


City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 18, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER 

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING
OCTOBER 31, 2008

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

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

MONTHLY HIGHLIGHTS:**FY 2009 OUTLOOK**

- City departments made recommendations to the City Manager to implement budget rescissions related to a projected \$10.5 million shortfall in revenue. These proposed spending rescissions will be updated for the November report after approval from City Council and to reflect any additional revenue shortfalls and discussed at the November 25 legislative meeting.
- Information from the Commonwealth of Virginia indicates State aid reductions to localities in public safety and other areas. Staff will continue to monitor and report the impacts of these cuts.

DISCUSSION: This report provides financial information on revenues and expenditures of the General Fund for the four months ending October 31, 2008. This report presents revenues and expenditures for the same period of fiscal year (FY) 2008 for comparative purposes (Attachments 1 and 2) and also provides charts of selected economic indicators (Attachment 3).

ECONOMY: The City's economy, as measured by tax receipts, continues to slow during the second half of 2008. However, when compared to many regions in the United States, the City's

economy remains relatively sound. The U.S. financial system is in a period of turbulence more severe than any since the 1930's, and is most likely already in recession. Since the City's economy is influenced by regional and national economic cycles, it bears careful watching. The City's unemployment rate of 3.2%, while low by Virginia and national standards, is at its highest level in four years. The Washington, D.C. Area Consumer Price Index (CPI-U) increased 5.5 percent from September 2007 to September 2008. The City's office vacancy rate increased from 6.3 percent to 7.0 percent as of September 30, 2008. This compares to second quarter vacancy rates of 13.3 percent for Northern Virginia and 12.0 percent for the entire D.C. metropolitan area.

In a November 6 article in *The Washington Post*, "The Right Port in an Economic Storm," economist Stephen Fuller spoke about the demographic and economic trends that make inner suburbs like Alexandria relatively less susceptible to harsh economic times. The consensus among many economists, including Fuller, is that an economic recovery may begin as early as the second quarter of 2009. Due to intense economic headwinds, the recovery could be delayed until well past that date, but because of the mix of safe education, health care, legal, and public administration jobs in Alexandria, the City is well positioned to ride out the recession. However, because of the City's reliance on property tax revenue, which has declined and will continue to decline far into 2009, the City's budget is experiencing a more negative impact due to the downturn, than the overall economic climate in the City.

On the residential real estate sales front, data continues to show a slower residential sales market. Real estate sales for the first nine months of 2008 showed a decline of 24.4% in sales from the first nine months of 2007. In addition, the average sales price decreased by 4.9%. One manifestation of weakness in the real estate market is an increase in the foreclosure rate compared to previous years. According to Alexandria's Department of Real Estate Assessments, the number of foreclosures in Alexandria rose from 86 during the first nine months of 2007 to 271 during the first nine months of 2008. While the number of foreclosures has increased, according to Realtytrac, Alexandria's¹ rate of 1 out of every 944 properties in September is far less than Fairfax County's rate of 1 out of every 271 properties or Prince William County's rate of 1 out of every 87 properties. Overall, single-family home values (detached, semi-detached, and townhouses) show a slight downward trend, while the condominium market shows a moderate downward trend.

The commercial real estate market also shows a slight downward trend. Increasing capitalization rates, and a slowdown in new construction have begun to affect the commercial real estate market. The lack of sufficient construction lending and long-term commercial mortgage funding in the United States is having a major impact on the ability of commercial property developers to proceed with their projects. As with residential real estate, the commercial real estate slowdown appears to be less in Alexandria than other jurisdictions.

As a result of the general slowdown in the real estate market, it is now expected that next calendar year's assessments will decline between 5.0 percent and 6.0 percent for 2009. This will contribute to a shortfall of about \$10 to \$10.5 million in budgeted revenue for FY 2009. From preliminary projections, it is expected that FY 2010 revenues could fall by over \$35 million compared to the FY 2009 approved budget, mostly as a result of falling real and personal

¹ Realtytrac's definition of Alexandria is greater than the City limits, but the data remains representative.

property values. The extreme turbulence in the credit markets creates downside risk to the City's revenue projections.

REVENUES (Attachment 1): As of October 31, 2008, actual General Fund revenues totaled \$94.1 million, which is \$1.1 million above FY 2008 revenues of \$93.0 million for the same time period last year.

Real Property: Real property is assessed as of January 1 and assessment notices are mailed to property owners in February. Real estate taxes are assessed in early May after Council sets the tax rate. Real estate taxes are billed and payable in two installments. The first tax bill of the calendar year is mailed in May and is payable by June 15. The second tax bill is mailed in October and was payable by November 17 (this reflects a two-day extension because the 15th fell on a Saturday). The increase is attributable to the timing of taxes received before the due date. It is expected that real estate tax revenues paid in November will meet budget expectations, but that real estate tax revenues paid in June 2009 will be approximately 5 percent to 6 percent less than budgeted with 2009 assessments determining the actual amount of the real estate shortfall. If assessments drop 5 percent to 6 percent, that will trigger a shortfall in FY 2009 real estate tax revenues between \$7 million and \$9 million.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage change
\$287.3*	\$293.6 million	\$14.8 million	\$17.3 million	17%

*Preliminary. Final amounts will be reported when CAFR is completed.

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). Business personal property taxes are assessed based on property owned as of January 1 and returns must be filed by May 1. Tax bills are then prepared based on the personal property tax rates set by Council in May. Personal property tax bills are prepared during a two-month period ending July 15 based on the personal property tax rate set by Council in May. Tax bills are mailed to taxpayers in late August and are due on October 5. The State's share of the local personal property tax payment for FY 2009 remains capped at \$23.6 million. This amount covers approximately 69 percent of most taxpayers' bills, which is the same rate that was provided last year. As reported at the City Council Retreat, based on tax bills issued in August, we expect about \$1.0 million more in revenue from this source in FY 2009. Increased year-to-date collections are primarily attributable to (1) increases in vehicle assessments, and (2) changes in the processing of bills for taxpayers who changed address without informing the City. This increase in collections should not affect budget projections.

	FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage change
Vehicles	\$18.6 million*	\$17.4 million	\$15.2 million	\$15.8 million	4%
Business - Equipments and Machinery	\$16.3 million*	\$16.3 million	\$15.2 million	\$15.8 million	4%
State Reimbursement	\$23.6 million*	\$23.6 million	\$11.8 million	\$11.8 million	-
Total	\$58.5 million*	\$57.3 million	\$42.2 million	\$43.4 million	3%

*Preliminary. Final amounts will be reported when CAFR is completed.

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 Commonwealth wires the City's portion of the sales tax approximately 15 days later. The decrease in sales tax revenue is partially related to a one-time repayment to Fairfax County of \$0.5 million for sales tax collections from businesses with an Alexandria address that are actually located in Fairfax County. In addition, this revenue source has slowed over recent months; the adopted budget already assumed a reduction from the FY 2008 projected amount.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage change
\$24.3 million*	\$24.0 million	\$4.0 million	\$3.4 million	(16%)

*Preliminary. Final amounts will be reported when CAFR is completed.

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. While collections for July and August were lower than last year, September collections received in November show a slight increase. Staff will continue to monitor and make adjustments as warranted.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$10.0 million*	\$10.7 million *	\$2.6 million	\$2.6 million	2.9%

* Preliminary. Final amounts will be reported when CAFR is completed.

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 wires the City's portion of the communications tax one month later.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$12.4 million*	\$13.0 million	\$2.1 million	\$1.9 million	(11%)

* Preliminary. Final amounts will be reported when CAFR is completed.

Business License Taxes: The City’s business license tax is due March 1, 2009. These collections are counted and analyzed in March. Most collections prior to March represent collections from new businesses and taxpayers who pay on a quarterly basis. The number of businesses filing returns decreased, so in October, the City sent statutory bills to businesses that filed in 2007 but did not file in 2008. In addition, FY 2008 collections included the results of a one-time collection effort.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$32.0 million*	\$33.5 million	\$1.7 million	\$0.7 million	(56%)

* Preliminary. Final amounts will be reported when CAFR is completed.

Transient Lodging Taxes: Transient lodging taxes are remitted to the City within one month after collections. The amount of local tax levied on hotel and motel room rentals is 6.5 percent of the room charge plus a \$1 per room per night lodging fee. The rate was increased by one percent from 5.5 percent plus \$1 as part of the Approved FY 2009 Budget. This increase is expected to generate \$1.6 million in additional revenue per year.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$8.5 million*	\$11.5 million	\$1.9 million	\$2.5 million	36%

* Preliminary. Final amounts will be reported when CAFR is completed.

Restaurant Meals Taxes: Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. Alexandria’s restaurant meals tax was increased by 1.0 percent from 3.0 percent to 4.0 percent as part of the FY 2009 Approved Budget. For FY 2009, this increase is expected to generate approximately \$3.7 million in additional revenue.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$11.0 million*	\$15.0 million	\$2.6 million	\$3.6 million	40%

* Preliminary. Final amounts will be reported when CAFR is completed.

Cigarette Taxes: Businesses remit cigarette tax revenue to the Northern Virginia Cigarette Board. This revenue is then forwarded to the City approximately 30 days after the end of the month in which the sales occurred.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$2.7 million*	\$2.7 million	\$0.7 million	\$0.7 million	5.8%

* Preliminary. Final amounts will be reported when CAFR is completed.

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. This revenue category may be under the amount budgeted by as much as \$1.5 million due to the low current volume of real estate sale and refinancing transactions.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$4.9 million*	\$4.8 million	\$1.6 million	\$0.9 million	(43%)

* Preliminary. Final amounts will be reported when CAFR is completed.

Admissions Tax: The admissions taxes are remitted to the City within one month after collections.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$1.1 million*	\$1.0 million	\$0.3 million	\$0.3 million	(5%)

* Preliminary. Final amounts will be reported when CAFR is completed.

Licenses and Permits: Increased revenue in this category reflects a budgeted increase in permits and fees.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change
\$4.8 million*	\$6.2 million	\$1.6 million	\$1.7 million	3.7%

* Preliminary. Final amounts will be reported when CAFR is completed.

Charges for Services: Revenues in this category include refuse user charges, ambulance fees, clerk fees and parking meter receipts and reflects higher fee rates as well as parking revenue from the new pay box system in the Carlyle area.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change Year-to-Date
\$11.3 million*	\$14.5 million	\$2.4 million	\$2.4 million	-

* Preliminary. Final amounts will be reported when CAFR is completed.

Revenue from Use of Money & Property: Revenues in this category include interest on investments, parking garage/lot fees and rental of property income. It is too early in the fiscal year to project a specific interest earnings amount at this time for the entire year given the

uncertainty in the financial markets; however, interest rates have dropped and therefore, earnings are likely to be far less than budgeted. The City has completed the transfer of its short-term investments to the Virginia Local Government Investment Pool managed by the State.

FY 2008 Actuals	FY 2009 Budget	FY 2008 Year-to-Date	FY 2009 Year-to-Date	Percentage Change Year-to-Date
\$9.0 million*	\$6.0 million	\$3.0 million	\$1.9 million	(35%)

* Preliminary. Final amounts will be reported when CAFR is completed.

EXPENDITURES (Attachment 2): As of October 31, 2008, actual General Fund expenditures totaled \$154.8 million, an increase of \$3.2 million over the same period last year. The Approved General Fund Budget is 2.4 percent higher than the FY 2008 amended budget. The FY 2009 budget includes an appropriation of \$5.6 million for Other Post Employment Benefit (OPEB) obligations for retiree health and life insurance.

City departments are currently making recommendations to the City Manager to implement the potential \$10 million shortfall in projected revenue. These will be determined by Council at the November 19 City Council Meeting.

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 2009, the following departments have equipment replacement funds large enough to impact their General Fund expenditure patterns at the beginning of the year:

- Police - \$1.6 million
- T&ES - \$0.6 million
- Fire - \$1.3 million

Contributory Payments: The City makes some payments, such as contributions to the Washington Metropolitan Area Transit Authority (WMATA), on a quarterly or semiannual basis. Since these payments are made less frequent 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 the Peumensend Creek Regional Jail and the Northern Virginia Criminal Justice Training Academy.
- **Other Planning and Economic Development Activities:** This category includes quarterly payments to community agencies such as the Alexandria Small Business Development Center and the Alexandria Convention and Visitors Association.
- **Transit Subsidies:** This category includes payments in the quarter for the City's major transit programs, including the Alexandria Transit Company (DASH), and to the Washington Metropolitan Area Transit Authority (WMATA).
- **Other Education Activities:** This category includes quarterly contribution payments to the Northern Virginia Community College.

Other issues not related to budget rescissions include:

Registrar: Expenditures-to-date reflect cost of election-related overtime.

Personnel: Expenditures-to-date represent budgeted tuition assistance payments to City employees.

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

Schools: The City will provide approximately 78 percent of the estimated funds required to operate the City schools in FY 2009.

Human Services: Expenditures reflect payments to community organizations and contractors who provide services.

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.

Non-Departmental Expenditures: General Fund expenditures in this category reflect the City's contributions to a post-employment benefits trust, the public safety pension plan, senior citizens' rent relief and payment for the City's liability insurance. The increase from the prior year represents a budgeted payment of \$5.6 million made to the post-employment benefits trust, where it has been invested. Also, certain pension contributions are made at the beginning 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, 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 OCTOBER 31, 2008 AND OCTOBER 31 2007**

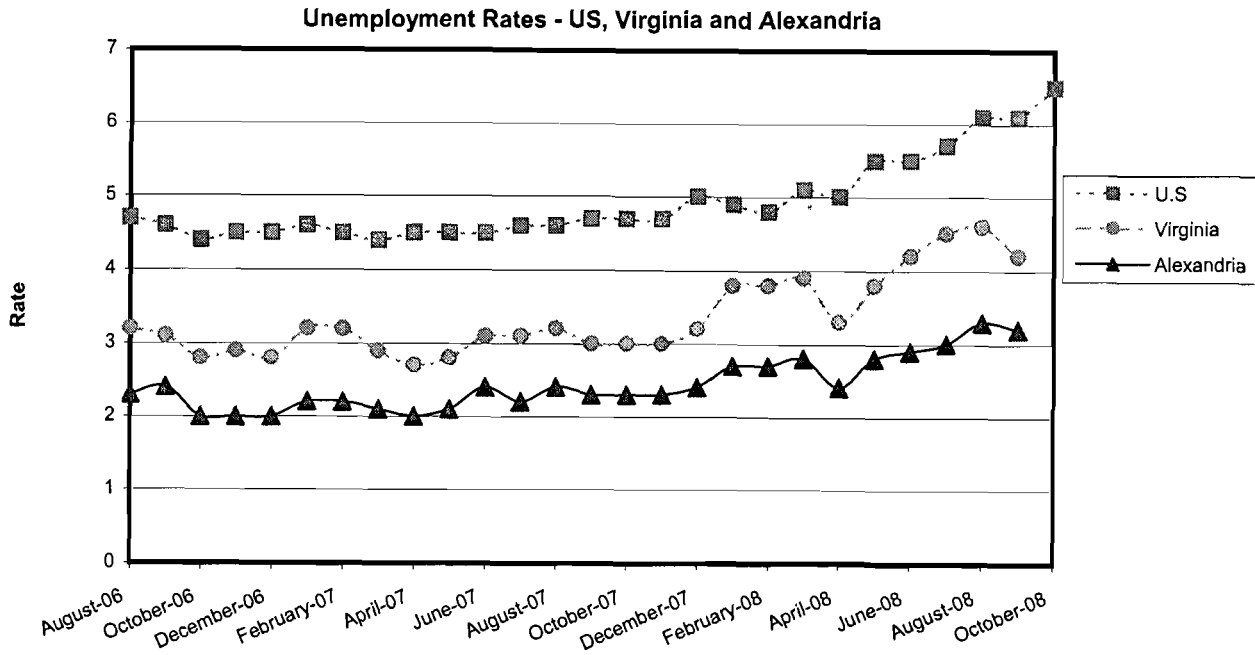
	FY2009 APPROVED BUDGET	FY2009 REVENUES THRU 10/31/08	% OF BUDGET	FY2008 REVENUES THRU 10/31/07
General Property Taxes				
Real Property Taxes.....	\$ 293,600,498	\$ 17,309,495	5.9%	\$ 14,806,068
Personal Property Taxes.....	33,700,000	31,631,970	93.9%	30,427,218
Penalties and Interest.....	1,770,000	378,333	21.4%	268,900
Total General Property Taxes	\$ 329,070,498	\$ 49,319,798		\$ 45,502,186
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 24,000,000	3,366,115	14.0%	\$ 4,019,123
Consumer Utility Taxes.....	10,700,000	2,648,476	24.8%	2,574,080
Communication Sales and Use Taxes.....	13,000,000	1,909,819	14.7%	2,148,823
Business License Taxes.....	33,513,000	743,563	2.2%	1,698,133
Transient Lodging Taxes.....	11,500,000	2,515,151	21.9%	1,853,512
Restaurant Meals Tax.....	15,000,000	3,628,636	24.2%	2,593,582
Tobacco Taxes.....	2,700,000	725,947	26.9%	686,392
Motor Vehicle License Tax.....	3,200,000	2,375,458	74.2%	2,502,508
Real Estate Recordation.....	4,800,000	884,947	18.4%	1,561,593
Admissions Tax.....	1,000,000	288,263	28.8%	303,317
Other Local Taxes.....	2,080,000	209,098	10.1%	267,230
Total Other Local Taxes	\$ 121,493,000	\$ 19,295,473	15.9%	\$ 20,208,293
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 7,223,000	\$ 549,276	7.6%	\$ 1,145,697
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	11,789,265
Revenue from the Commonwealth.....	21,986,481	5,740,354	26.1%	5,804,394
Total Intergovernmental Revenues	\$ 52,788,012	\$ 18,078,895	34.2%	\$ 18,739,356
Other Governmental Revenues And Transfers In				
Fines and Forfeitures.....	\$ 4,755,300	\$ 1,228,217	25.8%	\$ 1,282,261
Licenses and Permits.....	6,157,000	1,696,376	27.6%	1,636,418
Charges for City Services.....	14,473,877	2,374,179	16.4%	2,380,656
Revenue from Use of Money & Property.....	6,000,000	1,911,842	31.9%	2,957,809
Other Revenue.....	200,000	241,572	120.8%	272,296
Transfer from Other Funds.....	2,440,660	-	0.0%	-
Total Other Governmental Revenues	\$ 34,026,837	\$ 7,452,186	21.9%	\$ 8,529,440
TOTAL REVENUE	\$ 537,378,347	\$ 94,146,352	17.5%	\$ 92,979,275
Appropriated Fund Balance				
General Fund.....	10,257,652	-	0.0%	-
Reappropriation of FY 2008 Encumbrances And Other Supplemental Appropriations.....	-	-	0.0%	-
TOTAL	\$ 547,635,999	\$ 94,146,352	17.2%	\$ 92,979,275

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
 GENERAL FUND
 FOR THE PERIODS ENDING OCTOBER 31, 2008 AND OCTOBER 31, 2007**

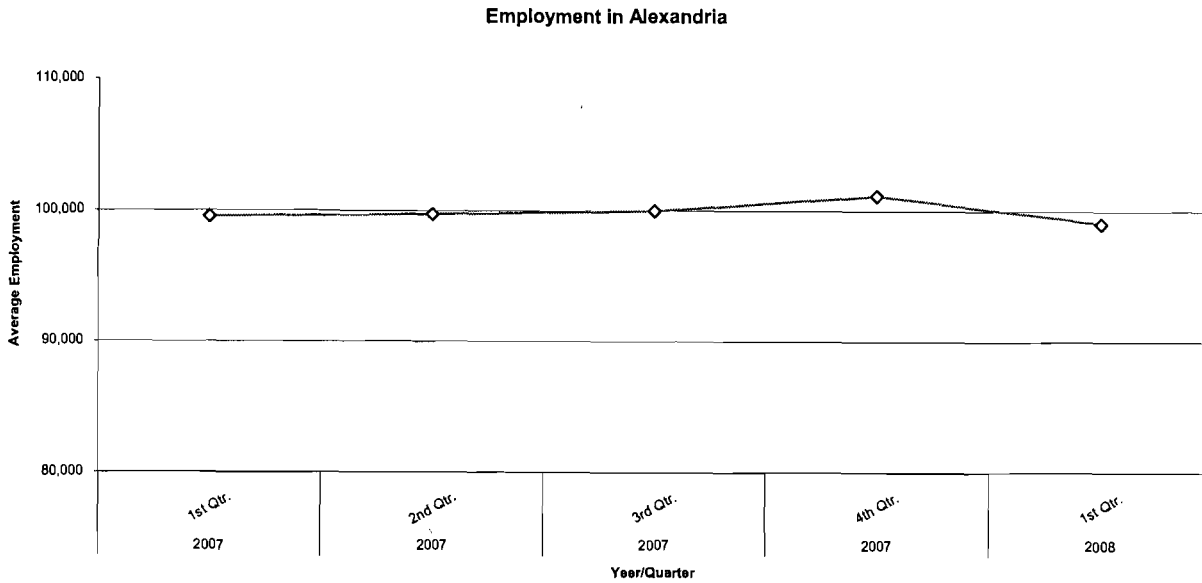
FUNCTION	FY2009	FY2009	% OF	FY2008
	APPROVED BUDGET	EXPENDITURES THRU 10/31/08		BUDGET
Legislative & Executive.....	\$ 7,287,745	\$ 2,317,012	31.8%	\$ 1,941,518
Judicial Administration.....	\$ 38,857,377	\$ 13,835,736	35.6%	\$ 13,451,599
Staff Agencies				
Information Technology Services.....	\$ 7,369,381	\$ 2,289,677	31.1%	\$ 2,721,009
Management & Budget.....	1,183,001	409,533	34.6%	392,279
Finance.....	10,464,370	3,100,835	29.6%	3,045,306
Real Estate Assessment.....	1,635,473	538,928	33.0%	544,992
Personnel.....	3,441,143	1,283,670	37.3%	1,288,621
Planning & Zoning.....	6,356,884	1,979,579	31.1%	1,833,230
Economic Development Activities.....	3,485,182	1,655,912	47.5%	1,352,918
City Attorney.....	3,341,753	887,196	26.5%	1,131,870
Registrar.....	1,275,383	519,321	40.7%	397,265
General Services.....	13,137,584	4,174,671	31.8%	4,293,156
Total Staff Agencies	\$ 51,690,154	\$ 16,839,322	32.6%	\$ 17,000,646
Operating Agencies				
Transportation & Environmental Services.....	\$ 29,270,417	\$ 9,706,534	33.2%	\$ 9,655,716
Fire.....	39,285,884	14,260,221	36.3%	13,433,088
Police.....	53,532,808	19,179,981	35.8%	18,668,098
Transit Subsidies.....	8,680,745	2,897,778	33.4%	3,928,635
Mental Health/Mental Retardation/				
Substance Abuse.....	540,038	269,256	49.9%	241,296
Health.....	7,960,099	1,340,714	16.8%	2,396,052
Human Services.....	12,541,604	5,150,745	41.1%	5,115,158
Historic Resources.....	2,925,481	1,026,517	35.1%	965,273
Recreation.....	21,044,635	7,881,053	37.4%	7,801,508
Total Operating Agencies	\$ 175,781,711	\$ 61,712,799	35.1%	\$ 62,204,824
Education				
Schools.....	\$ 167,953,749	\$ 40,918,435	24.4%	\$ 38,595,870
Other Educational Activities.....	12,004	6,002	50.0%	6,200
Total Education	\$ 167,965,753	\$ 40,924,437	24.4%	\$ 38,602,070
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 33,303,560	\$ 796,215	2.4%	\$ 855,360
Non-Departmental.....	13,963,414	7,918,052	56.7%	2,447,694
Cash Capital.....	4,917,687	4,917,687	100.0%	9,765,564
Contingent Reserves.....	743,218	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 52,927,879	\$ 13,631,954	25.8%	\$ 13,068,618
TOTAL EXPENDITURES	\$ 494,510,619	\$ 149,261,260	30.2%	\$ 146,269,275
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library and Transfers to the Special Revenue Fund)...				
	33,941,733		0.0%	-
Transfer to Housing.....	3,911,512	486,749	12.4%	490,645
Transfer to Library.....	7,205,135	2,401,471	33.3%	2,373,503
Transfer to DASH.....	8,067,000	2,688,731	33.3%	2,508,227
TOTAL EXPENDITURES & TRANSFERS	\$ 547,635,999	\$ 154,838,211	28.3%	\$ 151,641,650

**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 September 30, 2008)	142.0	134.7	+5.5%
(Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)			
<u>Unemployment Rates</u>			
Alexandria (As of September 30, 2008)			
	3.2%	2.3%	+39%
Virginia			
(As of September 30, 2008)	4.2%	3.0%	+40%
(Source: United States Department of Labor, Bureau of Labor Statistics, as adjusted)			
United States			
(As of October 31, 2008)	6.5%	4.7%	+38%
(Source: United States Department of Labor, Bureau of Labor Statistics)			
<u>New Business Licenses</u>			
(During October 2008)			
(Source: Finance Department, Business Tax Branch)	82	78	+5%
<u>Office Vacancy Rates</u>			
(As of September 30, 2008)			
Alexandria			
	7.0%	6.4%	+9%
Northern Virginia			
	13.3%	12.6%	+6%
Washington DC Metro Area			
(Source: Grubb & Ellis)	12.0%	10.9%	+10%
<u>New Commercial Construction</u>			
(Fiscal YTD as of October 31, 2008)			
Number of New Building Permits			
	3	1	+200%
Value of New Building Permits			
	24.3	11.0	+121%
(Source: Fire Department Code Enforcement Bureau)			
<u>Residential Real Estate Indicators</u>			
(YTD ending September 30, 2008)			
Residential Dwelling Units Sold			
	1,407	1,861	-24.4%
Average Residential Sales Price			
	\$468,407	\$492,510	-4.9%
(Source: Department of Real Estate Assessments)			

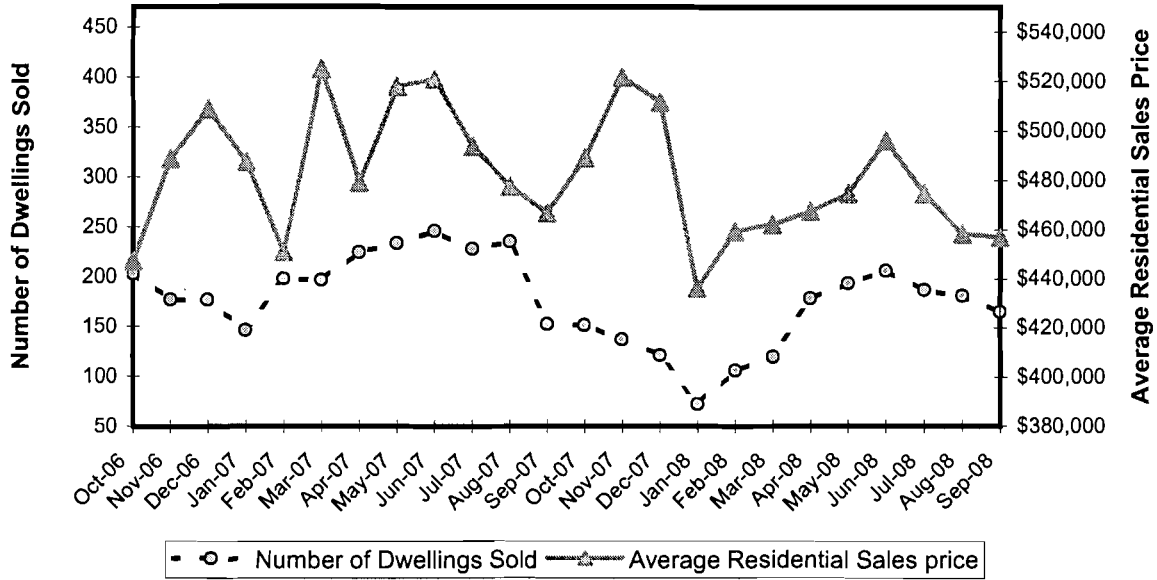


Source: United States Department of Labor, Bureau of Labor Statistics (as revised by BLS)

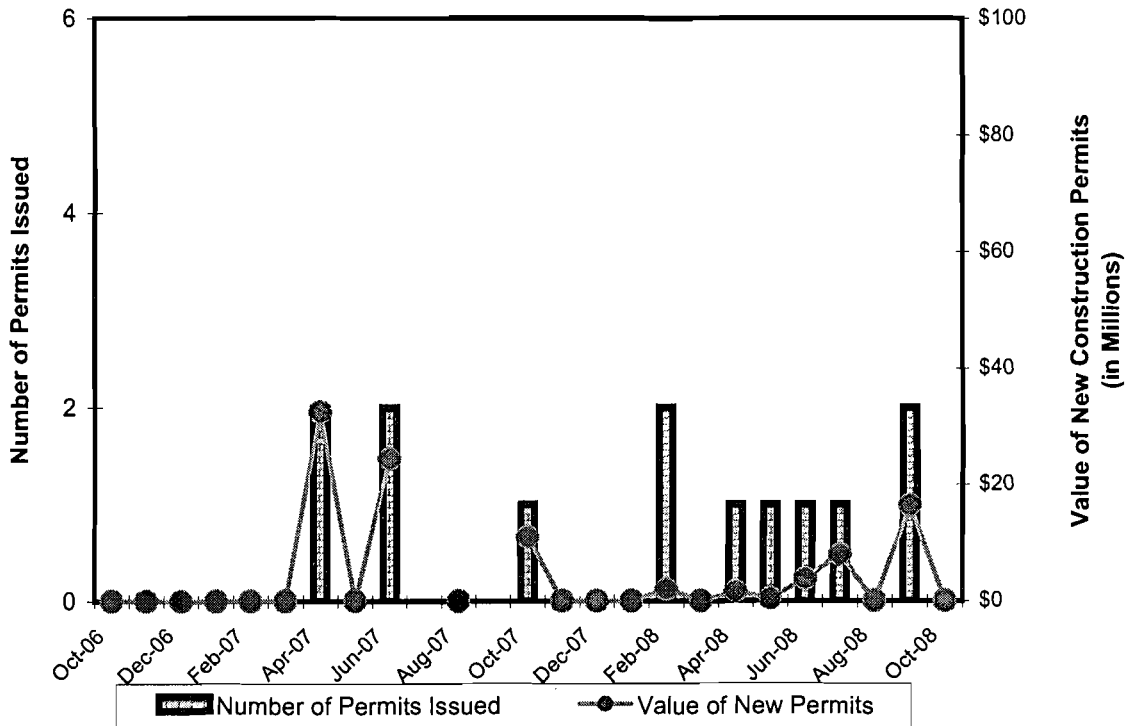


Source: Virginia Employment Commission, including the U.S. Patent and Trademark Office.

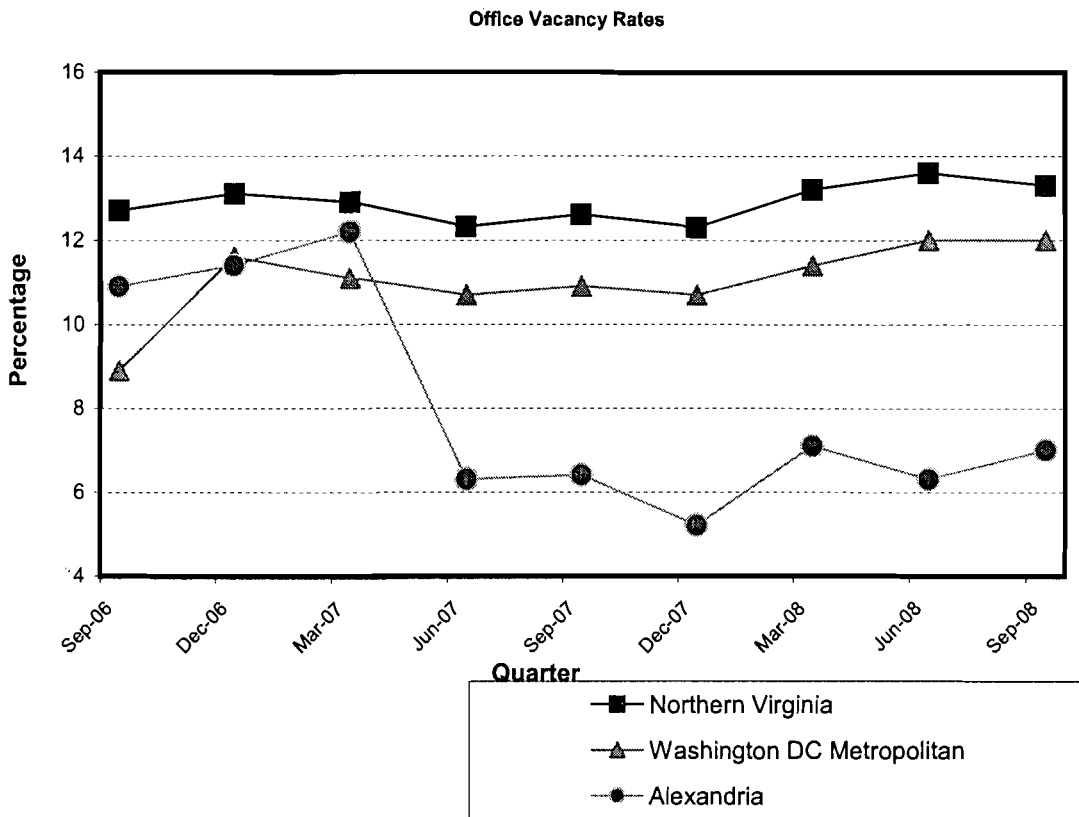
Selected Residential Real Estate Indicators



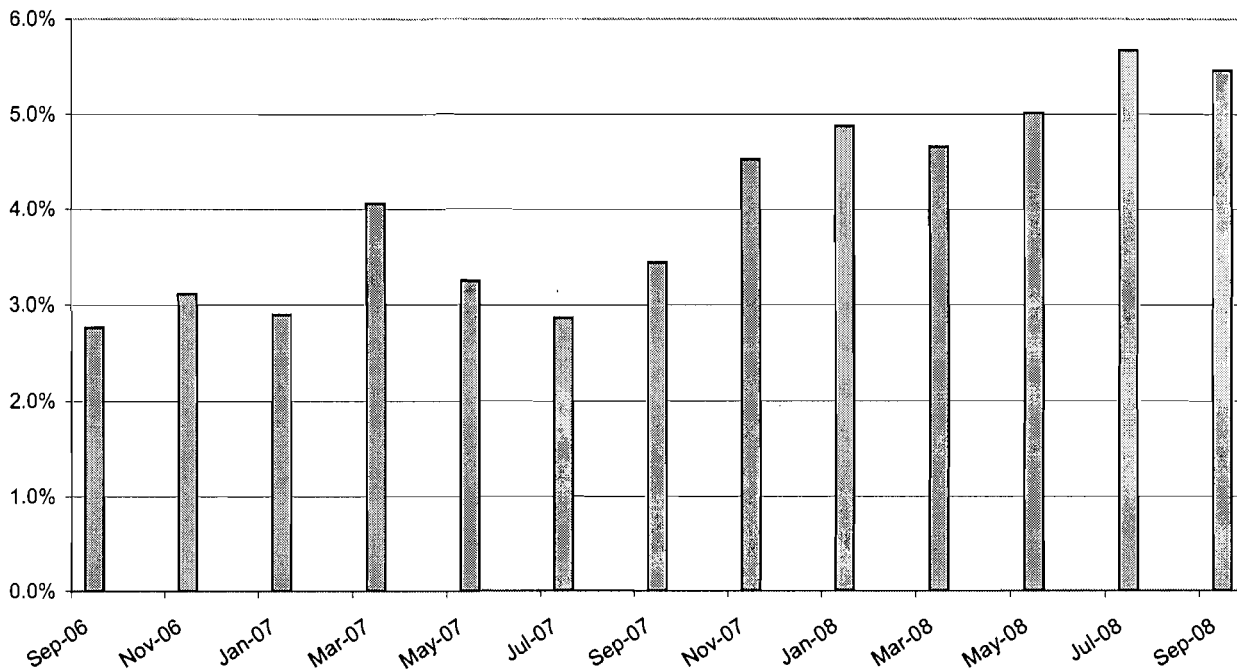
Alexandria New Commercial Construction
Number of Permits and
Value of New Construction Permits



City of Alexandria Selected Economic Indicators



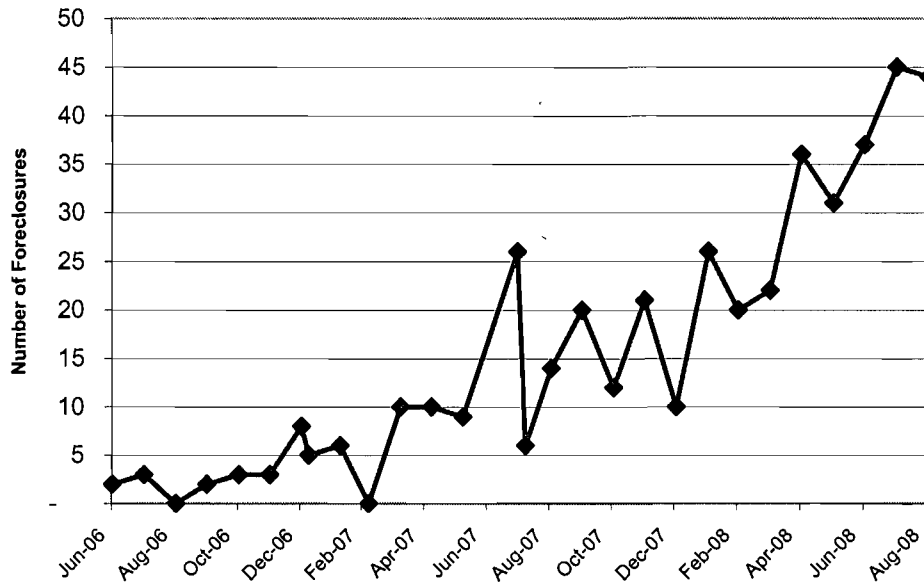
Twelve Month Annualized Percentage Change in Consumer Price Index Washington/Baltimore



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

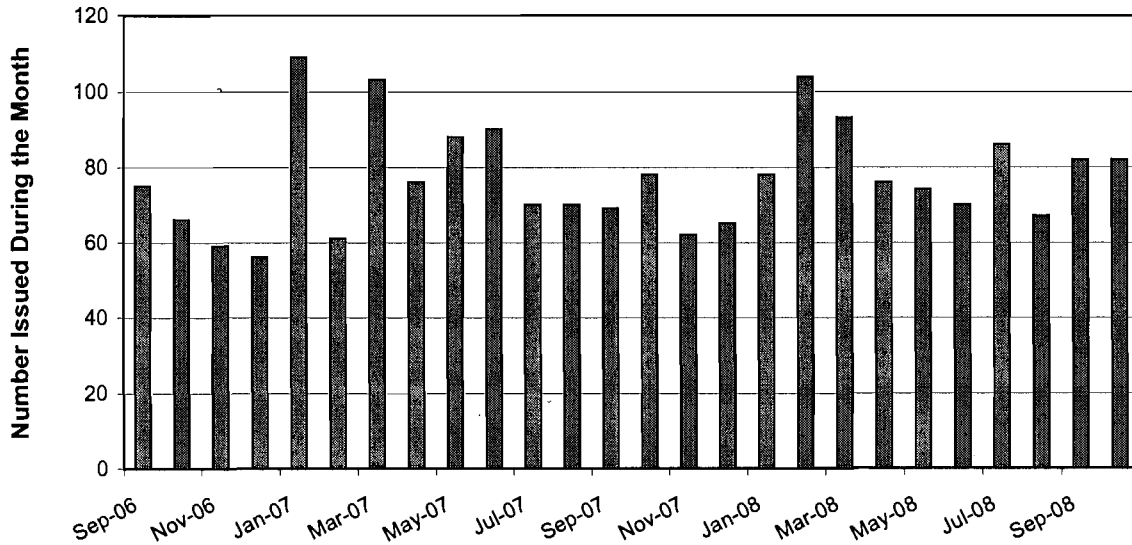
**City of Alexandria
Selected Economic Indicators**

Alexandria Foreclosures

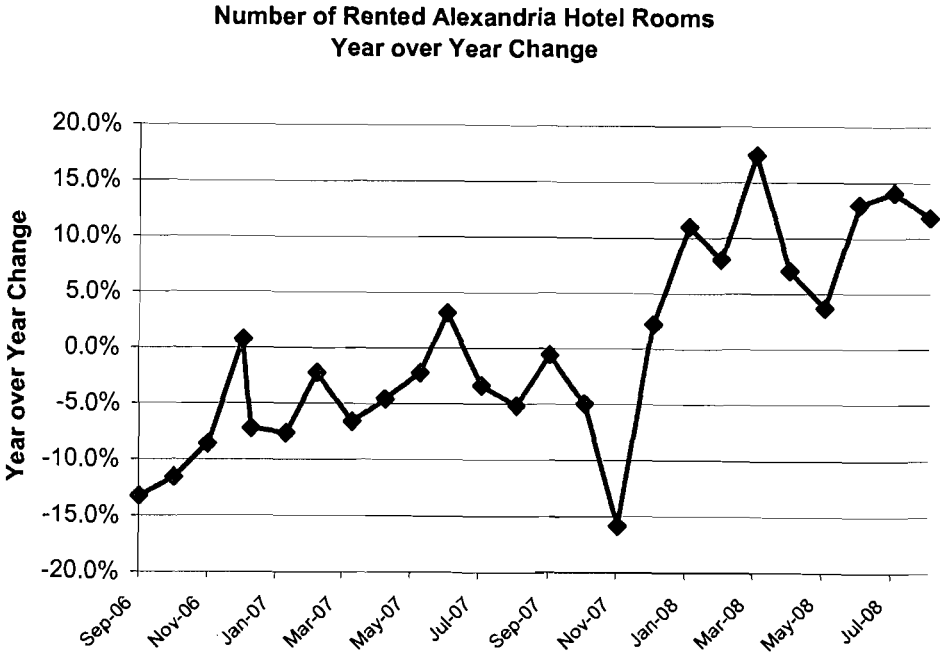


Source: Department of Real Estate Assessments

New Business Licenses Issued in Alexandria



City of Alexandria
Selected Economic Indicators



Source: Finance Department