

# City of Alexandria, Virginia

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## MEMORANDUM

**DATE:** JULY 29, 2018

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

**FROM:** MARK B. JINKS, CITY MANAGER 

**SUBJECT:** CONSIDERATION OF THE MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING MAY 31, 2018

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The following discussion is a summary of the Monthly Financial Report for this period. Schedules comparing revenues and expenditures to date to the same period in FY 2018 are attached. Because Council is in recess during July and August this undocketed memorandum is being transmitted to Council.

As of May 31, 2018, General Fund revenues totaled \$670.2 million, an increase of \$153.0 million, or 29.6%, more than the revenues collected at the same time in FY 2017. Through eleven months of FY 2018, approximately 73.8 percent of budgeted revenues have been collected. The significant variance compared to the prior year is due to different sizes of bond refundings. In FY 2017, \$34.2 million in outstanding debt was refinanced at lower interest rates for a savings of approximately \$2.4 million. In FY 2018, \$167.4 million in outstanding debt was refinanced and will produce approximately \$13 million in debt service savings over the next 15 years. If the refunding is excluded in both years, 67.9 percent of budgeted revenues have been collected, and revenues through the first eleven months reflect a 4.0 percent increase compared to the same time period last year. Real Property tax revenues are 4.6 percent higher at this point in FY 2018 compared to the same period in FY 2017, which is consistent with the tax rate and assessment increases approved in Calendar Year 2017.

Through January 2018, Other Local Tax revenues equal \$110.7 million compared to \$108.2 million in May 2017. Recordation tax revenue exceeds last year by \$2.3 million primarily due to the sale of several large commercial properties in the City over the past year. Sales Tax is trending lower through the first nine months of the year (it is remitted to the City from the State two months after it is collected by the place of business). Local Sales Tax revenues are currently \$0.3 million lower than through March 2018. Although Consumer Utility Tax is showing a positive variance, it is due to the timing of receipts in FY 2018 compared to FY 2017 and does not reflect any economic advantage. When payment timing is discounted, Consumer Utility Tax Revenue is within 2 percent of FY 2017. In total, Other Local Taxes are 2.3 percent, or \$2.5 million, higher than last year at this time.

Charges for Services are \$1.5 million higher than FY 2017, due mostly to Planning and Zoning and Rental Fees, which are consistent with this point in the fiscal year. Higher than budgeted rising interest rates are helping to generate additional Revenue from use of Money and Property,

as Interest from General Fund Investments total \$3.8 million through May compared to \$1.9 million at this same time last year.

These positive and negative revenue variances were utilized to produce the revised FY 2019 revenue projections reflected in the budget technical adjustments memo to Council which indicated the availability of \$1.3 million in additional resources in the FY 2019 budget, which were utilized by Council to increase the public safety compensation contingent.

As of May 31, 2018, General Fund expenditures totaled \$717.3 million, an increase of \$162.5 million over the same time period for FY 2017. After adjusting for the difference due to the refunding, expenditures total \$549.5 million, which is \$28.8 million more than FY 2017 or 5.5 percent, compared to the same time period last year. The amount and the timing of the cash capital transfer is the most significant variance between FY 2017 and FY 2018. By May 2017, the full amount of \$26.8 million budgeted for cash capital had been transferred to the CIP. In FY 2018, \$43.4 million is budgeted but only \$37.9 million has been transferred at this time. Departments that have expended a considerably lower portion of their budget than the percent of the fiscal year that has occurred have underspent primarily due to vacancies or turnover or contracts that have been issued but for which payments have not yet been requested by the vendor. The only General Fund supported departments that have expended significantly more than 92 percent are Economic Development Activities and Transit Subsidies. For both Economic Development Activities and Transit Subsidies, these are primarily funded from quarterly transfers from the City. At this time 100 percent of transfer have occurred.

**ATTACHMENTS:**

Attachment 1 – Comparative Revenue Schedule for May 31, 2018

Attachment 2 – Comparative Expenditure Schedule for May 31, 2018

**STAFF:**

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, OMB

**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF REVENUES**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING MAY 31, 2018 AND MAY 31, 2017**

	<b>B</b>	<b>B.1</b>	<b>C</b>	<b>D=C/B</b>	<b>F</b>
	<b>FY2018</b>	<b>FY 2018</b>	<b>FY2018</b>	<b>%</b>	<b>FY2017</b>
	<b>AMENDED</b>	<b>PROJECTED</b>	<b>REVENUES</b>	<b>OF BUDGET</b>	<b>REVENUES</b>
	<b>BUDGET</b>	<b>REVENUES</b>	<b>THRU 5/31/2018</b>		<b>THRU 5/31/2017</b>
<b>General Property Taxes</b>					
Real Property Taxes.....	\$ 436,008,918	438,081,455	\$ 258,092,978	59.2%	\$ 246,811,872
Personal Property Taxes.....	49,339,000	49,364,000	48,813,180	98.9%	46,727,658
Penalties and Interest.....	2,000,000	3,000,000	2,376,841	118.8%	2,204,467
<b>Total General Property Taxes</b>	<b>\$ 487,347,918</b>	<b>\$ 490,445,455</b>	<b>\$ 309,282,999</b>	<b>63.5%</b>	<b>\$ 295,743,997</b>
<b>Other Local Taxes</b>					
Local Sales and Use Taxes.....	\$ 28,044,982	27,400,000	\$ 20,107,430	71.7%	\$ 20,436,052
Consumer Utility Taxes.....	12,700,000	12,000,000	10,002,790	78.8%	9,146,641
Communication Sales and Use Taxes.....	10,153,000	10,153,000	7,507,702	73.9%	7,689,410
Business License Taxes.....	33,460,000	33,930,000	33,061,872	98.8%	32,268,382
Transient Lodging Taxes.....	12,500,000	12,300,000	10,117,098	80.9%	9,817,574
Restaurant Meals Tax.....	19,000,000	19,100,000	15,012,012	79.0%	14,984,500
Tobacco Taxes.....	2,885,000	2,885,000	2,296,257	79.6%	2,506,657
Motor Vehicle License Tax.....	3,606,000	3,740,000	3,577,508	99.2%	3,548,941
Real Estate Recordation.....	4,800,000	8,000,000	6,266,043	130.5%	3,988,102
Admissions Tax.....	786,000	740,000	530,375	67.5%	550,573
Other Local Taxes.....	4,545,502	4,678,000	2,177,344	47.9%	3,218,021
<b>Total Other Local Taxes</b>	<b>\$ 132,480,484</b>	<b>\$ 134,926,000</b>	<b>\$ 110,656,431</b>	<b>83.5%</b>	<b>\$ 108,154,852</b>
<b>Intergovernmental Revenues</b>					
Revenue from the Fed. Government.....	\$ 9,971,382	9,071,382	\$ 7,970,384	79.9%	\$ 7,590,923
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	23,578,531	100.0%	23,578,531
Revenue from the Commonwealth.....	23,047,658	23,772,658	18,396,680	79.8%	18,518,585
<b>Total Intergovernmental Revenues</b>	<b>\$ 56,597,571</b>	<b>\$ 56,422,571</b>	<b>\$ 49,945,595</b>	<b>88.2%</b>	<b>\$ 49,688,038</b>
<b>Other Governmental Revenues And Transfers In</b>					
Fines and Forfeitures.....	\$ 6,610,517	5,193,450	\$ 4,600,890	69.6%	\$ 4,397,139
Licenses and Permits.....	2,485,350	2,445,350	2,009,056	80.8%	2,444,693
Charges for City Services.....	21,740,922	21,162,149	17,083,747	78.6%	15,581,586
Revenue from Use of Money & Prop.....	5,023,110	7,115,630	7,155,609	142.5%	5,469,518
Other Revenue.....	1,812,942	1,910,000	1,549,557	85.5%	1,557,898
Transfer from Other Funds.....	10,583,814	10,583,814	121,922	1.2%	
<b>Total Other Governmental Revenues</b>	<b>\$ 48,256,655</b>	<b>\$ 48,410,393</b>	<b>\$ 32,520,782</b>	<b>67.4%</b>	<b>\$ 29,450,835</b>
<b>TOTAL REVENUE</b>	<b>\$ 724,682,628</b>	<b>\$ 730,204,419</b>	<b>\$ 502,405,806</b>	<b>69.3%</b>	<b>\$ 483,037,721</b>
<b>Appropriated Fund Balance</b>					
General Fund.....	\$ 3,605,400	\$ 3,605,440	\$ -	0.0%	\$ -
Appropriated refunding bond proceeds	167,436,747	167,436,747	167,786,747	100.2%	34,168,000
Supplemental Appropriations....	\$ 11,925,916	6,404,086	-	0.0%	-
<b>TOTAL</b>	<b>\$ 907,650,692</b>	<b>\$ 907,650,692</b>	<b>\$ 670,192,553</b>	<b>73.8%</b>	<b>\$ 517,205,721</b>

92% of Fiscal Year Completed  
88% of Payrolls Processed

Attachment 2

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION  
GENERAL FUND  
FOR THE PERIODS ENDING MAY 31, 2018 AND MAY 31, 2017**

FUNCTION	B	C	D=C/B	F
	FY2018 AMENDED BUDGET	FY2018 EXPENDITURES THRU 5/31/2018	% OF BUDGET EXPENDED	FY2017 EXPENDITURES THRU 5/31/2017
Legislative & Executive.....	\$ 5,563,168	\$ 4,540,600	81.6%	\$ 4,948,991
Judicial Administration.....	\$ 43,034,700	\$ 36,212,886	84.3%	\$ 37,941,113
<b>Staff Agencies</b>				
Information Technology Services.....	\$ 11,638,646	\$ 9,361,326	80.4%	\$ 9,041,974
Management & Budget.....	1,276,371	910,724	71.4%	1,110,319
Finance.....	13,720,423	10,269,276	74.8%	10,262,326
Performance and Accountability.....	670,875	422,203	62.9%	406,665
Internal Audit.....	421,894	285,743	67.7%	284,890
Human Resources.....	4,234,310	3,555,692	84.0%	3,371,958
Planning & Zoning.....	6,132,787	5,000,086	81.5%	4,962,705
Economic Development Activities.....	5,494,154	5,381,604	98.0%	5,350,237
City Attorney.....	3,041,270	2,608,470	85.8%	2,779,356
Registrar.....	1,202,318	1,002,208	83.4%	1,141,078
General Services.....	15,420,895	11,614,968	75.3%	11,876,255
<b>Total Staff Agencies</b>	\$ 63,253,943	\$ 50,412,301	79.7%	\$ 50,587,763
<b>Operating Agencies</b>				
Transportation & Environmental Services.....	\$ 30,405,133	\$ 23,232,803	76.2%	\$ 23,276,656
Project Implementation.....	1,868,900	1,215,201	65.0%	1,385,522
Fire.....	52,746,576	43,778,097	83.0%	44,042,578
Police.....	67,960,931	54,501,328	80.2%	54,865,422
Emergency Communications.....	7,748,429	6,356,266	82.0%	6,425,928
Code.....	34,345	4,519	13.2%	89,152
Transit Subsidies.....	15,115,927	15,115,604	99.9%	7,705,920
Housing.....	1,912,864	1,597,531	83.5%	1,519,465
Community and Human Services.....	13,648,783	12,171,054	89.2%	12,271,166
Health.....	8,813,186	8,116,788	92.1%	8,216,929
Historic Resources.....	3,232,806	2,623,437	81.2%	2,598,328
Recreation.....	22,170,537	18,549,060	83.7%	18,931,558
<b>Total Operating Agencies</b>	\$ 220,768,417	\$ 187,261,627	84.8%	\$ 181,388,623
<b>Education</b>				
Schools.....	\$ 214,061,472	\$ 169,878,934	79.4%	\$ 158,411,924
Other Educational Activities.....	12,277	12,277	100.0%	12,131
<b>Total Education</b>	\$ 214,073,749	\$ 169,891,211	79.4%	\$ 158,424,055
<b>Capital, Debt Service and Miscellaneous</b>				
Debt Service - City.....	\$ 39,248,127	\$ 14,953,645	38.1%	\$ 22,400,897
Debt Service - Schools.....	28,530,550	28,530,550	100.0%	16,097,687
Expenses on Refunding Bonds.....	167,436,747	167,827,947	100.2%	34,156,655
Non-Departmental.....	9,301,732	7,809,246	84.0%	7,905,291
General Cash Capital.....	43,375,231	37,866,696	87.3%	26,834,078
Contingent Reserves.....	775,931	-	0.0%	-
<b>Total Capital, Debt Service and Miscellaneous</b>	\$ 288,668,318	\$ 256,988,083	89.0%	\$ 107,394,608
<b>TOTAL EXPENDITURES</b>	\$ 835,362,295	\$ 705,366,759	84.4%	\$ 540,685,154
<b>Cash Match (Transportation/DCHS and Capital Projects Funds)</b>	\$ 53,381,967	\$ 163,898	0.0%	\$ 2,845,335
Transfer to Library.....	6,869,531	113,706	1.7%	42,694
Transfer to DASH.....	12,045,879	11,692,233	0.9%	11,295,384
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	\$ 907,650,692	\$ 717,336,595	79.0%	\$ 554,868,566
<b>Total Expenditures by Category</b>				
Salaries and Benefits.....	\$ 228,332,150	\$ 191,401,879	83.8%	\$ 196,673,228
Non Personnel (includes all school funds).....	679,318,542	525,934,716	77.4%	358,195,238
<b>Total Expenditures by Category</b>	\$ 907,650,692	\$ 717,336,595	79.0%	\$ 554,868,566