



Legislation Details (With Text)

File #: 14-3148 **Name:** Monthly Financial Report
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On agenda: 12/9/2014 **Final action:**
Title: Consideration of the Monthly Financial Report for the Period Ending October 31, 2014.
Sponsors:
Indexes:
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Attachments: 1. 14-3148_Monthly Financial Report for the Period Ending October 31, 2014

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

MEMORANDUM

DATE: DECEMBER 3, 2014
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 October 31, 2014.

ISSUE: Receipt of the Monthly Financial Report for the period ending October 31, 2014.

RECOMMENDATION: That City Council receive the Monthly Financial Report (Attachment 1).

BACKGROUND: The following discussion is a summary of the Monthly Financial Report for this period.
The complete report is attached.

DISCUSSION: Through the first four months of FY 2015, year-to-date General Fund revenues and expenditures were in line with the four-year average of percent of budget collected and spent.

As of October 31, 2014, actual General Fund revenues totaled \$140.7 million, which is 2.7% more than the four-year average percent of budget collected. Revenue collections are mostly consistent with the four-year averages, with a few notable exceptions. Personal Property tax revenue is up slightly compared to the four-year

average. This is due to increased collection and enforcement efforts by staff, as well as efforts made during the summer to improve the accuracy of assessments and to verify taxpayer address information. Communications tax revenue continues to decline as changes in the industry from the bundling of services lead to lower tax rates, and changes in consumer preferences lead to lower utilization of phone and cable services. Some Real Property tax revenue has begun to come in, but Real Property taxes were due November 17, 2014. These collections will be fully detailed in next month's Report, as they are a substantial revenue source for the City.

As of October 31, 2014, General Fund expenditures totaled \$183.6 million, or 28.8% of budgeted expenditures. Compared to the historical four-year average through October, the City spent only 0.2% more of its budget in FY 2015. Given payrolls processed as of the end of October, the City was \$4.1 million dollars under its personnel budget. However, the City has spent a higher percent of YTD non-personnel expenditures than it has in the past due primarily to the transfer of funds to the City's new Northern Virginia Transportation Authority (NVTa) fund, which is required to receive the City's 30% share of state transportation revenues.

Total Commonwealth General Fund revenue collections increased by 4.4% in October, accounting for an increase of \$55.6 million compared to October 2013. Fiscal Year-to-date revenue collections increased by 6.7% or \$305.9 million in October, ahead of the annual estimate of 2.9% growth. An increase in State revenues does not necessarily mean restoration of funds to localities.

The Virginia Department of Planning and Budget has announced the amount that each locality must give back to the State (Local Aid to the State) as part of the State's plan to address revenue shortfalls. The amount for the City of Alexandria is \$633,464 for FY 2015. Staff previously estimated this amount to be \$648,000. The City has elected to take the reduction out of programs with revenue sources allocated to the General Fund, such as Compensation Board reimbursements, State Board of Elections, and State HB599 (Aid to Police Departments). This, combined with a \$215,000 shortfall in State HB 599 revenue, results in an overall State revenue shortfall of approximately \$848,000. Staff will continue to closely monitor the FY 2015 revenue picture and may recommend changes to the level of service provided if the strength in other revenue categories cannot make up the difference.

Office vacancy rate is the economic indicator highlighted in this month's report. Additional economic, revenue, and expenditure charts are also available on the City of Alexandria website at:

alexandriava.gov/FinancialReports.

ATTACHMENTS:

Attachment 1: Monthly Financial Report for the Period Ending October 31, 2014

STAFF:

Nelsie L. Birch, Director, Office of Management and Budget (OMB)

Morgan Routt, Assistant Director, OMB

Kendel Taylor, Acting Director, Finance Department

Martina Alexander, Tax Services and Enforcement Supervisor, Finance Department

Alyssa Ha, Budget/Management Analyst, OMB

Berenice Harris, Acting Comptroller, Finance Department