



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 4, 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 January 31, 2015.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending January 31, 2015.

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.

Seven months through fiscal year 2015, year-to-date General Fund revenues and expenditures are 2.1% and 1.7% lower than the four-year average for percent of budget collected and spent, respectively. While expenditures appear to be on pace to end the year within budget, the revenue picture remains a concern as detailed in last month's report. The Office of Management and Budget is working with departments to identify areas for expenditure savings to ensure expenditures remain below revenue projections, and that the budget remains in balance.

As of January 31, 2015, General Fund revenues totaled \$321.9 million, or 50.1% of the budgeted revenue. Through the first seven months of the fiscal year, the City is 2.1% below the four year average rate of revenue received. Tax revenue from sources other than real estate and personal property continue to lag relative to the four-year average. Part of this is due to the timing of payments, but in large part this is due to the Washington D.C. and regional economy growing at a very slow pace. In recent years the Washington D.C. economy has gone from one of the fastest growing regional economies in the U.S. to one of the slowest growing economies in the nation.

Revenue projections for FY 2016 were based on an analysis of revenues received to date in FY 2015, so this

negative budget vs. actual trend for FY 2015 revenues has already been taken into account. This negative trend is the primary cause of having low revenue growth predicted for FY 2016. The biggest revenue unknown for FY 2015 remains business license tax gross receipts, where the bulk of the tax payments were due on March 2.

As of January 31, 2015, General Fund expenditures totaled \$322.3 million, or 50.2% of budgeted expenditures. Compared to the historical four-year average, the City has spent 1.7% less of its budget in FY 2015. Personnel expenditures are 1.9% less than the four-year average percent of budget spent to date, and non-personnel expenditures are 1.7% less than average.

Additional economic, revenue, and expenditure charts are also available on the City of Alexandria website at: alexandriava.gov/FinancialReports.

ATTACHMENTS:

Attachment 1: Monthly Financial Report for the Period Ending January 31, 2015

STAFF:

Laura Triggs, Deputy City Manager

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

Morgan Routt, Assistant Director, OMB

Kendel Taylor, Acting Director, Finance Department

Martina Alexander, Budget/Management Analyst, OMB

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