



Takoma Park City Council Meeting – January 21, 2021 Agenda Item 7

Work Session

First Reading Ordinance of Fiscal Year 2021 Budget Amendment No. 3

Recommended Council Action

Approve Draft Ordinance for FY 2021 Budget Amendment No. 3

Context with Key Issues

The Fiscal Year (FY) 2020 Budget was adopted by the City Council on May 20, 2020 and Budget Amendments were adopted on July 22, 2020 and October 7, 2020. Since the last amendment, certain needs have arisen or budgeted expenditures delayed that require further changes to the approved budget.

Project/Initiative	Fund	Budget Amount	Reason for Amendment
Interest and Dividend	General Fund	\$146,000	Budget revenue reduction due to the adjustment of the Fed Funds Rate directly affecting the interest income provided by Suntrust Bank
Interest and Dividend-Bond Trust Fund	General Fund	\$60,000	Budget revenue decrease due to the declining balance of the undrawn bond Trustee Account and the decrease of interest income
Interest and Dividend-Equipment Replacement Reserve	General Fund	\$10,000	Budget revenue reduction due to the adjustment of the Fed Funds Rate directly affecting the interest income provided by Suntrust Bank
Interest and Dividend – Emergency Reserve	General Fund	\$10,000	Budget revenue reduction due to the adjustment of the Fed Funds Rate directly affecting the interest income provided by Suntrust Bank
Debt Service-Public Works Facility	General Fund	\$175,049	Budget expenditure decrease, due to the Public Works Bond payoff
Salaries-City Management	General Fund	\$36,000	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Fringe Benefits-City Management	General Fund	\$30,017	Budget expenditure decrease, due to the payroll cost reduction

Project/Initiative	Fund	Budget Amount	Reason for Amendment
Salaries-Finance	General Fund	\$36,957.46	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries-Information Technology	General Fund	\$40,511.51	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries-Human Resources	General Fund	\$6,750	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries-City Clerk	General Fund	\$4,632	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Intern Salary-City Clerk	General Fund	\$7,800	Budget expenditure increase to provide payroll expenditure for the intern during the election
Salaries-Office of Police Chief	General Fund	\$12,609.24	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries-Communications of Police	General Fund	\$8,275	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries-Support Services	General Fund	\$44,680	Budget expenditure increase to provide funds for officers' retirement incentives and termination payout
Salaries-Neighborhood Services	General Fund	\$7,731	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries-Public Works Administration	General Fund	\$52,318.23	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent and salary savings due to recruitment delay

Project/Initiative	Fund	Budget Amount	Reason for Amendment
Salaries-Right of Way	General Fund	\$27,216	Budget expenditure decrease, due to reduction of work hours during the pandemic
Salaries-Solid Waste	General Fund	\$14,523.10	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries-Vegetation Management	General Fund	\$14,612	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent and partial year vacancy
Salaries-Urban Forest	General Fund	\$27,000	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent and partial year vacancy
Salaries-Recreation Administration	General Fund	\$8,295.16	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries-Recreation Center	General Fund	\$53,000	Budget expenditure decrease, due to the facility closure during the pandemic
Salaries-Housing Administration	General Fund	\$7,970.74	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent, partial year vacancy and offset by retirement payout
Salaries-Planning	General Fund	\$9,000	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent and partial year vacancy
Salaries-Housing and Community	General Fund	\$23,000	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent and partial year vacancy

Project/Initiative	Fund	Budget Amount	Reason for Amendment
Salaries-Communications	General Fund	\$4,810.02	Budget expenditure decrease, due to the adjustment to the annual salary increment rate from 4.5 percent to 1.5 percent
Salaries Part Time-Communications	General Fund	\$17,579.50	Budget expenditure decrease, due to the facility closure during the pandemic
Equipment Replacement Expenditure	General Fund	\$12,600	Budget expenditure decrease, due to the savings from not purchasing a new treadmill (\$6,100) and a new active arcade game (\$6,500)
Contract-City Administration	General Fund	\$35,000	Budget expenditure is increased to provide funds for the facilitation service of Public Safety Task Force
Write Off	General Fund	\$11,620	Budget expenditure increase, due to the exclusion of City Attorney service fee from the Federal Grant reimbursement
Housing Fund Expenditure	General Fund	\$200,000	Budget expenditure increase, due to the increased funding in connection with the purchase of property at 7402 Garland Avenue

Council Priority

Fiscally Sustainable Government

Environmental Considerations

No environmental impacts are expected by adoption of this budget amendment.

Fiscal Considerations

General Fund (GF) Fund Balance: Net increase \$105,356.96

- Decrease GF revenue by \$226,000
- Decrease GF expenditure by \$318,756.96
- Decrease Capital Improvement Program (CIP) expenditures by \$12,600

Racial Equity Considerations

We do not believe that the act of adopting this budget amendment will disproportionately impact any particular group.

Attachments and Links

- Draft Ordinance

Introduced by: Councilmember

First Reading:

Second Reading:

Effective Date:

**CITY OF TAKOMA PARK, MARYLAND
ORDINANCE NO. 2021-**

FY 2021 BUDGET AMENDMENT NO. 3

WHEREAS, the Fiscal Year (FY) 2021 budget was adopted by the City Council on May 20, 2020 and;

WHEREAS, since this date, information has been received that requires amendments to the FY 2021 budget; and

WHEREAS, the budget for the Interest and Dividend is decreased \$146,000 due to the decline of Fed Funds Rate that directly affecting the bank interest revenues provided by the Suntrust (Truist) Bank; and

WHEREAS, the budget for the Interest and Dividend-Bond Trust Fund is decreased \$60,000 due to the undrawn bond fund balance decline resulting in the decrease of interest revenue provided by the Bond Trustee account; and

WHEREAS, the budget for the Interest and Dividend-Equipment Replacement Reserve is decreased \$10,000 due to the decrease of interest revenue since the adjustment of the Fed Funds Rate; and

WHEREAS, the budget for the Interest and Dividend-Emergency Reserve is decreased \$10,000 due to the decrease of interest revenue since the adjustment of Fed Funds Rate; and

WHEREAS, the budget for the Bond Payment -Public Works Facility is decreased \$175,049 due to the reduction of debt service payment after the bond payoff; and

WHEREAS, the budget for City Management salaries is reduced \$36,000 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and

WHEREAS, the budget for City Management fringe benefits is reduced \$30,017 due to the payroll cost reduction; and

WHEREAS, the budget for Finance salaries is reduced \$36,957.46 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and

WHEREAS, the budget for Information Technology salaries is reduced \$40,511.51 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and

- WHEREAS, the budget for Human Resources salaries is reduced \$6,750 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and
- WHEREAS, the budget for City Clerk salaries is reduced \$4,632 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and
- WHEREAS, the budget for City Clerk Intern salaries is increased \$7,800 to provide payroll expenditure for the intern during the election; and
- WHEREAS, the budget for Office of Police Chief salaries is reduced \$12,609.24 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and
- WHEREAS, the budget for Police Communications salaries is reduced \$8,275 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and
- WHEREAS, the budget for Support Services salaries is increased \$44,680 to provide funds for two officers' retirement incentive payments and termination payout; and
- WHEREAS, the budget for Neighborhood Services salaries is reduced \$7,731 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and
- WHEREAS, the budget for Public Works Administration salaries is reduced \$52,318.23 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent and recruitment delay; and
- WHEREAS, the budget for Right of Way seasonal wages is reduced \$27,216 due to decrease in work hours during the pandemic; and
- WHEREAS, the budget for Solid Waste salaries is reduced \$14,523.10 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and
- WHEREAS, the budget for Vegetation Management salaries is reduced \$14,612 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent and partial year vacancy; and
- WHEREAS, the budget for Urban Forest salaries is reduced \$27,000 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent and partial year vacancy; and
- WHEREAS, the budget for Recreation Administration salaries is reduced \$8,295.16 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and
- WHEREAS, the budget for Recreation Center salaries is reduced \$53,000 due to the facility closure during the pandemic; and

WHEREAS, the budget for Housing Administration salaries is reduced \$7,970.74 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent, partial year vacancy and retirement payout; and

WHEREAS, the budget for Planning salaries is reduced \$9,000 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent and partial year vacancy; and

WHEREAS, the budget for Housing and Community salaries is reduced \$23,000 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent and partial year vacancy; and

WHEREAS, the budget for Communications salaries is reduced \$4,810.02 due to the adjustment to the annual salaries increment rate from 4.5 percent to 1.5 percent; and

WHEREAS, the budget for Communications-Salary Part-Time is reduced \$17,579.50 due to the facility closure during the pandemic; and

WHEREAS, the budget for Equipment Replacement Expenditure is reduced \$6,100 and \$6,500 due to savings from not purchasing the Treadmill and Active Arcade Game; and

WHEREAS, the budget for Write Off account is increased \$11,620 due to the exclusion of City Attorney service fees from the FEMA grant reimbursement; and

WHEREAS, the budget for Housing Fund Expenditure is increased \$200,000 due to the increased funding in connection with the purchase of 7402 Garland Avenue; and

WHEREAS, the budget for the City Administration Contract Expenditure is increased \$35,000 to provide funds for the facilitation service of the Public Safety Task Force; and

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

SECTION 1. The Fiscal Year 2021 Budget is amended as follows:

General Fund - Revenues

1. Reduce \$146,000 to account 0001-36100, Interest and Dividend, due to the bank interest rate adjustment.
2. Reduce \$60,000 to account 0001-36130, Interest Bond Trust Fund due to the bank interest rate adjustment.
3. Reduce \$10,000 to account 0001-36140, Interest and Dividend-Equipment Replacement Reserve, due to the bank interest rate adjustment.
4. Reduce \$10,000 to account 0001-36150, Interest and Dividend-Emergency Reserve, due to the bank interest rate adjustment.

General Fund – Expenditures

1. Reduce \$175,049 to account 8000-72510, Bond-Public Works Facility, due to the reduction of debt service payment.
2. Reduce \$36,000 to account 1120-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
3. Reduce \$30,017 to account 1120-40200, Fringe Benefits, due to the payroll decrease.
4. Reduce \$36,957.46 to account 1130-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
5. Reduce \$40,511.51 to account 1150-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
6. Reduce \$6,750 to account 1160-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
7. Reduce \$4,632 to account 1170-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
8. Appropriate \$7,800 to account 1170-40011, Intern Salaries, to provide payroll expenditure for an intern during election.
9. Reduce \$12,609.24 to account 2100-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
10. Reduce \$8,275 to account 2200-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
11. Appropriate \$44,680 to account 2400-40010, Salaries, due to the two retirement incentive programs and employee payout at termination.
12. Reduce \$7,731 to account 2600-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
13. Reduce \$52,318.23 to account 3100-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent and payroll decrease due to delay staff recruitment.
14. Reduce \$27,216 to account 3400-40016, Seasonal Staff, due to decrease in work hours during the Covid pandemic.
15. Reduce \$14,523.10 to account 3500-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
16. Reduce \$14,612 to account 3700-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent and partial year vacancy.
17. Reduce \$27,000 to account 3800-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent and partial year vacancy.
18. Reduce \$8,295.16 to account 4100-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
19. Reduce \$53,000 to account 4300-40015, Salaries-Part Time, due to the program closure during the pandemic.
20. Reduce \$7,970.74 to account 5500-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.

21. Reduce \$9,000 to account 5400-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
22. Reduce \$23,000 to account 5800-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
23. Reduce \$4,810.02 to account 6000-40010, Salaries, due to the adjustment of annual salary increase from 4.5 percent to 1.5 percent.
24. Reduce \$17,579.50 to account 6000-40015, Salaries-Part Time, due to the decreased activities during the pandemic.
25. Appropriate \$11,620 to account 9000-71450, Write Off, due to the reduction of FEMA reimbursement which excluded the City Attorney service.
26. Appropriate \$35,000, to account 1120-61040, Contract, due to the increased funding to facilitate the service of Public Safety Task Force.
27. Appropriate \$200,000, Housing Fund Expenditure, due to the increased funding in connection with the purchase of 7402 Garland Avenue.
28. Reduce \$6,100 to account 9100-80003, Equipment Reserve Expenditure, due to the savings from not purchasing a new treadmill.
29. Reduce \$6,500 to account 9100-80003, Equipment Reserve Expenditure, due to the savings from not purchasing a new active arcade game.

SECTION 2. The City's Capital Improvement Program for FY 2021 shall be amended to reflect the aforementioned changes in the General Fund budget.

SECTION 3. This Ordinance shall become effective upon adoption.

Adopted this the day of January, 2021 by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: