

Accomplishments and Events
Budget, Finance and Administration**FY 1999 Budget**

City Council in May approved an overall budget of \$346.7 million for FY 1999, which began July 1, 1998. The total budget consists of a \$273.1 million General Fund Budget, which is supported by local taxes, and a \$73.6 million Special Revenue Fund, that includes federal and state grants and non-local monies. The appropriation to the City Schools totals \$88.8 million, an increase of \$2.9 million, or 3.3%, and represents 32.5% of the General Fund Budget. The FY 1999 budget maintains current services, but due to continued stagnant growth in the residential real estate tax base, the budget includes both expenditure reductions and, for the first time in six years, a real property tax rate increase. The FY 1999 General Fund operating budget includes more than \$3.6 million in expenditure cuts. In addition, more than \$3.5 million in requests for supplemental funding for City departments and programs were denied. Two areas receiving increased funding were public education and economic development. While local funding for the Schools rose by \$2.9 million, this increase was nearly \$3.4 million below the \$92.2 million requested by the School Board. In economic development and tourism, City Council increased direct expenditures by 22% to \$1.7 million, including:

- \$618,413 for the City's direct and in-kind contributions to the Alexandria Convention and Visitor's Association, including an additional \$200,000 for tourism promotion and marketing;
- \$450,432 to the Alexandria Economic Development Partnership for enhanced marketing and business development;
- \$25,000 to continue the Alexandria Small Business Development Center;
- \$100,000 additional for the City's marketing fund;
- \$25,000 to the Eisenhower Avenue Partnership to continue promoting development in the Eisenhower corridor;
- \$100,000 to assist the Potomac West Alliance in revitalizing the Mt. Vernon Avenue area and the Enterprise Zone;
- \$100,000 to continue the Business Assistance Loan Program in Potomac West; and,
- \$50,000 in local funding for the City's 250th Anniversary Celebration.

Real Estate Taxes and Assessments

The overall assessed value of real property increased by 3.9%, up from nearly \$11.2 billion in 1997 to nearly \$11.6 billion in 1998. Although the real estate tax base rose, it remains \$500 million below its \$12.1 billion value in 1991. More than two-thirds of the 1998 increase is due to new construction, with real estate appreciation accounting for one-third. Residential construction added \$92.6 million to the 1998 tax base. Commercial construction added \$206.4 million. The average assessed value of an existing residential home rose to \$177,747 in 1998, an increase of \$107, or less than one-tenth of 1%. The average 1998 residential real estate tax bill amounted to \$1,973, an increase of \$72 or 3.8%.

Other Taxes and Fees

To maintain current services and fund the City and Schools' growing capital needs, City Council approved an increase in the real property tax rate from \$1.07 to \$1.11 per \$100 of assessed value, the first increase in the real property tax rate since 1993. The \$1.11 tax rate remains one of the lowest in Northern Virginia. Council also increased the City's transient lodging tax from 5% to 5.65%. This increase, endorsed by the Alexandria Hotel Association, will generate additional revenues to promote tourism.

Capital Improvement Program

City Council approved a six-year Capital Improvement Program (CIP) of \$137.4 million in public improvements, an increase of approximately \$13.6 million, or 11%. The FY 1999-2004 CIP includes \$48.4 million for the Schools' six-year capital program, an increase of \$16.1 million, or 50%. Included is \$7.6 million for Schools' capital maintenance and improvements, up to \$3 million for land acquisition and \$4.1 million to construct an elementary school at Cameron Station. The CIP also includes:

- \$21.9 million for the six-year Information Technology Plan to support essential computer systems in public safety, criminal justice, finance and general government and to upgrade the computerized traffic control system.
- \$12.3 million to construct, equip and furnish the new main library in the West End that will open in late 1999.
- \$3.4 million from developer contributions and City funding to develop two parks at Cameron Station;
- \$3 million to renovate and expand the Ramsay Recreation Center; and
- \$20,000 for preliminary work in FY 2003 on a multi-use, multi-generational recreation facility at Cameron Station.

The Approved CIP includes funding to renovate Fire Station 54; and to reconstruct the Market Square garage; and to repurchase the Torpedo Factory building to ensure its continued use as a public arts center. The City has also identified a vacant City-owned parcel on Eisenhower Avenue for the new animal shelter.

*Following her investiture as a judge of the
Alexandria General District Court in February,*



Judge Becky J. Moore is interviewed by the news media. Judge Moore is the first woman jurist to serve on the court.

Car Tax Rebates

In 1998, the Virginia General Assembly passed legislation to phase out the payment of local personal property taxes by individuals on certain motor vehicles over a five-year period. In 1998, the Virginia Personal Property Tax Relief Act requires Alexandria taxpayers to pay the full tax bill due to the City by October 5. By May 1999, the Virginia Department of Motor Vehicles will reimburse taxpayers for a portion of the 1998 taxes paid on qualifying vehicles. The 1998 reimbursement is determined by the vehicle's assessed value: full reimbursement of taxes paid on vehicles with assessed values under \$1,000; or 12.5% reimbursement of taxes paid on the first \$20,000 of assessed value on vehicles assessed at over \$1,000. For tax year 1999, the State will pay 27.5% of the personal property taxes on the first \$20,000 of assessed value on qualifying vehicles. The amount payable by the State will be printed on the personal property tax bills that the City will mail to taxpayers in 1999. The amount payable by the State on the first \$20,000 of assessed value is scheduled to increase to 47.5% in 2000, 70% in 2001, and 100% in 2002. These increases are not guaranteed, but are subject to the availability of State funds. The State has set up a hotline (1-877-227-8291) to answer questions about the personal property tax relief process.

Community-building Initiatives

City Council lent its support to two recent initiatives aimed at uniting Alexandrians and encouraging community involvement:

- The Alexandria Interfaith Association was solidified and expanded in April at a luncheon hosted by Mayor Donley for over 80 members of the clergy. In partnership with City government, the Association will undertake projects that address significant issues within the community. The Department of Human Relations provides support to this newly formed Association.
- A Call to Community, an initiative led by Vice Mayor Euille and Council Member Rich aims to promote dialogue on the issues of racial and ethnic diversity. A 23-member Steering Committee has identified two opportunities to involve the community in an ongoing dialogue: an inaugural event in the fall of 1998 that will draw people from throughout the City and a follow-up series of neighborhood forums.

Computer Systems

The City completed the conversion of three major mainframe computer applications to client-server-based computing systems: personal property assessment and billing; "Permit*Plan," which processes building permits; and the City's new general ledger accounting system. By converting to these systems, the City was able to turn off and remove its aging and costly mainframe computer. Since 1992, the City has invested \$2 million to convert mainframe computer applications to server-based computer networks and minicomputers. By moving key operating systems to client-server-based networks, many of the City's software systems have been upgraded and are Year 2000 compliant. In addition, the City's Information Technology Services Department continues working on upgrades to three large computer systems: the criminal justice information system (CJIS), the payroll/personnel system, and the computer-aided dispatch (CAD) system for public safety. These system upgrades, costing \$200,000, are part of the Information Technology Plan and incorporate system changes to address Year 2000 issues. Work on CJIS began in April 1998 and is expected to be completed by the end of calendar year 1998. Work on Year 2000 repairs for the City's payroll/personnel system began in the fall of 1997 and is expected to be completed by the Spring of 1999. With the exception of the Police Department's CAD system, work on all other software systems will be completed by the end of May 1999. Work that began this summer on the Police CAD system replacement will correct that system's Year 2000 problem by the fall of 1999.

I-Net

The cable franchise agreement approved by City Council in 1994 required Jones Communications to construct a high-speed, fiber optic cable network connecting 78 public buildings. The first two phases of cabling for this institutional network (I-Net) will connect City Hall and City facilities at Bankers Square with 16 Alexandria City Public Schools, three school administrative and maintenance sites, and four library sites. The cabling phase of the I-Net was completed in December 1997 and the first phase links the City's libraries. The school sites were connected to the network in August. The next phase will connect the Courthouse, the Public Safety Building and the Human Services Building by the end of 1998. When fully operational in 2000, the I-Net will provide a high speed connection for data, video and telephone communications between City facilities, including schools and libraries.

City Web Site

The City expanded its web site () to approximately 1,500 pages during FY 1998. The City's Home Page received over 39,000 inquiries or "hits" per month during FY 1998 and was visited by more than 60,000 computer users from around the world. Enhancements to the web site allow citizens expanded access to City Council's legislative and public hearing docket materials for upcoming meetings. In addition, web site visitors are now able to access: the City Charter, the City Code, and the Zoning Ordinance; the Approved Budget for Fiscal Year 1999; and solid waste and recycling information, including trash pick up, leaf collection and spring clean-up days. A search utility enables visitors to easily locate information posted on the web site. Other enhancements include comprehensive web pages for the Office of Historic Alexandria, the Registrar of Voters, and the Alexandria Economic Development Partnership, Inc.

Compensation Philosophy

City Council in June 1997 adopted a City Employee Compensation Philosophy to guide Council's future pay decisions. The pay philosophy essentially states the Council's intention to keep employee salaries competitive with those of nearby jurisdictions. To implement the Compensation Philosophy in FY 1999, the City Council directed the City Manager to develop pay scales that include steps for the public safety employees and the general City employees. In December 1997, City Council adopted a pay plan containing annual steps of 5%, declining to 3.5% in the mid-range, then declining to 2.3% in the top steps of the plans. To implement the pay plans and to place employees on the new pay scale, Council approved \$1.9 million in the FY 1999 Budget. City employees will receive no cost-of-living or merit pay increases in FY 1999.