



Legislation Text

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File #: 18-7936, Version: 1

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** NOVEMBER 7, 2018

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** MARK B. JINKS, CITY MANAGER /s/

**DOCKET TITLE:**

Consideration of the Resolution to Establish the FY 2020 Budget Guidance. [ROLL-CALL VOTE]

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**ISSUE:** Consideration of the Resolution to Establish the FY 2020 Budget Guidance.

**RECOMMENDATION:** That City Council adopt the FY 2020 Budget Guidance Resolution (Attachment). This resolution will provide guidance to the City Manager to be used in his preparation of the Proposed FY 2020 Operating Budget and FY 2020 to FY 2029 Capital Improvement Program to be presented for Council consideration on February 19, 2019.

**BACKGROUND:** The attachment in this docket reflects guidance adopted in prior resolutions, updated with FY 2020 Budget Development information. The City Council Retreat is scheduled for November 10, 2018 at which time the attached budget resolution will be discussed. An adjusted version will be presented at the City Council meeting if changes come out of the Retreat discussions.

**BUDGET GUIDANCE RESOLUTION** (Attachment 1): Council has for some time annually adopted a resolution that provides the City Manager with guidance for the preparation of the forthcoming budget and multi-year Capital Improvement Program. The proposed Budget Guidance Resolution for the FY 2020 Operating budget and FY 2020 to FY 2029 Capital Improvement Program reflects the same principles and features as the FY 2019 Council adopted Budget Guidance Resolution with the following changes:

1. The whereas section recognizes Priority Based Budgeting as a tool to help set budget priorities and funding levels.
2. Section (b) **Taxes, Fees, Fines and Services** Charges, incorporates general language that allows the City Manager the flexibility to consider changes to tax rates, tax designations/reservations, and other

fees as part of the City Manager Proposed Budget.

3. Section (h) **Add/Delete Process** is not included in the attached Guidance resolution and will be included in the *Resolution Establishing the Process To Be Used to Adopt the Operating Budget and Capital Improvement Program*, which is docketed as the next item on the Council agenda after this Budget Resolution docket item.

The preliminary estimate of FY 2020 General Fund revenue growth is just over two-percent. At the current real estate tax rate, that growth rate would produce approximately \$14 million in total City-wide new General Fund revenue. A City and ACPS operating and capital expenditure pressure of \$42 million is projected. This creates a \$28 million starting General Fund budget gap which will need to be closed. In order to contain overall expenditures within the revenues available, it will be necessary that both the City government and ACPS manage expenditure growth pressures, as well as to reprioritize existing operations and capital investments.

**FISCAL IMPACT:** None.

**ATTACHMENT:** Setting Guidance for FY 2020 General Fund Operating Budget and Capital Improvement Program for FY 2020 to FY 2029

**STAFF:**

Laura Triggs, Deputy City Manager

Morgan Routt, Director, Office of Management and Budget