



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 29, 2022

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: KENDEL TAYLOR, DIRECTOR OF FINANCE

DOCKET TITLE:

Consideration of the Monthly Financial Report for the Period Ending February 28, 2022.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending February 28, 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.

General Fund Revenues

As of February 28, 2022, General Fund revenues totaled \$450.5 million, a decrease of \$14.9 million or 3.2 percent compared to the same period in FY 2021. In November 2021, the City refunded \$11.8 million of 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 \$438.7 million, which is \$23.2 million more than FY 2021, or a 5.6 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 February 2021, the City had received \$49.4 million of personal property tax revenue. For the same period in FY 2022, the City has received \$54.8 million. The second half of calendar year real estate taxes were due on November 15. Through February 2022, the City has received \$236.5 million of real estate tax revenue compared to \$235.5 million in FY 2021 (February 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 seven months of the fiscal year several categories, including Restaurant Meals, and Sales Tax Revenue are reflecting positive condition. Transient Occupancy Tax collections underperformed in FY 2021 but are also showing positive indications in FY 2022.

In addition to the revenues and expenditure 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. Through December 2021, Sales Tax revenue exceeded the prior year by \$2.4 million, or 14.7 percent. A portion of the sales tax increase can be attributed to on-line purchases where the purchase originates in a warehouse (Amazon, Wayfair, etc.) 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 seven 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 30.7 percent or nearly \$3.6 million above where they were in the first eight months of FY 2021. Transient Lodging is showing signs of improvement. Through the first eight months of FY 2022 (seven months of collections), revenues exceed the same period in FY 2021 by \$2.0 million or 82.1 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 is 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 January than in prior months.

General Fund Expenditures

As of February 28, 2022, FY 2022 General Fund expenditures totaled \$445.5 million, a decrease of \$11.7 million or 2.6 percent compared to the same time 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 \$412.5 million, a \$26.2 million increase compared to FY 2021, or 6.4 percent. No significant expenditure has occurred in the first eight 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 General Fund 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 2021 and \$2.1 million for the 1 percent bonus in August 2021.

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 B. Triggs, Deputy City Manager
Kendel Taylor, Director, Finance Department
Morgan Routt, Director, Office and Management and Budget

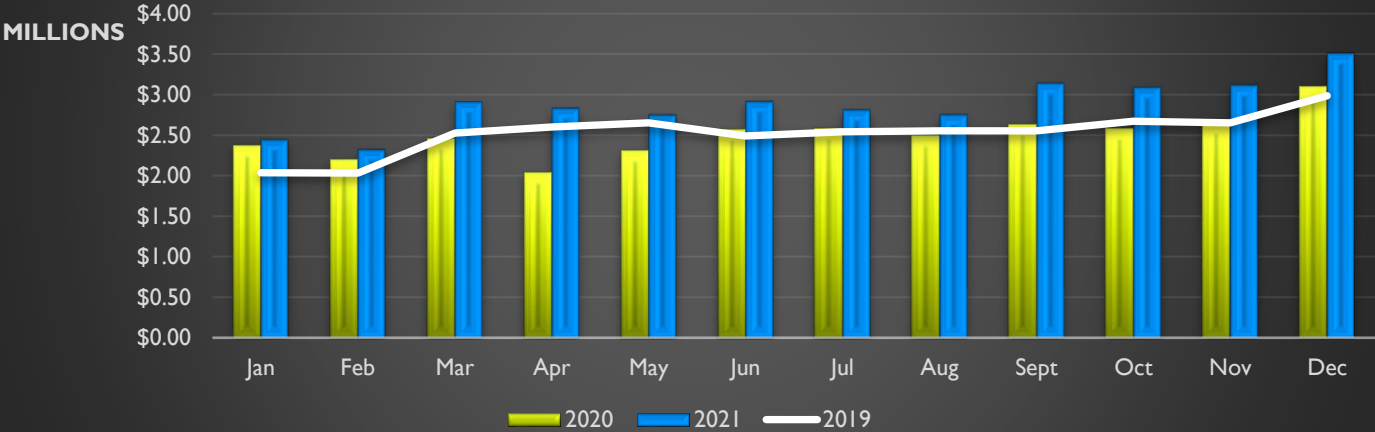
CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING FEBRUARY 28, 2022 AND FEBRUARY 28, 2021

	B	B.1	C	D=C/B	E	F	G=F/E
	FY 2022	FY 2022	FY2022	%	FY 2021	FY2021	%
	APPROVED	PROJECTED	REVENUES	OF BUDGET	APPROVED	REVENUES	OF TOTAL
	BUDGET	REVENUES	THRU 2/28/2022		BUDGET	THRU 2/28/2021	
General Property Taxes							
Real Property Taxes.....	\$ 483,311,548	493,535,498	\$ 236,509,000	48.9%	\$ 477,554,000	\$ 235,457,812	49.3%
Personal Property Taxes.....	55,126,000	59,376,000	54,783,170	99.4%	55,213,000	49,384,849	89.4%
Penalties and Interest.....	2,600,000	3,092,000	2,218,998	85.3%	2,808,000	1,206,102	43.0%
Total General Property Taxes	<u>\$ 541,037,548</u>	<u>\$ 556,003,498</u>	<u>\$ 293,511,168</u>	<u>54.2%</u>	<u>\$ 535,575,000</u>	<u>\$ 286,048,763</u>	<u>53.4%</u>
Other Local Taxes							
Local Sales and Use Taxes.....	\$ 31,720,000	35,000,000	\$ 18,433,437	58.1%	\$ 26,194,000	\$ 16,066,365	61.3%
Consumer Utility Taxes.....	11,760,000	11,760,000	6,566,088	55.8%	12,700,000	6,386,847	50.3%
Communication Sales and Use Taxes.....	7,600,000	7,600,000	4,507,297	59.3%	8,275,000	5,479,515	66.2%
Business License Taxes.....	34,135,900	37,364,300	26,205,763	76.8%	22,000,000	20,760,460	94.4%
Transient Lodging Taxes.....	6,500,000	10,000,000	4,448,498	68.4%	10,833,000	2,443,239	22.6%
Restaurant Meals Tax.....	19,980,000	24,000,000	15,404,468	77.1%	20,500,000	11,790,173	57.5%
Tobacco Taxes.....	1,957,000	1,957,000	1,269,733	64.9%	2,600,000	1,255,457	48.3%
Real Estate Recordation.....	8,645,000	8,645,000	5,422,810	62.7%	5,900,000	5,831,780	98.8%
Admissions Tax.....	124,000	231,000	152,840	123.3%	500,000	46,588	9.3%
Other Local Taxes.....	4,595,000	4,595,000	738,246	16.1%	5,109,090	(86,630)	-1.7%
Total Other Local Taxes	<u>\$ 127,016,900</u>	<u>\$ 141,152,300</u>	<u>\$ 83,149,180</u>	<u>65.5%</u>	<u>\$ 114,611,090</u>	<u>\$ 69,973,794</u>	<u>61.1%</u>
Intergovernmental Revenues							
Revenue from the Fed. Government.....	\$ 7,932,000	7,944,000	\$ 3,964,386	50.0%	\$ 11,109,303	\$ 4,959,539	44.6%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	23,106,960	98.0%	23,578,531	23,106,960	98.0%
Revenue from the Commonwealth.....	25,617,409	24,966,000	13,630,220	53.2%	23,547,855	12,679,956	53.8%
Total Intergovernmental Revenues	<u>\$ 57,127,940</u>	<u>\$ 56,488,531</u>	<u>\$ 40,701,566</u>	<u>71.2%</u>	<u>\$ 58,235,689</u>	<u>\$ 40,746,455</u>	<u>70.0%</u>
Other Governmental Revenues And Transfers In							
Fines and Forfeitures.....	\$ 3,762,200	3,465,200	\$ 1,729,940	46.0%	\$ 3,502,615	\$ 1,968,342	56.2%
Licenses and Permits.....	2,136,550	1,938,850	1,570,840	73.5%	2,339,631	3,536,982	151.2%
Charges for City Services.....	13,724,495	13,433,320	9,365,843	68.2%	14,308,344	5,417,734	37.9%
Revenue from Use of Money & Prop.....	4,139,167	3,405,000	2,319,736	56.0%	5,498,250	2,389,590	43.5%
Other Revenue.....	2,115,013	2,151,500	1,299,264	61.4%	2,019,966	1,025,943	50.8%
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>\$ 21,356,895</u>	<u>59.3%</u>	<u>\$ 36,915,233</u>	<u>\$ 18,754,715</u>	<u>50.8%</u>
TOTAL REVENUE	<u>\$ 761,202,356</u>	<u>\$ 788,281,875</u>	<u>\$ 438,718,809</u>	<u>57.6%</u>	<u>\$ 745,337,012</u>	<u>\$ 415,523,727</u>	<u>55.7%</u>
Refunding bond proceeds.....	\$ 11,782,546	\$ 11,782,546	\$ 11,782,546			\$ 49,887,196	
Appropriated Fund Balance							
Operating Budget	\$ 10,000,000		\$ -	\$ -	\$ 10,934,086	\$ -	-
Cash Capital.....							
Encumbrances And Other.....	5,590,127		-	-	-	-	-
Supplemental Appropriations.....	13,360,207	1,870,815	-	-	4,435,709	-	-
TOTAL	<u>\$ 801,935,236</u>	<u>\$ 801,935,236</u>	<u>\$ 450,501,355</u>	<u>56.2%</u>	<u>\$ 760,706,807</u>	<u>\$ 465,410,923</u>	<u>61.2%</u>

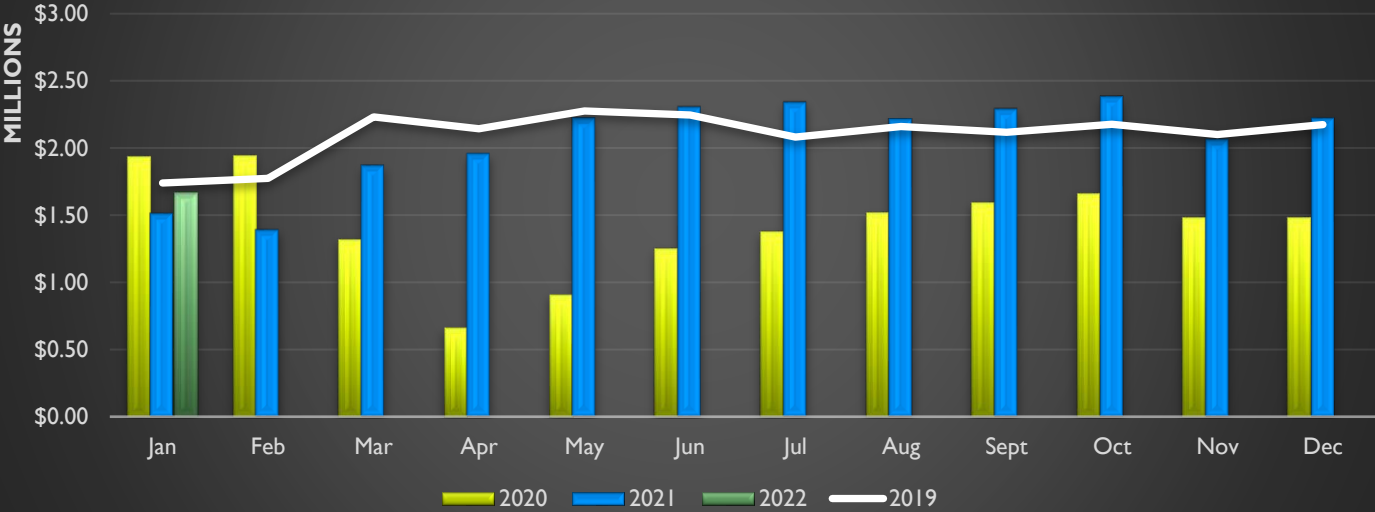
**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING FEBRUARY 28, 2022 AND FEBRUARY 28, 2021**

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY 2022	FY2022	%	FY 2021	FY2021	%
	APPROVED BUDGET	EXPENDITURES THRU 2/28/2022	OF BUDGET EXPENDED	APPROVED BUDGET	EXPENDITURES THRU 2/28/2021	OF BUDGET EXPENDED
Legislative & Executive.....	\$ 4,778,319	\$ 3,080,769	64.5%	\$ 3,577,587	\$ 2,166,166	60.5%
Judicial Administration.....	\$ 45,029,421	\$ 28,473,791	63.2%	\$ 45,687,423	\$ 28,102,375	61.5%
Staff Agencies						
Communications.....	\$ 1,651,966	\$ 837,470	50.7%	\$ 1,567,258	\$ 814,673	52.0%
Human Rights.....	1,008,210	646,610	64.1%	939,907	589,042	62.7%
Information Technology Services.....	14,121,129	8,761,645	62.0%	13,118,675	8,216,043	62.6%
Management & Budget.....	1,476,120	760,279	51.5%	1,274,629	741,124	58.1%
Finance.....	13,217,108	7,410,163	56.1%	12,853,748	7,438,160	57.9%
Performance Analytics.....	690,787	362,356	52.5%	509,772	339,648	66.6%
Internal Audit.....	461,431	251,029	54.4%	412,464	229,586	55.7%
Human Resources.....	5,051,787	2,527,459	50.0%	4,158,277	2,661,678	64.0%
Planning & Zoning.....	6,764,770	3,840,232	56.8%	5,937,014	3,602,854	60.7%
Economic Development Activities.....	7,036,340	5,049,973	71.8%	7,123,390	5,182,640	72.8%
City Attorney.....	3,847,491	2,436,361	63.3%	3,751,516	2,010,629	53.6%
Registrar.....	1,428,386	870,565	60.9%	1,468,351	899,514	61.3%
Organizational Excellence	193,448	89,772	46.4%	169,548	132,173	78.0%
General Services.....	11,602,845	7,090,951	61.1%	11,531,122	5,896,298	51.1%
Total Staff Agencies	\$ 68,551,818	\$ 40,934,865	59.7%	\$ 64,815,671	\$ 38,754,062	59.8%
Operating Agencies						
Transportation & Environmental Services.....	\$ 24,775,471	\$ 13,698,037	55.3%	\$ 24,052,240	\$ 13,209,535	54.9%
Project Implementation.....	-	-	0.0%	-	25	0.0%
Fire.....	53,157,528	33,950,958	63.9%	52,442,480	32,238,844	61.5%
Police.....	61,943,107	38,525,675	62.2%	62,515,668	38,192,894	61.1%
Community Policing Review.....	500,000	8,000	0.0%	-	-	-
Emergency Communications.....	9,145,532	5,377,695	58.8%	8,743,235	5,233,436	59.9%
Code.....	-	-	0.0%	24,000	3,143	13.1%
Transit Subsidies.....	19,280,052	13,952,086	72.4%	18,138,079	712,216	3.9%
Housing.....	1,829,441	1,232,210	67.4%	1,807,163	1,246,664	69.0%
Community and Human Services.....	15,908,362	10,307,396	64.8%	14,850,323	9,295,041	62.6%
Health.....	8,946,872	6,075,794	67.9%	9,130,362	6,250,392	68.5%
Historic Resources.....	3,942,134	2,185,355	55.4%	3,566,620	2,200,267	61.7%
Recreation.....	25,308,382	14,568,904	57.6%	23,236,276	12,781,351	55.0%
Total Operating Agencies	\$ 224,736,881	\$ 139,882,110	62.2%	\$ 218,506,446	\$ 121,363,808	55.5%
Education						
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%
Capital, Debt Service and Miscellaneous						
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	10,266,349	58.5%	9,692,339	7,938,615	81.9%
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	\$ 92,080,687	70.4%	\$ 107,165,955	\$ 124,932,259	116.6%
TOTAL EXPENDITURES	\$ 713,269,111	\$ 424,182,709	59.5%	\$ 673,806,387	\$ 432,349,325	64.2%
Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)...						
Transfer to Housing.....	\$ 55,838,331	\$ 7,153,000	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	373,921	4.9%	7,176,355	144,782	2.0%
Transfer to DASH.....	20,558,446	11,493,256	55.9%	20,251,474	14,901,090	73.6%
TOTAL EXPENDITURES & TRANSFERS	\$ 801,935,236	\$ 445,497,147	55.6%	\$ 761,688,393	\$ 457,160,353	60.0%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 240,751,310	\$ 148,173,617	61.5%	\$ 227,712,075	\$ 142,271,161	62.5%
Non Personnel (includes all school funds)	561,183,926	\$ 297,323,530	53.0%	533,976,318	\$ 314,889,192	59.0%
Total Expenditures	\$ 801,935,236	\$ 445,497,147	55.6%	\$ 761,688,393	\$ 457,160,353	60.0%

Sales Tax Monthly Comparison 2019-2020-2021



Meals Tax Monthly Comparison 2019-2020-2021-2022



Transient Lodging Tax Monthly Comparison 2019-2020-2021-2022

