

Joint City-Schools Facility Investment Task Force  
Capital Improvement Plan  
Combined City and Schools Projects

Project ID	Project Type	Project	Footnotes	Total Funds	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
C1	City Project	City Hall Renovation and HVAC Replacement		\$34,775,000	\$1,000,000	\$3,925,000	\$1,000,000	\$27,350,000	\$1,500,000				
C2	City Project	Market Square Plaza and Garage Structural Repairs		\$6,590,000			\$3,500,000	\$3,000,000					
C3	City Project	Fleet Building CFMP	[7]	\$6,460,000		\$2,600,000	\$590,000	\$1,100,000	\$360,000			\$1,700,000	\$110,000
C4	City Project	Gadsby's Tavern Renovation		\$6,800,000									
C5	City Project	Health Department CFMP	[7]	\$15,677,238		\$2,248,398	\$1,840,000	\$313,593	\$4,741,632	\$2,141,407	\$175,000	\$4,167,238	\$50,000
C6	City Project - Fire	Fire Station 205 (Cameron Street)		\$11,273,000					\$250,000	\$3,150,000	\$7,873,000		
C7	City Project - Fire	Fire Station 206 (Seminary Rd)		\$11,528,000									
C8	City Project - Fire	Fire Station 207 (Duke Street)		\$18,200,000			\$3,500,000		\$14,700,000			\$10,808,000	
C9	City Project - Fire	New Burn Building		\$2,140,000				\$340,000	\$1,500,000				
C10	City Project - Rec	Old Town Pool Renovations		\$5,500,000				\$500,000					
C11	City Project - Rec	Chinquapin Aquatics Center (50 Meier Pool)	[1], [2]	\$16,350,000		\$16,350,000							
C12	City Project	Salt Storage Facility		\$5,300,000		\$300,000	\$5,000,000						
C13	City Project	Writer/Wheeler - City Vehicle Washing Facility		\$4,100,000		\$3,600,000							
C14	City Project	Writer/Wheeler - Reconfiguration of 3200 Colvin St.		\$4,300,000		\$300,000	\$4,000,000						
C15	City Project	Writer/Wheeler - Impound Lot Capacity Expansion		\$15,700,000						\$700,000	\$15,000,000		
C16	City Project	Indoor Firing Range		\$25,000,000								\$4,000,000	\$21,000,000
S1	School - Other	New Pre-K Center	[3]	\$27,594,395									
S2	School - Elementary	Swing Space	[3], [4]	\$41,600,000	\$41,600,000						\$4,599,066	\$22,995,329	
S3	School - Elementary	Douglas MacArthur	[3]	\$48,638,412		\$8,106,402	\$40,532,010						
S4	School - Elementary	George Mason	[3]	\$40,880,585				\$6,813,431	\$34,067,154				
S5	School - Elementary	Cora Kelly	[3]	\$30,034,216						\$5,005,703	\$25,028,514		\$7,708,772
S6	School - Elementary	New School	[3], [5]	\$7,708,772									\$6,067,601
S7	School - Elementary	Matthew Maury	[3], [5]	\$6,067,601									
S8	School - Middle	New Middle School	[3]	\$54,242,548				\$8,855,926	\$45,386,621				
S9	School - High	High School Capacity	[3]	\$118,428,596		\$19,654,756							
S10	School - Other	Capacity Relocatables	[3]	\$11,256,150		\$11,256,150	\$98,773,780						
S11	School - Other	Gym Addition to New West End Elementary	[3]	\$3,024,000		\$3,024,000							
S12	School - Other	Transportation Facility	[3]	\$6,100,000		\$6,100,000							
S13	School - Elementary	Mount Vernon	[6]	-									
S14	School - Elementary	William Ramsay	[6]	-									
S15	School - Elementary	Lyles-Crouch	[6]	-									
S16	School - Middle	Francis C. Hammond	[6]	-									
S17	School - Middle	George Washington	[6]	-									
	<b>Total</b>			<b>\$585,178,452</b>	<b>\$80,110,906</b>	<b>\$40,453,770</b>	<b>\$158,235,790</b>	<b>\$52,872,950</b>	<b>\$102,605,408</b>	<b>\$23,116,175</b>	<b>\$71,071,842</b>	<b>\$20,675,238</b>	<b>\$34,996,373</b>
	<b>Available Funds</b>			<b>\$539,000,000</b>	<b>\$65,000,000</b>	<b>\$21,000,000</b>	<b>\$122,000,000</b>	<b>\$62,000,000</b>	<b>\$103,000,000</b>	<b>\$36,000,000</b>	<b>\$39,000,000</b>	<b>\$38,000,000</b>	<b>\$53,000,000</b>
	<b>Funding Surplus (Gap)</b>			<b>(\$46,178,452)</b>	<b>(\$15,110,906)</b>	<b>(\$19,453,770)</b>	<b>(\$37,235,790)</b>	<b>\$9,027,050</b>	<b>\$394,592</b>	<b>\$12,883,825</b>	<b>(\$32,071,842)</b>	<b>\$17,324,762</b>	<b>\$18,063,627</b>

Footnotes:  
 [1] Excludes \$4.5 million in Chinquapin Aquatics Ctr (50m pool addition) design and engineering funding appropriated prior to FY 2018 which has been temporarily reallocated to cover potential federal government budget reduction related shortfalls  
 [2] FY 2018 project cost estimate adjusted by \$1 million for construction cost inflation due to assumed FY2020 earliest construction date. Assumes private fundraising of \$2.5 million.  
 [3] Reflects ACPs School Board approved FY 2019-FY 2027 CIP of \$440 million less non-capacity capital maintenance projects of \$54.2 million, plus full funding of swing space project. (see footnote 4)  
 [4] The total cost of the swing space school (if one assumes that the swing space school is the Lee Center) is \$41.6 million. ACPs approved \$22.0 million in their Final CIP which represents only the ACPs cost of renovating the Lee Center for a swing space school and excludes the cost to move most of the City uses out of the Lee Center into space which would need to be acquired and renovated. The \$41.6 million in costs are detailed in the Evaluation of the Lee Center report dated May, 2017. No decision has been made on whether or not to use the Lee Center as a swing space school.

[5] Represents design and engineering funding and does not include approximately \$60 million in needed construction funding to complete these two elementary school projects, which would likely be a FY 2028 ACPs CIP request.  
 [6] Project identified in Long Range Educational Facility Plan. Not currently in ACPs School Board approved FY 2019-FY 2027 CIP. Current project costs not estimated.  
 [7] CFMP- City's Capital Facility Maintenance Programs



Joint City Schools Facility Investment Task Force  
 Facilities Capital Improvement Plan (FCIP)  
 FCIP - B (Attachment A1)

ID	Project	Funds	Project Budget (F)	FCIP Allocation (F1-F3-S1)	Annual Blending Decision (F)	Years 1 - 9														
						F19 Notes	F2030	F2130	F2230	F2330	F2430	F2530	F2630	F2730	F2830	F2930				
C1	City Hall Renovation and HVAC Replacement	F1	\$34,726,000	\$34,726,000	Funding moved back 1 year															
C2	Market Square Plaza and Garage Structural Repairs	F1	\$8,500,000	\$8,500,000																
C4	Gadsby's Tavern Renovation	F1	\$6,500,000	\$6,500,000																
C5	Health Department Office	F1	\$12,877,239	\$12,877,239	Funding moved back 1 year and reduced															
C6	Fire Station 305 (Powers Street)	F1	\$11,273,000	\$11,273,000	Funding moved back 1 year															
C6	Fire Station 307 (Boas Street)	F1	\$10,300,000	\$10,300,000																
C7	Fire Station 306 (Bentley Rd)	F1	\$1,529,000	\$1,529,000																
C8	New Gym Building		\$2,140,000	\$2,140,000																
C9	Old Town Pool Renovation		\$2,500,000	\$2,500,000																
C10	Old Town Pool Renovation		\$24,400,000	\$24,400,000																
C11	Chilpancingo Aquatics Center (33 Motor Pool)	F1	\$24,400,000	\$24,400,000																
C12	Flint Building Office	F1, F2	\$6,400,000	\$6,400,000																
C13	S&H Storage Facility	F1, F2	\$3,300,000	\$3,300,000	Funding moved back 1 year															
C13	Washburner - City Vehicle Washing Facility	F1, F2	\$4,100,000	\$4,100,000	Funding moved back 1 year															
C14	Washburner - Reconfiguration of 2000 Chain St.	F1, F2	\$4,300,000	\$4,300,000	Funding moved back 1 year															
C15	Washburner - Intermodal Lot Capacity Expansion	F1, F2	\$15,700,000	\$15,700,000	Funding moved back 1 year															
S12	Transportation Facility	F1, F2	\$4,100,000	\$4,100,000	Funding moved back 1 year															
C16	Indoor Filing Range	F1	\$25,000,000	\$25,000,000																
S1	New Pre-K Center	F1	\$27,254,325	\$27,254,325																
S2	Stading Space	F1	\$35,000,000	\$35,000,000	Funding moved back 2 years															
S3	Douglas Middle School	F1	\$48,034,412	\$48,034,412	Funding moved back 2 years															
S4	George Mason	F1	\$40,000,000	\$40,000,000	Funding moved back 3 years															
S5	Carra Kelly	F1	\$20,034,216	\$20,034,216	Funding moved back 1 year															
S7	Matthew Kearney	F1	\$6,067,891	\$6,067,891																
S5	New Elementary School	F1	\$7,708,772	\$7,708,772																
S5	New Middle School	F1	\$44,728,246	\$44,728,246																
S9	High School Capacity	F1	\$116,428,326	\$116,428,326	Cash flow advanced to balance															
S10	Capacity Rehabilitation	F1	\$11,206,150	\$11,206,150	Funding moved 1p one year															
S11	Gym Addition to New West End Elementary	F1	\$2,000,000	\$2,000,000																
S11	Principals / Faculty Studies - Combined City & Schools	F1	\$2,000,000	\$2,000,000																
S11	Land Allocation Reserve - Combined City & Schools	F1	\$50,000,000	\$50,000,000	Cash flow adjustment to balance															
S11	Joint City and ACP's Facilities Master Plan	F1	\$2,000,000	\$2,000,000																
	Total		\$66,478,422	\$66,478,422																
	Available Funds		\$530,000,000	\$530,000,000																
	Hold for Contingency / Escrow / Future Unknowns		\$48,700,000	\$48,700,000																
	Funding Surplus (Gap) - All Projects		(\$173,128,422)	(\$173,128,422)																

- Notes:
- (1) FCIP B - Representative of ongoing deliberative discussions by Joint Task Force. Generated as of Joint Task Force Meeting #7 (Nov. 2, 2017)
  - (2) Budgeted amounts shown are not reconciling with available for fiscal year. Project budgets in legacy system.
  - (3) Blended/Blended Capex, cash flow based on percentage of total budget for each campus element.
  - (4) Staff review required for project funding each year.
  - (5) Blended Capex projects within the Washburner Campus
  - (6) Funds are allocated to be set aside as a reserve and only for use in acquiring (not property) for projects outlined in this FCIP, as described in the accompanying memo.
  - (7) Projects moved into the unallocated list include C1, C7, C11, C16, S1, S8, and S7
  - (8) Funding for S2 and S8 have been consolidated (see memo for detail)
  - (9) C5 is limited below the project budget.

# City of Alexandria, Virginia

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## MEMORANDUM

DATE: NOVEMBER 1, 2017

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)

SUBJECT: MEMO #2 – RECOMMENDATIONS FOR FY 2019 BUDGET GUIDANCE

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As Council develops its budget guidance for FY 2019, below please find observations and recommendations from BFAAC.

- **Focusing on Larger Policy Goals** – BFAAC reiterates its recommendation that guidance focus on achieving policy outcomes, rather than giving the City Manager specific instructions. BFAAC recommends, per our FY 2018 budget guidance memo, Council avoid giving specific instructions in areas such as: employee compensation, school division transfers, tax rates, number of full-time equivalents in specific departments, etc. and allow the City Manager to present Council a variety of options to meet strategic objectives identified in its guidance. BFAAC continues to recommend the development of outcome-based guidance supporting the Strategic Plan for FY 2019.
- **Setting a Five-Year Revenue Target** – BFAAC reiterates our recommendation for Council to set a five-year revenue goal and direct staff to develop an actionable plan with strategies to grow and diversify the City's revenue base.
- **Examining the Budget Timeline** – BFAAC encourages Council, as part of this guidance or in the future, to ask staff to reexamine the current budget development timeline, taking into account recent changes as well as any recommendations made by the Ad Hoc Joint City-Schools Investment Task Force. BFAAC specifically urges Council to consider separating the consideration of the CIP, which represents long-term needs, from the operating budget, which represents annual needs. For example, Council could set the CIP budget in the fall and the operating budget in the spring. This approach may allow Council to spend more time on each area and would help ensure the short-term operating needs do not overwhelm the discussion about long-term capital needs. BFAAC also encourages Council to look at the overall budget timeline to allow for more deliberation, particularly at the start of the process. As Council considers changes to the budget timeline, the impact on staff resources, opportunities for public input, and opportunities to synchronize with the ACPS budget timeline should be evaluated.

- **Consider Cumulative Impact of Budget Cuts** – BFAAC encourages Council to direct the City Manager to take into account the cumulative and comparative impact of service changes since the great recession as the Manager evaluates priorities for FY 2019 against the strategic plan.

# City of Alexandria, Virginia

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## MEMORANDUM

DATE: NOVEMBER 1, 2017

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE (BFAAC)

SUBJECT: BUDGET AND FISCAL AFFAIRS ADVISORY COMMITTEE FISCAL YEAR 2019 WORK PLAN

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In 2016, BFAAC revised its work plan to provide Council with memos throughout the year rather than delivering one comprehensive report to Council in the spring. BFAAC memos included recommendations on: budget guidance, a review of the five-year financial plan, debt policy guidelines, and the Ad Hoc Joint City-Schools Facility Investment Task Force. BFAAC believes this approach allows for more timely feedback on key issues and a more in-depth analysis of each topic. BFAAC will take a similar approach in FY 2019 and proposes the following preliminary work schedule:

- **MEMO 1 (Delivered September 2017): Recommendations for greater coordination between City and ACPS** – In September, BFAAC delivered its first memo – a joint memo with the ACPS Budget Advisory Committee (BAC) to Council and the ACPS School Board – with recommendations for greater coordination between the City and ACPS on the budget process and timeline. BFAAC and BAC also recommended evaluating all City and school Capital Improvement Projects (CIP) together with a common set of criteria, identifying areas where maintenance resources can be shared, and implementing a joint City and ACPS structure for ensuring the work of the Ad Hoc Joint City-Schools Facility Investment Task Force (Task Force) is carried forward and its outcomes are regularly evaluated.
- **MEMO 2: Recommendations for the FY 2019 budget guidance (November 2017)** – As in prior fiscal years, BFAAC will prepare a memo in November for Council's consideration prior to the adoption of the budget guidance. This memo will be the foundation for BFAAC's briefing to Council at the November 4 retreat.
- **MEMO 3: Review of the Ad Hoc Joint City-Schools Facility Investment Task Force (December 2017)** – When the Task Force issues its report in November, BFAAC will provide feedback to Council regarding the prioritization of projects, steps that can be taken

in the short-term to implement the Task Force recommendations, and suggestions for a long-term plan to ensure the work continues beyond FY 2019.

- **MEMO 4: Review of the staff assessment of the comparative and cumulative impact of budget cuts on the delivery of core City services (December 2017)** – In its analysis of the FY 2017 budget, BFAAC urged Council to assess the comparative and cumulative impact of service changes during the period from FY 2008 to the present. BFAAC understands staff is close to completing this analysis, and BFAAC looks forward to reviewing the report and providing guidance to Council on how the findings should help inform future budget decisions.
- **MEMO 5: Revenue recommendations (January 2018)** – In FY 2017, BFAAC urged Council to work with the City Manager and Staff to determine, to the extent possible, how much revenue will be required for operating and capital improvement needs over the next five years and take concrete steps to ensure we make the needed investments in economic development and related activities to achieve this revenue goal. BFAAC urged Council to adopt a “revenue master plan” to create an actionable, long-term revenue strategy and implementation roadmap with outcome-based metrics. To help move this discussion forward, BFAAC will provide Council a memo in January outlining a variety of revenue strategies, including untapped and under-tapped revenue sources as well as steps to promote greater commercial business development.
- **MEMO 6: Recommendations and observations related to the City Manager’s proposed FY 2019 budget (April 2018)** – While BFAAC does not intend to provide a comprehensive report on the City Manager’s budget, BFAAC will provide Council a memo with recommendations and observations regarding major issues facing the City in FY 2019, including those identified by BFAAC and/or identified by Council.
- **ADDITIONAL MEMOS TBD:** BFAAC will be available to support Council throughout the year as matters may arise, welcoming requests from Council on matters where guidance can be helpful.

BFAAC appreciates Council’s support of BFAAC’s work and will endeavor to continue to provide the best recommendations possible on the budget and fiscal affairs of the City of Alexandria.

# City of Alexandria, Virginia

## MEMORANDUM

**DATE:** NOVEMBER XX, 2017  
**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL  
**FROM:** MARK B. JINKS, CITY MANAGER /s/

**DOCKET TITLE:**

**..TITLE**

Consideration of the Resolutions to Establish the FY 2019 Budget Guidance. [ROLL-CALL VOTE]

**..BODY**

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**ISSUE:** Requesting Council consideration of the resolutions establishing the FY 2019 Budget Guidance for the operating and capital budgets, and the 10-year Capital Improvement Program.

**RECOMMENDATION:** That City Council:

1. Adopt the proposed resolution (Attachment 1) updating the Process To Be Used to Adopt Operating Budgets and Capital Improvement Programs.
2. Adopt the FY 2019 Budget Guidance Resolution (Attachment 2).

These resolutions would establish the framework for City Council's deliberations for budget adoption, and give guidance to the City Manager to be used in his preparation of the Proposed FY 2019 Operating Budget and FY 2019-2028 Capital Improvement Program to be presented for Council consideration on February 20, 2018.

**BUDGET PROCESS RESOLUTION (Attachment 1):** Council has long had a resolution in place to frame the budget process roles and responsibilities of Council, City Manager and the Alexandria City Public Schools (ACPS). At this time, the current in-place resolution is proposed with no policy changes except related to where to budget ACPS related debt service (see last paragraph on page 2 of this memorandum. This Budget Process Resolution is proposed at this time because the prior Budget Process Resolution has expired.

**BUDGET GUIDANCE RESOLUTION (Attachment 2):** Council has long had a resolution in place that provided the City Manager with guidance for the preparation of the forthcoming budget and multi-year Capital Improvement Program. The proposed Budget Guidance Resolution for the FY 2019 Operating budget and FY 2019 to FY 2028 Capital Improvement

Program reflects the same principles and features as did in the FY 2018 Council adopted Budget Guidance Resolution with the following changes.

1. CIP guidance related to proposed amendments to the City's debt related financial policies has been removed as a result of City Council's adoption of the debt related financial policy update as part of the FY 2018 budget adoption.
2. Guidance related to the ACPS operating budget has been updated to include a specific target range for the General Fund transfer in the City Manager's proposed budget based on the rate of anticipated revenue growth and enrollment growth. The low end of the range is a percent growth rate tied to the overall General Fund revenue growth rate. The high end of the range is the low-end target plus the cost of enrollment growth and the opening of the new elementary school. The guidance also includes a requirement to prioritize the items funded between the low and high targets in case the transfer cannot be fully funded at the end end of the range.

The preliminary estimate of FY 2019 General Fund revenue growth is just over one-percent. At the current real estate tax rate, that growth rate would produce less than \$10 million to cover City and ACPS operating and capital growth. In order to contain overall expenditures within the revenues available, it will be necessary that both the City government and ACPS constrain their expenditure growth to the rate of revenues. The range would allow the City Manager to consider an ACPS operating transfer greater than the revenue rate of growth to fund additional enrollment and the cost to open the new elementary school, but the prioritization requirement would provide options for reducing it if necessary to fund other high priority needs beyond ACPS.

**FISCAL IMPACT:** None.

**ATTACHMENTS:**

Attachment 1: Budget Resolution Establishing the Process To Be Used to Adopt Operating Budgets and Capital Improvement Programs

Attachment 2: Setting Guidance for FY 2019 General Fund Operating Budget and Capital Improvement Program for FY 2019 – FY 2028

**STAFF:**

Laura Triggs, Deputy City Manager

Morgan Routt, Director, Office of Management and Budget

Resolution No. \_\_\_\_\_

**Budget Resolution Establishing the Process To Be Used To Adopt Operating Budgets and Capital Improvement Programs**

**WHEREAS**, the Alexandria City Council wishes to establish policies to guide upcoming budget deliberations to ensure responsible actions with current economic resources; and

**WHEREAS**, resolutions No. 2088, 2150, 2166, and 2256, 2368, 2587, 2653, and 2747 previously adopted by City Council have now expired; and

**WHEREAS**, City Council believes that flexibility is needed for both the preparation and evaluation of expense items as well as with regard to diversifying the sources of revenue available to fund the General Fund Operating Budget; and

**WHEREAS**, City Council's deliberations on the budget each year reflect a balancing of the needs of the community with the community's ability to afford services to meet those needs; and

**WHEREAS**, City Council desires to provide the core services expected of a municipal government and to continue to provide quality services and facilities for the residents and businesses of Alexandria, but understands that economic reality will require significant trade-offs between services and revenues; and

**WHEREAS**, City Council is committed to managing the cost of City General Fund operating and capital expenditures in order to properly balance the tax burden placed on the community; and

**WHEREAS**, City Council is committed to achieving the vision and strategic goals, long term outcomes, objectives, and initiatives as outlined in the City Council's Strategic Plan; and

**WHEREAS**, City Council desires to allow for a thoughtful and deliberate budget process given the budget's complexity and importance;

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Alexandria, Virginia, that the Council shall, for the purposes of consideration of the Budget for the City of Alexandria, adopt this resolution and adhere to the following rules of procedure:

**Section (a) The City Manager's Budget Submission to City Council and the Setting of Budget Guidance by City Council**

(1) That the City Manager shall plan and prepare the proposed Operating Budget and proposed ten-year Capital Improvement Program and that such preparations shall include those programs and resources necessary to achieve the City Council Strategic Plan.

(2) That the City Manager shall present to City Council a preliminary forecast and outlook for (a) revenues and (b) expenditures necessary to maintain existing services and policies (including the City Manager's forecast of cash capital and debt service costs related to the most recently approved Capital Improvement Program).

(3) That City Council shall direct that the City Manager prepare a budget resolution to be adopted by City Council to guide the preparation of the upcoming Operating Budget and next Capital Improvement Program.

(4) That the City Manager shall submit a proposed Operating Budget and Capital Improvement Program to the City. Such budget shall meet any guidance for General Fund revenues and expenditures established by City Council and should include no more than one percent of unreserved fund balance.

**Section (b) The Budget Submission to City Council by the Alexandria Public Schools (ACPS)**

(5) That the Alexandria City School System (ACPS) shall separately present to City Council, but in a format coordinated with the City Manager, its preliminary forecast and outlook for (a) expenditures necessary to maintain appropriate services and policies, (b) the outlook for additional requests for Schools operating in the upcoming fiscal year and capital needs through the upcoming fiscal year and the succeeding 9 years, (c) projected ACPS capital related debt service for the upcoming fiscal year, (d) the outlook for possible budget reductions and increases in fees, fines and charges for services, (e) the outlook for Federal and State grants, and the costs of meeting unfunded Federal and State mandates, both current mandates and projected new mandates.

(6) That the Board of the Alexandria City Public Schools is requested to adopt a Capital Improvement Program no later than January 11, 2018 and an Operating Budget no later than February 22, 2018 so that any request may be considered by City Council in parallel with the City Manager's proposed operating budget and Capital Improvement Program. If the ACPS budget request exceeds or otherwise does not comply with any guidance regarding fiscal limitation provided by City Council to ACPS, then ACPS shall clearly identify what operating programs and activities would be funded if additional funding were provided.

**Section (c) Actions of City Council Concerning The Budget Submissions of the City Manager and the Alexandria Public Schools (ACPS)**

(7) That as part of a preliminary forecast of assessments and expenditures provided by the City Manager, City Council will consider this information and any other relevant information available to it at that time including the comments of residents provided via a public hearing or other public input opportunities.

(8) That the Council shall hold a budget public hearing on the City Manager's proposed budget in the month following the budget submission by the City Manager and should reserve time for public comment once the Preliminary Add/Delete list of City Council Budget Proposals and technical adjustments by the Office of Management and Budget has become available and distributed to the community. Any additional public hearing shall not conflict with or serve in place of a public hearing regarding the establishment of an effective tax rate as required by the Code of Virginia.

(9) That Council directs City staff to organize at least one public meeting outside of City Hall to present the budget to interested residents, and solicit input. Additionally, City staff shall provide an opportunity for residents and organizations to submit written budget comments to the Council in lieu of or in addition to participation in public meetings.

(10) That Council directs City staff to prepare motions for adoption of the Operating Budget and Capital Improvement Program and a summary of decisions made in the Final Add/Delete worksession following the worksession. Those motions and the summary of final decisions shall be released for public review no later than 48 hours prior to the scheduled adoption.

(11) That City Council shall consider these proposals and endeavor to enact an Operating Budget and Capital Improvement Program that balance the needs of the community with the community's desire and ability to pay for services to meet those needs.

(12) That City Council plans to adopt such a budget resolution.

**Section (d) Proposed Budget for the City of Alexandria**

(13) For purposes of this resolution, the proposed budget of revenue rates and expenditure levels for the fiscal year shall be that proposed by the City Manager.

(14) For purposes of this resolution, the Office of Management and Budget shall provide revenue and/or expenditure projections for any motion or amendment that could affect the proposed budget specified in Section (a) (2).

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**Section (e) Maximum Expenditure Levels May Not Exceed Sum of Projected Revenue and Appropriation from Fund Balance in Proposed Budget**

(15) It shall not be in order in the Alexandria City Council to consider any motion or amendment to the proposed budget of the City of Alexandria if:

(i) there has not been a Budget Memo or formal information request submitted that relates to the specific item proposed for consideration or a Council discussion of the proposal during a budget work-session or public hearing has not occurred; and

(ii) any such motion or amendment that has the effect of increasing any specific budget expenditures proposed by the City Manager or would have the effect of reducing any specific revenue proposed by the City Manager unless such motion or amendment provides for a specific offset of either expenditure or revenue and ensures the maintenance of the fiscal balance of the proposed budget; and

(iii) such motion or amendment is not provided in the form of a City Council budget proposal submitted to the Office of Management and Budget (OMB) or an OMB technical adjustment at least 14 days prior to the adoption of the budget in accordance with the FY 2019 Rules of Engagement for the Add/Delete Process.

(16) In the Alexandria City Council, any appropriation from the Fund Balance or any like account beyond that proposed in the Manager's proposed budget shall require an affirmative vote of five Council Members.

**Section (f) Expiration – The provision of this resolution shall expire with the expiration of the term of this City Council.**

ADOPTED:

\_\_\_\_\_  
Allison Silberberg Mayor

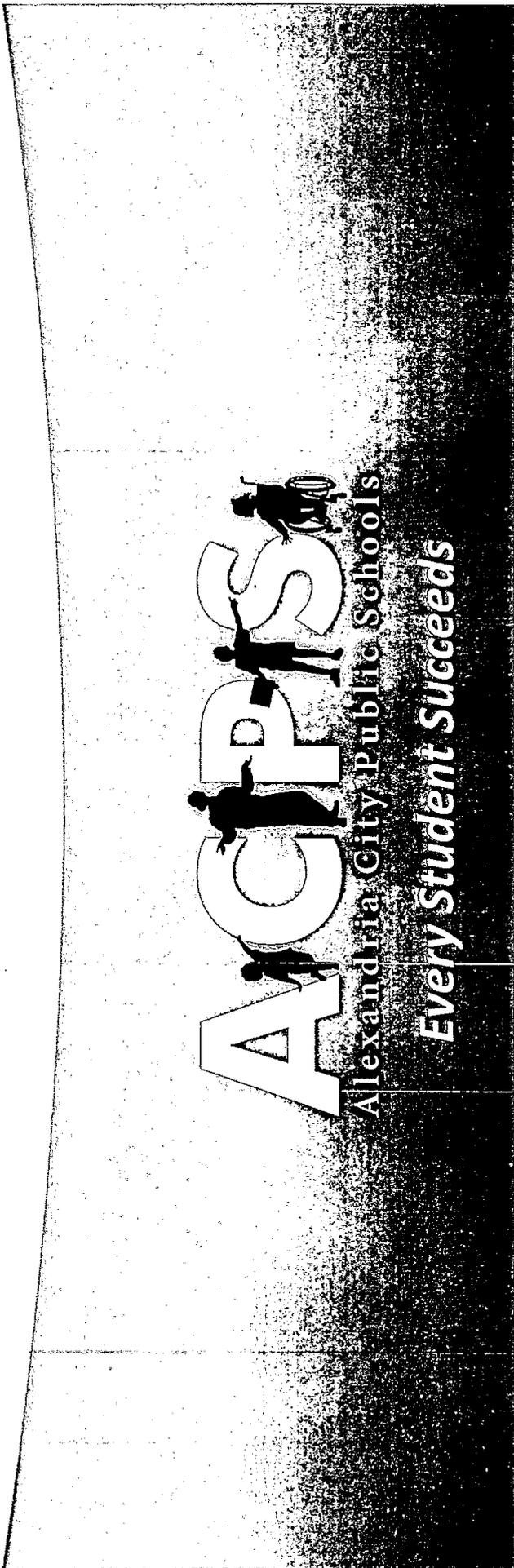
ATTEST:

\_\_\_\_\_  
Jacqueline M. Henderson, MMC City Clerk

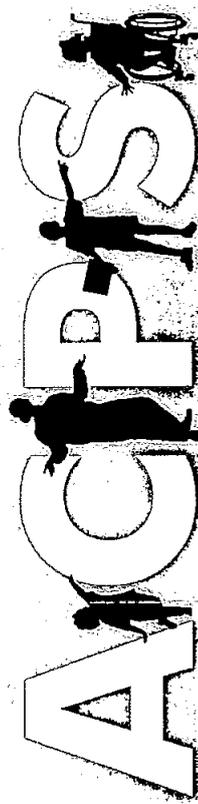
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**FY 2019 – FY 2023 Fiscal Forecast**

*Alexandria City Council Retreat*

November 4, 2017



# FY 2018 Final Operating Budget

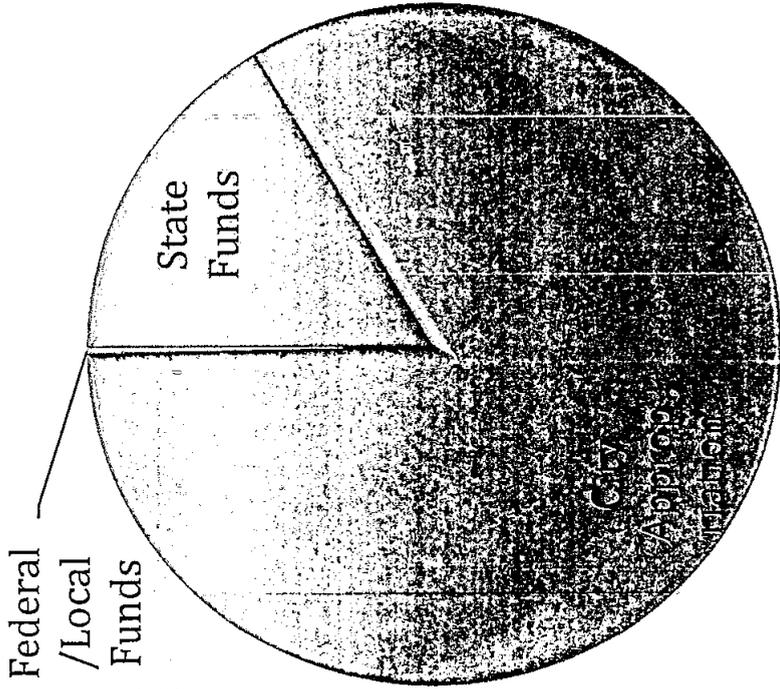


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# FY 2018 Final Budget Operating Fund Revenue

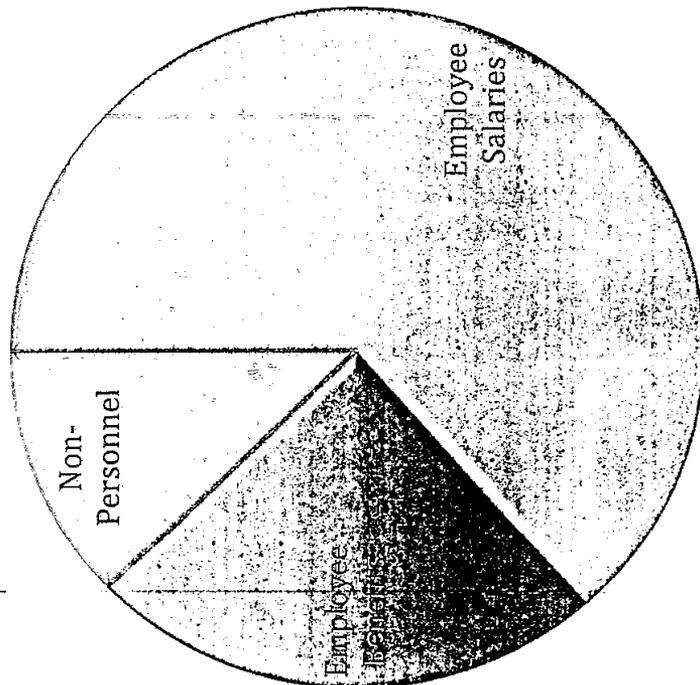
**83 % City  
Appropriation**



Source	Funds (\$)	Funds (%)
City	\$214.1M	83.3%
State	\$42.0M	16.3%
Fed/Local	\$0.8M	0.3%
<b>Total</b>	<b>\$256.9M</b>	<b>100.0%</b>

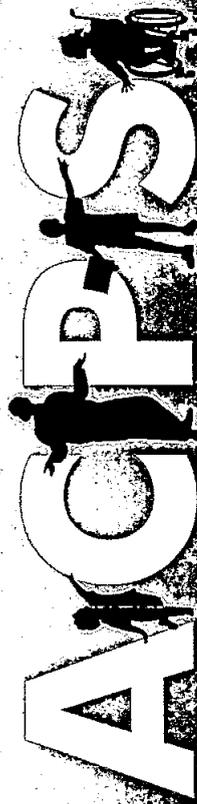
# FY 2018 Final Budget Operating Expenditures

**88 % Employee Compensation**



Source	Funds (\$)	Funds (%)
Salaries	\$165.1M	63.4%
Benefits	\$63.3M	24.3%
Non-Personnel	\$31.9M	12.2%
<b>Total</b>	<b>\$260.3M</b>	<b>100.0%</b>

# City of Alexandria and ACPS Growth over Time



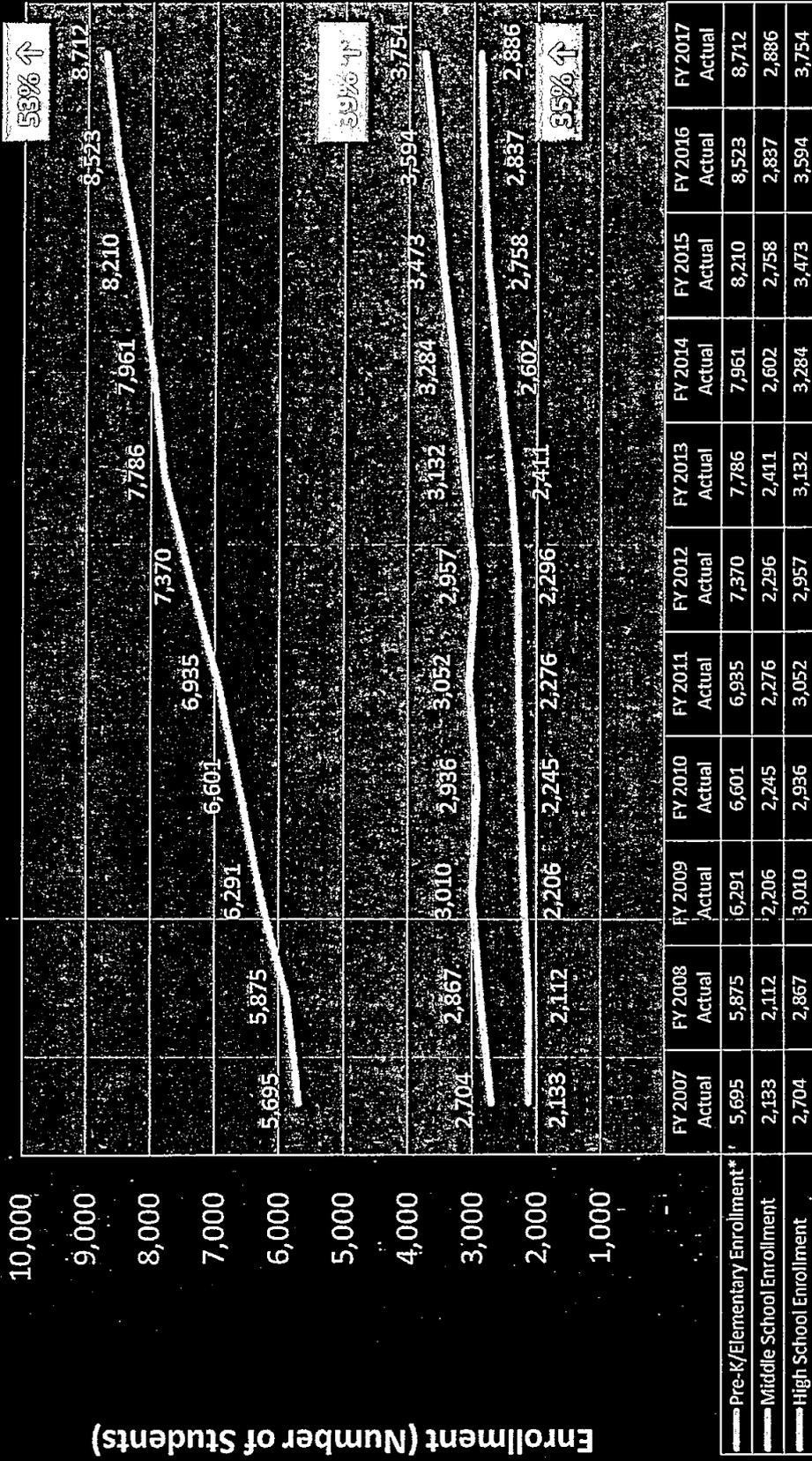
**ACPS**

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# Historical Enrollment

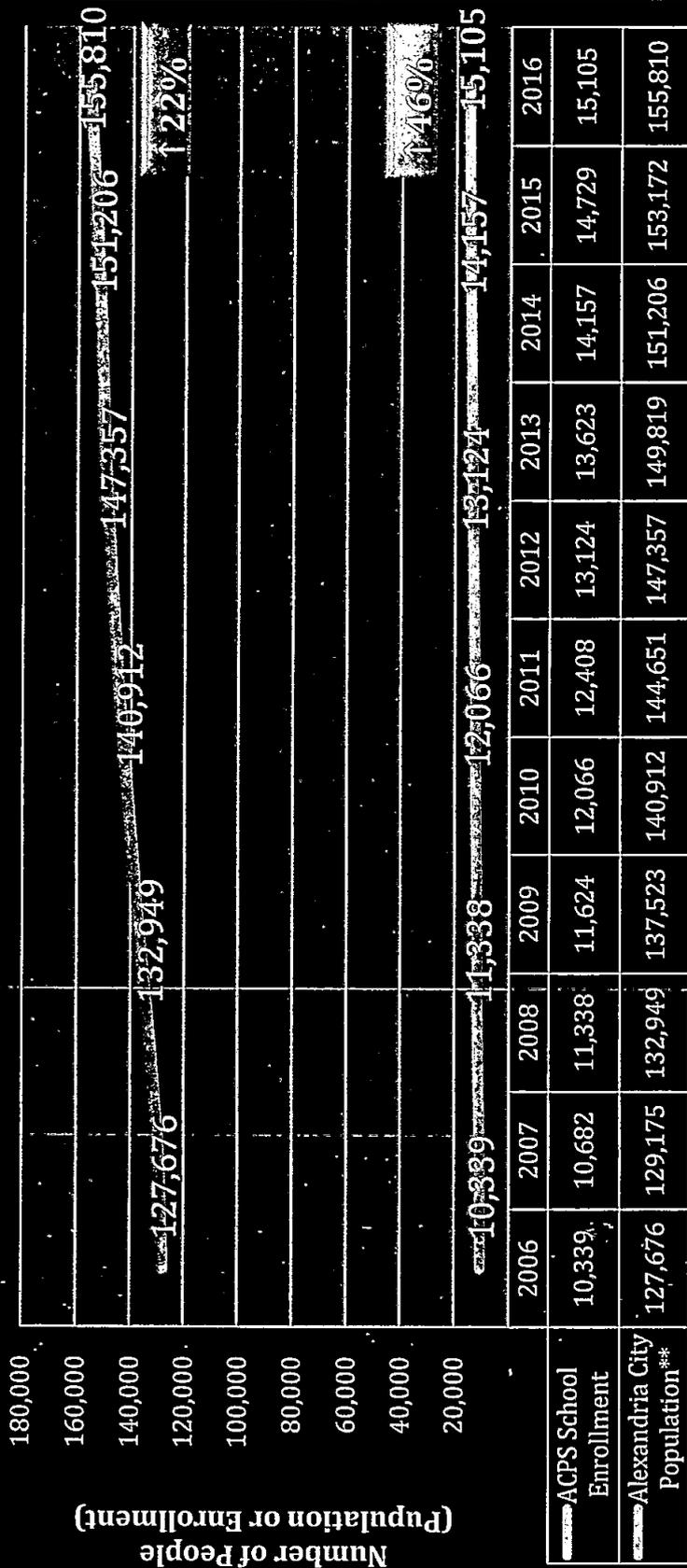
ACPS Actual Enrollment: FY 2007 - FY 2017



\*Includes 284 partner Pre-K program slots in each year. Excludes special placements.

# Historical City Population and ACPS Enrollment

Alexandria City Population and ACPS School Enrollment Over Time\*



\*School Enrollment is as of October 1 in the year shown. City Population is estimated as of July 1 in the year shown.

\*\*Source: U.S. Census Bureau, Population Division.

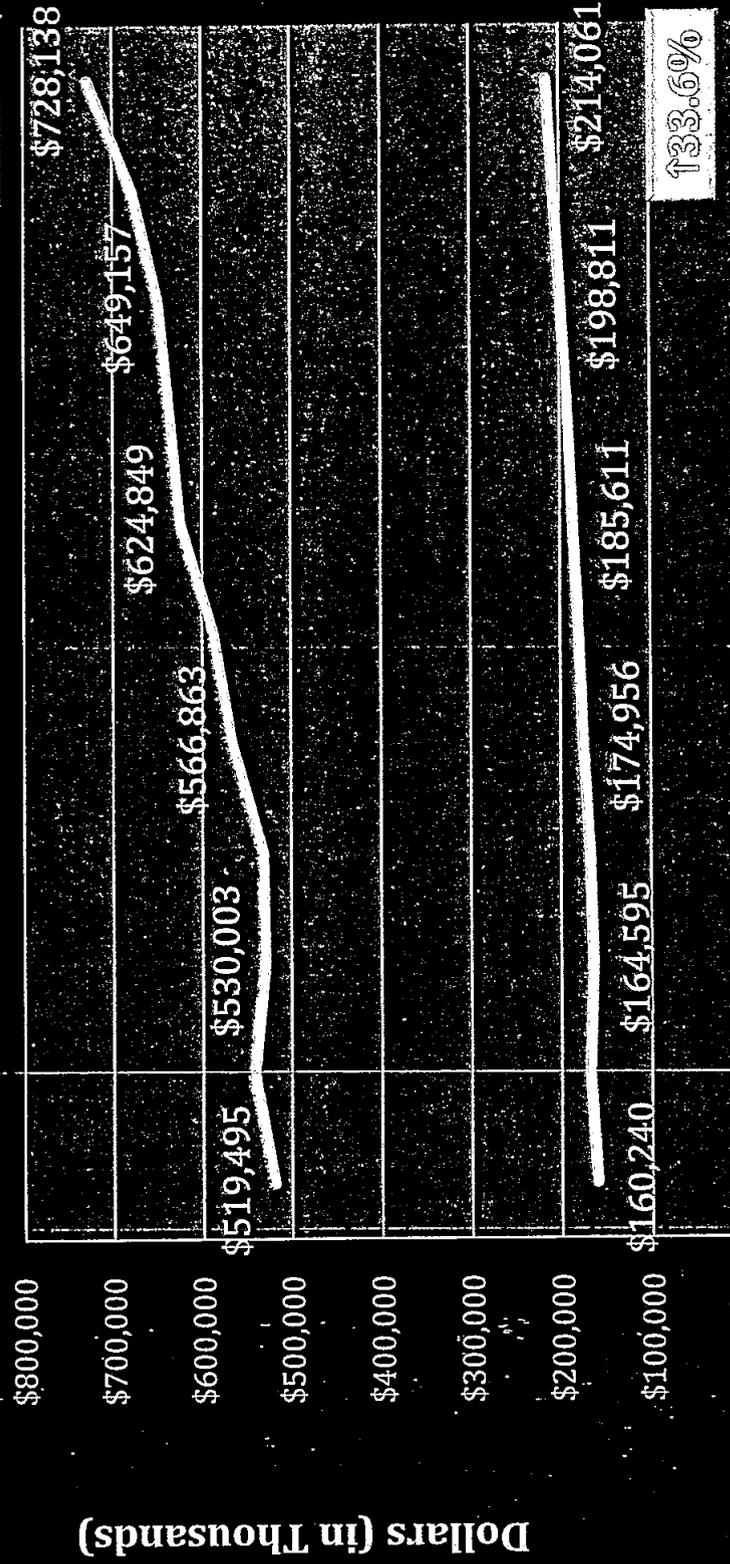
Annual Estimates of the Resident Population available at: <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF>

and County Intercensal Tables: 2000-2010 available at: <https://www.census.gov/data/tables/time-series/demo/popest/intercensal-2000-2010-counties.html>

# Historical City General Fund and ACPS Operating Fund Appropriation

City of Alexandria General Fund and ACPS Operating Fund Appropriation Over Time\*

↑40.2%



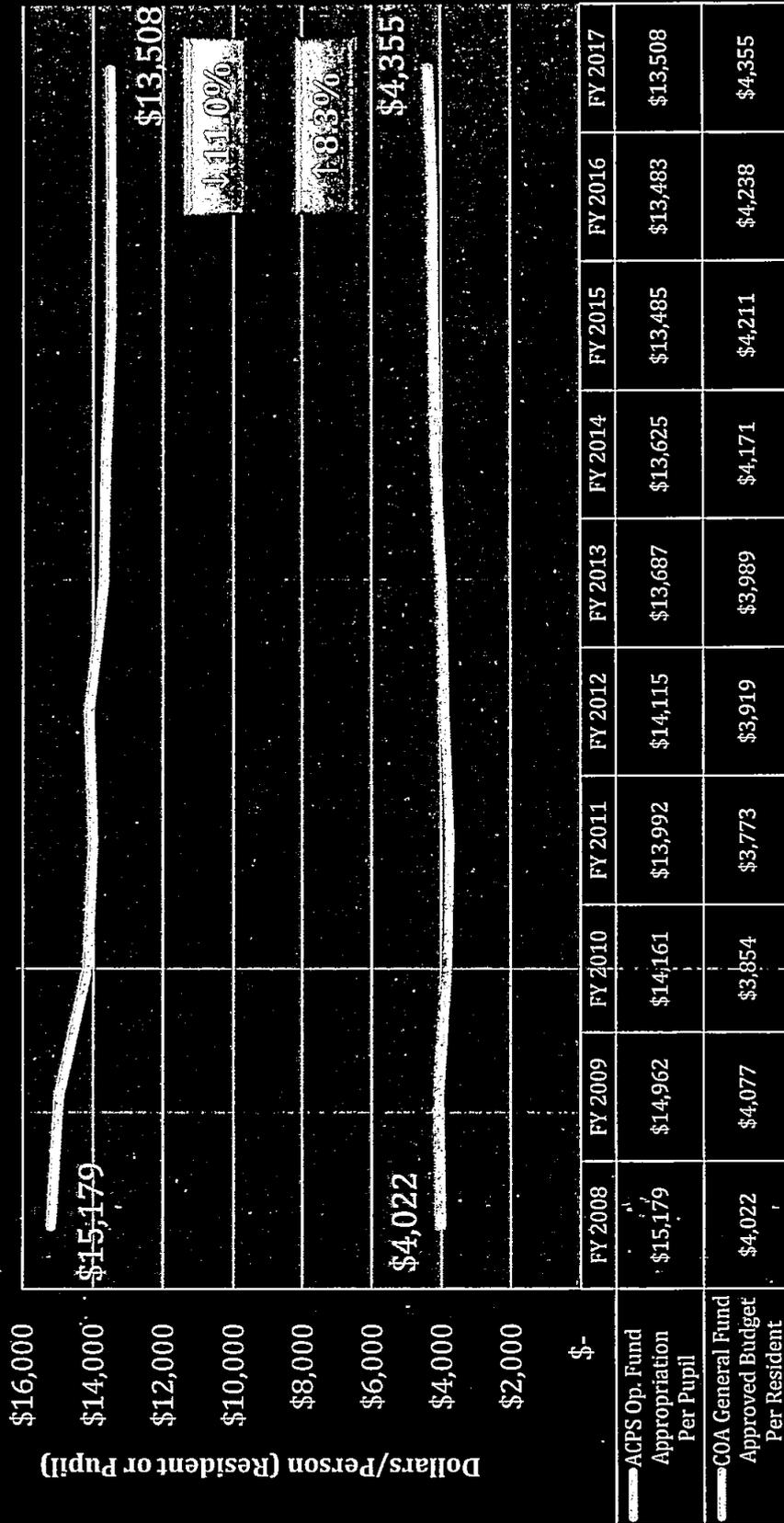
↑33.6%

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
ACPS Operating Fund Appropriation	\$160,240	\$167,954	\$164,595	\$167,887	\$174,956	\$179,486	\$185,611	\$191,811	\$198,811	\$206,561	\$214,061
COA General Fund Approved Budget	\$519,495	\$541,978	\$530,003	\$531,612	\$566,863	\$587,861	\$624,849	\$636,770	\$649,157	\$678,534	\$728,138

\*The sources of all above data are the City of Alexandria Approved and ACPS Final Budget Books for Fiscal Years 2008 through 2018

# Historical City General Fund and ACPS Operating Fund Appropriation Per Person

## City of Alexandria General Fund and ACPS Operating Fund Appropriation Per Person (Resident or Pupil) Over Time\*



\*See previous two slides for data sources

# School Capacity and Enrollment Projections



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# Enrollment Update: Actual vs. Projection

- School enrollment projections are a collaborative City/Schools effort.
- Projections have been very accurate over the last five years as illustrated below.

Fiscal Year	Projected Membership	Actual Membership	Comparison
FY 2014	13,613	13,563	99.6%
FY 2015	14,111	14,167	100.4%
FY 2016	14,685	14,670	99.9%
FY 2017	15,225	15,056	98.9%
FY 2018	15,473	15,493	100.1%

# Enrollment Update: Actual vs. Projection

Grade Level	Grades	FY 2018 Projection	FY 2018 Actual	Percent of Projection	Difference from Projection	Difference from FY 2017 Enrollment
Elementary	PK-5	8,473	8,501	100.3%	28	85
Middle	6-8	3,056	3,043	99.6%	-13	157
High	9-12	3,944	3,949	100.1%	5	195
<b>Total</b>	<b>PK-12</b>	<b>15,473</b>	<b>15,493</b>	<b>100.1%</b>	<b>20</b>	<b>437</b>

# Enrollment Update: Kindergarten

- Total Kindergarten enrollment for FY 2018 is **1,474**, equating to a K capture rate<sup>1</sup> of **55.5%**.
- Projection for FY 2018 Kindergarten enrollment was **1,496**.
- For reference, FY 2017 Kindergarten enrollment was **1,453**, equating to a K capture rate was **55.8%**.
- Births are expected to continue to **gradually increase** throughout the City each year.
- Projected K Capture rate will drop to **56.1%** from 56.3% for future years.
- Last year, ACPS had to exceed class size caps at Kindergarten by the end of the year due to K students entering the Division mid-year (an increase of over 20 students was experienced by the March final count). For this reason, the K capture rate will remain above the actual based on September 30<sup>th</sup> final enrollment to plan for adequate staffing.

<sup>1</sup> Kindergarten Capture Rate: Refers to the rate of Kindergarten students compared to births to Alexandria mothers 5 years prior; data is obtained from the Virginia Department of Health annually by ACPS, mapped using GIS, assessed for accuracy and sorted appropriately based on school enrollment cutoff dates

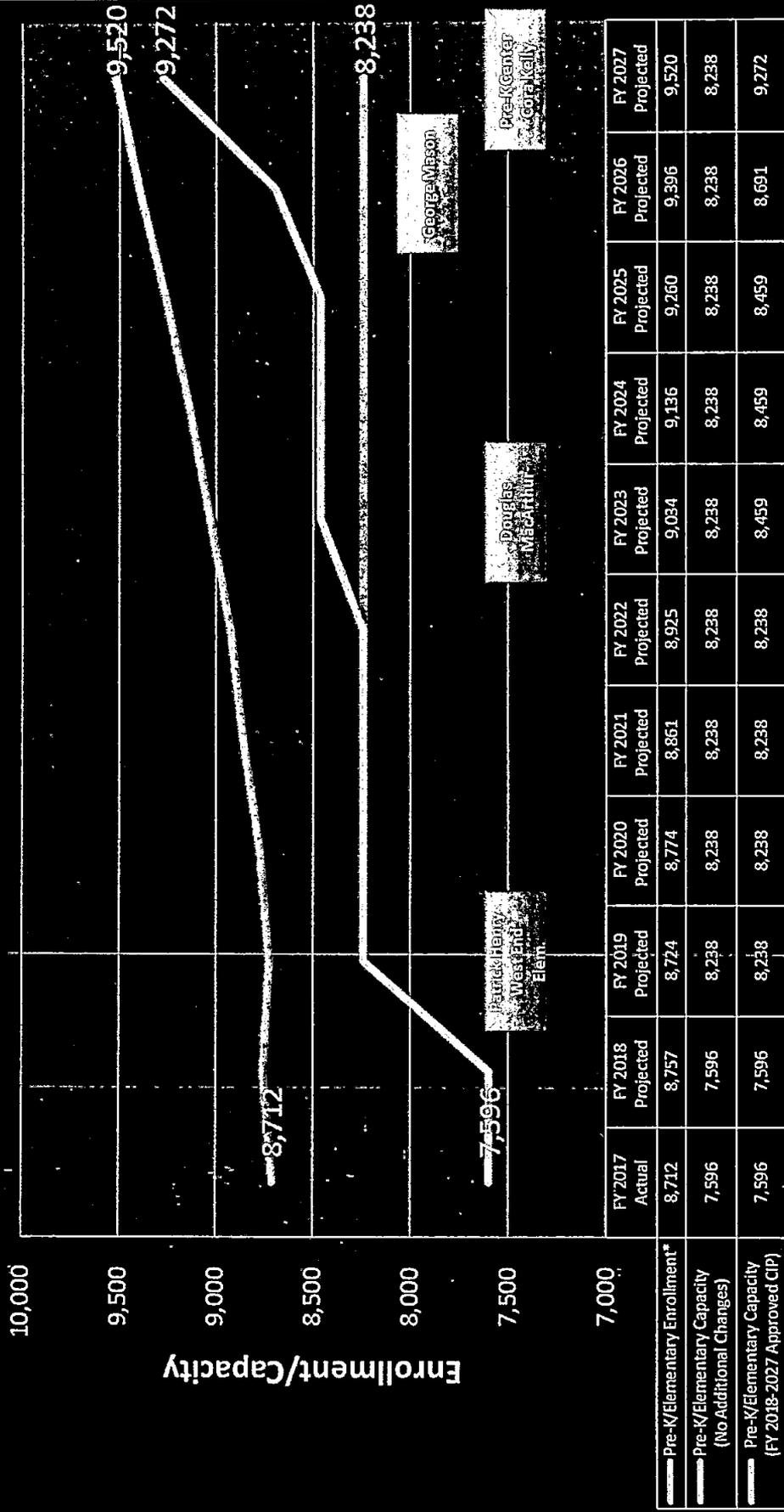
# Enrollment Update: Methodology

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- ACPS and City's P&Z Department made adjustments to the enrollment methodology last year to reduce the level of anticipated growth based on FY 2017 projected vs. actual enrollment. The following adjustments were made:
  - Use of more recent year trend lines to project births in unknown years
  - Use of average of more recent year K capture rate
  - Remove inflating factor from elementary enrollment projections
  - Adjustment in Minnie Howard Cohort Survival Rate (CSR) to remove outlier year, otherwise use 4 year CSR
- Current process for informing ACPS of residential development projects is for the development planner to contact ACPS with the details for consideration in the enrollment model. ACPS and the City's P&Z team will be updating and standardizing the inclusion of development projects into the model.
- Projections have not been finalized; however, no major adjustments to the methodology, and therefore the 10-year forecast, are anticipated at this time.

# Projected Enrollment/Capacity: Elementary

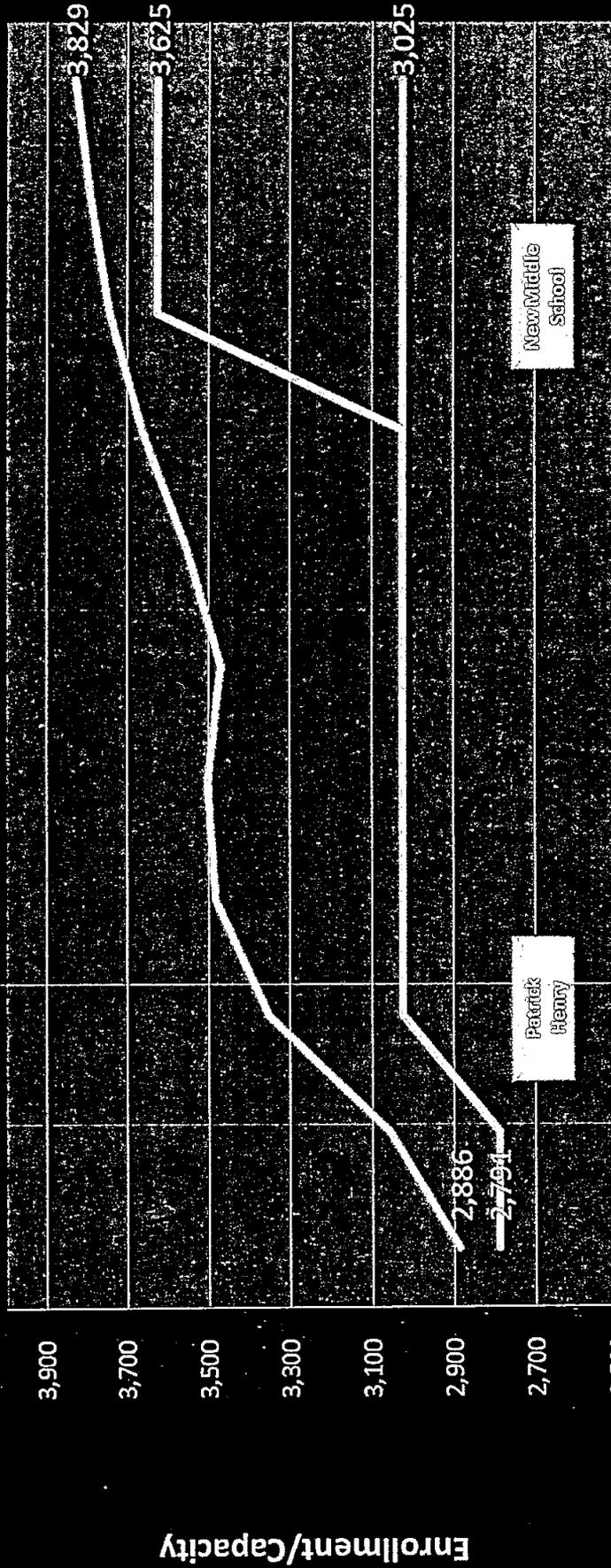
ACPS Elementary Projected Enrollment and Capacity: FY 2017 - FY 2027



\*Includes 284 partner Pre-K program slots in each year.

# Projected Enrollment/Capacity: Middle School

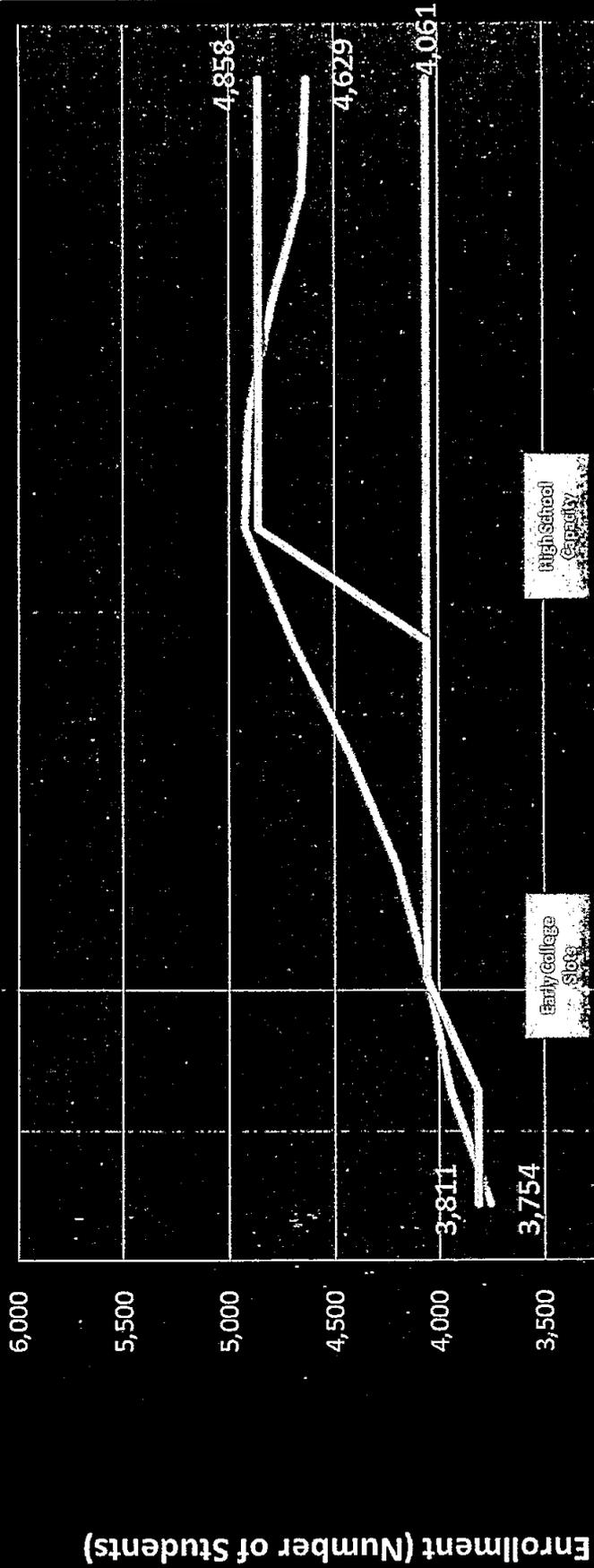
ACPS Middle School Projected Enrollment and Capacity: FY 2017 - FY 2027



	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Middle School Enrollment	2,886	3,056	3,351	3,483	3,501	3,471	3,552	3,664	3,745	3,792	3,829
Middle School Capacity (No Additional Changes)	2,791	2,791	3,025	3,025	3,025	3,025	3,025	3,025	3,025	3,025	3,025
Middle School Capacity (FY 2018-2027 SB-App. CIP)	2,791	2,791	3,025	3,025	3,025	3,025	3,025	3,025	3,625	3,625	3,625

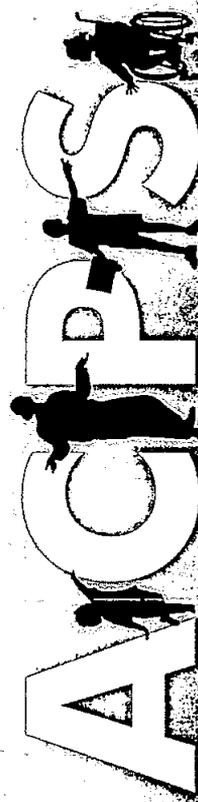
# Projected Enrollment/Capacity: High School

ACPS High School Projected Enrollment and Capacity: FY 2017 - FY 2027



	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
High School Enrollment	3,811	3,944	4,056	4,200	4,425	4,698	4,924	4,906	4,797	4,652	4,858
High School Capacity (No Additional Changes)	3,811	3,811	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061	4,061
High School Capacity (FY 2018 - 2027 SB-Approved CIP)	3,811	3,811	4,061	4,061	4,061	4,061	4,858	4,858	4,858	4,858	4,858

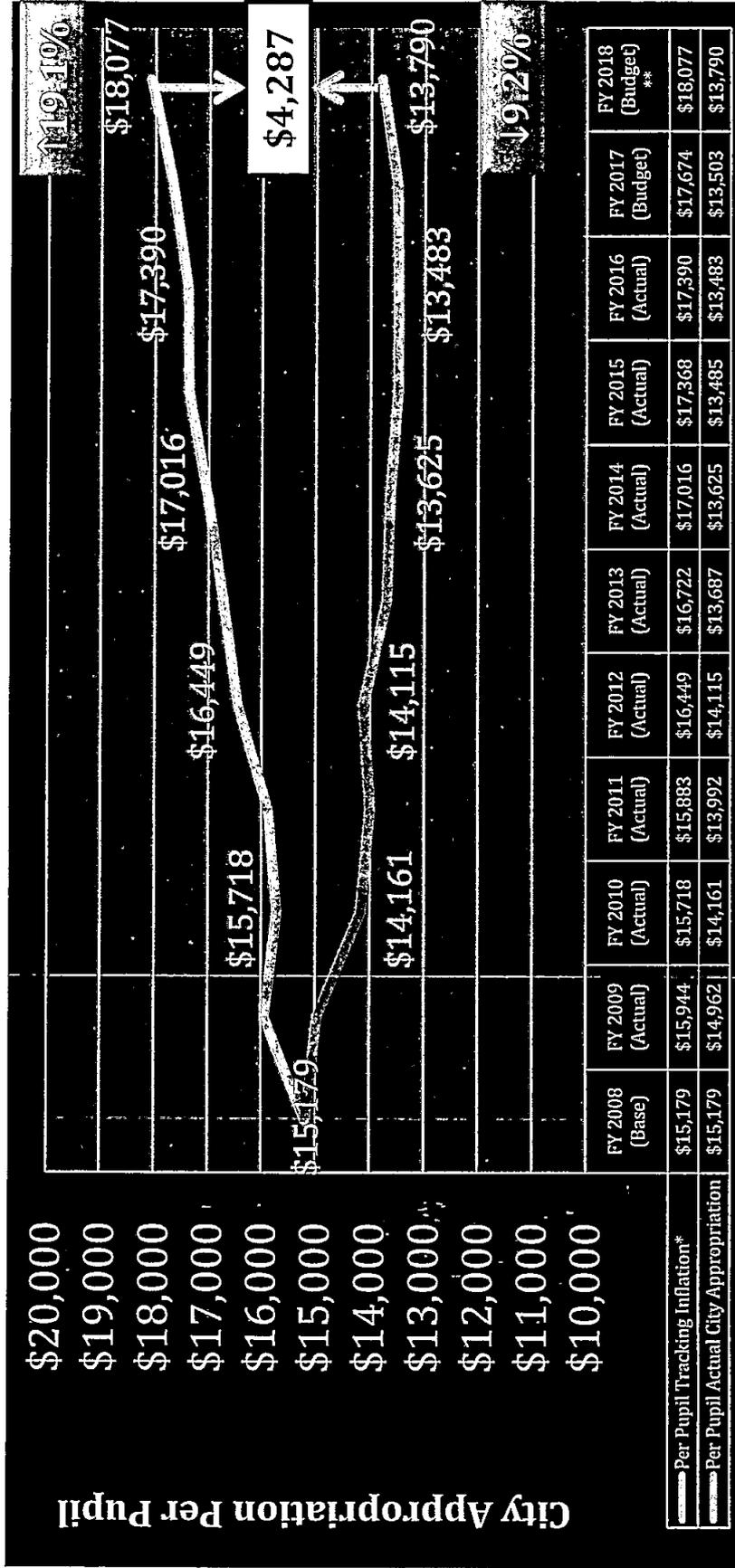
# Key Operating Budget Drivers



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# City Appropriation Per Pupil Over Time

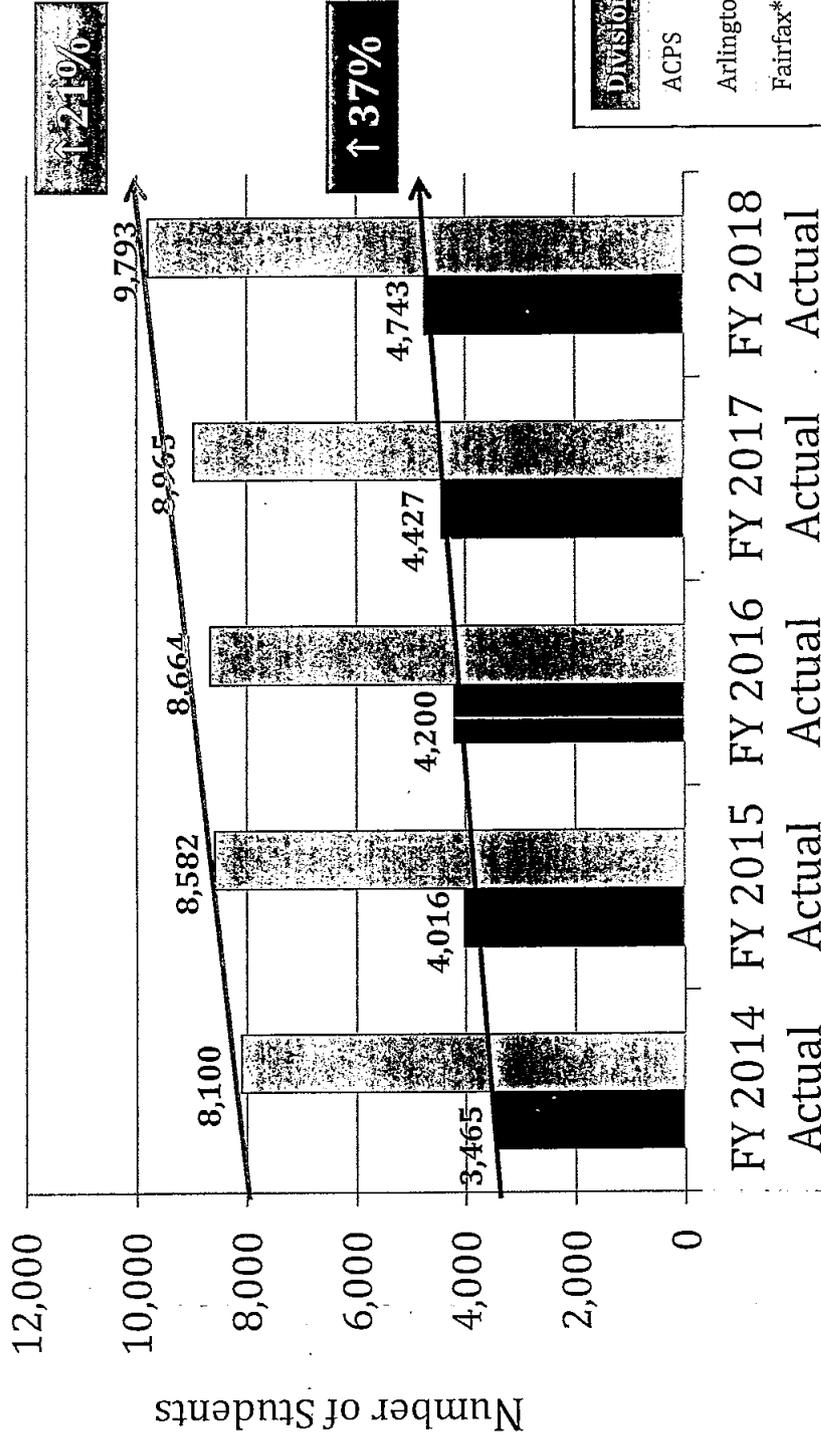


**\$4,287/Pupil = \$66.5 Million for FY 2018**

\*Proxy for Inflation Rates: CPI-U monthly data from U.S. Department of Labor Bureau of Labor Statistic as of October 31, 2017  
 \*\* FY 2018 inflation projection based on average month July 2017 to September 2017. September 2017 is last month where data is available from U.S. Department of Labor Bureau of Labor Statistic as of October 31, 2017.

# Key Budget Drivers

Enrollment: English Learners and Free & Reduced Price Meals



FY 2018 as a % of Total Enrollment

**FRPM 63%**

**EL 31%**

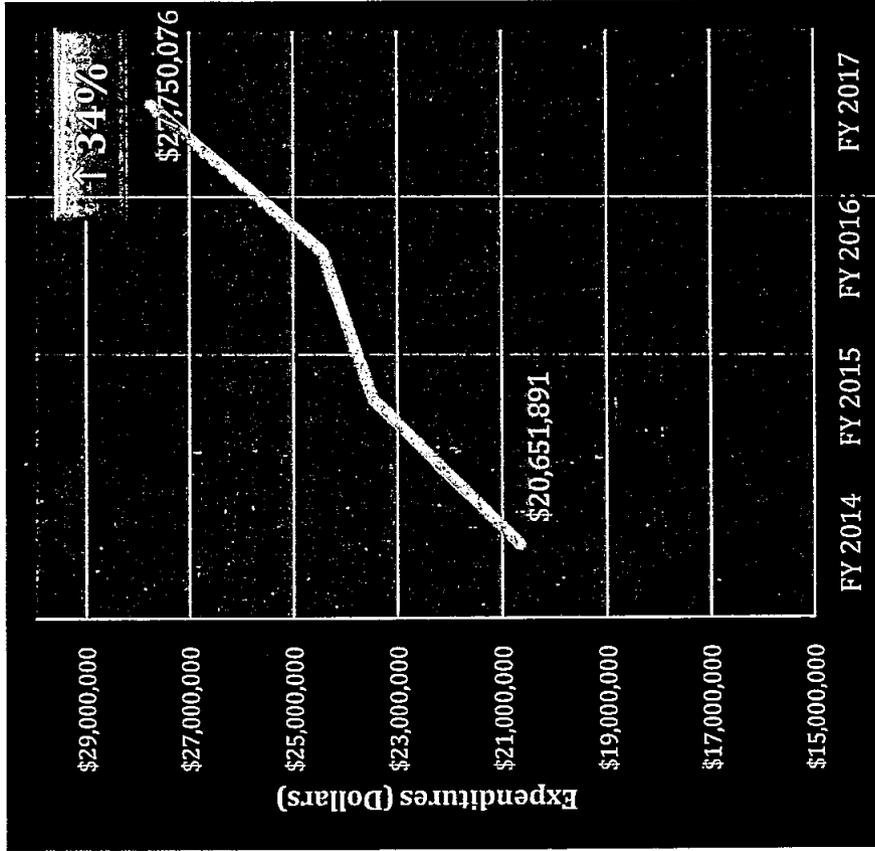
DIVISION	EL %	FRPM %
ACPS	31%	63%
Arlington*	17%	30%
Fairfax*	15%	27%

\*Source: Draft FY 2018 WABE Guide as of 9/15/2017

■ English Language Learners    □ Free & Reduced Price Meals-Eligible

# Healthcare Costs

## Health-Benefit Fund Expenditures



## Uses of Health-Benefit Funds

	FY 2015	FY 2016	FY 2017	Totals
Health-Benefit Fund Transfers to Operating Fund	\$2.3M	\$1.3M	\$2.5M	\$6.2M
OPEB Contributions	\$1.9M	\$0.8M	n/a	\$2.6M
Foregone Contributions for Premium Holidays	n/a	\$0.7M	\$0.8M	\$1.5M
<b>Totals</b>	<b>\$4.2M</b>	<b>\$2.8M</b>	<b>\$3.3M</b>	<b>\$10.2M</b>

FY 2017 Ending Reserve: \$4.8M  
 13.7 Months of FY 2017 UHC Self-Insured Claims  
 FY 2017 Ending Reserve: \$5.4M  
 3.5 Months of FY 2017 UHC Self-Insured Claims

Current ACPS Fiscal Forecast Projections:

- ACPS: 9% Overall Increase (Requires Change)
- Note: City of Alexandria FY 2018 Budget Increase:
  - 9.5% for Kaiser
  - 18.1% for United

# Recruiting and Retaining an Exemplary Staff

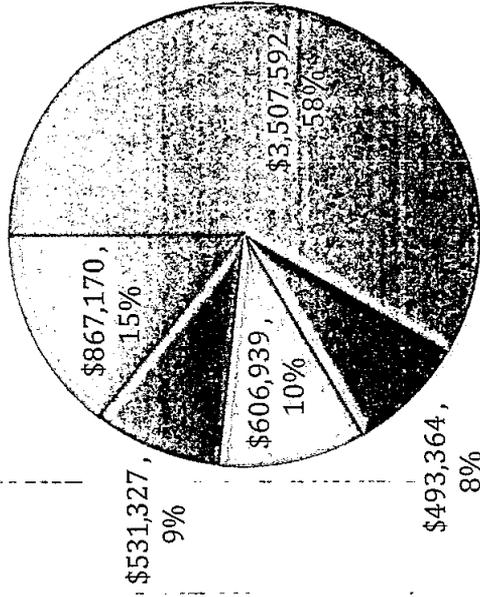
FY 2014      FY 2015      FY 2016      FY 2017      FY 2018

Jurisdiction	MRA	STEP	MRA	STEP	MRA	STEP	MRA	STEP	MRA	STEP
Alexandria City Public Schools	No	Full Step, Mid-Year	Yes, 2% Support 1% Other	No	No	Full Step	No	Full Step	No	Full Step
Arlington County Schools	No	Full Step	Yes, 2%	No	No	Full Step	No	Full Step	Yes, Specific Employees	Full Step
Fairfax County Schools	Yes, 2% Mid-Year	No	No	Full Step	Yes, .62%	Full Step	Yes, 1%	Full Step	No	Full Step
City of Alexandria	No	Full Step	No	Full Step	No	Full Step	No	Full Step	No	Full Step

Jurisdiction	Average Employee Raise from FY 2018 Step Increase
ACPS	2.6%
Arlington	2.8%
Fairfax	2.5%
COA	2.9%

# Operating Impacts of New West End Elementary

## Projected Operating Budget\*



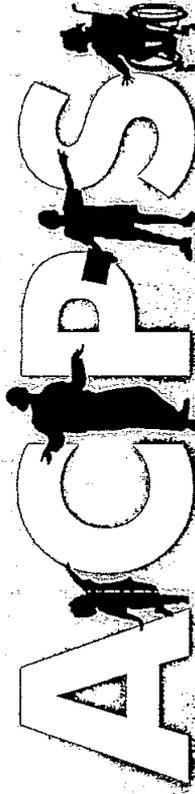
- Instructional Personnel
- Student Support Personnel
- Administrative Personnel
- Operational Support Personnel
- Non-Personnel

## Primary Year-1 Assumptions

- 600 Students
- 80,000 SF of Occupied Space (Floors 1-4)
- 40,000 SF of Unoccupied Space (Floors 5-6)
- Additional garage at 1705 N. Beaufregard

\*Budget only includes new personnel and costs. Does not include shifts from other schools.

# FY 2019 - 2023 Operating Fund Fiscal Forecast



Alexandria City Public Schools

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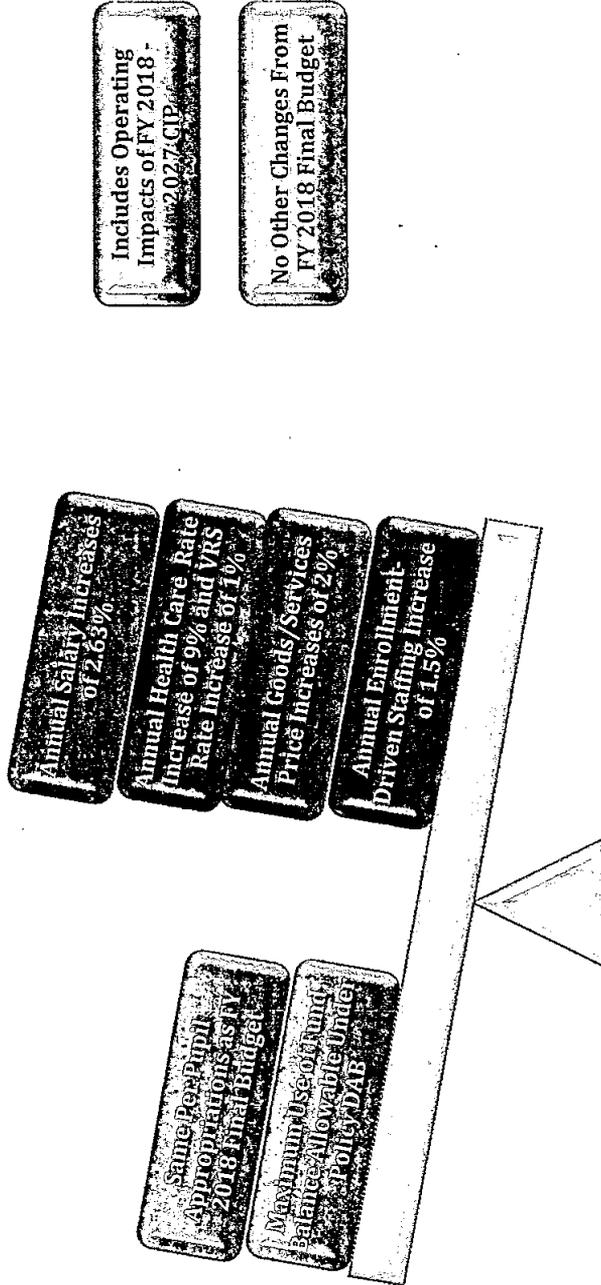
# Fiscal Forecast Assumptions

## Operating Fund

Revenue Assumptions

Expenditure Assumptions

Other Assumptions



# Fiscal Forecast Assumptions

## Operating Fund

Assumption	Account Type	Year-1 Op. Impact
<b>FY 2018 Final Budget Gap (w/o use of Fund Balance)</b>	<b>FY 2018 Total</b>	<b>(5.0 Million)</b>
Same Per Pupil Funding	Revenue	\$6.2 Million
1. City Appropriation ↑ \$5.2M		
2. State Appropriation ↑ \$1.0M		
Salary Increases	Expenditure	(\$4.6 million)
Health Care/VRS Increases	Expenditure	(\$3.6 million)
Non-Personnel Increases	Expenditure	(\$0.7 million)
Enrollment-Driven Staffing	Expenditure	(\$3.5 million)
Operating Impacts of CIP (Includes \$6.0 million for new West End Elementary)	Expenditure	(\$7.1 million)
<b>FY 2019 Current Budget Gap (w/o Use of Fund Balance)</b>	<b>FY 2019 Sub-Total</b>	<b>(\$18.3 million)</b>
Maximum Use of Fund Balance	Fund Balance	\$5.2 million
<b>FY 2019 Gap (w/ Maximum Use of Fund Balance)</b>	<b>FY 2019 Total</b>	<b>(\$13.1 million)</b>



# Questions/Comments

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