



Multi-Year Budget Planning

TWO-YEAR PRESENTATION OF GENERAL FUND OPERATING REVENUE/EXPENDITURES

As part of the City’s efforts to produce a financially sustainable budget and plan to address the future needs of the community, the annual operating budget includes a two-year forecast of expenditures by department and a five-year forecast of expenditures by major category to compare to revenue estimates and illustrate the impact of the current operating budget and Capital Improvement Program (CIP) on future fiscal years.

The following table illustrates that if FY 2026 General Fund revenues grow at the 3.0% rate experienced in the FY 2025 budget and General Fund operating expenditures grow at the 3.2% rate experienced on average over the past five years, then the City would need to address a \$12.3 million shortfall in the FY 2026 budget process through expenditure reductions, tax and fee rate increases, or both.

	FY 2024	FY 2025	FY 2026
<u>Revenue</u>	<u>Approved</u>	<u>Proposed</u>	<u>Estimate</u>
Real Estate Tax	532.1	534.2	550.2
Personal Property	66.3	76.2	78.5
Sales Tax	39.0	41.2	42.4
Utility Tax	12.0	12.0	12.4
Business License Tax	39.4	42.2	43.5
Transient Lodging	11.2	14.9	15.3
Restaurant Food	31.2	34.3	35.3
Other Local Taxes	20.7	19.7	20.3
Federal Revenue	7.9	6.9	7.2
State Revenue	51.0	54.5	56.2
Other Revenue	73.5	75.0	77.3
Total Revenue	884.3	911.3	938.6
<u>Expenditures</u>			
City Operations	457.8	471.2	486.5
City Debt Service	48.2	50.7	53.1
Schools Debt Service	32.2	45.5	48.7
Cash Capital	38.3	24.3	32.8
Transit Services	49.0	50.5	52.1
Schools	258.7	269.0	277.6
Total Expenditures	884.3	911.3	950.9
Shortfall/Surplus	0.0	(0.0)	(12.3)



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The following table displays the expenditure growth scenario from the previous page by department when adjusting for one-time changes.

Department	FY 2024 Approved	FY 2025 Proposed	FY 2026 Estimate	\$ Chg	% Chg
18TH GENERAL DISTRICT COURT	166,234	169,180	174,594	5,414	3.2%
ACPS - Schools	258,686,800	269,034,300	277,643,398	8,609,098	3.2%
CIRCUIT COURT CLERK	1,981,830	1,990,682	2,054,384	63,702	3.2%
CIRCUIT COURT JUDGES	1,776,710	1,732,010	1,787,434	55,424	3.2%
CITY ATTORNEY	4,149,790	4,455,086	4,597,649	142,563	3.2%
CITY COUNCIL	774,777	717,149	740,098	22,949	3.2%
CITY MANAGER'S OFFICE	6,174,268	6,083,214	6,277,877	194,663	3.2%
COMMONWEALTH ATTORNEY	4,402,585	4,889,190	5,045,644	156,454	3.2%
COMMUNICATIONS	2,428,570	2,430,283	2,508,052	77,769	3.2%
COMMUNITY AND HUMAN SERVICES	59,418,765	60,468,887	62,315,408	1,846,521	3.1%
COMMUNITY POLICING REVIEW BOAR	578,440	653,618	674,534	20,916	3.2%
COURT SERVICES	2,283,494	2,170,398	2,239,851	69,453	3.2%
CRIMINAL JUSTICE SERVICES	4,762,999	6,853,725	7,073,044	219,319	3.2%
CTY CLERK AND CLRK OF COUNCIL	489,618	509,497	525,801	16,304	3.2%
ECONOMIC DEVELOPMENT	8,125,002	8,597,318	8,572,432	(24,886)	-0.3%
EMERGENCY & CUSTOMER COMMUNICA	10,162,288	10,132,222	10,456,453	324,231	3.2%
FINANCE	14,335,454	14,432,324	14,874,158	441,834	3.1%
FIRE	62,015,264	67,136,836	68,500,140	1,363,304	2.0%
GENERAL SERVICES	14,919,342	15,005,873	15,486,061	480,188	3.2%
HEALTH	9,129,035	9,516,009	9,820,521	304,512	3.2%
HISTORIC ALEXANDRIA	4,178,078	4,411,196	4,480,323	69,127	1.6%
HOUSING	11,556,746	12,251,938	12,544,000	292,062	2.4%
HUMAN RESOURCES	6,356,334	5,811,240	5,997,200	185,960	3.2%

Table continues on the next page.



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Table continued from the previous page.

Department	FY 2024 Approved	FY 2025 Proposed	FY 2026 Estimate	\$ Chg	% Chg
HUMAN RIGHTS	1,099,038	1,184,413	1,222,314	37,901	3.2%
INFORMATION TECHN SERVICES	15,300,125	16,732,078	17,941,744	1,209,666	7.2%
INTERNAL AUDIT	435,792	467,900	482,873	14,973	3.2%
JUVE DOM RELATIONS DIST COURT	95,502	97,023	100,128	3,105	3.2%
LIBRARY	8,589,228	9,133,637	9,425,913	292,276	3.2%
NONDEPARTMENTAL	11,024,296	8,455,018	8,605,579	150,561	1.8%
OMB	1,655,058	1,734,373	1,789,873	55,500	3.2%
OTHER EDUCATIONAL ACTIVITIES	15,570	15,570	16,068	498	3.2%
OTHER HEALTH SERVICES	1,303,161	1,327,082	1,369,549	42,467	3.2%
PERFORMANCE ANALYTICS	938,466	901,799	930,657	28,858	3.2%
PLANNING AND ZONING	7,426,131	7,775,983	8,024,814	248,831	3.2%
POLICE	71,164,838	71,361,652	73,645,225	2,283,573	3.2%
PROJECT IMPLEMENTATION	-	-	-	-	-
RECR AND CULTURAL SERVICES	28,543,971	29,386,436	30,341,802	955,366	3.3%
REGISTRAR	1,747,128	2,126,899	1,994,600	(132,299)	-6.2%
SHERIFF	34,744,258	35,074,045	36,196,414	1,122,369	3.2%
TRANS AND ENVIRONMENTAL SRV	43,599,515	44,985,857	47,707,604	2,721,747	6.1%
TRANSIT SERVICES	49,040,006	50,511,206	52,127,565	1,616,359	3.2%
CASH CAPITAL	38,297,581	24,256,175	32,755,400	8,499,225	35.0%
CITY DEBT SERVICE	48,235,001	50,743,148	53,066,944	2,323,796	4.6%
SCHOOLS DEBT SERVICE	32,220,940	45,527,862	48,725,142	3,197,280	7.0%
TOTAL EXPENDITURES	884,328,028	911,250,331.0	950,859,264	39,608,933	4.3%

Multi-Year Budget Planning



FIVE-YEAR FINANCIAL PLANNING MODEL

The following table extends the two-year estimate from the preceding pages by an additional three years using the same revenue and expenditure growth rate scenarios and the cash capital and debt service amounts planned for the next five years in the FY 2025-2034 CIP. In this scenario, the budget shortfall grows to \$54.3 million by FY 2029. It should be noted that the City would balance revenues and expenditures in each fiscal year through expenditure reductions, tax or fee rate increases, or a combination of the two.

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Revenue	Approved	Proposed	Estimate	Estimate	Estimate	Estimate
Real Estate Tax	532.1	534.2	550.2	566.7	583.7	601.2
Personal Property	66.3	76.2	78.5	80.8	83.3	85.8
Sales Tax	39.0	41.2	42.4	43.7	45.0	46.4
Utility Tax	12.0	12.0	12.4	12.8	13.1	13.5
Business License Tax	39.4	42.2	43.5	44.8	46.1	47.5
Transient Lodging	11.2	14.9	15.3	15.8	16.3	16.8
Restaurant Food	31.2	34.3	35.3	36.4	37.4	38.6
Other Local Taxes	20.7	19.7	20.3	20.9	21.6	22.2
Federal Revenue	7.9	6.9	7.2	7.4	7.6	7.8
State Revenue	51.0	54.5	56.2	57.9	59.6	61.4
Other Revenue	73.5	75.0	77.3	79.6	82.0	84.4
Total Revenue	884.3	911.3	938.6	966.7	995.7	1,025.6
Expenditures						
City Operations	457.8	471.2	486.5	502.9	519.2	535.9
City Debt Service	48.2	50.7	53.1	60.1	73.6	82.2
Schools Debt Service	32.2	45.5	48.7	53.2	58.3	60.1
Cash Capital	38.3	24.3	32.8	33.0	38.5	39.2
Transit Services	49.0	50.5	52.1	53.8	55.5	57.3
Schools	258.7	269.0	277.6	286.5	295.7	305.2
Total Expenditures	884.3	911.3	950.9	989.5	1,040.8	1,080.0
Shortfall/Surplus	0.0	(0.0)	(12.3)	(22.7)	(45.0)	(54.3)