

## City of Alexandria, Virginia

## MEMORANDUM

DATE: APRIL 11, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER <sup>S</sup>

SUBJECT: BUDGET MEMO #30 : PROPOSED FY 2004 HEALTH CONTINGENT FUND  
(MAYOR DONLEY'S REQUEST)

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This memo is in response to Mayor Donley's request for detail on the Health Department Contingent Fund of \$409,931 included in the FY 2004 proposed operating budget.

- The Health Department Contingent Fund has been an element of the Health Department budget for many years, as it historically has provided funds needed to cover shortfalls in the State/City Cooperative General Fund budget.
- It is projected that salaries for State-supported local employees will increase by 2.25 percent (approximately \$63,048) effective December 1, 2003, partial funding of which will come from the Health Contingent Fund. The remaining balance of \$346,883 is intended to purchase new medical equipment and furniture for the upcoming relocation of about 100 employees of the Health Department to the new King Street facility. The existing Health Department medical equipment and furniture has outlived its useful life and needs to be replaced, and it is highly unlikely that the State will provide much of the needed funds.