

# City of Alexandria, Virginia

## MEMORANDUM

**DATE:** APRIL 11, 2014

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

**THROUGH:** RASHAD M. YOUNG, CITY MANAGER 

**FROM:** NELSIE L. SMITH, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET 

**SUBJECT:** BUDGET MEMO #18: RESPONSE TO COUNCIL QUESTIONS

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Every Friday, the Office of Management & Budget issues Budget Memos to answer questions posed by members of City Council. We prepare the memos in a question and answer format. Below are answers to some of the questions posed thus far.

### COURTHOUSE FEE (J. Wilson)

**Question:** “Section 17.1-281(C) of the Code of Virginia provides the ability of a local governing body to assess a fee of up to \$3 per case to address non-compliance with current safety or security guidelines in the Courthouse. Do we have such non-compliance? Do we have funds currently budgeted to address these issues in the Operating Budget or CIP? If so, can this fee potentially offset those planned expenditures?”

**Response:** Alexandria’s Department of General Services is currently undertaking work to certify with the State that the courthouse is out of compliance and that the City is eligible to assess the fee. The goal is to have this review complete by the end of May 2014 and ready to be submitted by the middle of June 2014. Once certification is received that the courthouse building is ‘non-compliant,’ City Council may pass an ordinance to allow collection of the up to \$3.00 additional fee as stated above.

Expected revenue that could be generated by this fee totals \$126,000 annually. If the fee were assessed, it could be used to offset the General Fund cash capital and general obligation bonds currently planned to finance the Courthouse Capital Facilities Maintenance Program (CFMP) (Page 10-39, Proposed FY 2015-2024 CIP), freeing up the City funding for other purposes or to reduce planned debt. Staff considered this fee as part of the FY 2015 budget but did not include it since the certification process had not been completed. If the certification process determines the City can assess the fee, Council could assess the fee later this year and appropriate the revenues through the re-appropriations process. If this fee is

approved, staff recommends adjusting the funding sources in the CIP as part of the FY 2016 CIP development.

**FIRE STATION 204 & 210 (J. Wilson)**

**Question:** “Can you provide us with a budget memo with the financial and public safety analysis of the following alternatives to the Manager's proposed changes affecting Fire Station 204 & 210?”

**Response:** 1) “Retaining Engine 204 at Fire Station 204, but moving the Roving Medic Unit to 210--becoming Medic 210 (as proposed)?”

There are no financial impacts from this move. It simply moves the engine from Station 210 back to Station 204. In terms of fire safety impact, this option would continue the Department’s current response plans and there would be no change from today’s status quo.

Once the budgetary decision was made to staff eight engines, there were five factors which, when reviewed together, led to the decision of where the eighth engine should be located. These were:

1. Response times – the areas of the City that currently have the longest response times are in Station 210’s first due area. This option does not change that response time.
2. Placement of stations – there are currently five engines/stations east of Quaker Lane (201, 203, 204, 205 & 209) with only three engines west of Quaker Lane (206, 207, & 208).
3. Call volume – as a result of point #2, the call volume for the engines in the western end of the City (206, 207, and 208) are higher than engines in the eastern end of the City (201, 203, 204, & 205, & 209)
4. Mutual aid - as staff shared with Council during the March 26<sup>th</sup> work session, Alexandria receives more Fire Suppression mutual aid than it gives to other jurisdictions. The Southwest corner of the City in particular receives aid due to the call volume and only having three engine companies located west of Quaker Lane. Station 210 would help to reduce the number of mutual aid runs into the City, and would also be able to run some calls into Fairfax, helping to also provide aid to the regional system.
5. Call types – the first due areas of Station 210 and 204 would have similar suppression call types.

In addition, the Fire Department’s continuity of operations (COOP) plan, and apparatus relocation plan, Engine 204 is the first engine to be decommissioned/relocated in the event of an emergency. With regard to medic units, the Fire Department currently operates five full-time medic units and one part-time peak-hour medic unit. The FY 2015 proposed budget includes the addition of a sixth full-time medic unit at Station 210 and the elimination of the peak-time unit.

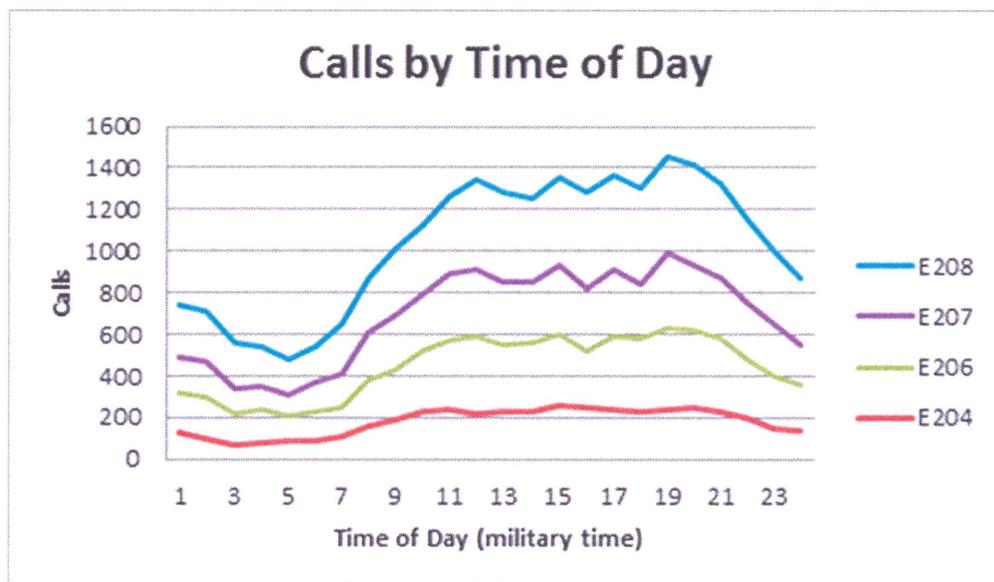
2) “Retaining Engine 204 at Fire Station 204, but moving the Roving Medic Unit and Truck 204 to 210--becoming Medic 210 (as proposed) and Truck 210?”

The Fire Department considered the option of moving Truck 204 to Station 210 during the budget discussions. However, this option was not taken because while it does provide rescue support at Station 210, it still ultimately leaves the eighth engine at Station 204 and not at Station 210. The Fire Department has recommended that if only eight engines are to be staffed in the City, then the eighth engine should be placed at Station 210, instead of Station 204.

The Department continues to deliberate about the best short-term and long-term placement of ladder trucks in the City which could involve moving a ladder truck from some other location to Station 210. This could in turn cause a shuffling of resources between stations due to the size of apparatus and where it can both best meet service demands and still fit into the appropriate station.

3) “Several residents also suggested the concept of "sharing" Engine 204 between two stations (with allocation based on peak usage times). Is that feasible?”

While the option of sharing the engine between stations certainly can be done (and again has no cost impact), the Fire Department does not recommended this option as both stations maintain the same peak call demands at the same times. While a full table of call volumes for Station 210 cannot be compiled yet - the best way to estimate is to look at the stations that serve Engine 210's first due area. These are stations 207, 208, & 206. Those stations plus 204's call volume by time of day are shown in the graph below:



4) “What about the idea of utilizing the Alexandria Volunteer Fire Department (AVFD) to staff an unfunded Engine company?”

While the Alexandria Volunteer Fire Department serves a valuable role in the community and to the Alexandria Fire Department, this option does not appear to be viable given 1) the history of hours spent staffing units by the AVFD, and 2) the tasks of volunteers during fire incidents.

The AVFD's annual report (September 2013) shows that there were a total of 464 hours volunteered as "Firefighting Duty Hours" for all volunteers providing direct support on incidents. By contrast, a four-person engine company would require 35,040 hours (4 people working 24/7 for 365 days) in a year.

In addition, it is important to note that the AVFD's "Firefighting Duty Hours" does not mean that volunteers are directly fighting fires, but instead:

- Providing staffing (1 person) for the Mobile Air Unit. This allows an engine company to be assigned to emergency operations at an incident, or to be released to respond to other calls in the City. This assistance was provided 12 times in an annual period between September 2012-13.
- Providing staffing (1 person) for the Rehab Bus. This reduces overtime when significant weather requires the need to provide air conditioning/heat for emergency responders. This assistance was provided 3 times over the winter of 2013-14.
- Providing staffing (2 people) for a Support Unit. This provides utility stand-by during severe weather or general assistance during emergency operations. This assistance was provided 25 times in the annual period between September 2012-13.

It is important to note that the AVFD also provided 582 hours of EMS Duty Support and 473 hours of General Duty Support as well. However, very few of these hours could be deferred and then transferred into Firefighting Duty Hours.

While the Fire Department recognizes and appreciates the valuable contribution of the AVFD each year, the data at this time does not suggest that a full-time unit can be turned over to volunteers to be staffed on a full-time or part-time basis. Additionally, there would likely be costs associated with an increased level of staff support by the AFVD that are not assumed in this analysis (such as equipment, training, liability insurance, etc.)

#### **REAL ESTATE ELDERLY AND DISABLED TAX RELIEF (J. Chapman and D. Pepper)**

**Question:** "Slide 15 of the April 2, 2014 budget work session on Accountable, Effective and Well-Managed Government shows that nearly 75 percent of Real Estate Elderly and Disabled Tax Relief program participants spend 20 percent or less of their income on real estate taxes and just over 25 percent of participants spend more than 20 percent of their income on real estate taxes. What would it cost if we increased the eligibility requirements as proposed in the FY 2015 budget for those who spend 20 percent or less on their real estate taxes and maintained the current

eligibility requirements for those who spend more than 20 percent on their real estate taxes?”

**Response:** The Code of Virginia (Section 58.1-3212) allows jurisdictions to establish net financial worth or annual income limitations as a condition of eligibility for any exemption or deferral of tax, however it does not allow jurisdictions to set limitations by the percentage of income devoted toward tax expenditures. Therefore, the City is not able to act on this request.

#### **PARKING METER REVENUES (J. Chapman)**

**Question:** “What would be the amount of additional revenue if we made paid parking go until 10pm instead of the proposed 9pm?”

**Response:** The FY 2015 Proposed Budget expands parking meter hours until 9:00 PM throughout the City, and on Saturdays in Carlyle, which is estimated to generate net new revenue of \$500,000 in FY 2015. The expanded hours include:

- Adding two hours in zones 1 & 2 – Old Town. Increasing hours of paid parking at meters from 7:00 PM to 9:00 PM in these zones is estimated to net an additional \$420,000 in new revenue.
- Adding four hours in zone 3 – Carlyle. Increasing hours of paid parking at meters from 5:00 PM to 9:00 PM, and on Saturdays, is estimated to net an additional \$80,000 in new revenue.

After 5:00 PM, Old Town zoned meters yield nearly 92% of parking meter revenue. Metering for one additional hour of paid parking until 10:00 PM would yield approximately \$20,000 from Carlyle meters and \$170,000 from Old Town meters, for a total of \$190,000 in net additional revenue. The disparity in meter revenue between these zones is due to staff estimation of demand in Carlyle, which drops substantially after 5:00 PM. Additional revenues in Carlyle are based on anticipated weekday receipts only; not Saturday.

The figure of \$190,000 for one additional hour in net parking meter revenues reflects an approximately 20% decrease in demand by extending an additional hour in the evening to 10:00 PM, and is inclusive of anticipated maintenance and repair costs due to increased usage. Staff believes that until 10:00 PM, given the concentration of commercial activity – particularly restaurants within the Old Town zones – demand for metered spaces will remain strong. However, any further extension of meter-hours beyond 10:00 PM would yield considerably less revenue, as this is the relative threshold for demand in the metered zones.

It is important to note that these revenue figures for parking meter time extensions are estimates and that vigilant monitoring will be required to ensure revenue receipts are meeting the anticipated projections and that we adjust projections accordingly. Currently, Carlyle metered hours are from Monday-Friday, 8:00 AM – 5:00 PM. At this time, staff is unable to determine exact revenue estimates for

parking meter expansion to Saturday hours, as a large enough subset of data has not yet been collected to form an accurate projection. In addition, a number of potential influences on this revenue category are currently in implementation – including the full installation of multi-space meters, as well as pay-by-phone functionality – which has impacted the ability to accurately forecast these revenues. For these reasons, and in order to maintain overall conservative revenue estimates, staff is recommending a conservative revenue estimate for Carlyle as part of the FY 2015 budget. Additional data collection and analysis will be conducted over the fiscal year, assuming the City Council passes the changes, in order to capture a detailed revenue estimation for the FY 2016 budget.

**BMP / FTE POSITIONS (J. Wilson)**

**Question:** “Are the BMP positions that were detailed in Question 18 (Budget Memo 6) fully funded by the General Fund? If not, how do they break down? Can you get me the General Fund impact for each position?”

**Response:** The following table details the funding plan for the positions for FY2015. The positions are only budgeted at a 9 month cost for FY2015 due to the anticipated time lag for hiring the positions.

Position Description	Stormwater Funded	General Fund Funded	Total Budgeted Salary + Benefits
Inspector I	\$54,916	\$22,431	\$77,347
Labor Supervisor	\$53,539	\$21,868	\$75,408
Labor Supervisor	\$53,539	\$21,868	\$75,408
Equipment Operator I	\$43,122	\$17,613	\$60,735
Equipment Operator I	\$43,122	\$17,613	\$60,735
Laborer II	\$39,254	\$16,033	\$55,287
Laborer II	\$39,254	\$16,033	\$55,287
<b>Total 9 Month Cost (FY 15 Proposed Budget)</b>	<b>\$245,060</b>	<b>\$100,095</b>	<b>\$345,155</b>

The full year cost for these positions that will begin in FY2016 is detailed below.

Position Description	Stormwater Funded	General Fund Funded	Total Budgeted Salary + Benefits
<i>Total Cost (FY 2016 Anticipated Impact)</i>	<i>\$326,747</i>	<i>\$133,460</i>	<i>\$460,207</i>

**EARLY CHILDHOOD MONEY (J. Wilson)**

**Question:** “The proposed budget allocates the remaining \$400K of early childhood money and creates an additional FTE, yet shows a 131 child reduction in those found eligible for services. Why is the number of children decreasing? What does an additional FTE provide? What is the current picture of the early childhood spending, including fee subsidy, Head Start, etc.? What is the current status of the waiting list for services?”

**Response:** 1) “Why is the number of children decreasing?”  
The number of children found eligible for services and reported in the budget document reflects the average monthly number of children served in the Fee

System (both State-funded and local-funded) and Temporary Assistance for Needy Families (TANF)/Transitional Child Care (TCC) programs. The following table summarizes the number of children served for FY 2013 (actual) through FY 2015 (projected) as reflected on page 11.21 of the proposed budget:

<b>Program</b>	<b>FY13 Actual</b>	<b>FY14 Target</b>	<b>FY15 Target</b>
Fee System	381	570	439
TANF/TCC	180	180	180
<b>Monthly Average Number of Children Served</b>	<b>561</b>	<b>750</b>	<b>619</b>

While the target for the Fee System program increases in FY 2015 compared to the actual average from FY 2013, it is a decrease compared to the FY 2014 target. Current caseload information suggests the FY 2014 target was overestimated and will not be met during the current fiscal year. The target for FY 2015 has been lowered from FY 2014 accordingly. The lower number of children served in FY 2014 is due to implementation of the State’s new automated child care management system (VaCMS) resulting in an increase in the length of time to bring new families into the program, a malfunction of the fund recovery system that prevented localities from adding families to the program. Also, a change in the Fee System in Alexandria from a sliding scale of 1% to 10% of a family’s gross income to a flat rate of 10% to mirror state-wide VaCMS guidelines lowered the number of participants.

2) “What does an additional FTE provide?”

In FY 2014, City Council approved a new Social Worker I position to process applications to get children into the system and provide casework services to the families. With this position, the Early Childhood Division will be able to continue to address the waiting list and build a caseload going into FY 2015. This position was authorized as a mid-year adjustment in FY 2014 and is included in the FY 2015 proposed budget.

3) “What is the current picture of the early childhood spending, including fee subsidy, Head Start, etc.?”

The following early childhood funding streams are included in FY 2013/14 federal, state and local programs as of March 13, 2014. All of these programs will continue into 2015 at or near their current funding levels.

Program	Description	Non-City Funding	City Funding
Head Start	309 low-income preschool age children served by the Campagna Center at ACPS and NVCC sites	\$2.2 million	\$0.2 million
Head Start Wrap-	Before and after-school care for	\$0.2	

Around	Head Start enrollees	million	
Early Head Start	Serves 104 center, home and ACPS based children ages infant to three-years	\$0.7 million	
TANF Working and Transitional Child Care	Child care services to help clients leave public assistance and become self-sufficient	\$1.3 million	
Child Day Care Fee System	Child care subsidies to help income eligible families maintain employment	\$2.2 million	
Campagna Kids	Before and after-school care to 700 elementary age children in 11 ACPS sites	\$3.1 million	\$1.7 million
Fund for Human Services/Children's Priorities	Children's Fund grants to organizations providing early childhood services		\$0.9 million
Virginia Preschool Initiative	Virginia Department of Education preschool for 371 at-risk children	\$1.1 million	
Local Fee System	The Local Fee System mirrors the Child Day Care Fee system funded by state and federal dollars and is used when funds are not available in the Child Day Care Fee System		\$0.351 million FY14; \$0.202 million FY15

4) "What is the current status of the waiting list for services?"

Families are added to the waitlist upon initial request for assistance. As funding is available, applications are mailed to families in the order their initial requests were received to begin the assessment process. Historical data suggests only 50% of families mailed an application will return the application. Of the applications that are returned, approximately 70% will be found eligible. In order to complete the assessment process, families must complete this application and participate in a face-to-face meeting with child care staff. Families are officially removed from the waitlist once they have selected a provider and begin utilizing the services. The time families spend on the waiting list has decreased from eight months to two months since funding was approved by Council.

Using federal dollars first and then local dollars, DCHS was able to clear the original waiting list of 399 by September 2013. However, DCHS adds an average of 47 families to the Fee System waiting list each month. As of March 2014, there were 210 families waiting for service; of these, 45 families are in the process of either completing the requirements for their application or choosing a provider; 90 families have been mailed applications with due dates of March 28 and April 11; the remaining 75 families are awaiting an application from DCHS.