

**CITY OF COLLEGE PARK, MARYLAND  
REGULAR COUNCIL MEETING AGENDA ITEM**



**AGENDA ITEM NUMBER 20-O-07**

**Prepared By:** Gary Fields,  
Director of Finance

**Meeting Date:** April 28, 2020

**Presented By:** Gary Fields,  
Director of Finance

**Consent Agenda:** No

**Originating Department:** Finance

**Action Requested:** Introduction of Budget Ordinance 20-O-07 - FY 2021 Operating Budget for the City of College Park.

**Strategic Plan Goal:** Goal 6: Excellent Services

**Background/Justification:**

Budget Ordinance 20-O-07, incorporating the FY2021 Proposed Budgets for the City's General Fund, Capital Projects Fund and Debt Service Fund is attached for introduction at the City Council meeting on April 28, 2020. It includes the changes from the March 28 budget worksession, provisions for impacts from the COVID-19 pandemic, and other changes recommended by the City Manager. A summary of those changes to the original proposed budget is also attached.

The total General Fund proposed budget, as originally presented in March, has been reduced by \$1.85 million (from \$23.32 million to \$21.47 million), primarily a result of providing for financial effects from the pandemic.

The effects of the COVID-19 pandemic on businesses, including local government are unknown. Trying to make projections is challenging. The widespread hits to various revenues and increased expenditures simply cannot be determined. However, based on a number of sources (MML, GFOA, and other local government experts), the City has attempted to do so. As evident on the attached Changes to FY2021 Proposed Budget, we have provided for over \$2 million of reduced revenue and additional contingency due to the pandemic to account for the financial loss to the City. The reductions are based on an assumption that business will be back to "normal" by the end of this fiscal year – June 30, 2020.

Many would argue that assumption may be too optimistic, and they might be right. However, to be too pessimistic at this time and provide for a worst-case (or worse-case) scenario could require drastic measures (depleting fund balance, reductions-in-force; tax rate increases) to balance the City's budget that are not necessary at this time. The City is very well positioned financially to absorb additional reductions if needed before implementing such extreme measures. Departmental expenses can be reduced, capital expenditures deferred, and the proposed transfer of \$1.16 million of excess fund balance to CIP in FY2021 can be reduced or eliminated.

The required public hearings on the proposed budget and the constant yield tax rate is scheduled for May 12, 2020. The City Charter (Sec. C10-3.D) requires that the budget be adopted by May 31 of the fiscal year currently ending. The budget is scheduled to be adopted at the May 26, 2020 City Council meeting.

**Fiscal Impact:**

The proposed budget provides authorization for FY 2021 municipal operations.

**Council Options:**

#1: Introduce Budget Ordinance 20-O-07 as attached.

#2: Make amendments to the proposed budget and then introduce the Ordinance as amended.

**Staff Recommendation:**

#1: Introduce the FY2021 Operating Budgets (Budget Ordinance 20-O-7) as attached.

**Recommended Motion:**

*I move to introduce Ordinance 20-O-07, an Ordinance of the Mayor and Council of the City of College Park, Maryland to adopt the Fiscal Year 2021 General Fund, Capital Projects Fund and Debt Service Fund budgets for the City of College Park.*

**Attachments:**

1. Ordinance 20-O-07, FY2021 Proposed Budgets.
2. Summary of Changes to the original proposed budget.
3. General Fund Budget Summary

**ORDINANCE 20-O-07**

**AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF  
COLLEGE PARK TO ADOPT THE FISCAL YEAR 2021  
GENERAL FUND, CAPITAL PROJECTS FUND AND DEBT SERVICE FUND  
BUDGETS OF THE CITY OF COLLEGE PARK**

BE IT ORDAINED, by the Mayor and Council of the City of College Park, Maryland, that the following sums and amounts are hereby appropriated for the fiscal year beginning July 1, 2020 and ending June 30, 2021, the said revenues being used to defray expenses and operations of the City of College Park in accordance with the following schedule:

General Fund

**Revenues**

General Property Taxes	\$ 10,652,792
Other Taxes	4,133,430
Licenses & Permits	1,075,600
Intergovernmental	373,772
Charges for Services	908,228
Fines & Fees	2,960,300
Miscellaneous Revenues	<u>250,390</u>

*Total Revenue* \$ 20,354,512

**Expenditures, Contingency & Operating Transfers**

General Government and Administration	\$ 4,812,661
Public Services	4,998,179
Planning, Community & Economic Development	951,426
Youth, Family & Senior Services	1,328,630
Public Works	6,184,731
Contingency	250,000
Interfund operating transfer to Debt Service Fund	900,700
Interfund operating transfer to Capital Projects Fund	<u>928,185</u>

*Total Expenditures, Contingency & Operating Transfer* \$ 20,354,512

**Excess Fund Balance (over 25% retention goal) transfer to  
the Capital Projects Fund**

\$ 1,116,628

Capital Projects Fund

**Revenues**

Funding sources other than General Fund	\$ 2,085,520
Interfund operating transfer from General Fund	928,185
Excess Fund Balance transfer from the General Fund	1,116,628
Reserves (Fund Balance)	<u>25,137,868</u>

*Total Revenues* \$ 29,268,201

**Expenditures**

Capital Outlay – Total Expenditures \$ 18,577,119

Debt Service Fund

**Revenues**

Highways & Streets	
Parking Meter Revenue	\$ 175,000
Fines	
Parking Fines Revenue	40,000
Interfund operating transfer from General Fund	900,700
Appropriated Fund Balance	<u>509,971</u>

*Total Revenues* \$ 1,625,671

**Expenditures**

Debt Service:

Principal (Parking Garage Bond)	\$ 415,000
Interest (Parking Garage Bond)	159,971
Principal (2019 Public Improvement Bond)	350,000
Interest (2019 Public Improvement Bond)	550,700
Principal (Community Legacy Loan)	<u>150,000</u>

*Total Expenditures* \$ 1,625,671

BE IT FURTHER ORDAINED that:

1. The tax levy be, and the same is hereby set at thirty-two and 5/10 cents (\$0.325) per one hundred dollars (\$100.00) of full value assessment on all taxable real property located within the corporate limits of the City of College Park;
2. The tax levy be, and the same is hereby set at eighty-three and 8/10 cents (\$0.838) per one hundred dollars (\$100.00) of full value assessment on all taxable personal property located within the corporate limits of the City of College Park;
3. In addition to the General Fund expenditures, contingency and operating transfers of \$20,354,512, the sum of \$1,116,628, representing the excess unassigned fund balance of the General Fund over the 25% retention goal, is transferred to the Capital Projects Fund;

4. The net speed enforcement camera revenues, after recovery of the costs of implementing and administering the program, are allocated solely for public safety purposes, including pedestrian safety programs;
5. The above listing of revenues and expenditures represents a summary of the detailed material contained in a document entitled “City of College Park Proposed Operating Budget for Fiscal Year 2021”, with amendments; said document and any amendments thereto are incorporated herein by this reference;
6. By adoption of this Ordinance, the FY2021 Pavement Management Plan and the FY2021 Pay Plan (including Job Class Table and Pay Table) contained in the FY2021 proposed operating budget with amendments, if any, are hereby adopted by this reference;
7. By adoption of this Ordinance, the City includes its employees in the Reformed Contributory Pension Plan of the Maryland State Retirement and Pension System (MSRP) and authorizes payment of retirement benefits into the said pension system, on the terms and conditions set forth in State law;
8. The Unrestricted Capital Projects Fund and Restricted Capital Projects Fund reserve accounts shall be re-appropriated as required in order to fund the projects included in the Capital Improvement Plan as adopted by this Ordinance;
9. The Capital Projects Fund Budget for Fiscal Year 2021 in the amount of \$18,577,119, as listed and described in the Capital Projects Fund section, and the Five-Year Capital Improvement Plan (CIP) for Fiscal Year 2021-2025, of the “Proposed Operating Budget for Fiscal Year 2021” with any amendments, are hereby adopted;
10. The Debt Service Fund is hereby budgeted for fiscal year 2021. The revenues retained in the Debt Service Fund will be used to offset debt service costs on the parking garage debt. The required debt service on the parking garage bond for FY2021 totaling \$574,971 and the Community Legacy loan of \$150,000 shall be paid from the accumulated reserves of the Fund. The required debt service for the 2019 Public Improvement Bonds (for new City Hall and Duvall Field renovations) totaling \$900,700 shall be paid from a transfer from the General Fund;
12. Personal property tax accounts delinquent for a period of ninety (90) days shall be assessed a \$100.00 late payment penalty;
13. Should any section of this Ordinance be determined to be invalid, such invalidity shall not affect any other sections; and
14. This Ordinance shall become effective on July 1, 2020.

**BE IT FURTHER ORDAINED AND ENACTED** by the Mayor and Council of the City of College Park that, upon formal introduction of this proposed Ordinance, which shall be by way of a motion duly seconded and without any further vote, the City Clerk shall distribute a copy to each Council member and shall maintain a reasonable number of copies in the office of the City Clerk and shall post at City Hall, to the official City website, to the City-maintained e-mail LISTSERV, and on the City cable channel, and if time permits, in any City newsletter, the proposed budget ordinance or a fair summary thereof together with a notice setting out the time and place for a public hearing thereon and for its consideration by the Council. The public hearing is hereby set for 7:30 P.M. on the 12<sup>th</sup> day of May, 2020. Due to the COVID-19 pandemic and following the order of Maryland Gov. Lawrence Hogan, Jr., this will be a virtual meeting. This public hearing follows the publication by at least seven (7) days. Notice was given to the public that the “City Manager’s Proposed Operating Budget for Fiscal Year 2021” was available for inspection by the public at least two (2) weeks before the public hearing, which will be held in connection with a regular Council meeting. All persons interested shall have an opportunity to be heard. After the hearing, the Council may adopt the proposed ordinance with or without amendments or reject it, without the need for further advertising or public hearings.

This Ordinance shall become effective on July 1, 2020 provided that, as soon as practicable after adoption, the City Clerk shall post a fair summary of the Ordinance and notice of its adoption at City Hall, to the official City website, to the City-maintained e-mail LISTSERV, on the City cable channel, and in any City newsletter. If any section, subsection, provision, sentence, clause, phrase or word of this Ordinance is for any reason held to be illegal or otherwise invalid by any court of competent jurisdiction, such invalidity shall be severable, and shall not affect or impair any remaining section, subsection, provision, sentence, clause, phrase or word included within this Ordinance, it being the intent of the City that the remainder of the Ordinance shall be and shall remain in full force and effect, valid and enforceable.

Introduced on the 28th day of April, 2020

Adopted on the \_\_\_\_\_ day of May, 2020

Effective on the 1st day of July, 2020

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Patrick L. Wojahn, Mayor

ATTEST:

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Janeen S. Miller, CMC, City Clerk

APPROVED AS TO FORM:

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Suellen M. Ferguson, City Attorney

Changes to FY 2021 Proposed Budget

	Estimated FY2020	Budget FY2021
Proposed Budget, Excess Rev over Exp	421,902	-
<b><u>COVID 19 related adjustments:</u></b>		
Revenue reduction:		
Personal Property Tax	-10.0% (100,000)	(100,000)
Income Tax	-5.0% (105,000)	(105,000)
Admissions and Amusement Tax	-10.0% (65,000)	(65,000)
Highway User Tax	-10.0% (62,477)	(63,715)
Hotel/Motel Tax	-30.0% (420,000)	(420,000)
Occupancy permits	-10.0% (80,000)	(80,000)
Parking meter revenue	-20.0% (56,000)	(55,000)
Garage paystation	-20.0% (14,000)	(14,000)
Garage parking - retail	(20,000)	(120,000)
Total COVID 19 related revenue reduction	(922,477)	(1,022,715)
Additional expenditures:		
Contingency (COVID 19 relief)	(100,000)	(150,000) <i>in addition to \$100k budgeted</i>
Net effect of COVID-19 adjustments	(1,022,477)	(1,172,715)
<b><u>Changes from Budget Worksession &amp; City Manager:</u></b>		
Increase for Meals on Wheels		(5,000)
Increase for Billing & Collections Supervisor reclassification		(11,003)
Decrease for Parking Enforcement - staff reduction (1.5 FTEs)		104,295
Increase for Economic Development Coordinator reclassification		(36,753)
Increase for Farmer's Market (Market Master contract)		(1,000)
Increase for DPW - Contract mowing		(1,500)
Net reduction in operating expenditures		49,039
Changes to the transfer from the General Fund to CIP:		
Increase for 2 Bus Shelters		(24,000)
Increase for "Welcome to College Park Sign"		(12,000)
Increase for basketball court behind Calvert Rd. School		(30,000)
Increase for additional sidewalk projects		(200,000)
Total increase in transfer to CIP		(266,000)
<b><u>To balance budget:</u></b>		
Reduce Gen. Fund Transfer to CIP for FY18 Excess F/B xfer (year 3)		1,225,000
Reduce General Fund transfer to CIP (Facilities Cap. Reserve)		164,676
Total decrease in transfer to CIP	-	1,389,676
Proposed Budget Excess Revenue over Exp., as Adjusted	(600,575)	-



# GENERAL FUND - SUMMARY

	FY 2018	FY 2019	FY 2020		FY 2021	Change in Budget	
	ACTUAL	ACTUAL	ADJUSTED BUDGET	Estimated FY Total	PROPOSED BUDGET	FY 20 to FY 21	
						\$	%
<b>Revenue:</b>							
General Property Taxes	\$ 9,410,533	\$ 9,924,320	\$ 10,013,063	\$ 9,898,040	\$ 10,652,792	\$ 639,729	6.4%
Other Taxes	4,366,574	4,700,948	4,616,057	4,122,292	4,133,430	(482,627)	-10.5%
Licenses & Permits	1,229,689	1,337,203	1,171,200	1,076,600	1,075,600	(95,600)	-8.2%
Intergovernmental Revenue	326,094	425,292	369,772	374,772	373,772	4,000	1.1%
Charges For Services	1,083,395	977,202	1,013,403	909,369	908,228	(105,175)	-10.4%
Fines & Fees	3,533,307	2,829,086	3,390,600	2,960,300	2,960,300	(430,300)	-12.7%
Miscellaneous Revenue	276,853	344,232	314,340	278,732	250,390	(63,950)	-20.3%
Transfer from Debt Service Fund	-	250,000	-	-	-	-	0.0%
Appropriated FB-Excess over 25% goal	-	-	-	-	1,116,628	1,116,628	-
<b>Total Revenue &amp; Other Funding Sources</b>	<b>20,226,445</b>	<b>20,788,283</b>	<b>20,888,435</b>	<b>19,620,105</b>	<b>21,471,140</b>	<b>582,705</b>	<b>2.8%</b>
<b>Expenditures:</b>							
<b>General Government &amp; Administration</b>							
Mayor & Council	674,834	661,806	794,938	767,674	743,304	(51,634)	-6.5%
City Manager	417,839	491,217	487,089	464,821	520,414	33,325	6.8%
City Clerk	302,997	350,717	369,591	363,961	371,354	1,763	0.5%
City Attorney	238,733	182,152	216,000	204,000	206,000	(10,000)	-4.6%
Finance	925,209	925,143	962,239	957,834	928,333	(33,906)	-3.5%
Human Resources	423,237	466,602	499,593	479,802	489,734	(9,859)	-2.0%
Communications & Special Events	239,134	222,403	468,410	393,903	527,912	59,502	12.7%
Information Technology	693,800	883,472	838,998	709,969	832,956	(6,042)	-0.7%
Non-Departmental Expenses	187,802	184,890	198,705	187,633	178,362	(20,343)	-10.2%
Board of Elections & Ethics Commission	33,920	5,123	72,533	71,566	14,292	(58,241)	-80.3%
<b>Total General Government &amp; Admin.</b>	<b>4,137,505</b>	<b>4,373,525</b>	<b>4,908,096</b>	<b>4,601,163</b>	<b>4,812,661</b>	<b>(95,434)</b>	<b>-1.9%</b>
<b>Public Services</b>	<b>4,395,802</b>	<b>4,709,017</b>	<b>5,277,978</b>	<b>5,189,559</b>	<b>4,998,179</b>	<b>(279,799)</b>	<b>-5.3%</b>
<b>Planning, Community &amp; Economic Development</b>	<b>693,467</b>	<b>788,652</b>	<b>995,299</b>	<b>855,062</b>	<b>951,426</b>	<b>(43,873)</b>	<b>-4.4%</b>
<b>Youth, Family &amp; Senior Services</b>	<b>1,069,630</b>	<b>1,252,421</b>	<b>1,311,826</b>	<b>1,343,334</b>	<b>1,328,630</b>	<b>16,804</b>	<b>1.3%</b>
<b>Public Works</b>	<b>5,303,693</b>	<b>5,514,172</b>	<b>6,270,286</b>	<b>5,826,326</b>	<b>6,184,731</b>	<b>(85,555)</b>	<b>-1.4%</b>
<b>Total Expenditures</b>	<b>15,600,097</b>	<b>16,637,787</b>	<b>18,763,485</b>	<b>17,815,443</b>	<b>18,275,627</b>	<b>(487,857)</b>	<b>-2.6%</b>
Transfer to Capital Proj. Fund - Current	3,108,495	2,692,781	2,024,951	2,050,376	928,185	(1,096,766)	-54.2%
Transfer to CP Fund - Excess f/b over 25%	4,900,000	-	-	-	1,116,628	1,116,628	-
Transfer to Debt Service Fund	559,394	-	-	254,861	900,700	900,700	-
Contingency	-	-	100,000	100,000	250,000	150,000	150.0%
<b>Total Expenditures, Transfers &amp; Contingency</b>	<b>24,167,986</b>	<b>19,330,568</b>	<b>20,888,436</b>	<b>20,220,680</b>	<b>21,471,140</b>	<b>582,705</b>	<b>2.8%</b>
<b>Excess Revenues over Expenditures</b>	<b>\$ (3,941,541)</b>	<b>\$ 1,457,715</b>	<b>\$ (0)</b>	<b>\$ (600,575)</b>	<b>\$ (0)</b>	<b>\$ (0)</b>	
<b>Changes in Nonspendable Fund Balance</b>	<b>25,677</b>	<b>(87,974)</b>					
<b>Unassigned Fund Balance:</b>							
Beginning of year	9,351,954	5,436,090		6,805,831			
End of year	\$ 5,436,090	\$ 6,805,831		\$ 6,205,256	\$ 5,088,628		F/B after excess transfer
As a % of subsequent year's exp.	33%	36%		34%	28%		