

RESOLUTION PROVIDING GUIDANCE ON THE DEVELOPMENT OF THE
FY2022 CITY BUDGET

WHEREAS, the City Council believes it is useful to provide early guidance on budget development; and

WHEREAS, the City Council has received initial projections for revenues and expenditures for the coming fiscal year, as well as multi-year projections, and has considered these projections in providing budget guidance; and

WHEREAS, the guidance statement is intended to provide a framework for the City Manager and the School Board as they develop a proposed budget for presentation in the spring that is aligned with fiscal projections as well as Citywide goals as expressed in the Capital Improvements Program, the Comprehensive Plan, the Council Work Plan, and other approved plans; and

WHEREAS, the City takes tremendous pride in the quality of public input and citizen involvement in the budget process, and the budget process is designed to provide as many opportunities as possible for citizens to exchange information about budget priorities, and this public input will ultimately inform the Council's final budget decisions next spring;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Falls Church that the attached "FY2022 Budget Guidance Statement" is hereby adopted.

Reading: 12-14-20
Adopted: 12-14-20
(TR20-48)

IN WITNESS WHEREOF, the foregoing was adopted by the City Council of the City of Falls Church, Virginia on December 14, 2020 as Resolution 2020-42.



Celeste Heath
Celeste Heath
City Clerk

City Council FY2022 Budget Guidance Statement December 14, 2020

The City Council seeks a FY2022 budget development process that advances the City Vision and Comprehensive Plan; supports the City's excellent schools and excellent government services; and adheres to adopted fiscal policies that keep City finances on a sound footing. The City of Falls Church is committed to providing valuable public services that promote a high quality of life in a cost effective manner.

The COVID-19 pandemic and the associated economic downturn causes great uncertainty for budget planning. The public health and economic fallout from the pandemic is not known at this time, and likely will not be fully known next spring when the FY2022 Budget is adopted. There may be major changes to the economic health of the City, the needs of our community, the amount, if any, of additional federal assistance, to name just a few areas of uncertainty. It will be more important than ever that City Management provide regular and timely updates to the City Council, School Administration, and the larger community, to allow revisions of this Guidance Statement as appropriate.

To these ends, the FY2022 Budget Guidance is as follows:

- Review all City government and school programs and operations to achieve the most cost effective delivery of services possible. This includes exploring opportunities for consolidating services currently provided by both the General Government and School Divisions.
- It is the Council's intention to maintain appropriate discipline on operating budgets for General Governments and Schools with a vision toward reserving financial capacity for the major capital projects recently implemented, including the George Mason High School and Mary Ellen Henderson Middle School projects, the Mary Riley Styles Library project, and the City Hall Public Safety project.
- The FY2022 General Fund operating budget, inclusive of both general government and school operations, should not exceed organic tax revenue growth, currently projected at 2.5% over the FY2021 budget, and not require an increase in the real estate tax rate.
- Continue to maintain the spirit of cooperation and collaboration between the General Government and the Schools in the development of the annual Budget and Capital Improvements Program.
- Present a FY2022 operating budget and capital financial plan that is in accordance with the City's adopted Financial Policies.
- Assume conservative revenue forecasts in the budget proposal, and additionally provide a range of economic forecasts from a worst case to best case assessment.

- Present high level multi-year revenue and expenditure projections so that FY2022 budget decisions can be assessed in the context of long term sustainability. Revenue forecasts should include potential economic development along with other factors.
- Present a budget that provides a level of employee compensation that is competitive within the regional labor market and sustainable over the long term, and that funds the City pension plan per the actuarial determined contribution (ADC).
- The budget should provide options for funding improvements that will further the progress in making the City's business districts vibrant, attractive, and walkable, and options for funding and delivery of the neighborhood traffic calming program and a new dedicated sidewalk program on a sustained basis. In addition, the budget should contain options to increase staffing or contracted services for successful delivery and maintenance of these improvements.
- The budget should provide options for funding affordable housing.
- The budget should provide options for funding improvements to the City storm water infrastructure.
- Propose a budget that promotes racial and socioeconomic equity in the allocation of the public's dollars.
- The Capital Improvements Program (CIP) should meet the commitments of the City Council in the adopted FY2021 – FY2026 CIP and include a ten year planning horizon for major capital needs.
- The CIP should include strategic use of the NVTA 30% and 70% funds as well as other state and federal sources of funds for transportation improvements for all modes of transportation, including walking, cycling, transit, and vehicles. These transportation investments should be aligned with the walkability priorities established in the Mobility for All Modes Chapter of the Comprehensive Plan.
- The budget should address funding for WMATA that does not exceed the 3% cap on annual increases to jurisdictional contributions for the operating and capital budget.
- Calculate and highlight in the budget presentation the pension expense avoided by the investment of a portion of the water sales proceeds in the pension fund.
- Accompany the FY2022 budget presentation with public information that explains the budget clearly and solicits public participation and input in budget decisions.