



Takoma Park City Council Meeting – April 28, 2021 Agenda Items 1 & 2

Public Hearing

Public Hearing on the City Manager's Proposed Fiscal Year 2022 Budget

Public Hearing on the Proposed Fiscal Year 2022 Tax Rate (Constant Yield Public Hearing)

Recommended Council Action

Receive testimony from members of the public

Context with Key Issues

The City's new fiscal year will begin July 1, 2021. In accordance with Article VIII of the Charter of the City of Takoma Park, the City Manager has prepared a proposed budget for consideration by the City Council.

The proposed budget for Fiscal Year 2022 accounts for the City's financial activities in four major funds or fiscal entities. They are the General Fund, the Stormwater Management Fund, the Special Revenue Funds, and the Speed Camera Fund.

A first Public Hearing on the Proposed Budget was held Wednesday, April 14. This is the second Public Hearing on the Proposed Budget as well as a Public Hearing on the Proposed Tax Rate of \$0.55 per \$100 of assessed valuation, which is greater than the Constant Yield Tax Rate of \$0.5295. The Constant Yield Tax Rate is the rate that would generate the same amount of property tax revenue the State of Maryland estimates will be received by the City during Fiscal Year 2021. If the City Council adopts the proposed \$0.55 per \$100 tax rate, the State estimates the City would generate \$528,635 in additional property tax revenues than is estimated for FY21.

The First Reading of the Budget Ordinances is scheduled for Wednesday, May 12. The Second (final) Reading of the Budget Ordinances is scheduled for Wednesday, May 19.

Council Priority

Mitigate the Impact of COVID-19 on the Community and City Operations

A Livable Community for All

Fiscally Sustainable Government

Environmentally Sustainable Community

Engaged, Responsive & Service-oriented Government

Community Development for an Improved & Equitable Quality of Life

Environmental Considerations

The proposed budget recommends substantial continued investment in improving the environment, including, but not limited to stormwater system improvements, general sustainability efforts, continued efforts towards increasing tree canopy, and continued work on library renovations to meet the highest green standards possible.

Fiscal Considerations

Total revenues (all funds) of \$36,213,136. Total expenditures (all funds) of \$38,696,320. Total General Fund revenues of \$27,404,881. Total General Fund expenditures of \$35,667,922. Real property tax rate proposed to increase from \$0.5397 to \$0.55 per \$100 of assessed valuation.

Racial Equity Considerations

This budget includes funds to address racial equity through COVID-19 recovery efforts, implementation of the Housing and Economic Development Strategic Plan, consideration of the recommendations of the Reimagining Public Safety Task Force, construction of the Library, continued work on planning the Recreation Center project, substantial community engagement efforts on many subjects, pedestrian and transit safety improvements, work on the Minor Master Plan, and tree canopy and other environmental improvements.

Attachments and Links

- [FY22 Proposed Budget](#)
- Constant Yield Tax Rate Public Hearing Notice

CITY OF TAKOMA PARK, MARYLAND NOTICE OF A PROPOSED REAL PROPERTY TAX INCREASE

The City Council of the City of Takoma Park proposes to increase real property taxes.

1. For the tax year beginning July 1, 2021, the estimated real property assessable base will increase by 1.9%, from \$2,530,093,068 to \$2,578,704,873.
2. If the City of Takoma Park maintains the current tax rate of \$0.5397 per \$100 of assessment, real property tax revenues will increase by 1.9% resulting in \$262,358 of new real property tax revenues.
3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.5295, the constant yield tax rate.
4. The city is considering not reducing its real property tax rate enough to fully offset increasing assessments. The city proposes to adopt a real property tax rate of \$0.55 per \$100 of assessment. This tax rate is 3.9% higher than the constant yield tax rate and will generate \$528,635 in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 7:30 PM on Wednesday, April 28, 2021. Due to the public health crisis, the meeting will take place remotely. View www.takomaparkmd.gov for information on viewing and commenting at the hearing. Comments may also be sent to clerk@takomaparkmd.gov.

The hearing is open to the public, and public testimony is encouraged. Persons with questions regarding this hearing may call 240-723-0437 for further information.