

APPROVED BUDGET-IN-BRIEF

FISCAL YEAR 2026

FY 2026 BUDGET OVERVIEW

On Wednesday, April 30, the Alexandria City Council unanimously adopted a Fiscal Year (FY) 2026 General Fund Operating Budget of \$956.5 million, which represents a 3.2% increase from the FY 2025 budget. The approved budget focuses on the City's commitment to quality education, employee attraction and retention, affordable housing, eliminating community disparities, and strengthening the City's economic future while maintaining established fiscal policies.

The approved budget makes several investments in City Council priority areas with no increase to the real estate tax rate for Alexandria residents and businesses, or significant service reductions. The budget includes a step increase and a 1% 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 2026 budget. Throughout this year's deliberation process, City staff issued over 100 responses to budget questions from City Council. Key highlights of the approved budget include:

- Maintains the current real estate tax rate of \$1.135 per \$100 of assessed value;
- No changes to personal property tax, sanitary sewer, or refuse rates;
- Increases stormwater utility fee rates from \$324.10 to \$340.30 as scheduled;
- Provides a step increase and 1% pay scale adjustment for non-collectively bargained City employees;
- Fully funds the second year of Labor and Trades collective bargaining agreements and third year of Police and Fire collective bargaining agreements;
- Expands retirement eligibility for Deputy Sheriffs under the VRS Enhanced Hazardous Duty Plan;
- Funds early childhood support and intervention projects;
- Funds an increase of \$9.4 million in the ACPS Operating transfer to support the ACPS operating budget including a one-time \$1.2 million investment in support services for Alexandria City Public Schools (ACPS) to help improve the physical, social, and emotional well-being of students and families;
- Increases DASH funding to support collective bargaining and inflationary costs of operations and increases the frequency of DASH Line 32 between Landmark and Van Dorn Metro;
- Funds an in-house pharmacy within the Fire Department;
- Budgets funding for the City's cable TV franchise renewal;
- Supports community-based food hub operations;
- Adds therapeutic recreation funding for the City's Out of School Time Program;
- Funds the Alexandria Recovery Court within Circuit Court Judges;
- Adds funding for an environmental pollution control specialist;
- Expands curbside composting service and glass recycling drop-off locations;
- Funds a business accelerator pilot program operated by the Alexandria Economic Development Partnership (AEDP);
- Allocates funding for early childhood support and intervention projects;
- Increases funding for Neighborhood Health, a Federally Qualified Health Center;
- Funds the purchase of electric leaf blowers;
- Supports the City harbor's participation in Sail Virginia 2026; and
- Uses \$6.4 million in efficiency and costcutting savings to balance the budget.

ALEXANDRIA CITY COUNCIL

Mayor Alyia Gaskins

Vice Mayor Sarah R. Bagley

Councilman Canek Aguirre

Councilman John T. Chapman

Councilman Abdel-Rahman Elnoubi

Councilwoman Jacinta E. Greene

Councilman R. Kirk McPike

CITY MANAGER

James F. Parajon

BUDGET DIRECTOR

Morgan Routt

FISCAL YEAR 2026 APPROVED BUDGET-IN-BRIEF

CAPITAL IMPROVEMENT PROGRAM

The Approved FY 2026-2035 Capital Improvement Program (CIP) totals \$2.08 billion and is a \$324.8 million decrease over last year's 10 Year CIP.

HIGHLIGHTS OF THE 10-YEAR PLAN

- \$289.2 million for schools capital projects which is consistent with the funding levels and timing included for schools in the Approved FY 2025-2034 CIP and the funding guidance provided to ACPs;
- \$186.4 million to support capital program of WMATA regional public transit system;
- \$66.0 million over the ten-year plan for street reconstruction and repaving program;
- \$800.2 million to fund the City's Capital Facility Maintenance Programs, State of Good Repairs programs, and other major renovations projects (i.e., City Hall);
- \$250.1 million for investments in the City's stormwater management systems, including improvements to mitigate flooding during major rain events;
- \$207.0 million and state and federal grant sources identified to support transportation and transit projects throughout the City;
- \$82.0 million, over the 10-year plan, to support affordable housing initiatives, including funds from the one percent dedication of the restaurant meals tax other committed funds;
- \$115.4 million for investments in the City's sanitary sewer systems, including projects to expand processing capacity.

HIGHLIGHTS OF THE FY 2026 APPROVED CAPITAL BUDGET

The FY 2026 Capital Budget (only year formally appropriated by City Council) totals \$205.9 million, which is a \$46.9 million decrease from last year's approved CIP. Highlights of the FY 2026 projects are as follows:

- \$21.0 million for Alexandria City Public Schools capital funding request which reflects the funding level requested for FY 2026 in the School Board approved capital funding request;
- \$40.0 million to support the Waterfront Flood Mitigation project;
- \$15.4 million for the City's contribution to WMATA's Capital Improvement Program;
- \$19.3 million for the renovation of City Hall, Market Square Plaza, and Parking Garage.
- \$5.5 million for street reconstruction and resurfacing, which will support the resurfacing of approximately 50-55 lane miles in FY 2026;
- \$5.0 million to provide multimodal upgrades as part of the South Van Dorn Bridges project;
- \$5.2 million to support DASH Bus Fleet Replacement/state of good repair; and
- \$1.8 million to support Old Town Pool Renovation project.

DEBT AND CAPITAL FUNDING POLICIES

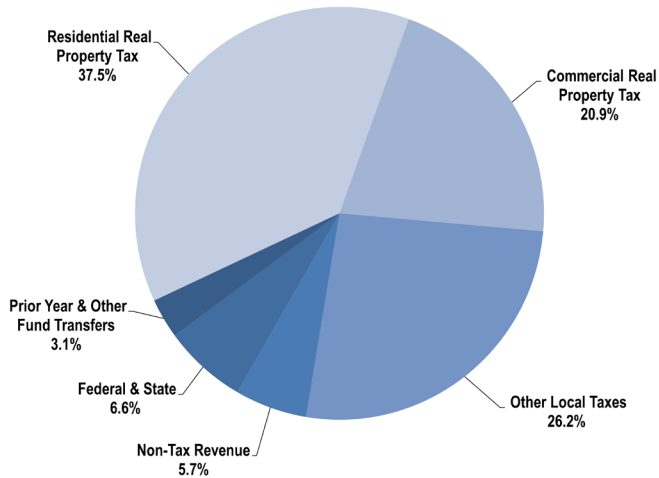
- The Approved CIP is in compliance with the City's adopted debt ratios throughout the ten-year plan. See the Approved CIP document for additional details.
- The CIP has 46% cash sources versus 54% bonds over the life of the 10-year CIP
- The General Fund Cash Capital Transfer is in compliance with the City Council approved policy. The percentage as relates to total General Fund expenditures in FY 2026 is 3.2%.

Type	Unit	CY 2024 Approved Rate	CY 2025 Approved Rate
Real Estate	\$100/AV	\$1.135	\$1.135
Personal Property	\$100/AV	\$5.33	\$5.33
Refuse Collection Disposal	Household	\$500	\$500
Average Condominium Assessed Value.....			\$447,612
Average Residential Tax Bill CY 2024 (\$1.135 Approved Rate).....			\$4,810
Average Residential Tax Bill CY 2025 (\$1.135 Approved Rate).....			\$5,080
Average Single-Family Home Assessed Value			\$1,001,336
Average Residential Tax Bill CY 2024 (\$1.135 Current Rate Rate).....			\$10,992
Average Residential Tax Bill CY 2025 (\$1.135 Approved Rate).....			\$11,365

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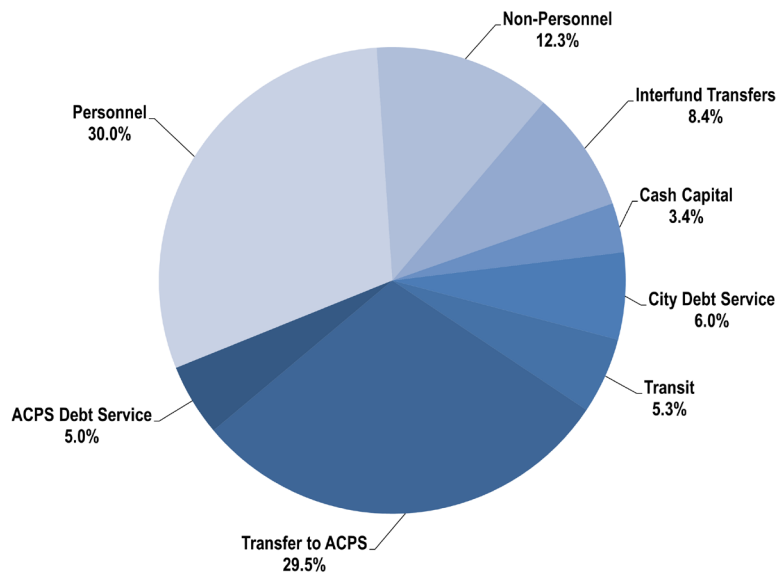
GENERAL FUND REVENUES & EXPENDITURES

FY 2026 APPROVED GENERAL FUND REVENUES



	FY 2025 Approved	FY 2025 Projected	FY 2026 Approved	% Change From FY 25 Approved
Real Property Tax	545.4	546.6	558.0	2.3%
Other Taxes	237.3	246.1	250.9	5.7%
Non-Tax Revenue	56.6	56.0	54.7	-3.4%
Fed & State Revenue	62.5	62.7	62.9	0.6%
Prior Year Surplus & Other Fund Transfers	24.6	24.6	29.9	21.5%
TOTAL:	926.4	936.0	956.4	3.2%

FY 2026 APPROVED OPERATING EXPENDITURES



General Fund Expenditures	FY 2024 Actual	FY 2025 Approved	FY 2026 Approved	\$ Change	% Change
City Operations	\$453,121,466	\$476,923,124	\$485,340,319	\$8,417,195	1.8%
City Related Debt Service	\$65,448,051	\$50,743,148	\$57,703,661	\$6,960,513	13.7%
City Subtotal	\$518,569,517	\$527,666,272	\$543,043,980	\$15,377,708	2.9%
Schools					
School Operations	\$258,686,800	\$273,034,300	\$282,384,561	\$9,350,261	3.4%
School Related Debt Service	\$32,220,940	\$45,527,862	\$47,834,265	\$2,306,403	5.1%
Schools Subtotal	\$290,907,740	\$318,562,162	\$330,218,826	\$11,656,664	3.7%
Transit Services	\$48,680,946	\$50,691,206	\$50,431,975	(\$259,231)	-0.5%
Cash Capital	\$48,392,581	\$29,476,152	\$32,754,924	\$3,278,772	11.1%
Total Expenditures	\$906,550,784	\$926,395,792	\$956,449,705	\$30,053,913	3.2%