City of Alexandria, Virginia

MEMORANDUM

DATE: AUGUST 15, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK JINKS, ACTING CITY MANAGER

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING JUNE 30, 2008

ISSUE: Receipt, on an informational basis, of the City's Monthly Financial Report for the period ending June 30, 2008. Since Council's next meeting is in September, this report is informational in nature and will not be docketed for Council Action.

MONTHLY HIGHLIGHTS:

ECONOMY AND REVENUES

- Residential real estate sales for the first six months of 2008 dropped 27 percent, with the average sales price dropping 3.1 percent. While residential sales have decreased, sales prices remain close to current 2008 assessments.
- Increased personal property tax collections of $0.3 million reflect delinquent tax collection efforts, as well as increased administrative fees as approved by Council.
- Sales tax projections have been reduced by $0.6 million to reflect the signs of a slowing economy.

DISCUSSION: This report provides fiscal year (FY) 2008 financial information on revenues and expenditures of the General Fund for the period ended June 30, 2008. Final revenues and expenditures for FY 2008, which will be reported later this year in the City's audited Comprehensive Annual Financial Report (CAFR), will reflect additional revenues received and FY 2008 disbursements made through the end of summer. This report projects a net decrease in revenue of $0.1 million below the revenue estimate previously provided to City Council and used as part of the FY 2009 budget adoption. These include:

- A decrease of $0.6 million in sales tax revenue based on current collection rates;
- A projected increase of $0.2 million in use of money and property revenues based on increase interest earnings.

	FY 2008 BUDGET REVISED	FY 2008 BUDGET PROJECTIONS	BUDGET VERSUS CURRENT PROJECTIONS
Real Property[1]	$ 278.2	$ 285.9	$ 7.7
Personal Property-local share	36.1	34.6	(1.5)
Penalties and Interest	1.7	1.8	0.1
Sales Tax	27.4	24.0	(3.4)
Consumer Utility Tax[2]	9.6	10.3	0.7
Communication Sales and Use Tax[2]	12.4	12.6	0.2
Business License Tax	32.1	32.5	0.4
Transient Lodging Tax	8.8	8.7	(0.1)
Restaurant Meals Tax	10.4	10.8	0.4
Recordation Taxes	5.7	5.1	(0.6)
Other Local Taxes (including Motor Vehicle License)	9.5	9.1	(0.4)
Intergovernmental	53.2	53.5	0.3
Fines and Forfeitures	4.7	4.3	(0.4)
Licenses and Permits	5.4	5.4	-
Charges for City Services	11.8	11.1	(0.7)
Use of Money and Property	9.6	8.2	(1.4)
Other Revenue	0.2	0.5	0.3
Net Additional Revenue Projected			$1.6
Less:			
Net Additional Revenue Previously Projected			(1.7)
Net New Additional (Reduction) Revenue Projected			$(0.1)

[1] At the adopted rate of 84.5¢ per hundred. Increase of $2.6 million has been budgeted to be used in FY 2009.
[2] Certain telecommunications and cable television taxes have been replaced Statewide by the new 5 percent communication sales and use tax.

ECONOMY: The City's economy, as measured by tax receipts, continued to slow in the second half of FY 2008. However, when compared to many regions of the United States, the City's economy remains very sound. The City's economy is influenced by regional and national economic cycles, is in a transitional phase in the economic cycle and bears careful watching. The City's unemployment rate, although higher than last year, remained at a relatively low 2.4 percent. The Washington, D.C. Area Consumer Price Index (CPI-U) increased 4.7 percent from March 2007 to March 2008. The City's office vacancy rate increased from 5.2 percent to 7.1 percent as of March 31, 2008. This compares to first quarter office vacancy rates of 13.2 percent for Northern Virginia and 11.4 percent for the entire D.C. metropolitan area.

On the residential real estate sales front, data continues to show a slower residential sales market. Real estate sales for the first four months of 2008 showed a decline of 33 percent from the first four months of 2007. In addition, the average sales price decreased by 5.9 percent. The City's residential market continues to show some signs of weakness in both residential single-family and condominium markets. While the residential market has been weak in 2008, sale prices have not dropped precipitously. Home sale prices on average are running close to January 2008 assessments. While single family homes (detached, semi-detached, and townhouses) are not declining in value overall, the condominium market continues to show a slightly downward trend. For 2009 (which impacts FY 2009), this means that 56% of the City's tax base may show a slight decline in total numbers. How the 44% commercial balance of the City's tax base fares over the upcoming months will determine if the City's tax base declines slightly for 2009. Since the City budgeted a zero increase in the real property tax base for 2009, the impact of a slight decrease in the real property tax base can be managed.

A recent Jones Lang LaSalle report stated "...based on the City's strong demographics, great transportation access and rich amenity base, the Alexandria market will likely be one of the first markets to show signs of growth in both activity and pricing over the next several quarters."[1] When the signs of growth will appear, however, is unknown. How the positive effects of National Harbor-related tourism measure up to a slowing economy are also unknown, as some restaurants and retailers are reporting sales on par with last year or increasing, while some restaurants and retailers (such as home improvement and furnishings retailers) are reporting sales declines. Commercial assessments and new construction will continue to add to the City's tax base in 2008; however, increasing commercial property capitalization rates, and a slowdown in new construction, coupled with weakness in the residential market, are likely to result in no increase in the City's tax base in 2009. The lack of sufficient commercial mortgage funding in the United States is having a major impact on the ability of Alexandria commercial property developers to proceed with their projects.

Given national job losses and poor consumer confidence, it appears that the national economic slowdown may have turned into a recession during the last calendar quarter. While the City economy is not in a recession, it is influenced by national and regional economics. Staff will continue to closely monitor revenues and report to Council through the Monthly Financial Report.

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[1] *On.Point: Metro DC Residential Report*, First Quarter 2008, Jones Lang LaSalle.

REVENUES (Attachment 1): As of June 30, 2008, actual General Fund revenues totaled $503.8 million, an increase of $19.2 million above the same period last year. This is primarily attributed to a budgeted increase in real estate tax revenue. Unless otherwise noted, revenues are expected to meet expectations. As the real estate market continues to be weak, we will be more closely monitoring revenues, and the Office of Management and Budget has allocated more staff time to revenue monitoring and projections. As the City uses (as required) a modified accrual method of accounting, revenues earned and measurable but not received by June 30 are not yet posted to the appropriate revenue accounts. That will occur by the end of August.

Real Property: Second half real estate taxes were due November 15. As projected in the FY 2008 budget, second half real estate tax billings totaled $139 million. With 2008 assessments growing four percent primarily for commercial properties, overall FY 2008 real estate tax revenue collections, including first half real estate taxes due June 15, will exceed budgeted levels. This assessment increase, at the FY 2009 Adopted Budget 84.5¢ real estate tax rate, increased expected FY 2008 real estate tax revenue to $285.9 million, or $7.7 million above the Approved 2008 Budget, with no change from the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$274.5 million	$278.2 million	$285.9 million	$270.3 million	$285.8 million	6%

Personal Property: Personal Property Tax revenue consists of two sources: individual personal property (primarily vehicles), and business personal property (includes motor vehicles, machinery, computers, and furniture). Individual Personal Property Taxes are assessed as of January 1. Tax bills are mailed to taxpayers in late August and were due on October 5. Business Personal Property returns are mailed in March and must be filed by May 1. Tax bills are mailed to businesses in September and were due on October 5.

In the Approved FY 2008 Budget, vehicle personal property taxes were estimated to grow approximately 3.8 percent to $44.2 million, including the reimbursement from the State. Actual 2007 vehicle tax billings were down 1.4 percent in 2007 compared to 2006 billings. This is primarily attributable to lower overall values for the vehicles in the City personal property tax base. New model cars decreased four percent both in the number of new cars and total taxes, with the average assessment on new cars down one percent. Starting in FY 2007, the State's share of the local personal property tax payment was capped for each locality. Alexandria's cap is $23.6 million and is paid by the State in installments during the year. This amount provides relief to cover approximately 69 percent of most taxpayers' bills, which is the same amount of relief provided last year. State reimbursement collections were slightly higher than this cap in FY 2007 because the City was still collecting some delinquent collections that were billed prior to the date the State capped the payment. The slight increase over the projection represents increased enforcement activity in May and the increased administrative fees charged for delinquent collections.

Business personal property tax billings for 2007 (FY 2008) were 5.9 percent higher than estimated based on tax returns received. The primary increase in 2007 business personal property assessments reflected higher computer equipment values. Actual 2008 returns received to date have reflected lower values for this equipment as companies have made fewer purchases, so business personal property tax billings for 2008 (FY 2009) may decrease. The slight increase over the projection represents increased enforcement activity in April.

While it appears that business and vehicle personal property tax collections will be at least $34.6 million, a decrease of $1.5 million below the Approved FY 2008 Budget, they will be $0.3 million higher than the previous projection primarily due to increased enforcement by the Finance Department on delinquent accounts.

	FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
Vehicles	$18.8 million	$20.6 million	$17.7 million	$18.8 million	$18.3 million	(3%)
Business - Equipments and Machinery	$15.7 million	$15.5 million	$16.0 million	$15.7 million	$16.3 million	4%
Subtotal	$34.5 million	$36.1 million	$33.7 million	$34.5 million	$34.6 million	1%
State Reimbursement	$23.8 million	$23.6 million	$23.6 million	$23.8 million	$23.6 million	(1%)
Total	$58.3 million	$59.7 million	$57.3 million	$58.3 million	$58.2 million	(1%)

Sales and Use Tax: Businesses remit Sales and Use Tax to the Commonwealth within 30 days of the end of the month in which sales occurred. The City receives its portion of these sales taxes from the Commonwealth approximately one month later. Sales taxes continue to run slightly behind last year's collections-to-date. This decrease is primarily connected to housing-related merchants and, as previously reported, the one-time repayment to Fairfax County of $0.9 million for sales tax collections from businesses with an Alexandria address that are actually located in Fairfax County. Based on collections-to-date, it appears that sales tax collections will be approximately $24.0 million, a decrease of $3.4 million below the Approved FY 2008 Budget and $0.6 million lower than the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$25.4 million	$27.4 million	$24.6 million	$21.0 million	$19.9 million	(5%)

Consumer Utility Taxes: Consumer Utility Taxes are collected by the utility companies one month after billing and are remitted to the City the following month. Effective January 1, 2007, State law changed and the Commonwealth assumed responsibility for collecting a flat five percent tax on landline telephone service. Phone revenues that previously appeared in this category (approximately $0.6 million per month) now appear as part of the Communications Tax. For this reason, the substantial decline in this tax category in FY 2008, when compared to

FY 2007, is offset by the new Communications Tax. Based on collections-to-date, it appears that Consumer Utility Taxes will be approximately $10.3 million, an increase of $0.7 million above the Approved FY 2008 Budget and no change from the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$13.6 million	$9.6 million	$10.3 million	$12.5 million	$9.3 million	(26%)

Communications Tax: Businesses remit the Communications Tax to the Commonwealth within 30 days of the end of the month in which the service occurred. The Commonwealth remits the City's portion of these taxes approximately one month later. The effective date of this tax was January 1, 2007. The City received the first remittance from the Commonwealth in March 2007. Based on collections-to-date, it appears that Communications Tax revenue will be approximately $12.6 million, an increase of $0.2 million above the Approved FY 2008 Budget and no change from the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$5.3 million	$12.4 million	$12.6 million	$3.4 million	$10.4 million	N/A

Business License Taxes: The City's Business License Tax was due March 1, 2008, a Saturday. Collections-to-date in the amount of $31 million, which are based on 2007 gross receipts, will meet the original projections. This represents an increase of $0.4 million above the Approved FY 2008 Budget. There has been no change since the previous projection. Staff will continue to monitor and make recommendations as warranted in the context of the Monthly Council Report.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$30.9 million	$32.1 million	$32.5 million	$29.6 million	$31.0 million	5%

Transient Lodging Taxes: Transient Lodging Taxes are remitted to the City within one month after collections. The increased collections reflect higher room charges by hotels and the recent reopening of a hotel under renovation. Based on collections-to-date, it appears that transient lodging tax collections will be approximately $8.7 million, a decrease of $0.1 million below the Approved FY 2008 Budget and no change from the previous projection. The transient occupancy rate is down slightly from last year from 68.6 percent to 64.0 percent. However, two more hotels are operating in FY 2008 than FY 2007 and room rates have increased.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$7.4 million	$8.8 million	$8.7 million	$6.8 million	$7.7 million	13%

Restaurant Meals Taxes: Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. Most of the increase reflects a difference in the timing of payments made by businesses between FY 2007 and FY 2008, not an increase in total tax revenue. Based on collections-to-date, it appears that restaurant meals tax collections will be approximately $10.8 million, an increase of $0.4 million above the Approved FY 2008 Budget and no change from the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$10.7 million	$10.4 million	$10.8 million	$9.2 million	$9.9 million	8%

Motor Vehicle License Tax: Revenues in this category represent fees for vehicle license decals. The increase represents the decal fee increase approved by City Council to fund transit as allowed in the State legislation (HB3202). Since the City's elected officials approved this tax, the recent Supreme Court ruling has no impact on these taxes. Based on collections-to-date, it appears that actual collections will be approximately $3.2 million, a decrease of $0.2 million below the Approved FY 2008 Budget and no change from the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$2.4 million	$3.4 million	$3.2 million	$2.4 million	$3.2 million	33%

Real Estate Recordation Taxes: Real Estate Recordation tax revenues are collected by the Clerk of the Circuit Court and remitted to the City the following month. Based on collections-to-date and a continuing slow down in the real estate market, it appears that actual collections will be approximately $5.1 million, a decrease of $0.6 million below the Approved FY 2008 Budget, with no change from the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
$6.6 million	$5.7 million	$5.1 million	$5.5 million	$4.6 million	(16%)

Revenue from the Federal Government: Revenues in this category include Federal Prisoner per diem and indirect costs. The projected increase reflects payments from a new agreement. Payments received from this agreement with the Office of Federal Detention Trustee have averaged $0.5 million per month for the first half of the year. Based on collections-to-date, it appears that actual collections will be approximately $7.2 million, an increase of $0.7 million over the Approved Budget and no change from the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage Change Year-to-Date
$6.7 million	$6.5 million	$7.2 million	$5.2 million	$6.0 million	15%

Fines and Forfeitures: The increase is primarily attributable to a budgeted increase in parking fine revenue based on increased fines. Because the Red Light Cameras program has not yet been initiated, $0.7 million in budgeted revenue will not be realized in FY 2008. It appears that actual collections will be approximately $4.3 million, a decrease of $0.4 million below the Approved FY 2008 Budget, with no change from the previous projections.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage Change Year-to-Date
$3.6 million	$4.7 million	$4.3 million	$3.5 million	$3.8 million	9%

Charges for Services: Revenues in this category include refuse user charges, ambulance fees, clerk fees and parking meter receipts. The increase primarily reflects the budgeted increase for parking meters and ambulance fees; however, parking meters expected to be implemented in the Carlyle area will not be operational until late summer. Based on collections-to-date and fewer than budgeted meters, staff projects that actual collections will be approximately $11.1 million, a decrease of $0.7 million below the Approved FY 2008 Budget and no change from the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage Change Year-to-Date
$10.3 million	$11.8 million	$11.1 million	$9.7 million	$11.1 million	15%

Revenue from Use of Money & Property: Revenues in this category include interest on short-term cash investments, parking garage and lot fees, and rental of property income. Based on somewhat higher interest rates in the last few months and revenue earned to date, it appears that actual revenue will be approximately $8.2 million, a decrease of $1.4 million below the Approved FY 2008 Budget and $0.2 million higher than the previous projection.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage Change Year-to-Date
$9.7 million	$9.6 million	$8.0 million	$9.1 million	$8.2 million	(7%)

EXPENDITURES (Attachment 2): As of June 30, 2008, actual FY 2008 General Fund expenditures totaled $481.1 million, an increase of $17.6 million, or 3.8 percent, above expenditures for the same period last year, primarily for planned increases in the City's transfers to the School's Operating Fund and the Capital Projects Funds. The Approved General Fund Budget is 4.4 percent higher than the FY 2007 amended budget.

Annual Expenditures: Although this is the June report, it does not reflect final expenditures as the City uses (as required) a modified accrual method of accounting. As a result, not all FY 2008 expenditures had been recorded as of June 30. Also, contractual encumbrances have not yet been finalized for FY 2008. However, based on currently known information, the City finished FY 2008 slightly under its expenditure budget.

Most City expenditure payments are made on a level basis during the year. There are some payments, however, that are made either at one time at the beginning of the year, or on a different basis, such as quarterly. The City makes the following types of payments on an other-than-level basis:

Equipment Replacement Fund: Every year, the City separately accumulates funds to replace major equipment items such as police cars and fire apparatus. The allocation of these funds is included in the budget of individual departments and is moved to a separate fund at the beginning of the year. Since these funds accumulate over several years, the fund is used to make the purchase once there are sufficient funds accumulated. This allows departments to fund the purchase over the life of the equipment instead of all at one time. These annual equipment replacement allocations are recognized as expenditures in this report at the time the transfer is made at the beginning of the year.

Of the $4.8 million in total equipment replacement transfers in FY 2008, the following departments have equipment replacement funds large enough to impact their General Fund expenditure patterns for the first part of the year:

- Police - $1.6 million
- T&ES - $0.8 million
- Fire - $0.8 million

Contributory Payments: The City makes some payments, such as contributions to the Washington Metropolitan Area Transit Authority (WMATA), on a quarterly or semi-annual basis. Since these payments are made less frequently than monthly, expenditures reported in this monthly financial report may be higher than average in those months when the payments are made. This financial report includes the following non-monthly payments:

- Judicial Administration: This category includes quarterly contribution payments to judicial organizations such as Peumensend Creek Regional Jail and the Northern Virginia Criminal Justice Training Academy.

- Economic Development Activities: This category includes quarterly contribution payments to agencies such as the Alexandria Small Business Development Center and bi-annual payments to the Alexandria Convention and Visitors Association.

- Transit Subsidies: This category includes quarterly payments to the City's major transit programs, including the Alexandria Transit Company (DASH), and to the Washington Metropolitan Area Transit Authority (WMATA). Because of additional State transit aid received in FY 2008, the City saved $1.1 million in General Fund monies previously budgeted for payment to WMATA in FY 2008. This will help offset part of the previously projected revenue shortfall.

- Human Services: This category includes quarterly payments to community agency contractors such as Campagna Center and the Salvation Army and payments to the Community Partnership Fund, the Youth Fund and the Children's Fund.

- Health: This category includes quarterly payments to community agency contractors including Arlandria Health Services and INOVA Alexandria Hospital.

- Other Education Activities: This category includes quarterly contribution payments to the Northern Virginia Community College.

Grant Accounting and Cash Matches: To comply with many federal and State grant awards, the City's share funding is transferred from the General Fund to the Special Revenue Fund at the end of the fiscal year. Because the City share for most grants is not finalized until the funds are spent, departments set aside, but do not expend, City grant funds until the end of the fiscal year. This ensures that the City maximizes the use of federal and State funding before spending City funds. Most City funds not used for grants by the end of the year are returned to the City.

Schools: The City provided approximately 78 percent of the estimated funds required to operate the City schools in FY 2008. While the Schools (who are also on a modified accrual method of accounting) have not finalized their expenditures and revenues for FY 2008, Schools staff report that they will be under budget as previously targeted.

Other Expenditures:

City Attorney: Expenditures-to-date reflect outside legal fees. Staff will transfer expenditures to non-departmental as necessary to match these expenditures with budget authority.

Non-Departmental Expenditures: General Fund expenditures in this category reflect the City's contributions to the closed public safety pension plan, grants for the City's Affordable Housing Ownership grants, and payment for the City's property and liability insurance.

ATTACHMENTS:
Attachment 1 - Comparative Statement of Revenues
Attachment 2 - Comparative Statement of Expenditures & Transfers by Function
Attachment 3 - Selected Economic Indicators

STAFF:
Mark Jinks, Deputy City Manager
Laura B. Triggs, Director of Finance
Ray Welch, Acting Comptroller
Bruce Johnson, Director, Office of Management and Budget

CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING JUNE 30, 2008 AND JUNE 30 2007

	FY2008 APPROVED BUDGET	FY2008 REVENUES THRU 06/30/08	% OF BUDGET	FY2007 REVENUES THRU 06/30/07
General Property Taxes				
Real Property Taxes	$ 278,154,367	$ 285,760,699	102.7%	$ 270,332,034
Personal Property Taxes	36,100,000	34,598,562	95.8%	34,510,254
Penalties and Interest	1,680,000	1,620,877	96.5%	1,645,869
Total General Property Taxes	$ 315,934,367	$ 321,980,138		$ 306,488,157
Other Local Taxes				
Local Sales and Use Taxes	$ 27,400,000	19,857,940	72.5%	$ 21,006,750
Consumer Utility Taxes	9,600,000	9,345,912	97.4%	12,543,602
Communication Sales and Use Taxes	12,400,000	10,409,601	83.9%	3,439,917
Business License Taxes	32,100,000	30,996,326	96.6%	29,579,406
Transient Lodging Taxes	8,800,000	7,651,922	87.0%	6,781,355
Restaurant Meals Tax	10,400,000	9,870,552	94.9%	9,185,561
Tobacco Taxes	2,750,000	2,451,217	89.1%	2,694,670
Motor Vehicle License Tax	3,400,000	3,197,245	94.0%	2,429,053
Real Estate Recordation	5,700,000	4,574,416	80.3%	5,535,702
Admissions Tax	1,000,000	972,526	97.3%	960,997
Cell Phone Tax	-	-	-	1,397,452
Other Local Taxes	2,380,000	2,092,953	87.9%	3,215,359
Total Other Local Taxes	$ 115,930,000	$ 101,420,610	87.5%	$ 98,769,824
Intergovernmental Revenues				
Revenue from the Federal Government	$ 6,529,554	$ 6,026,171	92.3%	$ 5,214,739
Personal Property Tax Relief from the Commonwealth	23,600,000	23,578,531	99.9%	23,778,360
Revenue from the Commonwealth	23,063,334	21,747,551	94.3%	22,011,100
Total Intergovernmental Revenues	$ 53,192,888	$ 51,352,253	96.5%	$ 51,004,199
Other Governmental Revenues And Transfers In				
Fines and Forfeitures	$ 4,722,300	$ 3,811,620	80.7%	$ 3,539,388
Licenses and Permits	5,356,000	4,852,623	90.6%	5,472,238
Charges for City Services	11,847,072	11,211,958	94.6%	9,694,742
Revenue from Use of Money & Property	9,570,000	8,544,558	89.3%	9,112,924
Other Revenue	268,211	669,268	249.5%	584,316
Transfer from Sewer Fund	1,311,109	-	0.0%	-
Total Other Governmental Revenues	$ 33,074,692	$ 29,090,027	88.0%	$ 28,403,608
TOTAL REVENUE	$ 518,131,947	$ 503,843,028	97.2%	$ 484,665,788
Appropriated Fund Balance				
General Fund	13,155,703	-	0.0%	-
Reappropriation of FY 2007 Encumbrances And Other Supplemental Appropriations	2,345,051	-	0.0%	-
TOTAL	$ 533,632,701	$ 503,843,028	94.4%	$ 484,665,788

100.0% of Fiscal Year Completed
100.0% of Payrolls Processed

Attachment 2

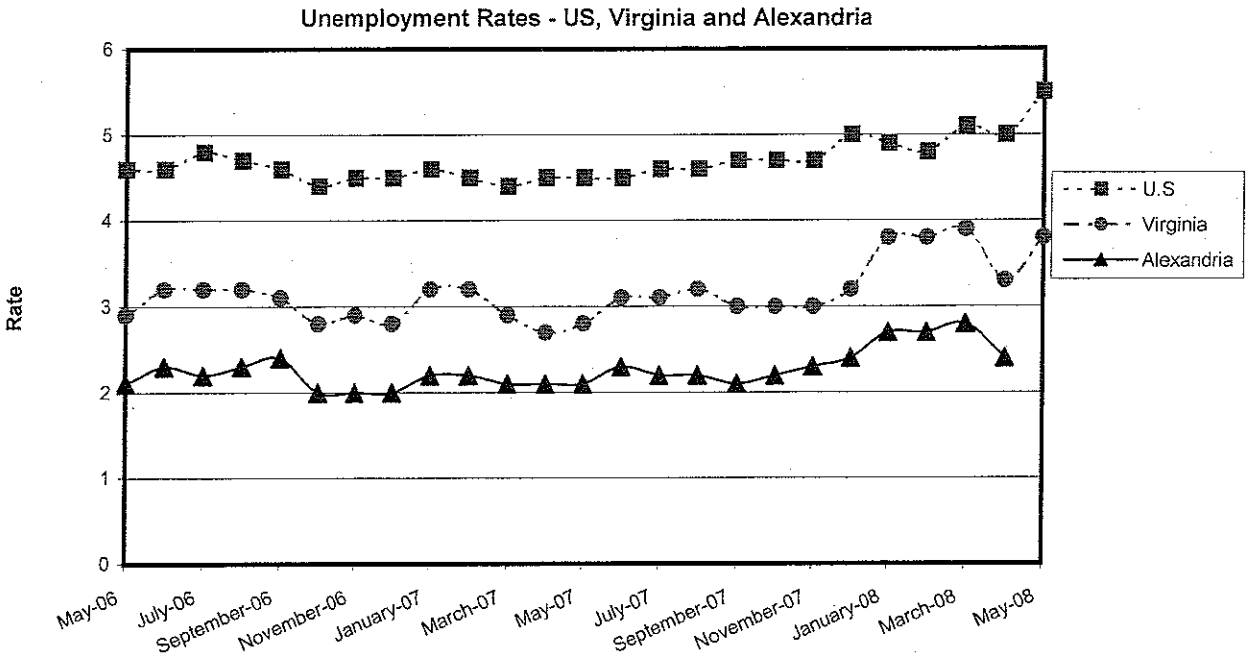
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING JUNE 30, 2008 AND JUNE 30, 2007

FUNCTION	FY2008 APPROVED BUDGET	FY2008 EXPENDITURES THRU 06/30/08	% OF BUDGET	FY2007 EXPENDITURES THRU 06/30/07
Legislative & Executive	$ 6,858,917	$ 6,575,771	95.9%	$ 5,789,804
Judicial Administration	$ 36,850,532	$ 36,577,958	99.3%	$ 34,674,792
Staff Agencies				
Information Technology Services	$ 7,622,071	$ 7,365,979	96.6%	$ 7,711,833
Management & Budget	1,131,547	1,121,234	99.1%	1,114,573
Finance	10,223,719	9,153,745	89.5%	9,299,004
Real Estate Assessment	1,620,590	1,606,266	99.1%	1,450,875
Personnel	3,316,284	3,257,972	98.2%	3,209,302
Planning & Zoning	6,332,285	5,809,137	91.7%	4,768,068
Economic Development Activities	3,006,403	2,894,904	96.3%	2,746,312
City Attorney	3,418,814	3,517,593	102.9%	4,483,953
Registrar	1,121,565	1,073,349	95.7%	993,241
General Services	14,238,310	14,147,970	99.4%	12,932,043
Total Staff Agencies	$ 52,031,588	$ 49,948,149	96.0%	$ 48,709,204
Operating Agencies				
Transportation & Environmental Services	$ 27,506,938	$ 25,588,582	93.0%	$ 24,463,205
Fire	37,525,170	37,476,683	99.9%	36,017,342
Police	51,092,764	50,414,496	98.7%	48,885,728
Transit Subsidies	6,717,495	6,435,510	95.8%	6,638,348
Mental Health/Mental Retardation/ Substance Abuse	521,650	515,508	98.8%	516,108
Health	7,781,534	7,696,869	98.9%	7,628,320
Human Services	11,932,756	11,765,934	98.6%	11,655,442
Historic Resources	3,037,611	2,978,357	98.0%	2,624,315
Recreation	20,779,297	20,505,676	98.7%	19,892,308
Total Operating Agencies	$ 166,895,215	$ 163,377,615	97.9%	$ 158,321,116
Education				
Schools	$ 160,239,697	$ 154,577,198	96.5%	$ 147,349,644
Other Educational Activities	12,399	12,399	100.0%	12,548
Total Education	$ 160,252,096	$ 154,589,597	96.5%	$ 147,362,192
Capital, Debt Service and Miscellaneous				
Debt Service	$ 30,551,035	$ 30,519,320	99.9%	$ 31,232,166
Non-Departmental	9,437,783	7,589,335	80.4%	8,631,455
Cash Capital	14,261,518	14,261,518	100.0%	12,208,096
Contingent Reserves	398,781	-	-	-
Total Capital, Debt Service and Miscellaneous	$ 54,649,117	$ 52,370,173	95.8%	$ 52,071,717
TOTAL EXPENDITURES	$ 477,537,465	$ 463,439,263	97.0%	$ 446,928,825
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library and Transfers to the Special Revenue Fund)	37,080,019	-	0.0%	-
Transfer to Housing	4,565,949	3,170,688	69.4%	2,292,556
Transfer to Library	6,957,746	6,957,746	100.0%	6,935,031
Transfer to DASH	7,491,522	7,491,522	100.0%	7,337,024
TOTAL EXPENDITURES & TRANSFERS	$ 533,632,701	$ 481,059,219	90.1%	$ 463,493,436

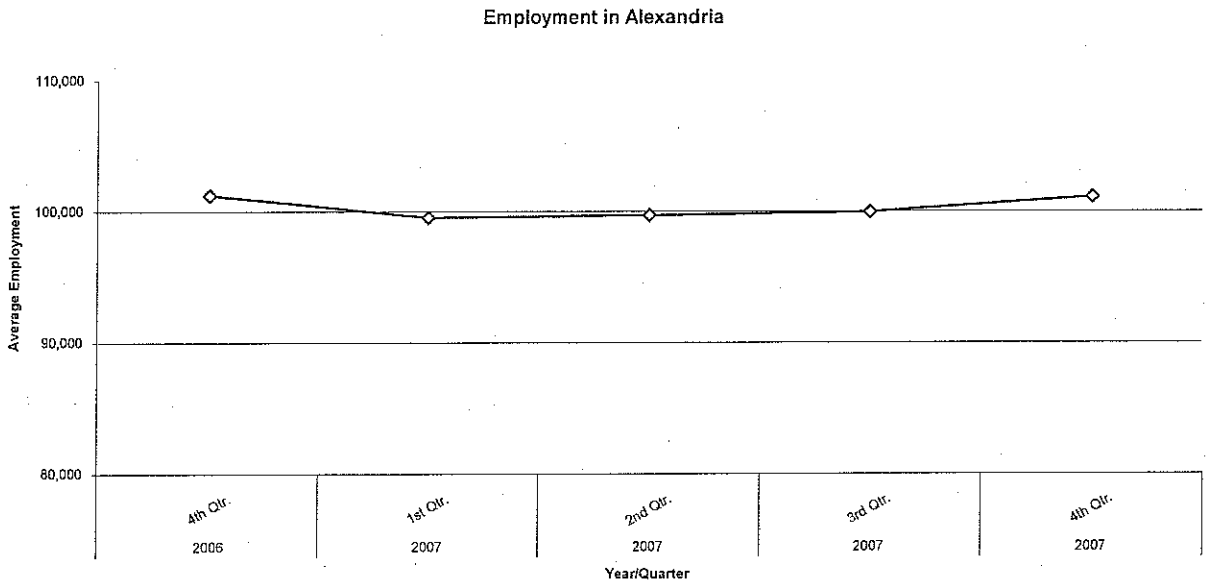
CITY OF ALEXANDRIA
SELECTED ECONOMIC INDICATORS

	Current Year	Prior Year	Percent Change
Consumer Price Index (CPI-U) for the Washington-Baltimore, DC-MD-VA-WV Area (As of May 31, 2008) (Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)	139.6	133.0	+5.0%
Unemployment Rates			
Alexandria (As of April 30, 2008)	2.4%	2.1%	+14%
Virginia (As of May 31, 2008) (Source: United States Department of Labor, Bureau of Labor Statistics, as adjusted)	3.8%	2.8%	+36%
United States (As of May 31, 2008) (Source: United States Department of Labor, Bureau of Labor Statistics)	5.5%	4.5%	+22%
Interest Rates (As of June 30, 2008)			
Prime Rate	5.0%	8.25%	-39%
Federal Funds Rate (Source: NY Federal Reserve Bank)	2.0%	5.25%	-62%
New Business Licenses (During June 2008) (Source: Finance Department, Business Tax Branch)	70	90	-22%
Office Vacancy Rates (As of March 31, 2008)			
Alexandria	7.1%	12.2%	-42%
Northern Virginia	13.2%	12.9%	+3%
Washington DC Metro Area (Source: Grubb & Ellis)	11.4%	11.1%	-2%
New Commercial Construction (As of June 30, 2008)			
Number of New Building Permits	6	9	-33%
Value of New Building Permits (Source: Fire Department Code Enforcement Bureau)	134.0	114.6	+17%
Residential Real Estate Indicators (YTD ending May 31, 2008)			
Residential Dwelling Units Sold	668	1,000	-33.2%
Average Residential Sales Price (Source: Department of Real Estate Assessments)	$463,722	$492,806	-5.9%

City of Alexandria
Selected Economic Indicators

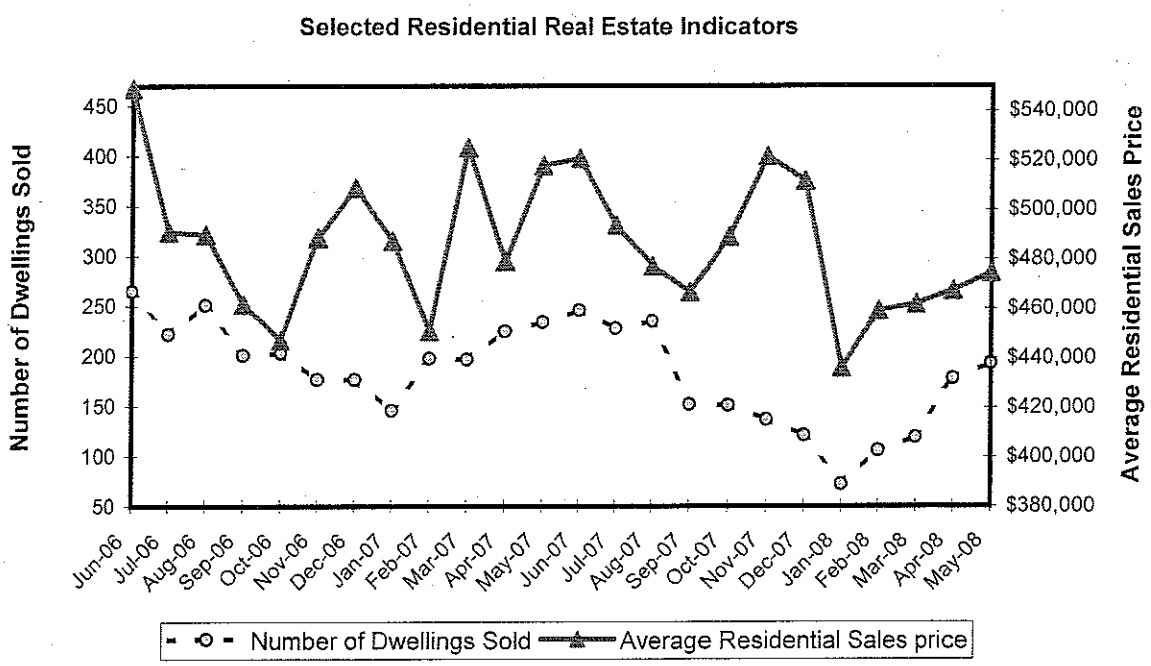


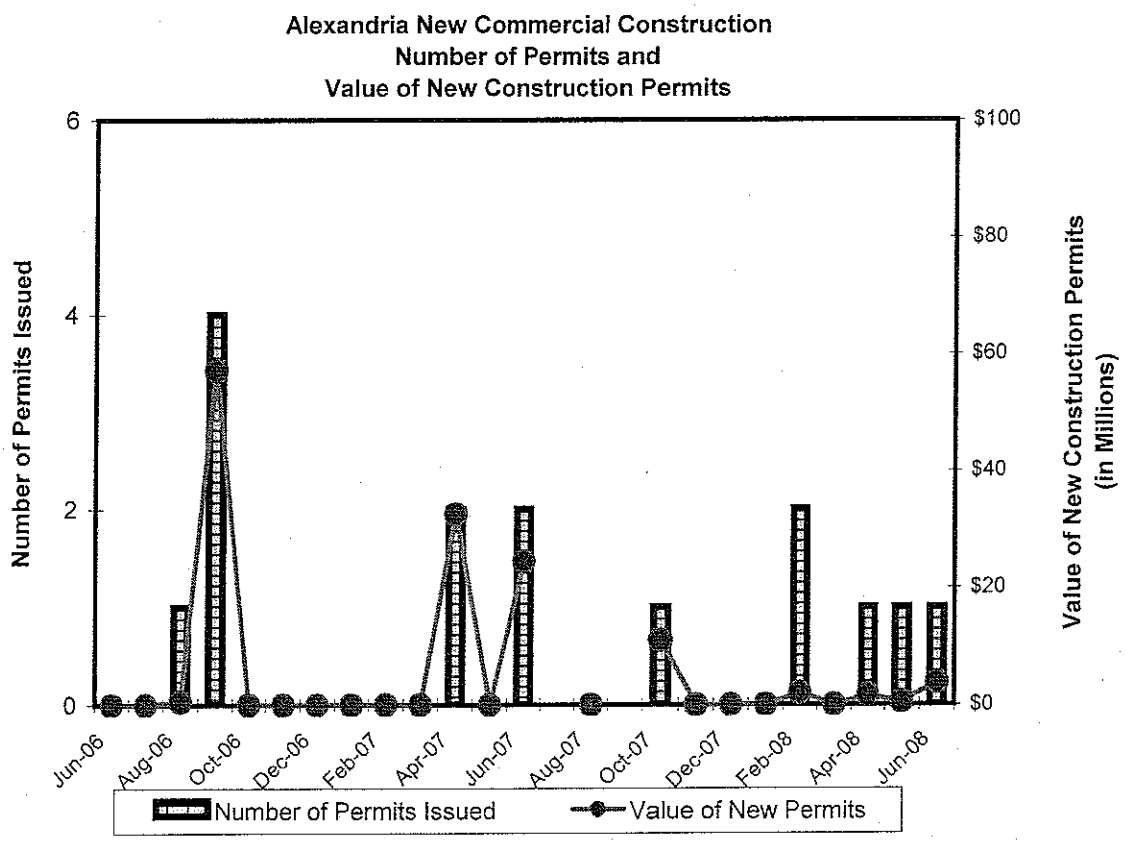
Source: United States Department of Labor, Bureau of Labor Statistics (as revised by BLS)



Source: Virginia Employment Commission, including the U.S. Patent and Trademark Office.

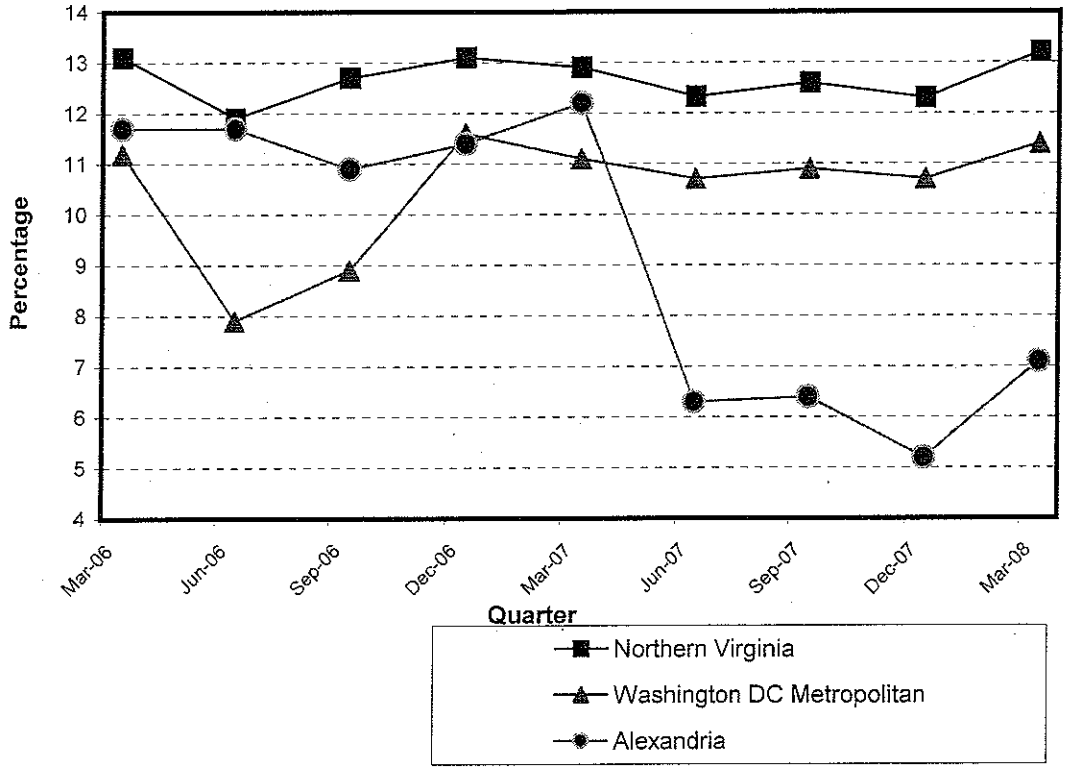
City of Alexandria
Selected Economic Indicators



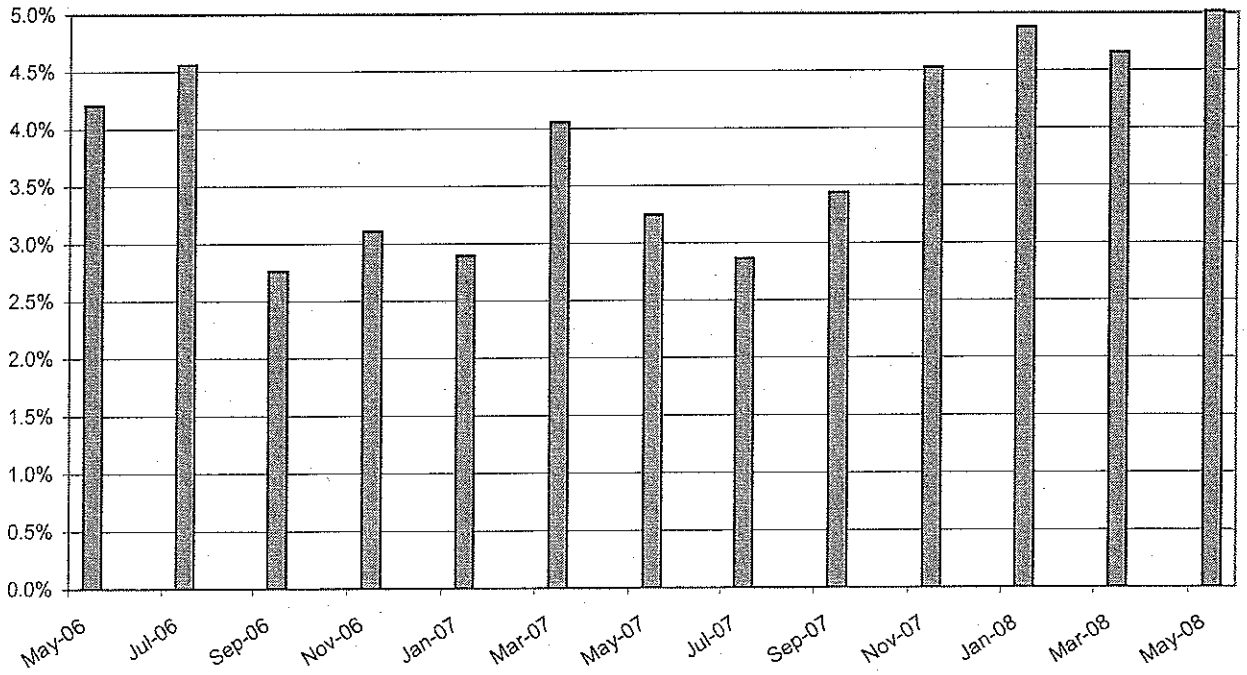


City of Alexandria
Selected Economic Indicators

Office Vacancy Rates

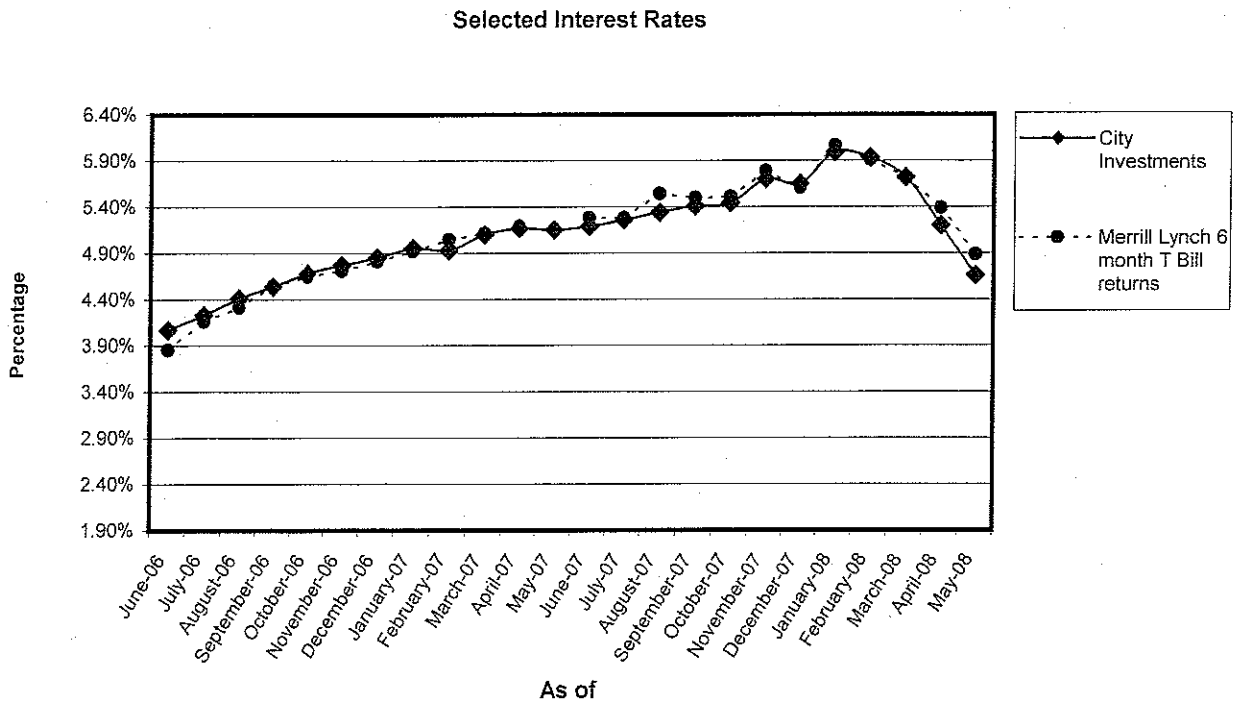
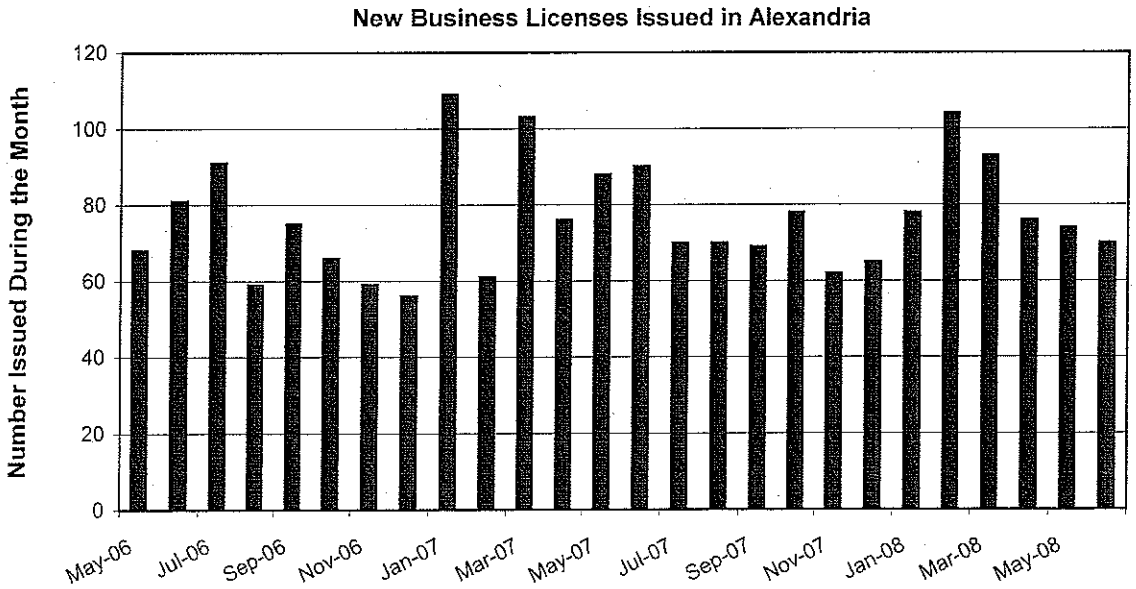


Twelve Month Annualized Percentage Change in Consumer Price Index
Washington/Baltimore



Source: United States Department of Labor, Bureau of Labor Statistics

City of Alexandria
Selected Economic Indicators



Source: Suntrust Economic Monitor