

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 7, 2006

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: BUDGET MEMO #91: TWO PERCENT EXPENDITURE REDUCTION
OPTIONS PROPOSED BY CITY DEPARTMENTS AND NOT
RECOMMENDED

As I earlier indicated in Budget Memorandum #14, I asked the 14 largest City departments to provide possible budget reduction options equal to two percent of their FY 2006 General Fund budget (a total of \$4.8 million).¹ As I said in Budget Memorandum #14,

“I have not recommended the other \$2.8 million in expenditure reductions for your consideration because they did not seem to me to either realistic or advisable given the strategic goals and priorities of the Council or the expectations of the community for the continuation of essential services. If Council wishes me to generate additional options to reduce spending below those already identified to reach the lower, alternative budget target, City staff stands ready to do.”

Subsequently at the March 20 work session Council requested additional expenditure reduction options that would enable a five percent growth budget. I have provided those five percent budget options in Budget Memorandum #50.

¹This budget exercise did not generate a total budget equal to 98 percent of last year's budget for these departments because simultaneously a number of other adjustments were being made in their budgets to recognize increasing costs necessary to maintain current services and policies. Nevertheless, the proposed budget did incorporate \$2.1 million in budget reductions composed of these ideas and other budget reductions from other departments. I also proposed that an additional \$0.7 million of these reductions be considered as options to meet the lower, alternative budget target. We discussed these reductions with Council at the March 20, 2006 work session.

Unfortunately, misunderstandings and confusion may continue to exist about what options were developed by Departments in response to my request (found in its entirety in Budget Memorandum #14), and why not all of these options were passed on to City Council. Although I believe that budget work papers that represent the internal policy deliberations of City staff should not be publicly disclosed, I believe that a voluntary disclosure of a list of the most significant options proposed by City departments but not recommended for Council consideration would clarify the nature of our internal deliberations and staff analysis.²

As I said in my budget message about options I have proposed for consideration, “Although they are not painless, I believe they are reasonable ones to consider.” The options below were generated by City Departments in response to my request for possible ways to reduce the budget that each Department might consider least objectionable from a Departmental point of view. I have to look at these ideas from City-wide perspective, including their effects on City Council strategic goals, cross-cutting impacts on other departments, and negative effects on the residents of Alexandria. For those reasons generally, I did not consider them reasonable to propose for further consideration by City Council. However, they do indicate the types of options that might be required to reduce the budget below a five percent growth rate toward a three percent growth rate, along with options for severe reductions in currently proposed funding for City and School employee compensation funding and School operating programs.

Public Safety Services for City Residents

- Eliminate the Gridlock Reduction Program that provides police presence at selected intersections in the City during rush hour to direct traffic. (Proposed Savings – \$100,000) The proposed budget did not recommend this reduction because traffic congestion is a serious problem in parts of the City.
- Eliminate the expanded funding for the Hack Inspectors Office necessary to administer the Taxi Cab regulation reforms implemented by City Council. (Proposed Savings – \$200,000) The proposed budget did not recommend this reduction because expansion of the Hack Inspectors Office – as approved by City Council in the FY 2006 budget – is essential to implementation of these reforms.
- Eliminate overtime for 5 of 6 School Resource Officers. (Proposed Savings – \$40,000) The proposed budget did not recommend this reduction because these officers perform a significant and valuable service in coordinating with Alexandria City School Personnel and communicating regularly with students.

²The rejected options listed in this memorandum sum to \$2.2 million. Some of the other options considered but rejected are not listed here because they would not be possible to implement in FY 2007, the savings proposed were too speculative to be actually realized, or the savings were significantly overstated and lesser, more realistic amounts were actually proposed.

- Discontinue 9 officers being funded by COPS Anti-Terrorism Grant when the funding ends later in FY 2006. (Proposed Savings – \$200,000) The proposed budget did not recommend this reduction because these officers provide on-the-street public safety services to the City residents and their elimination would be directly contrary to the action taken by Council in the FY 2006 budget process to increase Police patrol staffing by 14 positions to provide adequate staff for this crucial public safety function.
- Eliminate overtime costs associated with Special Operations and Tactics (SOT) /Paramedic training. (Proposed Savings – \$20,000) The proposed budget did not recommend this reduction because such training serves a useful purpose in coordinating our response to difficult law enforcement situations that sometimes arise.
- Postpone payment of depreciation costs into the equipment replacement fund for future replacement of Fire vehicles. (Proposed Savings – \$194,000) The proposed budget did not recommend this reduction because such a reduction would endanger the ability of the Fire Department to fund necessary and timely replacement of some of its fleet of vehicles and other equipment in the future.
- Close the Fuel Island at the Public Safety Center. (Proposed Savings – \$22,200) The proposed budget did not recommend this reduction because this fuel island is necessary for efficient public safety fleet operations.
- Freeze two vacant management positions in the Fire Department. (Proposed Savings -- \$193,000) The proposed budget did not recommend this reduction because the Fire Department is in need of these management resources. Also, it should be noted that one of these positions has since been filled since the idea was first proposed by the Department.

Social Services for City Residents

- Reduce JobLink seasonal staff used to support Summer Youth Program. (Proposed Savings -- \$16,620) The proposed budget did not recommend this reduction because the Summer Youth Program performs an important function in providing youth with positive and constructive experiences when school is not in session.
- Reduce funds to support in-home companion services for the elderly. (Proposed Savings – \$100,000) The proposed budget did not recommend this reduction because services to this segment of the population were deemed high priority and Council recently approved an increase in funding in FY 2006.
- Reduce the rental component of the General Relief Program and funding for the Emergency Shelter Program. (Proposed Savings -- \$33,259) The proposed budget did

not recommend this reduction because \$10,500 of these funds leverage \$17,500 in grant funds for rent, and because it would reduce the number of families eligible for rental assistance to prevent evictions.

- Close the Sober Living Unit Program. (Proposed Savings – \$232,264) The proposed budget did not recommend this reduction because this program is recognized as a model program providing necessary treatment and counseling of inmates to help reduce the likelihood of recidivism.
- Reduce funding for the Parent and Infant Education Outreach Program. (Proposed Savings – \$61,002). The proposed budget did not recommend this reduction because this program supplements a partially-funded federal mandate of evaluating all children within 45 days of referral.
- Eliminate funding for urine screening for Alexandria Community Shelter. (Proposed Savings – \$11,734) The proposed budget did not recommend this reduction because it would simply shift the cost of providing this service to the non-profit operating the shelter, which provides a valuable service for homeless Alexandria residents.

Library, Recreation, and Cultural Affairs Services for Residents

- Close the Lee Center facility and the Durant Center facility at 9:00 pm except when a fee is paid to keep the Center open past 9:00 pm. (Proposed Savings -- \$15,500) The proposed budget did not recommend this reduction because we are moving in the other strategic direction in trying to make recreation centers more available to the public and our youth, not less available.
- Close four of the least attended summer playground sites, James Mulligan, Maury, Warwick and Stevenson Park. (Proposed Savings – \$27,000) The proposed budget did not recommend this reduction because we should look first at ways to attract more children to their activities before we propose eliminating them.
- Reduce Library hours and Purchase of Library Materials. (Proposed Savings – \$139,269) The proposed budget did not recommend this reduction because the City is not at such an extreme financial crisis where such options as reducing Library hours or reading materials are necessary to consider.
- Reduce City-sponsored special events requiring Police overtime (at least 2 major parades). (Proposed Savings – \$30,000) The proposed budget did not recommend this reduction because the City's support for currently scheduled celebrations and parades are an important part of community building, civic pride and economic development.

Transportation and Environmental Services for Residents

- Eliminate leaf collection and mulch program. (Proposed Savings – \$152,400) The proposed budget did not recommend this reduction because this is a service that City residents have come to expect and rely on and it increases the solid waste recycling rate in furtherance of the City’s solid waste recycling goals. Rather than reducing this program, more may need to be spent in order to improve service delivery in this program. (A separate budget memorandum will be forthcoming on this topic.)
- Reduce Frequency of Paving City streets. (Proposed Savings – \$193,426) The proposed budget did not recommend this reduction because the budget needs to provide sufficient funds to maintain essential City infrastructure, such as funds for street paving.

City Equipment and Personnel Training and Benefits

- Further reduce the number of personal computers being replaced. (Proposed Savings -- \$80,000) The proposed budget did not recommend this reduction because I have already proposed a more modest reduction in this program to reach the lower, alternative budget, and further reductions would interfere with the efficiency and effectiveness of City employees.
- Reduce employee tuition assistance and training. (Proposed Savings -- \$35,000) The proposed budget did not recommend this reduction because employee tuition assistance and training provides an important mechanism for improving the efficiency of City services and the quality of services provided to City residents.
- Eliminate employee transit benefits. (Proposed Savings -- \$141,480) The proposed budget did not recommend this reduction because such benefits are not only a part of total compensation package, but they provide encouragement for City employees to use transit and not contribute to traffic or parking congestion.