

Resolution _____

**Setting Guidance for FY 2014 General Fund Operating Budget
and Capital Improvement Program for FY 2014 – FY 2023**

WHEREAS, the City Council of Alexandria passed a resolution establishing Council's process for formulating the Operating Budget and the Capital Improvement Programs (CIP) during the term of this Council and requires that City Council set budget guidance for the City Manager and the School Board for the FY 2014 budget.

WHEREAS, the City Council held a public hearing regarding the FY 2014 budget on October 13, 2012; and

WHEREAS, the City Manager presented to City Council at its December 11, 2012 budget work session, preliminary forecasts of revenues and expenditures; and

WHEREAS, the City Council's deliberations on the budget each year reflect a balancing of the goals articulated in the City's Strategic Plan with the ability to pay for the appropriate level of services associated with those goals; and

WHEREAS, the City Council is committed to continuously improving City government effectiveness and efficiency and expects the City Manager and City staff to focus on achieving goals identified in the Strategic Plan; and

WHEREAS, the City Council is committed to continue providing core services expected of a municipal government and to continue to provide effective services and infrastructure for the residents and businesses of Alexandria; and

WHEREAS, the City Council will not make any material changes that may threaten the City's AAA/Aaa bond rating; and

WHEREAS, the City Council understands that it will be a challenge to achieve many of the goals delineated in the Strategic Plan with the resources currently available; and

WHEREAS, the City Council recognizes the need to measure the impact of programs and activities against the expected goals in the Strategic Plan, to deemphasize programs that may not be as closely aligned with those goals as defined by their long term outcome, to identify efficiencies, and emphasize a multi-year plan to link future budgets to the achievement of strategic goals and objectives;

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

(a) **Operating and Capital Improvement Program Expenditures:** The City Manager may propose for Council consideration, increases in operating and capital project

expenditures including compensation adjustments so long as any increased operating or capital project expense can be demonstrated as necessary to meet the strategic goals and objectives of the City, and/or can be demonstrated to diminish a specific risk to the community. Likewise, the City Manager may propose decreases in operating and capital project expenditures provided the decrease can be demonstrated to be of lesser utility in achieving the goals and objectives of the City's Strategic Plan. An appropriate source of revenue, compliant with applicable laws regarding revenue sources as established by the Code of Virginia, must be designated for all proposed operating and capital project expenditures.

(b) **Taxes, Fees, Fines and Service Charges:** The City Manager may propose changes to taxes, fees, fines and service charges that are equitable, fair and administratively feasible provided that these proposals are observant of the constraints imposed by the Code of Virginia. The City Manager is encouraged to propose updates to fees, fines and service charges on an appropriate frequency to ensure currency.

(c) **Cost Saving Measures:** The City Manager shall continually identify and implement cost saving measures and efficiencies in all City operations—and shall include an accounting of the fiscal impact of those measures in the proposed budget.

(d) **Use of Surplus:** The City Manager will recommend use of surplus funds first to ensure that the Capital Improvement Program includes sufficient cash capital funding, then to address one-time costs that positively impact the expected goals in the Strategic Plan.

(e) **Capital Expenditures:** The City Manager shall not decrease the cash capital commitment to the CIP below the levels in the approved FY 2013-2022 CIP.

(f) **ACPS Funding:** That the City Manager recommend for transfer to the Alexandria City Public Schools an appropriation equal the amount approved by City Council for FY 13, except that the City Manager may vary from the FY 13 approved appropriation if specifically to address anticipated changes in student enrollment or expense changes resulting from cost saving measures employed by ACPS.

(g) **Capital Improvement Program (CIP):** The City Manager's proposed base CIP shall include:

- (1) Specific estimates for expenditures and revenues for FY 2014 through FY 2019 and preliminary estimates of revenue and expenditures for FY 2020 through FY 2023;
- (2) Reservation of funding provided by the real estate tax reserved for transportation purposes;
- (3) Compliance with the City's adopted debt policies for any debt issuance planned for FY 2014 through FY 2023;
- (4) A proposal for financing the planned Potomac Yard Metrorail station including any debt policy amendments necessary to allow for the Metrorail station financing;
- (5) Specific descriptions of projects that can be funded within recommended levels of funding and their costs estimated for all years (FY 2014 – FY 2023); and

(6) Capital Improvement Program Package: The City Manager shall propose a CIP Package for consideration by the City Council during its deliberations. This package shall:

- (1) Reflect the commitment of additional revenue .
- (2) Provide funding for projects that are either entirely unfunded in the base CIP or are only allocated funding in the latter 5 years of the proposed CIP.
- (3) Projects included in this proposal shall directly align to the goals of the City's Strategic Plan, and shall work to address acute capital needs in:
 - a. Education physical plant capacity
 - b. Sewer and other basic infrastructure
 - c. Public Safety
 - d. Recreation enhancements

OR:

- (6) The City Manager shall propose a prioritized listing of capital projects to be funded within recommended levels of funding and the specific cost estimate for each project for all years included in the Capital Improvement Program (FY 2014-2023). The City Manager shall also provide a prioritized listing of capital projects whose estimated cost exceeds the current recommended levels of funding available. The City Manager shall include a description of the criteria used to determine project priority and shall demonstrate an alignment of the project's purpose with the goals and objectives of the City's Strategic Plan.

William D. Euille, Mayor

ATTEST:

Jacqueline M. Henderson, MMC
City Clerk and Clerk of Council