

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 6, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: APPROPRIATION ORDINANCE FOR FISCAL YEAR 2007

ISSUE: Consideration of an Appropriation Ordinance to make appropriations for the support of the government of the City of Alexandria, Virginia for the Fiscal Year (FY) 2007.

RECOMMENDATION: That City Council pass the Ordinance on first reading and schedule it for public hearing, second reading, and final passage on Saturday, June 17, 2006.

DISCUSSION: On April 24, 2006, City Council approved the FY 2007 General Fund Budget and adopted an ordinance setting the City's real property and personal property tax rate for calendar year (CY) 2006. In accordance with sections 6.07 and 6.14 of the City Charter, an ordinance is also annually required to appropriate the Approved Operating and Capital Budgets. This ordinance contains the appropriation of the adopted operating budget, the reappropriation of estimated encumbrances; and an appropriation from the Special Revenue Fund for new grants.

ADOPTED OPERATING BUDGET: Sections 1 - 9 of the attached Appropriations Ordinance legally established the revenues and expenditures of the FY 2007 Approved Budget. As detailed in section 7 of the attached ordinance, a significant portion of the General Fund's revenues are transferred to other funds and component units, principally to finance operations of the Alexandria City Public Schools. The total expenditure appropriation must be reduced by the amount of these transfers (referred to as "Interfund Transfers") to eliminate double counting and accurately reflect the aggregate expenditure appropriations.

REAPPROPRIATION OF ESTIMATED PROJECTED ENCUMBRANCES: Section 10 of the attached proposed appropriation ordinance reappropriates monies authorized and expected to be obligated in FY 2006, but not expected to be expended as of June 30, 2006. By City Charter, all operating budget appropriations lapse at the end of the fiscal year. When budgeted goods and services are ordered prior to the end of the previous fiscal year, but not delivered until the next fiscal year, monies need to be reappropriated to cover the expenditures paid in the current fiscal year. As initiated last year, encumbrances are now authorized based on preliminary estimates of encumbrances. The actual encumbrance amounts that are carried over from FY 2006 into FY

2007 may be lower or higher than this amount. The final encumbrance amount that is carried over into FY 2007 will be adjusted to reflect actual encumbrances.

NEW GRANTS: Section 11, pre-appropriates and authorizes new grants. During the year, departments apply for and receive approval for new State and federal grant funding not known or anticipated when Council initially approved the annual budget. Started last year, this ordinance contains \$1,000,000 in Special Revenue Fund contingent grant reserves that can be allocated by the Office of Management and Budget to the grant-receiving department when Council approves a new or increased grant, instead of departments having to wait months for a separate reappropriation ordinance. This allows the posting of the grant in the City's accounting system on a more timely basis.

FISCAL IMPACT: This Ordinance authorizes the receipt and expenditure of \$666,162,339 for FY 2007 in the following funds (\$657,249,339 in Sections 1 - 9 and \$8,913,000 in Sections 10 and 11):

Section 1 to Section 9:

General Fund	\$ 493,675,764
Special Revenue Fund	82,391,942
Housing Special Revenue Fund	7,097,582
Sewer Special Revenue Fund	7,880,427
Capital Projects Fund	60,023,662
Equipment Replacement Internal Service Fund	5,166,570
Schools	197,369,912
Library	7,334,393
Alexandria Transit Company	10,283,524
Less: Interfund Transfers	<u>(213,974,437)</u>
Total	<u>\$ 657,249,339</u>

The amounts listed for the Alexandria Transit Company, the Schools, and the Library represent their total budgets, including the City's General Fund appropriation to each agency and any fee revenue (such as farebox revenue for the Alexandria Transit Company), grants, State aid or other revenues that are part of the total budgets for those organizations. By the City Charter, Council must appropriate all monies, including those for the Alexandria Transit Company, irrespective of the source. The "Less: Interfund Transfers" line backs out dollars counted both in the General Fund and Sewer Fund amounts and each of the agency budgets for the City's appropriation to these individual agencies.

Section 10 and 11:

Section 10	Reappropriation of monies encumbered as of June 30, 2006	\$ 7,913,000
Section 11	Appropriation of Grant Contingent	<u>1,000,000</u>
Total		<u>\$ 8,913,000</u>

ATTACHMENT: Appropriation Ordinance

STAFF:

Mark Jinks, Deputy City Manager

D. A. Neckel, Director, Finance

Bruce Johnson, Director, Office of Management and Budget

Laura Triggs, Deputy Director, Finance/Comptroller

1 Introduction and first reading: 06/13/06
2 Public hearing: 06/17/06
3 Second reading and enactment: 06/17/06
4

5 INFORMATION ON PROPOSED ORDINANCE
6

7 Title
8

9 AN ORDINANCE making provision for the support of the government of the City of
10 Alexandria, Virginia, for fiscal year 2007.
11

12 Summary
13

14 The proposed ordinance appropriates funds for the operation of the city government in
15 fiscal year 2007.
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17 Sponsor
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19 Daniel A. Neckel, Director of Finance
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21 Staff
22

23 Daniel A. Neckel, Director of Finance
24 Ignacio B. Pessoa, City Attorney
25 Roderick B. Williams, Assistant City Attorney
26

27 Authority
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29 § 2.02(c), Alexandria City Charter
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31 Estimated Costs of Implementation
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33 None
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35 Attachments in Addition to Proposed Ordinance and its Attachments (if any)
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37 None
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ORDINANCE NO. _____

AN ORDINANCE making appropriations for the support of the government of the City of Alexandria, Virginia, for fiscal year 2007.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That, pursuant to section 6.07 of the city charter, the sum of \$657,249,339 be, and the same hereby is, appropriated for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2006 and ending on the thirtieth day of June 2007.

Section 2. That, pursuant to section 6.07 of the city charter, the sum of \$657,249,339 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2006 and ending on the thirtieth day of June 2007 be, and the same hereby is, further appropriated to the following city departments, major operating units, component units and major categories of expenditures in the amounts set forth below:

<u>Department/Unit/Component Unit/ Category of Expenditure</u>	<u>Appropriation</u>
18 th Circuit Court	\$ 1,295,587
18 th General District Court	78,282
18 th Juvenile Court	34,845
Citizens Assistance	722,153
City Attorney	2,553,609
City Clerk and Clerk of Council	366,141
City Council	559,524
City Manager	2,285,040
Clerk of Court	1,605,838
Commonwealth's Attorney	2,953,885
Contingent Reserves	336,500
Court Services Unit	1,445,469
Economic Development	2,798,072
Finance	8,650,724
Fire	38,105,335
General Debt Service	29,715,729
General Service	12,470,596
Health	6,763,841
Human Rights	534,170
Human Services	51,976,723

1	Human Services Contributions	2,279,762
2	Information Technology Services	7,886,468
3	Internal Audit	221,842
4	Law Library	147,794
5	Mental Health/Mental Retardation/Substance Abuse	28,617,197
6	Non-Departmental	12,653,330
7	Office of Historical Alexandria	2,929,288
8	Office of Housing	7,097,582
9	Office of Management and Budget	1,118,851
10	Office on Women	1,758,741
11	Other Correctional Activities	4,772,301
12	Other Educational Activities	12,548
13	Other Health Activities	998,600
14	Personnel	3,118,879
15	Planning & Zoning	4,976,636
16	Police	49,833,771
17	Real Estate Assessments	1,482,679
18	Recreation, Parks & Cultural Activities	20,407,932
19	Registrar of Voters	1,070,781
20	Sheriff	24,562,844
21	Transit Subsidies	17,108,566
22	Transportation and Environmental Services	29,046,347
23	Capital Projects	60,023,662
24	Component Unit-Library	7,334,393
25	Component Unit-Schools	197,369,912
26	Internal Services	<u>5,166,570</u>
27	TOTAL APPROPRIATIONS	<u>\$ 657,249,339</u>

28
29 **Section 3.** That, pursuant to section 6.07 of the city charter, the sum of \$657,249,339
30 appropriated in section 1 of this ordinance for the support of the City of Alexandria in the fiscal
31 year beginning on the first day of July 2006 and ending on the thirtieth day of June 2007 be, and
32 the same hereby is, further appropriated to the following principal objects of city expenditures:

34	<u>Object of Expenditures</u>	<u>Appropriation</u>
35		
36	Personnel Service	\$ 220,038,040
37	Non-Personnel Services	156,867,249
38	Capital Outlay	165,989

1	Component Unit-Library	7,334,393
2	Component Unit-Schools	197,369,912
3	Component Unit-Alexandria Transit Company	10,283,524
4	Equipment Replacement	5,166,570
5	Capital Projects	<u>60,023,662</u>
6	TOTAL APPROPRIATIONS	<u>\$ 657,249,339</u>

7
8 **Section 4.** That the sum of \$657,249,339 appropriated in section 1 of this ordinance for
9 the support of the government of the City of Alexandria in the fiscal year beginning on the first
10 day of July 2006 and ending on the thirtieth day of June 2007 is estimated to be derived from the
11 following sources of revenue:

13	<u>Source of Revenue</u>	<u>Amount</u>
15	General Property Taxes	\$ 298,646,458
16	Other Local Taxes	111,654,640
17	Permits, Fees and Licenses	7,590,595
18	Fines and Forfeitures	4,072,300
19	Intergovernmental Revenue	130,018,022
20	Charges for Services	30,713,225
21	Revenue from Use of Money and Property	10,671,962
22	Miscellaneous Revenue	3,685,283
23	Bond Proceeds - Future Sale	34,291,269
24	Unreserved Fund Balance - General Fund:	
25	Subsequent Year's Budget as Designated	10,508,107
26		
27	Unreserved Fund Balance - Capital Projects Fund:	
28	Subsequent Year's Budget	6,400,000
29		
30	Schools' Fund Balance	4,305,319
31	Retained Earnings - Internal Services	<u>4,692,159</u>
32	TOTAL ESTIMATED REVENUE	<u>\$ 657,249,339</u>

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36 **Section 5.** That, pursuant to section 6.14 of the city charter, the sum of \$60,023,662 be,
37 and the same hereby is, appropriated for capital improvement project expenditures of the City of
38 Alexandria and the Alexandria City Public Schools in the fiscal year beginning on the first day of
39 July 2006 and ending on the thirtieth day of June 2007. This sum, which consists of the
40 \$60,023,662 appropriated as Capital Projects in section 2 of this ordinance, is appropriated as
41 follows: (i) \$33,488,787 to capital projects which are included in the city's government fiscal
42 year 2007 - 2012 capital improvement program adopted by city council on April 25, 2006, (ii)
43 \$24,110,640 to the capital projects identified in the Alexandria City Public Schools' capital
44 budget approved by the school board on January 26, 2006 and (iii) \$2,424,235 for the Open
45 Space Trust Fund.

1 **Section 6.** That the sum of \$60,023,662 appropriated in section 5 of this ordinance for
 2 capital improvement project expenditures of the City of Alexandria and the Alexandria City
 3 Public Schools in the fiscal year beginning on the first day of July 2006 and ending on the
 4 thirtieth day of June 2007 is estimated to be derived from the following sources of revenue:
 5

<u>Source of Revenue</u>	<u>Amount</u>
Transfer In from General Fund	\$ 4,579,105
Transfer In from Special Revenue Fund - Sewer	5,400,000
Bond Interest Earnings	2,000,000
Designated General Fund Balance	7,353,288
Designated Capital Projects Fund Balance	6,400,000
Bond Proceeds - Future Sale	<u>34,291,269</u>
TOTAL ESTIMATED REVENUE	<u>\$ 60,023,662</u>

16 **Section 7.** That the sum of \$213,974,439 be, and the same hereby is, authorized to be
 17 transferred between the following funds maintained by the city, as set forth below:
 18

<u>From</u>	<u>Amount</u>	<u>To</u>	<u>Amount</u>
General Fund	\$ 33,570,374	Special Revenue Fund - General	\$ 33,570,374
Special Revenue Fund - Sewer	1,063,895	General Fund	1,063,895
General Fund	36,532	Special Revenue Fund - Sewer	36,532
General Fund	5,172,340	Special Revenue Fund - Affordable Housing	5,172,340
Special Revenue Donations	17	Special Revenue - Grants	17
Special Revenue Fund - Sewer	5,400,000	Capital Projects	5,400,000
General Fund	4,579,105	Capital Projects Fund	4,579,105
General Fund	149,873,621	Component Unit-Schools	149,873,621
General Fund	7,337,024	Component Unit-Alexandria Transit Company	7,337,024
General Fund	<u>6,941,531</u>	Component Unit-Library	<u>6,941,531</u>
TOTALS	<u>\$ 213,974,439</u>	TOTALS	<u>\$ 213,974,439</u>

1 **Section 8.** That the sum of \$657,249,339 appropriated in section 1 of this ordinance for
2 the support of the government of the City of Alexandria in the fiscal year beginning on the first
3 day of July 2006 and ending on the thirtieth day of June 2007 is, for accounting purposes and in
4 accordance with generally accepted accounting principles, attributed, for each city department,
5 major operating unit, component unit and major category of expenditure, to the funds maintained
6 by the city as shown in Table I on the following page of this ordinance.

7
8 **Section 9.** That the sum of \$657,249,339 appropriated in section 1 of this ordinance for
9 the support of the government of the City of Alexandria in the fiscal year beginning on the first
10 day of July 2006 and ending on the thirtieth day of June 2007 is, for accounting purposes and in
11 accordance with generally accepted accounting principles, attributed, for each major source of
12 revenue, to the funds maintained by the city as shown in Table II on the following page of this
13 ordinance.

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15 **Section 10.** That the Council of the City of Alexandria, Virginia, does hereby make
16 provision for and appropriation to the funds hereafter named the amounts required to defray the
17 expenditures and liabilities of the city for which commitments were established in the form of
18 encumbrances or otherwise on or before June 30, 2006, but which are payable in fiscal year 2007,
19 and for which amounts were appropriated but not expended in fiscal year 2006, and further that
20 the council does hereby allot the amounts so appropriated to the several city departments for
21 fiscal year 2007, as follows:

22
23 **GENERAL FUND**

24		
25	City Manager	\$ 4,000
26	Office on Women	29,000
27	Citizen Assistance	22,000
28	Commonwealth's Attorney	14,000
29	Sheriff	216,000
30	Other Correctional Activities	19,000
31	Human Rights	4,000
32	Internal Audit	2,000
33	Information and Technology Services	647,000
34	Finance	931,000
35	Real Estate Assessment	5,000
36	Planning and Zoning	118,000
37	City Attorney	6,000
38	Registrar Voters	21,000
39	General Services	803,000
40	Transportation and Environmental Services	2,224,000
41	Transit Subsidies	221,000

1	Fire	252,000
2	Police	200,000
3	Housing	14,000
4	Health	50,000
5	Human Services	840,000
6	Office of Historic Alexandria	10,000
7	Recreation and Cultural Activities	323,000
8	Non-Departmental	<u>938,000</u>
9	Total General Fund	<u>\$ 7,913,000</u>

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11 **Section 11.** That the Council of the City of Alexandria, Virginia, does hereby make
12 provision for and appropriate to the fund hereafter named the amount hereafter stated that is
13 required to defray certain expenditures and liabilities of the city for fiscal year 2007, the source
14 of such amount being Intergovernmental revenue, and further, that the Council does hereby allot
15 the amount so appropriated for fiscal year 2007 as follows:

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17 **SPECIAL REVENUE**

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19 **ESTIMATED REVENUE:**

20	Intergovernmental Revenues	\$ <u>1,000,000</u>
21	Total Estimated Revenue	\$ <u>1,000,000</u>

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23
24 **APPROPRIATION:**

25	Non Departmental	\$ <u>1,000,000</u>
26	Total Appropriation	\$ <u>1,000,000</u>

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29 **Section 12.** That this ordinance shall become effective upon the date and at the time of
30 its final passage.

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TABLE I

Department	General Fund	Housing Special Revenue Fund	Other Special Revenue Fund	Sewer Fund	Capital Projects	Internal Service Fund: Equipment Replacement	Component Units			Total
							Schools	Library	Alexandria Transit Co.	
18th Circuit Court	\$ 1,295,587	\$	\$	\$		\$	\$	\$	\$	\$ 1,295,587
18th General District Court	78,282									78,282
18th Juvenile Court	34,845									34,845
Citizens Assistance	716,655		5,498							722,153
City Attorney	2,553,609									2,553,609
City Clerk and Clerk of the Council	366,141									366,141
City Council	559,524									559,524
City Manager	2,285,040									2,285,040
Clerk of Courts	1,605,838									1,605,838
Commonwealth's Attorney	2,536,228		417,657							2,953,885
Contingent Reserves	336,500									336,500
Court Services Unit	977,450		468,019							1,445,469
Economic Development	2,798,072									2,798,072
Finance	8,650,724									8,650,724
Fire	35,345,199		2,760,136							38,105,335
General Debt Service	29,715,729									29,715,729
General Services	12,470,596									12,470,596
Health	6,763,841									6,763,841
Human Rights	500,590		33,580							534,170
Human Services	9,074,322		42,802,401							51,976,723
Human Services Contributions	2,279,762									2,279,762
Information Technology Services	7,886,468									7,886,468
Internal Audit	221,842									221,842
Law Library			147,794							147,794
Mental Health/Mental Retardation/ Substance Abuse	520,755		28,096,442							28,617,197
Non-Departmental	11,653,330		1,000,000							12,653,330
Office of Historic Alexandria	2,667,623		261,665							2,929,288
Office of Housing		7,097,582								7,097,582
Office of Management and Budget	1,118,851									1,118,851
Office on Women	1,271,057		487,684							1,758,741
Other Correctional Activities	4,573,968		198,333							4,772,301
Other Educational Activities	12,548									12,548
Other Health Services	998,600									998,600
Personnel	3,112,879		6,000							3,118,879
Planning and Zoning	4,247,618		729,018							4,976,636
Police	49,062,143		771,628							49,833,771
Real Estate Assessments	1,482,679									1,482,679
Recreation and Cultural Activities	19,812,500		595,432							20,407,932
Registrar of Voters	1,070,781									1,070,781
Sheriff	23,650,022		912,822							24,562,844
Transit Subsidies	6,825,042							10,283,524		17,108,566
Transportation and Environmental Services	25,031,982		2,597,833	1,416,532						29,046,347
Capital Improvement					60,023,662					60,023,662
Component Unit - Library							7,334,393			7,334,393
Component Unit - Schools							197,369,912			197,369,912
Internal Service						5,166,570				5,166,570
TOTAL	\$ 286,165,222	\$ 7,097,582	82,391,942	\$ 1,416,532	60,023,662	\$ 5,166,570	\$ 197,369,912	\$ 7,334,393	\$ 10,283,524	\$ 657,249,339

T A B L E II

Source of Revenue	General Fund	Housing Special Revenue Fund	Other Special Revenue Fund	Sewer Fund	Capital Projects	Internal Service Fund: Equipment Replacement	Component Units			Total
							Schools	Library	Alexandria Transit Co.	
General Property Taxes	\$ 298,646,458	\$	\$	\$	\$	\$	\$	\$	\$ 298,646,458	
Other Local Taxes	111,654,640								111,654,640	
Permits, Privilege Fees and Licenses	4,909,800		2,680,795						7,590,595	
Fines and Forfeitures	4,072,300								4,072,300	
Intergovernmental Revenue	50,114,309	1,912,242	37,954,095				39,838,758	198,618	130,018,022	
Charges for Services	10,988,543		6,157,408	7,843,895		474,411	2,108,224	194,244	30,713,225	
Revenue from Use of Money and Property	8,644,000		6,000		2,000,000		21,962		10,671,962	
Miscellaneous Revenue	427,000	13,000	2,023,255				1,222,028		3,685,283	
Bond Proceeds					34,291,269				34,291,269	
Unreserved Fund Balance -										
General Fund	3,154,819				7,353,288				10,508,107	
Capital Projects Fund					6,400,000				6,400,000	
Schools-General Fund							4,305,319		4,305,319	
Retained Earnings -										
Internal Service Fund						4,692,159			4,692,159	
TOTAL	\$ 492,611,869	\$ 1,925,242	\$ 48,821,553	\$ 7,843,895	50,044,557	5,166,570	\$ 47,496,291	\$ 392,862	\$ 2,946,500	\$ 657,249,339

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