



BFAAC Budget "101"

- During the March 19, 2019 BFAAC Meeting, OMB Staff provided a general overview of the Approved FY 2019 Budget, the budget development process, and the FY 2020 budget forecast (as of fall 2018).
- A similar overview process was conducted for New City Council Members during the fall 2018; the materials from that overview were used for the BFAAC Budget "101".



New City Council Member Briefing

Office of Management and Budget
December 5, 2018



Agenda

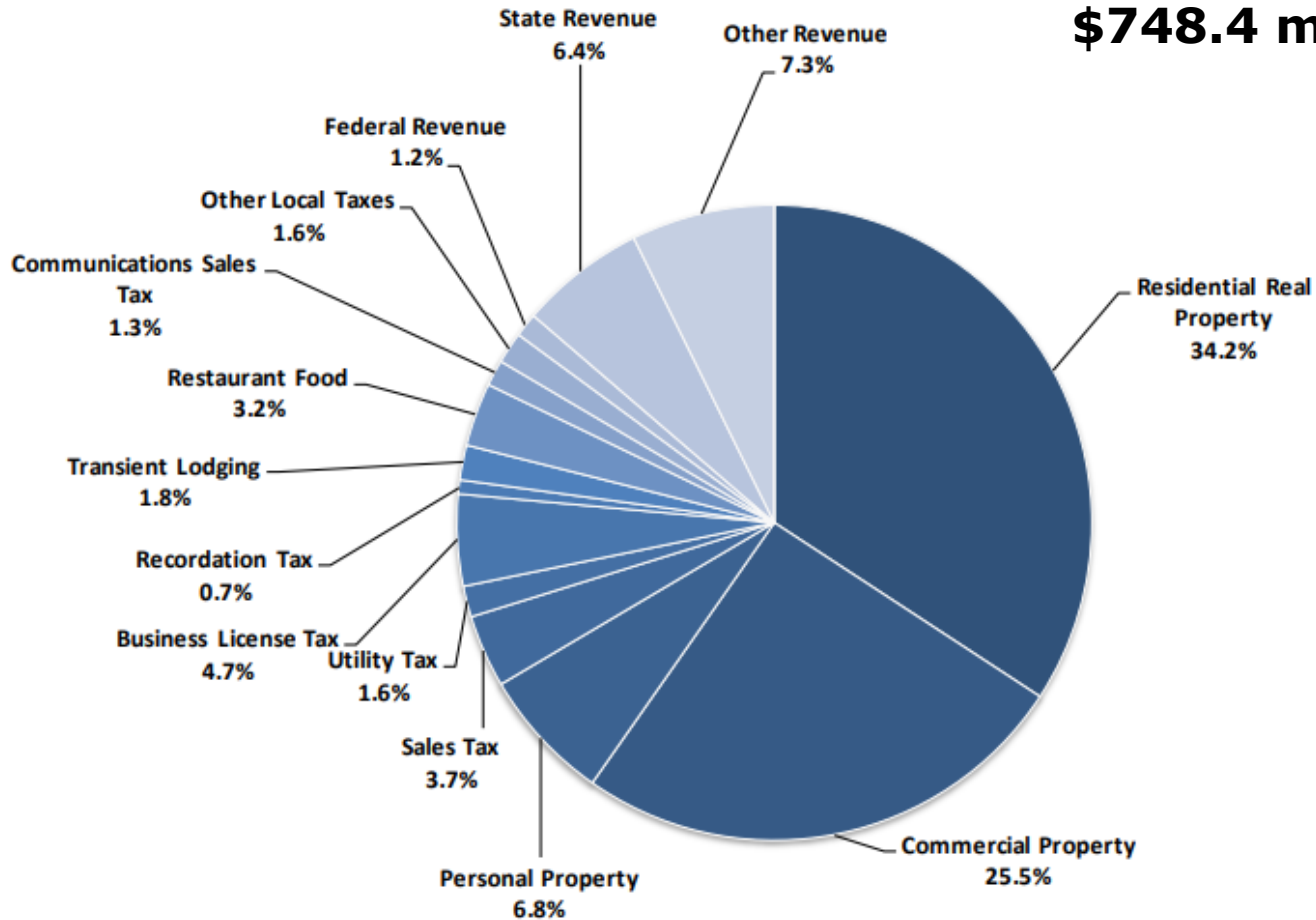
- Budget & CIP Sources & Uses
- FY 2020 Forecast & Issues
- FY 2020 Budget Process
- About OMB



Annual Operating Budget

FY 2019 Approved General Fund Sources

\$748.4 million



Dedicated Funding

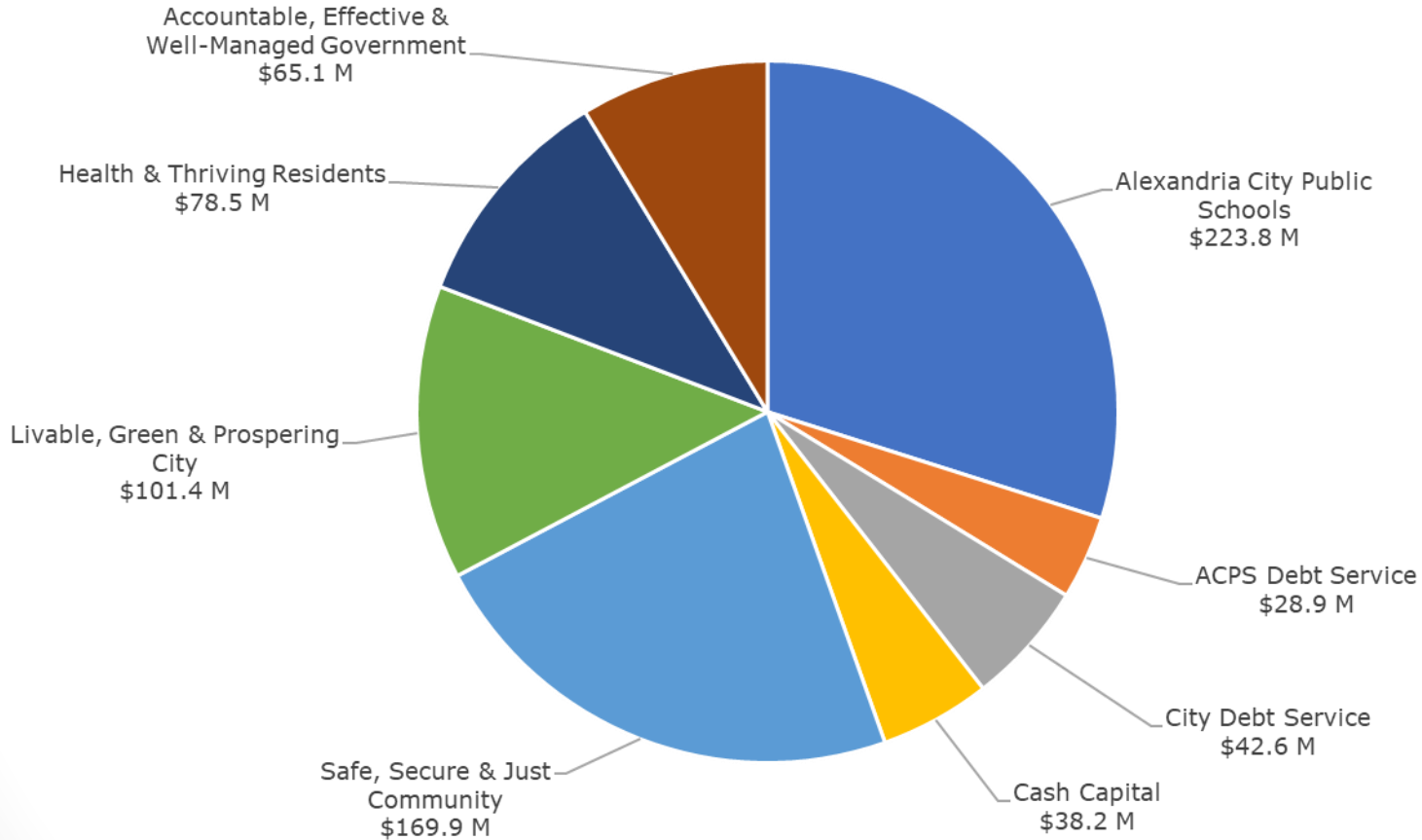
- Transportation Improvement Program (TIP) 2.2 cents real estate tax rate = \$8.7 million
- Affordable housing 0.6 cents real estate tax rate = \$2.3 million
- Affordable housing 1% meals tax = \$4.75 million

Annual Operating Budget

FY 2019 Approved General Fund Uses



FY 2019 Approved General Fund Expenditures

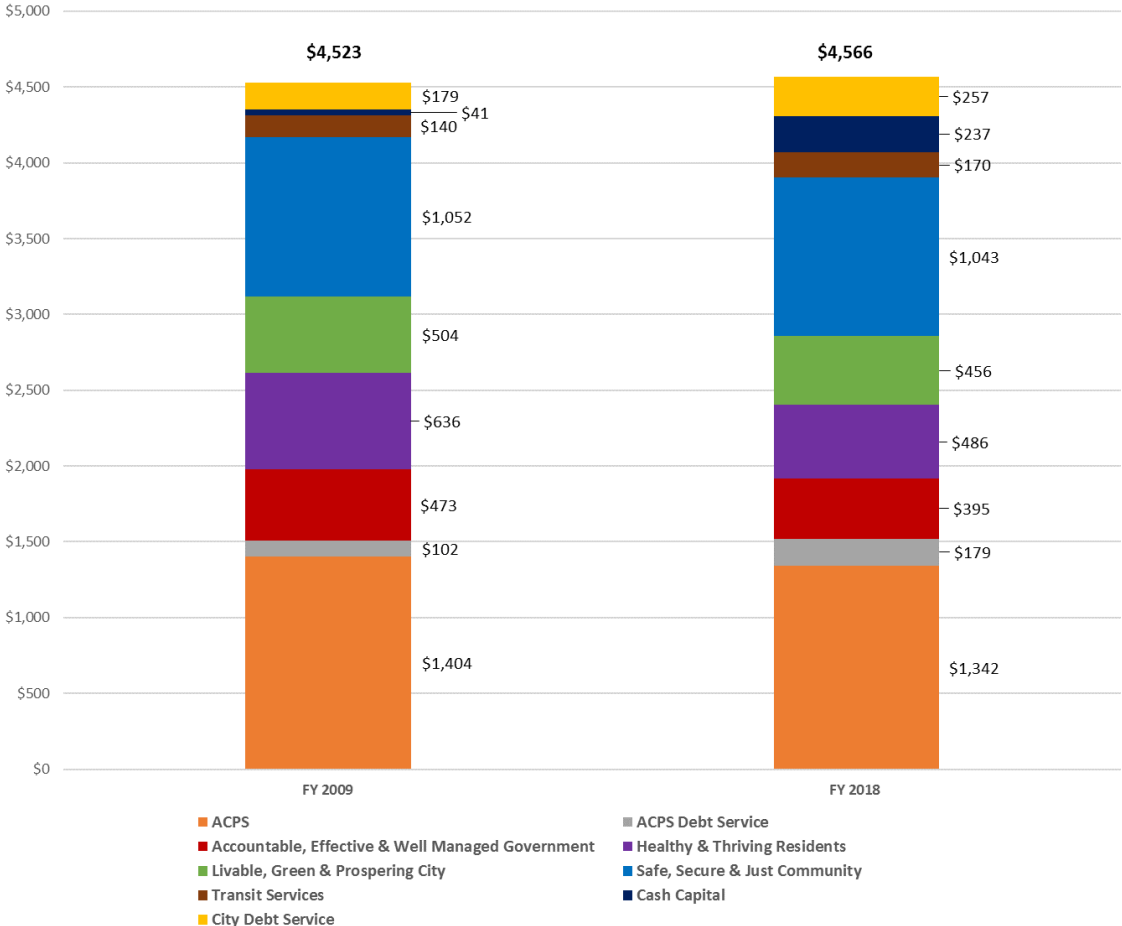


Ten Year General Fund Budget History

Expenditures Per Capita by Area



GF Expenditures Per Capita FY 2009 & FY 2018 (CPI Adjusted)

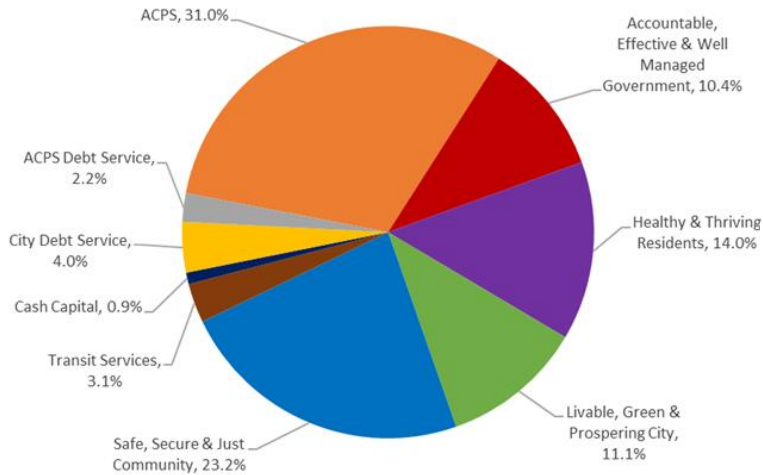




Ten Year General Fund Budget History

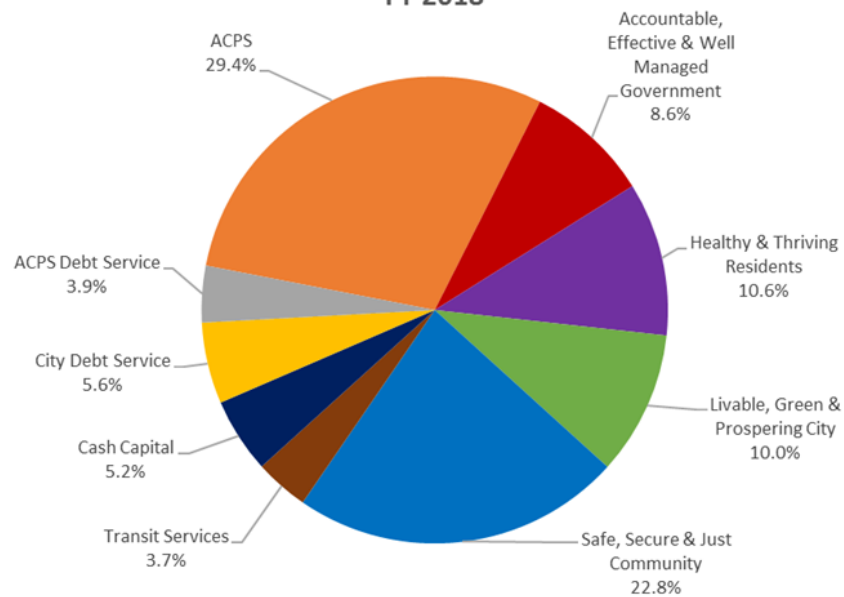
Percent of Total Expenditures by Area

FY 2009 (CPI Adjusted)



City = -4.5%
ACPS = +0.1%
Cash Capital = +4.3%

FY 2018

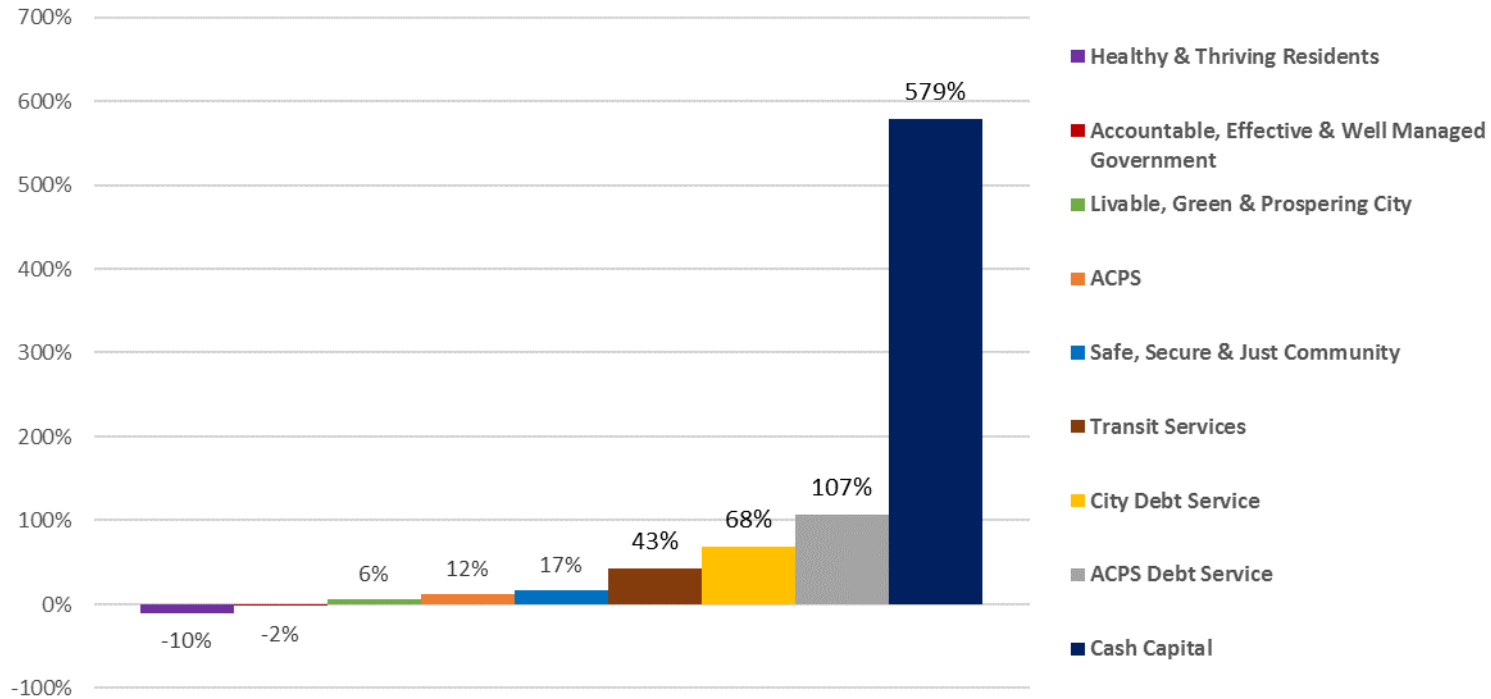




Ten Year General Fund Budget History

Percent Change in Expenditures by Area

% Change since FY 2009 (CPI Adjusted)





Other Special Revenue Funds

ALL FUNDS	FY 2017 Actuals	FY 2018 Approved	FY 2019 Approved	% Change 2018 - 2019
Expenditures by Fund				
General Fund	702,902,190	728,138,029	748,426,937	2.8%
Grants & Donations	106,819,717	105,919,853	106,443,449	0.5%
Affordable Housing	-	5,121,442	5,351,263	4.5%
Sanitary Sewers	11,239,457	12,567,531	12,013,063	-4.4%
Stormwater	1,570,473	5,088,228	8,133,151	59.8%
Potomac Yard	5,682,825	10,861,758	11,861,748	9.2%
NVTA	17,876,766	18,858,879	17,977,656	-4.7%
Internal Service	5,624,216	3,873,755	3,776,233	-2.5%
ACPS	278,920,884	283,997,814	299,620,588	5.5%
Library	6,863,312	7,467,590	7,679,092	2.8%
DASH	20,113,973	16,524,879	17,488,912	5.8%
Total Expenditures	1,157,613,813	1,198,419,759	1,238,772,092	3.4%
Less Interfund Transfers	(285,797,039)	(308,827,562)	(321,163,791)	4.0%
Net Expenditures	871,816,774	889,592,197	917,608,301	3.1%

Ten Year Staffing History

- FTE¹ in FY 2009 = 2,650
- FTE in FY 2019 = 2,579
- Net Change of -71 FTE or -2.7%
- City population has increased 8.1% since FY 2009

¹ FTE = Full-time equivalent positions



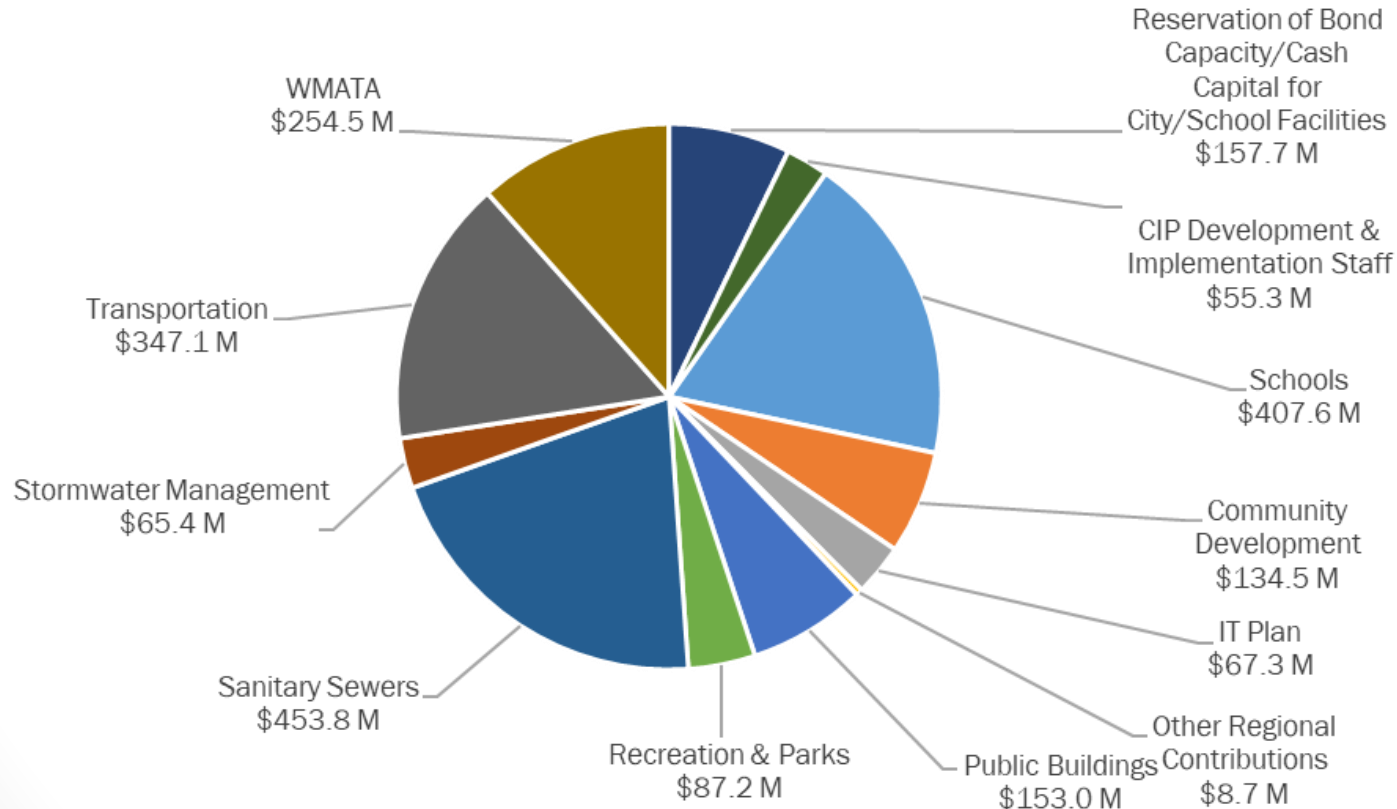
FY 2019 – FY 2028 Capital Improvement Program

All Uses (CIP Document Section)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	TOTAL FY 2019 - 2028
Schools	\$ 33,181,789	\$ 26,220,826	\$ 113,682,830	\$ 68,920,000	\$ 53,425,000	\$ 27,649,459	\$ 25,325,970	\$ 11,951,000	\$ 32,155,086	\$ 15,101,488	\$ 407,613,448
Community Development	\$ 14,925,060	\$ 10,703,500	\$ 11,910,828	\$ 19,891,994	\$ 15,265,310	\$ 7,753,486	\$ 20,908,835	\$ 15,079,368	\$ 8,221,796	\$ 9,833,131	\$ 134,493,308
IT Plan	\$ 11,611,000	\$ 6,720,000	\$ 7,965,500	\$ 5,749,000	\$ 5,728,000	\$ 5,468,000	\$ 5,738,500	\$ 6,261,000	\$ 5,813,000	\$ 6,235,500	\$ 67,289,500
Other Regional Contributions	\$ 759,226	\$ 847,000	\$ 855,000	\$ 864,000	\$ 872,000	\$ 881,000	\$ 889,000	\$ 898,000	\$ 908,000	\$ 917,000	\$ 8,690,226
Public Buildings	\$ 9,560,750	\$ 14,710,000	\$ 19,285,750	\$ 18,769,750	\$ 41,570,250	\$ 10,368,250	\$ 8,542,500	\$ 21,226,250	\$ 6,216,500	\$ 2,727,250	\$ 152,977,250
Recreation & Parks	\$ 8,358,000	\$ 8,769,213	\$ 7,829,000	\$ 7,647,000	\$ 8,397,000	\$ 12,747,000	\$ 7,947,000	\$ 8,122,000	\$ 8,817,000	\$ 8,612,000	\$ 87,245,213
Sanitary Sewers	\$ 29,900,000	\$ 73,195,000	\$ 73,600,000	\$ 117,250,000	\$ 101,500,000	\$ 41,800,000	\$ 11,500,000	\$ 1,500,000	\$ 1,800,000	\$ 1,800,000	\$ 453,845,000
Stormwater Management	\$ 3,861,720	\$ 4,735,000	\$ 4,740,000	\$ 4,770,000	\$ 5,375,000	\$ 8,280,000	\$ 8,285,000	\$ 8,290,000	\$ 10,795,000	\$ 6,295,000	\$ 65,426,720
Transportation	\$ 37,366,961	\$ 51,900,158	\$ 91,503,737	\$ 104,467,000	\$ 88,361,000	\$ 54,830,000	\$ 48,880,000	\$ 48,330,000	\$ 38,130,000	\$ 37,757,000	\$ 601,525,856
Reservation of Bond Capacity/Cash Capital for City/School Facilities	\$ 45,360,126	\$ 11,551,174	\$ 6,352,170	\$ 6,510,000	\$ 21,050,000	\$ 9,914,041	\$ 12,164,530	\$ 17,162,500	\$ 19,414,414	\$ 8,253,512	\$ 157,732,467
CIP Development & Implementation Staff	\$ 4,686,585	\$ 4,855,853	\$ 5,031,849	\$ 5,214,359	\$ 5,403,975	\$ 5,600,789	\$ 5,805,397	\$ 6,017,899	\$ 6,238,896	\$ 6,468,493	\$ 55,324,095
Grand Total	\$ 199,571,217	\$ 214,207,724	\$ 342,756,664	\$ 360,053,103	\$ 346,947,535	\$ 185,292,025	\$ 155,986,732	\$ 144,838,017	\$ 138,509,692	\$ 104,000,374	\$ 2,192,163,083
% from Bonds	54.6%	57.3%	55.6%	51.8%	55.9%	47.1%	43.5%	39.5%	44.2%	24.8%	50.3%
% from City and Other Cash Sources	45.4%	42.7%	44.4%	48.2%	44.1%	52.9%	56.5%	60.5%	55.8%	75.2%	49.7%



FY 2019 – FY 2028 Capital Improvement Program

FY 2019 - FY 2028 Capital Budget Expenditures
\$2.192 billion

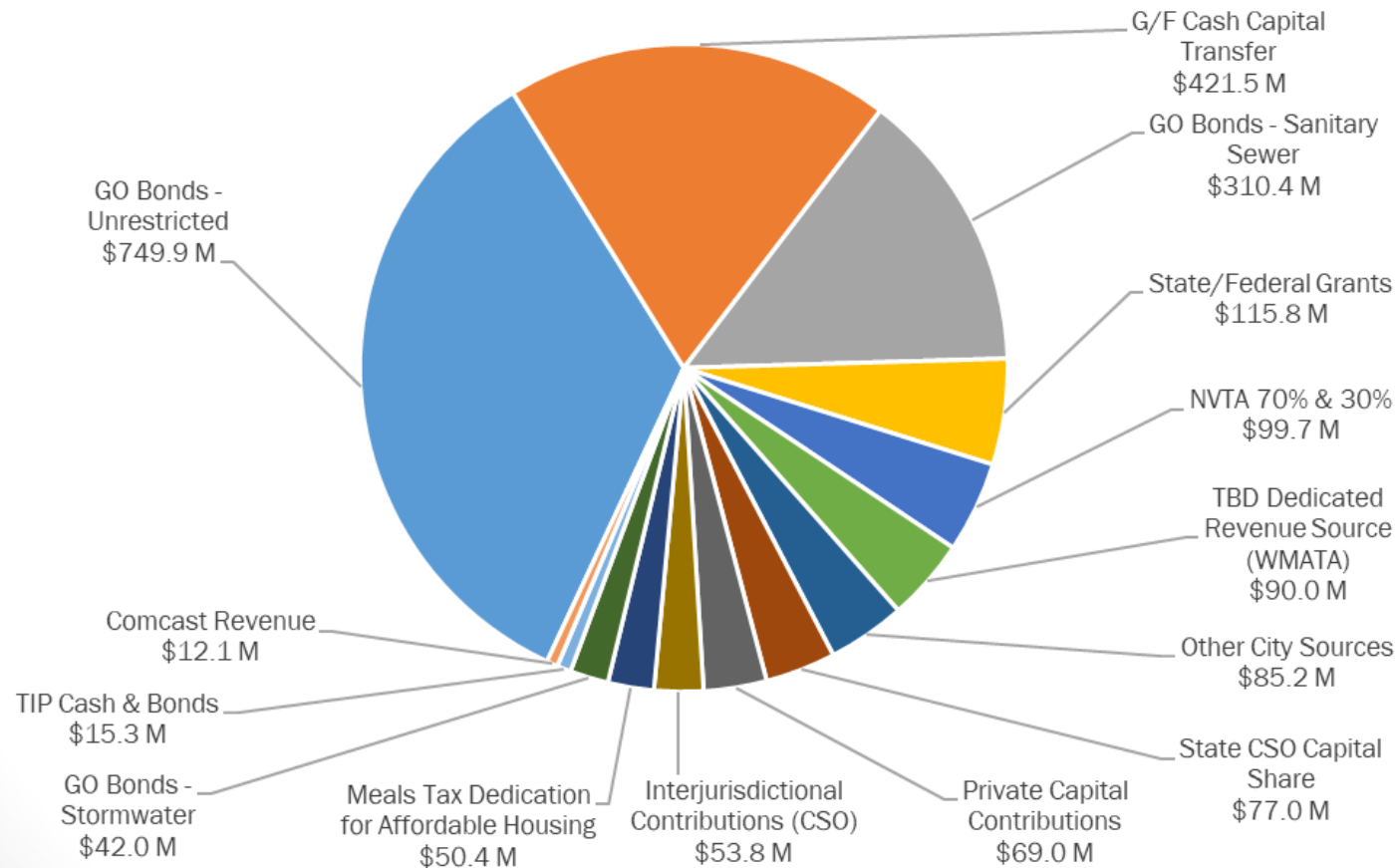




FY 2019 – FY 2028 Capital Improvement Program

FY 2019 - FY 2028 CIP Revenues

\$2.192 Billion





CIP Funding Policies

Debt Ratio	Previous Ratios			City Council Adopted Changes		
	Target	Limit	Exemptions	Target	Limit	Exemptions
Debt as a Percentage of Fair Market Real Property Value	1.10%	1.60%	Sanitary Sewer Debt	Set by CIP	2.50%	Sanitary Sewer & Stormwater Debt
Debt as a Percentage of Total Personal Income	3.20%	4.50%	Sanitary Sewer Debt	DELETED AS A MEASURE		
Debt Service as a Percentage of General Government Expenditures	8.00%	10.00%	Sanitary Sewer Debt	Set by CIP	12.00%	Sanitary Sewer & Stormwater Debt
10-Year Debt Payout Ratio	NOT A PRIOR MEASURE			65.00%	50.00%	Debt Issuances Specific to Assets with a 20+ year Useful Life

FY 2020 Preliminary General Fund Operating Budget Projection



	FY 2019 Approved	FY 2020 Estimated	\$ Change	% Change
General Fund Preliminary Gap				
City	\$ 385.2	\$ 400.6	\$ 15.4	4.0%
Transit	\$ 29.6	\$ 35.8	\$ 6.2	20.9%
ACPS	\$ 223.8	\$ 246.1	\$ 22.3	10.0%
Capital	\$ 109.7	\$ 107.6	\$ (2.1)	-1.9%
Total	\$ 748.3	\$ 790.1	\$ 41.8	5.6%
Revenue	\$ 748.3	\$ 762.6	\$ 14.3	1.9%
Funding Gap		\$ (27.5)		



FY 2020 Potential General Fund Cost Drivers

- Employee salary merit increases (+\$4.5 M)
- FY 2020 increment of prior year public safety salary increases (+\$0.9 M)
- Health insurance (+8.4% = +\$1.3M)
- Inflation
- Major construction price escalation
- School funding
 - +\$22.3 M estimated by ACPS
 - Partially enrollment driven



FY 2020 Potential General Fund Cost Drivers

- WMATA operating funding
 - +\$2.0 M impact of binding labor arbitration
 - +\$1.0 M 3% growth legislated cap
 - +\$1.0 M new service initiatives
 - +\$4.0 M total potential increase



FY 2020 Budget & CIP Development Process

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FY 2020 Budget Development Calendar - Current						
Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
17-Feb	18-Feb Holiday	19-Feb City Manager Proposed budget presentation Work session # 1 Revenues	20-Feb	21-Feb	22-Feb	23-Feb
24-Feb	25-Feb	26-Feb	27-Feb Work Session #2 CIP	28-Feb	1-Mar	2-Mar
3-Mar	4-Mar	5-Mar	6-Mar Work Session #3 ACPS	7-Mar	8-Mar	9-Mar
10-Mar	11-Mar Budget Public Hearing	12-Mar Introduce and Set Maximum Tax Rate	13-Mar Work Session #4	14-Mar	15-Mar	16-Mar
17-Mar	18-Mar	19-Mar	20-Mar Work Session #5	21-Mar	22-Mar	23-Mar
24-Mar	25-Mar	26-Mar	27-Mar Work Session #6	28-Mar	29-Mar	30-Mar



FY 2020 Budget & CIP Development Process

31-Mar	1-Apr	2-Apr	3-Apr	4-Apr	5-Apr	6-Apr
	Staff notification for items requiring an ordinance		Work Session #7		Revenue Re-estimates and Technical Adjustments Memo posted	
7-Apr	8-Apr	9-Apr	10-Apr	11-Apr	12-Apr	13-Apr
	Work Session #8			Preliminary Add/Delete Due	List of Preliminary Add/Delete to public (Budget Memo)	1. Maximum Tax Rate Public Hearing 2. 2nd Budget Public Hearing
14-Apr	15-Apr	16-Apr	17-Apr	18-Apr	19-Apr	20-Apr
			ACPS Spring Break			
21-Apr	22-Apr	23-Apr	24-Apr	25-Apr	26-Apr	27-Apr
Holiday		Work session #9 Preliminary Add/Delete		Revised Preliminary Add/Delete to public (Budget Memo)		
28-Apr	29-Apr	30-Apr	1-May	2-May	3-May	4-May
	Work session #10 Final Add/Delete	Send budget adoption materials to Council		Budget Adoption		