



Takoma Park City Council Meeting – May 24, 2023 Agenda Item 2

Voting Session

Resolution Establishing Policy Objectives Associated with the Fiscal Year 2024 Budget

Recommended Council Action

Consider the proposed resolution.

Context with Key Issues

This City Council has identified establishing a long-term fiscal sustainability strategy for the City as a priority goal in the Council's 2023-4 Council priorities. The City is still recovering from the fiscal and other impacts of the COVID-19 pandemic. City Council has received reports and presentations in the past few months presenting a 10-year financial forecast, the City's fiscal health, and an organizational assessment.

The City Council has adopted the Fiscal Year 2024 budget for July 1, 2023 – June 30, 2024. In considering the proposed Fiscal Year 2024 budget, specific equipment policy and revenue options were identified that may have the potential to improve the city's long-term fiscal health.

Council Priority

This proposed resolution will partially implement portions of the City Council's priority for a more fiscally sustainable government.

Environmental Considerations

Broad fiscal policies will affect Takoma Park as a whole, including the city's ability to implement sustainability, climate, stormwater and other environmental programs. In reviewing the individual policies and revenue options, environmental considerations, both positive and negative, will be included. For example, increasing stormwater fees may provide more funds for improving stormwater management in the city.

Fiscal Considerations

The focus of this resolution is fiscal considerations--to review policies and additional revenue sources that have the potential to improve the city's long-term fiscal health.

Racial Equity Considerations

Broad fiscal policies will affect Takoma Park as a whole, but may also have different effects on lower-income and black and brown residents and business owners. In reviewing the individual policies and revenue options, equity considerations will be included. Some of the specific revenue options in particular may have equity impacts. For example, different approaches to raising certain city fees may affect some groups of residents more than others. Some commercial tax options may have a greater effect on small businesses than others. Any equity effects of stretching the replacement time for city vehicles, equipment, roads, and facilities will be considered; for example, will extending the road repair cycle by a couple of years affect some neighborhoods more than others.

Attachments and Links

Draft Resolution 3rd Draft Markup
Draft Resolution (3rd Draft Clean)

Introduced by: Councilmember Dyballa

CITY OF TAKOMA PARK, MARYLAND

**RESOLUTION 2023-
ESTABLISHING POLICY OBJECTIVES
ASSOCIATED WITH THE FISCAL YEAR 2024 BUDGET**

WHEREAS, the City Council has adopted Ordinance 2023-8, approving and adopting a Fiscal Year 2024 Budget for July 1, 2023 – June 30, 2024; and

WHEREAS, the City is recovering from the fiscal and other impacts of the COVID-19 pandemic; and

WHEREAS, the City Council has received reports and presentations in the past few months on a 10-year financial forecast, the City’s fiscal health, and an organizational assessment; and

WHEREAS, the City Council and City management team desire to work closely throughout the months before the next budget season, to develop and consider policy options and additional revenue sources related to long-term fiscal health of the City, and

WHEREAS, this City Council has identified establishing a long-term fiscal sustainability strategy for the City as a priority goal in the Council’s 2023-4 Council priorities; and

WHEREAS, as part of the City Council’s review of the proposed FY24 budget, and discussion of 2023-4 priorities, specific policy and revenue options have been identified that may have the potential to improve the city’s long-term fiscal health.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council will review revenues, expenditures, reserves and economic projections throughout the fiscal year. Additionally, the City Manager alongside, and the Finance Director City Manager will publicly present Council with a quarterly fiscal reports on expenditures and revenues. ; and The second quarterly fiscal report shall include a summary of city fees, revenues to date associated with each fee, and staff recommendations regarding fee modifications; and

BE IT FURTHER RESOLVED THAT the City Council will work with the City Manager and designated staff within the next eight months to conduct an initial review of City policy concerning the ~~of~~ replacement of City vehicles, equipment and facility repairs, relative to municipal best practices, specifically:

- the criteria for vehicle replacement policy;
- the criteria for road maintenance policy; and
- the assumptions behind the Equipment Replacement Reserve that affect how frequently equipment is replaced; and

- policy options for a Facility Maintenance Reserve policy; and

BE IT FURTHER RESOLVED THAT the City Council will work with the City Manager and designated staff in the next eight months to consider the feasibility of potential additional revenue sources, including, specifically:

- ~~a comprehensive list of all city fees and whether any can reasonably be increased;~~
- increase in the stormwater fee;
- railroad and utility tax increase;
- a vacant property tax; and
- a longer-term approach to considering a separate commercial property tax rate and/or changes in the non-inventory components of the commercial personal property tax.

Adopted this _____ day of May, 2023.

Attest:

Introduced by: Councilmember Dyballa

CITY OF TAKOMA PARK, MARYLAND

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BE IT FURTHER RESOLVED THAT the City Council will work with the City Manager and designated staff within the next eight months to conduct an initial review of City policy concerning the replacement of City vehicles, equipment and facility repairs, relative to municipal best practices, specifically:

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- the criteria for road maintenance policy; and
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