

# City of Alexandria, Virginia

## MEMORANDUM

DATE: APRIL 19, 2013

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

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

SUBJECT: BUDGET MEMO #24: RESPONSE TO COUNCIL QUESTIONS

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

### WARWICK POOL (April 3<sup>rd</sup> Work Session)

**Question:** Consider increasing Warwick Pool fees to fund continued operations.

**Response:** Staff identified the following potential pool admission fee increases. The revised fee rates would generate \$11,000 per summer season at Warwick Pool and \$35,000 total if applied to the Old Town and Memorial (Charles Houston) outdoor pools as well. The proposed rates below represent Recreation, Parks and Cultural Activities' (RPCA) assessment of affordability.

	Current Rate	Proposed Rate
Children (0-4)	\$0	\$1
Youth (5-17)	1	2*
Adult (18-54)	2	3*
Senior (55+)	0	2
Non-residents	3	5

\*Discounted by \$1 during the last two hours of operation.

### BUSINESS LICENSE TAX ON RENTAL HOUSING UNITS (J. Wilson)

**Question:** Sec. 9-1-88 of the City Code limits the applicability of the Business License Tax for Rental of Dwelling Units to those who rent 5 or more units. What would the revenue impact of lowering that threshold or eliminating it altogether?

**Response:** The City does not have records on how many property owners rent between one

and four dwellings (single family homes and condominiums). Those who do would need to earn at least \$100,000 in annual gross income to be required to pay the full BPOL tax. Those who do not meet the \$100,000 threshold would pay a \$50 administrative fee. It is unlikely that many, if any, rental dwellings would exceed the \$100,000 income threshold. Based on the most recent rent-price ratio from Case-Shiller, the combined property value of one to four rental dwellings would need to be over \$2.0 million to generate \$100,000 in annual rental income.

There are approximately 73,000 housing units in the City, of which 57%, or 42,000, are rental units, approximately 30,000 are rental apartments, and approximately 12,000 are rental dwellings. Property owners that rent only one dwelling are more likely to do so for reasons other than business income (stationed abroad, unable to sell, etc.). Exempting them would result in approximately 1,800 dwellings that are owned by landlords who rent from two to four properties as a business. Assuming an 80% tax compliance rate, these properties would generate approximately \$72,000 in new revenue. The collection rate assumed is lower than the rest of the City's collections (all above 90%) due to this being the first year of the program and the anticipated difficulty of collection. Because the new properties would increase business licenses handled by the Finance Department by 15%, an additional compliance position would need to be added at a cost of \$60,000, resulting in net new revenue resources of \$12,000. Additional consideration would need to be given to other regulatory concerns, such as inspections and permitting. If Council wishes to pursue this option, staff recommends further studying this to develop a detailed proposal for consideration in the FY 2015 budget.

#### REAL ESTATE TAX RELIEF OPTIONS (J. Wilson)

**Question:** What is the real estate tax relief participation and cost by income level as presented in the FY 2009 Budget Memo #34?

**Response:** The following table illustrates the real estate tax relief participation and cost by income level for FY 2008 through FY 2012, the last year of complete data. Based on FY 2012 experience, elimination of the highest income level (\$55,000 - \$72,000) would affect 161 participants and increase revenue by \$200,000. Eliminating the top two levels (\$40,000 to \$72,000) would affect 392 participants and increase revenue by \$600,000.

**Table 3: Tax Relief Administered to Various Income Groups,  
Elderly and Disabled Real Estate Tax Relief Program, 2008 - 2012**

Year	Low Income Level		Medium Income Level		High Income Level		Total
	Relief Provided*	Participants	Relief Provided*	Participants	Relief Provided*	Participants	
2008	\$2.9 million	831	\$0.5 million	278	\$0.1 million	147	\$3.5 million
2009	\$2.7 million	805	\$0.5 million	300	\$0.2 million	180	\$3.4 million
2010	\$2.7 million	769	\$0.5 million	273	\$0.2 million	196	\$3.4 million
2011	\$2.7 million	759	\$0.5 million	276	\$0.2 million	188	\$3.4 million
2012	\$2.4 million	666	\$0.4 million	231	\$0.2 million	161	\$3.0 million
<b>Total **</b>	\$13.4 million	3,830	\$2.4 million	1,358	\$0.9 million	872	\$16.7 million
<b>Percent</b>	80%	63%	14%	22%	5%	14%	100%

\* Amounts are rounded. Total relief includes exemptions, but not deferrals or administrative costs.

\*\* Number of participants include taxpayers who receive relief each year. One taxpayer could be a participant each year.

**MEALS ON WHEELS (D. Pepper)**

**Question:** “How much would it cost to add Saturday, Sunday and holiday service for Meals on Wheels?”

**Response:** Meals on Wheels currently provides service seven days of the week, including holidays. Daily service includes two meals per day: one hot and one cold. The City funds service Sunday through Friday, two Saturdays a month and two holidays with funds allocated in the DCHS operating budget. During the FY 2013 add/delete process, City Council added \$39,983 to Contingent Reserves for nine months of Sunday service (to allow three months to start up the service) and the FY 2014 Proposed Budget includes funding in DCHS for a full year of Sunday service. Senior Services of Alexandria funds the remaining two Saturdays a month and nine holidays from donations and other sources (including \$12,000 from the Alexandria Community Partnership Grant in FY 2013), for a total of 33 days. The value of the 33 days funded by Senior Services is approximately \$35,000.

The portion of the Meals on Wheels service provided by Senior Services (volunteer management for the delivery of the meals) will be bid for competitive proposals and the solicitation is expected to continue for the current number of City-funded delivery days. Staff will work with the selected vendor to determine

the feasibility of continuing the 33 days, but there is no guarantee these meals will be delivered after the conclusion of FY 2013. If the selected vendor is unable to continue to fund a portion of Saturdays and holidays in the future and the City wishes to continue service on those days, then up to \$35,000, depending on the number of days needing funding, would need to be reallocated from other programs or added to the budget.

#### CHILDCARE FEE SUBSIDIES (J. Wilson)

**Question:** “Is the City still funding Childcare Fee Subsidies for children? There is \$2.6 million proposed in the FY14 budget “to provide financial assistance with child care services to income eligible families to allow parents to work or to attend a school or education program leading to employment. It was our understanding that the Commonwealth took over this responsibility in fiscal 2013 – with the exception of funding for associated local caseworkers and staff, and a small share of TANF and Transitional Assistance.”

**Response:** Of the \$2.6 million in the Child Care Services activity, \$1.38 million comes from federal and state funds for financial assistance for child care services to income-eligible families. The Commonwealth did take over funding and service provision of the financial assistance services in FY 2013, resulting in a reduction of City revenues and expenditures in the special revenue account. That reduction was reflected in the Spring Appropriation Ordinance, which adjusted the FY 2013 Approved Budget, adopted by City Council on April 13. However, because the full details of this reduction were not fully known by the release of the FY 2014 City Managers’ Proposed Budget, staff elected to exercise caution and not reflect the reduction until further information was made available. Since the release of the FY 2014 City Mangers’ Proposed Budget staff received the necessary information and in response will adjust the FY 2014 Budget through a technical adjustment that will reduce the revenues and expenditures of the special revenue account. Because this is a reduction of revenue and expenditures within the special revenue account only, there is no impact on the General Fund Budget.

With \$1.22 million remaining in the Child Care Services activity, the Department of Community and Human Services will continue to provide case management and social work services including family assessments, service plans, ongoing support, parent education and referrals for 500 families.

#### VIRGINIA PRESCHOOL INITIATIVE (J. Wilson)

**Question:** “A follow-up on the Pre-School/Early Childhood answer (<http://alexandriava.gov/uploadedFiles/budget/info/budget2014/memos/BM9Resp onsetoCouncilQuestions.pdf#page=3>): Does the allocation of additional funds allow us to draw-down VPI (Virginia Preschool Initiative) funds? If yes, how much? Do those additional funds enable us to provide services to more children?”

**Response:** Yes, local dollars used to fund the placement of 4-year-olds in eligible VPI

classrooms will allow us to draw down \$3,000 per child in VPI funds. There are currently 28 children on the pre-school waitlist who will be four years old on September 30, 2013, the cutoff date for determining which child will go to pre-k vs. kindergarten. Though the number of children on the waitlist will continue to increase until September 30th, recent experience suggests 50% of the families will not apply and among those that do apply, 30% would be ineligible. Based on these factors, staff estimate there will be approximately 28 four-year-olds on the waitlist on September 30. VPI dollars for children in private programs are used to fund a full range of wrap-around services such as family support, health screenings, parent involvement, etc. VPI funds not needed for wrap-around services could be used to fund additional children.

#### POLICE STAFFING (T. Lovain)

- Question:**
- “1. Would you provide more details about the Budget Memo #7 item (not included in the budget proposal) on reducing the Community Policing program by \$619,728?
  2. The operating budget proposal (p. 14-37) mentions the elimination of five vacant sworn police officer positions for a saving of \$442,660. Would you please indicate where those positions are---in patrol?
  3. How many other current police officer positions are vacant, where are they, and how much do they cost?
  4. Hasn't major crime dropped by about 2/3 in the last 20 years? How much has police patrol FTEs increased in that time period? And overall Police Department FTEs?
  5. Is there a professional standard for response time and number of units responding and, if so, don't we easily exceed that standard?”

- Response:**
1. During the FY14 budget process, APD proposed the elimination of 7 Community Oriented Policing (COPS) officers. This would have reduced the COPS unit from 14 positions to 7. One COPS officer would be removed from the James Bland, Samuel Madden, Inner City, Lynhaven, and Arlandria neighborhoods and two COPS officers would be removed from the West End.

This reduction was proposed as part of a City-wide reduction process. The COPS program is an important crime prevention tool for the City of Alexandria. Reduction of the COPS unit would have a noticeable impact on policing services. Calls for service would significantly increase in the COPS neighborhoods, resulting in an overall reduced capacity to respond to low level crime issues or requests from citizens.

2. Page 14-37 of the operating budget references the five sworn positions that are proposed to be eliminated in FY 2014. The five proposed positions to be eliminated include one Vice Narcotics Detective, two Motor Officers, and two Tactical Anti-Crime Unit Officers. Officers currently occupying these positions will be transferred to patrol functions.

3. There are currently no sworn vacancies within the Alexandria Police Department. However, APD anticipates five vacancies to occur by the end of FY13 due to an attrition rate of 2 sworn officers per month.

4. Since 1993, Part I crime has decreased by 60.6 percent. During the same period, APD's sworn staffing increased by 51 officers or 19.9 percent. Increases in sworn staffing can be attributed to the addition of officers necessary to maintain minimum staffing requirements. In addition, sworn staffing increases were due to development of specialized units funded through grants. Examples include the domestic violence unit, school resource officer unit, community oriented policing program (COPS), and specialized assignments related to homeland security issues. In addition, during this time period, APD's non-sworn staffing decreased by 3, or -2.7%, due largely to the establishment of the Department of Emergency Communications in FY 12.

5. There is not a professional standard regarding response times for emergency and non-emergency police services. Response times vary significantly across the country as there are too many variables in which to make comparisons or averages. The Alexandria Police Department is accredited through the Commission on Accreditation for Law Enforcement Agencies (CALEA) and adheres to their polices and recommendations. CALEA only requires agencies to record their response times.

An evaluation of our response times for all calls for service over a 6 year period (2005 – 2012) indicates an average of 7.6 – 8.8 minutes. This average represents both emergency calls for service (3.15 – 3.73 minutes) and immediate calls for service (5.46 – 6.79 minutes). Once a call is dispatched to an officer, the number of officers sent is determined by the type of call and predetermined policy. The minimum number of officers dispatched to a call for service is 2 officers. The use of a backup officer on calls for service is a standard practice and adheres to training and officer safety practices. Additional officers may be dispatched to meet the needs of the incident.

#### BURIAL GROUNDS AT FORT WARD (J. Chapman)

**Question:** “Can you add more information about the costs to continue the work on the burial grounds at Fort Ward? What are the next steps, and the breakdown of the costs for the next steps? Please add as a budget memo.”

**Response:** In the current fiscal year, with support from the Departments of Recreation, Parks and Cultural Activities and Transportation and Environmental Services, the Office of Historic Alexandria (OHA) has largely completed three stages of an archaeological survey at Fort Ward Park. A total of \$200,000 has been provided to date to complete stage 1, 2A, and 2B. Stage 2B is still active and is expected to be completed by June 2014.

A Stage 3 project to continue the archaeological survey has been recommended and is estimated to cost \$145,000. However, OHA will be unable to implement and manage a full Stage 3 in FY2014 due to other projects now under construction. OHA indicated that the project can be deferred to 2015 or a future year with no negative impact on potential gravesites or park cultural resources. If additional funds were added in FY 2014, OHA suggests consideration of a reduced request of \$75,000 to do the following:

OHA Archaeologist Labor and Supply Costs (potential grave areas, house sites, parking lots)	\$55,000
Trenching/TES Equipment	\$10,000
Ground Restoration (regarding seeding)	\$10,000
<b>TOTAL FY 2014 Request</b>	<b>\$75,000</b>