Legislation Details (With Text)

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Title:	Consideration of the Monthly Financial Report for the Period Ending September 30, 2018		
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Attachments:	1. 18-7918_Att 1 - Expenditure - September 2018, 2. 18-7918_Att 2 - Revenue - September 2018, 3. 18-7918_Att 3 Investment Report 1Q2019		

Date	Ver.	Action By	Action	Result

City of Alexandria, Virginia

MEMORANDUM

DATE: NOVEMBER 7, 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 September 30, 2018

ISSUE: Receipt of the Monthly Financial Report for the Period Ending September 30, 2018.

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 2017 are attached.

At this time in FY 2018, the City's revenue and expenditures are not noticeably different than the same time period last year. As of September 30, 2018, General Fund revenues totaled $72.3 million, an increase of $6.6 million or 10% more than the revenues collected at the same time in FY 2016. Through the first quarter, approximately 9.7 percent of budgeted revenues have been collected. Revenues may not track consistently with 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. Through the first quarter of the fiscal year, no category has sufficient receipts to provide evidence of any change in projected economic condition or forecast. Personal property taxes are collected on October 5th and the second half of the calendar year real estate tax is due on November 15th. The variance in Consumer Utility taxes is the result of payment timing, and the significant increase in the Restaurant Meals Tax is the result of the increase in the tax rate from 4 percent to 5 percent, with 1 percent set-aside for Affordable Housing projects in the CIP.

As of September 30, 2018, General Fund expenditures totaled $155.4 million, an increase of $0.2 million over the same time period for FY 2018. Similar to the situation with revenues, no significant unexpected revenue variance or expenditure has occurred in the first quarter of Fiscal Year 2019 that is unbudgeted or unexpected. The most significant difference is the timing and source of payments. The City's first quarter contribution to WMATA is funded more from General Fund in FY 2019, with the expectation that NVTC balances will be used in a subsequent quarter payment. In FY 2018, less General Fund monies were used in the first quarter. In addition, the Departments of Police and Transportation and Environmental Services appear much lower than last year due to the timing of an interfund transfer from the General Fund to the Equipment Replacement Fund for future vehicle replacements. This transfer was made in August last year, but has not yet occurred in FY 2019. Finally, the employees in the Department of Project Implementation are now charged to the Capital Improvement Program, which is the reason for the significant variance in expenditures between FY 2018 and FY 2019.

The other expenditure to note compared to FY 2018 is Alexandria Health Department spending through the first quarter. Approximately $4.5 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. In FY 2018 the $1.1 million payment was made at the end of September; in FY 2019, the second quarter payment was not made before the end of September 2018.

Quarterly Short-Term Investment Report:
The City's short-term cash investments are actively reviewed and monitored so that the investment portfolio is consistent with City Council's adopted investment policy. Staff annually provides the status of the City's investments in the Comprehensive Annual Financial Report. Attachment 3 provides a description of the various investments as well as a chart showing the distribution. The City's return on investment for FY 2018 was 1.46 percent and resulted in $3.7 million in General Fund Revenue. Through the first quarter of FY 2018 the City has earned $1.6 million with a weighted average yield of just over 2 percent.

ATTACHMENTS:
Attachment 1 - Comparative Expenditure Schedule for September 30, 2018
Attachment 2 - Comparative Revenue Schedule for September 30, 2018
Attachment 3 - Investment Portfolio as of September 30, 2018

STAFF:
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