



Budget Work Session

April 1, 2020



Electronic Meeting

The April 1, 2020 meeting of the City Council is being held electronically pursuant to Virginia Code Section 2.2-3708.2(A)(3) and/or the Continuity of Government ordinance adopted by the City Council on March 24, 2020.

All of the members of the City Council and staff are participating from remote locations through a conference call. The conference call will be broadcasted live on the government channel 70 and streaming on the City's website. This meeting does not have a public hearing component so public comments will not be taken.



Agenda

- Revenues
 - FY 2020 re-estimates
 - FY 2021 re-estimates
- Strategies to address budget gaps
 - FY 2020
 - FY 2021
- Schedule
 - FY 2021 budget 2.0 and tax rates
 - Budget public hearing
 - Council decisions



FY 2020 Revenues

	FY 2020 COVID-19 Impact Re-estimate (in millions)
Real Estate	459.4
Personal Property	53.9
Sales	25.9
BPOL	30.8
Transient Occupancy	7.0
Restaurant	14.6
Other Taxes	38.2
Subtotal Taxes	629.7
Licenses	1.4
Fines & Forfeitures	3.4
Federal	9.1
State	47.3
Other	30.1
Fund Balance Use	13.9
Grand Total	734.9
<i>FY 2020 Projected Expenditures</i>	<i>770.7 M</i>
Revenue Gap	(35.8)



FY 2021 Revenues

	FY 2021 City Manager Proposed (in millions)	Re-estimate (in millions)	Change (in millions)
Real Estate	492.5	477.6	-15.0
Personal Property	59.1	55.2	-3.9
Sales	31.8	26.2	-5.6
BPOL	37.6	22.0	-15.6
Transient Occupancy	13.9	10.8	-3.0
Restaurant	25.5	20.5	-5.0
Other Taxes	39.0	37.9	-1.1
Subtotal Taxes	699.5	650.2	-49.3
Licenses	2.8	2.3	-0.4
Fines & Forfeitures	4.9	3.5	-1.4
Federal	8.2	8.2	0.1
State	48.2	48.0	-0.2
Other	36.5	31.3	-5.2
Grand Total	799.9	743.5	-56.4



Revenue Gap to be Closed

FY 2020	\$35.8 M
FY 2021	\$56.4 M
Total Gap	\$92.2 M



FY 2020 Strategies to Address \$35.8 M Budget Gap

- Hiring freeze with few exceptions
- Focus on necessary spending
- Spending reductions and savings
- Defer capital projects
- Use of Fund Balance
- Use of bond interest earnings



FY 2021 Strategies to Address \$56.4 M Budget Gap

- Defer 2-cent real estate tax rate increase
- Hiring freeze with few exceptions
- Defer compensation increases
- Defer proposed supplementals
- Reduce ACPS operating transfer
- Defer City and School capital projects
- Defer FY 2021 contingents in proposed budget
- To be identified service reductions
- Use of Fund Balance

FY 2021 Unknowns

- Timing and rate of economic recovery
- State budget reductions (FY 21 – FY 22)
- COVID-19 expenses **not** reimbursed
- Need for added Health Department staffing
- Cost of Council recovery initiatives
- WMATA revenue losses up to \$50M per month
 - Alexandria share up to \$2.5M per month
- DASH losses?



FY 2021 Budget Calendar - Current

- April 13: Budget work session – BFAAC and follow up
- April 16: Add/delete proposals due from City Council members
- April 18: Effective tax rate public hearing and add/delete public hearing
- April 21: Preliminary Add/Delete
- April 27: Final Add/Delete
- April 29: Adoption of budget, tax rates, and other fee ordinances and resolutions



FY 2021 Budget Calendar - Proposed

- **NEW** - April 7: Provide City Council a revised proposed budget package
- **Change** - April 14: Budget work session on revised budget package
- April 16: Add/delete proposals due from City Council members
- April 18: Effective tax rate public hearing, revised budget public hearing (**NEW**), and add/delete public hearing
- April 21: Preliminary Add/Delete
- April 27: Final Add/Delete
- April 29: Adoption of budget, tax rates, and other fee ordinances and resolutions