

City of Alexandria, Virginia

MEMORANDUM

DATE: JUNE 7, 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 April 2017.

BODY

ISSUE: Receipt of the Monthly Financial Report for the Period Ending April 30, 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 materially different than the same time period last year. As of April 30, 2017, General Fund revenues totaled \$452.7 million, an increase of \$30.2 million or 7.1% above the revenues collected at the same time in FY 2016. Through the first ten months of the fiscal year, approximately 65.7 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 \$418.5 million collected in the first ten months of FY 2017 compares to \$411.9 million in the first ten months of FY 2016. This 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 0.6 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 April 30, 2017, General Fund expenditures totaled \$513.3 million, an increase of \$47.1 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 \$479.1 million compared to \$455.4 million in FY 2016, which reflects a 5.2 percent increase in spending to date. Through ten months of the fiscal year, which is 83.3 percent of the fiscal year, excluding the refundings, 70.2 percent of the budget has been expended. The increase compared to the prior year is primarily due to increases in the budgeted amount for cash capital and the subsequent amount expended to date. In FY 2017, the cash capital transfer to the CIP is \$26.8 million compared to \$16.0 million in FY 2016.

Attachment 3 is a sample of the demographic and other economic data that will be presented to the rating agencies as part of the City's ratings presentation. Both Moody's and Standard & Poor's will provide ratings of the City's creditworthiness in advance of the City's planned bond sale that is expected to occur in July 2017.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for April 30, 2017

Attachment 2 - Comparative Expenditure Schedule for April 30, 2017

Attachment 3 - Economic and other Demographic Indicators for the City of Alexandria

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 APRIL 30 2017 AND APRIL 30, 2016

	B	B.1	C	D=C/B	F
	FY2017	FY 2017	FY2017		FY2016
	AMENDED	PROJECTED	REVENUES	%	REVENUES
	BUDGET	REVENUES	THRU 4/30/2017	OF BUDGET	THRU 4/30/2016
General Property Taxes					
Real Property Taxes.....	\$ 406,585,431	411,696,506	\$ 199,682,574	49.1%	\$ 191,186,710
Personal Property Taxes.....	46,080,000	46,826,653	46,144,187	100.1%	44,671,568
Penalties and Interest.....	2,000,000	2,000,000	2,182,240	109.1%	1,967,440
Total General Property Taxes	\$ 454,665,431	\$ 460,523,159	\$ 248,009,001	54.5%	\$ 237,825,718
Other Local Taxes					
Local Sales and Use Taxes.....	\$ 27,075,000	27,500,000	\$ 18,044,814	66.6%	\$ 17,352,457
Consumer Utility Taxes.....	12,700,000	12,500,000	8,375,640	65.9%	9,387,714
Communication Sales and Use Taxes.....	10,300,000	10,300,000	6,823,150	66.2%	6,987,693
Business License Taxes.....	33,300,000	32,660,473	31,828,431	95.6%	30,879,023
Transient Lodging Taxes.....	12,000,000	12,666,000	8,397,243	70.0%	7,886,394
Restaurant Meals Tax.....	18,800,000	18,800,000	13,152,831	70.0%	13,008,674
Tobacco Taxes.....	2,968,555	2,990,000	2,259,223	76.1%	2,173,405
Motor Vehicle License Tax.....	3,500,000	3,600,000	3,444,278	98.4%	3,405,714
Real Estate Recordation.....	5,300,000	4,800,000	3,478,854	65.6%	3,882,537
Admissions Tax.....	786,000	786,000	490,072	62.4%	543,301
Other Local Taxes.....	4,348,154	4,424,154	607,048	14.0%	824,159
Total Other Local Taxes	\$ 131,077,709	\$ 131,026,627	\$ 96,901,584	73.9%	\$ 96,331,071
Intergovernmental Revenues					
Revenue from the Fed. Government.....	\$ 9,600,382	8,876,382	\$ 6,486,839	67.6%	\$ 6,434,837
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	23,031,924	17,769,379	77.1%	17,197,403
Total Intergovernmental Revenues	\$ 56,228,977	\$ 55,486,837	\$ 47,363,178	84.2%	\$ 46,739,200
Other Governmental Revenues And Transfers In					
Fines and Forfeitures.....	\$ 6,463,517	6,463,517	\$ 3,950,116	61.1%	\$ 4,058,914
Licenses and Permits.....	2,433,400	2,433,400	2,259,895	92.9%	2,174,299
Charges for City Services.....	20,859,994	20,859,994	13,571,245	65.1%	14,327,369
Revenue from Use of Money & Prop.....	4,712,000	4,712,000	5,015,171	106.4%	4,163,269
Other Revenue.....	1,889,684	1,889,684	1,435,417	76.0%	1,656,530
Transfer from Other Funds.....	10,517,416	9,659,205	-	0.0%	4,573,897
Total Other Governmental Revenues	\$ 46,876,011	\$ 46,017,800	\$ 26,231,844	56.0%	\$ 30,954,278
TOTAL REVENUE	\$ 688,848,128	\$ 693,054,423	\$ 418,505,607	60.8%	\$ 411,850,267
Appropriated Fund Balance					
General Fund.....	\$ -	(2,316,692)	\$ -	\$ -	\$ -
Appropriated refunding bond proceeds	-	-	34,168,000	\$ -	10,645,678
Reappropriation of FY 2015	-	-	-	-	-
Encumbrances And Other	-	-	-	-	-
Supplemental Appropriations....	493,112	-	-	-	-
TOTAL	\$ 689,341,240	\$ 690,737,731	\$ 452,673,607	65.7%	\$ 422,495,945

83.3% of Fiscal Year Completed
80.84% of Payrolls Processed

Attachment 2

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING APRIL 30, 2017 AND APRIL 30, 2016

	B	C	D=C/B	F
	FY2017 AMENDED BUDGET	FY2017 EXPENDITURES THRU 4/30/2017	% OF BUDGET EXPENDED	FY2016 EXPENDITURES THRU 4/30/2016
FUNCTION				
Legislative & Executive.....	\$ 5,761,244	\$ 4,295,931	74.6%	\$ 4,051,594
Judicial Administration.....	\$ 43,806,417	\$ 33,769,027	77.1%	\$ 33,159,523
Staff Agencies				
Information Technology Services.....	\$ 11,129,837	\$ 8,120,468	73.0%	\$ 7,544,656
Management & Budget.....	1,301,434	989,178	76.0%	862,046
Finance.....	13,956,059	9,034,673	64.7%	8,749,480
Performance and Accountability.....	721,496	335,615	46.5%	425,694
Internal Audit.....	343,182	251,166	73.2%	268,888
Human Resources.....	3,771,526	2,911,409	77.2%	2,367,340
Planning & Zoning.....	5,817,698	4,325,815	74.4%	3,988,882
Economic Development Activities.....	5,490,557	5,350,087	97.4%	5,262,648
City Attorney.....	2,966,602	2,487,607	83.9%	2,871,938
Registrar.....	1,414,680	1,040,003	73.5%	950,869
General Services.....	15,076,490	10,693,473	70.9%	10,851,391
Total Staff Agencies	\$ 61,989,561	\$ 45,539,495	73.5%	\$ 44,143,832
Operating Agencies				
Transportation & Environmental Services.....	\$ 31,432,545	\$ 20,554,540	65.4%	\$ 20,670,065
Project Implementation.....	1,911,665	1,215,035	63.6%	\$ 1,207,664
Fire.....	50,034,337	38,779,174	77.5%	38,314,002
Police.....	61,026,510	48,399,782	79.3%	47,031,722
Emergency Communications.....	7,345,210	5,740,961	78.2%	5,609,258
Code.....	132,590	81,645	61.6%	80,653
Transit Subsidies.....	7,883,899	7,533,678	95.6%	9,887,587
Housing.....	1,882,923	1,336,593	71.0%	1,325,072
Community and Human Services.....	13,366,344	11,239,783	84.1%	10,518,868
Health.....	8,826,175	8,059,559	91.3%	7,549,273
Historic Resources.....	3,079,263	2,307,451	74.9%	2,224,061
Recreation.....	22,052,753	17,004,467	77.1%	17,116,018
Total Operating Agencies	\$ 208,974,214	\$ 162,252,668	77.6%	\$ 161,534,243
Education				
Schools.....	\$ 206,561,472	\$ 146,230,891	70.8%	\$ 141,625,555
Other Educational Activities.....	12,131	12,131	100.0%	11,971
Total Education	\$ 206,573,603	\$ 146,243,022	70.8%	\$ 141,637,526
Capital, Debt Service and Miscellaneous				
Debt Service.....	\$ 66,523,574	\$ 38,498,584	57.9%	\$ 34,338,253
Expenses on Refunding Bonds.....	34,168,000	34,154,805	100.0%	10,749,293
Non-Departmental.....	9,443,089	7,494,262	79.4%	8,552,430
General Cash Capital.....	24,293,103	26,834,078	110.5%	16,025,541
Contingent Reserves.....	1,034,791	-		
Total Capital, Debt Service and Miscellaneous	\$ 135,462,557	\$ 106,981,729	79.0%	\$ 69,665,517
TOTAL EXPENDITURES	\$ 662,567,596	\$ 499,081,871	75.3%	\$ 454,192,235
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects	\$ 39,941,587	\$ 2,843,262	7.1%	\$ 917,065
Transfer to Library.....	7,013,510	36,933	0.5%	35,790
Transfer to DASH.....	12,085,304	11,295,384	93.5%	11,014,547
TOTAL EXPENDITURES & TRANSFERS	\$ 721,607,997	\$ 513,257,451	71.1%	\$ 466,159,637
Total Expenditures by Category				
Salaries and Benefits.....	\$ 223,673,920	\$ 171,736,072	76.8%	\$ 166,924,940
Non Personnel (includes all school funds)	497,934,077	341,521,379	68.6%	299,234,697
Total Expenditures	\$ 721,607,997	\$ 513,257,451	71.1%	\$ 466,159,637

Economic and Demographic Indicators

UNEMPLOYMENT RATE

	2011	2012	2013	March 2014	March 2015	March 2016	March 2017
Alexandria	4.8%	4.5%	4.0%	3.9%	3.6%	3.0%	2.9%
Commonwealth of Virginia *	6.2	5.9	5.5	5.3	4.9	4.0	3.8
United States *	8.9	8.2	7.6	6.7	6.7	5.1	4.6

* Virginia and U.S. unemployment rates are seasonally adjusted. Alexandria unemployment rates are not seasonally adjusted.

**PER CAPITA PERSONAL INCOME
JURISDICTIONS IN THE WASHINGTON, D.C. AREA
2011 TO 2015**

	2011	2012	2013	2014	2015
Alexandria (VA)	\$73,298	\$76,165	\$75,146	\$77,142	\$82,683
Arlington County (VA)	79,924	81,684	81,006	83,170	86,161
Fairfax County (VA)	72,453	74,501	72,867	75,007	74,923
Commonwealth of Virginia	47,689	49,320	48,956	50,354	52,052
Washington MSA	60,945	62,420	61,387	62,975	64,882
United States (Metropolitan areas)	43,987	45,872	45,942	47,615	49,827

Source: US Department of Commerce, Bureau of Economic Analysis (These data have been revised from previous estimates provided by the Department of Commerce). Fairfax County, VA data includes Fairfax City, VA and the City of Falls Church, VA. United States per capita is presented in current dollars.

OFFICE VACANCY RATES

Jurisdiction	1st Quarter 2016	1st Quarter 2017
Alexandria, VA	17.4%	18.0%
Northern Virginia	17.8%	17.4%
Washington D.C. Metro Area	14.8%	15.0%

Source: CoStar and Colliers Northern Virginia Office Report.

Employment by Sector (As a Percentage of Total)	2016
Services	27.85%
Government	23.57%
Manufacturing and Other	13.54%
Trade	10.16%
Accommodation	9.02%
Health Care	6.85%
Financial, Insurance and Real Estate	4.79%
Construction	2.23%
Transportation, Communications, and Utilities	1.99%