

**City of Alexandria, Virginia
FY 2027 Proposed Operating Budget & CIP
Budget Questions & Answers**

April 8, 2026

Question:

What savings could be generated from restructuring the annual budget process?

Response:

With half of the City's workforce to be covered by a three-year collective bargaining agreement (CBA) starting in FY 2028, and cash capital and debt service costs planned for ten years through the Capital Improvement Program (CIP), the City could consider streamlining the annual budget process through multi-year budgeting.

The City would still be required to adopt the operating budget and CIP annually, but through multi-year planning, it could alternate making large scale budget policy and operational decisions in some years and smaller scale adjustments to previously planned revenues and expenditures in others. This is similar to the biennial budget processes for the Commonwealth of Virginia and other jurisdictions.

Determining the potential dollar or opportunity cost savings of a multi-year budget process is beyond the scope of the FY 2027 budget process, however, if City Council wishes, staff could develop options for consideration in the Fall.

Some potential advantages of multi-year budgeting are:

- Predictability for community members and departments resulting from planning and budgeting further out
- Efficiency from a more streamlined process in the off years
- The ability to phase-in and phase-out budget changes over multiple years
- The ability to budget for systems and equipment lifecycle costs

Some potential challenges that would need to be addressed are:

- Accurately forecasting revenues and materials costs further into the future
- Planning for program and operational needs further ahead
- Maintaining flexibility to adapt to external changes in the off years
- Maintaining the discipline to limit off-year amendments
- Synchronizing a new process with the three-year Council election cycle, three-year collective bargaining agreements, the Alexandria City Public Schools (ACPS) budget process, and other partner agencies' funding cycles