



Legislation Text

File #: 19-1552, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 5, 2019

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:

Consideration of the Monthly Financial Report for the Period Ending April 30, 2019.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending April 30, 2019.

RECOMMENDATION: That City Council receive the Monthly Financial Report.

BACKGROUND: 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. At this time in FY 2019, the City's revenue and expenditures are not noticeably different than the same time period last year.

Revenues

As of April 30, 2019, General Fund revenues totaled \$449.4 million, a decrease of \$158.8 million, or 26.0 percent, below the revenues collected at the same time in FY 2018. FY 2018 reflects a \$167.8 million in bond refunding proceeds. Factoring this out for comparison, as of April 30, 2019, General Fund revenues totaled \$449.4 million, which is a 2.0 percent increase over FY 2018 for the same time period, in which \$440.5 million was collected. With ten months completed in the fiscal year, approximately 60.0 percent of budgeted revenues has been collected. Revenues may not track consistently with the calendar since many revenue sources have due dates that do not occur evenly through the year. Business License taxes were due on March 1 and collections through April exceed last year's collections by \$1.7 million or 5.3 percent. First of the calendar year Real Property taxes will be due on June 15. Through the first 10 months of the fiscal year, collections total \$220.9 million, which is \$6.4 million or 3.0 percent more than FY 2018 at this time.

One of the strongest categories in FY 2019 is Local Sales and Use Tax. Sales tax are remitted by to the City two months after the sales occur, so this monthly financial report reflects eight months of receipts. Collections to date are \$0.8 million higher than this point in FY 2018, or 4.7 percent. Recordation tax revenues were higher in FY 2018 due to several large commercial real estate transactions but are higher through the first nine months of the current fiscal year than originally estimated because a continued steady real estate market. Although the transient lodging tax is projecting to be lower than the budget estimate for FY 2019, collections through 10 months are consistent with FY 2018. The Restaurant Meals Sales tax is trending ahead of

FY 2018, due primarily to a one percent increase in the tax rate to provide funding for affordable housing. The monthly financial report includes a projection of total General Fund Revenues for the year, which was also reflected in the revenue adjustments presented to City Council in Budget Question #66. While a number of the revenue categories are performing above budget a number of tax categories (consumer utility, communications, tobacco, and admissions) are performing below FY 2018's collection levels.

Several of the non-tax categories are experiencing variances compared to FY 2018. Higher interest rates are resulting in much higher Revenue from Use of Money and Property compared to FY 2018. Intergovernmental tax revenue variances are due to the timing of receipts. FY 2018 an additional monthly payment for federal prisoner per diem revenue. Revenues from Fines and Forfeitures are 16.9 percent lower than last year, through 10 months of the fiscal year in FY 2019. Although expected collections for parking citations and court fines are lower than the budgeted amounts, it should be noted that red light camera violation revenue will surpass collections for the past five years. In regard to lower parking citation revenues, an analysis of influencing factors is now underway by the Office of Performance and Accountability.

Expenditures

As of April 30, 2019, General Fund expenditures totaled \$516.8 million, a decrease of \$122.4 million over the same time period for FY 2018. Making a similar adjustment to account for the Refunded Bonds in FY 2018, FY 2019 expenditures total \$516.8 million, compared to \$471.3 million in FY 2018, which is a \$45.5 million increase, or 9.6 percent. Similar to the situation with revenues, no significant expenditure variances have occurred in the first nine months of Fiscal Year 2019 that are unbudgeted or unexpected. The most significant differences are the timing and source of payments. Partner agencies, such as the Alexandria Economic Development Partnership, the Alexandria Health Department, and Other Education Activities receive quarterly contributions. They have received their 4th quarter contribution in April. Project Implementation staff were charged to the General Fund in FY 2018, but in FY 2019 they are charged primarily to the CIP.

There are a number of interfund transfers included in the FY 2019 General Fund Budget. The most significant of these is the transfer to the Alexandria City Public Schools, followed by the Cash Capital transfer to the CIP. For projection and comparison purposes, these transfers were executed at the midpoint of the fiscal year to reflect 50 percent of the spending. These transfers were made later in the year in FY 2018. The General Fund operating budget for the Department of Community and Human Services is primarily used to support grant funded programs. Interfund transfers will be executed in the summer following grant closeout. Across the organization, departmental budgets that are trending behind the fiscal year are experiencing vacancy savings and additional savings that occur from staff turnover.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for April 30, 2019
Attachment 2 - Comparative Expenditure Schedule for April 30, 2019

STAFF:

Laura B. 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 APRIL 30, 2019 AND APRIL 30, 2018

	B	B.1	C	D=C/B	E
	FY 2019	FY 2019	FY 2019		FY 2018
	AMENDED	PROJECTED	REVENUES	%	REVENUES
	BUDGET	REVENUES	THRU 4/30/2019	OF BUDGET	THRU 4/30/2018
General Property Taxes					
Real Property Taxes.....	\$ 446,963,782	450,246,430	\$ 220,886,550	49.4%	\$ 214,437,880
Personal Property Taxes.....	50,800,000	51,580,000	48,405,759	95.3%	48,220,082
Penalties and Interest.....	3,300,000	2,318,598	2,039,434	61.8%	2,175,356
Total General Property Taxes	<u>\$ 501,063,782</u>	<u>\$ 504,145,028</u>	<u>\$ 271,331,743</u>	<u>54.2%</u>	<u>\$ 264,833,318</u>
Other Local Taxes					
Local Sales and Use Taxes.....	\$ 27,700,000	28,300,000	\$ 18,516,232	66.8%	\$ 17,679,167
Consumer Utility Taxes.....	11,800,000	12,000,000	7,871,473	66.7%	8,997,671
Communication Sales and Use Taxes.....	9,900,000	9,400,000	6,187,329	62.5%	6,685,904
Business License Taxes.....	34,878,000	34,378,000	34,148,757	97.9%	32,415,208
Transient Lodging Taxes.....	13,275,000	12,600,000	8,595,073	64.7%	8,496,997
Restaurant Meals Tax.....	24,150,000	24,000,000	17,743,952	73.5%	13,037,170
Tobacco Taxes.....	2,800,000	2,600,000	1,880,902	67.2%	2,089,523
Motor Vehicle License Tax.....	3,905,000	3,800,000	3,366,898	86.2%	3,354,306
Real Estate Recordation.....	5,300,000	6,400,000	4,296,012	81.1%	5,595,065
Admissions Tax.....	670,000	670,000	416,257	62.1%	472,650
Other Local Taxes.....	4,640,000	4,745,000	591,517	12.7%	685,852
Total Other Local Taxes	<u>\$ 139,018,000</u>	<u>\$ 138,893,000</u>	<u>\$ 103,614,401</u>	<u>74.5%</u>	<u>\$ 99,509,513</u>
Intergovernmental Revenues					
Revenue from the Fed. Government.....	\$ 9,071,382	8,570,160	\$ 6,386,676	70.4%	\$ 6,436,794
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	12,496,621	53.0%	23,106,960
Revenue from the Commonwealth.....	24,335,376	23,997,616	18,109,068	74.4%	17,566,745
Total Intergovernmental Revenues	<u>\$ 56,985,289</u>	<u>\$ 56,146,307</u>	<u>\$ 36,992,366</u>	<u>64.9%</u>	<u>\$ 47,110,499</u>
Other Governmental Revenues And Transfers In					
Fines and Forfeitures.....	\$ 5,193,450	4,630,450	\$ 3,466,204	66.7%	\$ 4,170,382
Licenses and Permits.....	2,612,678	2,612,678	1,713,232	65.6%	1,806,711
Charges for City Services.....	21,748,168	22,260,539	15,568,781	71.6%	15,046,318
Revenue from Use of Money & Prop.....	8,031,110	10,843,000	8,885,294	110.6%	6,515,076
Other Revenue.....	1,853,215	1,910,000	1,866,735	100.7%	1,337,895
Transfer from Other Funds.....	11,921,244	11,921,244	5,980,336	50.2%	121,922
Total Other Governmental Revenues	<u>\$ 51,359,865</u>	<u>\$ 54,177,911</u>	<u>\$ 37,480,581</u>	<u>73.0%</u>	<u>\$ 28,998,304</u>
TOTAL REVENUE	<u>\$ 748,426,936</u>	<u>\$ 753,362,246</u>	<u>\$ 449,419,091</u>	<u>60.0%</u>	<u>\$ 440,451,634</u>
Appropriated Fund Balance					
General Fund.....	\$ 12,036,875	-	\$ -	\$ -	\$ -
Appropriated refunding bond proceeds.....	-	-	-	-	167,786,747
Encumbrances And Other.....	-	-	-	-	-
Supplemental Appropriations.....	-	7,101,565	-	-	-
TOTAL	<u>\$ 760,463,811</u>	<u>\$ 760,463,811</u>	<u>\$ 449,419,091</u>	<u>59.1%</u>	<u>\$ 608,238,381</u>

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING APRIL 30, 2019 AND APRIL 30, 2018**

FUNCTION	B	C	D=C/B	E
	FY 2019 AMENDED BUDGET	FY 2019 EXPENDITURES THRU 4/30/2019	% OF BUDGET EXPENDED	FY 2018 EXPENDITURES THRU 4/30/2018
Legislative & Executive.....	\$ 3,180,811	\$ 2,409,581	75.8%	\$ 2,421,325
Judicial Administration.....	\$ 45,045,755	\$ 35,616,465	79.1%	\$ 33,255,858
Staff Agencies				
Communications.....	\$ 1,502,763	\$ 983,052	65.4%	\$ 1,054,273
Human Rights.....	865,784	737,101	85.1%	654,098
Information Technology Services.....	12,059,989	9,243,418	76.6%	8,472,588
Management & Budget.....	1,259,151	948,939	75.4%	820,581
Finance.....	12,850,433	9,391,837	73.1%	9,438,586
Performance and Accountability.....	488,349	340,511	69.7%	407,762
Internal Audit.....	429,167	181,966	42.4%	267,779
Human Resources.....	4,410,126	3,326,316	75.4%	3,260,221
Planning & Zoning.....	6,021,130	4,570,498	75.9%	4,597,544
Economic Development Activities.....	5,789,768	5,619,649	97.1%	5,381,092
City Attorney.....	3,839,438	2,969,286	77.3%	2,315,570
Registrar.....	1,231,787	885,086	71.9%	922,503
General Services.....	14,754,895	10,745,673	72.8%	10,640,399
Total Staff Agencies	\$ 65,502,780	\$ 49,943,333	76.2%	\$ 48,232,996
Operating Agencies				
Transportation & Environmental Services.....	\$ 28,197,967	\$ 20,486,179	72.7%	\$ 21,587,565
Project Implementation.....	9,356	4,259	45.5%	1,113,626
Fire.....	53,964,570	42,440,921	78.6%	40,312,163
Police.....	65,290,770	51,502,962	78.9%	49,780,161
Emergency Communications.....	7,823,448	5,904,031	75.5%	5,859,246
Code.....	24,000	4,042	16.8%	4,070
Transit Subsidies.....	17,336,098	16,546,577	95.4%	14,940,147
Housing.....	1,878,414	1,352,927	72.0%	1,435,154
Community and Human Services.....	52,059,375	11,440,626	22.0%	11,232,620
Health.....	8,714,648	7,947,649	91.2%	7,979,607
Historic Resources.....	3,326,960	2,308,743	69.4%	2,406,745
Recreation.....	23,074,798	17,490,436	75.8%	17,334,254
Total Operating Agencies	\$ 261,700,405	\$ 177,429,352	67.8%	\$ 173,985,358
Education				
Schools.....	\$ 223,829,302	\$ 158,542,778	70.8%	\$ 151,208,125
Other Educational Activities.....	12,142	12,142	100.0%	12,277
Total Education	\$ 223,841,444	\$ 158,554,920	70.8%	\$ 151,220,402
Capital, Debt Service and Miscellaneous				
Debt Service - City.....	\$ 40,265,619	\$ 30,070,912	74.7%	\$ 25,287,880
Debt Service - Schools.....	28,924,085	14,848,840	51.3%	18,196,315
Expenses on Refunding Bonds.....	-	-	0.0%	167,832,883
Non-Departmental.....	9,638,286	8,550,611	88.7%	6,944,190
General Cash Capital.....	36,966,696	18,483,348	50.0%	-
Contingent Reserves.....	3,710,114	-	0.0%	-
Total Capital, Debt Service and Miscellaneous	\$ 119,504,800	\$ 71,953,711	60.2%	\$ 218,261,268
TOTAL EXPENDITURES	\$ 718,775,995	\$ 495,907,361	69.0%	\$ 627,377,207
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects Funds).....	\$ 22,289,438	\$ 8,861,688	39.8%	\$ -
Transfer to Library.....	7,084,786	34,403	0.5%	113,349
Transfer to DASH.....	12,313,592	12,016,113	97.6%	11,692,233
TOTAL EXPENDITURES & TRANSFERS	\$ 760,463,811	\$ 516,819,564	68.0%	\$ 639,182,789
Total Expenditures by Category				
Salaries and Benefits.....	\$ 227,882,662	\$ 177,555,855	77.9%	\$ 175,106,865
Non Personnel (includes all school funds).....	532,581,149	339,263,709	63.7%	464,075,925
TOTAL EXPENDITURES	\$ 760,463,811	\$ 516,819,564	68.0%	\$ 639,182,790