



Takoma Park City Council Meeting – March 14, 2018 Agenda Item 3

Voting Session

First Reading Ordinance of Fiscal Year 2018 Budget Amendment No. 3

Recommended Council Action

Approve First Reading Ordinance for Fiscal Year 2018 Budget Amendment No. 3

Context with Key Issues

The Fiscal Year (FY) 2018 Budget was adopted by the City Council on May 17, 2017 and Budget Amendments were adopted on July 14, 2017 and October 18, 2017. Since January, certain needs have arisen or budgeted expenditures delayed that require further amendments to the approved budget. They include:

Funds to carry over from FY17 to FY18

- **Cable Grant:** Funds for IT Server Room renovation were budgeted in FY17 when the project began, but work continued into FY18; the project cost of \$151,320 needs to be carried over into FY18.

Funds that will not be spent in FY18 but are expected to be included in the FY19 budget

- **Housing and Community Development (HCD) Projects:** Installation and maintenance of scattered landscaping and placemaking activity along New Hampshire Avenue is delayed and the budget is reduced by \$5,000; implementation of the Business Retention & Expansion project is delayed and the budget is reduced by \$3,000; implementation of the Bike Program is delayed and the budget is reduced by \$12,000.
- **Neighborhood Commercial Center Project:** The budget for Neighborhood Commercial Center Improvements is reduced by \$100,000, as the project is delayed.
- **Library Construction Project:** The budget for Capital Expenditures in the Library is increased \$100,000 due to a Flood Plain Delineation study; however, the budget for Capital Expenditures is reduced \$2,900,000 overall due to the delay in the renovation project.
- **Street Projects – General Fund:** The budget for expenditures for the Ethan Allen Gateway Streetscape project is decreased \$562,412 and the budget for expenditures for the Flower Avenue Green Street Project is decreased \$708,914 due to delays in the street projects.
- **Ethan Allen Project – Special Revenue Funds:** The Ethan Allen Street Project start time was delayed and the budgeted revenue and expenditure of \$66,000 of the Bikeway's Grant and the budgeted revenue and expenditure of \$627,750 of the TAP Grant money will be carried over into FY19.
- **Flower Avenue Green Street Projects – Special Revenue Funds:** The Flower Avenue Green Street Project start time was delayed and the budgeted revenues and expenditure from Montgomery County and TAP Grant Funds are reduced by \$200,000 and \$780,248

respectively and the budgeted revenue and expenditure from WSSC Grant funds are reduced by \$1,866,772.

- **Safe Routes to Schools Programming:** Programming revenue and expenditure for SRTS Programming are reduced by \$66,192 due to State delays with the contract.
- **IT Capital Projects:** The budget for security cameras for the Heffner Park and Community Center is decreased by \$39,000.

New or discontinued projects or expenses

- **SRTS Lincoln Avenue:** Budget revenue and expenditures from the Safe Routes to School Lincoln Avenue project are increased \$160,000 due to the award of additional grant funds for the project.
- **Legal Contracts:** In October, \$10,000 was appropriated to cover potential legal services in support of the City's Safe Grow Ordinance. Because this and other possible legal service needs did not materialize, the budget for legal contracts is reduced by \$35,000.
- **iCan Shine:** The increased budget for the iCan Shine program in the amount of \$10,850 is to ensure that late June program costs can be covered in the event that a pending agreement with the State Highway Administration is further delayed; SHA is a funding partner for the program.
- **HCD Salaries:** The budget for Housing and Community Development staff salaries is reduced \$138,700 due to hiring delays and staff turnover.
- **HCD Training and Conference:** The budget for the Housing and Community Development staff conference and training expenses are reduced \$10,000 and \$5,000 respectively due to staff turnover.
- **Landlord Seminar Handbook and Tenant Handbook:** The budget for printing costs is reduced \$5,000 due to less need for Landlord Seminar materials and Tenant Handbooks; the cost reduction is offset by the budget for contract funds, which increased \$5,000, due to the implementation of the Learning Management System for landlord education.
- **Marketing Campaign:** An economic development marketing campaign will not be pursued this year, saving \$20,000 from Contracts and \$2,000 from Printing.
- **HCD Computer Supplies:** The budget for computer supplies is increased \$2,400 to provide for computer purchases; the budget for inventory expenditures is increased \$5,000 due to the ADA modifications required for the reception furnishings.
- **Non-Departmental budget reductions:** The budget for the Arts Commission is reduced by \$1,500 due to reduced social media marketing campaign costs; the budget for the Community Partnership Program is reduced \$7,500 due to delay in implementation of approved food pantry contracts.
- **Public Arts:** The budget for Public Arts was originally increased by \$36,700 as funds in that amount were carried over from FY17 for the Conway and Prince George's Avenues mural project; further implementation of the public art program is delayed due to staff turnover and the budgeted amount is reduced \$44,400.
- **Traffic Study:** The Takoma Junction traffic study came in under budget, so the budgeted amount is reduced by \$29,500.

- **HR Furniture Purchases:** The budget for Capital Equipment Expenditures in Human Resources is increased \$22,000 due to furniture purchases needed after space renovations in January 2018.
- **Lactation Station:** The budget for Capital Equipment Expenditures in Human Resources is increased \$18,000 for the purchase of a portable lactation station for City staff.
- **IT Expenses:** The budget for the server project is increased by \$20,000 due to the additional cost of host servers and Microsoft Client Access Licenses. Public Works' fuel dispensing software is decreased \$33,000 due to the decision not to pursue the equipment change.
- **Maryland Energy Assistance Grant:** The budget for revenues and expenditures from Maryland Energy Assistance Grant are decreased \$48,872 and 42,796 respectively due to the completion of the project.
- **MEA Low/Mod Home Energy:** The budgeted revenues and expenditures from the Maryland Environmental Administration Low/Moderate Home Energy Grant are increased by \$40,000 due to the award of grant funds.

Transfers

Transfers are being made among several accounts to better reflect the expenditures. The largest of these items is transferring the budget for the Contracts line from one department division to another from which the charges for the Housing and Economic Development Strategic Plan were paid.

Council Priority

Fiscally Sustainable Government

Environmental Impact of Action

New grant funds for the MEA Low/Mod Home Energy program and the Safe Routes to Schools program will help on energy efficiency and will encourage walking to school, respectively. Most of the changes in this Budget Amendment delay, but do not eliminate, projects that will have an environmental benefit.

Fiscal Impact of Action

This budget amendment:

General Fund (GF): Net decrease \$4,478,676

- Decrease GF Departmental expenditure by \$212,450
- Decrease Non-Departmental expenditure by \$9,000
- Decrease total Capital Improvement Program (CIP) expenditures by \$4,257,226

Special Revenue Fund (SRF): Net increase \$157,396

- Decrease SRF revenues by \$3,455,833
- Decrease SRF expenditure by \$3,298,437

Racial Equity Impact Statement

This budget amendment will have few changes with a racial equity impact. The increase in grant funding for the MEA Low/Moderate Home Energy Grant program will likely have a greater benefit to

homeowners of color. Most of the changes in this Budget Amendment delay, but do not eliminate, projects that will have a racial equity benefit.

Attachments and Links

- Draft Ordinance

Introduced by:

First Reading: March 14, 2018
Second Reading: March 21, 2018
Effective Date:

**CITY OF TAKOMA PARK, MARYLAND
ORDINANCE NO. 2018-XX**

FY 2018 BUDGET AMENDMENT NO. 3

WHEREAS, the Fiscal Year (FY) 2018 budget was adopted by the City Council on May 17, 2017, and budget amendments were adopted on July 14, 2017 and October 18, 2017; and

WHEREAS, since this date, certain revenues and expenditures anticipated to occur during FY 2018 were delayed, canceled or added, requiring modification of the FY 2018 budget; and

WHEREAS, funds for the IT Server Room renovation was budgeted in FY 2017, when the project began, but work continued into FY 2018 and funds totaling \$151,320 need to be carried over into the FY 2018 budget; and

WHEREAS, several Housing and Community Development projects were delayed and will not occur in FY 2018 including installation and maintenance of scattered landscaping and placemaking activity along New Hampshire Avenue (\$5,000), implementation of the Business Retention and Expansion project (\$3,000), and implementation of the Bike Program (\$12,000); and

WHEREAS, the Neighborhood Commercial Center Improvements project (\$100,000) was delayed and will not occur in FY 2018; and

WHEREAS, the budget for Capital Expenditures for the Library project is increased by \$100,000 due to the need for a Flood Plain Delineation study; however, the budget is reduced \$2,900,000 overall due to the delay in the project for FY 2018; and

WHEREAS, the budget for General Fund expenditures for the Ethan Allen Gateway Streetscape project is reduced \$562,412 and the budget for the Flower Avenue Green Street project is reduced \$708,914 due to the delay in the project for FY 2018; and

WHEREAS, the budgeted revenues and expenditures for Special Revenue funds for the Ethan Allen Street project are reduced \$66,000 for the Bikeway's Grant and \$627,750 for the TAP Grant due to the delay in the project for FY 2018; and

WHEREAS, the budgeted revenues and expenditures for Special Revenue funds for the Flower Avenue Green Street project are reduced \$200,000 for the funds from Montgomery County, \$780,248 for the TAP Grant, and \$1,866,772 for the WSSC Grant due to the delay in the project for FY 2018; and

- WHEREAS, programming revenue and expenditures funds for Safe Routes to School programs are reduced by \$66,192 due to State delays with the contract for FY 2018; and
- WHEREAS, the budget for security cameras for the Heffner Park and Community Center is decreased by \$39,000 for FY 2018; and
- WHEREAS, budget revenues and expenditures for the Safe Routes to School Lincoln Avenue project are increased \$160,000 due to the award of additional grant funds; and
- WHEREAS, the budget for legal contracts is reduced \$35,000 due to the lower than anticipated expenditures for legal services related to the Safe Grow Ordinance and Winding Hill Way matters; and
- WHEREAS, the budget for the iCan Shine program is increased by the amount of \$10,850 to ensure that the late-June program can proceed if there is further delay in receiving funding from the State Highway Administration; and
- WHEREAS, the budget for Housing and Community Development staff salaries is reduced \$138,700 due to hiring delays and staff turnover; and
- WHEREAS, the budget for Housing and Community Development staff conference and training expenses are reduced \$10,000 and \$5,000 respectively due to staff turnover; and
- WHEREAS, the budget for printing costs is reduced \$5,000 due to less need for Landlord Seminar materials and Tenant Handbooks; the cost reduction is offset by the budget for contract funds, which increased \$5,000 due to the implementation of the Learning Management System for landlord education; and
- WHEREAS, the budget for an economic development marketing campaign is deferred and the amount of \$20,000 from Contracts, and \$2,000 from Printing, is reduced from the FY 2018 budget; and
- WHEREAS, the Housing and Community Development budget for computer supplies is increased \$2,400 for computer purchases and the budget for inventory expenditures is increased \$5,000 due to the ADA modifications required for the reception furniture; and
- WHEREAS, the Non-Departmental budget is reduced by \$1,500 for the Arts Commission due to reduced costs for social media marketing, and by \$7,500 for the Community Partnership Program due to the delay in implementation of approved food pantry contracts; and
- WHEREAS, the budget for Public Arts was originally increased by \$36,700 as funds in that amount were carried over from FY 2017 for the Conway and Prince George's Avenues mural

project; however, the budgeted amount is reduced by \$44,400 as the program is delayed due to staff turnover; and

WHEREAS, the Takoma Junction traffic study cost less than was budgeted, the amount is reduced by \$29,500; and

WHEREAS, the budget for capital equipment expenditures in Human Resources is increased \$22,000 due to furniture purchases needed after space renovations; and

WHEREAS, the budget for capital equipment expenditures is increased by \$18,000 for the purchase of a portable lactation station for use by City staff; and

WHEREAS, the budget for the server project is increased by \$20,000 due to the additional cost of host servers and Microsoft Client Access Licenses and the budget for the Public Works' fuel dispensing software is decreased \$33,000 due to the decision not to pursue an equipment change; and

WHEREAS, the budget for revenues and expenditures from the Maryland Energy Assistance Grant are decreased \$48,872 and \$42,796 respectively due to the completion of the project; and

WHEREAS, the budgeted revenues and expenditures from the Maryland Environmental Administration Low/Moderate Home Energy grant are increased by \$40,000 due to the award of grant funds; and

WHEREAS, funds in several accounts needed to be transferred to more appropriate accounts for the expenditures.

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

SECTION 1. The Fiscal Year 2018 Budget is amended as follows:

General Fund Transfers

1. Transfer \$1,500 from 1160-52900, Inventory Expenditures, to account 9100-80000, Capital Expenditures to help fund HR furniture purchase.
2. Transfer \$5,000 from 1160-61040, contracts, to 9100-80000, Capital Expenditures, due to the lower than estimated Compensation Study.
3. Transfer \$9,000 from 1160-61040, contracts, to account 1160-70090, Recruit/ Applicant to help fund higher than expected recruiting costs for police chief.
4. Transfer \$6,000 from 1160-40700, Temporary Assistance, to account 1160-40011, Intern Salary to help fund Intern compensation.
5. Transfer \$83,855 from 5500-61040, Contracts, to account 5400-61010, Contracts due to reassignment of strategic plan expenses.

General Fund – Expenditures

1. Reduce \$35,000 from account 1140-61040, Legal Contracts, due to the less than anticipated expenditures of Safe Grow Ordinance and Winding Hill Way.
2. Reduce \$92,500 from account 5400-40010, Salary of Community Development division, due to staff turnover.
3. Reduce \$22,000 from account 5400-40011, Intern Salary of Community Development division, due to staff turnover.
4. Reduce \$5,000 from account 5400-53070, Site Improvements, due to the delay for installation and maintenance of scattered landscaping and placemaking activity along New Hampshire Avenue.
5. Reduce \$20,000 from account 5400-61040, Contracts, and reduce \$2,000, from account 5400-65015, Printing, due to marketing campaign deferred.
6. Reduce \$3,000 from account 5400-64010, Publicity, due to the delay of the Business retention and expansion project.
7. Reduce \$12,000 from account 5400-70014, Transit, due to the delay of the Bike Program.
8. Reduce \$10,000 from account 5400-70025, Conference, due to staff turnover.
9. Reduce \$5,000 from account 5400-70050, Training, due to staff turnover.
10. Appropriate \$10,850 to account 5400-70015, iCan Shine, to provide for the program expenditures.
11. Reduce \$10,500 from account 5500-40011, Intern Salaries, due to the staffing delay.
12. Reduce \$10,000 from account 5500-40015, Salaries Part-Time, due to departure of the Art Coordinator.
13. Appropriate \$2,400 to account 5500-52006, Computer Supplies, to provide for the computers for the Economic Development Specialist and Housing Intern.
14. Appropriate \$5,000 to account 5500-52900, Inventory Expenditures, to provide for reception furnishing due to ADA modifications.
15. Reduce \$16,000 from account 5800-40010, Salaries, due to the staff turnover.
16. Appropriate \$12,300 to account 5800-40011, Intern Salaries, to provide for additional Housing Intern position.
17. Reduce \$5,000 from account 5800-65015, Printing, due to the cost reduction of Landlord Seminar and Tenant Handbook.
18. Appropriate \$5,000 to account 5800-61040, Contracts, to provide for purchase of Learning Management System for Landlord Seminar and Tenant Handbook.
19. Reduce \$1,500 from account 9000-70008, Arts Commission, due to the reduced social media marketing campaign costs.
20. Reduce \$7,500 from account 9000-71600, Partnership Program, due to the delay in implementation of food pantry contracts.
21. Reduce \$100,000 from account 9100-80000, Capital Equipment Expenditure, due to the delay in implementation of Neighborhood Commercial Center Improvement.
22. Reduce \$44,400 from account 9100-80000, Capital Equipment Expenditure, due to the delay in Public Arts program.

23. Reduce \$29,500 from account 9100-80000, Capital Equipment Expenditure, due to lower than anticipated cost for Traffic Study.
24. Appropriate \$22,000 to account 9100-80000, Capital Equipment Expenditure, to provide for the furniture purchase for HR renovation.
25. Appropriate \$18,000 to account 9100-80000, Capital Equipment Expenditure, to provide for the purchase of a portable lactation station for staff.
26. Appropriate \$100,000 to account 9100-80013, Library Construction Expenditure, to provide for the Flood Plain Delineation of the Library Project.
27. Reduce \$2,900,000 from account 9100-80013, Library Construction Expenditure, due to the delay in Library construction project.
28. Reduce \$562,412 from account 9100-80000, Capital Equipment Expenditure, due to the delay in implementation of Ethan Allen Streetscape project.
29. Reduce \$708,914 from account 9100-80000, Capital Equipment Expenditure, due to the delay in implementation of Flower Avenue Green Street Project.
30. Reduce \$39,000 from account 9100-80003, Equipment Replacement Reserve, to carry over CCTV for Heffner Park and Community Center to FY2019.
31. Appropriate \$20,000 to account 9100-80003, Equipment Replacement Reserve, to provide for the additional purchase of host servers and Microsoft Client Access Licenses.
32. Reduce \$33,000 from account 9100-80003, Equipment Replacement Reserve, due to the decision not to purchase the fuel dispensing software until year FY2020.

Special Revenue Fund – Revenues

1. Reduce \$48,872 from account 0010-33520, MD Energy Assist Grant, due to the completion of project in FY17.
2. Appropriate \$40,000 to account 0010-33990, MEA Low/Mod Home Energy Grant, to provide for the successful award of Grant funds from MD Energy Administration.
3. Reduce \$1,673,998 from account 0010-39160, Transportation Grant, due to the street projects delay.
4. Reduce \$1,866,772 from account 0010-36930, WSSC, due to the street projects delay.
5. Reduce \$66,192 from account 0010-39211, Safe Routes to School, due to the school programming project delay.
6. Appropriate \$160,000 to account 0010-39211, Safe Routes to School, to provide for the additional award of Grant funds.

Special Revenue Fund – Expenditures

1. Reduce \$42,796 from account 0010-71730, MD Energy Assist Expenditure, due to the completion of project in FY17.
2. Appropriate \$40,000 to account 0010-71810, MEA Low/Mod Home Energy Expenditure, to provide for the successful award of Grant funds from MD Energy Administration.
3. Appropriate \$151,320 from account 0010-72410, Cable Grant, to provide for IT room renovation.

4. Reduce \$66,000 from account 0010-68026, Transportation Grant, due to the delay of Ethan Allen Street project-MD Bikeway.
5. Reduce \$627,750 from account 0010-68026, Transportation Grant, due to the delay of Ethan Allen Street project-TAP.
6. Reduce \$200,000 from account 0010-68026, Transportation Grant, due to the delay of Flower Avenue Green Street project-Montgomery County.
7. Reduce \$780,248 from account 0010-68026, Transportation Grant, due to the delay of Flower Avenue Green Street project-TAP.
8. Reduce \$1,866,772 from account 0010-80020, WSSC Grant, due to the delay of Flower Avenue Green Street project-WSSC.
9. Reduce \$66,192 from account 0010-72110, Safe Routes to School, due to the school programming project delay.
10. Appropriate \$160,000 to account 0010-72110, SRTS Lincoln Avenue, to provide for the higher than expected cost for construction.

SECTION 2. The City's Capital Improvement Program for FY18 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 ____, 2018 by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: