



Legislation Text

File #: 14-3152, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 8, 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 February 28, 2015.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending February 28, 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.

As previously reported through this monthly financial report and the FY 2016 budget development process, slow revenue growth due to the regional economic slowdown continues to be a concern that staff is monitoring carefully. As of receipts through February, City General Fund revenues are still projected to come in below the amount budgeted, however staff has also been carefully monitoring expenditures and it appears at this point in the fiscal year that the amount of expenditure savings currently projected for year-end will be sufficient to keep expenditures within projected revenues.

Through February 2015, year-to-date General Fund revenues collected are 2.0% lower than the four-year average, while General Fund expenditures are tracking within 1.0% of the four-year average of budget spent. City staff have been working to refine year-end revenue and expenditure projections as well as manage expenditures, to ensure that actual expenditures are both under budget and in balance with revenues received. A projection of year-end revenues based on collections through February 2015 is has been added to the Comparative Statement of Revenues (Attachment 1 on page 6) in the projected revenue column. On the expenditure side, departments report year-end projections to the Office of Management and Budget on a monthly basis so that expenditures are closely monitored and adjusted if needed. Based on current projections, the City estimates that expenditures may still be higher than current revenues by the end of the year as had been budgeted for FY 2015, but the revenue picture has improved slightly.

As of February 2015, General Fund revenues totaled \$351.9 million, or 54.3% of the budgeted revenue. Through the first eight months of the fiscal year, the City is 2.0% below the four-year average rate of budgeted revenue received. Revenue collections through February 2015 provide the City with the complete picture of the holiday season because sales tax revenues remitted from the State in February reflect December sales tax collected in the City. During December 2014, the City collected \$2.3 million in local sales tax revenue, which is the second highest amount collected in the month of December in the past 5 years and is slightly greater than the average amount for the past five years. However, while the holiday receipts have improved over recent years, revenues for the entire year-to-date continue to grow slower than budgeted. Through the first eight months of FY 2015 (which is revenue collected over the first six months of FY 2015, due to a 2-month lag on revenue the State remits to the City), the City has collected 47.9% of the budgeted amount for sales tax, which is 2.4% below the average collection rate for the same time period over the past four years. Transient lodging tax revenues continue to compare favorably to the collection rate for the past four years. Business license gross tax receipts will be discussed in next month's report, as they were due after the close of this reporting period.

As of February 28, 2015, General Fund expenditures totaled \$382.3 million, or 59.0% of budgeted expenditures. Compared to the historical four-year average, the City spent has spent 0.6% more of its budget in FY 2015, but has spent 0.2% less than last year. Personnel expenditures are 3.0% less than the four-year average percent of budget spent to date, whereas non-personnel expenditures are 2.5% more than average. Most of the variance is attributable to the timing of transfers to the Capital Improvement Program (CIP) and other funds.

The economic indicator highlighted in this month's report is Transient Lodging. Additional economic, revenue, and expenditure charts are also available on the City of Alexandria website at: alexandriava.gov/FinancialReports. Attached are General Fund revenue and expenditure tables produced by the Finance Department.

ATTACHMENTS:

Attachment 1: Monthly Financial Report for the Period Ending February 28, 2015

STAFF:

Laura Triggs, Deputy City Manager

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