

ARLINGTON COUNTY FISCAL AFFAIRS ADVISORY COMMISSION
REPORT TO THE COUNTY BOARD

FY2017 PROPOSED BUDGET

BUDGET AREA:	PAY-GO / Capital Improvement Plan
FAAC REVIEWERS:	David Kinney, Steve Baker, Patrick Bogenberger
DATE OF FAAC ACTION:	March 30, 2016

FAAC Opinion

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. PAYG funding is a significant 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.

The General Capital Projects categories include Regional Partnerships, Parks Maintenance Program, Transportation Maintenance and Multi-Modal Initiatives, Government Facilities Maintenance, Information Technology Investments, Neighborhood Conservation, County-Schools Capacity Projects, and a Capital Contingent.

FAAC Recommendation #1			
The FAAC recommends that the County Board approve funding for PAYG budget as proposed in the County Manager’s FY2017 budget.			
Vote:	Yes: 10	No: 0	Abstain: 0
Comment:			

FAAC Recommendation #2			
The FAAC recommends that the County Board instruct the County Manager to undertake an asset inventory of the County’s transportation assets.			
Vote:	Yes: 10	No: 0	Abstain: 0

FAAC Recommendation #2

Comment:	<ul style="list-style-type: none"> • The asset inventories conducted in Parks and Facilities provided valuable insight to the County Board and the Community. A similar study of transportation assets would probably provide opportunity for similar insights and planning for the County’s transportation funding needs. • These assets include not just roads, but also transit, sidewalks, bike lanes, protected bike lanes, and any other forms of transportation provided by the County and utilized by residents. • This would also include trails to the extent not covered in the Parks asset inventory.
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FAAC Recommendation #3

The FAAC recommends that the County Board instruct the County Manager to prioritize an asset inventory of the both the County’s Parks and Maintenance Assets.

Vote:	Yes: 10	No: 0	Abstain: 0
Comment:	<ul style="list-style-type: none"> • The last inventories for these assets were completed more than three years ago and the time is coming to conduct an updated inventory. • This is especially crucial for Parks, as the last vendor did not specialize in outdoor infrastructure assessment which are a majority of Park’s maintenance capital needs. • FAAC was uncertain where trails would be inventoried. If not placed under a transportation asset inventory, then we believe they should be covered by the Parks asset inventory. 		

FAAC Recommendation #4

The FAAC recommends that, to the extent possible, the County Board provide funding outside of the budget year for maintenance capital needs as identified in the CIP Working Group report of 2011.

Vote:	Yes: 8	No: 2	Abstain: 0
Comment:	<ul style="list-style-type: none"> • The FY2017 proposed budget does not reach the level proscribed by the CIP Working Group of 2011. • The County Board can and does allocate and spend money outside of the annual budget process where additional money for capital maintenance may be allocated. 		

Future Considerations

The FAAC reaffirms the importance of continuing to fund the maintenance needs of the County’s assets, even during times of tight budgets. Such funding is necessary to preserve our assets and to reduce future financial obligations that accrue from deferred maintenance. The County is still working through a backlog of maintenance needs that arose from the accumulation of deferred maintenance.

By continuing funding levels to allow the County to “keep-up” and over time to “catch-up” future maintenance obligations will be reduced and the quality of Arlington’s assets will increase. We also suggest considering likely future redevelopments when prioritizing funds to smaller capital improvement projects in areas adjacent to such likely future redevelopments.

In this year’s DES report, the FAAC encouraged the County Board to examine the balance between DES’ capital and operating budgets. That balance needs to be judged in any department, such as DPR, that also undertakes projects and maintenance utilizing capital funding. We acknowledge the County’s efforts in this regard as achieving balance is an ongoing process with a moving target. However, ensuring that there is funding and FTEs to implement planned capital projects and maintenance is crucial to accomplishing the County’s goals in a timely and efficient manner.

The last CIP working group reported out in 2011, with a report that took the County up until FY2017. There are good reasons to look at convening another CIP working group to take a longterm look at the County’s practices.