

Work Session

Agenda Item #	1
Meeting Date	May 4, 2016
Prepared By	Suzanne R. Ludlow City Manager

Discussion Item	Final Budget Reconciliation
Background	<p>The City Manager presented her Recommended Budget for Council Consideration on April 6, 2016. There have been public hearings on the proposed budget on April 13 and April 27 and there have been three Council Work Sessions to discuss the proposed budget on April 11, 18, and 25.</p> <p>As the Council has been considering the proposed budget, a number of Reconciliation Items have been identified. Reconciliation Items are adjustments to the proposed budget that become part of the Adopted Budget once the Two Reading Budget Ordinances are approved.</p> <p>A list of Reconciliation Items that have been suggested is attached. At the Work Session, the Council will identify the final list of Reconciliation Items to be incorporated into the budget. Budget Ordinances will then be prepared for Council votes on May 11 and May 18.</p>
Policy	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 by the City Council.
Fiscal Impact	To be determined by Council.
Attachments	Reconciliation List with narrative information
Recommendation	Through straw votes, identify the final list of Reconciliation Items for incorporation into the budget.
Special Consideration	

RECONCILIATION ITEMS

4/28/2016 19:00

	General Fund Revenues	\$24,518,701
1	Decrease: To Constant Yield (+\$200,000 or \$0.56.1 rate) (Male)	-\$503,076
2	Decrease: Reduction in Inventory Tax (Kovar)	\$0
	Revised Revenues	\$24,015,625
	General Fund Expenditures	\$27,564,793
3	Decrease: Ethan Allen Project (staff)	-\$580,000
4	Increase: Police/Comm Relations (staff)	\$40,000
5	Decrease: Police/Comm Relations (staff)	-\$40,000
6	Increase: Police/Comm Relations (Seamens)	\$40,000
7	Decrease: Health Insurance (staff)	-\$97,200
8	Decrease: Exterior Home Repair (Ludlow)	-\$27,000
9	Increase: Additional Sustainability Improvements (Ludlow)	\$27,000
10	Increase: Scholarship Fund (Smith)	\$5,000
11	Decrease: Economic Development Study/Work	-\$50,000
12	Increase: Economic Development Position (Schultz)	\$220,000
13	Decrease: Contribution to ERR (Male)	-\$144,400
13a	Increase: Housing Fund (solar) w \$144,400 from ERR added (Male)	\$255,600
14	Decrease: Exterior Home Repair (Stewart)	-\$93,000
15	Increase: Housing Fund (Stewart)	\$400,000
16	Increase: Folk Festival (Stewart)	\$5,000
17	Increase: Two Fixed Pole LPRs (Male)	\$38,000
18	Decrease: No New FTEs (Male)	-\$214,300
19	Increase: Two Additional Play Days (Kovar)	\$3,400
20	Decrease: Community Grants (Stewart)	-\$50,000
21	Increase: Partnership Program (Stewart)	\$50,000
22	Increase: Parent Advocacy (Seamens)	\$3,500
23	Increase: MAN UP and Lunch and Learn (Smith)	\$40,000
24	Increase: Cost of Opening MacLab to Teens (Male)	\$23,400
25	Increase: Additional \$100,000 for Police Pension (Qureshi)	\$100,000
26	Increase: Cost of Replacing Old Town Streetlight Fixtures (staff)	\$50,000
	Revised Expenditures	\$27,569,793
	Proposed General Fund Unassigned Fund Balance	\$3,303,108
30	Change in General Fund	-\$508,076
31	Possible decrease in property tax revenue from appeals	-\$200,000
	Revised General Fund Unassigned Fund Balance	\$2,595,032
	Stormwater Management Fund Revenues	\$588,750
32		
	Revised Revenues	\$588,750
	Stormwater Management Fund Expenditures	\$681,300
33	Decrease: Health Insurance (staff)	-\$800
34		
	Revised Expenditures	\$680,500
	Special Revenue Funds Revenues	\$3,377,810
35		
	Revised Revenues	\$3,377,810
	Special Revenue Funds Expenditures	\$3,087,875
36		
	Revised Expenditures	\$3,087,875
	Speed Camera Fund Revenues	\$1,302,500
37		
	Revised Revenues	\$1,302,500
	Speed Camera Fund Expenditures	\$1,266,217
38	Decrease: Health Insurance (staff)	-\$2,000
39		
	Revised Expenditures	\$1,264,217

Information on Reconciliation Items

Item No.	Amount	Sponsor	Narrative
Revenue			
1	(\$503,076)	Male	Reduction in Real Property Tax Revenue from Constant Yield Rate minus \$200,000; new rate would be \$0.561 per \$100 assessed valuation
2	unknown	Kovar	Reduction in Revenue from elimination of Inventory Tax
Expenditures			
3	(\$580,000)	Council, Staff	Estimated reduction from \$1 million for Ethan Allen Project due to plan to bond \$2 million for both Ethan Allen and Flower Avenue projects for a five year period, with bond payments of \$420,000 per year; bond terms could be adjusted if borrowing done over longer period of time or different lending source used
4	\$40,000	Staff	Noting carryover of police/community relations consultant funds
5	(\$40,000)	Staff	Noting carryover of police/community relations consultant funds
6	\$40,000)	Seamens	Additional police/community relations consultant funds
7	(\$97,200)	Staff	Health insurance savings
8	(\$27,000)	Ludlow	Reduction from Exterior Home Repair Program for use in sustainability program
9	\$27,000	Ludlow	Increase in funds for sustainability program
10	\$5,000	Smith	Scholarship fund
11	(\$50,000)	Schultz	Elimination of Economic Development Study/Work to put towards Economic Development FTE
12	\$220,000	Schultz	New Economic Development FTE
13	(\$144,400)	Male	Reduction in contribution to Equipment Replacement Reserve such that reserve level equals just next five years of purchases
13a	\$400,000	Male	\$400,000 Housing Fund that would consist of the \$144,400 from the ERR Contribution and \$255,600 in additional funds; focus on solar
14	(\$93,000)	Stewart	Elimination of Exterior Home Repair Program to use funds for Housing Fund
15	\$400,000	Stewart	New Housing Fund – to be held as a reserve fund via ordinance
16	\$5,000	Stewart	Additional contribution to the Folk Festival over \$10,000 allocated
17	\$38,000	Male	Cost of two fixed pole License Plate Readers [note that the City may be able to get these at no charge via next year’s UASI Grant via COG]
18	(\$214,300)	Male	Reduction of all additional FTEs over FY16 number (see attachment for analysis), if no contracted or overtime hours are triggered to provide the services
19	\$3,400	Kovar	Adding two Play Days to the two already supported by City staff; assumes Play Day Committee would continue to organize/promote them
20	(\$50,000)	Stewart	Decrease the allocation to the Community Grants program to be used for a Partnership program

21	\$50,000	Stewart	Establish a Partnership program
22	\$3,500	Seamens	Grant to Parent Advocacy group [might be part of Partnership program]
23	\$40,000	Smith	Grant to MAN UP and Lunch and Learn in addition to the \$60,000 in the Recreation Department's budget [this and the \$60,000 could be part of the Partnership program]
24	\$23,400	Male	Cost of opening the multimedia lab in the Computer Center to teenagers for use between 2 pm and 8 pm [amount is for five days per week]
25	\$100,000	Qureshi	Additional \$100,000 over the added \$100,000 to the actuarially recommended contribution to the Police Employees Retirement Plan
26	\$50,000	Staff	Replacement of fixtures of 28 streetlights in Old Takoma area and painting of poles (newly discovered problem; will result in greater energy efficiency) [the \$50,000 could be taken from the \$800,000 contribution to ERR, as the streetlights will need to be added to the ERR]
OTHER			
30			
31	(\$200,000)	Staff	Amount in expected property tax revenue that may not be realized due to protested assessments
33	(\$800)	Staff	Health insurance savings
38	(\$2,000)	Staff	Health insurance savings

Financial/Other Impact of Proposed Reduction of FTE count from 165.15 to FY16 level of 163.23

FTE #	(Savings) or Cost	Narrative
.25	\$14,800	Do not increase part time hours of City Clerk Records Specialist by 10 hours per week and either do without the increased level of digitization of City records and archiving or use the funds to pay for contracted services; do without the additional hours of bilingual reception/Notary services.
.13	\$7,800	Do not use Records Specialist for 260 hours of temporary digitization work for HCD and either do without the increased level of digitization and archiving or use the funds to pay for contracted services.
1.0	\$127,000 plus \$25,000 for vehicle	Do not add the new Environmental Code position and associated vehicle and materials; use Public Works staff to keep website information up-to-date and to respond to complaints, but do no proactive education efforts, inspections or collaborations; use Police Administrative staff to function as Neighborhood Services team leader; have one fewer person to cross-train and use as backup by the two Property Code Enforcement Officers and the 1.5 Nuisance Control Officers in handling code enforcement, parking violations, noise complaints, snow shoveling inspections, etc. If some education and enforcement of environmental codes is desired, reduce the

		work of the Public Works Special Projects Coordinator in overseeing sidewalk, dog park and park construction projects and push the schedules for those projects back; any enforcement would be done by the Property Code Enforcement officers as they are able. If sidewalk and park projects were pushed back, some capital expenditures would be reduced but some grant-funded projects may not be able to be completed within the required timeline.
.17	\$6,000	Represents the additional hours needed for crossing guard duty due to changing MCPS school hours. Could divert patrol officers or administrative staff from their regular duties to fill in to cover additional hours, while trying to not incur overtime hours. Note that we do receive tax duplication payments for crossing guards; those amounts probably wouldn't be affected by a reduction in hours by .17 FTE.
.13	\$16,700 plus \$13,000 in program expenses	Elimination of HCD's Special Project Coordinator once grant funding ends in December 2016. Staffing would be discontinued for Anti-Littering Program, Safe Routes to Schools, and TKPK5K. Would save \$13,000 in expenditures for the Anti-Littering and Safe Routes to Schools programs. Funds for the TKPK5K are in the Special Revenue budget and would be removed.
.13	\$4,000	Reduction in part-time City TV staff could free up \$4,000 in cable operating funds that could be spent on other City TV or IT operations or items; time may be foregone or permanent staff could cover events and receive overtime.
.01	na	The .01 FTE increase in the Library budget could be considered offset by the .02 FTE reduction in the Recreation budget.