

**ARLINGTON COUNTY, VIRGINIA
FY 2006 POLICY PRIORITY PROPOSAL**

Policy Priority: Providing for Long-Term Economic Sustainability

Purpose: The proposed base budget does not propose any County funding for capital improvements, since much of the tax revenue growth has been earmarked for tax relief and reserve funding. Until decisions on tax relief and reserve funding have been made, available one-time funds from FY 2005 - the primary source of capital funding over the years - are difficult to predict. However, a number of tax and fee options are available to the County that could provide a modest base of funding for ongoing capital or other funding needs.

Tax and Fee Increases above the Base Budget

- Maintaining the basic infrastructure of a community is one of the greatest challenges facing all governments. To get the maximum return on these investments, ongoing maintenance is required. Historically, Arlington has used unanticipated revenues and expense surpluses to fund the paygo budget, the primary purpose of which is to provide the maintenance necessary to preserve the County's capital assets. This is a sound practice and should be continued; however, relying on surpluses will not be sufficient for the future.
- This proposal for County Board consideration recommends an increase to a limited number of taxes and fees to provide a modest base of \$3.5 million for capital asset preservation.

Commercial Utility Tax

- The commercial utility tax was started in FY 1989 during a similar time when the residential housing market was increasing at a greater rate than the commercial market.
- These rates only apply to the electric and gas utilities of commercial entities.
- This increase, as proposed, would be the first increase since the start of the tax.
- This rate increase is proposed at 30% on commercial utilities and, together with the reduction in the real estate tax rate, would provide a modest overall increase in the taxes paid by the commercial businesses.

Parking Meter Fees

- Parking meter rates were last raised in May 1988.
- This proposal is to raise the long-term parking rate a quarter to \$.75 cents per hour and the short-term rate to \$1.00 per hour.

Ambulance Fees

- Ambulance fees have not been increased in a number of years.
- Increase in Basic Life support transport emergency from \$225 to \$300.
- Advanced life support (ALS1) from \$225 to \$400 Type 1 Emergency (new category).
- Advanced life support (ALS2) from \$225 to \$550 Type 2 Emergency (new category).
- \$7.50 per transport mile (new category).
- The contractor costs for ambulance billing would increase based on projected revenue collections (\$30,000).

Parking Fines

- An increase in fines on expired meters from \$25 to \$30 would generate an additional \$400,000. Given the urban nature of Arlington, this rate would put us between the low of Fairfax at \$20 and the high of \$35 in Bethesda. We will continue to look at ticket fines to see if there is comparability between our charges and others in the region.

Funding Information

Tax and Fee Increases above the Base Budget	
Commercial Utility Tax	\$2.0 million
Parking Meter Fees	\$0.7 million
Ambulance Fees	\$0.4 million
Parking Fines	\$0.4 million
Total Set Aside	\$3.5 million