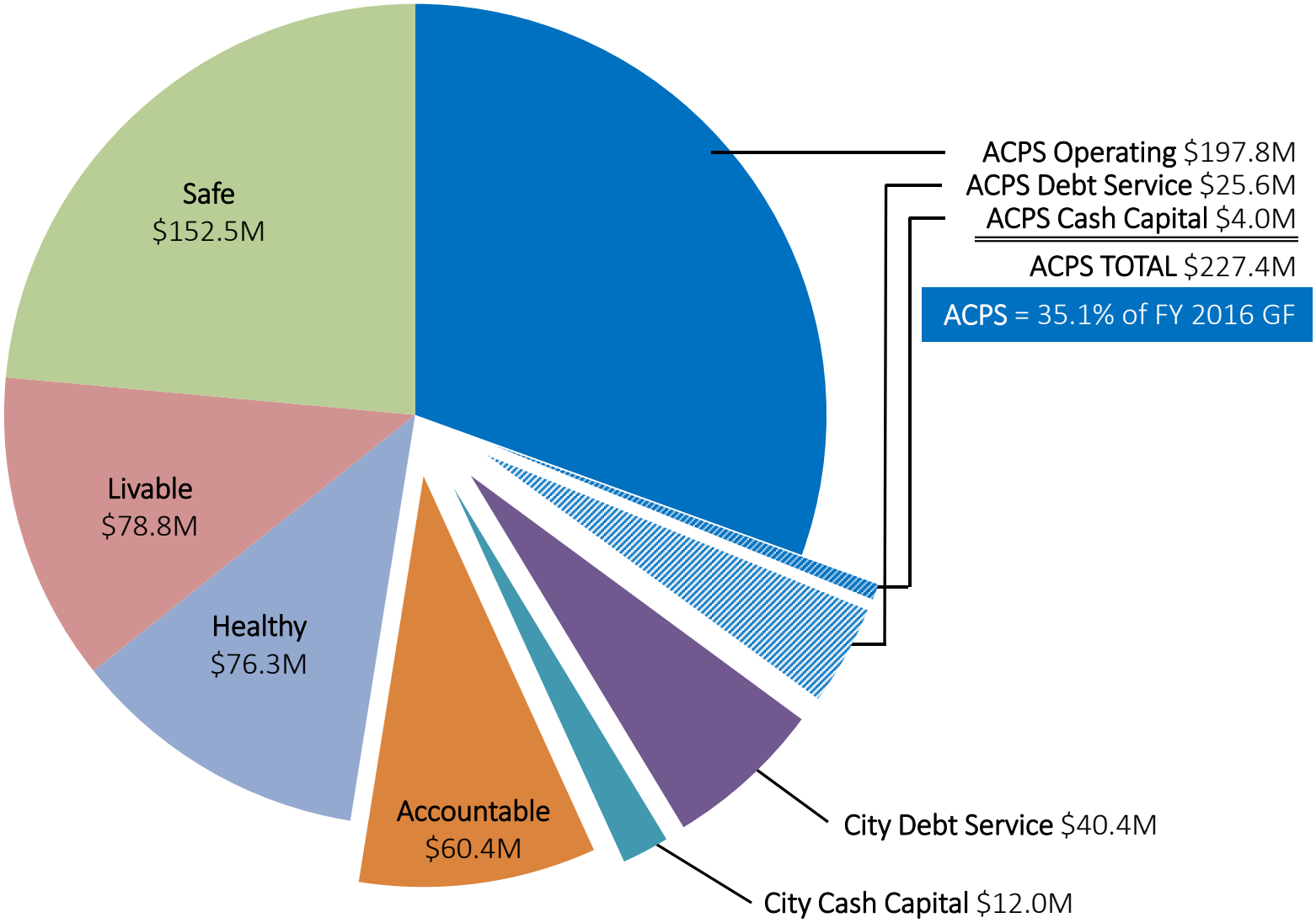
FY 2016 City Manager's Proposed Budget

Accountable, Effective & Well-Managed Government

April 21, 2015

FY 2016 Budget by Focus Area

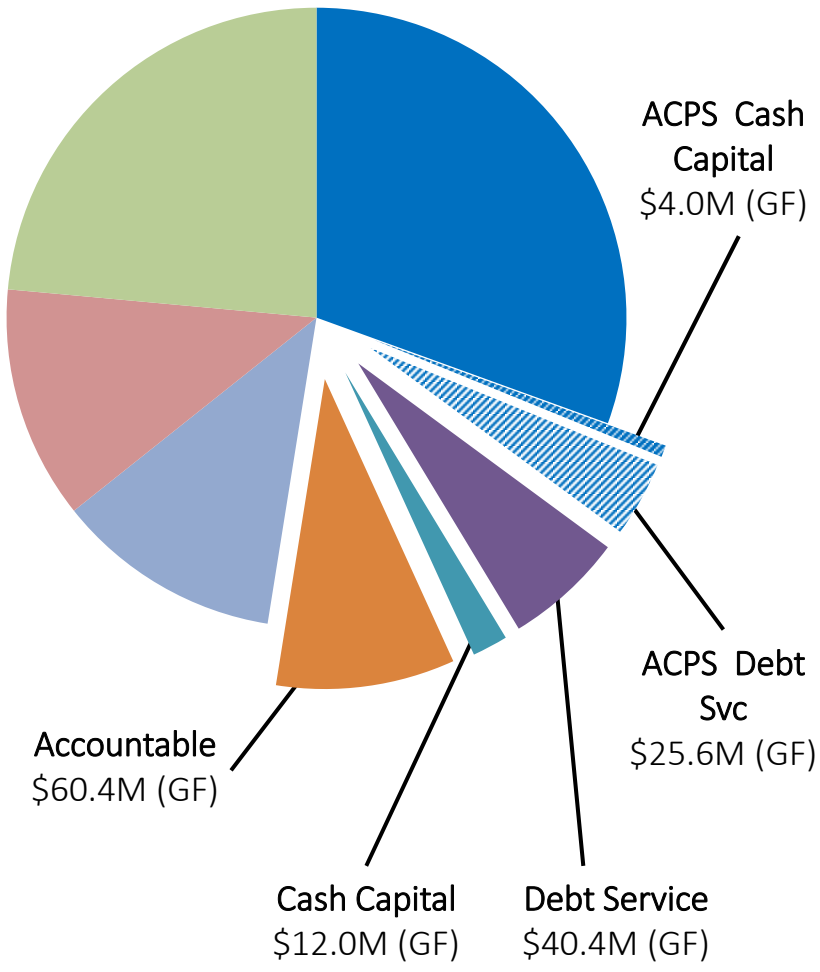
General Fund $647.9M



Accountable, Effective & Well-Managed Government Overview

Departments

- City Attorney
- City Clerk and Clerk of Council
- City Council
- City Manager
- Communications/Public Information
- Finance
- General Services
- Human Resources
- Information Technology Services
- Internal Audit
- Performance and Accountability
- Non-Departmental
- Management and Budget
- Registrar of Voters



Accountable, Effective & Well-Managed Government

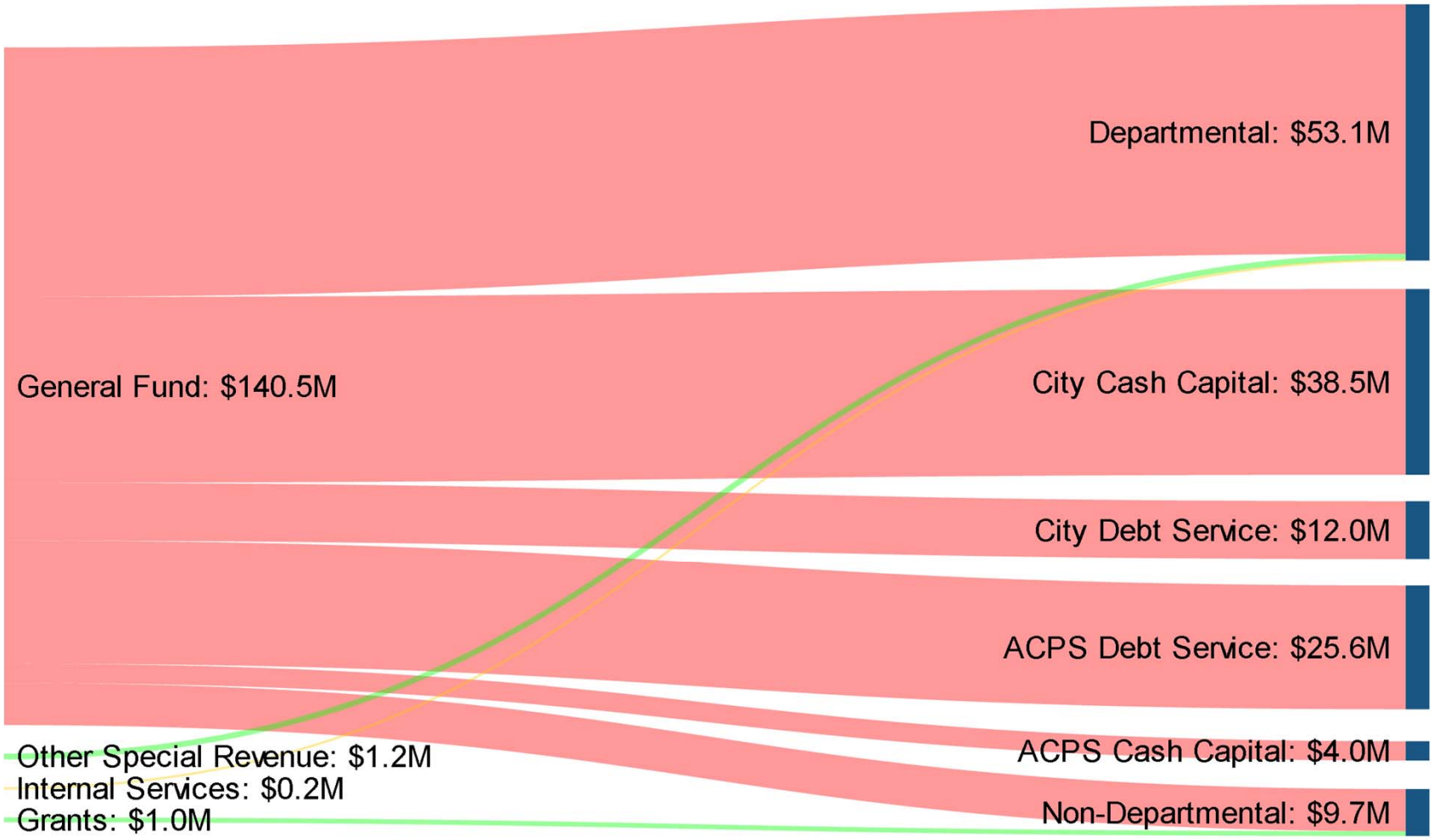
All Funds Expenditures by Long Term Outcome

The City is proposing to invest, $142.9 M (All Funds) in FY 2016 on the following outcomes:

Long Term Outcome	FY 2015	FY 2016	% Change
Achieve results that the community values	$33.6 M	$33.0 M	-1.8%
Ensure City government is accountable to the community	$4.1 M	$4.1 M	1.0%
Ensure the fiscal strength of the City Government	$15.6 M	$16.0 M	1.2%
Non-Departmental (Debt Service & Cash Capital)			
City Cash Capital	$13.2 M	$12.0 M	-8.6%
City Debt Service	$37.4 M	$38.5 M	2.8%
ACPS Cash Capital	$4.9 M	$4.0 M	-18.4%
ACPS Debt Service	$25.3 M	$25.6 M	1.2%
Non-Departmental (Primarily Insurance & Compensation)	$9.3 M	$9.7 M	4.3%
Total	**$143.5 M**	**$142.9 M**	**-0.5%**

ALL FUNDS REVENUE - $142.9 M

The **Accountable, Effective & Well-Managed** Focus Area leverages the use of funding beyond the General Fund to provide additional services to achieve long-term outcomes

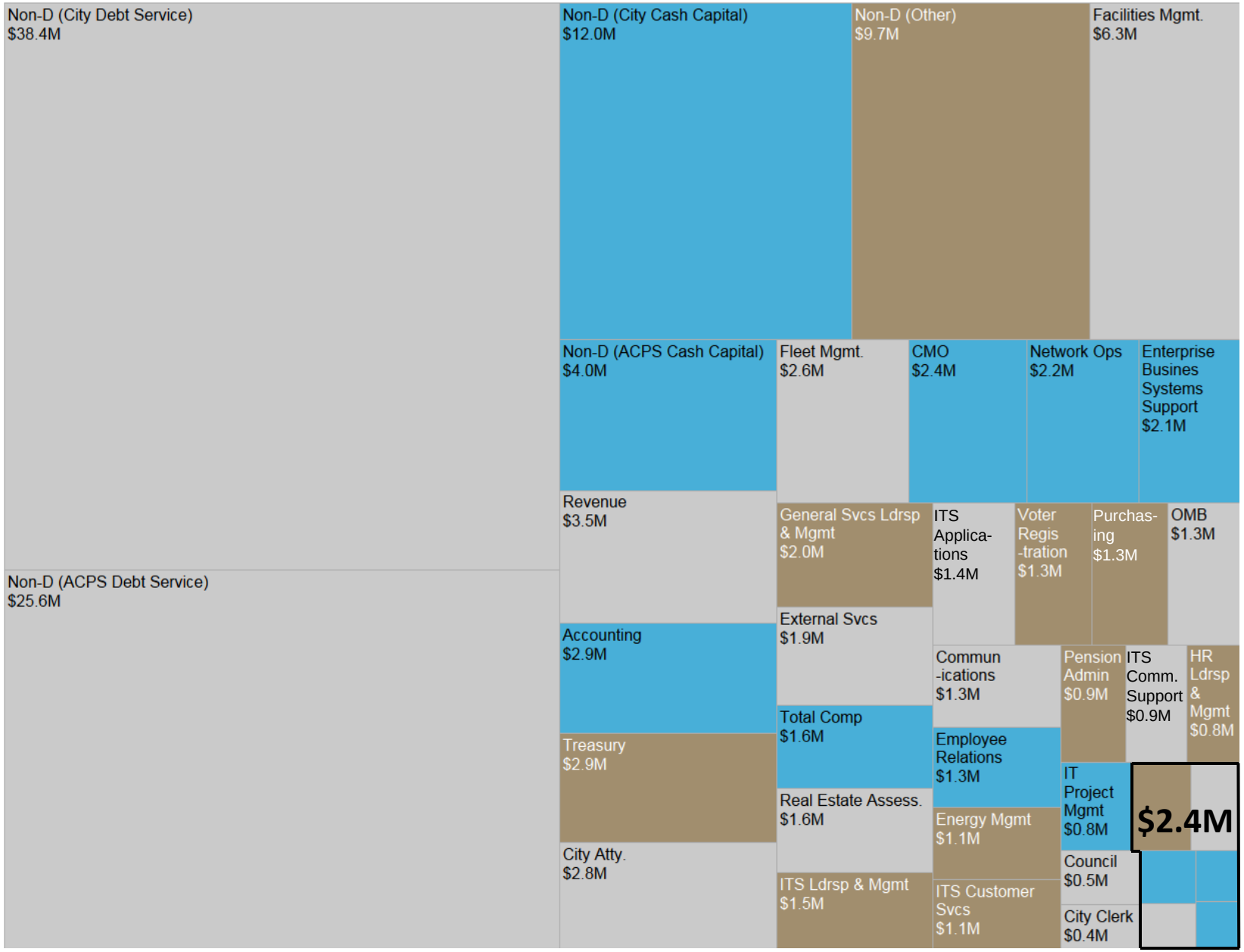


Changes in All Funds Revenues

Fund	FY 2015	FY 2016	Change ($)	Change (%)
General Fund	$141.16 M	$140.43 M	$-0.73 M	-0.5%
Grants	$1.00 M	$1.00 M	$0.00 M	0.0%
Other Special Revenue	$1.16 M	$1.22 M	$0.07 M	5.7%
Internal Services	$0.20 M	$0.20 M	$0.00 M	0.0%
Total	**$143.51 M**	**$142.85 M**	**$-0.66 M**	**-0.5%**

Accountable, Effective & Well-Managed Government

Program Allocations – All Funds ($142.9 M)



Shrinking | Static | Growing

Accountable, Effective & Well-Managed Government

INVESTING IN EXISTING ASSETS/CORE PROGRAMS	Preventative maintenance of City buildings & equipment
INVESTING IN EMPLOYEE DEVELOPMENT AND RETENTION	Telework and space planning initiative Management Fellowship Career ladders Competitive Police pay

PROGRAMMATIC INVESTMENTS BY LONG-TERM OUTCOME

All Values Provided as All Funds

(Excluding Interfund Transfers)

ACHIEVE RESULTS THAT THE COMMUNITY VALUES

Total Investment in Outcome		
Net **All Funds**	FY15: $33.62 M	FY16: $33.03 M

Highlighted Programs	FY15	FY16	Change	
Facilities Management	$6.19 M	$6.30 M	$0.11M	1.80%
City Manager's Office	$2.52 M	$2.36 M	$-0.16 M	-6.20%
General Services External Services	$1.93 M	$1.86 M	$-0.06M	-3.30%
HR-Total Compensation	$1.77 M	$1.59 M	$-0.17 M	-9.80%
Voter Registration & Elections	$1.27 M	$1.33 M	$0.06 M	4.80%
Office of Performance & Accountability	$0.57 M	$0.56 M	$-0.01 M	-1.44%
City Council	$0.51 M	$0.52 M	$0.01 M	2.13%

Key Performance Measures	FY15	FY16	
Percent of City-owned buildings that are rated in good condition according to the Facility Condition Index (FCI) rating	60.0%	60.0%	↔
Percent of City employees that meet or exceed performance standards	-	95.0%	
Percent of corrective action plans to resolve audit findings that are implemented by departments within 45 days	95%	95%	↔

TARGETED INVESTMENTS

- **$76K** Invest in Stormwater BMP repair & maintenance at City buildings
- **$55K** Invest in planning for future work force/work space
- **1.0 FTE** Conversion of Special Assistant to City Manager to Management Fellowship for internal employee development
- **$10K** Increased stipend for Election Officers

SAVINGS/EFFICIENCIES

- **Efficiency Savings of:**
  - **$232K** (1.0 FTE) Vacant Deputy City Manager
  - **$122K** (1.0 FTE) Vacant City Architect position (General Services)

ENSURE CITY GOVERNMENT IS ACCOUNTABLE TO THE COMMUNITY

Total Investment in Outcome		
Net **All Funds**	FY15: $4.06 M	FY16: $4.11 M

Highlighted Programs	FY15	FY16	Change	
City Attorney	$2.75 M	$2.82 M	$0.07 M	2.7%
Communications & Public Information	$1.31 M	$1.28 M	$-0.03 M	-2.5%

Key Performance Measures	FY15	FY16	
Percent of cases successfully upheld by the court	95.0%	95.0%	↔

SAVINGS/EFFICIENCIES

- **$31K** Elimination of duplicate City funding to cablecast meetings of the Alexandria School Board
- **$20K** Rightsizing of funding available to produce and publish AlexTV video content on City's website and Channel 70

Ensure the fiscal strength of the City Government

Total Investment in Outcome		
Net All Funds	FY15: $15.75 M	FY16: $15.95 M

Highlighted Programs	FY15	FY16	Change	
Revenue	$3.50M	$3.53M	$0.04M	1.0%
Accounting	$3.33 M	$2.91 M	$-0.42 M	-12.6%
Real Estate Assessment	$1.63 M	$1.59 M	$-0.04 M	-2.4%
Management & Budget	$1.26 M	$1.30 M	$0.04 M	3.0%
Energy Mgmt.	$1.02 M	$1.12 M	$0.10 M	10.1%

Key Performance Measures	FY15	FY16	
Credit Rating (Moody's Investor Service)	Aaa	Aaa	↔
Credit Rating (Standard & Poor's Corporation)	AAA	AAA	↔
Percent of authorized budgetary resources spent within the appropriate FY	99.0%	100.0%	↑
Percent of City departments responsible for their energy costs (12) for which a utility use report is issued within relevant month	33.0%	100.0%	↑
Percent of Government Finance Officers Association (GFOA) standards met on financial reporting	100.0%	100.0%	↔

Targeted Investments

- **$44K** 0.4 FTE Energy Management Analyst position to generate savings in future years (estimated savings of $88K by end of first year)

Savings/Efficiencies

- **$165K** Phase out of City's legacy financial system maintenance contract
- **$62K** Elimination of 1.0 FTE Account Clerk position
- **$60K** Elimination of leased space no longer occupied by Finance

Non-Departmental, Excluding Capital ($9.7 M)

- Liability/Property/Worker's Compensation/Retiree Health & Life Insurance ($5.35 M)
- Closed Police/Fire Pension Plan ($1.7 M)
- Response to Emergencies [Primarily Snow] ($0.84 M)
- Other Operating Expenditures ($0.39 M)
- City Memberships ($0.34 M)
- Contingent Reserves ($0.13 M)

Revenue and Expenditure Adjustments

Revenue Adjustment	FY 2016	Expenditure Savings	FY 2016
Increase in Local Sales and Use Tax	$0.50 M	WMATA reduced proposed City share of Metro operating subsidy	$0.60 M
Increase in Business License Tax (BPOL)	$1.00 M	WMATA reduced proposed City share of Metro capital subsidy	$0.85 M
Increase in Bank Franchise Tax	$0.50 M	Change in scope of King/Quaker/Braddock Capital Improvement project	$1.25 M
Decrease in Recordation Tax	($0.50 M)	Debt service savings (bond refunding)	$0.25 M
Contribution to Fund Balance based on Re-estimate of FY 2016 Revenues	($0.20 M)	Contingent Reserves budgeted in Non-Departmental	$0.13 M
TOTAL	**$1.30 M**	**TOTAL**	**$3.08 M**

Total Funding available for Add/Delete Process: $4.38 M

Fire Station 210

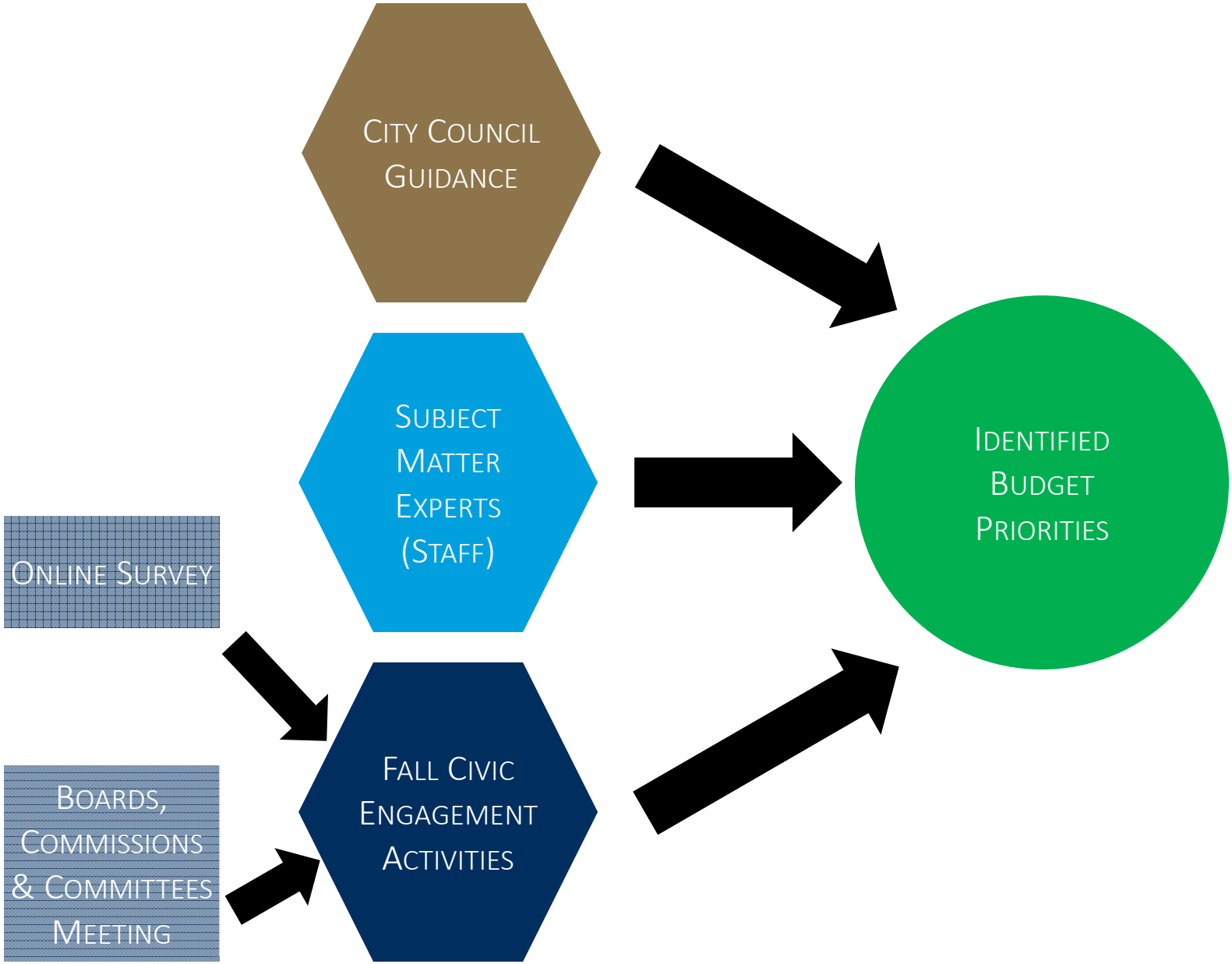
- Engine 210 in Dec 2016 $0.9M
  - 20 Overhires begin training in Feb 2016
- Engine 210 in Mar 2016 $1.3M
  - 20 Overhires begin training in Sept 2016
  - Streamlined recruitment and selection process
  - Streamlined training program
- Engine 210 in Dec 2015 $1.3M
  - Up to 20 Overhires begin training in Sept 2016
  - Streamlined recruitment and selection process
  - Contingent upon receiving enough certified applicants that meet qualifications

CIVIC ENGAGEMENT & RESULTS ALEXANDRIA

FY 2016 Civic Engagement

Event	Date(s)	Description
Budget Outcomes Prioritization Survey	Fall 2014	Online survey, where participants prioritized the City's Long Term Outcomes
Boards, Commissions and Committee Chairs Meeting		Chairs (or designees) of the City's boards, commissions and committees were invited to a facilitated discussion of the City's Long Term Outcomes, where the City should prioritize resources and what actions can be taken to balance the budget
Focus Area Program Prioritization Meetings	January – February 2015	Residents were invited to attend meetings to discuss and prioritize the programs and services that are most important for achieving the City's Long Term Outcomes

Identified Budget Priorities



Identified Budget Priorities

- Diversification/expansion of City's tax base
- Sustained citizen health and social equity
- Educational achievement
- Public safety response
- Recruitment and retention of the best and brightest talent

Results Alexandria in the Budget Process

Proposed Adjustment	Implementation of a residential food waste composting pilot effort (+$15,000)

- Which Strategy/Goal/Outcome does the adjustment impact?
  - Strategy: Pick-up, transport, and recycle material of customers serviced by the department
  - Goal: Recycling collections occur on schedule without missed collections; Reduce Citywide refuse disposal and achieve a 65% diversion rate by the year 2020
  - Outcome: Promote an attractive urban environment that reflects our history and provides well-functioning infrastructure

- How does this proposed adjustment impact the Strategy/Goal/Outcome?
  - This initiative contributes to increasing the City's recycling rate so as to achieve the ECO-CITY objective of diverting 60% of the City's municipal solid waste to a beneficial use by 2020.

Results Alexandria in the Budget Process

Proposed Adjustment	Implementation of a residential food waste composting pilot effort (+$15,000)

- How does the proposed adjustment align with the City Manager's Budget Guidance and/or Identified Budget Priorities?
  - This pilot program supports the City's "Promote an attractive urban environment that reflects our history and provides well-functioning infrastructure" long term outcome (see alignment above). This LTO falls under the Identified Budget Priority of "Diversification and Expansion of the City's Tax Base".
- Is there an identified need for this programmatic adjustment (i.e. waitlist, etc.)?
  - The City's Environmental Action Plan specifies that material of value (i.e. metals, paper, plastics, yard waste) should be diverted from traditional trash disposal and recovered for beneficial use by recycling or composting. The goal is to reduce trash by 60% by 2020.

BUDGET & FISCAL AFFAIRS ADVISORY COMMITTEE

REMARKS FROM COMMITTEE MEMBERS

JOHN J. RENNER, BFAAC CHAIR

Key Budget Development Dates

~~**Wed., March 11**~~	~~6:30~~	~~Public Budget Presentation (Beatley Library)~~
~~**Thursday, March 12**~~	~~6:30~~	~~Work Session: Compensation/Revenues/5-Year Financial Model (City Hall; 1101)~~
~~**Monday, March 16**~~	~~4:00~~	~~Public Hearing: FY 2016 Budget (Council Chambers)~~
~~**Tuesday, March 17**~~	~~6:30~~	~~Work Session: Alexandria City Public Schools (ACPS Headquarters)~~
	~~8:00~~	~~Introduction of Tax Rate Ordinance (ACPS Headquarters)~~
~~**Thursday, March 19**~~	~~6:30~~	~~Work Session: "Safe, Secure & Just Community" Focus Area (City Hall; 1101)~~
~~**Monday, March 23**~~	~~6:30~~	~~Work Session: Capital Improvement Program (City Hall; 1101)~~
~~**Tuesday, April 7**~~	~~6:30~~	~~Work Session: "Healthy & Thriving Residents" Focus Area (City Hall; 1101)~~
~~**Thursday, April 9**~~	~~6:30~~	~~Work Session: "Livable, Green & Prospering City" Focus Area (City Hall; 1101)~~
~~**Thursday, April 16**~~	~~6:30~~	~~Work Session: Alexandria City Public Schools (ACPS Headquarters)~~
Tuesday, April 21	5:30	Work Session: "Accountable, Effective & Well-Managed Government" Focus Area (City Hall; 1101)
	6:30	Work Session: Budget & Fiscal Affairs Advisory Committee (City Hall; 1101)
	7:30	Public Hearing: FY 2016 Tax Rate (Council Chambers)
Tuesday, April 28	7:00	Legislative Meeting: Preliminary Add/Delete Discussion (Council Chambers)
Monday, May 4	6:30	Special Meeting: Final Add/Delete Discussion (Council Chambers)
Thursday, May 7	6:30	Special Meeting: Budget Adoption (Council Chambers)

Note: Introduction of Tax Rate Ordinance and FY 2016 Tax Rate Public Hearing will start no earlier than stated time. Start time may be later, if previous meeting runs longer than scheduled.