The emphasis of the FY 2013 Approved 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 3.7% or $21.0 million compared to the FY 2012 Approved Budget. The appropriation to the schools increases $4.5 million or 2.6%.

The budget contains $6.5 million in expenditure reductions and $3.2 million in expanded services. The Approved 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 $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 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 capital and debt payments on previously issued and planned bonds. $18.4 million or 3.1% is in incentives for Metro, DASH and other public transit providers.

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 $21.0 million almost entirely due to increased costs to maintain current services and an increase in real estate values which has led to increases in real estate taxes with no need to raise rates.

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 currently under construction. The City’s transfer to ACPS of $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 reductions are included in the departmental sections of the budget document.

The operating transfer to the Alexandria City Public Schools (ACPS) for our public school system in the FY 2013 Approved Budget increases by $4.5 million, or 2.6% compared to FY 2012.

In June, 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 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 Voters.
- Goal 7: Alexandria is a Caring and Inclusive Community That Values its Rich History 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.
\textbf{FY 2013 GENERAL FUND EXPENDITURES WHERE IT GOES... $587.9 Million The Operating Budget & Strategic Plan Goals}

- \$513.4 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 and includes)
  - $37.3 million for street and bridge repairs and enhancements
  - $29.8 million for high capacity transit corridors
  - $24.2 million for non-motorized transportation
  - $14.3 million for fixed transportation equipment (including signs, signals, and meters).

- \$203.6 million for public schools including two new K-8 schools for Jefferson-Houston and Patrick Henry.

- \$103.1 million for public buildings including $53.7 million for public safety related facilities;

- \$102.4 million for the sanitary sewer system;

- \$78.4 million for recreation and parks including $420.0 million for a public-private partnership to fund a Miracle Field for Alexandria;

- \$50.3 million for information technology projects including $10.8 million for computer systems (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;

- \$29.8 million for non-motorized transportation;

- \$20.6 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 for education and parks including $1.2 million increase in business license taxes.

\textbf{FY 2013 APPROVED GENERAL FUND EXPENDITURES}

\begin{tabular}{|l|c|c|c|c|}
\hline
\textbf{CIP Related} & \textbf{Land Use and Economic Development} & \textbf{Health and Environment} & \textbf{Transportation} & \textbf{Caring Community} \\
\hline
11\% & 6\% & 7\% & 6\% & 25\% \\
\hline
\end{tabular}

\textbf{FY 2013 APPROVED EXPENDITURE INCREASES (In Millions)}

<table>
<thead>
<tr>
<th>General Fund</th>
<th>FY 2012 Approved</th>
<th>FY 2013 Approved</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Operating Expenditures</td>
<td>316.2</td>
<td>327.9</td>
<td>11.7</td>
<td>3.7%</td>
</tr>
<tr>
<td>Transit Subsidies</td>
<td>16.6</td>
<td>16.4</td>
<td>1.8</td>
<td>11.1%</td>
</tr>
<tr>
<td>Capital Projects/Debt Service</td>
<td>58.1</td>
<td>62.1</td>
<td>3.0</td>
<td>5.0%</td>
</tr>
<tr>
<td>City Subtotal</td>
<td>391.9</td>
<td>408.4</td>
<td>16.5</td>
<td>4.2%</td>
</tr>
<tr>
<td>City Appropriation to Schools</td>
<td>179.5</td>
<td>195.5</td>
<td>16.0</td>
<td>8.6%</td>
</tr>
<tr>
<td>Total General Fund Budget</td>
<td>586.9</td>
<td>597.9</td>
<td>11.0</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

The Approved General Fund revenues are projected at $581.0 million. An additional $6.9 million in prior year revenues have been designated for use in FY 2013. As a result, a total of $587.9 million is available to support the approved City and Schools General Fund expenditures, a 3.7% increase in total revenues.

\textbf{FY 2013 APPROVED COMBINED GENERAL FUND REVENUES}

\begin{tabular}{|l|c|c|c|c|}
\hline
\textbf{Revenues, Where It Comes From... $581.0 million (excluding prior-year surplus and sewer fund transfer)} & \\
\hline
\textbf{FY 2012} & \textbf{FY 2012} & \textbf{FY 2013} & \textbf{% Change} & \textbf{12 Approved/ 13 Approved} \\
\hline
\textbf{FY 2013} & \textbf{Projected} & \textbf{Approved} & \textbf{13 Approved} & \\
\hline
Real Property Tax | $321.7 | $325.0 | $333.9 | 3.8% |
Other Taxes | 157.8 | 160.0 | 162.4 | 2.9% |
Non-tax Revenue | 157.8 | 160.0 | 162.4 | 2.9% |
Fed & State | 25.9 | 29.9 | 29.3 | 13.1% |
Perm. Income | 53.0 | 53.8 | 51.6 | 1.1% |
Total | $566.9 | $569.0 | $587.9 | 3.7% |
\hline
\end{tabular}

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 \$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 \$186.1 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 and a $1.2 million increase in business license taxes.