

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 5, 2015

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: MARK B. JINKS, CITY MANAGER *MR for MBJ*

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

SUBJECT: BUDGET MEMO #38: SUMMARY OF DECISIONS FROM FINAL ADD/DELETE WORK SESSION

The attached worksheet reflects the decisions made by City Council in the Monday, May 4, 2015 final add/delete work session. As detailed in the table below, the result of these decisions is a General Fund budget of \$649,156,892 to be adopted at the Thursday, May 7, 2015 special legislative meeting. General Fund expenditures increase \$12.4 million or 1.9% over the FY 2015 Approved Budget and \$1.3 million over the City Manager's FY 2016 proposed budget.

General Fund Operating Budget Summary

	FY 2015 Approved	FY 2016 Proposed	Add/Delete	FY 2016 Approved	\$ Change FY15/16	% Change FY15/16
City Operations	\$342.5 M	\$345.0 M	\$1.2 M	\$346.2 M	\$3.8 M	1.1%
Transit Subsidies	\$20.0 M	\$23.0 M	-\$0.6 M	\$22.4 M	\$2.4 M	12.0%
General Cash Capital	\$18.1 M	\$16.0 M	\$0.0 M	\$16.0 M	-\$2.0 M	-11.3%
Debt Service	\$64.4 M	\$66.0 M	-\$0.3 M	\$65.7 M	\$1.3 M	1.9%
City Subtotal	\$445.0 M	\$450.0 M	\$0.3 M	\$450.3 M	\$5.4 M	1.2%
ACPS Transfer	\$191.8 M	\$197.8 M	\$1.0 M	\$198.8 M	\$7.0 M	3.6%
Total Operating	\$636.8 M	\$647.9 M	\$1.3 M	\$649.2 M	\$12.4 M	1.9%

As noted in Attachment 1, funding for several of the items added to the budget have been placed in contingent reserves, requiring further action by staff before the funds may be released by City Council. These items are:

- Fire Station 210 staffing (\$1,295,000), which requires a report back in June on the status of recruitment and hiring of additional personnel to staff a fire engine at Station 210;
- Maury Schoolyard (\$250,000), which requires School Board approval of a comprehensive plan for the project and the negotiation of a Memorandum of Understanding (MOU) with Recreation, Parks and Cultural Activities (RPCA), if a more specific MOU than the standard

current City/ACPS agreement is required;

- Transportation Improvement Program (TIP) Funding Reserve (\$930,000), which requires a work session with City Council and the Transportation Commission prior to reprogramming funds. A fall work session is proposed;
- Recreation Center Programming (\$10,000), which requires a written proposal from staff to Council on how to most effectively allocate the funding for maximum community impact.

Also as part of the final add/delete work session, City Council discussed Years of Service Alignment Model (YOSAM) and living wage employee (and contractor) compensation options and directed staff to analyze employee compensation for consideration in City Council's budget guidance in the fall. Starting in June, Human Resources Department (HRD) staff will re-convene the three Public Safety Work Groups (PSWGs) to jointly analyze YOSAM (including a three to four year phase-in), Fire sworn market pay alignment, the Police/Fire pension trigger mechanism, and potentially other pay issues. A General Schedule Work Group (GSWG) will also be created to address to-be-determined pay issues for General Schedule employees. A review of the Living Wage rate will be undertaken by City General Services and procurement staff. All of these reviews and studies will produce information and reports which will help inform the FY 2017 budget guidance process.

Additionally, the final add/delete work session has an impact on the Capital Budget. As detailed in the table on the next page, the result of the decisions is an FY 2016 Capital Budget of \$113,810,986, an increase of \$1,471,500 from the City Manager's Proposed Capital Improvement Program (CIP). The FY 2016-2025 CIP totals \$1,566,472,095, an increase of \$1,321,500 from the City Manager's Proposed CIP. The FY 2016 Capital Budget and FY 2016-2025 Capital Improvement Program will be adopted at the Thursday, May 7, 2015 special legislative meeting.

Capital Improvement Program	FY 2016 Only			FY 2016 -2025 CIP		
	FY 2016 Proposed	Add/Delete	FY 2016 Approved	FY 2016-25 Proposed	Add/Delete	FY 2016-25 Approved
Alexandria City Public Schools	\$ 38.81	\$ -	\$ 38.81	\$ 291.38	\$ -	\$ 291.38
Community Development	3.68	0.00	3.68	97.00	0.00	97.00
Recreation & Parks	15.21	0.00	15.21	113.46	(0.15)	113.31
Public Buildings	9.44	0.00	9.44	173.05	0.00	173.05
Transportation	34.40	0.29	34.69	692.98	0.29	693.27
Sanitary Sewers	1.00	0.00	1.00	93.32	0.00	93.32
Stormwater Management	3.39	0.00	3.39	45.44	0.00	45.44
Other Regional Contributions	0.83	0.00	0.83	7.95	0.00	7.95
Information Technology Plan	5.59	0.00	5.59	50.58	0.00	50.58
City Council Contingency	0.00	1.18	1.18	0.00	1.18	1.18
Total CIP	\$ 112.34	\$ 1.47	\$ 113.81	\$ 1,565.15	\$ 1.32	\$ 1,566.47

Note: Add/Delete includes CIP technical adjustments for Transportation - King/Quaker/Braddock (\$0.38M in FY 2016) and Recreation & Parks - Warwick Pool (-\$0.15M in FY 2017) detailed in budget memorandum #37.

It is important to note that the Alexandria City Public Schools (ACPS) capital appropriation does not include \$5,500,000 in prior year funding held by ACPS. As those funds have previously been appropriated to ACPS by City Council, it is not necessary to re-appropriate them. New funding

approved by City Council (\$38,808,279) combined with the \$5,500,000 in prior year funds held by ACPS will fund \$44,308,279 in ACPS capital projects in FY 2016.

ATTACHMENTS:

Attachment 1 – FY2016 Final Add/Delete Worksheet

ATTACHMENT 1: FY 2016 FINAL ADD/DELETE WORKSHEET

Available Sources	FY 2016			Five Year Estimates			
	Operating	Capital	Total	FY 2017	FY 2018	FY 2019	FY 2020
Available Sources	\$ 2,280,000	\$ 2,100,000	\$ 4,380,000	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000
Proposed Uses							
Increase operating transfer to the Alexandria City Public Schools (BM #5)	\$ 1,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Accelerate staffing of a fire engine at Station 210 (BM #18,25) (Contingent Reserve pending June report from staff on hiring process)	\$ 1,295,000	\$ -	\$ 1,295,000	\$ 1,400,000	\$ 1,400,000	\$ 1,500,000	\$ 1,500,000
Increase funding for the Alexandria Public Library to operate the Law Library at reduce hours (BM #24)	\$ 60,000	\$ -	\$ 60,000	\$ 61,800	\$ 63,654	\$ 65,563	\$ 67,530
Delayed debt service payments for the Patrick Henry Rec Center financing with no impact on the project schedule (BM #8)	\$ (60,000)	\$ -	\$ (60,000)	\$ -	\$ -	\$ -	\$ -
Maury School Yard (BM #10) (Capital Reserve pending School Board approval of a comprehensive plan and an MOU with RPCA)	\$ -	\$ 250,000	\$ 250,000	\$ -	\$ -	\$ -	\$ -
Restore funding to Transportation Improvement Program (TIP) projects reduced in the Proposed Budget as noted below (BM #11)	\$ -	\$ 1,850,000	\$ 1,850,000	\$ 160,000	\$ 160,000	\$ 160,000	\$ 160,000
Reduce the Employee Transit Benefit from \$120 back to the current \$100 rate (BM #21)	\$ (70,000)	\$ -	\$ (70,000)	\$ (70,000)	\$ (70,000)	\$ (70,000)	\$ (70,000)
One-time funding for Alive! Alexandria facility expansion (BM #30)	\$ 55,000	\$ -	\$ 55,000	\$ -	\$ -	\$ -	\$ -
Recreation Center Programming (BM #21)(Contingent Reserve pending staff recommendation on the most effective use of funds)	\$ 10,000	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
AlexTV Production Efficiency Savings (BM #36)	\$ (10,000)	\$ -	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)	\$ (10,000)
Total Proposed Uses	\$ 2,280,000	\$ 2,100,000	\$ 4,380,000	\$ 2,551,800	\$ 2,553,654	\$ 2,655,563	\$ 2,657,530
Balanced?	Yes	Yes	Yes	\$ (271,800)	\$ (273,654)	\$ (375,563)	\$ (377,530)

Transportation Improvement Program (TIP) Funding Restoration

Operate 16 New Bike Share Stations	\$ 160,000
One DASH Replacement Bus	\$ 660,000
Old Cameron Run Trail Design	\$ 100,000
Contingent Reserve pending Council work session with the Transportation Commission in the fall	\$ 930,000
Total	\$ 1,850,000