



Takoma Park City Council Meeting – June 7, 2017 Agenda Item 3 (Revised)

Voting Session

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

Recommended Council Action

Approve Second 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 or budgeted expenditures delayed that require further amendments 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. The City spent \$90,779 this fiscal year on the project.

- Completion of the Dog Park. The City spent \$ ~~227,552~~ 210,000 in FY17, which was not included in the original budget.
- We need to account for \$ ~~238,748~~ 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 remaining 25 percent (\$ ~~79,583~~ 75,195) will come from General Fund Transfer.
- 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 \$66,320 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, as well as the bond proceeds of \$1,000,000.
- 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 expenditures and revenues by \$1,789,000.
- The design for the Library is in progress, but most of the work is not scheduled to occur until FY18. Given the delay, we need to reduce the project budget in the General Fund by \$390,000 for the current fiscal year.

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 \$ ~~1,608,766~~ 1,626,318
- Reduces General Fund Bond Proceeds by \$1,000,000.
- Reduces total expenditures by \$ ~~2,455,266~~ 2,477,206.
 - General Fund expenditures: \$ ~~1,105,890~~ 1,110,278.
 - Special Revenue Fund expenditures: \$ ~~1,349,376~~ 1,366,928.
- Reduces total Capital Improvement Program (CIP) expenditures by \$ ~~2,535,239~~ 2,557,179.

Introduced by:

First Reading: May 24, 2017
Second Reading: June 7, 2017
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~~ \$227,552 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 \$238,748 225,584 (75% of \$318,331 300,779); 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 \$66,320 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, the designs for the Ethan Allen Gateway Streetscape are on-going, bidding and construction is scheduled for FY18. Project costs in the current fiscal year need to be reduced by \$1,000,000 to reflect a timing change of completion of construction; and

WHEREAS, bond proceeds for the Ethan Allen Gateway Streetscape project need to be reduced by \$1,000,000 in the current fiscal year; and

WHEREAS, the Transportation Grant needs to be reduced by \$1,789,000 to reflect a timing change of the Flower Avenue Green Street and Ethan Allen Gateway projects, which are now expected to be bid during FY18; and

WHEREAS, revenue from Transportation Grant needs to be reduced by \$1,789,000 due to the timing change of the Flower Avenue Green Street and Ethan Allen Gateway projects; and

WHEREAS, the design costs for the Library in the current fiscal year need to be reduced by \$390,000 to reflect a timing change of project.

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 – Revenue

1. Reduce the Bond Proceed account, 0001-36050, by \$1,000,000 to reflect a timing change in the Ethan Allen Gateway Streetscape project.

General Fund – Expenditures

2. Appropriate \$10,000 to account 1160-70090, Recruit/Applicant Process, to provide funds for initial recruitment of Police Chief.
3. Appropriate \$15,000 to 1140-61040, Contracts (Legal), to provide funds for settlement of the Winding Hill Way matter.
4. 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
5. Appropriate \$22,695 to 0001-9200-81000, Special Revenue Transfer, to account for the City's 25% match for the expenditures associated with the Colby Park.
6. Appropriate ~~\$56,888~~ ~~52,500~~ to 0001-9200-81000, Special Revenue Transfer, to account for the City's 25% match for the expenditures associated with the Dog Park.
7. Reduce account 0001-9100-80000 by \$1,000,000 to reflect a timing change in the Ethan Allen Gateway Streetscape project.
8. Reduce account 0001-9100-80000 by \$390,000 to reflect a timing change in the Library Design 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 ~~\$50,591~~ ~~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, making total revenue ~~\$238,748~~ ~~225,584~~).
3. Appropriate ~~\$79,583~~ ~~75,195~~ to 0010-33850, to reflect the City's 25% match of the revenue of Colby Park and Dog Park.
4. Reduce revenue account 0010-39160, Transportation Grants, by \$1,789,000 to reflect a timing change in the Transportation Grant projects.

Special Revenue Fund – Expenditures

1. Appropriate \$~~227,552~~ 240,000 to 0010-0010-71910, Program Open Space Park Projects, for design and construction of the Dog Park.
2. Appropriate \$90,779 to 0010-0010-71910, Program Open Space Park Projects, for design and construction 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 \$66,320 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 projects.

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:

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.

Attachments and Links

- Ordinance