

CITY COUNCIL OF ALEXANDRIA, VIRGINIA

Special Meeting
Monday, May 7, 2007 - - 7:00 p.m.

Present: Mayor William D. Euille, Vice Mayor Andrew H. Macdonald, Members of Council Ludwig P. Gaines, K. Rob Krupicka, Timothy B. Lovain, Redella S. Pepper and Paul C. Smedberg.

Absent: None.

Also Present: Mr. Hartmann, City Manager; Mr. Pessoa, City Attorney; Ms. Evans, Deputy City Manager; Mr. Jinks, Deputy City Manager; Police Lt. Uzzell; Ms. Boyd, Director, Citizen Assistance; Mr. Johnson, Director, Office of Management and Budget; Ms. Murphy, Budget Analyst, Office of Management and Budget; Ms. Taylor, Budget Analyst, Office of Management and Budget; Ms. Salerno, Budget Analyst, Office of Management and Budget; Mr. Stewart, Budget Analyst, Office of Management and Budget; Mr. Doku, Budget Analyst, Office of Management and Budget; Mr. Eisinger, Budget Analyst, Office of Management and Budget; Mr. Routt, Budget Analyst, Office of Management and Budget; Mr. Kincannon, Director, Recreation, Parks and Cultural Activities; Mr. Culpepper, Deputy Director, Transportation and Environmental Services; Mr. Mason, Special Assistant to the City Manager; Ms. Davis, Director, Office of Housing; Ms. Smith-Page, Director, Real Estate Assessments; Mr. Howard, Director, Personnel Services; Mr. Fifer, e-Government Manager, Information Technology; Ms. Baker, Director, Office on Women; and Mr. Lloyd.

Recorded by: Jacqueline M. Henderson, City Clerk and Clerk of Council

City Council held a work session on the add-delete for the Budget at 6:00 p.m. in the Council Work Room.

OPENING

1. Calling the Roll.

The meeting was called to order by Mayor Euille, and the City Clerk called the

roll; all the members of City Council were present.

REPORTS AND RECOMMENDATIONS OF THE CITY MANAGER FOR DISCUSSION

2. Consideration of the Proposed Annual Operating Budget for FY 2008 (including Schools) and the Proposed Capital Improvements Program for FY 2008-2013 (including the Schools CIP.)

(A copy of the City Manager's memorandum dated May 4, 2007, is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 1 of Item No. 2; 5/7/07, and is incorporated as part of this record by reference.)

WHEREUPON, upon motion by Councilwoman Pepper, seconded by Councilman Gaines and carried unanimously, City Council adopted the FY 2008 general fund operating budget overall expenditure levels of \$519,494,732 and revenue levels of \$519,494,732, which represent a 4.38% increase over the FY 2007 operating budget and reflect: a City government general fund operating budget of \$359,255,035, which incorporates \$61,437 in technical City expenditure adjustments and \$5,796,000 in net City expenditure increases from the FY 2008 proposed budget as specified in docket item #2, section I and represents a 3.3% increase over the adjusted FY 2007 City government operating budget.

Technical expenditure re-estimates to proposed budget

\$30,087	Animal Welfare League contract inflationary increase
\$(26,917)	Commonwealth's Attorney impact of increase in State revenue
\$(12,791)	Other Public Safety decrease in required supplement for Adult Probation and parole
\$(26,742)	Health Department withdrawn supplemental request
\$(11,000)	Court Service Unit increase in State revenues
\$123,800	DHS increase in Comprehensive Services Act (CSA) funding - Budget memo #57
\$(15,000)	Cash Capital decrease
\$61,437	Total Technical Expenditure Adjustments

Changes to Proposed City General Fund Operating Budget Expenditures

\$2,770,000	1.5 percent cost-of-living adjustment (COLA) for City employees (after eliminating the Q-step) Budget memo #'s 19, 20, 21, 34 and 61
\$877,000	DHS Programs (add to contingent reserves) - Budget memo #13
\$780,000	Red Light Programs - Budget memo #24
\$80,000	100 year-old buildings study - Budget memo #47
\$75,000	Inventory of Alexandria Global Warming Emissions
\$65,000	Sheriff (Deputy Sheriff Position) - Budget memo #54
\$240,000	Sheriff Deputy Position Reclassification - Budget memo #54
\$49,000	Environmental Action Plan Efforts

\$900,000 Transportation Improvements - Budget memo #53
 \$(40,000) Decrease in Funds to Contingent Reserves
 \$5,796,000 Net City Expenditure Increases and Reductions

A transfer to the Schools of \$160,239,697 from the general fund to the school operating fund, which reflects a 6.9 percent increase over the FY 2007 general fund transfer, as well as incorporates a \$4,739,697 addition to the FY 2008 proposed general fund as specified in docket item #2, section I:

Change in Proposed Transfer to Alexandria City Public Schools Operating Budget

\$2,650,000 Increase in the General Fund transfer to the Alexandria Schools Operating Budget (FY 2008 proposed Operating Budget, p. 9-3 and Budget memos #12, 16, 29 and 71)
 \$2,089,697 1.5 percent cost-of-living adjustment (COLA) for School Employees
 \$4,739,697 Total Schools Transfer

The voting was as follows:

Pepper	"aye"	Macdonald	"aye"
Gaines	"aye"	Krupicka	"aye"
Euille	"aye"	Lovain	"aye"
	Smedberg	"aye"	

WHEREUPON, upon motion by Councilwoman Pepper, seconded by Vice Mayor Macdonald and carried unanimously, City Council adopted a COLA of 1.5 percent for City and School Employees, including the City Manager, City Attorney, City Clerk, Clerk of the Court, Commonwealth Attorney, and for City Council Aides and the Mayor's Aides, and approval of merit step increases for all eligible employees. An increase in FY 2008 revenues of \$10,597,134, which includes \$3,500,000 in added revenues due to re-estimates; \$5,069,718 due to a real estate rate increase of 1.5 cents to 83.0 cents per \$100 per assessed value; and \$2,027,416 in other tax and fee adjustments, as specified in docket item #2, section II

Technical Revenue Re-estimate to the Proposed Budget (Budget memo #33)

\$1,900,000 Increase in Real Property Tax Revenue estimate
 \$1,700,000 Increase in estimate of Intergovernmental Revenues
 \$300,000 Increase in Transient Lodging Tax Revenue estimate
 \$200,000 Increase in estimate of interest income on General Fund investments
 (\$200,000) Decrease in estimate of Bank Franchise Fee Revenue
 (\$200,000) Decrease in estimate of Restaurant Food Tax Revenue
 (\$200,000) Decrease in estimate of Sale of Impound Lot Vehicles Revenue
 \$3,500,000 Sub-total FY 2008 Technical Revenue Re-estimate

Changes in Proposed Tax and Fee Rates and New Revenues

\$5,069,718	Increase in real estate tax revenues due to 1.5 cent tax rate increase effective for both payments in FY 2008
\$180,000	Increase administrative fees for delinquent personal property tax collection
\$200,000	Eliminate tax exemption for Federal employees that use hotels and pay directly
\$900,000	Start new State vehicle registration fee - Budget memo #53
\$750,000	Red light camera revenues - Budget memo #24
\$(2,584)	Reduction to balance the budget in non-tax revenue
\$7,097,134	Total Increase in Tax and Fee Rates and New Revenues

A change in reservations of proposed Council contingent reserves as specified in docket item #2 section IV

Changes and Reservations of Proposed Council Contingent Reserves

\$375,000	Contingent reserves in the proposed budget
\$837,000	Net amount added by Council Member adds
\$(90,000)	Gang Prevention Coordinator (Budget memo #22)
\$(877,000)	DHS set aside (Budget memo #13)
\$(130,000)	Net Reduction in Undesignated Contingent Reserves

A FY 2008 transfer to the Capital Projects Fund of \$9,765,564, which reflects \$885,000 in net additions to the FY 2008 Proposed CIP, as specified in docket item #2 section VI.

The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Macdonald	"aye"	Krupicka	"aye"
Euille	"aye"	Lovain	"aye"
	Smedberg	"aye"	

WHEREUPON, upon motion by Councilwoman Pepper, seconded by Vice Mayor Macdonald and carried unanimously, Council moved adoption of the FY 2008 to FY 2013 Capital Improvement Program totalling \$389,050,427 which, when compared to the FY 2008 to FY 2013 Proposed CIP, reflects an addition of \$5,685,000 over six years and establishes planned funding levels for each of the six years of the capital plan. This motion reflects the addition of \$900,000 per year for transportation capital improvements and a \$15,000 technical downward re-estimate for FY 2008 only. The adopted totals in the CIP will be \$66,125,350 in FY 2008 and \$900,000 more than the proposed budget in fiscal years 2009 through 2013.

Changes in proposed Capital Improvement Program (CIP)

\$5,400,000	Transfer for Transportation Capital Improvements to be funded by Vehicle
-------------	--

\$(15,000) Registration Fee Increase (\$900,000 per year) (Budget memo #53)
 Technical Expenditure Adjustments (Budget memo #32)
 \$5,385,000 Total changes in Proposed CIP

	Adopted	Proposed
FY2008	\$66,125,350	\$64,940,350
FY2009	\$101,053,243	\$100,153,243
FY2010	\$100,230,672	\$99,330,672
FY2011	\$49,171,320	\$48,271,320
FY2012	\$35,370,311	\$34,470,311
FY2013	\$37,099,532	\$36,199,531

The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Macdonald	"aye"	Krupicka	"aye"
Euille	"aye"	Lovain	"aye"
	Smedberg	"aye"	

WHEREUPON, upon motion by Councilwoman Pepper, seconded by Vice Mayor Macdonald and carried unanimously, Council moved changes in the proposed General Fund Unreserved Fund Balance Designations, resulting in the addition of \$2,175,000, as specified in docket item #2, Section III.

Changes in Proposed Fund Balance Designations

Designated	
\$400,000	National Harbor-related
\$ -	Other Post-Employment Benefits
\$850,000	FY 2007 CIP Artificial Turf Field - Budget memo #'s 52 and 68 (revised from docket item)
\$500,000	CSA Designation of Fund Balance
\$300,000	FY2008 CIP Trash Cans/Lights (revised from docket item)
\$25,000	King Street Garden
\$100,000	City Trees
\$2,175,000	Designated Total
Undesignated	
\$342,504	Estimated Contribution to Undesignated Fund Balance in FY 2008
\$342,504	Undesignated Total
\$2,517,504	Estimated Changes in Fund Balance (as of the end of FY 2007)

The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Macdonald	"aye"	Krupicka	"aye"

Euille	"aye"	Lovain	"aye"
	Smedberg	"aye"	

ORDINANCES AND RESOLUTIONS

3. Second Reading and Final Passage of an Ordinance to Establish the Real Estate and Personal Property Tax Rates for Calendar Year 2007. (#19 and 20, 4/24/07 and #16, 4/10/07) **[ROLL-CALL VOTE]**

(A copy of the City Manager's memorandum dated May 4, 2007, is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 1 of Item No. 3; 5/7/07, and is incorporated as part of this record by reference.

A copy of the informal memorandum explaining the ordinance is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 2 of Item No. 3; 5/7/07, and is incorporated as part of this record by reference.

A copy of the ordinance referred to in the above item, of which each Member of Council received a copy not less than 24 hours before said introduction, is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 3 of Item No. 3; 5/7/07, and is incorporated as part of this record by reference.)

WHEREUPON, upon motion by Councilwoman Pepper, seconded by Vice Mayor Macdonald and carried unanimously by roll-call vote, City Council adopted the ordinance on final passage the amendment in the nature of a substitute for the 2007 real estate and personal property tax rates with the following amendments: Section 3-2-181 change from \$.835 to \$.830 and to change Section 3-2-223 a change from \$.835 to \$.830. The voting was as follows:

The voting was as follows:

Pepper	"aye"	Gaines	"aye"
Macdonald	"aye"	Krupicka	"aye"
Euille	"aye"	Lovain	"aye"
	Smedberg	"aye"	

The ordinance reads as follows:

ORDINANCE NO. 4477

AN ORDINANCE to amend and reordain Section 3-2-181 (LEVIED; AMOUNT) of Division 1 (REAL ESTATE), and Section 3-2-221 (LEVIED ON TANGIBLE PERSONAL PROPERTY OTHER THAN MOBILE HOMES, AUTOMOBILES, TRUCKS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTOR VEHICLES WITH SPECIALLY DESIGNED EQUIPMENT FOR USE BY THE HANDICAPPED, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS

AND TRAILERS; AMOUNT), Section 3-2-222 (LEVIED ON MACHINERY AND TOOLS USED IN MINING OR MANUFACTURING BUSINESS; AMOUNT), Section 3-2-223 (LEVIED ON MOBILE HOMES; AMOUNT) and Section 3-2-224 (LEVIED ON AUTOMOBILES, TRUCKS, TRAILERS, SEMI-TRAILERS, ANTIQUE MOTOR VEHICLES, TAXICABS, MOTORCYCLES, CAMPERS AND OTHER RECREATIONAL VEHICLES, BOATS AND TRAILERS; AMOUNT) of Division 3 (TANGIBLE PERSONAL PROPERTY AND MACHINERY AND TOOLS), all of Article M (LEVY AND COLLECTION OF PROPERTY TAXES), Chapter 2 (TAXATION), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Section 3-2-181 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-181 Levied; amount.

There shall be levied and collected for the calendar year 2007 on all real estate located within the territorial boundaries of the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$.830 on each \$100 of the assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 2. That Section 3-2-221 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-221 Levied on tangible personal property other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and boat trailers; amount.

There shall be levied and collected for the calendar year 2007 on all tangible personal property, other than mobile homes, automobiles, trucks, antique motor vehicles, taxicabs, motor vehicles with specially designed equipment for use by the handicapped, motorcycles, campers and other recreational vehicles, boats and trailers, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 3. That Section 3-2-222 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-222 Levied on machinery and tools used in mining or manufacturing business; amount.

There shall be levied and collected for the calendar year 2007 on all machinery and tools used in a mining or manufacturing business taxable on capital and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$4.50 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 4. That Section 3-2-223 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-223 Levied on mobile homes; amount.

There shall be levied and collected for the calendar year 2007 on all vehicles without motor power, used or designed to be used as mobile homes as defined in section 46.2-100 of the Code of Virginia, owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs within the city and subject to taxation for city purposes under the constitution and laws of this state and city, a tax of \$.830 on each \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

Section 5. That Section 3-2-224 of The Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained to read as follows:

Sec. 3-2-224 Levied on automobiles, trucks, trailers, semi-trailers, antique motor vehicles, taxicabs, motorcycles, campers and other recreational vehicles, boats and trailers; amount.

(a) Except as provided in subsections (b), (c) and (d), there shall be levied and collected for the calendar year 2007 on all automobiles, trucks, trailers, semi-trailers, antique motor vehicles (as defined in section 46.2-100 of the Code of Virginia, 1950, as amended, which may be used for general transportation purposes as provided in subsection C of section 46.2-730 of the Code of Virginia, 1950, as amended), taxicabs, motorcycles, campers and other recreational vehicles, boats and boat trailers owned or held by residents or citizens of the city or located within the territorial boundaries of the city or otherwise having a situs for taxation in the city, a tax of \$4.75 on every \$100 of assessed value thereof, for the support of the city government, for the payment of

principal and interest of the city debt and for other municipal expenses and purposes.

(b) There shall be levied on and collected for the calendar year 2007 on all automobiles, trucks, trailers and semi-trailers with a gross vehicle weight of 10,000 pounds or more which are used to transport property for hire by a motor carrier engaged in interstate commerce, and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$4.50 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(c) There shall be levied on and collected for the calendar year 2007 on all automobiles and trucks which are equipped with specially designed equipment for use by the handicapped and are owned or held by residents or citizens of the city, are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$3.55 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(d) There shall be levied on and collected for the calendar year 2007 on all privately owned pleasure boats and watercraft, which are used for recreational purposes only, and are owned or held by residents or citizens of the city, or are located within the territorial boundaries of the city or otherwise have a situs for taxation in the city, a tax of \$.01 on every \$100 of assessed value thereof, for the support of the city government, for the payment of principal and interest of the city debt and for other municipal expenses and purposes.

(e) For tax years commencing in 2006, the City adopts the provisions of Item 503.E of Chapter 951 of the 2005 Acts of Assembly (the 2005 revisions to the 2004-06 Appropriations Act, the "2005 Appropriations Act"), providing for the computation of tax relief under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, as a specific dollar amount to be offset against the total taxes that would otherwise be due but for the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, and the reporting of such specific dollar relief on the tax bill.

(i) The City shall, following adoption of the annual budget adopted pursuant to Chapter 25 of Title 15.2 of the Code of Virginia and sections 6.01 through 6.15 of the City Charter, set the rate of tax relief under this subsection at such a level that it is anticipated fully to exhaust relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth. Any amount of relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth, not used within the City's fiscal year shall be carried

forward and used to increase the funds available for personal property tax relief under this subsection in the following fiscal year.

(ii) Personal property tax bills shall set forth on their face the specific dollar amount of relief under this subsection credited with respect to each qualifying vehicle, together with an explanation of the general manner in which such relief is allocated.

(iii) Allocation of relief under this subsection shall be provided in accordance with the general provisions of this section, as implemented by the specific provisions of the City's annual budget relating to relief under this subsection.

(iv) Relief under this subsection shall be allocated in such as manner as to eliminate personal property taxation of each qualifying vehicle with an assessed value of \$1,000 or less.

(v) Relief under this subsection with respect to qualifying vehicles with assessed values of more than \$1,000 shall be provided at a rate, annually fixed in the City budget and applied to the first \$20,000 in value of each such qualifying vehicle, that is estimated fully to use all relief funds under the Personal Property Tax Relief Act of 1998, sections 58.1-3523 et seq. of the Code of Virginia, as amended, provided to the City by the Commonwealth.

Section 6. That this ordinance shall become effective January 1, 2007, *nunc pro tunc* .

4. Consideration of a Resolution to Set the Residential Refuse Fee for the FY 2008 Budget. **[ROLL-CALL VOTE]**

(A copy of the City Manager's memorandum dated May 1, 2007, is on file in the Office of the City Clerk and Clerk of Council, marked Exhibit No. 1 of Item No. 4; 5/7/07, and is incorporated as part of this record by reference.)

WHEREUPON, upon motion by Councilman Krupicka, seconded by Councilwoman Pepper and carried unanimously by roll-call vote, City Council passed the resolution to set the residential refuse fee for the FY 2008 budget at \$264 per household, to continue the City's policy of 100 percent cost recovery of the full cost of residential refuse collection and disposal. The voting was as follows:

Krupicka	"aye"	Macdonald	"aye"
Pepper	"aye"	Gaines	"aye"
Euille	"aye"	Lovain	"aye"
	Smedberg	"aye"	

on fund balance designations, staff changed two items: the CIP artificial turf field will be shown as a FY 2007 amount and the amounts for trash cans and lights will be a FY 2008 amount.

The resolution reads as follows:

RESOLUTION NO. 2226

WHEREAS, under Section 2.07 of the City Charter, City Council has the authority to establish fees to be charged for services provided by the City; and

WHEREAS, under City Code Section 5-1-34(a), City Council is required from time to time, to set by resolution the annual fee that is to be paid by the owners of "required user property," as defined in Section 5-1-2 (12b) of the City Code, for the City's collection and disposal of solid waste, ashes and yard debris from their properties during the fiscal year; and

WHEREAS, in Resolution No. 2182, adopted April 24, 2006, City Council set the annual fee for such collection and disposal services at \$237.00; and

WHEREAS, City Council has now determined that it is necessary and desirable to increase the annual fee for such collection and disposal services to \$264.00;

NOW, THEREFORE, BE IT RESOLVED
BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA

1. That, beginning in fiscal year 2008, the annual charge for the collection and disposal of solid waste, ashes and yard debris from required user properties shall be \$264.00 per household, with each single-family, two-family and row dwelling in the City, and each separate dwelling unit in a building or structure in the City that contains four or fewer dwelling units, constituting a "household."
2. That the annual fee established in Section 1 above shall apply to collection and disposal services provided by the City during fiscal year 2008 and, unless and until revised by the City Council, to such services provided during subsequent fiscal years.
3. That Resolution No. 2182 is hereby repealed.
4. That this resolution shall be effective on the date and at the time of adoption.

* * * * *

THERE BEING NO FURTHER BUSINESS TO BE CONSIDERED, upon motion by Vice Mayor Macdonald, seconded by Councilwoman Pepper and carried unanimously, the special City Council meeting of May 7, 2007, was adjourned at 7:46 p.m. The voting was as follows:

Macdonald	"aye"	Gaines	"aye"
Pepper	"aye"	Krupicka	"aye"
Euille	"aye"	Lovain	"aye"
	Smedberg	"aye"	

APPROVED BY:

WILLIAM D. EUILLE MAYOR

ATTEST:

Jacqueline M. Henderson, CMC City Clerk