

**County Board Agenda Item
Meeting of April 22, 2023**

DATE: April 12, 2023

SUBJECT: Fiscal Year (FY) 2024 County Budget Resolution, Appropriations Resolution and Appropriations.

C. M. RECOMMENDATION:

1. Adopt the attached FY 2024 County Budget Resolution (Attachment I).
2. Adopt the attached FY 2024 County Appropriations Resolution (Attachment II).
3. Authorize the County Manager to negotiate and sign grant agreements with non-profits that result from FY 2024 budget appropriations, subject to approval as to form of those agreements by the County Attorney.
4. Appropriate funding from Non-departmental to Departments as outlined in Attachment III in FY 2023 to allocate the funding for bonuses.

ISSUES: This is a request for County Board adoption of the FY 2024 budget and appropriate funding.

SUMMARY: The budget resolution formally adopts the budget for FY 2024 and the appropriation resolution is required before the money can be spent. The appropriation of funding to allocate the funding for FY 2023 bonuses is a technical adjustment to move the budget from Non-departmental to departments based on how bonuses were paid in FY 2023.

DISCUSSION: The County Manager proposed a Fiscal Year 2024 budget to the County Board on February 18, 2023. After a lengthy public review process that included work sessions, public hearings, input from residents, employees, boards and commissions, and updated revenue forecasts based on the third quarter update, the County Board, after deliberations, has approved a balanced budget for FY 2024.

The budget continues funding for core County services and Arlington Public Schools, prioritizes investments in staff compensation, and provides additional funding for a variety of other critical County programs. The General Fund is balanced at a real estate tax rate of \$1.013 per \$100 of

County Manager:

MJS / MHC

County Attorney:

MNC

Staff: Richard Stephenson and Emily Hughes, DMF

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assessed value. The total General Fund budget for FY 2024 is \$1.5 billion, a 3.5% increase over the FY 2023 adopted budget.

The Board has also funded several priorities with ongoing funding generated by stronger than anticipated taxes (business tangible and sales) and anticipated FEMA reimbursements. Additional one-time funding was also identified through the FY 2023 mid-year/3rd quarter review from debt service savings.

With the additional ongoing funding, the Board has funded:

- Addition of 4.0 FTEs for Opioid Behavioral Health Therapists for youth (\$520,000);
- Continuation of the inspections of committed affordable housing units (\$150,000);
- Support of the County's agreement with IAFF (\$11,600);
- Support of the County's agreement with ACOP (\$520,000);
- Restoration of the proposed cut to DES Rock-n-Recycle (\$20,000);
- Addition of 1.0 FTE for the Department of Human Services management team (\$180,000);
- Restoration of the proposed cut of the County Manager's Office Environmental Management Specialist position (\$138,184, 1.0 FTE);
- Funding to support Clarendon Alliance (\$60,000), Columbia Pike Partnership (\$60,000), and the Langston Boulevard Alliance (\$60,000);
- Additional funding for AHIF (\$4.8 million ongoing, \$770,408 one-time);
- Support for Culpepper Gardens (\$145,908);
- Additional DPR Out of School Time programming and staffing (\$95,000);
- Funding to create an additional DHS Probation and Parole position halfway through the fiscal year (\$47,500, 1.0 FTE); and
- Increases to Board salaries (\$62,000).

Additionally, the County Board has allocated one-time funding for:

- Eviction prevention (\$1.0 million);
- Staffing support for DHS Public Assistance Bureau VDSS recertification (\$0.5 million);
- Support of the County's agreement with IAFF (\$62,200);
- Funding to continue the increased increment for overtime funding for both Police (\$451,980) and Sheriff overtime (\$79,020) related to maintaining minimum staffing;
- Support for Arlington Independent Media (\$125,000);
- A contribution to the Capital Area Food Bank (\$25,000); and
- As noted above, additional funding for AHIF (\$4.8 million ongoing, \$770,408 one-time).

An additional technical change to FTEs includes the addition of a 0.5 FTE in Human Resources for Employee Assistance Programs, funded from a reallocation of non-personnel funding.

The County Board also added \$0.8 million of ongoing funding for Arlington Public Schools from midyear/third quarter. The total FY 2024 transfer to the Arlington Public Schools from the County is \$608.2 million:

- \$594.4 million in ongoing, a \$30.5 million increase or 5% compared to FY 2023 and
- \$13.8 million in one-time funding.

The Resolutions in attachment I and II are based on maintaining the existing base real estate tax rate at \$1.013 per \$100 of assessed property value, maintaining the sanitary district tax rate by at \$0.017 per \$100 of assessed property value to support stormwater improvements, and maintaining the existing transportation capital rate at \$0.125 per \$100 of assessed property value (for property zoned for commercial and industrial uses) to support the operating and capital budget for the transportation capital fund.

The County Manager's Recommendation #3 addresses grant agreements with non-profits. The FY 2024 budget includes grant funding for non-profits. These grants are awarded in accordance with established County regulations and procedures and disbursed throughout the year. Since these funds will have already been appropriated by the Board to be spent on non-profits, this authorization would allow the County Manager to sign agreements, with the County Attorney's approval of the agreements as to form, and without a need for individual board reports requesting permission on each grant contract.

The fourth County Manager recommendation is a technical adjustment to allocate the funding for bonuses to department budgets.

PUBLIC ENGAGEMENT: A public hearing was held on the budget and tax rates on March 28 and March 30, 2023.

FISCAL IMPACT: The FY 2024 budgeted expenditures are balanced within projected revenues.

FISCAL YEAR 2024 COUNTY BUDGET RESOLUTION

Be it resolved by the County Board of Arlington County, Virginia, that the following Budget is hereby adopted for the Fiscal Year 2024 and that any surplus for general County purposes remaining at the end of the Fiscal Year shall return to the General Fund of the County.

GENERAL FUND:

County Board	2,139,035
County Manager	6,999,431
Management and Finance	10,325,435
Technology Services	30,244,185
Human Resources	11,809,566
County Attorney	4,326,676
Circuit Court	1,304,000
Clerk of the Circuit Court	4,603,124
General District Court	444,273
Juvenile and Domestic Relations Court	8,169,508
Commonwealth's Attorney	6,284,052
Office of the Magistrate	30,832
Office of the Public Defender	386,120
Sheriff	50,472,307
Commissioner of the Revenue	6,474,444
Treasurer	8,179,168
Electoral Board	2,122,578
Public Safety Communications and Emergency Management	14,606,420
Police	84,482,541
Fire	76,038,716
Environmental Services	119,265,119
Human Services	185,258,060
Libraries	17,869,203
Economic Development	9,965,394
Community Planning, Housing & Development	12,621,708
Parks and Recreation	57,362,307
Non-Departmental	64,309,392
Debt Service	79,531,024
Regionals / Contributions	7,794,143
METRO	47,842,394
TOTAL GENERAL FUND BUDGET:	\$931,261,155

OTHER FUNDS:

Ballston Quarter Tax Increment Financing	1,841,669
Travel and Tourism	2,646,700
Ballston Business Improvement District	1,476,793
Rosslyn Business Improvement District	4,545,682
National Landing Business Improvement District	4,742,121
Community Development	3,132,006
Housing Choice Voucher Fund	26,434,579
General Capital PAYG	38,178,080
General Obligation Bonds (Street & Highway, Neighborhood Conservation, Government Facility, Public Recreation, & Transit Facilities Bonds)	77,795,000
Stormwater Management	14,208,855
Stormwater PAYG	2,336,552
Stormwater Bond Fund	41,845,000

Transportation	37,374,864
Crystal City Tax Increment Financing	4,379,860
Columbia Pike Tax Increment Financing	1,737,840
Utilities	110,006,856
Utilities Capital	29,075,000
Utilities Bond Funds (Water & AWT Plant Bonds)	36,915,000
Ballston Public Parking Garage	3,396,603
Ballston Public Parking Garage - 8th Level	140,475
CPHD Development	27,781,797
Automotive Equipment	23,239,767
Printing	1,996,021
TOTAL OTHER OPERATING FUNDS BUDGET:	\$495,227,120

TOTAL COUNTY GOVERNMENT BUDGET: \$1,426,488,275

For the operation and maintenance of Public Schools and Community Activities
Facilities to be expended on order of the School Board

School Operating Fund	674,943,776
School Children's Services Act Fund	4,975,000
School Capital Projects Fund	6,776,901
School Debt Service Fund	64,881,485
School Food Services Fund	13,815,415
School Grants & Restricted Programs Fund	18,723,695

Total School and other funds appropriations \$784,116,272

Total Community Activities Fund \$20,221,158

TOTAL BUDGET FOR COUNTY \$2,230,825,705

GENERAL FUND REVENUES:

Real Estate Tax	882,991,300
Personal Property Tax	142,730,733
Business License Tax	83,280,000
Other Local Taxes	162,163,000
Licenses, Permits and Fees	9,031,300
Fines	6,834,924
Interest, Rents	15,291,430
Charges for Services	69,405,668
Miscellaneous	2,546,377
State Revenue	89,847,550
Federal Revenue	23,123,142
Other Transfers In	10,022,473
Prior Year Balance (Revenue & County Exp. Savings)	54,363,090
TOTAL GENERAL FUND REVENUES:	\$1,551,630,987

Total Other Operating Fund Revenues \$679,194,718

TOTAL REVENUES FOR COUNTY \$2,230,825,705

FISCAL YEAR 2024 COUNTY APPROPRIATIONS RESOLUTION

Be it resolved by the County Board of Arlington County, Virginia, that the following appropriations are hereby made for the Fiscal Year 2024, and that any surplus for general County purposes remaining at the end of the Fiscal Year shall return to the General Fund of the County. For other funds, such as capital funds and certain restricted funds, the appropriations designated for these funds, unexpended as of June 30, 2023, are hereby reappropriated to those funds to the following fiscal year. The reappropriation of the funds is in addition to the appropriations listed in Attachment II. This section applies to all existing appropriations for the capital and restricted funds on June 30, 2023 noted below with an asterisk (*) and for all Bond Funds.

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County Board	2,139,035
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TOTAL APPROPRIATIONS FOR COUNTY**\$2,230,825,705**

FY 2023 ALLOCATION OF FUNDING FOR BONUSES

FUND / DEPARTMENT / PROJECT	<u>Bonus to all</u>	<u>Front Line Bonus</u>	<u>TOTAL</u>
General Fund:			
County Board Office	27,046	-	27,046
County Manager's Office	60,812	4,049	64,861
Department of Management and Finance	116,384	-	116,384
Human Resources	117,672	3,824	121,496
Department of Technology Services	167,394	5,387	172,781
County Attorney's Office	28,258	1,294	29,552
Commissioner of Revenue	102,271	-	102,271
Treasurer	111,004	6,675	117,679
Electoral Board	16,730	4,029	20,759
Circuit Court Judiciary	19,308	4,182	23,490
Clerk of the Circuit Court	69,381	6,394	75,775
General District Court	2,341	1,503	3,844
Juvenile and Domestic Relations Court	95,318	17,612	112,930
Commonwealth's Attorney	87,105	17,380	104,485
Sheriff's Office	595,845	310,518	906,363
Police Department	976,457	493,199	1,469,656
DPSCM	141,782	36,141	177,923
Fire Department	950,802	534,782	1,485,584
Department of Environmental Services	729,598	200,454	930,052
Department of Human Services	1,448,557	129,376	1,577,933
Libraries	228,558	56,417	284,975
Arlington Economic Development	82,813	-	82,813
Department of Community Planning, Housing & Development	164,957	8,054	173,011
Department of Parks & Recreation	554,976	156,744	711,720
Non-Departmental	(6,895,369)	(1,998,014)	(8,893,383)
GENERAL FUND TOTAL	-	-	-