

PROPOSED BUDGET-IN-BRIEF

FISCAL YEAR 2025

FY 2025 BUDGET OVERVIEW

The FY 2025 Proposed Budget invests in employee compensation, School operating needs, and advances the City's progress across several strategic priorities. FY 2025's budget development forecasted expense pressures driven by employee compensation, collective bargaining, Alexandria City Public Schools (ACPS) operating and debt service, and supplemental funding requests from departments and other agencies. Increased City expenditures and flat City property tax revenue growth required collaborative efforts to close an initial \$19.0 million budget gap.

The proposed FY 2025 General Fund Operating Budget totals \$911.3 million and makes several investments in City Council priority areas without a real estate or property tax rate increase, or significant service reductions. The budget recommends a step increase and a 2% pay scale adjustment for non-collectively bargained City employees and funds the respective collective bargaining agreements for Fire, Police, and Labor and Trades groups. The proposed budget also recommends strategic investments to several City Council priority areas including community connections, employee attraction and retention, affordable housing, eliminating community disparities, and improving the City's economic strength. Key highlights of the proposed budget include:

- Maintains the current real estate tax rate of \$1.11 per \$100 of assessed value;
- No proposed change in personal property tax, sanitary sewer, or refuse rates;
- Increases stormwater utility fee rates from \$308.70 to \$324.10 as scheduled;
- Funds an increase of \$10.3M or 4% in the ACPS Operating transfer;
- Provides a step increase and 2% market rate adjustment for non-collectively bargained City employees;
- Fully funds the first year of Labor and Trades collective bargaining agreements and second year of Police and Fire collective bargaining agreements;
- Increases DASH funding to support collective bargaining and fare elimination expenses;
- Funds a Police and Sheriff public safety cadet program;
- Adds staffing and operating expenses for the Minnie Howard aquatics facility;
- Pilots a "Clean Team" litter collection program;
- Funds free admission to the Tons of Trucks community event
- Provides advertising support for Visit Alexandria;
- Allocates funding for economic and fiscal impact studies;
- Supports community-based food hub operations;
- Funds youth safety and resiliency activities;
- Adds staffing, voting machines, and electronic polls to support upcoming elections;
- Enhances City and Library cybersecurity services; and
- Uses \$2.2 million in efficiency and cost-cutting savings to balance the budget.

ALEXANDRIA CITY COUNCIL

Mayor Justin Wilson
Vice Mayor Amy B. Jackson
Councilman Canek Aguirre
Councilmember Sarah R. Bagley

Councilman John T. Chapman
Councilwoman Alyia Gaskins
Councilman Kirk McPike

CITY MANAGER

James F. Parajon

BUDGET DIRECTOR

Morgan Routt

PROPOSED BUDGET-IN-BRIEF FISCAL YEAR 2025 CAPITAL IMPROVEMENT PROGRAM

The Proposed FY 2025 – 2034 Capital Improvement Program (CIP) totals \$2.33 billion and is a \$73.2 million decrease over last year’s 10 Year CIP.

HIGHLIGHTS OF THE 10 YEAR PLAN

- \$314.0 million for Schools capital projects. This provides funding to maintain the anticipated funding level planned for FY 2025 – FY 2034 as presented in the Superintendent’s proposed CIP;
- \$189.1 million to support capital program of WMATA regional public transit system;
- \$64.7 million over the ten-year plan for street reconstruction and repaving program;
- \$337.3 million to fund the City’s Capital Facility Maintenance Programs and other major renovations projects (i.e., City Hall);
- \$264.1 million for investments in the City’s stormwater management systems, including improvements to mitigate flooding during major rain events;
- \$282.6 million and state and federal grant sources identified to support transportation and transit projects throughout the City; and
- \$79.2 million, over the 10-year plan, to support affordable housing initiatives, including funds from the one percent dedication of the restaurant meals tax and other committed funds.

FY 2025 PROPOSED CAPITAL BUDGET HIGHLIGHTS

The FY 2025 Capital Budget (only year formally appropriated by City Council) totals \$470.7 million, which is a \$45.0 million decrease from FY 2025 in last year’s approved CIP. Highlights of the FY 2025 projects are as follows:

- \$87.6 million for Alexandria City Public Schools capital funding request;
- \$16.9 million for the City’s contribution to WMATA’s Capital Improvement Program;
- \$93.4 million for the renovation of City Hall and Market Square Garage;
- \$5.0 million for replacement of fair-weather crossing in Dora Kelley park;
- \$5.3 million for street reconstruction and resurfacing, which will support the resurfacing of approximately 50-55 lane miles in FY 2025;
- \$3.0 million for bridge repairs and refurbishments;
- \$55.8 million to continue work on the Duke Street Transit Corridor (Transit Corridor “B”); and \$14.4 million to support DASH Bus Fleet Replacement and Electrification.

DEBT AND CAPITAL FUNDING POLICIES

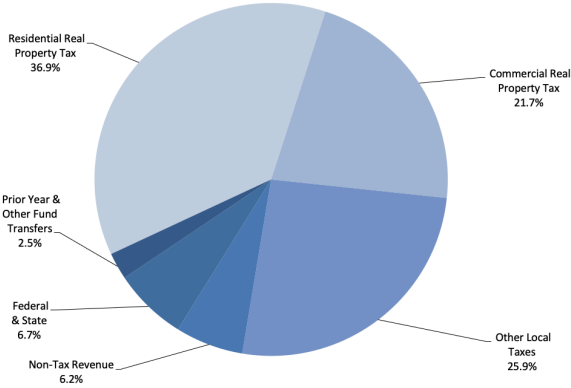
- The Proposed CIP is in compliance with the City’s adopted debt ratios throughout the ten-year plan. See the Proposed CIP document for additional details.
- The CIP has 46% cash sources versus 54% bonds over the life of the 10-year CIP
- The General Fund Cash Capital Transfer is in compliance with the City Council approved policy. The percentage as relates to total General Fund expenditures in FY 2025 is 2.45%.

Type	Unit	CY 2023 Approved Rate	CY 2024 Proposed Rate
Real Estate	\$100/AV	\$1.11	\$1.11
Personal Property	\$100/AV	\$5.33	\$5.33
Refuse Collection Disposal	Household	\$500	\$500
Average Home Assessed Value		\$698,794	
Average Residential Tax Bill CY 2023 (\$1.11 Current Rate)		\$7,547	
Average Residential Tax Bill CY 2024 (\$1.11 Proposed Rate)		\$7,757	

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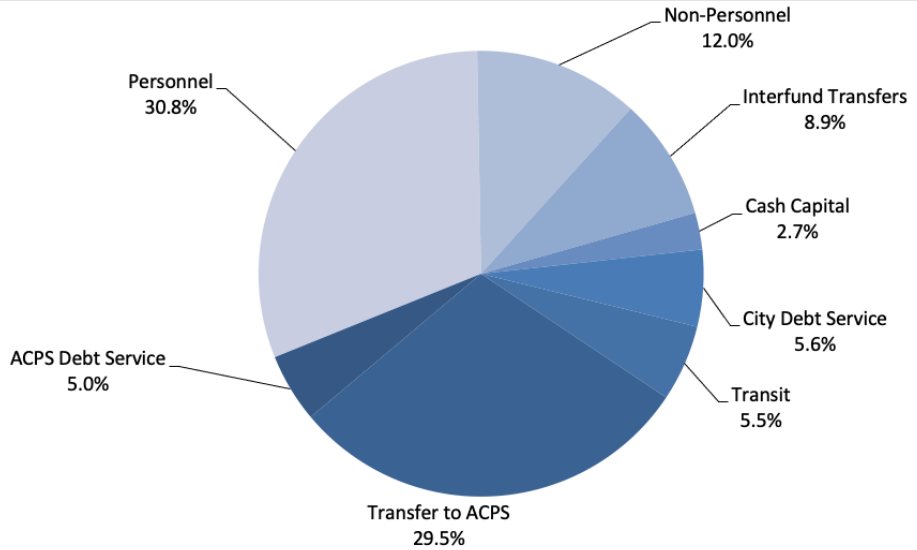
GENERAL FUND REVENUES & EXPENDITURES

FY 2025 PROPOSED GENERAL FUND REVENUES



	FY 2024 Approved	FY 2024 Projected	FY 2025 Proposed	% Change From FY 24 Approved
Real Property Tax	532.1	526.6	534.2	0.4%
Other Taxes	216.5	223.3	236.4	9.2%
Non-Tax Revenue	48.9	56.7	56.7	18.2%
Fed & State Revenue	58.9	61.0	61.5	4.2%
Prior Year Surplus & Other Fund Transfers	27.9	11.5	22.4	-23.7%
TOTAL:	884.3	879.1	911.3	3.0%

FY 2025 PROPOSED OPERATING EXPENDITURES



General Fund Expenditures	FY 2023 Actual	FY 2024 Approved	FY 2025 Proposed	\$ Change	% Change
City Operations	\$420,256,202	\$457,847,700	\$471,177,640	\$13,329,940	2.9%
City Related Debt Service	\$40,239,562	\$48,235,001	\$50,743,148	\$2,508,147	5.2%
City Subtotal	\$460,495,764	\$506,082,701	\$521,920,788	\$15,838,087	3.1%
Schools					
School Operations	\$248,737,300	\$258,686,800	\$269,034,300	\$10,347,500	4.0%
School Related Debt Service	\$31,941,000	\$32,220,940	\$45,527,862	\$13,306,922	41.3%
Schools Subtotal	\$280,678,300	\$290,907,740	\$314,562,162	\$23,654,422	8.1%
Transit Services	\$44,404,006	\$49,040,006	\$50,511,206	\$1,471,200	3.0%
Cash Capital	\$67,881,807	\$38,297,581	\$24,256,175	(\$14,041,406)	-36.7%
Total Expenditures	\$853,459,877	\$884,328,028	\$911,250,331	\$26,922,303	3.0%



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FY 2025 BUDGET CALENDAR

City Council and City Staff will hold a series of meetings during the budget process to discuss and deliberate the FY 2025 budget. This year, there will be two budget public hearings and a public presentation. All meetings begin at 7 p.m., unless otherwise noted. Scheduled budget meetings will have both in person and remote attendance options. Visit alexandriava.gov/Budget for the most up-to-date list of meeting dates, times, and locations.

Tues., Feb. 27	Proposed Budget Presentation
Wed., Feb. 28	Work Session #1: City and ACPS Capital Improvement Programs
Thu., Feb. 29	Public Budget Presentation
Wed., Mar. 6	Work Session #2: Alexandria City Public Schools (Operating)
Mon., Mar.11	Budget Public Hearing (5:30 p.m.)
Tues., Mar. 12	Introduce and Set the Maximum Property Tax Rates
Wed., Mar. 13	Work Session #3
Sat., Mar.16	Budget Public Hearing (9:30 a.m.)
Wed., Mar. 20	Work Session #4
Wed., Apr. 3	Work Session #5 (6:00 p.m.)
Sat., Apr. 13	Add/Delete Public Hearing (9:30 a.m.)
Wed., Apr. 24	Tax Rate Public Hearing 5:30 p.m. & Preliminary Add/Delete Work Session (6:00 p.m.)
Mon., Apr. 29	Final Add/Delete Work Session
Wed., May 1	Budget Adoption/Tax Rate Adoption (6 p.m.)

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