



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: OCTOBER 16, 2019

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, 2019.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending August 31, 2019.

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 2019: The unaudited preliminary estimate for FY 2019 General Fund revenues is \$756.2 million. At the same time, FY 2019 expenditures and encumbrances totaled \$747.2 million, enabling the City to end the year with a surplus of revenues over expenditures and encumbrances of about \$9.0 million. All departments remained within their FY 2019 budget. The ending position for the fiscal year will enable departmental incomplete projects and some emergency operating and capital needs to be addressed, such as enhanced security for City Hall, and accelerated cyber security investments. FY 2019 remaining funds will also be able to be set aside for FY21 and future operating and capital budget consideration.

The FY 2019 General Fund surplus enables the City to increase its ratio of Spendable Fund Balance as a percentage of General Fund revenues from 16.4% to 18.48%, which is viewed favorably by the bond rating agencies who view this as an indicator of the City's ability to respond to fiscal uncertainties and unforeseen events. At the recommendation of BFAAC, staff is presenting City Council with proposed changes to the City's Fund Balance ratios to better reflect current practices.

FY 2020: As of August 31, 2019, General Fund revenues totaled \$27.6 million, a decrease \$2.0 million or 6.7% compared to the revenues collected at the same time in FY 2019. This is entirely due to the timing of

receipts. These timely anomalies are most pronounced early in the fiscal year. Personal Property tax bills were mailed in late August, compared to early to mid-August in FY 2019. There is no longer a Motor Vehicle License Tax in FY 2020. Timing and accruals of federal prisoner per diem revenue is the cause of the variance in Revenue from the federal Government. As noted in last month's timeline, the first significant tax revenue in FY 2020 is due on October 7, 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 for taxes owed in June and are therefore accrued to the prior fiscal year.

As of August 31, 2019, General Fund expenditures totaled \$111.5 million, compared to \$100.8 million over the same time period for FY 2019, which represents a 10.6 percent increase. There are several contributing factors. The most significant variance is in Transit Subsidies and reflects a timing issue related to the Cash Match transfer to DASH. The transfer in FY 2020 occurred in July, but in FY 2019 it did not occur until September. Through the first two months of FY 2019, which equates to 16.7 percent of the fiscal year, the City has expended 16.2 percent of the budgeted amount.

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, 2019 AND AUGUST 31, 2018

	B	C	D=C/B	F	G=F/E
	FY 2020	FY2020		FY2019	
	APPROVED	REVENUES	%	REVENUES	%
	BUDGET	THRU 8/31/2019	OF BUDGET	THRU 8/31/2018	OF TOTAL
General Property Taxes					
Real Property Taxes.....	\$ 462,848,143	\$ 505,785	0.1%	\$ 703,203	0.2%
Personal Property Taxes.....	56,926,910	453,201	0.8%	4,693,030	10.3%
Penalties and Interest.....	2,708,000	67,658	2.5%	228,576	8.3%
Total General Property Taxes	<u>\$ 522,483,053</u>	<u>\$ 1,026,644</u>	<u>0.2%</u>	<u>\$ 5,624,809</u>	<u>1.3%</u>
Other Local Taxes					
Local Sales and Use Taxes.....	\$ 28,800,000	\$ -	0.0%	\$ -	0.0%
Consumer Utility Taxes.....	12,000,000	747,097	6.2%	831,146	6.6%
Communication Sales and Use Taxes.....	9,200,000	-	0.0%	-	0.0%
Business License Taxes.....	34,378,000	118,991	0.3%	462,538	1.4%
Transient Lodging Taxes.....	12,800,000	1,211,074	9.5%	1,195,820	10.1%
Restaurant Meals Tax.....	24,231,000	2,225,264	9.2%	2,103,365	11.3%
Tobacco Taxes.....	2,600,000	224,144	8.6%	237,874	8.2%
Motor Vehicle License Tax.....	-	-	0.0%	582,795	16.2%
Real Estate Recordation.....	6,000,000	826,101	13.8%	538,084	10.1%
Admissions Tax.....	670,000	57,788	8.6%	30,037	4.0%
Other Local Taxes.....	4,809,090	4,550	0.1%	-	0.0%
Total Other Local Taxes	<u>\$ 135,488,090</u>	<u>\$ 5,415,010</u>	<u>4.0%</u>	<u>\$ 5,981,659</u>	<u>4.6%</u>
Intergovernmental Revenues					
Revenue from the Fed. Government.....	\$ 10,397,000	\$ 1,384,720	13.3%	\$ 790,712	8.6%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	11,789,265	50.0%
Revenue from the Commonwealth.....	23,564,515	2,171,467	9.2%	738,820	3.2%
Total Intergovernmental Revenues	<u>\$ 57,540,046</u>	<u>\$ 15,345,452</u>	<u>26.7%</u>	<u>\$ 13,318,797</u>	<u>23.7%</u>
Other Governmental Revenues And Transfers In					
Fines and Forfeitures.....	\$ 4,930,450	\$ 675,957	13.7%	\$ 717,208	14.4%
Licenses and Permits.....	2,615,350	372,565	14.2%	391,399	15.4%
Charges for City Services.....	15,790,462	2,767,450	17.5%	2,208,541	11.1%
Revenue from Use of Money & Prop.....	11,406,650	1,662,634	14.6%	990,161	18.3%
Other Revenue.....	2,016,285	315,359	15.6%	315,730	14.5%
Transfer from Other Funds.....	9,271,882	-	0.0%	-	0.0%
Total Other Governmental Revenues	<u>\$ 46,031,079</u>	<u>\$ 5,793,965</u>	<u>12.6%</u>	<u>\$ 4,623,039</u>	<u>11.0%</u>
TOTAL REVENUE	<u>\$ 761,542,268</u>	<u>\$ 27,581,071</u>	<u>3.6%</u>	<u>\$ 29,548,304</u>	<u>4.5%</u>
Appropriated Fund Balance					
General Fund.....	\$ 2,893,585	\$ -	\$ -	\$ -	-
Cash Capital					
Encumbrances And Other		-	-	-	-
Supplemental Appropriations....	4,360,247	-	-	-	-
TOTAL	<u>\$ 768,796,100</u>	<u>\$ 27,581,071</u>	<u>3.6%</u>	<u>\$ 29,548,304</u>	<u>4.5%</u>

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
 GENERAL FUND
 FOR THE PERIODS ENDING AUGUST 31, 2019 AND AUGUST 31, 2018**

FUNCTION	B	C	D=C/B	F
	FY 2020	FY2020	%	FY2019
	APPROVED BUDGET	EXPENDITURES THRU 8/31/2019	OF BUDGET EXPENDED	EXPENDITURES THRU 8/31/2018
Legislative & Executive.....	\$ 3,420,083	\$ 486,803	14.2%	\$ 472,805
Judicial Administration.....	\$ 45,753,450	\$ 6,710,811	14.7%	\$ 7,075,803
Staff Agencies				
Communications	\$ 1,544,299	\$ 202,540	13.1%	\$ 187,006
Human Rights	905,803	152,973	16.9%	160,707
Information Technology Services.....	12,112,402	3,338,505	27.6%	2,369,973
Management & Budget.....	1,289,191	208,158	16.1%	184,583
Finance.....	13,636,052	1,826,272	13.4%	1,729,214
Performance and Accountability.....	524,512	135,177	25.8%	68,653
Internal Audit.....	442,003	35,394	8.0%	30,453
Human Resources.....	4,540,243	707,170	15.6%	590,421
Planning & Zoning.....	6,200,058	836,627	13.5%	857,446
Economic Development Activities.....	7,131,946	1,514,540	21.2%	1,415,297
City Attorney.....	3,018,893	609,062	20.2%	508,108
Registrar.....	1,335,337	181,286	13.6%	118,546
General Services.....	12,069,541	1,803,127	14.9%	1,949,853
Total Staff Agencies	\$ 64,750,280	\$ 11,550,830	17.8%	\$ 10,170,260
Operating Agencies				
Transportation & Environmental Services.....	\$ 24,122,255	\$ 2,938,267	12.2%	\$ 2,763,102
Project Implementation.....	-	195	0.0%	14,934
Fire.....	55,307,639	7,529,928	13.6%	7,145,788
Police.....	67,140,759	9,018,036	13.4%	8,954,194
Emergency Communications.....	8,178,881	1,439,657	17.6%	1,096,412
Code.....	33,060	898	2.7%	449
Transit Subsidies.....	21,760,499	17,065,020	78.4%	9,488,978
Housing.....	1,883,181	280,590	14.9%	260,894
Community and Human Services.....	14,569,180	2,162,854	14.8%	2,739,830
Health.....	8,320,647	1,921,955	23.1%	1,888,516
Historic Resources.....	3,431,620	489,278	14.3%	406,249
Recreation.....	23,855,374	3,742,014	15.7%	3,531,369
Total Operating Agencies	\$ 228,603,095	\$ 46,588,693	20.4%	\$ 38,290,715
Education				
Schools.....	\$ 231,669,496	\$ 11,848,420	5.1%	\$ 11,919,811
Other Educational Activities.....	16,128	4,032	25.0%	3,036
Total Education	\$ 231,685,624	\$ 11,852,452	5.1%	\$ 11,922,847
Capital, Debt Service and Miscellaneous				
Debt Service - City.....	\$ 35,530,695	\$ 18,522,034	52.1%	\$ 18,203,338
Debt Service - Schools.....	\$ 28,112,251	\$ 14,452,218	51.4%	\$ 12,178,181
Expenses on Refunding Bonds.....	-	-	0.0%	-
Non-Departmental.....	9,495,526	1,316,812	13.9%	2,484,192
General Cash Capital.....	40,031,577	-	0.0%	-
Contingent Reserves.....	799,170	-	0.0%	-
Total Capital, Debt Service and Miscellaneous	\$ 113,969,219	\$ 34,291,064	30.1%	\$ 32,865,711
TOTAL EXPENDITURES	\$ 688,181,751	\$ 111,480,654	16.2%	\$ 100,798,141
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Projects Funds).....	\$ 58,216,301	\$ -	0.0%	\$ -
Transfer to Library.....	7,115,754	13,362	0.2%	14,881
Transfer to DASH.....	15,282,278	-	0.0%	-
TOTAL EXPENDITURES & TRANSFERS	\$ 768,796,086	\$ 111,494,016	14.5%	\$ 100,813,022
Total Expenditures by Category				
Salaries and Benefits.....	\$ 233,446,958	\$ 33,746,338	14.5%	\$ 33,145,868
Non Personnel (includes all school funds)	535,349,142	77,747,678	14.5%	67,667,153
Total Expenditures	\$ 768,796,100	\$ 111,494,016	14.5%	\$ 100,813,021