City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 25, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #108: ALEXANDRIA CAPITAL DEVELOPMENT FOUNDATION

In response to Councilman Macdonald's questions, the following answers are provided.

Q: How much money has been spent to date?

A: To date, out of the $270,000 that Council has appropriated in previous budgets, $38,100 has been paid to the Alexandria Capital Development Foundation (ACDF). The original plan adopted by Council was to provide no more than $500,000 over a five year period. The startup of the ACDF has been going slower than initially planned (in part due to the sudden death in 2003 of former City Council member Harry Fleming who was the ACDF chair and one of the early proponents of creating the ACDF).

Q: What have they done with this money to date?

A: The money has been used to pay for the consultant who is serving as their administrative coordinator and fund raising planning consultant.

Q: What are they planning to do with the remaining funds?

A: The original plans for the Foundation had envisioned using the funds to hire an executive director (i.e., full time coordinator and fund raiser), but so far only part-time staff assistance has been needed. If the ACDF goes to the full time executive director route then it is likely that the $270,000 or more would be needed over the next thee or four years.

Q: What is their relationship with the Alexandria Community Trust (ACT)?

A: While there is no formal relationship, there have been discussions about synergies of ACDF's and ACT's goals, structures, and potential fund raising efforts. These discussions are continuing as the ACDF Board members have indicated that they see positive possibilities in having these two organizations work closely together. Also, many of the persons on the ACDF Board are also active in ACT. For example, Don Beyer, who is an ACDF Board member, is also the ACT chairman.

Q: Who sits on the ACDF Board?

A: The current members of the ACDF Board are:

David Speck, Chair
Allison DiNardo
Dennis Garcia
Don Beyer
Alan Voorhees
Mayor Euille (ex-officio)
Mark Jinks (ex-officio)

Q: Shouldn't the ACDF's activities and expenses be noted in the current budget? (Especially since Council can dissolve this organization at any time and reallocate any outstanding funds)

A: Because the ACDF monies were appropriated in prior years, and since there were no monies budgeted in FY 2005 or FY 2006, and there were no expenses in FY 2004, there is nothing to show in the budget. It is the City's practice (and that of most local governments) to exclude previously appropriated funds from a budget because it would inflate the current base year budget with what is not ongoing spending. Any budget funding for ACDF which carries over from one fiscal year to the next comes before Council in the fall of each year for reappropriation authorization with the purpose of the funds clearly identified. It is at that time Council can choose to reappropriate or not reappropriate funds for ACDF. It should be noted that now that it has been established, ACDF cannot be dissolved by Council, but its City funding is under Council discretionary authority.