

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 1, 2009
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER *J*
SUBJECT: APPROPRIATION ORDINANCE FOR FISCAL YEAR 2010

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) 2010.

RECOMMENDATION: That City Council pass the Ordinance on first reading and schedule it for public hearing, second reading, and final passage on Saturday, June 13, 2009.

BACKGROUND: On April 27, 2009, City Council approved the FY 2010 General Fund Budget and adopted an ordinance setting the City’s real property and personal property tax rate for calendar year (CY) 2010. 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.

A. **ADOPTED OPERATING BUDGET:** Sections 1 - 9 of the attached proposed appropriations ordinance legally established the revenues and expenditures of the FY 2009 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.

B. **APPROPRIATION OF FUND BALANCE FOR OTHER POST EMPLOYMENT BENEFITS (OPEB) :** Section 10 of the attached proposed appropriation ordinance appropriates \$3.1 million General Fund fund balance as previously planned to grow the OPEB Trust to continue funding the City’s obligation for other postemployment benefits(retiree health and life insurance). As discussed earlier, these funds will be placed in a separate trust fund to be used to fund these benefits after retirement.

C. **REAPPROPRIATION OF PROJECTED ENCUMBRANCES:** Section 11 of the attached proposed appropriation ordinance reappropriates monies authorized and projected to be obligated in FY 2009 but not expected to be expended as of June 30, 2009. 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 2009 into FY 2010 may be lower than this amount. The final encumbrance amount that is carried over into FY 2010 will be adjusted to reflect actual authorized encumbrances. The \$7,705,000 requested appropriation will enable spending down encumbrances to occur slanting on July 1 until the actual appropriation encumbrances are known and reappropriated by Council in the fall of FY 2009.

FISCAL IMPACT: This Ordinance authorizes the receipt and expenditure of \$714,309,135 for FY 2010 in the following funds (\$703,504,135 in sections 1 – 9, \$3,100,000 in section 10 and \$7,705,000 in section 11):

Section 1 to Section 9

General Fund	\$ 530,003,018
Special Revenue Fund	81,521,138
Housing Special Revenue Fund	4,252,462
Sewer Special Revenue Fund	7,654,514
Capital Projects Fund	72,285,573
Equipment Replacement Internal Service Fund	4,649,822
Schools	211,019,067
Library	6,733,841
Alexandria Transit Company	11,409,000
Less: Interfund Transfers	<u>(226,024,300)</u>
Total	<u>\$ 703,504,135</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 Fund amount and each of the agency budgets for the City’s appropriation to these individual agencies.

Section 10

The appropriation of \$3,100,000 of General Fund Balance designated in FY 2010 Adopted Budget to fund Other Post Employment Benefits.

Section 10 Designated General Fund Balance	\$ <u>3,100,000</u>
Total	<u>\$ 3,100,000</u>

Section 11:

The reappropriation of \$7,705,000 of existing FY 2009 encumbrances.

Section 11	Reappropriation of monies encumbered as of June 30, 2009	\$ <u>7,705,000</u>
Total		\$ <u>7,705,000</u>

ATTACHMENT: Appropriation Ordinance

STAFF:

Bruce Johnson, Chief Financial Officer

Laura B. Triggs, Director of Finance

Kendel Taylor, Senior Analyst, Office of Management and Budget

Introduction and first reading: 06/09/09
Public hearing: 06/13/09
Second reading and enactment: 06/13/09

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE making provision for the support of the government of the City of Alexandria, Virginia, for fiscal year 2010.

Summary

The proposed ordinance appropriates funds for the operation of the city government in fiscal year 2010.

Sponsor

Laura B. Triggs, Director of Finance

Staff

Laura B. Triggs, Director of Finance
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 2010.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That, pursuant to section 6.07 of the city charter, the sum of \$703,504,135 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 2009 and ending on the thirtieth day of June 2010.

Section 2. That, pursuant to section 6.07 of the city charter, the sum of \$703,504,135 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 2009 and ending on the thirtieth day of June 2010 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	\$ 1,340,904
18 th General District Court	79,228
18 th Juvenile Court	34,155
Citizen Assistance	563,093
City Attorney	2,806,519
City Clerk and Clerk of Council	419,178
City Council	524,157
City Manager	1,654,638
Clerk of Court	1,563,551
Commonwealth's Attorney	2,866,019
Contingent Reserves	983,160
Court Services Unit	1,520,096
Economic Development	3,246,153
Finance	8,700,366
Fire	40,551,947
General Debt Service	37,418,614
General Services	11,549,392
Health	6,866,006
Human Rights	649,103

Human Services	54,604,373
Human Services Contributions	2,033,259
Information Technology Services	6,504,441
Internal Audit	223,233
Law Library	163,713
Mental Health/Mental Retardation/Substance Abuse	30,702,632
Non-Departmental	12,281,818
Office of Communications	1,306,261
Office of Historical Alexandria	3,041,230
Office of Housing	4,252,462
Office of Management and Budget	1,139,968
Office on Women	1,814,304
Other Correctional Activities	5,366,650
Other Educational Activities	12,304
Other Health Activities	1,038,600
Personnel	3,096,821
Planning & Zoning	5,337,436
Police	53,664,695
Procurement	910,105
Real Estate Assessments	1,516,494
Recreation, Parks & Cultural Activities	19,263,486
Registrar of Voters	1,070,439
Sheriff	26,887,310
Transit Subsidies	19,745,685
Transportation and Environmental Services	29,501,834
Capital Projects	72,285,573
Component Unit-Library	6,733,841
Component Unit-Schools	211,019,067
Internal Services	<u>4,649,822</u>
TOTAL APPROPRIATIONS	<u>\$ 703,504,135</u>

Section 3. That, pursuant to section 6.07 of the city charter, the sum of \$703,504,135 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 2009 and ending on the thirtieth day of June 2010 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	\$ 229,518,011

Non-Personnel Services	167,561,835
Capital Outlay	326,986
Component Unit-Library	6,733,841
Component Unit-Schools	211,019,067
Component Unit-Alexandria Transit Company	11,409,000
Equipment Replacement	4,649,822
Capital Projects	<u>72,285,573</u>
TOTAL APPROPRIATIONS	<u>\$ 703,504,135</u>

Section 4. That the sum of \$703,504,135 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 2009 and ending on the thirtieth day of June 2010 is estimated to be derived from the following sources of revenue:

<u>Source of Revenue</u>	<u>Amount</u>
General Property Taxes	\$ 329,451,111
Other Local Taxes	115,930,000
Permits, Fees and Licenses	6,629,109
Fines and Forfeitures	4,781,325
Intergovernmental Revenue	131,709,695
Charges for Services	36,854,123
Revenue from Use of Money and Property	5,353,189
Miscellaneous Revenue	2,556,191
Bond Proceeds - Future Sale	55,666,546
Unreserved Fund Balance - General Fund: Subsequent Year's Budget as Designated	11,672,511
Unreserved Fund Balance – Capital Projects Fund	
Unreserved Fund Balance – Sewer Fund	135,261
Retained Earnings - Internal Services	<u>2,765,074</u>
TOTAL ESTIMATED REVENUE	<u>\$ 703,504,135</u>

Section 5. That, pursuant to section 6.14 of the city charter, the sum of \$72,285,573 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 2009 and ending on the thirtieth day of June 2010. This sum, which consists of the \$72,285,573 appropriated as Capital Projects in section 2 of this ordinance, is appropriated as follows: (i) \$60,249,896 to capital projects which are included in the city's government fiscal year 2010 - 2015 capital improvement program adopted by City Council on April 27, 2009; \$12,035,677 the capital projects identified in the Alexandria City Public Schools' capital budget approved by the school board on February 5, 2009.

Section 6. That the sum of \$72,285,573 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 2009 and ending on the thirtieth day of June 2010 is estimated to be derived from the following sources of revenue:

<u>Source of Revenue</u>	<u>Amount</u>
Transfer In from General Fund	\$ 4,400,038
Transfer In from Special Revenue Fund - Sewer	4,745,050
Permits and Licenses	985,000
Use of Money and Property – Bond Interest Earnings	1,487,713
Designated General Fund Balance	5,001,226
Bond Proceeds - Future Sale	<u>54,073,839</u>
TOTAL ESTIMATED REVENUE	<u>\$ 72,285,573</u>

Section 7. That the sum of \$226,022,075, 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	\$ 34,930,146	Special Revenue Fund - General	\$ 34,930,146
Special Revenue Fund - Sewer	1,274,349	General Fund	1,274,349
General Fund	2,306,072	Special Revenue Fund - Affordable Housing	2,306,072
Special Revenue Fund - Sewer	4,745,050	Capital Projects	4,745,050
General Fund	4,400,038	Capital Projects Fund	4,400,038
General Fund	164,594,674	Component Unit-Schools	164,594,674
General Fund	7,699,000	Component Unit-Alexandria Transit Company	7,699,000
General Fund	<u>6,072,746</u>	Component Unit-Library	<u>6,072,746</u>
TOTALS	<u>\$ 226,022,075</u>	TOTALS	<u>\$ 226,022,075</u>

Section 8. That the sum of \$703,504,135 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 2009 and ending on the thirtieth day of June 2010, 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 following page of this ordinance.

Section 9. That the sum of \$703,504,135 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 2009 and ending on the thirtieth day of June 2010 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 following page of this ordinance.

Section 10. That the sum of \$3,100,000 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 2009 and ending on the thirtieth day of June 2010 is appropriated in the amounts set forth below:

ESTIMATED REVENUE:

Designated General Fund Balance	<u>\$ 3,100,000</u>
Total Estimated Revenue	<u>\$ 3,100,000</u>

APPROPRIATION:

Non Departmental	<u>\$ 3,100,000</u>
Total Appropriation	<u>\$ 3,100,000</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, 2009 but which are payable in fiscal year 2010 and for which amounts were appropriated but not expended in fiscal year 2009 and further that the council does hereby allot the amounts so appropriated to the several city departments for fiscal year 2010 as follows:

GENERAL FUND

Citizen Assistance	\$ 7,000
City Attorney	3,000
City Manager	4,000
Commonwealth's Attorney	7,000
Finance	980,000
Fire	250,000
General Services	100,000
Health	130,000
Human Rights	3000

Human Services	550,000
Information and Technology Services	695,000
Non-Departmental	300,000
Office of Communications	24,000
Office of Historic Alexandria	16,000
Office of Management and Budget	21,000
Office on Women	10,000
Other Correctional Activities	14,000
Personnel	7,000
Planning and Zoning	320,000
Police	291,000
Recreation and Cultural Activities	362,000
Registrar of Voters	11,000
Sheriff	500,000
Transit Subsidies	500,000
Transportation and Environmental Services	2,600,000
Total General Fund	\$ 7,705,000

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

WILLIAM D. EUILLE
Mayor

Introduction: 06/09/09
 First Reading: 06/09/09
 Publication:
 Public Hearing:
 Second Reading:
 Final Passage: