



City of Alexandria

City Council Chambers at
Del Pepper Community
Resource Center
4850 Mark Center Drive
Alexandria, VA 22311

Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 5, 2026

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER

FROM: KEVIN C. GREENLIEF, DIRECTOR OF FINANCE

DOCKET TITLE:

Consideration of the Monthly Financial Report for the Period Ending December 31, 2025.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending December 31, 2025.

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, 2025, General Fund revenues totaled \$455.4 million, a decrease of -\$0.8 million, or -0.2 percent, compared to the same period in FY 2025.

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 City's largest revenue source, the Real Estate tax, is remitted twice per year, in November and June. Through December, we are on target for Real Estate, tracking to the same percentage as collected in FY 2025.

Personal Property tax revenue is due in October each year. As noted during the City Council retreat, Personal Property tax levy is lagging in FY 2026, consistent with the flattening of the vehicle growth. Revenue from Use of Money and Property reflects a decrease of \$4.5 million compared to the prior year due to the recent interest rate reductions by the Federal Reserve. The reduction was anticipated in the FY 2026 budget. Most other revenue categories are tracking as anticipated compared to the amount budgeted and no category reflects a significant variance at this time. It is important to note that no Business License data will be available until the annual returns are processed later in spring based on the March 1 due date set by State law.

Consumption taxes are trending negative as the combined growth rate has flattened. Year-to-date receipts through December show a cumulative growth rate of -1.89% thus far for the Meals Tax, Transient Lodging Taxes, and Local Sales Tax.

As of December 31, 2025, General Fund expenditures totaled \$303.9 million, a decrease of -21.1%, but this is solely due to a timing difference in the transfer to Schools last year. Aside from this, expenditures are tracking

slightly ahead of last year's pace.

ATTACHMENTS:

Attachment 1: Comparative Statement of General Fund Revenues
Attachment 2: Comparative Statement of General Fund Expenditures
Attachment 3: Comparative Consumption Spending
Attachment 4: Investment Report

STAFF:

Morgan Routt, Director, Office and Management and Budget

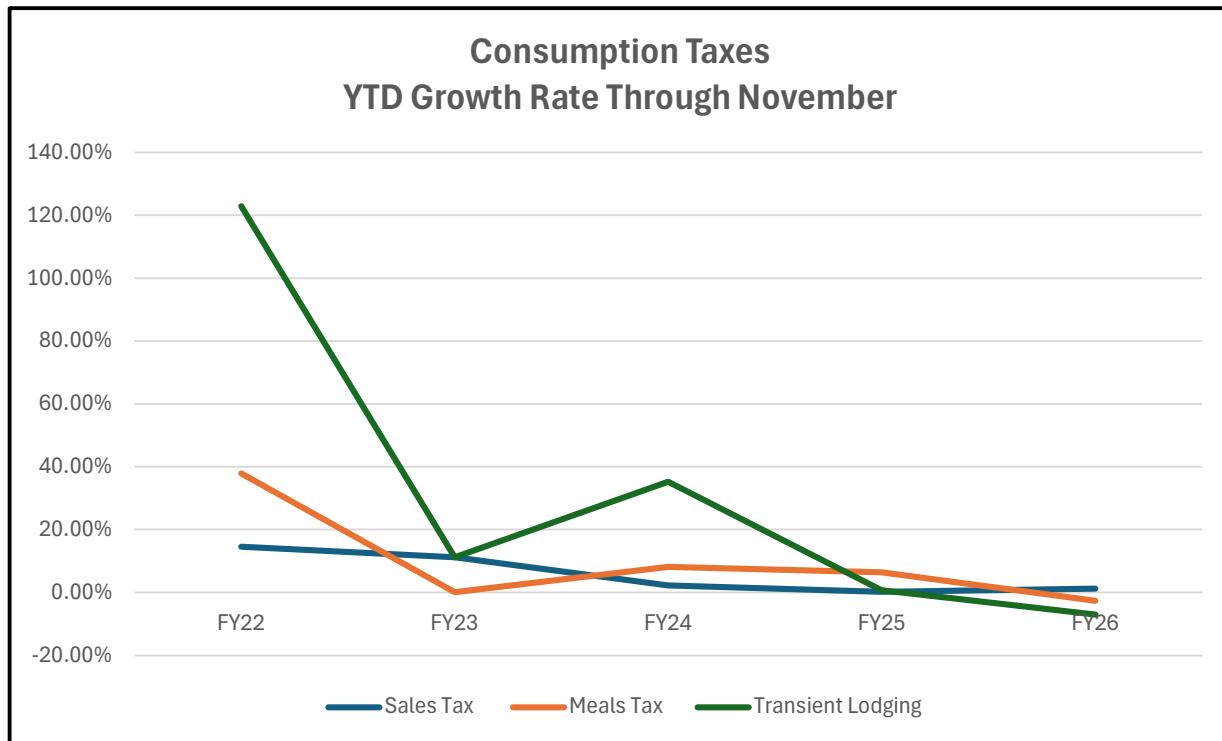
CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING DECEMBER 31, 2025 AND DECEMBER 31, 2024

	FY 2026		FY 2026		%	FY 2025		FY 2025		%	Variance Analysis
	APPROVED	BUDGET	REVENUES	THRU 12/31/2025		OF BUDGET	RECEIVED	APPROVED	BUDGET		
General Property Taxes											
Real Property Taxes.....	\$ 557,980,013	\$ 271,924,013	48.7%	\$ 545,370,119	\$ 266,762,713	48.9%	1.9%	5,161,300			
Personal Property Taxes.....	81,046,000	68,725,610	84.8%	75,590,000	70,587,017	93.4%	-2.6%	(1,861,407)			
Penalties and Interest.....	5,175,699	2,897,075	56.0%	4,123,399	2,690,615	65.3%	7.7%	206,461			
Total General Property Taxes	\$ 644,201,712	\$ 343,546,698	53.3%	\$ 625,083,518	\$ 340,040,345	54.4%	1.0%	3,506,354			
Other Local Taxes											
Local Sales and Use Taxes.....	\$ 40,500,000	\$ 13,604,438	33.6%	\$ 41,192,000	\$ 13,446,582	32.6%	1.2%	157,856			
Consumer Utility Taxes.....	14,065,000	4,659,444	33.1%	12,020,000	4,703,286	39.1%	-0.9%	(43,842)			
Communication Sales and Use Taxes.....	6,594,000	2,868,870	43.5%	6,700,000	2,895,036	43.2%	-0.9%	(26,167)			
Business License Taxes.....	45,017,145	1,335,865	3.0%	43,718,700	972,169	2.2%	37.4%	363,696			
Transient Lodging Taxes.....	14,901,000	5,532,210	37.1%	14,901,000	5,949,886	39.9%	-7.0%	(417,677)			
Restaurant Meals Tax.....	32,850,000	13,481,197	41.0%	34,270,000	13,848,331	40.4%	-2.7%	(367,134)			
Tobacco Taxes.....	1,468,400	764,068	52.0%	1,948,999	641,680	32.9%	19.1%	122,388			
Motor Vehicle License Tax.....	95,800	57,925	60.5%	95,800	230	0.2%	25084.7%	57,695			
Real Estate Recordation.....	5,100,000	2,034,089	39.9%	2,811,000	1,968,402	70.0%	3.3%	65,686			
Admissions Tax.....	267,000	185,803	69.6%	441,600	146,790	33.2%	26.6%	39,013			
Other Local Taxes.....	3,810,600	378,228	9.9%	3,650,060	240,383	6.6%	57.3%	137,845			
Total Other Local Taxes	\$ 164,668,945	\$ 44,902,136	27.3%	\$ 161,749,159	\$ 44,812,775	27.7%	0.2%	89,360			
Intergovernmental Revenues											
Revenue from the Fed. Government.....	\$ 8,157,740	\$ 3,221,421	39.5%	\$ 7,372,000	\$ 3,291,662	44.7%	-2.1%	(70,241)			
Personal Property Tax Relief from the Commonwealth.....	23,578,531	22,399,604	95.0%	23,578,531	22,399,604	95.0%	-32.5%	-			
Revenue from the Commonwealth.....	32,909,000	15,129,465	46.0%	31,551,357	17,082,810	54.1%	31.1%	(1,953,344)			
Total Intergovernmental Revenues	\$ 64,645,271	\$ 40,750,491	63.0%	\$ 62,501,888	\$ 42,774,075	68.4%	-4.7%	(2,023,585)			
Other Governmental Revenues And Transfers In											
Fines and Forfeitures.....	\$ 5,694,500	\$ 2,154,944	37.8%	\$ 4,304,500	\$ 2,911,196	67.6%	-26.0%	(756,252)			
Licenses and Permits.....	3,039,000	2,425,706	79.8%	2,500,000	1,710,036	68.4%	41.9%	715,670			
Charges for City Services.....	19,244,366	8,812,031	45.8%	18,997,239	6,705,701	35.3%	31.4%	2,106,330			
Revenue from Use of Money & Prop.....	22,336,354	10,149,493	45.4%	24,194,038	14,671,777	60.6%	-30.8%	(4,522,283)			
Other Revenue.....	4,496,845	2,628,466	58.5%	2,441,000	2,153,514	88.2%	22.1%	474,952			
Transfer from Other Funds.....	15,924,565	-	0.0%	10,631,458	369,048	3.5%	-100.0%	(369,048)			
Total Other Governmental Revenues	\$ 70,735,630	\$ 26,170,639	37.0%	\$ 63,068,235	\$ 28,521,272	45.2%	-8.2%	(2,350,632)			
TOTAL REVENUE	\$ 944,251,558	\$ 455,369,964	48.2%	\$ 912,402,800	\$ 456,148,467	50.0%	-0.2%	(778,503)			
Appropriated refunding bond proceeds.....											
Appropriated Fund Balance											
Operating Budget	\$ 31,907,719	\$ -	0.0%	\$ 14,149,295	\$ -	0.0%	0.0%	-			
Cash Capital.....	-	-	0.0%	-	-	0.0%	0.0%	-			
Encumbrances And Other.....	7,169,928	-	0.0%	3,294,959	-	0.0%	0.0%	-			
Supplemental Appropriations.....	-	-	0.0%	-	-	0.0%	0.0%	-			
TOTAL	\$ 983,329,205	\$ 455,369,964	46.3%	\$ 929,847,054	\$ 456,148,467	49.1%	-0.2%	(778,503)			

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING DECEMBER 31, 2025 AND DECEMBER 31, 2024

FUNCTION	FY 2026 REVISED BUDGET	FY2026 EXPENDITURES THRU 12/31/2025	% OF BUDGET EXPENDED	FY 2025 APPROVED BUDGET	FY2025 EXPENDITURES THRU 12/31/2024	% OF BUDGET EXPENDED
Legislative & Executive.....	\$ 8,041,203	\$ 3,491,578	43.4%	\$ 7,848,980	\$ 2,982,798	38.0%
Judicial Administration.....	\$ 53,782,775	\$ 27,036,994	50.3%	\$ 53,098,375	\$ 25,952,192	48.9%
Staff Agencies						
Communications.....	\$ 2,631,656	\$ 1,142,221	43.4%	\$ 2,490,443	\$ 1,066,119	42.8%
Human Rights.....	\$ 1,219,498	\$ 445,524	36.5%	\$ 1,184,429	\$ 341,377	28.8%
Information Technology Services.....	\$ 20,359,379	\$ 11,818,350	58.0%	\$ 16,888,393	\$ 9,536,945	56.5%
Management & Budget.....	\$ 1,885,167	\$ 838,721	44.5%	\$ 1,938,735	\$ 851,690	43.9%
Finance.....	\$ 15,560,408	\$ 6,968,293	44.8%	\$ 14,734,040	\$ 6,875,445	46.7%
Performance and Accountability.....	\$ 1,140,122	\$ 555,448	48.7%	\$ 958,791	\$ 512,192	53.4%
Internal Audit.....	\$ 557,379	\$ 241,729	43.4%	\$ 582,385	\$ 274,660	47.2%
Human Resources.....	\$ 6,413,443	\$ 3,048,707	47.5%	\$ 5,851,287	\$ 2,090,320	35.7%
Planning & Zoning.....	\$ 8,793,970	\$ 3,904,535	44.4%	\$ 7,847,972	\$ 3,513,737	44.8%
Economic Development Activities.....	\$ 10,793,698	\$ 8,342,228	77.3%	\$ 9,277,318	\$ 4,754,199	51.2%
City Attorney.....	\$ 4,510,800	\$ 2,427,311	53.8%	\$ 4,455,122	\$ 2,391,757	53.7%
Registrar.....	\$ 2,034,960	\$ 947,454	46.6%	\$ 2,438,039	\$ 1,151,195	47.2%
General Services.....	\$ 15,259,843	\$ 6,165,001	40.4%	\$ 15,925,466	\$ 6,843,859	43.0%
Total Staff Agencies	\$ 91,160,322	\$ 46,845,522	51.4%	\$ 84,572,420	\$ 40,203,496	47.5%
Operating Agencies						
Transportation & Environmental Services.....	\$ 28,966,928	\$ 12,123,965	41.9%	\$ 31,924,823	\$ 11,650,617	36.5%
Fire.....	\$ 69,886,199	\$ 33,945,749	48.6%	\$ 70,502,378	\$ 31,276,692	44.4%
Police.....	\$ 73,941,127	\$ 32,514,291	44.0%	\$ 71,701,799	\$ 33,823,328	47.2%
Community Policing Review.....	\$ 620,884	\$ 137,568	22.2%	\$ 653,618	\$ 259,108	39.6%
Emergency Communications.....	\$ 10,195,918	\$ 4,713,938	46.2%	\$ 10,165,444	\$ 4,752,732	46.8%
Transit Subsidies.....	\$ 14,178,686	\$ 1,074,567	7.6%	\$ 16,954,438	\$ 752,198	4.4%
Housing.....	\$ 2,203,661	\$ 1,017,926	46.2%	\$ 2,343,231	\$ 1,131,176	48.3%
Community and Human Services.....	\$ 17,215,636	\$ 7,393,024	42.9%	\$ 17,902,890	\$ 7,857,637	43.9%
Health.....	\$ 11,095,250	\$ 6,897,095	62.2%	\$ 10,995,493	\$ 5,488,088	49.9%
Historic Resources.....	\$ 4,954,716	\$ 2,419,046	48.8%	\$ 4,607,856	\$ 2,569,450	55.8%
Recreation.....	\$ 31,390,173	\$ 14,532,775	46.3%	\$ 30,406,682	\$ 13,427,276	44.2%
Total Operating Agencies	\$ 264,649,178	\$ 116,769,945	44.1%	\$ 268,158,651	\$ 112,988,304	42.1%
Education						
Schools.....	\$ 282,384,561	\$ -	0.0%	\$ 273,034,300	\$ 136,517,150	50.0%
Other Educational Activities.....	\$ 15,449	\$ 11,587	75.0%	\$ 15,570	\$ 7,725	49.6%
Total Education	\$ 282,400,010	\$ 11,587	0.0%	\$ 273,049,870	\$ 136,524,875	50.0%
Capital, Debt Service and Miscellaneous						
Debt Service - City.....	\$ 57,703,661	\$ 50,594,994	87.7%	\$ 49,638,949	\$ 26,841,814	54.1%
Debt Service - Schools.....	\$ 47,834,265	\$ 41,941,435	87.7%	\$ 45,527,862	\$ 23,576,037	51.8%
Expenses on Refunding Bonds.....	\$ 20,000	\$ 2,080	10.4%	\$ -	\$ -	0.0%
Non-Departmental.....	\$ 11,319,862	\$ 6,361,416	56.2%	\$ 11,390,061	\$ 5,319,168	46.7%
General Cash Capital.....	\$ 48,670,924	\$ -	0.0%	\$ 25,502,752	\$ -	0.0%
Contingent Reserves.....	\$ 873,055	\$ -	0.0%	\$ 2,350,575	\$ -	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 166,421,767	\$ 98,899,924	59.4%	\$ 134,410,199	\$ 55,737,020	41.5%
TOTAL EXPENDITURES	\$ 866,455,255	\$ 293,055,550	33.8%	\$ 821,138,494	\$ 374,388,684	45.6%
Transfers to Special Revenue /Capital Projects Funds...	\$ 61,517,301	\$ -	0.0%	\$ 62,009,651	\$ -	0.0%
Transfer to Housing.....	\$ 9,789,776	\$ -	0.0%	\$ 9,919,184	\$ -	0.0%
Transfer to Library.....	\$ 9,312,456	\$ 64	0.0%	\$ 9,173,121	\$ 32	0.0%
Transfer to DASH.....	\$ 36,254,417	\$ 10,850,900	29.9%	\$ 33,818,503	\$ 10,809,681	32.0%
TOTAL EXPENDITURES & TRANSFERS	\$ 983,329,205	\$ 303,906,514	30.9%	\$ 936,058,953	\$ 385,198,397	41.2%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 286,341,386	\$ 134,527,231	47.0%	\$ 283,936,736	\$ 130,814,530	46.1%
Non Personnel (includes all school funds)	\$ 696,987,819	\$ 169,379,283	24.3%	\$ 649,104,179	\$ 254,383,867	39.2%
Total Expenditures	\$ 983,329,205	\$ 303,906,514	30.9%	\$ 936,058,953	\$ 385,198,397	41.3%

Monthly	<u>Growth Rate: YTD Receipts through December</u>				
	FY22	FY23	FY24	FY25	FY26
Sales Tax	14.57%	11.18%	2.25%	0.21%	1.17%
Meals Tax	37.88%	0.12%	8.12%	6.38%	-2.65%
Transient Lodging	122.96%	11.13%	35.17%	0.74%	-7.02%
	33.54%	6.38%	9.51%	2.79%	-1.89%



**City of Alexandria
Investment Report**
As of December 31, 2025

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 – Kevin Greenlief
- Deputy Director of Finance – Vacant
- Assistant Director of Finance/Treasury – Aaron Root

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, 2025

Security Type	Balance (millions)	Allocation
Local Government Investment Pool (LGIP)	\$494.6	88.4%
CDARS	12.2	2.2%
Virginia Investment Pool (VIP) Liquidity	6.1	1.1%
Cash/Money market	46.7	8.3%
Total	\$559.6	100.0%

Return on Investment 2Q – FY 2026

Security Type	Interest Earned During Period	Annualized Total Rate of Return
Local Government Investment Pool (LGIP)	\$4.87	3.91%
US Agency/Treasury Bonds	0.00	0.00%
CDARS	0.58	3.83%
Virginia Investment Pool (VIP) Liquidity	0.06	3.93%
Cash/Money Market	0.00	0.00%
Total	\$5.51	3.90%