



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 5, 2020

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 Supplemental Appropriation Ordinance to amend Fiscal Year 2020 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 February 22, 2020.

DISCUSSION: This 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.

Staff recommends that the Fiscal Year (FY) 2020 Appropriation be amended to accomplish the following purposes:

- Section 1. Appropriation of Equipment Replacement Fund Balance to pay for new equipment purchases not included in the FY 2020 Approved Budget. This appropriation includes \$188,642 of Equipment Replacement Reserve Funds to pay for a planned bus replacement in FY 2020 for the Department of Community and Human Services. The Office of Aging buses were planned for replacement in FY 2019. The appropriated funds lapsed at the end of FY 2019 before the entire bus procurement could be completed.
- Section 2. Appropriation of grant and special revenues authorized and adjusted but not appropriated in FY 2020. The appropriation of \$293,033 in this section reflects 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 \$222,033. In addition to the grant revenues, this section includes \$71,000 that was appropriated in the Fall Reappropriation Ordinance as General Fund that will be transferred to a Special Revenue Account. This action provides the appropriate budget authority in that account.
- Section 3. Appropriation of Donations and Other Special Revenues received but not appropriated in the FY 2020 Operating Budget. This appropriation of \$737,313 in donations and other special revenue received, but not appropriated in FY 2020, including various small donations in the Office of Historic Alexandria, the Department of Community and Human Services and the Department of Transportation and Environmental Services and approximately \$0.8 million in developer contributions for the Capital Bikeshare Program.
- Section 4. 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 \$8,443,618. The largest elements of this appropriation (\$0.6 million) are for furniture and equipment upgrades in advance of the DCHS consolidation, \$0.6 million for DCHS space improvements and \$3.2 million in grants for DASH Bus Replacements that have been obtained by the Department of Transportation and Environmental Services and the Alexandria Transit Company. In addition, Incomplete Projects that were appropriated in the Fall Reappropriation Ordinance as General Fund are being in the Capital Improvement Program. Many of the projects recognized as Security Improvements (\$625,000) were inadvertently appropriated to the operating budget, but not also to the CIP. The appropriation to the operating budget remains as cash capital. These incomplete projects included wayfinding, panic buttons, visitor management, new employee badges, locks and a phone alert system. Finally, the appropriation increases the budget authority in the CIP for the Parkstone Apartment (AVANA) purchase.
- Section 5. Transfer of Budget Authority Between Departments. At the beginning of FY 2020 the Fleet Services Division was transferred from the Department of General Services to the Department of Transportation and Environmental Services. Approximately \$0.3 million is being transferred from General Services to TES to complete this operational shift. In addition, during the FY 2019 a Utility Analyst position was approved for the Finance Department. During the development of this position description, staff determined the position is more appropriately aligned with Department of General Services programs. To place the budget authority in the new department, 4 months of budget authority or \$30,000 is being transferred from the Finance Department to

General Services. In November 2019, the City Manager created an Office of Organizational Excellence. One full-time equivalent position and non-personnel funds are being transferred from the Department of Human Resources to the new Office of Organizational Excellence. The remaining \$50,000 provides resources to the Office of Management and Budget for a rotational cross training assignment from the Finance Department.

- Section 6. Appropriation of Funds to the Alexandria Transit Company. This appropriation of external grant funds in the amount of \$5,478,400 to the Alexandria Transit Company (DASH) for grants that have been received in FY 2020 but have not been appropriated. These grants are also described in Attachment 3.
- Section 7. Appropriation of General Fund Balance. The FY 2020 Capital Improvement Program includes \$4,550,000 of Committed General Fund Balance as a revenue source. This appropriation draws \$1,050,000 in fund balance to the operating budget as cash capital to be used to fund the CIP in the current year, and \$3,500,000 in Fund Balance reserved for future Capital Improvement Programs to serve as a bridge loan for the Affordable Housing Fund to purchase the Parkstone Apartments (AVANA). These funds will be replenished in FY 2021 with Meals Sales Tax Revenue that has been dedicated for Affordable Housing.
- Section 8. Appropriation of Component Unit Funds - Alexandria Libraries. This appropriation recognizes an additional \$8,554 in Intergovernmental Revenues from the State above the amount appropriated in the FY 2020 Approved Operating Budget.
- Section 9. Appropriation of Affordable Housing Funds. This appropriation of \$3,500,000 represents the interfund transfer from the Affordable Housing Fund to the Capital Improvement Fund. The original source of these funds Uncommitted/Unassigned General Fund Balance, appropriated below

FISCAL IMPACT: The nine sections of the ordinance appropriate a total of \$23,199,560 as follows:

Section 1.	Appropriation of Equipment Replacement Funds	\$ 188,642
Section 2.	Appropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2020.	\$ 293,033
Section 3.	Appropriation of residual balances and new revenues in accounts to be funded from donations, fees and other special revenue donations, fees and other special revenue.	\$ 737,313
Section 4.	Appropriation of Capital Improvement Program Funds	\$ 8,443,618
Section 5.	Transfer of Budget Authority Between Departments	\$ - 0 -
Section 6.	Appropriation of Funds to the Alexandria Transit Company	\$ 5,478,400
Section 7.	Appropriation of General Fund Balance.	\$ 4,550,000

Section 8.	Appropriation of Component Unit Funds - Libraries	\$	8,554
Section 9.	Appropriation of Affordable Housing Funds	\$	3,500,000

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

STAFF:

Laura Triggs, Deputy City Manager

Kendel Taylor, Finance Director

Morgan Routt, Budget Director, OMB