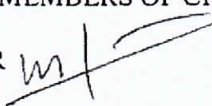


4-24-18

City of Alexandria, Virginia

MEMORANDUM

**DATE:** APRIL 20, 2018  
**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
**THROUGH:** MARK B. JINKS, CITY MANAGER   
**FROM:** MORGAN ROUTT, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
**SUBJECT:** BUDGET MEMO #68: PRELIMINARY ADD/DELETE LIST

This memorandum summarizes the FY 2019 budget add/delete items eligible for consideration in the Preliminary Add/Delete work session on Tuesday, April 24, 2018 at 6:00 pm in City Council Chambers. City Council's eligible add/delete proposals are provided in Attachment 1.

In accordance with Resolution 2797 (adopted on November 14, 2017) on setting guidance for the FY 2019 budget process, a combined list of all City Council budget proposals, technical adjustments from OMB, and City Manager recommended changes is to be provided and discussed at the preliminary add/delete work session. In order to be eligible for consideration, a proposal must:

1. Contain information related to how the change advances the Council's goals/priorities;
2. Contain information related to how the change impacts the performance of that program, service, or goal;
3. Have received the support of at least three of seven Council members (the original sponsor and two co-sponsors); and
4. Be accompanied by an add/delete spreadsheet prepared by the Council member or OMB in which the sum of the individual Council members' adds and deletes, including the items originally sponsored by that member and those co-sponsored by that member, are in balance or produce a revenue surplus.

**Affordable Housing CIP Funding: +\$2,350,000 (Budget Question #4, #67)**

This proposal increases the meals tax 1 percent from 4 percent to 5 percent generating \$4.75M of additional revenue and reduces the \$0.6 cent Real Estate Tax dedication for affordable housing (-\$2,400,000). This proposal will provide an additional \$2,950,000 for the creation of a new Capital Improvement Program (CIP) project to fund the development, preservation and rehabilitation of affordable housing to help achieve the Housing Master Plan's 200-unit annual preservation/production goal.

**Dedicated Affordable Housing CIP Funding: +\$4,750,000 (Budget Question #4, #67)**  
This proposal increases the meals tax 1 percent from 4 percent to 5 percent generating \$4.75M of additional revenue for affordable housing. The proposal dedicates this additional funding for the creation of a new Capital Improvement Program (CIP) project to fund the development, preservation and rehabilitation of affordable housing to help achieve the Housing Master Plan's 200-unit annual preservation/production goal.

**Employment and Training Services for Older Adults: +\$41,000 (Budget Question #60)**  
This add/delete proposal will provide \$41,000 for a part-time Employment & Training Specialist to provide employment and training services to older adults. This expenditure increase will be funded with \$41,000 savings achieved through a 6-month hiring delay of a new Technology Support Engineer III for the Emergency Operations Center (Budget Question #47).

**Transfer Public Private Partnership (P3) funding to Contingent Reserves: \$0**  
This add/delete proposal will transfer \$75,000 from the City Manager's Office operating budget to Contingent Reserves until a more thorough proposal of the position's need, function and appropriate location has been presented and discussed. The \$100,000 of funding associated with this position will remain in the CIP until the final determination is made.

**Public Safety Recruitment and Retention Capabilities Contingency: +\$2,135,114**  
This add/delete proposal will increase non-departmental contingent proposed by the City Manager to address public safety recruitment and retention issues. This proposed add would increase the contingent from \$1,500,000 to a total of \$3,635,114 utilizing \$712,309 in expenditure savings and \$1,422,805 in additional revenues. A detailing of each item is listed below.

**Revenue Re-Estimates: +\$953,352 (Budget Question #61)**

Revenue re-estimates developed by staff and summarized in Budget Memo #61 include a \$953,352 increase in FY 2019 General Fund revenues based on actual FY 2018 billings and collections through March.

**Revenue Technical Adjustments: +\$27,125 (Budget Question #61)**

As outlined in the Budget Question #61, a technical adjustment to the proposed Planning and Zoning increases results in a net increase of \$27,125 in revenue associated with the proposed fee increases from the City Manager's Proposed Budget.

**Increase the Room Tax: +\$275,000 (Budget Question #36)**

This add/delete option would increase the room tax from \$1.00 per night to \$1.25 per night. The proposal utilized \$275,000 for this item. The Office of Management and Budget calculates this increase will provide an additional \$286,000 of revenue.

**Increase Residential Parking Permits: +\$117,328 (Budget Question #2)**

This add/delete option would increase the residential parking permit fees for a one vehicle, second vehicles and three or more vehicles. The \$10 fee increase for one vehicle would generate \$60,733 and would increase the rate from \$30 to \$40. The \$10 fee increase for the second vehicle would generate \$23,545 and would increase the rate from



\$40 to \$50. Finally, the \$50 fee increase for more than two vehicles would generate \$33,050 and would increase the rate from \$100 to \$150.

Fire Marshal Fees: +\$50,000 (pending Budget Question #29)

This add/delete option would increase fees generated from Fire Marshal inspections by \$50,000.

Expenditure Technical Adjustments: -\$280,465 (Budget Question #61)

Since presenting the proposed budget, staff has identified expenditure adjustments for FY 2019 including increases and decreases not included in the proposed budget. These changes are summarized in Budget Memo #61 and total \$419,535 and are offset by a \$700,000 decrease in the WMATA operating subsidy, leaving \$280,465 available for reallocation.

Reduce Police Overhires: -\$281,844 (Budget Question #19)

This add/delete option would reduce the number of Police overhires from 17 to 13. The cost of one Police overhire position is \$70,461 and this proposal would generate a total expenditure savings of \$281,844.

Reduce General Contingency: -\$150,000

This add/delete option would reduce the General Contingency from \$150,000 to \$0.

**Renewable Energy Credits: +\$81,000 (Budget Question #55)**

This proposal increases the operating budget by \$81,000 to provide funding to purchase Renewable Energy Credits (RECs) that will allow the City to offset the equivalent of 100% of the greenhouse gas emissions associated with the City's current electric consumption. This item will be funded by reducing \$38,500 from the Patrick Henry Recreation Center supplemental initiative (Budget Question #27) and defer the Employee Engagement Survey to FY2020, creating a bi-annual cycle saving \$42,500 (Budget Question #65).

**ATTACHMENTS:**

**Attachment 1 – Combined List of Preliminary Add/Delete Proposals**

## ADD/DELETE FORM

## FY 2019 CITY COUNCIL BUDGET PROPOSAL



DATE:

4/19/2018

CITY COUNCIL SPONSOR:

Wilson

CO-SPONSOR:

- ☐ MAYOR SILBERBERG  
☒ VICE MAYOR WILSON

- ☐ COUNCILMAN BAILEY  
☐ COUNCILMAN CHAPMAN  
☒ COUNCILMAN LOVAIN

- ☐ COUNCILWOMAN PEPPER  
☒ COUNCILMAN SMEDBERG

REQUESTED CHANGE AFFECTS:

☐ OPERATING☒ CAPITAL☐ BOTH

## ADD/DELETE

☒ ADD☐ DELETE

INITIATIVE/PROGRAMMATIC ADJUSTMENT	WHAT IS THE IMPACT OF THIS ADD/DELETE?				
Affordable Housing Development, Preservation and Rehabilitation Capital Improvement Project	<p>This add will create a new multi-year Capital Improvement Program project to provide for the development, preservation and rehabilitation of affordable housing.</p> <p>As detailed in Budget Question 26, this project will be funded by new General Fund revenues and developer contributions. This is a comprehensive funding proposal that would provide a \$2.35 million increase in Affordable Housing funding in FY 2019, replace the existing Real Estate Tax dedication, and provide for a 5-year phase-in to reach the Housing Master Plan's 200-unit annual preservation/production goal.</p> <p>In presenting the FY 2020-2029 Capital Improvement Program, the City Manager shall propose phased-in funding for this new project to meet the Housing Master Plan preservation/production goal within 5 years (inclusive of planned developer contributions).</p>				
<b>FIVE YEAR IMPACT</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
OPERATING EXPENDITURE/(SAVINGS)					
CAPITAL EXPENDITURE/(SAVINGS)	\$2,350,000	TBD	TBD	TBD	TBD
IS THIS CHANGE ALIGNED WITH THE CITY COUNCIL GUIDANCE? HOW?	This proposal is in furtherance of the approved Housing Master Plan.				
DOES THIS ADD/DELETE IMPACT LEVERAGING OF OTHER FUNDS (I.E. MATCHING FUNDS FROM GRANTS, STATE PROGRAMS OR FEDERAL PROGRAMS)? HOW?	This funding will allow the City to draw upon a variety of Federal, State and private affordable housing funding sources.				
If an ADD, how do you plan to offset addition costs?	<input checked="" type="checkbox"/> REVENUE ENHANCEMENT <input type="checkbox"/> DELETE FROM OTHER AREA		Please Explain (i.e. which delete(s) corresponds to this add) Restaurant Meals Tax Increase to 5% (Budget Question 4): \$4,750,000		
If a DELETE, what do you plan to do with the savings?	<input type="checkbox"/> ADD TO OTHER AREA <input type="checkbox"/> ADD TO FUND BALANCE <input checked="" type="checkbox"/> CONTRIBUTE TO TAX/FEE REDUCTION		Please Explain (i.e. which add(s) corresponds to this delete) Reduction in Real Estate Rate of 0.6 cents: (\$2,400,000)		



## ADD/DELETE FORM

## FY 2019 CITY COUNCIL BUDGET PROPOSAL



DATE:

CITY COUNCIL SPONSOR:

4/19/2018

Willie F. Bailey, Sr.

CO-SPONSOR:

- ☐ MAYOR SILBERBERG  
☐ VICE MAYOR WILSON

- ☒ COUNCILMAN BAILEY  
☒ COUNCILMAN CHAPMAN  
☐ COUNCILMAN LOVAIN

- ☒ COUNCILWOMAN PEPPER  
☐ COUNCILMAN SMEDBERG

REQUESTED CHANGE AFFECTS:

☐ OPERATING☒ CAPITAL☐ BOTH

## ADD/DELETE

☒ ADD☐ DELETE

INITIATIVE/PROGRAMMATIC ADJUSTMENT	WHAT IS THE IMPACT OF THIS ADD/DELETE?				
Affordable Housing Development, Preservation and Rehabilitation Capital Improvement Project	This proposal is in furtherance of the approved Housing Master Plan through a dedicated funding source transferred to the CIP.				
<b>FIVE YEAR IMPACT</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
OPERATING EXPENDITURE/(SAVINGS)	\$4.75M	\$4.75M	\$4.75M	\$4.75M	\$4.75M
CAPITAL EXPENDITURE/(SAVINGS)					
IS THIS CHANGE ALIGNED WITH THE CITY COUNCIL GUIDANCE? HOW?	This proposal is a continuance of the approved Housing Master Plan.				
DOES THIS ADD/DELETE IMPACT LEVERAGING OF OTHER FUNDS (I.E. MATCHING FUNDS FROM GRANTS, STATE PROGRAMS OR FEDERAL PROGRAMS)? HOW?					
If an ADD, how do you plan to offset addition costs?	<input checked="" type="checkbox"/> REVENUE ENHANCEMENT <input type="checkbox"/> DELETE FROM OTHER AREA		Please Explain (i.e. which delete(s) corresponds to this add) Restaurant Meals Tax Increase to 5% (Budget Question #4): \$4,750,000		
If a DELETE, what do you plan to do with the savings?	<input type="checkbox"/> ADD TO OTHER AREA <input type="checkbox"/> ADD TO FUND BALANCE <input type="checkbox"/> CONTRIBUTE TO TAX/FEE REDUCTION		Please Explain (i.e. which add(s) corresponds to this delete)		

## ADD/DELETE FORM

## FY 2019 CITY COUNCIL BUDGET PROPOSAL



DATE:

4/19/18

CITY COUNCIL SPONSOR:

Del Pepper

CO-SPONSOR:

☐ MAYOR SILBERBERG☒ COUNCILMAN BAILEY☒ COUNCILWOMAN PEPPER☐ VICE MAYOR WILSON☒ COUNCILMAN CHAPMAN☐ COUNCILMAN SMEDBERG☐ COUNCILMAN LOVAIN

REQUESTED CHANGE AFFECTS:

☒ OPERATING☐ CAPITAL☐ BOTH

## ADD/DELETE

☒ ADD☐ DELETE

INITIATIVE/PROGRAMMATIC ADJUSTMENT	WHAT IS THE IMPACT OF THIS ADD/DELETE?				
Experienced Worker position assisting older adults seeking employment	Would positively impact 300-350 people in the City in a given year—50plus years old.				
FIVE YEAR IMPACT	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURE/(SAVINGS)	\$41,000	\$41,000	\$41,000	\$41,000	\$41,000
CAPITAL EXPENDITURE/(SAVINGS)					
IS THIS CHANGE ALIGNED WITH THE CITY COUNCIL GUIDANCE? HOW?	This position would be part of the Workforce Development Center. It is supported by (aligned with) the goals of the City's Strategic Plan.				
DOES THIS ADD/DELETE IMPACT LEVERAGING OF OTHER FUNDS (I.E. MATCHING FUNDS FROM GRANTS, STATE PROGRAMS OR FEDERAL PROGRAMS)? HOW?	NO				
If an ADD, how do you plan to offset addition costs?	<input type="checkbox"/> REVENUE ENHANCEMENT <input checked="" type="checkbox"/> DELETE FROM OTHER AREA		Please Explain (i.e. which delete(s) corresponds to this add) Delay hiring tech support Engineer III in ITS for 6 months		
If a DELETE, what do you plan to do with the savings?	<input type="checkbox"/> ADD TO OTHER AREA <input type="checkbox"/> ADD TO FUND BALANCE <input type="checkbox"/> CONTRIBUTE TO TAX/FEE REDUCTION		Please Explain (i.e. which add(s) corresponds to this delete)		



## ADD/DELETE FORM

## FY 2019 CITY COUNCIL BUDGET PROPOSAL



DATE:

4/19/18

CITY COUNCIL SPONSOR:

Councilman Smedberg

CO-SPONSOR:

- ☐ MAYOR SILBERBERG  
☒ VICE MAYOR WILSON

- ☐ COUNCILMAN BAILEY  
☒ COUNCILMAN CHAPMAN  
☐ COUNCILMAN LOVAIN

- ☐ COUNCILWOMAN PEPPER  
☐ COUNCILMAN SMEDBERG

REQUESTED CHANGE AFFECTS:

☒ OPERATING☐ CAPITAL☐ BOTH

## ADD/DELETE

☐ ADD☐ DELETE

INITIATIVE/PROGRAMMATIC ADJUSTMENT	WHAT IS THE IMPACT OF THIS ADD/DELETE?				
Transfer Public-Private Partnership funding from City Manager's Office to Contingent Reserve	Transfer \$75,000 from the City Manager's Office operating budget to Contingent Reserves until a more thorough proposal of the position's need, function and appropriate location has been presented and discussed. \$100,000 will remain in the CIP until the final determination is made.				
<b>FIVE YEAR IMPACT</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
OPERATING EXPENDITURE/(SAVINGS)	\$0	\$0	\$0	\$0	\$0
CAPITAL EXPENDITURE/(SAVINGS)					
IS THIS CHANGE ALIGNED WITH THE CITY COUNCIL GUIDANCE? HOW?	This position is related to the achievement of the City's economic development goals.				
DOES THIS ADD/DELETE IMPACT LEVERAGING OF OTHER FUNDS (I.E. MATCHING FUNDS FROM GRANTS, STATE PROGRAMS OR FEDERAL PROGRAMS)? HOW?	No				
If an ADD, how do you plan to offset addition costs?	<input type="checkbox"/> REVENUE ENHANCEMENT <input type="checkbox"/> DELETE FROM OTHER AREA		Please Explain (i.e. which delete(s) corresponds to this add)		
If a DELETE, what do you plan to do with the savings?	<input type="checkbox"/> ADD TO OTHER AREA <input type="checkbox"/> ADD TO FUND BALANCE <input type="checkbox"/> CONTRIBUTE TO TAX/FEE REDUCTION		Please Explain (i.e. which add(s) corresponds to this delete)		

## ADD/DELETE FORM

## FY 2019 CITY COUNCIL BUDGET PROPOSAL



DATE:

4/18/2018

CITY COUNCIL SPONSOR:

Wilson

CO-SPONSOR:

- ☐ MAYOR SILBERBERG  
☒ VICE MAYOR WILSON

- ☒ COUNCILMAN BAILEY  
☒ COUNCILMAN CHAPMAN  
☒ COUNCILMAN LOVAIN

- ☒ COUNCILWOMAN PEPPER  
☒ COUNCILMAN SMEDBERG

REQUESTED CHANGE AFFECTS:

☒ OPERATING☐ CAPITAL☐ BOTH

## ADD/DELETE

☒ ADD☐ DELETE

INITIATIVE/PROGRAMMATIC ADJUSTMENT	WHAT IS THE IMPACT OF THIS ADD/DELETE?				
Public Safety Recruitment and Retention Initiative Increase	<p>This add will increase the non-departmental contingent proposed by the City Manager to address public safety recruitment and retention issues.</p> <p>The combined annualized total of the initial PSWG recommendations are \$5.816M.</p> <p>This proposed add would increase the contingent to a total of \$3,635,114.</p>				
<b>FIVE YEAR IMPACT</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
OPERATING EXPENDITURE/(SAVINGS)	\$2,135,114	\$3,316,144	\$3,316,144	\$3,316,144	\$3,316,144
CAPITAL EXPENDITURE/(SAVINGS)					
IS THIS CHANGE ALIGNED WITH THE CITY COUNCIL GUIDANCE? HOW?	<p>The approved City Council budget guidance included direction to protect core services and ensure realization of the City's approved Strategic Plan.</p> <p>Protection of the City's public safety is a core service of government and is central to the City's approved Strategic Plan.</p>				
DOES THIS ADD/DELETE IMPACT LEVERAGING OF OTHER FUNDS (I.E. MATCHING FUNDS FROM GRANTS, STATE PROGRAMS OR FEDERAL PROGRAMS)? HOW?	N/A				
If an ADD, how do you plan to offset addition costs?	<input checked="" type="checkbox"/> REVENUE ENHANCEMENT <input checked="" type="checkbox"/> DELETE FROM OTHER AREA		Please Explain (i.e. which delete(s) corresponds to this add) Budget Question 61: Revenue re-estimates \$1,260,942 General Contingency: \$150,000 Budget Question 29: Increase fees to cover Fire Marshal Add \$50,000 Budget Question 36: Increase Room Tax to \$1.25 \$275,000 Budget Question 2: Increase 1st & 2nd Car fee by \$10 apiece. Increase 3rd car by \$50: \$117,328 Budget Question 19: Reduce Police Overhires from 17 to 13 \$281,844		
If a DELETE, what do you plan to do with the savings?	<input type="checkbox"/> ADD TO OTHER AREA <input type="checkbox"/> ADD TO FUND BALANCE <input type="checkbox"/> CONTRIBUTE TO TAX/FEE REDUCTION		Please Explain (i.e. which add(s) corresponds to this delete)		



## ADD/DELETE FORM

## FY 2019 CITY COUNCIL BUDGET PROPOSAL



DATE:

4/19/2018

CITY COUNCIL SPONSOR:

John Chapman

CO-SPONSOR:

- ☒ MAYOR SILBERBERG  
☒ VICE MAYOR WILSON

- ☒ COUNCILMAN BAILEY  
☐ COUNCILMAN CHAPMAN  
☐ COUNCILMAN LOVAIN

- ☒ COUNCILWOMAN PEPPER  
☐ COUNCILMAN SMEDBERG

REQUESTED CHANGE AFFECTS:

☒ OPERATING☐ CAPITAL☐ BOTH

## ADD/DELETE

☒ ADD☐ DELETE

INITIATIVE/PROGRAMMATIC ADJUSTMENT	WHAT IS THE IMPACT OF THIS ADD/DELETE?				
Renewable Energy Credits	\$81,000 for purchasing Renewable Energy Credits (RECs) that will allow the City to offset the equivalent of 100% of the greenhouse gas (GHG) emissions associated with the City's current electric consumption.				
<b>FIVE YEAR IMPACT</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
OPERATING EXPENDITURE/(SAVINGS)	81000	81000	81000	81000	81000
CAPITAL EXPENDITURE/(SAVINGS)					
IS THIS CHANGE ALIGNED WITH THE CITY COUNCIL GUIDANCE? HOW?	This action will serve as a signal to our current and potential residents and businesses that Alexandria cares about sustainability. Purchasing RECs at the 100% level today will return Alexandria to its leading position as an Eco-City, making us the first Virginia jurisdiction to be able to make a 100% renewable energy claim.				
DOES THIS ADD/DELETE IMPACT LEVERAGING OF OTHER FUNDS (I.E. MATCHING FUNDS FROM GRANTS, STATE PROGRAMS OR FEDERAL PROGRAMS)? HOW?	No				
If an ADD, how do you plan to offset addition costs?	<input type="checkbox"/> REVENUE ENHANCEMENT <input checked="" type="checkbox"/> DELETE FROM OTHER AREA		Please Explain (i.e. which delete(s) corresponds to this add) Defer Staff Engagement Survey to next year, creating a bi-annual cycle, saving \$42500 for FY2019 \$38500 from Staffing Patrick Henry staff hiring		
If a DELETE, what do you plan to do with the savings?	<input type="checkbox"/> ADD TO OTHER AREA <input type="checkbox"/> ADD TO FUND BALANCE <input type="checkbox"/> CONTRIBUTE TO TAX/FEE REDUCTION		Please Explain (i.e. which add(s) corresponds to this delete)		

	Proposal (Max. Amount)	Mayor Silberberg	Vice Mayor Wilson	Councilman Bailey	Councilman Chapman	Councilman Lovain	Councilwoman Pepper	Councilman Smedberg
<b>Revenue</b>								
Re-estimate	953,352		953,352	953,352	953,352	953,352	953,352	953,352
Technical adjustment	27,125		27,125	27,125	27,125	27,125	27,125	27,125
Fire Marshal Revenue	50,000		50,000	50,000	50,000	50,000	50,000	50,000
Room Tax (\$1.25 per night)	275,000		275,000	275,000	275,000	275,000	275,000	275,000
Residential Parking Permits	117,328		117,328	117,328	117,328	117,328	117,328	117,328
Reduce Real Tax 0.6 Cents	(2,400,000)		(2,400,000)			(2,400,000)		(2,400,000)
Increase Meals Tax 1%	4,750,000		4,750,000	4,750,000	4,750,000	4,750,000	4,750,000	4,750,000
<b>Total</b>	<b>3,772,805</b>	-	<b>3,772,805</b>	<b>6,172,805</b>	<b>6,172,805</b>	<b>3,772,805</b>	<b>6,172,805</b>	<b>3,772,805</b>
<b>Expenditures</b>								
Technical Adjustments	(280,465)		(280,465)	(280,465)	(280,465)	(280,465)	(280,465)	(280,465)
Public Safety Recruitment and Retention Initiative Increase	2,135,114		2,135,114	2,135,114	2,135,114	2,135,114	2,135,114	2,135,114
General Contingency	(150,000)		(75,000)	(150,000)	(75,000)	(150,000)	(150,000)	(75,000)
Reduction of 4 Police Overhires	(281,844)		(281,844)	(281,844)	(281,844)	(281,844)	(281,844)	(281,844)
Affordable Housing in the CIP	4,750,000		2,950,000	4,750,000	4,750,000	2,950,000	4,750,000	2,950,000
Reduce Affordable Housing Fund transfer	(600,000)		(600,000)			(600,000)		(600,000)
Employment/Training Services for Older Adults	41,000			41,000	41,000		41,000	
Delay hiring for Tech Support Engineer II	(41,000)			(41,000)	(41,000)		(41,000)	
Renewable Energy Credits	81,000	81,000	81,000	81,000	81,000		81,000	
Employee Engagement Survey	(42,500)	(42,500)	(42,500)	(42,500)	(42,500)		(42,500)	
Patrick Henry staff hiring	(38,500)	(38,500)	(38,500)	(38,500)	(38,500)		(38,500)	
Transfer P3 Position to Contingent Reserve			(75,000)		(75,000)			(75,000)
<b>Total</b>		-	<b>3,772,805</b>	<b>6,172,805</b>	<b>6,172,805</b>	<b>3,772,805</b>	<b>6,172,805</b>	<b>3,772,805</b>
<b>Surplus/(Shortfall)</b>		-	-	-	-	-	-	-



John

John Taylor Chapman

Member of City Council  
City of Alexandria, Virginia

office: 703-746-4500  
cell: 571-329-3738

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**From:** Jerry Casagrande <JC@JerryCasagrande.com>  
**Sent:** Tuesday, April 24, 2018 3:08 PM  
**To:** Justin Wilson  
**Cc:** John Chapman  
**Subject:** RECS/Recreation

Hi Justin, Hi John,

Hope you are both well. And I hope I have John's email right—Justin, if I don't would you forward this to him? thanks.

I am writing you two because I believe John that you are the initiator of the renewable energy certificates idea at council and that Justin you helped find the funding for it. Thanks so much to both of you for prioritizing this!

And, I have to ask why is the funding coming from a recreation center? Seems almost ironic that in a move that helps us create a better planet for our kids we are taking away funding that helps our kids.

I do notice that funding for the center is \$351K, which seems like a lot. So, in what ways does the \$81K needed for the RECs impact the recreation center?

Right now, the funding choice makes supporting the RECs policy a difficult thing for someone like me who is in fact 100% in support of the RECs policy but hesitant to cut funding for our kids.

Perhaps you can look through the budget again and find another source—\$30K in weight equipment at Chinguapin jumped out at me in a 5 minute scan of the budget as something possibly cut-able. That would get you 37% of the way there.

Thanks.

Jerry

Jerry Casagrande  
703.717.3603  
[JC@JerryCasagrande.com](mailto:JC@JerryCasagrande.com)  
<https://www.ecoteensmovie.com/>  
<http://bit.ly/JCasLinked>

## Gloria Sitton

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**From:** John Chapman  
**Sent:** Tuesday, April 24, 2018 3:42 PM  
**To:** City Council  
**Subject:** Fw: RECS/Recreation

See below.

I think you may find my response to another email about the recreation reduction enlightening. I am not looking for a programmatic cut, rather exploring possible duplication.

John

John Taylor Chapman

Member of City Council  
City of Alexandria, Virginia

office: 703-746-4500  
cell: 571-329-3738

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**From:** John Chapman  
**Sent:** Tuesday, April 24, 2018 3:29 PM  
**To:** Jerry Casagrande  
**Cc:** Justin Wilson  
**Subject:** Re: RECS/Recreation

Hi Jerry--

Thank you for your question.

In worksession where Recreation was covered, I expressed some concerns about the level of staffing. In looking at the budget request, I still question whether the addition of a Regional Director is essential in the first few months PH's opening. Currently, the department has Regional Directors situated throughout the city and this area should already have one, as activities have still been occurring at nearby Polk and Hammond schools.

My question to staff and the premise of the reduction is "Why would the current Regional Director that oversees that area not be enough to handle the opening of PH?" In talking to the city's budget staff, most if not all of the 38k could be totally covered by a cut to these funds. But, I left the door open by not naming that position directly, so that if Rec staff wanted to delay the hiring of the position or look at different models to support the current Regional Director, they could do that while absorbing the reduction.

Our conversation with staff tonight will bring light to how needed an additional Regional Director is for a region that should already have one.



April 24, 2018

Mayor Allison Silberberg and City Council Members  
City of Alexandria  
301 King Street,  
Alexandria, VA

Dear Mayor Silberberg, Vice Mayor Wilson, and Council Members Bailey, Chapman,  
Lovain, Pepper and Smedberg,


As a lay leader at Episcopal Church of the Resurrection and chair of our Redevelopment Committee, I have created a deeper appreciation and passion for the need for low and moderate income housing for the residents of our community.

I have been pleased to see the additional discussion that has taken place around the need for an annual, reliable amount of \$8-10 million to meet the goals of the Housing Master Plan. I recognize the desire on the part of some to avoid dedicated funding. However, those proposals that don't include dedicated funds allow future councils the ability to reprioritize expenditures in any fiscal year. The basic need of housing cannot afford the risk of uncertainty.

As you begin the add/delete process, I, therefore, urge you to move forward with the 1 percent meals tax dedicated to affordable housing.

Thank you for your attention to this priority.

Kindest regards,

A handwritten signature in black ink that reads "Betsy Faga". The script is cursive and fluid, with the first name "Betsy" and last name "Faga" clearly distinguishable.

Betsy Faga  
Episcopal Church of the Resurrection  
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April 18, 2018

Mayor Allison Silberberg and Members of the City Council  
City of Alexandria  
301 King Street, Room 2300  
Alexandria, VA 22314

Dear Mayor Silberberg and Members of the City Council,

We write today to urge you to support the creation of a dedicated and predictable source of funding for affordable housing by supporting the proposal for a 1% increase to the meal tax. This carefully crafted revenue source is a significant and necessary step in meeting the City's affordable housing needs.

As the Economic Opportunities Commission, we seek to advocate for the most vulnerable members of our community. We work to eliminate barriers to self-sufficiency, meet basic needs and ensure every member of our community has the opportunity to reach their maximum potential. Affordable housing has, as you know, repeatedly been identified as one of the major challenges facing the City. Stable, affordable housing is crucial for families' socio-economic wellbeing. A high housing cost burden strains families' budgets and their ability to afford other essential goods and services, including healthcare. It also often leads to frequent moves, as rents continue to increase, creating unnecessary disruption and instability for the family. Affordable housing isn't just a challenge for the poorest community members in Alexandria either. Affording an average one-bedroom in Alexandria requires a full-time salary of at least \$31.55 an hour or \$65,624 a year. This high cost prices out teachers, police officers, childcare workers, nurses and librarians. These workers are vital to our community, but they are being forced out by high housing costs. Increasing the available affordable housing is an urgent priority.

Additional funding to support affordable housing is badly needed. Since 2000, the City has lost 16,000 affordable units of housing. Current funding resources have proven unable to keep up with the Housing Master Plan, adopted in 2013. Simply maintaining current funding levels between FY 2019 and FY 2025 leaves the City a total of 880 units short of the goal set in the Master Plan. Clearly, new funding needs to be identified to close this gap. The proposed meals tax increase is expected to raise enough funding to cut that unit deficit in half. A dedicated source of funding has the advantage of also providing certainty for affordable housing developers. These developers plan projects years in advance, and can often leverage small amounts of funding from the City to secure other financing, including the low-income housing tax credits.

The source of the funding was also carefully considered. It is a very small amount of the total cost of a restaurant meal, such that the small increase will not impact decisions on whether to eat out or where. Additionally, it captures revenue from the many tourists and commuters who visit our city and use services here. This type of creative thinking will be an important part of ensuring the City's ability to provide the services our citizen's need.

Housing affordability is a central issue for the well-being of our community. This small increase in the meal tax provides a dedicated source of funding for housing affordability that is essential if the City is serious about addressing this need. We strongly urge the Council to support this proposal.

Sincerely,

The Economic Opportunities Commission

CC: City Manager Mark B. Jinks

City of Alexandria, Virginia  
FY 2018 Proposed Operating Budget & CIP  
Budget Questions & Answers

**Question:** If there is Council interest in increasing the restaurant meals tax from 4% to 5% and to fund affordable housing with it, what are some of the options on how this could be budgeted?

April 18, 2018

**Response:**

Council has a number of options in regard to budgeting any increased restaurant meals tax and funding affordable housing. Under any option, the revenues from the added meals tax would be budgeted as a General Fund revenue. That revenue could then be transferred either to the Housing Trust Fund as an operating expense or to the CIP as a capital expense. In addition, Council could decide to:

1. not dedicate the restaurant meals tax,
2. adopt a non-dedicating resolution "pairing" the decision to raise the meals tax to the decision to increasing the City's investment in affordable housing and declaring Council's commitment to affordable housing, or
3. dedicate the restaurant meals tax via ordinance

While City Council has discussed whether or not to dedicate the meals tax, there is a middle ground of pairing Council's action on the meals tax simultaneous with the decision to increase the amount of funds budgeted for affordable housing, but such an action could be done without hardwiring the two actions together for future budget years. Then in future budget years the decision on what to budget for affordable housing would be made based on need, available resources and priorities. This would be somewhat similar to when Council last raised the hotel tax and at the same time approved the funding to start the King Street Trolley. While both of these actions have remained in place, both the hotel tax revenue changes and expenses of the trolley have operated independently of each other since then.

**Operating or CIP:** While monies for investing (generally via loans to non-profits) in affordable housing have been traditionally handled as an operating expense in a separate Housing Trust Fund, that has been largely due to the nature of the affordable housing voluntary contributions which over multiple fiscal years accumulate unevenly in that Fund. If any significant amount of new affordable housing monies were added to the City's budget, the CIP may be the best way over the long term to budget and account for affordable housing monies. This is because the CIP can better accommodate larger dollar items than can the operating budget. The City may find itself in a situation where a one-time large increase or acceleration in the affordable housing investment budget is needed (such as was the case last year for the AHC / Church of the Resurrection project). The City General Fund operating budget could not have likely absorbed or funded such an increase. The CIP's 10-year planning timeframe, and order of magnitude of



funding CIP projects, allows for more flexibility, better planning and increased certainty for project planning.

The attached diagram illustrates the choices available to Council.

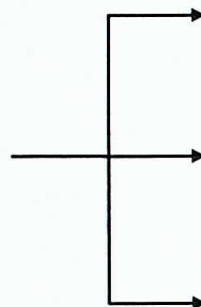
**Attachments:**

Attachment 1 – Affordable Housing: Budget Options

## Affordable Housing: Budget Options

### A. General Fund Operating Budget

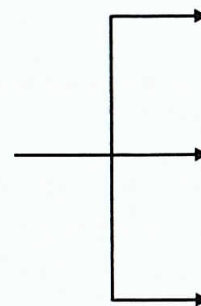
- Meals tax budgeted as General Fund revenue
- General Fund Transfer to Housing Trust Fund increased by same amount
- Housing Trust Fund budget increased by same amount



1. No dedication by ordinance
2. Adoption of resolution by City Council affirming need for increased funding for Affordable Housing and “pairing” it with the meals tax
3. Dedication by ordinance

### B. 10-Year Capital Improvement Program

- Meals tax budgeted as General Fund revenue
- General Fund Cash Capital transfer to CIP increased by same amount
- Affordable Housing added as a project category in the CIP by the same amount (1 year or multiyear increase up to all 10 years of the CIP)



1. No dedication by ordinance
2. Adoption of resolution by City Council affirming need for increased funding for Affordable Housing and “pairing” it with the meals tax
3. Dedication by ordinance