



Legislation Text

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City of Alexandria, Virginia

MEMORANDUM

DATE: JANUARY 3, 2023

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

THROUGH: JAMES F. PARAJON, CITY MANAGER /s/

FROM: KENDEL TAYLOR, INTERIM DEPUTY CITY MANAGER

DOCKET TITLE:

Consideration of the Monthly Financial Report for the Period Ending November 30, 2022.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending November 30, 2022.

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.

As of November 30, 2022, General Fund revenues totaled \$392.8 million, a difference of 9.5 percent compared to the same period in FY 2022. It is important to note that revenues collected in July and some of the revenue collected in August are for taxes owed in June and are therefore accrued to the prior fiscal year. Timing issues are also much more pronounced in the early months of the fiscal year. The first significant tax revenue for FY 2023 is traditionally due on October 5 when personal property taxes for vehicle and business personal property are due. The bills are mailed in mid to late August and payments processed in August and September can vary significantly. Revenue does not track evenly throughout the year since many revenue sources have due dates that do not occur evenly throughout the year. The largest revenue source, real estate tax, is remitted twice per year. Personal property tax revenue is due on October 5 each year. Through the first five months of the year, no category is showing any significant economic variance from the budgeted amount.

Personal Property tax revenue collections in FY 2023 are higher compared to last year, which is to be expected given the increase in the budgeted amount. Through the end of November, Personal Property taxes total \$57.9 million or 86.7 percent of the budgeted amount, compared to \$50.9 million in FY 2022, which was 92.4 percent of the budgeted amount. The FY 2022 budgeted amount was developed during the uncertainties of COVID. Collections for personal property tax revenue are tracking at the expected rate.

There are several significant differences between FY 2022 and FY 2023, but they are primarily timing, not economic. The technical change to the ARPA projects results in a Transfer from Other Funds of \$4.1 million in FY 2023, where no such transfer existed in FY 2022. Other Revenue includes the \$1.0 million gift to the City associated with the Winkler Preserve, which will be allocated at a later date for programs stipulated by the gift. Finally, the increases in the interest rates by the Federal Reserve are resulting in a significant

increase in the City's Revenue from Use of Money and Property. Through the first five months of the year interest earnings are contributing \$5.7 million to General Fund revenues compared to only \$1.0 million at this point in the prior year.

As of November 30, 2022, General Fund expenditures totaled \$273.1 million, a difference of \$17.0 million more than the same time period for FY 2022. Similar to the situation with revenues, no significant expenditure has occurred in the first five months of Fiscal Year 2023 that is unbudgeted or unexpected. Increases correspond to budgeted increases in expenditure categories, such as debt service, cash capital and the transfer to the Schools.

ATTACHMENTS:

Attachment 1: Comparative Statement of General Fund Revenues

Attachment 2: Comparative Statement of General Fund Expenditures

Attachment 3: Consumer Spending comparison charts

STAFF:

Kendel Taylor, Director, Finance Department

Morgan Routt, Director, Office and Management and Budget