

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 4, 2008
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER *J*
SUBJECT: APPROPRIATION ORDINANCE FOR FISCAL YEAR 2009

ISSUE: Consideration of an Appropriation Ordinance to make appropriations for the support of the government of the City of Alexandria, Virginia for the Fiscal Year (FY) 2009.

RECOMMENDATION: That City Council approve the proposed Ordinance on first reading and set it for public hearing, second reading, and final passage on Saturday, June 14, 2008.

DISCUSSION: On May 5, 2008, City Council approved the FY 2009 General Fund Budget and adopted an ordinance setting the City's real property and personal property tax rate for calendar year (CY) 2008. In accordance with sections 6.07 and 6.14 of the City Charter, an ordinance is also annually required to appropriate the Approved Operating and Capital Budgets. This ordinance contains the appropriation of the adopted operating budget, the reappropriation of expected encumbrances; and an appropriation from the Special Revenue Fund for new grants.

- A. **ADOPTED OPERATING BUDGET:** Sections 1 - 9 of the attached proposed appropriations ordinance legally established the revenues and expenditures of the FY 2009 budget. As detailed in section 7 of the attached ordinance, a significant portion of the General Fund's revenues are transferred to other funds and component units, principally to finance operations of the Alexandria City Public Schools. The total expenditure appropriation must be reduced by the amount of these transfers (referred to as "Interfund Transfers") to eliminate double counting and accurately reflect the aggregate expenditure appropriations.

- B. **APPROPRIATION OF FUND BALANCE FOR INVESTMENT TRUST:** Section 10 of the attached proposed appropriation ordinance appropriates General Fund fund balance to begin funding the City's obligation for other post-employment benefits (see the docket item on creating an investment trust for post-retirement benefits). As discussed earlier, these funds will be placed in a separate trust fund to be used to fund health insurance and life insurance benefits for retirees after they retire from the City.

C. REAPPROPRIATION OF PROJECTED ENCUMBRANCES: Section 11 of the attached proposed appropriation ordinance reappropriates monies authorized and expected to be obligated in FY 2008 but not expected to be expended as of June 30, 2008. By City Charter, all appropriations lapse at the end of the fiscal year. When budgeted goods and services are ordered prior to the end of the previous fiscal year, but not delivered until the next fiscal year, monies need to be reappropriated to cover the expenditures paid in the current fiscal year. As introduced in 2006, encumbrances are now authorized based on existing encumbrances. The actual encumbrance amount that is carried over from FY 2008 into FY 2009 will likely be lower than this amount. The final encumbrance amount that is carried over into FY 2009 will be adjusted to reflect actual authorized encumbrances.

FISCAL IMPACT: This Ordinance authorizes the receipt and expenditure of \$759,414,583 for FY 2009 in the following funds (\$745,713,583 in sections 1 – 9, \$4,200,000 in section 10 and \$9,501,000 in section 11):

Section 1 to Section 9:

General Fund	\$ 541,978,347
Special Revenue Fund	83,138,444
Housing Special Revenue Fund	5,780,738
Sewer Special Revenue Fund	7,632,575
Capital Projects Fund	98,261,469
Equipment Replacement Internal Service Fund	6,097,326
Schools	215,658,423
Library	7,610,690
Alexandria Transit Company	11,488,000
Less: Interfund Transfers	<u>(231,932,429)</u>
Total	<u>\$ 745,713,583</u>

The amounts listed for the Alexandria Transit Company, the Schools, and the Library represent their total budgets, including the City’s General Fund appropriation to each agency and any fee revenue (such as farebox revenue for the Alexandria Transit Company), grants, State aid or other revenues that are part of the total budgets. By the City Charter, Council must appropriate all monies, including those for the Alexandria Transit Company, irrespective of the source. The “Less: Interfund Transfers” line backs out dollars counted both in the General Fund and Sewer Fund amount and each of the agency budgets for the City’s appropriation to these individual agencies.

Section 10:

The appropriation of \$4,200,000 of General Fund Balance designated in FY 2009 Adopted Budget to fund Other Post Employment Benefits.

Section 10: Designated General Fund Balance	\$ 4,200,000
Total	<u>\$ 4,200,000</u>

Section 11:

The reappropriation of \$9,501,000 of existing FY 2009 encumbrances.

Section 11: Reappropriation of monies encumbered as of June 30, 2008	\$ <u>9,501,000</u>
Total	<u>\$ 9,501,000</u>

ATTACHMENT: Appropriation Ordinance

STAFF:

Mark Jinks, Deputy City Manager

Laura B. Triggs, Director of Finance

Bruce Johnson, Director, Office of Management and Budget

Kendel Taylor, Budget Analyst, Office of Management and Budget

1 Introduction and first reading: 06/10/08
2 Public hearing: 06/14/08
3 Second reading and enactment: 06/14/08
4

5 INFORMATION ON PROPOSED ORDINANCE
6

7 Title
8

9 AN ORDINANCE making provision for the support of the government of the City of
10 Alexandria, Virginia, for fiscal year 2009.
11

12 Summary
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14 The proposed ordinance appropriates funds for the operation of the city government in
15 fiscal year 2009.
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17 Sponsor
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19 Laura B. Triggs, Director of Finance
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21 Staff
22

23 Laura B. Triggs, Director of Finance
24 Ignacio B. Pessoa, City Attorney
25 Christina Zechman Brown, Assistant City Attorney
26

27 Authority
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29 § 2.02(c), Alexandria City Charter
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31 Estimated Costs of Implementation
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33 None
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35 Attachments in Addition to Proposed Ordinance and its Attachments (if any)
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37 None

ORDINANCE NO. _____

AN ORDINANCE making appropriations for the support of the government of the City of Alexandria, Virginia, for fiscal year 2009.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That, pursuant to section 6.07 of the city charter, the sum of \$745,713,583 be, and the same hereby is, appropriated for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2008 and ending on the thirtieth day of June 2009.

Section 2. That, pursuant to section 6.07 of the city charter, the sum of \$745,713,583 appropriated in section 1 of this ordinance for the support of the government of the City of Alexandria in the fiscal year beginning on the first day of July 2008 and ending on the thirtieth day of June 2009 be, and the same hereby is, further appropriated to the following city departments, major operating units, component units and major categories of expenditures in the amounts set forth below:

<u>Department/Unit/Component Unit/ Category of Expenditure</u>	<u>Appropriation</u>
18 th Circuit Court	\$ 1,368,046
18 th General District Court	78,571
18 th Juvenile Court	34,327
Citizen Assistance	778,771
City Attorney	3,341,753
City Clerk and Clerk of Council	415,455
City Council	524,157
City Manager	1,845,208
Clerk of Court	1,637,190
Commonwealth's Attorney	3,030,463
Contingent Reserves	816,218
Court Services Unit	1,535,785
Economic Development	3,422,182
Finance	9,833,109
Fire	41,980,039
General Debt Service	33,640,327
General Services	13,267,828
Health	6,921,499
Human Rights	691,695
Human Services	54,134,798
Human Services Contributions	2,324,880
Information Technology Services	7,342,566
Internal Audit	239,606
Law Library	163,013

1	Mental Health/Mental Retardation/Substance Abuse	30,745,556
2	Non-Departmental	10,393,531
3	Office of Communications	1,389,716
4	Office of Historic Alexandria	3,325,052
5	Office of Housing	5,780,738
6	Office of Management and Budget	1,183,001
7	Office on Women	1,884,598
8	Other Correctional Activities	5,482,834
9	Other Educational Activities	12,004
10	Other Health Activities	1,038,600
11	Personnel	3,427,143
12	Planning & Zoning	6,531,751
13	Police	53,607,272
14	Real Estate Assessments	1,635,473
15	Recreation, Parks & Cultural Activities	21,559,389
16	Registrar of Voters	1,275,383
17	Sheriff	27,179,088
18	Transit Subsidies	20,168,745
19	Transportation and Environmental Services	32,098,315
20	Capital Projects	98,261,469
21	Component Unit-Library	7,610,690
22	Component Unit-Schools	215,658,423
23	Internal Services	<u>6,097,326</u>
24	TOTAL APPROPRIATIONS	<u>\$745,713,583</u>

25
26 **Section 3.** That, pursuant to section 6.07 of the city charter, the sum of \$745,713,583
27 appropriated in section 1 of this ordinance for the support of the City of Alexandria in the fiscal
28 year beginning on the first day of July 2008 and ending on the thirtieth day of June 2009 be, and
29 the same hereby is, further appropriated to the following principal objects of city expenditures:

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31	<u>Object of Expenditures</u>	<u>Appropriation</u>
32		
33	Personnel Services	\$ 237,201,665
34	Non-Personnel Services	169,041,028
35	Capital Outlay	354,982
36	Component Unit-Library	7,610,690
37	Component Unit-Schools	215,658,423
38	Component Unit-Alexandria Transit Company	11,488,000
39	Equipment Replacement	6,097,326
40	Capital Projects	<u>98,261,469</u>
41	TOTAL APPROPRIATIONS	<u>\$ 745,713,583</u>

42
43 **Section 4.** That the sum of \$745,713,583 appropriated in section 1 of this ordinance for
44 the support of the government of the City of Alexandria in the fiscal year beginning on the first
45 day of July 2008 and ending on the thirtieth day of June 2009 is estimated to be derived from the
46 following sources of revenue:

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<u>Source of Revenue</u>	<u>Amount</u>
General Property Taxes	\$ 329,070,498
Other Local Taxes	121,493,000
Permits, Fees and Licenses	9,706,232
Fines and Forfeitures	4,755,300
Intergovernmental Revenue	163,026,284
Charges for Services	36,613,565
Revenue from Use of Money and Property	8,506,436
Miscellaneous Revenue	7,152,851
Bond Proceeds - Future Sale	47,081,311
Unreserved Fund Balance - General Fund	11,950,000
Subsequent Year's Budget as Designated	
Unreserved Fund Balance – Capital Projects Fund	1,074,500
Unreserved Fund Balance – Sewer Fund	1,153,444
Retained Earnings - Internal Services	<u>4,130,162</u>
TOTAL ESTIMATED REVENUE	<u>\$ 745,713,583</u>

Section 5. That, pursuant to section 6.14 of the city charter, the sum of \$98,261,469 be, and the same hereby is, appropriated for capital improvement project expenditures of the City of Alexandria and the Alexandria City Public Schools in the fiscal year beginning on the first day of July 2008 and ending on the thirtieth day of June 2009. This sum, which consists of the \$98,261,469 appropriated as Capital Projects in section 2 of this ordinance, is appropriated as follows: (i) \$76,324,058 to capital projects which are included in the city's government fiscal year 2009 - 2012 capital improvement program adopted by City Council on May 5, 2008 \$19,879,886 to the capital projects identified in the Alexandria City Public Schools' capital budget approved by the school board on January 3, 2008 and (iii) \$2,039,525 for the Open Space Trust Fund.

Section 6. That the sum of \$98,261,469 appropriated in section 5 of this ordinance for capital improvement project expenditures of the City of Alexandria and the Alexandria City Public Schools in the fiscal year beginning on the first day of July 2008 and ending on the thirtieth day of June 2009 is estimated to be derived from the following sources of revenue:

<u>Source of Revenue</u>	<u>Amount</u>
Transfer In from General Fund	\$ 4,917,687
Transfer In from Special Revenue Fund – Sewer	4,631,000
Permits and Licenses	1,207,125
Use of Money and Property – Bond Interest Earnings	2,500,436
Miscellaneous Revenue	2,015,060
Designated General Fund Balance	7,350,000
Designated Capital Projects Fund Balance	1,074,500
Intergovernmental Revenue	27,484,350
Bond Proceeds - Future Sale	<u>47,081,311</u>
TOTAL ESTIMATED REVENUE	<u>\$ 98,261,469</u>

1 **Section 7.** That the sum of \$231,932,429 be, and the same hereby is, authorized to be
 2 transferred between the following funds maintained by the city, as set forth below:

3	4	5	6	7	8	9	10
	<u>From</u>	<u>Amount</u>	<u>To</u>		<u>Amount</u>		
6	General Fund	\$ 34,003,133	Special Revenue Fund – General		\$ 34,003,133		
7	Special Revenue	1,323,910	General Fund		1,323,910		
8	Fund – Sewer						
9	General Fund	3,830,815	Special Revenue Fund –		3,830,815		
10			Affordable Housing				
11	Special Revenue	4,631,000	Capital Projects		4,631,000		
12	Fund – Sewer						
13	General Fund	4,917,687	Capital Projects Fund		4,917,687		
14	General Fund	167,953,749	Component Unit-Schools		167,953,749		
15	General Fund	8,067,000	Component Unit-Alexandria Transit		8,067,000		
16			Company				
17	General Fund	<u>7,205,135</u>	Component Unit-Library		<u>7,205,135</u>		
18	TOTALS	<u>\$ 231,932,429</u>	TOTALS		<u>\$ 231,932,429</u>		

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 20 **Section 8.** That the sum of \$745,713,583 appropriated in section 1 of this ordinance for
 21 the support of the government of the City of Alexandria in the fiscal year beginning on the first
 22 day of July 2008 and ending on the thirtieth day of June 2009 is, for accounting purposes and in
 23 accordance with generally accepted accounting principles, attributed, for each city department,
 24 major operating unit, component unit and major category of expenditure, to the funds maintained
 25 by the city as shown in Table I on following page of this ordinance.

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 27 **Section 9.** That the sum of \$745,713,583 appropriated in section 1 of this ordinance for
 28 the support of the government of the City of Alexandria in the fiscal year beginning on the first
 29 day of July 2008 and ending on the thirtieth day of June 2009 is, for accounting purposes and in
 30 accordance with generally accepted accounting principles, attributed, for each major source of
 31 revenue, to the funds maintained by the city as shown in Table II on the following page of this
 32 ordinance.

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 34 **Section 10.** That the sum of \$4,200,000 be appropriated from fund for the support of the
 35 government of the City of Alexandria in the fiscal year beginning on the first day of July 2008
 36 and ending on the thirtieth day of June 2009 is appropriated in the amounts set forth below:

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 38 **ESTIMATED REVENUE:**

39	Designated General Fund Balance	\$ 4,200,000
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41	Total Estimated Revenue	<u>\$ 4,200,000</u>
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44 **APPROPRIATION:**

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46	Non Departmental	\$ 4,200,000
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48	Total Appropriation	<u>\$ 4,200,000</u>

