



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 2028 General Fund expenditures grow by 4.4% as currently forecast and revenues grow by 2.4% based on recent experience, then the City would need to address an almost \$20 million shortfall in the FY 2028 budget process through expenditure reductions, tax and fee rate increases, or both.

	FY 2026	FY 2027	FY 2028
<u>Revenue</u>	<u>Approved</u>	<u>Approved</u>	<u>Estimate</u>
Real Estate Tax	558.0	578.1	592.6
Personal Property	81.0	80.8	83.0
Other Local Taxes	164.7	162.3	166.3
Fees, Fines, & Charges	28.0	33.0	33.7
Intergovernmental	62.9	65.2	66.2
Other Sources	61.8	59.7	60.5
Total Revenue	956.4	979.1	1,002.3
<u>Expenditures</u>			
City Operations	485.3	499.2	515.7
City Debt Service	57.7	60.0	68.7
Schools Debt Service	47.8	50.3	54.8
Cash Capital	32.8	31.1	31.0
Transit Services	50.4	51.9	53.7
Schools	282.4	286.6	298.1
Total Expenditures	956.4	979.1	1,022.1
Shortfall/Surplus	(0.0)	-	(19.8)



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

Expenditure	FY 2026 Approved	FY 2027 Approved	FY 2028 Forecast	\$ Change	% Change
Alexandria City Government Cash Capital	32,754,924	31,088,516	31,007,000	(81,516)	-0.3%
Alexandria City Government Debt Service	57,703,661	59,956,303	68,702,793	8,746,490	14.6%
Alexandria City Public Schools Debt Service	47,834,265	50,296,916	54,844,174	4,547,258	9.0%
Alexandria City Public Schools Transfer	282,384,561	286,620,329	298,085,142	11,464,813	4.0%
Analytics, Innovation, and Data	1,140,122	1,396,095	1,451,939	55,844	4.0%
Circuit Court Clerk	2,129,027	2,342,199	2,435,887	93,688	4.0%
Circuit Court Judges	1,926,652	1,126,653	1,171,719	45,066	4.0%
City Attorney	4,510,800	4,573,558	4,756,500	182,942	4.0%
City Clerk	607,113	602,151	626,237	24,086	4.0%
City Council	912,600	1,011,746	1,052,216	40,470	4.0%
City Manager's Office	6,023,019	5,932,253	6,169,543	237,290	4.0%
Commonwealth's Attorney	5,276,956	5,321,821	5,534,694	212,873	4.0%
Communications and Community Engagemen	2,631,656	2,136,535	2,221,996	85,461	4.0%
Community and Human Services	61,226,856	62,915,368	64,370,816	1,455,448	2.3%
Community Justice Services	-	1,956,839	2,035,113	78,274	4.0%
Court Service Unit	476,496	377,961	393,079	15,118	4.0%
Economic Development	9,063,993	9,373,920	8,760,877	(613,043)	-6.5%
Emergency and Customer Communications	10,076,418	10,240,387	10,650,002	409,615	4.0%
Finance	15,065,732	15,444,357	16,062,131	617,774	4.0%
Fire	68,924,415	71,435,679	74,064,306	2,628,627	3.7%
General District Court	169,167	164,131	170,696	6,565	4.0%
General Services	14,785,337	14,851,075	15,445,118	594,043	4.0%
Health	9,901,365	9,939,481	10,423,380	483,899	4.9%

Table continues on the next page.



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Table continued from the previous page.

Expenditure	FY 2026 Approved	FY 2027 Approved	FY 2028 Forecast	\$ Change	% Change
Historic Alexandria	4,859,826	4,780,348	4,971,562	191,214	4.0%
Housing	11,983,002	12,724,544	13,233,526	508,982	4.0%
Human Resources	6,300,566	6,291,950	6,361,628	69,678	1.1%
Human Rights	1,219,498	1,310,427	1,206,844	(103,583)	-7.9%
Independent Policing Auditor	620,884	556,744	579,014	22,270	4.0%
Information Technology Services	19,492,085	21,108,243	21,952,573	844,330	4.0%
Internal Audit	478,499	496,122	515,967	19,845	4.0%
Juvenile and Domestic Relations Court	95,600	96,532	100,393	3,861	4.0%
Library	9,312,619	9,503,275	9,883,406	380,131	4.0%
Management and Budget	1,874,667	1,912,874	1,989,389	76,515	4.0%
Non-Departmental	11,435,613	13,248,269	13,541,288	293,019	2.2%
Northern Virginia Community College	15,449	15,374	15,989	615	4.0%
Other Health Services	1,036,507	1,186,507	869,967	(316,540)	-26.7%
Other Public Safety	8,206,183	6,193,158	6,440,884	247,726	4.0%
Planning and Zoning	8,594,265	7,927,976	8,245,095	317,119	4.0%
Police	72,728,912	75,697,652	78,725,558	3,027,906	4.0%
Recreation, Parks, and Cultural Activities	31,150,985	31,629,237	32,634,406	1,005,169	3.2%
Sheriff	35,144,566	35,299,797	36,711,789	1,411,992	4.0%
Transit	50,431,975	51,868,728	53,693,877	1,825,149	3.5%
Transportation and Environmental Services	43,947,881	46,065,930	47,835,767	1,769,837	3.8%
Voter Registration and Elections	1,994,988	2,045,721	2,127,550	81,829	4.0%
Total	956,449,705	979,063,681	1,022,071,831	43,008,150	4.4%

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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 2027-2036 CIP. In this scenario, the budget shortfall grows to \$86 million by FY 2031. 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 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Revenue	Approved	Approved	Estimate	Estimate	Estimate	Estimate
Real Estate Tax	558.0	578.1	592.6	607.4	622.6	638.1
Personal Property	81.0	80.8	83.0	85.2	87.5	89.9
Other Local Taxes	164.7	162.3	166.3	170.5	174.8	179.1
Fees, Fines, & Charges	28.0	33.0	33.7	34.5	35.3	36.1
Intergovernmental	62.9	65.2	66.2	67.2	68.2	69.2
Other Sources	61.8	59.7	60.5	61.3	62.2	63.1
Total Revenue	956.4	979.1	1,002.3	1,026.1	1,050.5	1,075.6
Expenditures						
City Operations	485.3	499.2	515.7	536.4	557.8	580.1
City Debt Service	57.7	60.0	68.7	80.2	87.2	94.6
Schools Debt Service	47.8	50.3	54.8	56.7	55.0	53.9
Cash Capital	32.8	31.1	31.0	36.1	36.7	37.3
Transit Services	50.4	51.9	53.7	55.8	58.1	60.4
Schools	282.4	286.6	298.1	310.0	322.4	335.3
Total Expenditures	956.4	979.1	1,022.1	1,075.3	1,117.2	1,161.7
Shortfall/Surplus	(0.0)	-	(19.8)	(49.2)	(66.6)	(86.1)