



Legislation Details (With Text)

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| File #: | 16-5993 | Name: | Monthly Financial Report | |
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| Title: | Consideration of the Monthly Financial Report for the Period Ending December 31, 2016. | | | |
| Sponsors: | | | | |
| Indexes: | | | | |
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| Attachments: | 1. 16-5993_Att 1 - Revenue December 2016, 2. 16-5993_Att 2 - Expenditure December 2016, 3. 16-5993_Att 3 - Revenue Variance, 4. 16-5993_Att 4 - Investment Portfolio 12312016 | | | |
| Date | Ver. | Action By | Action | Result |

City of Alexandria, Virginia

MEMORANDUM

DATE: FEBRUARY 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 December 31, 2016.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending December 31, 2016.

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 December 31, 2016, General Fund revenues totaled \$368.5 million, an increase of \$30.8 million or 9.1% above the revenues collected at the same time in FY 2016. Through the first six months of the fiscal year, approximately 54 percent of budgeted revenues have been collected. Revenues may not track consistently with the 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.

It should be noted that FY 2016 included a bond refunding of \$10.6 million in the first quarter that increased recorded revenue. This compares with a bond refunding in FY 2017 that occurred in November of \$34.2 million, which saved approximately \$2.4 million over the next 10 years. If the refunding revenue is excluded in both years, revenue of \$334.3 million collected in the first six months of FY 2017 compares to \$327.0 million in the first six months of FY 2016. This increase is an increase of 2.2 percent compared to last year. General Property taxes are trending at 4.2 percent more than last year. This is consistent with the increase in the overall General Fund Operating Budget from FY 2016 to FY 2017, which increased from \$649.2 million to \$678.5 million, including a 5.4 percent increase in Real Property. A detailed description of specific revenue variances is included as Attachment 3.

As of December 31, 2016, General Fund expenditures totaled \$339.0 million, an increase of \$47.3 million over the same time period for FY 2016. As noted above, there were bond refundings in both years that were significantly different. Without the refundings in the calculation, total expenditures in FY 2017 are \$304.8 million compared to \$280.9 million in

FY 2016, which reflects an 8.5 percent increase in spending to date. The primary difference relates to cash capital. In FY 2017, transfer of cash capital to the Capital Improvement Program was posted in December. In FY 2016, the accounting event was not executed until January 2016. A similar impact is occurring due to the timing of the transfer of funds to the Libraries. Excluding the bond refundings and these transfers, total expenditures and transfers represent an increase of only 1.19 percent over the same time period in the prior fiscal year. Through Month 6 in fiscal year 2017, which reflects 50 percent of the fiscal year, the City has expended 44.3 percent of the budgeted amount for the fiscal year (excluding the refundings).

Beginning in FY 2017, the Monthly Financial Report that coincides with the end of each quarter will include detailed information on the City's investment portfolio. Attachment 4 provides the status of the City's investment portfolio as of December 31, 2016. The City's return on its short term investments for FY 2016 was 0.78 percent and resulted in \$1.7 million in General Fund Revenue. Through the second quarter of FY 2017 the City has earned \$1.0 million, which is nearly 89 percent of the budgeted amount. This reflects rising short term interest rates.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for December 31, 2016

Attachment 2 - Comparative Expenditure Schedule for December 31, 2016

Attachment 3 - Revenue Variance Descriptions

Attachment 4 - Investment Portfolio as of December 31, 2016

STAFF:

Laura Triggs, Deputy City Manager

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Morgan Routt, Director, OMB