

ARLINGTON COUNTY FISCAL AFFAIRS ADVISORY COMMISSION
REPORT TO THE COUNTY BOARD

FY 2018 PROPOSED BUDGET

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| BUDGET AREA: | Department of Environmental Services |
| FAAC REVIEWERS: | Peter Robertson, Gillian Burgess, Paul Holland, Jessica Olson |
| DATE OF FAAC ACTION: | March 9, 2017 |

Summary of Findings

The County Manager’s proposal calls for a six percent increase over the FY2017 adopted budget, to total \$96,906,253. The challenges faced by the department will only continue to grow, given the breadth of the programs it manages and the increased demands that will be placed on those programs.

FAAC notes, as it has before, that too many of the DES “performance standards” are more accurately described as workload measures. FAAC also notes that some of the performance standards the department uses for management, such as the amount of time to execute projects, are not reflected in public documents, such as the County Manager’s budget. FAAC again encourages the department to continue to seek relevant performance measures that better indicate the achievement of mission success and encourages DES to increase transparency by more fully disclosing those measures that are used in management.

The recommendations included in this FAAC report were made without the benefit of the County Manager’s proposal for the 1% cut. FAAC recommendations may change when presented with that information.

Overall Proposed Budget

| FAAC Recommendation #1 | | | |
|--|---------|-------|------------|
| The FAAC recommends that the County Board approve funding for DES as proposed in the County Manager’s FY18 budget. | | | |
| Vote: | Yes: 11 | No: 2 | Abstain: 0 |
| Comment: | | | |

Streetlights

| FAAC Recommendation #2 | | | |
|--|---|-------|------------|
| The FAAC supports the County Manager's recommendation to provide additional funding and FTEs to achieve improvements in the Streetlight Program. | | | |
| Vote: | Yes: 10 | No: 2 | Abstain: 1 |
| Comment: | <ul style="list-style-type: none">• The FY 2018 proposed budget includes funds for the Streetlight Program (which would include responsibility for trail lighting), the five additional FTEs (a program manager, a design engineer, and three additional staff to handle daily workload), two vehicles, equipment, and supplies for the program, as well as consultant funds for a trail light inventory. The total cost for these recommended program additions in FY 2018 is \$910,000, of which \$260,000 is one-time funding.• There is lack of clarity about whether DES will take on the responsibility for trail lighting if the department does not receive the proposed increased funding. This should be explicitly addressed. | | |

Stormwater Management Fund

| FAAC Recommendation #3 | | | |
|--|--|-------|------------|
| The FAAC supports the County Manager's proposal of \$10,159,660 for the Stormwater Management Fund, ensuring continuing compliance with the requirements of the County's Municipal Separate Storm Sewer System (MS4) permit. | | | |
| Vote: | Yes: 12 | No: 1 | Abstain: 0 |
| Comment: | <ul style="list-style-type: none">• The Stormwater Management Fund budget would increase by 4%, allowing the County to increase the number of private water quality facilities inspected by one third, while maintaining the pace of storm sewer inspections, illicit discharge investigations, street lane miles swept, and linear feet of small storm sewer installed. | | |

Solid Waste

| FAAC Recommendation #4 | | | |
|---|---------|-------|------------|
| The FAAC recommends that the County Board approve the County Manager's proposal for funding for the Solid Waste Bureau of \$14,268,104, with an increase in the Household Solid Waste rate of \$6.88/year to \$314.16/year/household. | | | |
| Vote: | Yes: 11 | No: 2 | Abstain: 0 |

FAAC Recommendation #4

Comment:

The county's overall recycling and diversion rate, as confirmed by Virginia DEQ, will be over 50% for the first time since CY2013.

Future Considerations

Arlington's MS4 permit will expire midway through 2018. The two five-year permitting periods that follow will require significantly larger pollution reductions in Arlington's share of pollutant loading to the Chesapeake Bay. Given these requirements, and potential additional capital requirements, an increase in the stormwater tax rate and increasing expenditures on stormwater-related activities will likely be required in outyears.

DES continues to develop better linkage between operating and capital budgeting. They seek to better balance the revenue and program input with organizational throughput and to develop a strategy to address the capital backlog.

DES is also looking to improve the project execution process and the communication process with the community. Recent DES activities, including the focus on PCE and streetlight improvements, have been driven by citizen surveys conducted by the county. The next survey will likely be scheduled for 2018.

Lack of space for support facilities, such as vehicle and materials storage, continues to be a concern. In addition to engaging with the Joint Facilities Advisory Commission, DES could pursue partnerships with federal agencies to meet this goal.