Fiscal Year (FY) 2017 is the ninth straight year of budgetary challenges for the City of Alexandria as the regional 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 2017, the City will invest $678.5 million 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 investment represents a 4.5% increase over the City’s level of investment in FY 2016 and focuses on mission and essential spending.

This year’s budget links spending to long-term outcomes with additional emphasis placed on civic engagement. In October and November 2015, the City hosted four public meetings. Community input influenced City Council’s budget guidance, the City Manager’s Budget Priorities, and the proposed budget. In part due to this engagement, the proposed budget incorporated five priorities: 1) Housing Affordability; 2) Parking Management & Traffic Management; 3) Generating new General Fund Revenues; 4) Investment in Information Technology; and 5) Pre-Kindergarten and/or Childcare Programs.

HIGHLIGHTS OF THE $678.5 MILLION BUDGET INCLUDE:

- Raises the real estate tax rate $0.03 per $1,073 per $100 of assessed value, of which 2 cents will be used to fund priority capital improvement projects.
- Maintains 2.2 cents real estate tax reservation for transportation; 0.5 cents designation for stormwater; and 0.6 cents designation for affordable housing.
- Increases the current sanitary sewer fee from $1.25 to $1.40 per 1,000 gallons and the current solid waste fee from $337 to $363.
- Maintains funding for seniors and the social safety net, including an additional $0.5m of additional affordable housing while increasing the investment towards the Children and Youth Master Plan.
- Invests over 45% of new revenue for Alexandria City Public School purposes to address increasing enrollment by increasing funding $9.95 million (including a $3.0 million in School Enrollment Capacity funding and $2.2 million for debt service).
- Increases funding for traffic and parking enforcement initiatives in Police and Transportation & Environmental Services departments.
- realigns sworn Fire Department officer rank compensation with the market to mitigate turnover issues and increases pay 2.5% for all firefighters and 7.5% for Fire Officers.
- Provides a merit increase for all eligible City employees with satisfactory performance and increases the City’s living wage for employees and service contractors by one dollar per hour to $14.13.

City Council and City Staff held a series of meetings during the budget development process to discuss and deliberate on the FY 2017 budget. These meetings included a public hearing on the budget on Mon., March 14 and a public hearing on the tax rate on Sat., April 16. The following budget-related sessions were held in March, April and May 2016: These meetings were open to members of the public. Visit alexandriava.gov/Budget for meeting materials and videos.
### FY 2017 Approved General Fund Expenditures

**Expended Overview**

- **Personnel:** 33.0%
- **Non-Personnel:** 11.7%
- **Interfund Transfers:** 11.2%
- **Cash Capital:** 2.4%
- **City Debt Service:** 6.1%
- **ACPS Debt Service:** 4.1%
- **ACPS Cash Capital:** 1.1%

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2017 Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund Expenditures</td>
<td>$38,137,313</td>
</tr>
<tr>
<td>Pay-as-you-Go Capital</td>
<td>$26,029,968</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$623,424,023</td>
</tr>
</tbody>
</table>

### FY 2017 Approved Operating Expenditures

**General Fund Expenditures**

- **City Operations:** $323,225,026
- **City Related Debt Service:** $42,105,427
- **Transit Service:** $17,916,051
- **Schools:** $191,811,472
- **School Related Debt Service:** $22,336,079
- **Schools Subtotal:** $214,177,511
- **Pay-as-you-Go Capital:** $26,029,968

<table>
<thead>
<tr>
<th>Category</th>
<th>FY 2015 Actual</th>
<th>FY 2016 Approved</th>
<th>FY 2017 Approved</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Operations</td>
<td>$323,225,026</td>
<td>$348,410,254</td>
<td>$358,419,916</td>
<td>$11,009,662</td>
<td>3.2%</td>
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<tr>
<td>City Related Debt Service</td>
<td>$42,105,427</td>
<td>$38,137,313</td>
<td>$41,226,505</td>
<td>$3,089,192</td>
<td>8.1%</td>
</tr>
<tr>
<td>Transit Service</td>
<td>$17,916,051</td>
<td>$22,416,923</td>
<td>$19,906,276</td>
<td>($2,510,647)</td>
<td>-11.2%</td>
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<tr>
<td>Schools</td>
<td>$191,811,472</td>
<td>$198,811,472</td>
<td>$206,561,472</td>
<td>$7,750,000</td>
<td>3.9%</td>
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<tr>
<td>School Related Debt Service</td>
<td>$22,336,079</td>
<td>$25,155,389</td>
<td>$27,619,478</td>
<td>$2,464,089</td>
<td>9.8%</td>
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<tr>
<td>Schools Subtotal</td>
<td>$214,177,511</td>
<td>$223,966,861</td>
<td>$234,180,950</td>
<td>$10,214,089</td>
<td>4.6%</td>
</tr>
</tbody>
</table>

### DEBT AND CAPITAL FUNDING POLICIES

- **City Operations:** $323,225,026
- **City Related Debt Service:** $42,105,427
- **Transit Service:** $17,916,051
- **Schools:** $191,811,472
- **School Related Debt Service:** $22,336,079
- **Schools Subtotal:** $214,177,511
- **Pay-as-you-Go Capital:** $26,029,968

### HIGHLIGHTS OF THE FY 2017 CAPITAL BUDGET

The FY 2017 Capital Budget (only year formally adopted and appropriated by City Council) totals $394.6 million and highlights of the projects are as follows:

- $270.0 million for funding of the Potomac Yard Metrorail Station, from NVTA 70% and VTB Loan and GO Bonds paid for by Potomac Yard Special Tax District revenues.
- $44.2 million in new City funding to Alexandria City Public Schools, $12.0 million above the planned level last year’s CIP.
- $1.0 million for sanitation and stormwater management.
- $1.0 million to continue implementation of the Waterfront Small Area Plan, including funds for the intermittent Fitzgerald Square.
- $4.5 million to begin design and engineering for expansion of the Chinoquing Aquatics Center.
- $8.5 million for pay-as-you-go capital improvements.
- $6.7 million for street reconstruction and resurfacing. Resurfacing of lane miles will increase from an estimated 22 miles in FY 2014, 65 miles in FY 2017.
- $10.9 million for identified maintenance and repair projects, as part of the City’s Capital Facilities Maintenance Programs (CFMPs).
- $5.3 million for DASH Bus Fleet Replacements.

### DEBT CAPITAL AND FUNDING POLICIES

- The CIP has 41% cash sources versus 59% bonds over the life of the 10 year CIP.
- The General Fund Cash Capital Transfer is approved by the City Council approved target of 2.5% of General Fund expenditures annually, the percentage as it related to total General Fund expenditures in FY 2017 is 4.0% and decreases to 3.5% in FY 2018 through FY 2026.

### FY 2017 Approved Revenue Pie Chart

### FY 2017 Approved Revenue Pie Chart

<table>
<thead>
<tr>
<th>Source</th>
<th>FY 2017 Approved</th>
<th>FY 2016 Projected</th>
<th>FY 2017 Approved</th>
<th>% Change from FY 2016 Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real Property Tax</td>
<td>$382.1 M</td>
<td>$388.3M</td>
<td>$402.6 M</td>
<td>5.4%</td>
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<tr>
<td>Other Taxes</td>
<td>$171.0 M</td>
<td>$173.4 M</td>
<td>$177.2 M</td>
<td>3.6%</td>
</tr>
<tr>
<td>Non-Tax Revenue</td>
<td>$35.5 M</td>
<td>$35.2 M</td>
<td>$38.1 M</td>
<td>7.3%</td>
</tr>
<tr>
<td>Fed &amp; State Revenue</td>
<td>$56.0 M</td>
<td>$55.8 M</td>
<td>$56.2 M</td>
<td>0.4%</td>
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<tr>
<td>Prior year surplus &amp; other fund transfers</td>
<td>$4.6 M</td>
<td>$4.6 M</td>
<td>$4.5 M</td>
<td>-1.9%</td>
</tr>
<tr>
<td>Total</td>
<td>$649.2 M</td>
<td>$675.3 M</td>
<td>$687.5 M</td>
<td>4.5%</td>
</tr>
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</table>

### TAX FACTS & ASSESSED VALUE

<table>
<thead>
<tr>
<th>Type</th>
<th>FY 2016 Actual</th>
<th>FY 2017 Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median Assessed Value of Single-Family and Condominiums</td>
<td>$521,227</td>
<td>$521,227</td>
</tr>
</tbody>
</table>

Source: Finance Department