

City of Alexandria, Virginia

MEMORANDUM

DATE: MAY 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  
APRIL 30, 2004

**ISSUE:** Receipt of the City's Monthly Financial Report for the period ending April 30, 2004.

**RECOMMENDATION:** That City Council receive the following Monthly Financial Report for the period ending April 30, 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 April 30, 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).

This report reflects the new lower \$0.995 real estate tax rate, as well as the FY 2004 revenue projections as contained in Budget Memo #76 that was presented to City Council on April 21. City staff is continuing to assess the impact of the recently approved State budget. However, it is likely that nearly all impacts will be on FY 2005 revenues and not FY 2004 revenues. To date, General Fund City revenues through April 30 total \$260.7 million, which is \$17.1 million, or 7.0 percent, higher than FY 2003 for the same reporting period. Real estate tax revenues, even at the new lower rate, will exceed budgeted growth expectations, as FY 2004 assessments substantially exceeded the 5 percent assessment increase 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 remained somewhat improved, with the unemployment rate at 2.3 percent and the office vacancy rate down to 9.5 percent. Finance and OMB staff have made projections of the revenues by category. Revenue shortfalls in certain key revenue categories could cumulatively total approximately \$1.8 million by the end of FY 2004. However, real property and other revenues are projected to exceed budgeted levels by up to \$13.2 million, with additional real estate revenues comprising approximately 45 percent of this amount. When combined, the net additional revenues total \$11.4 million, a decrease of \$1.0 million from last month, a projection that reflects Council action that reduced the real estate tax rate to \$0.995

from the proposed \$1.005. Of these additional revenues, \$10.9 million had previously been proposed to help finance the FY 2005 Operating Budget, CIP and designations in the fund balance (Budget Memo #35). The decrease in the tax rate resulted in \$11.4 million used to finance the FY 2005 Operating Budget, CIP and designations of fund balance. 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	31.6	(0.1)
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	25.0	1.4
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	3.2	1.3
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			\$11.4
Less Previous Projection and Real Estate Tax Rate Reduction			<u>(11.4)</u>
Net New Available Funds			- 0 -

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

General Fund expenditures through the end of April total \$284.8 million, which is \$14.0 million, or 5.2 percent, higher than expenditures at the same time last year. Thus far, the City has expended \$1.0 million in operating costs associated with the September hurricane 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 City has not yet included any unreimbursed costs in the expenditures in Attachment 1. As of April 30, 2004, General Fund expenditures exceeded General Fund revenues by \$24.2 million. This is a normal situation that occurs this time of year because the City's revenues follow seasonal patterns (the City's real estate tax revenues are due in November and June) while expenditures are more evenly distributed.

**REVENUES (Attachment 1):** As of April 30, 2004, actual General Fund revenues totaled \$260.7 million, which is \$17.1 million, or 7.0 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 \$10.4 million, or 11.7 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 delinquent taxes, 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. Real estate tax revenue collections through April 2004 will fall short of billings largely due to the Mirant nonpayment. Nevertheless, 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 \$0.995 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 a \$31.7 million revenue projection 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 \$31.5 million in personal property tax revenue and received reimbursement from the Commonwealth of \$22.6 million for total personal property tax receipts of \$54.1 million. This represents a \$2.0 million, or 3.8 percent, increase when compared with receipts collected at the same time last year. Personal property tax collections on vehicles increased by approximately 8.9 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 2.1 percent when compared with the same period last year. Based on collections to date, it appears that personal property tax collections will approximate \$31.6 million, a decrease of \$0.1 million below the Approved FY 2004 Budget. Collections from the Commonwealth (included in intergovernmental revenue) are estimated to be \$22.8 million.

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	\$ 31.5	\$ 31.7	\$ 31.6	\$ 30.3
Commonwealth reimbursement	<u>22.6</u>	<u>21.5</u>	<u>22.8</u>	<u>21.8</u>
Total	\$ 54.1	\$ 53.2	\$ 54.4	\$ 52.1

**Penalties and Interest:** Collections of penalties and interest year to date total \$1.3 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.

**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 April represent revenues collected by merchants for July through February. Sales tax revenue collections totaled \$14.7 million to date and represent a 4.5 percent increase over FY 2003 collections. Based on collections to date, it appears that sales tax collections 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.

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	\$5,579,898	\$ 5,218,407	\$361,491
Electricity	4,067,534	3,677,379	390,155
Water	1,406,074	1,461,678	(55,604)
Natural Gas	1,697,973	1,713,244	(15,271)

**Business License Taxes:** The City's business license tax was due on April 1 for Calendar Year (CY) 2004 and receipts are currently being tabulated and evaluated. Collections to date, in the amount of \$23.3 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 a 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 \$1.7 million over the remainder of the year, including \$1.2 million in quarterly payments and \$0.5 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 \$25.0 million, an increase of \$1.4 million over the Approved FY 2004 Budget.

**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 March. Collections totaled \$4.2 million, an increase of \$0.4 million, or 10.8 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 \$6.4 million represent an increase of \$0.3 million, or 5.2 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, \$1.8 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, which is consistent 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 \$3.2 million, an increase of \$1.3 million above the Approved FY 2004 Budget. 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.

**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 \$4.6 million for housing federal prisoners through the period ending April 2004. However, as of April 30, 2004, \$3.8 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 from federal per diem payments.

**Revenue from the Commonwealth:** The \$15.0 million in revenues received to date is equal to that 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:** Year to date revenues approximate last year's revenues. 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 \$0.2 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 \$0.9 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 1.24 percent in April 2003 to 0.99 percent in April 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.

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

**EXPENDITURES (Attachment 2):** As of April 30, 2004, actual General Fund expenditures and transfers totaled \$284.8 million, an increase of \$14.0 million, or 5.2 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.

**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 for overtime. 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 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.

**General Services:** Expenditures to date represent costs associated with rent payments for other departments and charged to General Services. Staff will recommend an appropriations transfer in the context of the June Transfer Resolution to match these expenditures with budget authority.

**Transportation and Environmental Services:** Expenditures to date reflect annual equipment replacement charges made at the beginning of the fiscal year and higher 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 exceed approved budget authority by the end of the fiscal year. The Fire Department is submitting end-of-year projections monthly to OMB and this situation is being monitored closely. If needed, staff will recommend an appropriations transfer from debt service savings discussed below in the context of the June Transfer Resolution to match these expenditures with budget authority.

**Transit Subsidies:** Expenditures to date reflect budgeted increases for the City's contribution to the Washington Metropolitan Area Transit Authority.

**Human Services:** Within this department, expenditures for 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 budget may be exceeded by \$0.8 million. Staff will recommend an

appropriations transfer from debt service savings discussed below in the context of the June Transfer Resolution to match these expenditures with budget authority.

**School:** The School Administration has reported \$111.3 million in expenses through April 30, 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 \$85.8 million (i.e., 77.1 percent of \$111.3 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 \$2.3 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 APRIL 30, 2004 AND APRIL 30, 2003**

	FY2004 APPROVED BUDGET	FY2004 REVENUES THRU 04/30/04	% OF BUDGET	FY2003 REVENUES THRU 04/30/03
<b>General Property Taxes</b>				
Real Property Taxes.....	\$ 201,043,402	\$ 99,574,160	49.5%	\$ 89,133,924
Personal Property Taxes.....	31,684,000	31,519,422	99.5%	30,283,010
Penalties and Interest.....	1,100,000	1,297,197	117.9%	1,357,992
<b>Total General Property Taxes</b>	<b>\$ 233,827,402</b>	<b>\$ 132,390,779</b>		<b>\$ 120,774,926</b>
<b>Other Local Taxes</b>				
Local Sales and Use Taxes.....	\$ 22,150,000	14,720,998	66.5%	\$ 14,088,639
Consumer Utility Taxes.....	17,750,000	12,751,479	71.8%	12,070,708
Business License Taxes.....	23,600,000	23,314,258	98.8%	20,600,608
Transient Lodging Taxes.....	5,900,000	4,219,998	71.5%	3,807,418
Restaurant Meals Tax.....	8,800,000	6,446,678	73.3%	6,127,648
Tobacco Taxes.....	2,600,000	1,832,467	70.5%	1,408,552
Motor Vehicle License Tax.....	2,300,000	2,320,665	100.9%	2,256,115
Real Estate Recordation.....	1,900,000	2,642,575	139.1%	2,417,231
Other Local Taxes.....	4,013,000	1,582,606	39.4%	1,846,438
<b>Total Other Local Taxes</b>	<b>\$ 89,013,000</b>	<b>\$ 69,831,724</b>	<b>78.5%</b>	<b>\$ 64,623,357</b>
<b>Intergovernmental Revenues</b>				
Revenue from the Federal Government.....	\$ 4,775,000	\$ 3,830,999	80.2%	\$ 3,502,497
Personal Property Tax Relief from the Commonwealth.....	21,500,000	22,550,287	104.9%	21,770,312
Revenue from the Commonwealth.....	18,783,200	14,970,992	79.7%	14,970,582
<b>Total Intergovernmental Revenues</b>	<b>\$ 45,058,200</b>	<b>\$ 41,352,278</b>	<b>91.8%</b>	<b>\$ 40,243,391</b>
<b>Other Governmental Revenues</b>				
Fines and Forfeitures.....	\$ 4,000,000	\$ 3,313,570	82.8%	\$ 3,257,248
Licenses and Permits.....	3,000,000	2,810,519	93.7%	2,483,820
Charges for City Services.....	9,891,200	6,449,575	65.2%	6,638,750
Revenue from Use of Money & Property.....	4,968,186	4,083,528	82.2%	5,018,142
Other Revenue.....	453,598	438,493	96.7%	502,913
<b>Total Other Governmental Revenues</b>	<b>\$ 22,312,984</b>	<b>\$ 17,095,685</b>	<b>76.6%</b>	<b>\$ 17,900,873</b>
<b>TOTAL REVENUE</b>	<b>\$ 390,211,586</b>	<b>\$ 260,670,466</b>	<b>66.8%</b>	<b>\$ 243,542,547</b>
<b>Appropriated Fund Balance</b>				
General Fund.....	7,536,601	-	0.0%	-
Reappropriation of FY 2003 Encumbrances And Other Supplemental Appropriations.....	3,629,558	-	0.0%	-
<b>TOTAL</b>	<b>\$ 401,377,745</b>	<b>\$ 260,670,466</b>	<b>64.9%</b>	<b>\$ 243,542,547</b>

**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING APRIL 30, 2004 AND APRIL 30, 2003**

FUNCTION	FY2004 APPROVED BUDGET	FY2004 EXPENDITURES THRU 04/30/04	% OF BUDGET	FY2003 EXPENDITURES THRU 04/30/03
Legislative & Executive.....	\$ 5,057,809	\$ 3,993,535	79.0%	\$ 3,567,873
Judicial Administration.....	\$ 27,858,022	\$ 24,193,060	86.8%	\$ 23,138,304
<b>Staff Agencies</b>				
Information Technology Services.....	\$ 6,719,279	\$ 5,227,493	77.8%	\$ 4,329,496
Management & Budget.....	949,546	615,683	64.8%	557,711
Finance.....	7,773,136	5,912,445	76.1%	5,591,513
Real Estate Assessment.....	1,013,399	762,429	75.2%	697,034
Personnel.....	2,397,007	1,960,275	81.8%	1,726,220
Planning & Zoning.....	3,476,901	2,392,897	68.8%	2,535,689
Other Planning Activities.....	2,302,240	2,239,705	97.3%	2,146,072
City Attorney.....	1,466,068	1,543,826	105.3%	1,512,527
Registrar.....	913,581	710,038	77.7%	652,284
General Services.....	9,621,729	8,280,152	86.1%	7,767,458
Total Staff Agencies	<u>\$ 36,632,886</u>	<u>\$ 29,644,943</u>	80.9%	<u>\$ 27,516,004</u>
<b>Operating Agencies</b>				
Transportation & Environmental Services....	\$ 22,275,573	\$ 18,344,353	82.4%	\$ 16,653,475
Fire.....	28,116,653	23,927,828	85.1%	22,637,718
Police.....	40,304,397	32,279,369	80.1%	30,924,673
Transit Subsidies.....	3,919,451	3,642,862	92.9%	3,437,962
Housing.....	942,195	708,010	75.1%	716,969
Mental Health/Mental Retardation/ Substance Abuse.....	580,871	506,524	87.2%	499,983
Health.....	7,197,240	4,121,719	57.3%	5,078,804
Human Services.....	9,047,855	7,122,514	78.7%	6,885,203
Historic Resources.....	2,306,506	1,799,012	78.0%	1,741,906
Recreation.....	16,125,579	12,766,411	79.2%	12,113,238
Total Operating Agencies	<u>\$ 130,816,320</u>	<u>\$ 105,218,602</u>	80.4%	<u>\$ 100,689,931</u>
<b>Education</b>				
Schools.....	\$ 121,191,334	\$ 85,841,989	70.8%	\$ 82,112,105
Other Educational Activities.....	13,058	13,058	100.0%	13,246
Total Education	<u>\$ 121,204,392</u>	<u>\$ 85,855,047</u>	70.8%	<u>\$ 82,125,351</u>
<b>Capital, Debt Service and Miscellaneous</b>				
Debt Service.....	\$ 21,299,500	\$ 9,448,848	44.4%	\$ 11,162,348
Non-Departmental.....	7,368,279	5,210,455	70.7%	4,439,133
Cash Capital.....	16,955,000	16,955,000	100.0%	14,200,000
Contingent Reserves.....	290,234	-	-	-
Total Capital, Debt Service and Miscellaneous	<u>\$ 45,913,013</u>	<u>\$ 31,614,303</u>	68.9%	<u>\$ 29,801,481</u>
TOTAL EXPENDITURES	<u>\$ 367,482,442</u>	<u>\$ 280,519,490</u>	76.3%	<u>\$ 266,838,944</u>
<b>Cash Match (Mental Health/Mental Retardation/ Substance Abuse, Human Services and Library)</b>				
Transfers to the Special Revenue Fund.....	28,725,303	-	0.0%	-
Transfer to DASH.....	5,170,000	4,306,610	83.3%	4,026,888
TOTAL EXPENDITURES & TRANSFERS	<u>\$ 401,377,745</u>	<u>\$ 284,826,100</u>	71.0%	<u>\$ 270,865,832</u>

**CITY OF ALEXANDRIA  
SELECTED ECONOMIC INDICATORS**

	<u>Current Year</u>	<u>Prior Year</u>	<u>Percent Change</u>
<b><u>Consumer Price Index (CPI-U)</u></b> <b>for the Washington-Baltimore, DC-MD-VA-WV Area</b> (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%
<b><u>Unemployment Rates</u></b>			
<b>Alexandria</b>	2.3%	3.0%	-23%
<b>Virginia</b> (As of March 31, 2004) (Source: United States Department of Labor, Bureau of Labor Statistics)	3.4%	4.1%	-17%
<b>United States</b> (As of April 30, 2004) (Source: United States Department of Labor, Bureau of Labor Statistics)	5.6%	6.0%	-7%
<b><u>Interest Rates</u></b> (As of April 30, 2004)			
<b>Prime Rate</b>	4.00%	4.25%	-6%
<b>Federal Fund Rate</b> (Source: SunTrust Economic Monitor)	0.99%	1.24%	-20%
<b><u>New Business Licenses</u></b> (During April ) (Source: Finance Department, Business Tax Branch)	87	111	-22%
<b><u>Office Vacancy Rates</u></b> (As of March 31, 2004)			
<b>Alexandria</b>	9.5%	10.9%	-13%
<b>Northern Virginia</b>	15.2%	18.0%	-16%
<b>Washington DC Metro Area</b> (Source: Grubb & Ellis)	8.1%	13.3%	-39%
<b><u>New Commercial Construction</u></b> (As of March 31, 2004)			
<b>Number of New Building Permits</b>	9	10	-10%
<b>Value of New Building Permits</b> (Source: Fire Department Code Enforcement Bureau)	\$ 77.2 million	\$ 152.7 million	-49%
<b><u>Residential Real Estate Indicators</u></b> (for the two months ended February 29, 2004)			
<b>Residential Dwelling Units Sold</b>	705	669	+5%
<b>Average Residential Sales Price</b> (Source: Department of Real Estate Assessments)	\$359,926	\$314,708	+14%