



The Honorable Mayor Shaunna O'Connell

# City of Taunton Revenue and Investment Update

Presented by the Finance Department  
Office of the Mayor  
01-10-23

# Update: City Officials and Residents

- ▶ Objectives

- ▶ Cash Position

- ▶ Five-Year Revenue Look back

- ▶ Monitor, Manage, Care (MMC)

- ▶ Safety Liquidity and Yield (SLY)

- ▶ Team Taunton Accomplishments

# Cash Position and Diversification of Funds

- ▶ **Operational or Liquid Funds - 78.5% of all City Funds**
  - ▶ Four Financial Institutions hold 87% of our Liquid Assets
    - ▶ Leader Bank: 35%
    - ▶ Bristol County Savings Bank: 23%
    - ▶ Rockland Trust Bank: 14%
    - ▶ Newburyport Bank: 16%
- ▶ **Investment Funds - 17.5% of all City Funds**
  - ▶ Three Investment Management Companies hold our Investments
    - ▶ Bartholomew & Company: 44%
    - ▶ Rockland Trust Investment: 41%
    - ▶ MMDT: 15%
- ▶ **Saving Accounts - 4.0% of all City Funds**
  - ▶ Three Financial Institutions hold our Savings Accounts
    - ▶ Bristol County Savings Bank: 35%
    - ▶ Eastern Bank: 24%
    - ▶ Webster Bank: 41%

# Revenues

- Current Investment Income is over \$1,000,000 fiscal year-to-date (6 months)
- Last fiscal year, the Investment Income was \$353K for the entire year

REVENUE TYPE	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual
PERSONAL PROPERTY	\$ 6,333,491.00	\$ 6,371,796.61	\$ 6,750,837.04	\$ 6,103,447.83	\$ 6,091,914.31
REAL ESTATE TAX	\$ 88,913,451.50	\$ 93,906,005.01	\$ 98,116,706.63	\$ 104,262,779.82	\$ 109,656,255.58
TAX LIENS REDEEMED	\$ 1,897,590.88	\$ 1,077,434.00	\$ 1,425,098.59	\$ 900,584.50	\$ 1,108,639.70
TAX FORECLOSURE	\$ (10,000.00)	\$ 193,561.92	\$ (5,000.00)	\$ 207,393.60	\$ 87,817.41
MOTOR VEHICLE	\$ 7,397,608.05	\$ 7,586,481.00	\$ 7,561,798.10	\$ 8,280,172.89	\$ 7,522,569.02
BOAT TOTAL	\$ 5,404.00	\$ 4,126.51	\$ 4,118.42	\$ 4,182.80	\$ 4,225.35
OTHER EXCISE TOTAL			\$ 40,745.99	\$ 64,039.84	\$ 31,395.39
PENALTY AND INT TOTAL	\$ 1,227,713.37	\$ 1,093,345.39	\$ 937,188.03	\$ 1,246,525.26	\$ 970,175.36
PILOT	\$ 3,008,432.82	\$ 3,101,654.84	\$ 2,995,859.44	\$ 3,113,371.89	\$ 3,116,423.33
CHARGE FOR SERVICE TRASH	\$ 1,622,111.64	\$ 1,733,682.56	\$ 1,858,584.95	\$ 1,913,529.15	\$ 2,165,821.29
I & E LIENS ADDED TO TAXES	\$ 67,815.22	\$ 72,829.65	\$ 71,330.26	\$ 97,453.55	\$ 85,821.29
LAND FILL FEES	\$ 1,198,635.06	\$ 1,427,639.54	\$ 1,205,113.24	\$ 18,254.46	\$ 86,008.08
RENTALS AND LEASES	\$ 73,262.00	\$ 71,746.00	\$ 71,767.20	\$ 66,026.81	\$ 62,568.45
OTHER DEPT REV	\$ 1,487,962.02	\$ 1,598,708.82	\$ 2,168,022.74	\$ 2,044,308.08	\$ 2,021,354.97
LICENSES	\$ 285,753.00	\$ 302,377.01	\$ 265,535.00	\$ 226,218.00	\$ 233,926.00
PERMITS	\$ 1,169,384.56	\$ 2,082,358.91	\$ 1,527,893.05	\$ 1,269,018.60	\$ 1,968,450.31
STATE REVENUE SCHOOL	\$ 59,303,187.13	\$ 59,532,913.23	\$ 67,288,720.52	\$ 66,883,432.00	\$ 69,356,683.00
STATE REVENUE CITY	\$ 9,176,887.00	\$ 8,804,660.00	\$ 10,593,237.00	\$ 9,628,772.00	\$ 10,238,312.00
STATE REVENUE OTHER	\$ 946,760.54	\$ 963,982.82	\$ 877,368.61	\$ 712,542.86	\$ 991,726.41
FINES	\$ 369,571.97	\$ 346,290.54	\$ 395,330.95	\$ 316,030.65	\$ 369,611.85
INVESTMENT EARNING	\$ 802,613.11	\$ 1,755,919.40	\$ 1,833,767.20	\$ 285,215.35	\$ 352,757.04
MISC REV TOTAL	\$ 1,111,659.19	\$ 1,455,612.06	\$ 933,812.91	\$ 1,268,815.10	\$ 898,047.80
MISC NON RECURRING REV			\$ 13,021.87	\$ 450,961.42	\$ 758,258.65
INTERFUND TRANSFER	\$ 21,567,525.49	\$ 19,608,019.22	\$ 20,405,660.82	\$ 18,484,713.45	\$ 21,837,245.34
<b>Total</b>	<b>\$ 207,956,819.55</b>	<b>\$ 213,091,145.04</b>	<b>\$ 227,336,518.56</b>	<b>\$ 227,847,789.91</b>	<b>\$ 240,016,007.93</b>

# Monitor, Manage, Care (MMC)

## How Money Moves

### ▶ Deposits

- ▶ Money is always moved to highest interest bearing account

### ▶ Never Pre-Pay

- ▶ Avoid pre-payment of bills unless financial benefit outweighs investment earnings

### ▶ Daily transfers

- ▶ Account review each and every day
- ▶ Cross training of employees
  - ▶ Multiple employees have training in how to move cash to best position

## Competition Amongst Banks

### ▶ Municipal funds become advantageous to Banking Institutions

- ▶ Federal Home Loan Borrowing Program
- ▶ Federal Reserve Borrowing

### ▶ Interest Rates from Federal loan program high

- ▶ Makes Municipal money more appealing
- ▶ Pay a higher Interest Rate

### ▶ Communication

- ▶ Directly communicate with banks
- ▶ Frequent calls and requests

# Safety Liquidity and Yield (SLY)

## ▶ Safety

- ▶ Investment Options Determined by Commissioner of Banks
- ▶ No Crypto, Risky Stocks or Start Ups
- ▶ Conservative Approach

## ▶ Liquidity

- ▶ Diversification of Funds
  - ▶ Changed the way Taunton does banking
  - ▶ No longer have majority of funds in one bank

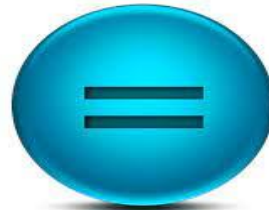
## ▶ Yield

- ▶ Goal of earning revenue
- ▶ Competition amongst banks created
- ▶ Split invested trust funds and stabilization accounts

# Team Taunton Accomplishments

- Continuously negotiated higher deposit interest rates from all financial institutions we bank with resulting in increase in interest revenue from \$332K in FY22 to a projected \$4.1M in FY23.
- Instituted successful Purchase Card (P Card) program with the City, School, Police, and Fire Departments to improve purchase and expense reimbursement process.
- Took on responsibility of collecting severely delinquent as well as more recent police detail payments to improve historical collection rate. Also took on responsibility of tow company fee collections, including creation of reports and procedure for efficiency.
- Successfully cross-trained Treasurer's Office staff on Collection tasks, processes, and procedures resulting in a more productive and efficient team.

# Comments and Considerations



Thank You Mayor O'Connell and Municipal Councilors