

ARLINGTON COUNTY CIVIC FEDERATION
 Revenues & Expenditures Committee
 Resolution on General Fund Available Balance Allocations
 Passed 22-14 by Member Organization Delegates and Alternates
 May 3, 2016

Whereas Arlington County has generated annual budget surpluses averaging almost \$29 million per year over the last 5 years.

(\$ in millions)

<u>End of Fiscal Year</u>	<u>General Fund</u> <u>Balance*</u>	<u>Restricted</u> <u>Balance**</u>	<u>Available Balance</u> <u>(surplus) ^[1]</u>
2015	\$200.3	\$178.5	\$21.8 million
2014	\$233.1	\$203.3	\$29.8 million
2013	\$199.6	\$174.0	\$25.6 million
2012	\$191.5	\$155.0	\$36.1 million
2011	\$160.8	\$129.0	\$31.8 million
		Total:	\$145.1 million

(The accounting above is derived from the County's annual audited financial statements ("CAFR") and uses the same methodology as the County for determining 'available balances'.)

*General Fund Balance = balance at beginning of fiscal year + revenues received – fiscal year's expenditures.

**Restricted Balance: Specific funds, reserves, encumbrances and obligations previously approved by the County Board.

Whereas these surplus funds are available to support any item in the General Fund budget.

Whereas there is little transparency associated with apportionment of surplus amounts;

Whereas Arlington County holds cash reserves equal to at least 5% of general government expenditures totaling in excess of \$104 million as of FY2015;

Whereas residential real estate/property taxes on an average single-family home in Arlington County have risen from \$4,397 in 2007 to \$6,011 in 2016^[2]—an increase of \$1,614 or more than 3.5% per year at an average compound rate.

Therefore, be it resolved that the Arlington County Civic Federation urges the Arlington County Board to annually consider setting aside a fair and reasonable amount of any surplus for the reduction of real estate taxes. (Using the \$21.8 million FY2015 closeout balance as an example, an allotment of approximately \$7 million for tax relief would have allowed roughly a 1-cent reduction in the real estate tax rate.)

Be it further resolved the Arlington County Civic Federation urges that any apportionment of any annual available balance be subject to a transparent and robust public process, including written proposals by the County Manager sufficiently in advance of any final decision, one or more public hearings before the County Board and adequate opportunity for written comment, and final decision by the County Board at

one of its monthly meetings.

[¹] County Manager's Fiscal Year 2017 Proposed Budget, p. 113 (book)

[²] Closeout Reports in County Board Meeting Agendas: November 19, 2015, Item 42; November 18, 2014, Item 31; November 13, 2013, Item 29; November 17, 2012, Item 28; November 29, 2011, Item 41; "Search Archives" at http://arlington.granicus.com/ViewPublisher.php?view_id=2

The amended resolution was approved by the members of the Revenues and Expenditures Committee by a vote of 7 for, one against and one abstention, as follows:

For: Burt Bostwick, Suzanne Sundburg, Duke Banks, Tim Wise, Frank Emerson, Roger Morton, Terry Showman

Against: Paul Holland

Abstaining: Jerry Auten