

DATE: SEPTEMBER 28, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER /s/

DOCKET TITLE:

TITLE

Consideration of the Monthly Financial Report for the Period Ending August 31, 2016.

BODY

ISSUE: Receipt of the Monthly Financial Report for the Period Ending August 31, 2016.

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.

FY 2016: The unaudited preliminary estimate for FY 2016 General Fund revenues is \$667.0 million. At the same time, FY 2016 expenditures, encumbrances and carryover projects are projected to total \$659.6 million, enabling the City to end the year with a small surplus generated from the expenditure savings, as well as the 3-cent increase in the 2016 real estate tax rate (which was effective with the June 2016 first-half real estate tax payment). The additional real estate tax revenues generated in FY 2016 were allocated in the FY 2017 budget process towards City capital projects (\$4.3 million), economic development incentive funding (\$0.6 million), as well as Affordable Housing Trust Fund monies generated by the National Science Foundation project real estate taxes (\$0.5 million). The bottom line is that an approximate \$2.0 million surplus results, which will be designated towards the FY 2018 operating and/or capital budget. The FY 2016 overall financial results will enable the City to maintain its reserve requirements as delineated by the City's financial policies and as expected by the bond rating agencies.

FY 2017: Through the first two months in FY 2017, the City's revenue and expenditures are not noticeably different than the same time period last year. As of August 31, 2016, General Fund revenues totaled \$29.4 million, a decrease of \$4.6 million or 13.5% below the revenues collected at the same time in FY 2016. After adjusting to exclude \$10.6 million debt proceeds received through the bond refinancing in the early part of FY 2016, the City received \$6.0 million or 25.6% more revenue in this fiscal year than last year at the same time. This is entirely due to the timing of payments received and does not provide any economic indicator.

As of August 31, 2016, General Fund expenditures totaled \$88.6 million, compared to \$99.6 million over the same time period for FY 2016. After adjusting for expenditures related to the bond refinancing that was done in FY 2016 in the beginning of the fiscal year, the City spent \$89.2 million through the first two months of FY 2016. Through the first two months of

FY 2017, which equates to 16.7 percent of the fiscal year, the City has expended 13 percent of the budgeted amount. Personnel expenditures are less than one percent lower through the same period in FY 2016.

ATTACHMENTS:

Attachment 1: Comparative Statement of General Fund Revenues

Attachment 2: Comparative Statement of General Fund Expenditures

STAFF:

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, Office and Management and Budget

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

	B	C	D=C/B	E	F	G=F/E
	FY2017 REVISED BUDGET	FY2017 REVENUES THRU 07/31/16	%	FY 2016 TOTAL REVENUE	FY2016 REVENUES THRU 07/31/15	%
			OF BUDGET			OF TOTAL
General Property Taxes						
Real Property Taxes.....	\$ 402,552,010	\$ 2,157,507	0.5%	\$ 380,623,603	\$ -	0.0%
Personal Property Taxes.....	46,080,000	4,488,511	9.7%	45,556,820	1,631,474	3.6%
Penalties and Interest.....	2,000,000	222,548	11.1%	2,757,775	85,962	3.1%
Total General Property Taxes	<u>\$ 450,632,010</u>	<u>\$ 6,868,566</u>	<u>1.5%</u>	<u>\$ 428,938,197</u>	<u>\$ 1,717,436</u>	<u>0.4%</u>
Other Local Taxes						
Local Sales and Use Taxes.....	\$ 27,075,000	\$ -	0.0%	\$ 26,628,397	\$ -	0.0%
Consumer Utility Taxes.....	12,700,000	162,532	1.3%	12,579,583	-	0.0%
Communication Sales and Use Taxes.....	10,300,000	-	0.0%	10,457,755	-	0.0%
Business License Taxes.....	33,300,000	342,821	1.0%	32,134,946	142,454	0.4%
Transient Lodging Taxes.....	12,000,000	984,271	8.2%	11,875,458	905,057	7.6%
Restaurant Meals Tax.....	18,800,000	1,146,958	6.1%	18,655,330	923,115	4.9%
Tobacco Taxes.....	2,968,555	276,868	9.3%	2,907,915	263,561	9.1%
Motor Vehicle License Tax.....	3,500,000	516,771	14.8%	3,602,980	168,255	4.7%
Real Estate Recordation.....	5,300,000	433,270	8.2%	5,342,719	474,035	8.9%
Admissions Tax.....	786,000	42,714	5.4%	759,368	693	0.1%
Other Local Taxes.....	4,348,154	64,759	1.5%	4,433,402	210	0.0%
Total Other Local Taxes	<u>\$ 131,077,709</u>	<u>\$ 3,970,965</u>	<u>3.0%</u>	<u>\$ 129,377,852</u>	<u>\$ 2,877,380</u>	<u>2.2%</u>
Intergovernmental Revenues						
Revenue from the Fed. Government.....	\$ 9,600,382	\$ 1,318,224	13.7%	\$ 9,185,698	\$ 1,328,238	14.5%
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.....	23,050,064	627,895	2.7%	23,315,909	648,772	2.8%
Total Intergovernmental Revenues	<u>\$ 56,228,977</u>	<u>\$ 13,735,385</u>	<u>24.4%</u>	<u>\$ 56,080,138</u>	<u>\$ 13,766,275</u>	<u>24.5%</u>
Other Governmental Revenues And Transfers In						
Fines and Forfeitures.....	\$ 6,463,517	\$ 779,265	12.1%	\$ 4,964,339	\$ 782,234	15.8%
Licenses and Permits.....	2,433,400	496,610	20.4%	2,544,080	442,310	17.4%
Charges for City Services.....	20,859,994	2,382,095	11.4%	19,896,356	2,839,606	14.3%
Revenue from Use of Money & Prop.....	4,712,000	859,385	18.2%	5,422,935	650,469	12.0%
Other Revenue.....	1,131,270	306,781	27.1%	2,171,682	235,930	10.9%
Transfer from Other Funds.....	4,994,761	-	0.0%	6,973,897	-	0.0%
Total Other Governmental Revenues	<u>\$ 40,594,942</u>	<u>\$ 4,824,137</u>	<u>11.9%</u>	<u>\$ 41,973,289</u>	<u>\$ 4,950,549</u>	<u>11.8%</u>
TOTAL REVENUE	<u>\$ 678,533,638</u>	<u>\$ 29,399,052</u>	<u>4.3%</u>	<u>\$ 656,369,475</u>	<u>\$ 23,311,640</u>	<u>3.6%</u>
Appropriated Fund Balance						
General Fund.....	\$ -	\$ -	\$ -	\$ -	\$ -	-
Appropriated refunding bond proceeds	-	-	-	10,645,678	10,645,678	100.0%
Reappropriation of FY 2015	-	-	-	-	-	-
Encumbrances And Other	-	-	-	-	-	-
Supplemental Appropriations....	493,112	-	-	-	-	-
TOTAL	<u>\$ 679,026,750</u>	<u>\$ 29,399,052</u>	<u>4.3%</u>	<u>\$ 667,015,153</u>	<u>\$ 33,957,318</u>	<u>5.1%</u>

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

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY2017	FY2017	%	FY 2016	FY2016	%
	APPROVED BUDGET	EXPENDITURES THRU 8/31/16	OF BUDGET EXPENDED	TOTAL EXPENDITURES	EXPENDITURES 8/31/2015	OF TOTAL
Legislative & Executive.....	\$ 5,532,444	\$ 810,515	14.7%	\$ 5,053,912	\$ 720,408	14.3%
Judicial Administration.....	\$ 43,462,163	\$ 6,532,603	15.0%	\$ 40,879,084	\$ 6,823,628	16.7%
Staff Agencies						
Information Technology Services.....	\$ 10,093,469	\$ 2,398,308	23.8%	\$ 9,002,085	\$ 1,484,030	16.5%
Management & Budget.....	1,301,434	160,954	12.4%	1,069,511	158,414	14.8%
Finance.....	13,098,450	1,674,621	12.8%	11,105,647	1,796,610	16.2%
Performance and Accountability.....	622,641	74,502	12.0%	522,733	75,660	14.5%
Internal Audit.....	315,991	45,413	14.4%	330,902	47,986	14.5%
Human Resources.....	3,512,923	429,823	12.2%	3,108,801	425,197	13.7%
Planning & Zoning.....	5,543,691	834,677	15.1%	5,019,908	762,889	15.2%
Economic Development Activities.....	5,490,493	1,294,392	23.6%	5,286,255	1,309,022	24.8%
City Attorney.....	2,866,163	419,895	14.7%	3,770,715	487,190	12.9%
Registrar.....	1,413,610	152,625	10.8%	1,141,828	163,774	14.3%
General Services.....	14,093,050	1,863,578	13.2%	13,366,247	2,046,912	15.3%
Total Staff Agencies	\$ 58,351,915	\$ 9,348,786	16.0%	\$ 53,724,632	\$ 8,757,684	16.3%
Operating Agencies						
Transportation & Environmental Services.....	\$ 29,492,354	\$ 4,199,089	14.2%	\$ 26,206,977	\$ 4,341,981	16.6%
Project Implementation.....	1,895,590	238,482	12.6%	1,519,060	\$ 253,711	16.7%
Fire.....	49,711,802	7,529,066	15.1%	46,879,288	7,621,990	16.3%
Police.....	60,467,761	10,552,601	17.5%	58,491,901	10,429,588	17.8%
Emergency Communications.....	7,158,590	1,391,488	19.4%	6,686,650	1,357,659	20.3%
Code.....	114,000	16,517	14.5%	89,532	8,857	9.9%
Transit Subsidies.....	7,820,972	1,927,465	24.6%	10,264,533	2,330,559	22.7%
Housing.....	1,791,424	257,147	14.4%	1,619,016	244,239	15.1%
Community and Human Services.....	13,328,244	2,204,962	16.5%	12,930,485	2,501,904	19.3%
Health.....	8,709,522	1,871,634	21.5%	7,898,944	1,808,686	22.9%
Historic Resources.....	3,038,902	440,554	14.5%	2,799,559	421,661	15.1%
Recreation.....	21,717,857	3,953,715	18.2%	21,286,862	3,516,892	16.5%
Total Operating Agencies	\$ 205,247,018	\$ 34,582,720	16.8%	\$ 196,672,806	\$ 34,837,727	17.7%
Education						
Schools.....	\$ 206,561,472	\$ -	0.0%	\$ 198,811,472	\$ 10,376,985	5.2%
Other Educational Activities.....	12,131	3,033	25.0%	11,971	2,993	25.0%
Total Education	\$ 206,573,603	\$ 3,033	0.0%	\$ 198,823,443	\$ 10,379,978	5.2%
Capital, Debt Service and Miscellaneous						
Debt Service.....	\$ 66,523,574	\$ 23,729,242	35.7%	\$ 61,605,903	\$ 21,578,641	35.0%
Expenses on Refunding Bonds.....	-	-	-	10,749,293	10,749,293	0.0%
Non-Departmental.....	9,042,738	2,131,447	23.6%	11,014,668	2,462,101	22.4%
General Cash Capital.....	24,293,103	-	0.0%	16,025,541	-	0.0%
Contingent Reserves.....	1,034,791	-	-	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 100,894,206	\$ 25,860,689	25.6%	\$ 99,395,405	\$ 34,790,035	35.0%
TOTAL EXPENDITURES	\$ 620,061,349	\$ 77,138,346	12.4%	\$ 594,549,281	\$ 96,309,460	16.2%
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects)						
Transfer to Library.....	\$ 39,941,587	\$ 121,663	0.3%	\$ 37,023,545	\$ 122,371	0.3%
Transfer to DASH.....	6,938,510	13,707	0.2%	6,703,614	1,121,833	16.7%
Transfer to DASH.....	12,085,304	11,295,384	93.5%	11,632,065	2,043,884	17.6%
TOTAL EXPENDITURES & TRANSFERS	\$ 679,026,750	\$ 88,569,100	13.0%	\$ 649,908,505	\$ 99,597,548	15.3%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 223,673,920	\$ 32,329,322	14.5%	\$ 206,709,313	\$ 32,612,225	15.8%
Non Personnel (includes all school funds).....	455,352,830	56,239,778	12.4%	443,199,162	67,272,195	15.2%
Total Expenditures	\$ 679,026,750	\$ 88,569,100	13.0%	\$ 649,908,475	\$ 99,884,420	15.4%