

RESOLUTION NO. ____

**Setting Guidance for FY 2021 General Fund Operating Budget
and Capital Improvement Program for FY 2021 to FY 2030**

WHEREAS, the City Council of Alexandria passed a resolution establishing Council’s process for formulating the Operating Budget and the Capital Improvement Program (CIP) and requires that City Council set budget guidance for the City Manager and the School Board for the FY 2021 budget; and

WHEREAS, the City will seek input into the development of the FY 2021 budget; and

WHEREAS, the City Council’s budget deliberations and annual spending decisions should reflect a balancing of the goals articulated in the adopted FY 2017 to FY 2022 City’s Strategic Plan (the “Strategic Plan”); and

WHEREAS, those services directly supporting the achievement of the City’s strategic goals are considered for funding support; and

WHEREAS, the City Council is committed to continuously improving the efficiency and effectiveness of City government and expects the City Manager, City staff and all organizations that receive City budget dollars to focus on achieving service outcomes and providing programs that benefit the community and its residents; and

WHEREAS, the City Council is committed to continue providing core services expected of a municipal government including the provision and maintenance of the City’s facilities and capital infrastructure; and

WHEREAS, the City Council will make budgetary changes that support the City’s ‘AAA’/‘Aaa’ bond ratings; and

WHEREAS, the City Council acknowledges that the resources required to achieve the goals of the Strategic Plan and various other adopted strategic plans and master plans must be balanced with the tax responsibility placed upon residents and businesses; and

WHEREAS, the City Council recognizes the need to measure the impact of programs and lines of business against expected outcomes, to deemphasize or eliminate programs that do not yield those outcomes desired, and to identify efficiencies wherever possible, to utilize Priority Based Budgeting to assist in setting budget priorities and funding level; and

WHEREAS, the City Council desires to emphasize a multi-year perspective for fiscal planning; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA THE FOLLOWING:

(a) **Operating and Capital Improvement Program Expenditures:** The City Manager may propose for Council consideration, increases in operating and capital project expenditures including compensation adjustments so long as any increased operating or capital project expense can be demonstrated as necessary to meet the strategic goals and outcomes of the City, and/or can be demonstrated to diminish a specific risk to the community. Likewise, the City Manager may propose decreases in operating and capital project expenditures provided the decrease can be demonstrated to be of lesser utility in achieving the goals and objectives of the City's Strategic Plan, master plans, and other City adopted plans. An appropriate source, or sources, of revenue, compliant with applicable laws regarding revenue sources as established by the Code of Virginia, must be identified for all proposed operating and capital project expenditures.

(b) **Taxes, Fees, Fines and Service Charges:** In funding the proposed budget, the City Manager may consider changes to tax rates, tax designations/reservations, fees/fines/service charges that are equitable, fair and administratively feasible provided that these proposals are observant of the constraints imposed by the Code of Virginia. Such changes can only be considered where they advance the priorities of the Council as stipulated in this resolution, through Legislative Sessions, adopted master plans and policies, or the Council Retreat and Work Sessions.

(c) **Cost Saving Measures:** The City Manager shall continually identify and propose cost saving measures and efficiencies in all City operations and consider reduction of service levels where the performance exceeds the level required by the community, where the current level of service is not a strategic priority, or where performance, over time, has not achieved the desired outcomes.

(d) **Use of Surplus:** The City Manager will recommend use of prior-year surplus funds first to ensure that the Capital Improvement Program includes sufficient cash capital funding, then to address one-time or manageable ongoing costs that positively impact expected goals.

(e) **CIP:** The proposed FY 2021 through 2030 CIP shall incorporate the following:

1. Compliance with the City's adopted Debt Related Financial Policy Guidelines for any debt issuance planned for FY 2021 through FY 2030;
2. Consistency with the City's adopted cash capital investment policy of a General Fund cash capital transfer of no less than 2.0% with the goal of funding the FY 2021 General Fund cash capital reflected at least at the level in the current adopted CIP;
3. The optional use, as determined by the City Manager, of an additional General Fund operating budget surplus from FY 2020, if any, as commitment for capital projects in FY 2021 and beyond;

4. Specific descriptions of projects that can be funded within recommended levels of funding, their associated operating costs, estimated for all years of the CIP, and a description of the criteria used to prioritize the projects as recommended by the Budget and Fiscal Affairs Advisory Committee (BFAAC);
5. Proposed funding for City and ACPS facility projects based in part on the recommendations of the Ad Hoc Joint City-Schools Facility Investment Task Force.

(f) **ACPS Funding:** That (1) the City Manager shall recommend for transfer to the Alexandria City Public Schools operating funding within a range of amounts, with the low end of the range being an appropriation equal to the amount approved by City Council for FY 2020 plus the overall General Fund FY 2021 revenue rate of growth and the high end of the range being the low end amount plus the cost of FY 2021 increased enrollment, (2) the Alexandria City Public Schools is requested by City Council to articulate in general categories and prioritize any City FY 2021 appropriation requests above the low end of the range, (3) the City Manager shall develop options for potential funding of proposed public school capital needs for the FY 2021 through FY 2030 time period taking under advisement the recommendations of the Ad Hoc Joint City-Schools Facility Investment Task Force, and (4) the City Manager shall recommend ACPS capital project debt service in the FY 2021 proposed budget and include such amount as an separate element of the total recommended FY 2021 budget for the ACPS.

(g) **Outside Agencies:** Organizations outside the City government that receive funding support from the City must demonstrate an alignment of their efforts with accomplishments of the City's strategic objectives. In cases where there is discretion over the level of funding, organizations external to the City government must demonstrate the purpose, benefits outcomes, and consequence of City funding.

ADOPTED:

Justin M. Wilson Mayor

ATTEST:

Gloria A. Sitton, CMC City Clerk