

RESOLUTION NO. 2586

Setting Guidance for FY 2015 General Fund Operating Budget and Capital Improvement Program for FY 2015 – FY 2024

WHEREAS, the City Council of Alexandria passed a resolution (Resolution #2537) 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 2015 budget.

WHEREAS, the City Council held a public hearing regarding the FY 2015 budget on October 19, 2013; and

WHEREAS, the City Council's budget deliberations and annual spending decisions reflect a balancing of the goals articulated in the City's Strategic Plan;

WHEREAS, through the Results Alexandria framework those services directly supporting the achievement of the City's strategic goals are considered for funding support; and

WHEREAS, the City Council is committed to continuously improving the efficiency and effectiveness of City government and expects the City Manager and City staff to focus on achieving service outcomes and providing programs that benefit the community and its residents; and

WHEREAS, the City Council is committed to continue providing core services expected of a municipal government including the provision and maintenance of the City's capital infrastructure; and

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

WHEREAS, the City Council acknowledges that the resources required to achieve the goals of the Strategic Plan must be weighed against the appropriateness of the tax burden placed upon citizens; and

WHEREAS, the City Council recognizes the need to measure the impact of programs and lines of business against expected outcomes, to deemphasize or eliminate programs that do not yield those outcomes desired, and to identify efficiencies wherever possible; and

WHEREAS, the City Council desires to emphasize a multi-year perspective for fiscal planning; and

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 outcomes 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, or sources, of revenue, compliant with applicable laws regarding revenue sources as established by the Code of Virginia, must be identified for all proposed operating and capital project expenditures.

(b) **Taxes, Fees, Fines and Service Charges:** In funding the proposed budget, the City Manager shall maintain the existing \$1.038 Real Estate Tax and \$5.00 Vehicle Personal Property Tax rates, as well as the existing dedications and reservations. The City Manager may propose changes to other tax policies, tax rates, tax designations, 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.

(c) **Cost Saving Measures:** The City Manager shall continually identify and implement cost saving measures and efficiencies in all City and School operations and consider reduction of service levels where the performance exceeds the level required by the community, where the current level of service is not a strategic priority, or where performance, over time, has not achieved the desired outcomes.

(d) **City Workforce:** The City Manager may propose a budget that includes employee compensation (salary and benefits) that is competitive with our peer jurisdictions.

(e) **Use of Surplus:** The City Manager will recommend use of prior-year 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.

(f) **CIP:** The proposed FY 2015-2024 CIP shall incorporate the following:

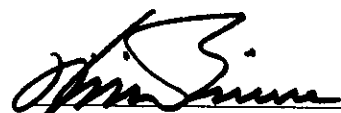
1. Compliance with the City's adopted/proposed debt policies for any debt issuance planned for FY 2015 through FY 2024;
2. Recognition of new funds available through the Northern Virginia Transportation Authority;
3. An updated proposal for financing the planned Potomac Yard Metrorail station, including any debt policy amendments necessary;
4. Maintenance or increase of cash capital commitment from approved FY 2014-2023 CIP;
5. The optional use, as determined by the City Manager, of expected additional General Fund operating budget surplus from FY 2014 as commitment for capital projects in FY 2015 and beyond; and,
6. Specific descriptions of projects that can be funded within recommended levels of funding, and their associated operating costs, estimated for all years of the CIP.

(g) **ACPS Funding:** That the City Manager recommend for transfer to the Alexandria City Public Schools an appropriation equal to the amount approved by City Council for FY 2014, except that the City Manager may vary from FY 2014 approved appropriation if specifically to address anticipated changes in student enrollment, expense changes resulting from cost saving measures employed by ACPS, or cost changes which results from efficiencies gained through the sharing of services with other entities.

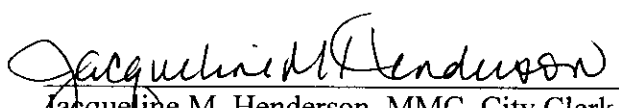
(h) **Outside Agencies:** Organizations outside the City government that receive funding support from the City must demonstrate an alignment of their efforts with accomplishments of the City's strategic objectives. In cases where there is discretion over the level of funding, organizations external to the City government must demonstrate the purpose and consequence of the funding.

(i) **Non-Profit Partnerships:** The City Manager shall seek to incorporate the recommendations of the Alexandria Fund for Human Services (AFHS) Citizen Review Committee in the proposed budget.

Adopted: November 26, 2013


WILLIAM D. EUILLE MAYOR

ATTEST:


Jacqueline M. Henderson, MMC City Clerk