

and capital project adjustments, interdepartmental transfers, and several adjustments to project budgets funded by American Rescue Plan Act funds. Attachment 3 lists new grants and changes in grant funding levels compared to the amount estimated in the FY 2024 Approved Operating Budget. Where significant, staff has described how the funding change will impact services.

Staff recommends that the Fiscal Year (FY) 2024 Appropriation be amended to accomplish the following purposes:

- Section 1. Appropriation of Housing Trust Fund Revenues Received but not Appropriated in FY 2023. This appropriation includes program income, loan repayments, and Housing Trust Funds in the amount of \$595,970.
- Section 2. Appropriation of Housing Grant Revenues Authorized and Adjusted but not Appropriated in FY 2024. This appropriation includes external grant funds for affordable housing in the amount of \$883,301. This includes federal funds to issue home ownership and home rehabilitation loans. A listing of these grants is included (Attachment 3).
- Section 3. Appropriation of Grant Revenues Authorized and Adjusted but not Appropriated in FY 2024. The grants in this section were either included as estimates in the current year budget and are being adjusted to reflect the actual award, or they are newly awarded during FY 2024. New grant applications are approved by City Council. A listing of grants is included (Attachment 3) and totals \$4,880,440 in various external grants.
- Section 4. Appropriation of Donations and Other Special Revenues Received but not Appropriated in the FY 2024 Operating Budget. This appropriation of \$458,099 in donations and other special revenue in the Department of Recreation, Parks, and Cultural Activities (\$80,495), the Office of Historic Alexandria (\$86,099), the Department of Community and Human Services (\$45,000), the Office of the Sheriff (\$154,331) and the Clerk of the Circuit Court (\$92,174) will bring budget authority in line with revenues received in FY 2024. Sources of revenue include fees, developer contributions, donations.
- Section 5. Appropriation of General Fund Revenues. Several large capital projects are funded through capitalized interest, where the interest is funded through bond proceeds in the early years. Revenue is posted to the general fund to provide sufficient resources to pay the debt service. This appropriation of \$3,005,468 of bond proceeds provides funds for Landmark. The remaining \$30,000 will reimburse the City for costs incurred to support a federal trial. The total appropriation of General Fund revenues is \$3,035,468.
- Section 6. Appropriation of Special Revenue Funds. This appropriation of \$1,028,036 to the Special Revenue Fund, will enable the City to make an accounting adjustment, as recommended by our external auditors during the FY 2023 audit, to record the funds in the more appropriate and accurate manner. Once appropriated the funds will be transferred to the General Fund and will be reflected as part of General Fund Fund Balance. The accumulated balance represents several years of interfund transfer surpluses.
- Section 7. Transfer of American Rescue Plan Act Funds. This section shifts appropriated American Rescue Plan Act resources between projects where final project costs were less than preliminary estimates (e.g., contact tracing) or funds have been shifted for a new purpose (increasing available resource for the Alexandria Fund for Human Services). By executing this transfer, the

City will recognize these funds as Revenue Replacement for the Provision of Government Services, which will increase the anticipated surplus at year end and provide General Fund Fund Balance to pay for approved or committed projects.

Section 8. Appropriation of General Fund Balance. This appropriation of \$12,921,227 in Committed General Fund Balance provides \$10,000,000 in planned funding for the Capital Improvement Program. The remaining appropriation provides funding for two initiatives that were not budgeted in FY 2024 (\$50,000 for a Payroll Audit in the Office of Internal Audit and \$68,916 for an assessment of the City’s procurement process). The appropriation of \$1,600,000 provides resources for legal settlements that occurred during FY 2024. The bond issuance in November 2023 was larger than the amount estimated during the FY 2024 budget process, resulting in a \$487,779 increase in the debt service interest payment in June 2024. The remaining \$714,532 is the aforementioned shift in resources in the Department of Community and Human Services that was approved by City Council in June 2023.

Section 9. Transfer of Budget Authority Between Departments. This section shifts appropriated General Fund resources from non-departmental accounts to departments that have incurred unbudgeted expenses or expenditures which exceed the current appropriation or anticipated non-General Fund revenues. The main causes of overages are actual personnel costs exceeding budgeted personnel costs due to turnover, leave payout at termination, worker’s compensation costs. The shift of funds from the Police Department to the Office Communications and Community Engagement moves budgeted resources associated with a position that has been moved from one department to the other.

Section 10. Appropriation of Capital Project Funds from Private Contributions and Other Revenue. This section appropriates a total of \$8,387,082 million from various revenue sources to fund projects in the Capital Improvement Program. This appropriation will increase the budget authority in Public Art Acquisitions by \$0.1 million and \$1.1 million in Rental Fees and Sale of Land revenue for Open Space Acquisition to align project budget authority with actual revenue received. Additionally, \$1.4 million on Intergovernmental Revenue, and \$5.9 million for Landmark Mall, 1315 Duke Street purchase and other redevelopment.

FISCAL IMPACT: The 10 sections of the ordinance appropriate a total of \$32,189,623 as follows:

Section 1.	Appropriation of Housing Trust Fund Revenues Received but not Appropriated in Fiscal Year 2024.	\$ 595,970
Section 2.	Appropriation of Housing Grant Revenues Authorized and Adjusted but not Appropriated in Fiscal Year 2024.	\$ 883,301
Section 3.	Appropriation of Grant Revenues Authorized and Adjusted but not Appropriated in Fiscal Year 2024.	\$ 4,880,440
Section 4.	Appropriation of Donations and Other Special Revenues Received but not Appropriated in Fiscal Year 2024.	\$ 458,099
Section 5.	Appropriation of General Fund Revenue.	\$ 3,035,468

Section 6.	Appropriation to Special Revenue Fund.	\$ 1,028,036
Section 7.	Transfer of American Rescue Plan Act Funds.	\$ 0
Section 8.	Appropriation of General Fund Balance.	\$ 12,921,227
Section 9.	Transfer of Budget Authority Between Departments.	\$ 0
Section 10.	Appropriation of Capital Project Funds.	\$ 8,387,082

ATTACHMENTS:

Attachment 1: Ordinance Cover to Amend Fiscal Year 2024 Appropriation

Attachment 2: Ordinance to Amend Fiscal Year 2024 Appropriation

Attachment 3: Listing of Fiscal Year 2024 City of Alexandria Grant Adjustments

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