

#TogetherTKPK



FY 2021 Budget Amendment #1

Presented by:
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July 15, 2020



The City Budget Through the Year

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|------------------|---|
| May 20, 2020: | Adoption of FY21 Budget Ordinances |
| June 30: | Last Day of FY20 Fiscal Year |
| July 1, 2020: | First Day of FY21 Fiscal Year |
| July: | Budget Amendment #1* |
| July-October: | Audit and Preparation of CAFR (Comprehensive Annual Financial Report of FY20) |
| November: | Presentation by Auditor and Actuary |
| Jan-March, 2021: | Preparation of Draft FY22 Budget |
| April-May: | Council Consideration of FY22 Budget |
| June 30, 2021: | Last Day of FY21 Fiscal Year |

* Budget Amendments are considered several times throughout the fiscal year. Quarterly financial reports are also presented and will be discussed in conjunction with reviews of the “hold” list throughout the year.

Types of Budget Amendments

- **“Carry Overs”** – Not really a carry over, it is an appropriation to the new fiscal year of money that was approved to be spent in the prior year for the project or purchase, and was assumed in the budget for the new fiscal year to have been spent by the end of the prior year, but was not actually spent by June 30
- Unanticipated changes to be appropriated to the new fiscal year
 - Grants received
 - Adjusted amounts for existing lines, either positive or negative
 - New projects or purchases

Notes affecting the FY21 Budget

- This year there is more “cleaning up” than in past years due to the many changes during the FY21 Budget approval process; in particular, for example certain conference and training lines were estimated and need to be moved into the correct accounts
- Appropriating the COVID-19 fund into the sub-categories discussed with Council recently allows us to more easily pay and track expenses



Major Capital Projects Needing Carry-Over

General Fund

- ADA Sidewalk, Flower Avenue Project - \$166,800
- Library - \$251,400
- Community Center Elevator Overhaul (Grant Avenue entrance) - \$54,255

Stormwater Fund

- Takoma Branch Project - \$54,000



Other Capital Projects or Purchases to Carry Over

- Public Land Management (\$25,000) – Following study of open space and race equity, install parklets, playground equipment other features to expand access to facilities
- Bus Shelter (\$15,000) - Bus shelter and bus stop improvements based on findings of COG study and Council resolution
- Public Art Installations (\$49,000) – Funds previously planned for Lincoln Ave and Holton Lane projects; Council to consider approach that partners with Public Works projects, bus shelters, etc; no funds in FY21 budget for this, as carry over was assumed
- Bike Facility Improvements (\$25,000) – Includes markings, pop up lanes, racks, etc.
- Site Improvements (\$33,746) – Includes street furniture and focuses on replacing broken benches, signs, picnic tables, bus tubes, and planters, and can include some new elements
- Speed Camera Trailer (\$33,000) – From Speed Camera Fund; delayed purchase
- Lincoln Avenue Retainage (\$16,505) – From Special Revenue Fund and includes both revenue and expenditure related to close out of project



COVID-19 Fund and Related Items to Carry Over

- The Council approved \$634,000 in a COVID-19 Fund spanning FY20 and FY21, with the direction to get funds to those who need it right away and not wait for the start of the fiscal year. Not all of the FY20 portion could be spent by June 30, so there is money to carry over to the same categories in the FY21 budget:
 - Emergency Financial Assistance - \$10,000
 - Small Business Mini Grant - \$90,000 (likely to be less by date of amendment adoption as some FY20 contracts in process)
 - Emergency Assistance to Condo/HOA Communities - \$30,000
 - Emergency Assistance - Contingency - \$25,000



COVID-19 Fund and Related Items to Carry Over

| | | | | | |
|---|-------------|----------------|-------------|--|------------|
| \$634,000 COVID-19 FUND | | | | | |
| | | | | | |
| Category | FY20 Amount | FY20 Carryover | FY21 Amount | | Total |
| | | | | | |
| Expansion of Emergency Financial Assistance | | \$ 10,000 | | | \$ 10,000 |
| Creation of Rental Assistance Program | | | \$ 150,000 | | \$ 150,000 |
| Assistance to Condominiums/HOAs | | \$ 30,000 | | | \$ 30,000 |
| Assistance to Homeowners (non-Fed mort) | | | \$ 50,000 | | \$ 50,000 |
| Assistance with PPE (Housing) | | | \$ 50,000 | | \$ 50,000 |
| Small Business Mini-Grant | \$ 39,000 | \$ 90,000 | \$ 15,000 | | \$ 144,000 |
| Healthy Business Initiative | | | \$ 50,000 | | \$ 50,000 |
| Small Business Technical Assistance | | | \$ 50,000 | | \$ 50,000 |
| Additional Econ Dev Assistance | | | \$ 50,000 | | \$ 50,000 |
| Workforce Development | | | \$ 25,000 | | \$ 25,000 |
| Emergency Assistance - Contingency | | \$ 25,000 | | | \$ 25,000 |
| | \$ 39,000 | \$ 155,000 | \$ 440,000 | | \$ 634,000 |



Sustainability Contract Items to Carry Over

- There was \$160,000 in Sustainability funding that could not be spent due to the pandemic. Many of the items partner with COVID-19 and other planning, housing and economic development assistance efforts. All are key in addressing the areas specified in the Council's Climate Change Response Resolution. The following items add to funds in the FY21 budget that anticipated the activities already being underway:
 - Low/Mod Income Rebate Programs - \$20,000
 - Residential Rebates - \$25,000
 - Business Assistance - \$30,000
 - Multifamily Assistance - \$55,000
 - Outreach - \$30,000



Miscellaneous Carry Over Items

- Conferences and training lines were cut substantially, and imprecisely, from both the FY20 and FY21 budgets during the FY21 budget consideration process. As we have gone through line by line to clarify the FY20 and FY21 budget numbers by division, a number of carry over appropriations to FY21 were found to be needed. These include Planning (\$2,700), Economic Development (\$2,500 for training, \$2,500 for conferences), General Administration (\$4,000), and Finance (\$7,000).
- Miscellaneous carry over items include funds for small purchases, contracts, services, projects, business assistance, publication distribution, etc.:
 - Printing – Planning (\$6,428)
 - Publicity – Planning (\$4,000)
 - Contracts – Planning (\$13,500)
 - Transit Pedestrian Projects – Planning (\$19,270)
 - Publicity – Economic Development (\$8,300)
 - Miscellaneous (business outreach) – Economic Development (\$1,700)
 - Printing – Economic Development (\$4,800)
 - Association Dues – Economic Development (\$3,100)
 - Socially Responsible Investment Assistance – Finance (\$5,000)
- The iCan Shine bicycle assistance program was cancelled due to the pandemic; the City's match to the grant for the camp will be used to improve bicycle facilities (\$3,200)



Stormwater Fund Carry Over Items

In addition to the Takoma Branch capital project mentioned earlier, there were three other carry over lines in the Stormwater Fund. Those items include:

- Outside Labor and Parts – Stormwater Fund (\$79,000)
- Subcontracts – Stormwater Fund (\$34,000), includes video inspections, testing, etc
- Engineering Services – Stormwater Fund (\$50,000)



New Items Due to COVID-19 Adaptation

It was not apparent at first that the pandemic would cause working remotely to be a long-term activity. As the pandemic has continued, different technology resources were needed for staff to work remotely and more software capacity was needed for more and larger meetings to be held virtually. The following items did not invoke special purchasing authority individually, but together should be identified through a FY21 budget appropriation. **The total amount of new (as opposed to carry over) expenditures in this Budget Amendment is \$17,034.**

- Items include:
 - Cell phones for staff working remotely for various departments – total \$3,840
 - Laptops for staff working remotely for various departments – total \$8,154
 - Contract for Zoom meeting and webinar services - \$5,040



Reimbursements and Grants Will Be Coming

Although not included in this budget amendment, there are several reimbursements, grants, and revenue changes that will be affecting the City budget. Those items will be included in the next budget amendment which is likely to be in October.

Staff is working hard to document COVID-19 related expenditures that are reimbursable and submitting the requests to the appropriate Federal, State and County officials. The City of Takoma Park was the first municipality in Maryland to get a FEMA reimbursement, thanks to the diligence of City staff, particularly our Emergency Preparedness Manager, Ron Hardy.

Our first FEMA reimbursement request totaled \$27,357, of which we received \$21,000. Our estimate for the amount to submit for CARES funding (through Montgomery County) is over \$250,000. The CARES funding request and another FEMA request will be submitted next week.

Staff also continues to pursue grant funds and other revenues to assist the City.



Questions?

Thank you

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