



## Legislation Details (With Text)

|                       |   |                      |   |
|-----------------------|---|----------------------|---|
| <b>File #:</b>        | 13-0514   | <b>Name:</b>         | Monthly Financial Report for The Period Ending September 30, 2012 -- Staff Report |
| <b>Type:</b>          | Written Report  | <b>Status:</b>       | Agenda Ready  |
| <b>File created:</b>  | 8/13/2012   | <b>In control:</b>   | City Council Legislative Meeting  |
| <b>On agenda:</b>     | 11/13/2012  | <b>Final action:</b> |   |
| <b>Title:</b>         | Consideration of the Monthly Financial Report for the Period Ending September 30, 2012  |                      |   |
| <b>Sponsors:</b>      |   |                      |   |
| <b>Indexes:</b>       |   |                      |   |
| <b>Code sections:</b> |   |                      |   |
| <b>Attachments:</b>   | 1. 13-0514_Economic Indicators - Statistics (1), 2. 13-0514_Economic Indicators - Charts (1), 3. 13-0514_12SEPREV (2), 4. 13-0514_12SEPTEXP (3), 5. 13-0514_NLC Council Presentation by Carolyn Coleman, 6. 13-0514_After Items |                      |   |

| Date | Ver. | Action By | Action | Result |
|------|------|-----------|--------|--------|
|------|------|-----------|--------|--------|

## City of Alexandria, Virginia

### MEMORANDUM

**DATE:** NOVEMBER 7, 2012

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** RASHAD M. YOUNG, CITY MANAGER /s/

**DOCKET TITLE:**

Consideration of the Monthly Financial Report for the Period Ending September 30, 2012

**ISSUE:** Receipt of the City's Monthly Financial Report for the period ending September 30, 2012.

**RECOMMENDATION:** That City Council receive the following Monthly Financial Report for the period ending September 30, 2012.

**BACKGROUND:** N/A

**DISCUSSION:** Final revenues and expenditures for FY 2012 will be reported in November in the City's audited Comprehensive Annual Financial Report (CAFR). We will realize the revenue surplus we reported to City Council during budget deliberations. This surplus and uses of the fund balance are outlined in Budget

Memo #58 and included in the table below.

| <b>Use of Fund Balance</b>                     |                 |
|--|-----------------|
| <b>Use</b>                                     | <b>Amount</b>   |
| Support FY 2013 Expenditures at<br>of Revenues | \$2.58 million  |
| FY 2014 Capital Improvement Pro                | \$1.76 million  |
| Encumbrances (estimated)                       | \$1.70 million  |
| Compliance with Financial Policies             | \$1.10 million  |
| Additional Equipment Replacemen                | \$0.26 million  |
| One-Time Land Use and Planning                 | \$0.84 million  |
| Funding for Innovation and Profess             | \$0.45 million  |
| Development Fund                               |                 |
| Total  | \$8.68 million* |

\*Doesn't add up due to rounding.

These funds will be included in the re-appropriation ordinance in December.

### **ECONOMIC HIGHLIGHTS:**

This is the second of four monthly financial reports specifically focused on segments of the City's tax base as background for the FY 2014 proposed budget to be presented on February 26, 2013. A report on the state of the real estate market and development was delivered at the October 9, 2012 City Council meeting. The November report features an update on State and federal revenues. Reports on local non-property taxes and personal property taxes are planned to be delivered in December and January respectively, to be followed by the annual real estate property assessment report in January.

The November 13, 2012 report to City Council will include a live presentation by Carolyn Coleman, Director of the National League of Cities' Center for Federal Relations, on the potential impact of Budget Control Act of 2011 federal spending reductions on the national and regional economy. As stated in last month's report, federal reductions have the potential to impact City revenues through the impact of reduced federal jobs and contracts on the local economy and by reduced federal funding and grants to local programs.

In FY 2012, the City received \$55.5 million in General Fund revenue from the State and federal governments. This represented 8.6 percent of total General Fund revenues for FY 2012. FY 2012 was the first year in which intergovernmental revenues returned to the amount received in FY 2008. The State personal property tax relief reimbursement, the single largest source of intergovernmental revenue, remained flat in FY 2012 for the fifth straight year after being reduced from FY 2007 to FY 2008.

Through the first quarter of FY 2013, intergovernmental revenues are on a similar pace, with the City having collected 99.2 percent of the revenues received through the first quarter of FY 2012.

### **REVENUE HIGHLIGHTS:**

**Year-to-Date Revenues:** As of September 30, 2012, actual General Fund revenues totaled \$58.6 million,

which is 3.0 percent more than the revenues for the same period last year. Most of this increase is related to personal property taxes that were billed earlier in FY 2013 than in FY 2012. Government accounting principles require that most taxes and intergovernmental revenues received in July be counted as revenue for the fiscal year ended June 30, 2012. See the online reference (Attachment 2 - Revenues) for more information. Three months does not provide enough data to recognize any trends, either positive or negative.

- **Other Local Taxes:** The decrease is primarily a result of the timing payments.
- **Fines and Forfeitures:** Collections in this category primarily reflect budgeted increases for red light cameras installing in FY 2012.
- **Revenue from Use of Money and Property:** The decrease is primarily due to continued low interest rates.
- **Other Revenues:** The increase is primarily due to \$162,000 in revenues from the sale of surplus property.

### **EXPENDITURE HIGHLIGHTS:**

**Year-to-Date Expenditures:** As of September 30, 2012, actual General Fund expenditures totaled \$132.3 million, an increase of \$12 million, or 9.9 percent, above expenditures for the same period last year. Personnel expenditures remain on par with the budget but are 4.0 percent less than the previous year because of the percentage of payrolls processed in the period. Non-personnel spending increased 19 percent. For most departments, differences in spending patterns for non-personnel this early in the year reflect the timing of bill payments and not necessarily changes in spending patterns. We are closely monitoring and controlling these expenditures to be at or below budget.

- **Health Department:** The Health Department made the first \$0.97 million quarterly payment to the Commonwealth of Virginia to cover the City's local commitment earlier in FY 2013 than in FY 2012.
- **Transit subsidies:** The increase is due to the timing of the City's payment to WMATA.
- **Debt Service:** The increase in debt service reflects planned expenditures for the FY 2012 General Obligation bonds.
- **Schools:** The City will provide approximately 75.8 percent of the estimated funds required to operate the City public school system in FY 2013.

**FISCAL IMPACT:** N/A

### **ATTACHMENTS:**

Online Reference 1-The Economy

Online Reference 2-Revenues

Online Reference 3-Expenditures

### **STAFF:**

Laura Triggs, Chief Financial Officer

Morgan Routt, Office of Management and Budget

Berenice Harris, Finance Department

Melinda Barton, Finance Department