

Introduced by:

First Reading:

Second Reading:

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

**AN ORDINANCE APPROVING AND ADOPTING THE BUDGET FOR FISCAL YEAR 2022,
BEGINNING JULY 1, 2021 AND ENDING JUNE 30, 2022**

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 2022 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 14, 2021; 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 28, 2021; and,

WHEREAS, the City Manager's recommended budget was prepared during the recovery period of the COVID-19 pandemic and the City and all levels of government continue to see fiscal challenges; and,

WHEREAS, the City is expecting to receive federal funding under the American Rescue Plan Act (ARPA) in the amount of approximately \$14.8 million over a two-year period, with half of the funding (\$7.4 million) provided at the beginning of Fiscal Year 2022; and,

WHEREAS, funding levels for City services were adjusted in the City Manager's recommended budget in anticipation of the re-opening of the City buildings in Fiscal Year 2022; 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 2022; and,

WHEREAS, given the budgeting challenges and the anticipated ARPA funding, 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 the appropriate use of the ARPA funds; and,

WHEREAS, a top priority for the City Council is to have a budget that allows the City to respond to the changes ahead and to provide for the wellbeing of its residents, businesses and staff; and,

WHEREAS, for this reason, the City Council will work closely with the City Manager to determine the use of ARPA funds following the guidelines created by the Department of Treasury, with a spending plan that helps households, small businesses, and nonprofits respond to the public health emergency and its negative economic

impacts while making strategic investments in the City’s workforce, public infrastructure, and fiscal health; and,

WHEREAS, the City Council has established a Reimagining Public Safety Task Force by Resolution 2020-21 to advise and provide recommendations on ways the City can reform its public safety policies and procedures to ensure racial justice, including consideration of alternative models to better address issues that are commonly correlated with police interaction, such as mental health, substance abuse, and other social service needs; and changes to certain divisions or units within the Police Department or other City departments, such as removal of the K-9 unit; and,

WHEREAS, the City Council anticipates receiving recommendations from the Reimagining Public Safety Task Force in June 2021 that may have budget implications and could be implemented through amendments to the Adopted Fiscal Year 2022 Budget and in future budgets and may be eligible for ARPA funds; 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 \$4.6 million; and,

WHEREAS, in the FY 2022 budget, the General Fund unassigned reserve is projected to be \$2.8 million; however, that level is determined to be acceptable due to the inclusion in the budget of restricted and other reserves totaling \$6.9 million, actual spending that was lower than projected in prior fiscal years, and the availability of ARPA funds to replenish revenue not received due to the impact of the COVID-19 pandemic; 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, 2021 and ending June 30, 2022.

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

| Fund | Fiscal Year 2022 Appropriation |
|----------------------|---------------------------------------|
| General Fund | \$ 35,401,249 |
| Special Revenue Fund | 1,245,510 |
| Speed Camera Fund | 874,762 |
| GRAND TOTAL | \$ 37,521,521 |

SECTION 3. The following operating transfers are hereby authorized in accordance with the exhibits attached hereto and incorporated herein by reference:

| Operating Transfer From | Transfer To | Amount of Transfer |
|--------------------------------|--------------------|---------------------------|
| General Fund | Stormwater Fund | \$65,000 |

SECTION 4. Use of the following fund balance amount is hereby authorized to supplement other fund revenues and financing sources:

| Fund | Fiscal Year 2022 Appropriation |
|--------------|---------------------------------------|
| General Fund | \$8,326,975 |

SECTION 5. In accordance with Section 803 of the Charter of the City of Takoma Park, a general contingency account in the amount of \$135,697 has been included in the Non-Departmental budget unit of the General Fund.

SECTION 6. A five-year Capital Improvement Program for Fiscal Year 2022 through Fiscal Year 2026 has been developed as part of the budget and is attached hereto and incorporated herein by reference.

SECTION 7. The City Council hereby authorizes the transfer of \$700,000 from the General Fund unreserved fund balance to the Equipment Replacement Reserve.

SECTION 8. The City Council hereby authorizes the transfer of \$229,000 from the General Fund unreserved fund balance to the Housing Reserve.

SECTION 9. 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 2022 by Ordinance No. 2021-XX.

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

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, 2021.

Adopted this ____ day of May, 2021 by roll-call vote as follows:

- AYES:
- NAYS:
- ABSTAIN:
- ABSENT: