



## *Fiscal Year 2018 Budget Message to the Residents of Arlington County*

The FY 2018 Adopted Budget includes a modest one-and-a half cent real estate tax rate increase on the property tax rate needed to fund the extraordinary needs of Metro and Arlington Public Schools. The Board chose to make select budget reductions and reallocations to the County Manager's proposed budget to mitigate the real estate tax rate increase. The tax rate increase is 100 percent dedicated to Metro and Schools; reflecting that the County Board was able to fund the County's continuing service demand increases within the existing tax rate. The County Board was able to fund the increasing needs of public safety, housing needs, land acquisition and core infrastructure investment and other key services by focusing on internal budget reallocations.

We appreciate the time so many Arlingtonians took to share their thoughts with the Board. Hearing the priorities of the community was extremely important to us as we finalized the budget. Highlights of the FY 2018 Adopted Budget include:

**Tax Rate Increase** – County Manager Mark Schwartz had proposed a two-cent increase in the real estate tax rate to provide additional funding for Metro and Arlington Public Schools. The Board chose to make budget reductions and reallocations to the Manager's proposed budget to keep the increase to one-and-a-half cents per \$100 of assessed property value. This will increase the tax rate from the current \$0.991 per \$100 of assessed value to \$1.006 per \$100 of assessed value (including stormwater tax).

**Arlington Public Schools** – Our schools continue to be among the top in the nation and the County Board increased the tax rate to help address budget pressures from growing enrollment. The County's funding for Schools will increase by \$23.3 million over the current year, to \$490.3 million in ongoing and one-time funding, which includes the portion of the tax rate increase approved by the Board.

**METRO** – Metro is key to the County's commercial corridors and our economic development strategies. The adopted budget includes a substantial \$14 million increase in County funding for Metro. Including local sources and the County's share of state transit aid, this brings the County's total operating support for Metro to \$71 million annually.

**Public Safety** – Critical to Arlington's success is the safe and secure community our residents and visitors enjoy. The Board increased funding for public safety, adding seven new Sheriffs, three more Emergency Communications Center call takers and three police patrol officers, as recommended by the Manager. The Board funded two large recruit classes for the Fire Department to meet current needs and projected attrition.

**Columbia Pike and Lee Highway** – The Board put money into Columbia Pike revitalization and Lee Highway planning, noting the importance of these two corridors that lie outside the County's Metro corridors.

The Board approved \$200,000 in new funding for the Columbia Pike Revitalization Organization (CPRO) non-profit, which partners with the County to spearhead revitalization along the Pike. The new funding brings the County's total support for CPRO to \$400,000 for FY 2018. The Board also approved \$150,000 for a County retail and marketing study to identify strategies for stimulating economic development along the Pike. The Board allocated \$60,500 for the non-profit Lee Highway Alliance, a grassroots partner with the County in long-term planning efforts along Lee Highway.

**Funding land acquisition, road paving, and infrastructure maintenance** – The Board approved \$4 million for land acquisition, \$2 million more than the Manager had proposed. The Board also approved a \$1.23 million increase in funding for road paving, bringing that funding to a total of \$15.2

million. The Board funded \$3.5 million for county facility maintenance and synthetic turf fields. The County will significantly improve its streetlight maintenance program in FY 2018, adding three positions (two less than the Manager had requested), equipment, and supplies to improve repair time for streetlights across the County. The County also will conduct a trail light inventory assessment.

**Transit fare increases** - The Board voted to hold a public hearing at its May 20, 2017 meeting on proposed fare increases for Arlington Transit (ART) and Specialized Transportation for Arlington Residents (STAR), the County's transit service for persons with disabilities. The increases, consistent with Metrobus fare increases, are meant to help offset increasing operating expenses. The proposal includes raising the ART adult fare from \$1.75 to \$2 and the ART discount fare for seniors, students and persons with disabilities from \$0.85 to \$1.00. The proposal also would extend the ART discount fare for students (called iRide) to include those in elementary schools. If adopted, the fare increases will be effective July 1, 2017.

**Affordable Housing** - The safety net programs that are provided to those most in need continues to be a priority of our community. This year's budget continues that commitment with \$1.3 million in increased funding the Affordable Housing Investment Fund (AHIF) bringing total AHIF funding to just over \$15 million.

**Other County Board Actions and Guidance:**

- As we look ahead to future challenging budget years, the County Board gave the County Manager guidance to present detailed options for **funding Metro through FY 2020** and to engage with APS on their budget development for the purpose of having **APS provide a balanced "anticipated revenue" based budget.**
- The County Manager will provide a recommended process for awarding \$100,000 in grant funds to eligible non-profit organizations providing legal or other emergency services to Arlington residents affected by federal immigration enforcement actions.
- We continue our commitment to a **healthy, sustainable environment** for all Arlingtonians and increased the County's residential utility tax (RUT) by 50 percent to increase funding dedicated for the **FreshAIRE program.** This funds an update to the Community Energy Plan, additional building energy retrofits and shifts the costs of an Environmental Management position from the general fund to this restricted revenue stream. This is the first year of a planned two-year phase-in to increase the RUT to reach the Fairfax County rate.

The FY 2018 budget represents a compromise and a consensus of the Board, and reflects the values of this community - protecting the health and safety of our residents as well as providing quality public education, a safety net for those in need, affordable housing, and environmental sustainability. This budget reflects that both Metro and Arlington Public Schools are vitally important to Arlington County and funding these organizations is an investment in our future. We appreciate the collaborative partnership of the community, advisory groups, and staff that help the County Board build a fair and responsible budget that reflects multiple interests and stakeholders.

Sincerely,



Jay Fiset  
Chair, Arlington County Board