



## Takoma Park City Council Meeting – May 24, 2017 Agenda Item 2

### **Voting Session**

First Reading Ordinance Adopting Fiscal Year 2017 Budget Amendment No. 3

### **Recommended Council Action**

Approve First Reading Ordinance

### **Context with Key Issues**

The Fiscal Year (FY) 2017 Budget was adopted by the City Council on May 18, 2016 and Budget Amendments were adopted on July 27, 2016 and January 25, 2017. Since January, certain needs have arisen that require further changes to the approved budget. They include:

- Resignation of the Police Chief, which will result in unbudgeted expenses associated with initial recruitment assistance. We are proposing a \$10,000 increase to the Human Resources Recruiting line.
- Settlement of the Winding Hill Way matter, whereby the City, emergency responders, and residents of Winding Hill Way will be able to access the entire length of the street. We had not budgeted for the cost of the settlement, which was \$15,000.
- A change order for work on the security doors in the Community Center. The original budget for this project was \$30,000 and Council approved the bid in the amount of \$37,759. As the contractor's work began, it became evident that the total number of doors in the Community Center in need of new security equipment, namely the ID readers and associated hardware, had been undercounted when the original scope of work was produced. Council then authorized an additional \$12,831.00 in Equipment Replacement Reserve funds to complete the work. The total cost is \$50,590, an increase of \$20,590 over the original budget.
- Purchase of pressure washing equipment. This was originally budgeted in FY16 in the amount of \$15,000, only about \$10,000 of which was spent that year. An additional \$12,834 was spent in FY17 to complete the equipment purchase.
- Replacement of HVAC rooftop units #7 and #8. The original budget included \$18,000 for the replacement of unit #7. When the work commenced, it became clear that unit #8 also needed to be replaced. An additional \$17,233 was spent on both units, bringing the total cost to \$35,233.
- Smart Energy Grant expenditures in the amount of \$54,973 for lighting retrofits in the Community Center and at Public Works.
- Award of a Smart Energy Grant from the Maryland Energy Administration in the amount of \$35,000, bringing the total award amount this year to \$50,060.
- Colby Park design and construction. The project, which began in FY15, cost a total of about \$250,450. Funds were not included in the original FY17 budget, as we expected that the project would be completed in FY16. We spent \$90,779 this fiscal year on the project. Seventy-five percent (\$68,084) will be paid for using POS Park Project funds and the remaining 25 percent (\$22,694) will come from a special revenue transfer.

- Completion of the Dog Park. The City spent \$210,000 in FY17, which was not included in the original budget. Seventy-five percent (\$157,500) will be paid for using POS Park Project funds and the remaining 25 percent (\$52,500) will come from a special revenue transfer.
- We need to account for \$225,584 in the revenue line associated with the Colby Park and Dog Park projects to account for a 75 percent reimbursement from Program Open Space. The total FY 2017 cost for the projects was \$300,779.
- Replacement of Trucks 215, 216, and 245. The original budget for Trucks 215 and 216 was \$206,400, but the actual cost was \$273,850, an increase of \$67,450. Truck 245 was budgeted to be replaced next year, but had to be replaced earlier than expected at a cost of \$61,420.
- IT Server Room Renovations. The first budget amendment for FY 2017 carried forward \$85,000 originally budgeted in FY 2016 for this project. The total project costs are \$151,320, so \$66,230 needs to be allocated to the Cable Grant expense account.
- Need for assistance from a temporary employment agency while an administrative position was vacant. This amendment shifts \$12,900 from two salaries budget lines to lines for temporary staff.
- The designs for the Ethan Allen Gateway Streetscape are in progress, but bidding and construction is not scheduled to occur until FY18. Given the delay, we need to reduce the project budget in the General Fund by \$1,000,000 for the current fiscal year.
- The Flower Avenue Green Street and Ethan Allen Gateway projects are now expected to be bid in FY18, resulting in the need to reduce FY17 budgeted expenditure and revenues by \$1,789,000.

### **Council Priority**

Fiscally Sustainable Government

### **Environmental Impact of Action**

Acceptance of the Smart Energy Grant funds will allow the City to advance its sustainability goals by undertaking new or expanding existing energy efficiency initiatives.

### **Fiscal Impact of Action**

This budget amendment:

- Reduces Special Revenue Fund revenues by \$1,626,318
- Reduces total expenditures by \$2,162,491
  - General Fund expenditures: \$720,278.
  - Special Revenue Fund expenditures: \$1,442,213.
- Reduces total Capital Improvement Program (CIP) expenditures by \$2,242,464.

### **Racial Equity Impact Statement**

We do not believe this Council action or any particular amendment item will adversely affect or disproportionately impact any particular group. We do not have data available to determine which group(s) benefit most from use of Colby Park and the Dog Park.

### **Attachments and Links**

- Draft Ordinance

Approved by: Jason Damweber, Acting City Manager

Introduced by:

First Reading:

Second Reading:

Effective Date:

**CITY OF TAKOMA PARK, MARYLAND  
ORDINANCE NO. 2017-XX**

**FY 2017 BUDGET AMENDMENT NO. 3**

WHEREAS, the Fiscal Year (FY) 2017 budget was adopted by the City Council on May 18, 2016 and amended on July 27, 2016 and January 25, 2017; and

WHEREAS, since this date, certain events have transpired that require modification to the FY 2017 budget; and

WHEREAS, the resignation of the Police Chief resulted in the need for \$10,000 for the purposes of recruiting for the vacant position; and

WHEREAS, the budget for legal contracts needs to be increased by \$15,000 to account for settlement of the Winding Hill Way matter; and

WHEREAS, the budget for overhauling the security door system in the Community Center needs to be increased from \$30,000 to \$50,590; and

WHEREAS, an additional \$12,834 is needed to cover costs for pressure washing equipment, some of which was budgeted for and purchased in the FY 2016 budget; and

WHEREAS, the budget for HVAC rooftop units needs to be increased from \$18,000 to \$35,233 due to the need to replace two units instead of only one; and

WHEREAS, the City spent \$54,973 in Smart Energy Grant funds for lighting retrofits in the Community Center and at Public Works; and

WHEREAS, the City received Smart Energy Grant awards totaling \$50,060 from the Maryland Energy Administration; and

WHEREAS, the budget for the Colby Park design and construction project, which began in FY 2015 and cost a total of \$250,450, needs to be increased by \$90,779 to account for expenses incurred this fiscal year; and

WHEREAS, the City spent \$210,000 this fiscal year to complete the Dog Park, but the funds were not carried over from previous years; and

WHEREAS, the City expects to receive a reimbursement from Program Open Space for the costs of the design and construction of Colby Park and the Dog Park in the amount of \$225,584 (75% of \$300,779); and

WHEREAS, the budget to replace Trucks 215 and 216 needs to be increased by \$67,450 from \$206,400 to \$273,850; and

WHEREAS, the City needed to replace Truck 245 a year earlier than expected at a cost of \$61,420; and

WHEREAS, the budget for the IT Server Room renovations, which were originally included in the FY 2016 budget in the amount of \$85,000 and carried forward to FY 2017 in the first budget amendment, needs to be increased by \$66,230 to account for a total project cost of \$151,320; and

WHEREAS, \$12,900 needs to be shifted from salaries lines in the budget to lines for temporary salaries in contract expenditure; and

WHEREAS, design for the Ethan Allen Gateway Streetscape is on-going, but bidding and construction is now scheduled for FY18, resulting in the need to reduce current year budget by \$1,000,000 to reflect a timing change of completion of construction; and

WHEREAS, the Flower Avenue Green Street and Ethan Allen Gateway projects are expected to be bid during FY18, resulting in a reduction in budgeted project costs by \$1,789,000; and

WHEREAS, revenue from the Transportation Grant related to the Flower Avenue Green Street and Ethan Allen Gateway projects also needs to be reduced by \$1,789,000.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The Fiscal Year 2017 Budget is amended as follows:

**General Fund – Transfers**

1. Transfer \$6,450 to 5500-61040 from 5500-40010 to provide funds for temporary assistance needed due to an administrative position vacancy split evenly between Housing and Community Development and Information Systems.
2. Transfer \$6,450 to 1150-61040 from 1150-40010 to provide funds for temporary assistance needed due to an administrative position vacancy split evenly between Housing and Community Development and Information Systems.

**General Fund – Expenditures**

1. Appropriate \$10,000 to account 1160-70090, Recruit/Applicant Process, to provide funds for initial recruitment of Police Chief.

2. Appropriate \$15,000 to 1140-61040, Contracts (Legal), to provide funds for settlement of the Winding Hill Way matter.
3. Appropriate \$179,527 to 9100-80003, Capital Expenditures, to account for:
  - a. \$20,590 in additional funds needed to complete Community Center security door project
  - b. \$12,834 for pressure washing equipment
  - c. \$17,233 in additional funds for replacement of rooftop HVAC units
  - d. \$67,450 in additional funds for replacement of Trucks 215 and 216
  - e. \$61,420 for replacement of Truck 245
4. Appropriate \$22,695 to 0001-9200-81000, the city matches 25 % of the expenditure of Colby Park.
5. Appropriate \$52,500 to 0001-9200-81000, the city matches 25% of the expenditure of Dog Park.
6. Reduce account 0001-9100-80000, by \$1,000,000 to reflect a timing change in the Ethan Allen Gateway Streetscape project.

#### **Special Revenue Fund – Revenues**

1. Appropriate \$50,060 to 0010-33520, Maryland Energy Assistance Grant, for grant funds received from the Maryland Energy Administration.
2. Appropriate \$37,427 to 0010-38330, POS Park Grants, to account for Program Open Space reimbursements for Colby Park and the Dog Park ( plus original budget \$188,157 total revenue \$225,584).
3. Appropriate \$75,195 to 0010-33850, city matches 25% of the revenue of Colby Park and Dog Park.
4. Reduce revenue account 0010-39160, by \$1,789,000 to reflect a timing change in the Transportation Grant project.

#### **Special Revenue Fund – Expenditures**

1. Appropriate \$157,500 to 0010-0010-71910, Program Open Space Park Projects, for design and construction (75 percent) of the Dog Park.
2. Appropriate \$68,084 to 0010-0010-71910, Program Open Space Park Projects, for design and construction (75 percent) of the Colby Park.
3. Appropriate \$54,973 to 0010-0010-71730 to account for Smart Energy Grant funds spent on lighting retrofits in the Community Center and at Public Works.
4. Appropriate \$66,230 to 0010-0010-72410 to account for the total project cost of IT Server Room renovations totaling \$151,320.
5. Reduce account 0010-0010-68026, by \$1,789,000 to reflect a timing change in the Transportation Grant project.

SECTION 2. The City's Capital Improvement Program for FY 2017 shall be amended to reflect the aforementioned changes in the General Fund budget.

SECTION 3. This Ordinance shall become effective upon adoption.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2017 by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: