

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 25, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: BUDGET MEMO #110: PRELIMINARY FY 2006 ADD-DELETE LIST

Attached is a one-page summary by member of the preliminary FY 2006 Add-Delete List (Attachment 1) and a more extensive listing of all add-deletes to the City Manager's Proposed Budget for formal consideration by Council (Attachment 2). This preliminary Add-Delete list will be discussed at the April 27th work session. Staff will incorporate any requested revisions prior to the distribution of the final Add-Delete list, which will be distributed on Friday, April 29, 2005.

This year, at Council's request the City Manager proposed additional adjustments to the proposed budget in Budget Memorandum #48 that, if accepted, would enable City Council to meet the target, maximum real estate tax rate as advertised at \$0.915 cents. These additional changes are shown in the attached preliminary add-delete list. However, as agreed previously with Council, for purposes of preliminary add-delete discussions, they form the base starting point for subsequent adds and deletes proposed by Council members.

The preliminary FY 2006 Add-Delete List consists of all items identified by members of Council either orally or in writing for inclusion in the Add-Delete List as of April 23rd. Each member's Add-Delete list is shown in a separate attachment, along with specific commentary on those proposed changes, if provided by the member. Councilman Gaines has provided his list of Add-Delete items by separate memorandum dated April 25th. Although not received in time to be included in the detailed Add-Delete List (Attachment 2), his proposed Add-Delete List is included in Attachments 1 and 7.

Consistent with City Council's budget procedures that are established under Resolution Number 2088 (Attachment 10), for City Council to consider any motion that would increase an expenditure outlay above the baseline proposed budget, City Council must include in the motion at least an equivalent reduction in other specific budget outlays, an increase in other specific revenues, or a combination of both.

The preliminary Add-Delete List, as per our long standing City Budget Memo procedures, also includes proposed transfers from the Non-departmental budget for proposed employee compensation adjustments as specified in the City Manager's Proposed Budget.

- ATTACHMENTS:** Attachment 1 -One Page Summary of Preliminary FY 2006 Add-Delete List
Attachment 2 - Preliminary FY 2006 Add-Delete List
Attachment 3 - Mayor Euille's Add-Delete Items
Attachment 4 - Vice Mayor Pepper's Add-Delete Items
Attachment 5 - Councilman Krupicka's Add-Delete Items
Attachment 6 - Councilman Smedberg's Add-Delete Items
Attachment 7 - Councilman Gaines' Add-Delete
Attachment 8 - Items Councilman Macdonald's Add-Delete Items
Attachment 9 - Councilwoman Woodson's Add-Delete Items
Attachment 10 - Resolution No. 2088, Budget Resolution Regarding the
Treatment of Final Revenue Adjustments During the Budget
Process

Add Delete Summary List by Member
(Starts with Budget Memo #48 and revenue reestimates as base)

(positive # = increase in GF or CIP expenditures; reduction in GF revenue; or decrease in fund balance)
(negative # = reduction in GF or CIP expenditures; increase GF revenue; or increase in fund balance)

Mayor Vice Mayor Councilman Councilman Councilman Councilman Councilwoman
Euille Pepper Krupicka Smedberg Macdonald Gaines Woodson

Real Estate Tax Rate Change							
Reduce Tax Rate to 8 cents (see associated fund balance change below)			\$2,760,185	\$2,760,185			

Affordable Housing Changes							
Dedicate 1 Penny of RE Tax to Affordable Housing			\$2,760,185			\$2,760,185	\$2,760,185
Reduce or Elim. Set-Aside of Recordation Tax			-\$3,650,000	-\$650,000		-\$2,760,185	-\$2,760,185

Operating Budget Changes							
Senior Taxi	\$30,000	\$14,000	\$14,000	\$14,000	\$14,000		
ACVA		\$50,000					
Marketing Fund			\$35,000	\$35,000			
SBDC	\$20,000		\$60,000	\$60,000			
KSMET					\$25,000		
"Be-Ready" Campaign			\$20,000			\$25,000	
No VA Regional Parks Authority	\$10,000		\$10,000	\$10,000	\$5,000		
First Night Alexandria	\$25,000						
Alexandria Arts Commission	\$25,000						
Public Arts Account			\$36,000	\$50,000			
USS Alexandria			\$2,500				
Campagna Center (Head Start and Campagna Kids)			\$150,000	\$150,000	\$300,000		
Preschool Review Project			\$5,000				
Pipes and Drum Band					\$3,000		
Tree Care					\$50,000		
Youth Summer Employment Program						\$10,000	
Operation Trick Nor Treat						\$600	
Election Sign Recycling						\$1,500	
DASH Service Reductions (AT-3, AT-4 Loop)						\$100,000	
Incorporate Healthy Families in DHS Budget	\$315,000						
Reduce Children's Fund by Amount of Healthy Families	-\$315,000						
Economic Development Entity Funding				-\$70,000			
Eliminate Funding of Lost Homeland Security Grant			-\$50,000	-\$50,000			
Reduce or Postpone Hiring of Some Additional Police Officers			-\$321,126		-\$500,000		
Take Savings Proposed by Fire Department (BM #11)			-\$58,000				
Delay Addition of "P" Step by 6 months			-\$237,500	-\$237,500			
AEDP Façade Program					-\$100,000		
DASH Assumption of Metrobus Service Reductions at Lower Cost						-\$200,000	
School Budget					-\$1,000,000		

CIP Changes (FY 2006 Only)							
Maritime History Museum Study					\$25,000		
Old Town Utility Undergrounding					\$1,000,000		
Windmill Hill Park Waterfront					\$3,000,000		
Gadsby Tavern HVAC Repairs					\$150,000		
Slow Down Planning and Development for All-Sports Complex			-\$1,250,000	-\$2,000,000			
Ft. Ward Repairs					-\$200,000		
Wilkes St. Tunnel					-\$200,000		
Stream Maintenance					-\$100,000		
City-Wide Sign Programs					-\$100,000		
New Fire Station					-\$600,000		
Space Management					-\$200,000		

Contingent Reserves Changes	-\$110,000	-\$64,000			\$698,000	\$82,900	
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Fund Balance Changes							
Reduce Tax Rate to 9 cents (see associated tax rate change above)			\$1,341,000	\$1,341,000			
Sworn Public Safety Officer Compensation			-\$1,627,244	-\$1,412,685			
Union Station					-\$170,000		
New Police Facility					-\$2,000,000		
Alexandria Community Development Foundation					-\$100,000		

Net Add-Delete Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0
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**A. CITY MANAGER'S PROPOSED
 FY 2006 GENERAL FUND
 OPERATING BUDGET**

Total Expenditures	\$470,709,766	FY 2006 Proposed Revenues	\$466,379,766
		Appropriation from Fund Balance	\$4,330,000
			<u>\$470,709,766</u>

EXPENDITURES

REVENUES

Add

Delete

Add

Delete

B. REVENUE ADJUSTMENTS

*FY 2006 Revenue Re-estimates
 (Technical Adjustments)*

- | | |
|---|--------------------|
| <p>1 An increase of \$1.1 million in the estimate of General Fund Recordation Tax Revenue, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).</p> | <p>\$1,100,000</p> |
| <p>2 An increase of \$1.031 million in the estimate of Intergovernmental Revenue, to reflect \$0.4 million increase in the expected Personal Property Tax Reimbursement and a \$0.631 million increase in compensation board funding for the Sheriff and Finance Depts and the Offices of the Commonwealth's Attorney and the Clerk of the Courts (Budget Memo #49).</p> | <p>\$1,031,000</p> |
| <p>3 An increase of \$0.6 million in the estimate of General Fund Sales Tax Revenue, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).</p> | <p>\$600,000</p> |
| <p>4 An increase of \$0.53 million in the estimate of General Fund Personal Property Tax collection, to reflect an increase in the effort to identify and collect more in advance of the changes in State reimbursement practices (Budget Memo #49).</p> | <p>\$530,000</p> |

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	EXPENDITURES		REVENUES	
	Add	Delete	Add	Delete
5 An increase of \$0.3 million in the estimate of General Fund Use of Money and Property, to reflect higher interest rates (Budget Memo #49).			\$300,000	
6 An increase of \$0.264 million in the estimate of General Fund Bank Franchise Tax Revenue, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).			\$264,000	
7 An increase of \$0.2 million in the estimate of General Fund Transient Lodging Tax Revenue, to reflect revised projections based on receipts through March 31, 2005 and an anticipated growth rate in FY 2006 of 4.1% (Budget Memo #49).			\$200,000	
8 An increase of \$0.025 million in the estimate of General Fund Charges for Services to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #76).			\$25,000	
9 A decrease of \$1.9 million in the estimate of General Fund Business License Tax Revenue to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).				(\$1,900,000)
10 A decrease of \$0.1 million in the estimate of General Fund Utility Tax Revenue to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).				(\$100,000)

456

	EXPENDITURES		REVENUES	
	Add	Delete	Add	Delete
11 A decrease of \$0.1 million in the estimate of General Fund Tobacco Tax revenue, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).				(\$100,000)
12 A decrease of \$0.1 million in the estimate of General Fund Fines and Forfeitures, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49)				(\$100,000)
			Sub-total Revenue Re-estimates (Technical Adjustments)	\$1,850,000
<i>FY 2006 Revenue adjustments due to reduction in tax rate to 91.5 cents</i>				
13 Loss of FY 2006 General Fund revenue in the amount of \$11.04 million due to additional 4 cent real estate tax rate reduction (Budget Memo #48).				(\$11,040,000)
14 An increase of \$0.2 million in General Fund revenue reestimate of amount of elderly and disabled real estate tax relief due to additional 4 cent real estate tax rate reduction (Budget Memo #48).			\$200,000	
<i>FY 2006 Revenue Adjustments due to reduction in the rate to 90.5 cents</i>				
15 Loss of General Fund revenue in the amount of \$4,101,185 due to additional 1 cent real estate tax rate reduction. The effect on FY 2006 revenues is \$2,760,185. The effect on FY 2005 revenues is \$1,341,000 (see below). (Councilmen Krupicka and Smedberg)				(\$2,760,185)
			Sub-total Revenue Adjustments due to reduction in tax rate	(\$13,600,185)

457

	EXPENDITURES		REVENUES	
	Add	Delete	Add	Delete
FY 2006 New General Fund Revenue Sources (Proposed in Budget Memo #48)				
16 An increase of \$1.3 million in General Fund revenue with the addition of an admissions tax of 10 percent of gross admissions not to exceed \$0.50 per admission (Budget Memos #16, 17 and 48).			\$1,300,000	
17 An increase of \$1.7 million in General Fund revenue with the addition of a cell phone tax (Budget Memos #16 and 48).			\$1,700,000	
18 An increase of \$0.8 million in General Fund revenue with the increase of 20 cents per pack in Cigarette Taxes (Budget Memos #16 and 48).			\$800,000	
19 An increase of \$1.2 million in General Fund revenue with the increase of 20 cents from 80 cents to \$1.00 per 1,000 gallons for the Sanitary Sewer Use Fee (Budget Memos #16, 27 and 48).			\$1,200,000	
			Sub-total new revenue sources	\$5,000,000
			SUB-TOTAL ALL REVENUE ADJUSTMENTS	(\$6,750,185)
CHANGES TO AFFORDABLE HOUSING SET-ASIDE				
20 (a) Increase General Fund revenue and reduce or eliminate \$3,650,000 of the Special Revenue set-aside from Recordation Tax to Affordable Housing. (Councilman Krupicka)			\$3,650,000	
(b) Increase General Fund revenue and reduce or eliminate \$650,000 of the Special Revenue set-aside from Recordation Tax to Affordable Housing. (Councilman Smedberg)			\$650,000	
(c) Increase General Fund revenue and reduce or eliminate \$2,760,185 of the Special Revenue set-aside from Recordation Tax to dedicated one cent for Affordable Housing in the General Fund. (Councilwoman Woodson)			\$2,760,185	

458

EXPENDITURES

REVENUES

Add

Delete

Add

Delete

C. EXPENDITURE ADJUSTMENTS

C1 - Compensation Adjustments

- | | |
|---|---|
| <p>21 Approve the 2.0 percent cost of living adjustment (COLA) for all City employees, including the City Manager, City Attorney, City Clerk and for all City Council aides and the Mayor's aides.</p> | <p>No net impact.
Monies for a 2.0% COLA are included in FY 2006 Proposed Budget.
(\$3.6M for City;
\$2.54M Schools)</p> |
| <p>22 Approve merit in-step increases for all eligible City employees. The eligibility of the City Manager, City Attorney, and City Clerk for this increase shall be conditioned upon a satisfactory evaluation by City Council, and the amount of any increase shall be set by Council.</p> | <p>No net impact.
Monies are included in FY 2006 Proposed Budget within each department's baseline budget.
(\$3.4M City only)</p> |
| <p>23 Approve an increase in the employer share of health care benefits for active and retired City employees to help offset part of the expected cost increases.</p> | <p>No net impact.
Monies are included in FY 2006 Proposed Budget.
(\$1.471M City only)</p> |
| <p>24 Approve the Pay Benchmark study and the funding needed for it in order to implement the results in accordance with Council's adopted compensation philosophy (Budget Memo #10).</p> | <p>No net impact.
Monies are included in FY 2006 Proposed Budget.
(\$0.885M City)</p> |
| <p>25 Approve the adjustments to the salary scale to add a "P" step into the City's salary scale.</p> | <p>No net impact.
Monies are included in FY 2006 Proposed Budget (\$0.475M).</p> |

EXPENDITURES

REVENUES

Add

Delete

Add

Delete

C2 - Other Expenditure Adjustments

*Adjustments recommended in Budget Memo #48.
Budget memo #48 is the identification \$16.4
million in budget resources to pay for the
additional 4 cent real estate rate reduction.*

26	Add a 3.0 percent inflation adjustment to each of the FY 2006 budgets of the following economic development entities that have City-funded staff costs: ACVA \$50,000; AEDP \$17,000; SBDC \$2,000; and \$1,000 for the Eisenhower Avenue Public Private Partnership. The \$500,000 designation of fund balance for these entities would be eliminated (see below). Budget Memo #48.	\$70,000	
27	In order to keep the Recreation Centers at current hours, reverse the expenditure reduction contained in the proposed budget for the reduction in Saturday hours and the elimination of Sunday operations at neighborhood recreation centers (Budget Memo #48).	\$66,755	
28	Add \$62,643 to the estimated mandated costs of the Comprehensive Services Act administered by the Alexandria Community Policy Management Team (Budget memos #40 and 48).	\$62,643	
29	Delete \$2.0 million from the operating budget subsidy from the City's General Fund to METRO due to \$0.5 million decrease in the request to the City from METRO, and an increase in State Aid of \$1.5 million (Budget memos #48 and 50).		(\$2,000,000)

	EXPENDITURES		REVENUES	
	Add	Delete	Add	Delete
30 Reduction in the estimated cost of the Affordable Homeownership Preservation Grant Program (AHOP) at grant levels \$175 less than that proposed in the City Manager's Budget. The remaining grant amounts (\$675, \$475, and \$275 would still be more than last year's flat \$250 rate (Budget Memo #48).		(\$250,000)		
31 Eliminate three of the four JobLink positions proposed to be continued with City General Funds after the expiration of federal grant funding. The one remaining position would be dedicated to youth employment services (Budget Memo #48).		(\$150,000)		
32 Eliminate the proposed Management Analyst II position from the Department of Real Estate Assessments (Budget Memos #48 and 77).		(\$68,296)		
33 Eliminate new Telecommunications Staffing Support position proposed for the Information Technology Services Department (Budget Memo #48).		(\$57,691)		
34 Eliminate two new part-time positions proposed in the Parks, Recreation and Cultural Activities budget for events administration and volunteer/outreach coordination (Budget Memos #48 and 77).		(\$56,368)		
35 A reduction in the transfer for School's operations from the funding level recommended in the City Manager's proposed budget (Budget Memo #48).		(\$1,160,000)		
36 Reductions in Cash Capital General Fund contribution to the CIP (Budget Memo #48).		(\$107,043)		
SUB-TOTAL expenditure changes due to Budget Memo #48.		(\$3,650,000)		

10/1

EXPENDITURES

REVENUES

Add

Delete

Add

Delete

SENIOR TAXI

- 37 (a) Add \$14,000 from Contingent Reserves for Senior Taxi (Vice Mayor Pepper) \$14,000
- (b) Add \$14,000 from Other Sources for Senior Taxi for increased service needs (Councilmen Krupicka and Smedberg) \$14,000
- (c) Add \$14,000 from Other Sources for Senior Taxi to pay for service cost overruns (Councilman Macdonald) \$14,000
- (d) Add \$30,000 from Contingent Reserves for Senior Taxi to cover costs to operate this essential program (Mayor Euille) \$30,000

38 ALEXANDRIA CONVENTION & VISITORS ASSOC

- Add \$50,000 from Contingent Reserves for the Alexandria Convention and Visitors Association (Vice Mayor Pepper) \$50,000

39 SMALL BUSINESS DEVELOPMENT ASSOC

- (a) Add \$20,000 from Contingent Reserves for the Small Business Development Center for small business development and expansion (Mayor Euille) \$20,000
- (b) Add \$60,000 from Other Sources for the Small Business Development Center to support the strengthening of retail, restaurant and small businesses in Alexandria. (Councilman Krupicka) \$60,000
- (c) Add \$60,000 from Other Sources for the Small Business Development Center. (Councilman Smedberg) \$60,000

4/02

	EXPENDITURES		REVENUES	
	Add	Delete	Add	Delete
40 ALEXANDRIA ARTS COMMISSION				
Add \$25,000 from Contingent Reserves for the Alexandria Arts Commission to support program requests (Mayor Euille)	\$25,000			
41 MARKETING FUND				
Add \$35,000 from Other Sources to the Marketing Fund to support regional retail and restaurant marketing (Councilmen Krupicka and Smedberg)	\$35,000			
42 FIRST NIGHT ALEXANDRIA				
Add \$25,000 from Contingent Reserves for this event that has grown over the past several years and provides vital economic benefits to the City (Mayor Euille)	\$25,000			
43 NO VA REGIONAL PARK AUTHORITY				
(a) Add \$10,000 from Contingent Reserves to support one-time funding to support programs and services at the Carlyle House Budget Memo #30. (Mayor Euille)	\$10,000			
(b) Add \$10,000 from Other Sources for one-time grant for Carlyle House repairs Budget Memo #30. (Councilmen Krupicka and Smedberg)	\$10,000			
(c) Add \$5,000 from Other Sources for a one-time contribution to the Carlyle House. Budget Memo #30. (Councilman Macdonald)	\$5,000			
44 CAMPAGNA CENTER				
(a) Add \$150,000 from Other Sources to partially fund Head Start and Campagna Kids funding request for employee increases to retain staff (Councilmen Krupicka and Smedberg).	\$150,000			
(b) Add \$300,000 from Other Sources for education programs at the Campagna Center (Councilman Macdonald)	\$300,000			

EXPENDITURES

REVENUES

	Add	Delete	Add	Delete
45 PUBLIC ART ACCOUNT				
(a) Create a Public Art Account from Other Sources to support current Arts Commission Public Arts Policy Efforts (Councilman Krupicka)	\$36,000			
(b) Add \$50,000 from Other Sources to create a Public Art Account to serve as a placeholder for Arts Commission efforts (Councilman Smedberg)	\$50,000			
46 USS ALEXANDRIA				
Add \$2,500 from Other Sources to the USS Alexandria in the form of matching funds (Councilman Krupicka)	\$2,500			
47 PRESCHOOL REVIEW PROJECT				
Add \$5,000 from Other Sources for a Pre-School Review Project. Budget Memo #25. (Councilman Krupicka)	\$5,000			
48 "BE READY, ALEXANDRIA!"				
Add \$20,000 from Other Sources to fund one-third of the needed funding for the "Be Ready Alexandria!" Campaign. Budget Memo #9. (Councilman Krupicka)	\$20,000			
49 AFFORDABLE HOUSING				
Out of the \$3,650,000 Recordation Tax revenues set aside in the proposed budget, add \$2,760,185 as a dedication of one penny of the real estate tax to affordable housing as of July 1, 2005. The Recordation Tax would not be a dedicated source of funding for affordable housing. (Councilwoman Woodson and Councilman Krupicka)				
(a) Reallocate remaining \$899,815 in recordation tax funds to other purposes (Councilman Krupicka)				
(b) Maintain the remaining \$889,815 in recordation tax funds for affordable housing. (Councilwoman Woodson)				

404

EXPENDITURES

REVENUES

Add

Delete

Add

Delete

50 PIPES AND DRUMS BAND

Add \$3,000 from Other Sources to the Pipes and Drums to increase support (Councilman Macdonald) \$3,000

51 TREE CARE

Add \$50,000 from Other Sources to the Department of Parks, Recreation and Cultural Activities to expand the Tree Care program. (Councilman Macdonald) \$50,000

52 KING STREET PLANNING

Add \$25,000 from Other Sources to KSMET for King Street Planning (Councilman Macdonald) \$25,000

TRANSFER OF FUNDING

53 HEALTHY FAMILIES

Incorporate program funding for Healthy Families at the FY 2005 level of \$315,000 into a City department from the competitively-bid Children's Fund. This will be accomplished by transferring funds from one department to another. It should be noted that this this action will cause there to be less money in the Children's Fund for the competitive grant award process. (Mayor Euille)

No net impact. Funds will be moved from a separate account into DHS.

General Fund Contingent Reserves

54 Delete funding from Contingent Reserves (Vice Mayor Pepper)

(\$64,000)

55 Delete funding from Contingent Reserves (Mayor Euille)

(\$110,000)

56 Add to Contingent Reserves (Councilman Macdonald)

\$698,000

415

EXPENDITURES

REVENUES

Add

Delete

Add

Delete

DELETES

57 SCHOOLS OPERATING BUDGET

Delete funding from the General Fund transfer to the Schools Operating Budget (in addition to the reductions recommended by the City Manager in Budget Memo #48).
(Councilman Macdonald)

(\$1,000,000)

58 NEW POLICE OFFICERS

(a) Delete \$500,000 from the Police Department's budget and not hire 7 of the proposed 14 new police officers for patrol.
(Councilman Macdonald)

(\$500,000)

(b) Postpone 6 new Officers from February 2006 to August 2006.
(Councilman Krupicka)

(\$321,126)

59 HOMELAND SECURITY GRANT

Eliminate City funding of lost federal Homeland Security grant.
(Councilman Smedberg and Krupicka)

(\$50,000)

60 P STEP

Provide only half of the "P" step for staff salaries for persons who are at the top of the pay scale by delaying implementation until mid -FY 2006. Provide the second half of the step in FY 2007 and consider establishing a merit-based approach.
(Councilmen Krupicka and Smedberg)

(\$237,500)

4/10/06

	EXPENDITURES		REVENUES	
	Add	Delete	Add	Delete
61 ECONOMIC DEVELOPMENT				
Delete the 3 percent inflation funding recommended for the ACVA \$50,000; AEDP \$17,000; SBDC \$2,000; and \$1,000 for the Eisenhower Avenue Public Private Partnership. (Councilman Smedberg)		(\$70,000)		
62 FIRE DEPARTMENT				
Take savings originally proposed by the Fire Department (Budget Memo #11). (Councilman Krupicka)		(\$58,000)		
63 AEDP FACADE PROGRAM				
Eliminate the Facade Program. (Councilman Macdonald)		(\$100,000)		
APPROPRIATION FROM FUND BALANCE				
64 Reduce Tax Rate to 9 cents (see associated tax rate change above) (Councilmen Krupicka and Smedberg)	\$1,341,000			
65 SWORN PUBLIC SAFETY OFFICER DESIGNATION				
(a) Reduce the amount for the Sworn Public Safety Officer Compensation (Councilman Krupicka)		(\$1,627,244)		
(b) Reduce the amount for the Sworn Public Safety Officer Compensation (Councilman Smedberg)		(\$1,412,685)		
66 Reduce the prior year unallocated balance on the Union Station project (Councilman Macdonald)		(\$170,000)		
67 Reduce the prior year unallocated balance on the new Police Facility (Councilman Macdonald)		(\$2,000,000)		
68 Reduce the prior year unallocated balance in the Alexandria Capital Development Foundation (Councilman Macdonald)		(\$100,000)		

467

	EXPENDITURES		REVENUES	
	Add	Delete	Add	Delete

**ADOPTION OF THE FY 2006 TO FY 2011
CAPITAL IMPROVEMENT PROGRAM**

69 Add \$25,000 to FY 2006 as a one-time study for a Maritime History Museum. (Councilman Macdonald)	\$25,000			
70 Add \$1,000,000 to FY 2006 for Old Town Utility Undergrounding (Councilman Macdonald)	\$1,000,000			
71 Add \$3,000,000 to FY 2006 for Windmill Hill Park Waterfront. (Councilman Macdonald)	\$3,000,000			
72 Add \$150,000 to Fy 2006 for repairs to the Gadsby's Tavern HVAC system (Councilman Macdonald).	\$150,000			
ALL SPORTS FACILITY				
73 (a) Delete \$1,250,000 from FY 2006 from the All-Sports Facility (Councilman Krupicka)			(\$1,250,000)	
(b) Delete \$2,000,000 from FY 2006 from the All-Sports Facility (Councilman Smedberg)			(\$2,000,000)	
74 Delete \$200,000 from FY 2006 for repairs that are no longer needed at Ft. Ward. (Councilman Macdonald)			(\$200,000)	
75 Delete \$200,000 from FY 2006 for repairs to the Wilkes Street Tunnel that are not needed at this time. (Councilman Macdonald)			(\$200,000)	

	EXPENDITURES		REVENUES	
	Add	Delete	Add	Delete
76 Delete \$100,000 from FY 2006 for maintenace to the Cameron Run Stream (Councilman Macdonald).		(\$100,000)		
77 Delete \$100,000 from FY 2006 from the City-wide Sign Program. (Councilman Macdonald)		(\$100,000)		
78 Delete \$600,000 from FY 2006 for the proposed Fire Station in the Eisenhower Valley. (Councilman Macdonald)		(\$600,000)		
79 Delete \$200,000 from FY 2006 from the Space Management Plan. (Councilman Macdonald)		(\$200,000)		

469

MAYOR BILL EUILLE
 FY 2006 Budget "Add/Delete" List
 April 14, 2005

ADD LIST: COMMENTS

Healthy Families: Incorporate this program funding into the City Budget at FY 2005 level.

No Va Regional Park Authority: One-time funding to support programs/services at Carlyle House.

Small Business Development Center: Increase annual City support for small business development and expansion.

Senior Taxi: Support the additional funding to cover costs to operate this essential program.

Alexandria Arts Commission: Provide additional funding to support program requests.

First Night Alexandria: This year-end event has grown over the past several years and provides vital economic benefits to the City.

Senior Taxi	\$30,000.00
Small Business Development Center	\$20,000.00
Northern Virginia Regional Park Authority	\$10,000.00
First Night Alexandria	\$25,000.00
Alexandria Arts Commission	\$25,000.00
Incorporate Healthy Families into DHS budget	\$315,000.00
Reduce Children's Fund by amount of Healthy Families	(\$315,000.00)
Contingent Reserves	(\$110,000.00)
Net Add-Deletes	\$ 0.00

VICE MAYOR DEL PEPPER
FY 2006 Budget "Add/Delete" List
April 22, 2005

Attachment 4

ADD LIST: COMMENTS

Senior Taxi: no comments.

Alexandria Convention and Visitors Association: no comments.

Senior Taxi	\$14,000.00
Alexandria Convention and Visitors Association	\$50,000.00
Net Add-Deletes	\$ 0.00

ADD LIST: COMMENTS

9 cent tax rate reduction: 9 cent tax rate reduction (additional 5 cents from proposed budget).

Campagna Center: Partially fund Head Start and Campagna Kids funding request for employee increases to retain staff.

Senior Taxi: to support increased service needs.

Pre-School Review Project: Pre-school review project per Budget Memo #25.

Northern Virginia Park Authority: One-time grant for Carlyle House repairs.

USS Alexandria: USS Alexandria matching funds.

Be Ready Alexandria! Campaign: one-third of needed funding for *Be Ready Alexandria!* - remainder will be determined from fund-raising and potentially from grants.

Marketing Fund: Increase for marketing fund to support regional retail and restaurant marketing per Budget Memo #29.

Public Art Account: Create a Public Art Account to support current Arts Commission Public Arts Policy Efforts.

Small Business Development Center: SBDC budget request. Per Budget Memo #29 to support the strengthening of retail, restaurant and small businesses in Alexandria. Also please note Budget Memos #51 and 52 in which BFAAC recommends support of this effort due to its high return on investment.

Affordable Housing: Dedicate one penny to affordable housing.

Reduce tax rate to 9 cents (see associated fund balance change below)	\$2,760,185
Dedicate one penny of Real Estate tax to Affordable Housing	\$2,760,185
Reduce or eliminate set-aside of recordation tax	(\$3,650,000)
Senior Taxi	\$14,000
Marketing Fund	\$35,000
Small Business Development Center	\$60,000
"Be- Ready" Campaign	\$20,000
Northern Virginia Regional Parks Authority	\$10,000
Public Arts Account	\$36,000
USS Alexandria	\$2,500
Campagna Center	\$150,000
Pre-school Review Project	\$5,000
Eliminate Funding of lost Homeland Security Grant	(\$50,000)
Reduce or postpone hiring of additional Police Officers	(\$321,126)
Delay addition fo "P" step by 6 months	(\$237,500)
Take savings proposed by Fire Department	(\$58,000)
Slow down planning and development for All-Sports complex	(\$1,250,000)
Fund Balance change associated with reduction of tax rate to 9 cents	\$1,341,000
Sworn Public Safety Officer compensation	(\$1,627,244)
Net Add/Deletes	\$0

DELETE LIST: COMMENTS

Police Officers: Postpone 6 new officers from February 2006 to August 2006.

Homeland Security Grant: Eliminate City funding of lost Homeland Security grant.

"P" Step: Provide only half of "P" step for highest level staff salaries. Provide second half next year. Request staff consider establishing a merit-based approach.

All-Sports facility: Slow down planning and development for Sports Facility, Push back implementation by one or two years in the CIP to ensure appropriate time for public participation, to raise private financial support, to evaluate partnership opportunities with the Northern Virginia Regional Park Authority and to complete other CIP priorities.

Fire Department Savings: Savings reductions proposed by Fire Department per Budget Memo #11.

Public Safety compensation: Reduce cash set aside for public safety salaries. Complete study prior to making full commitment. I suggest that we examine any end of FY 2005 fiscal year revenue adjustments and consider using any overages to increase public safety competitive salary set-aside.

Affordable Housing: Use funds from Affordable Housing set-aside to cover some costs of AHOP and Senior/Disabled Relief. Commit \$2.7 million , or one penny, to affordable housing.

Questions and Requests

1. Docket item on moving some service providers to multi-year competitive contracts per budget memo #25.
2. Revisit budget process for next year - we should set target for initial budget growth prior to delivery to Council. Start with Current Services budget.
3. Ask Youth Services Commission to work with Park and Recreation Commission to identify ways to increase youth use of recreation centers on weekends.
4. Establish public process to review each CIP project and to evaluate priorities.
5. Request BFAAC review of employee benefits for City and Schools.
6. Can we expand employee down payment assistance to employees of non-profits that provide contracted services to the City?

ADD LIST: COMMENTS

9 cent tax rate reduction: 9 cent tax rate reduction (additional 5 cents from proposed budget).

Campagna Center: Partial funding for Campagna Kids and Head Start request for employee increases to retain staff.

Senior Taxi: to support increased service needs.

Northern Virginia Park Authority One-time grant for Carlyle House repairs.

Marketing Fund: Increase for marketing fund to support regional retail and restaurant marketing.

Public Art Account: Create a Public Art Account to serve as placeholder for Arts Commission efforts.

Small Business Development Center: Support to expand small business development and initiatives.

Reduce tax rate to 9 cents (see associated fund balance change below)	\$2,760,185
Reduce or eliminate set-aside of recordation tax	(\$650,000)
Senior Taxi	\$14,000
Marketing Fund	\$35,000
Small Business Development Center	\$60,000
Northern Virginia Regional Parks Authority	\$10,000
Public Arts Account	\$50,000
Campagna Center	\$150,000
Economic Development Entity Funding	(\$70,000)
Eliminate Funding of lost Homeland Security Grant	(\$50,000)
Delay addition fo "P" step by 6 months	(\$237,500)
Slow down planning and development for All-Sports complex	(\$2,000,000)
Fund Balance change associated with reduction of tax rate to 9 cents	\$1,341,000
Sworn Public Safety Officer compensation	(\$1,412,685)
Net Add/Deletes	\$0

Councilman PAUL SMEDBERG
Add/Delete Memo
April 22, 2005

DELETE LIST: COMMENTS

Homeland Security Grant: Eliminate City funding of lost federal Homeland Security grant.

"P" step: Provide only half of "P" step for highest level staff salaries. Request City Manager consider establishing a merit-based approach.

All Sports facility: Delay-postpone planning and development process of the All-Sports Facility. Have committee consider a scaled-down plan/proposal. Push back implementation by one or two years in the CIP.

Public Safety compensation: Reduction in designation for sworn public safety personnel compensation.

Economic Development: no comment.

Affordable Housing: Use funds from affordable housing set-aside to cover some costs of AHOP and Senior/Disabled relief. Commit \$2.7 million, or one penny, to affordable housing.

Requests

1. Docket item on moving some service providers to multi-year competitive contracts.
2. Revisit budget process for next year. Set target for initial budget growth prior to delivery to Council. Start with current services budget.
3. Establish process to review each CIP project.
4. Request BFAAC review employee benefits for City and Schools, in cooperation with the City Manager.
5. Can we expand employee down payment assistance to employees of non-profits that provide contracted services to the City?

Councilman LUDWIG GAINES
FY 2006 Add/Delete List
April 25, 2005

Attachment 7

Below please find my preliminary add/delete list. This list covers the following areas:

- (1) Public Safety/Emergency Preparedness,
- (2) Youth Summer Employment Program/Job Link,
- (3) Transportation/Environmental Services - Recycling,
- (4) Affordable Housing Dedicated Funding,
- (5) DASH Service Extension Linking Potomac Yards to Braddock Road Metro.

Prefatory remarks:

I commend the efforts of City Staff to prepare and present the most efficient and effective budget possible. In particular, the \$16.4 million in additional budget sources identified by staff to make a total eight cents tax rate reduction possible demonstrates an important effort on the part of the City of Alexandria to prioritize homeowner tax relief and balance city services. This includes the manager's recommended targeted reductions in funding for ACPS. I look forward to working with my colleagues to explore areas where even greater efficiencies and greater homeowner tax relief can be achieved. The long-term sustainability of our budget process must place homeowner tax relief as a priority, in addition to prioritizing the provision of core city services and the city's ability to respond to emerging needs. I have, as a result, attempted to limit my add/deletes accordingly. This list is, of course, preliminary and may be extended or decreased if warranted.

Recommendations

(1) Public Safety/Emergency Preparedness.

ADD: \$25,000.00 to the Public Safety/Emergency Preparedness Budget for continuation of City of Alexandria Be Ready! Campaign. Budget memo #

DELETE/FUNDING SOURCE: Contingent Reserves.

(2) Public Safety/Emergency Preparedness.

ADD: \$600.00 to the Police Department Budget for overtime necessary to conduct Operation Trick Nor Treat – Adult Probation and Parole Office. Budget memo #



(3) Youth Summer Employment Program/Job Link.

ADD: \$10,000.00

DELETE/FUNDING SOURCE: Contingent Reserves.

(4) Transportation/Environmental Services – Political Sign Recycling Pilot Program.

ADD: \$1,500.00 to T&ES budget to conduct Political Sign Recycling Program in Fall 2005.

DELETE/FUNDING SOURCE: Contingent Reserves.

(5). Affordable Housing – Penny From Tax Rate Dedicated to Affordable Housing

ADD: \$2.76 Million or a dedicated penny from tax rate to affordable housing.

DELETE/FUNDING SOURCE: Recordation tax.

I support the proposal recommended by Council Woman Woodson re: a dedicated penny from the tax rate for affordable housing. Further, I support accomplishing this via ordinance as was done for open space acquisition last year.

(6). DASH Service Extension Linking Potomac Yards to Braddock Road Metro*

I have not yet received this memo from staff, but preliminarily request that in lieu of cutting DASH service as recommended by the manager (-\$100,000), I recommend DASH assume and tailor soon-to-be (01/06) service drops in area by Metro/Arlington at a +\$200,000 savings.

Councilman ANDREW MACDONALD
FY 2006 Budget "Add/Delete" List
April 22, 2005

Attachment 8

ADD LIST: COMMENTS

Senior Taxi Service: Increase the SSA budget by \$30,000 to cover rising costs associated with providing taxi service for older Alexandrians. This is an essential community service (see memo from Bill Harris, President of SSA).

Historic Buildings: Reserve \$150,000 per year in the CIP for FY 2007-9 to ensure the continual upkeep and repair of the City's historic buildings. The preservation of our City's historic resources is not a choice but an obligation. We cannot afford to put off this work according to OHA and its affiliated historic commissions. This item does not require us to spend more money in FY 2006 than has been already allocated. But it does affect the CIP budget in future years.
NOTE: I think that the oversight of Union Station should be transferred to OHA.

Maritime Heritage Museum: One-time grant of \$25,000 to OHA to enable City staff examine the feasibility and design of a waterfront maritime heritage (& rail) museum along the waterfront between King and Duke Streets. It is important for the City to develop new ways to bring its historic past to life for residents and visitors, as many other maritime cities have done (Halifax, NS; Baltimore, etc). This study should be seen as a basic component of the soon-to-start "waterfront planning process." OHA staff can conduct this study.

Alexandria Pipes and Drum Band: Add \$3000 per year to their budget to offset rising expenses for this City band. This wonderful City "pipes and drum" marching band deserves some additional support (see Letter from TK). It has been in existence since TK?

French and Indian War Exhibit at the Carlyle House: Although the City staff does not support this special funding request, I believe that it's appropriate to help NVRPA to defray some of the costs associated with the installation of this special anniversary exhibit on the French and Indian War at the Carlyle House in Alexandria (See letter from Bill Dickinson, President of the Northern Virginia Regional Park Authority (NVRPA) asking us for a \$10,000 contribution). Although we contribute a large amount to the Authority's operating and CIP budget, this was a special historic "reenactment" project that brought many people to the City of Alexandria.

Campagna Center: I support adding an additional \$300,000 to the City Manager's proposed budget to fund "Campagna Kids" and the Center's "Head Start" programs. It is critical that the ACPS and/or the City support a variety of pre-school, before school, after school, and summer educational programs. These programs complement and expand the programs that are administered by the City's Department of Parks, Recreation and Cultural Affairs.

Tree Care: Our City's street trees are not well cared for. I am requesting that we add an "additional" \$50,000 to the Parks and Recreation budget to pay for the direct care of street trees.

This new funding would enable City staff to water, feed and otherwise care for valuable trees along public streets. This program would complement not replace or augment existing programs to purchase trees, landscape public right of ways, or prune trees, etc. (see page 95 of CIP).

Windmill Hill Park: Allocate 3 million dollars (\$3,000,000) for the restoration of this waterfront park in FY 2006. The bulkhead along this stretch of waterfront should be made safe and accessible sooner than FY 2009 even if it means that we consider less pricey "shoreline stabilization" options. (Though I do prefer, I think, bulkheads to rip-rap.) Still, the most important work to the shoreline can hopefully be completed for less than 3 million dollars.

Youth Sports: Add \$45,000 to hire either a full or part-time staff person in the Department of Parks and Recreation to help run the City sport's leagues. The City's Park & Recreation Department runs an extensive and popular sports league program for kids after school is out and on weekends. It is, however, by many accounts understaffed. This request address that need. NOTE: Budget memo 57 shows that this program serves TK kids and suggests that we review the problem before adding another staff position. **HOLD OFF UNTIL REVIEW COMPLETED.**

Utility Work in Old Town: I would like the \$1,000,000 that was taken out of the CIP for this program in FY 2005 (to repair parts of Duke and King streets) replaced in the FY 2006 CIP, as originally recommended by the City Manager (see Budget Memo #48). Why? Because this work, which adds immensely to the value of the historic district, has been delayed for years. Moreover, I think we should revisit (if possible) the terms of the franchise agreement with VA Power that establishes their share of the costs associated with this work.

KSMET: Provide them \$25,000 in FY 2006 to support the King Street planning process.

Councilman Andrew Macdonald
Add/Delete List
April 22, 2005

Senior Taxi	\$14,000
KSMET	\$25,000
No Virginia Regional Park Authority	\$5,000
Campagna Center	\$300,000
Pipes and Drum Band	\$3,000
Tree Care	\$50,000
Reduce or postpone hiring of police officers	(\$500,000)
AEDP Façade Program	(\$100,000)
School Budget	(\$1,000,000)
Maritime History Museum Study	\$25,000
Old Town Utility Undergrounding	\$1,000,000
Windmill Hill Park Waterfront	\$3,000,000
Gadsby's Tavern HVAC Repairs	\$150,000
Fort Ward Repairs	(\$200,000)
Wilkes Street Tunnel	(\$200,000)
Stream Maintenance	(\$100,000)
City-wide Sign Program	(\$100,000)
New Fire Station	(\$600,000)
Space Management	(\$200,000)
Contingent Reserves	\$698,000
Union Station	(\$170,000)
New Police Facility	(\$2,000,000)
Alexandria Community Development Foundation	(\$100,000)
Net Add/Deletes	\$0

Councilman Andrew Macdonald
Add/Delete Memo
April 22, 2005

DELETE LIST: COMMENTS

CUTS in SPENDING

Police Facility CIP: BFAAC recommends that we defer this CIP item a few years. I would like to take 2 million from the CIP to finish the restoration of Windmill Hill Park – which needs to be done now, not in 2009 or later.

School Budget: The School Board asked for a 7.5% increase (as compared to FY 2005) in their FY 2006 City budget appropriation. The City Manager has since recommended that we cut an additional \$1,160,000 from the proposed City budget (see Budget Memo # 48). I think that the school budget is still rising too fast in many areas – instructional support (personnel), technology programs (laptops), health care and a modified school calendar – and that the increased cost associated with these new expenditures has not been carefully studied or adequately justified.

I believe that the school's operating budget should be reduced by an additional \$1,000,000, which will still result in budget increase of close to 6% before any federal and state grants are added. There is no reason that the school budget should be rising a faster rate than the cost of other key City services, especially given the magnitude of school's capital expenditures and the related debt. The key question is: Is this money we – taxpayers – provide to the schools (etc) being spent wisely? I have serious reservations about some critical aspects of the school budgeting process, the need for some of the proposed expenditures, and I am concerned that the budget will continue to rise too quickly because of the growth in various personnel related costs, as outlined in the BFAAC report (Budget Memo # 52).

Space Management CIP: We need to find ways to reduce costs in this program. (\$919,000 was added this year alone.)

New Fire Station (FS 209): I don't think City taxpayers should be saddled with paying for a new fire station in the Cameron Run Valley. I recommend that we eliminate \$600,000 from the FY 2006 CIP and look for ways to cut in half the \$3,000,000 in the FY 2007 CIP. This capital needed to build this facility should be provided by development proffers or raised using a special tax that is levied on any new and existing development in the Valley. This is Smart Growth.

Park and Recreation CIP/Ft Ward: Reallocate the \$200,000 previously set-aside for the repair and stabilization of the Ft. Ward bastions. These funds are apparently no longer required – they should be used in another way.

Union Station CIP: The \$170,000 that had been allocated for the repair of this historic building is no longer needed (see page 123 of the FY 2006 CIP). Until we have a solid plan for a new or improved visitor center, this money should be used to fund a more immediate need.

Wilkes Street Tunnel Repairs: We continue to add money to this important historic restoration project despite the lack of any final work plan. The City Manager added an additional \$200,000 this year, for a new total of \$870,332. When are we going to begin this restoration work? What are the real cost estimates? Given the slow progress and a lack of supporting evidence regarding the costs, I don't think it's appropriate to add another \$200,000 to this project while more immediate projects (such as the HVAC work in Gadsby's Tavern) remain unfinished or stalled.

City-Wide Sign Program: Reduce by \$100,000 the FY 2006 planning costs associated with implementation of the "Coordinated Wayfinding Program." Reduce by \$300,000 FY 2007 CIP budget for this program (see Page 78-79 in the CIP). Multiple groups are examining ways to improve the City's network of signs. I see no reason why this program should be so expensive and not spread out over more years if necessary.

Cameron Run Channel Maintenance: Look for ways to reduce maintenance costs by 100,000 per year in FY 2006 CIP and succeeding years.

Four Mile Run Fund: Not sure that we need to set-aside \$900,000 for future work. I would like the City to reduce this amount by \$300,000. This money can be used to fund other projects that need our attention now.

AEDP Façade Program: Eliminate this "new" program. I see no reason to fund a separate program to improve the facades of buildings. Aren't other groups also trying to improve streetscapes?

Information Technology Services: According to the Manager's proposed budget, this program's operating costs are slated to rise by a full 8.9% from FY 2005 to FY 2006. This is too rapid an increase given that we are trying to reduce and or control CITY expenses. Their budget –CIP/Operating – should be reduced further. I would like to see an additional \$200,000 cut from their FY 2006 budget.

Patrol Officers: The BFAAC report suggests Arlington's per capita costs are quite a bit lower than ours despite having a larger population and handling more calls with fewer officers. We should understand this analysis better before we hire 14 new sworn police officers. According to the City's OMB, it will cost \$1,005,958 to hire all 14 officers but the final amount will be reduced by \$100,000 in overtime costs for a net cost of \$905,958 (8 officers would be hired in August and 6 in February of 2006.) BFAAC is also concerned about rising personnel costs.

Councilman Andrew Macdonald
Add/Delete List
April 22, 2005

Councilwoman JOYCE WOODSON
FY 2006 Budget "Add/Delete" List
April 25, 2005

Attachment 9

ADD LIST: COMMENTS

No comments

Dedicate one penny of RE Tax to Affordable Housing	\$2,760,185.00
Reduce or Eliminate set-aside of Recordation Tax	(\$2,760,185.00)
Net Add-Deletes	\$ 0.00

Resolution No. 2088
Budget Resolution Regarding the Treatment of
Final Revenue Adjustments During the Budget Process

WHEREAS, the City of Alexandria and the Greater Washington region face continued economic challenges; and

WHEREAS, the Alexandria City Council has previously exhibited restraint when considering its annual budget and financial policies; and

WHEREAS, the Alexandria City Council wishes to establish structure surrounding upcoming budget deliberations to ensure responsible actions with current economic resources;

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, adhere to the following rules of procedure:

Section (a) Proposed Budget for the City of Alexandria -

- (1) For purposes of this resolution, the budget baseline of revenue rates and expenditure levels for the fiscal year shall be that proposed by the City Manager of the City of Alexandria.
- (2) For purposes of this resolution, the Office of Management and Budget shall provide revenue and/or expenditure projections for any motion or amendment which could affect the proposed budget specified in paragraph (1).

Section (b) Maximum Expenditure Levels May Not Exceed Sum of Projected Revenue and Appropriation from Undesignated 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 such motion or amendment would have the effect of increasing any specific budget outlays above the level of such outlays contained in the proposed budget specified in section (a) of this resolution, or would have the effect of reducing any specific revenues below the level contained in the proposed budget specified in section (a) of this resolution, unless such motion or amendment makes at least an equivalent reduction in other specific budget outlays, identifies an equivalent increase in other specific revenues, or an equivalent combination thereof.
- (2) In the Alexandria City Council, any appropriation from the Undesignated 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 adjustments that result in a net increase or net decrease from the revenue estimates specified in section (a) of this resolution, the net change in the revenue estimate shall be

reflected as a change in the proposed appropriation from the Undesignated Fund Balance. As specified in Section 2 (b), any appropriation from the Undesignated 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.