

ADDITIONAL INFORMATION

ALEXANDRIA CITY COUNCIL

Mayor Allison Silberberg

Vice Mayor Justin M. Wilson

Councilman Willie F. Bailey Sr.

Councilman John T. Chapman

Councilman Timothy B. Lovain

Councilwoman Redella S. "Del" Pepper

Councilman Paul C. Smedberg

CITY MANAGER

Mark B. Jinks

BUDGET DIRECTOR

Morgan Routt

Information about the budget is available online at alexandriava.gov/Budget or by contacting:

OFFICE OF MANAGEMENT & BUDGET

City Hall, 301 King St., Suite 3400

Alexandria, VA 22314

703.746.3737

Monday – Friday

8 a.m. to 5 p.m.



APPROVED FY 2018 BUDGET IN BRIEF



CITY OF
Alexandria
VIRGINIA
WWW.ALEXANDRIAVA.GOV

FY 2018 BUDGET OVERVIEW

Fiscal Year (FY) 2018 is the tenth straight year of budgetary challenges for the City of Alexandria. The regional economy continues to grow very slowly, and has not achieved prior growth rates. This, combined with uncertainty in changes to federal policy and spending, which fuels the region's economy, has resulted in the City's economy not producing adequate revenue growth.

In FY 2018, the City will invest \$728.1 million into more than 150 programs, each designed to advance the City's 2017-2022 Strategic Plan, in the City's four Focus Areas: (1) Accountable, Effective & Well-Managed Government; (2) Healthy & Thriving Residents; (3) Livable, Green & Prospering City; and (4) Safe, Secure & Just Community. This investment represents a 5.8% increase over the City's level of investment in FY 2017 and focuses on core mission and essential spending. Within this budget, City government operations increased by just 2.3%.

This year's budget process links spending to long-term outcomes with additional emphasis placed on civic engagement. Community input influenced City Council's budget guidance, the City Manager's Targeted Investment Goals, and the proposed budget.

HIGHLIGHTS OF THE \$728.1 MILLION BUDGET INCLUDE:

- Raises the current real estate tax rate 5.7 cents to \$1.13 per \$100 of assessed value, of this, 3.0 cents was allocated primarily to City and school facility capital needs.
- With this 3.0 cents, added an additional \$130.1 million in City CIP funding to address City and school facility needs over the new decade. Recommendations for the use of this funding will be provided to Council by the newly created Ad Hoc Joint City School Facilities Investment Task Force.
- City operations, increased 2.3%, and reflects \$5.0 million in savings and service reductions.
- Provides \$4.3 million in one-time funding for a major affordable housing project.
- Maintains 2.2 cents real estate tax reservation for transportation and 0.6 cents designation for affordable housing, plus \$4.3 million in one-time funding for affordable housing.
- Increases the Sanitary Sewer System Capital Investment and Maintenance Fee from \$1.40 to \$1.82 per 1,000 gallons and the current solid waste fee from \$353 to \$363.
- Stormwater Utility fee implementation scheduled for January 1, 2018 for all residential and commercial property owners. This will raise additional funds over the long-term to meet unfunded state stormwater mandates in a more equitable manner than funding with real property taxes.

FY 2018 BUDGET OVERVIEW, CONT'D.

- FY 2018 CIP projects include the next phase of implementation of the waterfront plan and flood mitigation, the first \$5.0 million of funding for the broadband initiative, athletic field improvements at Patrick Henry, upgrading to the NextGen911 system, and a continued commitment to street construction and repaving.
- Increased capital funding for maintenance of City facilities by \$6.0 million in FY 2018.
- Invests an additional \$7.5 million for the Alexandria City Public School (ACPS) operating transfer to address increasing enrollment (excluding additional \$0.9 million for increased debt service). Funds 99% of proposed ACPS operating budget.
- Provides funding to accelerate filling of Police vacancies in patrol and traffic units to achieve full staffing.
- Provides a merit increase for all eligible City employees with satisfactory performance.
- First phase of pension reforms implemented for FY 2018 and beyond in regards to lump sum payouts.
- Adds an additional step to the pay scales for City employees.
- Implements dual-role incentive pay to retain and recruit dual-role providers in Fire Department.

FY 2018 BUDGET CALENDAR

City Council and City Staff held a series of meetings during the budget development process to discuss and deliberate on the FY 2018 budget. These meetings included a public hearing on the budget on Monday, March 13 and a public hearing on the tax rate on Saturday, April 22. Ten budget-related sessions, were held in March, April and May 2017. These meetings were open to members of the public. Visit alexandriava.gov/Budget to review meeting materials and video recordings.

CAPITAL IMPROVEMENT PLAN

FY 2018 APPROVED GENERAL FUND EXPENDITURES

FY 2018 APPROVED GENERAL FUND REVENUES

The Approved FY 2018 – 2027 Capital Improvement Program (CIP) totals \$2.115 billion and includes funding for Alexandria City Public Schools, contributions to WMATA’s capital program, Waterfront Plan implementation, and continued commitment to street resurfacing and sanitary and storm sewers to meet state and federal mandates.

HIGHLIGHTS OF THE 10 YEAR PLAN

- Funding for Alexandria City Public Schools totals \$373.0 million which is a 62% increase from last years’ CIP.
- \$152.7 million to fund the City’s Capital Facility Maintenance Programs and other major renovations.
- An additional \$130.1 million to fund City and School facility projects recommended by the Ad Hoc Joint City/School Facilities Investment Task Force.
- Sanitary Sewer funding totals \$461.4 million, including \$390.2 million to conduct state and federally mandated work to mitigate sanitary sewer overflows at the City’s four combined sewer outflows.
- Stormwater funding totals \$62.1 million to begin to address long-term capital infrastructure needs related to federally mandated improvements.
- Funding to continue the City’s Street Reconstruction and Repaving program totals \$51.6 million over the ten-year plan.
- WMATA capital funding totaling \$256.1 million.

HIGHLIGHTS OF THE FY 2018 CAPITAL BUDGET

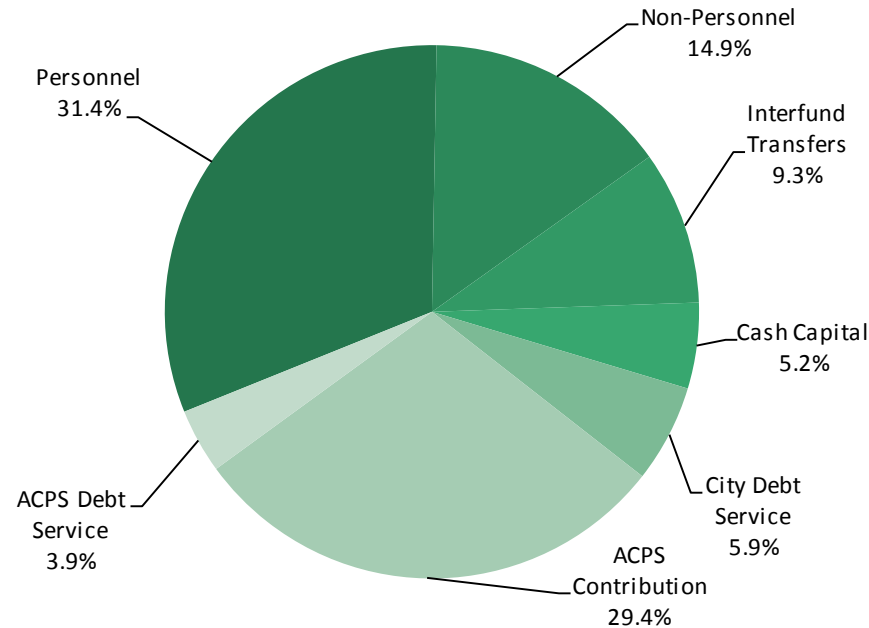
The FY 2018 Capital Budget (only year formally adopted and appropriated by City Council) totals \$145.3 million and highlights of the projects are as follows:

- \$19.0 million in new City funding to Alexandria City Public Schools to fund non-capacity/maintenance projects.
- \$10.0 million for identified maintenance and repair projects, as part of the City’s Capital Facilities Maintenance Programs (CFMPs).
- \$10.9 million to fund the City and School facility project recommendations of the Ad Hoc Task Force.
- \$17.1 million for the City’s contribution to WMATA’s capital program. This includes funding for the City’s portion of the purchase of new 7000 series railcars by WMATA.
- \$1.0 million to ramp up planning efforts at the City’s four combined sewer outfalls (CSO’s) to mitigate sanitary sewer overflows (SSO’s).
- \$5.3 million for street reconstruction and resurfacing. Resurfacing of lane miles will increase from an estimated 22 miles in FY 2014, to over 55 miles in FY 2018.
- \$3.3 million for DASH Bus Fleet Replacements.

DEBT AND CAPITAL FUNDING POLICIES

- The Approved CIP reflects increases to the City’s adopted debt ratio ceilings, such as an increase in the debt to tax base ratio ceiling, from 1.6% to 2.5%. The Approved CIP is in compliance with these policies throughout the ten-year plan.
- The CIP is comprised of 46% cash sources and 54% 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 2018 is 5.2% and averages 5.0% over the ten-year plan.

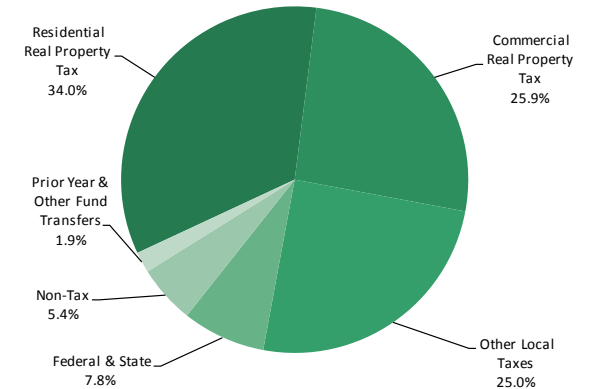
EXPENDITURE OVERVIEW



FY 2018 APPROVED OPERATING EXPENDITURES

General Fund Expenditures	FY 2016 Actual	FY 2017 Approved	FY 2018 Approved	\$ Chg	% Chg
City Operations	\$352,037,867	\$368,975,991	\$377,338,024	\$8,362,033	2.3%
City Related Debt Service	\$38,461,821	\$41,226,505	\$43,159,480	\$1,932,975	4.7%
City Subtotal	\$390,499,688	\$410,202,496	\$420,497,504	\$10,295,008	2.5%
School Operations	\$198,811,472	\$206,561,472	\$214,061,472	\$7,500,000	3.6%
School Related Debt Service	\$25,155,389	\$27,619,478	\$28,530,550	\$911,072	3.3%
Schools Subtotal	\$223,966,861	\$234,180,950	\$242,592,022	\$8,411,072	3.6%
Transit Services	\$8,685,156	\$19,906,276	\$27,181,806	\$7,275,530	36.5%
Cash Capital	\$16,025,541	\$23,799,991	\$37,866,696	\$14,066,705	59.1%
Bond Refunding	\$10,749,293				
TOTAL EXPENDITURES	\$649,926,539	\$688,089,713	\$728,138,029	\$40,048,315	5.8%

REVENUE OVERVIEW



FY 2018 APPROVED REVENUE SOURCES

	FY 2017 Approved	FY 2017 Projected	FY 2018 Approved	% Change
Real Property Tax	406.6	417.4	436.0	7.2%
Other Taxes	177.2	177.8	181.8	2.6%
Non-Tax Revenue	38.4	38.4	39.7	3.4%
Fed & State Revenue	56.2	55.5	56.4	0.4%
Prior year surplus & other fund transfers	10.5	9.7	14.2	34.9%
Contribution to Fund Balance	(0.8)	(4.0)	0	n/a
Total	688.1	694.8	728.1	5.8%

*Numbers in \$ millions

TAX FACTS & ASSESSED VALUE TAX CHART

Type	Unit	CY 2016 Actual Rate	CY 2017 Approved Rate
Real Estate*	\$100/AV	\$1.073	\$1.13
Personal Property	\$100/AV	\$5.00	\$5.00
Refuse Collection Disposal	Household	\$363	\$373

*Includes \$0.005 dedicated for stormwater management in first FY 2018 tax payment.

Average Home Assessed Value..... \$528,421
 Average Residential Tax Bill CY 2016 (\$1.073 Current Rate)..... \$5,670
 Average Residential Tax Bill CY 2017 (\$1.13 Approved Rate) \$5,971

Median Assessed Value of Single Family and Condominiums

Assessed Value	Units	Total Value	Median
Less than \$100,000	47	\$4,307,363	\$93,376
\$100,000 - \$249,999	9,780	\$1,859,939,020	\$193,916
\$250,000 - \$499,999	11,722	\$4,382,647,328	\$371,597
\$500,000 - \$749,999	11,252	\$6,872,166,015	\$601,772
\$750,000 - \$999,999	5,620	\$4,817,746,954	\$850,394
\$1,000,000 - \$1,999,999	2,634	\$3,325,737,006	\$1,179,634
\$2,000,000 and Over	236	\$724,578,538	\$2,517,737