

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 14, 2004

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

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

ISSUE: Receipt of the City's Monthly Financial Report for the period ending May 31, 2004.

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

DISCUSSION: The City's Monthly Financial Report provides General Fund financial information on revenues and expenditures for the fiscal year to date. This Monthly Financial Report of the General Fund covers the period July 1, 2003 through May 31, 2004. This report presents revenues and expenditures for the same period in Fiscal Year (FY) 2003 for comparative purposes (Attachments 1 and 2) and provides a summary of selected economic indicators (Attachment 3).

To date, General Fund City revenues through May 31, 2004, total \$302.2 million, which is \$27.5 million, or 10.0 percent, higher than FY 2003 for the same reporting period. FY 2004 real estate tax revenues, even at the new lower 99.5¢ rate, will exceed budgeted growth expectations as the January 2004 assessments substantially exceeded the 5 percent assessment increase originally budgeted. Assessments, which were announced at Council's February 10, 2004 legislative meeting, increased 18.4 percent over FY 2003 assessments.

Economic indicators show that the local economy has continued to improve, with the unemployment rate at 1.9 percent and the office vacancy rate down to 9.5 percent. Finance and OMB staff have made projections of FY 2004 revenues by category. Projected revenue shortfalls in certain key categories could cumulatively total approximately \$1.7 million by the end of FY 2004. However, real property and some other revenues are projected to exceed budgeted levels by up to \$13.8 million, with additional real estate revenues comprising approximately 45 percent of this amount. When combined, the projected net additional revenues total \$12.1 million, an increase of \$0.7 million from the \$11.4 estimate made in conjunction with the FY 2005 Approved Budget. The following chart and text describe the sources of the variances:

FY 2004 PROJECTIONS
(Amounts in millions)

	FY 2004 BUDGET	FY 2004 BUDGET PROJECTIONS	BUDGET VERSUS PROJECTIONS
Real Property*	\$ 201.0	\$ 207.0	\$ 6.0
Personal Property-Local Share	31.7	31.7	-
Penalties and Interest	1.1	1.6	0.5
Sales Tax	22.2	22.2	-
Consumer Utility Tax	17.8	17.3	(0.5)
Business License Tax	23.6	25.2	1.6
Transient Lodging Tax	5.9	5.9	-
Restaurant Meals Tax	8.8	9.4	0.6
Tobacco	2.6	2.6	-
Motor Vehicle License Tax	2.3	2.4	0.1
Recordation Taxes	1.9	3.6	1.7
Other Local Taxes	4.0	3.6	(0.4)
Intergovernmental	45.1	48.4	3.3
Fines and Forfeitures	4.0	3.9	(0.1)
Licenses and Permits	3.0	3.0	-
Charges for City Services	9.9	9.8	(0.1)
Use of Money and Property	5.0	4.4	<u>(0.6)</u>
Net Additional Revenues			\$12.1
Less Previous Projection and Real Estate Tax Rate Reduction			<u>(11.4)</u>
Projected Net New Available Funds			\$ 0.7

*Reflects a reduction in the real estate tax rate of 4 cents as adopted by the City Council, which reduced FY 2004 projected revenue by an additional \$1 million.

General Fund expenditures through the end of May total \$312.0 million, which is \$17.4 million, or 5.9 percent, higher than expenditures at the same time last year. The City expended \$1.0 million in operating costs associated with Hurricane Isabel and is working on obtaining reimbursement of eligible expenses from various federal and State authorities. It appears that the Federal Emergency Management Agency (FEMA) may reimburse up to \$0.5 million of these

costs. The remaining unreimbursed costs are included in the category of Non-departmental expenditures in Attachment 1. As of May 31, 2004, General Fund expenditures exceeded General Fund revenues by \$9.8 million. This is a normal situation that occurs this time of year because the City's revenues follow seasonal patterns (e.g., the City's real estate tax revenues are due in November and June), while expenditures are more evenly distributed.

REVENUES (Attachment 1): As of May 31, 2004, actual General Fund revenues totaled \$302.2 million, which is \$27.5 million, or 10.0 percent, higher than revenues for the same period last year. Unless otherwise noted, projections are the same as those presented to City Council in Budget Memo #76.

Real Estate Taxes: Second half real estate taxes were due November 17. Revenues to date are \$20.5 million, or 18.6 percent, higher than collections at this time last year. As projected in the FY 2004 Budget, second half real estate billings totaled \$98.6 million, or 13.6 percent, higher than billings in the prior year. The difference between the revenue collected to date and the amount billed relates (1) to the timing of the collection of first half real estate taxes due June 15, and (2) to the Chapter 11 bankruptcy filing by Mirant that resulted in \$1.4 million not being paid. The City has retained bankruptcy counsel to protect its financial interests during the bankruptcy process. With 2004 assessments increasing 18.4 percent, overall FY 2004 real estate tax revenue collections will exceed budgeted levels. This assessment increase (at the adopted 99.5¢ real estate tax rate) would raise expected FY 2004 real estate tax revenues to \$207.0 million, or \$6.0 million above the Approved FY 2004 Budget.

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

To date, the City has collected \$31.7 million in personal property tax revenue and received reimbursement from the Commonwealth of \$22.7 million for total personal property tax receipts of \$54.4 million. This represents a \$2.0 million, or 3.9 percent, increase when compared with receipts collected at the same time last year. Personal property tax collections on vehicles increased by approximately 9.1 percent over the same period last year. The approved budget anticipates a 6.7 percent increase in taxes on vehicles compared to last year's actual collections. While the vehicle personal property tax revenues have increased, business personal property tax revenues have not grown as seen through billings and collections to date. Personal property tax collections from businesses decreased by 1.9 percent when compared with the same period last year. Based on collections to date, it appears that personal property tax collections will approximate \$31.7 million, an increase of \$0.1 million above the previous projection. Collections from the Commonwealth (included in intergovernmental revenue) are estimated to be \$22.8 million which is unchanged from the previous projection.

Personal Property Tax (in millions)	FY 2004 Year to Date Receipts	FY 2004 Budget	FY 2004 Projections	FY 2003 Year to Date Receipts
City share	\$ 31.7	\$ 31.7	\$ 31.7	\$ 30.4
Commonwealth reimbursement	<u>22.7</u>	<u>21.5</u>	<u>22.8</u>	<u>21.9</u>
Total	\$ 54.4	\$ 53.2	\$ 54.5	\$ 52.3

Penalties and Interest: Collections of penalties and interest year to date total \$1.4 million, which approximates last year’s penalties and interest revenues for the same period. Based upon historical patterns, it is projected that by the end of the fiscal year, FY 2004 revenues will total \$1.6 million, or \$0.5 million more than the Approved FY 2004 Budget. This projection is unchanged from the previous projection.

Local Sales and Use Taxes: Businesses remit sales taxes to the Commonwealth within 30 days of the end of the month in which sales occurred. The Commonwealth wires its portion of the sales tax to the City approximately one month later. Sales taxes received by the City through May represent revenues collected by merchants for July through March. Sales tax revenue collections totaled \$16.7 million to date and represent a 5.1 percent increase over FY 2003 collections. Based on collections to date, it appears that sales tax collections will meet the current budget and last month’s projection of \$22.2 million.

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

City of Alexandria Consumer Utility Tax Receipts			
Utility	FY 2004 Year to Date Receipts	FY 2003 Year to Date Receipts	Increase/ (Decrease)
Telephone - Tax on Local Services	\$6,371,245	\$ 5,804,978	\$566,267
Electricity	4,490,292	4,531,086	(40,794)
Water	1,513,537	1,599,829	(86,292)
Natural Gas	1,895,173	1,904,104	(8,931)

Business License Taxes: The City’s business license tax was due on March 1 for Calendar Year (CY) 2004. Collections to date, in the amount of \$24.2 million, are \$2.7 million higher than collections at the same time last year. An analysis of the tax returns from businesses that reported their gross receipts on time shows an increase in taxes paid from the service sector of 20 percent, including an increase in taxes paid from professional services of 29 percent. However,

taxes paid by the retail sector dropped by 3 percent and taxes paid by contractors decreased by 18 percent. Similar to last year, a few firms did not file by the March 1 due date. Staff estimates that they will collect an additional \$1.0 million over the remainder of the year, including \$0.7 million in quarterly payments and \$0.3 million from non-filers, delinquent taxpayers and audits of tax returns. Based on larger collections to date of delinquent taxes, staff's current estimate for business license tax receipts is \$25.2 million, an increase of \$1.6 million over the Approved FY 2004 Budget, and an increase of \$0.2 million above the previous projections.

Transient Lodging Taxes: Transient lodging taxes are remitted to the City within one month after collection. Therefore, the revenue reflected in this report represents collections by hotels through April. Collections totaled \$4.9 million, an increase of \$0.6 million, or 13.4 percent, over last year. This increase is attributed to the increased number of visitors, as well as business and governmental travelers. Staff currently estimates that transient lodging collections will approximate the Approved FY 2004 Budget, which is consistent with prior projections.

Restaurant Meals Tax: Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. Collections in the amount of \$7.1 million represent an increase of \$0.3 million, or 3.8 percent, over the previous year. Based on collections to date, staff projects that restaurant meals taxes will be \$9.4 million, an increase of \$0.6 million above the Approved FY 2004 Budget. This is consistent with prior projections.

Tobacco Taxes: Businesses remit tobacco tax revenue to the Northern Virginia Cigarette Board. This revenue is forwarded to the City approximately 15 days after the end of the month in which the sales occurred. Tobacco taxes are levied at a rate of \$0.50 per pack of 20 cigarettes sold in the City. This rate was increased from \$.30 per pack as of January 2003. To date, \$2.0 million has been collected for FY 2004 representing an increase of \$0.4 million over that of the previous year. Tobacco tax revenues to date remain consistent with the FY 2004 budgeted level and with prior projections.

Real Estate Recordation Taxes: Real estate recordation tax revenues are collected by the Clerk of the Court and remitted to the City the following month. Based on collections, staff currently estimates that real estate recordation taxes will approximate \$3.6 million, an increase of \$1.7 million above the Approved FY 2004 Budget and \$0.4 million higher than the previous projection. This is largely due to the continued impact of homeowners refinancing existing mortgages, as well as home sales.

Other Local Taxes: This category includes bank franchise taxes, telecommunications right-of-way taxes, cable TV franchise taxes, daily rental taxes and other miscellaneous taxes. These collections are expected to be \$3.6 million, a decrease of \$0.4 million from the Approved FY 2004 Budget primarily due to the expected decreases in bank franchise taxes as described in Budget Memo #111. This is consistent with prior projections.

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 \$5.3 million for housing federal prisoners through the period ending May 2004. However, as of May 31, 2004, \$4.3 million has been received. The federal government generally pays the City for housing federal prisoners between 45 and 60 days after the end of the billing period. Based on collections, staff currently estimates that revenues from the federal government will approximate

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

Revenue from the Commonwealth: The \$15.5 million in revenues received to date is equal to those received for the same period in FY 2003. Based on collections to date, staff projects that revenue from the Commonwealth will be \$19.3 million, an increase of \$0.5 million above the Approved FY 2004 Budget. The remaining \$1.3 million increase in estimated intergovernmental revenue results from the PPTRA collections for personal property taxes discussed above.

Fines and Forfeitures: Collections through May were 3.5 percent higher than collections last year, primarily attributable to the budgeted increased collections for parking fines. Based on collections to date, staff projects that fines and forfeitures will fall short of the Approved FY 2004 Budget by \$0.1 million, primarily from a reduction in the expected red-light violation collections. This is consistent with prior projections.

Charges for Services: Year to date revenues decreased \$0.1 million compared with last fiscal year. In part, this decrease is caused by the loss of City Marina revenue as a result of damages from Hurricane Isabel. Based on collections to date, staff projects that charges for services will be \$9.8 million, \$0.1 million less than the Approved FY 2004 Budget, which is consistent with prior projections.

Revenues from Use of Money and Property: Year to date revenues from the use of money and property decreased \$0.7 million compared with last fiscal year. In part, this is due to substantially declining market interest rates on City short-term investments. The decrease in market interest rates is reflected in the federal fund interest rate reduction from 1.23 percent in May 2003 to 0.99 percent in May 2004. Based on collections to date, staff projects that revenue from the use of money and property will be \$4.4 million, a decrease of \$0.6 million below the Approved FY 2004 Budget, which is consistent with prior projections.

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

EXPENDITURES (Attachment 2): As of May 31, 2004, actual General Fund expenditures and transfers totaled \$312.0 million, an increase of \$17.4 million, or 5.9 percent, over expenditures for the same period last year. Except as noted below, increases in expenditures, when compared with the prior fiscal year, are attributable to budgeted expenditures for annual equipment replacement charges made at the beginning of the fiscal year and the transfer of all \$17.0 million of the planned General Fund cash capital transfer to the Capital Projects Fund. Except as noted below, this expenditure pattern reflects the Approved FY 2004 Budget. Where there are expected overages funds will be transferred from areas of projected underexpenditure. These transfers are reflected in the June transfer resolution docket item presented for Council approval.

Judicial Administration: Expenditures represent the annual payments to regional organizations that provide legal, correctional and animal welfare and control services. In addition, the Sheriff's Department incurred substantial overtime costs related to perimeter security at the Public Safety Center, as well as costs related to housing a higher inmate population than budgeted. The City has been working to obtain additional federal funding for some or all of these costs and Congressman Moran obtained \$750,000 this fiscal year that can be used to cover these additional

overtime costs. Furthermore, the City has projected to receive \$1.6 million in excess federal jail per diem funds above the budgeted level (see above) in FY 2004.

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

City Attorney: Expenditures to date reflect outside legal fees which are budgeted in a non-departmental account but initially charged for oversight purposes to the City Attorney's Office.

General Services: Expenditures to date represent costs associated with rent payments for other departments and charged to General Services and the increase in rent and utility costs above original estimates.

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

Fire: Due to lower than projected attrition of firefighter and EMS personnel, preliminary projections show that the Fire Department is going to substantially exceed approved budget authority by the end of the fiscal year. The Fire Department has been submitting monthly end-of-year projections to OMB and this situation has been monitored closely.

Transit Subsidies: Expenditures to date reflect budgeted increases for the City's contribution to the Washington Metropolitan Area Transit Authority as well as higher than anticipated paratransit costs.

Human Services: Within this department, expenditures for the Community Service Act (CSA) mandated services for at-risk youth are exceeding budgeted amounts. By the end of FY 2004, it is estimated that the initial DHS budget may be exceeded by \$0.8 million.

School: The School Administration has reported \$124.0 million in expenses through May 31, 2004. The City's General Fund share of total School Administration budgeted expenditures is approximately 77.1 percent of the total expenditures. This percentage was applied to total school disbursements to estimate school expenditures to date in the amount of \$95.6 million (i.e., 77.1 percent of \$124.0 million).

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

Debt Service: Expenditures for debt service will be less than budgeted by \$2.2 million. These savings are a result of delaying the issuance of new bonds until January 2004. As a result, only one debt service interest payment is due in fiscal year 2004 instead of the two interest payments and one principal payment which were budgeted.

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

Cash Capital Transfer: At the beginning of each fiscal year, the full planned and budgeted fiscal year cash capital transfer to the Capital Projects Fund is made. While a monthly transfer process could be established, a one-time accounting entry making this transfer is more efficient. Since the General Fund still captures all interest earnings on the amount transferred, there is no negative General Fund impact of doing a one-time transfer. For FY 2004, the budgeted Capital Projects Fund transfer is \$17.0 million, which compares with \$14.2 million in FY 2003.

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

ATTACHMENTS:

Attachment 1 - Comparative Statement of Revenues

Attachment 2 - Comparative Statement of Expenditures & Transfers by Function

Attachment 3 - Selected Economic Indicators

STAFF:

Mark Jinks, Assistant City Manager for Fiscal and Financial Affairs

D. A. Neckel, Director of Finance

Laura Triggs, Deputy Director of Finance/Comptroller

Bruce Johnson, Director of Office of Management and Budget

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

	FY2004 APPROVED BUDGET	FY2004 REVENUES THRU 05/31/04	% OF BUDGET	FY2003 REVENUES THRU 05/31/03
General Property Taxes				
Real Property Taxes.....	\$ 201,043,402	\$ 130,659,015	65.0%	\$ 110,125,801
Personal Property Taxes.....	31,684,000	31,698,798	100.0%	30,410,599
Penalties and Interest.....	1,100,000	1,368,438	124.4%	1,428,970
Total General Property Taxes	<u>\$ 233,827,402</u>	<u>\$ 163,726,251</u>		<u>\$ 141,965,370</u>
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 22,150,000	16,700,660	75.4%	\$ 15,893,778
Consumer Utility Taxes.....	17,750,000	14,270,247	80.4%	13,839,997
Business License Taxes.....	23,600,000	24,222,968	102.6%	21,559,887
Transient Lodging Taxes.....	5,900,000	4,853,242	82.3%	4,281,538
Restaurant Meals Tax.....	8,800,000	7,116,105	80.9%	6,857,092
Tobacco Taxes.....	2,600,000	2,039,628	78.4%	1,636,663
Motor Vehicle License Tax.....	2,300,000	2,371,606	103.1%	2,284,648
Real Estate Recordation.....	1,900,000	3,024,179	159.2%	2,681,772
Other Local Taxes.....	4,013,000	2,187,253	54.5%	2,915,460
Total Other Local Taxes	<u>\$ 89,013,000</u>	<u>\$ 76,785,888</u>	86.3%	<u>\$ 71,950,835</u>
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 4,775,000	\$ 4,298,350	90.0%	\$ 3,936,689
Personal Property Tax Relief from the Commonwealth.....	21,500,000	22,658,359	105.4%	21,900,236
Revenue from the Commonwealth.....	18,783,200	15,491,737	82.5%	15,455,681
Total Intergovernmental Revenues	<u>\$ 45,058,200</u>	<u>\$ 42,448,446</u>	94.2%	<u>\$ 41,292,606</u>
Other Governmental Revenues				
Fines and Forfeitures.....	\$ 4,000,000	\$ 3,693,567	92.3%	\$ 3,569,447
Licenses and Permits.....	3,000,000	2,989,946	99.7%	2,664,223
Charges for City Services.....	9,891,200	7,672,284	77.6%	7,562,141
Revenue from Use of Money & Property.....	4,968,186	4,432,530	89.2%	5,126,527
Other Revenue.....	453,598	455,795	100.5%	546,350
Total Other Governmental Revenues	<u>\$ 22,312,984</u>	<u>\$ 19,244,122</u>	86.2%	<u>\$ 19,468,688</u>
TOTAL REVENUE	\$ 390,211,586	\$ 302,204,707	77.4%	\$ 274,677,499
Appropriated Fund Balance				
General Fund.....	7,536,601	-	0.0%	-
Reappropriation of FY 2003 Encumbrances And Other Supplemental Appropriations.....	3,629,558	-	0.0%	-
TOTAL	<u><u>\$ 401,377,745</u></u>	<u><u>\$ 302,204,707</u></u>	75.3%	<u><u>\$ 274,677,499</u></u>

CITY OF ALEXANDRIA, VIRGINIA				
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION				
GENERAL FUND				
FOR THE PERIODS ENDING MAY 31, 2004 AND MAY 31, 2003				
FUNCTION	FY2004	FY2004	% OF	FY2003
	APPROVED BUDGET	EXPENDITURES THRU 05/31/04		EXPENDITURES THRU 05/31/03
Legislative & Executive.....	\$ 5,057,809	\$ 4,352,721	86.1%	\$ 3,894,837
Judicial Administration.....	\$ 27,858,022	\$ 26,154,473	93.9%	\$ 25,134,707
Staff Agencies				
Information Technology Services.....	\$ 6,719,279	\$ 5,756,376	85.7%	\$ 4,759,954
Management & Budget.....	949,546	675,613	71.2%	603,816
Finance.....	7,773,136	6,466,558	83.2%	6,124,336
Real Estate Assessment.....	1,013,399	836,802	82.6%	774,654
Personnel.....	2,397,007	2,165,977	90.4%	1,892,687
Planning & Zoning.....	3,476,901	2,650,596	76.2%	2,760,113
Other Planning Activities.....	2,302,240	2,242,362	97.4%	2,146,773
City Attorney.....	1,466,068	1,730,347	118.0%	1,663,653
Registrar.....	913,581	764,628	83.7%	745,725
General Services.....	9,621,729	8,952,469	93.0%	8,488,169
Total Staff Agencies	\$ 36,632,886	\$ 32,241,728	88.0%	\$ 29,959,880
Operating Agencies				
Transportation & Environmental Services.....	\$ 22,275,573	\$ 20,182,480	90.6%	\$ 18,643,560
Fire.....	28,116,653	25,636,371	91.2%	24,710,158
Police.....	40,304,397	35,299,669	87.6%	33,784,875
Transit Subsidies.....	3,919,451	3,736,118	95.3%	3,511,087
Housing.....	942,195	773,590	82.1%	786,880
Mental Health/Mental Retardation/ Substance Abuse.....	580,871	536,296	92.3%	533,495
Health.....	7,197,240	5,335,741	74.1%	5,193,260
Human Services.....	9,047,855	7,864,191	86.9%	7,395,462
Historic Resources.....	2,306,506	1,994,656	86.5%	1,895,616
Recreation.....	16,125,579	13,901,466	86.2%	13,181,314
Total Operating Agencies	\$ 130,816,320	\$ 115,260,578	88.1%	\$ 109,635,707
Education				
Schools.....	\$ 121,191,334	\$ 95,622,622	78.9%	\$ 91,555,363
Other Educational Activities.....	13,058	13,058	100.0%	13,246
Total Education	\$ 121,204,392	\$ 95,635,680	78.9%	\$ 91,568,609
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 21,299,500	\$ 9,448,848	44.4%	\$ 11,162,348
Non-Departmental.....	7,368,279	7,182,900	97.5%	4,593,968
Cash Capital.....	16,955,000	16,955,000	100.0%	14,200,000
Contingent Reserves.....	290,234	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 45,913,013	\$ 33,586,748	73.2%	\$ 29,956,316
TOTAL EXPENDITURES	\$ 367,482,442	\$ 307,231,928	83.6%	\$ 290,150,056
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library)				
Transfers to the Special Revenue Fund.....	28,725,303	-	0.0%	-
Transfer to DASH.....	5,170,000	4,740,890	91.7%	4,428,127
TOTAL EXPENDITURES & TRANSFERS	\$ 401,377,745	\$ 311,972,818	77.7%	\$ 294,578,183

CITY OF ALEXANDRIA
SELECTED ECONOMIC INDICATORS

	<u>Current Year</u>	<u>Prior Year</u>	<u>Percent Change</u>
<u>Consumer Price Index (CPI-U)</u> for the Washington-Baltimore, DC-MD-VA-WV Area (As of March 31, 2004) (Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)	118.1	115.9	+1.9%
<u>Unemployment Rates</u> Alexandria Virginia (As of April 30, 2004) (Source: United States Department of Labor, Bureau of Labor Statistics)	1.9% 3.1%	2.6% 3.8%	-27% -18%
United States (As of May 31, 2004) (Source: United States Department of Labor, Bureau of Labor Statistics)	5.6%	6.1%	-8%
<u>Interest Rates</u> (As of May 31, 2004) Prime Rate Federal Fund Rate (Source: SunTrust Economic Monitor)	4.00% 0.99%	4.25% 1.23%	-6% -20%
<u>New Business Licenses</u> (During May) (Source: Finance Department, Business Tax Branch)	82	96	-15%
<u>Office Vacancy Rates</u> (As of March 31, 2004) Alexandria Northern Virginia Washington DC Metro Area (Source: Grubb & Ellis)	9.5% 15.2% 12.0%	10.9% 18.0% 13.3%	-13% -16% -10%
<u>New Commercial Construction</u> (As of April 30, 2004) Number of New Building Permits Value of New Building Permits (Source: Fire Department Code Enforcement Bureau)	10 \$ 77.8 million	12 \$ 169.8 million	-17% -54%
<u>Residential Real Estate Indicators</u> (for the two months ended February 29, 2004) Residential Dwelling Units Sold Average Residential Sales Price (Source: Department of Real Estate Assessments)	705 \$359,926	669 \$314,708	+5% +14%