

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 14, 2001
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*
SUBJECT: BUDGET MEMO #46: APPROVED ADD/DELETE LIST

In order that the FY 2002 budget decisions by City Council are memorialized with a more detailed written record of actions than meeting minutes would contain, attached you will find an Approved Add/Delete list. This list notes what add/delete proposals were approved and not approved. It also provides text that qualifies, or elaborates upon, approved Council budget actions. By filing this in your FY 2002 Budget notebooks, you will have a document to reference during the fiscal year, in addition to the Approved Budget document which will be available at the beginning of July.

Attachment

cc: Mark Jinks, Assistant City Manager
Carol Moore, Acting Deputy Director, Office of Management and Budget

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
A. CITY MANAGER'S PROPOSED FY 2002 GENERAL FUND OPERATING BUDGET	\$349,925,820		\$346,425,820		

NOTE: The net effect of the following recommended revenue adjustments in items 1 through 7 below is a net decrease of \$574,000 in General Fund revenues for FY 2002. Budget Memo #14 supplied the details of \$674,000 in proposed decreases to expenditures necessary to more than offset this decrease in revenue projections. Since the expenditure decrease is \$100,000 greater than the decrease in revenues, undesignated fund balance increases by \$100,000. The expenditure decreases are listed as items #32 and #33 in "Expenditure Adjustments - Deletes" (Section C). It should be noted in accordance with Resolution #1998, any adjustment increasing General Fund fund balance of \$3,400,000 planned for use to support the FY 2002 budget requires a vote of 5 Council members.

B. REVENUE ADJUSTMENTS

- | | | | |
|----|---|-----------|----------|
| 1) | An increase of \$400,000 in the estimate of General Fund Sales Tax Revenue, to reflect revised projections based on receipts through March 31, 2001 (Budget Memo # 14). | \$400,000 | APPROVED |
| 2) | An increase of \$326,000 in the estimate of the Intergovernmental Revenues. This increase consists of an anticipated increase of \$276,000 in revenue for Law Enforcement Aid; and an increase of \$200,000 in the reimbursement from the State of Personal Property taxes. These increases are offset by decreases of \$100,000 in Compensation Board revenues; and a decrease of \$50,000 in ABC profits and wine taxes (Budget Memo # 14). | \$326,000 | APPROVED |
| 3) | An increase of \$300,000 in the estimate of General Fund Transient Lodging Revenue, to reflect revised projections based on actual revenues received through March 31, 2001 (Budget Memo # 14). | \$300,000 | APPROVED |

CITY OF ALEXANDRIA, VIRGINIA
 FY 2002 APPROVED ADD/DELETE LIST, PAGE 2

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
4) An increase of \$100,000 in General Fund Restaurant Meals Tax Revenue, to reflect revised projections based on actual revenues received through March 31, 2001 (Budget Memo #14).			\$100,000		APPROVED
5) A decrease of \$1,000,000 in the estimate of the General Fund Business License Tax Revenue, to reflect revised projections based on actual revenues received through March 31, 2001 (Budget Memo # 14).				\$1,000,000	APPROVED
6) A decrease of \$500,000 in the estimate of General Fund Personal Property Tax Revenue, to reflect revised projections based on actual revenues received through March 31, 2001 (Budget Memo #14).				\$ 500,000	APPROVED
7) A decrease of \$200,000 in the estimate of General Fund Penalties and Interest, to reflect revised projections based on actual revenues received through March 31, 2001 (Budget Memo #14).				\$ 200,000	APPROVED
[The net fiscal impact of the revenue adjustments noted in items 1-7 above is a net decrease in General Fund Revenues of \$574,000. Expenditure decreases of \$674,000 (see items #32 and #33) have been recommended to more than offset this revenue decrease.]					
8) A decrease of \$3,300,000 in the estimate of General Fund Real Property Tax Revenue to reflect a 1.5-cent decrease in the real property tax rate from \$1.11 to \$1.095 per \$100 assessed value. (Vice Mayor Cleveland's request)				\$3,300,000	NOT APPROVED

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	

C. EXPENDITURE ADJUSTMENTS

(Note: The Proposed FY 2002 Non-Departmental budget includes \$4,200,000 to fund a 3 percent general salary adjustment (COLA) for City and DASH employees, plus \$1,000,000 (proposed by the City Manager to be decreased to \$700,000 - see item #32) in the employer share of health care benefits for active and retired employees. These monies will be transferred to the appropriate departmental accounts pending City Council's approval of these compensation increases. It should also be noted that the City Manager's Proposed FY 2002 City appropriation to the Alexandria City Public Schools, in the amount of \$108,369,189, includes \$2,950,710 for the Schools' comparable share of cost of living increases recommended by the City Manager for City employees).

C1 - Compensation Adjustments

9)	Approve the 3 percent cost of living adjustment (COLA) for all City employees, including the City Manager, City Attorney, City Clerk and for City Council aides and the Mayor's aide.		Monies for a 3% COLA are included in FY 2002 Proposed Budget.		APPROVED
10)	Approve merit-in-step increases for all eligible city employees. The eligibility of the City Manager, City Attorney, and City Clerk for this increase shall be conditioned upon a satisfactory evaluation by City Council, and the amount of any increase shall be set by Council.		No net impact. Monies are included in FY 2002 Proposed Budget within each department's baseline budget.		APPROVED
11a)	Approve an increase in the employer share of health care benefits for active and retired City employees (from \$106.83 to \$120.00 per month) to help offset part of the expected cost increases.		No net impact. Monies are included in FY 2002 Proposed Budget.		APPROVED
11b)	Approve an increase in the City subsidy of retiree health insurance costs above the \$120.00 per month funded in the base budget.	\$200,000			APPROVED

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
12) Approve a vacancy factor adjustment to be applied to most City agencies and Departments.					APPROVED
13) Approve an adjustment to reduce the employer share of Virginia Retirement System (VRS) for City employees based on calculations.					APPROVED

C2 - Other Expenditure Adjustments

- 14) Add funding for expanded park maintenance services to include four full-time staff, seasonal staff and a half ton truck (FY 2002 Budget Document, page 8-163, and Budget Memo # 22).

Option A: Councilwoman Woodson's and Councilwoman Eberwein's request	\$268,210				NOT APPROVED
<u>Option B: Councilwoman Pepper's request*</u>	\$250,000				APPROVED
Option C: Councilman Euille's request*	\$300,000				NOT APPROVED

* Funds to be established as a contingent reserve to be released upon the City Manager's recommendation and City Council approval for park and center maintenance as well as for other maintenance needs of the Department.

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
15) Add \$144,918 in funding for expanded custodial maintenance to include four full-time custodians at four recreation centers (FY 2002 Budget Document, page 8-164, Councilwoman Woodson's request).	\$144,918				NOT APPROVED
16) Add \$50,000 in funding for a feasibility study and startup costs for a non-City teen center for 9 th - 12 th graders (Budget memo # 20, Councilwoman Woodson's request).	\$50,000 *				APPROVED
* This is a designation within existing Contingent Reserves.					
17) Add funding to create a subsidy to child day care provider maximum reimbursable rates. Funds to be used only if, and to the extent that, the State does not allow an increase in rates to those approved by the State for Arlington (Budget Memo #38).					
<u>Option A:</u> Councilwoman Woodson's request	\$150,000*				APPROVED
<u>Option B:</u> Councilwoman Pepper's request	up to \$200,000				NOT APPROVED
<u>Option C:</u> Councilman Euille's request	\$100,000				NOT APPROVED
* This is a designation within existing Contingent Reserves.					

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
18)	Request for \$25,000 in one-time funding to support First Night Alexandria with its visual and performing arts New Year's Eve 2001 celebration. City Council is supportive, but recommends that First Night submit an application to the Marketing Fund first, and return to Council if unsuccessful.				REFERRED TO THE MARKETING COMMITTEE
19)	Add \$20,000 for lighting along the paved pathway from the end of North Pickett Street to the Beatley Bridge (Holmes Run). This is an addition to Cash Capital and will be an addition to the CIP. (Vice Mayor Cleveland's, Councilwoman Eberwein's, Councilwoman Pepper's, and Councilman Euille's request).	\$20,000			APPROVED
20)	Add \$50,000 for the Alexandria Academy one time capital grant to be used as a partial match to federal Save America's Treasures funding. (Budget memo # 33, Mayor Donley, Councilman Euille's, and Councilwoman Pepper's request).	\$50,000*			APPROVED
	* This is an addition to the Contingent Reserves.				
21)	Add funding for the Alexandria Convention and Visitors Association (Budget Memo # 34, Councilman Euille's and Councilman Speck's request).	\$82,000			APPROVED
22)	Add \$50,000 \$35,000 in funding to be used to purchase replacement street trash cans (FY 2002 Budget Document, page 8-191, Councilman Euille's request).	\$35,000			APPROVED

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 FY 2002 APPROVED ADD/DELETE LIST, PAGE 7

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
23) Add \$35,000 in funding for a tractor with finish mower for the West End parks maintenance (FY 2002 Budget Document, page 8-164, Councilwoman Eberwein's request).	\$35,000				APPROVED
24) Add \$150,000 for Planning and Zoning for professional contract services for additional planning studies (Councilwoman Eberwein's and Councilman Euille's request).	\$150,000				APPROVED
25) Add \$71,000 for an additional Urban Planner II position in Planning and Zoning (FY 2002 Budget Document, page 8-115, Councilwoman Eberwein's request).	\$71,000*				APPROVED
* This is a designation within existing Contingent Reserves.					
26) Add \$83,000 for two new positions in the Department of Mental Health/Mental Retardation/Substance Abuse to expand medication management and case management (FY 2002 Budget Document, Page 8-83, Councilwoman Eberwein's request).	\$83,000				NOT APPROVED
27) Add \$35,000 to the Commission for the Arts for additional funding for Grant awards (Budget Memo #19, Councilman Speck's request).	\$35,000				APPROVED
28) Add \$9,000 for Chinquapin Rec Center Saturday Youth Nights for Middle School students (Budget Memo #9, Mayor Donley's request).	\$9,000				APPROVED

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
29) Add \$117,000 for 60-day residential treatment programs for adolescents at a substance abuse residential treatment facility (FY 2002 Budget Document, page 8-83, Mayor Donley's request).	\$117,000				NOT APPROVED
30) Add \$65,000 to enhance Therapeutic Recreation Mainstream programs (FY 2002 Budget Document, page 8-164, Budget Memo #23, Councilman Euille's and Councilwoman Woodson's request).	\$65,000				APPROVED
31) a) Add \$250,000 to Contingent Reserves. If needed, use would be for funding costs of school enrollment, if that enrollment exceeds the planned and budgeted 11,637 students. (Mayor Donley's request)	\$250,000				NOT APPROVED
b) Add \$400,000 to Contingent Reserves. If needed, use would be for funding costs of school enrollment, if that enrollment exceeds the planned and budgeted 11,637 students. (Mayor Donley's request)	\$400,000				APPROVED

DELETES

32) Delete \$300,000 from the City Health Insurance contingent. Savings are attributable to favorable contract negotiations with City Health insurance carriers. City Manager recommendation. (Budget Memo #14).		\$300,000			APPROVED
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	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
33) Delete \$374,000 \$499,000 from the planned City subsidy of Metrobus and Metrorail for FY 2002. Decrease is attributable to higher than expected State transit and gas taxes received through the Northern Virginia Transportation Commission as well as a lower WMATA budget approved for FY 2002. City Manager recommendation (Budget Memo #14).		\$499,000			APPROVED
34) <u>Mayor Donley's request</u>					APPROVED AT \$1,100,000
Delete \$176,000 from Contingent Reserves: (FY 2002 Budget Document, Page 7-52)		\$176,000			
Delete \$1,100,000 from the General Fund appropriation to the Schools due to the State lowering its VRS employer contribution rate in FY 2002.		<u>\$1,100,000</u>			
Total		\$1,276,000			
35) <u>Vice Mayor Cleveland's request</u>					NOT APPROVED
Delete \$2,575,000 from the proposed Cash Capital contribution to capital projects (FY 2002 Budget document, page 7-51) Note: Total non-departmental related capital spending held harmless (see Section II in this listing).		\$2,575,000			
Delete \$100,000 from the proposed FY 2002 funding for the Capital Development Office and delete the planned carry over of prior year funding in the amount of \$170,000, for a total of \$270,000 from the Capital Development Office (FY 2002 Budget Document, page 7-54).		\$ 270,000			
Also delete \$500,000 from Contingent Reserves: (FY 2002 Budget Document, page 7-52).		\$ 500,000			
Total		\$3,345,000			

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
36) <u>Councilwoman Eberwein's request</u>					NOT APPROVED
Delete \$250,000 from Contingent Reserves: (FY 2002 Budget Document, page 7-52)		\$250,000			
Also utilize \$462,180 from unreserved fund balance: FY 2002 Budget Document, page 4-63)		<u>\$462,180</u>			
		Total		<u>\$712,180</u>	
37) <u>Councilman Euille's request</u>					NOT APPROVED
Delete \$200,000 from proposed WMATA Operating Expenditures (FY 2002 Budget Document, page 8-173): (See #33)		\$ 200,000			
Delete \$750,000 from Contingent Reserves: (FY 2002 Budget Document, page 7-52)		\$ 750,000			
Delete \$185,000 from Compensated Absences Fund Balance Designation (FY 2002 Budget Document, page 4-61, Budget Memo #30):		\$ 185,000			
		Total		\$1,135,000	
38) <u>Councilwoman Pepper's request</u>					NOT APPROVED
Utilize \$545,000 from unreserved fund balance: (FY 2002 Budget Document, page 4-63)		\$545,000			
39) <u>Councilman Speck's request</u>					NOT APPROVED
Delete \$52,000 from Real Estate Tax Relief (FY 2002 Budget Document, page 7-53):		\$ 52,000			
Delete \$65,000 from compensation adjustments (FY 2002 Budget Document, page 7-54):		\$ 65,000			
		Total		\$117,000	

	<u>Expenditures</u>		<u>Revenues</u>		Council Action
	Add (1)	Delete (2)	Add (3)	Delete (4)	
40) <u>Councilwoman Woodson's request</u>					NOT APPROVED
Utilize \$636,128 from unreserved fund balance (FY 2002 Budget Document, page 4-63).		\$636,128			
D. APPROPRIATION FROM FUND BALANCE					
41) Make an appropriation from General Fund Balance necessary to balance the FY2002 Budget. (The City Manager's proposed budget includes an appropriation of \$3,500,000. Based on the recommended revenue and expenditure adjustments in Section B and C, this amount may change). All revenue and expenditure actions by City Council raised this appropriation to \$3,506,000.			\$6,000		APPROVED
E. RECESS TO ENABLE STAFF TO COMPLETE NECESSARY CALCULATIONS BEFORE ADOPTION OF THE TAX RATE ORDINANCE.					

<u>Expenditures</u>		<u>Revenues</u>		Council Action
Add (1)	Delete (2)	Add (3)	Delete (4)	

F. ADOPTION OF THE FY 2002 GENERAL FUND BUDGET AS AMENDED

Move to adopt the FY 2002 General Fund budget as amended in the following amounts:

APPROVED

<u>Total Expenditures</u>	<u>Total Revenues</u>
\$349,357,820	\$349,357,820

including a General Fund appropriation to the Alexandria City Public Schools of \$107,269,189 (\$108,369,189 was proposed and an adjustment in VRS costs by \$1.1 million resulted in the approved appropriation amount). See #34.

There is no increase proposed in the real property tax rate of \$1.11 (1 cent = \$2.2 million for the 18 months that this rate affects), and no increase proposed in the personal property tax rate of \$4.75 (1 cent = \$92,621).

G. ADOPTION OF THE FY 2002 TO FY 2007 CAPITAL IMPROVEMENT PROGRAM

APPROVED

The proposed FY 2002 to FY 2007 Capital Improvement Program totals \$197,306,214, with the following annual funding requirements: FY 2002--\$53,527,463; FY 2003--\$47,741,939; FY 2004--\$34,470,315; FY 2005--\$34,115,402; FY 2006--\$14,820,080; FY 2007--\$12,631,015. [City Council amended the Capital Improvement Program by \$20,000 in FY 2002 for Holmes Run Bridge Lighting (See #19). These totals, and the CIP funding plan, have been adjusted accordingly.]

H. CHANGES IN FUND BALANCE DESIGNATIONS TO BE USED FOR CAPITAL PROJECTS FUNDING

42) ~~Increase the City Manager's proposed designation for capital projects by \$2,575,000 from \$16,700,000 to \$19,275,000 to compensate for a proposed corresponding decrease in the proposed cash capital contribution for FY 2002 (Vice Mayor Cleveland's request).~~

NOT APPROVED