



City of Takoma Park

Fiscal Year 2024 Proposed Budget July 1, 2023 – June 30, 2024

City Council FY24 Budget Questions-continued (3)

1. Please provide detail on the increase in Recreation program participation post-COVID.

Recreation participation totals are continuing to increase and approaching pre-COVID totals. The department does not anticipate a substantial increase in FY24 and FY25 due to limited space during Library and Community Center construction.

Takoma Park Recreation Department Registration Numbers Comparison			
	2019	2023	% Increase/Decrease
55+	1178	1119	-5%
Adult	517	533	3%
Teens	413	612	48%
Youth	3916	2697	-33%
Tots	90	53	-41%
TOTAL	6114	5014	-19%

Note: 2019 was a complete fiscal year while 2023 is almost a complete year

Note: Drop-in program totals are not accounted for in either fiscal year

2. Can ARPA funds be used to incentivize businesses to use private security services to minimize police service calls and contact? (Small)

Likely, yes. There are ways to approach a program that could either be categorized as the "Provision of Government Services" (Treasury Code 6.1), or, as "Aid to Tourism, Travel, or Hospitality" (Treasury Code 2.35).

3. What are the specific programs reduced to get the \$1.1M for sidewalks and roads? What are the implications for future years' planning? (Dyballa)

This was partially covered in slide 15 of the April 24, 2023, ARPA presentation. \$663,259.81 unencumbered balances; \$100,000 workforce development; \$57,200 community engagement; \$185,000 municipal broadband; \$94,540.19 anticipated future salary savings. The remaining \$240,000 in reallocations from within the fund and therefore do not impact the general fund are anticipated to come from \$20,000 anticipated future salary savings; \$220,000 in non-profit grant programs.

The implication generally is this the use of \$1.1M in ARPA funds for this purpose limits some flexibility the Council will have in future decisions on reallocating funding between already established programs, and/or future initiatives. However, there still remains a healthy amount of unspent funds in programs such as Direct Cash Assistance; Community Connectors; Municipal Broadband; and the Takoma-Langley Crossroads project.

4. Please restate for Monday evening when funds must be obligated and spent, and what are the rules for the \$10M and the rest? (Dyballa)

This was covered in slides 5 & 6 of the April 24, 2023, ARPA presentation. Funds must be "obligated" by December 31, 2024, and spent by December 31, 2026. \$10M of the City's \$17.5M ARPA award can be spent on the "Provision of Government Services" i.e. any general fund expenditure except for the pension plan or debt service. The remaining \$7.5M *must* be used for any other eligible use, such as responding to negative economic impacts in the community, investments in public health, administering the funds, or in water, sewer, or broadband infrastructure.

5. Please provide additional data on the overlay between income and poverty data by ward and the approved grantees from the Direct Cash Assistance program. (Honzak)

We are am working to compile this data as available with our direct cash assistance vendor and internal sources. We will plan to have that in a digestible form when the Council discusses the future of this and other ARPA programs following the FY24 budget process.

6. For original ARPA reporting, how was 'revenue loss' calculated, and at what amount? (Gibson)

Prior to the US Treasury issuing its final rule, the City used an ARPA spreadsheet prepared by the GFOA (Government Finance Officers Association) to help calculate the loss in revenues as a result of the pandemic. This was not a "net" calculation but a calculation of which revenue lines did not meet projections. In 2021, this calculation was made only with numbers from recreation programs and events and totaled \$1.19M. After the Treasury issued its Final Rule, which allowed municipalities to claim a standard allowance of \$10M in revenue loss, the City did not go through the process of calculating any additional revenue losses. Therefore, while the City has not made that calculation, total revenue losses likely amount to a number substantially higher than \$1.19M, but not in excess of \$10M. Please note the "revenue loss" calculation does not factor in other cost pressures, such as inflationary increases and other increases incurred from project delays that occurred as a result of the pandemic.

7. How much of our ARPA expenditures to date have been used or obligated for regular government uses? (Gibson)

So far, the City used the \$1.19M revenue loss calculation to support operations in the FY22 budget. The City also used \$273,825 for street rehabilitation in FY23 from a \$463,825 ARPA allocation for contingency spending. The remainder of that contingency balance was used for the Public Space Management Plan and Neighborhood Community Connectors grants. Other planned "regular govt. uses" include \$4,000,000 for the library, \$320,000 for the recreation center redevelopment, \$1,000,000 for the community center renovation (atrium), \$230,000 for the document management platform, and a portion of the yet-to-be hired temporary salaries for Finance and IT.

8. Does or can the objective to "revise the performance evaluation process" include setting targets for the presumed Workload Measures? (Gibson)

Goals are developed as part of the performance evaluation process. The objective to "revise the performance evaluation process" mostly refers to possible re-development of the evaluation form, changing the metrics associated with review ratings, changing the merit system, etc.

9. In concept, what costs are involved in laying off a staff person, that would balance out any potential savings from wages and benefits? Such as unemployment insurance costs, effect (if any) on in-lieu-of payments, etc.? (Dyballa)

Depending on the position held, some costs associated with laying off a staff person could include unemployment insurance, vacation leave payouts, and severance pay (if applicable). There is always a possibility that an action of that nature could require an increased need for legal counsel, so I would expect additional costs for that as well.

10. Are there any useful notes saved regarding the two tax rate scenarios promised by CM Fox? It has been suggested that perhaps there might have been some progress on this request before Fox resigned. (Gibson)

There are no notes from the former City Manager. However, during the presentation of the Proposed FY24 Budget, the reduction in expenditure necessary to achieve the current tax rate of .5397 and the constant yield tax rate of .5183 were provided. The reduction in General Fund expense necessary to achieve the current rate would be \$861,000. For constant yield, the rate reduction is \$1.4M. The FY24 budget as presented to Council includes \$1.6M in reductions requested by the City Manager's Office prior to the development of the final budget. Those reductions are attached in the Appendix. The reductions included in the budget are the staff's best attempt to accommodate the demand for service while accounting for the adjustments needed to address the City's fiscal health concerns.

Additional policy guidance from the City Council that identifies areas in which services should be reduced would be necessary in order for staff to proceed with the level of expense reduction required for either constant yield or the FY23 budget. Staff cannot recommend additional reductions in service while the expectation for service remains at its current level.

11. Can you provide a breakdown of the reductions made by staff prior to the submission of the Proposed Budget? Maybe just the significant ones? This seems important given the information last night from Dir. Braithwaite on PW reductions. (Gibson)

Reductions are included in the Appendix.

12. Are there funds budgeted for a community survey, or for any other means of community engagement on budget and city priorities? (Dyballa)

There are \$124,000 in ARPA funds dedicated to the implementation of an Interactive Online Budget Tool in the FY24 budget.

13. What is the status of the online budget for the public project and additional costs? (Dyballa)

There are \$124,000 in ARPA funds dedicated to the implementation of an Interactive Online Budget Tool in the FY24 budget. Aspects of the project were originally expected to have been available prior to the FY24 budget process; however, its progress was slowed due to personnel transitions. City staff intends to resume the project in June 2023.

14. Which are the two funded interns, and which ones were not funded? (Dyballa)

The Arts Intern and the Planning Intern are funded in FY24. Intern positions excluded from FY24 include: Sustainability Intern (PW), Urban Forest Intern (PW), Rec Intern, and Economic Development Intern (HCD)

15. Confirm that this budget does not assume any re-obligation of unspent funds from FY23, either in programs or in reserves. (Dyballa)

There are currently no expenses from FY23 that have been re-obligated in FY24. Unspent funding from FY23 would be allocated to FY24 as a part of the final FY23 budget amendment.

16. My estimate (at \$290k/1 cent) of how much the proposed budget would need to be reduced to reach three levels: Constant Yield of 51.83/100, \$1.513 million; Current Property Tax Rate of 53.97/100, \$893,000; and ECI of 54.26/100, 809k. What general impacts (based on FY23 3%/5%/7% reduction exercise) would these levels have? Would staff layoffs be a possible impact? Note I do NOT want to do that. (Dyballa)

The 3/5/7 percent reductions suggested by the former city manager were for FY23. It would not be appropriate to apply the outcome of this analysis to the FY24 budget as it would not be applicable. However, generally speaking, the corresponding reduction to the General Fund of 3/5/7 percent would be equal to a reduction of approximately \$965K/\$1.6M/\$2.2M, respectively. It is likely that for some departments the reduction of this magnitude exclusively from the General Fund combined with the existing \$1.6M in reductions would result in staff layoffs. Additional analysis would be necessary to provide more specific information.

17. Commercial property tax rate increase - What is the plan for considering this for next year and do you need council direction to do so?

City staff intend to explore short, medium, and long-term options for generating additional revenue including increasing fees, tax rate increases, and economic development expansion. If the City Council would like a specific opportunity identified and analyzed, please provide explicit direction.

18. What are the policies, or internal guidelines, for determining ERR and FMR annual contributions? (Dyballa)

The ERR spreadsheet has a formula that calculates the proposed annual contribution for each vehicle that is being funded for replacement. The amount is calculated each year and then the City Manager determines what amount of funding is available and makes a recommendation for a funding amount. Often, in the past, the annual contribution is less than the calculator provided by the formula. In the past 14 years, the annual contribution has ranged from \$600,000 to \$1,300,000.

The Facility Maintenance Reserve has been set up and sporadically funded. It does not have a formal policy defining what is to be included in the Facility Maintenance Reserve and funding levels. The purpose of the Facility Maintenance Reserve is to enable building improvements projects, both small and large, to be funded and scheduled when needed and approved. The current Facility Maintenance Reserve balance is \$399,880.97.

19. What do you see as the impact of COVID on policies for ERR, FMR, roads, sidewalks, and replacement vehicles?

The Council placed funding on hold for street and sidewalk work in FY20, FY21 and FY22. When funds were released, the Public Works Department had difficulty spending the funds as our contractor was not available due to scheduling work with other jurisdictions that did not restrict funding. The department requested unspent funds be carried over into the following fiscal year, so as not to impact the completion of planned projects.

There have been no discernible impact on the ERR and FMR. The replacement of the Recreation bus was delayed during the pandemic as the buss was not in use over that time. There were no impacts to other vehicle purchases.

20. Stormwater fee increase: What is the plan for considering this for next year's budget, to have funds within the program for work related to private property? (Dyballa)

The Public Works Department is waiting for the completion of the Stormwater Resiliency Plan to inform the recommendation for an increase in the Stormwater Fee. The fee was last updated in FY22. Based on the development of additional program options, including facilitating programs to assist private property owners experiencing stormwater issues on their property, the department will make recommendations to the Council that identify the staffing required, and the estimated costs. The development of additional programs is anticipated to begin in FY23 for possible recommendations in FY24 and beyond.

Appendix

FY24
Staff Proposed
Budget
Reductions

FY24 INITIAL BUDGET REDUCTIONS

Budget Reduction Form

Department: **All Departments**

Department	Account Title	Account Code	Current Amount Budget	New Budget	Reduction
HCD	Site Improvements	0001-5400-53070	\$ 57,800.00	\$ 45,000.00	\$ 12,800.00
HCD	Transit-Ped Projects	0001-5400-70014	\$ 54,000.00	\$ 45,000.00	\$ 9,000.00
HCD	Publicity	0001-5600-64010	\$ 5,000.00	\$ 3,000.00	\$ 2,000.00
HCD	Contracts	0001-5700-61040	\$ 30,000.00	\$ 25,000.00	\$ 5,000.00
HCD	Contracts	0001-5800-61040	\$ 381,303.20	\$ 361,303.20	\$ 20,000.00
HCD	Software	0001-5800-61041	\$ 35,500.00	\$ 28,500.00	\$ 7,000.00
Subtotal					\$ 55,800.00
CLERK	Overtime	1170-40030	\$ 3,600.00	\$ 2,600.00	\$ 1,000.00
CLERK	Contracts	1170-61040	\$ 5,000.00	\$ -	\$ 5,000.00
CLERK	Conferences	1170-70025	\$ 5,000.00	\$ 3,406.00	\$ 1,594.00
Subtotal					\$ 7,594.00
CMO	Car Allowance	0001-1120-40191	\$ 6,000.00	\$ -	\$ 6,000.00
CMO	Office Supplies	0001-1120-51000	\$ 6,313.80	\$ 5,000.00	\$ 1,313.80
CMO	Association Dues	0001-1120-70035	\$ 70,000.00	\$ 65,000.00	\$ 5,000.00
CMO	Contracts	0001-1120-61040	\$ 30,000.00	\$ 24,000.00	\$ 6,000.00
Subtotal					\$ 18,313.80
LIBRARY	Supplementa	0001-7000-40800	\$ 40,000.00	\$ 33,000.00	\$ 7,000.00
LIBRARY	Computer Supplies	0001-7000-52006	\$ 2,000.00	\$ 1,500.00	\$ 500.00
LIBRARY	Adult Books	0001-7000-52500	\$ 26,000.00	\$ 19,000.00	\$ 7,000.00
LIBRARY	Reference Materials	0001-7000-52510	\$ 25,000.00	\$ 19,000.00	\$ 6,000.00
LIBRARY	Children's Books	0001-7000-52550	\$ 30,000.00	\$ 25,000.00	\$ 5,000.00
LIBRARY	Media	0001-7000-52650	\$ 1,000.00	\$ -	\$ 1,000.00
LIBRARY	Program & Outreach	0001-7000-64015	\$ 10,000.00	\$ 9,200.00	\$ 800.00
LIBRARY	Association Dues	0001-7000-70035	\$ 2,200.00	\$ 1,250.00	\$ 950.00
LIBRARY	Conference	0001-7000-70050	\$ 10,000.00	\$ 7,150.00	\$ 2,850.00
Subtotal					\$ 31,100.00
COMM	Conferences & Convention	0001-6000-70025	\$ 12,800.00	\$ 12,800.00	\$ -
COMM	Equipment-Program/Repa	0001-6000-68011	\$ 2,000.00	\$ -	\$ 2,000.00
COMM	Training	0001-6000-70050	\$ 6,000.00	\$ 6,000.00	\$ -
COMM	Operating Supplies	0001-6000-52000	\$ 4,500.00	\$ 1,500.00	\$ 3,000.00
COMM	Media Printing	0001-6000-65015	\$ 2,500.00	\$ -	\$ 2,500.00
COMM	Newsletter	0001-6000-61039	\$ 122,000.00	\$ 120,000.00	\$ 2,000.00
Subtotal					\$ 9,500.00

FY24 INITIAL BUDGET REDUCTIONS

POLICE	Employee Recognition	2100- 70001	\$15,800	\$8,500	\$ 7,300.00
POLICE	General Overtime	2200- 40030	\$48,195	\$40,000	\$ 8,195.00
POLICE	Overtime Training	2200- 40031	\$1,000	\$500	\$ 500.00
POLICE	Clot and Supplies	2200- 52300	\$5,100	\$2,000	\$ 3,100.00
POLICE	General Overtime	2300- 40030	\$290,700	\$190,000	\$ 100,700.00
POLICE	Court OT	2300- 40034	\$60,000	\$30,000	\$ 30,000.00
POLICE	Overtime/Staff Shortage	2300- 40035	\$40,000	\$30,000	\$ 10,000.00
POLICE	General Overtime	2400- 40030	\$90,000	\$70,000	\$ 20,000.00
POLICE	Court OT	2400- 40035	\$26,000	\$12,000	\$ 14,000.00
POLICE	Detective Supplies	2400- 52100	\$10,750	\$7,000	\$ 3,750.00
POLICE	Informant Fund	2400- 70060	\$2,500	\$1,000	\$ 1,500.00
Subtotal					\$ 199,045.00
PW	Conferences & Convention	3100-70025	\$ 2,000.00	\$ 1,000.00	\$ 1,000.00
PW	Overtime	3200-40030	\$ 9,460.68	\$ 7,460.00	\$ 2,000.68
PW	Office Supplies	3200-51000	\$ 3,850.00	\$ 2,850.00	\$ 1,000.00
PW	Repair Materials	3200-53050	\$ 35,000.00	\$ 30,000.00	\$ 5,000.00
PW	Special Projects	3200-61044	\$ 14,500.00	\$ 12,500.00	\$ 2,000.00
PW	Overtime	3300-40030	\$ 9,500.00	\$ 7,500.00	\$ 2,000.00
PW	Overtime	3400-40030	\$ 38,989.23	\$ 36,000.00	\$ 2,989.23
PW	Office Supplies	3400-51000	\$ 11,000.00	\$ 3,000.00	\$ 8,000.00
PW	Snow Removal-Materials	3400-53450	\$ 41,800.00	\$ 36,800.00	\$ 5,000.00
PW	Sign Materials	3400-53460	\$ 10,400.00	\$ 8,400.00	\$ 2,000.00
PW	Tools	3400-54050	\$ 4,100.00	\$ 3,100.00	\$ 1,000.00
PW	Overtime	3500-40030	\$ 40,122.96	\$ 38,000.00	\$ 2,122.96
PW	Office Supplies	3500-51000	\$ 37,400.00	\$ 23,400.00	\$ 14,000.00
PW	Contracts	3600-61040	\$ 240,000.00	\$ 180,000.00	\$ 60,000.00
PW	Special Events	3600-71005	\$ 5,000.00	\$ -	\$ 5,000.00
PW	Seasonal Staff	3700-40016	\$ 46,400.00	\$ 44,400.00	\$ 2,000.00
PW	Tools	3700-54050	\$ 5,000.00	\$ 4,000.00	\$ 1,000.00
PW	Sub-contract Work	3800-61045	\$ 222,500.00	\$ 220,500.00	\$ 2,000.00
PW	Software	3900-61041	\$ 12,000.00	\$ 7,000.00	\$ 5,000.00
Subtotal					\$ 123,112.87
REC	Salaries- Part Time	0001-4400-40015	\$ 85,526.47	\$ 50,880.58	\$ 34,645.89
REC	Fringe Benefits	0001-4400-40200	\$ 61,426.34	\$ 41,807.65	\$ 19,618.69
Subtotal					\$ 54,264.58
HR	Conferences & Convention	0001-1160-70025	\$ 8,000.00	\$ -	\$ 8,000.00
HR	Association Dues	0001-1160-70035	\$ 920.00	\$ 908.00	\$ 12.00
HR	Training	0001-1160-70050	\$ 4,040.00	\$ -	\$ 4,040.00
HR	Recruit/Applicant Process	0001-1160-70090	\$ 126,375.00	\$ 121,963.22	\$ 4,411.78
Subtotal					\$ 16,463.78
IT	Contracts	0001-1150-61040	\$60,000.00	\$56,000.00	\$4,000.00
IT	Software	0001-1150-61041	\$248,000.00	\$232,000.00	\$16,000.00
Subtotal					\$20,000.00
TOTAL					\$ 535,194.03

FY24 INITIAL BUDGET REDUCTIONS

Account Code	Current Amount Budge	New Budget	Reduction
9000-71850 PW Grants	\$ 35,000.00	\$ 20,000.00	\$ 15,000.00
9100-80009 Streets	\$ 500,000.00	\$ 350,000.00	\$ 150,000.00
9100-80007 Sidewalks	\$ 1,100,000.00	\$ 750,000.00	\$ 350,000.00
9100-80001 HCD Cap Ex	\$ 371,200.00	\$ 341,200.00	\$ 30,000.00
TOTAL			\$ 545,000.00

Total Reduction	
Operating Reduction	\$ 535,194.03
CAPEX Reduction	\$ 545,000.00
Intern Reduction	\$ 200,000.00
Personnel Reduction	\$ 382,845.52
Total	\$ 1,663,039.55