



Takoma Park City Council Meeting – December 11, 2024

Agenda Item 3

Voting Session

FY26 Council Budget Priorities Resolution.

Recommended Council Action

Review, discuss, and adopt the FY26 Council Budget Priorities Resolution.

Context with Key Issues

Starting with the FY25 budget development process last year, the Council formally adopted a budget priorities resolution that sets collective goals and priorities, and formalizes guidance and expectations to the City Manager and staff. Over the next few months, the City Manager and staff will use this guidance document to assist in preparing a proposed budget to present to the Council and community this March.

Over the past two regular Council meetings, Council has received: the Annual Comprehensive Financial Report and Audit for Fiscal Year 2024, the Police Pension Plan Actuarial Valuation as of July 1, 2024, the City Manager's FY26 Budget Forecast, and results from the City-wide and Council-specific budget surveys.

Following the Council feedback received during Council's December 4th work session, the mayor and staff prepared the attached draft resolution. The resolution's form itself borrows largely from the version the prior Council adopted for FY25.

Council Priority

Fiscally Sustainable Government.

Environmental Considerations

Council's FY26 Budget Priorities Resolution will establish how the Council seeks to fund its priority towards an environmentally sustainable community and environmental considerations of other funding areas.

Fiscal Considerations

Council's FY26 Budget Priorities Resolution will establish how the Council seeks to fund its priority towards a fiscally sustainable government.

Racial Equity Considerations

Council's FY26 Budget Priorities Resolution will establish how the Council seeks to fund programs that contribute to a racially and economically equitable community and improve quality of life.

Attachments and Links

Council's FY25 Budget Priorities Resolution

Introduced by:

CITY OF TAKOMA PARK, MARYLAND

**RESOLUTION 2024-__
Resolution Adopting the Council FY2026 Budget Priorities**

WHEREAS, the Takoma Park City Council is charged with setting policy, approving the budget, and pursuing legislative changes that serve the best interests of the Takoma Park community; and

WHEREAS, the Council budget priorities adopted by this Resolution inform the development of the City Manager's recommended budget and, more generally, indicate the Council's strategic direction for the FY 2026 budget; and

WHEREAS, in Resolution 2024-38, the City Council adopted its FY 2026 Budget Calendar which directs the Council to establish FY 2026 budget priorities designed to identify priority projects for implementation and aid City staff during the budget development process; and

WHEREAS, City staff will provide the Council with cost estimates and assessments of the feasibility of implementing the aforementioned priorities during FY 2026 budget work sessions; and

WHEREAS, the Council may revisit the budget priorities as it deems necessary to make changes or adjustments; and

WHEREAS, the Council acknowledges that there are a number of major projects, initiatives, internal support functions, and ongoing activities which will take City funds to complete in addition to these FY 2026 budget priorities; and

WHEREAS, with this in mind and the City Council's commitment to advancing its goal of having a fiscally sustainable government, the City Council requests staff examine how these FY 2026 budget priorities might impact the overall budget.

NOW, THEREFORE, BE IT RESOLVED, that the City Council of Takoma Park hereby adopts the following FY2026 Budget Priorities:

- Continue to advance the City's housing efforts by updating and implementing housing policies (i.e., tenant advocacy, rent stabilization, supporting middle income housing and housing development);
- Continue to improve community safety, traffic calming, and bike/pedestrian safety;
- Continue planning for the replacement of the Takoma Park Recreation Center including identifying potential funding sources and partners.

BE IT FURTHER RESOLVED THAT the City Manager and staff prepare a recommended budget that incorporates, or presents cost-estimates for, Council Priorities within the following parameters:

- Continuity of current fiscal year City services;
- Maintains the adopted FY25 residential tax rate of 0.5522;
- Continue to explore alternative and additional revenue sources including the impact of modifications to the commercial property tax rate and the railroad and utility tax rate; and,
- Maintains an unassigned reserve balance above 17 percent of projected FY26 City revenues per the City's fund balance policy.

Adopted this day of December, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

Attest: