



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

As part of the City’s efforts to produce a financially sustainable budget and plan to address the future needs of the community, the annual operating budget includes a two-year forecast of expenditures by department and a five-year forecast of expenditures by major category to compare to revenue estimates and illustrate the impact of the current operating budget and Capital Improvement Program (CIP) on future fiscal years.

The following table illustrates that if FY 2025 General Fund revenues grow by 3.0% and City operating expenditures and the Alexandria City Public Schools (ACPS) are constrained to that rate, General Fund contributions to transit increase at the rate budgeted in FY 2024 of 10.0%, and cash capital and debt service costs increase as planned in the FY 2024-2033 CIP, then overall General Fund expenditures would grow by 4.4% and the City would need to address a \$12.3 million shortfall in the FY 2025 budget process through expenditure reductions or tax and fee rate increases. General Fund City operations’ costs increase by 4.5% in the FY 2024 budget, and the ACPS transfer increases by 4.0%.

	FY 2023	FY 2024	FY 2025
<u>Revenue</u>	<u>Approved</u>	<u>Proposed</u>	<u>Estimate</u>
Real Estate Tax	514.6	532.7	548.6
Personal Property	66.8	66.3	68.3
Sales Tax	37.4	39.0	40.2
Utility Tax	11.8	12.0	12.4
Business License Tax	39.4	39.8	41.0
Recordation Tax	8.6	4.9	5.0
Transient Lodging	9.5	10.2	10.5
Restaurant Food	27.6	28.9	29.8
Communication Sales Tax	7.2	6.8	7.0
Other Local Taxes	6.9	6.2	6.4
Federal Revenue	7.9	7.9	8.2
State Revenue	49.5	51.5	53.0
Other Revenue	52.0	74.9	77.1
Total Revenue	839.2	881.1	907.6
<u>Expenditures</u>			
City Operations	436.7	456.5	473.2
City Debt Service	41.2	48.2	51.3
Schools Debt Service	31.9	32.2	44.3
Cash Capital	36.2	36.6	30.7
Transit Services	44.5	48.9	53.8
Schools	248.7	258.7	266.4
Total Expenditures	839.2	881.1	919.8
Shortfall/Surplus	-	-	(12.3)



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The following table displays the expenditure growth scenario from the previous page by department when adjusting for one-time changes.

Department	FY 2023 Approved	FY 2024 Proposed	FY 2025 Estimate	\$ Chg	% Chg
18TH GENERAL DISTRICT COURT	0.2	0.2	0.2	0.0	3.0%
ACPS - Schools	248.7	258.7	266.4	7.8	3.0%
CIRCUIT COURT CLERK	1.8	2.0	2.0	0.1	3.0%
CIRCUIT COURT JUDGES	1.6	1.8	1.8	0.1	3.0%
CITY ATTORNEY	4.2	4.2	4.3	0.1	3.0%
CITY COUNCIL	0.8	0.8	0.8	0.0	3.0%
CITY MANAGER'S OFFICE	3.8	6.0	5.7	(0.3)	-5.5%
COMMONWEALTH ATTORNEY	3.7	4.3	4.5	0.1	3.0%
COMMUNICATIONS	2.3	2.4	2.3	(0.1)	-4.0%
COMMUNITY AND HUMAN SERVICES	58.4	58.3	60.0	1.6	2.8%
COMMUNITY POLICING REVIEW BOAR	0.5	0.6	0.6	0.0	3.0%
COURT SERVICES	2.1	2.2	2.3	0.1	3.0%
CRIMINAL JUSTICE SERVICES	4.4	5.4	5.6	0.2	3.0%
CTY CLERK AND CLRK OF COUNCIL	0.5	0.5	0.5	0.0	3.0%
ECONOMIC DEVELOPMENT	7.7	7.9	8.1	0.2	3.0%
EMERGENCY & CUSTOMER COMMUNICA	9.8	10.0	10.3	0.3	3.0%
FINANCE	13.9	14.2	14.6	0.4	3.0%
FIRE	57.3	61.9	66.8	4.9	7.9%
GENERAL SERVICES	14.0	14.8	15.3	0.4	3.0%
HEALTH	8.2	9.0	9.2	0.3	3.0%

Table continues on the next page.



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Table continued from the previous page.

Department	FY 2023 Approved	FY 2024 Proposed	FY 2025 Estimate	\$ Chg	% Chg
HISTORIC ALEXANDRIA	4.0	4.1	4.2	0.1	3.0%
HOUSING	9.7	11.1	11.3	0.2	2.1%
HUMAN RESOURCES	5.4	6.3	6.4	0.1	2.2%
HUMAN RIGHTS	1.1	1.1	1.1	0.0	3.0%
INFORMATION TECHN SERVICES	15.2	15.1	15.6	0.5	3.0%
INTERNAL AUDIT	0.4	0.4	0.4	0.0	3.0%
JUVE DOM RELATIONS DIST COURT	0.1	0.1	0.1	0.0	3.0%
Library	8.2	8.4	8.7	0.3	3.0%
NONDEPARTMENTAL	13.5	14.3	14.7	0.4	3.0%
OMB	1.7	1.6	1.7	0.0	3.0%
ORGANIZATIONAL EXCELLENCE	0.3	-	-	-	0.0%
OTHER EDUCATIONAL ACTIVITIES	0.0	0.0	0.0	0.0	3.0%
OTHER HEALTH SERVICES	1.3	1.3	1.3	0.0	3.0%
PERFORMANCE ANALYTICS	0.8	0.8	0.9	0.0	3.0%
PLANNING AND ZONING	7.2	7.4	7.6	0.2	3.0%
POLICE	68.9	70.5	73.7	3.2	4.6%
RECR AND CULTURAL SERVICES	27.2	28.1	28.9	0.8	3.0%
REGISTRAR	1.4	1.7	1.7	(0.0)	0.0%
SHERIFF	34.1	34.3	35.2	0.9	2.6%
TRANS AND ENVIRONMENTAL SRV	41.1	43.3	44.6	1.3	3.0%
TRANSIT SERVICES	44.5	48.9	53.8	4.9	10.0%
CASH CAPITAL	36.2	36.6	30.7	(5.9)	-16.0%
CITY DEBT SERVICE	41.2	48.2	51.3	3.1	6.4%
SCHOOLS DEBT SERVICE	31.9	32.2	44.3	12.1	37.5%
TOTAL EXPENDITURES	839.2	881.1	919.8	38.7	4.4%



Multi-Year Budget Planning

FIVE-YEAR FINANCIAL PLANNING MODEL

The following table extends the two-year estimate from the preceding pages by an additional three years using the same revenue and expenditure growth rate scenarios and the cash capital and debt service amounts planned for the next five years in the FY 2024-2033 CIP. In this scenario, the budget shortfall grows to \$58.8 million by FY 2028. It should be noted that the City would balance revenues and expenditures in each fiscal year through expenditure reductions, tax or fee rate increases, or a combination of the two.

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Revenue	Approved	Proposed	Estimate	Estimate	Estimate	Estimate
Real Estate Tax	514.6	532.7	548.6	565.1	582.1	599.5
Personal Property	66.8	66.3	68.3	70.4	72.5	74.6
Sales Tax	37.4	39.0	40.2	41.4	42.6	43.9
Utility Tax	11.8	12.0	12.4	12.8	13.1	13.5
Business License Tax	39.4	39.8	41.0	42.2	43.5	44.8
Recordation Tax	8.6	4.9	5.0	5.2	5.4	5.5
Transient Lodging	9.5	10.2	10.5	10.8	11.2	11.5
Restaurant Food	27.6	28.9	29.8	30.7	31.6	32.5
Communication Sales Tax	7.2	6.8	7.0	7.2	7.4	7.7
Other Local Taxes	6.9	6.2	6.4	6.6	6.8	7.0
Federal Revenue	7.9	7.9	8.2	8.4	8.7	8.9
State Revenue	49.5	51.5	53.0	54.6	56.3	58.0
Other Revenue	52.0	74.9	77.1	79.4	81.8	84.3
Total Revenue	839.2	881.1	907.6	934.8	962.8	991.7
Expenditures						
City Operations	436.7	456.5	473.2	487.4	502.0	517.1
City Debt Service	41.2	48.2	51.3	55.4	64.7	74.8
Schools Debt Service	31.9	32.2	44.3	47.9	53.5	57.5
Cash Capital	36.2	36.6	30.7	32.6	37.9	38.4
Transit Services	44.5	48.9	53.8	59.2	65.1	71.6
Schools	248.7	258.7	266.4	274.4	282.7	291.2
Total Expenditures	839.2	881.1	919.8	957.0	1005.9	1050.5
Shortfall/Surplus	-	-	(12.3)	(22.2)	(43.0)	(58.8)