



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 7, 2015

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, ACTING 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 2015.

ISSUE: Consideration of a Reappropriation Ordinance to amend Fiscal Year 2015 Appropriation.

RECOMMENDATION: That City Council pass this proposed ordinance (Attachment 1) on first reading and schedule it for public hearing, second reading, and final passage on January 24, 2015.

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 yet 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. Attachment 3 lists the new grants and changes in funding levels compared to the amount estimated in the FY 2015 Approved Operating Budget. Where significant, staff has described how the funding change will impact services.

Staff recommends that the Fiscal Year (FY) 2015 Appropriation be amended to accomplish the following purposes:

- Section 1. The reappropriation of Equipment Replacement Fund Balance to pay for new purchases not included in the FY 2015 Appropriation. This appropriation totals \$1,064,788, including \$786,500 for the Department of Transportation and Environmental Services and \$270,000 for the Fire Department. No additional vehicles are being approved or funded. Due to the timing and ordering of replacement vehicles, funds that had been appropriated to pay for vehicles in FY 2014 lapsed before the funding was encumbered. This reappropriation will enable these departments to complete the vehicle replacement plan that was approved in FY 2014 and either purchase or encumber the plan that has been approved for FY 2015. The remaining \$8,288 is being reappropriated to the Office of Management and Budget to provide funds for a Smart Board. This equipment purchase was budgeted in a prior year but not purchased before year end when the funding authority expired.
- Section 2. The appropriation of \$5,319,500 of General Fund revenue. This appropriation of \$5,319,500 of General Fund Revenue, includes \$5.23 million from the sale of the Old Health Department Building. As previously approved by City Council, the majority of these funds will be transferred to the Capital Improvement Program to fund the acquisition of properties purchased along the waterfront (i.e., Strand Street properties and the Old Dominion Boat Club properties). This appropriation is identified here as General Fund cash capital and will be transferred to the CIP. The majority of this appropriation will also be recognized as new Capital Improvement Program budget authority in Section 5. The total appropriation also includes \$89,500 of Year End Settlement funds from the Virginia Department of Health to the Alexandria Health Department to purchase medical supplies and equipment and to replace furniture and carpeting at the Tuberculosis Clinic. Each year, any remaining funds that the City contributes to the Virginia Department of Health cooperative budget are returned to the City and recognized as General Fund revenues.
- Section 3. The appropriation of grant revenues accepted by departments, which need adjustment in FY 2015 or are not yet appropriated. 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 \$1,457,169.
- Section 4. The appropriation of donations and other special revenues received but not appropriated in the FY 2015 Operating Budget. This appropriation of \$440,822 includes \$206,526 in Developer Contributions provided to the Department of Planning and Zoning for planning the proposed Oakville Triangle project. The remaining \$234,296 provides budget authority to the Department of Recreation, Parks & Cultural Activities, including \$113,335 to appropriate funds received as cost recovery reimbursement for various special events and \$120,961 in Living Landscape Donations for various projects and initiatives.
- Section 5. The appropriation of \$5,435,048 of project budget authority from sale of surplus property, grant revenues, donations, Developer Contributions and SUP Conditions of Capital Improvement Program funds. This appropriation will provide budget authority of \$5,008,648 for the purchase of the Old Dominion Boat Club and \$426,400 in grant funds for DASH for an automatic vehicle location system. The budget authority appropriated in this Section for the Capital Improvement Program is funded by the General Fund Cash Capital transfer appropriated in Section 2. It is necessary to appropriate interfund transfers to both funds.

- Section 6. The appropriation of \$175,500 of General Fund Balance. This appropriation includes \$175,500 of Fund Balance committed for incomplete projects. The source of these funds is prior year unspent resources. Funds appropriated in FY 2014 for the Innovate Alexandria initiative (\$136,000) are being reappropriated to a Non-Departmental account in FY 2015. The Fire Department has been authorized to implement a new way to achieve optimum staffing and reduce overtime through the concept of overhires. Overhiring allows the Department to “get ahead” of the vacancies before they occur by training more recruits than current vacancies in the Department. This concept reduces both the time a position is vacant and the time to train a new recruit, the main cost drivers of overtime. This innovative idea reduces overtime costs in the future and creates a sustainable way to address overtime as a result of vacancies if the program is continued in the future. However, it requires an upfront investment of resources to hire and train the new personnel to realize any overtime savings. Expected overtime savings in FY16 is expected to be \$255,000. Innovate Alexandria funds will be used to offset part of the initial cost for AFD overhires. The remaining Innovate Alexandria amount of \$39,500 provides funds for a requisition that was initiated in FY 2014 but not converted to a Purchase Order until FY 2015.
- Section 7. The appropriation of \$222,000 grant revenue to the DASH Fund. This appropriation provides an additional \$222,000 of spending authority to the DASH Fund. The source of the revenue is grant funding which has been awarded to the Alexandria Transit Company for digital displays on the trolleys and an intern.

FISCAL IMPACT: The seven sections of the ordinance appropriate a total of \$14,114,827 as follows:

Section 1	Appropriation of Equipment Replacement Fund Balance	\$1,064,788
Section 2	Appropriation of General Fund Revenue.	\$5,319,500
Section 3	Appropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2015.	\$1,457,169
Section 4	Appropriation of donations, fees and other special revenue	\$ 440,822
Section 5	Appropriation of Capital Improvement Program revenues previously unbudgeted.	\$5,435,048
Section 6	Appropriation of General Fund Balance.	\$ 175,500
Section 7	Appropriation of grant revenue to the DASH Fund.	\$ 222,000

ATTACHMENTS:

Attachment 1: Ordinance Cover to Amend Fiscal Year 2015 Appropriation

Attachment 2: Ordinance to Amend Fiscal Year 2015 Appropriation

Attachment 3: Listing of Fiscal Year 2015 City of Alexandria Grant Adjustments

STAFF:

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