



Takoma Park City Council Meeting – January 26, 2022 Agenda Item 3

Work Session

Recommended Council Action

Approve Draft Ordinance for FY 2022 Budget Amendment No. 3

Context with Key Issues

The Fiscal Year (FY) 2022 Budget was adopted by the City Council on May 19, 2021, Budget Amendment No.1 was adopted on July 28, 2021, and Budget Amendment No.2 was adopted on October 6, 2021. Since the last amendment, either new operational needs have arisen with unforeseen costs, or delayed expenditures need to be addressed which require changes to the approved Fiscal 2022 budget. In particular, several Capital Improvement Projects in the General Fund are expected to be delayed. In addition, in the Housing and Community Development Department and Takoma Park Library budgets, several grant receipts are accounted for in this budget amendment.

Department/Division	Funding Source	Account Title	Reason for Amendment	Amount
General Government-Finance	General Fund	Interest & Dividend	Revenue reduction due to interest rate fluctuation and net change in investment income	11,000
General Government-Finance	General Fund	Interest - Bond Trust Fund	Revenue reduction due to interest rate fluctuation and lower than expected interest income provided by Bond Trust Fund	18,000
General Government-Finance	General Fund	Interest & Dividend - Equipment Reserve	Revenue reduction due to interest rate fluctuation	9,000
General Government-Finance	General Fund	Interest & Dividend – Emergency Reserve	Revenue reduction due to interest rate fluctuation	6,000
<i>General Fund Revenue Subtotal</i>				<i>\$44,000</i>
General Government-Legislative	General Fund	City Commissions, etc.	Reduction due to delay in start of stipend to members of Council-appointed boards and committees	(\$16,000)
General Government-City Attorney	General Fund	City Attorney	Increase to support higher volume of the legal services	\$170,000
<i>General Government Expenditure Subtotal</i>				<i>\$154,000</i>
Police-Office of Chief	General Fund	Contracts	Increase to supplement the Axon Fleet cameras for the new police vehicle	\$16,458.01
<i>Police Expenditure Subtotal</i>				<i>\$16,458.01</i>

Housing & Community Development	General Fund	Planning Contracts	Increase to supplement the Public Space Management Plan consultant fees	\$65,000
<i>Housing and Community Development Expenditure Subtotal</i>				<i>\$65,000</i>

Department	Funding Source	Account Title	Reason for Amendment	Amount
Housing & Community Development	General Fund	Capital Equipment Expenditure HCD	Reduction for Public Space Management consultant fee supplement (shown in General Fund above)	(\$65,000)
Housing & Community Development	General Fund	Capital Equipment Expenditure HCD	Reduction of Bike Improvement for New Ave City matching funds	(\$32,500)
Housing & Community Development	General Fund	Capital Equipment Expenditure HCD	Increase for the New Ave Section B Project City matching funds	\$32,500
Public Works	General Fund	Equipment Replacement Expenditure	Reduction of replacement cost of crack-filing machine due to delay of purchase	(\$45,000)
Public Works	General Fund	Facility Maintenance Expenditure	Reduction of HVAC controls project cost due to staff shortage delay	(\$40,000)
Recreation	General Fund	Facility Maintenance Expenditure	Reduction due to delay of Gym Floor repair project	(\$10,000)
City Clerk	General Fund	Capital Equipment Expenditure	Reduction of Heffner Community Center Plaque due to project delay	(\$5,000)
<i>Capital Improvements Subtotal</i>				<i>(\$165,000)</i>
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section B	Funds required to provide for the new grant expenditures	\$144,000
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section B	Reimbursement to cover for the grant expenditures	(\$144,000)
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section B	Funds required to provide for the 60% grant expenditures	\$36,391.65
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section B	Reimbursement to cover for the 60% grant expenditures	(\$36,391.65)
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section A	Revenue reduction due to project delay	\$50,341
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section A	Expenditure reduction due to project delay	(\$50,341)
<i>Housing and Community Development Special Revenue Subtotal</i>				<i>\$0</i>
Library	Special Revenue Fund	Communities for Immunity Award	Funds required to provide for the new grant expenditures	\$22,993

Department	Funding Source	Account Title	Reason for Amendment	Amount
Library	Special Revenue Fund	Communities for Immunity Award	Reimbursement to cover for the grant expenditures	(\$22,993)
<i>Library Special Revenue Subtotal</i>				\$0
Grand Total				\$114,458.01

*In general, the amount in bracket () represents budget increase in revenue and the amount without the bracket represents budget increase in expenditure. In Special Revenue Fund (SRF), for grant expenditure increases coincide with revenue (grant reimbursement) increases from an accounting perspective to offset the expenditure increase. Therefore, the net budget increase in Special Revenue Fund is zero, as can be seen in the Fiscal Considerations section of this memo below. Expenditure reduction in the budget is represented by an amount in bracket () in red; and revenue reduction is represented by an amount without the bracket. Refer to the "reason for amendment" column for budget item descriptions.

Council Priority

Fiscally Sustainable Government

Environmental Considerations

None of the items in this budget amendment directly promote energy efficiency and sustainable practices.

Fiscal Considerations

Funding Source	Budget Amendment Type
	FY22 Expenditure Decrease
General Fund	\$ 114,458.01
Special Revenue -Grants	\$ -
Special Revenue -ARPA	\$ -
Total	\$ 114,458.01

Appropriation by Department	Budget Amount
General Fund Total	\$ 114,458.01
Revenues	\$ 44,000.00
Revenue Subtotal	\$ 44,000.00
Expenditures	
General Government	\$ 154,000.00
Police	\$ 16,458.01
Public Works	\$ -
Recreation	\$ -

Housing and Community Development	\$	65,000.00
Capital Improvement Program	\$	(165,000.00)
Expenditure Subtotal	\$	70,458.01
Special Revenue - Grants Total	\$	-
Public Works	\$	-
Housing and Community Development	\$	-
Library	\$	-
Grand Total	\$	70,458.01

Racial Equity Considerations

The Takoma Park Library Communities Immunity Award Grant item will assist people being disproportionately affected by COVID-19 via direct and indirect funding. The New Ave Bikeway projects will provide sidewalk and transit improvements for low-income residents. The Public Space Management Plan request for proposals puts a strong emphasis on racial equity and equitable community engagement around use of public spaces.

Attachments and Links

- Draft Ordinance

Introduced by: Councilmember

First Reading:
 Second Reading:
 Effective Date:

**CITY OF TAKOMA PARK, MARYLAND
 ORDINANCE NO. 2022-**

FY 2022 BUDGET AMENDMENT NO. 3

WHEREAS, the Fiscal Year (FY) 2022 budget was adopted by the City Council on May 19, 2021; and

WHEREAS, since this date, certain expenditures cost more or less than originally anticipated requiring modification to the Fiscal Year 2022 budget; and new operational needs have arisen that were not accounted for in the Fiscal Year 2022 budget including the receipt of grant funding; and

WHEREAS, those budget adjustments are listed in the table below by Department with an explanation for the adjustment and the amount to be adjusted in the Fiscal Year 2022 budget for each funding source;

Department/Division	Funding Source	Account Title	Reason for Amendment	Amount
General Government-Finance	General Fund	Interest & Dividend	Revenue reduction due to interest rate fluctuation and net change in investment income	11,000
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General Government-Finance	General Fund	Interest & Dividend – Emergency Reserve	Revenue reduction due to interest rate fluctuation	6,000
<i>General Fund Revenue Subtotal</i>				<i>\$44,000</i>
General Government-Legislative	General Fund	City Commissions, etc.	Reduction due to delay in start of stipend to members of Council-appointed boards and committees	(\$16,000)
General Government-City Attorney	General Fund	City Attorney	Increase to support higher volume of the legal services	\$170,000
<i>General Government Expenditure Subtotal</i>				<i>\$154,000</i>
Police-Office of Chief	General Fund	Contracts	Increase to supplement the Axon Fleet cameras for the new police vehicle	\$16,458.01
<i>Police Expenditure Subtotal</i>				<i>\$16,458.01</i>
Housing & Community Development	General Fund	Planning Contracts	Increase to supplement the Public Space Management Plan consultant fees	\$65,000
<i>Housing and Community Development Expenditure Subtotal</i>				<i>\$65,000</i>

Department	Funding Source	Account Title	Reason for Amendment	Amount
Housing & Community Development	General Fund	Capital Equipment Expenditure HCD	Reduction for Public Space Management consultant fee supplement (shown in General Fund above)	(\$65,000)
Housing & Community Development	General Fund	Capital Equipment Expenditure HCD	Reduction of Bike Improvement for New Ave City matching funds	(\$32,500)
Housing & Community Development	General Fund	Capital Equipment Expenditure HCD	Increase for the New Ave Section B Project City matching funds	\$32,500
Public Works	General Fund	Equipment Replacement Expenditure	Reduction of replacement cost of crack-filing machine due to delay of purchase	(\$45,000)
Public Works	General Fund	Facility Maintenance Expenditure	Reduction of HVAC controls project cost due to staff shortage delay	(\$40,000)
Recreation	General Fund	Facility Maintenance Expenditure	Reduction due to delay of Gym Floor repair project	(\$10,000)
City Clerk	General Fund	Capital Equipment Expenditure	Reduction of Heffner Community Center Plaque due to project delay	(\$5,000)
<i>Capital Improvements Subtotal</i>				(\$165,000)
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section B	Funds required to provide for the new grant expenditures	\$144,000
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section B	Reimbursement to cover for the grant expenditures	(\$144,000)
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section B	Funds required to provide for the 60% grant expenditures	\$36,391.65
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section B	Reimbursement to cover for the 60% grant expenditures	(\$36,391.65)
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section A	Revenue reduction due to project delay	\$50,341
Housing & Community Development	Special Revenue Fund	New Ave Bikeway-Section A	Expenditure reduction due to project delay	(\$50,341)
<i>Housing and Community Development Special Revenue Subtotal</i>				\$0
Library	Special Revenue Fund	Communities for Immunity Award	Funds required to provide for the new grant expenditures	\$22,993
Library	Special Revenue Fund	Communities for Immunity Award	Reimbursement to cover for the grant expenditures	(\$22,993)
<i>Library Special Revenue Subtotal</i>				\$0
Grand Total				\$114,458.01

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

SECTION 1. The Fiscal Year 2022 Budget is amended as follows:

General Fund-Transfers

1. Transfer \$250 from 5400-70025, Conferences & Conventions, to account 5400-70050, Training, to provide funds for training in the Planning Division.

General Fund – Revenues

1. Reduce \$11,000 to account 0001-36100, Interest and Dividend, due to the bank interest rate adjustment.
2. Reduce \$18,000 to account 0001-36130, Interest Bond Trust Fund due to the bank interest rate adjustment.
3. Reduce \$9,000 to account 0001-36140, Interest and Dividend-Equipment Replacement Reserve, due to the bank interest rate adjustment.
4. Reduce \$6,000 to account 0001-36150, Interest and Dividend-Emergency Reserve, due to the bank interest rate adjustment.

General Fund – Expenditures

1. Reduce \$16,000 to account 1110-70016, City Commissions and etc., due to delay start of stipend to the members of City boards and committees.
2. Appropriate \$170,000 to account 1140-61020, City Attorney, to provide funds for the high volume of legal services.
3. Appropriate \$65,000 to account 5400-61040, Planning contract, to provide funds for consultant cost.
4. Appropriate \$16,458.01 to account 2100-61040, Contracts, to provide funds for the new police vehicle cameras.
5. Reduce \$5,000 to account 9100-80000, Capital Equipment Expenditure , due to the project delay of the Heffner Community Plaque.
6. Reduce \$65,000 to account 9100-80001, Capital Equipment Expenditure HCD, due to the repurpose of fund use for the Public Space Management Plan.
7. Reduce \$32,500 to account 9100-80001, Capital Equipment Expenditure HCD, due to the repurpose of fund use for the Bike Improvements.
8. Appropriate \$32,500 to account 9100-80001, Capital Equipment Expenditure HCD, to provide for the City matching fund for the New Avenue Section B Project.
9. Reduce \$45,000 to account 9100-80003, Equipment Replacement Expenditure, due to the delay replacement of the crack-filing machine.
10. Reduce \$40,000 to account 9100-80008, Facility Maintenance Expenditure, due to the delay HVAC controls project.
11. Reduce \$10,000 to account 9100-80008, Facility Maintenance Expenditure, due to the delay replacement of Gym floor.

Special Revenue Fund – Revenues

1. Appropriate \$22,993 to account 0010-33700, Communities for Immunity Award, to provide funds for new grant fund.
2. Appropriate \$144,000 to account 0010-39163, New Avenue Bikeway Section B, to provide funds for the new grant fund.
3. Appropriate \$36,391.65 to account 0010-39163, New Avenue Bikeway Section B, to provide funds for 60% of the grant fund.
4. Reduce \$50,341 to account 0010-39162, New Avenue Bikeway Section A, due to project delay.

Special Revenue Fund – Expenditures

1. Appropriate \$22,993 to account 0010-68058, Communities for Immunity Award, to provide funds for new grant fund.
2. Appropriate \$144,000 to account 0010-68030, New Avenue Bikeway Section B, to provide funds for the new grant fund.
3. Appropriate \$36,391.65 to account 0010-68030, New Avenue Bikeway Section B, to provide funds for 60% of the grant fund.
4. Reduce \$50,341 to account 0010-0010-68029, New Avenue Bikeway Section A, due to project delay.

SECTION 2. The City’s Capital Improvement Program for FY 2022 shall be amended to reflect the aforementioned changes in the General Fund budget.

SECTION 3. This Ordinance shall become effective upon adoption.

Adopted this _____ by Roll-Call vote as follows:

AYE:
NAY: None
ABSTAIN: None
ABSENT: None