

# Public Hearing

<b>Agenda Item #</b>	2
<b>Meeting Date</b>	April 27, 2016
<b>Prepared By</b>	Suzanne Ludlow City Manager

<b>Discussion Item</b>	Public Hearing Concerning the Proposed Budget for Fiscal Year 2017
<b>Background</b>	<p>The City’s new fiscal year begins July 1, 2016. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager prepared a proposed budget for consideration by the City Council.</p> <p>On April 6, 2016, the City Manager provided the City Council and the public with an overview of the recommended budget for Fiscal Year 2017 (FY17). The public hearing on April 13, 2016 provides an opportunity for Takoma Park residents to comment on the City Manager’s proposed budget. An additional public hearing and a public hearing on the Constant Yield Tax Rate are scheduled for April 27.</p> <p>The proposed FY17 budget accounts for the City’s financial activities in four major funds or fiscal entities. They are the General Fund, the Stormwater Management Fund, the Special Revenue Funds, and the Speed Camera Fund.</p> <p>The City Manager is recommending that the real property tax rate for FY17 remain at \$0.585 per \$100 assessed valuation. The Constant Yield Tax Rate is \$0.5518 per \$100 assessed valuation. If the tax rate were lowered to this level, the amount of real property tax revenue for the City would approximate the amount the City will receive in FY16.</p> <p>The proposed FY17 budget includes funding for projects and programs to advance the City Council’s priorities:</p> <ul style="list-style-type: none"> <li>• A Livable Community for All</li> <li>• Fiscally Sustainable Government</li> <li>• Environmentally Sustainable Community</li> <li>• Engaged, Responsive, Service-oriented Government</li> <li>• Advance Economic Development Efforts</li> </ul> <p>As the Council considers the proposed budget, changes to the proposed budget (reconciliation items) may be suggested by the Council. Reconciliation items will be decided on by May 4 to allow for the preparation of the final budget ordinances.</p> <p>The budget ordinances will be considered at First Reading on May 11, and at Second Reading on May 18.</p>

<b>Policy</b>	In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager is charged with submission of a proposed budget for consideration of the City Council. Before adoption of the budget, the City Council shall hold at least one public hearing.
<b>Fiscal Impact</b>	<p>Combined revenues for all funds for FY17 are projected to be approximately \$29.8 million. General Fund revenues total about \$24.5 million.</p> <p>The City Manager's recommended budget provides for total expenditures (all funds) of approximately \$32.6 million. General Fund expenditures total about \$27.6 million. The budget is balanced with the use of approximately \$2.8 million in reserve funds.</p> <p>Fund balance at the end of FY17 is projected to be \$12,313,540. The total Unassigned Fund Balance of the General Fund is \$3,303,108. It is the practice of the City to keep at least \$3 million as Unassigned Fund Balance to allow for the fluctuations of revenue and expenditures over the course of the year.</p>
<b>Attachments</b>	The FY17 Proposed Budget and the City Manager's Budget Presentation are posted on the City's Website at: <a href="http://www.takomaparkmd.gov/budget">www.takomaparkmd.gov/budget</a> .
<b>Recommendation</b>	Staff recommends that the City Council conduct the public hearing and listen to the comments from Takoma Park residents regarding the FY17 Proposed Budget.
<b>Special Consideration</b>	