

# APPROVED BUDGET IN BRIEF

## FISCAL YEAR 2023

### FY 2023 BUDGET OVERVIEW

The FY 2023 Approved Budget includes 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 \$21.4 million budget gap with \$1.3 million in efficiency and cost cutting savings and \$1.35 million in revenue sources that offset general fund expenses. The City's recovering revenues and reallocated funding allowed for merit increases for City staff and funds a 7% increase in sworn Fire pay scales, a 6% increase in sworn Police and Sheriff pay scales, and a 4.5% increase in General Schedule pay scales to align City employee salaries with the regional market.

As unanimously adopted by the Alexandria City Council on May 4, the City's General Fund Operating Budget of \$839.2 million represents an increase of 8.9% over the current year. The approved budget includes a \$248.7 million operating fund transfer for Alexandria City Public Schools (a 3.9 percent, or \$9.3 million increase over FY 2022 funding), and invests \$2.73 billion over 10 years in Alexandria's CIP. The approved budget also includes a spending plan for the City's second half (\$29.8 million) of ARPA funding to support COVID-19 recovery, community engagement, housing resources, and community infrastructure.

City Council and City Staff held a series of meetings, work sessions and public hearings during the budget development process to discuss and deliberate on the FY 2023 budget. Throughout this year's deliberation process, City staff issued over 100 responses to budget questions from City Council.

### FY 2023 APPROVED BUDGET HIGHLIGHTS:

- Maintains the current real estate tax rate of \$1.11 per \$100 of assessed value;
- Increases the dedicated revenue for affordable housing to a full penny;
- Funds Body Worn Camera program implementation;
- Projects an anticipated \$1.2 million in permitting revenue associated with fiber installation in public rights of way;
- Adds 20 SAFER grant-funded firefighters to reduce the amount overtime required to meet staffing needs;
- Allocates \$1.85 million to contingency for climate change initiatives and staffing;
- Adds two Senior Therapists and two Sworn Police Officers to expand the Alexandria Crisis Intervention Co-Responding Program by two additional teams;
- Funds facilities management, security resources, and shuttle services at the new West End Service Center where DCHS and Health Department staff will be colocated;
- Adds two positions 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;
- Funds the service expansion of DASH Line 30; and
- Allocates funding to address staffing needs for the Out of School Time Program.

#### ALEXANDRIA CITY COUNCIL

Mayor Justin Wilson

Vice Mayor Amy B. Jackson

Councilman Canek Aguirre

Councilmember Sarah R. Bagley

Councilman John T. Chapman

Councilman Alyia Gaskins

Councilman Kirk McPike

#### CITY MANAGER

James F. Parajon

#### BUDGET DIRECTOR

Morgan Routt

Review meeting materials, video recordings, and responses to budget questions at  
[alexandriava.gov/Budget](https://alexandriava.gov/Budget)

# FY 2023 APPROVED BUDGET IN BRIEF

## CAPITAL IMPROVEMENT PROGRAM

The Approved 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 totaling \$181.8 million

### HIGHLIGHTS OF THE FY 2023 CAPITAL BUDGET

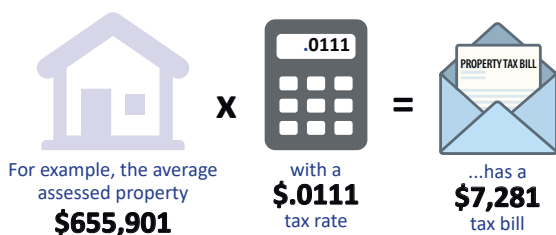
The FY 2023 Capital Budget (only year formally appropriated by City Council) totals \$561.2 million, which is a \$33.3 million increase from FY 2022 in last year’s approved CIP. Highlights of the FY 2023 projects are as follows:

- \$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 colocated 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 Approved CIP is in compliance with the City’s adopted debt ratios throughout the ten-year plan. See the Approved 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%.

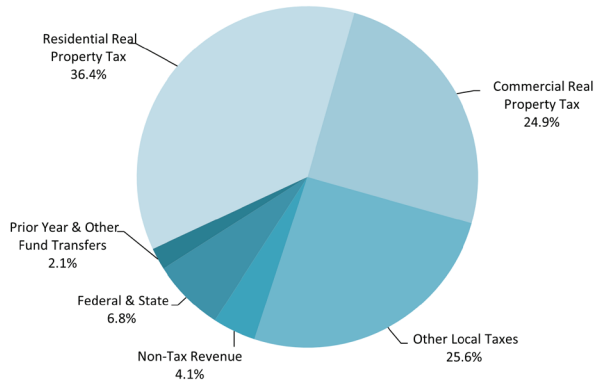
Type	Unit	CY 2021 Approved Rate	CY 2022 Approved Rate
Real Estate	\$100/AV	\$1.11	\$1.11
Personal Property	\$100/AV	5.33	5.33
Refuse Collection Disposal	Household	\$484.22	\$500
Average Home Assessed Value .....		\$655,901	
Average Residential Tax Bill CY 2021 (\$1.11 Current Rate) .....		\$ 6,836	
Average Residential Tax Bill CY 2022 (\$1.11 Approved Rate) ...		\$ 7,281	



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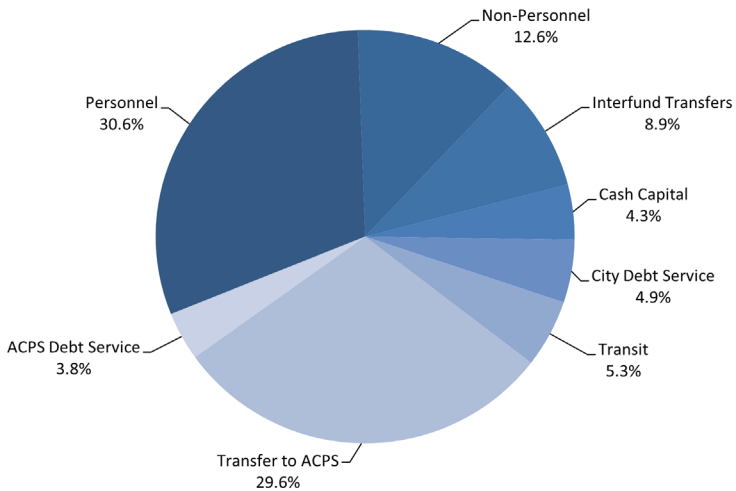
## GENERAL FUND REVENUES & EXPENDITURES

### FY 2023 APPROVED GENERAL FUND REVENUES



	FY 2022 Approved	FY 2022 Projected	FY 2023 Approved	% Change from Approved
Real Property Tax	483.3	493.5	514.6	6.5%
Other Taxes	182.1	200.5	215.2	18.2%
Non-Tax Revenue	28.5	27.5	34.5	21.1%
Fed & State Revenue	56.6	56.5	57.4	1.4%
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>839.2</b>	<b>8.9%</b>

### FY 2023 APPROVED OPERATING EXPENDITURES



General Fund Expenditures	FY 2021 Actual	FY 2022 Approved	FY 2023 Approved	\$ Change	% Change
City Operations	\$372,070,672	\$391,757,594	\$436,717,568	\$44,959,974	11.5%
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>\$477,887,699</b>	<b>\$49,278,437</b>	<b>11.5%</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	\$44,491,782	\$4,887,630	12.3%
Cash Capital	\$38,738,144	\$34,424,271	\$36,156,190	\$1,731,919	5.0%
<b>Total General Fund Expenditures</b>	<b>\$784,298,679</b>	<b>\$770,708,947</b>	<b>\$839,213,971</b>	<b>\$68,505,024</b>	<b>8.9%</b>