

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 22, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING
MARCH 31, 2004

RECOMMENDATION: That City Council receive the following Monthly Financial Report for the period ending March 31, 2004.

DISCUSSION: The City's Monthly Financial Report provides General Fund financial information on revenues and expenditures for the fiscal year to date. This Monthly Financial Report of the General Fund covers the period July 1, 2003 through March 31, 2004. This report presents revenues and expenditures for the same period for Fiscal Year (FY) 2003 for comparative purposes (Attachments 1 and 2), and provides a summary of selected economic indicators (Attachment 3). Earlier this month, staff undertook a detailed re-estimation of revenues for both FY 2004 and FY 2005. The new FY 2004 projections are reflected in this memo. The State budget outlook remains unresolved, but possibly closer to eventual resolution.

This report reflects FY 2005 revenue projections as contained in Budget Memo #76 presented to City Council on April 21. To date, revenues through March 1 total \$248.8 million, which is \$16.1 million, or 7.0 percent, higher than FY 2003 for the same reporting period. Real estate tax revenues will exceed budgeted growth expectations, as FY 2004 assessments substantially exceeded the 5 percent assessment increase budgeted. Assessments, which were announced at Council's February 10, 2004 Legislative Meeting, increased 18.4 percent over FY 2003 assessments.

Other revenues, such as State aid revenues, remain in question for FY 2004 and FY 2005. As the General Assembly and the Governor deal with its budget impasse and tax proposals, cutting aid to local governments remains a possibility, but considering the different House and Senate budgets, the downside risk appears manageable. Such an impasse may delay specific knowledge of State aid to local governments until near the end or after the City Council's budget and tax rate decision date of May 3.

Economic indicators show that the local economy has remained somewhat improved, with the unemployment rate at 2.3 percent and the office vacancy rate down to 10.3 percent. Finance and OMB staff have made projections of the revenues by category. Revenue shortfalls in certain key revenue categories could cumulatively total approximately \$1.8 million by the end of FY 2004. However, real property and other revenues are projected to exceed budgeted levels by up to \$14.2 million, with additional real estate revenues comprising approximately 50 percent of this amount.

When combined, the net additional revenues total \$12.4 million, an increase of \$1.5 million over last month's projections. Of these additional revenues, \$10.9 million have previously been proposed to help finance the FY 2005 operating budget, CIP and designations (see Budget Memo #35). This results in \$1.5 million in new funds added to year-end fund balance. The following chart and text describe the sources of the variances:

FY 2004 PROJECTIONS
(Amounts in millions)

	FY 2004 BUDGET	FY 2004 BUDGET PROJECTIONS	BUDGET VERSUS PROJECTIONS
Real Property*	\$ 201.0	\$ 208.0	\$ 7.0
Personal Property-local Share	31.7	31.6	(0.1)
Penalties and Interest	1.1	1.6	0.5
Sales Tax	22.2	22.2	-
Consumer Utility Tax	17.8	17.3	(0.5)
Business License Tax	23.6	25.0	1.4
Transient Lodging Tax	5.9	5.9	-
Restaurant Meals Tax	8.8	9.4	0.6
Tobacco	2.6	2.6	-
Motor Vehicle License Tax	2.3	2.4	0.1
Recordation Taxes	1.9	3.2	1.3
Other Local Taxes	4.0	3.6	(0.4)
Intergovernmental	45.1	48.4	3.3
Fines and Forfeitures	4.0	3.9	(0.1)
Licenses and Permits	3.0	3.0	-
Charges for City Services	9.9	9.8	(0.1)
Use of Money and Property	5.0	4.4	<u>(0.6)</u>
Net Additional Revenues			\$12.4
Less amount used for FY 2005 budget, FY 2005 capital projects and reserves			<u>(10.9)</u>
Net Increase in Projections			\$ 1.5

*Reflects a reduction in the real estate tax rate of 3 cents as proposed by the City Manager, which reduces FY 2004 revenue by \$3.3 million.

General Fund expenditures through the end of March total \$258.7 million, which is \$14.6 million, or 6.0 percent, higher than expenditures at the same time last year. Thus far, the City has expended \$1.0 million in operating costs associated with the September hurricane and is determining which costs are eligible for reimbursement from various federal and State authorities. It appears that the Federal Emergency Management Agency (FEMA) may reimburse up to \$0.6 million. Any unreimbursed costs have not yet been included in the expenditures in Attachment 1. The City expects FEMA to finalize and announce the amount of the reimbursement in the spring.

REVENUES (Attachment 1): As of March 31, 2004, actual General Fund revenues totaled \$248.8 million, which is \$16.1 million, or 7.0 percent, higher than revenues for the same period last year.

Real Estate Taxes: Second half real estate taxes were due November 17. Revenues to date are \$10.0 million, or 11.3 percent, higher than collections at this time last year. As projected in the FY 2004 Budget, second half real estate billings totaled \$98.6 million, or 13.6 percent, higher than billings in the prior year. The difference between the revenue collected to date and amount billed relates (1) to the timing of the collection of delinquent taxes, and (2) to the Chapter 11 bankruptcy filing by Mirant, which has resulted in \$1.4 million not being paid. The City has retained bankruptcy counsel to protect its financial interests during the bankruptcy process. While real estate tax revenue collections through March 2004 will fall short of billings largely due to the Mirant nonpayment, with 2004 assessments increasing 18.4 percent, overall FY 2004 real estate tax revenue collections will exceed budgeted levels. This assessment increase, at the proposed \$1.005 real estate tax rate, would increase expected FY 2004 real estate tax revenues to \$208.0 million, or \$7.0 million above the Approved FY 2004 Budget.

Personal Property Taxes: Personal property tax bills were due on October 6. The FY 2004 Approved Budget includes a \$31.7 million revenue projection for tax revenue collected directly by the City (including \$16.3 million for vehicles and \$15.4 million for businesses) and an additional \$21.5 million of intergovernmental revenue that the City collects from the Commonwealth under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA). This year, the State's share of the local personal property tax payment is 70.0 percent of most taxpayers' payments, which is the same as last year. The total for all budgeted revenues related to the personal property tax for FY 2004 is \$53.2 million.

To date, the City has collected \$31.3 million in personal property tax revenue and has received reimbursement from the Commonwealth of \$22.4 million for total personal property tax receipts of \$53.7 million. This represents a \$2.0 million, or 3.8 percent, increase when compared with receipts collected at the same time last year. Personal property tax collections on vehicles increased by approximately 8.6 percent over the same period last year. The approved budget anticipates a 6.7 percent increase in taxes on vehicles compared to last year's actual collections. While the vehicle personal property tax revenues have increased, business personal property tax revenues have not grown as seen through billings and collections to date. Personal property tax collections from businesses decreased by 1.0 percent when compared with the same period last year. Based on collections to date, it appears that personal property tax collections will approximate \$31.6 million, a decrease of \$0.1 million below the Approved FY 2004 Budget.

Collections from the Commonwealth (included in intergovernmental revenue) are estimated to be \$22.8 million. This is an increase of \$0.3 million over last month's projections.

Personal Property Tax (in millions)	FY 2004 Year to Date Receipts	FY 2004 Budget	FY 2004 Projections	FY 2003 Year to Date Receipts
City share	\$ 31.3	\$ 31.7	\$ 31.6	\$ 30.1
Commonwealth reimbursement	<u>22.4</u>	<u>21.5</u>	<u>22.8</u>	<u>21.6</u>
Total	\$ 53.7	\$ 53.2	\$ 54.4	\$ 51.7

Penalties and Interest: Collections of penalties and interest year-to-date total \$1.1 million, which approximates last year's penalties and interest revenues for the same period. Based upon historical patterns, it is projected that by the end of the fiscal year FY 2004 revenues will total \$1.6 million, or \$0.5 million more than the Approved FY 2004 Budget.

Local Sales and Use Taxes: Businesses remit sales taxes to the Commonwealth within 30 days of the end of the month in which sales occurred. The Commonwealth wires its portion of the sales tax to the City approximately one month later. Sales taxes received by the City through March represent revenues collected by merchants for July through January. Sales tax revenue collections totaled \$13.1 million to date and represent a 3.6 percent increase over FY 2003 collections. Based on collections to date, it appears that sales tax collections meet the current budget and last month's projection of \$22.2 million.

Consumer Utility Taxes: Consumer utility taxes are collected by the utility companies one month after billing and remitted to the City the following month. For the last several months, three of the smaller telephone companies have been reporting significant increases in their taxable revenue while the major phone company has been reporting a decrease in taxable revenue. Based on these collections, it appears that consumer utility taxes will approximate \$17.3 million, a decrease of \$0.5 million below the Approved FY 2004 Budget and \$ 0.4 million less than the previous projection.

City of Alexandria Consumer Utility Tax Receipts

Utility	FY 2004 Year to Date Receipts	FY 2003 Year to Date Receipts	Increase/ (Decrease)
Telephone - Tax on Local Services	\$4,789,497	\$ 4,595,097	\$194,400
Electricity	3,646,812	3,677,379	(30,567)
Water	1,228,277	1,296,164	(67,887)
Natural Gas	1,496,010	1,490,383	5,627

Business License Taxes: The City's business license tax was due on March 1 for CY 2004, and receipts are currently being tabulated. Collections to date, in the amount of \$22.4 million, are \$3.1 million higher than collections at the same time last year which represents, to a large degree, the difference in the timing of collections. Based on larger collections to date of delinquent taxes, staff's current estimate for business license tax receipts is \$25.0 million, an increase of \$1.4 million over the Approved FY 2004 Budget. This is an increase in projected revenue of \$0.6 million over last month's projections.

Transient Lodging Taxes: Transient lodging taxes are remitted to the City within one month after collection. Therefore, the revenue reflected in this report represents collections by hotels through February. Collections totaled \$3.6 million, an increase of \$0.4 million, or 11.9 percent, over last year. This increase is attributed to the increased number of visitors, as well as business and governmental travelers. Staff currently estimates that transient lodging collections will approximate the Approved FY 2004 Budget which is \$0.2 million more than the previous projections.

Restaurant Meals Tax: Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. Collections in the amount of \$5.7 million represent an increase of \$0.4 million, or 7.7 percent, over the previous year. Based on collections to date, staff projects that restaurant meals taxes will be \$9.4 million, an increase of \$0.6 million above the Approved FY 2004 Budget and an increase of \$0.3 million over last month's projections.

Tobacco Taxes: Businesses remit tobacco tax revenue to the Northern Virginia Cigarette Board. This revenue is forwarded to the City approximately 15 days after the end of the month in which the sales occurred. Tobacco taxes are levied at a rate of \$0.50 per pack of 20 cigarettes sold in the City. This rate was increased from \$.30 per pack as of January 2003. To date, \$1.7 million has been collected for FY 2004, which represents an increase of \$0.5 million over that of the previous year. Tobacco tax revenues to date are consistent with the FY 2004 budgeted level.

Real Estate Recordation Taxes: Real estate recordation tax revenues are collected by the Clerk of the Court and remitted to the City the following month. Based on collections, staff currently estimates that real estate recordation taxes will approximate \$3.2 million, an increase of \$1.3 million above the Approved FY 2004 Budget and \$0.6 million over the previous projection, largely due to the continued impact of homeowners refinancing existing mortgages, as well as home sales.

Other Local Taxes: This category includes bank franchise taxes, telecommunications right-of-way taxes, cable TV franchise taxes, daily rental taxes and other miscellaneous taxes. These collections are expected to be \$3.6 million, a decrease of \$0.4 million, primarily for expected decreases in bank franchise taxes. This is a \$0.5 million decrease from the previous projection.

Revenues from the Federal Government: The City's General Fund revenues from the federal government are primarily for federal prisoner per diem. The City has billed \$4.2 million for housing federal prisoners through the period ending March 2004. However, as of March 31, 2004, \$3.3 million has been received. The federal government generally pays the City for housing federal prisoners between 45 and 60 days after the end of the billing period. Based on collections, staff currently estimates that revenues from the federal government will approximate

\$6.4 million, an increase of \$1.6 million above the Approved FY 2004 Budget. The primary driver of this increase is from federal per diem payments.

Revenue from the Commonwealth: The \$13.0 million in revenues received to date is equal to that received for the same period in FY 2003. Based on collections to date, staff projects that revenue from the Commonwealth will be \$19.3 million, an increase of \$0.5 million above the Approved FY 2004 Budget. The remaining \$1.3 million increase in estimated intergovernmental revenue results from the PPTRA collections for personal property taxes, discussed above. Final State aid revenues cannot be determined until the State budget is adopted.

Fines and Forfeitures: Year-to-date revenues approximate last year's revenues. Based on collections to date, staff projects that fines and forfeitures will fall short of the Approved FY 2004 Budget by \$0.1 million, primarily from a reduction in the expected red light violation collections. This is a reduction from the previous projection.

Charges for Services: Year-to-date revenues decreased \$0.2 million compared with last fiscal year. In part, this decrease is due to loss of City Marina revenue due to the Hurricane Isabel damage to the Marina. Based on collections to date, staff projects that charges for services will be \$9.8 million, \$0.1 million less than the Approved FY 2004 Budget.

Revenues from Use of Money and Property: Year-to-date revenues from the use of money and property decreased \$0.9 million compared with last fiscal year. In part, this is due to substantially declining market interest rates on City short-term investments. The decrease in market interest rates is reflected in the federal fund interest rate reduction from 1.26 percent in March 2003 to 1.0 percent in March 2004. Based on collections to date, staff projects that revenue from the use of money and property will be \$4.4 million, a decrease of \$0.6 million below the Approved FY 2004 Budget.

Other Revenues: Other revenues include gifts and donations, damage recoveries and recovered costs.

EXPENDITURES (Attachment 2): As of March 31, 2004, actual General Fund expenditures and transfers totaled \$258.7 million, an increase of \$14.6 million, or 6.0 percent, over expenditures for the same period last year. Except as noted below, increases in expenditures when compared to the prior fiscal year are attributable to budgeted expenditures for annual equipment replacement charges made at the beginning of the fiscal year and the transfer of all \$17.0 million of the planned General Fund cash capital transfer to the Capital Projects Fund. Except as noted below, this expenditure pattern reflects the Approved FY 2004 Budget.

Judicial Administration: Expenditures represent the annual payments to regional organizations that provide legal, correctional and animal welfare and control services. In addition, the Sheriff's Department continues to incur substantial overtime costs related to perimeter security at the Public Safety Center. The City has been working to obtain additional federal funding for some or all of these costs and \$750,000 was obtained by Congressman Moran this fiscal year.

Other Planning Activities: General Fund expenditures in this category reflect the City's contribution payments to community agencies.

City Attorney: Expenditures to date reflect outside legal fees which are budgeted in a non-department account and charged to the City Attorney's Office. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution to match these expenditures with budget authority.

Transportation and Environmental Services: Expenditures to date reflect annual equipment replacement charges made at the beginning of the fiscal year and higher worker's compensation claims.

Fire: Due to lower than projected attrition of firefighter and EMS personnel, preliminary projections show that the Fire Department is going to exceed approved budget authority by the end of the fiscal year. The Fire Department is submitting end-of-year projections monthly to OMB and this situation is being monitored closely. If needed, staff will recommend an appropriations transfer in the context of the June Transfer Resolution to match these expenditures with budget authority.

Transit Subsidies: Expenditures to date reflect budgeted increases for the City's contribution to the Washington Metropolitan Area Transit Authority.

Human Services: Within this department, expenditures for Community Service Act (CSA) mandated services for at-risk youth are exceeding budgeted amounts. By the end of FY 2004, Human Services estimates that the budget will be exceeded by \$0.9 million. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution to match these expenditures with budget authority.

School: The School Administration has reported \$99.1 million in expenses through March 31, 2004. The City's General Fund share of total School Administration budgeted expenditures is approximately 77.1 percent of the total expenditures. This percentage was applied to total school disbursements to estimate school expenditures to date in the amount of \$76.4 million (i.e., 77.1 percent of \$99.1 million).

Other Education Activities: Expenditures to date reflect the City's contribution to the Northern Virginia Community College.

Debt Service: Expenditures for debt service will be less than budgeted by \$2.3 million. These savings are a result of delaying the issuance of new bonds until January 2004. As a result, only one debt service interest payment is due in fiscal year 2004 instead of the two interest payments and one principal payment which were budgeted.

Non-Departmental: General Fund expenditures in this category reflect such items as the City's contributions to the old public safety pension plan, rent relief, payment for the City's liability insurance, and the City's share of debt service on the Northern Virginia Transportation District bonds issued by the Commonwealth in November 1999. Many of these expenditures occur early in the fiscal year.

Cash Capital Transfer: At the beginning of each fiscal year, the full planned and budgeted fiscal year cash capital transfer to the Capital Projects Fund is made. While a monthly transfer

process could be established, a one-time accounting entry making this transfer is more efficient. Since the General Fund still captures all interest earnings on the amount transferred, there is no negative General Fund impact of doing a one-time transfer. For FY 2004, the budgeted Capital Projects Fund transfer is \$17.0 million, which compares to \$14.2 million in FY 2003.

Cash Matches (MH/MR/SA, Human Services, Library and Miscellaneous Grants): To comply with grant awards, the City's share funding is transferred from the General Fund to the Special Revenue Fund at the end of the fiscal year.

ATTACHMENTS:

Attachment 1 - Comparative Statement of Revenues

Attachment 2 - Comparative Statement of Expenditures & Transfers by Function

Attachment 3 - Selected Economic Indicators

STAFF:

Mark Jinks, Assistant City Manager for Fiscal and Financial Affairs

D. A. Neckel, Director of Finance

Laura Triggs, Deputy Director of Finance/Comptroller

Bruce Johnson, Director of Office of Management and Budget

**CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING MARCH 31, 2004 AND MARCH 31, 2003**

	FY2004 APPROVED BUDGET	FY2004 REVENUES THRU 03/31/04	% OF BUDGET	FY2003 REVENUES THRU 03/31/03
General Property Taxes				
Real Property Taxes.....	\$ 201,043,402	\$ 98,912,450	49.2%	\$ 88,862,812
Personal Property Taxes.....	31,684,000	31,281,237	98.7%	30,084,744
Penalties and Interest.....	1,100,000	1,118,050	101.6%	1,209,678
Total General Property Taxes	\$ 233,827,402	\$ 131,311,737		\$ 120,157,234
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 22,150,000	13,080,878	59.1%	\$ 12,630,613
Consumer Utility Taxes.....	17,750,000	11,160,596	62.9%	11,059,023
Business License Taxes.....	23,600,000	22,446,489	95.1%	19,382,663
Transient Lodging Taxes.....	5,900,000	3,648,772	61.8%	3,261,577
Restaurant Meals Tax.....	8,800,000	5,732,901	65.1%	5,320,660
Tobacco Taxes.....	2,600,000	1,659,005	63.8%	1,203,856
Motor Vehicle License Tax.....	2,300,000	2,265,074	98.5%	2,225,336
Real Estate Recordation.....	1,900,000	2,247,066	118.3%	2,166,817
Other Local Taxes.....	4,013,000	1,514,847	37.7%	1,738,298
Total Other Local Taxes	\$ 89,013,000	\$ 63,755,628	71.6%	\$ 58,988,843
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 4,775,000	\$ 3,413,243	71.5%	\$ 3,040,786
Personal Property Tax Relief from the Commonwealth.....	21,500,000	22,376,433	104.1%	21,621,683
Revenue from the Commonwealth.....	18,783,200	13,010,862	69.3%	13,049,758
Total Intergovernmental Revenues	\$ 45,058,200	\$ 38,800,538	86.1%	\$ 37,712,227
Other Governmental Revenues				
Fines and Forfeitures.....	\$ 4,000,000	\$ 2,951,276	73.8%	\$ 2,924,123
Licenses and Permits.....	3,000,000	2,440,471	81.3%	2,247,020
Charges for City Services.....	9,891,200	5,641,931	57.0%	5,804,118
Revenue from Use of Money & Property.....	4,968,186	3,558,023	71.6%	4,461,053
Other Revenue.....	453,598	358,872	79.1%	436,844
Total Other Governmental Revenues	\$ 22,312,984	\$ 14,950,573	67.0%	\$ 15,873,158
TOTAL REVENUE	\$ 390,211,586	\$ 248,818,476	63.8%	\$ 232,731,462
Appropriated Fund Balance				
General Fund.....	7,536,601	0	0.0%	0
Reappropriation of FY 2003 Encumbrances And Other Supplemental Appropriations.....	3,629,558	0	0.0%	0
TOTAL	\$ 401,377,745	\$ 248,818,476	62.0%	\$ 232,731,462

CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING MARCH 31, 2004 AND MARCH 31, 2003

FUNCTION	FY2004 APPROVED BUDGET	FY2004 EXPENDITURES THRU 03/31/04	% OF BUDGET	FY2003 EXPENDITURES THRU 03/31/03
Legislative & Executive.....	\$ 5,057,809	\$ 3,565,034	70.5%	\$ 3,211,465
Judicial Administration.....	\$ 27,858,022	\$ 22,368,153	80.3%	\$ 20,796,730
Staff Agencies				
Information Technology Services.....	\$ 6,719,279	\$ 4,496,874	66.9%	\$ 3,935,882
Management & Budget.....	949,546	550,060	57.9%	507,737
Finance.....	7,773,136	5,306,282	68.3%	5,053,441
Real Estate Assessment.....	1,013,399	688,722	68.0%	621,471
Personnel.....	2,397,007	1,777,587	74.2%	1,570,756
Planning & Zoning.....	3,476,901	2,141,240	61.6%	2,271,883
Other Planning Activities.....	2,302,240	2,238,875	97.2%	2,121,969
City Attorney.....	1,466,068	1,426,941	97.3%	1,358,346
Registrar.....	913,581	657,183	71.9%	579,568
General Services.....	9,621,729	7,351,466	76.4%	6,920,897
Total Staff Agencies	<u>\$ 36,632,886</u>	<u>\$ 26,635,230</u>	72.7%	<u>\$ 24,941,950</u>
Operating Agencies				
Transportation & Environmental Services.....	\$ 22,275,573	\$ 16,679,600	74.9%	\$ 15,077,404
Fire.....	28,116,653	21,755,381	77.4%	20,529,827
Police.....	40,304,397	29,283,622	72.7%	28,280,842
Transit Subsidies.....	3,919,451	2,532,128	64.6%	1,828,703
Housing.....	942,195	639,947	67.9%	646,518
Mental Health/Mental Retardation/ Substance Abuse.....	580,871	471,356	81.1%	480,604
Health.....	7,197,240	3,610,933	50.2%	3,957,945
Human Services.....	9,047,855	6,158,598	68.1%	5,639,966
Historic Resources.....	2,306,506	1,624,271	70.4%	1,586,902
Recreation.....	16,125,579	11,669,530	72.4%	11,065,858
Total Operating Agencies	<u>\$ 130,816,320</u>	<u>\$ 94,425,366</u>	72.2%	<u>\$ 89,094,569</u>
Education				
Schools.....	\$ 121,191,334	\$ 76,421,431	63.1%	\$ 73,066,901
Other Educational Activities.....	13,058	13,058	100.0%	13,246
Total Education	<u>\$ 121,204,392</u>	<u>\$ 76,434,489</u>	63.1%	<u>\$ 73,080,147</u>
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 21,299,500	\$ 9,448,848	44.4%	\$ 11,162,348
Non-Departmental.....	7,368,279	4,970,154	67.5%	3,951,660
Cash Capital.....	16,955,000	16,955,000	100.0%	14,200,000
Contingent Reserves.....	290,234	-	-	-
Total Capital, Debt Service and Miscellaneous	<u>\$ 45,913,013</u>	<u>\$ 31,374,002</u>	68.3%	<u>\$ 29,314,008</u>
TOTAL EXPENDITURES	<u>\$ 367,482,442</u>	<u>\$ 254,802,274</u>	69.3%	<u>\$ 240,438,869</u>
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library)				
Transfers to the Special Revenue Fund.....	28,725,303	-	0.0%	-
Transfer to DASH.....	5,170,000	3,877,500	75.0%	3,625,650
TOTAL EXPENDITURES & TRANSFERS	<u>\$ 401,377,745</u>	<u>\$ 258,679,774</u>	64.4%	<u>\$ 244,064,519</u>

**CITY OF ALEXANDRIA
SELECTED ECONOMIC INDICATORS**

	<u>Current Year</u>	<u>Prior Year</u>	<u>Percent Change</u>
<u>Consumer Price Index (CPI-U)</u>			
for the Washington-Baltimore, DC-MD-VA-WV Area			
(As of March 31, 2004)	118.1	115.9	+1.9%
(Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)			
<u>Unemployment Rates</u>			
Alexandria			
	2.3%	3.0%	-23%
Virginia			
	3.9%	4.3%	-9%
(As of February 29, 2004)			
(Source: United States Department of Labor, Bureau of Labor Statistics)			
United States			
	5.7%	5.8%	-2%
(As of March 31, 2004)			
(Source: United States Department of Labor, Bureau of Labor Statistics)			
<u>Interest Rates</u>			
(As of March 31, 2004)			
Prime Rate			
	4.00%	4.25%	-6%
Federal Fund Rate			
	1.00%	1.26%	-21%
(Source: SunTrust Economic Monitor)			
<u>New Business Licenses</u>			
(During March)			
(Source: Finance Department, Business Tax Branch)	111	116	-4%
<u>Office Vacancy Rates</u>			
(As of December 31, 2003)			
Alexandria			
	10.3%	11.5%	-10%
Northern Virginia			
	15.2%	17.9%	-15%
Washington DC Metro Area			
	12.2%	13.2%	-8%
(Source: Grubb & Ellis)			
<u>New Commercial Construction</u>			
(As of February 29, 2004)			
Number of New Building Permits			
	9	9	--
Value of New Building Permits			
	\$ 77.2 million	\$ 79.8 million	-14%
(Source: Fire Department Code Enforcement Bureau)			
<u>Residential Real Estate Indicators</u>			
(for the two months ended February 29, 2004)			
Residential Dwelling Units Sold			
	416	468	-11%
Average Residential Sales Price			
	\$353,709	\$306,187	+15%
(Source: Department of Real Estate Assessments)			