

- Section 1. The appropriation of Housing Trust Funds to the Affordable Housing Fund. The appropriation of \$920,000 will recognize Housing Trust Fund contributions made by developers for affordable housing development.
- Section 2. Appropriation of grant revenue accepted or adjusted by the City in FY 2021, for specific programs, but not yet appropriated. A listing of grants is included as Attachment 3 and totals an increase of budget authority of \$3,836,879. All of the adjustments are described in Attachment 3.
- Section 3. 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. The transfers that are occurring at the end of FY 2021 are shifting vacancy savings from departments that experienced more turnover than anticipated to departments with less turnover or where hiring did not occur as assumed when the FY 2021 budget was in development. Funds are being transferred to the Court Service Unit (\$60,000), Adult Probation and Parole (\$40,000); Housing (\$105,000); Organization Excellence (\$20,000) and Performance Analytics (\$15,000). The funds are being transferred from the Police and Fire Department where sufficient vacancy savings exists. It should be noted that smaller departments are more impacted by fluctuations in turnover, hiring salaries and leave payouts for departing employees often requiring adjustments at year end, compared to larger departments, such as Police and Fire. The \$1 million transfer from DCHS removes the General Fund budget authority that was appropriated in March as “bridge funding” for food security and eviction prevention. A portion of this (\$450,000) is recommended to be transferred to the Libraries to make up for lost Fine and Fee Revenue that was uncollected during the past year. The remaining \$550,000 will be transferred to Non-Departmental to fund vaccine costs that have been incurred by the City since December. Although FEMA reimbursement is anticipated, it is not recognizable at this time.

In addition to the transfer of funds above, this section also provides for the transfer of \$100,000 from Contingent Reserves in the Non-Departmental account to the Office of Human Rights to fund the Universal Representation Pilot Program.

- Section 4. Appropriation of American Recovery Plan Act Fund Revenue accepted by the City in FY 2021, but not yet appropriated. On May 11, 2020, the City submitted a certification to the United States Treasury accepting the City’s initial first allocation of \$29,816,916. A second allocation of an equal amount will be received in late FY 2022. A small portion of the funds have been approved to be spent in the following manner: \$450,000 to continue food and rental assistance efforts in the Department of Community and Human Services and \$200,000 for Eviction Prevention Response, including \$88,357 for a staff attorney at Legal Services of Northern Virginia and \$111,643 for the Office of Performance Analytics for an additional data analyst; The majority of funding decisions will be made on July 6th. Staff will return to City Council in the fall with a Special Supplemental Appropriation Ordinance to transfer funds for the Non-Departmental Reserve Account to the specific department budgets identified on July 6. In addition to the allocations described above, the appropriation also provides \$1 million in ARPA funds for security and eviction prevention that was funded in March with WMATA savings. At that time, the expectation was that the use of the WMATA savings was “bridge funding” until the ARPA funds were available.

- Section 5. The transfer of CARES Act Spending Authority Among Departments. All federal CARES funding was expended by the City by the December 31, 2020 deadline. These transfers ensure that budget authority exists where the spending occurred. Spending remains consistent with the City Council approved plan. The most notable shift is occurring at between Non-Departmental and the Alexandria Health Department. The initial allocation for the AHD was \$0.5 million. This was reduced when the deadline of December 31 for spending existed, as the funding was unlikely to be utilized. With the spending deadline, additional costs (Community Testing Coordinator, Medical Reserve Care Coordinator and a Nurse Practitioner) were charged to available dollars. In FY 2020, CARES funds were used to match the City's FEMA eligible costs at the required rate of 25 percent. During FY 2021 the match requirement was lifted, and the City has been able to use those CARES funds for ongoing costs that would have required General Fund revenues. Additional transfers are recommended to match spending authority where spending occurred: transfer from Housing Rental Assistance (\$25,948) and City Response funding (\$38,101) from the Non-Department account to DCHS for Workforce Development (\$39,435) and the Eviction Prevention Assistance (\$22,139); and to the Health Department (\$2,475) for continued support.
- Section 6. Appropriation of Funds to the Alexandria Transit Company. This appropriation of external grant funds in the amount of a \$9,139 reduction to the Alexandria Transit Company (DASH) adjusts grant budget authority for the actual amounts received.
- Section 7. Appropriation of General Fund Balance. The FY 2021 Capital Improvement Program includes \$10,000,000 of Committed General Fund Balance as a revenue source. This appropriation draws fund balance to the operating budget as cash capital to be used to fund the CIP in the current year.
- Section 8. Appropriation of Component Unit Funds - Alexandria Libraries. This appropriation recognizes an additional \$11,893 in Intergovernmental Revenues from the State above the amount appropriated in the FY 2021 Approved Operating Budget.
- Section 9. Appropriation to the Potomac Yard Fund. This appropriation of \$5,172,530 in budget authority in a Non-Departmental account provides budget authority in the Potomac Yard Fund from 2019A Bond Proceeds. The first three years of debt service for the project were covered by capitalized interest. After that debt service will be funded by Potomac Yard real estate taxes, special district taxes and developer contributions. Bond proceeds are being appropriated to fund the debt service as planned in the debt issuance.
- Section 10. Appropriation of General Fund Revenue. This appropriation recognizes a portion of the reimbursement that has been awarded from FEMA. In total, the City has been awarded \$5.3 million for COVID response costs that were incurred in FY 2021. The City has been distributing vaccines since December 24, 2020 and has incurred unbudgeted costs of approximately \$800,000. Staff has obtained a FEMA grant for vaccination efforts at Potomac Yard and is currently undergoing a required review and audit. Through this process there is a possibility the City will receive reimbursement for these unbudgeted vaccination costs, but that is not known at this time and funds need to be identified before the year ends. This appropriation of \$0.250 million will apply a portion of the FEMA reimbursement received for prior year spending to these unbudgeted costs. (The remainder is being transferred from the WMATA savings "bridge funding" noted in section 4. If the City is reimbursed the revenue will be recognized in the year it is awarded. This appropriation also includes a reduction of General

Fund budget authority in DCHS for the bridge funded food and eviction prevention program described in Section 4.

FISCAL IMPACT: The 10 sections of the ordinance appropriate a total of \$49,999,079 as follows:

Section 1:	Appropriation of Affordable Housing Funds	\$920,000
Section 2:	Appropriation of Grants and Special Revenue Funds	
\$3,836,879		
Section 3:	Transfer of General Fund Budget Authority Among Departments	\$0
Section 4:	Appropriation of American Rescue Plan Act Fund Revenue	\$29,816,916
Section 5:	Transfer of CARES Act Fund Revenue	\$0
Section 6:	Appropriation of Special Revenue Funds - DASH	(\$9,139)
Section 7:	Appropriation of General Fund Balance	\$10,000,000
Section 8:	Appropriation of Component Unit - Libraries Fund	\$11,893
Section 9:	Appropriation of Potomac Yard Fund	\$5,172,530
Section 10:	Appropriation of General Fund Revenue	\$250,000

ATTACHMENTS:

- Attachment 1. Ordinance Cover
- Attachment 2. Ordinance to Amend Fiscal Year 2021 Operating Budget
- Attachment 3. Listing of Fiscal Year 2021 Grant Authorization and Adjustments

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