

6-24-08

REVISED – JUNE 20, 2008

City of Alexandria, Virginia

## MEMORANDUM

DATE: JUNE 19, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: CONSIDERATION OF A TRANSFER RESOLUTION - FY 2008 GENERAL FUND OPERATING BUDGET

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**ISSUE:** Transfer Resolution – FY 2008 General Fund Operating Budget.

**RECOMMENDATION:** That City Council adopt the attached resolution which transfers \$2,573,000 in budgeted funds to eight departmental accounts from fifteen departmental accounts.

**DISCUSSION:** In accordance with Section 5.07 of the City Charter, at the end of each fiscal year, City staff submits a resolution to City Council to transfer existing current year appropriated funds to adjust the various departmental accounts up and down as necessary, without increasing total authorized appropriations, according to projected final expenditure patterns. These transfers represent less than one-half of one percent of the FY 2008 General Fund budget. The transfers, in the amount of \$2,573,000 are recommended to accomplish the following:

During the course of the fiscal year, unexpected and unpredicted savings and costs occur which impact some departments positively and some departments negatively. To cover these costs, there were 15 departmental accounts under budget (see Resolution) where the reallocated funds originate. The largest is \$1,268,000 from transit funds previously budgeted in FY 2008 to cover the City's Metrobus and Metrorail subsidy. Higher State transit aid enabled the City to save \$1,268,000 in City funds, as the higher State transit aid was applied to a portion of the city's obligations. The accounts where these unexpended funds are proposed to be transferred to include:

- **General Services (\$1,060,000):**
  - **\$582,000 due to lower personnel turnover than budgeted with lapse savings not achieved; overtime for capital projects and waterfront improvements, overtime costs for emergency responses to storms, HVAC and electrical outages, and overtime costs related to more than 400 special events per year. (One of the elements of the special events policy, to be presented to City**

**Council in the fall, involves charging users and reimbursing Departments, such as General Services for the costs.)**

- **\$220,000 in City fleet vehicle fuel cost increases. The total cost for fuel in FY 2008 is projected to be \$2.2M, or \$0.7M over budget. The overexpenditure is due in large part to a significant increase in the cost per gallon in the last four months of the fiscal year. \$0.5 million was appropriated from Fund Balance as part of the Supplemental Appropriations ordinance, the remainder is covered with this transfer.**
- **\$258,000 for professional services costs related to construction administration of city facilities;**
  - Department of Human Services (\$525,000): for a shortfall driven by the State-mandated Community Services Act (CSA) expenses;
  - Planning and Zoning (\$400,000): with less turnover, the anticipated lapse savings were smaller;
  - Fire Department (\$300,000): with less turnover, the anticipated lapse savings were smaller;
  - City Attorney's Office (\$165,000): for additional legal counsel costs;
  - Real Estate (\$90,000): for personnel costs related to preparing for the separate assessments of mixed use properties related to the add-on commercial transportation tax;
  - General District Court (\$18,000): to fund public defendant language services related to local cases;
  - Registrar of Voters (\$15,000): for the recently held primary election (June 10, 2008).

**FISCAL IMPACT:** The resolution balances operating budget accounts by transferring approved appropriations. There is no net change in total budgeted expenditures as a result of the transfers.

**ATTACHMENT:** FY 2008 Transfer Resolution

**STAFF:**

Bruce Johnson, Director, Office of Management and Budget

Laura Triggs, Director, Finance Department

Ray Welch, Financial Reporting Supervisor, Finance/Accounting

Kendel Taylor, Senior Budget/Management Analyst, Office of Management and Budget

Paul Doku, Budget/Management Analyst, Office of Management and Budget

## RESOLUTION #

**WHEREAS**, certain appropriation accounts of the City of Alexandria, Virginia will be overexpended due to budgeting practices and unanticipated expenditures; and

**WHEREAS**, it is the desire of the City Council to take the action necessary to transfer budget authority among City departments to adjust these accounts;

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

That the Director of Finance be and hereby is authorized to make the following appropriations transfers between the General Fund accounts designated:

#### TRANSFER APPROPRIATIONS FROM:

Transit Subsidies	\$1,268,000
Police	250,000
Non-Departmental	200,000
Health	100,000
Library	150,000
City Manager's Office	125,000
Court Service Unit	90,000
Finance	75,000
Office On Women	50,000
Information Technology Services	50,000
Personnel	50,000
Management and Budget	60,000
Clerk of Courts	40,000
Other Public Safety and Justice Services	50,000
Office of Communications	15,000

TOTAL:	<u>\$2,573,000</u>
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#### TRANSFER APPROPRIATIONS TO:

General Services	\$1,060,000
Human Services	525,000
Planning and Zoning	400,000
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Real Estate	90,000
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Registrar of Voters	<u>15,000</u>

TOTAL:	<u>\$2,573,000</u>
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ADOPTED: June 24, 2008

WILLIAM D. EUILLE, MAYOR

ATTEST:

JACQUELINE M. HENDERSON, CITY CLERK

## RESOLUTION 2289

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Office On Women	50,000
Information Technology Services	50,000
Personnel	50,000
Management and Budget	60,000
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#### TRANSFER APPROPRIATIONS TO:

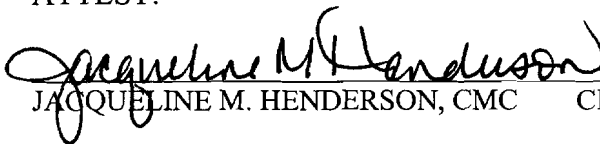
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TOTAL: \$2,573,000

ADOPTED: June 24, 2008

  
WILLIAM D. EUILLE MAYOR

ATTEST:

  
JACQUELINE M. HENDERSON, CMC CITY CLERK