

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 15, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #133: FY 2009 ADOPTED ADD/DELETE LIST

City Council adopted the FY 2009 General Fund Revenue and Expenditure Operating Budget in the amount of \$541,978,347, an increase in fund balance designations of \$2,626,958 for the FY 2010 – FY 2015 Capital Improvement Program, and a FY 2009 – FY 2014 Capital Improvement Program of \$396,865,457. This budget is based on the City Manager’s FY 2009 Proposed Budget of \$534,791,005 with the following amendments derived from the “add/delete” process and adopted on May 5, 2008.

This memorandum is organized into seven sections as follows:

- I. Expenditure Budget Changes
 - a. Technical Adjustments
 - b. City Manager Budget Reallocations
 - c. Compensation Adjustments
 - d. 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 2008 General Fund Budget
- VII. Comparisons to FY 2007 Amended and FY 2008 Proposed Budgets

I. *Expenditure Budget Changes:*

Technical Expenditure Adjustments to Proposed Budget (Budget Memo #78)		
\$	13,000	Animal Welfare League of Alexandria increased FY 2009 Costs (BM#58)
\$	84,000	Sheriff's Personnel Budget (BM #58)
\$	13,000	Police Department Vehicle Depreciation (BM #111)
\$	(15,076)	Sheriff Increase in Grant Revenues (BM #117)
\$	94,924	Total Technical Expenditure Adjustments

b.

City Manager Budget Reallocations to Proposed Budget		
\$ 249,633	Revised Planning and Zoning Work Program (BM #121)	
\$ (300,000)	Self-Funding MAMSI Health Care Benefits (BM #118)	
\$ 500,000	Potomac Yard Metrorail Station Feasibility (BM #27)	
\$ (474,500)	Highway Traffic Video Monitoring System Grant Match (BM #122)	
\$ (24,867)	Total City Manager Budget Reallocations	

c.

Compensation-related Changes to the Proposed Budget (BM #131)		
\$ 1,327,163	One-time \$500 pay supplement for City (per FTE)	
\$ 740,000	2% one-time longevity pay supplement to Top-of-Grade for City	
\$ (75,000)	Retiree Life Insurance elimination for future employees (BM #41)	
\$ 1,992,163	Total Compensation-related Budget Increase	

d.

Changes to Proposed City General Fund Operating Budget Expenditures		
\$ 342,489	Fire, Three Shift Safety Officers (BM #48)	
\$ 188,259	Fire, Depreciation of Grant Funded Equipment	
\$ 30,000	Sheriff, Emergency Response Team	
\$ 2,365	Sheriff, Marked Vehicles	
\$ 225,000	Police, Red Light Camera Program (BM #45, #108)	
\$ 150,000	Police, Gridlock Reduction Program (BM #46)	
\$ 591,269	DHS, Child Care Fee System	
\$ 60,500	MHM RSA, Infant Development Specialist	
\$ 169,278	P&Z, Historic Preservation Positions	
\$ 235,021	P&Z, Neighborhood and Community Development Positions (BM #121)	
\$ 100,000	ACVA, Regional Marketing Initiatives (BM #120)	
\$ 75,000	AEDP, Regional Marketing Initiatives. Contingent Reserves	
\$ 50,000	AEDP, Consulting Services, Contingent Reserves	
\$ 20,000	RPCA, Brenman Park Storm Water Pond Maintenance	
\$ 28,522	Non-Departmental, Contingent Reserves	
\$ 222,696	Fire Department Safety Improvements, Contingent Reserves (BM #50)	
\$ 50,000	RPCA, Arts Districts (BM #60)	
\$ 50,000	Small Business Development Center	
\$ 135,000	DASH Service Expansions (BM #57)	
\$ 50,000	DHS, Youth Summer Employment Program Sustainability/Expansion (BM #72)	
\$ 90,000	DHS, Consultants for Aging Study, Contingent Reserves (BM #64, #86)	
\$ 45,150	TES, Commercial Recycling Position (BM #105)	
\$ 100,000	TES, Mirant Monitor (BM #114)	
\$ 40,000	Arlandria Health Clinic	
\$ 47,000	TES, Clean Energy (BM #113)	
\$ 2,000	Community CIP Prioritization Effort (BM #92)	

Changes to Proposed City General Fund Operating Budget Expenditures (cont'd)		
\$ 13,000	Consumer Education	
\$ 14,400	Hazardous Waste Collection Expansion (BM #115)	
\$ 671,662	Cash Capital, DASH Facility Cash Match (BM #14, #27)	
\$ 1,000,000	King Street Trolley (BM #14, #27)	
\$ 276,565	DASH, Adjustments to Base Budget Increase (BM #14, #27)	
\$ 166,852	TES, Parking Planner and Professional Services (BM #14, #27)	
\$ 147,629	TES, Transportation Planner (BM #14, #27)	
\$ 800,000	Cash Capital, Washington Street Reconstruction (BM #14, #27)	
\$ 130,000	DASH, New operating costs (BM #57)	
\$ (184,000)	Cash Capital, DASH 5% Bus Purchase Contingency	
\$ (250,000)	Cash Capital, Eisenhower Ave City Match	
\$ (100,000)	Cash Capital, Non-public safety Automated Vehicle Locator System	
\$ (1,225,000)	Cash Capital, Wayfinding sign program	
\$ (300,000)	Cash Capital, Reduction in Neighborhood Traffic Calming	
\$ (260,000)	Cash Capital, All City Sports (Capital Development Foundation) (BM #124)	
\$ 4,000,657	Net City Expenditure Increases and Reductions (Total)	

Change in Proposed Transfer to Alexandria Public Schools Operating Budget (BM #116)		
\$ 1,062,465	One-time \$500 pay supplement for Schools (per FTE)	
\$ 62,000	2% one-time longevity pay supplement to Top-of-Grade for Schools	
\$ 1,124,465	Total Schools Transfer Option*	

\$ 7,187,342 Total Expenditure Budget Adjustments

* The amounts listed above as funding for a one-time \$500 pay supplement for ACPS employees and a 2% one-time longevity pay supplement were calculated (based on information from ACPS staff) to provide an equivalent amount of funding as that provided for City Staff. Nothing in these calculations affects the final decision making authority over the use of these additional funds that lies with the Alexandria School Board.

II. Revenue Budget Changes:

Technical Revenue Re-estimates to Proposed Budget (Budget Memo #33)	
<u>FY 2009</u>	
\$ (1,000,000)	Decrease in Local Sales Tax revenues
\$ 300,000	Increase in Utilities Tax revenues
\$ (300,000)	Decrease in Bank Franchise Tax revenues
\$ 100,000	Increase in Motor Vehicle License Tax revenues
\$ (900,000)	Decrease in Recordation Tax revenues
\$ (200,000)	Decrease in Tobacco Tax revenues
\$ 200,000	Increase in Transient Lodging Tax revenues
\$ 200,000	Increase in Restaurant Meals Tax revenues
\$ (100,000)	Decrease in Admissions tax revenues
\$ (1,250,000)	Decrease in Personal Property Tax revenues
\$ 200,000	Increase in Court Fines revenues
\$ 200,000	Increase in Indirect Costs
\$ 1,172,382	Increase in Sheriff's Compensation Board reimbursement
\$ 123,274	Increase in Finance Department Compensation Board reimbursement
\$ (1,050,000)	Reduction in State Aid to local governments
\$ 22,000	Increase in Animal Shelter Revenue
\$ (500,000)	Decrease in Clerk's Fees
\$ 400,000	Increase in Ambulance Transport Fees
\$ 100,000	Increase in Sales of Recyclables
\$ (1,860,000)	Decrease in General Fund Short-term investments
\$ (307,519)	Decrease in proceeds of sale of impound lot vehicles revenue
<u>\$ 21,600</u>	

\$ (4,428,263) Total FY 2009 Technical Revenue Re-estimates

Changes in Proposed Tax and Fee Rates and New Revenues (BM #25)	
\$ 5,253,914	Increase in Real Estate Tax Revenues due to 1.5 cent tax rate increase to 84.5 cents effective for both payments in FY 2009
\$ 270,000	Red Light Camera Revenues - Budget Memos #45 and #108
\$ 3,700,000	Restaurant Meals Tax Rate Increase of 1 %
\$ 1,600,000	Transient Lodging Tax Rate Increase of 1%
\$ 194,000	Board of Architectural Review (BAR) Fee Increases
\$ 13,000	Payday Lending Business Professional and Occupational License Tax (BPOL)
\$ 69,040	Increase in Recycling Fees
\$ 141,000	Increase in Parking Fines
\$ 374,652	Residential Refuse Fee Increase of \$20 for Leaf Collection Services

\$ 11,615,606 Total Increase in Tax and Fee Rates and New Revenues

\$ 7,187,343 Total Revenue Increases

III. Fund Balance Designations

Changes in Proposed Fund Balance Designations	
Undesignated	
	Contribution to Fund Balance in FY 2008 tentatively designated for FY 2010 -
\$ 2,626,958	2015 CIP
\$ 2,626,958	Total
\$ 2,626,958	Changes in Fund Balance (as of the end of FY 2008)

IV. Contingent Reserves

Changes and Reservations of Proposed Council Contingent Reserves	
\$ 200,000	Contingent Reserves in the Proposed Budget
\$ 616,218	Amount added by City Council (C.M. Alternative Budget included \$175,000)
\$ (222,696)	Fire Department Safety Improvements
\$ (125,000)	AEDP Options
\$ (50,000)	Arts Districts
\$ (100,000)	Monitor for Mirant
\$ (228,522)	Watson-Wyatt Payscale Adjustments
\$ (90,000)	Aging Study
\$ (816,218)	Net Reduction in Undesignated Contingent Reserves
\$ -	Remaining Contingent Reserves

V. Capital Improvement Program Budget Changes

Changes in the Cash Capital Transfer to the CIP	
\$ 5,739,524	FY 2009 Proposed Cash Capital Transfer to the CIP
\$ (184,000)	DASH 5% Bus Purchase Contingency
\$ (250,000)	Eisenhower Ave. City Match
\$ (100,000)	Non-Public Safety Automated Vehicle Locator System
\$ (1,225,000)	Wayfinding Sign Program
\$ 671,662	DASH Facility Cash Match
\$ 800,000	Washington Street Paving
\$ (260,000)	All City Sports (Capital Development Foundation)
\$ (300,000)	Reduction in Neighborhood Traffic Calming
\$ 4,892,186	Total FY 2009 Cash Capital Transfer to the CIP

VI. Summary of the FY 2009 General Fund Budget

Summary of Growth in FY 2009 Budget	
\$ 534,791,005	FY 2009 Proposed General Fund Operating Revenues and Expenditures
\$ 7,187,342	Total Change in City General Fund Operating Budget Expenditures over Proposed
\$ 541,978,347	Resulting FY 2009 General Fund Operating Budget
\$ 2,626,958	Change in Fund Balance (at the end of FY 2008)
\$ 4,892,186	Resulting Cash Capital Funding of the FY 2009-FY 2014 CIP

VII. Comparisons to the FY 2008 Approved and FY 2009 Proposed Budgets

	City	Schools	Total
FY 2008 Approved General Fund Budget	\$359.3	\$160.2	\$519.5
FY 2009 Proposed General Fund Budget	\$368.0	\$166.8	\$534.8
FY 2009 Approved General Fund Budget	\$375.1	\$166.8	\$542.0
Amount Over FY 2008 Approved	\$15.8	\$6.6	\$22.5
Percent Over FY 2008 Approved			4.3%

ATTACHMENT 1: FY 2009 Adopted Final Add/Delete Worksheet

FY 2009 Final Add/Delete Worksheet

Summary of Results

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FY 2009 BUDGET SURPLUS/(SHORTFALL)	\$0		
City % Increase over FY 2008 Approved Budget	4.1%		
Schools % Increase over FY 2008 Approved Budget	4.8%		
TOTAL Rate of Increase over FY 2008 Approved Budget	4.3%		
2009 Residential Real Property Tax Rate (in cents)	84.5		
2009 Commercial Real Property Tax Rate (in cents)	84.5		
FY 2008 Surplus Revenues	\$2,626,958		
	Assumption	Add-Delete Options	All Add/Delete Consensus
TECHNICAL ADJUSTMENTS			
Revenue Re-estimates (Budget Memo #79)			
FY 2008 Revenue Adjustments (Technical)		(\$2,030,350)	(\$2,030,350)
FY 2009 Revenue Adjustments (Technical)		(\$4,449,863)	(\$4,449,863)
Increased Pet License Revenues From Added AWLA PT Position (B.M. #58)		\$21,600	\$21,600
Technical Expenditure Adjustments (Budget Memo #78)			
FY 2008 Expenditure Reductions to Ensure a Balanced Budget		(\$2,030,350)	(\$2,030,350)
Animal Welfare League of Alexandria Increased FY 2009 Costs (BM #58)		\$13,000	\$13,000
Sheriff's Personnel Budget (Budget Memo #111)		\$84,000	\$84,000
Police Department Vehicle Depreciation (Budget Memo #111)		\$13,000	\$13,000
Sheriff Increase in Grant Revenues (Budget Memo #117)		(\$15,076)	(\$15,076)
City Manager Budget Reallocation Recommendation (Budget Memo #125)			
	Assumption	Add-Delete Options	All Add/Delete Consensus
Revised Planning and Zoning Work Program (Budget Memo #121)		\$249,633	\$249,633
Self-Funding MAMSI Health Care Benefits (BM #118)		(\$300,000)	(\$300,000)
Potomac Yard Metrorail Station Feasibility Study (Budget Memo #27)		\$500,000	\$500,000
Highway Traffic Video Monitoring System Grant Match (BM #122)		(\$474,500)	(\$474,500)
Revenue Options			
	Assumption	Add-Delete Options	All Add/Delete Consensus
TAX AND FEE OPTIONS (Budget Memos #25)			
Red Light Camera Revenues (Budget Memo #45 & #108)		\$270,000	\$270,000
General Real Estate Tax Rate Increase (may not exceed 3 cents; BM's #2, #12, #21, #23, #24, #25, #30)	1.5		
General Real Estate Tax Rate - FY 2009 Impact		\$10,507,827	\$5,253,914
Commercial & Industrial Real Estate Tax Add-On (may not exceed 2 cents)	0.0		
Commercial & Industrial Real Estate Tax Add-On FY 2009 Impact (BM #11)		\$2,000,000	\$0
BPOL Tax Threshold for Retailers Raised to \$1 million FY 2009 Impact		(\$300,000)	\$0
+1%, Restaurant Meals Tax Increase (% Increase)	1.0%		
Restaurant Meals Tax Increase FY 2009 Impact		\$3,700,000	\$3,700,000
+1%, Transient Lodging Tax Rate Increase (could be up to 2% increase)	1.00%		
Transient Lodging Tax Rate Increase FY 2009 Impact		\$3,200,000	\$1,600,000
BAR Fee Increases (B.M. #77)		\$194,000	\$194,000
Payday Lending (B.M. #55)		\$13,000	\$13,000
Fees to Fund Recycling Position (B.M. #105)		\$69,040	\$69,040
Increase Parking Fines to \$35 for Parking Positions (B.M. #109)		\$141,000	\$141,000
Residential Refuse Fee for Leaf Collection (B.M. #109)		\$374,652	\$374,652
Use of FY 2008 Surplus Above \$4.6 million in Proposed (not recommended)		\$0	\$0
Subtotal Tax and Fee Options		\$20,169,519	\$11,615,606
Subtotal FY 2009 Revenue Options Total		\$15,741,256	\$7,187,343



		Add-Delete Options	Final Add/Delete Consensus
107	Other Expenditure Adds		
108	Fire Department Safety Improvements Contingent Reserve Designation (Krupicka, Wilson; BM #50)	\$500,000	\$222,696
109	Intersection Safety Improvements - GRIP, Red Light Camera, Signage Contingent Reserve Designation (Krupicka; BM #45 & BM #46)	\$825,000	\$0
110	Arts Districts (Krupicka, Smedberg; BM #60) Krupicka note: Funding to be used for tax credits as well as to cover any initial implementation costs - Contingent Reserves	\$50,000	\$50,000
111	Pre-K Quality and Expanded Services (\$300K - \$500K; Krupicka; BM #54, #63)	\$500,000	\$0
112	Small Business Development Center (\$50K - \$75K; Wilson, Krupicka, Smedberg)	\$75,000	\$50,000
113	DASH Service Expansions Beyond Tier V Listed Below (\$270K; Wilson, Krupicka; BM #57)	\$270,000	\$135,000
114	Youth Summer Employment Program Sustainability/Expansion (Euille, Gaines; BM #72)	\$50,000	\$50,000
115	Senior Taxi - One Additional Round Trip per Month (Pepper) Planning Consultants for Aging Study (Pepper; BM #64, #86); Krupicka Note: Study to include review of new business services to bring to city to support Aging in Place --	\$136,800	\$0
116	Economic Development Targets; to contingent reserves	\$125,000	\$90,000
117	Commercial Recycling Position (BM #105)	\$90,300	\$45,150
118	Monitor for Mirant (\$35K - \$40K; Smedberg; BM #114) -- to contingent reserves	\$40,000	\$100,000
119	Mini Pools (BM #10)	\$18,600	\$0
120	ANHSI - Arlandria Health Clinic	\$40,000	\$40,000
121	Clean Energy (BM #113); Krupicka Note: Purchase 4% of City energy from clean (non-coal) sources -- qualifies City for statewide green community programs	\$47,000	\$47,000
122	Community CIP Prioritization Effort (BM #92)	\$2,000	\$2,000
123	Consumer Education (Consumer Affairs Commission)	\$13,000	\$13,000
124	Voter Outreach and Education (Gaines, BM #85)	\$45,000	\$0
125	Patrick Henry Recreation Center Improvements (Gaines)	\$25,000	\$0
126	Community Running Track (Gaines, BM #103) -- \$10k added in FY 2014 CIP year	\$10,000	\$0
127	Hazardous Waste Collection Time Expansion one Sat. a month (Krupicka, BM #115)	\$14,400	\$14,400
128	Madison/Montgomery St. Reconstruction (requires 5 votes for approval)	\$0	\$0
129	LOST NVTA/VDOT REVENUE ADDS		
130			
131	Tier I Lost NVTA/VDOT Revenue Prioritization		
132	DASH Facility Cash Match	\$671,662	\$671,662
133	King St. Trolley	\$1,000,000	\$1,000,000
134	DASH Adjustments to Base Budget Increase	\$276,565	\$276,565
135	Parking Planner and Professional Services	\$166,852	\$166,852
136	Transportation Planner	\$147,629	\$147,629
137			
138	Tier II Lost NVTA/VDOT Revenue Prioritization		
139	Washington St. Reconstruction	\$800,000	\$800,000
140	Contingent for Potomac Yard Metro Station Feasibility Planning	\$700,000	\$0
141			
142	Tier III Lost NVTA/VDOT Revenue Prioritization		
143	King St. Paving	\$822,000	\$0
144	Eisenhower Ave. Widening (Unfunded Urban System Project, BM #89)	withdrawn	\$0
145			
146	Tier IV Lost NVTA/VDOT Revenue Prioritization		
147	King St. Metro Parking Lot Reconfiguration	\$1,400,000	\$0
148			
149	Tier V Lost NVTA/VDOT Revenue Prioritization		
150	DASH New Operating Costs (Service Expansion)	\$130,000	\$130,000
151	DASH Bus Fleet Expansion	\$1,020,000	\$0
152	Remainder of Contingent for Potomac Yard Metro Station Feasibility Planning	\$1,800,000	\$0
153			
154	Subtotal City & Schools Budget Addition Options	\$24,185,879	\$9,506,342

155				Final
			Add-Delete	Add/Delete
156	OTHER EXPENDITURE REDUCTION OPTIONS		Options	Consensus
157				
158	CIP Cash Capital Reduction Options (Budget Memo #27)			
159	DASH 5% Bus Purchase Contingency		(\$184,000)	(\$184,000)
160	Madison/Montgomery St. Reconstruction		(\$700,000)	\$0
161	Eisenhower Ave. City Match		(\$250,000)	(\$250,000)
162	Non Public Safety Automated Vehicle Locator System		(\$100,000)	(\$100,000)
163	Wayfinding Sign Program		(\$1,225,000)	(\$1,225,000)
164				
165	Other Expenditure Reductions			
166	Reduction in Neighborhood Traffic Calming Program		(\$500,000)	(\$300,000)
167	All City Sports Capital Development (BM #124)		(\$260,000)	(\$260,000)
168	Reduce Plantings at City Facilities (Budget Memo #109)		(\$35,950)	\$0
169	All City Sports Prior Funding Cancellation (BM #124)		(\$1,400,000)	\$0
170	Personnel Savings Citywide		(\$250,000)	\$0
171				
172	City Budget Reductions Options		(\$4,904,950)	(\$2,319,000)
173				
174	Net City and School Expenditure Increases and Reductions		\$19,280,929	\$7,187,342
175				
176	FUND BALANCE, CONTINGENT RESERVES, & CIP CASH CAPITAL CONTRIBUTION			
177			Add-Delete	Final
178	FUND BALANCE DESIGNATION OPTIONS		Options	Add/Delete
179	Total FY 2008 Surplus Real Estate Tax Revenues Available for Designations		\$6,253,915	\$2,626,958
180	Use of FY 2008 Surplus Above \$4.6 million in Proposed Budget (input value in revenue line 53)		\$0	\$0
181	Other Fund Balance Designations TBD		\$0	\$0
182	Other Fund Balance Designations TBD		\$0	\$0
183	Total Undesignated Surplus to FY 2010 CIP		\$6,253,915	\$2,626,958
184				
185	CONTINGENT RESERVE DESIGNATION OPTIONS			
186				
187	Amount in City Manager's Proposed Budget		\$200,000	\$200,000
188	Amount added in City Manager Alternative Budget		\$175,000	\$28,522
189	Remaining amount added by Council Member Adds		\$1,825,000	\$587,696
190	TOTAL CONTINGENT RESERVES AVAILABLE FOR DESIGNATION		\$2,200,000	\$816,218
191				
192	Contingent Reserve Designation Options			
193	Fire Department Safety Improvements (Krupicka, Wilson; Budget Memo #48)		\$500,000	\$222,696
194	Intersection Safety Improvements - GRIP, Red Light Camera, Signage, etc. (Krupicka; Budget Memos #45 & #46)		\$825,000	\$0
195	AEDP Options		\$0	\$125,000
196	Arts Districts		\$0	\$50,000
197	Monitor for Mirant		\$0	\$100,000
198	Watson-Wyatt Payscale Adjustments (Wilson, Krupicka; BM #3)		\$500,000	\$228,522
199	Planning Consultants for Aging Study (Pepper; BM #64, #86); Krupicka Note: Study to include review of new business services to bring to city to support Aging in Place --			
200	Economic Development Targets; to contingent reserves		\$0	\$90,000
201	Undesignated Amount Remaining		\$375,000	\$0
202	CASH CAPITAL CONTRIBUTION TO THE CIP			
203				
204	Cash Capital Transfer Amount to the CIP		\$6,329,662	\$3,452,662