

2 (Revised)
5-5-08

CITY ATTORNEY REVIEWED MOTIONS

Docket Item #2

Motion to Adopt the Annual Operating Budget for FY 2009 (including Schools) and the Capital Improvements Program for FY 2009 – 2014

Mr. Mayor, I move the adoption of the annual general fund operating budget for FY 2009 of \$541,978,347, with the following amendments to the City Manager's Proposed Budget. The details of each amendment are described in the May 2, 2008, memo from the City Manager accompanying docket item #2 "FY 2009 Budget Adoption – Draft of Tentative Actions for Monday Night":

Net technical expenditure adjustments of \$94,924

City Manager Budget Reallocations resulting in a net decrease of \$24,867

A total increase in City and School compensation of \$3,116,628

Other expenditure increases (net of decreases) of \$4,000,657

Revenue Re-estimates reflecting a net decrease of \$4,428,263 and

Changes in tax and fee rates and new revenues producing an increase of \$11,615,606.

The total increase in expenditures compared to the City Manager's Proposed Budget is \$7,187,342, including a decrease in cash capital funding of the FY 2009 – 2014 Capital Improvement Program of \$847,338 and an increase in Contingent Reserves of **\$616,218**.

The FY 2009 operating budget requires an appropriation from Fund Balance of \$4,600,000, as proposed in the City Manager's Budget, and an increase in the real property tax rate of one and one half cents, from \$0.83 to \$0.845.

In addition, I move that we authorize the City Manager to make technical adjustments to each Departmental Budget and the Non-Departmental Budget to reflect the allocation of the compensation adjustments related to retiree life insurance and city-wide compensation. The details of these adjustments will be presented for approval by City Council in the context of the FY 2009 Appropriations Ordinance in the June.

MOTION TO ADOPT THE REVISED CAPITAL IMPROVEMENT PROGRAM

I move the adoption of the proposed FY 2009 to FY 2014 Capital Improvement Program of \$456,101,177 in total and \$396,865,457 in local funding, with \$98,261,468 in total and \$67,554,933 in local funding in FY 2009, \$81,044,711 in total and \$71,321,274 in local funding in FY 2010, \$93,652,990 in total and \$88,951,553 in local funding in FY 2011, \$64,266,755 in total and \$59,565,318 in local funding in FY 2012, \$63,543,275 in total and \$58,841,838 in local funding in FY 2013, \$55,331,979 in total and \$50,630,542 in local funding in FY 2014. The detailed changes for the FY 2009 CIP are described in docket item # 2. The detailed changes for FY 2010 through FY 2014 are described in budget memo # 127.

Docket Item #3

Motion to Establish the Real Estate and Personal Property Tax Rates for Calendar Year 2008

Mr. Mayor, I move final passage of an ordinance to set the City's 2008 real property tax rate at \$0.845 (84 ½ cents) on each \$100 of assessed value, an increase of \$0.015 (one and ½ cents) from the 2007 rate. Personal property tax rates remain unchanged from 2007. **The sum of \$0.01 (one cent) on each \$100 of assessed value of the \$0.845 (84 ½ cents) real property tax rate, continues to be dedicated for affordable housing purposes, beginning July 1, 2008. In addition, the sum of 1.0% (one percent) of real property tax revenue will be dedicated to the Open Space Trust Fund.**

Docket Item #4

Motion to Establish the Additional Real Estate Tax Rate for Commercial and Industrial Property for Calendar Year 2008

Mr. Mayor, I move that we pass by indefinitely the additional increase to the Real Estate Tax Rate for Commercial and Industrial Property for Calendar Year 2008. Commercial and Industrial Property in the City will be taxed at the same rate of \$0.845 (84 ½ cents) per \$100 of assessed value as all residential property.

Docket Item #5

Motion to Increase the City's Transient Lodging Tax

Mr. Mayor, I move that we amend the ordinance as introduced and increase the City's tax on Transient Lodging from 5.5 to 6.5 percent, as well as continue the \$1 per night levy, **and move final passage of the ordinance as amended.**

Docket Item #6

Motion to Increase the City's Meals Tax

Mr. Mayor, I move final passage of the ordinance to increase the City's Restaurant Meals Tax from 3 to 4 percent

Docket Item #7

Motion to Increase the Threshold for Paying the Revenue-based Retail Gross Receipts Tax

Mr. Mayor, I move that we pass by indefinitely the ordinance to change the threshold for revenue-based retail gross receipts tax.

Docket Item # 8

Motion to Change Eligibility and Income Limits for Affordable Homeownership Preservation Program Grants

Mr. Mayor, I move final passage of the substitute ordinance to extend the Affordable Homeownership Preservation Grant Program to December 31, 2008, with a limit on participation to those who received grants in 2007, and whose maximum household income is \$72,000 or less.

Docket Item #9

Motion to Increase Ambulance Service Fees

Mr. Mayor, I move final passage of the ordinance to increase Ambulance Service Fees as follows: a \$100 increase in Basic Life Support to \$400; a \$100 increase in Advance Life Support Level 1, to \$500, and a \$125 increase in Advanced Life Support Level 2, to \$675.

Docket Item #10

Motion to Increase Parking Meter Fees

Mr. Mayor I move final passage of the ordinance to increase Parking Meter Fees in parking meter zones 1 and 2. The Parking Meter Zone 1 rate will increase 25 cents per hour to a rate of \$1.00 per hour, and the Parking Meter Zone 2 rate will increase 50 cents per hour to \$1.00 per hour.

Docket Item #11

Motion to Increase Sewer Connection Fees

Mr. Mayor, I move final passage of the ordinance to increase sanitary sewer connection fees by 3.6 percent, from \$7,092 to \$7,432. By approving this ordinance, we are also authorizing the increase of the sewer connection fee by the rate of inflation as measured by the Bureau of Labor Statistics CPI-U for the Washington Baltimore metropolitan area for the following years, FY 2010 and FY 2011.

Docket Item #12

Motion to Increase the Business Professional and Occupational Tax Rate Applicable to Pay Day and Car Title Lenders.

Mr. Mayor, I move that we defer final passage of this ordinance to May 13, 2008.

Docket Item #13


**Motion to Increase the Annual Fee for the City's Collection and Disposal of Solid Waste,
Yard Debris and Recyclable Materials**

Mr. Mayor, I move that we adopt this resolution to increase the residential refuse fee from \$264 per household to \$301. \$17 of this increase enables us to continue the City's policy of 100 percent cost recovery of the full cost of residential refuse collection and disposal. \$20 of the fee increase reflects the inclusion of the recovery of leaf collection costs in the cost of residential refuse collection and disposal.

City of Alexandria, Virginia

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5-5-08

MEMORANDUM

DATE: MAY 2, 2008
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER 
SUBJECT: FY 2009 BUDGET ADOPTION - DRAFT OF TENTATIVE ACTIONS
FOR MONDAY NIGHT

ISSUE: Consideration of the Proposed Annual Operating Budget for FY 2009 (including Schools) and the Proposed Capital Improvements Program for FY 2009-2014 (including the Schools CIP).

RECOMMENDATION: The following represents a draft of budget actions for the budget adoption motion on Monday night. That City Council consider (based on the consensus add/delete list as of Friday, May 2) adopting the FY 2009 General Fund Revenue and Expenditure Operating Budget in the amount of \$541,978,347, and FY 2009 Capital Improvement Program of \$4,892,186 (City cash capital share). This budget is based on the City Manager's FY 2009 Proposed Budget of \$534,791,005 with the following amendments derived from the "possible consensus" option developed at the April 28, 2008, preliminary add/delete work session.

This memorandum is organized into seven sections as follows:

- I. Expenditure Budget Changes
 - a. Technical Adjustments
 - b. City Manager Budget Reallocations
 - c. Compensation Adjustments
 - d. Changes to Proposed General Fund Operating Budget
- II. Revenue Budget Changes
- III. Fund Balance Designations
- IV. Contingent Reserves
- V. Capital Improvement Program (CIP)
- VI. Summary of FY 2009 General Fund Budget
- VII. Comparisons to FY 2008 Amended and FY 2009 Proposed Budgets

I. Expenditure Budget Changes:

a.	Technical Expenditure Adjustments to Proposed Budget (Budget Memo #78)	
	\$ 13,000	Animal Welfare League of Alexandria increased FY 2009 Costs (BM#58)
	\$ 84,000	Sheriff's Personnel Budget (BM #58)
	\$ 13,000	Police Department Vehicle Depreciation (BM #111)
	\$ (15,076)	Sheriff Increase in Grant Revenues (BM #117)
	\$ 94,924	Total Technical Expenditure Adjustments
b.	City Manager Budget Reallocations to Proposed Budget	
	\$ 249,633	Revised Planning and Zoning Work Program
	\$ (300,000)	Self-Funding MAMSI Health Care Benefits
	\$ 500,000	Potomac Yard Metrorail Station Feasibility
	\$ (474,500)	Highway Traffic Video Monitoring System Grant Match
	\$ (24,867)	Total City Manager Budget Reallocations
c.	Compensation-related Changes to the Proposed Budget	
	\$ 3,000,000	City and Schools Compensation Contingent (structure to be determined)
	\$ (75,000)	Retiree Life Insurance elimination for future employees - Budget Memo #41
	\$ 2,925,000	Total Compensation-related Budget Increase
d.	Changes to Proposed City General Fund Operating Budget Expenditures	
	\$ 342,489	Fire, Three Shift Safety Officers (BM #48)
	\$ 188,259	Fire, Depreciation of Grant Funded Equipment
	\$ 30,000	Sheriff, Emergency Response Team
	\$ 2,365	Sheriff, Marked Vehicles
	\$ 225,000	Police, Red Light Camera Program
	\$ 150,000	Police, Gridlock Reduction Program
	\$ 591,269	DHS, Child Care Fee System
	\$ 60,500	MHM RSA, Infant Development Specialist
	\$ 169,278	P&Z, Historic Preservation Positions
	\$ 235,021	P&Z, Neighborhood and Community Development Positions (BM #121)
	\$ 100,000	ACVA, Regional Marketing Initiatives (BM #120)
	\$ 75,000	AEDP, Regional Marketing Initiatives. Contingent Reserves
	\$ 50,000	AEDP, Consulting Services, Contingent Reserves
	\$ 20,000	RPCA, Brenman Park Storm Water Pond Maintenance
	\$ 175,000	Non-Departmental, Contingent Reserves
	\$ 222,696	Fire Department Safety Improvements, Contingent Reserves (BM #50)
	\$ 50,000	RPCA, Arts Districts (BM #60)
	\$ 50,000	Small Business Development Center
	\$ 135,000	DASH Service Expansions (BM #57)
	\$ 50,000	DHS, Youth Summer Employment Program Sustainability/Expansion (BM #72)
	\$ 90,000	DHS, Consultants for Aging Study, Contingent Reserves (BM #64, #86)
	\$ 90,300	TES, Commercial Recycling Position (BM #105)
	\$ 100,000	TES, Mirant Monitor (BM #114)
	\$ 40,000	Arlandria Health Clinic
	\$ 47,000	TES, Clean Energy (BM #113)
	\$ 2,000	Community CIP Prioritization Effort (BM #92)

Changes to Proposed City General Fund Operating Budget Expenditures (cont'd)		
\$	13,000	Consumer Education
\$	14,400	Hazardous Waste Collection Expansion (BM #115)
\$	671,662	Cash Capital, DASH Facility Cash Match
\$	1,000,000	King Street Trolley
\$	276,565	DASH, Adjustments to Base Budget Increase
\$	166,852	TES, Parking Planner and Professional Services
\$	147,629	TES, Transportation Planner
\$	800,000	Cash Capital, Washington Street Reconstruction
\$	130,000	DASH, New operating costs
\$	(184,000)	Cash Capital, DASH 5% Bus Purchase Contingency
\$	(250,000)	Cash Capital, Eisenhower Ave City Match
\$	(100,000)	Cash Capital, Non-public safety Automated Vehicle Locator System
\$	(1,225,000)	Cash Capital, Wayfinding sign program
\$	(300,000)	Cash Capital, Reduction in Neighborhood Traffic Calming
\$	(260,000)	Cash Capital, All City Sports (Capital Development Foundation)
\$	4,192,285	Net City Expenditure Increases and Reductions (Total)

Change in Proposed Transfer to Alexandria City Public Schools Operating Budget		
\$	-	Compensation contingent for ACPS (funds in "c" above)
\$	-	Total Schools Transfer Option
\$	7,187,342	Total Expenditure Budget Adjustments

II. *Revenue Budget Changes:*

Technical Revenue Re-estimates to Proposed Budget (Budget Memo #33)	
FY 2009	
\$ (1,000,000)	Decrease in Local Sales Tax revenues
\$ 300,000	Increase in Utilities Tax revenues
\$ (300,000)	Decrease in Bank Franchise Tax revenues
\$ 100,000	Increase in Motor Vehicle License Tax revenues
\$ (900,000)	Decrease in Recordation Tax revenues
\$ (200,000)	Decrease in Tobacco Tax revenues
\$ 200,000	Increase in Transient Lodging Tax revenues
\$ 200,000	Increase in Restaurant Meals Tax revenues
\$ (100,000)	Decrease in Admissions tax revenues
\$ (1,250,000)	Decrease in Personal Property Tax revenues
\$ 200,000	Increase in Court Fines revenues
\$ 200,000	Increase in Indirect Costs
\$ 1,172,382	Increase in Sheriff's Compensation Board reimbursement
\$ 123,274	Increase in Finance Department Compensation Board reimbursement
\$ (1,050,000)	Reduction in State Aid to local governments
\$ 22,000	Increase in Animal Shelter Revenue
\$ (500,000)	Decrease in Clerk's Fees
\$ 400,000	Increase in Ambulance Transport Fees
\$ 100,000	Increase in Sales of Recyclables
\$ (1,860,000)	Decrease in General Fund Short-term investments
\$ (307,519)	Decrease in proceeds of sale of impound lot vehicles revenue
\$ (4,449,863)	Total FY 2009 Technical Revenue Re-estimates

Changes in Proposed Tax and Fee Rates and New Revenues (BM #25)	
	Increase in Real Estate Tax Revenues due to 1.5 cent tax rate increase to 84.5 cents effective for both payments in FY 2009
\$ 5,253,914	
\$ 270,000	Red Light Camera Revenues - Budget Memos #45 and #108
\$ 3,700,000	Restaurant Meals Tax Rate Increase of 1 %
\$ 1,600,000	Transient Lodging Tax Rate Increase of 1%
\$ 194,000	BAR Fee Increases
\$ 13,000	Payday Lending BPOL Rate Increase
\$ 69,040	Increase in Recycling Fees
\$ 141,000	Increase in Parking Fines
\$ 374,652	Residential Refuse Fee increase of \$20 for Leaf Collection
\$ 11,615,606	Total Increase in Tax and Fee Rates and New Revenues
\$ 7,165,743	Total Revenue Increases

III. Fund Balance Designations

Changes in Proposed Fund Balance Designations	
Undesignated	
	Contribution to Fund Balance in FY 2008 tentatively designated for FY 2010 - 2015
\$ 2,626,958	CIP
\$ 2,626,958	Total
\$ 2,626,958	Changes in Fund Balance (as of the end of FY 2008)

IV. Contingent Reserves

Changes and Reservations of Proposed Council Contingent Reserves	
\$ 200,000	Contingent Reserves in the Proposed Budget
\$ 175,000	Amount added in City Manager Alternative Budget
\$ 587,696	Amount added by City Council
\$ (222,696)	Fire Department Safety Improvements
\$ (125,000)	AEDP Options
\$ (50,000)	Arts Districts
\$ (100,000)	Monitor for Mirant
\$ (375,000)	Watson-Wyatt Payscale Adjustments
\$ (90,000)	Aging Study
\$ (962,696)	Net Reduction in Undesignated Contingent Reserves
\$ -	Remaining Contingent Reserves

V. *Capital Improvement Program Budget Changes*

Changes in the Cash Capital Transfer to the CIP	
\$ 5,739,524	FY 2009 Proposed Cash Capital Transfer to the CIP
\$ (184,000)	DASH 5% Bus Purchase Contingency
\$ (250,000)	Eisenhower Ave. City Match
\$ (100,000)	Non-Public Safety Automated Vehicle Locator System
\$ (1,225,000)	Wayfinding Sign Program
\$ 671,662	DASH Facility Cash Match
\$ 800,000	Washington Street Paving
\$ (260,000)	All City Sports (Capital Development Foundation)
\$ (300,000)	Reduction in Neighborhood Traffic Calming
\$ 4,892,186	Total FY 2009 Cash Capital Transfer to the CIP

VI. *Summary of the FY 2009 General Fund Budget*

Summary of Growth in FY 2009 Budget	
\$ 534,791,005	FY 2009 Proposed General Fund Operating Revenues and Expenditures
\$ 7,187,342	Total Change in City General Fund Operating Budget Expenditures over Proposed
\$ 541,978,347	Resulting FY 2009 General Fund Operating Budget
\$ 2,626,958	Change in Fund Balance (at the end of FY 2008)
\$ 4,892,186	Resulting Cash Capital Funding of the FY 2009-FY 2014 CIP

VII. *Comparisons to the FY 2008 Approved and FY 2009 Proposed Budgets*

	City	Schools	Total
FY 2008 Approved General Fund Budget	\$359.3	\$160.2	\$519.5
FY 2009 Proposed General Fund Budget	\$368.0	\$166.8	\$534.8
FY 2009 Possible Consensus General Fund Budget	\$375.1	\$166.8	\$542.0
Amount Over FY 2008 Approved	\$15.8	\$6.6	\$22.5
Percent Over FY 2008 Approved			4.3%