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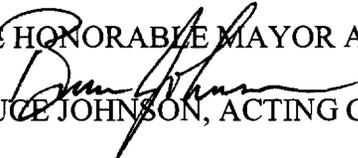
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6-14-11

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 7, 2011

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM:  BRUCE JOHNSON, ACTING CITY MANAGER

SUBJECT: APPROPRIATION ORDINANCE FOR FISCAL YEAR 2012

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) 2012.

RECOMMENDATION: That City Council pass the Ordinance on first reading and schedule it for public hearing, second reading, and final passage on Saturday, June 25, 2011.

DISCUSSION: On May 2, 2011, City Council approved the FY 2012 General Fund Budget and adopted an ordinance setting the City's real property and personal property tax rate for calendar year (CY) 2011. 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 expected encumbrances; and an appropriation from the Special Revenue Fund for new grants.

ADOPTED OPERATING BUDGET: Sections 1 - 9 of the attached proposed appropriations ordinance legally established the revenues and expenditures of the FY 2011 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. In addition, 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. Table I, which is attached to the ordinance, provides the detailed breakdown for all funds for each department and component unit. Table II, which is also attached to the ordinance, provides the detailed revenue estimate for all funds by the major sources of revenue.

APPROPRIATION OF FUND BALANCE FOR OTHER POST EMPLOYMENT

BENEFITS : Section 10 of the attached proposed appropriation ordinance appropriates General Fund fund balance to continue funding the City's obligation for other postemployment benefits for healthcare and life insurance. As discussed earlier, these funds are placed in a separate trust fund to be used to fund these benefits after retirement.

REAPPROPRIATION OF PROJECTED ENCUMBRANCES: Section 11 of the attached proposed appropriation ordinance reappropriates monies authorized and expected to be obligated in FY 2011 but not expected to be expended as of June 30, 2011. By City Charter, all 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 introduced in 2006, encumbrances are now authorized based on estimates of preliminary encumbrances. The actual encumbrance amount that is carried over from FY 2011 into FY 2012 may be lower than this amount. The final encumbrance amount that is carried over into FY 2012 will be reduced to reflect actual authorized encumbrances.

FISCAL IMPACT: This Ordinance authorizes the receipt and expenditure of \$778,629,908 for FY 2012 in the following funds (\$768,038,908 in sections 1 – 9, \$1,800,000 in section 10 and \$8,791,000 in section 11):

Section 1 to Section 9

General Fund	\$ 566,862,748
Special Revenue Fund	87,301,809
Housing Special Revenue Fund	3,820,315
Sewer Special Revenue Fund	7,500,000
Stormwater Special Revenue Fund	1,621,459
Capital Projects Fund	92,170,569
Equipment Replacement Internal Service Fund	5,245,088
Schools	232,832,953
Library	7,067,403
Alexandria Transit Company	12,567,000
Less: Interfund Transfers	<u>(248,950,436)</u>
Total	<u>\$ 768,038,908</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. 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 and Wastewater Fund amounts and each of the agency budgets for the City’s appropriation to these individual agencies.

Section 10

The appropriation of \$1,800,000 of General Fund Balance designated in FY 2012 Adopted Budget to fund Other Post Employment Benefits.

Section 10	Designated General Fund Balance	\$ 1,800,000
Total		<u>\$ 1,800,000</u>

Section 11:

The reappropriation of \$8,791,000 of General Fund Balance as the maximum monies encumbered as of June 30, 2011.

Section 11	Reappropriation of monies encumbered as of June 30, 2011	\$ 8,791,000
Total		<u>\$ 8,791,000</u>

ATTACHMENT:

Attachment 1: Appropriation Ordinance

STAFF:

Laura Triggs, Acting Chief Financial Officer

Kendel Taylor, Assistant Director, Office of Management and Budget

Introduction and first reading: 06/14/11
Public hearing: 06/25/11
Second reading and enactment: 06/25/11

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE making provision for the support of the government of the City of Alexandria, Virginia, for fiscal year 2012.

Summary

The proposed ordinance appropriates funds for the operation of the city government in fiscal year 2012.

Sponsor

Laura B. Triggs, Acting Chief Financial Officer

Staff

Laura B. Triggs, Acting Chief Financial Officer
James L. Banks, City Attorney
Christina Zechman Brown, Assistant City Attorney

Authority

§ 2.02(c), Alexandria City Charter

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

ORDINANCE NO. _____

AN ORDINANCE making appropriations for the support of the government of the City of Alexandria, Virginia, for fiscal year 2012.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That, pursuant to section 6.07 of the city charter, the sum of \$767,182,720 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 2011 and ending on the thirtieth day of June 2012.

Section 2. That, pursuant to section 6.07 of the city charter, the sum of \$767,182,720 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 2011 and ending on the thirtieth day of June 2012 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	\$1,459,005
18 th General District Court	62,452
18 th Juvenile Court	36,129
City Attorney	2,652,088
City Clerk and Clerk of Council	430,071
City Council	524,884
City Manager	1,789,977
Clerk of Court	1,573,322
Commonwealth's Attorney	2,836,362
Contingent Reserves	760,000
Court Services Unit	1,579,971
Economic Development	4,656,167
Emergency Communications	5,687,007
Finance	10,919,667
Fire	36,371,063
General Debt Service	43,438,079
General Services	12,655,991
Health	6,919,908
Human Rights	672,835

Human and Community Services	88,752,516
Human Services Contributions	2,033,259
Information Technology Services	7,519,965
Internal Audit	249,853
Law Library	170,096
Non-Departmental	11,787,933
Office of Communications	1,785,355
Office of Historical Alexandria	3,306,771
Office of Housing	3,820,315
Office of Management and Budget	1,236,389
Office of Code Administration	5,700,997
Other Correctional Activities	5,391,678
Other Educational Activities	12,288
Other Health Activities	1,138,600
Personnel	2,953,920
Planning & Zoning	5,505,665
Police	50,920,942
Real Estate Assessments	1,674,469
Recreation, Parks & Cultural Activities	20,228,126
Registrar of Voters	1,135,860
Sheriff	27,966,248
Transit Subsidies	21,128,422
Transportation and Environmental Services	31,278,250
Capital Projects	92,170,569
Component Unit-Library	7,067,403
Component Unit-Schools	232,832,953
Internal Services	<u>5,245,088</u>
TOTAL APPROPRIATIONS	\$ 768,038,908

Section 3. That, pursuant to section 6.07 of the city charter, the sum of \$768,038,908 appropriated in section 1 of this ordinance for the support of the City of Alexandria in the fiscal year beginning on the first day of July 2011 and ending on the thirtieth day of June 2012 be, and the same hereby is, further appropriated to the following principal objects of city expenditures:

<u>Object of Expenditures</u>	<u>Appropriation</u>
Personnel Service	\$ 242,116,927
Non-Personnel Services	175,807,220
Capital Outlay	231,748

Component Unit-Library	7,067,403
Component Unit-Schools	232,832,953
Component Unit-Alexandria Transit Company	12,567,000
Equipment Replacement	5,245,088
Capital Projects	<u>92,170,569</u>
TOTAL APPROPRIATIONS	\$768,038,908

Section 4. That the sum of \$768,038,908 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 2011 and ending on the thirtieth day of June 2012 is estimated to be derived from the following sources of revenue:

<u>Source of Revenue</u>	<u>Amount</u>
General Property Taxes	\$ 363,812,751
Other Local Taxes	121,330,000
Permits, Fees and Licenses	6,754,265
Fines and Forfeitures	4,764,000
Intergovernmental Revenue	153,156,232
Charges for Services	39,305,076
Revenue from Use of Money and Property	3,820,000
Miscellaneous Revenue	5,055,948
Bond Proceeds - Future Sale	50,120,000
Unreserved Fund Balance - General Fund: Subsequent Year's Budget as Designated	16,366,046
Unreserved Fund Balance – Special Revenue	0
Retained Earnings - Internal Services	<u>3,554,590</u>
TOTAL ESTIMATED REVENUE	\$768,038,908

Section 5. That, pursuant to section 6.14 of the city charter, the sum of \$92,170,569 be, and the same hereby is, appropriated for capital improvement project expenditures of the City of Alexandria and the Alexandria City Public Schools in the fiscal year beginning on the first day of July 2011 and ending on the thirtieth day of June 2012. This sum, which consists of the \$92,170,569 appropriated as Capital Projects in section 2 of this ordinance, is appropriated as follows: (i) \$70,184,094 to capital projects which are included in the city's government fiscal year 2010 - 2020 capital improvement program adopted by City Council on May 2, 2011; \$21,986,475 to the capital projects identified in the Alexandria City Public Schools' capital budget approved by the school board on May 12, 2011.

Section 6. That the sum of \$92,170,569 appropriated in section 5 of this ordinance for capital improvement project expenditures of the City of Alexandria and the Alexandria City

Public Schools in the fiscal year beginning on the first day of July 2011 and ending on the thirtieth day of June 2012 is estimated to be derived from the following sources of revenue:

<u>Source of Revenue</u>	<u>Amount</u>
Intergovernmental Revenue	\$ 13,275,000
Transfer In from Special Revenue – Potomac Yard Special District	510,380
Transfer In from Special Revenue - Stormwater	1,401,398
Transfer In from General Fund	15,665,986
Transfer In from Special Revenue Fund - Sewer	3,547,868
Use of Money and Property – Bond Interest Earnings	250,000
Miscellaneous Revenue	2,976,057
Designated General Fund Balance	4,423,880
Bond Proceeds - Future Sale	<u>50,120,000</u>
TOTAL ESTIMATED REVENUE	<u>\$ 92,170,569</u>

Section 7. That the sum of \$248,950,935 be, and the same hereby is, authorized to be transferred between the following funds maintained by the city, as set forth below:

<u>From</u>	<u>Amount</u>	<u>To</u>	<u>Amount</u>
General Fund	\$ 35,188,823	Special Revenue Fund - General	\$ 35,188,823
Special Revenue Fund - Sewer	1,394,903	General Fund	1,394,903
Special Revenue Fund	510,380	Capital Projects	510,380
General Fund	1,651,705	Special Revenue Fund - Affordable Housing	1,651,705
Special Revenue Fund - Sewer	3,547,867	Capital Projects	3,547,867
Special Revenue Fund - Stormwater	1,401,398	Capital Projects	1,401,398
General Fund	15,665,986	Capital Projects Fund	15,665,986
General Fund	174,956,420	Component Unit-Schools	174,956,420
General Fund	8,028,000	Component Unit-Alexandria Transit Company	8,028,000

General Fund	<u>6,604,953</u>	Component Unit-Library	<u>6,604,953</u>
TOTALS	<u>\$ 248,950,435</u>	TOTALS	<u>\$248,950,435</u>

Section 8. That the sum of \$768,038,908 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 2011 and ending on the thirtieth day of June 2012 is, for accounting purposes and in accordance with generally accepted accounting principles, attributed, for each city department, major operating unit, component unit and major category of expenditure, to the funds maintained by the city as shown in Table I on the pages following this ordinance.

Section 9. That the sum of \$768,038,908 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 2011 and ending on the thirtieth day of June 2012 is, for accounting purposes and in accordance with generally accepted accounting principles, attributed, for each major source of revenue, to the funds maintained by the city as shown in Table II on the pages following this ordinance.

Section 10. That the sum of \$1,800,000 be appropriated from fund for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2011 and ending on the thirtieth day of June 2012 is appropriated in the amounts set forth below:

ESTIMATED REVENUE:

Designated General Fund Balance	<u>\$ 1,800,000</u>
Total Estimated Revenue	<u>\$ 1,800,000</u>

APPROPRIATION:

Non Departmental	<u>\$ 1,800,000</u>
Total Appropriation	<u>\$ 1,800,000</u>

Section 11. That the Council of the City of Alexandria, Virginia, does hereby make provision for and appropriation to the funds hereafter named the amounts required to defray the expenditures and liabilities of the city for which commitments were established in the form of encumbrances or otherwise on or before June 30, 2011 but which are payable in fiscal year 2012 and for which amounts were appropriated but not expended in fiscal year 2011 and further that the council does hereby allot the amounts so appropriated to the several city departments for fiscal year 2012 as follows:

GENERAL FUND

Emergency Communications	\$ 17,000
Finance	900,000

Fire	228,000
General Services	600,000
Health	100,000
Human Resources	72,000
Human Rights	5,000
Human Services	900,000
Information and Technology Services	780,000
Internal Audit	2,000
Non-Departmental	232,000
Office of Communications	140,000
Office of Historic Alexandria	23,000
Office of Management and Budget	23,000
Office on Women	20,000
Other Correctional Activities	35,000
Planning and Zoning	300,000
Police	580,000
Real Estate Assessment	15,000
Recreation and Cultural Activities	340,000
Registrar of Voters	29,000
Sheriff	670,000
Transit Subsidies	480,000
Transportation and Environmental Services	<u>2,300,000</u>
Total General Fund	\$8,791,000

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

WILLIAM D. EUILLE
Mayor

Introduction: 06/14/11
First Reading: 06/14/11
Publication:
Public Hearing:
Second Reading:
Final Passage:

TABLE I

Department	General Fund	Housing Special Revenue Fund	Other Special Revenue Fund	Sewer Fund	Stormwater Fund	Capital Projects	Internal Service Fund: Equipment Replacement	Component Units			Total
								Schools	Library	Alexandria Transit Co.	
18th Circuit Court	\$ 1,459,005	\$	\$	\$			\$	\$	\$	\$	\$ 1,459,005
18th General District Court	62,452										62,452
18th Juvenile Court	36,129										36,129
Citizens Assistance	0		0								0
City Attorney	2,652,088										2,652,088
City Clerk and Clerk of the Council	430,071										430,071
City Council	524,884										524,884
City Manager	1,789,977										1,789,977
Clerk of Courts	1,573,322										1,573,322
Commonwealth's Attorney	2,585,888		250,474								2,836,362
Contingent Reserves	760,000										760,000
Court Services Unit	1,407,137		172,834								1,579,971
Economic Development	4,656,167										4,656,167
Emergency Communication	5,687,007										5,687,007
Finance	10,680,266		239,401								10,919,667
Fire	35,141,700		1,229,363								36,371,063
General Debt Service	43,438,079										43,438,079
General Services	12,486,884		169,107								12,655,991
Health	6,919,908										6,919,908
Human Rights	635,253		37,582								672,835
Human and Community Services	12,527,084		76,225,432								88,752,516
Human Services Contributions	2,033,259										2,033,259
Information Technology Services	7,519,965										7,519,965
Internal Audit	249,853										249,853
Law Library			170,096								170,096
Mental Health/Mental Retardation/ Substance Abuse											0
Non-Departmental	10,787,933		1,000,000								11,787,933
Office of Communication	1,785,355										1,785,355
Office of Historic Alexandria	2,795,870		510,901								3,306,771
Office of Housing		3,820,315									3,820,315
Office of Management and Budget	1,236,389										1,236,389
Office on Women											0
Other Correctional Activities	5,207,501		184,177								5,391,678
Other Educational Activities	12,288										12,288
Other Health Services	1,138,600										1,138,600
Personnel	2,947,920		6,000								2,953,920
Planning and Zoning	5,505,665										5,505,665
Police	50,890,942		30,000								50,920,942
Code	923,364		4,777,633								5,700,997
Real Estate Assessments	1,674,469										1,674,469
Recreation and Cultural Activities	19,507,560		720,566								20,228,126
Registrar of Voters	1,135,860										1,135,860
Sheriff	27,312,368		653,880								27,966,248
Transit Subsidies	8,561,422								12,567,000		21,128,422
Transportation and Environmental Services	28,086,976		413,983	2,557,230	220,061						31,278,250
Capital Improvement						92,170,569					92,170,569
Component Unit - Library								7,067,403			7,067,403
Component Unit - Schools								232,832,953			232,832,953
Internal Service							5,245,088				5,245,088
TOTAL	\$ 324,766,860	\$ 3,820,315	\$ 86,791,429	\$ 2,557,230	\$ 220,061	\$ 92,170,569	\$ 5,245,088	\$ 232,832,953	\$ 7,067,403	\$ 12,567,000	\$ 768,038,908

T A B L E II

Source of Revenue	General Fund	Housing Special Revenue Fund	Other Special Revenue Fund	Sewer Fund	Stormwater Fund	Capital Projects	Internal Service Fund: Equipment Replacement	Component Units			Total
								Schools	Library	Alexandria Transit Co.	
General Property Taxes	\$ 361,680,912	\$	510,380		1,621,459						\$ 363,812,751
Other Local Taxes	121,330,000										121,330,000
Permits, Privilege Fees and Licenses	2,049,975		4,704,290								6,754,265
Fines and Forfeitures	4,764,000										4,764,000
Intergovernmental Revenue	52,976,656	2,164,110	39,309,752			13,275,000		45,268,764	161,950		153,156,232
Charges for Services	14,709,303		6,770,673	7,500,000			1,690,498	3,795,102	300,500	4,539,000	39,305,076
Revenue from Use of Money and Property	3,570,000					250,000					3,820,000
Miscellaneous Revenue	762,000	4,500	817,891			2,976,057		495,500			5,055,948
Bond Proceeds						50,120,000					50,120,000
Unreserved Fund Balance - General Fund	3,624,999					4,423,880		8,317,167			16,366,046
Special Revenue											0
Capital Projects Fund											0
Sewer Fund											0
Retained Earnings - Internal Service Fund							3,554,590				3,554,590
TOTAL	\$ 565,467,845	\$ 2,168,610	\$ 52,112,986	\$ 7,500,000	\$ 1,621,459	\$ 71,044,937	\$ 5,245,088	\$ 57,876,533	\$ 462,450	\$ 4,539,000	\$ 768,038,908