

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 13, 2016
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
THROUGH: MARK B. JINKS, CITY MANAGER 
FROM: MORGAN ROUTH, DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET 
SUBJECT: BUDGET MEMO #12: RESPONSE TO COUNCIL QUESTIONS

The Office of Management & Budget issues a Budget Memo to answer questions posed by members of City Council that can be addressed in a question and answer format. Below are answers to some of the questions posed thus far.

DEPARTMENT OF COMMUNITY AND HUMAN SERVICES (Vice Mayor Wilson)

Question: The "Mayor's Special Advisory Panel on the Health Care Needs of the Uninsured" provided a report last year that detailed the challenges associated with those Alexandrians who remain in the healthcare coverage gap. Since that time, members of the committee have approached the City with a request for \$250,000 to partner with Neighborhood Health to begin to fill that gap. Can staff provide some analysis of the request that has been made, as well as these alternatives/questions?

- Some of the uninsured, particularly children, are otherwise eligible for FAMIS or Medicaid. Could the City play a greater role in encouraging full participation in those programs? What would the cost of those efforts be?
- The City currently provides an on-going appropriation to Inova Alexandria Hospital. Given the reductions expected in uncompensated care due to the advent of the Affordable Care Act, can Inova absorb some of the impact of these remaining uninsured in partnership with the City? Could that be negotiated as part of the proposed Memorandum of Understanding (MOU) with the City?
- What would be the estimated cost for the City to provide local subsidies for the uninsured (those with too much income to qualify for Medicaid/FAMIS/CHIP, but too little to qualify for Exchange subsidies) to purchase coverage on the Federal Exchanges?
- Is it accurate that a cigarette tax increase of 7 cents could produce about \$50,000 annually in revenue as a budget offset?

Answer: Dan Hawkins and Richard Merritt, Chairman and member of the Mayor's Special Advisory Panel on the Health Care Needs of the Uninsured in Alexandria, propose the establishment of a public/ private partnership called ALEXCARES for the purpose of improving access to essential health services for some of the neediest and most economically disadvantaged individuals in the City of Alexandria who continue to be denied Medicaid coverage by the Virginia General Assembly. The request is for a minimum investment of \$250,000 from the City for each of the next three fiscal years for the establishment of ALEXCARES. According to the proposal, an additional \$100,000 to \$150,000 will be forthcoming each year through community fundraising efforts, the sources of which are not identified in the proposal. The initiative has four key components:

1. A "bridge" funding program (AlexCARE) to improve access to primary care services for the most vulnerable and at high-risk segment of the City's very low-income (below poverty), non-elderly adult (ages 18-64) (many are "the working poor") Medicaid "gap" population.

AlexCARE would be administered through Neighborhood Health (Alexandria's community health center) in accordance with eligibility and reimbursement requirements determined by Neighborhood Health and approved by City Council. (As a guideline, low-income, non-elderly adults without a routine source of primary care and who suffer from a serious chronic illness or who are at moderate-to-high risk of developing serious chronic health conditions should be considered among those in "great need".) The advisory panel expects approximately 700 patients could be served during the first year of AlexCARE. This initiative was not proposed by Neighborhood Health, who has requested an alternative use of funds.

2. Financial assistance to Neighborhood Health for the establishment of a part-time, satellite clinic is to improve access to primary care services for uninsured, non-elderly adults in up to two areas of the City that are particularly underserved, also not requested by Neighborhood Health.
3. An annual public/private sponsored one-to-two day Community Health Clinic each fall for the non-elderly, low-income uninsured population in Alexandria. The Community Health Clinic would be held with the help from the National Association of Free and Charitable Clinics, which has a local match listed of \$40,000.
4. The creation of a Special Advisory Body by City Council to develop a plan of action by the end of 2016 in response to growing evidence that access to affordable and accessible specialty care is problematic within the City of Alexandria, especially for low-income, uninsured residents, and that serious and unacceptable health disparities and outcomes exist within the City's low-income population.

The request for \$250,000 includes \$175,000 for primary care at Neighborhood Health, \$50,000 for specialty care at Neighborhood Health, and \$25,000 for the health fair/clinic, which would require \$25,000 from other sources to match the City's \$25,000 contribution.

Subsequently, Neighborhood Health is requesting a supplement of \$87,878 for an additional 0.5 FTE Family Nurse Practitioner or a Physician to serve additional 1,300 health care visits by a minimum of 600 additional adults. In FY 2015, 75% or 32,058 visits of all Neighborhood Health were City residents, greater than current capacity at Casey and two East Glebe centers. These additional patients would receive comprehensive high quality primary care, including medical care, labs, low or no cost medicines, care coordination, and as needed dental care and mental health services available to all patients.

Staff recommends that, instead of a health fair, any additional resources that might be directed for access to clinical care should be to support Neighborhood Health's request for organizational infrastructure and for their acquiring expanded, consolidated space for Neighborhood Health to serve Alexandrians who lack access to clinical care. Conducting a health fair would drain resources from these necessary efforts and/or from services that are mandated by the Code of Virginia and/or are in alignment with the City's Strategic Plan.

Additionally, Advisory Panel members from the Public Health Advisory Commission, the Partnership for a Healthier Alexandria, and the Northern Virginia Health Foundation voted against holding a health fair or clinic based on a number of reasons: non-sustainability, diversion of resources, health fairs not being a substitute for a medical home, financial and opportunity costs (i.e., the resources needed to organize and mount health fairs are better directed to increase the capacity of nonprofits that currently serve Alexandria's uninsured), health fairs having no to very limited impact on addressing health insurance coverage, the limited impact a one day event would have on the health of Alexandrians, the uncertainty of the feasibility of uninsured Alexandrians being able to attend the event, false expectations of access to health care for those who are most vulnerable, the lack of comparisons of the cost of a health fair to other strategies to address healthcare for the uninsured, and concerns about health fair operations such as expertise of volunteers and others who are providing screenings.

The options for organizations and residents interested in health fairs include collaborating with entities that already conduct such events (e.g. Neighborhood Health, Alfred Street Baptist Church, etc.). Options for addressing clinical and support services for the uninsured include supporting and enhancing existing nonprofit safety net providers (i.e. Neighborhood Health, the Department of Community and Human Services, Alexandria Health Department, and INOVA Alexandria).

Staff does not recommend this proposal because health fairs are not sustainable and they are not a solution to lack of access to clinical care. Clients served at a health fair will not have established doctor-patient relationships and will not have a medical home at the end of the event.

Staff are also not willing to support a proposal that does not have the support of our local health serving agencies who have actually voiced their disagreement with this approach.

Some of the uninsured, particularly children, are otherwise eligible for FAMIS or Medicaid. Could the City play a greater role in encouraging full participation in those programs? What would the cost of those efforts be?

Currently DCHS does limited outreach through education at events and by outreach and application access at the Health Department. A full-time employee to provide outreach would cost approximately \$53,107 a year.

The City currently provides an on-going appropriation to Inova Alexandria Hospital. Given the reductions expected in uncompensated care due to the advent of the Affordable Care Act, can Inova absorb some of the impact of these remaining uninsured in partnership with the City? Could that be negotiated as part of the proposed Memorandum of Understanding (MOU) with the City?

The City and Inova Alexandria Hospital are currently in the process of negotiating a memorandum of understanding (MOU) which will address the indigent care and other services provided to Alexandrians.

What would be the estimated cost for the City to provide local subsidies for the uninsured (those with too much income to qualify for Medicaid/FAMIS/CHIP, but too little to qualify for Exchange subsidies) to purchase coverage on the Federal Exchanges?

Currently DCHS has 14,742 individuals enrolled in Medicaid and children comprise 9,485 of that number. According to State estimates, based only on poverty figures, 9,911 children could be eligible. Alexandria is reaching a significant number of the poverty estimate for children (the estimate includes children under 200% of the federal poverty level). The City does not have figures on what part of the population falls between Medicaid and the federal exchange.

Is it accurate that a cigarette tax increase of 7 cents could produce about \$50,000 annually in revenue as a budget offset?

Increasing the cigarette tax by 7 cents will generate an additional \$66,000 over the FY 2016 projected revenue. Increasing the cigarette tax by 6 cents would generate \$43,000.

CAPITAL IMPROVEMENT PROGRAM (Vice Mayor Wilson)

Question: A significant addition to the proposed CIP is the new Health Department CFMP project, including large renovations to the facility in FY 2017 and beyond. Why was this work not anticipated prior to this year's proposed CIP? What is the criticality of these efforts?

Answer: The addition of the new Health Department Capital Facilities Maintenance Program (CFMP) is a direct result of the building condition assessment completed by General Services (GS) in FY 2015 and the new Facilities Condition Index (FCI) that was created as a result of that assessment to allocate resources based on quantifiable needs analysis.

Prior to the FY 2017 CIP, funding for capital repair and maintenance at Health Department facility located at 4480 King Street and the Flora Casey Clinic located at 1200 N. Howard Street was included in the GS CFMP where the needs of these facilities typically competed with the needs and requirements of other City facilities. In the Approved FY 2016-2025 Capital Improvement Program (CIP), \$350,000 was budgeted over the first three years of the GS CFMP for required Heating, Ventilation, and Air Conditioning (HVAC) repairs at the Casey Clinic, with additional capital repair and maintenance contemplated over the remaining seven years of the GS CFMP at both the Casey Clinic and the Health Department facility at 4480 King Street.

The building condition assessment completed in FY 2015 rated both the Casey Clinic and the facility at 4480 King Street a Grade "F" based on the FCI and identified numerous capital replacement requirements at both facilities.

Of the more than 1,000 capital replacement requirements identified over all thirty-six (36) facilities assessed in FY 2015, seven (7) of the top 10 capital replacement priorities identified were located at these Health Department facilities.

As a result of the building assessments and the budget guidance provided in the context of the FY 2017 CIP budget development process, staff developed and revised the General Services CIP submission to reflect the ranked priorities as identified in the building assessment results. The \$6.4 million proposed in FY 2017 of the CIP for the Health Department CFMP does not reflect all of the capital replacement needs identified in the building assessment for both 4480 King Street and the Casey Clinic. Although most of these capital replacement requirements are not life safety issues, they are critical to heavily utilized facilities of this age including much needed bathroom renovations, exterior door replacements, HVAC replacements, and others. These projects could be spread out over a number of more years but this would be deferring more facility capital replacement requirements.

RECREATION, PARKS AND CULTURAL ACTIVITIES (City Manager Jinks)

Question: What would be the cost and program specifics of creating a Titans Lounge? What was the average daily or weekly attendance when the program was in operation?

Answer: The cost of implementing the Titans Lounge, located in the T.C. Williams High School rotunda and other designated spaces as necessary, would be approximately \$51,000 and would include four part-time, temporary positions. The program would be designed to offer a safe and supervised setting for youth to congregate and socialize during the after school hours. Alexandria City Public Schools (ACPS) recognized this need when they collaborated with Recreation, Parks, and Cultural Activities (RPCA) in 2011-2012 to provide a program at T.C. Williams High School to address the fact that students were remaining in and around the school after school dismissal, even though they were not involved in sports or clubs.

When it was in operation, the program registered close to 600 youth with an average of 150 attending daily. Youth were permitted to take the activity buses home at 4:30 or the last buses at 5:30 at which time the Titan Lounge closed. ACPS provided school space to offer the program in an area of appropriate size for group activities. Snacks were provided through the USDA At-Risk After School Snack Program.

Although the program is intended to be minimally structured so youth may spend time with each other to work on homework, talk, play video or table games, listen to music, etc., there are also opportunities to offer structured programs with other City agencies such as the Alexandria Campaign on Adolescent Pregnancy, Substance Abuse Prevention Coalition of Alexandria, Police Department, Libraries, etc. ACPS counselors also have opportunities to extend academic and social enrichment programs through engaging youth in an after school setting. RPCA can provide additional resources for interest based programs or activities such as art, music, sports and fitness.

If City Council were interested in reinstating the Titans Lounge, ACPS would need to concur and collaborate in its operation.

POLICE DEPARTMENT (City Manager Jinks)

Question: Can you please provide a budget proposal outlining the use of contingent reserve funding set aside in the City Manager FY 2017 Proposed Budget for traffic enforcement initiatives?

Answer: The City Manager's FY 2017 Proposed Budget includes a set aside of \$500,000 for traffic enforcement and parking adjudication initiatives. The City Manager asked the Alexandria Police Department (APD) to provide recommendation for use of the contingent reserve funding for traffic enforcement. APD recommended adding two Motor Officers and one supervisory Sergeant to the current authorized staffing, raising the authorized staffing level of Motor Officers from nine to eleven, and supervisors from one to two. This recommendation is based upon the increasing citizen demands for enhanced levels of traffic enforcement in more areas of the City.

Currently, the Motor Officer Unit has one Sergeant that acts as the sole supervisor for the entire 10 person unit. Adding two additional Motor Officers creates a span-of-control issue should there remain only one supervisor for the entire unit. Under the current span of control there are more duties than can be handled by the one existing Sergeant. A Sergeant is also a working supervisor who spends part of his or her time in the field.

Fiscal Impacts

Funding the addition of two Motor Officers and one Sergeant is possible using both FY 2016 Police Department projected budget savings and FY 2017 Proposed contingent reserve funding. The annual full-year operating cost would be \$90,000 for each of the two Motor Officers and \$105,000 for the Sergeant, for a total of \$285,000. The one-time cost for uniforms and equipment, including motorcycles, would be \$60,500 for each position, or \$181,500 total. Staff recommends transferring \$285,000 from contingent reserves to the APD budget in FY 2017 to fund the positions. Based on year-end expenditure projections, APD is expected to be able to purchase the one-time uniforms and equipment from savings in FY 2016. In addition to the \$285,000 for the three positions, staff also recommends the transfer of another \$115,000 of set aside funds to APD for overtime related to traffic enforcement (to be discussed later in this response). In summary, the overall recommendation is to transfer \$400,000 of contingent reserve funding to the Police Department for traffic enforcement initiatives, and to use \$181,500 of FY 2016 savings to purchase one-time expenditures related to the three new positions. The remaining \$100,000 set aside in contingent reserves will cover re-establishing the Parking Adjudication Office and is recommended to remain in contingent until a detailed adjudication proposal is developed.

City staff acknowledges that additional resources to conduct traffic enforcement efforts provide some level of new revenue through traffic citations. However, revenue implications are not considered as part of this proposal due to the fact that APD's mission and purpose is to legitimately provide a safe environment for the citizens, workers, and visitors of the City. Thus, the Police Department does not consider revenue implications as a factor in how to deliver services to the public. Ideally, enforcement and education efforts would result in fewer traffic citations issued as drivers increase their compliance with the law.

Implementation Considerations

Although the three recommended positions would be fully funded for the entire year, they would not be operational until spring 2017. This is due to timing of when Officers in the next recruit class can work Patrol independently, as well as time needed to train Motor Officers once transferred from Patrol. Only once the most recent Police Academy class becomes fully operational will the Patrol Unit have needed capacity to transfer additional Officers from Patrol to the Motor Unit. After Officers are transferred to the Motor Unit, they will require several months of training before being able to work as a fully operational Motor Officer. This means that the 2

new Motor Officers would not address traffic safety issues until after their training is complete in spring 2017.

In the interim, APD can use the \$165,000 in overtime funding (\$50,000 already included in the FY 2017 Proposed Budget and \$115,000 added from contingent reserve funding) until the additional Motor Officers become operational. This funding would allow APD to begin developing and then assessing traffic safety programs. Programming would vary from public education campaigns to raise awareness to targeted enforcement at areas or times of high complaint. Officers can elect to sign up for overtime or not, meaning that there can be no guarantee of how many overtime hours will actually occur. Even so, the opportunity for overtime signals that traffic enforcement and safety efforts are high priority for both the Police Department and the City. Once the additional Motor Officers became operational, the Motor Unit could then use its increased staffing resources and expertise to continue developing and implementing effective traffic safety programs that provide lasting, global improvements across the City. Hence, the \$115,000 of overtime funds is intended to be one-time transitional funding for FY 2017 only.

FIRE DEPARTMENT (Vice Mayor Wilson)

Question: In follow-up to the previous question about Fire inspections (<https://www.alexandriava.gov/budget/info/default.aspx?id=90942>), why does staff recommend overtime instead of over-hire positions?

Answer: In the FY 2015 budget, the Alexandria Fire Department (AFD) adjusted Fire Marshal schedules to rebalance the workload between night-time enforcement of overcrowded establishments and day time inspections of properties and systems. The adjusted schedule is similar to neighboring jurisdictions, who also work to balance between the day (inspections/investigations) and night (enforcement) needs of communities. The FY 2015 budget also included the elimination of two inspector positions, and so the schedule change was also intended to reduce the impact of the budget reduction.

The City Manager focused on fire inspections during the Fire Department's FY 2015 performance measure review and update meeting, and he initially recommended that AFD develop a proposal to address this issue.

As a result, the Fire Marshals looked at the most cost-effective manner to address inspections and delinquent inspections. Staff reviewed a variety of ways to address this issue including hiring new staff, hiring part-time staff, and using overtime. In the end, staff chose overtime as the best means to address delinquent inspections. Overtime is the least expensive short-term way to address this issue, and allows existing staff, who are experienced with the City properties and inspection system, to help catch up on delinquent inspections. Furthermore, this option can be an incremental step to a better long-term solution. As indicated in the April 12 work session, the City Manager has placed the issue of how the Fire Marshal's Office could manage the current inspections workload on the Office of Performance & Accountability work plan for FY 2017.

Overhires are not a viable solution to this problem. Overhires are helpful in the case of the EMS transition, since those overhired positions will (eventually) not be necessary from a staffing standpoint and will decrease over time due to natural attrition. In prior years, overhires were effective in reducing overtime costs while the Department brought new firefighters into the training academy and took time to get them ready to serve on apparatus. In the case of Fire Marshals, overhires are not recommended for several reasons:

1. With only seven Fire Marshals, there is not as much turnover as Firefighters or Medics, hence an overhire might end up having to be eliminated through a Reduction in Force (RIF), making the position hard to hire.
2. In the case of the single-role medics, the Department is using overhires as a bridge to a more permanent solution. There is no permanent solution for this issue, making the overhire somewhat hard to manage/justify.
3. Overhires still require time and effort to train before they are fully operational and their benefit is realized, and is reason why overtime was proposed as a more cost-effective solution.