

# PROPOSED BUDGET IN BRIEF

## FISCAL YEAR 2023

### FY 2023 BUDGET OVERVIEW

The FY 2023 City Manager's Proposed Budget proposes investments in Employee Compensation, Schools and City capital projects, and responsibly advances the City's progress across several strategic priorities. The FY 2023 budget development process started with promising signs of City revenues returning to pre-pandemic levels. Consumer spending and real estate revenues have returned to baseline levels while the City's tourism and lodging continues to recover. Collaborative efforts by departments closed an initial \$8.4 million budget gap with \$1.3 million in efficiency and cost cutting savings and \$1.5 million in revenue sources that offset general fund expenses.

The City's recovering revenues and reallocated funding allowed for the proposal of merit increases for City staff and funds a 6% increase in sworn Fire pay scales, a 5% increase in sworn Police and Sheriff pay scales, and a 4% increase in General Schedule pay scales to align City employee salaries with the regional market. The City Manager's proposed budget also recommends uses for the City's portion of the second half (\$29.8 million) of ARPA funding to support COVID-19 recovery, community engagement, housing resources, and community infrastructure.

### FY 2023 PROPOSED OPERATING BUDGET HIGHLIGHTS

- Maintains the current real estate tax rate of \$1.11 per \$100 of assessed value;
- Projects an anticipated \$1.2 million in permitting revenue associated with fiber installation in public rights of way;
- Funds the ACPS School Board operating budget transfer request of \$248.7 million, which is an increase of \$9.3 million or 3.9%;
- Adds 20 SAFER grant-funded firefighters to reduce the amount overtime required to meet staffing needs;
- Funds consulting services to provide guidance for the engineering, installations, and implementation plan of initiating a Body-Worn Camera program;
- Adds a Senior Therapist and a Sworn Police Officer to expand the Alexandria Crisis Intervention Co-Responding Program;
- Funds facilities management, security resources, and shuttle services at 4850 Mark Center Drive, where DCHS and Health Department staff will be colocated;
- Adds a Program Manager to the City Manager's Office to manage and coordinate the City's race and social equity programs, projects, initiatives;
- Increases the availability of funds for DCHS' Rent Relief Program (RRP) to assist eligible tenants with their rent;
- Allocates funding to address staffing needs for the Out of School Time Program; and
- Commits \$150,000 of funding in the Commercial Corridors Vitality contingent to provide seed money to develop a Business Improvement District (BID) in Old Town.

#### ALEXANDRIA CITY COUNCIL

Mayor Justin Wilson

Vice Mayor Amy B. Jackson

Canek Aguirre

Sarah R. Bagley

John T. Chapman

Alyia Gaskins

Kirk McPike

#### CITY MANAGER

James F. Parajon

#### BUDGET DIRECTOR

Morgan Routt

# PROPOSED BUDGET IN BRIEF FISCAL YEAR 2023

## CAPITAL IMPROVEMENT PROGRAM

The Proposed FY 2023 – 2032 Capital Improvement Program (CIP) totals \$2.73 billion and is a \$63.5 million or 2.4% increase over last year's CIP. Significant project expenses including increased investments in school facilities, maintenance of existing City assets and facilities, and continued substantial support of WMATA's capital improvement program.

### HIGHLIGHTS OF THE 10 YEAR PLAN

- Funding included for 100% of the Alexandria City Public Schools requested 10-year plan totaling \$497.8 million
- \$288.4 million to expand and accelerate flood mitigation and stormwater infrastructure
- \$203.3 million to fund the City's Capital Facility Maintenance Programs and other major renovations (i.e., City Hall)
- \$105.0 million for DASH Bus Fleet Replacement
- \$83.2 million for the Waterfront Plan and to construct flood mitigation infrastructure
- \$66.2 million to implement the Transit Corridor "C" – West End Transitway
- WMATA capital funding of \$181.8 million

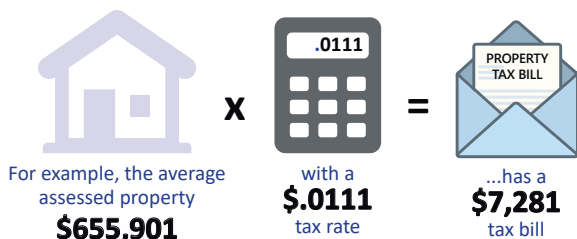
### FY 2023 PROPOSED CAPITAL BUDGET HIGHLIGHTS

The FY 2023 Capital Budget (only year formally appropriated by City Council) totals \$561.2 million, which is a \$33.3 million increase from FY 2022 in last year's approved CIP.

- \$204.7 million for Alexandria City Public Schools capital funding request; including, \$157.4 million for the new Alexandria High School facility on the Minnie Howard campus and \$24.5 million for renovations to the recently purchased 1703 N. Beauregard office building.
- \$12.1 million for City investments for co-located City services at the Minnie Howard Campus for teen wellness, an early childhood program, and a family resource center
- \$16.3 million for the City's contribution to WMATA's Capital Improvement Program
- \$7.1 million for street reconstruction and resurfacing, which will support the resurfacing of approximately 55 lane miles in FY 2023
- \$73.2 million to outfit and purchase the new DCHS/Health facility which will include a new West End Service Center
- \$26.4 million for major capacity improvements to address flooding at the intersection of Commonwealth Avenue and East Glebe Road and Ashby Street and East Glebe Road.
- \$8.4 million for investments in Affordable Housing, including \$2.5 million in funds received by the City as part of the American Rescue Plan Act (ARPA)

### DEBT AND CAPITAL FUNDING POLICIES

- The Proposed CIP is in compliance with the City's adopted debt ratios throughout the ten-year plan. See the Proposed CIP document for additional details.
- The CIP has 39% cash sources versus 61% bonds over the life of the 10-year CIP
- The General Fund Cash Capital Transfer is above the City Council approved target of 2.5% of General Fund expenditures annually. The percentage as relates to total General Fund expenditures in FY 2023 is 4.1%.



Type	Unit	CY 2021 Approved Rate	CY 2022 Proposed Rate
Real Estate	\$100/AV	\$1.11	\$1.11
Personal Property	\$100/AV	5.33	5.33
Refuse Collection Disposal	Household	\$484.22	\$484.22

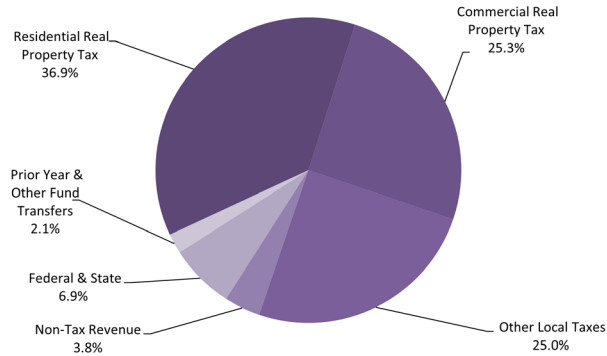
Average Home Assessed Value .....\$655,901  
 Average Residential Tax Bill CY 2021 (\$1.11 Current Rate).....\$ 6,836  
 Average Residential Tax Bill CY 2022 (\$1.11 Proposed Rate)....\$ 7,281

# PROPOSED BUDGET IN BRIEF

## FISCAL YEAR 2023

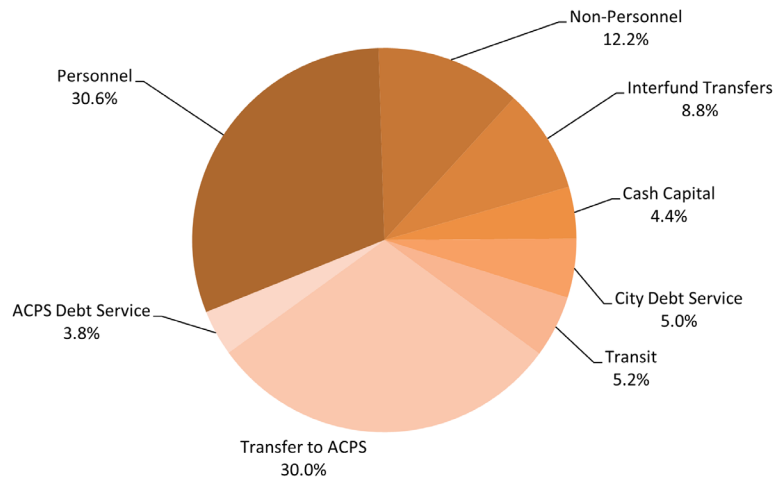
### GENERAL FUND REVENUES & EXPENDITURES

#### FY 2023 PROPOSED GENERAL FUND REVENUES



	FY 2022 Approved	FY 2022 Projected	FY 2023 Proposed	% Change from Approved
Real Property Tax	483.3	493.5	515.9	6.7%
Other Taxes	182.1	200.5	207.5	13.9%
Non-Tax Revenue	28.5	27.5	31.8	11.6%
Fed & State Revenue	56.6	56.5	57.2	1.1%
Prior year surplus & other fund transfers	20.2	10.2	17.5	-13.4%
<b>TOTAL:</b>	<b>770.7</b>	<b>788.2</b>	<b>829.9</b>	<b>7.7%</b>

#### FY 2023 PROPOSED OPERATING EXPENDITURES



General Fund Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Proposed	\$ Change	% Change
City Operations	\$372,070,672	\$391,757,594	\$428,527,818	\$36,770,224	9.4%
City Related Debt Service	\$85,899,571	\$36,851,668	\$41,170,131	\$4,318,463	11.7%
<b>City Subtotal</b>	<b>\$457,970,243</b>	<b>\$428,609,262</b>	<b>\$469,697,949</b>	<b>\$41,088,687</b>	<b>9.6%</b>
Schools					
School Operations	\$234,037,296	\$239,437,296	\$248,737,300	\$9,300,004	3.9%
School Related Debt Service	\$28,578,698	\$28,633,966	\$31,941,000	\$3,307,034	11.5%
<b>Schools Subtotal</b>	<b>\$262,615,994</b>	<b>\$268,071,262</b>	<b>\$280,678,300</b>	<b>\$12,607,038</b>	<b>4.7%</b>
Transit Services	\$24,974,297	\$39,604,152	\$43,351,782	\$3,747,630	9.5%
Cash Capital	\$38,738,144	\$34,424,271	\$36,156,190	\$1,731,919	5.0%
<b>Total Expenditures</b>	<b>\$784,298,679</b>	<b>\$770,708,947</b>	<b>\$829,884,221</b>	<b>\$59,175,274</b>	<b>7.7%</b>



## FY 2023 BUDGET CALENDAR

City Council and City Staff will hold a series of meetings during the budget development process to discuss and deliberate the FY 2023 budget. This year, there will be two budget public hearings and a public presentation. All meetings begin at 7 p.m., unless otherwise noted. Due to the COVID-19 pandemic emergency, scheduled budget meetings will likely be hybrid meetings with both in-person and remote attendance options.

Tues., February 15	Proposed Budget Presentation
Thurs., February 17	Public Budget Presentation
Wed., February 23	Work Session #1: Capital Improvement Program (CIP)
Wed., March 2	Work Session #2: Alexandria City Public Schools – Operating and CIP
Mon., March 7	Budget Public Hearing (5:30 p.m.)
Tues., March 8	Introduce and Set the Maximum Property Tax Rates
Wed., March 16	Work Session #3: Healthy and Thriving Residents
Wed., March 23	Work Session #4: Livable, Green, and Prospering City
Wed., March 30	Work Session #5: Safe, Secure, and Just Community
Wed., April 6	Work Session #6: BFAAC and Accountable, Effective, and Well-Management Government
Wed., April 20	Work Session #7 Available if Needed
Sat., April 23	Tax Rate Public Hearing & Add/Delete Public Hearing (9:30 a.m.)
Tues., April 26	Preliminary Add/Delete Work Session
Mon., May 2	Final Add/Delete Work Session
Wed., May 4	Budget Adoption

Visit [alexandriava.gov/Budget](https://alexandriava.gov/Budget) for the most up-to-date list of meeting dates, times and locations.