



Legislation Details (With Text)

File #: 19-1552 **Name:** Month 10 Monthly Financial Report
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On agenda: 6/11/2019 **Final action:**
Title: Consideration of the Monthly Financial Report for the Period Ending April 30, 2019.
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Attachments: 1. 19-1552_Att 1 - Revenue - April 2019, 2. 19-1552_Att 2 - Expenditure April 2019

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

MEMORANDUM

DATE: JUNE 5, 2019
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 April 30, 2019.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending April 30, 2019.

RECOMMENDATION: That City Council receive the Monthly Financial Report.

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. At this time in FY 2019, the City's revenue and expenditures are not noticeably different than the same time period last year.

Revenues

As of April 30, 2019, General Fund revenues totaled \$449.4 million, a decrease of \$158.8 million, or 26.0 percent, below the revenues collected at the same time in FY 2018. FY 2018 reflects a \$167.8 million in bond refunding proceeds. Factoring this out for comparison, as of April 30, 2019, General Fund revenues totaled \$449.4 million, which is a 2.0 percent increase over FY 2018 for the same time period, in which \$440.5 million was collected. With ten months completed in the fiscal year, approximately 60.0 percent of budgeted revenues has been collected. Revenues may not track consistently with the calendar since many revenue sources have due

dates that do not occur evenly through the year. Business License taxes were due on March 1 and collections through April exceed last year's collections by \$1.7 million or 5.3 percent. First of the calendar year Real Property taxes will be due on June 15. Through the first 10 months of the fiscal year, collections total \$220.9 million, which is \$6.4 million or 3.0 percent more than FY 2018 at this time.

One of the strongest categories in FY 2019 is Local Sales and Use Tax. Sales tax are remitted by to the City two months after the sales occur, so this monthly financial report reflects eight months of receipts. Collections to date are \$0.8 million higher than this point in FY 2018, or

4.7 percent. Recordation tax revenues were higher in FY 2018 due to several large commercial real estate transactions but are higher through the first nine months of the current fiscal year than originally estimated because a continued steady real estate market.

Although the transient lodging tax is projecting to be lower than the budget estimate for FY 2019, collections through 10 months are consistent with FY 2018. The Restaurant Meals Sales tax is trending ahead of

FY 2018, due primarily to a one percent increase in the tax rate to provide funding for affordable housing. The monthly financial report includes a projection of total General Fund Revenues for the year, which was also reflected in the revenue adjustments presented to City Council in Budget Question #66. While a number of the revenue categories are performing above budget a number of tax categories (consumer utility, communications, tobacco, and admissions) are performing below FY 2018's collection levels.

Several of the non-tax categories are experiencing variances compared to FY 2018. Higher interest rates are resulting in much higher Revenue from Use of Money and Property compared to FY 2018. Intergovernmental tax revenue variances are due to the timing of receipts. FY 2018 an additional monthly payment for federal prisoner per diem revenue. Revenues from Fines and Forfeitures are 16.9 percent lower than last year, through 10 months of the fiscal year in

FY 2019. Although expected collections for parking citations and court fines are lower than the budgeted amounts, it should be noted that red light camera violation revenue will surpass collections for the past five years. In regard to lower parking citation revenues, an analysis of influencing factors is now underway by the Office of Performance and Accountability.

Expenditures

As of April 30, 2019, General Fund expenditures totaled \$516.8 million, a decrease of \$122.4 million over the same time period for FY 2018. Making a similar adjustment to account for the Refunded Bonds in FY 2018, FY 2019 expenditures total \$516.8 million, compared to \$471.3 million in FY 2018, which is a \$45.5 million increase, or 9.6 percent. Similar to the situation with revenues, no significant expenditure variances have occurred in the first nine months of Fiscal Year 2019 that are unbudgeted or unexpected. The most significant differences are the timing and source of payments. Partner agencies, such as the Alexandria Economic Development Partnership, the Alexandria Health Department, and Other Education Activities receive quarterly contributions. They have received their 4th quarter contribution in April. Project Implementation staff were charged to the General Fund in FY 2018, but in FY 2019 they are charged primarily to the CIP.

There are a number of interfund transfers included in the FY 2019 General Fund Budget. The most significant of these is the transfer to the Alexandria City Public Schools, followed by the Cash Capital transfer to the CIP. For projection and comparison purposes, these transfers were executed at the midpoint of the fiscal year to reflect 50 percent of the spending. These transfers were made later in the year in FY 2018. The General Fund operating budget for the Department of Community and Human Services is primarily used to support grant funded programs. Interfund transfers will be executed in the summer following grant closeout. Across the organization, departmental budgets that are trending behind the fiscal year are experiencing vacancy savings and additional savings that occur from staff turnover.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for April 30, 2019

Attachment 2 - Comparative Expenditure Schedule for April 30, 2019

STAFF:

Laura B. Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, OMB