

City of Alexandria, Virginia

MEMORANDUM

DATE: JULY 16, 2015

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: MARK B. JINKS, CITY MANAGER 

SUBJECT: MONTHLY FINANCIAL REPORT FOR THE PERIOD ENDING MAY 31, 2015

BACKGROUND: Since City Council's next meeting is in September, this Monthly Financial Report is informational in nature and will not be docketed for Council action. The following discussion is a summary of the Monthly Financial Report for this period. The complete report is attached.

Both General Fund revenues and expenditures track similarly to previous months in the 2015 fiscal year. Slow revenue growth due to the regional economic slowdown continues to be a concern that staff carefully monitors. At the end of May, with one month remaining in the 2015 fiscal year, General Fund revenues somewhat recovered from the fall projections, as reported in the FY 2016 budget deliberation. That coupled with expenditure savings, including savings from the bond refunding, the City's budget is in balance. In the attached statements of revenues and expenditures, bond refunding proceeds and expenses are included in May, however they have been excluded from the body of the report in the current year and prior years due to amounts and timing varying from year-to-year and therefore distort revenue and expenditure analysis.

Although, City General Fund revenues are still projected to come in below the amount budgeted, revenues will at least equal or exceed the FY 2015 revenues projected when the FY 2016 budget was adopted; FY 2015 expenditures will be less than what was projected when the FY 2016 budget was adopted; and General Fund (GF) Fund Balance should increase by a yet-to-be determined amount by the time the FY 2015 books are closed and audit completed.

As of May 31, 2015, eleven months into the fiscal year, General Fund revenues totaled \$474.5 million, or 73.1% of the budgeted revenue which is 0.1% above the four-year average of revenue received. The increase in revenue is primarily due to refunding bond proceeds, which provide savings and are used to purchase the refunded bonds listed on Attachment 2 of the comparative statement of expenditures and transfers by function. The budget for the refunding bond proceeds was appropriated in June. After adjusting for the bond refinancing, the City revenues are 5.1% below the four year average. Although real property taxes appear to be 5.6% below the four-year average, it is important to note the due date for the first-half real property taxes are due on June 15th and the majority of the collections will not be reflected until next month.

As of May 31, 2015, General Fund expenditures totaled \$532.0 million, or 82.0% of budgeted expenditures. After adjusting for expenditures related to the bond refinancing, the City has spent 1.9% more than the four-year average. Personnel expenditures are 4.1% lower than the four-year average percent of budget spent to date, whereas non-personnel expenditures are 4.5% more than the average. Overall, expenditures are still expected to come in below budget.

The economic indicator highlighted in this month's report is Unemployment Rates and Alexandria Labor Force. Additional economic, revenue, and expenditure charts are also available on the City of Alexandria website at: alexandriava.gov/FinancialReports.

ATTACHMENTS:

Attachment 1: Monthly Financial Report for the period of May 31, 2015

STAFF:

Laura Triggs, Deputy City Manager

Morgan Routt, Acting Director, Office of Management and Budget

Kendel Taylor, Director, Finance Department

Martina Alexander, Budget/Management Analyst, Office of Management and Budget