



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 3, 2023

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: KENDEL TAYLOR, INTERIM DEPUTY CITY MANAGER

DOCKET TITLE:

Consideration of the Monthly Financial Report for the Period Ending August 31, 2023.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending August 31, 2023.

RECOMMENDATION: That City Council receives the Monthly Financial Report.

BACKGROUND: The following discussion is a summary of the Monthly Financial Report for this period. Detailed comparative schedules are attached.

As of August 31, 2023, General Fund revenues totaled \$13.8 million, a decline of 52.0 percent compared to the same period in FY 2023. It is important to note that revenues collected in July and some of the revenue collected in August are for taxes owed in June and are therefore accrued to the prior fiscal year. Timing issues are also much more pronounced in the early months of the fiscal year. The first significant tax revenue for FY 2023 is traditionally due on October 5 when personal property taxes for vehicle and business personal property are due. The bills are mailed in mid to late August and payments processed in August can vary significantly. The most significant variance in FY 2024 compared to FY 2023 for the same period is the receipt of payments from the Commonwealth, including HB 599 funds for local law enforcement and Personal Property Tax Relief funds. Both of these were remitted to the City in August of FY 2023, but have not been posted as of mid-September 2023 (FY 2024).

Revenue may not track consistently with a monthly calendar since many revenue sources have due dates that do not occur evenly throughout the year. The largest revenue source, real estate tax, is remitted twice per year. Personal property tax revenue is due on October 5 each year. Through the first two months of the fiscal year, no category has sufficient receipts to establish a clear pattern.

Consumer spending charts are attached which compare several significant tax revenue categories to the pre-pandemic level in FY 2019. All categories have rebounded to pre-pandemic levels and continue to provide a visual depiction of the local economy.

As of August 31, 2023, General Fund expenditures totaled \$112.8 million, a difference of \$4.0 million more compared to the same time period for FY 2023. Similar to the situation with revenues, it is too soon to make any definitive economic interpretation from the activity that has occurred in the first two months of the fiscal year. No significant expenditure has occurred in the first two months of

FY 2024 that is unbudgeted or unexpected. The most significant difference is the timing of payments. Debt Service payments scheduled in July are greater in FY 2024 than in FY 2023.

ATTACHMENTS:

- Attachment 1: Comparative Statement of General Fund Revenues
- Attachment 2: Comparative Statement of General Fund Expenditures
- Attachment 3: Consumer Spending comparison charts

STAFF:

Morgan Routt, Director, Office and Management and Budget

CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING AUGUST 31, 2023 AND AUGUST 31, 2022

| | B | C | D=C/B | E | F | G=F/E |
|--|-----------------------|-----------------------|------------------|-----------------------|-----------------------|-----------------|
| | FY 2024 | FY2024 | % | FY 2023 | FY2023 | % |
| | APPROVED | REVENUES | OF BUDGET | FINAL | REVENUES | OF TOTAL |
| | BUDGET | THRU 8/31/2023 | | BUDGET | THRU 8/31/2022 | |
| General Property Taxes | | | | | | |
| Real Property Taxes..... | \$ 532,076,175 | \$ 1,828,883 | 0.3% | \$ 514,554,739 | \$ 684,516 | 0.1% |
| Personal Property Taxes..... | 66,313,000 | 2,052,323 | 3.1% | 66,776,000 | 6,297,017 | 9.4% |
| Penalties and Interest..... | 3,358,050 | 251,010 | 7.5% | 3,199,600 | 144,230 | 4.5% |
| Total General Property Taxes | <u>\$ 601,747,225</u> | <u>\$ 4,132,216</u> | <u>0.7%</u> | <u>\$ 584,530,339</u> | <u>\$ 7,125,763</u> | <u>1.2%</u> |
| Other Local Taxes | | | | | | |
| Local Sales and Use Taxes..... | \$ 39,000,000 | \$ - | 0.0% | \$ 37,440,000 | \$ - | 0.0% |
| Consumer Utility Taxes..... | 12,020,000 | 501,033 | 4.2% | 11,760,000 | 476,992 | 4.1% |
| Communication Sales and Use Taxes..... | 6,810,000 | - | 0.0% | 7,245,080 | 604,773 | 8.3% |
| Business License Taxes..... | 39,824,300 | 37,746 | 0.1% | 39,824,300 | 123,339 | 0.3% |
| Transient Lodging Taxes..... | 11,200,000 | 1,270,766 | 11.3% | 9,500,000 | 971,459 | 10.2% |
| Restaurant Meals Tax..... | 31,200,000 | 2,862,126 | 9.2% | 27,600,000 | 1,660,021 | 6.0% |
| Tobacco Taxes..... | 2,030,000 | 181,011 | 8.9% | 2,100,000 | - | 0.0% |
| Motor Vehicle License Tax..... | 80,000 | - | 0.0% | - | 1,523 | 0.0% |
| Real Estate Recordation..... | 3,926,000 | 381,297 | 9.7% | 8,645,000 | 501,211 | 5.8% |
| Admissions Tax..... | 313,000 | 49,214 | 15.7% | 261,000 | 69,775 | 26.7% |
| Other Local Taxes..... | 3,768,000 | 139,792 | 3.7% | 4,103,000 | 204,788 | 5.0% |
| Total Other Local Taxes | <u>\$ 150,171,300</u> | <u>\$ 5,422,984</u> | <u>3.6%</u> | <u>\$ 148,478,380</u> | <u>\$ 4,613,879</u> | <u>3.1%</u> |
| Intergovernmental Revenues | | | | | | |
| Revenue from the Fed. Government..... | \$ 7,944,000 | \$ 1,202,297 | 15.1% | \$ 7,944,000 | \$ 545,219 | 6.9% |
| Personal Property Tax Relief from the Commonwealth..... | 23,578,531 | - | 0.0% | 23,578,531 | 11,789,265 | 50.0% |
| Revenue from the Commonwealth..... | 27,422,507 | 158,548 | 0.6% | 25,926,491 | 2,577,344 | 9.9% |
| Total Intergovernmental Revenues | <u>\$ 58,945,038</u> | <u>\$ 1,360,845</u> | <u>2.3%</u> | <u>\$ 57,449,022</u> | <u>\$ 14,911,828</u> | <u>26.0%</u> |
| Other Governmental Revenues And Transfers In | | | | | | |
| Fines and Forfeitures..... | \$ 4,425,000 | \$ 418,152 | 9.4% | \$ 4,305,200 | \$ 464,294 | 10.8% |
| Licenses and Permits..... | 2,667,500 | 330,801 | 12.4% | 2,867,350 | 274,194 | 9.6% |
| Charges for City Services..... | 15,652,609 | 1,071,438 | 6.8% | 14,941,328 | 798,302 | 5.3% |
| Revenue from Use of Money & Prop..... | 19,322,000 | 389,264 | 2.0% | 6,655,000 | 134,007 | 2.0% |
| Other Revenue..... | 3,470,890 | 597,460 | 17.2% | 2,490,701 | 355,217 | 14.3% |
| Transfer from Other Funds..... | 10,461,523 | 39,288 | 0.4% | 9,976,651 | - | 0.0% |
| Total Other Governmental Revenues | <u>\$ 55,999,522</u> | <u>\$ 2,846,403</u> | <u>5.1%</u> | <u>\$ 41,236,230</u> | <u>\$ 2,026,015</u> | <u>4.9%</u> |
| TOTAL REVENUE | <u>\$ 866,863,085</u> | <u>\$ 13,762,448</u> | <u>1.6%</u> | <u>\$ 831,693,971</u> | <u>\$ 28,677,485</u> | <u>3.4%</u> |
| Appropriated refunding bond proceeds..... | | | | | | |
| Appropriated Fund Balance | | | | | | |
| Operating Budget | \$ 17,464,943 | \$ - | \$ - | \$ 8,420,000 | \$ - | - |
| Cash Capital..... | | | | | | |
| Encumbrances And Other..... | | | - | | | - |
| Supplemental Appropriations..... | | | - | | | - |
| TOTAL | <u>\$ 884,328,028</u> | <u>\$ 13,762,448</u> | <u>1.6%</u> | <u>\$ 840,113,971</u> | <u>\$ 28,677,485</u> | <u>3.4%</u> |

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
 GENERAL FUND
 FOR THE PERIODS ENDING AUGUST 31, 2023 AND AUGUST 31, 2022**

| FUNCTION | B | C | D=C/B | E | F | G=F/E |
|--|--------------------|--------------------------------|-----------------------|--------------------|--------------------------------|-----------------------|
| | FY 2024 | FY2024 | % | FY 2023 | FY2023 | % |
| | APPROVED BUDGET | EXPENDITURES THRU 8/31/2023 | OF BUDGET EXPENDED | APPROVED BUDGET | EXPENDITURES THRU 8/31/2022 | OF BUDGET EXPENDED |
| Legislative & Executive..... | \$ 7,438,663 | \$ 755,904 | 10.2% | \$ 5,038,129 | \$ 665,459 | 13.2% |
| Judicial Administration..... | \$ 50,213,612 | \$ 7,540,265 | 15.0% | \$ 47,955,956 | \$ 6,962,800 | 14.5% |
| Staff Agencies | | | | | | |
| Communications..... | \$ 2,428,570 | \$ 246,807 | 10.2% | \$ 2,315,965 | \$ 230,933 | 10.0% |
| Human Rights..... | 1,099,038 | \$ 124,913 | 11.4% | 1,093,748 | 153,493 | 14.0% |
| Information Technology Services..... | 15,300,125 | \$ 2,163,290 | 14.1% | 15,168,902 | 1,939,887 | 12.8% |
| Management & Budget..... | 1,655,058 | \$ 247,786 | 15.0% | 1,733,353 | 194,397 | 11.2% |
| Finance..... | 14,335,454 | \$ 1,846,930 | 12.9% | 13,937,644 | 1,812,370 | 13.0% |
| Performance and Accountability..... | 938,466 | \$ 119,519 | 12.7% | 768,227 | 163,421 | 21.3% |
| Internal Audit..... | 435,792 | \$ 56,733 | 13.0% | 436,496 | 60,211 | 13.8% |
| Human Resources..... | 6,356,334 | \$ 936,658 | 14.7% | 5,356,578 | 626,822 | 11.7% |
| Planning & Zoning..... | 7,426,131 | \$ 998,647 | 13.4% | 7,488,572 | 840,467 | 11.2% |
| Economic Development Activities..... | 8,125,002 | \$ 1,919,339 | 23.6% | 7,657,894 | 2,300,622 | 30.0% |
| City Attorney..... | 4,149,790 | \$ 601,411 | 14.5% | 4,153,008 | 590,324 | 14.2% |
| Registrar..... | 1,747,128 | \$ 154,257 | 8.8% | 1,419,534 | 161,537 | 11.4% |
| Organizational Excellence..... | - | \$ - | 0.0% | 271,499 | 39,386 | 14.5% |
| General Services..... | 14,919,342 | \$ 2,444,428 | 16.4% | 13,971,419 | 1,239,136 | 8.9% |
| Total Staff Agencies | \$ 78,916,230 | \$ 11,860,719 | 15.0% | \$ 75,772,839 | \$ 10,353,005 | 13.7% |
| Operating Agencies | | | | | | |
| Transportation & Environmental Services..... | \$ 27,938,549 | \$ 2,609,042 | 9.3% | \$ 26,393,255 | \$ 3,179,336 | 12.0% |
| Project Implementation..... | - | \$ - | 0.0% | - | - | 0.0% |
| Fire..... | 59,688,553 | \$ 7,576,996 | 12.7% | 55,548,322 | 7,293,740 | 13.1% |
| Police..... | 71,164,838 | \$ 9,715,234 | 13.7% | 69,500,587 | 8,438,164 | 12.1% |
| Community Policing Review..... | 578,440 | \$ 34,427 | 0.0% | 507,114 | - | 0.0% |
| Emergency Communications..... | 10,162,288 | \$ 1,753,868 | 17.3% | 9,820,971 | 1,682,745 | 17.1% |
| Code..... | - | \$ - | 0.0% | - | - | 0.0% |
| Transit Subsidies..... | 19,430,635 | \$ 385,454 | 2.0% | 19,327,323 | 4,041,892 | 20.9% |
| Housing..... | 2,205,616 | \$ 294,035 | 13.3% | 2,070,660 | 299,192 | 14.4% |
| Community and Human Services..... | 16,623,373 | \$ 1,461,729 | 8.8% | 16,359,928 | 1,683,771 | 10.3% |
| Health..... | 10,432,196 | \$ 2,158,101 | 20.7% | 9,510,111 | 1,788,805 | 18.8% |
| Historic Resources..... | 4,178,078 | \$ 632,286 | 15.1% | 4,018,857 | 580,469 | 14.4% |
| Recreation..... | 28,351,699 | \$ 4,249,189 | 15.0% | 27,021,487 | 3,823,245 | 14.1% |
| Total Operating Agencies | \$ 250,754,265 | \$ 30,870,360 | 12.3% | \$ 240,078,615 | \$ 32,811,358 | 13.7% |
| Education | | | | | | |
| Schools..... | \$ 258,686,800 | \$ 13,193,027 | 5.1% | \$ 248,737,300 | \$ 12,685,602 | 5.1% |
| Other Educational Activities..... | 15,570 | \$ 3,893 | 25.0% | 15,750 | 3,938 | 25.0% |
| Total Education | \$ 258,702,370 | \$ 13,196,919 | 5.1% | \$ 248,753,050 | \$ 12,689,540 | 5.1% |
| Capital, Debt Service and Miscellaneous | | | | | | |
| Debt Service - City..... | \$ 48,235,001 | \$ 28,398,553 | 58.9% | \$ 41,170,131 | \$ 24,484,160 | 59.5% |
| Debt Service - Schools..... | \$ 32,220,940 | \$ 18,970,209 | 58.9% | \$ 31,941,000 | \$ 19,237,553 | 60.2% |
| Expenses on Refunding Bonds..... | - | \$ - | 0.0% | - | - | 0.0% |
| Non-Departmental..... | \$ 9,052,092 | \$ 1,120,830 | 12.4% | \$ 10,154,312 | \$ 1,374,323 | 3.8% |
| General Cash Capital..... | \$ 38,297,581 | \$ - | 0.0% | \$ 36,156,190 | - | 0.0% |
| Contingent Reserves..... | 1,892,954 | \$ - | 0.0% | 3,324,170 | - | 0.0% |
| Total Capital, Debt Service and Miscellaneous | \$ 129,698,568 | \$ 48,489,592 | 37.4% | \$ 122,745,803 | \$ 45,096,036 | 36.7% |
| TOTAL EXPENDITURES | \$ 775,723,708 | \$ 112,713,758 | 14.5% | \$ 740,344,392 | \$ 108,578,199 | 14.7% |
| Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)... | \$ 61,084,591 | | 0.0% | \$ 58,742,540 | \$ 216 | 0.0% |
| Transfer to Housing..... | 9,351,130 | \$ - | 0.0% | 7,679,115 | - | 0.0% |
| Transfer to Library..... | 8,589,228 | | 0.0% | 8,183,465 | 1,900 | 0.0% |
| Transfer to DASH..... | 29,609,371 | \$ 94,033 | 0.3% | 25,164,459 | 180,834 | 0.7% |
| TOTAL EXPENDITURES & TRANSFERS | \$ 884,358,028 | \$ 112,807,791 | 12.8% | \$ 840,113,971 | \$ 108,761,149 | 12.9% |
| Total Expenditures by Category | | | | | | |
| Salaries and Benefits..... | \$ 256,367,129 | \$ 35,424,139 | 13.8% | \$ 256,367,129 | \$ 32,910,197 | 12.8% |
| Non Personnel (includes all school funds) | 583,746,842 | \$ 77,383,653 | 13.3% | 583,746,842 | \$ 75,850,952 | 13.0% |
| Total Expenditures | \$ 840,113,971 | \$ 112,807,791 | 13.4% | \$ 840,113,971 | \$ 108,761,149 | 12.9% |

