



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 3, 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 August 31, 2018.

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

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 2018: The unaudited preliminary estimate for FY 2018 General Fund revenues is \$894.1 million. At the same time, FY 2018 expenditures and encumbrances totaled \$890.3 million, enabling the City to end the year with a surplus of revenues over expenditures and encumbrances of about \$4.0 million. These totals include nearly \$167 million in revenue and expenditures associated with two bond refundings. Of the \$4.0 million surplus, all of it will be committed in fund balance and reappropriated in the fall for incomplete operating and capital projects.

In addition to these fund balance commitments, \$2.0 million is assigned in Fund Balance for future Washington Metropolitan Transit Authority (WMATA) costs associated with prior and current year use of recent collective bargaining agreements. At this time, the final amount owed and the timing of this payment is unknown. In recent weeks WMATA staff have indicated to jurisdictions which fund WMATA's operating subsidies (State of Maryland, District of Columbia and Virginia local governments) that due to the retroactive nature of WMATA's recent Labor Settlement that approximately \$54 million is due from the state and local funding entities for FY 2018 and FY 2019. The City's share of this would be \$2.6 million. In order to prepare to fund this forthcoming obligation a \$2.0 million assignment of fund balance is planned. An assignment of Fund Balance will enable the City to respond to this unbudgeted retroactive expenditure without impacting the City's current operating

budget. For FY 2020, the added cost would be \$2.25 million in addition to a likely 3% increase in WMATA's operating budget.

The FY 2018 General Fund ending positive enables the City to increase its ratio of Spendable Fund Balance as a percentage of General Fund revenues from 16% to 16.5%, which is viewed favorably by the rating agencies who view this as an indicator of the City's ability to respond to uncertainties and unforeseen events.

FY 2019: As of August 31, 2018, General Fund revenues totaled \$29.5 million, a decrease \$1.0 million or 3.4% compared to the revenues collected at the same time in FY 2018. This is entirely due to the timing of receipts. These timely anomalies are most pronounced early in the fiscal year. Consumer utility tax revenue from a single payer due in September, but posted on August 29th accounts for the variance in that revenue category between fiscal years. Federal prisoner per diem payments were received in August 2017, but not until September 2018. As noted in last month's timeline, the first significant tax in FY 2019 is due on October 5, when personal property taxes for vehicle and business personal property are due. It is important to note that revenues collected in July and some of the revenue collected in August are actually for taxes owed in June and are therefore accrued to the prior fiscal year.

As of August 31, 2018, General Fund expenditures totaled \$100.8 million, compared to \$106.8 million over the same time period for FY 2017, which represents a 5.6 percent decrease. There are several contributing factors. The July 2018 debt service payment for principal and interest on the City's outstanding debt is \$4.1 million more than in FY 2018 to pay for the budgeted additional capital expenditures. The increase in Cash Match transfer to DASH is a timing issue, in which the transfer in FY 2018 occurred in August, but in FY 2019 it did not occur until September. The variance in Transit Subsidies is associated with a change in the quarterly contribution payment to WMATA, which is primarily General Funds in FY 2019, compared to a combination of General Fund and Northern Virginia Transportation Commission Trust Fund money in FY 2018. The end result will be the same. Through the first two months of FY 2019, which equates to 16.7 percent of the fiscal year, the City has expended 11.9 percent of the budgeted amount. This difference is primarily attributable to the timing of transfers and the payment of encumbered funds, 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, 2018 AND AUGUST 31, 2018

	B	C	D=C/B	F
	FY 2019	FY2019		FY2018
	APPROVED	REVENUES	%	REVENUES
	BUDGET	THRU 8/31/2018	OF BUDGET	THRU 8/31/2017
General Property Taxes				
Real Property Taxes.....	\$ 446,963,782	\$ 703,203	0.2%	\$ 915,974
Personal Property Taxes.....	50,800,000	4,693,030	9.2%	5,701,466
Penalties and Interest.....	3,300,000	228,576	6.9%	151,607
Total General Property Taxes	<u>\$ 501,063,782</u>	<u>\$ 5,624,808</u>	<u>1.1%</u>	<u>\$ 6,769,047</u>
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 27,700,000	\$ -	0.0%	\$ -
Consumer Utility Taxes.....	11,800,000	831,146	7.0%	-
Communication Sales and Use Taxes.....	9,900,000	-	0.0%	-
Business License Taxes.....	34,878,000	462,538	1.3%	124,972
Transient Lodging Taxes.....	13,275,000	1,195,820	9.0%	1,264,364
Restaurant Meals Tax.....	24,150,000	2,103,365	8.7%	1,090,960
Tobacco Taxes.....	2,800,000	237,874	8.5%	263,036
Motor Vehicle License Tax.....	3,800,000	582,795	15.3%	517,837
Real Estate Recordation.....	5,300,000	538,084	10.2%	399,242
Admissions Tax.....	670,000	30,037	4.5%	3,624
Other Local Taxes.....	4,745,000	-	0.0%	-
Total Other Local Taxes	<u>\$ 139,018,000</u>	<u>\$ 5,981,659</u>	<u>4.3%</u>	<u>\$ 3,664,036</u>
Intergovernmental Revenues				
Revenue from the Fed. Government.....	\$ 9,071,382	\$ 790,712	8.7%	\$ 2,404,004
Personal Property Tax Relief from the Commonwealth.....	24,335,376	11,789,265	48.4%	11,789,265
Revenue from the Commonwealth.....	23,578,531	738,820	3.1%	1,645,919
Total Intergovernmental Revenues	<u>\$ 56,985,289</u>	<u>\$ 13,318,797</u>	<u>23.4%</u>	<u>\$ 15,839,188</u>
Other Governmental Revenues And Transfers In				
Fines and Forfeitures.....	\$ 5,193,450	\$ 717,208	13.8%	\$ 866,916
Licenses and Permits.....	2,612,678	391,399	15.0%	416,070
Charges for City Services.....	21,748,168	2,208,541	10.2%	1,606,653
Revenue from Use of Money & Prop.....	8,031,110	990,161	12.3%	1,140,464
Other Revenue.....	1,853,215	315,730	17.0%	271,091
Transfer from Other Funds.....	11,921,244	-	0.0%	-
Total Other Governmental Revenues	<u>\$ 51,359,865</u>	<u>\$ 4,623,039</u>	<u>9.0%</u>	<u>\$ 4,301,193</u>
TOTAL REVENUE	<u>\$ 748,426,936</u>	<u>\$ 29,548,303</u>	<u>3.9%</u>	<u>\$ 30,573,463</u>
Appropriated Fund Balance				
General Fund.....	\$ -	\$ -	\$ -	\$ -
Cash Capital				
Encumbrances And Other	-	-	-	-
Supplemental Appropriations....	-	-	-	-
TOTAL	<u>\$ 748,426,936</u>	<u>\$ 29,548,303</u>	<u>3.9%</u>	<u>\$ 30,573,463</u>

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

FUNCTION	B	C	D=C/B	F
	FY 2019 APPROVED BUDGET	FY2019 EXPENDITURES THRU 8/31/2018	% OF BUDGET EXPENDED	FY2018 EXPENDITURES THRU 8/31/2017
Legislative & Executive.....	\$ 5,358,250	\$ 820,518	15.3%	\$ 775,621
Judicial Administration.....	\$ 43,875,195	\$ 7,075,803	16.1%	\$ 6,777,600
Staff Agencies				
Information Technology Services.....	\$ 11,186,335	\$ 2,369,973	21.2%	\$ 1,616,942
Management & Budget.....	1,259,151	184,583	14.7%	162,413
Finance.....	12,256,599	1,729,214	14.1%	1,804,138
Performance and Accountability.....	488,349	68,653	14.1%	110,660
Internal Audit.....	429,167	30,453	7.1%	46,019
Human Resources.....	4,239,313	590,421	13.9%	676,015
Planning & Zoning.....	5,728,080	857,446	15.0%	813,969
Economic Development Activities.....	5,707,654	1,415,297	24.8%	1,318,192
City Attorney.....	2,948,385	508,108	17.2%	409,762
Registrar.....	1,231,787	118,546	9.6%	147,931
General Services.....	14,444,496	1,949,853	13.5%	1,654,675
Total Staff Agencies	\$ 59,919,316	\$ 9,822,546	16.4%	\$ 8,760,716
Operating Agencies				
Transportation & Environmental Services.....	\$ 27,085,419	\$ 2,763,102	10.2%	\$ 5,046,722
Project Implementation.....	-	14,934	#DIV/0!	221,742
Fire.....	52,214,087	7,145,788	13.7%	8,058,964
Police.....	65,050,060	8,954,194	13.8%	10,921,775
Emergency Communications.....	7,783,659	1,096,412	14.1%	1,232,855
Code.....	24,000	449	1.9%	478
Transit Subsidies.....	17,336,098	9,488,978	54.7%	3,727,997
Housing.....	1,857,455	260,894	14.0%	280,297
Community and Human Services.....	13,546,549	2,739,830	20.2%	1,990,955
Health.....	8,730,103	1,888,516	21.6%	1,904,745
Historic Resources.....	3,137,315	406,249	12.9%	475,027
Recreation.....	22,764,575	3,531,369	15.5%	3,476,926
Total Operating Agencies	\$ 219,529,320	\$ 38,290,716	17.4%	\$ 37,338,482
Education				
Schools.....	\$ 223,829,302	\$ 11,919,811	5.3%	\$ 12,857,377
Other Educational Activities.....	12,142	3,036	25.0%	3,069
Total Education	\$ 223,841,444	\$ 11,922,847	5.3%	\$ 12,860,446
Capital, Debt Service and Miscellaneous				
Debt Service - City.....	\$ 42,626,096	\$ 18,203,338	42.7%	\$ 15,736,282
Debt Service - Schools.....	\$ 28,924,085	\$ 12,178,181		\$ 10,527,700
Expenses on Refunding Bonds.....	-	-	0.0%	-
Non-Departmental.....	8,267,877	2,484,192	30.0%	2,292,460
General Cash Capital.....	36,966,696	-	0.0%	-
Contingent Reserves.....	3,810,114	-	0.0%	-
Total Capital, Debt Service and Miscellaneous	\$ 120,594,868	\$ 32,865,710	27.3%	\$ 28,556,442
TOTAL EXPENDITURES	\$ 673,118,393	\$ 100,798,140	15.0%	\$ 95,069,307
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects Funds).....	\$ 55,963,776	\$ -	0.0%	\$ -
Transfer to Library.....	7,031,173	14,881	0.2%	2,706
Transfer to DASH.....	12,313,592	-	0.0%	11,692,233
TOTAL EXPENDITURES & TRANSFERS	\$ 748,426,936	\$ 100,813,021	13.5%	\$ 106,764,246
Total Expenditures by Category				
Salaries and Benefits.....	\$ 228,490,944	\$ 33,145,868	14.5%	\$ 33,525,399
Non Personnel (includes all school funds)	519,935,992	67,667,153	13.0%	73,238,847
Total Expenditures	\$ 748,426,936	\$ 100,813,020	13.5%	\$ 106,764,246