

City of Alexandria, Virginia

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4-26-05

MEMORANDUM

DATE: APRIL 19, 2005

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *JKH*

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING
MARCH 31, 2005

ISSUE: Monthly Financial Report for the period ending March 31, 2005.

RECOMMENDATION: That City Council receive the following Monthly Financial Report for the period ending March 31, 2005.

DISCUSSION: This report provides financial information on revenues and expenditures of the General Fund for the period July 1, 2004, through March 31, 2005. This report presents revenues and expenditures for the same period in Fiscal Year (FY) 2004 for comparative purposes (Attachments 1 and 2) and provides charts of selected economic indicators (Attachment 3).

This report reflects FY 2005 updated revenue projections as contained in Budget Memo #49. To date, revenues through March 2005 total \$263.9 million, which is \$15.0 million, or 6.0 percent, higher than FY 2004 for the same reporting period. The increase is primarily attributable to real estate tax revenues. While the residential real estate market continues to show unprecedented strength, many housing industry analysts are beginning to predict an end to the rapidly increasing residential home values. While unemployment remains a very low 2.8%, the City's office vacancy rate of 13.1% (not including sublease space on the market) and its lower than expected growth in sales taxes, restaurant meals taxes and business license taxes all appear to indicate some competitive lagging in the City's economy. Data which shows the City's key consumer revenues compared to the region, as well as statewide, is detailed in Budget Memo #29.

Finance and OMB staff made projections of the revenues by category. Two categories show significant revenue shortfalls. Personal property taxes are estimated to be \$1.2 million less than budgeted and intergovernmental revenues are estimated to be \$2.6 million less than budgeted. Most of these shortfalls are largely attributable to lower personal property assessments for private vehicles. However, real property and six other revenues are projected to exceed budgeted levels by up to \$8.0 million, with additional real estate revenues comprising \$3.0 million after considering the effects of an eight cent tax rate reduction for the second half of the year. When combined, the net additional revenues total \$4.2 million. These revenues are to be used to help finance the FY 2006 operating budget, CIP and reserves in the proposed City budget. The following chart and text describe the sources of the variances:

FY 2005 PROJECTIONS
(Amounts in millions)

	FY 2005 BUDGET	FY 2005 BUDGET PROJECTIONS	BUDGET VERSUS PROJECTIONS
Real Property*	\$ 228.5	\$ 238.0	\$ 8.5
Personal Property-local Share	32.5	31.3	(1.2)
Sales Tax	23.1	23.6	0.5
Consumer Utility Tax	17.7	18.1	0.4
Business License Tax	26.6	26.1	(0.5)
Transient Lodging Tax	6.1	7.4	1.3
Restaurant Meals Tax	9.6	9.5	(0.1)
Tobacco	2.6	2.3	(0.3)
Recordation Taxes**	2.6	5.0	2.4
Other Local Taxes	3.7	3.8	0.1
Intergovernmental	48.9	46.3	(2.6)
Fines and Forfeitures	4.0	4.0	-
Licenses and Permits	3.3	3.4	0.1
Charges for City Services	10.5	10.3	(0.2)
Use of Money and Property	4.6	5.4	0.8
Net Additional Revenues			\$ 9.5
Less Amount Primarily Allocated for FY 2006 Budget, FY 2006 Capital Projects and Fund Balance Designation			<u>(7.0)</u>
Increase in Funds Available			\$ 2.5

*Does not reflect a further 4-cent reduction in the real estate tax rate of eight cents as advertised by City Council, which would reduce FY 2005 revenue budget projections by \$5.4 million.

**Budget Memo #70 details allocation between the General Fund and Special Revenue Fund.

General Fund expenditures through the end of March total \$281.4 million, or 7.1 percent, higher than expenditures at the same time last year. The approved General Fund budget is 8.8 percent higher than FY 2004.

REVENUES (Attachment 1): As of March 31, 2005, actual General Fund revenues totaled \$263.9 million, an increase of \$15.0 million above the same period last year. This is primarily due to increased real estate tax revenues derived from 2005 assessment increases. Unless otherwise noted, revenues reflect normal expected trends. Also, all revenue changes discussed in this memorandum have been already reflected in the "Final Revenue Adjustments" (Budget Memo #49), as well as the "Add/Delete Amendments" (Budget Memo #48).

Real Estate Taxes: Based on 2005 assessments, second half real estate taxes were due November 15 and total \$112.3 million, which is more than the \$111.0 million originally budgeted amount for the November 15 collections. With 2005 assessments increasing 21.2 percent, overall FY 2005 real estate tax revenue collections will also exceed budgeted levels. This assessment increase, at the FY 2006 proposed budget real estate tax rate of \$0.955, would increase expected FY 2005 real estate tax revenues to \$238.0 million, or \$9.5 million above the FY 2005 Approved Budget. At the \$0.915 advertised rate, real estate tax revenues would be \$5.4 million less and therefore reduce the \$9.5 million to \$4.1 million. Real estate tax revenues to be paid on June 15 will be based on the 2005 assessments as well as the real estate tax rate to be adopted by City Council on May 2.

Personal Property Taxes: Personal property tax bills were due on October 5, 2004. The FY 2005 Approved Budget included a \$32.5 million revenue projection for tax revenue collected directly by the City (including \$16.6 million for vehicles, \$14.7 million for businesses and \$1.2 million for delinquent accounts) and an additional \$23.7 million of intergovernmental revenue the City collects from the Commonwealth under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA). The Commonwealth's share of the local personal property tax payment this year is 70.0 percent of most taxpayers' payments, the same as last year. The total for all budgeted revenues related to personal property tax for FY 2005 is \$56.2 million.

To date, the City has collected \$30.4 million in personal property tax revenue. Tax collections on business personal property amounted to \$14.5 million, a one percent increase over last year. However, tax collections on vehicles amounted to \$15.1 million, which is \$0.6 million, or 3.7 percent, less than at this time last year. Tax collections for delinquent personal property taxes were \$0.7 million, \$0.4 million lower than last year. Reimbursements for personal property taxes on vehicles from the Commonwealth amounted to \$21.1 million, which is \$1.3 million, or 5.6 percent, less than collections at this time last year. Based on the personal property tax billing in August and as detailed in the August 20 memorandum to City Council, it appears that the City's total FY 2005 personal property motor vehicle revenues (including the Commonwealth-reimbursed amount) will drop about \$2.8 million when compared with the FY 2005 Approved Budget. A significant reason for this year's decline is an overall reduction in the value of used motor vehicles.

The National Automotive Dealers Association, which supplies most Virginia jurisdictions with the vehicle values used in setting the assessed values, attributes this reduction to the increased price of gasoline and the large number of new cars being sold or leased. With the higher gasoline prices, the more expensive SUVs and high gas consumption vehicles are losing their appeal and have declined in value more rapidly than in the past. In the last two years, automotive manufacturers have been offering zero-percent financing and other incentives. More new cars have been sold, resulting in more used vehicles being put on the market thus creating a supply and demand imbalance and causing a reduction in the value of the used cars. Neighboring jurisdictions are experiencing a similar reduction. Arlington County reports that its personal property motor vehicle billing is down 4 percent. Fairfax County is estimating that its billing will be down in the 3 to 5 percent range and Prince William County is down 3.5 percent. Revenues-to-date represent current year payments and payments received on delinquent accounts. Based on collections-to-date, it appears that business and vehicle personal property tax collections will approximate \$31.3 million, a decrease of \$1.2 million below the FY 2005 Approved Budget, but \$0.6 million greater than the previous projection.

The \$0.6 million increase in estimated tax collections is primarily the result of a planned effort by City staff to collect the maximum amount of calendar year 2004 personal property taxes. Recent General Assembly action bases the City's future PPTRA reimbursements from the State on the amount of calendar year 2004 taxes collected by December 31, 2005.

Personal Property Tax (in millions)	Actual-to-Date FY 2004	Budget FY 2005	Actual-to-Date FY 2005
City share	\$ 31.3	\$ 32.5	\$ 30.4
Commonwealth reimbursement	<u>22.4</u>	<u>23.7</u>	<u>21.1</u>
Total	\$ 53.7	\$ 56.2	\$ 51.5

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 the City's portion of the sales tax approximately one month later. Sales taxes received by the City in March represent revenues collected by merchants in January and a 4.8 percent increase over FY 2004 collections. Based on collections-to-date, staff projects sales tax to be at least \$23.6 million, an increase of \$0.5 million over the FY 2005 Approved Budget.

Consumer Utility Taxes: Consumer utility taxes are collected by the utility companies one month after billing and remitted to the City the following month. Staff anticipates a lower rate of increase in the consumer utility tax revenues from water rates in the next few months as the Virginia-American Water Company processes refunds to customers because of the recently ordered rollback of part of the water rate increase instituted earlier this year. Based on continued monitoring of these collections, it appears that consumer utility taxes will approximate \$18.1

million, an increase of \$0.4 million above the FY 2005 Approved Budget, but \$0.1 million less than the previous projection.

City of Alexandria Consumer Utility Tax Receipts

Utility	Year-to-Date Receipts FY 2005	Year-to-Date Receipts FY 2004	Increase/ (Decrease)
Telephone - Tax on Local Services	\$4,974,675	\$4,789,497	\$185,178
Electricity	3,715,939	3,646,812	69,127
Water	1,149,485	1,228,277	(78,792)
Natural Gas	1,467,743	1,496,010	(28,267)
* timing of payments - 2004 payment received earlier			

Business License Taxes: The City's business license tax was due on March 1 for calendar year 2005. Collections-to-date, in the amount of \$22.3 million, are substantially the same as collections at the same time last year. An analysis of the tax returns from businesses that reported their gross receipts on time shows a decrease in taxes paid of 1.0 percent from professional services, which constitutes 21 percent of the tax base. General business services, which makes up 27 percent of the tax base, increased by 1.8 percent and general retail, which is 16 percent of the tax base, remained flat when compared to last year. Financial services, which makes up only 4 percent of the tax base, increased by 46 percent. Overall, the comparison of this year's filed tax returns to that of the previous year show an increase of 3.1 percent. Similar to last year, a few firms did not file by the March 1 due date. Staff estimates they will collect an additional \$4.2 million over the remainder of the year, including \$1.1 million in quarterly payments. Staff's current estimate for business license tax receipts is \$26.1 million, \$0.5 million less than the FY 2005 Approved Budget. This represents a \$1.2 million reduction from prior re-estimates. It appears that historical rate of growth of business license taxes of 5.5 percent will not be met this year. Staff will continue to monitor and make recommendations as warranted in the context of budget work sessions.

Transient Lodging Taxes: Transient lodging taxes are remitted to the City within one month after collections. Therefore, the revenue reflected in this report represents collections by hotels through February 2005. Collections total \$4.3 million, or 16.5 percent, higher than last year and reflect an improved tourism and business travel market (which have increased occupancy rates) and a business strategy shift. Hotels are reducing the number of lower rate rooms being rented to federal government employees (tax-exempt) and increasing the number of higher rate rooms being rented to business travelers (not tax-exempt). Staff's current estimate for transient lodging receipts is \$7.4 million, an increase of \$1.3 million over the FY 2005 Approved Budget and \$0.2 million more than the previous projection.

Restaurant Meals Taxes: Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. Collections for sales through February 2005 were \$6.0 million, which represents a 3.8 percent increase over the prior year. Based on collections-to-date, staff projects that restaurant meals taxes will be \$9.5 million, a decrease of \$0.1 million below the FY 2005 Approved Budget.

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. To date, \$1.6 million has been collected for FY 2005, \$0.1 million less than collections this time last year. Based on collections-to-date, staff projects that tobacco taxes will be \$2.3 million, a decrease of \$0.3 million below the FY 2005 Approved Budget and \$0.1 million less than the previous projection.

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. Collections in the amount of \$4.4 million represent an increase of \$2.2 million, or 97 percent, over the previous year. The continued increase is primarily attributable to residential refinancings due to historically low interest rates, a continued strong home sales market, condominium conversions, and the recently enacted recordation tax rate increase. In addition, as housing costs remain high, the City continues to see increased sales of rental units that are sold as condominiums. The proposed budget sets aside for potential dedication to affordable housing \$1.65 million in FY 2005 recordation revenues. These revenues have been set aside in the Special Revenue Fund (see Budget Memo #70 for details). Assuming this portion of the taxes is transferred to a special fund for affordable housing, staff estimates the remaining recordation taxes for the General Fund will approximate \$5.0 million, an increase of \$2.4 million over the FY 2005 Approved Budget and \$1.6 million greater than the previous projection.

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. Since the Approved Budget was presented, the City has been notified that bank franchise taxes will increase by \$0.2 million. Based on collections-to-date and the bank franchise increase, other local taxes are expected to be \$3.8 million, an increase of \$0.1 million over the FY 2005 Approved Budget and \$0.2 million higher than the previous estimate.

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 \$3.0 million for housing federal prisoners through the period ending March 2005. However, as of March 31, 2005, only \$2.3 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. In addition, the federal prisoner billable days is substantially less than last year. Staff currently estimates that revenues from the federal government will approximate \$4.4 million, a decrease of \$1.2 million below the FY 2005 Approved Budget.

Revenue from the Commonwealth: The \$13.2 million in revenues received is approximately \$0.2 million higher than last year, primarily because of differences in the timing of collections.

Based on collections-to-date and updated information from the State Compensation Board, staff projects revenue from the Commonwealth will be \$19.8 million, an increase of \$0.2 million above the FY 2005 Approved Budget. This is offset by a decrease of \$1.6 million resulting from PPTRA collections for personal property taxes as discussed above.

Fines and Forfeitures: Collections through March were less than one percent below the collections last year, primarily for parking fines. Based on collections-to-date and projected collections, staff projects that fines and forfeitures will approximate the FY 2005 Approved Budget.

Licenses and Permits: Collections-to-date are \$3.0 million, which is \$0.6 million higher than collections at this time last year, primarily for building permits. Based on these collection patterns, licenses and permits revenue are expected to be \$3.4 million, an increase of \$0.1 million over the FY 2005 Approved Budget.

Charges for City Services: Year-to-date revenues increased \$0.8 million primarily due to the budgeted increased refuse and sewer fees and increased clerk fees associated with the increased number of real estate transactions as discussed under Real Estate Recordation Taxes above. Based on collections-to-date, Charges for City Services are expected to be \$10.3 million, a decrease of \$0.2 million below the FY 2005 Approved Budget.

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

EXPENDITURES (Attachment 2): As of March 31, 2005, actual General Fund expenditures totaled \$281.4 million, an increase of \$18.6 million, or 7.1 percent, over expenditures for the same period last year. The approved General Fund budget is 8.8 percent higher than FY 2004. Increases in expenditures are primarily attributable to budgeted transfers for cash capital and for annual equipment replacement charges made at the beginning of the fiscal year, as well as planned higher transit subsidy payments to WMATA. Except as noted below, this expenditure pattern reflects the FY 2005 Approved Budget.

Judicial Administration: Expenditures represent all four quarterly payments to regional organizations that provide legal, correctional and animal welfare and control services.

Other Planning Activities: General Fund expenditures in this category reflect all four quarterly contribution payments to community agencies and both semiannual payments to the Alexandria Convention and Visitors Association.

Registrar: Expenditures-to-date reflect costs of the presidential election related mailings, salaries and overtime and voter machine maintenance. Staff will recommend an appropriation transfer to match these expenditures with budget authority.

Fire: The Fire Department has authority to overhire a number of positions in FY 2005 in order to fill Fire and EMS school slots. Current projections indicate that additional expenditure authority

may be needed to match these projected expenditures with budget authority. General Fund balance has been designated for this purpose and at the end of the fiscal year staff will recommend appropriations of this designation as necessary to match projected expenditures with available funds.

Transit Subsidies: Expenditures-to-date reflect all the City's quarterly payments to the Washington Metropolitan Area Transit Authority (WMATA) for FY 2005. In the first quarter of FY 2005, State transit aid revenues and balances available to the City are lower than in FY 2004 thereby causing increased City subsidy payments in FY 2005.

School: The School Administration has reported \$107.0 million in expenses through March 31, 2005. The City's General Fund share of total School Administration budgeted expenditures is approximately 75.8 percent of the total expenditures. This percentage was applied to total school disbursements to estimate school expenditures-to-date in the amount of \$71.1 million (i.e., 75.8 percent of \$107.0 million).

Other Education Activities: Expenditures-to-date reflect all quarterly contribution payments to the Northern Virginia Community College.

Non-Departmental: General Fund expenditures in this category reflect the City's contributions to the public safety pension plan, senior citizens' rent relief and payment for the City's liability insurance.

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, Office of Management and Budget

**CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING MARCH 31, 2005 AND MARCH 31, 2004**

	FY2005 APPROVED BUDGET	FY2005 REVENUES THRU 03/31/05	% OF BUDGET	FY2004 REVENUES THRU 03/31/04
General Property Taxes				
Real Property Taxes.....	\$ 228,514,157	\$ 112,309,178	49.1%	\$ 98,912,450
Personal Property Taxes.....	32,491,000	30,381,980	93.5%	31,281,237
Penalties and Interest.....	1,500,000	1,069,483	71.3%	1,118,050
Total General Property Taxes	\$ 262,505,157	\$ 143,760,641		\$ 131,311,737
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 23,100,000	13,704,680	59.3%	\$ 13,080,878
Consumer Utility Taxes.....	17,700,000	11,307,842	63.9%	11,160,596
Business License Taxes.....	26,600,000	22,325,387	83.9%	22,446,489
Transient Lodging Taxes.....	6,100,000	4,251,267	69.7%	3,648,772
Restaurant Meals Tax.....	9,625,000	5,950,469	61.8%	5,732,901
Tobacco Taxes.....	2,600,000	1,563,605	60.1%	1,659,005
Motor Vehicle License Tax.....	2,350,000	2,288,664	97.4%	2,265,074
Real Estate Recordation.....	2,600,000	4,417,259	169.9%	2,247,066
Other Local Taxes.....	3,667,500	1,515,370	41.3%	1,514,847
Total Other Local Taxes	\$ 94,342,500	\$ 67,324,543	71.4%	\$ 63,755,628
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 5,600,000	\$ 2,309,248	41.2%	\$ 3,413,243
Personal Property Tax Relief from the Commonwealth.....	23,700,000	21,128,240	89.1%	22,376,433
Revenue from the Commonwealth.....	19,603,400	13,206,739	67.4%	13,010,862
Total Intergovernmental Revenues	\$ 48,903,400	\$ 36,644,227	74.9%	\$ 38,800,538
Other Governmental Revenues				
Fines and Forfeitures.....	\$ 3,952,000	\$ 2,930,952	74.2%	\$ 2,951,276
Licenses and Permits.....	3,261,000	3,021,350	92.7%	2,440,471
Charges for City Services.....	10,507,700	6,442,538	61.3%	5,641,931
Revenue from Use of Money & Property.....	4,615,500	3,562,059	77.2%	3,558,023
Other Revenue.....	429,619	179,419	41.8%	358,872
Total Other Governmental Revenues	\$ 22,765,819	\$ 16,136,318	70.9%	\$ 14,950,573
TOTAL REVENUE	\$ 428,516,876	\$ 263,865,729	61.6%	\$ 248,818,476
Appropriated Fund Balance				
General Fund.....	4,334,000	-	0.0%	-
Reappropriation of FY 2004 Encumbrances And Other Supplemental Appropriations.....	3,516,087	-	0.0%	-
TOTAL	\$ 436,366,963	\$ 263,865,729	60.5%	\$ 248,818,476

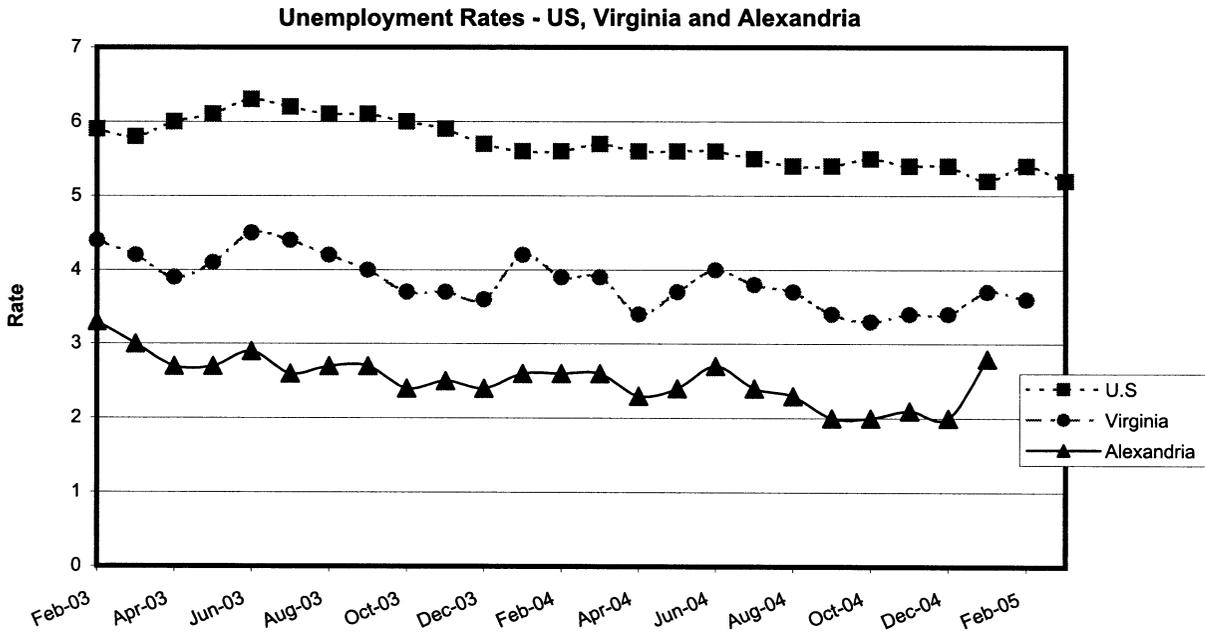
CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING MARCH 31, 2005 AND MARCH 31, 2004

FUNCTION	FY2005	FY2005	% OF	FY2004
	APPROVED BUDGET	EXPENDITURES THRU 03/31/05		BUDGET
Legislative & Executive.....	\$ 5,164,135	\$ 3,760,883	72.8%	\$ 3,565,034
Judicial Administration.....	\$ 29,552,673	\$ 22,633,753	76.6%	\$ 22,368,153
Staff Agencies				
Information Technology Services.....	\$ 6,838,734	\$ 4,483,189	65.6%	\$ 4,496,874
Management & Budget.....	1,000,816	643,230	64.3%	550,060
Finance.....	8,135,638	5,493,502	67.5%	5,306,282
Real Estate Assessment.....	1,032,569	733,063	71.0%	688,722
Personnel.....	2,652,542	1,770,062	66.7%	1,777,587
Planning & Zoning.....	3,860,035	2,720,482	70.5%	2,141,240
Other Planning Activities.....	2,609,082	2,591,585	99.3%	2,238,875
City Attorney.....	1,506,405	1,054,961	70.0%	1,426,941
Registrar.....	960,789	810,113	84.3%	657,183
General Services.....	10,392,752	7,734,566	74.4%	7,351,466
Total Staff Agencies	\$ 38,989,362	\$ 28,034,753	71.9%	\$ 26,635,230
Operating Agencies				
Transportation & Environmental Services.....	\$ 22,827,974	\$ 16,764,801	73.4%	\$ 16,679,600
Fire.....	30,148,305	22,788,498	75.6%	21,755,381
Police.....	42,154,136	30,921,784	73.4%	29,283,622
Transit Subsidies.....	4,767,561	4,354,024	91.3%	2,532,128
Housing.....	985,257	641,576	65.1%	639,947
Mental Health/Mental Retardation/ Substance Abuse.....	603,086	526,076	87.2%	471,356
Health.....	7,234,880	4,025,080	55.6%	3,610,933
Human Services.....	10,286,839	7,116,815	69.2%	6,158,598
Historic Resources.....	2,365,959	1,720,477	72.7%	1,624,271
Recreation.....	17,232,858	12,341,119	71.6%	11,669,530
Total Operating Agencies	\$ 138,606,855	\$ 101,200,250	73.0%	\$ 94,425,366
Education				
Schools.....	\$ 130,109,722	\$ 81,101,457	62.3%	\$ 76,421,431
Other Educational Activities.....	13,299	13,299	100.0%	13,058
Total Education	\$ 130,123,021	\$ 81,114,756	62.3%	\$ 76,434,489
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 22,620,329	\$ 8,293,663	36.7%	\$ 9,448,848
Non-Departmental.....	10,958,360	6,199,146	56.6%	4,970,154
Cash Capital.....	21,382,000	21,382,000	100.0%	16,955,000
Contingent Reserves.....	727,700	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 55,688,389	\$ 35,874,809	64.4%	\$ 31,374,002
TOTAL EXPENDITURES	\$ 398,124,435	\$ 272,619,204	68.5%	\$ 254,802,274
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library)				
Transfers to the Special Revenue Fund.....	26,526,624	-	0.0%	-
Transfer to Library.....	5,969,144	4,476,858	75.0%	4,096,721
Transfer to DASH.....	5,746,760	4,310,070	75.0%	3,877,500
TOTAL EXPENDITURES & TRANSFERS	\$ 436,366,963	\$ 281,406,132	64.5%	\$ 262,776,495

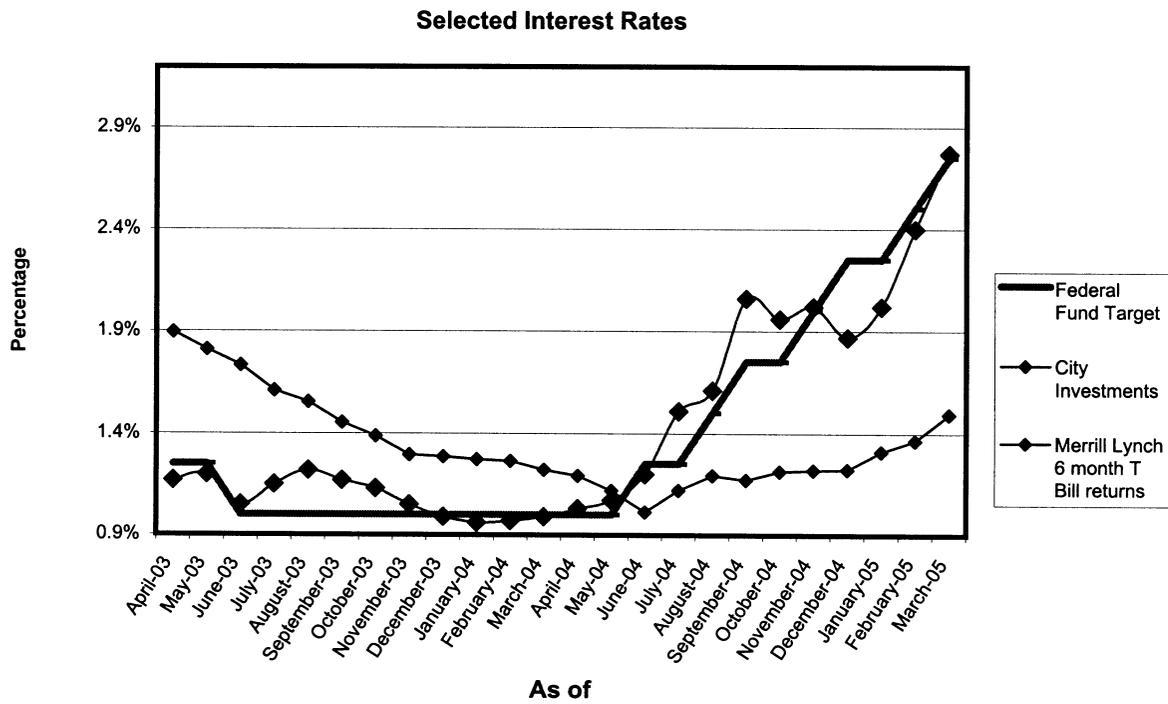
**CITY OF ALEXANDRIA
SELECTED ECONOMIC INDICATORS**

	<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 January 31, 2005)	121.3	117.1	+3.6%
(Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)			
<u>Unemployment Rates</u>			
Alexandria	2.8%	2.6%	+8%
Virginia	3.6%	3.9%	-8%
(As of February 28, 2005)			
(Source: United States Department of Labor, Bureau of Labor Statistics)			
United States	5.2%	5.7%	-9%
(As of March 31, 2005)			
(Source: United States Department of Labor, Bureau of Labor Statistics)			
<u>Interest Rates</u>			
(As of March 31, 2005)			
Prime Rate	5.75%	4.00%	+44%
Federal Fund Rate	2.73%	1.05%	+160%
(Source: SunTrust Economic Monitor)			
<u>New Business Licenses</u>			
(During February)			
(Source: Finance Department, Business Tax Branch)	107	111	-4%
<u>Office Vacancy Rates</u>			
(As of December 31, 2004)			
Alexandria	13.1%	11.5%	+14%
Northern Virginia	13.3%	17.9%	-26%
Washington DC Metro Area	10.9%	13.2%	-17%
(Source: Grubb & Ellis)			
<u>New Commercial Construction</u>			
(As of February 28, 2005)			
Number of New Building Permits	5	9	-44%
Value of New Building Permits	\$ 31.4 million	\$ 77.2 million	-59%
(Source: Fire Department Code Enforcement Bureau)			
<u>Residential Real Estate Indicators</u>			
(for the month ended February 28, 2005)			
Residential Dwelling Units Sold	474	416	+14%
Average Residential Sales Price	\$435,000	\$353,709	+23%
(Source: Department of Real Estate Assessments)			

**City of Alexandria
Selected Economic Indicators
November 2004**



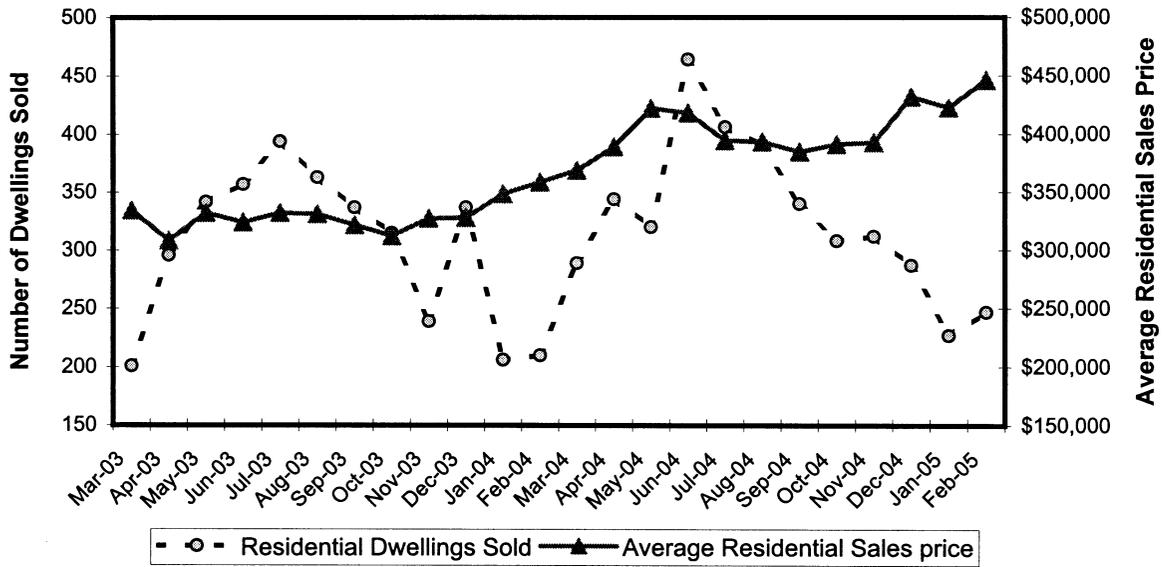
Source: United States Department of Labor, Bureau of Labor Statistics (revised by BLS March 2005)



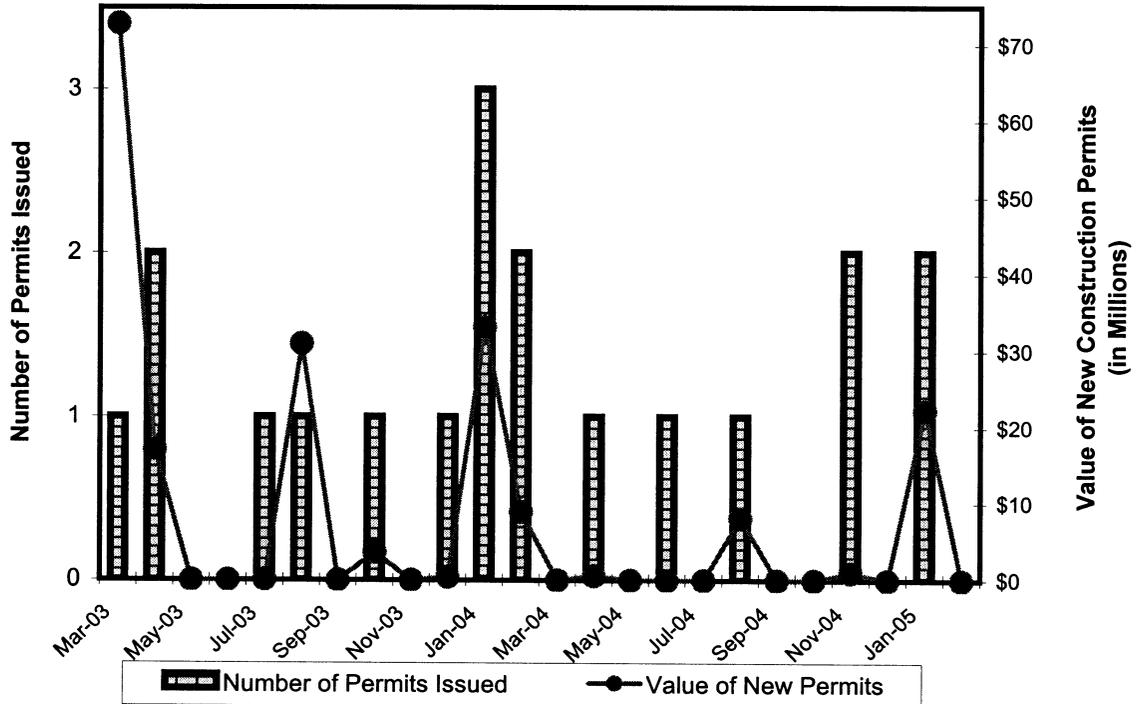
Source: Suntrust Economic Monitor

City of Alexandria
 Selected Economic Indicators
 November 2004

Selected Residential Real Estate Indicators

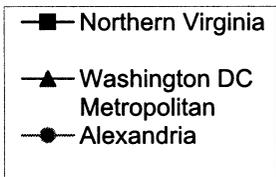
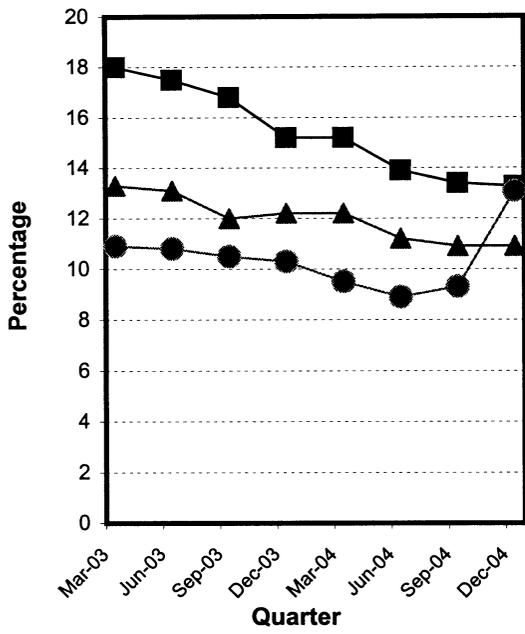


Alexandria New Commercial Construction
 Number of Permits and
 Value of New Construction Permits

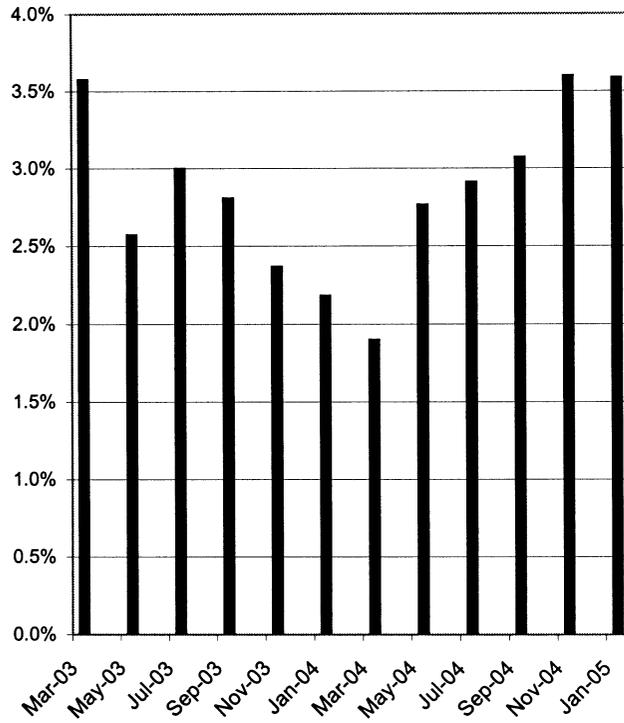


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Office Vacancy Rates



Twelve Month Annualized Percentage Change in Consumer Price Index Washington/Baltimore



Source: United States Department of Labor, Bureau of Labor Statistics

New Business Licenses Issued in Alexandria

