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2-10-09

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 10, 2009
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: BUDGET MEMO #3: ADDITIONAL FY 2009 BUDGET REDUCTIONS

On November 19, 2008, City Council adopted Resolution 2303, which requires the City Manager to identify an additional \$2 million of sustainable cuts to the FY 2009 Operating Budget as part of the budget presentation.

The attached list identifies and describes \$2 million in proposed additional reductions. Specifically, the proposed reductions include:

- \$1,008,090 in anticipated salary and benefit savings in FY 2009 due to the ongoing hiring freeze;
- \$320,000 in reductions to the City's General Fund contribution to WMATA due to State mass transit revenues exceeding expectations in FY 2009;
- \$520,000 in departmental reductions proposed for FY 2010 that can be implemented in FY 2009; and
- \$152,000 in fee increases proposed for FY 2010 that could be implemented in FY 2009.

Attachment

Expenditure Reductions

Activity	Reduction Option	FY 2009 Savings
City-Wide	<i>Additional Personnel Savings</i>	(\$1,008,090)
Anticipated savings in salaries and benefits which are expected to occur for the remainder of FY 2009 due to the hiring freeze and lower projected worker's compensation costs.		
Total		(\$1,008,090)

Circuit Court

Activity	Reduction Option	FY 2009 Savings
Various	<i>Non-Personnel Costs</i>	(\$1,248)
The 18th Circuit identified \$1,248 to be reduced due to actual expenditure trends.		
Total		(\$1,248)

General Services

Activity	Reduction Option	FTE's	FY 2009 Savings
High Speed Copying	<i>Mailroom Copy Machine</i>		(\$29,167)
This reduction will result from the replacement of the current mail room copy machine with a smaller copy machine. An analysis revealed that a machine with the capacity and speed of the existing machine was no longer required. This determination was based on the average impressions, or copies made per month. The new, smaller machine will provide the capacity and speed required for the mailroom but at a much lower cost. This is an efficiency reduction and will not adversely impact service.			
Facilities, Elevators, and Life Safety	<i>City Marina Security</i>		(\$17,917)
This reduction will decrease uniformed security guard services at the City's marina. Currently, a uniformed security guard is present on weekends year round. With this reduction, a security guard will be present only on weekends from April to October.			
Fleet Operations and Maintenance	<i>Account Clerk III</i>	(1.00)	(\$32,456)
This reduction will eliminate an Account Clerk III position responsible for the processing of payments against contracts and utility accounts. The loss of this position may result in a delay in timely processing of payments. In addition, senior management positions will have to assume these responsibilities. This impact, however, will be partially mitigated by the automated payment of electrical bills through the newly activated energy management software.			
Vehicle Operations and Maintenance	<i>Fleet Services Technician I</i>	(1.00)	(\$30,752)
This reduction will eliminate a Fleet Services Technician II position. This service reduction may be partially offset by the pilot "No Cost Apprentice Program" currently being explored with JobLink, as well as possible consolidations or sharing of resources with the Fire Department and the Department of Recreation. Additionally, more contracting of labor-intensive activities will yield reduced cost and maximize efficiency of remaining staff.			
Total			(\$110,292)

The Office on Women		
Activity	Reduction Option	FY 2009 Savings
Hotline Services This reduction eliminates general fund monies used to pay for three leased parking spaces for on-call hotline staff. The cost of the parking spaces will be paid for with donations.	<i>Leased Parking Spaces</i>	(\$960)
Alexandria Campaign on Adolescent Pregnancy This reduction will eliminate funds used for advertising the text message line and website. This reduction is expected to result in a significant decrease in the number of contacts with the youth community. However, the OOW plans to increase use of social networking sites such as My Space and Facebook to advertise ACAP services in order to mitigate the impact of this reduction.	<i>Advertising</i>	(\$10,000)
Total		(10,960)

Code Administration		
Activity	Reduction Option	FY 2009 Savings
Existing Property Inspections This reduction will eliminate certified mailings. This is an efficiency reduction and will not result in a service impact.	<i>Eliminate Certified Mailings</i>	(\$1,000)
Various This reduction will decrease funds for overtime expenses. Staff assigned to special events and other activities will alter their 8 hour workday around these events. This will impact routine inspection capacity, which will be reduced. In addition, complaint inspections response times will be somewhat delayed.	<i>Flex-time in Lieu of Overtime</i>	(\$1,500)
Total		(\$2,500)

Economic Development		
Activity	Reduction Option	FY 2009 Savings
Technology Achievement Award Funding for the Technology Achievement Award is eliminated in FY 2009 as the program is being re-thought.	<i>Reduce Funding Level by 100%</i>	(\$26,700)
Total		(\$26,700)

Library		
Activity	Reduction Option	FY 2009 Savings
Administration	<i>Eliminate Mailing of Courtesy Notices</i>	(\$1,100)
A cost-saving initiative that can be easily implemented is to cease mailing courtesy overdue notices and instead focus on email and telephone notifications. The resulting savings of no longer mailing overdue notices through standard mail is \$1,100 for the remainder of FY 2009.		
Total		(\$1,100)

T&ES		
Activity	Reduction Option	FY 2009 Savings
Design Management		(\$55,000)
The following reductions have been made in the capital projects design management activity:		
- Funding for temporary employees is reduced (\$15,000). -		
Fees for outside consultant assistance with project design are reduced (\$40,000).		
Total		(\$55,000)

Finance			
Activity	Reduction Option	FTE's	FY 2009 Savings
Payment Processing	<i>Eliminate Supervisory Account Clerk position</i>	(1.00)	(\$20,000)
The responsibilities of the position include collection of non-sufficient funds payments and reconciliation of credit card payments and other electronic payments. These tasks will have to be covered by existing personnel as time permits. It is expected that the position elimination will increase the average number of payments processed by around 7% among remaining staff.			
Total			(\$20,000)

Department of Human Services		
Activity	Reduction Option	FY 2009 Savings
Early Childhood Services	<i>Emergency Day Care</i>	(\$49,226)
<p>The Crisis Child Care Program provides child care for parents of children in the shelter, while they look for work, take employment tests or work while awaiting subsidy in the fee system. It is anticipated that this reduction would result in an increase in the length of stay for families in the shelter if parents do not have an much ability for job search as a result of lack of child care.</p>		
Aging and Adult Services	<i>Social Worker Supervisor</i>	(\$22,860)
<p>This position will be held vacant for the remainder of FY 2009.</p>		
Total		(\$72,086)

Office of Historic Alexandria		
Activity	Reduction Option	FY 2009 Savings
Lyceum	<i>Part-time Receptionist Phone Operator</i>	(\$11,625)
<p>This part-time positions will now be funded out of OHA's retail sales account rather than the General Fund.</p>		
Total		(\$11,625)

Transit Subsidies		
Activity	Reduction Option	FY 2009 Savings
WMATA	<i>Use of additional state transportation revenues</i>	(\$320,000)
<p>Reduce General Fund contribution for WMATA operating subsidy by offsetting with current year state mass transit revenues earned by the Northern Virginia Transportation Commission (NVTC) which have exceeded expectations.</p>		
Total		(\$320,000)

Non-Departmental		
Activity	Reduction Option	FY 2009 Savings
Non-Departmental	<i>Public Safety Radio</i>	(\$40,000)
Costs of public safety radio maintenance are running lower than expected. Therefore, funds can be reduced in FY 2009.		
Non-Departmental	<i>Non-Personnel Absorptions & Efficiencies</i>	(\$21,399)
These reductions are being taken as a result of efficiencies and absorption of costs in other departmental budgets.		
Non-Departmental	<i>Waste-to-Energy Rebate</i>	(\$80,000)
The rebate of Waste-to-Energy plant property taxes, as per the Waste Disposal Trust Fund Agreement between Alexandria and Arlington County, dated October 1, 1985, is reduced by \$80,000 to reflect the actual City obligation.		
Non-Departmental	<i>Claims against City</i>	(\$67,000)
There is a lower than expected volume of claims against the City assumed in the FY 2009 budget. Therefore, funds can be reduced.		
Total		(\$208,399)
Total FY 2009 Savings		(\$1,848,000)

Fee for Services		
Finance		
Activity	Fee Proposal	FY 2009 Increase
Billing & Paying Vendors/Employees	<i>Garnishment Admin Recovery fee</i>	\$2,000
State Code allows cost recovery fees to be charged for a limited number of garnishment payments. The fees are roughly \$5 per pay period per order in addition to a one time set up fee of \$10 for garnishment orders and \$10 for court fees and fines.		
Total		\$2,000

Code Administration		
Activity	Fee Proposal	FY 2009 Increase
Various	<i>Increase in Fees</i>	\$55,000
This proposal is a placeholder and represents a proposed across the board fee increase in order to recover more of the costs of Code Services from the users of those services. Code Administration has hired a consultant to study and will make recommendations to increase the current fee structure. Results of this study are expected in April. At that time, a more detailed accurate fee increase estimate will be provided.		
Total		\$55,000

Police		
Activity	Fee Proposal	FY 2009 Increase
Parking Enforcement	<i>Operation Bootstrap</i>	\$60,000
The Police Department will be conducting a special program called Operation Bootstrap. In cooperation with Finance staff, Parking Enforcement Officers use automated citation devices to compile a list of vehicles with multiple unpaid parking violations. The vehicles are then immobilized with a boot, or impounded, until the vehicle owner pays the City the accrued fines. While the Police Department has always booted vehicles with multiple unpaid parking tickets, this is a more targeted effort.		
Total		\$60,000

Library		
Activity	Fee Proposal	FY 2009 Increase
All	<i>Late Fee Increases</i>	\$35,000
<p>The Alexandria Library is proposing fine and fee increases. They believe it is the appropriate time to consider these cost recovery opportunities because of the budget challenges and the fact that libraries in neighboring jurisdictions are also taking into account the need to propose fee increases.</p> <p>Fines and fees changes include: (1) Adult late fines (from 25 cents to 35 cents per day) (2) Juvenile late fines (from 10 cents to 20 cents per day) (3) Videos/DVD late fines (from 25 cents to 35 cents per day) (4) Engravers late fines (from 25 cents to 35 cents per day) (5) Photocopy Use (from 15 cents to 25 cents per copy) (6) Computer Printout (from 15 cents to 25 cents per printout) (7) Interlibrary Loans (from \$3.00 to \$5.00 per item) Other fee adjustments include reducing the value on debit cards to \$1.00 from \$1.05 with the patron still being charged \$1.00 for the card, charging \$2.00 for headphones, creating a \$1.00 guest pass for internet users who have no library card, and increasing the ongoing booksale prices to \$1.00. Alexandria Library's fines and fees have remained constant for numerous years and even with these minor increases, the library can still be considered a bargain.</p>		
Total		\$35,000
Total FY 2009 Fee Increases		\$152,000