



Changes in the Budget Process

Presented to Agenda Alexandria
September 26, 2005

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Preview

- Resolution 2150
- City Actions Currently Underway
- Schedule of Major Budget Events
- Conclusion

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Resolution 2150

- Adopted by City Council on May 2, 2005
- "Whereas"
 - 8 cent real estate tax rate reduction in CY 2005
 - Largest rate reduction in 17 years
 - Alexandria's rate among lowest in N. VA

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Resolution 2150

- "Whereas"
 - Average residential property tax increase still 11.5% in CY 2005
 - Residential real estate taxes have borne an increasing share of the total tax burden

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Resolution 2150

- Whereas
 - Council stated commitments to
 - Manage growth of expenditures
 - Meet needs of residents and businesses,
 - Maintain competitive compensation for employees
 - Improve effectiveness and efficiency of City government
 - Achieve vision and strategic plan goals and objectives

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Resolution 2150

- Whereas
 - Budget deliberations reflect balancing of community needs with ability to fund those needs
 - More time needed for Council and the community deliberations

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Resolution 2150

- Council directed the City Manager
 - To begin immediately working on the FY 2007 Operating Budget and FY 2007 – 2012 Capital Improvement Program
 - To present to Council at the fall Council Retreat a preliminary budget forecast and outlook

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Resolution 2150

- Preliminary forecast and outlook for
 - Revenues
 - Expenditures needed to maintain current services and policies
 - Requests to fund additional City operating and capital needs
 - Federal and State grants
 - Costs to meet unfunded Federal and State mandates

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Resolution 2150

- Schools requested to provide similar information to Council before the Retreat
- Public Hearing to be held on Oct. 15 before Retreat
- Council will adopt a budget resolution after the Retreat containing two expenditure targets
 - A target for City General Fund growth
 - A target for City funding for School operations

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Resolution 2150

- Schools requested to approve a FY 2007 Operating Budget and CIP program by no later than January 31, 2006
- Schools requested to identify what would be funded at or below the target and what would be funded above the target

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Resolution 2150

- The City Manager has been directed
 - To submit a Proposed Operating Budget and CIP by February 14, 2006
 - To not exceed the targets

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Resolution 2150

- The City Manager also is directed
 - To identify what operating programs and activities and capital projects would be recommended if additional funding were provided above the target and/or
 - To identify what tax rate changes could be enacted with whatever additional revenues might be available above the expenditure target

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Resolution 2150

- City Council shall consider these recommendations and endeavor to enact a budget
 - “that balances the needs of the community with the community’s ability to afford meeting those needs”

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Actions Currently Underway

- On June 2, 2005 City Manager directed City departments to
 - Undertake continuous improvement initiatives
 - Begin FY 2007 budget preparations

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Actions Currently Underway

- Continuous Improvement Initiatives
 - City staff tasked to identify possible immediate and long-term improvements to City-wide administrative services
 - 140+ suggestions being reviewed

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Actions Currently Underway

- Continuous Improvement Initiatives
 - Continuous improvement teams established for
 - Personnel classification, recruitment and selection
 - Personnel training
 - Purchasing
 - Facilities management
 - Fleet management

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Actions Currently Underway

- Continuous Improvement Initiatives
 - Other actions to be examined in areas of
 - Budgeting
 - Accounting
 - Information Technology
 - Citizen Assistance
 - Miscellaneous

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Actions Currently Underway

- Continuous Improvement Initiatives
 - Contractors engaged to conduct efficiency studies of
 - Fire Department
 - Department of Transportation and Environmental Services
 - Several contractors qualified for upcoming efficiency studies of other departments

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Actions Currently Underway

- Continuous Improvement Initiative
 - Contractor engaged to assist City in improving performance measurements
 - Restructuring efforts underway to get the right people in the right jobs doing the right things
 - Each department charged with identifying possible departmental process improvements yielding efficiencies and improved effectiveness

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Actions Currently Underway

- FY 2007 Budget Preparations
 - Identifying savings due to immediate process improvements within each department
 - Identifying low priority programs
 - Identifying potential discretionary supplemental requests
 - Constructing inventory of existing fees and charges for services and identifying potential changes

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Actions Currently Underway

- Estimating costs to maintain current services and policies
- Evaluating continuing need for previously allocated capital improvement program (CIP) funding
- Prioritizing planned CIP projects
- Developing possible adjustments to funding for planned CIP projects or addition of new CIP projects

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Schedule of Major Budget Events

- Sat. 10/15/05 – Council Public Hearing on FY 2007 Budget
- Sat. 10/29/05 – Council Budget Retreat
- Thurs. 11/3/05 – Superintendent submits proposed CIP to School Board
- Weds. 11/9/05 – Council establishes budget targets
- Thurs. 12/1/05 – School Bd. Public hearing on proposed CIP

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Schedule of Major Budget Events

- Thurs. 12/15/05 – Superintendent submits proposed Operating Budget to School Board
- Thurs. 1/5/06 – School Board approves proposed CIP
- Thurs. 1/14 – School Board public hearing on proposed Operating Budget
- Tues. 1/26/06 – School Board approves proposed Operating Budget

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Schedule of Major Budget Events

- Tues. 2/14/06 – City Manager submits proposed Operating Budget and CIP to City Council
- Sat. 3/18/06 – Effective Tax Rate Public Hearing
- Late March – Council public hearing on budget
- Late March – Joint School Board/City Council Work Session on Budget

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Schedule of Major Budget Events

- Mon. 4/17/06 – Council Preliminary Add-Delete Work Session
- Mon. 4/24/06 – Council Budget and Tax Rate Adoption

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Conclusion

- Resolution 2150 makes fundamental changes by
 - Changing the timing of the budget process
 - Establishing targets in the fall for City and School budget submissions
- Intent is to provide
 - More time for public and Council consideration of the budget
 - More useful information on choices facing the community
 - More flexibility to make the best choices

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