

EXHIBIT NO. 1

3(a)
5-12-09

CITY COUNCIL OF ALEXANDRIA, VIRGINIA

Special Meeting

Monday, April 27, 2009 - - 7:00 p.m.

Present: Mayor William D. Euille, Vice Mayor Redella S. Pepper, Members of Council Ludwig P. Gaines, K. Rob Krupicka, Timothy B. Lovain, Paul C. Smedberg, and Justin M. Wilson.

Absent: None.

Also Present: Mr. Hartmann, City Manager; Mr. Spera, Acting City Attorney; Ms. Evans, Deputy City Manager; Mr. Jinks, Deputy City Manager; Mr. Castrilli, Communications Director, City Manager's Office; Mr. Gates, Assistant City Manager; Police Captain Ogden; Ms. Boyd, Director, Citizen Assistance; Mr. Johnson, Chief Financial Officer; Ms. Taylor, Office of Management and Budget; Mr. Routt, Office of Management and Budget; Mr. Doku, Office of Management and Budget; Mr. Eisinger, Office of Management and Budget; Mr. Schultz, Office of Management and Budget; Mr. Touhill, Office of Management and Budget; Ms. Wheel, Office of Management and Budget; Sheriff Lawhorne; Ms. Davis, Director, Office of Housing; Ms. Collins, Assistant City Manager/Director, Human Services; Mr. Baier, Acting Director, Recreation, Parks and Cultural Activities; Ms. Smith-Page, Director, Real Estate Assessments; Mr. Catlett, Director, Office of Fire and Code Administration; Mr. Chesley, Recreation, Parks and Cultural Activities; Mr. Hatfield, Office of Human Rights; Mr. Herway, Director, Office of Information Technology; Ms. Orr, Director, Human Resources; and Mr. Lloyd.

Recorded by: Jacqueline M. Henderson, City Clerk and Clerk of Council

OPENING

1. Calling the Roll.

The meeting was called to order by Mayor Euille, and the City Clerk called the roll; all the members of City Council were present.

REPORTS AND RECOMMENDATIONS OF THE CITY MANAGER FOR DISCUSSION

2. Consideration of the Proposed Annual Operating Budget for FY 2010 (including Schools) and the Proposed Capital Improvements Program for FY 2010-2015 (including the Schools CIP.)

WHEREUPON, a motion was made by Councilman Krupicka and seconded by Councilman Gaines, to adopt the annual general fund operating budget for FY 2010 of \$530,003,018 with the following amendments to the City Manager's Proposed Budget. The details of each amendment are described in the April 27, 2009, memo from the City Manager accompanying docket item #2 "FY 2010 Budget Adoption – Draft of Tentative Actions for Monday Night":

Technical expenditure decreases (net of increases) of \$315,325
Other expenditure increases (net of decreases) of \$6,046,299
Revenue re-estimate decreases (net of increases) of \$537,497
City Manager recommended increase in the use of Fund Balance of \$230,000
and
Tax and fee rate and new revenue increases of \$6,038,471.

The total increase in expenditures compared to the City Manager's Proposed Budget is \$5,730,974, including an increase in cash capital funding of the FY 2010 – 2015 Capital Improvement Program of \$3,700,038 and an increase in Contingent Reserves of \$1,543,160.

The FY 2009 operating budget requires an appropriation from Fund Balance of \$2,315,347, and an increase in the real property tax rate of \$0.058 (five point eight cents), from \$0.845 (eighty-four point five cents) to \$0.903 (ninety point three cents).

In addition, City Council authorized the City Manager to make technical adjustments to each affected Departmental Budget from the Non-Departmental Budget to reflect the proper allocation to departmental budgets of the adjustments related to items such as health insurance premiums, supplemental retirement for new employees and pension administration. The details of these adjustments will be presented for approval by City Council in the context of the FY 2010 Appropriations Ordinance in the June.

A MOTION WAS MADE by Councilmember Lovain to amend the motion by changing the total for the budget from \$530,003,018 to \$528,021,742 to account for a reduction of \$1,981,276 in cash to reduce borrowing under the CIP. The motion died for lack of a second.

The voting on the motion carried unanimously and is as follows:

Krupicka	"aye"	Pepper	"aye"
Gaines	"aye"	Lovain	"aye"
Euille	"aye"	Smedberg	"aye"
	Wilson	"aye"	

WHEREUPON, upon motion by Vice Mayor Pepper, seconded by Councilman Gaines and carried unanimously, City Council adopted the proposed FY 2010 to FY

2015 Capital Improvement Program of \$397,382,563 in total and \$383,919,241 in local funding, with \$78,991,710 in total and \$72,285,573 in local funding in FY 2010, \$85,881,320 in total and \$84,009,883 in local funding in FY 2011, \$54,110,738 in total and \$52,889,301 in local funding in FY 2012, \$61,812,556 in total and \$60,591,119 in local funding in FY 2013, \$56,168,436 in total and \$54,946,999 in local funding in FY 2014, \$60,417,803 in total and \$59,196,366 in local funding in FY 2015. The detailed changes for the FY 2010 CIP are described in docket item # 2. The voting was as follows:

Pepper	"aye"	Krupicka	"aye"
Gaines	"aye"	Lovain	"aye"
Euille	"aye"	Smedberg	"aye"
	Wilson	"aye"	

ORDINANCES AND RESOLUTIONS

- 3. Second Reading and Final Passage of an Ordinance on the Increase in Real Estate Tax Revenue, at a Rate Not to Exceed \$0.90.5 per \$100 of Assessed Value, Attributable to the Increase in Value of Assessed Property as of January 1, 2009, and Known as the "Effective Rate Increase" Pursuant to Section 58.1-3321 of the Virginia Code. (#8, 4/18/09) **[ROLL-CALL VOTE]**

(A copy of the City Manager's memorandum dated April 13, 2009, is on file in the Office of the City Clerk and Clerk of Council, marked as Exhibit No. 1 of Item No. 3; 4/27/09, and is incorporated as part of this record by reference.

A copy of the informal memorandum explaining the ordinance is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 2 of Item No. 3; 4/27/09, and is incorporated as part of this record by reference.

A copy of the ordinance referred to in the above item, of which each Member of Council received a copy not less than 24 hours before said introduction, is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 3 of Item No. 3; 4/27/09, and is incorporated as part of this record by reference.)

WHEREUPON, upon motion by Councilman Wilson, seconded by Councilman Gaines and carried unanimously by roll-call vote, City Council passed an ordinance to set the City's 2009 real property tax rate at \$0.903 (ninety point three cents) on each \$100 of assessed value, an increase of \$0.058 (five point eight cents) from the 2008 rate. Personal property tax rates remain unchanged from 2008. The sum of \$0.007 (seven tenths of one cent) on each \$100 of assessed value of the \$0.903 (ninety point three cents) real property tax rate, continues to be dedicated for affordable housing purposes to continue to pay budgeted debt service on affordable housing bonds, beginning July 1, 2009. (This change will be reflected in a subsequent ordinance amending City Code Section 3-1-5, to be introduced in May.) In addition, the sum of 0.3% (three tenths of a percent) of 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. The voting was as follows:

Wilson	"aye"	Pepper	"aye"
Gaines	"aye"	Krupicka	"aye"
Euille	"aye"	Lovain	"aye"
	Smedberg	"aye"	

The ordinance reads as follows:

ORDINANCE NO. 4587

AN ORDINANCE to amend and reordain Section 3-1-2 (OPEN SPACE TRUST FUND ACCOUNT) of Chapter 1 (GENERAL PROVISIONS) and Section 3-2-181 (LEVIED; AMOUNT) and Section 3-2-188 (CLASSIFICATION AND TAXATION OF CERTAIN COMMERCIAL AND INDUSTRIAL PROPERTY), of Division 1, (REAL ESTATE), and Section 3-2-221 (LEVIED ON TANGIBLE PERSONAL PROPERTY OTHER THAN MOBILE HOMES, AUTOMOBILES, TRUCKS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTOR VEHICLES WITH SPECIALLY DESIGNED EQUIPMENT FOR USE BY THE HANDICAPPED, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT), Section 3-2-222 (LEVIED ON MACHINERY AND TOOLS USED IN MINING OR MANUFACTURING BUSINESS; AMOUNT), Section 3-2-223 (LEVIED ON MOBILE HOMES; AMOUNT), Section 3-2-224 (LEVIED ON AUTOMOBILES, TRUCKS, TRAILERS, SEMI-TRAILERS ANTIQUE MOTOR VEHICLES, TAXICABS, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT) of Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS), all of Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-1-2 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended to read as follows:

Sec. 3-1-2 Open Space Trust Fund Account.

(a) Establishment of account. There is hereby established for the City of Alexandria a permanent account within the Capital Projects Fund to be known and designated as The City of Alexandria Open Space Trust Fund Account, which account shall be accounted for and maintained separate and apart from all other accounts maintained by the City of Alexandria.

(b) Funding of account. There is hereby assigned and appropriated to such account, and for the fiscal year commencing January 1, 2009 and in each succeeding fiscal year, from the tax on real estate levied pursuant to section 3-2-181 of this code, in addition to all other appropriations made to such account, if any, the sum of 0.3 percent of the total amount of tax so levied.

(c) Expenditures from account. Notwithstanding any contrary provision of law, appropriations from the said account shall be authorized and made exclusively to finance permanent open space public improvements included in the capital budget. Unexpended appropriations to such account shall not lapse or expire at the end of the fiscal year in which made, irrespective of whether such appropriations were encumbered within such fiscal year.

(d) Open space public improvements defined. As used in this section, permanent open space public improvements means land acquired by the city in fee or by perpetual easement, and dedicated to outdoor recreational and park uses, whether active, passive or natural resource area, for the use of the general public, together with accessory buildings and structures incidental and subordinate to the outdoor recreational and park uses of such acquired land, and capital expenditures including but not limited to, demolition, clean-up, grading, engineering and design work, and the acquisition and installation of furniture, structures, landscaping, apparatus and facilities, for such use and improvement of the site.

Section 2. That Section 3-2-181 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-181 Levied; amount.

There shall be levied and collected for the calendar year 2009 on all real estate located within the territorial boundaries of the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$0.903 on each \$100 of the assessed residential property value thereof and \$0.903 on each \$100 of the assessed commercial residential property value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 3. That Sec. 3-2-188 of The Code of the City of Alexandria, 1981 as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-188 Classification and taxation of certain commercial and industrial real property.

(a) Pursuant to the authority granted by Section 58.1-3221.3 of the Code of Virginia (1950), as amended, all commercial and industrial real property in the City of Alexandria classified by the General Assembly as a separate class of real property for

local taxation shall be designated, assessed and taxed as a separate class of real property. Such separate class of real property shall not include any residential uses excluded by Section 58.1-3221.3 of the Code of Virginia.

(b) In addition to all other taxes and fees permitted by law, the class of real property designated in this section may, and if imposed by ordinance shall, be subject to a real property tax, in addition to that imposed by City Code Section 3-2-181 and any other applicable law, at the rate established by the City Council of the City of Alexandria not to exceed the rate authorized by the Code of Virginia.

(c) All revenues generated from the real property tax imposed by this Section 3-2-188 shall be used exclusively for transportation-related projects and services that benefit the City of Alexandria.

(d) The real property tax imposed by this Section 3-2-188 shall be levied, administered, enforced and collected in the same manner as set forth in Subtitle III of Title 58.1 of the Code of Virginia and Chapter 2 of this Title for the levy, administration, enforcement and collection of local taxes.

(e) The director of the department of real estate assessments shall separately assess and set forth upon the City of Alexandria's land book the fair market value of that property that is designated as a separate class of real property in accordance with the provisions of this section.

(f) There shall be levied and collected for the calendar year 2009 on all real estate located within the territorial boundaries of the city and subject to taxation pursuant to this section, a tax of \$0.00 on each \$100 of the assessed value thereof, for the purposes set forth in subsection (c) above.

Section 4. That Section 3-2-221 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-221 Levied on tangible personal property other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and boat trailers; amount.

There shall be levied and collected for the calendar year 2009 on all tangible personal property, other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and trailers, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the

payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 5. That Section 3-2-222 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-222 Levied on machinery and tools used in mining or manufacturing business; amount.

There shall be levied and collected for the calendar year 2009 on all machinery and tools used in a mining or manufacturing business taxable on capital and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.50 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 6. That Section 3-2-223 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-223 Levied on mobile homes; amount.

There shall be levied and collected for the calendar year 2009 on all vehicles without motor power, used or designed to be used as mobile homes as defined in section 46.2-100 of the Code of Virginia, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$0.903 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 7. That Section 3-2-224 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-224 Levied on automobiles, trucks, trailers, semi-trailers, antique motor vehicles, taxicabs, motorcycles, campers and other recreational vehicles, boats and trailers; amount.

(a) Except as provided in subsections (b), (c) and (d), there shall be levied and collected for the calendar year 2009 on all automobiles, trucks, trailers, semi-trailers, antique motor vehicles (as defined in section 46.2-100 of the Code of Virginia, 1950, as amended, which may be used for general transportation purposes as provided in subsection C of section 46.2-730 of the Code of Virginia, 1950, as amended), taxicabs, motorcycles, campers and other recreational vehicles, boats and

boat trailers owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs for taxation in the city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(b) There shall be levied on and collected for the calendar year 2009 on all automobiles, trucks, trailers and semi-trailers with a gross vehicle weight of 10,000 pounds or more which are used to transport property for hire by a motor carrier engaged in interstate commerce, and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$4.50 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(c) There shall be levied on and collected for the calendar year 2009 on all automobiles and trucks which are equipped with specially designed equipment for use by the handicapped and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$3.55 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(d) There shall be levied on and collected for the calendar year 2009 on all privately owned pleasure boats and watercraft, which are used for recreational purposes only, and are owned or held by residents or citizens of the city, or are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$.01 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(e) For tax years commencing in 2006, the City adopts the provisions of Item 503.E of Chapter 951 of the 2005 Acts of Assembly (the 2005 revisions to the 2004-06 Appropriations Act, the "2005 Appropriations Act"), providing for the computation of tax relief under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, as a specific dollar amount to be offset against the total taxes that would otherwise be due but for the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, and the reporting of such specific dollar relief on the tax bill.

(i) The City shall, following adoption of the annual budget adopted pursuant to Chapter 25 of Title 15.2 of the Code of Virginia and sections 6.01 through 6.15 of the City Charter, set the rate of tax relief under this subsection at such a level that it is anticipated fully to exhaust relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth. Any amount of relief funds under the Personal Property

Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth, not used within the City's fiscal year shall be carried forward and used to increase the funds available for personal property tax relief under this subsection in the following fiscal year.

(ii) Personal property tax bills shall set forth on their face the specific dollar amount of relief under this subsection credited with respect to each qualifying vehicle, together with an explanation of the general manner in which such relief is allocated.

(iii) Allocation of relief under this subsection shall be provided in accordance with the general provisions of this section, as implemented by the specific provisions of the City's annual budget relating to relief under this subsection.

(iv) Relief under this subsection shall be allocated in such as manner as to eliminate personal property taxation of each qualifying vehicle with an assessed value of \$1,000 or less.

(v) Relief under this subsection with respect to qualifying vehicles with assessed values of more than \$1,000 shall be provided at a rate, annually fixed in the City budget and applied to the first \$20,000 in value of each such qualifying vehicle, that is estimated fully to use all relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth.

Section 8. That this ordinance shall become effective January 1, 2009, nunc pro tunc.

4. 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]

(A copy of the City Manager's memorandum dated April 15, 2009, is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 1 of Item No. 4; 04/27/09, and is incorporated as part of this record by reference.)

WHEREUPON, upon motion by Councilman Smedberg, seconded by Councilman Gaines and carried unanimously by roll-call vote, City Council adopted the resolution to increase the annual fee for the City's collection and disposal of solid waste, yard debris and recyclable materials from \$301 per household to \$331, which enables the City to continue the City's policy of 100 percent cost recovery of the full cost of residential refuse collection and disposal. The voting was as follows:

Smedberg	"aye"	Pepper	"aye"
Gaines	"aye"	Krupicka	"aye"
Euille	"aye"	Lovain	"aye"
	Wilson	"aye"	

The resolution reads as follows:

RESOLUTION NO. 2330

WHEREAS, under Section 2.07 of the City Charter, City Council has the authority to establish fees to be charged for services provided by the City; and

WHEREAS, under City Code Section 5-1-34(a), City Council is required from time to time, to set by resolution the annual fee that is to be paid by the owners of "required user property," as defined in Section 5-1-2 (12b) of the City Code, for the City's collection and disposal of solid waste, ashes and yard debris from their properties during the fiscal year; and

WHEREAS, in Resolution No. 2274, adopted May 5, 2008, City Council set the annual fee for such collection and disposal services at \$301.00; and

WHEREAS, City Council has now determined that it is necessary and desirable to increase the annual fee for such collection and disposal services to \$331.00;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA

1. That, beginning in fiscal year 2010, the annual charge for the collection and disposal of solid waste, ashes and yard debris from required user properties shall be \$331.00 per household, with each single-family, two-family and row dwelling in the City, and each separate dwelling unit in a building or structure in the City that contains four or fewer dwelling units, constituting a "household."

2. That the annual fee established in Section 1 above shall apply to collection and disposal services provided by the City during fiscal year 2010 and, unless and until revised by the City Council, to such services provided during subsequent fiscal years.

3. That Resolution No. 2274 is hereby repealed

4. That this resolution shall be effective on the date and at the time of adoption.

* * * * *

THERE BEING NO FURTHER BUSINESS TO BE CONSIDERED, upon motion by Vice Mayor Pepper, seconded by Councilman Gaines and carried unanimously, the City Council special meeting of April 27, 2009, was adjourned at 9:00 p.m. The voting was as follows:

Pepper	"aye"	Krupicka	"aye"
Gaines	"aye"	Lovain	"aye"
Euille	"aye"	Smedberg	"aye"
	Wilson	"aye"	

APPROVED BY:

WILLIAM D. EUILLE MAYOR

ATTEST:

Jacqueline M. Henderson, CMC, City Clerk