



Takoma Park City Council Meeting – February 14, 2024 Agenda Item 1

Presentation

Briefing presentation of the FY24 2nd 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 staff's presentation and 2nd 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

City Manager's Presentation
Second Quarter FY 2024 Financial Report

FISCAL YEAR 2024 FINANCIAL REPORT

FOR THE SIX MONTHS ENDED

DECEMBER 31, 2023

THE CITY OF
TAKOMA PARK



EXECUTIVE SUMMARY

Total revenue collected, across all funds, at December 31, 2023 was \$19.8M or 57% of the budgeted amount. Total expenditure was \$17.1M or 33% of the budgeted amount with an excess of revenue over expenditure of \$2.7M at December 31, 2023. This compares to 68% of total revenue collected at December 31, 2022 and 28% expenditure.

The higher percentage of revenue collected, for fiscal year 2023 (FY23), at December 31, 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 \$2.7M at December 31, 2023 due to unspent funds in the General and Stormwater Management Funds. The City had a \$3.2M surplus for the General Fund, \$118K deficit for the Special Revenue Fund, \$334K surplus for the Stormwater Management Fund and \$111K 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 December 31, 2023, General Fund (GF) revenues totaled \$18.6M or 64% of the FY24 budgeted amount. Total GF revenues collected at the same date for the previous fiscal year were \$17.3M or 64% of the budgeted amount. Total GF expenses were \$15.3M or 42% of the budgeted amount compared to \$12.4M or 34% 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 – 26% collected compared to 126% 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.

Additions and Abatements – 43% applied/granted compared to 12% for FY23. The City budgeted for (\$20K) additions and abatements for FY24 compared to (\$30K) for FY23. There is no regular pattern for additions and abatements.

Use of Money and Property – 149% collected due to higher interest rates being paid on bond trust funds and other investments resulting in \$373K revenue for the period. During the same period for FY23, only \$94K was received due to the lower interest rates that were paid on investments.

Passport Services – 50% collected compared to 82% for FY23. The City budgeted for \$45K passport services revenue for FY24 compared to \$35K for FY23. There was a decrease in the request for passport services compared to FY23

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

Sale of City Property – 174% collected compared to 2% for FY23. The City budgeted for \$5K Sale of City Property revenue for FY24 compared to \$15K for FY23. The City sold several vehicles during the reporting period compared to a small value item in FY23.

Other – 13% collected for FY24 compared to 58% for FY23. There is no regular pattern for Other revenue.

General Fund Department Expenditures

Police Patrol Operations – 59% of budget expended compared to 36% for FY23. This is due to increased expenditure on overtime for FY24 to address the increase in violent crime in the City.

Police Investigation Services – 70% of budget expended compared to 41% for FY23. Similar to patrol operations, this is due to increased expenditure on overtime for FY24 to address the increase in violent crime in the City.

Recreation Community Programs – 36% of budget expended compared to 16% for FY23. This is due to a staff vacancy for part of the period in FY23.

Recreation Camps – 52% of budget expended compared to 90% for FY23. This is due to the timing of camps programs between the two fiscal years.

Community Economic Development – 8% of budget expended compared to 32% for FY23. This is due to a staff vacancy in the division.

Stormwater Management Fund

Revenues for the Stormwater Management Fund as of December 31, 2023 totaled \$505,013 or 65% 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 \$171,429 or 16% of the budgeted amount.

Speed Camera Fund

As of December 31, 2023, fines collected for the Speed Camera Fund totaled \$347,048 or 16% 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 has received approval from the state for the camera locations and is hopeful that the program will become active in the third quarter of the current fiscal year. The Department will be submitting a budget amendment request to reflect the anticipated loss in revenue from the program due to the implementation delays. Fund expenditures totaled \$457,941 or 27% of the budgeted amount.

Special Revenue Fund

The Special Revenue Fund revenues totaled \$233,231 or 8% of the budgeted amount as of December 31, 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 six months ending December 31, 2022. Fund expenditures totaled \$351,271 or 11% of the budgeted amount.

ARPA Fund

The ARPA Fund revenues totaled \$110,868 compared to a budgeted amount of \$1,100 (for the full fiscal year) as of December 31, 2023. All of the revenue is bank interest on ARPA Funds. Fund expenditures totaled \$792,525 or 9% of the budgeted amount due to the delay of some projects and staff turnover.

*All FUNDS REVENUES AND EXPENSES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2023*

<i>FY2024 Total Revenue/Expenses at December 31, 2023</i>	<i>General</i>	<i>Special Revenue</i>	<i>Stormwater Mgt</i>	<i>Speed Camera</i>	<i>ARPA</i>	<i>FY24 Actual</i>	<i>FY24 Budget</i>	<i>% Collected/</i>
	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>All Funds</i></u>	<u><i>All funds</i></u>	<u><i>Expended</i></u>
<i>FY2024 Revenue</i>	18,568,543	233,231	505,013	347,048	110,868	19,764,702	34,874,050	57%
<i>FY2024 Expenditure</i>	15,341,376	351,271	171,429	457,941	792,525	17,114,542	51,385,410	33%
<i>Excess revenue (deficit)</i>	3,227,167	(118,040)	333,584	(110,893)	(681,658)	2,650,160	(16,511,360)	

*All FUNDS REVENUES AND EXPENSES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2022*

<i>FY2023 Total Revenue/Expenses at December 31, 2022</i>	<i>General</i>	<i>Special Revenue</i>	<i>Stormwater Mgt</i>	<i>Speed Camera</i>	<i>ARPA</i>	<i>FY23 Actual</i>	<i>FY23 Budget</i>	<i>% Collected/</i>
	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>Fund</i></u>	<u><i>All Funds</i></u>	<u><i>All funds</i></u>	<u><i>Expended</i></u>
<i>FY2023 Revenue</i>	17,301,395	1,457,686	506,634	399,551	8,738,978	28,404,244	42,040,880	68%
<i>FY2023 Expenditure</i>	12,408,250	931,433	356,895	455,059	1,443,333	15,594,970	56,210,788	28%
<i>Excess revenue (deficit)</i>	4,893,144	526,253	149,739	(55,508)	7,295,645	12,809,274	(14,169,908)	

GENERAL FUND REVENUES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2023

REVENUES BY SOURCE:	Budget FY23	Actual FY23 Q2	Budget FY24	Actual FY24 Q2	FY24 Uncollected Revenue*	FY24 % Collected	FY23 % Collected	Collection Frequency
Taxes and Utility Fees								
Real Property	14,425,815	8,735,852	15,454,894	9,458,221	5,996,673	61%	61%	Monthly
Personal Property	160,000	82,297	200,000	72,483	127,517	36%	51%	Monthly
RR and Public Utilities	204,000	-	240,000	-	240,000	0%	0%	Monthly
Penalties and Interest	45,000	56,783	75,000	19,844	55,156	26%	126%	Monthly
Admission and Amusement	75,000	25,710	95,000	27,325	67,675	29%	34%	Quarterly
Additions and Abatements	(30,000)	(3,527)	(20,000)	(8,540)	(11,460)	43%	12%	Monthly
Highway	510,000	56,006	634,575	65,642	568,933	10%	11%	Monthly
Income Tax	3,850,000	1,535,710	4,000,000	1,831,221	2,168,779	46%	40%	Monthly
Total--Taxes and Utility Fees	19,239,815	10,488,830	20,679,469	11,466,197	9,213,272	55%	55%	
Licenses and Permits	86,104	35,731	65,704	33,486	32,218	51%	41%	As billed
Fines and Forfeitures	181,000	68,474	164,000	88,870	75,130	54%	38%	As adjudicated
Use of Money and Property	(29,000)	93,907	250,000	372,860	(122,860)	149%	-324%	Monthly
Charges for Services								
Inspection Fees	341,420	266,149	360,000	248,731	111,269	69%	78%	Per Service Usage
Public Parking Facilities	58,000	36,996	65,000	43,681	21,319	67%	64%	Per Service Usage
Waste Collection & Disposal Charges	65,640	44,871	63,000	52,492	10,508	83%	68%	Per Service Usage
Recreation Programs and Services	479,500	254,525	444,500	299,198	145,302	67%	53%	Per Service Usage
Library Fines and Fees	2,010	1,478	2,500	450	2,050	18%	74%	Per Service Usage
Passport Services	35,000	28,805	45,000	22,330	22,670	50%	82%	Per Service Usage
Advertising--Bus Shelters	-	3,125	6,472	1,862	4,610	29%	-	Per Service Usage
Recyclable Sales	1,000	370	1,000	-	1,000	0%	37%	Per Service Usage
Mulch Sales	23,000	585	18,000	2,901	15,099	16%	3%	Per Service Usage
Special Trash Pickup	10,000	7,047	11,000	6,260	4,740	57%	70%	Per Service Usage
Total--Charges for Services	1,015,570	643,950	1,016,472	677,905	338,567	67%	63%	

GENERAL FUND REVENUES-Continue

REVENUES BY SOURCE:	Budget FY23	Actual FY23 Q2	Budget FY24	Actual FY24 Q2	Uncollected Revenue*	FY24 % Collected	FY23 % Collected	Collection Frequency
Intergovernmental Revenues								
Police Protection (State)	450,000	294,882	430,000	276,575	153,425	64%	66%	Quarterly
Bank Share Tax	5,643	5,643	5,643	5,643	-	100%	100%	One-time
Library Aid	176,000	83,777	176,000	92,045	83,955	52%	48%	Quarterly
Housing Fund Revenue	-	200,000	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	21,255	63,765	25%	25%	Quarterly
Hotel/Motel Tax	90,000	37,112	93,000	39,270	53,730	42%	41%	Monthly
Cable Franchise Fees	186,000	46,742	167,000	43,450	123,550	26%	25%	Quarterly
Cable—Operating	354,000	89,991	323,000	80,474	242,526	25%	25%	Quarterly
Total--Intergovernmental Revenues	6,479,949	5,956,153	6,719,366	5,798,416	920,950	86%	91.92%	
Miscellaneous								
Tree Fund	45,000	-	117,000	117,000	-	100%	0%	Variable
Sales of Impounded Property	1,000	-	-	477	(477)	-	-	Variable
Other	20,000	11,538	20,000	2,566	17,434	13%	58%	Variable
Insurance Claims	-	2,541	-	-	-	-	-	Variable
EV Charger	-	-	4,800	2,067	2,733	43%	-	Variable
Total--Miscellaneous	66,000	14,078	141,800	122,110	19,690	86%	21%	
Total Operating Revenues	27,039,438	17,301,124	29,036,811	18,559,843	10,476,968	64%	64%	
Sale of City Property	15,000	271	5,000	8,700	(3,700)	174%	2%	As billed
Total Revenues	27,054,438	17,301,395	29,041,811	18,568,543	10,473,268	64%	64%	

Note:

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

GENERAL FUND EXPENDITURES
 FOR THE SIX MONTHS ENDED
 DECEMBER 31, 2023

EXPENDITURES BY DEPARTMENT:	Budget FY23	Actual FY23 Q2	Budget FY24	Actual FY24 Q2	Available Balance**	FY24 % Expended	FY23 % Expended
General Government							
Legislative	377,465	155,328	325,040	160,995	164,045	50%	41%
City Manager's Office	794,255	416,763	848,979	393,414	455,565	46%	52%
Finance	767,171	408,156	758,745	392,914	365,831	52%	53%
Legal	460,000	144,099	469,100	142,515	326,585	30%	31%
Information Systems	898,741	361,294	907,955	438,687	469,269	48%	40%
Human Resources	836,944	187,896	1,049,844	226,974	822,870	22%	22%
City Clerk	372,203	170,922	364,443	181,810	182,632	50%	46%
Communications	799,712	396,548	887,144	395,140	452,725	45%	50%
Total--General Government	5,306,491	2,241,007	5,611,250	2,332,450	3,278,801	42%	42%
Public Safety							
Office of the Chief	841,240	452,707	882,030	588,458	293,572	67%	54%
Communications	668,711	325,489	687,236	333,981	353,255	49%	49%
Patrol Operations	4,520,534	1,623,769	4,828,078	2,859,773	1,968,305	59%	36%
Investigation Services	1,683,874	689,000	1,803,721	1,269,677	534,044	70%	41%
Administrative Services	850,768	349,489	907,331	387,070	520,261	43%	41%
Neighborhood Services	183,453	97,365	191,326	99,726	91,600	52%	53%
Total--Public Safety	8,748,579	3,537,820	9,299,721	5,538,685	3,761,036	60%	40%
Public Works							
Administration	507,002	236,229	533,795	289,537	244,258	54%	47%
Building Maintenance	986,894	362,894	1,009,548	348,219	661,329	34%	37%
Equipment Maintenance	537,098	264,656	580,111	334,776	245,336	58%	49%
Right-of-Way	1,005,175	426,792	976,073	461,704	514,369	47%	42%
Solid Waste Management	1,253,616	590,987	1,278,228	543,152	735,076	42%	47%
Sustainability	665,962	190,293	335,734	69,561	266,173	21%	29%
Vegetation Management	484,006	191,253	482,920	197,653	285,267	41%	40%
Urban Forest	348,364	74,020	341,950	89,031	252,919	26%	21%
City Engineer	494,075	104,162	392,361	154,536	237,825	39%	21%
Total--Public Works	6,282,191	2,441,285	5,930,720	2,488,169	3,442,551	42%	39%

Recreation							
Administration	605,671	216,213	627,887	283,103	344,783	45%	36%
Outreach	233,457	79,652	194,758	72,922	121,836	37%	34%
Recreation Center	244,524	110,589	258,868	112,527	146,341	43%	45%
Community Programs	272,909	43,908	241,377	86,977	154,401	36%	16%
Facilities/Athletic Fields	91,700	17,599	91,700	33,443	58,257	36%	19%
Camps	133,018	119,523	145,291	75,388	69,903	52%	90%
After School Programs	125,587	49,245	138,256	54,710	83,546	40%	39%
Community Center	393,515	123,511	461,883	171,649	290,234	37%	31%
Total--Recreation	2,100,381	760,240	2,160,020	890,719	1,269,301	41%	36%

Housing & Comm. Development							
Planning	637,711	106,198	514,461	169,048	345,413	33%	17%
HCD Administration	400,577	151,743	471,177	140,789	330,388	30%	38%
Economic Development	316,716	102,613	431,197	34,737	396,460	8%	32%
Arts and Humanities	106,116	43,262	111,460	43,286	68,174	39%	41%
Housing & Community Services	868,078	181,546	839,645	322,597	517,048	38%	21%
Code Enforcement	359,002.71	140,914.87	307,252	133,086	174,167	43%	39%
Total--Housing & Comm. Dev.	2,688,200	726,276	2,675,193	843,543	1,831,650	32%	27%

Library							
Library	1,286,729	658,407	1,355,633	625,203	730,429	46%	51%
Computer Learning Center	152,333	63,833	135,600	70,082	65,517	52%	42%

Total--Library	1,439,062	722,240	1,491,232	695,286	795,946	47%	50%
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Debt Service	740,712	139,356	741,663	133,832	607,832	18%	19%
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Multi-Departmental	1,358,181	852,852	1,905,869	1,176,186	729,683	62%	63%
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Capital Outlay	7,921,778	987,175	6,348,131	1,242,508	5,105,623	20%	12%
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Total Expenditures	36,585,576	12,408,250	36,163,799	15,341,376	20,822,424	42%	34%
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Note:

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

*OTHER FUNDS REVENUES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2023*

REVENUES BY FUNDS	Budget FY23	Actual FY23 Q2	Budget FY24	Actual FY24 Q2	Uncollected Revenue*	FY24 % Collected	FY23 % Collected
Special Revenue Fund	3,552,555	1,457,686	2,902,139	233,231	2,668,908	8%	41%
Stormwater Management Fund	761,375	506,634	778,000	505,013	272,987	65%	67%
Speed Camera Fund	1,940,650	399,551	2,151,000	347,048	1,803,952	16%	21%
ARPA Fund	8,731,862	8,738,978	1,100	110,868	-	10079%	100%

*OTHER FUNDS EXPENDITURES
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2023*

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

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.