Legislation Details (With Text)

File #:	18-7923	**Name:**	Supp App Ordinance
Type:	Ordinance	**Status:**	Agenda Ready
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On agenda:	11/13/2018	**Final action:**	
Title:	Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Make Supplemental Appropriations for the Support of the City Government for Fiscal Year 2019. (PRIMARY ORDINANCE)		
Sponsors:			
Indexes:			
Code sections:			
Attachments:	1. 18-7923_Att 1 - Fall SAO Ordinance Cover, 2. 18-7923_Att 2 - ordinance SAO1119, 3. 18-7923_Att 3 - Grant Atachment Fall 2018 Supp Ordinance, 4. 18-7923_Att 4 - Incomplete Projects v3 2018, 5. 18-7923_Att 5 - Memo to CC - Explanation of Proposed Use of 2018 General Obligation Bond Premium Proceeds for Three Time-Sensitive Capital Projects		

Date	Ver.	Action By	Action	Result

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 7, 2018

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:
Introduction and First Reading. Consideration. Passage on First Reading of an Ordinance to Make Supplemental Appropriations for the Support of the City Government for Fiscal Year 2019. (PRIMARY ORDINANCE)

ISSUE: Consideration of a Reappropriation Ordinance to amend Fiscal Year 2019 Appropriation.

RECOMMENDATION: That City Council pass this proposed ordinance (Attachment 2) on first reading and schedule it for public hearing, second reading, and final passage on November 17, 2018.

DISCUSSION: Each year, City staff submits a Reappropriation Ordinance to City Council to reappropriate monies authorized by City Council in the prior fiscal year but not expended as of June 30. 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 the previous 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. The various sections throughout this document provide spending authority in the current fiscal year for projects and initiatives already established by City Council.

In addition to encumbered or obligated funds, the ordinance establishes budget authority in the current year for revenues received in the current or prior year that have not been appropriated. When possible, the current year operating budget includes an estimated amount for grants and other special revenue and the budget is adjusted, via this ordinance, when the actual revenue amount is awarded. Grants, fees, donations and other special revenues are restricted in purpose. Where relevant, staff has referenced the City Council docket item or action that pertains to the appropriation. Many of the programs and services in the Office of Housing and the Department of Community and Human Services are funded with state and federal appropriations that are not tied to specific grant applications. Funds are allocated to the City based on existing programs, clients, or regional agreements. Resources for these departments are utilized to leverage General Funds or minimize the impact on the General Fund, while furthering the goals and objectives of the City Council Strategic Plan. Attachment 3 lists the new grants and changes in funding levels compared to the amount estimated in the FY 2019 Approved Operating Budget. Where significant, staff has described how the funding change will impact services. Attachment 4 provides a list of incomplete projects and other one-time expenditures that will be funded with FY 2018 savings. Attachment 5 details the proposed use of General Obligation bond premium proceeds for three time-sensitive capital projects.

Staff recommends that the Fiscal Year (FY) 2019 Appropriation be amended to accomplish the following purposes:

Section 1. Reappropriation of Equipment Replacement Fund Balance to pay for commitments, in the form of encumbrances, established prior to June 30, 2018, but not paid by that date. This appropriation includes encumbrances totaling $2,646,630 of Equipment Replacement Reserve Fund obligations (primarily for vehicles and equipment ordered in FY 2018 but not delivered until FY 2019).

Section 2. Reappropriation of revenues received but not appropriated. This appropriation includes program income, loan repayments and Housing Trust Funds in the amount of $11,963,510, including approximately $10.6 million of Housing Trust Fund monies, $1.4 million of loan repayments and developer contributions. Reappropriated revenues will be used for loan and rehabilitation programs and other affordable housing initiatives.

Section 3. Reappropriation of revenues received but not appropriated. This appropriation includes external grant funds in the amount of $3,144,828, including approximately $2.3 million of federal revenue that has been carried over from a prior year and $0.8 million of donations for HOME programs. Reappropriated revenues will be used for loan and rehabilitation programs and other affordable housing initiatives.

Section 4. Appropriation of grant revenues authorized and adjusted but not appropriated in FY 2019. The grants in this section reflect grant revenues that are included as estimates in the current year budget that are being adjusted to reflect the actual award, as well as new grants. New grant applications are approved by City Council. Where applicable, the date of the City Council meeting is included in the comments, as well as how the funds will be utilized. A listing of grants is included (Attachment 3) and totals $3,473,226.

Section 5. Appropriation of Donations and Other Special Revenues received but not appropriated in the FY 2019 Operating Budget. This appropriation of $514,031 million in donations and other special

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revenue received, but not appropriated in FY 2019, includes $0.1 million in donations revenues that have been received for programs in the Office of Historic Alexandria and in the Department of Community and Human Services in the City and $0.4 million in Other Special Revenue that has been received but was not appropriated during FY 2019. These include Developer Contributions, E-Summons revenues, and revenue received by TES from Washington Gas in accordance with a memorandum of understanding.

Section 6. Deappropriation of Other Special Revenues. This deappropriation of $1,009,724 includes other special revenues budgeted or received in the FY 2019 Operating Budget. Several of the City's Public Safety and Justice Agencies receive funds in the form of Seized Assets. These funds are not allowed to be budgeted annually as part of a regular operating budget, and there are restrictions as to their utilization. This appropriation includes $90,042 in seized assets for the Commonwealth's Attorney's Office to purchase supplies and equipment for its programs throughout the year, which is offset by a deappropriation of $1.1 million of seized asset budget authority that was inadvertently budgeted as part of the FY 2019 Approved Budget.

Section 7. Deappropriation of project budget authority from cash capital, grant revenues, donations, fees, Developer Contributions and SUP Conditions of Capital Improvement Program funds. This deappropriation totals $25,513,238. The largest reduction to the CIP relates to a bond-funded project for which it was determined that in lieu of the City undertaking this project, AlexRenew would undertake this project. The CSO project ($25.0M), which will be financed by AlexRenew. In addition to this large adjustment, there are several smaller TES and DASH grants that are being adjusted to accurately reflect the award or final cost of the project. TES capital grant adjustments are reflected in Attachment 3. Increases to the Capital Improvement Program from either cash capital or bond proceeds are reflected in Attachment 4. In addition, Attachment 5 explains the proposed use of general obligation bond premium proceeds for three time- sensitive capital projects.

Section 8. Transfer of Budget Authority Between Departments. As part of the FY 2019 Approved Budget, approximately $1.5 million of assumed higher vacancy savings was budgeted in a Non-Departmental account. This appropriation transfers the money according to historical trends to departments likely (based on prior years actuals) to have vacancy savings during FY 2019. Funds budgeted for interns in a Non-Departmental account are also being transferred to the City Attorney's Office.

Section 9. Appropriation of Component Unit Funds - ACPS. This appropriation includes $4,464,580 in budget authority for the Alexandria City Public Schools, including the reappropriation of encumbrances in all schools programs, as well as $50,000 in special revenue that was not reflected in the Appropriation Ordinance adopted by City Council in June 2018.

Section 10. Deappropriation of Component Unit Funds - Alexandria Libraries. This deappropriation of $32,581 in budget authority for the Alexandria Libraries reflects their share of the vacancy savings estimate that was distributed in Section 8 of $63,077, offset by General Fund carryover funding of $28,613 to fund materials for the Law Library and a slight increase of $1,883 in anticipated state revenue.

Section 11. Reappropriation of Funds to the Alexandria Transit Company. This appropriation external grant

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funds in the amount of $322,453 to the Alexandria Transit Company (DASH) for grants that were received in FY 2018 but will be expended in FY 2019.

Section 12. Appropriation of General Fund balance. This appropriation of $3,290,899 includes $2.8 million to fund projects that were not complete at the end of FY 2018 or projects for which the identified funding is FY 2018 savings, as well as $0.5 million for economic development incentives that were committed in Fund Balance in FY 2018 and are already planned in FY 2019. Attachment 4 details the incomplete projects that are being funded. It should be noted that many of the uses of Fund Balance are for capital projects. Attachment 4 reflects all of the proposed funding from FY 2018 savings or other sources. Some capital projects are funded with bond premium that was received as part of the new issuance in July 2018. Additionally, two projects will be funded from Code Fund, permit fees. Attachment 4 describes each item, the source of funds and in which section(s) of this ordinance the project is reflected.

Section 13. Appropriation of Equipment Replacement Fund Balance. This appropriation of $684,400 will provide budget authority largely for replacement of Fire Department and Transportation and Environmental Services vehicles that were originally planned for replacement in FY 2018, but will now be replaced in FY 2019.

FISCAL IMPACT: The ten sections of the ordinance appropriate a total of $3,949,013 as follows:

Section 1.	Reappropriation of monies encumbered as of June 30, 2018.	$ 2,646,630
Section 2.	Reappropriation of Affordable Housing Funds.	$ 11,963,510
Section 3.	Reappropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2019.	$ 3,144,828
Section 4.	Appropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2019.	$ 3,473,226
Section 5.	Appropriation of residual balances in accounts to be funded from donations, fees and other special revenue.	$ 514,031
Section 6.	Deappropriation of residual balances in accounts to be funded From seized assets.	$ (1,009,724)
Section 7.	Deappropriation of Capital Improvement Program Funds	$ (25,513,238)
Section 8.	Transfer of Budget Authority Between Departments	$ - 0 -
Section 9.	Appropriation of Component Unit Funds - ACPS	$ 4,464,580
Section 10.	Deappropriation of Component Unit Funds - Libraries	$ (32,581)

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Section 11.	Reappropriation of Funds to the Alexandria Transit Company	$	322,453
Section 12.	Appropriation of General Fund Balance.	$	3,290,899
Section 13.	Appropriation of Equipment Replacement Funds	$	684,400

ATTACHMENTS:

Attachment 1: Ordinance Cover to Amend Fiscal Year 2019 Appropriation
Attachment 2: Ordinance to Amend Fiscal Year 2019 Appropriation
Attachment 3: Listing of Fiscal Year 2019 City of Alexandria Grant Adjustments
Attachment 4: Listing of Fiscal Year 2019 Incomplete Projects
Attachment 5: Memorandum explaining proposed use of General Obligation Bond Premium Proceeds for Three Time-Sensitive Projects

STAFF:

Laura Triggs, Deputy City Manager
Kendel Taylor, Finance Director
Morgan Routt, Budget Director, OMB