



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** MARCH 1, 2022

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** JAMES F. PARAJON, CITY MANAGER \s\

**DOCKET TITLE:**

Consideration of the Monthly Financial Report for the Period Ending January 31, 2022.

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**ISSUE:** Receipt of the Monthly Financial Report for the Period Ending January 31, 2022.

**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 January 31, 2022, General Fund revenues totaled \$411.9 million, a decrease of \$21.3 million or 4.9 percent compared to the same period in FY 2021. In November 2021, the City refunded existing debt to generate a savings of debt service of approximately \$0.6 million, including \$0.2 million in FY 2022. A similar refunding occurred in FY 2021 of \$49.6 million of outstanding debt. For comparison purposes, without the refinanced bond proceeds, total revenue in FY 2022 is \$400.2 million, which is \$16.8 million more than FY 2021, or a 4.4 percent increase.

The first significant tax revenue in FY 2022 was due on October 5, when personal property taxes for vehicle and business personal property were due. In FY 2021, through January 2021, the City had received \$47.8 million of personal property tax revenue. For the same period in FY 2022, the City has received \$54.3 million. The second half of calendar year real estate taxes were due on November 15. Through January 2022, the City has received \$234.8 million of real estate tax revenue compared to \$234.6 million in FY 2021 (January 2021).

Revenues often do 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 six months of the fiscal year, several categories, including Restaurant Meals and Sales Tax Revenue, are reflecting positive conditions. Transient Occupancy Tax collections underperformed expectations in FY 2021 but are also showing positive

trends in FY 2022.

In addition to the revenues and expenditures 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. A portion of the sales tax increase can be attributed to online purchases where the purchase originates in a warehouse (Amazon or Wayfair, for example), and sales tax is designated for the jurisdiction where the home delivery of the online purchase occurred. An in-store purchase may originate online but the assembly or distribution occurs from a "bricks and mortar" place. For in store purchases, the sales tax is attributed to the jurisdiction where the store is located. Regardless of the origination, the City benefits from sales that occur either from the home of residents or from City businesses.

With six 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 35.6 percent or nearly \$3.6 million above where they were in the first seven months of FY 2021. Transient Lodging is showing signs of improvement. Through the first seven months of FY 2022 (six months of collections), revenues exceed the same period in FY 2021 by \$2.2 million or 110 percent. During the pandemic in FY 2021, Transient Lodging tax revenue was down from the prior (pre-pandemic) year by approximately 70 percent. Revenues collected through calendar year 2021 were slightly more than half the amount collected in calendar year 2019. Weekend stays from leisure travel are largely driving the revenue growth, as business travel during the week remains subdued. With the surge in cases from the Omicron variant, revenue from Transient Lodging taxes was lower in December than in prior months.

As of January 31, 2022, FY 2022 General Fund expenditures totaled \$422.2 million, an increase of \$11.3 million or 2.6 percent over the same period for FY 2021. Similar to the situation related to revenue, the transfer to the escrow agent of the refunded bond proceeds skews the comparison to the prior year. For comparison purposes, without the \$11.7 million impact from the bond refunding, total expenditures are \$389.2 million, a \$30.1 million increase compared to FY 2021, or 8.4 percent. No significant expenditure has occurred in the first seven 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, 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 that were provided to employees in November and \$2.1 million for the 1 percent bonus in August.

**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

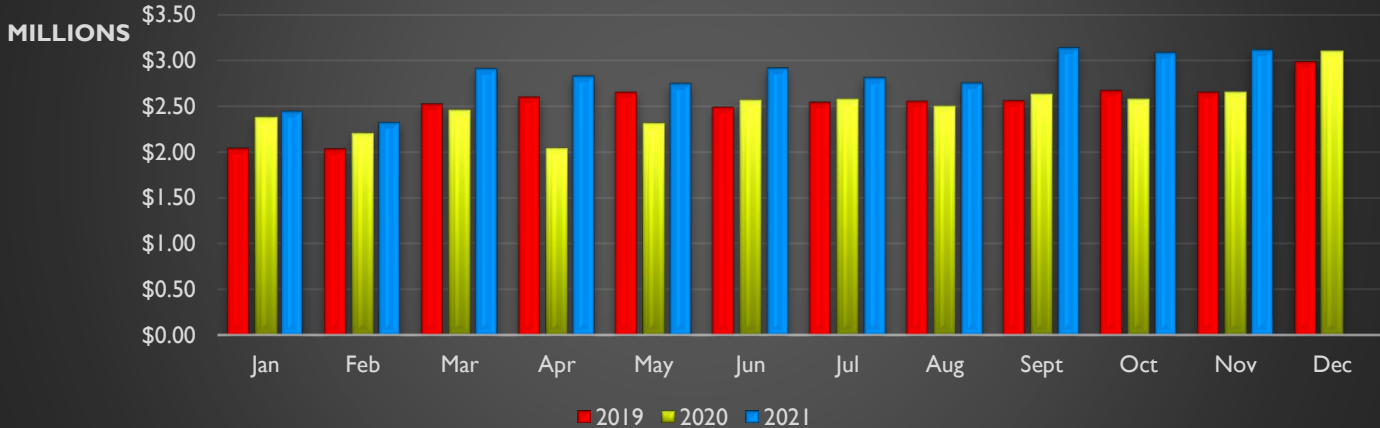
**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF REVENUES**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING JANUARY 31, 2022 AND JANUARY 31, 2021**

	<b>B</b>	<b>B.1</b>	<b>C</b>	<b>D=C/B</b>	<b>E</b>	<b>F</b>	<b>G=F/E</b>
	<b>FY 2022</b>	<b>FY 2022</b>	<b>FY2022</b>	<b>%</b>	<b>FY 2021</b>	<b>FY2021</b>	<b>%</b>
	<b>APPROVED</b>	<b>PROJECTED</b>	<b>REVENUES</b>	<b>%</b>	<b>APPROVED</b>	<b>REVENUES</b>	<b>%</b>
	<b>BUDGET</b>	<b>REVENUES</b>	<b>THRU 1/31/2022</b>	<b>OF BUDGET</b>	<b>BUDGET</b>	<b>THRU 1/31/2021</b>	<b>OF TOTAL</b>
<b>General Property Taxes</b>							
Real Property Taxes.....	\$ 483,311,548	493,535,498	\$ 234,801,351	48.6%	\$ 477,554,000	\$ 234,618,948	49.1%
Personal Property Taxes.....	55,126,000	59,376,000	54,291,892	98.5%	55,213,000	47,782,394	86.5%
Penalties and Interest.....	2,600,000	3,092,000	1,946,958	74.9%	2,808,000	1,000,330	35.6%
Total General Property Taxes	<u>\$ 541,037,548</u>	<u>\$ 556,003,498</u>	<u>\$ 291,040,201</u>	<u>53.8%</u>	<u>\$ 535,575,000</u>	<u>\$ 283,401,672</u>	<u>52.9%</u>
<b>Other Local Taxes</b>							
Local Sales and Use Taxes.....	\$ 31,720,000	35,000,000	\$ 14,924,272	47.1%	\$ 26,194,000	\$ 12,961,561	49.5%
Consumer Utility Taxes.....	11,760,000	11,760,000	5,531,252	47.0%	12,700,000	5,169,650	40.7%
Communication Sales and Use Taxes.....	7,600,000	7,600,000	3,870,557	50.9%	8,275,000	4,138,887	50.0%
Business License Taxes.....	34,135,900	37,364,300	3,042,438	8.9%	22,000,000	2,571,633	11.7%
Transient Lodging Taxes.....	6,500,000	10,000,000	4,187,316	64.4%	10,833,000	1,994,650	18.4%
Restaurant Meals Tax.....	19,980,000	24,000,000	13,839,847	69.3%	20,500,000	10,206,328	49.8%
Tobacco Taxes.....	1,957,000	1,957,000	945,871	48.3%	2,600,000	1,104,226	42.5%
Real Estate Recordation.....	8,645,000	8,645,000	4,990,391	57.7%	5,900,000	5,245,103	88.9%
Admissions Tax.....	124,000	231,000	138,774	111.9%	500,000	32,021	6.4%
Other Local Taxes.....	4,595,000	4,595,000	736,349	16.0%	5,109,090	523,595	10.2%
Total Other Local Taxes	<u>\$ 127,016,900</u>	<u>\$ 141,152,300</u>	<u>\$ 52,207,067</u>	<u>41.1%</u>	<u>\$ 114,611,090</u>	<u>\$ 43,947,656</u>	<u>38.3%</u>
<b>Intergovernmental Revenues</b>							
Revenue from the Fed. Government.....	\$ 7,932,000	7,944,000	\$ 3,359,362	42.4%	\$ 11,109,303	\$ 4,322,197	38.9%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	22,399,604	95.0%	23,578,531	22,399,604	95.0%
Revenue from the Commonwealth.....	25,617,409	24,966,000	12,261,613	47.9%	23,547,855	11,983,879	50.9%
Total Intergovernmental Revenues	<u>\$ 57,127,940</u>	<u>\$ 56,488,531</u>	<u>\$ 38,020,579</u>	<u>66.6%</u>	<u>\$ 58,235,689</u>	<u>\$ 38,705,680</u>	<u>66.5%</u>
<b>Other Governmental Revenues And Transfers In</b>							
Fines and Forfeitures.....	\$ 3,762,200	3,465,200	\$ 1,560,600	41.5%	\$ 3,502,615	\$ 1,781,420	50.9%
Licenses and Permits.....	2,136,550	1,938,850	1,262,847	59.1%	2,339,631	3,385,438	144.7%
Charges for City Services.....	13,724,495	13,433,320	7,835,451	57.1%	14,308,344	4,753,402	33.2%
Revenue from Use of Money & Prop.....	4,139,167	3,405,000	2,025,258	48.9%	5,498,250	2,236,992	40.7%
Other Revenue.....	2,115,013	2,151,500	1,136,114	53.7%	2,019,966	756,974	37.5%
Transfer from Other Funds.....	10,142,543	10,243,676	5,071,272	50.0%	9,246,427	4,416,124	47.8%
Total Other Governmental Revenues	<u>\$ 36,019,968</u>	<u>\$ 34,637,546</u>	<u>\$ 18,891,542</u>	<u>52.4%</u>	<u>\$ 36,915,233</u>	<u>\$ 17,330,350</u>	<u>46.9%</u>
<b>TOTAL REVENUE</b>	<u>\$ 761,202,356</u>	<u>\$ 788,281,875</u>	<u>\$ 400,159,389</u>	<u>52.6%</u>	<u>\$ 745,337,012</u>	<u>\$ 383,385,358</u>	<u>51.4%</u>
Refunding bond proceeds.....	\$ 11,782,546	\$ 11,782,546	\$ 11,782,546			\$ 49,887,196	
<b>Appropriated Fund Balance</b>							
Operating Budget .....	\$ 10,000,000	\$ 2,443,389	\$ -	\$ -	\$ 10,934,086	\$ -	-
Cash Capital.....							
Encumbrances And Other.....	6,162,701		-	-	-	-	-
Supplemental Appropriations.....	13,360,207		-	-	4,435,709	-	-
<b>TOTAL</b>	<u>\$ 802,507,810</u>	<u>\$ 802,507,810</u>	<u>\$ 411,941,935</u>	<u>51.3%</u>	<u>\$ 760,706,807</u>	<u>\$ 433,272,554</u>	<u>57.0%</u>

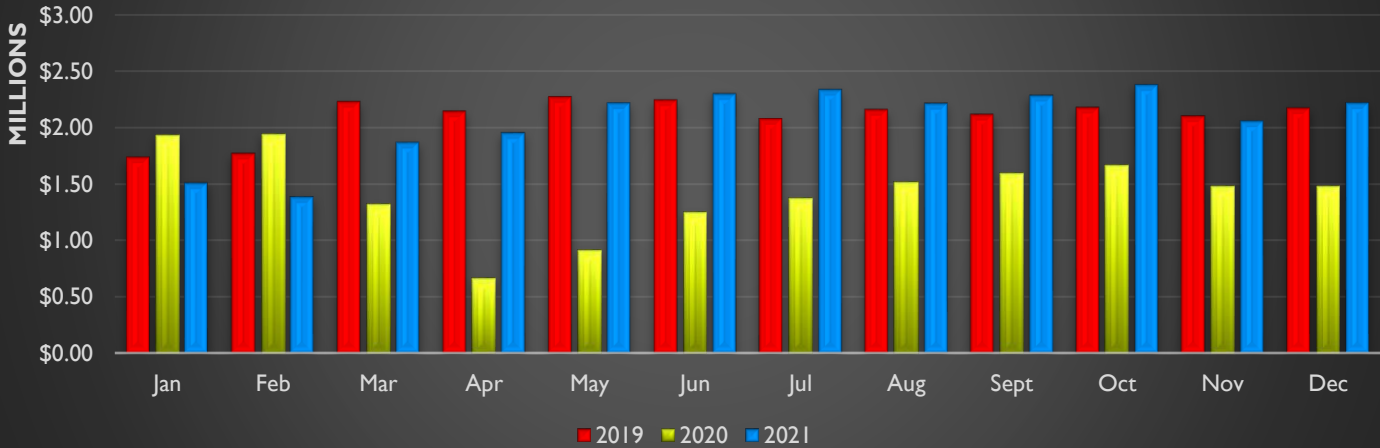
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION  
GENERAL FUND  
FOR THE PERIODS ENDING JANUARY 31, 2022 AND JANUARY 31, 2021

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY 2022 APPROVED BUDGET	FY2022 EXPENDITURES THRU 1/31/2022	% OF BUDGET EXPENDED	FY 2021 APPROVED BUDGET	FY2021 EXPENDITURES THRU 1/31/2021	% OF BUDGET EXPENDED
Legislative & Executive.....	\$ 4,778,319	\$ 2,768,657	57.9%	\$ 3,577,578	\$ 1,901,878	53.2%
Judicial Administration.....	\$ 45,029,421	\$ 25,537,193	56.7%	\$ 45,700,822	\$ 24,884,179	54.5%
<b>Staff Agencies</b>						
Communications.....	\$ 1,651,966	\$ 750,614	45.4%	\$ 1,567,258	\$ 730,864	46.6%
Human Rights.....	1,008,210	564,141	56.0%	939,907	526,621	56.0%
Information Technology Services.....	14,124,346	7,903,851	56.0%	13,118,675	7,426,362	56.6%
Management & Budget.....	1,476,120	662,341	44.9%	1,274,629	662,366	52.0%
Finance.....	13,217,108	6,542,711	49.5%	12,853,748	6,407,871	49.9%
Performance Analytics.....	690,787	326,836	47.3%	509,772	307,103	60.2%
Internal Audit.....	461,431	220,890	47.9%	412,464	195,531	47.4%
Human Resources.....	5,051,787	2,250,127	44.5%	4,158,277	2,165,316	52.1%
Planning & Zoning.....	6,771,770	3,398,651	50.2%	5,937,014	3,168,183	53.4%
Economic Development Activities.....	7,036,340	5,038,325	71.6%	7,123,390	5,177,444	72.7%
City Attorney.....	3,847,491	2,012,612	52.3%	3,751,516	1,785,000	47.6%
Registrar.....	1,428,386	801,007	56.1%	1,468,869	854,982	58.2%
Organizational Excellence	193,448	78,637	40.7%	169,548	120,121	70.8%
General Services.....	11,602,845	6,283,831	54.2%	11,531,122	5,268,468	45.7%
Total Staff Agencies	\$ 68,562,034	\$ 36,834,574	53.7%	\$ 64,816,189	\$ 34,796,231	53.7%
<b>Operating Agencies</b>						
Transportation & Environmental Services.....	\$ 25,215,198	\$ 12,102,563	48.0%	\$ 24,052,588	\$ 11,444,372	47.6%
Project Implementation.....	-	6,289	0.0%	-	25	0.0%
Fire.....	53,157,528	30,000,526	56.4%	52,442,480	28,425,651	54.2%
Police.....	61,943,107	34,342,383	55.4%	62,515,668	33,159,907	53.0%
Community Policing Review.....	500,000	-	0.0%	-	-	-
Emergency Communications.....	9,227,404	4,791,353	51.9%	8,743,235	4,608,314	52.7%
Code.....	-	-	0.0%	24,000	2,694	11.2%
Transit Subsidies.....	19,280,052	13,837,942	71.8%	18,138,079	647,040	3.6%
Housing.....	1,829,441	1,090,578	59.6%	1,807,163	1,109,590	61.4%
Community and Human Services.....	15,956,122	8,870,828	55.6%	13,850,323	7,221,175	52.1%
Health.....	8,946,872	5,945,413	66.5%	9,130,362	6,043,133	66.2%
Historic Resources.....	3,935,134	1,917,454	48.7%	3,566,620	1,944,903	54.5%
Recreation.....	25,308,382	13,107,147	51.8%	23,240,943	11,319,464	48.7%
Total Operating Agencies	\$ 225,299,240	\$ 126,012,476	55.9%	\$ 217,511,461	\$ 105,926,269	48.7%
<b>Education</b>						
Schools.....	\$ 239,437,296	\$ 119,718,648	50.0%	\$ 234,037,296	\$ 117,018,648	50.0%
Other Educational Activities.....	15,785	11,839	75.0%	16,009	12,007	75.0%
Total Education	\$ 239,453,081	\$ 119,730,487	50.0%	\$ 234,053,305	\$ 117,030,655	50.0%
<b>Capital, Debt Service and Miscellaneous</b>						
Debt Service - City.....	\$ 36,851,668	\$ 29,901,447	81.1%	\$ 37,288,071	\$ 30,898,191	82.9%
Debt Service - Schools.....	\$ 28,633,966	23,233,603	81.1%	28,578,698	\$ 23,681,303	82.9%
Expenses on Refunding Bonds.....	11,782,546	11,710,136	99.4%	-	49,618,630	0.0%
Non-Departmental.....	\$ 17,542,970	8,218,033	46.8%	9,692,339	7,175,403	74.0%
General Cash Capital.....	\$ 34,804,271	16,969,152	48.8%	27,338,144	12,795,520	46.8%
Contingent Reserves.....	1,104,170	-	0.0%	4,268,703	-	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 130,719,591	\$ 90,032,371	68.9%	\$ 107,165,955	\$ 124,169,047	115.9%
<b>TOTAL EXPENDITURES</b>	\$ 713,841,686	\$ 400,915,758	56.2%	\$ 672,825,310	\$ 408,708,258	60.7%
<b>Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)...</b>						
Transfer to Housing.....	\$ 55,838,330	\$ 7,152,999	12.8%	\$ 55,736,960	\$ 7,406,547	13.3%
Transfer to Library.....	4,588,522	2,294,261	50.0%	4,717,217	2,358,609	50.0%
Transfer to DASH.....	7,680,826	372,430	4.8%	7,176,355	143,402	2.0%
Transfer to DASH.....	20,558,446	11,418,283	55.5%	20,251,474	14,814,658	73.2%
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	\$ 802,507,810	\$ 422,153,731	52.6%	\$ 760,707,316	\$ 433,431,474	57.0%
<b>Total Expenditures by Category</b>						
Salaries and Benefits.....	\$ 240,751,310	\$ 130,318,362	54.1%	\$ 227,890,883	\$ 125,004,530	54.9%
Non Personnel (includes all school funds) .....	561,756,501	291,835,369	52.0%	532,816,433	308,426,944	57.9%
<b>Total Expenditures</b>	\$ 802,507,810	\$ 422,153,731	52.6%	\$ 760,707,316	\$ 433,431,474	57.0%

### Sales Tax Monthly Comparison 2019-2020-2021



### Meals Tax Monthly Comparison 2019-2020-2021



### Transient Lodging Tax Monthly Comparison 2019-2020-2021

