

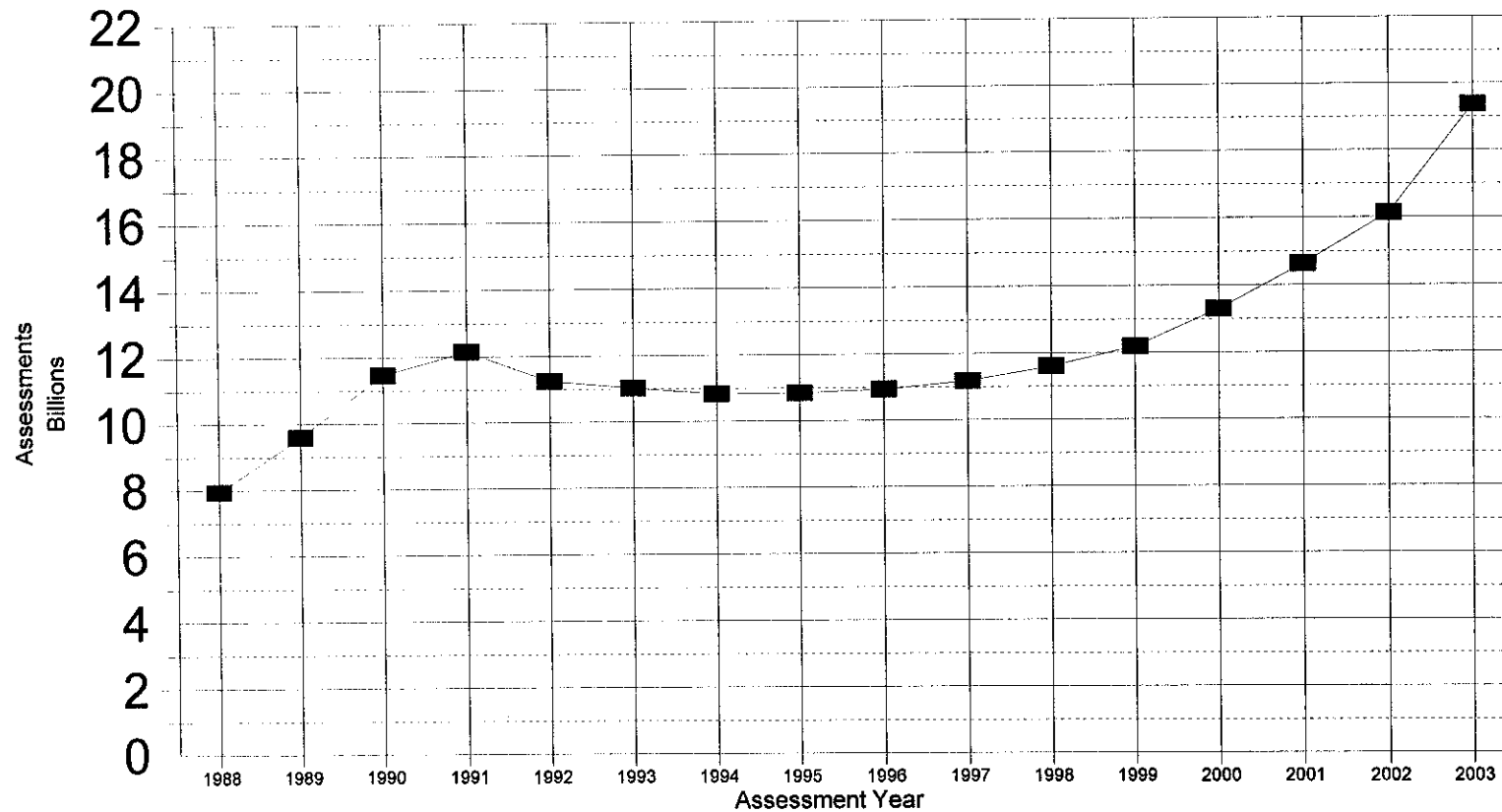
***FY 2004 Revenues and CIP  
City Council Budget Work Session,  
March 19, 2003***



# *Total Assessed Value*

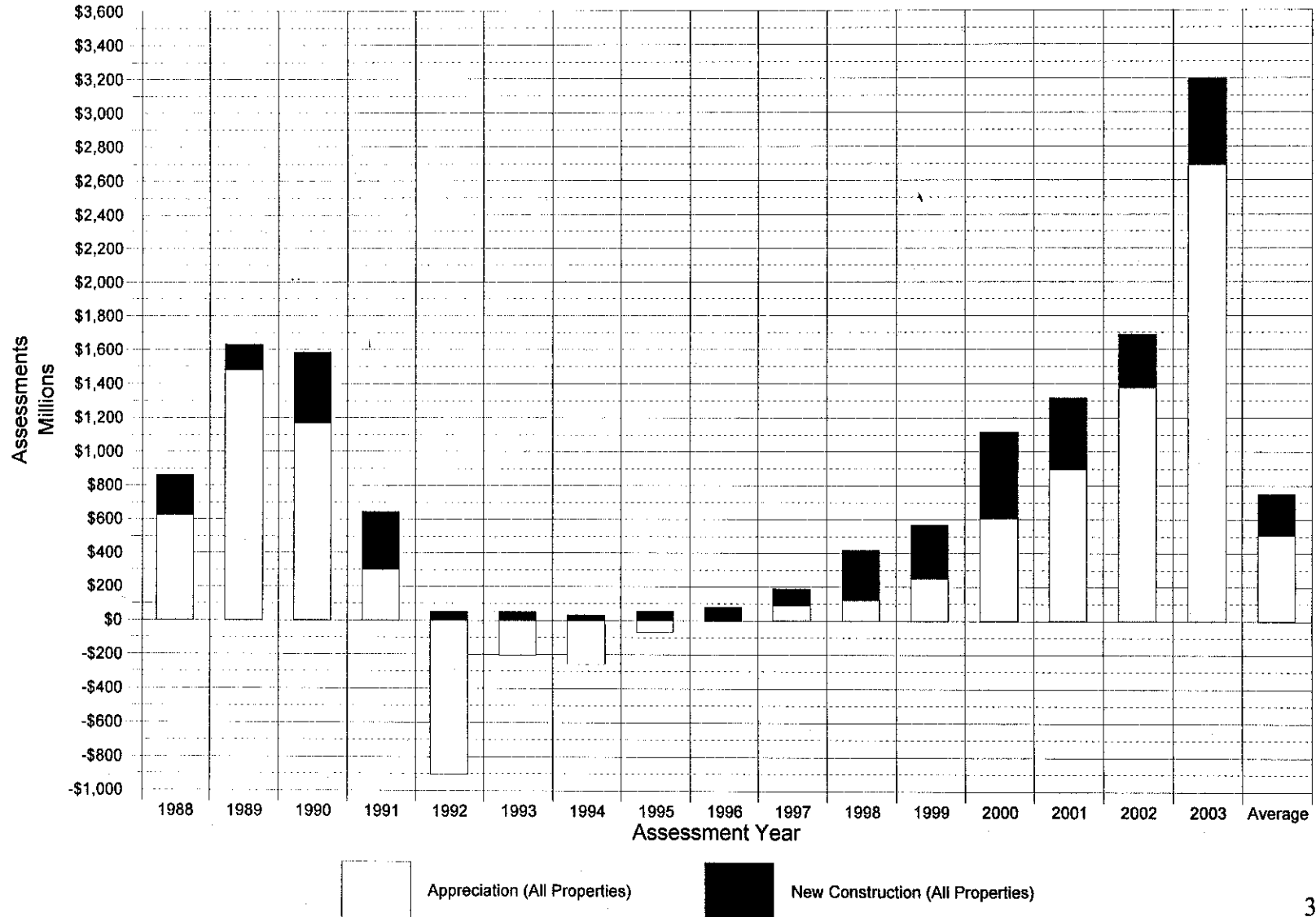
## *Calendar Year 1988 – 2003*

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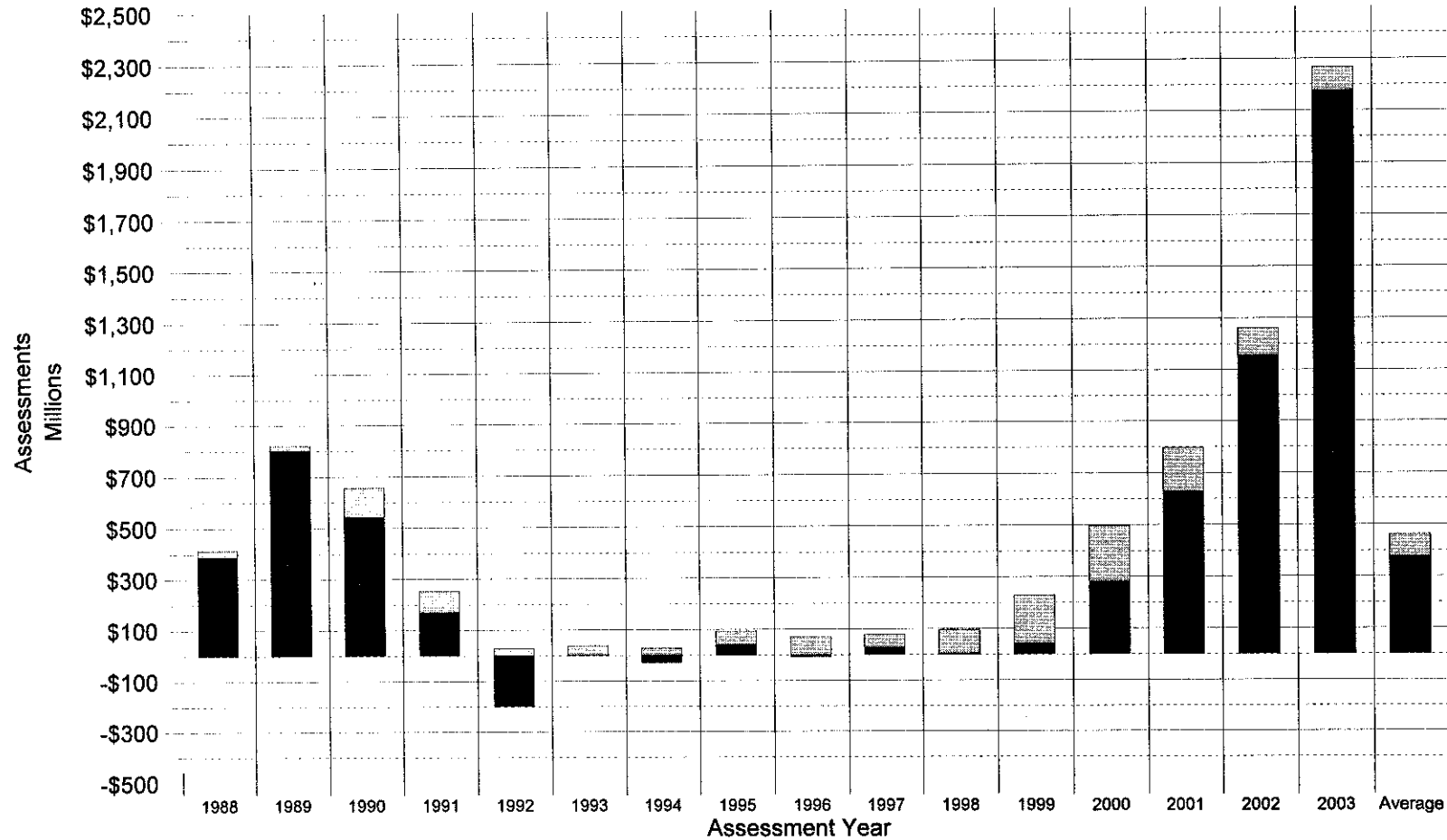


# Change in Total Tax Base Calendar Year 1998 – 2003







# Change in Residential Tax Base Calendar Year 1988 – 2003

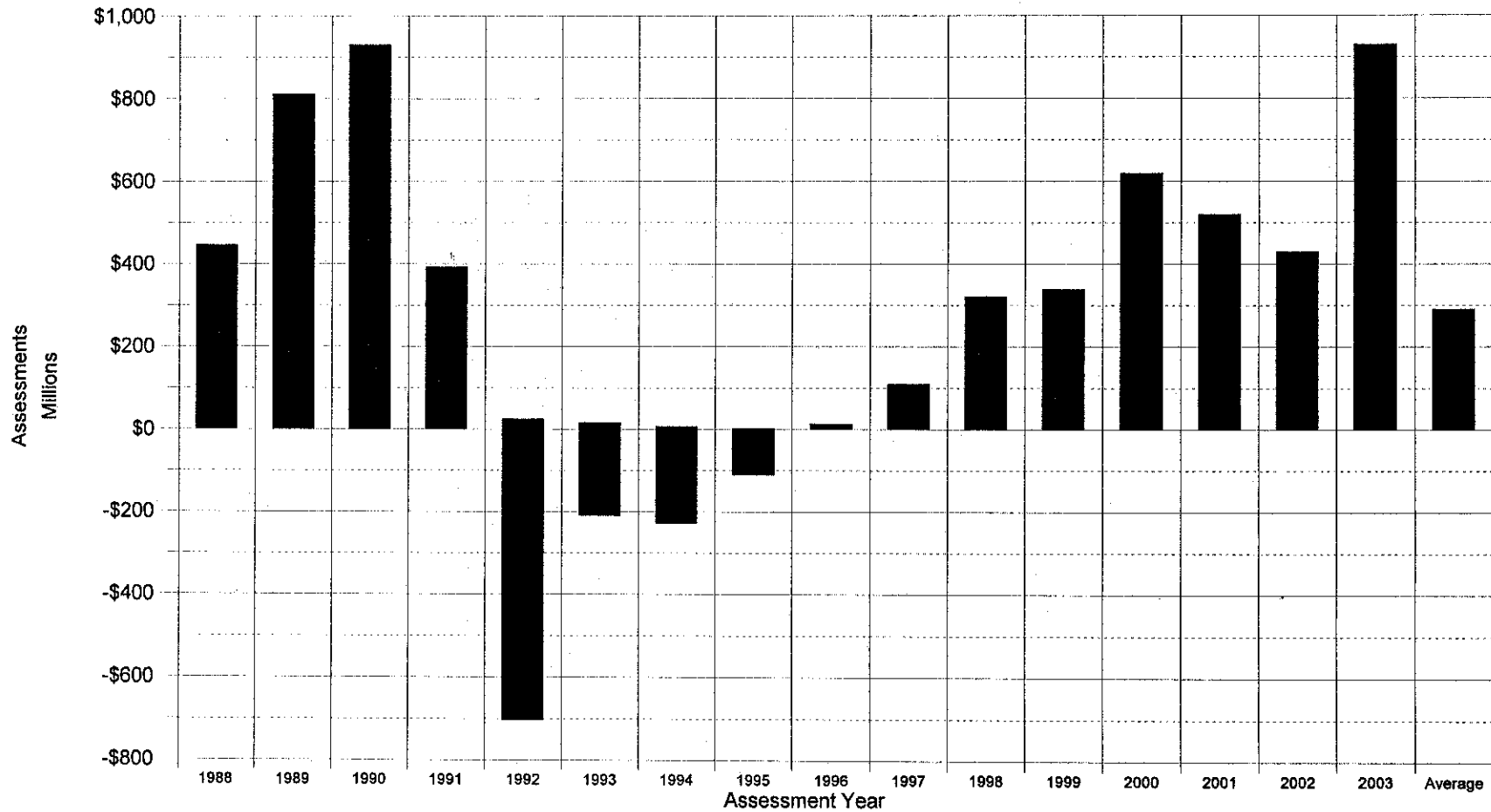


Source: Department of Real Estate Assessments  
Prepared by: Office of Management and Budget

 Appreciation (Residential) (Depreciation)
  New Growth (Residential)



# Change in Commercial Tax Base Calendar Year 1988 – 2003



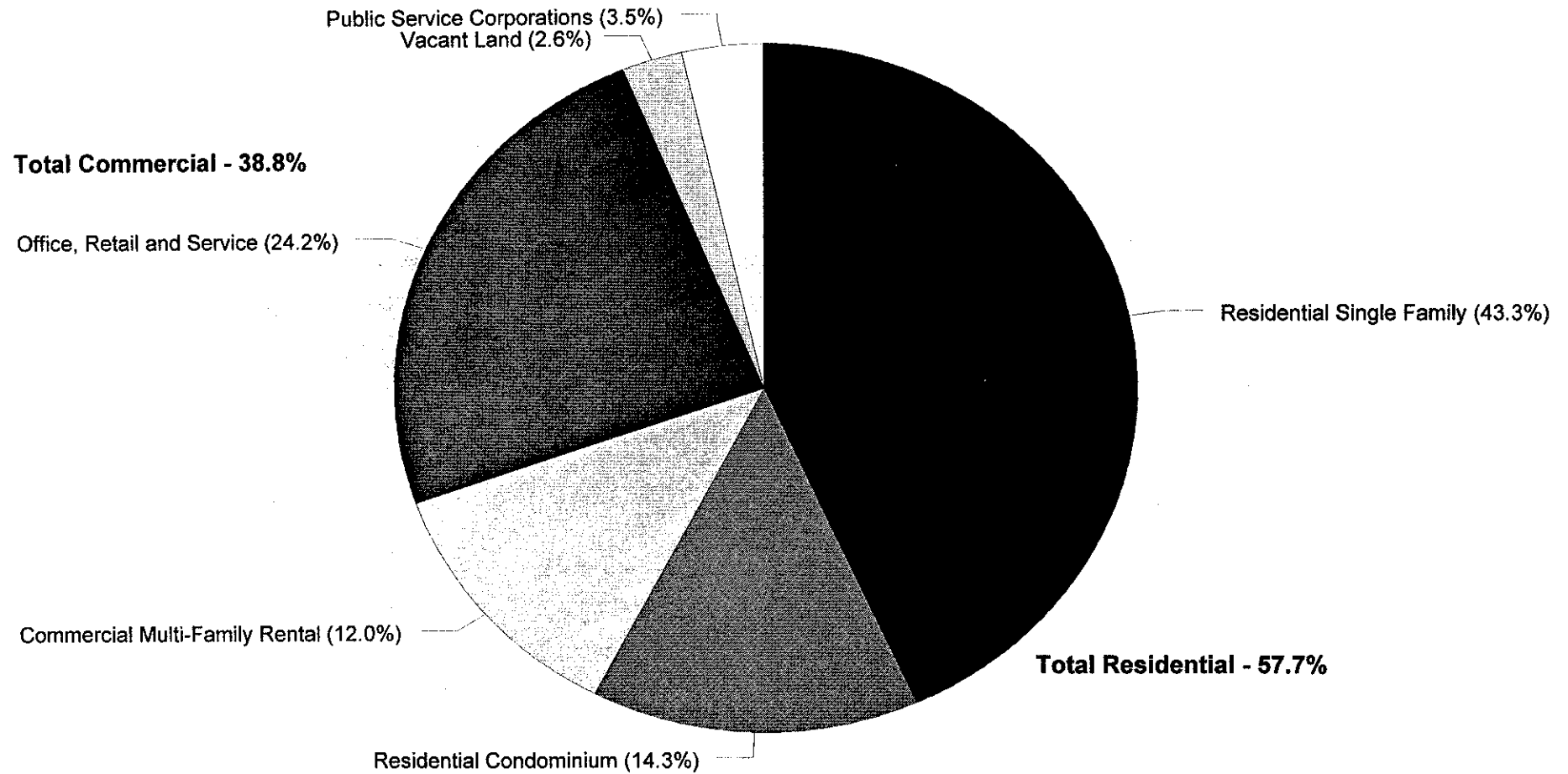
Source: Department of Real Estate Assessments  
Prepared by: Office of Management and Budget





# 2003 Total Real Property by Property Class

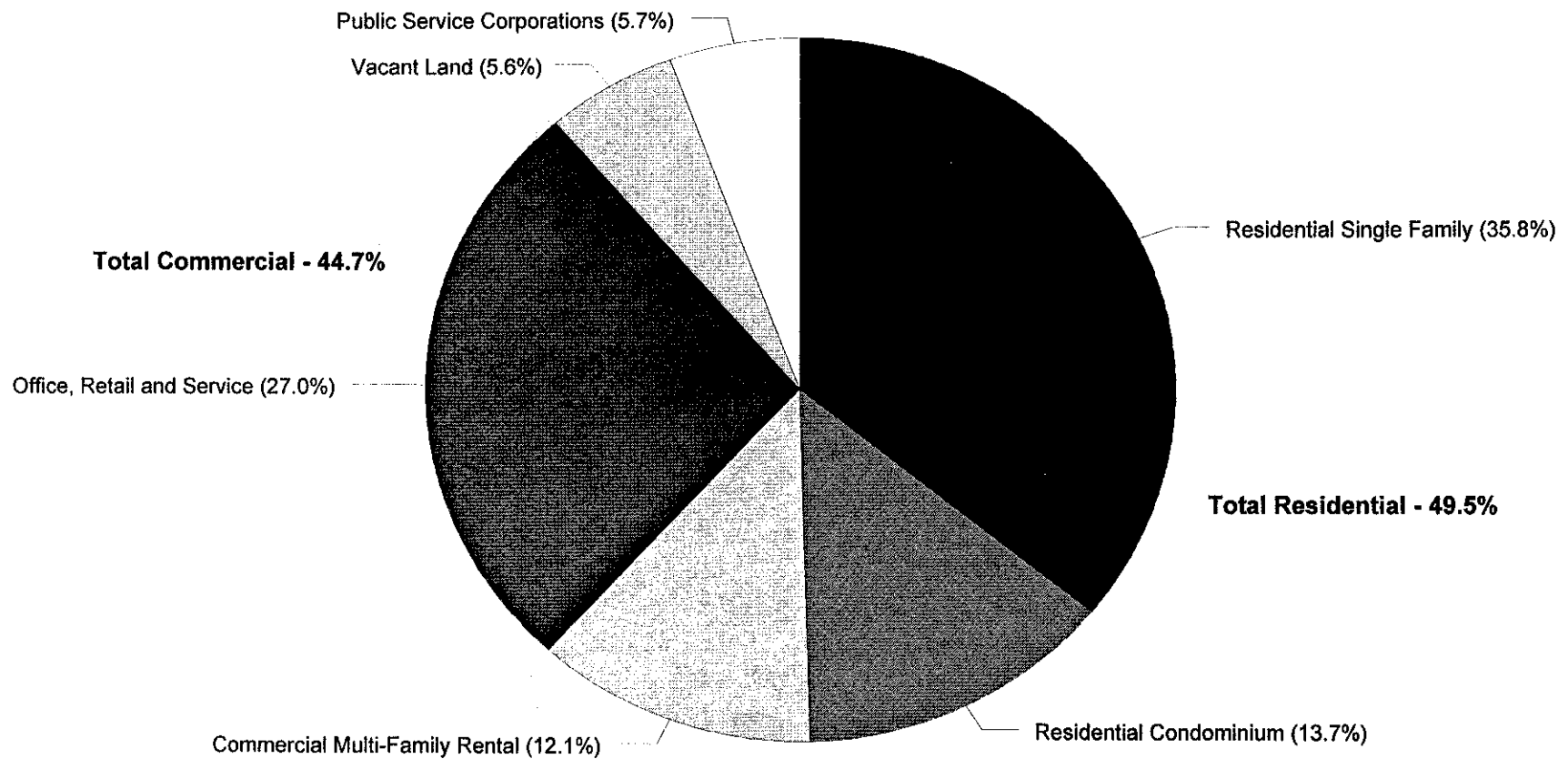
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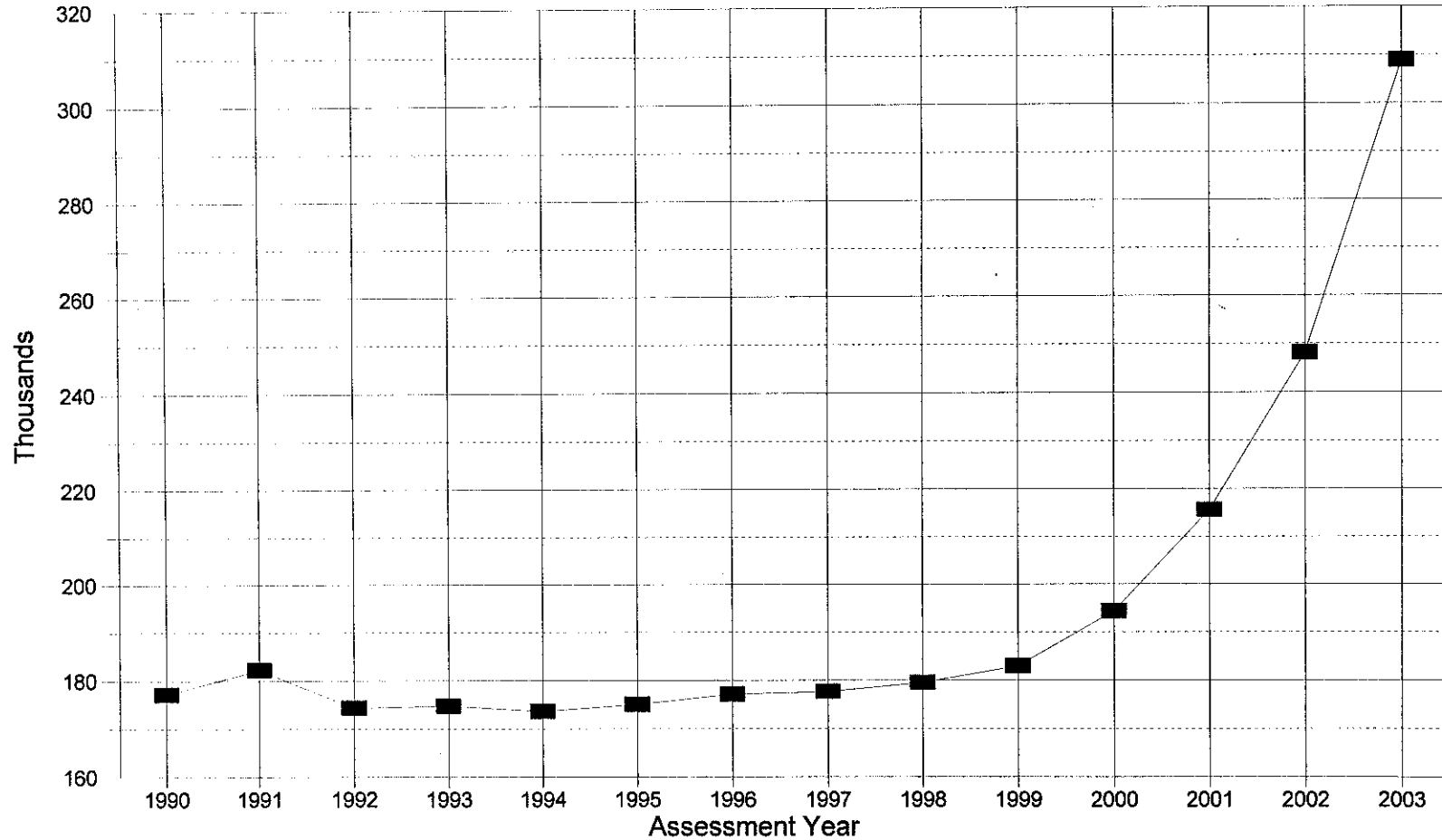
# 1993 Total Real Property by Property Class

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# *Average Residential Assessed Value Calendar Year 1990 – 2003*

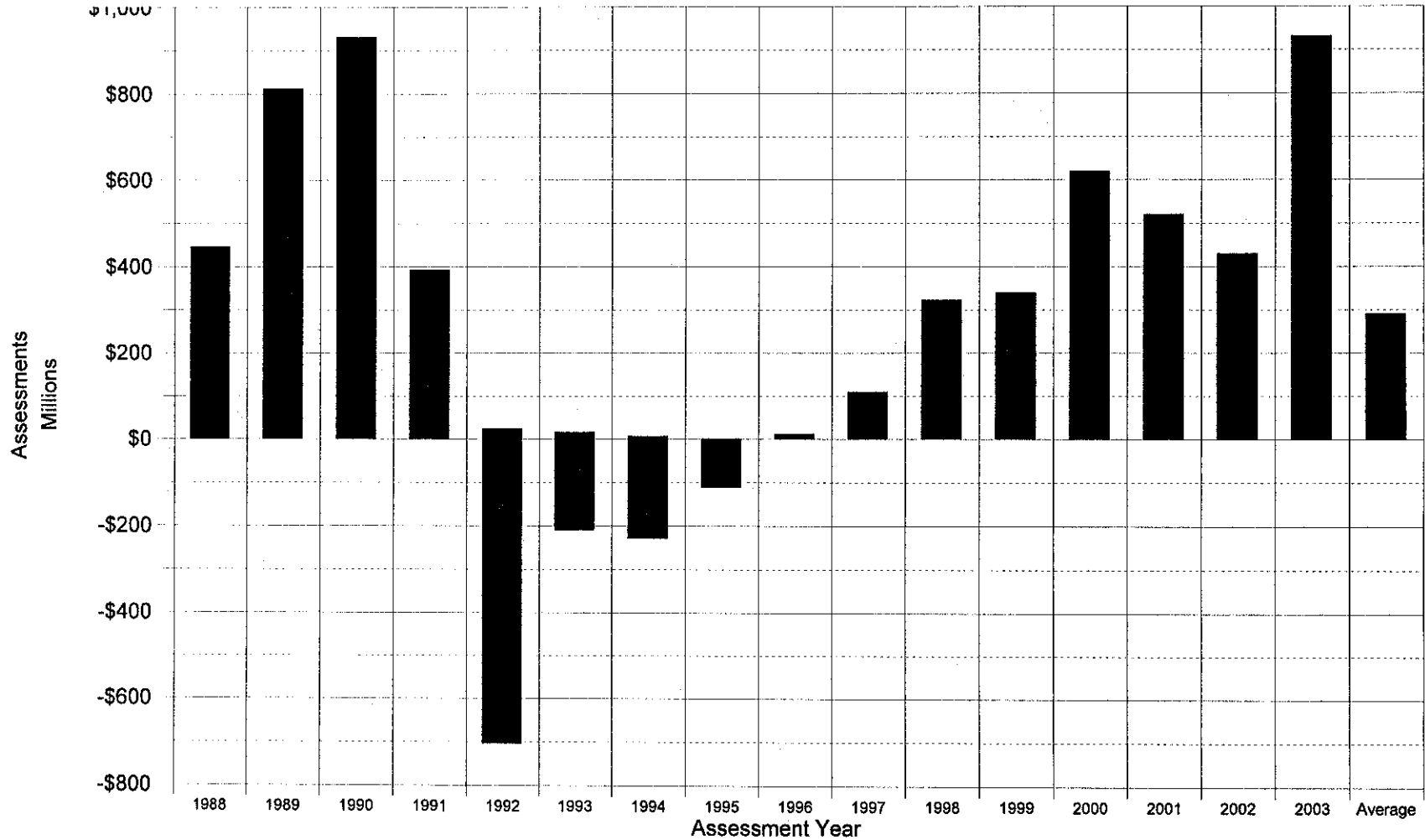


Source: Department of Real Estate Assessments  
Prepared by: Office of Management and Budget





# Change in Commercial Tax Base Calendar Year 1988 – 2003



Source: Department of Real Estate Assessments  
Prepared by: Office of Management and Budget

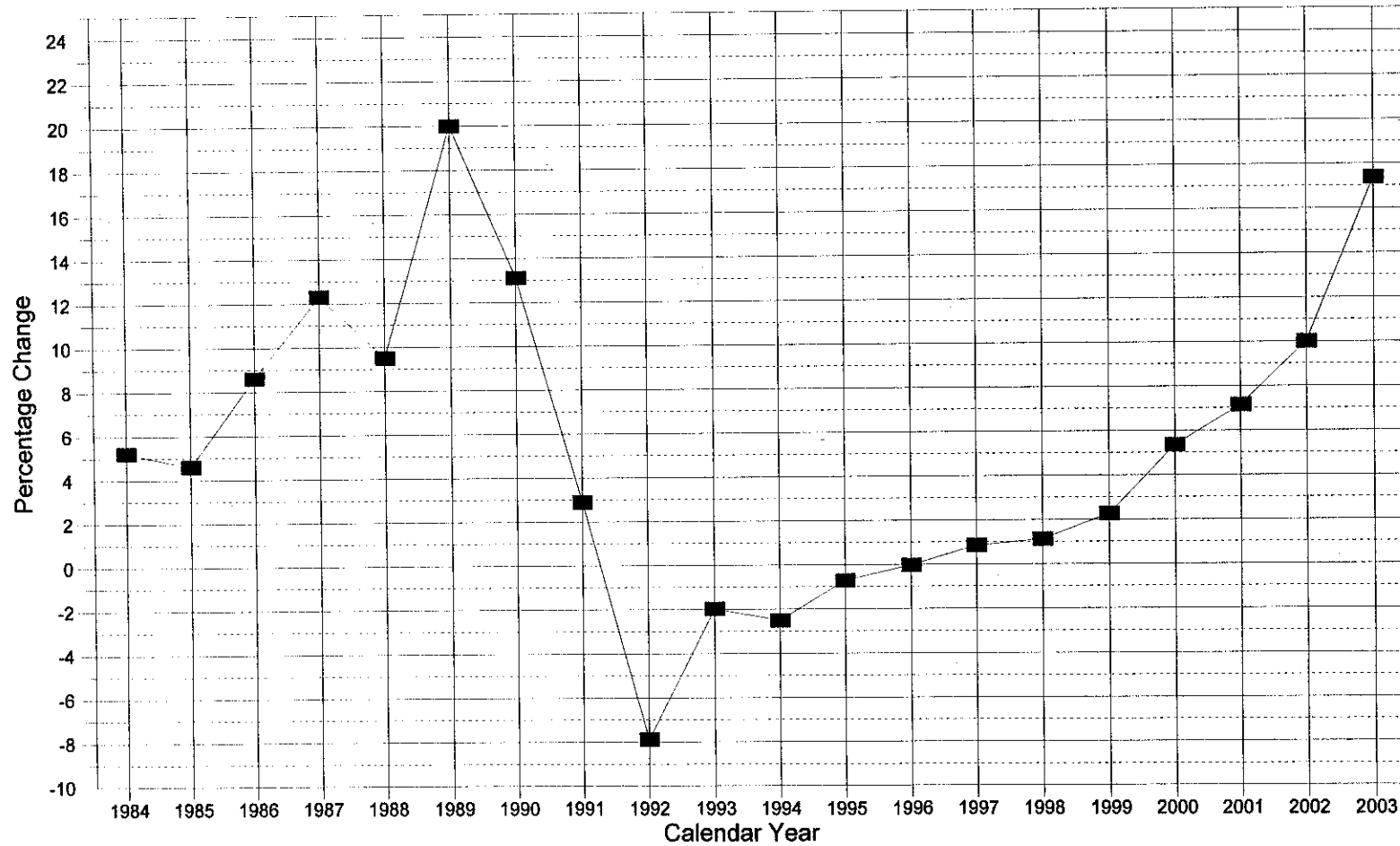




# *Assessment Appreciation/Depreciation History*

## *Percentage Change 1984 – 2003*

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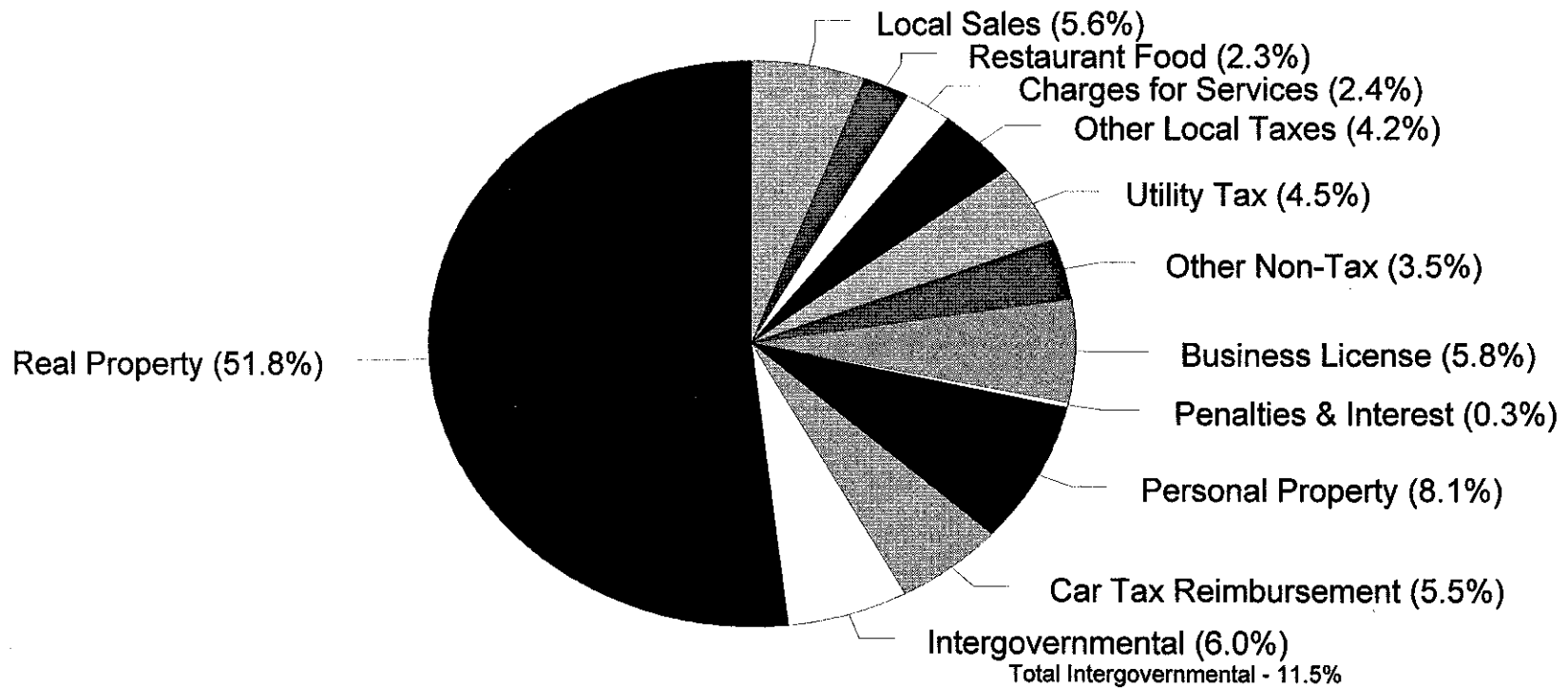


Source: Department of Real Estate Assessments  
Prepared by: Office of Management and Budget



# *FY 2004 General Fund Revenues*

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## *FY 2004 General Fund Revenues Early Projections*

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### Retreat projections

- Revenue increase of \$14 m = + 3.7%
- Expenditure increase of \$24 m = +6.4%
- Equated to at least a \$10 million gap plus "TBD's" costs



## *FY 2004 General Fund Revenues Early Projections continued...*

---

### Proposed Budget

- Revenue and other sources now at \$24.7 million (reflecting  $-0.03$  ¢ reduction)
- Expenditures at \$24.7 million
- Gap largely closed by real estate revenues



## ***FY 2004 General Fund Revenues (\$392.0m)***

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- General economic assumptions
- Real Property (\$203.2m)
- Personal Property & Reimbursement (\$53.2m)
- Sales Taxes (\$22.2m)
- Transient Lodging Taxes (\$5.9m)
- Other local taxes (\$60.1m)



## ***FY 2004 General Fund Revenues (continued)***

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- Impact of Lower Interest Earnings (-\$0.3m)
- Cumulative impact of State budget reductions (-\$3.0 m)
- No change in the \$185 per household solid waste rate this year
- Proposed increase in the 20-cent per thousand gallon sewer use fee



# *Application of FY 2003 Revenue & Expenditure Variances*

---

## Sources

Revenues projected above budget:	\$4.4m
FY 2002 surplus designated for FY 04	\$3.4m
Expenditure savings:	<u>\$2.4m</u>
Sources Total:	\$10.2m

## Uses

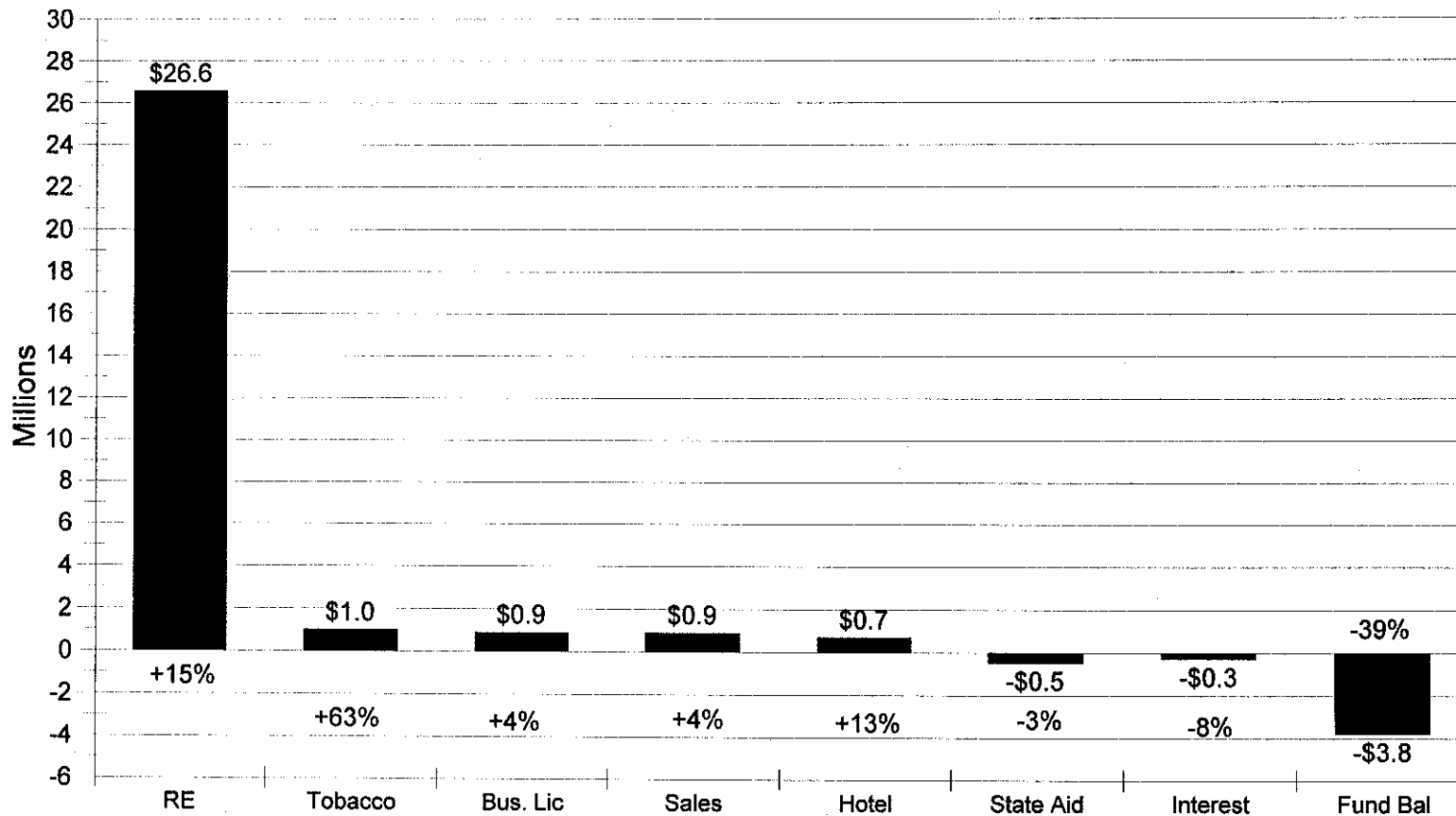
Use of Fund Balance	
to support FY 2004 Budget:	\$6.0m
Capital Projects Designation:	<u>\$4.2m</u>
Uses Total:	\$10.2m





# *FY 2004 General Fund Sources*

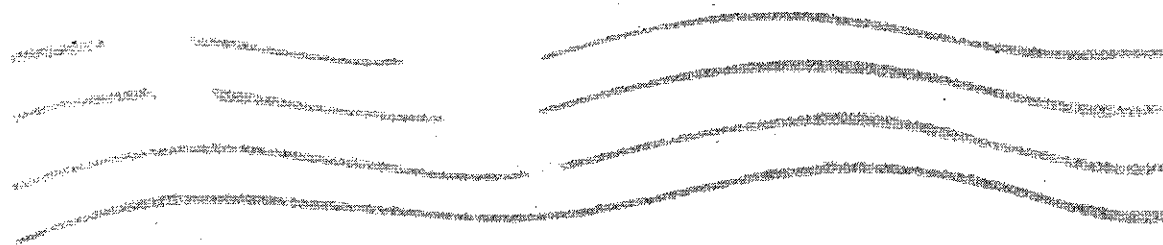
Major Changes in GF Resources of \$24.7 m  
FY 2003- FY 2004



*Proposed FY 2004 to FY 2009 Capital  
Improvement Program*

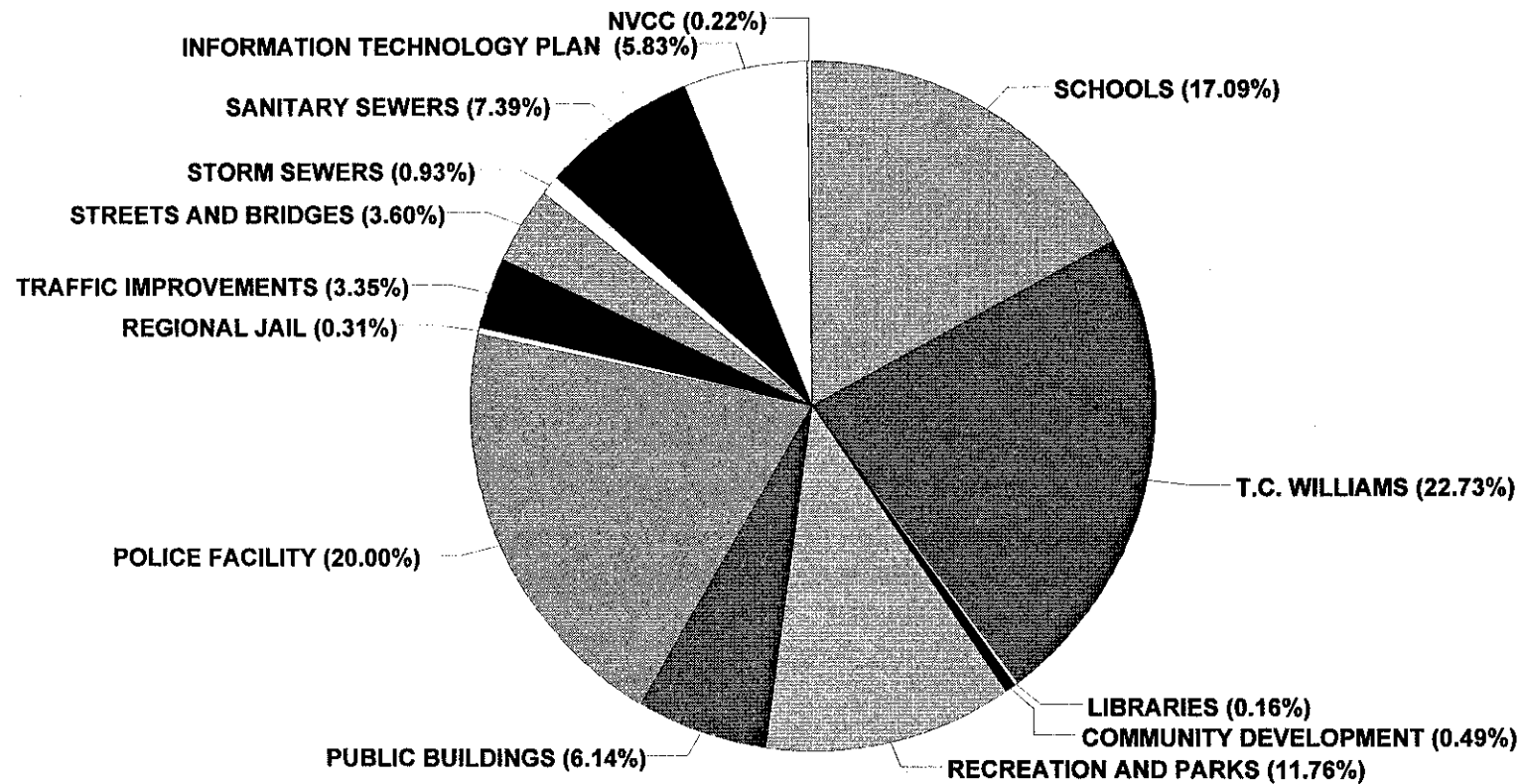


CITY OF ALEXANDRIA  
VIRGINIA





# *FY 2004 – FY 2009 CIP*





***Proposed FY 2004-2009 Capital Improvement  
Program (CIP) Compared to FY 2003-2008 CIP  
(Millions)***

	<b>Proposed FY 2004-FY 2009</b>	<b>Approved FY 2003-2008</b>	<b>Difference</b>
<b>Schools</b>	130.5	86.7	43.8
<b>Libraries</b>	0.5	0.5	0.0
<b>Community Development</b>	1.6	4.3	(2.7)
<b>Recreation</b>	38.6	8.9	29.7
<b>Public Buildings</b>	85.6	18.0	67.6
<b>Regional Jail</b>	1.0	1.0	0.0
<b>Traffic/Transit</b>	11.0	11.0	0.0
<b>Streets &amp; Bridges</b>	11.8	11.9	(0.1)
<b>Storm Sewers</b>	3.1	5.1	(2.0)
<b>Sanitary Sewers</b>	24.2	18.3	5.9
<b>Information Technology</b>	19.1	17.2	1.9
<b>Other Education (NVCC)</b>	0.7	0.7	0.0
<b>Total/1</b>	<b>327.7</b>	<b>183.8</b>	<b>143.9</b>

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



## *Major Projects in the CIP for FY 2004-2009*

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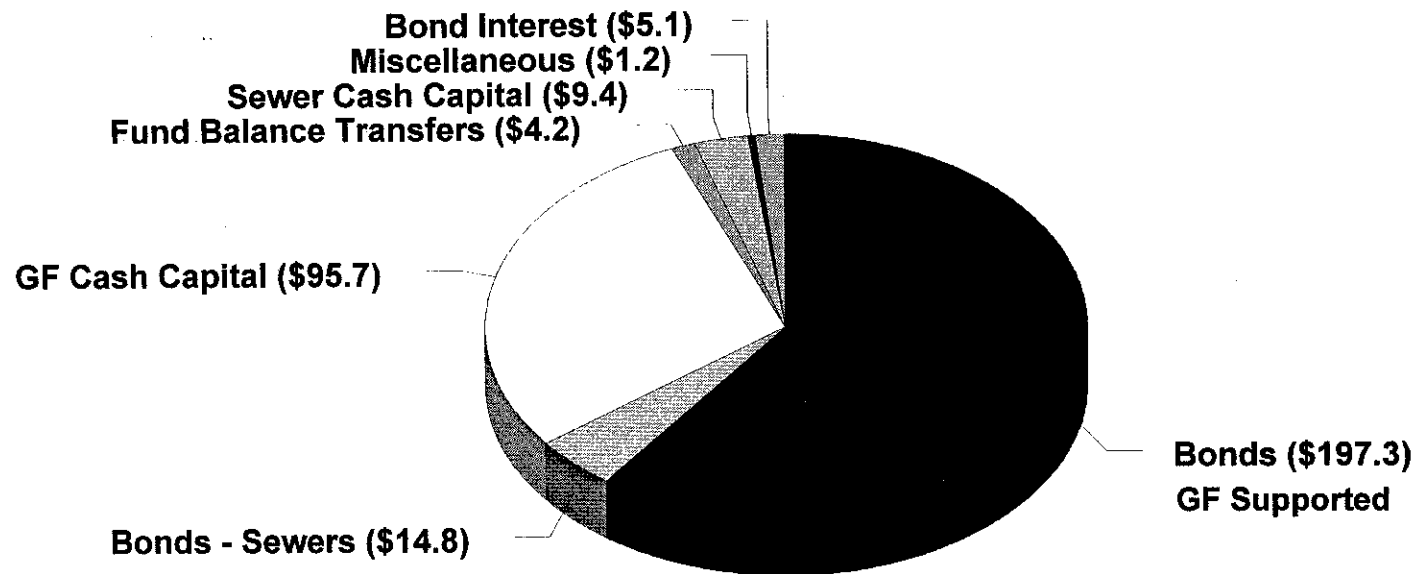
### 77% of the City funded CIP:

- T.C. Williams High School (\$74.2m)
- Other School projects (\$56.3m)
- Police Facility, Interim Location, Slab (\$71.4m)
- Chinquapin Recreation Facility (\$20.0m)
- Sanitary Sewers (\$24.2m)
- Charles Houston Recreation Center (\$4.1m)
- Patrick Henry Recreation Center (\$3.5m)



# ***\$327.7 Million Funding Plan for FY 2004 to FY 2009 Proposed CIP (millions)***

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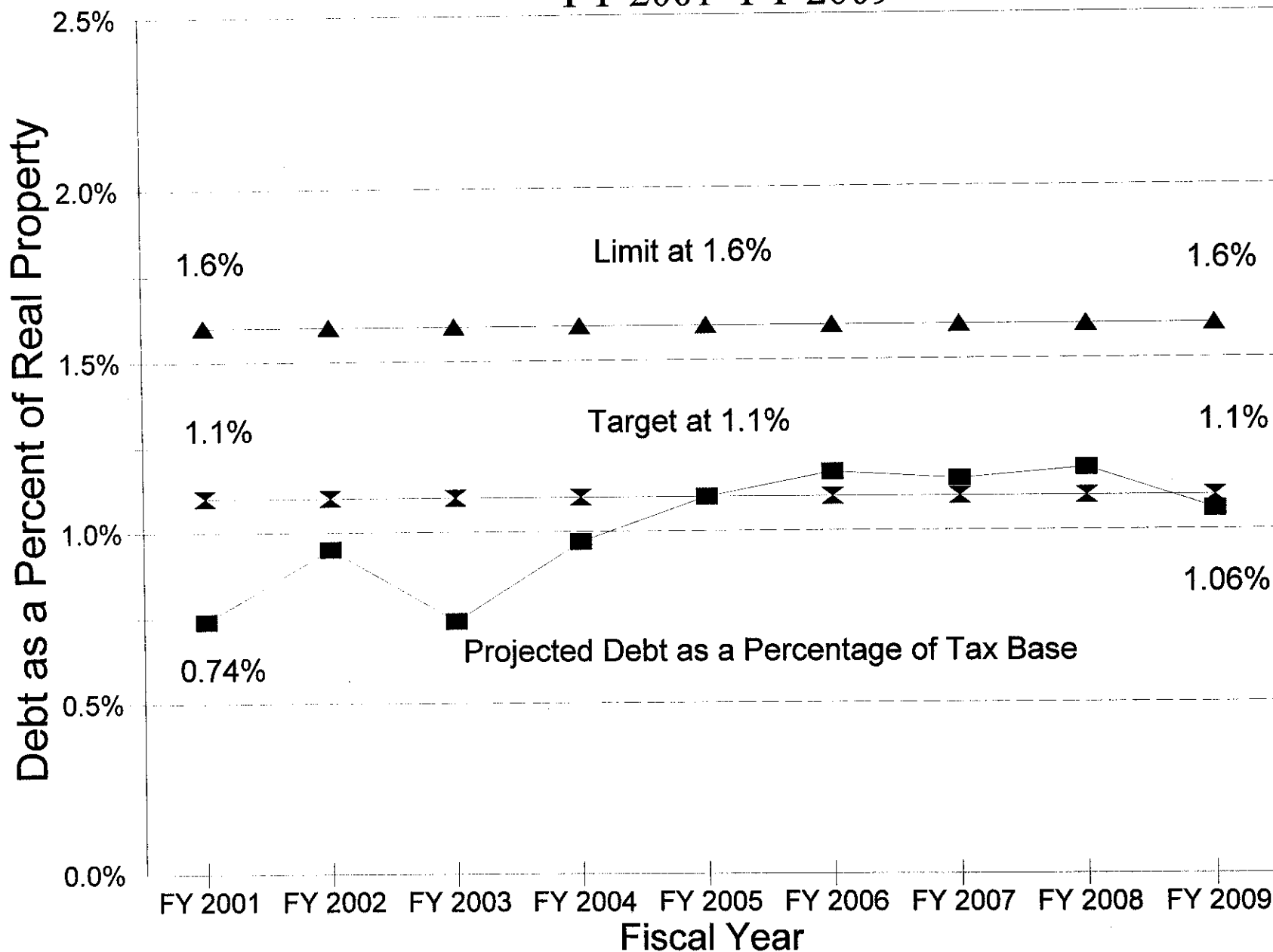
## *Proposed Bond Issuance Plan*

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	FY 03/08	FY 04/09	Change
FY 2004	\$ 28.0	\$64.7	\$36.7
FY 2005	\$ 20.0	\$48.7	\$28.7
FY 2006	\$ 7.0	\$40.4	\$33.4
FY 2007	---	\$22.6	\$22.6
FY 2008	---	\$35.7	\$35.7
FY 2009	---	---	---
Total	\$55.0	\$212.1	\$ 157.1

# *Debt as a Percentage of Fair Market Real Property Value*

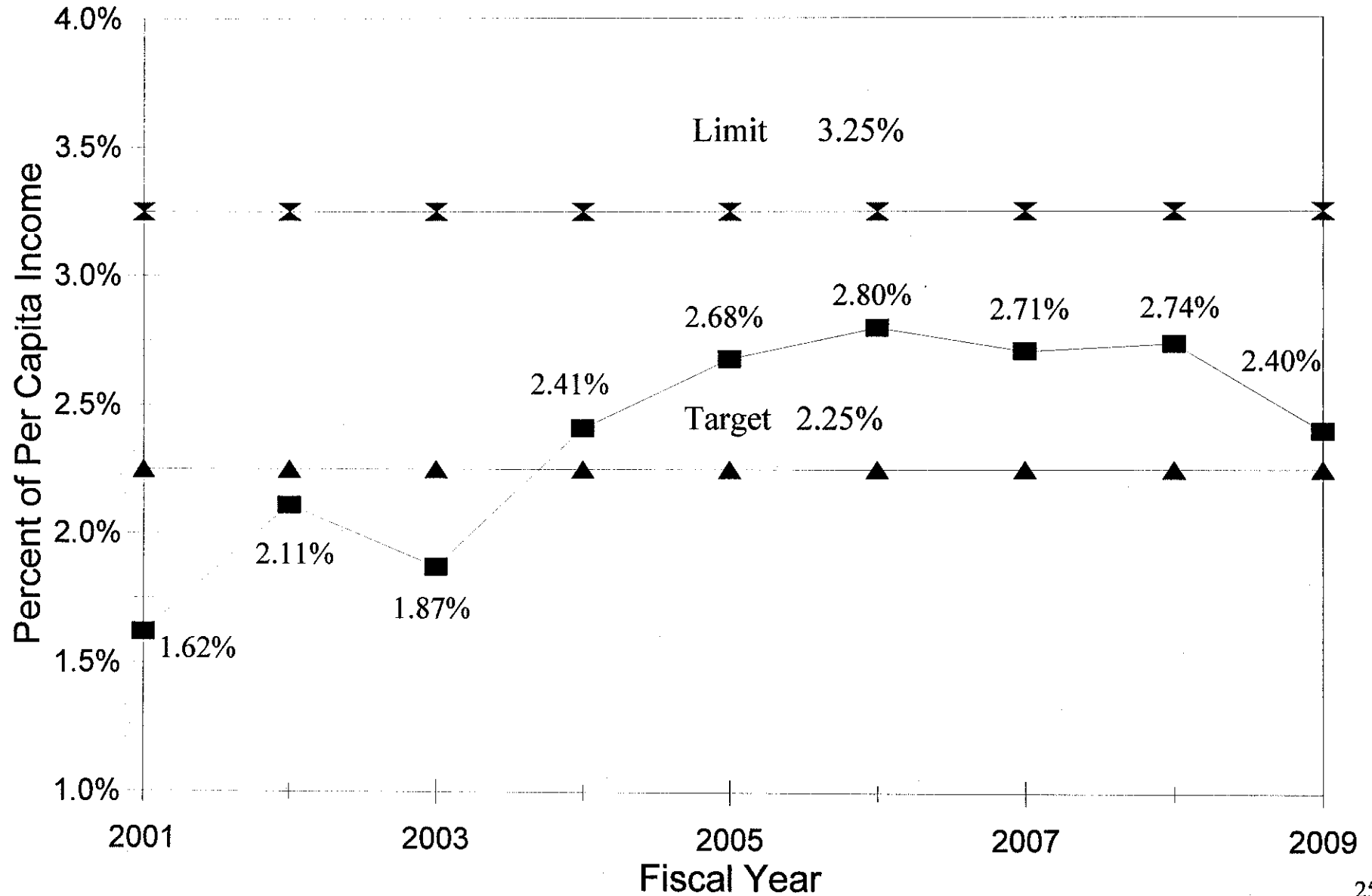
FY 2001- FY 2009





*Debt per Capita as a Percent of Per Capita Income  
Compared to Debt Policy Target and Ceiling*

FY 2001-FY 2009





## *Comparison to Other AAA Jurisdictions*

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- Multi-year projections through FY 2009
- Debt to fair market value in CIP compares favorably with AAA/Aaa jurisdictions
- Debt service as a percent of expenditures in CIP compares very favorably with AAA/Aaa jurisdictions



## *Sanitary Sewer Initiatives in Proposed FY 2004 to FY 2009 CIP*

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- Funding for FY 04 – FY 09 increased by 111% from \$11.9 million to \$25.1 million
- Last year noted further significant increases coming, starting in FY 04
- Alexandria is the only major jurisdiction in this region where the sanitary sewer system is not fully user fee financed, but General Fund subsidized



## *Sanitary Sewer Program Elements: FY 2004 to FY 2009 CIP*

---

- \$25.1 million proposed
  - \$3.4 million for reconstructions and extensions
  - \$2.4 million for CSO's
  - \$13.4 million for Infiltration and Inflow (I&I)

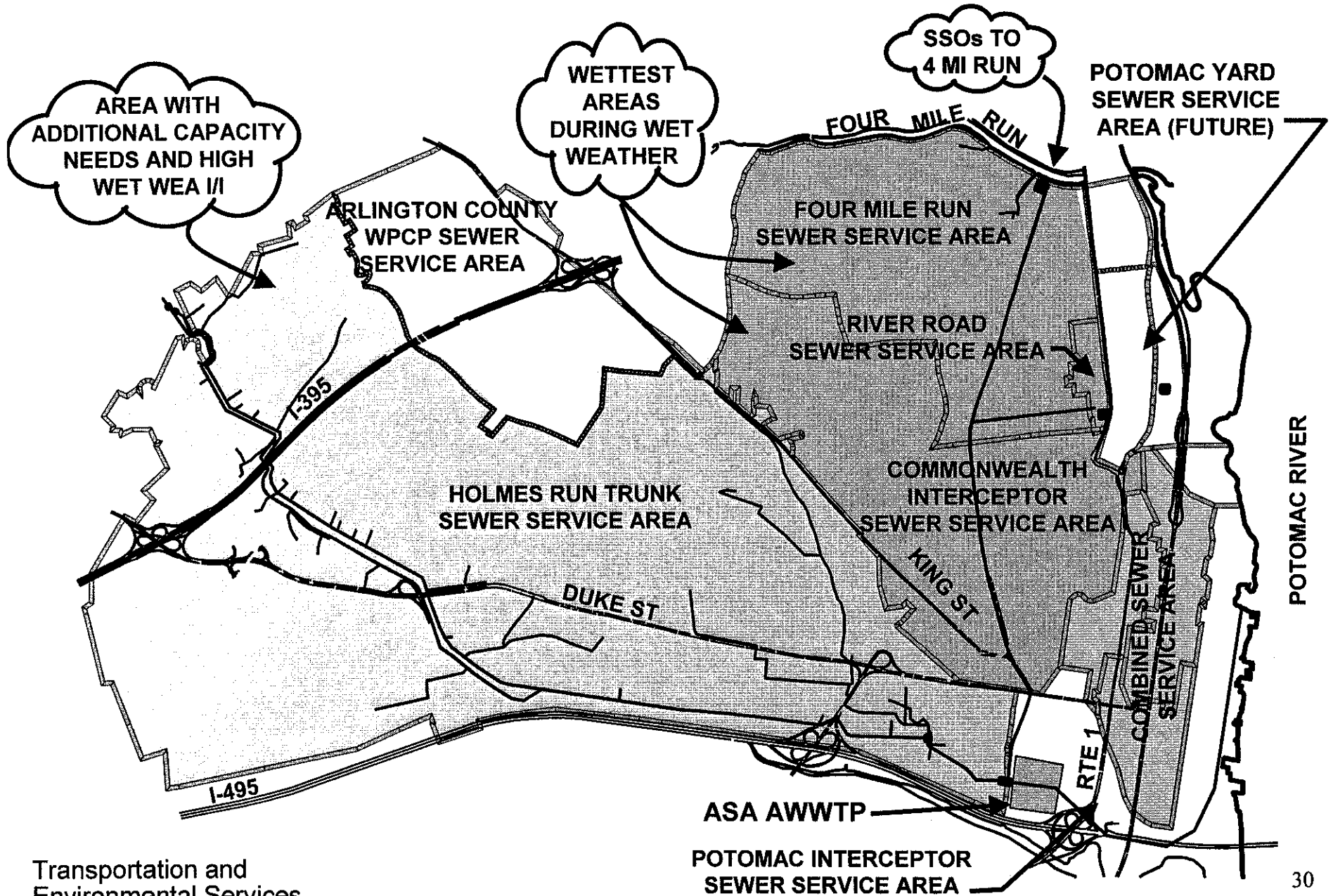


## *Sanitary Sewer Program Elements continued...*

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- \$25.1 million proposed...
  - \$0.5 million for environmental restoration and sewer mapping
  - \$3.6 million for Holmes Run trunk sewer
  - \$1.8 million for Royal Street sewer

# SERVICE SEWER AREAS



## **Accelerated Infrastructure Rehabilitation**

- **Reprioritization of City wide sewer funding to accelerate construction contracts**
- **\$6 million rehabilitation contract for Four Mile Run Sewershed award end of 2003**
- **\$6 million rehabilitation contract for Commonwealth Sewershed award end of 2004**
- **Re-evaluation of rehabilitated system at end of 2005 to determine any additional needs**
- **Accelerated 3 year program**
- **Other short-term measures to divert flow**





## *Sanitary Sewer Proposed Reprioritization FY 2004 –FY 2009 CIP*

	<b>Base I&amp;I</b>	<b>With Holmes Run</b>	<b>Revised I&amp;I</b>
<b>Prior FY</b>	3.5	+3.9	7.4
<b>FY 04</b>	2.8	+1.8	4.6
<b>FY 05</b>	3.7	+1.7	5.4
<b>FY 06</b>	2.6	- 2.4	0.2
<b>FY 07</b>	2.2	- 2.0	0.2
<b>FY 08</b>	0.7	- 0.7	0
<b>FY 09</b>	1.5	- 1.5	0
	<b>\$17.0</b>	<b>0.9*</b>	<b>17.9</b>

\* Net \$0.9 loss to Holmes Run projected to be funded in FY 10





## *Funding of Sanitary Sewer CIP*

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- User-fee financing considered best practice
- Sewer debt can be excluded from debt ratios
- ASA and Water Co. fully user fee supported
- City rate of 20 cents per 1,000 gallons
- Rate set at 20 cents in 1995
- Rate was 10 cents from 1979 to 1995



## *Under Current 20¢ Sanitary Sewer Rate: FY 04*

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Operating Expenses	\$1.5
Sewer Debt Service	\$0.3
Sewer Capital	<u>\$6.7</u>
Subtotal:	\$8.5
20 cent user fee	(\$1.1)
Sewer connection fee	(\$0.4)
Federal Earmark	<u>(\$0.9)</u>
<b><i>Funding Gap:</i></b>	<b><i>\$6.1</i></b>



## *Proposed Sewer Fee Increase*

---

- Goal to make sanitary sewer self-sufficient financially over 3 year period
- 20 cents = \$16 per year @ household
- Each +20 cents raises \$1.1 million
- Increase the rate by 20 cents or \$16 per year starting in FY 04 to \$0.80 in FY 06
- +\$3.3 million sufficient to cover operating, existing and new debt service and capital costs



## *Water – Sewer Rate Projections Average Household\**

	<u>FY 03</u>	<u>FY 04</u>	<u>FY 05</u>	<u>FY 06</u>	<u>FY 07</u>
ASA	\$260	\$272	\$284	\$295	\$303
Water Company	156	159	162	165	168
City	14	28	42	56	56
TOTAL	\$430	\$459	\$488	\$516	\$527

\*Assumes 69,000 gallons average household use