

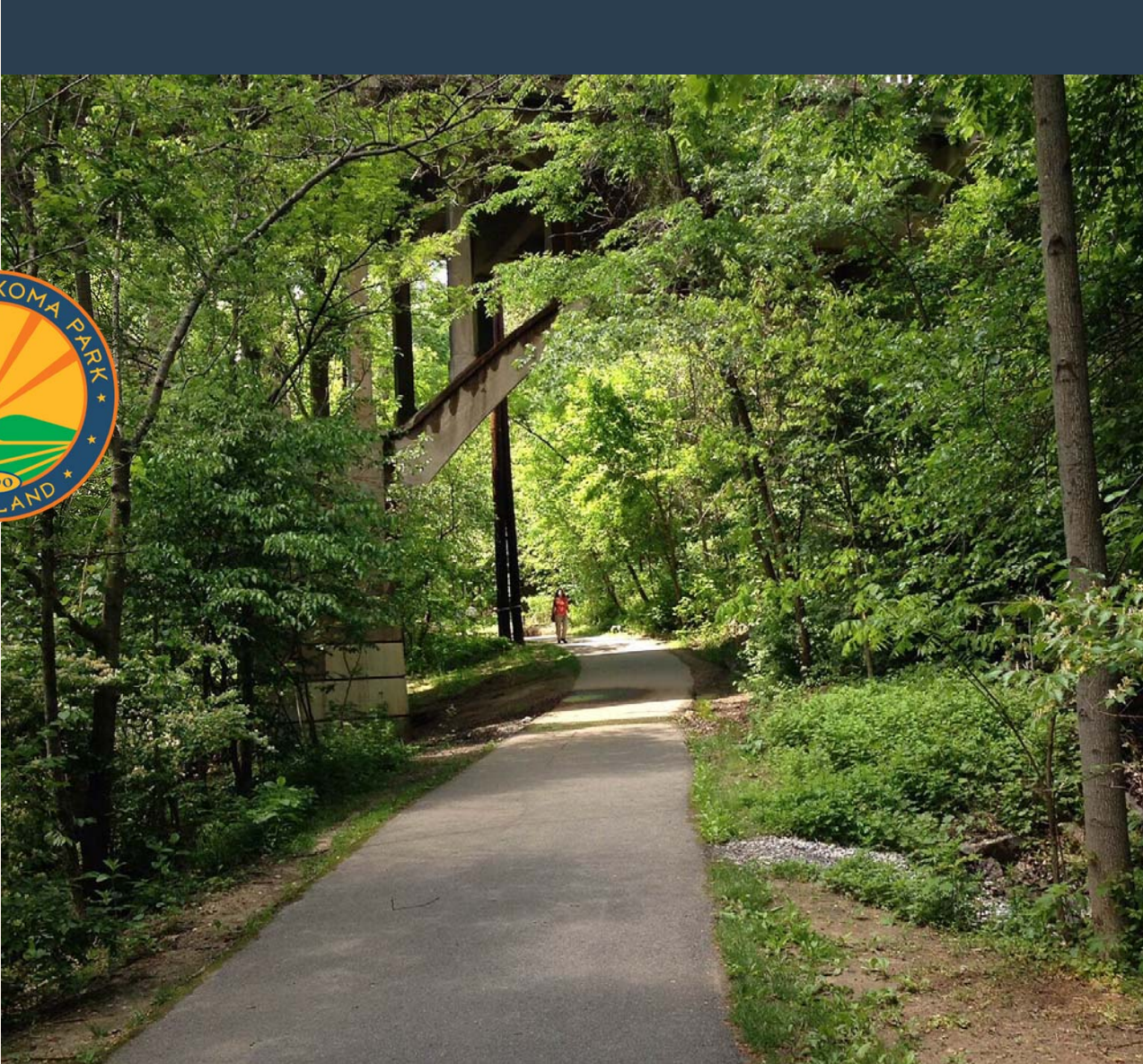
CITY OF TAKOMA PARK
City Manager's Office



February 14, 2024

Fiscal Year 2024 Financial Report (Q2)

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City Manager



Introduction

- **Period:** July 1, 2023 to December 31, 2023
- **Purpose:**
 - Summarize revenue and expenditure (including all budget amendment #1 and #2),
 - Identify discrepancies in year-to-year trends, and
 - Enable inquiry and investigation of inconsistencies.
- **Limitations:**
 - Necessarily retrospective,
 - Influenced by the practices of external parties for both revenue and expenditure,
 - An Imperfect forecasting tool.

First Quarter Financial Report:

Executive Summary

- Total revenue across all funds is \$19.8M or 57% of the budgeted amount.
- Total expenditure is \$17.1M or 33% of the budgeted amount.
- Excess of revenue over expenditure of \$2.7M due to unspent funds in the General Fund and Stormwater Management Fund.
- Fund Summary:
 - General Fund: \$3.2M surplus
 - Special Revenue Fund: \$118K deficit due to outstanding grant reimbursements
 - Stormwater Management Fund: \$334K surplus due to pending projects
 - Speed Camera Fund: \$111K deficit due to delayed revenue from red light cameras

First Quarter Financial Report:

General Fund Summary

- The General Fund is chief operating fund of the City. It supports the regular daily activities; including: police protection, street and parking maintenance, and general administrative functions.
- Primary General Fund revenue sources:
 - Taxes and Utility Fees
 - Intergovernmental Revenue
- General Fund revenues total \$18.6M or 64% of the FY24 budgeted amount.
 - In FY23 the Q2 General Fund revenues were \$17.3M or 64%.
- General Fund expenditures are \$15.3M or 42% of the FY24 budgeted amount.
 - In FY23 the Q2 General Fund expenditures were \$12.4M or 34%.
- General Fund revenue and expenses whose percentage collected or expended differs by 20% or more year-over-year is considered significant.

First Quarter Financial Report:

General Fund Revenue

- **Significant Differences in Revenue Collection FY23 to FY24:**
 - **Penalties and Interest**
 - FY24: \$19K (26%) FY23: \$56K (126%)
 - No regular pattern for penalties and interest
 - **Additions and Abatements (Property Tax Adjustment):**
 - FY24: \$-8,540 (43%) FY23: \$-3,527 (12%)
 - No regular pattern for additions and abatements
 - **Use of Money and Property**
 - FY24: \$373K (149%) FY23: \$94K (324%)
 - Due to higher interest rates in FY24
 - **Passport Services**
 - FY24: \$22K (50%) FY23: \$29K (82%)
 - Decrease in the request for passport services compared to FY23
 - **Tree Fund**
 - FY24: \$117K (100%) FY23: \$0 (0%)
 - Tree Fund revenue was received in the third quarter of the fiscal year for FY23
 - **Sale of City Property**
 - FY24: \$8,700 (174%) FY23: \$271 (2%)
 - The City sold several vehicles during the reporting period.

First Quarter Financial Report:

General Fund Expenditure

- **Significant Differences in Expenditure FY23 to FY24:**
 - **Police Patrol Operations:**
 - FY24: \$2.9M (59%) FY23: \$1.6M (36%)
 - Due to increase in overtime for FY24 to address the increase in violent crime
 - **Police Investigation Services:**
 - FY24: \$ 1.3M(70%) FY23: \$689K (41%)
 - Due to increase in overtime for FY24 to address the increase in violent crime
 - **Recreation Community Programs**
 - FY24: \$86K (36%) FY23:\$43K (16%)
 - Due to staff vacancy for part of the period in FY23
 - **Recreation Camps**
 - FY24: \$75K (52%) FY23: \$119K (90%)
 - Due to the timing of camp programs between the two fiscal years
 - **Community Economic Development**
 - FY24: \$35K (8%) FY23: \$103K (32%)
 - Due to a staff vacancy in the division

First Quarter Financial Report

Other Fund Highlights

EXPENDITURES BY FUNDS	Budget FY23	Actual FY23 Q2	Budgeted FY24	Actual FY24 Q2	Available Balance**	FY24 % Expended	FY23 % Expended
<i>Special Revenue Fund</i>	6,344,979	931,433	3,253,704	351,271	2,902,433	11%	15%
<i>Stormwater Management Fund</i>	1,391,994	356,895	1,102,781	171,429	931,352	16%	26%
<i>Speed Camera Fund</i>	1,807,733	455,059	1,725,682	457,941	1,267,740	27%	25%
<i>ARPA Fund</i>	10,080,506	1,443,333	9,139,444	792,525	8,346,919	9%	14%

- **Speed Camera Fund:**

- Revenue totals \$347,048 or 16% of the budgeted amount.
- Expenditures total \$457,941 or 27% of the budgeted amount.
- The budget deficit as of December 31, 2023 was \$111K.
- The beginning fund balance in July 2023 was \$139,674.
- Red Light Camera revenue was included in the FY24 budget but none has been realized due to a delay in the program implementation.
- Beginning in March 2024 seven cameras will be installed along New Hampshire Ave, Piney Branch Road and Philadelphia Ave.
- Adjustments for the Speed Camera Fund revenue assumptions will be made in a later budget amendment.

- **Stormwater Fund:**

- Revenues total \$505,013 or 65% of the budgeted amount. Received from the County monthly.
- Expenditures total \$171,429 or 16% of the budgeted amount.

- **February 2024**

- February 21st: Council Budget Priorities – Rec Center Next Steps
- City Manager to host budget discussions with Councilmembers
- City Manager to develop the Proposed FY25 Budget

- **March 2024**

- March 27th: City Manager Presentation of FY25 Proposed Budget

- **April 2024**

- April 1st: Department Budget Presentation #1
- April 3rd: Department Budget Presentation #2
- April 10th: Public Hearing #1 and Council Work Session #1
- April 17th: Council Work Session #2
- April 24th: Public Hearing #2 and Budget Reconciliation #1
- April 29th: Budget Reconciliation #2

- **May 2024**

- May 1st: Budget Reconciliation #3
- May 8th: Voting Session First Reading
- May 15th: Voting Session Second Reading
- May 16th: Tax Rate to County and State



QUESTIONS?



THANK YOU

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