



## Legislation Text

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### City of Alexandria, Virginia

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#### MEMORANDUM

**DATE:** JANUARY 7, 2015

**TO:** THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**FROM:** MARK B. JINKS, ACTING CITY MANAGER /s/

**DOCKET TITLE:**

Consideration of the Monthly Financial Report for the Period Ending November 30, 2014.

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**ISSUE:** Receipt of the Monthly Financial Report for the period ending November 30, 2014.

**RECOMMENDATION:** That City Council receive the Monthly Financial Report (Attachment 1).

**BACKGROUND:** The following discussion is a summary of the Monthly Financial Report for this period. The complete report is attached.

Through the first five months of FY 2015, year-to-date General Fund revenues and expenditures were within one percent of the four-year average for percent of budget collected and spent to date. Expenditures were 0.2% less than the average rate, while revenues were 0.6% less than the average rate. For reference purposes, in FY 2015 0.2% of the budget is approximately \$1.2 million, and 0.6% is approximately \$3.8 million. It is important to look at revenues compared to expenditures. While expenditures to-date are tracking below average, revenues are further below average. Early projections indicate that FY 2015 actual revenues may fall about \$3 million below budgeted revenues. Since actual expenses in a fiscal year usually fall below budgeted expenses, a revenue shortfall of this magnitude can be accommodated by carefully managing the expense side of the FY 2015 budget. In January, staff will produce a more comprehensive projection of FY 2015 year-end revenues and expenditures based on data through the midpoint of the fiscal year. This FY 2015 revenue situation will also have FY 2016 revenue implications.

Through the first five months of the fiscal year, revenue received from General Property taxes, including real and personal property, was 0.2% less than the four-year average percent of budget collected. At this point in the fiscal year more than 96% of the budgeted amount of personal property taxes have been collected. The second-half real property payment was due on November 17th and approximately 49% of the budgeted real property

tax revenue has been collected. Communication Sales and Use taxes continue to lag compared to the four-year average due to changes in consumer behavior and the tax rates assessed on the bundled services. Other Revenue, consisting of purchase card rebates, insurance recoveries and other miscellaneous items is low compared to the four-year average due to an unusually high amount of insurance recoveries that were received in 2013 (\$1.2 million) following significant storm damages in the prior year, which elevates the four-year average rate. As reported in prior months, revenue from the Commonwealth is expected to be \$0.8 million less than budget due to a reduction in aid from the State.

As of November 30, 2014, General Fund expenditures totaled \$220.3 million, or 34.3% of budgeted expenditures. Compared to the historical four-year average, the City has spent 0.2% less of its budget in FY 2015. Non-personnel expenditures are 0.3% less than the four-year average, and the percent of personnel budget expended is 1.1% lower than the four-year average.

Transient Lodging and Unemployment Rates are the economic indicators highlighted in this month's report. Additional economic, revenue, and expenditure charts are also available on the City of Alexandria website at: [alexandriava.gov/FinancialReports](http://alexandriava.gov/FinancialReports)

#### **ATTACHMENTS:**

Attachment 1: Monthly Financial Report for the Period Ending November 30, 2014

#### **STAFF:**

Nelsie L. Birch, Director, Office of Management and Budget (OMB)

Morgan Routt, Assistant Director, OMB

Kendel Taylor, Acting Director, Finance Department

Martina Alexander, Tax Services and Enforcement Supervisor, Finance Department

Alyssa Ha, Budget/Management Analyst, OMB

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