

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 6, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: CONSIDERATION OF A REVISED RESOLUTION ESTABLISHING THE PROCESSES TO BE USED TO ADOPT OPERATING BUDGETS AND CAPITAL IMPROVEMENT PROGRAMS DURING THE TERM OF THIS COUNCIL

ISSUE: Consideration of a resolution establishing the processes to be used to adopt operating budgets and capital improvement programs during the term of this council.

RECOMMENDATION: That City Council adopt the attached, revised resolution establishing budget processes for the term of this Council.

BACKGROUND: This resolution was previously docketed and discussed on September 26, 2006. The resolution would combine and replace two prior Council adopted resolutions that have now expired. One prior resolution established the add-delete process for the three-year term of the prior Council, and the other established the target setting process and schedule for the Council's consideration of the FY 2007 General Fund Operating Budget and Capital Improvement Program.

Just prior to Council's September 26, 2006, Legislative meeting, several amendments to the resolution were offered for consideration by members of Council. In order to provide additional time for analysis and reflection, final consideration and passage was deferred to the October 10, 2006 legislative meeting. The discussion below has been updated to reflect the resolution as it would be amended if Council accepts the proposed amendments.

DISCUSSION: The revised resolution would be in effect for the three-year term of this Council and would establish the following:

- The timing of the budget process and the setting of budget targets by Council. The original resolution's provisions are nearly identical to those established in Budget Resolution 2150 that governed the FY 2007 budget process. No major changes from the FY 2007 budget process were proposed for FY 2008.
- The original resolution proposed the adoption of add-delete rules governing Council consideration of the budget exactly following those adopted by previous Councils.

- The amendments would make the following changes:
 1. Reword and add several “whereas” statements.
 2. Explicitly include within the targets for both the City and Schools the effects of any cost-of-living salary adjustments and provide for guidance from Council to be given on what size cost-of-living adjustment should be assumed by each body.
 3. Limits the ability of members of Council to propose expenditure additions to the budget by requiring those “adds” to be circulated one week prior to the spring budget public hearing unless a super majority of 5 members agrees for “good cause” to allow such an amendment after the deadline.
 4. Allows such an amendment after the public hearing if it is suggested during the public hearing and at least one member of Council requests within 3 days of the hearing its consideration in a budget memorandum.
 5. Requires a super majority of 5 members to approve any budget that exceeds the target for either the City or the School budget.

In considering these proposed amendments, Council members may wish to consider the following:

- The inclusion of a cost-of-living salary adjustment in the budget targets for the City and the Schools will require both the City Manager and the Schools to include that cost in the calculation of its proposed expenditures. Traditionally, the City Council has provided the same cost of living adjustment to employees in both organizations. Also, City Council has considered information about what other jurisdictions have proposed or adopted in determining the cost-of-living adjustment to be applied in Alexandria.
- In order to accommodate this tradition of a single COLA and the value of waiting to see what the “competition” is doing, last year Resolution #2166 did not include the COLA in the targets set for the City and the Schools for the FY 2007 proposed budget. However, in calculating the effect of the two targets, City Staff provided an estimate of the cost of a 3% COLA at the time of Council’s passage of the targets so that Council might understand the total rate of growth in expenditures (City expenditures plus Schools expenditures, plus the COLA allowance) and the required real estate tax rate and other revenues needed to balance the budget.
- Budget resolution #2166, which established the targets for FY 2007 provided in section 4:

“That the proposed cost of living pay adjustment for City and Schools employees will be recommended by the City Manager after consultation with the School Superintendent. A different cost of living pay adjustment may be recommended by the City Manager for the alternative target budget.”
- Unless the City Council intends to allow the City Manager and the Schools propose different COLA percentages according to each’s independent judgement, the inclusion of the cost of the COLA in the targets set for the Schools and the City will require City Council to specify a COLA percentage or percentages to the City Manager and the Schools in November so that each body may know what funds are available within the target for other purposes.

- The revised resolution includes language that explicitly allows the City Manager to recommend and the Council to adopt a different COLA percentage based on whatever information is available. Such a change in the COLA would have no effect on the spending targets established by City Council for the City or the Schools.
- Over the last 3 budget cycles, Council members have proposed a total of 66 expenditure “adds”. The number of such adds has declined from 33 in the FY 2005 budget cycle, to 25 in the FY 2006 budget cycle, to 8 in the FY 2007 budget cycle. Note that not all of these “adds” were necessarily adopted. Twenty-two (33%) were \$100,000 or more. Eleven (17%) were between \$50,000 and \$99,000. Thirteen (20%) were between \$25,000 and \$49,000. The remainder of 20 (30%) were \$24,000 or below.
- The budget schedule during the last four years (plus the proposed FY 2008 schedule) is shown below:

	FY 2004 Cycle	FY 2005 Cycle	FY 2006 Cycle	FY 2007 Cycle	FY 2008 Cycle
Budget Introduced	March 11	March 9	March 8	February 14	February 13
Public Hearing	April 2	April 12	April 4	March 13	TBD
Preliminary Add/Delete	April 21	April 26	April 25	April 17	April 30
Final Add/Delete and Adoption	April 29	May 3	May 2	April 24	May 7

- Essentially, this provision is a self-imposed restriction on City Council’s own prerogatives in favor of providing additional information and time to people who may wish to comment at the hearing or in other ways or forums on those proposed expenditures. Some members of the public may support the additional spending and some may oppose them and Council could benefit from hearing those views. However, members of Council would have less time to consider the City Manager’s proposed budget before deciding to propose additional expenditures. City staff may not be able to provide analysis and commentary on the need for those additions before the deadline for Council to propose those additions.
- If such a provision were enacted, Council may wish to consider whether it wants to reschedule the public hearing at a later point in the process than has been typical in the last several budget cycles.
- The need for some flexibility to propose “adds” at a later point in the process has generated additional “amendments to the amendment.” The drafting of these “override” rules requires Council to anticipate the many ways in which such procedural rules can have unintended consequences.

- From a budget process standpoint, the use of a target setting process has diminished the possible effects of “adds” on the budget process because the dynamics of the add-delete process are fundamentally different. This effect may be caused by the combination of targets with Council’s traditional add-delete rules require offsetting expenditure reductions or revenue increases for each expenditure increase.
 - In the case of a “tough” target, the City Manager and the Schools will have to be very frugal and Council will have a relatively more difficult time finding expenditure offsets for any adds. During the FY 2007 budget process Council offered only 8 “adds”, only two of which were over \$100,000. Most of Council’s deliberations last year during add-delete were about reductions from the Manager’s proposed budget to meet the alternative, low target (6% growth) and then the 5% growth target communicated in early April.
 - The use of revenue increases from revenue re-estimates to offset expenditure adds (allowed under Council’s add/delete rules) would mean that total expenditures would be increased and the expenditure target exceeded by Council.
- During the September 26th discussion, a question was asked whether City staff would recommend City Council establish either a single target for both the City and the Schools, or a high and low target as it did last year. The amended resolution allows either option. However, I recommend that City Council establish a single target. Last year the presentation of the budget was difficult for the public and the City Council to understand because it was difficult to know what the “starting point” was for the debate. The City Manager’s proposed budget provides that starting point and last year it seemed as if the City Manager had two starting points on the table. If Council wishes to have options that are not in the base budget that might take the budget above the target for operating program expenditure increases or additional capital projects, or if it wants options to decrease expenditures below the target, that can occur without setting a formal second target.

ATTACHMENT: Resolution with Proposed Amendments

STAFF:

Mark Jinks, Deputy City Manager

Bruce Johnson, Director, Office of Management and Budget

cc: Chair and Members of the Alexandria City Public Schools
 Rebecca Perry, Superintendent, Alexandria City Public Schools

DRAFT REVISED OCTOBER 6, 2006

**Resolution No. _____
Budget Resolution Regarding the Processes To Be Used to Plan for and
To Adopt Operating Budgets and Capital Improvement Programs**

WHEREAS, the Alexandria City Council wishes to establish specific policies to guide upcoming budget deliberations to ensure responsible actions with current economic resources; and

WHEREAS, resolutions No. 2088, 2150, and 2166 and previously adopted by City Council have now expired; and

WHEREAS, City Council's deliberations on the budget each and every year reflect a balancing of the needs of the community, with the community's ability to afford services to meet meeting those needs; and

WHEREAS, the City Council is committed to continue performing continuing to perform fully its obligations to provide the core services expected of a municipal government and to continue to provide quality services and facilities for the residents and businesses of Alexandria; and

WHEREAS, residential real estate taxes have borne an increasing share of the burden of paying for City and School services; and

WHEREAS, the City Council is committed to managing the growth of City General Fund operating and capital expenditures in order to help address the issue of increased residential real estate taxes; and

WHEREAS, the City Council is committed to assisting Alexandria City Public Schools in achieving its mission and being among the best in Northern Virginia; and

WHEREAS, the City Council is committed to maintaining a fair, reasonable and competitive compensation plan for City and School employees; and

WHEREAS, the City Council is committed to continuously improving City government effectiveness and efficiency, and expects the City Manager and City staff to focus on managing for results, and

WHEREAS, the City Council is committed to maintaining its top AAA/Aaa credit ratings; and

WHEREAS, the City Council desires to achieve the vision and strategic goals and objectives outlined in the City Council's adopted Strategic Plan; and

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1 WHEREAS, sufficient time for the budget process is necessary for the City Council and
2 the community to deliberate on the various issues raised given the budget's complexity and
3 importance;
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5
6 NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Alexandria,
7 Virginia, that the Council shall, for the purposes of consideration of the Budget for the City of
8 Alexandria, adhere to the following rules of procedure:
9

10 **Section (a) The Timing of the Setting of Budget Targets by City Council and the City**
11 **Manager's Budget Submission to City Council**
12

13 (1) That the City Manager shall plan and prepare the proposed Operating Budget and
14 proposed six-year Capital Improvement Program and that such preparations shall include, but
15 not be limited to, requests for City departments to identify efficiencies, low priority programs
16 not crucial to achieving City Council strategic objectives, potential discretionary supplemental
17 increases crucial to achieving City Council's strategic objectives, and potential City-wide
18 process changes that would be beneficial to City operations and to the public.
19

20 (2) That the City Manager shall present to City Council in time for the fall Council
21 Retreat a preliminary forecast and outlook for (a) revenues (including the outlook for real estate
22 assessments), (b) expenditures necessary to maintain appropriate services and policies (including
23 in the City Manager's forecast of cash capital and debt service costs related to the most recently
24 approved Capital Improvement Program and estimates of the cost of an appropriate cost-of-
25 living adjustment for City and School staff), (c) the outlook for additional requests for City
26 operating needs in the upcoming fiscal year and future capital needs in the upcoming fiscal year
27 and succeeding 5 fiscal years, (d) the outlook for Federal and State grants and the costs of
28 meeting unfunded Federal and State mandates, both current mandates and projected new
29 mandates.
30

31 (3) That the Alexandria City School System shall separately present to City Council, but
32 in a format coordinated with the City Manager, its preliminary forecast and outlook for (a)
33 expenditures necessary to maintain appropriate services and policies, (b) the outlook for
34 additional requests for Schools operating in the upcoming fiscal year and capital needs through
35 the upcoming fiscal year and the succeeding five years, (c) the outlook for Federal and State
36 grants, and (d) the outlook for the costs of meeting unfunded Federal and State mandates, both
37 current mandates and projected new mandates.
38

39 (4) That as part of its fall Retreat, City Council will consider this information and any
40 other relevant information available to it at that time from the efforts described above, including
41 citizen input to be provided by a public hearing on the upcoming budget to be conducted prior to
42 City Council's fall Retreat.
43

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1 (5) That City Council shall, as a result of information available to it at the Retreat, direct
2 that the City Manager prepare a budget resolution to be adopted by City Council to guide the
3 preparation of the upcoming Operating Budget and next Capital Improvement Program and that
4 such a resolution would contain (a) a target for City General Fund expenditures growth
5 (including any cost of a cost-of-living adjustment (COLA) for City staff and cash capital and
6 debt service), and (b) a target for a budget transfer to the Alexandria City Public Schools
7 (including the cost of any COLA for School staff). ~~for operating expenses,~~

8
9 (6) City Council shall establish for the City Manager and the Schools what preliminary
10 percentage COLA should be included in the targets established in sections 5(a) and 5(b) above.
11 ~~(c) neither of the above targets shall include whatever cost-of-living adjustment is projected for~~
12 ~~City and School employees, (d) and (e) a calculation of the estimated difference between~~
13 ~~preliminary forecast revenues and the expenditure targets to be established by City Council for~~
14 ~~the upcoming fiscal year.~~

15
16 (7) ~~(6)~~ That City Council plans to adopt such a budget resolution during the month of
17 November.

18
19 (8) ~~(7)~~ That the Board of the Alexandria City School Schools is requested to approve an
20 Operating Budget and Capital Improvement Program by no later than January 31, prior to the
21 upcoming fiscal year. Such budget, if it shall exceed the Council approved budget targets for the
22 Operating Budget transfer ~~and Capital Improvement Program~~ given to the Alexandria City
23 Public Schools, shall clearly identify what operating programs and activities ~~and capital projects~~
24 would be funded if additional funding were provided above that target.

25
26 (9) ~~(8)~~ That the City Manager shall submit a proposed Operating Budget and Capital
27 Improvement Program to the City Council no later than the first legislative meeting in February,
28 that does not exceed the target for General Fund expenditure growth established by City Council,
29 and clearly identifies what operating programs and activities and capital projects would be
30 recommended if additional funding were provided, and/or what tax rate changes could be
31 enacted with whatever additional revenues might be available above the revenues needed to meet
32 the expenditure target and still provide a structurally sound budget, including a proposed real
33 estate tax rate necessary for financing the target budget, as well as provide tax, fee and other
34 revenue options necessary for financing the budget, as appropriate. The City Manager may
35 recommend, and Council may adopt, a different percentage COLA in his proposed budget than
36 that established by City Council under section 6 above, but such a recommendation shall not
37 change the targets established by sections 5 (a) and (b) above. The proposed Operating Budget
38 shall include as a line item of expenditure (instead of as a designation of fund balances) the cost
39 of any market-based salary adjustments proposed to maintain the City's ability to attract and
40 retain any class or classes of employee.

1 (10) ~~(9)~~ That City Council shall consider these recommendations and endeavor to enact
2 an Operating Budget and Capital Improvement Program that balances the needs of the
3 community with the community's ability to afford services to meet meeting those needs.
4

5 **Section (b) Proposed Budget for the City of Alexandria -**
6

7 (1) For purposes of this resolution, the proposed budget of revenue rates and expenditure
8 levels for the fiscal year shall be that proposed by the City Manager.
9

10 (2) For purposes of this resolution, the Office of Management and Budget shall provide
11 revenue and/or expenditure projections for any motion or amendment that could affect
12 the proposed budget specified in Section (b)(1).
13

14 **Section (c) Maximum Expenditure Levels May Not Exceed Sum of Projected Revenue and**
15 **Appropriation from Undesignated Fund Balance in Proposed Budget**
16

17 (1) It shall not be in order in the Alexandria City Council to consider any motion or
18 amendment to the proposed budget of the City of Alexandria if such motion or
19 amendment would have the effect of increasing any specific budget outlays above the
20 level of such outlays contained in the proposed budget specified in Section (b) of this
21 resolution, or would have the effect of reducing any specific revenues below the level
22 contained in the proposed budget specified in Section (b) of this resolution, unless such
23 motion or amendment makes at least an equivalent reduction in other specific budget
24 outlays, identifies an equivalent increase in other specific revenues, or an equivalent
25 combination thereof.
26

27 (2) In the Alexandria City Council, any appropriation from the Undesignated Fund
28 Balance or any like account beyond that proposed in the Manager's proposed budget shall
29 require an affirmative vote of five Council Members.
30

31 (3) In the event that the City Manager recommends final revenue adjustments that result
32 in a net increase or net decrease from the revenue estimates specified in section (b) of
33 this resolution, the net change in the revenue estimate shall be reflected as a change in the
34 proposed appropriation from the Undesignated Fund Balance. As specified in Section c
35 (2), any appropriation from the Undesignated Fund Balance beyond that proposed in the
36 Manager's proposed budget, including the net effect of final revenue adjustments, shall
37 require an affirmative vote of five Council Members.
38

39 (4) It shall not be in order for any member of the Alexandria City Council to initiate any
40 amendment to the proposed budget of the City of Alexandria which would increase any
41 specific budget outlay by more than \$100,000, unless written public notice of the
42 member's intent to offer such an amendment, and a general description of the proposed
43 amendment, is given to the City Manager and City Clerk at least one week prior to the
44 spring budget public hearing.
45

46 (a) The provisions of this paragraph may be waived if the proposed
47 amendment is raised by a member of the public at the spring budget
48 public hearing (but not an amendment raised at the separate public
49 hearing on the effective real estate tax) and at least one member of the
50 Alexandria City Council formally requests a budget memorandum

RESOLUTION NO. 2205

Budget Resolution Regarding the Processes To Be Used To Plan For and To Adopt Operating Budgets and Capital Improvement Programs

WHEREAS, the Alexandria City Council wishes to establish specific policies to guide upcoming budget deliberations to ensure responsible actions with current economic resources; and

WHEREAS, resolutions No. 2088, 2150, and 2166 and previously adopted by City Council have now expired; and

WHEREAS, City Council's deliberations on the budget each and every year reflect a balancing of the needs of the community, with the community's ability to afford services to meet those needs; and

WHEREAS, the City Council is committed to continue performing fully its obligations to provide the core services expected of a municipal government and to continue to provide quality services and facilities for the residents and businesses of Alexandria; and

WHEREAS, residential real estate taxes have borne an increasing share of the burden of paying for City and School services; and

WHEREAS, the City Council is committed to managing the growth of City General Fund operating and capital expenditures in order to help address the issue of increased residential real estate taxes; and

WHEREAS, the City Council is committed to assisting Alexandria City Public Schools in achieving its mission and being among the best in Northern Virginia; and

WHEREAS, the City Council is committed to maintaining a fair, reasonable and competitive compensation plan for City and School employees; and

WHEREAS, the City Council is committed to continuously improving City government effectiveness and efficiency, and expects the City Manager and City staff to focus on managing for results, and

WHEREAS, the City Council is committed to maintaining its top AAA/Aaa credit ratings; and

WHEREAS, the City Council desires to achieve the vision and strategic goals and objectives outlined in the City Council's adopted Strategic Plan; and

WHEREAS, sufficient time for the budget process is necessary for the City Council and the community to deliberate on the various issues raised given the budget's complexity and importance;

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) The Timing of the Setting of Budget Targets by City Council and the City Manager's Budget Submission to City Council

(1) That the City Manager shall plan and prepare the proposed Operating Budget and proposed six-year Capital Improvement Program and that such preparations shall include, but not be limited to, requests for City departments to identify efficiencies, low priority programs not crucial to achieving City Council strategic objectives, potential discretionary supplemental increases crucial to achieving City Council's strategic objectives, and potential City-wide process changes that would be beneficial to City operations and to the public.

(2) That the City Manager shall present to City Council in time for the fall Council Retreat a preliminary forecast and outlook for (a) revenues (including the outlook for real estate assessments), (b) expenditures necessary to maintain appropriate services and policies (including in the City Manager's forecast of cash capital and debt service costs related to the most recently approved Capital Improvement Program and estimates of the cost of an appropriate cost-of-living adjustment for City and School staff), (c) the outlook for additional requests for City operating needs in the upcoming fiscal year and future capital needs in the upcoming fiscal year and succeeding 5 fiscal years, (d) the outlook for Federal and State grants and the costs of meeting unfunded Federal and State mandates, both current mandates and projected new mandates.

(3) That the Alexandria City School System shall separately present to City Council, but in a format coordinated with the City Manager, its preliminary forecast and outlook for (a) expenditures necessary to maintain appropriate services and policies, (b) the outlook for additional requests for Schools operating in the upcoming fiscal year and capital needs through the upcoming fiscal year and the succeeding five years, (c) the outlook for Federal and State grants, and (d) the outlook for the costs of meeting unfunded Federal and State mandates, both current mandates and projected new mandates.

(4) That as part of its fall Retreat, City Council will consider this information and any other relevant information available to it at that time from the efforts described above, including citizen input to be provided by a public hearing on the upcoming budget to be conducted prior to City Council's fall Retreat.

(5) That City Council shall, as a result of information available to it at the Retreat, direct that the City Manager prepare a budget resolution to be adopted by City Council to guide the preparation of the upcoming Operating Budget and next Capital Improvement Program and that such a resolution would contain (a) a target for City General Fund expenditures (including any cost of a cost-of-living adjustment (COLA) for City staff and cash capital and debt service), and (b) a target for a budget transfer to the Alexandria City Public Schools (including the cost of any COLA for School staff).

(6) City Council shall establish for the City Manager and the Schools what preliminary percentage COLA should be included in the targets established in sections 5(a) and 5(b) above. .

(7) That City Council plans to adopt such a budget resolution during the month of November.

(8) That the Board of the Alexandria City School Schools is requested to approve an Operating Budget and Capital Improvement Program by no later than January 31, prior to the upcoming fiscal year. Such budget, if it shall exceed the Council approved budget targets for the Operating Budget transfer and Capital Improvement Program given to the Alexandria City Public Schools, shall clearly identify what operating programs and activities and capital projects would be funded if additional funding were provided above that target.

(9) That the City Manager shall submit a proposed Operating Budget and Capital Improvement Program to the City Council no later than the first legislative meeting in February, that does not exceed the target for General Fund expenditure growth established by City Council, and clearly identifies what operating programs and activities and capital projects would be recommended if additional funding were provided, and/or what tax rate changes could be enacted with whatever additional revenues might be available above the revenues needed to meet the expenditure target and still provide a structurally sound budget, including a proposed real estate tax rate necessary for financing the target budget, as well as provide tax, fee and other revenue options necessary for financing the budget, as appropriate. The City Manager may recommend, and Council may adopt, a different percentage COLA in his proposed budget than that established by City Council under section 6 above, but such a recommendation shall not change the targets established by sections 5 (a) and (b) above. The proposed Operating Budget shall include as a line item of expenditure (instead of as a designation of fund balances) the cost of any market-based salary adjustments proposed to maintain the City's ability to attract and retain any class or classes of employee.

(10) That City Council shall consider these recommendations and endeavor to enact an Operating Budget and Capital Improvement Program that balances the needs of the community with the community's ability to afford services to meet those needs.

Section (b) Proposed Budget for the City of Alexandria -

(1) For purposes of this resolution, the proposed budget of revenue rates and expenditure levels for the fiscal year shall be that proposed by the City Manager.

(2) For purposes of this resolution, the Office of Management and Budget shall provide revenue and/or expenditure projections for any motion or amendment that could affect the proposed budget specified in Section (b)(1).

Section (c) 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 (b) of this resolution, or would have the effect of reducing any specific revenues below the level contained in the proposed budget specified in Section (b) 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 (b) 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 c (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.

(4) It shall not be in order for any member of the Alexandria City Council to initiate any amendment to the proposed budget of the City of Alexandria which would increase any specific budget outlay by more than \$50,000, unless written public notice of the member's intent to offer such an amendment, and a general description of the proposed amendment, is given to the City Manager and City Clerk at least one week prior to the spring budget public hearing.

(a) The provisions of this paragraph may be waived if the proposed amendment is raised by a member of the public at the spring budget public hearing (but not an amendment raised at the separate public hearing on the effective real estate tax) and at least three members of the Alexandria City Council formally request a budget memorandum from staff in regard to such proposed amendment within 3 days of the public hearing.

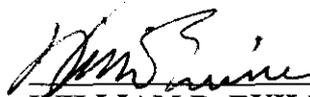
(b) The provisions of this paragraph also may be waived for good cause by an affirmative vote of five Council Members. As used in this paragraph, "good cause" shall include, but not be limited to, a change in the amount of state or federal funding included in the proposed budget.

Section (d) Adoption of Budget that exceeds target.

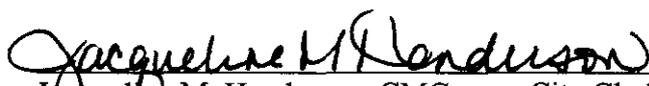
The adoption of a budget that in total exceeds the targets established in accordance with sections 5(a) and 5(b) (or the highest target if more than one target is established for each section) shall require an affirmative vote of five Council Members.

Section (e) Expiration – The provisions of this resolution shall expire on June 30, 2009.

ADOPTED: October 10, 2006


WILLIAM D. EULLE MAYOR

ATTEST:


Jacqueline M. Henderson, CMC City Clerk