

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 11, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER

SUBJECT: BUDGET MEMO # 27: EXPENDITURE ADJUSTMENTS TO THE FY 2004 PROPOSED OPERATING BUDGET

As part of the analysis of revenues (Budget Memo# 26), City staff has also been reviewing the Proposed FY 2004 Operating Budget to determine if there are adjustments that can be made. The following list represents \$1.1 million in FY 2004 expenditures reductions, which makes \$1.1 million of resources now available for other uses:

1. Mayor Donley had raised the question of NVTC revenues which may be available to the City. In Budget Memo # 9 staff indicated that an analysis was due to the City from the Northern Virginia Transportation Commission on state transit aid that is provided by the state to NVTC on behalf of the City. Also, gas tax revenues have been analyzed. As a result, the proposed FY 2004 City operating subsidy to WMATA can be reduced from \$9.7 million to \$9.1 million. The \$600,000 savings derives from additional state transit aid (\$500,000) received and not previously expended in FY 2003 and (\$100,000) in additional gas tax revenues caused by higher gasoline prices this year to date and also received this year.
2. As noted in Budget Memo # 26, the plans for funding the additional sanitary sewer debt service and operating capital did not get included in the proposed operating budget and capital improvement program as intended. As a result, some \$1.1 million in revenues from the proposed 20-cent sanitary sewer rate increase was unintentionally omitted from the budget. To remedy that situation, some \$600,000 of fee revenues should be correctly counted as new FY 2004 revenue (see Budget Memo # 26 which covers revenue projection changes for FY 2004) in order to cover new sanitary sewer debt service included in the FY 2004 budget. The balance of the fee increase of \$500,000 will be counted as revenues to the capital projects (i.e., non-General Fund revenue) fund and thereby can reduce the General Fund cash capital transfer by \$500,000 from \$15.1 million to \$14.6 million.