



City of Takoma Park

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



City Council FY24 Budget
Questions-continued (5)

1. What grants are in the budget, both in HCD and others, including targeted grants such as Takoma Park Folk Festival. (Dyballa)

FY24 City Administered Grants		
City Manager's Office		
Program	Amount	Fund
Folk Festival	\$15,000	General Fund
July 4th Parade	\$20,000	General Fund
Housing and Community Development		
Program	Amount	Fund
Home Stretch	50,000	General Fund
Community Quality of Life	110,000	ARPA
Food Insecurity	90,000	ARPA
Emergency Assistance/ Rental Assistance	250,000	ARPA
Building Improvement	500,000	ARPA
Public Works		
Program	Amount	Fund
Energy Efficiency Grants- Commercial	50,000	General Fund
Energy Efficiency Low-Moderate Income Grants	25,000	General Fund
Energy Efficiency MF Grants	75,000	General Fund
Energy Efficiency Single Family Grants	10,000	General Fund

2. Where in the budget would I find funding that has historically been given to Lunch and Learn? I understand that in previous years it amounted to approximately 45K, and it is currently my impression that it is IN the budget, but I am not clear exactly where. (Honzak)

The Lunch and Learn program is usually monitored and executed by the Recreation Department. The program should be included in the Recreation Partnership Programs in the Inter-Departmental Section. The total budget is \$55,000 in FY24. In the Proposed Budget Book, the item is included on page 229.

 0001-9000-71750	Expe	Active	HCD-Partnership Programs	0.00	0.00	0.00
 0001-9000-71800	Expe	Active	Recreation-Partnership Programs	55,000.00	0.00	55,000.00
 0001-9000-71850	Expe	Active	PW-Grants	20,000.00	0.00	20,000.00
 0001-9000-72000	Expe	Active	Housina Fund Expenditure	50,000.00	0.00	50,000.00

3. Is the amount or type of funding different than in previous years? Please understand that I fully comprehend that these funds are not (necessarily) earmarked for Lunch and Learn and that the City rightfully has a grant application process that is open to the community. I just want to understand where I might find that kind of line item, if indeed it is still in the budget, and whether it is lumped together with any other similar funds such that it might be less likely for Lunch and Learn to get a similar amount as in prior years. (Honzak)

The \$55,000 represents \$45k for Lunch and Learn and \$10k for Community Play activities.

4. For the ER we are proposing to put in 50K this year, but we did not contribute anything last year, and the City policy says that since 1996, starting with a base of 250K, we should have increased the balance by the inflation rate each year. If we had done that, what level would those reserves be at this year? To what degree have we drawn from that fund in the last 5 years? (Honzak)

Please see below Section 804 Reserve Provisions of the City's Charter. In calculation of the ER year-end balance, staff will follow the instructions on the Charter and increase the balance by the prior year CPI rate. Please review the sample ER year end reserve calculation below. In FY22, the additional percentage increase was \$21,477.76 and the ending reserve balance is \$541,646.28. Staff will perform the process for the year end of FY23 in September.

Section 804 Reserve Provisions

(a) **Emergency Reserve.** A separate **reserve** shall be established to be used exclusively for **emergency** expenditures necessary for the health, safety or welfare of persons, or actions necessary to perform essential governmental functions, as determined and authorized by the Council by Specific ordinance. Such **Emergency Reserve** shall be no less than \$250,000 for Fiscal Year 1996, and each fiscal year thereafter shall increase by a percentage equal to the percentage increase in the Consumers Price Index for all Urban Consumers, Washington-Baltimore, DC-MD-VA-WV (November 1996=100) (CPI-U) or any replacement or successor index, from January of the second previous year to January of the prior year. The budget for each fiscal year shall include an amount necessary to maintain the **Emergency Reserve** at not less than \$250,000 for Fiscal Year 1996, plus a percentage increase each year equal to the percentage increase in the CPI-U, DC-MDVA- WV from January of the second previous year to January of the prior year.

Emergency Reserve		0001-20400		
6/30/2022				
Beginning Balance		520,168.52		
Percentage Increase* Rate @4.129		21,477.76		21,477.76
Ending Balance		541,646.28		
Per City Code Section 804(a)				
*CPI Rate January 20	266.433			
*CPI Rate January 19	262.304			
Increase	4.129			
Journal Entry JE 21-1023 Period 13				
0001-36100	Interest & Dividends		21,477.76	
0001-21000	Fund Balance		21,477.76	
0001-36150	Interest-Emergency Reserve			21,477.76
0001-20400	Emergency Reserve			21,477.76
FY 20 emergency reserve interest				

5. Concerning the Facility Maintenance Reserve, I see on p. 18 that we are proposing to withdraw 32K (gate) and 75K (IT and cable) for facility issues from a balance of 180,081, which I guess would leave us with less than 100K in that reserve? Are you concerned about not being able to replenish that reserve in this year's proposed budget, since we have averaged about 500K in that fund previously? (Honzak)

The Facility Maintenance Reserve is used to pay for special facility projects such as building rehabilitation, renovations and improvements. The City plans to transition to a system similar to the ERR for the facilities-related items that will need to be replaced cyclically. Such a system does not currently exist. Contributions to the reserve are based on availability of unassigned reserve funds and fund usage of the FMR. Projects are planned based on the availability of funding. Projects that require immediate attention would need to be funded by the General Fund if funding from the FMR is inadequate. There is currently no policy in place establishing a minimum or ideal balance for the FMR.

In FY23, the ending balance is projected to be \$287,081. With the reduction of the \$32K for the Public Works Gate and \$75K for the IT and Cable Renovation the balance at the end of FY24 would be \$180,081.

6. For the Housing Reserve, is it possible to draw 100K from the Housing Reserve, or is that funding totally restricted based on the Lee Ave purchase and the County reimbursement? (Honzak)

The use of the reserve fund is restricted based on criteria established by the Council and the Director of Housing and Community Development. It is not restricted to the Lee Ave Purchase and County Reimbursement. The reserve was originally established in 2017 by the Council for the purpose of meeting the housing affordability goals. In FY24, the City includes a budget of \$50,000 in the Housing Fund Expenditure in the General Fund. Any additional amount would increase the total expenditure of the General Fund.

7. Where is the "Contingency Account" in the budget (if in there, please tell me page no., thank you!), which I understand is supposed to have 120K in it as per our city policy? I see it in the policy but am not seeing it in the budget. (Honzak)

Please see below the description of General Contingency in the City Charter. The budget of general contingency is included in the Inter-Departmental Section of page 229. The amount set aside for the contingency in the Proposed Budget is \$146,674.. The amount will change if the total revenue of the General Fund is changed.

Section 803 Contingency Provisions

(a) The total of such proposed expenditures shall include a **general contingency** account which shall be not less than one-half of one percent (0.5%) of the total budget revenue of the City. The **general contingency** account shall be available only to meet extraordinary or unanticipated expenditures associated with programs in the Council approved budget.

Appendix:

(no items in this packet)