



## Legislation Details (With Text)

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**On agenda:** 10/22/2019 **Final action:**  
**Title:** Consideration of the Monthly Financial Report for the Period Ending August 31, 2019.  
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**Attachments:** 1. 19-2324\_Att 1 - Revenue August 2019, 2. 19-2324\_Att 2 - Expenditure August 2019

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

### MEMORANDUM

**DATE:** OCTOBER 16, 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 August 31, 2019.

**ISSUE:** Receipt of the Monthly Financial Report for the Period Ending August 31, 2019.

**RECOMMENDATION:** That City Council receives the Monthly Financial Report.

**BACKGROUND:** The following discussion is a summary of the Monthly Financial Report for this period. Detailed comparative schedules are attached.

**FY 2019:** The unaudited preliminary estimate for FY 2019 General Fund revenues is \$756.2 million. At the same time, FY 2019 expenditures and encumbrances totaled \$747.2 million, enabling the City to end the year with a surplus of revenues over expenditures and encumbrances of about \$9.0 million. All departments remained within their FY 2019 budget. The ending position for the fiscal year will enable departmental incomplete projects and some emergency operating and capital needs to be addressed, such as enhanced

security for City Hall, and accelerated cyber security investments. FY 2019 remaining funds will also be able to be set aside for FY21 and future operating and capital budget consideration.

The FY 2019 General Fund surplus enables the City to increase its ratio of Spendable Fund Balance as a percentage of General Fund revenues from 16.4% to 18.48%, which is viewed favorably by the bond rating agencies who view this as an indicator of the City's ability to respond to fiscal uncertainties and unforeseen events. At the recommendation of BFAAC, staff is presenting City Council with proposed changes to the City's Fund Balance ratios to better reflect current practices.

**FY 2020:** As of August 31, 2019, General Fund revenues totaled \$27.6 million, a decrease \$2.0 million or 6.7% compared to the revenues collected at the same time in FY 2019. This is entirely due to the timing of receipts. These timely anomalies are most pronounced early in the fiscal year. Personal Property tax bills were mailed in late August, compared to early to mid-August in FY 2019. There is no longer a Motor Vehicle License Tax in FY 2020. Timing and accruals of federal prisoner per diem revenue is the cause of the variance in Revenue from the federal Government. As noted in last month's timeline, the first significant tax revenue in FY 2020 is due on October 7, when personal property taxes for vehicle and business personal property are due. It is important to note that revenues collected in July and some of the revenue collected in August are for taxes owed in June and are therefore accrued to the prior fiscal year.

As of August 31, 2019, General Fund expenditures totaled \$111.5 million, compared to \$100.8 million over the same time period for FY 2019, which represents a 10.6 percent increase. There are several contributing factors. The most significant variance is in Transit Subsidies and reflects a timing issue related to the Cash Match transfer to DASH. The transfer in FY 2020 occurred in July, but in FY 2019 it did not occur until September. Through the first two months of FY 2019, which equates to 16.7 percent of the fiscal year, the City has expended 16.2 percent of the budgeted amount.

**ATTACHMENTS:**

Attachment 1: Comparative Statement of General Fund Revenues

Attachment 2: Comparative Statement of General Fund Expenditures

**STAFF:**

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, Office and Management and Budget