



Takoma Park City Council Meeting – February 19, 2020 Agenda Item 3

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 covering the first two quarters of Fiscal Year 2020 is attached.

Council Priority

Fiscally Sustainable Government

Environmental Considerations

Not applicable.

Fiscal Considerations

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

Racial Equity Considerations

Not applicable.

Attachments and Links

Second Quarter FY 2020 Financial Report

FISCAL YEAR 2020

FINANCIAL REPORT

FOR THE SIX MONTHS ENDED

December 31, 2019

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 December 31, 2019, General Fund revenues totaled \$14,754,865 or 58% of the Fiscal Year 2020 budgeted amount. Explanations are provided for revenue categories where collections were less than 50% and 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 December 31, 2019 were \$7,899,094, or approximately 60% of the budgeted amount. Along with the Real Property Taxes, the City also received \$148,730 in Personal Property Tax revenues within which 93% are generated by corporate businesses. In addition, the City received \$66,734 or 28% of revenues related to Railroad and Public Utilities. For Admission & Amusement and Income Tax, the City has received the first quarter payment in the amount of \$33,460 by the end of the second quarter. Only 29% of Highway User Revenue has been received by December 31; the payment schedule for this source varies from year to year.

The reduced revenue for Fines & Forfeitures which totaled \$83,210 or 38% as of December 31, 2019 is due to the reduction of tickets issued by the parking enforcement officers and the revenue collected by ticketing service contractor Complus. This decrease in revenue also affects the revenue for Admin Parking Fees which totaled \$75 or 2% of the budgeted amount.

In miscellaneous revenue categories, the City receives the Bus Shelters Advertising payment in the amount of \$293 or 6% since the advertising revenues are received twice a year. In the Mulch Sales, the City received \$5,885 or 27% of the budgeted revenue. The Mulch Sales revenue should increase in the third and fourth quarters during Spring and Summer. The collection of revenues for EVI chargers and Farmer's Market are also cyclical in nature.

In Intergovernmental Revenues such as Cable Franchise Fees and Operating Fees, the revenue collected was 25% of the budgeted amount. The majority of these revenues are usually collected a quarter behind due to the timing of the process by the other governmental agencies. The State & County Projects were budgeted for \$86,491, as of December 2019, the City has not received any revenue due to the Flower Avenue Green Street project delay.

The Insurance Claim is \$15,952 or 638% exceeding the budgeted amount. This is due to the receipt of a onetime \$15,451 insurance claim from Local Government Insurance Trust. Sales of City Property is \$15,376 or 153% of the budgeted amount due to the increased sales of city vehicles.

Stormwater Management Fund

Revenues for the Stormwater Management Fund as of December 31, 2019 totaled \$482,674 or 68% of the budgeted amount. Beginning FY18, the Stormwater fee has been collected by Montgomery County and the revenue is distributed to the City on a monthly basis.

Fund expenditures totaled \$112,507 or 13% of the budgeted amount.

Speed Camera Fund

As of December 31, 2019, fines collected for the Speed Camera Fund totaled \$502,046 or 39% of the budgeted amount.

Fund expenditures totaled \$419,839 or 36% of the budgeted amount.

Special Revenue Fund

The Special Revenue Fund revenues totaled \$65,127 or 1% of the budgeted amount as of December 31, 2019. Grant reimbursements are prepared on a quarterly basis. Grant reimbursements are pending the review and approval of the grantors so they may not be received for several months. Pending grant reimbursements include the New Ave Bikeway and Lincoln Avenue projects.

Fund expenditures totaled \$259,694 or 5% of the budgeted amount.

GENERAL FUND REVENUES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2019

REVENUES BY SOURCE:	Actual FY19 YTD	Budgeted FY20	Actual FY20 YTD	Uncollected Revenue*	% Collected
Taxes and Utility Fees					
Real Property	7,620,321	13,128,511	7,899,094	5,229,417	60.17%
Personal Property	250,624	100,000	148,730	(48,730)	148.73%
RR and Public Utilities	0	242,134	66,734	175,400	27.56%
Penalties and Interest	13,459	30,000	18,487	11,513	61.62%
Admission and Amusement	34,333	130,000	33,460	96,540	25.74%
Additions and Abatements	(8,256)	(48,000)	(9,234)	(38,766)	19.24%
Highway	307,067	495,471	142,933	352,538	28.85%
Income Tax	1,211,714	3,388,000	1,368,677	2,019,323	40.40%
Total--Taxes and Utility Fees	9,429,262	17,466,116	9,668,882	7,797,235	55.36%
Licenses and Permits	52,131	76,804	40,124	36,680	52.24%
Fines and Forfeitures	104,199	220,000	83,210	136,790	37.82%
Use of Money and Property	113,425	239,400	182,786	56,614	76.35%
Charges for Services					
Inspection Fees	165,955	306,674	130,570	176,104	42.58%
Public Parking Facilities	48,139	200,000	61,534	138,466	30.77%
Waste Collection & Disposal Charges	44,657	65,000	21,164	43,836	32.56%
Recreation Programs and Services	332,557	583,535	269,880	313,655	46.25%
Library Fines and Fees	7,871	20,000	5,909	14,091	29.54%
Passport Services	25,235	56,000	28,325	27,675	50.58%
EVI Charger	3,719	10,000	0	10,000	0.00%
Advertising--Bus Shelters	0	4,600	293	4,307	6.36%
Farmer's Market	0	5,824	0	5,824	0.00%
Recyclable Sales	139	200	292	(92)	145.80%
Mulch Sales	4,650	22,000	5,885	16,115	26.75%
Telephone Commissions	0	20	0	20	0.00%
Special Trash Pickup	5,820	9,500	5,205	4,295	54.79%
Total--Charges for Services	638,742	1,283,353	529,506	754,297	41.22%

GENERAL FUND REVENUES-Continue

REVENUES BY SOURCE:	Actual FY19 YTD	Budgeted FY20	Actual FY20 YTD	Uncollected Revenue*	% Collected
Intergovernmental Revenues					
Police Protection (State)	103,859	442,995	110,717	332,279	24.99%
State & County Projects	0	86,491	0	86,491	0.00%
Bank Share Tax	5,643	5,643	5,643	0	100.00%
Library Aid	93,029	188,329	47,747	140,582	25.35%
Police Rebate	552,336	1,126,765	293,180	833,585	26.02%
Federal Grant	2,336	5,675	2,685	2,990	47.31%
In Lieu of Police	2,515,147	2,515,147	2,515,147	0	100.00%
In Lieu of Roads Maintenance	743,199	743,199	743,199	0	100.00%
In Lieu of Parks Maintenance	72,913	72,913	72,913	0	100.00%
In Lieu of Crossing Guard	182,384	182,384	182,384	0	100.00%
Takoma/Langley Rec. Agreement	21,255	85,020	21,255	63,765	25.00%
Hotel Motel Tax	50,273	120,000	39,664	80,336	33.05%
Cable Franchise Fees	58,793	221,000	54,904	166,096	24.84%
Cable—Operating	107,885	417,000	101,125	315,875	24.25%
Total--Intergovernmental Revenues	4,509,052	6,212,561	4,190,564	2,021,997	79.36%
Miscellaneous					
Tree Fund	25,000	25,000	25,000	0	100.00%
Sales of Impounded Property	0	0	0	0	0.00%
Other	14,713	27,875	541	27,334	1.94%
Insurance Claims	2,336	2,500	15,952	(13,452)	638.07%
Administrative Fees--Parking	1,600	4,000	75	3,925	1.88%
Donations	103,420	1,000	300	700	30.00%
Police Youth	2,639	0	0	0	0.00%
Total--Miscellaneous	149,708	60,375	41,867	18,508	69.35%
Total Operating Revenues	14,996,519	25,558,610	14,763,374	10,795,236	57.76%
Sale of City Property	2,469	12,000	18,376	(6,376)	153.13%
Total Revenues	14,998,988	25,570,610	14,754,865	10,815,744	57.70%

Note:

*Uncollected Revenue – Variance between Budgeted FY20 and Actual FY20.

GENERAL FUND EXPENDITURES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2019

EXPENDITURES BY DEPARTMENT:	Actual FY19 YTD	Budgeted FY20	Actual FY20 YTD	Available Balance**	% Expend
General Government					
Legislative	212,582	211,558	85,153	126,405	40.25%
General Management	690,574	667,258	318,300	348,958	47.70%
Finance	630,119	702,180	304,167	398,013	43.32%
Legal	235,046	233,700	84,358	149,342	36.10%
Information Systems	597,784	678,576	343,932	334,644	50.68%
Human Resources	432,024	532,070	156,282	375,788	29.37%
City Clerk	257,868	323,130	119,700	203,430	37.04%
Total--General Government	3,055,99	3,348,472	1,411,892	1,936,580	42.17%
Public Safety					
Office of the Chief	821,312	900,487	365,626	534,861	40.60%
Communications	539,467	608,570	241,665	366,905	39.71%
Patrol Operations	3,766,345	4,068,638	1,497,513	2,571,125	36.81%
Investigation Services	1,441,924	1,053,550	563,072	490,478	53.45%
Administrative Services	950,834	1,139,893	398,847	741,046	34.99%
Neighborhood Services	419,900	522,050	190,075	331,975	36.41%
Total--Public Safety	7,939,783	8,293,188	3,256,799	5,036,389	39.27%
Public Works					
Administration	611,870	317,760	216,371	101,389	68.09%
Building Maintenance	888,039	876,230	362,064	514,166	41.32%
Equipment Maintenance	530,804	529,355	190,654	338,701	36.02%
Right-of-Way	1,135,744	962,332	511,364	450,968	53.14%
Solid Waste Management	1,091,958	1,110,894	508,914	601,980	45.81%
Sustainability	3,374	488,130	43,992	444,138	9.01%
Vegetation Management	219,317	426,240	100,981	325,259	23.69%
Urban Forest	264,852	285,330	165,438	119,892	57.98%
City Engineer	326,716	328,968	123,946	205,022	37.68%
Total--Public Works	5,072,674	5,325,239	2,223,724	3,101,515	41.76%
Recreation					
Administration	541,332	578,473	246,420	332,053	42.60%
Outreach	253,975	299,420	121,020	178,400	40.42%
Recreation Center	183,505	191,904	95,905	95,999	49.98%
Community Programs	215,036	245,535	88,099	157,436	35.88%
Facilities/Athletic Fields	82,180	77,700	26,216	51,484	33.74%
Camps	125,308	131,630	84,622	47,008	64.29%
After School Programs	114,011	122,550	44,473	78,077	36.29%
Community Center					39.68%
Total--Recreation	1,907,342	2,062,472	871,547	1,190,925	42.26%

GENERAL FUND EXPENDITURES-Continue

EXPENDITURES BY DEPARTMENT:	Actual FY19 YTD	Budgeted FY20	Actual FY20 YTD	Available Balance**	% Expended
Housing & Comm. Development					
<i>Planning</i>	334,033	409,490	147,319	262,171	35.98%
<i>HCD Administration</i>	299,123	183,880	106,527	77,353	57.93%
<i>Economic Development</i>	141,820	406,015	94,299	311,716	23.23%
<i>Arts and Humanities</i>	1,295	88,360	36,886	51,474	41.74%
<i>Housing & Community Services</i>	679,139	834,683	262,400	572,283	31.44%
Total--Housing & Comm. Dev.	1,455,410	1,922,428	647,430	1,274,998	33.68%
Communications	507,869	543,612	247,880	295,732	45.60%
Library					
<i>Library</i>	1,216,390	1,229,320	569,990	659,330	46.37%
<i>Computer Learning Center</i>	102,723	103,750	40,836	62,914	39.36%
Total--Library	1,319,114	1,333,070	610,826	722,244	45.82%
Debt Service	919,868	917,728	158,716	759,012	17.29%
Non-Departmental	1,400,240	1,713,227	792,541	920,686	46.26%
Capital Outlay	3,440,941	5,317,003	391,516	4,925,487	7.36%
<u>Total Expenditures</u>	<u>27,019,238</u>	<u>30,776,440</u>	<u>10,612,871</u>	<u>20,163,570</u>	<u>34.48%</u>

Note:

**Available Balance – A variance between Budgeted FY20 and Actual FY20.

*OTHER FUNDS REVENUES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2019*

REVENUES BY FUNDS	Actual <u>FY19 YTD</u>	Budgeted <u>FY20</u>	Actual <u>FY20 YTD</u>	Uncollected <u>Revenue</u>	% <u>Collected</u>
Special Revenue Fund	1,729,760	4,865,940	65,127	4,800,813	1.34%
Stormwater Management Fund	880,290	713,000	482,674	230,326	67.70%
Speed Camera Fund	1,026,259	1,278,000	502,046	775,954	39.28%

*OTHER FUNDS EXPENDITURES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2019*

EXPENDITURES BY FUNDS	Actual <u>FY19 YTD</u>	Budgeted <u>FY20</u>	Actual <u>FY20 YTD</u>	Available <u>Balance</u>	% <u>Expended</u>
Special Revenue Fund	1,590,289	5,202,500	259,694	4,942,806	4.99%
Stormwater Management Fund	797,191	854,878	112,507	742,370	13.16%
Speed Camera Fund	1,292,876	1,153,018	419,839	733,179	36.41%

Note:

*Uncollected Revenue – A variance between Budgeted FY20 and Actual FY20.

**Available Balance – A variance between Budgeted FY20 and Actual FY20.