City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 22, 2011

TO: THE HONORABLE MA YOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGE~

SUBJECT: BUDGET MEMO # 79 ; COMPOSITION OF THE FY 2010 EXPENDITURE SURPLUS

This memorandum is in response to Councilwomen Hughes request about the composition of the FY 2010 expenditure surplus of$11.8 million. This surplus included the following:

• $2.1 million represents contracts for which a contract has been signed as of June 30, but
all funds had not yet been paid to the vendor as of June 30. These encumbrances were
funded by the appropriation of an equal amount in the December 18th Appropriation
Ordinance ofFY 2011.

• $ 2.3 million represents projects in various departments for which Council approved
budget authority in 2010 but for which a contract has not yet been signed as of the end of the year. Council reviewed and approved the use of these funds for incomplete projects
as part of the same appropriation ordinance on December 18,2010.
• $3 million represents the one time use of use of available Northern Virginia
Transportation Commission funds instead of City funds for transit subsidies.
• $1.0 million represents contract savings from various departments that have already been
reflected in the FY 2012 budget estimates. These savings are in almost every department and include reduced use of outside legal counsel in the City Attorney's office, negotiated savings for Sheriff medical services. Specific departmental information on savings
already included in the FY 2012 Proposed Budget are listed in Budget Memos #6 and
#53.

• $0.3 million represents salary related costs for turnover. This represents 0.18 percent of
the General Fund salaries and benefits budget for FY 2010.