



# TOWN OF FAIRFAX

## STAFF REPORT

### May 27, 2021

**TO:** Mayor and Town Council

**FROM:** Garrett Toy, Town Manager  
Michael Vivrette, Finance Director

**SUBJECT:** Conduct workshop to discuss Fiscal Year 2021-22 Proposed Operating and Capital Improvement Budget

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#### **RECOMMENDATION**

Conduct budget workshop.

#### **DISCUSSION**

This staff report represents a brief overview of the Proposed FY21-22 Operating and Capital Improvement budget and serves as the interim budget message. The budget is still a work in progress. Specifically, we are working to finalize year-end budget projections and the five-year forecast, prepare the budget message, update department goals and accomplishments, and complete the five-year CIP (Capital Improvement Program) project descriptions. At the workshop, staff will provide a detailed overview of the budget including a five-year forecast and comparison between the adopted FY20-21 and proposed FY21-22 budgets.

However, we do NOT anticipate the attached proposed FY21-22 budget will change significantly prior to the workshop. Preliminarily, the overall Town budget is approximately \$17.7M:

- \$11.5M for General Fund operations
- \$1.2M for debt service and other special funds
- \$5M for CIP projects

The General Fund budget is higher than the previous fiscal year primarily due to one-time expenses for the Housing Element process, vehicle purchase, and building improvements (e.g., fire station roof repair, Pavilion microgrid).

Prior to or at the budget workshop, the Council may receive supplemental materials to the budget. The morning session of the workshop will focus on the General Fund operating budget. The afternoon session will focus on special funds, CIP, and proposed new programs and projects to include in the budget. We have reserved a majority of the afternoon session for the Council discussions/consideration regarding funding

priorities and requests from Town committees such as the Climate Action Committee (CAC) and Racial Equity and Social Justice Committee (RESJ). These requests will be provided at the budget workshop for Council discussion.

With regard to the American Rescue Plan funding, staff will be recommending that the Council schedule a special workshop to discuss the funding options. Staff's recommendation is to maximize the reimbursement of the Town's eligible expenses under the federal program. This would recharacterize the funds as Town "General Funds" which then can be used to fund one-time expenses without any federal restrictions. We will provide more details at the workshop.

We anticipate distributing a more finished proposed budget prior to the Council's June 16<sup>th</sup> public hearing on the budget. The workshop is the best forum for the Council and community to discuss the budget in detail.

**FISCAL IMPACT**

n/a

**ATTACHMENT**

Proposed Budget