

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 10, 2009

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO # 90: TECHNICAL EXPENDITURE ADJUSTMENTS TO
FY 2010 PROPOSED OPERATING BUDGET

This memorandum provides information on technical adjustments and corrections in the FY 2010 Proposed Operating budget. The table below summarizes all of the changes to the General Fund which are recommended to the FY 2010 Proposed Operating budget. In addition to the General Fund changes, staff recommends several changes to the Equipment Replacement Fund and the Special Revenue Fund are also described.

General Fund		Amount
Office of the Sheriff	Courthouse Security shift to Special Revenue Fund	(\$180,000)
City-wide	Reduction in projected Healthcare premium for United Healthcare	(\$460,000)
Planning and Zoning	Overfunding correction	(\$40,066)
Fire Department	Retirement fund contribution recalculation	(\$71,695)
Office of the Sheriff	Retirement fund contribution recalculation	(\$162,305)
Cash Capital	Metro Matters Refinancing	(\$700,000)
Other Public Safety	Animal Shelter Contract correction	(\$26,135)
Office of Housing	Housing Trust Fund	\$772,060
Non-Departmental	Debt Service	\$165,647
City-wide	Telecommunications	\$350,000
Office of the Sheriff	Underfunding correction	\$37,169
Finance to DASH	Interdepartmental transfer of \$40,000	\$0
CSA to Sheltercare	Interdepartmental transfer of \$24,107	\$0
Finance to Procurement	Interdepartmental transfer of \$915,782	\$0
City Attorney to Finance	Interdepartmental transfer of \$350,807 (Risk Management)	\$0
Total Net Change to General Fund	General Fund Reduction	(\$315,325)

General Fund

General Fund Reductions

- A \$180,000 decrease in General Fund appropriation in the Office of the Sheriff. Courthouse security fees collected by the Clerk of the Court and restricted to expenses related courthouse security will be appropriated in FY 2010 to a special revenue account. Sheriff courthouse security personnel currently charged to the General Fund will be charged to this Special Revenue Fund account.
- A \$460,000 decrease in General Fund appropriation due to a lower than anticipated premium increase for United Health Care (4.5% versus 10%).
- A \$40,066 decrease in General Fund appropriation in the Department of Planning and Zoning budgeted in error in FY 2010.
- A \$234,000 decrease in General Fund appropriation to the Fire Department (\$71,695) and the Office of the Sheriff (\$162,305) related to the recalculation of City costs of contributions to the Retirement Income Fund (for employer's share of defined contributions) for Sheriff's Deputies and Emergency Medical Technicians.
- A \$700,000 decrease in cash capital funding for the CIP that represents a portion of the \$1.5 million in savings in the CIP attributable to the plan of having the City borrow \$12.8 million directly for Metro Matters in lieu of WMATA issuing debt at a higher interest rate. (Action approved with Docket Item #12 on March 24, 2009, Ordinance Authorizing and Empowering the Issuance, Sale and Delivery of General Obligation Bonds to Finance Various Capital Projects). The remainder of the savings would be captured by redirecting \$800,000 in Fund Balance from the CIP to the Operating Budget.
- A \$26,135 reduction in General Fund appropriation to the Other Public Safety Department related to the Animal Shelter Contract. The contract was increased \$36,589 for maximum increase of 3.5 percent, instead of the current CPI-U of 1 percent, which was used to budget other City contracts.

General Fund Increases

- A \$772,060 increase in General Fund appropriation for the Office of Housing, Housing Trust Fund for affordable housing that represents the debt service costs that would have been incurred in \$8.0 million in bonds were issued for affordable housing projects as originally contemplated in the FY 2010 budget. The project for which these bonds were intended is not going forward at this time, so the \$772,060 is being moved from debt service to the Housing Trust Fund.
- A \$165,647 increase in General Fund appropriation for the Non-Departmental budget for debt service that represents the net increase in debt service after the reduction for affordable housing (-\$772,060 see above), the increase for debt service costs to replace WMATA debt with City debt (\$847,227), and an increase in other estimated debt service costs in FY 2010 of \$90,480 – due to additional borrowing requirements to pre-fund \$28.5 million of the Police headquarters project in FY 2010 costs with the June 2009 issuance as described in Docket Item #12 on March 24, 2009.
- A \$350,000 increase in General Fund appropriation to the Non-Departmental budget for City-wide telecommunications.

- A \$37,169 increase in General Fund appropriation in the Office of the Sheriff for Special Revenue Fund support of a grant that was inadvertently omitted in the FY 2010 proposed budget.

General Fund transfers with no fiscal impact

- The transfer of \$40,000 of budget authority for DASH armored car and deposit processing services from the Finance Department to Transit Subsidies where that expense occurs.
- The transfer of \$24,107 of budget authority for the Sheltercare Program from the Department of Human Services CSA program to the Other Public Safety Department Sheltercare Program.
- The transfer of \$915,782 from the Finance Department to the newly established Office of Procurement. The City Manager's reorganization was announced too late to include in the Proposed Operating Budget.
- The transfer of \$350,807 from the Office of the City Attorney (Risk Management) to the Finance Department to shift this program according to the City Manager's reorganization, which occurred too late to include in the Proposed Operating Budget.

Equipment Replacement Fund

- A \$266,518 decrease in the appropriation from the Equipment Replacement Fund in the Department of Recreation, Parks and Cultural Activities. According to the most recent fleet replacement schedule for the Department of Recreation, Parks and Cultural Activities, their FY 2010 equipment replacement budget should reflect a reduction of \$266,518.

Special Revenue Fund

- A \$139,856 increase in State revenue for the regional crisis stabilization program in the Department of Mental Health Mental Retardation and Substance Abuse. The funds were accepted by City Council on February 24, 2009, item 8, for FY 2009. The funding will continue in FY 2010 and will be used to transfer the responsibility for a regional Clinical Response Team program from the Northern Virginia Training Center to the Alexandria CSB.
- A \$242,000 increase in State revenue for the jail diversion program in the Department of Mental Health Mental Retardation and Substance Abuse. The funds were accepted by City Council on February 24, 2009, item 8, for FY 2009. The funding will continue in FY 2010 and will be used to provide services to persons with mental illness to prevent future incidence of crime and recidivism.

Capital Improvement Program

- A \$1.5 million Metro matters decrease in the appropriation to the Capital Improvement Program attributable to the \$700,000 decrease in cash capital funding for the CIP described above and the redirection of the \$800,000 in Fund Balance from the CIP to the Operating Budget described above.