City of Alexandria, Virginia

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

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 2256.¹

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 23rd 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.

¹ 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.
- <u>Revenue Re-estimates</u> Changes in revenues due to re-estimates are provided on line 29.
- <u>Total Revenues</u> 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.)

- <u>Technical Expenditure Adjustments</u> 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).
- <u>Council Adds of \$50,000 or Less</u> Space is provided on lines 86 through 100 for Council members to enter adds of \$50,000 or less.
- <u>Capital Improvement Program</u> 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.
- <u>Schools Transfer</u> Enter increases or decreases (if any) to the Schools transfer on line 134.
- <u>Total Expenditures</u> 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.
- <u>Increase/(Decrease)</u> 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.
- <u>Fund Balance Designations</u> 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.
- <u>Contingent Reserve Designations</u> 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.

1	EV 2010	GENEDAL ELIN	D ODERATING RI	IDGET ADD/DEI	CTC						
2	FY 2010 GENERAL FUND OPERATING BUDGET ADD/DELETE COUNCIL OPTIONS										
3		<u>cc</u>	ONCIL OF HONS					Council			
4			City Manager	Mayor	Vice Mayor	Councilman	Councilman	Member	Councilman	Councilman	
5			Recommend.	Euille	Pepper	Gaines	Krupicka	Lovain	Smedberg	Wilson	
6		Proposed	Recommend	<u>Lunic</u>	<u>геррег</u>	Games	Iti apicka	LOVAIII	Sincuberg	<u> </u>	
7	<u>Options</u>	Amount									
8	<u> </u>	<u>ranoune</u>									
9 🛭	A. REVENUE INCREASES (enter as a positive number)										
10	Real Estate Property Tax Rate Cha	nge (in cents):	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	0	
12	Revised Real Estate Prop	erty Tax Rate:	90.5	88.7	88.7	88.7	88.7	88.7	88.7	88.7	
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 <u>E</u>					1	1			1		
29	General Fund Revenue Re-estimates (Budget Memo #)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	
30											
31	TOTAL REVENUE INCREASES/(DECREASES)		5,561,337	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	
32											
33 <u>C</u>	EXPENDITURE TECHNICAL ADJUSTMENTS										
34	5 P. T. L. LAP. 1 (D. L. 144 W.)	(245 225)	(245 225)	(245.225)	(245.225)	(245 225)	(245 225)	(245 225)	(245 225)	(245 225)	
35 36	Expenditure Technical Adjustments (Budget Memo #)	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)	(315,325)	
	CVDENDITUDE INCDEASES (autor on a positive growther)										
37 <u>C</u> 38	EXPENDITURE INCREASES (enter as a positive number)										
39	Restoration of Proposed Budget Reductions (Budget Memo #73)										
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					100,000			
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	,3	,,,,,,			3-70			
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								
	, , , , , , , , , , , , , , , , , , , ,	,	/								

1	FY 2010	GENERAL FUN	ID OPERATING BU	DGET ADD/DE	<u>LETE</u>					
2		<u>C(</u>	DUNCIL OPTIONS							
3								Council		
4			City Manager	Mayor	Vice Mayor	Councilman	Councilman	Member	Councilman	Councilman
5			Recommend.	Euille	<u>Pepper</u>	Gaines	Krupicka	Lovain	Smedberg	Wilson
6		Proposed								
7	<u>Options</u>	<u>Amount</u>								
8	<u></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						
60	Planning and Zoning - Board of Architectural Review part-time support position	21,000								-
61	Police - Court liaison officer (Budget Memo #46)	69,478		69,478					69,478	69,478
62		,	33, 5	22,	I.	I	ı	ı	33, 5	20,
63	Council Adds Over \$50,000 (Budget Memo #)									
64	Social Safety Net Items									
65	Human Services (Euille & Pepper)	800,000		550,000	800,000					
66	Human Service, Substance Abuse & Volunteerism Enhancements (Krupicka)	900,000		330,000	000,000		900,000			
67	Social Safety Net (DHS & MHMRSA) (Gaines)	825,000				825,000	300,000			
68	Economic Development Items	023,000				020,000				
69	Economic Development (Euille & Pepper)	250,000		200,000	250,000					
70	AEDP, ACVA, Marketing Fund & SBDC (Budget Memo #62) (Gaines & Krupicka)	450,000		200,000	250,000	250,000	450,000			
71	Transit Subsidies Items	430,000				250,000	430,000			
72	Transit Subsidies (Euille)	200,000		200,000						
73	DASH (Gaines, Pepper & Wilson)	300,000		200,000	300,000	50,000				50,000
74	DASH related to Free Rides for MetroAccess Customers (Lovain)	10,000			300,000	30,000		10,000		30,000
75	Other Departmental Items	10,000						10,000		
76	Recreation, Parks and Cultural Activities (Euille & Gaines)	300,000		300,000		250,000				
77	Finance (Euille)	160,000		160,000		230,000				
78	Affordable Housing (Euille, Gaines & Pepper)	250,000		250,000	250,000	250,000				
79 79	Sheriff - Third inmate work crew (Lovain)	68,000		230,000	250,000	250,000		68,000		
80	Non-Departmental	00,000						00,000		
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		1,200,000		1,480,000	
83	Designated Contingent Reserves (See Designations Below) (Smedberg & Wilson)	1,250,000		1,200,000	1,000,000				1,250,000	1,250,000
84	besignated contingent neserves (see besignations below) (smeabely a vision)	1,230,000		ı	I.	I	ı	ı	1,230,000	1)230)000
85	Council Adds of \$50,000 or Less									
86	Option	TBD								
87	Option	TBD								
88	Option	TBD								
89	Option	TBD								
90	Option	TBD								
91	Option	TBD								
92	Option	TBD		+			+			
93	Option	TBD		+	-		+		-	
94	Option	TBD		+	-		+		-	
95	Option	TBD		-						
96	Option	TBD								
97	Option	TBD		+	-		+		-	
98	Option	TBD		+	 				-	
30	Option	ושו								

1 2	COUNCIL OPTIONS									
3 4 5			City Manager Recommend.	Mayor <u>Euille</u>	Vice Mayor <u>Pepper</u>	Councilman <u>Gaines</u>	Councilman <u>Krupicka</u>	Council Member <u>Lovain</u>	Councilman Smedberg	Councilman <u>Wilson</u>
6	0.1	Proposed								
7 8	<u>Options</u>	<u>Amount</u>								
99	Option	TBD		1	1				1	1
100	Option	TBD								
101	Option .	100	<u> </u>			L.	1			
102	Capital Improvement Program (Feb. 23 CIP Work Session)									
103	James Polk Elementary School gymnasium	1,400,000	1,400,000							
104	Back-up government operations center	300,000	300,000							
105	Artificial turf field program	900,000	900,000							
106	Transit pedestrian improvement grant match	300,000	300,000							
107	Street and sidewalk reconstruction	400,000	400,000							
108	Capital Improvement Program (CIP) (Euille, Gaines, Krupicka & Pepper)	3,300,000		2,400,000	3,000,000	2,500,000	3,300,000			
109	Capital Improvement Program (CIP) Unfunded Projects (Smedberg & Wilson)	3,000,000							3,000,000	2,500,000
110	Capital Improvement Program (CIP) Reduced Borrowing (Wilson)	2,500,000								2,500,000
111			3,300,000	2,400,000	3,000,000	2,500,000	3,300,000	0	3,000,000	5,000,000
	(PENDITURE REDUCTIONS (enter as a negative number)									
113								/·I	-	
114	Transportation and Envirnomental Services - Third inmate work crew reduction (Lovain)	(50,000)						(50,000)		
115	Recreation, Parks and Cultural Activities - Third inmate work crew reduction (Lovain)	(50,000)		1	1		+	(50,000)		
116	Transit Subsidies - WMATA subsidy reduction for MetroAccess (Lovain)	(94,000) TBD						(94,000)		
117	Option									
118 119	Option Option	TBD TBD								
120	Option	TBD								
121	Option	TBD								
122	Option	TBD								
123	Option	TBD					+			
124	Option	TBD								
125	Option	TBD								
126	Option	TBD								
127	Option	TBD								
128	Option	TBD								
129	Option	TBD								
130	Option	TBD								
131	Option	TBD								
132										
	HOOLS TRANSFER (enter as a positive or negative number)									
134	Increase/(Decrease) in the General Fund Transfer to the Schools									
135										
136	TOTAL EXPENDITURE INCREASES/DECREASES		5,025,021	5,654,153	5,484,675	3,809,675	5,534,675	16,675	5,484,153	6,054,153
137	REVENUE SURPLUS/(SHORTFALL)		536,316	(6,191,650)	(6,022,172)	(4,347,172)	(6,072,172)	(554,172)	(6,021,650)	(6,591,650)
138										
139										

1	FY 2010	GENERAL FUN	ID OPERATING BU	DGET ADD/DEI	.ETE					
2			OUNCIL OPTIONS	,						
3		_						Council		
4			City Manager	Mayor	Vice Mayor	Councilman	Councilman	Member	Councilman	Councilman
5			Recommend.	Euille	Pepper	Gaines	Krupicka	Lovain	Smedberg	Wilson
6		Proposed								
7	<u>Options</u>	Amount								
8										
	FUND BALANCE (enter as a positive or negative number)									
145										
146	Changes in Fund Balance									
147	Surplus of FY 2009 Funds Due to Real Estate Tax Rate Increase (No FY 2010 Budget Impact)									
148	Additional FY 2009 Revenue Generated by FY 2010 Real Estate Tax Rate increase		3,048,071	0	0	0	0	0	0	0
149	Increase/(Decrease) in Use of Fund Balance to Fund FY 2010 Budget		230,000	_	_					
150					l	II.	L	L		1
151	SURPLUS/(SHORTFALL) AFTER FUND BALANCE CHANGE		766,316	(6,191,650)	(6,022,172)	(4,347,172)	(6,072,172)	(554,172)	(6,021,650)	(6,591,650)
152	,		,	(-, - ,,	(-,- , ,	()-	(-,- , ,	(, ,	(-,- ,,	(-,,
153	Fund Balance Designations (No FY 2010 Budget Impact)									
154	FY 2010 Revenue Shortfall Reserve		3,048,071							
155	Option									
156	Option									
157	Option									
158	Option									
159	Option									
160	Option									
161	Option									
162	Option									
163	Option									
164	· ·		<u> </u>							<u> </u>
165 H.	CONTINGENT RESERVE DESIGNATIONS (enter as a positive number)									
166										
167	Contingent Reserve Designations									
168	(Requires a Contingent Reserve expenditure addition above)									
169	Economic Development Activities - AEDP, ACVA, SBDC and Marketing Fund (Wilson)	250,000								250,000
170	Economic Development - AEDP (Smedberg)	110,000							110,000	
171	Economic Development - ACVA (Smedberg)	60,000							60,000	
172	Economic Development - Marketing Fund (Smedberg)	50,000							50,000	
173	Economic Development - SBDC (Smedberg)	30,000							30,000	
174	Acute Human Services Needs (Wilson)	750,000							750,000	750,000
175	Watson Wyatt Implementation (Smedberg & Wilson)	250,000							200,000	250,000
176	Office of Historic Alexandria Capital & Non-operational Needs (Smedberg)	50,000							50,000	
177	Option	TBD								
178	Option	TBD								
179	Option	TBD								
180	Option	TBD		j				İ		
181	Option	TBD		j						
182	Option	TBD		j						
183	Option	TBD								
184	Option	TBD		j				İ		
185	Option	TBD		j						
186	Option	TBD				İ				
187										

188

1 2	1 FY 2010 GENERAL FUND OPERATING BUDGET ADD/DELETE 2 COUNCIL OPTIONS										
3			City Manager	Mayor	Vice Mayor	Councilman	Councilman	Council Member	Councilman	Councilman	
5			Recommend.	<u>Euille</u>	Pepper	Gaines	Krupicka	Lovain	Smedberg	Wilson	
6		Proposed									
7	<u>Options</u>	<u>Amount</u>									
8											
189											
190											
191 I. SUMMARY OF FY 20	10 BUDGET IMPACT										
192		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	
193		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	
194		\$ Change from FY 2010 Proposed:	5,025,021	5,654,153	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	(537,497)	
195		% Change from FY 2010 Proposed:	1.0%	1.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	
196		\$ 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)	
197		% Change from FY 2009 Approved:	-2.3%	-2.2%	-3.4%	-3.4%	-3.4%	-3.4%	-3.4%	-3.4%	