



Takoma Park City Council Meeting – May 17, 2017 Agenda Item 4

Voting Session

Resolution Establishing Policy Objectives Associated with the Fiscal Year 2018 Budget

Recommended Council Action

Approve the resolution

Context with Key Issues

During its work sessions on the FY 2018 budget, the Council discussed the reasoning behind certain budget decisions made. In order to document the intent of their decisions, the Council decided to develop a resolution that includes their policy objectives related to budget decisions made during the work sessions to accompany the FY 2018 budget ordinances. More specifically, the resolution states the current Council's objectives related to:

- Increasing the stormwater fee from \$55 to \$92
- Establishing a goal to spend 15-30 percent of the Housing Reserve Fund
- Continuing discussions about possibly changing the personal property tax
- Funding for neighborhood commercial center improvements and exploring the possibility of establishing an Economic Development Commission once the housing and economic development strategic plan is completed
- Possibly starting the process for the Takoma Park Police Department to become accredited
- Keeping funding in the budget for Police Department space improvements to be used toward construction of the atrium floor
- Developing a formal policy during FY 2018 that establishes a minimum unrestricted reserve balance for future budgets.

Council Priority

- A Livable Community For All
- Fiscally Sustainable Government
- Environmentally Sustainable Community
- Engaged, Responsive & Service-oriented Government
- Advance Economic Development Efforts
- Racial Equity

Environmental Impact of Action

Maintaining and enhancing the City's stormwater system reduces pollution from run-off, reduces Likelihood of flooding and ensures compliance with State and federal laws. The FY 2018 budget includes \$810,350 related to stormwater improvements, which will be financed through the increased stormwater fee.

Fiscal Impact of Action

This resolution is a statement of policy objectives, so does not have a specific fiscal impact.

Racial Equity Impact of Action

This resolution is a statement of policy objectives, so does not have a specific impact on racial equity. However, we believe that major expenditures in the FY 2018 budget will help address racial equity in Takoma Park.

Attachments and Links

- Draft Resolution

Introduced by:

CITY OF TAKOMA PARK, MARYLAND

Resolution No. 2017-

**Resolution Establishing Policy Objectives Associated
with the Fiscal Year 2018 Budget**

- WHEREAS, the City Council voted to increase the stormwater fee in FY 2018 in order to maintain and enhance the City's stormwater system and work towards meeting established treatment goals in the interest of doing our part to prevent pollution and preserve the Chesapeake Bay. The City Council did so with the understanding that a study of impervious surfaces in the City would be conducted during the fiscal year in order to gather information that could be used to inform the rate of future stormwater fees. Additionally, the City Council will be considering development of a program that recognizes the contributions property owners undertake voluntarily to mediate stormwater on their properties; and
- WHEREAS, the City Council established a Housing Reserve Fund in FY 2017 and contributed an additional \$300,000 to the fund in FY 2018 with the understanding that, after the completion of the housing and economic development strategic plan, they would spend 15 to 30 percent of the reserve balance to forward the Council's affordable housing goals; and
- WHEREAS, the City Council began discussions in FY 2017 to review the personal property tax and intends to continue those discussions and convey any changes made to the appropriate taxing agencies ahead of the May 1, 2018 deadline; and
- WHEREAS, the City Council voted to put \$100,000 in the FY 2018 budget for neighborhood commercial center improvements and agreed to explore the possibility of establishing an Economic Development Commission; and
- WHEREAS, the City Council voted to add \$15,000 to the FY 2018 budget for the purpose of starting the accreditation process for the Police Department if, after the hiring of a new Police chief and learning more about the process and benefits of accreditation, it is determined to be appropriate for the City. Accreditation goals are to: strengthen crime prevention and control capabilities; formalize essential management procedures; establish fair and nondiscriminatory personnel practices; improve service delivery; solidify interagency cooperation and coordination; and increase community and staff confidence in the agency. The Montgomery County, Rockville, and Gaithersburg Police Departments are currently accredited; and
- WHEREAS, the City Council voted to keep \$140,000 in the FY 2018 budget that was

originally proposed to be used for detailed design of the Police Department space on the first floor of the Community Center, but specified that the funds should be used for design and possible construction of the atrium floor in the Community Center; and

WHEREAS, the Government Finance Officers Association (GFOA) provides guidelines for local governments regarding the appropriate unrestricted reserve balance in the General Fund. The GFOA recommends that local governments, regardless of size, maintain an unrestricted reserve balance in their general funds of no less than two months of regular general fund operating expenditures. For Takoma Park, when we adjust for capital expenditures paid through bonds, the ERR, and other special funds, the unrestricted reserve balance for FY 2018 should be between \$4.1 and \$4.5 million. However, staff closely monitors our accounts and expenditures and believes that \$3.1 million is an acceptable floor for FY 2018. The City Council intends to develop a formal policy during FY 2018 that establishes a minimum Unrestricted Reserve Balance for future budgets.

NOW, THEREFORE BE IT RESOLVED that the City Council, during its work sessions on the FY 2018 budget discussed its reasoning behind the budget decisions and voted in support of the above policy objectives in order to document the intent of the current Council as it passes this resolution.

Adopted this ____ day of May, 2017.