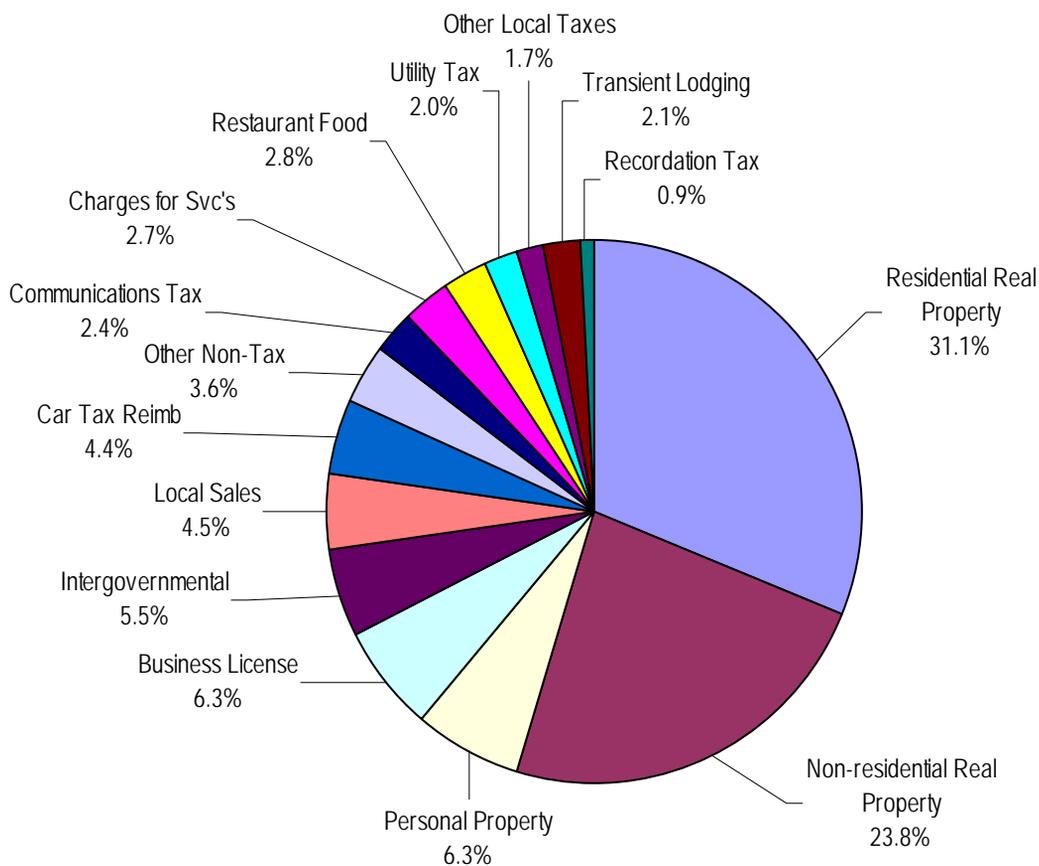


Revenues

General Fund Revenue Distribution

Approved FY 2009

The pie chart below shows the distribution of estimated General Fund revenues for FY 2009 (\$535.4 million), excluding the \$6,623,910 appropriation from fund balance.



Revenues

Summary of Budgeted General Fund Revenues and Other Financing Sources

	FY 2007 Actual	FY 2008 Budget	FY 2008 Revised	FY 2009 Proposed	FY 2009 Approved
General Fund					
General Property Tax Revenue					
Real property tax	274,477,571	278,154,368	285,945,454	288,346,584	293,600,499
Personal property tax	34,487,009	36,100,000	33,700,000	34,950,000	33,700,000
Penalties and Interest	1,856,927	1,680,000	1,770,000	1,770,000	1,770,000
<i>Total general property tax revenue</i>	<i>310,821,507</i>	<i>315,934,368</i>	<i>321,415,454</i>	<i>325,066,584</i>	<i>329,070,499</i>
Other local tax revenue					
Local sales tax	25,440,638	27,400,000	24,600,000	25,000,000	24,000,000
Utility tax	13,562,612	9,600,000	10,300,000	10,400,000	10,700,000
Business licenses	30,947,412	32,100,000	32,500,000	33,500,000	33,513,000
Motor vehicle licenses	2,429,078	3,400,000	3,200,000	3,100,000	3,200,000
Recordation	6,561,330	5,700,000	5,100,000	5,700,000	4,800,000
Cigarette	2,932,386	2,750,000	2,700,000	2,900,000	2,700,000
Transient Lodging	7,415,059	8,800,000	8,700,000	9,700,000	11,500,000
Restaurant food	10,657,839	10,400,000	10,800,000	11,100,000	15,000,000
Admissions	1,058,226	1,000,000	1,100,000	1,100,000	1,000,000
Cell phone	1,397,452	-	-	-	-
Communications service	5,318,253	12,400,000	12,600,000	13,000,000	13,000,000
Other miscellaneous	3,259,081	2,380,000	2,025,881	2,380,000	2,080,000
<i>Total other local tax revenues</i>	<i>110,979,367</i>	<i>115,930,000</i>	<i>113,625,881</i>	<i>117,880,000</i>	<i>121,493,000</i>
Non-tax revenue					
Licenses, permits, and fees	5,944,363	5,356,000	5,356,000	6,157,000	6,157,000
Fines forfeitures	3,628,938	4,722,300	4,272,300	4,144,300	4,755,300
Use of money and property	9,712,862	9,570,000	8,100,000	7,760,000	6,000,000
Charges for services	10,287,520	11,270,072	10,450,072	13,914,185	14,473,877
Intergovernmental revenues (PPTRA)	23,778,360	23,600,000	23,578,531	23,578,531	23,578,531
Intergovernmental revenues	29,829,592	29,556,334	29,889,041	28,763,825	29,209,481
Miscellaneous	590,350	245,000	446,000	902,670	616,749
<i>Total non-tax revenue</i>	<i>83,771,986</i>	<i>84,319,706</i>	<i>82,091,944</i>	<i>85,220,511</i>	<i>84,790,938</i>
Total General Fund Revenues	505,572,861	516,184,074	517,133,279	528,167,095	535,354,437
Other financing sources (uses)					
Appropriations from Fund Balances					
City Fund Balance	7,154,819	1,999,550	2,576,550	4,600,000	4,600,000
Sewer Fund	1,063,895	1,311,109	1,311,109	1,323,910	1,323,910
Transfer from IT Equipment Replacement Fund				700,000	700,000
<i>Total Fund Balance Appropriations</i>	<i>8,218,714</i>	<i>3,310,659</i>	<i>3,887,659</i>	<i>6,623,910</i>	<i>6,623,910</i>
Total General Fund Revenues and Other Sources	513,791,575	519,494,733	521,020,938	534,791,005	541,978,347

Revenues

Tax Rate and other Non-Fee Changes

FY 2008 - FY 2009

	Tax/Fee Rate From	Tax/Fee Rate To	Estimated FY 2009 Revenue Change	Details
Real Property Tax Rate	\$0.830/\$100	\$0.845/\$100	\$5,253,915	Real Property Tax
Transient Lodging	5.5% + \$1 per night	6.5% + \$1 per night	\$1,600,000	Transient Lodging
Restaurant Meals	3.0%	4.0%	\$3,700,000	Restaurant Meals
Business License Tax: Payday & Car Title Lenders	\$0.35 per \$100 gross receipts	\$0.58 per \$100 gross receipts	\$13,000	Business License Tax
Parking meter violation	\$25	\$35	\$141,000	Fines & Forfeitures
Red Light Camera Program	NA	NA	\$270,000	Fines & Forfeitures
Total			\$10,977,915	

Revenues

Fee Changes

FY 2008 - FY 2009

Department	Tax Rate/ Fee	Estimated Revenue
Code Enforcement	0.5% surcharge on building permits	\$20,000
	8% surcharge on building permits	\$350,000
	5% surcharge on building permits for permit center	\$220,000
Finance	Bad Check Charges	\$6,000
Fire	Increased Ambulance Fees	\$272,500
	Hazardous Material Fees	\$15,000
Historic Alexandria	Archeology Summer Camp	\$10,000
	Outdoor Event Fee	\$2,000
	National Harbor Tour Package	\$10,000
	"Pay What You Can" admissions policy	\$26,040
	Rental fee Increase	\$8,275
Planning & Zoning	Board of Architectural Review (BAR) Fee Increases	\$194,000
	Final Site Plan Fees	\$190,000
	Preliminary Subdivision Fees	\$42,030
	Final Subdivision Fees	\$3,300
	CDD Concept Plan Fees	\$42,160
	Development Site Plan/SUP Fees	\$87,824
	Development Site Plan/SUP Amendment Fees	\$9,000
	Transportation Management SUP Fees	\$44,554
Recreation	Youth sports registration	\$4,000
	Non-City Sponsored Athletic Program Registration	\$15,000
	Park Rental Fees	\$11,200
	Therapeutic Rec Summer Camp Fee	\$14,000
Transportation & Environmental Services	Solid Waste Hauler Permit Fees	\$90,000
	Increase in Parking Meter Rates	\$700,000
	Fees for towing, storage, and service	\$82,500
	Noise permit fee	\$11,000
	Right of way permits	\$50,000
	Recycling Fees	\$69,040
	White goods pickup	\$42,960
	Residential Refuse Collection Rate from \$264 to \$281 annually	\$287,970
	Residential Refuse fee Increase of \$20 for Leaf Collection Services	\$374,652
Total		\$3,305,005

For more details, see the departmental text.

Revenues

Real Property Tax Revenues

FY 2009 Approved \$293.6 million
54.8% of General Fund Revenues

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$274,477,571	\$278,154,368	\$285,945,454	\$293,600,499	2.7%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	10.7%	9.0%	5.6%
Inflation Adjusted Increase	7.5%	6.2%	2.8%

Background

The budget reflects a CY 2008 and CY 2009 Real Property Tax Rate of 84.5 cents per \$100, an increase of 1.5 cents compared to CY 2007. As required by State law, all real estate parcels in the City are annually assessed at 100 percent of estimated fair market value. One cent of real estate tax revenue applied to the current estimated tax in the last half of FY 2008 equals \$1.751 million and the 12 months of FY 2009 equals \$3.502 million.

The chart below shows the tax rate and other real property tax revenues since 2004.

Calendar Year	Tax Rate Per \$100	Changes
2004	.995	One cent of real estate tax for Open Space dedication continues.
2005	.915	One cent of real estate tax dedicated for affordable housing. One cent of real estate tax for Open Space dedication continues.
2006	.815	One cent of real estate tax for affordable housing continues. Open Space Fund dedication changed from one cent to one percent of real estate tax revenues.
2007	.830	One cent of real estate tax for affordable housing continues. One percent of real estate tax for Open Space dedication continues.
2008	.845	One cent of real estate tax for affordable housing continues. One percent of real estate tax for Open Space dedication continues.

Revenues

As detailed in the Calendar Year 2008 Real Property Assessment Report, which is prepared by the Department of Real Estate Assessments, the total 2008 (calendar year) locally assessed tax base is approximately \$34.7 billion, an increase of \$1.4 billion, or 4.0%, as compared to the CY 2007 equalized tax base. Including Public Service Corporations and railroad real property which are assessed by the State, the total real property tax base has increased to approximately \$35.6 billion, an increase of \$1.4 billion, or 4.0%, as compared to the 2007 equalized tax base. Of the total increase, approximately 31% (\$431.5 million) is the result of new growth, including \$155.3 million in new residential growth and \$276.2 million in new commercial growth. The reassessments of existing properties increased \$931.7 million. Existing commercial real property appreciated \$1.3 billion; the value of existing residential real property decreased by \$395.3 million.

Real Property tax revenues for the first half of FY 2009 (the second half of calendar year 2008) are based on the 2008 real property assessment, an increase in the tax rate by 1.5 cents to \$0.845 and a 49.25 percent collection rate for the second half of the 2008 tax levy. Real property tax revenues for the second half of FY 2008 (the first half of calendar year 2008) assume no increase in real property assessments in 2009 and no change in the tax rate or collection rate. This projection is a best mid-point estimate based on the uncertainties of a modestly declining residential real estate market, a modest appreciation of commercial properties, and limited new construction (See the Statement of Estimated Real Property Tax Revenues following this summary for calculations.)

The real property tax estimate for FY 2009 has been reduced by approximately \$3.7 million to reflect the costs of the senior citizen and disabled persons tax relief program. The table below reflects tax relief extended to qualified taxpayers for the last six calendar years. CY/FY 2008 Senior and Disabled Tax Relief is expected to remain constant after two years of stable or slightly declining residential real estate values.

Senior Citizens and Disabled Tax Relief, CY 2003 – CY 2009 (estimated)

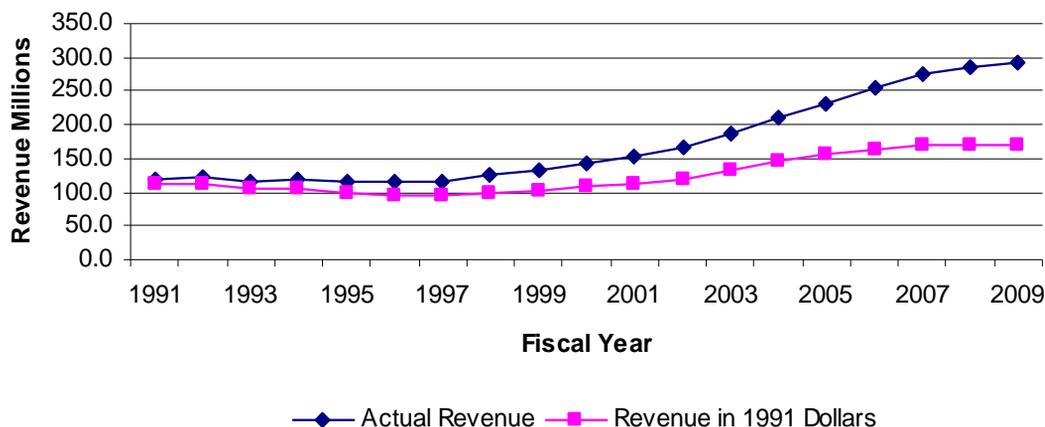
2003	2004	2005	2006	2007	2008(est)	2009(est)
\$1,564,065	\$2,229,949	\$2,273,857	\$3,317,005	\$3,375,000	\$3,670,000	\$3,670,000

Legislative Authority

Virginia Code §58.1-3200

City Code Section §3-2-181

Real Property Tax Revenue FY 2001-FY 2009



Revenues

City of Alexandria, Virginia

STATEMENT OF ESTIMATED REAL PROPERTY TAX REVENUES

For the fiscal years ending June 30, 2008 and June 30, 2009

	Due Date	Assessed Value (thousands)	Tax rate (per \$100)	Tax Year Gross Levy	Estimated Collection rate	Net Tax revenue	Value of 1 cent
Fiscal Year 2008							
Second half tax year 2007							
Locally assessed real property	11/15/2007	33,388,968	0.83	277,128,438	49.00%	135,792,934	1,636,059
Non-locally assessed property	11/15/2007	854,062	0.83	7,088,718	49.90%	3,537,271	42,618
<i>Total second half tax year 2006</i>		<i>34,243,030</i>		<i>284,217,156</i>		<i>139,330,205</i>	<i>1,678,677</i>
First half tax year 2008							
Locally assessed real property	6/15/2008	34,662,904	0.845	292,901,543	49.25%	144,254,010	1,707,148
Non-locally assessed property	6/15/2008	892,054	0.845	7,537,856	49.50%	3,731,239	44,157
<i>Total first half tax year 2007</i>		<i>35,554,958</i>		<i>300,439,399</i>		<i>147,985,249</i>	<i>1,751,305</i>
Total fiscal year 2008 revenue						287,315,454	3,429,982
Less projected senior citizen and disability tax relief						-3,670,000	
Plus delinquent FY 2007 and prior year real estate tax revenues collected in FY 2008						1,300,000	
Total FY 2008 revenue after adjustments						284,945,454	
Fiscal Year 2009							
Second half tax year 2008							
Locally assessed real property	11/15/2008	34,662,904	0.845	292,901,543	49.25%	144,254,010	1,707,148
Non-locally assessed property	11/15/2008	892,054	0.845	7,537,856	49.50%	3,731,239	44,157
<i>Total second half tax year 2008</i>		<i>35,554,958</i>		<i>300,439,399</i>		<i>147,985,249</i>	<i>1,751,305</i>
First half tax year 2009							
Locally assessed real property	6/15/2009	34,662,904	0.845	292,901,543	49.25%	144,254,010	1,707,148
Non-locally assessed property	6/15/2009	892,054	0.845	7,537,856	49.50%	3,731,239	44,157
<i>Total first half tax year 2009</i>		<i>35,554,958</i>		<i>300,439,399</i>		<i>147,985,249</i>	<i>1,751,305</i>
Total fiscal year 2009 revenue						295,970,498	3,502,609
Less projected senior citizen and disability tax relief						-3,670,000	
Plus delinquent FY 2007 and prior year real estate tax revenues collected in FY 2008						1,300,000	
Total FY 2009 revenue after adjustments						293,600,498	

Revenues

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

	1997	1998	1999	2000	2001	2002
Residential Single Family	4,245,411	4,387,491	4,657,845	5,119,264	5,830,209	6,791,096
Residential Condominium	1,496,966	1,495,305	1,511,210	1,597,678	1,743,688	2,098,194
Commercial Multi-Family	1,336,457	1,376,604	1,500,100	1,584,496	1,734,225	2,004,540
Office/Retail Property	2,891,476	3,094,323	3,318,516	3,744,874	4,061,051	4,155,509
Other Commercial	589,465	630,872	553,705	608,320	598,139	421,220
Public Service Corporation	611,029	620,694	646,144	640,676	665,038	662,430
Total	11,170,804	11,605,289	12,187,520	13,295,308	14,632,350	16,132,989
Residential Single Family	38.0%	37.8%	38.2%	38.5%	39.8%	42.1%
Residential Condominium	13.4%	12.9%	12.4%	12.0%	11.9%	13.0%
Commercial Multi-Family	12.0%	11.9%	12.3%	11.9%	11.9%	12.4%
Office/Retail Property	25.9%	26.7%	27.2%	28.2%	27.8%	25.8%
Other Commercial	5.3%	5.4%	4.5%	4.6%	4.1%	2.6%
Public Service Corporation	5.5%	5.3%	5.3%	4.8%	4.5%	4.1%
Total	100%	100%	100%	100%	100%	100%
Residential	51.4%	50.7%	50.6%	50.5%	51.8%	55.1%
Commercial	48.6%	49.3%	49.4%	49.5%	48.2%	44.9%

Revenues

Real Estate Assessments by Calendar Year

(Amounts in Thousands)

	2003	2004	2005	2006	2007	2008
Residential Single Family	8,361,631	9,727,249	11,604,207	13,840,915	13,810,784	13,748,710
Residential Condominium	2,830,219	3,518,100	4,668,117	6,490,841	6,394,580	6,256,439
Commercial Multi-Family	2,264,921	2,570,652	3,088,102	3,378,614	4,102,178	4,431,654
Office/Retail Property	4,623,100	5,447,070	6,499,398	7,565,870	8,386,548	9,419,338
Other Commercial	464,500	549,565	726,886	850,487	694,879	806,764
Public Service Corporation	681,555	76,860	772,941	779,992	854,062	892,054
Total	19,225,926	21,889,496	27,359,651	32,906,719	34,243,031	35,554,959
Residential Single Family	43.5%	44.4%	42.4%	42.1%	40.3%	38.7%
Residential Condominium	14.7%	16.1%	17.1%	19.7%	18.7%	17.6%
Commercial Multi-Family	11.8%	11.7%	11.3%	10.3%	12.0%	12.5%
Office/Retail Property	24.0%	24.9%	23.8%	23.0%	24.5%	26.5%
Other Commercial	2.4%	2.5%	2.7%	2.6%	2.0%	2.3%
Public Service Corporation	3.5%	0.4%	2.8%	2.4%	2.5%	2.5%
Total	100%	100%	100%	100%	100%	100%
Residential	58.2%	60.5%	59.5%	61.8%	59.0%	56.3%
Commercial	41.8%	39.5%	40.5%	38.2%	41.0%	43.7%

Sources: Assessment Values are from the 1997-2008 Real Property Assessment Reports.

2007 data has been revised from the FY 2007 document and reflects equalized data as of 12/31/2007.

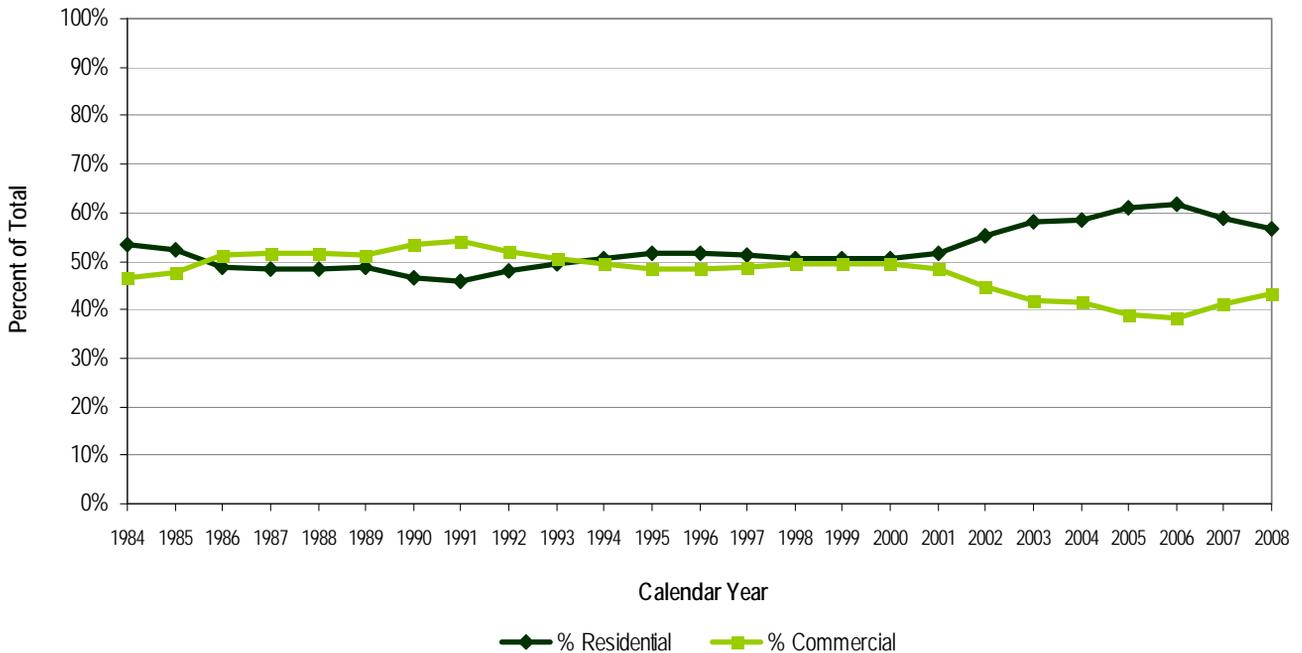
2008 figures are estimated.

Revenues

Real Property Tax Base

Residential and Commercial Assessed Percentages Tax Years 1984-2008

This graph displays the change in the City's real property tax base since 1984. The darker line represents the share of residential property (single family and condominiums) as a percentage of the City's total assessed tax base and the lighter line represents the share of commercial property. Between 1984 and 2000, residential and commercial assessments each accounted for approximately 50 percent of the City's tax base. After 2000, residential assessments began to significantly increase as a share of the tax base. Since 2006, that trend has begun to reverse itself and the share of residential property has fallen by 5.5 percentage points from 61.8% of the City's tax base in 2006 to 59.0% in 2007 to 56.3% in 2008. The commercial tax base has thus commensurately increased by 5.5 percentage points from 38.2% of the City's tax base in 2006 to 41.0% in 2007 to 43.7% in 2008.



Revenues

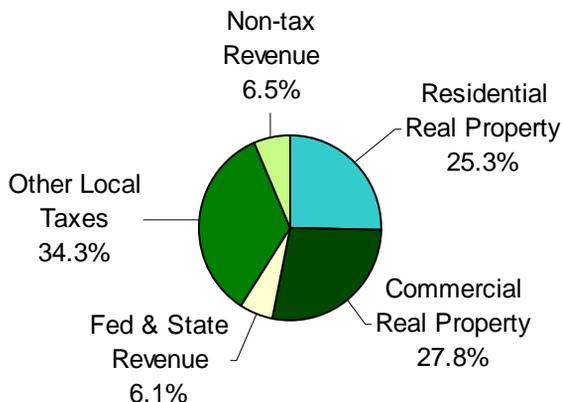
Real Property Revenue as a Share of Total General Fund Revenues

FY 1991 and FY 2009

The graphs below reflect the share of General Fund revenue of the major sources for FY 1991 and for the current fiscal year. As a share of total General Fund revenues, real property taxes have risen from 53.1% in 1991 to 54.9% in 2009. In 1991, which coincided with the tax year 1990, the residential homeowner provided one quarter of the total General Fund revenue and just under half of the total real property tax revenue. Today, the residential homeowner provides around 31% of all General Fund Revenue and around 57% of all real property tax revenue.

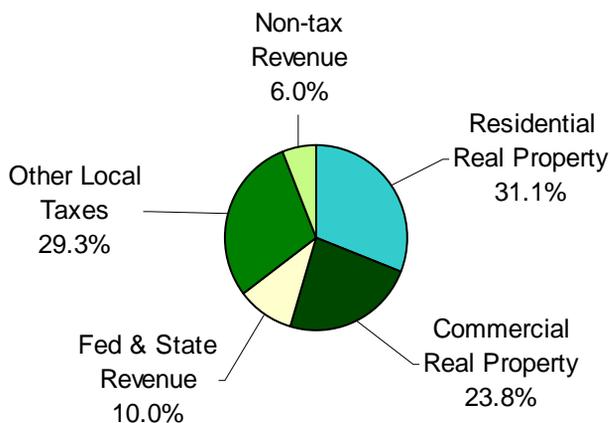
FY 1991 General Fund Revenue

\$221.7 million*



FY 2009 Approved General Fund Revenue

\$535.4 million*



* Does not include prior year surplus or transfers.

Revenues

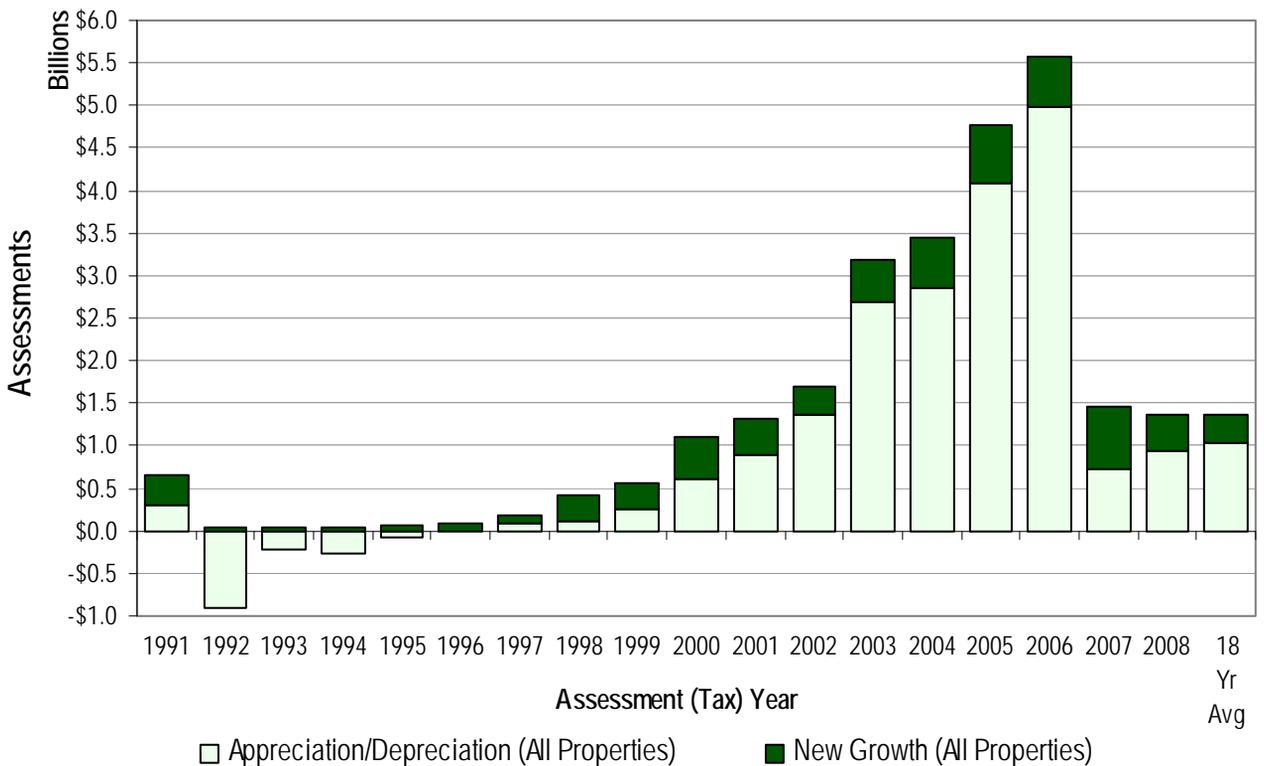
Real Property Tax Base

Change in Total Tax Base Years 1991-2008

The following chart compares the total appreciation of existing properties with total new construction. As shown in the graph, increases to the tax base have been primarily the result of appreciation. From tax year 2001 to 2006, appreciation significantly exceeded the value of new construction. The residential real estate market has slowed recently, and in tax year 2008, appreciation contributed about 68% of the increase in the tax base, nearly all of which was on the commercial side. As a result of significant increases in appreciation from 2001-2006, the average value of appreciation for the eighteen year period shown is over three times the average value of new construction. During this eighteen years new construction totaled some \$6.1 billion or some 17.1% of the current City real property tax base.

Change in Total Tax Base

Tax Year 1991-2008

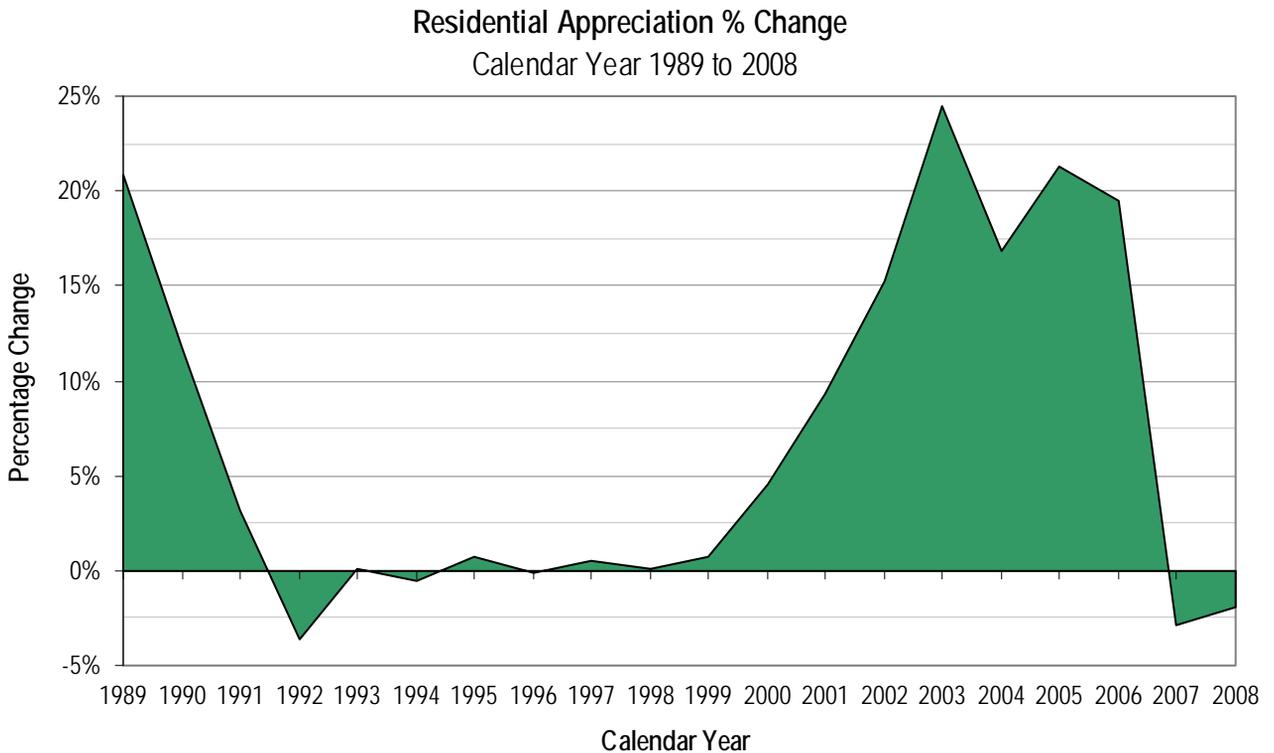


Revenues

Real Property Tax Base

Residential Appreciation Tax Year 1989-2008

The following chart reflects the percentage change in appreciation of existing residential properties. Due to demand for housing in the City, driven by strong regional job growth and by relatively low mortgage interest rates, from 2001 until 2006, appreciation exceeded the historic norm. In 2006, the residential real estate market slowed dramatically, and since 2006, residential assessments decreased, by 2.9% in 2007, and by an additional 1.9% in 2008. If the pattern of the early 1990's and earlier real estate cycles repeat themselves, the slowdown in the real estate market will likely last several more years.



Revenues

Real Property Taxes

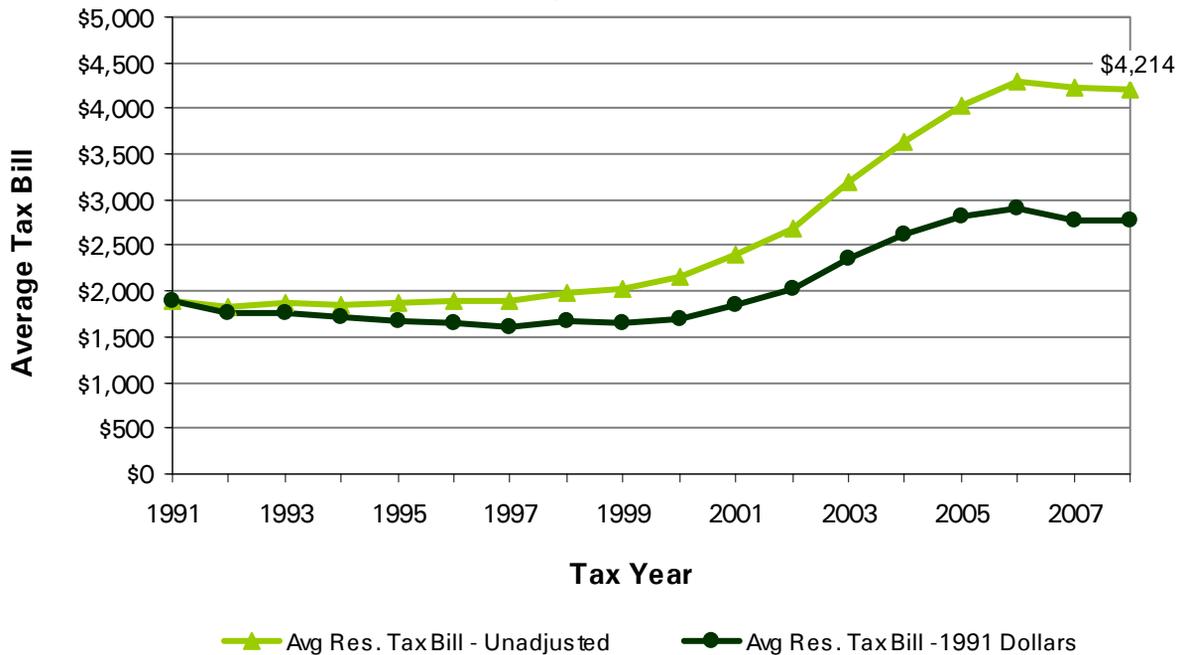
Average Residential Tax Bills 1991-2008

The following table depicts the average residential real estate tax bill adjusted to 1991 dollars, using the U.S. Bureau of Labor Statistics Consumer Price Index (CIP) information, and using real estate tax rates in place each year.

For the owner of an average residential unit (defined as single family homes, residential condominiums, and cooperatives) in 1991, the City tax bill in 1991 dollars was \$1,904. The tax bill for the average residential unit in 2007 at the \$0.83 tax rate was \$4,221 or \$2,773 in 1991 dollars. Under the approved budget which reflects the increased \$0.845 tax rate, the tax bill for the average residential unit in 2008 is expected to decrease by \$7 to \$4,214 or \$2,768 in 1991 dollars.

Residential Tax Bill Comparison

1991-2008, Adjusted to 1991 dollars

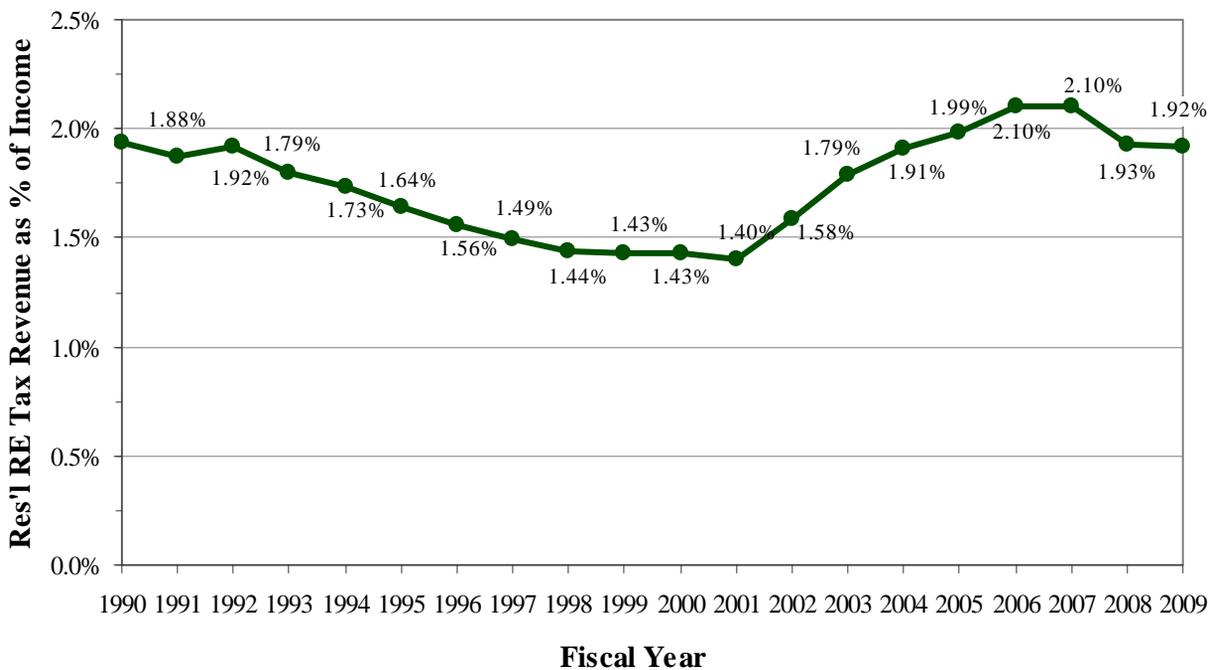


Revenues

Residential Real Estate Tax Revenue Compared to Per Capita Income

Tax Years 1991-2008

The graph depicts the proportion of City residential personal income that goes to pay the real property tax. For purposes of this graph, residential tax revenues include real property taxes generated by single family homes, condominiums and apartments (multi-family housing). As shown in the graph, the real property tax burden declined through the nineties as appreciation of properties (and the real estate tax burden) failed to keep up with rising personal income. However, beginning in 2001 the effect of the strong real estate market, despite a decreasing tax rate, is evidenced by an increasing portion of personal income that goes to pay the real property tax. Despite two consecutive years of minimal tax rate increases, the recent slow housing market caused the ratio to begin declining again in FY 2007.



Revenues

Real Estate Tax Rates

Regional Tax Rates Tax Years 1986-2008 (Approved)

Shown below is a comparison of real estate tax rates from selected major Northern Virginia jurisdictions over the past twenty-three calendar years. In Virginia, the tax and calendar years coincide. Rates listed are per \$100 of assessed value.

Tax Year	Alexandria	Arlington	Fairfax	Loudoun	Pr. William *
1986	1.380	0.940	1.35	1.02	1.420
1987	1.340	0.920	1.32	0.88	1.300
1988	1.250	0.890	1.30	0.95	1.380
1989	1.100	0.780	1.19	0.88	1.380
1990	1.045	0.765	1.11	0.85	1.360
1991	1.045	0.765	1.11	0.94	1.360
1992	1.045	0.820	1.16	0.96	1.360
1993	1.070	0.860	1.16	1.00	1.360
1994	1.070	0.897	1.16	1.02	1.360
1995	1.070	0.940	1.16	0.99	1.360
1996	1.070	0.960	1.23	1.03	1.360
1997	1.070	0.986	1.23	1.06	1.360
1998	1.110	0.998	1.23	1.11	1.360
1999	1.110	0.998	1.23	1.11	1.360
2000	1.110	1.023	1.23	1.08	1.340
2001	1.110	1.023	1.23	1.08	1.310
2002	1.080	0.993	1.21	1.05	1.230
2003	1.035	0.978	1.16	1.11	1.160
2004	0.995	0.958	1.13	1.1075	1.070
2005	0.915	0.878	1.00	1.04	0.974
2006	0.815	0.818	0.89	0.89	0.8071
2007	0.830	0.818	0.89	0.96	0.8379
2008	0.845	0.848 **	0.92	1.14	0.97

* Prince William includes a general tax levy and two special levies that are levied throughout the County. Alexandria's tax rate includes one percent dedicated to open space acquisition, and one cent dedicated to affordable housing.

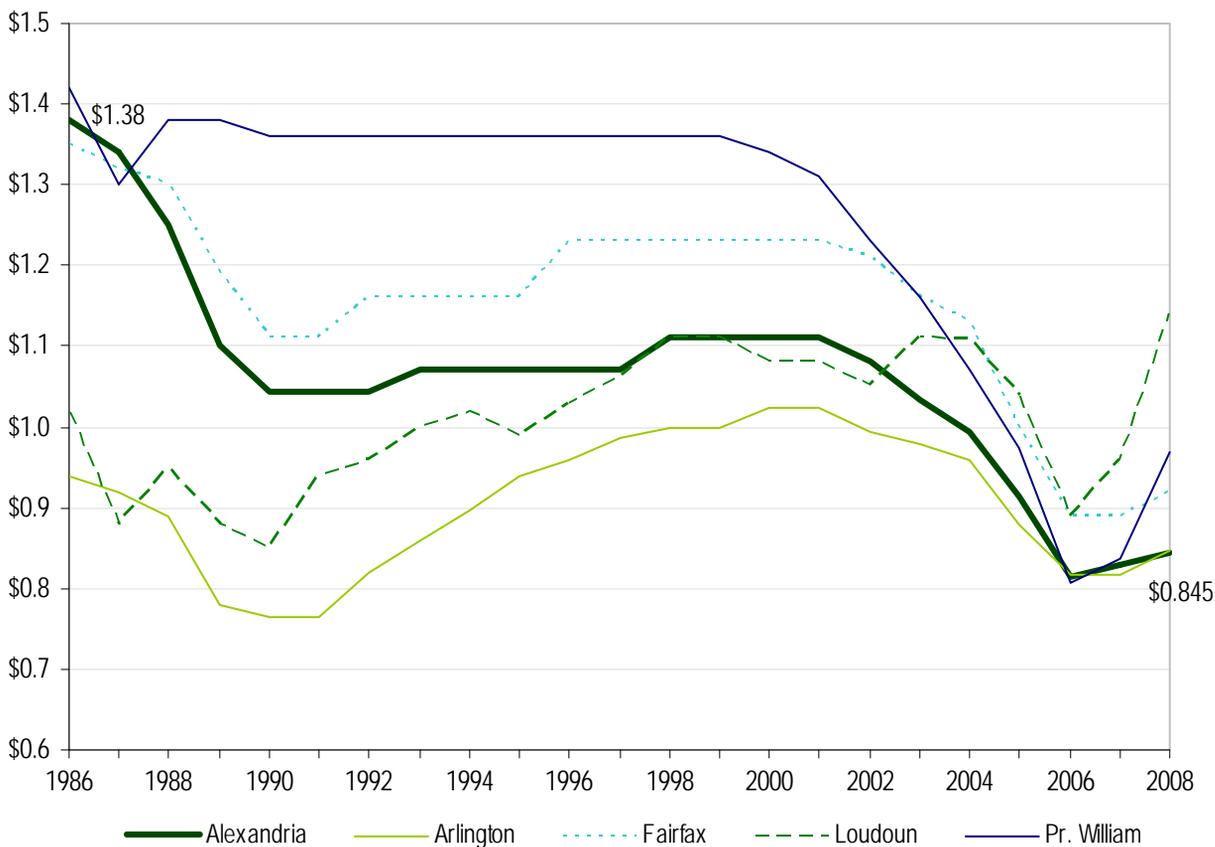
** This rate includes a County-wide add-on tax of \$0.01 for stormwater management initiatives.

Revenues

Real Estate Tax Rates

Regional Tax Rates Tax Years 1986-2008 (Approved)

As noted in the graph below which depicts the various tax rates of the major jurisdictions in Northern Virginia for the past twenty-two years, in 1986, Alexandria had the second highest tax rate in the area at \$1.38 per \$100. In tax year 2007 Alexandria had the second lowest rate in the area of 83.0 cents per \$100. In the FY 2009 approved budget, Alexandria's rate was increased by 1.5 cents to 84.5 cents per \$100 of assessed value. This is the first time since 1986 that Alexandria has the lowest rate in its comparator region.

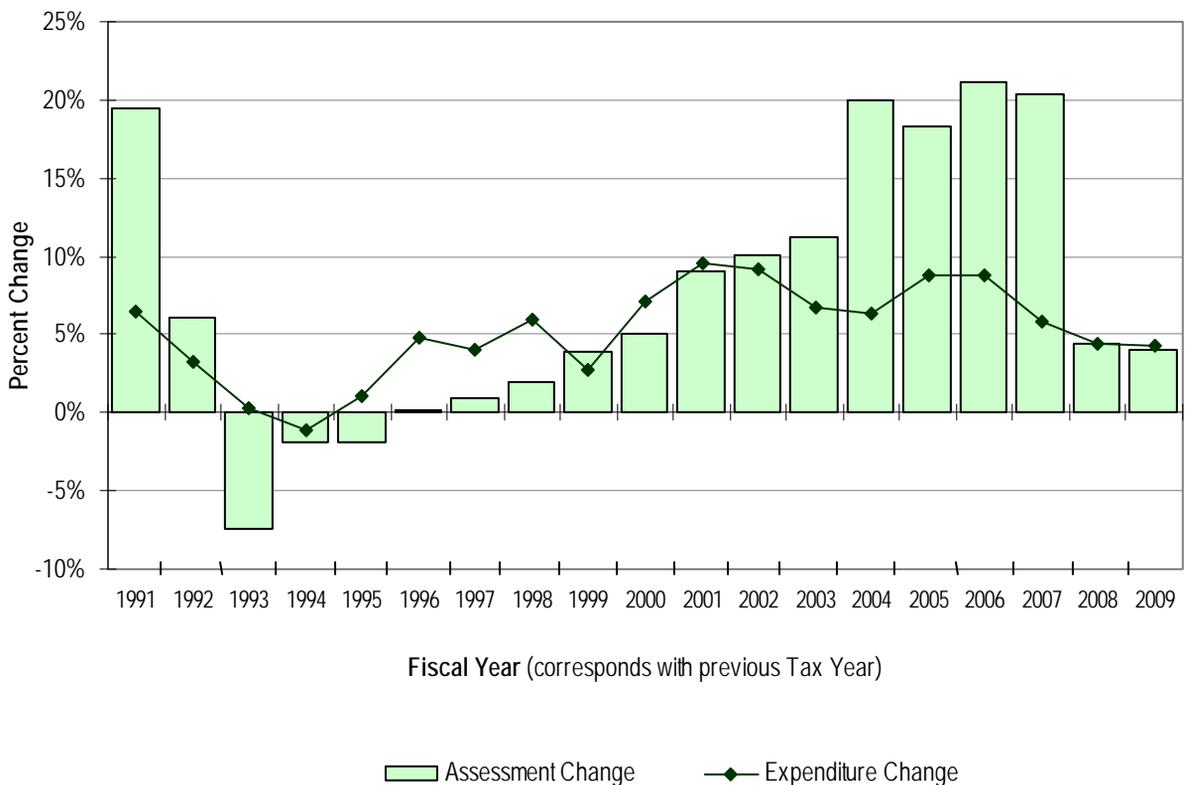


Revenues

Real Property Assessments Compared to General Fund Expenditures

Fiscal Years 1991-2009

The following graph compares the growth in the City's Real Property Tax Base (all sources) with the growth of the overall General Fund budget (including the appropriation to the Schools and cash capital funding of the Capital Improvement Program budget.) As noted below, from 1991 to 1993, as the City's tax base declined, overall spending declined as well. Since the time the City's tax base started significantly appreciating in Tax Year (TY) 2000, the average annual compounded appreciation of the tax base (TY 2000 – TY 2008) is 13.8%. This is compared to an average annual compounded increase in the City's General Fund amended operating budget (FY 2001 – FY 2009) of 6.8%. The growth in the City's FY 2009 Approved General Fund Operating Budget including the School transfer is 4.3%



Revenues

Personal Property Tax

FY 2009 Approved \$58.5 million (\$34.9 million local/\$23.6 million Virginia car tax reimbursement)

10.7% of General Fund Revenues (6.3% local/4.4% Virginia reimbursement)

	FY 2007 Actuals	FY 2008 Budgeted	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
Personal Property Tax	\$34,487,009	\$36,100,000	\$33,700,000	\$33,700,000	0.0%
<i>State Reimbursement</i>	<i>\$23,778,360</i>	<i>\$23,600,000</i>	<i>\$23,578,531</i>	<i>\$23,578,531</i>	<i>0.0%</i>
Total	\$58,265,369	\$59,700,000	\$57,278,531	\$57,278,531	0.0%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	-0.45%	4.6%	5.0%
Inflation Adjusted Increase	-3.3%	1.9%	2.3%

For calendar year 2007, the assessed value of personal property in the City is approximately \$1.4 billion, of which \$900 million is individual personal property.

Vehicle Personal Property Tax

Alexandria's vehicle tax rate is \$4.75 per \$100. The City computes the value of vehicles using trade-in-value, which equals 86% of the National Automobile Dealers Association (N.A.D.A.) retail value. Thus, the effective rate on vehicles is \$4.09 per \$100 value. The tax is paid yearly. Personal Property tax bills are mailed in August; payment is due by October 5. If taxes are not paid on time, a 10% penalty and interest are applied.

Since 1999, the Commonwealth of Virginia has reimbursed all localities in Virginia for the vehicle portion of the personal property tax as part of the Personal Property Tax Relief Act (PPTRA). (See italicized line above.) From CY 2002 to CY 2005, the reimbursement amount was 70% of the first \$20,000 of a vehicle's assessed tax bill. Beginning in CY 2006, the State began to reimburse localities a fixed amount based on the CY 2004 level of state reimbursement. For Alexandria, this totals \$23,578,531. Unless the General Assembly provides additional funding, that reimbursement is not expected to increase, and with no increases, in the long run, it will cover a gradually decreasing portion of the tax on vehicles. For CY 2007, the State reimbursement to the City covered 69% of the tax bill, the highest percentage of all local jurisdictions in Northern Virginia. For CY 2008, the reimbursement rate will be calculated in August and is likely to remain at approximately 69%.

Revenues projected for FY 2008 are based on actual revenues through April 2008. For FY 2009, it is expected that total revenues from vehicles will not change from FY 2008, based on flat or decreasing sales of new automobiles. State reimbursement for vehicles will remain flat in FY 2009 according to State law.

Revenues

Business Personal Property Tax

Business tangible equipment is valued using established depreciation tables based on original cost. Business personal property consists of motor vehicles, machinery, computers, and furniture. The self-assessing tax return is due to the City on May 1. As with vehicular personal property, the tax on business personal property is due by October 5.

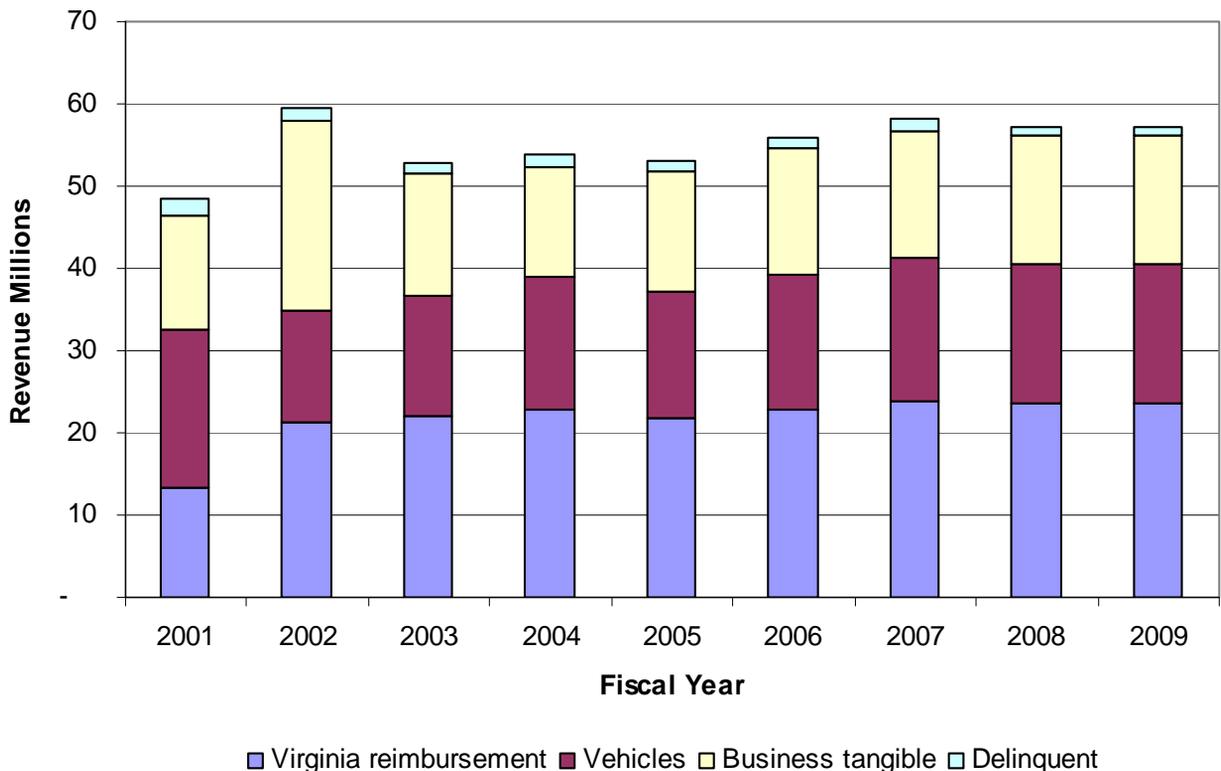
Business personal property tax collections are not expected to increase in FY 2009 compared to FY 2008 projections due to the weakening economy.

Legislative Authority

Virginia Code §58.1-3507 City Code §3-2-324

The chart below shows the share of Personal Property Tax from each source. Projected revenues in FY 2009 of \$57,278,531 include the PPTRA reimbursement from the State (41%), individual personal property (30%), business personal property (27%), and delinquencies (2%). For budgeting purposes, the PPTRA reimbursement is considered an intergovernmental revenue.

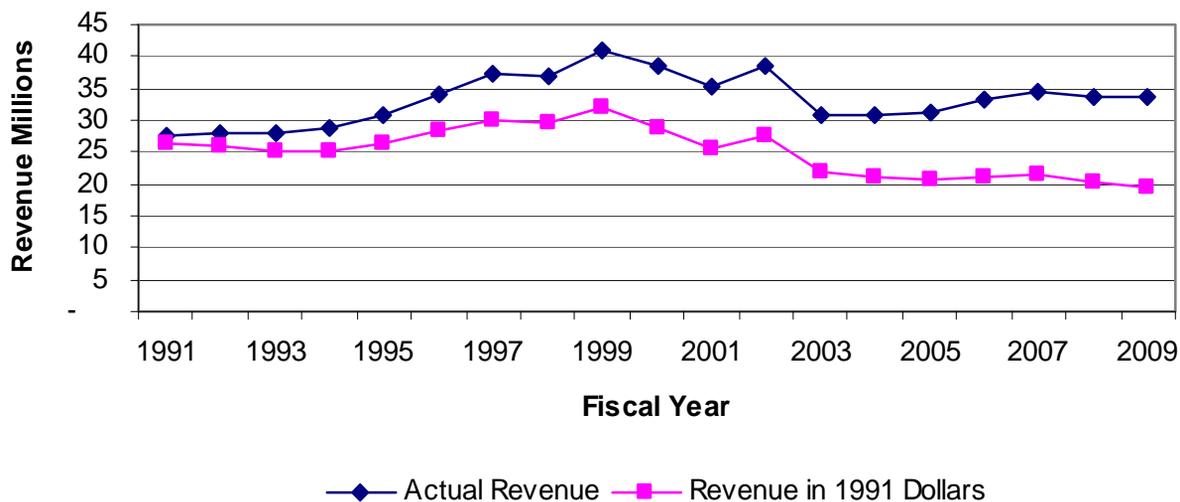
Personal Property Tax Revenue
By Source, Fiscal Year 2001 – 2009 Approved



Revenues

The chart below shows total Personal Property Tax Revenue since 1991, excluding the car tax (PPTRA) reimbursement. Because of the car tax reimbursement, personal property tax revenues paid directly by City taxpayers have decreased from 1999's payment levels.

Personal Property Tax Revenue
Actual FY 1991 – Approved FY 2009



Revenues

Intergovernmental Revenues

FY 2009 Approved \$52.8 million

9.9% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$53,607,952	\$53,156,334	\$53,467,572	\$52,788,012	-1.3%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	2.8%	14.5%	9.7%
Inflation Adjusted Increase	-0.1%	11.5%	6.8%

Background

General Fund Intergovernmental Revenues include state and federal aid that are generally not legally restricted to a specific program use. This excludes grant funding from the state and federal government which is accounted for in the City's Special Revenue Fund. General Fund Intergovernmental Revenues projected for FY 2009 are based on actual revenues through the first nine months of FY 2009 as well as the State biennium budget. The largest sources of intergovernmental revenue are Personal Property Tax reimbursement (44.7%), Compensation Board Revenue (15.7%), HB599 revenue (12.1%), and State Aid for Road Maintenance (12.1%). It is projected that intergovernmental revenues in the General Fund will decrease due to changes in the Governor's budget which include the elimination the State's transfer of Wine Taxes and ABC taxes to the City of \$154,000 and a general reduction in state aid to the City of Alexandria of approximately \$1.1 million. By August 30, the City must inform the Commonwealth whether it chooses to apply the reduction in State aid to a single program, a percentage reduction in all state payments received, or whether it wishes to reimburse the Commonwealth and forego any reductions to state payments received.

Revenues

Intergovernmental Revenues

	FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved
STATE AID				
HB 599 (law enforcement aid)	6,624,744	6,735,814	6,397,010	6,397,010
Personal Property Tax Reimbursement	23,778,360	23,600,000	23,578,531	23,578,531
Compensation Board Reimbursements for Sheriff and Other Constitutional Officers	7,416,764	7,414,684	7,410,769	7,583,151
Compensation Board Reimbursements for Treasure & Revenue Administration	636,434	579,546	579,546	702,820
State Prisoner Per Diem	1,036,848	1,000,000	1,000,000	1,000,000
Wine Taxes and Alcoholic Beverage Control (ABC) Taxes	154,033	153,000	154,032	0
State Aid for Road Maintenance	6,039,564	6,226,790	6,234,184	6,400,000
Other State Aid	1,232,614	953,500	953,500	953,500
Less Undesignated Reduction in State Aid				-1,050,000*
TOTAL STATE AID	46,919,361	46,663,334	46,307,572	45,565,012
FEDERAL AID				
Federal Prisoner Per Diem	5,740,546	5,913,000	6,363,000	6,363,000
State Criminal Alien Assistance Program	272,840	165,000	165,000	245,000
Other Federal Aid (Indirect costs recovered from federal grants)	675,204	415,000	415,000	615,000
TOTAL FEDERAL AID	6,688,591	6,493,000	6,943,000	7,223,000
TOTAL INTERGOVERNMENTAL AID	53,607,952	53,156,334	53,250,572	52,788,012

*On June 10, the Commonwealth advised the City was advised that the amount of the reduction had been changed to \$1,111,422.

Sources of General Fund Intergovernmental Revenues

HB599 Aid. The City receives funding from the Commonwealth of Virginia to help defray the costs of the Police Department.

Personal Property Tax Reimbursement. Since 1999, the Commonwealth of Virginia has paid a portion of Alexandria's personal property tax on vehicles in Alexandria, the "car tax." For additional information about the reimbursement, see the previous description of the personal property tax.

Compensation Board Reimbursement. The City receives assistance from the Virginia Compensation Board to help defray part of the cost of office operations for Constitutional Officers, including the Sheriff, the Commonwealth's Attorney, the Clerk of Court, and the Registrar. The City also receives assistance to fund part of the cost of the Finance Department.

State Prisoner Per Diem. The City receives per diem compensation from the Commonwealth of Virginia for State prisoners maintained in the Alexandria Detention Center.

State Aid for Road Maintenance. The City receives State aid for local maintenance of its primary and secondary roads based on a formula including reimbursement rate and locally maintained lane miles.

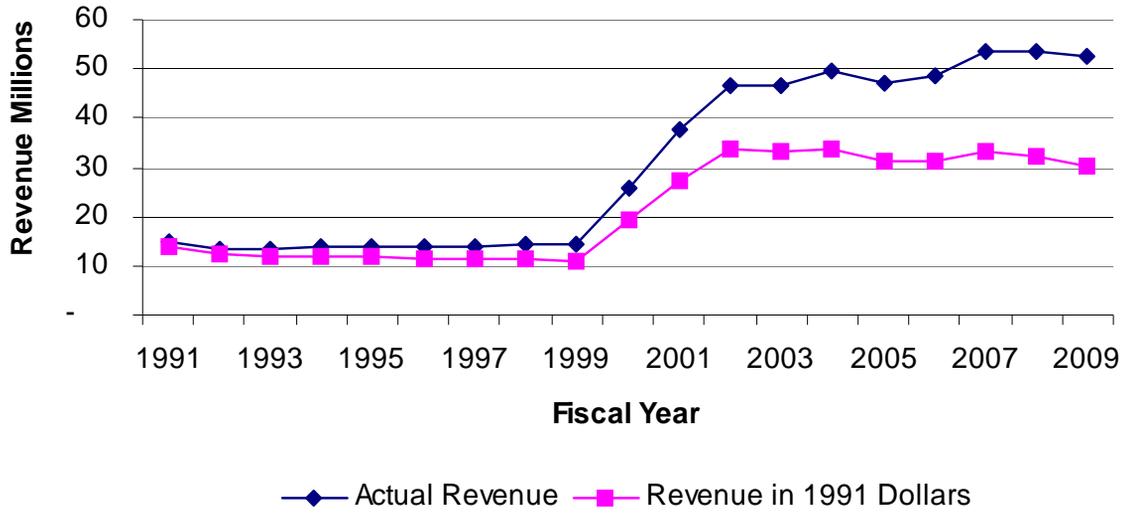
Federal Prisoner Per Diem. The City receives per diem compensation from the Federal Government for federal prisoners held in custody in the Alexandria Detention Center.

State Criminal Alien Assistance Program. The City receives aid from the Federal Government to help defray the cost of incarceration for undocumented criminal aliens.

Revenues

Intergovernmental Revenues

Actual 1991 - Approved 2009



Revenues

Sales Tax Revenues

FY 2009 Approved \$24.0 million

4.5% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$25,440,638	\$27,400,000	\$24,600,000	\$24,000,000	-2.4%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	4.6%	5.1%	4.7%
Inflation Adjusted Increase	1.6%	2.3%	2.0%

Background

The total sales tax in Alexandria and in all Virginia localities is generally 5.0% (grocery store food is 2.5%), which includes the locally levied sales tax of 1.0% and the State sales tax of 4.0%. The sales tax is collected by retail merchants when goods and services are purchased. Of the total 4.0% State sales tax remitted by businesses which collect tax for the State, 1.0% is allocated to education statewide, 0.5% is allocated to transportation projects statewide, and the balance finances other State funded programs and services.

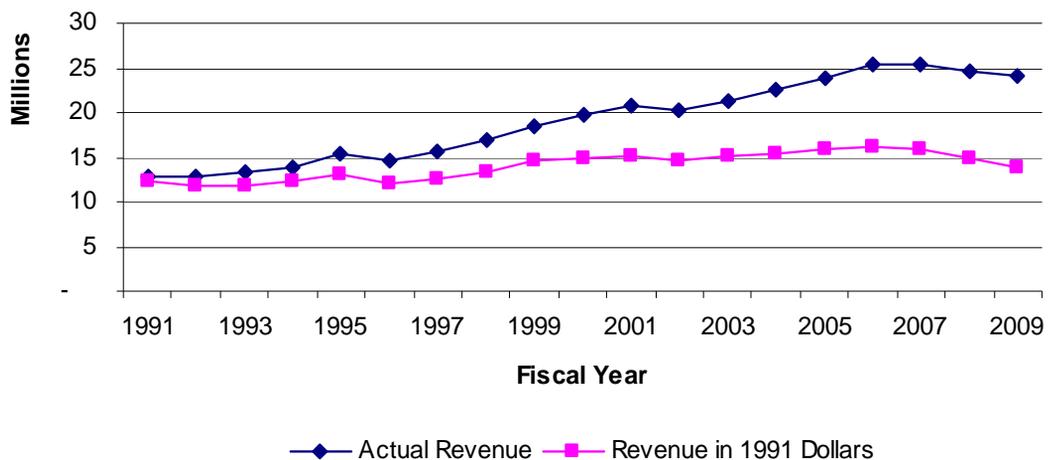
Revenues projected for FY 2008 are based on actual revenues through the first nine months of FY 2008. For FY 2009, given the slowing economy and the fact that FY 2008 projected revenues are down from FY 2007, it is expected that this revenue will decrease further.

Legislative Authority

Virginia Code §58.1-605 City Code §3-2-91

Sales Tax Revenue

Actual FY 1992 – Approved FY 2009



Revenues

Utility Tax Revenues

FY 2009 Approved \$10.7 million

2.0% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$13,652,612	\$9,600,000	\$10,300,000	\$10,700,000	3.9%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	-4.1%	0.0%	0.5%
Inflation Adjusted Increase	-6.9%	-2.6%	-2.1%

Background

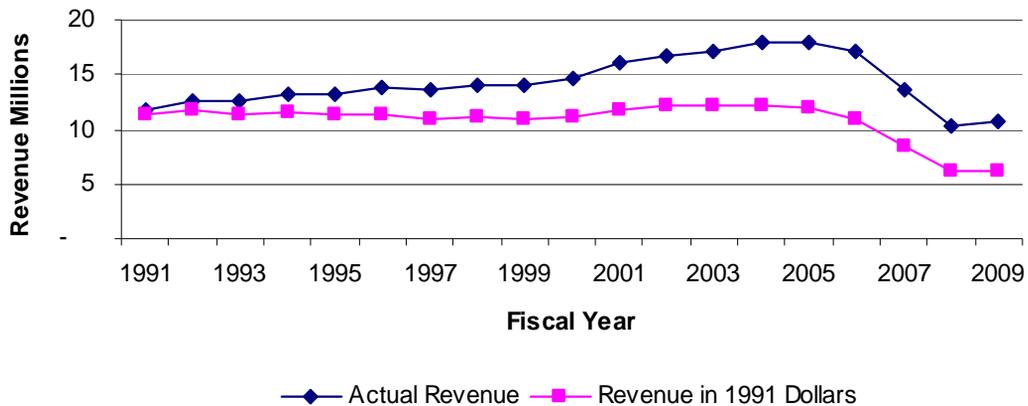
The consumer utility tax is levied on all residential and commercial users of water, natural gas, and electricity. The utility tax rates are detailed in the table titled "FY 2009 Proposed Tax Rates for Major Revenue Sources" at the end of this section. Until the end of calendar year 2006, the tax on landline telephone service was also included in this category. Effective on January 1, 2007, state law was changed and the state assumed responsibility for collecting a flat 5% tax on landline telephone service. For additional information, see the section on the Communication Sales and Use tax.

Revenues projected for FY 2008 are based on actual revenues from water, natural gas, and electricity through the first nine months of FY 2008. The decrease in utility revenues from FY 2007 to FY 2008 is due to the exclusion of landline telephone service, now included in the Communications Sales and Use tax. Other utility revenues are expected to increase above the overall category's fifteen year growth rate of 0.5%.

Legislative Authority

Virginia Code §58.1-605 City Code §3-2-372 - §3-2-379

Consumer Utility Tax Revenue
Actual FY 1991 – Approved FY 2009



Revenues

Business License Taxes

FY 2009 Approved \$33.5 million

6.3% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$30,947,412	\$32,100,000	\$32,500,000	\$33,513,000	3.1%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	6.8%	8.2%	6.6%
Inflation Adjusted Increase	3.8%	5.4%	3.9%

Background

The Business License (BPOL) tax is levied on those doing business in the City and is a fixed fee of \$50 for businesses with gross receipts ranging from \$10,000 to \$100,000. For business with gross receipts of \$100,000 or more, the Business License tax is assessed as a percentage of the gross receipts at rates ranging from .0016 (building contractors) to .0058 (professionals, such as doctors and lawyers). The progressively increasing rates by class of business make the BPOL tax function much like a value added tax (VAT). In May 1996, Council approved the following changes to the City's business license tax ordinance: an increase from \$50,000 to \$100,000 in minimum gross receipts collected by a licensable business before a tax based on the amount of gross receipts is imposed, and an increase from \$40 to \$50 in the falt fee on businesses below the \$100,000 cap.

In FY 2003, reductions in late filing penalties were approved. In FY 2006, Council approved major business license tax relief, reform, and simplification for small and medium sized businesses in their first two years of operation by eliminating the estimating process and related tax payments. Alexandria was the first jurisdiction on the state to reform the BPOL tax in this matter.

In May 2008, Council passed an ordinance increasing the rate on gross receipts from payday and car title lending from \$0.35 per \$100 to \$0.58 per \$100. All other businesses in the Financial Services category remain unaffected. The tax rate change will take effect for FY 2009 and is expected to generate an additional \$13,000 of revenue, including \$11,000 from car title lenders and \$2,000 from payday lenders.

In 2007, the biggest single category contributors to the Business License Tax were Business Services (27%), Financial Services (20%) and Retail Merchants (13%).

The tax is paid annually. License renewal applications and taxes are due March 1 of each year.

Revenues projected for FY 2008 are based on actual collections through April 2008. For FY 2009, it is expected that this revenue will increase at well under the five year average growth rate of 6.8% due to the sluggish economy.

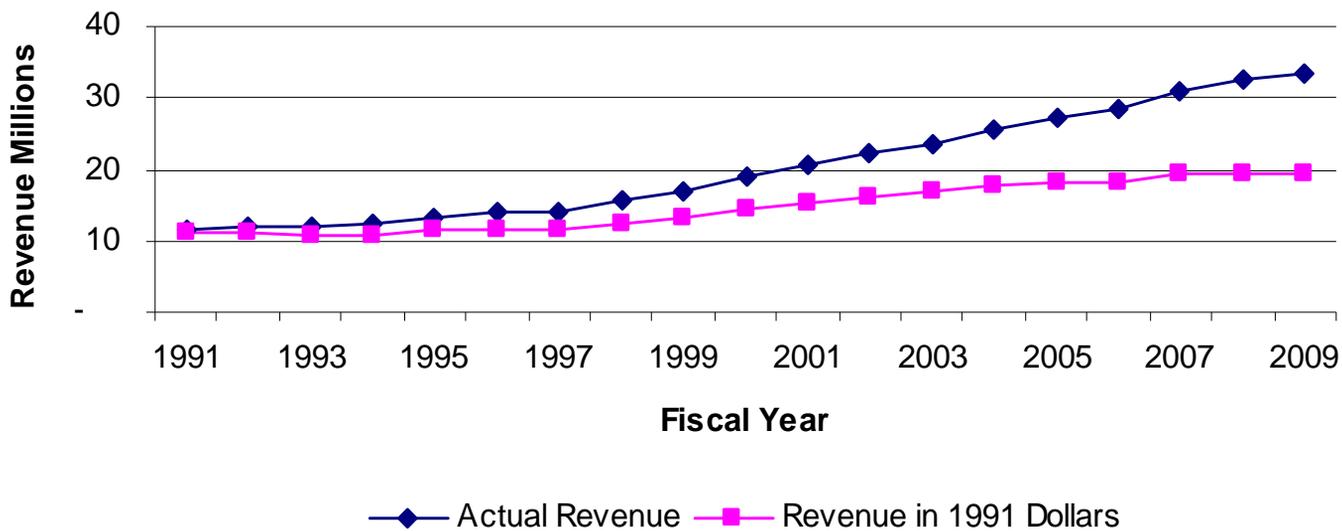
Revenues

Legislative Authority

Virginia Code §58.1-3703 and §58.1-3706 City Code §3-2-372 - §3-2-379

Business License Tax Revenue

Actual FY 1991 – Approved FY 2009



Revenues

Communications Sales and Use Tax

FY 2009 Approved \$13.0 million

2.4% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$5,318,253	\$12,400,000	\$12,600,000	\$13,000,000	3.2%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	NA	NA	NA
Inflation Adjusted Increase	NA	NA	NA

Background

Virginia HB 568 replaced many of the telephone and cable television taxes previously collected by the City with a State administered Communications Sales and Use Tax and a uniform statewide E-911 tax on landline telephone service. Taxes previously collected by the City such as the utility tax on phone service, the E-911 service tax, the cable franchise fee, and part of the gross receipts tax on telecommunications companies are now collected by Virginia and remitted to Alexandria. The tax of 5% on all communications services including landline phones, cell phones, cable television, and satellite television service went into effect on January 1, 2007. The E-911 fee rose from \$0.50 per line per month to \$0.75 per line per month.

The implementation of the new State collected tax was designed to be initially revenue neutral for local governments. Based on information provided to Virginia about Alexandria's collection of existing taxes in FY 2006 of \$11,682,956 which equated to 2.6% of taxes collected statewide, the City will receive approximately 2.6% of the State's total Communication Sales and Use tax revenues going forward. As total Communications Tax increases statewide, the City will receive 2.6% of these new tax revenues. Revenues in FY 2008 through April are running slightly ahead of projections at \$12.6 million. The 3.2% increase for FY 2009 is based on projected inflation and state population increases.

Revenues

Motor Vehicle License Revenues

FY 2009 Approved \$3.2 million

0.6% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$2,429,078	\$3,400,000	\$3,200,000	\$3,200,000	0.0%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	1.2%	2.1%	1.5%
Inflation Adjusted Increase	-1.7%	-0.5%	-1.2%

Background

The City levies an annual vehicle license tax on all motor vehicles, trailers, and semitrailers and issues a vehicle license decal as proof that the license tax has been paid. In 2007, Virginia HB 3202 was signed into law, giving localities the ability to increase the license tax to fund transportation needs. In May 2007, City Council passed an ordinance increasing the City's license tax from \$25 to \$33 for passenger vehicles and from \$15 to \$21 for motorcycles. This license tax increase is projected to raise \$700,000 per year with these funds dedicated to transportation capital purchases.

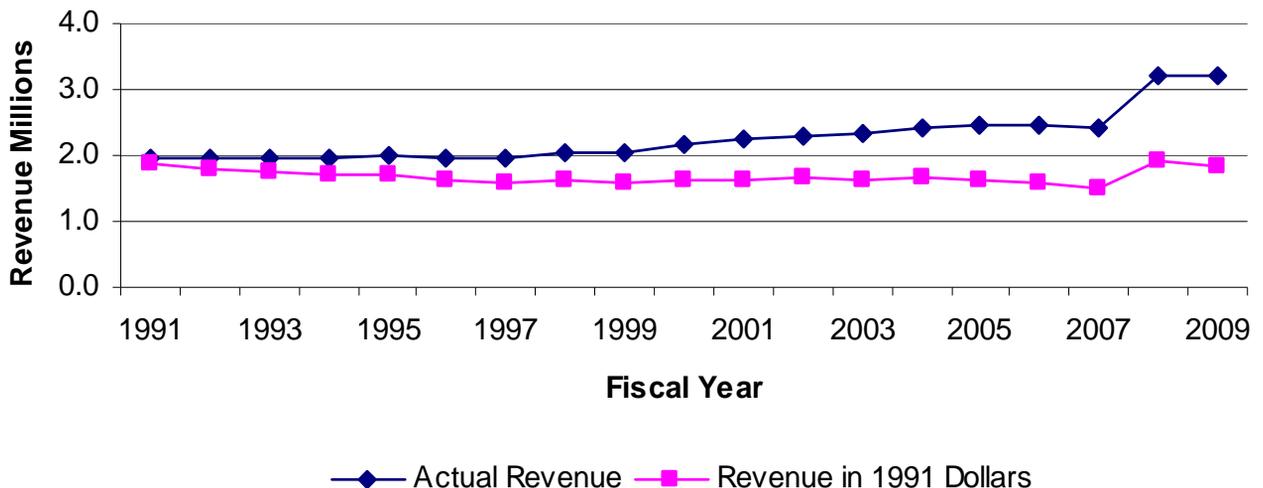
Revenues projected for FY 2008 are based on actual collections through April 2008. For FY 2009, it is expected that this revenue will remain flat as the number of vehicles in the City is not expected to increase.

Legislative Authority

Virginia Code §46.2-752 to §46.2-753 City Code §3-2-321 to §3-2-337

Motor Vehicle License Revenue

Actual FY 1991 – Proposed FY 2009



Revenues

Recordation Tax Revenues

FY 2009 Approved \$4.8 million

0.9% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$6,561,330	\$5,700,000	\$5,100,000	\$4,800,000	-5.9%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	21.3%	20.4%	15.2%
Inflation Adjusted Increase	17.8%	17.3%	12.2%

Background

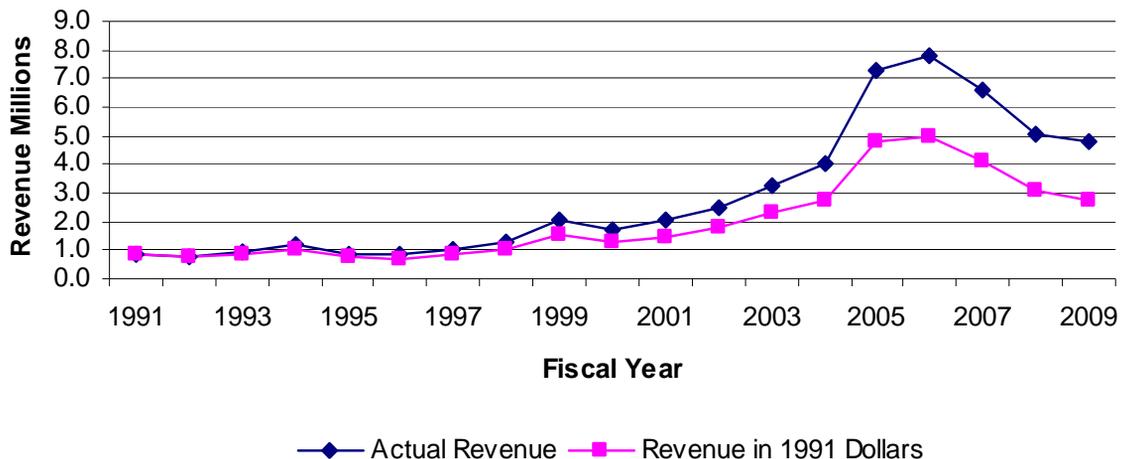
Alexandria's recordation tax rate is assessed at a rate of \$0.083 per \$100 of value for all transactions, including the recording of deeds, deeds of trust, mortgages, and contracts admitted to record by the Clerk of the Circuit Court. The City's recordation tax rate was increased from \$0.050 to \$0.083, effective September 1, 2004, as a result of General Assembly action increasing the State's rate. By law, Alexandria and other Virginia cities may impose a recordation tax of up to 1/3 of the State's tax rate, which is currently \$0.25 per \$100.

Revenues projected for FY 2008 are based on actual revenues through the first nine months of FY 2008. For FY 2009, it is expected that this revenue will decline due to falling real estate sales in Alexandria.

Legislative Authority

Virginia Code §58.1-814 City Code §3-2-41

Recordation Tax Revenue
Actual FY 1991 – Proposed FY 2009



Revenues

Transient Lodging Tax Revenues

FY 2009 Approved \$11.5 million

2.1% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$7,415,059	\$8,800,000	\$8,700,000	\$11,500,000	32.2%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	7.3%	8.3%	6.6%
Inflation Adjusted Increase	4.2%	5.5%	3.8%

Background

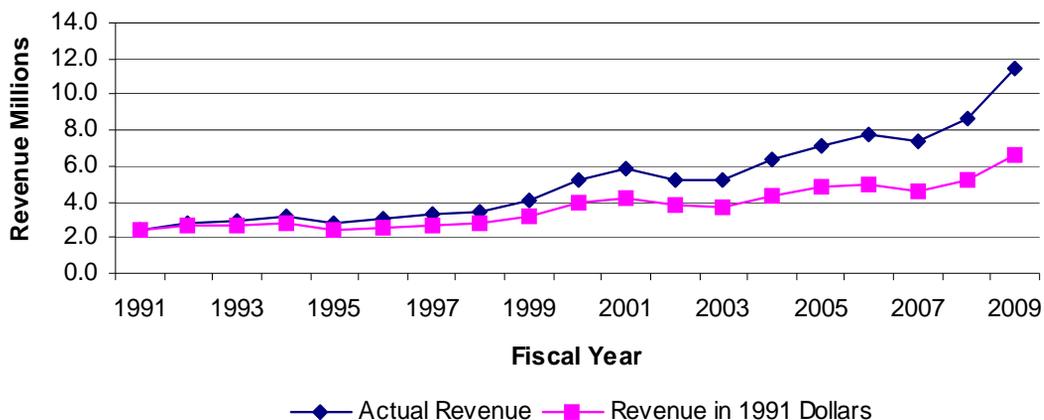
The amount of local tax levied on the amount paid for hotel and motel rooms is 6.5% of the room charge plus a \$1 per night lodging fee. The rate was increased by 1% from 5.5% plus \$1 as part of the Approved FY 2009 Budget. Prior to FY 2000, the City levied a tax of 5.65% on the room charge and assessed no per night room charge.

Revenues projected for FY 2008 are based on actual revenues through the first nine months of FY 2008. During the second half of FY 2008 and the first half of FY 2009, it is expected that several hotels will open or complete renovations, increasing the City's high end hotel room capacity. The growth rate of 32.2% includes an estimated \$1.6 million increase as a result of the tax increase and an additional \$1.2 million from several new or renovated high end hotels in the City.

Legislative Authority

Virginia Code §58.1-3840 City Code §3-2-141 to 3-2-151

Transient Lodging Tax Revenue
Actual FY 1991 – Approved FY 2009



Revenues

Cigarette Tax Revenues

FY 2009 Approved \$2.7 million

0.5% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$2,932,386	\$2,750,000	\$2,700,000	\$2,700,000	0.0%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	12.9%	5.2%	6.4%
Inflation Adjusted Increase	9.7%	2.5%	3.6%

Background

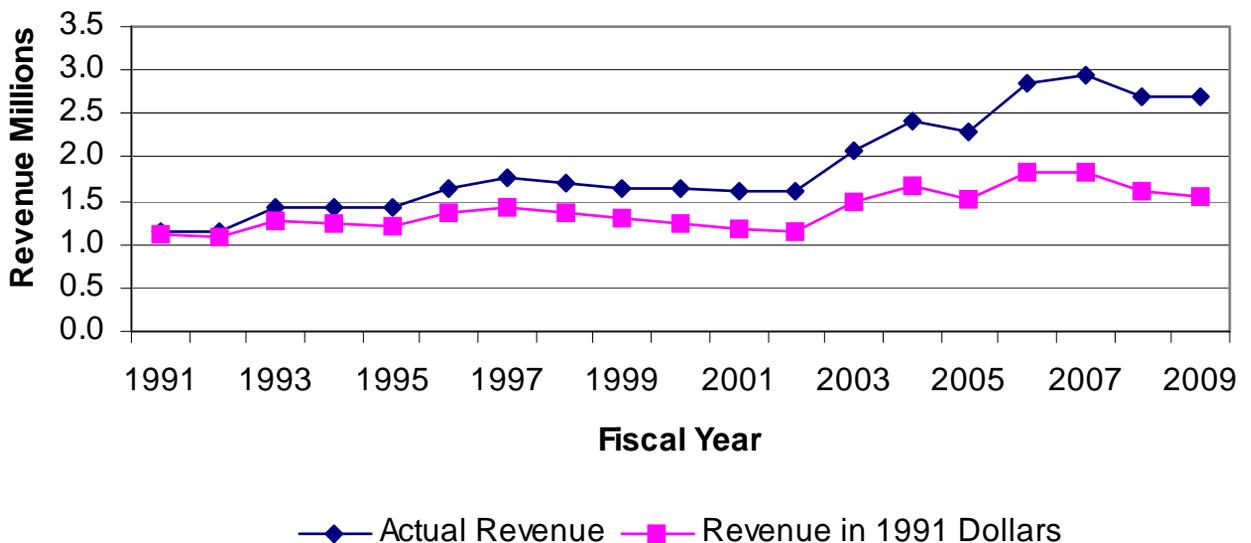
The local cigarette tax is levied at a rate of \$0.70 per pack of 20 cigarettes sold in the City. The rate was increased from \$0.50 in FY 2006.

Revenues projected for FY 2008 are based on actual revenues through the first nine months of FY 2008. For FY 2009, it is expected that this revenue will remain steady, based on stable cigarette purchases.

Legislative Authority

Virginia Code §58.1-3840 City Code §3-2-102

Cigarette Tax Revenue
Actual FY 1991 – Approved FY 2009



Revenues

Restaurant Meals Tax Revenues

FY 2009 Approved \$15.0 million

2.8% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$10,657,839	\$10,400,000	\$10,800,000	\$15,000,000	38.9%

Average Annual Increases

	5 years	10 years	15 years
Nominal Increase	4.5%	6.1%	6.5%
Inflation Adjusted Increase	1.5%	3.4%	3.7%

Background

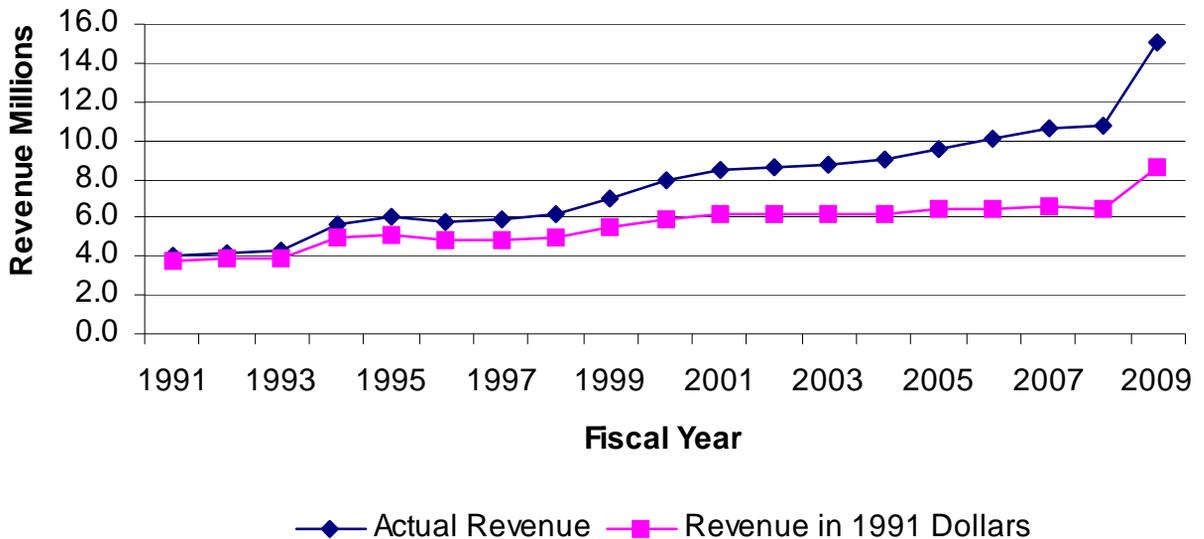
Alexandria's restaurant meals tax was increased 1% to 4% as part of the FY 2009 Approved Budget. The tax is in addition to a 4% sales tax and a 1% local option sales tax. In FY 2007, approximately 83% of the meals tax came from the sale of food within a restaurant or bar; 17% came from sales of alcohol.

Revenues projected for FY 2008 are based on actual revenues through the first nine months of FY 2008. For FY 2009, it is expected that the tax increase will generate approximately \$3.7 million in new revenue. The remaining increase of \$0.5 million is due to inflationary increases in the cost of food and increased sales volume.

Legislative Authority

Virginia Code §58.1-3833 City Code §3-2-242

Restaurant Meals Tax Revenue
Actual FY 1991 – Approved FY 2009



Revenues

Other Miscellaneous Local Tax Revenues

FY 2009 Approved \$2.1 million
0.4% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$3,259,081	\$2,380,000	\$2,025,8811	\$2,080,000	2.8%

This category includes the State's telecommunications tax, bank and other franchise taxes, and the daily rental tax. Revenues in this category are expected to show a minimal increase.

Admissions Tax

FY 2009 Approved \$1.1 million
0.2% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$1,058,226	\$1,000,000	\$1,100,000	\$1,000,000	-9.0%

The admissions tax on the sale of movie and live theatre tickets was first levied by the City during FY 2006. The sluggish economy and competition from theaters in neighboring jurisdictions is expected to lead to lower collections in FY 2009.

Licenses, Permits, and Fees

FY 2009 Approved \$5.6 million
1.2% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$5,944,363	\$5,356,000	\$5,356,000	\$6,157,000	15.0%

This category includes Building Permits (budgeted in FY 2009 at \$3.39 million), Fire Protection Systems (budgeted in FY 2009 at \$0.5 million), and Electrical Permits (\$0.3 million). The FY 2008 budget estimate for all licenses, permits, and fees is based generally on the trend in actual revenues received through March 2008. In FY 2009 there are fee increases proposed in this category for Building Permits and Noise Permits. See "Tax Rates and Fee Changes" and the departmental text sections for more details.

Revenues

Fines and Forfeitures

FY 2009 Approved \$4.1 million
0.8% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$3,628,938	\$4,722,300	\$4,272,300	\$4,755,300	11.3%

This category includes parking fines (budgeted in FY 2009 at \$3.4 million), and court fines (budgeted in FY 2009 at \$1.0 million). In June 2008, City Council passed an ordinance reinstating a Red Light Camera Program authorizing cameras at three intersections which is expected to raise \$270,000. In addition, metered parking fines were increased from \$25 to \$35, which is expected to raise an additional \$141,000.

Revenues from the Use of Money and Property

FY 2009 Approved \$6.0 million
1.1% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$9,712,862	\$9,570,000	\$8,100,000	\$6,000,000	-25.9%

This category includes interest on General Fund investments (budgeted at \$3.1 million in FY 2009), and Parking Garage revenues (budgeted at \$1.9 million in FY 2009). Due to a slowing economy, Federal Reserve Board action, and expected lower interest rates, it is expected that interest on General Fund investments will fall by \$2.1 million in FY 2009.

Charges for Services

FY 2009 Approved \$14.5 million
2.7% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$10,287,520	\$11,270,072	\$10,450,072	\$14,473,877	38.5%

This category includes the refuse user charge (\$5.2 million in FY 2009) and parking meter receipts (\$2.6 million in FY 2009). In May, 2008, City Council approved the increase in parking meter rates to \$1.00 per hour in FY 2009, and the refuse user charge was increased by \$17 to \$281 annually in order to fully recover costs of solid waste collection and disposal. The City Council's general user fee guidelines, adopted in FY 1994, provide that the City's user fees and charges for service shall be set in consideration of the City's ability (a) to recover the cost of providing the service, except in cases where the City's economic development goals or the income levels of affected residents or other market considerations have a bearing on fee setting, and (b) to maintain comparability with fees and charges in neighboring jurisdictions. There are several new charges and increases to existing charges in the Approved Budget. See "Tax Rates and Fee Changes" and the departmental text sections for more details.

Revenues

Miscellaneous Non-Tax Revenues

FY 2009 Approved \$0.9 million
0.2% of General Fund Revenues

FY 2007 Actuals	FY 2008 Approved	FY 2008 Projected	FY 2009 Approved	% Change Proj. '08 to '09
\$590,350	\$245,000	\$446,000	\$616,749	38.3%

This category includes revenue sources such as payment in lieu of taxes, insurance and damage recoveries, offsets to expenditures, impound lot revenues, and Freedom of Information Act fees. There are several increases to existing revenues included in the Approved Budget. See "Tax Rates and Fee Changes" and the departmental text sections for more details.

Other Financing Sources

FY 2009 Approved \$6.6 million

	FY 2007 Actuals	FY 2008 Budgeted	FY 2008 Projected	FY 2009 Approved
City General Fund Fund Balance	\$7,154,819	\$1,999,550	\$2,576,550	\$4,600,000
Sewer Fund (transfer in)	\$1,063,895	\$1,311,109	\$1,311,109	\$1,323,910
IT Equipment Replacement Fund (transfer in)	NA	NA	NA	\$700,000
Total	\$8,218,714	\$3,310,659	\$3,887,659	\$6,623,910

This category reflects other non-revenue financing sources used to help finance the \$6.3 million difference between the \$535.4 million revenue projection and the \$542.0 million projected General Fund Expenditure budget. The elements of these financing sources include:

- (a) \$4.6 million in FY 2007 and FY 2008 General Fund surplus funds designated for use in FY 2009,
- (b) \$1.3 million in a FY 2009 transfer into the General Fund from the City's Sanitary Sewer Fund in order to pay sanitary sewer debt service.
- (c) \$0.7 million from IT Equipment Replacement Balance which will not be needed in FY 2008 or FY 2009.

Revenues

FY 2009 Approved Tax Rates for Major Revenue Sources

	City Approved Rate	Virginia Code Reference	Maximum Rate Allowable by State
Real Estate Tax	\$0.845 per \$100 assessed value	58.1-3200	None
Personal Property Tax	\$4.50 per \$100 assessed value (machinery and tools)	58.1-3507	None
	\$4.75 per \$100 assessed value (tangible personal property)	58.1-3506-b	None
	\$3.55 per \$100 assessed value (handicap vehicles)	58.1-3506.1	None
Utility Tax (for residential users)	15% of water service charge	58.1-3814	20% on 1 st \$15
	\$1.12 plus \$.012075 for each KWh (\$2.40 max)	58.1-3814	\$3.00
	\$1.28 plus \$0.124444 of each CCF of gas delivered (\$2.40 max)	58.1-3814	\$3.00
	\$1.28 plus \$0.050909 of each CCF of gas delivered to group meter customers (\$2.40 max)	58.1-3814	\$3.00
	\$1.28 plus \$0.023267 of each CCF of gas delivered to group meter interruptible consumers (\$2.40 max)	58.1-3814	\$3.00
Utility Tax (for commercial users)	15% of first \$150 of water service charge		20%
(Commercial consumer)	\$0.97 plus \$0.004610 of each KWh delivered	58.1-3814	20%
(Industrial consumer)	\$0.97 plus \$0.003755 of each KWh delivered	58.1-3814	Various
(Commercial or industrial)	\$1.42 plus \$0.050213 of each CCF of gas delivered	58.1-3814	Various
(Non-residential interruptible gas consumer)	\$4.50 plus \$0.00367 of each CCF of gas delivered	58.1-3814	Various
Business and Professional Licenses		58.1-3700	
Gross Receipts Greater than \$10,000	\$50.00	58.1-3703	\$50.00
And less than \$100,000		through	
Amusement and Entertainment	\$0.36 per \$100 gross receipts	58.1-3735	\$0.36
Professional	\$0.58 per \$100 gross receipts		\$0.58
Renting of Residential Property	\$0.50 per \$100 gross receipts		**
Renting of Commercial Property	\$0.35 per \$100 gross receipts		**
Finance Services	\$0.35 per \$100 gross receipts (\$0.58 per \$100 gross receipts for Payday & Car Title lending)		\$0.58
Personal, Business, & Repair Services	\$0.35 per \$100 gross receipts		\$0.36
Retail Merchants and Restaurants	\$0.20 per \$100 gross receipts		\$0.20
Filling Stations	\$0.20 per \$100 gross receipts		\$0.20
Contractors	\$0.16 per \$100 gross receipts		\$0.16
Wholesale Merchants	\$0.05 per \$100 gross receipts		\$0.05
Alcoholic Beverages	\$5-\$1,500 (flat fee assessed as part of business license for sales of alcoholic beverages; fee is dependent upon seating capacity and/or type of license)	4.1-233	Various
Public Utilities:			
Telephone Company	\$0.50 per \$100 gross receipts	58.1-2960	**
Water	\$0.50 per \$100 gross receipts	58.1-3731	\$0.50
Telecommunications Right of Way Tax	\$0.61 per line per month	56-468.1	Minimum of \$0.50 per line per month; annual rate calculated by VDOT
Electric Consumption Tax	\$0.0038/kWh	58.1-2900	
Natural Gas Consumption Tax	\$0.004/CCF	58.1-2904	
Communications Sales and Use Tax	5% of all communications services including landline phones and cell phones	58.1-648	
	E-911 tax of \$0.75 per landline per month	58.1-1730	
Admissions Tax	10% of gross admissions, not to exceed \$0.50 per admission		
Cigarette Tax	\$0.70 on each package of 20 cigarettes	58.1-3840	None
Daily Rental Tax	1.0% of gross receipts	58.1-3510.1	1%
Local Sales Tax	1.0% added to the rate of the State tax imposed	58.1-605	1%
Transient Lodging Tax	6.5% of total amount paid for room rental, plus \$1 per night lodging fee	58.1-3840	None
Restaurant Meals Tax	4.0% on all food and drink sold in the City	58.1-3840	
Recordation Tax:			
Deed of Bargain and Sale		58.1-3800	
Grantor	\$0.83 per \$1,000 of sales price (equals State max)	58.1-3800	1/3 of State Chrgs
Grantee	\$0.83 per \$1,000 of sales price (equals State max)	58.1-3800	1/3 of State Chrgs
Deed of Trust	\$0.83 per \$1,000 of loan amount (equals State max)	58.1-3916	1/3 of State Chrgs
Tax Penalty	10% or \$10, whichever is greater	58.1-3916	10% or \$10
Tax Interest	10% per annum until January 1, 2000; after January 1, 1999		10%
	10% per annum for 1 st year, 5% per annum thereafter. Equals refund rates.		

** The City's existing tax rate exceeds state cap. The State cap was established after the City had set this rate.

Grant Funding and Special Revenue Funds

Summary of Major Revenue Sources

	FY 2007 Actual	FY 2008 Approved	FY 2009 Approved	% Change FY 08 - FY 09
General Fund	\$530,899,833	\$519,494,732	\$541,978,347	4.3%
Non-general fund				
State	\$44,059,269	\$45,322,947	\$50,015,847	10.4%
Federal	\$35,155,731	\$33,728,822	\$32,738,075	-2.9%
Charges, Donations and Other Sources	\$27,656,126	\$24,139,570	\$26,642,452	10.4%
Total Special Revenue Funds	\$106,871,126	\$103,191,339	\$109,396,374	6.0%
Schools Fund Balance	\$8,342,175	\$1,781,367	\$1,009,222	-43.3%
Equipment Replacement Fund	\$5,788,448	\$5,385,142	\$6,097,326	13.2%
Total All Funds	\$651,901,582	\$629,852,580	\$658,481,269	4.5%

Special Revenue Funds account for all non-General Fund revenue. The majority of this revenue is derived from specific sources (other than capital projects) that are restricted by legal and regulatory provisions to finance specific activities. In addition to revenue received from outside sources, the City also accounts for donations and charges or fees for services in these funds.

The City receives funding from several different types of sources with a variety of requirements. Basic categories and types of grants are presented below. An example of funding currently received by the City is included.

Types of Funding (examples of City programs)

- Competitive grants (Federal or State)
 - One-year funding - Victim Witness Program (Commonwealth's Attorney)
 - Multi-year funding – Virginia Tobacco Settlement Grant - MHMRSA
- Non-competitive (Federal or State)
 - Allocations for general program – Community Development Block Grant - Housing
 - Allocations for defined program – Substance Abuse Prevention and Treatment – HIV/AIDS
- General fund – Mental Health/Mental Retardation/Substance Abuse
- Federal Earmark – King Street Metro Platform Extension
- State Allocation – Gadsby's Tavern Improvements

Grant Funding and Special Revenue Funds

Special Revenue Funds can rarely be used to replace or supplant City funds and the amount of funding received varies. In addition, the City's requirement to contribute funding for the program varies based on the program requirements. Program funding is described below.

- Fully-funded (100 percent)
- Partially-funded
- Level effort/minimum level spending
- Mandatory city match
- Voluntary city contribution
- In-kind contribution (mandatory or voluntary)
- Revenue Collection
- Reimbursement (prove expenditures)
- Payment schedule (monthly/quarterly/lump sum)

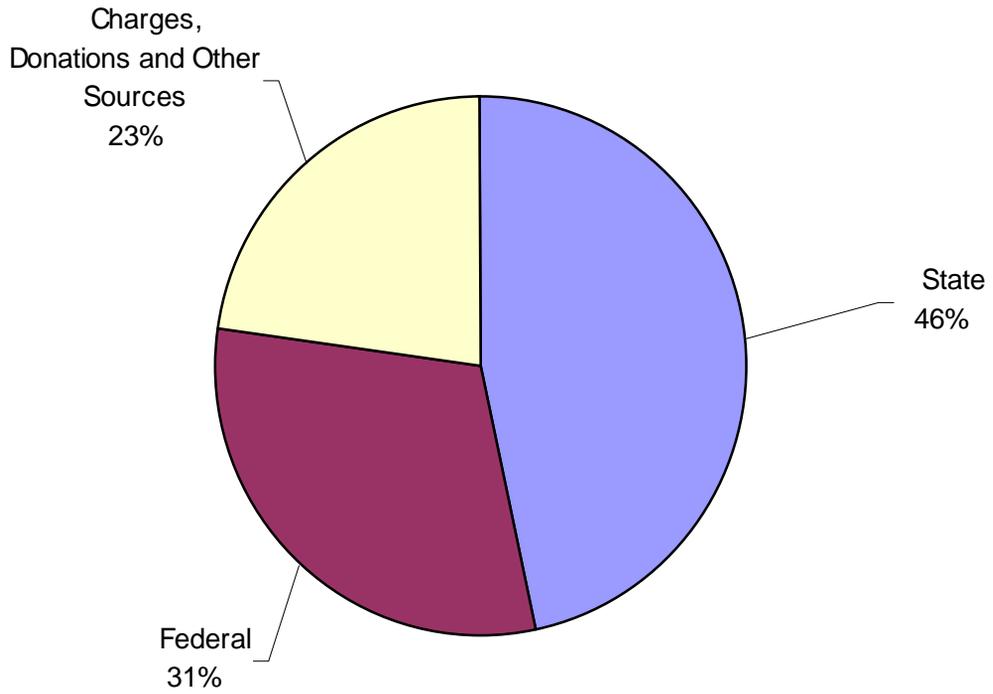
Funding Parameters

- One-time
- Multi-year
- Ongoing grant funds

The Special Revenue described in this section is separate from funding from the state and federal government described previously in the General Fund Revenue section. The revenue described in that section has no restrictions and can be used to fund overall city operations. Compensation Board Funding is also accounted for in General Fund revenue and is not restricted in anyway. This funding is received from the Commonwealth to compensate the City for positions that are equivalent to State-funded County positions, such as the Commissioner of the Revenue and the Sheriff.

As shown in the pie chart on the following page the City's Special Revenue Fund budget of \$109.4 million consists primarily of State Aid, Federal Aid and discretionary State and federal grants (\$82.7 million) and charges for fees, donations and other sources (\$26.6 million). This compares to the FY 2008 amended Special Revenue Fund budget of \$103.2 million. The 6.0%, or \$6.2 million, increase is primarily attributable to \$4.7 million in anticipated state revenue increases, primarily for the Schools (\$2.8 million), DHS (\$1.3 million), and MHMRSA (\$0.6 million). The increases in State revenue are expected to be offset by approximately a \$1.0 million decline in revenue from the federal government. In addition to the above revenues, the Schools are also anticipating approximately \$1.7 million in additional miscellaneous revenue and charges for services.

FY 2009 Estimated Special Revenue Funds



Grant Funding and Special Revenue Funds

Summary of Major Special Revenue Sources by Department

	FY 2007 Actual	FY 2008 Approved	FY 2009 Approved	% Change FY 08 - FY 09
Schools	\$35,611,940	\$43,449,485	\$46,695,452	7.5%
DHS	\$26,391,449	\$26,007,438	\$27,849,510	7.1%
MHMRSA	\$12,281,553	\$12,039,118	\$12,613,734	4.8%
Other City Agencies	\$32,586,184	\$21,695,298	\$22,237,678	2.5%
Total Special Revenue Funds	\$106,871,126	\$103,191,339	\$109,396,374	

Addendum Table I Department of Mental Health/Mental Retardation/Substance Abuse Federally Funded Programs

	FY 2008 Approved Budget Estimate	FY 2009 Approved Budget Estimate	% Change FY08 - FY 09
Mental Health Programs			
Block Grant for Community Mental Health Services - Serious Emotionally Disturbed Children	\$256,654	\$256,654	0.0%
Block Grant for Community Mental Health Services - Serious Mental Illness (Adults)	\$411,203	\$336,203	-18.2%
Projects for Assistance in Transition from Homelessness	\$35,575	\$35,575	0.0%
Welfare TANF Foster Care (Title IV-E)	\$143,000	\$143,000	0.0%
MH and SA Programs			
U.S. Department of Housing and Urban Development	\$259,606	\$282,359	8.8%
Substance Abuse (SA) Programs			
Substance Abuse Residential Purchase of Services (SARPOS)	\$137,284	\$137,284	0.0%
Substance Abuse Federal Block Grant - Alcohol & Drug Treatment	\$506,175	\$555,831	9.8%
Substance Abuse Federal Block Grant - Primary Prevention	\$205,768	\$205,768	0.0%
Substance Abuse Prevention and Treatment - HIV/AIDS	\$69,656	\$0	-100.0%
High Intensity Drug Trafficking Area Treatment Grant - Residential	\$109,069	\$109,069	0.0%
Mental Retardation Programs			
Grants for Infants and Toddlers with Disabilities	\$148,774	\$93,698	-37.0%
Total Federal Grants	\$2,282,764	\$2,155,441	-5.6%

Grant Funding and Special Revenue

Addendum Table II Department of Human Services Federally Funded Programs

Federal Grant	FY 2008 Approved Budget Estimate	FY 2009 Approved Budget Estimate	% Change FY08 to FY09
Welfare Administrative Cost Pool	\$135,475	\$135,475	0.0%
Welfare Income Maintenance Eligibility	\$2,595,801	\$2,595,801	0.0%
Welfare Clerical Cost Pool	\$259,999	\$259,999	0.0%
Welfare Refugee Resettlement	\$50,000	\$50,000	0.0%
Child Welfare Administration	\$3,156,398	\$3,299,395	4.5%
Welfare Aid to Dependent Children	\$60,060	\$60,060	0.0%
Adult Services Administration	\$372,883	\$372,883	0.0%
Child Care Administration	\$786,041	\$786,041	0.0%
Foster Care IV - E	\$1,514,805	\$1,514,805	0.0%
Welfare Adoption Subsidy	\$322,500	\$526,930	63.4%
TANF/View Child Care	\$709,802	\$709,802	0.0%
Child Care Fee System	\$1,644,349	\$1,866,862	13.5%
Older Americans Act	\$146,857	\$169,990	15.8%
Home Delivered Meals	\$100,394	\$106,877	6.5%
Congregate Meals	\$62,330	\$69,364	11.3%
In-Home Services to Companion	\$337,000	\$337,000	0.0%
WIA Summer Youth Program	\$72,999	\$79,184	8.5%
Head Start	\$1,748,649	\$1,752,313	0.2%
Transitional Apartment Planning & Eviction Storage (CDBG)	\$142,000	\$122,000	-14.1%
Community Services Block Grant (CSBG\BASIC)	\$158,971	\$155,292	-2.3%
Virginia Refugee Resettlement Program (VRRP)	\$98,000	\$108,000	10.2%
WIA Adult Training	\$71,999	\$103,095	43.2%
WIA Dislocated Worker	\$103,611	\$108,773	5.0%
WIA Rapid Response	\$75,000	\$75,000	0.0%
VIEW	\$481,482	\$461,746	-4.1%
Foster Parent Training	\$142,997	\$0	-100.0%
TANF - Emergency Assistance	\$58,942	\$58,942	0.0%
Employment Advancement Project	\$83,333	\$192,184	130.6%
TANF - HIP	\$50,000	\$30,489	-39.0%
Food Stamp Employment	\$76,314	\$77,383	1.4%
Safe and Stable Families	\$51,552	\$51,552	0.0%
Program Improvement	\$111,090	\$111,090	0.0%
All other Federal grants (includes individual program grants under \$50,000)	\$206,055	\$206,427	0.2%
Total Federal Grants	\$15,987,688	\$16,554,754	3.5%

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