



Legislation Text

File #: 22-1105, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 29, 2022

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES F. PARAION, 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 2022. [ROLL-CALL VOTE]

ISSUE: Consideration of a Supplemental Appropriation Ordinance to amend Fiscal Year 2022 Appropriation.

RECOMMENDATION: That City Council adopt this proposed Supplemental Appropriations Ordinance totaling \$44,854,826 (Attachment 2) on first reading on Tuesday, April 5, 2022 and schedule it for second reading, public hearing and final passage on April 23, 2022.

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 ongoing 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 2022 Approved Operating Budget. Where significant, staff has described how the funding change will impact services.

Staff recommends that the Fiscal Year (FY) 2022 Appropriation be amended to accomplish the following purposes:

Section 1. Appropriation of Equipment Replacement Fund Balance to purchase Fire Department vehicles.
This appropriation includes a total of \$96,900 of Equipment Replacement Reserve funds to

purchase Fire Department replacement vehicles.

- Section 2. Appropriation of Grant Revenues Authorized and Adjusted but not Appropriated in FY 2022. 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. A listing of grants is included (Attachment 3) and totals \$2,514,716 in various external grants, along with \$477,924 in grants specifically for affordable housing (see Section 4).
- Section 3. Appropriation of Housing Trust Fund Revenues Received but not Appropriated in FY 2022. This appropriation includes program income, loan repayments, and Housing Trust Funds in the amount of \$2,666,024.
- Section 4. Appropriation of Housing Grant Revenues Authorized and Adjusted but not Appropriated in FY 2022. This appropriation includes external grant funds for affordable housing in the amount of \$477,924. This includes state rental assistance funds and federal funds to issue home ownership and home rehabilitation loans. A listing of these grants is included (Attachment 3).
- Section 5. Appropriation of Donations and Other Special Revenues Received but not Appropriated in the FY 2022 Operating Budget. This appropriation of \$47,686 in donations and other special revenue reflects several small adjustments of donations and other special revenue in the Office of Historic Alexandria and the Department of Recreation, Parks, and Cultural Activities to bring budget authority in line with revenues received in FY 2022.
- Section 6. Appropriation of General Fund Revenue. This section increases the total appropriation in the General Fund by \$75,000 for insurance recoveries collected by the Fire Department related to fire boat repairs.
- Section 7. Appropriation of General Obligation Bond Proceeds. This appropriation includes \$11,782,546 in bond proceeds from the December 2021 bond refunding.
- Section 8. Transfer of Budget Authority Between Departments. The FY 2022 Approved Budget is being adjusted to account for a transfer of \$7,000 between the Department of Planning & Zoning and the Office of Historic Alexandria for the Almshouse property study.
- Section 9. De-Appropriation of American Rescue Plan Act Funds. This section de-appropriates \$28,930,000 in American Rescue Plan Act funds which were originally appropriated as a placeholder for ARPA funds in the FY 2022 operating budget. Council later made a supplemental appropriation in June 2021 which recognized the total allocation and authorized the transfer of ARPA funds to departments for specific projects in September 2021. This action eliminates the duplicated appropriation.
- Section 10. Appropriation of General Fund Balance. This appropriation of \$12.75 million includes \$2.75 million to provide budget authority in Non-Departmental to enable the City to ensure that all pandemic response spending that has been authorized in FY 2022 has a revenue source as of June 30, 2022. Several projects are currently under review by FEMA for reimbursement eligibility, including the vaccination effort at points of dispensation across the City, and ongoing

COVID response and preparedness to ensure health and safety, as well as continuity of operations. It is anticipated that the City will receive a reimbursement from FEMA for a significant amount of City expenditures in a subsequent fiscal year. The FY 2022 Capital Improvement Program includes \$10.0 million of Committed General Fund Fund Balance as a revenue source. This appropriation draws fund balance to the operating budget as cash capital to be used to fund the CIP in the current year.

- Section 11. Appropriation of Special Revenue Fund Balance. This section primarily consists of the appropriation of \$40,781,291 in accumulated prior year revenues collected in the Sanitary Sewer, Stormwater Utility Fee, and Potomac Yard Metro Station special revenue funds. Each of these funds collects dedicated revenue for its particular purpose, such as sewer connection fees, the stormwater utility fee, and Potomac Yard Special Tax District revenue, respectively. If not used in a particular fiscal year, surplus funds accumulate as fund balance. Capital projects frequently do not align with a single fiscal year. This action reappropriates funds that were budgeted in a prior year, but were not used before June 30 of that year. Additionally, this section appropriates \$110,000 from the Braddock Community Amenities Fund for the Queen Street Business Corridor grant program and \$90,000 for emergency medical services training and equipment for the Fire Department.
- Section 12. Appropriation of Capital Project Funds from Intergovernmental Revenue, Rental Fees, and Developer Contributions. This appropriation totals \$2,367,898 for various projects included in this ordinance. These projects include Virginia Department of Transportation funds to resurface roads across the City, Virginia Brownfields Restoration and Economic Redevelopment Assistance funds to prepare and plan for redevelopment of the former GenOn power plant site, developer contributions used to support public art acquisition and the Waterfront Promenade Railing project, and Strand Street parking lot rental fees used to fund open space acquisition.
- Section 13. Appropriation of Component Unit Funds - Alexandria Library. This appropriation of \$24,842 for the Alexandria Library recognizes Library of Virginia grants to conduct a comprehensive equity audit of the Library's materials collection and for training on aging populations.

FISCAL IMPACT: The thirteen sections of the ordinance appropriate a total of \$44,854,826 as follows:

Section 1.	Appropriation of Equipment Replacement Funds.	\$ 96,900
Section 2.	Appropriation of Grant Revenues Authorized and Adjusted but not Appropriated in Fiscal Year 2022.	\$ 2,514,716
Section 3.	Appropriation of Housing Trust Fund Revenues Received but not Appropriated in Fiscal Year 2022.	\$ 2,666,024
Section 4.	Appropriation of Housing Grant Revenues Authorized and Adjusted but not Appropriated in Fiscal Year 2022.	\$ 477,924
Section 5.	Appropriation of Donations and Other Special Revenues Received but not Appropriated in Fiscal Year 2022.	\$ 47,686
Section 6.	Appropriation of General Fund Revenue.	\$ 75,000

Section 7.	Appropriation of General Obligation Bond Proceeds.	\$ 11,782,546
Section 8.	Transfer of Budget Authority Between Departments.	\$ 0
Section 9.	De-Appropriation of American Rescue Plan Act Funds.	(\$ 28,930,000)
Section 10.	Appropriation of General Fund Balance.	\$ 12,750,000
Section 11.	Appropriation of Special Revenue Fund Balance.	\$ 40,981,290
Section 12.	Appropriation of Capital Project Funds.	\$ 2,367,898
Section 13.	Appropriation of Component Unit Funds - Library.	\$ 24,842

ATTACHMENTS:

Attachment 1: Ordinance Cover to Amend Fiscal Year 2022 Appropriation

Attachment 2: Ordinance to Amend Fiscal Year 2022 Appropriation

Attachment 3: Listing of Fiscal Year 2022 City of Alexandria Grant Adjustments

STAFF:

Laura B. Triggs, Deputy City Manager

Kendel Taylor, Finance Director

Morgan Routt, Budget Director, Office of Management and Budget

Evan Davis, Division Chief, Finance Administration