



FY 2022 Proposed Operating Budget & Capital Improvement Program (CIP)

February 18, 2021

Budget Environment

- Once in a century public health crisis
- Major disparate economic disruptions
- Needs of City residents increased while City ability to respond decreased
- Societal introspection on race and social equity
- Climate change induced severe weather

Highlights

- \$41 M projected budget gap in November 2020
- FY 2022 proposed budget = +1.9% increase over FY 2021
- Proposed 2-cent real estate tax rate reduction
- No major service or program reductions
- No employee reductions in force
- \$2 M targeted new operating investments
- Funds 100% of ACPS approved CIP and Superintendent's proposed operating budget.

Highlights

- \$11.8 M expenditure savings
- 38 unfunded vacant positions
- \$767.6 M operating budget = 1.9% increase
- City operations increase = \$3.3 M or 0.9%
- Real estate tax rate proposed to be reduced from \$1.13 to \$1.11



Alternative Budgets

- \$780.6 M if real estate tax rate unchanged and City able to increase its operating and capital investments such as affordable housing
- \$741.7 M if real estate tax rate reduced by 6 cents (no change in average residential tax bill) and City noticeably reduced programs and services



Alexandria City Public Schools

- \$239.0 M General Fund transfer for operating
- \$5.0 M or 2.1% increase = 100% of Superintendent's proposed budget
- Nearly 35% of new City revenue growth devoted to public schools

Revenue

- +1.9% increase over FY 2021 budget
- Real estate tax rate proposed reduction from \$1.13 to \$1.11
- Average tax bill at \$1.11 = \$252 or 69 cents per day increase
- If rate did not change, average bill would increase \$375 or \$1.03 per day

Revenue

- No change in solid waste, sanitary sewer or other user fee rates
- Stormwater utility fee two-step rate increase docketed for February 20 and included in the proposed budget



An Equitable City

- Small Business Development Center program coordinator
- City General Fund support of affordable housing increased
- Civic engagement coordinator
- \$505,500 for early childhood education program quantity and quality expansion
- \$600,000 for community policing review board



An Equitable City

- Added second Race and Social Equity position
- \$400,000 contingency for ACPS early college program at NVCC
- \$160,000 pre-trial services contingency
- Alexandria Crisis Co-response Program funding

A Green City

- Yard waste collection program finalized
- Design and engineering for Waterfront flood mitigation
- Parks LED light conversion (excluding sports fields)
- \$5 M Holmes Run trail restoration

A Green City

- Waterfront park enhanced cleaning
- Stormwater capacity and system maintenance increased

A Smart City

- Radio system infrastructure upgrade
- Municipal fiber in CIP = \$14.6 M in FY 2022
- Virtual collaboration engineer
- \$3.4 M for Alexandria Justice Information System replacement

Transit

- No Metrobus or Metrorail increase in FY 2022
- Potential significant Metro service reductions mid-year without additional federal aid
- DASH \$1.3 M increase funded by federal transit assistance
- King Street Trolley restart in September 2021

Workforce Investments

- Net personnel cost increases marginal at 0.4%
- Ends hiring freeze for most positions
- Restores merit pay increases for City employees
- No layoffs

Workforce Investments

- +26.5 new FTEs
 - City Attorney's Office +1.5
 - Transportation & Environmental Service +18.0
 - Department of Project Implementation +3.0
 - Information Technology Services +2.0
 - City Manager's Office +1.0
 - Community & Human Services +1.0

Workforce Investments

- Health care plan recalibration
- Second expert medical opinion program
- No increase in United Healthcare premiums
- 2.65% reduction in Kaiser Permanente premiums
- United Healthcare premium holiday

Capital Improvement Program (CIP)

- \$2.66 B in FY 2022-2031
- 26% increase over previous CIP
- Major initiatives (all previously announced)
 - Stormwater management infrastructure
 - Landmark Mall redevelopment
 - DCHS and Health Department building
 - New public school/100% of ACPS adopted CIP funded

Capital Improvement Program (CIP)

- DASH bus purchases = \$111.7 M over 10 years
- Market Square garage and plaza renovation
- City Hall renovation deferred to FY 2024
- Tax rate increase to support CIP likely needed in FY 2023



Federal COVID-19 Funding

- Amount, timing, and parameters unknown
- Estimated \$26 M to \$34 M
- One-time funding
- Recommended to address food insecurity, eviction prevention, assistance to individuals and businesses, and continuing COVID costs for PPE, testing and vaccination



FY 2022 Budget Schedule

Tuesday, February 16	Proposed Budget Presentation Revenue & Compensation Work Session
Thursday, February 18	Public Presentation
Wednesday, February 24	CIP Work Session
Wednesday, March 3	City Council/School Board Joint Work Session



FY 2022 Budget Schedule

Monday, March 8	Budget Public Hearing
Tuesday, March 9	Introduce Maximum Tax Rates
Wednesday, March 10	Safe, Secure & Just Focus Area Work Session
Wednesday, March 17	Healthy & Thriving Focus Area Work Session
Wednesday, March 24	Livable, Green & Prospering Focus Area Work Session



FY 2022 Budget Schedule

Monday, April 5	Intent to Submit Add/Delete Items Requiring Ordinance
Wednesday, April 7	Accountable, Effective & Well-Managed Focus Area Work Session
Monday, April 12	BFAAC & Follow-up Items Work Session
Thursday, April 15	Add/Delete Proposals Due
Saturday, April 17	Add/Delete & Tax Rate Public Hearings



FY 2022 Budget Schedule

Tuesday, April 27

Preliminary Add/Delete
Work Session

Monday, May 3

Final Add/Delete Work Session

Wednesday, May 5



Budget Adoption

Review and Comment on the Budget

Fiscal Year 2022 Budget Development

The FY 2022 proposed budget is scheduled to be presented by the City Manager to City Council on February 16, 2021. On November 7, 2020, City Council held its annual retreat to kick-off the budget, and on November 10, 2020 City Council adopted its budget guidance.

Please see the FY 2022 Budget Calendar and Resources link below for more information on the Council Retreat, Council Budget Guidance and overall budget process.

- [FY 2022 Budget Calendar](#)
- [FY 2022 Budget Resources](#)
- [Comment on the FY 2022 Proposed Budget](#) 
- [Comments submitted](#) 

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