

# City of Alexandria, Virginia

## MEMORANDUM

**DATE:** APRIL 12, 2011

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** JAMES K. HARTMANN, CITY MANAGER 

**SUBJECT:** BUDGET MEMO # 54 : POSSIBLE REDUCTIONS FOR CONSIDERATION BY CITY COUNCIL

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At the request of City Council, staff recently reviewed the City Manager's FY 2012 Proposed Budget in an effort to identify further possible budget reductions that could be taken in FY 2012. It should be noted that the City Manager's proposed budget already includes nearly \$3.5 million in budget reductions (see Attachment 2). These reductions were the result of staff's thorough review of the base budget last fall to reduce costs in order to provide funding for initiatives identified as high priorities in City Council's Strategic Plan.

The City Manager is not changing the original FY 2012 proposed budget submission but is calling attention to \$1.5 million in possible additional miscellaneous reduction options which would result in limited programmatic impact. Staff is also calling attention to \$1.4 million of supplemental budget requests currently included in the City Manager's proposed budget. All of these items continue to be recommended by the City Manager, but City Council could choose not to fund any of these supplemental requests.

Attachment 1 identifies and describes the \$2.9 million in potential additional reductions.

**Attachments:**

1. FY 2012 City-wide Budget Adjustments & Possible Additional Reductions
2. List of Reductions Already Taken in the City Manager's FY 2012 Proposed Budget

## FY 2012 City-wide Budget Adjustments &amp; Possible Additional Reductions

Department	Reduction Option	FTE	Total Potential Reduction Amount	Impact
<b>Additional Miscellaneous Budget Reduction Options</b>				
Fund Balance	Snow Emergencies	0.0	\$500,000	Reduces FY 2012 Fund Balance designation included in the proposed budget for snow emergencies from \$1.0 million to \$0.5 million. Together with the \$836,127 budgeted in Non-D for snow emergencies, these funds should handle all but an extraordinary snow season.
Non-D	FY 2011 Contingent Reserves	0.0	\$460,214	This reflects a use of the current undesignated balance in City Council's FY 2011 contingent reserves to the FY 2012 budget. The amount assumes City Council approves the requested use of funds for the Torpedo Factory on the April 12 docket.
Non-D	FY 2012 Contingent Reserves	0.0	\$300,000	The FY 2012 designation for City Council contingent reserves could be reduced or eliminated to fund other specific activities.
Non-D	Line of Duty	0.0	\$240,000	Reduces the City's budget for the Line of Duty benefits provided to Sheriff employees. This is a new expenditure in FY 2012 to pay for an obligation formerly covered by the State. This reduced amount is sufficient to cover the pay-as-you-go costs of providing this benefit in FY 2012. In the future, the City will need to pay the actuarial value of expected future benefits.
<b>Sub-total Miscellaneous Reductions</b>		<b>0.0</b>	<b>\$1,500,214</b>	

Supplement Increase				
CSU	Gang Prevention and Intervention	1.0	\$85,000	Provided 9 months of funding for Gang Prevention Coordinator. Earmark is expected to be discontinued. Filled Gang Prevention Coordinator position would be unfunded/eliminated unless special revenue funds were procured.
DCHS	Youth Master Plan	0.0	\$100,000	This request was the top priority for Goal #4 and will result in increased risks to children and youth if it is not funded.
Emergency Communications	Emergency Communications Training	0.0	\$100,000	Training essential for Department of Emergency Communications employees to dispatch calls. However, training was not provided in prior years.
Economic Development	ACVA - Destination Advertising Additional Investment	0.0	\$300,000	Any reduction would require a subsequent revenue reduction as a result of anticipated decreases visitor spending; no General Fund savings would be realized.
Economic Development	ACVA - Group Sales Position	0.0	\$75,000	Any reduction would require a subsequent revenue reduction as a result of anticipated decreases visitor spending; no General Fund savings would be realized.
Economic Development	ACVA - National Harbor Initiative: Rack Brochure Update	0.0	\$21,200	Current rack brochure supply has been exhausted and not replenishing would decrease regional advertising in hotels. Note: it is considered more cost effective to purchase a 3-year supply rather than on a year-to-year basis.

General Services	APD Facility Property Manager	1.0	\$118,821	(1) Without this position in place the newly restructured Facilities Maintenance organization will not function as planned resulting in further strain on existing resources and less than ideal response times to service calls to the facilities in that area; (2) there would be no General Services staff assigned to manage the annual maintenance, service, repair and testing requirements and contracts required for all electrical, mechanical, structural and architectural elements at the New APD Facility; (3) staff will not be in place during the final stages of construction to ensure that all systems are functioning properly during the punch list process prior to opening and to ensure that all required contracts are in place; and (4) due to limited resources, there also would be no General Services staff assigned to this brand new state of the art facility. This position is critical to the continued operations of the Facilities Maintenance Division under the new structure.
General Services	APD Facility Systems Tech	1.0	\$74,402	Cost of ongoing maintenance for the facility would be greatly increased as contracted maintenance specialists would need to be funded. Service levels would also decline.
General Services	Fleet Services Management Analyst II	1.0	\$85,328	No new analytical capabilities for Fleet Services. Quick implementation of the Fleet Services management plan would be difficult.
General Services	City Hall Security Guard	0.0	\$31,169	No expansion of security coverage. Consider for FY 2013.
OHA	Civil War Sesquicentennial Funding	0.0	\$25,000	OHA would lose resources to effectively promote the Civil War Sesquicentennial, which is anticipated to attract a large number of heritage tourism visitors. Original request was for \$100,000 - only \$25,000 funded. This funding can also be used to leverage a \$13,000 private donation for activities associated with the Sesquicentennial.

Library	Additional General Fund Transfer to Offset Reduced Fees and Fines Revenues	0.0	\$100,000	Loss of this additional General Fund transfer would result in staff reductions and/or reduced operating hours. The Library has already absorbed \$62,000 associated with unrealized fees and fines revenue and \$22,000 associated with decreased State revenues as part of the FY 2012 Operating Budget. Staff has already eliminated one full-time and one part-time position, and reduced non-personnel line-items to account for reductions. <b><u>Any reductions to the Proposed budget will require library staff to go back to the Library Commission Board to discuss any budget adjustments.</u></b>
Library	Burke Security Guards	0.0	\$19,375	The Burke Branch Library does not have sufficient staff to address increasingly frequent disruptions by students, occurring during after school hours . Eliminating this funding would mean the current pattern of behavior would continue, which could negatively impact overall usage of the facility.
Planning & Zoning	Continuation of the Planning Work Program	0.0	\$120,000	This funding would support the following planning efforts: (1) traffic studies and transportation engineering for the Beaugard Corridor Plan; (2) economic analysis to determine developer contribution levels for the Waterfront; and (3) technical and design expertise supporting implementation of the Waterfront Plan, including public-private partnerships and historic preservation expertise.
RPCA	Aquatics Equipment Replacement	0.0	\$22,210	If not funded, safety and health issues will not be addressed, leading to potential closing of some remaining outdoor pools; also, increased number of complaints from patrons.

RPCA	Small Tree and Beautification Plantings Watering	0.0	\$67,174	If not funded, RPCA would not water flowers planted along King Street by Alexandria in Bloom and would continue to rely on volunteers to water newly planted trees.
T&ES	Stormwater & Permitting Projects Civil Engineer I	1.0	\$21,000	General Fund only covers 25% of cost, so \$21k is the maximum savings. <u>Position needed to support development projects.</u>
T&ES	Potomac Yard Project Manager	1.0	\$0	Funded by special revenue sources; no General Fund impact.
<b>Subtotal Supplement Increase</b>		<b>6.0</b>	<b>\$1,365,679</b>	
<b>FY 2012 Total Budget Reduction Amount</b>		<b>6.0</b>	<b>\$2,865,893</b>	

FY 2012 City-wide Reductions Already Taken			
Department	FTE	Reduction	Comment
City Attorney		-\$395,000	Reduction in outside legal services to reflect the City Attorney's Office shift to a greater use of internal services than contracting.
City Council		-\$8,952	Reduction in photocopying costs to reflect past 3 year average expenses.
Court Services		-\$18,000	Reductions in contract for monitoring and language line services; also, several reductions in the Gang Prevention Program non-personnel budget.
DCHS		-\$201,139	Reduction in General Fund costs related to the Comprehensive Services Act (CSA) program.
Health		-\$91,509	Reductions in professional health services (\$55,617) and utilities (electric - \$35,892) based on actual spending.
Historic Alexandria		-\$37,720	Reductions in utilities (electric) based on actual spending.
Human Resources		-\$1,288	Reductions in contract cost for NeoGov Applicant Tracking System.
Information Technology Svs		-\$306,069	Eliminating the Lotus Notes environment (\$244,800); also, reductions in I-Net Maintenance costs (\$35,581) and overtime expenses (\$25,688).
Library	-1.0	-\$121,306	Eliminated 1.0 FTE Library Associate (54,020) and a seasonal Library Page (\$11,252) positions; also, reductions in utilities (electric, water, gas - \$56,034) to reflect actual expenditure trends.
Non Departmental		-\$2,282,063	Employee 1% retirement contribution (\$1,600,000); City-wide telecommunications savings (\$350,000); Public Radio System savings (\$57,063); Efficiency studies (\$275,000).
T & E S		-\$24,000	Reduction in traffic signal electric usage; attributable to the conversion of City traffic signal bulbs to LED technology.
<b>Total</b>	<b>-1.0</b>	<b>-\$3,487,046</b>	