

APPROVED BUDGET-IN-BRIEF

FISCAL YEAR 2025

FY 2025 BUDGET OVERVIEW

On Wednesday, May 1, the Alexandria City Council unanimously adopted a Fiscal Year (FY) 2025 General Fund Operating Budget of \$926.4 million, which represents a 4.8% increase from the FY 2024 budget. The approved budget focuses on the City's commitment to quality education, improved city services, public safety and mental health services, and affordable housing while maintaining established fiscal policies.

To address the growing demand for services and needs across the city, including with the Alexandria Public School system, the FY 2025 budget was unanimously adopted with a 2.5 cent increase in the real estate tax rate. To support the City's commitment to increasing affordable housing, a one-time addition of \$3 million for approved projects in the affordable housing pipeline was added to the FY 2025 budget. City Council approved a total of \$14.3 million increase in the ACPS operating budget appropriation. The budget recommends a step increase and a 2% pay scale adjustment for non-collectively bargained City employees and funds the respective collective bargaining agreements for Fire, Police, and Labor and Trades groups.

City Council and City staff held a series of meetings, work sessions, and public hearings during the budget development process to discuss and deliberate on the FY 2025 budget. Throughout this year's deliberation process, City staff issued over 90 responses to budget questions from City Council. Key highlights of the approved budget include:

- Increase the real estate tax rate by 2.5 cents from \$1.11 to \$1.135 per \$100 of assessed value;
- No change in personal property tax, sanitary sewer, or refuse rates;
- Increases stormwater utility fee rates from \$308.70 to \$324.10 as scheduled;
- Funds an increase of \$14.3M or 5.5% in the ACPS Operating transfer to support increased teacher compensation;
- Provides a step increase and 2% market rate adjustment for non-collectively bargained City employees;
- Fully funds the first year of Labor and Trades collective bargaining agreements and second year of Police and Fire collective bargaining agreements;
- Budgets contingency funds for retention bonuses, cyclical employee pay adjustments, and compensation increase for mental health staffing;
- Increases DASH funding to support collective bargaining and fare elimination expenses;
- Funds a Police and Sheriff public safety cadet program;
- Adds staffing and operating expenses for the Minnie Howard aquatics facility;
- Pilots a "Clean Team" litter collection program;
- Funds free admission to the Tons of Trucks community event
- Provides advertising and marketing support for Visit Alexandria;
- Allocates funding for economic and fiscal impact studies;
- Supports community-based food hub operations;
- Funds youth safety and resiliency activities;
- Adds staffing, voting machines, and electronic polls to support upcoming elections;
- Expands the graduated tax relief program;
- Enhances City and Library cybersecurity services; and
- Uses \$2.2 million in efficiency and costcutting savings to balance the budget.

ALEXANDRIA CITY COUNCIL

Mayor Justin Wilson
Vice Mayor Amy B. Jackson
Councilman Canek Aguirre
Councilmember Sarah R. Bagley

Councilman John T. Chapman
Councilwoman Alyia Gaskins
Councilman Kirk McPike

CITY MANAGER

James F. Parajon

BUDGET DIRECTOR

Morgan Routt

APPROVED BUDGET-IN-BRIEF FISCAL YEAR 2025 CAPITAL IMPROVEMENT PROGRAM

The Approved FY 2025 – 2034 Capital Improvement Program (CIP) totals \$2.40 billion and is a \$4.2 million decrease over last year’s 10 Year CIP.

HIGHLIGHTS OF THE 10 YEAR PLAN

- \$379.0 million for Schools capital projects. This provides funding to maintain the anticipated funding level planned for FY 2025 – FY 2034 requested by the School Board, including \$65.0 million added by City Council to fund George Mason Elementary and Cora Kelly Elementary replacement budgets;
- \$189.1 million to support capital program of WMATA regional public transit system;
- \$64.7 million over the ten-year plan for street reconstruction and repaving program;
- \$337.3 million to fund the City’s Capital Facility Maintenance Programs and other major renovations projects (i.e., City Hall);
- \$264.1 million for investments in the City’s stormwater management systems, including improvements to mitigate flooding during major rain events;
- \$283.6 million and state and federal grant sources identified to support transportation and transit projects throughout the City; and
- \$82.2 million, over the 10-year plan, to support affordable housing initiatives, including funds from the one percent dedication of the restaurant meals tax and other committed funds.

FY 2025 CAPITAL BUDGET HIGHLIGHTS

The FY 2025 Capital Budget (only year formally appropriated by City Council) totals \$493.7 million, which is a \$22.0 million decrease from FY 2025 in last year’s approved CIP. Highlights of the FY 2025 projects are as follows:

- \$107.6 million for Alexandria City Public Schools capital funding request, including the addition of \$20.0 million by City Council for the George Mason Elementary School construction;
- \$16.9 million for the City’s contribution to WMATA’s Capital Improvement Program;
- \$93.4 million for the renovation of City Hall and Market Square Garage;
- \$5.0 million for replacement of fair-weather crossing in Dora Kelley park;
- \$5.3 million for street reconstruction and resurfacing, which will support the resurfacing of approximately 50-55 lane miles in FY 2025;
- \$3.0 million for bridge repairs and refurbishments;
- \$55.8 million to continue work on the Duke Street Transit Corridor (Transit Corridor “B”); and \$14.4 million to support DASH Bus Fleet Replacement and Electrification.

DEBT AND CAPITAL FUNDING POLICIES

- The Approved CIP is in compliance with the City’s adopted debt ratios throughout the ten-year plan. See the Approved CIP document for additional details.
- The CIP has 45% cash sources versus 55% bonds over the life of the 10-year CIP.
- The General Fund Cash Capital Transfer is in compliance with the City Council approved policy. The percentage as relates to total General Fund expenditures in FY 2025 is 2.97%.

Type	Unit	CY 2023 Approved Rate	CY 2024 Approved Rate
Real Estate	\$100/AV	\$1.11	\$1.135
Personal Property	\$100/AV	\$5.33	\$5.33
Refuse Collection Disposal	Household	\$500	\$500
Average Single-Family Home Assessed Value.....			\$962,276
Average Residential Tax Bill CY 2023 (\$1.11 Current Rate).....			\$10,681
Average Residential Tax Bill CY 2024 (\$1.135 Approved Rate).....			\$10,922
Average Condominium Assessed Value.....			\$423,765
Average Residential Tax Bill CY 2023 (\$1.11 Current Rate).....			\$4,704
Average Residential Tax Bill CY 2024 (\$1.135 Approved Rate).....			\$4,810

APPROVED BUDGET-IN-BRIEF FISCAL YEAR 2025 GENERAL FUND REVENUES & EXPENDITURES

FY 2025 APPROVED GENERAL FUND REVENUES

