



Photo by Maurice Belanger

FISCAL YEAR 2017

Proposed Capital Budget • April 11, 2016

Fiscal Year 2017 Proposed Capital Budget

Agenda

- 1. Council Priorities**
- 2. Stormwater Management Fund**
- 3. Speed Camera Fund**
- 4. Special Revenue Funds**
- 5. General Fund**
 - a. Equipment Replacement Reserve**
 - b. Facilities Maintenance Reserve**
 - c. General Fund Capital Items**
- 6. Project Timing and Options for Bonding**
- 7. Budget Schedule**
- 8. Ethan Allen Gateway Streetscape Project**
- 9. Flower Avenue Green Street Project**



Council Priorities

Highlighted Capital Items Included in Budget

- **A Livable Community for All**

- Affordable housing study
- Assistance for lower income homeowners
- *Park improvements*
- *Library renovation design*
- *Sidewalk and road improvements*
- Major community events and arts programming

- **Fiscally Sustainable Government**

- Lobbying and communication efforts on tax duplication
- Contribution of **\$100,000** in addition to actuarially recommended amount for Police Employees' Retirement Plan



Council Priorities

Highlighted Capital Items Included in Budget

- **Environmentally Sustainable Government**
 - New Environmental Code Enforcement position
 - Continued education and incentive programs for Georgetown Energy Prize and Sustainable Energy Action Plan
 - *Low-impact stormwater management projects, including Flower Avenue Green Street project*
- **Engaged, Responsive, Service-oriented Government**
 - Community Survey (to help make improvements and as a base for police/community relations and future strategic planning effort)
 - Graphic work to help communicate key issues
- **Advance Economic Development Efforts**
 - Economic development study/plan
 - *Ethan Allen Gateway Project*



Stormwater Management Fund



Photos: Grant Avenue Bioretention features



Stormwater Management Fund

Stormwater Management Fund Projects for FY17

- **Takoma Branch Stream Restoration Design - \$100,000**
- **Devonshire & Glaizewood Bio-Retention - \$30,000**
- **Grant-funded item:**
 - Flower Avenue Green Street Bio-Retention - **\$168,750**
- **Also several projects not in CIP, including bio-retention project at Grant and Holly; additional drainage infrastructure at Kirklynn and Kennewick; stormdrain pipe realignment at Birch, Barclay and Cedar Avenues; as well as video inspection of 1/4 of inlet and pipe system, maintenance of existing bio-retention facilities and water quality testing**



Speed Camera Fund

Capital Expenditures for FY17

- **Field Radio Equipment - \$25,000**
- **Mobile Computers - \$14,800**



Special Revenue Funds

Special Revenue Fund Projects for FY17

- **Cable Capital Grant items:**
 - Auditorium and City TV equipment - **\$115,000**
- **Flower Avenue Green Street:**
 - TAP - **\$260,100**
 - Montgomery County - **\$200,000**
 - CDBG - **\$77,350**



Special Revenue Funds

Special Revenue Fund Projects for FY17

- **Ethan Allen Gateway Streetscape:**
 - MD Bikeway - **\$66,000**
 - TAP - **\$1,256,000**
- **Bikeshare Expansion (MD Bikeway) - \$100,000**
- **Lincoln Avenue Sidewalks (Safe Route to Schools) - \$395,000**
- **Sligo Mill Overlook Park Construction (POS) - \$250,000**



General Fund

- **Equipment Replacement Reserve**
- **Facilities Maintenance Reserve**
- **General Fund Capital Items**



General Fund

Equipment Replacement Reserve (ERR)

The ERR is a reserve fund with an associated list that specifies vehicles and large pieces of equipment that the City expects to replace. Funds are set aside each year so that we can afford to replace the items at the end of their expected lives.



General Fund

Equipment Replacement Reserve (ERR)

- A **\$100,000** dump truck is expected to last ten years. Each year **\$10,000** is contributed to the ERR so that **\$100,000** is available when replacement is needed.



Capital Budget

Equipment Replacement Reserve (ERR)

- The ERR spreadsheet is adjusted each year by removing items that were purchased, deducting the actual amounts spent, adjusting expected lives of the items, adjusting expected future costs, removing items that we may no longer need to replace (due to change in practice or technology), adding in new items, etc.
- The spreadsheet currently includes **150** items with expected lives from 3 to 30 years. Purchase prices range from **\$5,000** to **\$558,000**.



Capital Budget

Equipment Replacement Reserve (ERR)

- The Equipment Replacement Reserve Fund is expected to have a balance of **\$3,934,939** at the end of FY16, a contribution from the General Fund of **\$800,000** is budgeted for FY17, expenditures of **\$859,797** are expected in FY17, and the balance at the end of FY17 is expected to be **\$3,875,142**.
- Items to be purchased are listed in the CIP chart in the Proposed Budget. Items included for FY17 are:



Capital Budget

Equipment Replacement Reserve (ERR)

- 6 police vehicles
- 2 dump trucks
- Public Works equipment (leaf collection vacuums and leaf box, crackfilling machine, riding mower, and salt dome cover)
- Recreation equipment (elliptical fitness machine, basketball arcade game)
- IT equipment (door locking and video security equipment, two servers)
- Replacement of Community Center HVAC control system



Capital Budget

Equipment Replacement Reserve (ERR)

- **Expected ERR expenditures for the next five years are:**
 - FY17 **\$859,797**
 - FY18 **\$507,546**
 - FY19 **\$1,209,390**
 - FY20 **\$623,414**
 - FY21 **\$530,614**



Capital Budget

Facilities Maintenance Reserve (FMR)

- The Facilities Maintenance Reserve is to provide an ongoing fund for facilities maintenance. Policies for how it is to operate have not yet been defined. **\$250,000** was put into the fund for three years, from FY12 through FY14. No funds have been allocated to it since, but funds have been spent.
- For FY17, FMR funds are proposed to be allocated for:
 - Treating the concrete walkway and lower parking lot - **\$65,000**
 - Improving the sink and counters in the Community Center 2nd floor bathrooms - **\$10,000**
 - Replacing the floor coverings in the Azalea, Lilac and Rose Rooms - **\$16,000**
 - Renovating the Human Resources/HCD office area - **\$55,000**
 - Total Cost: **\$146,000**
 - Remainder in Fund: **\$407,177**

Note: Slide corrected after presentation



Capital Budget

General Fund Capital Items for FY17

- **On-going Items:**

- Street Rehabilitation - **\$500,000**
 - Tentative list of streets: Aspen Ave (Boyd to Lincoln), Aspen Ave/Ct (Sligo Creek Pkwy to dead end), Auburn Ave, Boston Ave (Takoma to Chicago), Cedar Ave, Columbia Ave (Sycamore to Hickory), Crescent Pl, Devonshire Rd, Fenton St, Greenwood Ave, Heather Alley, Winding Hill Way
- ADA Sidewalk Retrofit - **\$500,000**
 - Complete work in Ward 5 and Ward 1



Capital Budget

General Fund Capital Items for FY17

- **New Sidewalk Design/Construction/Traffic Calming - \$500,000**
 - Tentative list of projects: Design – Lincoln, Maple, Glenside, Larch; Construction, if approved – Lincoln
- **Street Light Upgrade - \$20,000**
- **Public Art - \$30,000**
- **Match to grants - \$20,000**



Capital Budget

General Fund Capital Items for FY17

- **Non-ongoing, small items (will add to ERR once purchased):**
 - Vehicle for Environmental Code Enforcement position - **\$25,000**
 - Surveillance Cameras for Public Works, New Hampshire Ave Recreation Center, and Heffner Park - **\$35,000**



Capital Budget

General Fund Capital Items for FY17

- **Major Non-Ongoing General Fund Capital Expenditures for FY17**
 - Flower Avenue Green Street Project
 - Funds to be Reimbursed by SHA - **\$168,875**
 - Ethan Allen Gateway Streetscape Project - **\$1,000,000**
 - (includes carryover of **\$759,000** from FY16 budget)
 - Police Space Detailed Design - **\$150,000**
 - Library Detailed Design and Engineering - **\$400,000**



Project Timing and Options for Bonding

4th Quarter FY16 (April - June, 2016)

- Hope to complete Colby Ave Playground and Dog Park; Dog Park may carry over into FY17
- Advertise bid for Ethan Allen Gateway Streetscape Project
- Finalize design for Flower Avenue Green Street Project
- Get consensus on Library concept design
- Start Sligo Mill Overlook Park project



Project Timing and Options for Bonding

1st Quarter FY 17 (July - September, 2016)

- Award contract for Ethan Allen Gateway Streetscape Project
- Finalize design, begin preparing bid package for Flower Avenue Green Street Project
- Begin Council/public review of concept design for Police Station/Atrium renovation project
- Review design of HR/HCD office renovation



Project Timing and Options for Bonding

2nd Quarter FY 17 (October - December, 2016)

- **Begin Ethan Allen Gateway Streetscape Project construction**
- **Advertise Bid for Flower Avenue Green Street Project**
- **Begin detailed design work on Library renovation**



Project Timing and Options for Bonding

3rd Quarter FY17 (January - March, 2017)

- Continue construction on Ethan Allen Gateway Streetscape Project
- Award contract for Flower Avenue Green Street Project construction



Project Timing and Options for Bonding

4th Quarter FY17 (April - June, 2017)

- Continue construction on Ethan Allen Gateway Streetscape Project
- Begin construction on Flower Avenue Green Street Project
- Complete Sligo Mill Park Overlook improvements
- Go to bid on Library renovation/expansion project



Project Timing and Options for Bonding

Possibility of Bonding

- **Borrowing money to pay for an expensive project over an extended period of time is an essential budgeting tool**
- **Bonding also allows those who benefit from the facility or improvement to help pay the cost of it**
- **Article VIII, Section 823 of the City Charter identifies parameters on borrowing**
- **Takoma Park has borrowed from the Maryland Local Government Loan Program and from banks; banks often have less flexible terms**
- **Example of impact: if \$2 million were borrowed for street work, could be paid over 5 years at annual cost of \$415,000 or over 10 years at annual cost of \$220,000**



Project Timing and Options for Bonding

City Charter Provisions on Borrowing

- Any proposed new indebtedness greater than 5% of that year's revenue shall be subject to a public hearing
- Strive to maintain average maturity of general obligation bonds at or below 20 years
- Strive to maintain net tax-supported debt at a level not to exceed 1% of the assessed valuation of taxable property in the City (1% = **\$20 million**)
- Strive to maintain annual tax-supported debt service costs at a level less than 15% of the combined expenditure budgets of the General and Special Revenue Funds (15% = **\$4.5 million**)
- Our current debt outstanding in FY17 is **\$2.3 million**
- Our current debt service in FY17 is **\$360,000**



General Fund

General Fund Money Needs

	July – Dec 2016	Jan – June 2017	July – Dec 2017	Jan – June 2018	July – Dec 2018	Jan – June 2019	July – Dec 2019	Jan – June 2020
	FY 17		FY 18		FY 19		FY 20	
Ethan Allen Gateway	\$130,000	\$540,000	\$130,000					
Flower Avenue		\$285,000	\$564,000	\$564,000				
Library Renovation	\$200,000	\$200,000	\$1,375,000	\$1,375,000	\$1,375,000	\$1,375,000		
Police Dept / Atrium		\$150,000				\$1,250,000	\$1,250,000	
Subtotal	\$330,000	\$1,175,000	\$2,069,000	\$1,939,000	\$1,375,000	\$2,625,000	\$1,250,000	\$0
With bonds	\$408,000	\$580,000	\$430,000	\$430,000	\$430,000	\$550,000	\$550,000	\$550,000
Heffner Bldg Renovation			\$60,000	\$150,000				
Public Works Ph 2					\$100,000		\$400,000	\$400,000
Takoma Junction Nbhd Comm Improv			\$150,000	\$70,000	\$250,000		\$450,000	



General Fund

General Fund Money Needs

- **Total for 4 fiscal years:**
 - Subtotal: **\$10,763,000**
 - Total: **\$12,968,000**
- **Total for 4 years with bonding:**
 - Subtotal: **\$3,928,000**
 - Total: **\$6,133,000**
- **Bonding for \$2 million in street projects for 5 years; \$208,000 every 6 months**
- **Bonding for \$5.5 million for the library for 15 years; \$222,000 every 6 months**
- **Bonding for \$3 million for the police station for 15 years; \$120,000 every 6 months**



Budget Schedule

- **Wednesday, April 6 – City Manager's Presentation**
- **Monday, April 11 – Budget Work Session on Capital Budget**
- **Wednesday, April 13 – Public Hearing**
- **Monday, April 18 – Budget Work Session on Programs Advancing Council Goals**
- **Monday, April 25 – Budget Work Session on Departmental and Non-Departmental Budgets; Budget Reconciliation Discussion**
- **Wednesday, April 27 – Public Hearing on Constant Yield Tax Rate and on Proposed Budget**
- **Wednesday, May 4 – Final Budget Reconciliation**
- **Wednesday, May 11 – First Reading of Budget Ordinances**
- **Wednesday, May 18 – Second Reading of Budget Ordinances**



Fiscal Year 2017 Proposed Budget Presentation

QUESTIONS?

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