

ADDITIONAL INFORMATION

ALEXANDRIA CITY COUNCIL

Mayor William D. Euille
Vice Mayor Allison Silberberg
Councilman John T. Chapman
Councilman Timothy B. Lovain
Councilwoman Redella S. "Del" Pepper
Councilman Paul C. Smedberg
Councilman Justin M. Wilson

CITY MANAGER

Rashad M. Young

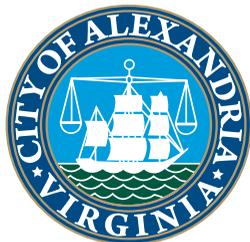
Nelsie L. Smith, Budget Director
Laura Triggs, Chief Financial Officer

Information about the budget is available online at alexandriava.gov/Budget or by contacting:

OFFICE OF MANAGEMENT & BUDGET

City Hall, 301 King Street, Room 3400
703.746.3737
Monday – Friday, 8 a.m. to 5 p.m.

Reference copies of the budget are available online at alexandriava.gov/Budget and at all Alexandria City public libraries.



PROPOSED BUDGET IN BRIEF — FISCAL YEAR 2015 — JULY 1, 2014 – JUNE 30, 2015



FY 2015 BUDGET OVERVIEW

Fiscal Year (FY) 2015 presented the same challenging fiscal outlook that the City of Alexandria has seen since 2008: the cost of providing the same level of City services exceeded projected revenues. To respond to this challenge, the City used a new approach – under the City's performance management system, Results Alexandria, to solve this problem.

The traditional approach to budgeting, one that the City has employed for many years, treats every program and every reduction the same. Rather than focusing on what departments spent last year and making minor adjustments to each to achieve a budget solution, the City instead looked at the outcomes set forth in the City Manager's Performance Plan (CMPP) and the City's Strategic Plan and focused financial resources accordingly.

The CMPP defines the performance expectations for the City Government and helps departments, agencies, and employees better understand how the goals and objectives described in the City's Strategic Plan translate into tangible outcomes. The result is a FY 2015 Proposed Budget focused on investing in existing assets and core programs; enhancing service effectiveness, efficiencies, and performance; and leveraging outside resources, where possible.

In FY 2015, the City of Alexandria will invest \$634.8 million into more than 150 programs, each designed to achieve the Long Term Outcomes in the City's four Focus Areas: 1) Accountable, Effective & Well-Managed Government; 2) Healthy & Thriving Residents; 3) Livable, Green & Prospering City; and 4) Safe, Secure & Just Community. Each Focus Area has a distinct mission and long-term outcomes that illustrate what success looks like in our community. These Focus Areas were established as part of the CMPP: www.alexandriava.gov/CMPPFY14-16.

The \$634.8 million budget includes:

- No new tax rate increases, maintains 2.2 cents reservation for transportation; 0.5 cents designation for stormwater and 0.6 for affordable housing;
- User fee changes; however, no increase to sanitary sewer or solid waste fee;
- Service level changes, but continued/increased investments in key, focused service areas;
- Sustainable decisions that limit the use of one-time fixes for a balanced budget;
- Operating transfer increase of \$5 million, or 2.7%, to Alexandria City Public Schools for a total of \$191 million for FY 2015.

For more detail on what is included in the budget by department and program, go to alexandriava.gov/Budget.

FY 2015 BUDGET CALENDAR

The FY 2015 budget development process includes a public hearing on the budget on Monday, March 10 at 4 p.m. and a public hearing on the tax rate on Saturday, April 12 at 9:30 a.m. Members of the public are invited to participate in the following budget-related sessions, listed below:

DATE	TIME	TOPIC
Feb. 25	7 p.m.	Introduction and Presentation of the FY 2015 Budget Location: Council Chambers
Mar. 8	11 a.m.	Work Session - Revenue, 5 Year Financial Plan and Compensation Issues Location: Sister Cities Conference Room 1101
Mar. 10	4 p.m.	Budget Public Hearing Location: Council Chambers
Mar. 11	7 p.m.	Introduction of Tax Rate Ordinances Location: Council Chambers
Mar. 12	6:30 p.m.	Work Session - Livable, Green and Prospering City Focus Area Location: Sister Cities Conference Room 1101
Mar. 17	6:30 p.m.	Public Town Hall Location: Beatley Central Library, 5005 Duke St.
Mar. 18	6:30 p.m.	Work Session – Healthy and Thriving Residents Focus Area Location: Sister Cities Conference Room 1101
Mar. 19	6:30 p.m.	Work Session – ACPS Operating Location: Sister Cities Conference Room 1101
Mar. 26	6:30 p.m.	Work Session – Safe, Secure, and Just Community Focus Area Location: T&ES Offices, 2900 Business Ctr. Dr.
Apr. 2	6:30 p.m.	Work Session – Accountable, Effective, and Well-Managed Government Focus Area Location: Sister Cities Conference Room 1101
Apr. 10	6:30 p.m.	Work Session – Capital Improvement Program Location: Sister Cities Conference Room 1101
Apr. 12	9:30 a.m.	Public Hearing on Effective Tax Rate Increase Location: Council Chambers
Apr. 21	6:30 p.m.	Work Session – Preliminary Add/Delete Location: Sister Cities Conference Room 1101
Apr. 24	6:30 p.m.	Work Session – BFAAC and Business Tax Reform Task Force Location: Sister Cities Conference Room 1101
Apr. 28	6:30 p.m.	Work Session – Final Add/Delete Location: Sister Cities Conference Room 1101
May 1	6:30 p.m.	Budget and Tax Rate Adoption Location: Council Chambers

CAPITAL IMPROVEMENT PLAN

The City Manager's Proposed FY 2015 – 2024 Capital Improvement Program (CIP) is \$1.459 billion and includes funding for the Potomac Yard Metrorail Station through Special Services Districts, incremental growth in the Potomac Yard real property tax base, development contributions, and new transportation funding. Continuation of the reserved 2.2 cents on the base real estate tax rate supports the City's Transportation Improvement Program (TIP). Additionally, new funding from the Northern Virginia Transportation Authority (NVTA) is programmed in the CIP for the first time.

HIGHLIGHTS OF THE 10-YEAR PLAN

- New NVTA funding provides additional cash sources to the City (\$210.1 million) for transportation purposes by reducing planned borrowing, providing additional resources for previously planned projects, and making available additional resources to maintain existing transportation infrastructure.
- Continuation of the Potomac Yard Metrorail Station project, with \$279.0 million budgeted in FY 2015 – 2017 (total estimated project costs including prior year funding are \$285.9 million).
- Funding for Alexandria City Public Schools totals \$279.1 million, and includes \$149.5 million to address increased enrollment trends over the life of the 10-year plan.
- Sanitary Sewer and Stormwater funding totals \$135.8 million and begins to address long-term capital infrastructure needs related to federally mandated improvements. These improvements could total \$250 - \$400 million over the next two to three decades.
- The City's investment in maintenance of existing transit infrastructure including DASH bus replacements and WMATA capital contributions is budgeted at \$101.5 million. Maintenance of existing transportation infrastructure is budgeted at \$57.6 million and includes funding for street resurfacing and reconstructions, bridge repairs, sidewalk reconstructions, and shared-use path improvements. Additionally, \$9.4 million is provided for Complete Streets enhancements.
- Four City fire stations are scheduled to be rebuilt over the next seven years at an estimated cost of \$47.1 million; a new fire station in the Beauregard Corridor is also included in the 10-year plan at an estimated cost of \$13.2 million.

HIGHLIGHTS OF THE FY 2015 CAPITAL BUDGET

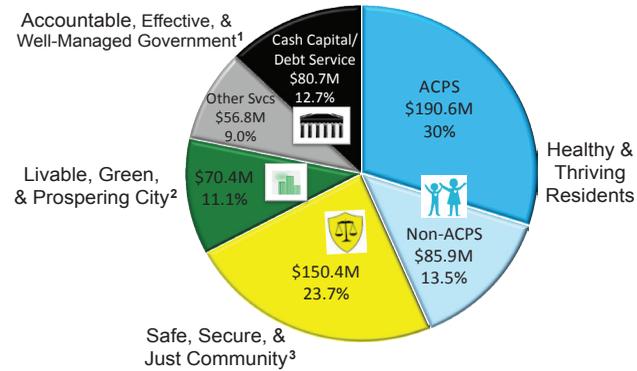
The FY 2015 Capital Year Budget is \$92.5 million; a \$24.7 million decrease in FY 2015 from last year's planned CIP. This decrease is primarily due to shifting funding for planned projects to later years in the CIP to align with the construction schedule. The City's net outstanding debt at the end of FY 2015 will be slightly reduced from FY 2014 levels as borrowing was reduced by over \$40 million in FY 2015, compared to last year's plan. This change is due to the shifting of projects and use of new NVTA funding to offset planning borrowing.

DEBT POLICIES

The Proposed FY 2015 – 2024 CIP adheres to all City Council adopted debt policies in each year of the 10-year plan. The planned borrowing to cash ratio in the 10-year plan is 1.43:1 dollar, a decrease from last year's plan which assumed a 2.41:1 dollar ratio. For FY 2015 specifically, debt service is \$64.4 million in the City's General Fund, with total cash sources supporting the CIP equal to \$59.1 million.

FY 2015 PROPOSED GENERAL FUND EXPENDITURES

FY 2015 PROPOSED BUDGET BY FOCUS AREA



¹This Focus Area includes Cash Capital/Debt Service for ACPS = \$6.2M

²This Focus Area includes Cash Capital/Debt Service for Transportation = \$3.8M

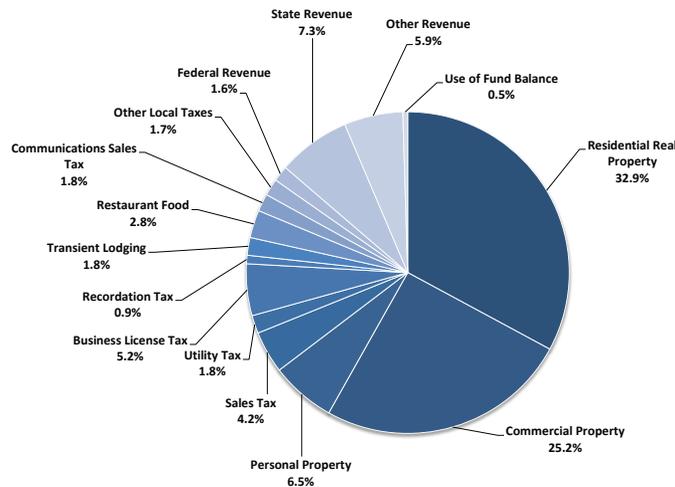
³This Focus Area includes Cash Capital/Debt Service for Fire Equipment = \$1.2M

General Fund	FY 2014 Approved	FY 2015 Proposed	\$ Change	% Change
City Operating Expenditures	\$338.45	\$338.54	\$0.08	0.02%
Transit Subsidies	\$21.07	\$20.01	-\$1.06	-5.08%
Capital Projects/Debt Service	\$79.71	\$85.68	\$5.97	7.49%
<i>City subtotal</i>	<i>\$439.23</i>	<i>\$444.23</i>	<i>\$5.00</i>	<i>1.14%</i>
City Appropriation to Schools	\$185.61	\$190.61	\$5.00	2.69%
Total General Fund Budget	\$624.84	\$634.84	\$10.00	1.60%

The City's contribution to Transit Subsidies is consistent with FY 2014, due to leveraging of other non-General Fund sources. The total contribution for FY 2015 is \$52.5 million an increase of approximately \$7.9 million from the FY 2014 Approved Budget.

FY 2015 PROPOSED GENERAL FUND REVENUES

FY 2015 COMBINED GENERAL FUND REVENUES \$634.8 MILLION



FY 2015 PROPOSED REVENUE INCREASES (in millions)

	FY 2014 Approved	FY 2014 Projected	FY 2015 Proposed	% Change from Approved
Real Property Tax	\$357,840,034	358,400,849	369,018,511	3.1%
Other Taxes	170,854,000	66,757,000	69,076,000	-1.0%
Non-Tax Revenue	31,688,933	32,365,541	34,391,542	8.5%
Fed & State Revenue	55,243,798	55,694,203	56,358,535	2.0%
Prior year surplus & other fund transfers	9,221,983	9,323,960	5,986,522	-35.1%
Total	\$624,848,748	622,541,553	634,831,110	1.6%

No changes are proposed to the real estate property tax rate of \$1.038 per \$100 of assessed value. Residential real property assessments increased by 4.48% in Calendar Year 2013 and are estimated to increase 4.6% in Calendar Year 2014.

Based on the average rate of appreciation, the average tax bill will increase from \$4,901 in CY 2013 to \$5,091 in CY 2014. The motor vehicle property tax rate is proposed to remain at \$5.00 per \$100 of assessed value.

TAX FACTS & ASSESSED VALUE

Type	Unit	CY 2013 Actual Rate	CY 2014 Proposed Rate
Real Estate	\$100/AV	\$1.038	\$1.038
Personal Property	\$100/AV	\$5.00	\$5.00
Refuse Collection Disposal	Household	\$328	\$328

Average Residential Home Assessed Value	\$490,422
Average Residential Tax Bill CY 2013 (Equalized)	\$4,872
Average Residential Tax Bill CY 2014 (\$1.038 rate)	\$5,091

Median Assessed Value of Homes and Condomiums CY 2014

Assessed Value	Units	Total Value	Median
Less than \$100,000	190	\$17,677,640	\$95,986
\$100,000 – \$249,999	10,046	\$1,873,795,762	\$190,444
\$250,000 – \$499,999	13,597	\$5,099,998,035	\$376,076
\$500,000 – \$749,999	10,365	\$6,322,558,916	\$601,190
\$750,000 – \$999,999	4,506	\$3,834,069,502	\$840,937
\$1,000,000 – \$1,999,999	1,929	\$2,445,471,336	\$1,194,236
\$2,000,000 and over	199	\$563,227,620	\$2,387,950

Source: Department of Real Estate Assessments

The value of each one-cent on the real property tax rate is approximately \$3.564 million for CY 2014.

