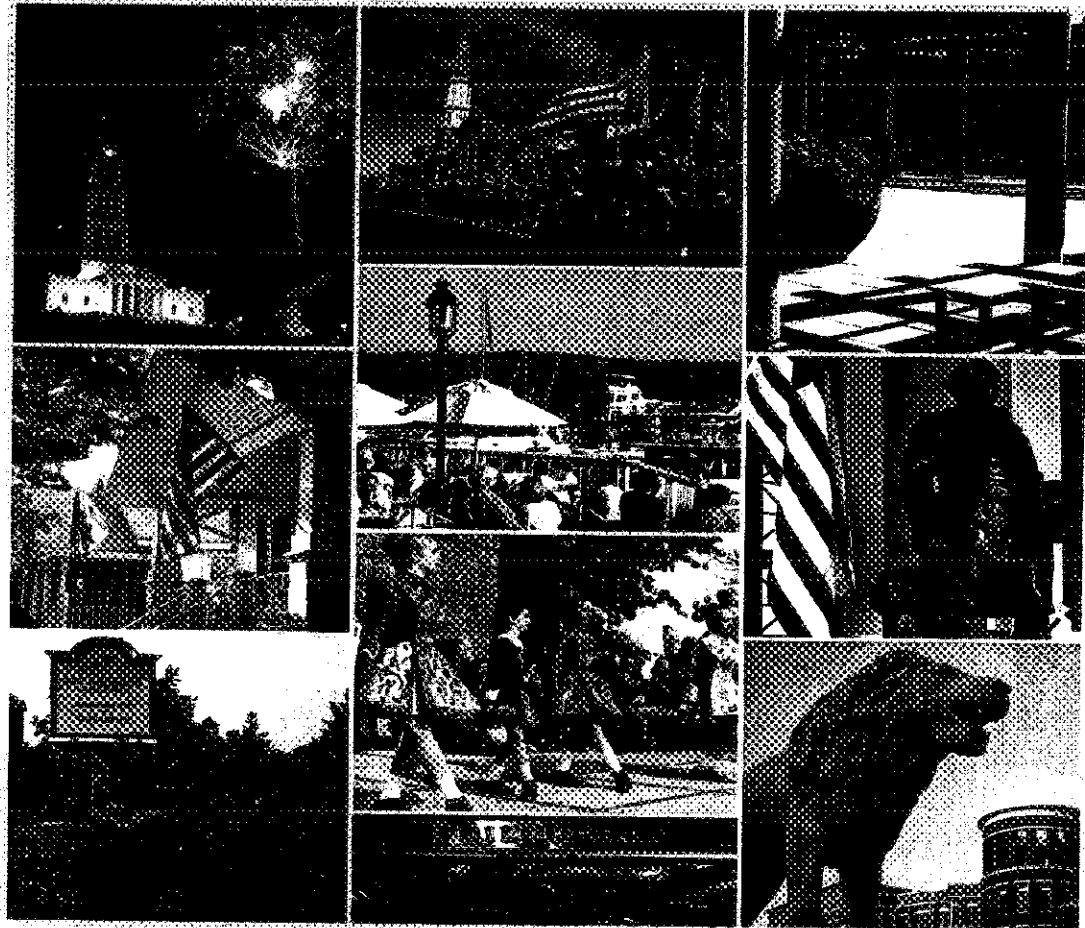
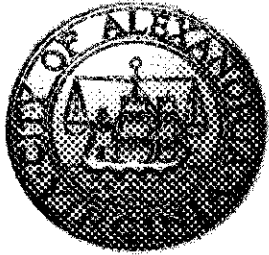


City of Alexandria

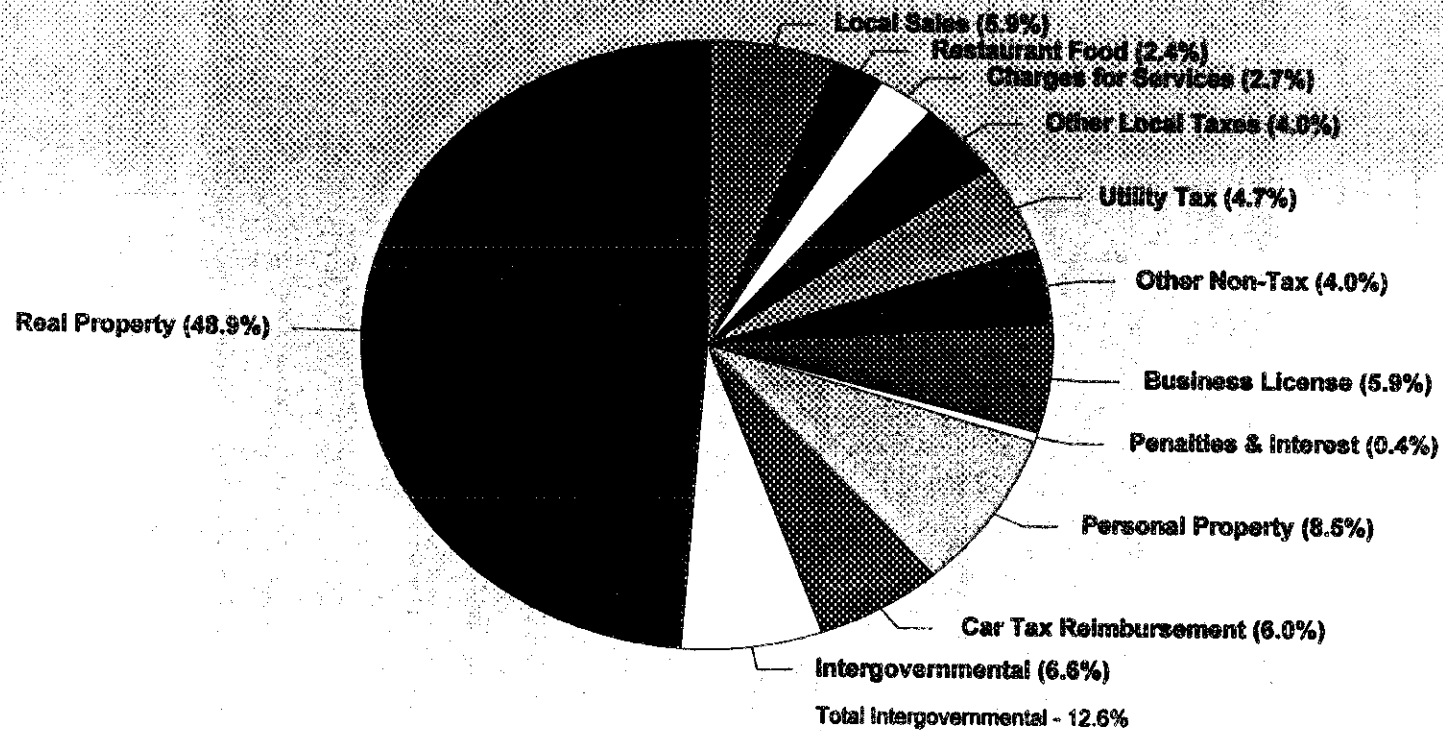


FY 2003 Revenue Overview

City Council Budget Work Session, March 20, 2002



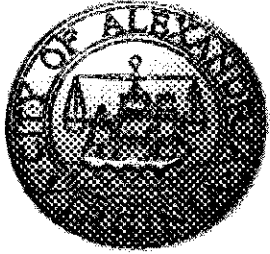
FY 2003 General Fund Revenues





FY 2003 General Fund Revenues (\$363.5m)

- General economic assumptions
- Real Property (\$177.9m)
- Personal Property & Reimbursement (\$52.5m)
- Sales Taxes (\$21.3m)
- Transient Lodging Taxes (\$5.3m)
- Other local taxes (\$56.6m)



FY 2003 General Fund Revenues (continued)

- Impact of Lower Interest Earnings
- Impact of State budget reductions
- No change in the \$185 per household solid waste rate this year
- No change in the 20-cent per thousand gallon sewer use fee



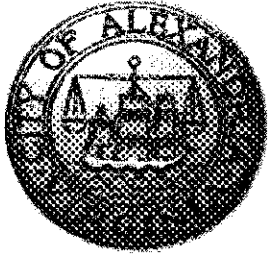
Application of FY 2002 Revenue & Expenditure Variances

Sources

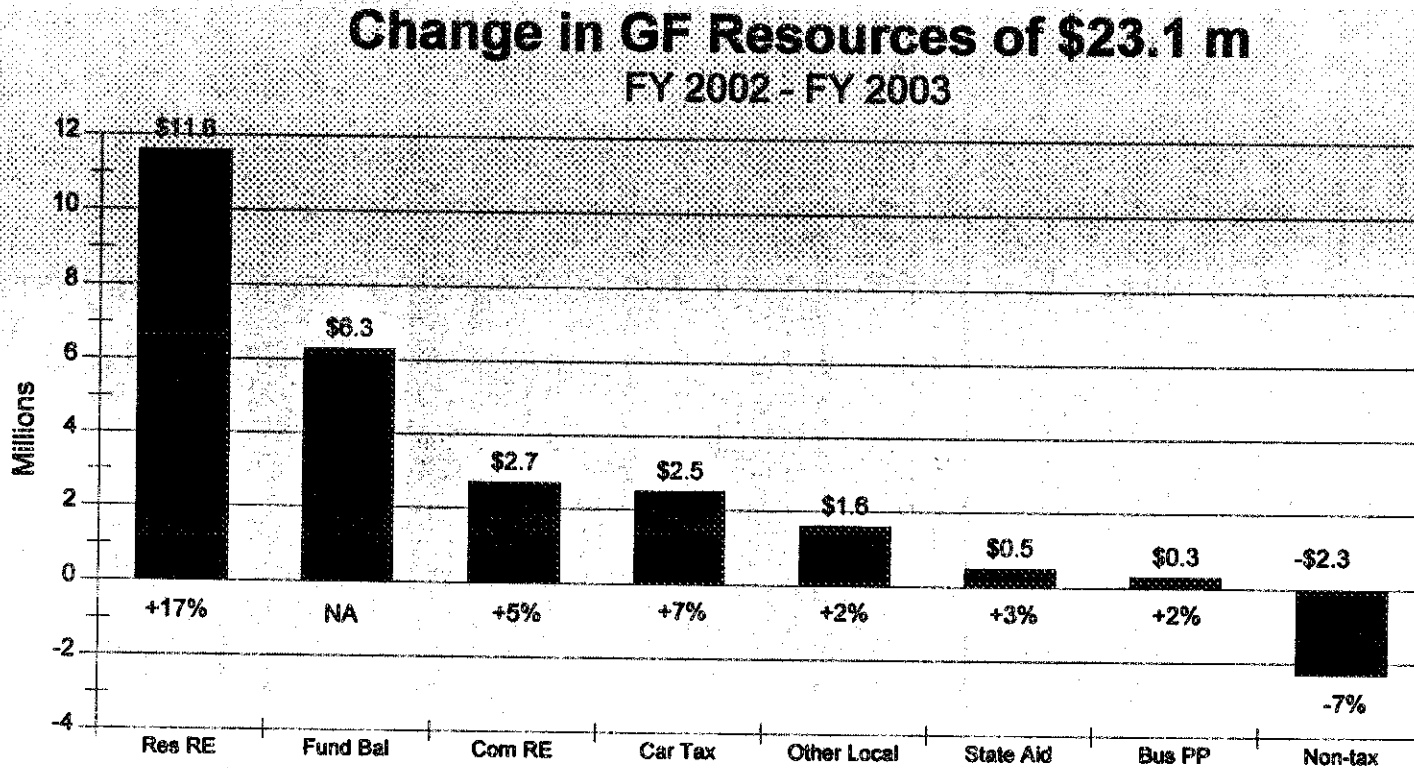
Revenues projected above budget:	\$7.7m
Expenditure savings:	<u>\$5.7m</u>
Sources Total:	\$13.4m

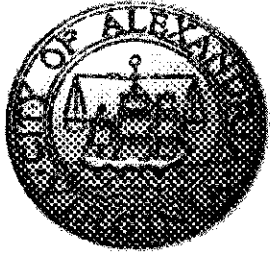
Uses

Increased use of Fund Balance to support FY 2003 Budget:	\$6.3m
Additional Capital Projects Designation:	\$6.4m
Increase in Undesignated Fund Balance:	<u>\$0.7m</u>
Uses Total:	\$13.4m



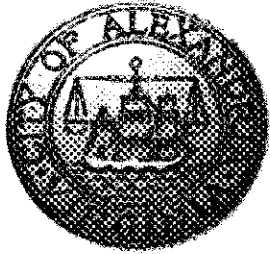
FY 2003 General Fund Sources





Fire Protection Systems Refreshing-Existing Buildings

- Systems require careful testing & ongoing maintenance by knowledgeable personnel
- Failure rate high – 90% in Arlington and Fairfax Counties
- City program proposed to start in mid-FY 2003
- Fees will fully recover costs during FY 2004



Fire Protection Systems

Inspections-New Construction

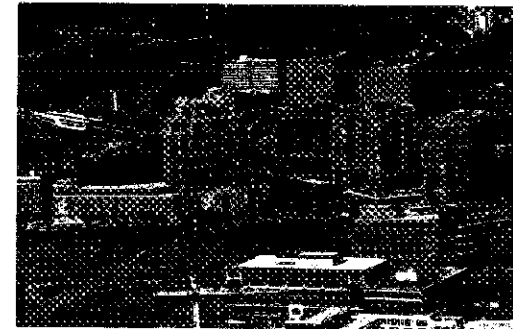
- Workload up 61% to 57,356 inspections in FY 2001
- Increased workload has resulted in delays in inspection
- Insufficient time for staff to conduct inspections
- Addition of 5 positions financed by proposed fee increase



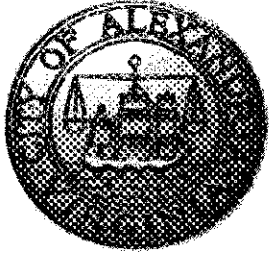
City Owned Parking Garage & Lot Fees

- Last parking fee increase over 10 years ago
- Current rates below market
- Increase in most daily, hourly and monthly rates proposed
- Hourly rates to stay below market
- No increase in evening & weekend rate schedules
- Friday p.m., Sunday rate schedule shift

CY 2002 Real Property

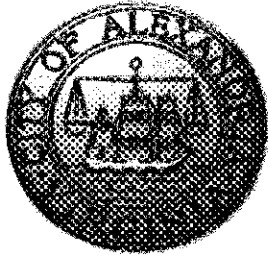


Assessment Report



Real Property Assessment Changes CY 2001 to CY 2002

- Real property tax base increased 11.21% for CY 2002, or \$1.64 billion over the 2001 level
- Approximately 84% of the increase in the real estate tax base for 2002 (\$1.37 billion) is the result of property appreciation



Real Property Assessment Appreciation CY 2001 to CY 2002

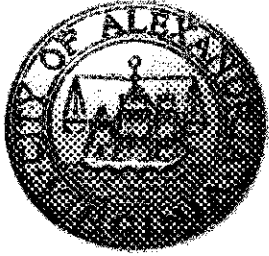
- Residential
 - Average assessed value increased 15.33%
 - \$215,523 in 2001
 - \$248,563 in 2002
 - Strong demand coupled with limited supply
 - 3,804 residential units sold in CY 2001

Change in the Average Assessed Value of a Residential Property from 2001 to 2002	
Location	Average % Change
City of Alexandria	15.33%
Arlington County	20.00%
Fairfax County	16.27%
Loudoun County	17.40%
Prince William County	16.50%



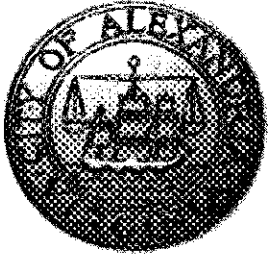
Real Property Assessment Appreciation CY 2001 to CY 2002

- Single Family Homes
 - Average assessed value increased 14.78%
 - \$290,436 in 2001
 - \$333,362 in 2002
- Residential Condominiums
 - Average assessed value increased 17.22%
 - \$115,721 in 2001
 - \$135,648 in 2002



Real Property Assessment Appreciation CY 2001 to CY 2002

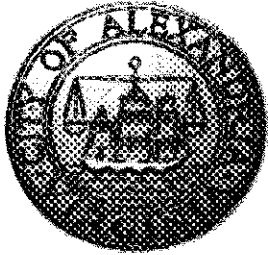
- Commercial
 - Average assessed value increased 3.55%
 - \$1,751,621 in 2001 & \$1,813,804 in 2002
 - Multi-family 11.25%
 - Commercial Office, Retail and Service increased 1.58%
 - Hotels, Motels & Extended stay properties declined 10.64%
 - Vacant land declined 6.62%



Real Property Assessment New Value CY 2001 to CY 2002

- Approximately 19% (\$315.3m) of the \$1.64 billion increase in real estate tax base from new value

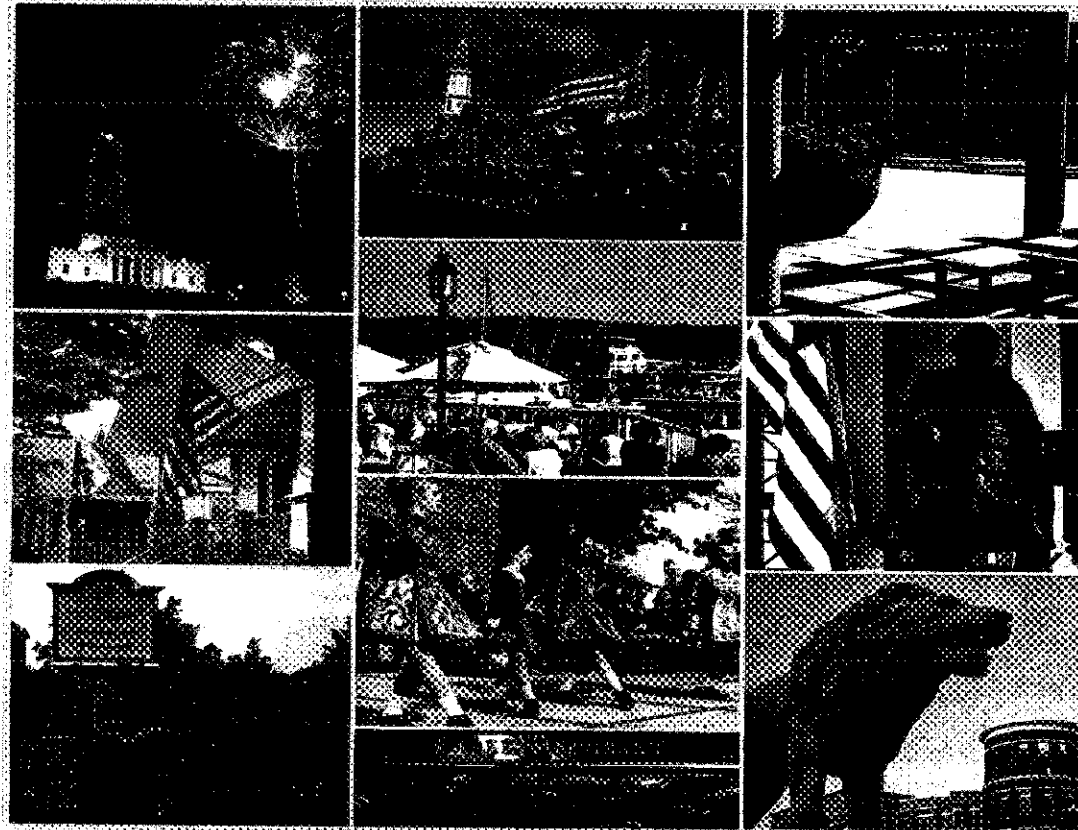
Residential	\$105.5
Office	\$73.2
Apartments	\$102.2
Other	\$34.4
Total	\$315.3



Real Property Assessment New Value CY 2001 to CY 2002

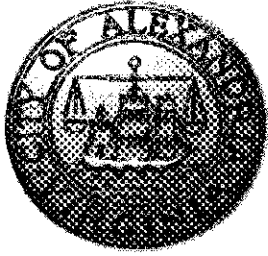
- \$2.83 billion of the \$5.03 billion increase in the tax base during the last ten years was due to appreciation
- \$2.2 billion of the \$5.03 billion increase was primarily due to new construction
- 56%, or \$1.24 billion, of new construction was added in the last three years
 - (\$506.9m for 2000, \$421.4m for 2001 & \$315.3m for 2002)

Financing the FY 2003 Proposed CIP

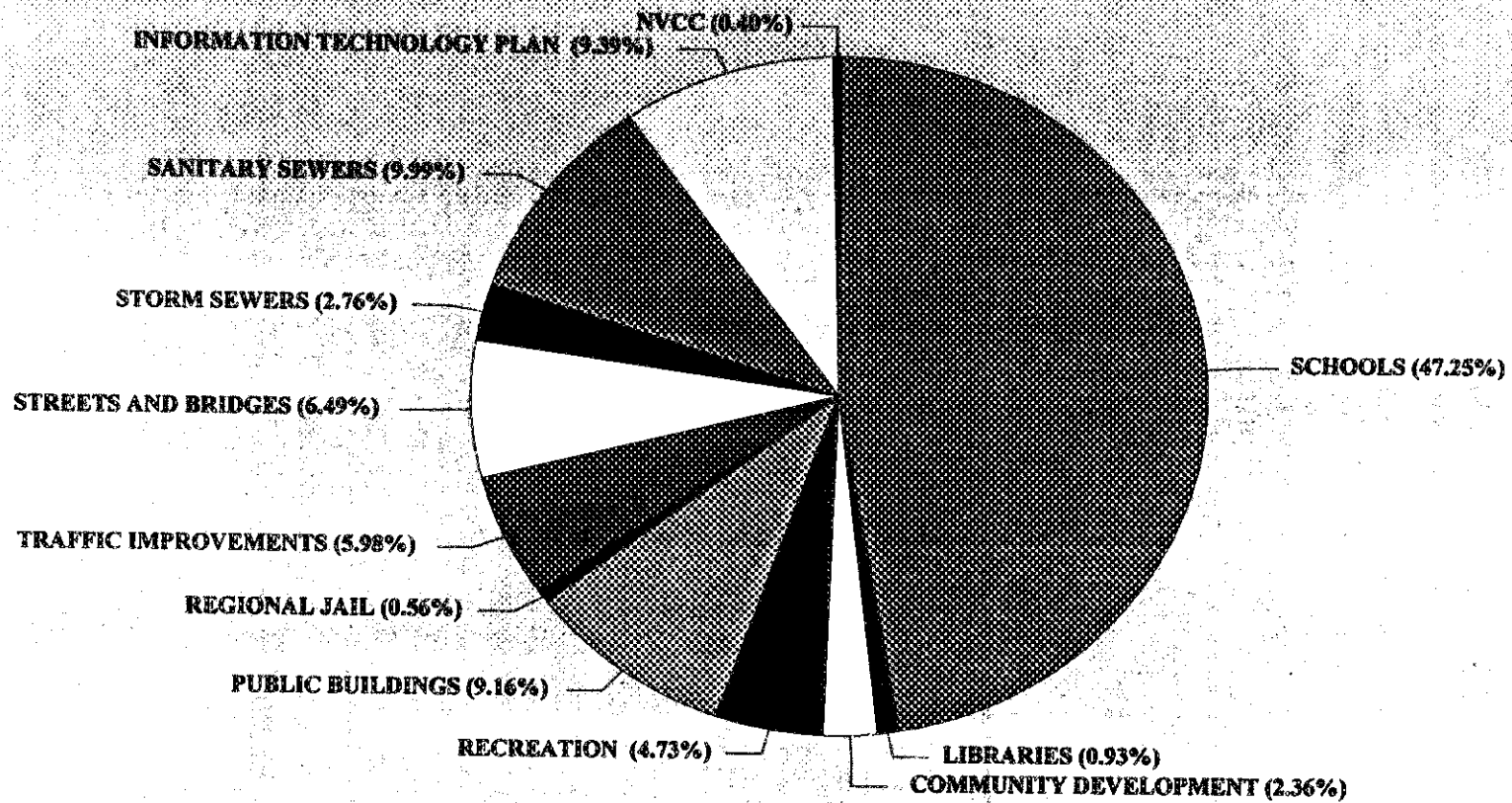


City Council Budget Work Session

March 20, 2002



FY 2003 – FY 2008 CIP

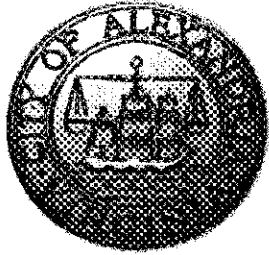




***Proposed FY 2003-2008 Capital Improvement
Program (CIP) Compared to FY 2002-2007 CIP
(Millions)***

	Proposed FY 2003-FY 2008	Approved FY 2002-2007	Difference
Schools	86.7	93.8	(7.1)
Libraries	1.7	1.3	0.4
Community Development	4.3	2.2	2.1
Recreation	8.7	8.6	0.1
Public Buildings	16.8	21.6	(4.8)
Regional Jail	1.0	1.1	(0.1)
Traffic/Transit	11.0	11.1	(0.1)
Streets & Bridges	11.9	12.6	(0.7)
Storm Sewers	5.1	6.9	(1.8)
Sanitary Sewers	18.3	19.1	(0.8)
Information Technology	17.2	18.5	(1.3)
Other Education (NVCC)	0.7	0.7	0.0
Total/1	183.6	197.3	(13.7)

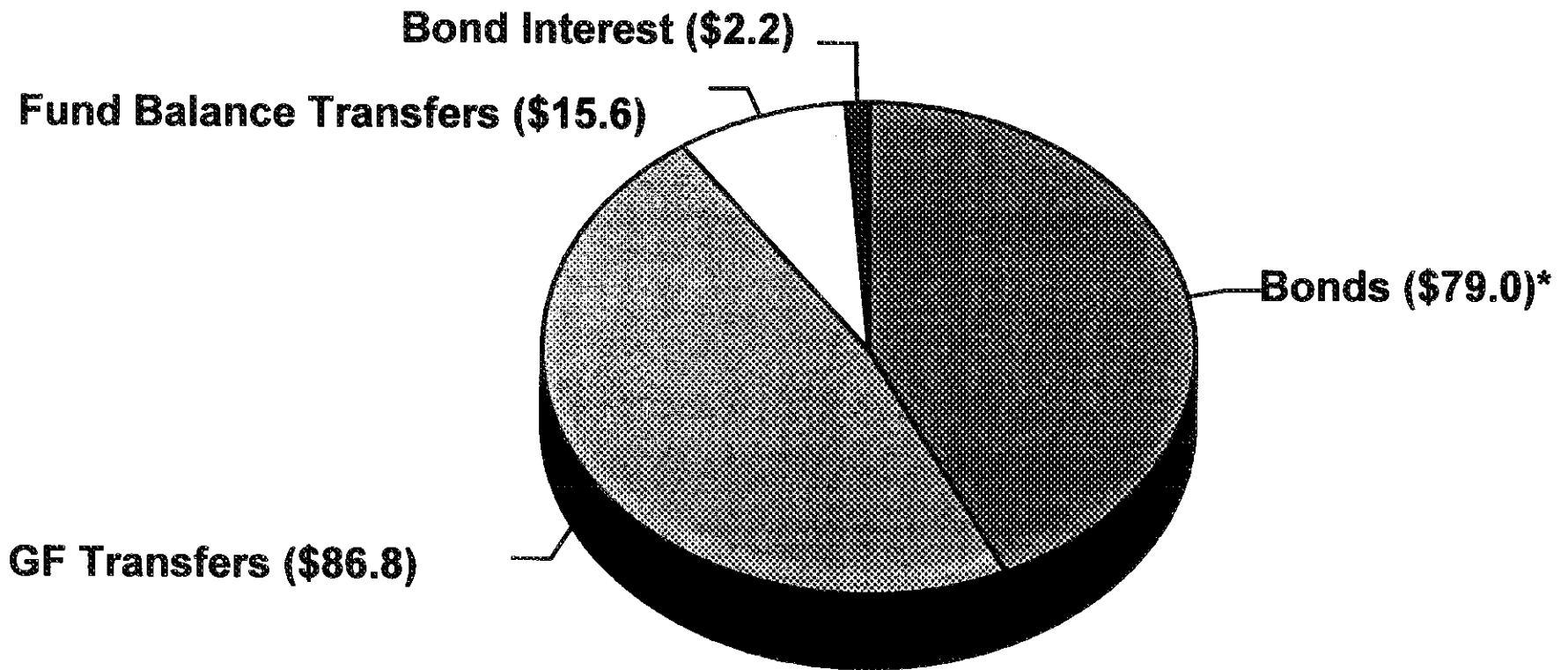
/1 Figures in individual categories may not equal total shown due to rounding



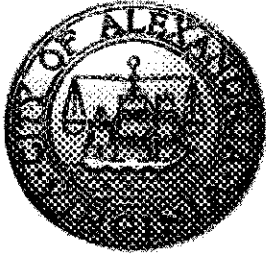
Major Additions to CIP for FY 2003-2008

- \$3.0m for replacement of Health Dept. facility
- \$2.0m for redevelopment of Upper Potomac West
- \$1.5m for Samuel Madden Homes (Downtown) Redevelopment Project
- \$3.0m to correct infiltration/inflow conditions
- \$2.6m over six years for mitigation of sewer overflows
- \$0.2m per year for traffic calming
- \$16.3m over six years for Metrobus & Metrorail

**\$183.6 Million Funding Plan for
FY 2003 to FY 2008 Proposed CIP
(millions)**



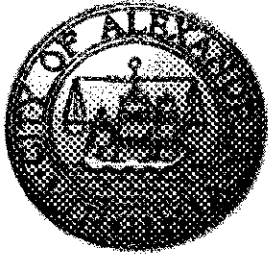
* \$24.0 million already issued - 7/01



Proposed Bond Issuance Plan

	FY 02/07	FY 03/08	Change
FY 2003	\$ 24.0	\$24.0*	---
FY 2004	\$ 20.0	\$28.0	\$ 8.0
FY 2005	\$ 18.5	\$20.0	\$ 1.5
FY 2006	---	\$7.0	\$7.0
FY 2007	---	---	---
FY 2008	N/A	---	---
Total	\$62.5	\$79.0	\$ 16.5

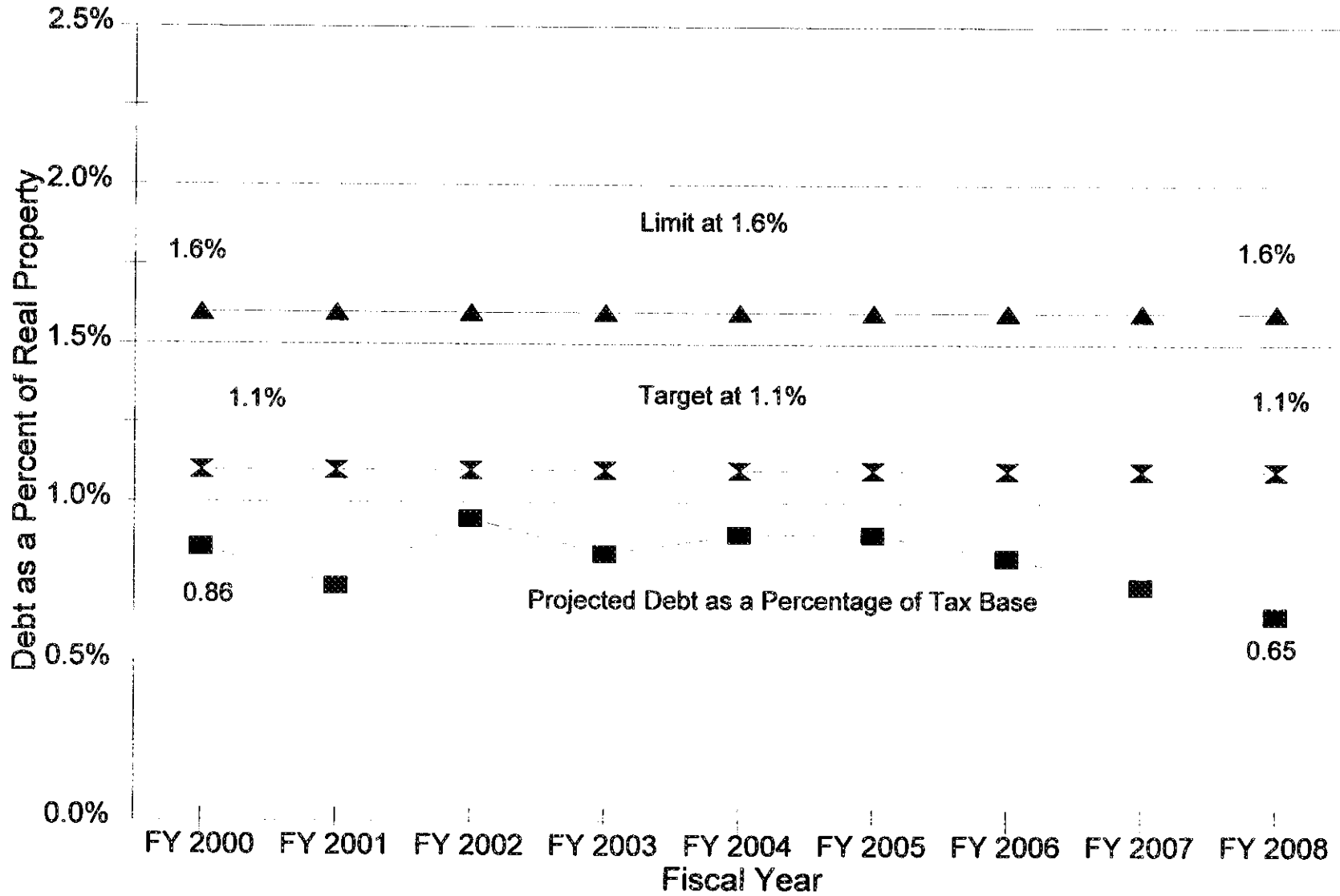
* \$24.0 million was already issued (7/01)



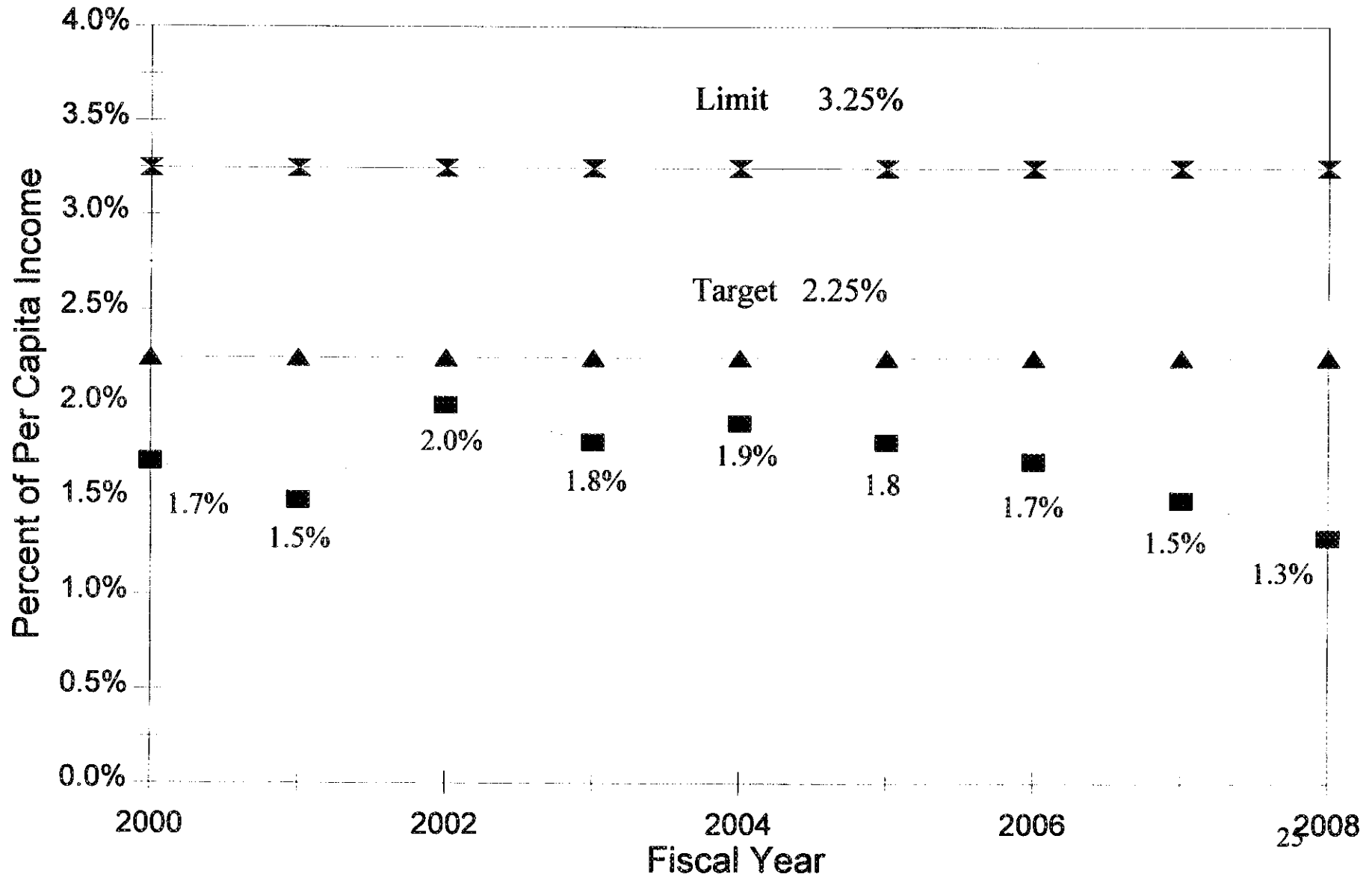
Debt Related Financial Policies

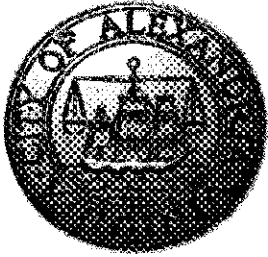
- CIP is consistent with City policies
- CIP protects AAA/Aaa status
- Debt to Fair Market Value
- Debt per capita as a % of per capita income
- Debt service as a % of expenditures
- Fund balance measures

Debt as a Percentage of Fair Market Real Property Value Fiscal Year 2000 - 2008



Debt per Capita as a Percent of Per Capita Income Compared to Debt Policy Target and Ceiling FY 2000-FY 2008





Comparison to Other AAA Jurisdictions

- Projections through FY 2008
- Debt to fair market value in CIP compares very favorably with AAA/Aaa jurisdictions
- Debt service as a percent of expenditures in CIP compares very favorably with AAA/Aaa jurisdictions