

## **Town of Vienna FY2018 Operating Budget – Progress Update following Council Work Sessions**

For 23 consecutive years, the Town of Vienna has received the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada. This recognition indicates that Vienna’s final budget presentation functions effectively as a policy document, financial plan, operations guide, and communications device. As the Town works to finalize the FY2017-18 budget, in anticipation of Council’s approval in May, we share this update on the process in the spirit of open government and effective communication with citizens. The FY2017-18 fiscal year is July 1, 2017 to June 30, 2018.

Development of the Town’s operating budget begins when departments present typical departmental costs as well as additional requests, called “unmet needs,” to a Budget Committee, which includes the Town Manager and several department directors. For the last three years, departments have been directed to base the operational parts of their budgets on no increase, or to “zero base” their departmental requests. Based on this input, and after Budget Committee review, the Town Manager then submits a proposed budget to Town Council, usually in early March.

Town Council holds up to three work sessions to discuss setting the tax rate and to determine what priorities and unmet needs can be funded at the proposed tax rate. Council has been able to hold the tax rate at \$0.225 cents for three years while funding some unmet needs.

Below is a synopsis of recommended changes to the Town Manager’s Fiscal Year 2017-18 proposed budget made by Council at work sessions on March 18, March 20, and April 3. All of these decisions impact the General Fund only and are subject to change through adoption of the Fiscal Year 2017-18 budget, which is scheduled for May 8, when Council also is scheduled to adopt the water and sewer and tax rates.

Next steps in the budgeting process are public hearings on the budget and water and sewer rates, to be held April 17, and on the tax rate, scheduled for April 24. These hearings are open to the public, and public participation is encouraged.

Any questions regarding the budget or the Town’s budget process may be directed to Director of Finance Marion Serfass at [mserfass@viennava.gov](mailto:mserfass@viennava.gov) or 703-255-6322.

**General Fund**

	<u>Revenues</u>	<u>Expenditures</u>	
<b>Original Proposed FY 2017-2018 Budget</b>	<b>\$23,946,310</b>	<b>\$23,946,310</b>	- Real Estate Tax Rate \$0.225 - no increase for three consecutive years - Salary increases totaling 3.1% - \$100k increase in landfill fees - All other costs held at zero increase for third consecutive year
The original Proposed Budget did not include identified unmet needs of \$711,000			
<i>After work session deliberations with Mayor and Council on March 18 and March 20 the following adjustments were made:</i>			
			<u>UNMET NEEDS FUNDED BY COUNCIL THROUGH BUDGET WORK SESSIONS</u>
Transfer from Water and Sewer	\$50,000	\$35,470	Email Upgrade
Parks and Recreation Increased Revenue	\$75,000	\$50,000	Asphalt Overlay
Use of Prior Year Surplus	\$136,000	\$15,000	Rectangular Flashing Beacons
		\$15,000	Personnel - Customer Care Specialist PT Staff *
		\$75,000	Personnel - Rec Program Coordinator *
		\$2,230	Chillin' on Church supply costs *
		\$5,000	Fire Safety system at Railroad Train Station
		\$7,500	Town Green Drinking fountains
		\$75,000	Personnel - Planner
		-\$19,200	Unallocated Surplus
Total Changes	<u>\$261,000</u>	<u>\$261,000</u>	
<b>Proposed Advertised Budget</b>	<b><u>\$24,207,310</u></b>	<b><u>\$24,207,310</u></b>	* Partially or fully offset by Parks and Recreation revenue increases due to reopening of Community Center; not to be filled until after reopening of the Community Center
<i>After work session deliberations on April 3, the following adjustments were made:</i>			
Increase Tobacco Tax from \$0.75 to \$0.85 /pack	\$20,000	-\$15,000	Move Rectangular Beacons to Capital Budget
Decrease use of Prior Year Surplus	-\$20,000	-\$5,000	Move Fire Safety system to Capital Budget
		\$2,500	Community Enhancement Commission Programs
		\$330	Commission Chair salary increases
		\$5,000	Public Art Grant Matching Funds
Additional Chillin' on Church Revenues	\$9,200	\$12,770	Additional Chillin' on Church Expenditures
		\$8,600	Unallocated Funds
Total Changes	<u>\$9,200</u>	<u>\$9,200</u>	
<b>Proposed Budget for Public Hearing</b>	<b><u>\$24,216,510</u></b>	<b><u>\$24,216,510</u></b>	

Other fund budgets (e.g., water and sewer) did not change

	<u>Revenues</u>	<u>Expenditures</u>
<b>Water and Sewer Fund</b>	<u>\$8,123,760</u>	<u>\$8,123,760</u>
<b>Debt Service Fund</b>	<u>\$3,623,560</u>	<u>\$3,623,560</u>
<b>Stormwater Fund</b>	<u>\$382,830</u>	<u>\$382,830</u>