



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: DECEMBER 2, 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 2021.

ISSUE: Consideration of a Reappropriation Ordinance to amend Fiscal Year 2021 Appropriation.

RECOMMENDATION: That City Council pass this proposed ordinance (Attachment 2) on first reading on Tuesday, December 8, 2020 and schedule it for public hearing, second reading, and final passage on December 12, 2020.

DISCUSSION: Each year, City staff submits a Reappropriation Ordinance to City Council to reappropriate certain 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 2021 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 2020 savings.

Staff recommends that the Fiscal Year (FY) 2021 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, 2020, but not paid by that date. This appropriation includes encumbrances totaling \$3,477,841 of Equipment Replacement Reserve Fund obligations (primarily for vehicles and equipment ordered in FY 2020 but not delivered until FY 2021).
- Section 2. Reappropriation of revenues received but not appropriated. This appropriation includes program income, loan repayments and Housing Trust Funds in the amount of \$2,186,988, including approximately \$1.4 million in ARHA Reserve Funds and \$0.8 million in pilot rental assistance funds committed to new affordable housing development.
- Section 3. Reappropriation of revenues received but not appropriated. This appropriation includes external grant funds in the amount of \$2,224,235, including approximately \$1.7 million of federal revenue that has been carried over from a prior year, \$0.5 million Housing Opportunities Funds from the US Department of Housing and Urban Development. 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 2021. 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 \$1,446,158.
- Section 5. Appropriation of Donations and Other Special Revenues received but not appropriated in the FY 2021 Operating Budget. This reduction in total appropriation of \$233,621 in donations and other special revenue received, but not appropriated in FY 2021, includes a number of small adjustments of donations and other special revenue in the Office of Historic Alexandria, Recreation, and the Police Department. The most significant adjustments are in the Transportation and Environmental Services Department for developer contribution and Transportation Management Plan funding for Dockless Mobility. The TES increases are offset by the shift of \$0.7 million in funding for Capital Bikeshare from the operating budget to the Capital Improvement Program. In addition to the funds being appropriated, the Fire Department received technical rescue equipment from Fairfax County and supplies from the community in the amount of \$197,668.
- Section 6. Appropriation of Other Special Revenues received but not appropriated in the FY 2021 Operating Budget. Several of the City's Public Safety and Justice Agencies receive funds in the form of Seized Assets. This appropriation of \$70,118 in seized assets for the Commonwealth's

Attorney's Office will be used to purchase supplies and 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 \$6,462,282. The specific projects that will be adjusted are include in the ordinance. Two of the larger adjustments will recognize \$3.5 million in Smart Scale Funds for the Bus Service and Facility Expansion Project and \$0.5 million in CMAQ funds for schedule software for DASH. This appropriation rescinds \$2.9 million in Smart Scale funds for the delayed Backlick Run Trail project and sets aside in a CIP contingent \$2.1 million in CMAQ funds. It also appropriates from the General Fund \$1.2 million in emergency funding for the Hoofs Run culvert cleaning and \$0.2 million for storm sewer capacity projects.
- Section 8. Transfer of Budget Authority Between Departments. The FY 2021 Approved Budget is being adjusted to eliminate funding for special merits. This will offset vacancy savings that was budgeted in Non-Departmental as a budget balancing tool for the FY 2021 2.0 Budget.
- Section 9. Reappropriation of Component Unit Funds - ACPS. This appropriation includes \$1,969,710 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 funds were encumbered at the end of FY 2020, but the payments will be made in FY 2021. This will provide the necessary budget authority in FY 2021. These are Special Revenue Funds for the ACPS, not additional City General Fund appropriation.
- Section 10. Appropriation to the Potomac Yard Fund. This appropriation of \$960,264 in budget authority in a Non-Departmental account provides budget authority in the Potomac Yard Fund from 2019A Bond Proceeds. The first three years of debt service for the project were covered by capitalized interest. Bond proceeds are being appropriated to fund the debt service as planned in the debt issuance.
- Section 11. Reappropriation of Funds to the Alexandria Transit Company. This appropriation external grant funds in the amount of \$2,525,828 to the Alexandria Transit Company (DASH) for grants that were received in FY 2020 but will be expended in FY 2021.
- Section 12. Appropriation of General Fund balance. This appropriation of \$4,957,222 will fund projects that were not complete at the end of FY 2020 or projects for which the identified funding is FY 2020 savings, as well as \$2.0 million for stormwater operating and capital funding that were assigned in Fund Balance in FY 2020. This \$2.0 million will be loaned to the stormwater fund with payback not planned for about five years. Attachment 4 details the incomplete projects that are being funded. This appropriation also includes a \$1.5 million contingent for to-be-determined policing initiatives such as mental health, body-worn cameras, and policing review board initiatives.
- Section 13. Appropriation of Stormwater Utility Funds. This appropriation of \$600,000 will provide budget authority for stormwater management work in the operating budget. The source of these funds is an interfund transfer from the General Fund.
- Section 14. Appropriation of General Fund Revenue. This overall reduction in appropriation authority of

(\$1,758,089) provides \$194,011 in funding for the Alexandria Health Department, from FY 2020 Year End Settlement funds (unexpended City matching funds returned to the locality), which will be used to combat the COVID-19 pandemic and \$47,900 in Miscellaneous Revenue that will fund alternative placements of individuals who are unable to perform their current job due to workplace injury, but are still able contribute to the organization rather than retire on disability. These increases are offset by a \$2,000,000 decrease in appropriation authority. When the FY 2021 budget was in development it was unclear how federal funding would be provided to the City. Ultimately, CARES funding was provided, and a separate fund was established obviating the need for this appropriation.

- Section 15. Appropriation of Component Unit Funds - Alexandria Libraries. This appropriation of \$6,047 in budget authority for the Alexandria Libraries recognizes additional state revenue provide above the amount included in the FY 2021 Approved Operating Budget.
- Section 16. Appropriation of Equipment Replacement Fund Balance. This appropriation of \$56,637 will provide budget authority for mobile data browser replacement in the Office of the Sheriff.
- Section 17. Reappropriation of Alexandria Transit Company - DASH Funds. This appropriation includes \$167,092 in budget authority in several programs for the ATC that was not reflected in the Appropriation Ordinance adopted by City Council in June 2020. These funds were encumbered at the end of FY 2020, but the payments will be made in FY 2021. This will provide the necessary budget authority in FY 2021.

FISCAL IMPACT: The seventeen sections of the ordinance appropriate a total of \$25,118,712 as follows:

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| Section 1. | Reappropriation of monies encumbered as of June 30, 2020. | \$ 3,477,841 |
| Section 2. | Reappropriation of Affordable Housing Funds. | \$ 2,186,988 |
| Section 3. | Reappropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2020. | \$ 2,224,235 |
| Section 4. | Appropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2020. | \$ 1,446,158 |
| Section 5. | Appropriation of residual balances in accounts to be funded from donations, fees and other special revenue. | \$ (233,621) |
| Section 6. | Appropriation of residual balances in accounts to be funded From seized assets. | \$ 70,118 |
| Section 7. | Appropriation of Capital Improvement Program Funds | \$ 6,462,282 |
| Section 8. | Transfer of Budget Authority Between Departments | \$ - 0 - |

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| Section 9. | Appropriation of Component Unit Funds - ACPS | \$ 1,969,710 |
| Section 10. | Appropriation of Potomac Yard Funds | \$ 960,264 |
| Section 11. | Reappropriation of Grant Funds - Alexandria Transit Company | \$ 2,525,828 |
| Section 12. | Reappropriation of General Fund Balance. | \$ 4,957,222 |
| Section 13. | Appropriation of Stormwater Utility Funds | \$ 600,000 |
| Section 14. | Appropriation of General Fund Revenues | \$ (1,758,089) |
| Section 15. | Appropriation of Component Unit Funds - Libraries | \$ 6,047 |
| Section 16. | Appropriation of Equipment Replacement Funds | \$ 56,637 |
| Section 17. | Reappropriation of Funds - Alexandria Transit Company | \$ 167,092 |

ATTACHMENTS:

Attachment 1: Ordinance Cover to Amend Fiscal Year 2021 Appropriation

Attachment 2: Ordinance to Amend Fiscal Year 2021 Appropriation

Attachment 3: Listing of Fiscal Year 2021 City of Alexandria Grant Adjustments

Attachment 4: Listing of Fiscal Year 2021 Incomplete Projects

Attachment 5: Memo Rescinding VDOT Project Agreement for Backlick Run

STAFF:

Laura Triggs, Deputy City Manager

Kendel Taylor, Finance Director

Morgan Routt, Budget Director, OMB