
First Quarter FY 2013 Financial Report



City of Rockville, Maryland

Prepared by the Department of Finance

Contents

General Fund Revenues	A-2
General Fund Expenditures	A-3
General Fund Summary	A-4
Water Fund Summary	A-5
Sewer Fund Summary	A-6
Refuse Fund Summary	A-7
Parking Fund Summary	A-8
SWM Fund Summary	A-9
RedGate Fund Summary	A-10
Speed Camera Fund Summary	A-11
Debt Ratios / CIP Transfers / City Manager Contingency	A-12



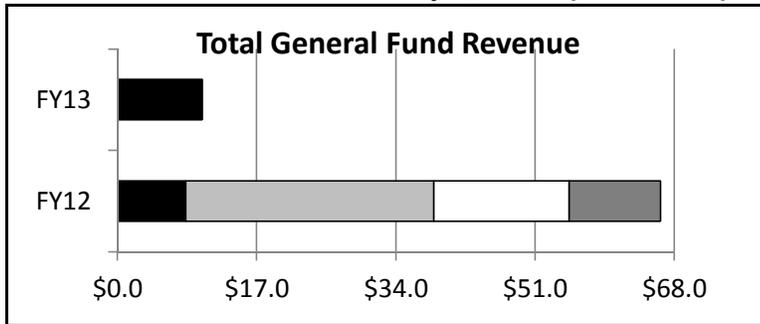
City of
Rockville
 Get Into It

General Fund Revenue as of September 30, 2012

General Fund Revenue Budget to Actual

Revenue Category	Current Fiscal Year				Previous Yr Actual 9/30/11
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Received	
Property Taxes	\$ 35,090,580	\$ 35,090,580	\$ 3,076,337	8.8%	\$ 2,058,283
From Other Gov't.	16,060,490	16,060,490	3,326,336	20.7%	2,464,262
Fines & Forfeitures	654,500	654,500	273,402	41.8%	111,636
Use of Money & Property	239,600	239,600	56,690	23.7%	90,707
Charges for Service	6,104,240	6,104,240	2,124,257	34.8%	2,063,008
Licenses & Permits	2,386,000	2,386,000	434,021	18.2%	434,123
Other Revenue	4,770,290	4,770,290	1,088,585	22.8%	1,135,043
Total Revenue	\$ 65,305,700	\$ 65,305,700	\$ 10,379,629	15.9%	\$ 8,357,060

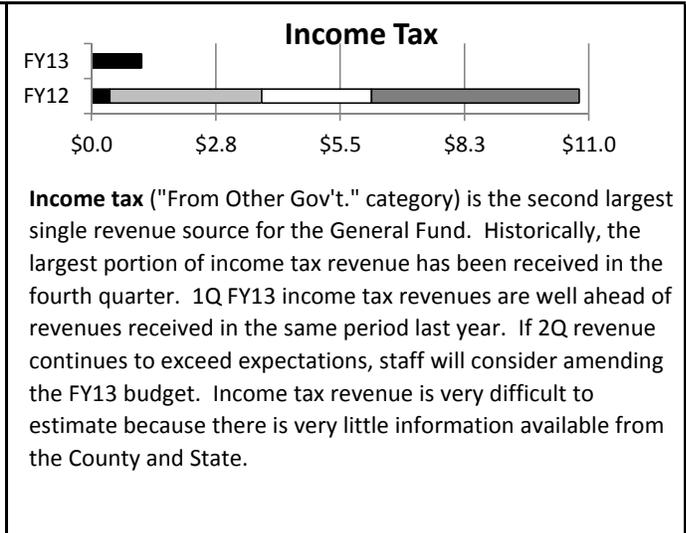
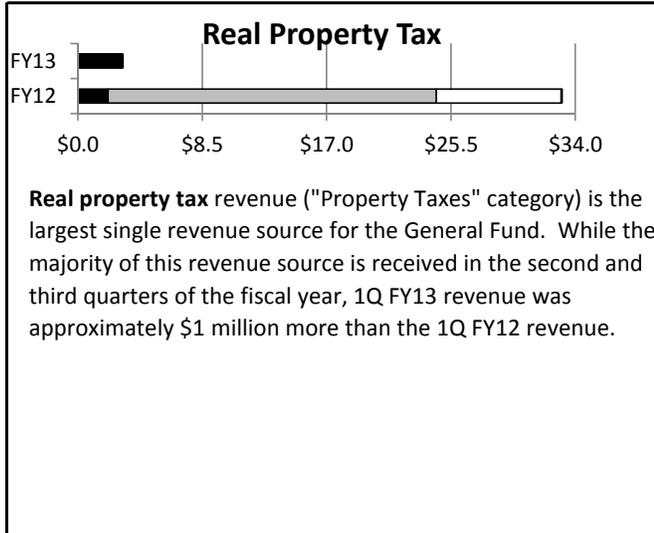
Total General Fund Revenue by Quarter (in millions)



General Fund Revenue Trend

Overall, 1Q General Fund revenues are ahead of FY12 levels, with **real property tax**, **income tax**, **tax duplication** and **redlight camera** revenues showing the greatest variances from the previous year. **Real property** and **income taxes** are discussed below. **Tax duplication** revenue was received in full in 1Q FY13, and increased over FY12 levels as budgeted. **Redlight camera** revenue is up due to new cameras that are generating more citations.

General Fund Revenue Highlights (in millions)

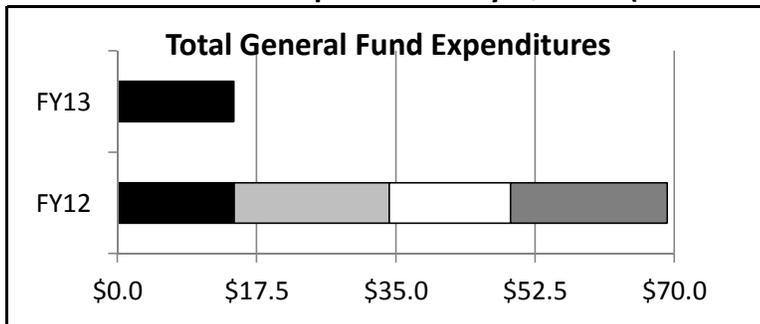


General Fund Expenditures as of September 30, 2012

General Fund Expenditures Budget to Actual

Expenditure Category	Current Fiscal Year				Previous Yr
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Spent	Actual 9/30/11
Personnel					
Salary	\$ 30,029,260	\$ 30,029,260	\$ 7,111,450	23.7%	\$ 6,368,979
Benefits	11,374,420	11,374,420	1,992,776	17.5%	1,871,550
Overtime	786,210	786,210	200,788	25.5%	163,021
Contractual Services	6,759,520	6,759,520	1,703,455	25.2%	1,552,976
Commodities	5,133,820	5,133,820	836,535	16.3%	1,011,139
Capital Outlays	517,500	517,500	86,144	16.6%	91,483
Other / Transfer	2,104,970	2,104,970	575,587	27.3%	368,544
Transfer to Debt Service	4,700,000	4,700,000	1,175,000	25.0%	1,275,000
Transfer to CIP	3,900,000	3,900,000	975,000	25.0%	1,991,750
Total Expenditures	\$ 65,305,700	\$ 65,305,700	\$ 14,656,736	22.4%	\$ 14,694,441

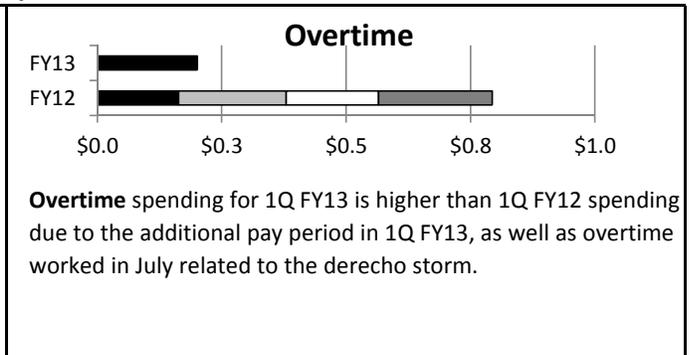
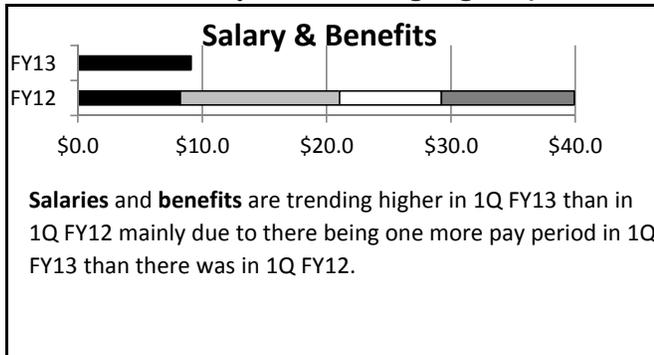
Total General Fund Expenditures by Quarter (in millions)



General Fund Expenditure Trend

Total 1Q General Fund expenditures were slightly less than the same period last year, with the biggest increases in **salaries** and **benefits** (discussed below), and the biggest decrease in the **CIP transfer**. The CIP transfer decreased because there was a one-time transfer of fund balance in excess of the reserve requirement in FY12.

General Fund Expenditure Highlights (in millions)



General Fund Summary as of September 30, 2012

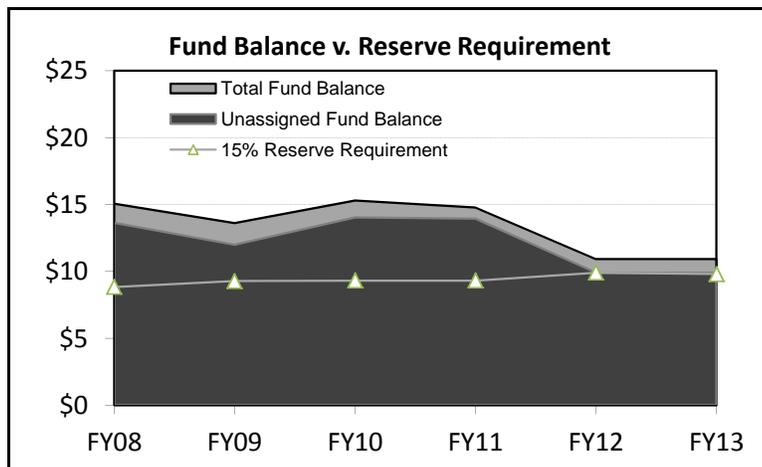
General Fund Budget to Actual

	Current Fiscal Year				Previous Yr
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Rec/Spent	Actual 9/30/11
Total Revenue	\$ 65,305,700	\$ 65,305,700	\$ 10,379,629	15.9%	\$ 8,357,060
Total Expenditures	65,305,700	65,305,700	14,656,736	22.4%	14,694,441
Add to / (Use of) Reserves	\$ -	\$ -	\$ (4,277,107)	-6.5%	\$ (6,337,381)

General Fund Unassigned Fund Balance

	Amount	% of FY13 Adp. Rev.	Explanation
Audited FY13 Beginning Total Fund Bal.	\$ 10,914,055	16.7%	Fund balance = Accumulated total of revenues less expenditures
Less Nonspendable Portion	(499,301)		
Less Assigned Portion*	(510,752)		
Plus General Fund Revenue	65,305,700		
Less General Fund Expenditures	(65,305,700)		
Estimated FY13 Ending Unassigned Fund Bal.	9,904,002	15.2%	Projected ending balance exceeds 15% target
Target Minimum FY13 Unassigned Fund Bal.	9,795,855	15.0%	
Estimated Variance from FY13 Target	\$ 108,147		

*Assigned portion consists of funding for purchase orders that will be added to the budget in the first budget amendment, which will occur in the second quarter.



General Fund Unassigned Fund Balance Status

The FY13 estimated ending unassigned fund balance is in compliance with the City's policy of maintaining an unassigned fund balance that is equal to or greater than 15% of adopted General Fund revenue.

Water Fund Summary as of September 30, 2012

Water Fund Budget to Actual

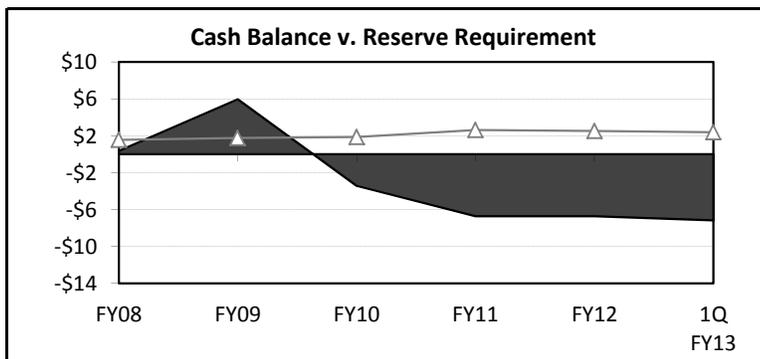
	Current Fiscal Year				Previous Yr
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Rec/Spent	Actual 9/30/11
Revenues					
Utility charges	\$ 10,306,100	\$ 10,306,100	\$ 1,441,708	14.0%	\$ 1,294,750
Connection Charges	20,000	20,000	45,500	227.5%	27,838
Sales of materials	10,000	10,000	6,583	65.8%	12,084
Interest income/Other	45,000	45,000	1,814	4.0%	4,289
Penalties	60,000	60,000	30,183	50.3%	17,463
Trans. from Sewer/Refuse	455,490	455,490	113,873	25.0%	112,743
Total Revenue	\$ 10,896,590	\$ 10,896,590	\$ 1,639,660	15.0%	\$ 1,469,166
Expenses					
Personnel	\$ 3,406,430	\$ 3,406,430	\$ 819,258	24.1%	\$ 692,008
Operating	1,935,650	1,935,650	340,852	17.6%	471,040
Capital	66,940	66,940	16,906	25.3%	17,704
Debt serv., transfer, other	4,092,890	4,092,890	453,602	11.1%	342,043
Total Expenses	\$ 9,501,910	\$ 9,501,910	\$ 1,630,619	17.2%	\$ 1,522,795
Add to / (Use of) Reserves	\$ 1,394,680	\$ 1,394,680	\$ 9,041		\$ (53,629)

Total Water Fund Revenues and Expenses by Quarter (in millions)



Water Fund Cash Balance

FY13 Reserve Requirement = 90 Days / \$2,375,478	6/30/2012	1Q	2Q	3Q	4Q
	Actual	Actual	Actual	Actual	Actual
	\$ (6,725,203)	\$ (7,165,058)	N/A	N/A	N/A
Is this fund compliant?	No	No			



Water Fund Cash Balance Status

Large capital improvement costs in the Water Fund, combined with revenues that have struggled to keep pace with spending, have lowered the fund's reserves significantly in recent years. The City has raised usage rates to better align revenues and expenses in order to bring the fund into compliance over time.

Sewer Fund Summary as of September 30, 2012

Sewer Fund Budget to Actual

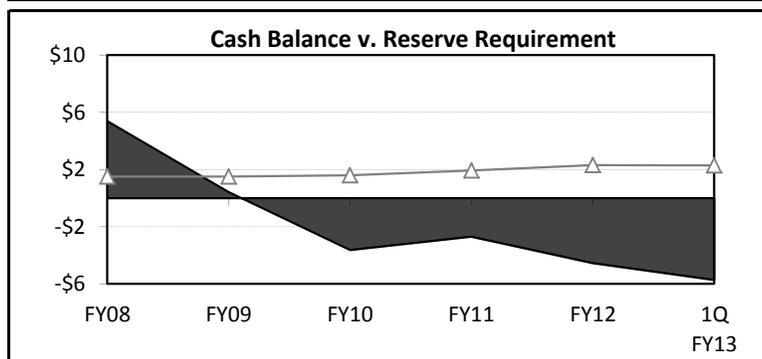
	Current Fiscal Year				Previous Yr Actual 9/30/11
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Rec/Spent	
<i>Revenues</i>					
Utility charges	\$ 8,717,300	\$ 8,717,300	\$ 914,589	10.5%	\$ 812,508
Connection charges	20,000	20,000	65,000	325.0%	43,600
Interest income/Other	17,000	17,000	1,000	5.9%	-
Penalties	60,000	60,000	24,041	40.1%	14,268
Total Revenue	\$ 8,814,300	\$ 8,814,300	\$ 1,004,630	11.4%	\$ 870,376
<i>Expenses</i>					
Personnel	\$ 1,525,410	\$ 1,525,410	\$ 338,834	22.2%	\$ 310,791
Operating	3,556,940	3,556,940	716,464	20.1%	695,359
Capital	50,000	50,000	-	0.0%	24,007
Debt serv., transfer, other	3,971,170	3,971,170	299,523	7.5%	313,171
Total Expenses	\$ 9,103,520	\$ 9,103,520	\$ 1,354,820	14.9%	\$ 1,343,327
Add to / (Use of) Reserves	\$ (289,220)	\$ (289,220)	\$ (350,190)		\$ (472,951)

Total Sewer Fund Revenues and Expenses by Quarter (in millions)



Sewer Fund Cash Balance

FY13 Reserve Requirement = 90 Days / \$2,275,880	6/30/2012	1Q	2Q	3Q	4Q
	Actual	Actual	Actual	Actual	Actual
	\$ (4,541,267)	\$ (5,731,257)	N/A	N/A	N/A
Is this fund compliant?	No	No			



Sewer Fund Cash Balance Status

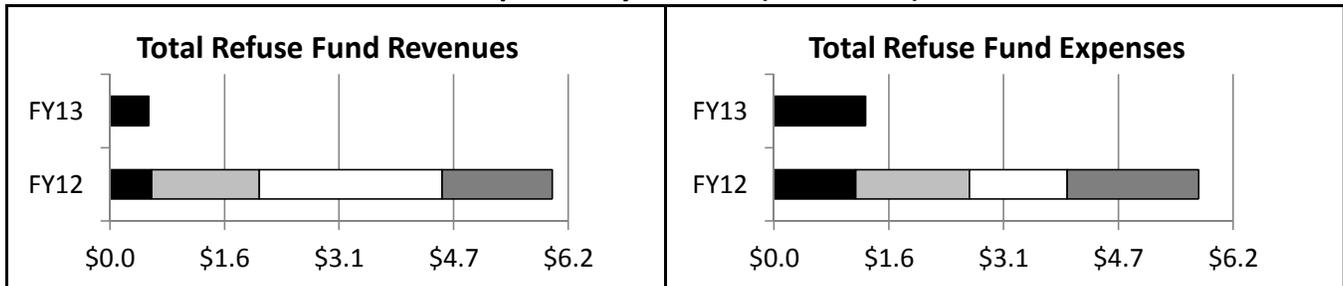
Large capital improvement costs in the Sewer Fund, combined with revenues that have struggled to keep pace with spending, have lowered the fund's reserves significantly in recent years. The City has raised usage rates to better align revenues and expenses in order to bring the fund into compliance over time.

Refuse Fund Summary as of September 30, 2012

Refuse Fund Budget to Actual

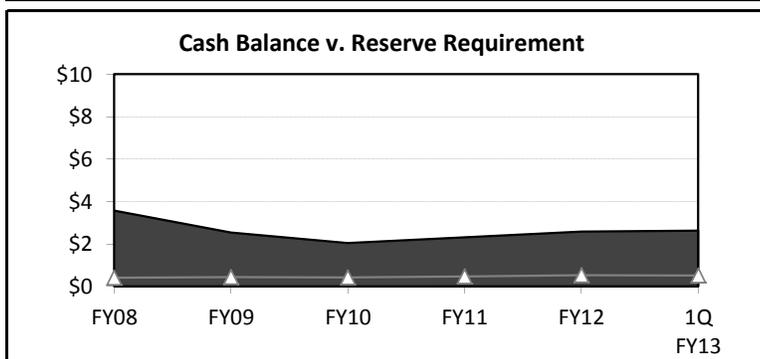
	Current Fiscal Year				Previous Yr Actual 9/30/11
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Rec/Spent	
Revenues					
Utility charges	\$ 5,100,120	\$ 5,100,120	\$ 415,806	8.2%	\$ 445,387
GF contribution to RHE	39,060	39,060	9,765	25.0%	10,300
Interest income/Other	2,300	2,300	389	16.9%	274
Sale of materials	408,900	408,900	83,078	20.3%	95,678
Penalties	63,600	63,600	18,819	29.6%	16,190
Total Revenue	\$ 5,613,980	\$ 5,613,980	\$ 527,857	9.4%	\$ 567,830
Expenses					
Personnel	\$ 2,607,960	\$ 2,607,960	\$ 574,454	22.0%	\$ 478,850
Operating	1,963,270	1,963,270	375,177	19.1%	341,162
Capital	29,810	29,810	-	0.0%	100
Debt serv., transfer, other	1,549,100	1,549,100	284,900	18.4%	282,283
Total Expenses	\$ 6,150,140	\$ 6,150,140	\$ 1,234,531	20.1%	\$ 1,102,394
Add to / (Use of) Reserves	\$ (536,160)	\$ (536,160)	\$ (706,674)		\$ (534,564)

Total Refuse Fund Revenues and Expenses by Quarter (in millions)



Refuse Fund Cash Balance

FY13 Reserve Requirement = 30 Days / \$512,512	6/30/2012	1Q	2Q	3Q	4Q
	Actual	Actual	Actual	Actual	Actual
	\$ 2,572,544	\$ 2,625,142	N/A	N/A	N/A
Is this fund compliant?	Yes	Yes			



Refuse Fund Cash Balance Status

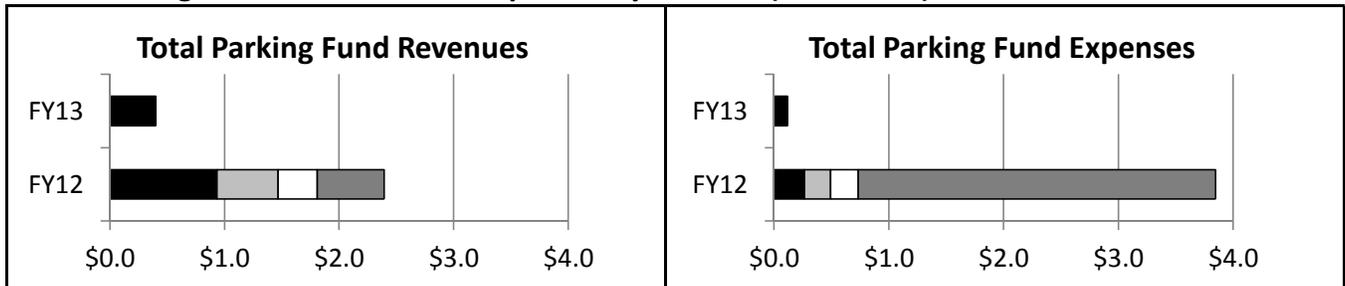
The Refuse Fund's reserves are above the required level. Refuse rates decreased for FY13 as the fund is stable and has no planned debt in the future.

Parking Fund Summary as of September 30, 2012

Parking Fund Budget to Actual

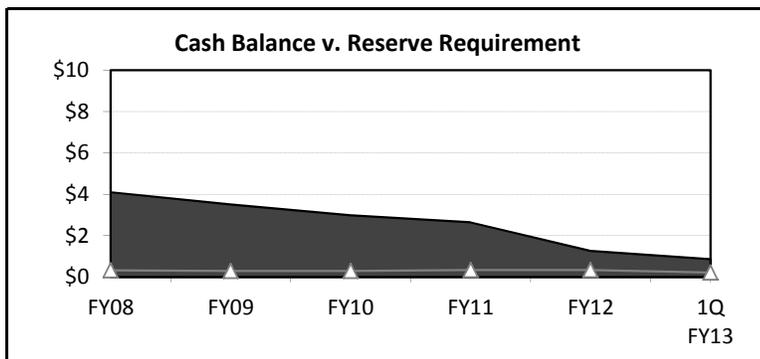
	Current Fiscal Year				Previous Yr
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Rec/Spent	Actual 9/30/11
<i>Revenues</i>					
Real property tax	\$ 161,300	\$ 161,300	\$ -	0.0%	\$ -
County contribution	295,000	295,000	-	0.0%	301,322
Parking meters	400,000	400,000	99,396	24.8%	262,654
Parking violations	650,000	650,000	175,512	27.0%	196,790
Interest income/Other	1,800	1,800	265	14.7%	50,332
Trans. from General Fund	500,000	500,000	125,000	25.0%	125,000
Total Revenue	\$ 2,008,100	\$ 2,008,100	\$ 400,173	19.9%	\$ 936,099
<i>Expenses</i>					
Personnel	\$ 262,700	\$ 262,700	\$ 59,282	22.6%	\$ 37,928
Operating	185,350	185,350	17,212	9.3%	99,586
Debt serv., transfer, other	2,031,740	2,031,740	42,485	2.1%	127,379
Total Expenses	\$ 2,479,790	\$ 2,479,790	\$ 118,978	4.8%	\$ 264,893
Add to / (Use of) Reserves	\$ (471,690)	\$ (471,690)	\$ 281,195		\$ 671,206

Total Parking Fund Revenues and Expenses by Quarter (in millions)



Parking Fund Cash Balance

FY13 Reserve Requirement = 30 Days / \$206,649	6/30/2012	1Q	2Q	3Q	4Q
	Actual	Actual	Actual	Actual	Actual
	\$ 1,260,243	\$ 854,239	N/A	N/A	N/A
Is this fund compliant?	Yes	Yes			



Parking Fund Cash Balance Status

FY13 is the first full year of the lease of the Town Center parking garages. The City operated the garages for the first two months of 1Q FY12, accounting for the large difference between 1Q FY12 and 1Q FY13. The Parking Fund remains in compliance with reserve requirements; however, spending on legal fees in FY 2012 has significantly impacted the fund's reserves.

Stormwater Management Fund Summary as of September 30, 2012

Stormwater Management Fund Budget to Actual

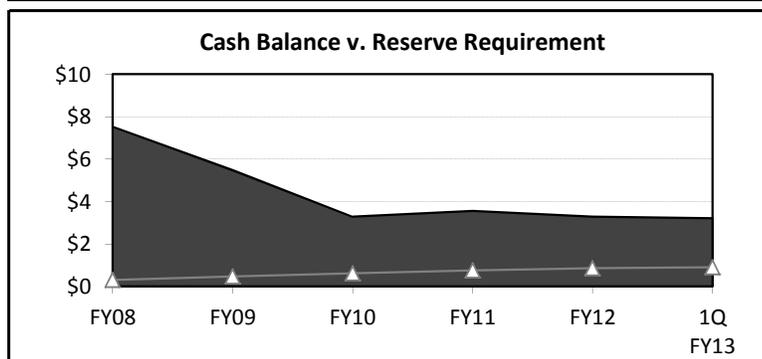
	Current Fiscal Year				Previous Yr
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Rec/Spent	Actual 9/30/11
<i>Revenues</i>					
SWM utility fees	\$ 3,105,500	\$ 3,105,500	\$ 507,683	16.3%	\$ 314,532
SWM permits	250,000	250,000	130,810	52.3%	75,205
Regional SWM fees	130,000	130,000	59,000	45.4%	22,520
Interest income/Other	11,000	11,000	503	4.6%	1,750
Total Revenue	\$ 3,496,500	\$ 3,496,500	\$ 697,996	20.0%	\$ 414,007
<i>Expenses</i>					
Personnel	\$ 1,883,810	\$ 1,883,810	\$ 424,463	22.5%	\$ 363,188
Operating	793,150	793,150	41,230	5.2%	80,199
Debt serv., transfer, other	932,440	932,440	161,466	17.3%	156,244
Total Expenses	\$ 3,609,400	\$ 3,609,400	\$ 627,160	17.4%	\$ 599,630
Add to / (Use of) Reserves	\$ (112,900)	\$ (112,900)	\$ 70,837		\$ (185,623)

Total Stormwater Management Fund Revenues and Expenses by Quarter (in millions)



Stormwater Management Fund Cash Balance

FY13 Reserve Requirement = 90 Days / \$902,350	6/30/2012	1Q	2Q	3Q	4Q
	Actual	Actual	Actual	Actual	Actual
	\$ 3,279,205	\$ 3,206,974	N/A	N/A	N/A
Is this fund compliant?	Yes	Yes			



SWM Fund Cash Balance Status

The SWM Fund receives most of its revenue in 2Q, as is visible in the Total SWM Fund Revenues graph above. While the fund is currently in compliance with reserve requirements, planned capital improvements and the possibility of not receiving SWM fees from properties owned by other governments may cause a larger and quicker spend down of reserves than originally planned.

RedGate Golf Fund Summary as of September 30, 2012

RedGate Golf Fund Budget to Actual

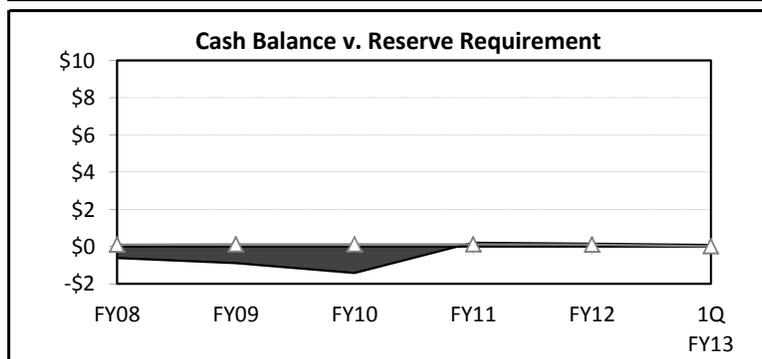
	Current Fiscal Year				Previous Yr Actual 9/30/11
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Rec/Spent	
Revenues					
Golf fees	\$ -	\$ -	\$ -	N/A	\$ 321,510
Performance/Misc.	71,670	71,670	17,482	24.4%	-
Course lease	12,000	12,000	3,000	25.0%	-
Trans. From General Fund	-	-	-	N/A	157,500
Total Revenue	\$ 83,670	\$ 83,670	\$ 20,482	24.5%	\$ 479,010
Expenses					
Personnel	\$ 155,830	\$ 155,830	\$ 87,251	56.0%	\$ 189,171
Operating	-	-	-	N/A	110,605
Capital	-	-	-	N/A	16,219
Debt serv., transfer, other	142,210	142,210	4,709	3.3%	51,467
Total Expenses	\$ 298,040	\$ 298,040	\$ 91,960	30.9%	\$ 367,461
Add to / (Use of) Reserves	\$ (214,370)	\$ (214,370)	\$ (71,478)		\$ 111,549

Total RedGate Golf Fund Revenues and Expenses by Quarter (in millions)



RedGate Golf Fund Cash Balance

FY13 Reserve Requirement = 30 Days / \$24,837	6/30/2012	1Q	2Q	3Q	4Q
	Actual	Actual	Actual	Actual	Actual
	\$ 164,899	\$ 90,047	N/A	N/A	N/A
Is this fund compliant?	Yes	Yes			



RedGate Golf Fund Cash Balance Status

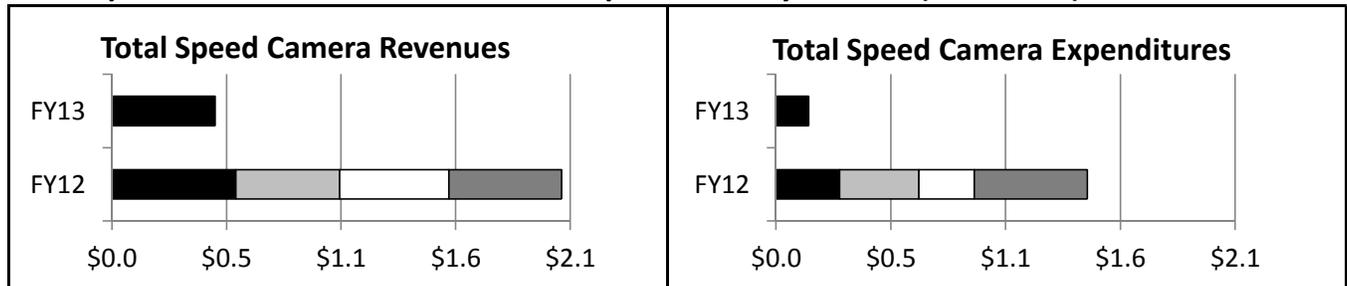
FY13 is the first full fiscal year of the lease of the RedGate Golf Course to Billy Casper Golf. This year's budget includes minimal expenses, which is largely comprised of severance payments.

Speed Camera Fund Summary as of September 30, 2012

Speed Camera Fund Budget to Actual

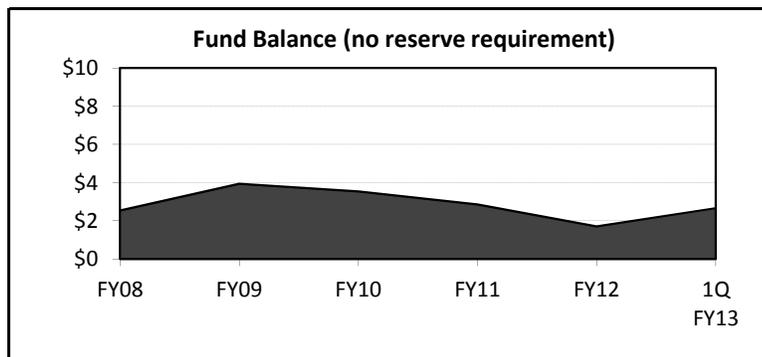
	Current Fiscal Year				Previous Yr Actual 9/30/11
	FY13 Adopted	FY13 Amended	Actual 9/30/12	% Amend. Rec/Spent	
<i>Revenues</i>					
Speed camera citations	\$ 2,076,000	\$ 2,076,000	\$ 472,269	22.7%	\$ 568,487
Interest income	900	900	241	26.8%	244
Total Revenue	\$ 2,076,900	\$ 2,076,900	\$ 472,510	22.8%	\$ 568,731
<i>Expenditures</i>					
Personnel	\$ 407,920	\$ 407,920	\$ 89,962	22.1%	\$ 72,138
Operating	1,000,290	1,000,290	2,305	0.2%	161,970
Debt serv., transfer, other	346,790	346,790	56,698	16.3%	56,135
Total Expenditures	\$ 1,755,000	\$ 1,755,000	\$ 148,964	8.5%	\$ 290,243
Add to / (Use of) Reserves	\$ 321,900	\$ 321,900	\$ 323,547		\$ 278,488

Total Speed Camera Fund Revenues and Expenditures by Quarter (in millions)



Speed Camera Fund Total Fund Balance

FY13 Reserve Requirement = None (legally restricted)	6/30/2012	1Q	2Q	3Q	4Q
	Actual	Actual	Actual	Actual	Actual
	\$ 2,331,515	\$ 2,655,062	N/A	N/A	N/A
Is this fund compliant?	N/A	N/A			



Speed Camera Fund Total Fund Balance Status

Speed Camera funds support the speed camera enforcement program and 6 Transportation projects in the CIP. These funds are legally restricted for these uses; therefore, the fund has no minimum reserve requirement. This fund has experienced a decrease in revenue from 1Q FY12 to 1Q FY13 due to a court order issued last spring that prevents jurisdictions from charging late penalties on citations.

Debt Ratios

Debt Service Fund Debt Ratios*

	Target	FY13	FY14	FY15	FY16	FY17
Debt per assessed valuation	1.0%	0.6%	0.6%	0.6%	0.5%	0.5%
Debt per capita	\$1,200	\$1,194	\$1,118	\$1,043	\$959	\$876
Debt per capita (not incl. parking garages)	\$1,200	\$653	\$630	\$535	\$507	\$412
Debt per capita as percent of per capita income	2.5%	2.4%	2.2%	2.1%	1.9%	1.7%
Debt service as percent of operating budget	15.0%	11.7%	11.0%	10.5%	9.9%	9.5%
Amortization rate - 5 years	>25%	26%	28%	30%	33%	36%
Amortization rate - 10 years	>50%	55%	58%	60%	63%	64%

*All ratios include debt issued for the Town Center Parking Garages unless otherwise noted.

1Q FY13 CIP Transfers

Project Name	Amount	Fund	Dept	Reason for Transfer
Police Station	\$ (115,000)	Cap.	Rec &	Savings from Police Station project to fund bathhouse project.
Swim & Fitness Center Improv.	\$ 115,000	Proj.	Parks	

City Manager Contingency Usage

Adopted Budget Contingency Level	\$ 250,000
Transfer to the Department of the City Manager to fund a contract increase for Saul Ewing to complete the personnel investigation, approved by the M&C on 8/6/12.	\$ (82,550)
Transfer to Public Works for cleanup related to the derecho storm.	(100,000)
Unused Balance*	\$ 67,450

*As of 10/24/12 the City Manager's contingency account was replenished back to the original budget of \$250,000 through the transfer of 1Q salary savings.