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

<table>
<thead>
<tr>
<th>General Fund Expenditures ($ in millions)</th>
<th>FY 2018 Actual</th>
<th>FY 2019 Approved</th>
<th>FY 2020 Proposed</th>
<th>$ Chg</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>City Government</td>
<td>$367.1</td>
<td>$385.2</td>
<td>$387.5</td>
<td>$2.3</td>
<td>0.6%</td>
</tr>
<tr>
<td>Transit Services</td>
<td>$27.6</td>
<td>$29.7</td>
<td>$34.9</td>
<td>$5.3</td>
<td>17.8%</td>
</tr>
<tr>
<td>ACPS Transfer</td>
<td>$214.1</td>
<td>$223.8</td>
<td>$232.3</td>
<td>$8.5</td>
<td>3.8%</td>
</tr>
</tbody>
</table>

## CIP Funding

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 Actual</th>
<th>FY 2019 Approved</th>
<th>FY 2020 Proposed</th>
<th>$ Chg</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Capital</td>
<td>$43.4</td>
<td>$38.2</td>
<td>$40.4</td>
<td>$2.1</td>
<td>5.6%</td>
</tr>
<tr>
<td>City Debt Service</td>
<td>$37.9</td>
<td>$42.6</td>
<td>$37.9</td>
<td>($4.8)</td>
<td>-11.2%</td>
</tr>
<tr>
<td>School Debt Service</td>
<td>$28.5</td>
<td>$28.9</td>
<td>$28.1</td>
<td>($0.8)</td>
<td>-2.8%</td>
</tr>
<tr>
<td><strong>CIP Subtotal</strong></td>
<td><strong>$109.8</strong></td>
<td><strong>$109.8</strong></td>
<td><strong>$106.3</strong></td>
<td><strong>($3.4)</strong></td>
<td><strong>3.1%</strong></td>
</tr>
</tbody>
</table>

## Total Expenditures

<table>
<thead>
<tr>
<th></th>
<th>FY 2018 Actual</th>
<th>FY 2019 Approved</th>
<th>FY 2020 Proposed</th>
<th>$ Chg</th>
<th>% Chg</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Expenditures</strong></td>
<td><strong>$718.6</strong></td>
<td><strong>$748.4</strong></td>
<td><strong>$761.1</strong></td>
<td><strong>$12.6</strong></td>
<td><strong>1.7%</strong></td>
</tr>
</tbody>
</table>
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)

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