

CITY OF ALEXANDRIA, VIRGINIA

# Monthly Financial Report

## March 2016



### Report Summary—Revenues

General Property tax collections are comparing favorably to the prior year through the first nine months. Through March 2016 property tax revenues received were 55.3 percent of the budgeted amount, which compares favorably to the same time period last year when collections were 54.5 percent of the total amount received. Real property tax revenues through March 2016 were \$190.9 million or 50.0% of the budgeted amount. The budgeted amount assumed a 49.65 percent collection rate for the second half payment for Calendar Year 2015. The first half payment for Calendar Year 2016, based on the tax rate to be adopted by City Council in May as part of the FY 2017 Budget adoption, is due in June 2016. Preliminary revenue projections for FY 2016 have been developed as part of the FY 2017 budget process. Based on the City Managers proposed one cent increase in the real property tax rate to 1.053 and a slightly higher increase in the total tax base in calendar year 2016 than was assumed for the FY 2016 Approved Budget, real property taxes are projected to exceed the budgeted amount if there is a tax rate increase. The additional funds generated by the proposed tax increase have been proposed by the City Manager to be included in Assigned Fund Balance for one-time funding initiatives in the FY 2017 Proposed Operating Budget, as well as ensuring that the City maintains its financial policies for Fund Balance as a percentage of General Fund Revenues. If City Council approves a higher tax rate up to 1.073, revenues will exceed the adopted budget further with the additional real estate tax revenues generated by high tax rate being programmed for capital investment purposes.

Other local taxes continue to compare favorably to last year. In some cases the variance is due to the timing of payments and not any significant economic factor; however, there are several categories that are outperforming the prior year. March 1, 2016 was the deadline for filing and paying the City's Business, Professional Occupational License (BPOL) tax. Business License tax revenue represents the large source of Other Local Tax Revenue for the City. Through March 2016 the City has received tax filings and revenues of \$31.2 million. In total for FY 2015, the City collected \$34.0 million in Business License taxes from 14,319 licenses. Through mid-April \$31.2 million had been collected. Staff will be working for the next several months to collect quarterly payment, pursue taxes or to adjust accounts to reflect accurate tax liabilities. Any business that filed last year for whom the City has not received any closure information receives a "statutory" assessment. This is an estimated tax bill based on prior year information. Conversations with the taxpayer help to refine this estimates to reflect their actual business receipts. To date there are 3,066 accounts for which a 2016 filing has not been received that staff are pursuing. Recordation tax collections are averaging \$0.44 million per month, compared to \$0.4 million in FY 2015. Revenues from Recordation tax are expected to slightly exceed revenues collected in FY 2015.

Revenues from Charges for Services are trending higher than through the same period last year with 69.1 percent of the budgeted amount collected in FY 2016 through nine months compared to 66.0 percent through March 2015. A significant source of this revenue comes from Parking Meter receipts which are \$0.25 million higher than last year and approximately \$0.1 million in Refuse Collection Fees, due primarily to new residential accounts added for Potomac Yard. Another significant source of revenue in this categories is fees generated by Recreation classes and programs. Fees for Recreation classes are reviewed each year to ensure cost recovery. For FY 2016 the budgeted amount for Recreation fees increased from \$3.2 million to \$3.6 million in order to reflect additional cost recovery.

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

Variances in FY16 YTD Revenue from FY15 YTD Revenue	Explanation
General Property Taxes	<p>Variances 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 99 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.</p>
Revenue from Use of Money and Property	<p>Additional revenue from Use of Money and Property is higher than the amount earned through the same period last year due to slightly higher yields on the City's investments. The City has benefitted from the short-term interest rate increase by the Federal Reserve in December. The higher rate is also being applied to a higher balance investable (\$221.0 million as of March 2016 compared to \$202.6 million of March 2015).</p>
Revenue from the Fed. Government	<p>Federal revenue is higher compared to the prior year due to the timing of the receipt of the tax credit for Build America Bonds.</p>
Other Revenue	<p>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.</p>
Charges for Services	<p>Revenue from Charges for Services, which include such large sources as Refuse Collection Fees, Parking Meter Receipts and Recreation Fees, are higher than FY 2015 due to increases in those categories. Parking Meter Receipts are higher than last year due to the full year implementation of new meters and rates. In addition, better meter preventative maintenance through the use of interactive technology has improved the up-time of existing meters, resulting in less lost revenue from non-functioning meters. Refuse Collection fees are higher in part due to new residential accounts that have come online at Potomac Yard. Recreation Fees are higher in part due to annual adjustments to the fees for full cost recovery, but also reflect a higher registration collections compared to the prior year.</p>

CITY OF ALEXANDRIA, VIRGINIA

# Monthly Financial Report

## March 2016



### Report Summary—Expenditures

As of March 31, 2016, General Fund expenditures totaled \$438.8 million, which equals 65.9 percent of the budgeted expenditures for FY 2016. At this time period, the City is approximately 75 percent through the fiscal year and 73.7 percent of payrolls have been processed. With the exception of the Health Department where much of the budget is paid to the State in scheduled payments, all City agencies have expenditures as a percent of budget that are lower than the percent of the fiscal year that has been completed. Staff agencies have expended 64.1 percent of their approved budgets and operating agencies are at 71.9 percent. Variances in staff agencies compared to the prior year are largely the result of vacancies and turnover.

With the exception of costs related to snow removal, at this point in the fiscal year there are no significant un-budgeted or unanticipated expenditures recorded and the variances shown in Attachment 2 are the result of changes in staffing levels or vacancies in departments. 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. The Alexandria Health Department is consistent with spending patterns in FY 2015. The variance compared to the percent of the fiscal year that has been completed is the result of the local commitment to the Commonwealth of Virginia. This is made quarterly and all payments have been made for the fiscal year.

Expenditures for salaries and benefits are 70.7 percent of the budgeted amount, compared to 73.2 percent expended last year at this time. Non-personnel spending is below the percentage of the fiscal year that has past but is slightly higher through the same period in FY 2015. This is due to the timing of transfers for to the Capital Projects Fund. Through March 2016, 100 percent of the General Fund Cash Capital contribution to the Capital Improvement Program has been transferred, whereas in FY 2015 through March only 79 percent had been transferred. The significant variance in Non-Departmental spending compared to FY 2015 relates to additional outside contracted support to supplement City snow removal efforts in February.

# ATTACHMENT 1



**CITY OF ALEXANDRIA, VIRGINIA**  
**COMPARATIVE STATEMENT OF REVENUES**  
**GENERAL FUND**  
**FOR THE PERIODS ENDING MARCH 31, 2016 AND MARCH 31, 2015**

	B		C	D=C/B	E	F	G=F/E
	FY2016 REVISED BUDGET	FY2016 PROJECTED REVENUES	FY2016 REVENUES THRU 03/31/16	%	FY 2015 TOTAL REVENUE	FY2015 REVENUES THRU 03/31/15	%
				OF BUDGET			OF TOTAL
<b>General Property Taxes</b>							
Real Property Taxes.....	\$ 382,088,719	\$ 384,461,205	\$ 190,861,481	50.0%	\$ 368,179,677	\$ 182,045,575	49.4%
Personal Property Taxes.....	43,860,000	44,660,000	44,050,356	100.4%	44,495,560	42,725,756	96.0%
Penalties and Interest.....	2,145,000	2,145,000	1,733,936	80.8%	2,065,762	1,321,978	64.0%
<b>Total General Property Taxes</b>	<b>\$ 428,093,719</b>	<b>431,266,205</b>	<b>\$ 236,645,773</b>	<b>55.3%</b>	<b>\$ 414,740,999</b>	<b>\$ 226,093,309</b>	<b>54.5%</b>
<b>Other Local Taxes</b>							
Local Sales and Use Taxes.....	\$ 25,500,000	\$ 26,300,000	\$ 15,313,716	60.1%	\$ 25,620,565	\$ 14,767,641	57.6%
Consumer Utility Taxes.....	12,500,000	12,500,000	7,999,869	64.0%	12,364,106	8,268,805	66.9%
Communication Sales and Use Taxes.....	11,000,000	10,400,000	6,108,813	55.5%	10,776,792	6,288,431	58.4%
Business License Taxes.....	33,000,000	33,000,000	29,971,307	90.8%	33,474,138	30,788,169	92.0%
Transient Lodging Taxes.....	11,500,000	11,700,000	6,663,288	57.9%	11,371,287	6,487,240	57.0%
Restaurant Meals Tax.....	17,750,000	18,300,000	11,589,650	65.3%	17,635,886	10,821,355	61.4%
Tobacco Taxes.....	3,060,000	3,000,000	1,934,793	63.2%	3,020,469	1,995,340	66.1%
Motor Vehicle License Tax.....	3,400,000	3,400,000	3,288,226	96.7%	3,483,135	3,214,914	92.3%
Real Estate Recordation.....	4,700,000	5,400,000	3,521,466	74.9%	5,351,748	3,261,810	60.9%
Admissions Tax.....	810,000	810,000	472,222	58.3%	902,556	555,101	61.5%
Other Local Taxes.....	3,909,800	3,965,000	703,969	18.0%	3,652,202	161,400	4.4%
<b>Total Other Local Taxes</b>	<b>\$ 127,129,800</b>	<b>128,775,000</b>	<b>\$ 87,567,319</b>	<b>68.9%</b>	<b>\$ 127,652,884</b>	<b>\$ 86,610,206</b>	<b>67.8%</b>
<b>Intergovernmental Revenues</b>							
Revenue from the Fed. Government.....	\$ 9,650,382	\$ 9,650,382	\$ 5,399,417	56.0%	\$ 9,691,407	\$ 5,270,764	54.4%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	23,106,960	98.0%	23,578,531	23,106,960	98.0%
Revenue from the Commonwealth.....	22,759,967	22,636,020	16,438,631	72.2%	22,131,578	16,402,834	74.1%
<b>Total Intergovernmental Revenues</b>	<b>\$ 55,988,880</b>	<b>55,864,933</b>	<b>\$ 44,945,008</b>	<b>80.3%</b>	<b>\$ 55,401,516</b>	<b>\$ 44,780,558</b>	<b>80.8%</b>
<b>Other Governmental Revenues And Transfers In</b>							
Fines and Forfeitures.....	\$ 6,212,126	\$ 5,845,000	\$ 3,649,325	58.7%	\$ 4,916,607	\$ 3,666,904	74.6%
Licenses and Permits.....	2,534,625	2,534,625	1,883,781	74.3%	2,455,001	1,807,781	73.6%
Charges for City Services.....	19,321,236	19,319,337	13,347,197	69.1%	18,557,721	12,254,283	66.0%
Revenue from Use of Money & Prop.....	4,875,080	4,575,080	4,130,515	84.7%	4,870,007	3,577,283	73.5%
Other Revenue.....	624,654	1,019,912	1,698,037	271.8%	7,109,874	6,617,216	93.1%
Transfer from Other Funds.....	4,573,898	4,573,898	4,573,897	100.0%	3,206,574	-	0.0%
<b>Total Other Governmental Revenues</b>	<b>\$ 38,141,619</b>	<b>37,867,852</b>	<b>\$ 29,282,752</b>	<b>76.8%</b>	<b>\$ 41,115,784</b>	<b>\$ 27,923,467</b>	<b>67.9%</b>
<b>TOTAL REVENUE</b>	<b>\$ 649,354,018</b>	<b>\$ 653,773,990</b>	<b>\$ 398,440,852</b>	<b>61.4%</b>	<b>\$ 638,911,183</b>	<b>\$ 385,407,540</b>	<b>60.3%</b>
<b>Appropriated Fund Balance</b>							
General Fund.....	\$ 770,555	\$ -	\$ -	\$ -	\$ -	\$ -	-
Appropriated refunding bond proceeds	10,645,678	10,645,678	10,645,678	0.0%	33,995,000	-	0.0%
Reappropriation of FY 2015	-	-	-	-	-	-	-
Encumbrances And Other	-	-	-	-	-	-	-
Supplemental Appropriations.....	4,746,247	5,192,254	-	-	-	-	-
<b>TOTAL</b>	<b>\$ 665,516,498</b>	<b>669,611,922</b>	<b>\$ 409,086,530</b>	<b>61.5%</b>	<b>\$ 672,906,183</b>	<b>\$ 385,407,540</b>	<b>57.3%</b>

# ATTACHMENT 2



75% of Fiscal Year Completed  
73.66% of Payrolls Processed

## COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION GENERAL FUND FOR THE PERIODS ENDING MARCH 31, 2016 AND MARCH 31, 2015

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY2016	FY2016	%	FY 2015	FY2015	%
	APPROVED BUDGET	EXPENDITURES THRU 03/31/16	OF BUDGET EXPENDED	TOTAL EXPENDITURES & ENCUMBRANCES	EXPENDITURES 3/31/2015	OF TOTAL
Legislative & Executive.....	\$ 3,341,378	\$ 3,620,719	67.8%	\$ 4,920,956	\$ 3,722,110	75.6%
Judicial Administration.....	\$ 41,893,657	\$ 29,580,778	70.6%	\$ 41,033,725	\$ 29,814,338	72.7%
<b>Staff Agencies</b>						
Information Technology Services.....	\$ 10,296,766	\$ 6,505,403	63.2%	\$ 9,530,069	\$ 6,396,580	67.1%
Management & Budget.....	1,297,704	778,028	60.0%	1,154,740	875,502	75.8%
Finance.....	14,487,503	7,889,660	54.5%	12,551,139	8,410,046	67.0%
Performance and Accountability.....	608,348	383,582	63.4%	488,331	347,412	71.1%
Internal Audit.....	364,160	245,221	67.3%	392,621	235,226	59.9%
Human Resources.....	3,838,818	2,129,509	55.5%	3,170,131	2,147,667	67.7%
Planning & Zoning.....	5,374,473	3,604,523	67.1%	5,138,421	3,736,277	72.7%
Economic Development Activities.....	5,327,600	3,946,185	74.1%	5,171,371	3,920,372	75.8%
City Attorney.....	3,299,822	2,458,448	74.5%	2,745,420	2,023,727	73.7%
Registrar.....	1,332,439	887,820	66.6%	1,116,014	820,113	73.5%
General Services.....	14,194,484	9,902,209	69.8%	13,895,860	9,879,409	71.1%
<b>Total Staff Agencies</b>	<b>\$ 60,422,117</b>	<b>\$ 38,732,588</b>	<b>64.1%</b>	<b>\$ 55,354,117</b>	<b>\$ 38,792,331</b>	<b>70.1%</b>
<b>Operating Agencies</b>						
Transportation & Environmental Services.....	\$ 29,004,831	\$ 18,849,200	65.0%	\$ 27,733,020	\$ 19,194,208	69.2%
Project Implementation.....	2,038,045	1,096,792	53.8%	1,535,464	1,058,216	68.9%
Fires.....	47,215,797	35,360,088	74.9%	44,199,360	31,438,186	71.1%
Police.....	59,244,698	42,639,232	72.0%	54,304,913	40,153,531	73.9%
Emergency Communications.....	7,168,509	5,140,448	71.7%	6,489,868	4,975,665	76.7%
Code.....	120,000	64,964	54.1%	115,773	71,837	62.1%
Transit Subsidies.....	10,253,751	7,309,946	71.3%	7,137,722	5,651,760	79.2%
Housing.....	1,843,611	1,202,883	65.2%	1,709,778	1,277,761	74.7%
Community and Human Services.....	13,686,580	9,889,657	72.3%	13,500,413	10,211,219	75.6%
Health.....	8,351,090	6,990,450	83.7%	7,970,262	6,996,101	87.8%
Historic Resources.....	2,838,780	1,998,350	70.4%	2,826,811	2,053,714	72.7%
Recreation.....	21,660,983	15,747,041	72.7%	21,063,798	14,921,914	70.8%
<b>Total Operating Agencies</b>	<b>\$ 203,426,675</b>	<b>\$ 146,289,071</b>	<b>71.9%</b>	<b>\$ 188,587,182</b>	<b>\$ 138,004,132</b>	<b>73.2%</b>
<b>Education</b>						
Schools.....	\$ 198,811,472	\$ 125,518,794	63.1%	191,811,472	\$ 121,826,845	63.5%
Other Educational Activities.....	11,877	8,978	75.6%	11,877	8,908	75.0%
<b>Total Education</b>	<b>\$ 198,823,349</b>	<b>\$ 125,527,772</b>	<b>63.1%</b>	<b>\$ 191,823,349</b>	<b>\$ 121,835,753</b>	<b>63.5%</b>
<b>Capital, Debt Service and Miscellaneous</b>						
Debt Service.....	\$ 63,199,774	\$ 34,338,253	54.3%	\$ 59,738,661	\$ 36,210,943	60.6%
Expenses on Refunding Bonds.....	10,645,678	10,749,293	101.0%	33,858,404	-	0.0%
Non-Departmental.....	9,062,123	7,766,168	85.7%	9,859,352	6,100,851	61.9%
General Cash Capital.....	16,025,541	16,025,541	100.0%	22,854,753	18,058,794	79.0%
Contingent Reserves.....	10,000	-	0.0%	-	-	-
<b>Total Capital, Debt Service and Miscellaneous</b>	<b>\$ 98,943,116</b>	<b>\$ 68,879,255</b>	<b>69.6%</b>	<b>\$ 126,311,170</b>	<b>\$ 60,370,588</b>	<b>47.8%</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 608,850,292</b>	<b>\$ 412,630,183</b>	<b>67.8%</b>	<b>\$ 608,030,499</b>	<b>\$ 392,539,252</b>	<b>64.6%</b>
<b>Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects</b>						
Transfer to Library.....	\$ 37,675,704	\$ 11,931,612	31.7%	\$ 40,723,456	\$ 14,228,155	34.9%
Transfer to DASH.....	6,729,652	5,047,239	75.0%	6,468,697	4,955,370	76.6%
Transfer to DASH.....	12,260,850	9,195,638	75.0%	10,930,569	9,125,250	83.5%
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 665,516,498</b>	<b>\$ 438,804,672</b>	<b>65.9%</b>	<b>\$ 666,153,221</b>	<b>\$ 420,848,027</b>	<b>63.2%</b>
<b>Total Expenditures by Category</b>						
Salaries and Benefits.....	\$ 214,551,941	\$ 151,697,745	70.7%	\$ 199,450,991	\$ 145,950,471	73.2%
Non Personnel (includes all school funds).....	450,964,557	287,106,927	63.7%	\$ 466,702,230	274,897,557	58.9%
<b>Total Expenditures</b>	<b>\$ 665,516,498</b>	<b>\$ 438,804,672</b>	<b>65.9%</b>	<b>\$ 666,153,221</b>	<b>\$ 420,848,028</b>	<b>63.2%</b>

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