

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 \$18.7 million, or 3.3%, from \$566.9 million to \$585.6 million.

Millions of Dollars

	FY 2012 Approved	FY 2012 Projected	FY 2013 Proposed	\$ Chg FY12 Apr/ FY13 Prop	% Chg FY12 Apr/ FY13 Prop
Real Property Taxes	\$321.7	\$326.0	\$334.9	\$13.3	4.1%
Other Taxes	157.8	160.2	162.9	\$5.1	3.2%
Taxes	479.5	486.2	497.8	\$18.4	3.8%
Non-Tax Revenue	25.9	26.1	26.7	\$0.8	3.1%
Federal & State Revenue	53.0	53.5	53.4	\$0.4	0.8%
Prior Year Surplus & Transfers	8.6	8.6	7.7	-0.9	-10.5%
Total	\$566.9	\$574.4	\$585.6	\$18.7	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.

FY 2013 Budget Overview

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 the Alexandria City Public Schools (ACPS) to fund a portion of Schools operations. \$61.7 million, or 10.5%, 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 Proposed	\$ Chg FY12/13	% Chg FY12/13
City Operating	\$303.6	\$316.2	\$324.7	\$8.5	2.7%
Transit Subsidies	16.3	16.6	18.4	1.8	11.1%
Capital Program Funding	44.3	59.1	61.7	2.6	4.5%
City Total	364.1	391.9	404.9	13.0	3.3%
ACPS	167.9	175.0	180.7	5.7	3.3%
City & ACPS General Fund Total	\$532.0	\$566.9	\$585.6	\$18.7	3.3%

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 Fire Station 210 in the Eisenhower Valley. The City's transfer to the 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 this document.

FY 2013 Budget Overview

The \$18.4 million increase in FY 2013 to maintain current services and previous commitments consists of \$9.6 million in increased personnel costs, \$2.6 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 \$2.0 for various increases in the cost of maintaining the current level of service.

The City's personnel cost increase of \$9.6 million consists of \$9.1 million in increases associated with current policies for existing employees and \$0.5 million in changes to the current policy. \$4.5 million is due to increased retirement costs. \$3.3 million is for annual pay increases of existing employees at established rates. \$0.9 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 \$1.3 million. The remaining \$0.4 million for current policies is for retiree benefits and the cost of line of duty benefits being shifted from the State to localities. The \$0.5 million in changes to the current policy includes the elimination of the two lowest pay steps and the addition of top of grade funding for general employees at a cost of \$0.4 million and top of grade funding for public safety employees at \$0.1 million.

FY 2013 Budget Overview

The City's overall workforce increases by a net of 6.8 full-time equivalent (FTE) positions in FY 2013.

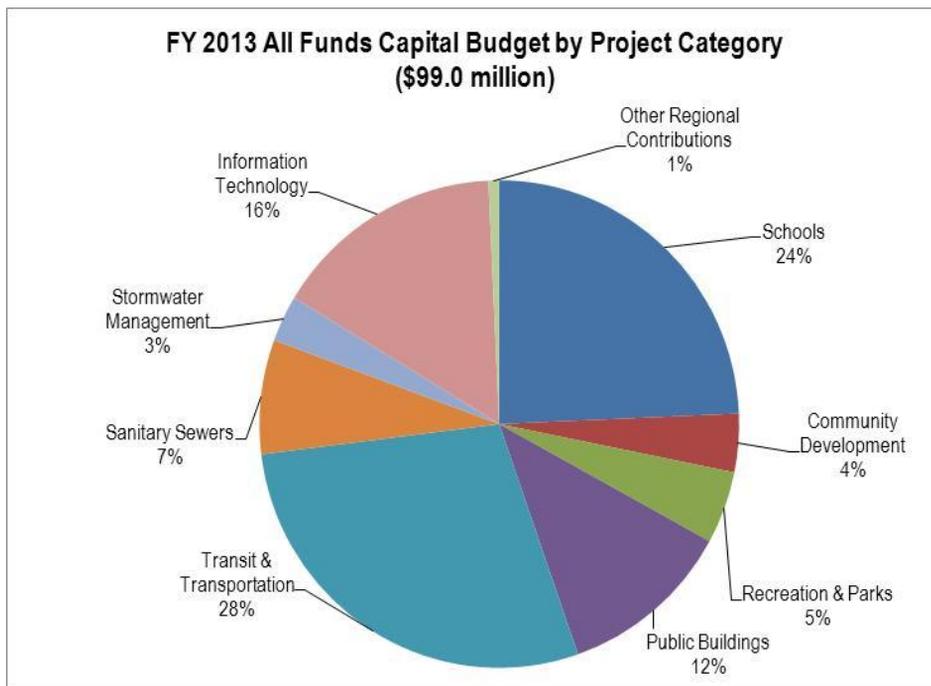
<i>FTE Summary</i>	<i>FTE Changes from FY 2012 - FY 2013 Proposed</i>					
	FY 2012 Amended	Positions Added	Positions Deleted	FY 2013 Proposed	Change	
					#	%
Full-time	2,381.0	35.0	(22.0)	2,394.0	13.0	0.5%
Part-time	164.7	1.5	(7.8)	158.5	(6.3)	-3.8%
Total FTE	2,545.7	36.5	(29.8)	2,552.5	6.8	0.3%

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 29.8 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 \$61.7 million in cash capital debt service to fund the City's ten-year CIP.

The total ten-year plan for FY 2013-2022 is \$1.1 billion. For FY 2013, \$99.0 million in expenditures are programmed, of which \$93.25 million is from City funding and \$5.75 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, fire station renovations, 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 is scheduled to be adopted by City Council on May 7, 2012.

Prior to budget adoption, the City will hold a series of public hearings and work sessions to inform and solicit input from Council and the public. The process will culminate 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 the remainder of the budget process. Details of the time and location of these work sessions can be obtained by contacting the Office of Management and Budget or visiting the OMB web page at

<http://alexandriava.gov/Budget>

Feb 22nd – CIP & Transportation Work Session

Feb 29th – ACPS Work Session

Mar 5th – Public Hearing

Mar 7th - Public Safety Staffing Work Session

Mar 21st – Work Session Topic TBD or Cancelled if Not Needed

Mar 28th – Work Session Topic TBD or Cancelled if Not Needed

Apr 11th – Budget and Fiscal Affairs Advisory Committee (BFAAC) Work Session

Apr 14th – Public Hearing on Tax Rate Ordinance & Effective Tax Rate

Apr 30th – Preliminary Add/Delete Work Session

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