

Introduced by: Councilmember Honzak

First Reading: May 20, 2023

Second Reading:

**CITY OF TAKOMA PARK, MARYLAND
ORDINANCE NO. 2023-8**

**AN ORDINANCE APPROVING AND ADOPTING THE BUDGET FOR FISCAL YEAR 2024,
BEGINNING JULY 1, 2023 AND ENDING JUNE 30, 2024**

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 2024 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 19, 2023; 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 May 1, 2023; and

WHEREAS, in July 2021, the City received the first tranche of federal American Rescue Plan Act funding in the amount of \$8,731,862.26 through the State of Maryland, and the City received the second tranche of \$8,738,397.24 in American Rescue Plan Act (ARPA) funding from the State of Maryland in August 2022; and

WHEREAS, the five-year ARPA spending plan in the amount of \$17.5 million was adopted by the City Council in January 2022. The top priority of the ARPA spending plan was to allow the City to respond to the impacts of the pandemic and provide for the well-being of its residents, businesses and staff, and the City Council worked very closely with the City Manager to determine the best uses of ARPA funds following the guidelines created by the U.S. Department of the Treasury; and,

WHEREAS, after considering the recommended annual budget submitted by the City Manager on April 12 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 2024; and

WHEREAS, the Council and City Manager will 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, 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 totaling \$29 million, which would be equivalent to \$4.9 million; and

WHEREAS, in the FY 2024 budget, the General Fund unassigned reserve is projected to be \$4.1 million; however, that level is determined to be acceptable due to the inclusion in the budget of restricted and other reserves totaling \$7 million; 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.

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

SECTION 1. The budget attached hereto and by reference made a part hereof is hereby adopted for the year commencing on July 1, 2023 and ending June 30, 2024.

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

Fund	Fiscal Year 2024 Appropriation
General Fund	\$ 31,294,353
Special Revenue Fund	2,119,471
Speed Camera Fund	1,725,682
ARPA Fund	7,942,446
GRAND TOTAL	\$ 43,081,952

SECTION 3. Use of the following fund balance amount is hereby authorized to supplement other fund revenues and financing sources:

Fund	Fiscal Year 2024 Appropriation
General Fund	\$2,272,542
Special Revenue Fund	\$205,238
ARPA Fund	\$7,941,346

SECTION 4. In accordance with Section 803 of the Charter of the City of Takoma Park, a general contingency account in the amount of \$145,109 has been included in the Inter-Departmental budget unit of the General Fund.

SECTION 5. A five-year Capital Improvement Program for Fiscal Year 2024 through Fiscal Year 2028 has been developed as part of the budget and is attached hereto and incorporated herein by reference.

SECTION 6. The City Council hereby authorizes the transfer of \$550,000 from the General Fund Unassigned Reserve to the Equipment Replacement Reserve.

SECTION 7. The City Council hereby authorizes the transfer of \$50,000 from the General Fund Unassigned Reserve to the Emergency Reserve.

SECTION 8. The City Council hereby authorizes the transfer of \$200,000 from the General Fund Unassigned Reserve 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 2024 by Ordinance No. 2023-7.

SECTION 10. City Council will review budget revenues, expenditures and economic projections 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, 2023.

Adopted this ____ day of May, 2023 by roll-call vote as follows:

AYES:

NAYS:

ABSTAIN:

ABSENT: