

City Manager's Message

City Manager's Message

February 12, 2008

To the Honorable Mayor and Members of City Council:

I am pleased to present City Council with the Proposed Fiscal Year 2009 Operating Budget and the Proposed Fiscal Year 2009-2014 Capital Improvement Program.

FY 2009 General Fund Operating Budget increases by only 2.9%

As directed by City Council last November, City staff aggressively sought out alternative non tax revenue and efficiency options in this Proposed Budget. This Proposed Budget would increase total General Fund spending by 2.9 percent or \$15.3 million for a total of \$534.8 million. In accordance with City Council guidance, the operating budget transfer to the Alexandria City Public Schools would increase by 4.1 percent or \$6.6 million and funding for the remainder of the General Fund budget, including cash capital and debt service funding for all capital projects and transit subsidies, would increase by 2.4% or \$8.7 million.

Revenue growth is limited as local economy in transition

At the November City Council retreat City staff identified both an immediate FY 2009 challenge and a long term challenge, if the City's real estate base growth rate remains low. Council then set an aggressive goal after the retreat for City staff to put together a budget without increasing the real property tax rate, and the proposed budget assumes no increase in the existing real property tax rate of 83 cents per \$100 assessed value. At the time of the retreat, revenue estimates based on this assumption appeared to allow a 3.4% rate of growth.

Economic Slowdown Major Impacts

- Sales taxes (-\$2.4M)
- Personal property taxes (-\$1.2M)
- Interest earnings (-\$1.8M)

Since the fall, our local economy appears to be in transition and this economic slowdown has resulted in only a projected 2.4% rate of growth in revenues under current revenue policies and tax rates. City staff identified about \$2.6 million in additional non-tax revenue increases that would allow a 2.9% overall growth, which is still less than current inflation trends.

Growth in commercial real property tax base offset decline in residential tax base

Because of the impact of national and regional economic trends on the local housing market, the average residential tax bill would decline in CY 2008 by \$82 or -1.9%. This decline in assessed value is more pronounced for condominiums (-4.3%) than it is for single family homes (-0.9%). While the decline means less revenue to finance the City budget, we are fortunate that this decline is modest compared to many other jurisdictions in the greater Washington region. This decline was offset by a 12.1% increase in the commercial tax base, which is probably the last increase of this magnitude that we will see this decade. Combining the decline in the residential tax base with the increase in the commercial tax base results in a total tax base increase of 4.0%.

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The budget holds the line on spending for City operations

The budget for City operations (exclusive of transit subsidies, capital program cash capital and debt service funding, and post employment benefit catch up contributions) would hold the line on spending to an increase of only 2.9%. This rate of growth is considerably less than the most recent estimated rate of inflation of 4.5% for the Washington Metropolitan area. Of the 42 City departmental or office budgets, 32 would increase at a rate below this rate of inflation. To hold the overall rate of growth on the City side of the budget to 2.4%, City staff crafted an additional net \$4.7 million in proposed reductions from the operating budget and \$3.4 million in capital project funding reductions. An attachment to this message (pages 2-15 through 2-17) lists these reductions and further information is provided in each department's budget.

Emphasis remains on maintaining existing assets

I want to note that even though there are significant savings proposed throughout the budget, it is designed to avoid cutting spending by deferring maintenance. In the long run those cuts cost future taxpayers more than they save today's taxpayers. Our roads and bridges will remain drivable and safe; our transit system will remain reliable; our public buildings will remain well-kept and functional; and our historic structures preserved.

Limited increases focus on improving economic sustainability

Program Expansions/Additions

- Regional Marketing Initiatives
- Multi-Dept. Permit Center
- TES Site Plan Review Engineer
- Transportation Planner
- Parking Planner
- Principal Neighborhood Planner

The budget only requests \$0.6 million in General Funds for City program expansions or additions. Almost all of this amount is related to improving the economic sustainability of the City by providing additional resources to better manage development, or to promote tourism and to increase regional consumer spending in the City. Those few increases in the budget were chosen deliberately because they should reap positive economic returns for the City in the future. Many requests from City departments and outside entities have not been funded. For example, requests from INOVA Alexandria Hospital for capital costs and the Arlandria Health Clinic for operating costs were not included in the Proposed Budget.

Significant number of user fees increased to better recover costs

User Fee Increases for Development Activities

- Code Enforcement
- Planning and Zoning and TES Development-Related Services

Other Fee Increases

- Residential Refuse Collection
- Parking Meters
- Ambulance Fees
- OHA Fees
- Recreation Fees
- Other Transportation and Environmental Services Fees

The budget reflects a wide number of fee increases tied to improving or maintaining customer service levels or increasing cost recovery from users to more reasonable levels based on regional comparisons and the passage of time. City staff has conducted a comprehensive review of existing fees and charges to be sure they are up-to-date and reasonable. A total of \$2.6 million in fee and miscellaneous revenue increases is reflected in the budget. Most of these fee increases are related to recovering of development-related service delivery. Also, for the first time in 9 years, local DASH bus service peak weekday fares are proposed to increase from \$1.00 to \$1.25. Parking meter rates are proposed to increase for the first time in about 20 years. A new on-line Fee Compendium is being established on the City's website that details all fees and charges collected by the City.

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The proposed budget limits the total growth in salaries

On a net basis there is a decrease of 8 City staff positions from the amended FY 2008 position count. A few increases are more than offset through the elimination of vacant positions or transfers and reassignments of existing personnel. No employees will lose their jobs. We chose to fund step salary increases for eligible employees. The proposed budget proposes no market rate adjustment in salary schedules for City and School employees. A 1.0% MRA is proposed as part of the Alternative Budget as contemplated in City Council's budget resolution guidance for FY 2009, which would add \$2.34 million to the City's budget and \$1.42 million to the transfer to the Schools, or \$3.76 million in total.

This budget has partially offset and contained the increase in the cost of City employee health care by increased City employee cost sharing for the third year in a row. The budget also had to provide for an actuarially determined increase in the cost of funding the City's pension funds, particularly for Police and Fire sworn personnel. Much of this increase is driven by our retirees living longer lives.

Funds proposed to meet future post employment obligations for retiree health and life insurance benefits

Under new required accounting standards for other post employment benefits (OPEB), State and local governments across the nation are confronted with the challenge of providing funding to meet the cost of obligations made for post employment health care costs and life insurance. It is estimated that the City and Schools unfunded liability for these costs totals \$128 million. Meeting the challenge of funding this liability will assist the City in maintaining its triple A bond ratings during a time in which lenders are looking far more carefully at "risks" before lending money to municipal governments. This budget provides \$1.4 million in initial funding for obligations for future benefits to City employees after retirement and \$0.8 million to fund similar obligations to Schools employees. This funding represents the first year in a four-year plan to eventually increase funding to address the total City and Schools unfunded liability of \$11 million a year to amortize the unfunded liability.

All core public safety programs are maintained

Core public safety programs in the Police, Fire and Sheriff's departments are maintained, except for funding for ancillary programs and activities such as the Gridlock Reduction Program (GRIP), Red Light Cameras, elementary School Resource Officer, and expanded emergency planning efforts.

Progress toward our economic sustainability goals

City Council funded with \$1.3 million the planned initiatives begun in fiscal year 2008 to meet the economic opportunity and challenge posed to the City by the opening of National Harbor. Follow-on funding of \$1.3 million is provided in FY 2009 as well. We have provided a limited number of new staff for development-related activities to improve our building permit review process, and review of development-related plans. The Alternative Budget recommends additional staff in this area. Meanwhile, City staff is continuing

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efforts to implement the various other recommendations of the Economic Sustainability Work Group and the Small Business Task Force.

Progress toward our transportation goals

Transportation is the major long term issue facing the region and the City. Success in this area is crucial to our quality of life and future economic development and sustainability. As a member of the Northern Virginia Transportation Authority (NVTA) we have been assessing how to use the new resources that will be available for transportation projects from taxes enacted by NVTA. We have earmarked funding for a new Transportation Planner, a new Parking Planner, as well as the new King Street Trolley service with NVTA resources. The proposed CIP funds a variety of transportation projects, including DASH bus fleet replacement and expansion with new hybrid technology; King St. and Washington Street repaving and other work on roads and bridges such as major reconstruction of the Madison and Montgomery Streets and Edsall Road. On a separate track, Council will be considering an increase in the real estate tax rate for commercial and industrial property to be dedicated to funding transportation initiatives.

Increased funding not available in proposed budget for social service programs

Alexandria is a caring community and as a result the budget maintains almost all existing social service programs and activities for the needy at current service levels through a careful review and rearrangement of the availability of grant funding. Although there are many worthy public and private programs assisting the elderly, the young, persons with disabilities, the sick and the poor that could use more funding, the City's financial situation does not permit an expansion of support at this time. With only one significant exception (a roll back of the recently increased funding for child day care slots), we have tried to maintain those programs at current service levels in the face of funding cutbacks in such programs by other levels of government. For example, the 1-cent dedication of the real estate tax for affordable housing remains funded. The Alternative Budget would restore funds for child day care support sufficient to eliminate the waiting list. In either alternative, all children currently receiving City day care subsidies would continue to do so.

Schools budget increases by 4.1% or 5.0% if market rate adjustment provided to all employees.

The budget for the transfer to the Schools Operating budget from City taxpayers is set at \$166.8 million (4.1% growth) in the proposed budget and \$168.3 million (5.0% growth) in the Alternative Budget. This rate of growth was established in the budget resolution passed by City Council last November. The School Board's budget request is some \$1.5 million above this guidance. The \$1.43 million cost of a 1.0% market rate adjustment for Schools staff is funded only in the Alternative Budget.

Progress toward solving CIP challenges identified last September

Last September, City Staff identified significant funding shortfalls in the planned FY 2009 and FY 2010 Capital Improvement Program (CIP) totaling about \$85 million. We have made major revisions to project schedules and cost estimates to reflect both operational realities and funding constraints. We

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have prioritized our CIP projects so that we only need to propose \$3.4 million in reductions in FY 2009. We are revising our procedures for managing major capital projects to incorporate a phased review process that will more clearly identify potential costs and benefits and allow City staff to control and manage these projects better over their lifetime. We also looked again at our debt capacity and plans for issuing new debt so that we might fairly allocate the long term benefits of many capital projects to future taxpayers.

CIP shortfalls still remain in FY 2010 and FY 2011

There is insufficient funding to meet all the needs in FY 2009, 2010 and 2011, even after rescheduling many projects to a later time. In addition to the \$3.4 million shortfall in FY 2009, there still is a shortfall of \$23.2 million in FY 2010 and \$20.6 million in FY 2011. The impact on the operating budget of proposing additional cash capital or debt service payments to meet those shortfalls would be just too great to sustain. Those projects that are proposed for funding focus on making needed investments now that will avoid future costs. The CIP focuses on repairing, refurbishing, renovating, rehabilitating, and reconstructing existing physical assets as necessary. The CIP reflects the continued dedication of 1% of real estate tax revenues for open space. It also focuses on projects that will save future operating costs, such as the new Police facility that will eliminate significant lease costs over future years and allow more efficient consolidated police operations.

City staff and Council have long anticipated the slowdown in the real estate market and the need to plan ahead for leaner budgets

In my memorandum to City Council of December 21, 2007, I told how the City has been anticipating the slowdown on the real estate market for a long time. City Council and staff were cognizant of the likelihood of a slowdown during the preparation of the fiscal year 2007 and 2008 budgets, and we have been slowing the rate of growth of the budget in both of those cycles. City Council guidance for FY 2009 recognized the fiscal constraints facing the City. Our revamped budget process and budget documents focus on results and we have been improving our day-to-day management of City resources through performance audit and benchmark studies and the initiation of improved capital project management procedures.

City staff have looked closely for savings during formulation of FY 2009 budget

During the development of the fiscal year 2009 budget, given the budgetary climate and the uncertain economic outlook, we asked City departments to reallocate resources within their existing departmental budgets before asking for any additional resources. We also looked extremely closely and made appropriate budget adjustments to maintain current services.

City Manager's Alternative Budget recommends 4.3% rate of growth – below 5.0% limit established by Council

As provided in the City Council Resolutions governing the budget process, I am simultaneously presenting an Alternative Budget that is \$3.4 million below the maximum 5% growth rate target established by the City Council for FY 2009. The increases to the Proposed Budget are specifically identified in an attachment (pages 2-9 through 2-14) immediately following this message that

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describes the need for these funds. They total \$6.8 million on a net basis in FY 2009 and would result in an overall budget increase of 4.3%. I recommend these increases for City Council's consideration in order to continue to make progress in achieving City Council's strategic goals and to meet significant public needs. The biggest single item on that list is a 1.0% market rate adjustment for both City and Schools staff adding \$3.76 million. An additional \$3.1 million is proposed for various other valuable City operating programs.

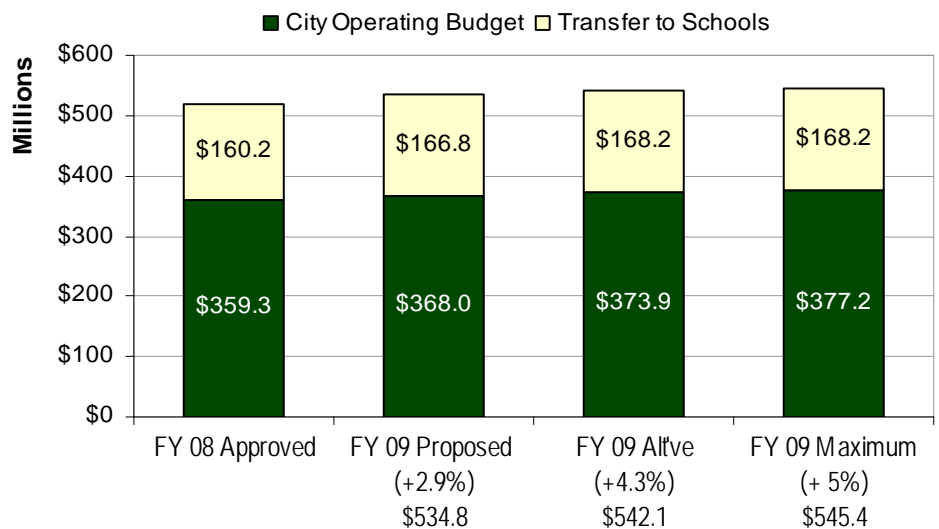
Alternative Budget provides options for City Council's consideration

Tax Rate Increase	FY 2009 Revenue (\$ in M)	Ave. Change Res. Tax (\$)
none	\$0.0	-\$82
1.6 cents	\$5.6	-\$2
2 cents	\$7.0	\$18
3 cents	\$10.5	\$68

Financing the Alternative Budget would require a 2.0 cent increase in the real estate tax rate. This is less than the 3.0 cent increase that would be necessary to fund the maximum 5.0% growth budget. City Council could decide to limit the increase in the real estate tax rate to 1.6 cents – an amount that would keep the average residential taxes paid by a homeowner the same as last year and produce \$5.6 million in additional FY 2009 revenues. Any of these alternative increases in the real estate tax rate provide additional one-time monies in FY 2008. I propose that these one-time funds be designated to meet some of the unfunded School and City one-time capital project needs in FY 2010. Using these one-time funds to further increase recurring FY 2009 operating expenses would make balancing the FY 2010 operating budget one year from now very difficult.

The Alternative Budget of \$542.1 million is 4.3% above last year's budget, but \$3.3 million below the maximum budget rate of growth established by City Council.

FY 2009 Budget Guidance



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Summary of proposed rates of growth by budget categories in Proposed Budget

	FY 2008 Adopted Budget (\$ in M)	FY 2009 Proposed Budget (\$ in M)	\$ Change (\$ in M)	% Change
City Operations	\$303.3	\$312.0	\$8.7	2.9%
City OPEB		1.4	1.4	NA
Transit Subsidies	15.4	15.2	-0.2	-1.1%
CIP Cash Capital and Debt Service	40.6	39.4	-1.2	-2.9%
City Subtotal	\$359.3	\$368.0	\$8.7	2.4%
Schools Transfer	160.2	166.0	5.8	3.6%
Schools OPEB Funding		<u>0.8</u>	<u>0.8</u>	<u>NA</u>
Schools Subtotal	\$160.2	\$166.8	\$6.6	4.1%
Total General Fund	\$519.5	\$534.8	\$15.3	2.9%

The All Funds Proposed Budget, which includes funds that are restricted by legal and regulatory provisions to finance specific activities, is increasing by \$23.1 million or 3.7% to \$653.0 million. The primary drivers of the higher rate of growth in the All Funds Budget are the availability and use of regional transportation funds and increased state aid for education. The Schools Proposed All Fund budget would increase by \$9.1 million or 4.4% and the proposed All Funds Budget for transportation/transit subsidies would increase by \$4.7 million or 30.3%.

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Significant opportunity for Council and public review and comment

The Operating Budget and Capital Improvement Program are scheduled for adoption on May 5, 2008. We have budget work sessions planned on each of the major themes of this budget. Council must act by March 15th to establish the maximum real estate tax rate that must be advertised 30 days in advance of a special public hearing to be considered, including any special commercial real estate tax for transportation purposes. Council potential "adds" to the budget of \$50,000 or more are due April 7th. The regular public hearing on the budget will be held April 14th, and the effective real estate tax public hearing will be held on April 22nd. The preliminary add-delete work session will be held on April 28th. Attached to this message is a schedule (page 2-19) for these events.

We look forward to working with City Council and our community in the adoption of the FY 2009 budget.

Sincerely,

James K. Hartmann

Changes Recommended in City Manager's Alternative Budget

(not in priority order)

Additional Net Cost of \$6.85 million of Recommended Changes in Alternative Budget

TOTAL AMOUNT OF CHANGES RECOMMENDED \$6,848,311

City -- \$5,425,913

•Schools -- \$1,422,398

•Offsetting Red Light Camera Revenue -- \$450,000

Personnel Compensation Recommended Changes Total \$3.76 million

1.0% Market Rate Adjustment -- \$3,758,968

•City (and Dash) employees -- \$2,336,570

•Schools employees -- \$1,422,398

Public Safety and Health Recommended Changes Total \$1.36 million

PUBLIC SAFETY AND HEALTH

Fire Department

•Three Shift Safety Officers -- \$342,489

•Bike Medic Team Equipment -- \$13,414

•Emergency Management Planning -- \$200,000

•Depreciation of Grant Funded Equipment -- \$188,259

Office of Sheriff

•Emergency Response Team -- \$40,000

•Marked Vehicle -- \$2,365

•Lengthen Contract for GED Instructor -- \$7,296

Police Department

•Red Light Camera Program -- \$675,000 Gross; \$225,000 Net

•Gridlock Reduction Intervention Program (GRIP) -- \$150,000

•Elementary School Resource Officer -- \$77,000

Health Department

•Emergency Planner -- \$113,867

CARING COMMUNITY

Department of Human Services

•Child Care Fee System Waiting List -- \$591,269

Mental Health/Mental Retardation and Substance Abuse

•Infant Development Specialist -- \$60,500

Housing Office

•Housing Opportunities Fund -- \$100,000

Caring Community Recommended Changes Total \$0.75 million

Changes Recommended in City Manager's Alternative Budget

(not in priority order)

Economic Development and Sustainability Recommended Changes Total \$0.65 million

ECONOMIC DEVELOPMENT AND SUSTAINABILITY

Planning and Zoning Department

- Historic Preservation Positions -- \$169,278
- Neighborhood Planning and Community Development Positions -- \$235,021

Alexandria Convention and Visitors Association

- Regional Marketing Initiatives -- \$100,000

Alexandria Economic Development Partnership

- Regional Marketing Initiatives -- \$93,000
- Consultant Services/Marketing, Graphics Arts -- \$50,000

Other Recommended Changes Total \$0.33 million

OTHER RECOMMENDED CHANGES

Recreation, Parks and Cultural Affairs Department

- Brenman Park Storm Water Pond Maintenance -- \$20,000
- Stream Bank Mowing Reduction -- \$30,000
- Aquatics Positions -- \$45,446

Office of Real Estate Assessments

- Appraiser Statistician Position -- \$60,138

Non Departmental Budget

- City Council Contingent Reserves -- \$175,000

Changes Recommended in City Manager's Alternative Budget

PUBLIC SAFETY AND HEALTH CHANGES RECOMMENDED

Fire Department Alternative Budget Recommendations (\$744,163)

Activity	Option	FY 2009 Impact
Various	<i>Three Shift Safety Officers</i>	+3.0 FTE's \$342,489
<p>Currently, the Fire Department has one Safety Officer who handles all safety and health related duties for the entire department. A partial list of the Safety Officer's duties includes: responding to incidents, accidents, and other related events within the City and providing an "eyes and ears" for the commanding officer on site, investigating health and safety issues within the workplace, following up on accidents and crashes and assuming responsibility for liability claims as they relate to the department, and managing the FIRE/EMS annual medical examination program. The addition of three safety officers at the Fire Captain level would allow coverage for each fire suppression shift. The estimated total cost includes the salary and benefits, vehicles, and other equipment. The cost would be partially offset by lower workers' compensation costs of approximately \$60,000 associated with reduced job injuries.</p>		
Special Events Support	<i>Bike Medic Team Equipment</i>	\$13,415
<p>The EMS bicycle medical team was created to provide better medical coverage at distance-run races held in the City. Over time, the team has become an integral component of the ever growing number of special events in the City. The medical team attended 22 special events during FY 2007. This request would allow the deployment of up to six medics (three teams) simultaneously to one or multiple events. Currently, EMS is limited to only four medics (two teams) at a time. The request includes two new bicycles and associated equipment.</p>		
Emergency Planning	<i>Emergency management planning</i>	\$200,000
<p>This funding would be used to continue the update of the City's Emergency Operations Plan with the help of consulting firms. In FY 2009, the focus will be on the Mitigation and Prevention program and the development of Continuity of Operations Plans and Continuity of Government Plans for the City. There was a one-time supplemental of \$200,000 in FY 2008. This supplemental would continue development of the EOP for another year.</p>		
Various	<i>Depreciation of Grant Funded Equipment</i>	\$188,259
<p>This funding would allow the department to begin depreciating grant funded equipment acquired since 2003 for purposes of replenishing the vehicle replacement account. The department has not depreciated the equipment in the past, but it will eventually need to be replaced. The grant funded equipment includes two Hazmat Units acquired in FY 2003, an Air/Light unit acquired in FY 2006, and a Medical Support Unit acquired in 2006. All units are scheduled to be replaced after 12 years. The depreciation schedules have been condensed to reflect the actual projected years until replacement.</p>		

Office of Sheriff Alternative Budget Recommendations (\$49,661)

Activity	Option	FY 2009 Impact
Security Operations	<i>Emergency Response Team</i>	\$40,000
<p>The Sheriff's Office is in the process of creating a Sheriff's Emergency Response Team (SERT). The team's members will be trained to respond to high risk or emergency situations inside the Detention Center. This includes the cost of equipment including protective helmets, gloves, and shields (\$15,000), and quarterly training (\$25,000).</p>		
Fleet and Uniform Management	<i>Marked Vehicle</i>	\$2,365
<p>The Sheriff's Office has assigned one Deputy Sheriff as a Community Resource Deputy, responsible for interacting with Community Organizations and participating in City special events. The Deputy requires the assignment of a dedicated vehicle to furnish a base of operations. The Sheriff's Office would like to retain one of its vehicles which would ordinarily be retired. The General Fund impact of \$2,365 consists of fuel and upkeep for the vehicle. This would expand the size of the Sheriff's fleet by one vehicle. When this vehicle needs to be replaced the cost would be approximately \$32,000 and the annual depreciation amount would be around \$4,600 based on current prices.</p>		
Inmate Programs	<i>Lengthen Contract for GED Instructor</i>	\$7,296
<p>The Office of Sheriff has one GED instructor on contract for 180 days. Approval of the supplemental would lengthen the position to 240 days, enabling the instructor to increase the time spent preparing inmates for their GED testing.</p>		

Changes Recommended in City Manager's Alternative Budget

Police Department Alternative Budget Recommendations (\$902,000 Gross; \$452,000 Net of Revenues)

Activity	Option	FY 2009 Impact
Traffic and Parking	<i>Red Light Camera Program</i>	\$675,000
Add back the Red Light Camera Program. Assuming revenues of \$450,000, the net fiscal impact would be \$225,000.		
Traffic and Parking	<i>GRIP</i>	\$150,000
Add back Gridlock Reduction Intervention Program (GRIP).		
School Resource Officer	<i>School Resource Officer</i>	\$77,000
Add back elementary School Resource Officer.		

Health Department Alternative Budget Recommendation (\$113,867)

Activity	Option	FTE	FY 2009 Impact
Emergency Preparedness	<i>Emergency Planner</i>	1.0	\$113,867
The Health Department requested an additional FTE to serve as the Director, Office of Emergency Preparedness & Response. This City-funded position would support two federally-funded positions, an Emergency Planner and a Medical Reserve Corps Coordinator. Due to revenue constraints, this is not included in the City Manager's proposed budget. If additional resources are available, this is a recommended supplemental request.			

CARING COMMUNITY CHANGES RECOMMENDED

Department of Human Services Alternative Budget Recommendation (\$591,269)

Activity	Option	FTE	FY 2009 Impact
Early Child Care	<i>Fee System Waiting List</i>	1.0	\$591,269
Based on current demand, if additional resources are available the City Manager's recommends continuing the Social Worker and \$500,000 added to the DHS budget in FY 2008.			

Mental Health/Mental Retardation/Substance Abuse Department Alternative Budget Recommendation (\$60,500)

Activity	Option	FTE	FY 2009 Impact
Parent-Infant Education	<i>Infant Development Specialist</i>	1.0	\$60,500
The Department requested a new position for the Parent-Infant Education (PIE) Program, which provides early intervention services to at-risk children and their families. Currently, 4.0 FTEs serve 342 children annually. Federal and State requirements for the provision of services, combined with increasing caseloads and more complicated cases, have increased the demands upon this program. Recently, Alexandria's PIE Program was ranked 40th out of 40 programs in the State. Due to revenue constraints, this is not included in the City Manager's proposed budget. If additional resources are available, this is a recommended supplemental request.			

Housing Office Alternative Budget Recommendation (\$100,000)

Activity	Option	FY 2009 Impact
Lending	<i>Reduction to Housing Opportunities Fund (HOF)</i>	-\$100,000
The City contributes \$300,000 to the HOF from the General Fund, in addition to the HOME grant of \$240,000 and HOME match of \$60,000. The match is required for the grant, however, the additional \$300,000 is not. Therefore, \$100,000 of the City's General Fund contribution towards the HOF will be eliminated in the City Manager's proposed budget, but is recommended to be restored if additional resources are available in the City Manager's alternative budget.		

Changes Recommended in City Manager's Alternative Budget

ECONOMIC DEVELOPMENT AND SUSTAINABILITY RELATED CHANGES RECOMMENDED

Planning and Zoning Department Alternative Budget Recommendations (\$404,299)

Activity	Option	FY 2009 Proposed
Historic Preservation	<i>Historic Preservation Positions</i>	2 FTE's \$169,278
<p>The request is for one Urban Planner I to be converted from a part-time temporary position, and one new Urban Planner II. The Historic Preservation activity has approximately 1,000 docket items heard annually by the Parker-Gray Historic District and the Old and Historic District Boards of Architectural Review (BARs). The Historic Preservation section is also taking the lead in implementing a number of new initiatives that are raising the visibility of historic preservation in the City. The new positions would help to mitigate the increasing workload. Due to revenue constraints, this is not included in the City Manager's proposed budget. If additional resources are available, this is a recommended supplemental request in the City Manager's alternative budget.</p>		
Small Area Plans	<i>Neighborhood Planning & Community Development Positions</i>	2 FTE's \$235,021
<p>The request is for one new Principal Planner and one Urban Planner III to be converted from a part-time temporary position. This division is responsible for work related to large-scale projects such as Small Area Plans (SAPs) for Braddock Road, Landmark/Van Dom and Wayfinding, as well as smaller plans including the Infill Task Force, Parking Study and King Street Retail. With current staff, the division is able to work on only two major plans and a few select smaller plans at one time. The new positions will be used to create teams with skilled and experienced leaders giving the chief time to manage and plan strategically so the division can manage up to 3 major plans at a time, as well as smaller studies or requests. Due to revenue constraints, this is not included in the City Manager's proposed budget. If additional resources are available, this is a recommended supplemental request in the City Manager's alternative budget.</p>		

AEDP Alternative Budget Recommendations (\$143,000)

Agency	Supplemental Request	FY 2009 Proposed
AEDP	<i>Marketing Initiatives</i>	\$93,000
<p>The Mayor's Economic Development Sustainability Work Group recommended a more aggressive marketing program that should be more targeted, reach out to more potential users in more markets and with an expanded marketing budget for business recruitment. These proposed increases will respond to those recommendations by providing resources to develop a more robust overall marketing program. A portion of the funding will allow AEDP to participate with the Virginia Economic Development Partnership on an increased number of marketing missions, initiate our own missions to targeted businesses and site selection consultants, as well as attend targeted business trade shows and events. The additional resources in the area of marketing research will assist in developing critical intelligence in areas such as trends, emerging companies and in real estate availability.</p>		
AEDP	<i>Consultant Services - Marketing, Graphic Arts</i>	\$50,000
<p>There is an anticipated need for consulting services in the areas of marketing, graphic arts, as well as business retention and expansion. This will respond to the Mayor's Economic Sustainability Work Group's findings for the need for industry based research that will analyze trends in selected economic sectors, research retail issues such as leakage and specific retail needs within the community. There is also a need to assist in the creation of updated marketing materials, especially in the area of Graphic Art design and production that will correspond to and drive interested parties to the redesigned AEDP website.</p>		
ACVA	<i>Regional Marketing Initiative (Level III)</i>	\$100,000
<p>In the event that additional resources are available, an additional \$100,000 is recommended to fund the Regional Marketing Initiative to bring the total amount available to \$300,000.</p>		

ACVA Alternative Budget Recommendations (\$100,000)

Changes Recommended in City Manager's Alternative Budget

OTHER CHANGES RECOMMENDED

Department of Recreation, Parks and Cultural Affairs Alternative Budget Recommendations (\$95,446)

Activity	Option	FTE's	FY 2009 Impact
Park Operations	<i>Brenman Storm Water Pond Maint.</i>		\$20,000
<p>The RPCA budget for cleaning the Brenman storm water retention pond was reduced by \$20,000 in the City Manager's Proposed Budget. By restoring this funding, the Department can continue to operate on a three times per week cleaning schedule as opposed to the proposed twice a week schedule.</p>			
Natural Resource Mgmt	<i>Stream Bank Mowing Reduction</i>		\$30,000
<p>The City Manager's Proposed Budget reflects a reduction in \$30,000 for mowing services at certain City parklands located on or around stream banks. By restoring this funding, the Department will continue to mow these areas on a 7-14 day schedule during summer months as opposed to the 14-21 day proposed schedule.</p>			
Other Rec Programming	<i>Aquatics Positions</i>	1.05	\$45,446
<p>Funding for two aquatics program positions was eliminated in the FY 2009 City Manager's Proposed Budget. Restoration of this funding would result in a budget increase of \$45,446 and a staffing increase of 1.05 FTE's. This action would eliminate the anticipated service reduction in the aquatics program caused by this cut.</p>			

Office of Real Estate Assessments Alternative Budget Recommendation (\$60,138)

Activity	Option	FY 2009 Proposed
Assessment Administration	<i>Appraiser Statistician Position (+1.0 FTE)</i>	\$60,138
<p>This position was eliminated in the City Manager's Proposed budget. If funding for this position is restored, Real Estate Assessments will be able to produce more close to value assessments in areas where the market impact on the value of specific property variables can be determined. The greater the accuracy of the data, the closer to 100 percent to the Fair Market Value the assessments fall.</p>		

City Council Contingent Reserve (Non Departmental) Alternative Budget Recommendation (\$175,000)

Activity	Option	FY 2009 Impact
Contingent Reserves	<i>Undesignated</i>	\$175,000
<p>This funding will bring the proposed contingent reserves total to \$375,000, to address additional City needs that Council may wish to fund.</p>		

Reductions Recommended in City Manager's Proposed Budget

(not in priority order)

**Reductions Recommended
Total \$4.7 million**

TOTAL AMOUNT OF REDUCTIONS RECOMMENDED -- \$4,663,732

**Public Safety, Health and
Administration of Justice
Reductions Total
\$1.3 million**

PUBLIC SAFETY, HEALTH AND ADMINISTRATION OF JUSTICE

Fire

- Depreciation of Grant Funded Equipment -- \$188,259

Office of Sheriff

- Increased Vacancy Savings -- \$70,000

Police Department

- Red Light Camera Program -- \$675,000 Gross; \$225,000 Net
- Gridlock Reduction Intervention Program (GRIP) -- \$150,000
- Elementary School Resource Officer -- \$77,000
- Fleet Savings and Travel Reductions -- \$43,000

Health Department

- Vacant Laboratory Supervisor Position -- \$35,395
- Part-time Public Health Nurse -- \$17,619
- Vacant Store Room Position -- \$5,675
- Printing and Supply Costs -- \$5,000

Circuit Court

- Miscellaneous Non-Personnel -- \$19,501

Court Services Unit

- Professional Fees for Evaluations -- \$14,000

CARING COMMUNITY

Department of Human Services

- Child Care Fee System Waiting List -- \$891,269
- Companion Services -- \$50,000
- Dental Care Client Payments -- \$37,500
- In-House Psychologist -- \$20,000
- Campagna Kids Summer Program -- \$90,000
- Rent Relief Payments -- \$2,823

Housing Office

- Housing Opportunities Fund -- \$100,000

**Caring Community
Recommended Reductions
Total \$1.4 million**

Reductions Recommended in City Manager's Proposed Budget

(not in priority order)

General Government Recommended Reductions Total \$0.9 million

Department of Mental Health/Mental Retardation/Substance Abuse

- Prescription Costs -- \$100,000
- Discontinue Shuttle Service to 4480 King St. -- \$78,000
- Vacant Telephone Operator Position -- \$42,500
- Reduced Commitment Hearing Costs -- \$7,673

GENERAL GOVERNMENT

Information Technology Services

- AJIS Maintenance Support -- \$20,000
- Back-up / Restore Tapes -- \$12,000
- City IT Class Instructors -- \$5,000
- ITS Customer Satisfaction Survey -- \$15,000
- Books and Publications -- \$5,000
- Network Operations Center Positions -- \$145,053

Office of Management and Budget

- Printing -- \$8,000
- Temporary Services -- \$16,000

General Services Department

- Printing and Mail Services Reorganization -- \$87,000
- Auto Parts Contract Costs -- \$60,000
- Reduced Energy Consumption -- \$52,000
- Modified Staff Hours to Reduce Overtime -- \$31,000
- Auto Body Contract -- \$24,000
- Car Wash Contract -- \$12,000

Finance Department

- City Investment Services Fees -- \$40,000
- Printing Costs -- \$5,000
- Decal Return Processing -- \$2,000

Citizen Assistance

- Professional Services -- \$6,500

Personnel Services Department

- Personnel Services Customer Satisfaction Survey -- \$15,000

Reductions Recommended in City Manager's Proposed Budget
(not in priority order)

Real Estate Assessments Office

- Appraiser/Statistician Position -- \$60,138

Office of Voter Registration and Elections

- Repair Costs of Voting Machines -- \$5,002

City Manager's Office

- Vacant Business Facilitator Position -- \$122,764

Non-Departmental

- City Council Contingent Reserves -- \$175,000

RECREATION AND CULTURE

Recreation, Parks, and Cultural Affairs

- Brenman Storm Water Pond Maintenance -- \$20,000
- Stream Bank Mowing Reduction -- \$30,000
- Virginia Scottish Games -- \$5,000
- Vacant Lee Center Custodian -- \$56,805
- IT Supplies -- \$13,000
- Overtime -- \$35,000
- Vacant Charles Houston Custodian -- \$50,559
- Chinquapin Part-time Aquatics Positions -- \$45,446
- Brochure Production -- \$40,000

Library

- Reduced Gas Expenditures -- \$7,500
- Eliminate Caps on Fines -- \$12,000

**Recreation and Culture
Recommended Reductions
Total \$0.3 million**

**Transit Services
Recommended Reductions
Total \$0.2 million**

TRANSIT SERVICES

- DOT Paratransit Administrative Service Charge -- \$70,000
- Metrobus Service -- \$158,200

**Tax Relief Recommended
Reductions Total \$0.5
million**

TAX RELIEF

Non Departmental

- Affordable Home Ownership Program Grants -- \$476,450

City Council Schedule for Budget Work Sessions, Public Hearings and Budget Adoption

All sessions at 7:00 pm in Sister Cities Conference Room 1101 in City Hall (unless otherwise noted)

- Tuesday, February 12, 2008 – Introduction and Presentation of Budget (7:00 pm City Council Chambers, City Hall)
- Wednesday, February 13, 2008 – Work Session on Revenues
- Wednesday, February 20, 2008 – Work Session on Employee Compensation
- Monday, February 25, 2008 – Work Session on Capital Improvement Program
- Monday, March 3, 2008 – Joint Work Session with School Board on ACPS Budget (7:30 pm T.C. Williams High School Rotunda Room)
- Monday, March 10, 2008 – Work Session on Development-Related Programs and Activities
- Tuesday, March 11, 2008 – Work Session with AEDP and ACVA (5:00 pm City Council Work Room, 2nd Floor, City Hall)
- Tuesday, March 18, 2008 – Work Session on Transportation and Transit Programs and Activities
- Monday, April 1, 2008 – Work Session on Public Safety and Administration of Justice Programs and Activities
- Monday, April 7, 2008 – Work Session on Caring Community and Other Programs and Activities
- Monday, April 14, 2008 – Budget Public Hearing (4:00 pm City Council Chambers, 2nd Floor, City Hall)
- Wednesday, April 16, 2008 – Work Session on Budget and Fiscal Affairs Advisory Committee Report
- Tuesday, April 22, 2008 – Effective Tax Rate Public Hearing (7:00 pm City Council Chambers, City Hall)
- Monday, April 28, 2008 – Work Session on Preliminary Adds/Deletes
- Monday, May 5, 2008 – Work Session on Final Adds/Deletes (6:00 pm City Council Work Room, 2nd Floor City Hall)
- Monday, May 5, 2008 – Special Legislative Meeting for Adoption of Operating Budget and Capital Improvement Program (7:00 p.m. City Council Chambers, City Hall)

City Manager's Message

