

City of Alexandria, Virginia

MEMORANDUM

DATE: DECEMBER 7, 2016

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

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

DOCKET TITLE:
TITLE

Consideration of the Monthly Financial Report for the Period Ending October 31, 2016.

BODY

ISSUE: Receipt of the Monthly Financial Report for the Period Ending October 31, 2016.

RECOMMENDATION: That City Council receives 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 2016 are attached.

At this time in FY 2017, the City's revenue and expenditures are not noticeably different than the same time period last year. As of October 31, 2016, General Fund revenues totaled \$128.2 million, a decrease of \$7.1 million or 5.3% below the revenues collected at the same time in FY 2016. Through the first four months of the fiscal year, approximately 19 percent of budgeted revenues have been collected. Revenues may not track consistently with the 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.

It should be noted that FY 2016 included a bond refunding of \$10.6 million in the first quarter that increased recorded revenue. The City recently refunded existing debt, but the impact will not be recorded until the November 2016 report. As previously reported to Council, \$30.1 million in existing bonds were refunded for a savings of \$0.5 million in FY 2017. If the refunding revenue is excluded in FY 2016, General Fund Revenue in FY 2017 for the first five months of \$128.2 million compares to \$124.7 million in the first five months of FY 2016. The majority of this increase is in General Property Tax revenue and is due to the timing of payments.

Through October 2015, the City had collected \$32.8 million of Real Property Tax Revenue, compared to \$35.3 million through October 2016. The due date for the second half payment of

Real Property Taxes was November 15. Personal Property tax revenue is also higher compared to the amount collected last year at this time. However, it is consistent with the increase in the budgeted amount for FY 2017. Through October 2015, the amount collected represented 90.7 percent of the budgeted amount, which is the same proportion reflected in collections this year (\$41.8 million of Personal Property Tax Revenue is 90.7 percent of the \$46.1 million budgeted for Personal Property Tax).

As of October 31, 2016, General Fund expenditures totaled \$190.0 million, an increase of \$3.3 million over the same time period for FY 2016. The increase is primarily comprised of the completion of the City's NVTa certification for the City to receive funding from NVTa earlier than in FY 2016 which allowed the City to utilize those \$11.0 million in NVTa funds for transportation sooner. This increase was offset by the \$10.7 million FY 2016 bond refunding discussed previously. Not including interfund transfers that do not follow a regular, monthly posting pattern, with 33 percent of the fiscal year completed, the City has expended 28.4 percent of the budgeted amount.

ATTACHMENTS:

Attachment 1 - Comparative Expenditure Schedule for October 31, 2016

Attachment 2 - Comparative Revenue Schedule for October 31, 2016

Attachment 3 - First quarter economic indicators related to real estate and new construction

STAFF:

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, OMB

33.3% of Fiscal Year Completed
31.0% of Payrolls Processed

Attachment 1

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING OCTOBER 31, 2016 AND OCTOBER 31, 2015

	B	C	D=C/B	F
	FY2017	FY2017	%	FY2016
FUNCTION	APPROVED	EXPENDITURES	OF BUDGET	EXPENDITURES
	BUDGET	THRU 10/31/16	EXPENDED	10/31/2015
Legislative & Executive.....	\$ 5,532,444	\$ 1,594,439	28.8%	\$ 1,450,759
Judicial Administration.....	\$ 43,462,163	\$ 13,778,041	31.7%	\$ 13,065,100
Staff Agencies				
Information Technology Services.....	\$ 10,093,469	\$ 3,691,159	36.6%	\$ 3,134,542
Management & Budget.....	1,301,434	354,915	27.3%	328,802
Finance.....	13,098,450	3,248,324	24.8%	3,373,032
Performance and Accountability.....	622,641	135,072	21.7%	153,593
Internal Audit.....	315,991	88,991	28.2%	99,192
Human Resources.....	3,512,923	967,338	27.5%	867,526
Planning & Zoning.....	5,543,691	1,656,103	29.9%	1,492,461
Economic Development Activities.....	5,490,493	2,656,287	48.4%	2,598,387
City Attorney.....	2,866,163	979,956	34.2%	1,090,920
Registrar.....	1,413,610	431,834	30.5%	302,977
General Services.....	14,093,050	3,835,903	27.2%	4,105,443
Total Staff Agencies	\$ 58,351,915	\$ 18,045,882	30.9%	\$ 17,546,875
Operating Agencies				
Transportation & Environmental Services.....	\$ 29,492,354	\$ 7,986,964	27.1%	\$ 8,614,295
Project Implementation.....	1,895,590	471,017	24.8%	\$ 477,145
Fire.....	49,711,802	14,856,994	29.9%	14,930,853
Police.....	60,467,761	19,313,996	31.9%	19,219,565
Emergency Communications.....	7,158,590	2,348,965	32.8%	2,276,090
Code.....	114,000	34,230	30.0%	25,220
Transit Subsidies.....	7,820,972	3,729,643	47.7%	4,706,257
Housing.....	1,791,424	492,394	27.5%	456,907
Community and Human Services.....	13,328,244	4,808,429	36.1%	4,434,719
Health.....	8,709,522	3,837,104	44.1%	3,720,073
Historic Resources.....	3,038,902	919,116	30.2%	840,012
Recreation.....	21,717,857	7,458,471	34.3%	7,199,508
Total Operating Agencies	\$ 205,247,018	\$ 66,257,324	32.3%	\$ 66,900,644
Education				
Schools.....	\$ 206,561,472	\$ 48,336,694	23.4%	\$ 44,192,911
Other Educational Activities.....	12,131	6,066	50.0%	5,986
Total Education	\$ 206,573,603	\$ 48,342,760	23.4%	\$ 44,198,897
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 66,523,574	\$ 23,729,242	35.7%	\$ 21,578,641
Expenses on Refunding Bonds.....	-	-		10,749,293
Non-Departmental.....	9,042,738	4,519,759	50.0%	4,817,158
General Cash Capital.....	24,293,103		0.0%	-
Contingent Reserves.....	1,034,791	-		
Total Capital, Debt Service and Miscellaneous	\$ 100,894,206	\$ 28,249,002	28.0%	\$ 37,145,092
TOTAL EXPENDITURES	\$ 620,061,349	\$ 176,267,446	28.4%	\$ 180,307,367
Cash Match (Transportation/DCHS/				
and Transfers to the Special Revenue /Capital Projects	\$ 39,941,587	\$ 121,663	0.3%	\$ 122,371
Transfer to Library.....	6,938,510	2,312,837	33.3%	2,220,785
Transfer to DASH.....	12,085,304	11,295,384	93.5%	4,046,081
TOTAL EXPENDITURES & TRANSFERS	\$ 679,026,750	\$ 189,997,330	28.0%	\$ 186,696,604
Total Expenditures by Category				
Salaries and Benefits.....	\$ 223,673,920	\$ 64,860,409	29.0%	\$ 64,233,708
Non Personnel (includes all school funds)	455,352,830	125,136,921	27.5%	122,462,896
Total Expenditures	\$ 679,026,750	\$ 189,997,330	28.0%	\$ 186,696,604

CITY OF ALEXANDRIA, VIRGINIA

COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND

FOR THE PERIODS ENDING OCTOBER 31, 2016 AND OCTOBER 31, 2015

	B	C	D=C/B	F
	FY2017	FY2017		FY2016
	REVISED	REVENUES	%	REVENUES
	BUDGET	THRU 10/31/16	OF BUDGET	THRU 10/31/15
General Property Taxes				
Real Property Taxes.....	\$ 402,552,010	\$ 35,318,894	8.8%	\$ 32,791,757
Personal Property Taxes.....	46,080,000	41,801,575	90.7%	39,713,913
Penalties and Interest.....	2,000,000	559,791	28.0%	406,527
Total General Property Taxes	\$ 450,632,010	\$ 77,680,260	17.2%	\$ 72,912,197
Other Local Taxes				
Local Sales and Use Taxes.....	\$ 27,075,000	\$ 4,380,980	16.2%	\$ 4,234,895
Consumer Utility Taxes.....	12,700,000	2,143,710	16.9%	3,006,728
Communication Sales and Use Taxes.....	10,300,000	1,702,427	16.5%	1,741,876
Business License Taxes.....	33,300,000	931,132	2.8%	714,819
Transient Lodging Taxes.....	12,000,000	2,930,482	24.4%	2,914,354
Restaurant Meals Tax.....	18,800,000	4,196,889	22.3%	4,130,923
Tobacco Taxes.....	2,968,555	811,321	27.3%	528,230
Motor Vehicle License Tax.....	3,500,000	2,703,333	77.2%	2,638,850
Real Estate Recordation.....	5,300,000	1,110,447	21.0%	1,406,455
Admissions Tax.....	786,000	146,510	18.6%	124,635
Other Local Taxes.....	4,348,154	198,061	4.6%	197,517
Total Other Local Taxes	\$ 131,077,709	\$ 21,255,290	16.2%	\$ 21,639,282
Intergovernmental Revenues				
Revenue from the Fed. Government.....	\$ 9,600,382	\$ 2,419,729	25.2%	\$ 2,435,943
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	11,789,265
Revenue from the Commonwealth.....	23,050,064	5,547,040	24.1%	5,565,749
Total Intergovernmental Revenues	\$ 56,228,977	\$ 19,756,034	35.1%	\$ 19,790,957
Other Governmental Revenues And Transfers In				
Fines and Forfeitures.....	\$ 6,463,517	\$ 1,579,588	24.4%	\$ 1,667,028
Licenses and Permits.....	2,433,400	1,011,760	41.6%	1,062,343
Charges for City Services.....	20,859,994	4,568,144	21.9%	5,535,268
Revenue from Use of Money & Prop.....	4,712,000	1,862,986	39.5%	1,360,839
Other Revenue.....	1,131,270	490,541	43.4%	700,641
Transfer from Other Funds.....	4,994,761	-	0.0%	-
Total Other Governmental Revenues	\$ 40,594,942	\$ 9,513,019	23.4%	\$ 10,326,119
TOTAL REVENUE	\$ 678,533,638	\$ 128,204,603	18.9%	\$ 124,668,555
Appropriated Fund Balance				
General Fund.....	\$ -	\$ -	\$ -	\$ -
Appropriated refunding bond proceeds	-	-	\$ -	10,645,678
Reappropriation of FY 2015	-	-	-	-
Encumbrances And Other	-	-	-	-
Supplemental Appropriations....	493,112	-	-	-
TOTAL	\$ 679,026,750	\$ 128,204,603	18.9%	\$ 135,314,233

FY 2017 – First Quarter Indicators (through September 2016)

Residential Real Estate Sales Data

- In the first nine months of the fiscal year, 2,003 residential units have sold compared to 2,027 for the same period last year.
- The average sales price is down 3 percent, from \$551,006 in 2015 to \$534,360 in the first three quarters of calendar year 2016.
- The average days on the market was down 4.1 percent, from 49 days in September 2015 to 47 days in September 2016.
- The number of foreclosed properties through September 2016 is 64, compared to 52 for the same period last year.
- The assessment to sales ratio for all residential property sales that reflect arms-length transactions in 2016, through September is 96.21 percent, based on the sales of 1,905.

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 2016. FY 2016 ended with an increase of \$38.1 million compared to FY 2015, which is an increase of 9.4 percent.

VALUE OF NEW CONSTRUCTION				
Fiscal Year	Residential	Commercial	Miscellaneous ¹	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	\$23,891,618	\$31,901,107	\$90,408,633	\$146,201,358
¹ The miscellaneous category includes alterations and repairs, electrical, plumbing, and mechanical permits, and other construction activity.				

Source: City of Alexandria Department of Code Administration