



Legislation Details (With Text)

File #: 13-1682 **Name:** Monthly Financial Report for September 2013
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On agenda: 11/12/2013 **Final action:**
Title: Consideration of the Monthly Financial Report for the Period Ending September 30, 2013.
Sponsors:
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Attachments: 1. 13-1682_Rev - Sept 2013-updated, 2. 13-1682_Exp - Sept 2013-updated, 3. 13-1682_Economic Graphs - Sept 2013

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

MEMORANDUM

DATE: NOVEMBER 6, 2013
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, 2013.

ISSUE: Receipt of the City's Monthly Financial Report for the period ending September 30, 2013.

DISCUSSION: That City Council receives the following Monthly Financial Report for the period ending September 30, 2013.

Final revenues and expenditures for FY 2013 (ending June 30, 2013) will be reported later this fall in the City's audited Comprehensive Annual Financial Report (CAFR).

ECONOMIC HIGHLIGHTS:

The federal government was partially closed from October 1 until October 16, when a continuing resolution was passed, ending the shutdown. The government is now funded through January 15, 2014. It is too early to

gauge the effect of the shutdown on Alexandria's economy and the City's revenue stream from economically sensitive revenues such as sales tax, meals tax, and transient lodging. Going forward, City staff will monitor the revenue effects of the shutdown and identify and present them as they become available.

For the month of August, the average interest rate on a 30-year fixed rate loan increased to 4.49%, the highest level since July, 2011. However, Alexandria home sales continued to be strong. Overall home sales in August increased by almost 20% compared to last August, and the median value of a sold home increased by a little less than 3%. However, one interesting change in Alexandria's housing market is that for the first time since 2006, beginning in July, the inventory of Alexandria homes for sale increased compared to the same month the previous year. Because of the increase in the number of home sales, the months' worth of inventory has stayed relatively constant at a little above two months, and it remains a sellers' market.

REVENUE HIGHLIGHTS:

Year-to-Date Revenues: As of September 30, 2013, actual General Fund revenues totaled \$55.0 million, which is 6% less than the report for the same period last year. This is mainly due to the fact that personal property taxes were billed, and thus collected, earlier last year. Government accounting principles require that most taxes and intergovernmental revenues received in July and August are counted as revenue for the fiscal year ended June 30, 2013. See the online reference for more information.

Based on preliminary collections for the fiscal year and the continued uncertainty of federal spending, we will monitor local taxes carefully. **With regard to Other Local Taxes, we are concerned about the following:**

- **Local Sales and Use Tax:** A preliminary review shows some decreases related to the closure of some local grocery stores. We will continue to monitor and make projection adjustments as needed.
- **Transient Lodging Taxes:** There were indications early in October that the shutdown was affecting reservation activity. According to Smith Travel Research and via hotelnewsnow.com, Washington, DC ended the week of October 5 with a 12.1% decline in occupancy rates. Local hotels have indicated they have seen some slowdown in reservation activity from the sequestration and the federal government shutdown. We will continue to monitor and make adjustments as needed.
- **Communications Sales and Use Taxes:** This is collected by the State, but we continue to see refunds to large providers. The most recent refund related to a provider requesting a refund for non-taxable sales. We will continue to monitor and make adjustments as needed.

EXPENDITURE HIGHLIGHTS:

Year-to-Date Expenditures: As of September 30, 2013, actual General Fund expenditures totaled \$131.4 million, a decrease of \$0.9 million, or one percent below expenditures for the same period last year.

- **Debt Service:** The increase in debt service reflects planned expenditures for the FY 2013 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 2014.

Contingent Reserves

The City's FY 2013 Contingent Reserves included \$326,856 in unallocated funding designated for:

- Fire Safety Improvements (\$226,696)
- Urban Forestry (\$80,000)
- Community Engagement (\$20,000)
- Sister Cities Initiatives (\$4,160)

These funds were unused in FY 2013 and would need to be re-appropriated by Council in order to be used in FY 2014. A request to appropriate the Urban Forestry funds is docketed as a separate item in this legislative meeting. A recommendation for the remainder of the funds will be included in the December supplemental appropriations ordinance.

For FY 2014, Contingent Reserves include a remaining \$856,654 for the following purposes:

Item	Budget	Balance
Childcare Fee Subsidy Waiting List	\$900,000	\$400,669
Affordable Housing Initiatives	\$174,235	\$174,235
Recycling Initiatives	\$210,000	-
King Street Lights	\$6,750	\$6,750
Car Seat Installation	\$10,000	\$10,000
Smoking Cessation Program	\$35,000	-
Community Engagement	\$20,000	\$20,000
Senior Mental Health Therapist	\$42,900	-

Actions to Date: Council released \$549,331 in June for the Childcare Fee Subsidy Waiting List to serve all children on the waiting list under age five, fund a social worker position to manage increased caseload, and replace sequestration cuts to Head Start. Council also released \$42,900 from Contingent Reserves in June to fund a Senior Mental Health Therapist position in the Department of Community and Human Services to serve the inmate population of the William G. Truesdale Detention Center. In September, Council released \$210,000 for recycling initiatives and in October \$35,000 for the smoking cessation program.

ATTACHMENTS:

Attachment 1 - Revenue

Attachment 2 - Expenditures

Attachment 3 - Economic tables

For more information, see online references at <http://www.alexandriava.gov/FinancialReports#monthly>
<<http://www.alexandriava.gov/FinancialReports>>

STAFF:

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