

CITY OF ALEXANDRIA, VIRGINIA

Monthly Financial Report

December 2015



Report Summary—Revenues

General Property tax collections are comparing favorably to the prior year through the first six months. Real Property tax revenues are consistent with FY 2015, and Personal Property taxes are trending higher than last year by 4 percent. Although the majority of vehicle and business personal property taxes have been collected at this point in the fiscal year (the due date is October 5th), the City will continue to collect revenues from both delinquent taxpayers, as well as new residents. If collections are consistent with FY 2015 through the end of the year, it is likely this category of revenues will exceed last year's collections. Through the remainder of the fiscal year, staff will also continue to pursue delinquent personal property taxes. These enforcement efforts will be complemented with outreach efforts to ensure that new residents are aware of their personal property obligations to minimize the incidence of penalties and interest for unpaid taxes.

Other local taxes continue to compare favorably to last year. Although there are anomalies when compared to the prior year, the variance is due to timing of payments and receipts and not from any economic factors. In addition, consumer utility tax receipts through December are \$1.2 million higher than through the same period last year. This is attributable to the timing of payments and not an indication of actual increasing revenue collections. Without the timing factor, consumer utility tax revenues are nearly identical to FY 2015. Admissions tax is lower compared to FY 2015 due to the timing of payments. In FY 2015, one of the July payments for June attendance was received too late in August to make the FY 2014 cutoff, so it was reflected as revenue for FY 2015. In August this year, both July payments were received in a timely manner and as a result were included in FY 2015. It is important to note that Total Other Local Taxes are 7.8% more than last year at this time. A portion of this increase is due to timing, as described above, but several categories are performing at a higher level than last year. Most notable are Real Estate Recordation tax revenues, and Restaurant Meal Tax revenues. Restaurant Meals Tax collections are up by approximately \$0.7 million compared to last year. Recordation tax collections are averaging \$0.5 million per month, compared to \$0.4 million in FY 2015. Due to the timing of the New Year's Day holiday, FY 2016 through December reflects 6 postings, whereas FY 2015 includes only 5. Regardless of the payment timing, this revenue category is outperforming last year's receipts.

The significant variance in Other Revenue is attributable to the revenue from the sale of the Old Health Department Building included in FY 2015. In terms of actual collections, revenue from Fines and Forfeitures is higher than at the same time through five months in FY 2015. However, the budget was increased to \$6 million due to the addition of two new motor officers. The two motor officers were anticipated to bring in additional revenue in moving violations, such as HOV violations. Collections from court fines are \$100K lower than FY2015. The two motor officers have been hired but the in-service start was later than anticipated. The FY 2015 budget for Fines and Forfeitures was \$5.8 million, but FY 2015 actual collections were only \$4.9 million. Staff will continue to monitor the hiring and associated collections and assumptions.

The Monthly Financial Report details the City's General Fund revenues and expenditures as of the last day of the month, compares revenues and expenditures to historical data, and focuses on specific economic indicators relevant for the month. This report is presented to City Council by the City Manager and made available to the public.

REVENUES



REVENUE VARIANCES IN DETAIL

Variations in FY16 YTD Revenue from FY15 YTD Revenue	Explanation
General Property Taxes	Variations in Property tax revenues relate to the timing of payments, not in any significant economic condition. Second half 2015 Real Estate payments were received in November and the majority of personal property taxes were collected in October. Staff will continue to register vehicles for new residents and new purchases, throughout the year. Delinquent taxes will also be pursued throughout the remainder of the fiscal year. It is expected that approximately 98.5 percent of 2015 personal property taxes will be collected within this fiscal year with that collection rate rising higher than 99 percent of the total amount owed over the subsequent 3 to 4 years.
Consumer Utility Taxes	Consumer utility tax receipts through September are \$1.2 million higher than through the same period last year. This is attributable to the timing of payments and not an indication of actual increased revenue collections.
Admissions Tax	The City's largest remittances come from two movie theatres. In FY 2015, one of the July payments for June attendance was received later in the August so it is included as revenue for FY 2015. In August this year, both July payments were received earlier in the month and as a result were included in FY 2015.
Revenue from the Fed. Government	Federal revenue is higher compared to the prior year due to the timing of the receipt of the tax credit for Build America Bonds.
Other Revenue	In FY 2015, final revenue collections reflect the proceeds from the sale of the old Health Department Building of approximately \$5.3 million. FY 2016 reflects normal activity for the year. It is worth noting that this small category is performing well compared to the budgeted amount. This is due to collections for insurance recoveries.
Fines and Forfeitures	Although revenues from Fines and Forfeitures is higher than last year through this same time period, as a percent of budget it is showing a significant variance due to the increase in the budgeted amount that is not being realized. Staff will continue to monitor this area of revenue through the coming months and consider a budget adjustment in FY 2017, if appropriate.

CITY OF ALEXANDRIA, VIRGINIA

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Report Summary—Expenditures

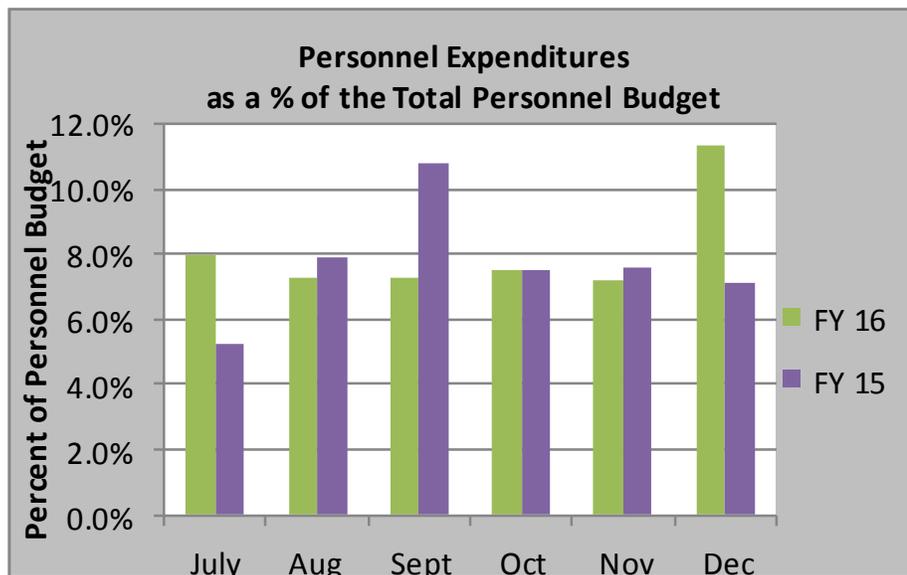
As of December 31, 2015, General Fund expenditures totaled \$291.6 million, which equals 43.8 percent of the budgeted expenditures for FY 2016. At this time period, the City is approximately 50 percent of the way through the fiscal year and 50.8 percent of payrolls have been processed. Expenditures through December 2015 represented 38.3 percent of the expenditures for the entire year. At this point in the fiscal year there are no significant unbudgeted or unanticipated expenditures recorded and the variances shown in Attachment 2 are the result of changes in staffing levels or vacancies in departments. The City Attorney's Office has experienced a significantly greater amount of outside legal fees for complex litigation than their current authorized budget. Other variances in the Office of Management and Budget, Emergency Communications, Code Administration, Housing and Finance are related to vacancies and turnover of senior positions at lower costs. Where applicable, these reduced costs will be factored into the FY 2017 budget.

The chart on the following page shows the City's personnel expenditures to date as a percentage of the total personnel budget. This is the most significant area of budget commitments and represents approximately 60 percent of the City's operating budget. Through December 2015, 50.8 percent of payrolls have been posted. Through the first six months of the year, the average payroll is \$7.8 million. Payroll expenditures as a percentage of the total personnel budget is 11.3 percent in the month of December 2015, which is more than December 2014 by 70 percent. This is merely a result of timing. There were three payrolls posted in the month of December. A similar situation occurred in September in FY 2015.

ECONOMIC INDICATORS



Based on personnel expenditures through the first six months of the fiscal year, the City is currently on track to save approximately 4 percent of the personnel budget. As employees receive merit increases and more vacant positions are filled, this number is likely to decrease. In addition, in many cases personnel vacancies are offset with temporary or contracted personnel. It should be noted that at the time this report was being developed, the City is incurring significant overtime, staffing and outside contractor expenses related to the snow storm in January 2016. In all likelihood, a significant portion of the savings that has been projected here will likely be utilized to offset storm costs. As part of the FY 2017 budget process, revenue and expenditure projections for FY 2016 will be presented.



ATTACHMENT 1



CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING DECEMBER 31, 2015 AND DECEMBER 31, 2014

	B	C	D=C/B	E	F	G=F/E
	FY2016	FY2016	%	FY 2015	FY2015	%
	REVISED	REVENUES	OF BUDGET	TOTAL	REVENUES	OF TOTAL
	BUDGET	THRU 12/31/15		REVENUE	THRU 12/31/14	
General Property Taxes						
Real Property Taxes.....	\$ 382,088,719	\$ 189,149,228	49.5%	\$ 368,179,677	\$ 181,463,324	49.3%
Personal Property Taxes.....	43,860,000	42,514,011	96.9%	44,495,560	40,822,240	91.7%
Penalties and Interest.....	2,145,000	1,006,982	46.9%	2,065,762	795,818	38.5%
Total General Property Taxes	\$ 428,093,719	\$ 232,670,221	54.4%	\$ 414,740,999	\$ 223,081,382	53.8%
Other Local Taxes						
Local Sales and Use Taxes.....	\$ 25,500,000	\$ 8,778,803	34.4%	\$ 25,620,565	\$ 8,167,084	31.9%
Consumer Utility Taxes.....	12,500,000	5,168,815	41.4%	12,364,106	4,009,012	32.4%
Communication Sales and Use Taxes.....	11,000,000	3,499,274	31.8%	10,776,792	3,621,109	33.6%
Business License Taxes.....	33,000,000	1,251,637	3.8%	33,474,138	1,479,272	4.4%
Transient Lodging Taxes.....	11,500,000	5,107,155	44.4%	11,371,287	4,937,986	43.4%
Restaurant Meals Tax.....	17,750,000	7,533,397	42.4%	17,635,886	6,831,928	38.7%
Tobacco Taxes.....	3,060,000	1,271,278	41.5%	3,020,469	1,321,581	43.8%
Motor Vehicle License Tax.....	3,400,000	2,960,878	87.1%	3,483,135	2,895,751	83.1%
Real Estate Recordation.....	4,700,000	2,873,228	61.1%	5,351,748	2,274,753	42.5%
Admissions Tax.....	810,000	250,149	30.9%	902,556	329,956	36.6%
Other Local Taxes.....	3,909,800	267,969	6.9%	3,652,202	271,242	7.4%
Total Other Local Taxes	\$ 127,129,800	\$ 38,962,583	30.6%	\$ 127,652,884	\$ 36,139,674	28.3%
Intergovernmental Revenues						
Revenue from the Fed. Government.....	\$ 9,650,382	\$ 4,310,472	44.7%	\$ 9,691,407	\$ 3,609,488	37.2%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	22,399,604	95.0%	23,578,531	22,399,604	95.0%
Revenue from the Commonwealth.....	22,759,967	10,828,775	47.6%	22,131,578	10,832,849	48.9%
Total Intergovernmental Revenues	\$ 55,988,880	\$ 37,538,851	67.0%	\$ 55,401,516	\$ 36,841,941	66.5%
Other Governmental Revenues And Transfers In						
Fines and Forfeitures.....	\$ 6,015,000	\$ 2,552,741	42.4%	\$ 4,916,607	\$ 2,522,493	51.3%
Licenses and Permits.....	2,534,625	1,412,253	55.7%	2,455,001	1,356,219	55.2%
Charges for City Services.....	19,321,236	10,116,354	52.4%	18,557,721	9,351,347	50.4%
Revenue from Use of Money & Prop.....	4,875,080	2,738,600	56.6%	4,870,007	2,486,755	51.1%
Other Revenue.....	624,654	999,132	159.9%	7,109,874	737,402	10.4%
Transfer from Other Funds.....	4,573,898	-	0.0%	3,206,574	-	0.0%
Total Other Governmental Revenues	\$ 37,944,493	\$ 17,839,080	47.0%	\$ 41,115,784	\$ 16,454,216	40.0%
TOTAL REVENUE	\$ 649,156,892	\$ 327,010,735	50.4%	\$ 638,911,183	\$ 312,517,213	48.9%
Appropriated Fund Balance						
General Fund.....	\$ 770,555	\$ -	\$ -	\$ -	\$ -	-
Appropriated refunding bond proceeds	10,645,678	10,645,678	0.0%	33,995,000	-	0.0%
Reappropriation of FY 2014	-	-	-	-	-	-
Encumbrances And Other	-	-	-	-	-	-
Supplemental Appropriations....	5,044,245	-	-	-	-	-
TOTAL	\$ 665,617,370	\$ 337,656,413	50.7%	\$ 672,906,183	\$ 312,517,213	46.4%

ATTACHMENT 2



50.00% of Fiscal Year Completed
50.8% of Payrolls Processed

Online Reference 3

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION GENERAL FUND FOR THE PERIODS ENDING DECEMBER 31, 2015 AND DECEMBER 31, 2014

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY2016 APPROVED BUDGET	FY2016 EXPENDITURES THRU 12/31/15	% OF BUDGET EXPENDED	FY 2015 TOTAL EXPENDITURES & ENCUMBRANCES	FY2015 EXPENDITURES THRU 12/31/14	% OF TOTAL
Legislative & Executive.....	\$ 5,341,378	\$ 2,388,475	44.7%	\$ 4,920,956	\$ 2,130,586	43.3%
Judicial Administration.....	\$ 41,893,893	\$ 20,245,485	48.3%	\$ 41,033,725	\$ 18,772,692	45.7%
Staff Agencies						
Information Technology Services.....	\$ 10,296,766	\$ 4,774,633	46.4%	\$ 9,530,069	\$ 4,483,381	47.0%
Management & Budget.....	1,300,872	539,156	41.4%	1,154,740	559,192	48.4%
Finance.....	14,487,913	5,352,540	36.9%	12,551,139	5,392,220	43.0%
Performance and Accountability.....	608,348	265,370	43.6%	570,396	212,308	37.2%
Internal Audit.....	384,960	156,150	40.6%	310,555	155,522	50.1%
Human Resources.....	3,838,818	1,470,307	38.3%	3,170,131	1,361,482	42.9%
Planning & Zoning.....	5,374,473	2,436,342	45.3%	5,138,421	2,383,817	46.4%
Economic Development Activities.....	5,327,600	2,677,215	50.3%	5,171,371	2,652,332	51.3%
City Attorney.....	2,824,822	1,723,233	61.0%	2,745,420	1,293,572	47.1%
Registrar.....	1,332,439	586,115	44.0%	1,116,014	586,260	52.5%
General Services.....	14,203,967	6,706,516	47.2%	13,895,860	5,849,720	42.1%
Total Staff Agencies	\$ 59,980,978	\$ 26,687,577	44.5%	\$ 55,354,116	\$ 24,929,806	45.0%
Operating Agencies						
Transportation & Environmental Services.....	\$ 29,159,916	\$ 12,786,856	43.9%	\$ 27,733,020	\$ 12,943,448	46.7%
Project Implementation.....	2,038,045	777,503	38.1%	1,535,464	666,773	43.4%
Fire.....	47,281,272	23,420,478	49.5%	44,199,360	19,526,463	44.2%
Police.....	59,047,572	29,657,827	50.2%	54,304,913	26,402,990	48.6%
Emergency Communications.....	7,195,998	3,441,090	47.8%	6,489,868	3,188,403	49.1%
Code.....	137,620	41,584	30.2%	115,773	47,311	40.9%
Transit Subsidies.....	10,253,751	4,898,615	47.8%	7,137,722	3,697,928	51.8%
Housing.....	1,843,611	814,908	44.2%	1,709,778	844,018	49.4%
Community and Human Services.....	13,686,580	6,968,675	50.9%	13,500,413	6,731,515	49.9%
Health.....	8,351,090	5,093,388	61.0%	7,970,262	5,040,665	63.2%
Historic Resources.....	2,838,780	1,359,529	47.9%	2,826,811	1,329,979	47.0%
Recreation.....	21,714,690	10,905,616	50.2%	21,063,798	10,256,255	48.7%
Total Operating Agencies	\$ 203,548,925	\$ 100,166,069	49.2%	\$ 188,587,182	\$ 90,675,748	48.1%
Education						
Schools.....	\$ 198,811,472	\$ 76,966,962	38.7%	191,811,472	\$ 73,478,859	38.3%
Other Educational Activities.....	11,877	5,986	50.4%	11,877	5,939	50.0%
Total Education	\$ 198,823,349	\$ 76,972,948	38.7%	\$ 191,823,349	\$ 73,484,798	38.3%
Capital, Debt Service and Miscellaneous						
Debt Service.....	\$ 63,684,774	\$ 28,526,008	44.8%	\$ 59,738,661	\$ 20,165,348	33.8%
Expenses on Refunding Bonds.....	10,645,678	10,749,293	101.0%	33,858,404	-	0.0%
Non-Departmental.....	9,062,123	5,263,528	58.1%	9,859,352	4,701,075	47.7%
General Cash Capital.....	16,025,541	-	0.0%	22,854,753	-	0.0%
Contingent Reserves.....	10,000	-	0.0%	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 99,428,116	\$ 44,538,829	44.8%	\$ 126,311,170	\$ 24,866,423	19.7%
TOTAL EXPENDITURES	\$ 609,016,639	\$ 270,999,384	44.5%	\$ 608,030,498	\$ 234,860,053	38.6%
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects)	\$ 37,610,229	\$ 11,136,918	29.6%	\$ 40,723,456	\$ 11,052,940	27.1%
Transfer to Library.....	6,729,652	3,364,826	50.0%	6,468,697	3,303,580	51.1%
Transfer to DASH.....	12,260,850	6,130,425	50.0%	10,930,569	6,083,500	55.7%
TOTAL EXPENDITURES & TRANSFERS	\$ 665,617,370	\$ 291,631,553	43.8%	\$ 666,153,220	\$ 255,300,073	38.3%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 214,941,696	\$ 103,906,042	48.3%	\$ 199,450,991	\$ 92,039,276	46.1%
Non Personnel (includes all school funds).....	450,675,674	187,725,507	41.7%	466,702,230	163,260,797	35.0%
Total Expenditures	\$ 665,617,370	\$ 291,631,549	43.8%	\$ 666,153,221	\$ 255,300,073	38.3%

** In FY 2015 Internal Audit and Performance and Accountability were combined in one department