



Takoma Park City Council Meeting – August 2, 2023 Agenda Item 6

Presentation

Briefing presentation of the FY23 4th 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 City Manager's presentation and 4th quarterly report for Fiscal Year 2023 are attached.

The key summary information can be found on the Executive Summary on pages 1 and 2. A column comparing the same period of FY2022 is included in the report.

Council Priority

Fiscally Sustainable Government.

Environmental Considerations

Not applicable.

Fiscal Considerations

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

Racial Equity Considerations

Not applicable.

Attachments and Links

City Manager's Presentation

Fourth Quarter FY 2023 Financial Report

FISCAL YEAR 2023

FINANCIAL REPORT

FOR THE TWELVE MONTHS ENDED

JUNE 30, 2023

THE CITY OF
TAKOMA PARK



EXECUTIVE SUMMARY

Total revenue collected, across all funds, at June 30, 2023 was \$40.7M or 95% of the budgeted amount. Total expenditure was \$35.8M or 63% of the budgeted amount with an excess of revenue over expenditure of \$4.8M at June 30, 2023. This compares to 100% of total revenue collected at June 30, 2022 and 79% expenditure.

There is an excess of revenue over expenditure of \$4.8M at June 30, 2023 due to unspent funds in the ARPA fund. Excluding the ARPA fund, the City had a deficit of \$664K – \$8.4K surplus for the General Fund, \$78.7K deficit for the Special Revenue Fund, \$241K deficit for the Stormwater Management Fund and \$352.8K deficit for the Speed Camera Fund.

For the Federal Grant - ARPA Fund, the City cannot realize the \$8.7M revenue until the money is expended. The remaining receipt is placed in " Unearned Revenue" at year end. Please refer to the Balance Sheet - Governmental Funds on page 37 of the FY22 Annual Comprehensive Financial Report for additional information.

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.

As of June 30, 2023, General Fund (GF) revenues totaled \$28.2M or 103% of the fiscal year 2023 (FY23) budgeted amount. Total GF revenues collected at the same date for the previous fiscal year were \$27.8M or 103% of the budgeted amount. Total GF expenses were \$28.2M or 77% of the budgeted amount compared to \$26.9M or 83% for FY22.

General Fund Revenue and Expense items whose percentage collected or expended differs significantly (20% or greater) from Fiscal Year 2022 (FY22), except for de minimis amounts, are discussed below:

Personal property tax – 125% collected to date compared to 161% for FY22. The City expects to collect further revenue for FY23 during FY24. This was the case for FY22.

Penalties and interest – 225% collected compared to 138% for FY22. The City received higher penalties and interest revenue for FY23. There is no regular pattern for penalties and interest.

Admission and Amusement – 109% collected compared to 158% for FY22. Revenue for fourth quarter FY23 has not yet been received.

Additions and Abatements – 18% for FY23 compared to 169% for FY22. The City was charged with less property taxes refund to owners in FY23. There is no regular pattern for these types of charges which are done by Montgomery County.

Highway taxes – 79% collected so far compared to 113% for FY22. The City expects to receive additional revenue for FY23.

Use of Money and Property – 192% collected compared to a negative amount for FY22 due mainly to changes in interest rates.

Recreation Programs and Services – 105% collected compared to 82% for FY22. Some recreation activities were limited in FY22 due to pandemic restrictions.

Passport Services – 178% collected compared to 151% for FY22 due to increased demand for passport services following the pandemic.

Special Thrash Pickup – 135% collected compared to 114% for FY22 due to higher prices charged for the service for FY23.

Police protection (State) – 131% collected compared to 93% for FY22. This revenue is for the reimbursement for the City's Police SAPP Grant. The Grant amount provided was higher for FY23 compared to FY22.

Takoma Langley Agreement – 75% collected compared to 100% for FY22. The fourth quarter revenue for FY23 has not yet been received.

Cable franchise and operating fees – 74% collected compared to 95/96% for FY22. The fourth quarter revenue for FY23 has not yet been received.

Sale of Impounded Property – nothing was budgeted for FY22 although \$1K was collected. For FY23, \$1K was budgeted and \$5K collected due to sale of a vehicle.

General Fund Department Expenditures were consistent with those of FY22. There are some FY23 expenditures relating to invoices which were received after the fourth quarter or are yet to be received that will increase total expenditures bringing them even closer in line with FY22.

Stormwater Management Fund

Revenues for the Stormwater Management Fund as of June 30, 2023 totaled \$772,231 or 101% of the budgeted amount. Beginning in 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 \$1,013,303 or 73% of the budgeted amount due to delay of some capital projects.

Speed Camera Fund

As of June 30, 2023, fines collected for the Speed Camera Fund totaled \$702,342 or 36% of the budgeted amount due to some defective cameras during part of the year. Revenues from red light cameras were included in the budget for the fiscal year 2023. However, there were no revenues collected from red light cameras during the period since they are not yet active. The Police Department is awaiting updates from the contractor regarding the activation of the red light cameras. Fund expenditures totaled \$1,055,152 or 58% of the budgeted amount due to staff turnover, delay in the red light camera operation and other capital projects.

Special Revenue Fund

The Special Revenue Fund revenues totaled \$2.2M or 57% of the budgeted amount as of June 30, 2023. Fund expenditures totaled \$2.3M or 34% of the budgeted amount. This is due to the delay of some capital projects.

ARPA Fund

The ARPA Fund revenues totaled \$8.7M or 100% of the budgeted amount as of June 30, 2023. Fund expenditures totaled \$3.3M or 32% of the budgeted amount due to the delay of some projects and staff turnover.

All FUNDS REVENUES AND EXPENSES FOR THE TWELVE MONTHS ENDED JUNE 30, 2023

FY2023 Total Revenue/Expenses at June 30, 2023	General	Special Revenue	Stormwater Mgt	Speed Camera	ARPA	FY23 Actual	FY23 Budget	% Collected/
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>All Funds</u>	<u>All funds</u>	<u>Expended</u>
FY2023 Revenue	28,205,359	2,226,418	772,231	702,342	8,739,609	40,645,959	42,682,735	95%
FY2023 Expenditure	28,196,965	2,305,127	1,013,303	1,055,152	3,259,104	35,829,651	56,623,764	63%
Excess revenue (deficit)	8,394	(78,709)	(241,072)	(352,810)	5,480,504	4,816,308	(13,941,029)	

All FUNDS REVENUES AND EXPENSES FOR THE TWELVE MONTHS ENDED JUNE 30, 2022

FY2022 Total Revenue/Expenses at June 30, 2022	General	Special Revenue	Stormwater Mgt	Speed Camera	ARPA	FY22 Actual	FY22 Budget	% Collected/
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>All Funds</u>	<u>All funds</u>	<u>Expended</u>
FY2022 Revenue	27,812,928	852,235	821,873	997,562	7,548,235	38,032,834	38,108,001	100%
FY2022 Expenditure	26,929,403	714,860	695,858	897,705	791,662	30,029,488	38,024,992	79%
Excess revenue (deficit)	883,526	137,375	126,015	99,857	6,756,572	8,003,345	83,008	

GENERAL FUND REVENUES
FOR THE TWELVE MONTHS ENDED
JUNE 30, 2023

REVENUES BY SOURCE:	Budget FY22	Actual FY22	Budget FY23	Actual FY23	FY23 Uncollected Revenue*	FY23 % Collected	FY22 % Collected	Collection Frequency
Taxes and Utility Fees								
Real Property	13,917,270	13,746,447	14,425,815	14,379,001	46,814	100%	99%	Monthly
Personal Property	150,000	241,130	160,000	200,757	(40,757)	125%	161%	Monthly
RR and Public Utilities	200,000	221,417	204,000	234,882	(30,882)	115%	111%	Monthly
Penalties and Interest	40,000	55,297	45,000	101,137	(56,137)	225%	138%	Monthly
Admission and Amusement	60,000	94,655	75,000	81,552	(6,552)	109%	158%	Quarterly
Additions and Abatements	(14,000)	(23,661)	(30,000)	(5,413)	(24,587)	18%	169%	Monthly
Highway	470,000	528,753	510,000	403,342	106,658	79%	113%	Monthly
Income Tax	3,650,000	4,098,155	3,850,000	4,194,555	(344,555)	109%	112%	Monthly
Total--Taxes and Utility Fees	18,473,270	18,962,191	19,239,815	19,589,813	(349,998)	102%	103%	
Licenses and Permits	104,500	72,085	86,104	57,155	28,949	66%	69%	As billed
Fines and Forfeitures	176,000	140,273	181,000	138,790	42,210	77%	80%	As adjudicated
Use of Money and Property	5,240	(22,262)	216,000	413,707	(197,707)	192%	(425%)	Monthly
Charges for Services								
Inspection Fees	321,000	315,856	341,420	365,944	(24,524)	107%	98.4%	Per Service Usage
Public Parking Facilities	50,000	65,095	58,000	83,024	(25,024)	143%	130%	Per Service Usage
Waste Collection & Disposal Charges	62,000	56,311	65,640	59,514	6,126	91%	91%	Per Service Usage
Recreation Programs and Services	311,671	254,725	479,500	501,714	(22,214)	105%	82%	Per Service Usage
Library Fines and Fees	-	3,316	2,010	3,275	(1,265)	163%	-	Per Service Usage
Passport Services	30,000	45,150	35,000	62,455	(27,455)	178%	151%	Per Service Usage
Advertising--Bus Shelters	300	-	-	6,472	(6,472)	-	0%	Per Service Usage
Recyclable Sales	300	1,417	1,000	758	242	76%	472%	Per Service Usage
Mulch Sales	22,000	17,995	23,000	20,560	2,440	89%	82%	Per Service Usage
Special Trash Pickup	9,800	11,198	10,000	13,487	(3,487)	135%	114%	Per Service Usage
Total--Charges for Services	807,071	771,064	1,015,570	1,117,203	(101,633)	110%	96%	

GENERAL FUND REVENUES-Continue

REVENUES BY SOURCE:	Budget FY22	Actual FY22	Budget FY23	Actual FY23	Uncollected Revenue*	FY23 % Collected	FY22 % Collected	Collection Frequency
Intergovernmental Revenues								
Police Protection (State)	452,000	420,203	450,000	589,763	(139,763)	131%	93%	Quarterly
Bank Share Tax	5,643	5,643	5,643	5,643	-	100%	100%	One-time
Library Aid	176,742	175,907	176,000	167,553	8,447	95%	100%	Quarterly
Police one-time Reimbursement from DC	-	-	-	80,698	(80,698)	-	-	One-time
Federal Grants	1,191,900	1,211,414	-	329	(329)	-	102%	One-time
Housing Fund Revenue	-	-	-	200,000	(200,000)	-	-	One-time
In Lieu of Police/Police Rebate	3,839,054	4,210,244	4,020,521	4,020,520	1	100%	110%	One-time
In Lieu of Roads Maintenance	761,121	761,122	804,806	804,806	-	100%	100%	One-time
In Lieu of Parks Maintenance	74,671	74,671	93,942	93,942	-	100%	100%	One-time
In Lieu of Crossing Guard	186,782	186,782	214,017	214,017	-	100%	100%	One-time
Takoma/Langley Rec. Agreement	85,020	85,020	85,020	63,765	21,255	75%	100%	Quarterly
Hotel/Motel Tax	90,000	93,475	90,000	83,810	6,190	93%	104%	Monthly
Cable Franchise Fees	212,000	200,757	186,000	138,570	47,430	74%	95%	Quarterly
Cable—Operating	390,000	374,802	354,000	262,846	91,154	74%	96%	Quarterly
Total--Intergovernmental Revenues	7,464,933	7,800,041	6,479,949	6,726,263	(246,314)	104%	104.49%	
Miscellaneous								
Tree Fund	25,000	25,000	73,000	73,000	-	100%	100%	Variable
Sales of Impounded Property	-	1,130	1,000	5,366	(4,366)	537%	-	Variable
Other	15,000	42,555	20,000	60,292	(40,292)	301%	284%	Variable
Insurance Claims	3,000	-	-	2,541	(2,541)	-	0%	Variable
EV Charger	1,260	3,639	1,800	5,311	(3,511)	295%	289%	Variable
Donations - Police Youth	-	-	-	150	(150)	-	-	Variable
Total--Miscellaneous	44,260	72,323	95,800	146,660	(50,860)	153%	163%	
Total Operating Revenues	27,075,274	27,795,715	27,314,238	28,189,591	(875,353)	103%	103%	
Sale of City Property	20,000	17,213	15,000	15,768	(768)	105%	86%	As billed
Total Revenues	27,095,274	27,812,928	27,329,238	28,205,359	(876,121)	103%	103%	

Note:

*Uncollected Revenue – Variance between Budgeted FY23 Revenue and Actual FY23 Revenue.

GENERAL FUND EXPENDITURES
FOR THE TWELVE MONTHS ENDED
JUNE 30, 2023

EXPENDITURES BY DEPARTMENT:	Budget FY22	Actual FY22	Budget FY23	Actual FY23	Available Balance**	FY23 % Expended	FY22 % Expended
General Government							
Legislative	197,064	185,603	395,387	322,167	73,220	81%	94%
City Manager's Office	883,802	792,399	794,255	837,208	(42,953)	105%	90%
Finance	816,212	696,918	767,171	726,718	40,453	95%	85%
Legal	501,000	393,979	460,000	369,291	90,709	80%	79%
Information Systems	1,004,539	769,491	898,741	787,523	111,218	88%	77%
Human Resources	676,413	573,457	815,944	403,798	412,146	49%	85%
City Clerk	400,050	370,689	372,203	340,444	31,759	91%	93%
Communications	771,496	685,058	799,712	767,992	452,725	96%	89%
Total--General Government	5,250,576	4,467,593	5,303,412	4,555,140	748,272	86%	85%
Public Safety							
Office of the Chief	1,127,218	1,197,708	841,240	991,061	(149,821)	118%	106%
Communications	674,117	558,803	668,711	660,651	8,060	99%	83%
Patrol Operations	4,110,881	3,947,140	4,520,534	4,331,675	188,859	96%	96%
Investigation Services	2,053,946	1,485,073	1,683,874	1,749,016	(65,142)	104%	72%
Administrative Services	939,181	847,828	850,768	751,813	98,955	88%	90%
Neighborhood Services	584,273	483,332	183,453	186,215	(2,763)	102%	83%
Total--Public Safety	9,489,616	8,519,885	8,748,579	8,670,431	78,149	99%	90%
Public Works							
Administration	485,060	457,948	537,002	502,208	34,794	94%	94%
Building Maintenance	960,356	773,607	986,894	744,190	242,704	75%	81%
Equipment Maintenance	485,420	570,447	537,098	546,123	(9,025)	102%	118%
Right-of-Way	975,820	948,668	1,005,175	882,235	122,941	88%	97%
Solid Waste Management	1,392,328	1,310,282	1,253,616	1,173,380	80,235	94%	94%
Sustainability	734,705	358,975	665,962	256,101	409,860	38%	49%
Vegetation Management	433,573	411,058	489,006	419,590	69,416	86%	95%
Urban Forest	333,047	350,293	376,364	286,228	90,136	76%	105%
City Engineer	451,606	238,320	494,075	359,258	134,817	73%	53%
Total--Public Works	6,251,914	5,419,599	6,345,191	5,169,313	1,175,878	81%	87%

Recreation							
Administration	547,842	584,808	605,671	471,543	134,128	78%	107%
Outreach	247,225	196,558	219,457	149,081	70,376	68%	80%
Recreation Center	228,278	217,799	216,524	217,401	(877)	100%	95%
Community Programs	255,749	174,338	272,909	162,152	110,757	59%	68%
Facilities/Athletic Fields	77,500	71,797	91,700	61,124	30,576	67%	93%
Camps	110,758	100,463	133,018	155,582	(22,564)	117%	91%
After School Programs	161,249	126,732	125,587	106,661	18,926	85%	79%
Community Center	421,160	401,969	421,515	333,719	87,796	79%	95%
Total--Recreation	2,049,761	1,874,464	2,086,381	1,657,263	429,117	79%	91%
Housing & Comm. Development							
Planning	528,324	399,379	637,711	265,115	372,596	42%	76%
HCD Administration	329,679	207,592	400,577	316,741	83,836	79%	63%
Economic Development	289,439	215,368	316,716	195,827	120,889	62%	74%
Arts and Humanities	97,805	78,770	106,116	88,610	17,505	84%	81%
Housing & Community Services	850,152	573,713	867,078	548,632	318,445	63%	67%
Code Enforcement	-	-	360,003	276,399	83,604	77%	-
Total--Housing & Comm. Dev.	2,095,400	1,474,822	2,688,200	1,691,324	996,876	63%	70%
Library							
Library	1,279,683	1,199,936	1,286,729	1,256,736	29,993	98%	94%
Computer Learning Center	117,381	116,337	152,333	134,729	17,604	88%	99%
Total--Library	1,397,064	1,316,273	1,439,062	1,391,465	47,597	97%	94%
Debt Service	871,460	821,454	740,712	740,711	1	100%	94%
Multi-Departmental	1,659,917	1,151,450	1,358,181	1,037,717	320,464	76%	69%
Transfers to Other Funds	65,000.00	65,000.00	-	-	-	-	-
Capital Outlay	3,360,901	1,883,864	7,921,778	3,283,600	4,638,178	41%	56%
Total Expenditures	32,491,609	26,929,403	36,631,497	28,196,965	8,434,532	77%	83%

Note:

**Available Balance – A variance between Budgeted FY23 Expenditures and Actual FY23 Expenditures.

*OTHER FUNDS REVENUES
FOR THE TWELVE MONTHS ENDED
JUNE 30, 2023*

REVENUES BY FUNDS	Budget FY22	Actual FY22	Budget FY23	Actual FY23	Uncollected Revenue	FY23 % Collected	FY22 % Collected
Special Revenue Fund	1,967,264	852,235	3,919,610	2,226,418	1,693,191	57%	43%
Stormwater Management Fund	704,500	821,873	761,375	772,231	(10,856)	101%	117%
Speed Camera Fund	801,000	997,562	1,940,650	702,342	1,238,308	36%	125%
ARPA Fund	7,539,962	7,548,235	8,731,862	8,739,609	(7,747)	100%	100%

*OTHER FUNDS EXPENDITURES
FOR THE TWELVE MONTHS ENDED
JUNE 30, 2023*

EXPENDITURES BY FUNDS	Budget FY22	Actual FY22	Budgeted FY23	Actual FY23	Available Balance	FY23 % Expended	FY22 % Expended
Special Revenue Fund	2,048,120	714,860	6,712,034	2,305,127	4,406,907	34%	35%
Stormwater Management Fund	1,305,801	695,858	1,391,994	1,013,303	378,691	73%	53%
Speed Camera Fund	884,462	897,705	1,807,733	1,055,152	752,582	58%	101%
ARPA Fund	1,295,000	791,662	10,080,506	3,259,104	6,821,401	32%	61%

Note:

*Uncollected Revenue – A variance between Budgeted FY23 Revenue and Actual FY23 Revenue.

**Available Balance – A variance between Budgeted FY23 Expenditures and Actual FY23 Expenditures.