

# FY 2011 Budget Overview

## Budget Overview

**The FY 2011 General Fund Operating Budget totals \$531.6 million.**

**This is a 0.3% increase from the FY 2010 Approved Budget and 3.1% less than the amount needed to fund the current level of services.**

**The FY 2011 budget includes a real estate property tax rate increase of 7.5 cents, from \$0.903 to \$0.978, including 0.5 cents dedicated for stormwater improvement projects.**

**There are no other tax rate increases included in FY 2011.**

The FY 2011 General Fund operating budget of \$531.6 million reflects an increase of 1.6 million, or 0.3% from the FY 2010 approved budget. This is \$17.1 million, or 3.1%, below the amount needed to continue the current level of services. City government expenditures decrease by \$1.7 million, or 0.5%, from the FY 2010 budget, and are \$6.2 million, or 1.7% lower than current services. City staff is reduced by a net of 61 positions, or 50.2 full-time equivalents (FTEs).

### Summary of FY 2011 General Fund Operating Budget (\$ in millions)

	FY 2010 Approved	FY 2011 Approved	\$ Change	% Change
City Operations	\$307.6	\$305.5	-\$2.1	-0.7%
Debt Service and Cash Capital	\$41.8	\$42.2	\$0.4	1.0%
Transit Subsidies	\$16.0	\$16.0	\$0.0	0.0%
<b>Subtotal City</b>	<b>\$365.4</b>	<b>\$363.7</b>	<b>-\$1.7</b>	<b>-0.5%</b>
ACPS Transfer	\$164.6	\$167.9	\$3.3	2.0%
<b>Total</b>	<b>\$530.0</b>	<b>\$531.6</b>	<b>\$1.6</b>	<b>0.3%</b>

The FY 2011 City Operations approved budget includes \$1.6 million in Contingent Reserves for a potential WMATA operating subsidy increase. The WMATA budget was not final at the time of City Council budget adoption. The budget adopted by WMATA following the City budget adoption included a \$0.3 million subsidy increase.

The real estate property tax rate increases by 7.5 cents, from \$0.903 to \$0.978 per \$100 of assessed value. The rate increase includes 0.5 cents designated for stormwater improvement projects and 7.0 cents for the General Fund. There are no other tax increases included in the FY 2011 budget. The average homeowner will pay \$125, or 2.9%, more in taxes in FY 2011 than in FY 2010, or \$10.41 per month. The FY 2011 budget also contains 17 user fee increases generating approximately \$2.2 million in increased revenue.

These user fee increases include a \$0.25 increase in the sanitary sewer usage fee per 1,000 gallons of water used for sanitary sewer improvements costing the average residential customer \$17.50 per year, an increase in the residential refuse collection fee of \$5 for each household served by the City to purchase larger covered curbside recycling carts, and an increase in parking meter rates to \$1.75 per hour City-wide.

# FY 2011 Budget Overview

## Revenues:

**FY 2011 General Fund revenues increase by 0.3% compared to the FY 2010 Approved Budget.**

**Total equalized real estate assessments are down 6.32% overall, with commercial assessments decreasing by 8.63% and residential assessments decreasing 4.95%.**

**Increases in user fees, fines and charges for services contribute an additional \$2.2 million in revenue for FY 2011.**

**Federal and state revenues are reduced by 3.2%.**

**For additional information, see the Revenues section.**

With the inclusion of a 7.0 cent General Fund real estate property tax increase, total FY 2011 General Fund taxes are expected to increase by 3 tenths of one percent as compared to the FY 2010 approved budget. This is due mostly to the continuing decline of real estate property values.

Millions of Dollars

	FY 2010 Approved	FY 2010 Projected	FY 2011 Approved	%Change 10 Approved/ 11 Approved
Real Property Taxes	\$296.3	\$303.5	\$296.2	0.0%
Other taxes	\$149.1	\$147.0	\$150.6	1.0%
<b>Taxes</b>	<b>\$445.4</b>	<b>\$450.5</b>	<b>\$446.8</b>	<b>0.3%</b>
Non-tax revenue	\$27.6	\$25.7	\$26.1	-5.4%
Federal & State Revenue	\$53.4	\$51.7	\$51.7	-3.2%
Prior Year Surplus & Transfers	\$3.6	\$3.6	\$6.9	91.7%
<b>Total</b>	<b>\$530.0</b>	<b>\$531.7</b>	<b>\$531.6</b>	<b>0.3%</b>

**Real property taxes** are taxes on residential and commercial real estate.

**Other taxes** include the personal property tax, the 1% sales tax, utility taxes, business license (BPOL) gross receipt taxes, transient lodging taxes, and others.

**Non-tax revenue** includes fines and forfeitures such as parking fees, and charges for services, such as solid waste fees.

**Federal & State revenue** is aid from the federal government and the Commonwealth of Virginia which goes into the City's General Fund and is not generally restricted to special activities. Federal and State revenue which is restricted is budgeted in the City's Special Revenue Fund.

**Prior Year Surplus & Transfers** finances the difference between the General Fund revenue projection and the General Fund expenditure budget. This category includes accumulated surpluses from prior years and Sewer Fund debt service.

## General Fund Expenditures by Strategic Plan Goal:

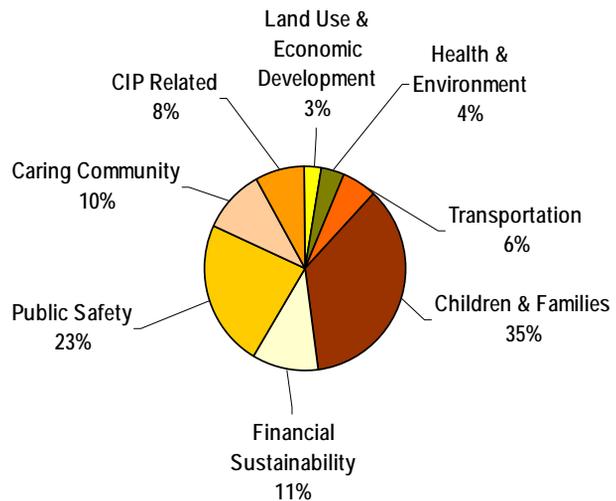
When measured by the goals of the Strategic Plan, the largest share of the operating budget (35%) is dedicated to Education and Youth. When combined with Public Safety, the two goal areas comprise over half (58%) of the City's budget.

Over a two year period, from FY 2009 to FY 2011, only the Strategic Plan goal areas of Health & Environment, Transportation, and Public Safety have increased General Fund funding.

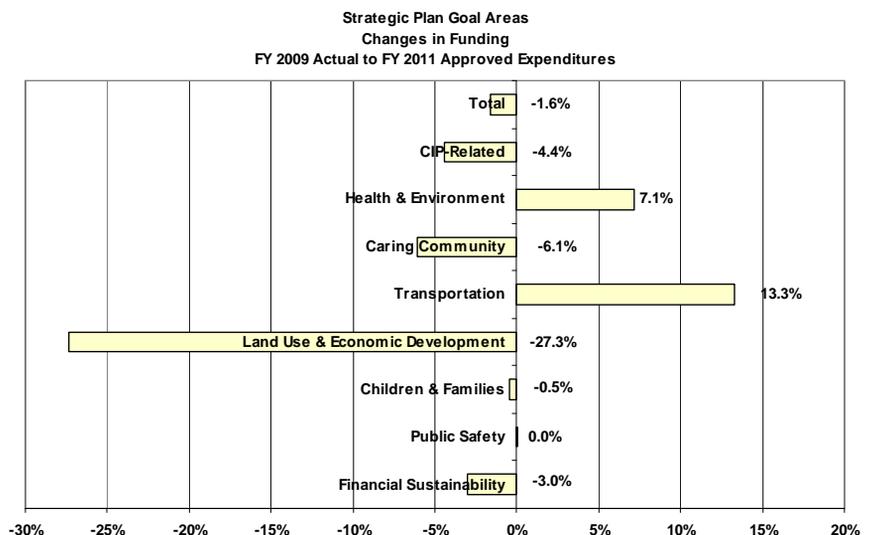
More information regarding the Strategic Plan being developed by City Council and Alexandria's future can be found on the City's web site.

<http://alexandriava.gov/StrategicPlanning>

## The Operating Budget By Strategic Plan Goals



The chart above allocates the FY 2011 operating budget by the City Council's strategic goals. There is overlap in how expenditure activities apply to the strategic goals. (For example, street maintenance included under goal 3 is also important to Goal 1, maintaining a strong local economy.) However, the chart shows generally the strategic alignment of operating budget expenditures. The chart below shows the percent change in budgeted resources over a two year period by goal area. For example, Health and Environmental expenditures have increased by 7.1% since FY 2009 while expenditures in the Caring Community goal area have decreased by 6.1% over the same period.



## ***The Strategic Plan Goals***

In June 2010, City Council adopted a new Strategic Plan containing the City's overall vision, goals, objectives and initiatives. The goals of the new plan currently are:

Goal 1: Alexandria has Quality development and Redevelopment, Support for Local Businesses, and a Strong, Diverse, and Growing Local Economy.

Goal 2: Alexandria Respects, Protects, and Enhances the Health of its Citizens and the Quality of its Natural Environment.

Goal 3: A Multimodal Transportation System that Supports Sustainable Land Use and Provides Internal Mobility and Regional Connectivity for Alexandrians.

Goal 4: Alexandria is a Community that Supports and Enhances the Well-Being, Success and Achievement of Children, Youth and Families.

Goal 5: Alexandria is Financially Sustainable, Efficient, Community Oriented and Values its Employees.

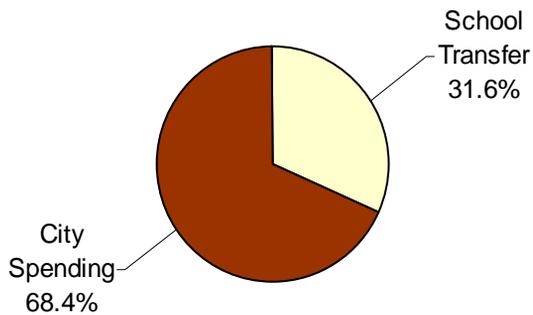
Goal 6: The City Protects the Safety and Security of its Residents, Businesses, Employees and Visitors.

Goal 7: Alexandria is a Caring and Inclusive Community That Values its Rich Diversity, History and Culture, and Promotes Affordability.

## **General Fund Expenditures by Type:**

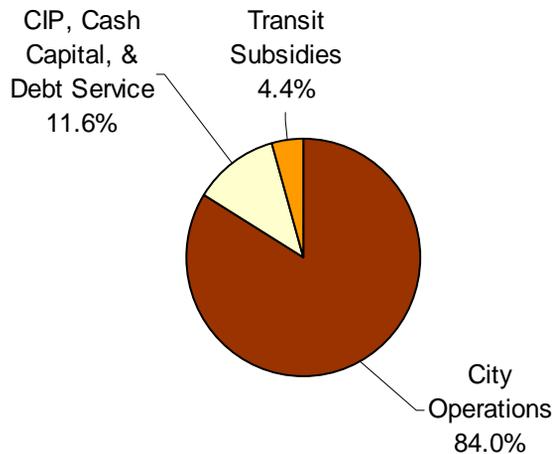
**City Operations account for 68% of General Fund expenditures and the transfer to Schools account for 32%.**

### **General Fund Expenditures \$531.6 Million**



Under the FY 2011 budget, the City would transfer \$167.9 million of its General Fund revenue to the Alexandria School System, not including spending on School capital improvement projects, or for School related debt service.

### **General Fund Expenditures Excluding School Transfers \$363.7 Million**



**After transfers to the Alexandria School System, the remaining General Fund expenditures of \$363.7 million are divided among City operations, funding for the Capital Improvement Program, Cash Capital and Debt Service, and funding for transit programs such as DASH, Metrobus, Metrorail, VRE and the King Street Trolley.**

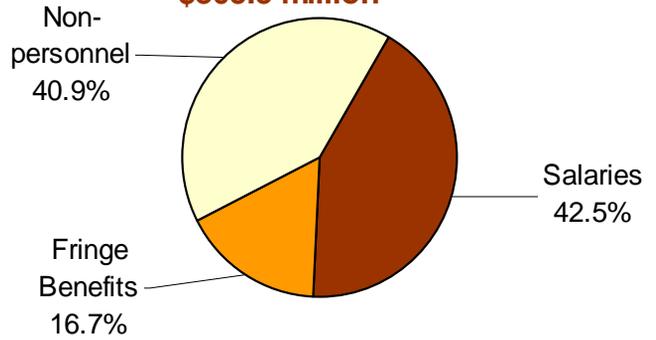
Of the \$363.7 million in City government expenditures in FY 2011, City operations account for \$305.5 million, CIP cash capital and debt service account for \$42.2 million, and transit subsidies for \$16.0 million. City operations include \$1.6 million in Contingent Reserves for a potential WMATA operating subsidy increase. The WMATA budget was not final at the time of City Council budget adoption. The budget adopted by WMATA following the City budget adoption included a \$0.3 million subsidy increase.

Excluding transit subsidies, cash capital and debt service, approximately 60% of the budget is devoted toward salaries and fringe benefits.

## General Fund Expenditures for City Operations

(less Schools, Transit, Cash Capital & Debt Service)

**\$305.5 million**



# FY 2011 Budget Overview

## General Fund Changes by Department: FY 2010 Approved to FY 2011 Approved

	FY10 Approved	FY11 Approved	\$ Change	% Change
<b><u>Legislative &amp; Executive</u></b>				
City Council	524,157	528,151	3,994	0.8%
City Manager	1,654,638	1,703,268	48,630	2.9%
City Attorney	2,806,519	2,998,772	192,253	6.9%
City Clerk & Clerk of Council	419,178	411,365	(7,813)	(1.9%)
<b>Total Legislative &amp; Executive</b>	<b>5,404,492</b>	<b>5,641,556</b>	<b>237,064</b>	<b>4.4%</b>
<b><u>Courts &amp; Constitutional Officers</u></b>				
18th Circuit Court	1,340,904	1,387,077	46,173	3.4%
18th General District Court	79,228	59,585	(19,643)	(24.8%)
Clerk of Court	1,563,551	1,518,691	(44,860)	(2.9%)
Commonwealth Attorney	2,626,465	2,619,874	(6,591)	(0.3%)
Court Services Unit	1,381,760	1,394,781	13,021	0.9%
Juvenile & Domestic Rel. Court	34,155	34,512	357	1.0%
Law Library	116,927	115,935	(992)	(0.8%)
Other Public Safety & Justice	5,173,292	5,098,020	(75,272)	(1.5%)
Registrar of Voters	1,070,439	1,128,653	58,214	5.4%
Sheriff	25,826,168	26,710,533	884,365	3.4%
<b>Total Courts &amp; Constitutional</b>	<b>39,212,889</b>	<b>40,067,661</b>	<b>854,772</b>	<b>2.2%</b>
<b><u>General Government</u></b>				
Citizens Assistance	557,595	553,778	(3,817)	(0.7%)
Finance	8,496,407	9,528,280	1,031,873	12.1%
Procurement	910,105	946,306	36,201	4.0%
General Services	11,400,484	11,734,468	333,984	2.9%
Human Rights	614,003	610,858	(3,145)	(0.5%)
ITS	6,504,441	6,945,173	440,732	6.8%
Internal Audit	223,233	228,920	5,687	2.5%
Office of Management & Budget	1,139,968	1,185,929	45,961	4.0%
Non-Departmental*	12,264,978	11,776,132	(488,846)	(4.0%)
Cash Capital	4,400,038	4,295,000	(105,038)	(2.4%)
Debt Service	37,418,614	37,916,774	498,160	1.3%
Office on Women	1,321,444	1,404,218	82,774	6.3%
Human Resources	3,090,821	2,660,065	(430,756)	(13.9%)
Real Estate	1,516,494	1,665,223	148,729	9.8%
Office of Communications	1,306,261	1,232,320	(73,941)	(5.7%)
<b>Total General Government</b>	<b>91,164,886</b>	<b>92,683,444</b>	<b>1,518,558</b>	<b>1.7%</b>
<b><u>Operating Agencies</u></b>				
Fire	32,521,197	32,908,171	386,974	1.2%
Code Administration	6,922,770	2,950,140	(3,972,630)	(57.4%)
Police	53,632,400	52,259,991	(1,372,409)	(2.6%)
Emergency Communications	0	192,273	192,273	-
Health	6,866,006	7,041,871	175,865	2.6%
Other Health Activities	1,038,600	1,038,600	-	-
Human Services	29,709,708	28,495,306	(1,214,402)	(4.1%)
MH / MR / SA	17,222,379	18,347,190	1,124,811	6.5%
Housing	2,306,072	1,601,388	(704,684)	(30.6%)
Economic Development Activities	3,246,153	3,568,611	322,458	9.9%
Planning & Zoning	5,337,436	5,355,144	17,708	0.3%
Historic Alexandria	2,533,323	2,501,575	(31,748)	(1.3%)
Library	6,074,971	6,248,349	173,378	2.9%
RPCA	18,949,746	19,195,811	246,065	1.3%
Transit Subsidies	16,035,685	16,039,422	3,737	0.0%
Transportation & Environ Svc's	27,217,327	27,576,240	358,913	1.3%
<b>Total Operating Agencies</b>	<b>229,613,773</b>	<b>225,320,082</b>	<b>(4,293,691)</b>	<b>(1.9%)</b>
<b><u>Education</u></b>				
Schools	164,594,674	167,886,567	3,291,893	2.0%
Other Educational Activities	12,304	12,229	(75)	(0.6%)
<b>Total Education</b>	<b>164,606,978</b>	<b>167,898,796</b>	<b>3,291,818</b>	<b>2.0%</b>
<b>Grand Total</b>	<b>530,003,018</b>	<b>531,611,539</b>	<b>1,608,521</b>	<b>0.3%</b>

\* FY 2011 Approved Non-Departmental expenditures include \$1.6 million in Contingent Reserves for a potential WMATA operating subsidy increase. The WMATA budget was not final at the time of City Council budget adoption. The budget adopted by WMATA following the City budget adoptions included a \$0.3 millions subsidy increase.

# FY 2011 Budget Overview

## **City Personnel & Compensation Overview:**

**The FY 2011 General Fund salaries and benefits budget decreases by 0.7% from FY 2010.**

**A merit/step increase is included, but no market rate adjustment.**

**Employee cost sharing of health insurance premiums is increased.**

**61 full- and part-time positions are proposed to be reduced, which equal 50.2 full-time equivalent positions (FTEs).**

**Compared to the original approved FY 2009 budget, the number of FTEs has decreased by 122.2, or 4.6%.**

**For additional information, see the Personnel and Compensation section.**

The FY 2011 General Fund personnel budget is reduced by \$1.3 million, or 0.7%, from the FY 2010 approved budget.

The budget includes merit based step increases for employees but no market rate adjustment. Employee cost sharing of health insurance premiums is increased.

### *FTE Summary*

	FY 2009	FY 2010	New	Deleted	FY 2011	Change (FY11/10)	
	Approved	Amended			Approved	#	%
Full-time Permanent	2,405.0	2,348.0	12.0	(35.0)	2,325.0	(23.0)	(1.0%)
Part-time (FTE)	202.7	193.7	0.0	(11.2)	182.5	(11.2)	(5.8%)
Approved Overhire	57.0	39.0	0.0	(4.0)	35.0	(4.0)	(10.3%)
<b>Total (FTE)</b>	<b>2,664.7</b>	<b>2,580.7</b>	<b>12.0</b>	<b>(50.2)</b>	<b>2,542.5</b>	<b>(38.2)</b>	<b>(1.5%)</b>

A total of 61 full- and part-time positions, or 50.2 full-time equivalents, are proposed to be reduced. These reductions are offset by an increase of 12 new full-time positions for a total decline of 38.2, or 1.5%, FTEs. Over two years, staffing levels decreased by 122.2 FTEs, or 4.6%.

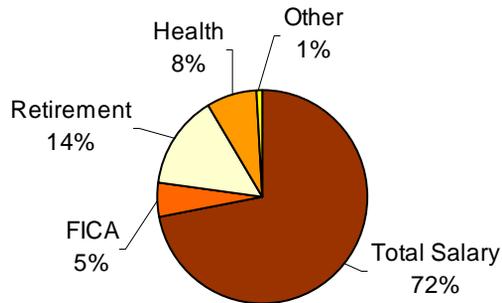
# FY 2011 Budget Overview

## City Personnel & Compensation Overview

General Fund salaries decrease by 1.4% while benefit costs increase by 1.0%. Overall, General Fund compensation costs decrease by 0.7%.

Title	FY 2010 Approved	FY 2011 Approved	\$Change FY10/11	%Change FY10/11
Total Salary	\$131.5	\$129.7	(\$1.8)	-1.4%
<u>Fringe</u>				
FICA	9.9	9.7	(0.2)	-2.0%
Retirement	24.8	25.4	0.6	2.4%
Health	14.3	14.3	0.0	0.0%
Other	1.4	1.5	0.1	7.1%
Total Fringe	50.4	50.9	0.5	1.0%
<b>Total Personnel</b>	<b>\$181.9</b>	<b>\$180.6</b>	<b>(\$1.3)</b>	<b>-0.7%</b>

**FY 2011 City General Fund Personnel Budget  
\$180.6 M**



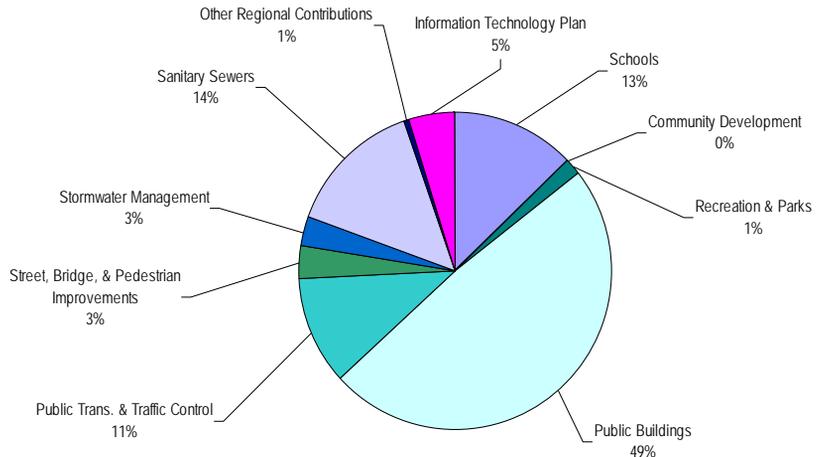
For additional information, see the Personnel and Compensation section.

# FY 2011 Budget Overview

## Capital Improvement Program Overview:

The total CIP for FY 2011 is \$106.1 million, which includes \$5.5 million in grants and other non-City revenues. The locally funded CIP is \$100.7 million, a \$16.7 million (19.9%) increase from what was previously planned for FY 2011 in last year's approved CIP.

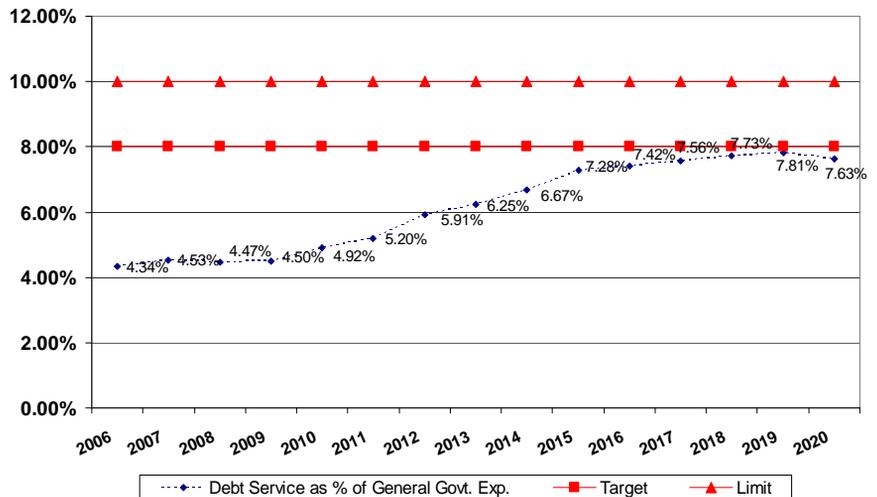
FY 2011 All Funds Capital Budget By Project Category  
(\$106.1 million)



The FY 2011 – FY 2020 Capital Improvement Program (CIP) is the first time the City has published a ten-year capital plan rather than a six-year plan. It is a completely balanced plan, not just over the life of the plan but within each fiscal year.

The City will not exceed the guideline set by Council that debt service as a percent of General Governmental (all funds) expenditures not exceed 10% as a limit, and the City has a goal of being below 8% as a target. However, the proportion of the budget being devoted to debt service is steadily increasing.

Approved CIP FY 2011-2020  
Debt Service as Percent of General Government Expenditures



# FY 2011 Budget Overview

**General Fund pay-as-you-go support for the CIP decreases by \$0.1 million in FY 2010, while debt service increases \$0.5 million.**

**CIP focus is on maintaining existing assets, not expanding them.**

**Significant Police and Fire facility needs including a new Police headquarters and new and/or improved Fire stations are included in the CIP.**

**For additional information, see the Capital Improvement Program section and Capital Improvement Program budget document.**

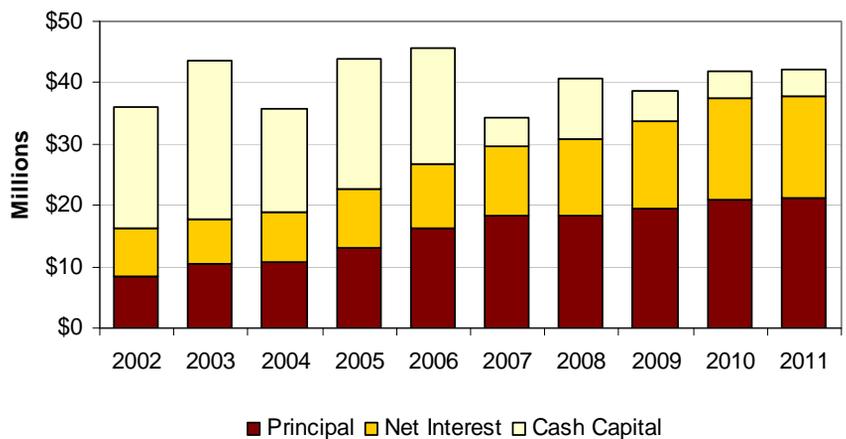
The FY 2011 General Fund budget includes a \$0.1 million reduction from FY 2010 in cash capital funding to support the Capital Improvement Program (CIP).

The primary focus of the CIP is maintaining the current City and Schools facilities and infrastructure with some limited funding for construction of new or expanded Schools and public safety facilities.

The CIP also includes a dedicated 0.5 cent real estate property tax for stormwater management projects and an increase of \$0.25 per 1,000 gallons of water used in the sanitary sewer usage fee to fund sanitary sewer improvements.

Debt service increases \$0.5 million as compared to the FY 2010 approved budget.

**Debt Service and Cash Capital  
FY 2002 to FY 2011**



- Cash capital payments are made to the Capital Improvement Program fund out of the General Fund on a pay-as-you-go basis.
- Debt service payments are composed of principal and interest payments on past bonds issued to finance capital projects.

# FY 2011 Budget Overview

## **Budget Schedule:**

Citizens participated in a public hearing on the budget on Wednesday, March 10, 2010 at 4:00 pm and a public hearing on the tax rate on Saturday, April 17 at 9:30 am.

City Council also held a series of eleven public work sessions denoted to the right, followed by adoption on May 3, 2010.

All work sessions were held in City Hall, Sister Cities Conference Room #1101, at 6:30 pm unless otherwise noted.

- **February 16<sup>th</sup>** – Introduction and Presentation of Budget (5:30 pm City Council Chambers, City Hall) – Delayed from February 9, 2010 due to a snow emergency
- **February 16<sup>th</sup>** – Combined Work Session on Revenues and Human Resources and Compensation (7:30 pm City Council Chambers, City Hall)
- **February 24<sup>th</sup>** – Work Session on CIP
- **March 1<sup>st</sup>** – Work Session on Public Safety
- **March 3<sup>rd</sup>** – Work Session on Health and the Environment
- **March 9<sup>th</sup>** – Joint Work Session with ACVA, AEDP & SBDC (5:00 pm City Council Work Room, City Hall)
- **March 10<sup>th</sup>** – Budget Public Hearing (4:00 pm City Council Chambers, City Hall)
- **March 13<sup>th</sup>** – Regular Public Hearing – Set Maximum Tax Rate (9:30 am City Council Chambers, City Hall)
- **March 15<sup>th</sup>** – Joint Work Session on Education and Youth (6:30 pm George Washington Middle School)
- **March 23<sup>rd</sup>** – Legislative Meeting – Introduce Tax Rate Ordinances (7:00 City Council Chambers, City Hall)
- **March 24<sup>th</sup>** – Work Session on Caring Community
- **April 5<sup>th</sup>** – Work Session on Transportation & Economic Development
- **April 14<sup>th</sup>** – Work Session on Financial Sustainability and BFAAC Report (5:30 pm Sister Cities Conference Room)
- **April 17<sup>th</sup>** – Regular Public Hearing – Tax Rate Ordinances and Effective Tax Rate Hearing (9:30 am City Council Chambers, City Hall)
- **April 26<sup>th</sup>** – Work Session on Preliminary Add/Delete
- **May 3<sup>rd</sup>** – Work Session on Final Add/Delete (5:30 pm, City Council Work Room, City Hall)
- **May 3<sup>rd</sup>** – Budget Adoption (6:30 pm, City Council Chambers, City Hall)

# FY 2011 Budget Overview

A brief guide to the departments and page references to detailed descriptions of the departments in the Operating Budget is included below:

**Section IX** (Also see the School Board's Operating Budget)

- **Education** includes the Alexandria City Public Schools.

**Section VIII**

- **Public Safety** includes the Emergency Communications, Fire and Police Departments and the Office of Building and Fire Code Administration.

**Section VII**

- **General Government** includes, among other departments, Office of Communications, General Services, Finance, Human Resources, and Real Estate Assessments.

**Section VIII**

- **Public Works** includes the Department of Transportation and Environmental Services, which maintains City streets and the City sanitary and sewer system. Transit subsidies to WMATA (Metrorail, Metrobus and MetroAccess), the City's DASH bus and DOT paratransit systems, the Virginia Rail Express (VRE), and the King Street Trolley are also included in "Public Works."

**Section VI**

- **Courts and Constitutional Officers** includes departments with elected officials such as the Office of Sheriff, which manages the Alexandria Detention Center, the Commonwealth's Attorney, the Clerk of Courts, and the Registrar of Voters.

**Section VIII**

- **Parks & Recreation** include the Office of Historic Alexandria, the Alexandria Library system, and the Department of Recreation, Parks, and Cultural Activities, which manages the City's parks and manages youth programs.

**Section VII**  
**(Non-Departmental)**

- **Debt Service & Cash Capital.** Debt Service is the amount the City repays in principal and interest on outstanding bonds issued for infrastructure improvements. Cash Capital represents funds in the current operating budget designated for capital improvements.

**Section VIII**

- **Health & Welfare** includes the Health Department, the Department of Human Services, and the Department of Mental Health, Mental Retardation, and Substances Abuse.

**Section VIII**

- **Community Development** includes the Departments of Housing, Economic Development, and Planning and Zoning, as well as the City's economic development agencies.

