



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

**DATE:** FEBRUARY 6, 2024

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

**THROUGH:** JAMES F. PARAJON, CITY MANAGER /s/

**FROM:** KENDEL TAYLOR, INTERIM DEPUTY CITY MANAGER

**DOCKET TITLE:**

Consideration of the Monthly Financial Report for the Period Ending December 31, 2023.

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**ISSUE:** Receipt of the Monthly Financial Report for the Period Ending December 31, 2023.

**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.

As of December 31, 2023, General Fund revenues totaled \$432.1 million, an increase of \$10.4 million, or 2.5 percent, compared to the same period in FY 2023. There are no significant variations in receipts through the midpoint of the fiscal year that are due to anything but timing billing, posting and accruals. It is important to note that several revenue categories lag by one or two months (e.g., the City has only received 4 months of Sales Tax revenue and 5 months of other categories, such as Transient Lodging and Restaurant Meals Tax Revenue).

Revenue may not track consistently with a monthly calendar since many revenue sources have due dates that do not occur evenly throughout the year. Transient Lodging and Restaurant Meal tax revenues continue to reflect post pandemic recovery trends. The largest revenue source, real estate tax, is remitted twice per year and aligns closely with real estate tax revenue from the same period in FY 2023. Real Estate tax revenue was due to the City on November 15. Through December 31, 2023, the City has collected \$258.0 million or 48.5 percent of the budgeted amount. This is comparable to FY 2023 when the City had collected \$249.5 million as of December 31, 2022, or 48.5 percent of the budgeted amount. Personal Property tax revenue, including business personal property, is trending ahead of FY 2023. Through six months of the fiscal year, \$64.2 million reflects 96.7 percent of the budgeted amount compared to \$60.4 million in FY 2023, which was 90.4 percent of the budgeted amount. Attachment 3 provides the 2<sup>nd</sup> quarter Investment Report. The annualized total rate of return of the City's portfolio was 5.31 percent during the 2<sup>nd</sup> quarter of FY 2024.

As of December 31, 2023, General Fund expenditures totaled \$423.8 million, a difference of \$19.3 million, or 4.8 percent more than the same time period for FY 2023. Similar to the situation with revenues, no significant expenditure has occurred in the first six months of Fiscal Year 2024 that is unbudgeted or unexpected. The most significant difference is the timing of payments and

proportional increases in spending due to budget increases (cash capital and debt service). The timing of payments and increases in personnel costs are the main driver of variances in Judicial Administration, Communications, Police and Information Technology Services. In addition, in FY 2023, several departments had large appropriations of General Funds added to their budget in the fall as ARPA funds were shifted. That one-time event creates a distorted comparison of percentage of budget expended between the two years.

**ATTACHMENTS:**

- Attachment 1: Comparative Statement of General Fund Revenues
- Attachment 2: Comparative Statement of General Fund Expenditures
- Attachment 3: 2<sup>nd</sup> Quarter FY 2024 Investment Report

**STAFF:**

Morgan Rouff, Director, Office and Management and Budget