



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 11, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: RASHAD M. YOUNG, CITY MANAGER /s/

DOCKET TITLE:

Public Hearing, Second Reading, and Final Passage of an Ordinance to Make Appropriations for the Support of the City Government for Fiscal Year 2014. [ROLL-CALL VOTE]

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) 2014.

RECOMMENDATION: That City Council pass the ordinance scheduled for public hearing, second reading, and final passage on Saturday, June 15, 2013.

DISCUSSION: On May 6, 2013, City Council approved the FY 2014 General Fund Budget and adopted an ordinance setting the City's real property and personal property tax rate for calendar year (CY) 2013. 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 contains the appropriation of the Adopted Operating Budget, the reappropriation of expected encumbrances, and an appropriation from the Special Revenue Fund for new grants.

ADOPTED OPERATING BUDGET: Sections 1 through 9 of the attached proposed appropriations ordinance legally establishes the revenues and expenditures of the FY 2014 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.

APPROPRIATION OF FUND BALANCE FOR OTHER POST EMPLOYMENT BENEFITS : Section 10 of the attached proposed appropriation ordinance appropriates General Fund balance to continue funding the City's obligation for other post-employment benefits. These funds are placed in a separate trust fund, the Post-Employment Benefits Trust.

REAPPROPRIATION OF PROJECTED ENCUMBRANCES: Section 11 of the attached proposed appropriation ordinance reappropriates monies authorized and expected to be obligated in FY 2013 but not expected to be expended as of June 30, 2013. 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 2013 into FY 2014 may be lower than this amount. The final encumbrance amount that is carried over into FY 2014 will be reduced to reflect actual authorized encumbrances.

FISCAL IMPACT: This ordinance authorizes the receipt and expenditure of \$815,186,242 for FY 2014 in the following sections (\$804,538,724 in Sections 1 through 9, \$200,000 in Section 10 and \$10,193,000 in Section 11):

Section 1 to Section 9

General Fund (including Transportation Improvement)	\$ 624,848,747
Special Revenue Fund	88,443,842
Housing Special Revenue Fund	3,293,260
Sewer Special Revenue Fund	8,068,865
Stormwater Special Revenue Fund	1,682,033
Capital Projects Fund	76,735,227
Equipment Replacement Internal Service Fund	6,661,403
Alexandria City Public Schools	243,921,824
Library	7,289,752
Alexandria Transit Company	16,045,632
Less: Interfund Transfers	<u>(272,451,861)</u>
Total	<u>\$ 804,538,724</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, irrespective of the source. The "Less: Interfund Transfers" line backs out dollars counted both in the General Fund and Sewer and Wastewater Fund amounts and each of the agency budgets for the City's appropriation to these individual agencies.

Section 10

The appropriation of \$200,000 of General Fund Balance designated in FY 2014 Adopted Budget.

Section 10	Spendable General Fund Balance	\$ 200,000
Total		<u>\$ 200,000</u>

Section 11

The reappropriation of \$10,193,000 of General Fund Balance as the maximum monies encumbered as of June 30, 2012.

Section 11	Reappropriation of monies encumbered as of June 30, 2013	\$ 10,193,000
Total		<u>\$ 10,193,000</u>

ATTACHMENT: Appropriation Ordinance

STAFF:

Laura Triggs, Chief Financial Officer

Nelsie Smith, Director, Management and Budget

Kendel Taylor, Assistant Director, Office of Management and Budget