

# City of Alexandria, Virginia

## MEMORANDUM

DATE: APRIL 12, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: RASHAD M. YOUNG, CITY MANAGER *19 Feb Rashad Young*

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

SUBJECT: BUDGET MEMO #20: RESPONSE TO COUNCIL QUESTIONS

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Every Friday, the Office of Management & Budget issues Budget Memos to answer questions posed by members of City Council. We will prepare the memos in a question and answer format. Below are answers to some of the questions posed thus far:

### CIGARETTE TAX (J. Chapman)

**Question:** "What is the financial impact revenue of moving the cigarette tax up to 20 cents or 25 cents?"

**Response:** The FY 2014 proposed budget includes a cigarette tax rate increase of 10 cents, from 80 to 90 cents per pack, for a revenue increase of \$334,000. Each additional 5 cents would generate approximately \$167,000; however this assumes cigarette purchases would continue at the same rate. Based on past experience, at some point price elasticity would reduce the revenue gains. If Council chooses to increase the tax higher than the current budget, staff would increase revenues by \$150,000 for each 5 cent tax rate increase, or \$300,000 for a 10 cent increase, based on a 0.5% reduction in consumption for every 1.0% increase in price.

### PARKING METERS (J. Chapman)

**Question:** "Could T&ES put together some other areas where parking meters can be installed? Maybe Mt. Vernon Ave? Further extension on Washington St.? etc?"

**Response:** Staff does not recommend installing additional meters on Mt. Vernon Avenue or Washington Street at this time. The meters in these areas would be underutilized due to the convenient free parking in residential areas of Mt. Vernon area/Washington Street area. However, there are about 100 additional parking spaces in Old Town where the City could install parking meters. The additional meters would generate an estimated \$290,000 in additional revenue. The one-

time cost to install the new meters would be \$110,000, and the cost to operate and maintain them would be approximately \$50,000 per year. Since FY 2014 would include the capital cost of installation and only a partial year of revenue, the return in that fiscal year would be limited, however the annual return in FY 2015 and beyond would be approximately \$240,000 in present dollars. Staff could add another 100 spaces if the City converted the gravel lot next to the King Street Train Station to a metered commuter parking lot for an equivalent cost and revenue amount, however this would require an alternative solution for the City employee and municipal use vehicles currently parked there. The installation of new meters would also require the addition of replacement units in future years of the CIP.

If the City extends meter hours from 7:00 pm to 9:00 as included in the proposed budget and potentially 10:00 pm as inquired about through budget deliberations and adds as many as 200 new metered spaces, an additional meter maintenance staff position would be needed. Currently two positions serve 1,300 metered spaces and 3,311 meter hours per year. The changes in hours and number of spaces under consideration could result in up to 1,500 spaces and 4,214 hours per year.

#### BIKESHARE (J. Chapman)

**Question:** “Is it possible to pay a portion of the 70k for Bikeshare or is it all or none?”

**Response:** This question will be answered as part of a forthcoming budget memorandum on proposed technical adjustments to the City’s Transportation Improvement Program (TIP) fund.

#### SPECIAL HOUSING DISTRICTS (T. Lovain)

**Question:** “I also understand that Arlington has established special affordable housing districts under Title 36 (?) of the U.S. Code. How does this work and what are some of the cost and policy considerations with it?”

**Response:** Arlington has established several special affordable housing districts under the Code of Virginia language that establishes the requirement for localities to create Comprehensive Plans. In these districts, Arlington requires the replacement of affordable housing in those districts in exchange for a large increase in density (i.e., a 3.24 Floor Area Ratio (FAR)). To obtain the rights to use this added density, a developer needs to submit a site plan (including its affordable housing element), which is much like a Development Special Use Permit in Alexandria, for consideration and approval by the County Planning Commission and the County Board. While Alexandria does not use this affordable housing district structure, it uses the Small Area Plan process, the Coordinated Development District rezoning process, and the bonus density provisions of the City’s zoning code to achieve preserved or new affordable housing. The major difference is that the resultant rezoned FAR densities in Arlington are much greater than in

Alexandria, as Arlington has generally used the affordable housing district tool in areas where much higher densities have been determined appropriate (such as the Rosslyn-Ballston subway corridor).

#### HEADQUARTERS LEASE SPACE (Mayor Euille)

**Question:** “Headquarters Lease Space: When does the current lease expire? What is the annual least cost? How many staff are at the current location? What is the reasonable amount of space needed over the next 5-10 years?”

**Response:** ACPS currently holds three facility leases: Central Office/North Beauregard, Stonewall Jackson, and Landmark Mall. The lease details are shown below:

##### CENTRAL OFFICE/ N. BEAUREGARD

Lease through June 30, 2014 with 1 one-year extensions

33,000 square feet

Total Estimated Outlay including rent and operating expenses: \$845,000/Year

##### STONEWALL JACKSON

Lease through May 31, 2013

14,250 square feet

Total Estimated Outlay including rent and operating expenses: \$297,000/Year

##### LANDMARK MALL

Lease through August 31, 2014

5,842 square feet

Total Estimated Outlay including rent and operating expenses: \$53,000/Year

#### **Central Office Relocation:**

In 2009, the Alexandria City Public School Board retained CB Richard Ellis, Inc. (CBRE) to provide real estate consulting to assist ACPS in the formulation of a real estate strategy to reduce ACPS’ current facilities cost and stabilize its long-term facilities cost.

In February 2011, ACPS staff used CBRE’s analysis as a guideline to research viable alternatives to consolidate ACPS staff from the locations around the City (2000 N. Beauregard, Burke Library, Stonewall Jackson, and George Washington) into a new location.

The ACPS Central Office staff is currently located in three main locations throughout the City: Central Office/North Beauregard, Burke Library, and the third floor of George Washington Middle School. There are currently 220 Central Office FTEs (among all the locations). The use of the City’s Burke Library is not a permanent solution as the library could utilize the 7,000 square feet currently housed by ACPS for storage and programmatic support for the library. As enrollments continue to increase at the secondary level, the 3<sup>rd</sup> floor of George

Washington Middle School will be needed for school use.

With the consolidation of all the locations and assuming a modest growth in the number of employees, approximately 68,000-78,000 usable square feet of office space is needed to accommodate an estimated 255 Central Office FTEs.

ALEXANDRIA FUND FOR HUMAN SERVICES (T. Lovain)

**Question:** “The proposed operating budget includes a 6.4% reduction in this Fund from the FY2013 approved level. How much has this Fund been cut in the past 5 years? Does the steady reduction in this Fund in recent years reflect a belief of City staff that the Fund is over-funded and should be reduced further over time? If so, please elaborate on the reasons for this belief. Doesn't the City plan to implement performance measures for Fund applicants in the near future? If so, shouldn't cuts be postponed until you have better criteria for determining how much and where to cut? Hasn't the City required Fund applicants to provide outcomes information for several years now?”

**Response:** The Alexandria Fund for Human Services (AFHS) was reduced by \$219,621, or 12.5%, in the FY 2010 Approved Budget and remained level until the FY 2014 proposed reduction of \$121,995, or 6 %. These reductions decreased the AFHS by a total of \$413,616. Over the same period of time, the Department of Community and Human Services (DCHS) reduced roughly \$8.8 million of its total general fund budget. The AFHS reductions account for 4.7% of the total DCHS reductions over this period.

The FY 2010 reduction and the proposed FY 2014 reduction do not reflect a belief that the AFHS is over-funded. The proposed budget reductions for FY 2014 were evaluated against every other proposed cut and their related impact on the outcomes, both long-term and intermediate, that help measure our success against the Strategic Plan. The reduction to AFHS was recommended because it is entirely funded with local dollars, unlike many DCHS programs that are funded with a mix of revenue streams. When programs with mixed revenue streams are reduced the total impact to DCHS exceeds just the general fund loss. Furthermore, it allowed DCHS to preserve service levels in federal and state mandated programs. Given the decision points listed above, along with the fact that this is our sixth straight year of economic challenges, the reduction to AFHS was eventually included in the Proposed Budget.

Fund applicants have been required to supply performance measures since the inception of the AFHS. Grantees are required to submit mid-year reports to gauge progress towards achieving outcomes and a final report, which provides actual accomplishments. These measures have been comparable to metrics used throughout all City departments. Similar to all other City activities, staff is in the process of determining the way in which to best align the AFHS budget and performance objectives with the outcomes in the Strategic Plan. Staff did not find

it practical to postpone reductions to the AFHS while the Strategic Plan alignment was completed because there was no rationale to treat the AFHS differently than any other City operation.

\* On page 15-4 of the FY 2014 Proposed Budget the reduction is noted as a 6.4% but this is a typo which will be corrected in the Approved Budget. The actual reduction is 6%.

#### DOMESTIC VIOLENCE SOCIAL WORKER (A. Silberberg)

**Question:** “Would the recent reauthorization of the Violence Against Women Act assist the Department of Community and Human Services with grants that could help support that domestic violence social worker? A crucial position indeed. I see that the department has an LGBTQ coordinator, and there are specific provisions in the new act that apply to services for LGBTQ individuals. If there is a possible federal grant that would save our city those dollars, I would love to see us get that grant and thereby retain this critical personnel.”

**Response:** Grant funding provided through the Violence Against Women Act must be used to supplement existing City funding and must not replace those funds that have been appropriated for the same purpose. Therefore the City cannot use funding from this source to supplant the proposed reduction. This aspect of grant funding provided by the federal government via the Violence Against Women Act has not changed with the reauthorization of that Act.

The City did receive grant funding through this Act in the mid 90’s for the start-up of the domestic violence unit within the Alexandria Police Department (APD). The Domestic Violence Social Worker position, along with one other civilian position and three officer positions, were initially funded via this grant. That funding ended in FY 2002, at which time the City stepped in with general funds to continue the program.

#### ARLANDRIA PLAN (J. Wilson)

**Question:** “Why don't we have a stand-alone CIP project for the Arlandria Plan infrastructure improvements? We have stand-alone projects for Waterfront, Landmark, Braddock, etc.” It seems as though we could deal better with the questions we get around Arlandria Plan implementation with one project in the CIP that shows existing funding, future developer funding, and unfunded efforts. Is that possible?”

**Response:** OMB has considered this recommendation. There are several initiatives currently under development that will support this recommendation. They include:

- Creating a comprehensive database of all CIP projects organized by reporting area/small area plan.

- Using the database to consider for inclusion in the FY 2015 – 2024 CIP a summary expenditure section that organizes projects by reporting area/small area plan. A companion to this section could also include a list of projects for which funded was requested, but not included in the CIP.
- Creating maps for each section of the CIP document showing the location of each projects within the City on a map organized by reporting area/small area plan.
- Continue to refine the new CIP document format, which notes City Council approved plans, plans and studies approved by various other boards and commissions, as well as internal department plans which support the implementation of projects throughout the CIP.

However, as far as having stand-alone projects for all small area plans similar to the ones mentioned above, OMB does not recommend this for these reasons:

- The projects referenced in the original question are projects for which the City is setting a reasonable expectation for implementation by budgeting a fairly small amount of planning/design/engineering money for future initiatives, as opposed to projects that have funding plans identified and designated for construction. For example, a Braddock Area Plan project was included in the FY 2013 – 2022 CIP to budget City contributions matching private development contributions. However, as two projects became defined and received development contributions for specific purposes – Streetscape Improvements and the Braddock Area Park, the original project was split into two stand-alone projects. As a project area becomes more well-defined and transitions from planning and design to the final engineering and construction phase – then it is preferable to break-out the component projects to better communicate the purpose, funding structure, link to the Strategic Plan, etc. It is then placed in the appropriate CIP document section (e.g. Braddock Area Park is located in the Recreation and Parks section of the document), which helps the document retain its logical format.
- The varying complexity of City Plans makes stand-alone plan projects cumbersome. In analyzing a hypothetical “Plan Projects” CIP format, take for example what a Beauregard Small Area Plan project would look like. On one page, there would be a fire station, a \$140 million BRT route, BRT vehicles, other street improvements (including the Ellipse and other intersection improvements), affordable housing, parks, and streetscaping totaling hundreds of millions of dollars and representing a variety of capital improvement needs. The current practice of having individual project descriptions for each capital project allows the public to better understand the intent and the need for the specific project. On each individual project page, the reporting area/small

area plan is noted. Finally, a summary section by small area plan/reporting area can be added to the expenditure summary section of the document to show the level of capital investment in the plan area over the ten-year CIP.

- It is difficult to present projects by reporting area/small area plan in summary form when projects cross multiple reporting areas. For example, bus shelters, street paving, and tree capital maintenance all will cross multiple reporting areas/small area plans. Furthermore, projects such as information technology projects or regional contributions (e.g. Peumansend Regional Jail) do not fit within any reporting area/small area plan.
- The CIP document is already organized into logical sections, so the reader can easily identify what section of the CIP a project is located (transportation, information technology, sewers, recreation and parks). The City's organization of the document is consistent with the majority of other jurisdictions reviewed. Creating "Plan Projects" would mean one project may have a transportation, recreation, and sewer project all detailed on one page, and as indicated with the Beauregard Small Area plan, could total hundreds of millions of dollars. Again, it would be preferable to have a summary expenditure section organized by reporting area/small area plan that would show the City's capital commitments by geographic area.
- "Placeholder" projects should be incorporated only if appropriate. In regards to the Arlandria plan specifically, in reviewing the attached memorandum from the Arlandria Action Plan Advisory Group, there are some capital investments in the Arlandria Small Area Plan, but they are projects that impact multiple reporting areas (bus shelters, complete streets, safe routes to schools, sharrows on Mt. Vernon Avenue). The 4 Mile Run Park and Community Building in Arlandria do not have additional funding included in the Proposed CIP, and the Del Ray/Arlandria Trolley has been eliminated. The other budget items noted in the memorandum are not capital budget items. There was a "Redevelopment of Arlandria" project in the CIP recent as FY 2012, but all funding has been allocated and future funding was not included in the CIP, so it was removed as a project in the CIP. There could be a "placeholder" project included for this plan similar to the Landmark Plan implementation (\$10,000 in FY 2023), but as specific projects were identified and funded, it would be recommended that they become stand-alone projects. OMB will review these "placeholder" projects as part of the FY 2015-2024 CIP, to determine if projects without any measurable funding should be continued to be reflected as part of a balanced ten-year plan.

In conclusion, OMB recommends continuing to pursue the creation of a summary expenditure section organized by small area plan/reporting area as the most efficient way to detail the level of capital investment within a reporting area/small area plan, rather than creating individual project pages for small area plans

throughout the CIP document. Additionally, OMB is working to incorporate a mapping element within the CIP document which will provide a visual aid that begins to address the Councilman's inquiry, illustrating the City's capital commitments across various geographic areas.

BULLYING PREVENTION COORDINATOR (J. Chapman)

**Question:** "What is the impact of the reduction in the DCHS Bullying Prevention Coordinator position?"

**Response:** Eliminating the DCHS Bullying Prevention Coordinator Position (one GS17 FTE) would save \$67,665. Until June of 2012, this was a direct service youth development counselor position that served 362 students annually with evidence-based youth development programs. When the person in that position retired, the community need was assessed and the position was subsequently reclassified to Bullying Prevention Coordinator. The program is not yet up and running and the position is currently vacant, but the primary duties of this position would be to expose youth to The Olweus Bullying Prevention Program (OBPP), the most well-researched evidence-based bullying prevention initiative available.