

PROJECT NO. 1

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6-12-10


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~~6-8-10~~

City of Alexandria, Virginia

MEMORANDUM

**DATE:** MAY 27, 2010

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** JAMES K. HARTMANN, CITY MANAGER 

**SUBJECT:** ORDINANCE DEDICATING 0.5 CENTS OF THE REAL ESTATE TAX TO FUND A STORM WATER INFRASTRUCTURE TRUST FUND ACCOUNT

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**ISSUE:** Consideration of an ordinance to create a storm water trust fund account and to dedicate 0.5 cents of the real estate tax to fund the account.

**RECOMMENDATION:** That City Council pass the ordinance on first reading, and set it for public hearing, second reading, and final passage on Saturday, June 12.

**DISCUSSION:** The proposed ordinance would establish within the Special Revenue Fund a storm water trust fund account, which shall be accounted for and maintained separate and apart from all other accounts maintained by the City. The equivalent of 0.5 cents of the real estate tax will be dedicated to fund the account. Expenditures from the account will be authorized exclusively to finance permanent storm water maintenance and infrastructure public improvements related to the conveyance, treatment or storage of storm water. As is the case with sanitary sewer revenues, unexpended storm water fee revenues to such an account will not lapse or expire at the end of the fiscal year in which made, irrespective of whether such appropriations were encumbered within such fiscal year.

In addition to the 0.5 cents of the real estate tax described above, the storm water trust fund will also receive an FY 2011 transfer of \$938,084 from the City's General Fund, which reflects the transfer of the budget authority and corresponding service delivery for the Storm Water Sewer Maintenance activity located in the Department of Transportation and Environmental Services' budget. Also, the City's Capital Projects Fund will transfer \$1.0 million in FY 2011 (funded by General Obligation Bonds) into this new trust fund, which represents the average historical level of capital investment in the storm water system. By completing these two transfers of funds, all of the City's storm water maintenance funding will be consolidated within the newly created trust fund.

**FISCAL IMPACT:** Because the 0.5 cents will be a dedicated portion of the real estate tax and deposited directly into the storm water infrastructure trust fund account, it will have no fiscal impact in the General Fund. In FY 2011, 0.5 cents equals \$1.532 million, and in FY 2010, 0.5 cents equals \$0.768 million for the second payment.

The FY 2011 sum total of the dedicated real estate tax, the transfer of the Storm Water Sewer Maintenance activity, and the transfer of funds from the Capital Projects Fund will be \$4.2 million. These funds will provide for storm water system capital infrastructure improvements, capital project management, and inspection and cleaning of the storm sewer system.

**ATTACHMENT:** Ordinance Establishing the Storm Water Infrastructure Trust Fund

**STAFF:**

Bruce Johnson, Chief Financial Officer

Morgan Routt, Assistant Director, OMB

Michael Stewart, Budget and Management Analyst, OMB

Richard J. Baier, P.E., LEED AP, Director, T&ES

Emily Baker, P.E., Deputy Director/City Engineer, T&ES

Maurice Daly, P.E., Engineering Division Chief, T&ES

Antonio J. Baxter, Division Chief of Administration, T&ES

Introduction and first reading:	6/8/10
Public hearing:	6/12/10
Second reading and enactment:	6/12/10

INFORMATION ON PROPOSED ORDINANCE

Title

AN ORDINANCE to amend and reordain Chapter 1 (GENERAL PROVISIONS), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

Summary

The proposed ordinance creates the Storm Water Infrastructure Trust Account and sets the contribution rate for that account at the rate previously approved by City Council in the 2011 budget.

Sponsor

N/A

Staff

Bruce Johnson, Chief Financial Officer  
Morgan Routt, Assistant Director, OMB  
Richard J. Baier, P.E., LEED AP, Director T&ES  
Abi Lerner, P.E., Deputy Director of Transportation, T&ES  
Bob Garbacz, P.E., Transportation Division Chief, T&ES  
Antonio Baxter, Division Chief of Administration, T&ES  
Christopher P. Spera, Deputy City Attorney

Authority

§§2.02(a)(1), §2.04(h), Alexandria City Charter

Estimated Costs of Implementation

None

Attachments in Addition to Proposed Ordinance and its Attachments (if any)

None

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ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE to amend and reordain Chapter 1 (GENERAL PROVISIONS), Title 3 (FINANCE, TAXATION AND PROCUREMENT) of The Code of the City of Alexandria, Virginia, 1981, as amended.

THE CITY COUNCIL OF ALEXANDRIA HEREBY ORDAINS:

Section 1. That Chapter 1 of Title 3 of the Code of the City of Alexandria, Virginia, 1981, as amended, be, and the same hereby is, amended and reordained by the addition of a new Section 3-1-9, as follows:

(The following is all new language)

Sec. 3-1-9 Storm Water Infrastructure Trust Fund Account.

(a) Establishment of account. There is hereby established for the City of Alexandria a permanent account within the Capital Projects Fund to be known and designated as the City of Alexandria Storm Water Infrastructure Trust Fund Account, which account shall be accounted for and maintained separate and apart from all other accounts maintained by the City of Alexandria.

(b) Funding of account. There is hereby assigned and appropriated to such account, and for the fiscal year commencing January 1, 2011 and in each succeeding fiscal year, from the tax on real estate levied pursuant to section 3-2-181 of this code, in addition to all other appropriations made to such account, if any, the sum of \$0.005 on each \$100 of the assessed value of all real estate subject to such tax.

(c) Expenditures from account. Notwithstanding any contrary provision of law, appropriations from the said account shall be authorized and made exclusively to finance permanent storm water infrastructure public improvements related to the conveyance, treatment or storage of storm water included in the capital budget. Unexpended appropriations to such account shall not lapse or expire at the end of the fiscal year in which made, irrespective of whether such appropriations were encumbered within such fiscal year.

(d) Storm water infrastructure public improvements defined. As used in this section, storm water infrastructure public improvements means any structure designed to convey, store, treat or otherwise manage storm water, repairs or improvements to any existing structures, and land acquired by the city in fee or by perpetual easement in connection with such a structure, together with accessory buildings and structures incidental and subordinate to management of storm water, and capital expenditures including but not limited to, demolition, clean-up, grading, engineering and design work, and the acquisition and installation of furniture, structures,

1 landscaping, apparatus and facilities, for such use and improvement of the site, and any  
2 personnel, consultant, equipment or operational cost related thereto.

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4 Section 2. That this ordinance shall become effective July 1, 2010.

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6 WILLIAM D. EUILLE  
7 Mayor  
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9 Introduction: 6/8/10  
10 | First Reading: 6/8/10  
11 Publication:  
12 Public Hearing:  
13 Second Reading:  
14 Final Passage:  
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ORDINANCE NO. 4670

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Section 2. That this ordinance shall become effective July 1, 2010.

WILLIAM D. EUILLE  
Mayor

Final Passage: June 12, 2010