

# City of Alexandria, Virginia

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## MEMORANDUM

DATE: APRIL 10, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #98 : PRELIMINARY ADD/DELETE LIST

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Attached is the first version of the preliminary add/delete list including real estate tax rate options, proposed handicapped parking and HOV fines discussed in budget memo #37, revenue re-estimates discussed in budget memo #91, technical expenditure adjustments discussed in budget memo #90, potential major adds of over \$50,000 from Council discussed in budget memo #88, and the City Manager's recommended options for restoring proposed budget reductions from budget memo #73.

This version does not include any additional tax and fee options, expenditure reductions, or add of less than \$50,000 that still may be proposed by members of Council, or adds of more than \$50,000 that meet the requirements of Resolution 2256.<sup>1</sup>

You will see the spreadsheet includes a column containing my recommendations that include:

1. The reduction restorations from budget memo #73 and the additional Capital Improvement Program (CIP) projects identified as priorities for funding in the February 23<sup>rd</sup> CIP work session
2. The technical expenditure adjustments and revenue re-estimates from budget memos #90 and #91
3. The restoration of funding of a Court Liaison Officer and increases in handicapped parking and HOV fines contained in budget memos #37 and #46
4. Additional funding provided by increasing the real estate property tax rate by 1.8 cents to 90.5 cents.

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<sup>1</sup> Additional increases of over \$50,000 may be considered "in order" if the proposed amendment is raised by a member of the public at the hearing on April 13, and at least 3 members of Council formally request a budget memorandum from staff in regard to such proposed amendment within 3 days of the public hearing (Section (c) (5)). There is no equivalent requirement for major "deletes" to be submitted a week before the public hearing.

Also attached is a set of instructions for using the add/delete list. An electronic copy will be provided for Council members who wish to use the spreadsheet to model various scenarios and/or submit the remainder of their add/delete options electronically.

For each member of City Council, the add/delete spreadsheet currently shows only the “major” adds of more than \$50,000 presented for consideration earlier this week. No offsetting deletes (composed of revenue increases or expenditure reductions) were required at that time. The members are requested to fill in their preliminary adds and offsetting deletes by the close of business on Thursday, April 16, 2009. These add/deletes will be distributed on Friday, April 17, 2009 and considered at the preliminary add/delete session on Monday, April 20, 2009.

Please contact Bruce Johnson, Morgan Routt or Kendel Taylor in OMB if you have any questions or need assistance with the spreadsheet.

Attachments

**Add/Delete Instructions  
April 10, 2009**

**Revenues (Sections A. and B.)**

- Real Estate Tax Rate – Enter the proposed rate increase (if any) in cents on line 10. The amount of revenue generated by the increase is automatically calculated on line 11. The new tax rate will be displayed on line 12.
- Other Taxes and Fees – Enter other tax and fee options (if any) on lines 14 through 26.
- Revenue Re-estimates – Changes in revenues due to re-estimates are provided on line 29.
- Total Revenues – The total revenue increase or decrease resulting from the proposed options above and the revenue re-estimates is calculated on line 31.

**Expenditures (Sections C. – F.)**

- Technical Expenditure Adjustments – Changes in expenditures due to technical adjustments in the budget are presented on line 35.
- Options for Restoration of Proposed Budget Reductions – The City Manager’s recommendations for restoring reductions from the proposed budget are listed on lines 40 through 61. Enter the amount proposed for each restoration you support (if any).
- Council Adds Over \$50,000 – Major adds of over \$50,000 submitted by Council members are listed on lines 65 through 83. Enter the amount proposed for each add you support (if any).
- Council Adds of \$50,000 or Less – Space is provided on lines 86 through 100 for Council members to enter adds of \$50,000 or less.
- Capital Improvement Program – The City Manager’s recommended projects for funding with a one cent real estate tax rate increase are listed on lines 103 through 107. CIP funding increases submitted by Council members as major adds over \$50,000 are listed on lines 108 through 110. Enter the amount proposed for each

capital project you support (if any).

- Expenditure Reductions – Expenditure reductions submitted by Council members as part of the major adds over \$50,000 are listed on lines 114 through 116. Enter the amount proposed for each reduction you support (if any). Space to enter further expenditure reductions (if any) is provided on lines 117 through 131.
- Schools Transfer – Enter increases or decreases (if any) to the Schools transfer on line 134.
- Total Expenditures – The total expenditure increase resulting from the options above is displayed on line 136.
- Revenue Surplus/(Shortfall) – If revenues exceed expenditures, the surplus is shown as a positive number on line 137. If expenditures exceed revenues, the shortfall is shown as a negative number on line 137.

#### **Fund Balance and Contingent Reserves (Sections G. and H.)**

- Additional FY 2009 Revenue Generated by an FY 2010 Real Estate Property Tax Rate Increase – Each one cent increase in the real estate property tax rate will generate an estimated \$1,693,373 in additional revenue in FY 2009 which would be available to support the FY 2010 budget. Depending on the amount of real estate tax rate increase (if any) you select on line 10, the amount of additional FY 2009 revenue to be generated at that rate is calculated on line 148.
- Increase/(Decrease) in the Use of Fund Balance to Fund the FY 2010 Budget – The FY 2010 proposed budget includes the use of \$2,312,305 from fund balance to support expenditures. Enter the amount you wish to increase the use of fund balance by entering a positive number on line 149 or the amount you wish to decrease the use of fund balance as a negative number on line 149.
- Surplus/Shortfall) After Fund Balance Change – If revenues exceed expenditures after changes in the use of fund balance (if any), the surplus is shown as a positive number on line 151. If expenditures exceed revenues after changes in the use of fund balance (if any), the shortfall is shown as a negative number on line 151.
- Fund Balance Designations – Space to enter fund balance designations is provided on lines 154 through 163. The City Manager has included in his recommendations the designation of the addition FY 2009 revenues generated by the FY 2010 real estate property tax rate increase as a reserve in case of further revenue downturns.
- Contingent Reserve Designations – Designations to Contingent Reserves proposed by Council members as a part of the major adds of over \$50,000 are listed on lines 169 through 176. Space is provided to enter additional Contingent Reserves designations on lines 177 through 186. There is no funding for Contingent Reserves in the FY

2010 proposed budget, so all proposed Contingent Reserves designations must be accompanied by a corresponding expenditure add.

**FY 2010 GENERAL FUND OPERATING BUDGET ADD/DELETE**

**COUNCIL OPTIONS**

		<u>City Manager</u>	<u>Mayor</u>	<u>Vice Mayor</u>	<u>Councilman</u>	<u>Councilman</u>	<u>Council</u>	<u>Councilman</u>	<u>Councilman</u>
		<u>Recommend.</u>	<u>Euille</u>	<u>Pepper</u>	<u>Gaines</u>	<u>Krupicka</u>	<u>Member</u>	<u>Smedberg</u>	<u>Wilson</u>
	<u>Proposed</u>								
	<u>Amount</u>								
	<u>Options</u>								
9	<b>A. REVENUE INCREASES (enter as a positive number)</b>								
10		<b>Real Estate Property Tax Rate Change (in cents):</b>	1.8						
11	Increase Real Estate Tax Rate (1 cent = \$3,302,116, max increase of 1.8 cents)	5,943,809	5,943,809	0	0	0	0	0	0
12		<b>Revised Real Estate Property Tax Rate:</b>	<b>90.5</b>	<b>88.7</b>	<b>88.7</b>	<b>88.7</b>	<b>88.7</b>	<b>88.7</b>	<b>88.7</b>
13									
14	Handicapped parking fines (Budget Memo #37)	60,400	60,400						
15	HOV parking fines (Budget Memo #37)	74,000	74,000						
16	HOV moving violation fines (Budget Memo #37)	20,625	20,625						
17	Option	TBD							
18	Option	TBD							
19	Option	TBD							
20	Option	TBD							
21	Option	TBD							
22	Option	TBD							
23	Option	TBD							
24	Option	TBD							
25	Option	TBD							
26	Option	TBD							
27									
28	<b>B. REVENUE RE-ESTIMATES</b>								
29	General Fund Revenue Re-estimates (Budget Memo # )	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)
30									
31	<b>TOTAL REVENUE INCREASES/(DECREASES)</b>	<b>5,561,337</b>	<b>(537,497)</b>	<b>(537,497)</b>	<b>(537,497)</b>	<b>(537,497)</b>	<b>(537,497)</b>	<b>(537,497)</b>	<b>(537,497)</b>
32									
33	<b>C. EXPENDITURE TECHNICAL ADJUSTMENTS</b>								
34									
35	Expenditure Technical Adjustments (Budget Memo # )	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)
36									
37	<b>D. EXPENDITURE INCREASES (enter as a positive number)</b>								
38									
39	<b>Restoration of Proposed Budget Reductions (Budget Memo #73)</b>								
40	Human Services - Emergency shelter services	78,580	78,580						
41	Human Services - Community services client intake services worker position	44,519	44,519						
42	Human Services - Two public assistance eligibility worker positions	55,543	55,543						
43	Human Services - Child care assistance day care fee system support	100,000	100,000				100,000		
44	Human Services - Companion services supervisor and companion aide services	52,860	52,860						
45	Human Services - Youth services New Horizons contract	31,739	31,739						
46	Human Services - Alexandria Fund for Human Services	100,000	100,000				250,000		
47	Mental Health, Mental Retardation and Substance Abuse	300,000	300,000	250,000	200,000		98,000		
48	Library - Security services	99,708	99,708						
49	Recreation, Parks and Cultural Activities - Three grounds maintenance positions	151,460	151,460						
50	Recreation, Parks and Cultural Activities - Tree maintenance services	100,000	100,000						
51	Recreation, Parks and Cultural Activities - Patrick Henry and Charles Houston staffing	200,000	200,000						
52	Finance - Accounting paying and billing accountant	61,831	61,831						
53	Finance - Treasury payment processing supervisor	85,015	85,015						

**FY 2010 GENERAL FUND OPERATING BUDGET ADD/DELETE**

**COUNCIL OPTIONS**

		<u>City Manager</u>	<u>Mayor</u>	<u>Vice Mayor</u>	<u>Councilman</u>	<u>Councilman</u>	<u>Council</u>	<u>Councilman</u>	<u>Councilman</u>
		<u>Recommend.</u>	<u>Euille</u>	<u>Pepper</u>	<u>Gaines</u>	<u>Krupicka</u>	<u>Member</u>	<u>Smedberg</u>	<u>Wilson</u>
	<u>Proposed</u>								
	<u>Amount</u>								
<u>Options</u>									
54	Finance - Tax assessment personal property clerk	31,535	31,535						
55	Finance - Customer service secretary	50,204	50,204						
56	Finance - Information technology contractual services	17,918	17,918						
57	General Services - Building services coordinator	60,695	60,695	60,000					
58	Information Technology Services - Database administrator	128,261	128,261	130,000					
59	Transportation and Environmental Services - Street paving	200,000	200,000	200,000					
60	Planning and Zoning - Board of Architectural Review part-time support position	21,000	21,000						
61	Police - Court liaison officer (Budget Memo #46)	69,478	69,478	69,478				69,478	69,478
62									
63	<b><u>Council Adds Over \$50,000 (Budget Memo # )</u></b>								
64	<u>Social Safety Net Items</u>								
65	Human Services (Euille & Pepper)	800,000		550,000	800,000				
66	Human Service, Substance Abuse & Volunteerism Enhancements (Krupicka)	900,000				900,000			
67	Social Safety Net (DHS & MHMRSA) (Gaines)	825,000			825,000				
68	<u>Economic Development Items</u>								
69	Economic Development (Euille & Pepper)	250,000		200,000	250,000				
70	AEDP, ACVA, Marketing Fund & SBDC (Budget Memo #62) (Gaines & Krupicka)	450,000			250,000	450,000			
71	<u>Transit Subsidies Items</u>								
72	Transit Subsidies (Euille)	200,000		200,000					
73	DASH (Gaines, Pepper & Wilson)	300,000			300,000	50,000			50,000
74	DASH related to Free Rides for MetroAccess Customers (Lovain)	10,000					10,000		
75	<u>Other Departmental Items</u>								
76	Recreation, Parks and Cultural Activities (Euille & Gaines)	300,000		300,000		250,000			
77	Finance (Euille)	160,000		160,000					
78	Affordable Housing (Euille, Gaines & Pepper)	250,000		250,000	250,000				
79	Sheriff - Third inmate work crew (Lovain)	68,000					68,000		
80	<u>Non-Departmental</u>								
81	Contingent Reserves to Restore a Portion of Reductions (Budget Memo #73)(Krupicka)	1,200,000				1,200,000			
82	Undesignated Contingent Reserves (Euille, Pepper & Smedberg)	1,480,000		1,200,000	1,000,000			1,480,000	
83	Designated Contingent Reserves (See Designations Below) (Smedberg & Wilson)	1,250,000						1,250,000	1,250,000
84									
85	<b><u>Council Adds of \$50,000 or Less</u></b>								
86	Option	TBD							
87	Option	TBD							
88	Option	TBD							
89	Option	TBD							
90	Option	TBD							
91	Option	TBD							
92	Option	TBD							
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98	Option	TBD							







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**FY 2010 GENERAL FUND OPERATING BUDGET ADD/DELETE**

**COUNCIL OPTIONS**

	<u>City Manager Recommend.</u>	<u>Mayor Euille</u>	<u>Vice Mayor Pepper</u>	<u>Councilman Gaines</u>	<u>Councilman Krupicka</u>	<u>Council Member Lovain</u>	<u>Councilman Smedberg</u>	<u>Councilman Wilson</u>
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Options

Proposed  
Amount

**I. SUMMARY OF FY 2010 BUDGET IMPACT**

FY 2010 Proposed General Fund Budget:	524,272,044	524,272,044	524,272,044	524,272,044	524,272,044	524,272,044	524,272,044	524,272,044
FY 2010 General Fund Budget After Adds & Deletes:	529,297,065	529,926,197	523,734,547	523,734,547	523,734,547	523,734,547	523,734,547	523,734,547
\$ Change from FY 2010 Proposed:	5,025,021	5,654,153	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)
% Change from FY 2010 Proposed:	1.0%	1.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%
\$ Change from FY 2009 Approved:	(12,681,282)	(12,052,150)	(18,243,800)	(18,243,800)	(18,243,800)	(18,243,800)	(18,243,800)	(18,243,800)
% Change from FY 2009 Approved:	-2.3%	-2.2%	-3.4%	-3.4%	-3.4%	-3.4%	-3.4%	-3.4%