


City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 13, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER 

SUBJECT: FY 2020 BUDGET PROCESS ADD/DELETE SCHEDULE OPTIONS

The purpose of this memorandum is to present FY 2020 budget add/delete schedule options for discussion at tonight's City Council Legislative Meeting.

Attached are three potential schedules for the FY 2020 budget add/delete process.

Attachment 1 represents the add/delete schedule in the budget process resolution provided to Council for Saturday's retreat, which was based on the FY 2019 add/delete process.

Attachment 2 represents an option discussed during last Saturday's Council retreat, which includes the following features:

- The April public hearing (Saturday, April 13th) would include a public hearing on preliminary add/delete proposals;
- Preliminary add/delete proposals would be due from Council members nine days earlier than previously scheduled (Tuesday, April 9th) and made public by staff on Wednesday, April 10th to allow three days' notice prior to the public hearing;
- The Wednesday, April 10th work session would be rescheduled to Monday, April 8th to precede the add/delete due date;
- Revenue re-estimates and expenditures technical adjustments would be presented to Council one week earlier than previously scheduled (Friday, April 5th);
- Notice of intent to propose add/delete items requiring an ordinance change would be due from Council members on Monday, April 1st to allow staff time to include the potential change for first reading at the Tuesday, April 9th Council legislative meeting.

Attachment 3 represents budget process resolution changes proposed by the Vice Mayor, which includes the following features:

- The April public hearing (Saturday, April 13th) would include a public hearing on preliminary add/delete proposals;

- Preliminary add/delete proposals would be due from Council members seven days earlier than previously scheduled (Thursday, April 11th) and made public by staff on Friday, April 12th;
- Staff assumes the date for releasing revenue re-estimates and expenditure technical adjustments would need to be advanced by one week to Friday, April 5th in this scenario.

ATTACHMENTS:

Attachment 1: Originally Proposed Add/Delete Schedule

Attachment 2: Revised Add/Delete Schedule Discussed at the Council Retreat

Attachment 3: Vice Mayor Proposed Changes to the Add/Delete Schedule

Attachment 4: Vice Mayor Proposed Changes to the Budget Process Resolution

CC: Laura B. Triggs, Deputy City Manager
Morgan Routt, Director, OMB
Lisa M. Henty, Assistant Director, OMB

FY 2020 Budget Development Calendar - CURRENT CALENDAR						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
17-Feb	18-Feb Holiday	19-Feb City Manager Proposed budget presentation Work session # 1 Revenues	20-Feb	21-Feb	22-Feb	23-Feb
24-Feb	25-Feb	26-Feb	27-Feb Work Session #2 CIP	28-Feb	1-Mar	2-Mar
3-Mar	4-Mar	5-Mar	6-Mar Work Session #3 ACPS	7-Mar	8-Mar	9-Mar
10-Mar	11-Mar Budget Public Hearing	12-Mar Introduce and Set Maximum Tax Rate	13-Mar Work Session #4	14-Mar	15-Mar	16-Mar
17-Mar	18-Mar	19-Mar	20-Mar Work Session #5	21-Mar	22-Mar	23-Mar
24-Mar	25-Mar	26-Mar	27-Mar Work Session #6	28-Mar	29-Mar	30-Mar
31-Mar	1-Apr	2-Apr	3-Apr Work Session #7	4-Apr	5-Apr	6-Apr
7-Apr	8-Apr	9-Apr	10-Apr Work Session #8	11-Apr	12-Apr Revenue Re-estimates and Technical Adjustments Memo posted	13-Apr Maximum Tax Rate Public Hearing
14-Apr	15-Apr	16-Apr	17-Apr ACPS Spring Break	18-Apr	19-Apr	20-Apr
				Preliminary Add/Delete Due	List of Preliminary Add/Delete to public (Budget Memo)	
21-Apr Holiday	22-Apr	23-Apr Work session #9 Preliminary Add/Delete	24-Apr	25-Apr Revised Preliminary Add/Delete to public (Budget Memo)	26-Apr	27-Apr
28-Apr	29-Apr Work session #10 Final Add/Delete	30-Apr Send budget adoption materials to Council	1-May	2-May Budget Adoption	3-May	4-May

FY 2020 Budget Development Calendar - ALTERNATE OPTION 1						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
17-Feb	18-Feb Holiday	19-Feb City Manager Proposed budget presentation Work session # 1 Revenues	20-Feb	21-Feb	22-Feb	23-Feb
24-Feb	25-Feb	26-Feb	27-Feb Work Session #2 CIP	28-Feb	1-Mar	2-Mar
3-Mar	4-Mar	5-Mar	6-Mar Work Session #3 ACPS	7-Mar	8-Mar	9-Mar
10-Mar	11-Mar Budget Public Hearing	12-Mar Introduce and Set Maximum Tax Rate	13-Mar Work Session #4	14-Mar	15-Mar	16-Mar
17-Mar	18-Mar	19-Mar	20-Mar Work Session #5	21-Mar	22-Mar	23-Mar
24-Mar	25-Mar	26-Mar	27-Mar Work Session #6	28-Mar	29-Mar	30-Mar
31-Mar	1-Apr Staff notification for items requiring an ordinance	2-Apr	3-Apr Work Session #7	4-Apr	5-Apr Revenue Re-estimates and Technical Adjustments Memo posted	6-Apr
7-Apr	8-Apr Work Session #8	9-Apr Preliminary Add/Delete Due	10-Apr List of Preliminary Add/Delete to public (Budget Memo)	11-Apr	12-Apr	13-Apr 1. Maximum Tax Rate Public Hearing 2. 2nd Budget Public Hearing
14-Apr	15-Apr	16-Apr	17-Apr ACPS Spring Break	18-Apr	19-Apr	20-Apr
21-Apr Holiday	22-Apr	23-Apr Work session #9 Preliminary Add/Delete	24-Apr	25-Apr Revised Preliminary Add/Delete to public (Budget Memo)	26-Apr	27-Apr
28-Apr	29-Apr Work session #10 Final Add/Delete	30-Apr Send budget adoption materials to Council	1-May	2-May Budget Adoption	3-May	4-May

FY 2020 Budget Development Calendar - ALTERNATE 2						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
17-Feb	18-Feb Holiday	19-Feb City Manager Proposed budget presentation Work session # 1 Revenues	20-Feb	21-Feb	22-Feb	23-Feb
24-Feb	25-Feb	26-Feb	27-Feb Work Session #2 CIP	28-Feb	1-Mar	2-Mar
3-Mar	4-Mar	5-Mar	6-Mar Work Session #3 ACPS	7-Mar	8-Mar	9-Mar
10-Mar	11-Mar Budget Public Hearing	12-Mar Introduce and Set Maximum Tax Rate	13-Mar Work Session #4	14-Mar	15-Mar	16-Mar
17-Mar	18-Mar	19-Mar	20-Mar Work Session #5	21-Mar	22-Mar	23-Mar
24-Mar	25-Mar	26-Mar	27-Mar Work Session #6	28-Mar	29-Mar	30-Mar
31-Mar	1-Apr	2-Apr	3-Apr Work Session #7	4-Apr	5-Apr Revenue Re-estimates and Technical Adjustments Memo posted	6-Apr
7-Apr	8-Apr	9-Apr	10-Apr Work Session #8	11-Apr Preliminary Add/Delete Due	12-Apr List of Preliminary Add/Delete to public (Budget Memo)	13-Apr 1. Maximum Tax Rate Public Hearing 2. 2nd Budget Public Hearing
14-Apr	15-Apr	16-Apr	17-Apr ACPS Spring Break	18-Apr	19-Apr	20-Apr
21-Apr Holiday	22-Apr	23-Apr Work session #9 Preliminary Add/Delete	24-Apr	25-Apr Revised Preliminary Add/Delete to public (Budget Memo)	26-Apr	27-Apr
28-Apr	29-Apr Work session #10 Final Add/Delete	30-Apr Send budget adoption materials to Council	1-May	2-May Budget Adoption	3-May	4-May

Resolution No.

Budget Resolution Establishing the Process to be Used to Adopt the FY 2020 Operating Budget and the FY 2020 to FY 2029 Capital Improvement Program

WHEREAS, the Alexandria City Council wishes to establish policies to guide upcoming budget deliberations to ensure responsible actions with current economic resources; and

WHEREAS, resolutions No. 2088, 2150, 2166, 2256, 2368, 2587, 2653, 2747, and 2796 previously adopted by City Council have now expired, or will soon expire; and

WHEREAS, City Council believes that flexibility is needed for both the preparation and evaluation of expense items as well as with regard to diversifying the sources of revenue available to fund the General Fund Operating Budget; and

WHEREAS, City Council's deliberations on the budget each year reflect a balancing of the needs of the community with the community's ability to afford services to meet those needs; and

WHEREAS, City Council desires to provide the core services expected of a municipal government and to continue to provide quality services and facilities for the residents and businesses of Alexandria, but understands that economic reality will require significant trade-offs between services and revenues; and

WHEREAS, City Council is committed to managing the cost of City General Fund operating and capital expenditures in order to properly balance the tax burden placed on the community; and

WHEREAS, City Council is committed to achieving the vision and strategic goals, long term outcomes, objectives, and initiatives as outlined in the City Council's Strategic Plan; and

WHEREAS, City Council desires to allow for a thoughtful and deliberate budget process given the budget's complexity and importance;

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Alexandria, Virginia, that the Council shall, for the purposes of consideration of the Budget for the City of Alexandria, adopt this resolution and adhere to the following rules of procedure:

Section (a) The City Manager's Budget Submission to City Council and the Setting of Budget Guidance by City Council

(1) That the City Manager shall plan and prepare the proposed Operating Budget and proposed ten-year Capital Improvement Program and that such preparations shall include those programs and resources necessary to achieve the City Council Strategic Plan.

(2) That the City Manager shall present to City Council a preliminary forecast and outlook for (a) revenues and (b) expenditures necessary to maintain existing services and policies (including the City Manager's forecast of cash capital and debt service costs related to the most recently approved Capital Improvement Program).

(3) That City Council shall direct that the City Manager prepare a budget resolution to be adopted by City Council to guide the preparation of the upcoming Operating Budget and next Capital Improvement Program.

(4) That the City Manager shall submit a proposed Operating Budget and Capital Improvement Program to the City. Such budget shall meet any guidance for General Fund revenues and expenditures established by City Council and should include no more than one percent of unreserved fund balance.

Section (b) The Budget Submission to City Council by the Alexandria Public Schools (ACPS)

(5) That the Alexandria City School System (ACPS) shall separately present to City Council, but in a format coordinated with the City Manager, its preliminary forecast and outlook for (a) expenditures necessary to maintain appropriate services and policies, (b) the outlook for additional requests for Schools operating in the upcoming fiscal year and capital needs through the upcoming fiscal year and the succeeding 9 years, (c) projected ACPS capital related debt service for the upcoming fiscal year, (d) the outlook for possible budget reductions and increases in fees, fines and charges for services, (e) the outlook for Federal and State grants, and the costs of meeting unfunded Federal and State mandates, both current mandates and projected new mandates.

(6) That the Board of the Alexandria City Public Schools is requested to adopt a Capital Improvement Program no later than December 20, 2018 and an Operating Budget no later than February 21, 2019 so that any request may be considered by City Council in parallel with the City Manager's proposed operating budget and Capital Improvement Program. If the ACPS budget request exceeds or otherwise does not comply with any guidance regarding fiscal limitation provided by City Council to ACPS, then ACPS shall clearly identify what operating programs and activities would be funded if additional funding were provided.

Section (c) Actions of City Council Concerning The Budget Submissions of the City Manager and the Alexandria Public Schools (ACPS)

(7) That as part of a preliminary forecast of assessments and expenditures provided by the City Manager, City Council will consider this information and any other relevant

information available to it at that time including the comments of residents provided via a public hearing or other public input opportunities.

(8) That the Council shall hold a budget public hearing on the City Manager's proposed budget in the month following the budget submission by the City Manager and should reserve time for public comment at the scheduled April Public Hearing once the Preliminary Add/Delete list of City Council Budget Proposals and technical adjustments by the Office of Management and Budget has become available and distributed to the community. Any additional public hearing shall not conflict with or serve in place of a public hearing regarding the establishment of an effective tax rate as required by the Code of Virginia.

(9) That Council directs City staff to organize at least one public meeting outside of City Hall to present the budget to interested residents, and solicit input. Additionally, City staff shall provide an opportunity for residents and organizations to submit written budget comments to the Council in lieu of or in addition to participation in public meetings.

(10) That Council directs City staff to prepare motions for adoption of the Operating Budget and Capital Improvement Program and a summary of decisions made in the Final Add/Delete worksession following the worksession. Those motions and the summary of final decisions shall be released for public review no later than 48 hours prior to the scheduled adoption.

(11) That City Council shall consider these proposals and endeavor to enact an Operating Budget and Capital Improvement Program that balance the needs of the community with the community's desire and ability to pay for services to meet those needs.

(12) That City Council plans to adopt such a budget resolution.

Section (d) Proposed Budget for the City of Alexandria

(13) For purposes of this resolution, the proposed budget of revenue rates and expenditure levels for the fiscal year shall be that proposed by the City Manager.

(14) For purposes of this resolution, the Office of Management and Budget shall provide revenue and/or expenditure projections for any motion or amendment that could affect the proposed budget specified in Section (a) (2).

Section (e) Maximum Expenditure Levels May Not Exceed Sum of Projected Revenue and Appropriation from Fund Balance in Proposed Budget

(15) It shall not be in order in the Alexandria City Council to consider any motion or amendment to the proposed budget of the City of Alexandria if:

(i) there has not been a Budget Memo or formal information request submitted that relates to the specific item proposed for consideration or a Council

discussion of the proposal during a budget work-session or public hearing has not occurred; and

(ii) any such motion or amendment that has the effect of increasing any specific budget expenditures proposed by the City Manager or would have the effect of reducing any specific revenue proposed by the City Manager unless such motion or amendment provides for a specific offset of either expenditure or revenue and ensures the maintenance of the fiscal balance of the proposed budget; and

(iii) such motion or amendment is not provided in the form of a City Council budget proposal submitted to the Office of Management and Budget (OMB) or an OMB technical adjustment at least 21 days prior to the adoption of the budget in accordance with the FY 2020 Rules of Engagement for the Add/Delete Process.

(16) In the Alexandria City Council, any appropriation from the Fund Balance or any like account beyond that proposed in the Manager's proposed budget shall require an affirmative vote of five Council Members.

Section (f) Actions of City Council Concerning the Add/Delete Process

(17) The City Council shall adhere to the following Add/Delete Rules of Engagement for amending and adopting the final budget. These Rules of Engagement were first adopted for use during the FY 2016 budget process and continued in each of the subsequent budget processes:

(i) Continue use of the add/delete spreadsheet that was produced by OMB prior to the FY 2016 budget process and reintroduced in the FY 2017 budget process.

(ii) A City Council Budget Proposal form will be required in order to add or delete anything from the City Manager's Proposed Budget. The form will require the following prior to Council consideration:

1. Additional information related to how the change advances the Council's goals/priorities.
2. Additional information related to how the change impacts the performance of that program, service or goal.
3. The support of at least 3 of 7 Council members (the original sponsor and two co-sponsors).
4. Must be accompanied by an add/delete spreadsheet prepared by the Council member or OMB in which the sum of the individual Council member's adds and deletes, including the items originally sponsored by that member and those co-sponsored by that member, are in balance or produce a revenue surplus.

The completed City Council Budget Proposal form must be returned to the Office of Management & Budget (OMB), with each of the steps from #2 above completed, at least 21 days prior to the adoption of the budget [for FY 2020, April 11].

(iii) A combined list of all City Council Budget Proposals that meet the criteria in #2, any technical adjustments from OMB, and any City Manager recommended changes, will be provided and discussed at the 2nd Legislative Meeting in April [for FY 2020, April 23].

(iv) Council will work with OMB to refine/develop funding figures based on the proposals submitted, to be completed 7 days prior to budget adoption [for FY 2019, April 25].

(v) Completed Council Budget Proposals, with funding, will be circulated to Council and the public the Friday prior to budget adoption [for FY 2020, April 26].

(vi) City Council will be required to keep the budget in balance once all decisions are made.

(vii) Final decisions will be made 72 hours prior to budget adoption and discussed at a Special City Council work session [for FY 2020, April 29].

(viii) Final decisions will be made available to the public 48 hours prior to budget adoption [for FY 2020, April 30]

(ix) Budget Adoption will occur on May 2, 2019 with all City Council Budget Proposals, those approved and those not approved, made public upon adoption of the budget.

Section (g) Expiration – The provisions of this resolution shall expire on June 30, 2019.

ADOPTED:

Allison Silberberg Mayor

ATTEST:

Gloria A. Sitton, CMC City Clerk