

Introduced by:

First Reading:

Second Reading:

**CITY OF TAKOMA PARK, MARYLAND
ORDINANCE NO. 2020-XX**

**AN ORDINANCE APPROVING AND ADOPTING THE BUDGET FOR FISCAL YEAR 2021,
BEGINNING JULY 1, 2020 AND ENDING JUNE 30, 2021**

WHEREAS, in accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager submitted a recommended budget for Fiscal Year 2021 to the City Council for its review and consideration; and,

WHEREAS, the Charter of the City of Takoma Park requires the conduct of at least one public hearing prior to adoption of the budget; and,

WHEREAS, the City Council held said hearing and received public comment on the City Manager's recommended budget on April 15, 2020; and,

WHEREAS, in the interest of obtaining additional public comment following its deliberations on the City Manager's recommended budget, the City Council held a second public hearing on April 29, 2020; and,

WHEREAS, the City Manager's recommended budget was largely prepared before the COVID-19 pandemic led to the Maryland Governor's Emergency Declaration on March 12, 2020; and

WHEREAS, the City and all levels of government are facing unprecedented challenges; significant changes were required to adapt the recommended budget to reflect changes in City services due to the pandemic and the changed and uncertain economic conditions; and

WHEREAS, after considering the recommended budget submitted by the City Manager and the comments made at the aforementioned public hearings, the City Council has determined its priorities relative to the delivery of municipal services for Fiscal Year 2021; and,

WHEREAS, given the unprecedented budgeting challenges being faced due to the pandemic, the Council and City Manager will need to work closely throughout the coming year to monitor revenues and expenditures to ensure the short and long-term fiscal health of the City; and

WHEREAS, the City government is the first line of defense for those most impacted and vulnerable during this crisis; and

WHEREAS, a top priority for the City Council is to have a budget that allows the City to respond to the unknowns ahead and to provide for the wellbeing of its residents, businesses and staff; and for this reason, the City Council established a COVID-19 Fund of \$440,000 with broad flexibility to provide assistance as needed; and

WHEREAS, a hold has been put on certain expenditures for at least the first quarter of the fiscal year that can be reevaluated during the course of the year; and

WHEREAS, it is the policy of the City Council to set the level of the General Fund Unassigned Fund reserve at 17% of the General Fund revenue, which would be equivalent to \$4.4 million; and,

WHEREAS, in the FY 2021 budget, the General Fund unassigned reserve is projected to be \$3.1 million; however, that level is determined to be acceptable due to the inclusion in the budget of restricted and other reserves totaling \$8.7 million; and

WHEREAS, the City Council maintains its commitment to a General Fund Unassigned Fund Balance of 17% of the General Fund revenue. As identified in Resolution 2018-24, the Council recognizes that this may require a “phase-in” period to help mitigate impacts on the local property tax rate and/or City programs and initiatives; and

WHEREAS, the Council will continue to work toward reaching a level of 17% in future budgets, with a goal of doing so within a three-year period from the point at which the balance falls below the minimum, but understanding that the impacts of the pandemic may mean this phase-in period may take a longer period of time.

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

SECTION 1. The budget adopted hereto and by reference made a part hereof is hereby adopted for the year commencing on July 1, 2020 and ending June 30, 2021.

SECTION 2. The following amounts are hereby appropriated by fund:

Fund	Fiscal Year 2021 Appropriation
General Fund	\$ 31,256,716
Special Revenue Fund	1,460,246
Speed Camera Fund	815,328
GRAND TOTAL	\$ 33,532,290

SECTION 3. Use of the following fund balance amount is hereby authorized to supplement other fund revenues and financing sources:

Fund	Fiscal Year 2021 Appropriation
General Fund	\$5,262,511

SECTION 4. In accordance with Section 803 of the Charter of the City of Takoma Park, a general contingency account in the amount of \$129,971 has been included in the Non-Departmental budget unit of the General Fund.

SECTION 5. A five-year Capital Improvement Program for Fiscal Year 2021 through Fiscal Year 2025 has been developed as part of the budget and is attached hereto and incorporated herein by reference.

SECTION 6. The City Council hereby authorizes the transfer of \$600,000 from the General Fund unreserved fund balance to the Equipment Replacement Reserve.

SECTION 7. The City Council hereby authorizes the transfer of \$10,000 from the General Fund unreserved fund balance to the Housing Reserve.

SECTION 8. It is hereby acknowledged that the City Council, in its capacity as the Stormwater Management Board, approved a Stormwater Management Fund budget for Fiscal Year 2021 by Ordinance No. 2020-XX.

SECTION 9. A series of personnel and project expenditures are placed on a hold list, with funds that could be spent on these items included in the Unassigned Reserve Fund. Items on the hold list may be considered by Council after the First Quarter of Fiscal Year 2021. The items include: filling of certain vacant positions (\$320,000), ADA sidewalks (\$500,000), road maintenance (\$450,000), and tree canopy plan (\$30,000) for a total \$1.3 million that can be marshaled to address needs associated with Covid-19.

SECTION 10. City Council will, at a minimum quarterly throughout the fiscal year, review budget, revenues, expenditures and economic projections.

SECTION 11. Should any section of this Ordinance be determined to be invalid, such invalidity shall not affect any other sections.

SECTION 12. This Ordinance shall be effective July 1, 2020.

Adopted this ____ day of May, 2020 by roll-call vote as follows:

AYES:
NAYS:
ABSTAIN:
ABSENT: