

County Manager's Proposed FY 2025 Budget



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IMPACT OF TAX AND FEE CHANGES

	FY2022	FY2023	FY2024	FY2025 MGR	FY2025 BOARD	\$ CHG FY25/24 (BOARD)	% CHG FY25/24 (BOARD)
Real Estate Tax (excludes Sanitary District Tax)	\$7,338	\$7,726	\$8,089	\$8,478	\$8,560	\$471	5.8%
Stormwater Utility Fee (formerly Sanitary District Tax **)	123	130	136	258	258	122	89.7%
Personal Property **	1,137	1,224	1,182	1,123	1,123	(59)	-5.0%
Vehicle License Fee **	66	-	-	-	-	-	-
Refuse Fee ***	319	308	406	416	416	10	2.5%
Water and Sewer Service ***	711	742	788	826	826	38	4.8%
Residential Utility Tax ***	72	72	72	72	72	-	-
TOTAL	\$9,766	\$10,202	\$10,673	\$11,173	\$11,255	\$582	5.5%

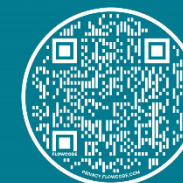
* Effective January 1, 2024, the County Board voted to repeal the sanitary district tax of \$0.017 per \$100 of assessed value and replaced it with a new stormwater utility fee of \$258 per equivalent residential unit (ERU). The majority of homes in the County are one ERU or under so for FY2025, the average homeowner will pay \$258 or less.

**Assumes two conventional vehicles per household, the approximate average number of vehicles owned per Arlington household. The personal property tax figures do not reflect the PPTRA subsidy for personal property tax relief. For FY2023, the average tax bill assumes a one-time assessment ratio of 88% adopted by the County Board. The vehicle license fee was permanently eliminated with the FY2023 adopted budget.

*** Water and Sewer rate reflects 48 thousand gallons of water consumption, a revision in FY2022 of average usage. Historical costs also reflects this assumption. Residential utility tax assumptions are based on the ceiling tax roles.



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\$1.62B Budget

4.7% Increase (\$72M)
from FY 2024 Adopted

\$10.1M in Cuts to
Balance the Budget

33 position cuts
Includes both filled and vacant

Budget Overview: By the Numbers

- 4.4% growth in overall tax revenue
- 2.5% growth in real estate property assessments

**Proposed Property
Tax Rate**
\$1.028 per \$100 of
Assessed Value

- A 1.5¢ tax rate increase, plus elimination of the 1.7¢ stormwater rate
- New stormwater utility annual fee

**Fiscal Year 2025
Begins July 1, 2024**



Racial Equity

Arlington County applies an equity lens to budget priorities and decisions.
Who benefits? Who is burdened? Who's missing? How do we know?

Housing Investments

\$110M (8% of the County's budget)

Direct assistance to stabilize households and improve housing conditions

- \$26.6M for Housing Choice Vouchers, ↑ \$0.2M from FY 2024
- \$15.1M for Housing Grants (includes a pilot for youth aging out of foster care), ↑ \$0.7M from FY 2024
- \$5.7M for Permanent Supportive Housing, ↑ \$0.3M from FY 2024
- \$5.0M for Real Estate Tax Relief for the Elderly, Disabled, and Disabled Veterans
- \$4.9M for Shelters for the Homeless, Transitional Housing, and for Survivors of Domestic Violence
- \$2.3M for Eviction Prevention (transition to ongoing funding), ↓ \$2.3M from FY 2024



Affordable Housing Supply

- \$20.5M for the Affordable Housing Investment Fund (AHIF)
↑ \$5.2M from FY 2024
◦ \$10.5M ongoing & \$10M one-time
- \$15M for Barcroft debt buydown plus \$2M dedicated from the Columbia Pike Tax Increment Financing Area

Environmental Sustainability

+ \$1.0M funding for the Climate Action Fund to invest in our facilities and provide funding for pilot programs
+ \$1.0M in tree maintenance, supporting a 5-year maintenance cycle
+ \$300,000 to address emerging invasive threats to Arlington County natural lands

Funding for 23 electric vehicles in continued fleet transition efforts

\$1.5M for capital investments in energy performance and renewable energy installation in County facilities, and increasing the number of vehicle chargers in Arlington



Investments in Schools

\$626.5M

- \$621.1M in ongoing funding to Arlington Public Schools (APS), a 4.5% increase over FY 2024
- 46.8% of local tax revenues are provided to APS for FY 2025
- PLUS \$5.4M in one-time funds to APS



Investments in Teens

\$1.2M dedicated to teen mental health and substance use intervention, prevention, and education, in addition to \$750,000 in one-time funding

- **Intervention:** Additional programs to provide direct services for teens in crisis
- **Prevention:** Provide afterschool programming and raise awareness of Adverse Childhood Experiences (ACEs)
- **Education:** Enhance communications and engagement for existing programming and services for teens



Workforce Investments

The budget invests in the County workforce through **employment compensation increases, a new pay plan, and a new retirement program.**



Timeline

- **March 5 to April 16** Budget Work Sessions with County Departments
- **April 2** Public Hearing on Budget*
- **April 4** Public Hearing on Tax Rates*
- **April 20** FY 2025 Budget Adoption
- **July 1** FY 2025 Begins

*Registration to sign up for public comment opens five business days before the public hearing dates.



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“Therefore be it resolved that the Arlington County Civic Federation (ACCF) urges the Arlington County Board to include a provision in its annual budget guidance to the County Manager requiring the manager to take into account the impact of the effective tax rate increase (i.e., increased assessment plus the nominal/base tax rate) on county residents—especially vulnerable populations—and businesses in order to balance new spending with reasonable mitigation of the growing tax burden.”

-ACCF Resolution, April 2022

Our challenge for the evening:

- **What do we suggest as priorities for staff time given a constrained fiscal environment?**
- **How do we ensure that our budget suggestions support a workplan that achieves those priorities we have identified?**

A few general ideas:

- Utilize the community-funded tree canopy study update rather than commission a new study.

POTENTIAL SAVINGS \$150k

- Reallocate funds earmarked by the County Manager for an unexplained “contingent” for the low-census Northern VA Juvenile Detention Center, which the state may close due to excess capacity.

POTENTIAL SAVINGS \$200k

- Eliminate 150 FTEs of the 200+ added in FY2022 and FY2023 that remain unfilled. Exempt unfilled auditor, revenue-generating and public safety (police/fire/EMS/sheriff's department) positions.

POTENTIAL SAVINGS \$13.5m