

*Our Mission: To ensure that safe, energy-efficient, and environmentally friendly vehicles are available to agency staff to accomplish their work/missions*

The Automotive Equipment Fund provides cost-efficient and environmentally sound management support services for the vehicle fleet of Arlington County. These support services include procurement of vehicles, repair and maintenance, fuel and alternative fuels, repair parts inventory, and disposal.

### **SIGNIFICANT BUDGET CHANGES**

The FY 2027 adopted expenditure budget for the Department of Environmental Services' (DES) Automotive Equipment Fund is \$28,293,250, a 49 percent increase from the FY 2026 adopted budget. The FY 2027 adopted budget reflects:

- ↑ Personnel increases due to employee salary increases, an increase in the County's cost for employee health insurance, and retirement contributions based on current actuarial projections. These increases are partially offset by the reduction listed below.
- ↑ Accident repairs increase to align with trends in spending (\$82,700).
- ↑ Replacements increase due to the number and configuration of vehicles replaced in FY 2027 based on mileage, condition, age, and departmental needs (\$9,296,260). A significant portion of this increase is attributed to final delivery of the Fire Department's "Class A" pumpers.
- ↓ Lease purchase and debt service decreases based on the current principal and interest amounts due for public safety vehicles (\$824,337).
- ↑ Transfers to the General Fund increase due to a one-time fund balance transfer (\$544,000).
- ↓ County and school revenue decreases primarily due to a one-time fund balance transfer to Arlington Public Schools that has been credited to their rental book invoice (\$2,000,000), partially offset by increased rental book charges driven primarily by increased cost of vehicle replacements (\$517,532).
- ↓ Transfers from other funds decreases due to the removal of FY 2026 one-time funding from the General Fund (\$476,916).
- ↑ Line of credit proceeds increase primarily due to six new "Class A" pumpers for the Fire Department (\$6,863,934).

### **FY 2027 Adopted Budget Reduction**

#### **Automotive Equipment Fund**

- ↓ Continue Freezing 2<sup>nd</sup> Night Shift Supervisor (\$137,489) - The Automotive Equipment Fund has almost 60 positions that manage and maintain the County and Schools vehicle fleet. The 2nd Night Shift Supervisor position is currently vacant and was frozen in FY 2024 as a budget reduction. The Equipment Bureau in the Auto Equipment Fund has reorganized staffing to accommodate the supervisor vacancy.

**IMPACT:** With the position currently vacant and the reorganization of workload, there is minimal impact expected in FY 2027. However, as the County transitions to an electric fleet and requires new skill sets, staffing levels in the Equipment Bureau may need to be re-evaluated to support a diverse and changing fleet.

**FUND FINANCIAL SUMMARY**

	<b>FY 2025 Actual</b>	<b>FY 2026 Adopted</b>	<b>FY 2027 Adopted</b>	<b>% Change '26 to '27</b>
Personnel	\$6,436,561	\$7,204,699	\$7,432,687	3%
Non-Personnel	5,773,665	2,955,198	2,917,962	-1%
Accident Repairs	494,149	291,200	373,900	28%
Replacements	17,935,935	6,166,611	15,462,871	151%
Lease Purchase & Debt Service for Public Safety Vehicles	1,713,433	2,256,167	1,431,830	-37%
<b>Subtotal</b>	<b>32,353,743</b>	<b>18,873,875</b>	<b>27,619,250</b>	<b>46%</b>
Insurance/Other Transfers	130,000	130,000	674,000	418%
<b>Total Net Expenditures</b>	<b>32,483,743</b>	<b>19,003,875</b>	<b>28,293,250</b>	<b>49%</b>
County & School Revenues	23,956,554	24,023,096	22,540,628	-6%
Sales of Surplus Equipment	1,563,071	300,000	490,000	63%
Miscellaneous Revenues	439,702	500	500	-
Transfers from Other Funds	-	476,916	-	-100%
Line of Credit Proceeds	2,234,422	-	6,863,934	-
<b>Total Revenues</b>	<b>28,193,750</b>	<b>24,800,512</b>	<b>29,895,062</b>	<b>21%</b>
<b>Change in Fund Balance</b>	<b>(\$4,289,993)</b>	<b>\$5,796,637</b>	<b>\$1,601,812</b>	<b>-72%</b>
Permanent FTEs	56.33	56.33	56.33	
Permanent FTEs (Frozen Unfunded)	1.00	1.00	1.00	
Temporary FTEs	-	-	-	
<b>Total Authorized FTEs</b>	<b>57.33</b>	<b>57.33</b>	<b>57.33</b>	

**AUTOMOTIVE EQUIPMENT FUND: FUND STATEMENT**

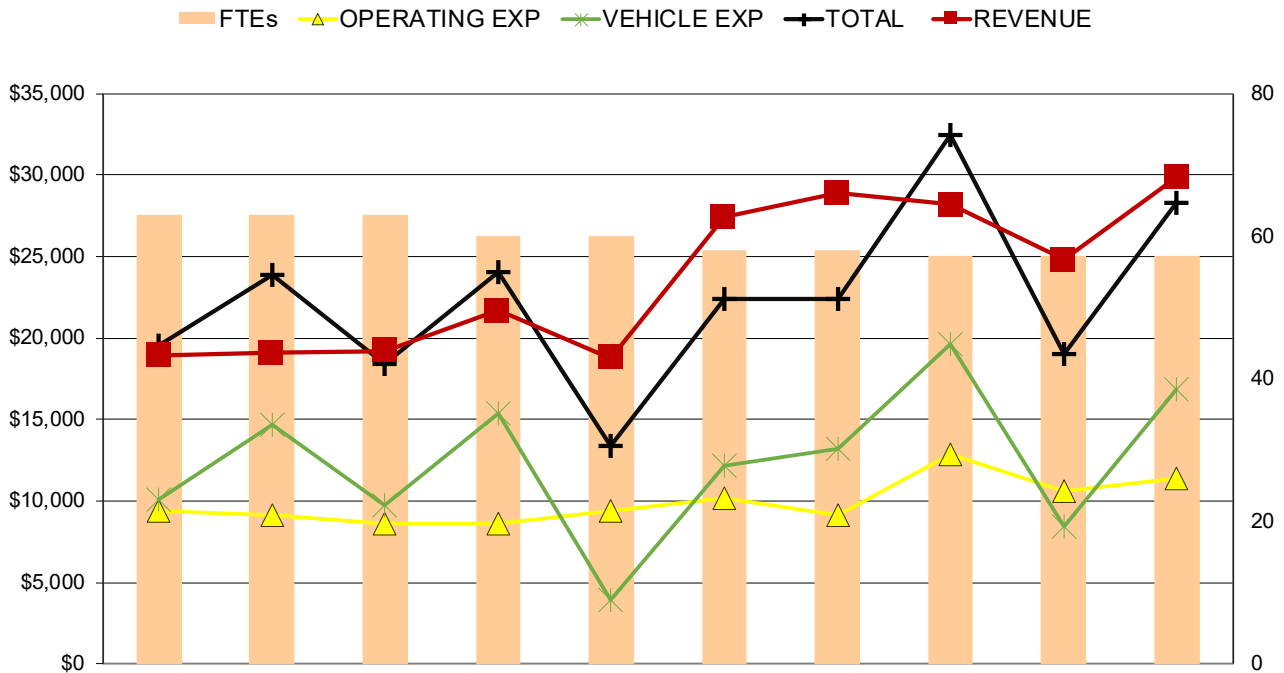
	FY 2025 ACTUAL	FY 2026 ADOPTED	FY 2026 RE-ESTIMATE	FY 2027 ADOPTED
<b>ADJUSTED BALANCE, JULY 1</b>	<b>\$26,923,008</b>	<b>\$12,396,237</b>	<b>\$22,633,015</b>	<b>\$18,728,094</b>
OPERATING RECEIPTS				
Maintenance/Operating Rental Book	6,612,369	7,147,520	7,147,520	7,713,272
Other Maintenance - Non Rental Book	2,740,112	400,000	400,000	400,000
Schools Maintenance/ Operating*	1,906,299	2,593,877	2,593,877	675,937
Other Maintenance - Non Rental Book Schools	81,840	45,000	45,000	45,000
Outside Revenues	439,702	-	-	-
Miscellaneous Revenues	-	500	500	500
CAPITAL RECEIPTS				
County Fleet Replacement & Lease Purchase	10,808,181	11,558,081	11,558,081	11,640,095
Schools Replacement	1,807,753	2,278,618	2,278,618	2,066,324
Sales of Surplus Equipment	1,563,071	300,000	300,000	490,000
<b>TOTAL RECEIPTS</b>	<b>25,959,328</b>	<b>24,323,596</b>	<b>24,323,596</b>	<b>23,031,128</b>
OTHER FINANCING SOURCES				
Transfers in from General Fund	-	339,035	339,035	-
Transfers in from Other Funds	-	137,881	137,881	-
Transfers in from Line of Credit Proceeds	2,234,422	-	-	6,863,934
<b>TOTAL TRANSFERS IN</b>	<b>2,234,422</b>	<b>476,916</b>	<b>476,916</b>	<b>6,863,934</b>
<b>TOTAL RECEIPTS AND TRANSFERS IN</b>	<b>28,193,750</b>	<b>24,800,512</b>	<b>24,800,512</b>	<b>29,895,062</b>
<b>TOTAL BALANCE, CAPITAL RESERVE, RECEIPTS AND TRANSFERS IN</b>	<b>55,116,758</b>	<b>37,196,749</b>	<b>47,433,527</b>	<b>48,623,156</b>
OPERATING EXPENSES				
Administration, Maintenance	10,208,002	7,806,629	7,919,455	8,014,585
Schools	2,496,373	2,644,468	2,531,642	2,709,964
<b>Subtotal</b>	<b>12,704,375</b>	<b>10,451,097</b>	<b>10,451,097</b>	<b>10,724,549</b>
CAPITAL EXPENSES				
Encumbrance/Incomplete Projects	-	-	9,701,558	-
Replacements to Fleet (County)	15,401,153	4,666,297	4,666,297	12,992,861
Replacements to Fleet (Schools)	2,534,782	1,186,908	1,186,908	2,145,635
Lease Purchase / Debt Service	1,713,433	2,256,167	2,256,167	1,431,830
Capital Projects	-	313,406	313,406	324,375
<b>Subtotal</b>	<b>19,649,368</b>	<b>8,422,778</b>	<b>18,124,336</b>	<b>16,894,701</b>
<b>TOTAL EXPENSES</b>	<b>32,353,743</b>	<b>18,873,875</b>	<b>28,575,433</b>	<b>27,619,250</b>
Transfer to General Fund **	130,000	130,000	130,000	674,000
<b>TOTAL TRANSFERS</b>	<b>130,000</b>	<b>130,000</b>	<b>130,000</b>	<b>674,000</b>
<b>TOTAL OPERATING EXPENSES AND TRANSFERS OUT</b>	<b>32,483,743</b>	<b>19,003,875</b>	<b>28,705,433</b>	<b>28,293,250</b>
<b>BALANCE, JUNE 30</b>	<b>\$22,633,015</b>	<b>\$18,192,874</b>	<b>\$18,728,094</b>	<b>\$20,329,906</b>

\* Fiscal Year 2027 includes a one-time Fund Balance transfer of \$2,000,000 to Arlington Public Schools (APS) in "Schools Maintenance / Operating."

\*\* Fiscal Year 2027 includes a one-time Transfer to County General Fund of \$544,000.

Note: Fund Balance is reserved for financing encumbrances and incomplete projects carried over from the previous fiscal year and future vehicle replacements. Starting fund balance for FY 2027 budget purposes is calculated as unrestricted fund balance less depreciation per the ACFR. See the FY 2025 ACFR pages 229 and 230 [here](#).

**EXPENDITURE, REVENUE, AND FULL-TIME EQUIVALENT TRENDS**



	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
\$ in 000s	Actual	Actual	Actual	Actual	Actual*	Actual	Actual	Actual	Adopted Budget	Adopted Budget
<b>OPERATING EXP</b>	\$9,393	\$9,127	\$8,627	\$8,651	\$9,442	\$10,178	\$9,166	\$12,835	\$10,581	\$11,398
<b>VEHICLE EXP</b>	\$10,127	\$14,735	\$9,774	\$15,388	\$3,971	\$12,223	\$13,249	\$19,649	\$8,423	\$16,895
<b>TOTAL</b>	\$19,520	\$23,862	\$18,401	\$24,039	\$13,413	\$22,401	\$22,415	\$32,484	\$19,004	\$28,293
<b>REVENUE</b>	\$18,945	\$19,077	\$19,204	\$21,705	\$18,774	\$27,417	\$28,884	\$28,194	\$24,801	\$29,895
<b>FTEs</b>	63.00	63.00	63.00	60.00	60.00	58.00	58.00	57.33	57.33	57.33

\* Beginning in FY 2022, actual expenditures and revenues received reflect the first year of implementing new Governmental Accounting Standards Board (GASB) standards for Statement No. 87 on leases and Statement No. 96 for subscription-based software. Both non-personnel expenses and revenues include these GASB standards. See the County Government GASB Summary for department details in the front section of the budget book.

Fiscal Year	Description	FTEs
FY 2018	<ul style="list-style-type: none"> <li>▪ Additions expense increased due to the purchase of vehicles for DES' Streetlights program and a new Construction Manager in Water, Sewer, and Streets (\$185,835).</li> <li>▪ Transfer from other funds increased due to transfers from the General Fund (\$156,835) and the General Capital Projects Fund (\$29,000) for the purchase of additions to the fleet.</li> <li>▪ Vehicle replacement expenses decreased (\$1,503,879) relative to the number and configuration of vehicles replaced in FY 2017 based on mileage, condition, age, and departmental needs.</li> </ul>	
FY 2019	<ul style="list-style-type: none"> <li>▪ Non-personnel decreased due to adjustments to the annual expense for maintenance and replacement of County vehicles (\$26,112).</li> <li>▪ Vehicle replacement expenses increased (\$668,818), partially offset by a decrease (\$251,411) in Lease Purchase expenses.</li> <li>▪ Increased the Sales of Surplus Equipment (\$50,000).</li> </ul>	
FY 2020	<ul style="list-style-type: none"> <li>▪ Eliminated two vacant Mechanic positions and a vacant Trades Worker IV position (\$276,947).</li> <li>▪ Vehicle replacement expenses increased primarily due to the current rental book replacement schedule (\$1,744,972), and the addition of a vehicle to support a new position in the Utilities Fund (\$47,000).</li> <li>▪ Decreased Lease Purchase expenses (\$94,393).</li> <li>▪ Revenue increased due to adjustments to the charges to other departments for the maintenance and replacement of County vehicles (\$101,020) and a transfer from the Utilities Fund for a vehicle addition (\$47,000).</li> </ul>	(3.00)
FY 2021	<ul style="list-style-type: none"> <li>▪ Vehicle addition expenses decreased due to the removal of one-time funding added in FY 2020 for the addition of a vehicle in the Utilities Fund (\$56,740), partially offset by one-time funding added for new vehicle purchases (\$30,000).</li> <li>▪ Vehicle replacement expenses increased primarily due to the current rental book replacement schedule (\$44,224).</li> <li>▪ Lease purchases increased due to higher payments for the lease of the Fire Apparatuses (\$236,091).</li> <li>▪ Revenue increased due to adjustments to the charges to other departments for the maintenance and replacement of County vehicles (\$870,091), partially offset by a decrease in revenue transferred in from other funds based on the change in vehicle additions (\$17,000).</li> </ul>	
FY 2022	<ul style="list-style-type: none"> <li>▪ The County Board added funding for a one percent merit pay adjustment, a five percent increase in the range, and an increase to the one-time bonus for staff from \$500 to approximately \$900.</li> <li>▪ The County Board also added one-time funding for electric vehicle purchases (\$33,000).</li> <li>▪ Eliminated two vacant technicians (\$177,350).</li> </ul>	(2.00)

Fiscal Year	Description	FTEs
	<ul style="list-style-type: none"> <li>▪ Vehicle addition expenses increased due to additional vehicle purchases in FY 2022 for the Department of Human Services, the Department of Environmental Services, and the Police Department (\$243,000), partially offset by the removal of funds added in the FY 2021 budget for additional vehicle purchases (\$30,000).</li> <li>▪ Vehicle replacement expenses increased primarily due to the current vehicle replacement schedule and increased Lease Purchase expenses for fire apparatus (\$2,967,571), partially offset by decreases due to the number and configuration of vehicles replaced based on mileage, condition, age, and departmental needs (\$298,366).</li> <li>▪ Revenue increased due to lease purchase revenue to finance fire apparatus (\$2,967,571), fleet additions (\$246,000), and adjustments to the charges to other departments for the maintenance and replacement of County vehicles (\$29,288).</li> <li>▪ <i>In FY 2021 closeout, funding was added for a one percent merit pay adjustment and a one-time bonus for staff of \$450.</i></li> </ul>	
FY 2023	<ul style="list-style-type: none"> <li>▪ The County Board approved an additional one percent merit pay adjustment for a total increase of 5.25 percent, increased the pay-for-performance budget by an additional 0.5 percent, and increased the pay range movement to five percent. Additional compensation changes approved by the County Board include an optional one-time cash-out of 40 hours of compensation time for those with balances of 80 or more, a one-time increase in shift differential pay from \$0.75 to \$1.00 per hour for the B shift and from \$1.00 to \$1.30 per hour for the C shift, and a one-time increase in language premium from \$0.69 to \$0.92 per hour.</li> <li>▪ Added funds for a one-time bonus for staff of \$1,600 gross (\$70,000).</li> <li>▪ Vehicle addition expenses decreased due to the removal of one-time funds added in the FY 2022 budget for additional vehicle purchases (\$276,000), partially offset by one-time funds added for the addition of vehicles in the Department of Parks and Recreation, the Fire Department, and the Utilities Fund (\$195,000).</li> <li>▪ Vehicle replacement expenses increased primarily due to an increase in the current vehicle replacement schedule and configuration of vehicles replaced based on mileage, condition, age, and departmental needs (\$791,394) and one-time funding added for the additional cost associated with replacing internal-combustion-engine vehicles with electric vehicles (EVs) that are due for replacement (\$275,025).</li> <li>▪ Other non-personnel expenses increased primarily due to an anticipated increase in electricity costs (\$12,770).</li> <li>▪ Revenue increased primarily due to adjustments to the charges to other departments for the maintenance and replacement of County vehicles (\$1,570,858), an increase in the transfer in from other funds (\$153,702), an increase in the transfer in from Fund 503 (\$45,000), partially offset by adjustments to miscellaneous revenue to align budget with actuals (\$60,500), a decrease due to lower lease purchase revenue (\$649,777), and a decrease to the transfer in from the General Fund (\$4,677).</li> </ul>	

Fiscal Year	Description	FTEs
FY 2024	<ul style="list-style-type: none"> <li>▪ Added one-time funding for two specialty team box trucks for Fire department (\$191,000).</li> <li>▪ Added funding for a one-time \$2,000 (gross) employee bonus (\$136,291).</li> <li>▪ Added one-time funding for the purchase of vehicles for the Department of Human Services (\$115,000).</li> <li>▪ Revenue increases primarily due to a cost adjustment to the charges to other departments for the maintenance and replacement of County vehicles and transfers to other funds (\$531,368), partially offset by the removal of a transfer in from the Utilities Fund (\$45,000) and transfer in from other funds (\$153,702) for the cost differential for electric vehicle (EV) purchases, and reduced line of credit proceeds (\$83,372).</li> <li>▪ Removed funding for the Welder and Night Shift Supervisor positions for FY 2024 which reduced the personnel budget (\$240,292).</li> </ul>	
FY 2025	<ul style="list-style-type: none"> <li>▪ The County Board added vehicle expense and revenue for one-time funding of a Mobile Outreach Support Team vehicle for the Department of Human Services (\$72,000) and 10 Additional Vehicles for Take-home Vehicle Purposes for the Police Department (\$625,000).</li> <li>▪ Added funding for the Accounting, Fiscal, Revenue Services and Financial job family studies (\$3,916).</li> <li>▪ Added funding for the transfer of 33% of Safety Specialist II to the Auto Fund (\$50,520).</li> <li>▪ Continued freezing 2<sup>nd</sup> Night Shift Supervisor (\$131,094).</li> <li>▪ Eliminated previously frozen vacant Welder position (\$104,506).</li> <li>▪ Non-personnel expense increased due to an overhead/indirect cost recovery chargeback (\$19,813).</li> <li>▪ Reduced costs for Motor Vehicles-Replacements due to the number and configuration of vehicles replaced in FY 2024 based on mileage, condition, age, and departmental needs (\$3,942,919).</li> <li>▪ Increased County and School revenue due to a cost adjustment to the charges to other departments for the maintenance and replacement of County vehicles (\$897,457).</li> <li>▪ Increased grant revenue due to Arlington Public Schools electric bus purchase (\$1,300,000).</li> </ul>	<p>0.33</p> <p>(1.00)</p>
FY 2026	<ul style="list-style-type: none"> <li>▪ Continued freezing 2<sup>nd</sup> Night Shift Supervisor (\$129,234).</li> <li>▪ Non-personnel increased primarily due to planned replacement of a bay lift that is at the end of its useful life (\$322,111).</li> <li>▪ Reduced costs for Motor Vehicles-Replacements (\$2,793,477) due to the number and configuration of vehicles replaced in FY 2026 based on mileage, condition, age, and departmental needs.</li> <li>▪ Lease purchase and debt service increased based on the current principal and interest amounts due for public safety vehicles (\$2,256,167).</li> </ul>	

<b>Fiscal Year</b>	<b>Description</b>	<b>FTEs</b>
	<ul style="list-style-type: none"> <li>▪ County and School revenue increased due to a cost adjustment to the charges to other departments for the maintenance and replacement of County vehicles (\$2,052,060). The increased rental book charges are driven primarily by increased cost of vehicle replacements.</li> <li>▪ Transfers from other funds increases due to one-time funding from the General Fund, Utilities, and Stormwater funds to pay for increased costs of heavy equipment replacement driven by inflationary pressures and electric vehicle replacements (\$476,916).</li> </ul>	
FY 2027	<ul style="list-style-type: none"> <li>▪ Continued freezing 2<sup>nd</sup> Night Shift Supervisor (\$137,489).</li> <li>▪ Replacements increased primarily due to the final delivery of the Fire Department's "Class A" pumpers (\$9,296,260).</li> <li>▪ Lease purchase and debt service decreased based on the current principal and interest amounts due for public safety vehicles (\$824,337).</li> <li>▪ General Fund transfer increased due to a one-time fund balance transfer (\$544,000).</li> <li>▪ County and school revenue decreased primarily due to a one-time fund balance transfer to Arlington Public Schools that has been credited to their rental book invoice (\$2,000,000).</li> <li>▪ Line of credit proceeds increased primarily due to six new "Class A" pumpers for the Fire Department (\$6,863,934).</li> </ul>	