

City of Alexandria, Virginia

25
11-25-03

MEMORANDUM

DATE: NOVEMBER 19, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: CONSIDERATION OF ADOPTION OF A BUDGET RESOLUTION
REGARDING THE CITY COUNCIL'S TREATMENT OF FINAL REVENUE
ADJUSTMENTS DURING THE CITY'S BUDGET PROCESS

ISSUE: Consideration of a budget resolution regarding the process by which City Council considers proposed budgets.

RECOMMENDATION: That City Council adopt the attached budget resolution in order to provide a framework for budget consideration by the present Council.

BACKGROUND: In 2001, prior to the consideration of its first budget (for FY 2002), the then newly elected City Council approved Resolution No. 1998 (which amended a prior resolution approved in December of 1997) which governed the manner in which the City's annual budget was considered and adopted by Council. So as not to bind a future Council, Resolution No. 1998 expired on June 30, 2003. The resolution was applicable for the FY 2002, FY 2003 and FY 2004 budget processes. In order for Council to have procedures in place for the FY 2005 budget deliberation process, as well as during the balance of its term (until June 30, 2006), a new resolution is needed (Attachment). The proposed resolution is identical in all major respects to Resolution No. 1998, except for the updated expiration date. While the resolution covers the next three fiscal years' budgets, if Council wished to amend this resolution after the FY 2005 budget process, it would be able to do so.

DISCUSSION: The proposed budget resolution establishes the City Manager's proposed budget as a baseline of revenues and expenditures for the upcoming fiscal year. The resolution establishes the criteria under which expenditure and revenue increases or decreases are to be considered and voted upon. Past experiences with the budget resolution (and its predecessor resolutions) during the 1990s and through 2003 were constructive, in that the resolution and its procedures gave Council a framework within which to consider the budget, and it encouraged budget discipline during the consideration of proposed budgets. For more than a decade, this discipline has played a major part in assisting the City develop and maintain its strong fiscal position.

ATTACHMENT: Resolution

STAFF:

Mark Jinks, Assistant City Manager for Fiscal and Financial Affairs
Bruce Johnson, Director, Office of Management and Budget

Resolution No.
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 (b)2, 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.

Section (c) Expiration -- The provisions of this resolution shall expire on June 30, 2006.

ADOPTED:

WILLIAM D. EUILLE MAYOR

ATTEST:

Jacqueline M. Henderson, CMC City Clerk

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

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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 (b)2, 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.

Section (c) Expiration -- The provisions of this resolution shall expire on June 30, 2006.

ADOPTED: November 25, 2003



WILLIAM D. EULLE

MAYOR

ATTEST:



Jacqueline M. Henderson, CMC City Clerk