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City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 2, 2005
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER 
SUBJECT: BUDGET MEMO #121: FINAL FY 2006 ADD/DELETE LIST

The final FY 2006 Add/Delete List incorporates the revisions to the Preliminary Add/Delete List (Budget Memo #110) that were discussed by City Council at the April 27, 2005, budget work session, as well as additional revisions proposed by the Mayor and members of Council as representing a possible consensus on adds and deletes to the Proposed Operating Budget and CIP.

ATTACHMENTS:

- Attachment 1 - Summary of Final Add/Delete List
- Attachment 2 - Final FY 2006 Add/Delete List

Final Add Delete Summary List by Member
(Starts with Budget Memo #48 and revenue reestimates as base)

	Mayor's Proposed Final Add-Delete	Mayor Eulie	Vice Mayor Pepper	Councilman Krupicka	Councilman Smedberg	Councilman Macedonald	Councilman Gaines	Councilwoman Woodson
CIP Changes (FY 2006 Only)								
33	Maritime History Museum Study	\$0				\$25,000		
34	Old Town Utility Undergridding	\$0				\$1,000,000		
35	Windmill Hill Park Waterfront	\$0				\$3,000,000		
36	Gadsby Tavern HVAC Repairs	\$0				\$150,000		
37	Slow Down Planning and Development for All-Sports Complex	\$0			-\$1,250,000	-\$2,000,000		
38	Ft. Ward Repairs	\$0				-\$200,000		
39	Wilkes St. Tunnel	\$0				-\$200,000		
40	Stream Maintenance	\$0				-\$100,000		
41	City-Wide Sign Programs	\$0				-\$100,000		
42	New Fire Station	\$0				-\$600,000		
43	Space Management	\$0				-\$200,000		
44	Contingent Reserves Changes	-\$423,500	-\$160,000	-\$64,000		\$698,000	-\$101,100	-\$184,000
Fund Balance Changes								
45	Reduce Tax Rate to 9 cents (see associated tax rate change above)	\$0			\$1,341,000	\$1,341,000		
46	Sworn Public Safety Officer Compensation	\$0			-\$1,627,244	-\$1,412,685		
47	Union Station	\$0				-\$170,000		
48	New Police Facility	\$0				-\$2,000,000		
49	Alexandria Community Development Foundation	\$0				-\$100,000		
	Net Add-Delete Changes	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**A. CITY MANAGER'S PROPOSED
 FY 2006 GENERAL FUND
 OPERATING BUDGET**

Total Expenditures	\$470,709,766		
FY 2006 Proposed Revenues		\$466,379,766	
Appropriation from Fund Balance		\$4,330,000	
		\$470,709,766	

PLEASE NOTE: Cross-outs and shading (red) indicate changes made to items at the meeting of 4/27/05.

	EXPENDITURES	REVENUES	
	Add	Delete	Delete

B. REVENUE ADJUSTMENTS

**FY 2006 Revenue Re-estimates
 (Technical Adjustments)**

1 An increase of \$1.1 million in the estimate of General Fund Recordation Tax Revenue, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).

\$1,100,000

2 An increase of \$1.031 million in the estimate of Intergovernmental Revenue, to reflect \$0.4 million increase in the expected Personal Property Tax Reimbursement and a \$0.631 million increase in compensation board funding for the Sheriff and Finance Depts and the Offices of the Commonwealth's Attorney and the Clerk of the Courts (Budget Memo #49).

\$1,031,000

3 An increase of \$0.6 million in the estimate of General Fund Sales Tax Revenue, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).

\$600,000

4 An increase of \$0.53 million in the estimate of General Fund Personal Property Tax collection, to reflect an increase in the effort to identify and collect more in advance of the changes in State reimbursement practices (Budget Memo #49).

\$530,000

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	
5 An increase of \$0.3 million in the estimate of General Fund Use of Money and Property, to reflect higher interest rates (Budget Memo #49).			\$300,000		
6 An increase of \$0.264 million in the estimate of General Fund Bank Franchise Tax Revenue, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).			\$264,000		
7 An increase of \$0.2 million in the estimate of General Fund Transient Lodging Tax Revenue, to reflect revised projections based on receipts through March 31, 2005 and an anticipated growth rate in FY 2006. (Budget Memo #49).			\$200,000		
8 An increase of \$0.025 million in the estimate of General Fund Charges for Services to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #76).			\$25,000		
9 A decrease of \$1.9 million in the estimate of General Fund Business License Tax Revenue to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).				(\$1,900,000)	
10 A decrease of \$0.1 million in the estimate of General Fund Utility Tax Revenue to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).				(\$100,000)	

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	
11 A decrease of \$0.1 million in the estimate of General Fund Tobacco Tax revenue, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49).				(\$100,000)	
12 A decrease of \$0.1 million in the estimate of General Fund Fines and Forfeitures, to reflect revised projections based on receipts through March 31, 2005 (Budget Memo #49)				(\$100,000)	
			Sub-total Revenue Re-estimates (Technical Adjustments)		\$1,850,000
FY 2006 Revenue adjustments due to reduction in tax rate to 91.5 cents					
13 Loss of FY 2006 General Fund revenue in the amount of \$11.04 million due to additional 4 cent real estate tax rate reduction (Budget Memo #48).				(\$11,040,000)	
14 An increase of \$0.2 million in General Fund revenue reestimate of amount of elderly and disabled real estate tax relief due to additional 4 cent real estate tax rate reduction (Budget Memo #48).			\$200,000		
FY 2006 Revenue Adjustments due to reduction in the rate to 90.5 cents					
15 Loss of General Fund revenue in the amount of \$4,101,185 due to additional 1-cent real estate tax rate reduction. The effect on FY 2006 revenues is \$2,760,185. The effect on FY 2005 revenues is \$1,341,000 (see below) (Councilmen Krupicka and Smedberg)				(\$2,760,185)	
			Sub-total Revenue Adjustments due to reduction in tax rate Adjusted sub-total		(\$43,600,185) (\$10,840,000)

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	
FY 2006 New General Fund Revenue Sources <i>(Proposed in Budget Memo #48)</i>					
16 An increase of \$1.3 million in General Fund revenue with the addition of an admissions tax of 10 percent of gross admissions not to exceed \$0.50 per admission (Budget Memos #16, 17 and 48).			\$1,300,000		
17 An increase of \$1.7 million in General Fund revenue with the addition of a cell phone tax (Budget Memos #16 and 48).			\$1,700,000		
18 An increase of \$0.8 million in General Fund revenue with the increase of 20 cents per pack in Cigarette Taxes (Budget Memos #16 and 48).			\$800,000		
19 An increase of \$1.2 million in General Fund revenue with the increase of 20 cents from 80 cents to \$1.00 per 1,000 gallons for the Sanitary Sewer Use Fee (Budget Memos #16, 27 and 48).			\$1,200,000		
					\$5,000,000
					Sub-total new revenue sources

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	
CHANGES TO AFFORDABLE HOUSING SET-ASIDE					
20 (a) Increase General Fund revenue and reduce or eliminate \$3,650,000 of the Special Revenue set-aside from Recordation Tax to Affordable Housing. (Councilman Krupicka)			\$3,650,000		
(b) Increase General Fund revenue and reduce or eliminate \$650,000 of the Special Revenue set-aside from Recordation Tax to Affordable Housing. (Councilman Smedberg)			\$650,000		
(c) Increase General Fund revenue and reduce or eliminate \$2,760,185 of the Special Revenue set-aside from Recordation Tax to dedicated one cent for Affordable Housing in the General Fund. The effect on FY 2006 revenue is \$1,110,185. The effect on FY 2005 revenue is \$1,650,000. (Councilwoman Woodson, Councilmen Gaines and Krupicka)			\$1,110,185		
			Sub-total all FY 2006 Revenue Adjustments		(\$2,879,815)

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EXPENDITURES	REVENUES		COMMENTS
	Add	Delete	
C. EXPENDITURE ADJUSTMENTS			
C1 - Compensation Adjustments			
<p>21 Approve the 2.0 percent cost of living adjustment (COLA) for all City employees, including the City Manager, City Attorney, City Clerk and for all City Council aides and the Mayor's aides.</p>			<p>No net impact. Monies for a 2.0% COLA are included in FY 2006 Proposed Budget. (\$3.6M for City; \$2.54M Schools)</p>
<p>22 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.</p>			<p>No net impact. Monies are included in FY 2006 Proposed Budget within each department's baseline budget. (\$3.4M City only)</p>
<p>23 Approve an increase in the employer share of health care benefits for active and retired City employees to help offset part of the expected cost increases.</p>			<p>No net impact. Monies are included in FY 2006 Proposed Budget. (\$1.471M City only)</p>
<p>24 Approve the Pay Benchmark study and the funding needed in order to implement the results in accordance with Council's adopted compensation philosophy. (Budget Memo #10).</p>			<p>No net impact. Monies are included in FY 2006 Proposed Budget. (\$0.885M City)</p>
<p>25 Approve the adjustments to the salary scale to add a "p" step into the City's salary scale.</p>			<p>No net impact. Monies are included in FY 2006 Proposed Budget (\$0.475M).</p>

COMMENTS

REVENUES

Delete

Add

EXPENDITURES

Delete

Add

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C2 - Other Expenditure Adjustments

Adjustments recommended in Budget Memo #48. Budget memo #48 is the identification \$16.4 million in budget resources to pay for the additional 4 cent real estate rate reduction.

\$70,000

26 Add a 3.0 percent inflation adjustment to each of the FY 2006 budgets of the following economic development entities that have City-funded staff costs: ACVA \$50,000; AEDP \$17,000; SBDC \$2,000; and \$1,000 for the Eisenhower Avenue Public Private Partnership. The \$500,000 designation of fund balance for these entities will be eliminated (see below). Budget Memo #48.

\$66,755

27 In order to keep the Recreation Centers at current hours, reverse the expenditure reduction contained in the proposed budget for the reduction in Saturday hours and the elimination of Sunday operations at neighborhood recreation centers (Budget Memo #48).

\$62,643

28 Add \$62,643 to the estimated mandated costs of the Comprehensive Services Act administered by the Alexandria Community Policy Management Team (Budget memos #40 and 48).

(\$2,000,000)

29 Delete \$2.0 million from the operating budget subsidy from the City's General Fund to METRO due to a \$0.5 million decrease in the request to the City from METRO, and an increase in State Aid of \$1.5 million (Budget memos #48 and 50).

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	Add	Delete	Add	Delete	
<p>30 Reduction in the estimated cost of the Affordable Homeownership Preservation Grant Program (AHOP) at grant levels \$175 less than that proposed in the City Manager's Budget. The remaining grant amounts (\$675, \$475, and \$275 would still be more than last year's flat \$250 rate (Budget Memo #48).</p>		(\$250,000)			
<p>31 Eliminate three of the four JobLink positions proposed to be continued with City General Funds after the expiration of federal grant funding. The one remaining position would be dedicated to youth employment services (Budget Memo #48).</p>		(\$150,000)			
<p>32 Eliminate the proposed Management Analyst II position from the Department of Real Estate Assessments (Budget Memos #48 and 77).</p>			(\$68,296)		
<p>33 Eliminate new Telecommunications Staffing Support position proposed for the Information Technology Services Department (Budget Memo #48).</p>			(\$57,691)		
<p>34 Eliminate two new part-time positions proposed in the Parks, Recreation and Cultural Activities budget for events administration and volunteer/outreach coordination (Budget Memos #48 and 77).</p>			(\$56,368)		
<p>35 A reduction in the transfer for School's operations from the funding level recommended in the City Manager's proposed budget (Budget Memo #48).</p>				(\$1,160,000)	
<p>36 Reductions in Cash Capital General Fund contribution to the CIP (Budget Memo #48).</p>				(\$1,957,043)	

COMMENTS

REVENUES

Delete

Add

EXPENDITURES

Delete

Add

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SENIOR TAXI

37 (a) Add \$14,000 from Contingent Reserves to the Department of Human Services for Senior Taxi (Mayor Euille, Vice Mayor Pepper, Councilwoman Woodson, Councilmen Gaines, Krupicka, Macdonald and Smedberg) \$14,000

(b) Add \$14,000 from Other Sources for Senior Taxi for increased service needs (Councilmen Krupicka and Smedberg) \$14,000

(c) Add \$14,000 from Other Sources for Senior Taxi to pay for service cost overruns (Councilman Macdonald) \$14,000

(d) Add \$30,000 from Contingent Reserves for Senior Taxi to cover costs to operate this essential program (Mayor Euille) \$30,000

38 ALEXANDRIA CONVENTION & VISITORS ASSOC

Add \$50,000 from Contingent Reserves for the Alexandria Convention and Visitors Association (Vice Mayor Pepper and Councilwoman Woodson) \$50,000

39 SMALL BUSINESS DEVELOPMENT ASSOC

(a) Add \$20,000 from Contingent Reserves for the Small Business Development Center for small business development and expansion (Mayor Euille, Councilmen Krupicka and Smedberg, and Councilwoman Woodson) \$20,000

(b) Add \$60,000 from Other Sources for the Small Business Development Center to support the strengthening of retail, restaurant and small businesses in Alexandria (Councilman Krupicka) \$60,000

(c) Add \$60,000 from Other Sources for the Small Business Development Center (Councilman Smedberg) \$60,000

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	
40 ALEXANDRIA ARTS COMMISSION Add \$25,000 from Contingent Reserves for the Alexandria Arts Commission to support program requests (Mayor Euille)	\$25,000				
41 MARKETING FUND Add \$35,000 to Non-Departmental from Other Sources Contingent Reserves to the Marketing Fund to support regional retail and restaurant marketing (Councilmen Krupicka and Smedberg and Councilwoman Woodson)	\$35,000				
42 FIRST NIGHT ALEXANDRIA Add \$25,000 to Non-Departmental from Contingent Reserves for this event that has grown over the past several years and provides vital economic benefits to the City (Mayor Euille)	\$25,000				
43 NO-VA REGIONAL PARK AUTHORITY (a) Add \$10,000 from Contingent Reserves to support one-time funding to support programs and services at the Carlyle House Budget Memo #30 (Mayor Euille)	\$10,000				
(b) Add \$10,000 from Other Sources Contingent Reserves for a one-time grant for Carlyle House repairs Budget Memo #30 (Mayor Euille, Councilmen Krupicka, Macdonald and Smedberg)	\$10,000				
(c) Add \$5,000 from Other Sources for a one-time contribution to the Carlyle House Budget Memo #30 (Councilman Macdonald)	\$5,000				
44 CAMPAGNA CENTER (a) Add \$150,000 to DHS from Other Sources Contingent Reserves to partially fund Head Start and Campagna Kids funding request for employee increases to retain staff (Councilmen Gaines, Krupicka, Macdonald and Smedberg).	\$150,000				
(b) Add \$300,000 from Other Sources for education programs at the Campagna Center (Councilman Macdonald)	\$300,000				

Combined with #45 below.

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COMMENTS

REVENUES

EXPENDITURES

Delete

Add

Delete

Add

	EXPENDITURES	REVENUES	COMMENTS
	Add	Add	
45 PUBLIC ART ACCOUNT			
(a) Create a Public Art Account from Other Sources to support current Arts Commission Public Arts Policy Efforts. One-time grant. (Councilman Krupicka and Smedberg)	\$36,000		
(b) Add \$50,000 to Arts Commission from Other Sources Contingent Reserves to create a public arts initiative and related activities. Public Art Account to serve as a placeholder for Arts Commission efforts. One-time grant. (Mayor Euille, Councilmen Krupicka and Smedberg)	\$50,000		
46 USS ALEXANDRIA			
Add \$2,500 from Other Sources to the USS Alexandria in the form of matching funds. (Councilman Krupicka)	\$2,500		
47 PRESCHOOL REVIEW PROJECT			
Add \$5,000 to DHS from Other Sources Contingent Reserves for a Pre-School Review Project. Budget Memo #25. (Councilman Krupicka)	\$5,000		
48 "BE READY, ALEXANDRIA!"			
Add \$20,000 to the Fire Department from Other Sources Contingent Reserves to fund one-third of the needed funding for the "Be Ready Alexandria" Campaign. Budget Memo #9 (Councilmen Krupicka and Gaines)	\$20,000		
49 AFFORDABLE HOUSING			
Out of the \$3,650,000 Recordation Tax revenues set aside in the proposed budget, add \$2,760,185 as a dedication of one penny of the real estate tax to affordable housing as of July 1, 2005. The Recordation Tax would not be a dedicated source of funding for affordable housing. (Mayor Euille, Vice Mayor Pepper, Councilwoman Woodson, Councilmen Gaines, Krupicka, Macdonald and Smedberg)	\$2,760,185		
(a) Reallocate remaining \$899,815 in recordation tax funds to other purposes (Councilman Krupicka)			
(b) Maintain the remaining \$889,815 in the Special Revenue Fund from recordation tax funds for affordable housing. (Councilwoman Woodson)			

Combined with #40 above.

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	
50 PIPES AND DRUMS BAND					
Add \$3,000 to the Office of Historic Alexandria from Other Sources Contingent Reserves for the Pipes and Drums Band to increase support (Councilman Macdonald)	\$3,000				
51 POLITICAL SIGN RECYCLING					
Add \$1,500 from Contingent Reserves to the T&ES budget for the political sign recycling program in the fall of 2005. (Councilman Gaines) (Budget Memo #93)	\$1,500				
52 TREE CARE					
Add \$50,000 from Other Sources to the Department of Parks, Recreation and Cultural Activities to expand the Tree Care program. (Councilman Macdonald)	\$50,000				
53 KING STREET PLANNING					
Add \$25,000 from Other Sources to KSMET for King Street Planning (Councilman Macdonald)	\$25,000				
TRANSFER OF FUNDING					
54 HEALTHY FAMILIES					
Incorporate program funding for Healthy Families at the FY 2005 level of \$345,000 into a City department from the competitively bid Children's Fund. This will be accomplished by transferring funds from one department to another. It should be noted that this action will cause there to be less money in the Children's Fund for the competitive grant award process. (Mayer-Euille)					No net impact. Funds will be moved from a separate account into DHS.
General Fund Contingent Reserves					
55 Delete funding from Contingent Reserves (Vice-Mayer Pepper)				(\$64,000)	
56 Delete funding from Contingent Reserves (Mayer-Euille)				(\$140,000)	
57 Add to Contingent Reserves (Councilman Macdonald)	\$698,000				
Delete \$423,500 from Contingent Reserves (Various)				\$423,500	

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	
DELETES					
59 SCHOOLS OPERATING BUDGET					
Delete funding from the General Fund transfer to the Schools Operating Budget (in addition to the reductions recommended by the City Manager in Budget Memo #48). (Councilman Macdonald)				(\$1,000,000)	
60 NEW POLICE OFFICERS					
(a) Delete \$500,000 from the Police Department's budget and not hire 7 of the proposed 14 new police officers for patrol. (Councilman Macdonald)				(\$500,000)	
(b) Postpone 6 new Officers from February 2006 to August 2006. (Councilman Krupicka)				(\$324,126)	
61 HOMELAND SECURITY GRANT					
Eliminate City funding of lost federal Homeland Security grant. (Councilman Smedberg and Krupicka)				(\$50,000)	
62 P-STEP					
Provide only half of the "P" step for staff salaries for persons who are at the top of the pay scale by delaying implementation until mid-FY 2006. Provide the second half of the step in FY 2007 and consider establishing a merit-based approach. (Councilman Krupicka and Smedberg)				(\$237,500)	
63 ECONOMIC DEVELOPMENT					
Delete the 3 percent inflation funding recommended for the ACVA \$50,000; AEDP \$17,000; SBDC \$2,000; and \$1,000 for the Eisenhower Avenue Public Private Partnership. (Councilman Smedberg)				(\$70,000)	
64 FIRE DEPARTMENT					
Take savings originally proposed by the Fire Department (Budget Memo #11). (Councilman Krupicka)				(\$58,000)	
65 AEDP FACADE PROGRAM					
Eliminate the Facade Program. (Councilman Macdonald)				(\$100,000)	

COMMENTS

REVENUES

EXPENDITURES

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	
D. APPROPRIATION FROM FUND BALANCE					
66 Eliminate the designation of funds for economic development entities contained in the proposed budget. In lieu of, see #26 above for information on a 3.0 percent inflation adjustment to each of the FY 2006 budgets of the following economic development entities that have City-funded staff costs: ACVA \$50,000; AEDP \$17,000; SBDC \$2,000; and \$1,000 for the Eisenhower Avenue Public Private Partnership.				(\$500,000)	
67 Designate an additional \$65,000 for possible fuel cost increases due to the recent spike in fuel costs.	\$65,000				
68 Designate \$3,000,000 as set aside funds for any possible changes in compensation for sworn public safety (Police, Fire, Sheriff) employees that will be studied and presented to Council for consideration in FY 2006.	\$3,000,000				
69 Reduce Tax Rate to 9 cents (see associated tax rate change above) (Councilman Krupicka and Smedberg)					
70 SWORN PUBLIC SAFETY OFFICER DESIGNATION					
(a) Reduce the amount for the Sworn Public Safety Officer Compensation (Councilman Krupicka)				(\$1,627,244)	
(b) Reduce the amount for the Sworn Public Safety Officer Compensation (Councilman Smedberg)				(\$1,412,686)	
71 Reduce the prior year unallocated balance on the Union Station project (Councilman Macdonald)				(\$170,000)	
72 Reduce the prior year unallocated balance on the new Police Facility (Councilman Macdonald)				(\$2,000,000)	
73 Reduce the prior year unallocated balance in the Alexandria Capital Development Foundation (Councilman Macdonald)				(\$100,000)	

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	EXPENDITURES		REVENUES		COMMENTS
	Add	Delete	Add	Delete	

E. ADOPTION OF THE FY 2006 TO FY 2011 CAPITAL IMPROVEMENT PROGRAM

The proposed FY 2006 to FY 2011 Capital Improvement Program totals \$325,001,567, with the following annual funding requirements: FY 2006 - \$70,650,626; FY 2007 - \$62,252,692; FY 2008 - \$83,469,735; FY 2009 - \$52,255,654; FY 2010 - \$31,117,384; FY 2011 - \$25,255,476. [In the event Council approves amendments to the Capital Improvement Program, these totals, and the CIP funding plan, will be adjusted accordingly.]

Adjustments recommended in Budget Memo #48. Budget memo #48 is the identification \$16.4 million in budget resources to pay for the additional 4 cent real estate rate reduction.

- 74 Add \$2,170,000 to restore funding to the CY 2006 CIP for the renovation of the Charles Houston Recreation Center. \$2,170,000
- 75 Reduce \$2,130,000 in previously planned funding for the design of the new Police Headquarters. This change will not significantly impede the project due to the time required for the site selection process to conclude. (\$2,130,000)
- 76 Reduce and cancel unallocated balances from prior years in the amount of \$1.8 million for renovations to Market Square. These funds will be restored to the CIP in FY 2007 when this project is now expected to be ready for design and construction. (\$1,803,890)
- 77 Reduce by \$1.5 million the project funding contained in the City's Information Technology Plan from FY2006 to FY 2007 or later. \$221,000 of this amount is a reduction in prior year unallocated balances and \$1,279,000 is a reduction in FY 2006 expenditures. (\$1,500,000)
- 78 Reduce by \$1.0 million new funding for the next phase of the Old Town utility undergrounding project. (\$1,000,000)

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	Add	Delete	Add	Delete	
79 Reduce funding by \$250,000 to reflect the fact that the cost of moving a sewer line contained in the budget for the new DASH bus facility can be funded by State Urban Funds.		(\$250,000)			
80 Reduce funding by \$200,000 for the School Bus Parking Lot Expansion pending a redesign of the possible use of space in this location as part of the possible relocation of the Police Headquarters and related changes in the area.		(\$200,000)			
81 Eliminate \$150,000 of the \$350,000 requested for the establishment of a School's "hot site" for maintaining information technology (IT) services in the event of an emergency at the regular location for IT equipment. These costs should be able to be reduced as a result of City/Schools collaboration on locating the School's hot site at the new City Network Operations Center in Tavern Square.		(\$150,000)			
SUB-TOTAL CIP changes due to Budget Memo #48.					
82 Add \$25,000 to FY-2006 as a one-time study for a Maritime History Museum. (Councilman-Macedonald)	\$25,000				
83 Add \$1,000,000 to FY-2006 for Old Town Utility Undergrounding (Councilman-Macedonald)	\$1,000,000				
84 Add \$3,000,000 to FY-2006 for Windmill Hill Park Waterfront. (Councilman-Macedonald)	\$3,000,000				
85 Add \$150,000 to FY-2006 for repairs to the Gadsby's Tavern HVAC system. (Councilman-Macedonald)	\$150,000				
					(\$4,863,890)

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COMMENTS

	EXPENDITURES		REVENUES		Delete
	Add	Delete	Add	Delete	
ALL SPORTS FACILITY					
86					
(a) Delete \$1,250,000 from FY 2006 from the All Sports Facility (Councilman Krupicka)		(\$1,250,000)			
(b) Delete \$2,000,000 from FY 2006 from the All Sports Facility (Councilman Smedberg)		(\$2,000,000)			
87					
Delete \$200,000 from FY 2006 for repairs that are no longer needed at Ft. Ward. (Councilman Macdonald)		(\$200,000)			
88					
Delete \$200,000 from FY 2006 for repairs to the Wilkes Street Tunnel that are not needed at this time. (Councilman Macdonald)		(\$200,000)			
89					
Delete \$100,000 from FY 2006 for maintenance to the Cameron Run Stream. (Councilman Macdonald)		(\$100,000)			
90					
Delete \$100,000 from FY 2006 from the City-wide Sign Program. (Councilman Macdonald)		(\$100,000)			
91					
Delete \$600,000 from FY 2006 for the proposed Fire Station in the Eisenhower Valley. (Councilman Macdonald)		(\$600,000)			
92					
Delete \$200,000 from FY 2006 from the Space Management Plan. (Councilman Macdonald)		(\$200,000)			

As a result of the changes above, the approved FY 2006 to FY 2011 Capital Improvement Program totals \$324,751,567, with the following annual funding requirements: FY 2006 - \$67,811,626; FY 2007 - \$66,866,582; FY 2008 - \$83,469,735; FY 2009 - \$52,255,654; FY 2010 - \$31,117,384; FY 2011 - \$25,255,476.

**Docket Item #2
FY 2006 BUDGET
FINAL ADOPTION**

I move the adoption of the proposed operating budget of expenditure levels of \$467,829,951 and revenue levels of \$467,829,951, with the following amendments to the City Manager's Proposed Budget:

- Reflecting Revenue Reestimates as specified in Budget Memorandum #49, dated April 16, 2005; and
- Reflecting Additions and Deletions, fund balance designation changes, and cash capital reductions as proposed in Budget Memorandum #48, dated April 16, 2005.

Revenue Changes Due to Changes in Set-Aside for Affordable Housing Purposes:

- Reduce set-aside of Recordation Tax for affordable housing purposes and increase General Fund Revenue by the same amount Increase \$1,110,185

Additional Expenditure Adjustments:

- Add funds for the dedication of \$0.01 of the real property tax rate of \$0.915 for affordable housing purposes Increase \$2,760,185
- Add funds to the Department of Human Services for the Senior Taxi Program Increase \$14,000
- Add funds to the Alexandria Convention and Visitors Association Increase \$50,000
- Add funds to the Alexandria Small Business Development Center Increase \$60,000
- Add funds to the Non-Departmental account for the Marketing Fund Increase \$35,000
- Add funds to the Non-Departmental account for First Night Alexandria Increase \$25,000
- Add funds to Northern Virginia Regional Park Authority for a one-time grant for Carlyle House Increase \$10,000

- Add funds to the Department of Human Services for Campagna Center’s Head Start for improving employee compensation Increase \$150,000
- Add funds to the Department of Human Services for a Preschool Review Project Increase \$5,000
- Add funds to the Fire Department for the “Be Ready, Alexandria” Campaign Increase \$20,000
- Add funds to the Office of Historic Alexandria for additional funding for the Pipes and Drum Band Increase \$3,000
- Add funds to the Department of Transportation and Environmental Services for Election Sign Recycling Increase \$1,500

Further, this motion makes the following changes in the Contingent Reserves:

- Delete funds from Contingent Reserves Decrease \$373,500
- Designate funds within the Contingent Reserves for the Arts Commission to plan for and implement a study on the establishment of a public arts initiative and related activities Designate \$50,000

Further, this motion includes:

- Approval of a COLA of 2.0 percent for City employees, including the City Manager, City Attorney, City Clerk, and for City Council Aides and the Mayor’s Aides;
- Approval of merit step increases for all eligible employees;
- Approval of an increase of employer share of health care benefits;
- Approval of the funding needed to implement the results of the Pay Benchmark Study in accordance with Council’s adopted compensation philosophy;
- Approval of an increase in employer share of the Supplemental Retirement System, and the old pension plan for Fire and Police; and
- Approval of adjustments to the salary scale to add a “P” step to the City’s salary scale.

The proposed amendments result in no change in the appropriation from Fund Balance in the amount of \$4,330,000.

The elements of this motion result in a real property tax rate of \$0.915, with \$0.01 being designated for the cash capital contribution to the capital projects fund for Open Space, and with \$0.01 being designated for affordable housing purposes; and a personal property tax rate of \$4.75.

MOTION TO ADOPT REVISED CAPITAL IMPROVEMENT PROGRAM

I move the adoption of the proposed FY 2006 to FY 2011 Capital Improvement Program of \$324,751,567 in total, with \$67,811,626 in FY 2006; \$66,866,582 in FY 2007; \$83,469,735 in FY 2008; \$52,255,654 in FY 2009; \$31,117,384 in FY 2010; and \$25,255,476 in FY 2011, with the following changes to the City Manager's proposed Capital Improvement Program:

- Reflecting Revenue Reestimates as specified in Budget Memorandum #49, dated April 16, 2005; and
- Reflecting Additions and Deletions, fund balance designation changes, and cash capital reductions as proposed in Budget Memorandum #48, dated April 16, 2005.