

**FY 2027 Budget Memo Question Response Worksheet
(Internal Use Only)**

Title	Requestor	Assigned to
FY 2027 Revenue Re-Estimate & Technical Adjustments for Add/Deletes	Morgan Routt	Amanda Hamm Morgan Routt

Question:

Please provide a summary of Revenue Re-Estimates and Technical Adjustments for Add/Delete and recommendations for use of additional revenues.

Response:

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 27, 2026

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES PARAJON, CITY MANAGER

THROUGH: MORGAN ROUTT, DIRECTOR, OFFICE OF MANAGEMENT & BUDGET

SUBJECT: FY 2027 REVENUE RE-ESTIMATE, TECHNICAL ADJUSTMENTS FOR ADD/DELETE

The purpose of this memorandum is to inform City Council of the technical budget adjustments proposed by staff as part of the add/delete process, as well as provide an update on staff's revenue recommendations. This presents the final revenue and expenditure update before the add/delete process.

The sum of revenue re-estimate and technical adjustment expenditure changes provide a net General Fund gain of \$337,000. This is in addition to the \$250,000 in one-time Council Contingency funding in the FY 2027 proposed budget.

The major changes from the proposed budget are reflected in the chart below and discussed on the following pages.

General Fund	
Revenues	
Revenue Re-estimates	\$ 1,000,000
Total Revenue Adjustments	\$ 1,000,000
Expenditures	
Transfer of Special Events Funding from Visit Alexandria to RPCA	\$ (187,000)
Municipal Fiber Network Maintenance and Repair Services	\$ 143,000
Health Department Community Engagement Manager Position	\$ 100,000
Health Department Environmental Outreach Position	\$ 100,000
Health Department Retirement Savings	\$ (150,000)
Energy Contingency	\$ 700,000
DCHS Grant Adjustments	\$ (71,000)
State Minimum Wage for Summer Youth Employment	\$ 28,000
Total Expenditure Adjustments	\$ 663,000
Net General Fund Position	\$ 337,000

General Fund Revenue Changes

Annually, City staff re-estimates current fiscal year and subsequent fiscal year revenues based on additional months of collection data. The result of those projections shows an overall increase of \$1,000,000 compared to the amount estimated in the City Manager’s Proposed Budget.

The table below reflects the change in FY 2027 revenue estimates from February to March. This increase is primarily due to higher-than-anticipated FY 2026 tax collections for vehicle personal property, driven by a delay in assessments resulting from the implementation of the new billing software system. The revised estimate assumes the issuance and collection of additional supplemental assessments in FY 2026 and supports an increased revenue re-estimate for FY 2027.

Changes from February General Fund Revenue Estimates	FY 2027
Vehicle Personal Property Tax	\$ 1,000,000
Total	\$ 1,000,000

General Fund Expenditure Changes

The following FY 2027 expenditure budget changes summarized in the table on page one were identified too late to include in the proposed budget or were identified after the proposed budget was released.

Transfer of Special Events Funding from Visit Alexandria to RPCA	\$ (187,000)
Municipal Fiber Network Maintenance and Repair Services	\$ 143,000
Health Department Community Engagement Manager Position	\$ 100,000
Health Department Environmental Outreach Position	\$ 100,000
Health Department Retirement Savings	\$ (150,000)
Energy Contingency	\$ 700,000
DCHS Grant Adjustments	\$ (71,000)
State Minimum Wage for Summer Youth Employment	\$ 28,000
Total Expenditure Adjustments	\$663,000

Transfer of Special Events Funding: This movement reflects the transition of event responsibilities from Visit Alexandria to the City’s Department of Recreation, Parks, & Cultural Activities (RPCA). As the City expands its role in coordinating community events such as the Scottish Walk and Boat Parade, and continues to provide logistical support for similar activities, additional resources are necessary to ensure high-quality execution. During the FY 2027 budget development process, \$100,000 in ongoing funding and \$50,000 in one-time support were programmed into RPCA’s budget; however, the corresponding reduction in Visit Alexandria’s budget was omitted.

Municipal Fiber Network Maintenance and Repair Services: These services were not included in the proposed FY 2027 budget because the procurement process was not finalized at the time of preparation. The Information Technology Services (ITS) Department will continue to fund the fiber maintenance and repair contract with CIP funding through the end of FY 2026, after which the Department of Transportation & Environmental Services (T&ES) will assume responsibility for the contract as an operating expense.

Health Department Community Engagement Manager Position: The FY 2027 proposed budget document included the addition of General Fund support for one full-time Community Outreach Manager position, previously grant-funded by the State. At the time of budget preparation, the information was included in the budget narrative but was inadvertently excluded from the department’s expenditure totals. This recommended adjustment would add \$100,000 to the Health Department’s budget to fund the approved position.

Health Department Environmental Outreach Position: The FY 2027 proposed budget included the elimination of one vacant Environmental Health Outreach position. Following the release of the proposed budget, the department requested the restoration of this position. This recommended adjustment retains and funds the position using \$100,000 from within the Health Department's proposed budget.

Health Department Retirement Savings: In order to fund the position restoration request noted above, OMB collaborated with Health Department staff to identify underutilized funds to help offset the associated costs. These funds, originally budgeted for supplemental retirement contributions for State employees, can be reduced without adversely affecting the ongoing support of the benefit.

Energy Contingency: After the finalization of the proposed budget in February 2026, the City was notified by its electricity purchasing partner, the Virginia Energy Purchasing Governmental Association (VEPGA), of a significant proposed rate increase. VEPGA is currently negotiating with Dominion on the City's behalf. Since final rates will not be determined until after the FY 2027 budget is approved, staff recommend allocating funds to an energy contingency pending confirmation of a final rate increase.

DCHS Grant Adjustments: Grant expenses for the Virginia Department of Social Services' (VDSS) Joblink and Child Protective Services programs were budgeted with offsetting City matching funds. Further review determined that expenses would instead be paid with State and Federal reimbursements, reducing the necessary General Fund contribution by \$71,000.

State Minimum Wage for Summer Youth Employment: In its 2026 legislative session, the State General Assembly passed a bill increasing the minimum wage from \$12.41 per hour to \$12.77 effective January 1, 2026, with a further increase to \$13.75 scheduled for January 1, 2027. These increases will have no impact on most City employees and contracts as the City's living wage rate is \$15.00, however, it will increase the wage paid to youth employed by the City through the Department of Community and Human Services (DCHS) Summer Youth Employment program. This recommended adjustment will fund both calendar year 2026 and 2027 minimum wage increases for FY2027. Without this adjustment, the summer youth employment program would continue, but at the current funding level, it would serve fewer youth.

Non-General Fund Revenue & Expenditure Changes

The following FY 2027 non-General Fund revenue and expenditure changes were identified after the proposed budget was released and are recommended as technical adjustments in the final approved budget.

Non-General Fund Adjustments		
	Revenue	Expenditures
Potomac Yard Real Estate Re-estimate	\$ 218,441	\$ 218,441
Removal of Land Record Fee Budget	\$ (65,000)	\$ (65,000)
Removal of Duplicative Finance Position	\$ (97,799)	\$ (97,799)
VDOT Employer Outreach Grant Adjustment	\$ 2,193	\$ 2,193
Transit Access & Amenities Program Local Match	\$ 160,000	\$ 160,000
Total Adjustments	\$ 217,835	\$ 217,835

Potomac Yard Real Estate Re-estimate: The Potomac Yard special tax district real estate tax revenues for the first and second halves of the fiscal year were updated to reflect assessment increases not reflected in the proposed budget. These revenues are recorded in fund balance and are used to fund related operating costs and debt service associated with the financing of the Potomac Yard Station.

Removal of Land Record Fee Budget: The FY2027 proposed budget contained \$65,000 in Other Special Revenue Funds revenue. The Clerk of the Circuit Court collected Land Record fees previously to fund their digitization of court records project, but they no longer do so.

Removal of Duplicative Finance Position: The FY 2027 proposed budget contained a duplicative Deputy Retirement Administrator position in the Finance Department. The duplicative position does not need to remain in the system and is funded through Other Special Revenue funds. Removing this position decreases Other Special Revenue's revenue and expenditures by \$97,799.

VDOT Employer Outreach Grant Adjustment: The grant award was increased by the federal grantor, along with a corresponding increase in the state match; however, the City was notified of these changes after the proposed budget had been finalized. The additional funds will support seasonal staffing under the grant.

Transit Access & Amenities Program Local Match: Following the presentation of the Proposed FY 2027–FY 2036 CIP, City staff identified that an awarded grant for the Transit Access & Amenities Program did not include a programmed local match in FY 2027. Staff recommend funding the required local match through the GO Alex Fund. The addition of this local match will increase both revenues and expenditures in the GO Alex Fund by \$160,000.

FY 2027 – FY 2036 Capital Improvement Program (CIP) Revenue & Expenditure Changes

The following CIP project changes were identified after the proposed FY 2027 – 2036 CIP was released and are recommended as technical adjustments in the final Approved FY 2027 – 2036 CIP.

Capital Project Funds

Technical Adjustment	FY 2027	FY 2027 - FY 2036
Alexandria Mobility Plan	\$ -	\$ 27,296
Capital Bikeshare	\$ -	\$ 1,000,000
DASH Upper Deck Repairs	\$ 4,682,895	\$ 4,682,895
Duke Street at Route 1 Safety Improvements (Unsecured Grant)	\$ -	\$ (3,200,000)
Duke Street at Route 1 Safety Improvements (Secured Grant)	\$ -	\$ 3,200,000
Duke Street and West Taylor Run Safety Improvements	\$ 830,614	\$ 830,614
Safe Routes to School	\$ -	\$ 261,378
Smart Mobility Implementation	\$ 38,974	\$ 38,974
Transit Access & Amenities	\$ 160,000	\$ 160,000
Transportation Project Planning	\$ -	\$ 1,000,000
Total Expenditure Adjustments	\$ 5,712,483	\$ 8,001,157

Transportation (Updated Grant Funding Schedules and Amounts)

Subsequent to the presentation of the Proposed FY 2027 – FY 2036 CIP, the City has been informed of additional grant awards or adjustments for transportation projects. These grant adjustments include:

- Notification of FY 2032 Congestion Mitigation and Air Quality (CMAQ) / Regional Surface Transportation Program (RSTP) funding awards for the Capital Bikeshare, Duke Street at Route 1 Safety Improvements, and Transportation Project Planning projects;
- Notification of minor grant CMAQ/RSTP adjustments for Smart Mobility Implementation, Safe Routes to School, and Alexandria Mobility Plan projects;
- Notification of additional SmartScale funding awarded for Duke Street & West Taylor Run Safety Improvements project; and
- Award of a state MERIT grant to support DASH Facility Rehabilitation project.

Details of impacts on individual projects are listed below:

Alexandria Mobility Plan

	Prior Appropriations	Year 1 Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
CMAQ/RSTP	-	-	870,071	870,071
Subtotal (Proposed)	-	-	870,071	870,071
<u>Technical Adjustments</u>				
CMAQ/RSTP	-	-	27,296	27,296
Subtotal (Technical Adjustments)	-	-	27,296	27,296
<u>Updated Funding Plan</u>				
CMAQ/RSTP	-	-	897,367	897,367
Updated Funding Plan Total	-	-	897,367	897,367

Capital Bikeshare

	Prior Appropriations	Year 1 Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
Cash Capital	27,875	-	-	27,875
Private Capital Contributions	220,000	200,000	-	420,000
State/Federal Grants	7,249,365	-	-	7,249,365
TIP	691,991	-	-	691,991
Subtotal (Proposed)	8,189,231	200,000	-	8,389,231
<u>Technical Adjustments</u>				
State/Federal Grants	-	-	1,000,000	1,000,000
Subtotal (Technical Adjustments)	-	-	1,000,000	1,000,000
<u>Updated Funding Plan</u>				
Cash Capital	27,875	-	-	27,875
Private Capital Contributions	220,000	200,000	-	420,000
State/Federal Grants	7,249,365	-	1,000,000	8,249,365
TIP	691,991	-	-	691,991
Updated Funding Plan Total	8,189,231	200,000	1,000,000	9,389,231

DASH Upper Deck Repairs

	Prior Appropriations	Year 1 Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
Cash Capital	140,541	-	-	140,541
GO Bonds	3,000,000	-	-	3,000,000
NVTA 30% Funds	2,100,000	-	-	2,100,000
Subtotal (Proposed)	5,240,541	-	-	5,240,541
<u>Technical Adjustments</u>				
State/Federal Grants	-	4,682,895	-	4,682,895
Subtotal (Technical Adjustments)	-	4,682,895	-	4,682,895
<u>Updated Funding Plan</u>				
Cash Capital	140,541	-	-	140,541
State/Federal Grants	3,000,000	4,682,895	-	7,682,895
TIP	2,100,000	-	-	2,100,000
Updated Funding Plan Total	5,240,541	4,682,895	-	9,923,436

Duke Street at Route 1 Safety Improvements

	Prior Appropriations	Year 1 Capital Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
NVTA 30% Funds	500,000	-	-	500,000
State/Federal Grants	-	-	-	-
State/Federal Grants (Unsecured)	-	-	3,200,000	3,200,000
Subtotal (Proposed)	500,000	-	3,200,000	3,700,000
<u>Technical Adjustments</u>				
State/Federal Grants	-	-	3,200,000	3,200,000
State/Federal Grants (Unsecured)	-	-	(3,200,000)	(3,200,000)
Subtotal (Technical Adjustments)	-	-	-	-
<u>Updated Funding Plan</u>				
NVTA 30% Funds	500,000	-	-	500,000
State/Federal Grants	-	-	3,200,000	3,200,000
State/Federal Grants (Unsecured)	-	-	-	-
Updated Funding Plan Total	500,000	-	3,200,000	3,700,000

Duke Street and West Taylor Run Safety Improvements

	Prior Appropriations	Year 1 Capital Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
Cash Capital	424,545	-	-	424,545
State/Federal Grants	6,245,460	-	-	6,245,460
Subtotal (Proposed)	6,670,005	-	-	6,670,005
<u>Technical Adjustments</u>				
State/Federal Grants	-	830,614	-	830,614
Subtotal (Technical Adjustments)	-	830,614	-	830,614
<u>Updated Funding Plan</u>				
Cash Capital	424,545	-	-	424,545
State/Federal Grants	6,245,460	830,614	-	7,076,074
Updated Funding Plan Total	6,670,005	830,614	-	7,500,619

Safe Routes to School

	Prior Appropriations	Year 1 Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
Cash Capital	1,217,900	250,000	2,250,000	3,717,900
CMAQ/RSTP	-	-	3,150,000	3,150,000
GO Bonds	-	-	-	-
State/Federal Grants	2,652,982	-	-	2,652,982
State/Federal Grants (Unsecured)	-	-	2,715,000	2,715,000
Subtotal (Proposed)	3,870,882	250,000	8,115,000	12,235,882
<u>Technical Adjustments</u>				
CMAQ/RSTP	-	-	261,378	261,378
Subtotal (Technical Adjustments)	-	-	261,378	261,378
<u>Updated Funding Plan</u>				
Cash Capital	1,217,900	250,000	2,250,000	3,717,900
CMAQ/RSTP	-	-	3,411,378	3,411,378
GO Bonds	-	-	-	-
State/Federal Grants	2,652,982	-	-	2,652,982
State/Federal Grants (Unsecured)	-	-	2,715,000	2,715,000
Updated Funding Plan Total	3,870,882	250,000	8,376,378	12,497,260

Smart Mobility Implementation

	Prior Appropriations	Year 1 Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
CMAQ/RSTP	-	1,080,000	-	1,080,000
State/Federal Grants	5,421,869	-	-	5,421,869
Subtotal (Proposed)	5,421,869	1,080,000	-	6,501,869
<u>Technical Adjustments</u>				
CMAQ/RSTP	-	38,974	-	38,974
Subtotal (Technical Adjustments)	-	38,974	-	38,974
<u>Updated Funding Plan</u>				
CMAQ/RSTP	-	1,118,974	-	1,118,974
State/Federal Grants	5,421,869	-	-	5,421,869
Updated Funding Plan Total	5,421,869	1,118,974	-	6,540,843

Transportation Project Planning

	Prior Appropriations	Year 1 Capital Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
Cash Capital	350,000	125,000	875,000	1,350,000
CMAQ/RSTP	-	-	500,000	500,000
Subtotal (Proposed)	350,000	125,000	1,375,000	1,850,000
<u>Technical Adjustments</u>				
CMAQ/RSTP	-	-	1,000,000	1,000,000
Subtotal (Technical Adjustments)	-	-	1,000,000	1,000,000
<u>Updated Funding Plan</u>				
Cash Capital	350,000	125,000	875,000	1,350,000
CMAQ/RSTP	-	-	1,500,000	1,500,000
Updated Funding Plan Total	350,000	125,000	2,375,000	2,850,000

Transportation (Identification of Local Match for Awarded Grant)

Subsequent to the presentation of the Proposed FY 2027 – FY 2036 CIP, City staff identified that an awarded grant for the Transit Access & Amenities program did not have a local match programmed in FY 2027. Staff recommendation is to provide the local match to this grant through the use of the GO Alex fund. The transfer of GO Alex funds from the operating budget to the capital budget are detailed in the operating budget section of this memo. Details of the change to the capital project are provided below:

Transit Access & Amenities

	Prior Appropriations	Year 1 Capital Budget FY 2027	Year 2-10 Plan FY 2028 - FY 2036	Total Appropriated & Planned Budget
<u>Proposed</u>				
Cash Capital	307,175	-	-	307,175
CMAQ/RSTP	-	-	3,500,000	3,500,000
NVTA 30% Funds	839,227	-	-	839,227
NVTA 70% Funds	450,000	-	-	450,000
Private Capital Contributions	60,000	-	-	60,000
State/Federal Grants	4,285,999	340,000	-	4,625,999
TIP	98,376	-	-	98,376
GO Alex Funds	-	-	-	-
Subtotal (Proposed)	6,040,777	340,000	3,500,000	9,880,777
<u>Technical Adjustments</u>				
GO Alex Funds	-	160,000	-	160,000
Subtotal (Technical Adjustments)	-	160,000	-	160,000
<u>Updated Funding Plan</u>				
Cash Capital	307,175	-	-	307,175
CMAQ/RSTP	-	-	3,500,000	3,500,000
NVTA 30% Funds	839,227	-	-	839,227
NVTA 70% Funds	450,000	-	-	450,000
Private Capital Contributions	60,000	-	-	60,000
State/Federal Grants	4,285,999	340,000	-	4,625,999
TIP	98,376	-	-	98,376
GO Alex Funds	-	160,000	-	160,000
Updated Funding Plan Total	6,040,777	500,000	3,500,000	10,040,777