

# REVENUE AUTHORITY

## MISSION AND SERVICES

**Mission** - The Revenue Authority serves as a real estate development and development finance agency, an operator of programs and facilities and a manager of programs and facilities in partnership with other County agencies.

### Core Services -

- Real estate development and public-private financing opportunities
- Parking enforcement and parking facilities
- Administration of records and finances related to public safety programs for the Prince George's Police Department

### Strategic Focus in FY 2019 -

The Authority's top priorities in FY 2019 are:

- Acquire, develop and invest in real estate projects to enhance the County's overall economic vitality, increase property tax revenue for the County and create adequate return on investment for the Authority to invest in future projects.
- Enhance the efficiency, effectiveness and scope of parking operations.
- Provide vigilant and proficient management of public safety programs in partnership with Prince George's Police Department.
- Take over debt service payment on courts facilities from the Industrial Development Authority.

## FY 2019 BUDGET SUMMARY

The FY 2019 approved budget for the Revenue Authority is \$57,637,700, an increase of \$15,733,200 or 37.5% over the FY 2018 approved budget.

### Budgetary Changes -

|   |                     |
|---|---------------------|
| <b>FY 2018 APPROVED BUDGET</b>  | <b>\$41,904,000</b> |
| <b>Add: Initiatives - New</b> - Principal payment on debt service for County courts facilities  | \$6,055,000         |
| <b>Increase Cost: Operating</b> - Increase in interest expense cost related to bond sales   | \$1,958,300         |
| <b>Increase Cost: Operating</b> - Reflects increase in costs associated with the issuance of citations related to the red light program                                     | \$1,932,000         |
| <b>Increase Cost: Operating</b> - Increase in cost for anticipated economic development projects  | \$1,676,400         |
| <b>Increase Cost: Operating</b> - Increase in allowance for bad debt expense as a result of unpaid parking citations  | \$1,487,100         |
| <b>Increase Cost: Operating</b> - Increase in costs for professional and consultant services to support for various economic development projects                           | \$976,400           |
| <b>Increase Cost: Operating</b> - Reflects increase in costs associated with the issuance of citations related to the false alarm program                                   | \$574,400           |
| <b>Increase Cost: Compensation - Mandated Salary Requirements</b>   | \$499,900           |
| <b>Add: Initiatives - New</b> - Funding for seven positions for the abandoned vehicle unit to improve the efficiency of addressing abandoned vehicles throughout the County | \$228,100           |
| <b>Increase Cost: Fringe Benefits</b> - Increase in the fringe benefit rate and new positions related to the abandoned vehicle unit   | \$166,400           |
| <b>Increase Cost: Operating</b> - Increase in various operating objects for daily operations  | \$109,200           |
| <b>Add: Initiatives - New</b> - Operating cost for the abandoned vehicle unit   | \$70,000            |
| <b>FY 2019 APPROVED BUDGET</b>  | <b>\$57,637,200</b> |

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## SERVICE DELIVERY PLAN AND PERFORMANCE

**Goal 1** - To provide economic activity through real estate development or development financing.

| <b>Objective 1.1</b> - Increase the quantity of projects by developing land, financing partnerships with other agencies and/or private developers. |                |                |                   |                   |       |
|--|----------------|----------------|-------------------|-------------------|-------|
| FY 2023 Target   | FY 2016 Actual | FY 2017 Actual | FY 2018 Estimated | FY 2019 Projected | Trend |
| 15   | 2              | 5              | 9                 | 8                 | ↑     |

### Trend and Analysis

The Authority owns land parcels and has invested in several real estate projects in the County. These include properties in Suitland, Glenarden, Brentwood and Largo. The Authority plans to develop additional land in Suitland and Brentwood in FY 2019 along with one or two additional projects. The Authority will continue to engage in development or development financing as a partner or an equity investor.

### Performance Measures

| Measure Name                                    | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Estimated | FY 2019 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| <b>Resources (input)</b>                        |                |                |                |                   |                   |
| Number of Projects                              | 2              | 3              | 7              | 10                | 11                |
| Number of Acres of Land Owned                   | 97.8           | 97.8           | 101            | 105               | 111               |
| Book Value of Projects                          | \$10.4         | \$15.9         | \$35.1         | \$60.3            | \$68.2            |
| Est. Value of Projects                          | \$37.9         | \$43.5         | \$183.6        | \$325.0           | \$355.0           |
| <b>Workload, Demand and Production (output)</b> |                |                |                |                   |                   |
| Total Number Land Assets in Development         | 1              | 2              | 5              | 9                 | 8                 |
| Total Number Land Acres in Development          | 19             | 21             | 73             | 77                | 82                |
| Number of Land Assets to be acquired            | 0              | 1              | 3              | 4                 | 1                 |
| Number of Land Assets to be transferred         | 0              | 0              | 1              | 0                 | 1                 |
| <b>Efficiency</b>                               |                |                |                |                   |                   |
| Ratio of invest to value                        | 73%            | 63%            | 81%            | 81%               | 81%               |
| <b>Quality</b>                                  |                |                |                |                   |                   |
| Percentage funded projects                      | 50%            | 67%            | 71%            | 90%               | 73%               |
| <b>Impact (outcome)</b>                         |                |                |                |                   |                   |
| Increase in project value                       | \$27.5         | \$27.6         | \$148.5        | \$264.7           | \$286.8           |
| Number of Co-managed development projects       | 1              | 2              | 5              | 9                 | 8                 |

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**Goal 2** - To provide efficient parking operations for residents and workers to improve quality of life.

| <b>Objective 2.1</b> - Increase collection of unpaid parking citations. |                       |                       |                          |                          |              |
|---|-----------------------|-----------------------|--------------------------|--------------------------|--------------|
| <b>FY 2023 Target</b>   | <b>FY 2016 Actual</b> | <b>FY 2017 Actual</b> | <b>FY 2018 Estimated</b> | <b>FY 2019 Projected</b> | <b>Trend</b> |
| 55.0%   | 31.6%                 | 30.1%                 | 35.0%                    | 46.9%                    | ↑            |

## Trend and Analysis

The Authority continues to see an increasing demand for parking meters and parking facilities within the County. The Authority currently oversees over 5,800 parking spaces at multiple locations. The projected totals by FY 2022 will exceed 10,000 parking spaces. The Authority will enhance parking enforcement customer service by providing training for our enforcement officers and providing the officers with the latest technology for issuing citations with real time data. The Authority expects demands for parking enforcement to increase in the Largo and National Harbor areas.

## Performance Measures

| <b>Measure Name</b>                                  | <b>FY 2015 Actual</b> | <b>FY 2016 Actual</b> | <b>FY 2017 Actual</b> | <b>FY 2018 Estimated</b> | <b>FY 2019 Projected</b> |
|--|-----------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| <b>Resources (input)</b>                             |                       |                       |                       |                          |                          |
| Total Parking Enforcement staff                      | 30                    | 30                    | 30                    | 31                       | 35                       |
| <b>Workload, Demand and Production (output)</b>      |                       |                       |                       |                          |                          |
| Number of parking fines issued                       | 103,372               | 104,355               | 131,565               | 132,487                  | 140,000                  |
| <b>Efficiency</b>                                    |                       |                       |                       |                          |                          |
| Number of paid parking fines                         | 57,939                | 57,727                | 62,986                | 68,654                   | 70,953                   |
| Number voided  | 3,370                 | 2,904                 | 6,588                 | 7,235                    | 6,500                    |
| <b>Quality</b>                                       |                       |                       |                       |                          |                          |
| Issued fine potential revenue                        | \$11.14               | \$12.66               | \$13.60               | \$13.70                  | \$14.50                  |
| Collected fine revenue                               | \$3.73                | \$4.00                | \$4.10                | \$4.80                   | \$6.80                   |
| Percentage of citations voided or acquitted in court | 3.3%                  | 2.8%                  | 5.0%                  | 5.5%                     | 4.6%                     |
| <b>Impact (outcome)</b>                              |                       |                       |                       |                          |                          |
| Percentage of parking fines collected                | 33.5%                 | 31.6%                 | 30.1%                 | 35.0%                    | 46.9%                    |
| Number of citations outstanding after 90 days        | 26,949                | 26,737                | 35,402                | 34,500                   | 30,250                   |
| Percentage of citations outstanding after 90 days    | 26.1%                 | 25.6%                 | 26.9%                 | 26.0%                    | 21.6%                    |

**Goal 3** - To provide management and program funds distribution for public safety enforcement programs.

| <b>Objective 3.1</b> - Increase collection of unpaid automated speed citations. |                       |                       |                          |                          |              |
|---|-----------------------|-----------------------|--------------------------|--------------------------|--------------|
| <b>FY 2023 Target</b>   | <b>FY 2016 Actual</b> | <b>FY 2017 Actual</b> | <b>FY 2018 Estimated</b> | <b>FY 2019 Projected</b> | <b>Trend</b> |
| 85.0%   | 75%                   | 76%                   | 76%                      | 78%                      | ↔            |

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## Trend and Analysis

The Authority supports the Police Department and the Department of Public Works and Transportation in the administration of the Automated Speed Enforcement (ASE) program. The County designated vendor is currently responsible for collection of ASE fines. The number of ASE cameras increased to its full complement of 72 at the beginning of FY 2013. The number of events at camera locations in the FY 2014 began to level off and is expected to continue to decrease in FY 2019 as drivers change behavior. The ASE program will rotate the mobile and dragoncam cameras to cover the 143 different schools and institution zones.

## Performance Measures

| Measure Name                                    | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Estimated | FY 2019 Projected |
|---|----------------|----------------|----------------|-------------------|-------------------|
| <b>Resources (input)</b>                        |                |                |                |                   |                   |
| Number of ASE staff (including PT)              | 13             | 24             | 24             | 24                | 24                |
| Number of ASE cameras                           | 72             | 72             | 72             | 72                | 72                |
| <b>Workload, Demand and Production (output)</b> |                |                |                |                   |                   |
| Total speed events at camera locations          | 285,877        | 240,892        | 182,621        | 165,425           | 163,000           |
| <b>Efficiency</b>                               |                |                |                |                   |                   |
| Outstanding revenues (millions)                 | \$2.92         | \$1.87         | \$1.68         | \$1.52            | \$1.37            |
| Total events per camera                         | 3,971          | 3,342          | 2,533          | 2,298             | 2,264             |
| <b>Quality</b>                                  |                |                |                |                   |                   |
| Percent Transferred to County                   | 46%            | 47%            | 42%            | 40%               | 39%               |
| <b>Impact (outcome)</b>                         |                |                |                |                   |                   |
| Collection Rate                                 | 72%            | 75%            | 76%            | 76%               | 78%               |

**Objective 3.2** - Increase the number of paid red light citations by improving program delivery.

| FY 2023 Target | FY 2016 Actual | FY 2017 Actual | FY 2018 Estimated | FY 2019 Projected | Trend |
|----------------|----------------|----------------|-------------------|-------------------|-------|
| 87.0%          | 77.6%          | 77.2%          | 78.3%             | 79.5%             | ↔     |

## Trend and Analysis

The Authority supports the Police Department and the Department of Public Works and Transportation in the administration of the red light camera program. The number of paid red light citations are increasing as the number of intersections with installed cameras have increased. The red light camera program also includes the violations captured by installed school bus cameras. The County designated vendor is currently responsible for collecting red light camera violation fines. The Authority advises there is an increase the number of operational red light cameras from 46 to 49 in FY 2019.

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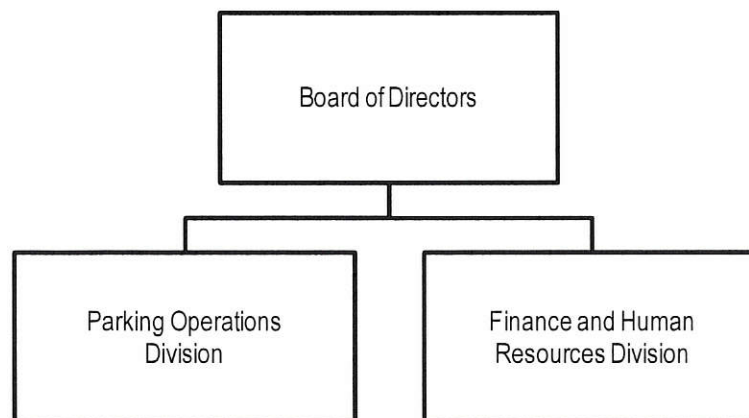
## Performance Measures

| Measure Name                                     | FY 2015 Actual | FY 2016 Actual | FY 2017 Actual | FY 2018 Estimated | FY 2019 Projected |
|--|----------------|----------------|----------------|-------------------|-------------------|
| <b>Resources (input)</b>                         |                |                |                |                   |                   |
| Number of Red Light Program staff (including PT) | 14             | 14             | 12             | 12                | 12                |
| Number of red light cameras operational          | 23             | 29             | 46             | 49                | 49                |
| Number of school bus cameras operational         | n/a            | 20             | 20             | 20                | 20                |
| <b>Workload, Demand and Production (output)</b>  |                |                |                |                   |                   |
| Number of violations validated                   | 69,573         | 69,609         | 78,396         | 79,634            | 81,000            |
| <b>Efficiency</b>                                |                |                |                |                   |                   |
| Number of violations per staff member            | 4,970          | 4,972          | 6,533          | 6,636             | 6,750             |
| Number of violations per camera                  | 3,025          | 2,400          | 1,704          | 1,625             | 1,653             |
| Outstanding revenues (in millions)               | \$0.96         | \$0.42         | \$2.00         | \$2.40            | \$2.20            |
| <b>Quality</b>                                   |                |                |                |                   |                   |
| Number of paid red light citations               | 51,850         | 54,006         | 60,519         | 62,315            | 64,385            |
| <b>Impact (outcome)</b>                          |                |                |                |                   |                   |
| Percent citations collected                      | 74.5%          | 77.6%          | 77.2%          | 78.3%             | 79.5%             |

## FY 2018 KEY ACCOMPLISHMENTS

- Acquired \$25 million of land in the Suitland area for development.
- Planned for a 1,100-space garage for the Capital Regional Medical Center.
- Implemented new technologies in parking meters and in issuing parking citations.
- Increased efficiencies in False Alarm Program.

## ORGANIZATION CHART



# REVENUE AUTHORITY

## FY 2019 APPROVED BUDGET

|  | FY 2017<br>ACTUAL    | FY 2018<br>BUDGET    | FY 2018<br>ESTIMATED | FY 2019<br>APPROVED  | CHANGE<br>FY18 - FY19 |
|--|----------------------|----------------------|----------------------|----------------------|-----------------------|
| <b>Revenue</b>                         |                      |                      |                      |                      |                       |
| Facilities                             | \$ 29,293,508        | \$ 18,749,100        | \$ 19,780,500        | \$ 28,171,300        | 50.3%                 |
| Enforcement                            | 13,629,955           | 14,001,300           | 16,105,000           | 16,450,000           | 17.5%                 |
| Interest Income                        | 191,060              | 158,200              | 194,700              | 92,000               | -41.8%                |
| Use of Capital Assets Proceeds         | -                    | 5,700,000            | -                    | 5,700,000            | 0.0%                  |
| Use of Fund Balance                    | 3,708,625            | 3,295,400            | 3,300,000            | 7,223,900            | 119.2%                |
| <b>Total Revenues</b>                  | <b>\$ 46,823,148</b> | <b>\$ 41,904,000</b> | <b>\$ 39,380,200</b> | <b>\$ 57,637,200</b> | <b>37.5%</b>          |
| <b>Administrative Expenses</b>         |                      |                      |                      |                      |                       |
| Compensation                           | \$ 3,108,497         | \$ 3,170,200         | \$ 3,200,600         | \$ 3,898,200         | 23.0%                 |
| Fringe Benefits                        | 868,088              | 875,500              | 1,000,000            | 1,041,900            | 19.0%                 |
| Managed Program Operating Expenses     | 8,402,280            | 9,213,300            | 11,823,000           | 11,250,000           | 22.1%                 |
| <b>Total - Administrative Expenses</b> | <b>\$ 12,378,866</b> | <b>\$ 13,259,000</b> | <b>\$ 16,023,600</b> | <b>\$ 16,190,100</b> | <b>22.1%</b>          |
| <b>Expenses</b>                        |                      |                      |                      |                      |                       |
| <b>Operating Expenses</b>              |                      |                      |                      |                      |                       |
| Facilities Operating Expenses          | \$ 2,225,525         | \$ 10,738,500        | 13,984,900           | 21,374,000           | 99.0%                 |
| Reserve for Maintenance and Econ Dev.  | 12,477,843           | 13,118,500           | 3,581,000            | 14,873,100           | 13.4%                 |
| Managed Program Funds to County        | 5,227,675            | 4,788,000            | 4,500,000            | 5,200,000            | 8.6%                  |
| <b>Total - Operating Expenses</b>      | <b>\$ 19,931,043</b> | <b>\$ 28,645,000</b> | <b>\$ 22,065,900</b> | <b>\$ 41,447,100</b> | <b>44.7%</b>          |
| <b>Total Expenses</b>                  | <b>\$ 32,309,909</b> | <b>\$ 41,904,000</b> | <b>\$ 38,089,500</b> | <b>\$ 57,637,200</b> | <b>37.5%</b>          |