



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 6, 2024

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 December 31, 2023.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending December 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 December 31, 2023, General Fund revenues totaled \$432.1 million, an increase of \$10.4 million, or 2.5 percent, compared to the same period in FY 2023. There are no significant variations in receipts through the midpoint of the fiscal year that are due to anything but timing billing, posting and accruals. It is important to note that several revenue categories lag by one or two months (e.g., the City has only received 4 months of Sales Tax revenue and 5 months of other categories, such as Transient Lodging and Restaurant Meals Tax Revenue).

Revenue may not track consistently with a monthly calendar since many revenue sources have due dates that do not occur evenly throughout the year. Transient Lodging and Restaurant Meal tax revenues continue to reflect post pandemic recovery trends. The largest revenue source, real estate tax, is remitted twice per year and aligns closely with real estate tax revenue from the same period in FY 2023. Real Estate tax revenue was due to the City on November 15. Through December 31, 2023, the City has collected \$258.0 million or 48.5 percent of the budgeted amount. This is comparable to FY 2023 when the City had collected \$249.5 million as of December 31, 2022, or 48.5 percent of the budgeted amount. Personal Property tax revenue, including business personal property, is trending ahead of FY 2023. Through six months of the fiscal year, \$64.2 million reflects 96.7 percent of the budgeted amount compared to \$60.4 million in FY 2023, which was 90.4 percent of the budgeted amount. Attachment 3 provides the 2nd quarter Investment Report. The annualized total rate of return of the City's portfolio was 5.31 percent during the 2nd quarter of FY 2024.

As of December 31, 2023, General Fund expenditures totaled \$423.8 million, a difference of \$19.3 million, or 4.8 percent more than the same time period for FY 2023. Similar to the situation with revenues, no significant expenditure has occurred in the first six months of Fiscal Year 2024 that is unbudgeted or unexpected. The most significant difference is the timing of payments and

proportional increases in spending due to budget increases (cash capital and debt service). The timing of payments and increases in personnel costs are the main driver of variances in Judicial Administration, Communications, Police and Information Technology Services. In addition, in FY 2023, several departments had large appropriations of General Funds added to their budget in the fall as ARPA funds were shifted. That one-time event creates a distorted comparison of percentage of budget expended between the two years.

ATTACHMENTS:

- Attachment 1: Comparative Statement of General Fund Revenues
- Attachment 2: Comparative Statement of General Fund Expenditures
- Attachment 3: 2nd Quarter FY 2024 Investment Report

STAFF:

Morgan Routt, Director, Office and Management and Budget

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

	B	C	D=C/B	E	F	G=F/E
	FY 2024	FY2024		FY 2023	FY2023	
	APPROVED	REVENUES	%	FINAL	REVENUES	%
	BUDGET	THRU 12/31/2023	OF BUDGET	BUDGET	THRU 12/31/2022	OF TOTAL
General Property Taxes						
Real Property Taxes.....	\$ 532,076,175	\$ 258,045,330	48.5%	\$ 514,554,739	\$ 249,474,837	48.5%
Personal Property Taxes.....	66,313,000	64,150,913	96.7%	66,776,000	60,398,340	90.4%
Penalties and Interest.....	3,358,050	1,886,942	56.2%	3,199,600	1,724,580	53.9%
Total General Property Taxes	<u>\$ 601,747,225</u>	<u>\$ 324,083,185</u>	<u>53.9%</u>	<u>\$ 584,530,339</u>	<u>\$ 311,597,757</u>	<u>53.3%</u>
Other Local Taxes						
Local Sales and Use Taxes.....	\$ 39,000,000	\$ 13,418,284	34.4%	\$ 37,440,000	\$ 13,123,629	35.1%
Consumer Utility Taxes.....	12,020,000	4,243,013	35.3%	11,760,000	5,014,830	42.6%
Communication Sales and Use Taxes.....	6,810,000	2,952,508	43.4%	7,245,080	3,131,329	43.2%
Business License Taxes.....	39,824,300	1,153,468	2.9%	39,824,300	1,277,579	3.2%
Transient Lodging Taxes.....	11,200,000	5,906,071	52.7%	9,500,000	4,369,357	46.0%
Restaurant Meals Tax.....	31,200,000	13,017,230	41.7%	27,600,000	12,039,317	43.6%
Tobacco Taxes.....	2,030,000	836,338	41.2%	2,100,000	901,365	42.9%
Real Estate Recordation.....	3,926,000	1,201,986	30.6%	8,645,000	1,861,086	21.5%
Admissions Tax.....	313,000	192,061	61.4%	261,000	179,744	68.9%
Other Local Taxes.....	3,848,000	302,209	7.9%	4,103,000	339,507	8.3%
Total Other Local Taxes	<u>\$ 150,171,300</u>	<u>\$ 43,223,168</u>	<u>28.8%</u>	<u>\$ 148,478,380</u>	<u>\$ 42,241,656</u>	<u>28.4%</u>
Intergovernmental Revenues						
Revenue from the Fed. Government.....	\$ 7,944,000	\$ 2,926,193	36.8%	\$ 7,944,000	\$ 2,373,043	29.9%
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.....	27,422,507	13,816,844	50.4%	26,001,491	12,852,904	49.4%
Total Intergovernmental Revenues	<u>\$ 58,945,038</u>	<u>\$ 39,142,641</u>	<u>66.4%</u>	<u>\$ 57,524,022</u>	<u>\$ 37,625,551</u>	<u>65.4%</u>
Other Governmental Revenues And Transfers In						
Fines and Forfeitures.....	\$ 4,425,000	\$ 1,993,211	45.0%	\$ 4,305,200	\$ 1,305,457	30.3%
Licenses and Permits.....	2,667,500	1,820,481	68.2%	2,867,350	1,401,866	48.9%
Charges for City Services.....	15,652,609	7,734,625	49.4%	15,071,741	7,182,672	47.7%
Revenue from Use of Money & Prop.....	19,322,000	6,291,467	32.6%	6,655,000	8,892,367	133.6%
Other Revenue.....	3,470,890	2,105,040	60.6%	2,490,701	2,684,818	107.8%
Transfer from Other Funds.....	10,461,523	5,747,767	54.9%	9,976,651	8,813,490	88.3%
Total Other Governmental Revenues	<u>\$ 55,999,522</u>	<u>\$ 25,692,591</u>	<u>45.9%</u>	<u>\$ 41,366,643</u>	<u>\$ 30,280,669</u>	<u>73.2%</u>
TOTAL REVENUE	<u>\$ 866,863,085</u>	<u>\$ 432,141,585</u>	<u>49.9%</u>	<u>\$ 831,899,384</u>	<u>\$ 421,745,633</u>	<u>50.7%</u>
Appropriated refunding bond proceeds.....						
Appropriated Fund Balance						
Operating Budget	\$ 17,464,943	\$ -	\$ -	\$ 8,120,000	\$ -	-
Cash Capital.....						
Encumbrances And Other.....	9,097,125		-	6,335,925		-
Supplemental Appropriations.....	6,255,233		-	50,401,898		-
TOTAL	<u>\$ 899,680,386</u>	<u>\$ 432,141,585</u>	<u>48.0%</u>	<u>\$ 896,757,207</u>	<u>\$ 421,745,633</u>	<u>47.0%</u>

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

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY 2024	FY2024	%	FY 2023	FY2023	%
	APPROVED BUDGET	EXPENDITURES THRU 12/31/2023	OF BUDGET EXPENDED	APPROVED BUDGET	EXPENDITURES THRU 12/10/2022	OF BUDGET EXPENDED
Legislative & Executive.....	\$ 8,016,322	\$ 2,503,567	31.2%	\$ 5,353,977	\$ 2,244,189	41.9%
Judicial Administration.....	\$ 50,395,577	\$ 24,457,581	48.5%	\$ 48,621,278	\$ 22,520,620	46.3%
Staff Agencies						
Communications.....	\$ 2,428,675	\$ 1,077,427	44.4%	\$ 2,315,980	\$ 720,701	31.1%
Human Rights.....	1,108,320	\$ 466,417	42.1%	1,118,762	486,013	43.4%
Information Technology Services.....	16,820,418	\$ 9,228,150	54.9%	17,462,099	8,544,518	48.9%
Management & Budget.....	1,980,451	\$ 815,257	41.2%	1,786,305	701,643	39.3%
Finance.....	14,718,205	\$ 6,343,957	43.1%	14,365,095	6,117,142	42.6%
Performance and Accountability.....	938,503	\$ 466,615	49.7%	868,233	410,028	47.2%
Internal Audit.....	453,649	\$ 199,632	44.0%	438,920	202,904	46.2%
Human Resources.....	6,514,142	\$ 2,496,551	38.3%	5,778,137	2,266,076	39.2%
Planning & Zoning.....	7,938,787	\$ 3,507,055	44.2%	7,593,728	3,132,847	41.3%
Economic Development Activities.....	8,550,618	\$ 3,984,479	46.6%	9,105,994	5,293,566	58.1%
City Attorney.....	4,157,207	\$ 2,116,377	50.9%	4,160,155	2,173,406	52.2%
Registrar.....	1,806,012	\$ 672,377	37.2%	1,561,826	675,280	43.2%
				271,499	51,670	
General Services.....	16,497,687	\$ 7,212,946	43.7%	14,871,041	5,126,054	34.5%
Total Staff Agencies	\$ 83,912,673	\$ 38,587,242	46.0%	\$ 81,697,775	\$ 35,901,849	43.9%
Operating Agencies						
Transportation & Environmental Services.....	\$ 28,866,545	\$ 11,298,154	39.1%	\$ 27,684,657	\$ 11,314,015	40.9%
Project Implementation.....	-	\$ -	0.0%	-	-	0.0%
Fire.....	60,635,507	\$ 28,407,481	46.8%	56,544,097	26,383,811	46.7%
Police.....	72,752,996	\$ 34,778,424	47.8%	70,358,385	30,859,359	43.9%
Community Policing Review.....	578,440	\$ 119,714	0.0%	515,114	16,018	0.0%
Emergency Communications.....	10,244,342	\$ 4,595,568	44.9%	9,907,137	4,555,263	46.0%
Code.....	-	\$ -	0.0%	-	-	0.0%
Transit Subsidies.....	19,476,359	\$ 928,256	4.8%	19,355,404	9,246,533	47.8%
Housing.....	2,216,323	\$ 962,433	43.4%	2,081,141	975,387	46.9%
Community and Human Services.....	17,148,903	\$ 6,500,361	37.9%	17,586,100	6,943,844	39.5%
Health.....	10,473,406	\$ 5,175,558	49.4%	9,713,307	4,815,346	49.6%
Historic Resources.....	4,968,830	\$ 2,260,724	45.5%	5,279,711	1,967,492	37.3%
Recreation.....	28,856,012	\$ 14,491,707	50.2%	28,198,744	12,258,518	43.5%
Total Operating Agencies	\$ 256,217,663	\$ 109,518,380	42.7%	\$ 247,223,797	\$ 109,335,587	44.2%
Education						
Schools.....	\$ 258,686,800	\$ 129,343,400	50.0%	\$ 248,737,300	\$ 124,368,650	50.0%
Other Educational Activities.....	15,570	\$ 7,785	50.0%	15,750	3,938	25.0%
Total Education	\$ 258,702,370	\$ 129,351,185	50.0%	\$ 248,753,050	\$ 124,372,588	50.0%
Capital, Debt Service and Miscellaneous						
Debt Service - City.....	\$ 48,235,001	\$ 38,454,985	79.7%	\$ 41,170,131	\$ 28,172,972	68.4%
Debt Service - Schools.....	\$ 32,220,940	\$ 25,636,657	79.6%	\$ 31,941,000	22,135,907	69.3%
Expenses on Refunding Bonds.....	-	\$ -	0.0%	-	-	0.0%
Non-Departmental.....	\$ 11,530,187	\$ 4,621,737	40.1%	\$ 31,190,582	8,931,970	15.4%
General Cash Capital.....	\$ 38,392,581	\$ 18,280,741	47.6%	\$ 57,881,807	27,647,901	0.0%
Contingent Reserves.....	2,383,529	\$ -	0.0%	3,124,170	-	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 132,762,238	\$ 86,994,119	65.5%	\$ 165,307,690	\$ 86,888,749	52.6%
TOTAL EXPENDITURES	\$ 790,006,843	\$ 391,412,074	49.5%	\$ 796,957,567	\$ 381,263,581	47.8%
Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)...	\$ 61,484,591	\$ 8,254,269	0.0%	\$ 58,742,540	\$ 7,342,346	0.0%
Transfer to Housing.....	9,351,130	4,673,223	0.0%	7,679,115	3,839,558	0.0%
Transfer to Library.....	8,589,228	4,293,426	50.0%	8,213,526	526,582	6.4%
Transfer to DASH.....	30,248,594	15,124,295	50.0%	25,164,459	11,490,197	45.7%
TOTAL EXPENDITURES & TRANSFERS	\$ 899,680,386	\$ 423,757,287	47.1%	\$ 896,757,207	\$ 404,462,264	45.1%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 270,842,217	\$ 123,773,950	45.7%	\$ 258,355,244	\$ 113,175,178	43.8%
Non Personnel (includes all school funds)	628,838,169	\$ 299,983,337	47.7%	638,401,963	\$ 291,287,086	45.6%
Total Expenditures	\$ 899,680,386	\$ 423,757,287	47.1%	\$ 896,757,207	\$ 404,462,264	45.1%

City of Alexandria
Investment Report
As of December 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 December 31, 2023

Security Type	Balance (millions)	Allocation
Local Government Investment Pool (LGIP)	\$442.8	81.8%
US Agency/Treasury Bonds	46.8	8.7%
CDARS	12.4	2.3%
Virginia Investment Pool (VIP) Liquidity	5.5	1.0%
Cash/Money market	33.6	6.2%
Total	\$541.1	100.0%

Return on Investment 2Q – FY 2024

Security Type	Balance (millions)	Annualized Total Rate of Return
Local Government Investment Pool (LGIP)	\$442.8	6.03%
US Agency/Treasury Bonds	46.8	0.61%
CDARS	12.4	5.15%
Virginia Investment Pool (VIP) Liquidity	5.5	5.75%
Cash/Money Market	33.6	0.23%
Total	\$541.1	5.31%