

# *City of Alexandria, Virginia*

## MEMORANDUM

DATE: MARCH 15, 2017

TO: MEMBERS OF THE TRANSPORTATION COMMISSION

FROM: CARRIE SANDERS, DEPUTY DIRECTOR, T&ES

SUBJECT: AGENDA ITEM #4 - FY 2018 – FY 2027 PROPOSED TRANSPORTATION BUDGET

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**ISSUE:** Provide an overview of the proposed FY 2018 - FY 2027 transportation budget, highlighting significant changes from the FY 2017 - FY 2026 adopted budget.

**RECOMMENDATION:** That the Transportation Commission review and provide guidance on the proposed FY 2018 - FY 2027 transportation budget.

**BACKGROUND:** Each year the City Manager presents a proposed City Budget to the City Council for consideration and action. As part of the budget process, a ten-year Capital Improvement Program (CIP) is developed, programming funding for major capital projects in the City. Funding for the CIP comes from the City's general fund, grants and other non-City sources of funding including developer contributions.

The budget development process began in September 2016 when departments submitted capital project requests. Following that, from October 2016 through January 2017, a Capital Improvement Program Steering Committee (CIPSC) comprised of capital intensive departments crafted recommendations to City Manager. From January 2017 through February 2017, the City Manager finalized the proposed CIP.

On February 21, City Manager Mark Jinks presented Alexandria City Council and the entire document is posted to the City website here: <https://www.alexandriava.gov/Budget>. The FY 2018 - FY 2027 Transportation and Transit Summary is in Attachment 1 and is also posted to the City website here: <https://preview.alexandriava.gov/budget/info/default.aspx?id=95703>. The main priorities of the budget include:

- Schools – increase funding to address the capacity and capital maintenance needs of Alexandria City Public Schools (ACPS)
- WMATA – increase capital investment in WMATA's safe & reliable improvements
- State of Good Repair – protection of City's investments in existing public facilities and infrastructure
- Economic Development Initiatives – continued planning/implementation of high priority City projects and economic development initiatives

The budget proposes \$2 billion over 10 years for Alexandria's Capital Improvement Program. The proposed 10-year Capital Improvement Program includes substantially increased funding of

\$160.6 million to improve Metro safety and reliability; a \$144 million (or 66%) increase in funding for school capital projects for the Alexandria City Public Schools to address enrollment-driven capacity needs; and \$386 million for accelerated combined sewer outfall projects. To account for stagnant revenue growth, the proposed budget includes an increase in the real estate tax rate of 2.7 cents, from \$1.073 to \$1.10 per \$100 of assessed value.

One of the highlights of the proposed budget as related to transportation safety is that the proposes funding to accelerate filling of Police vacancies in patrol and traffic units and provides an additional step at the top of the pay scales for General, Police, Fire, Fire Marshal/Medic, and Deputy Sheriff employees.

**DISCUSSION:** In FY 2011, the Council approved a 2.2 cent reservation of the property tax to fund transportation projects, which funds the City’s Transportation Improvement Program (TIP). Because WMATA funding needs continue to put significant pressure on the TIP, funding through this funding source mainly focuses on maintenance of infrastructure and existing services. However, one change from the FY 2017 CIP to the FY 2018 proposed CIP is that WMATA capital funding is removed from the TIP beginning in FY 2023.

As a result of the pressures of WMATA funding, new capital projects for transportation are limited to those that can be funded through grants, primarily through Smart Scale grants. The following are selected operating and capital changes in the proposed FY 2018 budget in comparison to the FY 2017 budget.

**Selected Operating Changes:**

- WMATA Operating Subsidy: increase of \$7 million from FY 2017 funding
- DASH Operating Subsidy: remains the same as FY 2017, at \$11,092,941
- King Street Trolley: to begin service at 10:30am instead of 10:00am, decrease of \$39,000
- Capital Bikeshare: to accommodate expansion, operating funding increase at \$83,365 starting in FY 2018
- Reduction of one a vacant full time employee (FTE) Transportation Demand Management position to 0.5 FTE

**Selected Capital Changes:**

- WMATA Capital Contributions: \$35.2 million increase from FY 2017 funding
- DASH Replacement Buses: decrease in funding in FY 2018 by one bus at \$650,000
- DASH Hybrid Bus and Trolley Battery Pack Replacement: decrease at \$150,000 in FY 2018 and \$100,000 in FY 2019
- Street Reconstruction and Resurfacing of Major Roads: new Appendix E of the CIP summarizes the City’s proposed capital efforts for the next three years related to street paving, sidewalk maintenance and Complete Streets. City funding added in FY 2018 at \$1.5 million in City funding replaces VDOT Revenue Sharing Funding that was decreased statewide
- Transit Corridor “C” West End Transitway: project funding increased by \$7 million due to proposed Smart Scale Funding. The project has NVTA 70% funds at \$59.7 million as a planned funding source for FY 2018 – FY 2027. However, these funds have not been approved by NVTA. Seeking NVTA 70 % is a highly competitive process and these funds are not a currently guaranteed source

Upcoming meetings:

City Council will hold 10 work sessions throughout the spring to review the proposed budget with City staff. All sessions are open to the public and will be recorded and posted online. Key dates, including the Livable, Green and Prospering City worksession on March 21, are listed below:

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|-----------------------|------------------------------------------------------------------------------------------------------------------------------|
| <b>March 13, 2017</b> | <b>Budget Public Hearing</b><br>City Hall (301 King Street), City Council Chambers (4:00 PM)                                 |
| <b>March 21, 2017</b> | <b>Worksession #5: Livable, Green and Prospering City</b><br>City Hall (301 King Street), Sister Cities Room #1101 (7:00 PM) |
| <b>April 25, 2017</b> | <b>Preliminary Add /Delete (Council Legislative meeting)</b><br>City Hall (301 King Street), City Council Workroom (6:00 PM) |
| <b>May 1, 2017</b>    | <b>Final Add / Delete Budget Work Session</b><br>City Hall (301 King Street), Council Chambers (7:00 PM)                     |
| <b>May 4, 2017</b>    | <b>Final Budget Adoption</b><br>City Hall (301 King Street), City Council Chambers (7:00 PM)                                 |

**ATTACHMENTS:** FY 2018 - FY 2027 Transportation and Transit Summary