

ENVIRONMENT AND ENERGY CONSERVATION COMMISSION

c/o Department of Environmental Services 2100 Clarendon Blvd., Suite 705 Arlington, VA 22201

November 13, 2017

The Honorable Jay Fiset, Chair
Arlington County Board
2100 Clarendon Blvd.
Arlington, VA 22201

Subject: Priorities for the County Manager's FY2019 Proposed Budget

Dear Chair Fiset:

We had the opportunity to attend a budget discussion with Mark Schwartz and other Commission representatives to provide input to the FY2019 proposed County budget. While E2C2 typically provides input in February or March once the proposed budget is issued, we would like to bring up two high-priority issues critical to the County's progress on environmental and energy issues:

- Use of Residential Utility Tax (RUT) Funding: The County's Residential Utility Tax (RUT) was designed to fund the Arlington Initiative to Reduce Emissions (AIRE) program, which supports successful implementation of the Community Energy Plan. In FY2018, the RUT was increased by 50%, with a second phase increase to occur in FY2019 to match the Fairfax County rate, a move supported by E2C2. However, we were surprised when the revenue from the RUT increase was split between the County's funding of the AIRE program and Arlington Public Schools' (APS) general fund. While E2C2 recognizes the budget pressures faced by APS, using RUT funds for the general APS budget (not specifically earmarked for renewable energy or energy efficiency projects) is inconsistent with the original intent of the RUT to provide a dedicated funding stream for the AIRE program. Because the RUT is a utility tax levied on all residents, E2C2 believes that the proper recipient of such funding would be the AIRE program, which has a broad mission to serve the entire County through energy-related programs. E2C2 believes the revenue-sharing was an unintended consequence of the FY2018 guidance and reminds the County Board that in past years, 100% of RUT-generated funding was earmarked for the AIRE program. Additionally, the County Board approved the "Resolution on Climate Action" in June 20, 2017, stating that "Arlington County has strengthened our commitment to climate action by designating 100 per cent of the revenues generated from the Residential Utility Tax to support achievement of the goals in our Community Energy Plan." The resolution makes no mention of the revenue split with APS. **E2C2 recommends that from FY2019 onward, the County Board dedicate all funding generated from the RUT specifically for energy efficiency and renewable energy purposes in support of the CEP.** Of note, since 2012, the APS Superintendent's Advisory Committee on Sustainability (SACS), with support from the APS Energy Manager and Stormwater Program Administrator, has advocated for a green revolving fund or other enhanced

funding source for energy efficiency projects in APS. There may be potential to explore collaborative energy-related funding opportunities for APS through the AIRE program. We understand that a long-term solution to this issue may require further discussion and would welcome the opportunity to participate in those discussions.

- Bicycle and Pedestrian Programs Manager Position in DES: The County recently lost one of its two bicycle and pedestrian planners, David Goodman, to Fairfax County and his position is currently vacant. Given the importance of cycling and walking to the economic and social vitality of our community (in addition to the myriad air quality, health, and energy saving benefits), we ask that the County preserve this position and recruit top talent to replace Mr. Goodman.

We appreciate your consideration of these priorities as the FY19 budget takes shape.

Respectfully,

A handwritten signature in black ink that reads "Christine Ng". The signature is written in a cursive, flowing style.

Christine Ng
E2C2 Chair

CC: Mark Schwartz, County Manager
Cathy Lin, APS Energy Manager