

City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 4, 2017

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, 2017.

BODY

ISSUE: Receipt of the Monthly Financial Report for the Period Ending August 31, 2017.

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 2017: The unaudited preliminary estimate for FY 2017 General Fund revenues is \$728.2 million. At the same time, FY 2017 expenditures, encumbrances, carryover projects and planned assignments are projected to total \$721.3 million, enabling the City to end the year with a surplus generated from the expenditure savings of about \$7.0 million. It is planned to assign this remaining \$7.0 million to FY 2019 or a subsequent year for Cash Capital. A portion of the additional real estate tax revenues generated in FY 2017 were allocated in the FY 2018 budget process towards Affordable Housing (\$3.6 million), and due to the tax rate increase the existing assignment for Economic Contingency was increased by \$3.6 million, and due to higher projected General Scale employee retirements the amount set aside for leave balance payout was increased from \$0.5 million to \$1.0 million. It is interesting to note that the FY 2017 Year End revenue projection was within one tenth of one percent of the unaudited preliminary revenue total.

FY 2018: As of August 31, 2017, General Fund revenues totaled \$44.7 million, an increase \$15.3 million or 52.1% above the revenues collected at the same time in FY 2017. This is entirely a function of the timing of revenue receipts. In accordance with governmental accounting rules, revenues remitted to the City through August 15 are posted to the prior fiscal year and revenues collected between August 15 and August 31 are attributed to the new fiscal year. In FY 2017, the Monthly Financial Report was prepared earlier in the month of September and several local taxes had not yet been posted for August 2016. In addition, receipts for state and other external parties vary from year to year.

As of August 31, 2017, General Fund expenditures totaled \$93.9 million, compared to \$88.6 million over the same time period for FY 2017, which represents a 6 percent increase. There are several contributing factors. The quarterly WMATA operating subsidy payment was approximately \$3.4 million, compared to \$1.9 million in FY 2017. The July 2017 debt service payment for principal and interest on the City's outstanding debt is \$2.5 million more than in FY 2017 to pay for the budgeted additional capital expenditures. Through the first two months of FY 2018, which equates to 16.7 percent of the fiscal year, the City has expended 12.9 percent of the budgeted amount. This difference is primarily attributable to the timing of transfers for cash capital and grants which may not occur evenly throughout the year.

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, 2017 AND AUGUST 31, 2016

	B	C	D=C/B	F
	FY2018	FY2018	%	FY2017
	APPROVED	REVENUES	OF BUDGET	REVENUES
	BUDGET	THRU 8/31/2017	OF BUDGET	THRU 8/31/2016
General Property Taxes				
Real Property Taxes.....	\$ 436,008,918	\$ 915,974	0.2%	\$ 2,157,507
Personal Property Taxes.....	49,339,000	5,701,466	11.6%	4,488,511
Penalties and Interest.....	2,000,000	151,607	7.6%	222,548
Total General Property Taxes	<u>\$ 487,347,918</u>	<u>\$ 6,769,047</u>	<u>1.4%</u>	<u>\$ 6,868,566</u>
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 28,044,982	\$ 4,827,128	17.2%	\$ -
Consumer Utility Taxes.....	12,700,000	1,413,208	11.1%	162,532
Communication Sales and Use Taxes.....	10,153,000	1,677,010	16.5%	-
Business License Taxes.....	33,460,000	1,166,427	3.5%	342,821
Transient Lodging Taxes.....	12,500,000	2,565,777	20.5%	984,271
Restaurant Meals Tax.....	19,000,000	3,376,808	17.8%	1,146,958
Tobacco Taxes.....	2,885,000	515,694	17.9%	276,868
Motor Vehicle License Tax.....	3,606,000	517,837	14.4%	516,771
Real Estate Recordation.....	4,800,000	973,398	20.3%	433,270
Admissions Tax.....	786,000	119,967	15.3%	42,714
Other Local Taxes.....	4,545,502	644,053	14.2%	64,759
Total Other Local Taxes	<u>\$ 132,480,484</u>	<u>\$ 17,797,308</u>	<u>13.4%</u>	<u>\$ 3,970,964</u>
Intergovernmental Revenues				
Revenue from the Fed. Government.....	\$ 9,971,382	\$ 2,404,004	24.1%	\$ 1,318,224
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	11,789,265
Revenue from the Commonwealth.....	22,897,658	1,645,919	7.2%	627,895
Total Intergovernmental Revenues	<u>\$ 56,447,571</u>	<u>\$ 15,839,188</u>	<u>28.1%</u>	<u>\$ 13,735,384</u>
Other Governmental Revenues And Transfers In				
Fines and Forfeitures.....	\$ 6,610,517	\$ 866,916	13.1%	\$ 779,265
Licenses and Permits.....	2,485,350	416,070	16.7%	496,610
Charges for City Services.....	21,740,922	1,606,653	7.4%	2,382,095
Revenue from Use of Money & Prop.....	5,023,110	1,140,464	22.7%	859,385
Other Revenue.....	1,812,942	271,091	15.0%	306,781
Transfer from Other Funds.....	10,583,814	-	0.0%	-
Total Other Governmental Revenues	<u>\$ 48,256,655</u>	<u>\$ 4,301,193</u>	<u>8.9%</u>	<u>\$ 4,824,136</u>
TOTAL REVENUE	<u>\$ 724,532,628</u>	<u>\$ 44,706,735</u>	<u>6.2%</u>	<u>\$ 29,399,050</u>
Appropriated Fund Balance				
General Fund.....	\$ 3,605,400	\$ -	\$ -	\$ -
Appropriated refunding bond proceeds	-	-	\$ -	-
Reappropriation of FY 2015	-	-	-	-
Encumbrances And Other	-	-	-	-
Supplemental Appropriations....	-	-	-	-
TOTAL	<u>\$ 728,138,029</u>	<u>\$ 44,706,735</u>	<u>6.1%</u>	<u>\$ 29,399,050</u>

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
 GENERAL FUND
 FOR THE PERIODS ENDING AUGUST 31, 2017 AND AUGUST 31, 2016**

FUNCTION	B	C	D=C/B	F
	FY2018 APPROVED BUDGET	FY2018 EXPENDITURES THRU 8/31/2017	% OF BUDGET EXPENDED	FY2017 EXPENDITURES THRU 8/31/2016
Legislative & Executive.....	\$ 5,447,891	\$ 775,621	14.2%	\$ 810,515
Judicial Administration.....	\$ 42,696,065	\$ 6,777,600	15.9%	\$ 6,532,603
Staff Agencies				
Information Technology Services.....	\$ 10,608,113	\$ 1,616,942	15.2%	\$ 2,398,308
Management & Budget.....	1,276,371	162,413	12.7%	160,954
Finance.....	13,274,406	1,804,138	13.6%	1,674,621
Performance and Accountability.....	521,236	110,660	21.2%	74,502
Internal Audit.....	421,894	46,019	10.9%	45,413
Human Resources.....	3,714,522	676,015	18.2%	429,823
Planning & Zoning.....	5,650,753	813,969	14.4%	834,677
Economic Development Activities.....	5,486,986	1,318,192	24.0%	1,294,392
City Attorney.....	2,941,270	409,762	13.9%	419,895
Registrar.....	1,202,318	147,931	12.3%	152,625
General Services.....	14,330,459	1,654,675	11.5%	1,863,578
Total Staff Agencies	\$ 59,428,328	\$ 8,760,716	14.7%	\$ 9,348,788
Operating Agencies				
Transportation & Environmental Services.....	\$ 28,266,772	\$ 5,046,722	17.9%	\$ 4,199,089
Project Implementation.....	1,850,882	221,742	12.0%	\$ 238,482
Fire.....	52,467,234	8,058,964	15.4%	7,529,066
Police.....	62,459,766	10,921,775	17.5%	10,552,601
Emergency Communications.....	7,794,857	1,232,855	15.8%	1,391,488
Code.....	24,000	478	2.0%	16,517
Transit Subsidies.....	15,135,927	3,727,997	24.6%	1,927,465
Housing.....	1,804,364	280,297	15.5%	257,147
Community and Human Services.....	13,614,072	1,990,955	14.6%	2,204,962
Health.....	8,636,165	1,904,745	22.1%	1,871,634
Historic Resources.....	3,061,491	475,027	15.5%	440,554
Recreation.....	21,859,294	3,476,926	15.9%	3,953,715
Total Operating Agencies	\$ 216,974,824	\$ 37,338,482	17.2%	\$ 34,582,720
Education				
Schools.....	\$ 242,592,022	\$ -	0.0%	\$ -
Other Educational Activities.....	12,277	3,069	25.0%	3,033
Total Education	\$ 242,604,299	\$ 3,069	0.0%	\$ 3,033
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 40,973,127	\$ 26,263,982	64.1%	\$ 23,729,242
Expenses on Refunding Bonds.....	-	-	0.0%	-
Non-Departmental.....	9,234,469	2,292,460	24.8%	2,131,447
General Cash Capital.....	37,866,696	-	0.0%	-
Contingent Reserves.....	775,931	-	0.0%	-
Total Capital, Debt Service and Miscellaneous	\$ 88,850,223	\$ 28,556,442	32.1%	\$ 25,860,689
TOTAL EXPENDITURES	\$ 656,001,630	\$ 82,211,930	12.5%	\$ 77,138,348
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects Funds).....	\$ 53,229,967	\$ -	0.0%	\$ 121,663
Transfer to Library.....	6,860,551	2,706	0.0%	13,707
Transfer to DASH.....	12,045,879	11,692,233	0.0%	11,295,384
TOTAL EXPENDITURES & TRANSFERS	\$ 728,138,029	\$ 93,906,869	12.9%	\$ 88,569,102
Total Expenditures by Category				
Salaries and Benefits.....	\$ 223,673,920	\$ 33,525,399	15.0%	\$ 32,329,322
Non Personnel (includes all school funds)	504,464,109	60,381,470	12.0%	56,239,788
Total Expenditures	\$ 728,138,029	\$ 93,906,869	12.9%	\$ 88,569,110