



City of
Rockville
Get Into It

FY 2013 Budget Preview – PART 1

January 23, 2012

www.rockvillemd.gov



Get Into It

Budget Preview – PART 1 ♦ Page 2

FY 2013 BUDGET: OVERVIEW



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Overview: General Fund

Significant General Fund Revenues

Revenue Source	FY 2012 Adopted	% GF	FY 2013 Estimate	\$ Change
Property Tax	\$36,895,000	55.9%	\$34,990,580	(\$1,904,420)
Income Tax	\$10,000,000	15.1%	\$11,000,000	\$1,000,000
Tax Duplication	\$1,799,110	2.7%	\$1,894,180	\$95,070
Admission / Amusement Tax	\$1,000,000	1.5%	\$1,000,000	\$0
Hotel Tax	\$950,000	1.4%	\$950,000	\$0
Highway User	\$709,800	1.1%	\$488,300	(\$221,500)
Police Protection	\$417,000	0.6%	\$417,000	\$0
Totals:	\$51,770,910	78.4%	\$50,740,060	(\$1,030,850)



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Overview: General Fund

General Fund Expenditure Drivers: Personnel Costs (63% of FY 2012 adopted General Fund exp.)

- 1% across the board adjustment
- Significant benefit cost mitigation
- Decrease in regular FTEs (lowest total regular FTE count since FY 2006 actual 522.4)

FY09 Act.	FY10 Act.	FY11 Act.	FY12 Adop.	FY13 Est.
554.0	555.1	538.1	537.1	527.3



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Overview: General Fund

General Fund Expenditure Drivers: Transfers (16% of FY 2012 adopted General Fund exp.)

Transfer	FY 2012 Adopted	FY 2013 Estimated	\$ Change
To Parking Fund	\$500,000	\$500,000	\$0
To Debt Service	\$5,100,000	\$4,700,000	(\$400,000)
To Refuse for RHE	\$41,200	\$41,200	\$0
To RedGate	\$630,000	\$0	(\$630,000)
To CIP	\$3,967,000	\$3,900,000	(\$67,000)
To Special Activities	\$7,170	\$6,000	(\$1,170)
Totals:	\$10,245,370	\$9,147,200	(\$1,098,170)

- Final transfer amounts will be available February 27



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Overview: General Fund

Additional General Fund Expenditure Information

- **Economic Development Agreement:** \$164,000 (Duball/Choice Hotels)
- **High Performance building Tax Credit for Existing Buildings:** \$60,000 if ordinance is approved



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Overview: Enterprise Funds

City Utilities

Fund	FY 2012 Rate	FY 2013 Forecasted Rate Increase	FY 2013 Forecasted Rate	Future Debt Anticipated?
Water	\$4.33 - \$6.69/ 1,000 gal	24.5%	\$5.39 - \$8.33/ 1,000 gal	Yes
Sewer	\$5.26/ 1,000 gal	13%	\$5.94/ 1,000 gal	Yes
Refuse	\$392.40	6%	\$415.94	No
Stormwater Management	\$62.48	27%	\$79.35	Yes

- Forecasted rate increases shown above were factored into the adopted FY 2012 five-year forecast
- Recommended rates will be presented at the February 27 budget preview



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Overview: Enterprise Funds

Parking Fund

- Parking District Tax rate for FY 2013 will remain the same at \$0.33 per \$100 of assessed valuation

RedGate Golf Course Fund

- Billy Casper Golf (BCG) took over management of the course on January 1, 2012
- BCG will manage and report on a calendar year basis (not our fiscal year)



OVERVIEW

EXPENDITURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Overview: Capital Improvements Program

CIP Prioritization Process

- CIP submissions are reviewed by a cross-departmental CIP prioritization committee utilizing a formal scoring system

CIP Funding Sources

- Bond Proceeds
- General Fund “paygo” transfer
- Developer contributions
- Grants

Unfunded CIP Totals by Fiscal Year

FY 2009 Actual	FY 2010 Actual	FY 2011 Actual	FY 2012 Budget	FY 2013 Estimate
\$2.7 million	\$5.5 million	\$4.7 million	\$4.7 million	\$4.5 - \$5.5 million



FY 2013 BUDGET: EXPENDITURE FOUNDATIONS



Get Into It

OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #1: Increase Annual Employee "Salaries"/Compensation by 1 Percent

Strongly Disagree	Disagree	Agree	Strongly Agree
		JH, TM	MP

Action Item: Upon discussion and direction by the Mayor and Council, staff will include a 1% salary increase for all regular City employees at an approximate all funds cost of \$350,000 in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.



Get Into It

OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #2: Budget Mayor and Council "Salary"/Compensation Equal to Compensation Commission Recommendations

Strongly Disagree	Disagree	Agree	Strongly Agree
	JH	BN	TM, MP

Action Item: Upon discussion and direction by the Mayor and Council, staff will include a 3.2% salary increase for the Mayor (\$26,581) and Council (\$21,265) at a General Fund cost of \$3,491 in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #3: Maintain Current Employee Benefits

Strongly Disagree	Disagree	Agree	Strongly Agree
		JH, MP	TM

Action Item: Upon discussion and direction by the Mayor and Council, staff will include the same package of benefits for all employees as is currently being provided at an approximate all funds decrease of 1.4% in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #4: Increase Caregiver and Outside Agency Funding by 1 Percent

Strongly Disagree	Disagree	Agree	Strongly Agree
		JH, BN, MP	

Action Item: Upon discussion and direction by the Mayor and Council, staff will include a 1% or \$7,220 increase in the total allocation for Caregiver and Outside Agencies, and a 1% or \$7,200 increase in funding for REDI in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #5: Transfer Sufficient Funding to Support CIP

Strongly Disagree	Disagree	Agree	Strongly Agree
		TM, BN	JH, MP

Action Item: Upon discussion and direction by the Mayor and Council, staff will include a paygo transfer of approximately \$3.5 million to \$4.0 million to support the City's non-enterprise CIP program in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #6: Fund Operating Cost Impacts (OCI) from Completed CIP Projects

Strongly Disagree	Disagree	Agree	Strongly Agree
		JH	TM, MP

Action Item: Upon discussion and direction by the Mayor and Council, staff will include the OCI costs based on previously completed and approved CIP projects totaling \$351,100 in the General Fund (\$376,600 across all funds) in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Additional General Fund Expenditure Information

- The transfer to the **Art in Public Places (AIPP)** Special Activities Fund was suspended for FY 2011 and FY 2012
- If the Mayor and Council wish to reinstate this transfer, the FY 2013 budget will include a \$64,660 transfer (\$1 per capita, based on CPDS FY 2013 population estimates)

Action Item: Mayor and Council to make a motion that the budget should or should not include a General Fund transfer of \$64,660 to fund the Arts in Public Places program.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Additional General Fund Expenditure Information

- Montgomery County no longer provides funding for **Rockville Memorial Library patron parking**
- For FY 2012, the Mayor and Council chose to contribute up to \$50,000 to FRIT to reduce the burden of parking fees on library users
- If the Mayor and Council wish to continue funding library patron parking in FY 2013, \$50,000 will be added to the FY 2013 budget

Action Item: Mayor and Council to make a motion that the budget should or should not include \$50,000 to fund library patron parking.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Additional General Fund Expenditure Information

- REDI has submitted a request for the **Rockville Women's Business Center (RWBC)** for \$10,000 to fund individual business counseling.
- If the Mayor and Council approve, \$10,000 will be added to the FY 2013 budget for the RWBC

Action Item: Mayor and Council to make a motion that the budget should or should not include \$10,000 to fund the Women's Business Center request.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Other General Fund Expenditure Foundation Items

1. Car allowance (BN)
2. 10% retirement pay for Senior Staff (BN)
3. Restroom for bottom gallery of VisArts (MP)
4. Sun and rain screen for Rooftop (MP)

Action Item: Mayor and Council to discuss items submitted and provide direction to staff on any such items that should be added to, changed in, or removed from the proposed budget.

FY 2013 BUDGET: REVENUE FOUNDATIONS



- OVERVIEW
- EXPENDIURE FOUNDATIONS
- REVENUE FOUNDATIONS
- PROGRAMS AND SERVICES
- CIP

Foundation Item #9: Maintain Property Tax Rates

Strongly Disagree	Disagree	Agree	Strongly Agree
		MP	JH, BN

Action Item: Upon discussion and direction by the Mayor and Council, staff will assume the real property tax rate for FY 2013 will remain at \$0.292 per \$100 and that the personal property tax rate will remain at \$0.805 per \$100 of assessed value in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.





OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #10: Offer Homeowners' Tax Credit Program

Strongly Disagree	Disagree	Agree	Strongly Agree
		TM	JH, BN

Action Item: No action required by the Mayor and Council. Staff have submitted the new values to SDAT for processing, and will include the expanded Homeowners' Tax Credit in the proposed budget based on the Mayor and Council's direction on December 12, 2011 at a cost of \$400,000 in lost revenue.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #11: Offer a \$100 Income Tax Offset Credit

Strongly Disagree	Disagree	Agree	Strongly Agree
TM			JH

Action Item: Mayor and Council to make a motion to provide or not to provide this credit. If the Mayor and Council decide to provide this credit, then the Mayor and Council must also decide the value of the credit, which could range from \$1 to \$130.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #12: Assume Adjustments to Fees and Charges in Accordance with Adopted Financial Management Policies (FMP)

Strongly Disagree	Disagree	Agree	Strongly Agree
BN		MP	JH, TM

Action Item: Upon discussion and direction by the Mayor and Council, staff will include increases to City fees based on the cost recovery approved in the City's FMP in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Foundation Item #13: Assume 1 Percent Increase in Administrative Charges

Strongly Disagree	Disagree	Agree	Strongly Agree
BN		JH	TM, MP

Action Item: Upon discussion and direction by the Mayor and Council, staff will include a 1% increase for administrative charges from the General Fund to other City funds in the proposed budget based on a majority of the Council agreeing/strongly agreeing with this foundation item.



OVERVIEW

EXPENDIURE
FOUNDATIONS

REVENUE
FOUNDATIONS

PROGRAMS AND
SERVICES

CIP

Other General Fund Revenue Foundation Items

1. No "subsidizing" development—achieve cost-recovery for required development approvals and processes (JH)
2. Forecasted revenue increases from FY12 budget book page 4-5 (MP)
3. "Fee" for approving the bonds for the Lutheran Home (\$31,000) – give to Caregiver grants (MP)
4. Salary savings from the City Clerk and City Manager positions (MP)

Action Item: Mayor and Council to discuss items submitted and provide direction to staff on any such items that should be added to, changed in, or removed from the proposed budget.



FY 2013 BUDGET: PROGRAMS AND SERVICES



OVERVIEW

EXPENDIURE
FOUNDATIONS

REVENUE
FOUNDATIONS

PROGRAMS AND
SERVICES

CIP

Programs and Services

Action Item: *If the Mayor and Council want to provide any additional direction at this time on decreasing, maintaining, or increasing service areas generally or any specific program areas, the Mayor Council should make a motion to provide that direction.*

- Should the Mayor and Council desire additional information about a particular program or service area, staff will provide that information to the Mayor and Council as part of the February 27 preview or as part of the upcoming FY 2013 budget worksessions as directed.



FY 2013 BUDGET: CAPITAL IMPROVEMENTS PROGRAM (CIP)



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Funded CIP Projects

- The surveys produced no clear majority (3 or more in agreement) on the following funded projects:

Project Name	Dec./ Sub.Dec.	Maintain	Incr./ Sub.Incr.
F. Scott Fitzgerald Theatre Improv.	JH	TM, MP?	
Glenview Mansion/ Cottage Improv.	JH	TM, MP	
HVAC Replacement	JH	TM, MP	
Pedestrian Safety		TM, MP	JH, BN
Water Tank Improvements	JH	TM, BN, MP?	
Enterprise Resource Planning Sys.	JH	TM, MP	
Vehicles for City Use	JH, BN	TM, MP?	

Action Item: *Unless the Mayor and Council make a motion to change the level of funding of one of the projects listed above, staff will move forward with funding the CIP projects in the proposed budget according to the recommendations of the CIP Prioritization Committee.*



OVERVIEW

EXPENDIURE FOUNDATIONS

REVENUE FOUNDATIONS

PROGRAMS AND SERVICES

CIP

Unfunded CIP Projects

- The surveys produced no clear majority on any of the 16 unfunded projects listed

Action Item: *Without further direction from the Mayor and Council, these projects will remain unfunded or underfunded for the proposed CIP.*