

*City of Alexandria, Virginia*

MEMORANDUM

DATE: FEBRUARY 22, 2012

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER 

SUBJECT: BUDGET MEMO #1: PROPOSED SCHEDULE AND ADD/DELETE  
PROCESS FOR FY 2013 BUDGET DELIBERATIONS

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**ISSUE:** Proposed schedule (Attachment 1) and add/delete list process for the FY 2013 budget deliberations.

**RECOMMENDATION:** That City Council review this report and inform staff of any requested revisions in the due dates or in the suggested process or schedule.

**DISCUSSION:** Typically, specific written guidelines for the budget add/delete process have been delineated, including:

1. A timeline with specific due dates for requests for budget memoranda, public hearing, and publication of public notices, and the submission of items for the preliminary add/delete list and the final add/delete list;
2. An established format for the submission of add/delete items; and
3. A statement of the specific criteria for the inclusion of add/delete list items on the preliminary and final lists.

How budget amendments such as add/deletes are to be handled was reviewed by action of City Council in and adjusted in Resolution No. 2368 (Attachment 2) adopted on November 10, 2009. Budget Resolution 2480, passed November 22, 2011, provides specific guidance for the FY 2013 budget (Attachment 3).

**Proposed Schedule**

Attachment 1 provides the timeline recommended by staff for the FY 2013 budget approval process, based on the budget calendar recently adopted by City Council. This proposed timeline generally parallels the process and timeline generally used by the City Council for many years, as modified recently by Resolution No. 2368. The timeline also includes the actions required by statute to be taken by certain dates for adopting the real estate and personal property tax ordinances. Given the provisions of Resolution No. 2368 and statutory requirements imposed by the General Assembly, this schedule attempts to give Council the maximum time possible to consider budgetary options.

Other considerations that shaped this schedule include:

- The Council should decide the maximum possible real estate tax rate to advertise 30 days before a public hearing on that rate is held. Such a public hearing is scheduled for Saturday, April 14, 2012. **Therefore, the Council must make this maximum real estate tax rate determination at its March 13, 2012, Tuesday legislative meeting.** The same schedule applies to the personal property tax rate.
- The budget public hearing is to be held Monday, March 5, 2012 at 4:00 pm. This schedule allows Council to have public input from the hearing available to it before it establishes a maximum real estate tax rate to advertise.
- A Work Session is scheduled with the Budget and Fiscal Affairs Advisory Committee (BFAAC) on Wednesday, April 11, 2012. Council should receive the BFAAC report the Friday before that meeting. This schedule will allow Council the benefit of receiving this report before being having to submit preliminary add/delete items on Monday, April 23, 2012 (see below).

### **Staff Responses to Council Requests for Information on the Proposed Budget and Capital Improvement Program**

All requests for information from members of Council should be sent to Acting Budget Director Morgan Routt by letter, e-mail, telephone request or orally at Council meetings or work sessions. Staff's practice is to respond to all of these Council requests as soon as feasible. The City Manager may also discuss requests with individual members as needed. The earlier those questions are asked in the process, the better the chance that Council will have full and complete answers in time to influence the add/delete process. Council members must submit Preliminary Add-Delete items on or before April 23, 2012 so that they are received at least seven days before the Preliminary Add-Delete work session on April 30, 2012, as called for by Resolution #2368. Depending on the complexity of the request, information requested after Friday, April 13<sup>th</sup> may be too late for Council members to receive a response to a request for a budget memorandum before April 23<sup>rd</sup>.

### **Preparing the Preliminary Add/Delete List**

To ensure that there is not a misunderstanding regarding development of the Preliminary Add/Delete List, the Acting Budget Director or Acting Chief Financial Officer will contact each member of Council to determine the items the member wishes to be included on the preliminary list. This will be done on April 23<sup>rd</sup> when these items are due at the close of the day. For each item that a Council member wishes to have included on the Preliminary Add/Delete list, staff will reach an agreement with the member on the exact language that will be used to describe the item and any accompanying justification or explanatory materials that the member wishes to include with the distribution of the preliminary add/delete list prior to that meeting. Multiple members may agree to support the same add/delete items. However, if different members have different approaches and language to a similar item to be added or deleted, staff will reflect the different approaches on the list and identify the member who supports each approach.

## **Criteria for Preliminary Add/Delete List**

In accordance with City Council Resolution 2368 (Attachment 2), any add/delete item or group of items that adds to expenditures must be accompanied by an offsetting decrease in expenditures and/or increase in revenue. If such an offsetting item or group of items is not identified by the member, then staff will not be able to add it to the Preliminary Add/Delete List under the terms of the Resolution. Please note that there are no undesignated funds in the Proposed General Contingent Reserves for FY 2013. The only funding in Contingent Reserves (\$425,000) is designated for Fire Department overtime, so no Contingent Reserve reductions can be used as an offset to such an Add. Any offsetting reduction to Contingent Reserves would have to be classified as a Delete in Fire overtime.

Recommendations from the City Manager for consideration of expenditure or revenue items that were unforeseen at the time of the proposed budget or that correct technical errors must also be handled under the add/delete process described above, although the City Manager is not bound by the early submission dates of Resolution No. 2368. Council should expect technical reestimates for both revenues and expenditures to be contained in budget memoranda on or before April 23<sup>rd</sup>.

## **Preparing the Final Add/Delete List**

This year's Preliminary Add/Delete List will be considered at the Monday, April 30, 2012 Work Session. Any ambiguities in the items on the preliminary list can be resolved at that work session through revisions to the language used to describe the items. Based on determinations made at this work session, staff will prepare the Final Add/Delete List and distribute it to Council on Friday, May 4, 2012. No additions to the Preliminary Add/Delete List can be made after April 30<sup>th</sup>, but any clarification of items on that list may be made in preparation of the Final Add/Delete List between May 1<sup>st</sup> and May 7<sup>th</sup>. Staff does not anticipate the need to contact members of Council after the April 30<sup>th</sup> Work Session regarding the Final Add/Delete List, since we expect Council members will have reached agreement at that session on all revisions to the Add/Delete List, including language revisions. However, if for some reason this turns out not to be the case, staff will review specific items on the Final Add/Delete List with the proposing Council member before distributing it on Friday, May 4<sup>th</sup>.

### **ATTACHMENTS:**

Attachment 1 - Budget Work Session and Hearing Schedule and Council Action Dates

Attachment 2 - Budget Resolution 2368

Attachment 3 - Budget Resolution 2480

STAFF: Laura Triggs, Acting Chief Financial Officer

Morgan Routt, Acting Budget Director

Kendel Taylor, Assistant Budget Director

ATTACHMENT 1  
BUDGET WORK SESSION AND HEARING SCHEDULE  
AND COUNCIL ACTION DATES

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

- Tuesday, February 14, 2012 – Budget Presentation – in Council Chambers
- Wednesday, February 22, 2012 – Budget Work Session #1 – Capital Improvement Program and Transportation Improvement Program
- Tuesday, February 28, 2012 – Annual Meeting of the Alexandria Transit Company Stockholders and Work Session on DASH Issues – 5:30 p.m. in the Council Work Room
- Wednesday, February 29, 2012 – Budget Work Session #2 – Alexandria City Public Schools – 7:00 p.m. at George Washington Middle School
- Monday, March 5, 2012 – Budget Public Hearing – 4:00 p.m. in Council Chambers
- Wednesday, March 7, 2012 – Budget Work Session #3 – Public Safety Staffing
- Tuesday, March 13, 2012 – Work Session – Alexandria Convention and Visitors Association and Alexandria Economic Development Partnership – 5:30 p.m. in the Council Work Room and Introduce Tax Rate Ordinance and Set Maximum Tax Rate – 7:00 p.m. in Council Chambers
- Thursday, March 15, 2012 – Advertise Effective Tax Rate 30 days prior to public hearing
- Wednesday, March 21, 2012 – Budget Work Session #4 – Topic to be Determined (if necessary)
- Tuesday, March 27, 2012 – Work Session – Sanitary Sewer Master Plan – 5:30 p.m. in the Council Work Room
- Wednesday, March 28, 2012 – Budget Work Session #5 – Topic to be Determined (if necessary)
- Wednesday, April 11, 2012 – Budget Work Session #6 – Budget and Fiscal Affairs Advisory Committee Report
- Saturday, April 14, 2012 – Regular Public Hearing – Tax Rates Ordinances Hearing(s) if necessary and Effective Tax Rate Hearing – 9:30 a.m. Council Chambers
- Monday, April 23, 2012 – Add-Delete Items due from Council members -- 6:00 p.m.
- Monday, April 30, 2012 – Budget Work Session #7 -- Preliminary Add-Delete
- Monday, May 7, 2012 – Budget Work Session #8 -- Final Add/Delete – 6:00 p.m. Council Work Room and Budget Adoption – 7:00 p.m. in Council Chambers

**Resolution No. 2368**

**Budget Resolution Establishing the Process To Be Used  
To Adopt Operating Budgets and Capital Improvement Programs**

**WHEREAS, the Alexandria City Council wishes to establish specific policies to guide upcoming budget deliberations to ensure responsible actions with current economic resources; and**

**WHEREAS, resolutions No. 2088, 2150, 2166, and 2256 previously adopted by City Council have now expired; and**

**WHEREAS, City Council wishes to establish a budget process that is responsive to the economic times in which we live and that provides the Council and community with clear information about the trade-offs between revenues and services in order to facilitate the creation of the final budget; and**

**WHEREAS, City Council understands that after four years of program reductions, audits and efficiency efforts, the capacity of the city to do the same work for less money has been essentially eliminated; and**

**WHEREAS, City Council believes that flexibility is needed for both the preparation and evaluation of expense items as well as with regard to diversifying the sources of revenue available to fund the General Fund Operating Budget; and**

**WHEREAS, City Council's deliberations on the budget each and every year reflect a balancing of the needs of the community, with the community's ability to afford services to meet those needs; and**

**WHEREAS, the City Council desires to provide the core services expected of a municipal government and to continue to provide quality services and facilities for the residents and businesses of Alexandria, but understands that economic reality will require stark trade-offs between services and revenues; and**

**WHEREAS, over the last ten years, residential real estate taxes have borne an increasing share of the burden of paying for City and School services both because of the earlier run-up in residential home value and development and most recently because of the decline of commercial property values; and**

**WHEREAS, the City Council is committed to managing the growth of City General Fund operating and capital expenditures in order to properly balance residential real estate taxes; and**

**WHEREAS, the City Council is committed to assisting Alexandria City Public Schools improve student performance, decrease drop-out rates and in achieving its mission and being among the best in Northern Virginia; and**

**WHEREAS, the City-Council understands that delayed infrastructure maintenance threatens the health and safety of the community as well as its long-term economic prosperity; and**

**WHEREAS, the City Council is committed to maintaining a fair, reasonable and competitive compensation plan for City and School employees; and**

**WHEREAS, the City Council is committed to continuously improving City government effectiveness and efficiency, and expects the City Manager and City staff to continue its focus on managing for results, sharing services with the Alexandria City Public Schools, and developing clear accountable metrics for all city programs and services; and**

**WHEREAS, the City Council is committed to maintaining its top AAA/Aaa credit ratings; and**

**WHEREAS, the City Council desires to achieve the vision and strategic goals, objectives, and initiatives as outlined in the City Council's Strategic Plan; and**

**WHEREAS, sufficient time for the budget process is necessary for the City Council and the community to deliberate on the various issues raised given the budget's complexity and importance.**

**NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Alexandria, Virginia, that the Council shall, for the purposes of consideration of the Budget for the City of Alexandria, adopt this resolution and adhere to the following rules of procedure:**

**Section (a) The Timing of the Setting of Budget Guidance by City Council and the City Manager's Budget Submission to City Council**

**(1) That the City Manager shall plan and prepare the proposed Operating Budget and proposed six-year Capital Improvement Program and that such preparations shall include, but not be limited to, requests for City departments to identify efficiencies, low priority programs not crucial to achieving City Council strategic goals, objectives, and initiatives, potential discretionary supplemental increases crucial to achieving City Council's strategic goals, objectives, and initiatives, and potential City-wide process changes that would be beneficial to City operations and to the public.**

(2) That the City Manager shall present to City Council in time for the fall Council Retreat a preliminary forecast and outlook for (a) revenues (including the outlook for real estate assessments), (b) expenditures necessary to maintain appropriate services and policies (including in the City Manager's forecast of cash capital and debt service costs related to the most recently approved Capital Improvement Program and estimates of the cost of any appropriate market rate-adjustment for City and School staff), (c) the outlook for possible additional requests for City operating needs in the upcoming fiscal year and future capital needs in the upcoming fiscal year and succeeding 5 to 10 fiscal years, (d) the outlook for possible budget reductions and increases in fees, fines and charges for services, and (e) the outlook for Federal and State grants and the costs of meeting unfunded Federal and State mandates, both current mandates and projected new mandates.

(3) That the Alexandria City School System shall separately present to City Council, but in a format coordinated with the City Manager, its preliminary forecast and outlook for (a) expenditures necessary to maintain appropriate services and policies, (b) the outlook for additional requests for Schools operating in the upcoming fiscal year and capital needs through the upcoming fiscal year and the succeeding 5 to 10 years, (d) the outlook for possible budget reductions and increases in fees, fines and charges for services, and (e) the outlook for Federal and State grants, and the costs of meeting unfunded Federal and State mandates, both current mandates and projected new mandates.

(4) That as part of its fall Retreat, City Council will consider this information and any other relevant information available to it at that time from the efforts described above, including resident input to be provided by a public hearing on the upcoming budget to be conducted prior to City Council's fall Retreat.

(5) That City Council shall, as a result of information available to it at the Retreat, direct that the City Manager prepare a budget resolution to be adopted by City Council to guide the preparation of the upcoming Operating Budget and next Capital Improvement Program.

(6) That City Council plans to adopt such a budget resolution during the month of November for the next fiscal year.

(7) That the City Manager shall submit a proposed Operating Budget and Capital Improvement Program to the City Council no later than the first legislative meeting of Council in February, prior to the upcoming fiscal year. Such budget shall meet any guidance for General Fund revenues and expenditures established by City Council.

(8) That the Board of the Alexandria City Public Schools is requested to approve an Operating Budget and Capital Improvement Program no later than the week of the first legislative meeting of the Council in February, prior to the upcoming fiscal year. Such budget, if it shall exceed or otherwise not comply with the guidance provided by City Council, shall clearly identify what operating programs and activities would be funded, if additional funding were provided above that guidance, and the reasons therefore.

(9) That the Council shall hold a budget public hearing on the City Manager's proposed budget in the month following the budget submission by the City Manager and may hold an additional public meeting on the budget, if Council deems it necessary, in April, in addition to any effective tax-rate public hearing needing to be held prior to budget adoption.

(10) That the council requests that staff create a way for residents and organizations to submit written budget comments to the Council in lieu of or in addition to participation in public meetings.

(11) That City Council shall consider these recommendations and endeavor to enact an Operating Budget and Capital Improvement Program that balances the needs of the community with the community's ability to afford services to meet those needs.

**Section (b) Proposed Budget for the City of Alexandria -**

(1) For purposes of this resolution, the proposed budget of revenue rates and expenditure levels for the fiscal year shall be that proposed by the City Manager.

(2) For purposes of this resolution, the Chief Financial Officer shall provide revenue and/or expenditure projections for any motion or amendment that could affect the proposed budget specified in Section (b) (1).

**Section (c) Maximum Expenditure Levels May Not Exceed Sum of Projected Revenue and Appropriation from Fund Balance in Proposed Budget**

(1) It shall not be in order in the Alexandria City Council to consider any motion or amendment to the proposed budget of the City of Alexandria if there has not been a budget memo requested that relates to the specific item or a Council discussion of the proposal during a budget work-session or public hearing and

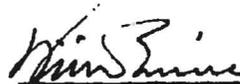
(iii) such motion or amendment is not provided in writing electronically or in hard copy to all members of Council and the City Manager or Chief Financial Officer at least 7 days before the first budget work session to consider such motions or amendments (the preliminary add-delete work session), or discussed at the preliminary add-delete work session to be considered at the final add-delete work session.

(2) In the Alexandria City Council, any appropriation from the Fund Balance or any like account beyond that proposed in the Manager's proposed budget shall require an affirmative vote of five Council Members.

(3) in the event that the City Manager recommends final revenue technical adjustments that result in a net increase or net decrease from the revenue estimates specified in section (b) of this resolution, the net change in the revenue estimate shall be reflected as a change in the proposed appropriation from the Fund Balance. As specified in Section c (2), any appropriation from the Fund Balance beyond that proposed in the Manager's proposed budget, including the net effect of final revenue adjustments, shall require an affirmative vote of five Council Members.

Section (d) Expiration – The provisions of this resolution shall expire with the expiration of the term of this City Council.

ADOPTED: 11/10/2009



William D. Euille

Mayor

ATTEST:



Jacquelline M. Henderson, MMC City Clerk

Resolution \_\_\_\_\_

**Setting Guidance for FY 2013 General Fund Operating Budget  
and Capital Improvement Program for FY 2013 – FY 2022**

**WHEREAS**, the City Council of Alexandria passed Resolution 2368 on November 10, 2009, that established the process to be used for formulating the budget during the term of this Council and requires that City Council set budget guidance for the City Manager and the School Board for the FY 2013 budget.

**WHEREAS**, the City Council held a public hearing on the FY 2013 budget on October 15, 2011; and

**WHEREAS**, the City Manager and the Alexandria City Public Schools presented to City Council at its October 17, October 18, November 1 and November 7 budget work sessions preliminary forecasts of revenues, expenditures and capital needs in lieu of a one-day retreat; and

**WHEREAS**, the City Council's deliberations on the budget each and every year reflect a balancing of the needs of the community, with the community's ability to afford services to meet those needs; and

**WHEREAS**, the City Council is committed to continuously improving City government effectiveness and efficiency, and expects the City Manager and City staff to focus on managing for results; and

**WHEREAS**, the City Council expects the City Manager to continue to identify and implement cost saving measures and efficiencies in all City operations; and

**WHEREAS**, the City Council is committed to continue performing fully its obligations to provide the core services expected of a municipal government and to continue to provide quality services and facilities for the residents and businesses of Alexandria; and

**WHEREAS**, the national economy is growing very slowly and there still remains considerable uncertainty about the economic future; and

**WHEREAS**, real estate assessments in the City are expected to increase only slightly in CY 2012 and CY 2013; and

**WHEREAS**, given the political environment in Richmond and Washington, D.C., there are still potential losses in State and Federal revenues for both the City General Fund budget and the Schools operating budget; and

**WHEREAS**, considering all these factors, the best current estimate is for an increase of 2.24% in total General Fund revenues of the City at current tax rates;

**WHEREAS**, this amount of increase is expected not to be sufficient to maintain current services and policies in City and School operations and fund the previously approved multi-year Capital Improvement Program; and

**WHEREAS**, the budget must contain sufficient funds for all contractual commitments, including debt service; and

**WHEREAS**, the City Council will not make any material changes that may threaten the City's AA/Aaa bond rating; and

**WHEREAS**, the City Council has adopted a multi-year strategic plan in June 2010; and

**WHEREAS**, the City Council understands that it will be a challenge to achieve all the strategic goals, objectives and initiatives in the constrained fiscal environment facing the City; and

**WHEREAS**, the City Council recognizes the need to prioritize programs and activities in support of the strategic plan, to deemphasize lower priority, low yield programs and activities, to identify efficiencies, and emphasize a multi-year plan to link future budgets to focus available, limited resources on the achievement of key strategic goals and objectives;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA THE FOLLOWING:**

1. **No increase in the Base Real Estate Tax Rate:** The City Manager shall propose in the Base Budget a blended base real estate tax rate in CY 2012 no greater than that levied in CY 2011 (\$99.8 cents per \$100 assessed value, including all dedications necessary for Storm Water, Transportation, Affordable Housing and Open Space purposes). An alternative tax rate increase for additional operating costs and capital projects deemed appropriate for Council consideration above those specified in the base budget may be proposed as provided in section 6 below.
2. **Total Base Budget Limitations:** Total General Fund expenditures in the Base Budget shall be no more than General Fund revenues provided under the various sections of this Resolution. These sections provide that the City Manager shall submit a proposed FY 2013 General Fund Operating Base Budget that does not increase any tax rates. An alternative tax rate increase for additional operating costs and capital projects deemed appropriate for Council consideration above those specified in the base budget may be proposed as provided in section 6 below.
3. **Schools Transfer:** The City Manager shall include in the Base Budget a General Fund transfer to the Schools for operating expenses of an amount equal to the transfer provided in the Approved FY 2012 General Fund Operating Budget increased by the same percentage as the percentage increase in General Fund revenues available under the provisions of this resolution and proposed in the City Manager's FY 2013 General Fund Base Operating Budget.

4. **Other Dedicated Portions of the Real Estate Tax Rate:** The City Manager shall propose continuation in CY 2012 of the reservation of 0.5 cents per \$100 to Storm Water Infrastructure Improvements, 2.2 cents per \$100 to Transportation improvements) and sufficient amounts from Real Estate Tax revenues to provide funding for existing debt service payments for the Open Space Trust Fund and for Affordable Housing purposes.
5. **Other Taxes:** The City Manager shall not propose an increase in any other tax rates in the Base Budget except as provided in section 6 below.
6. **Options for Additional Operating and CIP Expenditures:** The City Manager may propose whatever additional operating costs and capital projects deemed appropriate for Council consideration above those specified in the base budget, together with appropriate sources of revenue available within the constraints imposed by the Code of Virginia, so long as those operating costs and capital projects can be demonstrated as necessary to meet strategic goals and objectives, and/or can be demonstrated to diminish risks to community. These additional items if any, shall be clearly designated as above the base budget and prioritized by the City Manager on an individual operating activity and project basis, based on considerations that may require a particular scheduling or sequencing of action items in support of strategic initiatives, objectives and goals.
7. **Fees, Fines and Service Charges:** The City Manager may propose changes to whatever combination of fees, fines and service charges that are equitable, fair and administratively feasible provided that these proposals are within the constraints imposed by the Code of Virginia. The City Manager should exercise caution by considering fee increases recently adopted in previous years.
8. **City Merit/Step Pay:** The City Manager shall include in the base budget funding for merit/step increases for eligible employees. The City Manager may propose at his discretion a phase-in of the implementation of Total Compensation Reforms described at the November 1 work session. The City Manager also may propose at his discretion necessary and appropriate changes in the City's General Schedule pay schedule. These changes may or may not be a part of the base budget.
9. **Market Rate Adjustment:** The City Manager shall not include an across-the-board market rate adjustment for either City or Schools staff.
10. **City Employee Health Benefits:** The City Manager shall continue to implement the multi-year plan to phase-in a 20% minimum employee contribution for health care premiums in FY 2013.
11. **City Employee Retirement Contributions:** The City Manager shall continue in FY 2013 funding for current City retirement plan policies and employee contributions to various City retirement programs. City Council will await and review changes that may be proposed and adopted by the General Assembly to the Virginia Retirement System (VRS) in which the City participates.

12. **Post Employment Benefit Contributions:** The City Manager shall continue to provide sufficient funds to the Other Post Employment Benefit (OPEB) Trust Fund so that the City will gradually be able to contribute 100% of the Annual Required Contribution (ARC). In FY 2013 the plan is to contribute at least 89% of the ARC from current General Fund sources.
13. **Fire Station #210:** The City Manager shall include sufficient operating funds in the FY 2013 Base Budget to hire, train and equip staff to open Fire Station #210 in the Eisenhower Valley when construction is completed in FY 2014.
14. **Public Safety Operations Rate of Growth:** The City Manager shall maintain at least the same rate of growth as specified for the Schools in Section 3 for the specific public safety operations of Police, Emergency Communications, Fire and Emergency Medical Services and the Sheriff.
15. **Resources for Core Services:** The City Manager shall focus other available resources, at his discretion, on other core services identified in the Strategic Plan and identify non-core programs and activities that deserve extra scrutiny given the expectation of years of slow growth in the City's revenues.
16. **Capital Improvement Program (CIP):** The City Manager's proposed base CIP shall include:
  - Specific estimates for FY 2013 through FY 2018 and preliminary estimates for FY 2019 through FY 2022.
  - No more General Fund cash capital from current year revenues than that planned for FY 2013 through FY 2020 in the Approved FY 2012 – FY 2021 CIP. Such a limitation does not apply to:
    - The cash capital provided by the 2.2 cents reserved for Transportation purposes from the real estate tax,
    - Any adjustments for amounts determined by the dedication of 0.5 cents to the Storm Water Special Revenue Fund and the Open Space Trust Fund, the Sanitary Sewer Fund, the Potomac Yard Metrorail Station Fund, and available for Affordable Housing purposes, and
    - Cash capital available from the sale of assets as described in section 18 below, or
    - Any increase in cash capital in the FY 2013 General Fund Operating Budget that may be otherwise allowable under Section 6 of this resolution.
  - No more debt issuance than that planned for FY 2013 through FY 2021 in the Approved FY 2012 – FY 2021 CIP other than debt, if any, to be serviced by revenue provided by the reserved transportation tax on real estate, by revenue provided by the Storm Water Special Revenue Fund, the Sanitary Sewer Fund, the Potomac Yard Metrorail Station fund, and for Affordable Housing Purposes.
  - The possible use, as determined by the City Manager, of additional General Fund operating budget surplus from FY 2011 in the amount of \$4.0 million (the "revenue shortfall" reserve) as a commitment for capital projects in FY 2013 and beyond.
  - The same funding in total for School capital projects as provided in last year's Approved Capital Improvement Program.
  - The possible use, as determined by the City Manager, of expected additional General Fund operating budget surplus from FY 2012 as commitment for capital projects in FY 2013 and beyond.

- Specific descriptions of projects that can be funded within recommended levels of funding and their costs estimated for all years (FY 2013 – FY 2022), and
  - Identification of projects that exceed the recommended levels of funding whether or not the estimated costs are identified or remain to be developed. These projects should be shown by year, if known, in a general appendix, or alternatively listed as multi-year totals.
17. **Sale/Lease of Capital Assets:** The City Manager may propose measures to sell or lease excess City capital assets as appropriate in the base budget and use those proceeds to fund the CIP as additional cash capital.
18. **Fiscal Year 2014 Special Analysis:** The City Manager shall prepare a special analysis that shows the projected expenditures and revenues for FY 2014. That analysis shall contain:
- Revenue estimates at the same level of detail as shown in the long range forecast section of the budget document, including three forecast estimates – high, mid and low level,
  - Revenue estimates that assume the same tax rates as those proposed for FY 2013 in the base budget,
  - Expenditure estimates in the same level of detail as provided in the long range forecast section of the budget document, and
  - A detailed estimate of the impact in FY 2014 of any recommended expenditures in the FY 2013 base budget, including:
    - The impact on FY 2014 revenues and expenditures of any of the options for additional operating and CIP expenditures proposed under the authority of sections above,
    - A general discussion of the types of actions that might be necessary to balance the FY 2014 budget if there is a projected deficit for that year, and
    - Estimates of the revenue and expenditure impact in FY 2014 of any budget amendment proposed by a Council member for consideration during the FY 2013 budget development process.

ADOPTED: \_\_\_\_\_

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WILLIAM D. EUILLE, MAYOR

ATTEST:

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Jacqueline M. Henderson, CMC City Clerk