



Legislation Text

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City of Alexandria, Virginia

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MEMORANDUM

**DATE:** DECEMBER 5, 2018

**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 October 31, 2018.

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**ISSUE:** Receipt of the Monthly Financial Report for the Period Ending October 31, 2018.

**RECOMMENDATION:** That City Council receive the Monthly Financial Report (Attachments 1 and 2).

**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. As of October 31, 2018, General Fund revenues totaled \$150.7 million, an increase of \$25.6 million or 20.5 percent more than the revenues collected at the same time in FY 2018. Through the first four months, approximately 20.1 percent of budgeted revenues have been collected. Revenues may not track consistently with calendar since many revenue sources have dues dates that do not occur evenly through the year. Large revenue sources, such as real estate and personal property tax revenues are remitted twice per year and once per year, respectively. Personal Property taxes were due on October 5<sup>th</sup> and collections through October exceed last year's collections by \$0.8 million or 1.8 percent. Second half of the calendar year Real Property taxes were due on November 15<sup>th</sup>. Collections in October can be sporadic and often include large transactions from mortgage companies. Any variance in October for Real Property tax revenue is due to timing of payments.

Through the four months of the fiscal year, no revenue category has sufficient receipts to suggest any change in projected economic conditions or forecast. Personal property taxes were collected on October 5<sup>th</sup> and the

second half of the calendar year real estate tax were due on November 15<sup>th</sup>. The variance in Consumer Utility and Transient Lodging tax revenue is the result of payment timing, and the significant increase in the Restaurant Meals Tax is the result of the budgeted increase in the tax rate from 4 percent to 5 percent, with that increased 1 percent in the rate set-aside for Affordable Housing projects in the Capital Improvement Plan. Recordation tax revenue was significantly higher in FY 2018 due to several large real estate transactions.

As of October 31, 2018, General Fund expenditures totaled \$211.3 million, an increase of \$12.9 million over the same time period for FY 2018. Similar to the situation with revenues, no significant expenditure variances have occurred in the first four months of Fiscal Year 2019 that are unbudgeted or unexpected. The most significant differences are the timing and source of payments. The City's first quarter contribution to WMATA is funded with a higher percentage of General Fund monies in FY 2019, with the expectation that balances held on the City's behalf with the Northern Virginia Transit Commission will be used in a subsequent quarter payment. In FY 2018, less General Fund monies were used in the first quarter of the year.

Employees in the Department of Project Implementation are now charged to the Capital Improvement Program, which is the reason for the significant variance in expenditures between FY 2018 and FY 2019. A similar situation is occurring in TES, where several programs (stormwater management and street sweeping) are being charged in all or in part to the Stormwater Fund. In FY 2018 prior to the creation of the stormwater utility fee, these programs received more fiscal support from the General Fund.

Agencies that are trending above the percent completed of the fiscal year (33 percent) are those organizations that receive quarterly payments from the City (e.g., Economic Development Activities, Health/Other Health, and Transit Subsidies). These agencies have received two of their quarterly payments at this point in the fiscal year. Debt service is paid in June, July, December and January. The amounts are determined by the structure of the debt and the payments are made as scheduled. The amount paid each year and when it is paid varies each year based on debt issuance date and debt structure. As a result, debt service expenditures do not track closely to the percent of the fiscal year completed. The Department of Information Technology Services is trending slightly ahead of the fiscal year, due to services that are billed annually early in the fiscal year, primarily for various maintenance agreements and licenses.

#### **ATTACHMENTS:**

Attachment 1 - Comparative Revenue Schedule for October 31, 2018

Attachment 2 - Comparative Expenditure Schedule for October 31, 2018

Attachment 3 - First quarter economic indicators related to new construction

#### **STAFF:**

Laura 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 OCTOBER 31, 2018 AND OCTOBER 31, 2017**

	<b>B</b>	<b>C</b>	<b>D=C/B</b>	<b>F</b>	<b>G=F/E</b>
	<b>FY 2019</b>	<b>FY 2019</b>		<b>FY 2018</b>	
	<b>AMENDED</b>	<b>REVENUES</b>	<b>%</b>	<b>REVENUES</b>	<b>%</b>
	<b>BUDGET</b>	<b>THRU 10/31/2018</b>	<b>OF BUDGET</b>	<b>THRU 10/31/2017</b>	<b>OF TOTAL</b>
<b>General Property Taxes</b>					
Real Property Taxes.....	\$ 446,963,782	\$ 50,874,265	11.4%	\$ 27,259,163	7.2%
Personal Property Taxes.....	50,800,000	43,628,198	85.9%	42,842,043	94.0%
Penalties and Interest.....	3,300,000	758,568	23.0%	704,691	25.6%
Total General Property Taxes	<u>\$ 501,063,782</u>	<u>\$ 95,261,031</u>	<u>19.0%</u>	<u>\$ 70,805,897</u>	<u>16.5%</u>
<b>Other Local Taxes</b>					
Local Sales and Use Taxes.....	\$ 27,700,000	\$ 4,529,332	16.4%	\$ 4,263,989	16.0%
Consumer Utility Taxes.....	11,800,000	2,863,358	24.3%	2,255,331	17.9%
Communication Sales and Use Taxes.....	9,900,000	1,557,191	15.7%	1,651,093	15.8%
Business License Taxes.....	34,878,000	1,231,174	3.5%	1,160,995	3.6%
Transient Lodging Taxes.....	13,275,000	3,038,872	22.9%	3,596,047	30.3%
Restaurant Meals Tax.....	24,150,000	5,985,436	24.8%	4,777,184	25.6%
Tobacco Taxes.....	2,800,000	690,502	24.7%	786,571	27.0%
Motor Vehicle License Tax.....	3,800,000	2,672,796	70.3%	2,782,463	77.2%
Real Estate Recordation.....	5,300,000	1,239,323	23.4%	1,957,037	36.6%
Admissions Tax.....	670,000	162,186	24.2%	114,980	15.1%
Other Local Taxes.....	4,745,000	181,506	3.8%	144,630	3.3%
Total Other Local Taxes	<u>\$ 139,018,000</u>	<u>\$ 24,151,675</u>	<u>17.4%</u>	<u>\$ 23,490,320</u>	<u>18.2%</u>
<b>Intergovernmental Revenues</b>					
Revenue from the Fed. Government.....	\$ 9,071,382	\$ 1,320,403	14.6%	\$ 2,399,647	26.1%
Personal Property Tax Relief from the Commonwealth.....	24,335,376	11,789,265	48.4%	11,789,265	50.0%
Revenue from the Commonwealth.....	23,578,531	6,058,851	25.7%	5,742,418	24.6%
Total Intergovernmental Revenues	<u>\$ 56,985,289</u>	<u>\$ 19,168,519</u>	<u>33.6%</u>	<u>\$ 19,931,330</u>	<u>35.5%</u>
<b>Other Governmental Revenues And Transfers In</b>					
Fines and Forfeitures.....	\$ 5,193,450	\$ 1,394,542	26.9%	\$ 1,673,095	33.7%
Licenses and Permits.....	2,612,678	800,896	30.7%	925,995	36.4%
Charges for City Services.....	21,748,168	6,060,579	27.9%	5,029,862	25.3%
Revenue from Use of Money & Prop.....	8,031,110	3,164,151	39.4%	2,325,154	42.9%
Other Revenue.....	1,853,215	726,399	39.2%	901,308	41.5%
Transfer from Other Funds.....	11,921,244	-	0.0%	-	0.0%
Total Other Governmental Revenues	<u>\$ 51,359,865</u>	<u>\$ 12,146,567</u>	<u>23.6%</u>	<u>\$ 10,855,414</u>	<u>25.9%</u>
<b>TOTAL REVENUE</b>	<u>\$ 748,426,936</u>	<u>\$ 150,727,792</u>	<u>20.1%</u>	<u>\$ 125,082,961</u>	<u>19.1%</u>
<b>Appropriated Fund Balance</b>					
General Fund.....	\$ -	\$ -	\$ -	\$ -	-
Cash Capital					
Encumbrances And Other	-	-	-	-	-
Supplemental Appropriations....	4,952,410	-	-	-	-
<b>TOTAL</b>	<u>\$ 753,379,346</u>	<u>\$ 150,727,792</u>	<u>20.0%</u>	<u>\$ 125,082,961</u>	<u>19.1%</u>

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION  
GENERAL FUND  
FOR THE PERIODS ENDING OCTOBER 31, 2018 AND OCTOBER 31, 2017**

FUNCTION	B	C	D=C/B	F
	FY 2019 AMENDED BUDGET	FY 2019 EXPENDITURES THRU 10/31/2018	% OF BUDGET EXPENDED	FY 2018 EXPENDITURES THRU 10/31/2017
Legislative & Executive.....	\$ 5,364,551	\$ 1,559,508	29.1%	\$ 1,607,159
Judicial Administration.....	\$ 44,276,720	\$ 14,017,035	31.7%	\$ 13,225,634
<b>Staff Agencies</b>				
Information Technology Services.....	\$ 12,101,248	\$ 4,509,404	37.3%	\$ 4,291,916
Management & Budget.....	1,259,151	367,851	29.2%	305,215
Finance.....	13,035,753	3,610,931	27.7%	3,416,283
Performance and Accountability.....	637,988	119,188	18.7%	171,982
Internal Audit.....	429,167	68,508	16.0%	91,858
Human Resources.....	4,239,313	1,187,823	28.0%	1,331,237
Planning & Zoning.....	5,789,820	1,723,481	29.8%	1,688,576
Economic Development Activities.....	5,716,459	2,786,156	48.7%	2,686,313
City Attorney.....	2,954,438	1,001,483	33.9%	899,584
Registrar.....	1,231,787	311,297	25.3%	324,783
General Services.....	15,001,072	3,968,080	26.5%	3,855,747
<b>Total Staff Agencies</b>	<b>\$ 62,396,196</b>	<b>\$ 19,654,202</b>	<b>31.5%</b>	<b>\$ 19,063,494</b>
<b>Operating Agencies</b>				
Transportation & Environmental Services.....	\$ 28,147,850	\$ 7,981,276	28.4%	\$ 9,379,623
Project Implementation.....	9,356	16,312	0.0%	410,887
Fire.....	52,268,990	15,593,934	29.8%	15,337,518
Police.....	65,399,618	20,173,258	30.8%	19,682,123
Emergency Communications.....	7,786,214	2,336,770	30.0%	2,410,854
Code.....	24,000	1,347	5.6%	1,376
Transit Subsidies.....	17,336,098	16,027,633	92.5%	7,396,917
Housing.....	1,857,455	520,491	28.0%	527,188
Community and Human Services.....	13,663,568	4,882,255	35.7%	4,501,939
Health.....	8,783,350	3,859,124	43.9%	3,815,253
Historic Resources.....	3,282,220	871,131	26.5%	995,871
Recreation.....	23,037,080	7,342,455	31.9%	7,180,942
<b>Total Operating Agencies</b>	<b>\$ 221,595,799</b>	<b>\$ 79,605,987</b>	<b>35.9%</b>	<b>\$ 71,640,491</b>
<b>Education</b>				
Schools.....	\$ 223,829,302	\$ 49,657,381	22.2%	\$ 47,976,155
Other Educational Activities.....	12,142	6,071	50.0%	6,139
<b>Total Education</b>	<b>\$ 223,841,444</b>	<b>\$ 49,663,452</b>	<b>22.2%</b>	<b>\$ 47,982,294</b>
<b>Capital, Debt Service and Miscellaneous</b>				
Debt Service - City.....	\$ 42,626,096	\$ 18,203,338	42.7%	\$ 16,499,633
Debt Service - Schools.....	28,924,085	12,178,181	42.1%	11,489,349
Expenses on Refunding Bonds.....	-	-	-	271,428
Non-Departmental.....	8,269,101	5,118,486	61.9%	4,914,453
General Cash Capital.....	36,966,696	-	0.0%	-
Contingent Reserves.....	3,810,114	-	0.0%	-
<b>Total Capital, Debt Service and Miscellaneous</b>	<b>\$ 120,596,092</b>	<b>\$ 35,500,005</b>	<b>29.4%</b>	<b>\$ 33,174,863</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 678,070,802</b>	<b>\$ 200,000,189</b>	<b>29.5%</b>	<b>\$ 186,693,935</b>
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects Funds).....	\$ 55,963,776	\$ -	0.0%	\$ -
Transfer to Library.....	7,031,173	20,233	0.3%	6,047
Transfer to DASH.....	12,313,592	11,217,003	0.0%	11,692,233
<b>TOTAL EXPENDITURES &amp; TRANSFERS</b>	<b>\$ 753,379,346</b>	<b>\$ 211,237,425</b>	<b>28.0%</b>	<b>\$ 198,392,215</b>
<b>Total Expenditures by Category</b>				
Salaries and Benefits.....	\$ 228,281,652	\$ 66,870,207	29.3%	\$ 66,187,073
Non Personnel (includes all school funds).....	525,097,694	144,367,218	27.5%	138,599,501
<b>TOTAL EXPENDITURES</b>	<b>\$ 753,379,346</b>	<b>\$ 211,237,425</b>	<b>28.0%</b>	<b>\$ 204,786,574</b>

## FY 2019 – Economic Indicators (through October 2018)

## Value of New Construction

- The chart below shows the value of new construction permits that have been issued for the past 15 years and the amount through October 2018. FY 2018 ended with an increase of \$65.3 million compared to FY 2017, which is an increase of 15 percent. Through October 2018 the value of new construction permits totals \$104.9 million, compared to \$95.2 million through October 2017, which is an increase of \$9.5 million or 10 percent.

VALUE OF NEW CONSTRUCTION				
FY 2019 Reflects Permits through October 2018				
Fiscal Year	Residential	Commercial	Miscellaneous <sup>1</sup>	Total Value
2002	\$174,981,553	\$612,675,154	\$123,108,283	\$910,764,990
2003	\$45,082,740	\$181,592,915	\$127,571,011	\$354,246,666
2004	\$109,390,144	\$81,966,555	\$174,433,190	\$365,789,889
2005	\$177,398,911	\$130,163,097	\$164,543,291	\$480,126,718
2006	\$272,537,290	\$53,870,310	\$167,012,891	\$493,510,491
2007	\$181,504,324	\$115,541,751	\$181,125,140	\$478,171,215
2008	\$104,539,385	\$134,016,584	\$154,530,291	\$393,086,260
2009	\$89,606,084	\$158,415,943	\$139,267,945	\$387,289,972
2010	\$48,940,298	\$32,243,020	\$75,242,518	\$156,425,836
2011	\$84,339,573	\$37,242,270	\$75,109,545	\$196,691,388
2012	\$181,174,427	\$43,499,387	\$126,623,909	\$351,297,723
2013	\$249,196,021	\$193,439,810	\$136,386,504	\$579,022,335
2014	\$189,324,592	\$194,198,977	\$163,073,451	\$546,597,020
2015	\$100,356,588	\$193,674,206	\$112,325,006	\$406,355,800
2016	\$50,646,107	\$175,491,082	\$218,365,081	\$444,502,270
2017	\$57,095,143	\$163,831,709	\$211,301,855	\$432,228,707
2018	\$45,450,229	\$326,753,308	\$125,285,324	\$497,488,861
2019	\$10,322,800	\$52,739,039	\$41,852,149	\$104,913,988

<sup>1</sup> The miscellaneous category includes alterations and repairs, electrical, plumbing, and mechanical permits, and other construction activity.

Source: City of Alexandria Department of Code Administration