

# City of Alexandria, Virginia

## MEMORANDUM

**DATE:** MAY 1, 2015

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

**THROUGH:** MARK B. JINKS, CITY MANAGER *mj*

**FROM:** MORGAN ROUTT, ACTING DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET *MR*

**SUBJECT:** BUDGET MEMO #36: REVISED ADD/DELETE LIST FOR CONSIDERATION IN THE FINAL ADD/DELETE WORK SESSION

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The purpose of this memorandum is to provide an revised, balanced budget add/delete list for consideration in the Monday, May 4<sup>th</sup> final add/delete work session.

On Tuesday, April 28<sup>th</sup>, a preliminary list of budget amendments developed by City Council was discussed for consideration in budget adoption. At the conclusion of that discussion, the add/delete list remained needing to be balanced. Staff was directed by the Mayor and City Council to provide options for balancing the add/delete list with the inclusion of all items with majority Council support (i.e. sponsored by a four or more members), which resulted in the addition of the Alive! Alexandria facility expansion to the list.

In addition to the Council list, there are two items that do not have the majority support of Council members and are not included in the proposed balanced list but which remain open add/delete items. They are senior and disabled rent relief and Ramsay Recreation Center Sunday hours and would require additional resources to be funded.

The preliminary add/delete list from the Tuesday, April 28<sup>th</sup> work session and the revised proposed Council balanced add/delete list are presented in the following pages along with a more detailed explanation of the changes and options developed by staff to fund the additional two add/delete items should Council choose to make those two add/delete items a higher priority than other items funded in the proposed budget.

### **Original Preliminary Add/Delete List Considered at the Tuesday, April 28<sup>th</sup> Budget Work Session**

Table 1 on the next page uses as its basis the original preliminary list of add/delete discussed at the April 28<sup>th</sup> work session. It has been modified slightly to combine Transportation

Improvement Program (TIP) operating and capital restoration in the same row to show the total TIP restoration amount considered in preliminary add/delete.

**Table 1**

**ORIGINAL PRELIMINARY ADD/DELETE LIST**

|                              | FY 2016                  |              |              | Five Year Estimates |              |                |                |              |
|------------------------------|--------------------------|--------------|--------------|---------------------|--------------|----------------|----------------|--------------|
|                              | Operating                | Capital      | Total        | FY 2017             | FY 2018      | FY 2019        | FY 2020        |              |
| <b>Available Sources</b>     | \$ 2,280,000             | \$ 2,100,000 | \$ 4,380,000 | \$ 2,280,000        | \$ 2,280,000 | \$ 2,280,000   | \$ 2,280,000   |              |
| <b>Proposed Uses</b>         |                          |              |              |                     |              |                |                |              |
| <b>Unanimous Sponsorship</b> | ACPS                     | \$ 1,000,000 | \$ -         | \$ 1,000,000        | \$ 1,000,000 | \$ 1,000,000   | \$ 1,000,000   | \$ 1,000,000 |
|                              | Fire Station 210         | \$ 1,300,000 | \$ -         | \$ 1,300,000        | \$ 1,400,000 | \$ 1,400,000   | \$ 1,500,000   | \$ 1,500,000 |
|                              | Law Library              | \$ 60,000    | \$ -         | \$ 60,000           | \$ 61,800    | \$ 63,654      | \$ 65,563      | \$ 67,530    |
|                              | Patrick Henry Rec Center | \$ (60,000)  | \$ -         | \$ (60,000)         | \$ -         | \$ -           | \$ -           | \$ -         |
|                              | Maury School Yard        | \$ -         | \$ 250,000   | \$ 250,000          | \$ -         | \$ -           | \$ -           | \$ -         |
|                              | TIP Restoration          | \$ 600,000   | \$ 850,000   | \$ 1,450,000        | \$ 600,000   | \$ 600,000     | \$ 600,000     | \$ 600,000   |
| <b>3 or More Sponsors</b>    | Alive Alexandria         | \$ -         | \$ 55,000    | \$ 55,000           | \$ -         | \$ -           | \$ -           | \$ -         |
|                              | DASH Bus                 | \$ -         | \$ 660,000   | \$ 660,000          | \$ -         | \$ -           | \$ -           | \$ -         |
|                              | Ramsay Sunday Hours      | \$ 15,000    | \$ -         | \$ 15,000           | \$ 15,000    | \$ 15,000      | \$ 15,000      | \$ 15,000    |
|                              | Rent Relief              | \$ 180,000   | \$ -         | \$ 180,000          | \$ 180,000   | \$ 180,000     | \$ 180,000     | \$ 180,000   |
| <b>Total Proposed Uses</b>   | \$ 3,095,000             | \$ 1,815,000 | \$ 4,910,000 | \$ 3,256,800        | \$ 3,258,654 | \$ 3,360,563   | \$ 3,362,530   |              |
| <b>Balance</b>               | \$ (815,000)             | \$ 285,000   | \$ (530,000) | \$ (976,800)        | \$ (978,654) | \$ (1,080,563) | \$ (1,082,530) |              |

**Revised Add/Delete List for Consideration at the Monday, May 4<sup>th</sup> Budget Work Session**

In follow-up to the direction for a balanced add/delete list, Table 2 below is the staff recommendation for balancing all items which received majority support of City Council members. The option provided by staff uses only items on the preliminary add/delete list developed by City Council to balance the budget. It does not require any additional reductions not included in preliminary add/delete, and it does not include the senior and disabled rent relief and Ramsay Recreation Center Sunday hours.

**Table 2**

**REVISED ADD/DELETE LIST - RESULTS OF CITY COUNCIL PRELIMINARY ADD/DELETE DISCUSSION**

|                              | FY 2016      |              |              | Five Year Estimates |              |              |              |
|------------------------------|--------------|--------------|--------------|---------------------|--------------|--------------|--------------|
|                              | Operating    | Capital      | Total        | FY 2017             | FY 2018      | FY 2019      | FY 2020      |
| <b>Available Sources</b>     | \$ 2,280,000 | \$ 2,100,000 | \$ 4,380,000 | \$ 2,280,000        | \$ 2,280,000 | \$ 2,280,000 | \$ 2,280,000 |
| <b>Proposed Uses</b>         |              |              |              |                     |              |              |              |
| ACPS                         | \$ 1,000,000 | \$ -         | \$ 1,000,000 | \$ 1,000,000        | \$ 1,000,000 | \$ 1,000,000 | \$ 1,000,000 |
| Fire Station 210             | \$ 1,295,000 | \$ -         | \$ 1,295,000 | \$ 1,400,000        | \$ 1,400,000 | \$ 1,500,000 | \$ 1,500,000 |
| Law Library                  | \$ 60,000    | \$ -         | \$ 60,000    | \$ 61,800           | \$ 63,654    | \$ 65,563    | \$ 67,530    |
| Patrick Henry Rec Center     | \$ (60,000)  | \$ -         | \$ (60,000)  | \$ -                | \$ -         | \$ -         | \$ -         |
| Maury School Yard            | \$ -         | \$ 250,000   | \$ 250,000   | \$ -                | \$ -         | \$ -         | \$ -         |
| TIP Restoration              | \$ -         | \$ 1,850,000 | \$ 1,850,000 | \$ -                | \$ -         | \$ -         | \$ -         |
| TIP Cash Capital             | \$ (160,000) | \$ -         | \$ (160,000) | \$ -                | \$ -         | \$ -         | \$ -         |
| TIP Funding for Bike Sharing | \$ 160,000   | \$ -         | \$ 160,000   | \$ 160,000          | \$ 160,000   | \$ 160,000   | \$ 160,000   |
| Transit Benefit              | \$ (70,000)  | \$ -         | \$ (70,000)  | \$ (70,000)         | \$ (70,000)  | \$ (70,000)  | \$ (70,000)  |
| Alive Alexandria             | \$ 55,000    | \$ -         | \$ 55,000    | \$ -                | \$ -         | \$ -         | \$ -         |
| <b>Total Proposed Uses</b>   | \$ 2,280,000 | \$ 2,100,000 | \$ 4,380,000 | \$ 2,551,800        | \$ 2,553,654 | \$ 2,655,563 | \$ 2,657,530 |
| <b>Balanced?</b>             | Yes          | Yes          | Yes          | \$ (271,800)        | \$ (273,654) | \$ (375,563) | \$ (377,530) |

## Changes to the Add/Delete List

1. **Transit Benefit:** Staff unintentionally omitted a \$70,000 operating budget reduction item from the preliminary add/delete list. The addition of this item has the effect of reducing the operating budget deficit seen in Table 1 by \$70,000. This results in a service reduction, decreasing the proposed transit subsidy from the proposed \$120 back to the current \$100 per month.
2. **TIP Restoration:** The preliminary add/delete list included the use of \$600,000 in Washington Metropolitan Area Transit Authority (WMATA)(Metro) operating subsidy savings and \$850,000 in WMATA capital subsidy savings to create a TIP funding contingency of \$1.45 million. In order to better align the add/delete list with the TIP priorities of the Transportation Commission expressed in their April 21<sup>st</sup> letter to the Mayor and Members of City Council and to eliminate the preliminary add/delete operating budget shortfall shown in Table 1, staff adjusted the \$600,000 operating budget portion of the TIP restoration item. This in combination with \$70,000 savings from the transit benefit resulted in a \$50,000 operating budget surplus when all items with City Council consensus are considered. With a cash capital reduction no longer required to balance the operating budget, the \$1.0 million capital budget surplus identified in the preliminary add/delete list (less \$160,000 for bike share operating which is a Transportation Commission priority) became available for capital projects. In the Council consensus add/delete list, staff has placed most of the surplus in TIP capital restoration along with the previously proposed \$850,000 in WMATA capital subsidy savings, resulting in a total TIP restoration of \$1.85 million.

In preliminary add/delete, Council proposed placing the TIP restoration in contingency pending the prioritization of its expenditure by the Transportation Commission. On April 21<sup>st</sup>, the Transportation Commission wrote the Mayor and members of Council summarizing their priorities as being additional bike sharing stations, DASH bus purchases, and accelerated Cameron Run Trail design (see Attachment 1). With \$1.85 million in total available in restored TIP funding, staff recommends that Council approve:

- \$160,000 for bike share operating for an additional 16 stations;
- \$660,000 to purchase an additional DASH replacement bus<sup>1</sup>; and
- \$100,000 to complete funding for the Cameron Run Trail design in FY 2016 understanding that there are right-of-way and other logistical concerns that may not allow for construction to be accelerated beyond the current schedule.

After funding these three Transportation Commission priorities, staff recommends reserving the remaining \$930,000 for reprogramming in the FY 2017 budget when transportation priorities can be reviewed in the context of available resources.

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<sup>1</sup> To clarify the FY 2017 State reimbursement for this bus, while the Northern Virginia Transportation Commission (NVTC) would receive approximately \$230,000, that funding would be divided regionally, and by formula Alexandria's share would be approximately \$23,000.

3. **Alive! Alexandria:** Funding in the amount of \$55,000 has been added to expand the space currently being used by Alive! Alexandria at 801 South Payne Street due to the co-sponsorship of a majority of City Council members. Because there is a \$5,000 difference between the cost to fund this item and the available operating budget surplus, the funding to staff Fire Station 210 was reduced by \$5,000, from \$1.3 million to \$1.295 million. The cost to staff Station 210 is an approximation and will likely vary from this amount depending on a number of factors, including the timing of hiring, the rate of attrition of existing staff, and health insurance options chosen by the new hires.

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### Options for Funding Additional Items Beyond the Revised Add/Delete Balanced List

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If Council wishes to include the additional items at a cost of up to \$195,000 beyond those included in the consensus add/delete list in budget adoption (e.g. senior and disabled rent relief (up to \$180,000<sup>2</sup>) or Ramsay Recreation Center hours (\$15,000), it would need to identify the additional resources to fund them. The following options are proposed for consideration:

1. Reduce the amount of funding identified for one or more of the existing Council consensus items (Alexandria City Public Schools, the Law Library, or Alive! Alexandria) by up to \$195,000.
2. Reduce or eliminate up to \$195,000 of the General Fund Cash Capital Transfer for Complete Streets, and replace it with \$195,000 in TIP funding as part of the \$930,000 recommended to be reprogrammed. As Complete Streets are generally new, expanded, or improved physical transportation features, this would fit in with Council's desire to utilize TIP funding for more transportation expansion.
3. Reduce general cash capital funding in the operating budget and eliminate or reduce one or more of the following CIP projects, which were selected on the basis of being lower priority projects that could compete for restored funding in FY 2017:
  - a. City Marina Utility Upgrades (\$187,000 in FY 2016) – this would leave the project short of full funding, as total project costs are estimated at \$1.25M
  - b. Fort Ward Management Plan Implementation (\$200,000 in FY 2016)
  - c. Recreation Facilities Security Review (\$135,000 in FY 2016)
4. Choose one or a combination of the following operating budget adjustments, which include three items that were added to the budget in FY 2016 and could be eliminated or reduced without reducing existing services and one fee revenue increase:
  - a. Youth and Families Master Plan implementation contingency (\$125,000);
  - b. AlexTV Production Costs (\$10,000): This would further reduce the budget by \$10,000 without a service impact;
  - c. Monthly Parking Rates (\$40,000): The proposed budget includes an increase in the monthly parking rate for City employees at City-owned parking garages and lots. Increasing rates for private account holders based on a recent market rate

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<sup>2</sup> It should be noted that the \$180,000 is estimated to cover the full current waiting list. Council could choose a lower dollar amount than \$180,000 and the waiting list would be reduced proportionally.

analysis performed by General Services would increase revenues by \$40,000 per year.

- d. Delay by three months the hiring of the utility cut site inspector position (\$20,000)

**ATTACHMENTS:**

Attachment 1 – Alexandria Transportation Commission April 21, 2015 Transportation Budget Letter to the Mayor and Members of City Council



Alexandria Transportation Commission  
301 King Street  
Alexandria, VA 22314

[www.alexandriava.gov](http://www.alexandriava.gov)

Phone: 703.746.4025

Mayor William D. Euille and Members of City Council  
City Hall  
301 King Street  
Alexandria, VA 22314

April 21, 2015

Re: FY 2016-2025 Transportation Budget

Dear Mayor Euille and Members of City Council:

This letter summarizes recommendations of the Transportation Commission on the City's FY 2016-2025 Transportation Budget given reductions in funding required for two major components of the budget.

At the April 15, 2015 meeting of the Transportation Commission, City staff shared with the Commission that the City can expect a decrease of approximately \$1.45 million in funds required to fund the Washington Metropolitan Area Transit Authority (WMATA) in FY 2016. In addition, the City has refined the cost estimate for the King/Quaker Lane/Braddock Road intersection project, resulting in approximately \$1 million that will remain available in the City's Transportation Improvement Program (TIP).

Given the reduced WMATA funding contribution and refined King/Quaker Lane/Braddock Road intersection project budget, the Transportation Commission requests that the funds all revert to the TIP to fund fiscal year (FY) 2016 implementation of the following transportation priorities:

- The Commission supports the expansion of Capital Bikeshare as an important element of the City's transportation system, connecting people to transit and enhancing mobility and active transportation in the City. The City has previously committed to expanding Capital Bikeshare in Alexandria through prior-year appropriations towards the capital cost of bicycles and stations. Developer contributions and grants provide all funds to purchase, equip, and install 16 new stations. The operating cost of this program is small, just \$10,000 per station, and the cost recovery factor is 70%. The Commission recommends that Council approve a budget that includes full funding for the operating cost of the 16 station expansion.

- The expansion of DASH service is a high priority of the Transportation Commission. The City Manager's proposed transportation budget anticipates very limited expansion of DASH service over the next 10 years. DASH is a critical element in moving people efficiently, supporting the City's development plans and promoting economic sustainability. The Commission recommends the purchase of additional DASH buses with the available TIP funds. (It should be noted that meeting the amount of FY 2016 funding approved in the FY 2015 budget would allow the City to leverage grant reimbursement funds from the Virginia Department of Rail and Public Transportation to purchase these buses).
  - The Commission recommends the acceleration of design for the Cameron Run trail project.
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We appreciate your consideration of the Commission's input on proposed FY 2016-2025 budget during this difficult budget year.

Sincerely,



Nathan M. Macek  
Chair, Alexandria Transportation Commission

cc: Alexandria Transportation Commission  
Mark Jinks, City Manager  
Emily A. Baker, Acting Deputy City Manager  
Yon Lambert, Director, T&ES  
Sandra Marks, Deputy Director, T&ES  
Morgan Routt, Acting Director, OMB  
Chris Bever, Assistant Director, OMB