



Takoma Park City Council Meeting – November 1, 2023 Agenda Item 3

Presentation

Briefing presentation of the FY24 1st 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 1st quarterly financial report for Fiscal Year 2024 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 FY2023 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

First Quarter FY 2024 Financial Report

FISCAL YEAR 2024 FINANCIAL REPORT

FOR THE THREE MONTHS ENDED

SEPTEMBER 30, 2023

THE CITY OF
TAKOMA PARK



EXECUTIVE SUMMARY

Total revenue collected, across all funds, at September 30, 2023 was \$7.9M or 23% of the budgeted amount. Total expenditure was \$7.2M or 14% of the budgeted amount with an excess of revenue over expenditure of \$654K at September 30, 2023. This compares to 41% of total revenue collected at September 30, 2022 and 12% expenditure.

The higher percentage of revenue collected, for fiscal year 2023 (FY23), at September 30, 2022 was due to the receipt of all of the ARPA Fund revenue (\$8.7M for the full fiscal year) by the end of the first quarter in FY23. Only \$1,100 was budgeted as additional ARPA revenue for fiscal year 2024 (FY24).

There is an excess of revenue over expenditure of \$654K at September 30, 2023 due to unspent funds in the General Fund. The City had a \$1.1M surplus for the General Fund, \$160K deficit for the Special Revenue Fund, \$18K deficit for the Stormwater Management Fund and \$94K deficit for the Speed Camera Fund.

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 September 30, 2023, General Fund (GF) revenues totaled \$7.5M or 26% of the FY24 budgeted amount. Total GF revenues collected at the same date for the previous fiscal year were \$7.2M or 27% of the budgeted amount. Total GF expenses were \$6.4M or 18% of the budgeted amount compared to \$5.6M or 15% for FY23.

General Fund Revenue and Expense items whose percentage collected or expended differs significantly (20% or greater) from FY23, except for de minimis amounts, are discussed below:

Penalties and interest – 13% collected compared to 101% for FY23. The City budgeted for \$75K penalties and interest revenue for FY24 compared to \$45K for FY23. There is no regular pattern for penalties and interest.

Use of Money and Property – 91% collected due to higher interest rates being paid on bond trust funds and other investments resulting in \$227K revenue for the period. During the same period for FY23, only \$26K was received due to the lower interest rates that were paid on investments.

Takoma Langley Agreement – no revenue received as yet compared to 25% for FY23. This is due to a delayed receipt of this revenue item.

Tree Fund – 100% collected for FY24. The Tree fund revenue for FY23 was received in the third quarter of the fiscal year.

General Fund Department Expenditures were consistent with those of FY23.

Stormwater Management Fund

Revenues for the Stormwater Management Fund as of September 30, 2023 totaled \$101,865 or 13% 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 \$119,885 or 15% of the budgeted amount.

Speed Camera Fund

As of September 30, 2023, fines collected for the Speed Camera Fund totaled \$168,691 or 8% of the budgeted amount. Revenues from red light cameras were included in the budget for the fiscal year 2024. 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 \$262,267 or 15% of the budgeted amount.

Special Revenue Fund

The Special Revenue Fund revenues totaled \$42,997 or 1% of the budgeted amount as of September 30, 2023 due to the timing of receipts of grant funds. In FY23 there was a receipt of a \$1M grant for New Hampshire Avenue in the quarter ending September 30, 2022. Fund expenditures totaled \$202,748 or 6% of the budgeted amount.

ARPA Fund

The ARPA Fund revenues totaled \$28,524 compared to a budgeted amount of \$1,100 (for the full fiscal year) as of September 30, 2023. All of the revenue is bank interest on ARPA Funds. Fund expenditures totaled \$221,950 or 2% of the budgeted amount due to the delay of some projects and staff turnover.

*All FUNDS REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023*

FY2024 Total Revenue/Expenses at September 30, 2023	General	Special Revenue	Stormwater Mgt	Speed Camera	ARPA	FY24 Actual	FY24 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>
FY2024 Revenue	7,510,409	42,997	101,865	168,691	28,524	7,852,486	34,874,050	23%
FY2024 Expenditure	6,391,409	202,748	119,885	262,267	221,950	7,198,259	50,564,410	14%
Excess revenue (deficit)	1,119,000	(159,751)	(18,020)	(93,576)	(193,426)	654,227	(15,690,360)	

*All FUNDS REVENUES AND EXPENSES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2022*

FY2023 Total Revenue/Expenses at September 30, 2022	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	7,213,712	1,050,743	127,416	216,480	8,738,614	17,346,964	42,040,880	41%
FY2023 Expenditure	5,588,011	512,264	14,469	174,718	495,870	6,785,332	56,210,788	12%
Excess revenue (deficit)	1,625,701	538,479	112,947	41,762	8,242,743	10,561,633	(14,169,908)	

GENERAL FUND REVENUES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023

REVENUES BY SOURCE:	Budget FY23	Actual FY23	Budget FY24	Actual FY24	FY24 Uncollected Revenue*	FY24 % Collected	FY23 % Collected	Collection Frequency
Taxes and Utility Fees								
Real Property	14,425,815	1,471,043	15,454,894	1,279,137	14,175,757	8%	10%	Monthly
Personal Property	160,000	20,949	200,000	17,137	182,863	9%	13%	Monthly
RR and Public Utilities	204,000	-	240,000	-	240,000	0%	0%	Monthly
Penalties and Interest	45,000	45,235	75,000	9,980	65,020	13%	101%	Monthly
Admission and Amusement	75,000	-	95,000	-	95,000	0%	0%	Quarterly
Additions and Abatements	(30,000)	(28)	(20,000)	(143)	(19,857)	1%	0%	Monthly
Highway	510,000	-	634,575	-	634,575	0%	0%	Monthly
Income Tax	3,850,000	228,963	4,000,000	307,769	3,692,231	8%	6%	Monthly
Total--Taxes and Utility Fees	19,239,815	1,766,161	20,679,469	1,613,879	19,065,590	8%	9%	
Licenses and Permits	86,104	29,933	65,704	28,403	37,301	43%	35%	As billed
Fines and Forfeitures	181,000	36,059	164,000	43,649	120,351	27%	20%	As adjudicated
Use of Money and Property	(29,000)	25,711	250,000	226,967	23,033	91%	-89%	Monthly
Charges for Services								
Inspection Fees	341,420	4,149	360,000	3,693	356,307	1%	1%	Per Service Usage
Public Parking Facilities	58,000	22,884	65,000	20,907	44,093	32%	39%	Per Service Usage
Waste Collection & Disposal Charges	65,640	726	63,000	5,148	57,852	8%	1%	Per Service Usage
Recreation Programs and Services	479,500	133,644	444,500	167,761	276,739	38%	28%	Per Service Usage
Library Fines and Fees	2,010	1,211	2,500	105	2,395	4%	-	Per Service Usage
Passport Services	35,000	15,750	45,000	12,775	32,225	28%	45%	Per Service Usage
Advertising--Bus Shelters	-	1,061	6,472	1,862	4,610	29%	-	Per Service Usage
Recyclable Sales	1,000	-	1,000	-	1,000	0%	0%	Per Service Usage
Mulch Sales	23,000	540	18,000	2,621	15,379	15%	2%	Per Service Usage
Special Trash Pickup	10,000	4,166	11,000	3,665	7,335	33%	42%	Per Service Usage

Total--Charges for Services	1,015,570	184,131	1,016,472	218,537	797,935	21%	18%
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GENERAL FUND REVENUES-Continue

REVENUES BY SOURCE:	Budget FY23	Actual FY23	Budget FY24	Actual FY24	Uncollected Revenue*	FY24 % Collected	FY23 % Collected	Collection Frequency
Intergovernmental Revenues								
Police Protection (State)	450,000	-	430,000	-	430,000	0%	0%	Quarterly
Bank Share Tax	5,643	5,643	5,643	5,643	-	100%	100%	One-time
Library Aid	176,000	-	176,000	-	176,000	0%	0%	Quarterly
Housing Fund Revenue	-	-	200,000	-	200,000	-	-	One-time
In Lieu of Police/Police Rebate	4,020,521	4,020,520	4,020,520	4,020,520	-	100%	100%	One-time
In Lieu of Roads Maintenance	804,806	804,806	864,252	864,252	-	100%	100%	One-time
In Lieu of Parks Maintenance	93,942	93,942	98,987	98,987	-	100%	100%	One-time
In Lieu of Crossing Guard	214,017	214,017	255,944	255,945	(1)	100%	100%	One-time
Takoma/Langley Rec. Agreement	85,020	21,255	85,020	-	85,020	0%	25%	Quarterly
Hotel/Motel Tax	90,000	9,792	93,000	10,583	82,417	11%	11%	Monthly
Cable Franchise Fees	186,000	-	167,000	-	167,000	0%	0%	Quarterly
Cable—Operating	354,000	-	323,000	-	323,000	0%	0%	Quarterly
Total--Intergovernmental Revenues	6,479,949	5,169,976	6,719,366	5,255,930	1,463,436	78%	80%	
Miscellaneous								
Tree Fund	45,000	-	117,000	117,000	-	100%	0%	Variable
Sales of Impounded Property	1,000	-	-	-	-	-	-	Variable
Other	20,000	1,507	20,000	1,706	18,294	9%	8%	Variable
Insurance Claims	-	231	-	-	-	-	-	Variable
EV Charger	-	-	4,800	838	3,962	17%	-	Variable
Total--Miscellaneous	66,000	1,738	141,800	119,544	22,256	84%	3%	
Total Operating Revenues	27,039,438	7,213,709	29,036,811	7,506,909	21,529,902	26%	27%	
Sale of City Property	15,000	3	5,000	3,500	1,500	70%	0%	As billed
Total Revenues	27,054,438	7,213,712	29,041,811	7,510,409	21,531,402	26%	27%	

Note:

*Uncollected Revenue – Variance between Budgeted FY24 Revenue and Actual FY24 Revenue.

**GENERAL FUND EXPENDITURES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023**

EXPENDITURES BY DEPARTMENT:	Budget FY23	Actual FY23	Budget FY24	Actual FY24	Available Balance**	FY24 % Expended	FY23 % Expended
General Government							
Legislative	377,465	44,839	325,040	75,348	249,692	23%	12%
City Manager's Office	794,255	210,202	848,979	216,546	632,433	26%	26%
Finance	767,171	164,468	758,745	168,449	590,296	22%	21%
Legal	460,000	48,088	469,100	56,680	412,420	12%	10%
Information Systems	898,741	161,696	907,955	179,275	728,681	20%	18%
Human Resources	836,944	96,867	1,049,844	105,642	944,202	10%	12%
City Clerk	372,203	65,836	364,443	69,622	294,821	19%	18%
Communications	799,712	147,968	887,144	166,748	452,725	19%	19%
Total--General Government	5,306,491	939,963	5,611,250	1,038,308	4,572,942	19%	18%
Public Safety							
Office of the Chief	841,240	223,123	882,030	170,732	711,298	19%	27%
Communications	668,711	123,542	687,236	141,551	545,684	21%	18%
Patrol Operations	4,520,534	849,821	4,828,078	923,539	3,904,539	19%	19%
Investigation Services	1,683,874	326,945	1,803,721	417,563	1,386,159	23%	19%
Administrative Services	850,768	139,256	907,331	128,842	778,489	14%	16%
Neighborhood Services	183,453	39,869	191,326	43,325	148,001	23%	22%
Total--Public Safety	8,748,579	1,702,557	9,299,721	1,825,552	7,474,169	20%	19%
Public Works							
Administration	507,002	87,748	533,795	143,249	390,546	27%	17%
Building Maintenance	986,894	151,110	1,009,548	142,943	866,605	14%	15%
Equipment Maintenance	537,098	110,532	580,111	129,713	450,398	22%	21%
Right-of-Way	1,005,175	140,661	976,073	161,550	814,523	17%	14%
Solid Waste Management	1,253,616	241,365	1,278,228	231,842	1,046,386	18%	19%
Sustainability	665,962	38,877	335,734	34,362	301,372	10%	6%
Vegetation Management	484,006	78,083	482,920	96,991	385,929	20%	16%
Urban Forest	348,364	(2,631)	341,950	42,632	299,318	12%	-1%
City Engineer	494,075	35,578	392,361	60,205	332,156	15%	7%

Total--Public Works	6,282,191	881,324	5,930,720	1,043,487	4,887,233	18%	14%
Recreation							
Administration	605,671	92,120	627,887	120,125	507,762	19%	15%
Outreach	233,457	43,950	194,758	41,564	153,195	21%	19%
Recreation Center	244,524	56,318	258,868	63,357	195,510	24%	23%
Community Programs	272,909	19,700	241,377	32,284	209,093	13%	7%
Facilities/Athletic Fields	91,700	8,995	91,700	16,170	75,530	18%	10%
Camps	133,018	75,842	145,291	59,979	85,312	41%	57%
After School Programs	125,587	17,360	138,256	15,970	122,285	12%	14%
Community Center	393,515	48,382	461,883	73,527	388,356	16%	12%
Total--Recreation	2,100,381	362,667	2,160,020	422,975	1,737,044	20%	17%
Housing & Comm. Development							
Planning	637,711	46,144	514,461	47,855	466,606	9%	7%
HCD Administration	400,577	69,980	471,177	60,555	410,622	13%	17%
Economic Development	316,716	28,797	431,197	27,933	403,264	6%	9%
Arts and Humanities	106,116	16,192	111,460	19,827	91,633	18%	15%
Housing & Community Services	868,078	36,189	839,645	146,971	692,674	18%	4%
Code Enforcement	359,002.71	64,136.79	307,252	54,846	252,406	18%	18%
Total--Housing & Comm. Dev.	2,688,200	261,438	2,675,193	357,987	2,317,206	13%	10%
Library							
Library	1,286,729	290,042	1,355,633	270,648	1,084,984	20%	23%
Computer Learning Center	152,333	26,536	135,600	28,854	106,745	21%	17%
Total--Library	1,439,062	316,578	1,491,232	299,502	1,191,730	20%	22%
Debt Service	740,712	139,356	741,663	133,832	607,832	18%	19%
Multi-Departmental	1,358,181	801,383	1,405,869	776,379	629,490	55%	59%
Transfers to Other Funds	-	-	-	-	-	-	-
Capital Outlay	7,921,778	182,745	6,348,131	493,387	5,854,744	8%	2%
Total Expenditures	36,585,576	5,588,011	35,663,799	6,391,409	29,272,390	18%	15%

Note:

****Available Balance – A variance between Budgeted FY24 Expenditures and Actual FY24 Expenditures.**

**OTHER FUNDS REVENUES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023**

REVENUES BY FUNDS	Budget FY23	Actual FY23	Budget FY24	Actual FY24	Uncollected Revenue*	FY24 % Collected	FY23 % Collected
Special Revenue Fund	3,552,555	1,050,743	2,902,139	42,997	2,859,142	1%	30%
Stormwater Management Fund	761,375	127,416	778,000	101,865	676,135	13%	17%
Speed Camera Fund	1,940,650	216,480	2,151,000	168,691	1,982,309	8%	11%
ARPA Fund	8,731,862	8,738,614	1,100	28,524	(27,424)	2593%	100%

**OTHER FUNDS EXPENDITURES
FOR THE THREE MONTHS ENDED
SEPTEMBER 30, 2023**

EXPENDITURES BY FUNDS	Budget FY23	Actual FY23	Budgeted FY24	Actual FY24	Available Balance**	FY24 % Expended	FY23 % Expended
Special Revenue Fund	6,344,979	512,264	3,253,704	202,748	3,050,956	6%	8%
Stormwater Management Fund	1,391,994	14,469	781,781	119,885	661,896	15%	1%
Speed Camera Fund	1,807,733	174,718	1,725,682	262,267	1,463,414	15%	10%
ARPA Fund	10,080,506	495,870	9,139,444	221,950	8,917,494	2%	5%

Note:

***Uncollected Revenue – A variance between Budgeted FY24 Revenue and Actual FY24 Revenue.**

****Available Balance – A variance between Budgeted FY24 Expenditures and Actual FY24 Expenditures.**