

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, bond financing and various other dedicated funding sources 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 2016 Budget.

PAYG and voter approved bond funding have historically been the primary sources 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 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 as well as street paving. We continue to focus on three major strategies that informed the FY 2015 - 2024 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, funded with PAYG, and funded with 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.

The County has made great progress over the last three fiscal years:

- We have added staff to help with both planning and execution.
- Staff has begun implementation of a multi-year strategy to address the maintenance capital reinvestment backlog.
- In all programs, we bundle projects where appropriate to minimize service disruption and reduce capital costs by seeking efficiencies.
- We have reduced the prior backlog of maintenance capital projects, yet continue to need high level of investments in order to execute the multi-year plan and address the County's extensive inventory of infrastructure.
- The FY 2015 – 2024 CIP, adopted by the Board in July 2014, laid out a detailed implementation plan, including increased bond funding for parks and facilities maintenance capital and street paving. In order to realize the PAYG funding reflected in the CIP, additional one-time money will be needed.

## **Condition Assessments – Next Steps**

The condition assessments serve as the starting point for our maintenance capital plan. The parks assessments were initially done in 2008-2009, and the facility assessments were updated in 2012-2013. The backlogs identified in the assessments were planning estimates, to be used as a starting point since they did not include certain project cost items (e.g., design, staff charge-backs, permit fees, construction administration, storm water improvements, and third party inspections, when needed) as well as many 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.

While total needs over time are thus influenced by factors that can either increase or decrease the bottom line reflected in the database, it will remain a very useful tool for both budgeting and project planning. It will remain dynamic as both unit costs and inventory changes over time as well as changes to the current inventory.

Going forward, the database will be updated on an annual basis, so we can have the most recent valuations for plotting trends. The annual reading will reflect the accumulated effect of completed projects, appropriate deferrals, change in unit costs from actual bid experience, any changes in our assumptions on useful life of certain elements, and any changes in inventory. We will also be performing contractor-assisted updates to the actual condition assessments, where physical conditions in the field will be reassessed. We believe a four-five year cycle is appropriate; DPR used FY 2015 one-time funding to undertake a major update to the Assessment database (last updated in 2008-2009) and fund a program manager position for the initial two years to manage the update, plan and schedule the parks maintenance capital projects, develop project budgets, and work on other coordination and tracking. Similar dedicated staff resources have helped the facilities program through efficient project scoping, estimating, and documentation—using the database as a starting point, but taking into consideration all the other factors that influence smart investment decisions. As staff executes the plan, we will continue to reassess staffing levels to insure they remain appropriate with project execution targets.

The FY 2016 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>Parks Maintenance Capital Prioritization Methodology</b>
<p><b><u>Urgency (50%)</u></b></p> <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> <p><b><u>Facility Condition (30%)</u></b></p> <ul style="list-style-type: none"><li>- Reliability of HVAC, electrical and plumbing components or systems</li><li>- Preventing accelerated deterioration</li></ul> <p><b><u>Special Considerations (20%)</u></b></p> <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>	<p><b><u>Condition (50%)</u></b></p> <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> <p><b><u>Program Adequacy (30%)</u></b></p> <ul style="list-style-type: none"><li>- Usage, community need, program demand</li><li>- Industry standards, County standards</li></ul> <p><b><u>Special Considerations (20%)</u></b></p> <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 2016

The adopted FY 2016 PAYG budget totals \$9.6 million, comprised of \$6.8 million of base ongoing funds and \$2.8 million of one-time funds. The FY 2016 adopted budget shifted \$1.05 million in ongoing funds to one-time funding for PAYG and shifted \$412,000 of funding for bike-pedestrian projects from decal fees (PAYG) to HB2313 local funds. The freed up decal fees were transferred to General Fund operating uses.

In addition, there is \$6.3 million in one-time PAYG funding for FY 2015 projects. The one time sources were funded from FY 2014 closeout that has been allocated to capital projects. During the closeout process, approved project allocations included the second phase of ConnectArlington (focused on economic development), build-out needs at Sequoia for the Department of Human Services consolidation, streetlights on Lee Highway, as well as maintenance capital projects.

*Subsequent to budget adoption, the Board, in May 2015, approved an increase in the parking meter rates by \$0.25. The budget information in the FY 2016 Adopted Budget does not reflect the additional parking meter rate increase appropriated by the Board in June. The \$950,000 in ongoing funding was appropriated to PAYG and freed up one-time funding appropriated by the County Board during the FY 2016 budget process for other funding priorities. The other priorities funded include:*

- *\$900,000 in one-time funding allocated in PAYG to fund the Quincy Street land acquisition*
- *\$25,000 in one-time funding appropriated from PAYG to the County Manager's Office to support the restoration of one issue of the Citizen cut during the FY 2016 budget process*
- *\$25,000 in one-time funding appropriated from PAYG to the Department of Human Services to fund NovaSalud*

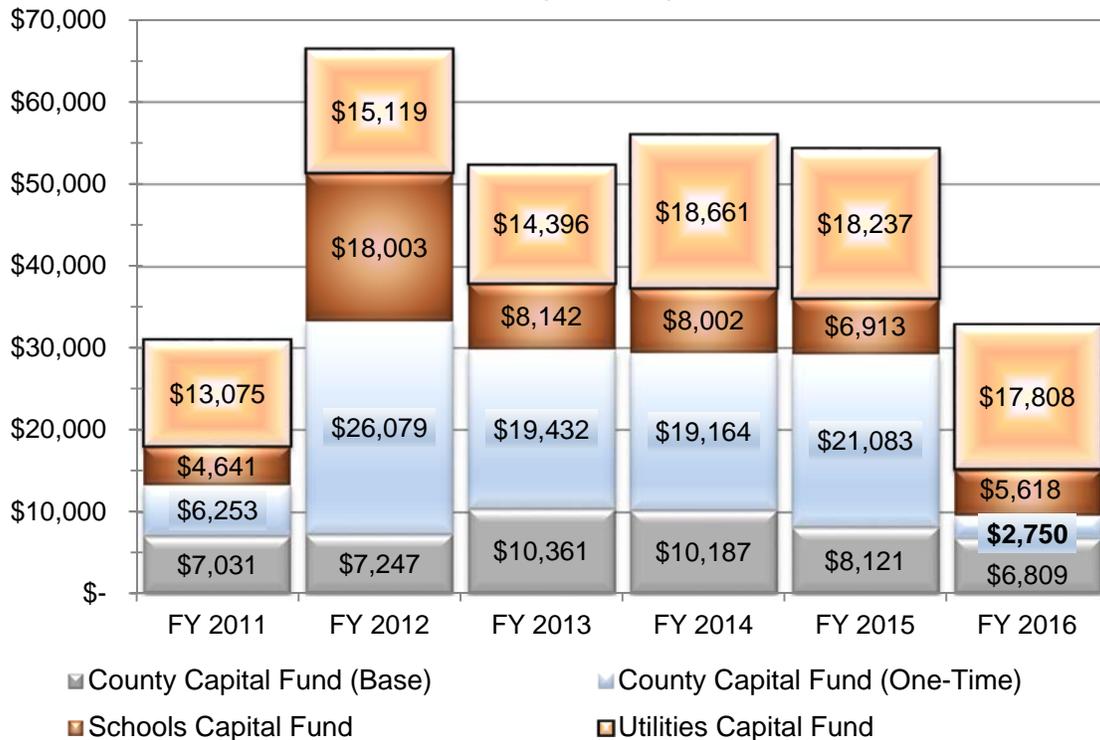
The FY 2016 adopted PAYG budget funds routine and non-routine capital expenditures. The routine expenditures include maintenance of capital assets such as streets, bridges, signals and infrastructure, street lights, bus shelters, replacement of building components, fields, playgrounds, courts, technology equipment and systems as well as neighborhood conservation projects, energy efficiency projects and contributions to regional programs. Non-routine expenditures include consolidation of Human Services programs, and Central Library refreshment.

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 2016 adopted PAYG budget of \$17.8 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 School Board's adopted FY 2016 PAYG budget is \$5.6 million, which includes major maintenance and minor construction funding

**PAY-AS-YOU-GO APPROPRIATION HISTORY**  
**FY 2011 - FY 2016**  
(\$ in 000's)



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

<b>PROGRAM CATEGORY</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
Regional Partnerships	\$1,152	\$1,166	\$1,136	\$1,214	\$1,287	\$1,453
Transportation & Pedestrian	5,432	7,939	4,037	5,041	9,757	2,438
Government Facilities	3,019	14,871	13,356	3,408	2,890	2,979
Parks and Recreation	1,001	4,166	6,410	5,211	4,090	1,639
Technology Investment (IT) *	100	1,475	1,090	1,000	4,517	419
Community Conservation	350	800	500	500	500	500
Public Art	100	150	50	-	-	-
County-Schools Joint Use Projects	-	-	-	8,634	2,000	-
Capital Contingency / Admin	2,130	2,759	3,214	4,343	4,163	130
<b>Total County Capital Fund</b>	<b>\$13,284</b>	<b>\$33,326</b>	<b>\$29,793</b>	<b>\$29,351</b>	<b>\$29,204</b>	<b>\$9,559</b>
<b>Schools Capital Fund</b>	<b>4,641</b>	<b>18,003</b>	<b>8,142</b>	<b>8,002</b>	<b>6,913</b>	<b>5,618</b>
<b>Utilities Capital Fund</b>	<b>13,075</b>	<b>15,119</b>	<b>14,396</b>	<b>18,661</b>	<b>18,237</b>	<b>17,808</b>
<b>Total Capital Fund</b>	<b>\$31,000</b>	<b>\$66,448</b>	<b>\$52,331</b>	<b>\$56,014</b>	<b>\$54,354</b>	<b>\$32,985</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.

**PAYG PROJECTS**  
(\$ in 000's)

<b>PROGRAM CATEGORY</b>	<b>Base Funds</b>	<b>One-Time Funds</b>	<b>FY 2016 Adopted</b>	<b>FY 14 C/O Funds for FY 15 Projects</b>	<b>Total Funds</b>
Transportation Maintenance Capital	\$1,454	\$384	\$1,838	\$1,396	\$3,234
Lee Highway Streetlights	-	-	-	750	750
Facilities Maintenance Capital	777	170	947	980	1,927
Information Technology Maintenance	-	417	417	-	417
Parks Maintenance Capital	894	-	894	-	894
Synthetic & Diamond Field	745	-	745	-	745
Subtotal Maintenance Capital	3,870	971	4,841	3,126	7,967
Regional Partnerships	403	1,050	1,453	-	1,453
Energy Efficiency	325	-	325	-	325
Neighborhood Conservation	500	-	500	-	500
Bicycle and Pedestrian Safety projects	400	-	400	-	400
Other Transportation Programs	200	-	200	376	576
DHS Facilities Consolidation	-	-	-	200	200
Central Library Refresh	980	-	980	-	980
Facilities Master Planning & Studies	-	310	310	50	360
ConnectArlington 2.0	-	-	-	2,500	2,500
Other Information Technology projects	-	419	419	-	419
Capital Contingent	130	-	130	-	130
Subtotal Other Capital	2,938	1,779	4,717	3,126	7,843
<b>Total Projects</b>	<b>\$6,809</b>	<b>\$2,750</b>	<b>\$9,559</b>	<b>\$6,252</b>	<b>\$15,811</b>

\* Numbers may not add due to rounding.

**REGIONAL PARTNERSHIPS**

**\$1,453,274**

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**

**\$578,008**

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 2016 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**

**\$124,902**

This funding for FY 2016 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**

**\$454,292**

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 2016 budget is based on a \$2.00 allocation for each person living in Arlington.

**Northern Virginia Criminal Justice Academy**

**\$146,072**

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 2016 budget reflects Arlington's contribution towards the annual debt payments of the EVOC.

**Falls Church Fire Station Capital Reserve**

**\$150,000**

The County and City of Falls Church entered into an agreement in July 2014 for operating and capital maintenance of the Falls Church fire station at 6950 North Little Falls Road, Arlington, VA. As part of this agreement, the City shall finance the costs of capital maintenance and the County shall be responsible for capital project management. The FY 2016 adopted budget reflects \$150,000 of the Capital Reserve as payment from Falls Church City to the County to make capital improvements at the Falls Church fire station. The City will fund the Capital Reserve Fund with a minimum of \$150,000 annually.

## **MAINTENANCE CAPITAL**

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

Funding amounts below include FY 2016 adopted funding allocated to capital projects.

### **Transportation – Maintenance Capital \$3,984,000**

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 \$2,060,000**

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.
- **Lee Highway Street Lighting \$750,000**

The existing streetlights on Lee Highway between North 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 2016 funding is the second half of the total estimated cost to replace the identified lights on Lee Highway that need to be replaced. The first half of the project costs were funded in the FY 2015 Budget.
- **Bridge Maintenance \$382,000**

This program is responsible for the maintenance of 35 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 \$282,000**

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** **\$195,000**

ART buses are used to provide transit service, in compliance with the objectives of the adopted Transit Element of the Master Transportation Plan. As a recipient of federal funding, the County will be required by the Department of Rail and Public Transportation and the Federal Transit Administration to document Transit Asset Management procedures and resources, which include bus maintenance.

The Arlington Transit (ART) operations contractor already uses County-owned equipment in its leased maintenance facility to make the facility compliant for compressed natural gas (CNG) requirements and to maintain buses. This project would enable the County to finance additional equipment needed for safety, maintenance and greater efficiency. All equipment would be transferred to a County-provided bus maintenance facility once such a facility is available.

▪ **Bus Stops and Shelters** **\$169,000**

The goal of the Bus Stop and Shelters Program is to provide all Arlington County transit riders of varying abilities with safe, accessible and comfortable passenger waiting facilities, an important factor in encouraging public transit use. This program provides ongoing capital maintenance as well as infrastructure improvements for the growing number of bus stops (currently over 1,100) serving the local ART bus service and Metrobus service. The funding sources from this program include PAYG, Transportation Capital Funds (TCF) - C&I, TCF - HB2313 Local, and state matching funds to support the annual goal of making 20 ADA accessible bus stops. The FY 2016 adopted PAYG budget continues this annual funding goal.

Currently, more than 700 bus stops in Arlington County are in need of varying levels of ADA improvements required to bring them into compliance with ADA Accessibility Guidelines (ADAAG). Nearly 30 bus shelters in Arlington County are well beyond their useful life and over 150 bus stop poles, 275 bus information/schedule cases and nearly 250 bus stop signs are in need of repair or replacement.

The CIP had increased FY 2015 PAYG funding over the annual planning amount by \$181,000 for a total budget of \$378,000 to allow for approximately 50 additional bus stop improvements over the 20 bus stops planned each year. This funding has helped the program but it will take approximately two years to complete due to various issues such as right-of-way, utility, design and staff capacity. Staff continues to look at more cost-efficient and comprehensive approaches to bringing even more bus stops up to standard. This will require a systematic strategy of incorporating accessibility improvements into various County, State or developer streetscape improvements.

▪ **Traffic Calming Device Maintenance** **\$80,000**

This program replaces existing traffic calming devices such as speed humps as streets are repaved. It also funds the replacement or repair of traffic calming devices which have deteriorated to the point where action is required.

▪ **Regulatory Signage** **\$66,000**

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

The 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.

**Transportation Multi-Modal Programs**

**\$976,121**

▪ **East Falls Church**

**\$200,000**

The program will implement upgrades as identified in the adopted 2011 East Falls Church Area Plan, to include improvements to Sycamore Street, Washington Boulevard, Lee Highway, Westmoreland Street and Fairfax Drive. The goal of this program is to reconstruct portions of the primary streets within the East Falls Church area to improve pedestrian / bike safety and accessibility, an important piece within the transit-oriented development around the existing East Falls Church Metrorail station. The CIP accelerated \$0.3 million in FY 2015 and planned an additional \$0.2 million in FY 2016 in order to ensure timely coordination with the VDOT's current construction phase of the I-66 "Spot 2" Improvement Project on Washington Boulevard. Transportation staff has been coordinating with community leaders and VDOT to address pedestrian safety in this area and to incorporate these design changes into the current VDOT project.

▪ **Transit Development Plan & ART Asset Management Plan**

**\$376,000**

The Virginia Department of Rail and Public Transportation (VDRPT) requires that each grant recipient develop a six-year Transit Development Plan (TDP), provide annual updates, and submit a new TDP every six years. Arlington County has a TDP for FY 2011 - FY 2016 which has been updated annually since adopted in fall of 2010. This next TDP will be adopted in the fall of calendar year 2016 for FY 2017 - FY 2022. The TDP includes a description and budget for capital assets. The second TDP will include several associated work products including a Columbia Pike and Crystal City Corridor Analysis; an ART Maintenance Facility Development and Evaluation Study; ART operations, maintenance, and financial plans required by the VDRPT; a State of Good Repair/Transit Asset Management Plan, and an Arlington Transit Title VI Civil Rights Compliance Plan. The latter two plans are required under current federal legislation, Moving Ahead for Progress in the 21st Century Act (MAP-21), for public transportation

Consultant services would be obtained to prepare a new Arlington County Transit Development Plan (TDP) for Fiscal Years 2017 – 2022 and associated other work products. This would be a two-phase study, in which the first phase would be conducted this fiscal year by County staff and current contractors using operating funds to aggregate data for the consultant and conduct an intensive initial Countywide public outreach effort with a focus on the Columbia Pike and Crystal City Corridor to assess stakeholder and public desires for the bus transit network. A consultant would commence the second phase in Fiscal Year 2016 with an assessment of the bus transit network in Arlington (ART and Metrobus) with particular attention to connectivity of routes, assessment of which routes should be configured for operation by ART to reduce overall County expenditures, and financial analysis of Arlington County's subsidization of Metrobus services and a State of Good Repair assessment. The consultant would then proceed to assess the fleet and support facility needs to accommodate current and future ART routes suggested in the first phase and recommend an implementation schedule with funding by year as well as include assessments of land availability and facility requirements, including costs and development of an asset management plan to maintain a state of good repair.

- **Pedestrian and Bike Safety** **\$400,121**

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 decal 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 budget adoption, \$412,000 of funding for bike-pedestrian projects were shifted from decal fees (PAYG) to HB2313 local. Though the PAYG budget is lower, the bike-pedestrian program is funded at the same level as FY 2015, or \$812,121, from a combination of PAYG and HB2313 local funds.
  
- **Transit ITS & Security Program** **\$0**

The Transit Intelligent Transportation System (ITS) and Security Program is dedicated to the use of technology to improve transit operations and rider information systems and identify and mitigate agency security and safety issues. Arlington's ongoing initiatives focus on providing accurate and timely information to both operations staff and transit customers. This program will build upon and expand technologies in place as well as introduce new technologies as they become available. The program also provides funding for staff to maintain an asset inventory and state of good repair for the transit technology. There is no funding adopted in this year's FY 2016 PAYG funds, however, this program is supported by other sources such as Transportation Capital Funds (TCF) - C&I, TCF - HB2313 Local, and state matching funds.
  
- **WALK Arlington** **\$0**

The WalkArlington program makes physical enhancements to Arlington's sidewalk and street infrastructure. The program funds four types of projects: arterial street sidewalk upgrades, transit-access improvements, safe routes to schools enhancements, and stand-alone safety and accessibility upgrades. WALKArlington focuses primarily on arterial streets and commercial areas which are generally not covered by the Neighborhood Conservation Program. WALKArlington will also take on some projects in neighborhood areas that are important for school or transit access but have not qualified under the Neighborhood Conservation Program. There is no funding adopted in this year's FY 2016 PAYG funds, however, this program is supported by other sources such as general obligation bonds, Transportation Capital Fund HB2313 Local, and state matching funds.
  
- **LED Street Lighting** **\$0**

There are over 18,280 street lights in Arlington County, which consist of approximately 11,800 lights owned and maintained by Dominion Virginia Power, and 7,000 decorative street lights and cobra head lights owned by Arlington County. This program converts conventional streetlighting systems to intelligent, environmentally friendly LED lighting systems that reduces energy usage and costs by 80 percent for each light replaced as well as reduces maintenance costs. The FY 2016 adopted budget did not include PAYG funding for this program, but instead focused on maintenance capital projects such as completing the Lee Highway streetlights replacement for safety improvements. However, the benefits from this program, including reduced energy and maintenance costs, make it a good candidate if additional funds are available.
  
- **Parking Meters** **\$0**

Parking meter rates remain unchanged in the FY 2016 adopted budget. However, the County Board took action after budget adoption in May to increase rates by \$0.25. The revised FY 2016 revenue budget will be increased by \$950,000 to total \$8,619,500. The County will procure fifty

new pay stations totaling \$377K to be delivered and placed into operations by the beginning of FY 2016. These new pay stations were funded from the County's capital contingent account.

**Facilities Maintenance Program** **\$1,927,000**

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** **\$1,757,000**

The FY 2016 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 2,300,000 square feet valued at over \$500 million. These projects will be implemented with this adopted PAYG funding of \$1.75 million. The majority of funds will be used to address various interior and exterior items at Dawson Terrace Recreation Center and Lee Community Center. Work will include repointing exterior masonry, roof and window replacements, painting wood siding, and power washing at Dawson Terrace; and roof replacement, fire protection systems upgrade, HVAC replacement, building automation system (BAS) installation, interior painting, and new carpet at Lee Community Center. This also includes addressing water infiltration, replacing basement doors, repair basement steps, and upgrade interior and exterior lighting at Community Residences (group home for serious mental health clients). The 3<sup>rd</sup> Street House (group home for intellectually and developmentally disabled adults) will also receive maintenance capital items such as interior and exterior painting, new fence, and bathroom refresh.

▪ **Furniture, Fixtures & Equipment** **\$170,000**

The FY 2016 Maintenance Capital funds for the Furniture, Fixtures, and Equipment (FF&E) program will be used to address maintenance items that are primarily part of bundled projects with FMB. 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. The FF&E program provides furnishings to over 95 County facilities, including shared spaces within Arlington County Public Schools (APS) and Arlington Economic Development (AED) facilities. The funds will be used to address projects that are bundled with FMB, which includes providing new replacement furnishings at Residential Program Center, Lee Community Center, and Community Residences.

**Energy Efficiency** **\$325,000**

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. The key project for FY 2016 is building an energy management information system platform for integrated data collection, analysis, and control of energy in buildings. This interdepartmental effort will also provide real-time energy meters in 20 of the government's largest and mission-critical facilities. The information gained from this capital reinvestment is expected to result in energy use reductions of 5%-20% in participating buildings.

**Facilities Design and Construction Program** **\$1,540,000**

The Facilities Construction program provides facilities for both existing and evolving services and programs; and encompasses both significant modernization and planned replacement of facilities, based upon facility life cycles and changing program demands and services. This program is carefully integrated with the Facilities Maintenance Capital program in planning for periodic renovations and eventual replacement of obsolete facilities at the appropriate points in the life cycle.

▪ **DHS Facilities Consolidation** **\$200,000**

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 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 is leasing additional space in the Sequoia Plaza campus starting in January 2015; approximately 11,000 square feet in Sequoia Plaza Two and all of Sequoia Plaza Three, about 58,000 total square feet on four floors. Design work is completed and construction will start in winter 2014. The consolidation is forecast for completion in late summer 2015. The total cost estimate is \$11 million to be funded through a combination of tenant improvement and commissions, PAYG funding, and close-out funds.

▪ **Facility Master Planning & Feasibility Studies** **\$360,000**

Facility master planning provides an integrated approach that addresses short, intermediate, and long-term future needs for County facilities. Planning proceeds in phases, and balances short-term deficiencies with long range objectives for space management and efficiencies, often with emphasis on a particular site, or a certain subgroup of facilities. The outcome is an evolving, flexible project list that is capable of taking advantage of new opportunities, while simultaneously working to resolve known deficiencies, all at a funding level and timing consistent with debt capacity and future years funding allocations. Periodic reevaluation and updating of space deficiencies and excess space will help to provide a relevant baseline context for site-specific decisions and strategies.

Feasibility studies will allow an integrated approach to proper scoping and project feasibility for Board, departmental, and community initiated projects. The studies will address new projects that are initiated by various County stakeholders to determine the best use of the current facility or property during its estimated life. The studies will also evaluate proposed timelines for future CIP projects in conjunction with the proposed project.

▪ **Central Library Refresh** **\$980,000**

Central Library is the largest library in Arlington County. The first phase of this project included utilizing a consultant to conduct a visioning assessment of what is needed to meet community and staff needs, now and in the future. With completion of the study, planning for upgrades will be made to the facility to accommodate growing needs and replacement of outdated FF&E. Future phases may include larger renovations.

**Parks Maintenance Program** **\$1,639, 000**

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, park trails and other assets. The Parks and Recreation Maintenance Program provides capital funding to maintain these valuable assets by proactively replacing inefficient and outmoded infrastructure and preventing premature failure. The program for FY 2016 totals \$6,811,000, with \$1,639,000 adopted in PAYG and the remaining \$5,172,000 from the approved 2014 park bond referendum.

- **Parks Maintenance Capital** **\$894,000**  
The adopted FY 2016 PAYG budget will fund the design for renovation projects at Dawson Terrace Park, Virginia Highlands Park, and renovation or replacement of multi-use trails.
  
- **Parks Synthetic Field** **\$555,000**  
The synthetic field program is largely focused on replacement of existing synthetic turf fields that are approaching the end of their useful life. For FY 2016, the program will fund the replacement of the field at Greenbrier Park. The total cost for this project will be shared with Arlington Public Schools, with the County share being 60 percent and the APS share being 40 percent. In addition to the \$555,000 from PAYG, the remaining County portion (\$420,000) will be funded by utilizing remaining program balances.
  
- **Parks Field Fund** **\$190,000**  
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 2015–FY 2024 CIP. The fees assessed on diamond fields (annual estimate of \$60,000) are to be used each year for specific diamond field enhancements, such as improved irrigation, batting cages, or accelerated sod replacement.

**Information Technology - Maintenance Capital** **\$417,000**

- **Tax Assessment, Billing, and Management System (ACE) Upgrade** **\$300,000**  
This funding is the initial funding request for a multi-year project to acquire, implement, and provide support of a commercial off-the-shelf system that will upgrade our current Tax Assessment, Billing and Management functionality for constituents and employees. This project was identified in the FY 2015 – FY 2024 CIP for the FY 2016 time-frame.
  
- **Police Servers** **\$117,000**  
This funding will be used to purchase two servers, one for the Police In-Car Camera Video System (\$60,000) and one for the Police Computer Forensic Unit (\$57,000).

**Information Technology – Other Capital** **\$2,919,000**

- **ConnectArlington** **\$2,500,000**  
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. The adopted FY 2015 budget included one-time funding of \$1.6 million for the initial investment of this project. The FY 2016 adopted budget allocates \$2.5 million of FY 2014 closeout funds for a combined funding of \$4.1 million. These funds will be used for the expansion of ConnectArlington, to include addition of 864 strands of dark fiber within ten miles of existing conduit.
  
- **Network Access Control** **\$244,000**  
This funding will be used for hardware and maintenance costs for access control for end point security. Today, access to a County network drop (network plug in the wall) can result in automatic access to the County network. This is a concern in conference rooms and public areas

where it is difficult to control physical access to County ports. This system will allow the port to become locked down so that the user has to be checked and verified before access is granted. As part of this system, there may be various levels of access based on the risk level detected.

▪ **DHS Community Service Board Electronic Health Records** **\$175,000**

This funding will prepare the County for a major investment in the mental health and substance abuse Electronic Health Records system (EHR) that supports the Community Service Board (CSB). This planning and design task will prepare for data migration, formulate system requirements, and prepare for a selection process or a simpler market survey of options. The existing EHR system is 15 years old and a means to retrieve the data in a structured manner will be needed for eventual system migration as well as short term options for reporting and analysis.

**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.

**County-Schools Capacity Projects** **\$0**

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 FY 2014 and FY 2015 funding for this program allocated a total of \$10.6 million. Of this amount, \$2.6 million has been spent towards the Thomas Jefferson foundation repair project. Additional amounts have been identified including \$3.1 million of projects related to the new elementary school at Williamsburg, \$2.8 million of improvements for the Ashlawn elementary school addition and renovations project as well as \$0.8 million in additions and renovations at McKinley elementary school. County and School staff continue to identify and review the projects being requested from this joint contingent.

**Capital Contingent** **\$130,000**

The FY 2016 adopted budget continues funding for administrative support of capital projects tracking and reporting in the Department of Management and Finance. This was added in the FY 2015 adopted budget as one-time funding.

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

	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 RE-ESTIMATE	FY 2016 ADOPTED
<b>ADJUSTED BALANCE, JULY 1</b>	<b>\$ 58,758,316</b>	<b>\$ -</b>	<b>\$ 80,700,624</b>	<b>\$ 58,732,956</b>
<b>REVENUES:</b>				
Commonwealth of Virginia	17,279,102	-	-	-
City of Falls Church	-	-	-	150,000
Charges for Services	4,393,072	-	-	-
Miscellaneous Revenue	2,473,616	-	-	-
Proceeds from Lease Purchase	5,459,005	-	-	-
<b>TOTAL REVENUE</b>	<b>29,604,795</b>	<b>-</b>	<b>-</b>	<b>150,000</b>
Transfers In (Out):	(3,967,948)			
Transfers In	29,553,643	22,952,288	22,952,288	9,408,646
<b>TOTAL TRANSFERS IN (OUT)</b>	<b>25,585,695</b>	<b>22,952,288</b>	<b>22,952,288</b>	<b>9,408,646</b>
<b>TOTAL BALANCE, REVENUES AND TRANSFERS IN</b>	<b>113,948,806</b>	<b>22,952,288</b>	<b>103,652,912</b>	<b>68,291,602</b>
<b>EXPENDITURES:</b>				
Capital Projects - Current Year	33,248,182	22,952,288	22,952,288	9,558,646
Capital Projects - Carry-Over			21,967,668	28,503,771
<b>TOTAL CAPITAL EXPENDITURES</b>	<b>33,248,182</b>	<b>22,952,288</b>	<b>44,919,956</b>	<b>38,062,417</b>
<b>BALANCE, JUNE 30</b>	<b>\$ 80,700,624</b>	<b>\$ -</b>	<b>\$ 58,732,956</b>	<b>\$ 30,229,185</b>

Most capital projects span multiple years, from design to construction completion. The FY 2014 Actual and FY 2015 Re-Estimate columns reflect that funding for capital projects are carried forward each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds. The FY 2016 adopted budget column is presented in a similar fashion to show planned execution of projects in the fiscal year. These are staffs' best estimates based on preliminary plans and design and construction schedules.

<b>Facilities Maintenance Capital FY 2016 Project List</b>		
<b>Project Name - Description</b>	<b>PAYG (P) Bond (B)</b>	<b>*Total Cost Estimate</b>
<b>1. Dawson Terrace Recreation Center</b> - Exterior historic review items: chimney/structural repairs; repoint masonry; roof replacement and new shingles; variable refrigerant flow system (VRVs) modernization; paint existing wood siding and replace as needed; remove and replace sidewalk and stairs; install handrail at exterior stairs; power wash and reseal exterior; relocation of program	\$980,000 P	\$980,000
<b>2. Lee Community Center</b> - Interior/exterior abatement-possible asbestos/lead paint; HVAC system replacement; roof replacement with fall protection and roof access; install building automation system (BAS); replace fire alarm system; install sprinkler system; upgrade IT; miscellaneous plumbing; paint interior; replace carpet; patch, repair, and seal coat parking lot; repair exterior pre-cast, power wash, and caulk joints; concrete sidewalk repair; relocation of program	\$305,000 P \$2,742,000 B	\$3,047,000
<b>3. Community Residences</b> – Water infiltration of the envelope; basement doors; repair of basement steps; ramp and deck; repair of gutter and eaves; exterior/interior lighting; removal of all exterior conduit and wiring and replace with code compliant wiring; milling and paving asphalt; seal coat; replace the sidewalk	\$150,000 P	\$150,000
<b>4. Arlington Children’s Center</b> – Roof replacement; replace restroom fixtures (water closet, wall hung lavatory, faucet, and toilet partitions); replace timber retaining wall with stamped concrete; replace flooring and countertop	\$237,000 B	\$237,000
<b>5. Fort CF Smith Main House and Tractor Barn</b> – replace sanitary lift station pumps; replace and refinish exterior wood clapboards, as needed, and install flashing along concrete; clean exterior brick	\$184,000 B	\$184,000
<b>6. 3<sup>RD</sup> Street House</b> – Exterior painting and siding; fence replacement; interior painting; refinish hardwood, and restroom refresh	\$44,000 P	\$44,000
<b>7. Residential Program Center</b> – Window replacement; lighting upgrade; and replace siding	\$284,000 B	\$284,000
<b>8. Contingency</b>	\$278,000 P	\$278,000
<b>PAYG</b>	<b>\$1,757,000</b>	<b>\$5,204,000</b>
<b>*Bonds</b>	<b>\$3,447,000</b>	
*Bonds are from the approved 2014 referenda		

<b>Facilities Design and Construction, FF&amp;E FY 2016 PAYG Project List</b>	
<b>Project Name - Description</b>	<b>Cost Estimate</b>
<b>1. Residential Program Center</b> – Soft seating in the common area and update conference room furniture	\$67,000
<b>2. Lee Community Center</b> - Furniture in the senior's room, training room, and staff offices	\$72,000
<b>3. Community Residences at 1212 S. Irving Street</b> – Furniture in staff room	\$31,000
<b>TOTAL PAYG</b>	<b>\$170,000</b>

<b>Energy Efficiency Capital Projects FY 2016 PAYG Project List</b>	
<b>Project Name - Description</b>	<b>Cost Estimate</b>
<b>1. Energy Management Information System</b> - Creation of a data platform for integrated data collection, analysis, and control of energy in buildings. Includes purchase and installation of real-time whole building meters in 20 largest and mission-critical facilities.	\$325,000
<b>TOTAL PAYG</b>	<b>\$325,000</b>

<b>Parks Maintenance Capital Program FY 2016 Project List</b>		
<b>Project Name - Description</b>	<b>PAYG (P) Bond (B)</b>	<b>*Total</b>
<b>1. Dawson Terrace Park</b> – design and construction for demolition, site work, playground, basketball and volleyball courts, picnic area, lighting, site furnishings, walkways, fencing, and landscaping.	\$273,000 P \$1,786,000 B	\$2,059,000
<b>2. Virginia Highlands Park</b> – design only for demolition, site work, playground, four petanque courts, two softball fields, picnic shelter, picnic area, gazebo, restroom, walkways, lighting, site furnishings, fencing, irrigation, and landscaping.	\$592,000 P	\$592,000
<b>3. Park Multi-Purpose Trail Program</b> – design only for renovation of park multi-purpose trails. A program balance of \$71,000 will be used to fund construction for the remainder of the \$100,000 project cost.	\$29,000 P	\$100,000
<b>4. Fairlington Park</b> – construction for demolition, site work, playground, exercise equipment, circuit trail, picnic area, walkways, site furnishings, fencing, and landscaping. Design was funded in FY2015.	\$1,953,000 B	\$1,953,000
<b>5. Gunston Park</b> – design and construction for demolition, site work, softball field, lighting, fencing, irrigation, site furnishings, and landscaping.	\$1,433,00 B	\$1,433,000
<b>6. Synthetic Turf Program</b> – design and construction at Greenbrier Park for replacement of synthetic turf field, new	\$555,000 P	\$1,625,000

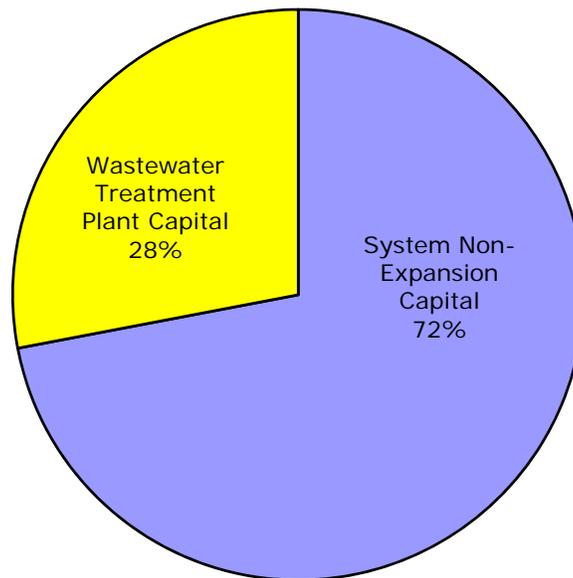
underlayment pad, sub base repair, and site furnishings. A program balance of \$420,000 will be used to fund the remainder of the County's share (assumes APS cost sharing of \$650,000 for total project cost of \$1.625 million).		
<b>7. Field Fund Program</b> – The fees assessed for rectangular fields are directed to support replacement and construction of synthetic turf fields in the County (annual estimate of \$130,000). The fees assessed on diamond fields (annual estimate of \$60,000) are to be used each year for specific diamond field enhancements, such as improved irrigation, batting cages, or accelerated sod replacement.	\$190,000 P	\$190,000
* Total program funding includes new FY 2016 funding as well as existing program balances. ** Bonds are from the approved 2014 referenda.	<b>PAYG</b> <b>**Bonds</b>	<b>\$1,639,000</b> <b>\$7,952,000</b>

<b>Transportation Maintenance Capital FY 2016 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).	\$9,500,000
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.	560,000
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.	450,000
<b>Subtotal Paving Program Only</b> <b>Funding includes PAYG (\$2.06M) and Bonds* (\$8.9M)</b>		\$10,960,000
<b>Other Transportation Maintenance Capital</b>	Includes bridge maintenance, bus shelter and stops, bus maintenance, transportation systems & traffic signals, regulatory signage, streetlights.	\$1,924,000
* Bonds are from the approved 2014 referenda. <b>TOTAL (PAYG \$3.98M; Bonds \$8.9M)</b>		\$12,884,000

*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 2016 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 2016 ADOPTED PAYG BUDGET SUMMARY**

<b>PROGRAM CATEGORY</b>	<b>AMOUNT</b>
<b>UTILITIES</b>	
Wastewater Treatment Plant Capital	\$4,445,000
System Non-Expansion Capital	13,362,500
<b>Total Project Cost</b>	<b>17,807,500</b>
<b>Less: Infrastructure Availability Fees &amp; Other Revenue</b>	<b>5,685,650</b>
<b>Net Utilities Funds Support</b>	<b>\$12,121,850</b>

Note: Other revenue includes non-expansion Interjurisdictional revenue of \$585,650

**FY 2016 ADOPTED UTILITIES BUDGET**

**Wastewater Treatment Plant Improvements (Non-Expansion) \$4,445,000**

- **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 (\$2,000,000).
- **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 (\$1,345,000). 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 (\$1,000,000).

**System Non-Expansion Capital**

**\$13,362,500**

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 (\$2,500,000)
- Capital improvements at the Washington Aqueduct (\$2,512,500), 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 (\$1,800,000)
- Water/sewer frames & covers (\$600,000)
- Large diameter sewer rehabilitation/ replacement (\$500,000)
- Sewer main replacement program (\$250,000)

**TOTAL UTILITIES BUDGET**

**\$17,807,500**

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

	FY 2014 ACTUAL	FY 2015 ADOPTED	FY 2015 RE-ESTIMATE	FY 2016 ADOPTED
<b>ADJUSTED BALANCE, JULY 1</b>	<b>\$48,989,054</b>	<b>-</b>	<b>\$51,939,568</b>	<b>\$47,184,113</b>
REVENUES:				
Infrastructure Availability Fees	5,039,414	\$5,000,000	5,010,000	5,000,000
Sewage Treatment Service Charges	2,380,361	612,000	610,000	585,650
Interest	128,880	100,000	100,000	100,000
Misc. Revenue	13,494	-	-	-
<b>TOTAL REVENUE</b>	<b>7,562,149</b>	<b>5,712,000</b>	<b>5,720,000</b>	<b>5,685,650</b>
Transfers In (Out):				
Transfer In from Utilities Operating Fund	14,000,000	12,524,545	12,524,545	12,121,850
Transfer In from General Fund	102,027	-	-	-
<b>TOTAL TRANSFERS IN</b>	<b>14,102,027</b>	<b>12,524,545</b>	<b>12,524,545</b>	<b>12,121,850</b>
<b>TOTAL BALANCE, REVENUES AND TRANSFERS IN</b>	<b>70,653,230</b>	<b>18,236,545</b>	<b>70,184,113</b>	<b>64,991,613</b>
EXPENDITURES:				
Capital Projects - Current Year	18,713,662	18,236,545	18,236,545	17,807,500
Capital Projects -Carry-Over <sup>1</sup>	-	-	4,763,455	5,192,500
<b>TOTAL CAPITAL EXPENDITURES:</b>	<b>18,713,662</b>	<b>\$18,236,545</b>	<b>23,000,000</b>	<b>23,000,000</b>
<b>BALANCE, JUNE 30</b>	<b>\$51,939,568</b>	<b>-</b>	<b>\$47,184,113</b>	<b>\$41,991,613</b>

Most capital projects span multiple years from design to construction completion. The FY 2014 Actual and FY 2015 Re-Estimate columns reflect that funding for capital projects are carried over each fiscal year, and ending balances fluctuate, reflecting the carryover of these funds. The FY 2016 adopted budget column is presented in a similar fashion to show planned execution of projects in the fiscal year. These are staff's best estimates based on preliminary plans and design and construction schedules.

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 2016 Master Lease Funded Project Costs (\$ in 000’s)**

ECC/AECC 911 Telephone System	\$2,421
Fire Records Management System	720
Network Core Sustainment	1,621
Server Refreshment	728
PC Replacement	228
<b>TOTAL Program Cost</b>	<b>\$5,718</b>

The FY 2016 list of projects will replace aged and critical technology infrastructure and public safety equipment. The FY 2016 debt service budget of \$6.5 million in the General Fund Non-Department budget for master lease is a \$19,219 increase from the FY 2015 adopted level. This increase reflects a two percent expansion of the debt service budget, which had been held flat since FY 2013, offset by a reduction of \$345,000 in licensing costs due to the County’s Enterprise Agreement with Microsoft. (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 2016 reflects a reallocation of \$345,000 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.

**ECC/AECC 911 Telephone System** **\$2,421,000**

This project is the replacement of the Emergency Communications Center (ECC) and Alternate Emergency Communications Center (AECC) 911 Telephone System, which includes backroom servers, telephony, and other infrastructure needed to make the switch from an analog telephony to an IP-based telephony. Also included are 43 workstations used by call takers which include personal computers and peripheral devices that allow users to interface with the 911 system. The telephone equipment and workstations were purchased in FY 2008. The telephone equipment has a 7 year lifespan, and the workstation equipment has an estimated 5 year life span, and both are scheduled to be replaced in FY 2016. Replacement of this equipment is essential in FY 2016 as the vendor has advised they will discontinue support for old equipment during the FY 2016 year as it is beyond the useful life.

**Fire Records Management System** **\$720,000**

The current Fire Records Management systems (FRMS) is outdated and functions separately from the current Emergency Management System (EMS) Patient Care Reporting system (ePCR), resulting in double entry of the same information. This project will combine current Fire Records Management System and EMS Patient Care Reporting System and bring technology from server-based to a hosted web solution. The project will enhance and expand current record keeping functions within the agency to improve data and information flow. The following modules will be included: inspections, permitting, investigations, inventory, logistics, resource management, data mining and analysis, mapping, management dashboard, and interfaces to existing systems such as Command Automated Dispatch (CAD) and Telestaff. (The TeleStaff system is used by Public Safety organizations to manage rosters, automate vacancy filling in conjunction with audit controls, and perform accountability and reporting functions.) This project will also replace any hardware to include mobiles, desktop, printers, and auxiliary tools required for system utilization. In FY 2015, consultant costs of \$300,000 to study the Fire RMS needs were funded from PAYG. The FY 2016 request is year one of master lease funding to cover approximately 30 percent of equipment and systems costs.

**Network Core Sustainability** **\$1,621,000**

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. This funding will be used to replace 12 core large switches and 30 smaller switches, and the first year of maintenance costs for the equipment.

**Server Refreshment** **\$728,000**

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 2016 budget will be used to replace approximately 22 servers and 30 storage devices, along with associated licenses.

**PC Replacement** **\$228,000**

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 228 PCs.