

City of Alexandria

301 King St., Room 2400 Alexandria, VA 22314

Legislation Text

File #: 18-7150, Version: 1

City of Alexandria, Virginia

MEMORANDUM

DATE: MARCH 14, 2018

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 January 31, 2018.

ISSUE: Receipt of the Monthly Financial Report for the Period Ending January 31, 2018.

RECOMMENDATION: That City Council receive the Monthly Financial Report (Attachments 1 and 2).

BACKGROUND: The following discussion is a summary of the Monthly Financial Report for this period. Schedules comparing revenues and expenditures to date to the same period in FY 2017 are attached.

As of January 31, 2018, General Fund revenues totaled \$491.2 million, an increase of \$110.4 million or 29.0% more than the revenues collected at the same time in FY 2017. Through seven months of FY 2018, approximately 56.8 percent of budgeted revenues have been collected. The significant variance compared to the prior year is due to different sizes of bond refundings. In

FY 2017, \$34.2 million in outstanding debt was refinanced at lower interest rates for a savings of approximately \$2.4 million. In FY 2018, \$124.2 million in outstanding debt was refinanced and will produce approximately \$10 million in debt service savings over the next 15 years. If the refunding is excluded in both years, 49.6 percent of budgeted revenues have been collected and revenues through the first seven months reflect a 5.9 percent increase compared to the same time period last year. Real Property tax revenues are 7.4 percent higher at this point in FY 2018 compared to the same period in FY 2017, which is consistent with the tax rate and assessment increases in Calendar Year 2017.

Through January 2018, Other Local Tax revenues equal \$47.1 million compared to \$37.2 million in January 2017. Recordation tax revenue exceeds last year by \$1.1 million due to the August sale of the JBG Beauregard Corridor residential/retail portfolio to Morgan Properties for \$509 million and several other large transactions.

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Both Transient Lodging and Restaurant Meals tax revenues reflect higher sales in FY 2018 than from the same period in FY 2017. Sales Tax is trending lower through the first five months of the year (it is remitted to the City from the State two months after it is collected by the place of business). Local Sales Tax revenues are currently \$0.3 million lower than through November 2016. Although Consumer Utility Tax is showing a positive variance, it is due to the timing of receipts in FY 2018 compared to FY 2017 and does not reflect any economic advantage. The March 2018 Monthly Financial Report will reflect holiday sales and will be an important indicator of the economic strength of this category. In total, Other Local Taxes are 4.0 percent, or \$1.8 million, higher than last year at this time.

Among the Other Governmental Revenue categories, Charges for Services are \$0.9 million higher than FY 2017, due mostly to Planning and Zoning and Rental Fees, which are consistent with this point in the fiscal year. Higher than budgeted interest rates are helping to generate additional Revenue from use of Money and Property, as Interest from General Fund Investments total \$2.3 million through January compared to \$1.7 million at this same time last year.

As of January 31, 2017, General Fund expenditures totaled \$458.9 million, an increase of \$69.2 million over the same time period for FY 2017. After adjusting for the difference due to the refunding, expenditures total \$334.4 million, which is \$21.2 million lower than FY 2017 or 5.9 percent, compared to the same time period last year. No significant expenditure has occurred in the first seven months of Fiscal Year 2018 that is unbudgeted or unexpected. The seven month of the fiscal year equates to 58.3 percent of the fiscal year completed. The amount and the timing of the cash capital transfer is the most significant variance between FY 2017 and

FY 2018. By January 2017, the full amount of \$24.2 million budgeted for cash capital had been transferred to the CIP. In FY 2018, \$43.4 million is budgeted and none has been transferred at this time. The Department of Human Resources is trending slightly ahead of the fiscal year, due to services that are billed annually in the first half of the fiscal year. The Registrar of Voters is also trending slightly ahead of the fiscal year due to the costs associated with the election that occurred in November. Transit Subsidies is also trending slightly ahead of the fiscal year due to the payment to VRE for the City's share of costs, which are paid annually, in their entirety at the beginning of the fiscal year. The remaining agencies that have expenditures considerably greater than the percent of the fiscal year completed are Economic Development Activities and the Alexandria Health Department which have received three of their four quarterly payments or 75 percent of their budgeted amounts as of January 2018.

ATTACHMENTS:

Attachment 1 - Comparative Revenue Schedule for January 31, 2018

Attachment 2 - Comparative Expenditure Schedule for January 31, 2018

Attachment 3 - Highlights of the 2018 Real Property Assessment Report

STAFF:

Laura Triggs, Deputy City Manager Kendel Taylor, Director, Finance Department Morgan Routt, Director, OMB

CITY OF ALEXANDRIA, VIRGINIA

COMPARATIVE STATEMENT OF REVENUES GENERAL FUND

FOR THE PERIODS ENDING JANUARY 31, 2018 AND JANUARY 31, 2017

	B FY2018 APPROVED BUDGET		B.1 FY 2018 PROJECTED REVENUES		C FY2018 REVENUES THRU 1/31/2018		D=C/B % OF BUDGET	F FY2017 REVENUES THRU 1/31/2017	
General Property Taxes									
Real Property Taxes	\$	436,008,918		438,081,455	\$	212,661,361	48.8%	\$	198,055,534
Personal Property Taxes		49,339,000		49,364,000	Ψ	46,019,968	93.3%	Ψ	43,850,687
Penalties and Interest		2,000,000		3,000,000		1,350,109	67.5%		1,337,034
Total General Property Taxes	\$	487,347,918	\$	490,445,455	\$	260,031,439	53.4%	\$	243,243,255
Other Local Taxes									
Local Sales and Use Taxes	. \$	28,044,982		28,044,982	\$	11,045,807	39.4%	\$	11,301,183
Consumer Utility Taxes		12,700,000		12,000,000		5,800,808	45.7%		5,201,265
Communication Sales and Use Taxes		10,153,000		10,153,000		4,173,456	41.1%		4,289,829
Business License Taxes		33,460,000		33,930,000		2,418,423	7.2%		2,063,211
Transient Lodging Taxes		12,500,000		12,700,000		6,061,071	48.5%		5,857,556
Restaurant Meals Tax		19,000,000		19,400,000		8,937,068	47.0%		8,832,613
Tobacco Taxes		2,885,000		2,885,000		1,480,299	51.3%		1,573,436
Motor Vehicle License Tax		3,606,000		3,740,000		3,113,860	86.4%		3,055,527
Real Estate Recordation		4,800,000		7,700,000		3,464,696	72.2%		2,405,854
Admissions Tax		786,000		740,000		266,513	33.9%		335,639
Other Local Taxes		4,545,502		4,386,348		362,553	8.0%		399,711
Total Other Local Taxes	\$	132,480,484	\$	135,679,330	\$	47,124,554	35.6%	\$	45,315,824
Intergovernmental Revenues									
Revenue from the Fed. Government	\$	9,971,382		9,071,382	\$	4,796,886	48.1%	\$	4,876,863
Personal Property Tax Relief from									
the Commonwealth		23,578,531		23,578,531		22,399,604	95.0%		22,399,604
Revenue from the Commonwealth		23,047,658		23,772,658		11,853,044	51.4%		11,860,504
Total Intergovernmental Revenues	\$	56,597,571	\$	56,422,571	\$	39,049,533	69.0%	\$	39,136,971
Other Governmental Revenues And									
Transfers In									
Fines and Forfeitures	\$	6,610,517		5,193,450	\$	2,915,545	44.1%	\$	2,714,554
Licenses and Permits		2,485,350		2,445,350		1,326,124	53.4%		1,679,526
Charges for City Services		21,740,922		21,162,149		11,055,984	50.9%		10,107,194
Revenue from Use of Money & Prop		5,023,110		7,115,630		4,524,761	90.1%		3,561,647
Other Revenue		1,812,942		1,910,000		1,011,166	55.8%		911,425
Transfer from Other Funds		10,583,814		10,583,814		-	0.0%		-
Total Other Governmental Revenues	\$	48,256,655	\$	48,410,393	\$	20,833,580	43.2%	\$	18,974,346
TOTAL REVENUE	\$	724,682,628	\$	730,957,749	\$	367,039,106	50.6%	\$	346,670,396
Appropriated Fund Balance									
General Fund	\$	3,605,400	\$	3,605,440	\$	-		\$	-
Appropriated refunding bond proceeds		124,205,981		124,205,981		124,205,981			34,168,000
Supplemental Appropriations	\$	11,925,916		5,650,756		-			-
TOTAL	\$	864,419,926	\$	864,419,926	\$	491,245,087	56.8%	\$	380,838,396

COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION GENERAL FUND

FOR THE PERIODS ENDING JANUARY 31, 2018 AND JANUARY 31, 2017

FOR THE TEXADA		В		C	D=C/B		F		
		FY2018		FY2018	%		FY2017		
		AMENDED	EX	PENDITURES	OF BUDGET	EX	PENDITURES		
FUNCTION		BUDGET		RU 1/31/2018	EXPENDED		IRU 1/31/2017		
Legislative & Executive	\$	5,563,168	\$	2,922,754	52.5%	\$	3,039,569		
Judicial Administration	\$	43,034,700	\$	23,982,191	55.7%	\$	24,399,317		
Staff Agencies									
Information Technology Services	\$	11,638,646	\$	6,423,030	55.2%	\$	5,791,612		
Management & Budget		1,276,371		555,659	43.5%		675,688		
Finance		13,720,423		6,564,027	47.8%		6,188,784		
Performance and Accountability		670,875		309,884	46.2%		242,150		
Internal Audit		421,894		174,831	41.4%		174,806		
Human Resources		4,234,310 6,132,787		2,402,519 3,271,353	56.7% 53.3%		1,934,361 2,986,319		
Planning & Zoning Economic Development Activities		5,494,154		4,013,249	73.0%		3,984,685		
City Attorney		3,041,270		1,658,734	54.5%		1,764,077		
Registrar		1,202,318		681,288	56.7%		856,065		
General Services		15,420,895		7,499,591	48.6%		7,513,677		
Total Staff Agencies	\$	63,253,943	\$	33,554,163	53.0%	\$	32,112,224		
Total Stall Agencies	-	03,233,743	Ψ	33,334,103	33.070	Ψ	32,112,224		
Operating Agencies									
Transportation & Environmental Services	\$	30,495,133	\$	16,154,409	53.0%	\$	15,125,874		
Project Implementation		1,868,900		790,469	42.3%		872,449		
Fire		52,746,576		28,916,645	54.8%		28,080,748		
Police		62,960,931		35,703,904	56.7%		34,602,257		
Emergency Communications		7,748,429		4,221,475	54.5%		4,211,875		
Code		34,345		2,723	7.9%		57,426		
Transit Subsidies		15,135,927		11,185,119	73.9%		5,598,665		
Housing		1,912,864		982,305	51.4%		956,462		
Community and Human Services		13,648,783		7,878,003	57.7%		8,003,407		
Health		8,813,186		5,916,420	67.1%		5,942,346		
Historic Resources		3,232,806		1,773,838	54.9%		1,667,999		
Recreation		22,170,537		12,769,889	57.6%		12,487,245		
Total Operating Agencies	\$	220,768,417	\$	126,295,198	57.2%	\$	117,606,753		
Education									
Schools	\$	214,061,472	\$	86,548,061	40.4%	\$	96,195,029		
Other Educational Activities		12,277		9,208	75.0%		9,098		
Total Education	\$	214,073,749	\$	86,557,268	40.4%	\$	96,204,127		
Capital, Debt Service and Miscellaneous									
Debt Service - City	\$	39,248,127	\$	25,180,091	64.2%	\$	38,498,584		
Debt Service - Schools		28,530,550		18,304,105	-		-		
Expenses on Refunding Bonds		124,205,981		124,518,557	100.3%		34,152,955		
Non-Departmental		9,301,732		5,848,150	62.9%		5,258,607		
General Cash Capital		43,375,231		-	0.0%		24,293,103		
Contingent Reserves		775,931		-	0.0%		-		
Total Capital, Debt Service and Miscellaneous	\$	245,437,552	\$	173,850,902	70.8%	\$	102,203,249		
TOTAL EXPENDITURES	\$	792,131,529	\$	447,162,477	56.5%	\$	375,565,239		
C. L. W. J. C									
Cash Match (Transportation/DCHS)									
and Transfers to Special Revenue									
and Capital Projects Funds)	\$	53,381,967	\$	-	0.0%	\$	2,843,262		
Transfer to Library		6,860,551		94,356	1.4%		31,625		
Transfer to DASH		12,045,879		11,692,233	0.0%		11,295,384		
TOTAL EXPENDITURES & TRANSFERS	\$	864,419,926	\$	458,949,066	53.1%	\$	389,735,510		
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Total Expenditures by Category									
Salaries and Benefits	\$	228,332,150	\$	125,417,401	54.9%	\$	122,352,225		
Non Personnel (includes all school funds)		636,087,776		333,531,665	52.4%	_	267,383,287		
Total Expenditures by Category	\$	864,419,926	\$	458,949,066	53.1%	\$	389,735,512		

Economic Indicators

2018 Real Property Assessments:

- On February 13, 2018, the City released the Assessment Report for Calendar Year 2018. The City's \$39.9 billion tax base provides the most significant source of revenue to support government operations. In 2018, the total tax base increased by 2.34 percent, from \$39.0 billion to \$39.9 billion.
- Locally-assessed properties increased by \$903 million compared to January 1, 2017, which was distributed between residential properties (\$751 million) and the commercial tax base (\$152 million).
- During the year there are administrative changes, as well as adjustments through the Board of Equalization. When comparing the changes to the total tax base at the end of December that reflects changes that occurred throughout the year, \$851.8 million was due to appreciation and \$299.9 million was due to new growth or construction.
- The average single family home is increasing 3.4% to \$752,585, while the average condominium is increasing by 3.15 percent, to \$324,024.
- The total number of residential units in the City grew from 41,291 to 41,427. The number of properties with a median assessment between \$250,000 and \$499,999 declined from 11,722 to 11,134, and the number of units with a median assessment between \$100,000 and \$249,000 declined from 9,780 to 9,349. In 2017 there were 47 residential properties assessed at \$100,000 or less compared to only 41 in 2018.
- The commercial tax base grew by 1.93 percent, or \$152 million, compared to 2017.
- The commercial growth was fueled by increases in apartments and warehouses. Apartments increased by 7.68 percent in 2018. Warehouses increases by 10.99 percent due in large part to their appeal for redevelopment.