

## TAX FACTS & ASSESSED VALUE

Type	Unit	CY 2012 Actual Rate	CY 2013 Proposed Rate
Real Estate	\$100/AV	99.8¢	\$1.053
Personal Property	\$100/AV	\$4.75	\$5.00
Refuse Collection Disposal	Household	\$336	\$316

Average Residential Home Assessed Value .....	\$470,664
Average Residential Tax Bill CY 2012 (Equalized).....	\$4,697
Average Residential Tax Bill CY 2013 (\$1.053 rate).....	\$4,956

### Median Assessed Value of Homes and Condominiums — CY 2013

Assessed Value	Units	Total Value	Median
Less than \$100,000	425	\$37,362,057	\$92,383
\$100,000-\$249,999	10,349	\$1,876,623,881	\$185,348
\$250,000-\$499,999	14,493	\$5,417,632,248	\$375,727
\$500,000-\$749,999	9,425	\$5,741,445,328	\$601,693
\$750,000-\$999,999	3,980	\$3,373,111,308	\$834,132
\$1,000,000-\$1,999,999	1,753	\$2,238,684,219	\$1,204,134
\$2,000,000 and over	191	\$548,725,486	\$2,395,663

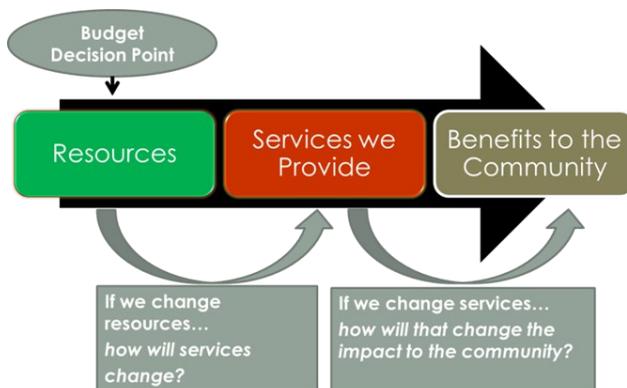
Source: Department of Real Estate Assessments

The value of each one-cent on the real property tax rate is approximately \$3.455 million for CY 2013.

## BUDGET PHILOSOPHY

# 4 Guiding PRINCIPLES

1. Aligning the work we do with our strategic plan
2. Executing against our strategy and ensuring accountability for our results
3. Promoting and encouraging a culture of leadership and ownership at all levels of the organization
4. Promoting a culture of service excellence, creativity and entrepreneurship

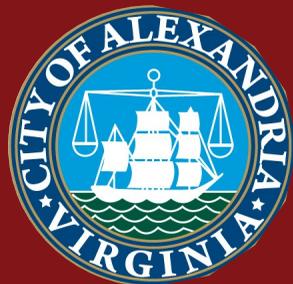


## CITY OF ALEXANDRIA, VIRGINIA

# FY 2014

## PROPOSED BUDGET IN BRIEF

JULY 1, 2013 - JUNE 30, 2014



### ALEXANDRIA CITY COUNCIL

William D. Euille, Mayor  
 Allison Silberberg, Vice Mayor  
 Councilman John T. Chapman  
 Councilman Timothy B. Lovain  
 Councilwoman Redella S. "Del" Pepper  
 Councilman Paul C. Smedberg  
 Councilman Justin M. Wilson

### CITY MANAGER

Rashad M. Young

Information about the budget is available online at [alexandriava.gov/budget](http://alexandriava.gov/budget) or by contacting:

Office of Management and Budget  
 City Hall, 301 King Street, Room 3630  
 (703) 746-3737  
 Monday - Friday 8:00am to 5:00pm

## FY 2014 PROPOSED BUDGET OVERVIEW

The emphasis of the FY 2014 Proposed Budget and Capital Improvement Program is to maintain our core services, invest in targeted priorities, and create operational efficiencies wherever possible. The result is total General Fund spending increase of \$38.7 million or 6.6% compared to the FY 2013 Approved Budget. The appropriation to the schools increases \$6.0 million or 3.3%.

The budget includes \$8.5 million in expenditure reductions, \$1.4 million in new or broadened initiatives and \$10.6 million in new cash capital expenditures. The proposed budget includes a real estate tax rate increase of 5.5 cents above Approved FY 2013 levels. The average homeowner's real estate tax burden will increase \$385. A number of other fee adjustments and tax increases are included as part of the FY 2014 Proposed Budget. Details regarding these revenue adjustments can be found in the revenue section of the budget document.

Of the City's FY 2014 General Fund budget of \$626.6 million, \$336.8 or 53.8% is for City government operations; \$185.5 or 29.6% is the City's transfer to the Alexandria City Public Schools (ACPS) to fund school operations; \$83.4 million or 13.3% 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; and \$20.9 million or 3.3% 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 Strategic Plan containing the City's overall vision, goals, objectives and initiatives. The goals of the plan 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 residents and the quality of its natural environment.
- Goal 3: Alexandria has a multimodal transportation network that supports sustainable land use and provides internal mobility and regional connectivity for Alexandrians.
- Goal 4: Alexandria is a caring community that supports and enhances the well-being, success, and achievement of the City's residents.
- 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 an inclusive community and one that values its rich diversity, history and culture.

By advancing these goals, the Proposed 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 2014 Proposed Budget could include real estate tax adjustments or other tax and fee adjustments as necessary to meet the strategic goals and objectives of the City. The budget includes a net increase in spending and revenues of \$38.7 million primarily due to increased costs to maintain current services.

Of the \$38.7 million increase in General Fund expenditures, \$26.7 is to maintain 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 \$6.0 million or 3.3%. Subsidies for regional transit providers increases \$2.5 million. The FY 2014 budget also includes \$1.4 million in new or expanded services and \$8.5 million in service and efficiency reductions. With the additional 3 cents of capital investment funding per Council Guidance, new cash capital expenditures total \$10.6 million in FY 2014. Details of the City's service expansions and reductions are included in the departmental sections of the budget document.

## ALEXANDRIA CITY PUBLIC SCHOOLS

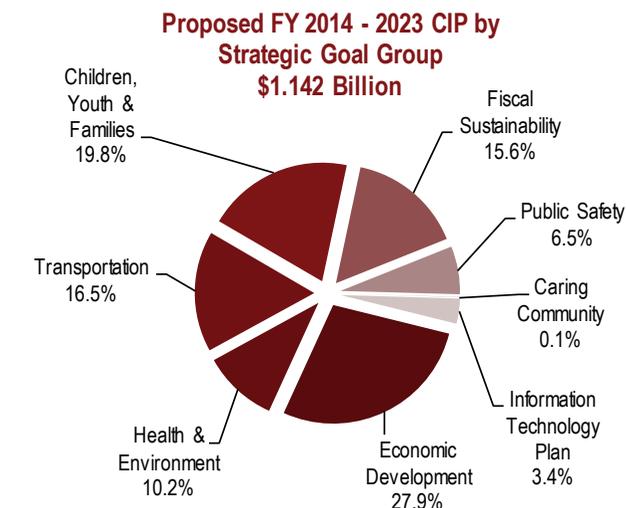
The operating transfer to the Alexandria City Public Schools (ACPS) for our public school system in the FY 2014 Proposed Budget increases by \$6.0 million, or 3.3% compared to FY 2013.

## CIP HIGHLIGHTS

The Proposed FY 2014 – 2023 Capital Improvement Program totals \$1.142 billion. That total does not include the projects which could be funded with the additional three cents on the real estate tax rate. If the projects funded by the additional three cents are included, the ten-year CIP total \$1.269 billion.

The Proposed CIP addresses two broad areas of expenditures:

- Protection of the City's investment in existing public facilities or infrastructure; and
- Planning and construction of renovated or new public facilities and infrastructure including new or replacement Information Technology systems.



## CIP HIGHLIGHTS, CONTINUED

The Proposed FY 2014 – 2023 CIP includes many projects that align with City Council’s CIP development guidance. Specific projects and initiatives aligning with City Council guidance (excluding the additional 3 cents) include:

**Alexandria City Public Schools (ACPS) Capacity** – two capacity projects (based on projected enrollment) are included in the Proposed CIP totaling \$92.9 million from FY 2014 – 2018. Additionally, \$123.8 million in non-capacity (capital infrastructure maintenance) projects are included in the ten-year plan. The ten-year CIP includes a total of \$216.7 million for ACPS. The new Jefferson-Houston K-8 facility, was fully funded in the prior fiscal year and scheduled to be under construction in FY 2014 so it is not included in the Proposed FY 2014 2023 .

**Recreation Facilities** – a number of recreation facility projects are included in the ten-year plan including: conversion of athletic fields to synthetic turf (\$14.1 million beginning FY 2017); open space acquisition (\$23.3 million); Patrick Henry Recreation Center renovations (\$6.5 million); and Marina upgrades in FY 2016 – 2017 (\$3.0 million).

**Public Safety Facilities** – four fire station renovations are included in the ten-year plan from FY 2015 – 2021 totaling \$47.1 million; that total does not include the new Eisenhower Valley Fire Station which has been fully funded in prior fiscal years and will be under construction in FY 2014. The new Emergency Operations Center receives an additional \$1.3 million (total project cost of \$5.0 million), and renovations to the Police K-9 facility and the Pistol Range total \$2.2 million from FY 2014 – 2016.

**Sewers and Basic Infrastructure** – total capital funding over the ten-year plan for sanitary sewers and storm sewers is budgeted at \$112.6 million. It is important to note that most capital costs associated with federally mandated capital infrastructure improvements to sanitary sewer and storm sewer infrastructure are not included in the Proposed CIP. These costs could reach \$250 million - \$400 million over the next two to three decades.

Additional projects included in the Proposed FY 2014 – 2023 CIP include:

Funding for the Potomac Yard Metrorail Station is included at \$272.8 million (\$277.1 million total project cost). The new Metrorail Station 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 development contributions.

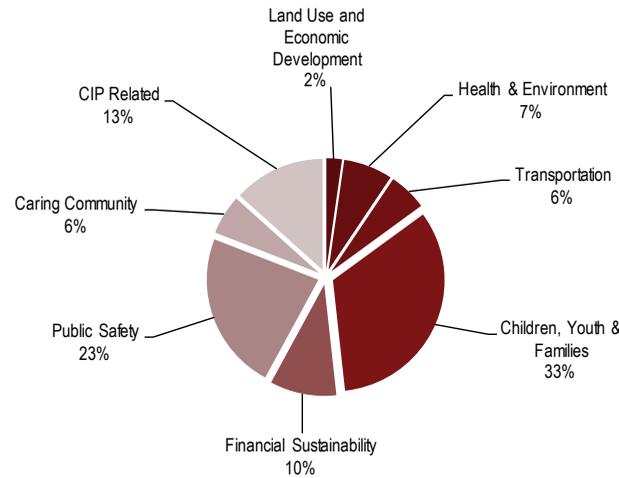
A total of \$267.0 million over ten years is included for transportation and transit infrastructure capital improvement (excluding Potomac Yard Metrorail Station). Significant investments include: capital contributions to WMATA (\$74.5 million); DASH bus replacement and enhanced and expanded routes (\$56.8 million); and \$62.7 million for street resurfacing and reconstructions, multi-use path construction and capital maintenance, bridge repairs, and implementation of Complete Street initiatives. The Transportation Improvement Program (TIP) funded with the reserved 2.2 cents on the real estate tax rate continues to support improvements to transportation and transit infrastructure Citywide.

With the additional three cents on the tax rate (\$126.7 million) capital investments include but are not limited to: implementation of the Aquatics Facilities Master Plan beginning in FY 2017 (\$25.0 million); motorized and non-motorized transportation infrastructure (\$22.3 million); stormwater management future capital needs related to federal mandates (\$26.5 million); and capacity and non-capacity funding for ACPS (\$19.4 million).

## FY 2014 PROPOSED GENERAL FUND EXPENDITURES

### FY 2014 GENERAL FUND EXPENDITURES WHERE IT GOES... \$626.6 MILLION

#### The Operating Budget By Strategic Plan Goal



### FY 2014 PROPOSED EXPENDITURE INCREASES (in millions)

General Fund	FY 2013 Approved	FY 2014 Proposed	\$ Change	% Change
City Operating Expenditures	\$327.9	\$336.8	\$8.9	2.7%
Transit Subsidies	\$18.4	\$20.9	\$2.5	13.6%
Capital Projects/Debt Service	\$62.1	\$83.4	\$21.3	34.3%
<b>City Subtotal</b>	<b>\$408.4</b>	<b>\$441.1</b>	<b>\$32.7</b>	<b>8.0%</b>
City Appropriation to Schools	\$179.5	\$185.5	\$6.0	3.3%
<b>Total General Fund Budget</b>	<b>\$587.9</b>	<b>\$626.6</b>	<b>\$38.7</b>	<b>6.6%</b>

The Proposed General Fund revenues are projected at \$617.3 million. An additional \$9.3 million in sanitary/stormwater sewer funds and prior year revenues have been designated for use in FY 2014. As a result, a total of \$626.6 million is available to support the proposed City and Schools’ General Fund expenditures, a 6.6% increase in total expenditures.

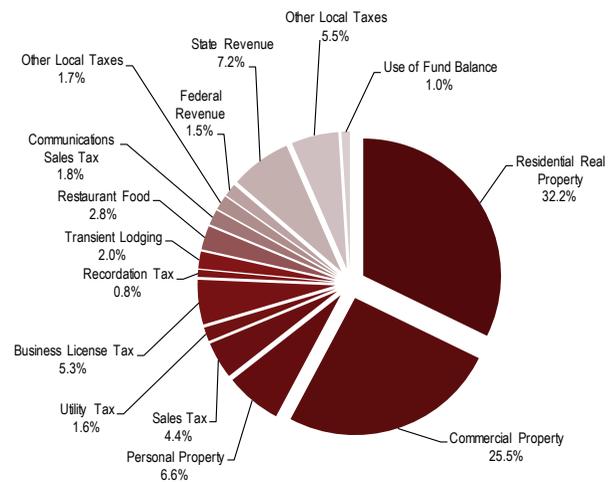
## FY 2014 BUDGET CALENDAR

The FY 2014 budget development process includes a public hearing on the budget on Monday, March 11 at 4:00pm and a public hearing on the tax rate on Saturday, April 13 at 9:30am. City Council will also hold a series of work sessions as outlined below:

February 26	7:00pm	Introduction and Presentation of the Budget (Council Chambers, 2nd Floor, City Hall)
March 4	5:30pm	Work Session: Performance Management (Sister Cities Room #1101, 1st Floor, City Hall)
March 4	7:30pm	Work Session: Revenues/Expenditures (Sister Cities Room #1101, 1st Floor, City Hall)
March 6	7:00pm	Public Presentation of the Budget (Beatley Library Main Conference Room)
March 11	4:00pm	Budget Public Hearing (Council Chambers, 2nd Floor, City Hall)
March 12	7:00pm	Introduction of Tax Ordinances (Council Chambers, 2nd Floor, City Hall)
March 20	5:30pm	Work Session: Capital Improvement Program (George Washington Middle School Library)
March 20	7:30pm	Work Session: Joint Work Session with ACPS (George Washington Middle School Library)
April 3	6:30pm	Work Session: Employee Compensation (Sister Cities Room #1101, 1st Floor, City Hall)
April 4	6:30pm	Work Session: Topic TBD (Sister Cities Room #1101, 1st Floor, City Hall)
April 13	9:30am	Public Hearing on Effective Tax Rate Increase (Council Chambers, 2nd Floor, City Hall)
April 15	6:30pm	Work Session: BFAAC Report (Sister Cities Room #1101, 1st Floor, City Hall)
April 29	6:30pm	Work Session: Preliminary Add/Delete (Sister Cities Room #1101, 1st Floor, City Hall)
May 6	6:00pm	Work Session: Final Add/Delete (City Council Work Room, 2nd Floor, City Hall)
May 6	7:00pm	Budget and Tax Rate Adoption (Council Chambers, 2nd Floor, City Hall)

## FY 2014 PROPOSED GENERAL FUND REVENUES

### FY 2014 COMBINED GENERAL FUND REVENUES WHERE IT COMES FROM... \$617.3 MILLION (excluding prior-year surplus and sewer fund transfer)



FY 2014 Proposed General Fund Revenues .....	\$617.3
Sanitary and Stormwater Sewer Fund Transfer .....	\$3.1
Use of Prior-Year Surplus .....	\$6.2
<b>Total General Fund Revenues .....</b>	<b>\$626.6</b>

### FY 2014 PROPOSED REVENUE INCREASES (in millions)

	FY 2013 Approved	FY 2013 Projected	FY 2014 Proposed	% Change 13 Approved/ 14 Proposed
Real Property Tax	\$333.9	\$343.5	\$362.0	8.4%
Other Taxes	\$162.4	\$163.9	\$169.4	4.4%
Non-tax revenue	\$29.3	\$29.2	\$31.5	7.7%
Fed & state revenue	\$53.6	\$53.5	\$54.4	1.4%
PY surplus & other fund transfers	\$8.7	\$1.9	\$9.3	7.4%
<b>Total</b>	<b>\$587.9</b>	<b>\$592.0</b>	<b>\$626.6</b>	<b>6.6%</b>

The real estate property tax increases 5.5 cents in FY 2014 or 5.5% to \$1.053 per \$100 of assessed value. Residential real estate property assessments increased by 2.7% in calendar year 2013 and are estimated to increase by 2.4% in calendar year 2014.

The impact of the increased assessment and tax rates on the average homeowner’s real estate tax bill is a \$385, or 8.4% increase from \$4,571 in 2012 to \$4,956 in 2013. The rate of increase is higher than the 2012 inflation rate of 2.1% due to the increase in the base tax rate. The remainder of the increase is due mostly to a \$2.0 million increase in the motor vehicle personal property tax by increasing the rate from \$4.75 to \$5.00, a 10 cent increase in the cigarette tax and various other fee and tax adjustments. Details regarding these revenue adjustments can be found in the revenue section of the budget document.