



Legislation Details (With Text)

File #: 18-7152 **Name:** Month 9 Monthly Financial Report
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File created: 12/4/2017 **In control:** City Council Legislative Meeting
On agenda: 5/8/2018 **Final action:**
Title: Consideration of the Monthly Financial Report for the Period Ending March 31, 2018.
Sponsors:
Indexes:
Code sections:
Attachments: 1. 18-7152_Att 1 - Revenue March 2018, 2. 18-7152_Att 2 - Expenditure March 2018, 3. 18-7152_Att 3 - 3rd quarter investment report

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

MEMORANDUM

DATE: MAY 2, 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 March 31, 2018.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending March 31, 2018.

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 2018 are attached.

As of March 31, 2018, General Fund revenues totaled \$593.8 million, an increase of \$154.0 million or 35.0% more than the revenues collected at the same time in FY 2017. Through nine months of FY 2018, approximately 65.4 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, \$167.4 million in outstanding debt was refinanced and will produce approximately \$13 million in debt service savings over the next 15 years. If the refunding is excluded in both years, 57.6 percent of budgeted revenues have been collected, and revenues through the first nine months reflect a 5.1 percent increase compared to the same time period last year. Real Property tax revenues are 7.4 percent higher at this point in FY 2018 compared to the same period in FY 2017, which is consistent with the tax rate and assessment increases approved in Calendar Year 2017.

Through January 2018, Other Local Tax revenues equal \$90.7 million compared to \$88.9 million in March 2017. Recordation tax revenue exceeds last year by \$1.7 million primarily due to the August sale of the JBG Beauregard Corridor residential/retail portfolio to Morgan Properties for \$509 million. Meals Sales Tax is down compared to nine months of collections in FY 2017. Staff will continue to monitor this category as the weather warms and the tourism season begins. Sales Tax is trending lower through the first seven 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 January 2018. Although Consumer Utility Tax is showing a positive variance, it is due to the timing of receipts in FY 2018 compared to FY 2017 and does not reflect any economic advantage. In total, Other Local Taxes are 2.0 percent, or \$1.8 million, higher than last year at this time.

Charges for Services are \$1.1 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 \$3.0 million through February compared to \$1.5 million at this same time last year. Beginning in FY 2017, the Monthly Financial Report that coincides with the end of each quarter includes information on the City's investment portfolio. Attachment 3 provides the status of the City's investment portfolio as of March 31, 2018. In March 2018 the City earned a yield of 1.54% on an investment portfolio of \$294.0 million.

These positive and negative revenue variances were utilized in reworking the FY 2019 revenue projections that were reflected in the budget technical adjustments memo which indicated that \$1.3 million more in resources towards the FY 2019 budget could be counted on.

As of March 31, 2018, General Fund expenditures totaled \$593.4 million, an increase of \$124.5 million over the same time period for FY 2017. After adjusting for the difference due to the refunding, expenditures total \$425.7 million, which is \$9.1 million lower than FY 2018 or 2.1 percent, compared to the same time period last year. No significant expenditure has occurred in the first nine months of Fiscal Year 2018 that is unbudgeted or unexpected. The ninth month of the fiscal year equates to 75 percent of the fiscal year completed. The amount and the timing of the cash capital transfer is the most significant variance between FY 2017 and FY 2018. By February 2017, 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. Agencies that have expended a considerably lower portion of their budget than the percent of the fiscal year that has occurred have underspent primarily due to vacancies or turnover. The only department that has expended significantly more than 75 percent is the Alexandria Health Department. Approximately \$4.6 million is budgeted for the City's Local Commitment to the State for Public Health programs based on a required match percentage. This funding is remitted to the Commonwealth quarterly. As of March 31, 2018, 100 percent of this expenditure has been remitted to the Commonwealth.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for March 31, 2018

Attachment 2 - Comparative Expenditure Schedule for March 31, 2018

Attachment 3 - Sales Tax Revenue Comparative History

STAFF:

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