

**DIRECTION TO THE COUNTY MANAGER  
FOR PREPARATION OF THE FY 2024 BUDGET**

**Adopted December 17, 2022**

The County Board directs the County Manager to prepare a FY 2024 budget that is responsive to the needs of our community as it emerges from the pandemic, while also reflecting the constraints of our challenged commercial tax base and volatility in residential real estate.

The budget should follow the County's vision; be consistent with the Equity Resolution; ensure long-term financial sustainability; preserve the County's triple-AAA bond ratings; and fully fund all debt, lease and other contractual commitments including those "subject to appropriation" in the base budget.

Preliminary indications from the County Manager project a significant gap between projected revenues and necessary expenditures for FY 2024, currently estimated at \$35 million. Given the uncertainty of the revenue forecast and expenditure / inflationary pressures, the County Manager is directed to propose a balanced budget that provides options for the County Board's consideration, including:

1. Service and program efficiencies, including options for service delivery reductions and eliminating programmatic activities that are no longer priorities.
2. Prudent utilization of one-time funding with the intent of phasing out this use within the next two fiscal years.
3. Full funding of the tentative collective bargaining agreements reached this past year, consistent with the good faith resolutions considered by the County Board. For employees who are not covered by a bargaining unit, present compensation proposals that are consistent with the County's Total Compensation Philosophy.
4. Include funding and/or present funding options for, the following affordable housing priorities:
  - a. Eviction prevention
  - b. Housing grants, including an update on initial policy options being developed as part of the housing grants study for implementation in FY 2025
  - c. Maintaining ongoing level of funding for AHIF
5. Provide funding to Arlington Public Schools consistent with the Principle of Revenue Sharing and apply the County/School revenue allocation reflected in the FY 2023 adopted budget (53.2% County / 46.8% Schools).

The Board further directs the Manager to provide programmatic updates on the following priorities as part of the proposed FY24 Budget:

- A. Stormwater utility fee proposal for adoption as part of this year's budget but for implementation in FY 2025

- B. Resources needed for continued support and possible expansion of collective bargaining
- C. Continued investment needs in mental health services, specifically in recruitment and retention of mental and behavioral health professionals, recognizing the regional and national challenges in competing for employees in this field
- D. Continued investment in environmental priorities to further advance the goals of the CEP
- E. Implementation of the Police Practices Group recommendations
- F. Equity Resolution implementation
- G. Long-range sustainability of emergency and ongoing rent relief and aid programs.
- H. Commercial Resiliency, specifically actionable strategies for economic development that fully recognize and respond to the impacts of the work-from-home paradigm shift on Arlington's office vacancy rate.

Finally, as part of the six-year budget forecast, the Board asks the Manager to provide as detailed as possible assessment of revenue and expense trends for FY 2025 with specific attention to WMATA operating needs, commercial real estate values and trends in known expenses.