

# Councilman Speck's Proposal

3/11/2003

Page 1 of 2

EXHIBIT NO. 1

~~9~~  
~~3-11-03~~      2  
4-2-03

## A Proposal for Long-Term Funding of Open Space in the City of Alexandria

It is painfully evident that the General Assembly will not authorize any local funding sources for the acquisition of open space that require new revenues (e.g., the city's legislative proposal to increase the recordation fee). There is no realistic expectation of any significant state or federal funding or of any windfall in the city's budget that will not be already committed to the CIP. There is every expectation that existing open space will be under economic pressure to be developed.

The anticipated loss of the Second Presbyterian site to a large residential home development is irreversible, but there are numerous examples of smaller sites that are being developed without the attention that some of the larger sites (e.g., the Bryan property on King Street or the Goodman property on Quaker Lane) receive. For example, throughout the city there are small residential lots or substandard lots that are being developed as infill. These parcels are ideal for pocket parks, tot lots, or just to retain as green space, but only if they are purchased and retained for that purpose. But, regardless of whether it is a cluster development or a single home site, the city has no authority to prevent these sites from being developed if they meet the existing land use regulations. Thus, if the city wishes to acquire, retain and maintain open space, it must be willing to pay for it, usually at market prices.

Although the city has created an open space preservation fund with contributions from approved development projects, there are several limitations to this approach: (1) the contributions are voluntary; (2) relative to need, the contributions are small; and (3) they are "one-time" contributions, rather than recurring. It is the latter point that is most critical to any significant effort to implement an open space initiative. When the city proposed to increase the recordation fee as a dedicated revenue for open space, it was to create two critical elements—revenue that would be significant enough to make meaningful acquisitions and the ability to do longer-term planning by virtue of knowing that there was a reliable stream of income.

Recognizing that the city's resources are limited and the demands on them are not, any meaningful funding for open space will have to come from the one revenue source that is large enough to make a difference and does not require authorization from any legislative body other the City Council—real estate.

During the budget adoption process, the Council weighs numerous demands for additional funding balanced by the desire to maintain or lower the tax rate... a situation that becomes more politically-charged when property assessments rise sharply. Although some residents may object to their assessment increases, the greater pressure during the budget process is on setting the tax rate, and what existing or new expenses the City is incurring that drive the decision about the rate. Unless the rate declines in the same proportion to the assessment increase (an unlikely proposition), than most taxpayers will see an increase in their tax burden. The obligation of the Council is to make clear for what purpose additional taxes are being generated. My proposal is as follows:

**After the budget process has been complete—after the add/deletes have been agreed to—after the tax rate has been determined—the final amendment before adoption of the budget will be to add one cent (\$0.01) to the tax rate, and the revenue for that increase to be dedicated to the acquisition of open space.**

The success of this initiative is critically dependent on its continuation beyond this fiscal year. My recommendation is that the one-cent addition to the tax rate continue for the next five fiscal years, at which point the City Council and community would evaluate the success of the program. It is estimated by staff that the revenue generated would be approximately \$10.5 million (*assuming a 5% appreciation in real estate values in FY 2005, and 4% thereafter*) for FY 2004-2008. The impact on the individual homeowner or commercial property owner would be \$10.00 per year for every \$100,000 of assessed value (\$0.01 per \$100.00). For example, with the average value of a single family home now approximately \$400,000, the cost to the taxpayer for dedicated revenue for open space would be \$40 for this year.

There are a number of questions that are critical to any consideration of this proposal and to its ultimate success. Over the next six weeks, the Council and community will have an opportunity to discuss and debate this proposal, its consequences, and its potential. Some of the issues that warrant careful discussion are:

- Since one Council cannot bind a future one, how would this approach be structured to ensure that it is ongoing for at least the next five fiscal years?
- How would the funds raised be spent? What process would be used to determine what sites to purchase... and which not to purchase? How do we balance the acquisitions throughout the city?
- Why not just use general fund revenue, rather than a dedicated portion of the real estate tax?
- How should revenues raised be held? In city reserves or separately? Should a land preservation trust fund be created?
- Is there a risk in using this approach that every time an identifiable need arises, the real estate tax becomes the convenient target?

Over the years, there have been a number of different ideas for funding open space, but none have succeeded, either because of limited statutory authority or the inadequacy of the funding source. Although there may be disagreement as to the solution, there has never been disagreement as to the urgency of the need. In all aspects other than being surrounded on all sides by water, the City of Alexandria is an island. It cannot expand beyond the borders that currently exist, and its primary resource for revenue—real estate—is finite. The pressure to retain undeveloped land for green space, for recreation and enjoyment, and for active parkland is intense; and so, too, is the need for revenue to pay for the ever-increasing demand for services, programs, and capital needs for our citizens. When open space is lost, we will not get a second chance to retain it. If we cannot or will not be willing to tax ourselves to pay for it, then the loss becomes inevitable. **Dedicating one cent for open space acquisition and doing so on an ongoing basis is our last, best hope for ensuring that open space in Alexandria is preserved.**

Received by CE, Sent  
to OMB, CM

EXHIBIT NO. 2

2  
4-2-03

February 23, 2003

Kerry J. Donley, Mayor  
City of Alexandria

~~F. Budget~~

Subject: Increasing Property Tax Burden

Dear Mayor Donley:

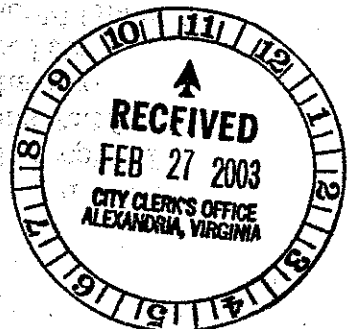
In recent years real estate assessment values in the city have increased dramatically as a reflection of the increased market values of real estate sales. However, as you know, the increased assessed values also translate into higher real estate taxes for homeowners in the city.

I am the resident owner of my home at 726 South Alfred Street. Last year I paid \$2,277.77 of real estate taxes on this property, which was 11.5 percent greater than the \$2,042.40 paid in 2001, which was 15.8 percent greater than the \$1,763.79 paid in 2000. Recently, I received the Notice of 2003 Assessment on my home. It showed the total assessed value of the property increasing from \$210,900 to \$289,400, an increase of about 38 percent. If I assume that the taxes on my home were to increase proportionally, that means that for 2003 I would have to pay \$800 to \$900 of additional taxes on this property. I have to wonder where the money is going to come from to pay these additional taxes. I am employed but my income only increases by about 2 to 4 percent annually. Should I have to take out a home equity loan to pay taxes?

I request that the Mayor and Council take action to help relieve city residents of the growing real estate tax burden. Please consider lowering the tax rate, lowering the ratio of assessed value that is taxable, placing a limit on the annual growth of assessed value—such as 10 percent, or some combination of these to help shelter me and other resident owners of real estate in the city from the rapidly growing real estate tax burden.

Yours truly,

David P. Tarosky





J Bennett  
<jb900@yahoo.com>

04/01/03 08:46 PM

To: Bill Cleveland <billclev@comcast.net>, Kerry Donley  
<mayoralx@aol.com>, Claire Eberwein  
<eberweincouncil@comcast.net>, Bill Euille  
<wmeuille@wdeuille.com>, Del Pepper <delpepper@aol.com>,  
David Speck <dspeck@aol.com>, Joyce Woodson  
<council@joycewoodson.net>

cc: Beverly Jett <beverly.jett@ci.alexandria.va.us>

Subject: Budget Hearing - Open Space Funding - CORRECTED COPY

*Sent to CC, Cor  
Budget*

*PF 4/2/03*

Mayor and City Council

I am generally supportive of having tax funds available to purchase open space for future needs and to supplement open space that may be obtained in other ways or funded from other public or private grant sources. My preference would be to finance through bonds since the benefits accrue over a long period, but realize bond funding may be problematic because of the need to keep a lid on the total in order to maintain our bond ratings. I also realize that the discussion proposal does not generate nearly enough revenue to meet the goals of the open space study, and if adopted, would create a whole new dynamic of how to allocate funds in a fair way realizing severe shortage of funds.

I don't favor the "add back" approach on the tax rate. Better to include as a recognized need in the total funding needed. I also generally do not favor ear-marking revenues to apply to a specific function, although do not object to user charges when appropriate.

I think the people of Alexandria cherish their open space and will look favorably on obtaining more for the future. Also I believe we are ready to accept the reality that it will cost us to have it. While I have expressed my preferences as to how to fund it, please understand that I will support any reasonable plan to obtain it.

Joseph S. Bennett  
5022B Barbour Drive 22304

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Do you Yahoo!?

Yahoo! Tax Center - File online, calculators, forms, and more  
<http://platinum.yahoo.com>

Sent to CC, com  
Budget PF 4/2/03



Judith Lowe  
<judylowe36@comcast.net>

To: Beverly Jett <beverly.jett@ci.alexandria.va.us>  
cc:  
Subject: Open Space Proposal

04/01/03 02:32 PM

Dear City Clerk,

I will not be able to come and testify at the Public Hearing for the budget, but please consider my email. I am soundly in favor of the proposal to add 1¢ to the tax rate to fund open space initiatives.

I am not, however, in favor of delaying the long anticipated expansion of Duncan Library in order to come up with a plan to use the adjacent space as open space. This space, next to Duncan, is not very desirable and the entrance to Mount Vernon School is not going to be hidden. It is amazing that this lot is all of a sudden an attractive open space because in reality, it floods in the middle and is usually filled with dog droppings that the owner has not retrieved. We have been waiting TOO LONG for the Duncan expansion.

Judy Utterback Lowe  
703.548.1713  
703.608.2165 (c)  
judylowe36@comcast.net  
Outgoing email is certified virus-free



Dave delaChevrotiere  
<DaveDela@comcast.net>

To: <beverly.jett@ci.alexandria.va.us>  
cc: <parkfairfax.uoa@erols.com>, <parkfairfax@aol.com>  
Subject: tax rates

04/01/03 01:58 PM

*Sent to  
cc, Chris,  
Budget*

*4/2/03*

Dear Beverly,

I am unfortunately not going to be able to attend Wednesday's meeting due to a work conference taking me out of town, but I need to express my concern in the increase in property values for the Park Fairfax Community. As a home owner here, I am looking at a substantial increase in taxes, which will cause my escrow payments to grow much larger than I had planned for. The sad thing is that in many cases people might not be in the predicament to assume this increase in escrow, causing them to possibly have to look for a different neighborhood to live in. Please consider this plea to levy a fair increase in value to the homowners here. A 43% increase in assesment seems very very high and unjust.

Thank you for your time, and best regards.

Dave delaChevrotiere  
1631 Ripon Place  
Alexandria, VA 22302





"Jane Knowlton"  
 <jknowlton@fs.fed.us  
 >

To: beverly.jett@ci.alexandria.va.us  
 Subject: Parkfairfax resident opposed to real estate prop tax increase

*Sent to  
 CC, com  
 Budget*  
 PF 4/1/03

03/31/03 11:21 AM

To Alexandria City Mayor and Members of Council at City Hall

I would like to oppose any increases in real estate taxes for Parkfairfax. We pay a significant condo fee alone on top of our real estate taxes and many of the services which other city residents pay for with their taxes, we pay again in our condo fees. Many of us are on fixed incomes, we have many older residents who already pay increased amounts for prescription drugs, we have many families struggling to make ends meet. We pay one of the largest condo fees in the area and use many community volunteers to help keep our community strong. Additional real estate taxes on this property are not warranted for our community. Please consider our views during the upcoming hearings on this issue.  
 Thank you for your consideration.

Jane Knowlton  
 1622 Ripon Place  
 Alexandria, Va 22302





"lou shine"  
 <mari@erols.com>  
 03/29/03 05:13 PM

To: <beverly.jett@ci.alexandria.va.us>  
 Subject: tax relief

*Sent to CC,  
 Crmo, Budget  
 PF 4/2/03*

Dear Ms. Jett:

The 43% jump up in assessed values here at Parkfairfax is patently unfair. The condominiums are at least 60 years old, electric wiring and pipes are failing, there is no central air or heat. In short, assessed values should be declining or at the very least, steady.

Services provided by the City of Alexandria to Parkfairfax are minimal. We plow most of the streets, tend to the landscape and trees, dispose of leaves, pay high fees for water and sewage, receive no protection from rate hikes from the only cable company the City has licensed. The City obviously has a cash cow here at Parkfairfax,

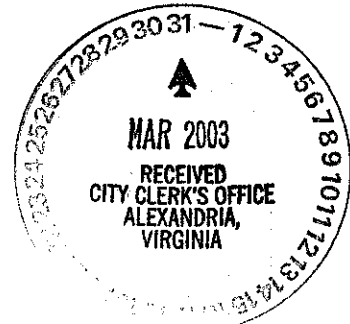
My wife and I are long ago retired, hovering just above and below 80 years, barely making do on a fixed income. For your information, here are the annual property tax payments for the past few years:

2000	96,300 @ 1.110	\$1068.93
2001	109,900 @ 1.110	1219.80
2002	134,100 @ 1.08	1448.28
2003	189,400 @ 1.05	2988.70

As is obvious, in four years the tax bill has almost tripled.

UNFAIR!!!!!!

Louis & Mari Shine  
 1638 Mt. Eagle Place  
 Alexandria, VA 22302







David Harris  
< david.harris@wap.org

>  
03/29/03 11:20 AM

To: < mayoralx@aol.com >, < billclev@comcast.net >,  
< eberweincouncil@comcast.net >, < wmeuille@wdeuille.com >,  
< delpepper@aol.com >, < dspeck@aol.com >,  
< council@joycewoodson.net >,  
< beverly.jett@ci.alexandria.va.us >

Subject: Property tax increase!

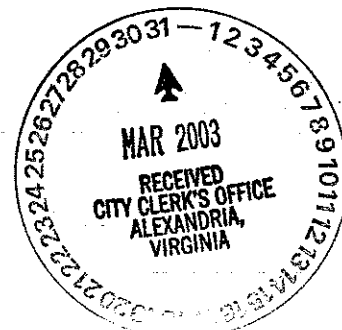
*Sent to CC,  
Cano, Budget  
PF 4/2/03*

I read that the average value of a condominium in Alexandria rose 31% since last year, and the average value of a Parkfairfax condominium rose 43%. Without my adding any improvements, the assessment on my Parkfairfax condominium increased by more than 60% from last year!

If you decrease the tax rate from 1.08% of assessed value to 1.05%, my tax will still increase by \$518.40, or 56% from last year.

I am a single male over 65 years of age; my gross salary last year was some \$22,000, with my federal adjusted gross income being a little more than \$20,000. My Parkfairfax condominium is my first home purchase and I expect it will be my last. I moved in just over three years ago, and I could not afford to buy it at all at today's prices. I still have to pay for trash collection and other services in my monthly condominium fee, since the city does not provide those services to us.

I hope you can find some way to ameliorate the impact of this tax increase; does the city really need 56% more from me this year than last?





"Karen R. Taylor"  
<taylorkr@earthlink.net>  
t>

To: <beverly.jett@ci.alexandria.va.us>  
Subject: condo assessments

03/28/03 04:41 PM

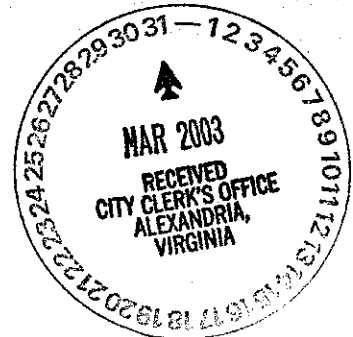
*Sent to CC,  
C200, Budget  
PF 4/2/03*

To whom it may concern:

I am concerned about the proposed 31% condominium tax assessment increases. Why are the tax increases proposed for citizens like me living in condos in Alexandria? I am living in a condo because it is all I can afford as a educator in this area. During my first years of teaching I had to live in the outer suburbs and commute through long hours of traffic to work. I was very blessed to be left some inheritance without which I would never have been able to afford to own even a condo in this area. I know other teachers who still commute into work through hours of traffic. In contrast some of my friends who are teachers in other areas can afford houses.

The price of housing in this area is too costly already. I support any measure that will elevated the cost of housing in this area including tax rate relief.

Sincerely,  
Karen R. Taylor



Sent to CC



4/2 Budget PH

Head Start

Campagna Kids

Wright to Read

RSVP

March 27, 2003

BY FAX

Mr. Mark Jinks  
Assistant City Manager  
301 King Street  
Alexandria, VA 22314

Ms. Bev Steele, Interim Director  
Department of Human Services  
2525 Mt. Vernon Avenue  
Alexandria, VA 22301

Dear Mark and Bev,

I'm writing to follow up our March 12 meeting concerning Campagna Kids' FY 04 budget. As partners to the City and contributors to the success of this program since 1977, it is The Campagna Center's goal to provide the highest quality, most cost effective child care possible to the children of Alexandria. It is also our goal to work with you to find the best way to do that within our collective resources, including those secured by The Center (such as the \$30,000 annual USDA reimbursement for food and the \$40,000 grant from the Freddie Mac Foundation for enrichment).

When we submitted our proposal for FY04 in November 2002 we expected it to be the basis to begin budget discussions. Since the school year program starts in September, in November we have very little experience with parent fees, enrollment and other data on which to make projections for future years, and this year circumstances changed markedly. The wage disparity, which The Campagna Center has reported to you regularly, has become acute to the point where our ability to operate at existing service levels in FY04, while maintaining the high quality of care that we all value, is compromised.

Our recommendation to the City Council at the budget hearing on April 2 will be that the City and The Campagna Center commit to seeking a long-term vision for this program and that, as we work toward that vision, we maintain the existing service level. In the event that the City's ability to support maintenance of the existing program level is unachievable, we understand that changes will be necessary. With the active involvement of our Board leadership, we have identified five alternative arrangements for discussion, if it must come to that outcome. We believe that, together, we can find the financial resources to sustain existing care and enrichment levels for our City's children and families who are served by this Campagna Kids, and we look forward to working with the City to this end.

Mr. Mark Jinks  
Ms. Bev Steele  
Page Two  
March 27, 2003

With Council's public budget hearing on April 2, and summer and fall registration for Campagna Kids scheduled for mid-April, it is urgent that we meet to discuss these possibilities as soon as possible. I'll give you a call tomorrow so that we can begin a solution-based discussion.

Sincerely,



Katherine L. Morrison  
Executive Director

Enclosures

cc: Honorable Mayor and Members of City Council  
Carol Moore, OMB  
Carol Farrell, DHS  
Marcie Cavanaugh, DHS

**The Campagna Center  
School-age Child Care Options**

Assumptions made for the following options:

- \$1,222,000 in City funding
- use FY03 actual enrollment 2/28/03 as basis
- rely on anticipated FY03 year-end revenues for CCDF (\$250,000) and parent fees (\$990,000)
- continue to offer enrichment at current levels at a cost of \$161,000/year
- freeze nonpersonnel costs at FY03 level or reduce based on lower enrollment
- reflect 7% vacancy rate in salaries
- adjust wages to the lowest range of the 2001 market survey for child care providers in Northern Virginia
- does not include school-age child care at Samuel Tucker, which is under a separate contract but which also requires wage adjustments

**Option #1. Continue Campagna Kids at FY03 service level, adjust wages**

This option reflects before-and-after-school programming at all present sites, and current staffing ratios (1:15 for nonaccredited sites, 1:12 for accredited sites, anticipating that Maury and Polk will be added to Jefferson-Houston, George Mason, Ramsay, and Charles Barrett as accredited sites). **Budget adjustment: \$430,585 (Column F)**

**Benefits**

- ▶ Accreditation maintained/expanded
- ▶ Lower child-to-staff ratio
- ▶ No disruption to families by changing providers
- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff

**Issues**

- ▶ Does not provide for citywide equity in fees, wages or programming

**Option #2 Continue Campagna Kids at FY03 service level, adjust wages, differential staffing ratios**

This option reflects before-and-after-school programming at all present sites (11 with before-and-after care, Cora Kelly with just before-school care), preserves staffing ratio of 1:12 at accredited sites but changes nonaccredited sites to 1:20, the ratio required by the Virginia Department of Social Services. ). **Budget adjustment: \$244,777 (Column G)**

**Benefits**

- ▶ No disruption to families from changing providers

- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff

#### Issues

- ▶ Freezes accreditation at existing sites (seven of 13)
- ▶ Does not provide for citywide equity in fees, wages or programming
- ▶ Lower staff/child ratio lowers program quality

#### **Option #3 Continue Campagna Kids at FY03 service levels, adjust wages and change staffing ratio program-wide**

This option reflects before-and-after-school programming at all present sites, but changes staffing ratios from 1:15 for nonaccredited sites and 1:12 for accredited sites to 1:20, the ratio required by the Virginia Department of Social Services. ). **Budget adjustment: \$133,572 (Column H)**

#### Benefits

- ▶ No disruption to families from changing providers
- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff

#### Issues

- ▶ All accreditation lost
- ▶ Does not provide for citywide equity in fees, wages or programming
- ▶ Lower staff/child ratio lowers program quality

#### **Option #4 Continue Campagna Kids only at schools without Rec Centers, maintain current staff ratios and adjust wages**

This option reflects before-and-after-school programming at Lyles-Crouch, Maury, MacArthur, Jefferson-Houston, George Mason, Polk, Patrick Henry, John Adams. Where there are recreation centers attached to the schools (Mount Vernon, Charles Barrett, Ramsay and Cora Kelly) the before-and-after school care would have to be provided by another entity. Staffing ratios remain 1:15 for nonaccredited sites and 1:12 for accredited (which would be Jefferson-Houston, George Mason, Polk and Maury). **Budget adjustment: \$86,614 (Column I)**

#### Benefits

- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff.
- ▶ Maintains some accreditation
- ▶ Higher staff/child ratio increases program quality

### Issues

- ▶ Families at Mount Vernon, Charles Barrett, Ramsay must change providers
- ▶ Accreditation lost at Charles Barrett and Ramsay
- ▶ Does not provide for citywide equity in fees, wages or programming
- ▶ City must expand services at four sites and incur additional compensation costs

### **Option #5 Continue Campagna Kids only at schools without Rec Centers, change staff ratios to 1:20 and adjust wages**

This option reflects before-and-after-school programming at Lyles-Crouch, Maury, MacArthur, Jefferson-Houston, George Mason, Polk, Patrick Henry, John Adams (Tucker is a separately-negotiated contract). Where there are recreation centers attached to the schools (Mount Vernon, Charles Barrett, Ramsay and Cora Kelly) the before-and-after school care will be provided by another entity. This option also changes staffing ratios from 1:15 for nonaccredited sites and 1:12 for accredited sites to 1:20, the ratio required by the Virginia Department of Social Services. **Budget adjustment: \$158,936 surplus (Column J)**

### Benefits

- ▶ Brings staff wages closer to market for school-aged child care providers (wages based on 2001 study) which will allow us to attract and retain staff

### Issues

- ▶ Accreditation lost at all sites
- ▶ Families at Mount Vernon, Charles Barrett, Ramsay must change providers
- ▶ Does not provide for citywide equity in fees, wages or programming
- ▶ Lower staff/child ratio lowers program quality
- ▶ City must expand services at four sites and incur additional compensation costs

	A	B	C	D	E	F	G	H	I	J
1	<b>The Campagna Center</b>									
2	<b>Campagna Kids</b>									
3	<b>FY04 Budget Options for Campagna Kids Base Program</b>									
4							Non-Accredited			
5							Sites		No-Rec Cir.	No-Rec Cir.
6						As Is	Staffing Ratio	Staffing Ratio		Staffing Ratio
7				Estimate	To City	At Current Reg.	equal to 1/20	equal to 1/20		equal to 1/20
8				Nov-02	Nov-02	W/Salary adj.	W/Salary adj.	W/Salary adj.	W/Salary adj.	W/Salary adj.
9		FY02	FY03	FY03	FY04	FY04	FY04	FY04	FY04	FY04
10		Actual	Budget	to EOY	Budget	Budget	Budget	Budget	Budget	Budget
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**FY04 TCC Budget Options for Campagna Kids Program**

**Legend**

**FY04 Campagna Kids Budget Options**

**Column**

**B FY02 Actual**

Actual Program Expenses for 12 months per The Campagna Center's (TCC)  
Audited Financial Statements

**C FY03 Budget**

Contracted amount between TCC and The City of Alexandria

**D Estimate: FY03 to EOY**

Estimated FY03 Year End income and expense based on current trends

**E Preliminary FY04 to City, Nov-20**

Early estimates of program income and expenses based on Nov. 2002 enrollment and FY02 actuals

**F FY04 Estimated income and expenses at current operating levels:**

Including: Four Accredited Sites; Staffing 1/12 (\$m. Tucker not included in this budget)

Eight Non-Accredited Sites with Staffing ratios of 1/15

Enrollment based on FY03 actuals at February, 2003

Wages increased to 2001 Salary Survey lowest levels

Benefits increased by 25%-per insurance carrier

Other expenses held to FY03 contract amount

Exceptions: Enrichment increased by \$30,000 funded by  
other sources

Decreases based on lower enrollment or fewer staff:

Food expense decreased to reflect lower enrollment

Supplies expense reduced to reflect lower enrollment

Allocation of administrative expenses decreased: fewer staff

**G FY04 Budget as in #5 changed by:**

Increasing ratio of Children to Staff at non-accredited sites-1/20

**H FY04 Budget as in #5 changed by:**

Increasing ratio of Children to Staff at all sites-1/20

**I FY04 Budget as in #5 changed by:**

No Campagna Center services offered at locations with Recreation Centers

**J FY04 Budget as in #5 changed by:**

No Campagna Center services offered at locations with Recreation Centers

Increasing ratio of Children to Staff at all sites-1/20

**All Options may be reduced by \$161,166 if Enrichment activities are eliminated**

*The Campagna Center*

**Current and Proposed Campagna Kids Wage Scale  
Campagna Kids-Main Program**

<b>Site</b>	<b>CK Position</b>	<b>Current FY03 Hourly Rate</b>	<b>Proposed FY04 Hourly Rate</b>	<b>Difference in Hourly Rate</b>	<b>% Increase</b>
<b>Administration</b>	Office Assistant	16.10	18.00	1.90	11.80%
	Office Manager	18.26	19.00	0.74	4.05%
	Site Supervisor	17.78	20.00	2.22	12.49%
	Site Coordinator	20.47	21.00	0.53	2.59%
	Assistant Director	24.12	25.51	1.39	5.76%
	Program Director	28.43	29.71	1.28	4.50%
<b>Site Staff</b>	Assistant Group Leader	7.70	9.50	1.80	23.38%
	Group Leader	9.75	11.50	1.75	17.95%
	Senior Group Leader	11.80	13.50	1.70	14.41%
	Site Director	16.42	19.00	2.58	15.71%
<b>Enrichment</b>	Enrichment Coordinator	18.87	19.00	0.13	0.69%
	Dance & Drama	13.00	14.00	1.00	7.69%
<b>Curriculum Specialist</b>	Curriculum Specialist	17.44	19.00	1.56	8.94%
<b>Food Service Worker</b>	Food Service Worker	8.21	8.50	0.29	3.53%
<b>Summer Bus Drivers</b>	Bus Driver	14.00	14.00	-	0.00%

**Subject: Open Space Proposal**

**Date:** Wed, 2 Apr 2003 14:09:35 -0500

**From:** "Larsen, Kenyon" <Kenyon\_Larsen@sra.com>

**To:** "mayoralx@aol.com" <mayoralx@aol.com>, "billclev@comcast.net" <billclev@comcast.net>  
"eberweincouncil@comcast.net" <eberweincouncil@comcast.net>,

"wmeuille@wdeuille.com" <wmeuille@wdeuille.com>, "delpepper@aol.com" <delpepper@aol.com>

"dspeck@aol.com" <dspeck@aol.com>, "council@joycewoodson.net" <council@joycewoodson.net>

**CC:** "Walden, Pearline " <pearline.walden@ci.alexandria.va.us>,

"Adam Wilson (Business Fax)" <IMCEAFAX-Adam+20Wilson+40+2B1+20+28202+29+2062

Cechamb@aol.com, "Danielle Fidler (dcfidler1@hotmail.com)" <dcfidler1@hotmail.com>,

"Edouard, Lisa " <ledouard@hotmail.com>, "Kevin DeBell (debel.kevin@epa.gov)" <debell.kevin@epa.gov>

"Molly Theobald (mtheobald@arc.gov)" <mtheobald@arc.gov>,

"Skrabak, Bill " <William.Skrabak@ci.alexandria.va.us>, Rich Williams <ricois@yahoo.Com>,

Andrea Valenti <andreavalenti@msn.com>, Cindy DeGroot <cgrotius@ix.netcom.com>,

Heather Shriner <hwshriner@alumni.virginia.edu>

Honorable Mayor and City Council of Alexandria

I would like to state my **strong support** for Councilman Speck's proposal to fund open space acquisition by increasing the residential and commercial property tax by \$0.01 (one cent) on every \$100 of assessed property value. Although I am the Vice Chair of the Alexandria Environmental Policy Commission, I am not representing the EPC position. Instead, my support is as a home owner in Alexandria.

The EPC was unable to take formal action on this proposal by today due to timing. The EPC plans on taking a position on the proposal at our next regularly scheduled meeting on April 21.

Thank you,

**Kenyon Larsen**

107 W. Howell Ave

Alexandria, VA 22301

(703) 548-3373 (h)

(703) 284-9469 (w)

[kenyon\\_larsen@sra.com](mailto:kenyon_larsen@sra.com)

Sent to CC, CM,  
OMB —



"WGD"  
<irishwh@starpower.net  
>

To: "Beverly Jett" <beverly.jett@ci.alexandria.va.us>  
cc:  
Subject: Property Tax Recommendation

PF 4/2/03  
Budget 2/03

04/02/03 10:34 AM

AVERAGE VALUATION OVER 5 YEARS

When valuations rise 10% or more in one year for a class of property. This makes taxation orderly and anticipated, rather than shocking. Taxation should be on firm value, rather than spikes, with neither the taxpayer, nor the government gouging the other on the wings of a capricious market.

Wm. G. Deckelman  
3363 Martha Custis Drive  
Alexandria VA 22302-2117

**Greg Principato**

**T.C. Williams PTSA**

**April 2, 2003**

**City Council Budget Hearing**

**This hearing convenes in uncertain times. People crave things they can be certain about; things they can be confident in.**

**Increasingly, the Alexandria school system is one of those things. The commitment you, your colleagues on the school board and the Alexandria City Public School leadership have shown to education is plain to anyone really paying attention. Scores and achievement are up. Our teachers, students and staff are doing great things. At the high school, we see more people leaving the private schools and enrolling at Minnie Howard and T.C. The word is getting out.**

**Of course, challenges and problems remain. The superintendent and school board have submitted a budget that takes a responsible approach given our economic realities, but which will continue the progress that has been made in recent years. I urge your support of that budget.**

**I have spoken to most of you privately about the schools, about T.C. Williams and about the high school building project. I am personally appreciative, as is the T.C. Williams PTSA membership, for the commitment each of you has shown to educational quality in Alexandria and to the decision to build a new, state of the art, high school facility that will be the pride of our city.**

**We know this was not an easy decision. New high schools are not cheap, and there are always lots of ideas about how to go about it. But the will to move forward is there, and the result will be well worth it.**

**The T.C. Williams PTSA has participated in the process from the beginning. I have personally been to many meetings, hearings and discussions about the new high school. These have been public gatherings, widely attended by parents and by non-parents alike. As the decision affects all of the City, this is as it should be. I have been gratified at the common ground that exists in the City on the need for a new school.**

**And I am gratified that plans for the new school call for the facility to be designed in a “school within a school” format in which the advantages of a smaller school -- small class sizes, constant and constructive adult-student contact, among others -- will be combined with the advantages of size -- expanded course offerings and extracurricular opportunities, among others -- to produce one of the nation’s outstanding 21<sup>st</sup> century high schools. I know some have expressed well-intentioned concern about the size of the new high school. From a parents’ perspective, I want to assure them that the designs being considered -- both architectural and educational -- will address those concerns.**

**So, I applaud this Council for having the foresight to pursue this project. One concern I do want to express is for the students and teachers occupying the current building while the new one is being built. There are more than 2,000 there at any one time. There will be needs: maintenance needs, educational needs, what have you. Many of those needs will take money to address. Please do not succumb to any temptation to defer action on such items under the theory that there will be a new school soon enough anyway. I**

**know you all well enough to know that will not likely be a problem. But I would be derelict if I didn't mention it.**

**Once again, thank you for your support of education and for your support of the T.C. Williams building project.**

## STATEMENT FOR CITY COUNCIL BUDGET HEARING,

APRIL 2, 2003

Mayor Donley and Members of the City Council: My name is Priscilla Goodwin and I am the President of George Mason Elementary PTA. I would like to start by thanking all of you for your past support for Alexandria's public school system. I have three children, one at G.W. and two at George Mason, and our family has been very pleased with the education they have received. My children are thriving because their schools have great teachers, small classes, nice buildings (G.W.'s is well underway), and excellent resources in technology and media centers. I attribute this to the leadership of the School Board and administration of the schools, the involvement of parents and the community, and to you for funding the school budget. I am grateful that we live in Alexandria, where the City Council understands the importance -- to everyone in the city -- of



educating its citizens for the future. I would especially like to thank Mayor Donley and Councilman Speck, as they leave public office, for their support of the Alexandria City Public Schools.

Today I come to ask that you again fully fund the budget passed by the School Board. I have two issues that I would like to highlight: first is the revamped salary scale for teachers. It is vital that we retain excellent teachers to make sure that our kids have the best education. Teachers are the most important factor in our schools. No matter how well designed the curriculum or how many computers in the classroom, if students have a poor teacher they will not learn. It makes sense that after we've invested in a teacher's recruitment and training it is financially prudent to retain that teacher. We are in a competition with a number of other good school systems in our region to attract and retain the best teachers.

The second issue I want to mention is the construction of the new T.C. Williams building. My husband and I are both proud to be T.C. alumni and look forward to sending our children there, so I have kept up to date with how T.C. is doing. It is clear that T.C. is

a successful school with an excellent academic program. It is clear that T.C. staff and students have created a community where diversity and achievement in academics and extra-curricular activities are valued. It is clear that T.C. is special because it is one of the few places we have where people from every neighborhood of our city come together regularly. It is also clear that its building is decaying and outmoded and needs to be replaced. Although the new building will cost a lot, it is a worthwhile investment in the future of our city.

I reiterate these obvious facts because, as important as our schools are to our entire city, households with children are a minority in Alexandria. I am here as a representative of the George Mason community to let you know that we are very concerned that the city continues to support the construction of a T.C. building that is commensurate with the excellence of its program and its vital role in our city.

Thank you very much for your support of Alexandria's schools.

**Priscilla Goodwin,**

**306 Mansion Drive, Alexandria, 22302**

**703-549-6139**



# City of Alexandria, Virginia

Department of Recreation, Parks and Cultural Activities  
1108 Jefferson Street  
Alexandria, Virginia 22314-3999

Sandra Whitmore  
Director

(703) 838-4343  
Fax (703) 838-6344

## *Park and Recreation Commission*

April 2, 2003

The Honorable Kerry Donley  
Vice Mayor William Cleveland  
Councilman William Euille  
Councilwoman Redella Pepper  
Councilman David Speck  
Councilwoman Joyce Woodson  
Councilwoman Claire Eberwein

Re: Capital Funding for Parks and Recreation  
Open Space Fund

Dear Mayor and Council Members:

### **The Capital Budget**

The Park and Recreation Commission would like to express our full support and enthusiasm for several items included in the FY 2004 Capital Budget of the City. We know that there are many important needs and that the financial situation in the City is one with which we must exercise some caution, but we feel that this budget fairly addresses the built needs of this community for recreational opportunity for some years to come.

First, the \$7.6 million proposed for the renovation of the Charles Houston and Patrick Henry Recreation Centers is long over due and much welcomed both by those neighborhoods and this Commission. The needs at each of these centers have increased substantially over the years while time and heavy use have worn the buildings themselves. Our Commission feels that these two centers represent the most compelling need for capital investment in the coming year for recreation in the City. Half of the amount is to be allocated in FY 05 to allow construction to begin and the remaining half is allocated in FY 06 to finish the projects. In addition, we respectfully request that \$100,000 be allocated in this coming year, FY 04, to hire the design consultants, reach out to these two communities and undertake schematic design and begin design development. By doing so, when the FY 05 construction money becomes available mid-year of 2004 these projects will be ready for the consultants to wrap up the design and promptly begin construction document, moving the start of construction forward by months. The community process involved in designing these renovations takes time and it should. By allocating the front end of the design money now we will be able to get these projects in place perhaps six months earlier than might otherwise be expected. These two neighborhoods would greatly benefit from having these projects in place sooner rather than later.

We also endorse the allocation of \$20 million in FY 07 to begin the construction of an expanded Chinquapin Recreation Center in cooperation and coordination with the construction of the new TC Williams High School at the same location. Inherent in this endorsement is our full agreement with the notion that the City needs to consolidate the larger, single source recreational offerings at one facility and that this facility needs to be centrally located in the City.

Additionally, we subscribe to the notion that many of these recreational functions can, and as a matter of good public policy, should be shared with the high school. These include an indoor track, additional basketball courts, and a competition swimming pool, as well as others. Through cooperation with the school we can maximize the use of this facility and the capital investment that will be needed. We are able to make this endorsement because the Recreational Needs Assessment is virtually complete and it indicates pretty clearly that, all things considered, this represents the best choice for the future of recreation in the City.

Here, too, we encourage you to allocated funds in FY 04 to move forward with schematic design and to begin the design development phase in concert with the design of TC Williams so the benefits of this early planning with the high school can be captured. Allocating some of the design funds FY 04 for this project is a good investment in a better end product and will likely result in tangible cost savings in the final analysis.

### **Open Space Funding**

The Park and Recreation Commission would like to take this opportunity to fully support the proposal forwarded by Councilman Speck to allocate one cent of each \$100 of assessed property value to the creation of an open space acquisition fund. We understand the City Council is struggling to lower the rate by three or more cents as assessments have increased a great deal in the last few years. It also seems that inherent in this debate is the issue of what we, the citizens, would like our tax dollars spent on. It would be helpful if you had a good poll at your disposal during this debate to tell you exactly how Alexandrian's value open space and what they would pay for it.

But you do indeed have that poll. In the statistically rigorous polling done for the Recreational Needs Assessment, the City's consultant asked respondents what four park and recreation offering they would be most willing to support with their tax dollars. Trails ranked first by a big margin (52%) with a fitness facility (27%), acquiring property for new parks (27%), historical areas (often important open space) and historical facilities (at 24%) ranking nearly all the same. Combined rankings for acquiring new parks paired with acquiring important historical areas moves these open space aspects into a clear high priority. In fact, the consultant remarked that the polling indicated a higher percentage of people said they would pay for more of this public open space with their tax dollars than said they would actually use it. The consultant indicated they had never seen that before and interpreted it as strong support for the kind of proposal we are now considering.

In considering whether to dedicate 1 cent of the property tax rate to open space in the coming years, please keep in mind that the first question should not be whether this is dedicated or annually appropriated money. The first question you must ask and answer is whether the citizen's of this City are willing to say they will rise to the need for more open space by saying they will help pay for it with tax dollars. Are we willing to take responsibility to invest in the future quality of life here? If we say "no" at this point, what we are saying is that we are looking to someone else -- the federal or state government -- to save us essentially from ourselves. It seems unlikely other levels of government (essentially, other taxpayers) are going to be able to help us for a long time to come. It seems apparent that the citizens of this community need to be a part of the solution and that solution, in most cases, means money to buy what we need. If we do not take this step now, I fear it will never be taken. The financial condition of this city is cautious, but stable. It is unlikely to improve much in the foreseeable future. With rising property assessments nipping at the heels of each of us, it will be difficult for this Council to say yes to open space, but this is the moment to do so.

And as for the second part of the question, a dedicated fund is the appropriate vehicle to use. We will need the reliability of this fixed rate, approximately \$2 million per year, to be able to leverage more money into the fund. The Park and Recreation Commission would encourage you to use these allocated funds to service debt on bonds, or some other innovative funding vehicle, to creatively leverage the greater investment that will be needed. The Open Space study

indicates that about \$50 million dollars will be needed in the next ten years to acquire enough open space to keep pace with projected population increases. This proposal would get us less than halfway there if it were to be kept in place that long. It is realistic to expect we could work creatively to match it at a 2 to 1 ratio if we make this first important investment ourselves. The reliability of a dedicated fund and a non-profit to help with its priorities is the path we must take. The open land is either disappearing or getting more expensive. This City needs to be positioned to compete. This fund will be the start of that, though we will need every funding mechanism and trick in the book to rise to the challenge.

### **Adequate Funding for Trails**

As mentioned above, the survey of citizens done during the Recreational Needs Assessment indicated overwhelmingly that Alexandrians use trails more than any other recreational offering and that they are more than willing to pay for new ones with their tax dollars. As we have learned in the past few years, an investment in trails also offers a unique economic opportunity. Matching money from the "enhancements" portion of the Federal Highway Trust Fund has been available every year for the last ten years. The municipalities that have been successful in obtaining these enhancement grants need a clear vision for a trail system and a commitment to trails demonstrated by a matching investment of their own tax dollars.

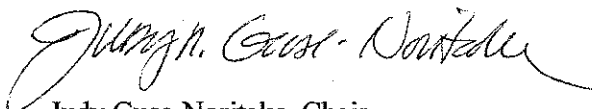
Alexandria has what it takes to grow trails in our community. We have an excellent Bicycle and Pedestrian Transportation Plan adopted as a part of our Comprehensive Plan. We have been successful in getting enhancement matching grants in two recent years in the amounts of \$667,339. The City's match on these grants is \$166,834 (allocated in the City budget).

This budget in front of you contains a recommendation for trail construction and maintenance dollars in FY 04 and over the next 5 years of \$77,000 per year and it is reasonable to assume that trail maintenance will use much of this amount. Please know that any additional money put in this category is a great investment in the lives and health of many citizens in this community and an investment that we have demonstrated can be greatly increased with federal dollars. In adding miles to the trail system we would take another important step forward in getting people out of their cars. This would seem to be a sound investment in the 10th most densely populated city in the country, a community that is actively looking for ways to reduce congestion and pollution and improve the health of our children and adults.

In closing, I would like to acknowledge that this FY 04 budget, and the proposed budgets in the coming years, are reflective of the priorities contained in the open space study and the recreational needs assessment which hopefully this body will adopted before the end of this fiscal year. Five years ago our Commission and this Council struggled to allocated resources for parks and recreation facilities because we didn't understand what the real needs were. Now we do, as much as we ever will. There are a couple very big decisions that face you in reaching a final budget: whether to make Chinquapin the primary recreation center to serve all the age groups of this city, and the decision to invest in a substantial way in future parks and open space by allocating 1 cent of our property tax rate to this objective. There are now two good plans you invested in a couple years ago and they clearly point the way to the future. We need to be bold enough to reach for that future now.

Many thanks to you all for your support of the programs of the Department and the work of this Commission.

Sincerely,



Judy Guse-Noritake, Chair

City of Alexandria Budget Hearing FY04

April 2, 2003

Presented by: Arlene Krohmal, Executive Director, CrisisLink

Good afternoon. Thank you for this opportunity to speak regarding the Community Partnership Fund for Human Services, the needs of this community, and the work of CrisisLink. With a mission of preventing tragedies and providing support for those in crisis, CrisisLink has been busy serving our community, our friends and our neighbors. We have been honored, humbled, and challenged by the opportunities we have had to serve this region with our Prevention, Response and Recovery programs.

Many of our residents know of the outstanding work done by CrisisLink's volunteers, staffing the Virginia Hospital Center – Arlington's Command Center for 48 hours, commencing at noon on September 11, and the crisis response services and support groups run by CrisisLink to help first responders, trauma survivors and airline workers in their recovery. More recently, CrisisLink is providing data to an NIH study on the dramatic increase in number and severity of crisis hotline calls received during the serial sniper incidents of last Fall. CrisisLink's call load increased by 25% on the days of tragedy. Additionally, CrisisLink is a lead agency in the Safe Haven Coalition, set up to provide victim services during the Moussaoui Trial here in Alexandria.

This April, at the First Collaborative National Crisis Center Conference, sponsored by CONTACT USA, the American Association of Suicidology, and 1-800-SUICIDE, and representing 300 Crisis Center's, one organization will receive the Crisis Center Excellence Award because of its leadership in the field, best practices, and attention to innovation, this organization is CrisisLink.

How ironic then, that CrisisLink is projecting a deficit in FY04 due to the static economy, the loss of confidence in institutions of charitable giving, and the continued low compensation for services provided to the City of Alexandria. The Community Partnership Fund has not kept pace with the cost of providing baseline services, let alone the growing needs of our community as our economy continues to suffer. For an organization with a mission that helps people recover from traumatic events, we are particularly concerned at this time. FY04 looks grim.

I have included with copies of my comments an illustration of CrisisLink's FY04 projected revenue. You will see that half of our operating support is contributed services and that only 32% is government funding, and the rest is cash and in-kind contributions. You will also see that the City of Alexandria contributes 2% of what it takes for CrisisLink to do its job. Conversely, Arlington contributes 13%.

Population differences and utilization do not make up for this discrepancy. We do not know how we will balance our budget next year.

I urge the City to increase the funds available through the community partnership fund to allow for fair share funding of critical services.

For CrisisLink's immediate future, we know that there are many in our community who need to be heard. They want to talk about the world being an unsafe place. Our hotline callers are grateful that someone is here to listen, 24 hours a day, 365 days each year.

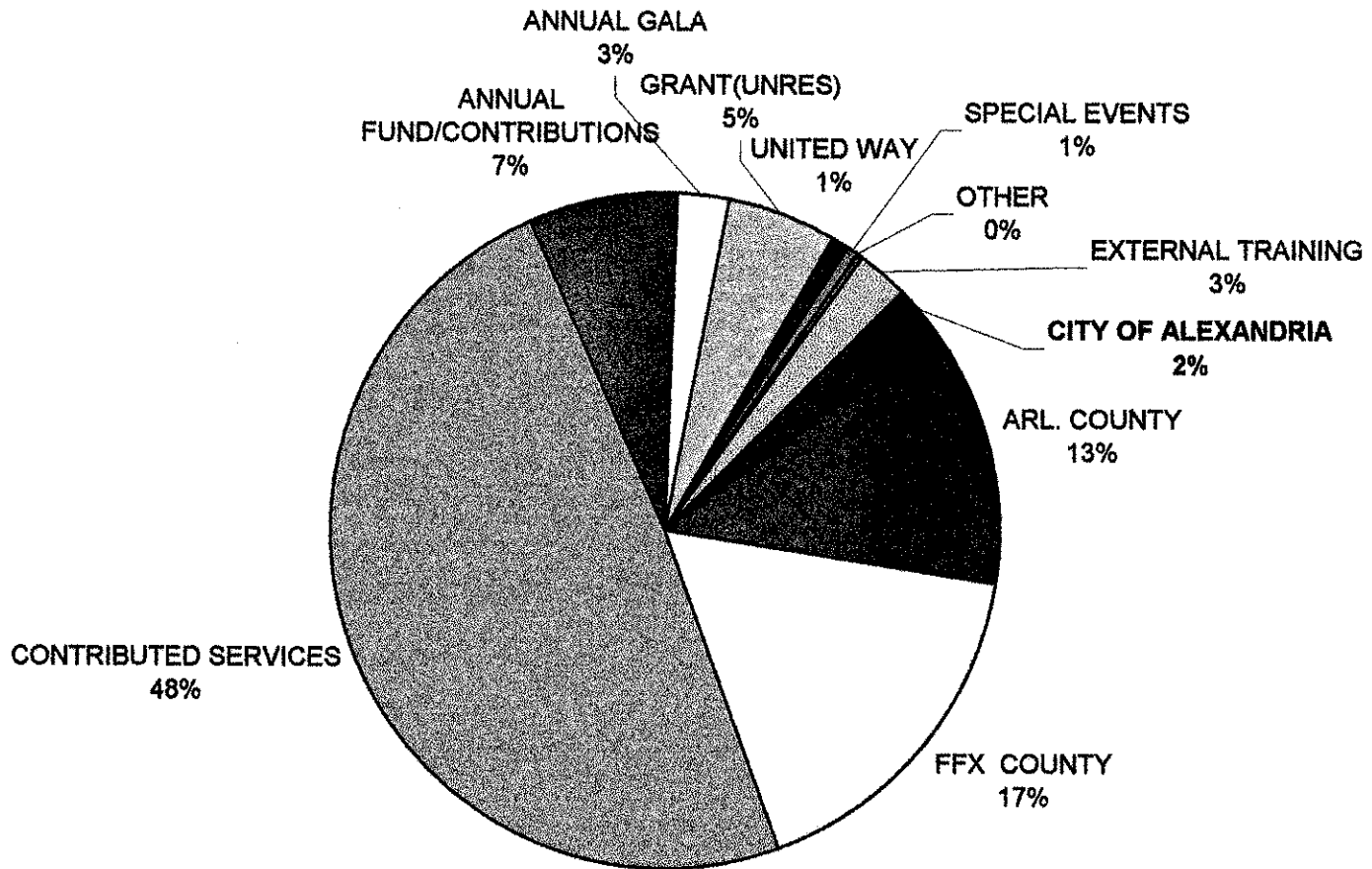
Last year, CrisisLink's youth calls climbed by 24%. Over 18% of our youth calls are about suicide – 3 times the number for any other age group. Our total calls about suicide, over 1,000, represent a 41% increase over the past year.

Your continued support, now more than ever, is vital to CrisisLink's ability to maintain existing services. We must be ready for the future. With your help, we will be ready.

Thank you.



# FY04 REVENUE BUDGET



ALEXANDRIA CHAMBER OF COMMERCE  
City Council Public Hearing  
City Budget  
April 2, 2003

The Alexandria Chamber of Commerce has an interest in the City budget, not only because we represent more than 1,000 businesses in the City but also because about 60% of our members *live* in the City.

- With regard to the City's total general fund revenue, the Chamber wishes to emphasize the significant contribution that Alexandria business makes to the overall health and welfare of the City:

Alexandria business provides about 40% of the City's general fund revenue.

Revenue from Alexandria business helps reduce the amount that the City needs to raise from residential real estate tax.

Without the contribution of Alexandria business, the residents of Alexandria would not be able to afford the services they currently receive without paying substantially higher real estate tax.

*Background from city's pie chart and other city info:  
Alexandria business contributes approximately:*

<i>Business license</i>	<i>5.8</i>
<i>Local sales tax</i>	<i>5.6</i>
<i>Restaurant tax</i>	<i>2.3</i>
<i>Personal property</i>	<i>3.3 (42% of total pers ppty is business)</i>
<i>Commercial real prop</i>	<i>21.9 (42% of total real ppty is commercial)</i>
<i>Total</i>	<i>38.9 %</i>

- **The Chamber wishes to emphasize the significant contribution that *new commercial development* is making to the City's revenue for 2004.**

**The recent new commercial development is budgeted to contribute about \$4.4 million to the City's revenue for 2004.**

*(\$416.3 million new commercial property times real property tax rate of \$1.05 per hundred.)*

**This is revenue that *will not* have to come from residential real estate tax.**

**Phil Sunderland pointed out to us that the revenue from recent new development saved each Alexandria homeowner more than 11% on his or her real estate tax bill for 2004, that's \$491 for the average homeowner.**

*(The estimated real estate tax rate without this new development would have been \$1.17 per hundred rather than the \$1.05 that is now proposed.)*

*Average home assessment is \$409,613. Savings of 12cents per hundred is \$491.*

*While nonresidential commercial development has some infrastructure costs to the city, it does not have long term social or educational cost as residential development does.*

- **Traditionally, businesses have provided about half the City's revenue. Recently, the tax burden on our residents has increased. If we could encourage a more even balance of business activity in our city, we could relieve more of the burden on residential real estate tax. Encouraging *additional business activity* in our city-- to the point where business again provided half the City's revenue-- would save each household about \$1,000 in real estate tax.**

**The Chamber supports efforts that encourage *additional* commercial activity within the City.**

*Total general fund revenue = \$392 million.  
Increasing business share from 40% to 50%  
Would add 10% x \$392 million...\$39.2 million.  
Divided by 35,900 single family homes and condos  
Equals \$1,092 per household.*

- **The 2004 budget includes an increase in Sewer Fees in the amount of 20 cents per 1000 gallons. This fee has not increased since 1995. The increase will allow the City to accelerate its much-needed infrastructure rehabilitation, and will help reach the City's goal of making the sanitary sewer system financially self sufficient within three years. The impact of this increase is an affordable \$16 per household per year. The Chamber supports the proposed increase in Sewer Fees.**
- **Over the past few years, some user fees have increased dramatically, while others have not increased at all. While it is important to ensure that user fees are adequate and current, it is also important that any increases be steady and predictable. We encourage the development of a comprehensive plan for this purpose. We also encourage an annual review of revenue sources for reasonableness, fairness and comparability with neighboring jurisdictions.**
- **The proposed budget contains about \$327 million in capital improvements. A significant portion of these improvements will be for schools and public safety. The Chamber recognizes the benefits that education and public safety provide to our City. Some of the expenditures we are incurring now are catching up for capital improvements that were deferred for many years in the past.**

**The Chamber supports the proposed capital improvements.**

- **At the same time, we encourage the City and the Schools to develop a comprehensive plan for prioritizing future capital expenditures once the current modernization projects are completed.**

**For example, there are un-funded projects involving the preservation of historic buildings and landmarks that are vital to Alexandria's tourism industry.**

**In addition, there are un-funded transit projects that are important to addressing our city's traffic concerns, including the DASH facility and new buses. These projects, which were to be funded by the Northern Virginia Transportation Sales Tax Referendum, will now need to be funded through other means.**

**A comprehensive plan for future capital improvements would help the City prioritize these projects and plan for their funding.**

- **The City's bond financing contains provisions requiring the maintenance of specific financial ratios set by City policy.**

**While following the proposed budget for 2004 would keep us within the ceiling for these ratios,**

**it will cause the City to move closer to the ceiling for the "debt-to-real property" ratio for several years in the future. (the amount of debt the City has, compared to its total real property assessments).**

**In view of this trend, we encourage the City to exercise caution in incurring further debt in future budgets.**

- **With regard to the City's operating budget, we recognize that the budget holds all non-personnel costs at 2003 levels. The Chamber supports this fiscal responsibility for this and future budgets, We support the City's operating budget.**
- **At the same time, the budget *does* include cost of living increases for personnel costs and benefits. While we agree that City salaries must be adequate and competitive, we recognize that other employers, such as those in the business community, may not be providing similar increases this year.**

**To ensure that compensation and staffing levels are appropriate for future budgets, we encourage an overall review of staffing levels and compensation within the City.**

- **Three budget cycles ago, the Chamber supported an increase in the number of staff positions in the City's office of planning and zoning and code enforcement to facilitate and streamline the processes necessary to do business in Alexandria.**

**The results of this increased funding are uncertain. We would like to encourage continued improvements in efficiency in planning and zoning and code enforcement and encourage an evaluation process to measure improvement.**

- **We applaud the City Manager and his staff for the good work they have done putting the budget together. We wish to work with the City hand in hand to attract new business to Alexandria to help relieve the real estate tax burden, and continue to make our city a great place to live and work**

**BFAAC TESTIMONY ON FY 2004 PROPOSED BUDGET**

BFAAC appreciates the opportunity to present some preliminary views on the City Manager's proposed fiscal year 2004 operating and capital improvement program budgets.

Over the years, BFAAC has tried to consistently emphasize two themes in its advice to Council on developing and executing City budgets—first, the need to establish and adhere to sound financial policies and procedures; and second, the importance of keeping a long-term perspective. BFAAC believes these themes will continue to be useful touchstones during the budget review and adoption process. Specifically, BFAAC offers the following four general recommendations:

**First, the City should continue to adhere to its debt-related policy guidelines. These guidelines include limits on borrowing that ensure the City has sufficient future resources to pay off its debts *and* protect its favorable bond rating (which in turn lowers the City's borrowing costs). *We urge the City Council to continue to live within these borrowing limits.***

Over the last six years the City has been making substantial investments in the future of Alexandria through an expanded CIP process leading to new construction, rehabilitation, restoration and replacement of the City's physical infrastructure. This year the proposed CIP calls for a massive increase in the city share of capital spending.

The City's portion of the proposed CIP funding is projected to increase from \$183.8 million to \$327.7 million—a \$143.9 million or 78.3 percent increase. This large increase over the previous CIP is driven mainly by 4 projects: the reconstruction of T.C. Williams High School (\$45.3 million increase), the costs associated with the building of a new Police Center and the repair of the existing Public Safety Center (\$65.5 million increase), the renovation and expansion of the Chinquapin Recreation Center (\$20 million increase), and additional funding for sanitary and storm sewer repair and reconstruction (\$12.7 million increase).

This large increase is not a surprise. Many of the expensive projects now recommended in the CIP have been on the “watch list” of previously deferred projects or were otherwise under review at the time of the approval of last year’s CIP.

BFAAC believes the proposed CIP budget meets legitimate long term capital project needs financed through a reasonable mix of responsible levels of proposed borrowing, realistic contributions of cash capital from both past operating budget savings and current revenues, and anticipated state and federal grant funds. Most importantly, the proposed CIP appears affordable (as defined by the City’s debt policy guidelines).

BFAAC, however, wishes to raise a significant warning. These four major projects coming together at same time have pushed us to the current limits of the City’s borrowing capacity.

The proposed CIP would now slightly exceed the target level for borrowing on several debt policy guidelines. By itself this is not cause for alarm. But reaching these target figures does mean that other deferred capital needs may have to be pushed back to 2009 or later. These projects can only be funded if the growth in the real property tax base of the City continues at or near its current historic pace, and/or the City increases its fiscal capacity enabling it to provide significant funding for capital projects through larger cash capital contributions from current revenues. As the proposed CIP indicates, and BFAAC confirms, there remain a significant number of such deferred capital needs. In particular, BFAAC is concerned about the large amount of transit needs that are not included in the proposed CIP. That is why we are raising this warning flag.

**Second, the City should keep one eye on the future as it works to meet next year’s revenue and expenditure challenges. Decisions made in the context of FY 2004 should be sustainable in future years.**

The slowing of the current economy and uncertainty attendant to the prospects of future economic recovery will require close monitoring by the City to preserve our ability to meet the anticipated revenue and expenditure challenges.

Over the last two years in its annual report to Council, BFAAC has cautioned that notwithstanding our demonstrated ability to address current budgetary needs, the long-term outlook continues to be potentially troublesome. This concern continues on light of the City's changing demographics, the unfunded budgetary mandates addressed by the City Manager, the unprecedented number of extensive CIP needs, the need to acquire more open space, and our inability to rely on any significant assistance from the Commonwealth in light of its budget crisis.

The City will remain vulnerable to economic downturns without greater revenue diversification. As projected, the real property tax revenues will account for 51% of the City's total anticipated revenues.

Precisely because Council has relied on prudent fiscal management and budgeting policies in the past, rather than resort to short-term budget gimmickry, Alexandria is comparatively well-positioned to meet the current and future needs of the City. If Council wants to consider further reductions to the real property tax rate beyond the 3 cents proposed by the City Manager, it should do so by finding new revenues, or cutting expenditures – not by dipping into fund balance by more than the City Manager has proposed.

**Third, the City should pay close attention to employee compensation issues, which are key drivers of the City's budget.**

BFAAC notes, as we did during our November testimony, that employee compensation comprises 60% of the City's operating budget and approximately 80% of the school operating budget. Those costs are expected to rise in the future, especially if the school system fully implements its new compensation plan. Council should pay close attention to those rising costs, since they will affect the ability to fund other operating costs.

The City has made good progress in containing healthcare costs, but should continue to pay close attention to compensation issues. During the FY03 budget process, the City Manager noted that healthcare costs were expected to increase by 15% that fiscal year, and



predicted double-digit increases for "the foreseeable future." Through aggressive cost-containment measures and its negotiating power, the City was able to keep increases below the double-digit figure for the upcoming fiscal year. BFAAC commends the City for its efforts, and continues to recommend that staff examine other long-term cost containment measures.

**Fourth, BFAAC urges the City to continue exploration of a means by which revenue sources can be diversified in an equitable fashion.**

Last year the City undertook a substantial overhaul of many of its fee revenue sources. To ensure that fees are reasonable and appropriate, a formal policy for periodic re-evaluation should be a priority.

Regional initiatives to bring diversity to our revenue sources should continue to be explored. Notwithstanding the defeat of the sales tax referendum last year, specific needs such as mass transit may be appropriately addressed through such initiatives.

We look forward to sharing our full report on the proposed budget with you during our work session on April 21<sup>st</sup>. Thank you.

Good afternoon. I am Michele Brandon, current president of the Alexandria PTA Council representing the eighteen elementary and secondary schools of the Alexandria Public School System.

I am here today to ask you to fully fund the Superintendent's budget for fiscal year 2003 - 2004. While we are aware of the fiscal restraints that will guide your deliberations in the weeks ahead, we believe this budget proposal to be extremely significant to the continued success of Alexandria schools.

The proposed capital improvement budget is the culmination of the revitalization of our school facilities over the past nine years. The elected school boards implemented a system-wide campaign of modernization and renewal of school facilities, furniture and equipment for buildings woefully neglected for too many years.

Currently, projects are complete at 10 elementary schools with three more scheduled for renovation this summer. The two middle schools are currently under renovation, not only providing more classroom space but also upgraded science labs, technology and career education classes. When construction is complete at Minnie Howard and T.C. Williams, our public school facilities will require only standard maintenance costs, reducing our future capital needs.

While capital improvements have made great strides, we are even more proud of the academic achievements within those walls. More than half our schools are fully accredited and the rest are inches away, Success has a price tag and for the schools, that is the operating budget. Competitive, compensatory salaries for quality teachers and staff, and sufficient educational materials are vital to not only achievement, but to sustaining a fully accredited school system. The proposed salary compensation program will be a major factor in our ability to recruit and retain excellent teachers and staff.

During all budget preparations, enrollment projections tend to take priority during deliberations. These projections are useful for determining the required space and personnel needs. What enrollment projections do not tell us is – what will be the needs of the children entering our school doors, quite often at varying degrees of knowledge and experience. Over half our population receives free or reduced lunch services. Students represent over 50 various countries, many with limited English skills. Special education children with a wide range of disabilities are a significant population in all our schools. Equally important is a quality program for those children on or above grade level. These are factors that cannot be determined with simple enrollment

projections based on live birth cohorts or professional studies.

A vital academic program – one that recognizes and addresses the needs of all students is this community's priority. Preparing children for their future is this community's priority. They will be the tradesmen, the lawyers, the retailers the doctors and even the politicians of Alexandria.

We recognize and are grateful for the support this Council has provided the schools in past years and look forward to your continued support this year and in the years to come.

Alexandria City Council  
Budget Public Hearing  
Wednesday April 2, 2003  
Mount Vernon Community School PTA

My name is Sheryl Gorsuch and I am PTA President for Mount Vernon Community School. I am here today to show our support for the school budget and increased funding for the Mount Vernon Recreation Center.

The school budget includes a much needed adjustment to the salary scale for our teachers. This initiative represents the results of a compensation plan study which will help our school system retain teachers who otherwise might consider changing jobs to a neighboring jurisdiction after a few years of teaching in Alexandria. Keeping qualified, experienced teachers should continue as a priority for our schools and our city.

Each year, more Alexandria City schools are added to the list of fully accredited schools as recognized by the state of Virginia. Mount Vernon Community School was just 2 student test scores shy of full accreditation last year. Several more of our schools are very close and will achieve full accreditation if their funding and experienced staff remains consistent. Our schools are improving and providing results with the money they have been provided and thus deserve continued strong financial support.

The capital improvement budget for our schools is also an important component which we fully support. Extensive projects at the elementary schools and the middle schools will be completed this summer, however there is additional work to be done. Minnie Howard 9<sup>th</sup> grade center and TC Williams High School are desperately in need of renovations and expansions to accommodate the current school population. Whether total enrollment increases, decreases or stays the same, these buildings need improvements in electric, plumbing, heating and cooling systems as well as adequate square footage to provide a quality education. As demand for our public spaces grows each year, these buildings will become more invaluable to the community and should reflect our city pride and their varied civic uses as well as provide sufficient space to properly educate our students.

Our parents also support funding for the MV Recreation Center to achieve accreditation for its after school program. We feel accountability which requires elementary age students to be signed out by an authorized adult will not interfere with the safe haven provided by the center for the teen program. Times have changed since we were young children and could walk home alone from school and play in the streets. The increased staffing levels will continue the tremendous improvements already achieved by the center and provide much needed guidance to a high risk population of students. One notable success of our Rec Center has been the Trilogy Project which brings together the school, library and other city programs to provide enriching after school activities. Please validate their efforts and support accreditation.

As I am sure City Council is aware, the General Assembly in Richmond has allowed state funding to decline for public education. Our city faces increased expenses just to maintain our current spending levels per pupil. With limited taxing authority, our city has few choices for funding sources unless the State Legislature approves a new city tax or increases state taxes. State tax money collected from Northern Virginia is redistributed to other areas of the state. Additionally, our state does not adequately fund its own education mandates, further shifting the burden to local jurisdictions. People should be aware that while Virginia income tax is among the lowest in the country, it also means that Virginia ranks 44<sup>th</sup> in education spending.

Although families and children are apparently a minority constituency in our city, a majority of households contain alumni of public schools. I am confident they understand the value of quality public education and will accept the responsibility to provide adequate funding. I am proud to live in a City which supports public education in principle and with money.



## Alexandria United Way

EXHIBIT NO. 11

2  
4-2003

COMMENTS TO THE ALEXANDRIA CITY COUNCIL  
PUBLIC HEARING ON THE FISCAL YEAR 2004 BUDGET  
BY ALLEN LOMAX  
CHAIR, HUMAN SERVICES COMMITTEE  
ALEXANDRIA UNITED WAY

April 2, 2003

Mayor Donley, Members of the City Council and City Manager  
Sunderland:

*Serving People and  
Communities in the  
Greater Washington Area:*

Alexandria  
Arlington  
District of Columbia  
Fairfax-Falls Church  
Loudoun  
Montgomery  
Prince George's  
Prince William

My name is Allen Lomax and I chair the Human Services Committee of the Alexandria United Way. I will not be commenting on specific budget items. Instead, I will briefly provide you highlights of the Committee's recent survey of nonprofits. I think these highlights may prove useful as you consider the funding level for the Community Partnership Fund.

For fiscal year 2004, the City Manager has essentially proposed level funding for the Community Partnership Fund. The Fund would receive \$719,600, which is \$155,900 less than this fiscal year. The \$155,900 though is actually transferred to the Youth Fund to fund youth-related programs previously funded under the Community Partnership Fund.

Last fall, the Committee was concerned about how possible funding decreases might affect nonprofit agencies that provide human services to Alexandrians, and what, if any, funding decreases actually occurred recently. We mailed surveys to 85 organizations and asked each organization to fill out a survey for each human services program they offered. A total of 50 organizations, representing 103 programs, responded to our survey.

### HIGHLIGHTS:

- When asked about funding changes in the current fiscal year, 55 percent of the programs reported no funding changes. Thirty-one (31) percent had seen a decrease of 10 percent or more while another 14 percent had seen an increase of 10 percent or more in funding.
- Of those programs that had a funding decrease of 10 percent or more this fiscal year, it was reported that the reduction caused them to take a variety of actions. According to the responses, the most frequently mentioned reaction was to reduce staff and the second most frequently mentioned reaction was to make changes in program services.



## Alexandria United Way

- The largest funding sources, this fiscal year, for these 103 programs most frequently mentioned were private contributions (35.9 percent), followed by local government (25.2 percent), state government (9.7 percent), federal government, (8.7 percent), private foundations (8.7 percent), the United Way (5.8 percent), and other (4.9 percent). It's interesting to note that 44 percent of the funding for these programs comes from one of the three levels of government.
- We asked the respondents how their programs might be affected if their budgets were cut by 10 percent and 20 percent next fiscal year. At the 10 percent level, the most frequently mentioned reaction was to decrease the number of clients served and the second most frequently mentioned reaction was to change program services. At the 20 percent level, the most frequently mentioned reaction was again to decrease the number of clients served but this second most frequently mentioned reaction was to reduce staff. Under a 10 percent cut, this was the fourth most frequently mentioned reaction.

*Serving People and  
Communities in the  
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Alexandria  
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District of Columbia  
Fairfax-Falls Church  
Loudoun  
Montgomery  
Prince George's  
Prince William

Once we have completed all of our analysis, we will be pleased to provide you with a complete report.





**Budget Statement '04, By Matthew Natale**, President, PCUOA, 3401 Martha  
Custis Drive, Alexandria, Va 22302 (703-578-3674/h 703-403-9572/c)

Good afternoon, Mr. Mayor and Members of Council. My name is Matthew Natale, president of the Parkfairfax Condominium Association. For many citizens, paying taxes can be painful. And sometimes those checks to the treasury are quite big, bigger than last years, and require a whole year of planning so a lump sum is available when payment is due.

And in recent years, this has become a more difficult task. Since only FY '01 to proposed FY '04, the Alexandria City Total General Fund budget has grown 24%, from \$320 million to a proposed \$398 million.

However, often the pain is soothed by knowledge that our taxes maintain the vital infrastructure of society: schools, quality teachers, public safety, safe roads and lending a helping "hand up" to those most in need.

That's how it should be. We are a compassionate people. We all want these needs met. And, we put our money where our mouths are. We are a generous people, willing to dig deep and deeper.

But simply because we understand the value of our taxes, that we are investing in a better and more just Alexandria, does not mean that no budget and tax increase can be too big or too fast.

## Budget Statement '04, By Matthew Natale, President, PCUOA, 3401 Martha

Custis Drive, Alexandria, Va 22302 (703-578-3674/h 703-403-9572/c)

Does this year's looming tax crunch for citizens fit this description? I believe it does. Just consider these examples:

David Harris, a Parkfairfax resident and sprightly senior citizen. Just a few years ago, he was able to buy a home for the first time. He immediately involved himself in our community and joined our corp of over 100 volunteer. With a modest salary, this potential tax increase to him over 50% exacts a high and very human toll.

Or think of Karen Taylor, a public school teacher, who would be forced to into long commutes and out of Alexandria if the overall cost of housing, of which property taxes are a big part, continues to jump.

Or Greg Shoenborn, who legitimately feels he may be eventually taxed out of his home if the tax burden is not eased.

With good reason, budget discussions highlight the social need and benefit of the services provided with our tax dollars. But what about the social cost of a skyrocketing tax burden on those paying the taxes?

I urge Council to consider this social cost caused by this huge, proposed increased tax burden. Not everyone is wealthy. A three-cent reduction in the tax rate from \$1.08 to \$1.05, or a 2.85% reduction, must only be a first step. I urge Council to do more to decrease the increase.

*plg include update statement*

## Statement of Total Expenditures for Operating Funds

	Amended FY 2003/1	Proposed FY 2004	Percentage Change (Amended to Approved)
<b>General Fund</b>			
City Total Operating Expenditures/1	\$226,653,430	\$239,862,353	5.8%
City Appropriation to the Schools	115,329,680	122,361,334	6.1%
<b>Capital Projects</b>			
Debt service	17,739,094	21,299,500	20.1%
Capital Projects	14,200,000	15,100,000	6.3%
<b>Total General Fund Budget</b>	<b><u>\$373,922,204</u></b>	<b><u>\$398,623,187</u></b> ✓	6.6%
Special Revenue Fund/2	\$88,650,356	\$76,205,049	(14.0%)
Internal Services Fund/3	\$5,435,262	\$4,376,963	(19.5%)
Community Recycling Enterprise Fund/4	<u>\$ 0</u>	<u>\$ 0</u>	
<b>Total Other Funds Budget</b>	<b><u>\$94,085,618</u></b>	<b><u>\$80,582,012</u></b>	(14.4%)
<b>Total City and Schools All Funds Operating Budget</b>	<b><u>\$468,007,822</u></b>	<b><u>\$479,205,199</u></b>	2.4%

- /1 The FY 2003 General Fund budget reflects an additional \$750,980 in expenditures associated with incorporating the Recycling Fund into the General Fund and a corresponding reduction in the Community Recycling Enterprise Fund.
- /2 The Special Revenue Fund accounts for federal, State and other grant revenue that is restricted to a specific program. Also, included in this category are expenditures supported by the Schools' appropriation of fund balance of \$718,041 in FY 2003 and \$1,592,324 in General Fund Balance and \$381,097 in School Lunch Fund Balance in FY 2004.
- /3 The Equipment Replacement Internal Services Fund accounts for revenues (equipment rental charges assessed to user departments as part of departmental operating budgets), depreciation charges and associated expenditures to replace vehicles and capital equipment. Equipment replacement monies are accrued for the scheduled replacement of vehicles and capital equipment and are not available for appropriation to meet general expenditure requirements.
- /4 The Community Recycling Enterprise Fund and all expenditures and revenues related to this program were moved to the Transportation and Environmental Services Department in the General Fund.

ROUGH DRAFT

**CITY COUNCIL OF ALEXANDRIA, VIRGINIA  
Special Public Hearing Meeting — April 2, 2003  
Partial Verbatim**

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Discussion following Matthew Natale remarks:

Euille: Mr. Mayor.

Mayor: Mr. Euille.

Euille: Mr. Natale, I just wanted to let you know that I believe this Council, at least, most of us are on record to do just that. The night that the Manager presented his proposed budget it reflected a three-cent rate reduction, tax rate reduction. I made some commentary relative to the fact that I will be working with my colleagues and with the citizens to as we reflect on this throughout the budget process to see if could not find a way to find a few more pennies to further increase the rate in excess of the three cents that was being proposed. But, as you heard so far this evening, we have some challenges, but we're committed to working at something, can't tell you what it's going to be until the process is over. But, hang in there with us, we'll do something.

Cleveland: Mr. Mayor.

Natale: Thank you, Mr. Euille.

Mayor: Mr. Cleveland.

Cleveland: Mr. Mayor, I'd like to this opportunity to raise something that's been on my mind since the property tax assessment was mailed out to the Alexandria homeowners. Assessments are sky high. And, I'm concerned about people losing their homes or rental units in Alexandria because they can't pay their bills, particularly, Alexandrians on fixed income. This is the highest concern, this is my highest concern about home afford ability here. I would like to take a

moment to get some reaction. What I think we need to do is to cap the total tax bills. This would give homeowners some certainty and help to address their fears about high assessment, about how high assessments could go, and how they can pay their bills. It is my understanding, Mr. Pessoa, that we can cap the increase on the aggregate bills, am I right? And, I'm looking forward to some support from my colleagues about this matter, but am I right, Mr. Mayor, or Mr. Pessoa.

Pessoa: Mr. Chair, Mr. Mayor, in the sense that Council can set the tax rate and on the average or the aggregate bill, you know, of all property, limit what that increase is. That doesn't mean that each individual resident or taxpayer will see the affect on their individual bill, but on the average or the aggregate, yes, that's the process that Council normally goes through in setting the tax rate.

Cleveland: It won't be twenty-five percent.

Mayor: Well, I think the point the City Attorney is making, is if we indicate that we want tax bills to go up no more than five percent, we do so by reducing the rate, on aggregate, on average. Now, because the rate of appreciation is different for different classifications of property and for different properties, there's no guarantee that even if we hold the overall tax rate increase, or the tax burden increase to five percent, for example, there may be some that go up ten percent, because their property went up...

Cleveland: Exactly, exactly, because some people like, just like mine, went up 22.6, there are people in Parkfairfax that went up sixty-one percent. But, you see, here's the point, they won't be paying sixty-one percent, they will be paying it all. And, to look at to where our projections were last year, say from from own folks, and it was raised and they said that it would go up the average of about seven percent. What I'd like to do, and see that's why I'd like to get some kind of conversation between us is we need to see, you know, what we can do to get along in the City, but then, again, I do believe if we look at the cap on the total tax bill and that aggregate, and that aggregate, it won't come to twenty-five percent. Because I'm pretty sure it doesn't cost twenty-five percent more to run the City, and I'm pretty sure, I'm pretty sure that salaries didn't increase to twenty-five percent and that's something this Council should look at. I'd like to get some

statistics from it, we've got a problem.

Mayor: And, I think that's a fair request, and let me sort of elaborate on the request, because I don't think you can just sort of, I don't think it's responsible to just throw it out there, but let's get some information.

Cleveland: Yes.

Mayor: And maybe, let me go ahead and request in the form of a budget memo because I don't think it's fair to put staff. Let's say, for example, that, I don't know, let me ask Mr. Cleveland. When you say cap the tax bills are you talking about a particular percentage?

Cleveland: You know, well, this is something that the Council has to come to, and this is what I've said on the onslaught, but I will tell what was projected, and if we look at it, it was projected that assessments would go up to about seven percent. And, inside of that was T.C. Williams, except for the police station. So, I'm saying what we have to do is to come to a consensus between all of us and especially those staff members that are sitting out there right now to what is truly needed, because I'm pretty sure it's not twenty-five percent. And, that's where I'm coming from, Mr. Mayor, and it's not just me. I like to get some consensus from my Council colleagues. I hear, I've already heard Mr. Euille saying he's looking for a way to reduce the rate, and that would be nice. The City Manager has already proposed a three-cent reduction which comes to \$97 on the tax bill that has gone up twenty-five percent. That's not enough.

Mayor: Well, let me, let's try to understand the implications of what you're putting forward. Let me get staff to put together a budget memo that number one, would on aggregate, on average give us an idea of what the tax rate would be if we were to cap the overall increase at seven percent. Now, that would indicate what you want to achieve, correct?

Cleveland: Well, it's not what I want to achieve, it's what the Council needs to achieve. Mr. Mayor, I'm not here to argue. This ain't about me, what I'm talking about is that this Council. There are seven of us, Mr. Mayor, seven of us, and there has to be some agreement between not just Bill Cleveland, it's not about me, it's about the citizens. Okay.

Mayor: Bill, Bill, I understand that. And pontification aside, what I'm trying to do is get information to enable us to have that discussion. What I'm asking for is getting clarification and concurrence in what you're requesting.

Cleveland: It could be seven. It could be ten.

Mayor: It could be seven. It could be ten. But, I asked you what you thought it would be, and you said seven, and I'm asking for seven percent. Now, if it's seven percent, that's going to indicate what the revenue generation would be which would mean, again, assuming a seven percent increase, it would determine how much we would have to cut out of the proposed budget to reach Mr. Cleveland's or the Council's goal as suggested by Mr. Cleveland. So, first off, give us an idea of what that tax rate would be, you now, to get a seven percent aggregate increase that will also determine how much we would have to reduce on the expenditure side for us to achieve that goal. That gives us some information, some implications of the policy determinations that you're requesting for us to have that discussion. Agreed?

Cleveland: inaudible.....

Pepper: Mr. Mayor.

Woodson: Mr. Mayor.

Speck: Mr. Mayor.

Mayor: Ms. Pepper, then Ms. Woodson.

Pepper: Well, you know, this would be very sobering. I mean it would be very nice if we could do this. My gosh, yes. But, I think that somewhere in this discussion, either with this memo or another, we have to have some idea of what the heck it is we would be cutting. I mean

Donley: I agree.

Pepper: I don't see how you can do something like this and still end up building a T.C. Williams, or a police headquarters, or maintain the services we have. I mean I can just see, yes, maybe we can cut this

tax rate, but for three years or for the next year after this everybody will be calling us because this service, and that service, and the next service was cut. The kids' program at the rec center isn't being offered anymore. No, we can't keep the libraries opened seven days a week, and I mention that one because that is one of the ways that they've saved money in the past. They either tried to close down a whole library or some times in the past, what they tried to do is actually close them down for a day, or whatever. Anyway,

Donley: I agree with you, Ms. Pepper.

Pepper: what I'm saying is that just we need to have some idea of what kind of services are not going to be there to get this picture.

Donley: But, I think before we can ask that question, we need to understand the magnitude

Euille: Sure.

Donley: and the implications of the policy suggestions.

Pepper: What I'm saying is if we get the policy suggestion that as a followup we've got to understand what it is we cut. If we can do this, some way, I'd sure like to see that happen. Everybody would, but we have to understand the full ramifications.

Donley: Ms. Woodson.

Woodson: Thank you, Mr. Mayor. I'm a little confused, and I need some help here. I need somebody to help me understand exactly how this aggregate works. If I'm clear on it, what happens if part of the City has a higher increase in their assessment than another part of the City. So, you have half higher and half lower. So, essentially what will happen is that part that's higher will drop down, but that part that's lower, whose tax assessment reflects a lower value for whatever reason because of or for whatever reason, they are now going to be paying a higher amount? I mean is their assessment going to have to be, I don't understand how do you do that? That's my first question.

Pepper: A higher percentage.



Donley: Well, talk with Mr. Cleveland. It's his suggestion.

Woodson: I need somebody to explain it, I don't think Mr. Cleveland is the person to explain it. But, I need somebody to explain this because I, for one, don't understand it, and so, I'm asking for staff or for someone to explain this to me, and I suspect that I'm not alone in not understanding it. So, that would be my first question. My second is not a question, but an observation. In fact, we did have a very full and quite frankly, I thought, enriching conversation about taxes at our last work session. It was very involved. There was lots of discussion. We discussed not only tax rate but other kind of avenues that we could pursue to assist residents. We looked at raising ceilings and balancing what we do with what Arlington does or what Fairfax does. All of us had an opportunity to chime in and most of us did. So, I don't want people to think anywhere, not in this room or outside of this room, that we aren't engaging in meaningful debate about ways to remedy the burden that is being placed on our citizens. Quite frankly, everyone on this dais is a citizen, and I'm feeling the burden myself. So, I don't want anyone to leave here thinking that that's not being done or that it's being done poorly or negligently, because that's not the case. We continue these dialogues. The work sessions are open to the public. I really encourage people to come and to participate by listening. They're not able to talk, but they certainly can listen. Because I think in listening to what's actually being discussed, you have a clear understanding of what our options are and what our options are not. It's real easy to throw bombs out there, but it's not so easy to actually balance the budget and satisfy everybody who has needs. So, it really is important that people understand that there was discussion. There has been discussion. There will be continued discussion and all of the ideas will be considered. Please get some information back to me and can presume that there are others on this dais, perhaps, I'm the only one who needs to understand what this aggregate means. So, perhaps in the budget memo you can give a little "Webster's" definition, if you will. Thank you.

Mayor: Mr. Sunderland. Is that a quizzical look or do you want David to speak? David go ahead.

Speck: Well, I'm happy to weigh in on this. There's nothing that I enjoy more than a good rigorous debate about important policy issues and this is as important notwithstanding that it's an election year, and that always makes the discussion have some political overtones. This is a discussion that ought to take place any time. When we're talking about our priorities and our resources and the burden that we place on taxpayers. I think probably recognizing some of the people that are out in the audience that I think or responding to some of the comments that were made, you probably are very familiar with some of the constraints under which we operate, but there may be people watching that don't. And I think that there are some pieces of information here that are important for us to identify in framing this discussion about the burden on individual taxpayers. Number one, we are required by law to assess property, all property, 100 percent fair market value. I received, as I think we all did, several e-mails from Parkfairfax residents that had as part of the comment that they made a concern about the assessment. We have a process by which anyone, in fact, we encourage people to appeal their assessment if they believe that it is, exceeds the actual value of their property. And, there's a process. People do it, and typically they get a good hearing and a response. But first thing, all property, regardless of whether it's single family home, townhouse, condo, commercial retail, must be assessed at fair market value. Second principle, under the law, you cannot have differential rates for real estate taxes. All property must be taxed at the same rate. So, one of the comments that was made by one of the people that wrote about Parkfairfax inferred that perhaps there ought to be different taxes. It was a unique community. It had certain identifiable characteristics and the assessment was too high and the taxes were too high. It's a critical distinction that the assessment, as it says on the assessment is not your tax bill, but people react that way, and it's pretty obvious that we're not going to be able to lower the rate in the same proportion as the assessments rose. I don't think that's probably a revelation although there is a real commitment to lower the rate. But our ability to control the tax burden is our ability to control the tax rate. And, our ability to establish what the tax rate is, a function of the various priorities and requests that are placed upon us, compensation, capital, new programs. I mean some of you sitting here already heard some requests from people that say there are some areas that need, they're either unfunded or some problems that have not been addressed. So, one of the things that I feel very

strongly about is that we, as a Council, and in collaborative process with the community, establish sort of our priorities for how we want to spend our money. And, taxpayers ought to know that. They ought to know that we're raising taxes for reasons other than just government has gotten more expensive. I mean I think we have an obligation and duty to save taxpayers that you are paying taxes to accomplish the following things and to show them what that is. What they are paying for. So, one of the points of debate here about should we somehow place say a cap on our growth and our spending, frankly, advocates our role in that you don't place artificial limits on how much you spend. I think you go through a process as we do of listening, talking and discussing and making a judgment about how we do want to spend our money. But, people also ought to know this in terms of their of reference that we operate under. The growth of our expenses over the last decade has been the second slowest of any jurisdiction in Northern Virginia. Our tax rate when we finish, and I'm fairly confident that we are going to be able to get the rate lower, is going to be the second lowest in Northern Virginia. The only one lower is Arlington and we had many discussions about Arlington's trade offs of maximum density in certain areas and they accept that as a benefit and the result is that they have been able to keep the tax rate slightly lower than ours. But I think that is a duty and obligation of your elected officials to do everything conceivably possible to reduce the tax burden, and we do that by reducing the tax rate. And that's our commitment and our obligation while we're balancing some of those other needs. So, putting kind of limits or caps to say it's just not going to be a larger amount because we've established that in advance, probably is not the way that I think that your elected officials are supposed to operate, but I remind everyone also that it was not so long ago that not only did we not see property increase in value, we saw for the first time in fifty years a decrease. And, one of the things that is of benefit to this community is that we managed our resources in such a way that we didn't slam the taxpayers with a big tax rate increase during an historically difficult time. The first time in fifty years in the '91 budget we had an actual decline in the value of real estate property and then a year later it happened again and no one recalls that actually happening historically that you had two years in a row of a decline in real estate value. So, as we go through this debate, and exchange views and argue the pros and cons of what we want to do, I think the commitment that most of this Council makes to you, to the taxpayers and to the community is that we're

going to do everything possible to meet two obligations. The obligation of providing services and programs and running this city well. And, the obligation of doing it at the most favorable way possible to real estate tax payers. And, if someone thinks their assessment is too high, they ought to appeal it, but the distinction clearly is between property value and tax rate, and that's what we're dealing with right now.

Mayor: Mr. Sunderland did you want to say something?

Manager: Well, I was going to take a crack at what Ms. Woodson asked about and I think, if I understand the question, the example goes as follows. Lets say your home goes up twenty-five percent, Ms. Pepper's home goes up ten percent, and Mr. Euille's home goes up, as I think was the case this year, zero percent, right? Let's say we keep the tax...

Mayor: No...

Manager: No, he went up big time, big time.

Pepper: You ought to appeal then.

Manager: Let's say we have rule that says nobody's taxes go up more than ten percent in a year. So, we cap it at ten percent. Okay. In that case, and the tax rate stays the same, Mr. Euille's would be the same. In other words, he went up zero because his assessment was the same, the tax rate is the same, he pays the same as he did last year. He gets no benefit from the rule because his assessment didn't go up. Ms. Pepper has the same thing. She goes up ten percent. She gets no benefit because she's right at that ten percent and she pays ten percent more. You on the other hand are capped at the ten percent, so you would pay and here's where the trouble comes in, you wouldn't pay the tax rate times your new assessment at 125%, you would pay a lower amount of taxes because you're taxed at ten percent. And, the result of that is, you have a different effective tax rate applied to you. And, then we then run, unless Ignacio is saying I'm wrong, but I don't think I am, but you can tell me if I'm wrong, we end up having then different, we're not treating people the same. Now, he can tell me if that's not right.

Pessoa: Mr. Mayor, I agree that if that were the way this operated that would

have that disparate and would not be allowed. But as I understood that it would operate, Council would decide that, you know, either the minimum or the average increase would be ten percent and would set a rate that insured that for every taxpayer that would be the most effect that would occur and that would result

Mayor: That's the way I understand it.

Pepper: That's what I thought.

Pessoa: in some people who had a lower tax rate not getting the full benefit. Now they would pay the same tax rate, the same effective rate.

Mayor: They would pay the same rate.

Pessoa: The relative benefit would vary depending on what the appreciation for a particular piece of property was.

Manager: Then that is not a cap upon taxes.

Mayor: That's not a cap on taxes.

Manager: That is setting a rate based upon an enunciated principle and you can enunciate the principle and set the rate accordingly. And then everybody pays a tax which is as it should be your assessed value times the tax rate. Everybody's uniform, everybody's treated the same.

Mayor: That's right. I think the degree of benefit would largely be determined by the degree of increase in the value of the property or decrease in the value of the property whatever the case might be, but everybody is going to pay the same rate.

Manager: Yeah, I think what you're dealing with is a situation where you think, or somebody thinks, in the aggregate the assessments have gone up to high, and you have a slug of dollars potential and you want to reallocate it. If you set the rate so that it's the same for everybody, then everybody gets, in a way, a proportional reallocation.

Woodson: Okay.

Mayor: It's exactly what you did in your recommendation. You recommended a three percent reduction.

Manager: Everybody gets the same benefit.

Mayor: You know, the same thing. It's really sort of where you set that rate and, Mr. Cleveland is talking about setting the rate so that on average on aggregate, it would only go up seven percent.

Manager: And again, you know, Mr. Speck's right. You got to balance the budget and obviously, you got to look at the expenditures. The other thing that everybody needs to recall is that unfortunately, the projected revenues for next year, with the exception of real estate, are in balance. You know, they're flat.

Mayor: That's right.

Manager: So, unfortunately, to the extent expenditures go up, we are not like we usually are able to go to eleven or twelve different sources of revenue and spread those expenditures increases among all of them, one of them being a big one.

Mayor: That's correct.

Manager: But, one of them being real estate. This year, unfortunately, whatever expenditure increase we have has to come entirely from real estate. That's just the way the world is right now. So.

Mayor: Well, that's correct, and I think that's and that's the challenge when we look at the budget in its overall context. And, I think, you know, in order for us to have this discussion, and I think it's an important discussion. I think it's an important debate for us to have. We need to realize that the implications, the parameters of what we are talking about, and that's what I've requested staff to provide is assuming, making the assumptions that Mr. Cleveland has suggested, what does that mean in terms of revenue, keeping in mind as you and Mr. Speck have pointed out, we need to keep our budget in balance. That's going to require reductions on the expenditure side. At that point, we need to determine what the level of magnitude is, and at that point then we determine what we are willing or, quite frankly, what we're unwilling to reduce.

Cleveland: Mr. Mayor, and that's the reason why I was saying, you know, you saying seven percent, and I say it might be ten percent. It might be twelve percent, but it won't as a high and that's the thing...

Mayor: All I'm suggesting is a starting point.

Cleveland: Have a starting point. Thank you. I greatly appreciate that.

Euille: Mr. Mayor.

Mayor: Mr. Euille and then we're going to continue the public hearing.

Euille: Yes. We need to clarify a statement that was made by Mr. Cleveland relative to this discussion about capping the assessments and that we don't know what we're going to use the monies for. We have a thick document that's prepared. We know exactly what we're going to use the money for and throughout this whole budget process and that's why we are having the public hearing today. There will be things that will be added to the budget, requested to be added, there will be things that we delete, but we do know what we are going to be using the funds for. And, I don't want the general public to think that, you know, we're not prudent and responsible in terms of knowing, you know, how to manage our financial affairs. Thank you.

Mayor: Thank you. Okay. Let's move on with the public hearing. Bruce Dwyer is the next speaker to be followed by John Tyler Osborne.

\* \* \* \* \*

EXHIBIT NO. 14

2  
4-2-03



"Bruce & Linda Dwyer"  
<ouibike@worldnet.att.net>

To: "Beverly Jett" <beverly.jett@ci.alexandria.va.us>  
cc:

Subject: Budget Public Hearing Testimony

04/03/03 04:36 PM

Below is an email version of my testimony, given by Ruth Reeder, on the Budget.

Bruce Dwyer  
Chair, Alexandria Bicycle Committee  
703-549-3263  
[ouibike@att.net](mailto:ouibike@att.net)

Dear Mayor and City Council,

The Alexandria Bicycle Committee(with a 115 member list serve) strongly supports Councilman Speck's proposal for a one cent "set-aside" in the real property tax rate to be used for long term funding of open space in Alexandria. One of the primary goals of the draft open space plan, which you will soon be deliberating, is to link and expand the pedestrian, bicycle and trail system. Open Space is most frequently thought of primarily in terms of park and recreation needs, however, as you consider the cost and benefit trade-offs, we urge you to think beyond recreation. Open spaces are vital if we are to improve pedestrian and bicycle access throughout the city and can:

- **make a significant contribution to the transportation solutions in our city by reducing vehicular traffic and its concomitant congestion and pollution**
- **improve the health of our citizens by providing safer routes which will spur increased physical activity**
- **teach future generations of a more densely populated Alexandria the benefits of the alternatives to our excessive use of the automobile**

We believe that by funding open space from its own pocket, the city will be making a strong demonstration of its commitment to an improved quality of life for its citizens. Thank you for your consideration of our views.

Bruce Dwyer  
Chair, Alexandria Bicycle Committee  
703-549-3263  
[ouibike@att.net](mailto:ouibike@att.net)



*City of Alexandria, Virginia*

## MEMORANDUM

DATE: April 2, 2003

TO: Honorable Mayor and Members of City Council

FROM: Eric R. Wagner, Chair *Eric Wagner / BR*  
Alexandria Planning Commission

SUBJECT: **PROPOSAL FOR LONG-TERM FUNDING OF OPEN SPACE**

As you know, the Planning Commission has worked for the last three years on several initiatives to enhance and expand open space in the City of Alexandria. One of the results of our work is the proposed open space master plan, which was developed in collaboration with the Parks and Recreation Commission and the Environmental Policy Commission. The Planning Commission and City Council will consider the open space master plan in the near future as an amendment to the City's overall Master Plan.

One of the most important points raised in the open space plan is the need for Alexandria to acquire significant amounts of additional open space in order to keep up with anticipated growth in the City. Given current land values in the City and budget pressures for other priorities, open space acquisition is a daunting task for us to confront. The proposed open space plan recognizes these challenges and suggests that public-private initiatives will be required to achieve our goals. Even with private efforts, however, the public side of the equation still must be addressed.

Members of the Planning Commission were encouraged recently when Councilman Speck proposed an approach to ensure long-term funding of open space by the City. As we understand the proposal, City Council would make a commitment to add one cent (\$0.01) to the tax rate after the rest of the budget has been approved and the non-open space component of the tax rate has been fixed. We understand that this approach could generate more than \$10 million during the next five fiscal years to fund open space acquisition. While this may appear to be a substantial sum (and it is compared to the \$1.2 million for open space in the proposed Capital Improvement Program), it is only a fraction of the amount that will be required to achieve our ultimate goals. We believe, however, that this commitment by the City will help to spark other elements of a broader, long-term funding approach for open space in Alexandria.

Memorandum to Honorable Mayor  
and Members of City Council  
April 2, 2003  
Page 2

For these reasons, the Planning Commission voted unanimously and enthusiastically at it's meeting last night to endorse Councilman Speck's proposal for long-term funding of open space. We hope City Council will move forward with this approach. The Planning Commission looks forward to participating in the process to address some of the implementation questions posed by the proposal.

Testimony before City Council Budget Hearing, April 2, 2003

Mayor Donley and Members of Council:

I am Katy Cannady. I live at 20 East Oak Street. I'm here representing only myself as an interested party who pays the property tax. I stood in this room on a recent occasion and said that those in my group of citizens, owners of single family homes, are a privileged minority in this city and should bear a considerable part of the burden of supporting the city with our taxes. I still believe that and I want to pay that extra penny for open space. By all means, pass Councilman Speck's initiative. It will cost me personally less than 40 dollars and I'll regard it as money well spent.

However, we must not be content with this small increase to be paid by all property owners. It raises only 2 million dollars per year, a woefully inadequate amount with which to combat our enormous open space deficit. We will need much more.

I propose that in addition to this tax, we create an open space fund similar to the affordable housing fund. Every commercial land owner who seeks a special use permit should be asked -- I realize we can't demand—to contribute either a substantial sum of money based on the size of his project or actual land to the open space fund.

There should be a strong incentive to contribute land rather than money. Over the last two years or so we've had two enormous apartment projects come before Council, the Archstone project and the KSI project, which provided homes for people but had virtually no open space. As we know, 60 percent of our population is renting. Many of these renter families include children. They need open space where they live and they need parks and school yards.

As I said, I'm willing to pay my share for these needs, but others must pay too. First of all, it's the fair way to apportion this burden. More importantly, it's the only way we can hope to make up even a part of our open space deficit. Thank you.

**TESTIMONY OF**  
**BROOKSIE KOOPMAN**  
**BEFORE THE**  
**ALEXANDRIA CITY COUNCIL**

April 2, 2003

Mr. Mayor, Members of the City Council, and Mr. City Manager; thank you for the opportunity to speak today on the City Manager's proposed FY 2004 budget. I am a 28-year resident of Alexandria, a parent of three children, and I hold the honor of being one of your appointed representatives to the Alexandria Library Board.

I speak today on one of the most important long-term concerns facing our community, namely, the preservation of open space in one of the most densely settled urban areas in the nation. In this regard, I wholeheartedly urge support for Councilman Speck's proposal to establish a systematic method of accumulating the financial resources to acquire additional open space for public use in future years.

On November 22, 2002 The Northern Virginia Journal published a letter (copy attached) of mine urging that the City acquire for open space the 5 ½ acre property at the corner of Janneys and Quaker Lanes now occupied by the soon-to-be-closed Second Presbyterian Church. Many of you responded sympathetically. However, the constraints on City finances combined with the significant and consistent increase in land values in Alexandria (as evidenced by all of our assessments) established a consistent theme in many of your responses. That theme was, "The City cannot afford to match the price that the Second Presbyterian property will bring on the open market."

Whether the City should add a particular parcel to its inventory of open space is a matter to be decided according to the facts and circumstances of each situation. What may be more important, and what we can do today through Councilman Speck's proposal, is to begin to give our children and others who come after us the resources that will afford the possibility of acquiring open space that will benefit all of our citizens.

I mentioned in opening that I serve on our City's Library Board. In your budget deliberations I urge you to support our library system, which provides space for the expansion of our collective intellectual capacities. Similarly, I urge that you support Councilman Speck's proposal, which provides the opportunity to acquire open space for the expansion of our spirits.

Thank you.

## City should grab open space

Earlier this fall, the directors of the National Capital Presbytery Inc. voted unanimously to sell their property at the corner of Quaker and Janneys lanes now occupied by Second Presbyterian Church.

The Presbytery issued a "Request for Statement of Interest" to private real estate development companies and the city of Alexandria for the purchase of the entire 5.46 acres at 1400 Janneys Lane.

The Presbytery seeks "a price that represents the highest and best use of the whole property within the context of the current zoning and master plan." Numerous homes could be constructed on the property, currently zoned R-20, without any zoning changes or variances.

The request also states that "the City of Alexandria is interested in retaining the property for open space through a purchase if possible.

"If, however, a purchase is not feasible, then the City is interested in working with [the] purchaser to maximize the amount of open space that is retained."

The Presbytery seeks a response to the Request from potential buyers by Monday, Nov. 25.

Land use choices shape our city for generations to come. The City Council and the city manager should move immediately to acquire this precious open space for a park, an acquisition that removes no land from the city's tax rolls.

The new recreational needs assessment presented at the council's October retreat states that our population growth projections require that 100 acres of open space be acquired to preserve the city's already less-than-adequate ratio of public open space to residents.

A new park at Quaker and Janneys lanes would be a "down payment" to make Alexandria a better

place to live.

The smart-growth advocacy that characterized the debate over the recently defeated sales tax referendum, and the fiercely protective attitudes concerning Chinquapin Park shown in the discussions of a new T.C. Williams High School site, demonstrate that parks and open space top the list of citizen concerns.

It is axiomatic that resources are finite. However, what better use of public funds is there than to increase the amount of open space in Alexandria, which now is among the most densely settled cities in the nation? In other words, do we as a community have the will and foresight to claim a centrally located parcel of land as a park for ourselves, our children and future Alexandrians?

Cynics may observe that the Second Presbyterian property is inappropriate for acquisition because it is located in the "land of big yards" — that is, the least densely settled portion of the city.

However, on this occasion, when a parcel of consequential size (not a pocket or ribbon park so favored by developers) becomes available for acquisition in a residential area, the city should act in the best interest of all citizens to acquire the property for a park.

The opportunity presented by the sale of the Second Presbyterian Church site is exceedingly rare. The City Council and city manager should respond aggressively and affirmatively to the Presbytery as a potential buyer.

The time has come for a land use "win" for Alexandrians. We should not let this opportunity to add to our community's precious stock of public open space slip away.

BROOKSIE KOOPMAN  
Alexandria