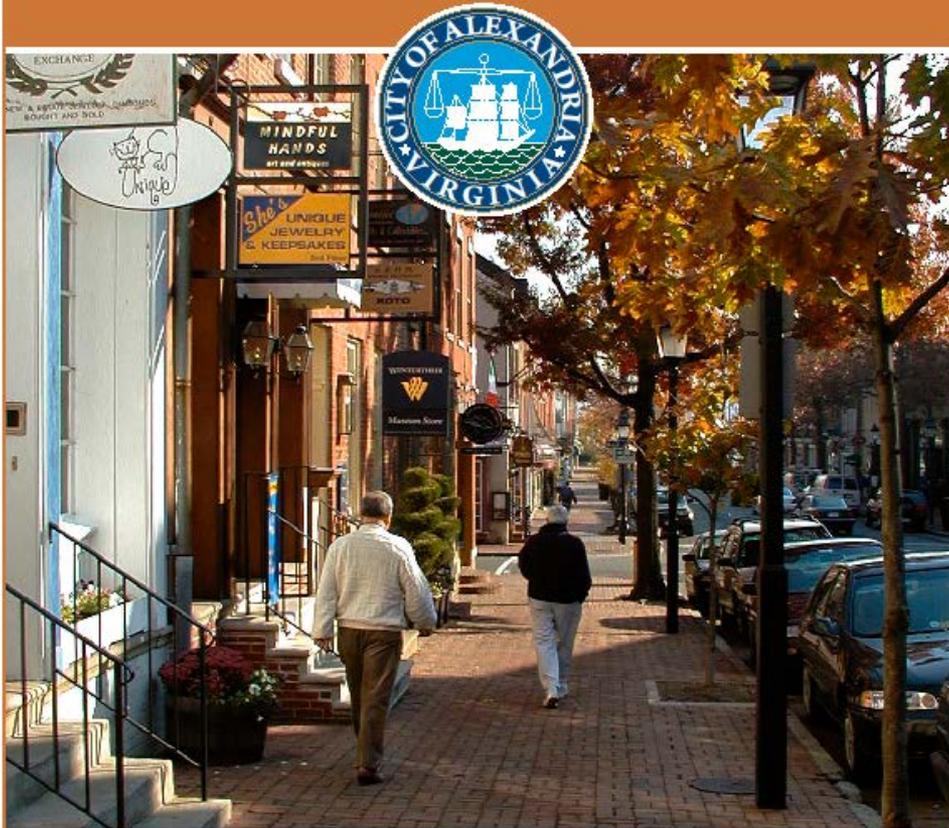


*City of Alexandria, Virginia*  
**PROPOSED OPERATING BUDGET**



**FY 2013**

**JULY 1, 2012 – JUNE 30, 2013**

# **Proposed Operating Budget & CIP**

## **FY 2013**

**February 14, 2012**

# Budget Summary

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- Fifth straight year of economic challenges
- Cost of current services/previous commitments exceeds revenue growth
- Meets Council guidance
- Continues City's adherence to principles of strong financial management



# Council Guidance

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- **No tax rate increase**
- **Increase Schools transfer and public safety at same rate as revenue growth**
- **Include merit pay for employees**
- **Continue employee retirement contributions**



# Council Guidance

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- **Increase health insurance contributions to 20% for all employees**
- **Provide funding to open Eisenhower Avenue Fire Station 210**
- **Maintain level funding for infrastructure**
  - Street & Sidewalk Maintenance (\$4.3 million)
  - Sanitary Sewers (\$7.5 million)
  - Storm Sewers (\$2.7 million)
- **Maintain level funding for the CIP (City and Schools)**



# Budget Summary

- **Maintains core services**
  - Education: Fully funds ACPS Superintendent's transfer request and last year's CIP agreement
  - Public Safety
  - Infrastructure Maintenance
  - Transportation
- **Includes \$6.8 million in expenditure reductions and \$1.4 million in new initiatives**
  - Adds new staffing for development project implementation and performance management and accountability
  - Fire recruit class costs
  - Health Department emergency planner
  - Increased destination advertising for tourism



# General Fund Revenues

Millions of Dollars

	FY 2012 Approved	FY 2012 Projected	FY 2013 Proposed	%Change 12 Approved/ 13 Proposed
Real Property Taxes	\$321.7	\$326.0	\$334.9	4.1%
Other taxes	157.8	160.2	162.9	3.2%
<b>Taxes</b>	<b>479.5</b>	<b>486.2</b>	<b>497.8</b>	<b>3.8%</b>
Non-tax revenue	25.9	26.1	26.7	3.3%
Federal & State Revenue	53.0	53.5	53.4	0.8%
Prior Year Surplus & Transfers	8.6	8.6	7.7	-10.6%
<b>Total</b>	<b>\$566.9</b>	<b>\$574.4</b>	<b>\$585.6</b>	<b>3.3%</b>



# General Fund Revenues

- **No real estate tax rate increase**
- **General Fund revenue increase \$18.7 million or 3.3%**
- **Real estate assessment growth is 3.37% in CY 2012 and 2.48% in CY 2013 (adjusted for GenOn plant closure in CY 2012)**
  - Growth without GenOn closure is 3.53% in CY 2012 and 2.92% in CY 2013
  - Value of GenOn facility (excluding land) is \$198.1 million
- **Real Estate Tax Revenue Increase is \$13.3 million**



# Aver. Residential Real Estate Tax Bill

	CY 2011	CY 2012	\$ Change	% Change
Single Family Detached	\$6,199	\$6,317	+ \$118	1.9%
Condominium	\$2,684	\$2,664	- \$20	-0.8%
Overall Residential	\$4,523	\$4,575	+ \$52	1.2%



# Estimated FY 2012 Revenue Surplus

Use	Amount (\$)
Increase Use of Fund Balance to Support FY 2013 Expenditures	\$2,210,000
Existing Encumbrances	1,700,000
One-time Land Use and Planning Studies	835,000
Compliance with Financial Policies	1,000,000
Funding for the FY 2014 CIP	1,755,000
<b>Total</b>	<b>7,500,000</b>



# General Fund Expenditures

(\$ in millions)

Expenditures	FY 2011 Actual	FY 2012 Approved	FY 2013 Proposed	\$ Chg FY12/13	% Chg FY12/13
City Operations	\$304.8	\$316.2	\$324.7	\$8.5	2.7%
Transit Subsidies	\$16.3	\$16.6	\$18.4	\$1.8	11.1%
<b>Total City Operations &amp; Transit</b>	<b>\$321.1</b>	<b>\$332.8</b>	<b>\$343.1</b>	<b>\$10.3</b>	<b>3.1%</b>
Operating Budget Support to the CIP (Cash Capital and Debt Service)	\$43.0	\$59.1	\$61.7	\$2.6	4.5%
<b>Total City Expenditures</b>	<b>\$364.1</b>	<b>\$391.9</b>	<b>\$404.9</b>	<b>\$13.0</b>	<b>3.3%</b>
ACPS Transfer	\$167.9	\$175.0	\$180.7	\$5.8	3.3%
<b>Total General Fund</b>	<b>\$532.0</b>	<b>\$566.9</b>	<b>\$585.6</b>	<b>\$18.7</b>	<b>3.3%</b>



# Expenditure Budget Summary

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- Overall expenditures increase by 3.3% (\$18.7 million)
- Down from 6.6% increase in the FY 2012 Approved Budget (including 2.2 cents for Transportation) and 4.1% in the FY 2012 Proposed Budget
- ACPS increase of \$5.8 million is \$0.2 million greater than the amount requested in the Superintendent's proposed budget
- City Operations up \$8.5 million, or 2.7%
- CIP funded at same level as planned in FY 2012
- Collectively Fire, Emergency Communications, Police and the Sheriff increase by 4.7% (\$5.6 million)



# Changes from FY 2012 to FY 2013

- **\$18.4 million to maintain current services and previous commitments**
  - \$9.6 million personnel
  - \$2.6 million CIP cash capital and debt service
  - \$2.2 million Eisenhower Fire Station 210 opening
  - \$2.0 million transit current services and planned DASH expansion
  - \$2.0 million maintenance agreements
- **\$5.8 million ACPS increase**
- **\$1.4 million City service expansion**
- **\$6.8 million City reductions**
- **\$18.7 million net increase**



# Personnel Costs

- **\$9.1 million current policies**
  - \$4.5 million retirement
  - \$3.3 million merit/step Increases
  - \$0.9 million health insurance premiums
    - \$0.4 million saved by increasing contribution to 20% for all employees
    - City cost would be \$1.3 million otherwise
  - \$0.2 million retiree benefits
  - \$0.2 million line of duty
- **\$0.4 million general employee pay scale adjustment**
  - eliminates 2 lowest steps
  - adds to the top of grade
- **\$0.1 million public safety top of grade compensation**



# Recent Budget Shortfall History

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- **\$10 million mid-year FY 2009**
- **\$57 million FY 2010**
- **\$44 million FY 2011**
- **\$17 million FY 2012**
- **\$22 million FY 2013**



# FY 2013 Shortfall

- **City Current Services Shortfall at October Work Session = \$14.4 M**
- **Shortfall with ACPS and Transit = \$22.2 M**
- **Shortfall eliminated due to:**
  - Increased Revenues (\$9.0 M)
  - Expenditure Reductions (\$6.8 M)
  - Revised Fire Station 210 Estimate (\$1.5 M)
  - Reduced Retirement Costs (\$1.7 M)
  - Revised Maintenance Cost Estimates (\$3.2 M)



# Position Reductions

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- **27 full-time and part-time positions are eliminated**
- **8 are filled (3 FT and 5 PT)**
- **20.8 FTEs and \$1.4 million**
- **5 additional vacant positions are reallocated to expand services within existing resources**



# Land Use & Economic Development

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- Contributions to AEDP & SBDC reduced by \$100,632
- \$100,000 increase in ACVA destination advertising offset by tourism revenue increase
- Rodent abatement in Code Administration \$50,000
- Positions in Planning & Zoning, T&ES, ITS and Finance reallocated from the General Fund to building permit revenues to reflect their role in staffing and supporting the permit center



# Health & the Environment

- **Health Department new emergency planner \$106,008 offset by \$281,287 in reductions**
  - Public health nurses (2)
  - Public health nurse aide
  - Environmental health supervisor
  - Administrative support positions
- **DCHS Reductions**
  - Eliminate senior taxi reservation service provided by Senior Services of Alexandria \$70,000
  - Day Support program part-time technician \$24,910
  - Assistant Director of Community Support Services \$135,626
  - IT Division Chief \$162,414
- **T&ES positions reallocated from the General Fund to the Sanitary Sewer Fund to reflect actual work activities \$834,784**



# Transportation

- **\$1.0 million for DASH expansion (funded by 2.2 cent real estate tax reservation)**
  - Options under consideration by DASH include:
    - New crosstown route
    - AT6 peak period service frequency increase
- **Reduction of \$180,000 in less productive DASH service**
  - Options under consideration by DASH include:
    - Saturday AT4 service
    - Weekday midday AT4 service
    - Weekday evening AT4 service
    - Saturday AT1/7 restructuring
- **3 position reductions in T&ES \$254,156**
  - 2 positions reallocated to Internal Audit and Project Implementation
  - 1 position eliminated



# Children, Youth & Families

- **\$5.8 million ACPS increase fully funds the Superintendent's request**
- **New home-based youth therapist \$85,816 (\$49,816 General Fund)**
- **RPCA Out-of-School Time Fee Revenue Increase \$260,000**
- **DCHS Reductions**
  - Child day care fee system taken over by the State eliminates \$414,352 General Fund match
  - City share of Comprehensive Service Act mandated service reduced \$346,000
  - Out of School Time services \$53,871
  - Urban League funding for Community Services/New Horizons \$104,509
  - Early childhood social worker \$37,055
  - Supervisory administrative analyst \$71,576



# Financial Sustainability

- **City-wide ethics initiative added \$25,000**
- **Risk Management positions eliminated in Finance and functions decentralized to departments \$220,449**
- **Parking garage automation pilot program savings \$33,644**
- **Other position reductions**
  - Vacant City Manager's Office administrative position reallocated to Project Implementation \$112,889
  - Finance position reallocated to Internal Audit \$74,085
  - Real Estate Assessments reallocated to Internal Audit \$75,529
  - General Services fleet specialist and parts driver eliminated \$113,986
  - One General Services capital project manager eliminated \$104,903
  - One General Services capital project manager reallocated to CIP funding \$154,498



# Public Safety

- **New Fire station staffing (\$2.2 million & 20 FTEs)**
- **Fire staffing cost**
  - \$425,000 in Contingent Reserves in FY 2012 and FY 2013
  - \$465,000 added in FY 2013 for recruit class costs (\$215,000 coming from 2 vacant non-suppression positions eliminated in Fire)
  - Remaining costs to be covered by savings within Fire
- **New Police facility savings \$1.2 million**
- **\$0.6 million increased revenue by Sheriff's Office housing of additional federal prisoners**



# Caring Community

- **RPCA class and camp instructors \$50,000 and youth sports programming \$24,566 funded from increased fee revenues**
- **DCHS Reductions**
  - Joblink client transportation \$15,000
  - General Relief for unattached minors \$86,525
  - Community Lodgings \$63,250
- **Elimination of 7 part-time librarian and library assistant positions (3.0 FTEs)**
- **RPCA reductions**
  - City birthday celebration \$36,200
  - Close Ewald pool \$22,000
  - Reduce urban forestry and waterings \$139,174
  - Graffiti removal \$35,000
  - Fort Ward weekend on-duty staffing \$22,000



# One-time Funding Initiatives

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- **One-time items funded from FY 2012 surplus**
  - Landmark/Van Dorn \$100,000
  - Eisenhower West Transportation \$175,000
  - Waterfront/Union Street Congestion \$300,000
  - Waterfront Contingency \$100,000
  - Public Arts Master Plan \$60,000
  - Real Estate Data Quality Study \$75,000
  - Old Town Valet Parking Start-up \$25,000



# Implementation of Priority Capital Projects

**Create an Office of Project Implementation to facilitate the implementation of high priority capital projects (\$308,967 transferred from vacant positions in other departments)**

- **Complex priority capital plans need focused implementation**
  - Recently adopted Waterfront Plan, Potomac Yard and Landmark Redevelopment
- **Requires cross departmental coordination and collaboration**
- **Two positions (senior project director and civil engineer) created by reallocation of other existing positions.**
- **Organizational location, responsibilities and further details to be determined**



# Performance and Accountability

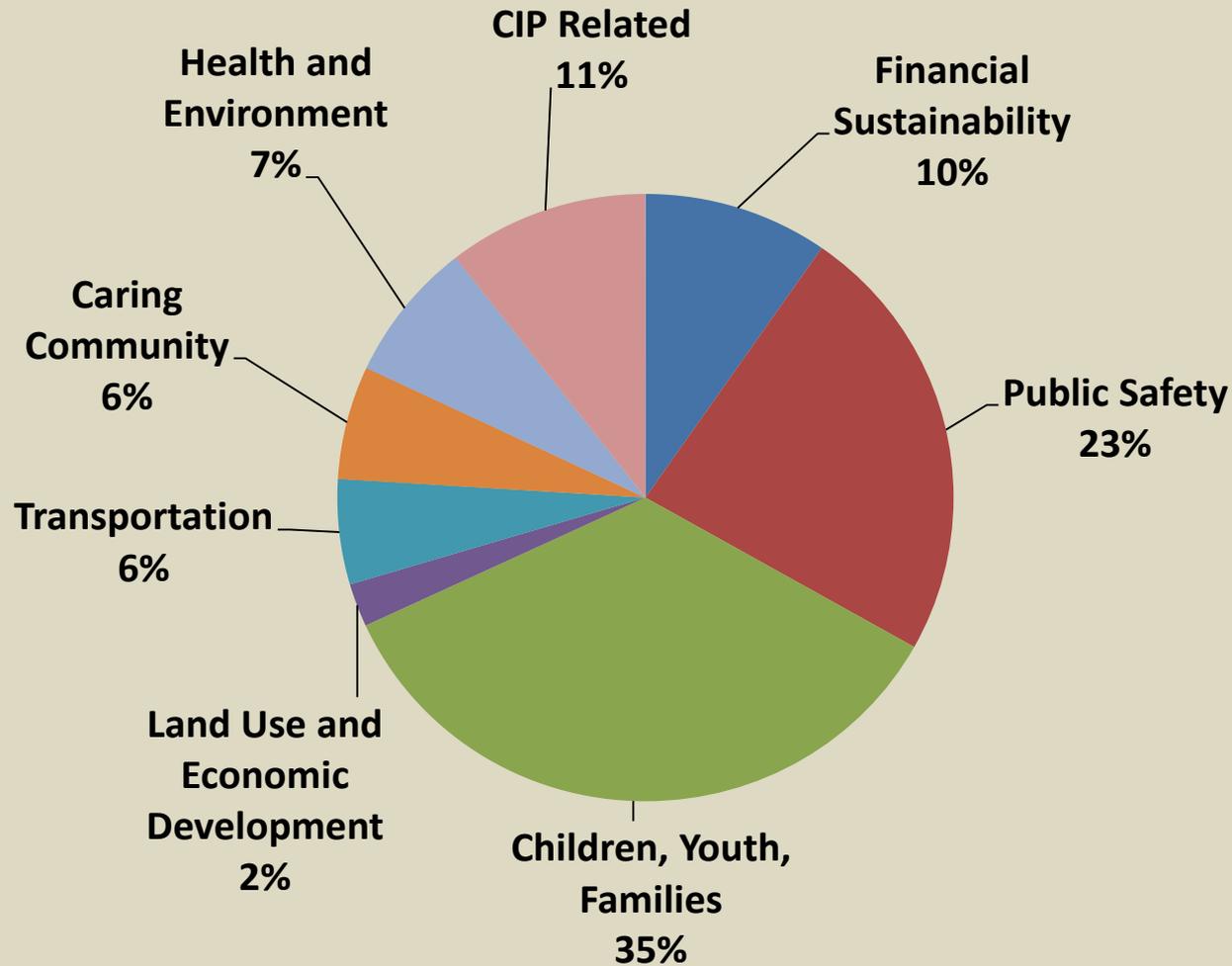
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**Expand the scope of Internal Audit Office to enhance operational performance and increase the accountability of our organization by:**

- **Working collaboratively with Department Heads and key senior staff to assess management performance;**
- **Using data to consistently examine issues affecting service delivery;**
- **Focusing on efficiency and effectiveness measures that improve departmental service delivery;**
- **Reporting regularly to the City Manager and Senior Staff on service delivery benchmarks, targets and accomplishments.**



# Budget by Goal Area



# Capital Improvement Program

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- **10-Year funding = \$1.1 billion**
- **FY 2013 funding = \$99.0 million**
  - \$93.25 million in City funds
  - \$5.75 million from non-City sources
- **\$61.7 million in the operating budget for cash capital and debt service (existing and FY 2013 planned issuances)**
  - \$2.6 million increase over FY 2012



# CIP Major Projects in FY 2013

(\$ amounts represent total project costs not FY 2013 expenditures)

- Computer-aided dispatch \$15.0 million
- Fire Station 210/Impound Lot \$16.1 million
- Potomac Yard rapid transit vehicles \$4.0 million
- Holmes Run Greenway \$5.6 million
- Waterfront open space acquisition and flood mitigation \$1.8 million
- Jefferson-Houston K-8 \$41.1 million



# CIP Major Out-year Projects

(\$ amounts represent total project costs)

- **Potomac Yard Metro Station \$275.0 million**
- **Fire station renovations \$35.3 million**
- **Sewer capacity expansion \$73.0 million**
- **New Patrick Henry K-8 facility \$43.0 million and \$6.1 million Patrick Henry recreation center**



# Budget Schedule

- **Public Hearing & Work Session Dates and Proposed Topics**
  - Feb 22<sup>nd</sup> – CIP & Transportation
  - Feb 29<sup>th</sup> – ACPS
  - Mar 5<sup>th</sup> – Public Hearing
  - Mar 7<sup>th</sup> - Public Safety Staffing
  - Mar 21<sup>st</sup> – Topic TBD or Cancel
  - Mar 28<sup>th</sup> – Topic TBD or Cancel
  - Apr 11<sup>th</sup> – BFAAC
  - Apr 14<sup>th</sup> – Public Hearing on Tax Rate Ordinance & Effective Rate
  - Apr 30<sup>th</sup> – Preliminary Add/Delete
  - May 7<sup>th</sup> – Final Add/Delete and Budget Adoption

