

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 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 2015 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 few years:

- Staff worked with the Board-appointed CIP working group to develop principles that drive the project prioritization process in both parks and facilities.
- Staff has begun implementation of a multi-year strategy to address the maintenance capital reinvestment backlog.
- 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 that will be updated as part of the next CIP.

### **Background & Strategy**

Building on the condition assessments completed in 2008 – 2009, the CIP Working Group's efforts in 2011 resulted in three major recommendations, paraphrased below, that informed the FY 2013 - 2022 CIP and this year's PAYG request:

1. A gradual ramp-up funding approach is used to reduce the maintenance capital backlog over a roughly five-year period.
2. Determine what can be bonded, what is PAYG, and what is operating. Bundle projects as total rehabilitations 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.

**Condition Assessments – Next Steps**

As staff has reviewed the lessons learned from the initial condition assessment completed from 2008, it is recommended that more extensive analysis be done to update the raw data with the many different components and factors that were excluded from the visual inspections informing the initial condition assessments.

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, and third party inspection when needed), and many other factors that 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.

These exclusions from the raw data were factored into past backlog funding tables by assuming a 20 percent assessment adjustment factor. This factor has served its purpose over the last two PAYG funding rounds, but now that actual data is available from completed capital maintenance projects, the initial assessments need to be further refined. Additionally, as both Facilities and Parks have been using the same database and structural format, experience has shown that the standard format currently produced by the database does not accurately capture the many different assets needed by parks (i.e. diamond fields, field lighting, tennis courts, picnic shelters, etc) the same way it captures facilities assets (boilers, chillers, roofs, windows, etc). The very distinct nature of each type of facility required different inventory and reporting needs. As such, the backlog (catch-up) funding table is not presented in the FY 2015 budget document but will be revised after a more comprehensive examination and evaluation is allowed to adjust factors with real time examples and data points.

The FY 2015 adopted PAYG budget continues to take into account the prioritization criteria endorsed by the County Board, shown in the tables below.

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

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

## **OVERVIEW OF FY 2015**

The adopted FY 2015 PAYG budget totals \$22.95 million. This includes \$8.12 million of on-going funds, and \$14.83 million of one-time funds made available from higher than projected real estate assessments on the June 2014 real estate tax payment. Consistent with County practice, one-time funds have typically been used for one-time capital investments and projects. The adopted budget reflects a shift of \$1.7 million from ongoing to one-time funds as well as a reallocation of \$0.4 million of decal fees (historically dedicated to bike-pedestrian projects) to General Fund operating uses. At budget adoption, the County Board made preliminary allocations of this funding by major program category; detailed allocations by projects will be made during the CIP process.

In addition, there is \$8.2 million from FY 2013 closeout that has been allocated for capital projects. These funds have some restrictions in use as the source of the one-time funding is bond premium from the spring 2013 bond sale. During the closeout process, approved project allocations included the County/Schools contingent for capacity projects (\$2.0 million), Korean Embassy parcel for interim use as open space (\$200,000), paving/transportation projects, and the balance as a capital contingent. A preliminary allocation from the contingent was made to the Long Bridge Aquatics Facility (\$2.5 million) to fund a portion of the difference between the developer contribution and the amount assumed in the CIP; since then, construction bids have come in higher than anticipated and the project is put on hold as the County evaluates next steps.

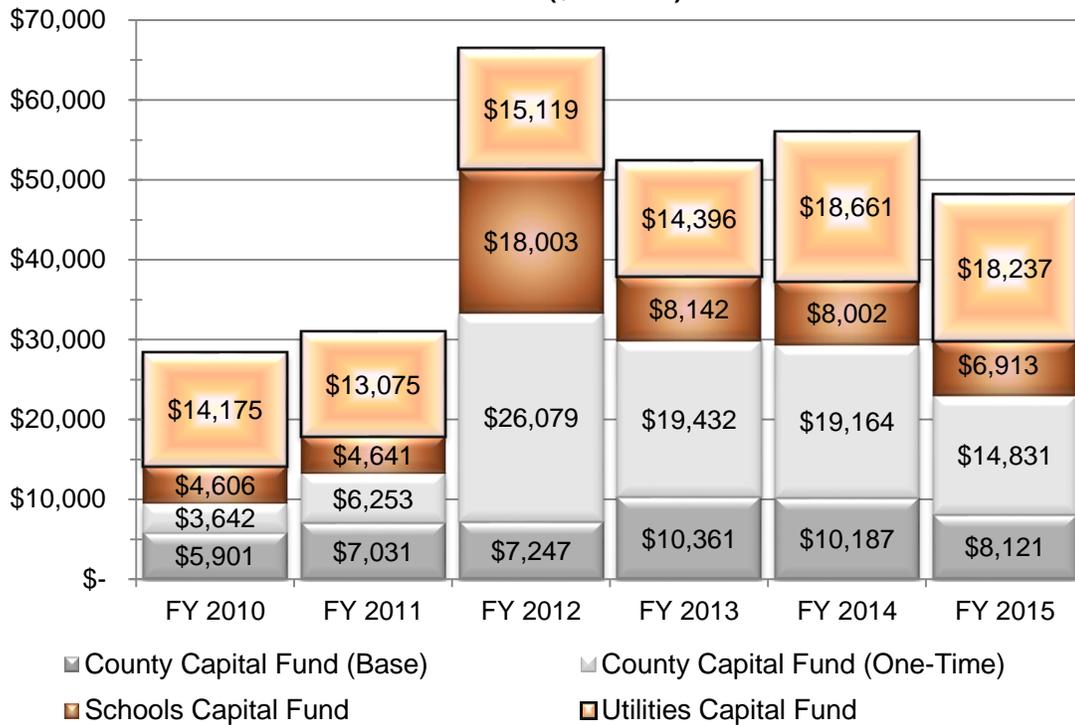
The FY 2015 PAYG budget funds routine and non-routine capital expenditures. The routine expenditures include maintenance of capital assets such as streets, bridges, signals and infrastructure, street lights, bus shelters, replacement of building components, fields, playgrounds, courts, technology equipment and systems as well as neighborhood conservation projects and contributions to regional programs. Non-routine expenditures include consolidation of Human Services programs, conversion of meter pay stations, and expansion of fiber installation for economic development.

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 2015 adopted PAYG budget of \$18.2 million includes funding for Wastewater Treatment Plant capital maintenance and improvements to the Washington Aqueduct, which supplies the County with 100 percent of its drinking water.
- The FY 2015 School Board's adopted PAYG budget is \$6.9 million which includes major maintenance and minor construction funding.

**PAY-AS-YOU-GO APPROPRIATION HISTORY**  
**FY 2010 - FY 2015**  
(\$ in 000's)



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

PROGRAM CATEGORY	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Regional Partnerships	\$1,128	\$1,152	\$1,166	\$1,136	\$1,214	\$1,287
Transportation & Pedestrian	2,813	5,432	7,939	4,037	5,041	7,235
Government Facilities	880	3,019	14,871	13,356	3,408	2,077
Parks and Recreation	200	1,001	4,166	6,410	5,211	4,090
Technology Investment (IT) *	70	100	1,475	1,090	1,000	1,600
Community Conservation	350	350	800	500	500	500
Public Art **	-	100	150	50	-	-
County-Schools Joint Use Projects	-	-	-	-	8,634	-
Capital Contingency / Admin	4,102	2,130	2,759	3,214	4,343	6,163
<b>Total County Capital Fund</b>	<b>\$9,543</b>	<b>\$13,284</b>	<b>\$33,326</b>	<b>\$29,793</b>	<b>\$29,351</b>	<b>\$22,952</b>
Schools Capital Fund	4,606	4,641	18,003	8,142	8,002	6,913
Utilities Capital Fund	14,175	13,075	15,119	14,396	18,661	18,237
<b>Total Capital Fund</b>	<b>\$28,324</b>	<b>\$31,000</b>	<b>\$66,448</b>	<b>\$52,331</b>	<b>\$56,014</b>	<b>\$48,102</b>

Numbers may not add due to rounding.

\* Information Technology projects are also funded from master lease financings which are reported separately in the master lease section of the budget.

\*\* 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 2015 Adopted	FY 13 C/O Funds for FY 14 Projects	Total Funds
Transportation Maintenance Capital	\$1,619	\$4,300	\$5,919	\$690	\$6,609
Lee Highway Streetlights	-	-	-	750	750
Facilities Maintenance Capital	1,431	300	1,731	222	1,953
Energy Efficiency	246	100	346	-	346
Parks Maintenance Capital	1,121	300	1,421	-	1,421
Synthetic & Diamond Field	1,170	-	1,170	-	1,170
Subtotal Maintenance Capital	5,586	5,000	10,586	1,663	12,249
Regional Partnerships	1,287	-	1,287	-	1,287
Neighborhood Conservation	-	500	500	-	500
Meter Pay Stations	-	200	200	-	200
Neighborhood Complete Streets	100	-	100	-	100
Other Transportation Programs	1,016	-	1,016	-	1,016
DHS Facilities Consolidation	-	-	0	600	600
Parks Land Acquisition	-	1,500	1,500	-	1,500
Clarendon Pop-Up Park	-	-	0	200	200
ConnectArlington 2.0	-	1,600	1,600	-	1,600
DHS Secure Email	-	-	0	100	100
County-Schools Joint Use Projects	-	-	0	2,000	2,000
Capital Contingent	132	6,031	6,163	3,600	9,763
Subtotal Other Capital	2,535	9,831	12,366	6,500	18,866
<b>Total FY 2015 Projects</b>	<b>\$8,121</b>	<b>\$14,831</b>	<b>\$22,952</b>	<b>\$8,163</b>	<b>\$31,115</b>

\* Numbers may not add due to rounding.

**REGIONAL PARTNERSHIPS \$1,286,794**

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**

**\$568,086**

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 2015 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**

**\$131,686**

This funding for FY 2015 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**

**\$441,130**

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 2015 budget is based on a \$2.00 allocation for each person living in Arlington.

**Northern Virginia Criminal Justice Academy**

**\$145,892**

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 2015 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.

### **Transportation Infrastructure Maintenance Capital**

**\$7,359,386**

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**

**\$5,500,000**

The County currently maintains over 974 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 seven to 10 years to extend their life rather than re-paving them as often. The County Board added \$4.0 million in one-time funding. This amount combined with the initial proposed funds brings the paving total to \$5.5 million for the adopted FY15 PAYG budget. These funds will be used to supplement the previously approved 2012 general obligation paving bonds for use in the calendar year 2014 paving season.

- **Lee Highway Street Lighting**

**\$750,000**

The existing streetlights on Lee Highway between N. Veitch Street and Fort Myer Drive are beyond economic repair and require replacement. Absence of proper lighting is a safety hazard for all roadway users. High pedestrian, bicycle, and vehicle traffic volumes underscore the need to replace the lights. The FY 2015 funding is half of the total estimated cost to replace the identified lights on Lee Highway that need to be replaced. This correlates to the amount of streetlights that can be stored and installed during a single fiscal year. The remaining half of the costs will be requested in FY 2016.

- **Bridge Maintenance**

**\$350,000**

This program is responsible for the maintenance of 40 vehicular and pedestrian bridges in Arlington County. Twenty-six 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 which provides funding to cover the cost of annual inspections, routine and emergency maintenance, and rehabilitation projects for the County’s bridge inventory.

- **Transportation Systems and Traffic Signals**

**\$250,000**

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 30 years old, with 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 signals, including traffic signal controllers and cabinets, improve pedestrian accessibility by installing interactive audible countdown type of ADA accessible pedestrian signals advanced video detection systems, bicycle detection, remote data collection systems, battery backup systems, CCTVs, and up-gradation of electrical grounding.

▪ **Arlington Transit (ART) Bus Maintenance Equipment** **\$200,000**

Arlington Transit (ART) buses provide transit service countywide in compliance with the objectives of the adopted Transit Element of the Transportation Master Plan. Growth in the ART fleet will improve the span and frequency of existing services and allow for implementation of new routes as described in the Transit Element of the Master Transportation Plan and the six-year Transit Development Plan. ART bus equipment purchases include rehabilitation of buses to extend vehicle life, replacement buses, expansion buses, and related bus equipment needed to improve the reliability, accessibility and seating capacity of ART service. This program enables procurement of additional durable equipment needed to safely and efficiently maintain ART buses. Installation of necessary maintenance equipment will help Arlington Transit safely meet new federal mandates regarding State of Good Repair and Transit Asset Management. These two mandates are cited in P.L. 112-141, the Moving Ahead for Progress in the 21st Century Act (MAP-21) federal multi-year transportation authorization. The Arlington Transit (ART) operations contractor already uses County-owned equipment in its leased maintenance facility to make the facility compliant with compressed natural gas (CNG) requirements and to maintain buses. These funds also enable the County to bring all of the equipment to a County-provided bus maintenance facility. There are two advantages to this approach. First, the contractor does not have to amortize the cost of that equipment over the contract life - which is less than the useful life of the equipment - and charge that to the County. Second, the cost of equipping a new County maintenance facility will be reduced.

▪ **Commuter Stores** **\$94,000**

The commuter stores located in Rosslyn (1993), Crystal City (1992), Ballston (1989), Shirlington (2008) and the mobile commuter store (2001), provide a one-stop retail place for residents, workers, and visitors to get information and fares for all of the region's transit systems, as well as bike, walk, and shared ride information. Over 2,250,000 people visit the commuter stores annually. The stores are part of Arlington County Commuter Services multi-program approach at making it easy for residents, workers and visitors to take transit, bike, walk and share the ride rather than drive alone. The commuter stores are the retail face of Arlington's Car-Free Diet, Bike and Walk Arlington, Arlington Transportation Partners and Mobility Lab. Every day these services switch 42,000 single occupant vehicle trips to other modes - 3/4 of them to transit.

Arlington's existing Mobile Commuter Store, which was built by Winnebago on an RV chassis, will be 10 years old in FY 2015 and will need to be replaced with a new low-floor unit that meets ADA requirements. Plans are to build a new unit in FY 2015. The current unit will be rehabilitated in FY 2016 and used as a back-up vehicle. Total estimated cost for this project is \$300,000 of which the FY 2015 PAYG funds will be used to leverage state matching grants.

▪ **Bus Stops and Shelters** **\$150,000**

The Arlington County bus stop network is comprised of 1,133 bus stops, including 275 bus shelters, with approximately 1,110 stops and 250 shelters owned or operated by the County. The existing bus stop network supports the average weekday Arlington Transit (ART) and Metrobus ridership of 9,600 and 54,700 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. Over 500 bus stops are not fully

compliant with ADA Accessibility Guidelines and almost 30 shelters are well beyond their useful life.

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.

▪ **Regulatory Signage** **\$65,386**

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 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. Old non-conforming signs will be replaced with the latest upgraded signs. Incandescent signs will also be replaced with the energy efficient LED signs.

▪ **Capital Bikeshare** **\$-**

Capital Bikeshare was launched in September 2010, where the first 114 stations (14 in Arlington) were located. One million trips were taken in the first year and two million more trips in the second year. Capital Bikeshare provides a fleet of bicycles at a network of unattended bike stations, where individuals use a member key or credit card to check-out a bicycle at their origin station and return it to their destination station. The fleet of bicycles is maintained throughout the day to ensure safety as well as distributed to ensure availability at all stations. The Arlington network of stations is connected to stations in the District of Columbia and the City of Alexandria, Virginia, as well as Montgomery County and the City of College Park in Maryland. There are now over 310 stations and the system passed six million trips in August.

The Arlington bikeshare system now includes 67 bikeshare stations with an additional 13 stations planned to be installed through FY 2014. This program funds the maintenance of the existing bikeshare stations and bicycles.

**Transportation Multi-Modal Programs** **\$1,315,899**

▪ **Pedestrian and Bike Safety** **\$865,899**

The primary objective of this program initiative is to improve access and increase safety for all modes of transportation primarily on Arlington 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. A portion of the motor vehicle license fee funds this program. The funds support the implementation of complete streets projects, safe routes to schools, access improvements, technology enhancements, regulation signage installation, and capital improvements for bike sharing. As part of the adoption budget, ongoing funding was reduced by \$400,000 bringing the adopted program's FY15 PAYG budget from \$1.2 million to \$865,899.

▪ **Intelligent Transportation Systems** **\$150,000**

The Intelligent Transportation System (ITS) and Adaptive Traffic Control System program are adaptive responsive traffic control systems that help monitor real time traffic conditions, including

volume, speeds, delays, and queues. The system automatically optimizes the traffic signal timings depending upon the real time traffic situations. The system also helps monitor and adjust the operation of traffic signals during emergency situations and facilitates the smooth operation of evacuation routes. The system reduces the delay timings and facilitate safe crossing of pedestrians at the intersections. Overall it helps reduce greenhouse gas emissions and improve safety on the County roadways including pedestrian and bicycle traffic. The system includes hardware and software for real time traffic data collection, forward looking infrared (FLIR) traffic detection, 3D pedestrian and bike detection for safe crossings, interactive audible ADA accessible pedestrian crossings, closed-circuit televisions (CCTV) for traffic monitoring and operation, backup power supply information systems, queue detections, dynamic message signs for real time travel information and amber alerts, emergency and transit vehicle operations. Future capabilities include, but are not limited to, supporting Columbia Pike streetcar and the Crystal City-Potomac Yard Transitway operations.

▪ **Neighborhood Complete Streets** **\$100,000**

This program is designed to manage residential streets so that they are safe and comfortable for pedestrians, bicyclists, transit riders, motorists, and other users. The PAYG funding will be used to plan and design approximately two new Neighborhood Complete Streets (NCS) projects for FY 2015. The program addresses residential traffic problems in a fair, consistent, and comprehensive manner through application of uniform objective criteria.

▪ **Meter Pay Stations** **\$200,000**

There are 5,312 metered parking spaces County-wide. More than 2,987 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.

▪ **LED Street Lighting** **\$-**

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 7,000 decorative street lights and cobra head lights owned by Arlington County. In FY 2011, a program was funded to replace the lights powered by inefficient high pressure sodium technology. In addition to high energy consumption, these streetlight systems are more expensive to maintain than newer technologies such as those using Light Emitting Diode (LED) technology.

This program converts conventional streetlighting 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 80 percent for each light replaced. The County expects a minimum 25 year lamp life on the LED upgrades, which further reduces maintenance costs. Funds for this program are used for replacement of inefficient lights with LED lights and realization of energy and maintenance cost savings.

**Facilities Maintenance Program** **\$1,952,546**

This program plans for adequate maintenance of facilities through their cycle, periodic refreshment, and eventual replacement of obsolete facilities at the appropriate points in the life cycle.

▪ **Facilities Management Maintenance Capital** **\$1,420,546**

The FY 2015 Facilities Maintenance Capital Program Funds will be used to address deferred and needed maintenance items identified in facility condition assessment studies and staff reports. The Facilities Management Bureau (FMB) 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 \$1.42 million. The majority of funds will be used to upgrade building automation systems (BAS), HVAC system replacements, and interior refreshments. This includes major structural and engineering design for repair and replacements to the Justice Center Garage as well as the HVAC and interior improvements to the Equipment Bureau, Courts Police Building, Fire Station 8, Metro Tunnel and concrete curb stabilization at the Trades Center Fuel Dispensing Island.

▪ **Furniture, Fixtures & Equipment** **\$532,400**

In 2013, the Facilities Management Bureau (FMB) facility condition assessments of 95 County facilities (including shared spaces with APS and AED) have been expanded to include inventory of fixtures, furniture, and equipment (FF&E). The assessments include cost data based on typical replacement costs for like components in the region, and thus form the initial foundation for budget requests, which are then tempered by judgment, including anticipated building replacement, stand-alone alteration and renovation projects, and occasional changes in use. In making specific project recommendations, staff uses prioritization methodologies which consider many factors including conditions highlighted in the assessments and we "bundle" items coming due with FMB to enable efficiency of contract effort, to minimize impact to the users of the space, and to yield an overall positive result and appearance.

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

In FY 2013, the County completed a comprehensive assessment of 54 facilities to determine any deficiencies in access for persons with physical disabilities. To determine the extent of any deficiencies in meeting Code of Federal Regulations Title II requirements to provide access to public programs and facilities, the County has and will engage an architect-engineer as needed to develop facility-specific design solutions, to be followed by use of an on-call job order construction contractor to remedy the deficiencies. New construction projects include funding for ADA compliant design and features within their individual project budgets; this program is to remediate existing facilities. The first tier of priorities gathered from the report are Walter Reed Community Center, Fairlington Community Center, Cultural Affairs, and Shirlington Library. Remaining funding from prior years will fund these initial ADA renovations.

**Energy Efficiency** **\$346,000**

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 waste 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 DES Facilities Management Bureau and other agencies countywide. Over the past decade, investments in energy efficiency have reduced County building energy intensity by 12 percent, with cumulative avoided costs exceeding \$3 million. A key project for FY 2015 is replacing the boilers at Central Library. That equipment is nearing the end of its useful life, inefficient, prone to frequent maintenance, and poorly suited to

work with the innovative heat-recovery chiller system now in place at the Library. This capital reinvestment is expected to cut natural gas use at the Central Library by over 20 percent.

**Parks and Recreation Maintenance Capital** **\$1,420,545**

Arlington County 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 2015 budget will fund the design and construction for the replacement of the two athletic fields at Tuckahoe Park and the design for the replacement of the basketball courts, tennis courts, and the athletic field at Stratford Park. The cost for the Washington & Lee 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 Synthetic and Diamond Field Program** **\$1,170,008**

▪ **Parks Synthetic Field** **\$989,208**

The adopted FY 2015 budget will fund the design and construction for the replacement of the synthetic turf field at Washington & Lee High School. The total cost for this project will be shared with Arlington Public Schools. The FY 2015 amount reflects the projected County's portion of the total cost.

▪ **Parks Field Fund** **\$180,800**

The field fund is supported by an annual fee assessed on official affiliated youth and adult sports teams playing on Arlington County rectangular and diamond fields. The fees assessed for rectangular fields are directed to support replacement and construction of synthetic turf fields in the County (annual estimate of \$130,000). The fees are targeted towards conversion of one existing grass turf field to synthetic turf in FY 2017 as identified in the FY 2013–FY 2022 CIP. The fees assessed on diamond fields (annual estimate of \$50,800) are to be used each year for specific diamond field enhancements, such as improved irrigation, batting cages, or accelerated sod replacement. The annual process to define, evaluate, and submit diamond field enhancement projects to be funded each year is by recommendation from the Sports Commission in collaboration with the Department of Parks and Recreation. The recommended projects will be finalized in the fall of each year with County Board approval expected in February and work completed by the end of the calendar year.

**Information Technology and Equipment Capital** **\$1,700,000**

▪ **DHS Secure Messaging** **\$100,000**

Department of Human Services (DHS) deals with confidential communications with clients, third-party service providers, doctors, courts, and guardians. Secure messaging (email) is necessary for transmitting Health Insurance Portability and Accountability Act (HIPAA) privacy and security matters. The new Office365 enterprise license offers the means to achieve this; however, initial planning is required to integrate the solution. The FY 2015 funding will support identification of approach and architectural implementation assessments with the County's existing email system along with initial implementation for a subset of DHS needs. The intent is to use existing County licenses with new product features planned by the vendor. Office365 implementation is planned for completion by August 2014 with encryption to follow.

- **ConnectArlington** **\$1,600,000**  
The adopted FY 2015 budget includes one-time funding for the first phase of an expansion of ConnectArlington. The County will install conduit and fiber into the ground, and potentially make this fiber available to higher education institutions, non-profit organizations, other governments, and business, for the purposes of stimulating economic development.

**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.

**DHS Facilities Consolidation** **\$600,000**

Department of Human Services (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 11,000 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 the lease with the SP owners. 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 winter 2014. The total cost estimate is \$11.6 million to be funded through a combination of tenant improvement and commissions, PAYG funding and anticipated close-out funds.

**Parks Land Acquisition and Open Space** **\$1,500,000**

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 FY 2015 budget includes \$1,500,000 in PAYG one time funds. These funds will be combined with the \$14.4 million in bond funding included in the FY 2013 – FY 2022 Capital Improvement Plan.

**Clarendon Pop-Up Park** **\$200,000**

The County entered into a lease agreement with the Embassy of Korea for use of a vacant portion of their property for a minimum of two years with the option to extend the lease. The lot at the intersection of Clarendon Boulevard and N. Barton Street will be transformed into a dynamic, inviting, and sustainable open space for the community to enjoy. The project will make use of building materials on hand and purchase park furnishings and landscaping which can be transferred to another park in the future. The project includes lawn areas, landscaping, site furnishings, and a multi-use area to use for a variety of outdoor games.

**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. A small program contingency remains.

**County-Schools Capacity Projects**

**\$2,000,000**

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 will allow the County to collaboratively address these needs and to make improvements at some joint use facilities. The adopted FY 2015 funding for this program in addition to the one-time funds from FY 2014 and FY 2013 closeout brings the total budget to \$12.6 million. From this budget, approximately \$9.0 million of projects have been identified for the new elementary school at Williamsburg, school additions and renovations at Ashlawn Elementary School, and Thomas Jefferson joint use facility foundation wall repair. County and School staff continue to identify and review the projects being requested from this joint contingent.

**Capital Contingent**

**\$9,763,287**

A preliminary allocation was made to the Long Bridge Aquatics Facility (\$2.5 million) to fund a portion of the difference between the developer contribution and the amount assumed in the CIP; since then, construction bids have come in higher than anticipated and the project has been put on hold. Also, at budget adoption, the Board allocated \$1.4 million of one-time funds for land acquisition as well as \$4.5 million for capital maintenance and other one-time capital investments. These funds are included in the contingent account and will be recommended for use by the County Manager in the upcoming FY 2015 – FY 2024 capital improvement plan (CIP). The remaining \$1.4 million is currently unallocated. These funds are set aside for emergency and other unforeseen needs. As situations arise, the County Manager will bring forward recommended and prioritized uses.

**GENERAL CAPITAL PROJECTS FUND**  
**FUND STATEMENT**

	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 RE-ESTIMATE	FY 2015 ADOPTED
<b>ADJUSTED BALANCE, JULY 1</b>	<b>\$ 57,725,926</b>	<b>\$ -</b>	<b>\$ 58,758,316</b>	<b>\$ -</b>
REVENUES:				
Commonwealth of Virginia	15,723,597	-	-	-
Federal Government	-	-	-	-
Charges for Services	589,317	-	-	-
Miscellaneous Revenue	1,345,431	-	-	-
Proceeds from Lease Purchase	4,473,803	-	-	-
<b>TOTAL REVENUE</b>	<b>22,132,148</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfers In	34,908,930	18,691,066	18,691,006	22,952,288
<b>TOTAL BALANCE, REVENUES &amp; TRANSFERS IN</b>	<b>114,767,004</b>	<b>18,691,066</b>	<b>77,449,322</b>	<b>22,952,288</b>
EXPENDITURES:				
Capital Projects - Current Year	54,781,002	18,691,066	18,691,006	22,952,288
Capital Projects - Carry-Over	-	-	58,758,316	-
Transfers Out	1,227,686			
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>56,008,688</b>	<b>18,691,066</b>	<b>77,449,322</b>	<b>22,952,288</b>
<b>BALANCE, JUNE 30</b>	<b>\$ 58,758,316</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Note: The change in Fund Balance from FY 2013 to FY 2014 is due to anticipated expenditures and/or encumbrances of funds for on-going capital projects.

<b>Facilities Maintenance Capital FY 2015 Project List</b>	
<b>Project Name - Description</b>	<b>Cost Estimate</b>
<b>1. Equipment Bureau</b> – HVAC/building automation system (BAS); relocation of staff; CNG upgrades	\$504,000
<b>2. Courts Police Building</b> - Upgrade building automation system (BAS) panels	179,000
<b>3. Justice Center Garage Repairs –PAYG Portion Design Only</b> ( <i>Phase I- Design FY15 PAYG; Phase II- Implementation FY15 Bond</i> ) Reseal and restripe parking decks; structural concrete repairs to beams in parking garage and post-tension cables; replace four booster pumps with controls and monitoring; temporary parking-relocation; replace vinyl composition tile (VCT) in visitor’s center areas and paint inmate cells in Detention Facility	125,000
<b>4. Fuel Dispensing Stations at Trades Center-</b> Stabilize and repair existing concrete curb and steel edge	60,000
<b>5. Fire Station 8-</b> Concrete apron repairs and patching	50,000
<b>6. Metro Tunnel-</b> Replace 12’x12’ aluminum double roll-up door; modernize elevators; replace wall heaters and exhaust fans; repairs to concrete infrastructure	72,000
<b>7. Contingency</b>	430,546
<b>TOTAL PAYG</b>	<b>\$1,420,546</b>

<b>Energy Efficiency Capital Projects FY 2015 Project List</b>	
<b>Project Name - Description</b>	<b>Cost Estimate</b>
<b>1. Central Library- Boiler Replacement</b> - Existing boilers are inefficient and nearing end of useful life, and sub-optimal for integration with the heat-recovery chillers recently installed for maximum efficiency.	\$346,000
<b>TOTAL PAYG</b>	<b>\$346,000</b>

<b>Facilities Design and Construction, FF&amp;E FY 2015 Project List</b>	
<b>Project Name - Description</b>	<b>Cost Estimate</b>
<b>1. Boardroom at Courthouse Plaza</b> - Replace miscellaneous items of furniture; conference table chairs	\$80,000
<b>2. Fire Training Academy</b> - Additional storage needed within the existing footprint to accommodate emergency supplies and training equipment	80,000
<b>3. Trades Center Warehouse</b> - Storage needs for Department of Environment Services, Fire and Police items in the space at Schools Warehouse that has been provided for County use on an interim basis.	50,000
<b>4. Firing Range</b> - Fit out of County designated office and storage spaces within the new fire arms training facility that is shared with Metropolitan Washington Airport Authority (MWAA)	92,000
<b>5. Fire Station 8</b> - Replace miscellaneous items of furniture and millwork	20,500
<b>6. Sullivan House</b> - Replace miscellaneous items of furniture and millwork	84,000
<b>7. Aurora Hills Recreation Center</b> - Replace miscellaneous items of furniture and millwork	55,100
<b>8. Thomas Jefferson Community Center</b> - Replace miscellaneous items of furniture and millwork	18,200
<b>9. Aurora Hills Library</b> - Replace circulation desk	5,100
<b>10. Cherrydale Library</b> - Replace circulation desk	5,500
<b>11. Central Library</b> - Replace miscellaneous items of furniture and millwork	42,000
<b>TOTAL PAYG</b>	<b>\$532,400</b>

<b>Parks Maintenance Capital FY 2015 Project List</b>	
<b>Project Name - Description</b>	<b>Cost Estimate</b>
<b>1. Tuckahoe Park Modernization</b> - design and construction for full replacement of two athletic fields, including sod, new irrigation, site circulation, fencing, backstops, bleachers, players benches, drainage, signage	\$1,183,000
<b>2. Stratford Park Modernization</b> - design only for full replacement of basketball and tennis courts, lighting, site circulation, site furnishings, retaining walls, drainage, fencing, Bermuda sod, irrigation, athletic field sod, new irrigation, site circulation, entry feature, site amenities	\$237,000
<b>3. Synthetic Turf Program</b> - design and construction at Washington and Lee High School for replacement of synthetic turf field (*assumes APS cost sharing of \$659,000 for total project cost of \$1.648 million)	\$989,000
<b>TOTAL PAYG</b>	<b>\$2,409,000</b>

<b>Transportation Maintenance Capital FY 2015 Project List</b>		
<b>Program</b>	<b>Description</b>	<b>Funding</b>
<b>Paving</b>	The inventory of streets is broken down as follows: 25 percent are arterial streets, 11 percent are collector streets and 64 percent 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 69.8. The County uses a variety of maintenance strategies to maintain streets as detailed below.	
Hot Mix Overlay	Paving has been increased from about 50 to 75 lane miles annually. This includes about 3 lane miles of streets without curb and gutter (3 percent of funding).	\$10,750,000
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 slurry sealed annually, which is roughly 12 percent of the total paving program.	500,000
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 percent of the total paving program.	450,000
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 around 50 percent.	400,000
<b>Subtotal Paving Program Only Funding includes PAYG (\$5.5M) and Bonds* (\$6.6M)</b>		\$12,100,000
<b>Other Transportation Maintenance Capital</b>	Includes bridge maintenance, bus shelter and stops, bus maintenance, transportation systems & traffic signals, regulatory signage, streetlights.	1,859,386
<b>TOTAL (PAYG \$7.4M; Bonds \$6.6M)</b>		<b>\$13,959,386</b>

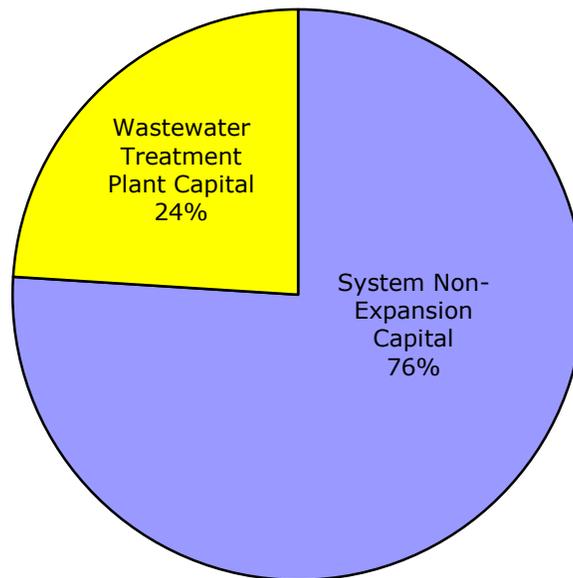
\*Note: In addition to the FY 2015 PAYG funds, the paving program assumes additional bond funding from the 2014 referenda as part of the upcoming FY 2015 CIP.

This list only captures maintenance capital items and does not include pedestrian & bike safety programs funded from the decal fee, or other multi modal transportation programs such as meter pay stations, intelligent transportation systems, and neighborhood complete streets).

*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 2015 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 2015 ADOPTED PAYG BUDGET SUMMARY**

<b>PROGRAM CATEGORY</b>	<b>AMOUNT</b>
<b>UTILITIES</b>	
Wastewater Treatment Plant Capital	\$4,450,000
System Non-Expansion Capital	13,786,545
<b>Total Project Cost</b>	<b>18,236,545</b>
Less: Infrastructure Availability Fees & Other Revenue	5,712,000
<b>Net Utilities Funds Support</b>	<b>\$12,524,545</b>

Note: Other revenue includes non-expansion Interjurisdictional revenue of \$612,000.

**FY 2015 ADOPTED UTILITIES BUDGET**

**Wastewater Treatment Plant Improvements (Non-Expansion) \$4,450,000**

- **Water Pollution Control Plant Maintenance 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 (\$1,500,000).
- **Biosolids Projects.** This funding is for biosolids processes that are beyond their useful life and in need of replacement. Some potential projects include primary clarifier internal mechanisms, scum concentrator replacement, gravity thickener upgrades, dissolved air flotation (DAF) thickener replacement, bar screens upgrades, and lime transfer equipment replacement (\$2,000,000). The master planning process, approved in FY 2014, will include a condition assessment and provide replacement options and strategies for decision making.
- **Improvements to Eads Property.** Funding for improvements to a property near the Water Pollution Control Plant that the County purchased in March 2010. This facility serves as the plant's off site warehouse, and is used for storage of larger and less frequently used items. Additionally, Arlington Transit (ART) has some offices within the facility. Per a memorandum of understanding dated November 23, 2011, the Transit Bureau contributes toward the cost of the site (\$100,000).
- **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 (\$850,000).

**System Non-Expansion Capital**

**\$13,786,545**

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 (\$3,400,000)
- Non-expansion inflow and infiltration sanitary sewer capital repairs and replacements (\$3,000,000)
- Capital improvements at the Washington Aqueduct (\$2,461,545), from which the County purchases drinking water. Arlington County pays approximately 16 percent of the capital costs for this organization.
- Water main cleaning and re-lining projects (\$1,800,000)
- Technology Enhancements (\$975,000)
- Water/sewer frames & covers (\$600,000)
- Large diameter sewer rehabilitation / replacement (\$500,000)
- Water Tank Rehabilitation (\$400,000)
- Sewer main replacement program (\$250,000)
- Sewer force main replacement (\$200,000)
- Large valve rehabilitation / replacement (\$200,000)

**TOTAL UTILITIES BUDGET**

**\$18,236,545**

**UTILITIES CAPITAL PROJECTS FUND**  
**FUND STATEMENT**

	FY 2013 ACTUAL	FY 2014 ADOPTED	FY 2014 RE-ESTIMATE	FY 2015 ADOPTED
<b>ADJUSTED BALANCE, JULY 1</b>	<b>\$44,089,853</b>	-	<b>\$48,989,054</b>	-
<b>REVENUES:</b>				
Infrastructure Availability Fees	5,042,836	\$4,000,000	4,000,000	\$5,000,000
Sewage Treatment Service Charges	3,924,147	561,000	561,000	612,000
Interest	58,899	100,000	100,000	100,000
Misc. Revenue	235,885	-	-	-
VRA & Interim Loan Proceeds	5,471,152	-	-	-
Commonwealth of Virginia - Grant Funds	3,494,285	-	-	-
<b>TOTAL REVENUE</b>	<b>18,227,204</b>	<b>4,661,000</b>	<b>4,661,000</b>	<b>5,712,000</b>
<b>Transfers In (Out):</b>				
Transfer In from Utilities Operating Fund	14,805,834	14,000,000	14,000,000	12,524,545
<b>TOTAL TRANSFERS IN</b>	<b>14,805,834</b>	<b>14,000,000</b>	<b>14,000,000</b>	<b>12,524,545</b>
<b>TOTAL BALANCE, REVENUES AND TRANSFERS IN</b>	<b>77,122,891</b>	<b>18,661,000</b>	<b>67,650,054</b>	<b>18,236,545</b>
<b>EXPENDITURES:</b>				
Capital Projects -Current Year	28,133,837	18,661,000	18,661,000	18,236,545
Capital Projects -Carry-Over <sup>1</sup>	-	-	48,989,054	-
<b>TOTAL CAPITAL EXPENDITURES:</b>	<b>28,133,837</b>	<b>\$18,661,000</b>	<b>\$67,650,054</b>	<b>\$18,236,545</b>
<b>BALANCE, JUNE 30</b>	<b>\$48,989,054</b>	-	-	-

**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.

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 2015 Master Lease Funded Project Costs (\$ in 000’s)**

Radio System Refreshment – phase 2	\$982
PC Replacement	1,455
Network Core Sustainment	1,312
Server Refreshment	450
<b>TOTAL Program Cost</b>	<b>\$4,199</b>

The FY 2015 list of projects will replace aged and critical technology infrastructure and public safety equipment. The FY 2015 adopted debt service budget of \$6.5 million in the General Fund Non-Department budget for master lease is reduced from the FY 2014 adopted level by \$230,000. The County entered into a new Microsoft Enterprise Agreement in mid-FY 2014 that supported County software license needs. These licensing costs, \$345,000 annually, had been financed through the master lease over a three year term within the PC replacement program. As a result, the debt service budget was reduced by 1/3 each year, starting in FY 2014. Thus, the budget in FY 2015 reflects a reallocation of 2/3 of that total, or \$230,000 to the Department of Technology Service (DTS) operating budget.

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.

**Radio System Refreshment \$982,000**

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). The NCR Strategic Plan highlights interoperable emergency communications as a main goal, with this project as a critical component of that plan. To accomplish this, each jurisdiction must continue to make enhancements to the radio system infrastructure as well as to component pieces of the system. If these enhancements are not kept current on a regular basis, the communication goals of the NCR cannot be achieved, and the radio system as a regional and jurisdictional tool is compromised; however with these enhancements in place Arlington and its partners will be able to

operate on a common technological platform, and will be able to meet NCR strategic goals of interoperability while expanding regional communication abilities.

Prior year funding for this system included replacement of the radio base stations located at the six radio sites that support Arlington County's radio system, as well as upgrades to the infrastructure and operating system. 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, Arlington County must continue to maintain this operating system at or near the most current system version offered by the manufacturer.

The \$982,000 funding level will build upon earlier upgrades and move the radio system to the most current version release. This process will require labor, software, system optimization, and hardware. Once this upgrade is complete in FY 2015, the system will be maintained at the most current version and hardware levels through an annual maintenance contract. The adopted FY 2015 budget includes an increase of \$374,800 in the Office of Emergency Management budget to fund the ongoing maintenance of the radio system which includes maintaining the system at the most recent operating system version available to ensure Arlington County is always current with the most up-to-date technology.

**PC Replacement** **\$1,455,000**

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 while being 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. These funds will be used to replace approximately 1,190 PCs.

**Network Core Sustainability** **\$1,312,000**

Funds for network core sustainability 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 voice and data network runs the risk of failure as equipment reaches end of life and/or becomes obsolete.

**Server Refreshment** **\$450,000**

The server refreshment program 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 2015 budget will be used to replace approximately 23 servers and storage devices.