

delete decisions of the School Board, which took into account both changes in revenue estimates at the State and local level as well as increased use of fund balance and excessive services and the final City transfer Appropriation of \$206,561,472

ADOPTED OPERATING BUDGET: Sections 1 through 9 of the attached proposed appropriations ordinance legally establishes the revenues and expenditures of the FY 2017 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 must be 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.

REAPPROPRIATION OF PROJECTED ENCUMBRANCES: Section 10 of the attached proposed appropriation ordinance reappropriates monies authorized and expected to be obligated in FY 2016 but not expected to be expended as of June 30, 2016. 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 2016 into FY 2017 will be different than this amount. The final encumbrance amount that is carried over into FY 2017 will be reduced to reflect actual authorized encumbrances.

FISCAL IMPACT: This ordinance authorizes the receipt and expenditure of \$1,213,872,354 for FY 2017 in the following sections \$1,203,096,354 in Sections 1 through 9 and \$10,776,000 in Section 10):

Section 1 to Section 9

General Fund	\$ 678,533,638
Special Revenue Fund	101,418,669
Housing Special Revenue Fund	1,296,599
Sewer Special Revenue Fund	10,936,399
Stormwater Special Revenue Fund	1,907,746
Potomac Yard Fund	5,419,716
Northern Virginia Transportation Authority Fund	22,626,546
Capital Projects Fund	394,604,052
Equipment Replacement Internal Service Fund	5,667,166
Alexandria City Public Schools	277,644,369
Library Fund	7,422,038
Alexandria Transit Company	16,889,304
Less: Interfund Transfers	<u>(321,269,888)</u>
Total	<u>\$1,203,096,354</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 (such as farebox revenue for the Alexandria Transit Company), 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 appropriation to the ACPS includes

\$253.4 million of operating funds, \$13.7 million for grants and special projects and \$10.6 million for the School Lunch Fund. The “Less: Interfund Transfers” line backs out dollars counted both in the General Fund, the Sewer and Wastewater Fund amounts and each of the agency budgets for the City’s appropriation to these individual agencies.

Section 10

The reappropriation of \$10,776,000 of General Fund Balance as the maximum monies encumbered as of June 30, 2016. This is a high-end and estimated amount which will be lowered in the first few months of FY 2017 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, 2016	\$ <u>10,776,000</u>
Total	\$ <u>10,776,000</u>

ATTACHMENT:

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

STAFF:

Kendel Taylor, Director of Finance
Morgan Routt, Director of Management & Budget