



Legislation Text

---

File #: 14-3153, Version: 1

---

City of Alexandria, Virginia

---

MEMORANDUM

**DATE:** MAY 6, 2015

**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 March 31, 2015.

---

**ISSUE:** Receipt of the Monthly Financial Report for the Period Ending March 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.

Similar to previous months in FY 2015, slow revenue growth due to the regional economic slowdown continues to be a concern that staff is monitoring carefully. As of the end of March, City General Fund revenues are still projected to come in below the amount budgeted, but these projections have improved since earlier in the fiscal year. Staff is carefully monitoring expenditures. The amount of expenditure savings currently projected for year-end is expected to be sufficient to keep expenditures below projected revenues.

As part of the FY 2016 budget process, City staff re-estimated FY 2015 revenues based on collections through March 2015. This projection reflects the recovery of a portion of previous estimated shortfalls in the amount of \$2.0M of additional projected revenues in the areas of Local Sales Tax, Business License Tax, and Bank Franchise Tax the revised projections are included on the Comparative Statement of Revenues (Attachment 1 on page 6).

Through the end of March, 2015, General Fund revenues totaled \$385.4 million, or 59.5% of the budgeted revenue which is 2.0% below the four-year average of revenue received. Sales Tax has improved slightly, although it continues to fall short of the budgeted amount. The current projection of \$25.3M has increased by \$0.7M over the forecast provided earlier in the year. Business License Tax collections have also seen improvement; they are now projected to total the budgeted amount of \$33.0M after previously being estimated at \$32.0M. Property taxes have not changed materially since last month. The next significant collections for

property tax will be in June when the first-half real property taxes are due. Other Local Taxes projections continue to remain consistent with the previous forecast. The one exception to the other local tax projections is the recordation tax. Collections through March indicate a projection of \$5.0M for FY15, which lowered the previous projection of \$5.2M.

As of March 31, 2015, General Fund expenditures totaled \$420.8 million, or 64.9% of budgeted expenditures. Compared to the historical four-year average, the City spent 0.4% more of its budget in FY 2015, but has spent the same percentage of budget as this point in time last year. Personnel expenditures are 4.2% lower than the four-year average percent of budget spent to date, whereas non-personnel expenditures are 2.2% more than average. Most of the variance between percent of budget spent in FY 2015 and the four-year-average 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 the residential real estate market. Additional economic, revenue, and expenditure charts are also available on the City of Alexandria website at: [alexandriava.gov/FinancialReports](http://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 March 31, 2015

**STAFF:**

Laura Triggs, Deputy City Manager

Morgan Routt, Acting Director, Office of Management and Budget (OMB)

Kendel Taylor, Acting Director, Finance Department

Martina Alexander, Budget/Management Analyst, OMB

Alyssa Ha, Budget/Management Analyst, OMB

Berenice Harris, Acting Comptroller, Finance Department