

City of Alexandria, Virginia

MEMORANDUM

**DATE:** MAY 9, 2014  
**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
**THROUGH:** RASHAD M. YOUNG, CITY MANAGER *RMY*  
**FROM:** NELSIE L. SMITH, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET *NS*  
**SUBJECT:** BUDGET MEMO #37: FINAL ACTIONS OF THE FY 2015 APPROVED BUDGET

The following represents the budget actions taken during the final add/delete work session on Monday, April 28, 2014 and budget adoption on Thursday, May 1, 2014. City Council adopted the FY 2015 General Fund budget of \$636,769,902. This budget is based on the City Manager's FY 2015 proposed budget of \$634,831,110 and the following amendments made during add/delete.

**Revenue Changes**

- Real Estate Property Tax Rate +\$1,784,213  
An increase of 0.5 cents per \$100 of assessed value, from \$1.038 to \$1.043.
- Senior and Disabled Real Estate Tax Relief -\$1,150,000  
The FY 2015 proposed budget included a change in eligibility which reduced the amount of tax relief (and therefore increased revenues) by \$1.3 million, from \$3.3 million to \$2.0 million. City Council restored \$1.15 million of the \$1.3 million reduction, resulting in \$3.15 million in relief in the approved budget. The eligibility threshold at this amount is \$430,000 in assets excluding home value, a decrease from the current program threshold of \$540,000.
- Consumer Utility Tax on Commercial and Industrial Electricity +\$400,000  
A ten percent increase in the rate on commercial properties, from \$1.07 plus \$0.005071 per kilowatt hour (kWh) to \$1.18 plus \$0.005578 per kWh.
- Consumer Utility Tax on Commercial and Industrial Water +\$300,000  
An increase in the water utility tax from 15 percent to 20 percent for commercial users.
- Cigarette Tax +\$210,000  
An increase in the tax on a pack of cigarettes from \$1.00 to \$1.15 per pack.

- Motor Vehicle License Plate Tax Non-Compliance Penalty +\$20,000  
The proposed budget included the establishment of a \$100 annual motor vehicle license plate tax on motor vehicles that do not display current license plates. In add/delete, City Council added a \$250 penalty for non-compliance. Neither the tax nor the penalty applies to those who are exempt from registering with the state.
- Parking Garage Fees +\$50,000  
Increases weekend and evening fees in all City-owned parking garages from \$4 to \$5.
- Residential Refuse Collection Fee +\$180,000  
Increases the residential refuse collection fee by \$9 to continue the food composting pilot program (\$23,000) and fund public space refuse and recycling collections (\$157,000).
- Red Light Violation Fines +\$100,000  
This represents the net revenue generated by one additional red light camera.
- Recreation, Parks & Cultural Fees +\$160,000  
This increases program fees for the Out of School Program, Youth Basketball, Tackle Football, and Therapeutic Recreation.
- Northern Virginia Juvenile Detention Center Reimbursement +\$100,000  
The proposed budget included a \$100,000 reduction in the City's contribution to the Northern Virginia Juvenile Detention Center (NVJDC) with the expectation that the NVJDC could absorb the reduction with no impact on service by recognizing revenues from other sources, including prior year surplus, fund balance, or new federal revenues. In add/delete, City Council temporarily restored the contribution to the FY 2014 level until the City and NVJDC update their memorandum of agreement to allow for NVJDC to recognize those other sources of revenue. At such time, the NVJDC is to return the \$100,000 City contribution. There is a corresponding \$100,000 entry in the following list of expenditure changes.
- Contribution to Fund Balance -\$215,421  
The set aside of ten percent of the total revenue increases above in compliance with the City's financial policy to maintain a fund balance of ten percent of General Fund revenues.

## **Expenditure Changes**

### Alexandria City Public Schools

- City Transfer +\$1,200,000  
The proposed budget included a \$5.0 million increase, from \$185.6 million to \$190.6 million. The Schools request was for \$193.0 million, a difference of \$2.4 million. City Council added half of the difference, or \$1.2 million in add/delete.

## City Manager's Office

- Civic Engagement -\$60,000  
The proposed budget included the addition of \$60,000 in non-personnel costs (consulting, materials and training) to implement the "What's Next, Alexandria?" Initiative. The funding was removed in add/delete.

## Communications and Public Information

- Personnel Savings -\$56,710  
Personnel savings resulting from re-organization of the Communications and Public Information Office. See Budget Memo #26 for more information.

## Community and Human Services

- Alexandria Fund for Human Services +\$75,000  
The proposed budget included a reduction of \$111,829, or 5.5 percent, of which \$75,000 was restored in add/delete.
- Guardianship Fund +\$36,000  
The proposed budget included \$28,000 for the guardianship fund. An additional \$36,000 was added during add/delete.
- Senior Rent Relief -\$150,000  
The proposed budget included an additional \$300,000 for Senior Rent Relief, of which \$150,000 was reduced during add/delete.
- Senior Taxi +\$164,000  
The proposed budget included a reduction of \$164,000 to the Senior Taxi program, all of which was restored during add/delete.
- Domestic Violence Family Services Specialist +\$99,538  
The proposed budget included a reduction of \$99,538, which is the full cost of this position in FY 2015. This position was fully restored during add/delete and was transferred from the Police Department to Department of Community and Human Services.
- Northern Virginia Regional Dental Clinic +\$25,000  
The proposed budget included a reduction of \$25,000, all of which was restored during add/delete.

## Economic Development Activities

- Marketing Fund +\$50,000  
The proposed budget included a reduction of \$85,000, or 63 percent, of which \$50,000 was restored in add/delete.

## Fire Department

- Fire Engine 204 (No FY 2015 Cost)  
The proposed budget included a proposal to re-locate Engine #204 to Station #210. As part of add/delete, City Council decided to retain that engine at Station #204 and not re-locate it. As a result, there will be no engine assigned to Station #210 in FY 2015. City Council will need to add additional positions in future fiscal years to staff an engine at Station #210.
- Fire Marshal Position +\$119,575  
The proposed budget included the elimination of three Fire Marshal positions. As part of add/delete, City Council restored one of these positions.

## General District Court

- Pay Supplement +\$44,258  
The proposed budget, and any prior budget, did not include any funding for a pay supplement for the employees of the General District Court. In add/delete, City Council added funding for a 7.5% City salary supplement of each employee's State salary.

## General Services

- Office Space Lease Costs +\$118,820  
The proposed budget did not include funding for leased space currently under contract by the City that is to be vacated by the Sheriff's Office before the beginning of FY 2015.

## Historic Alexandria

- Director of Development Position -\$65,502  
The proposed budget included 9 months of funding for a new Director of Development position within the Office of Historic Alexandria to focus specifically on developing non-City financial resources for museum operations, services, and departmental initiatives. This funding was removed during the add/delete process.

## Health Department

- Smoking Cessation at Alexandria Redevelopment and Housing Authority Properties +\$15,000  
During the FY 2014 add/delete process \$35,000 was placed in Contingent Reserves and then subsequently released by Council in October 2013, for a smoking cessation and secondhand smoke reduction project at the Alexandria Redevelopment and Housing Authority. During the add/delete process an additional \$15,000 was added to this project for FY 2015.

## Human Resources

- Professional Development Fund -\$40,000  
The proposed budget included an increase of \$40,000 (over FY 2014 levels) related to three separate initiatives: Professional Development, Training, and Tuition Assistance. All three of these funds are being consolidated in FY 2015 into one fund, "Professional Development & Training," and will be leveled funded at \$260,000, not increased to \$300,000.

## Information Technology Services

- Program Reductions - \$175,000  
In add/delete, Council directed staff to reduce the ITS departmental budget by \$175,000. The Approved Budget includes reductions to the Security Program, in the amount of \$40,000 which will eliminate planned mobile device management and application services; Project Management Program, in the amount of \$44,200, which will eliminate funding for the three months of contractual project management services; Customer Services Program, in the amount of \$40,800, which will eliminate planned Microsoft System Center Suite services; and the Enterprise Business Systems Support Program, in the amount of \$50,000, which will reduce planned augmentation through professional services by 15%.

## Juvenile and Domestic Relations Court

- Pay Supplement +\$22,813  
The proposed budget, and any prior budget, did not include any funding for a pay supplement for the employees of the Juvenile and Domestic Relations Court. In add/delete, City Council added funding for a 7.5% City salary supplement of each employee's State salary.

## Non-Departmental

- Retiree Life Insurance Premiums +\$264,598  
The full cost of paying life insurance premiums for qualified retirees will be added to and included in the approved budget.
- Street Light Assessments in Contingent Reserves +\$7,956  
The approved budget will include this funding in order to allow staff to perform two City-wide street light assessments, pending release of the funds from contingent reserves.

## Other Public Safety

- Law Library +\$60,643  
The proposed budget included a \$121,287, or 100%, reduction in the City's general fund contribution to the Law Library. In add/delete, City Council restored the above amount

which represents 50% of the proposed reduction. This funding will allow the Law Library to operate in such a manner as the Law Library Board determines while exploring longer term solutions for its continuing operations in future fiscal years.

- Northern Virginia Juvenile Detention Center Contribution +\$100,000  
The proposed budget included a \$100,000 reduction in the City's contribution to the Northern Virginia Juvenile Detention Center (NVJDC) with the expectation that the NVJDC could absorb the reduction with no impact on service by recognizing revenues from other sources, including prior year surplus, fund balance, or new federal revenues. In add/delete, City Council temporarily restored the contribution to the FY 2014 level until the City and NVJDC update their memorandum of agreement to allow for NVJDC to recognize those other sources of revenue. At such time, the NVJDC is to return the \$100,000 City contribution. There is a corresponding \$100,000 entry in the above list of revenue changes.

#### Planning and Zoning

- Development Review Position -\$22,225  
The proposed budget included \$82,346.14 for the conversion of a seasonal Urban Planner I position to full time. Council, through the add/delete process removed \$22,225 in funding for this conversion, leaving the department \$60,121.14 to continue to fund seasonal staff to perform the required work.

#### Recreation, Parks and Cultural Activities

- Warwick Pool +\$75,457  
Council directed the department to open Warwick Pool for the FY 2015 swimming season outside of the add/delete process. This technical change represents the funding required to operate and staff the pool.

#### Sheriff's Office

- Deputy Sheriff for Inmate Work Crews +\$68,092  
The proposed budget included a reduction of one Deputy Sheriff position assigned to the Inmate Work Detail program. This would have reduced the number of inmate work crews to one. In add/delete, City Council restored this funding, keeping the number of inmate work detail crews at two.

#### Transportation and Environmental Services

- Bike Map Printing -\$20,000  
The proposed budget included \$20,000 to expand the distribution of map and print materials for multi-modal transportation communications. In add/delete, City Council removed this funding.

- Food Waste Composting +\$23,000  
The proposed budget did not continue the Food Waste Composting pilot, which began in FY 2014. In add/delete, City Council raised revenue through increasing the Residential Refuse Collection Charge by \$9.00 per household, from \$328 to \$337, \$1.00 of which will go to support continuation of the Food Waste Composting service.
- Infrastructure Maintenance & Repair -\$50,000  
In add/delete, City Council directed staff to reduce the overall infrastructure maintenance budget by \$50,000. This reduction will impact available public right-of-way maintenance associated with storm water sewer repairs, primarily through a reduction in contractual services across programs within the entire T&ES departmental budget.
- Public Information/Civic Engagement Position -\$74,421  
The proposed budget included funding for 1.0 FTE for Civic Engagement and other Transportation-related public communications, which was anticipated to improve these services for the City and adhere to the City's Principles of Civic Engagement. In add/delete, council removed this funding.
- Public Space Recycling +\$157,000  
The proposed budget did not implement Phase II of the Public Space Recycling effort, which began with Phase I in FY 2014. In add/delete, City Council raised revenue through increasing the Residential Refuse Collection Charge by \$9.00 per household, from \$328 to \$337, \$8.00 of which will go toward implementing this service - including the cost of a collection vehicle, seasonal operator, and 58 additional recycling containers for high traffic pedestrian areas.
- Transit Benefits -\$74,000  
The proposed budget included an increase in Employee Transit Benefits from \$70/month to \$130/month. In add/delete, City Council reduced this funding by \$74,000, which will support a \$100/month transit benefit for employees.