



Legislation Text

File #: 22-0174, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: DECEMBER 7, 2021

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

Consideration of the Monthly Financial Report for the Period Ending October 31, 2021.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending October 31, 2021.

RECOMMENDATION: That City Council receive 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 October 31, 2021, General Fund revenues totaled \$158.3 million, an increase of \$23.9 million or 17.8 percent compared to the same period in FY 2021. It is important to note that revenues collected in July and some of the revenue collected in August are for taxes owed in June and are therefore accrued to the prior fiscal year. Timing issues are also much more pronounced in the early months of the fiscal year. For example, several Consumer Utility payments were received in August outside of the accrual period and are reflected in FY 2022. In FY 2021, the payments were received on time and reflected in the appropriate fiscal year. The first significant tax revenue in FY 2022 is traditionally due on October 5, when personal property taxes for vehicle and business personal property were due. In FY 2021, through October 2020, the City had received \$38.5 million of personal property tax revenue. For the same period in FY 2022, the City has received \$48.9 million. It is important to note that in FY 2021, the personal property tax due date was moved to December to provide taxpayers with a brief extension in light of the pandemic. However, through 33 percent of the fiscal year, the City has collected 88.7 percent of budgeted personal property revenue. This compares to pre-pandemic collection rates of 84.1 percent in FY 2020 and 85.9 percent in FY 2019.

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 four months of the fiscal year, no category has sufficient receipts to establish a clear pattern, however when the last three months of FY 2021 are taken into account, several categories, including Business License Tax, Restaurant Meals, and Sales Tax Revenue are reflecting positive conditions. Transient Occupancy Tax collections underperformed expectations in FY 2021 but are also showing positive indications 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. August 2021 Sales Tax revenue exceeds August 2020 revenues by 10 percent. A large portion of the sales tax increase can be attributed to on-line purchases where the sales tax is designated for the jurisdiction where the home

delivery of the online purchase occurred. For in store purchases, the sales tax is attributed to the jurisdiction where the store is located. This shift in the situs of the taxable sale benefitted Alexandria as City residents' out of jurisdiction in store shopping dropped significantly during the pandemic, while internet shopping with home delivery increased substantially.

With three 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 29.4 percent or nearly \$1.6 million above where they were in the first three months of FY 2021. In the past three months, going back to June 2021, which is part of FY 2021, Meals Tax Revenue exceeds revenues for the same pre-pandemic months in 2019. Transient Lodging is showing signs of improvement. Through the first four months of FY 2022 (three months of collections), revenues exceeded the same period in FY 2021 by \$1.4 million or 141.9 percent. During the pandemic in FY 2021, Transient Lodging tax revenue was down from the prior (pre-pandemic) year by approximately 70 percent. Although revenues are still below pre-pandemic levels, the gap has now narrowed to approximately 35 percent. Weekend stays from leisure travel are largely driving the revenue growth, as business travel during the week remains subdued.

As of October 31, 2021, FY 2022 General Fund expenditures totaled \$211.1 million, an increase of \$12.9 million or 6.5 percent over the same time period for FY 2021. Similar to the situation with revenues, it is a little early to make any definitive economic interpretation from the activity that has occurred in the first four months of the fiscal year. No significant expenditure has occurred in the first four 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 during the uncertainty of the longer term economic impact of the pandemic, 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.

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

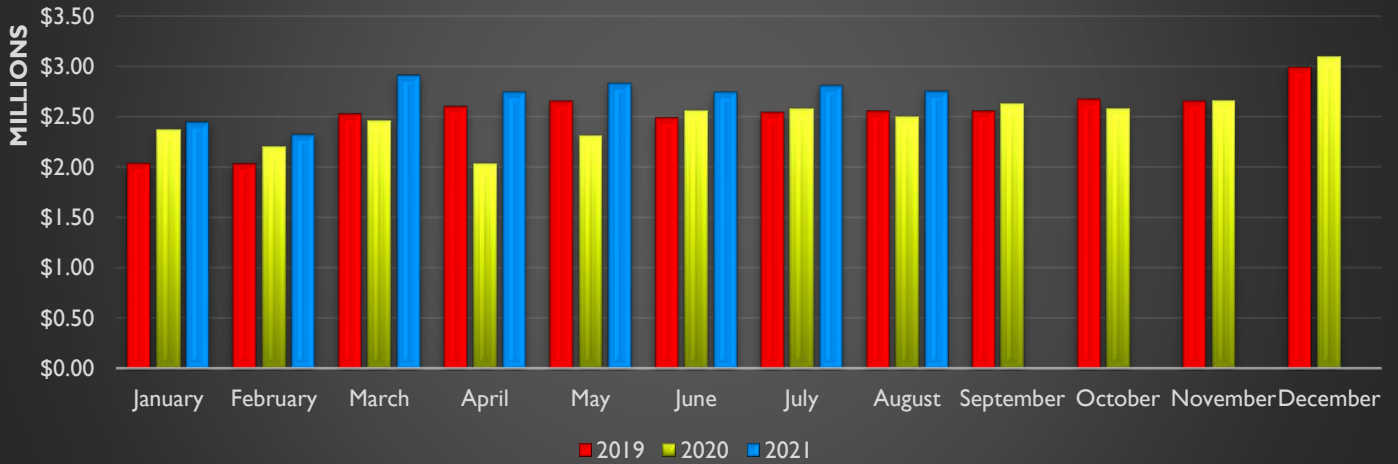
CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING OCTOBER 31, 2021 AND OCTOBER 31, 2020

	B	C	D=C/B	E	F	G=F/E
	FY 2022	FY2022		FY 2021	FY2021	
	APPROVED	REVENUES	%	APPROVED	REVENUES	%
	BUDGET	THRU 10/31/2021	OF BUDGET	BUDGET	THRU 10/31/2020	OF TOTAL
General Property Taxes						
Real Property Taxes.....	\$ 483,311,548	\$ 57,403,787	11.9%	\$ 477,554,000	\$ 47,509,014	9.9%
Personal Property Taxes.....	55,126,000	48,900,608	88.7%	55,213,000	38,548,829	69.8%
Penalties and Interest.....	2,600,000	702,102	27.0%	2,808,000	283,860	10.1%
Total General Property Taxes	<u>\$ 541,037,548</u>	<u>\$ 107,006,496</u>	<u>19.8%</u>	<u>\$ 535,575,000</u>	<u>\$ 86,341,703</u>	<u>16.1%</u>
Other Local Taxes						
Local Sales and Use Taxes.....	\$ 31,720,000	\$ 5,569,899	17.6%	\$ 26,194,000	\$ 5,081,357	19.4%
Consumer Utility Taxes.....	11,760,000	2,573,664	21.9%	12,700,000	3,155,658	24.8%
Communication Sales and Use Taxes.....	7,600,000	1,908,378	25.1%	8,275,000	2,143,058	25.9%
Business License Taxes.....	34,135,900	572,583	1.7%	22,000,000	1,335,820	6.1%
Transient Lodging Taxes.....	6,500,000	2,324,195	35.8%	10,833,000	960,938	8.9%
Restaurant Meals Tax.....	19,980,000	6,969,718	34.9%	20,500,000	5,387,141	26.3%
Tobacco Taxes.....	1,957,000	587,637	30.0%	2,600,000	573,403	22.1%
Real Estate Recordation.....	8,645,000	2,478,133	28.7%	5,900,000	2,777,169	47.1%
Admissions Tax.....	124,000	75,208	60.7%	500,000	10,905	2.2%
Other Local Taxes.....	4,595,000	469,674	10.2%	5,109,090	350,555	6.9%
Total Other Local Taxes	<u>\$ 127,016,900</u>	<u>\$ 23,529,090</u>	<u>18.5%</u>	<u>\$ 114,611,090</u>	<u>\$ 21,776,004</u>	<u>19.0%</u>
Intergovernmental Revenues						
Revenue from the Fed. Government.....	\$ 7,932,000	\$ 1,678,144	21.2%	\$ 11,109,303	\$ 1,699,104	15.3%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	23,578,531	11,789,265	50.0%
Revenue from the Commonwealth.....	25,124,000	6,139,705	24.4%	23,547,855	5,975,245	25.4%
Total Intergovernmental Revenues	<u>\$ 56,634,531</u>	<u>\$ 19,607,115</u>	<u>34.6%</u>	<u>\$ 58,235,689</u>	<u>\$ 19,463,614</u>	<u>33.4%</u>
Other Governmental Revenues And Transfers In						
Fines and Forfeitures.....	\$ 3,762,000	\$ 871,867	23.2%	\$ 3,502,615	\$ 1,082,930	30.9%
Licenses and Permits.....	2,136,550	915,769	42.9%	2,339,631	1,438,775	61.5%
Charges for City Services.....	13,724,495	4,785,108	34.9%	14,308,344	2,520,622	17.6%
Revenue from Use of Money & Prop.....	4,139,167	1,003,610	24.2%	5,498,250	1,367,185	24.9%
Other Revenue.....	2,115,013	615,561	29.1%	2,019,966	405,291	20.1%
Transfer from Other Funds.....	10,142,543	-	0.0%	9,246,427	-	0.0%
Total Other Governmental Revenues	<u>\$ 36,019,768</u>	<u>\$ 8,191,915</u>	<u>22.7%</u>	<u>\$ 36,915,233</u>	<u>\$ 6,814,803</u>	<u>18.5%</u>
TOTAL REVENUE	<u>\$ 760,708,747</u>	<u>\$ 158,334,615</u>	<u>20.8%</u>	<u>\$ 745,337,012</u>	<u>\$ 134,396,124</u>	<u>18.0%</u>
Appropriated refunding bond proceeds.....						
Appropriated Fund Balance						
Operating Budget	\$ 10,000,000	\$ -	\$ -	\$ 7,939,135	\$ -	-
Cash Capital.....						
Encumbrances And Other.....	6,523,399	-	-	-	-	-
Supplemental Appropriations.....	-	-	-	-	-	-
TOTAL	<u>\$ 777,232,146</u>	<u>\$ 158,334,615</u>	<u>20.4%</u>	<u>\$ 753,276,147</u>	<u>\$ 134,396,124</u>	<u>17.8%</u>

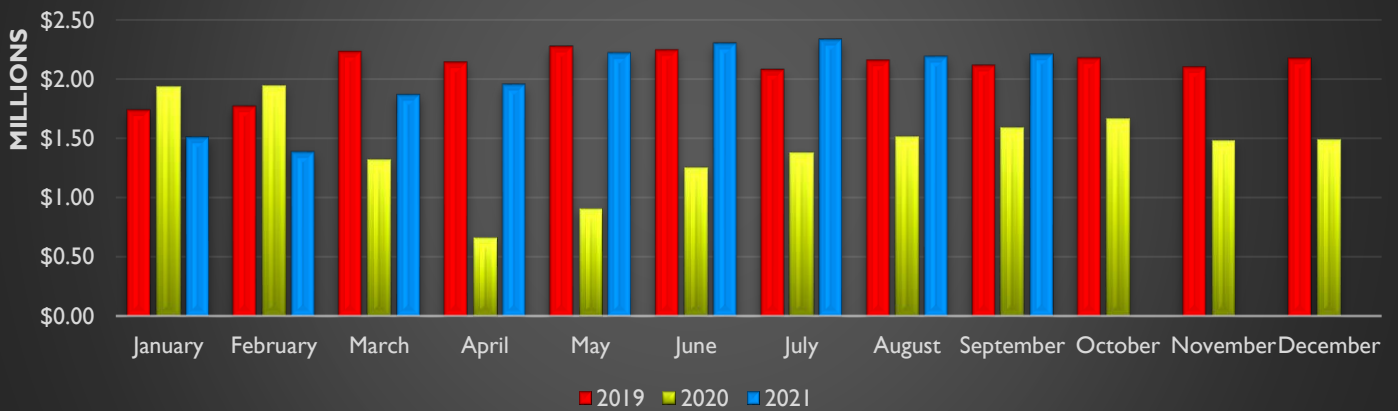
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
 GENERAL FUND
 FOR THE PERIODS ENDING OCTOBER 31, 2021 AND OCTOBER 31, 2020

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY 2022	FY2022	%	FY 2021	FY2021	%
	APPROVED BUDGET	EXPENDITURES THRU 10/31/2021	OF BUDGET EXPENDED	APPROVED BUDGET	EXPENDITURES THRU 10/31/2021	OF BUDGET EXPENDED
Legislative & Executive.....	\$ 4,160,239	\$ 1,355,072	32.6%	\$ 3,493,587	\$ 1,025,115	29.3%
Judicial Administration.....	\$ 44,356,771	\$ 13,540,954	30.5%	\$ 45,703,700	\$ 13,868,528	30.3%
Staff Agencies						
Communications.....	\$ 1,576,966	\$ 375,068	23.8%	\$ 1,547,258	\$ 445,798	28.8%
Human Rights.....	1,008,210	307,154	30.5%	940,907	281,066	29.9%
Information Technology Services.....	13,899,345	5,024,254	36.1%	13,125,675	4,905,391	37.4%
Management & Budget.....	1,476,120	318,490	21.6%	1,275,147	354,186	27.8%
Finance.....	13,329,380	3,387,685	25.4%	12,926,773	3,358,087	26.0%
Performance and Accountability.....	655,787	203,775	31.1%	509,772	197,197	38.7%
Internal Audit.....	421,431	102,253	24.3%	324,064	101,483	31.3%
Human Resources.....	4,701,787	1,268,109	27.0%	4,083,277	1,212,483	29.7%
Planning & Zoning.....	6,453,770	1,714,754	26.6%	5,890,760	1,700,762	28.9%
Economic Development Activities.....	7,011,340	3,317,588	47.3%	6,923,390	3,342,733	48.3%
City Attorney.....	3,597,491	963,153	26.8%	3,252,387	965,754	29.7%
Registrar.....	1,338,386	370,236	27.7%	1,468,869	588,534	40.1%
Organizational Excellence	177,448	38,510	21.7%	152,429	40,755	-
General Services.....	11,407,845	3,301,419	28.9%	11,520,622	2,924,633	25.4%
Total Staff Agencies	\$ 67,055,306	\$ 20,692,449	30.9%	\$ 63,941,330	\$ 20,418,862	31.9%
Operating Agencies						
Transportation & Environmental Services.....	\$ 25,052,995	\$ 6,400,553	25.5%	\$ 24,126,166	\$ 5,920,662	24.5%
Project Implementation.....	-	6,289	0.0%	-	25	0.0%
Fire.....	52,654,028	14,763,273	28.0%	52,553,345	14,155,840	26.9%
Police.....	61,040,881	17,298,570	28.3%	62,512,808	17,317,597	27.7%
Community Policing Review.....	288,866	-	-	-	-	-
Emergency Communications.....	9,273,249	2,770,088	29.9%	8,751,535	2,778,102	31.7%
Code.....	-	-	0.0%	24,000	1,347	5.6%
Transit Subsidies.....	19,280,052	9,191,160	47.7%	20,665,871	399,002	1.9%
Housing.....	1,829,441	558,767	30.5%	1,772,163	562,806	31.8%
Community and Human Services.....	15,647,822	4,838,704	30.9%	13,849,621	3,904,088	28.2%
Health.....	8,832,872	4,343,766	49.2%	9,936,351	3,923,806	39.5%
Historic Resources.....	3,735,907	996,194	26.7%	3,482,138	1,057,896	30.4%
Recreation.....	24,896,439	7,014,389	28.2%	23,129,289	6,252,011	27.0%
Total Operating Agencies	\$ 222,532,553	\$ 68,181,753	30.6%	\$ 220,803,287	\$ 56,273,182	25.5%
Education						
Schools.....	\$ 239,437,296	\$ 50,042,395	20.9%	\$ 234,037,296	\$ 48,966,322	20.9%
Other Educational Activities.....	15,785	7,893	50.0%	16,009	8,005	50.0%
Total Education	\$ 239,453,081	\$ 50,050,287	20.9%	\$ 234,053,305	\$ 48,974,327	20.9%
Capital, Debt Service and Miscellaneous						
Debt Service - City.....	\$ 36,851,668	\$ 22,242,138	60.4%	\$ 37,288,071	\$ 22,875,139	61.3%
Debt Service - Schools.....	\$ 28,633,966	17,475,965	61.0%	28,578,698	\$ 17,335,934	60.7%
Expenses on Refunding Bonds.....	-	-	0.0%	-	-	0.0%
Non-Departmental.....	\$ 10,726,814	6,038,948	56.3%	9,275,839	5,307,051	57.2%
General Cash Capital.....	\$ 34,424,271	-	0.0%	27,317,835	-	0.0%
Contingent Reserves.....	604,170	-	0.0%	3,768,703	-	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 111,240,889	\$ 45,757,052	41.1%	\$ 106,229,146	\$ 45,518,124	42.8%
TOTAL EXPENDITURES	\$ 688,798,839	\$ 199,577,566	29.0%	\$ 674,224,355	\$ 186,078,138	27.6%
Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)...						
Transfer to Housing.....	\$ 4,588,522	-	0.0%	4,717,217	-	0.0%
Transfer to Library.....	7,556,858	371,117	4.9%	7,176,355	110,887	1.5%
Transfer to DASH.....	20,348,446	11,193,364	55.0%	17,723,682	12,027,570	67.9%
TOTAL EXPENDITURES & TRANSFERS	\$ 777,232,146	\$ 211,142,046	27.2%	\$ 757,578,569	\$ 198,228,386	26.2%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 231,745,762	\$ 63,579,043	27.4%	\$ 228,784,844	\$ 64,662,770	28.3%
Non Personnel (includes all school funds)	545,486,384	147,563,003	27.1%	528,793,725	133,565,616	25.3%
Total Expenditures	\$ 777,232,146	\$ 211,142,046	27.2%	\$ 757,578,569	\$ 198,228,386	26.2%

Sales Tax Monthly Comparison 2019-2020-2021



Meals Tax Monthly Comparison 2019-2020-2021



Transient Lodging Tax Monthly Comparison 2019-2020-2021

