



## Legislation Details (With Text)

**File #:** 20-1055 **Name:** October Monthly Financial Report  
**Type:** Written Report **Status:** Agenda Ready  
**File created:** 7/21/2020 **In control:** City Council Legislative Meeting  
**On agenda:** 12/8/2020 **Final action:**  
**Title:** Consideration of the Monthly Financial Report for the Period Ending October 31, 2020.  
**Sponsors:**  
**Indexes:**  
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**Attachments:** 1. 20-1055\_Att 1 - Revenue-October FY2021 Final, 2. 20-1055\_Att 2 - Expenditure October FY2021 Final, 3. 20-1055\_Att 3 - Consumer Spending Comparisons October

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

### MEMORANDUM

**DATE:** DECEMBER 2, 2020  
**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 October 31, 2020.

**ISSUE:** Receipt of the Monthly Financial Report for the Period Ending October 31, 2020.

**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.

At this time in FY 2021, the City's total revenue collection is not noticeably different than what was projected for the first four months of the fiscal year; however, revenue collections are likely to decline as COVID-19's continued impact on the City's finances will be greater than the budget projections from the Spring. The development and possible revisions to the FY 2021 General Fund revenue budget included a careful review of each revenue category to estimate the impact COVID-19 might have on receipts and many categories were

reduced in advance of continued impacts on the City's economy from the pandemic. Based on current pandemic and economic forecasts and fiscal trends, the post COVID-19 economic recovery will likely be longer than earlier projected, and revenues will be less than currently budgeted.

With FY 2021 revenues currently projected to be \$10 million less than budgeted, staff is reviewing options to keep the FY 2021 budget in balance without resorting to further use of fund balance beyond the \$7.9 million that was budgeted for FY 2021. At the City Council retreat on November 7, 2020, a number of these options were identified including the continuation of the selective hiring freeze, use of contingent reserves, bond refinancing savings, some use of federal FEMA reimbursement from FY 2020 which FEMA did not agree to pay until November, and early implementation of FY 2022 reductions. In addition, continued needs from the community to for food, housing, and business support could add additional expenses that will not have an identified funding source after December 31 if additional federal resources are not provided.

As of October 31, 2020, General Fund revenues totaled \$134.4 million, a decrease of \$31.6 million or 19.1% less than the revenues collected at the same time in FY 2020. Through the first four months, approximately 17.8 percent of budgeted revenues have been collected. Timing anomalies are most pronounced early in the fiscal year, which can be the cause of the significant year over year variance. In FY 2020, Personal Property taxes were due on October 5, but in FY 2021, Council extended the deadline to December 15. Real Estate taxes were due on November 16. Mortgage companies generally submit significant payments in October, but the amounts and the timing vary from year to year.

Personal Property tax revenues are showing a significant decline compared to FY 2020. This is due primarily to the change in the due date. In FY 2020, with an October 5 due date, the City had collected 80.8 percent of the total tax levy by the end of October. In FY 2021, with a December 15 due date, only 64.7 percent of the total levy has been collected by the end of October. It is also important to note that the total levy in FY 2021 (tax year 2020) is 5 percent lower than last year's levy. As noted at the City Council retreat, this is due to COVID-19 caused lower new car sales which then triggered a lower number of new cars being added to the tax rolls in Calendar Year 2020.

Sales tax revenue is consistent with receipts from October 2020. As expected, based on travel and restaurant trends, Meals Sales tax revenue is 16% lower and Transient Lodging tax is 71% lower than this period last year. Non-tax revenues are also showing the effects of the pandemic for a variety of reasons. Social distancing and "safer at home" directives are significantly impacting revenues that are dependent on entrance and rental fees like recreation classes and facility rentals. Consumer spending comparisons to the previous calendar year are included as Attachment 3.

Revenue from the use of money and property is lower than last fiscal year due to interest rates being significantly lower than prior years resulting in reduced revenue from investments. Lower interest rates were anticipated and the budget for Interest on General Fund Investments was reduced significantly in FY 2021. Permits and Licenses are almost \$1 million more than receipts in October 2019 due to the collection of past due invoices for Temporary Parking permits by a utility company.

As of October 31, 2020, General Fund expenditures totaled \$198.2 million, a decrease of \$20.4 million or 9.3% compared to the same time period for FY 2020. There is primarily due to continued decreased rate of spending for most City departments. A small portion of the budget deficit for FY 2021 was reduced by instituting a "holiday" and deferring contributions to the Equipment Replacement Fund which reduces the funding available for future vehicle purchases. This expenditure transfer of \$3.6 million had occurred last year in October. It will not occur this year to provide temporary savings. Transit subsidies are less than budgeted due to WMATAs use of CARES funding resulting in a temporary reduced need for full budgeted funding from localities. Some of

this WMATA savings will be used to help offset lost farebox revenue for DASH.

**ATTACHMENTS:**

Attachment 1: Comparative Statement of General Fund Revenues

Attachment 2: Comparative Statement of General Fund Expenditures

Attachment 3: Consumer Spending Comparisons 2020 and 2019

**STAFF:**

Laura Triggs, Deputy City Manager

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, Office and Management and Budget

Mayuri Middough, Division Chief of Administration