City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 18, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #56: ADD/DELETE INSTRUCTIONS

The purpose of this memorandum is to provide instructions and clarification for the FY 2008 budget add/delete process. As specified in Resolution 2205 and restated in Budget Memos #1 and #6, notification of budget increases (adds) of more than $50,000 were due to OMB by April 2nd. Adds of $50,000 or less, and adds of more than $50,000 that are requested by at least five members of City Council[1], are due to OMB no later than April 25th.

The attached add/delete spreadsheet includes a list of potential adds of more than $50,000 received from City Council members and identified in Budget Memo #31, as well as technical revenue and expenditures adjustments as identified in Budget Memos #32 and #33. It also includes options for increasing the real estate property tax to the maximum rate allowable of $0.835 and for funding up to a 2.0 percent cost-of-living-adjustment (COLA) for City and Schools employees.

Resolution 2205 also requires that all adds be submitted with corresponding revenue increases or expenditure reductions (deletes) of equal value. (Council members may withdraw or reduce any of the adds submitted earlier and contained in Budget Memo #31.) For funding of adds, you may use the net technical revenue re-adjustments of $3.5 million and the net technical expenditure reductions. Also, you could use the $180,000 in additional tax collection fees which Council has authorized the next steps toward approval.

Also note that in order to approve a General Fund budget of more than the $353.4 million for the City government and the $155.5 million for the Schools established as the budget targets in November and proposed by the City Manager in February, at least five members of City Council must vote affirmatively.

Please provide adds of $50,000 or less, applicable adds of more than $50,000, and deletes to OMB no later than April 25th so that they may be distributed to Council prior to the preliminary add/delete work session on Monday, April 30, 2007.

Attachment

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[1] From Resolution 2205, Section c-4:

It shall not be in order for any member of the Alexandria City Council to initiate any amendment to the proposed budget of the City of Alexandria which would increase any specific budget outlay by more than $50,000, unless written public notice of the member's intent to offer such an amendment, and a general description of the proposed amendment, is given to the City Manager and City Clerk at least one week prior to the spring budget public hearing.

(a) The provisions of this paragraph may be waived if the proposed amendment is raised by a member of the public at the spring budget public hearing (but not amendment raised at the separate public hearing on the effective real estate tax) and at least three members of the Alexandria City Council formally request a budget memorandum from staff in regard to such proposed amendment within 3 days of the public hearing.

(b) The provisions of this paragraph also may be waived for good cause by an affirmative vote of five Council Members. As used in this paragraph, "good cause" shall include, but not be limited to, a change in the amount of state or federal funding included in the proposed budget.

CITY OF ALEXANDRIA, VA
ADD/DELETE SUMMARY LIST
LAST UPDATED:
Wednesday, April 18, 2007

(Positive # = increase in General Fund or CIP Expenditures; reductions in General Fund Revenue; or increase in Fund Balance designations)
(Negative # = reduction in General Fund or CIP Expenditures, increase in General Fund Revenue; or decrease in Fund Balance designations)

	City Manager Technical Adjustments And Options "In Order"	Mayor Euille	Vice Mayor Macdonald	Councilwoman Pepper	Councilman Krupicka	Councilman Smedberg	Councilman Gaines	Councilmember Lovain
FY 2008 Proposed Budget	$508,897,598	$508,897,598	$508,897,598	$508,897,598	$508,897,598	$508,897,598	$508,897,598	$508,897,598
TECHNICAL ADJUSTMENTS								
Revenue Re-Estimates (Budget Memo #33)								
FY 2008 Revenue Adjustments (Technical)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)
FY 2007 Revenue Adjustments (Technical)	$0	$0	$0	$0	$0	$0	$0	$0
Subtotal Revenue Re-estimates	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)	($3,500,000)
Technical Expenditure Adjustments (Budget Memo #32)								
Animal Welfare League contract inflationary increase	$30,087	$30,087	$30,087	$30,087	$30,087	$30,087	$30,087	$30,087
Commonwealth's Attorney increase in State revenues	($26,917)	($26,917)	($26,917)	($26,917)	($26,917)	($26,917)	($26,917)	($26,917)
Other Public Safety increase in State revenues for Adult Probation and Parole	($12,791)	($12,791)	($12,791)	($12,791)	($12,791)	($12,791)	($12,791)	($12,791)
Health Department withdrawn supplemental request	($26,742)	($26,742)	($26,742)	($26,742)	($26,742)	($26,742)	($26,742)	($26,742)
Court Service Unit increase in State revenues	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)	($11,000)
DHS increase in Comprehensive Services Act (CSA) funding	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Cash Capital decrease	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)	($15,000)
Subtotal Technical Expenditure Adjustments	($62,363)	($62,363)	($62,363)	($62,363)	($62,363)	($62,363)	($62,363)	($62,363)
OPTIONS "IN ORDER"								
Cost-of-living Adjustment (COLA) Options (Budget Memos #19, 20, 21 & 34)								
City employees (after eliminating Q-step)	$3,900,000	$2,800,000	$3,900,000	$2,800,000	$2,800,000	$1,700,000	$2,800,000	$2,800,000
School employees	$2,800,000	$2,100,000	$2,800,000	$2,100,000	$2,100,000	$1,400,000	$2,100,000	$2,100,000
Subtotal COLA Option	$6,700,000	$4,900,000	$6,700,000	$4,900,000	$4,900,000	$3,100,000	$4,900,000	$4,900,000

Councilmember COLA Option Requests:
Mayor Euille request = 1.5% ($4.9 M)
Councilman Macdonald request = 2.0% ($6.7 M) or 1.0% ($3.1 M)2
Councilwoman Pepper request = 1.5% ($4.9 M)
Councilman Krupicka request = 1.5% ($4.9 M) or 1.0% ($3.1 M)
Councilman Smedberg request = 1.0% ($3.1 M)
Councilman Gaines request = 1.5% ($4.9 M)
Councilman Lovain request = 1.5% ($4.9 M) or 1.0% ($3.1 M) or 1.0% w/ $50K cap ($2.7 M)

	City Manager Technical Adjustments And Options "In Order"	Mayor Euille	Vice Mayor Macdonald	Councilwoman Pepper	Councilman Krupicka	Councilman Smedberg	Councilman Gaines	Councilmember Lovain
Schools Transfer Options (Excluding COLA) (Budget Memos #12, 16 & 29)								
Increase in Schools transfer (excluding COLA)	$2,800,000	$2,000,000	$0	$2,800,000	$2,800,000	$2,000,000	$2,800,000	$2,500,000
Subtotal Schools Transfer Options	$2,800,000	$2,000,000	$0	$2,800,000	$2,800,000	$2,000,000	$2,800,000	$2,500,000
City Operating Budget Addition Options								
DHS Programs (Euille and Smedberg add to Contingent Reserves) (Budget Memo #13)	$1,000,000	$1,000,000	$0	$1,000,000	$1,000,000	$750,000	$1,000,000	$0
Red Light Cameras (Budget Memo #24)	$780,000	$0	$0	$780,000	$780,000	$780,000	$0	$0
100 Year-old Buildings Study (Budget Memo #47)	$100,000	$0	$0	$100,000	$100,000	$100,000	$100,000	$0
Tree Planting	$100,000	$0	$100,000	$0	$0	$0	$0	$0
Exemption from Tax of Clean Special Fuel Vehicles	$600,000	$0	$600,000	$0	$0	$0	$0	$0
Full-time Council Aides (Budget Memo #42)	$200,000	$0	$200,000	$0	$0	$0	$0	$0
Advertising for City Open Air Markets	$50,000	$0	$50,000	$0	$0	$0	$0	$0
Inventory of Alexandria Global Warming Emissions	$200,000	$0	$200,000	$0	$0	$0	$0	$0
Sheriff (Overtime)	$50,000	$0	$0	$0	$0	$0	$0	$50,000
Sheriff (Deputy Sheriff Position)	$65,000	$0	$0	$0	$0	$0	$0	$65,000
Sheriff (Position Reclassification)	$240,000	$0	$0	$0	$0	$0	$0	$240,000
TBD								
TBD								
TBD								
TBD								
TBD								
TBD								
Subtotal City Operating Budget Additions	$3,385,000	$1,000,000	$1,150,000	$1,880,000	$1,880,000	$1,630,000	$1,100,000	$355,000
Real Estate Property Tax Increase Options (Budget Memo #43)								
Two-cent increase from $0.815 to $0.835 - FY 2008 Impact	($6,759,624)							
Two-cent increase from $0.815 to $0.835 - FY 2007 Impact	($3,356,672)							
Increase administrative fees for delinquent Personal Property Tax collection	($180,000)							
TBD								
TBD								
TBD								
TBD								
TBD								

	City Manager Technical Adjustments And Options "In Order"	Mayor Euille	Vice Mayor Macdonald	Councilwoman Pepper	Councilman Krupicka	Councilman Smedberg	Councilman Gaines	Councilmember Lovain
Subtotal Real Estate Property Tax Increase Options	($10,296,296)	$0	$0	$0	$0	$0	$0	$0
City Operating Budget Reduction Options								
TBD								
TBD								
TBD								
TBD								
TBD								
TBD								
Subtotal City Operating Budget Reductions Options	$0	$0	$0	$0	$0	$0	$0	$0
Fund Balance Designation Options (Budget Memo #42)								
National Harbor-related	$400,000	$400,000	$0	$0	$0	$400,000	$0	$0
Other Post-Employment Benefits								
FY 2009 Capital Improvement Program (CIP)								
TBD								
TBD								
TBD								
TBD								
TBD								
Subtotal Fund Balance Designation Options	$400,000	$400,000	$0	$0	$0	$400,000	$0	$0
Revenue Increases and Expenditure Reductions Required	($573,659)	$4,737,637	$4,287,637	$6,017,637	$6,017,637	$3,567,637	$5,237,637	$4,192,637
GRAND TOTAL CITY/SCHOOLS GENERAL FUND BUDGET	$508,323,939	$513,635,235	$513,185,235	$514,915,235	$514,915,235	$512,465,235	$514,135,235	$513,090,235
Percent Increase/(Decrease) from Proposed	-0.1%	0.9%	0.8%	1.2%	1.2%	0.7%	1.0%	0.8%
Contingent Reserves Designation Options								
Gang Prevention Coordinator (Budget Memo #22)	$90,000	$0	$0	$90,000	$90,000	$0	$90,000	$0
TBD								
TBD								
TBD								
TBD								
TBD								
TBD								
Subtotal Contingent Reserves Options	$90,000	$0	$0	$90,000	$90,000	$0	$90,000	$0