



# PROPOSED BUDGET-IN-BRIEF

## FISCAL YEAR 2027

### FY 2027 PROPOSED BUDGET OVERVIEW

The City Manager’s FY 2027 Proposed Budget honors the City’s collective bargaining agreements and funds ongoing capital investments across the City while making steady progress across City Council’s strategic priorities. FY 2027’s budget development forecasted expense pressures driven by the City’s collective bargaining obligations, Alexandria City Public Schools (ACPS) operating and capital budget requests, and City and Schools debt service obligations. Increased City expenditures and modest City general fund revenue growth required collaborative efforts to close an initial \$22.9 million budget gap.

The proposed FY 2027 General Fund Operating Budget totals \$977.3 million and makes several investments in City Council priority areas without proposing a real estate or personal property tax rate increase. The budget recommends a step increase and a 1.5% pay scale adjustment for eligible non-collectively bargained City employees and funds \$7.2 million in FY 2027 collective bargaining costs for Administrative & Technical, Labor and Trades, Fire, and Police groups. The proposed budget also recommends strategic investments to several City Council priority areas including 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 \$1.135 per \$100 of assessed value and continues elderly, disabled, and veteran tax relief programs;
- No proposed 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 \$4.2 million or 1.5% in the ACPS Operating transfer to support the ACPS operating budget, which is the level of funding outlined by City Council’s budget guidance to the City Manager;
- Adds 4.0 Fire Fighters to support the reduction of fire fighter work schedules;
- Increases DASH funding to support collective bargaining and continues the DASH Line 32 services between Landmark and the Van Dorn Metro Station;
- Provides new ongoing funding for survival services including emergency shelter and meals for seniors;
- Supports community-based food hub operations;
- 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;
- Eliminates 38.06 vacant positions and five over hire FTEs across City departments to manage City costs within available revenue; and
- Uses \$9.0 million in efficiency reductions, cost cutting savings, and vacant position reductions to balance the budget.

### 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

### CITY MANAGER

James F. Parajon

### BUDGET DIRECTOR

Morgan Rountt

# FISCAL YEAR 2027 PROPOSED BUDGET-IN-BRIEF

## CAPITAL IMPROVEMENT PROGRAM

The Proposed FY 2027 – 2036 Capital Improvement Program (CIP) totals \$2.01 billion, which represents a \$64.7 million decrease over last year’s 10 Year CIP.

### HIGHLIGHTS OF THE 10-YEAR PLAN

- \$193.6 million 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;
- \$782.0 million to fund the City’s Capital Facility Maintenance Programs, state of good repairs programs, and other major renovations projects (i.e., City Hall);
- \$230.1 million for investments in the City’s stormwater management systems, including improvements to mitigate flooding during major rain events;
- \$177.3 million and state and federal grant sources identified to support transportation and transit projects throughout the City;
- \$192.6 million to support capital program of WMATA regional public transit system;
- \$126.0 million, over the 10-year plan, to support affordable housing initiatives, including funds from the 1% dedication of the restaurant meals tax and real estate tax dedications; and
- \$67.2 million over the ten-year plan for street reconstruction and repaving program.

### HIGHLIGHTS OF THE FY 2027 PROPOSED CAPITAL BUDGET

The FY 2027 Capital Budget (only year formally appropriated by City Council) totals \$238.7 million, which is a \$20.4 million decrease from FY 2027 in last year’s approved CIP. Highlights of the FY 2027 projects are as follows:

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

### DEBT AND CAPITAL FUNDING POLICIES

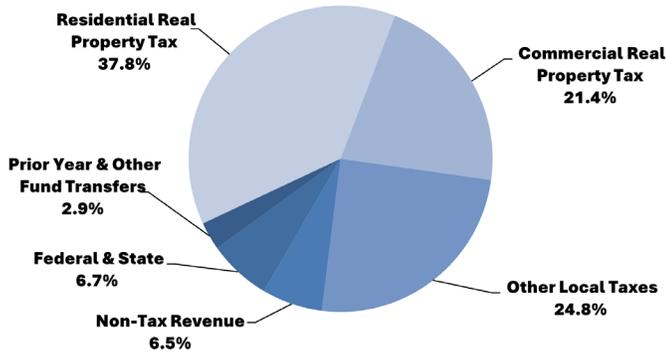
- The Proposed CIP is in compliance with the City’s adopted debt ratios throughout the 10-year plan. See the Proposed CIP document for additional details.
- The CIP has 45% cash sources versus 55% bonds over the life of the 10-year CIP
- The General Fund Cash Capital Transfer is in compliance with the 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 Proposed Rate
Real Estate	\$100/AV	\$1.135	\$1.135
Personal Property	\$100/AV	\$5.33	\$5.33
Refuse Collection Disposal	Household	\$500	\$500
<b>Average Condominium Assessed Value</b> .....			<b>\$460,185</b>
Average Residential Tax Bill CY 2025 (\$1.135 Approved Rate) .....			\$5,080
Average Residential Tax Bill CY 2026 (\$1.135 Proposed Rate).....			\$5,223
<b>Average Single-Family Home Assessed Value</b> .....			<b>\$1,045,750</b>
Average Residential Tax Bill CY 2025 (\$1.135 Current Rate Rate) .....			\$10,992
Average Residential Tax Bill CY 2026 (\$1.135 Approved Rate) .....			\$11,365

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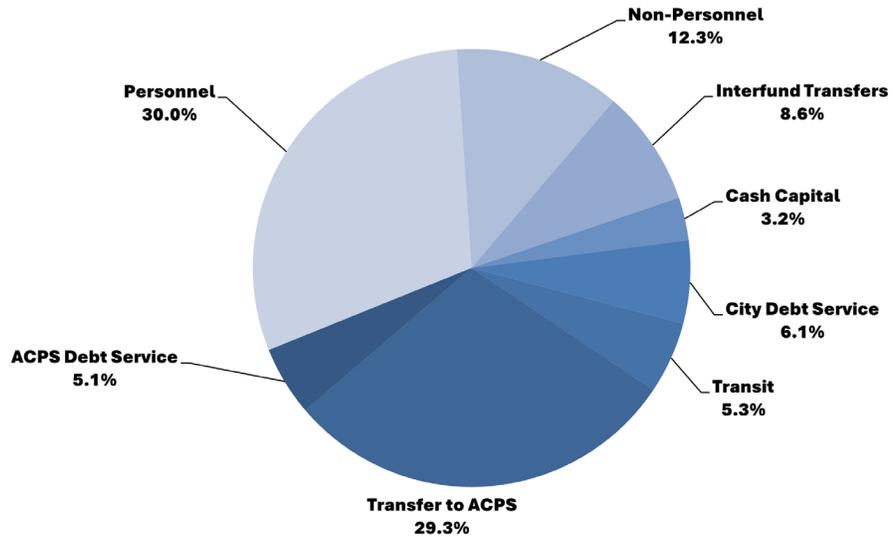
## GENERAL FUND REVENUES & EXPENDITURES

### FY 2027 PROPOSED GENERAL FUND REVENUES



	FY 2026 Approved	FY 2026 Projected	FY 2027 Proposed	% Change From FY 26 Approved
Real Property Tax	558	563.1	578.1	3.6%
Other Taxes	245.7	239.5	242.1	-1.5%
Non-Tax Revenue	59.9	61.6	63.1	5.3%
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%
<b>TOTAL:</b>	<b>956.4</b>	<b>944.9</b>	<b>977.3</b>	<b>2.2%</b>

### FY 2027 PROPOSED OPERATING EXPENDITURES



General Fund Expenditures	FY 2025 Actual	FY 2026 Approved	FY 2027 Proposed	\$ Change	% Change
City Operations	\$468,518,428	\$485,340,319	\$497,643,853	\$12,303,534	2.5%
City Related Debt Service	\$42,565,405	\$57,703,661	\$59,956,303	\$2,252,642	3.9%
<b>City Subtotal</b>	<b>\$511,083,833</b>	<b>\$543,043,980</b>	<b>\$557,600,156</b>	<b>\$14,556,176</b>	<b>2.7%</b>
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%
<b>Schools Subtotal</b>	<b>\$318,783,775</b>	<b>\$330,218,826</b>	<b>\$336,917,245</b>	<b>\$6,698,419</b>	<b>2.0%</b>
Transit Services	\$49,814,499	\$50,431,975	\$51,868,728	\$1,436,753	2.8%
Cash Capital	\$29,976,152	\$32,754,924	\$30,889,996	(\$1,864,928)	-5.7%
<b>Total Expenditures</b>	<b>\$909,658,259</b>	<b>\$956,449,705</b>	<b>\$977,276,125</b>	<b>\$20,826,420</b>	<b>2.2%</b>



# FISCAL YEAR 2027 PROPOSED BUDGET-IN-BRIEF

# BUDGET CALENDAR

City Council and City Staff will hold a series of meetings during the budget process to discuss and deliberate the FY 2027 budget. There will be a public presentation, two budget public hearings, a tax rate public hearing, and an Add/Delete public hearing. All meetings begin at 7 p.m., unless otherwise noted. Scheduled budget meetings will have both in person and remote attendance options.

- Tues., Feb. 24 Proposed Budget Presentation
- Wed., Feb. 25 Work Session #1: City Capital Improvement Program & Revenues
- Thur., Feb. 26 Public Presentation of City Manager's Proposed Budget
- Wed., Mar. 4 Work Session #2: ACPS Operating & Capital Budgets
- Mon., Mar.9 City Council Budget Public Hearing (5:30 p.m.)
- Tues., Mar. 10 Introduce & Set the Maximum Property Tax Rates
- Wed., Mar. 11 Work Session #3 : Safe, Secure, & Just
- Sat., Mar. 14 City Council Budget Public Hearing (9:30 a.m.)
- Mon., Mar. 16 Work Session #4: Livable, Green, & Prospering
- Wed., Mar. 18 Work Session #5: Healthy, Thriving, & Equitable
- Wed., Mar. 25 Work Session #6: Accountable & Effective Government
- Sat., Apr. 18 Tax Rate Public Hearing & Add/Delete Public Hearing (9:30 a.m.)
- Tues., Apr. 21 Preliminary Add/Delete Work Session
- Mon., Apr. 27 Final Add/Delete Work Session
- Wed., April 29 Budget Adoption/Tax Rate Adoption (6 p.m.)

**Visit [alexandriava.gov/Budget](https://alexandriava.gov/Budget) for the most up-to-date list of meeting dates, times, and locations.**