

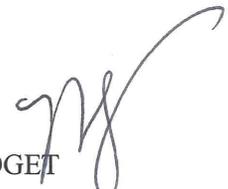
City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 11, 2014

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: RASHAD M. YOUNG, CITY MANAGER 

FROM: NELSIE L. SMITH, DIRECTOR, OFFICE OF MANAGEMENT & BUDGET 

SUBJECT: BUDGET MEMO #19 - STATUS OF CONTINGENT RESERVES

The purpose of this memorandum is to inform City Council of the status of FY 2014 Contingent Reserves in advance of the FY 2015 add/delete process.

There is currently \$864,660 remaining in Contingent Reserves, of which \$594,904 is planned to support FY 2014 and/or FY 2015 expenditures and \$269,756 is planned to be contributed to fund balance at the end of FY 2014. Aside from the Affordable Housing funding, none of the funding below will be available for projects in FY 2014 given the continued concerns with the revenue picture and our fund balance requirements. The status of Contingent Reserves is as follows:

Contingent Reserves for FY2014 / FY2015

- \$400,669 remaining of the \$950,000 originally reserved for the DCHS childcare fee subsidy program. \$549,331 has been appropriated by Council to date. The remainder was used in the FY 2015 Proposed Budget as a source of funding for the FY 2015 childcare fee subsidy program.
- \$174,235 for the Beauregard Affordable Housing Plan. Housing is developing a plan to request the release of these funds at an upcoming meeting in FY 2014 to combine with Community Development Block Grant (CDBG) funds as partial funding for an affordable housing predevelopment loan in the Beauregard area.
- \$20,000 for Community Outreach. Funds were set aside in FY 2013 and carried over into FY 2014 as a contingency for development of the community engagement policy which was approved by Council in January. Staff will come back to Council at a future date with a plan for the use of these funds.

Contingent Reserves Returned to Fund Balance

- \$222,696 for Fire Department safety improvements. Council added this funding to Contingent Reserves in May 2008 through the FY 2009 add/delete process in response to the August 25, 2007 Edsall Road high-rise fire and after-action report. The funds were placed in contingency pending completion of a Fire and EMS strategic planning process and a follow-up recommendation on the use of the funding. They have been carried over in Contingent Reserves each year since. They were previously planned to be used as a grant match for Self Contained Breathing Apparatus (SCBA) equipment, however the grant was not awarded. The CIP includes \$2.7 million for SCBA replacement in FY 2014 and 2015. The Contingent Reserves funding will return to fund balance at the end of FY 2014.
- \$42,900 for a Senior Mental Health Therapist at the Adult Detention Center. The Sheriff's Office share of this position was to be funded through prisoner per diem revenues; however, the amount of revenue actually received was insufficient to fund the position. The position is fully funded by DCHS in the FY 2015 Proposed Budget. The Contingent Reserve funding will return to fund balance at the end of FY 2014.
- \$4,160 for Sister Cities. In FY 2010, funding for the Sister Cities program in the amount of \$11,160 was considered as a budget reduction in the add/delete process but was instead transferred from the Office of Citizen Assistance to Contingent Reserves in final adoption. Council transferred \$7,000 from Contingent Reserves to support Sister Cities FY 2010 expenditures, leaving \$4,160 in Contingent Reserves. The City Manager's Office budget includes \$19,000 for Sister Cities in FY 2014 and FY 2015 as proposed. The amount in Contingent Reserves will be released to fund balance at the end of FY 2014.