City of Alexandria, Virginia

MEMORANDUM

DATE: SEPTEMBER 2, 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:
..TITLE
Consideration of the Monthly Financial Report for the Period Ending June 30, 2026.
..BODY

ISSUE: Receipt of the Monthly Financial Report for the Period Ending June 30, 2026.

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.

DISCUSSION: As of June 30, 2026, General Fund revenues totaled $952.9 million, an increase of $17.6 million, or 1.9 percent over FY 2025. The increase over the prior year is principally due to General Property taxes and Other Local taxes, partially offset by decreases in Other Governmental Revenue, principally an anticipated decrease in interest income associated with federal rate declines at the beginning of the fiscal year.

While overall growth was relatively flat at 1.9%, the City did see a positive improvement in Consumption taxes in the latter part of the year. Generally trending negative for the first three-quarters of the year, Consumption taxes ended strong— up over the prior year by 2.72%. Details are provided in Attachment 3.

This is consistent with information monitored by Visit Alexandria. As reported in last month's Monthly Financial Report, Visit Alexandria noted that during the week of June 28 – July 4, Virginia outperformed the nation across all key metrics with the July 4th holiday driving strong weekend performance. On July 4th alone they report that Alexandria posted 30.3% growth in hotel occupancy, contributing to an overall RevPar (Revenue Per Available Room) increase of 88.9%.

It is important to note the lag in tax receipts. For retail sales made in July, the City will not receive the associated Sales Tax from Richmond until late September. For Meals Tax and

Transient Lodging Tax collected from customers in July, payment is not due to the City until August 31.

Business License taxes also came in stronger than anticipated in the Revised Estimate, posting an increase of 3.8% over FY 2025.

As of June 30, 2026, General Fund expenditures totaled $976.5 million, an increase of 7.0%. Key drivers to the increase included a 3.4% increase in the Schools transfer, planned increases in FY 2026 Cash Capital, budgeted increases to transfers to Special Revenue and Capital Project funds, and the timing of actual debt service payments.

Revenue less expenditures resulted in the use of $23.6 million in spendable fund balance, but this was less than anticipated. The FY 2026 Approved Budget planned on the use of $15 million in assigned fund balance for the CIP, and the remainder was the result of the unprecedented Snowcrete event in January. The preliminary estimate of the year-end fund balance is $203.4 million, with the spendable fund balance at 20.71% of General Fund revenue, well above the adopted target of at least 15%.

It is important to note that the Department of Finance is presently working on closing FY 2026, with the hard close not slated until late September. While significant changes are not anticipated, the numbers are not yet final and are still subject to change and represent unaudited actuals.

ATTACHMENTS:
Attachment 1: Comparative Statement of General Fund Revenues
Attachment 2: Comparative Statement of General Fund Expenditures
Attachment 3: Consumption Taxes

STAFF:
Morgan Routt, Director, Office and Management and Budget
Johanna Seltzer, Deputy Director, Department of Finance

Attachment 1

CITY OF ALEXANDRIA, VIRGINIA

COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND

FOR THE PERIODS ENDING JUNE 30, 2026 AND JUNE 30, 2025
FY 2026 unaudited, preliminary close; Includes Estimated Accruals

	FY 2026 APPROVED BUDGET	FY2026 REVENUES THRU 06/30/2026	% OF BUDGET RECEIVED	FY 2025 APPROVED BUDGET	FY2025 REVENUES THRU 06/30/2025	% OF BUDGET RECEIVED	Variance Analysis	
General Property Taxes								
Real Property Taxes..	$ 557,980,013	$ 558,146,043	100.0%	$ 545,370,119	$ 541,724,977	99.3%	3.0%	16,421,066
Personal Property Taxes.....................................	81,046,000	81,188,827	100.2%	75,590,000	75,570,580	100.0%	7.4%	5,618,247
Penalties and Interest..	5,175,699	6,829,039	131.9%	4,123,399	9,283,136	225.1%	-26.4%	(2,454,097)
Total General Property Taxes	$ 644,201,712	$ 646,163,908	100.3%	$ 625,083,518	$ 626,578,693	100.2%	3.1%	19,585,216
Other Local Taxes								
Local Sales and Use Taxes.................................	$ 40,500,000	$ 41,562,221	102.6%	$ 41,192,000	$ 40,808,156	99.1%	1.8%	754,064
Consumer Utility Taxes.......…………...………	14,065,000	12,767,689	90.8%	12,020,000	13,375,013	111.3%	-4.5%	(607,324)
Communication Sales and Use Taxes................	6,594,000	6,796,531	103.1%	6,700,000	6,996,869	104.4%	-2.9%	(200,338)
Business License Taxes......................................	45,017,145	44,032,135	97.8%	43,718,700	42,413,660	97.0%	3.8%	1,618,475
Transient Lodging Taxes...................................	14,901,000	14,902,373	100.0%	14,901,000	14,693,763	98.6%	1.4%	208,610
Restaurant Meals Tax......................................…	32,850,000	34,244,566	104.2%	34,270,000	32,803,799	95.7%	4.4%	1,440,768
Tobacco Taxes...…	1,468,400	1,729,005	117.7%	1,948,999	1,809,974	92.9%	-4.5%	(80,969)
Out of State License Plate..........................……	95,800	96,409	100.6%	95,800	11,165	11.7%	763.5%	85,244
Real Estate Recordation...................................…	5,100,000	5,556,112	108.9%	2,811,000	5,184,332	184.4%	7.2%	371,779
Admissions Tax.......................................……..	267,000	408,159	152.9%	441,600	343,016	77.7%	19.0%	65,143
Other Local Taxes...	3,810,600	3,509,708	92.1%	3,650,060	3,204,638	87.8%	9.5%	305,070
Total Other Local Taxes	164,668,945	165,604,908	100.6%	161,749,159	161,644,387	99.9%	2.5%	3,960,521
Intergovernmental Revenues								
Revenue from the Fed. Government.........………	$ 8,157,740	$ 8,299,268	101.7%	$ 7,372,000	$ 7,496,222	101.7%	10.7%	803,046
Personal Property Tax Relief from the Commonwealth……………………………	23,578,531	23,578,531	100.0%	23,578,531	23,578,531	100.0%	0.0%	-
Revenue from the Commonwealth.................…	32,909,000	34,651,706	105.3%	31,551,357	32,618,135	103.4%	6.2%	2,033,571
Total Intergovernmental Revenues	$ 64,645,271	$ 66,529,504	102.9%	$ 62,501,888	$ 63,692,887	101.9%	4.5%	2,836,618
Other Governmental Revenues And Transfers In								
Fines and Forfeitures...…	$ 5,694,500	$ 5,605,202	98.4%	$ 4,304,500	$ 6,293,044	146.2%	-10.9%	(687,842)
Licenses and Permits..	3,039,000	4,028,694	132.6%	2,500,000	3,054,806	122.2%	31.9%	973,889
Charges for City Services..................................	19,244,366	17,090,695	88.8%	18,997,239	15,757,028	82.9%	8.5%	1,333,667
Revenue from Use of Money & Prop................	22,336,354	24,026,947	107.6%	24,194,038	31,571,602	130.5%	-23.9%	(7,544,655)
Other Revenue.......................................………	4,496,845	7,937,272	176.5%	2,441,000	10,335,449	423.4%	-23.2%	(2,398,177)
Transfer from Other Funds................................	15,924,565	15,924,565	100.0%	16,018,604	16,387,652	102.3%	-2.8%	(463,087)
Total Other Governmental Revenues	$ 70,735,630	$ 74,613,375	105.5%	$ 68,455,381	$ 83,399,581	121.8%	-10.5%	(8,786,206)
TOTAL REVENUE	$ 944,251,558	$ 952,911,696	100.9%	$ 917,789,946	$ 935,315,547	101.9%	1.9%	17,596,149
Appropriated refunding bond proceeds….......								
Appropriated Fund Balance								
Operating Budget ….......................................	$ 13,992,992	$ -	0.0%	$ 13,992,992	$ -	0.0%	0.0%	-
Cash Capital…..	-	-	0.0%		-	0.0%	0.0%	-
Encumbrances And Other….........................	$ 6,456,813	-	0.0%	4,869,478	-	0.0%	0.0%	-
Supplemental Appropriations......................	30,631,766	-	0.0%	5,566,683	-	0.0%	0.0%	-
TOTAL	$ 995,333,129	$ 952,911,696	95.7%	$ 942,219,099	$ 935,315,547	99.3%	1.9%	17,596,149

100% of Fiscal Year Completed **Attachment 2**
100% of Payrolls Processed

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND

FOR THE PERIODS ENDING JUNE 30, 2026 AND JUNE 30, 2025
FY 2026 unaudited, preliminary close

FUNCTION	FY 2026 REVISED BUDGET	FY2026 EXPENDITURES THRU 06/30/2026	% OF BUDGET EXPENDED	FY 2025 APPROVED BUDGET	FY2025 EXPENDITURES THRU 6/30/2025	% OF BUDGET EXPENDED	Variance Analysis	
Legislative & Executive	$ 8,437,203	$ 7,476,655	88.6%	$ 7,474,480	$ 6,441,456	86.2%	16.1%	$ 1,035,198
Judicial Administration	$ 54,932,075	$ 54,145,208	98.6%	$ 53,951,484	$ 52,962,463	98.2%	2.2%	$ 1,182,744
Staff Agencies								
Communications	$ 2,631,656	$ 2,420,221	92.0%	$ 2,489,572	$ 2,203,171	88.5%	9.9%	$ 217,051
Human Rights	1,369,498	$ 1,189,093	86.8%	1,334,429	$ 868,367	65.1%	36.9%	$ 320,726
Information Technology Services	20,677,427	$ 20,382,227	98.6%	17,226,322	$ 16,698,093	96.9%	22.1%	$ 3,684,134
Management & Budget	1,967,417	$ 1,917,417	97.5%	1,938,735	$ 1,938,735	100.0%	-1.1%	$ (21,319)
Finance	14,760,408	$ 14,053,480	95.2%	14,733,140	$ 14,367,994	97.5%	-2.2%	$ (314,514)
Performance and Accountability	1,140,122	$ 1,054,055	92.5%	1,023,790	$ 947,935	92.6%	11.2%	$ 106,120
Internal Audit	557,379	$ 507,695	91.1%	607,385	$ 556,075	91.6%	-8.7%	$ (48,379)
Human Resources	6,413,443	$ 6,040,598	94.2%	5,851,287	$ 5,360,126	91.6%	12.7%	$ 680,472
Planning & Zoning	8,751,838	$ 8,057,845	92.1%	8,345,203	$ 7,772,813	93.1%	3.7%	$ 285,032
Economic Development Activities	10,793,698	$ 10,499,234	97.3%	9,277,318	$ 9,252,552	99.7%	13.5%	$ 1,246,682
City Attorney	5,313,800	$ 5,238,001	98.6%	5,255,122	$ 5,255,122	100.0%	-0.3%	$ (17,122)
Registrar	2,093,318	$ 2,011,223	96.1%	2,434,072	$ 2,190,152	90.0%	-8.2%	$ (178,929)
General Services	14,724,388	$ 14,160,995	96.2%	15,814,632	$ 15,100,154	95.5%	-6.2%	$ (939,159)
Total Staff Agencies	$ 91,194,393	$ 87,532,084	96.0%	$ 86,331,008	$ 82,511,290	95.6%	6.1%	$ 5,020,795
Operating Agencies								
Transportation & Environmental Services	$ 28,035,967	$ 27,310,252	97.4%	$ 28,502,007	$ 25,548,355	89.6%	6.9%	$ 1,761,896
Fire	73,733,667	$ 73,548,482	99.7%	68,197,386	$ 68,317,610	100.2%	7.7%	$ 5,230,872
Police	72,751,727	$ 71,270,508	98.0%	71,686,383	$ 70,734,426	98.7%	0.8%	$ 536,083
Community Policing Review	620,884	$ 339,502	54.7%	653,618	$ 421,800	64.5%	-19.5%	$ (82,298)
Emergency Communications	10,220,918	$ 9,361,291	91.6%	10,165,444	$ 9,965,442	98.0%	-6.1%	$ (604,151)
Transit Subsidies	14,690,613	$ 7,799,536	53.1%	16,954,438	$ 15,996,002	94.3%	-51.2%	$ (8,196,466)
Housing	2,193,226	$ 2,254,762	102.8%	2,317,225	$ 2,285,346	98.6%	-1.3%	$ (30,584)
Community and Human Services	17,215,636	$ 16,348,371	95.0%	18,452,890	$ 17,033,985	92.3%	-4.0%	$ (685,614)
Health	10,761,250	$ 10,123,799	94.1%	11,421,068	$ 10,895,636	95.4%	-7.1%	$ (771,837)
Historic Resources	5,203,871	$ 5,042,980	96.9%	5,149,625	$ 5,053,914	98.1%	-0.2%	$ (10,934)
Recreation	30,268,748	$ 30,412,582	100.5%	30,178,782	$ 28,451,667	94.3%	6.9%	$ 1,960,914
Total Operating Agencies	$ 265,696,507	$ 253,812,065	95.5%	$ 263,678,866	$ 254,704,183	96.6%	-0.4%	$ (892,119)
Education								
Schools	$ 282,384,561	$ 282,384,561	100.0%	$ 273,034,300	$ 273,034,300	100.0%	3.4%	$ 9,350,261
Other Educational Activities	15,449	$ 15,449	100.0%	15,570	$ 15,449	99.2%	0.0%	$ -
Total Education	$ 282,400,010	$ 282,400,010	100.0%	$ 273,049,870	$ 273,049,749	100.0%	3.4%	$ 9,350,261
Capital, Debt Service and Miscellaneous								
Debt Service - City	$ 57,989,074	$ 57,989,074	100.0%	$ 56,285,405	$ 43,061,257	76.5%	34.7%	$ 14,927,817
Debt Service - Schools	$ 48,104,891	$ 48,104,357	100.0%	$ 45,749,475	$ 45,749,475	100.0%	5.1%	$ 2,354,882
Expenses on Refunding Bonds	20,000	$ 2,080	10.4%	20,000	$ 8,659	43.3%	-76.0%	$ (6,579)
Non-Departmental	$ 10,490,001	$ 9,222,211	87.9%	$ 8,734,401	$ 10,072,444	115.3%	-8.4%	$ (850,233)
General Cash Capital	$ 48,670,924	$ 48,670,924	100.0%	$ 29,976,152	$ 29,976,152	100.0%	62.4%	$ 18,694,772
Contingent Reserves	160,000	$ -	0.0%	129,500	$ -	0.0%	0.0%	$ -
Total Capital, Debt Service and Miscellaneous	$ 165,434,890	$ 163,988,646	99.1%	$ 140,894,933	$ 128,867,987	91.5%	27.3%	$ 35,120,659
TOTAL EXPENDITURES	$ 868,095,078	$ 849,354,667	97.8%	$ 825,380,640	$ 798,537,129	96.7%	6.4%	$ 50,817,538
Transfers to Special Revenue /Capital Projects Fu	$ 71,881,402	$ 71,750,498	99.8%	$ 63,927,651	$ 61,386,263	96.0%	16.9%	$ 10,364,235
Transfer to Housing	9,789,776	$ 9,789,776	100.0%	9,919,184	$ 9,919,184	100.0%	-1.3%	$ (129,408)
Transfer to Library	9,312,456	$ 9,312,456	100.0%	9,173,121	$ 8,773,537	95.6%	6.1%	$ 538,919
Transfer to DASH	36,254,417	$ 36,254,417	100.0%	33,818,503	$ 33,818,497	100.0%	7.2%	$ 2,435,920
TOTAL EXPENDITURES & TRANSFERS	$ 995,333,129	$ 976,461,814	98.1%	$ 942,219,099	$ 912,434,609	96.8%	7.0%	$ 64,027,204
Total Expenditures by Category								
Salaries and Benefits	$ 286,745,989	$ 285,576,514	99.6%	$ 279,570,047	$ 276,880,475	99.0%	3.1%	$ 8,696,039
Non Personnel (includes all school funds)	708,587,140	$ 690,885,300	97.5%	662,649,052	$ 635,554,135	95.9%	8.7%	$ 55,331,165
Total Expenditures	$ 995,333,129	$ 976,461,814	98.1%	$ 942,219,099	$ 912,434,609	96.8%	7.0%	$ 64,027,204

Monthly	Growth Rate: YTD Receipts through June 2026 (with Accrual Estimates)				
	FY22	FY23	FY24	FY25	FY26
Sales Tax	14.08%	6.99%	1.92%	1.69%	1.85%
Meals Tax	31.63%	4.40%	4.83%	3.81%	4.39%
Transient Lodging	114.30%	17.18%	24.69%	-1.47%	1.42%
	28.70%	**7.38%**	**6.34%**	**1.92%**	**2.72%**