DATE: APRIL 17, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: PROPOSED REAL AND PERSONAL PROPERTY TAX RATES ORDINANCES AND PROPOSED EFFECTIVE TAX RATE INCREASE FOR CALENDAR YEAR 2008 (FISCAL YEAR 2009)

ISSUE: What real property (residential and commercial) and personal property tax rates should be adopted.

RECOMMENDATION: That City Council hold the public hearing on Tuesday, April 22, and consider the ordinance for second reading and final passage on Monday, May 5. The maximized rates authorized by Council reflect:

1. A base real estate tax rate on residential, commercial and industrial property for calendar year 2008 of up to $0.86 per one hundred dollars of assessed valuation;

2. An add-on real estate tax rate on non-residential commercial and industrial property for calendar year 2008 to be dedicated for transportation purposes of up to $0.02 per one hundred dollars of valuation; and

3. A personal property tax rate on vehicles and business tangible property for calendar year 2008 of $4.75 per one hundred dollars of valuation.

DISCUSSION: Under the requirements of The Code of Virginia (The Code), the City Council annually must establish real property and personal property tax rates for each calendar year. The Code also establishes certain advertising and public hearing requirements prior to the adoption of these property tax rates. One of these Code requirements is that the rates that Council chooses to advertise are the highest rates that Council can consider adopting. Council chose the maximum rates it would consider on March 15.

It should be noted, as discussed below, that the State Code requires a separate public hearing (i.e., separate from the budget hearing held on April 14) on the real property tax rate if the rates levied for the year in which the proposed tax rate applies would increase by more than one percent (after the value of new construction has been deducted). This would be the case in CY
2008 because the increased value of commercial properties yielded an overall increase in assessments of 4.0%.  

The following chart illustrates real estate alternative rates that Council can consider for the base real estate tax rate which applies to residential, commercial, and industrial properties:

<table>
<thead>
<tr>
<th>Tax Rate Increase Over Current $0.83&lt;sup&gt;2&lt;/sup&gt;</th>
<th>FY 2009 ( in millions)</th>
<th>Average Change in Residential Tax ($) (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>None</td>
<td>$0.0</td>
<td>-82</td>
</tr>
<tr>
<td>1.6 cents</td>
<td>$5.6</td>
<td>-2</td>
</tr>
<tr>
<td>2 cents (Alt. Budget)</td>
<td>$7.0</td>
<td>+18</td>
</tr>
<tr>
<td>3 cents</td>
<td>$10.5</td>
<td>+68</td>
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The FY 2009 Proposed Operating budget reflected no change to the real property tax rate of $0.83 per $100 of assessed value and did not include any add-on commercial property tax rate option. However, the alternative budget, if funded, would require a 2 cent real estate tax rate increase to $0.85. An additional 1 cent increase beyond this 2 cents which would then increase the rate to $0.86 cents could be used to fund a large portion of the $4.45 million revenue shortfall for FY 2009 described in Budget Memo # 79.

The proposed budget and the proposed ordinance assume the continuation of the dedication of one cent of the real estate tax rate for affordable housing and one percent real estate tax revenue for open space.

As part of the transportation funding initiatives which the General Assembly approved (HB3202) during its 2007 session, local governments in Northern Virginia also were each given a commercial real estate tax option to be used for transportation purposes. Under the commercial real estate tax option, localities are now authorized to adopt a differential real estate tax rate on non-residential commercial and industrial property in the City of no more than 25 cents per $100 of value. (Apartments and all other residential property in the City would be excluded from this new tax.) Non-residential commercial property includes office, retail, hotel, general commercial, industrial and public utility real property. The Ad Hoc Committee that Council established has recommended that Council consider implementing this new tax in the 2 cent to 4 cent range in 2008. The Ad Hoc committee also recommended business license tax relief for small and medium size retailers. Recent loss of NVTA and VDOT funds totaling $21.5 million in FY 2009...

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1 The total value of taxable real property within the City has been assessed at $35.6 billion including non-locally assessed properties. This reflects a 4.0% increase in total assessments. 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. Under the existing $0.83 tax rate, the tax bill for the average residential unit in 2008 would decrease by $82.

2 Council can consider adopting any rate at $0.86 per $100 of valuation or lower. Rate gradations may be in tenths of a cent.
make this decision on this commercial add-on tax more germane in 2008.

The FY 2009 Proposed Operating budget reflects no change per $100 of assessed value to the current various personal property tax rates:

- $4.75 for tangible personal property,
- $3.55 for vehicles with specially designed equipment for use by the physically disabled,
- $4.50 for machinery and tools used in machinery and manufacturing business, and
- $ .01 for privately-owned pleasure boats and watercraft that are used for recreational purposes only.

The attached ordinance assumes that the personal property tax rates for machinery and tools, specially equipped vehicles for the disabled, and boats would not change for 2008.

**FISCAL IMPACT:** A one cent increase in the overall real estate tax on each $100 of assessed value is expected to generate an additional $1.7 million in FY 2008 and $3.5 million in FY 2009. Each increase of one cent of the commercial real estate rate add-on real estate tax is expected to generate $0.5 million in FY 2008 and $1.0 million in FY 2009.

**ATTACHMENT:** Proposed Ordinance

**STAFF:**
Mark Jinks, Deputy City Manager
Bruce Johnson, Director, Office of Management and Budget
Laura Triggs, Director, Finance Department
We urge Alexandria City Council members NOT to increase commercial property taxes.

Increasing commercial property taxes will drive away new and established businesses as they search for friendlier jurisdictions. Alexandria shouldn't be chasing off the good local jobs attached to these businesses.

Alexandria's unique economy, especially the small independent businesses concentrated in Del Ray and Old Town, will be inordinately damaged by another tax increase in these economically challenging times.

Should the City Council increase commercial property taxes, Alexandria consumers will face the prospect of higher prices as businesses pass along the costs. Higher prices will especially hurt low-income and less-mobile residents who have a harder time shopping around for lower-priced goods.

Alexandria can capitalize on the recent commercial property tax increases in some other Northern Virginia localities by simply keeping the current tax rate the same. This will naturally drive business and consumers to Alexandria. The City's leaders can use this opportunity to foster a reputation for Alexandria as the most pro-business jurisdiction in Northern Virginia.

Please, protect our small businesses and consumers by rejecting any increase in the commercial property tax.

Sincerely,

The Undersigned
good business is to have appropriate taxation

City Council: Please give Alexandria Small Businesses a chance. Don’t raise our taxes again.

please do not raise taxes, it will hurt us.

Be responsible and cut spending.

Don’t raise already-high property tax rates and harm the small businesses that make Alexandria unique.

RE is already dying

Haven’t Alexandria taxes gone up enough? Do we need another trillion-dollar school building somewhere?

Enough is enough

Enough is enough. What IS it with this Board? They can’t seem to curb spending, the schools are in the toilet, and now they want to increase taxes on businesses here? Let FFX and Arlington counties raise their taxes and let Alexandria benefit from the relocation

Stop the madness of passing legislation that continues to make Alexandria unfriendly to
As a resident and business in Alexandria, I am against any increase in commercial property tax in Alexandria.

Drew Nordgren

DON'T DO IT!!

Craig Miller

I thought we were trying to FOSTER new business

Lisa De Pasquale

please...enough is enough!!

Brendan Steinhauser

Robert Crockett

Lower taxes comparable to other local jurisdictions will drive business to Alexandria, not away!!

Kent Lassman

The Westin East Management Company

Mike Anderson

Diane Miller

Edward N. Brown

Sara Salupo

Laurie Wirth

Timothy Lee

Melissa Moskal

May have to vote for a Republican candidate the next election if you keep raising taxes. Try curbing spending for a change, like stopping the Safe Haven program on Patrick. That alone will save a half million in "taxpayer" money for people who don't pay taxes, an annual cost that is guaranteed to exceed a million in just a few years. Your nice-to-have social programs
are going to be the end of an Old Town Alexandria that took three decades to create. Or perhaps you want Old Town to return to the shadows again? Why don't you increase the parking police staff and focus on all Old Town streets, not just those with meters around King Street. Raising taxes for businesses and residents while ignoring a cash cow is just plain ignorant of fiscal realities and and financial potential.

Gwendolyn Jo M. Carlberg

Center for Individual Freedom

Scott C. Humphrey I find this to be a discriminating Tax. Will not be a good message for attracting new business. I think as a business that supports all kinds of city endeavors I will reduce all charitable contributions in an amount equal to the amount of the discriminatory tax. Of course I will explain that City Council is responsible for my reduced contributions.

Lynne Weigle-Snow

Mark A. Potter

Troy Englert New business in old town this could jeopardize the business.

Debra Monahan

Pat Dunn

Eric Hilleman

ISABEL MOSQUERA

Rodrigo Restrepo Please don't make taxes higher

Alonso Castano Keep taxes down!

Henrik Rasmussen

Sandra Levy I am a resident and business owner, and an increase would hurt my business. You can raise taxes, but we cannot raise prices and remain competitive. Our employees, who work on commission, would surely suffer.

Katia Miniovich

Iris Henley

Dina Clevenson

Sheri Bergen
Steve Nearman: 30% is really excessive and not in anybody's best interests here.

Lynne Reid: TOO HIGH FOR SMALL BUSINESSES NOW!

Angela Cannon: With the new Harbor about to open across the river Alexandria needs to do ALL IT CAN to sustain the viability of its small businesses.

Sharon Shoch

Jody Manor

Pamela Prevar

Pete Sepp: I hope elected officials will stop trying to play these kinds of shell games. "Taxing businesses" means taxing people!

Troy Clayton: As I have seen over the years, if property values go up, the city takes the increased taxes, and spends more. If the property values go down, or remain flat, the city puts up the tax rate and spends more. It is time for a responsible budget, without undue burden on business.

Gail McCurry

Dan Hazelwood

Mary Longacre: The city can raise additional revenues from its commercial base by making this a MORE business friendly environment, supporting existing businesses by helping them increase revenues, which will increase BFOL tax collections - everybody wins. If you raise the property tax rate, rents will go up, and more small businesses will be forced to close - everybody loses!

Eileen Cross

Lamar Brown: This increase will hurt small business owners such as myself.

Kyle Roberts: I agreee with this petition. The city has enough funds to function. I will have to move my business to avoid these taxes.

L. Lauritzen

Richard Geiger: I would have to move my private business office outside of Alexandria if the proposal is
We are heading into a downturn now is NOT the time to be raising any costs on businesses.

Do not increase business costs as we head into an economic downturn.

A raise this high is likely to put my business out on the street.

Reside at 208 S. Henry Street, Alexandria

Don't increase taxes...Parking is very difficult in Alexandria....Very few shoppers in town...Christmas business is very slow

Alexandria businesses offer good value, but price increases will likely make them less competitive.

As a business owner that is considering expansion to downtown DC, Bethesda, Chicago and even New York City, Alexandria has some of the highest costs my team has encountered (even when compared to New York City). Please reconsider this strategy. As the economy stutters and City Hall raises taxes, subsequent price increases from merchants will cause consumers to re-think spending their discretionary income in Alexandria, not to mention
making it harder to attract solid businesses to our neighborhood.

As a member of PHBA and a Del Ray business owner, please think twice about raising commercial taxes. It hurts the landlords who've invested in Alexandria and when passed on to us, hurts business. If my rent is increased up to 30\%, it will affect prices to consumers and commissions to my contractors. I may even have to move my business elsewhere.

When you think of that mom & pop store on the corner that has been there since you were a child, when you think of the community that thrives around & because of these shops, when you think of the centuries of Old Town built on the shoulders of independant retailers struggling to provide a service for their community and etch out a living for themselves in the process.... when you think of them, understand that taxes like this will be sure to thank them for all of their hard work by putting them out of business. Bravo!

I work for a small business called Alexandria Myotherapy Inc. We are a low-profit business and an increase to our rent could adversely affect our business.
Commercial taxes are simply passed on to the consumer in the form of higher prices. Please don't raise Alexandria's prices, slow spending, and chase our business and jobs to other localities.

NO NEW TAXES, drive business away and you drive away prosperity for all!

We have some small unique and quality shops that offer special service and merchandise. If they should have to leave because of tax increases then Alexandria will have less to offer both residents and citizens.

Raising taxes runs counter to competing with National Harbor. High taxes will drive more businesses away, rather than encouraging them. Many in the past 20 years have left because of high taxes and other costs. We increasingly are an Old Town of restaurants and "tee shirts". Bad news. No class at all. Keep taxes low.

Call me as I can try to get more signatures.

every one in city hall should lose their jobs!!!!

I own Diva Boutique on 116 S. Pitt St. and feel very strongly about the fact that we as a City need unique, small businesses to preserve the flavor of Alexandria. If small businesses are
continually asked to be the ones ante-ing up, we are going to end up with a city of Walgreens, Gap Outlets and 9 west outlets. Not even mall-worthy stores. Please reconsider the idea of raising these taxes--look how many small businesses have gone out of business this year--the trend will sadly continue if we are hit with this along with all of the other City fees.

137  michael Anderson
138  Jennifer Donohue
139  Meshelle Armstrong
140  Michael P Kirby
141  Geremy Gersh
142  Jay Thomas  President Kwik Kopy Printing and Mailing
143  Carrie Ruggles
144  Angela Lorinchak  I agree - enough is enough!
145  Steve Cann  Resident and business owner. Another tax hike. Alexandria is not a city that wants small business.
146  Cecilia Guay
147  Amanda Lasker  Gossypia
148  matthew sellers
149  Rachel Hughey
150  DAVID A CHENAULT
151  Sarah Davis
152  Timothy Davis
153  Laura Shelton
154  Karen S. Stone
155  Jim Makinen
156  Erica Jones
157  Anthony Felli
158  Lynne Weigle-Snow  Increased commercial property tax is killing small businesses!
Mark Allen
Prediction: City Council will proclaim success by holding the tax rate to its current level while adopting the "add-on" commercial tax rate of at least $.15 per hundred. There is no rationale for increasing real property taxes on commercial property only. After all, they don't require the infrastructure that residential development does, such as schools, parks, etc. In fact, commercial developments actually generate revenue. Perhaps we should take a hard look at cutting some spending, such as the budget for "refugee assistance" we have now.

Rebecca Marchand
Small businesses already pay enough tax!

P. Elizabeth Pirsch
I own two townhouses in Alexandria City, one in Del Ray and one in Oldtown. I can't replace my air conditioner on my roof in Oldtown without a city permit. I pay high real estate taxes. I donate my time to charitable organizations, including the Alexandria Police Foundation. The only request I made of the City was to investigate a robbery that I had in my office by prior employees and the Police did nothing regardless of the fact that the employees admitted that they had files of mine.

Fairfax City police had an arrest warrant issued for a client of mine in similar circumstances. I think my area is quaint but what am I paying for? If Alexandria raises its taxes, I am definitely moving.

R.C. Fields Jr.
The City needs to tighten their belt. We are already taxed for every pencil we own.

Deborah Malkin
business license taxes on gross income is vicious and counterproductive towards business owners and the local economy.

Andrew Hepburn
Frank H. Fannon IV
If you are going to increase the commercial tax you should have the residential tax increase along with it and not discriminate against the businesses. With the state of the economy in 2006 we need ways to spend less money as opposed to increasing taxes axes. Many of the local business are running on tight margins and a tax increase could send some business under and cause jobs to be lost.

Peter Mikoniatas
John F. McGinley Jr.
Fiscal responsibility means don't spend money
you don't have; not tax someone because you doubt that they will vote against you since they "only" work in Alexandria.

Property taxes are passed on to the tenants of owners' buildings. Small business in Alexandria operate at 50\% of the square footage take of our neighboring regions. Any additional tax could cause more unique businesses to close, thus lessening the charm that attracts visitors to the city.

Don't raise the taxes! Our business is already considering whether or not it makes sense to be headquartered in Alexandria for this very reason. Find other ways to raise revenue other than taxing quality small local businesses.

Does anyone really expect the Council, which always cries poverty, to practice restraint? Isn't a recession a great time to raise the cost of business? Be prepared to open your wallets as the Council doesn't know the meaning of restraint - except when it comes to depriving its citizens of economic prosperity. In a few years the city will wonder what happened to the small retailers.

Alexandria cannot keep businesses as it is. Find ways to attract business, don't drive it away. Alexandria is justly known as an overpriced, bureaucratic nightmare.

Don't make City Gov't more efficient--CUT ITS SIZE!!!

They could have had a V8!

This will force businesses out of Alexandria.
and keep new business from moving to the City.

187  Brian Midkiff

188  Elizabeth A. Terrell  What do the businesses in Old Town, DelRay, Skyline, and Seminary Valley need? I don't think a special tax hike (or a trolley for that matter) is the right answer to that question.

189  Kenneth J. Wolfe

190  David E Halla

191  Anita Winsor

192  Jeffrey S. Arval for Transportation Federal Credit Union

193  Deatrice Jarrett

194  Ken Boland  There is no justification for higher commercial property taxes than residential taxes.

195  Grant Cole  Now is not the time increase taxes but find ways to show fiscal restraint during these uncertain times. The budget needs to be cut. Taxes don't need to rise every time Alexandria finds itself with less money than normal.

196  Heath Wells  Small government through small taxes

197  Darren Silvis

198  Sydney Olson  If the city is serious about attracting tourists from the Gaylord Hotel and Convention Center, then it makes absolutely no sense to impose an additional commercial tax that will drive many of our unique small businesses OUT of business. How attractive are streets full of empty stores?

199  Brenda Wigger

200  Lee Dunn

201  Francis M Johnson

202  Nadine Drury Boland  As an Alexandria resident, consumer, commercial property owner, residential property owner, and employee of an Alexandria small business, I urge you not to increase commercial property tax.

203  Mari STULL

204  DOUGLAS K. WOOD

205  Tom Hinley
Alexandria City Council, wake up!!

You are driving out the middle class in Alexandria and polarizing the population that is left. Don't raise taxes -- again!

Budget cuts are not easy, but we are all making them, the city must as well.

Own 2 businesses and 3 properties in City
Dear Honorable Mayor and Council Members,

I am e-mailing you to urge you to not raise our real estate taxes through the proposed increase without first demonstrating that Alexandria is serious about cutting spending. Escalating property values have dramatically increased city revenue in the last seven years and this year's dip should not force the city into raising taxes.

The tax assessment office is already unfairly inflating property assessments above the fair market value. I purchased my house in October of 2006 and the City assessment office has assessed my property $38,000 above what I paid. I would be lucky if I was able to sell my house at my purchase price back in December of 2007. I now have to go before the Board through a complicated process that is clearly designed to discourage citizens to challenge the assessment, since staff reviewed the

Comments:
property and told me that their hands are tied in reviewing beyond what their brand new software program tells them. This becomes a judgement call: is it worth a few hundred dollars to jump through so many hoops, that the assessment office knows few citizens will bother to do.

Further, as I drive through my neighborhood, I see several Alexandria City government vehicles parked in driveways of homes. Why is the city providing vehicles for non-emergency staff to drive around in? It makes sense if it is a police or EMS vehicle, but I see standard vehicles in driveways. This is just one small example of why the city should be working to tighten its budget before further raising taxes on already stretched homeowners grappling with gas and food prices.

Cordially,

Richard Hershman
Good evening. I'm scheduled to speak at the tax rate public hearing tonight. Unfortunately, my husband was involved in a bad accident this weekend (two broken arms!) and I need to care for him.

I urge you to avoid a tax rate increase on personal or commercial property. Remember, every dollar that goes to higher taxes is a dollar that Alexandria families won't be able to put toward covering mortgage payments, gas bills, grocery costs, and health care expenses.

Thank you for your consideration.
Lady and Gentlemen:

I write to inform you that I am vehemently opposed to new tax increases in the City of Alexandria—neither commercial or real estate tax increases are acceptable.

This City and you as a Council, have shown absolutely NO fiscal discipline during your tenure. Your actions just don't match your campaign promises.

You spend and tax and spend and tax and its all been done on the backs of the taxpayer. It's popular these days to talk about the "haves and the have-nots," in the City of Alexandria it's the "will works and the won't works." And those of us who work hard are subsidizing those in the City who just won't work. Oddly enough, none of the "won't works" do not live near you guys; they all live in the projects in Old Town.
Maybe we should spend some of the taxpayers money to move them to Del Ray!

Yes, for all of this taxing we get below average schools where violence abounds--sure, the buildings are pretty and everyone feels good about themselves but give me a call when the "wow factor" applies to student achievement.

We get rude employees at City Hall; who take ridiculous amounts of time to do anything (unless it comes to cashing a parking ticket payment).

We get inconsistent Board of Architectural Review rulings (the Trophy Room has to go but the art deco abortion known as Hotel Monaco--which belongs in Miami but not on King Street and a Walmart and everything that makes us look like "Generica" gets built?)

Barack Obama is right; people in middle America are bitter.

We're bitter because of the waste. And the fraud (none of you guys are keeping your campaign promises on taxes). And the abuse.

It's simply pathetic that you guys can't get it right with more than a half billion dollar budget. It's obvious what you're going to do--you're gonna raise taxes, because we certainly need more million dollar trolleys going up and down King Street (a million dollars for a trolley--come on!), a few more city employees at City Hall (who are rude when you try to get something done), more regulation and of course each of you need another full time aide.

As individuals, you are probably pretty good people; as a body you've been corrupted by power and group think--unable and unwilling to look at solutions to problems that involve common sense or creativity; or just old fashion solutions like cutting services we don't need and can't afford. It's third-grade piggybank math guys--when an economy has a downturn, everyone, even the government should cut back.
It would be pretty easy to write a case study entitled "when governments get rich" based on the City of Alexandria.

A half billion dollars...

come on people--how much more do you need???

George Demetriades
Dear Mr. Mayor & City Council:

As promised, I have attached the full text of my presentation from last night. Thank you for your patience with this slow speaker.

In addition to the thoughts in the attached text, I would urge caution regarding the use of the tax code as a weapon against a legal activity as proposed regarding the high interest loan companies for the following reasons:

1. Probable Litigation Costs
2. Possible action on the State level may achieve your goals
3. Likelihood of the increased costs being passed onto the consumer
4. In the unlikely event you drive these organizations out of business; you will simply create or enhance a market for illegal financial activities.

To be honest, the only
difference I see between these organizations and our local banks is the amount of interest charged.

You have our best wishes for these challenging times. Please keep the taxpayers in mind as you consider these issues.

Bud Miller

Attachment: ca75ee099275efa9e31eb55e7fb8b49c.pdf
Facing the New Economic Realities

I would like to thank the City Council for its considerable time and effort on this current budget process. You have made much progress and I think it would be very inconsiderate not to acknowledge that. You’ve taken a hard look at the numbers and have made several significant changes to work towards financial restraint. It is challenging to manage a City during prosperous times; it will take extraordinary leadership in the difficult times ahead as we face the looming economic realities of a growing recession, generalized inflation, and a deflating real estate market. Unfortunately, our problems are just beginning.

We have high hopes for you. After years of runaway budgets, you have taken the first steps towards fiscal responsibility. We believe you have what it takes to continue down this the road. We urge you to keep the promises you made during your campaigns, and to balance our budget without resorting to new tax increases or opening the Pandora’s box of a new, separate and unequal, Commercial Property Tax.

Commercial Property Tax

I am providing you with an updated copy of our petition with well over 200 signatures against any new add on tax for commercial properties. This position is also supported by the Alexandria Chamber of Commerce. The comments on the petition quite literally speak for themselves. This is your electorate trying to communicate with you. They beg for financial restraint and basic tax relief. Small businesses owners cry "UNCLE!" at the beginning of this recession as they are faced with a measure that will damage the whole community. If you impose new taxes on us, you WILL force some businesses to close their doors. Please note that this is a nonpartisan petition and individuals from all parts of the political spectrum have signed it, including some individuals who have previously advocated for higher taxes on businesses.

Residential Property Tax

There is simply no need to increase our property taxes. There is ample room to cut without causing a negative impact on most Alexandrians. After all, the City's budget has increased by over $120 million over the last five years—well ahead of both the inflation rate and any increases in population.

We have a few suggestions for gentle budget cuts:

1. Have the school board live within the goals set by City Council. Declining enrollment should mean stable, if not declining, financial needs. According to a national study cited in Forbes magazine just last year, our City’s school system has the worst financial performance in the country. Alexandria is DEAD LAST in terms of bang for our bucks.

I understand that at least one council member has disputed the quality of the study. Let’s assume for a minute that the study was off by a factor of 10, which would still make our school system one of the worst in the country. Now assume it was off by a factor by 100! That is still unacceptable. Surely, Alexandria, with one of the most educated populations in the country can do better. Regardless of what you think about the recent leadership transition within our school system, The City should seize upon the opportunity of new leadership to re-consider how
spending decisions are made in this huge part of the city budget. We must end the practice of doing LESS with MORE and transform it to doing much MORE with LESS with better accountably and by tapping into the wisdom of our school officials and combining it with wise management and oversight of the school budget.

2. City Attorney’s office. There is little question of the necessity of a high quality City Attorney’s Office or reasonable alternative in today’s litigious society. However, the Alexandria’s City Attorney’s office has an established record of losing high profile cases, including some that can be reasonably be argued were attempts to achieve political objectives through litigation. While one can debate the merits of specific cases, we’d recommend a simple, cost effective, reform: Don’t engaged in litigation until an objective, qualified, nonpartisan, volunteer panel of retired lawyers and judges can review the case and determine the probability of success and financial recovery. Have the panel also review any attempts to settle pending cases.

3. Review Debt Service Costs. Simply put, lower Fed Rates may have opened some opportunities to reduce the interest rates the City is paying. Frankly, this is a no brainer, if is hasn’t been done already, it creates more questions on management and accountability.

4. Conduct a thorough audit of the Alexandria Redevelopment and Housing Authority (ARHA). As you know, William Dearman, the Authority’s former executive director, entered into a pretrial diversion agreement with the U.S. Attorney’s Office after admitting to violating HUD regulations and the Virginia Public Procurement Act. Dearman circumvented procurement regulations and awarded more than $190,000 in roofing contracts without competition and then falsely certified ARHA annual contributions contracts. Corruption is absolutely unacceptable. Seek it out, learn from it, and extinguish it. See if similar patterns or opportunities exist in other City procurement procedures.

Transportation Items

1. Save $300,000 by not hiring two new bureaucrats and a consultant.

2. Re-evaluate the costs associated with spending $2.5 million for Potomac Yard Metro Station Feasibility Planning. Surly, this cost can be reduced. Even a gold plated $2 million study would save half a million.

3. Save $560,000 by not funding Holmes Run Pedestrian and Bicycle Trial and Tunnel improvements. It’s a Nice to Have, but won’t have a significant impact on transportation. Put the project off until economic times are better. At a minimum, don’t classify it as a vital transportation issue.

These are just a few suggestions for the time allotted for public presentation. Surely there are many more cost reduction opportunities within the City Budget.

Finally, unlike the 80 some people who attended the so-called “Begging Session” of City Council last week, we are not here to ask for anything----- except to be allowed to keep what we have worked so hard to earn.
You should understand, Taxes hurt, they hurt the economy, business, and, most importantly, the tens of thousands of hard working people in our city who are struggling right now. If you raise our taxes yet again, you will be taking more bread off the tables of everyone— from those who are struggling to those who are the engine of the local economy.

If you raise our taxes during the onset of a recession, it will be more than cruel, it will be heartless.

Comments by Bud Miller
President
Alexandria Taxpayers United
www.atuonline.org