

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 8, 2017

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 January 31, 2017.

BODY

ISSUE: Receipt of the Monthly Financial Report for the Period Ending January 31, 2017.

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 January 31, 2017, General Fund revenues totaled \$380.8 million, an increase of \$37.0 million or 10.8% above the revenues collected at the same time in FY 2016. Through the first seven months of the fiscal year, approximately 55.3 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. This compares with a bond refunding in FY 2017 that occurred in November 2016 of \$34.2 million, which saved approximately \$2.4 million over the next 10 years. If the refunding revenue is excluded in both years, revenue of \$346.7 million collected in the first seven months of FY 2017 compares to \$333.2 million in the first seven months of FY 2016. This increase is an increase of 4.1 percent compared to last year. General Property taxes are trending at 4.7 percent more than last year. This is consistent with the increase in the overall General Fund Operating Budget from FY 2016 to FY 2017, which increased from \$649.2 million to \$678.5 million, including a 5.4 percent increase in Real Property tax revenues.

As of January 31, 2017, General Fund expenditures totaled \$389.7 million, an increase of \$32.9 million over the same time period for FY 2016. As noted above, there were bond refundings in both years that were significantly different. Without the refundings in the calculation, total expenditures in FY 2017 are \$355.6 million compared to \$346.1 million in FY 2016, which reflects a 2.7 percent increase in spending to date. The primary difference relates to the timing of debt service payments in 2017 and cash capital transfers. January 2017 reflects an additional debt service payment compared to January 2016. The other significant difference relates to cash capital, which is budgeted at \$24.3 million in 2017 and the entire transfer has occurred. This compares to the cash capital transfer of \$16.0 million in 2016. Timing of the postings of transfers to component units varies from one year to the next. Excluding the bond refundings and these transfers, total expenditures and transfers represent an increase of 3.1 percent over the same time period in the prior fiscal year. Through Month 7 in fiscal year 2017, which reflects 58.3 percent of the fiscal year, the City has expended 51.7 percent of the budgeted amount for the fiscal year (excluding the refundings).

In February 2017 the City issued the Calendar Year 2017 Real Property Assessment Report. Attachment 3 provides highlights of that report related to the overall tax base.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for January 31, 2017

Attachment 2 - Comparative Expenditure Schedule for January 31, 2017

Attachment 3 - Economic Indicators - Real Property Assessments 2017

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 JANUARY 31, 2017 AND JANUARY 31, 2016

	B	B.1	C	D=C/B	F
	FY2017	FY 2017	FY2017		FY2016
	REVISED	PROJECTED	REVENUES	%	REVENUES
	BUDGET	REVENUES	THRU 1/31/17	OF BUDGET	THRU 1/31/16
General Property Taxes					
Real Property Taxes.....	\$ 406,585,431	410,138,228	\$ 198,055,534	48.7%	\$ 188,448,008
Personal Property Taxes.....	46,080,000	46,826,653	43,850,687	95.2%	42,857,191
Penalties and Interest.....	2,000,000	2,000,000	1,337,034	66.9%	1,089,884
Total General Property Taxes	\$ 454,665,431	\$ 458,964,881	\$ 243,243,255	53.5%	\$ 232,395,083
Other Local Taxes					
Local Sales and Use Taxes.....	\$ 27,075,000	27,378,631	\$ 11,301,183	41.7%	\$ 10,928,202
Consumer Utility Taxes.....	12,700,000	12,500,000	5,201,265	41.0%	5,369,201
Communication Sales and Use Taxes.....	10,300,000	10,300,000	4,289,829	41.6%	4,364,082
Business License Taxes.....	33,300,000	33,300,000	2,063,211	6.2%	1,015,158
Transient Lodging Taxes.....	12,000,000	12,200,000	5,857,556	48.8%	4,975,191
Restaurant Meals Tax.....	18,800,000	18,800,000	8,832,613	47.0%	7,665,913
Tobacco Taxes.....	2,968,555	2,990,000	1,573,436	53.0%	1,507,992
Motor Vehicle License Tax.....	3,500,000	3,600,000	3,055,527	87.3%	3,053,722
Real Estate Recordation.....	5,300,000	4,800,000	2,405,854	45.4%	2,873,228
Admissions Tax.....	786,000	786,000	335,639	42.7%	253,725
Other Local Taxes.....	4,348,154	4,424,154	399,711	9.2%	596,078
Total Other Local Taxes	\$ 131,077,709	\$ 131,078,785	\$ 45,315,824	34.6%	\$ 42,602,492
Intergovernmental Revenues					
Revenue from the Fed. Government.....	\$ 9,600,382	8,876,382	\$ 4,876,863	50.8%	\$ 4,846,047
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	22,399,604	95.0%	22,399,604
Revenue from the Commonwealth.....	23,050,064	22,858,688	11,860,504	51.5%	11,647,723
Total Intergovernmental Revenues	\$ 56,228,977	\$ 55,313,601	\$ 39,136,971	69.6%	\$ 38,893,374
Other Governmental Revenues And Transfers In					
Fines and Forfeitures.....	\$ 6,463,517	6,463,517	\$ 2,714,554	42.0%	\$ 2,830,696
Licenses and Permits.....	2,433,400	2,433,400	1,679,526	69.0%	1,551,718
Charges for City Services.....	20,859,994	20,859,994	10,107,194	48.5%	10,760,377
Revenue from Use of Money & Prop.....	4,712,000	4,712,000	3,561,647	75.6%	2,874,792
Other Revenue.....	1,131,270	1,131,270	911,425	80.6%	1,256,364
Transfer from Other Funds.....	10,517,416	9,659,205	-	0.0%	-
Total Other Governmental Revenues	\$ 46,117,597	\$ 45,259,386	\$ 18,974,346	41.1%	\$ 19,273,947
TOTAL REVENUE	\$ 688,089,714	\$ 690,616,653	\$ 346,670,396	50.4%	\$ 333,164,896
Appropriated Fund Balance					
General Fund.....	\$ -		\$ -	\$ -	\$ -
Appropriated refunding bond proceeds	-		34,168,000	\$ -	10,645,678
Reappropriation of FY 2015	-		-	-	-
Encumbrances And Other	-		-	-	-
Supplemental Appropriations....	493,112		-	-	-
TOTAL	\$ 688,582,826	\$ 690,616,653	\$ 380,838,396	55.3%	\$ 343,810,574

58.3% of Fiscal Year Completed
57.85% of Payrolls Processed

Attachment 2

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING JANUARY 31, 2017 AND JANUARY 31, 2016

	B	C	D=C/B	F
	FY2017	FY2017	%	FY2016
	APPROVED	EXPENDITURES	OF BUDGET	EXPENDITURES
FUNCTION	BUDGET	THRU 1/31/17	EXPENDED	THRU 1/31/2016
Legislative & Executive.....	\$ 5,761,244	\$ 3,039,569	52.8%	\$ 2,769,571
Judicial Administration.....	\$ 43,806,417	\$ 24,399,317	55.7%	\$ 23,675,565
Staff Agencies				
Information Technology Services.....	\$ 11,129,837	\$ 5,791,612	52.0%	\$ 5,377,892
Management & Budget.....	1,301,434	675,688	51.9%	610,614
Finance.....	13,956,059	6,188,784	44.3%	6,302,744
Performance and Accountability.....	721,496	242,150	33.6%	301,677
Internal Audit.....	343,182	174,806	50.9%	191,837
Human Resources.....	3,771,526	1,934,361	51.3%	1,702,831
Planning & Zoning.....	5,817,698	2,986,319	51.3%	2,822,264
Economic Development Activities.....	5,490,557	3,984,685	72.6%	3,940,977
City Attorney.....	2,966,602	1,764,077	59.5%	1,897,418
Registrar.....	1,414,680	856,065	60.5%	661,394
General Services.....	15,076,490	7,513,677	49.8%	7,488,498
Total Staff Agencies	\$ 61,989,561	\$ 32,112,225	51.8%	\$ 31,298,146
Operating Agencies				
Transportation & Environmental Services.....	\$ 31,432,545	\$ 15,125,874	48.1%	\$ 15,280,713
Project Implementation.....	1,911,665	872,449	45.6%	\$ 875,923
Fire.....	50,034,337	28,080,748	56.1%	28,222,125
Police.....	61,026,510	34,602,257	56.7%	34,024,511
Emergency Communications.....	7,345,210	4,211,875	57.3%	3,910,126
Code.....	132,590	57,426	43.3%	49,091
Transit Subsidies.....	7,883,899	5,598,665	71.0%	7,099,692
Housing.....	1,882,923	956,462	50.8%	919,114
Community and Human Services.....	13,366,344	8,003,407	59.9%	7,560,659
Health.....	8,826,175	5,942,346	67.3%	5,630,185
Historic Resources.....	3,079,263	1,667,999	54.2%	1,558,309
Recreation.....	22,052,753	12,487,245	56.6%	12,454,003
Total Operating Agencies	\$ 208,974,214	\$ 117,606,754	56.3%	\$ 117,584,451
Education				
Schools.....	\$ 206,561,472	\$ 96,195,029	46.6%	\$ 92,593,119
Other Educational Activities.....	12,131	9,098	75.0%	8,978
Total Education	\$ 206,573,603	\$ 96,204,128	46.6%	\$ 92,602,097
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 66,523,574	\$ 38,498,584	57.9%	\$ 34,338,253
Expenses on Refunding Bonds.....	-	34,152,955		10,749,293
Non-Departmental.....	9,443,089	5,258,607	55.7%	5,453,625
General Cash Capital.....	24,293,103	24,293,103	100.0%	16,025,541
Contingent Reserves.....	1,034,791	-		
Total Capital, Debt Service and Miscellaneous	\$ 101,294,557	\$ 102,203,248	100.9%	\$ 66,566,712
TOTAL EXPENDITURES	\$ 628,399,596	\$ 375,565,241	59.8%	\$ 334,496,542
Cash Match (Transportation/DCHS/				
and Transfers to the Special Revenue /Capital Projects	\$ 39,941,587	\$ 2,843,262	7.1%	\$ 11,336,918
Transfer to Library.....	7,013,510	31,625	0.5%	3,903,198
Transfer to DASH.....	12,085,304	11,295,384	93.5%	7,111,293
TOTAL EXPENDITURES & TRANSFERS	\$ 687,439,997	\$ 389,735,512	56.7%	\$ 356,847,951
Total Expenditures by Category				
Salaries and Benefits.....	\$ 223,673,920	\$ 122,352,225	54.7%	\$ 119,408,484
Non Personnel (includes all school funds)	463,766,077	267,383,287	57.7%	232,644,992
Total Expenditures	\$ 687,439,997	\$ 389,735,512	56.7%	\$ 352,053,476

Economic Indicators

2017 Real Property Assessments:

On February 10, 2017, the City released the Assessment Report for Calendar Year 2017. The City's \$39.0 billion tax base provides the most significant source of revenue to support government operations. In 2017, the total tax base increased by 2.1 percent, from \$38.20 to \$38.99.

Locally-assessed properties increased by \$1.1 billion compared to January 1, 2016, which was distributed between residential properties (\$366.3 million) and the commercial tax base (\$735.4 million).

During the year there are administrative changes, as well as adjustments through the Board of Equalization. When comparing the changes to the tax base at the end of December that reflects changes that occurred throughout the year, \$658.9 million was due to appreciation and \$442.8 million was due to new growth or construction.

The average single family home is increasing 1.26% to \$730,449, while the average condominium is increasing by less than one percent, to \$310,990.

The total number of residential units in the City grew from 41,093 to 41,291. The number of properties with a median assessment between \$250,000 and \$499,999 declined from 12,526 to 11,722, and the number of units with a median assessment between \$100,000 and \$249,000 grew from 9,496 to 9,780. In 2015 there were 64 residential properties assessed at \$100,000 or less compared to only 47 in 2017.

The commercial tax base grew by 2.51 percent compared to 2016.

The commercial growth was fueled by increases in hotels and general commercial properties. Hotels increased by 12.58 percent in 2018. General Commercial properties typically contain uses such as small retailers, repair and service establishments, restaurants, and financial institutions. This category increased by 10.27 percent compared to 2016.