

Seminary Hill Association, Inc.
2115 Marlboro Drive
Alexandria, VA 22304-1013

March 12, 2015

Mayor Euille and City Council Members:

The City's budget today is constrained by the economy, past growth in City government, and non-essential spending in past budgets. The Seminary Hill Association, Inc. (SHA), held a panel discussion on budget concerns at its annual meeting in 2013. Former City Manager Rashad Young began an approach to our budget challenges for which we, the taxpayers, are responsible. In an effort to help elected officials move the City of Alexandria forward, SHA asks for more accountability on spending related to major projects—both the City's and ACPS's—and on the potential impacts these projects will have on taxpayers.

To foster discussions about choices to be made, SHA requests better more complete data on where taxes go so that the true cost and tax consequences of major proposals can be assessed. Specifically, SHA requests a document for each CIP project under consideration—whether for transportation, schools, sewers, or police—with:

1. The projected cost.
2. The method of payment; e.g. special tax district, bonds, etc.
3. The annual cost of debt service, if applicable.
4. The final total cost for each completed CIP project.

The City has several large budget items that will come due in the next decade but is planning/budgeting for no more than a year.

- **Additional growth in services** created by new residents in housing created by proffers to developers for increased density. The increased costs in services and schools will come due when the affordable housing units given for proffers are built by developers. The cost of the services—such as police, fire, roads, and parks—is estimated by City staff at \$7,000 per unit. Former City Manager Rashad Young said at the December 3, 2014 meeting of the Federation of civic associations that it costs around \$17,000 a year to educate a child in Alexandria. Given the thousands of new affordable housing units already proffered, the costs of services will grow into the millions for them and the cost of schools into the tens of millions. This means in the next few years, taxpayers will have an annual increase of close to a hundred million in costs generated by these small proffers. Perhaps the real cost of proffers should be assessed before they are approved.
- **Alexandria's part of the Chesapeake Bay cleanup** is estimated to cost \$150 million over the next 15 years. Staff's plan to meet this obligation is irresponsible and unrealistic: pay very little now and have the majority of it due in 10 years; 5% in the next 5 years (2015-20), 25% in years 6-10 (2020-25) and 60% for the last five years (2025-30). In addition, the cost of solving the outflow of Alexandria sewage into the Potomac because of combined sewers systems in Old

Town is, by the City website estimate, \$150 to \$300 million over the next 20 years. We are committed to this expenditure without clear guidance on how it will be paid for.

- **Debt servicing continues to grow** without out the necessary growth of the tax base to justify it. For example, the recently borrowed \$50 Million to plan for building a Potomac Yard Metro.
- **The funding increases for the school budget are out of line with the increase of City revenue.** Recent School Board meeting revealed that the ACPS is flush with funds for non-educational programs. The ACPS budget should be capped for CIP items and only a “per capita” allowance for additions to the student body be considered.

Citizen discussions and joint planning are needed to navigate the challenges in the coming years and develop goals to guide elected officials. In this budget cycle, the City Manager should present to City Council targeted and specific cuts and other reductions beyond an across the board reduction in the growth of staff spending.

With respect,

A handwritten signature in blue ink that reads "Nancy R. Jennings". The signature is written in a cursive, flowing style.

Nancy R. Jennings
President, SHA