

# Special Session

<b>Agenda Item #</b>	4
<b>Meeting Date</b>	November 3, 2008
<b>Prepared By</b>	Barbara B. Matthews City Manager
<b>Approved By</b>	

<b>Discussion Item</b>	1st Reading Ordinance Regarding FY 2009 Budget Amendment No. 2
<b>Background</b>	<p>The FY 2009 budget was adopted by the City Council on June 9, 2008. Budget Amendment No. 1 was approved on October 13, 2008. Since its adoption, certain events have transpired that require further modification to the FY 2009 budget, as amended. These events are outlined below.</p> <p>The FY 2009 budget includes funding for the purchase of a new recycling truck. The current vehicle is being replaced sooner than the scheduled time due to the high rate of down time and maintenance costs associated with the current equipment.</p> <p>The City's assumed lifespan for most sanitation vehicles is 13 years. The recycling truck that will be replaced was purchased in 2000 for \$135,186. Based on the formula used to revise pricing for the Equipment Replacement Reserve, the projected replacement cost in nine years was \$176,387—the amount budgeted in FY 2009.</p> <p>The Public Works Department has reviewed procurement options for the new recycling truck. Staff has identified a cooperative bid out of Pennsylvania which many Maryland jurisdictions have utilized. The price for the new recycling truck would be \$249,542—or \$73,155 over the budgeted amount. The higher price is partially attributable to the fact that, as proposed, the City would purchase a split body, rear loading packing truck as opposed to the current side loading model.</p> <p>A budget amendment is required to allocate additional monies from the Equipment Replacement Reserve to address the higher cost of the recycling truck.</p> <p>In June 2008, the City retained Metropolitan Engineering to evaluate the existing air conditioning system in the original section of the third floor of the municipal building, which for unknown reasons does not provide adequate cooling for the occupants of the space. City offices in this area include Human Resources, Finance, Housing and Community Development, Information Systems, and Communications. As part of its contract with the City, Metropolitan Engineering also designed a supplemental system.</p> <p>Bids were solicited for the supplemental system designed by Metropolitan Engineering; the bid opening was held on October 13, 2008. The Public Works Department has recommended award of the bid to Emcor/Combustioneer Corporation, at a cost of \$113,000. In order to ensure that the space is adequately cooled next summer, the new cooling system needs to be installed this fiscal year.</p> <p>No funds were included in the FY 2009 budget for any modifications to the existing air conditioning system. In order to accommodate the expense, staff is recommending deferral of the purchase of the asphalt miller/paver (\$90,000). As proposed, the additional monies would be allocated from the General Contingency</p>

	Account (i.e., the Charter-required account whereby one-half of one percent of revenues is set aside as a general contingency account to cover unexpected operating expenses during the fiscal year). A budget amendment is required to allocate the monies from the General Contingency Account and to modify the Capital Improvement Program to include the air conditioning project.
<b>Policy</b>	The Code of the City of Takoma Park requires budget amendments to be approved by a two-reading ordinance.
<b>Fiscal Impact</b>	The Equipment Replacement Reserve would decrease by \$73,155. The amount of the General Contingency Account would decrease by \$23,000. Capital expenditures would increase by \$96,155.
<b>Attachments</b>	Proposed FY 2009 Budget Amendment Ordinance No. 2
<b>Recommendation</b>	Staff recommends that the City Council accept the proposed ordinance for first reading.
<b>Special Consideration</b>	

Introduced by:

First Reading:  
Second Reading:

**CITY OF TAKOMA PARK, MARYLAND  
ORDINANCE NO. 2008-**

**FY 2009 BUDGET AMENDMENT NO. 2**

- WHEREAS, the FY 2009 budget includes funding for the purchase of a new recycling truck due to the high rate of down time and maintenance costs associated with the current equipment; and,
- WHEREAS, the Public Works Department staff has reviewed procurement options for the new recycling truck and identified a cooperative bid out of Pennsylvania which many Maryland jurisdictions have utilized; and,
- WHEREAS, the price for the new recycling truck under said cooperative bid would be \$249,542 or \$73,155 over the budgeted amount; and,
- WHEREAS, a budget amendment is required to allocate additional monies from the Equipment Replacement Reserve to address the higher cost of the recycling truck; and,
- WHEREAS, In June 2008, the City retained Metropolitan Engineering to evaluate the existing air conditioning system in the original section of the third floor of the municipal building, which for unknown reasons does not provide adequate cooling for the occupants of the space; and,
- WHEREAS, as part of its work for the City, Metropolitan Engineering also designed a supplemental system to provide adequate cooling for this section of the building; and,
- WHEREAS, bids were solicited for the supplemental system designed by Metropolitan Engineering, and the Public Works Department has recommended award of the bid to Emcor/Combustioneer Corporation, at a cost of \$113,000; and,
- WHEREAS, in order to ensure that the space is adequately cooled next summer, the new cooling system needs to be installed this fiscal year; and,
- WHEREAS, no funds were included in the FY 2009 budget for any modifications to the existing air conditioning system; and,
- WHEREAS, in order to accommodate the expense of the modifications to the existing air conditioning system, staff has recommended deferral of the purchase of the asphalt miller/paver and the allocation of monies from the General Contingency Account; and,
- WHEREAS, a budget amendment is required to allocate the monies from the General Contingency Account and to modify the Capital Improvement Program to include the air conditioning project.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TAKOMA PARK, MARYLAND THAT:

SECTION 1. The Fiscal Year 2009 Budget is amended as follows:

**General Fund – Transfers**

1. Transfer \$23,000 from account 9000-7010, General Contingency, to account 9100-8000, Capital Expenditure.

**General Fund – Expenditures**

1. Appropriate \$73,155 from account 0001-2030, Equipment Replacement Reserve, to account 9100-8003, Capital Expenditure – Equipment Reserve.

SECTION 2. The City's Capital Improvement Program for FY 2009 shall be amended to reflect the aforementioned changes in the General Fund.

SECTION 3. This Ordinance shall become effective upon adoption.

Adopted this \_\_\_\_\_ day of November, 2008 by Roll Call vote as follows:

AYE:

NAY:

ABSTAIN:

ABSENT: