



## MEMORANDUM

TO: Mayor Tomzak and Members of City Council  
FROM: Beverly R. Cameron, City Manager  
Mark Whitley, Assistant City Manager  
RE: Recommended Budget FY 2011 – Alternatives and Variables  
DATE: March 9, 2010

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This memorandum will serve as an introduction to a series of budget alternatives prepared to assist you in your review of the budget for FY 2011. The staff has prepared four alternatives (A, B, C, and D) for your consideration. In addition, staff has quantified the value of several key variables to assist you as you make changes to the Recommended Budget.

Alternatives A, B, and C represent *additions* to the Recommended Budget. These three alternatives build upon each other, but may also be considered individually. In addition, Council may decide to “mix and match” pieces of the alternatives, depending upon priorities. There is information in Alternative C that breaks down the amount of real estate tax increase necessary to fund these items, and an approximate number of full-time positions that would be eliminated if the items were funded with no real estate tax increase.

Alternative D represents *deductions* to the Recommended Budget. The total reductions are roughly equivalent to the additions necessary to fund Alternatives A and B together; however, some of the deductions would end up being contradictory with some of the additions. (For example, Alternative D eliminates most human service agencies, while Alternative A would restore funding for two human service agencies eliminated from the Recommended Budget.) Council should carefully mix and match priorities off the list if there is a desire to cut some things while funding others.

Council should also bear in mind that the Recommended Budget uses \$500,000 of fund balance (matched to Contingency) for operations. There is an additional \$200,000 allowance for additional state cuts. Additions to the budget should be considered cautiously, in that context.

The variables and items to consider worksheet provides Council with additional information as budget changes are under consideration. This is only a small list, and there are many items affecting the budget that are not yet resolved. We look forward to hearing your ideas and assisting you as you move forward with the budget review process.

# Budget Alternatives

## FY 2011 City Manager's Recommended Budget

<b>Alternative A</b>	<b>Cost</b>
<b>Base Expenditures</b>	<b>\$ 71,751,405</b>
Add:	
Library Level Funding (Same as FY10)	\$ 55,190
Restore Funding for Eliminated Agencies	\$ 25,440
Two Furlough Days (Not Four)	\$ 70,000
Restore Head Start (Same as FY10)	\$ 25,500
Restore Funding for Sheriff Part-Time	\$ 35,850
<b>Total</b>	<b>\$ 211,980</b>
<b>New Expenditure Base</b>	<b>\$ 71,963,385</b>

# Budget Alternatives

## FY 2011 City Manager's Recommended Budget

<b>Alternative B</b>	<b>Cost</b>
<b>Base Expenditures</b>	<b>\$ 71,751,405</b>

Alternative A Adds:

Library Level Funding (Same as FY10)	\$ 55,190
Restore Funding for Eliminated Agencies	\$ 25,440
Two Furlough Days (Not Four)	\$ 70,000
Restore Head Start (Same as FY10)	\$ 25,500
Restore Funding for Sheriff Part-Time	\$ 35,850

**Alternative A Total:** \$ **211,980**

Two Furlough Days	\$ 70,000
Restore Funding for Rental Housing Inspection Program	\$ 74,720
Restore Funding for School Resource Officer at WGMS	\$ 51,475

**Alternative B Total** \$ **196,195**

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**New Expenditure Base** \$ **72,159,580**

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# Budget Alternatives

## FY 2011 City Manager's Recommended Budget

<b>Alternative C</b>	<b>Cost</b>	<b>Notes</b>
<b>Base Expenditures</b>	<b>\$ 71,751,405</b>	
<b>Alternative A Total:</b>	<b>\$ 211,980</b>	
<b>Alternative B Total</b>	<b>\$ 196,195</b>	
<b>New Expenditure Base</b>	<b>\$ 72,159,580</b>	
<b>Alternative C</b>		
City Schools Full Funding	\$ 745,612	
Library Full Funding	\$ 315,366	
<b>Alternative C</b>	<b>\$ 1,060,978</b>	
<b>Alternative C in real estate tax - cents increase</b>	<b>3.08</b>	Cents
<b>Alternative A + B + C Total</b>	<b>\$ 1,413,963</b>	Remove Library from Alt A
<b>Alternative A + B + C in real estate tax - cents</b>	<b>4.10</b>	Cents
<b>Alternative C with in terms of positions</b>	<b>17.68</b>	Based on 60,000 for 1 FT
<b>Alternative A + B + C in terms of positions</b>	<b>23.57</b>	
<b>New Expenditure Base - Add Alternative C Only</b>	<b>\$ 72,812,383</b>	
<b>New Expenditure Base - Add All Alternatives</b>	<b>\$ 73,165,368</b>	

# Budget Alternatives

## FY 2011 City Manager's Recommended Budget

Alternative D	Cost	Notes
<b>Base Expenditures</b>	<b>\$ 71,751,405</b>	
<b>Deduct:</b>		
Pass-through state cut to Clerk of Circuit Court	\$ 14,528	Estimate 0.5 FTE
Pass-through state cut to Treasurer	\$ 33,941	Estimate 1 FTE (PT)
Pass-through state cut to Commissioner / Rev	\$ 73,329	Estimate 2 FTE (All PT & 1 FT)
Pass-through state cut to Commonwealth Atty	\$ 47,445	All Employees mandated
<b>Subtotal Constitutional Officers</b>	<b>\$ 169,243</b>	
<b>Eliminate Additional Agencies</b>		
All Human Service Agencies Except		
Brisben Center / Hope House / Micah Ministries	\$ 123,105	
Bragg Hill Family Life Center	\$ 2,000	
DRMI	\$ 2,000	
Volunteer Fire Department	\$ 10,000	
Fredericksburg Regional Alliance	\$ 11,280	
Master Gardners	\$ 2,125	
<b>Subtotal Agencies</b>	<b>\$ 150,510</b>	
Reduce Transfer to Schools	\$ 50,000	
Reduce City Capital Outlay	\$ 50,000	
<b>Subtotal Alternative D</b>	<b>419,753.00</b>	
<b>New Expenditure Base</b>	<b>\$ 71,331,652</b>	

# Budget Alternatives Table of Variables and Other Items to Consider

Item	Cost	Notes
1 Furlough Day	\$ 35,000	General Fund
Penny on the Real Estate Rate	\$ 345,000	
5% Increase in Solid Waste Fees	\$ 35,000	
Full-time Position (Reduction in Force)	\$ 60,000	Extremely Variable

## Other Items to Consider

1% Raise to Staff		
with Annual Salary < \$70,000	\$ 191,000	Additional After Furloughs Eliminated
Reinstitute \$500 for ICMA-RC	\$ 175,000	

## Unresolved Items

Health Insurance  
State Budget  
Impact of Retirement Incentive  
Revenue Developments