

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 28, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO: 125 FY 2010 BUDGET ADOPTION - ACTIONS
TAKEN APRIL 27, 2009

The following represents the budget actions taken during budget adoption Monday, April 27, 2009. City Council considered (based on the consensus add/delete list as of Friday, April 24) and adopted the FY 2010 General Fund Revenue and Expenditure Operating Budget in the amount of \$530,003,018, and FY 2010 Cash Capital Share of the Capital Improvement Program of \$4,400,038. This budget is based on the City Manager's FY 2010 Proposed Budget of \$524,272,044 with the following amendments derived from the "possible consensus" option developed at the April 20, 2009, preliminary add/delete work session.

(Note: The actions taken by City Council and the impacts on Departmental budgets will be presented in detail in the FY 2010 Approved Operating Budget and FY 2010 to FY 2015 Capital Improvement Program documents which will be published in early July.)

This memorandum is organized into seven sections as follows:

- I. Expenditure Budget Changes
 - a. Technical Adjustments
 - b. Changes to Proposed General Fund Operating Budget
- II. Revenue Budget Changes
- III. Fund Balance Designations
- IV. Contingent Reserves
- V. Capital Improvement Program (CIP)
- VI. Summary of FY 2010 General Fund Budget
- VII. Comparisons to FY 2009 Amended and FY 2010 Proposed Budgets

I. Expenditure Budget Changes:

a.

Technical Expenditure Adjustments to Proposed Budget (Budget Memo #90)	
\$ (180,000)	Courthouse Security shift to Special Revenue
\$ (460,000)	Healthcare premium for United Healthcare
\$ (40,066)	Planning and Zoning overfunding correction
\$ (71,695)	Retirement fund contribution recalculation - Fire Department
\$ (162,305)	Retirement fund contribution recalculation - Office of the Sheriff
\$ (700,000)	Metro Matters refinancing
\$ (26,135)	Animal Shelter Contract correction
\$ 772,060	Developer Contribution Fund
\$ 165,647	Debt Service
\$ 350,000	Telecommunications
\$ 37,169	Office of the Sheriff underfunding correction
\$ -	Transfer Finance funds to DASH (\$40,000)
\$ -	Transfer CSA funds to CSU for Sheltercare (\$24,107)
\$ -	Transfer Finance funds to establish Office of Procurement (\$915,782)
\$ -	Transfer City Attorney funds to Finance for Risk Management (\$350,807)
\$ (315,325)	Total Technical Expenditure Adjustments

b.

Changes to Proposed City General Fund Operating Budget Expenditures	
\$ 78,580	Human Services - Emergency shelter services
\$ 100,000	Human Services - Childcare assistance day care fee system support. (If not needed to eliminate the waiting list due to the availability of additional state revenue provided for this purpose, DHS may come back to City Council requesting authority to use these funds for other early childhood activities.)
\$ 31,739	Human Services - Youth Services New Horizons contract
\$ 100,000	Human Services - Alexandria Fund for Human Services
\$ 300,000	MHM RSA
\$ 69,478	Police - Court Liaison Officer
\$ 68,000	Sheriff - Third Inmate work crew
\$ 1,543,160	Contingent Reserves designations (See Section IV below)
\$ 4,900	Restore 2% Pension Contributions for Deputy Sheriff/EMT/Marshalls
\$ 50,000	Marketing Fund
\$ 20,000	DHS - Summer Youth Employment
\$ 26,520	Recreation - Charles Houston Morning Hours
\$ (50,000)	WMATA subsidy reduction for Metro Access Cost Containment
\$ (104,606)	Recreation - Hold Deputy Director for Cultural Activities position open for full year
\$ (300,000)	Non-Departmental - Eliminate Affordable Homeownership Program
\$ (11,160)	Citizen Assistance - Move Sister Cities funding to Contingent Reserves (See Section IV Below)
\$ (25,000)	Economic Development Activities - Eliminate Greater Washington Initiative (This reduction does not preclude AEDP from considering the funding of this initiative for FY 2010 using vacancy savings.)
\$ (42,350)	Recreation - Reduce King Street Lighting to one quarter of the year
\$ (63,000)	DHS - Reduce local match contribution to INOVA hospital for SLH grant

\$ (150,000) Non-Departmental - Special Events Reduction

b.

Changes to Proposed City General Fund Operating Budget Expenditures (continued)	
\$ 1,400,000	Cash capital - James Polk gymnasium
\$ 900,000	Cash capital - Artificial turf field program
\$ 300,000	Cash capital - transit pedestrian improvement grant match
\$ 200,000	Cash capital - Street and sidewalk reconstruction
\$ 600,000	Cash capital - DASH bus replacement
\$ (1,000,000)	Cash capital - delay HR/payroll project (restored \$1.0 million in FY 2011 CIP)
\$ 2,000,038	Cash capital - Reduction in Borrowing
\$ 6,046,299	Net City Expenditure Increases and Reductions (Total)

\$ 5,730,974 *Total Expenditure Budget Adjustments*

II. Revenue Budget Changes:

Technical Revenue Re-estimates to Proposed Budget (Budget Memo #91)	
<u>FY 2010</u>	
\$ 200,000	Increase in Property Tax revenue
\$ 650,000	Increase in Sales Tax revenue
\$ (2,200,000)	Decrease in Business License Tax revenue
\$ 500,000	Increase in Bank Franchise revenue
\$ 200,000	Increase in Recordation tax revenue
\$ (100,000)	Decrease in Tobacco Tax revenues
\$ 300,000	Increase in Transient Lodging Tax revenues
\$ (100,000)	Decrease in Restaurant Meals Tax revenues
\$ 50,000	Increase in Admissions tax revenues
\$ (200,000)	Decrease in Communications Sales and Use Tax
\$ (300,000)	Decrease in Building Permit revenue
\$ (110,000)	Decrease in Fire Protection System revenue
\$ 205,436	Increase in HB599 revenue
\$ 63,648	Increase in Commonwealth Attorney Compensation Board revenue
\$ 308,447	Increase in Sheriff's Office Compensation Board revenue
\$ 47,540	Increase in Treasurer Compensation Board revenue
\$ 97,432	Increase in Clerk of the Courts Compensation Board revenue
\$ 150,000	Increase in Planning and Zoning Fee revenue
\$ (100,000)	Decrease in Rental of Property revenue
\$ (1,000,000)	Decrease in Interest on General Fund investments
\$ 800,000	Increase in Other Sources (General Fund Balance Use reflecting reduction in WMATA debt service costs)
\$ (537,497)	Total FY 2009 Technical Revenue Re-estimates
\$ 230,000	City Manager Recommended Increase in Use of Fund Balance
\$ (307,497)	Total Decrease in Revenue and Other Sources Recommended by the City Manager

Changes in Proposed Tax and Fee Rates and New Revenues	
\$ 5,283,386	Increase in Real Estate Tax Revenues due to 1.6 cent tax rate increase to 90.3 cents effective for both payments in FY 2010
\$ 60,400	Handicapped parking fine revenue
\$ 74,000	HOV parking fine revenue
\$ 20,625	HOV moving violation revenue
\$ 400,000	Increase in Cigarette Tax revenue (rate of 10 cents)
\$ 13,836	Increase in Market Fees
\$ 50,000	Increase Fire Retesting Fees
\$ 74,250	Increase Boot Removal Fee (to \$75)
\$ 25,000	Increase DOT Paratransit Fares (to \$2.50 for in-City)
\$ 10,454	Revenue from Animal Welfare League
\$ 26,520	Revenue from Fees for Charles Houston Morning Hours
\$ 6,038,471	Total Increase in Tax and Fee Rates and New Revenues
<u>\$ 5,730,974</u>	Total Revenue Increases

III. Fund Balance Designations

Changes in Proposed Fund Balance Designations	
<u>Designations</u>	
\$ 230,000	City Manager Recommended Increased Use of Fund Balance FY 2010
\$ 800,000	City Manager Recommended Increased Use of Fund Balance for FY 2010 (from Metro Matters Debt Service savings)
\$ 400,000	FY 2010 One-time Acute Human Services Needs Reserve from FY 2009 surplus due to 5.8 cent tax rate increase
\$ 2,309,397	Revenue Shortfall Reserve from FY 2009 surplus due to 5.8 cent tax rate increase
\$ 3,739,397	Changes in Fund Balance (as of the end of FY 2009)

IV. Contingent Reserves

Changes and Reservations of Proposed Council Contingent Reserves	
\$ 187,000	Economic Development (AEDP and ACVA) (ACVA's share is to be no more than \$50,000)
\$ 50,000	Economic Development (SBDC)
\$ 60,000	Sheriff - Creation of Additional Sober Living Unit
\$ 11,160	Sister Cities Funding
\$ 200,000	WMATA and DASH Subsidies
\$ 50,000	Fort Ward Planning - (for historic and archaeological study)
\$ 455,000	Home Ownership Assistance Focused on Distressed Properties
\$ 500,000	Watson Wyatt Implementation
\$ 30,000	Census Complete Count Activities
\$ 1,543,160	Remaining Contingent Reserves

V. Capital Improvement Program Budget Changes

Changes in the Cash Capital Transfer to the CIP	
\$ (700,000)	Cash Capital - Metro Matters Technical Adjustment
\$ 1,400,000	Cash Capital - James Polk gymnasium
\$ 900,000	Cash capital - Artificial turf field program
\$ 300,000	Cash capital - transit pedestrian improvement grant match
\$ 200,000	Cash capital - Street and sidewalk reconstruction
\$ 600,000	Cash capital - DASH bus replacement
\$ (1,000,000)	Cash capital - Delay HR/payroll project
\$ 2,000,038	Cash capital - Reduction in Borrowing
\$ 3,700,038	Total FY 2010 Cash Capital Transfer to the CIP

Summary of the FY 2010 General Fund Budget

VI.

Summary of Growth in FY 2010 Budget	
\$ 524,272,044	FY 2010 Proposed General Fund Operating Revenues and Expenditures
\$ 5,730,974	Total Change in City General Fund Operating Budget Expenditures over Proposed
<u>\$ 530,003,018</u>	Resulting FY 2010 General Fund Operating Budget
\$ 3,739,397	Change in Fund Balance (at the end of FY 2009)
\$ 3,700,038	Resulting Cash Capital Funding of the FY 2010-FY 2015 CIP

Comparisons to the FY 2009 Approved and FY 2010 Proposed Budgets

VII.

	City	Schools	Total
FY 2009 Approved General Fund Budget	\$374.0	\$168.0	\$542.0
FY 2010 Proposed General Fund Budget	\$359.7	\$164.6	\$524.3
FY 2010 Approved General Fund Budget	\$365.4	\$164.6	\$530.0
Amount Under FY 2009 Approved	-\$8.6	-\$3.4	-\$12.0
Percent Under FY 2009 Approved			-2.2%