



FY 2020 Proposed Operating Budget & Capital Improvement Program (CIP)

February 19, 2019

Strategic Focus of Proposed Budget and CIP

- A Smart City
- A Green City
- An Equitable City
- The Economy
- Workforce Investments
- Capital Investments



FY 2019 Proposed Budget

- General Fund revenues and expenditures increase by 1.7%
- Budget process entailed significant prioritization efforts
- The ACPS Superintendent's proposed budget is fully funded
- WMATA operating subsidy up 27%
- City operations increase by \$2.3 M or just 0.6%
- No significant service reductions



FY 2019 Proposed Budget

General Fund Expenditures (\$ in millions)	FY 2018 Actual	FY 2019 Approved	FY 2020 Proposed	\$ Chg	% Chg
City Government	\$367.1	\$385.2	\$387.5	\$2.3	0.6%
Transit Services	\$27.6	\$29.7	\$34.9	\$5.3	17.8%
ACPS Transfer	\$214.1	\$223.8	\$232.3	\$8.5	3.8%
CIP Funding					
Cash Capital	\$43.4	\$38.2	\$40.4	\$2.1	5.6%
City Debt Service	\$37.9	\$42.6	\$37.9	(\$4.8)	-11.2%
School Debt Service	\$28.5	\$28.9	\$28.1	(\$0.8)	-2.8%
CIP Subtotal	\$109.8	\$109.8	\$106.3	(\$3.4)	3.1%
Total Expenditures	\$718.6	\$748.4	\$761.1	\$12.6	1.7%

A Smart City

- 311 implementation in mid FY 2020 with expanded hours, capabilities and staffing.
 - New customer relationship management software will replace CallClickConnect software and serve as a citywide resource
- New Development and Permitting system along with electronic plan submission
- Improved website content, quality and timeliness
- Continued implementation of municipal fiber and integrating with Smart Mobility traffic signal system

A Smart City

- Variable rate pricing for on-street parking capability
- Use of license plate readers for improved delinquent tax and parking ticket collection
- E-citation capability for Police officer-written moving violation tickets
- Start of multi-year replacement of Alexandria Justice Information System (AJIS), which is the core of the criminal and civil justice operating system



A Green City

- The City will further “green” its vehicle fleet with more hybrid and EV’s
- \$3.5 M for clean diesel buses
- The City will buy energy credits for alternative power (wind, solar, biomass), offsetting greenhouse emissions by 100%
- All City street lights will be converted to LED over the next two years
- Increase Green Building goal from LEED Silver to LEED Gold

An Equitable City

- Add racial and social equity officer to the City Manager's Office
 - Start development of racial equity plans in departments
 - Review of recruitment and hiring practices
 - Outreach to under-represented communities to build bridges to the City government
- Expanded domestic violence services
- Initiate drug court



An Equitable City

- Expanded outreach to minority and rental communities as part of the planning process (ex. South Patrick Street outreach)
- Increased resources in the Fire Department to better diversify their applicant pool
- Equal Justice Initiative funded
- \$1 million more per year for workforce and affordable housing



The Economy

- HQ2 and Virginia Tech Implementation continues
- AEDP staff substantially expanded to improve research and recruitment efforts
- Alexandria Investment Fund replenished to \$1 million
- Commercial corridors contingent funded (\$200,000) to grow vitality and programs
- To ensure success of commercial corridor vitality initiatives and compliance, night and weekend inspection coverage proposed
- Failing Old Town Gadsby lights proposed for phased in replacement and conversion to LED



Revenue

- Real estate tax rate stable at \$1.13
- Average residential (SF & Condo) assessment is up 1.91%, which translates to a +\$118 2019 tax bill
- Elimination of windshield decal for personal property tax, but decal fee remains

Revenue

- Expansion of real estate tax deferral to \$100,000 proposed
- More delinquent tax collections to be outsourced
- No changes in other tax rates
- Sanitary and storm fee rates unchanged
- Increase of 9% in solid resource recovery fee, or \$33 per year
- DASH fare increase to \$2.00 to equal regional bus fares



Workforce Investments

- Merit steps funded at a cost of \$4.5M; equals an average of 2.84%
- Health insurance (UHC = 0%, Kaiser = +11%)
- Sheriff's Office conversion to VRS proposed public safety plan
- Shift Differential increases to \$1.00 for evening and \$1.50 for night shift
- Increase of \$1.00 per hour for Commercial Drivers License (CDL) employees

Workforce Investments

- New wellness initiative, ability of employees to earn up to \$50 per month
- Begin conversion of certain long term temporary employees to benefited employees
- Expansion of executive pay scale to middle of comparators' scales



10-Year CIP (FY 2020 – FY 2029)

All Uses (CIP Document Section)	TOTAL FY 2020 - 2029
Schools	\$ 447,567,205
Community Development	\$ 145,530,872
Recreation & Parks	\$ 86,699,213
Public Buildings	\$ 150,228,400
Transportation	\$ 380,426,869
Sanitary Sewers	\$ 65,230,990
Stormwater Management	\$ 71,036,000
Other Regional Contributions	\$ 8,895,708
IT Plan	\$ 64,557,500
Reservation of Bond Capacity/Cash Capital for City/School Facilities	\$ 119,071,167
CIP Development & Implementation Staff	\$ 77,788,213
Grand Total	\$ 1,617,032,137



10-Year CIP (FY 2020 – FY 2029)

- \$1.617 billion 10 year CIP total
- 46% cash and 54% borrowing
- Cash capital from General Fund = \$40.4 million
- Affordable housing = +\$1 M per year, now totals \$61.4 M for 10 years
- ACPS request fully funded



10-Year CIP (FY 2020 – FY 2029)

- Recommending studying a separate School capital real estate tax rate to start in CY 2020
 - Ties School CIP fiscal impact to tax consequences
 - Major pressures pending starting in FY 2021

Work Sessions

- Wednesday, February 27: CIP Work Session
- Wednesday, March 6: ACPS Operating Budget and CIP Work Session
- Wednesday, March 13: Work Session # 4: Economic Sustainability
- Wednesday, March 20: Work Session # 5: Environmental Sustainability
- Wednesday, March 27: Work Session # 6: Accountable, Effective & Well-Managed Govt

Work Sessions

- Wednesday, April 3: Work Session # 7: Safe, Secure and Just Community and Healthy and Thriving Residents
- Monday, April 8: Work Session # 8: BFAAC and Follow-up Items
- Tuesday, April 23: Preliminary Add/Delete Work Session
- Monday, April 29: Final Add/Delete Work Session

Key Milestones

- Monday, March 11: Budget Public Hearing
- Tuesday, March 12: Introduce and Set Maximum Tax Rate
- Friday, March 29: Deadline for Budget Questions
- Monday, April 1: Staff notification for items requiring ordinance

Key Milestones

- Friday, April 5: Revenue Re-estimates and Technical Adjustments Memo Posted
- Thursday, April 11: Preliminary Add/Delete Due
- Friday, April 12: List of Preliminary Add/Delete to Public
- Saturday, April 13: Maximum Tax Rate Public Hearing and 2nd Budget Public Hearing

Key Milestones

- Thursday, April 25: Revised Preliminary Add/Delete to Public
- Wednesday, May 1: Budget Adoption