

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 29, 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 February 28, 2017.

BODY

ISSUE: Receipt of the Monthly Financial Report for the Period Ending February 28, 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 February 28, 2017, General Fund revenues totaled \$410.9 million, an increase of \$29.5 million or 7.7% above the revenues collected at the same time in FY 2016. Through the first eight months of the fiscal year, approximately 59.7 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 \$376.7 million collected in the first eight months of FY 2017 compares to \$370.7 million in the first eight months of FY 2016. This increase is an increase of 1.6 percent compared to last year. General Property taxes are trending at 4.3 percent more than last year and Other Local Taxes are 3.9 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. The variance in Revenue from the federal government relates to the timing of receipts for federal prisoner per diem. The variance in

Revenue from the Commonwealth is also related to timing in which the City's HB 599 public safety revenue was recorded in March 2017, compared to February 2016.

As of February 28, 2017, General Fund expenditures totaled \$430.5 million, an increase of \$31.8 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 \$396.3 million compared to \$388.0 million in FY 2016, which reflects a 2.2 percent increase in spending to date. Through eight months of the fiscal year, which is 66.7 percent of the fiscal year, excluding the refundings, 57.7 percent of the budget has been expended.

Attachment 3 provides a multi-year comparison of sales tax receipts.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for February 28, 2017

Attachment 2 - Comparative Expenditure Schedule for February 28, 2017

Attachment 3 - Economic Indicators - Sales Tax Revenues

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 FEBRUARY 28, 2017 AND FEBRUARY 29, 2016

	B	B.1	C	D=C/B	F
	FY2017	FY 2017	FY2017		FY2016
	REVISED	PROJECTED	REVENUES	%	REVENUES
	BUDGET	REVENUES	THRU 2/28/2017	OF BUDGET	THRU 2/29/2016
General Property Taxes					
Real Property Taxes.....	\$ 406,585,431	410,138,228	\$ 199,018,560	48.9%	\$ 190,514,637
Personal Property Taxes.....	46,080,000	46,826,653	44,746,938	97.1%	43,234,074
Penalties and Interest.....	2,000,000	2,000,000	1,562,572	78.1%	1,397,099
Total General Property Taxes	\$ 454,665,431	\$ 458,964,881	\$ 245,328,071	54.0%	\$ 235,145,810
Other Local Taxes					
Local Sales and Use Taxes.....	\$ 27,075,000	27,378,631	\$ 14,007,179	51.7%	\$ 13,429,565
Consumer Utility Taxes.....	12,700,000	12,500,000	6,229,802	49.1%	7,212,858
Communication Sales and Use Taxes.....	10,300,000	10,300,000	5,146,666	50.0%	5,244,992
Business License Taxes.....	33,300,000	33,300,000	18,574,664	55.8%	15,574,199
Transient Lodging Taxes.....	12,000,000	12,200,000	6,503,444	54.2%	6,066,504
Restaurant Meals Tax.....	18,800,000	18,800,000	10,218,964	54.4%	10,215,862
Tobacco Taxes.....	2,968,555	2,990,000	1,801,641	60.7%	1,735,075
Motor Vehicle License Tax.....	3,500,000	3,600,000	3,199,377	91.4%	3,135,931
Real Estate Recordation.....	5,300,000	4,800,000	2,877,251	54.3%	3,105,378
Admissions Tax.....	786,000	786,000	363,764	46.3%	408,898
Other Local Taxes.....	4,348,154	4,424,154	470,517	10.8%	634,246
Total Other Local Taxes	\$ 131,077,709	\$ 131,078,785	\$ 69,393,271	52.9%	\$ 66,763,508
Intergovernmental Revenues					
Revenue from the Fed. Government.....	\$ 9,600,382	8,876,382	\$ 4,896,826	51.0%	\$ 5,369,108
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	23,106,960	98.0%	23,106,960
Revenue from the Commonwealth.....	23,050,064	22,858,688	12,802,855	55.5%	13,736,572
Total Intergovernmental Revenues	\$ 56,228,977	\$ 55,313,601	\$ 40,806,641	72.6%	\$ 42,212,640
Other Governmental Revenues And Transfers In					
Fines and Forfeitures.....	\$ 6,463,517	6,463,517	\$ 3,073,066	47.5%	\$ 3,140,146
Licenses and Permits.....	2,433,400	2,433,400	1,821,779	74.9%	1,733,120
Charges for City Services.....	20,859,994	20,859,994	11,262,081	54.0%	11,956,264
Revenue from Use of Money & Prop.....	4,712,000	4,712,000	3,954,307	83.9%	3,711,971
Other Revenue.....	1,131,270	1,131,270	1,044,279	92.3%	1,476,994
Transfer from Other Funds.....	10,517,416	9,659,205	-	0.0%	4,573,898
Total Other Governmental Revenues	\$ 46,117,597	\$ 45,259,386	\$ 21,155,512	45.9%	\$ 26,592,393
TOTAL REVENUE	\$ 688,089,714	\$ 690,616,653	\$ 376,683,494	54.7%	\$ 370,714,351
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	\$ 410,851,494	59.7%	\$ 381,360,029

66.7% of Fiscal Year Completed
65.51% of Payrolls Processed

Attachment 2

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING FEBRUARY 28, 2017 AND FEBRUARY 28, 2016

	B	C	D=C/B	F
	FY2017	FY2017	%	FY2016
FUNCTION	APPROVED	EXPENDITURES	OF BUDGET	EXPENDITURES
	BUDGET	THRU 2/28//2017	EXPENDED	THRU 2/29/2016
Legislative & Executive.....	\$ 5,761,244	\$ 3,449,959	59.9%	\$ 3,193,510
Judicial Administration.....	\$ 43,806,417	\$ 27,242,848	62.2%	\$ 26,656,510
Staff Agencies				
Information Technology Services.....	\$ 11,129,837	\$ 6,321,318	56.8%	\$ 5,853,641
Management & Budget.....	1,301,434	781,281	60.0%	692,627
Finance.....	13,956,059	7,199,663	51.6%	7,062,423
Performance and Accountability.....	721,496	269,178	37.3%	340,218
Internal Audit.....	343,182	206,270	60.1%	221,335
Human Resources.....	3,771,526	2,296,601	60.9%	1,904,248
Planning & Zoning.....	5,817,698	3,435,492	59.1%	3,204,864
Economic Development Activities.....	5,490,557	4,030,784	73.4%	3,941,604
City Attorney.....	2,966,602	2,016,636	68.0%	2,181,603
Registrar.....	1,414,680	905,130	64.0%	727,827
General Services.....	15,076,490	8,679,940	57.6%	8,688,648
Total Staff Agencies	\$ 61,989,561	\$ 36,142,293	58.3%	\$ 34,819,038
Operating Agencies				
Transportation & Environmental Services.....	\$ 31,432,545	\$ 16,863,439	53.6%	\$ 17,215,356
Project Implementation.....	1,911,665	989,022	51.7%	\$ 983,442
Fire.....	50,034,337	31,796,380	63.5%	31,863,543
Police.....	61,026,510	39,177,961	64.2%	38,279,056
Emergency Communications.....	7,345,210	4,641,266	63.2%	4,390,269
Code.....	132,590	66,283	50.0%	57,155
Transit Subsidies.....	7,883,899	5,807,062	73.7%	7,150,619
Housing.....	1,882,923	1,075,663	57.1%	1,058,677
Community and Human Services.....	13,366,344	9,266,078	69.3%	9,043,376
Health.....	8,826,175	6,102,290	69.1%	5,763,395
Historic Resources.....	3,079,263	1,872,009	60.8%	1,775,936
Recreation.....	22,052,753	13,900,593	63.0%	14,142,999
Total Operating Agencies	\$ 208,974,214	\$ 131,558,045	63.0%	\$ 131,723,823
Education				
Schools.....	\$ 206,561,472	\$ 114,186,925	55.3%	\$ 109,099,217
Other Educational Activities.....	12,131	9,098	75.0%	8,978
Total Education	\$ 206,573,603	\$ 114,196,023	55.3%	\$ 109,108,195
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 66,523,574	\$ 38,498,584	57.9%	\$ 34,338,253
Expenses on Refunding Bonds.....	-	-	-	-
Non-Departmental.....	9,443,089	6,797,421	72.0%	7,514,430
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	\$ 69,589,108	68.7%	\$ 57,878,224
TOTAL EXPENDITURES	\$ 628,399,596	\$ 382,178,276	60.8%	\$ 363,379,300
Cash Match (Transportation/DCHS/				
and Transfers to the Special Revenue /Capital Projects	\$ 39,941,587	\$ 2,843,262	7.1%	\$ 11,931,612
Transfer to Library.....	7,013,510	31,096	0.4%	4,488,678
Transfer to DASH.....	12,085,304	11,295,384	93.5%	8,177,987
TOTAL EXPENDITURES & TRANSFERS	\$ 687,439,997	\$ 396,348,018	57.7%	\$ 387,977,577
Total Expenditures by Category				
Salaries and Benefits.....	\$ 223,673,920	\$ 139,050,276	62.2%	\$ 135,572,932
Non Personnel (includes all school funds)	463,766,077	291,452,547	62.8%	263,153,939
Total Expenditures	\$ 687,439,997	\$ 430,502,823	62.6%	\$ 398,726,871

Economic Indicators – Sales Tax Revenue

The Chart below reflects Sales Tax Receipts by month for the City for the past several years. The City currently receives 1 percent of all sales tax generated at Alexandria businesses. The tax is collected by businesses, remitted to the State in the next month and wired to the City in the following month. As a result, sales tax revenue lags by two month, so the February Monthly Financial Report shows December sales tax receipts.

As shown in the first chart below, December 2016 collections of \$2.7 million exceeded all previous months for the past several years. The average monthly sales tax collection for the City has been approximately \$2.2 million. Through the first six months in FY 2017, the monthly average is \$2.3 million. January and February tend to be slower revenue producing months. Holiday spending drives December to be typically the highest grossing month. The remaining 9 months of the year tend to be fairly consistent at approximately \$2.1 million per month. The second chart shows Sales Tax Revenue for the past five full years. Although extremely minor, there is steady, slow growth reflected since FY 2012. In early April, staff will complete FY 2017 and FY 2018 revenue reprojections and report any change to Council.

