



Legislation Text

File #: 19-2328, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 6, 2019

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 2020.

ISSUE: Consideration of a Reappropriation Ordinance to amend Fiscal Year 2020 Appropriation.

RECOMMENDATION: That City Council pass this proposed ordinance (Attachment 2) on first reading on Tuesday, November 12 and schedule it for public hearing, second reading, and final passage on November 16, 2019.

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

2020 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 2019 savings.

Staff recommends that the Fiscal Year (FY) 2020 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, 2019, but not paid by that date. This appropriation includes encumbrances totaling \$1,679,075 of Equipment Replacement Reserve Fund obligations (primarily for vehicles and equipment ordered in FY 2019 but not delivered until FY 2020).
- Section 2. Reappropriation of revenues received but not appropriated. This appropriation includes program income, loan repayments and Housing Trust Funds in the amount of \$12,422,851, including approximately \$11.9 million of Housing Trust Fund monies, \$0.5 million of loan repayments and developer contributions. Reappropriated revenues will be used for loan and rehabilitation programs and other affordable housing initiatives.
- Section 3. Reappropriation of revenues received but not appropriated. This appropriation includes external grant funds in the amount of \$2,987,647, including approximately \$1.1 million of federal revenue that has been carried over from a prior year, \$1.4 million of donations for HOME programs and \$0.5 million for other programs. Reappropriated revenues will be used for loan and rehabilitation programs and other affordable housing initiatives.
- Section 4. Appropriation of grant revenues authorized and adjusted but not appropriated in FY 2020. 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 \$18,328,203.
- Section 5. Appropriation of Donations and Other Special Revenues received but not appropriated in the FY 2020 Operating Budget. This appropriation of \$693,835 million in donations and other special revenue received, but not appropriated in FY 2020, includes approximately \$0.1 million in donations revenues that have been received for programs in the Department of Recreation, Parks and Cultural Activities, the Office of Historic Alexandria and the Department of Community and Human Services and \$0.1 million in Fee Revenue for the Department of Transportation and Environmental Services for the Shared Mobility Pilot Program, and \$0.4 million for the Department of Code Administration for technology and training from revenue generated from Permit Fees, less than \$0.1 million to the Alexandria Police Department from eCitation revenue and less than \$0.1 million to provide the appropriate benefits to City employees who work at the Torpedo Factory.
- Section 6. Appropriation of Other Special Revenues received but not appropriated in the FY 2020 Operating Budget. Several of the City's Public Safety and Justice Agencies receive funds in the form of Seized Assets. This appropriation of \$1,018,205 includes \$101,455 in seized assets for

the Commonwealth's Attorney's Office to purchase supplies and equipment for its programs throughout the year and \$916,750 for the Police Department to purchase a vehicle and other equipment.

- Section 7. Appropriation of project budget authority from cash capital, grant revenues, donations, fees, Developer Contributions and SUP Conditions of Capital Improvement Program funds. This appropriation totals \$17,519,693. The majority of this appropriation (\$15.1 million) is for grants that have been obtained by the Department of Transportation and Environmental Services. TES capital grant adjustments are reflected in Attachment 3. The remaining \$2.4 million provides increased budget authority for capital projects that are being funded from FY 2019 budget savings (Incomplete Projects). Section 12 reflects Incomplete Projects that are being funded from FY 2019 savings. Incomplete projects are funded from General Fund Fund Balance, either directly to a Department in the form of a General Fund appropriation or as Cash Capital funding for the CIP. Projects that are funded through Cash Capital also require an appropriation of budget authority to the Capital Improvement Program. Increases to the Capital Improvement Program from Cash Capital are reflected in Attachment 4.
- Section 8. Transfer of Budget Authority Between Departments. At the beginning of FY 2020 the Fleet Services Division management responsibility was transferred from the Department of General Services to the Department of Transportation and Environmental Services. This transfer of \$2,753,872 million moves the budget authority from General Services to TES.
- Section 9. Appropriation of Component Unit Funds - ACPS. This appropriation includes \$181,461 in budget authority in several programs for the Alexandria City Public Schools that was not reflected in the Appropriation Ordinance adopted by City Council in June 2019. These are Special Revenue Funds for the ACPS, not additional City General Fund appropriation.
- Section 10. Appropriation of Component Unit Funds - Alexandria Libraries. This appropriation of \$24,820 in budget authority for the Alexandria Libraries provides budget authority in the Library Fund that will be funded from General Fund Fund Balance (Incomplete Projects in Section 12). The details regarding the utilization of the funds can be found in Attachment 4.
- Section 11. Reappropriation of Funds to the Alexandria Transit Company. This appropriation external grant funds in the amount of \$3,338,175 to the Alexandria Transit Company (DASH) for grants that were received in FY 2019 but will be expended in FY 2020. These grants are also described in Attachment 3.
- Section 12. Appropriation of General Fund balance. This appropriation of \$7,362,696 will fund projects that were not complete at the end of FY 2019 or projects for which the identified funding is FY 2019 savings, as well as \$0.6 million for economic development incentives that were committed in Fund Balance in FY 2019 and were already underway in FY 2019. Attachment 4 details the incomplete projects that are being funded. It should be noted that many of the uses of Fund Balance are for capital projects. Attachment 4 reflects all of the proposed funding from FY 2019 savings or other sources. Attachment 4 describes each item, the source of funds and in which section(s) of this ordinance the project is reflected.
- Section 13. Appropriation of Equipment Replacement Fund Balance. This appropriation of \$309,500 will provide budget authority for vehicle replacement in the Departments of General Services,

Transportation and Environmental Services and Community and Human Services.

Section 14. Appropriation of General Fund Revenue. This appropriation of \$632,000 provides \$57,000 in funding for the Alexandria Health Department, from FY 2019 Year End Settlement funds (unexpended City matching funds returned to the locality), which will be used for security and \$575,000 in Miscellaneous Revenue from the Department of Community and Human Services lease termination that will be used for cash capital toward the DCHS/Health Department Relocation Project in the CIP.

FISCAL IMPACT: The fourteen sections of the ordinance appropriate a total of \$66,498,161 as follows:

Section 1.	Reappropriation of monies encumbered as of June 30, 2019.	\$ 1,679,075
Section 2.	Reappropriation of Affordable Housing Funds.	\$ 12,422,851
Section 3.	Reappropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2020.	\$ 2,987,647
Section 4.	Appropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2020.	\$ 18,328,203
Section 5.	Appropriation of residual balances in accounts to be funded from donations, fees and other special revenue.	\$ 693,835
Section 6.	Appropriation of residual balances in accounts to be funded From seized assets.	\$ 1,018,205
Section 7.	Appropriation of Capital Improvement Program Funds	\$ 17,519,693
Section 8.	Transfer of Budget Authority Between Departments	\$ - 0 -
Section 9.	Appropriation of Component Unit Funds - ACPS	\$ 181,461
Section 10.	Appropriation of Component Unit Funds - Libraries	\$ 24,820
Section 11.	Reappropriation of Funds to the Alexandria Transit Company	\$ 3,338,175
Section 12.	Appropriation of General Fund Balance.	\$ 7,362,696
Section 13.	Appropriation of Equipment Replacement Funds	\$ 309,500
Section 14.	Appropriation of General Fund Revenues	\$ 632,000

ATTACHMENTS:

Attachment 1: Ordinance Cover to Amend Fiscal Year 2020 Appropriation

Attachment 2: Ordinance to Amend Fiscal Year 2020 Appropriation

Attachment 3: Listing of Fiscal Year 2020 City of Alexandria Grant Adjustments

Attachment 4: Listing of Fiscal Year 2020 Incomplete Projects

STAFF:

Laura Triggs, Deputy City Manager

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