

APPROVED BUDGET-IN-BRIEF

FISCAL YEAR 2027

FY 2027 BUDGET OVERVIEW

On Wednesday, April 29, the Alexandria City Council unanimously adopted a Fiscal Year (FY) 2027 General Fund Operating Budget of \$979.1M, which represents a 2.4% increase from the FY 2026 budget. The approved budget focuses on the City's commitment to quality education, employee attraction and retention, affordable housing, eliminating community disparities, and strengthening the City's economic future while maintaining established fiscal policies.

The approved budget makes several investments in City Council priority areas without a real estate or personal property tax rate increase. The budget includes step increase and a 1.5% pay scale adjustment for eligible non-collectively bargained City employees and funds \$7.2M in FY 2027 collective bargaining costs for Administrative & Technical, Labor and Trades, Fire, and Police groups.

City Council and City staff held a series of meetings, work sessions, and public hearings during the budget development process to discuss and deliberate on the FY 2027 budget. Throughout this year's deliberation process, City staff issued over 90 responses to budget questions from City Council. Key highlights of the approved budget include:

- Maintains the current real estate tax rate of \$1.135 per \$100 of assessed value and continues elderly, disabled, and veteran tax relief programs;
- No change to personal property tax, sanitary sewer, or refuse rates;
- Increases stormwater utility fee rates from \$340.30 to \$357.40 as scheduled;
- Fully funds the third year of Labor and Trades collective bargaining agreements and the first year of the Administrative & Technical, Fire, and Police collective bargaining agreements;
- Provides a step increase and 1.5% pay scale adjustment for eligible non-collectively bargained City employees;

- Funds an increase of \$4.2M or 1.5% in the ACPS Operating transfer to support the ACPS operating budget;
- Adds 4.0 Fire Fighters to support the reduction of fire fighter work schedules;
- Increases DASH funding to support collective bargaining and increases the DASH Line 32 services between Landmark and the Van Dorm Metro Station;
- Provides new ongoing funding for survival services including emergency shelter and meals for seniors;
- Supports community-based food hub operations and increases rental assistance program funding;
- Allocates funding for early childhood support and intervention projects;
- Funds additional waterfront river debris cleanups and enhancing recreation centers' physical exteriors;
- Increases operations and dental services funding for Neighborhood Health;
- Continues funding for the Alexandria Recovery Court;
- Funds ALX Forward's economic development investments
- Supports small business recovery through expanded marketing efforts
- Reduces overall staffing by a net of 38.06 FTEs through the elimination of vacant positions across City departments to manage costs within available revenue; and
- Uses \$9.0M in efficiency reductions, costcutting savings, and position reductions to fund high priority services.

ALEXANDRIA CITY COUNCIL

Mayor Alyia Gaskins

Vice Mayor Sarah R. Bagley

Councilman Canek Aguirre

Councilman John T. Chapman

Councilman Abdel-Rahman Elnoubi

Councilwoman Jacinta E. Greene

Councilwoman Sandy Marks

CITY MANAGER

James F. Parajon

BUDGET DIRECTOR

Morgan Rountt

FISCAL YEAR 2027 APPROVED BUDGET-IN-BRIEF

CAPITAL IMPROVEMENT PROGRAM

The Approved FY 2027–2036 Capital Improvement Program (CIP) totals \$2.02 billion, which represents a \$56.5M decrease over last year's 10 Year CIP.

HIGHLIGHTS OF THE 10-YEAR PLAN

- \$193.6M for Schools capital projects which is equivalent to the Schools' Non-Capacity capital program as approved by the School Board for FY 2027 – FY 2036 and places the remainder of the School Board's capital capacity funding request in reserves to allow for further dialogue between City Council and the School Board;
- \$782.0M to fund the City's Capital Facility Maintenance Programs, State of Good Repairs programs, and other major renovations projects (i.e., City Hall);
- \$230.1M for investments in the City's stormwater management systems, including improvements to mitigate flooding during major rain events;
- \$180.5M in state and federal grant sources identified to support transportation and transit projects throughout the City;
- \$192.6M to support capital program of WMATA regional public transit system;
- \$126.0M, over the 10-year plan, to support affordable housing initiatives, including funds from the one percent dedication of the restaurant meals tax and real estate tax dedications; and
- \$67.2M over the ten-year plan for street reconstruction and repaving program.

HIGHLIGHTS OF THE FY 2027 APPROVED CAPITAL BUDGET

The FY 2027 Capital Budget (only year formally appropriated by City Council) totals \$244.6M, which is a \$14.5M decrease from FY 2027 in last year's approved CIP. Highlights of the FY 2027 projects are as follows:

- \$25.0M for Alexandria City Public Schools capital funding request which reflects 100% of the School Board's Year 1 (FY 2027) capital funding request;
- \$22.3M for stormwater management projects; including \$7.1M for capacity improvements at Commonwealth Ave, E. Glebe Road, and Ashby St;
- \$22.2M to purchase wastewater capacity at AlexRenew;
- \$15.8M for the City's contribution to WMATA's Capital Improvement Program;
- \$12.0M for the renovation of City Hall, Market Square Plaza, and Parking Garage;
- \$11.6M for investments in Affordable Housing;
- \$9.3M to support DASH Bus Fleet Replacement/state of good repair rolling stock replacement;
- \$9.3M to support Old Town Pool Renovation project;
- \$5.6M for street reconstruction and resurfacing, which will support the resurfacing of approximately 50-55 lane miles in FY 2027;
- \$5.0M for capital maintenance of parks, playgrounds, recreation cents, and other public spaces; and
- \$2.0M for improvements at Ewald Park.

DEBT AND CAPITAL FUNDING POLICIES

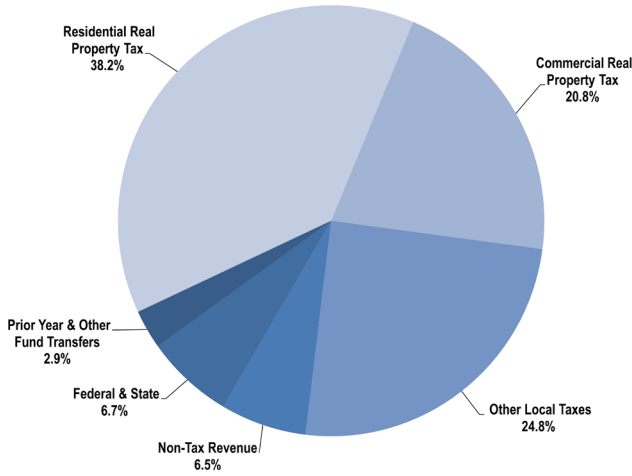
- The Approved CIP is in compliance with the City's adopted debt ratios throughout the ten-year plan. See the Approved CIP document for additional details.
- The CIP has 45% cash sources versus 55% bonds over the life of the 10-year CIP
- The General Fund Cash Capital Transfer is in compliance with the City Council approved policy. The percentage as relates to total General Fund expenditures in FY 2027 is 3.0%.

Type	Unit	CY 2025 Approved Rate	CY 2026 Approved Rate
Real Estate	\$100/AV	\$1.135	\$1.135
Personal Property	\$100/AV	\$5.33	\$5.33
Refuse Collection Disposal	Household	\$500.00	\$500.00
Average Condominium Assessed Value			\$460,185
Average Residential Tax Bill CY 2025 (\$1.135 Approved Rate)			\$5,080
Average Residential Tax Bill CY 2026 (\$1.135 Approved Rate)			\$5,223
Average Single-Family Home Assessed Value			\$1,045,750
Average Residential Tax Bill CY 2025 (\$1.135 Approved Rate)			\$11,365
Average Residential Tax Bill CY 2026 (\$1.135 Approved Rate)			\$11,869

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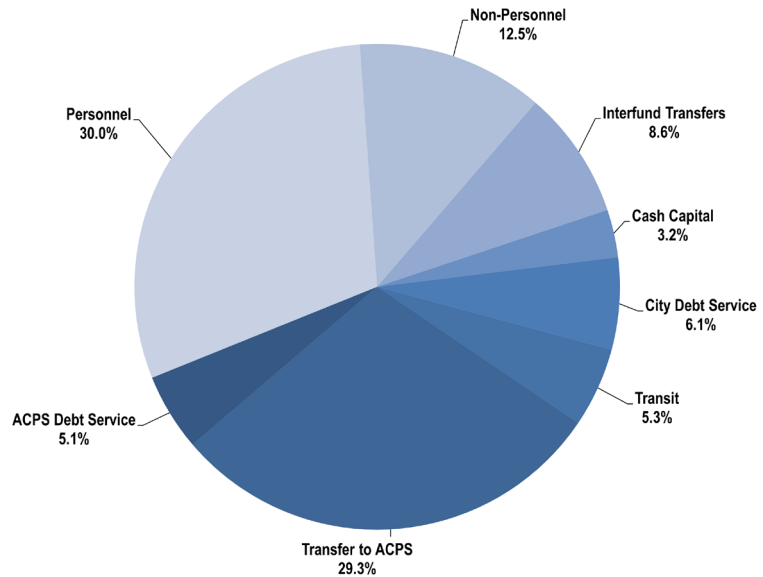
GENERAL FUND REVENUES & EXPENDITURES

FY 2027 APPROVED GENERAL FUND REVENUES



	FY 2026 Approved	FY 2026 Projected	FY 2027 Approved	% Change From FY 26 Approved
Real Property Tax	558	563.1	578.1	3.6%
Other Taxes	245.7	241.5	243.1	-1.1%
Non-Tax Revenue	59.9	61.6	63.9	6.7%
Fed & State Revenue	62.9	64.7	65.2	3.6%
Prior Year Surplus & Other Fund Transfers	29.9	16.0	28.8	-3.7%
TOTAL:	956.4	946.9	979.1	2.4%

FY 2027 APPROVED OPERATING EXPENDITURES



General Fund Expenditures	FY 2025 Actual	FY 2026 Approved	FY 2027 Approved	\$ Change	% Change
City Operations	\$468,518,428	\$485,340,319	\$499,232,889	\$13,892,570	2.9%
City Related Debt Service	\$42,565,405	\$57,703,661	\$59,956,303	\$2,252,642	3.9%
City Subtotal	\$511,083,833	\$543,043,980	\$559,189,192	\$16,145,212	3.0%
Schools					
School Operations	\$273,034,300	\$282,384,561	\$286,620,329	\$4,235,768	1.5%
School Related Debt Service	\$45,749,475	\$47,834,265	\$50,296,916	\$2,462,651	5.1%
Schools Subtotal	\$318,783,775	\$330,218,826	\$336,917,245	\$6,698,419	2.0%
Transit Services	\$49,814,499	\$50,431,975	\$51,868,728	\$1,436,753	2.8%
Cash Capital	\$29,976,152	\$32,754,924	\$31,088,516	(\$1,666,408)	-5.1%
Total Expenditures	\$909,658,259	\$956,449,705	\$979,063,681	\$22,613,976	2.4%