



Legislation Details (With Text)

File #:	18-7149	Name:	Month 6 Monthly Financial Report
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Title:	Consideration of the Monthly Financial Report for the Period Ending December 31, 2017.		
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Attachments:	1. 18-7149_Att 1 - Revenue December 2017, 2. 18-7149_Att 2 - Expenditure December 2017, 3. 18-7149_Att 3 - Investment Report 2Q2018		

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

MEMORANDUM

DATE: FEBRUARY 8, 2018

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, 2017.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending December 31, 2017.

RECOMMENDATION: That City Council receive the Monthly Financial Report (Attachments 1 and 2).

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 2017 are attached.

As of December 31, 2017, General Fund revenues totaled \$476.8 million, an increase of \$108.3 million or 29.4% more than the revenues collected at the same time in FY 2017. Midway through the fiscal year, approximately 55.5 percent of budgeted revenues have been collected. The significant variance compared to the prior year is due to different sizes of bond refundings. In

FY 2017, \$34.2 million in outstanding debt was refinanced at lower interest rates for a savings of approximately \$2.4 million. In FY 2018, \$124.2 million in outstanding debt was refinanced and will produce approximately \$10 million in debt service savings over the next 15 years. If the refunding is excluded in both years, 48.7 percent of budgeted revenues have been collected and revenues through the first six months reflecting a 5.5 percent increase compared to the same time period last year. Real Property tax revenues are 7.2 percent higher at this point in FY 2018, which is consistent with the tax rate and assessment increases in Calendar Year 2017.

Through November 2017, Other Local Tax revenues equal \$38.8 million compared to \$37.2 million in November 2016. Recordation tax revenue exceeds last year by \$0.8 million due to the August sale of the JBG Beauregard Corridor residential/retail portfolio to Morgan Properties for \$509 million. Both Transient Lodging and Restaurant Meals tax revenues reflect higher sales in FY 2018 than from the same period in FY 2017. Sales Tax is trending lower through the first four months of the year (it is remitted to the City from the State two months after it is collected by the place of business). Local Sales Tax revenues are currently \$0.3 million lower than through December 2016. The March 2018 Monthly Financial Report will reflect holiday sales and will be an important indicator of the economic strength of this category. In total, Other Local Taxes are 4.4 percent, or \$1.6 million, higher than last year at this time.

Revenue from the Commonwealth is trending slightly behind FY 2017. This is due primarily to a decline in Year End Settlement funds. Each year the Virginia Department of Health (VDH) provides a Year End Settlement to local jurisdictions in which the local health department had under spent the prior fiscal year budget. In FY 2017, Alexandria's Year End Settlement amount was \$0.5 million, but in FY 2018 the amount is only \$0.3 million.

Among the Other Governmental Revenue categories, Charges for Services are \$0.8 million higher than FY 2017, due mostly to Planning and Zoning and Rental Fees, which are consistent with this point in the fiscal year. Higher than budgeted interest rates are helping to generate additional Revenue from use of Money and Property, as Interest from General Fund Investments total \$1.8 million through December compared to \$1.0 million at this same time last year. Attachment 3 provides the midyear Investment Report.

As of December 31, 2017, General Fund expenditures totaled \$411.2 million, an increase of \$72.2 million over the same time period for FY 2017. After adjusting for the difference due to the refunding, expenditures total \$286.7 million, which is \$18.1 million lower than FY 2017 or 5.9 percent, compared to the same time period last year. No significant expenditure has occurred in the first six months of Fiscal Year 2018 that is unbudgeted or unexpected. The amount and the timing of the cash capital transfer is the most significant variance between FY 2017 and

FY 2018. By December 2016, the full amount of \$24.2 million budgeted for cash capital had been transferred to the CIP. In FY 2018, \$43.4 million is budgeted and none has been transferred at this time. The Department of Human Resources is trending slightly ahead of the fiscal year, due to services that are billed annually in the first half of the fiscal year (online learning access for employees). The Registrar of Voters is also trending slightly ahead of the fiscal year due to the costs associated with the election that occurred in November. Transit Subsidies is also trending slightly ahead of the fiscal year due to the payment to VRE for the City's share of costs, which are paid annually, in their entirety at the beginning of the fiscal year.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for December 31, 2017

Attachment 2 - Comparative Expenditure Schedule for December 31, 2017

Attachment 3 - Second Quarter FY 2018 Investment Report

STAFF:

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, OMB