

## ADDITIONAL INFORMATION

### ALEXANDRIA CITY COUNCIL

Mayor William D. Euille  
 Vice Mayor Allison Silberberg  
 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

Nelsie L. Smith, OMB Director  
 Laura Triggs, Chief Financial Officer

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

### OFFICE OF MANAGEMENT & BUDGET

City Hall, 301 King Street, Suite 3400  
 703.746.3737  
 Monday – Friday, 8 a.m. to 5 p.m.

Reference copies of the budget are available online at [alexandriava.gov/Budget](http://alexandriava.gov/Budget) and at all Alexandria City public libraries.



Livable, Green & Prospering City  
 Healthy & Thriving Residents  
 Safe, Secure & Just Community  
 Accountable, Effective, & Well-Managed Government

## APPROVED BUDGET IN BRIEF — FISCAL YEAR 2015 — JULY 1, 2014 – JUNE 30, 2015

Livable, Green & Prospering City  
 Healthy & Thriving Residents  
 Safe, Secure & Just Community  
 Accountable, Effective, & Well-Managed Government

## FY 2015 BUDGET OVERVIEW

Fiscal Year (FY) 2015 presented the same challenging, fiscal outlook for the City of Alexandria since 2008: the cost of providing the same City services, at the same level, exceed projected revenues. To respond to this challenge, the City employed a new approach – under the City’s performance management system framework, Results Alexandria - than what has been done historically.

The traditional approach to budgeting, and one we have employed for many years, treats every program the same, and every cut or reduction the same. Rather than beginning the budget conversation with what departments spent last year by service and making minor adjustments to each to achieve a budget solution, the City instead looked at the outcomes set forth in the City Manager’s Performance Plan (CMPP) and the City’s Strategic Plan and focused financial resources accordingly.

The CMPP defines the performance expectations for the City Government and helps departments, agencies, and employees better understand how the goals and objectives described in the City’s Strategic Plan translate into tangible outcomes. The result is a FY 2015 Approved Budget focused on investments in existing assets and core programs; enhancing service effectiveness, efficiencies, and performance; and leveraging outside resources, where possible.

In FY 2015, the City of Alexandria will invest \$636.8 million into more than 150 programs, each designed to achieve the Long Term Outcomes in the City’s four Focus Areas: 1) Accountable, Effective & Well-Managed Government; 2) Healthy & Thriving Residents; 3) Livable, Green & Prospering City; and 4) Safe, Secure & Just Community. Each Focus Area has a distinct mission and long-term outcomes that illustrate what success looks like in our community. These Focus Areas were established as part of the CMPP: [www.alexandriava.gov/CMPPFY14-16](http://www.alexandriava.gov/CMPPFY14-16).

The \$636.8 million budget includes:

- An increase of 0.5 cents for real estate property tax rate to \$1.043 on \$100.
- Maintains 2.2 cents reservation for transportation.
- 0.5 cents designation for stormwater.
- 0.6 for affordable .housing.
- Various user fee changes; however, no increase to sanitary sewer.
- Service level changes, but continued/increased investments in key, focused service areas;
- Sustainable decisions that limit the use of one-time fixes for a balanced budget;
- Operating transfer increase of \$6.2 million, or 3.3%, to Alexandria City Public Schools for a total of \$191.8 million for FY 2015.

For more detail on what’s included in the budget by department and program, go to [alexandriava.gov/Budget](http://alexandriava.gov/Budget).

## FY 2015 BUDGET CALENDAR

The FY 2015 budget development process included a public hearing on the budget on Monday, March 10 at 4 p.m. and a public hearing on the tax rate on Saturday, April 12 at 9:30 a.m. Members of the public were invited to participate in the following budget-related sessions, listed below:

DATE	TIME	TOPIC
Feb. 25	7 p.m.	Introduction and Presentation of the FY 2015 Budget Location: Council Chambers
Mar. 8	11 a.m.	Work Session - Revenue, 5 Year Financial Plan and Compensation Issues Location: Sister Cities Conference Room 1101
Mar. 10	4 p.m.	Budget Public Hearing Location: Council Chambers
Mar. 11	7 p.m.	Introduction of Tax Rate Ordinances Location: Council Chambers
Mar. 12	6:30 p.m.	Work Session - Livable, Green and Prospering City Focus Area Location: Sister Cities Conference Room 1101
Mar. 17	6:30 p.m.	Public Town Hall Location: Beatley Central Library, 5005 Duke St.
Mar. 18	6:30 p.m.	Work Session – Healthy and Thriving Residents Focus Area Location: Sister Cities Conference Room 1101
Mar. 19	7 p.m.	Work Session – ACPS Operating Location: GW Middle School, 1005 Mt. Vernon Ave.
Mar. 26	6:30 p.m.	Work Session – Safe, Secure, and Just Community Focus Area Location: T&ES Offices, 2900 Business Ctr. Dr.
Apr. 2	6:30 p.m.	Work Session – Accountable, Effective, and Well-Managed Government Focus Area Location: Sister Cities Conference Room 1101
Apr. 10	6:30 p.m.	Work Session – Capital Improvement Program Location: GW Middle School, 1005 Mt. Vernon Ave.
Apr. 12	9:30 a.m.	Public Hearing on Effective Tax Rate Increase Location: Council Chambers
Apr. 21	6:30 p.m.	Work Session – Preliminary Add/Delete Location: Sister Cities Conference Room 1101
Apr. 24	6:30 p.m.	Work Session – BFAAC and Business Tax Reform Task Force Location: Sister Cities Conference Room 1101
Apr. 28	6:30 p.m.	Work Session – Final Add/Delete Location: Sister Cities Conference Room 1101
May 1	6:30 p.m.	Budget and Tax Rate Adoption Location: Council Chambers

## CAPITAL IMPROVEMENT PLAN

The City Council approved FY 2015 – 2024 Capital Improvement Program (CIP) is \$1.459 billion and includes funding for the Potomac Yard Metrorail Station through Special Services Districts, incremental growth in the Potomac Yard real property tax base, development contributions, and new transportation funding. Continuation of the reserved 2.2 cents on the base real estate tax rate supports the City's Transportation Improvement Program (TIP) and, new funding from the Northern Virginia Transportation Authority (NVTA).

### HIGHLIGHTS OF THE 10-YEAR PLAN

- New NVTA funding provides additional cash sources to the City (\$210.1 million) for transportation purposes, reducing planned borrowing, providing additional resources for previously planned projects, and making available additional resources to maintain existing transportation infrastructure.
- Continuation of the Potomac Yard Metrorail Station project, with \$279.0 million budgeted in FY 2015 – 2017 (total estimated project costs including prior year funding are \$285.9 million).
- Funding for Alexandria City Public Schools totals \$279.1 million, and includes \$149.5 million to address increased enrollment trends over the life of the 10-year plan.
- Sanitary Sewer and Stormwater funding totals \$135.8 million and begins to address long-term capital infrastructure needs related to federally mandated improvements. These improvements could total \$250 - \$400 million over the next two to three decades.
- The City's investment in maintenance of existing transit infrastructure including DASH bus replacements and WMATA capital contributions is budgeted at \$101.5 million. Maintenance of existing transportation infrastructure is budgeted at \$57.6 million and includes funding for street resurfacing and reconstruction, bridge repairs, sidewalk reconstruction, and shared-use path improvements. Additionally, \$9.4 million is provided for Complete Streets enhancements.
- Four City fire stations are scheduled to be rebuilt over the next seven years at an estimated cost of \$47.1 million and a new fire station in the Beauregard Corridor is also included an estimated cost of \$13.2 million.

### HIGHLIGHTS OF THE FY 2015 CAPITAL BUDGET

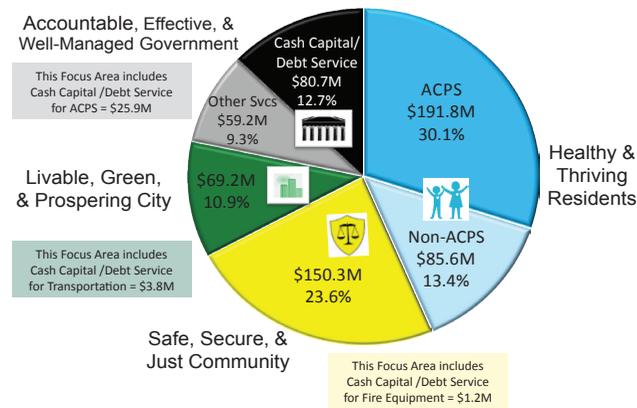
The FY 2015 Capital Year Budget is \$92.5 million; a \$24.7 million decrease from the FY 2015 level approved at in last year's CIP, primarily due to shifting funding for planned projects to later years that were not ready to go to construction. The City's net outstanding debt at the end of FY 2015 will be slightly reduced from FY 2014 levels as borrowing was reduced by over \$40 million in FY 2015 as compared to last year's plan, due to the shifting of projects and use of new NVTA funding to offset planned borrowing.

### DEBT POLICIES

The Approved FY 2015 – 2024 CIP adheres to all City Council adopted debt policies in each year of the 10-year plan. The planned **borrowing to cash ratio** in the 10-year plan is 1.43:1 dollar, a decrease from last year's plan which assumed a 2.41:1 dollar ratio. The ratio of **cash to borrowing** is 1:77:1 dollar, which equates to \$59.1 million in cash sources and \$33.4 million in General Obligation Bonds. Service on debt issued through FY 2014 and debt planned to be issued in FY 2015 is budgeted at \$64.4 million in the City's General Fund.

## FY 2015 APPROVED GENERAL FUND EXPENDITURES

### FY 2015 APPROVED BUDGET BY FOCUS AREA

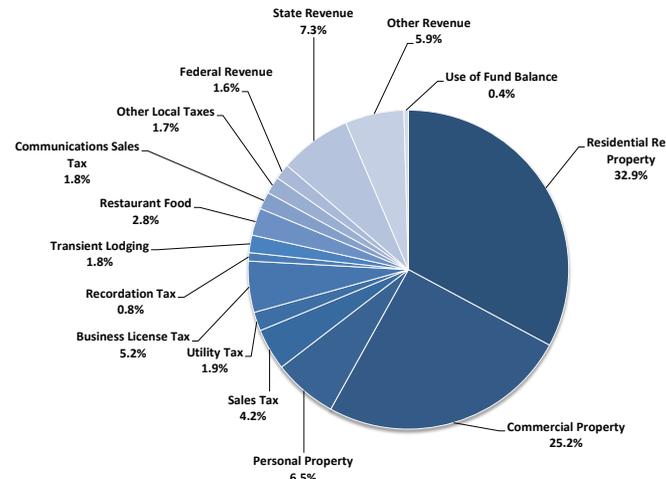


General Fund	FY 2014 Approved	FY 2015 Approved	\$ Change	% Change
City Operating Expenditures	\$338.45	\$339.27	\$0.82	0.24%
Transit Subsidies	\$21.07	\$20.01	(\$1.06)	-5.03%
Capital Projects/Debt Service	\$79.71	\$85.68	\$5.97	7.49%
<i>City subtotal</i>	<i>\$439.23</i>	<i>\$444.96</i>	<i>\$5.73</i>	<i>1.30%</i>
City Appropriation to Schools	\$185.61	\$191.81	\$6.20	3.34%
<b>Total General Fund Budget</b>	<b>\$624.84</b>	<b>\$636.77</b>	<b>\$11.93</b>	<b>1.91%</b>

The City's contribution to Transit Subsidies is consistent with FY 2014, due to leveraging of other non-General Fund sources. The total contribution for FY 2015 is \$52.5 million, an increase of approximately \$7.9 million from the FY 2014 Approved Budget.

## FY 2015 APPROVED GENERAL FUND REVENUES

### FY 2015 COMBINED GENERAL FUND REVENUES \$636.8 MILLION



### FY 2015 APPROVED REVENUE INCREASES (in millions)

	FY 2014 Approved	FY 2014 Projected	FY 2015 Approved	% Change from Approved
Real Property Tax	\$357,840,034	\$358,400,849	\$369,652,724	3.3%
Other Taxes	\$170,854,000	\$166,757,000	\$170,086,000	-0.4%
Non-Tax Revenue	\$31,688,933	\$32,365,541	\$37,808,116	19.3%
Fed & State Revenue	\$55,243,798	\$55,694,203	\$56,358,535	2.0%
Prior year surplus & other fund transfers	\$9,221,983	\$9,323,960	\$2,864,527	-68.9%
<b>Total</b>	<b>\$624,848,748</b>	<b>\$622,541,553</b>	<b>\$636,769,902</b>	<b>1.9%</b>

City Council increased the real estate property tax rate \$.005 to \$1.043 per \$100 of assessed value. Residential real property assessments increased by 4.48% in Calendar Year 2013 and are estimated to increase 4.6% in Calendar Year 2014.

Based on the average rate of appreciation, the average tax bill will increase from \$4,901 in CY 2013 to \$5,115 in CY 2014. The motor vehicle property tax rate is proposed to remain at \$5.00 per \$100 of assessed value.

## TAX FACTS & ASSESSED VALUE

Type	Unit	CY 2013 Actual Rate	CY 2014 Approved Rate
Real Estate	\$100/AV	\$1.038	\$1.043
Personal Property	\$100/AV	\$5.00	\$5.00
Refuse Collection Disposal	Household	\$328	\$337

Average Residential Home Assessed Value .....\$490,422

Average Residential Tax Bill CY 2013 (Equalized).....\$4,872

Average Residential Tax Bill CY 2014 (\$1.043 rate).....\$5,115

### Median Assessed Value of Homes and Condomiums CY 2014

Assessed Value	Units	Total Value	Median
Less than \$100,000	190	\$17,677,640	\$95,986
\$100,000 – \$249,999	10,046	\$1,873,795,762	\$190,444
\$250,000 – \$499,999	13,597	\$5,099,998,035	\$376,076
\$500,000 – \$749,999	10,365	\$6,322,558,916	\$601,190
\$750,000 – \$999,999	4,506	\$3,834,069,502	\$840,937
\$1,000,000 – \$1,999,999	1,929	\$2,445,471,336	\$1,194,236
\$2,000,000 and over	199	\$563,227,620	\$2,387,950

Source: Department of Real Estate Assessments

The value of each one-cent on the real property tax rate is approximately \$3.564 million for CY 2014.

