City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 5, 2026

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER

FROM: RYAN FREED, CLIMATE ACTION OFFICER

DOCKET TITLE:
Consideration of a Request to Release FY 2026 Contingent Reserve funds for the Office of Climate Action

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ISSUE: City Council held $200,000 of Climate Action program funding in reserve at the beginning of FY 2026 and requested staff provide a plan for the use of non-contingent fund and the purpose for the remaining $200,000 placed in contingency.

RECOMMENDATION: That the City Council release and allocate $200,000 of Contingent Reserves for the Office of Climate Action in FY 2026.

BACKGROUND: The Office of Climate Action develops programs, incentives, and education to meet the ambitious goals included in the Environmental Action Plan 2040 (EAP) and the Energy and Climate Change Action Plan (ECCAP). To ensure efficiency in the use of funds, Council placed $200,00 in contingent reserve and directed staff to identify programs and incentives that would fully utilize the Office's allocated budget.

DISCUSSION: FY 2026 expenditures through December 2025 total just over $460,000 of the $400,000 allocated in the general fund, and $133,994 that was carried forward from FY 2025. This leaves a remaining balance of approximately $73,500 for the remainder of FY 2026. These expenditures include the following programs:

1) Investment in City facility improvements ($195,000), including building controls and the installation of heat pump water heaters at Lee Center and Chinquapin recreation centers.
2) Support of Plug In Alexandria ($127,000), a program offering technical assistance and grants for multi-family properties to install EV chargers
3) Purchase of thermostats and energy efficiency kits ($35,000) to provide residents, including nearly 50

thermostats installed in partnership with EcoAction at ARHA properties.
4) Hiring consultant services ($33,000) for the development of the Green Building Plan
5) Partnership with Clean Air Partners ($40,000) for the distribution of electric lawn equipment in support of the City's new ban on gas leaf blowers.

The remaining budget of approximately $72,000 would be combined with the $200,000 in contingent reserve to support the following initiatives:

1) Eco-City CHAMPs (up to $205,000) - a multifamily program to provide financial analysis, case studies, and other technical support for multifamily properties to make health and climate related improvements, in partnership with the National Center for Healthy Homes. This effort would include grants to support health and climate improvements in affordable housing property.
2) Heat Mitigation Partnership with Virginia Tech ($51,000) - in support of the City's multi-departmental heat mitigation effort, students at Virginia Tech will identify locations in the City and model the impact of specific near- and long-term heat mitigation interventions to reduce the heat island effect in Alexandria.
3) Community Choice Aggregation Feasibility Study (up to $100,000) - to advance the City's efforts to procure clean energy sources, and to guard against significant increases projected for utility rates over the next decade, the City will continue to explore the feasibility of Community Choice Aggregation (CCA). The study will provide us with the details necessary to file our application with the State Corporation Commission and develop an RFP for CCA services.

FISCAL IMPACT: Release of the $200,000 contingency funds will provide the full FY 2026 program budget of $600,000.

ATTACHMENTS:
1. Presentation

STAFF:
Emily A. Baker, P.E., Deputy City Manager
Spencer Smith, Budget Analyst, Office of Management and Budget