



Legislation Text

File #: 24-2124, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 4, 2024

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: KENDEL TAYLOR, DIRECTOR OF FINANCE

DOCKET TITLE:

Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Make Appropriations for the Support of the City Government for Fiscal Year 2025.

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) 2025.

RECOMMENDATION: That City Council approve the proposed Appropriations Ordinance for Fiscal Year 2024 (Attachment 2) reflecting \$2,107,800,029 in total appropriations on first reading, and schedule it for second reading, public hearing and final passage on Saturday, June 17, 2023.

DISCUSSION: On May 3, 2023, City Council adopted the FY 2024 Budget and adopted an ordinance setting the City's real property and personal property tax rate for calendar year (CY) 2023. In accordance with sections 6.07 and 6.14 of the City Charter, an annual ordinance is also required to appropriate the Approved Operating and Capital Budgets. This ordinance is always scheduled for June City Council consideration. 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. This ordinance also reflects the Approved Budget of the Alexandria City Public Schools (ACPS), set for adoption by the School Board on June 6. Any changes or amendments adopted by the School Board in the Final Budget will be brought to City Council for appropriation in the Fall.

ADOPTED OPERATING BUDGET: Sections 1 through 9 of the attached proposed appropriation ordinance legally establishes the revenues and expenditures of the FY 2025 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. In addition, the total expenditure appropriation is reduced by the amount of these transfers (referred to as "Interfund Transfers") to eliminate double counting and accurately reflect the aggregate expenditure appropriations. Table I, which is attached to the ordinance, provides the detailed breakdown for all funds for each department and component unit. Table II, which is also attached to the ordinance, provides the detailed revenue estimate for all funds by the major sources of revenue. Both tables reflect the expenditures and revenues net of Interfund Transfers. The total appropriation of \$2,107,800,029, net of \$499,561,602 in Interfund Transfers (in order to not double count) equals \$1,608,238,429.

REAPPROPRIATION OF PROJECTED ENCUMBRANCES: Section 10 of the attached proposed appropriation ordinance reappropriates monies authorized and expected to be obligated in FY 2024 but not expected to be expended as of June 30, 2024. 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

one 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 estimates of preliminary encumbrances. The actual encumbrance amount that is carried over from FY 2024 into FY 2025 may be lower than this amount. The final encumbrance amount that is carried over into FY 2025 will be reduced to reflect actual authorized encumbrances.

FISCAL IMPACT: This ordinance authorizes the receipt and expenditure of \$2,122,926,029 for FY 2024 in the following sections: \$2,107,800,029 in Sections 1 through 9 and \$15,126,000 in Section 10):

Section 1 to Section 9

General Fund	\$ 926,395,792
Special Revenue Fund	140,764,350
Affordable Housing Fund	11,789,184
Sewer Special Revenue Fund	27,009,109
Stormwater Special Revenue Fund	19,673,000
Potomac Yard Fund	18,082,761
Northern Virginia Transportation Authority Fund	41,145,921
Capital Projects Fund	493,728,519
Equipment Replacement Internal Service Fund	7,097,249
Alexandria City Public Schools	377,657,890
Library Fund	9,679,051
Alexandria Transit Company	34,777,203
Less: Interfund Transfers	(499,561,602)
Total	<u>\$ 1,608,238,427</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, 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, Alexandria City Public Schools, irrespective of the source. The total appropriation of \$377,657,890 million to the ACPS includes \$18,283,096 million of operating funds, \$18,283,096 million for grants and special projects and \$12,975,983 million for the School Lunch Fund. The "Less: Interfund Transfers" line backs out dollars counted in more than one fund. The attached tables show revenues and expenditures by department and fund, net of interfund transfers.

Section 10

The reappropriation of \$15,126,000 of General Fund Balance as the maximum monies estimated to be encumbered as of June 30, 2024. This is a high end estimated amount which likely will be lowered in the first few months of FY 2024 to the actual encumbrance need. By obtaining an estimated authorized amount by July 1, clearer internal budget management is facilitated.

Reappropriation of monies encumbered as of June 30, 2024	<u>\$ 15,126,000</u>
Total	<u>\$2,122,926,029</u>

ATTACHMENTS:

Attachment 1 - Appropriation Ordinance Cover
Attachment 2 - Appropriation Ordinance
Attachment 3 - Table I - Expenditures by Department or Component Unit by Fund
Attachment 4 - Table II - Sources of Revenue

STAFF:

Morgan Routt, Director of Management & Budget
Amanda Hamm, Assistant Director of Management and Budget