



Legislation Text

File #: 23-1013, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 2, 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 March 31, 2023.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending March 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 of General Fund Revenues (Attachment 1) and General Fund Expenditures (Attachment 2).

As of March 31, 2023, General Fund revenues totaled \$515.3 million, a difference of \$54.2 million or 11.8 percent compared to the same period in FY 2022. Revenue does not track evenly throughout the year 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 nine months of the year, no category shows any significant economic variance from the budgeted amount.

Personal Property tax revenue collections in FY 2023 are higher compared to last year, which is to be expected given the increase in the budgeted amount. Through the end of March, Personal Property taxes total \$63.6 million or 95.3 percent of the budgeted amount, compared to \$55.6 million in FY 2022, which was 100.8 percent of the budgeted amount. The FY 2022 budgeted amount was developed during the uncertainties of COVID. Collections for personal property tax revenue are tracking at the expected rate.

Real Estate tax revenue is remitted to the City twice each year, in November and June. As of March 2023, the City has collected \$251.9 million or 48.9 percent of the budgeted amount of Real Property tax revenue compared to \$237.2 million in FY 2022, which represented 49.1 percent of the budgeted amount.

There are several significant differences between FY 2022 and FY 2023, but they are primarily timing, not economic. The technical change to the ARPA projects results in a Transfer from Other Funds of \$4.1 million in FY 2023, where no such transfer existed in FY 2022. Other Revenue includes the \$1.0 million gift to the City associated with the Winkler Preserve, which will be allocated at a later date for programs stipulated by the gift. Finally, the increases in the interest rates by the Federal Reserve are resulting in a significant increase in the City's Revenue from Use of Money and Property. Through the first nine months of the year interest earnings account for \$13.0 million of the \$15.1 million of Revenue from Use of Money and Property. This compares to only \$1.5 million in total interest earnings in FY 2022.

Attachment 3 compares the consumer spending categories of Sales Tax, Transient Lodging Tax and Meals Sales Tax to the pre-pandemic levels. As previously noted, Sales Tax revenue was largely unimpacted by the pandemic, with the exception of April and May 2019 when many businesses were completely closed. Meals Tax revenue has recovered to pre-pandemic levels and the trend line follows typical seasonal patterns. In December 2022, Transient Lodging Tax Revenue of \$799,804 exceeded the revenue collected in December 2019 by approximately \$48,000 or 6.5 percent. This marks the first time in 33 months that revenues for Transient Lodging Tax exceeded the same month prior to the pandemic. This trend continued in February with revenue for Transient Lodging tax exceeding February 2019 by 8 percent. It is important to note that Transient Lodging Tax revenue is well ahead of this same point last year (22.5 percent) and is consistent with the budgeted amount for FY 2023. It is also very important to note that Transient Lodging Tax revenue only accounts for 1.5 percent of total tax revenue.

As of March 31, 2023, General Fund expenditures totaled \$498.9 million, a difference of \$29.0 million more than the same time period for FY 2023. Similar to the situation with revenues, no significant expenditure has occurred in the first nine months of Fiscal Year 2023 that is unbudgeted or unexpected. Increases correspond to budgeted increases in expenditure categories, such as debt service, cash capital and the transfer to the Schools. The variance in Transit Subsidies relates to the timing of the City's quarterly payment to WMATA. Bonds were refunded in FY 2022, but no such similar transaction has occurred in FY 2023.

ATTACHMENTS:

- Attachment 1: Comparative Statement of General Fund Revenues
- Attachment 2: Comparative Statement of General Fund Expenditures
- Attachment 3: 3Q Investment Report
- Attachment 4: Consumer Spending comparison charts

STAFF:

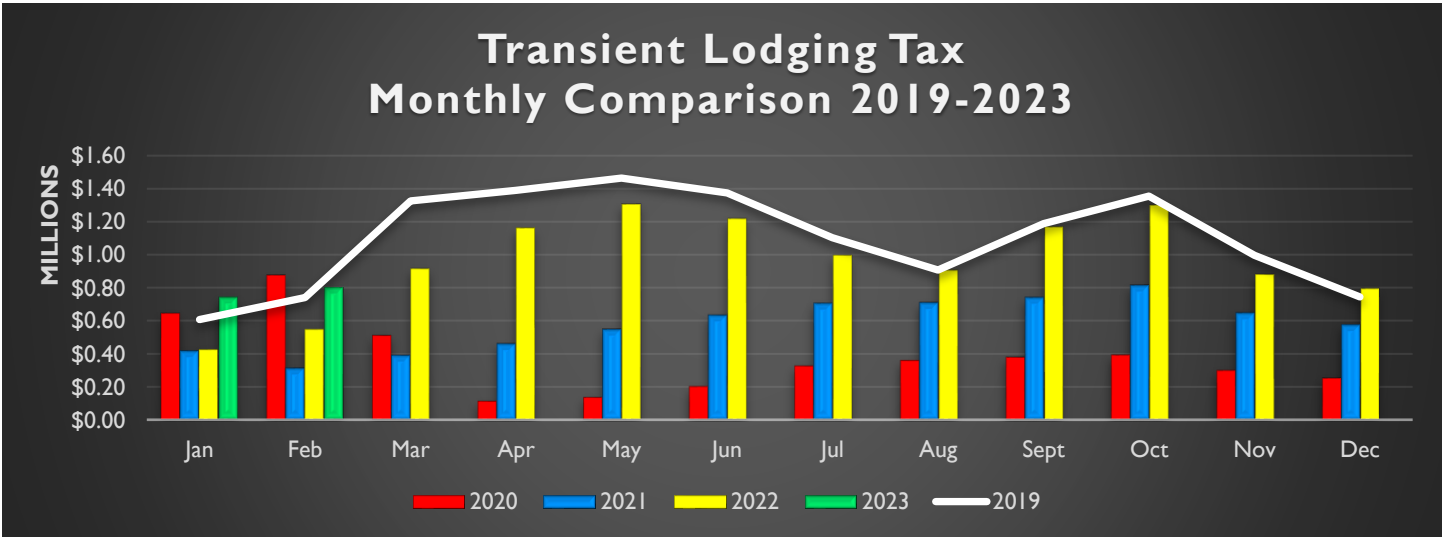
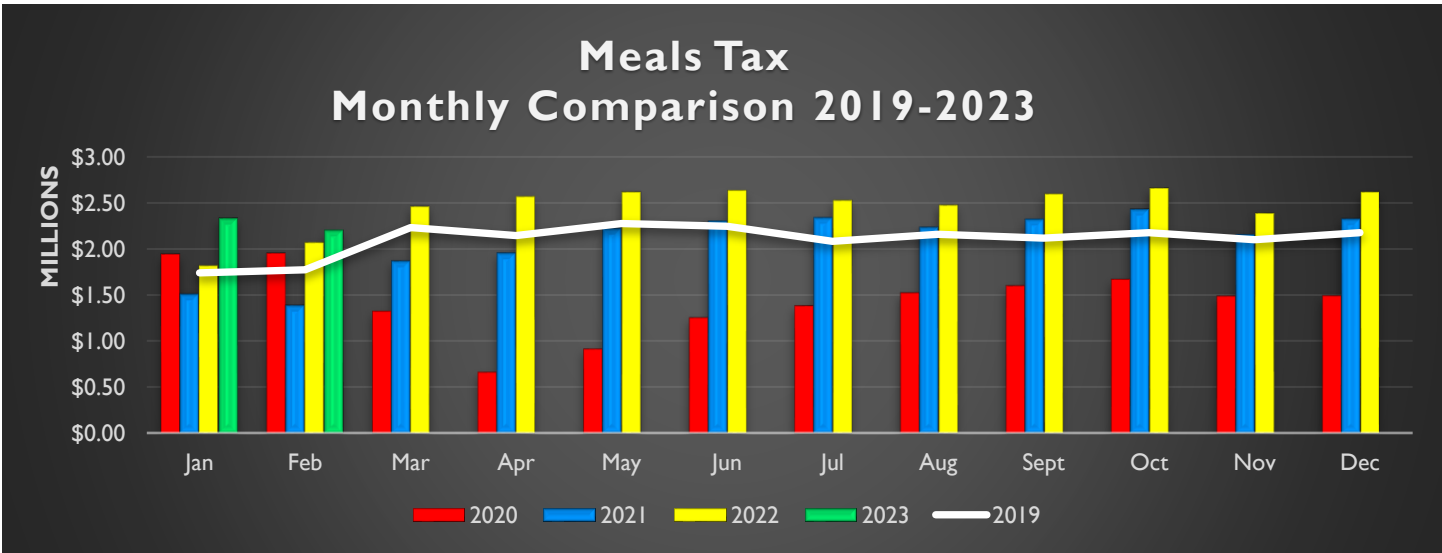
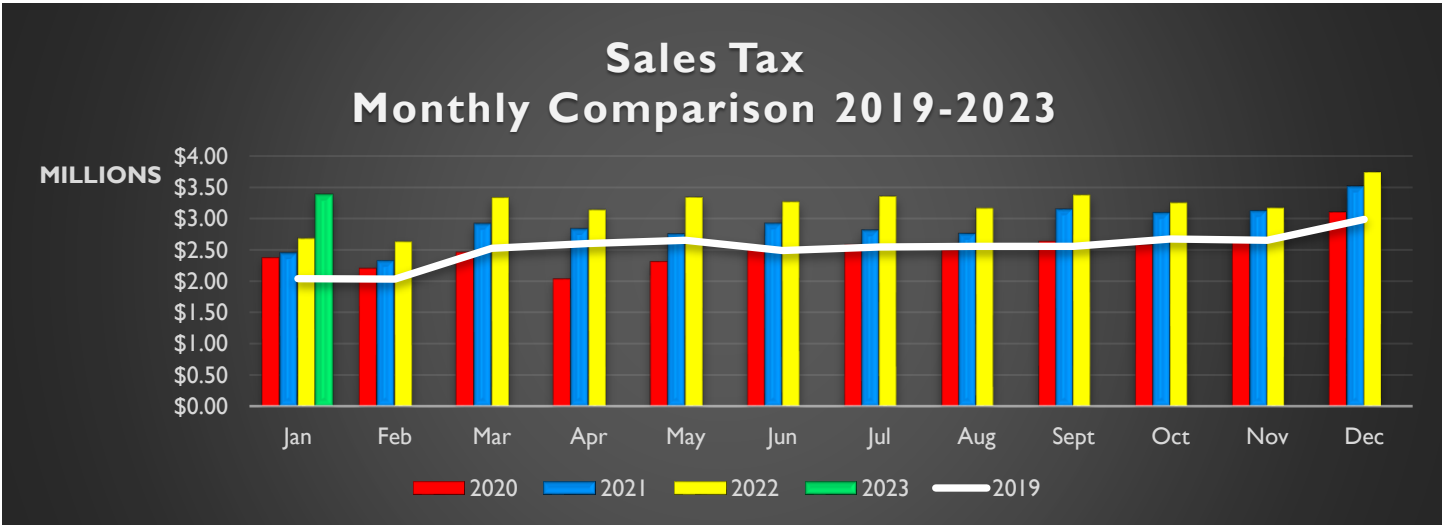
Morgan Routt, Director, Office and Management and Budget
Kevin Greenlief, Assistant Director, Finance Department

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

	B	B.1	C	D=C/B	E	F	G=F/E
	FY 2023	FY 2023	FY2023	%	FY 2022	FY2022	%
	APPROVED	PROJECTED	REVENUES	%	APPROVED	REVENUES	%
	BUDGET	REVENUES	THRU 3/31/2023	OF BUDGET	BUDGET	THRU 3/31/2022	OF TOTAL
General Property Taxes							
Real Property Taxes.....	\$ 514,554,739	514,959,597	\$ 251,854,174	48.9%	\$ 483,311,548	\$ 237,151,565	49.1%
Personal Property Taxes.....	66,776,000	64,833,000	63,625,785	95.3%	55,126,000	55,563,323	100.8%
Penalties and Interest.....	3,199,600	3,358,050	2,592,152	81.0%	2,600,000	2,594,869	99.8%
Total General Property Taxes	\$ 584,530,339	\$ 583,150,647	\$ 318,072,112	54.4%	\$ 541,037,548	\$ 295,309,757	54.6%
Other Local Taxes							
Local Sales and Use Taxes.....	\$ 37,440,000	39,000,000	\$ 23,418,091	62.5%	\$ 31,720,000	\$ 21,110,090	66.6%
Consumer Utility Taxes.....	11,760,000	12,520,000	8,739,009	74.3%	11,760,000	7,592,732	64.6%
Communication Sales and Use Taxes.....	7,245,080	7,245,000	4,995,343	68.9%	7,600,000	5,150,114	67.8%
Business License Taxes.....	39,824,300	39,824,300	36,999,516	92.9%	34,135,900	35,774,318	104.8%
Transient Lodging Taxes.....	9,500,000	11,200,000	6,366,442	67.0%	6,500,000	5,198,450	80.0%
Restaurant Meals Tax.....	27,600,000	31,200,000	19,275,112	69.8%	19,980,000	17,555,307	87.9%
Tobacco Taxes.....	2,100,000	2,030,000	1,384,568	65.9%	1,957,000	1,272,645	65.0%
Motor Vehicle License Tax.....	-	-	4,786	0.0%	-	-	0.0%
Real Estate Recordation.....	8,645,000	3,926,000	2,732,970	31.6%	8,645,000	5,865,868	67.9%
Admissions Tax.....	261,000	348,000	239,567	91.8%	124,000	171,695	138.5%
Other Local Taxes.....	4,103,000	4,031,000	729,909	17.8%	4,595,000	932,328	20.3%
Total Other Local Taxes	\$ 148,478,380	\$ 151,324,300	\$ 104,885,312	70.6%	\$ 127,016,900	\$ 100,623,547	79.2%
Intergovernmental Revenues							
Revenue from the Fed. Government.....	\$ 7,944,000	8,036,184	\$ 4,669,675	58.8%	\$ 7,932,000	\$ 3,974,416	50.1%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,579,000	23,106,960	98.0%	23,578,531	23,106,960	98.0%
Revenue from the Commonwealth.....	26,001,491	27,051,688	20,396,027	78.4%	25,617,409	14,480,058	56.5%
Total Intergovernmental Revenues	\$ 57,524,022	\$ 58,666,872	\$ 48,172,662	83.7%	\$ 57,127,940	\$ 41,561,434	72.8%
Other Governmental Revenues And Transfers In							
Fines and Forfeitures.....	\$ 4,305,200	3,796,000	\$ 2,409,547	56.0%	\$ 3,762,200	\$ 1,914,678	50.9%
Licenses and Permits.....	2,867,350	2,464,500	2,048,966	71.5%	2,136,550	1,711,121	80.1%
Charges for City Services.....	15,071,741	15,241,101	12,135,646	80.5%	13,724,495	10,748,999	78.3%
Revenue from Use of Money & Prop.....	6,655,000	14,250,000	15,067,303	226.4%	4,139,167	2,455,600	59.3%
Other Revenue.....	2,490,701	4,005,500	3,694,629	148.3%	2,115,013	1,707,257	80.7%
Transfer from Other Funds.....	9,976,651	9,376,651	8,813,490	88.3%	10,142,543	5,071,272	50.0%
Total Other Governmental Revenues	\$ 41,366,643	\$ 49,133,752	\$ 44,169,580	106.8%	\$ 36,019,968	\$ 23,608,927	65.5%
TOTAL REVENUE	\$ 831,899,384	\$ 842,275,571	\$ 515,299,666	61.9%	\$ 761,202,356	\$ 461,103,665	60.6%
Appropriated refunding bond proceeds.....					\$ 11,782,546	\$ 11,782,546	
Appropriated Fund Balance							
Operating Budget	\$ 8,120,000		\$ -	\$ -	\$ 10,000,000	\$ -	-
Cash Capital.....							
Encumbrances And Other.....	5,868,606	5,500,000			5,538,625		
Supplemental Appropriations.....	50,526,898				16,110,207		
TOTAL	\$ 896,414,888	\$ 847,775,571	\$ 515,299,666	57.5%	\$ 804,633,734	\$ 472,886,211	58.8%

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

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY 2023	FY2023	%	FY 2022	FY2022	%
	APPROVED BUDGET	EXPENDITURES THRU 3/31/2023	OF BUDGET EXPENDED	APPROVED BUDGET	EXPENDITURES THRU 3/31/2022	OF BUDGET EXPENDED
Legislative & Executive.....	\$ 7,263,964	\$ 3,497,287	48.1%	\$ 4,778,319	\$ 3,444,109	72.1%
Judicial Administration.....	\$ 48,619,588	\$ 33,811,954	69.5%	\$ 45,008,863	\$ 31,967,856	71.0%
Staff Agencies						
Communications.....	\$ 2,315,978	\$ 1,152,586	49.8%	\$ 1,651,966	\$ 1,005,483	60.9%
Human Rights.....	1,118,760	686,939	61.4%	1,008,210	758,974	75.3%
Information Technology Services.....	17,396,386	11,968,965	68.8%	14,121,129	9,704,341	68.7%
Management & Budget.....	1,786,300	1,025,889	57.4%	1,476,120	871,379	59.0%
Finance.....	14,365,055	8,868,183	61.7%	13,217,108	8,408,313	63.6%
Performance and Accountability.....	868,232	614,859	70.8%	690,787	396,065	57.3%
Internal Audit.....	438,920	293,793	66.9%	461,431	282,076	61.1%
Human Resources.....	5,977,543	3,455,313	57.8%	5,051,787	2,862,942	56.7%
Planning & Zoning.....	7,593,713	4,735,645	62.4%	6,764,770	4,311,820	63.7%
Economic Development Activities.....	9,230,994	7,343,978	79.6%	7,036,340	5,085,250	72.3%
City Attorney.....	4,485,150	3,366,783	75.1%	3,847,491	2,776,698	72.2%
Registrar.....	1,561,822	898,997	57.6%	1,428,386	938,084	65.7%
Organizational Excellence	-	51,832	#DIV/0!	193,448	113,053	58.4%
General Services.....	14,871,012	8,350,700	56.2%	11,602,845	7,999,401	68.9%
Total Staff Agencies	\$ 82,009,866	\$ 52,814,462	64.4%	\$ 68,551,818	\$ 45,513,879	66.4%
Operating Agencies						
Transportation & Environmental Services.....	\$ 27,372,169	\$ 17,162,659	62.7%	\$ 24,805,471	\$ 15,604,179	62.9%
Project Implementation.....	-	-	0.0%	-	-	0.0%
Fire.....	56,282,199	40,238,577	71.5%	53,126,585	38,633,637	72.7%
Police.....	70,358,239	45,852,285	65.2%	61,943,107	43,350,329	70.0%
Community Policing Review.....	515,114	94,471	0.0%	500,000	16,000	0.0%
Emergency and Customer Communications.....	9,907,128	6,470,496	65.3%	9,145,532	6,026,614	65.9%
Code.....	-	-	0.0%	-	-	0.0%
Transit Subsidies.....	19,355,404	9,671,602	50.0%	19,280,052	14,093,689	73.1%
Housing.....	2,081,133	1,418,988	68.2%	1,829,441	1,378,732	75.4%
Community and Human Services.....	17,885,881	11,055,473	61.8%	15,908,362	11,545,048	72.6%
Health.....	9,713,246	6,996,495	72.0%	8,946,872	6,328,831	70.7%
Historic Resources.....	5,279,693	2,764,989	52.4%	3,942,134	2,472,819	62.7%
Recreation.....	28,112,573	18,076,883	64.3%	25,308,382	16,159,866	63.9%
Total Operating Agencies	\$ 246,862,780	\$ 159,802,918	64.7%	\$ 224,735,938	\$ 155,609,744	69.2%
Education						
Schools.....	\$ 248,737,300	\$ 124,368,650	50.0%	\$ 239,437,296	\$ 119,718,648	50.0%
Other Educational Activities.....	15,750	11,813	75.0%	15,785	11,839	75.0%
Total Education	\$ 248,753,050	\$ 124,380,463	50.0%	\$ 239,453,081	\$ 119,730,487	50.0%
Capital, Debt Service and Miscellaneous						
Debt Service - City.....	\$ 41,170,131	\$ 35,669,020	86.6%	\$ 36,851,668	\$ 29,901,447	81.1%
Debt Service - Schools.....	\$ 31,941,000	27,686,256	86.7%	\$ 28,633,966	23,233,603	81.1%
Expenses on Refunding Bonds.....	-	-	0.0%	11,710,136	11,710,136	0.0%
Non-Departmental.....	\$ 30,505,558	10,630,478	34.8%	\$ 20,365,380	10,428,452	30.0%
General Cash Capital.....	\$ 57,881,807	27,647,901	47.8%	\$ 34,804,271	16,969,152	0.0%
Contingent Reserves.....	1,274,170	-	0.0%	1,074,170	-	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 162,772,666	\$ 101,633,654	62.4%	\$ 133,439,591	\$ 92,242,790	69.1%
TOTAL EXPENDITURES	\$ 796,281,914	\$ 475,940,738	59.8%	\$ 715,967,610	\$ 448,508,865	62.6%
Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)...	\$ 59,075,874	\$ 7,342,346	0.0%	\$ 55,838,330	\$ 7,152,999	0.0%
Transfer to Housing.....	7,679,115	3,839,558	0.0%	4,588,522	2,294,261	0.0%
Transfer to Library.....	8,213,526	7,952	0.1%	7,680,826	374,648	4.9%
Transfer to DASH.....	25,164,459	11,761,448	46.7%	20,558,446	11,568,229	56.3%
TOTAL EXPENDITURES & TRANSFERS	\$ 896,414,888	\$ 498,892,042	55.7%	\$ 804,633,734	\$ 469,899,002	58.4%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 257,190,101	\$ 171,117,194	66.5%	\$ 241,764,310	\$ 165,924,331	68.6%
Non Personnel (includes all school funds)	639,224,786	\$ 327,774,848	51.3%	562,869,424	\$ 303,974,671	54.0%
Total Expenditures	\$ 896,414,888	\$ 498,892,042	55.7%	\$ 804,633,734	\$ 469,899,002	58.4%



**City of Alexandria
Investment Report
As of March 31, 2023**

Investment Policy

Objective and Strategy

Safety of Principle – investments will be made in a manner that seeks to ensure the preservation of capital

Preservation of capital

Liquidity – the investments will remain sufficiently liquid to meet all operating requirements that are reasonably anticipated

Requirements that are reasonably anticipated

Yield – attain a market rate of return (consistent with the 2-year Treasury maturity). This is secondary to safety and liquidity.

Investment Committee

Responsibilities for the City’s investment management decisions and activities rest with:

- Director of Finance – Kendel Taylor
- Assistant Director of Finance/Revenue – Kevin Greenlief
- Assistant Director of Finance/Treasury – David Clark

Authorized Investments

- Obligations of the Commonwealth of Virginia, the United States or Virginia Municipalities
- Prime Quality Commercial Paper with maturities of 270 days or less
- Certificates of Deposits (CDARS)
- Insured Cash Sweeps (ICS)
- Virginia Local Government Investment Pool (LGIP)
- Virginia Investment Pool (VIP)

Diversification Strategy

Security Type	Maximum % of the Total Funds Available for Investment
Obligations of Virginia	40%
Obligations of the US	75%
Obligations of Virginia Municipalities	40%
Prime Quality Commercial Paper	25%
Commercial Paper of any one Issuing Corporation	5%
CDARs	75%
ICS	40%
LGIP	100%
VIP	75%

Portfolio as of March 31, 2023

Security Type	Balance (millions)	Allocation
Local Government Investment Pool (LGIP)	\$359.8	82.9%
Virginia Investment Pool (VIP) Liquidity	5.3	1.2%
CDARS	4.0	0.9%
US Agency/Treasury Bonds	64.8	14.9%
Money Market Sweep	0.02	0.1%
Total	\$433.9	100.0%

Return on Investment 3Q – FY 2023

Security Type	Balance (millions)	Yield (Weighted Average)
Local Government Investment Pool (LGIP)	\$359.8	4.50%
Virginia Investment Pool (VIP) Liquidity	5.3	4.75%
CDARS	4.0	3.54%
US Agency/Treasury Bonds	64.8	0.54%
Money Market Sweep	0.02	7.46%
Total	\$433.9	4.03%