



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

**DATE:** NOVEMBER 7, 2023

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**THROUGH:** JAMES F. PARAJON, CITY MANAGER /s/

**FROM:** KENDEL TAYLOR, INTERIM DEPUTY CITY MANAGER

**DOCKET TITLE:**

Consideration of the Monthly Financial Report for the Period Ending September 30, 2023.

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**ISSUE:** Receipt of the Monthly Financial Report for the Period Ending September 30, 2023.

**RECOMMENDATION:** That City Council receives the Monthly Financial Report.

**BACKGROUND:** The following discussion is a summary of the Monthly Financial Report for this period. Detailed comparative schedules are attached.

As of September 30, 2023, General Fund revenues totaled \$78.5 million, a decline of 1.3 percent compared to the same period in FY 2023. It is important to note that revenues collected in July and some of the revenue collected in August are for taxes owed in June and are therefore accrued to the prior fiscal year. Timing issues are also much more pronounced in the early months of the fiscal year. The first significant tax revenue for FY 2024 is traditionally due on October 5 when personal property taxes for vehicles and business personal property are due. The bills are mailed in mid to late August and payments processed prior to the due date can vary significantly. There are no significant variations in receipts through the first quarter of the fiscal year that are due to anything but timing of billing, posting and accruals.

Revenue may not track consistently with a monthly calendar since many revenue sources have due dates that do not occur evenly throughout the year. The largest revenue source, real estate tax, is remitted twice per year. Personal property tax revenue is due on October 5 each year. Through the first three months of the fiscal year, no category has sufficient receipts to establish a clear pattern.

As of September 30, 2023, General Fund expenditures totaled \$168.7 million, a difference of \$13.2 million more than the same time period for FY 2023. Similar to the situation with revenues, it is too soon to make any definitive economic interpretation from the activity that has occurred in the first three months of the fiscal year. No significant expenditure has occurred in the first three months of Fiscal Year 2024 that is unbudgeted or unexpected. The most significant difference is the timing of payments. Debt Service payments scheduled in July are greater in FY 2024 than in FY 2023.

**ATTACHMENTS:**

- Attachment 1: Comparative Statement of General Fund Revenues
- Attachment 2: Comparative Statement of General Fund Expenditures
- Attachment 3: FY 2024 1<sup>st</sup> Quarter Investment Report

**STAFF:**

Morgan Rott, Director, Office and Management and Budget

**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF REVENUES**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022**

	<b>B</b>	<b>C</b>	<b>D=C/B</b>	<b>E</b>	<b>F</b>	<b>G=F/E</b>
	<b>FY 2024</b>	<b>FY2024</b>	<b>%</b>	<b>FY 2023</b>	<b>FY2023</b>	<b>%</b>
	<b>APPROVED</b>	<b>REVENUES</b>	<b>OF BUDGET</b>	<b>FINAL</b>	<b>REVENUES</b>	<b>OF TOTAL</b>
	<b>BUDGET</b>	<b>THRU 9/30/2023</b>		<b>BUDGET</b>	<b>THRU 9/30/2022</b>	
<b>General Property Taxes</b>						
Real Property Taxes.....	\$ 532,076,175	\$ 4,810,220	0.9%	\$ 514,554,739	\$ 3,064,376	0.6%
Personal Property Taxes.....	66,313,000	31,691,229	47.8%	66,776,000	30,548,759	45.7%
Penalties and Interest.....	3,358,050	455,741	13.6%	3,199,600	299,760	9.4%
Total General Property Taxes	<u>\$ 601,747,225</u>	<u>\$ 36,957,190</u>	<u>6.1%</u>	<u>\$ 584,530,339</u>	<u>\$ 33,912,896</u>	<u>5.8%</u>
<b>Other Local Taxes</b>						
Local Sales and Use Taxes.....	\$ 39,000,000	\$ 3,472,336	8.9%	\$ 37,440,000	\$ 3,348,963	8.9%
Consumer Utility Taxes.....	12,020,000	1,265,944	10.5%	11,760,000	1,503,145	12.8%
Communication Sales and Use Taxes.....	6,810,000	1,141,115	16.8%	7,245,080	1,248,569	17.2%
Business License Taxes.....	39,824,300	152,216	0.4%	39,824,300	328,053	0.8%
Transient Lodging Taxes.....	11,200,000	2,176,457	19.4%	9,500,000	1,130,165	11.9%
Restaurant Meals Tax.....	31,200,000	5,260,495	16.9%	27,600,000	4,220,567	15.3%
Tobacco Taxes.....	2,030,000	349,352	17.2%	2,100,000	374,706	17.8%
Motor Vehicle License Tax.....	80,000	1,304	0.0%	-	1,725	0.0%
Real Estate Recordation.....	3,926,000	366,005	9.3%	8,645,000	983,097	11.4%
Admissions Tax.....	313,000	127,285	40.7%	261,000	95,092	36.4%
Other Local Taxes.....	3,768,000	141,041	3.7%	4,103,000	204,895	5.0%
Total Other Local Taxes	<u>\$ 150,171,300</u>	<u>\$ 14,453,549</u>	<u>9.6%</u>	<u>\$ 148,478,380</u>	<u>\$ 13,438,975</u>	<u>9.1%</u>
<b>Intergovernmental Revenues</b>						
Revenue from the Fed. Government.....	\$ 7,944,000	\$ 1,102,848	13.9%	\$ 7,944,000	\$ 575,883	7.2%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	23,578,531	11,789,265	50.0%
Revenue from the Commonwealth.....	27,422,507	4,746,970	17.3%	25,926,491	5,762,024	22.2%
Total Intergovernmental Revenues	<u>\$ 58,945,038</u>	<u>\$ 17,639,083</u>	<u>29.9%</u>	<u>\$ 57,449,022</u>	<u>\$ 18,127,172</u>	<u>31.6%</u>
<b>Other Governmental Revenues And Transfers In</b>						
Fines and Forfeitures.....	\$ 4,425,000	\$ 653,573	14.8%	\$ 4,305,200	\$ 688,161	16.0%
Licenses and Permits.....	2,667,500	661,174	24.8%	2,867,350	579,892	20.2%
Charges for City Services.....	15,652,609	3,960,260	25.3%	14,941,328	4,087,156	27.4%
Revenue from Use of Money & Prop.....	19,322,000	3,211,133	16.6%	6,655,000	2,885,769	43.4%
Other Revenue.....	3,470,890	950,802	27.4%	2,490,701	1,695,501	68.1%
Transfer from Other Funds.....	10,461,523	39,288	0.4%	9,976,651	4,125,164	41.3%
Total Other Governmental Revenues	<u>\$ 55,999,522</u>	<u>\$ 9,476,228</u>	<u>16.9%</u>	<u>\$ 41,236,230</u>	<u>\$ 14,061,644</u>	<u>34.1%</u>
<b>TOTAL REVENUE</b>	<u>\$ 866,863,085</u>	<u>\$ 78,526,051</u>	<u>9.1%</u>	<u>\$ 831,693,971</u>	<u>\$ 79,540,688</u>	<u>9.6%</u>
Appropriated refunding bond proceeds.....						
Appropriated Fund Balance						
Operating Budget .....	\$ 17,464,943	\$ -	\$ -	\$ 8,420,000	\$ -	-
Cash Capital.....						
Encumbrances And Other.....	9,277,160		-			-
Supplemental Appropriations.....			-			-
<b>TOTAL</b>	<u>\$ 893,605,188</u>	<u>\$ 78,526,051</u>	<u>8.8%</u>	<u>\$ 840,113,971</u>	<u>\$ 79,540,688</u>	<u>9.5%</u>

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION  
 GENERAL FUND  
 FOR THE PERIODS ENDING SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022**

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY 2024	FY2024	%	FY 2023	FY2023	%
	APPROVED BUDGET	EXPENDITURES THRU 9/30/2023	OF BUDGET EXPENDED	APPROVED BUDGET	EXPENDITURES THRU 9/30/2022	OF BUDGET EXPENDED
Legislative & Executive.....	\$ 7,466,322	\$ 1,181,746	15.8%	\$ 5,038,129	\$ 1,138,381	22.6%
Judicial Administration.....	\$ 50,425,686	\$ 11,349,441	22.5%	\$ 47,955,956	\$ 10,270,925	21.4%
<b>Staff Agencies</b>						
Communications.....	\$ 2,428,675	\$ 433,538	17.9%	\$ 2,315,965	\$ 328,621	14.2%
Human Rights.....	1,108,320	\$ 218,945	19.8%	1,093,748	220,458	20.2%
Information Technology Services.....	16,820,418	\$ 4,802,872	28.6%	15,168,902	3,439,693	22.7%
Management & Budget.....	1,680,451	\$ 383,802	22.8%	1,733,353	303,835	17.5%
Finance.....	14,791,748	\$ 2,859,652	19.3%	13,937,644	2,772,129	19.9%
Performance and Accountability.....	938,503	\$ 271,417	28.9%	768,227	207,989	27.1%
Internal Audit.....	453,649	\$ 88,261	19.5%	436,496	91,023	20.9%
Human Resources.....	6,443,642	\$ 1,284,083	19.9%	5,628,077	1,110,963	19.7%
Planning & Zoning.....	7,656,682	\$ 1,580,275	20.6%	7,488,572	1,331,776	17.8%
Economic Development Activities.....	8,250,083	\$ 1,995,729	24.2%	7,657,894	2,301,495	30.1%
City Attorney.....	4,157,207	\$ 998,865	24.0%	4,153,008	943,494	22.7%
Registrar.....	1,758,712	\$ 242,435	13.8%	1,419,534	262,008	18.5%
General Services.....	16,497,687	\$ 3,345,704	20.3%	13,971,419	2,429,082	17.4%
<b>Total Staff Agencies</b>	<b>\$ 82,985,776</b>	<b>\$ 18,505,578</b>	<b>22.3%</b>	<b>\$ 75,772,839</b>	<b>\$ 15,742,566</b>	<b>20.8%</b>
<b>Operating Agencies</b>						
Transportation & Environmental Services.....	\$ 28,866,545	\$ 5,035,485	17.4%	\$ 26,393,255	\$ 4,597,202	17.4%
Project Implementation.....	-	\$ -	0.0%	-	-	0.0%
Fire.....	60,628,994	\$ 12,549,864	20.7%	55,548,322	11,691,526	21.0%
Police.....	72,752,996	\$ 16,837,186	23.1%	69,500,587	13,095,158	18.8%
Community Policing Review.....	578,440	\$ 54,175	0.0%	507,114	8,000	0.0%
Emergency Communications.....	10,244,342	\$ 2,374,427	23.2%	9,820,971	2,415,719	24.6%
Code.....	-	\$ -	0.0%	-	-	0.0%
Transit Subsidies.....	19,476,359	\$ 454,174	2.3%	19,327,323	4,064,280	21.0%
Housing.....	2,216,323	\$ 439,318	19.8%	2,070,660	450,198	21.7%
Community and Human Services.....	16,659,903	\$ 2,956,267	17.7%	16,359,928	3,348,661	20.5%
Health.....	10,473,406	\$ 2,390,879	22.8%	9,510,111	973,135	10.2%
Historic Resources.....	4,400,730	\$ 1,019,890	23.2%	4,018,857	861,612	21.4%
Recreation.....	28,816,012	\$ 7,203,526	25.0%	27,021,487	5,644,802	20.9%
<b>Total Operating Agencies</b>	<b>\$ 255,114,050</b>	<b>\$ 51,315,190</b>	<b>20.1%</b>	<b>\$ 240,078,615</b>	<b>\$ 47,150,294</b>	<b>19.6%</b>
<b>Education</b>						
Schools.....	\$ 258,686,800	\$ 34,922,718	13.5%	\$ 248,737,300	\$ 33,579,536	13.5%
Other Educational Activities.....	15,570	\$ 3,893	25.0%	15,750	3,938	25.0%
<b>Total Education</b>	<b>\$ 258,702,370</b>	<b>\$ 34,926,611</b>	<b>13.5%</b>	<b>\$ 248,753,050</b>	<b>\$ 33,583,473</b>	<b>13.5%</b>
<b>Capital, Debt Service and Miscellaneous</b>						
Debt Service - City.....	\$ 48,235,001	\$ 28,421,257	58.9%	\$ 41,170,131	\$ 24,893,595	60.5%
Debt Service - Schools.....	\$ 32,220,940	\$ 18,947,505	58.8%	\$ 31,941,000	19,114,517	59.8%
Expenses on Refunding Bonds.....	-	\$ -	0.0%	-	-	0.0%
Non-Departmental.....	\$ 9,630,187	\$ 3,748,267	38.9%	\$ 10,154,312	3,159,338	8.7%
General Cash Capital.....	\$ 38,297,581	\$ -	0.0%	\$ 36,156,190	-	0.0%
Contingent Reserves.....	1,892,954	\$ -	0.0%	3,324,170	-	0.0%
<b>Total Capital, Debt Service and Miscellaneous</b>	<b>\$ 130,276,663</b>	<b>\$ 51,117,029</b>	<b>39.2%</b>	<b>\$ 122,745,803</b>	<b>\$ 47,167,450</b>	<b>38.4%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 784,970,868</b>	<b>\$ 168,395,594</b>	<b>21.5%</b>	<b>\$ 740,344,392</b>	<b>\$ 155,053,090</b>	<b>20.9%</b>
Cash Match (Transportation/DCHS/ and Transfers to Special Revenue /Capital Projects Funds)...	\$ 61,084,591		0.0%	\$ 58,742,540	\$ 134	0.0%
Transfer to Housing.....	9,351,130	\$ -	0.0%	7,679,115	-	0.0%
Transfer to Library.....	8,589,228		0.0%	8,183,465	132,865	1.6%
Transfer to DASH.....	29,609,371	\$ 282,099	1.0%	25,164,459	271,251	1.1%
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 893,605,188</b>	<b>\$ 168,677,693</b>	<b>18.9%</b>	<b>\$ 840,113,971</b>	<b>\$ 155,457,340</b>	<b>18.5%</b>
<b>Total Expenditures by Category</b>						
Salaries and Benefits.....	\$ 270,356,614	\$ 55,126,396	20.4%	\$ 256,367,129	\$ 50,984,896	19.9%
Non Personnel (includes all school funds) .....	623,248,574	\$ 113,551,297	18.2%	583,746,842	\$ 104,472,443	17.9%
<b>Total Expenditures</b>	<b>\$ 893,605,188</b>	<b>\$ 168,677,693</b>	<b>18.9%</b>	<b>\$ 840,113,971</b>	<b>\$ 155,457,340</b>	<b>18.5%</b>

**City of Alexandria**  
**Investment Report**  
As of September 30, 2023

## **Investment Policy**

### Objective and Strategy

*Safety of Principle* – investments will be made in a manner that seeks to ensure the preservation of capital

### Preservation of capital

*Liquidity* – the investments will remain sufficiently liquid to meet all operating requirements that are reasonably anticipated

### Requirements that are reasonably anticipated

*Yield* – attain a market rate of return (consistent with the 2-year Treasury maturity). This is secondary to safety and liquidity.

## **Investment Committee**

Responsibilities for the City’s investment management decisions and activities rest with:

- Director of Finance – Kendel Taylor
- Assistant Director of Finance/Revenue – Kevin Greenlief
- Assistant Director of Finance/Treasury – David Clark

## **Authorized Investments**

- Obligations of the Commonwealth of Virginia, the United States or Virginia Municipalities
- Prime Quality Commercial Paper with maturities of 270 days or less
- Certificates of Deposits (CDARS)
- Insured Cash Sweeps (ICS)
- Virginia Local Government Investment Pool (LGIP)
- Virginia Investment Pool (VIP)

## Diversification Strategy

<b>Security Type</b>	<b>Maximum % of the Total Funds Available for Investment</b>
Obligations of Virginia	40%
Obligations of the US	75%
Obligations of Virginia Municipalities	40%
Prime Quality Commercial Paper	25%
Commercial Paper of any one Issuing Corporation	5%
CDARs	75%
ICS	40%
LGIP	100%
VIP	75%

**Portfolio as of September 30, 2023**

<b>Security Type</b>	<b>Balance (millions)</b>	<b>Allocation</b>
Local Government Investment Pool (LGIP)	\$349.7	77.3%
US Agency/Treasury Bonds	64.8	14.3%
CDARS	12.3	2.7%
Virginia Investment Pool (VIP) Liquidity	5.5	1.2%
Cash	20.3	4.5%
<b>Total</b>	<b>\$452.6</b>	<b>100.0%</b>

**Return on Investment 1Q – FY 2024**

<b>Security Type</b>	<b>Balance (millions)</b>	<b>Yield (Weighted Average)</b>
Local Government Investment Pool (LGIP)	\$349.7	5.20%
US Agency/Treasury Bonds	64.8	0.59%
CDARS	12.3	5.15%
Virginia Investment Pool (VIP) Liquidity	5.5	5.63%
Cash	20.3	5.16%
<b>Total</b>	<b>\$452.6</b>	<b>4.65%</b>