

City of Alexandria, Virginia

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MEMORANDUM

2-26-02

DATE: FEBRUARY 20, 2002

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER *PS*

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING
JANUARY 31, 2002

ISSUE: Receipt of the City's Monthly Financial Report for the period ending January 31, 2002.

RECOMMENDATION: That City Council receive the following Monthly Financial Report for the period ending January 31, 2002.

DISCUSSION: This report provides financial information on revenues and expenditures of the General Fund for the period July 1, 2001 through January 31, 2002. The report also presents revenues and expenditures for the same period for Fiscal Year 2001 for comparative purposes (Attachments 1 and 2), and provides a summary of selected economic indicators (Attachment 3).

FY 2002 revenues through January 31, 2002 totaled \$187.4 million. As discussed in previous months' financial reports, some expected revenue decreases in certain revenue categories have become a reality. General Fund expenditures through the end of January totaled \$183.1 million, or 10.0 percent higher than expenditures at the same time last year. The three primary reasons for the expenditure increase relate to an increase in budgeted transfers to the City's capital project funds, an increase in budgeted transfers to the School Operating Fund, and a planned increase in vehicle replacement funding.

Year-to-date revenues reflect the impact (in transient lodging, restaurant meals and sales taxes) from the terrorist attack on the Pentagon, the three-week suspension of flights into and out of Reagan Washington National Airport, the gradual resumption of flights, and reduced business travel (down 30% nationwide). While tourism and business travel have increased from their extremely low levels of mid-September, levels remain below last year at this time. This is because tourism and business travel levels continue to be impacted by the status of Reagan Washington National Airport (phase III flight level began on January 2, 2002 and will increase to 77 percent of pre-September 11 flight levels by March 1, 2002), airline scheduling and the public's perceptions of flying safety, as well as the state of the national economy and corporate travel budgets. In addition, as the Federal Reserve cut short-term interest rates for the eleventh time in twelve months to the lowest level in 40 years, the City's earnings on its short-term investments also have declined.

As a result, projecting current year revenues is a much more complicated task with more unknowns than usual. Finance and OMB staff have begun making preliminary projections in some revenue categories. While projecting City General Fund revenue losses is difficult at this time, if the current rate of revenue shortfalls continues (about \$0.4 million per month), then the revenue shortfall in certain key revenue categories (sales, restaurant meals, transient lodging taxes and interest earnings) and for FY 2002 could total between \$3 million and \$4 million by the end of FY 2002. However, real and personal property tax revenues, recordation taxes and consumer utility taxes in FY 2002 are projected to exceed budgeted levels. In addition, expenditure budget savings arising from budget management actions instituted starting in October will help avoid a budget shortfall in FY 2002. In fact, these additional revenue and reduced expenditures are expected to produce a surplus that can help towards funding the FY 2003 Operating and Capital budgets.

In order to stem the loss of tourism and business travel, the Alexandria Convention and Visitors Association (ACVA) and the Alexandria Hotel Association have amended their marketing plans to target groups and individuals (such as potential tourists who live within driving distance of Alexandria) who might be convinced to visit or hold their business meetings in Alexandria. City Council has approved a substantial portion of the \$400,000 in forthcoming federal economic development assistance to be recommended for tourism promotion. Also, the provision of free parking at meters on City streets and in City parking garages after 5 p.m. and on weekends from October through the end of December, and the mild winter, appeared to help the City's economy and tax revenues in this period. All of these efforts appeared to have had some success, as sales tax collections in December were 4.4 percent higher than a year ago.

The City's unemployment rate increased from 2.7 percent in September to 3.5 percent in October, and then decreased to 3.4 percent in November and to 3.2 percent in December. This is higher than Arlington and Fairfax Counties. The cause of this higher unemployment is likely due to a higher concentration of Alexandria residents in lower paying or airline-related service industry (hotels, restaurants, transportation, etc.) jobs, which continue to be impacted by September 11. While the 3.2 percent Alexandria unemployment rate for December is less than the Virginia 3.6 percent unemployment rate, and less than the national rate of 5.6 percent, it is 146.2 percent higher than the extraordinarily low 1.3 percent Alexandria unemployment rate of December 2000.

REVENUES (Attachment 1): As of January 31, 2002, actual General Fund revenues totaled \$187.4 million. As discussed above, lower revenues from some taxes (such as hotel and meals taxes) reflect the effects of the events of September 11, as well as higher office vacancy rates and higher unemployment. Lower interest rates have already impacted interest earnings. However, stable sales tax and personal property tax collections, coupled with increased CY 2002 real estate assessments, will offset these tax losses.

Real Estate Taxes: Second half CY 2001 real estate taxes were due November 15. Revenues to date are \$79.0 million, or 8.0 percent higher than collections at this time last year. As projected in the FY 2002 Budget, real estate billings totaled \$81.0 million, or 10 percent higher than billings in the prior year. The difference between the revenue collected and the amount billed relates to the timing of collection of delinquent taxes. First half CY 2002 real estate taxes will be

due on June 15 and will be driven by the CY 2002 assessments, which are projected to increase 11.2 percent. This assessment increase, at the existing real estate tax rate, would increase expected FY 2002 real estate tax revenues to \$168.5 million, or \$4.9 million above the FY 2002 budget, which assumed a 5 percent increase in the real estate tax base in CY 2002.

Personal Property Taxes: Personal property tax bills, which were mailed by August 10, 2001, were due on October 5, 2001. As shown in the following chart, the FY 2002 Budget included a \$29.6 million revenue projection for personal property taxes collected directly by the City (\$15.6 million relating to motor vehicles, and \$14.0 million to business personal property) and an additional \$20.1 million of intergovernmental revenue that the City collects from the Commonwealth under the provisions of the Personal Property Tax Relief Act of 1998 (PPTRA). The State's share of the local personal property tax payment this year is 70.0 percent of most taxpayers' tax bill. The State's share for FY 2001 was 47.5 percent. The total budgeted revenue for all personal property tax in FY 2002 is \$49.7 million.

To date, the City has collected and recorded \$29.3 million in personal property tax revenue (\$13.8 million for vehicles, \$15.5 million for business property), and has received reimbursement from the Commonwealth of \$20.2 million, for total personal property tax receipts of \$49.5 million. This represents a \$3.1 million, or 6.7 percent, increase when compared to receipts collected at the same time last year. The FY 2002 Budget projected a 4 percent increase for the year. Personal property tax revenue increases to date primarily result from a 1.4 percent increase in the number of vehicles to which taxes have been billed and paid this year compared to last year, a 2.1 percent increase in the average revenue per vehicle, and a 12 percent increase in business personal property tax revenues. Based on these collection patterns, staff currently projects that total personal property collections will be at least \$50.9 million, comprised of \$30.2 million in local collections and \$20.7 million from the state. This is an increase of \$1.2 million over the original budget. Staff will continue to monitor these revenues and will recommend adjustments, as warranted, in the context of the FY 2002 proposed budget.

(amounts in millions)

Personal Property Tax (in millions)	Projection FY 2002	Budget FY 2002	Actual to Date FY 2002	Actual to Date FY 2001
City share	\$ 30.2	\$ 29.6	\$ 29.3	\$ 33.8
Commonwealth reimbursement	<u>20.7</u>	<u>20.1</u>	<u>20.2</u>	<u>12.6</u>
Total	\$ 50.9	\$ 49.7	\$ 49.5	\$ 46.4

Local Sales and Use Taxes: Businesses remit sales tax to the Commonwealth within 30 days of the end of the month in which the sales occurred. The Commonwealth wires the City's portion of the sales tax approximately one month later. Sales taxes received by the City in January represent revenues collected by merchants in November and reflect a 0.2 percent increase when

compared to November 2000. Year-to-date revenues, in the amount of \$8.2 million, have increased slightly over the prior year. Sales taxes collected by businesses in December but not received by the City until mid-February totaled \$2.2 million, or 4.4 percent higher than December of 2000. This brings the sales tax collections by the City year-to-date to \$10.4 million. At this time it is projected that FY 2002 sales tax receipts will total \$20.7 million, which would be equal to FY 2001 collections but \$0.9 million less than budgeted for FY 2002.

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. The consumer utility tax revenue in this report represents utility services provided to consumers through November.

**City of Alexandria Consumer Utility Tax Receipts
Through November 31, 2001 and 2000**

Utility	FY 2002 Year to Date Receipts	FY 2001 Year to Date Receipts	Increase/ (Decrease)	Notes
Telephone - Tax on Local Services	\$3,299,626	\$2,947,413	\$352,213	See following paragraph
Electricity	2,643,212	2,224,083	419,129	FY 2002 revenues include one payment paid early
Water	1,006,506	926,340	80,166	
Natural Gas	962,449	742,272	220,177	See following paragraph

Telephone tax collections include approximately \$50,000 in revenue from one provider that paid early, and a payment of almost \$100,000 from one provider for two years of back taxes. The remaining difference is attributed to an increase in the number of companies providing local telephone service, an increased number of lines for new development and additional phone lines for existing customers. As a result of mandatory State legislation, the basis of calculating the utility tax on gas and electric utilities was changed from a cost basis to a consumption basis effective January 1, 2001. Prior to the change, apartments that received natural gas service through a group meter were not taxed on a per unit basis on their minimum bill. However, after the change, these group metered apartments were assessed a per unit minimum tax. The increase in utility tax on natural gas can be primarily attributed to this change. Based on collections to date, staff projects utility taxes will be \$16.6 million, an increase of \$1.6 million over the original budget.

Business License Taxes: The City's business license tax is due March 1 for CY 2002. Collections to date in FY 2002, in the amount of \$1.9 million, represent quarterly payments, filings by new businesses and payments on delinquent accounts, all relating to CY 2001 (and before) taxes. Since tax payments due March 1 are based largely on calendar year 2001 business

gross receipts, it is expected that business license tax revenues will be negatively impacted by the drop in economic activity related to the events of September 11 and afterward.

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 December. Collections of both the 5.5 percent and \$1 transient lodging tax for the month of December were 13.1 percent, or \$43,585, less than collections a year ago. It appears that this drop is largely due to lower taxable occupancies (down 8.1 percent) compared to December 2000. Budget and mid-range hotels also had higher vacancy rates than full-service hotels. As discussed above, these revenues are still subject to a great deal of uncertainty and are likely to fall significantly short of budget expectations of a 6 percent growth in the months ahead. Based on collections to date, staff projects that transient lodging taxes will be \$4.7 million, a decrease of \$1.5 million below the Approved FY 2002 Budget.

Restaurant Meals Tax: Meals and alcoholic beverage taxes are due to the City within 30 days of the month the sales occurred. Collections for sales in December were 1 percent less than collections in December 2000. As discussed above, restaurants are also dependent on tourists, and the events of September 11 have negatively impacted many restaurants. These revenues are still subject to a great deal of uncertainty and are likely to fall short of budget expectations of a 4 percent growth in FY 2002. Based on collections to date, staff projects that restaurant meals taxes will be \$8.4 million, a decrease of \$0.3 million below the Approved FY 2002 Budget.

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. Collections to date in FY 2002, in the amount of \$1.4 million, have increased \$0.5 million, or 49.4 percent, over collections at this time last year. The increase is primarily attributed to several large commercial property sales at the beginning of the fiscal year, as well as additional home sales and refinancings. Staff projects that recordation taxes will be \$2.3 million, an increase of \$0.9 million over the Approved FY 2002 Budget.

Other Local Taxes: The increase in other local taxes is primarily attributed to an increase in the City's E-911 tax from \$0.25 per line to \$0.50 per line, effective September 15, 2000.

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 January 31, 2002. However, only \$2.6 million has been received as of January 31. The federal government generally pays the City for housing federal prisoners between 45 and 60 days after the end of the billing period.

Revenues from the Commonwealth: Revenues from the Commonwealth increased \$7.9 million, or 34.7 percent, over the prior year. This is primarily the result of an increase in reimbursements from the Commonwealth for vehicle personal property tax relief. As discussed above, the FY 2002 Budget includes \$20.1 million to reflect the Commonwealth's payment to

the City of 70 percent of motor vehicle tax bills for most vehicles. In FY 2001, the City was reimbursed 47.5 percent of the tax bill for most vehicles. As of January 31, 2002, the City has billed and received \$20.2 million from the Commonwealth, an increase of \$7.6 million over that received in FY 2001. Based on collections to date, staff projects that revenues from the Commonwealth for the car tax reimbursement will be \$20.7 million, an increase of \$0.6 million over the Approved FY 2002 Budget. While car tax reimbursements will exceed budget expectations, reductions in ABC profits of \$0.1 million and Law Enforcement Aid of at least \$0.4 million are expected as part of the State's budget reduction plans for FY 2002. This will be countered to some degree by a \$0.2 million increase in highway maintenance revenues.

Fines and Forfeitures: Revenues from the collection of fines decreased \$0.2 million, or 8.3 percent, below collections at this time last year. This is attributed in part to the timing of collection of parking revenues, as well as reduced parking fines from the provision of free parking at meters on City streets and in City parking garages after 5 p.m. and on weekends from October through the end of December.

Licenses and Permits: Revenues year-to-date total \$2.5 million, or 17.0 percent, over collections at this time last year. This increase is primarily attributed to permits issued for new residential units.

Revenue from Use of Money and Property: Year-to-date interest revenues decreased \$1.5 million compared to last fiscal year, largely due to declining market interest rates on City short-term investments. Based on current interest rates, staff projects that FY 2002 interest revenue will continue to fall significantly short of the budgeted \$9.2 million. This large decrease is due to the substantial federal fund rate reductions approved by the Federal Reserve Board (from 6.05 percent in January 2001 to 1.81 percent in January 2002). Based on current interest rates, staff projects that revenue from money and property will be \$8.2 million, a decrease of \$1.0 million below the Approved FY 2002 Budget.

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

EXPENDITURES (Attachment 2): As of January 31, 2002, actual General Fund expenditures totaled \$183.1 million, an increase of \$16.7 million, or 10.0 percent, over expenditures for the same period last year. The increase is primarily attributed to increases of \$2.2 million for cash capital, \$6.2 million in budgeted transfers to the School Operating Fund, and \$1.7 million in annual equipment replacement funding charges made at the beginning of the fiscal year. While most of the costs associated with the September 11 terrorist attack, such as Police and Fire overtime, will be reimbursed by the federal government and will not be General Fund expenses, estimates of costs that may or may not be reimbursed by the federal and state governments are still being negotiated. This is also the case for capital and operating costs related to the higher state of security at the City's Public Safety Center, where federal reimbursement of additional

City expenses is also being sought. Except as noted below, this expenditure pattern reflects the Approved FY 2002 Budget.

In October, with a high degree of uncertainty over the effect on revenues and expenditures of the September 11th terrorist attack and the subsequent closing and only gradual phasing back in of flights at Reagan Washington National Airport, the City instituted a contingency savings plan process for City departments, as well as instituted a selective hiring freeze. The intent of these actions was to identify personnel and non-personnel savings that could be instituted if needed, as well as to create savings by holding non-critical vacant positions open. It is expected that these savings plans will produce about \$2 million in operating budget savings, as well as about a \$3 million savings from capital projects in FY 2002. It should be noted that some of these capital savings are short-term, as they derive from project deferrals which will need to be scheduled and funded for later years in the CIP.

Judicial Administration: Expenditures represent the third quarter payments to regional organizations that provide legal, correctional and animal welfare and control services.

Other Planning Activities: General Fund expenditures in this category reflect the first three quarterly contribution payments to most community agencies and full payment to the Alexandria Convention and Visitors Association.

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

Registrar: Expenditures to date reflect budgeted costs for the state's gubernatorial election.

Fire: Expenditures to date reflect annual equipment replacement charges made at the beginning of the fiscal year.

Police: Expenditures to date reflect annual equipment replacement charges made at the beginning of the fiscal year.

Transit Subsidies: The decrease from FY 2001 reflects increased state transit aid and gas tax revenue that allowed the City to reduce its General Fund payments to the Washington Metropolitan Area Transit Authority operating budget.

Mental Health/Mental Retardation/Substance Abuse: Expenditures to date reflect annual equipment replacement charges made at the beginning of the fiscal year.

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

Schools: For FY 2002 the City Council approved a \$107.3 million transfer to the City Schools, and it is expected that the transfer will be fully utilized by the Schools. At this time the Schools are projecting up to a \$1.2 million state revenue shortfall due to expected state aid reductions, as well as a greater than expected mid-year decline in student enrollment which may result in a reduction in state-per-pupil funding. The Schools have put in place a number of measures which they believe should keep their FY 2002 budget in balance and offset the expected reduction in state aid. These include a cut of 5 percent in unencumbered non-personnel funds, a review of all vacant positions on a case by case basis and the freezing of non-critical positions, and eliminating all non-essential overtime.

Other Education Activities: Expenditures to date reflect the third quarter contribution payment to the Northern Virginia Community College.

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

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

**CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING JANUARY 31, 2002 AND JANUARY 31, 2001**

	FY2002 APPROVED BUDGET	FY2002 REVENUES THRU 01/31/02	% OF BUDGET	FY2001 REVENUES THRU 01/31/01
General Property Taxes				
Real Property Taxes.....	\$ 163,620,000	\$ 79,038,084	48.3%	\$ 73,180,411
Personal Property Taxes.....	29,597,220	29,297,709	99.0%	33,753,558
Penalties and Interest.....	2,000,000	923,075	46.2%	1,043,997
Total General Property Taxes	\$ 195,217,220	\$ 109,258,868	56.0%	\$ 107,977,966
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 21,600,000	\$ 8,157,557	37.8%	\$ 8,138,170
Consumer Utility Taxes.....	15,000,000	7,911,793	52.7%	6,840,108
Business License Taxes.....	20,800,000	1,874,426	9.0%	1,829,816
Transient Lodging Taxes.....	6,200,000	2,441,576	39.4%	2,832,572
Restaurant Meals Tax.....	8,700,000	4,029,206	46.3%	3,990,364
Tobacco Taxes.....	1,600,000	820,068	51.3%	830,486
Motor Vehicle License Tax.....	2,300,000	2,114,394	91.9%	2,071,415
Real Estate Recordation.....	1,400,000	1,441,997	103.0%	964,903
Other Local Taxes.....	3,528,000	1,721,415	48.8%	1,191,937
Total Other Local Taxes	\$ 81,128,000	\$ 30,512,432	37.6%	\$ 28,689,771
Intergovernmental Revenues				
Revenue from the Federal Government.....	\$ 4,290,000	\$ 2,600,368	60.6%	\$ 2,349,989
Revenue from the Commonwealth.....	39,218,000	30,571,465	78.0%	22,700,868
Total Intergovernmental Revenues	\$ 43,508,000	\$ 33,171,833	76.2%	\$ 25,050,857
Other Governmental Revenues				
Fines and Forfeitures.....	\$ 4,376,000	\$ 2,095,523	47.9%	\$ 2,285,182
Licenses and Permits.....	3,800,000	2,549,909	67.1%	2,179,715
Charges for City Services.....	9,068,600	4,648,983	51.3%	4,141,737
Revenue from Use of Money & Property..	9,208,730	4,823,308	52.4%	6,294,520
Other Revenue.....	359,000	310,756	86.6%	477,721
Total Other Governmental Revenues	\$ 26,812,330	\$ 14,428,479	53.8%	\$ 15,378,875
TOTAL REVENUE	\$ 346,665,550	\$ 187,371,612	54.0%	\$ 177,097,469
Appropriated Fund Balance				
General Fund.....	3,506,000	-	-	-
Reappropriation of FY 2001 Encumbrances And Other Supplemental Appropriations..	4,637,080	-	-	-
TOTAL	\$ 354,808,630	\$ 187,371,612	52.8%	\$ 177,097,469

58.3% of Fiscal Year Completed
59.62% of Payrolls Processed

Attachment 2

CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING JANUARY 31, 2002 AND JANUARY 31, 2001

FUNCTION	FY2002 APPROVED BUDGET	FY2002 EXPENDITURES THRU 01/31/02	% OF BUDGET	FY2001 EXPENDITURES THRU 01/31/01
Legislative & Executive.....	\$ 4,633,195	\$ 2,378,521	51.3%	\$ 2,336,047
Judicial Administration.....	\$ 24,728,232	\$ 14,978,636	60.6%	\$ 14,054,949
Staff Agencies				
Information Technology Services.....	\$ 6,464,373	\$ 3,432,302	53.1%	\$ 2,507,803
Management & Budget.....	906,525	371,100	40.9%	318,656
Finance.....	7,161,029	3,801,752	53.1%	3,463,996
Real Estate Assessment.....	947,458	445,191	47.0%	501,074
Personnel.....	2,002,799	1,179,422	58.9%	1,030,448
Planning & Zoning.....	3,152,394	1,436,222	45.6%	1,037,188
Other Planning Activities.....	2,063,648	1,836,174	89.0%	1,535,069
City Attorney.....	1,340,573	913,485	68.1%	738,631
Registrar.....	755,861	482,918	63.9%	521,740
General Services.....	8,979,446	5,356,114	59.6%	4,985,289
Total Staff Agencies	\$ 33,774,106	\$ 19,254,680	57.0%	\$ 16,639,894
Operating Agencies				
Transportation & Environmental Services.....	\$ 20,962,341	\$ 11,191,404	53.4%	\$ 10,458,557
Fire.....	25,405,132	15,494,428	61.0%	13,847,838
Police.....	35,619,737	21,344,856	59.9%	19,244,326
Transit Subsidies.....	2,923,687	1,139,089	39.0%	2,542,757
Housing.....	921,854	453,322	49.2%	448,590
Mental Health/Mental Retardation/ Substance Abuse.....	551,906	395,976	71.7%	345,946
Health.....	6,621,731	2,330,363	35.2%	3,048,116
Human Services.....	7,030,246	4,105,213	58.4%	3,872,807
Historic Resources.....	2,120,035	1,158,362	54.6%	1,104,207
Recreation.....	14,226,779	8,740,024	61.4%	8,059,257
Total Operating Agencies	\$ 116,383,448	\$ 66,353,037	57.0%	\$ 62,972,401
Education				
Schools.....	\$ 107,269,189	\$ 51,481,288	48.0%	\$ 45,246,662
Other Educational Activities.....	12,923	9,692	75.0%	9,763
Total Education	\$ 107,282,112	\$ 51,490,980	48.0%	\$ 45,256,425
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 16,353,036	\$ 11,260,364	68.9%	\$ 10,111,177
Non-Departmental.....	7,788,172	2,965,478	38.1%	3,163,159
Cash Capital.....	12,020,000	12,020,000	100.0%	9,846,000
Contingent Reserves.....	1,122,039	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 37,283,247	\$ 26,245,842	70.4%	\$ 23,120,336
TOTAL EXPENDITURES	\$ 324,084,340	\$ 180,701,696	55.8%	\$ 164,380,052
Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library) Transfers to the Special Revenue Fund.....	26,641,460	-	-	-
Transfer to DASH.....	4,082,830	2,380,290	58.3%	2,068,606
TOTAL EXPENDITURES & TRANSFERS	\$ 354,808,630	\$ 183,081,986	51.6%	\$ 166,448,658

**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, 2001) (Source: Published bi-monthly by United States Department of Labor, Bureau of Labor Statistics)	110.9	108.5	2.2%
<u>Unemployment Rates</u>			
Alexandria	3.2%	1.3%	146.2%
Virginia (As of December 31, 2001) (Source: United States Department of Labor, Bureau of Labor Statistics)	3.6%	1.9%	89.5%
United States (As of January 1, 2002) (Source: United States Department of Labor, Bureau of Labor Statistics)	5.6%	4.0%	40.0%
<u>Interest Rates</u> (As of January 31, 2002)			
Prime Rate	4.75%	9.50%	<50.0%>
Federal Fund Rate (Source: SunTrust Economic Monitor)	1.81%	6.05%	<70.1%>
<u>New Business Licenses</u> (During January) (Source: Finance Department, Business Tax Branch)	102	88	15.9%
<u>New Commercial Construction</u> (As of December 31, 2001)			
Number of New Building Permits	11	51	<78.4%>
Value of New Building Permits (Source: Fire Department Code Enforcement Bureau)	\$33.1 million	\$100.8 million	<67.2%>
<u>Residential Real Estate Indicators</u> (for the twelve months ended December 31, 2001)			
Residential Dwelling Units Sold	3,804	3,449	10.3%
Average Residential Sales Price (Source: Department of Real Estate Assessments)	\$249,596	\$229,424	8.8%