

CITY OF ALEXANDRIA, VIRGINIA

Monthly Financial Report

April 2016



Report Summary—Revenues

General Property tax collections are comparing favorably to the prior year through the first ten months. Through April 2016 property tax revenues received were 55.6 percent of the budgeted amount, which compares favorably to the same time period last year when collections were 55.3 percent of the total amount received. Real property tax revenues through March 2016 were \$191.2 million or 50.0% of the budgeted amount. The budgeted amount assumed a 49.65 percent collection rate for the second half payment for Calendar Year 2015. The first half payment for Calendar Year 2016, based on the tax rate adopted by City Council in May as part of the FY 2017 Budget adoption, is due in June 2016. Preliminary revenue projections for FY 2016 have been developed as part of the FY 2017 budget process. Based on the approved three cent increase in the real property tax and a slightly higher increase in the total tax base in calendar year 2016 than was assumed for the FY 2016 Approved Budget, real property taxes are projected to exceed the budgeted amount. The additional funds generated by the tax increase have been included in Assigned Fund Balance for one-time funding initiatives (including \$3.4 million in capital projects funded by two cents of the real estate tax rate increase) included in the FY 2017 Adopted Budget, as well as ensuring that the City maintains its financial policies for Fund Balance as a percentage of General Fund Revenues.

Other local taxes continue to compare favorably to last year. In some cases the variance is due to the timing of payments and not any significant economic factor; however, there are several categories that are outperforming the prior year. Local Sales tax continues to exceed the amount collected in the prior year. Through April 2016, \$17.4 million has been received compared to \$16.6 million through April 2015. Sales tax receipts lag by two months, so collections to date reflect sales in the City through February. Both restaurant meals and transient lodging taxes continue to exceed the amounts for the same time period last year. March 1, 2016 was the deadline for filing and paying the City's Business, Professional Occupational License (BPOL). This continues to lag compared to the prior year and staff continues to work with local businesses to ensure that filings are accurate and all taxes owed are remitted. Other local taxes is comprised mostly of Bank Franchise taxes, which are estimated this year to be \$3.4 million compared to \$3.2 million in FY 2015.

Revenues from Charges for Services are trending higher than through the same period last year with 74.2 percent of the budgeted amount collected in FY 2016 through ten months compared to 71.9 percent through April 2015. A significant source of this revenue comes from Parking Meter receipts which are \$0.25 million higher than last year and approximately \$0.1 million in Refuse Collection Fees, due primarily to new residential accounts added for Potomac Yard. Another significant source of revenue in this category is fees generated by Recreation classes and programs. Fees for Recreation classes are reviewed each year to ensure cost recovery. For FY 2016 the budgeted amount for Recreation fees increased from \$3.2 million to \$3.6 million in order to reflect additional cost recovery.

REVENUES



REVENUE VARIANCES IN DETAIL

Variances in FY16 YTD Revenue from FY15 YTD Revenue	Explanation
General Property Taxes	Variances in property tax revenues relate to the timing of payments, not any significant economic condition. Second half 2015 Real Estate payments were received in November and the majority of personal property taxes were collected in October. Staff will continue to register vehicles for new residents and new purchases, throughout the year. Delinquent taxes will also be pursued throughout the remainder of the fiscal year. It is expected that approximately 99 percent of 2015 personal property taxes will be collected within this fiscal year with that collection rate rising higher than 99 percent of the total amount owed over the subsequent 3 to 4 years.
Other Revenue	In FY 2015, final revenue collections reflect the proceeds from the sale of the old Health Department Building of approximately \$5.3 million. FY 2016 reflects normal activity for the year. It is worth noting that this small category is performing well compared to the budgeted amount. This is due to collections for insurance recoveries.
Charges for Services	Revenue from Charges for Services, which include such large sources as Refuse Collection Fees, Parking Meter Receipts and Recreation Fees, are higher than FY 2015 due to increases in those categories. Parking Meter Receipts are higher than last year due to the full year implementation of new meters and rates. In addition, better meter preventative maintenance through the use of interactive technology has improved the up-time of existing meters, resulting in less lost revenue from non-functioning meters. Refuse Collection fees are higher in part due to new residential accounts that have come online at Potomac Yard. Recreation Fees are higher in part due to annual adjustments to the fees for full cost recovery, but also reflects higher registration collections compared to the prior year.

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Report Summary—Expenditures

As of April 30, 2016, General Fund expenditures totaled \$481.9 million, which equals 72.4 percent of the budgeted expenditures for FY 2016. At this time period, the City is approximately 83 percent of the way through the fiscal year and 81.3 percent of payrolls have been processed. Nearly all agencies have expenditures as a percent of budget that are lower than the percent of the fiscal year that has been completed. Staff agencies have expended 73.1 percent of their approved budgets and operating agencies are at 79.4 percent. Variances in staff agencies compared to the prior year are the result of vacancies.

With the exception of costs related to snow removal largely from the January 22, 2016 storm, at this point in the fiscal year there are no significant unbudgeted or unanticipated expenditures recorded and the variances shown in Attachment 2 are the result of changes in staffing levels or vacancies in departments. Variances in the Office of Management and Budget, Emergency Communications, Code Administration, Housing and Finance are related to vacancies and turnover of senior positions at lower costs. The Alexandria Health Department is consistent with spending patterns in FY 2015. The variance compared to the percent of the fiscal year that has been completed is the result of the local commitment to the Commonwealth of Virginia. This is made quarterly and all payments have been made for the fiscal year. Other agencies in which the percent expended exceeds the percent budgeted include Economic Development Activities and Transit Subsidies, for which the majority of expenditures are distributed as quarterly payments.

Expenditures for salaries and benefits are 77.8 percent of the budgeted amount, compared to 80.7 percent expended last year at this time. Non-personnel spending is below the percentage of the fiscal year that has passed but is slightly lower through the same period in FY 2015. This is due to the timing of inconsistent transfers. Through April 2016, 100 percent of the General Fund Cash Capital contribution to the Capital Improvement Program has been transferred, whereas in FY 2015 through April only 79 percent had been transferred. The significant variance in Non-Departmental spending compared to FY 2015 relates to additional outside contracted support to supplement City snow removal efforts in February.

ECONOMIC INDICATORS



Unemployment Rates as of 1st Quarter 2016

Alexandria: 3.0%
Arlington: 2.7%
Fairfax: 3.0%
Virginia: 4.0%
United States: 5.1%

Office Vacancy Rates as of 1st Quarter of 2016

Alexandria: 17.4%
Arlington: 20.1%
United States: 16.6%
Northern Virginia: 17.8%
Washington D.C. Metro Area: 14.8%
Washington D.C: 17.3%

Average Salary as of May 2016

Alexandria: \$65,767
Arlington: \$72,600
Fairfax: \$67,879
Virginia: \$58,000
United States: \$41,184

Retail Average Gas Prices as of June 1st 2016:

Virginia: \$2.188
United States: \$2.328
Alexandria: \$2.20
Arlington: \$2.36
Fairfax: \$2.36

ATTACHMENT 1



COMPARATIVE STATEMENT OF REVENUES GENERAL FUND FOR THE PERIODS ENDING APRIL 30, 2016 AND APRIL 30, 2015

	B		C	D=C/B	E	F	G=F/E
	FY2016	FY2016	FY2016		FY 2015	FY2015	
	REVISED	PROJECTED	REVENUES	%	TOTAL	REVENUES	%
	BUDGET	REVENUES	THRU 04/30/16	OF BUDGET	REVENUE	THRU 04/30/15	OF TOTAL
General Property Taxes							
Real Property Taxes.....	\$ 382,088,719	\$ 387,874,005	\$ 191,186,710	50.0%	\$ 368,179,677	\$ 184,482,341	50.1%
Personal Property Taxes.....	43,860,000	44,990,000	44,671,568	101.9%	44,495,560	43,504,897	97.8%
Penalties and Interest.....	2,145,000	2,145,000	1,967,440	91.7%	2,065,762	1,392,414	67.4%
Total General Property Taxes	\$ 428,093,719	435,009,005	\$ 237,825,718	55.6%	\$ 414,740,999	\$ 229,379,652	55.3%
Other Local Taxes							
Local Sales and Use Taxes.....	\$ 25,500,000	\$ 26,300,000	\$ 17,352,457	68.0%	\$ 25,620,565	\$ 16,589,100	64.7%
Consumer Utility Taxes.....	12,500,000	12,500,000	9,387,714	75.1%	12,364,106	8,738,654	70.7%
Communication Sales and Use Taxes...	11,000,000	10,400,000	6,987,693	63.5%	10,776,792	7,216,050	67.0%
Business License Taxes.....	33,000,000	33,000,000	30,879,023	93.6%	33,474,138	32,164,168	96.1%
Transient Lodging Taxes.....	11,500,000	11,700,000	7,886,394	68.6%	11,371,287	7,553,098	66.4%
Restaurant Meals Tax.....	17,750,000	18,300,000	13,008,674	73.3%	17,635,886	12,267,661	69.6%
Tobacco Taxes.....	3,060,000	3,000,000	2,173,405	71.0%	3,020,469	2,249,153	74.5%
Motor Vehicle License Tax.....	3,400,000	3,400,000	3,405,714	100.2%	3,483,135	3,324,244	95.4%
Real Estate Recordation.....	4,700,000	5,400,000	3,882,537	82.6%	5,351,748	3,706,276	69.3%
Admissions Tax.....	810,000	810,000	543,301	67.1%	902,556	608,783	67.5%
Other Local Taxes.....	3,909,800	3,965,000	824,159	21.1%	3,652,202	281,941	7.7%
Total Other Local Taxes	\$ 127,129,800	128,775,000	\$ 96,331,071	75.8%	\$ 127,652,884	\$ 94,699,128	74.2%
Intergovernmental Revenues							
Revenue from the Fed. Government....	\$ 9,650,382	\$ 9,650,382	\$ 6,434,837	66.7%	\$ 9,691,407	\$ 5,807,170	59.9%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	23,578,531	23,106,960	98.0%	23,578,531	23,106,960	98.0%
Revenue from the Commonwealth.....	22,759,967	22,937,647	17,197,403	75.6%	22,131,578	16,064,070	72.6%
Total Intergovernmental Revenues	\$ 55,988,880	56,166,560	\$ 46,739,200	83.5%	\$ 55,401,516	\$ 44,978,200	81.2%
Other Governmental Revenues And Transfers In							
Fines and Forfeitures.....	\$ 6,212,126	\$ 5,845,000	\$ 4,058,914	65.3%	\$ 4,916,607	\$ 4,039,324	82.2%
Licenses and Permits.....	2,534,625	2,534,625	2,174,299	85.8%	2,455,001	2,002,682	81.6%
Charges for City Services.....	19,321,236	19,319,337	14,327,369	74.2%	18,557,721	13,347,772	71.9%
Revenue from Use of Money & Prop.	4,875,080	4,575,080	4,163,269	85.4%	4,870,007	4,384,082	90.0%
Other Revenue.....	624,654	1,019,912	1,656,530	265.2%	7,109,874	6,758,933	95.1%
Transfer from Other Funds.....	4,573,898	4,573,898	4,573,897	100.0%	3,206,574	-	0.0%
Total Other Governmental Revenues	\$ 38,141,619	37,867,852	\$ 30,954,278	81.2%	\$ 41,115,784	\$ 30,532,793	74.3%
TOTAL REVENUE	\$ 649,354,018	\$ 657,818,417	\$ 411,850,267	63.4%	\$ 638,911,183	\$ 399,589,773	62.5%
Appropriated Fund Balance							-
General Fund.....	\$ 770,555	\$ -	\$ -	\$ -	\$ -	\$ -	-
Appropriated refunding bond proceeds	10,645,678	10,645,678	10,645,678	0.0%	33,995,000	33,995,000	100.0%
Reappropriation of FY 2015	-	-	-	-	-	-	-
Encumbrances And Other	-	-	-	-	-	-	-
Supplemental Appropriations....	4,615,074	5,192,254	-	-	-	-	-
TOTAL	\$ 665,385,325	673,656,349	\$ 422,495,945	63.5%	\$ 672,906,183	\$ 433,584,773	64.4%

ATTACHMENT 2



COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION GENERAL FUND FOR THE PERIODS ENDING APRIL 30, 2016 AND APRIL 30, 2015

83.3% of Fiscal Year Completed
81.3% of Payrolls Processed

	B	C	D=C/B	E	F	G=F/E
	FY2016 APPROVED BUDGET	FY2016 EXPENDITURES THRU 04/30/16	% OF BUDGET EXPENDED	FY 2015 TOTAL EXPENDITURES & ENCUMBRANCES	FY2015 EXPENDITURES 4/30/2015	% OF TOTAL
FUNCTION						
Legislative & Executive.....	\$ 5,329,955	\$ 4,051,594	76.0%	\$ 4,920,956	\$ 4,021,489	81.7%
Judicial Administration.....	\$ 41,893,656	\$ 33,159,523	79.2%	\$ 41,033,725	\$ 33,364,465	81.3%
Staff Agencies						
Information Technology Services.....	\$ 10,296,766	\$ 7,544,656	73.3%	\$ 9,530,069	\$ 6,935,922	72.8%
Management & Budget.....	1,297,704	862,046	66.4%	1,154,740	970,591	84.1%
Finance.....	14,487,503	8,749,480	60.4%	12,551,139	9,279,829	73.9%
Performance and Accountability.....	608,348	425,697	70.0%	488,331	384,820	78.8%
Internal Audit.....	364,160	268,888	73.8%	392,621	258,858	65.9%
Human Resources.....	3,838,818	2,367,340	61.7%	3,170,131	2,362,512	74.5%
Planning & Zoning.....	5,374,473	3,988,882	74.2%	5,138,421	4,126,992	80.3%
Economic Development Activities.....	5,327,600	5,262,648	98.8%	5,171,371	5,199,873	100.6%
City Attorney.....	3,299,822	2,871,938	87.0%	2,745,420	2,286,677	83.3%
Registrar.....	1,332,439	950,869	71.4%	1,116,014	884,503	79.3%
General Services.....	14,194,484	10,851,391	76.4%	13,895,860	11,051,929	79.5%
Total Staff Agencies	\$ 60,422,117	\$ 44,143,835	73.1%	\$ 55,354,117	\$ 43,742,506	79.0%
Operating Agencies						
Transportation & Environmental Services.....	\$ 28,934,300	\$ 20,670,065	71.4%	\$ 27,733,020	\$ 21,585,780	77.8%
Project Implementation.....	2,038,045	1,207,664	59.3%	1,535,464	1,190,505	77.5%
Fire.....	47,215,797	38,314,002	81.1%	44,199,360	35,790,360	81.0%
Police.....	59,265,042	47,031,722	79.4%	54,304,913	44,048,005	81.1%
Emergency Communications.....	7,168,509	5,609,258	78.2%	6,489,868	5,436,030	83.8%
Code.....	120,000	80,653	67.2%	115,773	79,844	69.0%
Transit Subsidies.....	10,199,189	9,887,587	96.9%	7,137,722	6,786,815	95.1%
Housing.....	1,843,611	1,325,072	71.9%	1,709,778	1,393,091	81.5%
Community and Human Services.....	13,686,580	10,518,868	76.9%	13,500,413	11,349,147	84.1%
Health.....	8,351,090	7,549,273	90.4%	7,970,262	7,555,379	94.8%
Historic Resources.....	2,838,780	2,224,061	78.3%	2,826,811	2,247,340	79.5%
Recreation.....	21,660,983	17,116,018	79.0%	21,063,798	16,486,718	78.3%
Total Operating Agencies	\$ 203,321,926	\$ 161,534,243	79.4%	\$ 188,587,182	\$ 153,949,014	81.6%
Education						
Schools.....	\$ 198,811,472	\$ 141,625,555	71.2%	191,811,472	\$ 137,208,495	71.5%
Other Educational Activities.....	11,877	11,971	100.8%	11,877	11,877	100.0%
Total Education	\$ 198,823,349	\$ 141,637,526	71.2%	\$ 191,823,349	\$ 137,220,372	71.5%
Capital, Debt Service and Miscellaneous						
Debt Service.....	\$ 63,209,774	\$ 34,338,253	54.3%	\$ 59,738,661	\$ 34,434,336	57.6%
Expenses on Refunding Bonds.....	10,645,678	10,749,293	101.0%	33,858,404	33,858,404	0.0%
Non-Departmental.....	9,037,123	8,552,430	94.6%	9,859,352	6,510,753	66.0%
General Cash Capital.....	16,025,541	16,025,541	100.0%	22,854,753	18,058,794	79.0%
Contingent Reserves.....	10,000	-	0.0%	-	-	-
Total Capital, Debt Service and Miscellaneous	\$ 98,928,116	\$ 69,665,517	70.4%	\$ 126,311,170	\$ 92,862,287	73.5%
TOTAL EXPENDITURES	\$ 608,719,119	\$ 454,192,238	74.6%	\$ 608,030,499	\$ 465,160,133	76.5%
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Proj)	\$ 37,675,704	\$ 11,931,612	31.7%	\$ 40,723,456	\$ 14,228,155	34.9%
Transfer to Library.....	6,729,652	5,608,043	83.3%	6,468,697	5,503,764	85.1%
Transfer to DASH.....	12,260,850	10,217,375	83.3%	10,930,569	10,135,111	92.7%
TOTAL EXPENDITURES & TRANSFERS	\$ 665,385,325	\$ 481,949,268	72.4%	\$ 666,153,221	\$ 495,027,163	74.3%
Total Expenditures by Category						
Salaries and Benefits.....	\$ 214,551,941	\$ 166,924,940	77.8%	\$ 199,450,991	\$ 161,010,050	80.7%
Non Personnel (includes all school funds)	450,833,384	315,024,328	69.9%	\$ 466,702,230	334,017,111	71.6%
Total Expenditures	\$ 665,385,325	\$ 481,949,268	72.4%	\$ 666,153,221	\$ 495,027,161	74.3%

** In FY 2015 Internal Audit and Performance and Accountability were combined in one department