



Legislation Text

File #: 20-0450, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 8, 2020

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 November 30, 2019.

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

RECOMMENDATION: That City Council receive the Monthly Financial Report (Attachment 1).

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 2019 are attached.

At this time in FY 2020, the City's revenue and expenditures are not noticeably different than the same time period last year. As of November 30, 2019, General Fund revenues totaled \$349.9 million, an increase of \$16.6 million or 5.0% above revenues collected at the same time in FY 2019. Through the first five months of the year, approximately 45.1 percent of budgeted revenues have 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. 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 5th. Personal Property tax revenue is \$50.3 million or 10.8 percent higher than collections for the same period last year. With the elimination of the decal, the motor vehicle license tax was eliminated. The personal property tax rate was increased to offset this fee elimination. If both personal property and motor vehicle license taxes are combined for comparison, at this point in FY 2020, 88.4 percent of the budgeted amount has been collected and in FY 2019, 88.5 percent of the combined budgeted amount for personal property and motor vehicle license tax revenue had been collected. The second half of the calendar year real estate tax were due on November 15th. Revenue from real property taxes is consistent with the budgeted amount in FY 2020 and the amount collected in FY 2019 through November. Business License taxes are due on March 1.

In other local taxes, local sales tax is trending 11.1 percent over collections in FY 2019. Sales tax revenue is remitted by the State, two months after it is collected. Through 5 months of the fiscal year, the City has received 3 months of local sales tax revenue. Recordation tax is also comparing favorably to FY 2019. Through November 2019, collections reflect 40 percent of the budgeted amount and exceed collections for the same period in FY 2019 by 21.6 percent. Variances in intergovernmental revenue from both the federal government and the Commonwealth are all related to the timing of payments.

As of November 30, 2019, General Fund expenditures totaled \$255.4 million, a decrease of \$3.4 million over the same time period for FY 2019. Similar to the situation with revenues, no significant expenditure has occurred in the five months of Fiscal Year 2020 that is unbudgeted or unexpected. The most significant difference is the timing and source of payments. In FY 2019, the contribution to WMATA included a greater portion of General Fund resources than the contribution budgeted for FY 2020. The variance in the Department of Transportation and Environmental Services is largely attributable to the shift of the residential curbside refuse collection program from the General Fund (in FY 2019) to a self-supported fund in FY 2020. This is offset by the transfer of the Fleet Services Division from General Services to TES in FY 2020. The variance in the Department of Information and Technology Services relates to enterprise wide software license. Costs increased with the new three-year contract that took effect for this fiscal year. The costs for the year have been paid in full.

ATTACHMENTS:

Attachment 1: Comparative Expenditure Schedule for November 30, 2019

Attachment 2: Comparative Revenue Schedule for November 30, 2019

Attachment 3: Fundamentals of the City's 10 Largest Tax Revenue Sources

STAFF:

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, OMB

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

FUNCTION	A	B	C=B/A	D	E
	FY 2020	FY2020	%	FY2019	%
	APPROVED BUDGET	EXPENDITURES THRU 11/30/2019	OF BUDGET EXPENDED	EXPENDITURES THRU 11/30/2018	OF BUDGET EXPENDED
Legislative & Executive.....	\$ 3,495,083	\$ 1,253,869	35.9%	\$ 1,185,759	38.9%
Judicial Administration.....	\$ 46,128,210	\$ 17,647,339	38.3%	\$ 18,205,984	41.1%
Staff Agencies					
Communications.....	\$ 1,544,299	\$ 508,222	32.9%	\$ 495,910	34.1%
Human Rights.....	905,803	364,429	40.2%	390,114	45.1%
Information Technology Services.....	12,124,016	5,901,414	48.7%	5,418,276	44.8%
Management & Budget.....	1,314,191	526,100	40.0%	497,947	39.5%
Finance.....	13,636,052	4,591,861	33.7%	4,745,947	36.4%
Performance and Accountability.....	535,512	230,454	43.0%	153,283	24.0%
Internal Audit.....	442,003	84,240	19.1%	89,576	20.9%
Human Resources.....	4,840,243	1,646,383	34.0%	1,552,643	36.6%
Planning & Zoning.....	6,340,054	2,167,584	34.2%	2,331,868	40.3%
Economic Development Activities.....	7,131,946	3,236,754	45.4%	2,832,726	49.6%
City Attorney.....	3,882,669	1,609,273	41.4%	1,380,583	46.7%
Registrar.....	1,335,337	501,745	37.6%	509,743	41.4%
General Services.....	12,255,359	4,466,702	36.4%	5,106,514	34.0%
Total Staff Agencies	\$ 66,287,484	\$ 25,835,162	39.0%	\$ 25,505,130	39.4%
Operating Agencies					
Transportation & Environmental Services.....	\$ 24,190,958	\$ 8,379,597	34.6%	\$ 10,257,515	36.6%
Project Implementation.....	-	-	0.0%	3,132	0.0%
Fire.....	55,307,639	19,823,960	35.8%	20,895,776	40.0%
Police.....	67,140,759	25,340,364	37.7%	26,641,883	40.7%
Emergency Communications.....	8,498,881	3,153,058	37.1%	3,018,410	38.8%
Code.....	33,060	2,526	7.6%	1,796	7.5%
Transit Subsidies.....	21,760,499	10,731,042	49.3%	15,909,505	91.8%
Housing.....	1,910,181	700,631	36.7%	698,140	37.6%
Community and Human Services.....	14,574,628	5,565,429	38.2%	5,802,725	42.5%
Health.....	8,377,647	3,992,684	47.7%	4,049,145	46.1%
Historic Resources.....	3,601,620	1,279,192	35.5%	1,174,789	35.8%
Recreation.....	24,038,483	9,544,430	39.7%	9,456,059	41.0%
Total Operating Agencies	\$ 229,434,355	\$ 88,512,912	38.6%	\$ 97,908,875	44.2%
Education					
Schools.....	\$ 231,669,496	\$ 70,890,866	30.6%	\$ 68,455,091	30.6%
Other Educational Activities.....	16,128	8,064	50.0%	6,071	50.0%
Total Education	\$ 231,685,624	\$ 70,898,930	30.6%	\$ 68,461,162	30.6%
Capital, Debt Service and Miscellaneous					
Debt Service - City.....	\$ 35,530,695	\$ 18,522,034	52.1%	\$ 18,203,338	42.7%
Debt Service - Schools.....	\$ 28,112,251	\$ 14,452,218	51.4%	\$ 12,178,181	42.1%
Expenses on Refunding Bonds.....	-	-	0.0%	-	0.0%
Non-Departmental.....	9,795,526	6,063,290	61.9%	5,452,961	66.0%
General Cash Capital.....	43,180,142	-	0.0%	-	0.0%
Contingent Reserves.....	799,170	-	0.0%	-	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 117,417,784	\$ 39,037,542	33.2%	\$ 35,834,480	29.7%
TOTAL EXPENDITURES	\$ 694,448,540	\$ 243,185,753	35.0%	\$ 247,101,390	36.4%
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects Funds).....	\$ 52,973,299	\$ 192,272	0.0%	\$ 189,642	0.0%
Transfer to Housing.....	\$ 5,367,775				
Transfer to Library.....	\$ 7,115,754	28,971	0.4%	21,201	0.3%
Transfer to DASH.....	\$ 15,292,278	11,986,284	0.0%	11,456,736	0.0%
TOTAL EXPENDITURES & TRANSFERS	\$ 775,197,646	\$ 255,393,280	32.9%	\$ 258,768,969	34.4%
Total Expenditures by Category					
Salaries and Benefits.....	\$ 234,171,215	\$ 84,750,196	36.2%	\$ 90,769,689	39.8%
Non Personnel (includes all school funds)	541,026,431	170,643,084	31.5%	167,999,279	32.0%
TOTAL EXPENDITURES	\$ 775,197,646	\$ 255,393,280	32.9%	\$ 258,768,968	34.3%

CITY OF ALEXANDRIA, VIRGINIA

COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND

FOR THE PERIODS ENDING NOVEMBER 30, 2019 AND NOVEMBER 30, 2018

	A	B	C=B/A	D	E
	FY 2020	FY2020	FY2020	FY2019	FY2019
	APPROVED	REVENUES	%	REVENUES	%
	BUDGET	THRU 11/30/2019	OF BUDGET	THRU 11/30/2018	BUDGET
General Property Taxes					
Real Property Taxes.....	\$ 462,848,143	\$ 218,638,362	47.2%	\$ 216,082,590	48.3%
Personal Property Taxes.....	56,926,910	50,333,427	88.4%	45,428,975	89.4%
Penalties and Interest.....	2,708,000	784,769	29.0%	1,041,482	31.6%
Total General Property Taxes	\$ 522,483,053	\$ 269,756,559	51.6%	\$ 262,553,047	52.4%
Other Local Taxes					
Local Sales and Use Taxes.....	\$ 28,800,000	\$ 7,652,841	26.6%	\$ 6,886,613	24.9%
Consumer Utility Taxes.....	12,000,000	3,198,022	26.7%	3,864,750	32.8%
Communication Sales and Use Taxes.....	9,200,000	2,271,699	24.7%	2,348,034	23.7%
Business License Taxes.....	34,378,000	866,952	2.5%	1,524,254	4.4%
Transient Lodging Taxes.....	12,800,000	4,674,526	36.5%	4,229,198	31.9%
Restaurant Meals Tax.....	24,231,000	8,406,391	34.7%	8,056,105	33.4%
Tobacco Taxes.....	2,600,000	842,921	32.4%	915,790	32.7%
Motor Vehicle License Tax.....	-	-	0.0%	2,881,680	75.8%
Real Estate Recordation.....	6,000,000	2,413,673	40.2%	1,984,130	37.4%
Admissions Tax.....	670,000	198,595	29.6%	177,769	26.5%
Other Local Taxes.....	4,809,090	204,811	4.3%	193,422	4.1%
Total Other Local Taxes	\$ 135,488,090	\$ 30,730,432	22.7%	\$ 33,061,745	23.8%
Intergovernmental Revenues					
Revenue from the Fed. Government.....	\$ 10,397,000	\$ 2,445,641	23.5%	\$ 1,854,771	20.4%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	22,399,604	95.0%	11,789,265	48.4%
Revenue from the Commonwealth.....	23,621,515	8,558,613	36.2%	6,857,091	29.1%
Total Intergovernmental Revenues	\$ 57,597,046	\$ 33,403,859	58.0%	\$ 20,501,127	36.0%
Other Governmental Revenues And Transfers In					
Fines and Forfeitures.....	\$ 4,930,450	\$ 1,833,571	37.2%	\$ 1,708,850	32.9%
Licenses and Permits.....	2,615,350	589,247	22.5%	934,370	35.8%
Charges for City Services.....	15,790,462	9,038,074	57.2%	9,431,033	43.4%
Revenue from Use of Money & Prop.....	11,406,650	3,936,191	34.5%	4,103,728	51.1%
Other Revenue.....	2,591,285	619,411	23.9%	1,031,381	55.7%
Transfer from Other Funds.....	9,291,882	-	0.0%	-	0.0%
Total Other Governmental Revenues	\$ 46,626,079	\$ 16,016,494	34.4%	\$ 17,209,362	33.5%
TOTAL REVENUE	\$ 762,194,268	\$ 349,907,343	45.9%	\$ 333,325,281	44.5%
Appropriated Fund Balance					
General Fund.....	\$ 8,677,631	\$ -	\$ -	\$ -	-
Cash Capital.....	-	-	-	-	-
Encumbrances And Other.....	4,325,747	-	-	-	-
Supplemental Appropriations.....	-	-	-	-	-
TOTAL	\$ 775,197,646	\$ 349,907,343	45.1%	\$ 333,325,281	44.2%

Attachment 3						Overview of 10 Major Tax Revenues					
Tax		Current Tax Rate		Description		Due Date		FY 2019 Actual Revenue		FY 2020 Approved Budget	
Real Property		\$1.13 per \$100 of assessed value		All real property in the City (approximately 46,000 parcels) are annually assessed at 100 percent of fair market value.		June 15/ November 15		\$ 451,685,949		\$ 462,848,143	
Vehicle Personal Property		\$5.33 per \$100 of assessed value		All vehicles in the City (approximately 132,000 vehicles) are assessed based on the NADA value. The vehicle owner is responsible for a portion of the tax (based on the value of the vehicle) and the State provides a total of \$23.6 million associated with the Personal Property Tax Relief Act of 1998.		October 5		\$ 34,691,617		\$ 40,856,910	
Business Personal Property		Varied		All tangible business equipment, such as machinery, computers and furniture used in the course of business is assessed based on a percentage of the original purchase cost.		October 5		\$ 15,315,505		\$ 16,070,000	
Business License		Varied		Also known as gross receipts tax, this is applied against the gross earnings of all businesses in the City with gross receipts above \$100,000. Below \$100,000, but above \$10,000, a business pays a flat fee of \$50.		March 1		\$ 36,883,864		\$ 34,378,000	
Local Sales and Use		1% in addition to the 5% State levied tax rate		Sales tax is collected by retail merchants operating in the City when goods and services are purchased. In Alexandria for non-food items, the total sales tax equals 6 percent, including the 1 percent for the locality, 0.7 percent for transportation in Northern Virginia and 4.3 percent for the state.		Remitted by the State to the City two months after collection		\$ 28,787,034		\$ 28,800,000	

Attachment 3						Overview of 10 Major Tax Revenues					
Tax		Current Tax Rate		Description		Due Date		FY 2019 Actual Revenue		FY 2020 Approved Budget	
Restaurant Meals		\$0.05		This tax is charged to consumers at restaurants as a percent of the total bill. The revenue is held by the restaurant and remitted to the City monthly.		Remitted by the Business Owner to the City one month after collection		\$ 23,999,949		\$ 24,231,000	
Transient Lodging		6.5%/\$1.25 per night		This tax is charged to visitors of city hotels as a percent of the total room cost, plus the \$1.25 per night charge. The revenue is held by the hotel and remitted to the City monthly.		Remitted by the Business Owner to the City one month after collection		\$ 12,879,159		\$ 12,800,000	
Consumer Utility		varied		This consumption tax is assessed on electric, gas and water bills generated in the City. Rates and application varies for residential and commercial use and by utility type.		Remitted by the Utility Company to the City one month after collection		\$ 11,264,818		\$ 12,000,000	
Communication Sales		\$0.05		This tax is assessed on the sales price of all communications service provided in the City.		Remitted by the State to the City one month after collection		\$ 9,167,402		\$ 9,200,000	
Real Estate Recordation		\$0.83 per \$1,000 of sales price		Assessed on the sales price of all recorded property transactions recorded in the City. This portion reflects the amount retained by the locality.		Remitted by the Clerk of the Courts to the City one month following collection		\$ 5,915,166		\$ 6,000,000	
Bank Franchise		\$0.80 per each \$100 of net capital		Tax rate applied to the net capital of deposits held by local banks.		Paid by Banks to the City on June 1		\$ 3,932,554		\$ 3,800,000	