

CITY OF ALEXANDRIA, VIRGINIA

Monthly Financial Report

October 2015



Report Summary—Revenues

General Property taxes collections are lower than those collected in the first four months in FY 2015. Total collections to date of \$72.9 million reflect 17.0% of the budgeted amount, compared to \$91.6 million in FY 2015, which represented 22.1% of the total property tax revenues received. Real Property tax bills were mailed on September 22 and were due on November 16. Personal property taxes were due on October 5th. Through September, 90.5 percent of the total locally collected personal property tax revenues have been received, or \$39.8 million compared to 87.8 percent for the same time period in FY 2015. Some of the November 2015 real estate taxes were received in October, but the majority of this revenue will be received in November. The significant variance between FY 2015 and FY 2016 results from the timing of large tax service payments made by service providers on behalf of taxpayers who have mortgages.

Other local taxes continue to compare favorably to last year. In addition, consumer utility tax receipts through September are \$0.9 million higher than through the same period last year. This is attributable to the timing of payments and not an indication of actual increasing revenue collections. Admissions tax is lower compared to FY 2015 due to the timing of a payment in August that was accrued to the prior year, but was received too late in August 2014 to be accrued in FY 2015. The significant variance in Other Revenue is attributable to the revenue from the sale of the Old Health Department Building included in FY 2015.

As noted at the recent City Council Retreat, Virginia and the Washington DC region continue to outperform the nation in many economic indicators while having challenges in others. Unemployment rates continue to be lower in the region and low in Alexandria specifically (3.5% compared to 5.1% in the nation). Unfortunately, the average wage in the Washington Metro Area is only \$69,600 as of 2014, and has not recovered to the level seen in 2010. Per capita income in the region, which is available as of 2013, reflects the decline in wages in the region. While the City's per capita personal income increased from \$80,952 to \$81,078, Arlington County declined by nearly \$500 to \$82,736 and remains higher than Alexandria. The Washington MSA declined by more than \$200. Page 4 provides additional economic information related to wages in Virginia, including some positive news for the first quarter of 2015.

The Monthly Financial Report details the City's General Fund revenues and expenditures as of the last day of the month, compares revenues and expenditures to historical data, and focuses on specific economic indicators relevant for the month. This report is presented to City Council by the City Manager and made available to the public.

CITY OF ALEXANDRIA, VIRGINIA

Monthly Financial Report

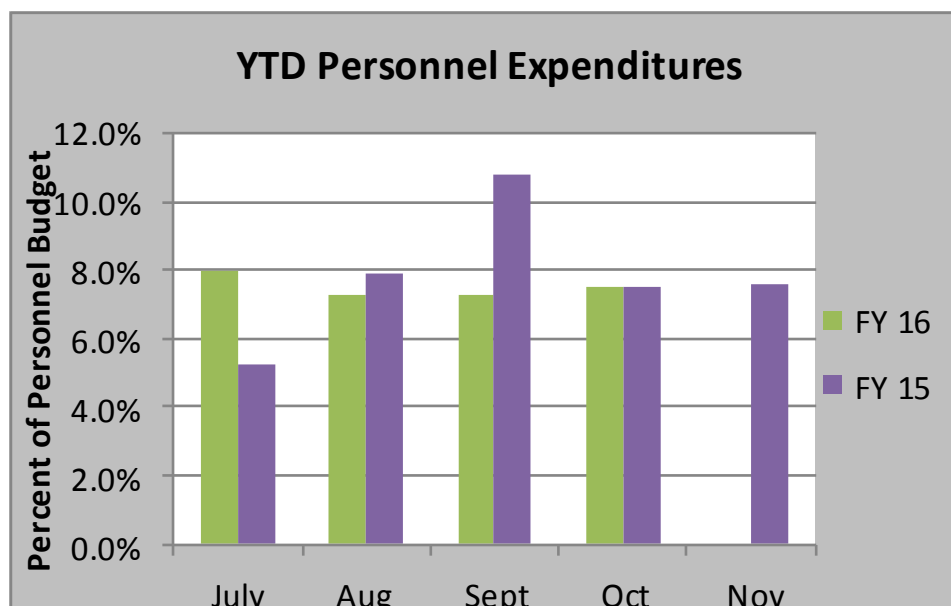
October 2015



Report Summary—Expenditures

As of October 31, 2015, General Fund expenditures totaled \$186.7 million, which equals 28 percent of the budgeted expenditures for FY 2016. At this time period, the City is one third of the way through the fiscal year and 31.7 percent of payrolls have been processed. Expenditures through October 2014 represented 27.6 percent of the expenditures for the entire year. At this point in the fiscal year there are no significant unbudgeted or unanticipated expenditures recorded and the variances shown in Attachment 2 are the result of changes in staffing levels or vacancies in departments. There are a number of personnel vacancies and employees in acting capacity in those departments. As positions are filled, the percent of budget expended will be more closely aligned with the percentage of the fiscal year that is completed. Departments that are impacted by this variances in staffing include, Human Resources, Project Implementation, Code Administration, Housing and the Office of Management and Budget. There is a significant variance in the spending percentage for the Registrar, which is attributable to the increase in their budget of approximately \$77,000 for the primary election in March, not to a significant change in their spending levels through the first quarter of the year. The significant variance for the City Attorney's Office is the result of outside attorney payments to represent the City in complex litigation cases for which external expertise was obtained.

The chart below shows the City's personnel expenditures to date. This is the most significant area of budget commitments and represents approximately 60 percent of the City's operating budget. Through October 31.7 percent of payrolls have been posted. Through the first one third of the year, the average payroll is \$7.7 million. Payroll expenditures as a percentage of the total personnel budget is 7.5% in the month of October 2015, which is identical to October 2014. September had one additional pay period in FY 2015 based on the calendar dates that employees are paid.



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REVENUES



REVENUE VARIANCES IN DETAIL

Variances in FY16 YTD Revenue from FY15 YTD Revenue	Explanation
General Property Taxes	Variances in Property tax revenues relate to the timing of payments, not in any significant economic condition. Real Estate payments will be received in November and staff has begun pursuit of delinquent personal property tax payments. It is expected that approximately 95 percent of 2015 personal property taxes will be collected in this fiscal year with that collection rate rising to roughly 99 percent of the total amount owed over the subsequent 3 to 4 years.
Consumer Utility Taxes	Consumer utility tax receipts through September are \$0.9 million higher than through the same period last year. This is attributable to the timing of payments and not an indication of actual increased revenue collections.
Admissions Tax	The City's largest remittances come from two movie theatres. In FY 2015, one of the July payments for June attendance was received later in the August so it is included as revenue for FY 2015. In August this year, both July payments were received earlier in the month and as a result were included in FY 2015.
Revenue from the Fed. Government	Federal revenue is higher compared to the prior year due to the timing of the receipt of our tax credit for Build America Bonds.
Other Revenue	In FY 2015, final revenue collections reflect the proceeds from the sale of the old Health Department Building of approximately \$5.3 million. FY 2016 reflects normal activity for the year. It is worth noting that this small category is performing well compared to the budgeted amount. This is due to collections for insurance recoveries.

ECONOMIC INDICATORS



- Arlington County had the highest average weekly wage among the largest counties in the Commonwealth at \$1,732, followed by Fairfax County (\$1,635) and Alexandria City (\$1,395). Nationally, the average weekly wage rose 2.1 percent over the year to \$1,048 in the first quarter of 2015.
- Unemployment statistics published by the Bureau of Labor Statistics showed a decrease in Alexandria’s unemployment rate from 3.7 percent in September 2014 to 3.2 percent in September 2015. Alexandria’s rate is third to Arlington County’s rate of 2.8% and Falls Church at 3 percent, but below the Washington area rate of 4.3 percent and well below the national rate of 4.9 percent in September 2015.
- Job growth in the DC region is at 2 percent over the past year, which is in the lower half of the major metropolitan areas in regional job growth.
- The City’s per capita income was \$81,078 in 2013, which ranks 21st in the United States.
- According data provided by Equifax, the U.S. Census Bureau and NGKF Research, the Washington region has the highest per capita credit card debt at \$2,809, compared to the national average of \$2,051.
- The Washington region is second in the nation after the Boston area with average student loan debt of \$41,400, compared to the national average of \$29,000., according to the Department of Education, Credit Karma, Forbes and NGKF Research.
- Of the major metropolitan areas, the Washington region has the highest average retail spending per household in 2014, according to the U.S. Bureau of Labor Statistics and NGKF Research.

Table 1. Covered employment and wages in the United States and the 12 largest counties in Virginia, first quarter 2015

Area	Employment			Average Weekly Wage ⁽¹⁾			
	March 2015 (thousands)	Percent change, March 2014-15 ⁽²⁾	National ranking by percent change ⁽³⁾	Average weekly wage	National ranking by level ⁽³⁾	Percent change, first quarter 2014-15 ⁽²⁾	National ranking by percent change ⁽³⁾
United States ⁽⁴⁾	137,412.4	2.1	--	\$1,048	--	2.1	--
Virginia	3,649.3	1.1	--	1,068	14	1.7	31
Alexandria City, Va.	94.5	1.2	234	1,395	22	1.5	195
Arlington, Va.	165.9	1.3	223	1,732	10	2.7	88
Chesapeake City, Va.	95.5	-0.8	337	765	309	0.9	256
Chesterfield, Va.	125.4	1.8	177	863	217	1.8	162
Fairfax, Va.	574.5	0.5	303	1,635	11	2.7	88
Henrico, Va.	181.7	2.9	97	1,061	88	0.3	290
Loudoun, Va.	146.9	0.9	260	1,246	44	0.2	292
Newport News City, Va.	97.0	-0.4	332	1,032	104	4.3	34
Norfolk City, Va.	133.1	-0.4	332	979	140	1.6	185
Prince William, Va.	121.2	1.7	186	862	218	-0.1	304
Richmond City, Va.	147.4	0.6	290	1,206	52	4.5	29
Virginia Beach City, Va.	169.4	1.7	186	780	299	1.7	175

ATTACHMENT 1



33.33% of Fiscal Year Completed
31.7% of Payroll Processed

Online Reference 3

**COMPARATIVE STATEMENT OF EXPENDITURES & TRANSFERS BY FUNCTION
GENERAL FUND
FOR THE PERIODS ENDING OCTOBER 31, 2015 AND OCTOBER 31, 2014**

FUNCTION	B	C	D=C/B	E	F	G=F/E
	FY2016	FY2016	%	FY 2015	FY2015	%
	APPROVED BUDGET	EXPENDITURES THRU 10/31/15	OF BUDGET EXPENDED	TOTAL EXPENDITURES & ENCUMBRANCES	EXPENDITURES THRU 10/31/14	OF TOTAL
Legislative & Executive	\$ 5,341,378	\$ 1,450,759	27.2%	\$ 4,920,956	\$ 1,719,128	34.9%
Judicial Administration	\$ 42,060,730	\$ 13,065,100	31.1%	\$ 41,033,725	\$ 13,436,811	32.7%
Staff Agencies						
Information Technology Services	\$ 10,296,766	\$ 3,134,542	30.4%	\$ 9,530,069	\$ 2,928,220	30.7%
Management & Budget	1,300,872	328,802	25.3%	1,154,740	377,329	32.7%
Finance	14,487,913	3,373,032	23.3%	12,551,139	3,634,764	29.0%
Performance and Accountability	608,348	153,593	25.2%	570,396	131,792	23.1%
Internal Audit	384,960	99,192	25.8%	310,555	79,180	25.5%
Human Resources	3,838,818	867,526	22.6%	3,170,131	933,847	29.5%
Planning & Zoning	5,374,473	1,492,461	27.8%	5,138,421	1,595,772	31.1%
Economic Development Activities	5,327,600	2,598,387	48.8%	5,171,371	2,597,223	50.2%
City Attorney	2,824,822	1,090,920	38.6%	2,745,420	836,869	30.5%
Registrar	1,332,439	302,977	22.7%	1,116,014	339,017	30.4%
General Services	14,212,242	4,105,443	28.9%	13,895,860	4,155,793	29.9%
Total Staff Agencies	\$ 59,989,253	\$ 17,546,875	29.3%	\$ 55,354,116	\$ 17,609,806	31.8%
Operating Agencies						
Transportation & Environmental Services	\$ 29,159,916	\$ 8,614,295	29.5%	\$ 27,733,020	\$ 8,446,698	30.5%
Project Implementation	2,038,045	477,145	23.4%	1,535,464	469,826	30.6%
Fire	47,281,272	14,930,853	31.6%	44,199,360	13,310,346	30.1%
Police	59,047,572	19,219,565	32.5%	54,304,913	18,413,455	33.9%
Emergency Communications	7,195,998	2,276,090	31.6%	6,489,868	2,245,135	34.6%
Code	137,620	25,220	18.3%	115,773	32,061	27.7%
Transit Subsidies	10,253,751	4,706,257	45.9%	7,137,722	3,475,655	48.7%
Housing	1,843,611	456,907	24.8%	1,709,778	593,851	34.7%
Community and Human Services	13,789,708	4,434,719	32.2%	13,500,413	5,037,021	37.3%
Health	8,351,090	3,720,073	44.5%	7,970,262	3,727,848	46.8%
Historic Resources	2,838,780	840,012	29.6%	2,826,811	924,737	32.7%
Recreation	21,714,690	7,199,508	33.2%	21,063,798	7,266,619	34.5%
Total Operating Agencies	\$ 203,652,053	\$ 66,900,644	32.9%	\$ 188,587,182	\$ 63,943,252	33.9%
Education						
Schools	\$ 198,811,472	\$ 44,192,911	22.2%	191,811,472	\$ 45,314,273	23.6%
Other Educational Activities	11,877	5,986	50.4%	11,877	5,939	50.0%
Total Education	\$ 198,823,349	\$ 44,198,897	22.2%	\$ 191,823,349	\$ 45,320,212	23.6%
Capital, Debt Service and Miscellaneous						
Debt Service	\$ 63,684,774	\$ 21,578,641	33.9%	\$ 59,738,661	\$ 20,165,348	33.8%
Expenses on Refunding Bonds	10,645,678	10,749,293		33,858,404	-	0.0%
Non-Departmental	7,767,123	4,817,158	62.0%	9,859,352	4,155,563	42.1%
General Cash Capital	16,025,541	-	0.0%	22,854,753	-	0.0%
Contingent Reserves	1,305,000	-	0.0%	-	-	0.0%
Total Capital, Debt Service and Miscellaneous	\$ 99,428,116	\$ 37,145,092	37.4%	\$ 126,311,170	\$ 24,320,911	19.3%
TOTAL EXPENDITURES	\$ 609,294,879	\$ 180,307,367	29.6%	\$ 608,030,498	\$ 166,350,120	27.4%
Cash Match (Transportation/DCHS/ and Transfers to the Special Revenue /Capital Project)						
	\$ 37,610,229	\$ 122,371	0.3%	\$ 40,723,456	\$ 11,052,940	27.1%
Transfer to Library	6,729,652	2,220,785	33.0%	6,468,697	2,180,363	33.7%
Transfer to DASH	12,260,850	4,046,081	33.0%	10,930,569	4,015,110	36.7%
TOTAL EXPENDITURES & TRANSFERS	\$ 665,895,610	\$ 186,696,604	28.0%	\$ 666,153,220	\$ 183,598,533	27.6%
Total Expenditures by Category						
Salaries and Benefits	\$ 213,875,571	\$ 64,233,708	30.0%	\$ 199,450,991	\$ 62,703,725	31.4%
Non Personnel (includes all school funds)	452,020,039	122,462,896	27.1%	\$ 466,702,230	120,894,808	25.9%
Total Expenditures	\$ 665,895,610	\$ 186,696,604	28.0%	\$ 666,153,221	\$ 183,598,533	27.6%

** In FY 2015 Internal Audit and Performance and Accountability were combined in one department



Online Reference 2

CITY OF ALEXANDRIA, VIRGINIA
COMPARATIVE STATEMENT OF REVENUES
GENERAL FUND
FOR THE PERIODS ENDING OCTOBER 31, 2015 AND OCTOBER 31, 2015

	B	C	D=C/B	E	F	G=F/E
	FY2016	FY2016	%	FY 2015	FY2015	%
	REVISED	REVENUES	OF BUDGET	TOTAL	REVENUES	OF TOTAL
	BUDGET	THRU 10/31/15	OF BUDGET	REVENUE	THRU 10/31/14	OF TOTAL
General Property Taxes						
Real Property Taxes.....	\$ 382,088,719	\$ 32,791,757	8.6%	\$ 368,179,677	\$ 52,080,217	14.1%
Personal Property Taxes.....	43,860,000	39,713,913	90.5%	44,495,560	39,047,210	87.8%
Penalties and Interest.....	2,145,000	406,527	19.0%	2,065,762	433,307	21.0%
Total General Property Taxes	\$ 428,093,719	\$ 72,912,197	17.0%	\$ 414,740,999	\$ 91,560,734	22.1%
Other Local Taxes						
Local Sales and Use Taxes.....	\$ 25,500,000	\$ 4,234,895	16.6%	\$ 25,620,565	\$ 4,181,176	16.3%
Consumer Utility Taxes.....	12,500,000	3,006,728	24.1%	12,364,106	2,068,783	16.7%
Communication Sales and Use Taxes.....	11,000,000	1,741,876	15.8%	10,776,792	1,801,647	16.7%
Business License Taxes.....	33,000,000	714,819	2.2%	33,474,138	704,660	2.1%
Transient Lodging Taxes.....	11,500,000	2,914,354	25.3%	11,371,287	2,888,385	25.4%
Restaurant Meals Tax.....	17,750,000	4,130,923	23.3%	17,635,886	3,915,794	22.2%
Tobacco Taxes.....	3,060,000	528,230	17.3%	3,020,469	802,539	26.6%
Motor Vehicle License Tax.....	3,400,000	2,638,850	77.6%	3,483,135	2,650,894	76.1%
Real Estate Recordation.....	4,700,000	1,406,455	29.9%	5,351,748	1,448,032	27.1%
Admissions Tax.....	810,000	124,635	15.4%	902,556	180,849	20.0%
Other Local Taxes.....	3,909,800	197,517	5.1%	3,652,202	85,732	2.3%
Total Other Local Taxes	\$ 127,129,800	\$ 21,639,282	17.0%	\$ 127,632,884	\$ 20,728,511	16.2%
Intergovernmental Revenues						
Revenue from the Fed. Government.....	\$ 9,650,382	\$ 2,435,943	25.2%	\$ 9,691,407	\$ 1,694,804	17.5%
Personal Property Tax Relief from the Commonwealth.....	23,578,531	11,789,265	50.0%	23,578,531	11,789,265	50.0%
Revenue from the Commonwealth.....	22,759,967	5,565,749	24.5%	22,131,578	6,121,847	27.7%
Total Intergovernmental Revenues	\$ 55,988,880	\$ 19,790,957	35.3%	\$ 55,401,516	\$ 19,605,916	35.4%
Other Governmental Revenues And Transfers In						
Fines and Forfeitures.....	\$ 6,015,000	\$ 1,667,028	27.7%	\$ 4,916,607	\$ 1,172,268	23.8%
Licenses and Permits.....	2,534,625	1,062,343	41.9%	2,455,001	986,077	40.2%
Charges for City Services.....	19,321,236	5,535,268	28.6%	18,557,721	5,104,062	27.5%
Revenue from Use of Money & Prop.....	4,875,080	1,360,839	27.9%	4,870,007	1,174,605	24.1%
Other Revenue.....	624,654	700,641	112.2%	7,109,874	410,964	5.8%
Transfer from Other Funds.....	4,573,898	-	0.0%	3,206,574	-	0.0%
Total Other Governmental Revenues	\$ 37,944,493	\$ 10,326,119	27.2%	\$ 41,115,784	\$ 8,847,976	21.5%
TOTAL REVENUE	\$ 649,156,892	\$ 124,668,555	19.2%	\$ 638,911,183	\$ 140,743,137	22.0%
Appropriated Fund Balance						
General Fund.....	\$ 770,555	\$ -	\$ -	\$ -	\$ -	-
Appropriated refunding bond proceeds	10,645,678	10,645,678	0.0%	33,995,000	-	0.0%
Reappropriation of FY 2014	-	-	-	-	-	-
Encumbrances And Other	-	-	-	-	-	-
Supplemental Appropriations....	5,122,485	-	-	-	-	-
TOTAL	\$ 665,695,610	\$ 135,314,233	20.3%	\$ 672,906,183	\$ 140,743,137	20.9%