

Subject:

..Title

Public Hearing on FY 2020-21 Proposed Budget

..Body

EXPLANATION AND SUMMARY:

The Town Manager's proposed budget for fiscal year 2020-21 has been presented to the mayor, Town Council, and residents. The proposed budget was reviewed by Town Council during work sessions on March 14 and 16. A final work session will be held April 20 to further discuss budget issues. This public hearing is held so that Town of Vienna residents may provide public input.

At the current time, the United States, Commonwealth of Virginia, and Fairfax County are all under emergency declarations due to the outbreak of coronavirus. Several FY 2021-21 revenue sources are estimated to decrease below the proposed budget amounts, although the exact amount of decrease is unknown. Staff recommends that Council adjust general fund budget from that proposed by transferring approximately \$462,000 for paving, sidewalk replacement, and other items of a capital nature, from the general fund to the capital project fund. Other than this change, staff recommends that the budget for the Town's four existing operation funds remain as proposed. The town manager and finance director are charged with ensuring that the Town reduces spending in the face of revenue shortfalls.

The proposed fiscal year 2020-21 Town of Vienna budget totals \$43,577,200 for the fiscal year beginning July 1, 2020 and ending June 30, 2021, and is broken down as follows:

- * \$27,412,290 for General Fund expenditures
- * \$10,194,050 for Water and Sewer Fund expenditures
- * \$5,533,140 for Debt Service Fund expenditures
- * \$437,720 for Stormwater Fund expenditures

The proposed budget is based upon a real estate tax rate of \$0.2250 per \$100 valuation; bank net capital at \$0.80 per \$100 valuation, and utility tax for residential uses at a rate of 20% of the first \$15 and for commercial uses at a rate of 15% of the first \$300.

The budget, as adjusted, is scheduled for adoption on May 11, 2020,

Strategic Plan Initiative: *Vienna is a fiscally responsible community.*

Departmental Recommendation: The Finance Department recommends a public hearing to allow an opportunity for Town of Vienna residents to comment on the FY 2020-21 proposed budget.

Finance Recommendation: The Finance Department recommends a public hearing to allow an opportunity for Town of Vienna residents to comment on the FY 2020-21 proposed budget.

Purchasing Recommendation: N/A

Town Attorney Recommendation: In accordance with provisions of the Virginia State Code and Town Code, the town attorney recommends that Town Council conduct a public hearing on the proposed FY20-21 budget.

Town Manager's Recommendation: The COVID-19 pandemic will have a significant, but as yet undetermined impact, on the Town of Vienna's General Fund budget. We project a significant revenue loss in Fiscal Year 2020-2021. In an effort to maintain a balanced proposed budget, I recommend that the Town delay a number of expenses, including compensation increases for the Town's employees. It is my recommendation that Town Council close the public hearing and direct the Town Clerk to advertise a Notice of Intent to Adopt, using the attached September 30, 2020 forecast, a decrease from the current Fiscal Year 2019-2020 budget of 2.6% for the General Fund and a 26% decrease for the Debt Service Fund.

Cost and Financing: \$43,577,200

Account Number: various

Decision Needed by This date: April 13, 2020

PROPOSED/SUGGESTED MOTION

..Recommended Action

"I move to close the public hearing."

And

"I further move that the Town Clerk be directed to advertise a Notice of Intent to Adopt the Fiscal Year 2020-21 Budget at the May 11, 2020 Town Council meeting, following Town Council's consideration of the real estate tax rate."

Or

Other action deemed necessary by Council.