



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 4, 2022

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of the Monthly Financial Report for the Period Ending November 30, 2021.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending November 30, 2021.

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 November 30, 2021, General Fund revenues totaled \$256.1 million, an increase of \$21.4 million of 9.1 percent compared to the same period in FY 2021. The first significant tax revenue in FY 2022 is traditionally due on October 5, when personal property taxes for vehicle and business personal property were due. In FY 2021, through November 2020, the City had received \$40.6 million of personal property tax revenue. For the same period in FY 2022, the City has received \$50.9 million. It is important to note that in FY 2021, the personal property tax due date was moved to December to provide taxpayers with a brief extension in light of the pandemic. However, through 41 percent of the fiscal year, the City has collected 92.4 percent of budgeted personal property revenue. This compares to pre-pandemic collection rates of 88.4 percent in FY 2020 and 89.4 percent in FY 2019. The increase in personal property tax revenues is largely due to pandemic-triggered increases in the value of used and new cars.

Revenues do often not track consistently with a monthly calendar since many revenue sources have due dates that do not occur evenly through the year. Large revenue sources, such as real estate and personal property tax revenues are remitted twice per year and once per year, respectively. Through the first five months of the fiscal year several categories, including Restaurant Meals, and Sales Tax Revenue are reflecting positive condition. Transient Occupancy Tax collections underperformed expectations in FY 2021 but are also showing positive indications in FY 2022.

In addition to the revenues and expenditure schedules, Attachment 3 provides a comparison of the City's primary local taxes related to consumer spending. Sales Tax revenue continues to exceed prior years. In total, in FY 2021, Sales Tax revenue exceeded the prior year by \$2.3 million, or 7.7 percent. August 2021 Sales Tax revenue exceeds August 2020 revenues by 10 percent. A large portion of the sales tax increase can be attributed to on-line purchases where the sales tax is designated for the jurisdiction where the home delivery of the online purchase occurred. For in store purchases, the sales tax is attributed to the jurisdiction where the store is located. This shift in the situs of the taxable sale benefitted Alexandria as City residents out of jurisdiction in store shopping dropped significantly during the pandemic, while internet shopping with home delivery increased substantially. Attachment 3 provides a three-year comparison of sales tax revenue by source (storefront versus online).

With four months of collections in FY 2022 (Restaurant Meals taxes are remitted to the City one month after they are collected.), Restaurant Meals tax revenues are 31.8 percent or nearly \$2.3 million above where they were in the first four months of FY 2021. Transient Lodging is showing signs of improvement. Through the first five months of FY 2022 (four months of collections), revenues exceed the same period in FY 2021 by \$1.8 million or 119.4 percent. During the pandemic in FY 2021, Transient Lodging tax revenue was down from the prior (pre-pandemic) year by approximately 70 percent. Although revenues are still below pre-pandemic levels, the gap is now approximately 30%. Weekend stays from leisure travel is largely driving the revenue growth, as business travel during the week remains subdued. Omicron's impact may temper that growth in the first few months of FY 2022.

As of November 30, 2021, FY 2022 General Fund expenditures totaled \$256.1 million, an increase of \$21.4 million or 9.1 percent over the same time period for FY 2021. No significant expenditure has occurred in the first five months of Fiscal Year 2022 that is unbudgeted or unexpected. The most significant difference is the timing and source of payments. For example, the City's contribution to WMATA is funded from several sources. Last year, General Fund resources were conserved early in the year and a greater portion of the contribution came from other sources compared to this year in which the budgeted contributions are being utilized. The other anomaly across all departments compared to FY 2021 is the approximately \$7.2 million in pay adjustments (1.5% pay scale adjustment and \$3,000 bonuses) that were provided to employees in November and \$2.1 million for the 1 percent bonus in August. These FY 2022 pay adjustments arose out of the City's frozen pay policy triggered by revenue declines during the pandemic, followed by a large General Fund surplus at the end of FY 2021.

ATTACHMENTS:

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

STAFF:

Laura Triggs, Deputy City Manager
Kendel Taylor, Director, Finance Department
Morgan Routt, Director, Office and Management and Budget

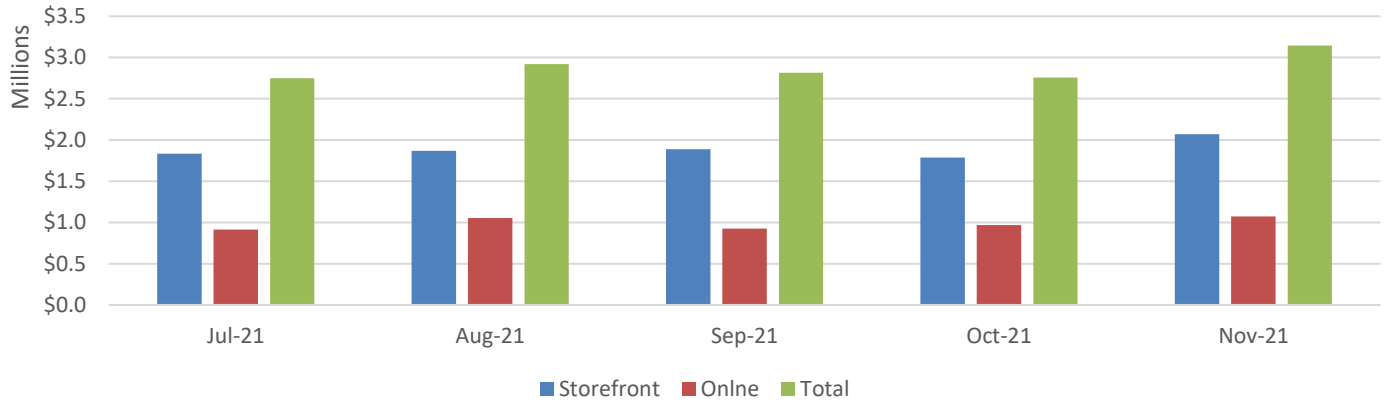
CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING NOVEMBER 30, 2021 AND NOVEMBER 30, 2020

	B	C	D=C/B	E	F	G=F/E
	FY 2022	FY2022		FY 2021	FY2021	
	APPROVED	REVENUES	%	APPROVED	REVENUES	%
	BUDGET	THRU 11/30/2021	OF BUDGET	BUDGET	THRU 11/30/2020	OF TOTAL
General Property Taxes						
Real Property Taxes.....	\$ 483,311,548	\$ 230,252,577	47.6%	\$ 477,554,000	\$ 230,390,146	48.2%
Personal Property Taxes.....	55,126,000	50,947,160	92.4%	55,213,000	40,609,466	73.6%
Penalties and Interest.....	2,600,000	1,043,330	40.1%	2,808,000	509,531	18.1%
Total General Property Taxes	<u>\$ 541,037,548</u>	<u>\$ 282,243,068</u>	<u>52.2%</u>	<u>\$ 535,575,000</u>	<u>\$ 271,509,143</u>	<u>50.7%</u>
Other Local Taxes						
Local Sales and Use Taxes.....	\$ 31,720,000	\$ 8,713,893	27.5%	\$ 26,194,000	\$ 7,717,148	29.5%
Consumer Utility Taxes.....	11,760,000	4,121,308	35.0%	12,700,000	3,969,892	31.3%
Communication Sales and Use Taxes.....	7,600,000	2,564,426	33.7%	8,275,000	2,819,050	34.1%
Business License Taxes.....	34,135,900	775,669	2.3%	22,000,000	1,406,361	6.4%
Transient Lodging Taxes.....	6,500,000	3,334,367	51.3%	10,833,000	1,519,908	14.0%
Restaurant Meals Tax.....	19,980,000	9,353,319	46.8%	20,500,000	7,094,008	34.6%
Tobacco Taxes.....	1,957,000	587,637	30.0%	2,600,000	755,871	29.1%
Real Estate Recordation.....	8,645,000	3,255,688	37.7%	5,900,000	3,726,768	63.2%
Admissions Tax.....	124,000	89,555	72.2%	500,000	18,372	3.7%
Other Local Taxes.....	4,595,000	470,388	10.2%	5,109,090	353,694	6.9%
Total Other Local Taxes	<u>\$ 127,016,900</u>	<u>\$ 33,266,251</u>	<u>26.2%</u>	<u>\$ 114,611,090</u>	<u>\$ 29,381,072</u>	<u>25.6%</u>
Intergovernmental Revenues						
Revenue from the Fed. Government.....	\$ 7,932,000	\$ 2,226,702	28.1%	\$ 11,109,303	\$ 2,626,973	23.6%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	22,399,604	95.0%	23,578,531	22,399,604	95.0%
Revenue from the Commonwealth.....	25,124,000	8,494,924	33.8%	23,547,855	6,468,227	27.5%
Total Intergovernmental Revenues	<u>\$ 56,634,531</u>	<u>\$ 33,121,230</u>	<u>58.5%</u>	<u>\$ 58,235,689</u>	<u>\$ 31,494,804</u>	<u>54.1%</u>
Other Governmental Revenues And Transfers In						
Fines and Forfeitures.....	\$ 3,762,000	\$ 1,099,988	29.2%	\$ 3,502,615	\$ 1,318,182	37.6%
Licenses and Permits.....	2,136,550	1,044,744	48.9%	2,339,631	2,621,905	112.1%
Charges for City Services.....	13,724,495	5,749,912	41.9%	14,308,344	3,462,199	24.2%
Revenue from Use of Money & Prop.....	4,139,167	1,186,837	28.7%	5,498,250	1,613,136	29.3%
Other Revenue.....	2,115,013	855,240	40.4%	2,019,966	573,773	28.4%
Transfer from Other Funds.....	10,142,543	-	0.0%	9,246,427	-	0.0%
Total Other Governmental Revenues	<u>\$ 36,019,768</u>	<u>\$ 9,936,721</u>	<u>27.6%</u>	<u>\$ 36,915,233</u>	<u>\$ 9,589,195</u>	<u>26.0%</u>
TOTAL REVENUE	<u>\$ 760,708,747</u>	<u>\$ 358,567,269</u>	<u>47.1%</u>	<u>\$ 745,337,012</u>	<u>\$ 341,974,214</u>	<u>45.9%</u>
Appropriated refunding bond proceeds.....		\$ 135,900				
Appropriated Fund Balance						
Operating Budget	\$ 10,000,000	\$ -	\$ -	\$ 10,934,086	\$ -	-
Cash Capital.....						
Encumbrances And Other.....	6,523,399	-	-	-	-	-
Supplemental Appropriations.....	-	-	-	4,257,964	-	-
TOTAL	<u>\$ 777,232,146</u>	<u>\$ 358,703,169</u>	<u>46.2%</u>	<u>\$ 760,529,062</u>	<u>\$ 341,974,214</u>	<u>45.0%</u>

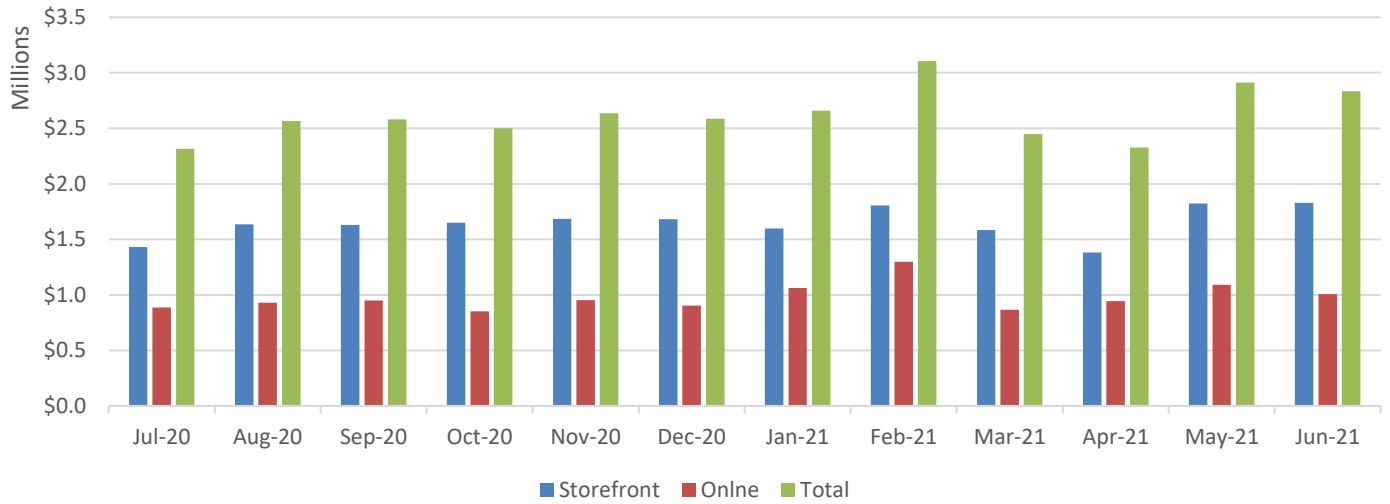
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING NOVEMBER 30, 2021 AND NOVEMBER 30, 2020

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY 2022	FY2022	%	FY 2021	FY2021	%
	APPROVED BUDGET	EXPENDITURES THRU 11/30/2021	OF BUDGET EXPENDED	APPROVED BUDGET	EXPENDITURES THRU 11/30/2021	OF BUDGET EXPENDED
Legislative & Executive.....	\$ 4,160,239	\$ 1,763,085	42.4%	\$ 3,593,587	\$ 1,267,014	35.3%
Judicial Administration.....	\$ 44,356,771	\$ 17,689,964	39.9%	\$ 45,709,897	\$ 16,675,499	36.5%
Staff Agencies						
Communications.....	\$ 1,576,966	\$ 526,625	33.4%	\$ 1,567,258	\$ 545,593	34.8%
Human Rights.....	1,008,210	392,120	38.9%	940,907	346,586	36.8%
Information Technology Services.....	13,899,345	6,083,051	43.8%	13,125,675	5,533,939	42.2%
Management & Budget.....	1,476,120	426,900	28.9%	1,275,147	439,540	34.5%
Finance.....	13,329,380	4,386,978	32.9%	12,926,773	4,257,046	32.9%
Performance and Accountability.....	655,787	245,306	37.4%	509,772	227,922	44.7%
Internal Audit.....	421,431	149,128	35.4%	412,464	125,391	30.4%
Human Resources.....	4,701,787	1,606,208	34.2%	4,158,277	1,476,643	35.5%
Planning & Zoning.....	6,453,770	2,264,473	35.1%	5,945,654	2,094,845	35.2%
Economic Development Activities.....	7,011,340	3,339,587	47.6%	7,123,390	3,347,994	47.0%
City Attorney.....	3,597,491	1,297,513	36.1%	3,752,387	1,178,540	31.4%
Registrar.....	1,338,386	614,004	45.9%	1,468,869	799,477	54.4%
Organizational Excellence	177,448	51,638	29.1%	169,548	52,010	-
General Services.....	11,407,845	4,443,347	38.9%	11,531,122	3,372,637	29.2%
Total Staff Agencies	\$ 67,055,306	\$ 25,826,878	38.5%	\$ 64,907,243	\$ 23,798,163	36.7%
Operating Agencies						
Transportation & Environmental Services.....	\$ 25,052,995	\$ 8,051,742	32.1%	\$ 24,120,239	\$ 7,330,035	30.4%
Project Implementation.....	-	6,289	0.0%	-	25	0.0%
Fire.....	52,654,028	19,919,312	37.8%	52,643,345	18,026,008	34.2%
Police.....	61,040,881	23,241,427	38.1%	62,512,808	21,509,966	34.4%
Community Policing Review.....	288,866	-	-	-	-	-
Emergency Communications.....	9,273,249	3,452,689	37.2%	8,751,535	3,233,112	36.9%
Code.....	-	-	0.0%	24,000	1,796	7.5%
Transit Subsidies.....	19,280,052	9,307,050	48.3%	20,665,871	484,311	2.3%
Housing.....	1,829,441	727,262	39.8%	1,807,163	723,125	40.0%
Community and Human Services.....	15,647,822	6,107,641	39.0%	13,855,621	5,181,369	37.4%
Health.....	8,832,872	4,482,247	50.7%	9,936,351	4,108,297	41.3%
Historic Resources.....	3,735,907	1,359,495	36.4%	3,567,138	1,336,672	37.5%
Recreation.....	24,896,439	9,363,714	37.6%	23,277,289	7,663,822	32.9%
Total Operating Agencies	\$ 222,532,553	\$ 86,018,869	38.7%	\$ 221,161,360	\$ 69,598,538	31.5%
Education						
Schools.....	\$ 239,437,296	\$ 66,803,006	27.9%	\$ 234,037,296	\$ 65,361,404	27.9%
Other Educational Activities.....	15,785	7,893	50.0%	16,009	8,005	50.0%
Total Education	\$ 239,453,081	\$ 66,810,898	27.9%	\$ 234,053,305	\$ 65,369,409	27.9%
Capital, Debt Service and Miscellaneous						
Debt Service - City.....	\$ 36,851,668	\$ 22,242,138	60.4%	\$ 37,288,071	\$ 22,875,139	61.3%
Debt Service - Schools.....	\$ 28,633,966	17,475,965	61.0%	28,578,698	\$ 17,335,934	60.7%
Expenses on Refunding Bonds.....	-	-	0.0%	-	-	0.0%
Non-Departmental.....	\$ 10,726,814	6,659,561	62.1%	9,275,839	5,611,377	60.5%
General Cash Capital.....	\$ 34,424,271	-	0.0%	27,338,144	-	0.0%
Contingent Reserves.....	604,170	-	0.0%	5,268,703	-	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 111,240,889	\$ 46,377,665	41.7%	\$ 107,749,455	\$ 45,822,450	42.5%
TOTAL EXPENDITURES	\$ 688,798,839	\$ 244,487,358	35.5%	\$ 677,174,847	\$ 222,531,073	32.9%
Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)...						
Transfer to Housing.....	\$ 4,588,522	-	0.0%	\$ 4,717,217	-	0.0%
Transfer to Library.....	7,556,858	371,138	4.9%	7,176,355	111,271	1.6%
Transfer to DASH.....	20,348,446	11,268,337	55.4%	17,723,682	12,114,002	68.3%
TOTAL EXPENDITURES & TRANSFERS	\$ 777,232,146	\$ 256,126,833	33.0%	\$ 760,529,062	\$ 234,768,139	30.9%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 231,745,762	\$ 86,535,148	37.3%	\$ 228,651,270	\$ 80,631,417	35.3%
Non Personnel (includes all school funds)	545,486,384	169,591,685	31.1%	531,877,792	154,136,722	29.0%
Total Expenditures	\$ 777,232,146	\$ 256,126,833	33.0%	\$ 760,529,062	\$ 234,768,139	30.9%

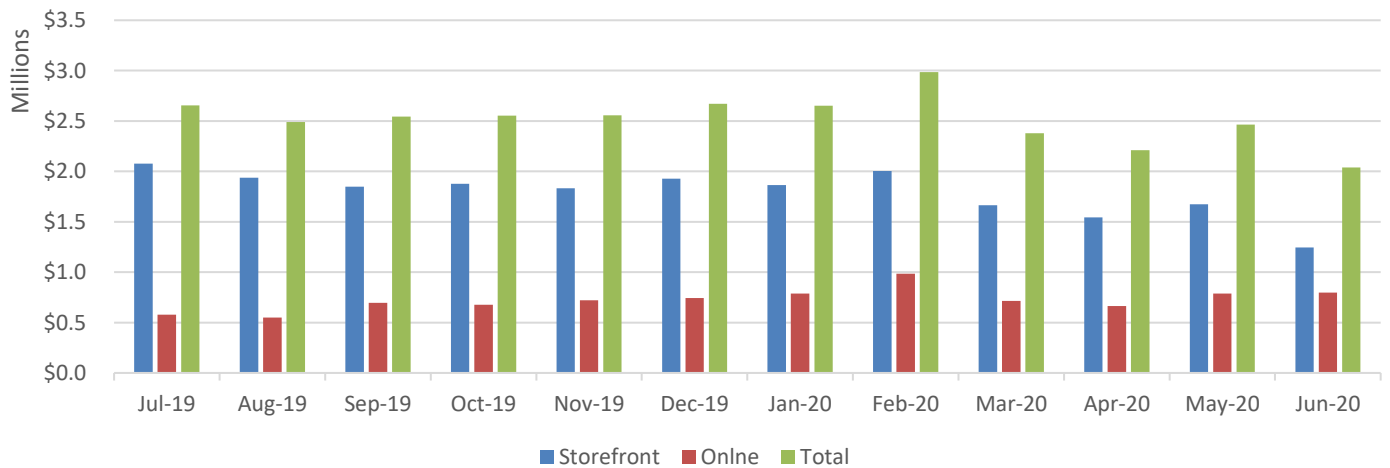
Sales Tax Revenue
FY 2022



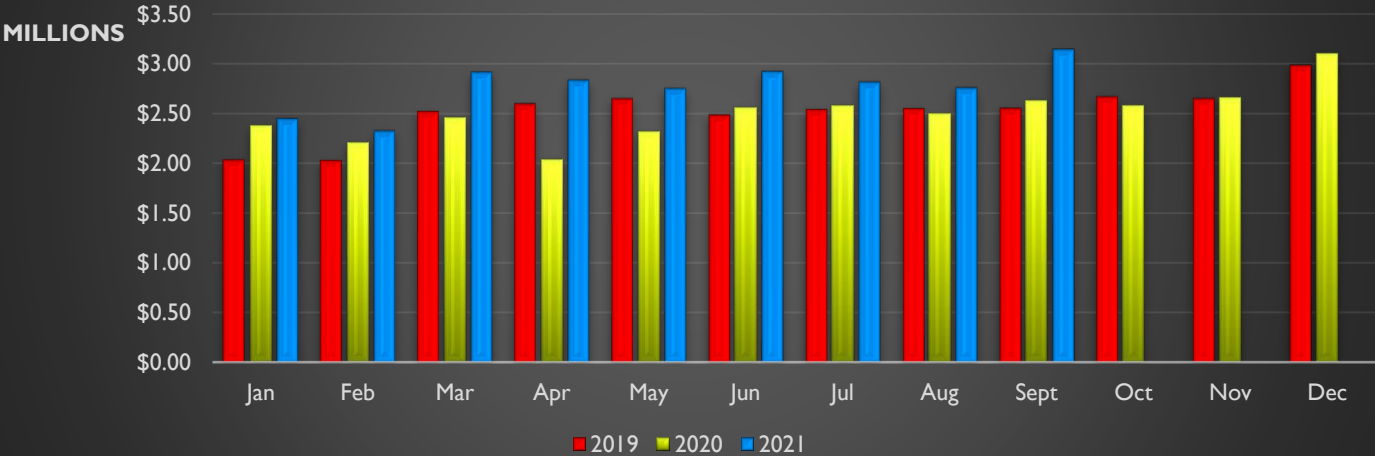
Sales Tax Revenue
FY 2021



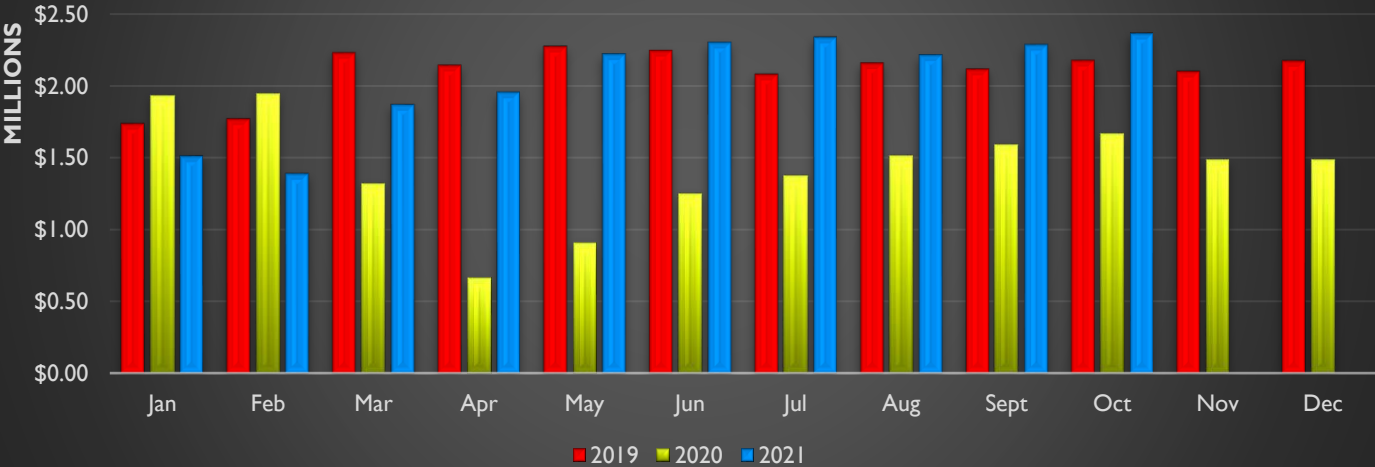
Sales Tax Revenue
FY 2020



Sales Tax Monthly Comparison 2019-2020-2021



Meals Tax Monthly Comparison 2019-2020-2021



Transient Lodging Tax Monthly Comparison 2019-2020-2021

