



## Takoma Park City Council Meeting – November 7, 2018 Agenda Item 7

### **Work Session**

Quarterly Financial Report

### **Recommended Council Action**

None – discussion only.

### **Context with Key Issues**

The Finance Department prepares quarterly financial reports to provide periodic information on the amount of projected revenue that has actually been received and the amount of projected expenditures that have actually been spent during the course of the fiscal year. The report for the 12 months ended June 30, 2018 is attached.

The key summary information can be found on pages 1 and 2. A column comparing the same period of FY 2017 is included on the spreadsheets.

Please note that although this report shows all four quarters of FY 2018, final figures will be presented in the FY 2018 Comprehensive Annual Financial Report (CAFR).

### **Council Priority**

Fiscally Sustainable Government

### **Environmental Impact of Action**

Not applicable.

### **Fiscal Impact of Action**

Careful monitoring of revenue and expenditures can help identify any potential fiscal issues at a point early enough to address them.

### **Racial Equity Impact of Action**

Not applicable.

### **Attachments and Links**

Fourth Quarter FY 2018 Financial Report

# **FISCAL YEAR 2018**

# **FINANCIAL REPORT**

*FOR THE YEAR ENDED*

*June 30, 2018*

THE CITY OF  
**TAKOMA PARK**



# *EXECUTIVE SUMMARY*

## **General Fund Revenues**

The General Fund is the chief operating fund of City of Takoma Park and supports the regular day-to-day activities of the City, such as police protection, street and park maintenance, and general administrative functions. The General Fund's activities are supported primarily from two sources: taxes and utility fees and intergovernmental revenues.

Certain General Fund revenues are cyclical in nature. For example, property tax receipts and income tax payments are received during a certain period of time during the year. Other revenue sources are received on a monthly basis and, as a result, are more evenly distributed throughout the fiscal year.

As of June 30, 2018, General Fund revenues totaled \$24,231,763 or 99% of the Fiscal Year 2018 budgeted amount. Explanations are provided for revenue categories where collections were less than 90% and over 110% of the budgeted amount or where significant variances were noted.

The largest single source of revenue for the City's general operations is Real Property Taxes. Total collections as of June 30, 2018 were \$11,949,935, or approximately 99% of the budgeted amount. Along with the Real Property Taxes, the City also received \$404,640 or 108% in Personal Property Tax revenues and \$230,184 or 98% of revenues related to Railroad and Public Utilities. In Personal Income Tax, the collected revenue is slightly lower than the budgeted amount due to the requirement of State Income Tax Reserve in accordance to GASB 33.

In FY17, the City collected an extra amount of \$65,070 under penalty and interest revenue due to the Tax sale of the Washington McLaughlin School. In addition, due to the overestimated penalty and interest revenue in FY18, the actual revenue received in this fiscal year is significantly lower than FY17. In Fines & Forfeitures and Administrative Fees for Parking Tickets, the amount collected is \$151,000 less than budgeted. The revenue reduction is due to a temporary staff shortage to carry out parking enforcement. Library Fines and Fees shows a decrease of \$16,543 or 50% due to the automatic book renewal system resulting in fewer overdue fines from the patrons. The City only received \$4,617 or 51% from Advertising at Bus Shelters revenue this fiscal year due to decreased number of advertisements. The 57 % decrease in Miscellaneous-Other income is the result of the new contract with the City's vending machine vendor, Compass Group. The City will not charge Compass Group any fee provided that Compass will stock the City's vending machines with healthy snacks. In Intergovernmental Revenue, the City collected only 12% of the budgeted revenue from the State and County MOU Project. The decrease is due to the delay of Flower Avenue Green Street Project.

Use of Money was \$126,546 or 744% of the budgeted amount. This is due to the increase in interest income from the depository account and the undrawn bond balance from the Library and Transportation Bonds with CDA.

## **Stormwater Management Fund**

Revenues for the Stormwater Management Fund as of June 30, 2018 totaled \$696,817 or 86% of the budgeted amount. Fund expenditures totaled \$710,955 or 82% of the budgeted amount.

Both fund expenditures and revenues are lower than the budgeted amount due to the deferred National Fish and Wild Life Grant.

## **Speed Camera Fund**

As of June 30, 2018, fines collected for the Speed Camera Fund totaled \$1,244,993 or 95% of the budgeted amount.

Fund expenditures totaled \$1,188,767 or 88% of the budgeted amount. This is due to the overestimation of contractual expenditures from the Speed Camera contractor, Conduent Solutions, Inc.

## **Special Revenue Fund**

The Special Revenue Fund revenues totaled \$1,058,726 or approximately 46% of the budgeted amount as of June 30, 2018. Grant reimbursements are prepared on a quarterly basis. Grant reimbursements are pending the review and approval of the grantor so they may not be received for several months. Most importantly, there are delays in a number of projects including Safe Routes to School (\$738,300), Flower Avenue (\$77,350), and Ethan Allen (\$190,000).

Fund expenditures totaled \$1,166,848 or 50% of the budgeted amount.

GENERAL FUND REVENUES

FOR THE YEAR ENDED

June 30, 2018

REVENUES BY SOURCE:	Actual FY18 Q1	Budgeted FY19	Actual FY19 Q1-Q4	Uncollected Revenue*	% Collected
<b>Taxes and Utility Fees</b>					
Real Property	11,843,928	12,013,248	11,949,935	63,313	99.47%
Personal Property	410,678	375,000	404,640	-29,640	107.90%
RR and Public Utilities	221,706	235,500	230,184	5,316	97.74%
Penalties and Interest	122,844	100,000	37,561	62,439	37.56%
Admission and Amusement	136,238	134,000	127,029	6,971	94.80%
Additions and Abatements	-49,620	-35,000	-46,782	11,782	133.66%
Highway	345,873	360,318	360,336	-18	100.00%
Income Tax	3,171,194	3,400,000	3,303,938	96,062	97.17%
<b>Total--Taxes and Utility Fees</b>	<b>16,202,840</b>	<b>16,583,066</b>	<b>16,366,843</b>	<b>216,223</b>	<b>98.70%</b>
<b>Licenses and Permits</b>	<b>69,717</b>	<b>76,704</b>	<b>107,511</b>	<b>-30,807</b>	<b>140.16%</b>
<b>Fines and Forfeitures</b>	<b>372,452</b>	<b>405,000</b>	<b>253,980</b>	<b>151,020</b>	<b>62.71%</b>
<b>Use of Money and Property</b>	<b>24,935</b>	<b>17,000</b>	<b>126,546</b>	<b>-109,546</b>	<b>744.39%</b>
<b>Charges for Services</b>					
Inspection Fees	320,960	338,600	333,193	5,407	98.40%
Public Parking Facilities	101,616	95,000	107,907	-12,907	113.59%
Waste Collection & Disposal Charges	60,997	71,000	63,813	7,187	89.88%
Recreation Programs and Services	558,364	497,600	565,873	-68,273	113.72%
Library Fines and Fees	23,869	33,000	16,457	16,543	49.87%
Passport Services	80,670	60,000	59,860	140	99.77%
Advertising--Bus Shelters	9,347	9,000	4,617	4,383	51.30%
Farmer's Market	5,720	5,720	5,720	0	100.00%
EVI Charger	0	0	4,797	-4,797	100.00%
Recyclable Sales	532	1,000	184	816	18.36%
Mulch Sales	20,567	22,000	21,827	173	99.21%
Telephone Commissions	26	30	18	12	60.67%
Special Trash Pickup	9,425	8,500	10,467	-1,967	123.14%
<b>Total--Charges for Services</b>	<b>1,192,092</b>	<b>1,141,450</b>	<b>1,194,732</b>	<b>-53,282</b>	<b>104.67%</b>
<b>Intergovernmental Revenues</b>					
Police Protection (State)	451,694	437,300	457,251	-19,951	104.56%
State & County MOU Projects	46,059	91,743	10,595	81,148	11.55%
Bank Share Tax	5,643	5,643	5,643	0	100.00%
Library Aid	166,169	154,043	168,704	-14,661	109.52%
Police Rebate	945,118	1,039,388	1,013,685	25,703	97.53%
Federal Grant	0	0	3,200	-3,200	100.00%

GENERAL FUND REVENUES-Continue

REVENUES BY SOURCE:	Actual FY17 Q1-Q4	Budgeted FY18	Actual FY18 Q1-Q4	Uncollected Revenue*	% Collected
<i>In Lieu of Police</i>	2,515,147	2,515,147	2,515,147	0	100.00%
<i>In Lieu of Roads Maintenance</i>	743,199	743,199	743,199	0	100.00%
<i>In Lieu of Parks Maintenance</i>	72,913	72,913	72,913	0	100.00%
<i>In Lieu of Crossing Guard</i>	182,384	182,384	182,384	0	100.00%
<i>Takoma/Langley Rec. Agreement</i>	87,650	85,020	85,020	0	100.00%
<i>Hotel Motel Tax</i>	133,500	115,000	121,430	-6,430	105.59%
<i>Cable Franchise Fees</i>	258,639	246,000	244,920	1,080	99.56%
<i>Cable—Operating</i>	476,739	462,000	450,138	11,862	97.43%
<b>Total--Intergovernmental Revenues</b>	<b>6,084,854</b>	<b>6,149,780</b>	<b>6,074,228</b>	<b>75,552</b>	<b>98.77%</b>
<b>Miscellaneous</b>					
<i>Tree Fund</i>	25,000	25,000	25,000	0	100.00%
<i>Sales of Impounded Property</i>	1,200	1,000	0	1,000	0.00%
<i>Other</i>	30,666	30,000	17,002	12,998	56.67%
<i>Insurance Claims</i>	-1,027	0	20,787	-20,787	100.00%
<i>Administrative Fees--Parking</i>	5,663	6,000	3,625	2,375	60.42%
<i>Donations</i>	15,260	3,000	196	2,804	6.53%
<i>Police Youth - Donation</i>	0	0	911	-911	100.00%
<b>Total--Miscellaneous</b>	<b>76,762</b>	<b>65,000</b>	<b>67,522</b>	<b>-2,522</b>	<b>103.88%</b>
<b>Total Operating Revenues</b>	<b>24,023,652</b>	<b>24,438,000</b>	<b>24,191,363</b>	<b>246,638</b>	<b>98.99%</b>
<b>Sale of City Property</b>	<b>30,082</b>	<b>12,000</b>	<b>40,400</b>	<b>-28,400</b>	<b>336.67%</b>
<b>Total Revenues</b>	<b>24,053,734</b>	<b>24,450,000</b>	<b>24,231,763</b>	<b>218,238</b>	<b>99.11%</b>

Note:

\*Uncollected Revenue – Variance between Budgeted FY18 and Actual FY18.

GENERAL FUND EXPENDITURES

FOR THE FISCAL YEAR ENDED

JUNE 30, 2018

EXPENDITURES BY DEPARTMENT:	Actual FY17 Q1-Q4	Budgeted FY18	Actual FY18 Q1-Q4	Available Balance**	% Expended
<b>General Government</b>					
Legislative	171,841	274,095	199,557	74,538	72.81%
General Management	639,538	712,836	623,936	88,900	87.53%
Finance	593,317	646,308	589,992	56,316	91.29%
Legal	260,233	277,700	212,731	64,969	76.60%
Information Systems	607,059	665,877	596,335	69,542	89.56%
Human Resources	314,044	416,721	393,612	23,109	94.45%
City Clerk	287,170	329,527	289,225	40,302	87.77%
<b>Total--General Government</b>	<b>2,873,202</b>	<b>3,323,064</b>	<b>2,905,387</b>	<b>417,677</b>	<b>87.43%</b>
<b>Public Safety</b>					
Office of the Chief	715,666	725,925	567,867	158,058	78.23%
Communications	546,076	624,877	471,725	153,152	75.49%
Operations	3,638,997	3,655,179	3,920,793	(265,614)	107.27%
Support Services	1,565,831	1,605,265	1,599,944	5,321	99.67%
Administrative Services	760,937	805,288	798,738	6,550	99.19%
Neighborhood Services	324,634	500,401	326,221	174,180	65.19%
<b>Total--Public Safety</b>	<b>7,552,140</b>	<b>7,916,935</b>	<b>7,685,288</b>	<b>231,647</b>	<b>97.07%</b>
<b>Public Works</b>					
Administration	499,599	652,499	501,254	151,245	76.82%
Building Maintenance	827,107	891,212	835,276	55,936	93.72%
Equipment Maintenance	488,338	502,767	473,388	29,379	94.16%
Right-of-Way	996,578	1,097,044	1,069,565	27,478	97.50%
Solid Waste Management	990,129	1,040,859	1,053,140	(12,281)	101.18%
Gardens	292,486	288,427	258,366	30,061	89.58%
Urban Forest	206,332	271,113	220,748	50,365	81.42%
City Engineer	279,524	332,485	326,572	5,913	98.22%
<b>Total--Public Works</b>	<b>4,580,093</b>	<b>5,076,406</b>	<b>4,738,309</b>	<b>338,097</b>	<b>93.34%</b>
<b>Recreation</b>					
Administration	411,776	352,832	346,789	6,043	98.29%
Outreach	855	61,551	29,471	32,080	47.88%
TP Recreation Center	211,589	244,661	250,484	(6,243)	102.55%
Community Programs	186,784	200,209	183,284	16,892	91.56%
Athletic Fields/Facilities	62,177	70,568	60,798	9,770	86.15%
Camps	126,029	144,694	116,386	27,958	80.68%
Before/After School Programs	109,943	120,703	98,961	21,742	81.99%
Community Center	614,603	743,619	661,829	81,766	89.00%
<b>Total--Recreation</b>	<b>1,723,756</b>	<b>1,938,837</b>	<b>1,748,827</b>	<b>190,010</b>	<b>90.20%</b>

GENERAL FUND EXPENDITURES-Continue

<b>EXPENDITURES BY DEPARTMENT:</b>	<b>Actual FY17 Q1-Q4</b>	<b>Budgeted FY18</b>	<b>Actual FY18 Q1-Q4</b>	<b>Available Balance**</b>	<b>% Expended</b>
<b>Housing &amp; Comm. Development</b>					
<i>HCD Administration</i>	281,743	350,671	307,730	42,941	87.75%
<i>Planning &amp; Development Services</i>	344,447	615,215	411,243	203,972	66.85%
<i>Housing &amp; Community Services</i>	631,419	743,789	610,809	132,980	82.12%
<b>Total--Housing &amp; Comm. Dev.</b>	<b>1,257,609</b>	<b>1,709,675</b>	<b>1,329,781</b>	<b>379,894</b>	<b>77.78%</b>
<b>Communications</b>	<b>489,911</b>	<b>591,785</b>	<b>512,517</b>	<b>79,268</b>	<b>86.61%</b>
<b>Library</b>					
<i>Library</i>	1,122,207	1,239,260	1,173,612	65,648	94.70%
<i>Computer Learning Center</i>	95,203	110,600	97,126	13,474	87.82%
<b>Total--Library</b>	<b>1,217,410</b>	<b>1,349,860</b>	<b>1,270,738</b>	<b>79,122</b>	<b>94.14%</b>
<b>Debt Service</b>	<b>359,898</b>	<b>910,160</b>	<b>982,448</b>	<b>(72,288)</b>	<b>107.94%</b>
<b>Non-Departmental</b>	<b>1,168,118</b>	<b>1,764,030</b>	<b>1,220,628</b>	<b>543,402</b>	<b>69.20%</b>
<b>Capital Outlay</b>	<b>2,065,455</b>	<b>4,845,708</b>	<b>2,071,138</b>	<b>2,774,570</b>	<b>42.74%</b>
<b>Total Expenditures</b>	<b>23,287,591</b>	<b>29,426,460</b>	<b>24,465,062</b>	<b>4,961,398</b>	<b>83.14%</b>

Note:

\*\*Available Balance – A variance between Budgeted FY18 and Actual FY18.



*OTHER FUNDS REVENUES*

*FOR THE FISCAL YEAR ENDED*

*JUNE 30, 2018*

<b>REVENUES BY FUNDS</b>	<b><u>Actual FY17 Q1-Q4</u></b>	<b><u>Budgeted FY18</u></b>	<b><u>Actual FY18 Q1-Q4</u></b>	<b><u>Uncollected Revenue*</u></b>	<b><u>% Collected</u></b>
<b><i>Special Revenue Fund</i></b>	<u>884,680</u>	<u>2,280,281</u>	<u>1,058,726</u>	<u>1,221,555</u>	<b><u>46.43%</u></b>
<b><i>Stormwater Management Fund</i></b>	<u>572,732</u>	<u>814,950</u>	<u>720,301</u>	<u>118,133</u>	<b><u>88.39%</u></b>
<b><i>Speed Camera Fund</i></b>	<u>1,476,513</u>	<u>1,312,000</u>	<u>1,244,993</u>	<u>67,007</u>	<b><u>94.89%</u></b>

*OTHER FUNDS EXPENDITURES*

*FOR THE FISCAL YEAR ENDED*

*JUNE 30, 2018*

<b>EXPENDITURES BY FUNDS</b>	<b><u>Actual FY17 Q1-Q4</u></b>	<b><u>Budgeted FY18</u></b>	<b><u>Actual FY18 Q1-Q4</u></b>	<b><u>Available Balance**</u></b>	<b><u>% Expended</u></b>
<b><i>Special Revenue Fund</i></b>	<u>855,997</u>	<u>2,349,323</u>	<u>1,166,848</u>	<u>1,182,474</u>	<b><u>49.67%</u></b>
<b><i>Stormwater Management Fund</i></b>	<u>422,311</u>	<u>865,650</u>	<u>710,955</u>	<u>154,695</u>	<b><u>82.13%</u></b>
<b><i>Speed Camera Fund</i></b>	<u>1,122,286</u>	<u>1,358,660</u>	<u>1,188,767</u>	<u>169,893</u>	<b><u>87.50%</u></b>

Note:

\*Uncollected Revenue – A variance between Budgeted FY18 and Actual FY18.

\*\*Available Balance – A variance between Budgeted FY18 and Actual FY18.