



Legislation Details (With Text)

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| File #: | 20-0822 | Name: | 2020 Supp App Ord |
| Type: | Ordinance | Status: | Agenda Ready |
| File created: | 4/16/2020 | In control: | City Council Legislative Meeting |
| On agenda: | 6/9/2020 | Final action: | |
| Title: | Introduction and First Reading. Consideration. Passage on First Reading of a Supplemental Appropriation Ordinance for the Support of the City Government for FY 2020. | | |
| Sponsors: | | | |
| Indexes: | | | |
| Code sections: | | | |
| Attachments: | 1. 20-0822_Att 1 - Ordinance Cover, 2. 20-0822_Att 2 - 2020 June SAO Ordinance, 3. 20-0822_Att 3 - Grant Attachment FY 2020 Final Supplemental Appropriation Ordinance, 4. 20-0822_Att 4 - CIP Projects | | |

| Date | Ver. | Action By | Action | Result |
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City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 3, 2020

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 a Supplemental Appropriation Ordinance for the Support of the City Government for FY 2020.

ISSUE: Consideration of a Supplemental Appropriation Ordinance for the support of the City government for FY 2020.

RECOMMENDATION: That City Council pass this proposed Ordinance (Attachment 2) on first reading on June 9, 2020, and schedule it for second reading, public hearing and final passage on June 20, 2020.

DISCUSSION: Near the end of each fiscal year a Supplemental Appropriation Ordinance is presented for Council consideration in order to reflect additional grant revenues, donations and other technical appropriation adjustments previously planned but not yet enacted. Staff recommends the FY 2020 Appropriations Ordinance

be amended to accomplish the following:

- (1) The appropriation of Housing Trust Funds to the Affordable Housing Fund. The appropriation of \$2,759,565 will recognize Housing Trust Fund contributions made by developers for affordable housing development.
- (2) Appropriation of grant revenue accepted or adjusted by the City in FY 2020, for specific programs, but not yet appropriated. A listing of grants is included as Attachment 3 and totals an increase of budget authority of \$1,430,622. All of the adjustments are described in Attachment 3.
- (3) Appropriation of grant revenue accepted or adjusted by the City in FY 2020, for specific programs that are to be funded by increases in existing grant program through the CARES Act, but not yet appropriated. A listing of grants is included as Attachment 3 and totals an increase of budget authority of \$1,094,129. All of the adjustments are described in Attachment 3.
- (4) The appropriation of donations and other special revenues received but not appropriated in the FY 2020 Operating Budget. This appropriation totaling \$56,430 provides additional budget authority of \$35,000 in Black History Museum donations to support the Freedom House, \$14,420 to the Department of Community and Human Services for caregivers training, \$5,510 in Urban Forestry develop contribution revenue for the Department of Recreation, Parks and Cultural Activities, and \$1,500 in donations and trust funds for the Bertier Scholarship and the Alexandria Commission for Persons with Disabilities Award.
- (5) The appropriation of project budget authority from grant revenues, donations, fees, Developer Contributions and SUP Conditions of Capital Improvement Program funds. Previously approved Capital Improvement Program Budget Authority in the amount of \$24,000,958 is being reduced to reflect the savings in cash capital that were applied to the CIP during the FY 2021 Budget discussions. The actual FY 2020 General Fund transfer to the Capital Projects funds will also be reduced by the same amount. The specific projects that are impacted are listed in attachment 4. This reduction is partially offset by an increase of \$2,466,500 for a revenue sharing Virginia Department of Transportation grant for street resurfacing. The remaining increase of \$139,155 will provide budget authority for the DASH facility capital project. The net change appropriation to the Capital Improvement Program Funds is a decrease of \$21,395,303.
- (6) The transfer of General Fund Budget Authority Among Departments. This section of the ordinance shifts appropriated General Fund resources from departments with projected savings to departments that had unbudgeted expenses, expenditures that exceed the current appropriation or expenditures that exceed the anticipated non-general fund revenues. From the Non-Departmental snow account, \$50,000 is being transferred to the Alexandria Libraries for eBooks, authorized by the City Manager in March 2020. Increased docket preparation costs and other City Council-related expenditures will be funded with a transfer of \$10,000 from the Department of General Services to the Office of the City Clerk. To provide budget authority in the appropriate department for expenses related to the Freedom House, \$15,000 is being transferred from the Office of Historic Alexandria to the Department of General Services. The City Attorney's Office continues to incur significant outside legal fees about the budgeted amount and \$550,000 is recommended to be transferred from a Non-Departmental account. The leave balance payout for the recently retired Clerk of the Courts exceeded the amount that could be absorbed by the Circuit Court Clerk's Office with vacancies savings and will require a \$150,000 transfer from a Non-Departmental account. Unbudgeted reasonable ADA-related accommodation expenditures in the

Office of Human Rights total approximately \$20,000 and will be transferred from the Finance Department.

- (7) Appropriation of CARES Act Fund Revenue accepted by the City in FY 2020, but not yet appropriated. On May 15, 2020, the City submitted a certification to the Commonwealth of Virginia, accepting the City's allocation of \$13,909,478 in CARES Act Funding. The Funds have been approved to be spent in the following manner: \$4,000,000 million to the Office of Housing for Rental Assistance, \$2,400,000 million to the Department of Community and Human Services for Food Security, \$500,000 million to the Alexandria Health Department for additional staffing, \$2,400,000 million for a Small Business Grant Program and \$4,609,478 for City expenditures for COVID-19 related support of staff and the community.
- (8) The appropriation of COVID-19 budget authority in the Special Revenue Fund. This appropriation provides \$4.0 million in budget authority for forecasted expenditures in excess of the amount that is anticipated to be funded through the CARES Act Revenue appropriated in Section 7. As of May 20, the City had expended \$5.7 million and had anticipated expenditures of \$8.6 million. CARES Act funding has been allocated to fund \$4.6 million of City expenditures. The difference between the forecasted FY 2020 expenditures of \$8.6 million and the allocation of CARES Act funding of \$4.6 million is \$4 million. Reimbursement from the Federal Emergency Management Agency and the Virginia Department of Emergency Management is expected for a significant portion of these costs. The Police and Fire Departments have pursued approximately \$1.1 million in Assistance to Firefighters and Department of Justice grant funding. The remaining \$3.0 million is identified from General Fund Fund Balance but is unlikely to be utilized. This appropriation ensures that budget authority exists in FY 2020 for spending that was not budgeted in the FY 2020 Amended Operating Budget that was approved City Council in February 2020 with the Spring Supplemental Appropriation Ordinance. This appropriation is recommended at this time to provide budget authority for spending that has occurred during the COVID-19 response, beginning in March 2020. These expenses will be eligible for CARES Act funding from a second potential CARES allocation by the State to localities this summer.
- (9) The appropriation of General Fund Fund Balance. This appropriation of \$3.0 will provide budget authority in Non-Departmental to enable the City to ensure that all spending that has been authorized in FY 2020 has a revenue source as of June 30, 2020. It is anticipated that the City will receive a reimbursement from FEMA for a significant amount of City expenditures in a subsequent fiscal year. (FEMA's reimbursement process is usually very long.)
- (10) The appropriation of Alexandria Libraries - Component Unit Funds. This appropriation of \$50,000 will provide budget authority in the Alexandria Libraries Fund to purchase eBooks during the period of closure. The funds are provided as an interfund transfer from the General Fund from Non-Departmental snow account savings. The transfer of Non-Departmental General Funds to the Library General Fund occurs in Section 6.

FISCAL IMPACT: The 10 sections of the ordinance appropriate a total of \$4,904,421 as follows:

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| Section 1: | Appropriation of Affordable Housing Funds | \$2,759,565 |
| Section 2: | Appropriation of Grants and Special Revenue Funds | |
| | | \$1,430,122 |
| Section 3: | Appropriation of COVID/CARES Grants and Special Revenue | \$1,094,129 |
| Section 4: | Appropriation of Donations and Other Special Revenue | \$56,430 |
| Section 5: | Appropriation of Capital Improvement Program Funds | (\$21,395,303) |

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| Section 6: | Transfer of General Fund Budget Authority Among Departments | \$0 |
| Section 7: | Appropriation of CARES Act Fund Revenue | \$13,909,478 |
| Section 8: | Appropriation of Special Revenue Funds | \$4,000,000 |
| Section 9: | Appropriation of General Fund Balance | \$3,000,000 |
| Section 10: | Appropriation of Component Unit - Libraries Fund | \$50,000 |

ATTACHMENTS:

- Attachment 1. Ordinance Cover
- Attachment 2. Ordinance to Amend Fiscal Year 2020 Operating Budget
- Attachment 3. Listing of Fiscal Year 2020 Grant Authorization and Adjustments
- Attachment 4. Listing of Reduced or Delayed Capital Improvement Program Projects

STAFF:

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