City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 10, 2025

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER

FROM: KEVIN C. GREENLIEF, DIRECTOR OF FINANCE

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 2026.

ISSUE: Consideration of a Reappropriation Ordinance to amend Fiscal Year 2026 Appropriation.

RECOMMENDATION: That City Council pass this proposed ordinance (Attachment 2) on first reading on Wednesday, November 12, 2025, and schedule it for second reading, public hearing, and final passage on Saturday, November 15, 2025.

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 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 2026 Approved Operating Budget. Where significant, staff have 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 2025 savings.

Staff recommend that the Fiscal Year (FY) 2026 Appropriation be amended to accomplish the following purposes:

Section 1. Reappropriation of Equipment Replacement Reserve Fund Balance to pay for commitments, in the form of encumbrances, established prior to June 30, 2025, but not paid by that date. This appropriation includes encumbrances totaling $3,648,061 of Equipment Replacement Reserve Fund obligations (primarily for vehicles and equipment ordered in FY 2025 but not delivered until FY 2026).

Section 2. Appropriation of Assigned General Fund Balance for the Capital Improvement Program (CIP). This appropriation includes $15,000,000 in planned use of designated fund balance for support of the FY 2026 CIP.

Section 3. Appropriation of grant revenues authorized and adjusted but not appropriated in FY 2026. The $4,356,290 in grants in this section reflect new grant revenues as well as adjustments to estimated grant revenues in the current year budget to reflect actual award amounts. A listing of grants and their intended use is included (Attachment 3) with notation of City Council docket approval for new grant awards.

Section 4. Appropriation of Donations and Other Special Revenues received but not appropriated in the FY 2026 Operating Budget. This section appropriates $958,278 in donations and other special revenue received, but not appropriated in FY 2026. Donations and contributions have been received for landscape commemorations, restoration of the Freedom House Museum, Robinson Landing maintenance, the urban forestry program, and the guaranteed basic income program. Several of the City's public safety and justice agencies receive funds in the form of seized assets. This appropriation also includes $154,704 in seized asset funds previously litigated and awarded to the Commonwealth's Attorney. These funds may be used to supplement law enforcement activities but not to supplant existing financial resources and will be utilized for unanticipated educational and technology expenses.

Section 5. Reappropriation of revenues received but not appropriated. This appropriation includes external grant funds in the amount of $7,046,183, primarily funds received from the Department of Housing and Urban Development. Reappropriated revenues will be used for loan and rehabilitation programs and other affordable housing initiatives.

Section 6. Appropriation of Housing Trust Fund Revenues Received but not Appropriated in FY 2026. This appropriation includes loan repayments, developer contributions and Housing Trust Funds in the amount of $1,911,334.

Section 7. Appropriation of General Fund Balance. This appropriation of $382,547 includes technical

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adjustments to the FY 2026 Operating Budget, appropriation of insurance claim payments, resources for a substance abuse prevention program in the newly formed Department of Criminal Justic Services, and continued support for the City's Emergency Manager position.

Section 8. Appropriation of General Fund Balance. This appropriation of $2,742,155 will fund projects that were not complete at the end of FY 2025 or projects for which the identified funding is FY 2025 savings. Attachment 4 details the incomplete projects that are being funded.

Section 9. Appropriation of Capital Project Fund budget authority from Assigned General Fund Balance, Intergovernmental Revenue, and developer contributions. This net appropriation totals $4,344,037 for increases and decreases to the specific projects included in the ordinance, including $916,000 to fund certain incomplete capital projects listed in Section 8 of this ordinance.

Section 10. Transfer of Budget Authority Between Departments. This section shifts General Fund appropriations between departmental units, including transfers required to create the Department of Criminal Justice Services, transfer of technology support from Circuit Court Judges to the Department of Information Technology, and transfer of Non-Departmental resources for a Cadet Pilot Program and Public Safety Mental Health Clinician.

Section 11. Appropriation of funds to the Alexandria Transit Company. This appropriation includes $12,004,428 in funds to the Alexandria Transit Company (DASH), for several grant funded initiatives, including continuation of enhanced service on Line 35 and Line 36, a pilot project for digital mirrors, as well as funding for two maintenance apprenticeships.

FISCAL IMPACT: The eleven sections of the ordinance appropriate a total of $52,393,313 as follows:

Section 1.	Reappropriation of funds encumbered as of June 30, 2025	$ 3,648,061
Section 2.	Appropriation of General Fund Balance for the Capital Improvement Program	$ 15,000,000
Section 3.	Appropriation of grant revenues authorized and adjusted but not appropriated in Fiscal Year 2026.	$ 4,356,290
Section 4.	Appropriation of residual balances in accounts to be funded from donations, fees, and other special revenue.	$ 958,278
Section 5.	Appropriation of Housing grant revenues authorized and adjusted but not appropriated in Fiscal Year 2026.	$ 7,046,183
Section 6.	Appropriation of Housing Trust Fund Revenues Received but not Appropriated in FY 2026	$ 1,911,334
Section 7.	Appropriation of General Fund Balance	$ 382,547
Section 8.	Appropriation of General Fund Balance	$ 2,742,155

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Section 9.	Appropriation of Capital Improvement Program Funds	$ 4,344,037
Section 10.	Transfer Between Departments	$ 0
Section 11.	Appropriation of Grant Funds - Alexandria Transit Company	$ 12,004,428

ATTACHMENTS:
Attachment 1: Ordinance Cover to Amend Fiscal Year 2026 Appropriation
Attachment 2: Ordinance to Amend Fiscal Year 2026 Appropriation
Attachment 3: Listing of Fiscal Year 2026 City of Alexandria Grant Adjustments
Attachment 4: Listing of Fiscal Year 2026 Incomplete Projects

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