and pedestrian projects beginning in FY 2011. The funds support the implementation of complete streets projects, technology enhancements, regulation signage installation and capital improvements for bike sharing.

■ Bus Shelters/Stops \$100,000

Arlington County owns or operates approximately 1,100 bus stops, including 242 bus shelters, which support the average weekday Arlington Transit (ART) and Metrobus ridership of 9,021 and 50,053 passengers, respectively. The average life span for these shelters is approximately

25 years. Many of the stops and shelters warrant improvements due to age, lack of access, or the need for safety or information systems.

This program provides for capital maintenance and improvements for bus shelters and stops. Each year the County replaces or repairs existing shelters that are destroyed or damaged due to vehicular accidents, vandalism, or age. It also provides for limited improvements or upgrades to existing stops and shelters at locations with high ridership for better access, improved safety or customer information.

■ **Arlington Transit (ART) Bus Rehabilitation** **\$125,000**

Arlington Transit owns and operates 32 active heavy duty, 31-foot or 35-foot transit buses for fixed-route revenue service. These buses are all low-floor vehicles powered by compressed natural gas (CNG) rated by the Federal Transit Administration for a 12-year life. Mid-life bus rehabilitation is a best Transit Asset Management practice to maintain transit services in a state of good repair. When performed in the sixth through ninth year, rehabilitation will extend the useful life of a bus to 16 years of revenue service and reduce the cost of ongoing maintenance, especially as these vehicles reach the later stages of their useful life.

ART's original eight heavy-duty buses that began services in August 2007 have been heavily used with an average mileage of 150,900 (December 2012). A mid-life rehabilitation of a minimum of two buses per fiscal year will ensure that these buses reach and potentially exceed the expected useful life. The \$125,000 in FY 2014, in combination with previously approved funds and state reimbursement, will enable the County to meet its goal for FY 2014.

■ **Transportation Systems and Traffic Signals** **\$253,593**

Arlington County's transportation systems and traffic signals are in continuous need of maintenance and upgrades. The current systems include an aging infrastructure, some of which are more than 20 years old, and out-of-date control systems including hardware and software.

Funding is used to maintain the County's traffic signals, pedestrian signals, school flashers, signal cabinet hardware and other maintenance items in the signals area. It will also be used to replace aging and inefficient signal systems, improve pedestrian accessibility, add bicycle detection and battery backup systems, and correct electrical grounding.

■ **Regulatory Signage** **\$30,000**

Arlington County owns over 100,000 signs. On average, the County installs and maintains approximately 5,000 signs each year. Recent federal rules for sign reflectivity, stop, yield, and other regulatory signs, combined with updated rules for sign size standards will require replacement of an additional 2,000 signs per year to meet compliance dates. These are significant safety requirements that necessitate systematic replacement.

The \$30,000 in funds will support the efficient movement of people in cars, on bikes or by foot. Effective signage supports the reduction of traffic congestion by facilitating traffic movements, and public safety.

■ **Neighborhood Traffic Calming** **\$80,000**

The neighborhood traffic calming program has been eliminated and will be re-evaluated in the context of neighborhood complete streets. The funding from the FY 2014 PAYG and 2012 authorized bonds are needed to complete the projects in the approved queue of neighborhood traffic calming projects.

■ **Streetlight Energy Efficiency** **\$200,000**

There are over 18,280 street lights in Arlington County, which consist of approximately 12,080 lights owned and maintained by Dominion Virginia Power, and 6,200 decorative street lights and cobra head lights owned by Arlington County. In FY 2014, energy costs for street lights will remain at FY 2012 levels. The savings realized through this program are being offset by utility rate increases, as well as new street light installations associated with private development and Neighborhood Conservation projects. In FY 2011, a program was funded to replace the lights that were powered by inefficient high pressure sodium technology. In addition to high energy consumption, these streetlight systems were more expensive to maintain than newer technologies such as those using Light Emitting Diode (LED) technology.

This program converts conventional streetlight systems to intelligent, environmentally friendly LED lighting systems that will also be in compliance with dark sky requirements and standards. This reduces energy usage and costs by 50% for each light replaced. The County expects a minimum 25 year lamp life on the LED upgrades, which further reduces maintenance costs.

■ **WALKArlington Pedestrian Access Improvements** **\$45,000**

The WALKArlington program makes physical enhancements to Arlington's sidewalk and street infrastructure to create a fully accessible pedestrian walkway network that improves pedestrian safety and increases walking across the County. The program funds four types of projects: arterial street sidewalk upgrades, transit-access improvements, improving access to schools, and stand-alone safety and accessibility upgrades. The \$45,000 in FY 2014 PAYG funds will support County-wide pedestrian access improvements to include replacement of existing damaged and/or non-ADA compliant pedestrian ramps.

Facilities Maintenance Capital **\$2,220,546**

The FY 2014 Facilities Maintenance Capital Program Funds will be used to address deferred and needed maintenance items identified in facility assessment studies and staff reports. The Facilities Management Bureau maintains over 85 facilities totaling more than 2,000,000 square feet valued at over \$500 million. These projects will be implemented with this adopted PAYG funding of \$2.2M coupled with previously approved 2012 bonds in the amount of \$2.6M for a total of \$4.8M. The majority of funds will be used to replace water heaters, HVAC, fire alarms and other systems at various fire stations, the Central Library, the Equipment Bureau and the Barcroft Sports & Fitness Center. The remaining funds will be used to address interior and exterior finishes at these facilities.

Americans with Disabilities Act (ADA) **\$ -**

The County continues its efforts to ensure that County facilities meet ADA standards for accessibility to its programs. In FY 2013, the County completed an assessment of 59 County facilities not previously audited and remediated to meet applicable accessibility standards in the earlier Department of Justice consent decree. The assessment results will be compiled during the remainder of FY 2013 to determine the building and programs with greatest public demand to establish priorities for continuing remediation work to ensure accessibility to County programs for both users and staff. The top priorities will be providing accessible routes from street or parking lots into the facilities and modifying restrooms for compliance with accessibility standards. No FY 2014 PAYG funds are requested as existing balances are sufficient to continue planned remediation work.

Energy Efficiency **\$112,084**

The energy management program monitors and improves energy use in County facilities, and identifies emerging energy-saving opportunities with advanced technologies and best practices.

Improved energy efficiency cuts operating costs and improves energy reliability. Reducing energy use is a fundamental, cost-effective strategy for meeting the County's goals in the Community Energy Plan. The energy management program works closely with the Department of Environmental Services' Facilities Management Bureau. Over the past decade, investments in energy efficiency have reduced County building energy intensity by 11%, with cumulative avoided costs exceeding \$2 million. Projects for FY 2014 include engineering design of replacement HVAC equipment for Lee Community Center, and retrofits of indoor and exterior lighting at the Barcroft Sports Center. Minimum energy savings are estimated to be 15-20% annually in addition to reduced maintenance costs.

Parks and Recreation Maintenance Capital **\$2,330,000**

Arlington currently maintains an extensive inventory of park and recreation assets on over 900 acres of parkland, which includes playgrounds, athletic fields, athletic courts, field and court lighting, picnic shelters, comfort stations, site furnishings, parking lots, and park trails. The Parks and Recreation Maintenance Capital program provides capital funding to maintain these valuable assets by proactively replacing inefficient and outmoded infrastructure and preventing premature failure. The adopted FY 2014 maintenance capital budget will be used to renovate parks and recreation assets in critical need of capital maintenance. The projects were identified by a consultant facility assessment study and determined to be a high priority. Additional factors were also evaluated including park facility conditions, program needs and special considerations. The adopted FY 2014 budget will fund the replacement of the playground at Woodstock Park and the tot lot at Chestnut Hills Park; the replacement of the grass turf fields and addition of irrigation at Oakgrove Park, Charles A. Stewart Park, Virginia Highlands Park and Quincy Park; replacement of the tennis and basketball court complex at Virginia Highlands Park; the design of the tennis and basketball court complex at Thomas Jefferson Park; and the replacement of the synthetic turf field at Wakefield High School. The cost for the Wakefield High School synthetic turf project will be shared with Arlington Public Schools. More details for each of the projects are described in parks maintenance capital table.

Parks Field Fund **\$180,800**

The FY 2014 PAYG also includes funds generated annually from youth (\$130,000) and adult (\$50,800) sports affiliate group fees which will be used to convert an existing grass turf field to synthetic turf in the FY 2016-FY 2017 timeframe per the adopted CIP.

Information Technology Maintenance Capital **\$900,000**

▪ **Public Sector Budgeting** **\$750,000**

The County's current Oracle-based budgeting program is being phased out and will reach end-of-support in 2016. Funds are needed to develop/implement a new program. Failure to do so will dramatically increase the County's financial systems support costs.

▪ **Commonwealth Attorney Case Management System** **\$100,000**

An automated case management system is a critical component of the department's workflow. The new case management system will be designed specifically for use in the Arlington County Commonwealth's Attorney's Office. It will have the added capability of processing information from a variety of sources, including the police department's records management system (RMS). It will also provide prosecutors with the ability to e-file documents in the Circuit Court Clerk's Office. Approximately 80% of the funds will be allocated to the design phase of the project. The remaining 20% will be allocated to installation and training.

■ **Electronic Medical Record** **\$50,000**

The Department of Human Services Public Health Division is exploring Electronic Medical Record (EMR) automation options to address several interrelated areas in service delivery. Automation of the medical records maintained throughout Public Health would allow immediate access to a client's health history across programs, reducing the likelihood of error; such a solution would benefit clients in Community Health Services, School Health, Community Health Protection-Disease Surveillance/Investigation, and Tuberculosis Case Management – approximately 20,000 clients with paper records. The funds will be used to study options to interface or operate with the state's clinical decision support systems, to bridge an electronic gap between intake and service recording and basic electronic record-keeping.

NEIGHBORHOOD CONSERVATION **\$500,000**

The Neighborhood Conservation (NC) Program funds public improvements in neighborhoods throughout the County for which the County Board has accepted Neighborhood Conservation Plans developed by civic associations. Projects include installation of curb, gutter, sidewalk, street lights, neighborhood identification signs, fencing, retaining walls, street trees, and other landscaping; correction of drainage problems; park and County facilities improvements; and reconfiguration of streets (including nubs, traffic circles, etc.) to address traffic management problems. Typically the County funds the NC program through PAYG every year as well as bonds considered by voters every two years.

- Fiscal Impact - Specific projects and their operating costs will be determined after program funding is allocated and approved by the County Board. Currently, no increase is planned for FY 2014 operating costs.

FACILITIES PLANNING **\$125,000**

Planning studies will be performed to develop strategic approaches to open issues, including requirements for new Court House Square (CHS) County office building, Trade Center traffic and space use improvements, upgrades of County services on the parcel at 26th St N and Old Dominion Drive, and cost-benefits and feasibility of converting County vehicles to CNG fuel.

METER PAY STATION **\$250,000**

There are 5,230 metered parking spaces County-wide. More than 2,762 spaces have been converted to multi-space meters. This program enables the County to convert all parking meter equipment to either multi-space meters or single-space meters that take credit cards and operate wirelessly, enabling real-time detection of usage and problems. Converting single-space meters to multi-space meters has many benefits including improved customer convenience by enabling the user to pay by coins or credit card. It also provides increased reliability of the equipment, providing customers with receipts to prove payment, a wireless real time reporting system for problems and usage reports, and reduces street clutter.

PARKS LAND ACQUISITION AND OPEN SPACE **\$2,500,000**

Parks land acquisition and open space is a significant priority for the County. The purpose of the land acquisition program is to have reserves on hand that allow the County to strategically acquire property for parks and open space based on recommendations in the Public Spaces Master Plan. The adopted FY2014 budget includes \$500,000 in PAYG one time funds. These funds will be combined with the \$14.4 million in bond funding included in the FY2013 - FY2022 Capital Improvement Plan.

COUNTY-SCHOOLS CONTINGENT FOR CAPACITY & JOINT USE PROJECTS **\$6,634,000**

As Schools pursues its aggressive capital program to meet enrollment growth, the community has identified numerous site-specific needs in transportation infrastructure, utility undergrounding, traffic circulation, pedestrian and bike safety, recreation and other areas. This funding contingent (which includes \$5.5 million in one-time funds generated by both the County and Schools' share of the tax rate increase as well as \$1.1 million from FY 2012 close-out) will allow us to collaboratively address these needs. In addition, there are numerous other facilities (e.g. community centers, the Trades Center) where we share space with the Schools and where these funds could address needed improvements.

LONG BRIDGE PARK PLAY FEATURES (PHASE IIIA) **\$1,250,000 FY 2013**

The Long Bridge Park Phase IIIA project finishes off the S. 6th Street entry features for the three open grassy areas at the east end of the park adjacent to athletic fields #3 and #4. The major focus of these small areas will be on play elements with complimentary site amenities and landscaping. The design will be in keeping with the design aesthetic and materials used in the overall park and will include both traditional and non-traditional play elements, which may include features such as climbing, sound, water play and shade. The project budget includes both design and construction. The County and consultant team will work with the Long Bridge Park Design Advisory Committee and the public in spring/summer 2013 to develop the final design concept for Phase IIIA. Construction is anticipated to start by the end of 2013 and will be completed summer 2014.

- Fiscal Impact – Phase IIIA will add new play equipment, site amenities and landscaping features to Long Bridge Park beginning in FY 2015. The preliminary operating budget impact for these new facilities is estimated to be \$20k - \$30k annually. The operating impact will be refined once the specific details of the design have been determined.

WASHINGTON-LEE SOFTBALL FIELD **\$153,000 FY 2013**

The diamond/rectangular field is a new softball field overlaying the existing rectangular field at the Washington and Lee (W&L) High School complex. Arlington Public Schools and County adult and youth community sports leagues will share use of the new field. The \$153,000 in FY 2012 closeout funds will supplement the \$500,000 previously allocated for the County's share of the project cost. The additional funds will cover additional design fees, soft costs and project contingency.

DHS FACILITIES CONSOLIDATION **\$3,800,000 FY 2013**

DHS programs currently located in the Drewry Building, 1810 Edison, Clarendon House, and Fenwick will be consolidated with DHS offices now located in the Sequoia Plaza (SP) One building at 2100 Washington Blvd. This consolidation of programs in a single location will result in a centralized operation, reducing client travel times between locations and improve DHS staff operations. The County plans to lease additional space in the Sequoia Plaza campus; approximately 10,000 square foot in Sequoia Plaza Two and all of Sequoia Plaza Three, about 58,000 square foot on four floors. The County is currently negotiating a Letter of Intent with the SP owners, to be followed by lease formation in summer, 2013. If an acceptable lease is negotiated and approved by the County Board, the leases would be effective in July 2015, with design work starting in spring, 2014. Total costs are forecast at \$4.3 M; the current \$3.8 M of PAYG funds will be carried over to FY 2015 and will need to be supplemented by about \$500,000 of future one-time money.

FIRING RANGE **\$4,000,000 FY 2013**

The County is negotiating an agreement with the Metropolitan Washington Airports Authority (MWAA) for the construction and subsequent unlimited use of a Firing Range at the Dulles International Airport for use by Arlington Police Department and Sheriff's Office. The County's total

contribution is \$7,000,000; the remaining \$3,000,000 is available from previous fiscal year closeout and carryover funds. The MWAA will be responsible for the design and construction of the Firing Range, subject to County review and approval of the construction documents. The Firing Range will be constructed as a 'turn-key' facility, with no additional start-up costs by the County, beyond consumable supplies, required to start using the range.

- Fiscal Impact – County and MWAA staff are working on preparing an operating and maintenance schedule of costs for the firing range. The annual operating impact will be refined once a schedule of costs has been determined.

PARKS ENHANCEMENT GRANTS

\$ -

The Park Enhancement Grant (PEG) program enhances parks by providing community-initiated projects in a timely manner. The goal of this program is to encourage community involvement by enabling Arlington residents to initiate small capital improvement and beautification projects for park and recreation facilities in their respective neighborhoods. Community-proposed projects are submitted annually to the Arlington County Park and Recreation Commission for review, who then recommends a list of projects to the County Board for final approval. These include projects such as park furniture, pathways, fencing, public art, educational and interpretive signage as well as sports and building amenities. The current individual project limit is \$15,000. Existing program funds will be used to fund the eight projects that were approved by the County Board in January 2013. A small program contingency remains.

CAPITAL CONTINGENT

\$869,862 FY 2014

One-time funds are available in contingent for maintenance capital needs to reduce the backlog and/or for unforeseen capital project costs or pending capital requirements as needed.

GENERAL CAPITAL PROJECTS FUND
FUND STATEMENT

	FY 2012 ACTUAL	FY 2013 ADOPTED	FY 2013 RE-ESTIMATE	FY 2014 ADOPTED
ADJUSTED BALANCE, JULY 1	\$ 46,917,045	-	\$ 57,725,925	-
REVENUES:				
Commonwealth of Virginia	14,316,238	-	-	-
Federal Government	878,833	-	-	-
Charges for Services	1,357,864	-	-	-
Miscellaneous Revenue	1,336,385	-	-	-
Proceeds from Lease Purchase	1,435,230	-	-	-
TOTAL REVENUE	19,324,550	-	-	-
Transfers In (Out):				
Transfers In	29,280,960	12,263,133	12,263,133	18,691,006
TOTAL TRANSFERS IN (OUT)	29,280,960	12,263,133	12,263,133	18,691,006
TOTAL BALANCE, REVENUES AND TRANSFERS IN	95,522,555	12,263,133	69,989,058	18,691,006
EXPENDITURES:				
Capital Projects - Current Year	37,796,630	12,263,133	12,263,133	18,691,006
Capital Projects - Carry-Over	-	-	57,725,925	-
TOTAL CAPITAL EXPENDITURES	37,796,630	12,263,133	69,989,058	18,691,006
BALANCE, JUNE 30	\$ 57,725,925	-	-	-

Note: The change in Fund Balance from FY 2012 to FY 2013 is due to anticipated expenditures and/or encumbrances of funds for on-going capital projects.

Facilities Maintenance Capital FY 2014 Project List	
Project Name - Description	Cost Estimate
1. Equipment Bureau - Replace HVAC and building automation systems (BAS), relocate staff to complete work, paint interior walls, drywall, furniture replacement, facility modifications to accommodate	\$2,657,000
2. Fire Station 4 (Clarendon) - Replace furniture, replace fire alarm system	259,000
3. Fire Station 1 (Glebe Rd) – Replace fire alarm, carpet, mill asphalt, replace HVAC, replace overhead doors, replace water heater, repoint masonry.	794,000
4. Central Library – Replace heating and cooling coils, control dampers and integrate into existing BAS. Replace direct expansion coil and condenser for Virginia Room. Replace two air handling units (AHUs) serving the Auditorium. Integrate into BAS. Replace control dampers.	612,000
5. Barcroft Lighting Phase 2 - Retrofit over 100 fixtures in the Barcroft Sports garage, parking lot, and building exterior with high-efficiency products using LED and high-performance fluorescent lamps and photocells.	75,000
6. Contingency	410,546
TOTAL (PAYG \$2.2M; Bonds* \$2.6M)	\$4,807,546

*Note: In addition to the FY 2014 PAYG funds, the facilities maintenance capital program includes bond funding from the previously approved 2012 referenda as part of the FY 2013 CIP.

Energy Efficiency Capital Projects FY 2014 Project List	
Project Name - Description	Cost Estimate
1. Lee Community Center - To develop engineering design for rooftop units (RTUs) and associated ductwork and building controls, to replace existing RTUs that are reaching the end of their useful life. This work will improve building efficiency and occupant comfort.	54,000
2. Barcroft Sports and Fitness Center - To retrofit building interior lighting, replacing aging metal halide fixtures with more efficient LED fixtures that will cut energy use and reduce future maintenance costs.	58,084
TOTAL PAYG	\$112,084

Parks Maintenance Capital FY 2014 Project List	
Project Name – Description	Cost Estimate
1. Woodstock Park Modernization – construction for full replacement of the playground equipment, safety surfacing, site amenities, site circulation, fencing, drainage, landscaping, parking lot, ADA. Project was designed with FY2012 funds	\$755,000 PAYG
2. Oakgrove Park Modernization – design and construction for full replacement of athletic field sod, new irrigation, site circulation, entry feature, site amenities	600,000 PAYG
3. Charles A. Stewart Park Modernization – design and construction for full replacement of athletic field sod, new irrigation, site circulation, site amenities, landscaping	360,000 PAYG
4. Quincy Park Modernization – design and construction for new irrigation and minor patching of sod on softball field	215,000 PAYG
5. Synthetic Turf Program – design and construction at Wakefield High School for replacement of synthetic turf field (*assumes APS cost sharing of \$400k for total project cost of \$800,000)	400,000 PAYG
6. Virginia Highlands Park Modernization – design and construction for full replacement of athletic field sod, new irrigation, site amenities, site circulation, ADA and construction for full replacement of the six tennis courts and two practice courts, two basketball courts, court lighting, fencing, site amenities, drainage, site circulation, ADA. Project was designed with FY2012 funds	2,830,000 Bond
7. Chestnut Hills Park Modernization – construction for full replacement of the tot lot equipment, safety surfacing, site amenities, site circulation, drainage, landscaping and ADA. Project was designed with FY2012 funds	470,000 Bond
8. TJ Modernization – design for replacement of lighted tennis & lighted basketball courts, fencing, electric panel box, site furnishings, site circulation, drainage, ADA	343,000 Bond
TOTAL (PAYG \$2.3M; Bonds* \$3.6M)	\$5,973,000

*Note: In addition to the FY 2014 PAYG funds, the parks maintenance capital program includes bond funding from the previously approved 2012 referenda as part of the FY 2013 CIP.

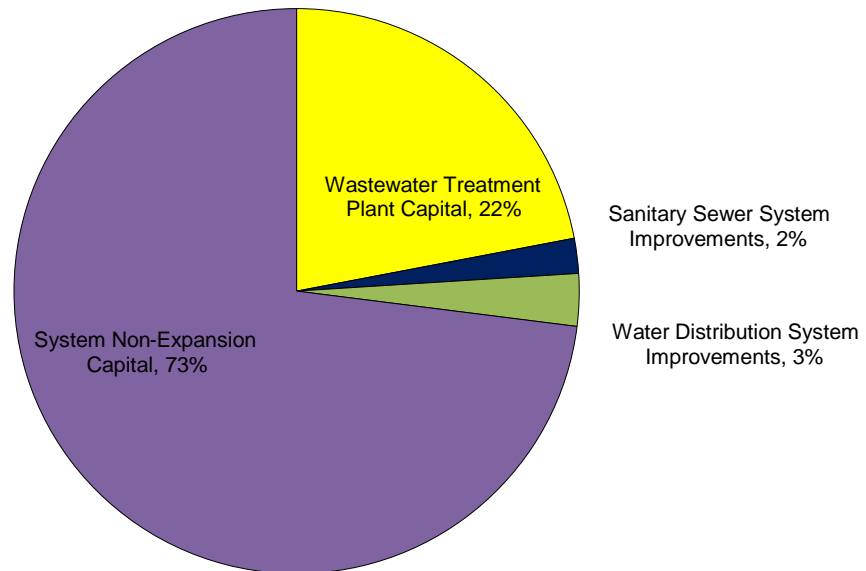
Transportation Maintenance Capital FY 2014 Project List		
<p>The inventory of streets is broken down as follows: 25% are arterial streets, 11% are collector streets and 64% are residential streets. The Pavement Condition Index (PCI) is updated for one-third of the County's streets every year, and Arlington's average PCI is currently 68.9. The County uses a variety of maintenance strategies to maintain streets as detailed below.</p>		
Program	Description	Funding
Hot Mix Overlay	Paving constitutes 75-80% of the recommended program, optimally yielding 52 lane miles annually. This includes about 3 lane miles of streets without curb and gutter (5% of funding).	\$6,097,000
Slurry Seal	Slurry Seal extends the life of pavement on Residential Streets at a much lower per square yard cost. Program is based on 40-50 lane miles being slurried annually, which is roughly 7-10% of the total paving program.	600,000
Microsurfacing	Microsurfacing extends the life of pavement for Arterial Streets at a much lower per square yard cost. Program is based on 10-12 lane miles being microsurfaced annually, which is roughly 4-6% of the total paving program.	350,000
Re-Building of Streets	Re-builds include partial and total excavations of blocks to re-build the base and sub-base of roadways where significant roadway failure has occurred. Since 2008 an innovative process to stabilize soil with cement has reduced re-build costs by 50%+/-.	580,000
Subtotal Paving Program Only Funding includes PAYG (\$1.0M) and Bonds (\$6.6M)		\$7,627,000
Pedestrian & Bike Safety	Improves access and increases safety for all modes of transportation on the Arlington street network with a primary focus on pedestrian and bicycle travel on arterial streets. Funding includes PAYG (\$1.2M) and Bonds (\$0.2M)	1,441,879
Other Transportation Maintenance Capital	Includes bridge maintenance, bus shelter and stops, transportation systems & traffic signals, regulatory signage, neighborhood traffic calming and streetlight energy efficiency. (Does not include meter pay stations). Funding Includes PAYG (\$1.4M) and Bonds (\$0.4M)	1,540,593
TOTAL (PAYG \$3.4M; Bonds* \$7.2M)		\$10,609,472

*Note: In addition to the FY 2014 PAYG funds, the transportation maintenance capital program includes bond funding from the previously approved 2012 referenda as part of the FY 2013 CIP.

Our Mission: To provide and maintain a water distribution system, a sewage collection system, and a wastewater treatment plant

The Department of Environmental Services is responsible for managing the Utility Fund, which includes providing and maintaining a water distribution system, a sewage collection system, and a wastewater treatment plant. The Adopted FY 2014 Utility Fund Pay-As-You-Go Budget Summary, program budget appropriation distribution graph, project descriptions, and fund statement are included on the following pages.

Distribution of Fund Budget



FY 2014 ADOPTED PAYG BUDGET SUMMARY

PROGRAM CATEGORY	AMOUNT
UTILITIES	
Water Distribution System Improvements	\$600,000
Sanitary Sewer System Improvements	\$350,000
Wastewater Treatment Plant Capital	\$4,100,000
System Non-Expansion Capital	\$13,611,000
Total Project Cost	\$18,661,000
Less: Infrastructure Availability Fees & Other Revenue	\$4,661,000
Net Utilities Funds Support	\$14,000,000

Note: Other revenue includes non-expansion Interjurisdictional revenue of \$561,000

SIGNIFICANT BUDGET CHANGES

- ↑ The Infrastructure Availability Fee (IAF) increased by 10 percent. This fee is charged to developers when adding new demand on the water and sewer systems, and is based on the number of drainage fixtures units (DFU's) added to the system. The IAF for water service will increase from \$72 to \$85 per DFU. The IAF for sewer will increase from \$110 per DFU to \$115 per DFU. The average residential structure has 24 DFUs. A developer building a new home would be charged on average \$4,800 in infrastructure availability fees, a \$432 increase. Revenues from this fee are accounted for in the Utilities Capital Pay As You Go Fund.

FY 2014 ADOPTED UTILITIES BUDGET

Water Distribution System Improvements (Expansion) \$600,000

The water main projects in this program are designed to improve overall capacity or operation of the water distribution system. These projects are part of the Water Master Plan. Funding for these projects is generated from fees charged to new users who increase demands on the water distribution system. In FY 2014, projects include:

- Improvements for Development (\$500,000)
- Army Navy County Club Access Road to 23rd Street South (\$100,000)

Sanitary Sewer System Improvements (Expansion) \$350,000

The sanitary sewer improvements provide additional capacity to existing sanitary sewer lines to accommodate new development in Arlington County. These projects are part of the Sanitary Sewer Master Plan. Funding for this program is generated from fees charged to new users who increase demands on the sewer system. The FY 2014 projects include:

- Columbia Pike/Rosslyn/Crystal City Sewers (\$250,000)

- Stub Elimination Program (\$100,000)

Wastewater Treatment Plant Improvements (Non-Expansion) \$4,100,000

- **Water Pollution Control Plant Non-expansion Capital Program.** This program provides for the annual repair, replacement and upgrade of current equipment and infrastructure at the Plant and lift stations. Major program components include refurbishing or replacing equipment to prevent premature failure, infrastructure improvements and automating treatment processes to increase operational efficiency, reliability, and redundancy. Additionally, studies of alternative treatment processes to increase efficiency and reduce environmental impact are funded through this program. (\$3,000,000)
- **Improvements to Eads Property.** Funding for improvements to a property near the Water Pollution Control Plant that the County purchased in March 2010. (\$300,000)
- **Blue Plains Plant Capital.** The District of Columbia Water and Sewer Authority Blue Plains Plant processes a portion of Arlington County's sewage after transmission through Fairfax County mains. The capital program funds Arlington's annual payment through Fairfax County to the Blue Plains Plant for capital improvements. It also funds improvements to the transmission system. Payment is due under the terms of the October 3, 1994 Sewage Conveyance, Treatment, and Disposal Agreement with Fairfax County. (\$800,000)

System Non-Expansion Capital \$13,611,000

The funding for these projects comes primarily from a transfer from the Utilities Operating Fund, which is an enterprise fund. The revenues for this enterprise fund are derived primarily from water and sewer utility billings. Fees charged to new users who increase demands on the system are an additional funding source for these projects. The following projects and programs are planned to replace and rehabilitate the County's water distribution and sewage collection system, and to pay for the County's share of planned capital improvements at the Washington Aqueduct.

- Water main replacement program (\$4,000,000)
- Non-expansion inflow and infiltration sanitary sewer capital repairs and replacements (\$3,000,000)
- Capital improvements at the Washington Aqueduct (\$2,336,000), from which the County purchases drinking water. Arlington County pays approximately 16% of the capital costs for this organization.
- Water main cleaning and re-lining projects (\$1,800,000)
- Work order / asset management system (\$725,000)
- Large diameter sewer rehabilitation / replacement (\$500,000)
- Water Tank Rehabilitation (\$400,000)
- Water/sewer frames & covers (\$400,000)
- Sewer main replacement program (\$250,000)
- Sewer force main replacement (\$200,000)

TOTAL UTILITIES BUDGET \$18,661,000

UTILITIES CAPITAL PROJECTS FUND
FUND STATEMENT

	FY 2012 ACTUAL	FY 2013 ADOPTED	FY 2013 RE-ESTIMATE	FY 2014 ADOPTED
ADJUSTED BALANCE, JULY 1	\$ 39,158,945	-	\$ 44,089,853	-
REVENUES:				
Infrastructure Availability Fees	4,419,474	3,200,000	3,200,000	4,000,000
Sewage Treatment Service Charges	4,491,010	340,000	340,000	561,000
Interest	310,033	100,000	100,000	100,000
Misc. Revenue	200,741	-	-	-
VRA & Interim Loan Proceeds	2,142,126	-	-	-
Commonwealth of Virginia - Grant Funds	1,314,524	-	-	-
TOTAL REVENUE	12,877,908	3,640,000	3,640,000	4,661,000
Transfers In (Out):				
Transfer In from Utilities Operating Fund	17,671,116	10,755,834	14,805,834	14,000,000
TOTAL TRANSFERS IN	17,671,116	10,755,834	14,805,834	14,000,000
TOTAL BALANCE, REVENUES AND TRANSFERS IN	69,707,969	14,395,834	62,535,687	18,661,000
EXPENDITURES:				
Capital Projects -Current Year	25,618,116	14,395,834	18,445,834	18,661,000
Capital Projects -Carry-Over ¹	-	-	44,089,853	-
TOTAL CAPITAL EXPENDITURES:	25,618,116	14,395,834	62,535,687	18,661,000
BALANCE, JUNE 30	\$ 44,089,853	-	-	-

NOTE:

1 For illustrative purposes only. Unobligated funds, and some portion of obligated but unexpended funds would exist and be carried over to the next fiscal year.

2 FY 2013 re-estimated expenditures are based on FY 2012 closeout appropriation from Fund 503 into Fund 519 in the amount of \$4,050,000 in addition to the FY 2013 budgeted amount.

The County uses master lease financing to acquire equipment, rolling stock, furniture and technology purchases that have useful lives ranging from three to ten years. Master lease financing is very flexible, allowing the County to finance projects with minimal transaction costs and on an “as needed” basis over the term of the master lease. Because of the short-term maturities of master lease financing, interest rates are typically lower than rates on long-term bonds. The County typically procures equipment using temporary funding sources, and then draws funds from the master lease financing institution to reimburse the temporary sources. The projects discussed below are recommended to be financed through the master lease program with related debt service costs funded through the General Fund Non-Departmental budget or the affected departments’ budgets, as appropriate.

FY 2014 Master Lease Funded Project Costs (\$ in 000’s)

Radio System Refreshment	\$2,895
Courthouse Metal Detector and X-Ray Machine	412
Network Sustainability and Security	2,064
PC Replacement/Virtual Desktop Infrastructure	2,500
Centralized Data Management, Storage and Retrieval	518
Public Sector Budgeting	56
Enterprise Wireless Network Enhancements	350
Fire Vehicles and Apparatus	2,460
TOTAL Program Cost	\$11,255

Program Funding Sources (\$ in 000’s)

General Fund FY 2014 Non-Departmental budget	\$8,795
Auto Fund FY 2014 budget	2,460
Total Program Funding	\$11,255

The FY 2014 list of projects will replace aged and critical technology infrastructure and public safety equipment. The FY 2014 debt service budget in the General Fund Non-Department budget for master lease is unchanged over the FY 2013 level of \$6.7 million. This annual debt service budget level will cover the financing (principal and interest) costs of the General Fund’s base program projects listed in the table above and continue to cover debt service costs of capital projects previously approved. The FY 2014 debt service for the Fire vehicles is included in the Auto Fund budget.

Radio System Refreshment

\$2,894,965

The Arlington County radio system is used to transmit public safety and other critical public service communications via portable (hand-held) and mobile (car-installed) radios throughout Arlington County. This system, managed by the Emergency Communications Center, serves Arlington County Government, but is also utilized by regional partners throughout the National Capital Region (NCR). It remains a goal of the NCR to have sustainable, interoperable radio systems to allow emergency communications to flow in a secure and efficient manner throughout the region. To accomplish this, each jurisdiction must continue to make enhancements to the radio system infrastructure as well as to component pieces of the. These enhancements are done by completing system upgrades on an annual or bi-annual basis thereby ensuring current technology and capabilities are being utilized and the system is performing at optimal levels.

This project funds replacement of the radio base stations located at the six radio sites that support Arlington County's radio system. By June 2014, the current base station model will no longer be supported by Motorola. Upgrade of these base stations is necessary to facilitate future system enhancements. These base stations support new and emerging technologies necessary for enhanced regional interoperability and seamless roaming between systems. This effort directly supports a major initiative being undertaken by several jurisdictions in the NCR. The cost of the equipment necessary for this upgrade is \$2,266,000.

Additional infrastructure and operating system upgrades beyond base station replacement are necessary. As with many other products used to conduct County business, the radio system is driven and controlled by an operating system and related hardware that includes servers, switches, routers, computers and other devices that become outdated or have a predictable service life. In order to maintain interoperability with our mutual aide partners, Arlington County must continue to maintain this operating system at or near the most current system version offered by the manufacturer. The \$628,965 funding request will begin the process of moving the operating system towards the next higher version release. This process will require labor, software, system optimization and hardware. After this initial operating system upgrade, additional planning and analysis will be needed in order to determine the most efficient process to move the system to the most current version. Related costs are estimated at \$400,000 per year to upgrade and stay at the newest operating system release.

Courthouse Metal Detector and X-Ray Machine

\$412,000

The Sheriff's Office is required to maintain the security of the Arlington County Courthouse and has relied on the use of metal detector and x-ray machines to scan individuals entering the building. This equipment allows for a thorough screening of individuals, while also moving people through the line in an efficient and safe manner. The purpose of this project is to replace the current equipment as it reaches the end of its useful life to ensure there is not a failure that would result in a timely and laborious hand screening of each individual as they enter the building. Replacement of this equipment would ensure the level of service that customers to the building have experienced, and would also ensure the level of safety that the Sheriff's Office has been able to provide.

Network Sustainability and Security

\$2,064,000

Funds for network core sustainability (\$1,291,000) provide for continuous refreshment of County network equipment as it reaches end of life and/or requires enterprise-level feature enhancements. This equipment supports the entire enterprise and includes routers and switches that are the base for the County's voice, video and data systems. Without sustainment funds, the County voice and data network runs the risk of failure as equipment reaches end of life and/or becomes obsolete.

The Uninterrupted Power Supply (UPS) devices (\$618,000) that power the County's network and application systems will be 5-6 years old and are in need of replacement. Failure to replace the UPS devices in a timely manner raises the risk of network downtime and data losses in the event of electric power interruption.

Funds for network security enhancements (\$155,000) are needed to continue hardening data security to maintain compliance, reduce the risks of potential data breach/loss and enhance the County's data access controls. This includes implementing newer firewall technologies and better network access authentication methodologies.

PC Replacement/Virtual Desktop Infrastructure \$2,500,000

The PC replacement program works by refreshing the County's personal computers on a four year replacement cycle. This approach minimizes large capital outlays for PCs, and keeps a large percentage of the inventory within warranty and responsive to emerging technological trends. Given the technology available, the Department of Technology Services (DTS) will continue to work with customers to identify the most appropriate machines necessary for the users. Some of these funds will also be used to initiate Virtual Desktop Infrastructure (VDI). VDI will allow for some County staff to perform their work in locations other than County facilities, as necessitated by the nature of their responsibilities and evolving technology.

Centralized Data Management, Storage and Retrieval \$518,000

The server refreshment program (\$415,000) works by replacing the County's storage servers on a five year replacement cycle. Without replacement, the applications that reside on these devices are at risk of failure. The FY 2014 budget will be used to replace approximately 40 servers and storage devices.

Upgrades to the County's data backup system (\$103,000) are needed due to the large increase in data stored. Failure to do these upgrades in a timely manner can lead to the inability to backup critical business applications and data. By the end of FY 2013, the County will be backing up 25 terabytes of data weekly.

Public Sector Budgeting \$56,000

The County's current Oracle-based budgeting program is being phased out and will reach end-of-support in 2016. Funds are needed to develop/implement a new program. Failure to do so will dramatically increase the County's financial systems support costs. The FY 2014 master lease funding will supplement the FY 2014 PAYG funds and pay for the application and storage devices needed for the system.

Enterprise Wireless Network Enhancements \$350,000

These funds will be used to upgrade the County's wireless access point (WAP) management system and to replace several of the WAPs around the County. Currently the County has 212 WAPs. Both of these initiatives are needed due to greatly expanded use of WIFI by both County staff and residents at County facilities. The new WAP management system will also help to reduce the number of hours DTS staff spends on WAP management.

Fire Vehicles and Apparatus

\$2,459,708

The Fire vehicles and apparatus refreshment program is an on-going program that refreshes the various emergency vehicles used by the Fire Department. As fire emergency vehicles reach their end of useful life, they need to be refreshed to continue providing fire operational services. The inventory for FY 2014 includes four class "A" fire pumpers and one heavy rescue vehicle. The funding levels are net of the buy-back incentive programs where the County is able to acquire the equipment less the trade-in value for the existing equipment at a lower net cost to the County. The FY 2014 debt service for the Fire vehicles is included in the Auto Fund budget.