



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** NOVEMBER 13, 2017

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

**DOCKET TITLE:**

Public Hearing, Second Reading and Final Passage of an Ordinance to Make Supplemental Appropriations for the Support of the City Government for Fiscal Year 2018.

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**ISSUE:** Consideration of a Reappropriation Ordinance to amend Fiscal Year 2018 Appropriation.

**RECOMMENDATION:** That City Council pass this proposed ordinance (Attachment 2) on second reading and final passage on November 18, 2017.

**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 2018 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 2017 savings.

Staff recommends that the Fiscal Year (FY) 2018 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, 2017, but not paid by that date. This appropriation includes encumbrances totaling \$1,916,316 of Equipment Replacement Reserve Fund obligations (primarily for vehicles and equipment ordered in FY 2017 but not delivered until FY 2018).
- Section 2. Reappropriation of revenues received but not appropriated. This appropriation includes program income, loan repayments and Housing Trust Funds in the amount of \$2,964,078, including approximately \$0.2 million of Housing Trust Fund monies, \$0.6 million of loan repayments and developer contributions, and \$2.2 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 2018. 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 \$951,476.
- Section 4. Appropriation of Donations and Other Special Revenues received but not appropriated in the FY 2018 Operating Budget. This appropriation of \$5,013,101 million in donations and other special revenue received, but not appropriated in FY 2018, includes \$4.7 million in donations revenues that have been received across all departments in the City and \$0.34 million in Other Special Revenue that was received in a prior year, but needs to be reappropriated to provide budget authority in FY 2018. Donations are received in more than 80 accounts across the City. This action appropriates the residual balances from prior years and provides budget authority in FY 2018, enabling these funds to be spent in the current fiscal year. The Other Special Revenue includes \$0.3 million in funding to the Recreation Department in Developer Contributions for tree park landscaping at Potomac Yard; \$5,000 to General Services to recognize revenue received to maintain the Dangerous Dog registry; approximately \$20,000 from the Sprint-Nextel settlement for radio equipment for the Department of Emergency Communication; and, a net decrease of approximately \$14,000 to the Department of Code Administration to adjust their budget to more closely reflect actual revenue from building permit fees in the Enterprise Fund. The remaining appropriation includes \$25,000 to the Finance Department for pension-funded expenses that were not included in the FY 2018 Approved Budget.
- Section 5. Appropriation of Other Special Revenues. This appropriation of \$90,042 includes other special revenues received but not appropriated in the FY 2018 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.

- Section 6. Appropriation of General Fund balance. This appropriation of \$7,071,908 includes \$2.9 million to fund projects that were not complete at the end of FY 2017 or projects for which the identified funding in FY 2017 savings, as well as \$0.6 million for state-mandated voting equipment approved by City Council in September and \$132,800 to support the Joint Facilities Investment Task Force approved during the FY 2018 Budget process. Attachment 4 details the incomplete projects that are being funded. This appropriation also includes \$3.4 million that was a budgeted source of revenue for projects funded in the FY 2017 to FY 2026 Capital Improvement Program.
- Section 7. Appropriation of Equipment Replacement Fund Balance. This appropriation of \$1,057,822 million will provide budget authority largely for replacement of Fire Department mobile computers, as well as several vehicle replacements that were not originally budgeted in the FY 2018 Approved Operating Budget, but now need replacement in FY 2018.
- Section 8. Appropriation of General Fund Revenue. The appropriation of \$150,000 provides funding for the Alexandria Health Department, from FY 2017 Year End Settlement funds (unexpended City matching funds returned to the locality), which will be used for equipment and training.
- Section 9. The transfer of General Fund Budget Authority Between Departments. Existing resources in the several departments are being transferred to move budget authority to the appropriate department where the position is now located. Transfers include \$0.1 million from the Finance Department to the Department of Human Resources and approximately \$22,000 from the Department of Emergency Communications back to the Department of Transportation and Environmental Services.
- Section 10. Appropriation of General Obligation Bond Proceeds. This appropriation includes \$124,205,981 million in bond proceeds from the recent bond refinancing.
- Section 11. The appropriation of project budget authority from cash capital, grant revenues, donations, fees, Developer Contributions and SUP Conditions of Capital Improvement Program funds. This appropriation total appropriation of \$1,624,191 increases the budget authority in the CIP for the Cash Capital contributions that are identified as incomplete projects (Oronoco Outfall and new voting machines).

**FISCAL IMPACT:** The ten sections of the ordinance appropriate a total of \$145,044,920 as follows:

Section 1.	Reappropriation of monies encumbered as of June 30, 2017.	\$ 1,916,316
Section 2.	Reappropriation of expenditures to be funded by grant revenues.	\$ 2,964,078
Section 3.	Appropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2018.	\$ 951,476
Section 4.	Appropriation of residual balances in accounts to be funded from donations, fees and other special revenue.	\$ 5,013,101

Section 5.	Appropriation of residual balances in accounts to be funded from seized assets.	\$ 90,042
Section 6.	Appropriation of General Fund Balance.	\$ 7,071,908
Section 7.	Appropriation of Equipment Replacement Funds	\$ 1,057,827
Section 8.	Appropriation of General Fund Revenue	\$ 150,000
Section 9.	Transfer of Budget Authority Between Departments	\$ - 0 -
Section 10.	Appropriation of General Obligation Bond Proceeds	\$124,205,981
Section 11.	Appropriation of Capital Improvement Program Funds	\$ 1,624,191

**ATTACHMENTS:**

Attachment 1: Ordinance Cover to Amend Fiscal Year 2018 Appropriation

Attachment 2: Ordinance to Amend Fiscal Year 2018 Appropriation

Attachment 3: Listing of Fiscal Year 2018 City of Alexandria Grant Adjustments

Attachment 4: Listing of Fiscal Year 2018 Incomplete Projects

**STAFF:**

Laura Triggs, Deputy City Manager

Kendel Taylor, Finance Director

Morgan Routt, Budget Director, OMB