

## FY 2013 Budget Overview

The following is an overview of the City of Alexandria's FY 2013 General Fund operating budget.

The FY 2013 General Fund operating budget increases by \$21.0 million, or 3.7%, from \$566.9 million to \$587.9 million.

### Millions of Dollars

	FY 2012 Approved	FY 2012 Projected	FY 2013 Approved	\$ Chg FY12 Apr/ FY13 Apr	% Chg FY12 Apr/ FY13 Apr
Real Property Taxes	\$321.7	\$325.0	\$333.9	\$12.2	3.8%
Other Taxes	157.8	160.0	162.4	4.6	2.9%
<b>Taxes</b>	<b>479.5</b>	<b>485.0</b>	<b>496.3</b>	<b>16.8</b>	<b>3.5%</b>
Non-Tax Revenue	25.9	28.9	29.3	3.4	13.1%
Federal & State Revenue	53.0	53.8	53.6	0.6	1.1%
Prior Year Surplus & Transfers	8.6	1.4	8.7	0.1	1.2%
<b>Total</b>	<b>\$566.9</b>	<b>\$569.0</b>	<b>\$587.9</b>	<b>\$21.0</b>	<b>3.7%</b>

No real estate property or other tax rates are increased in FY 2013. The real estate tax rate remains \$99.8 cents per \$100 of assessed value.

\$12.2 million of the \$21.0 million dollar increase is funded by an increase in the assessed value of real estate property. Real estate property assessments increased by 3.4% in calendar year 2012 and are estimated to increase by 2.5% in calendar year 2013. These assessment increases are reduced slightly by the anticipated closure of the GenOn electrical plant assessed at \$198.1 million. Otherwise the increase in assessments would be 3.5% in 2012 and 2.9% in 2013.

The impact of the increased assessments on the average homeowner's real estate tax bill is a \$52, or 1.2%, increase from \$4,523 in 2011 to \$4,575 in 2012. The rate of increase is lower than the 2011 inflation rate of 3.0%.

The remainder of the increase in FY 2013 revenues is due mostly to a \$2.9 million increase in personal property taxes resulting from an increase in the number of vehicles registered in the City, a \$1.2 million increase in business licenses, and a \$2.4 million increase in other local taxes with no tax rate increases.

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Of the City's FY 2013 General Fund budget of \$587.9 million, \$327.9 million, or 55.8%, is for City government operations. \$179.5 million, or 30.5%, is the City's transfer to the Alexandria City Public Schools (ACPS) to fund a portion of Schools operations. \$62.1 million, or 10.6%, is funding for the City and Schools Capital Improvement Program (CIP) and includes a combination of pay as you go cash capital and debt payments on previously issued and planned bonds. \$18.4 million, or 3.1%, is in subsidies for Metro, DASH and other public transit providers.

### Millions of Dollars

	FY 2011 Actual	FY 2012 Approved	FY 2013 Approved	\$ Chg FY12/13	% Chg FY12/13
City Operating	\$303.6	\$316.2	\$327.9	\$11.6	3.7%
Transit Subsidies	16.3	\$16.6	\$18.4	\$1.8	11.1%
Capital Program Funding	44.3	\$59.1	\$62.1	\$3.0	5.0%
<b>City Total</b>	<b>364.1</b>	<b>\$391.9</b>	<b>\$408.4</b>	<b>\$16.5</b>	<b>4.2%</b>
ACPS	167.9	175.0	179.5	4.5	2.6%
<b>City &amp; ACPS General Fund Total</b>	<b>\$532.0</b>	<b>\$566.9</b>	<b>\$587.9</b>	<b>\$21.0</b>	<b>3.7%</b>

Of the \$21.0 million increase in General Fund expenditures, \$19.8 million is to continue current services and fund previous commitments, such as the planned opening of a new fire station in Eisenhower Valley currently under construction. The City's transfer to ACPS increases by \$4.5 million or 2.6%. The FY 2013 budget also includes \$3.2 million in expanded services and \$6.5 million in service and efficiency reductions. Details of the City's service expansions and efficiency reductions are included in the departmental section of the budget document.

The \$19.8 million increase in FY 2013 to maintain current services and previous commitments consists of \$10.2 million in increased personnel costs, \$3.0 million in increased CIP cash capital and debt service, \$2.2 million to open the new Fire Station 210 in the Eisenhower Valley, \$2.0 for existing transit services and the planned expansion of DASH bus service, and \$2.4 million for various increases in the cost of maintaining the current level of service.

## FY 2013 Budget Overview

The City's personnel cost increase of \$16.7 million consists of \$9.0 million in increases associated with salaries and \$7.7 million in benefit cost increases. \$5.7 million is due to increased retirement costs. The cost of line of duty benefits being shifted from the State to localities represents \$0.4 million of this increase. \$3.3 million is for annual pay increases of existing employees at established rates. \$1.4 million is due to increasing health premiums. In FY 2013, the employee share of health insurance costs is increased to 20% for all employees. This results in a savings to the City of \$0.4 million. This City's cost of increased health insurance premiums would have otherwise been \$1.8 million.

There were several changes and increases designed to improve the City's ability to attract and retain a quality workforce, including \$0.5 million to shift the pay scale for General Schedule employees and provide top of grade funding for employees who are at the end of the scale. In addition, City Council added a total of \$0.9 million to address Public Safety Pay compression issues and to provide better opportunities for career ladders and promotions for all employees. The City's overall workforce increased by a net of 11.4 full-time equivalent (FTE) positions in FY 2013.

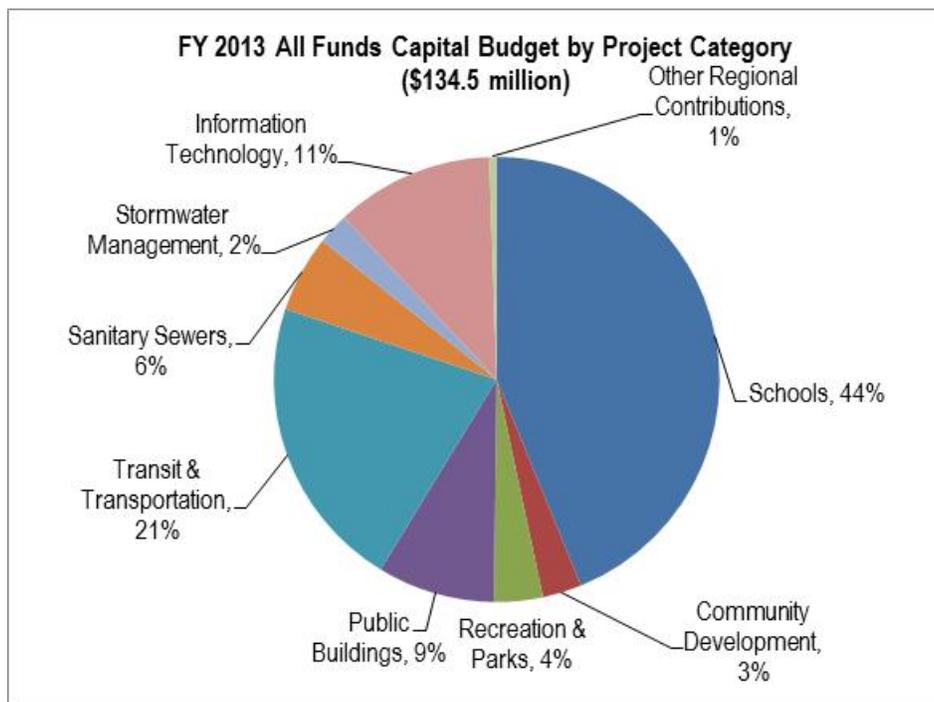
<i>FTE Summary</i>	<i>FTE Changes from FY 2012 - FY 2013 Approved</i>					
	FY 2012 Amended	Positions Added	Positions Deleted	FY 2013 Approved	Change	
					#	%
Full-time	2,381.0	39.0	(22.0)	2,398.0	17.0	0.7%
Part-time	165.2	1.9	(7.5)	159.6	(5.6)	-3.4%
<b>Total FTE</b>	<b>2,546.2</b>	<b>40.9</b>	<b>(29.5)</b>	<b>2,557.6</b>	<b>11.4</b>	<b>0.4%</b>

Fire Department staffing is increased by 20.0 FTEs in order to staff the opening of the new Fire Station 210. Three existing positions are transferred to Internal Audit from other departments to expand the scope of the office to enhance City-wide operational performance and increase accountability. Two existing positions are transferred to create new staffing for priority capital project implementation. With the recent adoption of complex capital plans such as the Waterfront Plan, Potomac Yard and Landmark Redevelopment, additional staffing is needed for cross departmental coordination and collaboration. A total of 29.5 FTEs are eliminated as part of the City's service and efficiency expenditure reductions.

# FY 2013 Budget Overview

The FY 2013 General Fund operating budget includes \$62.1 million in cash capital and debt service to fund the City's ten-year CIP.

The total ten-year plan for FY 2013-2022 is \$1.14 billion. For FY 2013, \$134.5 million in expenditures are programmed, of which \$134.5 million is from City funding and \$6.15 million is from non-City sources.



Major projects scheduled for FY 2013 include a computer-aided dispatch system, completion of Fire Station 210/Impound Lot, purchase of Potomac Yard bus rapid transit branded rubber tire vehicles, Holmes Run greenway improvements, Waterfront open space acquisition and flood mitigation, and Jefferson-Houston K-8 school replacement.

Major projects programmed for the out-years of the CIP include a Potomac Yard Metrorail station, renovations of four fire station, sewer system capacity expansion, and replacement of the Patrick Henry K-8 schools and recreation center.

## FY 2013 Budget Overview

The City Manager's proposed FY 2013 budget and CIP was presented to City Council on February 14, 2012. The budget was adopted by City Council on May 7, 2012.

Prior to budget adoption, the City held a series of public hearings and work sessions to inform and solicit input from Council and the public. The process culminated with a set of add/delete work sessions in which Council members will consider changes to the budget based on their deliberations and input from the community.

The following is the schedule for Council and public deliberation portion of the budget process.

Feb 22<sup>nd</sup> – CIP & Transportation Work Session

February 28<sup>th</sup> – Work Session: DASH Issues

Feb 29<sup>th</sup> – Work Session: Joint Work Session with School Board

Mar 5<sup>th</sup> – Public Hearing

Mar 7<sup>th</sup> - Work Session: Public Safety Staffing

March 13<sup>th</sup> – Introduction of Tax Ordinances

Mar 28<sup>st</sup> – Work Session: Total Compensation and VRS Contributions

Mar 28<sup>th</sup> – Work Session: Joint Work Session with School Board

April 10<sup>th</sup> – Work Session: Sanitary Sewer Master Plan

Apr 11<sup>th</sup> – Budget and Fiscal Affairs Advisory Committee (BFAAC) Work Session

Apr 14<sup>th</sup> – Public Hearing on Tax Rate Ordinance & Effective Tax Rate

Apr 30<sup>th</sup> – Preliminary Add/Delete Work Session

May 7<sup>th</sup> – Final Add/Delete Work Session and Budget Adoption

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