

**City of Alexandria, Virginia**  
**FY 2026 Proposed Operating Budget & CIP**  
**Budget Questions & Answers**

**April 1, 2025**

**Question:**

What is the total cost (e.g. fund dollars, staffing, infrastructure to track and deploy funds) to establish an Eco-City Internal Revolving Fund that captures savings from climate action projects to fund future climate action projects?

**Response:**

The cost of establishing a fund would depend on the level of performance the City Council expected. For a fund to 'revolve', it needs to generate savings or revenue. Typically, these are used for improvements to city-owned facilities. There would be minimal costs for measurement & verification of the savings, as the City's Department of General Services already tracks energy use in facilities. The challenge with identifying actual savings lies in complexities such as fluctuating energy costs and weather normalization.

The City of Alexandria has invested in energy-related projects for City facilities regularly as a part of the Department of General Services budget. For FY 2025, \$250,000 was allocated, and \$250,000 is currently proposed for FY 2026 in the Energy Management Program (EAP). These investments are made with an expectation that investments will produce significant savings and help accomplish the City's commitments in the Environmental Action Plan 2040. The savings from these projects currently accrue back to the City's General Fund, and annual allocations are made for investments rather than relying on tracking and managing project savings.

While a revolving fund is a predictable source of dedicated funding for climate-related improvements in City facilities, the Department of General Services and Office of Climate Action are regularly recommending energy-related improvements in City facilities and, in accordance with the EAP, are also developing guidelines to ensure City facilities achieve deeper energy savings more quickly.