



Legislation Details (With Text)

File #: 16-6771 **Name:** Consideration of the Monthly Financial Report for the Period Ending September 30, 2017

Type: Written Report **Status:** Agenda Ready

File created: 8/10/2017 **In control:** City Council Legislative Meeting

On agenda: 11/14/2017 **Final action:**

Title: Consideration of the Monthly Financial Report for the Period Ending September 30, 2017.

Sponsors:

Indexes:

Code sections:

Attachments: 1. 16-6771_Att 1 - Expenditure September 2017, 2. 16-6771_Att 2 - Revenue September 2017, 3. 16-6771_Att 3 - Investment Report 1Q2018

Date	Ver.	Action By	Action	Result
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City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 8, 2017

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 September 30, 2017.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending September 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 noticeably different than the same time period last year. As of September 30, 2017, General Fund revenues totaled \$65.7 million, a decrease of \$0.4 million or 0.5% more than the revenues collected at the same time in FY 2016. Through the first quarter, approximately 9 percent of budgeted revenues have been collected. Revenues may not track consistently with

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. Through the first quarter of the fiscal year, no category has sufficient receipts to provide evidence of any change in projected economic condition or forecast. Personal property taxes are collected on October 5th and the second half of the calendar year real estate tax is due on November 15th.

As of September 30, 2017, General Fund expenditures totaled \$155.1 million, an increase of \$14.0 million over the same time period for FY 2017. Similar to the situation with revenues, no significant unexpected revenue variance or expenditure has occurred in the first quarter of Fiscal Year 2018 that is unbudgeted or unexpected. The most significant difference when comparing FY 2017 and FY 2018 is the manner in which debt service is attributed. In FY 2017, all debt service was budgeted in City agencies, but in FY 2018 the portion that is related to Schools projects has been attributed to Schools. Because of this change in budgeting that comparisons between each fiscal year appear more significant than they actually are. Debt service is paid in June, July, December and January. The amounts are determined by the structure of the debt and the payments are made as scheduled. The amount paid each year and when it is paid varies each year based on debt issuance date and debt structure. The other expenditure to note compared to FY 2017 is Alexandria Health Department spending through the first quarter. Approximately \$4.5 million is budgeted for the City's Local Commitment to the State for Public Health programs based on a required match percentage. This funding is remitted to the Commonwealth quarterly. In FY 2017, the second quarter payment was made in early October; in FY 2018 the \$1.1 million payment was made at the end of September.

Quarterly Short Term Investment Report:

The City's short-term cash investments are actively reviewed and monitored so that the investment portfolio is consistent with City Council's adopted investment policy. Staff annually provides the status of the City's investments in the Comprehensive Annual Financial Report. Attachment 3 provides a description of the various investments as well as a chart showing the distribution. The City's return on investment for FY 2017 was 0.94 percent and resulted in \$1.7 million in General Fund Revenue. Through the first quarter of FY 2018 the City has earned \$0.78 million, which is nearly 49 percent of the annualized budgeted amount. This increase reflects rising short time interest rates.

ATTACHMENTS:

Attachment 1 - Comparative Expenditure Schedule for September 30, 2017

Attachment 2 - Comparative Revenue Schedule for September 30, 2017

Attachment 3 - Investment Portfolio as of September 30, 2016

STAFF:

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, OMB