



City of Takoma Park Proposed Budget FY 2013

April 9, 2012



Major Budgetary/Financial Issues

- Economic climate
- Property assessments
- Staffing and personnel costs
- Bonded indebtedness

Major Budgetary Issues

- Environmental initiatives
- Takoma Junction
- Reserve funds

Economic Climate

- Economic downturn
 - Job losses
 - Housing market crisis
 - Intergovernmental revenues
- Low fixed income security rates
 - Negative impact on investment earnings
- Stock market volatility
 - Pension plans' asset valuation
 - Employer contribution rate

Property Assessments

- Reassessment in FY 2010
- State Homestead Property Tax Credit
 - Limits increase in residential taxable assessments to 10%
- FY 2013 assessable real property base (net)
 - Increase of \$29.9 million or 1.5% from prior year

Staffing and Personnel Costs

- Majority of City spending
 - 54% of expenditures (all funds)
- Increase of just over 3.0 full-time equivalents
- Employee wage adjustments
 - Collective bargaining matter
 - Market study results pending

Staffing and Personnel Costs

- Employee health insurance
 - Increase of 9.0%
- Police Employees' Retirement Plan
 - Employer contribution rate decrease
 - 34.83% to 34.18%
- State Retirement and Pension System
 - Employer contribution rate decrease
 - 10.94% to 8.99%

Bonded Indebtedness

- Redemption of State Retirement Bond
 - Associated cost = \$1.2 million
- 2005 Community Center Bond
 - Reservation of fund balance = \$0.75 million

Environmental Initiatives

- Grant Avenue Project = \$25,000
- Sligo Mill/Poplar Mill Interceptor = \$100,000
- Hudson Avenue Project = \$25,000
- Flower Avenue Green Street = \$666,000

Environmental Initiatives

- Sligo Mill/Poplar Mill Area = \$40,000
- Ritchie Avenue Bio-Retention = \$130,000
- Street tree planting = \$28,000
- Subsidy for private tree purchases = \$5,000

Environmental Initiatives

- Sustainability funding = \$200,000
 - Development of action plan
 - Greenhouse gas emissions inventory
 - Project implementation funding

Takoma Junction

- Environmental assessment = \$35,000
 - City-owned lot
 - Phase II assessment level
- Other activities = \$11,500

Reserve Funds

- Equipment Replacement Reserve
 - Contribution of \$1.0 million
- Facility Maintenance Reserve
 - Contribution of \$0.25 million

FY 2013 Budget Structure

- General Fund
- Stormwater Management Fund
- Special Revenue Funds
- Speed Camera Fund

Budget Overview (All Funds)

- Total revenues = \$25.64 million
- Total expenditures = \$25.51 million
- Reserve fund withdrawals = \$0.31 million
 - Equipment Replacement Reserve items

General Fund

- Tracks financial activities related to:
 - City's daily operations
 - Debt service
 - Capital outlay, including ERR expenditures

General Fund Overview

- Fund revenues = \$21.00 million
- Fund expenditures = \$20.98 million
- Operating transfer to other funds = \$0.08 million

General Fund Revenues

- Real property tax rate unchanged
 - \$0.58 per \$100 of assessed valuation
 - Budget-to-budget increase = \$203,197
- Constant yield tax rate = \$0.5715
- Real property taxes = 55% of fund revenues

General Fund Revenues

- Income taxes = 10% of fund revenues
 - Better than expected performance in FY 2012
 - Distribution formula change in FY 2012
 - Projected decline in FY 2013
- Intergov't revenues = 26% of fund revenues
 - Increase of just under \$1.08 million
 - SHA payment for Flower Avenue = \$0.70 million

General Fund Revenues

- Municipal tax duplication payments
 - Increase proposed by County Executive
 - “One time” increase to make up FY 2011 cut
 - Revenue increase = \$0.30 million
- Increases in other County payments
 - County Police rebate
 - Library Aid payment
 - Recreation Center contractual payment

General Fund Revenues

- Continued decline in investment revenues
- Growth in recreation programs and services

General Fund Expenditures

- Two new full-time positions
 - Management Assistant (100% General Fund)
 - Special Projects Coordinator (60% General Fund)
- General Government
 - Third iteration of resident survey
- Recreation
 - Modest increase for senior programming
 - Modest increase for teen programming

General Fund Expenditures

- Housing and Community Development
 - Continued support for Main Street Takoma
 - No change in funding level from FY 2012
- Non-Departmental
 - Increased funding for external organizations
 - Allocation for Council-directed projects/initiatives

Stormwater Management Fund

- Base rate = \$55
 - Current rate = \$48
 - No change in rate since FY 2007
- Fund revenues = \$0.43 million
- Fund expenditures = \$0.47 million

Stormwater Management Fund

- Personnel costs = \$0.12 million
 - FTE increase = 0.40
 - New Special Projects Coordinator (40% of cost)
 - Addition of worker's compensation costs
- Capital projects = \$0.15 million
- Contractual work = \$0.13 million
 - Existing system repairs and other work

Special Revenue Funds

- Grant-funded project tracking mechanism
- Fund revenues = \$1.19 million
 - Includes cable capital grant funds
- Fund expenditures = \$0.70 million
 - Safe Routes to School Coordinator
 - CDBG projects

Speed Camera Fund

- Established in FY 2009
- Expenditures must promote public safety
- Six cameras currently in operation
- Proposed new cameras on Carroll Avenue

Speed Camera Fund Overview

- Fund revenues = \$3.02 million
 - Includes proposed Carroll Avenue cameras
- Fund expenditures = \$3.36 million
- Use of fund balance = \$0.34 million
 - For capital projects

Speed Camera Fund Expenditures

- Personnel costs = \$0.59 million
- Increase of 1.5 FTE
 - New position = 1.0 FTE
 - Transfer of 0.5 FTE from Special Revenue Funds
- Addition of worker's compensation costs

Speed Camera Fund Expenditures

- Payment to program vendor = \$1.15 million
- Public safety expenditures = \$0.15 million
- ADA sidewalk retrofit work = \$0.60 million
- Sidewalk/traffic calming work = \$0.40 million

Speed Camera Fund Expenditures

- Ritchie Avenue traffic calming = \$0.13 million
- Ethan Allen Gateway = \$0.31 million
- Streetlight upgrades = \$0.02 million

Next Steps

- Public hearing on April 16
 - Proposed FY 2013 budget
- Council work sessions in April and May
- Public hearings on April 30
 - Proposed FY 2013 budget
 - Constant Yield Tax Rate