



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 2, 2016

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 2017.

ISSUE: Consideration of a Reappropriation Ordinance to amend Fiscal Year 2017 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 12, 2016.

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 2017 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 2016 savings.

Staff recommends that the Fiscal Year (FY) 2017 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, 2016, but not paid by that date. This appropriation includes encumbrances totaling \$4,533,832 of Equipment Replacement Reserve Fund obligations (primarily for vehicles and equipment ordered in FY 2016 but not delivered until FY 2017).
- Section 2. Reappropriation of revenues received but not appropriated. This appropriation includes program income, loan repayments and Housing Trust Funds in the amount of \$3,246,970, including approximately \$1.6 million of Housing Trust Fund monies, \$0.6 million of loan repayments and developer contributions, and \$1.0 million of federal revenue that has been carried over from a prior year. Reappropriated revenues will be used for loan and rehabilitation programs and other affordable housing initiatives.
- Section 3. Appropriation of grant revenues authorized and adjusted but not appropriated in FY 2016. 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 2) and totals \$1,905,793.
- Section 4. Appropriation of Donations and Other Special Revenues received but not appropriated in the FY 2017 Operating Budget. This appropriation of \$300,385 includes other special revenues and donations and provides \$95,716 to the Department of Emergency Communications, the Commonwealth's Attorney's Office and to the Alexandria Health Department that have been received in prior years and are being appropriated to spend in FY 2017 and \$204,669 that is appropriated to the Recreation Department for various programs, such as the Living Landscape Fund.
- Section 5. Appropriation of Other Special Revenues. This appropriation of \$604,596 includes other special revenues received but not appropriated in the FY 2017 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 \$104,596 in seized assets for the Commonwealth's Attorney's Office to purchase supplies and equipment for these programs throughout the year and \$0.5 million for the Police Department for an Incident Command Vehicle. The funds were appropriated in FY 2016, but were not expended prior to the end of the fiscal year.
- Section 6. Appropriation of \$3,386,251 of General Fund balance (derived from unexpended FY 2016 funding). This appropriation includes \$2.3 million to fund projects that were not complete at the end of FY 2016 or projects for which the identified funding in FY 2016 savings, as well as \$0.5 million for affordable housing initiatives and \$0.6 million for economic development incentives

to match recently received state grant funds for business expansion.

- Section 7. Appropriation of General Obligation Bond Proceeds. This appropriation includes \$1.4 million in bond premium proceeds, as previously discussed with Council Members, to provide upfront funding for the municipal fiber project which will result in eventual significant savings to the City.
- Section 8. Appropriation of Other Special Revenue. This appropriation of \$0.6 million of Other Special Revenue will establish a funding account to address basic facility issues that have recently been identified as well as cover potential future transition costs for operations at the Torpedo Factory Arts Center for the first eight months of FY 2017. The revenues to support this operation are lease revenues.
- Section 9. Appropriation of project budget authority from grant revenues, donations, fees, developer contributions and SUP Conditions to the Capital Improvement Program. This appropriation will provide budget authority of \$2.6 million for the Capital Improvement Program, including \$67,500 for Taney Avenue Park Improvements a \$1.18 million allocation to TES to recognize developer contributions that have been received for water quality requirement projects. These small amounts that have been received for several projects are being consolidated in one account. The remaining amount of \$1.4 million increases the project budget for the municipal fiber project to the appropriate amount.
- Section 10. Appropriation of Equipment Replacement Fund Balance. This appropriation of \$0.5 million will provide budget authority for several vehicle replacements that were not originally budgeted in the FY 2017 Approved Operating Budget, but now need replacement in FY 2017.
- Section 11. Appropriation of DASH Operating Revenues. As noted in the FY 2017 Approved Operating Budget document, subsequent to City Council's adoption of the budget, The Alexandria Transit Corporation adopted the Transit Development Program for FY 2017. Their adopted budget reflected a reduction of \$158,000. This amends the budget to reflect this subsequent action.

FISCAL IMPACT: The eleven sections of the ordinance appropriate a total of \$18,963,547 as follows:

Section 1.	Reappropriation of monies encumbered as of June 30, 2016.	\$ 4,533,832
Section 2.	Reappropriation of expenditures to be funded by grant revenues.	\$ 3,246,970
Section 3.	Appropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2016.	\$ 1,905,793
Section 4.	Appropriation of residual balances in accounts to be funded from donations, fees and other special revenue.	\$ 300,385
Section 5.	Appropriation of residual balances in accounts to be funded from donations, fees and other special revenue.	\$ 604,596
Section 6.	Appropriation of General Fund Balance.	\$ 3,386,251

Section 7.	Appropriation of General Obligation Bond Proceeds	\$ 1,400,000
Section 8.	Appropriation of Other Special Revenues	\$ 600,000
Section 9.	Appropriation of Capital Improvement Program Funds	\$ 2,647,500
Section 10.	Appropriation of Equipment Replacement Funds	\$ 496,220
Section 11.	Appropriation of Component Unit Funds - DASH	(\$ 158,000)

ATTACHMENTS:

Attachment 1: Ordinance Cover to Amend Fiscal Year 2017 Appropriation

Attachment 2: Ordinance to Amend Fiscal Year 2017 Appropriation

Attachment 3: Listing of Fiscal Year 2017 City of Alexandria Grant Adjustments

Attachment 4: Listing of Fiscal Year 2017 Incomplete Projects

STAFF:

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