

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 27, 2024

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MORGAN ROUTH, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET

SUBJECT: BUDGET MEMO #01: PROPOSED SCHEDULE AND ADD/DELETE PROCESS FOR FY 2025 BUDGET DELIBERATIONS

This memo outlines the proposed schedule for FY 2025 budget deliberations and the add/delete process. This memo includes:

1. The due date for budget questions to receive responses in time for add/delete (**Friday, March 22**).
2. An overview of the add/delete process and timeline, including the deadline for add/delete proposals (**Thursday, April 4**). Staff requests notification of potential add/delete items requiring an ordinance no later than Monday, March 25 to docket for public hearing on Saturday, April 13 and final passage at budget adoption. City Council established the add/delete process rules of engagement in Resolution No. 3198 adopted on November 14, 2023.
3. A timeline with specific dates for public hearings, publication of public notices, work sessions and budget-related legislative or special meetings.

Staff Responses to Council Questions on the Proposed Budget and Capital Improvement Program

All questions from members of Council should be sent to OMB Director Morgan Routh by e-mail or asked at Council meetings or work sessions. Staffs' practice is to respond to all questions as soon as feasible. The City Manager may also discuss questions with individual members as needed. The sooner a question is asked, the more likely it is to receive a full and complete answer in time to influence the add/delete process. Depending on the complexity of the question, information requested after Friday, March 22 may be too late for Council members to receive a complete response by Thursday, April 4, the due date for the City Council budget add/delete proposal forms.

City Council members will be asked to identify which questions relate to potential add/delete adjustments. OMB will use this information to prioritize those responses for quicker turnaround times. Non-add/delete-related budget questions will be prioritized next, followed by non-budget-related questions about City policies and services. Non-add/delete-related questions requiring significant staff research or analysis may be extended beyond the budget process with the requesting Council member's permission to focus on add/delete-related and budget-related responses.

Add/Delete Process: The City Council shall follow the process outlined below. This process is compliant with the add/delete process as outlined in City Council adopted Resolution 3198.

1. Continue use of the add/delete spreadsheet that was produced by OMB prior to the FY 2016 budget process and reintroduced in the FY 2017 budget process.

2. A City Council budget proposal form will be required in order to add or delete anything from the City Manager's Proposed Budget. The form will require the following prior to Council consideration:
 - Additional information related to how the change advances the Council's goals/priorities.
 - Additional information related to how this change impacts the performance of that program, service or goal.
 - The support of at least 3 of 7 Council members (the original sponsor and two-co sponsors).
 - It must be accompanied by an add/delete spreadsheet prepared by the Council member or OMB in which the sum of the individual Council member's adds and deletes, including items originally sponsored by that member, are in balance or produce a revenue surplus.
 - Notice of any potential add/delete proposal requiring a change to a City Ordinance or requiring a new ordinance must be submitted to staff eight days prior to the first legislative meeting in April in order for the item to be introduced and docketed for the April public hearing [for FY 2025, March 25]
3. The completed City Council budget proposal form must be returned to the Office of Management & Budget (OMB), with each of the steps from #2 above completed, at least 20 days prior to the adoption of the budget [for FY 2025, April 4].
4. City Council will hold a third budget public hearing to receive feedback on the preliminary add/delete items submitted by City Council Members [for FY 2025, April 13].
5. A combined list of all City Council budget proposals that meet the criteria in #2, any technical adjustments from OMB, and any City Manager recommended changes, will be provided and discussed at a City Council meeting in April [for FY 2025, April 24].
6. Council will work with OMB to refine/develop funding figures based on the proposals submitted, to be completed 7 days prior to budget adoption [for FY 2025, April 24].
7. Completed Council budget proposals, with funding, will be circulated to Council and the public the Friday prior to budget adoption [for FY 2025, April 26].
8. City Council will be required to keep the budget in balance once all decisions are made.
9. Budget Adoption will occur on May 1, 2024 with all City Council Budget Proposals, those approved and those not approved, made public upon adoption of the budget.

The City Council budget proposal form is attached to this memo. Please fill out the form electronically (preferred for ease in distributing) or by hand and submit the completed forms to OMB by Thursday, April 4, 2024.

Proposed Schedule

Below is the timeline recommended by staff for the FY 2025 budget approval process, based on the budget calendar adopted by City Council. The timeline includes the actions required by statute to be taken by certain dates for adopting the real estate and personal property tax ordinances.

Other considerations that shaped this schedule include:

- The budget public hearing is to be held Monday, March 11, 2024 at 5:30 pm. This schedule allows Council to have public input from the hearing available to it before it establishes a maximum real estate tax rate on Tuesday, March 12, 2024.
- City Council should decide the maximum possible real estate tax rate to advertise 30 days before a public hearing on that rate is held. Such a public hearing is scheduled for Wednesday, April 24, 2024. **Therefore, Council must make this maximum real estate tax rate determination during a regularly scheduled legislative meeting on Tuesday, March 12, 2024.**

FY 2025 BUDGET WORK SESSION AND HEARING SCHEDULE ACTION DATES

All Meetings will have In-Person and Remote Attendance Options

Check the FY 2025 Budget Calendar online at <https://www.alexandriava.gov/Budget> for the latest information.

Tuesday, February 27, 2024	Proposed Budget Presentation City Hall, Council Chamber (7:00 PM)
Wednesday, February 28, 2024	Work Session #1: City and Alexandria City Public Schools (ACPS) Capital Improvement Program (CIP) ACPS Central Office, School Board Room (7:00 PM)
Thursday, February 29, 2024	Public Budget Presentation Charles E. Beatley, Jr. Central Library (7:00 PM)
Wednesday, March 6, 2024	Work Session #2: Alexandria City Public Schools ACPS Central Office, School Board Room (7:00 PM)
Monday, March 11, 2024	Budget Public Hearing City Hall, Council Chamber (5:30 PM)
Tuesday, March 12, 2024	Introduce Tax Rate Ordinance and Set the Maximum Tax Rate City Hall, Council Chamber (7:00 PM)
Wednesday, March 13, 2024	Work Session #3 City Hall, Sister Cities Room 1101 (7:00 PM)
Saturday, March 16, 2024	City Council Public Hearing City Hall, Council Chamber (9:30 AM)
Wednesday, March 20, 2024	Work Session #4 City Hall, Sister Cities Room 1101 (7:00 PM)
Wednesday, April 3, 2024	Work Session #5 City Hall, Sister Cities Room 1101 (7:00 PM)
Saturday, April 13, 2024	Add/Delete Public Hearing City Hall, Council Chamber (9:30 AM)
Wednesday, April 24, 2024	Tax Rate Public Hearing & Work Session #6: Preliminary Add/Delete Location TBD
Monday, April 29, 2024	Work Session #7: Final Add/Delete Location TBD
Wednesday, May 1, 2024	Budget Adoption City Hall, Council Chamber (7:00 PM)

ATTACHMENTS:

Attachment 1 – City Council Budget Proposal Form