

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 21, 2006

TO: HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #135: FINAL ADD/DELETE LIST FOR DISCUSSION AT APRIL 24, 2006 BUDGET WORK SESSION

The final add/delete Budget Work Session is scheduled for Monday, April 24, 2006 at 6:00 p.m.

Attachment A shows the agenda for that Work Session.

Attachment B shows the final recommended add/deletes of each member of Council for discussion at that work session. Also presented is a column entitled "possible consensus". That column represents the current status of discussions that the Mayor has had individually with each member of Council, as Council works toward achieving a consensus. Monday evening's work session will be the final step in that process, immediately after which Council will hold a special session to adopt the FY 2007 Operating Budget and Capital Improvement Program (CIP) and related measures.

Attachment C contains any short narrative statements provided by Council members to explain changes in to their add/deletes if those are different than any explanations already supplied in Budget Memo #120 with the preliminary list of Council member add/deletes.

At the Monday, April 24 Budget Work Session, staff will present to City Council docket items on the FY 2007 budget adoption and the rates and tax relief that could be adopted at the Special Meeting, with any final amendments agreed to at the Work Session.

Specifically Council will be asked to adopt the Reports and Recommendation and Ordinances as outlined in the attached docket for the Monday Special Meeting (Attachment D).

cc: Rebecca Perry, Superintendent, Alexandria City Public Schools

Attachment C

Additional Council Member Narrative Statements

See following April 19, 2006 e-mail from Councilwoman Woodson

**BUDGET WORK SESSION
ON THE PROPOSED FY 2007 BUDGET**

**MONDAY, APRIL 24, 2006
6:00 PM
COUNCIL WORKROOM/COUNCIL CHAMBERS**

AGENDA

- I. Consideration of Final Add/Delete List as contained in Budget Memorandum #135**
- II. Other Budget Related Matters**

Individuals with disabilities who require assistance or special arrangements to participate in the City Council work session, or persons requiring translation services to participate in the City Council work session, may call the City Clerk and Clerk of the Council's Office at (703) 838-4500 (TTY/TDD) (703) 838-5056). We request that you provide a 48-hour notice so that the proper arrangements may be made.

CITY OF ALEXANDRIA, VA
 FINAL ADD/DELETE SUMMARY LIST BY MEMBER
 LAST UPDATED:

21-Apr-06

ATTACHMENT B
 B.1

(Positive # = Increase in General Fund or CIP Expenditures; reductions in General Fund Revenue; or increase in Fund Balance designations)
 Negative # = reduction in General Fund or CIP Expenditures; increase in General Fund Revenue; or decrease in Fund Balance designations)

	City Manager Adjustments And Options	Possible Consensus	Mayor Euille	Vice Mayor Papier	Councilman Krupicka	Councilman Smedberg	Councilman Gaines	Councilwoman Woodson	Councilman Macdonald
FY 2007 Proposed Budget	\$503,519,491	\$503,519,491	\$503,519,491	\$503,519,491	\$503,519,491	\$503,519,491	\$503,519,491	\$503,519,491	\$503,519,491
TECHNICAL ADJUSTMENTS									
Revenue Re-Estimates (Budget Memo #32)									
FY 2007 Revenue Adjustments (Technical)	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)	(\$1,400,000)
FY 2006 Revenue Adjustments (Technical)	(\$3,100,000)	(\$3,100,000)	(\$3,100,000)	(\$3,100,000)	(\$3,100,000)	(\$3,100,000)	(\$3,100,000)	(\$3,100,000)	(\$3,100,000)
Subtotal Revenue Re-estimates	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)	(\$4,500,000)
Expenditure Adjustments (Technical)									
Increased cost to medical services contract @ Jail (Budget Memo #50)	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Correction to Northern Virginia Regional Park Authority (Budget Memo #50)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Correction to School Transfer for Health Insurance Premiums (Budget Memo #89)	\$73,840	\$73,840	\$73,840	\$73,840	\$73,840	\$73,840	\$73,840	\$73,840	\$73,840
Correction to Commonwealth Attorney (Budget Memo #90)	(\$65,627)	(\$65,627)	(\$65,627)	(\$65,627)	(\$65,627)	(\$65,627)	(\$65,627)	(\$65,627)	(\$65,627)
Update of City Employee Health Care Benefit Costs (Budget Memo #119)	(\$340,000)	(\$340,000)	(\$340,000)	(\$340,000)	(\$340,000)	(\$340,000)	(\$340,000)	(\$340,000)	(\$340,000)
Subtotal Technical Expenditure Adjustments	(\$71,787)	(\$71,787)	(\$71,787)	(\$71,787)	(\$71,787)	(\$71,787)	(\$71,787)	(\$71,787)	(\$71,787)
Fund Balance Designations (Technical)	\$4,571,787	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPTIONS									
Real Estate Tax Rate Options									
(Note: City Manager Proposed Rate Reduction of 6.8 cents in base)									
Additional 1.5 cent Real Est. Tax Rate Reduction in 06 with Alt. Target Budget to 62.9 cents	\$2,903,076	\$8,822,570	\$8,822,570	\$8,822,570	\$8,822,570	\$8,822,570	\$8,822,570		\$8,822,570
Additional 1.4 cent Real Estate Tax Rate Reduction (each 1 cent = \$4.9 M) to 81.5 cents	NA	\$5,861,999	\$5,861,999	\$5,861,999	\$5,861,999	\$5,861,999	\$5,861,999		\$5,861,999
Proposed Tax Relief for Residential Properties Less than \$500,000								\$7,500,000	
Maximize Senior and Disabled Real Estate Tax Relief Asset Eligibility Limits (Budget Memo #22)	NA	\$175,000	\$175,000	\$175,000	\$175,000		\$175,000	\$175,000	\$175,000
Subtotal Real Estate Tax Rate Options	\$2,903,076	\$15,859,570	\$15,859,570	\$15,859,570	\$15,859,570	\$15,859,570	\$15,859,570	\$7,675,000	\$15,859,570
Fund Balance Options									
Reduction in Fund Balance Desig. for Schools (Health Ins. Premiums) (Budget Memo #89)	(\$1,800,000)	(\$1,800,000)	(\$1,800,000)	(\$1,800,000)	(\$1,800,000)	(\$1,800,000)	(\$1,800,000)	\$0	(\$1,800,000)
Use of Fund Balance to Offset FY 2006 of Real Estate Tax Cut		\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$1,800,000	\$0	\$1,800,000
Reduction in Designation for Use of FY 2006 Surplus for FY 2007		(\$995,181)	(\$995,181)	(\$995,181)	(\$995,181)	(\$995,181)	(\$995,181)	\$0	(\$995,181)
Use of Fund Balance to Offset FY 2006 of Real Estate Tax Cut		\$261,024	\$261,024	\$261,024	\$261,024	\$261,024	\$261,024	\$0	\$261,024
Subtotal Fund Balance Options	(\$1,800,000)	(\$734,157)	(\$734,157)	(\$734,157)	(\$734,157)	(\$734,157)	(\$734,157)	\$0	(\$734,157)
School Operating Budget Reduction Options									
To reach Alternative Target Budget (FY 2007 Budget p. 10-3 to 10-12)	(\$500,000)	\$0	\$0	\$0	\$0	(\$500,000)	(\$500,000)		(\$500,000)
To reach 5% Growth Target (Budget Memos #10, 27, 28, 82, 89)	(\$1,100,000)	(\$900,000)	(\$900,000)	(\$900,000)	(\$1,000,000)	(\$1,100,000)	(\$1,100,000)		(\$1,100,000)
Subtotal School Op. Budget Reduction Options	(\$1,600,000)	(\$900,000)	(\$900,000)	(\$900,000)	(\$1,000,000)	(\$1,600,000)	(\$1,600,000)	\$0	(\$1,600,000)
City Operating Budget Reduction Options									
To reach 8% Growth Target									
Office on Women - VDH Grant Replacement (FY 2007 Budget, p. 9-50)	(\$18,000)	\$0	\$0	\$0	\$0	(\$18,000)	\$0	\$0	(\$18,000)
Info & Technology Svcs - Telecomm Specialist (FY 2007 Budget p. 8-29)	(\$63,170)	(\$63,170)	(\$63,170)	(\$63,170)	(\$63,170)	(\$63,170)	(\$63,170)	\$0	(\$63,170)
Real Estate - Board of Equalization Pay Increase (FY 2007 Budget p. 8-65)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	(\$12,000)	\$0	(\$12,000)
Non-Departmental - Sister Cities Youth Conference (FY 2007 Budget p. 7-44)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	\$0	(\$50,000)
Court Service Unit - Fiscal Analyst (FY 2007 Budget p. 7-26)	(\$44,177)	(\$44,177)	(\$44,177)	(\$44,177)	(\$44,177)	(\$44,177)	(\$44,177)	\$0	(\$44,177)
MHMRSA - Group Home Nursing Services (FY 2007 Budget p. 9-51)	(\$83,000)	\$0	\$0	\$0	\$0	(\$83,000)	\$0	\$0	\$0
Human Service Contribution - Inflation Increase (FY 2007 Budget p. 9-69 to 9-78)	(\$124,791)	(\$124,791)	(\$124,791)	(\$124,791)	(\$124,791)	(\$124,791)	(\$124,791)	\$0	(\$124,791)
Recreation, Parks - Recreation Center Public Computers (FY 2007 Budget p. 9-134)	(\$79,579)	(\$79,579)	(\$79,579)	(\$79,579)	(\$79,579)	(\$79,579)	(\$79,579)	\$0	(\$79,579)
Recreation, Parks - Buddy Ford Nature Center Expenses (FY 2007 Budget p. 9-134)	(\$8,050)	(\$8,050)	(\$8,050)	(\$8,050)	(\$8,050)	(\$8,050)	(\$8,050)	\$0	(\$8,050)
Library - Computer Equipment (FY 2007 Budget p. 9-124)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	(\$20,000)	\$0	(\$20,000)

6/19

A-2

CITY OF ALEXANDRIA, VA
FINAL ADD/DELETE SUMMARY LIST BY MEMBER
LAST UPDATED:

21-Apr-08

(Positive # = increase in General Fund or CIP Expenditures; reductions in General Fund Revenue; or increase in Fund Balance designations)
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City Manager Adjustments And Options	Possible Consensus	Mayor Euille	Vice Mayor Pepper	Councilman Krupicka	Councilman Smedberg	Councilman Gaines	Councilwoman Woodson	Councilman McDonald
Finance - Saturday hours reduction (FY 2007 Budget, Overview, p. 22)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	\$0	(\$40,000)
Finance - Senior Contract Administrator (FY 2007 Budget, Overview p. 22)	(\$83,500)	(\$83,500)	(\$83,500)	(\$83,500)	(\$83,500)	(\$83,500)	\$0	(\$83,500)
Info & Technology Svcs - Contracted Web Programming (FY 2007 Budget, Overview p. 22)	(\$56,000)	(\$56,000)	(\$56,000)	(\$56,000)	(\$56,000)	(\$56,000)	\$0	(\$56,000)
Info & Technology Svcs - Lotus Notes Programmer (FY 2007 Budget, Overview p. 22)	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)	(\$72,000)	\$0	(\$72,000)
Info & Technology Svcs - Computer Equipment Replace (FY 2007 Budget Overview, p. 22)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)	\$0	(\$150,000)
Non-Departmental - Planning Studies Consultant (FY 2007 Budget Overview p. 22)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	\$0	\$0
Recreation, Parks - Reduce Seasons of Color Program (FY 2007 Budget Overview, p. 22)	(\$30,000)	\$0	\$0	(\$30,000)	(\$30,000)	\$0	\$0	\$0
- To reach 5% Growth Target								
City Health Insurance Co-Pay Increase (Budget Memo #61)	(\$635,000)	(\$635,000)	(\$635,000)	(\$635,000)	(\$635,000)	(\$635,000)	\$0	(\$635,000)
City Health Insurance Premium Cost Sharing (Budget Memo #61)	(\$500,000)	(\$500,000)	(\$500,000)	(\$415,000)	(\$500,000)	(\$500,000)	\$0	(\$500,000)
Citizen Survey (FY 2007 Budget, p. 8-45)	NA		(\$50,000)	(\$50,000)	(\$50,000)	(\$50,000)	\$0	\$0
Roving Leader Program (FY 2007 Budget, p. 9-134; Budget Memo #63)	NA	(\$148,673)	(\$148,673)	(\$148,673)	(\$148,673)	(\$14,000)	\$0	(\$148,673)
Strategic Plan Consultant (FY 2007 Budget, p. 5-47)	NA	(\$48,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	\$0	\$0
Health Pool Inspector (FY 2007 Budget, p. 9-69 and Budget Memo #129)	NA					(\$15,000)	\$0	\$0
Parent Leadership Institute (Budget Memo #48)	NA	\$48,000	\$40,000	\$40,000	\$40,000	\$48,000	\$48,000	\$40,000
Translator Services for Council Meetings	NA	\$5,000	\$5,000				\$5,000	
Sr. Economic Development Coordinator Position (Budget Memo #78)	NA	\$0			\$80,000			\$0
Leaf Collection Improvements (Budget Memo #103)	NA	\$40,000	\$40,000	\$40,000			\$0	\$40,000
Emergency Preparedness Outreach (Budget Memos #101 and 112)	NA	\$0				\$0	\$0	\$0
Health Outreach to indigent and low income residents	NA	\$0				\$0	\$0	\$0
Teenworks Youth Summer Employment (Budget Memo #118)	NA	\$0				\$0	\$0	\$0
National Historic Register Surveys of Old and Historic Alexandria and Parker Gray (Budget Memo #108)	NA	\$100,000	\$100,000				\$0	\$100,000
Computer Replacement Program (FY 2007 Budget, Overview p. 20 and Budget Memo #91)	NA						\$0	\$0
Affordable Home Ownership Program (FY 2007 Budget p. 5-74 and Budget Memo #124)	NA						\$300,000	
Contingent Reserves (\$378,500 available)								
Use of Contingent Reserves for Parent Leadership Inst. (Budget Memo #48)	NA	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$40,000)	(\$45,000)	(\$40,000)
Reservation of Contingent Reserves for Campagna Kids (non-add)	NA	\$82,000	\$75,000	\$75,000	\$75,000		\$0	\$0
Reservation of Contingent Reserves for Economic Development Coordinator Pos. (non-add) (Budget Memo #78)	NA	\$80,000	\$80,000	\$80,000	\$80,000		\$0	\$0
Reservation of Contingent Reserves for Roving Leader Program (Budget Memo #63)	NA	\$148,673	\$148,673					
Subtotal City Op. Budget Reduction Options	(\$2,148,267)	(\$2,081,940)	(\$2,088,267)	(\$2,181,940)	(\$2,297,940)	(\$2,063,267)	\$300,000	(\$1,964,940)
City Capital Improvement Program Reductions Options								
To reach 5% Growth Target								
Chinquapin Rec Center - Postpone until FY 2008 (CIP p. 99-97)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$800,000)	(\$600,000)
Space Management Plan - Postpone until FY 2008 (CIP p. 133)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)
Capital Facilities Maint Plan - Postpone until FY 2008 (CIP p. 132)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Sherriff Capital Facilities Maint Plan - Postpone until FY 2008 (CIP p. 134)	(\$100,000)	\$0	\$0	\$0	(\$100,000)	\$0	(\$100,000)	\$0
Emergency Operations Center - Postpone until FY 2008 (CIP p. 136)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
Ball Court Renovations - Postpone until FY 2008 (CIP p. 107)	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)	(\$125,000)
Park/Playground Renovations - Postpone until FY 2008 (CIP p. 108)	(\$66,000)	\$0	\$0	\$0	(\$66,000)	(\$66,000)	(\$66,000)	\$0
Alley Rehabilitation - Postpone until FY 2008 (CIP p. 181)	(\$200,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$200,000)	(\$100,000)	(\$200,000)	(\$200,000)
West End Streets - Postpone until FY 2008 (CIP p. 182)	(\$100,000)	\$0	\$0	\$0	(\$100,000)	\$0	(\$100,000)	\$0
Miscellaneous Undergrounding - Eliminate Funding (CIP p. 184)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
Emergency Generators - Postpone until FY 2008 (CIP p. 138)	(\$262,500)	(\$262,500)	(\$262,500)	(\$262,500)	(\$262,500)	(\$262,500)	(\$262,500)	(\$262,500)
Space Management Plan - Postpone until FY 2008 (CIP p. 133)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
MH/MRSA - Group Homes - Postpone repairs until FY 2008 (CIP p. 135)	(\$77,500)	(\$77,500)	(\$77,500)	(\$77,500)	(\$77,500)	(\$77,500)	(\$77,500)	\$0
Energy Conservation - Partial Elimination (CIP p. 124)	(\$75,000)	\$0	\$0	(\$75,000)	\$0	(\$75,000)	(\$75,000)	\$0
Fire Station Renovations - Postpone until FY 2008 (CIP p. 133)	(\$80,000)	\$0	\$0	\$0	(\$80,000)	(\$80,000)	(\$80,000)	\$0

620

19.5

CITY OF ALEXANDRIA, VA
FINAL ADD/DELETE SUMMARY LIST BY MEMBER
LAST UPDATED:

21-Apr-06

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City Manager Adjustments And Options	Possible Consensus	Mayor Eulle	Vice Mayor Pepper	Councilman Krupicka	Councilman Smedberg	Councilman Gaines	Councilwoman Woodson	Councilman Macdonald
Fire Truck LIR - Postpone until FY 2008 (CIP p. 133)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)
Park Drainage Improvements - Postpone until FY 2008 (CIP p. 107 and Budget Memo #132)	(\$250,000)	(\$250,000)	(\$250,000)	\$0	(\$250,000)	(\$250,000)	(\$250,000)	(\$250,000)
Timberbranch Bridge - Postpone until FY 2008 (CIP p. 108)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
Public Pools/Marina - Eliminate partial funding (CIP p. 113)	\$0	\$0	(\$45,000)	(\$45,000)	(\$45,000)	(\$45,000)	(\$45,000)	\$0
Park/Playground Renovations - Postpone until FY 2008 (CIP p. 108)	(\$16,000)	\$0	\$0	\$0	(\$16,000)	(\$16,000)	(\$16,000)	\$0
Rac. Facility Needs Assessment - Postpone until FY 2008 (CIP p. 114)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)
Sidewalk, Curb & Gutter - Eliminate the FY 2007 funding (CIP p. 178 and Budget Memo #46)	(\$100,000)	(\$100,000)	(\$100,000)	(\$50,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Ornamental Street Cans - Postpone until FY 2008 (CIP p. 88)	(\$118,000)	\$0	\$0	(\$50,000)	(\$118,000)	\$0	(\$118,000)	(\$118,000)
Bus Shelters - Postpone until FY 2008 (CIP p. 152)	(\$100,000)	(\$50,000)	(\$50,000)	(\$50,000)	(\$100,000)	(\$50,000)	(\$100,000)	(\$50,000)
Mt. Vernon Alley - Postpone until FY 2008 (CIP p. 180 and Budget Memos #44 and 131)	(\$360,000)	(\$280,000)	(\$280,000)	(\$280,000)	(\$360,000)	(\$360,000)	(\$360,000)	(\$350,000)
- To reach 8% Growth Target								
Revised Funding Schedule for Police Headquarters (CIP p. 128 to 130 and Budget Memo #39)	(\$2,800,000)	(\$2,800,000)	(\$2,800,000)	(\$2,800,000)	(\$2,800,000)	(\$2,800,000)	(\$2,800,000)	(\$2,800,000)
Undergrounding of Utilities - Postponement (CIP p. 184)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)	(\$500,000)
Use 1% of Property Tax for Open Space Instead of 1 cent (CIP p. 100-101 and Budget Memo #86)	NA	(\$630,000)	(\$630,000)	(\$630,000)	(\$630,000)			
Reduce Funding for New Fire Station (CIP p. 133-134 and Budget Memo #120)	NA	(\$880,000)	(\$880,000)	(\$880,000)			\$0	(\$880,000)
Wilkes Street Tunnel (CIP p. 164)	NA							\$0
Dredging (CIP p. 80)	NA							\$0
Additional CIP Reductions	NA							
Subtotal City CIP Budget Reduction Options	(\$7,110,000)	(\$7,540,000)	(\$7,010,000)	(\$7,435,000)	(\$7,740,000)	(\$6,842,000)	(\$7,110,000)	(\$7,150,500)
Reserve for Additional Tax Rate Reduction or Restoration of Expenditure Reductions							\$3,706,787	
Total All Budget Expenditure Reduction Options and Tech. Re-ests.	(\$10,831,054)	(\$10,293,727)	(\$9,770,064)	(\$10,688,727)	(\$11,709,727)	(\$10,377,084)	(\$6,881,787)	(\$10,787,227)
Resulting Budget with All Add/Deletes	\$492,588,437	\$493,225,764	\$493,225,764	\$493,749,437	\$492,830,764	\$491,809,764	\$493,142,437	\$496,637,704
% Increase	4.69%	4.82%	4.82%	4.93%	4.74%	4.52%	4.80%	5.56%
5% General Fund Growth Budget Target (Total City, Schools and COLA)	\$494,100,000							
Alternative (6% Growth) Budget Target (Total City, Schools and COLA)	\$497,600,000							
City Manager Proposed Budget (Total City, Schools and COLA)	\$503,519,481							
Budget Target (Total City, Schools and COLA)	\$509,000,000							

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Attachment C

Additional Council Member Narrative Statements

See following April 19, 2006 e-mail from Councilwoman Woodson



"Council"
<council@joycewoodson.net
>
04/19/2006 06:05 PM

To "Andrew Macdonald" <ahmacdonald@his.com>, "Rob
Krupicka" <Rob@krupicka.com>, "Ludwig Gaines"
<Councilmangaines@aol.com>, "Ludwig Gaines"
cc "Bruce Johnson" <Bruce.Johnson@ci.alexandria.va.us>,
"Mark Jinks" <mark.jinks@ci.alexandria.va.us>, "Jim
Hartmann" <Jim.Hartmann@alexandriava.gov>, "Fay"
bcc

Subject Tax relief.doc

April 19, 2006

Re: Different approach to tax relief

Dear Colleagues,

I realize this budget year is much more difficult for you than it is for me because of the election. However, we all have difficult decisions to make and regardless of the election outcome we were elected to represent the best interest of the entire city. I am concerned that a small segment of the city has commandeered the budget dialog and the end result may be felt in the next few years. What happens then?

Consider these facts: Of the 38,000 households, 22,000, or 60 percent, are assessed at below \$500,000 and but only provide 37.5 percent of our revenues. That means that the remaining 16,000 households, 40 percent, produce 62.5 percent of our revenues.¹¹ If we lower the tax rate across the board we will nearly double the lost revenue at the higher end but provide much less relief where it is needed at the lower end. And what will it cost the city to provide this meager relief that will satisfy very few? Think about it.

I think we should maintain the manager's recommended tax rate. I firmly believe we will not be able to safely reduce the budget adequately to affect the size rate reduction demanded by our most vociferous proponents for lower taxes. We could, however, make a big difference in the lives of 22,000 households by granting tax relief to the 60 percent with assessments under \$500,000.

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Households below \$500,000 have been the hardest hit by the last few years of higher assessments primarily because their relatively fixed income against the rising value of their house makes it more difficult to pay higher taxes year after year. Right now we have \$4.5 Million in surplus revenue from last year and over \$7 Million in recommended deferred CIP projects. Instead of lowering the rate (only to have to raise it when assessments level off – and they will) we could maintain the rate and cast a wider net of tax relief. I suggest that this relief be automatic, apply directly to the tax bill, and have no requirement for application. Remember, the average increase to the tax bill this year was \$400. The amount recommended will no doubt return many households to last year's tax.

If I have calculated correctly, the amount of tax relief would be approximately \$7.5 Million leaving \$4 Million in surplus revenue from last year²¹. That money can be used to fund an additional reduction in rate or to return many of the items reduced to reach an unreasonable 5 percent budget. This approach will not affect the senior or disabled program, nor would it affect the AHOP program. This will affect the majority of Alexandria households that work hard every day but cannot meet the needs of rising tax bills. Next year we will see even higher energy costs, higher assessments, but relatively flat income growth. What will be done next year to meet the burden?

Additionally, I support the proposed AHOP program changes but the valuation of the property should probably be set at the average sales price of a single-family home each year. Believe it or not, Warwick Village town homes are selling for almost \$500,000.

I hope you will consider this approach. It does not provide automatic relief for assessed value over \$500,000 which I admit was an arbitrary number based on categories provided by the real estate assessors office. We could draw the line at the same level as AHOP above, the average sales price of a single-family home. We will be helping the households that need it the most without jeopardizing our budget as much.

Finally, I have no argument with any of the preliminary add/deletes. I would like to see funds returned to the schools for reasons already stated publicly.

Thanks for reading this. I know you are busy.

Joyce

^[1] Chart attached

^[2] Using the tables provided by Alexandria real estate assessment office, I am proposing to take .1 percent of the median assessed value in each category -- < \$100,000, \$100,000 - \$249,999, \$250,000 - \$499,999 -- and multiply it by the number in each category to arrive at the total tax relief per category. For example, \$219 in tax relief would be provided to households with assessed value of between \$100,000 and \$249,999. There are 3,945 households in this



category for a total of \$863,955 in total tax relief. tax assessment categories.xls

Less than \$100,000	55.00	\$1,850,200	\$72,300	\$33,640
\$100,000 - \$249,999	3,945.00	\$844,127,800	\$219,000	\$2,313,974
\$250,000 - \$499,999	18,295.00	\$6,733,048,200	\$362,300	\$368,027
\$500,000 - \$749,999	10,390.00	\$6,285,400,600	\$597,000	\$604,947
\$750,000 - \$999,999	3,951.00	\$3,380,077,000	\$845,100	\$855,499
\$1,000,000 - \$1,999,999	1,685.00	\$2,155,923,200	\$1,204,200	\$1,279,480
\$2,000,000+	252.00	\$913,601,500	\$2,492,400	\$3,625,403
Totals	38,573.00	\$20,314,028,500		

Office of the City Clerk
April 19, 2006

DOCKET
CITY COUNCIL OF ALEXANDRIA, VIRGINIA

Special Meeting
Monday, April 24, 2006 - - 7:00 p.m.

Please take notice that the City Council will hold a Special Meeting on the Proposed Budget on Monday, April 24, 2006, at 7:00 p.m., (or immediately following completion of the Budget Work Session scheduled at 6:00 p.m.) in the Council Chambers of City Hall, 301 King Street, Alexandria, Virginia, for the purpose of considering the following items.



James Hartmann, City Manager

OPENING

1. Calling the Roll.

Council Action: _____

REPORTS AND RECOMMENDATIONS OF THE CITY MANAGER FOR DISCUSSION

2. Consideration of the Proposed Annual Operating Budget for FY 2007 (including Schools) and the Proposed Capital Improvements Program for FY 2007-2012 (including the Schools CIP.)

Council Action: _____

ORDINANCES AND RESOLUTIONS

3. Second Reading and Final Passage of an Ordinance to Establish the Real Estate and Personal Property Tax Rates for Calendar Year 2006, and to conform the City Code to the amendments to the Personal Property Tax Relief Act of 1998 which were made by the General Assembly in 2005. (#16.1, 2/28/06)
[ROLL-CALL VOTE]

Council Action: _____

4. Second Reading and Final Passage of an Ordinance to Increase the Real Estate

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ORDINANCES AND RESOLUTIONS (continued)

6. Consideration of a Resolution to Increase the Annual Fee for the City's Collection and Disposal of Solid Waste, Yard Debris and Recyclable Materials.
[ROLL-CALL VOTE]

Council Action: _____

This docket is subject to change.

Full-text copies of ordinances, resolutions, and agenda items are available in the Office of the City Clerk and Clerk of the Council. Meeting materials are also available on-line at alexandriava.gov/council .

Individuals with disabilities who require assistance or special arrangements to participate in the City Council meeting may call the City Clerk and Clerk of Council's Office at 838-4500 (TTY/TDD 838-5056). We request that you provide a 48-hour notice so that the proper arrangements may be made.

City Council meetings are closed-captioned for the hearing impaired.
