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# Fiscal Year 2024 Proposed Budget July 1, 2023 - June 30, 2024

Presented by:

**Acting Deputy City Manager**

**David Eubanks**

April 17, 2023

# Budget Schedule

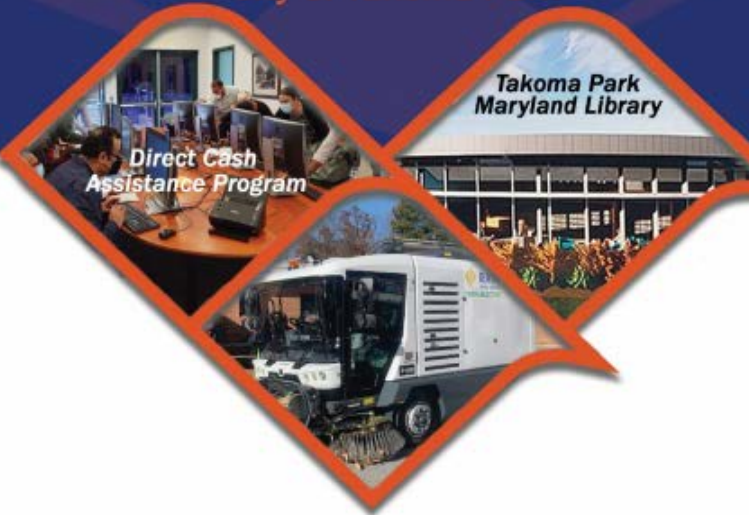


- April 17: **Budget Work Session - Operations and CIP Budget**
- April 19: **1<sup>st</sup> Public Hearing, Operations(cont.) and CIP Budget**
- April 24: **ARPA Budget Discussion**
- April 26: **Budget Work Session - Reconciliation**
- May 1: **Reconciliation Meeting and 2<sup>nd</sup> Public Hearing**
- May 10: **First Reading Ordinances**
- May 17: **Second Reading Ordinances**



## Building a Better Tomorrow

City of Takoma Park



## Proposed Budget

Fiscal Year 2024

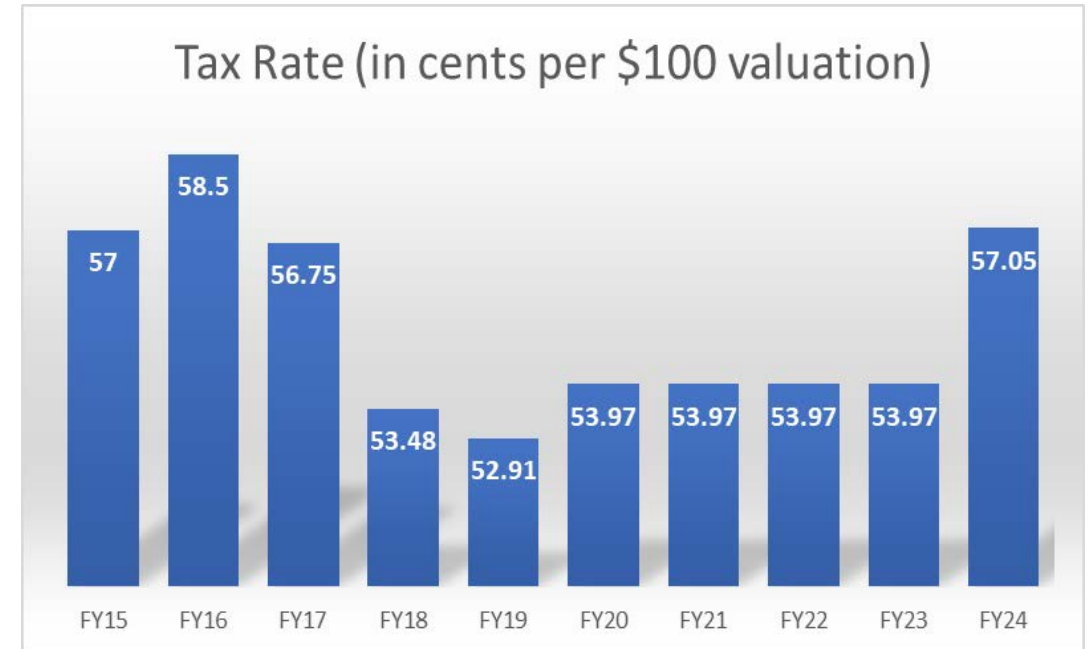
July 1, 2023 - June 30, 2024

# Agenda:

- Proposed Budget Recap
- Capital Improvement Budget Overview
- Operations Budget Overview:
  - Monday: City Manager, City Clerk, HR, Finance, IT, Communications, Recreation
  - Wednesday: Public Works, Police, Library, HCD

# Budget Overview & Assumptions

- Maintenance of Effort
  - Preserve the existing level of service,
  - Incorporating all expenses that allow for such service
- Insurance Costs
  - Assumed increase of 15%
- Increase in all personnel costs 6.46% compared to 5.1% ECI
- FTEs and Interns remain constant
- Tax Increase
  - 53.97 to 57.05 cents
  - Impact to household with a median priced home: \$222/year



# Budget Overview & Assumptions- (p 29-30)

- Total Budget Expenditure: \$44.6M
- Total Budget Revenue: \$34.17M
- Balance:
  - \$1.1M in Bond Reserves
  - \$9.4M in Other Reserves.

- Total General Fund Expenditure: \$32.2M
- Total General Fund Revenue: \$29.3M
- Balance:
  - \$1.05M in Bond Reserves
  - \$1.7M in Other Reserves

- Net Reserve Fund Loss: \$984,271
- Ideal Contribution: \$1.1M annually

## General Fund Fund Balance Projection Detail

	As Of			As Of	
	<u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2024</u>	<u>Net Differnce in Reserves</u>
Emergency Reserve	541,646	50,000		591,646	50,000
Equipment Replacement Reserve	3,753,948	550,000	1,618,271	2,685,677	(1,068,271)
Designated-Subsequent Years	3,289,933			3,289,933	
Facility Maintenance Reserve	287,081		107,000	180,081	(107,000)
NonSpendable-Prepaid, Deposits, Inventory	19,060		9,000	10,060	(9,000)
Housing Reserve	924,837	200,000	50,000	1,074,837	150,000
WSSC Contribution for Future Street Work	97,555			97,555	
Bond Reserve (Restricted)	1,310,018		1,050,479	259,539	
<b>Total Reserved/NonSpendable Fund Balance</b>	<b>10,224,078</b>	<b>800,000</b>	<b>2,834,750</b>	<b>8,189,328</b>	<b>(984,271)</b>
<b>Total Unassigned Fund Balance</b>	<b>3,240,000</b>		<b>801,148</b>	<b>2,438,852</b>	<b>(2,834,750)</b>



# Reserve Fund Balance

- The City's Reserve Fund Balance is made up of the reserves in aggregate
- One of the best measures of the City's Fiscal Health
- Bond funds are borrowed dollars and are deducted from the fund balance in Fiscal Health Analysis

	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Actual
<b>Total Fund Balance</b>	\$ 12,251,861	\$ 13,097,677	\$ 22,070,109	\$ 20,742,258	\$ 20,364,013
<b>Total Bond Balance</b>			\$ 8,968,565	\$ 7,776,707	\$ 7,425,719
<b>Net Total</b>	\$ 12,251,861	\$ 13,097,677	\$ 13,101,544	\$ 12,965,551	\$ 12,938,294
<b>Change in Fund Balance</b>	\$ 986,556	\$ 845,816	\$ 3,867	\$ (135,993)	\$ (27,257)

	2021 Actual	2022 Actual	2023 Adopted	2023 Projected
\$	19,412,194	\$ 20,324,069	\$ 9,414,148	\$ 13,484,078
\$	6,535,194	\$ 6,310,018	\$ 1,310,018	\$ 1,310,018
\$	12,877,000	\$ 14,014,051	\$ 8,104,130	\$ 12,174,060
\$	(61,294)	\$ 1,137,051	\$ (5,909,921)	\$ (1,839,991)



# Capital Improvement Budget- (p. 232-233)

- The City's Capital Improvement Program covers a five-year period and is revised annually.
- Capital assets are defined as having a life of five years or greater and cost more than \$5,000.
- The Capital Improvement Program covers six categories:
  - **Equipment Replacement**
    - Assets 3 to 30 years
    - Large machinery
    - Vehicles
  - **Information and Communication Technology Improvements**
  - **Park Development**
  - **Facility Improvements**
    - Small scale improvements
      - Front gate replacement
      - Cable TV office expansion
  - **Infrastructure Improvements, and**
    - Street Rehabilitation
    - Bike Infrastructure
    - New Sidewalk Construction
    - Traffic Calming
  - **Stormwater Management**

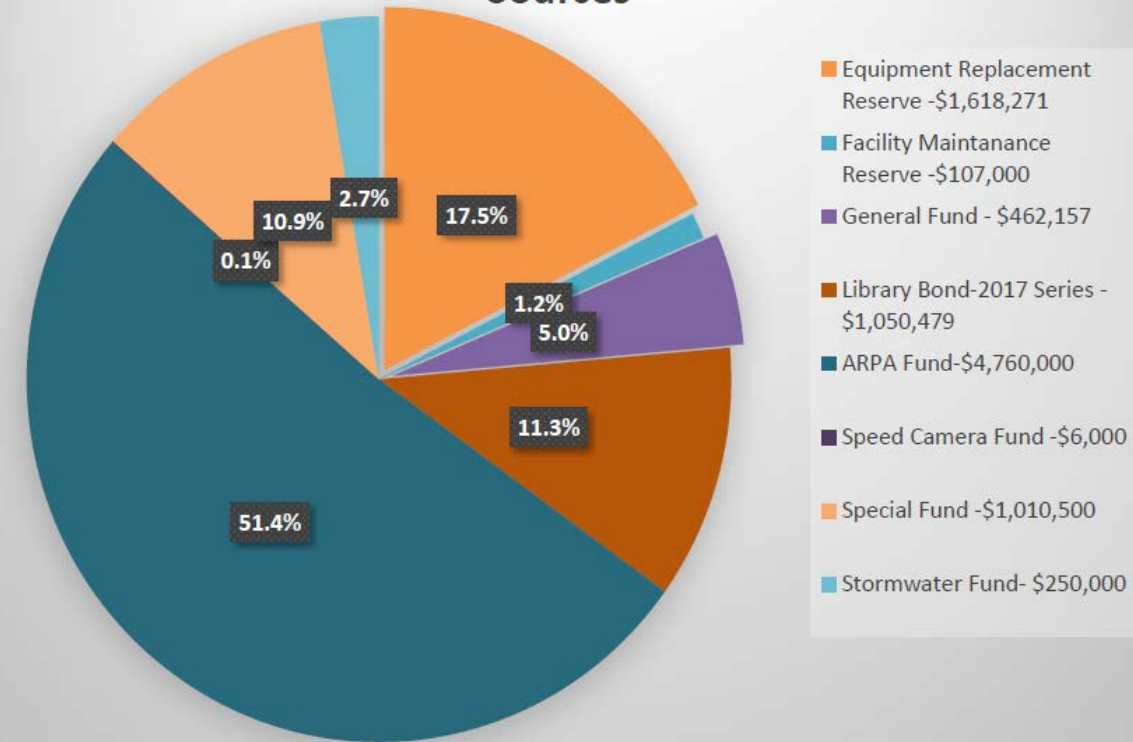


# Capital Improvement Budget by Source (p 236)

## FY24 Capital Improvement Project Funding Sources

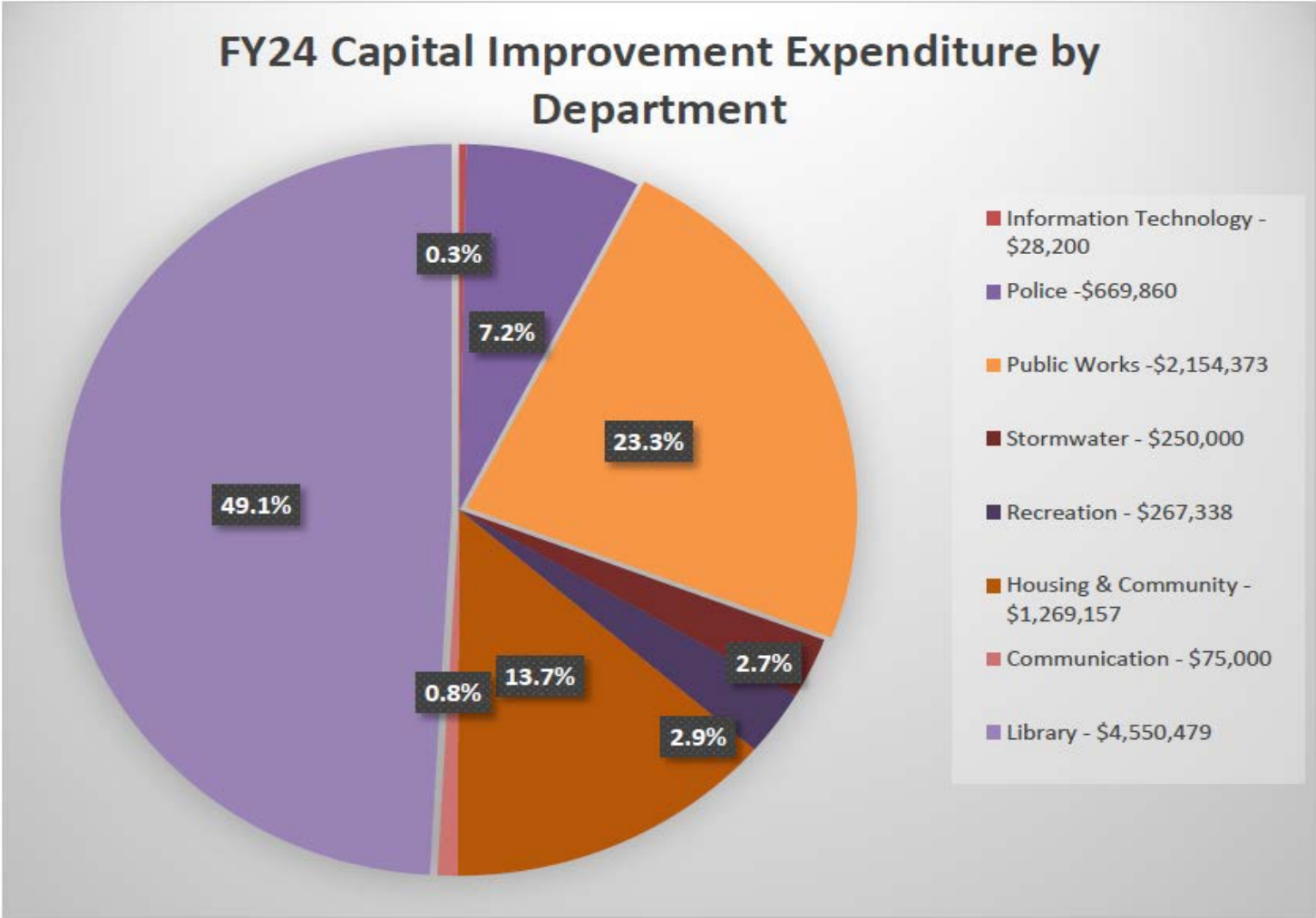
Fund	Amount
Equipment Replacement Reserve	\$ 1,618,271
Facility Maintenance Reserve	\$ 107,000
General Fund	\$ 462,157
Library Bond-2017 Series	\$ 1,050,479
ARPA Fund	\$ 4,760,000
Speed Camera Fund	\$ 6,000
Special Revenue Fund	\$ 1,010,500
Stormwater Fund	\$ 250,000
<b>Total Capital Budget</b>	<b>\$ 9,264,407</b>

## FY24 Capital Improvement Project Funding Sources





# Capital Improvement Budget by Expenditure (p 237)



City of Takoma Park  
FY24 Operations Budget Overview

# Legislative



- Accounts for the salary and fringe benefit costs for the seven members of the City Council and other expenses related to the activities of the Council.

# Department Operations -- Legislative

- **Total Revenues: No revenues generated by the department**
- **Total Expenditures: \$325,040**
  
- **Personnel Percentage: 70% of budget or \$228,925**
- **Operating Expense: \$96,115**



# Department Highlights – Legislative (p 54)

- Personnel costs increase by 9% in FY24 due to full implementation of City Council salary increase
- Largest operations budget item is Services and Charges at \$43,765
  - the legislative advocate contract cost of \$33,765
  - \$5,000 for language interpretation and translation
  - \$5,000 for Montgomery College scholarship program
- Conferences, trainings, and dues: \$20,000
- Stipend payments to boards, commissions and committee members: \$18,000



# City Manager's Office



- Provides oversight for daily operations
- Provides professional recommendations to City Council and Leadership of the City Government
- Carries out policies, programs, ordinances and resolutions
- Manages municipal services, departments, and positions
- Informs City Council of the City's financial position
- Prepares reports concerning affairs of the City

# Department Operations – City Manager (p 57)

- **Total Revenues: No revenues generated by the department**
- **Total Expenditures: \$872,850**
  
- **Personnel Percentage: 85% of budget or \$739,349**
- **Operating Expense: \$133,501**



# Department Highlights – City Manager (p 57)

- Total budget for FY24 is \$872,850 which is an increase of almost 10% compared to the projected amount for FY23
  - Includes personnel increase of 13% compared to projected budget FY23, it assumes filling existing vacancies
- Department FTEs remain unchanged
- Largest operating expense is Conferences, Training and Dues at \$80,000 followed by \$37,500 in Service and Charges
  - Services and charges decrease by \$14,624, or 28% compared to projected FY23
- Conferences, Training and Dues include City memberships to:
  - Maryland Municipal League
  - National League of Cities
  - Metropolitan Washington Council of Governments
  - International City Management Association (ICMA)





# City Clerk's Office



- Manages the preparation of Council meeting agendas and minutes
- Manages recruitment and appointment to Council appointed Boards and Committees
- Election Administrator for all City elections
- Manage and protect official City records
- Responds to resident inquiries including items made under the Maryland Public Information Act

# Department Operations – City Clerk (p 73)

- **Total Revenues: No revenues generated by the department**
- **Total Expenditures: \$364,443**
  
- **Personnel Percentage: 93% of the budget**
- **Operating Expenses: approximately \$26,000**



# Department Highlights - City Clerk (p73)

- Division expenditures \$3,818 which is a decrease of 1% compared to the projected amount for FY23
- Services and Charges are 5% of department's budget, this includes \$7,500 for software, \$3,500 for legal notice advertising, and \$5,000 for web hosting and updating the City Code
- Department FTEs remain unchanged
- FY24 will also focus on reviving the City's records management procedures



# Finance



- Allocates and tracks the City's financial resources
- Processes financial transactions and payroll
- Bills and collects certain revenue sources and provides assistance to taxpayers and other customers
- Safeguards and invests City funds
- Prepares internal and external reports

# Department Operations - Finance (p 60)

- **Total Revenues: No revenues generated by the department**
- **Total Expenditures: \$758,745**
  
- **Personnel Percentage: 79% of budget or \$599,000**
- **Operating Expenses: \$159,800**

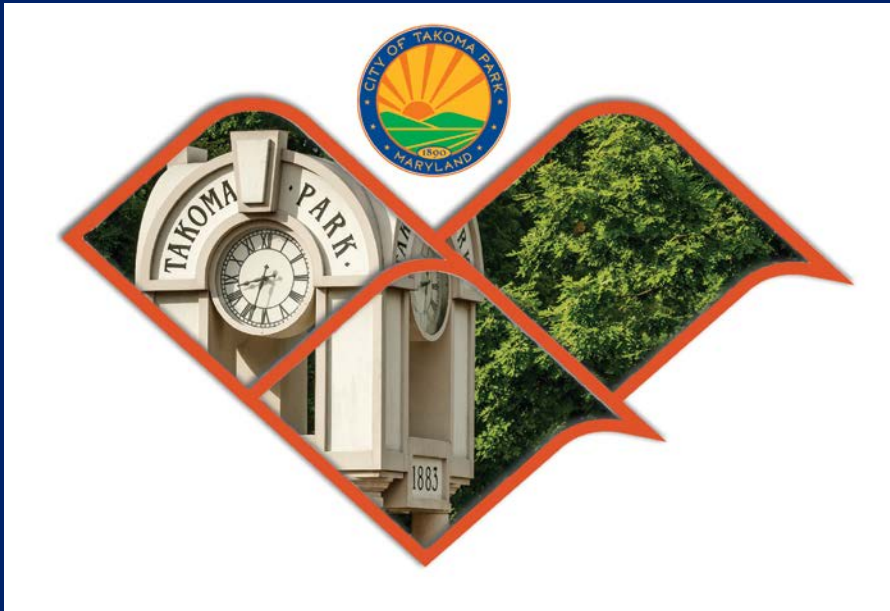


# Department Highlights – Finance (p 60)

- Division expenditures \$758,745 which is an increase of 2% compared to the projected amount for FY23
- Personnel costs are 79% of division expenditures
- Department FTEs remain unchanged
- Services and make up \$140,325 of the operating budget and include expenses for the City's annual audit (\$36,000), the City's financial software (\$52,000), and Montgomery County Property and Stormwater Billing (\$30,000)



# Human Resources



- Manages the employee life cycle
  - Recruitment and retention
  - Training
  - Compensation and benefits
  - Employee and labor relations
  - Legal Compliance
  - Risk Management
  - Implementation of DEI frameworks and practices

# Department Operations – Human Resources (p 70)

- **Total Revenues: No revenues generated by the department**
- **Total Expenditures:\$801,404**
  
- **Personnel Percentage: 63% of the budget or \$501,383**
- **Operating Expenses: \$300,000 or 44% of the budget**



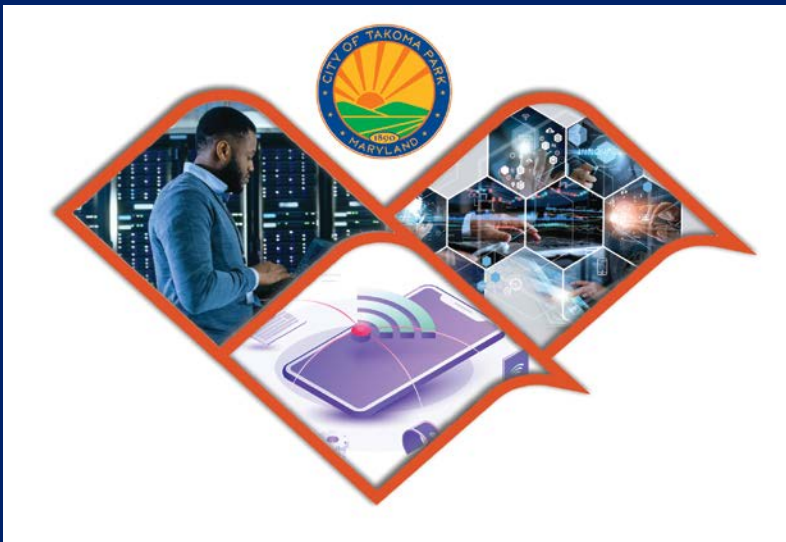


# Department Highlights – Human Resources (p 70)

- The \$300,000 in operating expenditures include:
  - \$63,000 for software including annual payment for HRIS system
  - \$100,000 for reclassification study
  - \$70,000 to hire City Manager (search & community engagement)
  - \$50,000 in general recruitment
  
- Department FTEs remain unchanged



# Information Systems (IT)



- Provides leadership and support for all City technical activities
- Manages computer and communication systems to assist City staff in achieving their departmental goals
- Supports automations, paperless operations and other green computing initiatives
- Maintains the City's Disaster Recovery Plan

# Department Operations – IT (p 67)

- **Total Revenues: No revenues generated by the department**
- **Total Expenditures: \$907,955**
  
- **Personnel Percentage: 61% of budget or \$549,455**
- **Operating Expenses: \$358,500**



# Department Highlights – IT (p 67)

- Division expenditures \$907,955 which is an increase of 10% compared to the projected amount for FY23
- Personnel costs increase 17% due to hiring for long standing vacancies
- The software budget, part of Services and Charges, totals approximately \$232,000 and includes software that supports all City departments
  - **Each department has its own software budget line for department software needs**



# Capital Improvement Project – IT (p 240)

## Information Technology

INFORMATION TECHNOLOGY	Fund	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Equipment & Software							
Door Security & ID Software	ERR	-	-	-	-	40,317	-
Surveillance for PW/REC/Heffner	ERR	-	-	-	-	47,038	-
Upgrade Network Switches and Router	ERR	-	-	53,000	-	99,061	-
Smartboards Refresh (Community Center & Public Works)	ERR	10,000	3,200	63,000	-	-	-
Enhanced Datacenter Security & Firewall	GF	10,000	25,000	-	-	-	-
Establish Cloud Virtual Site Infrastructure	GF	10,000	-	-	-	-	-
Servers Infrastructure	ERR	10,000	-	-	-	86,011	-
Government Services Financial Software	ERR	-	-	-	92,607	-	-
<b>TOTAL - INFORMATION TECHNOLOGY (\$)</b>		<b>40,000</b>	<b>28,200</b>	<b>116,000</b>	<b>92,607</b>	<b>272,427</b>	<b>-</b>

### Enhanced Datacenter Security and Firewall:

Security risks and vulnerabilities are ever evolving, so enhanced security hardware and software are required to maintain a secure IT infrastructure.

### Smartboard Refresh:

The Community Center and Public Works has several Smartboards for presentations and collaboration. These units are over six years old and frequently fail, they are no longer able to be maintained and need replacement.



# Communications and Media Department



- Uses media and technology to inform, educate, entertain, and engage residents while sharing items of public and cultural interest
- Divisions-
  - Communications
    - Oversee 12 unique communication touchpoints including:
      - City Website
      - Social Media Outlets
      - City Newsletter
  - Takoma Park City TV (government access cable channel)

# Department Operations – Comms and Media (p 89)

- **Total Revenues: FY24 expected to total \$490,000**
  - **In the form of Cable Franchise Fees and the Cable Operating Grants**
- **Total Expenditures: approximately \$820,000**
  
- **Personnel Percentage: 72% of the budget or \$591,846**
- **Operating Expenses: \$229,135**
  - **Included are: Newsletter production (\$120,000)**  
**Website expenses (\$65,350)**



# Department Highlights – Comms and Media (p 89)

- Total expenditures increase about 3% compared to the projected amount for FY23, mainly due to personnel costs and website maintenance
- Increase is partially offset by City Newsletter service charge decrease
- Department FTEs remain unchanged





# Capital Improvement Project – Comms and Media (p 252)

## Communications

COMMUNICATIONS	Fund	FY 23 Proj	FY 24	FY 25	FY 26	FY 27	FY 28
<b>Equipment &amp; Software</b>							
Auditorium Digital Video & Touch Panel System	SRF	-	-	-	5,000	-	-
Auditorium Camera System	SRF	-	-	120,000	-	-	-
Auditorium Hybrid Meeting AV Integration	SRF	20,000	-	-	-	-	-
Studio Lighting	SRF	9,000	-	-	-	-	-
Auditorium Lighting	SRF	24,000	-	-	-	-	-
Control Room Relocation	SRF	-	50,000	-	-	-	-
Sports Production	SRF	15,000	-	-	-	-	30,000
Wireless Video	SRF	15,000	-	-	-	-	-
Cable TV 13 Editing & Playback Servers	SRF	185,000	-	-	-	-	-
Remote Production	SRF	-	25,000	-	-	-	-
Control Room Switcher	SRF	15,000	-	-	-	-	-
Media Lab Equipment	SRF	-	-	60,476	-	-	-
<b>TOTAL - COMMUNICATIONS (\$)</b>		<b>283,000</b>	<b>75,000</b>	<b>180,476</b>	<b>5,000</b>	<b>-</b>	<b>30,000</b>

### Temporary Relocation and Remote Production:

The project involves the temporary relocation of the control room due to the library construction and includes funding to allow City TV to operate remote productions.



# Recreation Department



- Enhances the quality of life by developing and providing creative, diversified, and safe programs and services for all ages.
- Divisions:
  - Administration
  - Takoma Park Recreation Center
  - Community Programs
  - Athletic Fields/ Facilities
  - Camps
  - Before & After School Programs
  - Youth Outreach
  - Community Center

# Department Operations - Recreation (p 145-173)

- **Total Revenues: Generated from two primary sources-**
  - Takoma/Langley Recreation Agreement (\$85,020)
  - Program/Service Charges (\$444,500)
- **Total Expenditures: \$2.1 M**
  - Administration (\$628,000)
  - Takoma Park Recreation Center (\$259,000)
  - Community Programs (\$240,000)
  - Athletic Fields/ Facilities (\$91,700)
  - Camps (\$145,000)
  - Before & After School Programs (\$138,000)
  - Youth Outreach(\$195,000)
  - Community Center (\$461,000)
- **Personnel Percentage: 74% of the budget or \$1.6M**
- **Operating Expenses:\$551,755**



# Department Highlights – Recreation

(p 145-173)

- Department programs and services for FY24 include:
  - Youth Success and teen programming and special events (\$39,450)
  - Annual Egg Hunt, Monster Bash and Outdoor Movies, Winter Basketball League, Futsal League, and YES League (\$54,325)
  - Maintenance of Lee Jordan and Ed Wilhelm Fields (\$53,500)
  - Rental of Montgomery County School Facilities (\$34,000)
- Department FTEs decrease by 0.39 due to elimination of the part-time Recreation Specialist position
- Services and charges are 15% of department expenditures, these include costs for field maintenance, program instruction, and school facility rentals
- Program revenues expected to decrease by \$150,888, or 25%, due to reduced programming space as the Community Center and Library are being redeveloped



# Capital Improvement Project – Recreation (p 248)

## Recreation

RECREATION	Fund	FY 23 Proj	FY 24	FY 25	FY 26	FY 27	FY 28
<b>Vehicles</b>							
Recreation Bus Large	ERR	-	140,000	-	-	-	-
Recreation Bus (SAB)	ERR	-	120,000	-	-	-	-
<b>Equipment</b>							
Treadmills	ERR	-	7,338	-	-	-	-
Elliptical	ERR	6,600	-	-	-	-	-
Active Arcade Game - Game Room	ERR	-	-	-	7,000	-	-
<b>Other</b>							
Rec Programming Software – Active Network	ERR	-	-	-	60,000	-	-
<b>TOTAL - RECREATION (\$)</b>		<b>6,600</b>	<b>267,338</b>	<b>-</b>	<b>67,000</b>	<b>-</b>	<b>-</b>

### New Equipment:

Includes \$140,000 to replace the City's Large Bus, \$120,000 to replace the City's Small Bus, and \$7,338 to replace a treadmill at the Recreation Center.



# Next Steps



- ~~April 17: Budget Work Session - Operating~~
- April 19: Capital Improvement Program Budget & 1<sup>st</sup> Public Hearing
- April 24: ARPA Budget discussion
- April 26: Budget Work Session - Reconciliation
- May 1: Reconciliation Meeting and 2<sup>nd</sup> Public Hearing
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# Questions & Answers