



Takoma Park City Council Meeting – June 7, 2023 Agenda Item 2

Presentation

Briefing presentation of the FY23 3rd 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 3rd 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 are included on the spreadsheets.

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

- Third Quarter FY 2023 Financial Report
- Presentation (will be posted separately)

FISCAL YEAR 2023

FINANCIAL REPORT

FOR THE NINE MONTHS ENDED

MARCH 31, 2023

THE CITY OF
TAKOMA PARK



EXECUTIVE SUMMARY

Total revenue collected, across all funds, at March 31, 2023 was \$37.5M or 88% of the budgeted amount. Total expenditure was \$27M or 47% of the budgeted amount with an excess of revenue over expenditure of \$11M at March 31, 2023. This compares to 87% of total revenue collected at March 31, 2022 and 56% expenditure.

There is an excess of revenue over expenditure of \$11M at March 31, 2023 due to the timing of receipts and expenditure which are not exactly aligned.

In the Federal Grant - ARPA Fund, the City cannot realize the revenue (\$8.7M) 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.

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 at specific times 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 March 31, 2023, General Fund (GF) revenues totaled \$25M or 93% of the fiscal year 2023 budgeted amount. Total GF revenues collected at the same date for the previous fiscal year (FY22) was \$24M or 89% of the budgeted amount. Total GF expenses were \$20M or 55% of the budgeted amount compared to \$19.6M or 60% for FY22. Explanations are provided for revenue categories where collections were less than 75% and the variances were significant.

The largest single source of revenue for the City's general operations is Real Property Taxes. Total collections as of March 31, 2023 were \$14.2M, or approximately 98% of the budgeted amount. Along with the Real Property Taxes, the City collected \$156,408 in Personal Property Tax revenues, or 98% of the budgeted amount. Railroad and Public Utilities fees received by March 31 were \$227,407 or 111% of the budgeted amount. The payment schedule for these sources tend to vary from year to year.

The City collected \$2.7M in Income Tax or 70% of the budgeted amount. The Admission & Amusement Fees collected by March 31 were \$50,924 or 68% of the budgeted amount due to a delayed payment schedule.

Revenue from Fines & Forfeitures totaled \$99,568 or 55% of the budgeted amount as of March 31, 2023. Revenue for Use of Money and Property was \$301,359 compared to a budget of \$216,000 for the full fiscal year due to higher interest being paid on the bond trust fund and other investments. Loss from the use of Money and Property at the same time in the previous fiscal year was \$18,509.

Public Parking Facilities revenue was \$62,681 or 108% of the budgeted amount. Inspection Fees were \$358,558 or 105% of budgeted amount. Waste collection and disposal fees were \$61,015 or 93% of the budgeted amount.

Revenue from Recreation Programs and Services was \$392,002 or 82% of the budgeted amount. Revenue from passport services was \$46,250 or 132% of the budgeted amount.

Mulch Sales revenue was \$9,465 or 41% of the budgeted revenue. The Mulch Sales revenue decreases as we approach fall season and increases during the spring and summer months. Revenue from EV chargers were \$3,835 compared to a budgeted amount of \$1,800.

100% of In Lieu of Police payments, 66% of Police Protection, 100% of Roads and Park Maintenance rebates, 25% of Takoma/Langley Rec. Agreement, 65% of Hotel/Motel Tax, 50% of Cable Franchise Fees and 50% of Cable Operating Fees had been collected by March 31. These revenue items are categorized as intergovernmental revenues and in total, 95% of the budgeted amount had been received by March 31, 2023. Since the total budgeted revenue for In Lieu of Police payments and Roads and Park Maintenance had been received by March 31, there will be no further revenue collected for these items for the rest of the fiscal year. There was a one-time grant payment of \$200,000 for Housing Fund Reserve Replenishment during the period and a one-time police reimbursement of \$43,465 from DC for assisting the Capitol Police.

Stormwater Management Fund

Revenues for the Stormwater Management Fund as of March 31, 2023 totaled \$763,074 or 100% 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 \$840,931 or 60% of the budgeted amount due to delay of some capital projects.

Speed Camera Fund

As of March 31, 2023, fines collected for the Speed Camera Fund totaled \$538,449 or 28% of the budgeted amount due to some defective cameras during Q2 and delay in processing some of the revenue for Q3 by the camera operator. 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 processing of the remaining Q3 revenue and the activation of the red light cameras. Fund expenditures totaled \$795,460 or 44% of the budgeted amount.

Special Revenue Fund

The Special Revenue Fund revenues totaled \$2.1M or 54% of the budgeted amount as of March 31, 2023. Fund expenditures totaled \$2.1M or 32% 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 March 31, 2023. Fund expenditures totaled \$2.7M or 26% of the budgeted amount due to the delay of some projects.

*All FUNDS REVENUES AND EXPENSES
FOR THE NINE MONTHS ENDED
MARCH 31, 2023*

<i>FY2023 Total Revenue/Expenses at Mar 31, 2023</i>	<i>General</i>	<i>Special Revenue</i>	<i>Stormwater Mgt</i>	<i>Speed Camera</i>	<i>ARPA</i>	<i>FY23 Q3</i>	<i>FY23 Q3</i>	<i>% Collected/</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Total</i>	<i>Budget</i>	<i>Expended</i>
<i>FY2023 Revenue</i>	25,292,645	2,136,194	763,074	538,449	8,739,309	37,469,671	42,687,633	88%
<i>FY2023 Expenditure</i>	20,239,869	2,166,877	840,931	795,460	2,654,995	26,698,132	56,628,662	47%
<i>Excess revenue (deficit)</i>	5,052,776	(30,683)	(77,857)	(257,011)	6,084,314	10,771,539	(13,941,029)	

*All FUNDS REVENUES AND EXPENSES
FOR THE NINE MONTHS ENDED
MARCH 31, 2022*

<i>FY2022 Total Revenue/Expenses at Mar 31, 2022</i>	<i>General</i>	<i>Special Revenue</i>	<i>Stormwater Mgt</i>	<i>Speed Camera</i>	<i>ARPA</i>	<i>FY22 Q3</i>	<i>FY22 Q3</i>	<i>% Collected/</i>
	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Fund</i>	<i>Total</i>	<i>Budget</i>	<i>Expended</i>
<i>FY2022 Revenue</i>	23,994,548	222,236	758,223	811,266	7,540,055	33,326,326	38,108,001	87%
<i>FY2022 Expenditure</i>	19,562,247	310,764	461,768	612,861	519,761	21,467,402	38,024,992	56%
<i>Excess revenue (deficit)</i>	4,432,300	(88,528)	296,455	198,404	7,020,293	11,858,925	83,008	

**GENERAL FUND REVENUES
FOR THE NINE MONTHS ENDED
MARCH 31, 2023**

REVENUES BY SOURCE:	Budget FY22	Actual FY22 Q3	Budget FY23	Actual FY23 Q3	Uncollected Revenue*	FY23 Q3 % Collected	FY22 Q3% Collected
Taxes and Utility Fees							
Real Property	13,917,270	13,618,017	14,425,815	14,204,724	221,091	98%	98%
Personal Property	150,000	136,340	160,000	156,408	3,592	98%	91%
RR and Public Utilities	200,000	208,412	204,000	227,407	(23,407)	111%	104%
Penalties and Interest	40,000	44,253	45,000	72,433	(27,433)	161%	111%
Admission and Amusement	60,000	42,839	75,000	50,927	24,073	68%	71%
Additions and Abatements	(14,000)	(10,322)	(30,000)	(5,041)	(24,959)	17%	74%
Highway	470,000	232,966	510,000	223,243	286,757	44%	50%
Income Tax	3,650,000	2,291,270	3,850,000	2,687,107	1,162,893	70%	63%
Total--Taxes and Utility Fees	18,473,270	16,563,776	19,239,815	17,617,207	1,622,608	92%	90%
Licenses and Permits	104,500	56,076	86,104	42,505	43,599	49%	54%
Fines and Forfeitures	176,000	105,228	181,000	99,568	81,432	55%	60%
Use of Money and Property	5,240	(18,509)	216,000	301,359	(85,359)	140%	(353%)
Charges for Services							
Inspection Fees	321,000	309,339	341,420	358,558	(17,138)	105%	96.4%
Public Parking Facilities	50,000	46,149	58,000	62,681	(4,681)	108%	92%
Waste Collection & Disposal Charges	62,000	53,353	65,640	61,015	4,625	93%	86%
Recreation Programs and Services	311,671	227,611	479,500	392,002	87,498	82%	73%
Library Fines and Fees	-	1,344	2,010	1,556	454	77%	-
Passport Services	30,000	30,275	35,000	46,250	(11,250)	132%	101%
Advertising--Bus Shelters	300	-	-	6,472	(6,472)	-	0%
Recyclable Sales	300	1,417	1,000	370	630	37%	472%
Mulch Sales	22,000	10,985	23,000	9,465	13,535	41%	50%
Special Trash Pickup	9,800	8,388	10,000	9,807	193	98%	86%
Total--Charges for Services	807,071	688,861	1,015,570	948,176	67,394	93%	85%

GENERAL FUND REVENUES-Continue

REVENUES BY SOURCE:	Budget	Actual	Budget	Actual	Uncollected	FY23 Q3 %	FY22 Q3%
	FY22	FY22 Q3	FY23	FY23 Q3	Revenue*	Collected	Collected
Intergovernmental Revenues							
Police Protection (State)	452,000	339,026	450,000	294,882	155,118	66%	75%
Bank Share Tax	5,643	5,643	5,643	5,643	-	100%	100%
Library Aid	176,742	131,930	176,000	125,665	50,335	71%	75%
Police one-time Reimbursement from DC	-	-	-	43,465	(43,465)	-	-
Federal Grants	1,191,900	1,203,439	-	7,561	(7,561)	-	1.01
Housing Fund Revenue	-	-	-	200,000	(200,000)	-	-
In Lieu of Police	3,839,054	3,493,471	4,020,521	4,020,520	1	100%	91%
In Lieu of Roads Maintenance	761,121	761,122	804,806	804,806	-	100%	100%
In Lieu of Parks Maintenance	74,671	74,671	93,942	93,942	-	100%	100%
In Lieu of Crossing Guard	186,782	186,782	214,017	214,017	-	100%	100%
Takoma/Langley Rec. Agreement	85,020	21,255	85,020	21,255	63,765	25%	25%
Hotel/Motel Tax	90,000	52,561	90,000	58,537	31,463	65%	58%
Cable Franchise Fees	212,000	74,788	186,000	92,869	93,131	50%	35%
Cable—Operating	390,000	190,423	354,000	176,136	177,864	50%	49%
Total--Intergovernmental Revenues	7,464,933	6,535,112	6,479,949	6,159,298	320,651	95%	87.54%
Miscellaneous							
Tree Fund	25,000	25,000	73,000	73,000	-	100%	100%
Sales of Impounded Property	-	1,130	1,000	5,366	(4,366)	537%	-
Other	15,000	21,883	20,000	34,871	(14,871)	174%	146%
Insurance Claims	3,000	-	-	2,541	(2,541)	-	0%
EV Charger	1,260	1,779	1,800	3,835	(2,035)	213%	141%
Donations - Police Youth	-	-	-	150	(150)	-	-
Total--Miscellaneous	44,260	49,792	95,800	119,763	(23,963)	125%	112%
Total Operating Revenues	27,075,274	23,980,335	27,314,238	25,287,876	2,026,362	93%	89%
Sale of City Property	20,000	14,213	15,000	4,768	10,232	32%	71%
Total Revenues	27,095,274	23,994,548	27,329,238	25,292,645	2,036,594	93%	89%

Note:

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

GENERAL FUND EXPENDITURES
 FOR THE NINE MONTHS ENDED
 MARCH 31, 2023

EXPENDITURES BY DEPARTMENT:	Budget FY22	Actual FY22 Q3	Budget FY23	Actual FY23 Q3	Available Balance**	FY23 Q3 % Expended	FY22 Q3% Expended
General Government							
Legislative	197,064	124,814	395,387	227,857	167,530	58%	63%
City Manager's Office	883,802	557,953	794,255	680,273	113,982	86%	63%
Finance	816,212	537,228	767,171	559,159	208,012	73%	66%
Legal	501,000	288,081	460,000	241,403	218,597	52%	58%
Information Systems	1,004,539	559,588	898,741	598,817	299,924	67%	56%
Human Resources	676,413	393,967	815,944	295,023	520,921	36%	58%
City Clerk	400,050	281,034	372,203	249,609	122,594	67%	70%
Communications	771,496	473,112	799,712	570,808	452,725	71%	61%
Total--General Government	5,250,576	3,215,778	5,303,412	3,422,949	1,880,464	65%	61%
Public Safety							
Office of the Chief	1,127,218	836,398	841,240	696,287	144,953	83%	74%
Communications	674,117	367,604	668,711	489,322	179,389	73%	55%
Patrol Operations	4,110,881	3,113,019	4,520,534	2,534,465	1,986,068	56%	76%
Investigation Services	2,053,946	1,150,352	1,683,874	1,084,477	599,397	64%	56%
Administrative Services	939,181	612,468	850,768	508,389	342,379	60%	65%
Neighborhood Services	584,273	388,623	183,453	142,372	41,081	78%	67%
Total--Public Safety	9,489,616	6,468,463	8,748,579	5,455,312	3,293,267	62%	68%
Public Works							
Administration	485,060	353,621	537,002	352,211	184,790	66%	73%
Building Maintenance	960,356	574,577	986,894	593,516	393,378	60%	60%
Equipment Maintenance	485,420	420,765	537,098	414,112	122,987	77%	87%
Right-of-Way	975,820	722,573	1,005,175	688,339	316,836	68%	74%
Solid Waste Management	1,392,328	961,201	1,253,616	883,218	370,398	70%	69%
Sustainability	734,705	205,094	665,962	239,246	426,716	36%	28%
Vegetation Management	433,573	288,662	489,006	286,540	202,466	59%	67%
Urban Forest	333,047	182,963	376,364	130,750	245,613	35%	55%
City Engineer	451,606	172,394	494,075	315,606	178,469	64%	38%
Total--Public Works	6,251,914	3,881,849	6,345,191	3,903,538	2,441,653	62%	62%

Recreation							
Administration	547,842	404,019	605,671	320,344	285,327	53%	74%
Outreach	247,225	132,065	219,457	112,439	107,017	51%	53%
Recreation Center	228,278	157,724	216,524	155,353	61,172	72%	69%
Community Programs	255,749	120,731	272,909	101,364	171,545	37%	47%
Facilities/Athletic Fields	77,500	13,507	91,700	30,411	61,289	33%	17%
Camps	110,758	74,719	133,018	132,252	766	99%	67%
After School Programs	161,249	91,358	125,587	79,704	45,882	63%	57%
Community Center	421,160	265,908	421,515	216,066	205,449	51%	63%
Total--Recreation	2,049,761	1,260,031	2,086,381	1,147,933	938,448	55%	61%
Housing & Comm. Development							
Planning	528,324	295,618	637,711	150,625	487,086	24%	56%
HCD Administration	329,679	120,531	400,577	233,711	166,866	58%	37%
Economic Development	289,439	128,722	316,716	171,485	145,231	54%	44%
Arts and Humanities	97,805	53,206	106,116	61,094	45,022	58%	54%
Housing & Community Services	850,152	352,454	867,078	394,268	472,810	45%	41%
Code Enforcement	-	-	360,003	209,277	150,726	58%	-
Total--Housing & Comm. Dev.	2,095,400	950,531	2,688,200	1,220,459	1,467,741	45%	45%
Library							
Library	1,279,683	872,633	1,286,729	948,586	338,142	74%	68%
Computer Learning Center	117,381	87,012	152,333	97,402	54,931	64%	74%
Total--Library	1,397,064	959,645	1,439,062	1,045,988	393,074	73%	69%
Debt Service	871,460	741,309	740,712	740,711	1	100%	85%
Multi-Departmental	1,659,917	816,127	1,358,181	889,696	468,485	66%	49%
Transfers to Other Funds	65,000.00	-	-	-	-	-	-
Capital Outlay	3,360,901	1,268,514	7,921,778	2,413,283	5,508,495	30%	38%
Total Expenditures	32,491,609	19,562,247	36,631,497	20,239,869	16,391,628	55%	60%

Note:

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

*OTHER FUNDS REVENUES
FOR THE NINE MONTHS ENDED
MARCH 31, 2023*

REVENUES BY FUNDS	Budget <u>FY22</u>	Actual <u>FY22 Q3</u>	Budget <u>FY23</u>	Actual <u>FY23 Q3</u>	Uncollected <u>Revenue</u>	FY23 Q3 % <u>Collected</u>	FY22 Q3% <u>Collected</u>
Special Revenue Fund	1,967,264	222,236	3,924,508	2,136,194	1,788,314	54%	11%
Stormwater Management Fund	704,500	758,223	761,375	763,074	(1,699)	100%	108%
Speed Camera Fund	801,000	811,266	1,940,650	538,449	1,402,201	28%	101%
ARPA Fund	7,539,962	7,540,055	8,731,862	8,739,309	(7,447)	100%	100%

*OTHER FUNDS EXPENDITURES
FOR THE NINE MONTHS ENDED
MARCH 31, 2023*

EXPENDITURES BY FUNDS	Budget <u>FY22</u>	Actual <u>FY22 Q3</u>	Budgeted <u>FY23</u>	Actual <u>FY23 Q3</u>	Available <u>Balance</u>	FY23 Q3 % <u>Expended</u>	FY22 Q3% <u>Expended</u>
Special Revenue Fund	2,048,120	310,764	6,716,932	2,166,877	4,550,055	32%	15%
Stormwater Management Fund	1,305,801	461,768	1,391,994	840,931	551,063	60%	35%
Speed Camera Fund	884,462	612,861	1,807,733	795,460	1,012,273	44%	69%
ARPA Fund	1,295,000	519,761	10,080,506	2,654,995	7,425,511	26%	40%

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.