

TAX FACTS & ASSESSED VALUE

Type	Unit	CY 2011 Actual Rate	CY 2012 Proposed Rate
Real Estate	\$100/AV	99.8¢	99.8¢
Personal Property and Relief Percentage	\$100/AV	\$4.75 / 69%	\$4.75 / TBD
Refuse Collection			
Disposal	Household	\$336	\$336

Average Residential Home Assessed Value	\$458,422
Average Residential Tax Bill CY 2011 (Equalized)	\$4,523
Average Residential Tax Bill CY 2012 (proposed 99.8¢ rate)	\$4,575

Median Assessed Value of Homes and Condominiums – CY 2012

Assessed Value	Units	Total Value	Median
Less than \$100,000	751	\$65,562,772	\$88,167
\$100,000-\$249,999	10,588	\$1,937,414,755	\$186,707
\$250,000-\$499,999	14,722	\$5,516,543,925	\$375,617
\$500,000-\$749,999	9,108	\$5,540,140,300	\$602,014
\$750,000-\$999,999	3,486	\$2,949,821,597	\$834,456
\$1,000,000-\$1,999,999	1,604	\$2,049,170,727	\$1,202,221
\$2,000,000 and over	186	\$491,566,024	\$2,386,451

Source: Department of Real Estate Assessments

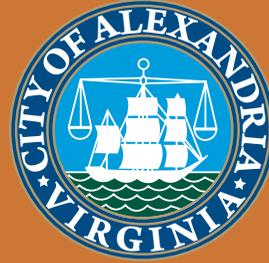
The value of each one-cent on the real property tax rate is approximately \$3.359 million for CY 2012.

Reference copies of the budget are available online at alexandriava.gov/Budget and are also available at all Alexandria City public libraries.

CITY OF ALEXANDRIA, VIRGINIA

FY 2013 PROPOSED BUDGET IN BRIEF

JULY 1, 2012 - JUNE 30, 2013



ALEXANDRIA CITY COUNCIL

William D. Euille, Mayor
 Kerry J. Donley, Vice Mayor
 Councilman Frank H. Fannon IV
 Councilwoman Alicia R. Hughes
 Councilman Rob Krupicka
 Councilwoman Redella S. "Del" Pepper
 Councilman Paul C. Smedberg

CITY MANAGER

Rashad M. Young

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

Office of Management and Budget
 City Hall, 301 King Street, Room 3630
 703.746.3737

Monday - Friday, 8:00 a.m. to 5:00 p.m.

FY 2013 PROPOSED BUDGET OVERVIEW

The emphasis of the FY 2013 Proposed Budget and Capital Improvement Program is to preserve the core priority services of education, public safety, transportation and maintaining the infrastructure with some limited service improvements.

The result is total General Fund spending increases by 3.3% or \$18.7 million compared to the FY 2012 Approved Budget. The appropriation to schools increases \$5.8 million, following Council guidance to provide an appropriation equal to the FY 2012 appropriation increased by the same rate of revenue growth.

The budget contains \$6.8 million in expenditure reductions and \$1.4 million in expanded services. The proposed operating budget is balanced without the necessity of increases in tax rates. The average homeowner's real estate tax burden will change slightly (\$52) or 1.2% with no tax increase.

Of the City's FY 2013 General Fund budget of \$585.6 million, \$324.7 million or 55.5% is for City government operations. \$180.7 million or 30.9% is the City's transfer to Alexandria City Public Schools (ACPS) to fund Schools operations. \$61.7 million or 10.5% is funding for the City and Schools Capital Improvement Program (CIP) and included 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.

BUDGET SUPPORTS SEVEN GOALS OF THE COUNCIL'S STRATEGIC PLAN

In June 2010, City Council adopted a new Strategic Plan containing the City's overall vision, goals, objectives and initiatives. The goals of the new plan currently are:

- Goal 1: Alexandria has Quality development and Redevelopment, Support for Local Businesses, and a Strong, Diverse, and Growing Local Economy.
- Goal 2: Alexandria Respects, Protects, and Enhances the Health of its Citizens and the Quality of its Natural Environment.
- Goal 3: A Multimodal Transportation System that Supports Sustainable Land Use and Provides Internal Mobility and Regional Connectivity for Alexandrians.
- Goal 4: Alexandria is a Community that Supports and Enhances the Well-Being, Success and Achievement of Children, Youth and Families.
- Goal 5: Alexandria is Financially Sustainable, Efficient, Community Oriented and Values its Employees.
- Goal 6: The City Protects the Safety and Security of its Residents, Businesses, Employees and Visitors.
- Goal 7: Alexandria is a Caring and Inclusive Community That Values its Rich Diversity, History and Culture, and Promotes Affordability.

By advancing these goals, the Approved Operating budget and CIP are intended to work toward the City Council's long term vision for Alexandria.

That vision is: *Alexandria is a vibrant, diverse, historic, and beautiful City with unique neighborhoods and multiple urban villages where we take pride in our great community.*

Our mission is: *Alexandria City Government is financially sustainable, provides excellent services that are valued by its customers, and engages the entire community as it plans for its future.*

MAJOR "BUDGET DRIVERS" SHAPING THE PROPOSED BUDGET

The City Council provided guidance that the FY 2013 Proposed Budget should include no real estate tax increases. The budget includes a net increase in spending and revenues of \$18.7 million almost entirely due to increased costs to provide current services and an increase in real estate values which has led to increase revenues with no need to raise taxes.

Of the \$18.7 million increase in General Fund expenditures, \$18.4 million is to continue current services and fund previous commitments, such as the planned opening of a new fire station currently under construction. The City's transfer to ACPS increases by \$5.8 million or 3.3%, in accordance with City Council guidance that the transfer should increase by the same rate as revenues. The FY 2013 budget also includes \$1.4 million in expanded services and \$6.8 million in service and efficiency reductions. Details of the City's service expansions and reductions are included in the departmental sections of the budget document.

ALEXANDRIA CITY PUBLIC SCHOOLS

The operating transfer to the Alexandria City Public Schools (ACPS) for our public school system in the FY 2013 Proposed Budget increases by \$5.8 million compared to FY 2012.

This 3.3% increase in the City's contribution to public education follows City Council guidance to include in the base budget a General Fund transfer to the Schools for operating expenses equal to the transfer approved in FY 2012 increased by the same percentage as the percentage increase in General Fund revenues for FY 2013.

CIP HIGHLIGHTS

The Proposed FY 2013 - FY 2022 Capital Improvement Program (CIP) totals \$1.135 billion. This represents an increase of \$38.2 million over the Approved FY 2012 - FY 2021 CIP primarily due to the inclusion of additional sanitary sewer projects which are projected to be funded through increases in the Sewer Line Maintenance Fee and Sewer Line Connection Fee charged to developers beginning in FY 2015.

- The Proposed FY 2013 - 2022 addresses two broad areas of expenditure:
- Protection of the City's investment in existing public facilities or infrastructure (physical assets); and
 - Planning and construction of major new public facilities and infrastructure, including new or replacement Information Technology systems.

The Proposed FY 2013 - FY 2022 CIP addresses several critical infrastructure issues in the City over the ten-year plan:

- The Proposed CIP provides \$202.7 million over the ten-year plan for Alexandria City Public Schools (ACPS), which includes funding for two new K-8 schools (Jefferson-Houston and Patrick Henry totaling \$87.9 million).

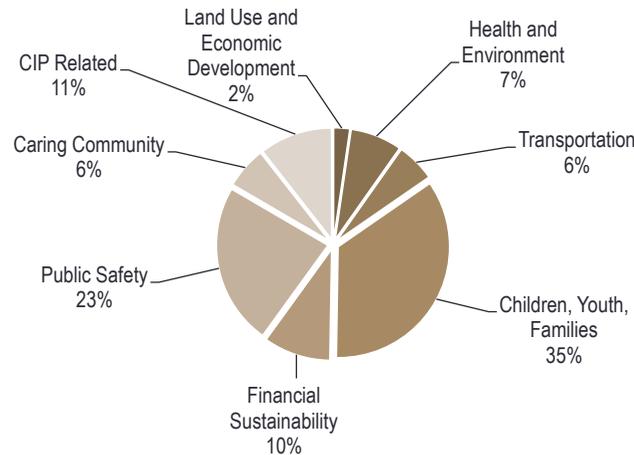
CIP HIGHLIGHTS, CONTINUED

- The City's Transportation Improvement Program, approved by City Council in FY 2012, provides funding from the reserved 2.2 cents on the real estate tax rate, additional cash capital reserved for transportation, and general obligation bonds backed by the reserved tax rate for an additional \$65.0 million to expand transportation infrastructure and transit options Citywide.
 - Funding for the Potomac Yard Metro rail Station is included at \$273.8 million (total cost of \$275.0 million with \$1.2 funded in FY 2012), and will be funded with the resources that the City will obtain from multiple sources including net new tax revenues from Potomac Yard, a Special Services Tax District and from developer contributions.
 - A Sanitary Sewer Master Plan currently under development has defined two significant capital investments which are included as part of the Proposed FY 2013 – 2022 CIP. These projects are the Alexandria Sanitation Authority (ASA) Wastewater Treatment Plant expansion (\$35.2 million) and a Wet Weather Treatment Facility (\$31.5 million). Projects are projected to be funded with a combination of increases to the current Sewer Maintenance Fee and increases to the Sewer Line Connection Fees (paid by developers).
- The Proposed FY 2013 – FY 2022 provides \$1.135 billion for capital investments as follows:
- \$509.9 million for transit & transportation, which incorporates the City's Transportation Improvement Program, and includes:
 - \$407.8 million for public transit (\$273.8 million for Potomac Yard Metrorail Station)
 - \$37.3 million for street and bridge repairs and enhancements
 - \$29.8 million for high capacity transit corridors
 - \$20.7 million for non-motorized transportation
 - \$13.2 million for fixed transportation equipment (including signs, signals, and meters)
 - \$202.7 million for public schools including two new K-8 schools for Jefferson-Houston and Patrick Henry;
 - \$103.2 million for public buildings including \$53.8 million for public safety related facilities;
 - \$102.4 million for the sanitary sewer system;
 - \$79.2 million for recreation and parks including \$420,000 for a public-private partnership to fund a Miracle Field for Alexandria;
 - \$50.3 million for information technology projects including \$10.8 million (total cost of \$15.0 million, \$4.2 million funded in prior year CIPs) to fund the Computer Aided Dispatch and Records Management System for Police, Fire and Emergency Medical Services;
 - \$29.4 million for stormwater management projects;
 - \$17.9 million for community development projects including City Marina Waterfront dredging and preliminary planning and designing for the Waterfront Small Area Plan implementation;
 - \$7.8 million other regional commitments including Northern Virginia Community College (NVCC) the Northern Virginia Regional Park Authority; and
 - \$31.7 million allowance for inflation or additional projects.

FY 2013 PROPOSED GENERAL FUND EXPENDITURES

FY 2013 GENERAL FUND EXPENDITURES WHERE IT GOES... \$585.6 Million

The Operating Budget & Strategic Plan Goals



FY 2013 PROPOSED EXPENDITURE INCREASES

General Fund	(In Millions)		\$	%
	FY 2012 Approved	FY 2013 Proposed		
City Operating Expenditures	316.2	324.7	8.5	2.7%
Transit Subsidies	16.6	18.4	1.8	11.1%
Capital Projects/Debt Service	59.1	61.7	2.6	4.5%
City Subtotal	391.9	404.8	12.9	3.3%
City Appropriation to Schools	175.0	180.8	5.8	3.3%
Total General Fund Budget	\$566.9	\$585.6	\$18.7	3.3%

The Proposed General Fund revenues are projected at \$577.9 million. An additional \$7.7 million in prior year revenues have been designated for use in FY 2013. As a result, a total of \$585.6 million is available to support the approved City and Schools' General Fund expenditures, a 3.3% increase in total revenues.

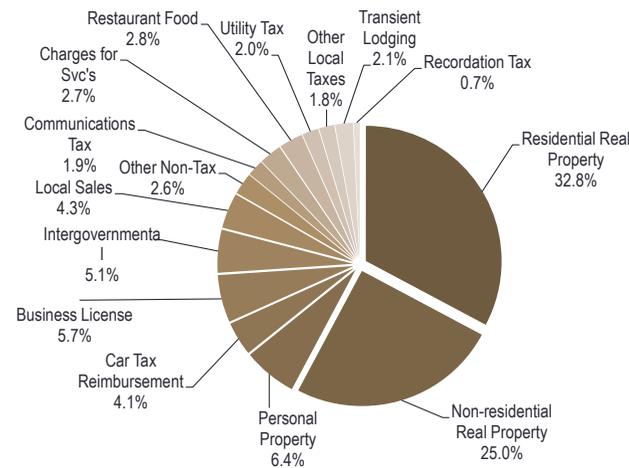
FY 2013 BUDGET CALENDAR

Citizens are invited to participate in a public hearing on the budget on Monday, March 7 at 4 p.m. and a public hearing on the tax rate on Saturday, April 14 at 9:30 a.m. City Council will also hold nine public work sessions denoted below (all sessions are held in City Hall, Sister Cities Room #1101, unless otherwise noted):

Feb. 14	7:00 p.m.	Introduction and Presentation of Budget (Council Chambers)
Feb. 22	7:00 p.m.	Work Session: Revenues and Capital Improvement Program Overview
Feb. 29	7:00 p.m.	Joint Work Session with School Board on ACPS Budget (Location: TBD)
March 5	4:00 p.m.	Budget Public Hearing (Council Chambers)
March 7	7:00 p.m.	Work Session: Public Safety
March 13	9:30 a.m.	Introduction of Tax Ordinances (Council Chambers)
March 21	7:00 p.m.	Work Session: TBD
March 28	7:00 p.m.	Work Session: TBD
April 11	7:00 p.m.	Work Session: BFAAC Report
April 14	9:30 a.m.	Public Hearing on Effective Tax Rate Increase (Council Chambers)
April 30	7:00 p.m.	Work Session: Preliminary Add/Delete
May 7	6:00 p.m.	Work Session: Final Add/Delete (City Hall, 2nd Floor, Council Work Room)
May 7	7:00 p.m.	Budget and Tax Rate Adoption

FY 2013 PROPOSED COMBINED GENERAL FUND REVENUES

FY 2013 COMBINED GENERAL FUND REVENUES WHERE IT COMES FROM...



FY 2013 Proposed General Fund Revenues	\$577.9
Use of Prior-Year Surplus	\$7.7
Total General Fund Revenues	\$585.6

Millions of dollars

	FY 2012 Approved	FY 2012 Projected	FY 2013 Proposed	% Change 12 Approved/13 Proposed
Real Property Tax	\$321.7	\$326.0	\$334.9	4.1%
Other Taxes	157.8	160.2	162.9	3.2%
Non-tax Revenue	25.9	26.1	26.7	3.1%
Fed & State	53.0	53.5	53.4	0.8%
PY Surplus & Other Fund Transfers	8.6	8.6	7.7	(10.5%)
Total	\$566.9	\$574.4	\$585.6	3.3%

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. \$13.3 million of the \$18.7 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 \$2.6 million increase in personal property taxes resulting from an increase in the number of vehicles registered in the City, a \$1.1 million increase in business licenses, and a \$1.3 million increase in other local taxes with no tax rate increases.