

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 8, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *ps*

SUBJECT: BUDGET MEMORANDUM #35: USE OF SURPLUS FISCAL YEAR 2004 REVENUES

Councilwoman Woodson has asked what has happened to the difference between the budgeted expenses in FY 2004 and the overage in the estimated revenues (including tax revenues in FY 2004).

In the Proposed FY 2005 Operating Budget, the estimated amount of surplus revenues to be collected in FY 2004 above the approved budget is \$10.9 million. (See page 4-29 of the Proposed Operating Budget) This surplus is proposed to be used as follows:

- \$3.8 million is designated in fund balance for funding the FY 2005 General Fund Operating Budget. (See pages 4-29, 4-66 and 4-67 of the Proposed Operating Budget)
- \$5.8 million is designated in fund balance for cash capital for the FY 2005 Capital Improvement Program. (See pages 4-466 and 4-67 of the Proposed Operating Budget, and page 16 of the Proposed Capital Improvement Program)
- \$1.3 million is designated in fund balance for the potential Public Safety overhires, which may be needed in FY 2005 due to higher than usual retirements, and the timing of police academy training (twice a year) and fire academy training (once a year). While it is likely that some additional funds will be needed for public safety overhires for these purposes, the dollar amount is not certain and, therefore, a designation was made from fund balance rather than increasing the budgets of those departments for FY 2005. (See page 4-66 of the Proposed Operating Budget)