

County Manager's FY 2017 Proposed Budget Overview

- **Maintain Our Commitments to Fund Services For:**
 - Health & Safety of the Community
 - Long Term Financial Sustainability
 - Providing a Safety Net For Those in Need
 - Environmental Sustainability
 - Affordable Housing
 - Public Schools

- **Tax Rate & Growth**
 - Present a balanced budget that assumed no increase in tax rates
 - If total tax revenue growth beyond estimates at Budget Planning (2.4%) then the Manager should provide options to the County Board
 - Reduction in tax rates
 - Applying funds to meet demands of student enrollment growth, new facilities, affordable housing, or other areas impacted by population growth in the County
 - Combination of the prior two options

- **Schools**
 - Provide the Schools with a share of local tax revenue equal to the FY 2016 adopted budget level (46.5%)
 - A minimum of \$8.2 million in additional funding will be available above the FY 2016 level
 - Schools final percent allocation will be determined through budget deliberations

- In November we projected a County gap of \$1 - \$3 million
- Tax revenue estimates were slightly higher than projected (up 3.0%)
- Retirement costs came in lower than originally estimated, enabling us to close the gap
- Additional Funds Available Above County Board Guidance

General Fund Budget Overview



- Proposed Budget Keeps Base Real Estate Tax Rate at \$0.996/\$100 (includes Stormwater)
- Proposed Total General Fund budget of \$1.19 billion (2.8% increase over FY 2016)
- County Operating Budget (excluding Schools) totals \$727.5 million

Areas of Focus

- Economic Development
- Easier Access to County Programs and Data
- Strategic Planning and Budgeting

Initiatives

- Public Safety
- Workforce Investment
- Infrastructure

- New incentive program (\$1.5 million)
- Targeted towards early stage tech and tech catalyst companies
- Complements current framework focused on medium and large companies
- IDA grant and strict criteria

- One Stop Arlington
- On-Line Permitting
- Open Data
 - Arlington Today
 - My Arlington
 - Service Requests
 - Traffic Cameras
- Easier Access to Public Meetings

- A multi-year and more systematic approach toward program and service evaluation
- Five member citizen group
 - Reports to County Manager
 - Recommends how to move forward with strategic planning
 - Provides recommendations for survey of residents & businesses
- March 2016: Board appoints members of the group to advise the Manager

- Program and Service Delivery Evaluation:
over next 3 years
 - Administrative mergers
 - Compensation and benefits analysis
 - Pop up libraries
 - Emergency Medical Service
 - Support functions
 - Sharing services with Schools
 - Call center consolidation
 - Work week for firefighters
 - Consolidate recreation functions

- Public Safety (\$1.6 million of on-going & \$0.4 million of one-time funds)
 - Fire – addition of 8.0 firefighters for the two remaining fire suppression units
 - Police – addition of 6.0 patrol officers
 - Sheriff – addition of 4.0 uniformed officers and 1.0 administrative position
 - One-time funds for equipment of new staff and monies to assist in identifying enhancements to the courts facility

- Infrastructure (\$0.4 million)
 - Streetlight repair
 - Residential concrete maintenance
- Workforce Investment (\$6.3 million)
 - Merit-based compensation increase for all pay plans
 - Other Enhancements – increases to:
 - Live-Where-You-Work program
 - Employee clinic hours
 - Tuition reimbursement program
 - New parent leave

Pay Proposal

- Base Rate increasing to \$14.50 per hour (from \$13.13)
 - Dropping steps 2 and 3 for general employees
- Open Ranges replace Grade & Step pay
 - General employees – 3.25% increase if expectations met
- Increasing maximum of each pay range
 - Salary increase could be up to 1.75% depending on performance

Schools

- Ongoing funding \$462.5 million, up \$10.8 million or 2.4%
- One-time funding of \$2.4 million
- Local tax revenue sharing remains at FY 2016 level at 46.5% Schools/53.5% County
- Above revenue sharing County provides other services to the Schools costing more than \$7 million each year
 - Includes School resource officers, School health nurses and clinic aides and crossing guards
- Superintendent proposes his budget on February 25th

- **Additional One-time Funds Included (\$22.1 million)**
 - The majority of one-time funds are from prior year savings discussed during FY 2015 closeout
- **Use of One-time Funds:**
 - Economic Development - \$1.5 million
 - Housing Grants - \$3.7 million
 - Library Pop-Up Space - \$0.25 million
 - Public Safety - \$0.4 million
 - Inauguration & Elections - \$0.6 million
 - Affordable Housing Investment Fund (AHIF) - \$8.2 million
 - Maintenance Capital - \$1.7 million
 - Economic & Revenue Stabilization Reserve - \$3.0 million
 - Miscellaneous one-time investments - \$0.25 million

 - Schools - \$2.4 million

Funding Above County Board Guidance: \$6.2 million

- Reduce the Tax Rate by ½ cent
 - Reduction cost = \$3.5 million

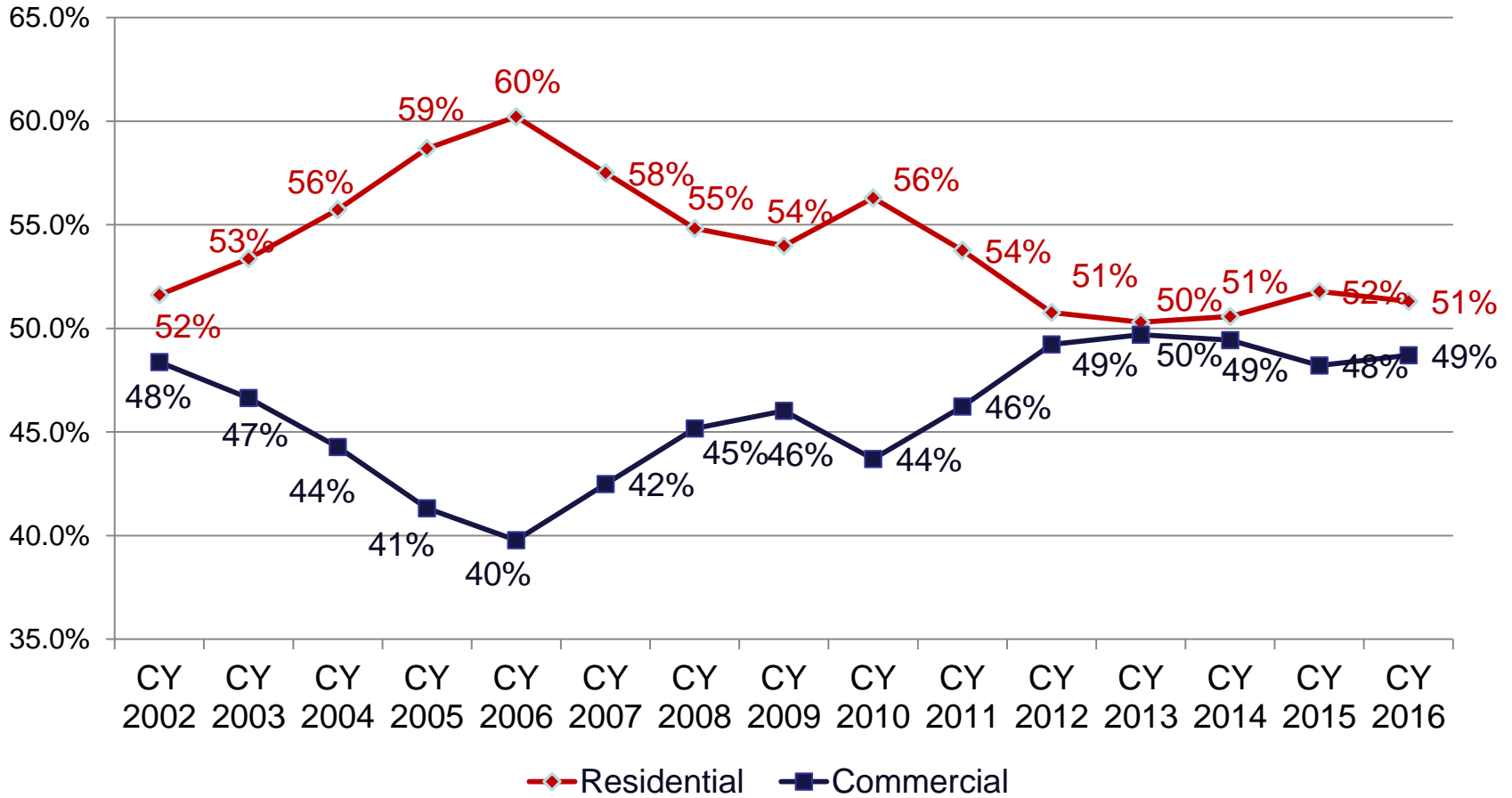
Balance of Funding Available (\$2.7 million)

- Share with School adhering to Principles of Revenue Sharing (\$1.3 million)
- Expand hours of School Health Clinic Aides (\$142k)
- Add Fire medic unit to address peak demand in the daytime (\$332k)
- Expand the streaming of public meetings (\$100k)
- Unallocated balance of \$900k to address other priorities identified during the budget process

- February 23 (tonight) the County Board will determine the tax & fee levels to advertise
- Real estate tax rate advertisement sets the highest rate the County Board can adopt
- Business Improvement District (BID) tax rates
- No changes to other taxes proposed (personal property, BPOL, Stormwater)
- Fee Changes Proposed
 - Household Solid Waste Rate – Proposed increase of \$36.24 to \$307.28/year
 - Ambulance Fee – Increase to Fairfax County rates
 - Library Fees – set all fees to \$0.30/day some fees lowered / some increased
 - Parks & Recreation fee adjustments
 - No change proposed – Water/Sewer Rate – remains at \$13.27/thousand gallons

Tax Burden Comparison

General Fund Comparative Tax Burden Residential vs. Commercial Tax Base



If we include the Stormwater Fund and Transportation Fund, the percentages for tax burden would shift: Commercial 50%; Residential 50%

Summary of Residential Taxes and Fees

Average Homeowner Impact	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016 (FY 2017)	CY 2016 (FY 2017)
					Current tax rate	1/2 Cent Rate Reduction
Average Assmt	519,400	524,700	552,700	587,100	\$603,500	\$603,500
Tax Rate (Inc. Sanitary Dist)	\$0.971	\$1.006	\$0.996	\$0.996	\$0.996	\$0.991
Real Estate Tax	\$5,043	\$5,278	\$5,505	\$5,848	\$6,011	\$5,981
Personal Property*	368	410	459	454	474	474
Annual Decal Fee*	66	66	66	66	66	66
Refuse Fee**	294	294	271	271	307	307
Water / Sewer Service	883	883	913	929	929	929
Residential Utility Tax	72	72	72	72	72	72
Total Residential Tax & Fees	\$6,726	\$7,003	\$7,286	\$7,640	\$7,859	\$7,829
Percent Change	3.0%	4.1%	4.0%	4.9%	2.9%	2.5%
Dollar Change	\$199	\$277	\$283	\$354	\$219	\$189
		monthly change	\$24	\$29	\$18	\$16

* For two car household

Timeline

- Feb. 18 County Manager Worksession/Overview of Proposed Budget
- Feb. 20 Proposed Budget released & online
- Feb. 23 County Manager presentation
County Board action on tax and fee advertisements
- Feb. 25 Superintendent proposes budget to School Board
- Mar. 3 County Board work sessions begin and continue through mid-April
- Mar. 29 Public hearing on tax rates/fees and budget
- Mar. 31 Public hearing on tax rates/fees and budget
- April 19 Budget adoption

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