

# Fund Summaries

# All Funds Summary

This table offers an overview of all operating fund revenues that comprise the City's financial accounting system. A fund, the separate accounting entity created to track specific revenue and expenditure activity, is the basic component of governmental finance.

All Funds Revenues:	Actual FY04	Adopted FY05	Adopted FY06	Percent Change
Taxes	\$23,386,926	\$25,114,000	\$27,350,000	8.90%
Licenses, Permits, and Fees	2,131,411	2,011,500	2,142,540	6.51%
From Other Governments	13,366,981	13,745,322	15,195,482	10.55%
Charges for Services	19,129,157	22,425,844	21,484,456	-4.20%
Fines/Forfeitures	630,117	1,123,954	1,044,412	-7.08%
Use of Money and Property	895,490	920,685	942,807	2.40%
Other	5,335,223	6,204,206	6,312,554	1.75%
Appropriated Fund Balance <sup>(1)</sup>	<u>0</u>	<u>3,353,497</u>	<u>14,579,308</u>	<u>334.75%</u>
<b>Total Revenues</b>	<b><u>\$64,875,305</u></b>	<b><u>\$74,899,008</u></b>	<b><u>\$89,051,559</u></b>	<b><u>18.90%</u></b>

<sup>(1)</sup> In FY 2006, the City will pay off over \$12 million in short term debt that was used to help fund the Town Center project. Funding will come from the fund balance in the Debt Service Fund.

This table offers an overview of the operating fund expenditures that comprise the City's financial accounting system. A fund, the separate accounting entity created to track specific revenue and expenditure activity, is the basic component of governmental finance.

All Funds Expenditures:	Actual FY04	Adopted FY05	Adopted FY06	Percent Change
Salaries	28,044,285	29,930,383	30,954,982	3.42%
Benefits	6,855,465	7,970,833	8,846,479	10.99%
Overtime	<u>1,033,633</u>	<u>982,256</u>	<u>994,306</u>	<u>1.23%</u>
Personnel Subtotal	\$35,933,385	\$38,883,472	\$40,795,767	4.92%
Contractual Services	9,709,154	11,816,737	12,186,586	3.13%
Commodities	<u>4,451,155</u>	<u>5,310,653</u>	<u>5,559,649</u>	<u>4.69%</u>
Operating Subtotal	14,160,309	17,127,390	17,746,235	3.61%
Capital	604,915	990,272	889,155	-10.21%
Administrative Charges	1,293,327	1,382,127	1,423,592	3.00%
Other	3,897,808	3,948,132	4,143,731	4.95%
Cont. to CIP	1,299,000	1,185,496	1,607,286	35.58%
Addition to Fund Balance	0	2,356,914	563,581	-76.09%
Debt Service	<u>3,693,511</u>	<u>4,691,631</u>	<u>4,848,712</u>	<u>3.35%</u>
Subtotal	\$60,882,255	\$70,565,434	\$72,018,059	2.06%
Debt Service Fund <sup>(1)</sup>	<u>3,571,114</u>	<u>4,333,574</u>	<u>17,033,500</u>	<u>293.06%</u>
<b>Total</b>	<b><u>\$64,453,369</u></b>	<b><u>\$74,899,008</u></b>	<b><u>\$89,051,559</u></b>	<b><u>18.90%</u></b>

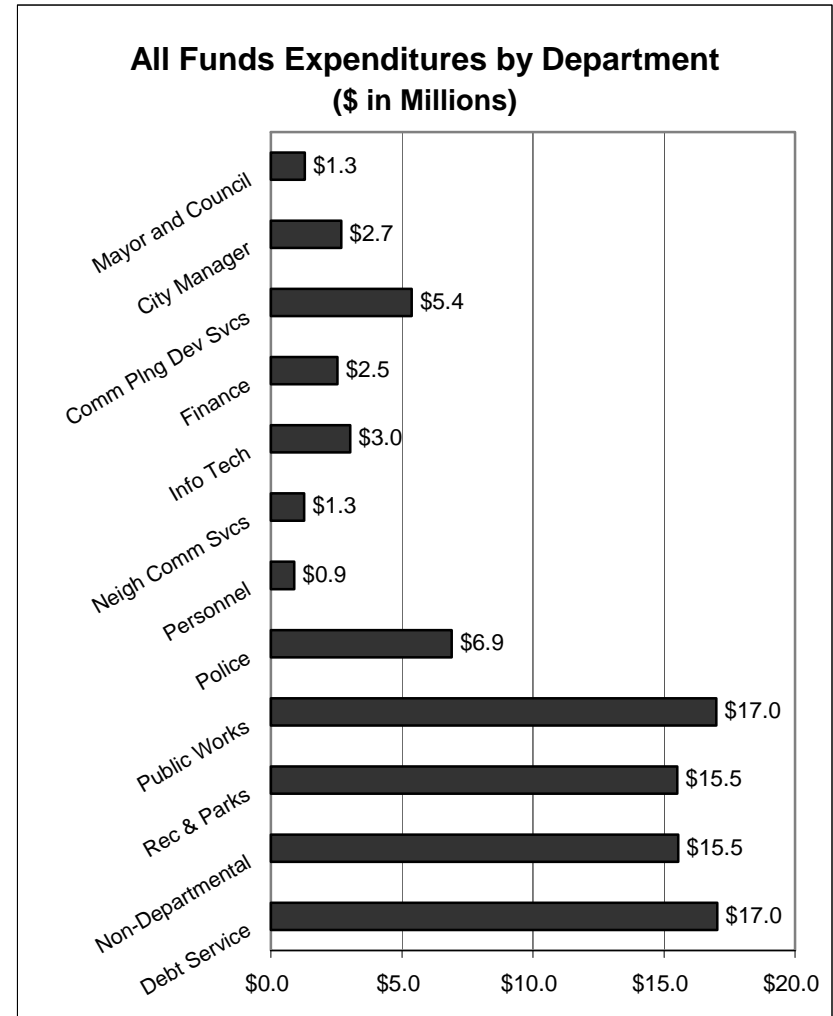
<sup>(1)</sup> The Debt Service Fund receives transfers from other funds to pay off general obligation bonds. Since these transfers are already counted as debt service expenditures in originating funds, there is essentially a double-counting effect when the Debt Service Fund records the same expenditures. For this reason, the Debt Service Fund is isolated. In FY 2006, the Debt Service Fund will pay off over \$12 million in short term debt that was used to help fund the Town Center project.

# All Funds Summary

The table below summarizes the budgets, by department, for all funds combined.

All Funds Expenditures by Department:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Mayor and Council	\$1,195,477	\$1,231,077	\$1,291,284	4.89%
City Manager	1,886,573	2,116,503	2,681,457	26.69%
Community Plan./Devel.	3,516,215	5,362,307	5,366,462	0.08%
Finance	2,213,944	2,448,380	2,536,544	3.60%
Information and Technology	2,727,430	2,892,593	3,022,634	4.50%
Community. Services.	1,996,735	2,161,967	1,273,446	-41.10%
Personnel	827,074	878,552	894,763	1.85%
Police	5,358,190	6,027,933	6,895,963	14.40%
Public Works	14,767,375	16,417,089	17,000,387	3.55%
Recreation and Parks	14,434,669	15,546,491	15,507,337	-0.25%
Non-Departmental	<u>11,958,573</u>	<u>15,482,542</u>	<u>15,547,782</u>	<u>0.42%</u>
Subtotal	\$60,882,255	\$70,565,434	72,108,059	2.19%
Debt Service Fund <sup>(1)</sup>	<u>3,571,114</u>	<u>4,333,574</u>	<u>17,033,500</u>	<u>293.06%</u>
Totals by Department	<u>\$64,453,369</u>	<u>\$74,899,008</u>	<u>89,051,559</u>	<u>18.90%</u>

<sup>(1)</sup> The Debt Service Fund receives transfers from other funds to pay off general obligation bonds. Since these transfers are already listed as Debt Service expenditures within originating funds, there is a double-counting effect when the Debt Service Fund records the same expenditures. For this reason, the Debt Service Fund is isolated. In FY 2006, the Fund will pay off over \$12 million in short term debt that was used to support the Town Center project.



# Statement of Projected Unreserved Equity in City Funds

The schedule below depicts the anticipated beginning and ending unreserved fund balance (or, in the case of an enterprise fund, net assets) for each of the City's eleven funds. Unreserved fund balance is the accumulated total of all prior years' actual revenues in excess of expenditures, commonly referred to as "surplus." These amounts have not been committed or "reserved" for encumbrances, self-insurance, or other purposes.

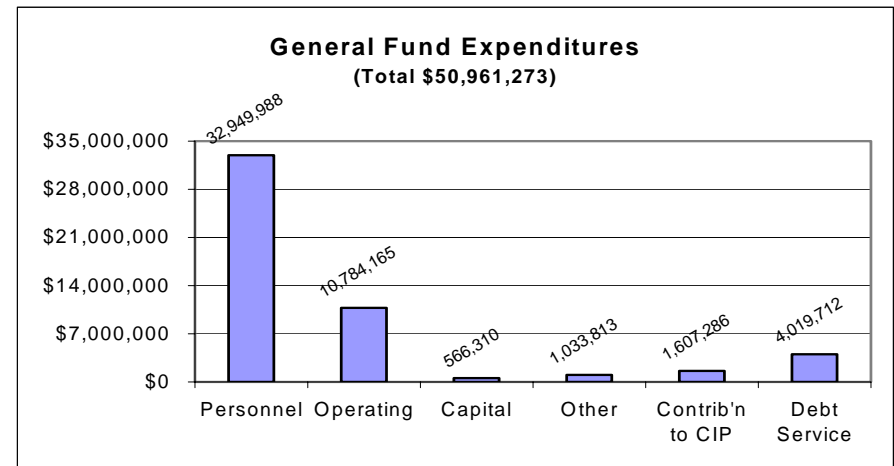
<b>Fund:</b>	<b>Projected Fund Balance June 30, 2005</b>	<b>Plus Projected Revenues FY 2006</b>	<b>Less Projected Expenditures FY 2006</b>	<b>Projected Fund Balance June 30, 2006</b>
General	\$13,972,500	\$50,961,273	\$50,961,273	\$13,972,500
Water	1,630,800	4,478,700	5,447,587	661,913
Sewer	1,162,000	6,058,932	5,563,011	1,657,921
Refuse	(231,500)	4,975,186	5,172,256	(428,570)
Parking	(173,200)	625,880	558,220	(105,540)
Stormwater Management	9,858,600	745,000	1,222,244	9,381,356
RedGate Golf Course	(380,800)	1,264,691	1,331,747	(447,856)
Special Activities	269,210	168,930	438,140	0
Comm. Development Block Grant	0	760,000	760,000	0
Debt Service	15,328,700	4,433,659	17,033,500	2,728,859
Capital Projects	(8,621,800)	55,424,586	36,844,533	9,958,253
<b>Grand Total</b>	<b><u>\$32,814,510</u></b>	<b><u>\$129,896,837</u></b>	<b><u>\$125,332,511</u></b>	<b><u>\$37,378,836</u></b>

# General Fund Expenditure Summary

The General Fund is the primary operating fund of the City and is used to account for the normal recurring activities. Many of the City administrative functions are supported through this fund. The major revenue sources for the General Fund are property taxes, income taxes, gasoline and motor vehicle taxes, tax duplication payments from Montgomery County, and charges or user fees for services.

Expenditures by Department:	Actual FY 2004	Adopted FY 2005	Adopted FY 2006	Percent Change
Mayor and Council	\$1,190,815	\$1,211,077	\$1,261,284	4.15%
City Manager	1,886,573	2,116,503	2,681,457	26.69%
Community Planning	3,103,502	4,589,425	4,471,462	-2.57%
Finance	1,550,282	1,604,872	1,722,106	7.30%
Information and Technology	2,727,430	2,892,593	3,022,634	4.50%
Community Services	1,967,969	2,073,287	1,198,228	-42.21%
Personnel	827,074	878,552	894,763	1.85%
Police	5,289,709	5,924,488	6,784,719	14.52%
Public Works	5,229,774	5,533,419	5,488,515	-0.81%
Recreation and Parks	13,314,272	14,046,642	14,125,146	0.56%
Non-Departmental	<u>6,768,455</u>	<u>8,065,187</u>	<u>9,310,960</u>	<u>15.45%</u>
Total	<u>\$43,855,855</u>	<u>\$48,936,045</u>	<u>\$50,961,273</u>	<u>4.14%</u>

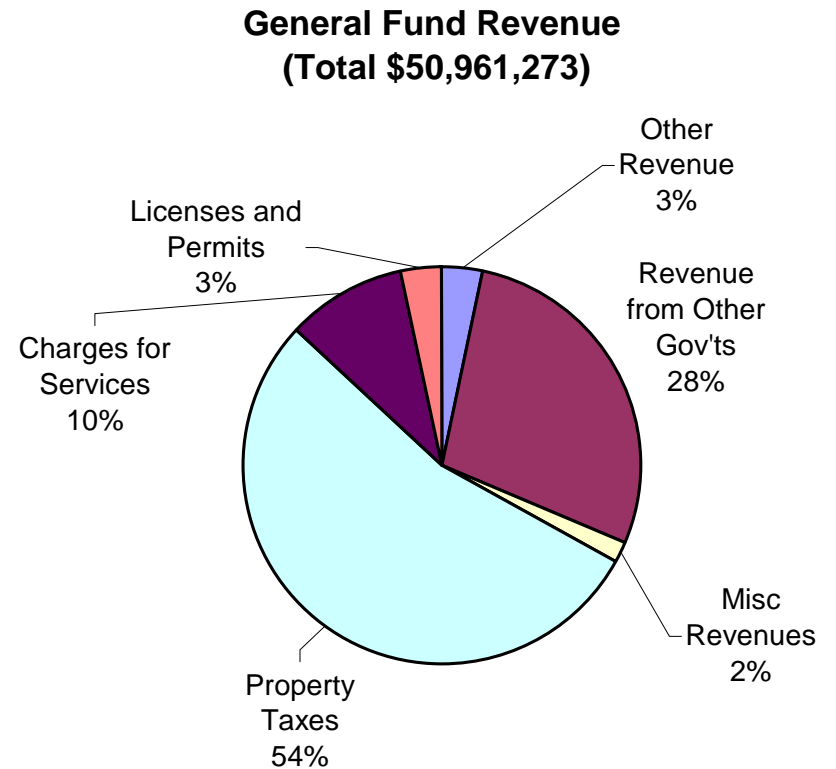
Expenditures by Type:	Actual FY 2004	Adopted FY 2005	Adopted FY 2006	Percent Change
Salaries	\$23,063,488	\$24,528,551	\$25,181,478	2.66%
Benefits	5,549,620	6,353,276	7,117,891	12.03%
Overtime	<u>723,965</u>	<u>647,235</u>	<u>650,619</u>	<u>0.52%</u>
Personnel Subtotal	29,337,103	31,529,062	32,949,988	4.51%
Contractual Services	5,448,238	7,093,312	6,920,726	-2.43%
Commodities	<u>3,314,711</u>	<u>3,837,962</u>	<u>3,863,439</u>	<u>0.66%</u>
Operating Subtotal	8,762,949	10,931,274	10,784,165	-1.35%
Capital	377,202	523,562	566,310	8.16%
Other	958,919	933,518	1,033,813	10.74%
Contribution to the CIP	1,299,000	1,185,496	1,607,286	35.58%
Debt Service	<u>3,120,683</u>	<u>3,833,133</u>	<u>4,019,712</u>	<u>4.87%</u>
Total	<u>\$43,855,855</u>	<u>\$48,936,045</u>	<u>\$50,961,273</u>	<u>4.14%</u>



# General Fund Revenue Summary

Total FY 2006 General Fund revenues are budgeted at \$50,961,273 a 7.1% percent increase over the FY 2005 budget, net of the appropriated fund balance. The chart below compares revenues by source from FY 2004 – FY 2006. The pages that follow provide detailed information on the City's major General Fund revenue sources and comparative data by source for all General Fund revenue.

General Fund Revenues:	Actual FY 2004	Adopted FY 2005	Adopted FY 2006	Percent Change
Property Taxes	\$23,386,926	\$25,114,000	\$27,350,000	8.90%
Licenses and Permits	1,699,367	1,811,500	1,742,540	-3.81%
Revenue from Other Governments	12,721,082	12,785,622	14,218,014	11.20%
Charges for Services	4,860,966	5,221,144	4,981,427	-4.59%
Fines and Forfeitures	285,253	610,000	636,000	4.26%
Use of Money and Property	232,439	290,900	300,200	3.20%
Other Revenue	1,694,473	1,768,333	1,733,092	-1.99%
Appropriated Fund Balance	<u>0</u>	<u>1,334,546</u>	<u>0</u>	<u>-100.00%</u>
Total	<u>\$44,880,506</u>	<u>\$48,936,045</u>	<u>\$50,961,273</u>	<u>4.14%</u>



# General Fund Revenues, Detail of Major Revenue Sources

## Property Taxes – General

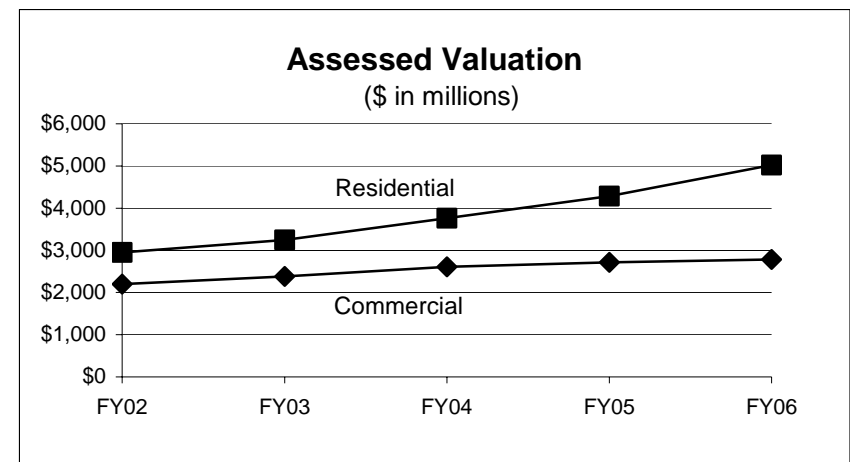
This category of revenue consists of taxes on the assessed value of real estate (including land and structures on the land) and taxes on the assessed value of personal property (inventory, furniture, and fixtures of business establishments). The tax rate is the amount levied per \$100 of assessed value, as determined by the State of Maryland Department of Assessments and Taxation. The Mayor and Council establish the tax rate each year in order to finance General Fund activities. In FY 2005, property taxes are budgeted to constitute 53 percent of the City's General Fund budget, net of appropriated fund balance.

The assessable base of all taxable property fluctuates because of changes to the fair cash value of the existing base or because of the addition of new residential or commercial properties. The current projected increase in the tax base is fueled by a combination of development activities and reassessments of existing property.

## Real Property Tax

The City of Rockville's Adopted real property tax rate for FY 2006 remains unchanged at 32.2 cents per \$100 of assessed value. The State Department of Assessments and Taxation (SDAT) reassesses real property every three years, and tax bills are based on those assessments. For homeowners, any increase to assessed value is phased in equally over a three-year period, and the resulting increase in the property tax bill is capped at ten percent. In FY 2006, real property taxes are anticipated to constitute 48 percent of the General Fund budget.

In Maryland law, the constant yield tax rate is defined as the property tax rate that would yield the same tax revenue as the previous year, not including new construction. When assessments increase and the tax rate remains unchanged, property tax revenue increases. The constant yield rate is the rate that would offset the increase in tax revenue that results from the increase in assessed value. For FY 2006, the constant yield rate is calculated to be 30.0 cents per \$100 of assessed value, or 2.2 cents below the adopted property tax rate. The difference equates to \$1.7 million in property tax revenue resulting from increased home values. In accordance with Maryland law, the constant yield rate was advertised and hearings were held prior to adoption of the budget.



### Assumptions:

The FY 2006 budget for taxes on real property is based on the following information sources and assumptions:

- The calculation of the assessed value begins with an estimate prepared by SDAT of the assessed value of all real property that will be on the tax rolls as of the beginning of FY 2006, based on assessments conducted as of January 1, 2005.
- The City adds its estimate of the value of residential and commercial development that would be completed and assessed during the remainder of FY 2004 and throughout FY 2005.
- The revenue estimate is based on multiplying the assessed value by the tax rate, taking into consideration when during the year the tax on new property is levied, the impact of appeals and late payments, and the possibility of less than anticipated growth.

### Assessed Value <sup>(1)</sup> of Real Property and Percent Change, FY 2000 – FY 2006:

FY 2000 Estimate <sup>(2)</sup>	\$4,603,057,145	5.21%
FY 2001 Actual	\$4,881,473,288	6.05%
FY 2002 Actual	\$5,365,409,658	9.91%
FY 2003 Actual	\$5,921,959,542	10.37%
FY 2004 Actual	\$6,312,353,479	6.59%
FY 2005 Estimate	\$7,142,637,787	13.16%
FY 2006 Budget	\$7,806,060,950	9.28%

<sup>(1)</sup> This table shows assessed value as billed, which is limited by exemptions, the three-year phase-in, and the homestead tax credit, or ten percent cap on increases.

<sup>(2)</sup> The FY 2000 information was not provided by Montgomery County as a result of the implementation of a new billing system

# General Fund Revenues, Detail of Major Revenue Sources

## Personal Property Tax

The City of Rockville's Adopted FY 2006 Personal Property tax rate remains unchanged at 80.5 cents per \$100 of assessed value, or 2.5 times the real property tax rate. In accordance with Maryland law, the personal property tax only applies to businesses. In FY 2006, personal property taxes are budgeted to constitute five percent of the City's General Fund budget.

Assessed Value of Personal Property and Percent Change, FY 2000 – FY 2006		
FY 2000 Estimate <sup>(1)</sup>	\$411,871,570	0.64%
FY 2001 Actual	\$431,263,580	4.71%
FY 2002 Actual	\$475,731,730	10.31%
FY 2003 Actual	\$471,400,091	-0.91%
FY 2004 Actual	\$405,552,350	-13.97%
FY 2005 Estimate	\$397,500,000	-1.98%
FY 2006 Budget	\$370,000,000	-6.92%

<sup>(1)</sup> The FY 2000 information was not provided by Montgomery County as a result of the implementation of a new tax billing system.

### Assumptions:

The projection is based on an estimate of FY 2005 assessments from SDAT. In recent years, a general weakening in business investment has resulted in a declining personal property tax base, which is affected by depreciation. Additionally, the City of Rockville is home to several technology companies, which own equipment that depreciates more rapidly than that of most other businesses. The impact of appeals, late payments, and the collection rate is taken into consideration in the estimate.

## Income Tax

This category of revenue consists of the City's share of income taxes received by the State of Maryland for returns filed from Rockville. Revenue from income tax payments increased substantially between FY 1997 and FY 2001, as the result of employment growth, population growth, and growth in income from capital gains. In FY 2006, income taxes are budgeted to constitute 13 percent of the City's General Fund budget. The income tax is the second largest source of revenue to the General Fund, and is expected to equal about 25 percent of the property tax in FY 2006.

Maryland counties are able to impose an income tax that is separate from the State income tax. Municipalities receive only a portion of the county tax collected within the municipality; the remainder goes to the county. As a result, the income tax constitutes a significantly higher percentage of Montgomery County's General Fund revenue.

Income Tax Revenue History and Percent Change, FY 2000 – FY 2006		
FY 2000 Adjusted <sup>(1)</sup>	\$5,466,540	6.39%
FY 2001 Adjusted <sup>(1)</sup>	\$6,358,239	16.31%
FY 2002 Actual	\$6,468,570	1.74%
FY 2003 Actual	\$6,281,463	-2.89%
FY 2004 Actual <sup>(2)</sup>	\$7,019,049	11.74%
FY 2005 Estimate	\$6,456,175	-8.02%
FY 2006 Budget	\$6,750,000	4.55%

<sup>(1)</sup> Actual revenue in FY 2000 was \$4,867,201 as the result of a significant shift in the number of late filers; additional revenue from late filers in the amount of \$599,339 was received in September 2000. Actual revenue in FY 2001 was \$6,957,578 before adjustment for the prior year's late filers.

<sup>(2)</sup> FY 2004 actual revenue was high due to a change in State administrative procedures that resulted in a one-time distribution of additional funds to localities.

### Assumptions:

The FY 2006 budget includes a 4.55 percent increase in estimated tax revenue compared to the budget for FY 2005. Actual revenue received in recent years reflects a weaker stock market, which manifests itself in substantially lower income from capital gains. Income tax paid on capital gains was a major factor in the increases to this revenue source in the late 1990s and is most volatile portion of the revenue stream. On the positive side, Montgomery County's income tax rate was increased by 3.4 percent effective January 1, 2004.

# General Fund Revenues, Detail of Major Revenue Sources

## Revenue By Source: Property Taxes

The combined property tax receipts for FY 2006 are expected to amount to \$27,350,000, which is 8.90 percent more than the budget for FY 2005. Detailed information on property tax revenue is provided on the preceding pages.

Property Taxes:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Real Property –</b> Revenues from taxes on assessed value of real estate including land, structures, and improvements.	\$20,248,076	\$21,894,000	\$24,330,000	11.13%
<b>Personal Property-Corporations –</b> Revenue from taxes on assessed valuation of inventory, furnishings, and fixtures of incorporated businesses.	2,929,981	3,100,000	2,900,000	-6.45%
<b>Personal Property-Unincorporated Businesses –</b> Revenue from taxes on assessed valuation of inventory, furnishings, and fixtures of unincorporated businesses.	36,155	35,000	35,000	0.00%
<b>Interest on Taxes –</b> Interest paid on delinquent taxes.	172,714	85,000	85,000	0.00%
<b>Total Property Taxes</b>	<u>\$23,386,926</u>	<u>\$25,114,000</u>	<u>\$27,350,000</u>	<u>8.90%</u>

## Revenue By Source: Licenses and Permits

Building permit receipts have declined substantially from the levels received in FY 2004 and prior years as the result of a decrease in development activity. The FY 2006 budget is based on estimated development activity during the fiscal year.

Licenses and Permits:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Traders Licenses –</b> Fees collected from local businesses by the State and returned to the City.	\$102,280	\$91,000	\$100,000	9.89%
<b>Building Permits –</b> Revenue from permits issued for building construction/electrical work, plumbing, sewer, water, and gas connections.	1,179,738	1,325,000	1,100,000	-16.98%
<b>Rental Licenses –</b> Licensing fee for the annual unit inspection of single-family dwellings.	328,468	286,500	442,540	54.46%
<b>Landlord and Tenant Fees –</b> One-time revenue from permits issued to landlords for residential rentals.	1,560	13,000	0	-100.00%
<b>Animal Licenses –</b> Revenue from the sale of dog and cat licenses to dog and cat owners within the City.	12,196	21,000	17,000	-19.05%
<b>Other Non-Business Licenses –</b> Revenue from the issuance of local licenses and permits not elsewhere classified.	<u>75,125</u>	<u>75,000</u>	<u>83,000</u>	<u>10.67%</u>
<b>Total Licenses and Permits</b>	<u>\$1,699,367</u>	<u>\$1,811,500</u>	<u>\$1,742,540</u>	<u>-3.81%</u>

# General Fund Revenues, Detail of Major Revenue Sources

## Revenue By Source: Revenue From Other Governments

A discussion of projected income tax receipts is provided on the preceding pages. Revenues from gasoline and motor vehicle taxes were reduced by the State in both FY 2004 and FY 2005. The tax duplication increase is the result of substantially higher road maintenance costs in FY 2004.

Revenue From Other Governments:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Police Protection Grants –</b> City's share of State and federal funds for police protection.	\$594,440	\$565,000	\$562,075	-0.52%
<b>State Grants –</b> State funds for a Victims Advocate and for Homeland Security efforts under the Maryland Emergency Management Agency.	0	0	28,742	N/A
<b>County Grants –</b> Linkages to Learning.	1,700	0	181,575	N/A
<b>Youth and Family Services Grants –</b> County and State payments to support Youth Services programs.	281,819	283,390	101,815	-64.07%
<b>Recreation Grants –</b> Grants from the State and corporations for various recreation programs including Senior Center grants.	44,819	37,985	30,995	10.72%
<b>Income Taxes –</b> City's share of income tax received by the State for returns filed from Rockville.	7,019,649	6,456,175	6,750,000	4.55%
<b>Gasoline and Motor Vehicle Taxes –</b> City's share of gasoline tax and vehicle registrations collected by the State.	1,991,434	2,158,695	3,000,000	38.97%

Revenue From Other Governments:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Admissions and Amusements Receipts –</b> Taxes on admissions are returned to municipalities by the State on the basis of the amount collected.	1,023,395	1,139,912	985,000	-13.59%
<b>Tax Duplication Rebate –</b> Revenue sharing from the County as a partial reimbursement to municipalities for tax duplication.	1,259,511	1,698,450	2,131,797	25.51%
<b>Traffic Signal Maintenance Fees –</b> Reimbursement from the State for maintenance of traffic signals in the city limits of Rockville.	4,710	5,000	5,000	0.00%
<b>Cable Franchise Fees –</b> City's share of Montgomery County's cable franchise fee, plus County cable operating grant.	486,340	427,750	427,750	0.00%
<b>Payment in Lieu of Taxes –</b> Revenue received from Montgomery County in lieu of financial corporation taxes.	<u>13,265</u>	<u>13,265</u>	<u>13,265</u>	<u>0.00%</u>
Total Revenue-Other Governments	<u>\$12,721,082</u>	<u>12,785,622</u>	<u>\$14,218,014</u>	<u>11.20%</u>

# General Fund Revenues, Detail of Major Revenue Sources

## Charges for Services

Public Works permit fees decreased beginning in FY 2003 due to the completion of major new development projects in the City. Fire Review and Safety fees are expected to decrease due to a decline in development. Special Event Fees will continue to decrease in FY 2006 due to the postponement of events held in the Town Center as a result of the Town Square redevelopment. Recreation membership fees have increased as the result of a major cost recovery analysis completed in FY 2004.

Charges for Services:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Zoning Fees –</b> Charges for services relating to zoning such as map enhancements, text amendments, and use permits.	\$132,608	\$160,000	\$135,000	-15.63%
<b>Community Support-Police –</b> Charges for community requests for police services at community/neighborhood events.	56,678	50,000	52,016	4.03%
<b>Sale of Materials –</b> Revenue from City publications or souvenirs.	6,464	15,400	15,400	0.00%
<b>Sale of Land –</b> Revenue received from the sale of land.	0	0	0	N/A
<b>Fire Safety Fees –</b> Revenue from fire inspection and permits.	149,033	144,000	120,000	-16.67%
<b>Fire Review Fees –</b> Revenue from fire codes plans review.	44,923	25,000	36,000	44.00%
<b>Public Works Permits –</b> Fees paid by private contractors for design review and inspection services for work within rights-of-way.	297,171	350,000	200,000	-42.86%

Charges for Services:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Swim Team Dues –</b> Fees paid for the RMSC swim team.	165,907	150,000	206,000	37.33%
<b>Rec. Membership Fees –</b> Fees paid for memberships to recreation and swim centers.	513,000	511,460	549,660	7.47%
<b>Recreation and Parks Concessions –</b> Revenue received from concessions at City facilities.	3,124	3,200	6,000	87.50%
<b>Facility Rental Fees –</b> Revenue received from the rental of City facilities.	492,477	587,312	575,907	-1.94%
<b>Recreation Program Fees –</b> Revenues from fees for various recreation programs and classes.	2,316,208	2,452,533	2,352,743	-4.46%
<b>Social Services Fees –</b> Social services fees at the Senior Center.	24,021	26,130	27,813	6.44%
<b>Special Events Fees –</b> Corporate sponsorship of City events.	41,486	25,000	20,000	-20.00%
<b>Rec. Theme Park Tickets –</b> Revenue from sale of tickets to area theme parks through the Maryland Recreation and Parks Association.	119,683	152,000	140,000	-7.89%
<b>F. Scott Fitzgerald Theatre Tickets –</b> Revenue received from theatre ticket sales.	300,977	303,945	309,050	1.68%

# General Fund Revenues, Detail of Major Revenue Sources

Charges for Services:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Internal City Use of Facilities –</b>				
Revenue received from the use of City facilities by City programs and events.	0	22,164	19,838	-10.49%
<b>Pool Merchandise Sales –</b>				
Revenue received from merchandise sold at the Swim Center.	2,942	3,000	3,000	0.00%
<b>Pool Admission Charges–</b>				
Revenue received from admissions to the Swim Center.	<u>194,245</u>	<u>240,000</u>	<u>213,000</u>	<u>-11.25%</u>
			<u>\$4,981,427</u>	
Total Charges for Services	<u>\$4,860,966</u>	<u>\$5,221,144</u>		<u>-4.77%</u>

## **Fines and Forfeitures**

In FY 2003, revenue received from fines for red light infractions was added to the General Fund. Any net revenue from this program is contributed to the CIP to fund transportation and pedestrian improvements.

Fines and Forfeitures:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Municipal Infractions –</b>				
Revenues received from fines for municipal infractions.	\$22,496	\$10,000	\$27,000	170.00%
<b>Red Light Camera Revenue –</b>				
Revenue received from fines for red light infractions.	256,817	600,000	600,000	0.00%
<b>Confiscated Funds –</b>				
Items seized by City Police during commission of a crime.	<u>5,940</u>	<u>0</u>	<u>9,000</u>	<u>N/A</u>
Total Fines and Forfeitures	<u>\$285,253</u>	<u>\$610,000</u>	<u>\$636,000</u>	<u>4.26%</u>

## **Use of Money and Property**

For the category of interest income, the City of Rockville generally estimates using a rate of five percent. Because of the persistence of extremely low rates, the FY 2006 budget reflects a rate of three percent.

Use of Money and Property:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Interest Income –</b>				
Interest received from the investment of City funds.	\$118,006	\$150,000	\$160,000	6.67%
<b>Returned Check Fee -</b>	285	0	200	N/A
<b>Land Rental –</b>				
Revenue from telecommunications companies for monopoles on City-owned property.	108,388	110,900	110,000	-0.81%
<b>Building Rental –</b>				
Revenue from the rental of City-owned buildings located on the King Farm.	<u>5,760</u>	<u>30,000</u>	<u>30,000</u>	<u>0.00%</u>
Total Use of Money and Property	<u>\$232,439</u>	<u>\$290,900</u>	<u>\$300,200</u>	<u>3.20%</u>

# General Fund Revenues, Detail of Major Revenue Sources

## Other Revenue/Internal Service Charges

Proceeds from the auction of used vehicles vary from year to year depending primarily on the number of vehicles being replaced. This same fluctuation pattern is evident for other miscellaneous revenues. This revenue category also includes charges to enterprise funds for centrally budgeted administrative costs. Each Fund pays for its share of the costs through a transfer into the General Fund.

Other Revenue:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Community Contribution –</b> Contributions from individuals and groups in the community to sponsor specific programs.	\$51,202	\$144,006	\$80,500	-44.10%
<b>Other Grant Revenue –</b> Mid-year anticipated grant revenue (undesignated).	0	20,000	20,000	0.00%
<b>Sale of Vehicles –</b> Proceeds from the vehicle auction.	62,103	40,000	60,000	50.00%
<b>Miscellaneous Revenues –</b> Other revenues not categorized elsewhere.	287,841	178,200	147,000	-17.51%
<b>Recreation Fees (Swim)</b>	<u>0</u>	<u>4,000</u>	<u>2,000</u>	<u>-50.00%</u>
Total Other Revenue	<u>\$401,146</u>	<u>\$386,206</u>	<u>\$309,500</u>	<u>-19.86%</u>

Internal Service Charges:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
<b>Water Facility Fund –</b> Charges for various direct services received from the General Fund.	371,476	382,620	394,099	3.00%
<b>Sewer Fund –</b> Charges for various direct services received from the General Fund.	207,560	213,787	220,201	3.00%
<b>Refuse Fund –</b> Charges for various direct services received from the General Fund.	392,807	404,591	416,729	3.00%
<b>RedGate Golf Course Fund –</b> Charges for various direct services received from the General Fund.	163,427	168,330	173,380	3.00%
<b>Stormwater Management Fund –</b> Charges for various direct services received from the General Fund.	133,057	137,049	141,160	3.00%
<b>Parking Fund–</b> Charges for various direct services received from the General Fund.	<u>25,000</u>	<u>75,750</u>	<u>78,023</u>	<u>3.00%</u>
Total Internal Service Charges	<u>\$1,293,327</u>	<u>\$1,382,127</u>	<u>\$1,423,592</u>	<u>3.00%</u>

# General Fund Revenues, Detail of Major Revenue Sources

**Appropriated Fund Balance**

This is not actual revenue. It is, however, a source of funding relied upon in balancing the budget. The City's policy is to use fund balance to provide funding for the reappropriation of encumbrances from the prior year, to fund one-time items, and to provide funding support for the Capital Improvements Program in the form of a transfer.

<b>Appropriated Fund Balance:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
<p>Appropriated Fund Balance represents a portion of the City's unappropriated fund balance, which is accumulated by collecting revenues over estimates and/or under-spending appropriations.</p>	<u>0</u>	<u>\$1,334,546</u>	<u>0</u>	<u>-100.00%</u>

# Enterprise Funds

Enterprise funds are used to account for operations financed and operated in a manner similar to private business enterprises where the cost of expenses, including both operations and capital, are financed or recovered primarily through user charges. The City of Rockville has designated the following operations as enterprise funds: Water Facility, Sewer, Refuse, Parking, Stormwater Management (SWM), and RedGate Golf Course. These funds pay an administration charge to the General Fund to cover indirect costs. All enterprise funds are summarized below and on the pages that follow.

## Water Facility Fund

The Water Facility Fund is used to account for all financial activity associated with the treatment and distribution of potable water. The City provides water service to approximately 13,858 households within the City limits. The Adopted FY 2006 rate of \$2.26 per 1,000 gallons is a 19-cent increase over the FY 2005 rate.

The FY 2006 operating budget will use \$968,887 of appropriated net assets. Six-year cash flows are prepared to set water rates and to ensure that projected revenues can support operating and capital improvement expenses for the fund and that the fund can be maintained as an on-going concern.

Revenue projections for utility charges are based upon the City's growth forecast regarding development, potential development and significant infill projects planned for future years. The number of planned and current water accounts is multiplied by the estimated rates for the fund. The Water Facility Fund is projecting operating water revenues for FY 2006 of \$4,058,798 (computed by multiplying 13,858 accounts times the average yearly revenue per account of \$292.88). Note that operating revenue is net of connection charges, interest income, premium on bonds sold, and appropriated net assets. The Water Facility Fund will receive an additional amount of \$3.8 million from the issuance of bonds in FY 2006 to fund capital improvements projects in the FY 2006 CIP.

<b>Water Facility Fund Revenues:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Sales of Materials	\$73,735	\$126,000	\$70,000	-44.44%
Utility Charges	2,925,844	3,535,860	3,541,441	0.16%
Penalties	26,460	25,000	25,000	0.00%
Connection Charges	327,587	791,200	374,000	-52.73%
Interest Income	46,465	21,452	45,902	113.98%

Transfer From Sewer	236,612	304,773	312,057	2.39%
Transfer From Refuse	103,968	107,087	110,300	3.00%
Premium on Bonds Sold	2,987	2,987	0	-
Appropriated Net Assets	<u>0</u>	<u>126,929</u>	<u>968,887</u>	<u>663.33%</u>
<b>Total Revenues</b>	<b><u>\$3,743,658</u></b>	<b><u>\$5,041,288</u></b>	<b><u>\$5,447,587</u></b>	<b><u>8.06%</u></b>

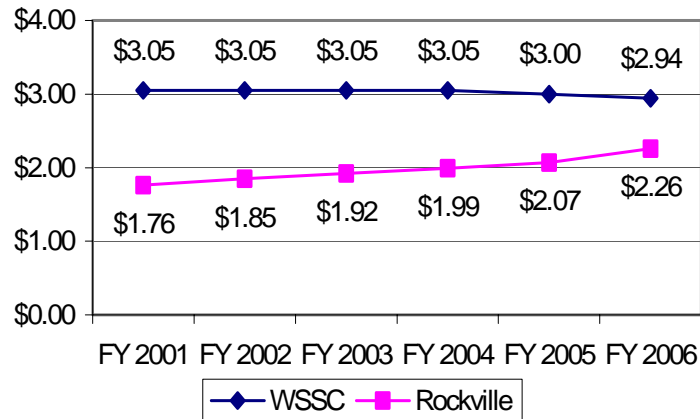
<b>Water Facility Fund Expenses:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Salaries	\$1,428,252	\$1,454,477	\$1,659,849	14.12%
Benefits	377,783	444,138	519,773	17.03%
Overtime	<u>120,883</u>	<u>131,674</u>	<u>130,286</u>	<u>-1.05%</u>
Personnel Subtotal	1,926,918	2,030,289	2,309,908	13.77%
Contractual Services	382,246	399,818	412,224	3.10%
Commodities	<u>593,420</u>	<u>688,591</u>	<u>869,842</u>	<u>26.32%</u>
Operating Subtotal	975,846	1,088,409	1,282,066	17.79%
Capital Outlays	184,892	306,221	254,126	-17.01%
Administrative Charges	371,476	382,620	394,099	3.00%
Other Charges	1,091,329	965,578	956,390	-0.95%
Debt Service	<u>231,825</u>	<u>268,171</u>	<u>250,998</u>	<u>-6.40%</u>
<b>Total Expenses</b>	<b><u>\$4,782,286</u></b>	<b><u>\$5,041,288</u></b>	<b><u>\$5,447,587</u></b>	<b><u>8.06%</u></b>

# Enterprise Funds

Water Facility Fund by Department:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Finance	\$663,662	\$843,508	\$814,438	-3.45%
Public Works	2,286,630	2,449,032	2,844,872	16.16%
Non-Departmental	<u>1,831,994</u>	<u>1,748,748</u>	<u>1,788,277</u>	<u>2.26%</u>
Totals by Department	<u>\$4,782,286</u>	<u>\$5,041,288</u>	<u>\$5,447,587</u>	<u>8.06%</u>

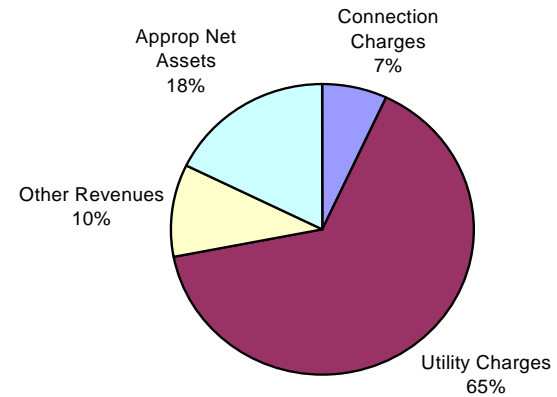
## Water Rate Comparison

Rockville vs. Washington Suburban Sanitary Commission (WSSC)

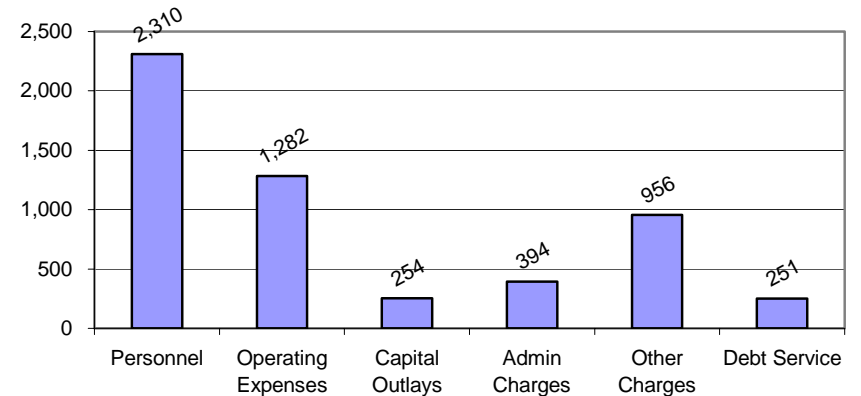


*Note: The rates shown above represent charge per 1,000 gallons, assuming an average usage of 250 gallons per day. WSSC charges an \$11.00 per quarter administrative fee in addition to its usage charge.*

## Water Fund Revenues FY 2006



## Water Fund Expenses FY 2006 (\$ Thousands)



# Enterprise Funds

## Sewer Fund

The Sewer Fund accounts for the financial activity associated with the collection and treatment of sewage. Charges are based on water consumption unless the customer pays for separate metering. Nearly all of the capital costs in the Sewer Fund and a substantial portion of the operating costs are payments for the operation of and capital improvements to the Blue Plains Wastewater Treatment Plant. The 1998 Master Plan for the District of Columbia Water and Sewer Authority (DCWASA) included a significant increase in planned capital costs, as reflected in the Regional Treatment Facilities Capital Improvements Program project. As a result of this increase in capital costs, the FY 2006 rate is \$3.75 per 1,000 gallons, an increase of \$.14 over the FY 2005 rate. Similar increases are anticipated in future years depending on the pace of work at the Blue Plains facility.

The budget assumes an increase of \$495,921 to the net assets in the Sewer Fund as the result of operations. Six-year cash flows are prepared to set sewer rates and to ensure that projected revenues can support operating and capital improvement expenses for the fund.

During FY 2006, the Sewer Fund will issue bonds in the amount of \$7.0 million to finance the additional improvements at the Blue Plains facility. Revenue projections for the fund are based upon the City's growth forecast regarding development planned for future years. The number of planned and current sewer accounts is then multiplied by the estimated rates for the fund. The Sewer Fund is projecting operating sewer revenues for FY 2006 of \$5,698,104 (computed by multiplying 13,858 accounts times the average yearly revenue per account of \$411.18). Note that operating revenue is net of connection charges, interest income, and premium on bonds sold.

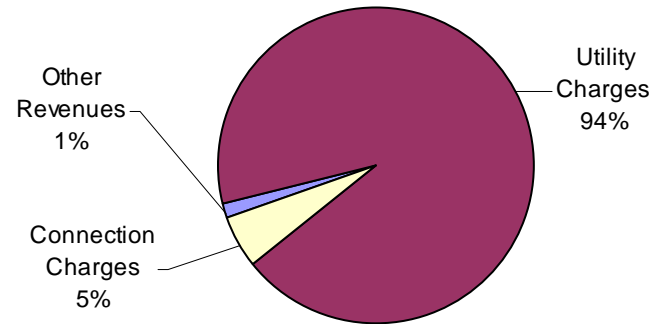
Sewer Fund Revenues:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Utility Charges	\$4,921,421	\$5,673,718	\$5,653,104	-0.36%
Penalties	45,810	45,000	45,000	0.00%
Connection Charges	332,887	864,000	328,900	-61.93%
Interest Income	42,757	34,515	31,928	-7.50%
Premium on Bonds Sold	3,261	3,261	0	-100.00%
	<u>\$5,346,136</u>			
Total Revenues	<u>6</u>	<u>\$6,620,494</u>	<u>\$6,058,932</u>	<u>-8.48%</u>

Sewer Fund Expenses:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Salaries	\$568,649	\$727,904	\$810,571	11.36%
Benefits	171,166	236,009	256,791	8.81%
Overtime	<u>81,939</u>	<u>65,228</u>	<u>81,228</u>	<u>24.53%</u>
Personnel Subtotal	821,754	1,029,141	1,148,590	11.61%
Contractual Services	2,112,585	2,341,697	2,416,830	3.21%
Commodities	<u>106,600</u>	<u>152,813</u>	<u>172,749</u>	<u>13.05%</u>
Operating Subtotal	2,219,185	2,494,510	2,589,579	3.81%
Capital Outlays	0	1,796	0	-100.00%
Administrative Charges	207,560	213,787	220,201	3.00%
Other Charges	1,126,336	1,235,277	1,276,633	3.21%
Addition to Net Assets	0	1,289,584	495,921	-61.54%
Debt Service	<u>268,667</u>	<u>356,399</u>	<u>328,008</u>	<u>-7.97%</u>
Total Expenses	<u>\$4,643,502</u>	<u>\$6,620,494</u>	<u>\$6,058,932</u>	<u>-8.48%</u>

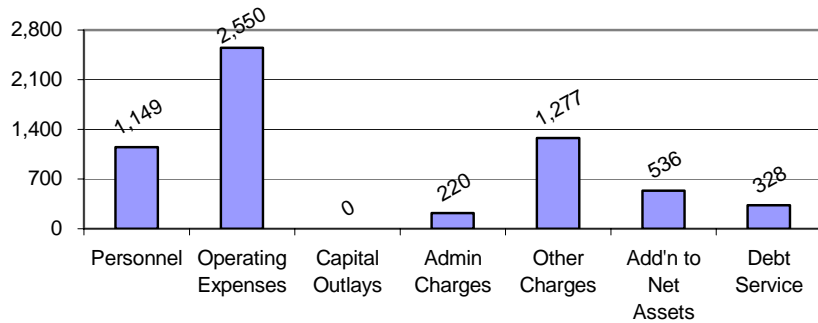
# Enterprise Funds

Sewer Fund by Department:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Mayor and Council	0	\$5,000	\$5,000	0.00%
Public Works	3,041,764	3,439,046	3,611,274	5.01%
Non-Departmental	<u>1,601,737</u>	<u>3,176,448</u>	<u>2,442,658</u>	<u>-23.10%</u>
Totals by Department	<u>\$4,643,501</u>	<u>\$6,620,494</u>	<u>\$6,058,932</u>	<u>-8.48%</u>

Sewer Fund Revenues FY 2006

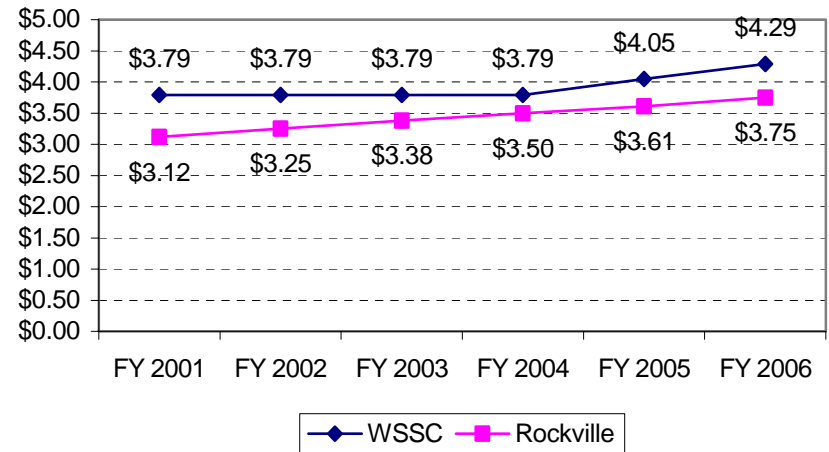


Sewer Fund Expenses FY2006 (\$ Thousands)



Sewer Rate Comparison

Rockville vs. Washington Suburban Sanitary Commission



*Note: The rates shown above represent charge per 1,000 gallons, assuming an average usage of 250 gallons per day. WSSC charges an \$11.00 per quarter administrative fee in addition to its usage charge.*

# Enterprise Funds

## Refuse Fund

The Refuse Fund is used to account for all the financial activity associated with the collection and disposal of refuse, recycling, and yard waste. The refuse rate in the FY 2006 budget is \$29.50 per month, which is a \$1.75 increase over the FY 2005 rate to cover increased operating costs. Further refuse rate increases will be needed in future years to accommodate modest cost increases and to achieve the appropriate break-even rate.

The budget assumes a decrease of \$197,070 to the net assets in the Refuse Fund as the result of operations. Six-year cash flows are prepared to set refuse rates and to ensure that projected revenues can support operating and capital improvement expenses for the fund and that the fund can be maintained as an on-going concern. In light of a negative cash position in the Refuse Fund and the need for ongoing rate increases, the City is considering making changes suggested by a recently completed analysis of service levels and operational issues.

Revenue projections for the fund are based upon the City's growth forecast regarding development planned for future years. The number of planned and current refuse accounts is multiplied by the estimated rates for the fund. The Refuse Fund is projecting operating refuse revenues for FY 2006 of \$4,972,686 (computed by multiplying 13,883 accounts times the average yearly revenue per account of \$358.19). Note that operating revenue is net of interest income and appropriated net assets. A debt issuance of \$304,561 is planned in FY 2006 to fund the purchase of vehicles.

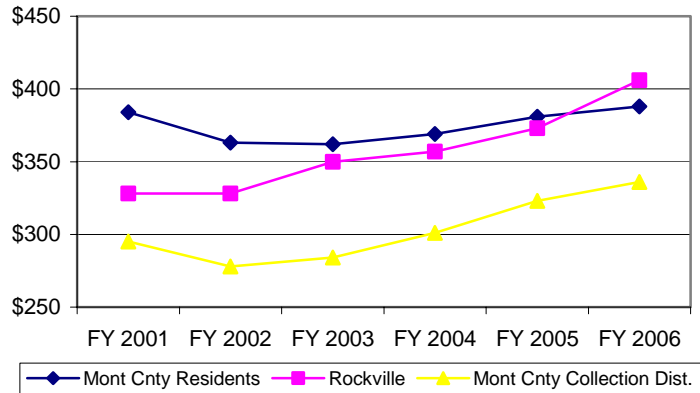
Refuse Fund Revenues:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Customer Charges	\$4,084,690	\$4,491,382	\$4,900,894	9.12%
Penalties	44,287	30,000	35,000	16.67%
Interest Income	4,968	0	2,500	N/A
Transfer-General Fund	36,792	36,792	36,792	0.00%
Appropriated Net Assets	<u>0</u>	<u>574,834</u>	<u>197,070</u>	<u>-65.72%</u>
<b>Total Revenues</b>	<b><u>\$4,170,737</u></b>	<b><u>\$5,133,008</u></b>	<b><u>\$5,172,256</u></b>	<b><u>-0.76%</u></b>

Refuse Fund Expenses:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Salaries	\$1,978,982	\$2,119,253	\$2,125,842	0.31%
Benefits	544,830	683,357	681,508	-0.27%
Overtime	<u>79,278</u>	<u>113,942</u>	<u>105,357</u>	<u>-7.53%</u>
Personnel Subtotal	2,603,090	2,916,552	2,912,707	-0.13%
Contractual Services	927,580	1,083,138	1,081,018	-0.20%
Commodities	<u>200,295</u>	<u>236,571</u>	<u>250,881</u>	<u>6.05%</u>
Operating Subtotal	1,127,875	1,319,709	1,331,899	0.92%
Capital Outlays	4,987	13,466	0	-100.00%
Administrative Charges	392,807	404,591	416,729	3.00%
Other Charges	422,015	461,875	494,214	7.00%
Debt Service	<u>19,835</u>	<u>16,815</u>	<u>16,707</u>	<u>-0.64%</u>
<b>Total Expenses</b>	<b><u>\$4,570,609</u></b>	<b><u>\$5,133,008</u></b>	<b><u>\$5,172,256</u></b>	<b><u>-0.76%</u></b>

Refuse Fund by Department:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Mayor & Council	0	0	10,000	100.00%
Public Works	\$3,632,649	\$4,083,009	4,083,572	0.01%
Non-Departmental	<u>937,960</u>	<u>1,049,999</u>	<u>1,078,684</u>	<u>2.73%</u>
<b>Totals by Department</b>	<b><u>\$4,570,609</u></b>	<b><u>\$5,133,008</u></b>	<b><u>\$5,172,256</u></b>	<b><u>-0.76%</u></b>

# Enterprise Funds

### Refuse Annual Charge Comparison



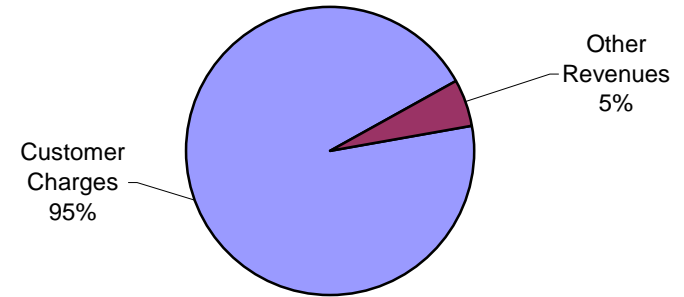
**Notes:**

Montgomery County Non-Collection District includes twice per week collection, no leaf vacuuming, and no special pick-ups.

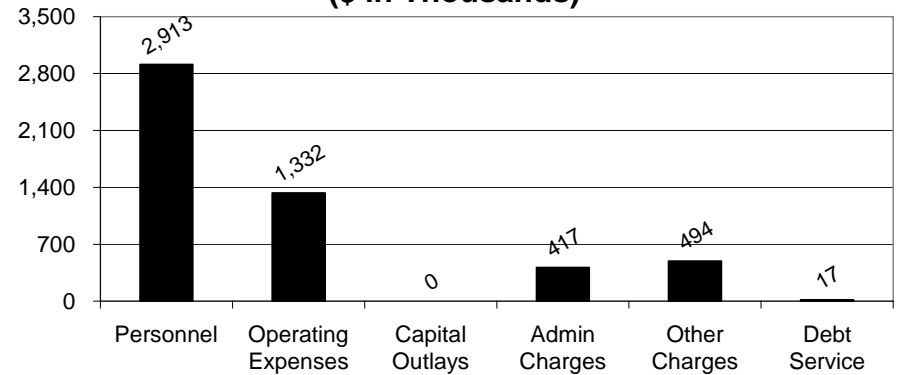
Montgomery County Collection District includes once per week collection, leaf vacuuming, and unlimited special pickups.

Rockville includes twice per week collection, leaf vacuuming, and unlimited special pickups. City residents will pay \$406 total for refuse services in FY 2006. Residents pay the City \$354 divided into quarterly payments and pay Montgomery County a \$52 Systems Benefit Charge with their tax bill.

### Refuse Fund Revenues FY 2006



### Refuse Fund Expenses FY 2006 (\$ in Thousands)



# Enterprise Funds

## Parking Fund

The Parking Fund was created to account for the revenue and expenses from parking related activities, including the issuance of parking tickets, the parking meter program, and costs associated with the planning, design, construction, or operation of parking garages in the City's Town Center. The operating budget assumes an increase of \$67,660 to the net assets in the Parking Fund. Revenue projections are based upon an estimated number of parking violations and parking meter usage rates. The operating budget only reflects the debt service associated with the \$5.025 million of parking fund bonds issued in FY 2005. The bulk of the debt for the construction of parking garages in Town Center will be issued in FY 2006 and the options for structuring that debt are currently under review.

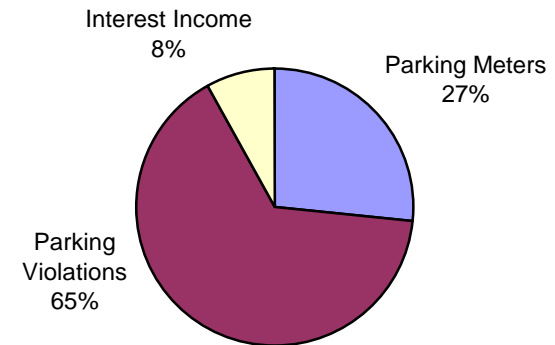
Parking Fund Revenues:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Parking Meters	\$122,757	\$530,700	\$167,468	-68.44%
Parking Lot	43,534	0	0	0.00%
Parking Violations	344,863	513,954	408,412	-20.54%
Interest Earnings	<u>5,368</u>	<u>6,000</u>	<u>50,000</u>	<u>733.33%</u>
Total Revenue	<u>\$516,522</u>	<u>\$1,050,654</u>	<u>\$625,880</u>	<u>-40.43%</u>

Parking Fund Expenses:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Salaries	\$49,060	\$65,500	\$72,769	11.10%
Benefits	14,093	14,028	25,568	82.26%
Overtime	<u>946</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Personnel Subtotal	64,099	79,528	98,337	23.65%
Contractual Services	26,812	7,512	136,424	1,716.08%
Commodities	<u>7,242</u>	<u>26,600</u>	<u>17,371</u>	<u>-34.70%</u>
Operating Subtotal	34,054	34,112	153,795	350.85%
Capital Outlays	0	0	0	0.00%
Other Charges	3,333	7,263	7,262	-0.01%

Administrative Charges	25,000	75,750	78,023	3.00%
Addition to Net Assets	0	794,001	67,660	-91.48%
Debt Service	<u>13,458</u>	<u>60,000</u>	<u>220,803</u>	<u>268.01%</u>
Total Expenses	<u>\$139,944</u>	<u>\$1,050,654</u>	<u>\$625,880</u>	<u>-40.43%</u>

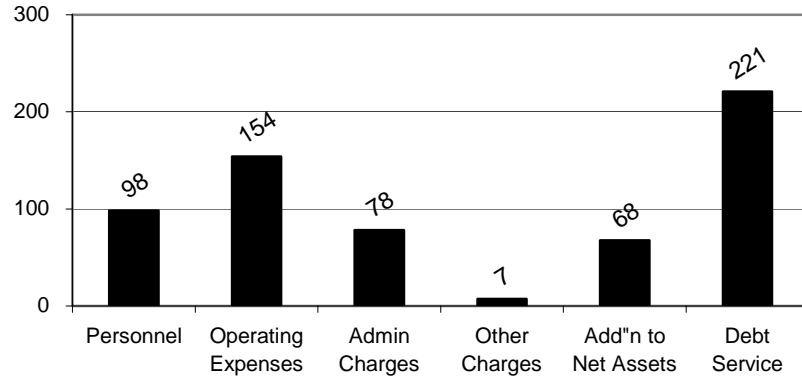
Parking Fund by Department:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
CPDS	\$0	\$0	\$135,000	100.00%
Police	68,481	103,445	111,244	7.54%
Public Works	1,433	3,400	3,400	0.00%
Non-Departmental	<u>70,030</u>	<u>943,809</u>	<u>376,236</u>	<u>-60.14%</u>
Totals by Department	<u>\$139,944</u>	<u>\$1,050,654</u>	<u>\$625,880</u>	<u>-40.43%</u>

**Parking Fund Revenues FY 2006**



# Enterprise Funds

**Parking Fund Expenses FY 2006**  
(\$ in Thousands)



## Stormwater Management Fund

The Stormwater Management (SWM) Fund accounts for the costs of maintaining existing SWM facilities and constructing new facilities. In FY 2006, the operating budget assumes a reduction to net assets of \$477,244. Revenue estimates are based projected development. A staff analysis indicates that an annual fee will need to be established by FY 2008 in order to provide ongoing support for SWM activities, particularly in light of changes to environmental requirements. A study was initiated in FY 2005 to lay the groundwork for establishing this fee.

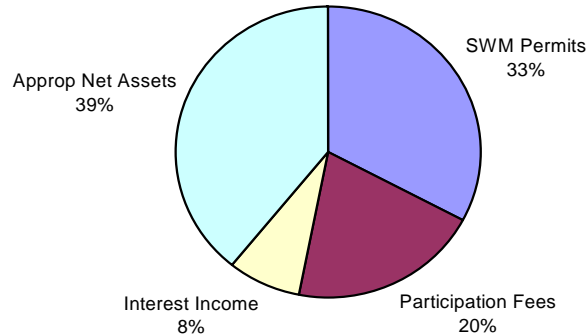
<b>SWM Fund Revenues:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
SWM Permits	\$432,044	\$200,000	\$400,000	100.00%
Regional SWM Participation Fees	315,710	200,000	250,000	25.00%
Interest Income	82,464	140,362	95,000	-32.32%
Appropriated Net Assets	<u>0</u>	<u>557,007</u>	<u>477,244</u>	<u>-14.32%</u>
<b>Total Revenues</b>	<b><u>\$830,218</u></b>	<b><u>\$1,097,369</u></b>	<b><u>\$1,222,244</u></b>	<b><u>11.38%</u></b>

<b>SWM Fund Expenses:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Salaries	\$311,610	\$340,742	\$390,732	14.67%
Benefits	71,189	76,226	95,863	25.76%
Overtime	<u>0</u>	<u>0</u>	<u>0</u>	<u>0%</u>
Personnel Subtotal	382,799	416,968	486,595	16.70%
Contractual Services	200,001	426,760	477,897	11.98%
Commodities	<u>3,842</u>	<u>5,400</u>	<u>5,400</u>	<u>0%</u>
Operating Subtotal	203,843	432,160	483,297	11.83%
Capital Outlays	0	0	0	0.00%
Administrative Charges	133,057	137,049	141,160	3.00%
Other Charges	<u>111,192</u>	<u>111,192</u>	<u>111,192</u>	<u>0.00%</u>
<b>Total Expenses</b>	<b><u>\$830,891</u></b>	<b><u>\$1,097,369</u></b>	<b><u>\$1,222,244</u></b>	<b><u>11.38%</u></b>

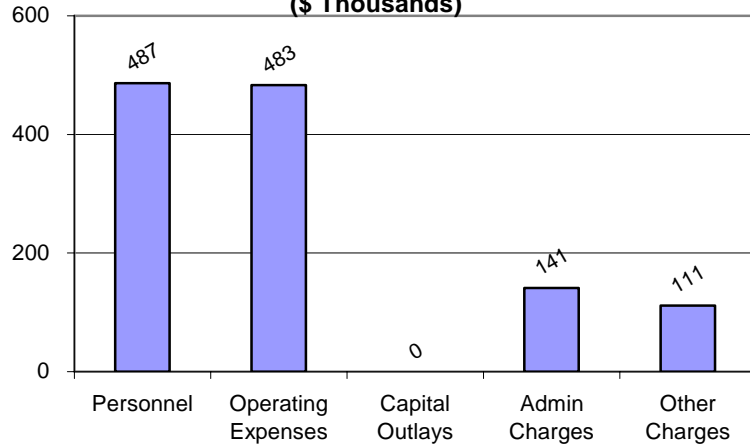
<b>SWM Fund Expenses by Department:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Mayor and Council	\$4,662	\$15,000	\$15,000	0.00%
Public Works	567,045	822,043	940,035	14.35%
Non-Departmental	<u>259,184</u>	<u>260,326</u>	<u>267,209</u>	<u>2.64%</u>
<b>Totals by Department</b>	<b><u>\$830,891</u></b>	<b><u>\$1,097,369</u></b>	<b><u>\$1,222,244</u></b>	<b><u>11.38%</u></b>

# Enterprise Funds

**Stormwater Fund Revenues FY 2006**



**Stormwater Fund Expenses FY 2006  
(\$ Thousands)**



## RedGate Golf Course Fund

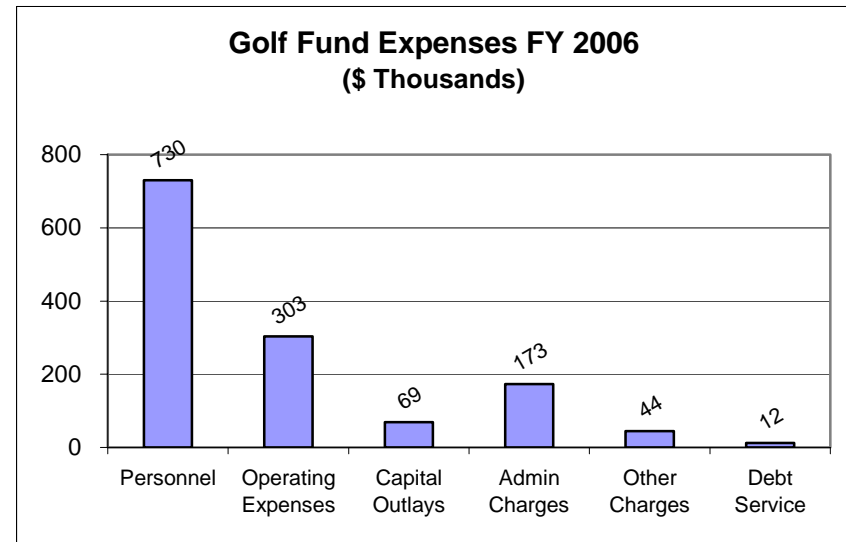
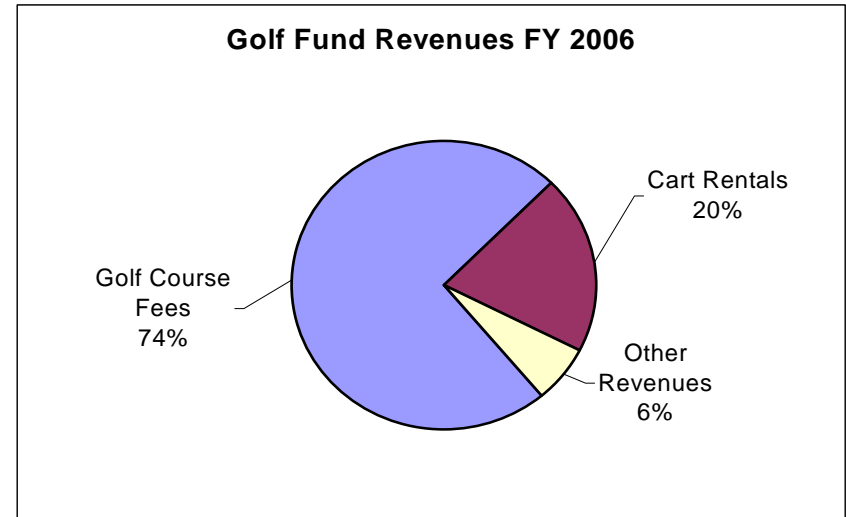
The RedGate Golf Course Fund is used to account for the financial activity associated with the City's public golf course. Revenue projections are based upon the average fee per round of play multiplied by the total estimated rounds per fiscal year, and added to the estimated revenue from golf cart rentals. The RedGate Golf Course Fund is projecting Golf Course fee revenues for FY 2006 of \$978,882 (computed by multiplying 48,000 rounds for the fiscal year by the average fee per round of \$20.39). In January 2002, the City restructured the operations of the golf course and purchased the existing golf cart fleet. As a result, the City receives revenue from the cart rentals, driving range fees, and the rental of the pro shop.

Golf Course Fund Revenues:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Golf Course Fees	\$887,876	\$1,120,000	\$978,882	-12.60%
Concessions	14,154	12,480	12,480	0.00%
Cart Rentals	242,647	265,000	267,518	0.95%
Pro Shop Rental	6,000	8,500	4,250	-50.00%
Driving Range Fees	392	1,560	1,560	0.00%
Interest Income	5	0	0	0.00%
Appropriated Net Assets	<u>0</u>	<u>49,290</u>	<u>67,056</u>	<u>36.04%</u>
<b>Total Revenues</b>	<b><u>\$1,151,074</u></b>	<b><u>\$1,456,830</u></b>	<b><u>\$1,331,747</u></b>	<b><u>-8.59%</u></b>

# Enterprise Funds

<b>Golf Course Fund Expenses:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Salaries	\$559,379	\$593,434	\$553,741	-6.69%
Benefits	123,223	176,682	149,085	-15.62%
Overtime	<u>27,069</u>	<u>26,812</u>	<u>26,816</u>	0.01%
Personnel Subtotal	709,671	796,932	\$729,642	-8.44%
Contractual Services	84,174	119,500	105,050	-12.09%
Commodities	<u>191,244</u>	<u>231,496</u>	<u>198,121</u>	-14.42%
Operating Subtotal	275,418	350,996	303,171	-13.63%
Capital Outlays	11,993	110,220	68,719	-37.65%
Administrative Charges	163,427	168,330	173,380	3.00%
Other Charges	117,584	17,749	44,350	149.87%
Debt Service	<u>14,087</u>	<u>12,603</u>	<u>12,484</u>	-0.94%
<b>Total Expenses</b>	<b><u>\$1,292,181</u></b>	<b><u>\$1,456,830</u></b>	<b><u>\$1,331,747</u></b>	<b>-8.59%</b>

<b>Golf Course Fund by Department:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Public Works	\$8,079	\$53,595	\$28,719	6.00%
Recreation and Parks	940,889	1,131,665	1,019,269	-9.93%
Non-Departmental	<u>343,213</u>	<u>271,570</u>	<u>283,758</u>	4.35%
<b>Totals by Department</b>	<b><u>\$1,292,181</u></b>	<b><u>\$1,456,830</u></b>	<b><u>\$1,331,747</u></b>	<b>-8.59%</b>



# Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by legal and regulatory provisions to finance specific activities. Included in the special revenue funds are the Special Activities and Community Development Block Grant Funds. The Property Management Fund was closed during FY 2004.

## Special Activities Fund

The Special Activities Fund receives revenues from separate fundraising activities by such groups as the Rockville Seniors Inc, the Mansion Gift Shop Docents, and a variety of corporations and community service organizations.

Special Activities Fund Revenues:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Mansion Rentals	\$15,000	\$15,000	\$15,000	0.00%
Donations	133,160	97,840	101,000	3.23%
State Grant	66,895	49,000	50,000	2.04%
Interest Income	2,074	2,590	2,930	-99.89%
Appropriated Fund Balance	<u>0</u>	<u>292,434</u>	<u>269,210</u>	<u>-7.94%</u>
Total Revenues	<u>\$217,129</u>	<u>\$456,864</u>	<u>\$438,140</u>	<u>-4.10%</u>

Special Activities Fund Expenses:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Salaries	\$44,719	\$8,881	\$20,000	125.20%
Benefits	11,749	6,119	0	-100.00%
Overtime	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>
Personnel Subtotal	54,468	15,000	20,000	33.33%
Contractual Services	7,618	35,000	16,417	-53.09%
Commodities	<u>33,802</u>	<u>131,220</u>	<u>181,846</u>	<u>38.58%</u>
Operating Subtotal	41,420	166,220	198,263	19.28%
Capital Outlays	25,841	35,007	28,245	-19.32%
Other Charges	92,055	240,637	191,632	-20.36%
Total Expenses	<u>\$208,274</u>	<u>\$456,864</u>	<u>\$438,140</u>	<u>-4.10%</u>

Special Activities Fund by Program:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Holiday Drive	\$25,883	\$46,221	\$35,476	-23.25%
REAP	1,785	38,459	35,017	-8.95%
Strengthening Families/RISE	1,097	4,000	4,725	18.13%
Recreation Fund	62,437	137,226	102,795	-25.09%
Glenview Mansion Improv.	25,841	35,007	28,245	-19.32%
Senior Assistance	1,703	11,231	10,344	-7.90%
Friends of the Arts	0	17,183	31,547	83.59%
Bikeway Program	56,842	102,667	104,417	1.70%
Forest and Tree Preservation	25,357	39,993	47,711	19.30%
Pepsi Sponsorship	3,429	18,521	24,610	32.88%
Croydon Creek Nature Center	<u>3,900</u>	<u>6,356</u>	<u>13,253</u>	<u>108.51%</u>
Total Expenditures	<u>\$208,274</u>	<u>\$456,864</u>	<u>\$438,140</u>	<u>-4.10%</u>

Special Activities Fund by Department:	FY 2004 Actual	FY 2005 Adopted	FY 2006 Adopted	Percent Change
Neighborhood/Comm. Services	\$28,766	\$88,680	\$75,218	-15.18%
Recreation and Parks	<u>179,508</u>	<u>368,184</u>	<u>363,922</u>	<u>-1.16%</u>
Totals by Department	<u>\$208,274</u>	<u>\$456,864</u>	<u>\$438,140</u>	<u>-4.10%</u>

# Special Revenue Funds

## Community Development Block Grant Fund

The Community Development Block Grant (CDBG) Fund is a special revenue fund supported by a sub-grant of federal funds via Montgomery County. The annual budget for this fund consists of unexpended prior years' grants as well as the next year's anticipated grant and is based on the latest information available from Montgomery County.

<b>CDBG Fund Revenues:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
CDBG Block Grant	\$119,378	\$380,000	\$380,000	0.00%
Prior Years' Appropriation	<u>419,296</u>	<u>392,882</u>	<u>380,000</u>	<u>-3.28%</u>
Total Revenues	<u>\$538,674</u>	<u>\$772,882</u>	<u>\$760,000</u>	<u>-1.67%</u>

<b>CDBG Fund Expenditures:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Salaries	\$31,325	\$70,000	\$70,000	0.00%
Benefits	0	0	0	0
Overtime	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Personnel Subtotal	\$31,325	\$70,000	\$70,000	0.00%
Contractual Services	88,053	310,000	310,000	0.00%
Commodities	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>
Operating Subtotal	88,053	310,000	310,000	0.00%
Prior Years' Expenditures	<u>419,296</u>	<u>392,882</u>	<u>380,000</u>	<u>-3.28%</u>
Total Expenditures	<u>\$538,674</u>	<u>\$772,882</u>	<u>\$760,000</u>	<u>-1.67%</u>

<b>CDBG Fund by Department:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Community Planning/Devel.	\$538,674	<u>\$772,882</u>	<u>\$760,000</u>	<u>-1.67%</u>
Totals by Department	<u>\$538,674</u>	<u>\$772,882</u>	<u>\$760,000</u>	<u>-1.67%</u>

# Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. The fund includes expenditures for the payment of principal and interest due and service charges on debt, other than that supported by enterprise fund revenue. Applicable charts within the budget document present the Debt Service Fund separately after a subtotal has been reached. This is due to the fact that the Debt Service Fund represents the budgeting of transfers from other funds so that there is essentially a double-budgeting effect when the Debt Service Fund records the same expenditure. Any charts or graphs that include the Debt Service Fund within their total will be clearly designated as doing so.

In FY 2006, the city will pay off \$12.35 million in short term debt that was used to help fund the Town Center project. Funding will come from the Fund Balance in the Debt Service Fund.

<b>Debt Service Fund Revenues:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Interest Income	\$196,208	\$206,894	\$194,718	-5.89%
Assessments	206,224	217,972	219,229	0.58%
Transfer from General Fund	3,120,683	3,833,133	4,019,712	4.87%
Premium on Bonds Sold	0	0	0	0.00%
General Obligation Bonds-CIP	0	50,000	0	-100.00%
Appropriated Fund Balance	<u>0</u>	<u>25,575</u>	<u>12,599,841</u>	<u>49166.24%</u>
<b>Total Revenues</b>	<b><u>\$3,523,115</u></b>	<b><u>\$4,333,574</u></b>	<b><u>\$17,033,500</u></b>	<b><u>293.06%</u></b>

<b>Debt Service Fund Expenditures:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Principal	\$2,696,025	\$3,149,989	\$15,538,665	393.29%
Interest	781,889	1,119,544	1,430,794	27.80%
Other Charges	93,200	64,041	64,041	0.00%
Addition to Fund Balance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>
<b>Total Expenditures</b>	<b><u>\$3,571,114</u></b>	<b><u>\$4,333,574</u></b>	<b><u>\$17,033,500</u></b>	<b><u>293.06%</u></b>

<b>Debt Service Fund by Department:</b>	<b>FY 2004 Actual</b>	<b>FY 2005 Adopted</b>	<b>FY 2006 Adopted</b>	<b>Percent Change</b>
Non-Departmental	<u>\$3,571,114</u>	<u>\$4,333,574</u>	<u>\$17,033,500</u>	<u>293.06%</u>
Totals by Department	<u>\$3,571,114</u>	<u>\$4,333,574</u>	<u>\$17,033,500</u>	<u>293.06%</u>

# Debt Service Fund

## Long-term Debt Summary

The following is a list of the bonds and notes included in the City's long-term debt:

Description	Year of Issuance	Outstanding Principal	Interest Rate Range	Year of Final Maturity
<b>General long-term debt:</b>				
General improvements	1998	\$1,240,000	3.50-4.30%	2013
General improvements— Equipment	1999	105,241	4.17-4.53%	2006
General improvements— Equipment	2000	327,886	4.17-4.53%	2007
General improvements	2002	2,198,625	4.00-4.65%	2021
General improvements	2003	9,684,598	2.00-3.85%	2023
General improvements— Refunding	2003	8,703,374	2.00-3.00%	2013
General improvements	2004	11,415,000	4.00-5.00%	2029
Bond anticipation notes	2004	<u>12,350,000</u>	3.00-3.25%	2006
Total general long term debt		<u>\$46,024,724</u>		
<b>Enterprise funds long-term debt:</b>				
General improvements	1999	\$2,251,092	3.21%	2019
General improvements	2000	1,696,837	3.64%	2020
General improvements	2002	1,355,979	1.90%	2023
General improvements	2002	2,986,375	4.00-4.65%	2021
General improvements	2003	3,040,401	2.00-3.875%	2023
General improvements— refunding	2003	3,556,626	2.00-3.00%	2013
General improvements	2004	<u>7,900,000</u>	4.00-5.00%	2029
Total enterprise funds long term debt		<u>\$22,787,310</u>		

On June 1, 2004, the City issued general obligation bonds and bond anticipation notes in the amount of \$31,665,000 to provide funds for the acquisition and construction of major capital facilities and the purchase of certain real property.

The City anticipates that all amounts required for payment of interest and principal on enterprise fund debt will be provided from the respective funds' revenues and that amounts required for payment of interest and principal on special assessment general improvement bonds will be provided from the collection of assessments levied against property owners; however, the bonds are further secured by the full faith and credit and unlimited taxing power of the City. There are no legal limits as to the amount of debt the City of Rockville can

incur. The following pages show the amount of principal and interest payments due by fiscal year within each category, general and enterprise funds long-term debt.

## Long-term Debt Detail

The following is a list of the principal and interest payments due by fiscal year:

### General Long-Term Debt:

Fiscal Year	Principal	Interest	Total Payment
2005	\$3,126,989	\$1,401,472	\$4,528,461
2006	15,538,665	1,430,794	16,969,459
2007	3,114,221	961,967	4,076,188
2008	3,041,082	883,758	3,924,840
2009	1,948,476	802,753	2,751,229
2010	1,947,828	742,979	2,690,807
2011	1,704,362	679,696	2,384,058
2012	1,677,417	621,222	2,298,639
2013	1,527,536	561,601	2,089,137
2014	1,201,061	506,430	1,716,491
2015	1,201,061	462,681	1,672,742
2016	1,201,061	417,454	1,627,515
2017	1,201,061	370,748	1,580,809
2018	1,201,061	322,997	1,533,058
2019	1,201,061	274,104	1,484,165
2020	1,201,061	224,637	1,434,698
2021	1,201,140	174,030	1,384,170
2022	1,075,678	122,455	1,198,133
2023	1,071,903	76,450	1,148,353
2024	<u>570,000</u>	<u>28,500</u>	<u>598,500</u>
Totals	<u>\$46,024,724</u>	<u>\$11,066,727</u>	<u>\$57,091,451</u>

### Enterprise Funds Long-Term Debt:

### Water Facility Fund

Fiscal Year	Principal	Interest	Total Payment
2005	\$660,220	\$267,923	\$928,143
2006	686,421	250,998	937,419
2007	700,418	233,399	933,817
2008	669,173	201,079	870,252
2009	393,405	159,855	553,260
2010	399,939	147,944	547,883
2011	360,283	135,436	495,719
2012	363,223	124,037	487,260
2013	341,492	112,493	453,985
2014	321,458	101,653	423,111

# Debt Service Fund

2015	331,561	91,551	423,112
2016	341,993	81,118	423,111
2017	352,763	70,347	423,110
2018	363,886	59,226	423,112
2019	375,371	47,742	423,113
2020	189,888	26,215	216,103
2021	50,087	13,049	63,136
2022	51,039	12,097	63,136
2023	51,750	11,128	62,878
Totals	<u>\$7,004,370</u>	<u>\$2,147,290</u>	<u>\$9,151,660</u>

2008	5,945	12,246	18,191
2009	24,804	12,116	36,920
2010	24,803	11,526	36,329
2011	24,803	10,869	35,672
2012	24,803	10,162	34,965
2013	24,804	9,418	34,222
2014	24,803	8,674	33,477
2015	24,803	7,930	32,733
2016	24,803	7,156	31,959
2017	24,804	6,349	31,153
2018	24,803	5,505	30,308
2019	24,803	4,637	29,440
2020	24,803	3,744	28,547
2021	24,804	2,827	27,631
2022	24,803	1,896	26,699
2023	24,618	954	25,572
Totals	<u>\$395,644</u>	<u>\$153,461</u>	<u>\$549,105</u>

**Long-term Debt Detail, continued**

*Enterprise Funds Long-Term Debt, continued:*

**Sewer Fund**

Fiscal Year	Principal	Interest	Total Payment
2005	\$659,871	\$321,761	\$981,632
2006	677,005	328,008	1,005,013
2007	680,471	309,079	989,550
2008	678,595	290,109	968,704
2009	578,825	270,434	849,259
2010	576,554	252,061	828,615
2011	523,565	232,731	756,296
2012	516,752	214,360	731,112
2013	482,687	195,745	678,432
2014	450,135	177,858	627,993
2015	450,136	160,737	610,873
2016	450,136	143,093	593,229
2017	450,136	124,930	575,066
2018	445,135	106,490	551,625
2019	445,136	87,904	533,040
2020	445,135	69,093	514,228
2021	445,370	49,922	495,292
2022	274,518	30,512	305,030
2023	273,478	18,866	292,344
2024	135,000	6,750	141,750
Totals	<u>\$9,638,640</u>	<u>\$3,390,443</u>	<u>\$13,029,083</u>

**Long-term Debt Detail, continued**

*Enterprise Funds Long-Term Debt, continued:*

**Parking Fund**

Fiscal Year	Principal	Interest	Total Payment
2005	\$170,000	\$179,553	\$349,553
2006	125,000	220,803	345,803
2007	130,000	215,803	345,803
2008	135,000	210,603	345,603
2009	135,000	205,202	340,202
2010	140,000	199,802	339,802
2011	145,000	194,202	339,202
2012	150,000	188,402	338,402
2013	160,000	182,402	342,402
2014	165,000	176,003	341,003
2015	170,000	169,403	339,403
2016	180,000	162,390	342,390
2017	185,000	154,740	339,740
2018	195,000	146,785	341,785
2019	205,000	138,205	343,205
2020	210,000	129,185	339,185
2021	220,000	119,735	339,735
2022	230,000	109,560	339,560
2023	245,000	98,750	343,750
2024	255,000	86,500	341,500
2025	265,000	73,750	338,750
2026	280,000	60,500	340,500
2027	295,000	46,500	341,500

**RedGate Golf Course Fund**

Fiscal Year	Principal	Interest	Total Payment
2005	\$5,945	\$12,603	\$18,548
2006	5,945	12,484	18,429
2007	5,945	12,365	18,310

# Debt Service Fund

2028	310,000	31,750	341,750
2029	<u>325,000</u>	<u>16,250</u>	<u>341,250</u>
Totals	<u>\$5,025,000</u>	<u>\$3,516,778</u>	<u>\$8,541,778</u>

## **Refuse Fund**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Payment</u>
2005	\$165,566	\$20,286	\$185,852
2006	167,415	16,707	184,122
2007	164,338	12,125	176,463
2008	166,337	7,668	174,005
2009	10,000	2,920	12,920
2010	10,000	2,000	12,000
2011	10,000	1,600	11,600
2012	10,000	1,200	11,200
2013	10,000	800	10,800
2014	<u>10,000</u>	<u>400</u>	<u>10,400</u>
Totals	<u>\$723,656</u>	<u>\$65,706</u>	<u>\$789,362</u>