

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 19, 2008
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER *J*
SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING
JANUARY 31, 2008

ISSUE: Monthly Financial Report for the Period Ending January 31, 2008.

RECOMMENDATION: That City Council receive the following Monthly Financial Report for the Period Ending January 31, 2008.

MONTHLY HIGHLIGHTS:

ECONOMY AND REVENUES

- The Governor announced a \$1.4 billion State budget revenue shortfall for the FY 2009 and FY 2010 biennium, including a \$339 million additional shortfall for the remainder of FY 2008.
- FY 2008 City General Fund revenue projections show a \$0.4 million expected surplus, but also show six revenue categories down \$5.9 million and nine revenue categories up by \$6.3 million. The 2008 City real estate assessment increase of 4% produced \$4.1 million of the \$6.3 million in revenue increases.

DISCUSSION: This report provides financial information on the revenues and expenditures of the General Fund for the seven months ending January 31, 2008, presents revenues and expenditures for the same period during FY 2007 for comparative purposes (Attachments 1 and 2), and provides charts of selected economic indicators (Attachment 3). The chart on the third page includes the budget projections presented to Council on February 12 as part of the City

Manager's FY 2009 Proposed Operating Budget, with all net additional revenues incorporated in the FY 2009 Proposed Operating Budget and FY 2009 Proposed Capital Improvement Program.

Economy: The City's economy, as measured by tax receipts, appeared to be slowing for some taxes in the first half of FY 2008. However, when compared to many regions of the United States, the City's economy remains very sound. The City's economy is influenced by regional and national economic cycles, is in a transitional phase in the economic cycle and bears careful watching. The City's unemployment rate remained at a relatively low 2.4 percent. The Washington, D.C. Area Consumer Price Index (CPI-U) increased 4.5 percent from November 2006 to November 2007, which was the largest increase since July 2006. The City's office vacancy rate decreased to 6.4 percent in the third quarter of 2007. In part, this was due to the removal of the Victory Center as counted vacant space, as it is now under renovation. This compares to third quarter office vacancy rates of 12.6 percent for Northern Virginia and 10.9 percent for the entire D.C. Metropolitan Area.

The Governor announced a \$1.4 billion State budget revenue shortfall for FY 2009 and FY 2010. Some of the FY 2008 shortfall (\$339 million) will be addressed using reserve funds, and there will be reductions in all executive branches for FY 2008. For FY 2009 and FY 2010, the Governor is recommending 5.4 percent cuts in certain State aid to localities. Staff will continue to analyze the impact of these cuts in the context of the budget work sessions.

On the residential real estate sales front, City data continues to show a slower residential sales market. Year-to-date sales through December 2007 show a decline of almost 11 percent from 2006, while the average sales price was flat. However, that statistic reflects a slow down in sales of below average price condominiums rather than price appreciation. While the City's residential market remains stable despite current problems in the national mortgage and real estate markets, residential single-family assessments for 2008 decreased slightly while condominium assessments decreased. Changes in the financial markets' willingness to underwrite mortgages have also impacted 2008 assessments. While the number of City foreclosures increased substantially from 23 in 2006 to 140 in 2007, the number of foreclosures remains small in comparison to the total of 40,000 residential properties (excluding apartments) in the City. The City's foreclosure rate is slightly less than Fairfax County, and just 1/10th the foreclosure rate in Prince William County and Loudoun County. Commercial assessments and new construction will continue to add to the City's tax base in 2008; however, increasing capitalization rates and a slow down in new construction are likely to temper the total tax base growth to the low single digit range.

	<u>FY 2008 BUDGET REVISED</u>	<u>FY 2008 BUDGET PROJECTIONS</u>	<u>BUDGET VERSUS PROJECTIONS</u>
Real Property ¹	\$ 278.2	\$ 282.3	\$ 4.1
Personal Property-local share	36.1	35.0	(1.1)
Penalties and Interest	1.7	1.8	0.1
Sales Tax	27.4	25.0	(2.4)
Consumer Utility Tax ²	9.6	10.2	0.6
Communication Sales and Use Tax ²	12.4	12.6	0.2
Business License Tax	32.1	32.5	0.4
Transient Lodging Tax	8.8	8.6	(0.2)
Restaurant Meals Tax	10.4	10.7	0.3
Recordation Taxes	5.7	5.7	-
Other Local Taxes (including Motor Vehicle License)	9.5	9.5	-
Intergovernmental	53.2	53.3	0.1
Fines and Forfeitures	4.7	4.1	(0.6)
Licenses and Permits	5.4	5.5	0.1
Charges for City Services	11.8	11.5	(0.3)
Use of Money and Property	9.6	8.3	(1.3)
Other Revenue	0.3	0.7	0.4
Net Additional Revenues ³			<u>\$ 0.4</u>

¹ At the proposed rate of 83.0¢ per thousand.

² Certain telecommunications and cable television taxes have been replaced Statewide by the new 5% communication sales and use tax.

³ Revenues entirely programmed or designated as part of the FY 2009 budget process. See the FY 2009 Proposed Operating Budget for details.

REVENUES (Attachment 1): As of January 31, 2008, actual General Fund revenues totaled \$265.8 million, an increase of \$10.1 million above the same period last year. This is primarily attributed to a budgeted increase in real estate tax revenue. Unless otherwise noted, revenues are expected to meet expectations.

Real Property: Second half real estate taxes were due November 15. As projected in the FY 2008 budget, second half real estate billings totaled \$139 million. With 2008 assessments growing four percent primarily for commercial properties, overall FY 2008 real estate tax revenue collections will remain close to budgeted levels, with a projected increase of 1.4 percent. The assessment increase of 4% would increase expected FY 2008 real estate tax revenues to \$282.3 million, or \$4.1 million above the Approved FY 2008 Budget. The FY 2009 budget had assumed a 3% assessment increase. Real estate tax revenues due on June 15 will be based on the 2008 assessments, as well as the real estate tax rate to be adopted by the City Council on May 5.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$274.5 million	\$278.2 million	\$282.3 million	\$130.5 million	\$138.3 million	6%

Personal Property: Personal Property Tax revenue consists of two sources: individual personal property (primarily vehicles), and business personal property (includes motor vehicles, machinery, computers, and furniture). Taxes are assessed as of January 1. Tax bills are mailed to taxpayers in late August and were due on October 5.

In the FY 2008 Approved Budget, personal property taxes were estimated to grow approximately 7.1 percent to \$42.4 million. Actual 2007 vehicle tax billings were down 1.4 percent in 2007 compared to 2006 billings. This is primarily attributable to lower overall values for the vehicles in the City personal property tax base. New model cars decreased four percent both in the number of new cars and total taxes, with the average assessment on new cars down one percent. Starting in FY 2007, the State's share of the local personal property tax payment is capped for each locality. Alexandria's cap is \$23.6 million and is paid by the State in installments during the year. This amount provides relief to cover approximately 69 percent of most taxpayers' bills, which is the same amount of relief provided last year. State reimbursement collections were slightly higher than this cap in FY 2007 because the City was still collecting some delinquent collections that were billed prior to the date the State capped the payment. Business personal property tax billings for 2007 were 5.9 percent higher than estimated based on tax returns received. The primary increase in business personal property assessments reflects higher computer equipment values. Based on collections-to-date, it appears that business and vehicle personal property tax collections will be approximately \$35.0 million, a decrease of \$1.1 million below the approved FY 2008 budget.

	FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
Vehicles	\$18.8 million	\$20.6 million	\$19.0 million	\$17.0 million	\$16.6 million	(2%)
Business - Equipments and Machinery	\$15.7 million	\$15.5 million	\$16.0 million	\$15.7 million	\$15.7 million	-
Subtotal	\$34.5 million	\$36.1 million	\$35.0 million	\$32.7 million	\$32.3 million	(1%)
State Reimbursement	\$23.8 million	\$23.6 million	\$23.6 million	\$22.6 million	\$22.4 million	(1%)
Total	\$58.3 million	\$59.7 million	\$58.6 million	\$55.3 million	\$54.7 million	(1%)

Sales and Use Tax: Businesses remit sales tax to the Commonwealth within 30 days of the end of the month in which sales occurred. The City receives its portion of the sales tax from the Commonwealth approximately one month later. Sales taxes to date are running slightly behind last year's collections to date. Based on collections-to-date, it appears that sales tax collections

will be approximately \$25.0 million, a \$2.4 million decrease below the Approved FY 2008 Budget, and \$0.4 million below collections in FY 2009.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$25.4 million	\$27.4 million	\$25.0 million	\$10.4 million	\$10.2 million	(2%)

Consumer Utility Taxes: Consumer Utility Taxes are collected by the utility companies one month after billing and are remitted to the City the following month. Effective January 1, 2007, State law changed and the Commonwealth assumed responsibility for collecting a flat five percent tax on landline telephone service. Phone revenues that previously appeared in this category (approximately \$0.6 million per month) now appear as part of the Communications Tax. For this reason, the substantial decline in this tax category in FY 2008 when compared to FY 2007 is offset by the new Communications Tax. Based on collections-to-date, it appears that Consumer Utility Taxes will be approximately \$10.2 million, an increase of \$0.6 million above the Approved FY 2008 Budget.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$13.6 million	\$9.6 million	\$10.2 million	\$8.1 million	\$5.1 million	(37%)

Communications Tax: Businesses remit the Communications Tax to the Commonwealth within 30 days of the end of the month in which the service occurred. The Commonwealth remits the City's portion of the Communications Tax approximately one month later. The effective date of the tax was January 1, 2007. The City received the first remittance from the Commonwealth in March 2007. Based on collections-to-date, it appears that Communications Tax revenue will be approximately \$12.6 million, an increase of \$0.2 million above the FY 2008 Approved Budget.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$5.3 million	\$12.4 million	\$12.6 million	-0-	\$5.2 million	N/A

Business License Taxes: The City's Business License Tax is due March 1, 2008. The bulk of collections are counted and analyzed after the due date. Most collections prior to March represent collections from new businesses, or from taxpayers who pay on a quarterly basis. To date, business license taxes are higher than those collected at the same time last year. Based on preliminary collections-to-date of delinquent taxes and staff's current estimate, FY 2008 actual payments will be approximately \$32.5 million, an increase of \$0.4 million above the Approved

FY 2008 Budget. Staff will continue to monitor and make recommendations as warranted in the context of the budget work sessions.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$30.9 million	\$32.1 million	\$32.5 million	\$2.4 million	\$3.0 million	27%

Transient Lodging Taxes: Transient Lodging Taxes are remitted to the City within one month after collections. The increase reflects a difference in the timing of payments made by hotels between FY 2007 and FY 2008, not an increase in tax revenue. Based on collections-to-date, it appears that transient lodging tax collections will be approximately \$8.6 million, a \$0.2 million decrease below the Approved FY 2008 Budget, but \$1.2 million higher than FY 2007.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$7.4 million	\$8.8 million	\$8.6 million	\$3.6 million	\$3.7 million	5%

Restaurant Meals Taxes: Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. The increase reflects a difference in the timing of payments made by businesses between FY 2007 and FY 2008, not an increase in tax revenue. Based on collections-to-date, it appears that restaurant meals tax collections will be approximately \$10.7 million, a \$0.3 increase above the Approved FY 2008 Budget.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$10.7 million	\$10.4 million	\$10.7 million	\$5.0 million	\$5.2 million	5%

Motor Vehicle License Tax: Revenues in this category represent fees for vehicle license decals. The increase represents the decal fee increase approved by City Council to fund transit as allowed in the State legislation authorizing the Northern Virginia Transportation Authority. Based on collections to date, it appears that actual collections will be approximately \$3.1 million, a \$0.3 million decrease below the approved FY 2008 Budget.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$2.4 million	\$3.4 million	\$3.1 million	\$2.1 million	\$2.8 million	33%

Real Estate Recordation Taxes: Real Estate Recordation tax revenues are collected by the Clerk of the Circuit Court and remitted to the City the following month. Based on collections-to-date, it appears that actual collections will be approximately \$5.7 million, the FY 2008 Approved Budget.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage change Year-to-Date
\$6.6 million	\$5.7 million	\$5.7 million	\$2.9 million	\$2.7 million	(6%)

Revenue from the Federal Government: Revenues in this category include Federal Prisoner per diem and indirect costs. Payments received from the agreement with the Office of Federal Detention Trustee have averaged \$0.5 million per month for July-November.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage Change Year-to-Date
\$6.7 million	\$6.5 million	\$6.9 million	\$1.9 million	\$2.9 million	52%

Fines and Forfeitures: The increase is primarily attributable to an increase in parking fine revenue. The number of parking tickets issued increased almost 12 percent over the number issued at this time last year. At this time last year, the Police Department had a number of parking enforcement position vacancies. This situation has since been addressed and collections appear to have recovered. Because \$0.7 million in Red Light Cameras revenue included in the FY 2008 Budget has not yet been realized because the program has not been initiated, it appears that actual collections will be approximately \$4.1 million, a decrease of \$0.6 million below the Approved FY 2008 Budget.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage Change Year-to-Date
\$3.6 million	\$4.7 million	\$4.1 million	\$1.9 million	\$2.3 million	20%

Charges for Services: Revenues in this category include refuse user charges, ambulance fees, clerk fees and parking meter receipts. The increase primarily reflects the collection of parking and ambulance fees; however, \$0.4 million budget revenues for parking meters not yet implemented in Eisenhower Valley will offset these increases. Based on collections-to-date and fewer than budgeted meters, staff projects that actual collections will be approximately \$11.5 million, a decrease of \$0.3 million below the Approved FY 2008 Budget.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage Change Year-to-Date
\$10.3 million	\$11.8 million	\$11.5 million	\$4.8 million	\$5.7 million	18%

Revenue from Use of Money & Property: Revenues in this category include interest on short-term cash investments, parking garage/lot fees and rental of property income. Based on lower interest rates and revenue earned to date, it appears that actual revenue will be approximately \$8.3 million, a decrease of \$1.3 million below the Approved FY 2007 Budget.

FY 2007 Actuals	FY 2008 Budget	FY 2008 Projection	FY 2007 Year-to-Date	FY 2008 Year-to-Date	Percentage Change Year-to-Date
\$9.7 million	\$9.6 million	\$8.3 million	\$6.1 million	\$5.6 million	(9)%

EXPENDITURES (Attachment 2): As of January 31, 2008, actual FY 2008 General Fund expenditures totaled \$267.3 million, an increase of \$15.4 million, or 6.1 percent, above expenditures for the same period last year, primarily for planned increases in the City’s transfers to the School’s Operating Fund and the Capital Projects Funds. The Approved General Fund Budget is 4.4 percent higher than the FY 2007 amended budget.

Annual Expenditures: Most City expenditure payments are made on a level basis during the year. There are some payments, however, that are made either at one time at the beginning of the year, or on a different basis, such as quarterly. The City makes the following types of payments on an other-than-level basis:

Equipment Replacement Fund: Every year, the City separately accumulates funds to replace major equipment items such as police cars and fire apparatus. The allocation of these funds is included in the budget of individual departments and is moved to a separate fund at the beginning of the year. Since these funds accumulate over several years, the fund is used to make the purchase once there are sufficient funds accumulated. This allows departments to fund the purchase over the life of the equipment instead of all at one time. These annual equipment replacement allocations are recognized as expenditures in this report at the time the transfer is made at the beginning of the year.

Of the \$4.8 million in total equipment replacement transfers in FY 2008, the following departments have equipment replacement funds large enough to impact their General Fund expenditure patterns for the first part of the year:

- Police - \$1.6 million
- T&ES - \$0.8 million
- Fire - \$0.8 million

Contributory Payments: The City makes some payments, such as contributions to the Washington Metropolitan Area Transit Authority (WMATA), on a quarterly or semi-annual basis. Since these payments are made less frequently than monthly, expenditures reported in this monthly financial report may be higher than average in those months when the payments are made. This financial report includes the following non-monthly payments:

- Judicial Administration: This category includes quarterly contribution payments to judicial organizations such as Peumensend Creek Regional Jail and the Northern Virginia Criminal Justice Training Academy.
- Other Planning and Economic Development Activities: This category includes quarterly contribution payments to community agencies such as the Alexandria Small Business Development Center and bi-annual payments to the Alexandria Convention and Visitors Association.
- Transit Subsidies: This category includes quarterly payments to the City's major transit programs, including the Alexandria Transit Company (DASH), and to the Washington Metropolitan Area Transit Authority (WMATA).
- Human Services: This category includes quarterly payments to community agency contractors such as Campagna Center and the Salvation Army and payments to the Community Partnership Fund, the Youth Fund and the Children's Fund.
- Other Education Activities: This category includes quarterly contribution payments to the Northern Virginia Community College.

Grant Accounting and Cash Matches: To comply with many federal and State 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. Because the City share for most grants is not finalized until the funds are spent, departments set aside, but do not expend, City grant funds until the end of the fiscal year. This ensures that the City maximizes the use of federal and State funding before spending City funds. Most City funds not used for grants by the end of the year are returned to the City.

Schools: The City will provide approximately 78 percent of the estimated funds required to operate the City schools in FY 2008.

Other Expenditures:

Real Estate Assessments: Expenditures reflect seasonal costs associated with preparing January 1 assessments.

City Attorney: Expenditures-to-date reflect outside legal fees. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution as necessary to match these expenditures with budget authority.

Registrar: Expenditures-to-date reflect costs associated with administering the recent election.

General Services: Expenditures to date reflect increased fuel charges. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution as necessary to match these expenditures with budget authority.

Transportation and Environment Services: Impound lot expenditures (\$0.4 million) were eliminated from the budget in FY 2008 based on plans to close the lot and contract out for vehicle storage. Since then, the plan has been revised to continue operating the impound lot in-house through a re-engineering of processes. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution as necessary to match these expenditures with budget authority.

Personnel: Expenditures-to-date reflect payment of tuition assistance to City employees.

Recreation: Expenditures reflect seasonal employee costs incurred during the summer.

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

ATTACHMENTS:

Attachment 1 - Comparative Statement of Revenues

Attachment 2 - Comparative Statement of Expenditures & Transfers by Function

Attachment 3 - Selected Economic Indicators

STAFF:

Mark Jinks, Deputy City Manager

Laura B. Triggs, Director of Finance

Ray Welch, Acting Comptroller

Bruce Johnson, Director, Office of Management and Budget

**CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING JANUARY 31, 2008 AND JANUARY 31 2007**

	FY2008 APPROVED BUDGET	FY2008 REVENUES THRU 01/31/08	% OF BUDGET	FY2007 REVENUES THRU 01/31/07
General Property Taxes				
Real Property Taxes.....	\$ 278,154,367	\$ 138,306,126	49.7%	\$ 130,522,017
Personal Property Taxes.....	36,100,000	32,300,245	89.5%	32,665,748
Penalties and Interest.....	1,680,000	900,602	53.6%	994,382
Total General Property Taxes	<u>\$ 315,934,367</u>	<u>\$ 171,506,973</u>		<u>\$ 164,182,147</u>
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 27,400,000	10,230,458	37.3%	\$ 10,400,691
Consumer Utility Taxes.....	9,600,000	5,106,488	53.2%	8,050,038
Communication Sales and Use Taxes.....	12,400,000	5,198,033	41.9%	-
Business License Taxes.....	32,100,000	3,046,863	9.5%	2,393,358
Transient Lodging Taxes.....	8,800,000	3,745,755	42.6%	3,553,821
Restaurant Meals Tax.....	10,400,000	5,238,683	50.4%	5,006,545
Tobacco Taxes.....	2,750,000	1,340,704	48.8%	1,392,262
Motor Vehicle License Tax.....	3,400,000	2,796,620	82.3%	2,099,925
Real Estate Recordation.....	5,700,000	2,722,015	47.8%	2,897,474
Admissions Tax.....	1,000,000	560,194	56.0%	531,948
Cell Phone Tax.....	-	-	-	1,423,453
Other Local Taxes.....	2,380,000	475,254	20.0%	1,285,801
Total Other Local Taxes	<u>\$ 115,930,000</u>	<u>\$ 40,461,067</u>	34.9%	<u>\$ 39,035,316</u>
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 6,493,000	\$ 2,921,520	45.0%	\$ 1,924,821
Personal Property Tax Relief from the Commonwealth.....	23,600,000	22,399,604	94.9%	22,604,426
Revenue from the Commonwealth.....	23,063,334	11,279,524	48.9%	11,463,280
Total Intergovernmental Revenues	<u>\$ 53,156,334</u>	<u>\$ 36,600,648</u>	68.9%	<u>\$ 35,992,527</u>
Other Governmental Revenues And Transfers In				
Fines and Forfeitures.....	\$ 4,722,300	\$ 2,277,911	48.2%	\$ 1,858,499
Licenses and Permits.....	5,356,000	3,269,562	61.0%	3,354,419
Charges for City Services.....	11,847,072	5,714,668	48.2%	4,834,788
Revenue from Use of Money & Property.....	9,570,000	5,586,510	58.4%	6,122,316
Other Revenue.....	245,000	360,538	147.2%	332,604
Transfer from Sewer Fund.....	1,311,109	-	0.0%	-
Total Other Governmental Revenues	<u>\$ 33,051,481</u>	<u>\$ 17,209,189</u>	52.1%	<u>\$ 16,502,626</u>
TOTAL REVENUE	\$ 518,072,182	\$ 265,777,877	51.3%	\$ 255,712,616
Appropriated Fund Balance				
General Fund.....	8,482,492	-	0.0%	-
Reappropriation of FY 2007 Encumbrances And Other Supplemental Appropriations.....	2,345,051	-	0.0%	-
TOTAL	<u><u>\$ 528,899,725</u></u>	<u><u>\$ 265,777,877</u></u>	50.3%	<u><u>\$ 255,712,616</u></u>

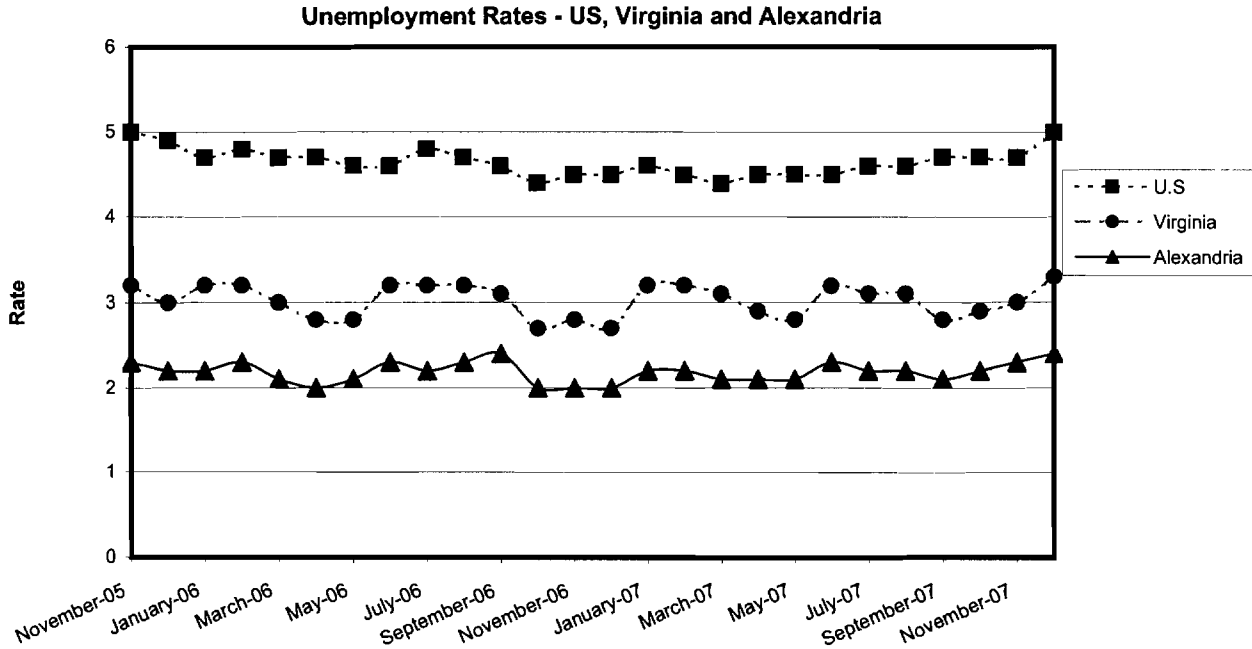
CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING JANUARY 31, 2008 AND JANUARY 31, 2007

FUNCTION	FY2008	FY2008	% OF	FY2007
	APPROVED BUDGET	EXPENDITURES THRU 01/31/08		BUDGET
Legislative & Executive.....	\$ 6,078,728	\$ 3,220,319	53.0%	\$ 3,391,005
Judicial Administration.....	\$ 36,938,021	\$ 22,284,650	60.3%	\$ 20,709,205
Staff Agencies				
Information Technology Services.....	\$ 8,537,260	\$ 4,643,907	54.4%	\$ 4,196,952
Management & Budget.....	1,191,547	630,351	52.9%	641,025
Finance.....	10,298,719	5,200,922	50.5%	5,347,463
Real Estate Assessment.....	1,530,590	908,759	59.4%	747,459
Personnel.....	3,366,284	1,957,862	58.2%	1,862,538
Planning & Zoning.....	5,682,285	3,173,941	55.9%	2,534,473
Economic Development Activities.....	2,877,538	2,466,093	85.7%	2,435,636
City Attorney.....	3,253,814	2,036,497	62.6%	2,306,493
Registrar.....	1,106,565	658,290	59.5%	639,563
General Services.....	12,678,310	7,880,009	62.2%	7,026,704
Total Staff Agencies	\$ 50,522,912	\$ 29,556,631	58.5%	\$ 27,738,306
Operating Agencies				
Transportation & Environmental Services.....	\$ 27,506,938	\$ 17,189,552	62.5%	\$ 14,821,019
Fire.....	37,225,170	21,910,144	58.9%	21,188,972
Police.....	51,342,764	29,729,451	57.9%	28,726,328
Transit Subsidies.....	7,985,495	5,642,437	70.7%	4,770,532
Mental Health/Mental Retardation/ Substance Abuse.....	521,650	327,410	62.8%	370,325
Health.....	7,881,534	4,171,291	52.9%	4,200,383
Human Services.....	11,327,364	8,105,710	71.6%	7,679,043
Historic Resources.....	2,926,887	1,647,551	56.3%	1,466,726
Recreation.....	20,744,297	12,170,251	58.7%	11,826,606
Total Operating Agencies	\$ 167,462,099	\$ 100,893,797	60.2%	\$ 95,049,934
Education				
Schools.....	\$ 160,239,697	\$ 76,353,296	47.6%	\$ 73,460,557
Other Educational Activities.....	12,399	9,299	75.0%	9,411
Total Education	\$ 160,252,096	\$ 76,362,595	47.7%	\$ 73,469,968
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 30,551,035	\$ 12,564,185	41.1%	\$ 13,142,960
Non-Departmental.....	9,742,783	3,303,211	33.9%	4,365,117
Cash Capital.....	9,765,564	9,765,564	100.0%	4,854,808
Contingent Reserves.....	1,812,600	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 51,871,982	\$ 25,632,960	49.4%	\$ 22,362,885
TOTAL EXPENDITURES	\$ 473,125,838	\$ 257,950,952	54.5%	\$ 242,721,303
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library and Transfers to the Special Revenue Fund)...				
Transfer to Housing.....	36,324,757	-	0.0%	-
Transfer to Library.....	4,815,949	801,314	16.6%	730,500
Transfer to DASH.....	7,107,746	4,143,816	58.3%	4,107,253
Transfer to DASH.....	7,525,435	4,387,329	58.3%	4,277,485
TOTAL EXPENDITURES & TRANSFERS	\$ 528,899,725	\$ 267,283,411	50.5%	\$ 251,836,541

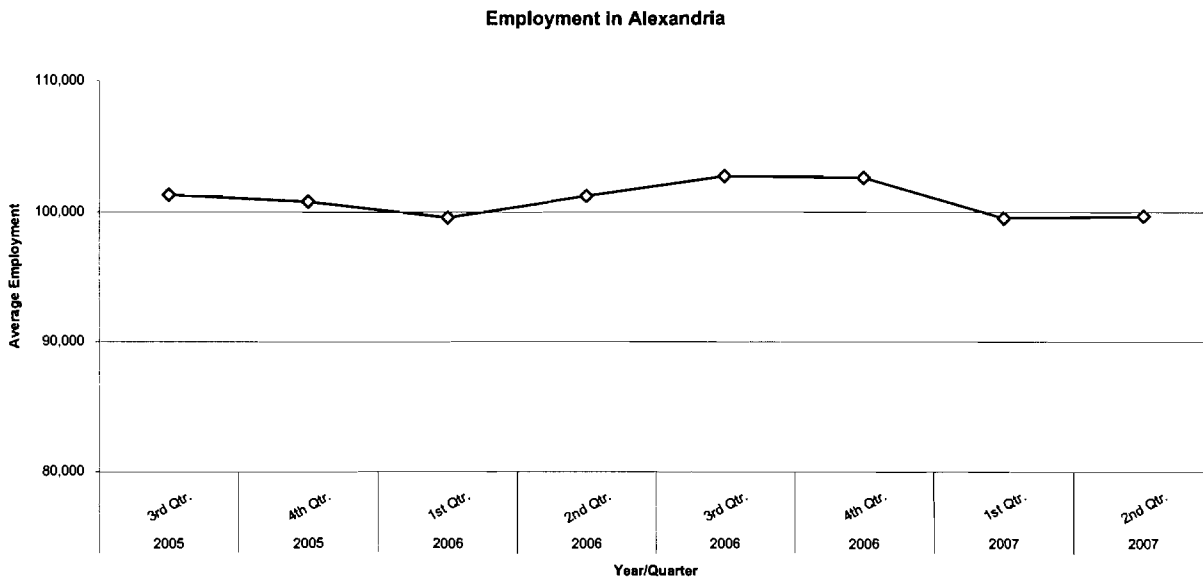
**CITY OF ALEXANDRIA
SELECTED ECONOMIC INDICATORS**

	<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 November 30, 2007)	135.2	129.3	+4.5%
(Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)			
<u>Unemployment Rates</u>			
Alexandria	2.4%	2.0%	+20%
Virginia	3.3%	2.7%	+22%
United States	4.9%	4.6%	+7%
(As of December 31, 2007)			
(Source: United States Department of Labor, Bureau of Labor Statistics)			
<u>Interest Rates</u>			
(As of January 30, 2008)			
Prime Rate	6.00%	8.25%	-27%
Federal Funds Rate	3.94%	5.25%	-25%
(Source: NY Federal Reserve Bank)			
<u>New Business Licenses</u>			
(During December 2007)			
(Source: Finance Department, Business Tax Branch)	78	109	-28%
<u>Office Vacancy Rates</u>			
(As of September 30, 2007)			
Alexandria	6.4%	10.9%	-41%
Northern Virginia	12.6%	12.7%	-1%
Washington DC Metro Area	10.9%	8.9%	+22%
(Source: Grubb & Ellis)			
<u>New Commercial Construction</u>			
(As of December 31, 2007)			
Number of New Building Permits	1	5	-80%
Value of New Building Permits	\$11.0 million	\$57.6 million	-81%
(Source: Fire Department Code Enforcement Bureau)			
<u>Residential Real Estate Indicators</u>			
(Year ending December 31, 2007)			
Residential Dwelling Units Sold	2,270	2,547	-10.9
Average Residential Sales Price	\$495,052	\$497,000	-0.4%
(Source: Department of Real Estate Assessments)			

**City of Alexandria
Selected Economic Indicators**

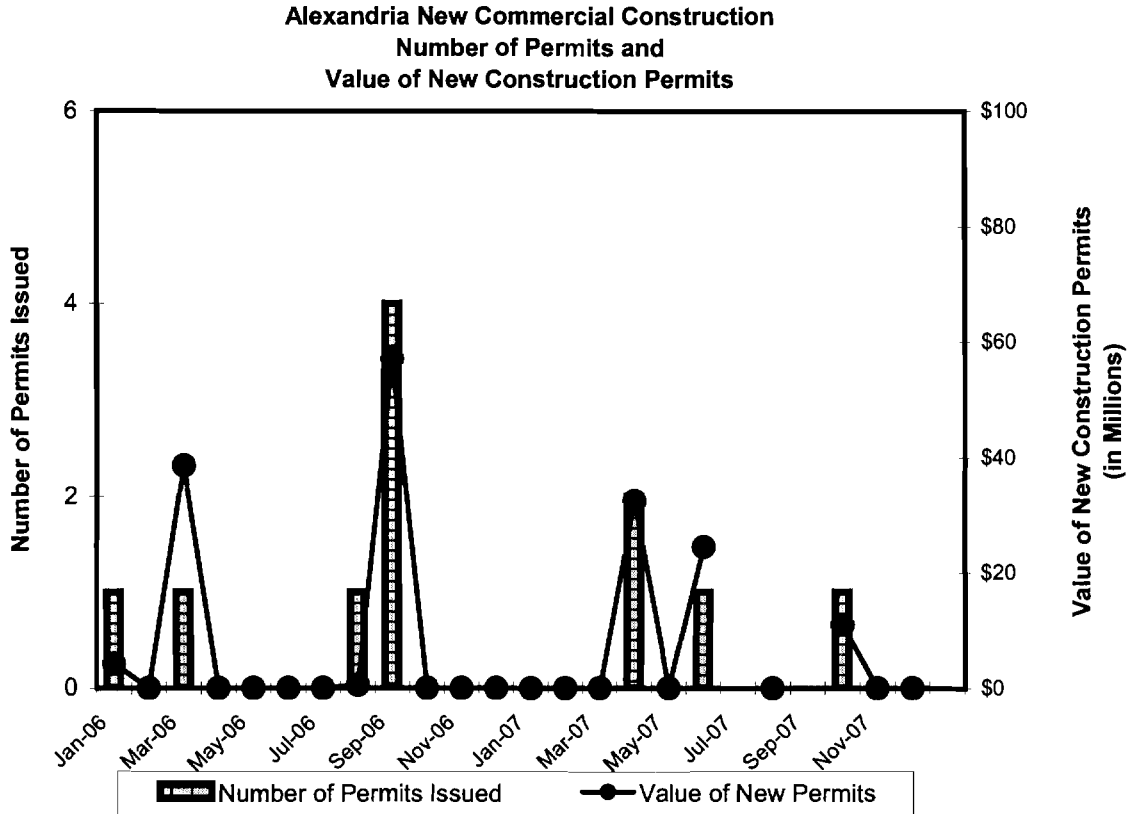
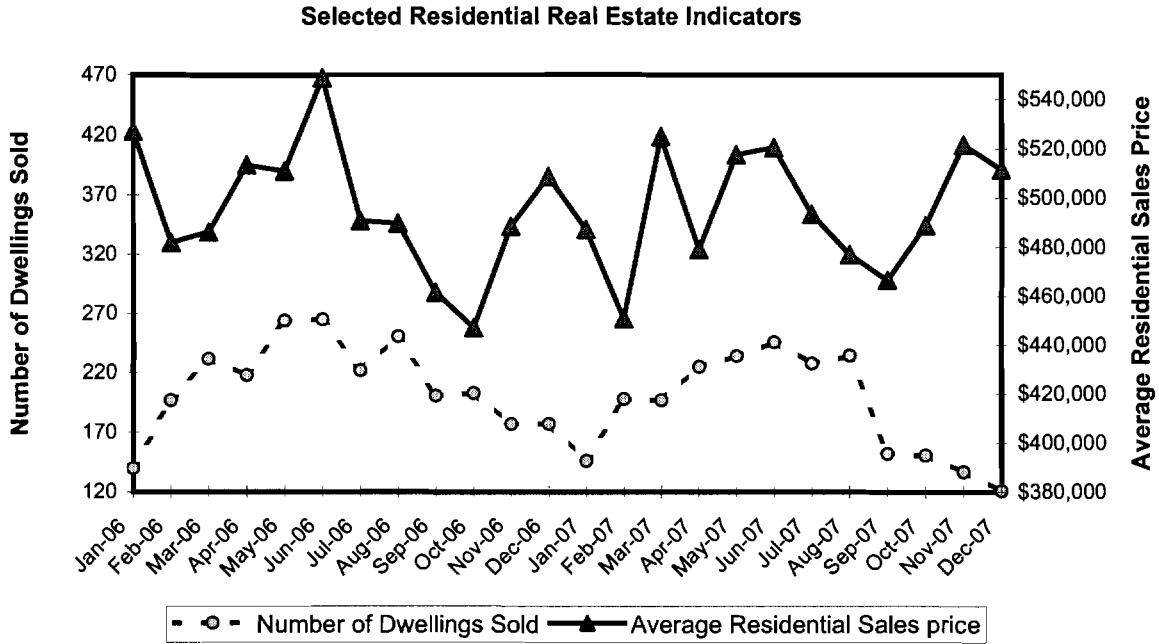


Source: United States Department of Labor, Bureau of Labor Statistics (as revised by BLS)

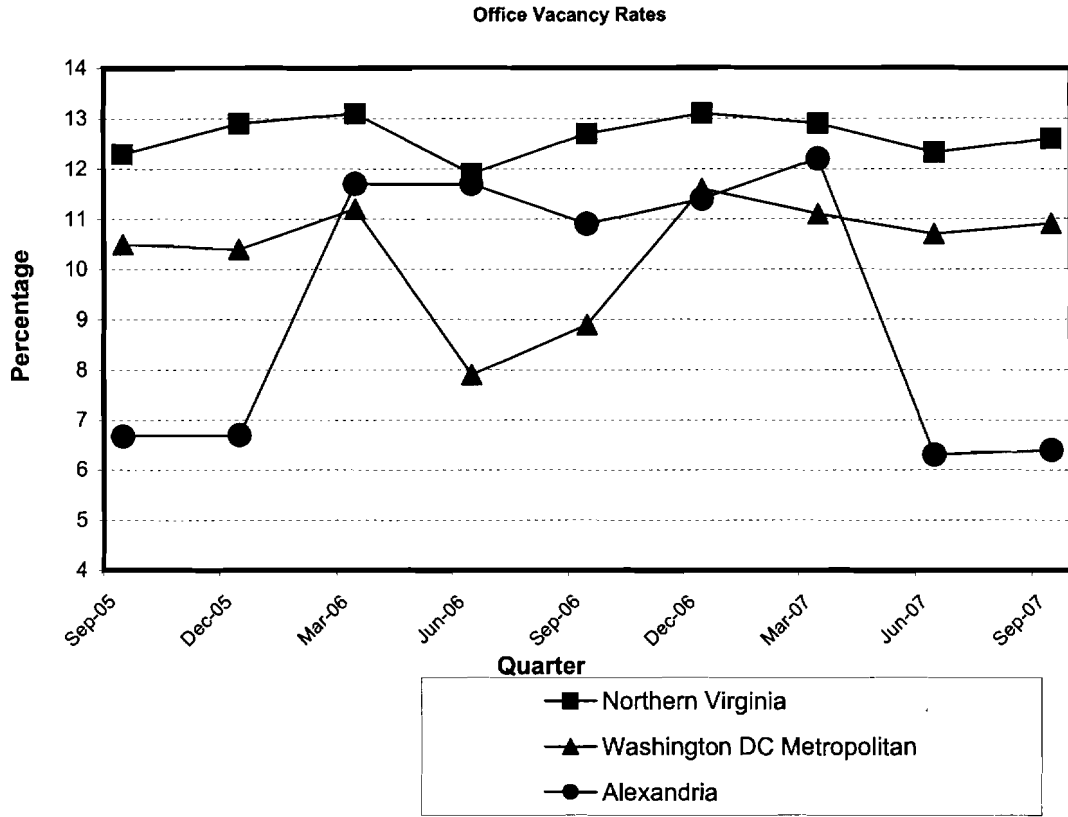


Source: Virginia Employment Commission, including the U.S. Patent and Trademark Office.

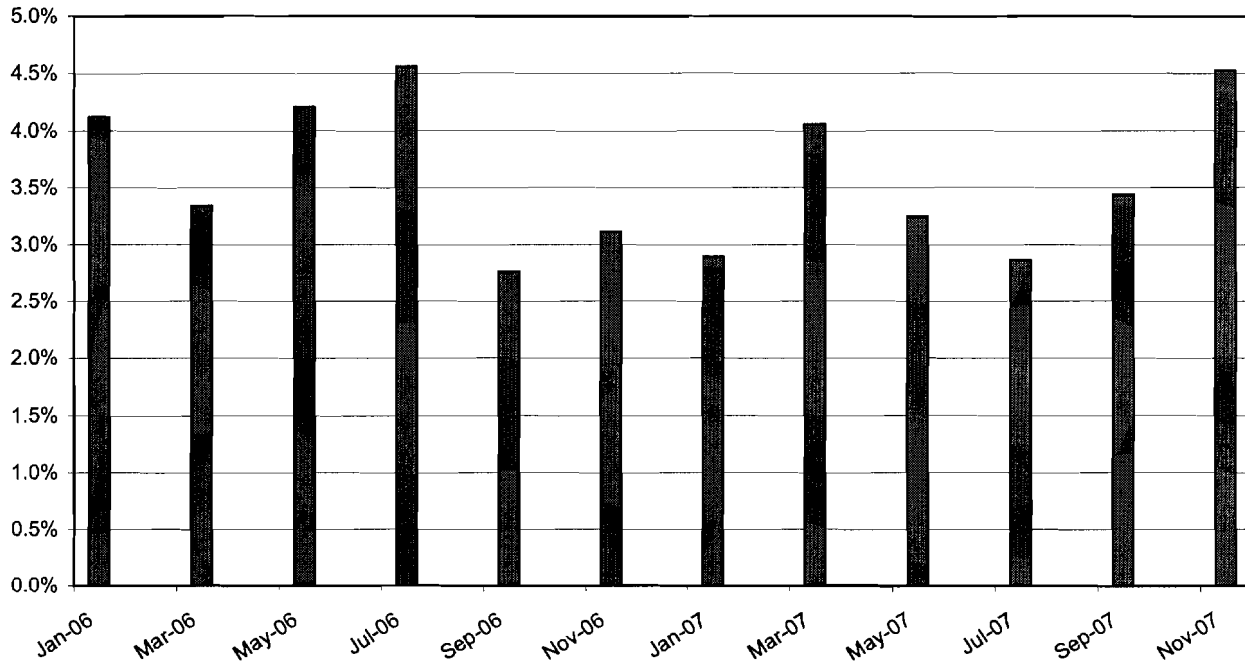
**City of Alexandria
Selected Economic Indicators**



**City of Alexandria
Selected Economic Indicators**



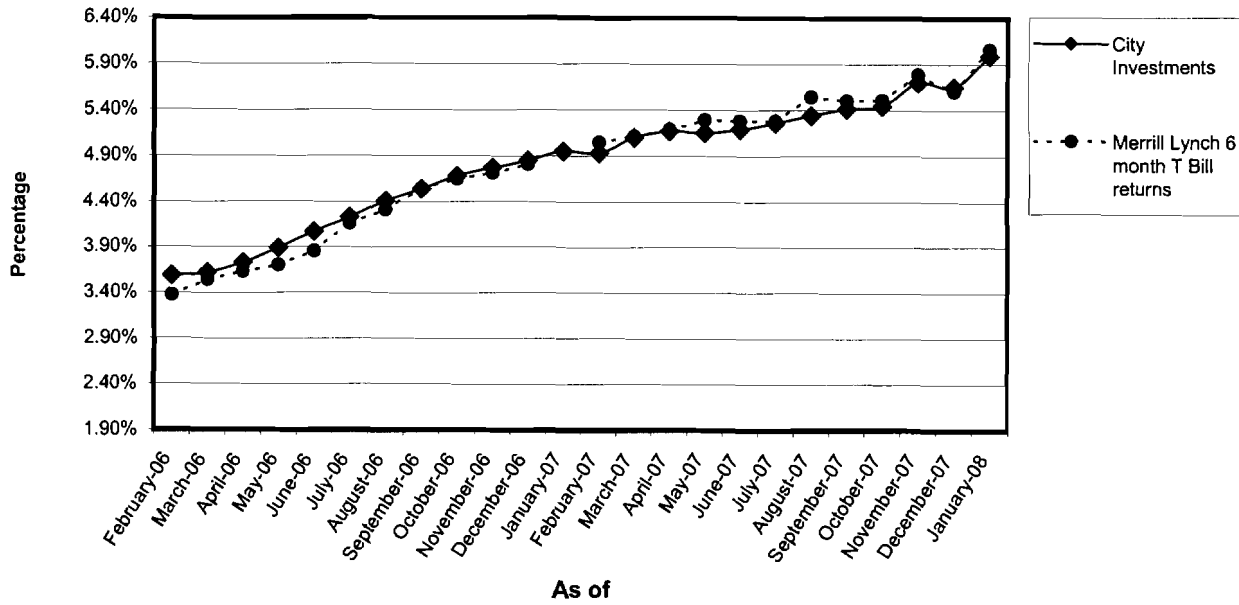
**Twelve Month Annualized Percentage Change in Consumer Price Index
Washington/Baltimore**



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

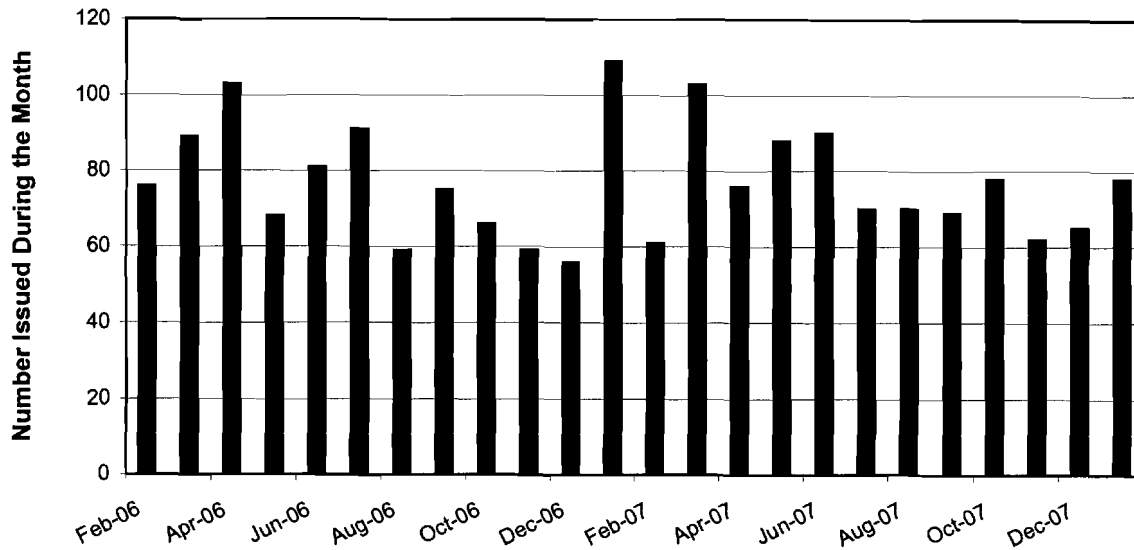
City of Alexandria
Selected Economic Indicators

Selected Interest Rates



Source: Suntrust Economic Monitor

New Business Licenses Issued in Alexandria



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