



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of November 16, 2013

DATE: November 13, 2013

SUBJECT: Fiscal Year (FY) 2013 Closeout and Re-appropriation into FY 2014

C. M. RECOMMENDATIONS:

1. Adopt the revised FY 2013 County government appropriation resolution shown on Attachment 1.
2. Allocate from the FY 2013 General Fund Balance the following amounts based on County Board policy, prior actions of the County Board, and staff evaluations:
 - a. \$25,817,403 for the FY 2014 budget, already appropriated in April 2013 as part of the FY 2014 adopted budget;
 - b. \$54,575,340 to the General Fund Operating Reserve, including \$52,605,487 in existing reserves and \$1,969,853 in additional funding to maintain the County Board's policy of funding the General Fund Operating Reserve at five percent of the General Fund budget in FY 2014 which is important to maintaining the County's triple Aaa bond ratings;
 - c. \$5,000,000 to the County's Self Insurance Reserve;
 - d. \$42,860,735 to affordable housing programs from unexpended FY 2013 Affordable Housing Investment Fund allocations and loan repayments, and appropriate to Non-Departmental (101.91102));
 - e. \$2,272,448 in restricted revenue from seized assets, and appropriate \$82,510 to the Commonwealth Attorney (101.20701) and \$2,189,938 to Police (101.31423);

County Manager:

BMD/mjs

County Attorney:

[Signature]

29.

Staff: Michelle Cowan, Director & CFO, Department of Management and Finance
Richard Stephenson, Budget Director, Department of Management and Finance

- f. \$28,269,900 from the FY 2013 General Fund Balance and appropriate \$21,704,630 to the Schools, reflecting amounts previously appropriated to Schools, their share of the General Fund Operating Reserve, excess tax revenue, bond premium, and a \$2 million contribution to the joint County-Schools contingent for enrollment & capacity projects.
3. Appropriate \$5,000,000 to the existing Economic Stabilization Contingent to Non-Departmental (101.91102), which will bring the total balance in the contingent to \$8 million.
4. Allocate \$2,302,256 in unspent master lease balances that have been committed as part of prior year CIPs but not yet spent, particularly in the technology area and appropriate to Non-Departmental (101.91102).
5. Allocate \$4,805,406 toward employee compensation for the reclassification of a number of uniformed public safety and general employee positions identified to be significantly below comparative pay studies, a set-aside for potential FY 2015 one-time employee compensation if employee step/market pay adjustment is not included in the FY 2015 budget, and appropriate as outlined in Attachment 2E. If any of the FY 2014 monies set aside are not needed for employee compensation then the funding would be available for reallocation to other Board priorities.
6. Allocate \$5,700,000 million to FY 2015 for programs funded in FY 2014 with one-time monies (AHIF \$2.9 million / housing grants \$1.5 million / Artisphere cultural center \$1.3 million) and include an unallocated \$2,988,388 million set aside for additional FY 2015 budget issues or Board priorities.
7. Amend the FY 2014 County Budget by approving the appropriations in Attachment 2. This attachment includes an encumbrance carryover of \$130,223 and a net General Fund carryover (expense minus revenue) of \$12,779,522 for various incomplete projects and FY 2014 funding needs.
8. Allocate \$10,162,577 to FY 2014 pay-as-you go capital and appropriate to Fund 313 as a transfer to capital from the General Fund (101.91107).

ISSUE: How should funds available from FY 2013 be used?

SUMMARY: The County ended FY 2013 with a balanced budget. Final tax revenues were within 2.5% percent of the total estimate in the third quarter report provided to the County Board. With FY 2013 completed, the County's General Fund balance stands at \$199.6 million. Approximately \$174 million, or 87%, of fund balance is allocated in accordance with current Board policy (e.g., reserves, Schools, and AHIF among others), prior Board action or legal / regulatory requirements (e.g. seized assets and certain bond-related funds restricted to capital projects).

Of the remaining discretionary funds the County Manager has recommended using these funds for a variety of one-time expenditures and to provide flexibility for the FY 2015 budget. Major categories include:

- Additional contributions to the economic stabilization fund in light of federal sequestration and BRAC impacts;
- Employee compensation adjustments for the funding of position reclassifications identified to be significantly below others in comparative pay studies;
- Affordable housing initiatives for FY 2015, including \$2.9 million to AHIF and \$1.5 million to housing grants;
- Other FY 2015 set-asides, including a \$3.0 million contingent to provide flexibility for the Board;
- Funding various one-time projects primarily in the technology, planning and safety areas. Additional details of the Manager's recommendations are found in the following Discussion section of this report.

DISCUSSION: This fiscal status report summarizes the results of County and School finances for FY 2013. The report highlights actual expenditure and revenue results compared to the budget plan as revised over the course of the fiscal year. Expenditures, revenues, and recommended actions are discussed on the following pages.

Expenditures

General Fund FY 2013 expenditures, including transfers to other funds, totaled \$1,082.4 million. The unexpended appropriations include \$4.3 million in grants that carry across fiscal years included in FY 2013 appropriations (Attachment 2D). The grants and projects that cross fiscal years are a typical and expected occurrence. Fiscal years form an arbitrary construct for accounting purposes. County services, however, operate continuously and funding for a significant number of activities will transcend fiscal years.

Other major areas which contributed to the General Fund expenditure savings include School transfer carryover (either expenditures savings or carryover of previously allocated reserves) (\$23.3 million), AHIF balances (\$26.2 million), and \$25.3 million in departmental savings.

Three departments did not achieve expenditure savings in FY 2013:

- County Attorney's Office (-\$485,626): The over expenditure was primarily the result of increased legal costs and expenses including consultants, expert witnesses, filing fees, court reporters, copying costs and outside legal counsel related to law suits and other transactions the County was involved in during FY 2013.
- Office of the Treasurer (-\$146,731): The over expenditure was due to increased printing expenses and full staffing, which did not enable the Office to achieve a budgeted expense that assumed savings from vacant positions.
- Economic Development (-\$83,647): The over-expenditure resulted from personnel costs exceeding budgeted amounts, including temporary help for Artisphere.

Since fall 2012 the County Manager imposed a hiring slowdown to provide expense savings to address the budget gap faced in FY 2014. Due to this slowdown, departments achieved a higher amount of budgetary savings than in prior fiscal years. The hiring slowdown is expected to continue in order to achieve savings in FY 2014 based on planned budget reductions for the current fiscal year.

Revenues

Actual General Fund revenues, excluding fund balance, were \$1.089 billion for FY 2013, compared with a revised budget of \$1.047 billion.

In April 2013, the Board was presented with third quarter revenue projections for FY 2013 which accounted for anticipated decreases in real estate tax, BPOL, commercial utility tax, fines, and interest revenues as well as increased real estate tax refunds. These declines were offset by projected increases in personal property, car rental, sales, and meals tax revenues together with various license, permit, and fee revenues. In all, \$3.9 million in additional revenue for the General Fund was projected for FY 2013 in the third quarter. The estimates in the third quarter review, however, did not reflect any assumption for a tax rate increase which would increase the FY 2013 real estate tax revenue. For comparative purposes, the third quarter projections in the table below reflect the assumption of the tax rate increase adopted by the County Board in April affecting FY 2013.

Final tax revenues were close to one percent (1.3%) off the third quarter estimates. Real estate tax revenue was 1.6% higher than the third quarter projection. The 4.3% change in other taxes is primarily driven by higher than expected recordation and bank stock taxes, partially offset by lower than expected car rental sales tax. The table below shows budgeted tax revenue, third quarter projections, and FY 2013 actual tax revenues receipts for the major tax categories.

FY 2013 Revised Budget and 3rd Quarter Projections to Actual Tax Revenues

	Budgeted Revenue	3rd Quarter Projection	Actual Revenue	\$ Change (3rd Quarter to Actual)	% Change (3rd Quarter To Actual)
Real Estate*	\$581,557,977	\$587,637,989	\$596,819,122	\$9,181,133	1.6%
Personal Property	99,152,359	106,989,247	106,957,213	(32,034)	0.0%
BPOL	61,520,000	61,020,000	61,341,154	321,154	0.5%
Sales	38,519,000	39,850,000	39,447,636	(402,364)	-1.0%
Transient	21,845,000	21,845,000	22,270,626	425,626	1.9%
Meals Tax	32,804,000	34,700,000	34,707,200	7,200	0.0%
Other taxes	37,920,000	38,036,000	39,679,861	1,643,861	4.3%

	Budgeted Revenue	3rd Quarter Projection	Actual Revenue	\$ Change (3 rd Quarter to Actual)	% Change (3 rd Quarter To Actual)
Totals	\$873,318,336	\$890,078,236	\$901,222,812	\$11,144,576	1.3%
* Reflects CY 2013 tax rate adjustment noted above for 3 rd qtr. projection					

Non-tax revenue — including fees, fines, state and federal support, grants and interest — was approximately \$16.1 million over what was presented to the Board in April 2013 for third quarter projections. This additional revenue primarily consisted of bond sale premium funds (\$8.4 million) that are restricted in use and AHIF loan repayments (\$17.4 million); offset by lower state and federal revenue (\$7.4 million) due to the timing of grant completion and reimbursements to the County. Other non-tax revenues were within 0.5% of mid-year projections.

Recommended County Board Actions

The following describe the recommended allocation or appropriation of General Fund balances at the end of FY 2013.

County Manager's (C.M.) Recommendation 2a. - \$25.8 million for fund balance set-aside as a part of the FY 2014 adopted budget. The County Board set aside anticipated expenditure savings/excess revenue from FY 2013 when it adopted the FY 2014 budget in April 2013. This included \$8.4 million designated for PAYG (which included \$6.6 million for the joint County-Schools contingent for improvements related to capacity projects for Schools), \$5.7 million to AHIF, \$3.1 million for School carryover, \$3.0 million for an Economic Stabilization contingent, \$1.6 million for the Housing Grants program, \$1.0 million to various DHS safety net programs, \$0.9 million to Artisphere, and \$2.0 million for various miscellaneous appropriations at budget adoption.

C.M. Recommendations 2b. & 2c. - \$59.6 million to maintain the existing General Fund Operating Reserve and the County's Self Insurance Reserve.

- As part of the County's adopted financial and debt policy, the County has made a commitment to maintain the Operating Reserve at 5.0%.
- The total General Fund Operating Reserve totals \$54,575,340 and the total County Self Insurance reserve totals \$5,000,000.

C.M. Recommendation 2d. - \$42.9 million to the Affordable Housing Investment Fund (AHIF) for unspent expense balances and revenues in FY 2013. At the end of fiscal year 2013 there was \$16.1 million allocated to projects and \$26.8 unallocated.

C.M. Recommendation 2e. - \$2.3 million in revenue from seized asset funds restricted to its use.

C.M. Recommendation 2f. - \$28.3 million to Schools for unspent expense balances and additional tax revenue. The Schools retain all unspent budgeted expenditures and their

share of local tax revenue above budget from the prior fiscal year. The County Board, as a part of the FY 2014 budget adoption, appropriated \$3.1 million in anticipated additional local tax revenue (included in C.M. Recommendation 2a.). The School Board is expected to act on use of these funds at its December 4th meeting. The County Board would then formally ratify the revised School appropriations at the December meeting.

C.M. Recommendation 3. - \$5.0 million to increase the FY 2013 Budget Stabilization Contingent.

C.M. Recommendation 4. – \$2.3 million to Master Lease for prior year technology commitments that have not yet been spent. Allocate \$2,302,256 in unspent master lease balances for technology investments. These include police and sheriff records management systems (RMS), and other County-wide technology projects.

C.M. Recommendation 5. - \$4.8 million toward employee compensation for the reclassification of a number of uniform public safety and general employee positions identified to be significantly below comparative pay studies, and a set-aside for potential FY 2015 one-time employee compensation if employee step/market pay adjustment is not included in the FY 2015 budget.

- \$1.5 million for the reclassification of several uniform public safety and general employee positions identified to be significantly below comparative pay studies. A number of these studies are complete with implementation throughout FY 2014. This is the third year of a four year job study review.
- \$3.3 million for potential FY 2015 one-time employee compensation if employee step/MPA is not included in the FY 2015 budget due to potential budget reductions. If any of the FY 2014 monies set aside are not needed for employee compensation then the funding would be available for reallocation to other Board priorities.

C.M. Recommendation 6. - \$5.7 million to FY 2015 for programs funded in FY 2014 with one-time monies (AHIF \$2.9 million / housing grants \$1.5 million / Artisphere \$1.3 million) and include an unallocated \$3.0 million set aside for additional FY 2015 budget issues or Board priorities.

- Artisphere Funding - The \$1.3 million of one-time funding set aside for FY 2015 will bring total proposed funding for the Artisphere for FY 2015 to \$2.2 million. The FY 2014 adopted budget included \$900,000 in on-going funds for the Artisphere which are assumed to continue through FY 2015. This \$2.2 million in net tax support equals the same amount assumed for FY 2014 and is close to the spending level for FY 2013 and FY 2012. (For FY 2014 the Board originally appropriated \$900,000 in on-going funds and \$900,000 in one-time funds. This \$1.8 million total is supplemented by an additional \$400,000 in Item 2D).

	Expense	Revenue	Net Tax Support
FY 2011 (9 months)	\$3,242,179	\$1,140,872	\$2,101,307
FY 2012	\$3,548,807	\$1,221,985	\$2,326,822
FY 2013	\$3,495,026	\$1,222,129	\$2,272,897

FY 2014 (assumed)	\$3,520,500	\$1,320,500	\$2,200,000
FY 2015 (assumed)	\$3,520,500	\$1,320,500	\$2,200,000

Over the first four years of Artisphere, the net tax support has settled at close to \$2.2 million. The past three years have shown the initial assumption that the center would need no new tax support to be unrealistic. Expenses have been higher, and the number of visitors has been lower than initially projected.

Although the County does not pay rent for this space, maintenance of the common area costs nearly \$1.1 million annually. Less than half of the annual net tax support of \$2.2 million goes to the support of programs. Artisphere, however, continues to achieve critical acclaim, and the number of visitors continues to increase (30% over FY 2011). Artisphere draws people into Rosslyn, provides an important venue for Arlington based artists, and enhances the cultural life of our community. The County Manager and staff continue to explore ways to increase attendance and revenues at Artisphere, and are working closely with a newly formed 501c3 (Arlingtonians for Innovation in Arts) to increase private funding. In addition, the County Manager and staff are working closely with others to increase program offerings at the venue.

C.M. Recommendation 7. - \$12.8 million for FY 2013 encumbrances and incomplete or high priority projects (see Attachment 2D). These projects are a mix of technology investments, consultant services, and other priority projects. This includes continuation of projects begun in FY 2013 as well as discretionary allocations.

C.M. Recommendation 8. - \$10.2 million to FY 2014 pay-as-you go capital (PAYG). Funded from bond premium which is restricted in use for capital projects, these one-time funds of \$10.2 million are planned for capital projects, including increasing the joint County/School collaboration fund by \$4.0 million, Long Bridge Aquatics Facility, the Korean Embassy parcel site work, paving/transportation, and for FY 2015 PAYG projects.

FISCAL IMPACT: Approving the recommendations in this report will ratify final appropriations for FY 2013 fulfilling all County obligations and use of one-time funds to meet critical priorities.

FY 2013 APPROPRIATION RESOLUTION

BE IT RESOLVED BY THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, THAT THE FOLLOWING APPROPRIATIONS ARE HEREBY ADOPTED FOR THE FISCAL YEAR 2013 AND THAT ANY SURPLUS FOR GENERAL COUNTY PURPOSES REMAINING AT THE END OF THE FISCAL YEAR SHALL RETURN TO THE GENERAL FUND OF THE COUNTY.

GENERAL FUND:

COUNTY BOARD.....	1,032,905
COUNTY MANAGER.....	5,199,180
MANAGEMENT AND FINANCE.....	5,797,208
HUMAN RESOURCES.....	7,818,477
DEPARTMENT OF TECHNOLOGY SERVICES.....	17,038,541
COUNTY ATTORNEY.....	3,015,985
CIRCUIT COURT.....	3,667,342
GENERAL DISTRICT COURT.....	261,084
JUVENILE AND DOMESTIC RELATIONS COURT.....	5,570,161
COMMONWEALTH'S ATTORNEY.....	3,790,505
OFFICE OF THE MAGISTRATE.....	40,139
SHERIFF.....	36,727,925
COMMISSIONER OF REVENUE.....	4,959,817
TREASURER.....	6,067,685
ELECTORAL BOARD.....	1,172,317
POLICE.....	59,295,645
EMERGENCY MANAGEMENT.....	11,070,721
FIRE.....	49,377,970
ENVIRONMENTAL SERVICES.....	77,419,666
HUMAN SERVICES.....	113,479,716
LIBRARIES.....	12,395,463
ECONOMIC DEVELOPMENT.....	9,817,779
COMMUNITY PLANNING, HOUSING & DEV.....	9,908,497
PARKS AND RECREATION.....	32,468,756
NON-DEPARTMENTAL.....	43,965,138
DEBT SERVICE.....	54,225,092
REGIONAL CONTRIBUTIONS.....	8,222,250
METRO.....	25,475,000
TOTAL GENERAL GOVERNMENT APPROPRIATION.....	\$609,280,964

OTHER OPERATING FUNDS:

TRAVEL, TOURISM & PROMOTION.....	251,711
BALLSTON BUSINESS IMPROVEMENT DIST.....	1,445,469
ROSSLYN BUSINESS IMPROVEMENT DIST.....	3,490,707
CRYSTAL CITY BUSINESS IMPROVEMENT DIST.....	2,540,428
COMMUNITY DEVELOPMENT.....	4,492,236
SECTION 8.....	17,733,833
UTILITIES.....	101,521,986
CPHD DEVELOPMENT FUND.....	11,564,863
AUTOMOTIVE EQUIPMENT.....	22,479,472
PRINTING.....	2,428,208
BALLSTON GARAGE.....	2,793,683
BALLSTON GARAGE - 8TH LEVEL.....	1,072,270
URBAN AREA SECURITY INITIATIVE.....	1,671,922
TOTAL OTHER OPERATING FUNDS.....	\$173,486,787

GENERAL CAPITAL PROJECTS FUND:	
CABLE TV.....	3,437,456
TECHNOLOGY SERVICES.....	6,164,132
CIRCUIT COURT.....	808,800
JUVENILE DOMESTIC RELATIONS.....	29,988
PUBLIC SAFETY.....	1,457,149
ENVIRONMENTAL SERVICES:	
Government Facilities.....	15,712,342
Facilities Maintenance.....	9,214,554
Transportation.....	36,384,790
HUMAN SERVICES.....	488,460
ECONOMIC DEVELOPMENT / CULTURAL AFFAIRS.....	1,116,193
COLUMBIA PIKE REDEVELOPMENT.....	1,339,890
PARKS & RECREATION	14,985,285
COMMUNITY PLANNING, HSG & DEVELOPMENT.....	925,915
REGIONALS, FY13 APPROVED PROJECTS & JOINT ARLINGTON PUBLIC SCHOOLS CONTINGENT.....	30,760,520
TOTAL GENERAL CAPITAL PROJECTS FUND.....	\$122,825,474
NON-GENERAL FUND CAPITAL FUNDS:	
STREET AND HIGHWAY BOND.....	28,237,236
NEIGHBORHOOD CONSERVATION BOND.....	16,147,479
GOVERNMENT FACILITY BOND.....	20,219,053
UTILITIES CONSTRUCTION.....	76,646,492
STORMWATER MANAGEMENT FUND.....	23,175,595
PUBLIC RECREATION FACILITIES BOND.....	55,438,467
FIRE STATION BOND.....	3,064,299
LIBRARIES BOND.....	350,036
TRANSPORTATION CAPITAL FUND.....	100,139,878
TRANSIT FACILITIES BOND (METRO).....	29,815,618
TAX INCREMENT FUND (CC-PY-PENTAGON).....	4,255,620
IDA BONDS.....	25,886,023
WATER DISTRIBUTION BOND.....	7,113,356
SANITARY SEWER BOND.....	2,377,902
WASTE WATER TREATMENT BOND.....	20,553,291
EMERGENCY COMMUNICATIONS CENTER BOND.....	5,542,367
TOTAL NON-GENERAL FUND CAPITAL.....	\$418,962,712
TOTAL CAPITAL FUNDS.....	\$541,788,186

FY 2014 County Budget Appropriations

FY 2013 CLOSEOUT ADJUSTMENTS AFFECTING FY 2014 APPROPRIATION LEVELS

- A. **RECOMMENDATION:** Reappropriate in FY 2014 County purchase orders, incomplete projects, carryover capital and operating projects, and revenues to be received from federal, state and other sources as summarized in Attachments 2A, 2B, 2C, and 2D.

EXPLANATION: The purchase orders summarized in Attachments 2A, 2B, and 2C were placed in FY 2013 or earlier fiscal years, the goods and services had been delivered by the end of the year but invoices were not received in time for processing in FY 2013. Attachments 2A, 2B, 2C, and 2D also summarize and detail appropriations, expenditures, incomplete projects and other projects or programs recommended for funding in FY 2014. This action also identifies those appropriations of federal, state and other revenues approved by the County Board in FY 2013 that had not been received or expended as of the close of FY 2013. Incomplete projects were, for the most part, funded in FY 2013 but unable to be completed by the close of the fiscal year.

- B. **RECOMMENDATION:** Increase the FY 2014 General Capital Projects Fund (313) appropriation by \$17,633,173 to reflect revenues received during FY 2013 but not previously appropriated (Attachment 2C).

EXPLANATION: During FY 2013, revenues of \$17,633,173 were received for one-time uses as well as various on-going projects where the County was eligible for reimbursement by developers and other public or private parties as listed below. Revenues include Congestion Mitigation & Air Quality (CMAQ) projects, traffic signal communications network projects, State Water Quality Improvement projects, VDOT reimbursements for various transportation projects, bike trails, and bus stops and shelters, and Department of Rail and Public Transportation reimbursements, drawn from the Northern Virginia Transportation Commission trust fund for transit projects such as the Rosslyn Station access improvements and bus purchases. Cable revenue includes Comcast and Verizon payments towards PEG and INET costs.

Transportation State Revenue	\$15,723,597
Cable TV Receipts	1,151,433
Project Receipts, Fines & Other	277,575
Developer Contributions	480,568
Total	<u>\$17,633,173</u>

- C. **RECOMMENDATION:** Increase the FY 2014 County Utility Construction Fund (519) appropriation by \$5,797,957 to reflect revenue received during FY 2013 but not previously appropriated (Attachment 2C).

EXPLANATION: During FY 2013 the County Utility Pay-As-You-Go Construction Fund (519) received \$5,797,957. Included is revenue received from inter-jurisdictional partners based on sewage processed for neighboring jurisdictions, infrastructure availability fees, Federal reimbursement for the Potomac Interceptor project and remaining Water Quality Improvement Fund grants. The FY 2013 revenue related to Utility (PAYG) projects is broken out as follows:

Inter-jurisdictional Sewage Processing Revenue	\$3,584,147
Infrastructure Availability Fees	1,842,836
Federal Revenue and other	194,783
WQIF Grant	176,190
Total	<u>\$5,797,957</u>

- D. **RECOMMENDATION:** Decrease the FY 2014 Stormwater Management Fund (321) appropriation by \$244,730 to reflect revenue not received during FY 2013 but previously appropriated (Attachment 2C).

EXPLANATION: Actual revenue received from the sanitary district tax of \$0.013 per \$100 of assessed real property value was \$244,730 less than budgeted in FY 2013. The shortfall of revenue will not affect the timing of any planned projects.

- E. **RECOMMENDATION:** Increase the FY 2014 Transportation Capital Fund (331) appropriation by \$5,277,907 to reflect revenue received during FY 2013 but not previously appropriated (Attachment 2C).

EXPLANATION: Actual revenue received from the commercial real estate tax of \$0.125 per \$100 of assessed real property value was \$1,399,599 more than budgeted in FY 2013. Additionally, \$3,876,968 was drawn down from the Northern Virginia Transportation Commission to reimburse transportation project expenditures from the Transportation Capital Fund. These funds have been transferred to the Transportation Capital Fund and need to be appropriated so they can be allocated to projects. Finally, interest earnings of \$1,340 were received and recognized.

- F. **RECOMMENDATION:** Decrease the FY 2014 Crystal City/Potomac Yard/Pentagon City TIF (335) appropriation by \$815,170 to reflect revenue not received during FY 2013 but previously appropriated (Attachment 2C).

EXPLANATION: Actual revenue received from the Crystal City/Potomac Yard/Pentagon City TIF was \$815,170 less than budgeted in FY 2013. The shortfall of revenue will not affect the timing of any planned projects.

MISCELLANEOUS FY 2014 SUPPLEMENTAL BUDGET ADJUSTMENTS:

- G. RECOMMENDATION:** Appropriate \$29,387 from Virginia Department of Environmental Quality (DEQ) State Litter Prevention and Recycling grant funds (101.364903) to the Department of Environmental Services (101.44020) to support litter prevention and recycling programs.

EXPLANATION: DEQ provides annual non-competitive State Litter Prevention and Recycling Grants to support local programs. Grants are funded by a tax on the distribution of beverage containers and distributed based on a formula that includes road mileage and population. The grant will be used in support of litter prevention and recycling efforts such as the purchase of litter collection and recycling containers and the preparation and distribution of education and outreach materials.

- H. RECOMMENDATION:** Increase the FY 2014 Rosslyn Business Improvement District Fund (204) appropriation by \$1,592 with funds from FY 2013 unreserved fund balance.

EXPLANATION: The Rosslyn Business Improvement District fund has fund balance in excess of those required by agreement (5%). The appropriated funds will be held in a contingent account within the BID fund to address unanticipated program or administrative expenses.

- I. RECOMMENDATION:** Appropriate a \$5,500 grant from the Northern Virginia Regional Gang Task Force (101.374964) to Juvenile and Domestic Relations District Court (101.20601) for the continued funding of the Arlington Offender Aid and Restoration (OAR) “Vita Nova” Adult Reentry Program.

EXPLANATION: Vita Nova provides intensive support services adults at risk for gang involvement as they transition from incarceration back to their community. The original grant amount of \$15,239 has been fully expended. The Northern Virginia Regional Gang Task Force has authorized OAR to use unspent money left over from a similar program in the region.

- J. RECOMMENDATION:** De-Appropriate \$1,200,000 for the FY 2012 Urban Areas Security Initiative (UASI) Sub-grant – License Plate Recognition Project.

EXPLANATION: The regional management and funding of the FY 2012 Urban Areas Security Initiative (UASI) Sub-grant – License Plate Recognition

Project is being transferred to the Washington, DC Metropolitan Police Department to allow the Arlington Police Department to make changes in staff assignments that are due to recent staff turnover.

- K. RECOMMENDATION:** Appropriate \$7,150 from the Virginia Department of Motor Vehicles (101.364900) to the Sheriff's Office (101.22101) to support selective speed enforcement.

EXPLANATION: This grant provides \$7,150 to the Sheriff's Office to support implementation of highway safety projects. The County is required to provide a match of \$3,575 which it will provide in fuel and vehicle maintenance costs. The County's share will be covered with existing FY 2014 budgeted funds. The grant funds will be used for overtime hours for Click it or Ticket Mobilization, and for DMV approved traffic safety training for officers.

- L. RECOMMENDATION:** Appropriate \$83,890 from the Virginia Department of Fire Programs (101.364300) to the Fire Department (101.34301).

EXPLANATION: The Fire Department includes Fire Programs grant funding in the base budget each year. This \$83,890 is in addition to the \$499,416 already included in the FY 2014 budget. Fire Programs grant funds are to be used solely for fire service purposes to pay for training, fire-fighting equipment, protective clothing and prevention. These additional funds will be used to purchase personal protective clothing for Firefighters.

- M. RECOMMENDATION:** Appropriate \$4,187 from the Virginia Department of Health (101.364902) to the Fire Department (101.34301).

EXPLANATION: The Fire Department includes Four-for-Life grant funding in the base budget each year. This \$4,187 is in addition to the \$152,842 already included in the FY 2014 budget. Four-for-Life grant funds are to be used solely for Emergency Medical Service purposes to pay for training, equipment, and supplies. These additional funds will be used for supplies carried on the Medic Units.

- N. RECOMMENDATION:** Appropriate \$145,200 from Montgomery County, Maryland (794.350900) in expense and revenue to the Fire Department (794.91262) for swift water operations equipment.

EXPLANATION: The Department is a sub-grantee of a regional swift water operations equipment FY 2012 Urban Area Security Initiative grant managed by Montgomery County. The department's allocation of this regional grant is \$145,200. The grant authorizes the department to purchase 10 sets of water personal protective equipment, which includes swift water/rescuer PFD, dry suit, helmet, booties, etc. in the amount of \$25,000; two swift water boats for \$54,200; and, a boat support unit consisting of a truck and trailer for \$66,000. The Department does not have the capability to respond to swift water

operations events within the National Capital Region. This equipment will give the Department that capability. The department would also be considered part of a regional capability for both equipment and trained individuals.

- O. RECOMMENDATION:** Appropriate \$30,000 from the Virginia Department of Emergency Management (101.364900) to the Fire Department (101.34301).

EXPLANATION: This is a yearly grant the department receives to support the HAZMAT Team. The \$30,000 represents \$15,000 in FY 2013 and \$15,000 in FY14. These funds will be used to close the gap between current equipment being carried on HAZMAT response apparatus and the recommended State cache for a regional response team and improvements in training resources. This will enhance the department's capabilities for a response to a HAZMAT incident.

- P. RECOMMENDATION:** Appropriate \$973,186 from the DC Homeland Security and Emergency Management Agency (794.374900) to the Fire Department (794.91261).

EXPLANATION: This is a regional Urban Area Security Initiative (UASI) grant the department is managing that provides funding for the National Capital Region (NCR) Bomb Squads to improve upon current capabilities, equipment and training acquired with previous initiatives. The grant provides sustainment funding for the extensive maintenance required for the equipment, upgrades to remain viable for operational readiness, the continued replacement of outdated bomb suit ensembles and purchase of the Open Vision Video X-Ray Systems that will allow Bomb Squads to expand current capabilities to quickly assess suspicious items and take the appropriate mitigation actions while maintaining the integrity of render safe procedures. This grant also includes an extensive training component which will carry on throughout future funding cycles.

- Q. RECOMMENDATION:** Appropriate \$5,152 from the Northern Virginia EMS Council (101.364900) to the Fire Department (101.34301).

EXPLANATION: The Fire Department has been awarded a grant to replace the current Emergency Medical Service (EMS) Command Boards, which enables the Incident Commander to track patients, resources, responders and the status of the incident. The total cost of the new EMS Command Boards is \$6,440. The grant pays for 80% of the cost and the Department pays 20% or \$1,288. Existing budgeted funds will be used to pay the Departments share. The EMS Command Boards are used to manage mass casualty incidents and are necessary to maintain inter-operability within the Northern Virginia Region.

- R. RECOMMENDATION:** Appropriate \$89,000 from Schools (101.350900) to the Department of Parks and Recreation (101.83001) for mowing services.

EXPLANATION: This is a technical adjustment to recognize the payment from Schools to the County for contracted mowing services as revenue and expense rather than an expenditure credit which understates the expense by the County for this contracted service.

- S. **RECOMMENDATION:** Appropriate \$30,000 from the Arlington County Fair Board (101.350900) to the Department of Parks and Recreation (101.83001) for contracted services in support of the annual fair.

EXPLANATION: This is a technical adjustment to recognize the payment from the Arlington County Fair Board to the County for contracted services as revenue and expense rather than an expenditure credit which understates the expense by the County for this contracted service.

- T. **RECOMMENDATION:** Appropriate \$489,000 in Urban Area Security Initiative (UASI) from the District of Columbia Homeland Security and Emergency Management Agency (101.375230) for the continuation of the 2013 Exercise and Training, Volunteer Management and Regional Planner programs \$364,000 in the Office of Emergency Management (101.32020), as well as \$125,000 for the National Incident Management System (NIMS) program in the Fire Department (101.34301).

EXPLANATION: The Exercise and Training, Volunteer Management, NIMS and Regional Planner programs are continuation grants for the Office of Emergency Management that support the office's ability to plan, prepare and manage for emergencies as well as support the organizational mission. These grant programs allow for the office to work with regional partners on issues affecting the National Capital Region, as well as provide for the training and education of County staff on operational preparedness, as well as volunteers to assist their community in the event of an emergency.

- U. **RECOMMENDATION:** Appropriate \$31,258 from the Virginia Department of Health, Office of Epidemiology (101.364119) to the Department of Human Services (101.55520) for the purchase of supplies related to the testing for chlamydia and gonorrhea.

EXPLANATION: The Virginia Department of Health, Office of Epidemiology, Division of Disease Prevention is providing funds to purchase supplies necessary for chlamydia and gonorrhea testing in the Department of Human Services, Public Health Division Laboratory. These funds will assist in the control and prevention of sexually transmitted infections. Local testing allows for prompt treatment and follow-up of clients with positive test results.

- V. **RECOMMENDATION:** Appropriate \$88,000 from the Virginia Department of Housing and Community Development, Housing Trust Fund, (101.364900)

to the Department of Human Services (101.51108) to support two contractors providing case management at Arlington Mill Community Center.

EXPLANATION: The Virginia Department of Housing and Community Development, Housing Trust Fund is providing funds to support two contractors for client case management. The contractors will provide on call support for Permanent Supportive Housing residents with high service needs, life skills training, unit inspection and community resource referral.

- W. **RECOMMENDATION:** Appropriate \$706 from the Virginia Department of Housing and Community Development, (101.364900) to the Department of Human Services (101.51108) for homelessness prevention activities.

EXPLANATION: This appropriation will bring the total in FY 2014 to \$201,706 awarded from the Virginia Department of Housing and Community Development to the Department of Human Services for the Homeless Prevention Program (HPP). HPP provides financial assistance and services to help individuals and families at risk of homelessness maintain permanent housing.

- X. **RECOMMENDATION:** Appropriate \$10,008 from the U.S. Department of Housing and Housing and Urban Development, (101.350909) to the Department of Human Services (101.51108) for administration of A-SPAN's Permanent Supportive Housing Programs.

EXPLANATION: This appropriation will bring the total in FY 2014 to \$546,362 awarded from the U.S. Department of Housing and Housing and Urban Development to the Department of Human Services for Permanent Supportive Housing Programs. A-SPAN and Arlington County entered into a Memorandum of Agreement in which both parties agreed that the County will review client eligibility documentation, calculation of rental subsidy, and perform HUD Housing Quality Standard Inspections. A-SPAN is contracted to provide 34 chronically homeless individuals with monthly rental assistance and case management services.

- Y. **RECOMMENDATION:** Appropriate \$75,652 from the Virginia Department of Housing and Community Development, (101.364900) to the Department of Human Services (101.51108) for homelessness prevention and rapid re-housing activities.

EXPLANATION: This appropriation will bring the total in FY 2014 to \$127,961 awarded from the Virginia Department of Housing and Community Development to the Department of Human Services for the Emergency Solutions Grant. Emergency Solutions Grant funds provide financial assistance and services to help individuals and families at risk of homelessness maintain permanent housing and rapidly house homeless households.

Z. RECOMMENDATION: Appropriate \$126,445 from the U.S. Department of Housing and Urban Development, (101.374920) to the Department of Human Services (101.51108) for the Arlington Alexandria Coalition for the Homeless Adopt-A-Family Program.

EXPLANATION: This appropriation will bring the total in FY 2014 to \$348,769 awarded from the U.S. Department of Housing and Urban Development to the Department of Human Services for the Arlington Alexandria Coalition for the Homeless Adopt-A-Family Program. This is a scattered site transitional housing program serving previously homeless families. In addition to providing a rental subsidy, participating clients receive career counseling and opportunities to engage in job readiness and vocational education as a way to increase employment options and build assets.

AA. RECOMMENDATION: Authorize 10.0 FTEs in the Transportation Capital Fund (331) and 4.5 FTEs in the Crystal City, Potomac Yard & Pentagon City Tax Increment Financing Fund (335) for a total of 14.5 FTEs for Transportation Capital Programs.

EXPLANATION: The FY 2014 adopted budget previously authorized 8.0 FTEs for transportation capital programs; however, an additional 14.5 of permanent and limited term staff resources are required to deliver major projects including the streetcar program, transit capital programs, streets, intersections and utilities projects and related support functions. These projects cover various geographical areas of the County including Columbia Pike, Pentagon City and Crystal City. Funding for the 14.5 additional staff is available from a combination of the Transportation Capital Fund (331) and Crystal City, Potomac Yard & Pentagon City Tax Increment Financing Fund (335).

BB. RECOMMENDATION: Appropriate \$40,734 in revenue and \$40,734 in expense from the Teen Trust and Agency Account (799.91279.6030) to the Department of Parks and Recreation (101.87502).

EXPLANATION: The DPR Sports and Recreation Division operates teen programs such as the skating café, trips and tours, and classes (such as DJ class, Red Cross certification classes for babysitters, and arts and crafts). Revenue comes from program participation fees. This appropriation will cover operating supplies for the teen programs, and will move all budget activity from the Trust and Agency Account to the General Fund. There is no increased net tax support to the program.

CC. RECOMMENDATION: Appropriate \$167,921 in revenue and \$167,921 in expense from the DPR Senior Adult Travel Trust and Agency Account (799.91279.60F2) to the Department of Parks and Recreation (101.87502).

EXPLANATION: The DPR Sports and Recreation Division offers classes, enrichment and travel programs, cultural and social events, physical fitness opportunities and support services for senior adults. Revenues come from program participation fees, and expenditures cover rental vehicles, marketing, and operating supplies such as museum tours and event tickets. This appropriation will move all budget activity from the Trust and Agency Account to the General Fund. There is no increased net tax support to the program.

DD. RECOMMENDATION: Appropriate \$500 in revenue and \$500 in expense from the Fit Arlington Trust and Agency Account (799.91279.60F4) to the Department of Parks and Recreation (101.87502).

EXPLANATION: This appropriation supports “Fit Arlington” initiatives in the Creative Resources section of the DPR Sports and Recreation Division. The “Let’s Move the Needle” work focuses on after-school activities that counter childhood obesity and other healthy, out-of-school-time activities. The revenue is generated from the Community Foundation for Northern Virginia, Inc. This appropriation will move budget activity from the Trust and Agency Account to the General Fund. There is no increased net tax support to the program.

EE. RECOMMENDATION: Appropriate \$922 in revenue and \$922 in expense from the DPR Volunteer Program Trust and Agency Account (799.91279.6033) to the Department of Parks and Recreation (101.87502), and close the DPR Volunteer Trust and Agency Account.

EXPLANATION: This appropriation will pay for background checks for volunteers interested in supporting programs in the DPR Sports and Recreation Division. There is no increased net tax support to the program.

FF. RECOMMENDATION: Appropriate \$2,510,723 to the allocated portion of the Affordable Housing Investment Fund (101.495130.91102) and transfer the funds from revenue account where the principal payment intended for settlement is held (101.357000.91102).

EXPLANATION: This appropriation will account for the payment received for Buckingham Villages III from the developer that was used to pay the principal on the bonds issued by the County for acquisition of Buckingham Villages III. These funds reimburse the Affordable Housing Investment Fund, which was used for this purpose while we awaited receipt of the developer’s payment.

GG. RECOMMENDATION: De-allocate the sum of \$616,307 currently held in the CDBG AHC Multifamily Revolving Loan Fund for the Shell Station Property (206.456300.72405.MFRL.0668.68DA) to the unallocated CDBG AHC Multifamily Revolving Loan Fund (206.456300.72405.MFRL.0668.0000).

EXPLANATION: \$3,002,034 was allocated to the AHC's Shell Station Property project. \$2,385,767 in CDBG funds were required and disbursed in FY 2013 for the Shell Station property. This adjustment to the CDBG Revolving Loan Fund will transfer balance of allocated funding for the project which is no longer needed back to the unallocated CDBG multifamily revolving loan fund for other potential projects.

HH. RECOMMENDATION: To de-appropriate \$3,600,000 million of General Obligation Bonds sold in May 2013 from the Utility Water Pollution Control Plant Bond Fund (530) and appropriate the funds to the Utility Water Bond Fund (525).

EXPLANATION: This appropriation will be used for the following projects, all of which are included in the County's FY 2013 – FY 2022 Adopted Capital Improvement Plan:

Water Expansion (43543)

\$1,000,000	Fort Barnard Supply Main (WI51)
\$ 800,000	Old Dominion Drive - North Thomas Street to Lorcom Lane (WI09)
\$ 650,000	Minor Hill Yard Piping (WI52)
\$ 600,000	Army Navy Drive at South Joyce Street (WI50)

Water Non-Expansion (43542)

\$550,000	Rehabilitation of the Old Glebe Road Water Main (LDW2)
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II. RECOMMENDATION: Appropriate \$102,027 from Pay-As-You-Go Capital (313) to Utilities Capital (519) to account for interest on an interim loan from the Utilities Fund for the acquisition of 2020 N. 14th Street.

EXPLANATION: The County closed on this acquisition for the year-round homeless services center and County office space in 2012. Temporary financing for a portion of the acquisition price was provided by the Utilities Fund. This appropriation covers interest on the temporary loan.

FY 2013 GENERAL FUND SUMMARY - EXPENDITURES, ENCUMBRANCES & REVISED APPROPRIATION

GENERAL FUND OPERATING (101)			EXPENDITURES	ENCUMBRANCES (Pos)	FINAL APPROPRIATION
	REVISED APPROPRIATION	EXPENDITURES	REVISED APPROPRIATION		
County Board	1,059,742	1,032,905	26,837	-	1,032,905
County Manager	5,514,492	5,199,180	315,312	-	5,199,180
Management and Finance	6,285,795	5,797,208	488,587	-	5,797,208
Human Resources	8,286,565	7,818,477	468,088	-	7,818,477
Technology Services	17,400,320	16,908,318	492,002	130,223	17,038,541
County Attorney	2,530,359	3,015,985	(485,626)	-	3,015,985
Circuit Court	3,785,774	3,667,342	118,432	-	3,667,342
General District Court	310,158	261,084	49,074	-	261,084
Juvenile & Domestic Relations Court	5,806,233	5,570,161	236,072	-	5,570,161
Commonwealth Attorney	3,943,777	3,790,505	153,272	-	3,790,505
Office of the Magistrate	58,361	40,139	18,222	-	40,139
Sheriff	36,865,005	36,727,925	137,080	-	36,727,925
Commissioner of Revenue	5,153,477	4,959,817	193,660	-	4,959,817
Treasurer	5,920,954	6,067,685	(146,731)	-	6,067,685
Electoral Board	1,564,695	1,172,317	392,378	-	1,172,317
Police	63,305,767	59,295,645	4,010,122	-	59,295,645
Office of Emergency Management	11,401,183	11,070,721	330,462	-	11,070,721
Fire	50,929,301	49,377,970	1,551,331	-	49,377,970
Environmental Services	79,702,044	77,419,666	2,282,378	-	77,419,666
Human Services	125,801,222	113,479,716	12,321,506	-	113,479,716
Libraries	12,529,434	12,395,463	133,971	-	12,395,463
Economic Development	9,734,132	9,817,779	(83,647)	-	9,817,779
Community Planning, Housing & Development	11,175,550	9,908,497	1,267,053	-	9,908,497
Parks and Recreation	33,476,790	32,468,756	1,008,034	-	32,468,756
Subtotal, Operating Departments	502,541,130	477,263,260	25,277,870	130,223	477,393,483
Non-Departmental	90,037,580	43,965,138	46,072,442	-	43,965,138
Debt Service	57,318,896	54,225,092	3,093,804	-	54,225,092
Regionals	8,230,357	8,222,250	8,107	-	8,222,250
Metro	25,475,000	25,475,000	-	-	25,475,000
Total General Government	683,602,963	609,150,741	74,452,222	130,223	609,280,964
GENERAL FUND TRANSFERS:					
Travel and Tourism Promotion (202)	-	-	-	-	-
Automotive Equipment (609)	-	102,520	(102,520)	-	102,520
Printing (611)	172,203	172,203	-	-	172,203
General Capital Projects (313)	31,166,645	31,166,645	-	-	31,166,645
Schools Operating (880)	461,527,535	357,365,958	104,161,577	-	357,365,958
School Cafeteria (881)	-	-	-	-	-
Schools Community Activities (882)	-	5,438,115	(5,438,115)	-	5,438,115
Schools Construction (886)	-	40,972,045	(40,972,045)	-	40,972,045
Schools Debt Service Fund (888)	-	35,448,396	(35,448,396)	-	35,448,396
Schools Comprehensive Services Act Fund (889)	-	2,533,972	(2,533,972)	-	2,533,972
Total Interfund Transfers	492,866,383	473,199,855	19,666,528	-	473,199,855
Total General Fund Exp and Interfund Transfers	1,176,469,346	1,082,350,595	94,118,751	130,223	1,082,480,818

ATTACHMENT 2A

FY 2013 OTHER OPERATING FUNDS - EXPENDITURES/TRANSFERS, ENCUMBRANCES & REVISED APPROPRIATION

	REVISED APPROPRIATION	EXPENDITURES/ TRANSFERS	PO ENCUMBRANCES	FINAL APPROPRIATION
TRAVEL, TOUR AND PROMO FUND (202)	251,711	251,711	-	251,711
BALLSTON BUSINESS IMPROVEMENT DISTRICT (203)	1,482,632	1,445,469	-	1,445,469
ROSSLYN BUSINESS IMPROVEMENT DISTRICT (204)	3,539,552	3,490,707	-	3,490,707
CRYSTAL CITY BUSINESS IMPROVEMENT DIST. (205)	2,606,340	2,540,428	-	2,540,428
COMMUNITY DEVELOPMENT FUND (206)	6,694,486	4,492,236	-	4,492,236
SECTION 8 (208)	17,883,678	17,733,833	-	17,733,833
UTILITIES OPERATING FUND (503)	104,114,349	101,521,986	-	101,521,986
BALLSTON GARAGE (540)	7,150,565	2,793,683	-	2,793,683
BALLSTON GARAGE - 8th LEVEL (548)	347,655	1,072,270	-	1,072,270
CPHD DEVELOPMENT FUND (570)	13,807,300	11,564,863	-	11,564,863
AUTOMOTIVE EQUIPMENT FUND (609)	18,428,089	21,471,130	1,008,341	22,479,472
PRINTING (611)	1,593,071	2,428,208	-	2,428,208
URBAN AREA SECURITY INITIATIVE (794)	4,571,497	1,671,922	-	1,671,922
TOTAL OTHER FUNDS	182,470,925	172,478,446	1,008,341	173,486,787

ATTACHMENT 2B

Other County Funds Summary

The table on the prior page indicates the budget and actual expenditures in FY 2013 for each of the non-General Fund, non-capital other operating funds.

Most other County funds were within budget, with three exceptions.

The Ballston Garage Fund for the Eighth Level exceeded budget by \$724,615 due to ongoing capital expenses for repairs to the eighth level slab. These capital expenses, in the amount of \$1,019,184, have been partially offset by a drawdown of \$826,368 from bond proceeds held by the trustee. In FY 2010, the variable rate bonds used to finance the construction of the eighth level of the Ballston Public Parking Garage were converted to fixed rate bonds. This eliminated the need for a reserve held by the trustee to cover potential fluctuations in debt service. Up to \$1 million of this savings was designated for capital repairs to the eighth level of the Garage. The balance of the \$1 million has been fully expended with this year's drawdown. After offsetting the capital expenses, there was a savings of \$14,793 in operating expenses, which was attributable to a reduction in custodial costs.

The Automotive Equipment Fund expenses were \$2,837,659 higher than budgeted due to how the accounting of the revenue and expense was handled for inter-departmental fuel chargebacks. The higher expenditures were offset by corresponding revenue charged to departments to which fuel was supplied.

The Printing Fund expenses were \$835,137 higher than budgeted due to a higher volume of printing services being provided to departments. The higher expenditures were completely offset by higher than budgeted revenue in the form of chargebacks to the departments for the services provided.

All other funds came in under budget. The following highlights other significant underexpenditures.

The Section 8 Fund's revenues and expenditures were \$149,845 under budget due to lower than expected housing assistance payments. These housing assistance payments are fully funded by the Federal Department of Housing and Urban Development.

Utilities Fund - FY 2013 expenditures in the Utilities Fund were \$2.6 million less than budgeted. This was due to savings of \$2.9 million at the Water Pollution Control Plant for personnel, fuel, and chemicals, \$0.7 million in debt service savings, \$0.2 million in savings for the wholesale water purchase, offset by higher than expected operating supply expenses at the Water, Sewer, Street Bureau.

Ballston Garage Fund - The Ballston Garage Fund for Levels 1 – 7 ended FY 2013 with expenditures \$4.4 million less than budgeted. Revenues were \$0.2 million less than budgeted due to lower than anticipated daily parking volume. The lower than budgeted expenditures were due to delay of capital projects from FY 2013 into FY 2014 (\$2 million), debt service savings of

approximately \$1.6 million due to low interest rates paid on the variable rate bond throughout the entire fiscal year, and reduced operating costs (\$0.7 million) due to improvements in fee collection systems and a decrease in costs for supplies.

CPHD Development Fund - The fund balance for the CPHD Development Fund increased by \$2.8 million in FY 2013. Revenues were \$14.4 million, \$0.6 million over budget due to higher revenue from permitting fees. Expenses were \$11.6 million, \$2.2 million under budget due to staff turnover, hiring lags, and non-personnel savings.

Capital Funds Summary

The table on the following page indicates the budget, expenditures and balances as of the end of Fiscal Year 2013 for each of the capital funds.

Facilities Design, Construction and Maintenance Capital Balances

Facilities work completed in FY 2013 include the structural repairs and roof replacement at Carlin Hall, elevator modernization at the Courts/Police building, sports floor replacement at Barcroft Sports Complex, HVAC system upgrade at the Detention Center, fire alarm replacement at Fire Station 5, as well as maintenance capital work at Fire Stations 7 and 10 and other various furniture, fixtures and equipment tasks within bundled projects.

Sources of funding for Facilities capital projects include the Government Facility Bond, Fire Station Bond, Library Bond, Industrial Development Authority Bond and Pay-As-You-Go funding. Combined balances from these funding sources that are carried into FY 2014 total \$19.4 million. This balance of funds will be used to complete construction of a fire training academy (2nd quarter FY 2014), Arlington Mill Community Center (1st quarter FY 2014), year-round shelter and office space (summer 2014), Sequoia phase II design for DHS consolidation (2nd – 3rd quarter FY 2014), Trades Center parking deck (FY 2015), ADA construction, Courthouse Square planning, various other government and public facility capital projects and ongoing maintenance capital projects,.

Parks and Recreation Capital

Parks capital projects completed in FY 2013 includes Virginia Highlands Park synthetic turf replacement and Penrose Square, a new urban square on Columbia Pike. Other projects that were substantially complete include James Hunter Park, Highview Park playground and picnic area and Powhatan Springs Park.

Sources of funding for Parks capital projects include the Parks Bond, Industrial Development Authority bonds and Pay-As-You-Go funding. Combined balances from these funding sources that are carried into FY 2014 total \$43.6 million. This balance of funds is set aside to complete previously approved projects such as Long Bridge Park and Aquatic Facility (phase II), Rocky Run Park construction, Tuckahoe Park playground construction, Barcroft Park synthetic turf renovation, Fort Barnard Park maintenance of playground area, Clarendon Central Park maintenance of plaza area, Gunston Park maintenance and Highview Park modernization. Balances are also set aside for parks land acquisition and open space, synthetic and grass field renovations, and maintenance capital on the inventory of playgrounds, courts, lighting, benches and picnic shelters.

Community Conservation

Capital projects in this group include Neighborhood Conservation and Commercial Revitalization. In FY 2013, capital projects completed include numerous street improvements and streetlight projects. Community conservation funds help to supplement parks and recreation capital funds, and jointly accomplished projects such as

Penrose Square phase I, Nauck Park and beautification projects at Virginia Highlands Park. Sources of funding include Community Conservation bonds and PAYG funding. Combined balances from these funding sources that are carried into FY 2014 total \$9.5 million and will continue neighborhood and community improvements.

Technology and Equipment

This category includes enterprise-wide information technology, public safety and other department specific equipment and technologies, as well as a county-wide telecommunication infrastructure. Sources of funding include cable television revenue, PAYG funding, Industrial Development Authority bonds and Government Facility bond. Combined balances that are carried into FY 2014 total \$11.3 million.

Stormwater Management Fund

The Stormwater Management Fund ended FY 2013 with a balance of \$17.5 million to be appropriated into FY 2014. This balance will be used for on-going stormwater drainage improvement projects and environmental quality projects, including stream restoration and stormwater quality facilities, as well as projects identified in the Four Mile Run Restoration Master Plan. It will also provide funding for maintenance of stormwater infrastructure as identified in the County's adopted FY 2013 - FY 2022 Capital Improvement Plan. This funding will also support technical consulting services, staff, and operational expenses associated with the County's comprehensive stormwater management program that are required to comply with the County's Municipal Separate Storm Sewer System (MS4) permit. This program is mandated by State and federal regulations that are designed to protect and improve the quality of local streams, the Potomac River, and the Chesapeake Bay.

Transportation Capital

In FY 2013, major accomplishments include the completion of Intelligent Transportation System (ITS) phase I, completion of Rosslyn Metro Station Access Improvements, and construction of the two-way conversion of Crystal Drive.

Sources of funding for Transportation Capital projects include the Transportation Capital Fund (TCF), Street Highway and Community Conservation Bond fund, Crystal City/Potomac Yard/Pentagon City Tax Increment Fund (TIF) and PAYG. Combined balances from these funding sources that are carried into FY 2014 total \$123.1 million.

The balance of funding that is being carried into FY 2014 will be used for the Columbia Pike, Crystal City and Pentagon City multimodal street improvements and design and construction of the streetcar program, construction of the second and third phase of the Intelligent Transportation Systems project. Also continuing into FY 2014 is funding for the Arlington Transit (ART) House light maintenance facility. The office space reconstruction is in progress and the design phase of the Compressed Natural Gas (CNG) fueling facility and the bus was is underway.

Utilities Capital

Sources of funding for Utilities capital projects include Water, Sewer, and Wastewater bond funds, and the Utilities Construction Fund. Combined balances from these funding sources that are carried into FY 2014 total \$59.6 million.

In FY 2013, major accomplishments were the ongoing construction of the Wet Weather Filtration Facility and completion of the new maintenance building at the plant, completion of construction of the Glebe Road 36-inch water main, substantial completion of the Williamsburg Blvd 36-inch water main, ongoing construction of the Potomac Interceptor between Rosslyn and Columbia Pike, and substantial completion of the installation of automated residential water meters.

The balances that are being carried into FY 2014 will be used to complete the construction of the redundant water main on Williamsburg Boulevard, complete the design and construction of the Fort Barnard supply main, complete the rehabilitation of the Potomac Interceptor in South Eads Street, begin alignments studies for gravity transmission mains and the second phase of the Potomac Interceptor project. Several projects will be completed in FY 2014 at the Water Pollution Control Plant, and capital projects at the Blue Plains treatment plant will also be funded in FY 2014 from capital balances.

**CAPITAL FUNDS
EXPENDITURES FOR FISCAL YEAR ENDING JUNE 30, 2013**

GENERAL CAPITAL PROGRAM (FUND 313)	REVISED APPROPRIATION	UNAPPROPRIATED REVENUES	FINAL APPROPRIATIONS	EXPENDITURES	PO ENCUMBRANCES	INCOMPLETE PROJECTS	TOTAL CARRYOVER
CABLE TV & Telecommunications (13002)	2,286,023	1,151,433	3,437,456	666,882	68,389	2,702,185	2,770,574
DTS (13003, 13301)	6,164,132		6,164,132	3,846,369	420,456	1,897,307	2,317,763
CIRCUIT COURT (20202)	808,800		808,800	281,809	32,448	494,543	526,991
JDR (20602)	29,988		29,988	29,988	-	-	-
PUBLIC SAFETY (31221)	1,457,149		1,457,149	1,382,462	17,505	57,182	74,687
DES - Transportation (41171, 43501 - 43528)	20,234,305	16,150,485	36,384,790	28,068,220	8,025,002	291,568	8,316,570
DES - Government Facilities (43563)	15,699,913	12,429	15,712,342	9,617,731	1,227,889	4,866,722	6,094,611
DES - Facilities Maintenance (43564)	9,214,554		9,214,554	4,876,264	1,598,803	2,739,487	4,338,290
DHS - Information Services Bureau (54105)	488,460		488,460	155,998	202,190	130,272	332,462
AED - Real Estate Development (71004)	892,676		892,676	0	-	892,676	892,676
AED - Public Art (71602)	223,517		223,517	714	-	222,803	222,803
CPHD - Columbia Pike (72106)	1,339,890		1,339,890	499,318	89,788	750,784	840,572
CPHD - Neighborhood Conservation (72301, 72304)	925,915		925,915	449,663	-	476,252	476,252
DPR (80001, 82002)	14,669,285	316,000	14,985,285	3,069,023	2,667,404	9,248,858	11,916,262
Regionals / Non-Department (91102-7)	30,757,694	2,826	30,760,520	2,358,867	-	28,401,653	28,401,653
TOTAL GENERAL CAPITAL PROGRAM	105,192,301	17,633,173	122,825,474	55,303,308	14,349,874	53,172,292	67,522,166

COUNTY BOND, IDA AND UTILITY FUND CAPITAL PROJECTS (FUND 314-340, 519-546)	REVISED APPROPRIATION	UNAPPROPRIATED REVENUES	FINAL APPROPRIATIONS	EXPENDITURES	PO ENCUMBRANCES	INCOMPLETE PROJECTS	TOTAL CARRYOVER
STREET AND HIGHWAY (FUND 314)	28,237,236	-	28,237,236	11,975,283	3,273,447	12,988,506	16,261,953
COMMUNITY CONSERVATION (FUND 316)							
CPHD	13,166,808		13,166,808	4,138,562	1,905,703	7,122,543	9,028,246
DES	2,980,671		2,980,671	1,118,577	1,070,849	791,245	1,862,094
Fund 316 Total	16,147,479	-	16,147,479	5,257,139	2,976,552	7,913,788	10,890,340
GOVERNMENT FACILITY (FUND 317)	20,219,053		20,219,053	3,909,280	1,012,246	15,297,527	16,309,773
STORMWATER MANAGEMENT FUND (FUND 321)	23,420,325	(244,730)	23,175,595	5,627,230	327,146	17,221,219	17,548,365
PARKS AND RECREATION (FUND 324)	55,438,467		55,438,467	22,704,476	9,747,204	22,986,787	32,733,991
FIRE STATION BOND (FUND 326)	3,064,299		3,064,299	3,064,299	-	-	-
LIBRARY BOND (FUND 329)	350,036		350,036	346,595	-	3,441	3,441
TRANSPORTATION CAPITAL FUND (FUND 331)	94,861,971	5,277,907	100,139,878	14,883,206	7,900,962	77,355,710	85,256,672
TRANSIT FACILITIES (FUND 333)	29,815,618		29,815,618	8,910,000	-	20,905,618	20,905,618
CRYSTAL CITY/POTOMAC YARD/PENTAGON CITY TIF (FUND 335)	5,070,790	(815,170)	4,255,620	11,779	-	4,243,841	4,243,841
IDA BONDS (FUND 340)	25,886,023		25,886,023	24,266,902	1,151,637	467,484	1,619,121
UTILITIES - CONSTRUCTION (FUND 519)	70,848,535	5,797,957	76,646,492	28,133,837	1,369	48,511,286	48,512,655
WATER DISTRIBUTION (FUND 525)	7,113,356		7,113,356	3,513,356	429,675	3,170,325	3,600,000
SANITARY SEWER BOND (FUND 528)	2,377,902		2,377,902	2,377,902	-	-	-
WASTE TREATMENT PLANT (FUND 530)	20,553,291		20,553,291	13,098,423	4,370,836	3,084,032	7,454,868
EMERGENCY COMMUNICATIONS CENTER (546)	5,542,367		5,542,367	3,453,494	297,464	1,791,409	2,088,873
TOTAL COUNTY BOND, IDA & UTILITIES CAPITAL	408,946,748	10,015,964	418,962,712	151,533,201	31,488,538	235,940,974	267,429,511

FOOTNOTES AND EXPLANATORY COMMENTS:

- (1) Revised appropriation is current year budget (Paygo) + carryover from previous fiscal year+supplemental appropriations (such as bond sale, interest earned, etc) during the year
 - (2) Unappropriated revenues recommendation included in close-out board report.
 - (3) Incomplete projects is the total of the revised appropriation minus expenditures and encumbrances.
 - (4) Stormwater Management Fund and Crystal City/Potomac Yard/Pentagon City TIF reflect negative unappropriated revenues due to receipt of lower than budgeted real estate tax revenues.
 - (5) Unappropriated revenues in Fund 313 (DES - Transportation (43501 - 43528) include drawdowns from the Northern Virginia Transportation Commission of \$371,107 in August 2013 (accrued to FY 2013), which are included in the \$16,150,485 being appropriated in the FY 2013 closeout.
 - (6) Unappropriated revenues in Fund 331 (Transportation Capital Fund) include drawdowns from the Northern Virginia Transportation Commission of \$3,561,803 in August 2013 (accrued to FY 2013), which are included in the \$5,277,907 being appropriated in the FY 2013 closeout.
- Reference: Financial Audit Reports

FY 2013 INCOMPLETE PROJECTS LIST

FUND / DEPARTMENT / PROJECT	EXPENDITURES	REVENUES	NET CARRY
General Fund:			
County Board			
GRAMS system software	36,427	-	36,427
Digitizing Historical County Records	50,000	-	50,000
subtotal	86,427	-	86,427
Electoral Board			
Bar Code Scanners	42,500	-	42,500
Special Election - spring 2014	50,000	-	50,000
subtotal	92,500	-	92,500
Human Resources			
Healthcare Consultant	100,000	-	100,000
Pension Software System Updates	95,000	-	95,000
Barrier Analysis	100,000	-	100,000
OnBase Integration of Neogov and County Systems	25,000	-	25,000
Safety Onsite Training and Tracking	42,000	-	42,000
subtotal	362,000	-	362,000
Department of Technology Services			
311 Mobile Application	26,000	-	26,000
Microsoft Enterprise Agreement	423,438	-	423,438
Cable Franchise Negotiations	120,000	-	120,000
External Website Redesign	84,000	-	84,000
Systems Center Configuration: security patching and software upgrades	145,440	-	145,440
Network Security Audits	50,000	-	50,000
Mobile Device Management Software	110,000	-	110,000
Server Administration	145,440	-	145,440
Change Management	186,240	-	186,240
ACShare/Sharepoint	175,000	-	175,000
Emergency Management Interoperability Needs	285,520	-	285,520
subtotal	1,751,078	-	1,751,078
Juvenile & Domestic Relations Court			
Intervention-Prevention-Educ. (IPE) Program (NVFS)	14,050	-	14,050
Curfew Enforcement (PACE) - Gang Task Force Grant	3,267	3,267	-
OAR Adult Reentry Program - Gang Task Force Grant	10,620	10,620	-
subtotal	27,937	13,887	14,050
Police Department			
Regional Gang Task Force Contribution	25,000	-	25,000
Records Management Project (portion to PAYG)	700,000	-	700,000
Grants: 2013 DMV Grant	26,805	26,805	-
Grants: 2010 JAG	6,083	6,083	-
Grants: 2011 JAG	24,568	24,568	-
Grants: 2012 JAG	24,696	24,696	-
Grants: Bullet Proof Vests	4,314	4,314	-
subtotal	811,466	86,466	725,000
OEM			
Grants: Exercise & Training	23,447	23,447	-
Grants: Regional Planner Program	23,447	23,447	-
Grants: Volunteer Mgmt Program	44,038	44,038	-
Grants: MMRS (Metro Medical Response)	163,809	163,809	-
Grants: Citizens Corps	19,543	19,543	-
Grants: RCPGP (Regional Catastrophic Prep Grant)	35,000	35,000	-
subtotal	309,284	309,284	-
Fire Department			
Grants: Fire Programs	164,934	-	164,934
Grants: Four for Life	16,763	-	16,763
Grants: Bomb Squad Sustainment VDEM	203,476	203,476	-
Grants: VDEM HAZMAT team	23,000	23,000	-
subtotal	408,173	226,476	181,697

FUND / DEPARTMENT / PROJECT	EXPENDITURES	REVENUES	NET CARRY
Sheriff's Office			
PREA Coordinator (1.0 FTE)	82,929	-	82,929
Telestaff Software for Scheduling Staff	100,000	-	100,000
SCAAP Carryover	162,929	-	162,929
subtotal	345,858	-	345,858
Department of Environmental Services			
AIRE & CEP Carryover Balance	1,224,867	-	1,224,867
Grant: ACCS Transit Technical Initiative (TTI)	396,105	396,105	-
Grant: ACCS Hispanic Marketing Grant (HMG)	177,825	177,825	-
Equipment for Network Operations Centers (NOCs)	99,734	-	99,734
Generator installation for Critical System Infrastructure (CSI)	82,327	-	82,327
Trade Center DEQ Groundwater Monitoring	40,000	-	40,000
Arc Flash Review	319,020	-	319,020
Electronic Plan Review	89,670	-	89,670
subtotal	2,429,548	573,930	1,855,618
Department of Human Services			
Marbella Apartments 100 Homes/PSH/ACF	1,000,000	500,000	500,000
Grants: Door Thru Door	192,890	192,890	-
Grants: RAFT	272,538	272,538	-
Grants: Cherrydale Lease Funds	55,615	55,615	-
Grants: Fed. Drug Free Community Grant	51,020	51,020	-
Grants: VA Tobacco Settlement Fund	124,499	124,499	-
Grants: Employment Network	12,514	12,514	-
Grants: ARL WIA Rapid Response Vets Employment	75,000	75,000	-
Grants: UASI 12	103,000	103,000	-
Grants: UASI 11	28,145	28,145	-
Grants: PIE Part C	263,224	263,224	-
Grants: Mental Health Regional Pharmacy	14,049	14,049	-
Grants: PATH Program	58,773	58,773	-
Grants: Mental Health Magistrate	27,321	27,321	-
Grants: Regional Recovery	31,830	31,830	-
Grants: MH Employment Services	2,475	2,475	-
Grants: DAP	29,194	29,194	-
Grants: NGR1	55,878	55,878	-
Grants: RDAP	143,556	143,556	-
Grants: Crisis Stabilization	118,637	118,637	-
Grants: HIV & Substance Abuse	114,502	114,502	-
Grants: HIDTA	43,871	43,871	-
Grants: Pharmacy	321,228	321,228	-
Grants: Regional Crisis	4,587	4,587	-
Grants: New Lease on Life	97,280	97,280	-
subtotal	3,241,626	2,741,626	500,000
Department of Libraries			
Matching Book Fund	100,000	-	100,000
Internet Filtering Software	60,000	-	60,000
subtotal	160,000	-	160,000
Economic Development			
Sister Cities Matching Grant	10,000	-	10,000
Limited Term Employees (2.0 FTEs) & Marketing for BIG (split w/non-departmental)	600,000	-	600,000
Artisphere	400,000	-	400,000
subtotal	1,010,000	-	1,010,000
Dept. of Community Planning, Housing & Dev.			
Housing Needs Study	249,174	-	249,174
Courthouse Square (to Non-departmental)	500,000	-	500,000
Rosslyn Sector Plan (to Non-departmental)	439,886	-	439,886
Large Scale Site Plan & Long Term Development (to Non-departmental)	200,000	-	200,000
Neighborhood Services Micro Projects	50,171	-	50,171
MIPAP Carryover	439,250	-	439,250
Technology Support (contractual services)	62,400	-	62,400
subtotal	1,940,881	-	1,940,881
Dept. of Parks and Recreation			
Program Review Funding	59,999	-	59,999
Public Space Master Plan	500,000	-	500,000
Safety Equipment Needs Identified in Circle Safety Audit	15,500	-	15,500
Wetlands Magnolia Bog Grant	10,497	-	10,497
Urban Agriculture Coordinator	100,000	-	100,000
subtotal	685,996	-	685,996

FUND / DEPARTMENT / PROJECT	EXPENDITURES	REVENUES	NET CARRY
Circuit Court			
Library of Virginia Grant - land records	8,100	8,100	-
subtotal	8,100	8,100	-
Non-Departmental			
4 Mile Run	500,000	-	500,000
Dominion Pole Attachments	500,000	-	500,000
Columbia Pike Consultant Work	126,500	-	126,500
Public Parking Outreach	9,438	-	9,438
Public Safety Technology Audit	146,065	-	146,065
2020 N. Thomas Fund Balance	952,258	-	952,258
VML Hosting Conference	50,000	-	50,000
Parking Management Plan - County Owned Facilities	60,000	-	60,000
Consultant Contingent	576,655	-	576,655
Special Events Fee Reduction	25,000	-	25,000
Connect Arlington	97,500	-	97,500
Signature Theater Access to ArlingtonWireless Network	25,000	-	25,000
subtotal	3,068,416	-	3,068,416
GENERAL FUND TOTAL	16,739,290	3,959,769	12,779,521
COMMUNITY DEVELOPMENT FUND TOTAL	2,202,250	2,202,250	-
Automotive Equipment Fund:			
Vehicle Replacements-County	5,121,707	-	5,121,707
Vehicle Replacements-Schools	45,000	-	45,000
Facility Renovation for CNG capability	280,000	-	280,000
Software system upgrade	245,000	-	245,000
Fleet optimization study	49,999	-	49,999
Heavy vehicle lift and installation	357,956	-	357,956
AUTOMOTIVE EQUIPMENT FUND TOTAL	6,099,662	-	6,099,662
Urban Area Security Initiative Fund:			
UASI - License Plate Readers 2011 (LP11)	471,043	471,043	-
UASI - 2011 Bomb Squad Sustainment Grant	30,025	30,025	-
UASI - 2012 Bomb Squad Sustainment Grant	993,002	993,002	-
URBAN AREA SECURITY INITIATIVE FUND TOTAL	1,494,070	1,494,070	-
TOTAL OTHER FUNDS:	9,795,982	3,696,320	6,099,662
GRAND TOTAL ALL FUNDS:	26,535,272	7,656,089	18,879,183

FY 2014 County Compensation Adjustments, By Department

Department	Total Adjustment
County Board	\$12,052
County Manager	27,602
County Attorney's Office	33,911
Commissioner of Revenue	10,566
Treasurer	14,203
Electoral Board	7,032
Circuit Court	33,799
General District Court	1,416
Juvenile and Domestic Relations District Court	81,469
Commonwealth's Attorney	55,204
Sheriff	223,555
Police Department	85,926
Office of Emergency Management	2,104
Fire Department	13,361
Department of Environmental Services	149,082
Department of Human Services	544,146
Libraries	57,983
Department of Community Planning, Housing & Dev.	93,202
Department of Parks and Recreation	69,387
 Total	 \$1,516,000
 Non-Departmental - Set Aside for FY 2015 Employee Compensation (remain in fund balance)	 3,289,406

**ARLINGTON COUNTY, VIRGINIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Revenues	1,090,490,361	
Expenditures	1,082,350,595	
Excess of revenues and other financing sources over expenditures and transfers out		8,139,766
Fund Balance July 1, 2013		191,459,161
 Fund Balance June 30, 2013		
<u>Restricted for:</u>		
Seized Assets	2,272,448	
 <u>Committed to:</u>		
Self insurance Reserve	5,000,000	
Subsequent Year's Budget (FY 2014)	5,208,794	
Operating Reserve	52,605,487	
Economic Stabilization Reserve	3,000,000	
Affordable Housing Investment Fund (assigned to projects)	21,838,549	
Subsequent Year's Schools Budget	26,269,900	
FY 2012 Encumbrances	130,223	
Capital Projects	8,403,862	
 <u>Assigned to:</u>		
Additional Funding to Operating Reserve	1,969,853	
Affordable Housing Investment Fund (unassigned to projects)	29,647,093	
Budget Stabilization & Safety Net Contingent	6,500,000	
Subsequent Year's Operating Budget (FY 2014)	15,161,534	
Set-Aside for FY 2015 Operating Budget	2,988,388	
FreshAire Program	1,224,867	
Incomplete projects	5,215,352	
Subsequent Year's Capital Projects (FY 2014)	12,162,577	
 Fund Balance June 30, 2013		<u><u>199,598,927</u></u>