



Albemarle County

Legislation Text

File #: 18-570, **Version:** 1

AGENDA DATE: 11/7/2018

TITLE:

Q1 FY 19 Quarterly Financial Report; FY 18 Year End Economic Indicators Report; FY 18 Annual Economic Indicators Table I

SUBJECT/PROPOSAL/REQUEST: Most recent financial indicators; and County economic indicators.

ITEM TYPE: Consent Information Item

STAFF CONTACT(S): Richardson, Letteri, Allshouse, S., and Breeden, L.

PRESENTER (S): N/A

LEGAL REVIEW: Not Required

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: The attached Quarterly Financial Report (QFR) (Attachment A) provides information regarding the County's FY 19 General Fund and School Fund performance as of September 30, 2018. The Annual Economic Indicators Report (AEIR) (Attachments B and C) shows the state of the County's economy.

STRATEGIC PLAN: Quality Government Operations: Ensure County government's capacity to provide high quality service that achieves community priorities. Economic Prosperity: Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals.

DISCUSSION:

Quarterly Financial Report

The Quarterly Financial Report (QFR) reflects year-to-date (YTD) data through September 30, 2018, the end of the first quarter (Q1) of FY 19. The data in the attached QFR is organized in a way that is consistent with Exhibit 12 of the County's Comprehensive Annual Financial Report (CAFR). Most line item titles in the QFR match the line item titles in the CAFR.

Highlights from the QFR include:

Revenues - YTD Actual YTD total revenues in Q1 FY 19 were \$18,932,597 compared to \$16,986,786 in Q1 FY 18. In percentage terms, FY 19 YTD actual revenues as a percentage of FY19 Revised Budget revenues were 6.48%, compared to 6.19% in FY 18.

Expenditures - YTD Actual YTD total expenditures in Q1 FY 19 were \$34,472,434 compared to \$66,749,335 in Q1 FY 18. In percentage terms, FY 19 YTD actual expenditures as a percentage of FY 19 Revised Budget expenditures were 11.80%, compared to 24.31% in FY 18.

County Executive Authorized Transfers and Appropriations A table listing the County Executive authorized transfer and appropriations made during the first quarter of FY 19 is included on page 8.

ACPS Quarterly Financial Report

As requested by the Board, the Albemarle County Public Schools Quarterly Financial Report as of September 30, 2018 is included as a table on page 11 of the QFR.

An *Investment Activity Summary* for the Quarter Ended September 30, 2018 is included on page 12.

Annual Economic Indicators Report

The Annual Economic Indicators Report (AEIR) (Attachments B and C) shows the state of the County's economy. The AEIR contains data taken from the most recently available fiscal year and compares this data with data from previous fiscal years. General economic activity, as measured by six select revenue streams, grew substantially between FY 17 and FY 18. The unemployment rate in Albemarle declined between FY 17 and FY 18, going from 3.48% to 3.01%. This year-over-year decline was consistent with drops in national and state rates. Nominally, the County appears to have reached "full employment" and, if the forecasted FY 19 rate of 2.8% turns out to be correct, Albemarle would seem to be in a labor shortage. The County's jobs base, meanwhile, experienced healthy growth between FY 17 and FY 18. The estimated total number of jobs increased from 54,921 to 56,000 or by about 2%. This growth of 1,079 positions is consistent with a solid local labor market. Note, however, that the *inflation-adjusted* average weekly wage apparently dropped by \$10 between FY 17 and FY 18. This decline of 1% might be a statistical fluke but would be consistent with overall stagnant wages in the U.S. since the end of the 2007-09 recession. Staff will continue to monitor the situation. The *inflation-adjusted* Federal Housing Finance Agency's House Price Index for the Charlottesville *region*, meanwhile, rose by 4.46% between FY 17 and FY 18. Overall, the data suggests that the County's economy grew at a healthy pace in the most recent year, a situation that is consistent with the U.S. and state economies. The outlook for the County's economy in FY 19 generally looks good, although there exist foreseeable macroeconomic scenarios under which the direction of the County's economy could reverse

BUDGET IMPACT: Revenues and expenditures data contained in the UQFR reflects the state of the County's FY 19 budget-to-actual financial performance as of September 30, 2018. Data shown in the QEIR reflects economic variables that impact the County's current and future revenues and expenditures.

RECOMMENDATION:

These reports are for information only. Staff welcomes the Board's feedback regarding the content and presentation of these reports.

ATTACHMENTS:

- Attachment A - Unaudited Quarterly Financial Report
- Attachment B - FY 18 Yearly Economic Indicators Report
- Attachment C - FY 18 Annual Economic Indicators Table I