

March 15, 2017

Members of the County Board:

As directed at the February 23rd County Board meeting, the following list includes options for budget reductions for your consideration. Your direction asked for options equivalent to a one cent tax rate increase, resulting in \$7.4 million in ongoing reductions and approximately \$3.7 million in one-time reductions. The options presented also share the responsibility of budget reduction options with Arlington Public Schools.

As I prepared my proposed budget this year, I gave serious thought to the impact on our taxpayers given the rise in real estate assessments in January. I have repeated in my discussions with the Board and public that raising taxes is not the ideal scenario. However, given the significant demands anticipated for Metro, the continued rise in our school population, and the service demands of a growing population it was difficult to meet all the needs of the community within the current tax rate. In the three weeks since I proposed the budget, the pressures from Metro have only increased.

Putting together budget reduction options is always difficult, particularly given the potential impacts on the workforce and the community, and the compressed schedule of this assignment. The options presented affect a range of County programs. Unlike prior years when cuts were formulated over several months and proposed in February, I have not been holding positions vacant in anticipation of these new proposed reductions. Several of the included proposals will impact filled positions in our workforce.

I am pleased that we are continuing our conversations on my proposed budget which already included close to \$3 million in reductions and reallocations. I look forward to our work over the next 5 weeks before budget adoption on April 22.

Mark Schwartz

County Manager

FY 2018 Proposed Budget Reductions for County Board Consideration

	Description	NTS Reduction (Ongoing)	NTS Reduction (One-time)	Positions
Selected Additions in the FY 2018 Proposed Budget				
Arlington Economic Development (AED)				
1.	<p>Staffing: Eliminate BizLaunch Small Business Development Manager</p> <p><i>Description of Current Service:</i> This position was added in the FY 2018 Proposed budget to support retention and outreach of small businesses with a particular focus on child care providers. This position provides capacity for key program activities that have been identified as the number one priority among business leaders in the 2016 Arlington Business Survey.</p> <p><i>Impact of Reduction:</i> Eliminating this position request will maintain current BizLaunch services, but without any targeted outreach or events for childcare providers. BizLaunch will not expand its core programming or capacity to assist additional small businesses, and will focus on continuation of SCORE volunteer consulting services, educational and networking events, and its BizLaunch en Espanol programming.</p>	115,698		1.0
Community Planning Housing and Development (CPHD)				
2.	<p>Reduce Lee Highway Planning Initiative funding: Eliminate one-time funding of \$500,000 for Lee Highway Planning in Non-Departmental</p> <p><i>Description of Current Service:</i> In May 2016, the final Lee Highway Visioning Study was completed which detailed the community's vision for Lee Highway. The County Manager included \$500,000 in one-time funding in the FY 2018 Proposed budget to fully fund a community planning process for Lee Highway.</p> <p><i>Impact of Reduction:</i> The total project budget required to complete this planning study is \$750,000. \$250,000 was funded during FY 2016 closeout. Eliminating this funding will require the planning study to be delayed until sufficient funding can be prioritized.</p>		500,000	
County Manager's Office (CMO)				
3.	<p>Staffing: Eliminate Joint Facilities Advisory Committee (JFAC) support Position</p> <p><i>Description of Current Service:</i> This position was added in the FY 2018 Proposed budget to assist the County liaison to JFAC with their task of reviewing the capital facilities needs assessment, capital improvement plans and long range facility planning for both the Arlington County Government and Arlington Public Schools. This position was funded from reducing the Crystal City TIF percentage to 30%.</p> <p><i>Impact of Reduction:</i> Eliminating this position will significantly affect the County's ability to appropriately support JFAC with its task of reviewing the capital facilities needs assessment, capital improvement plans and long range facility planning and may slow down JFAC's anticipated timeline to complete its work plan.</p>	102,508		1.0

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County Attorney's Office (CAO)				
4.	<p>Staffing: Eliminate County Attorney II focused on the County-wide Ethics Initiative</p> <p><i>Description of Current Service:</i> This position was added in the FY 2018 Proposed budget to assist staff in complying with annual disclosures and other requirements of the State Conflicts Act, as well as assist with other Countywide ethics related initiatives.</p> <p><i>Impact of Reduction:</i> Currently there is limited oversight of who in the County is complying with annual disclosure requirements. This position was added to provide standards and quality control to that process and ensure County staff are in compliance, and to provide legal advice on applicable requirements.</p>	152,141		1.0
Department of Environmental Services (DES)				
5.	<p>Street Lights: Eliminate 5 street light positions, 2 vehicles, equipment, and supplies funding for streetlights</p> <p><i>Description of Current Service:</i> In the FY 2018 Proposed Budget the County Manager added 5 positions, two vehicles, equipment, supplies and consultant funds for a trail light inventory to improve response time for routine outages from 30 days to 3 days and for major underground repairs from 4 months to 1 month.</p> <p><i>Impact of Reduction:</i> Eliminating all five positions added in the Proposed Budget will result in repair cycles for routine outages remaining at 30 days and major underground repairs remaining at 4 months. The funding for a trail light assessment will remain.</p>	650,000	180,000	5.0
Department of Human Services (DHS)				
6.	<p>Staffing: Eliminate a School Nurse</p> <p><i>Description of Current Service:</i> In the FY 2018 Proposed Budget the County Manager added a school nurse to restore the ratio of one nurse to every two schools. The School Nurse is funded from savings generated from reducing the Crystal City, Potomac Yard, and Crystal City Tax Increment Financing Area (TIF) from 33 percent to 30 percent.</p> <p><i>Impact of Reduction:</i> Eliminating the School Nurse will put pressure on the ability of existing school nurses to maintain services as enrollment increases and to address the needs of students with chronic health issues.</p>	100,413		1.0

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Department of Management and Finance (DMF)				
7.	<p>Staffing: Eliminate the Capital Coordinator position supporting JFAC</p> <p><i>Description of Current Service:</i> The Capital Coordinator position was added in the FY 2018 Proposed budget to meet the increasing capital needs of the County including assisting with the demand generated by the Joint Facilities Advisory Committee. This position was to begin work on the County's companion to the School's Arlington Facilities and Student Accommodation Plan (AFSAP) – an off-year capital improvement planning document. This was one of the recommendations resulting from the Community Facilities Study. This work would be completed over the next few CIP planning cycles.</p> <p><i>Impact of Reduction:</i> Eliminating this position will decrease the available resources in the Capital Budget program and available support to JFAC and other upcoming capital initiatives. The County's companion analysis to the School's AFSAP will be significantly delayed.</p>	160,000		1.0
Libraries				
8.	<p>Staffing: Eliminate Youth Services Librarian</p> <p><i>Description of Current Service:</i> This position was added in the FY 2018 Proposed budget to assist Libraries with the high growth in youth services demands over the last few years. The County Manager included an additional Youth Services Librarian to enable the department to address growing demand that can no longer be addressed through internal reallocations. This position was funded from reducing the Crystal City TIF percentage to 30%.</p> <p><i>Impact of Reduction:</i> Eliminating this position will directly impact the level of youth services programming that the County is able to deliver.</p>	99,500		1.0
Pay-As-You-Go (PAYG)				
9.	<p>Paving: Reduce one-time funding of \$325,000 for paving in FY 2018</p> <p><i>Description of Current Service:</i> Additional one-time funding of \$650,000 for paving was added in the FY 2018 Proposed budget to accelerate reaching the condition index goal for paving.</p> <p><i>Impact of Reduction:</i> Paving has continued to be one of the top complaints in the <i>Customer Satisfaction Survey</i> from residents for the past several years. Eliminating a portion of this additional one-time funding will reduce funding for road hot mix overlay and will slow progress of achieving the improved road conditions. Reducing funding will lessen the opportunity to accelerate repair work.</p>		325,000	

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10.	<p>Land Acquisition: Reduce one-time funding for land acquisition by \$411,856</p> <p><i>Description of Current Service:</i> Additional one-time funds of \$2.0 million were added in the FY 2018 Proposed budget to allow for land acquisition opportunities to help further County goals for both park and non-park land.</p> <p><i>Impact of Reduction:</i> The County continues to require park and non-park land to meet the many growing needs of our residents and staff. Currently, there are several potential opportunities that meet some of the ongoing program needs. Reducing the one-time funding affects the availability of resources to be able to swiftly respond to these opportunities as they arise.</p>		411,856	
Sheriff				
11.	<p>Staffing: Eliminate 7 Sheriff positions</p> <p><i>Description of Current Service:</i> The FY 2018 proposed budget included 5 deputies and 2 sergeant positions. These positions were added using savings from the closure of Peumandsend Creek Regional Jail (PCRJ). The positions are part of a multi-year plan to address staffing issues that were identified in the Staffing Analysis completed in Spring 2015. The analysis recommended adding 31 deputies and 10 sergeant positions. In both FY 2016 and FY 2017, 5 deputy positions were added to the Sheriff's Office.</p> <p><i>Impact of Reduction:</i> Eliminating these positions will result in further delay in reducing both overtime and lockdowns due to the need to maintain minimum staffing in the detention facility. Additionally, this reduction will delay the Sheriff's Office from reaching its staffing targets set by the Staffing Analysis.</p>	590,157	62,502	7.0
Subtotal		\$1,970,417	\$1,479,358	18.0

Service Reductions and Efficiencies

Community Planning Housing and Development (CPHD)

12.	<p>Neighborhood College: Eliminate Neighborhood College Program</p> <p><i>Description of Current Service:</i> Neighborhood College develops civic engagement and leadership skills, and is geared toward Arlingtonians who want to become more involved in neighborhood and County-wide issues. Participants learn about all aspects of Arlington County government.</p> <p><i>Impact of Reduction:</i> Neighborhood College is a very popular program. In FY 2016, there were over 100 applicants for the 25 slots in the program. If eliminated, approximately 25 residents will not receive civic engagement and leadership training. Arlington is currently exploring ways to increase engagement opportunities for residents that focus on diversity and encourage residents to become more active in their communities. The goals of this engagement effort are to: encourage residents to become more engaged and informed about their community; provide a resource for the County; increase participation in County initiatives and public processes; increase residents' knowledge of programs/services; and increase the pool of potential volunteer for</p>	50,000		
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	community initiatives, working groups, task forces and commissions.			
13.	<p>Staffing: Eliminate Office Supervisor</p> <p><i>Description of Current Service:</i> The current office supervisor supports the planning division, processes payments, coordinates activities with other divisions, creates public notices and ensures the division operates efficiently.</p> <p><i>Impact of Reduction:</i> The current Office Supervisor is scheduled to retire in March of 2018. Eliminating this position after it is vacated will require the three remaining administrative positions in CPHD to be reassigned additional duties. If this position is eliminated it is proposed that the position be funded with one-time funds until the employee retires in March 2018.</p>	88,527	(58,527)	1.0
14.	<p>Columbia Pike Tax Increment Financing (TIF) Area: Reset the Columbia Pike TIF baseline assessed value of all property in the area to January 1, 2018</p> <p><i>Description of Current Service:</i> The Columbia Pike Tax Increment Financing (TIF) Area was established as a funding mechanism for the Transit Oriented Affordable Housing Fund (TOAH) which was designed to promote affordable housing development within designated boundaries of the Columbia Pike corridor. Affordable housing developers who are applying for Low Income Housing Tax Credits may put TOAH funds toward infrastructure-related items (like underground utilities, tree preservation and streetscaping) and County fees (such as Certificate of Occupancy, building permits and tap fees) to help keep their projects under the Virginia Housing Development Authority total development cost limits and increase competitiveness for tax credits.</p> <p><i>Impact of Reduction:</i> There are no Columbia Pike affordable housing development proposals that have been submitted through the FY 2018 Notice of Funding Availability (NOFA) for County loan funds and therefore staff does not anticipate utilizing FY 2018 TOAH revenue for projects in FY 2018.</p> <p>Unlike a special district, TIF is not an additional or new tax; rather, it redirects and segregates the increased property tax revenues that would normally flow to the General Fund to be used for a specified purpose. The amount of the Columbia Pike TIF was determined by setting a baseline assessed value of all property in the area on January 1, 2014 and in each subsequent year, tracking the incremental increase in assessed values relative to the base year, and segregating the incremental real estate tax revenue generated in a separate fund. Resetting the baseline assessed value in the area to begin CY 2018 would redirect \$881,550 from the Columbia Pike TIF to the General Fund.</p>	881,550		
Department of Environmental Services (DES)				
15.	<p>Staffing: Environmental Management Program position</p> <p><i>Description of Current Service:</i> The Environmental Management Program provides policy direction, planning services, technical</p>	150,000		1.0

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	<p>resources, and administrative and organizational support to the Office of Sustainability and Environmental Management. The position that is proposed to be eliminated supports Community Energy Planning and the implementation of the Community Energy Plan.</p> <p><i>Impact of Reduction:</i> The County's environmental programs are supported by dedicated AIRE funding and general fund support. This proposed reduction eliminates a position funded with general fund tax support and reduces the number of County positions supporting AIRE from eight positions to seven positions. Eliminating this position will require a re-evaluation of workload, environmental program offerings, and community outreach. Additional impact and analysis will be provided later in the budget adoption process.</p>			
Department of Human Services (DHS)				
16.	<p>Housing Grants: Reduce housing grants one-time funding \$536,279</p> <p><i>Description of Current Service:</i> The Housing Grants program provides rental assistance to low-income Arlington residents. These grants cover a portion of monthly rent, depending on household income, household size, and rent amount. The program serves Arlington renters who are: 65 years or older; totally and permanently disabled; working families with at least one child under age 18; and clients and patients of a County-operated or County supported mental health program. Applicants must meet income requirements and personal assets may not exceed \$35,000.</p> <p><i>Impact of Reduction:</i> Due to the declining number of available affordable housing units, the FY18 projection for households served is expected to fall by 30, from 1,241 to 1,211; a 2.4% reduction. The reduced budget of \$8,617,476 is expected to meet current demand. However, if demand is higher than currently anticipated the program may require additional funding.</p>		536,279	
17.	<p>Staffing: Eliminate a Mental Health Supervisor</p> <p><i>Description of Current Service:</i> The Mental Health Supervisor manages a substance abuse outpatient team of 4 clinicians.</p> <p><i>Impact of Reduction:</i> Elimination of this position will require that two substance abuse outpatient teams be merged into one. Management and oversight duties for the existing supervisor will increase from four clinicians to nine. Quality control of documentation and client services will decline.</p>	145,175		1.0
Department of Parks and Recreation (DPR)				
18.	<p>Management Intern: Eliminate the DPR Management Intern</p> <p><i>Description of Current Service:</i> In FY 2016, DPR began utilizing the County's Management Intern program to provide developmental opportunities and to augment staff support. DPR has a system in place for different lines of business to apply for the department's Management Intern on an annual basis.</p>	49,725		1.0

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	<i>Impact of Reduction:</i> By eliminating this funding, several planned research projects and department initiatives will be delayed indefinitely (and potentially permanently).			
19.	<p>Staffing: Eliminate the Health and Movement Programmer Position</p> <p><i>Description of Current Service:</i> DPR teaches healthful living and exercise in daily life. This position is dedicated to promoting and developing programming around exercise.</p> <p><i>Impact of Reduction:</i> This position is currently vacant. By eliminating this position, DPR will lose a key component to its community health outreach and programming. The department will be required to amend its community health practices and eliminate this vital programming aspect.</p>	50,473		1.0
20.	<p>Mowing and Landscaping: Reduce ongoing funding for mowing and landscaping contract costs</p> <p><i>Description of Current Service:</i> The County currently mows each year from April 1 through November. In addition, the current landscaping contract services priority 3 and 4 level landscaping beds throughout the County, totaling approximately 76,000 square feet.</p> <p><i>Impact of Reduction:</i> By reducing the mowing contract by \$50,000, mowing would start two weeks later and would end two weeks earlier during the mowing cycle each year. In addition, a reduction of \$125,000 on the landscaping contract would result in no monthly contractor visits for priority 3 and 4 level landscaping beds and would require DPR staff time. This would pull attention away from the priority 1 and 2 landscaping beds, currently under staff supervision.</p>	175,000		
21.	<p>Trail Snow Removal: Eliminate Multi-Use Trail Snow Removal</p> <p><i>Description of Current Service:</i> As of FY 2015, DPR assumed responsibility for snow clearing on the County's major multi-use commuter trails. This responsibility extends to almost 10 miles of high-volume, multi-use trails during the snow season and include the following: 5.2 miles of the Custis Trail from Lynn Street to the W&OD Trail; 1.25 miles of the Bluemont Junction Trail; 2.25 miles of the Four Mile Run Trail; and 0.4 miles of the Route 110 Trail. The County's goal is to give these multi-use trails the same snow removal priority and response time as primary arterial streets. This snow removal is accomplished by using two specialized vehicles to treat and plow in small spaces and run with three-man crews.</p> <p><i>Impact of Reduction:</i> By eliminating the staff and equipment budget related to trail snow clearing, these major multi-use commuter trails will not be cleared of snow during major snow events at the top priority level. Snow removal will only begin after parking lots and other DPR assigned street routes are cleared.</p>	50,700		0.25
Department of Technology Services (DTS)				
22.	Internet Circuits: Reduce the number of County and APS internet circuits	120,000		

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	<p><i>Description of Current Service:</i> Arlington County and Arlington Public Schools currently have a total of four internet circuits. Reducing and sharing two circuits results in an estimated savings of \$120K annually.</p> <p><i>Impact of Reduction:</i> There will be no impact to service levels. It will require APS and the County collaboratively planning for future needs.</p>			
Libraries				
23.	Reduce Hours at Glencarlyn Library	218,179		2.0
	<p><i>Description of Current Service:</i> The Glencarlyn library serves the Glencarlyn neighborhood community and is open six days a week.</p> <p><i>Impact of Reduction:</i> The branch would only stay open Wednesdays (1pm-9m) and Saturdays (10am-5pm). A Librarian Supervisor and Library Assistant would be eliminated. Story hour will continue to be held on Wednesdays at this location.</p>			
Subtotal		\$1,979,329	\$477,752	7.25

	Description	NTS Reduction (Ongoing)	NTS Reduction (One-time)	Positions
Arlington Public Schools				
24.	Recommended Additional School Reductions	3,452,286	1,707,890	
	<p>The County Manager is recommending APS take a combination of efficiencies and reductions in the amount of \$3.5 million in ongoing and \$1.7 million in one-time funding. This amount represents the School's proportional share, in line with the principles of revenue sharing, of the 1 penny of budget reductions requested by the County Board.</p> <p>The Superintendent detailed three tiers of reductions totaling \$12.2 million in his FY 2018 Proposed Budget.</p>			
Subtotal		\$3,452,286	\$1,707,890	
Total Reductions		\$7,402,033	\$3,665,000	25.25