

CITY OF TAKOMA PARK

City Manager's Budget Presentation

April 3, 2024

FY2025 Proposed Budget

Presented by: Robert DiSpirito, City Manager

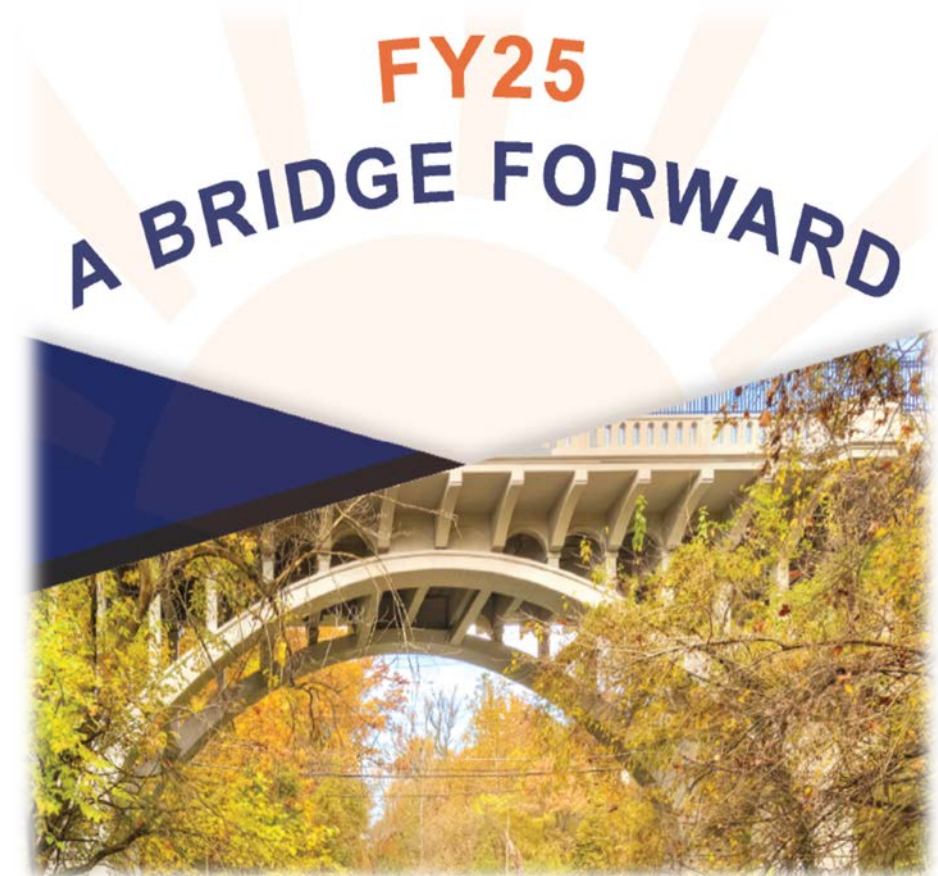


Agenda

- Introduction
- FY25 Proposed Budget Overview
- FY25 Challenges and Limitations
- FY25 Mayor and Council Budget Priorities
- FY25 Proposed Budget Highlights
- Future Budget Process Improvements
- Upcoming Budget Calendar

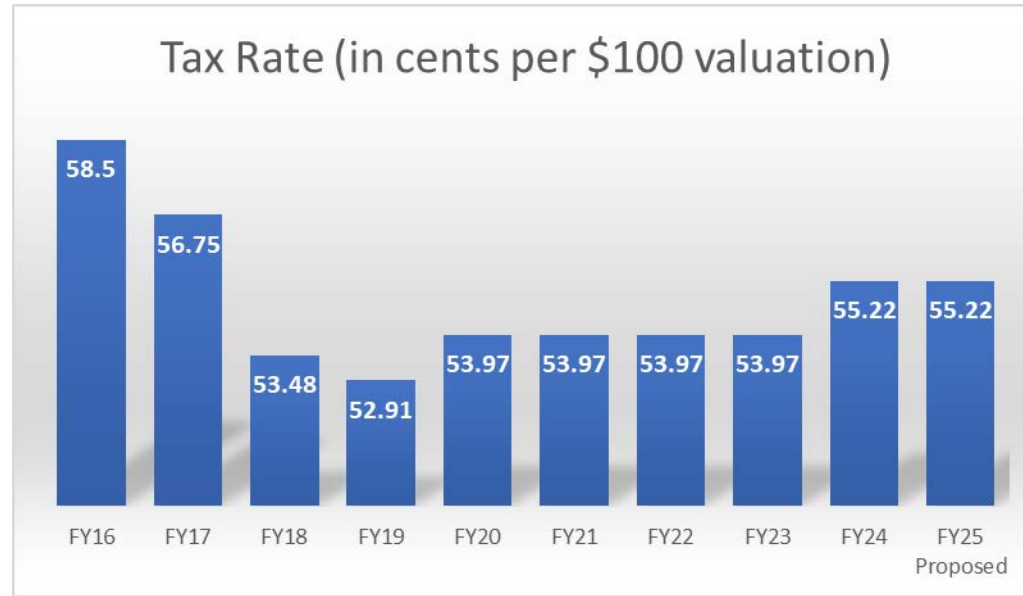
Introduction

- “A Bridge Forward”
 - Preserve Progress
 - Address Resident Needs and Desires
 - Imbed Racial and Social Equity into City Services and Decision Making Processes
 - Transition to a More Fiscally Sustainable Government
 - Continue to Build a Livable Community for All
- Contributions
 - City Council
 - City Staff
 - Susan Cheung, Finance Director
 - Ron Kawaley, Budget & Accounting Manager
 - Donna Wright, Communications Director
 - Department Directors
 - City Residents



FY2025 Proposed Budget Overview

Property Tax Rate



- FY2025 Proposed Tax Rate: 55.22 cents per \$100 of assessed value
 - No change from FY2024 tax rate
 - Total assessable real property tax base increase of ~\$109.9M or 3.84%
 - Total property tax revenue generated \$16.4M
 - Increase in property tax revenue of \$946,000 from FY2024
- Property taxes and utility fees represent % of City General Fund Revenues

FY2025 Proposed Budget Overview

- FY2025 Total Revenue: \$38.4M
- FY2025 Total Expenditures: \$42.6M
- The City's budget is composed of five primary funds:
 - General Fund
 - Stormwater Management Fund
 - Special Revenue Fund
 - Speed/Red Light Camera Fund
 - American Rescue Plan Act Fund

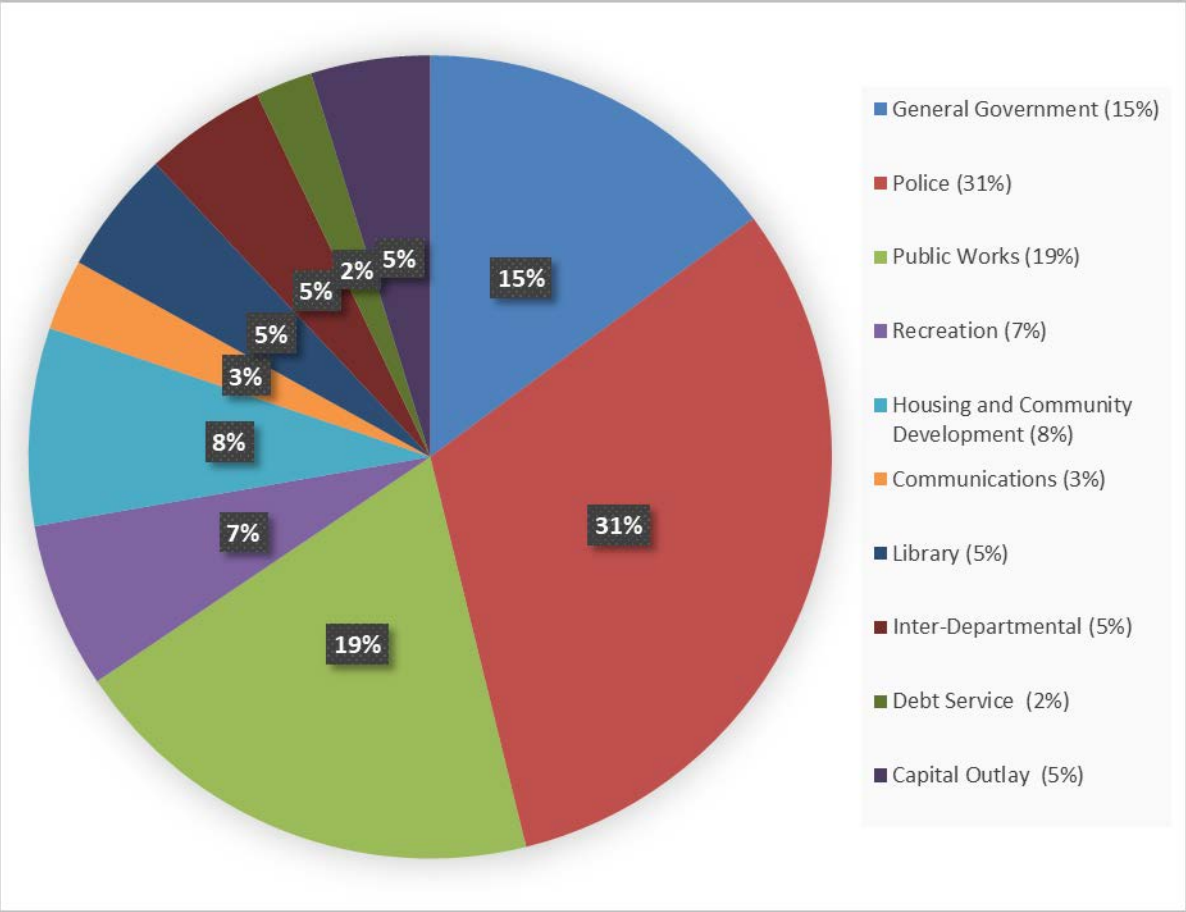
FY2025 Proposed Budget Overview

- The General Fund is the general operating fund of the City.
 - Total General Fund Revenue: \$30.59M
 - Total General Fund Expenditure: \$32.25M
 - Unassigned Reserve Balance: \$5.2M (17% per policy)
- Revenues exceed expenditures by \$1.6M (structural deficit).
 - Library Bond Reserve: \$207,000
 - Use of Unassigned Reserve: \$1.4M

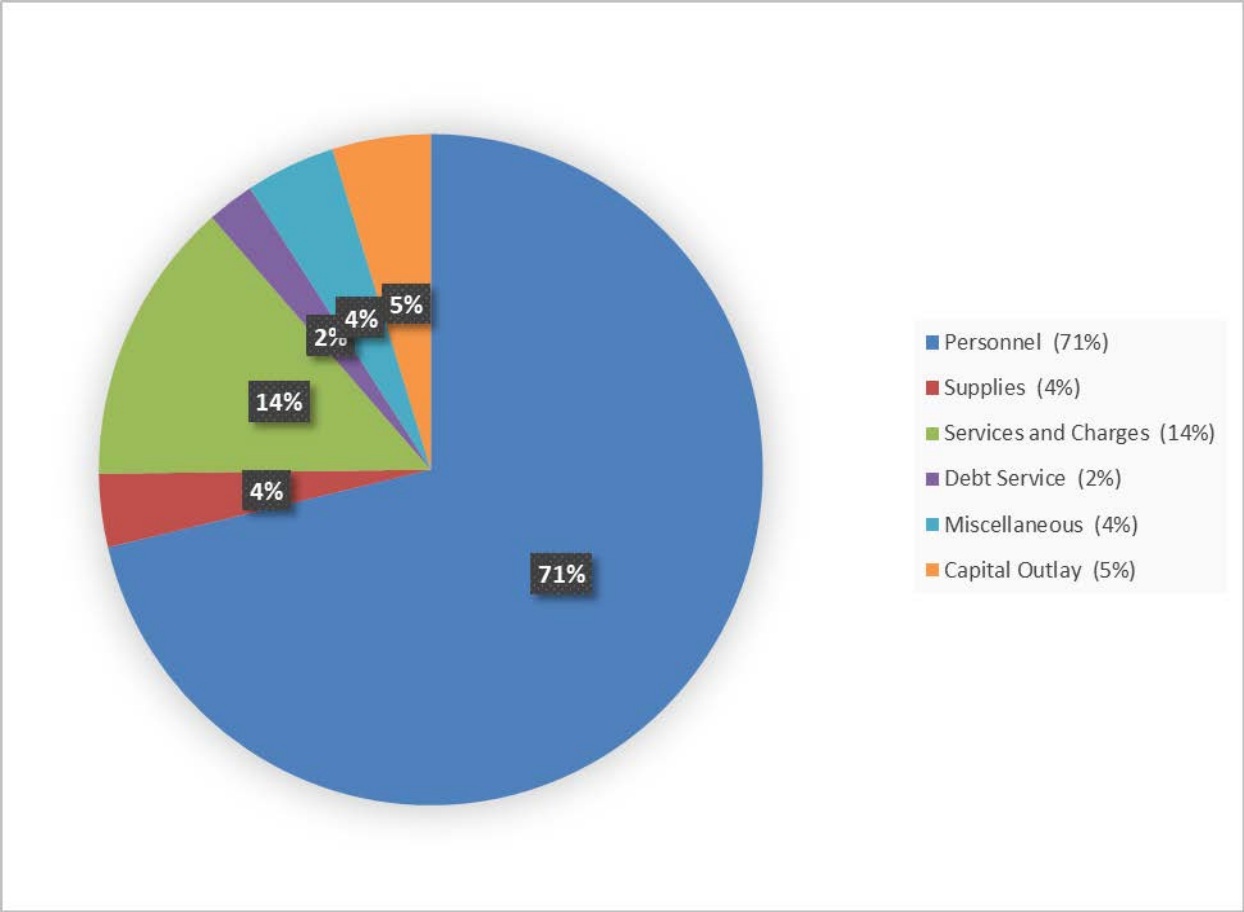
General Fund

FY2025 Proposed Budget Overview

FY25 General Fund Expenditure by Activity



FY25 General Fund Expenditure by Type



FY2025 Proposed Budget Overview

- Total ARPA Budget: \$17.5M
- Total FY2022 – FY2024 Expenditure: ~\$7.7M or 44%
- Total FY2025 ARPA Budget: \$2.44M
 - Ongoing programs funded through ARPA
 - Begin phasing-in ARPA programs with General Fund dollars
 - Begin phasing-out ARPA reliance for ongoing operational General Fund activities
 - Bridge funding for FY2025 (~50% reduction)
 - From \$1.2M in FY24, a total of \$625,000 for “ongoing” General Fund expenses funded through ARPA Fund
 - CIP Street Rehabilitation
 - CIP Sidewalk Design and Construction
 - Atrium Renovation
 - Food Insecurity
 - Community Connectors

ARPA Fund

FY2025 Proposed Budget Overview: Other Funds

Stormwater Fund

Purpose: Revenue and expenditure activity related to stormwater management.

Total Revenue: \$775K

Total Expenditure: \$779K

Project Highlights:

- Stormwater CIP Projects (3)
- Contract Maintenance
- Stormwater Repairs and Improvements

Special Revenue

Purpose: Revenue and expenditure attributed to grants.

Total Revenue: \$2.5M

Total Expenditure: \$5.3M

Project Highlights:

- Multifamily Building Improvements
- Pollinator Arboretum Improvements
- Met Branch Trail Final Design

Speed/ Red Light Cam

Purpose: Transactions related to speed and red light camera.

Total Revenue: \$1.93M

Total Expenditure: \$1.89M

Project Highlights:

- Traffic Study
- Transit Planner
- Traffic Calming Projects

FY2025 Proposed Budget Overview

- The City's Capital Improvement Program (CIP) covers six categories:
 - Equipment Replacement
 - Information and Communication Technology Improvements
 - Park Development
 - Infrastructure Improvements
 - Facility Improvements
 - Stormwater Management
- Total CIP Expense: \$7.4M
 - Special Revenue: \$4.2M
 - Equipment Replacement Reserve: \$1.1M
 - ARPA: \$1.1M
 - General Fund: \$436,000
 - Speed/Red Light: \$320,000
 - Stormwater Fund: \$230,000
- Equipment Replacement Reserve Contribution: \$900,000
 - Raftelis Recommendation: \$1M/year
 - FY2024 Contribution: \$550,000

FY2025 Challenges and Limitations

- Reduced ARPA Balance
- Higher than Average Inflation
 - January 2024: 3.1% (CPI)
 - February 2024: 3.2% (CPI)
- Reduced Funding (Tax Duplication, Cable TV, Speed Cam, Highway User Rev)
- Wage Increases
 - AFSCME: 4.5% to 6% adjustments (FY2025)
 - UFCW Local 400: 4.5% (FY2025)
 - Non-Represented: 4.5% (FY2025)(Based on Economic Cost Index)
- Constant FTE Level Over Recent Years

FY2025 Mayor and Council Budget Priorities

Mayor and Council passed a budget priorities resolution in December 2024 providing staff with guidance on the FY2025 budget.

Council
Budget
Priorities

Mayor and Council Budget Priorities

- Public Space Management Plan Implementation
- Community Navigator Program Implementation
- Change Traffic Calming Policies
- Conduct Traffic Study
- Incentivize Multifamily Rehabilitation
- Address Multifamily Property Management
- Implement LIDC Project
- Advance Recreation Center Development

FY2025 Budget Priority Incorporation

- PSMP (Anne Street Design): \$20,000
- Navigator Implementation: \$350,000
- Transit Planner: \$127,700
- Traffic Study: \$50,000
- Multifamily Rehab Program: \$250,000
- Tenant Opportunity to Purchase: \$500,000
- Landlord/Tenant Legal Assistance: \$20,000
- Rental Insurance Pilot Program: \$5,000
- LIDC Project (Garland & Davis): \$100,000
- Recreation Center: ~\$175,000 (FY2024)

FY2025 Budget Highlights

Social and Community Programs

- Emergency Rental Assistance (\$75,000)
- City Homeowner Tax Credit (\$142,000)
- Food Insecurity Program (\$70,000)
- Recreation Scholarships (\$150,000)
- Community Quality of Life Grant (\$50,000)
- Summer Enrichment Program (\$45,000)
- Tree Takoma (\$50,000)
- Energy Efficiency Rebates (\$185,000)

Infrastructure Projects

- Street Rehabilitation (\$525,000)
- Stormwater Capital Improvements (\$230,000)
- Street Light Upgrades and Maintenance (\$20,000)
- PSMP Implementation (\$20,000)
- Houston Court Biofiltration (\$91,000)
- Equipment Replacement Reserve Contribution (\$900,000)

Pedestrian Safety and Transportation

- Sidewalk Design and Construction (\$300,000)
- Met Branch Trail Project (\$425,000)
- Maple Ave Connectivity Project (\$240,000)
- New Hampshire Ave Bikeway (\$350,000)

Housing and Economic Development

- Library Renovation (\$3,220,000)
- Library Construction Contingency (\$600,000)
- Community Events Grant (\$60,000)
- Open for Business Grant (\$50,000)
- Housing Reserve Contribution (\$100,000)

Internal Operations

- Document Management Platform (\$222,200)
- Response to Increased Crime (\$150,000)
- Staff Appreciation and Engagement: (\$18,000)

Future Budget Process Improvements

- Budgeting Process to Begin in Fall 2024
- Expanded and Earlier Community and Council Engagement
- Predetermined Wage and Salary Data
- More Confidence in Annual Medical Insurance Rates

Upcoming Budget Calendar

- **Wednesday, April 3rd:** City Manager's Budget Presentation, General Government Presentation and ARPA Presentation
- **Wednesday, April 10th:** Public Hearing and Department Presentations (Public Works, Stormwater, Police)
- **Monday, April 15th:** Department Presentations (Library, Recreation, Communications and Housing & Community Development)
- **Wednesday, April 17th:** Budget Reconciliation
- **Wednesday, April 24th:** Budget Reconciliation
- **Monday, April 29th:** Final Budget Reconciliation
- **Wednesday, May 1st:** Council will not meet to provide budget prep time for staff.
- **Wednesday, May 8th:** Budget First Reading Ordinance
- **Wednesday, May 15th:** Budget Second Reading Ordinance

Questions?

CITY OF TAKOMA PARK



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Thank You!