

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

ACTING CITY MANAGER

Mark B. Jinks

Nelsie L. Birch, OMB Director



\$647.9M PROPOSED GENERAL FUND BUDGET IN BRIEF

— FISCAL YEAR 2016 —
 JULY 1, 2015 – JUNE 30, 2016

WWW.ALEXANDRIAVA.GOV

FY 2016 BUDGET OVERVIEW

Fiscal Year (FY) 2016 is the eighth straight year of budgetary challenges for the City of Alexandria as the economy is still only slowly recovering from the recession and has not yet fully regained past job loss. Combining this with significant cutbacks in the federal spending that fuels our region, Alexandria's economy, like those of our neighbors, is not producing the revenue for the City it once did.

In FY 2016, the City will invest \$647.9 million of General Fund revenue into more than 150 programs, each designed to advance the Long Term Outcomes in the City's four Focus Areas: Accountable, Effective & Well-Managed Government; 2) Healthy & Thriving Residents; 3) Livable, Green & Prospering City; and 4) Safe, Secure & Just Community. This funding represents a modest 1.7% increase over the City's level of investment in FY 2015 and focuses on core mission and essential spending.

This year's budget process further incorporated the Results Alexandria framework, which links spending to long-term outcomes with additional emphasis placed on civic engagement. Between October 2014 and February 2015, the City hosted four public meetings and conducted an online survey. Community input influenced City Council's budget guidance, the City Manager's Budget Priorities, department work plans, and the proposed budget. Due to this engagement, the proposed budget incorporated five priorities: 1) Diversification and expansion of the City's tax base; 2) Sustained community health and social equity; 3) Educational achievement; 4) Public safety response; and 5) Recruitment and retention of City staff.

HIGHLIGHTS OF THE \$647.9 MILLION BUDGET INCLUDE:

- Maintains the current real estate tax rate of \$1.043 per \$100 of assessed value.
- Maintains 2.2 cents real estate tax reservation for transportation; 0.5 cents designation for stormwater; and 0.6 cents designation for affordable housing.
- Maintains the current sanitary sewer and solid waste fees, but some user fee changes are proposed to better align the fee with the cost of service.
- Continues economic development commitments: Waterfront parks and flood mitigation; WMATA; Potomac Yard Metrorail Station; and a new initiative for business recruitment and retention.
- Maintains funding for seniors and the social safety net, including affordable housing, while increasing the investment towards the Children and Youth Master Plan.
- Invests 55% of all new revenue to the Alexandria City Public Schools by increasing the operating transfer by \$6.0 million, or 3.1%, for a total of \$197.8 million in part to help offset cost pressures related to enrollment growth.
- All fire stations to remain open and all sworn positions maintained.
- Realigns sworn police officer compensation with the market to mitigate turnover issues.
- Provides a merit increase for all eligible employees with satisfactory performance.

FY 2016 BUDGET CALENDAR

The FY 2016 budget development process includes a public hearing on the budget on Monday, March 16 at 4:00 p.m. and a public hearing on the tax rate on Tuesday, April 21 at 7:30 p.m. Members of the public are invited to participate in the following budget-related sessions, listed below:

| DATE | TIME | TOPIC |
|-------------------|-----------|--|
| Thurs. Mar. 5 | 6:30 p.m. | Public Budget Presentation Location: 435 Ferdinand Day Dr. |
| Thurs. Mar. 12 | 6:30 p.m. | Work Session: Compensation/Revenues/ 5-Year Financial Model Location: City Hall, Sister Cities Conf. Room 1101 |
| Mon. Mar. 16 | 4 p.m. | Public Hearing: FY 2016 Budget Location: City Hall, Council Chambers |
| Tues. Mar. 17 | 6:30 p.m. | Work Session: Alexandria City Public Schools Location: ACPS Headquarters, 1340 Braddock Pl. |
| | 8:00 p.m. | Introduction of Tax Rate Ordinance (immediately following prior work session) Location: ACPS Headquarters, 1340 Braddock Pl. |
| Thurs. Mar. 19 | 6:30 p.m. | Work Session: "Safe, Secure & Just Community" Focus Area Location: City Hall, Sister Cities Conf. Room 1101 |
| Mon. Mar. 23 | 6:30 p.m. | Work Session: "Livable, Green & Prospering City" Focus Area Location: City Hall, Sister Cities Conf. Room 1101 |
| Tues. Apr. 7 | 6:30 p.m. | Work Session: "Healthy & Thriving Residents" Focus Area Location: City Hall, Sister Cities Conf. Room 1101 |
| Thurs. Apr. 9 | 6:30 p.m. | Work Session: Capital Improvement Program Location: City Hall, Sister Cities Conf. Room 1101 |
| Tues. Apr. 21 | 5:30 p.m. | Work Session: "Accountable, Effective & Well-Managed Government" Focus Area Location: City Hall, Sister Cities Conf. Room 1101 |
| | 6:30 p.m. | Work Session: Budget & Fiscal Affairs Advisory Committee (BFAAC) Location: City Hall, Sister Cities Conf. Room 1101 |
| | 7:30 p.m. | Public Hearing: FY 2016 Tax Rate Location: City Hall, Council Chambers |
| Tues. Apr. 28 | 7:00 p.m. | Legislative Meeting: Preliminary Add/Delete Discussion Location: City Hall, Council Chambers |
| Mon. May 4 | 6:30 p.m. | Special Meeting: Final Add/Delete Discussion Location: City Hall, Council Chambers |
| Thurs. May 7 | 6:30 p.m. | Special Meeting: Budget Adoption Location: City Hall, Council Chambers |

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

OFFICE OF MANAGEMENT & BUDGET

City Hall, 301 King Street, Suite 3400
 Alexandria, VA 22314
 703.746.3737
www.alexandriava.gov/Budget
 Monday – Friday • 8 a.m. to 5 p.m.



CAPITAL IMPROVEMENT PLAN

The Proposed FY 2016 – 2025 Capital Improvement Program (CIP) totals \$1.57B and includes funding for Alexandria City Public Schools, the Potomac Yard Metrorail Station (funded through sources outside of the City’s General Fund), Waterfront Plan implementation, and increased commitment to street resurfacing and sanitary and storm sewers to meet state and federal mandates.

HIGHLIGHTS OF THE 10-YEAR PLAN

- Funding to begin implementation of the Waterfront Plan totaling \$61.5 million over the next 10 years. In prior year CIPs, only funding for planning and design was budgeted. The FY 2016 – 2025 is the first CIP to provide a funding plan for the infrastructure improvements needed to implement the Waterfront Plan.
- Continuation of the Potomac Yard Metrorail Station project, with \$274.0 budgeted in FY 2016 – 2017 (total estimated project costs including prior year funding are \$285.9)
- Funding for Alexandria City Public Schools of \$296.9 million to fund increased enrollment and modernization of facilities
- Sanitary Sewer and Stormwater funding equal to \$138.8 million to address long-term capital infrastructure needs related to federally mandated improvements.
- WMATA capital funding increases \$59.2 million, from \$55.3 million in last year’s plan to \$114.5 million, primarily to support Metro 2025 capital infrastructure expansion, but less than the WMATA funding request.

HIGHLIGHTS OF THE FY 2016 CAPITAL BUDGET

The FY 2016 Capital Budget (only year formally adopted and appropriated by City Council) totals \$117.8 million and highlights of the projects are as follows:

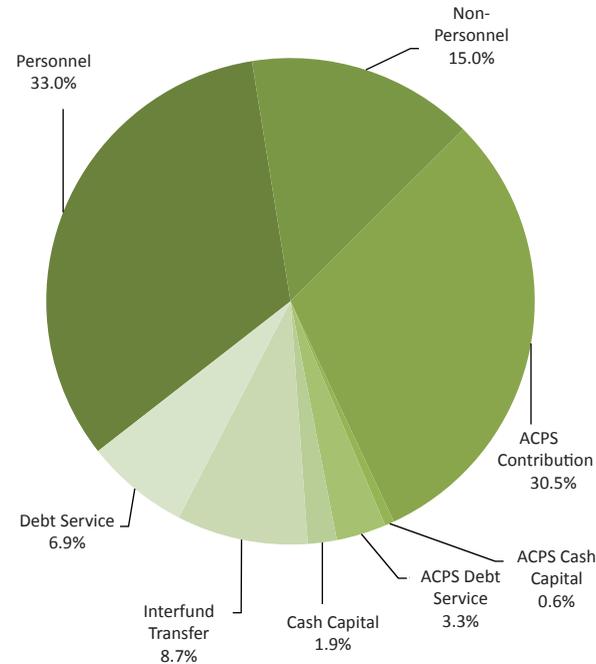
- \$44.3 million to Alexandria City Public Schools
- \$4.4 million for sanitary sewers and stormwater management
- \$1.5 million for continued design and engineering for Waterfront Small Area Plan implementation
- \$5.9 million in construction funding for the Patrick Henry Recreation Center Renovation project, being completed in conjunction with capacity related improvements to the ACPS facility
- \$5.0 million in construction funding for the Windmill Hill Park Bulkhead
- \$9.2 million to support the WMATA Capital Improvement Program
- \$5.6 million for Street reconstruction and resurfacing, a \$1.1 million increase over FY 2015. Resurfacing of lane miles will increase from an estimated 22 miles in FY 2014, to over 50 miles in FY 2016.
- The FY 2016 Capital Budget has 44% cash sources versus 56% bond sources.

DEBT POLICIES

- The Proposed FY 2016 – FY 2025 CIP complies with all debt and capital funding policies when excluding the self-funded Potomac Yard Metrorail Station.
- The CIP has 36% cash sources versus 64% bonds
- The General Fund Cash Capital Transfer is near the City Council approved target of 2.5% of General Fund expenditures annually. The percentage as relates to total General Fund expenditures in FY 2016 is 2.47% and increases to 2.5% in FY 2017 through FY 2025.

FY 2016 PROPOSED GENERAL FUND EXPENDITURES

EXPENDITURE OVERVIEW



FY 2016 PROPOSED EXPENDITURES (in millions)

| General Fund | FY 2015 Approved | FY 2016 Proposed | \$ Change FY 15/16 | % Change FY 15/16 |
|-----------------------------------|------------------|------------------|--------------------|-------------------|
| City Operating Expenditures | \$339.3 | \$344.6 | \$5.3 | 1.6% |
| Transit Subsidies | \$20.0 | \$23.0 | \$3.0 | 15.0% |
| Capital Projects/ Debt Service | \$85.7 | \$82.4 | -\$3.3 | -3.8% |
| <i>City subtotal</i> | <i>\$445.0</i> | <i>\$450.0</i> | <i>\$5.0</i> | <i>1.1%</i> |
| City Appropriation to Schools | \$191.8 | \$197.8 | \$6.0 | 3.1% |
| Total General Fund Budget* | \$636.8 | \$647.9 | \$11.1 | 1.7% |

*May not total due to rounding

TAX FACTS & ASSESSED VALUE

| Type | Unit | CY 2014 Actual Rate | CY 2015 Proposed Rate |
|----------------------------|-----------|---------------------|-----------------------|
| Real Estate | \$100/AV | \$1.038 | \$1.038 |
| Personal Property | \$100/AV | \$5.00 | \$5.00 |
| Refuse Collection Disposal | Household | \$337 | \$337 |

Average Home Assessed Value \$509,853

Average Residential Tax Bill CY 2014 (Equalized) \$5,159

Average Residential Tax Bill CY 2015 (\$1.043 rate) \$5,318

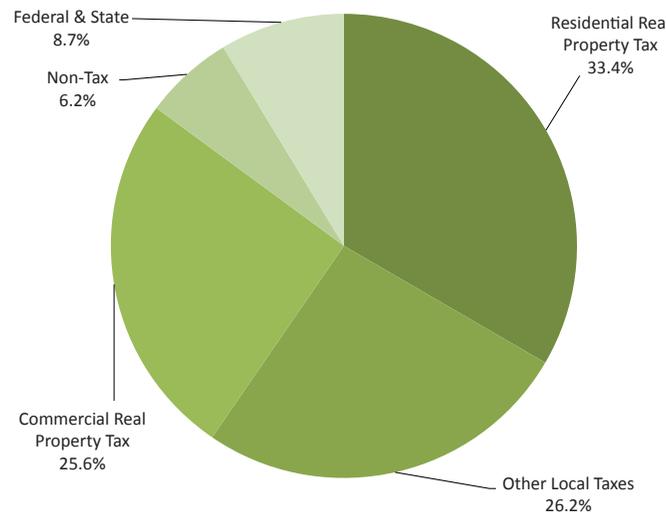
Median Assessed Value of Single-Family and Condominiums

| Assessed Value | Units | Total Value | Median |
|---------------------------|--------|-----------------|-------------|
| Less than \$100,000 | 56 | \$5,055,799 | \$94,676 |
| \$100,000 - \$249,999 | 9,089 | \$1,709,810,283 | \$190,444 |
| \$250,000 - \$499,999 | 13,494 | \$4,971,353,863 | \$364,295 |
| \$500,000 - \$749,999 | 10,825 | \$6,612,916,994 | \$602,949 |
| \$750,000 - \$999,999 | 5,090 | \$4,345,054,215 | \$844,593 |
| \$1,000,000 - \$1,999,999 | 2,193 | \$2,771,765,255 | \$1,186,390 |
| \$2,000,000 and Over | 229 | \$622,293,489 | \$2,493,489 |

Source: Finance Department

FY 2016 PROPOSED GENERAL FUND REVENUES

REVENUE OVERVIEW



FY 2016 PROPOSED REVENUE (in millions)

| | FY 2015 Approved | FY 2015 Projected | FY 2016 Proposed | % Change from Approved |
|---|------------------|-------------------|------------------|------------------------|
| Real Property Tax | \$369.7 | \$369.6 | \$382.1 | 3.4% |
| Other Taxes | \$170.1 | \$167.9 | \$169.4 | -0.4% |
| Non-Tax Revenue | \$37.8 | \$37.9 | \$40.3 | 6.5% |
| Fed & State Revenue | \$56.4 | \$55.5 | \$56.1 | -0.5% |
| Prior year surplus & other fund transfers | \$2.8 | \$0.4 | \$0 | N/A |
| Total | \$636.8 | \$631.3 | \$647.9 | 1.7% |