FY 2020 CITY MANAGER’S PROPOSED BUDGET

Joint City Council/School Board Budget Worksession
March 6, 2019
FY 2020 - FY 2029 Uses
$1.6 Billion

- ACPS: $478.8 M
- Transportation: $237.1 M
- WMATA: $143.3 M
- Community Development: $145.5 M
- Public Buildings: $150.2 M
- Reservation of Bond Capacity/Cash Capital for City/School Facilities: $87.9 M
- Recreation & Parks: $86.7 M
- IT Plan: $64.6 M
- Stormwater Management: $71.0 M
- Sanitary Sewers: $65.2 M
- Other Regional Contributions: $8.9 M
- CIP Development & Implementation Staff: $77.8 M
- Other Regional Contributions: $8.9 M
FY 2020 - FY 2029 SOURCES
$1.6 BILLION

BONDS – PAY AS YOU USE
($870.2 M)
54%

CASH – PLEDGED OR PAY AS YOU GO
($746.8 M)
46%
SCHOOL BOARD APPROVED FY 2020 – FY 2029 CIP
SCHOOL BOARD APPROVED AND CITY COUNCIL APPROVED
MULTI-YEAR CAPITAL IMPROVEMENT PROGRAM

Millions

$700.0

$600.0

$500.0

$400.0

$300.0

$200.0

$100.0

$0.0


6-Year Capital Improvement Programs

10-Year Capital Improvement Programs

School Board Approved CIP
City Council Approved CIP
FUTURE DEBT SERVICE PRESSURE

GENERAL FUND SUPPORTED DEBT SERVICE AS PERCENTAGE OF GENERAL FUND
Future Debt Service Pressure
Schools Debt Service and Other City Debt Service

Note: FY 2020 – FY 2029 represent projected debt service, based on the Proposed 10-year CIP.
**Future Debt Service Pressure**

**Five Year Financial Forecast**

<table>
<thead>
<tr>
<th>Year</th>
<th>Forecasted Surplus/(Shortfall) in millions</th>
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</thead>
<tbody>
<tr>
<td>FY 2020</td>
<td>$0.0</td>
</tr>
<tr>
<td>FY 2021</td>
<td>($27.0)</td>
</tr>
<tr>
<td>FY 2022</td>
<td>($42.3)</td>
</tr>
<tr>
<td>FY 2023</td>
<td>($68.2)</td>
</tr>
<tr>
<td>FY 2024</td>
<td>($75.3)</td>
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*Increased debt service is a major driver of forecasted shortfall. In FY 2024, $36.9 M of forecasted gap is attributable to increases in projected debt service.*
FUNDING SCHOOL CAPITAL PLAN

- State law (22.1-102) allows for a separate tax for school debt service, cash capital, and/or rent.
- Tax rate would be set by City Council and appear as separate rate and dollar amount on tax bill.
- Separate school capital tax rate, if implemented, would reduce financial pressure on School Operating Fund and General Fund.
- School capital funding tax is proposed to be studied and a specific plan developed for City Council and School Board Consideration.
- Targeting a fall 2019 decision, for FY 2021 implementation.

<table>
<thead>
<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2029</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Impact of Proposed CIP</td>
<td>$28.1 M</td>
<td>$48.6 M</td>
<td>+73%</td>
</tr>
<tr>
<td>Cash Capital</td>
<td>$11.6 M</td>
<td>$14.0 M</td>
<td>+21%</td>
</tr>
<tr>
<td>Total G/F Impact</td>
<td>$39.8 M</td>
<td>$62.6 M</td>
<td>+58%</td>
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<tr>
<td>In Real Estate Tax Rate Equivalent</td>
<td>9.7¢</td>
<td>TBD</td>
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