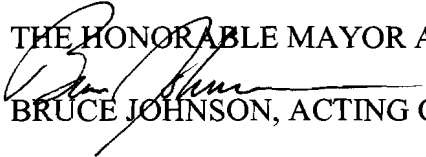


EXHIBIT NO. 1

3a  
5-24-11

City of Alexandria, Virginia

MEMORANDUM

**DATE:** MAY 20, 2011  
**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
**FROM:**  BRUCE JOHNSON, ACTING CITY MANAGER  
**SUBJECT:** MINUTES OF THE MAY 2, 2011 CITY COUNCIL BUDGET ADOPTION MEETING (DOCKET ITEM #3a)

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Attached for your information is a copy of an e-mail that describes an issue that arose when we reviewed the draft minutes of Council's May 2 Special Meeting on budget adoption. When we were reviewing the minutes for item 3, we recognized the need to clarify the motion made by Councilman Krupicka (page 5 of the minutes) to ensure that the real estate tax reserved for transportation projects is described appropriately. On Tuesday night, Councilman Krupicka has agreed to request that his motion be clarified. The attached e-mail provides the specific clarification.

**ATTACHMENTS:**

Attachment 1: May 20, 2011 e-mail from Kendel Taylor to Councilman Rob Krupicka

## Kendel Taylor

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**From:** Kendel Taylor  
**Sent:** Friday, May 20, 2011 2:04 PM  
**To:** Rob Krupicka  
**Cc:** Michele Evans; Bruce Johnson; Gloria Sitton  
**Subject:** Real Property Tax Motion clarification for Tuesday night

On Tuesday night, City Council will be approving the minutes from the May 2<sup>nd</sup> budget adoption. The City Attorney's Office noticed some contradictory language in the motion we wrote that night to describe the characteristics of the real property tax (i.e., dedications for stormwater and affordable housing and the reservation for transportation). In order for City Council to reserve the 2.2 cents for transportation improvement projects and not dedicate it, we would like to ask you to clarify the motion with the following edit –

**WHEREUPON**, upon motion by Councilman Krupicka, seconded by Councilwoman Pepper and carried unanimously by roll-call vote, City Council set the City's 2011 blended real property tax rate at ninety-nine point eight cents (\$0.998) on each \$100 of assessed value, an increase of two cents (\$0.02) from the 2010 rate. The 2011 real property tax rate contains the following dedications: The sum of six tenths of one cent on each \$100 of assessed value of the ninety-nine point eight cent real property tax rate will be dedicated for affordable housing purposes to continue to pay budgeted debt service on affordable housing bonds, beginning July 1, 2011; the sum of five tenths of one cent on each \$100 of assessed value of the ninety-nine point eight cent real property tax rate will be collected for stormwater management and segregated in a separate special revenue fund to address operating and capital needs related to stormwater management; ~~the sum of two point two cents on each \$100 of assessed value of the ninety-nine point eight real property tax rate will be collected and reserved for the Transportation Improvement Fund;~~ the sum of three tenths of one percent of total real property tax revenue will continue to be dedicated to the Open Space Trust Fund to continue to pay budgeted debt services on borrowing for open space purposes; **– Additionally, City Council establishes a source of revenue for transportation improvement projects by reserving 2.2 cents of the real property tax rate on each \$100 of assessed value.** The total blended real property tax rate for the City in 2011 will be ninety-nine point eight cents. Personal property tax rates remain unchanged from 2010.

This change will not affect the use of these funds exclusively for transportation capital and operating expenses, to be described in detail in a docket item for City Council's approval later in this session.

If you agree, let us know and we will send this note to the other City Council members with today's delivery for Tuesday night's session.

Please feel free to contact me if you have any questions or would like additional clarification.