MAYOR AND COUNCIL

MEETING NO. 04-20
Monday, January 27, 2020 – 7:00 PM

AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Any person who requires assistance in order to attend a city meeting should call the ADA Coordinator at 240-314-8108.

5:45 PM **1. Convene in Open Session to vote on motion to go into Closed Session pursuant to Section 3-305(b)(1)(i) of the General Provisions Article of the Annotated Code of Maryland to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of the City Manager, an employee over whom the Mayor and Council has jurisdiction.**

2. Closed Session

6:30 PM **3. Reconvene into Open Session**

4. Pledge of Allegiance

5. Agenda Review

6:35 PM **6. City Manager's Report**

6:40 PM **7. Recognition**

A. Recognition of Major Donors and Partners of the City of Rockville's 2019 Holiday Drive

7:00 PM **8. Boards and Commissions Appointments, Reappointments and Announcements of Vacancies**

A. Boards and Commissions Appointments, Reappointments and Announcement of Vacancies

7:05 PM **9. Community Forum**

Any member of the community may address the Mayor and Council for 3 minutes during Community Forum. Unless otherwise indicated, Community Forum is included on the agenda for every regular Mayor and Council meeting, generally between 7:00 and 7:30 pm. Call the City Clerk/Director of Council Operation's Office at 240-314-8280 to sign up to speak in advance or sign up in the Mayor and Council Chamber the night of the meeting.

10. Mayor and Council's Response to Community Forum

7:20 PM **11. Procurement Action Plan Update**

7:40 PM **12. FY19 Procurement Annual Report**

8:00 PM **13. Fiscal Year 2020 Second Quarter Vacancy Report**

8:05 PM **14. FY 2021 Mayor and Council Budget Survey Results and Priorities**

9:05 PM **15. A Study of Arts and Culture: City of Rockville**

10:05 PM **16. Discussion, Instructions of Policy Concepts Aimed at Increasing the City's Affordable Housing Stock through Increased MPDU Set-Aside Requirement and Expanded Application of In-Lieu Payment Options**

10:30 PM **17. Review and Comment - Mayor and Council Action Report**

A. Action Report

18. Review and Comment - Future Agendas

A. Future Agendas

19. Old/New Business

10:45 PM **20. Adjournment**

Additional Agenda Item

A. Proclamation Declaring National African American History Month

The Mayor and Council Rules and Procedures and Operating Guidelines establish procedures and practices for Mayor and Council meetings, including public hearing procedures. They are available at: http://www.rockvillemd.gov/mcguidelines.

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Recognition
Department: Recreation & Parks
Responsible Staff: Carlos E. Aparicio

Subject

Recognition of Major Donors and Partners of the City of Rockville's 2019 Holiday Drive

Recommendation

Staff recommends that the Mayor and Council present plaques and awards to the Holiday Drive's Distinguished Donors, and Certificates of Appreciation to Community Partners and Major Donors.

Discussion

Generous contributions from more than 240 individuals, businesses, and community organizations resulted in over $93,149 of food, cash, toys and gift cards for the 2019 Rockville Holiday Drive. These contributions, and the hard work of many volunteers, enabled the City to:

- Distribute Thanksgiving food baskets and grocery store gift cards to more than 497 Rockville households;
- Treat nearly 100 Rockville seniors to a Thanksgiving dinner;
- Provide 306 teens with a gift card to a local retailer;
- Provide 182 seniors and households without children a gift card to a local grocery store;
- Operate the City's annual Toy Shop, providing over 1,650 toys, books, and games to more than 562 children under age 12; and
- Matched 62 Rockville families, totaling 246 individuals, with sponsors who provided gifts tailored to each family’s specific needs, through the Family Sponsorship Program.

During the November and December distributions, 460 community volunteers donated nearly 800 hours of time. These volunteers sorted food and packed meals, wrapped gifts and escorted families during the Toy Shop, and delivered gifts and gift cards to homebound families.

Attachment A provides a list of the Holiday Drive donors and partners who have been invited to the recognition by the Mayor and Council. A list of those who plan to attend the recognition will be provided to the Mayor and Council prior to the meeting. Included with the list will be a summary of how their contribution helped Rockville residents during the holidays.

Mayor and Council History

The City has coordinated the Holiday Drive for more than 45 years. It has been the Mayor and Council's custom to recognize the efforts and donations of partners and major donors at a meeting following the holidays.

Attachments

Attachment 7.A.a: Attachment A - Holiday Drive Donors and Partners Receiving Certificates (PDF)

Rob DiSpirito, City Manager 1/21/2020

ATTACHMENT - A

2019 Holiday Drive Donors and Partners Receiving Certificates and Plaques

Donors Receiving Certificates

1 Apex Companies, LLC
2 Armstrong, Donohue, Ceppos, Vaughan & Rhoades
3 Aspen Hill Cooperative Nursery School
4 Astor & Sanders Corporation
5 Aileen Klein
6 Alissa Sagri
7 Beryl L. Feinberg and Edward Feinberg
8 Bozzuto Management Company
9 Biz Duval
10 Bridget Donnell Newton and Fred Newton
11 CCI Health and Wellness
12 City of Rockville, Department of Planning and Development Services
13 Carol A. Hannaford
14 Charles Hausheer
15 Christopher O. Kern and Pearl Chang
16 City of Rockville, City Manager's Office
17 City of Rockville, Procurement Division
18 City of Rockville, Department of Information and Technology
19 City of Rockville, Department of Planning and Development Services
20 City of Rockville, Department of Recreation and Parks
21 Rockville City Police Department
22 David Myles
23 Dawson's Market
24 D.R. Duffield
25 Daavi and Maria Emanski Zain
26 David and Deborah Berman
27 Deborah Bouwkamp
28 Early Childhood Center
29 Erica Shingara
30 Giant Food, Store Number 0319
31 Gynny Katon
32 Hands on Health Acupuncture
33 H. Kenneth and Trina L. Armstrong

34 Harriet & Stan Guttenberg
35 Jennifer Martella
36 John Britton
37 Kathleen A. Bush
38 Lisa Dudek
39 Liz Withnell
40 Marian L. Hull
41 Mark Pierzchala
42 Melissa Scales
43 Michelle Schwalbe
44 Michelle R. Evans
45 Mayor and Council of Rockville
46 Monique Ashton
47 Mountain Valley Orchard
48 Nancy Taylor
49 Patient First
50 Paul Newman
51 Penan & Scott P.C.
52 Power House Studio, LLC
53 RCG Homes, LLC
54 Rockville Presbyterian Church
55 Sabine Rieble and Rene W. Aubourg
56 Sandra A. Yerkes
57 Sharon P. Collins
58 Susan Reinsch
59 SERVPRO of Rockville-Olney
60 SkyPoint Federal Credit Union
61 The Bargain Box
62 The Spiritual Assembly of the Baha'is of Rockville
63 Thomas and Carol Moran
64 Urban Burger Company
65 Victory Court Senior Apartments
66 Whitaker Brothers Business Machines
67 Woodmont Country Club

Partners Receiving Certificates

1 City of Rockville, Department of Public Works

2 College Gardens Elementary School

3 Environmental Management Division
4 Julius West Middle School
5 Maryvale Elementary School
6 Rockville Recreation Services
7 Rockville Senior Center
8 Rockville Swim and Fitness Center
9 Thomas Farm Community Center

Distinguished Donors Receiving Plaques

1 Bar-T
2 Carl E. Peterson
3 Carmen's Italian Ice
4 CAS Associates
5 Dawn Crafton Dance Connection
6 Faith United Methodist Church
7 Institutional Shareholder Services (ISS)
8 Julia Paik
9 Mid Atlantic Bath
10 Montgomery County Police Department
11 Rockville Church of Christ
12 Sanberger, Inc.
13 Savantage Solutions
14 Shady Grove Adventist Hospital
15 SHULMAN ROGERS
16 Westat
17 White Flint Children's House
18 Wootton High School 2 Students

Partners Receiving Plaques

1 Richard Montgomery High School

2 Robert Frost Middle School

3 Rockville High School

4 St. Mary's Catholic Church

5 St. Mary's School

6 Toys for Tots

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Appointments & Announcement of Vacancies
Department: City Clerk/Director of Council Operations Office
Responsible Staff: Jacqueline Mobley

Subject

Boards and Commissions Appointments, Reappointments and Announcement of Vacancies

Recommendation

Mayor and Council will appoint the following members to the Boards and Commissions.

Cultural Arts Commission

Conner Lee – New Appointment to serve a 3-year term until 1/1/2023
Helen Aberger – New Appointment to serve a 3-year term until 1/1/2023

Human Rights Commission

Charles Pravitt – New Appointment to serve a 3-year tern until 1/1/2023

Attachments

Attachment 8.A.a: Boards_and_Commissions_Vacancies 1.27.20 (DOCX)

Sara Taylor-Ferrell, City Clerk/Director of Council Operations 1/22/2020

Boards and Commissions Vacancies as of 1/27/2020

1- Board of Supervisors of Elections

1 – Cultural Arts Commission

3 – Environment Commission

2 – Landlord-Tenant Affairs Commission

1 – Retirement Board

1 – Rockville Sister Cities Corporation

2 - Human Rights Commission

2 – Senior Citizens Commission

1 – Traffic and Transportation

2 – Human Services Advisory Commission

4 – Historic District Commission (3 Members, 1 Alternate)

Attachment 8.A.a: Boards_and_Commissions_Vacancies 1.27.20 (2957 : Boards and Commissions Appointments, Reappointments and

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Presentation
Department: CMO - Procurement
Responsible Staff: Jessica Lewis

Subject

Procurement Action Plan Update

Recommendation

Staff recommends that the Mayor and Council receive the 42-month update of the Procurement Action Plan, developed in response to the 2015 Procurement Consultant Study.

Discussion

This update serves at the 42-month review on implementation of the Procurement Action Plan that was presented to the Mayor and Council on February 1, 2016. The Action Plan is provided as Attachment A, and notes progress updates since the last report to the Mayor and Council. Highlights of the progress to date also are described in this update.

The Action Plan is organized by the 29 recommendations in the report, with the original start date of January 2016 and extending to December 2018. Implementation of all accepted action plan items were categorized in six month increments through completion. Due to previous changes in the implementation schedule, the action plan now reflects an implementation end date of December 2020.

Recommendation 3, Update the Purchasing Guide

The revamped procurement guide was released in September 2019 which includes all core procurement methods. The guide will continue to be updated on an ongoing basis. Attachment B provides an updated timeline for completion of remaining items.

Recommendations 16, Standardize Documentation Requirements and Create Checklists and Recommendation 6, Conduct Policy and Procedure Training, will continue to be done in conjunction with updates to the procurement guide.

Recommendation 16, Standardize Documentation Requirements, and Create Checklists

Documentation requirements and checklists were included with the update to the procurement guide for the core procurement methods. Procurement staff will continue to develop documentation checklists that will be included any updates to the procurement guide.

Recommendation 22, Develop a Strategic Plan

Procurement staff continues to identify factors that will be included in the Procurement Strategic Plan. A mission, vision, and values statement has been established for the division and is available on the City's website. These statements serve as a foundation in developing the strategic plan for the Procurement Division. This item is a 48-month recommendation within the Action Plan.

Mayor and Council History

The Procurement Action Plan 36-month update was provided to the Mayor and Council on May 13, 2019.

Boards and Commissions Review

On January 7, 2020, the Financial Advisory Board reviewed the 42-month Procurement Action Plan Update and wrote a memorandum to the City Manager for comments and recommendations.

Next Steps

- Continue implementation of the Action Plan as outlined in Attachment A
- Continue updates for recommendation 3 as outlined in Attachment B
- Provide the FY19 Procurement Annual Report

Attachments

Attachment 11.a: Attachment A - Purchasing Action Plan new by implementation 11-14-19 42 mos interim - Copy(PDF)

Attachment 11.b: Attachment B-Procurement Guide Schedule 11-14-19 42 mo (PDF)

Rob DiSpirito, City Manager 1/21/2020

Attachment A

Procurement Action Plan (by Implementation Date)
January 2016 - December 2020

Calyptus Recommendation	Addressed in Action Plan	Calyptus Recommended Time Frame	Action Plan Implementation Date	Comments
Recommendation 1: **Create a Hybrid Structure of Departmental Focus and Method of Procurement**	Yes	within 12 months	**Completed November 2015**	**The hybrid structure and buyer assignments are in place as recommended. Purchasing staff is now meeting on a regular basis with all City departments to enhance communication, procurement planning, and customer service.**
Recommendation 2: **Purchasing to Report Directly to the City Manager**	Yes	within 12 months	within 6 months **Completed February 2016**	**The Purchasing function has been elevated by moving the division to the City Manager's Office; the required City Code change was introduced at the February 1, 2016 Mayor and Council meeting. The title of the Purchasing Manager position was changed to Director of Procurement, and the position has become a part of the City's senior staff management team. The Director of Procurement reports directly to the City Manager.**
Recommendation 4: Incorporate Best Practices in Purchasing into Code and Purchasing Guide	Yes	within 12 months	~~within 6 months~~ within 12 months **Completed February 2018**	Chapter 17 of the City Code will be updated to incorporate best practices in purchasing. Possible Code modifications include a qualifications based method of procurement; services currently exempt from competitive procurement will also be reviewed as part of the Code update. The new Purchasing Guide will be based on the updated City Code and will incorporate best practices as recommended. The Guide will serve as the primary reference source for all City purchasing procedures. **Proposed revisions to Chapter 17 of the City's Procurement Code were adopted by the Mayor and Council on February 5, 2018.**

Attachment 11.a: Attachment A - Purchasing Action Plan new by implementation 11-14-19 42 mos interim -

Attachment A

Calyptus Recommendation	Addressed in Action Plan	Calyptus Recommended Time Frame	Action Plan Implementation Date	Comments
Recommendation 5: Update Purchasing Card Policy and Procedures Manual and Incorporate into Purchasing Guide	Yes	within 12 months	within 6 months **Completed March 2016**	**The revamped P-card manual was developed and implemented in March 2016. The enhanced manual includes new training and exam requirements for all program participants, improved definition of participant duties, and improved definition for program non-compliance.**
Recommendation 7: Introduce more Convenient Purchase Card Training	Yes	within 24 months	within 6 months **Completed March 2016**	**The first phase of training was conducted in Spring 2016 and the next training was provided in Fall 2016. Training will continue to be provided in the spring and in the fall of each year. Training is required on an annual basis and is conducted in a classroom format. Procurement will consider establishing an e-learning module as a longer term objective.**
Recommendation 8: Implement Updated P-Card Oversight Program	Yes	within 12 months	within 6 months **Completed March 2016**	**The revamped P-card manual provides more oversight as it relates to compliance. Consequences for non-compliance have been clearly defined and will be enforced as required. P-card audits are being conducted on a monthly basis. New forms have also been developed to enhance user compliance. Improved definitions of participant roles and responsibilities have also been included in the manual.**
Recommendation 14: Evaluate GAX payments for competitive purchasing opportunities	Yes	within 12 months	within 6 months **Completed June 2016**	**A flowchart and instructions has been developed to outline when various payment methods shall be used as it relates to issuance of GAX payments and payments associated with the appropriate procurement methods. The flowchart and instructions is incorporated by reference in the updated Procurement Guide as mentioned in recommendation 3.**
Recommendation 17: Implement Periodic File Review Compliance Checks	Alternative identified	within 24 months	within 6 months **Completed June 2016**	**A contract file checklist is being used in all formal multi-year contract files. This checklist ensures that all pertinent contract documents are included in the corresponding contract file from beginning of the procurement process to contract closeout.**

Attachment A

Calyptus Recommendation	Addressed in Action Plan	Calyptus Recommended Time Frame	Action Plan Implementation Date	Comments
Recommendation 19: **Investigate additional public procurement websites for opportunities to post public notice of pending procurement actions.**	Yes	within 12 months	within 6 months **Completed June 2016**	**Staff investigated other web posting options and determined that this recommendation is not financially feasible for acquiring a third party company to post bids. The current practice is in alignment with surrounding jurisdictions and eMaryland Marketplace provides good visibility for bid opportunities. Procurement has added an option on its website to allow vendors to receive email and text notifications once solicitations are posted to our website.**
Recommendation 23: **Update and Make clear all Data posted on the Website**	Yes	within 12 months	within 6 months **Completed June 2016**	**The Procurement website has been updated to clarify instructions and solicitations that are posted.**
Recommendation 24: **Standardize the information provided to the Mayor and Council**	Yes	within 12 months	~~within 6 months~~ within 12 months **Completed January 2017**	**Guidelines have been finalized for award approval memos for the Director of Procurement/City Manager, as well as guidelines for Mayor and Council awards. The guidelines allow consistency in information that is being provided to the Director of Procurement/City Manager and Mayor and Council. The guidelines for information provided to the Mayor and Council will be included in the procedures for the new legislative management system and are incorporated by reference in the new procurement guide.**
Recommendation 28: Establish Five Key Purchasing Measures	Yes	within 12 months	within 6 months **Completed December 2015**	**Due to the timing of the budget process, it was determined that the FY 16 measures would be used, which includes percentage of cost savings/avoidance on competitive processes, which was one of the Calyptus performance recommendations. Additional systems or processes would need to be in place before the additional Calyptus recommendations are considered. Consideration will be made to include procurement cycle time targets and percentage of files with "perfect" documentation in future performance measures.**

Attachment A

Calyptus Recommendation	Addressed in Action Plan	Calyptus Recommended Time Frame	Action Plan Implementation Date	Comments
Recommendation 3: Update Purchasing Guide	Yes	within 12 months	~~within 12 months~~ **Completed September 2019 Ongoing**	The Procurement Guide will be updated following completion of the revisions to the Procurement Code (Chapter 17), as discussed in the response to Recommendation 4. The updated Procurement Guide will consolidate the City's current Purchasing Manual and Purchasing Guide into one document. The new Guide will contain all requirements and information to guide the user through the process from start to finish. **The revamped Procurement Guide was released in September 2019 which includes the core procurement methods. The guide will continue to be updated as additional methods are finalized.**
Recommendation 11: Implement an auto-release function for Purchase Orders	Yes	within 24 months	within 12 months **Completed March 2016**	**With the upgrade of the financial system, staff now generates an electronic version of purchase order documents, eliminating the distribution of paper copies. City staff has access to all purchase order documents via the financial system.**
Recommendation 12: Conduct Intensive Purchasing Training	Yes	within 12 months	within 12 months and ongoing **Ongoing**	Purchasing staff will attend training on an ongoing basis to maintain current certifications, to obtain new certifications, and to stay current on industry practices. **Procurement Staff continues to participate in training courses with nationally recognized procurement organizations to remain current in industry practices. Staff is also maintaining current certifications by obtaining credit hours for various courses and two staff members are preparing to obtain a new certification.**

Attachment A

Calyptus Recommendation	Addressed in Action Plan	Calyptus Recommended Time Frame	Action Plan Implementation Date	Comments
Recommendation 16: Standardize Documentation Requirements and Create Checklists.	Yes	within 24 months	~~within 12 months~~ **Completed September 2019 Ongoing**	Required contract file documentation will be defined and standardized, and checklists will be developed in conjunction with the changes to the Purchasing Code (Recommendation 4) and Purchasing Guide (Recommendation 3). **Documentation requirements and checklists were included with the update to the Procurement Guide for the core procurement methods. Procurement staff will continue to develop documentation checklists that will be included as the procurement guide continues to be updated.**
Recommendation 18: Implement procedures for independent cost estimates, cost/price analysis, vendor responsibility, use of standardized templates, guidance documents to departments for delegated procurements, award memorandum, and process for internal contract review.	Yes	within 12 months	~~within 12 months~~ **Completed January 2019**	This will happen in conjunction with the changes to the Purchasing Code (Recommendation 4) and Purchasing Guide (Recommendation 3). **Procurement staff has completed the procedures for conducting independent cost estimates (ICE) and cost/price analysis. Training will be required. Procedures were provided during the launch of the procurement guide.**
Recommendation 6: Conduct Policy and Procedure Training	Yes	within 12 months	~~within 18 months and ongoing~~ **Ongoing**	This training is related to Recommendation 3 and will be implemented upon completion of the new Procurement Guide. The new Guide will be communicated to City staff through a mandatory comprehensive training program. On an ongoing basis, training for different user groups will be provided, at a minimum, annually. **Now that the new Procurement Guide has been launched training will be offered to all City staff. The first training sessions were held on December 4, 2019 and December 6, 2019.**

Attachment A

Calyptus Recommendation	Addressed in Action Plan	Calyptus Recommended Time Frame	Action Plan Implementation Date	Comments
Recommendation 9: **Create Standardized Solicitation documents**	Yes	within 12 months	~~within 18 months~~ **Completed February 2019**	Upon completion of the City Code updates, the creation of a new Procurement Guide, and updating of forms, the standardized templates for solicitation and contract documents will be updated. **Standardized forms/templates have been revised and finalized. Templates have been revised for Competitive Sealed Bids (IFB), Informal Solicitations (RFQ), and Request for Proposals (RFP).**
Recommendation 10: **Develop a system based Contract Management System**	Yes	within 24 months	~~within 24 months~~ **Completed March 2019**	**An award has been made to Cobblestone Systems Corp for the Contract Management Software. Currently, procurement staff is working with Cobblestone on implementation and training.**
Recommendation 15: Establish a strategic sourcing plan by first developing category plans for each of its 10-12 major purchase categories and creating sourcing plans and projects to achieve savings.	Yes	within 24 months	~~within 24 months~~ **within 48 months**	The development of standard reports addressed in Recommendation 13 and the optimization of IT systems addressed in Recommendation 29 are key to the establishment of a strategic sourcing plan. This strategic sourcing plan will identify opportunities for achieving savings across City departments.
Recommendation 29: Optimize use of Current IT Systems	Yes	within 24 months	~~within 24 months~~ **TBD**	**Currently, this item does not have an action plan implementation date. The City will be discussing long term options for acquiring a Finance/Procurement ERP module with the appropriate capabilities to provide enhanced procurement functions. Use of this system will also significantly impact the data for the strategic sourcing plan (recommendation 15)**

Attachment A

Calyptus Recommendation	Addressed in Action Plan	Calyptus Recommended Time Frame	Action Plan Implementation Date	Comments
Recommendation 22: Develop a Strategic Plan	Yes	within 36 months	~~within 36 months~~ **within 48 months**	A strategic plan will be developed once the appropriate purchasing processes have been improved and an updated code, updated policy manual, standardized forms and templates exist. **Procurement staff started identifying factors that will be included in the Procurement Strategic Plan. A mission, vision, and values statement has been established and is available on the City's website. These statements serve as the foundation in developing the strategic plan.**
Recommendation 13: Develop standard reports to evaluate procurement activity and update on an annual basis. Data should be compared to established metrics to evaluate Purchasing performance.	Yes	within 12 months	Ongoing	**Upon completion of the needs assessment, with the assistance of the IT department, staff has identified a business intelligence tool that will assist with generation of various reports based on the City's procurement activity. Procurement used this tool to develop the FY 2019 Annual Procurement Report and will continue to use this tool for the FY20 Annual Procurement Report. Staff will also use the new Cobblestone system to develop and generate other reports.**
Recommendation 20*: Identify potential MFD firms and conduct targeted outreach to increase MFD participation as prime or subcontractors on City procurements.	Yes	within 12 months	Ongoing	Staff will continue with the program as authorized by the Mayor and Council.
Recommendation 21*: Develop a bidders list for use in identifying bidders for procurement opportunities. The list should reflect MFD firms and be updated with each solicitation.	Alternative identified	within 24 months	N/A	Staff does not support the maintenance of a manual bidders lists for procurement. The utilization of various automated/electronic purchasing systems satisfies this requirement. As noted in the response to Recommendation 19, an evaluation of additional opportunities for posting bids is underway.
Recommendation 25: Enhance MFD Program	Continue program authorized by Mayor and Council	within 24 months	N/A	Information about the program is available on the City's website; staff will look for opportunities to enhance the Program's website presence. As previously reported to the Mayor and Council, Purchasing has established a set day and time for the vendor community to receive one-on-one assistance and education. Certain key activities cited by Calyptus are

Attachment 11.a: Attachment A - Purchasing Action Plan new by implementation 11-14-19 42 mos interim -

				inconsistent with the informal outreach program authorized by the Mayor and Council.
Recommendation 26: Develop Service Level Agreements	Alternative identified	within 12 months	N/A	In the context of the other improvements planned, staff does not believe that Service Level Agreements add significant value. To be effective, all aspects of the procurement process (legal, risk management, City Manager's Office) would need to do Service Level Agreements. With regular meetings and communication between the departments and purchasing; there is sufficient impetus for ongoing improvement and accountability for all departments in the process. See recommendation 27.
Recommendation 27: Develop Targeted Improvement Plans	Alternative identified	within 24 months	N/A	As noted in the response to Recommendation 1, the recommended hybrid structure has been implemented and buyer assignments are in place. Regular meetings are now being held between Purchasing staff and the various City departments, improving customer service, and providing the impetus for continuous improvement and possible cost savings through enhanced procurement planning. With enhanced direct communication between departments and Purchasing staff in place, staff does not believe the addition of two continuous improvement teams as proposed by Calyptus provides value commensurate with the time invested.

** The numbering of the recommendations in the Purchasing Report is inconsistent for recommendations 20 and 21. Staff used pages 161/162, not page 6.*

Attachment 11.a: Attachment A - Purchasing Action Plan new by implementation 11-14-19 42 mos interim -

Attachment B

Procurement Guide
Remaining Items

The methods/procedures listed below are remaining items that will be completed and added to the existing procurement guide.

Note: Some of the methods provided require the development of a new procedure and some require a thorough review and revision to previous procedures. The dates provided are estimates only and are subject to change based on level of review and revision.

Method/Procedure	Estimated Completion
Contract Modifications/Change Orders*	January – March (under review)
Contract extensions/renewals*	January - March
Contracting with Public Entities	TBD
Protest	TBD
Special Procurement	TBD
Request for Expression of Interest*	TBD
Unsolicited Proposals	TBD
Contract Disputes	TBD
Appeals from City Manager Decisions	TBD
Authority to Debar or Suspend Contractors	TBD
Appeal of Decision to Debar	TBD

***Items require revision or development of templates, checklists, sample forms, and other materials that will assist procurement and the user department during the process**

Attachment 11.b: Attachment B-Procurement Guide Schedule 11-14-19 42 mo (2879 :

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Presentation
Department: CMO - Procurement
Responsible Staff: Jessica Lewis

Subject

FY19 Procurement Annual Report

Recommendation

Staff recommends that the Mayor and Council receive this report.

Discussion

The procurement report documents the procurement activities of the City of Rockville from July 1, 2018 to June 30, 2019. The report summarizes information from the City's financial system and internally-maintained spreadsheets. Staff utilized the same Business Intelligence software to compile the data within the report, and provides additional procurement data that was previously requested by the Mayor and Council. More information can become available for reports as a comprehensive procurement database is implemented.

Mayor and Council History

This is the fifth report that has been brought before the Mayor and Council. The FY2018 report was presented to the Mayor and Council on November 19, 2018.

Boards and Commissions Review

On January 7, 2020, the Financial Advisory Board identified some concerns and recommendations that they will incorporate into a memorandum to the City Manager after their next Board meeting on February 27, 2020.

Attachments

Attachment 12.a: 2019 Procurement Annual Report (PDF)

Rob DiSpirito, City Manager 1/21/2020

FY2019 Procurement Annual Report

Presented By:

Jessica J. Lewis
Director of Procurement
City Of Rockville
Procurement Division
January 2020

Introduction

- The last procurement report was presented to the Mayor and Council on November 19, 2018
- This report is the fifth procurement annual report prepared for the Mayor and Council
- This report documents the activities from July 1, 2018 to June 30, 2019

FY19 Highlights

- Change order transactions and spend remain stable (page 11)
- Continuous decrease of GAX transactions and spend (page 19)
- Increase in dollar spend to Minority, Female, and Disabled (MFD) vendors for Mayor and Council awards (page 20)

Overview

- FY2019 Summary
- Purchase Order Amount by Procurement Method and Department
- Competitive vs. Non-Competitive Procurement Method
- Change Orders by Procurement Method and Department
- Master Agreements by Procurement Method and Department
- FY2019 Expenditures by Type
- Top Vendor Spend
- Total GAX and P-card Spend
- Minority, Female, and Disabled (MFD) Program Outreach
- Other Items
- Glossary of Terms

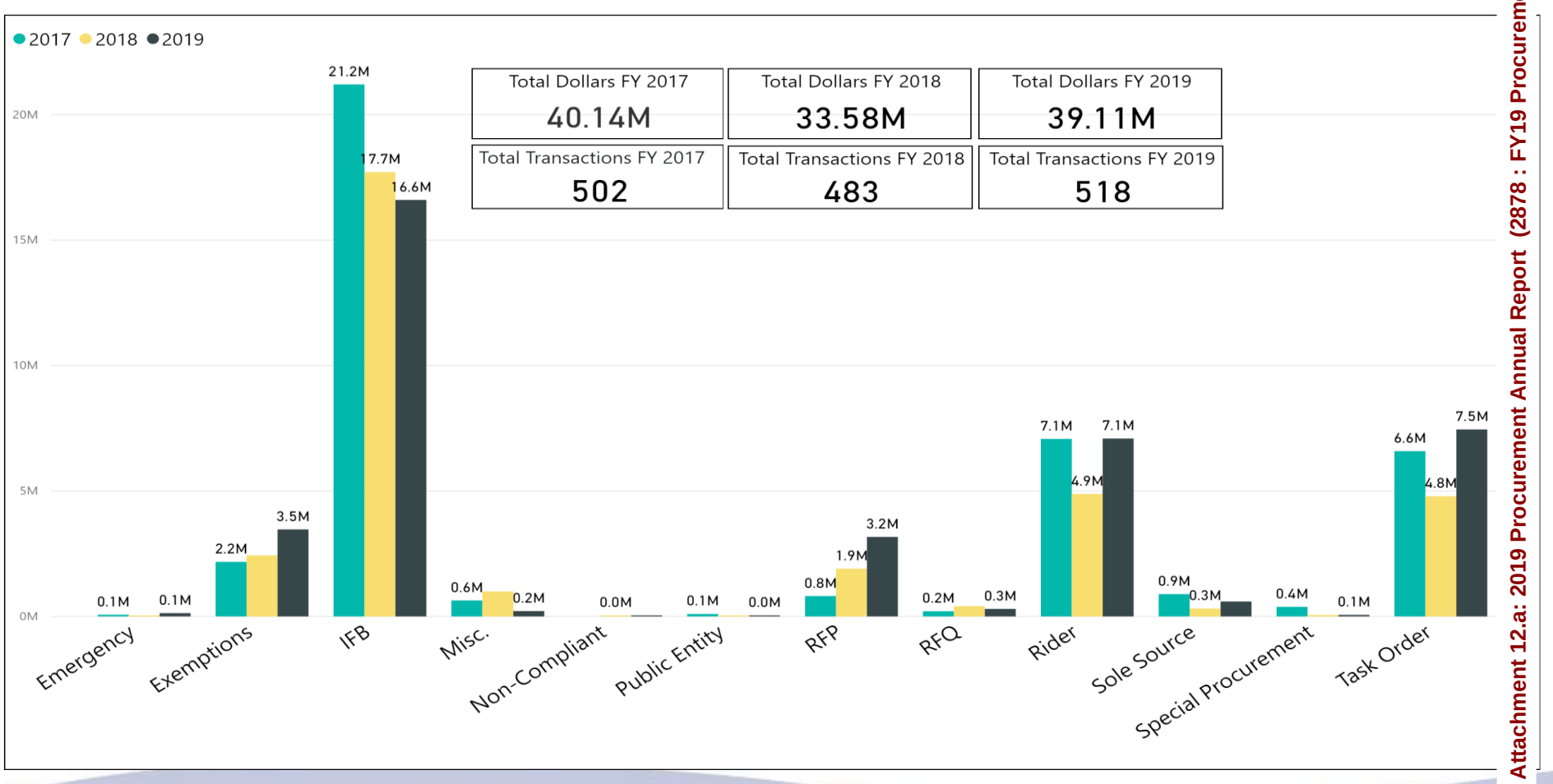
FY2019 Summary

Department	Total Expenditures	Purchase Orders	GAX Payments	P-card Payments	Master Agreements	Change Orders
City Attorney	417,928	44,290	22,252	12,930	287,991	50,4
City Manager's Office	3,931,993	2,977,312	68,287	528,625	356,706	1,0
Community Planning and Development Services	1,234,511	1,161,800	19,200	51,219	2,292	-
Finance	1,022,162	638,410	77,489	13,504	292,759	-
Human Resources	11,439,072	218,727	75,968	73,634	11,070,227	5
Information & Technology	2,392,880	2,203,982	18,822	67,313	84,817	17,9
Mayor & Council*	200,047	80,390	84,641	35,016	-	-
Police	3,770,311	413,291	152,876	104,155	3,099,989	-
Public Works	34,359,064	16,080,852	245,594	823,081	16,419,366	790,1
Recreation & Parks	27,344,124	15,293,122	567,940	823,196	10,414,026	245,8
Non-departmental	118,911	-	118,911	-	-	-
Total	**86,231,003**	**39,112,176**	**1,451,980**	**2,532,673**	**42,028,173**	**1,106,0**

***The figures provided for the Mayor and Council also include the City Clerk/Director of Council Operations purchases.**

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Purchase Order Amount by Procurement Method



Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

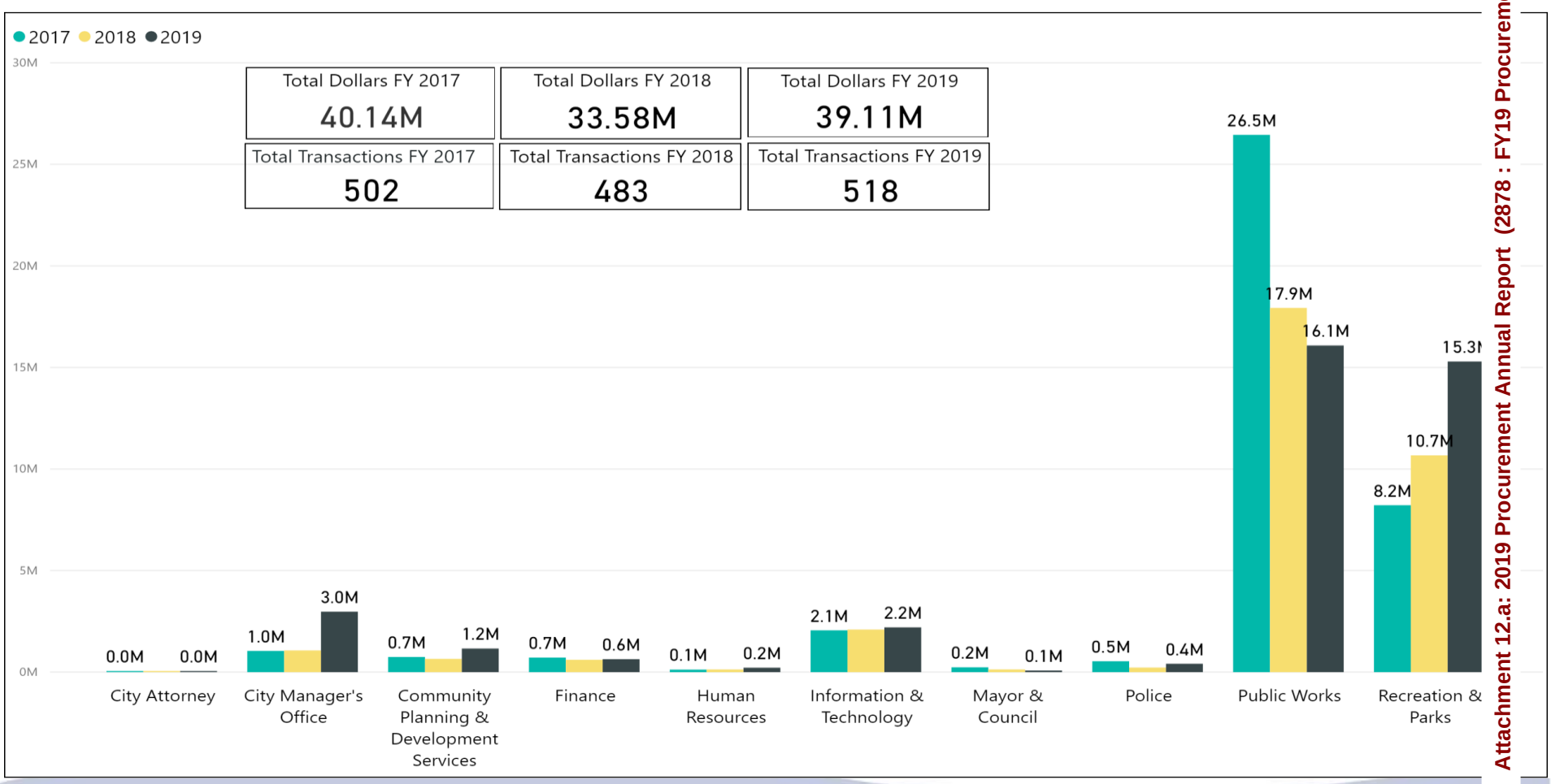
Purchase Order Amount by Procurement Method

This table represents the total value and total transactions for purchase orders based on procurement method for FY2017 thru FY2019. The procurement method is governed by City Code Chapter 17. The most common utilized method is Invitation for Bids (IFB) with the least utilized method being contracts with public entities.

Method	2017	No. of Actions	2018	No. of Actions	2019	No. of Actions
Emergency	69,956.88	7	37,322	6	132,117	6
Exemptions	2,174,106.84	101	2,433,186	97	3,468,394	100
Invitation for Bids (IFB)	21,205,872.43	49	17,710,591	48	16,601,975	43
Miscellaneous	636,920.49	27	996,433	34	214,263	28
Public Entity	97,571.24	5	24,271	2	20,000	1
Request for Proposals (RFP)	812,688.36	19	1,904,696	22	3,169,251	23
Request for Quotes (RFQ)	206,582.78	23	410,203	50	300,071	41
Rider	7,076,252.27	177	4,884,666	149	7,091,336	191
Sole Source	889,656.20	40	314,831	19	595,285	20
Special Procurement	381,095.30	7	60,008	7	62,684	8
Task Order	6,588,176.16	49	4,793,277	47	7,452,866	56
Non-Compliant	-	-	7,160	2	3,936	1

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Purchase Order by Department



Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Purchase Order by Department

This table represents the total value and total transactions for purchase orders by City department for FY2017 thru FY2019. The departments with the most procurement activity are Public Works and Recreation & Parks.

Department	2017	No. of Actions	2018	No. of Actions	2019	No. of Actions
City Attorney	5,147.56	2	55,854	5	44,290	2
City Manager's Office	1,045,355.78	29	1,069,470	23	2,977,312	38
Community Planning and Development Services	746,527.48	23	653,725	26	1,161,800	33
Finance	716,096.57	28	608,150	17	638,410	9
Human Resources	123,032.57	13	131,371	12	218,727	13
Information & Technology	2,058,694.47	108	2,097,283	89	2,203,982	98
Mayor & Council	237,610.76	16	132,279	11	80,390	10
Police	537,019.07	21	225,134	23	413,291	32
Public Works	*26,451,337.96	131	17,931,104	130	16,080,852	118
Recreation & Parks	8,218,056.73	133	10,672,274	147	15,293,122	165

**This high dollar spend reflects items procured for Public Works through IFBs and Task Orders for construction-related projects in FY17.*

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Competitive vs. Non-Competitive Procurement Method

Provided is a comparison of competitive and non-competitive procurement transactions for FY2017 thru FY2019. The highest percentage of competitive procurements include Invitation for Bids (IFB), which is the preferred method. The highest number of non-competitive procurements include cooperative (rider) contracts and exempt procurements.

Competitive Procurements

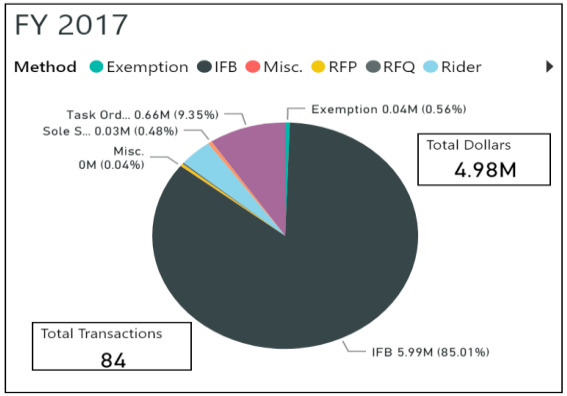
Procurement Method	FY2017	FY2018	FY2019
Invitation for Bids (IFB)	9.72%	10%	8%
Request for Proposals (RFP)	3.77%	5%	4%
Request for Quotes (RFQ)	4.56%	10%	8%
Task Order	9.72%	10%	11%
Total	27.77%	35%	31%

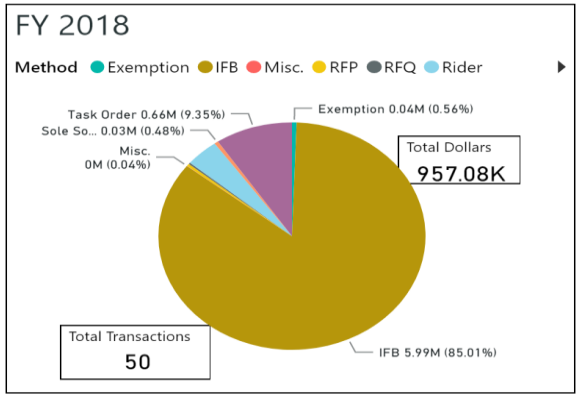
Non-competitive Procurements

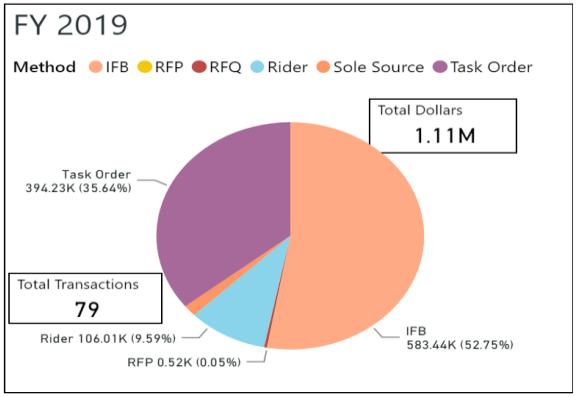
Procurement Method	FY2017	FY2018	FY2019
Cooperative (Rider)	35.12%	31%	37%
Exempt	20.04%	20%	19%
Sole Source	7.94%	4%	4%
Misc.	5.36%	7%	5%
Emergency	1.39%	1%	1%
Special Procurement	1.39%	1%	2%
Public Entity	0.99%	<1%	<1%
Non-Compliant	-	<1%	<1%
Total	72.23%	65%	69%

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Change Orders by Procurement Method







Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Change Orders by Procurement Method

This table provides the dollar values and number of transactions for all change orders/modifications based on the procurement method in which the original contract was awarded for FY2017 thru FY2019. The majority of change orders/modifications were initiated on contracts that were originally awarded via the Invitation for Bids (IFB) process.

Method	2017	No. of Actions	2018	No. of Actions	2019	No. of Actions
Exemptions	-	-	39,463	2	-	-
Invitation for Bids (IFB)	4,611,279.73	44	793,692	13	583,445	26
Request for Proposals (RFP)	23,395.00	2	-	-	516	3
Request for Quotes (RFQ)	4,294.02	2	6,749	4	3,851	3
Rider	155,529.20	14	20,476	12	106,011	14
Sole Source	15,975.71	2	-	-	17,946	1
Task Order	170,689.67	20	93,716	15	394,232	32
Misc.	-	-	2,983	4	-	-

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Change Orders by Department

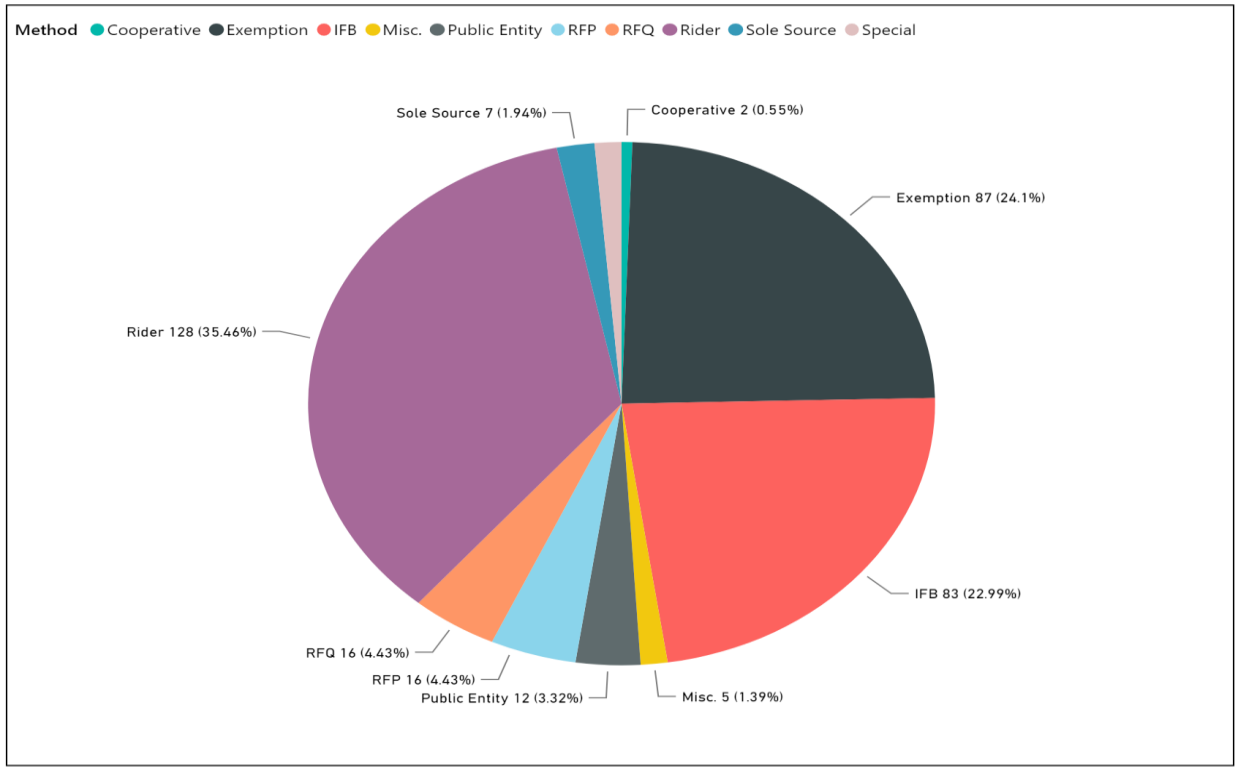
This table provides the dollar values and number of transactions for all change orders/modifications that were initiated by each City department for FY2017 thru FY2019. The majority of change order/modification dollars and transactions were initiated by Public Works and Recreation & Parks.

Department	2017	No. of Actions	2018	No. of Actions	2019	No. of Actions
City Manager's Office	7,613.50	2	5,913	2	50,465	8
Community Planning & Development Services	19,400.00	1	-	-	1,063	2
Finance	16,187.71	3	-	-	-	-
Human Resources	-	-	41,283	3	516	2
Information & Technology	2.00	2	5,506	5	17,946	1
Police	-	-	-	-	-	-
Public Works	4,594,619.36	52	315,878	22	790,171	35
Recreation & Parks	333,128.09	24	591,499	18	245,840	31

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

FY2019 Master Agreements by Procurement Method

This graph represents the total dollar value and total transactions for Master Agreements based on procurement methods as of FY2019. Master agreements may span multiple years. The procurement method is governed by City Code Chapter 17.



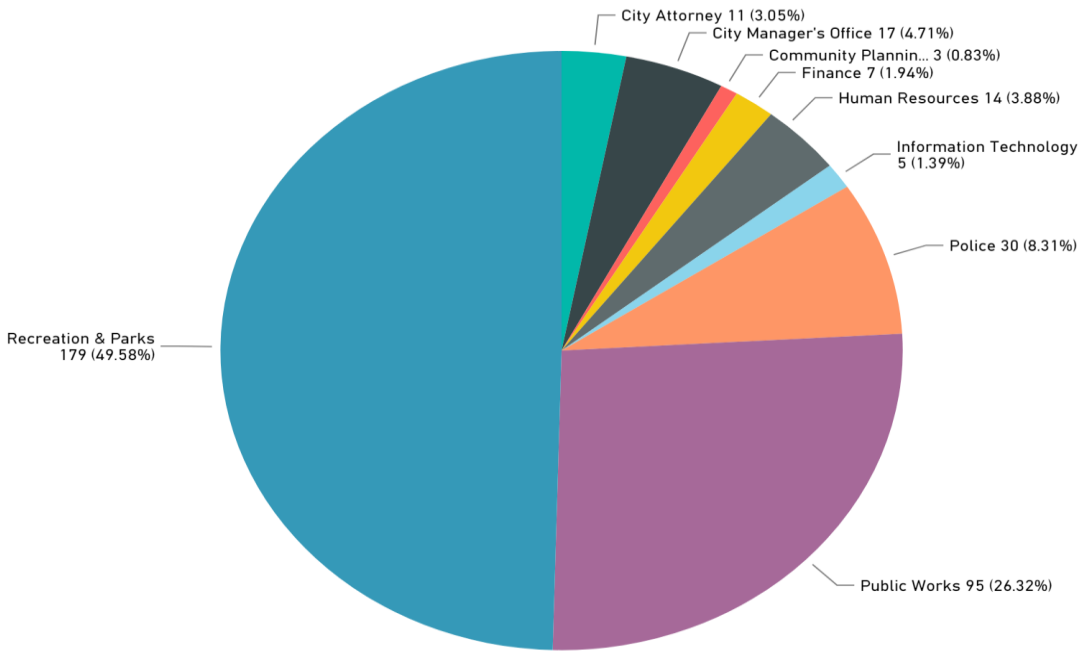
Total Transactions FY 19
361

Total Dollar Amount FY 19
42.03M

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

FY2019 Master Agreements by Department

This table represents the number of transactions for master agreements by City department as of FY2019.



Total Transactions FY 19
361

Total Dollar Amount FY 19
42.03M

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

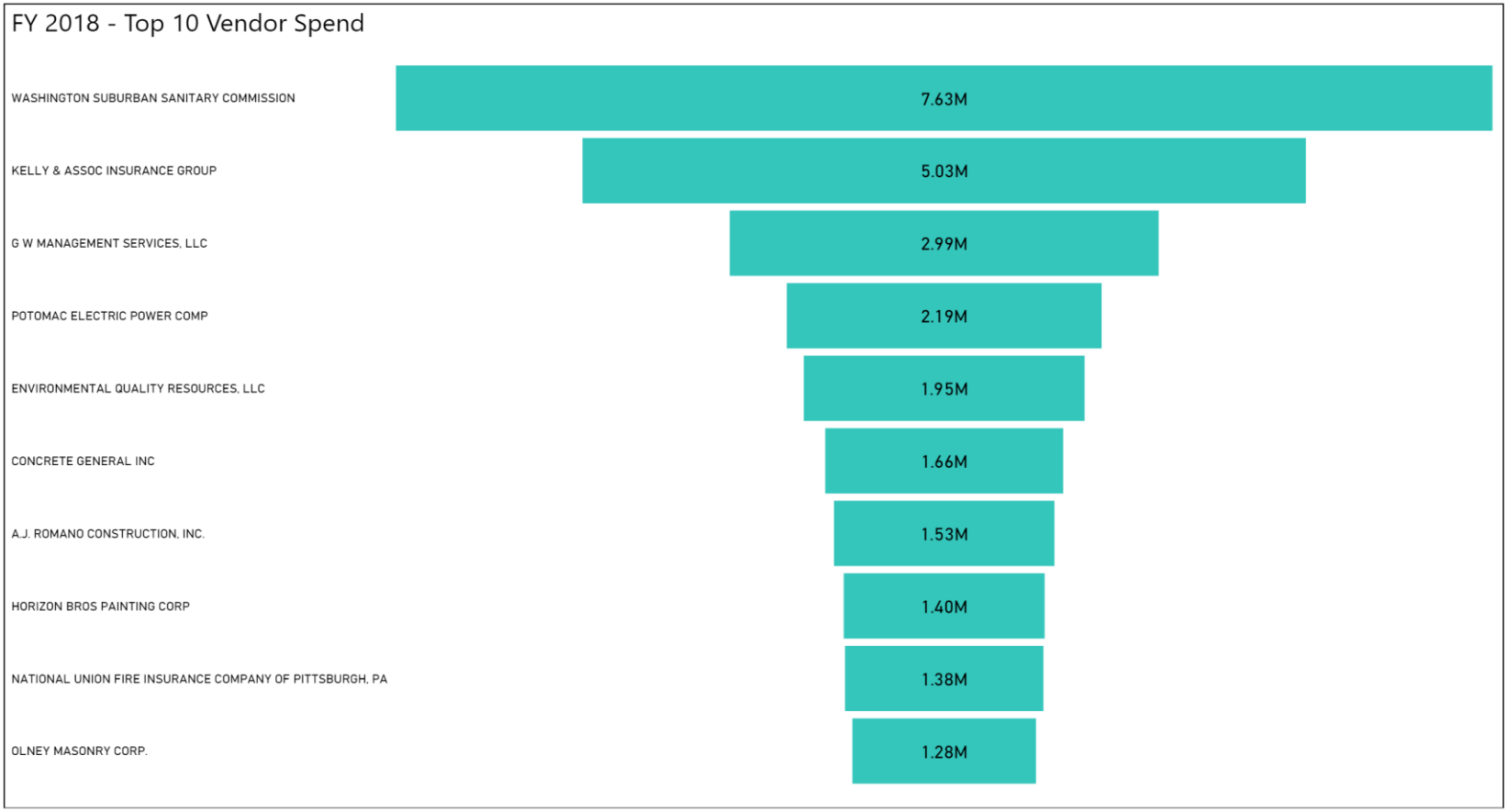
FY2019 Expenditures by Type

This graph provides the total dollar value of expenditures based on the most commonly used contract type or commodity procure by the City for FY2019. This graph does not reflect all of the object classes or categories.

Category	Purchase Orders	GAX Payments	P-card Payments	Master Agreements	Total
Supplies	254,492	146,971	1,485,935	-	1,887,398
Insurance	-	26,722	824	-	27,546
Construction	11,109,458	58,060	4,800	7,622,749	18,795,067
Fuel and Oil	383,379	30,056	22,182	-	435,616
Utilities	261,250	1,459	510	-	263,220
Vehicles	1,002,638	-	-	-	1,002,638
Information Technology	1,458,860	27,146	50,159	-	1,536,165
Equipment	383,379	6,076	521,749	-	911,203
Total	**14,853,456**	**296,490**	**2,086,159**	**7,622,749**	**24,858,855**

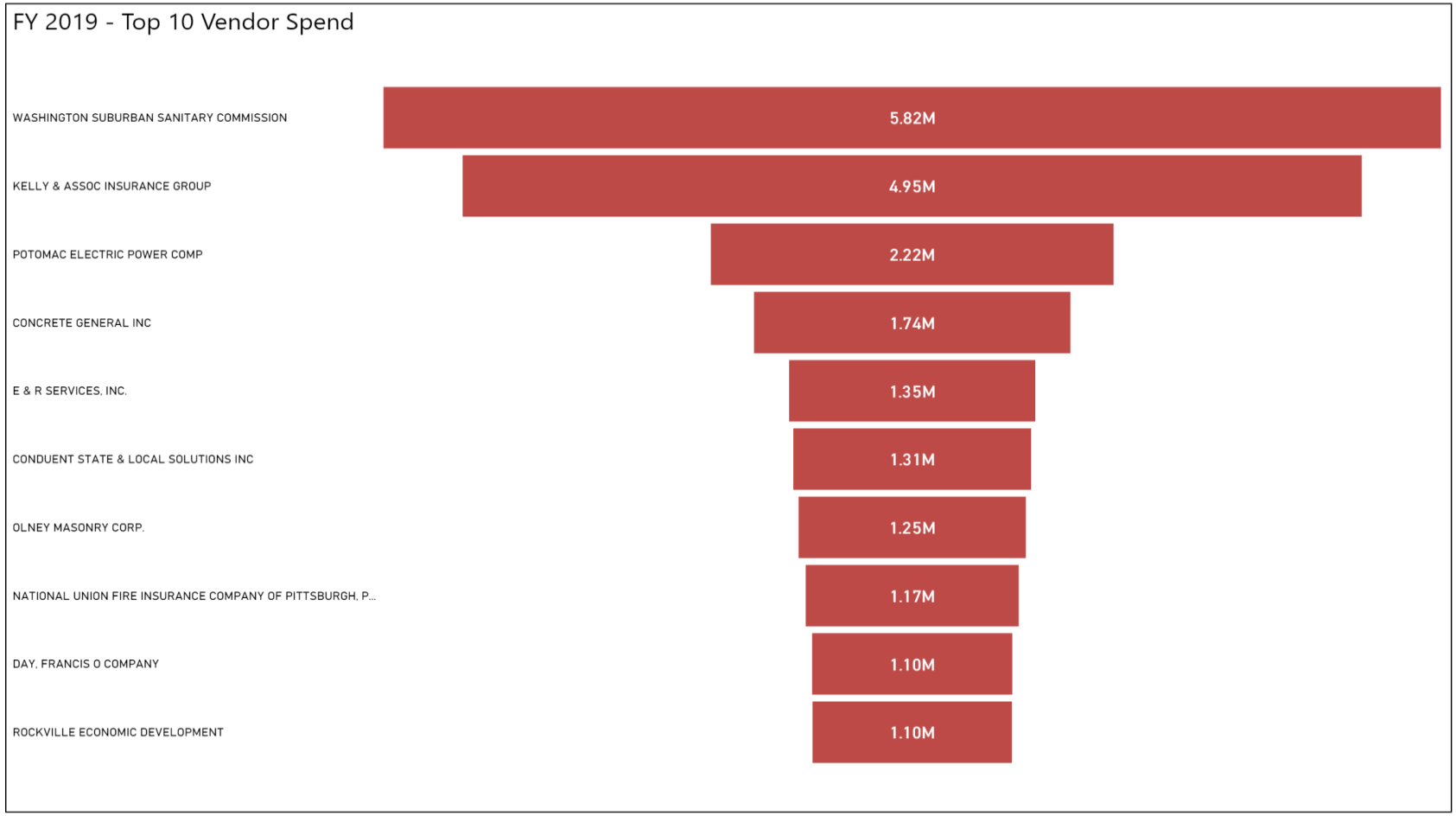
Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Top Vendor Spend for Purchase Orders and Master Agreements FY2018



Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

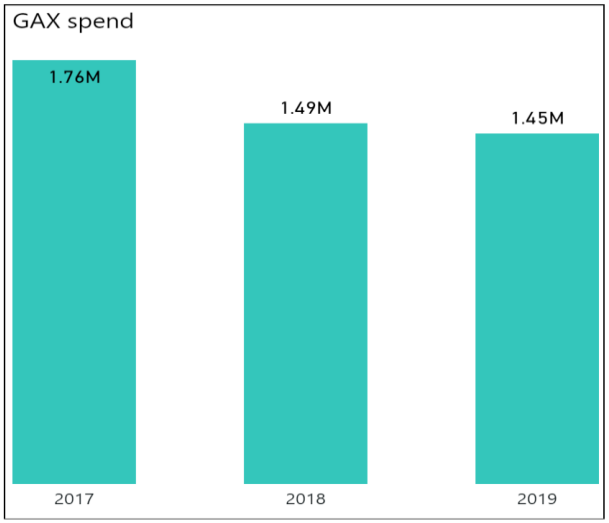
Top Vendor Spend for Purchase Orders and Master Agreements FY2019

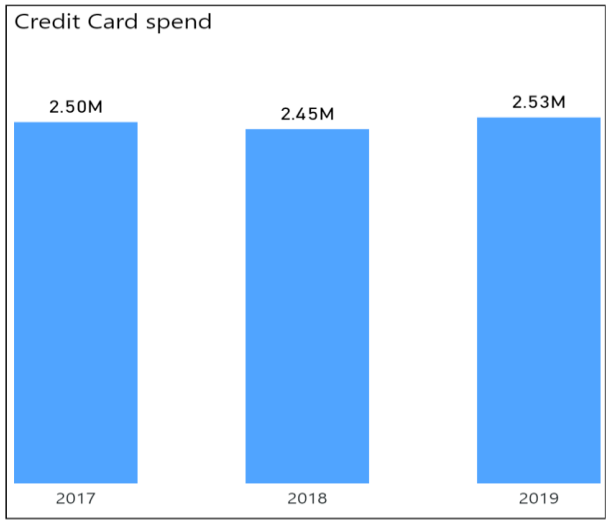


Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Total GAX and P-Card Spend

The graphs provided represent the total dollar value spent for GAX and P-card payments for FY2017 thru FY2019. The GAX spend continues to decrease due to the implementation of the GAX procedures that were developed in FY2016 as a result of the Procurement Consultant's recommendations.





Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Minority, Female, & Disabled (MFD) Outreach Program

In FY2019, about 18% ($4.0M) of Mayor and Council award items, including multiple award contracts, were awarded to MFD businesses.

FY2019 MFD outreach activities include the following:

- Exhibited the MFD outreach program at 4 events
- Attended 3 participating agency outreach meetings/events
- Conducted 2 training sessions on the new central vendor registration system
- Presented How to do Business at the City, with MFD emphasis, at 4 events (including 1 roundtable discussion)
- Conducted 42 formal one-on-one technical assistance meetings with businesses

This represents 55 activities where the Procurement Division had an opportunity to learn about MFD businesses and share ideas of how the City can make meaningful connections with these companies.

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Other Items

Item	FY2017	FY2018	FY2019
Maryland Public Information Act (MPIA) Requests	6	11	29
Bid Protests	0	0	0
Terminated Contracts	0	0	0

Source: Info Advantage and PowerBI. The data contained in this document are estimates only.

Glossary of Terms

1. *Change Order/Contract Modification*: Any written alteration of specifications, delivery, period of performance, price, quantity, or other provision of an existing contract, whether accomplished by unilateral action in accordance with a contract provision or by mutual action of the parties to the contract.

2. *Cooperative Procurement (Rider)*: A **non-competitive method** of procurement used when the City enters into a contract with a Contractor who offers goods, services, insurance, or construction on the same terms as provided by other state or local governments or agencies who have arrived at those terms through a competitive procurement procedure similar to the procedure used by the City.

3. *Emergency Procurement*: A **non-competitive method** of procurement that is used in the event that there is a public threat to life, public health, welfare, safety, and/or operation and functioning of the City government.

4. *Exemptions*: A **non-competitive method** of procurement that provides for the direct purchase of specific products or services (e.g. works of art, recreational programs, grants, utilities) without following the competitive requirements as outlined by the City Code.

Glossary of Terms (cont.)

5. *GAX*: The GAX document is used to disburse funds directly for those activities not appropriate for competitive procurement methods (no dollar limit), or to pay for the purchase of goods and services for which the purchasing responsibility has been delegated to the using department in which P-card restrictions apply ($3,000 limit).

6. *Invitation for Bids (IFB)*: A **competitive procurement method** used to solicit competitive sealed bid responses. Award is generally made to the lowest responsive, responsible bidder.

7. *Master Agreement (MA)*: A purchaser's written document to a supplier formalizing all the terms and conditions of a proposed transaction, such as a description of the requested items, cost of items being purchased, delivery schedule, terms of payment, and transportation. This document is often the result of a completed procurement process or contract; however, funds are not encumbered.

8. *Protest*: A written objection by an interested party to a solicitation or award of a contract with the intention of receiving a remedial result.

Glossary of Terms (Cont.)

9. *Public Entity*: A **non-competitive procurement** method used when the City contracts directly with other public entities for goods or services when such goods or services were obtained through competitive procurement procedures, or when the City contracts with any public entity to provide or receive any work or services of the type the City or such other public entity performs for its jurisdiction.

10. *Purchase Order (PO)*: A purchaser's written document to a supplier formalizing all the terms and conditions of a proposed transaction, such as a description of the requested items, cost of items being purchased, delivery schedule, terms of payment, and transportation. This document allows an encumbrance of available funds and often is the result of a completed procurement process.

11. *Request for Proposals (RFP)*: A **competitive procurement** method used to solicit proposals from potential providers (proposers) for goods and services. Price is usually not a primary evaluation factor. Provides for the negotiation of all terms, including price, prior to contract award. May include a provision for the negotiation of best and final offers.

Glossary of Terms (Cont.)

12. *Request for Quotes (RFQ)*: An informal **competitive procurement method** where competitive unsealed bids are solicited.

13. *Sole Source Procurement*: A **non-competitive procurement** method where only one supplier possesses the unique ability or capability to meet the particular requirements of the City.

14. *Special Procurement*: A **non-competitive procurement** method used when it is determined that a unique or unusual circumstance exists that makes competitive procurement contrary to the City's interest.

15. *Task Order*: A written order defining a particular service and/or material with a definite project, price and time of completion which is used in conjunction with a work order contract to create an enforceable contract (i.e. A/E contract).

Source: NIGP, City Code Chapter 17

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Discussion
Department: Human Resources
Responsible Staff: Karen Marshall

Subject

Fiscal Year 2020 Second Quarter Vacancy Report

Recommendation

Staff recommends that the Mayor and Council review and discuss the Vacancy Report of positions that were open as of December 31, 2019.

Discussion

The attached reflects all open positions with totals by funds ending December 31, 2019.

The Gross Personnel Savings category shown on the attached report for each position represents the portion of the FY20 adopted budget, including salary and benefits, that covers the number of days the position has been vacant in FY2020.

Mayor and Council History

The vacancy report was created in response to a Mayor and Council request during the FY2015 budget process. Since that time, staff has provided the Mayor and Council with reports on a quarterly basis.

Attachments

Attachment 13.a: FY2020 Q2 Vacancy Report (PDF)

Rob DiSpirito, City Manager 1/22/2020

Vacancy Report - General Fund Positions Open as of 12/31/2019 **ATTACHMENT A**

Department	Cost Center	Working Title	Grade	% General Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2020	Adopted FY20 Budget	Gross Personnel Savings
City Manager's Office	Purchasing and Contracts	Buyer	AD108	100%	11/18/2019		43	43	$ 83,560	$ 9,844.05
Finance	Revenue	Utility Revenue Specialist	AD106	10%	10/11/2019		81	81	$ 7,230	$ 1,604.47
Planning and Development Services	Administration and Support	Office Manager	AD108	100%	3/25/2019	Position is being posted on January 17, 2020	281	183	$ 80,050	$ 40,134.66
Planning and Development Services	Codes Enforcement and Community Enhancement	Community Enhancement Codes Inspector	AD109	100%	10/25/2019		67	67	$ 90,750	$ 16,658.22
Planning and Development Services	Development Review	Senior Planner	AD111	100%	11/29/2019		32	32	$ 129,360	$ 11,341.15
Planning and Development Services	Zoning Ordinance	Development Review Supervisor	AD115	100%	11/18/2019		43	43	$ 167,500	$ 19,732.88
Police	Patrol Team	Police Officer	PL110	100%	11/29/2019		32	32	$ 81,570	$ 7,151.34
Police	Patrol Team	Police Officer	PL110	100%	12/1/2019		30	30	$ 81,570	$ 6,704.38
Public Works	Management and Support	Deputy Director of Public Works	AD120	20%	7/19/2019	The DH is re-evaluating the position; also providing professional opportunities for management staff. During this process the position will remain on hold.	165	165	$ 33,840	$ 15,297.53
Public Works	Street Maintenance	Maintenance Worker I - General Maintenance	UN103	75%	12/9/2019		22	22	$ 58,970	$ 3,554.36
Public Works	Street Maintenance	Maintenance Worker II - General Maintenance	UN104	100%	11/14/2019		47	47	$ 48,560	$ 6,252.93
Recreation and Parks	Capital Projects	Senior Construction Project Manager	AD116	100%	9/27/2019	Interviews in progress	95	95	$ 114,230	$ 29,731.10
Recreation and Parks	Parks East Services	Maintenance Worker I - Parks and Facilities	UN103	100%	11/12/2019		49	49	$ 54,190	$ 7,274.82
Recreation and Parks	Senior Citizen Recreation	Program Assistant	AD102	100%	9/27/2019	Position is being re-evaluated	95	95	$ 51,070	$ 13,292.19
Recreation and Parks	Urban Forestry Maintenance	Crew Supervisor II	AD109	100%	11/4/2019		57	57	$ 110,190	$ 17,207.75
Recreation and Parks	Urban Forestry Maintenance	Tree Climber	UN105	100%	6/10/2019	Position reposted	204	183	$ 79,920	$ 40,069.48
Recreation and Parks	Urban Forestry Maintenance	Tree Climber	UN105	100%	7/8/2019	Position reposted	176	176	$ 87,540	$ 42,211.07
									$ 1,360,100	$ 288,062.38

Vacancy Report - Water Fund Positions Open as of 12/31/2019

Department	Cost Center	Working Title	Grade	% Water Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2020	Adopted FY20 Budget	Gross Personnel Savings
Finance	Revenue	Utility Revenue Specialist	AD106	90%	10/11/2019		81	81	$ 65,000	$ 14,424.66
Public Works	Management and Support	Deputy Director of Public Works	AD120	40%	7/19/2019	The DH is re-evaluating the position; also providing professional opportunities for management staff. During this process the postion will remain on hold.	165	165	$ 67,670	$ 30,590.55
Public Works	Water Treatment Plant	Water Treatment Plant Shift Leader	AD109	100%	12/29/2019		2	2	$ 111,380	$ 610.30
									$ 132,670	$ 45,015.21

Vacancy Report - Sewer Fund Positions Open as of 12/31/2019

Department	Cost Center	Working Title	Grade	% Sewer Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2020	Adopted FY20 Budget	Gross Personnel Savings
Public Works	Management and Support	Deputy Director of Public Works	AD120	40%	7/19/2019	The DH is re-evaluating the position; also providing professional opportunities for management staff. During this process the postion will remain on hold.	165	165	$ 67,670	$ 30,590.55
									$ 67,670	$ 30,590.55

Vacancy Report - Refuse Fund Positions Open as of 12/31/2019

Department	Cost Center	Working Title	Grade	% Refuse Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2020	Adopted FY20 Budget	Gross Personnel Savings
Public Works	Street Maintenance	Maintenance Worker I - General Maintenance	UN103	25%	12/9/2019		22	22	$ 19,660	$ 1,184.99
									$ 19,660	$ 1,184.99

Vacancy Report - Parking Fund Positions Open as of 12/31/2019

Department	Cost Center	Working Title	Grade	% Parking Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2020	Adopted FY20 Budget	Gross Personnel Savings
Police	Parking Enforcement	Parking Enforcement Officer	AD105	100%	3/12/2018	Interviews scheduled for January 7, 2020	659	183	$ 67,610	$ 33,897.62
									$ 67,610	$ 33,897.62

Vacancy Report - SWM Fund Positions Open as of 12/31/2019

Department	Cost Center	Working Title	Grade	% SWM Fund	Position Vacancy Date	Status of Positions Open Over 90 Days	Days Open	Days Open FY2020	Adopted FY20 Budget	Gross Personnel Savings
Public Works	Stormwater Maintenance	Maintenance Worker I - Utilities	UN103	100%	12/23/2019		8	8	$ 54,090	$ 1,185.53
									$ 54,090	$ 1,185.53

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Presentation and Discussion
Department: Finance
Responsible Staff: Stacey Webster

Subject

FY 2021 Mayor and Council Budget Survey Results and Priorities

Recommendation

Staff recommends that the Mayor and Council review and discuss the survey results and provide majority direction or guidance on their collective priorities to the City Manager for the FY 2021 proposed operating budget and CIP.

Discussion

At the Mayor and Council meeting held on December 9, 2019, the Mayor and Council requested that staff distribute a budget survey to enable them to communicate their priorities to the City Manager in a consistent format. The FY 2021 Mayor and Council budget survey was distributed to the Mayor and Council on December 10, 2019. The survey is comprised of ten questions. All members of the Mayor and Council submitted survey responses, which are summarized in this report (MA for Monique Ashton, BF for Beryl L. Feinberg, DM for David Myles, BN for Bridget Donnell Newton, and MP for Mark Pierzchala). The individual survey responses can be found on Attachment A.

In addition to the survey responses, Attachment B is the General Fund Overview that was presented to the Mayor and Council on December 9, 2019. The purpose of this overview was to provide the Mayor and Council some context as they formulate and discuss their priority initiatives for FY 2021. This information was not intended to be used as the FY 2021 proposed budget due to the certainty of adjustments over the next several months.

Summary of Survey Responses

While there will be other opportunities for the Mayor and Council to provide input and direction throughout the FY 2021 budget process, providing feedback during this agenda item would give the City Manager the opportunity to incorporate the Mayor and Council's direction into his proposed budget.

Questions 1 through 5 of the survey relate to the operating budget and Capital Improvements Program (CIP). The second half of the survey, questions 6 through 10, includes open-ended

questions on top budget priorities, caregiver agencies, property tax, increasing revenues, and decreasing costs.

	Yes	*No*	*Neutral*	*Comments*
Operating Programs and Services				
1. I would like to **increase funding for existing programs or services** (if 'Yes' please list programs or services)	**MA** **BF** **DM** **BN**	**MP**		**MA –** Safety: As our City has grown in population size and traffic, we need to consider addressing our infrastructure. I would like to allocate targeted funding to support Vision 0, to help address pedestrian and bicycle safety and identify targeted metrics to monitor success. In addition, I would like to consider funds to support additional police staff as they have noted the need for 2-3 more police officers. Economic Development: Increase focus on proactive efforts to attract and secure business growth opportunities that will contribute to jobs, services, and economic development in Rockville. Program & Services Support: I would like to review staff recommendations to ensure that sufficient programs and outreach services are available throughout Rockville (i.e. senior services continue to be expanded for those not located near the senior center; programs and camps for children; community enhancement funding for local parks and recreation centers; collaboration opportunities with the County on early childhood ed as well as expanding the L2L program to TES). M&C will be discussing the Recreation & Parks report as well as the community survey

				that will help refine what is needed and feasible. **BF** -Enhance police staffing to reflect growing population, urbanized neighborhoods and increase availability for enhanced pedestrian/motorist enforcement efforts. Increase Recreational programming as follows: 1) Consistent with Senior Assessment Study recommendation, increase decentralized senior programs as more seniors opt to remain in residential neighborhoods; 2) Work with FRIT to identify space for recreational programming in Rockville Town Center; and, 3) Return regular year round programming/staffing at Elwood Smith Center reflective of a vibrant community with residents of all ages. Previous assumptions that the community does not want programs may no longer be valid. Provide funding to partner/cost share with MCPS for housing a separate daycare provider on the site of the Maryvale/Sandburg site, following a request submitted by MCPS. Amount to be determined, but this partnership follows previous City support for MCPS projects at Lakewood ES, College gardens ES, Meadow Hall ES and Bayard Rustin ES. **DM** – Rockville Housing Enterprises **BN** – **REDI** – Our Economic Development arm has come a long way this past year and it is imperative that we support their continued progress in increasing the corporate side of Rockville. I would support an increase in

				their Budget for a new website and marketing. **Arts and Culture Destination** – I see an opportunity for Rockville to become home to the KID Museum, Rockville Science Center and other cultural draws so would like to replenish the funds that were used for 6 Taft. **Complete the Comp and Class** to deal with equity and compression issues. **Complete the ADA Transition Plan** **Increase staffing for Special Events** **Fully fund the Sr. Center ADA Improvements** **MP** - I'll take any increase in funding that comes through expanding the tax base, or through increased prosperity for Town Center and other areas.
2. I would like to **decrease funding or eliminate existing programs or services** (if 'Yes' please list programs or services)	**BN** **MP**	**DM**	**MA** **BF**	**MA –** This decision needs to be made with careful review in coordination with staff. Some factors to consider include: -Efficiency, effectiveness, and use of existing programs and services -Best practices and lessons learned to improve services and plan for the future -review vacant staff positions and determine how they can be best repurposed -explore possibilities for longer term cost savings (i.e. consider renewable energy sources that can help save money in the longer term while also supporting environment and climate change reduction goals) **BF** – However, if program measures indicate ineffective or inefficient programs, consider

				taking measures to improve program or service or decreasing/eliminating the service. Support creation of new positions by first looking to abolish vacant positions. **MP** – The $400,000 per year to Dawson's should be re-examined. I voted for it only in the hope that Mayor and Council would take concrete steps to improve the business climate of Town Center. This mainly includes increasing the natural customer base by increasing the population of Town Center (this would have many other positive aspects too). But I'm not sure this Mayor and Council has the political will to allow further residential growth in Town Center.
3. I would like to **see new programs or services** added in the FY 2021 budget (if 'Yes' please list programs or services)	**MA** **BF** **DM** **BN**	**MP**		**MA -** We have several important discussions and agenda items that will come before M&C during the budget planning process that will inform this topic: Red Gate, Recreation and Parks Report, King Farm Farmstead, and Cultural Arts. We have strong programming for adults, seniors, and youth (5 years through 12/13 years). I would like to see more targeted programming for teens. In addition, consider services to address the needs identified in the 2016 Senior Citizen Needs Assessment and Gap Analysis. **BF** – Creation of a Rockville multicultural 'Welcome Center' staffed by volunteers and a contractual part time coordinator to engage newcomers and demonstrate

				our commitment to diversity. **DM –** Funding (grant or otherwise) for an early care and education center for young children **BN** – Establish a program for Stonestreet businesses – (not property owners) to move to our Industrial Zone. Establish a program for homebuyers to buy historic homes on S.Washington, N.Adams to return them to residential. Expand our bike/ped trails to eventually tie into the Great American Rail Trail. **MP** – Rockville does a lot and new programs are just a slippery slope to financial hell.
Capital Improvements Program				
4. I would like to **add new CIP projects to the FY 2021 through FY 2025 CIP** (if 'Yes' please include a basic description of projects)	**BF** **DM** **BN** **MP**		**MA**	**MA -** Support the economic development, master plan, and safety/infrastructure projects noted in question 1. Once staff shares budget options, we will need to consider the possibility of new projects and sources of funding. **BF -** Recommend revamping the current CIP Pedestrian and Bicycle Safety (4B71) into a Vision Zero (VZ) Implementation CIP, incorporating the elements of the future adopted VZ Action Plan. No fatality is acceptable. Prioritize annual funding above the current level of effort project amount of $50K/year in revamped project. In response to the memo sent to M/C dated November 21, 2019

				re an 'Update on Gender-Neutral Bathrooms', that included a chart detailing a phased in, 'touch a facility once' approach whereby bathroom work could be completed simultaneously to other construction underway, advocate for the following funding in FY21: As construction projects are scheduled for Elwood Smith and Dogwood Park (RD16) for FY21, include gender neutral bathroom work during other planned improvements at Elwood Smith and add gender-neutral bathroom to Dogwood Park project. Accelerate gender-neutral bathroom in the CIP for Twinbrook Community Recreation Center, as currently there are no plans for any improvements in the five-year CIP. These are inclusion issues, and consistent with the City's efforts to provide programs, services and facilities welcoming to the G, L, B, T community. Create a new level of effort, ongoing CIP project for Emergency Operations Implementation, prioritizing City Hall. Completed facility assessments and the Emergency Manager and Police Chief recommendations would prioritize immediate strategic improvements. Recommend CIP project as opposed to operating budget where any unused, unencumbered appropriations are lost at the end of the fiscal year. **DM –** Solar panels for City Hall and City Facilities, where feasible **BN -** 1. Ped/Bike Crossing between Twinbrook and Pike.

				2. Over/Under on 355 from 28-Middle Lane. 3. Splash pad for East Rockville 4. Branding 5. COR trip to Yilan **MP -** I'll take this to include raising the priority of a CIP project, and for me this includes (1) providing mold and fire protection for King Farm Farmstead, and (2) otherwise providing for all necessary utilities for King Farm Farmstead, assuming the maximum usage for each kind of utility.
5. I would support issuing **taxpayer supported bonds** or **utilizing reserves** above the 20 percent reserve target, if needed to fund the CIP budget	**BF** **BN** **MP**	**DM**	**MA**	**BF** – Bond ratios are well within targets and the cost of borrowing is relatively inexpensive, so would advocate for bond funding with recognition that the debt service is paid through the operating budget. **DM –** Not indicated at this point **MP** – If necessary, to partially provide for King Farm Farmstead as noted in 4 above.

Open Ended Questions

6. Please list your **top five budget priorities** for FY 2021.

MA:

1. Proactive approach to economic growth to help expand jobs, services, and additional revenues that will help Rockville maintain high quality programming and services for residents. Proactive measures include addressing ULI recommendations and parking needs in Town Center; considering a business improvement district; Coordinating with REDI, the Rockville Chamber of Commerce, and others to attract new businesses, pursuing proactive business growth opportunities, revitalizing Rockville's reputation on the 270 biotechnology Corridor and 355 retail center; partnering with stakeholders to bring KID Museum to Rockville; supporting Rockville's historic and cultural arts experiences that help make Rockville a destination. Economic growth will help Rockville maintain our budget without a tax increase on residents.

2. As our City continues to grow, ensure we maintain and support our infrastructure to address traffic congestion and pedestrian/bicycle safety issues, and water, sewer, police staffing, and plan ahead for budgetary needs. We need to have dedicated Vision 0 funding, support multimodal transportation options, add 2-3 police officers, and consider the infrastructure needs identified in the Comprehensive Master Plan.

3. Continue to pursue excellence in the provision of services, programming and outreach/engagement with residents and neighborhood centers. Address recreation and parks program needs, as well as planning for King Farm Farmstead and Red Gate.

4. Support efforts that help create workforce and affordable housing opportunities as well as help seniors age in place.
5. Support green space and environmental initiatives to help address sustainability and climate change.

BF:

1. Begin upgrading/enhancing existing city facilities' emergency preparedness with multi-year funding as recommended by the City's Emergency Preparedness Manager, Police Chief, and recommendations from the completed facility assessments. Potential improvements include building card access, lobby security, etc. for City Hall and all community facilities.

2. Creation of a City of Rockville multicultural 'Welcome Center', identifying space in City Hall during the dual design/buildout of 6 Taft Court and space reallocation at City Hall, and the relocation/move of identified services from City Hall to the new facility. This aligns with the City's commitment to Rockville to champion diversity.

3. Revamp Pedestrian and Bicycle Safety CIP (4B71) into Vision Zero Implementation CIP, and increase funding to reflect priority and urgency to reach Vision Zero action goals and save lives/prevent severe crashes of pedestrians, cyclists, motorists and those using scooters. Recommend as an ongoing, level of effort project and increased funding above $50K/year.

4. Consultant study on the merits/drawbacks to the creation of Business Improvement district, and/or expansion of the Parking District overlay/boundaries to support an enhanced level of services needed in Town Center and other commercial areas of the city.

5. Fund a 1% COLA for retirees, with latest actuarial valuation projecting the cost at $488,984 for Admin and Union Participants, and $96,948 for Police Participants.

DM:

1. Evidence-based interventions to improve street safety (increase police patrols, speed camera installation, sidewalk/street repairs, crosswalk installations, protected bike lanes, etc.).
2. Grant funding for child care centers in conjunction with Montgomery County's initiative to increase early care and education programs.
3. Grants to support workforce (Sanitation, Police, Fire, EMT, Rockville Civil Servants, teachers, child care providers, etc.) housing.
4. Funding the overtime necessary for Police to get the additional training (e.g. Fair and Impartial Policing, Crisis Intervention Training, etc.) so that an increasing percentage of officers are trained.
5. Funding for a composting pilot program.

BN:

1. Pedestrian/Bike Safety
2. Comp and Class
3. Increase in RCPD at community policing level (bike/Segway patrols, EV's)
4. King Farm Farmstead
5. More parkland/Green Bridge in Twinbrook and Town Center

MP:

1. Stabilize personnel costs. This may mean cutting positions through attrition, seeing as how Rockville is probably going to end up with higher per person costs due to the compensation and classification study and other factors.
2. I'd like to see a 5-year plan to increase the size of the police force in a meaningful way.
3. We need to discuss whether we still need the water plant given that WSSC can handle our needs for the foreseeable future. The decommissioning of the plant and going to WSSC supplied water would be tricky, but it should be studied. I would be willing to provide job security for the water plant staff.
4. I'd like to see Rockville's 3 Resident Companies (RESCOs), and possibly Rockville Sister City Corporation, get a 1-time grant from the FY 20 surplus, of $25,000 each. There is a reason for this. Earlier in my tenure as a councilmember, around 2010 or 2011, we adjusted our cost recovery structure in such a way that hurt these 4 organizations. This hit the RESCO companies badly and added costs to RSCC. The RESCOs know they have to adapt to modern times, but their tight budgets and balances, make it difficult for them to experiment. One big flop may put them out of business. This one-time grant would give them some breathing room to adapt. The Resident Companies are (1) The Victorian Lyric Opera, (2) Rockville Little Theatre, and (3) Rockville Musical Theatre.
5. I would like to see budgeted, a plan for 400 to 500 bike/pedestrian signs be funded as per the report I and Councilmember Onley worked on last term.

7. At **what level** would you like to fund **Caregiver Agencies**? (i.e. less than FY 2020, equal to FY 2020, increase consistent with CPI, one percent of prior year budget, level based on merit of applications submitted, etc.)

MA - Continue to budget as FY2020. Consider CPI increase if budget allows (considering other budgetary needs.). Actual grant amounts should be based on need, merit of application, and tied to measurement and outcomes focused on Rockville residents.

BF – For Caregiver Grants, increase consistent with CPI.

For Outside Agency Grants, request supplementary information following the budget transmittal to include fuller descriptions and justifications for increased grants, including performance outcomes submitted by the requesting agencies. Recommend a public policy conversation with the Mayor and Council related to whether the City Manager should recommend grants to organizations that did not participate in the grant process or submit late funding requests.

DM - At the current levels with an increase consistent with the consumer price index.

BN – Increase consistent with CPI for those programs that meet the needs and priorities of the City and are not duplicative.

MP – Same as FY 2020 with CPI increase.

8. Do you have any interest in **increasing the real property tax rate** if additional revenue is needed to support City operations, CIP projects, or new priorities in FY 2021? The real property tax rate has remained at $0.292 per $100 of assessed valuation since FY 2009; property tax revenue funds more than one-half of the General Fund budget.

MA - Maintain the current property tax rate at $0.292 per $100 of assessed valuation and $0.805 per $100 of assessed value for personal property.

BF – Strongly recommend maintaining the real property tax rate at $0.292 per $100 assessed value and the personal property tax rate of $0.85 per assessed value.

DM – No. Although the rate has remained the same, most property values are trending upward yielding more revenue from property taxes. We should be able to live within the budget.

BN **–** This should be part of a larger discussion as we've also been asked if we would have an interest in moving the Reserve threshold to 20%. (it is currently around 25-27%) If we move it to 20% (for years it was 15%) then I think we gain enough additional room – however – if we keep it where it is we are limiting our ability to address bigger ticket items like KFFS, community centers, Redgate, parkland etc and paying interest on Bonds when in fact we might not need to Bond as much.

Also – did the property tax rate decrease in the 2 years prior to the decision in 2009 to remain at $0.292?

MP – No interest in rate adjustments

9. Do you have any additional ideas for **increasing revenues or decreasing costs** in the budget?

MA - *Identify and apply for grants (Federal, State, Foundation) targeted for Cities to help support specific initiatives that align with Rockville's mission.

*Review of fees and fines.

*Work with City staff to continue to look for opportunities for efficiencies.

BF – Continue to advocate for projecting general fund revenues more aggressively so that we can minimize the variances to actuals from the prior year and/or need to adjust the forecast so shortly after the budget is adopted. This provides for more capacity to keep in reserves or appropriate in the operating budget or in the capital fund, all of which are choices.

Review of all fees, fines and other revenue streams to identify potential rate increases based on the last time rate changes were incorporated/adopted as well as alignment of budgeted revenue with historical actuals. Outdated user fees and fines may incur processing costs in excess of the fee charged. While confident this review occurs at the department level, recommend a more comprehensive review of the entire schedule of user and regulatory fees, including information of when last updated, the current FY20 rates and the FY21 recommended rates at the granular level. Particular attention to fees related to Animal Control, Building Related fees, Forest and Tree Preservation, Licenses, Permits and Miscellaneous Business Regulations, Rental Facilities and Landlord Tenant Relations, Traffic, Sign Permits (all types).

Fund a study of the merits/drawbacks to creating a Business Improvement District, or expanding the Parking District to support a revenue stream to accommodate an enhanced level of services/programming in Town Center.

Proactively identify and apply for federal, state and regional grant opportunities related to emergency management and enhanced security.

Review vehicle replacement schedule to assess whether to delay selective replacements as a measure to reduce these operating budget costs.

DM – Revenues will increase as more people relocate to Rockville. Those revenues will increase even more rapidly as businesses move to the area. I look forward to working with my colleagues and related agencies to help attract and retain more businesses in Rockville.

BN -

1. There have been many requests for COR branded items (Flag, scarves/ties/, etc) We could build some community spirit selling items with a minor profit.
2. Cancel the annual 10% that certain employees receive above their salary.
3. Cancel the car allowance that certain employees receive. DPW, R&P, CoP and CM are the only employees who need a car on demand – all others should use a pool car or be reimbursed for mileage.

MP – Our revenue growth would be just fine if we didn't stop or slow desirable growth near transit centers. We're missing big opportunities for Town Center renovation for example, where we would increase our property tax revenues, and where the County would net positive on school impact fees versus school capacity generated.

10. General Comments

MA -
Consider increasing the senior tax credit. The Rockville Senior Citizen Study and Gap Analysis identified that seniors leave/consider leaving Rockville because of the cost of living and housing. I would like to see the City review/ study whether this is an opportune time to revisit and increase the tax relief provided for seniors and low-income households given that there has been an increase in property values. This will help more seniors age in place and maintain affordability. Currently, the City of Rockville offers a supplemental credit to the State of Maryland's Homeowners' Tax Credit Program. This State administered program provides real property tax credits to low- and moderate-income residents for property taxes on their principal residence. Under the City's current Program, households with gross incomes up to $91,000 per year and a household net worth of less than $200,000 could qualify for tax relief on the first $495,000 of their home's assessed value.

The City has a number of initiatives that will need require more community outreach and engagement. Consider novel, cost effective approaches to increase engagement and inclusion.

BF – Budget changes are customarily compared from the prior year original adopted budget to the next year's recommended budget. As such, request that all new positions created and any offsetting abolishments enacted during FY20 are included and clearly shown with the total compensation impact of each change for FY21. Ideally, these would be in a chart and included in the budget document for transparency. These should be separate from new positions recommended in the FY21 budget and should include a full budget justification and compensation, including vehicles, uniforms, equipment, mobile computers, etc., as was done last year for the new City Attorney and Emergency Management positions. Secondary costs for office furniture, telephones, computers, cell phones, should be reflected.

Embark on a proactive plan for 'green purchasing' across the city, including: 1) hybrid or electric vehicles where the service needs and costs demonstrate a positive return on investment in terms of dollars as well as environmental sustainability; 2) consider the environmental and climate impacts, as well as and sustainability practices in all aspects of city services and purchases 3) develop a paper reduction plan with identifiable reduction targets.

DM – I look forward to reviewing the input of our residents as we make these decisions.

BN - I look forward to this years budget discussions 😊

MP – I'm not interested in Rockville adding programs that are the proper domain of Montgomery County.

We have a surplus from FY2020. I would target most of this to King Farm Farmstead capital improvements as described above. We have an estimate of $4.7M for the whole site, and $2.7M for the dairy barns. The idea of a RESCO one-time grant is explained above. I would consider undergrounding the overhead lines along 355 next to Choice Hotels, or moving the lines across the street, but only if it would keep Choice in that location. I would consider the suggested one-time $500,000 donation to MCPS, for a structure, for Early Childhood Education at Maryvale, if MCPS is interested, if there is a true demand in that area that is not already being met. I don't want to get into operational support for ECE.

Mayor and Council History

Date	Action Item
December 9, 2019	Mayor and Council Budget Worksession
December 16, 2019	Budget Public Hearing
January 13, 2020	Budget Public Hearing

Public Notification and Engagement

There are an additional two public hearings related to the FY 2021 budget scheduled for March 2, 2020 and March 23, 2020. In addition to these public hearings, the public can submit comments about the budget via an online survey located on the City's website at www.rockvillemd.gov/budget.

The FY 2021 budget public record closes on April 17, 2020.

Fiscal Impact

There is no fiscal impact associated with this agenda item; however, the FY 2021 Operating Budget and CIP will establish the annual City budget and the programs that the City will fund starting on July 1, 2020.

Next Steps

The City Manager's proposed budget will be presented on February 24, 2020. Additional budget public hearings and worksessions will take place in March and April. The budget is scheduled to be adopted by the Mayor and Council on May 4, 2020.

Attachments

Attachment 14.a: AttachA_CompleteSurveys_2021 (PDF)
Attachment 14.b: AttachB_GeneralFund_FY2021 (PDF)

Rob DiSpirito, City Manager 1/22/2020

Mayor and Council
FY 2021 Budget Survey

Please fill out the FY 2021 Budget Survey and return it to the City Manager by January 10, 2020. Please answer all questions or respond with N/A. All survey responses will be compiled and discussed at the January 27, 2020, Mayor and Council meeting.

	Yes	No	Neutral	Comments
Operating Programs and Services				
1. I would like to **increase funding for existing programs or services** (if 'Yes' please list programs or services)	X			Safety: As our City has grown in population size and traffic, we need to consider addressing our infrastructure. I would like to allocate targeted funding to support Vision 0, to help address pedestrian and bicycle safety and identify targeted metrics to monitor success. In addition, I would like to consider funds to support additional police staff as they have noted the need for 2-3 more police officers. Economic Development: Increase focus on proactive efforts to attract and secure business growth opportunities that will contribute to jobs, services, and economic development in Rockville. Program & Services Support: I would like to review staff recommendations to ensure that sufficient programs and outreach services are available throughout Rockville (i.e. senior services continue to be expanded for those not located near the senior center; programs and camps for children; community enhancement funding for local parks and recreation centers; collaboration opportunities with the County on early childhood ed as well as expanding the L2L program to TES). M&C will be discussing the Recreation & Parks report as well as the community survey that will help refine what is needed and feasible.
2. I would like to **decrease funding or eliminate existing programs or services** (if 'Yes' please list programs or services)			X	This decision needs to be made with careful review in coordination with staff. Some factors to consider include: -Efficiency, effectiveness, and use of existing programs and services -Best practices and lessons learned to improve services and plan for the future -review vacant staff positions and determine how they can be best repurposed -explore possibilities for longer term cost savings (i.e. consider renewable

Attachment 14.a: AttachA_CompleteSurveys_2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

				energy sources that can help save money in the longer term while also supporting environment and climate change reduction goals)
3. I would like to **see new programs or services** added in the FY 2021 budget (if 'Yes' please list programs or services)	**X**			We have several important discussions and agenda items that will come before M&C during the budget planning process that will inform this topic: Red Gate, Recreation and Parks Report, King Farm Farmstead, and Cultural Arts. We have strong programming for adults, seniors, and youth (5 years through 12/13 years). I would like to see more targeted programming for teens. In addition, consider services to address the needs identified in the 2016 Senior Citizen Needs Assessment and Gap Analysis.
Capital Improvements Program				
4. I would like to **add new CIP projects to the FY 2021 through FY 2025 CIP** (if 'Yes' please include a basic description of projects)			**X**	Support the economic development, master plan, and safety/infrastructure projects noted in question 1. Once staff shares budget options, we will need to consider the possibility of new projects and sources of funding.
5. I would support issuing **taxpayer supported bonds** or **utilizing reserves** above the 20 percent reserve target, if needed to fund the CIP budget			**X**	

Open Ended Questions

6. Please list your **top five budget priorities** for FY 2021.

Priority #1: Proactive approach to economic growth to help expand jobs, services, and additional revenues that will help Rockville maintain high quality programming and services for residents. Proactive measures include addressing ULI recommendations and parking needs in Town Center; considering a business improvement district; Coordinating with REDI, the Rockville Chamber of Commerce, and others to attract new businesses, pursuing proactive business growth opportunities, revitalizing Rockville's reputation on the 270 biotechnology Corridor and 355 retail center; partnering with stakeholders to bring KID Museum to Rockville; supporting Rockville's historic and cultural arts experiences that help make Rockville a destination. Economic growth will help Rockville maintain our budget without a tax increase on residents.

Priority #2: As our City continues to grow, ensure we maintain and support our infrastructure to address traffic congestion and pedestrian/bicycle safety issues, and water, sewer, police staffing, and plan ahead for budgetary needs. We need to have dedicated Vision 0 funding, support multimodal transportation options, add 2-3 police officers, and consider the infrastructure needs identified in the Comprehensive Master Plan.

Priority #3: Continue to pursue excellence in the provision of services, programming and outreach/engagement with residents and neighborhood centers. Address recreation and parks program needs, as well as planning for King Farm Farmstead and Red Gate.

Priority #4: Support efforts that help create workforce and affordable housing opportunities as well as help seniors age in place.

Priority #5: Support green space and environmental initiatives to help address sustainability and climate change.

7. At **what level** would you like to fund **Caregiver Agencies**? (i.e. less than FY 2020, equal to FY 2020, increase consistent with CPI, etc.)

Continue to budget as FY2020. Consider CPI increase if budget allows (considering other budgetary needs.). Actual grant amounts should be based on need, merit of application, and tied to measurement and outcomes focused on Rockville residents.

8. Do you have any interest in **adjusting the real property tax rate** for FY 2021?

Maintain the current property tax rate at $0.292 per $100 of assessed valuation and $0.805 per $100 of assessed value for personal property.

9. Do you have any additional ideas for **increasing revenues or decreasing costs** in the budget?

*Identify and apply for grants (Federal, State, Foundation) targeted for Cities to help support specific initiatives that align with Rockville's mission.
*Review of fees and fines.
*Work with City staff to continue to look for opportunities for efficiencies.

10. General Comments

- Consider increasing the senior tax credit. The Rockville Senior Citizen Study and Gap Analysis identified that seniors leave/consider leaving Rockville because of the cost of living and housing. I would like to see the City review/ study whether this is an opportune time to revisit and increase the tax relief provided for seniors and low-income households given that there has been an increase in property values. This will help more seniors age in place and maintain affordability. Currently, the City of Rockville offers a supplemental credit to the State of Maryland's Homeowners' Tax Credit Program. This State administered program provides real property tax credits to low- and moderate-income residents for property taxes on their principal residence. Under the City's current Program, households with gross incomes up to $91,000 per year and a household net worth of less than $200,000 could qualify for tax relief on the first $495,000 of their home's assessed value.
- The City has a number of initiatives that will need require more community outreach and engagement. Consider novel, cost effective approaches to increase engagement and inclusion.

Submitted by: Monique Ashton

Mayor and Council
FY 2021 Budget Survey

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	Yes	No	Neutral	Comments
Operating Programs and Services				
1. I would like to **increase funding for existing programs or services** (if 'Yes' please list programs or services)	X			Enhance police staffing to reflect growing population, urbanized neighborhoods and increase availability for enhanced pedestrian/motorist enforcement efforts. Increase Recreational programming as follows: 1) Consistent with Senior Assessment Study recommendation, increase decentralized senior programs as more seniors opt to remain in residential neighborhoods; 2) Work with FRIT to identify space for recreational programming in Rockville Town Center; and, 3) Return regular year round programming/staffing at Elwood Smith Center reflective of a vibrant community with residents of all ages. Previous assumptions that the community does not want programs may no longer be valid. Provide funding to partner/cost share with MCPS for housing a separate daycare provider on the site of the Maryvale/Sandburg site, following a request submitted by MCPS. Amount to be determined, but this partnership follows previous City support for MCPS projects at Lakewood ES, College gardens ES, Meadow Hall ES and Bayard Rustin ES.
2. I would like to **decrease funding or eliminate existing programs or services** (if 'Yes' please list programs or services)			X	However, if program measures indicate ineffective or inefficient programs, consider taking measures to improve program or service or decreasing/eliminating the service. Support creation of new positions by first looking to abolish vacant positions.
3. I would like to **see new programs or services** added in the FY 2021 budget (if 'Yes' please list programs or services)	X			Creation of a Rockville multicultural 'Welcome Center' staffed by volunteers and a contractual part time coordinator to engage newcomers and demonstrate our commitment to diversity.
Capital Improvements Program				

Attachment 14.a: AttachA_CompleteSurveys_2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

4. I would like to **add new CIP projects to the FY 2021 through FY 2025 CIP** (if 'Yes' please include a basic description of projects)	**X**			Recommend revamping the current CIP Pedestrian and Bicycle Safety (4B71) into a Vision Zero (VZ) Implementation CIP, incorporating the elements of the future adopted VZ Action Plan. No fatality is acceptable. Prioritize annual funding above the current level of effort project amount of $50K/year in revamped project. In response to the memo sent to M/C dated November 21, 2019 re an 'Update on Gender-Neutral Bathrooms', that included a chart detailing a phased in, 'touch a facility once' approach whereby bathroom work could be completed simultaneously to other construction underway, advocate for the following funding in FY21: As construction projects are scheduled for Elwood Smith and Dogwood Park (RD16) for FY21, include gender neutral bathroom work during other planned improvements at Elwood Smith and add gender-neutral bathroom to Dogwood Park project. Accelerate gender-neutral bathroom in the CIP for Twinbrook Community Recreation Center, as currently there are no plans for any improvements in the five-year CIP. These are inclusion issues, and consistent with the City's efforts to provide programs, services and facilities welcoming to the G, L, B, T community. Create a new level of effort, ongoing CIP project for Emergency Operations Implementation, prioritizing City Hall. Completed facility assessments and the Emergency Manager and Police Chief recommendations would prioritize immediate strategic improvements. Recommend CIP project as opposed to operating budget where any unused, unencumbered appropriations are lost at the end of the fiscal year.
5. I would support issuing **taxpayer supported bonds** or **utilizing reserves** above the 20 percent reserve target, if needed to fund the CIP budget	**X**			Bond ratios are well within targets and the cost of borrowing is relatively inexpensive, so would advocate for bond funding with recognition that the debt service is paid through the operating budget.

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Open Ended Questions

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Priority #1 Begin upgrading/enhancing existing city facilities' emergency preparedness with multi-year funding as recommended by the City's Emergency Preparedness Manager, Police Chief, and recommendations from the completed facility assessments. Potential improvements include building card access, lobby security, etc. for City Hall and all community facilities.

Priority #2 Creation of a City of Rockville multicultural 'Welcome Center', identifying space in City Hall during the dual design/buildout of 6 Taft Court and space reallocation at City Hall, and the relocation/move of identified services from City Hall to the new facility. This aligns with the City's commitment to Rockville to champion diversity.

Priority #3 Revamp Pedestrian and Bicycle Safety CIP (4B71) into Vision Zero Implementation CIP, and increase funding to reflect priority and urgency to reach Vision Zero action goals and save lives/prevent severe crashes of pedestrians, cyclists, motorists and those using scooters. Recommend as an ongoing, level of effort project and increased funding above $50K/year.

Priority #4 Consultant study on the merits/drawbacks to the creation of Business Improvement district, and/or expansion of the Parking District overlay/boundaries to support an enhanced level of services needed in Town Center and other commercial areas of the city.

Priority #5 Fund a 1% COLA for retirees, with latest actuarial valuation projecting the cost at $488,984 for Admin and Union Participants, and $96,948 for Police Participants.

7. At **what level** would you like to fund **Caregiver Agencies**? (i.e. less than FY 2020, equal to FY 2020, increase consistent with CPI, etc.)

For Caregiver Grants, increase consistent with CPI.

For Outside Agency Grants, request supplementary information following the budget transmittal to include fuller descriptions and justifications for increased grants, including performance outcomes submitted by the requesting agencies. Recommend a public policy conversation with the Mayor and Council related to whether the City Manager should recommend grants to organizations that did not participate in the grant process or submit late funding requests.

8. Do you have any interest in **adjusting the real property tax rate** for FY 2021? The real property tax rate has remained at $0.292 per $100 of assessed valuation since FY 2009; property tax revenue funds more than one-half of the General Fund budget. One cent equals approximately $1.3 million in revenue.

BF: Strongly recommend maintaining the real property tax rate at $0.292 per $100 assessed value and the personal property tax rate of $0.85 per assessed value.

9. Do you have any additional ideas for **increasing revenues or decreasing costs** in the budget?

Continue to advocate for projecting general fund revenues more aggressively so that we can minimize the variances to actuals from the prior year and/or need to adjust the forecast so shortly after the budget is adopted. This provides for more capacity to keep in reserves or appropriate in the operating budget or in the capital fund, all of which are choices.

Review of all fees, fines and other revenue streams to identify potential rate increases based on the last time rate changes were incorporated/adopted as well as alignment of budgeted revenue with historical actuals. Outdated user fees and fines may incur processing costs in excess of the fee charged. While confident this review occurs at the department level, recommend a more

comprehensive review of the entire schedule of user and regulatory fees, including information of when last updated, the current FY20 rates and the FY21 recommended rates at the granular level. Particular attention to fees related to Animal Control, Building Related fees, Forest and Tree Preservation, Licenses, Permits and Miscellaneous Business Regulations, Rental Facilities and Landlord Tenant Relations, Traffic, Sign Permits (all types).

Fund a study of the merits/drawbacks to creating a Business Improvement District, or expanding the Parking District to support a revenue stream to accommodate an enhanced level of services/programming in Town Center.

Proactively identify and apply for federal, state and regional grant opportunities related to emergency management and enhanced security.

Review vehicle replacement schedule to assess whether to delay selective replacements as a measure to reduce these operating budget costs.

10. General Comments

Budget changes are customarily compared from the prior year original adopted budget to the next year's recommended budget. As such, request that all new positions created and any offsetting abolishments enacted during FY20 are included and clearly shown with the total compensation impact of each change for FY21. Ideally, these would be in a chart and included in the budget document for transparency. These should be separate from new positions recommended in the FY21 budget and should include a full budget justification and compensation, including vehicles, uniforms, equipment, mobile computers, etc., as was done last year for the new City Attorney and Emergency Management positions. Secondary costs for office furniture, telephones, computers, cell phones, should be reflected.

Embark on a proactive plan for 'green purchasing' across the city, including: 1) hybrid or electric vehicles where the service needs and costs demonstrate a positive return on investment in terms of dollars as well as environmental sustainability; 2) consider the environmental and climate impacts, as well as and sustainability practices in all aspects of city services and purchases 3) develop a paper reduction plan with identifiable reduction targets.

Submitted by: Beryl L. Feinberg

Mayor and Council
FY 2021 Budget Survey

Please fill out the FY 2021 Budget Survey and return it to the City Manager by January 10, 2020. Please answer all questions or respond with N/A. All survey responses will be compiled and discussed at the January 27, 2020, Mayor and Council meeting.

	Yes	No	Neutral	Comments
Operating Programs and Services				
1. I would like to **increase funding for existing programs or services** (if 'Yes' please list programs or services)	X			Rockville Housing Enterprises
2. I would like to **decrease funding or eliminate existing programs or services** (if 'Yes' please list programs or services)		x		
3. I would like to **see new programs or services** added in the FY 2021 budget (if 'Yes' please list programs or services)	X			Funding (grant or otherwise) for an early care and education center for young children
Capital Improvements Program				
4. I would like to **add new CIP projects to the FY 2021 through FY 2025 CIP** (if 'Yes' please include a basic description of projects)	X			-Solar panels for City Hall and City facilities, where feasible
5. I would support issuing **taxpayer supported bonds** or **utilizing reserves** above the 20 percent reserve target, if needed to fund the CIP budget		X		Not indicated at this point

Open Ended Questions

6. Please list your **top five budget priorities** for FY 2021.

Priority #1: Evidence-based interventions to improve street safety (increase police patrols, speed camera installation, sidewalk/street repairs, crosswalk installations, protected bike lanes, etc.).

Priority #2: Grant funding for child care centers in conjunction with Montgomery County's initiative to increase early care and education programs.

Priority #3: Grants to support workforce (Sanitation, Police, Fire, EMT, Rockville Civil Servants, teachers, child care providers, etc.) housing.

Priority #4: Funding the overtime necessary for Police to get the additional training (e.g. Fair and Impartial Policing, Crisis Intervention Training, etc.) so that an increasing percentage of officers are trained.

Priority #5: Funding for a composting pilot program.

Attachment 14.a: AttachA_CompleteSurveys_2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

7. At **what level** would you like to fund **Caregiver Agencies**? (i.e. less than FY 2020, equal to FY 2020, increase consistent with CPI, etc.)
At the current levels with an increase consistent with the consumer price index.

8. Do you have any interest in **adjusting the real property tax rate** for FY 2021? The real property tax rate has remained at $0.292 per $100 of assessed valuation since FY 2009; property tax revenue funds more than one-half of the General Fund budget. One cent equals approximately $1.3 million in revenue.

No. Although the rate has remained the same, most property values are trending upward yielding more revenue from property taxes. We should be able to live within the budget.

9. Do you have any additional ideas for **increasing revenues or decreasing costs** in the budget?

Revenues will increase as more people relocate to Rockville. Those revenues will increase even more rapidly as businesses move to the area. I look forward to working with my colleagues and related agencies to help attract and retain more businesses in Rockville.

10. General Comments

I look forward to reviewing the input of our residents as we make these decisions.

Submitted by: David Myles

Attachment 14.a: AttachA_CompleteSurveys_2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

Mayor and Council
FY 2021 Budget Survey

Please fill out the FY 2021 Budget Survey and return it to the City Manager by January 10, 2020. Please answer all questions or respond with N/A. All survey responses will be compiled and discussed at the January 27, 2020, Mayor and Council meeting.

	Yes	No	Neutral	Comments
Operating Programs and Services				
1. I would like to **increase funding for existing programs or services** (if 'Yes' please list programs or services)	x			**REDI** – Our Economic Development arm has come a long way this past year and it is imperative that we support their continued progress in increasing the corporate side of Rockville. I would support an increase in their Budget for a new website and marketing. **Arts and Culture Destination** – I see an opportunity for Rockville to become home to the KID Museum, Rockville Science Center and other cultural draws so would like to replenish the funds that were used for 6 Taft. **Complete the Comp and Class** to deal with equity and compression issues. **Complete the ADA Transition Plan** **Increase staffing for Special Events** **Fully fund the Sr. Center ADA Improvements**
2. I would like to **decrease funding or eliminate existing programs or services** (if 'Yes' please list programs or services)	x			
3. I would like to **see new programs or services** added in the FY 2021 budget (if 'Yes' please list programs or services)	x			Establish a program for Stonestreet businesses – (not property owners) to move to our Industrial Zone. Establish a program for homebuyers to buy historic homes on S.Washington, N.Adams to return them to residential. Expand our bike/ped trails to eventually tie into the Great American Rail Trail.
Capital Improvements Program				
4. I would like to **add new CIP projects to the FY 2021 through FY 2025 CIP** (if 'Yes' please include a basic description of projects)	x			1. Ped/Bike Crossing between Twinbrook and Pike. 2. Over/Under on 355 from 28-Middle Lane. 3. Splash pad for East Rockville 4. Branding 5. COR trip to Yilan
5. I would support issuing **taxpayer supported bonds** or **utilizing reserves** above the 20 percent reserve target, if needed to fund the CIP budget	x			

Attachment 14.a: AttachA_CompleteSurveys_2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

Open Ended Questions

6. Please list your **top five budget priorities** for FY 2021.

Priority #1 Pedestrian/Bike Safety

Priority #2 Comp and Class

Priority #3 Increase in RCPD at community policing level (bike/Segway patrols, EV's)

Priority #4 King Farm Farmstead

Priority #5 More parkland/Green Bridge in Twinbrook and Town Center

7. At **what level** would you like to fund **Caregiver Agencies**? (i.e. less than FY 2020, equal to FY 2020, increase consistent with CPI, etc.)

Increase consistent with CPI for those programs that meet the needs and priorities of the City and are not duplicative.

8. Do you have any interest in **adjusting the real property tax rate** for FY 2021? The real property tax rate has remained at $0.292 per $100 of assessed valuation since FY 2009; property tax revenue funds more than one-half of the General Fund budget. One cent equals approximately $1.3 million in revenue.

This should be part of a larger discussion as we've also been asked if we would have an interest in moving the Reserve threshold to 20%. (it is currently around 25-27%) If we move it to 20% (for years it was 15%) then I think we gain enough additional room – however – if we keep it where it is we are limiting our ability to address bigger ticket items like KFFS, community centers, Redgate, parkland etc and paying interest on Bonds when in fact we might not need to Bond as much.

Also – did the property tax rate decrease in the 2 years prior to the decision in 2009 to remain at $0.292?

9. Do you have any additional ideas for **increasing revenues or decreasing costs** in the budget?

1. There have been many requests for COR branded items (Flag, scarves/ties/, etc) We could build some community spirit selling items with a minor profit.
2. Cancel the annual 10% that certain employees receive above their salary.
3. Cancel the car allowance that certain employees receive. DPW, R&P, CoP and CM are the only employees who need a car on demand – all others should use a pool car or be reimbursed for mileage.

10. General Comments

I look forward to this years budget discussions 😊

Submitted by: Bridget Donnell Newton

Attachment 14.a: AttachA_CompleteSurveys_2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

Mayor and Council
FY 2021 Budget Survey

Please fill out the FY 2021 Budget Survey and return it to the City Manager by January 10, 2020. Please answer all questions or respond with N/A. All survey responses will be compiled and discussed at the January 27, 2020, Mayor and Council meeting.

	Yes	No	Neutral	Comments
Operating Programs and Services				
1. I would like to **increase funding for existing programs or services** (if 'Yes' please list programs or services)		X		I'll take any increase in funding that comes through expanding the tax base, or through increased prosperity for Town Center and other areas.
2. I would like to **decrease funding or eliminate existing programs or services** (if 'Yes' please list programs or services)	X			The $400,000 per year to Dawson's should be re-examined. I voted for it only in the hope that Mayor and Council would take concrete steps to improve the business climate of Town Center. This mainly includes increasing the natural customer base by increasing the population of Town Center (this would have many other positive aspects too). But I'm not sure this Mayor and Council has the political will to allow further residential growth in Town Center.
3. I would like to **see new programs or services** added in the FY 2021 budget (if 'Yes' please list programs or services)		X		Rockville does a lot and new programs are just a slippery slope to financial hell.
Capital Improvements Program				
4. I would like to **add new CIP projects to the FY 2021 through FY 2025 CIP** (if 'Yes' please include a basic description of projects)	X			I'll take this to include raising the priority of a CIP project, and for me this includes (1) providing mold and fire protection for King Farm Farmstead, and (2) otherwise providing for all necessary utilities for King Farm Farmstead, assuming the maximum usage for each kind of utility.
5. I would support issuing **taxpayer supported bonds** or **utilizing reserves** above the 20 percent reserve target, if needed to fund the CIP budget	X			If necessary to partially provide for King Farm Farmstead as noted in 4 above.

Open Ended Questions

6. Please list your **top five budget priorities** for FY 2021.
Priority #1 Stabilize personnel costs. This may mean cutting positions through attrition, seeing as how Rockville is probably going to end up with higher per person costs due to the compensation and classification study and other factors.

Priority #2 I'd like to see a 5-year plan to increase the size of the police force in a meaningful way.

Attachment 14.a: AttachA_CompleteSurveys_2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

Priority #3 We need to discuss whether we still need the water plant given that WSSC can handle our needs for the foreseeable future. The decommissioning of the plant and going to WSSC supplied water would be tricky, but it should be studied. I would be willing to provide job security for the water plant staff.

Priority #4 I'd like to see Rockville's 3 Resident Companies (RESCOs), and possibly Rockville Sister City Corporation, get a 1-time grant from the FY 20 surplus, of $25,000 each. There is a reason for this. Earlier in my tenure as a councilmember, around 2010 or 2011, we adjusted our cost recovery structure in such a way that hurt these 4 organizations. This hit the RESCO companies badly and added costs to RSCC. The RESCOs know they have to adapt to modern times, but their tight budgets and balances, make it difficult for them to experiment. One big flop may put them out of business. This one-time grant would give them some breathing room to adapt. The Resident Companies are (1) The Victorian Lyric Opera, (2) Rockville Little Theatre, and (3) Rockville Musical Theatre.

Priority # 5 I would like to see budgeted, a plan for 400 to 500 bike/pedestrian signs be funded as per the report I and Councilmember Onley worked on last term.

7. At **what level** would you like to fund **Caregiver Agencies**? (i.e. less than FY 2020, equal to FY 2020, increase consistent with CPI, etc.)

Same as FY 2020 with CPI increase.

8. Do you have any interest in **adjusting the real property tax rate** for FY 2021? The real property tax rate has remained at $0.292 per $100 of assessed valuation since FY 2009; property tax revenue funds more than one-half of the General Fund budget. One cent equals approximately $1.3 million in revenue.

No interest in rate adjustments.

9. Do you have any additional ideas for **increasing revenues or decreasing costs** in the budget?
Our revenue growth would be just fine if we didn't stop or slow desirable growth near transit centers. We're missing big opportunities for Town Center renovation for example, where we would increase our property tax revenues, and where the County would net positive on school impact fees versus school capacity generated.

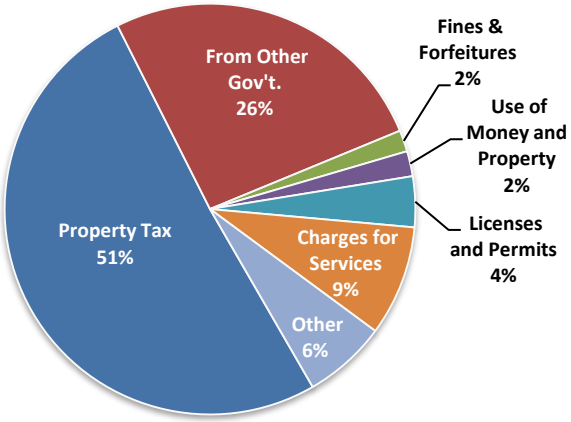
10. General Comments
I'm not interested in Rockville adding programs that are the proper domain of Montgomery County.
We have a surplus from FY2020. I would target most of this to King Farm Farmstead capital improvements as described above. We have an estimate of $4.7M for the whole site, and $2.7M for the dairy barns. The idea of a RESCO one-time grant is explained above. I would consider undergrounding the overhead lines along 355 next to Choice Hotels, or moving the lines across the street, but only if it would keep Choice in that location. I would consider the suggested one-time $500,000 donation to MCPS, for a structure, for Early Childhood Education at Maryvale, if MCPS is interested, if there is a true demand in that area that is not already being met. I don't want to get into operational support for ECE.

Submitted by: Mark Pierzchala

General Fund Revenues

There are seven categories of revenues that make up the General Fund. These sources totaled $84.2 million in FY 2020 and are estimated to increase by over 3 percent to $87 million for FY 2021. Property taxes make up the largest portion, constituting over half of total revenues.

General Fund Revenues



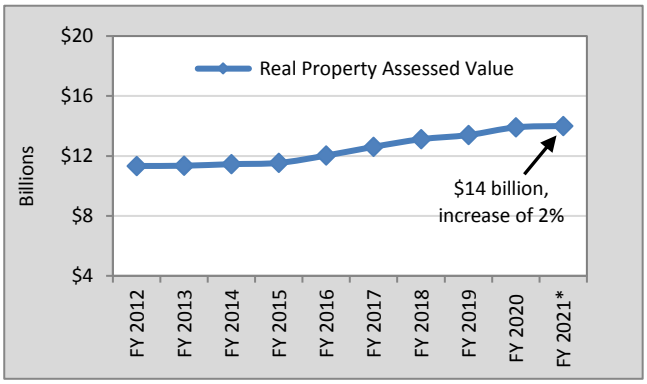
Property Tax: This category of revenue consists of taxes on the assessed value of real estate (including land and structures on the land) and taxes on the assessed value of personal property (inventory, furniture, and fixtures of business establishments). The tax rate is the amount levied per $100 of assessed value, as determined by the State of Maryland Department of Assessments and Taxation (SDAT). The Mayor and Council establish the tax rate each year in order to finance General Fund activities.

Real Property Tax: The City of Rockville's real property tax rate is estimated to remain flat at $0.292 for every $100 of assessed value. 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 10 percent. Any decrease is fully factored into the first full levy year after the assessment.

The real taxable assessed value for FY 2021 is estimated at $14 billion, a slight increase from FY 2020. This will result in an increase in revenues of approximately $1 million. There are no new assessments for January 2020 (off year); the next round of assessments will take place in January 2021 (Group 3) and January 2022 (Group 1).

The FY 2021 real property tax revenue estimate includes the City's Homeowners' Tax Credit Program. The Homeowners' Tax Credit Program is a State administered program that provides real property tax credits to low- to moderate-income residents for property taxes due on their principal residence. For FY 2021, households with gross incomes up to $91,000 per year and a household net worth of less than $200,000 (not including the value of the home and qualified retirement savings) could qualify for tax relief on the first $495,000 of their home's assessed value. For low-income households, the credit could be several hundred dollars with the maximum credit totaling the City tax due on the first $495,000 of assessed value.

Taxable Assessed Value by Fiscal Year



**Estimate.*

Personal Property Tax: The City of Rockville's personal property tax rate is estimated to remain flat at $0.805 cents per $100 of assessed value. In accordance with Maryland law, the personal property tax only applies to businesses. The City has enacted the following exemptions from personal property tax: (1) 82 percent of the value of commercial inventory; (2) 82 percent of the value of manufacturing or research and development inventory; and (3) 100 percent of the value of manufacturing or research and development machinery.

The FY 2021 estimate assumes that taxable assessed values will total approximately $460 million, which is consistent with the FY 2020 budget and will generate $3.7 million in tax revenue (no change).

Attachment 14.b: AttachB_GeneralFund_FY2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

General Fund Revenues (continued)

From Other Governments: This category of revenue consists of revenues from the federal government, State of Maryland, and Montgomery County. Over 98 percent of revenue in this category comes from income tax, tax duplication, admission and amusement tax, highway user revenue, and police protection grant.

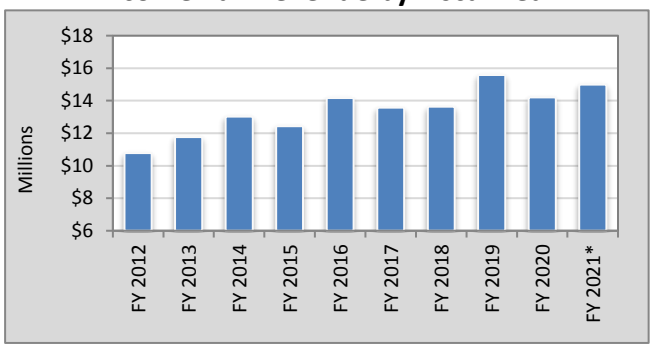
Income Tax: Income tax revenue is the second largest source of revenue in the General Fund. Income tax revenue consists of the City's share of income taxes received by the State of Maryland for returns filed from Rockville. Maryland counties can impose an income tax that is separate from the State income tax. In accordance with Maryland law, municipalities receive 17 percent of collected county income taxes. Montgomery County's income tax rate is currently 3.2 percent.

Starting in FY 2017, this revenue category was impacted by the Supreme Court decision on the *Wynne* case. The revenue payback from returns prior to FY 2017 as a result of the *Wynne* case is estimated at approximately $400,000, spread over 20 installments starting in FY 2021. The amended returns were paid by the State Comptroller using a reserve account and then the City will reimburse the State over five years through withholdings from quarterly distributions.

The income tax estimate for FY 2021 equals $15 million, significantly greater than FY 2020, but below the FY 2019 historic high. This revenue source is challenging to predict because it is based on individual income tax returns each year. Factors such as employment rates, capital gains, and wage growth all contribute to the amount of revenue that the City receives.

Rockville received its highest amount of income tax revenue, $15.6 million, in FY 2019. Due to the volatility of this revenue source, the FY 2020 budget will most likely be amended in February 2020 and the FY 2021 estimate may change over the next several months.

Income Tax Revenue by Fiscal Year



**Estimate.*

Tax Duplication: Tax duplication payments are received from Montgomery County as a partial reimbursement for services the County does not provide, but receives taxes from Rockville properties. Several factors, such as number of streetlights, the number of street miles maintained by the City, and what the County spends each year on tax duplication services, determine what the City receives.

The FY 2021 estimate includes the same amount of revenue, $2.4 million, as in FY 2017 through FY 2020. This revenue figure was derived from a formula that is based on actual Montgomery County spending from more than a decade ago. Montgomery County has indicated to municipalities that changes will be made to tax duplication calculations in the near future.

Admissions and Amusement Tax: The admissions and amusement tax is a local tax collected by the State of Maryland Comptroller's Office for jurisdictions in Maryland. The tax is imposed on the gross receipts from admissions, the use or rental of recreational or sports equipment, and the sale of merchandise, refreshments, or services at a place where entertainment is provided.

Admissions and amusement tax rates are imposed by county and municipal governments at varying rates up to 10 percent of gross receipts from taxable activities. If gross receipts from the activity are also subject to the sales and use tax, the admissions and amusement tax is limited to 5 percent. The general admission and amusement tax rate for the City is 10 percent.

Attachment 14.b: AttachB_GeneralFund_FY2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

General Fund Revenues (continued)

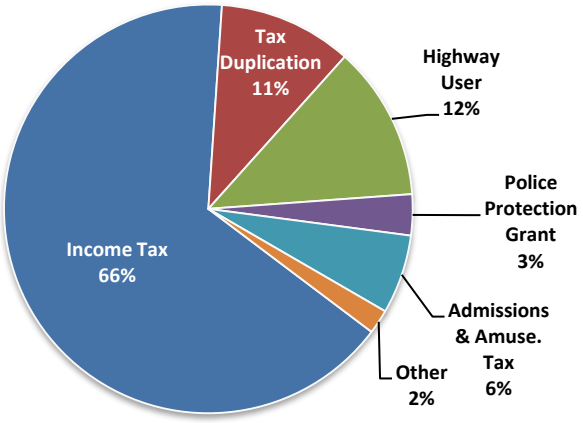
Rockville receives the largest amount of this revenue from motion pictures, athletic facilities, and ice skating. Revenues from this source have averaged approximately $1 million each year, until FY 2017 when they hit a record high of $1.3 million due to a new recreation facility opening. The FY 2021 estimate equals just over $1.4 million from this revenue source, which is consistent with FY 2019 actuals and the FY 2020 adopted budget.

Highway User: Highway User Revenue (HUR), which represents a portion of the City's share of gasoline tax and vehicle registrations collected by the State of Maryland, peaked in FY 2007 at $3.3 million and then was reduced significantly for municipalities. For FY 2020, the City is projected to receive a total of $2.7 million due to the successful lobbying efforts of the City's elected body and other municipal organizations, such as the Maryland Municipal League.

Based on a recent estimate from the Maryland Department of Transportation's State Highway Administration (dated September 23, 2019), this revenue source is estimated at $2.8 million for FY 2021.

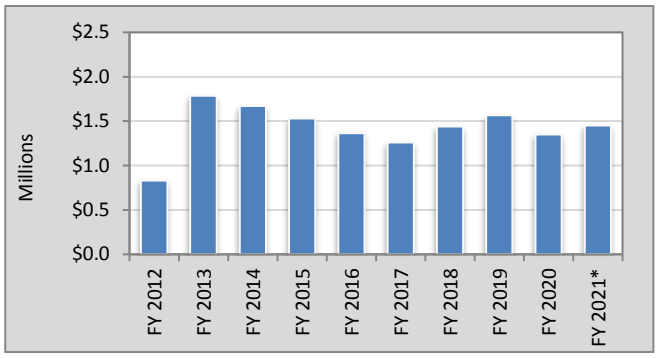
Police Protection Grant: This revenue consists of an annual operating grant from the State of Maryland to the City of Rockville to assist with funding police protection services. The FY 2021 estimate equals $740,000, which is consistent with past trends and with communications from the State.

Revenues from Other Gov't.



Fines and Forfeitures: Redlight camera citation revenues make up over 99 percent of this category. Revenue from redlight cameras will increase from the FY 2020 adopted budget consistent with current trends. The FY 2021 estimate equals 19,300 paid citations, or an increase of $100,000 over the FY 2020 adopted. The average number of citations over the past five years of actual data equals 19,100. The City receives $75 in revenue per paid citation; the City pays the vendor $29.34 per paid citation.

Redlight Camera Citation Revenue by Fiscal Year



** Estimate.*

Use of Money and Property: This revenue source is made up of cable franchise fees, land rental, building rental, and interest earnings. Cable franchise fees and interest earnings will make up a majority of this revenue source for FY 2021. Cable franchise fees include franchise fees and operating grants paid to the City by Comcast and Verizon. In the State of Maryland, cable companies pay a franchise fee as partial compensation for the use of public rights-of-way under authority of federal law. The FY 2021 estimate for this category equals $1 million, comparable to FY 2019 actuals and FY 2020 adopted.

Interest earnings, the second largest source in this category, represents the interest that the City earns on investment accounts. In May 2019 the City began utilizing the services of an investment advisor/asset manager to assist with the investment of City funds, with the goal of diversifying the City's investment options and generating additional interest income. For FY 2019, actual interest earnings exceeded the budget by $310,000. For FY 2021, interest earnings are estimated at $500,000, which is consistent with the FY 2020 adopted budget and reflective of the current investment portfolio and interest rate environment.

Attachment 14.b: AttachB_GeneralFund_FY2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

General Fund Revenues (continued)

Charges for Services: This revenue source comes from charges to users who individually benefit from a particular City service. Recreation services make up a majority of this category including swim team dues, recreation program fees, Swim and Fitness Center membership, and other facility membership fees. Staff estimates this total revenue category will increase by over 5 percent, or approximately $400,000, from FY 2020 to FY 2021. The increase is a result of projected increases in population, programs, and increases in fees to improve or maintain cost recovery. In years where there are large capital projects scheduled for a City facility there will be fluctuations in this revenue source due to temporary closures of all or part of a facility.

Licenses and Permits: Nearly 90 percent of the revenue in this category comes from building permits and rental licenses. Building permit revenue consists of revenue received from permits issued for building construction, electrical work, plumbing, sewer, water, and gas. Rental license revenue consists of licensing fees for the inspection of single- and multi-family dwelling units and hotels. While most of this category will remain consistent with the FY 2020 adopted budget, the FY 2021 estimate for building permits equals approximately $2 million, or $400,000 more than FY 2020.

Other Revenue: This category is made up of revenue sources that are not consistent with the other categories. This revenue source is primarily made up of hotel tax (just over $1 million), community contributions (approximately $34,000), miscellaneous revenues ($470,000), and administrative charges (described next).

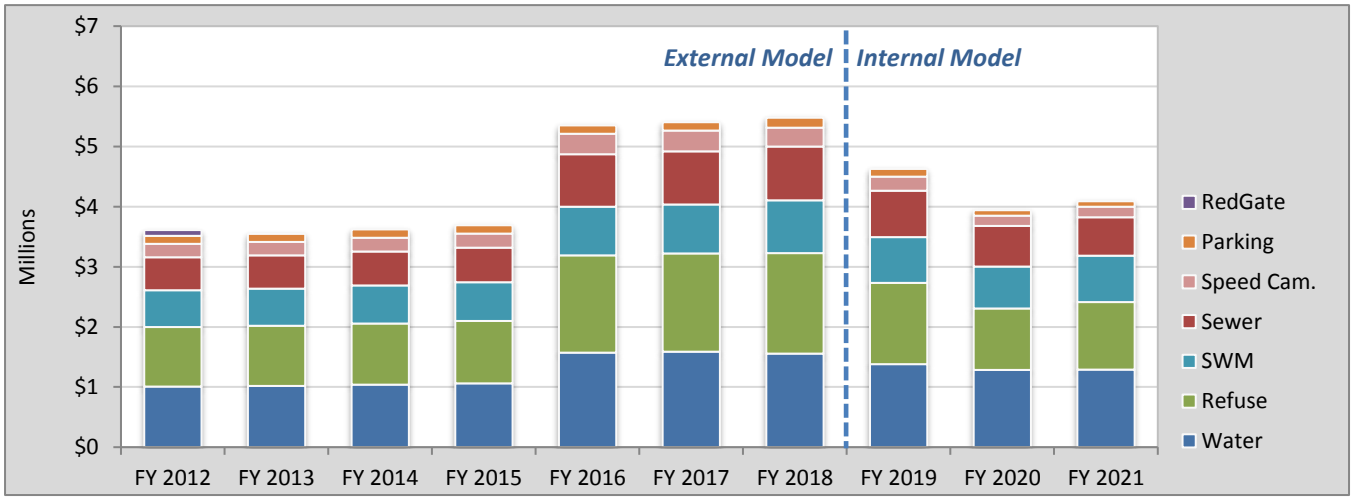
Administrative Charges: This revenue source represents centrally budgeted administrative or "overhead" costs. Each fund pays for its share of the costs through a transfer to the General Fund.

Prior to FY 2019, the City used a complex cost allocation model developed by an external consultant. The consultant's model used a double step down method that allocated costs based on various subjective factors. For FY 2019, Finance staff developed an in-house model that is objective, more flexible, and easier to understand. The internal model is based on three steps: determining General Fund costs to be allocated, determining the allocation percentages of the funds receiving General Fund services, and then distributing General Fund costs based on the first two steps. This method, approved by the Mayor and Council in FY 2018, generates less General Fund revenue as displayed in the bar graph below.

Due to the significant decrease in administrative charge revenues, the Mayor and Council approved a two-year implementation plan, with full implementation starting in FY 2020. This approach helped to mitigate any detrimental effects on the General Fund's resources in FY 2019, while still utilizing the new internal model.

The FY 2021 administrative charge revenue equals $4.1 million based on the internal model; this is $150,000 more than what was adopted in FY 2020.

General Fund Administrative Charges to Other Funds by Fiscal Year



Attachment 14.b: AttachB_GeneralFund_FY2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

General Fund Expenditures

There are six categories of expenditures that make up the General Fund: personnel, operating, capital outlay, other, CIP transfer, and transfers out.

Personnel: Personnel expenditures make up the largest portion of General Fund expenditures. Current estimates for FY 2021 indicate that the General Fund personnel category will increase by approximately 5 percent. This is a larger increase than in past years primarily because it assumes the addition of $750,000 as a result of the compensation and classification study. The $750,000 is a placeholder figure that has been incorporated into the General Fund forecast pending the study results. The City is currently on schedule to have the results in time for the FY 2021 proposed budget.

Temporary Wages: In addition to the adjustments in regular wages, staff estimates that temporary employee wages will also increase due to the increase in Montgomery County's minimum wage to $14.00 as of July 1, 2020. During the FY 2018 budget process, the Mayor and Council directed staff to pay the City's temporary employees at rates comparable to the County, helping the City to remain competitive in the regional labor market. The FY 2021 budget will likely include a base wage increase as well as a compression adjustment resulting from the base wage increase. Historically, over 96 percent of General Fund temporary employee wages is allocated to the Department of Recreation and Parks.

Benefits: Overall benefits are expected to remain relatively flat from FY 2020, mainly due to the competitive rates that the City received on health insurance combined with relatively flat total retirement benefit contributions. City covered benefits include: allowances, disability pay, retirement program, health and dental insurance (including post employment benefits), and life insurance.

Allowances include cell phone, car, and meal and shoe allowances that vary by department. Allowances are expected to decrease due to the transition from cell phone allowances to City provided cell phones for various work groups (these work groups are yet to be determined). This change reduces allowances and increases cell phone services in the operating budget.

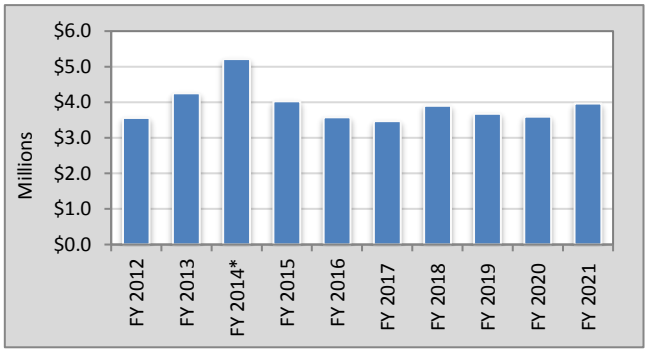
Disability pay is estimated to remain relatively flat from FY 2020 to FY 2021. Last year the City transitioned from an Income Protection Plan ("IPP") to an externally managed disability program. IPP was a self-funded, self-administered long term disability program that provided disability benefits for both on and off the job injuries or illnesses. In FY 2019, current IPP members were grandfathered into IPP, while a new long-term disability program became available for eligible employees. This category of expenses will experience reductions over time due to the phasing out of IPP participants.

The City's retirement program consists of two components: a defined benefit (DB) component and a defined contribution (Thrift) component. Each employee group contributes different amounts toward their retirement, and accordingly earns a different benefit on retirement. Administrative and AFSCME employees are in both the DB and Thrift plans, while Police employees are only in the DB plan.

For FY 2021, the City's General Fund contribution to the DB plan will equal approximately $3.2 million (total City contribution equals $4 million), which is an increase of over 10 percent or $300,000 from FY 2020. This figure is based on the latest actuarial valuation report.

After the City contributes the required amount in FY 2021, the funded ratio for the pension plan is projected to equal 85 percent. The latest actuarial report projects that the funded ratio will gradually increase over the next several years to just under 90 percent by FY 2026. Please note that these estimates do not include supplemental employee contributions.

Defined Benefit Contributions by Fiscal Year (All Funds)



** For FY 2014, the City contributed an extra three months due to a change in the dates for the plan year.*

Attachment 14.b: AttachB_GeneralFund_FY2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

General Fund Expenditures (continued)

For the Thrift plan, the City matches employees' contributions with 50 cents for every dollar contributed by the employee, up to a maximum of 5 percent of salary. The FY 2021 estimate for the City's match equals an increase between 3 to 4 percent; the final amount of the match depends on the increase in permanent salaries associated with the results of the compensation and classification study.

Health insurance will remain relatively flat (less than 1 percent increase) from FY 2020 to FY 2021 due to competitive rates from the City's insurance providers. The City currently offers several different types of health insurance plans under two providers.

Health insurance is available to all regular employees, and the City pays 80 percent of the lowest cost plan. The City covers full- and part-time employees and their eligible dependents, although part-time employees are responsible for a greater percentage of the cost.

Dental insurance will remain consistent, at approximately $125,000 for FY 2021. The City offers two different plans under one provider.

The City provides retirees with healthcare coverage upon retirement. The City began prefunding retiree healthcare costs through a Retiree Benefit Trust (Trust) starting in FY 2009. Since that time, the City has made an annual contribution to the Trust. For FY 2021, the City's General Fund contribution will decrease by approximately $350,000 to $135,000 (total City contribution equals $164,000). The funded ratio for the Trust will equal approximately 107 percent at the end of FY 2021.

The City provides life insurance coverage equal to 1.5 times an employee's base salary (up to a maximum of $250,000), at no cost to the employee. Employees have the option of purchasing additional supplemental life insurance coverage for themselves, their spouse, and dependent children. Life insurance is expected to increase by approximately 3 percent from FY 2020 to FY 2021.

Operating: This category is made up of contractual services and commodities. Contractual services is mostly comprised of annual contracts for financial services, technology and information systems, and services at parks and facilities. In addition to annual services, sometimes there are one-time studies or one-time consultants budgeted in this category. Commodities is mostly comprised of utility expenses for City facilities, including: water, sewer, gas, electricity, heating oil, and stormwater management.

For FY 2021, operating expenses are estimated to increase by approximately 5 percent (or $750,000), due to utility increases, inflationary contract increases, the addition of operating cost impacts from completed CIP projects, planned improvements projects (as shown on pages 356 and 357 of the FY 2020 adopted budget), new Mayor and Council priorities, and new one-time studies and equipment. More information on the changes to this category will be available after the City Manager meets with all City departments to discuss their department's FY 2021 budget changes and needs in January.

Also included in the operating category is the General Fund contingency account. The General Fund contingency account is estimated at $350,000 for FY 2021, which is consistent with FY 2020. The FY 2021 amount is within the Mayor and Council's adopted Financial Management Policies, which state that the City Manager may establish an annual contingency account equal to a maximum of 1 percent of the adopted General Fund budget. In FY 2019, $297,748 in contingency funds were transferred and expended. City staff regularly reports on the use of General Fund contingency in the quarterly financial reports that are presented to the Mayor and Council.

Capital Outlay: This category is estimated to increase for FY 2021, although the amount is unknown at this time and will be evaluated during the City's internal budget review over the next several months. This category includes funding for computer hardware and software, major repairs and maintenance of City facilities and infrastructure, and large pieces of equipment and tools. Some of the items listed under planned improvement projects (as shown on pages 356 and 357 of the FY 2020 adopted budget) may be funded from this category.

Attachment 14.b: AttachB_GeneralFund_FY2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

General Fund Expenditures (continued)

Other: This category, which increased slightly from FY 2020 to an estimated $2.3 million in FY 2021, primarily consists of outside and caregiver agency grants. For the purpose of forecasting the budget, this category assumes a 2 percent overall increase in caregiver and outside agency grants. Caregiver and outside agency grants vary each year based on the priorities of the City.

CIP Transfer: Each year, the City makes a transfer from the General Fund, which is known as the cash or "paygo" contribution. The paygo contribution is critical in controlling the City's overall debt and maintaining the City's credit rating. In past years, the City transferred one-time savings (unassigned fund balance in excess of the reserve target) in addition to the annual budgeted transfer amount in an effort to reduce borrowing.

The estimate for the FY 2021 CIP transfer equals $6.8 to $7 million, which is relatively consistent with the 2020 adopted transfer. The amount of the paygo contribution impacts both the current fiscal year and future years since the Capital Projects Fund is balanced over a five year period.

Transfers Out: This category consists of transfers from the General Fund to the Parking, Debt Service, Refuse, and Special Activities funds.

The Parking Fund transfer is estimated at $1.1 million in FY 2021, which is flat compared to FY 2020. It is anticipated that a General Fund transfer will be needed until the debt is repaid in FY 2036. Future transfers may fluctuate due to potential changes to the parking program, which will be analyzed and presented during calendar 2020.

The transfer to the Refuse Fund represents the City's grant contribution to Rockville Housing Enterprises (RHE). RHE, via the City's annual outside agency grant program, receives free recycling and refuse pickup at their low income properties. The transfer amount, which is projected to remain the same, is derived from the 105 properties multiplied by the annual refuse rate.

The Debt Service Fund transfer is estimated at $4.8 million for FY 2021, which is slightly lower than FY 2020 based on current and estimated debt service schedules. This annual transfer is needed to pay down the taxpayer-supported debt that is used to finance general taxpayer-supported capital projects.

The General Fund transfer to the Special Activities Fund subsidizes four accounts. Two of the four accounts are prescribed in the City's Financial Management Policies: Art in Public Places and Art in Public Architecture programs. The total transfer is estimated at approximately $110,000 for these two accounts (this figure will vary based on the amount of new capital construction in FY 2021).

The two other accounts, Recreation Fund and Senior Assistance, are projected to receive $20,000 and $10,000 in General Fund transfers, respectively, in order to maintain the level of financial assistance for residents that qualify.

Attachment 14.b: AttachB_GeneralFund_FY2021 (2899 : FY 2021 Mayor and Council Budget Survey Results and Priorities)

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Presentation and Discussion
Department: Recreation & Parks
Responsible Staff: Andrew Lett

Subject

A Study of Arts and Culture: City of Rockville

Recommendation

Staff recommends that the Mayor and Council receive a presentation from the City's consultant, followed by questions, answers and discussion of the Cultural Planning Group's study.

Discussion

The Culture Planning Group's "A Study of Arts and Culture – City of Rockville" is provided (in Attachment A). Martin Cohen, Partner for CPG, will present the findings of the study and answer Mayor and Council questions. The Executive Summary of the report, beginning on page 5, summarizes the CPG findings and recommendations.

The City of Rockville engaged the services of The Cultural Planning Group to:

- Study the breadth, depth, reach and overall nature of existing cultural assets in Rockville;
- Review and examine the City's functions related to arts and culture; and outline a set of goals and recommendations to refine, update and/or enhance existing cultural policy for the City; and
- Engage Rockville arts, culture and creative economy stakeholders in identifying issues to elevate their work, understand in what ways current policies and forms of support work well, and in what ways arts and culture could be a more successful and more meaningful part of the life of the residents of Rockville.

Stakeholders were a critical component of the study. Discussion groups and interviews, including with members of the Mayor and Council, contributed to the findings and recommendations. A Study Advisory Committee, representing arts and culture organizations, provided the consultant with local context and information, as well as a platform for reviewing data and conclusions. Additionally, a workgroup was convened to focus on reviewing creative economy data. Gathering statistically-valid input from the general public or the Rockville community at large was not a component of the study.

This study was organized and framed around a set of questions about arts and culture in Rockville, including:

- What is the current nature and general character of arts, culture and creative economy in Rockville? What are the strengths? What is lacking?
- What is the current role of the City of Rockville in fostering arts and culture?
- In what ways are services currently being provided (e.g., financial support, programs, facilities) and what needs are not being addressed?
- In what ways is Rockville competitive in attracting creative individuals and creative industries? What strategies will be most effective in building on our greatest assets and strengths?
- What are potential approaches and strategies to strengthen and build arts, culture and the creative economy in Rockville?

The analysis provided information for the consideration of the Mayor, City Council and staff, and the public regarding the future of the arts and culture. The study is structured as a set of steps to enhance, expand and elevate cultural policy in the City of Rockville. CPG presented specific recommendations in the following areas:

1. Elevate the function of arts, culture and creativity within the municipal administration.
2. Strengthen the environment for arts and cultural organizations to thrive.
3. Foster an environment for individual artists, creative businesses and creative entrepreneurs to build a robust community of artists and entrepreneurs in Rockville.
4. Establish initiatives to elevate and celebrate expressions of culture in Rockville's international community.
5. Support Rockville as a vibrant cultural and creative center.

Mayor and Council History

On April 23, 2018, the Mayor and Council discussed the Rockville Cultural Arts Commission's recommendation to fund an Arts and Culture Study for FY19. Mayor and Council supported funding for the study.

Fiscal Impact

The FY 2019 Adopted Budget included $50,000 for a cultural arts study. Implementing the study recommendations would have a budgetary impact that could be considered as part of the budget process.

Next Steps

Following the consultant's presentation of the study on January 27th, a Mayor and Council worksession to discuss the findings and recommendations in more detail is scheduled for February 3, 2020.

Attachments

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (PDF)

Rob DiSpirito, City Manager 1/22/2020

A Study of Arts and Culture City of Rockville

October 2019

The Cultural Planning Group

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

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Study Advisory Committee

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Chair, Cultural Arts Commission

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Montgomery College

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Vice-President of Strategy
Montgomery County Development
Economic Corporation

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

Executive Summary

Executive Summary

Rockville is a community that values arts and culture. Its residents celebrate, attend and participate in arts, culture, and creative endeavors through the numerous community-based and volunteer-led organizations that represent the vast majority of non-profits serving the community. The fundamental focus of these organizations is personal participation and personal expression in music, dance, theater and visual arts. A distinct part of the quality of life in Rockville with a long history in the community, many of these organizations are celebrating anniversaries that range from 40 to 70 years.

The professional non-profit arts sector is also key to the cultural life in Rockville. It is growing in Rockville as well, anchored by the two largest organizations – VisArts and Adventure Theater MTC Academy. Additionally, a dynamic, though somewhat hidden, community of artists and cultural organizations flourishes within the international populations of Rockville.

The City of Rockville has an extensive history of support for arts and culture endeavors. This support manifests itself through several areas of municipal functions, including the operation of facilities, direct programming, grants to arts non-profits, and administrative support for civic organizations. In FY 2019, total expenditures across all areas exceeded $3,000,000.

Within the Rockville Civic Center Park, the City owns and operates the F. Scott Fitzgerald Theatre, which has several resident performing arts organizations, and Glenview Mansion (primarily an event rental space with a dedicated gallery hosting a regular rotation of curated exhibits). City program staff in the Recreation and Parks Department provides administrative support for several of the civic arts organizations, resident companies and an annual literary conference, and in recent history has managed an active exhibition program. The City provides many of its area performing arts organizations with subsidized storage facilities for properties, equipment and costumes. VisArts has its offices, studios and galleries in a City-owned building in Rockville Town Square, supported through a significant rent abatement provided by the City that exceeds $500,000 in annual value.

The Art in Public Places program, supported primarily through two specific ordinances – one that specifies an annual allocation from general funds and a second that specifies inclusion in CIP projects, has an extensive and growing collection across the City, with 50 works currently in its permanent collection. Rockville extended the public art ordinance to public space in private development in 2004, and it is estimated that nearly $2.5M has been invested through this extension.

The community of Rockville, MD has a strong and long-standing commitment to arts as an essential element in the quality of life for residents. However, the City of Rockville currently is at a juncture, questioning its role in fostering arts and culture and seeking to reconsider cultural policy and the focus of its investments in arts, culture and creativity. There is an evolving sense of priorities within the City administration and among elected officials, and a desire among many community stakeholders – arts leaders, civic and community leaders – for elevating the role of arts, culture and creativity in the City.

While ideas and interpretations of what it means to "elevate the role of arts" for the community vary, the nearly unanimous voice is that this is a seminal moment for Rockville to thoughtfully consider cultural policy and explore the best approaches to investing financial and human resources in cultural development. The refrain, "We want Rockville to be an arts destination," was common across all stakeholders, though there is not a unified vision or interpretation of what constitutes an arts destination. However, there is a united aspiration to a contemporary vision for vibrancy across the City, steeped in arts, culture and creativity.

Among stakeholders who provided input into this study, the consensus was clear: a change in strategy, approach and investment is needed. Participants expressed a strong desire to redefine the role of the City in supporting arts, culture and creativity in Rockville and to use this effort as an opportunity to shift the focus of cultural support from its historical facilitation of civic participation to one that is focused on a comprehensive cultural policy, fully enmeshed with community and economic development and aimed at building creative vibrancy across Rockville. The common thread is a desire to expand upon, update and evolve the City's traditional role in supporting primarily volunteer-led activities to a comprehensive approach to building the creative sector and enhancing the vibrancy of the community. To become an "arts destination" or an "arts city," Rockville must invest in an approach and adopt a set of policies committed to nurturing a creative city – a place with an active community of working artists and professional organizations, embracing a broader vision of creativity and creative community as an indispensable element in the character of the City.

The overarching question to consider is whether the City of Rockville is prepared to take bold steps to craft a vision for cultural development. The commissioning of this study has raised an expectation among stakeholders that action to implement recommendations outlined in this study will be taken in an intentional and meaningful way. As a result of these expectations, the City of Rockville needs to consider to what extent it is prepared to reconsider, shift and increase its arts and culture investments, building upon the legacy of supporting civic participation.

Notwithstanding heightened expectations, extraordinary opportunities abound for the City of Rockville to elevate arts, culture and creativity within the framework of municipal functions. Rockville can intentionally integrate arts, culture and creativity within specific development initiatives, including redevelopment of the Stonestreet Corridor, redevelopment of the RedGate golf course property, and potential uses of the King Farm Farmstead. The 2040 Rockville comprehensive plan references the importance of arts, culture and creativity to the quality of life of the community as well as the importance of its role in both economic and community development.

Opportunities to expand the presence of anchor institutions with interest in new or expanded operations in Rockville are available (e.g., Adventure Theatre, Rockville Science Center). Creative entrepreneurs are looking at the potential of establishing businesses in Rockville and are seeking opportunities to work with the City to bring this to fruition.

Ultimately, the City of Rockville has the opportunity to shift its traditional role, to expand its approach to and concept of arts and culture to embrace a broader vision of creative endeavors, and to serve its residents through building a vibrant, active creative sector.

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

Introduction and Context

Introduction and Context

The City of Rockville Department of Recreation and Parks engaged the consulting services of The Cultural Planning Group to undertake a study on the breadth, depth, reach and overall nature of existing cultural assets in Rockville;[1] to review and examine the City's functions related to arts and culture; and outline a set of goals and recommendations to refine, update and/or enhance existing cultural policy for the City. Additionally, the study process provided an opportunity to engage Rockville arts, culture and creative economy stakeholders in identifying issues to elevate their work and sector, understand in what ways current policies and forms of supports work well, and in what ways arts and culture could be a more successful and more meaningful part of the life of the residents of Rockville.

This study is not a community cultural plan emerging from broad resident input; it is intended to provide a snapshot of current conditions and to present a series of suggested recommendations and next steps in furthering cultural development in Rockville.

The impetus for this study was a response to the convening of arts stakeholders to review the 2011 City of Rockville Culture and Entertainment plan. In early 2018, the Department of Recreation and Parks gathered a group of arts and community representatives to reflect on the 2011 plan – to consider what had been accomplished and what continues to be relevant. In response to the frustrations and desires expressed in the feedback from that review, the City initiated this study to better understand the current environment and context for its future City cultural support and policies.

This study was organized and framed around a set of questions about arts and culture in Rockville, including:

- What is the current nature and general character of arts, culture and creative economy in Rockville? What are the strengths? What is lacking?
- What is the current role of the City of Rockville in fostering arts and culture? In what ways are services currently being provided (e.g., financial support, programs, facilities) and what needs are not being addressed?
- In what ways is Rockville competitive in attracting creative individuals and creative industries? What strategies will be most effective in building on our greatest assets and strengths?
- What are potential approaches and strategies to strengthen and build arts, culture and the creative economy in Rockville?

- What is required of the City/stakeholders in implementing recommendations? Who are the partners? What are the potential collaborations?
- How do we hold ourselves accountable to our efforts and assure success of the plan?

METHODOLOGY

The study was conducted over a four-month period from mid-February 2019 to late June 2019. A combination of qualitative and quantitative research methods was utilized, with the goal of addressing the key questions (outlined above) and to identify consistent themes from all stakeholder groups.

Primary research was focused on individual interviews and discussion groups conducted with elected officials (the Mayor and members of City Council); City administrators and staff from several relevant departments; representatives of arts and culture organizations; individual artists living in and/or working in Rockville; owners of arts and creative businesses; representatives of developers with investments in Rockville; economic, community and tourism development officials; and other key informants. Twenty-two stakeholders participated in direct, one-on-one interviews, and thirty-two stakeholders participated in discussion groups.[2]

Additional research included:

- A review of City documents and materials relevant to arts, culture and creative economy, including the 2011 arts plan, Department of Recreation and Parks planning budget documents, drafts of Rockville 2040 Comprehensive Plan, and other relevant City documents;
- A download and review of IRS Master Business Files as of December 2018 for all arts non-profits with a Rockville address to aid in analyzing the inventory of arts non-profits (see Appendix for complete inventory);
- Use of CV Suite data in examining the creative economy;
- A short fiscal survey completed by 12 arts and heritage organizations serving Rockville, providing fiscal data for their most recently completed fiscal year.

A Study Advisory Committee was convened by the City with representatives from across sectors – the arts, economic development, education and tourism. The Committee provided the consultant with local context and information and a platform for reviewing data and conclusions. Additionally, a workgroup was convened to focus on reviewing creative economy data in CV Suite and to work with the consultant in developing an agreed-upon definition of creative economy in Rockville.

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

COMMUNITY CONTEXT

Rockville is a city of just over 68,000 residents per the 2018 US Census estimates. It is a diverse community with a large Asian (21%) and Latino (15.5%) population; an African-American population of 10.7%; a highly educated populace with over 63% attaining a bachelor's degree or higher (more than double the national average of 27%); and average household income above $100,000 a year (the national average is $61,372). It is estimated that approximately 7% of residents are persons living in poverty, which is half the national poverty rate of 13.9%.[3]

Rockville is the county seat for Montgomery County and houses county government offices and courts. Central operations for the Montgomery County School District – the largest school district in Maryland – is located in Rockville. The City is home to the largest campus for Montgomery College, with nearly 15,000 students.

CITY SUPPORT FOR ARTS AND CULTURE

The City of Rockville currently supports arts and culture in several areas and through a number of different programs. A review of the City budget indicates 15 FTE positions and an additional 5.6 temporary FTEs, primarily within the Department of Recreation and Parks. Included in these FTEs are the arts program, special events, and facilities management staffs of the F. Scott Fitzgerald Theatre and Glenview Mansion. The range of activities, direct and indirect supports in arts and culture includes:

- Administrative support for three civic performing arts organizations (Rockville Civic Ballet, Rockville Concert Band and Rockville Chorus);
- Rent abatement for VisArts, located in a City-owned building in Rockville Town Square;

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

- Reduced rent for performing arts organizations who are "resident companies" at the F. Scott Fitzgerald Theatre;
- Subsidized storage space for several organizations in facilities located in Civic Center Park;
- Special events such as the annual Hometown Holidays Music Festival, Sunday Afternoon Concert series (Glenview Mansion), World of Montgomery Day, and other events throughout the year;
- Operating and staffing of the F. Scott Fitzgerald Theatre;
- Operating and staffing of Glenview Mansion, including a public art gallery;
- Outside Agency Grants providing direct financial support.

The vast majority of funds (nearly 80%) as outlined in the table below are expended on (a) facility operations and (b) managing and presenting special events.

The FY 2019 City Budget included the following expenditures:

Arts	$ 221,100	7.6%
Special Events	$ 1,057,050	36.4%
Civic Center	$ 1,246,790	42.9%
Art in Public Architecture	$ 120,470	4.1%
Art in Public Places	$ 259,000	8.9%
TOTAL	$2,904,410	

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

In addition, the City of Rockville provides grants annually through the Outside Agency Grant program. In FY 2019 the allocation was $164,500 beyond the cost center allocations in the table above. Between FY 2014 and FY 2020, the City provided $927,000 in direct grants through the Outside Agency Grants program as outlined in the chart below.

AGENCY	FY14	FY 15	FY16	FY17	FY18	FY19	FY20
KID Museum		$ 50,000		$ 25,000	$ 30,000	$ 25,000	$ 25,000
Peerless Rockville	$ 54,500	$ 54,500	$ 57,500	$ 57,500	$ 59,500	$ 79,500	$ 59,500
Rockville Consortium for Science	$ 4,250	$ 4,250	$ 5,000				
Rockville Science Center	$ 35,000	$ 35,000	$ 35,000	$ 50,000	$ 55,000	$ 55,000	$ 55,000
World of Montgomery Day				$ 5,000	$ 5,000	$ 5,000	$ 1,000
TOTAL	$ 93,750	$143,750	$ 97,500	$137,500	$149,500	$164,500	$140,500

Arts expenditures in FY 2019 for regularly budgeted items and Outside Agency Grants combined totaled $3,068,910. All expenditures were offset by revenues of $747,420 earned through the arts, special events and Civic Center (primarily facility rentals) for a net expenditure of $2,321,490. In-kind support is in addition to this direct expenditure; it includes (a) rent subsidies and abatements and (b) support of organizational events, with expenses absorbed by public works and public safety.

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

ART IN PUBLIC PLACES

The Art in Public Places (AIPP) program was established in 1978. The program is funded primarily through two specific ordinances – one that specifies an annual allocation from general funds and a second that specifies inclusion in CIP. As indicated above, general fund expenditures in FY 2019 total $259,000. An additional $120,470 was allocated through capital projects, which vary annually depending on current capital projects that are within the ordinance.

The AIPP has a growing collection, with 50 works currently placed across the City. AIPP is guided by an implementation plan adopted in 2017 (through 2022) and is consistent with industry best practices. A full review and assessment of the AIPP program was not in the purview of this study, but it is important to acknowledge AIPP and the City's commitment to growth and maintenance of the program, now in its fifth decade.

In February 2004 the Mayor and Council adopted the Publicly Accessible Art in Private Development ordinance. This ordinance was developed through an extensive process of public and stakeholder input resulting in six options to fulfill the requirement. The most often of those options chosen are: (a) provide artwork on-site and/or (b) pay an equivalent amount as a fee in-lieu based on a formula calculated using the development type and size as criteria. The"fee in-lieu" may be designated directly to a qualified Rockville non-profit arts entity or may be designated to the Friends of the Arts special activities fund adopted by Mayor and Council resolution to be used for arts purposes throughout the City. The Publicly Accessible Art in Private Development ordinance has produced more than $2.5M in artwork or contributions to the arts throughout the City of Rockville. The ordinance has resulted in more than 50 pieces of artwork.

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

PROFILE OF THE ARTS AND CULTURE COMMUNITY

To understand the character and dimensions of the arts and culture sector, three distinct elements were examined:

- non-profit organizational/institutional providers of arts and culture
- individual artists
- other individuals or groups directly engaged in creative pursuits

There are several non-profit arts organizations that have long-standing traditions in Rockville. The majority of these entities are volunteer-led, community-based performing and visual arts organizations highly valued by community members and those inclined to participate, and recognized generally as an integral part of the quality and character of life in Rockville. They include three organizations operated by the City, two of which have fundraising support groups. The focus of these organizations is on personal participation and personal creative expression.

While more than 75 non-profit organizations with a Rockville address are registered with and recognized by the IRS within the arts and culture classification (and its subgroups),[4] a majority are: (a) either dormant or do not meet the annual threshold to file an annual return with the IRS, (b) headquarters for national organizations with registered offices in Rockville and do not serve local/area residents or operate programs within Rockville, or (c) organizations that do not serve the residents of the area but have a Rockville mailing address. Nearly one-third of the non-profits in the IRS file are classified as ethnic or cultural heritage organizations. It should be noted that a number of the inventoried organizations with Rockville addresses are outside City boundaries, though within Rockville's zip codes. Numerous other organizations that serve Rockville residents are not based within the City limits, including a number of those discussed below as the *core institutions*.

Within the roster of non-profit entities, the nine organizations listed below effectively constitute the core institutional arts and culture sector in Rockville city limits:

Adventure Theatre MTC Academy

F. Scott Fitzgerald Literary Conference

Peerless Rockville Historic Preservation, Ltd.

Rockville Art League

Rockville Little Theatre

Rockville Musical Theatre

Rockville Science Center

Victorian Lyric Opera Company

VisArts

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In addition, there are three entities operated by the City:

Rockville Civic Ballet

Rockville Concert Band

Rockville Chorus

The Rockville Civic Ballet and the Rockville Concert Band both have separate 501(c)(3) "friends of" organizations that support their activities and raise funds for their programs.

All 12 organizations were asked to complete a brief survey of their financial activity for the most recently completed fiscal year. Although Adventure Theater is based in Glen Echo, it operates the ATMTC Academy, its musical theater training academy, in the City of Rockville. The Rockville Science Center currently operates programs in and around Rockville and is seeking to develop a permanent facility in Rockville. The aggregated data below includes Adventure Theater's entire organizational budget, inclusive of but not solely reflective of its Rockville operations.

Nine of the 12 organizations are volunteer-led, community-based organizations (including the three operated by the City). Three organizations operate with professional leadership and staffing. Three organizations are designated as Resident Companies of the F. Scott Fitzgerald Theatre: Rockville Little Theatre, Rockville Musical Theatre, and the Victorian Lyric Opera Company.

Aggregated earned and contributed revenues for the 12 organizations:

Earned revenues	$ 3,421,070
Contributed revenues	$ 2,469,545
Total aggregated revenues	$ 5,890,614

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Of the total earned revenues, $3,231,795 (95.5%) were generated by the three professionally managed organizations (VisArts, Peerless Rockville, and Adventure Theatre). The eight volunteer-led organizations generated 4.5% ($189,275) of the earned revenues. Earned revenues consist primarily of admissions, ticket sales, and/or tuition and program fees.

Of the total contributed revenues, for the period reported the three professional organizations raised $2,178,733 (88.2%). The eight volunteer-led organizations raised 11.8% ($290,812) of the contributed revenues. Over 25% of total/aggregated contributed revenues are attributed to in-kind donations that include rent abatement, donated accounting and legal services, and donations of equipment.

The specific sources of contributed revenues (aggregated) are shown in the table below:

Individual contributions	$ 437,763
Foundations	$ 413,173
Federal / National Endowment for the Arts	$ 15,000
State / MD State Arts Council	$ 257,882
County / Arts & Humanities Council	$ 285,681
City of Rockville	$ 135,260
Special Events	$ 251,887
Misc.	$ 54,002
In-Kind	$ 618,545[5]
Total Philanthropic and Public Support	**$ 2,469,545**

Specific sources of contributed revenues (aggregated)

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CREATIVE ECONOMY

The term "creative economy" is most often employed to refer to industries and workers in a wide range of endeavors – from architects to individual artists to artisans and certain forms of manufacturing and/or businesses that are indicators of creative activity. The creative business sector looks beyond the non-profit environment to broader economic activity in creative industries and creative workers. Creative economy is a vital element to consider in a wholistic approach to arts, culture and creativity in public policy. Additionally, creative economy initiatives can be viewed more expansively as an element of economic development and related tools being utilized by a municipality, encompassing incentives for specific industries, enhancements for classes of workers, or investments in what is commonly referred to as "creative placemaking." Creative economy data and assessment tools serve as proxies in analyzing city, community, or neighborhood vibrancy.

For this study, a workgroup was convened to review available creative industries data and determine specific classifications of industries and occupations to include in the analysis, utilizing licensed data through Creative Vitality Suite, a comprehensive web-based tool that can be tailored to include specific creative industries and creative workers to understand the creative economy. Jobs and industry data are available primarily on the county level, though for purposes of this study, data was restricted to the three zip codes (20850, 20851 and 20852) with the highest concentration of businesses and workers within the Rockville city boundaries. While these zip codes extend beyond the city boundaries, they provide consistent and reliable data serving as a proxy for the City of Rockville.

Data for the CV platform is provided by Economic Modeling Specialists International (EMSI), which draws on census and Bureau of Labor Statistics data.[6] The Creative Economy work-group reviewed the data sources available through CV Suite, selecting NAICS (classification of industries) and SOC (classification of workers) codes considered most relevant for Rockville. See Appendix for a complete table of the 80 NAICS and 72 SOC codes determined to be relevant."

The most recently available data was for calendar-year 2017. Based on that 2017 data, there are 11,779 jobs in the three zip codes in creative industries and over $1B in industry sales. Just under 20% (2,225) are in software development, web development and computer programming. See Appendix for full data tables on workers, occupations and sales.

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Key Findings

Key Findings

In aggregating themes from stakeholder engagement and examining the available secondary data, a series of consistent themes emerged. Study participants identified both cherished assets and strengths in Rockville as well as issues and challenges to be addressed. Additionally, there appeared to be a general consensus on the nature and character of arts and culture in Rockville.

SUMMARY OF FINDINGS

- It is important to recognize that all stakeholder groups expressed, directly or indirectly, a desire to elevate the role of arts, culture and creativity in Rockville. While approaches and interpretations of cultural development for the community vary, the consensus is that this is a seminal moment for Rockville to thoughtfully consider cultural policy and consider the most appropriate and contemporary practices for investing financial and human resources in cultural development.

  By investing in its own knowledge, professional capacity, innovative approaches to cultural development and building a stronger, broader, more vibrant creative community, the City of Rockville can access – and create – numerous opportunities to elevate arts, culture and creativity.

- Rockville is home to numerous volunteer-led and community-based cultural organizations that have a long and deep history in the community.[7] They represent the majority of incorporated non-profit cultural organizations in Rockville, providing extraordinary opportunities for personal participation and creative outlets for residents of Rockville and surrounding communities. These organizations are reflective of long-standing cherished community traditions. They have been supported by the City of Rockville over time in various ways, including direct financial support, staff support for operations, subsidized use of City performing arts and exhibition facilities, and subsidized storage facilities.

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- In addition to the volunteer-led organizations, Rockville has several important professionally-managed anchors in the cultural community, including VisArts, Adventure Theater MTC Training Academy, Peerless Rockville, and the performing and visual arts programs of Montgomery College. These organizations and programs receive varying degrees of support from the City of Rockville, with the most significant being the rent abatement for VisArts in a City-owned facility in Rockville Town Center.

  Opportunities exist for the City of Rockville to attract additional professional non-profits to the City and to explore avenues for both financial and non-financial supports for strengthening and expanding the non-profit sector.

> I keep hearing that we are an arts destination and that we are an 'arts city.' It's not really true. I think we care about the arts, but we don't have a coherent plan for building infrastructure and supporting a professional arts community. There are lots of community-based opportunities, which are great in their own way. But that does not make us a destination. It's not about being vibrant; it's about being livable. That's who we have been, and I suppose, who we still are.

- Rockville is a diverse community whose expanding international population currently makes up more than 37% of the population, primarily Asian and Latino/Hispanic. There is an African-American population that constitutes 10.7% of the population as well. There was little direct engagement with any of these communities in the study process. While there was recognition among stakeholders that there are distinct performing and visual arts activities within these communities, there appears to be limited knowledge of and experience with these cultural activities among the cultural community informing this study. It is notable that discussions on arts and culture throughout the study process most often centered around a narrow definition that often did not acknowledge these communities.

  The City should embrace opportunities to deeply engage with the artists and creative entrepreneurs within the growing international communities and more intentionally develop initiatives to support and celebrate their cultural activities as a part of the vibrant cultural life of Rockville.

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> Our community is diverse, yet we do not really make efforts to fully embrace the growing international communities. We focus on what we know – and it is primarily white and euro-centric. This has been our default, even though we are generally a progressive community that fully embraces all the cultures and peoples of Rockville. But it is not apparent when we talk about the arts, or it is an afterthought.

- Individual artists in Rockville expressed that they do not feel a sense of connectedness. It is generally believed that many artists live and work in Rockville – either operating studios in their homes or in studios outside City limits – but there is no clear "center" to the artist and creative community. VisArts is broadly acknowledged as a hub of activity and the most significant center for visual arts in Rockville, but there is no regular convener for the artist community or any entity focused on community building to strengthen, expand and support individual artists in the City. The City has the opportunity, through an elevated approach to arts and culture, to partner with relevant organizations in identifying and implementing avenues for strengthening the individual artists' community.

- The region is generally perceived as financially generous in supporting non-profit arts and culture organizations, but large-scale and leadership arts philanthropy in Rockville are lacking. Stakeholders expressed concerns that this missing element of funding limits the growth of arts and culture in the City as well as its willingness to take risk, both for individual artists and for arts organizations.

  The City of Rockville has the opportunity to serve as a convener and advocate to encourage philanthropic investment in Rockville-based entities, and to explore potential partnerships and collaborations with private philanthropy to strengthen and elevate the creative community.

- The City has the potential to encourage and/or foster one or more creative hubs. The most often cited opportunity among City administrators and elected officials is the redevelopment of the Stonestreet corridor. Also cited among City representatives, as well as a range of stakeholders, were the opportunities presented by the currently vacant King Farm Farmstead and the redevelopment of the 110 acres of the closed RedGate golf course. Interviewees and participants in discussion groups also pointed out opportunities, expressing ongoing disappointment and frustration over the lack of a successful strategy to fully activate and enliven Rockville Town Square, although efforts by both the City and Federal Realty Investment Trust were acknowledged.

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- Representatives from the arts and culture sector expressed frustration that the arts community in Rockville lacks cohesiveness and a strong identity. This was echoed by non-arts leaders who observe a sense of disconnectedness or "silos."

  This presents an opportunity for the City to serve as a convener and facilitator of programming aimed at fostering cohesiveness and strengthened capacity in the sector.

- There is a sense among all stakeholders that participation in arts programming and arts activities throughout the City would benefit from coordinated marketing and promotion. Planning participants shared their frustrations over the lack of a definitive, central online source for promoting available arts and culture programs and events in Rockville, though there was no consensus on who should be responsible for initiating and managing such efforts.

  This concern signifies an opportunity for the City to consider appropriate and relevant methods of supporting and encouraging increased participation in arts programming. Any approach should be comprehensive and inclusive of a broad range of arts, culture and creative activities throughout the City and would be most effective through a collaborative effort of arts providers.

COMPARING ROCKVILLE TO SIMILAR COMMUNITIES

To understand Rockville relative to similar communities, the consultants gathered information on the arts and culture programs of five similar cities. The first criterion in selecting benchmarking cities was a population between 50,000 and 75,000 residents, similar to Rockville's population of 68,000. The second criterion was cities that are adjacent to or within the suburban ring of a major metropolitan area. Three of the five comparison cities – Coral Gables, FL (Miami); Broomfield, CO (Denver) and Evanston, IL (Chicago) are within both criteria.

Two cities with resident populations one tier higher – Roanoke, VA with approximately 100,000 residents and Boulder, CO with 107,000 – are included as examples of somewhat larger communities. Boulder is considered part of the Denver metroplex, while Roanoke is in a rural area of Virginia.

The primary source of comparative data was the Americans for the Arts Local Arts Agency Dashboard,[8] a tool based on self-reported data in the 2018 Comprehensive Annual Survey of Programs and Budgets. The Dashboard includes data on 517 local arts agencies from across the country. There are 31 agencies within municipal government from cities with a population between 50,000 and 99,999 that reported data. Additional information was derived from an online review of agency websites. A table of usable comparative data of the information for the five cities and Rockville as downloaded from the Dashboard is included in the Appendix of this report.

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The six cities engage in several practices that are, overall, similar in supporting arts and culture. The most consistent element is a percent-for-art ordinance and a public art program. Only two of the six (Rockville and Coral Gables) extend their public art ordinance to private development.

The six cities take varying approaches to programming and support for the non-profit cultural sector. Four of them provide direct program or general operating grants to non-profit organizations. While Rockville provides funding through the Outside Agency Grants program ($164,500 in FY 2019), it does not currently have a direct, dedicated competitive-based funding program. Boulder operates the most robust grants program with a budget in the most recent fiscal year of $675,000. Evanston had the most modest grants budget, totaling $64,000 in FY 2018.

Only one city – Boulder – provides grants and/or fellowships to individual artists. Boulder primarily funds professional development opportunities for individuals.

Rockville was notably the most engaged in operating cultural facilities and providing administrative support for civic performing arts organizations. Additionally, it did not appear that any of the five cities benchmarked provided subsidized rent similar to the aid given resident performing arts groups or rent abatements similar to amount of subvention Rockville provides VisArts.

Three of the six cities, including Rockville, operate cultural facilities. Evanston is the most similar to Rockville, as it operates a theater (within the Noyes Cultural Arts Center) and a historic home within a park that originally functioned as an arts center (The Harley Clarke Mansion). The Clarke Mansion is within a city park, but is operated by a separate non-profit organization. Broomfield also operates an auditorium, as well as a gallery space within the auditorium facility, that is available for rental to local performing arts organizations. It has fewer seats than the F. Scott Fitzgerald Theatre and does not have resident companies.

A review of arts office websites and data downloaded from the dashboard suggests that none of the other cities include special events as a direct part of their arts programs. Rockville appears as the only city within this cohort to include the special events budget as an arts expenditure. However, it is becoming more common nationally for special events management to fall under the purview of an arts department or division.

All six cities have dedicated full-time arts program staff, ranging from one FTE to four FTEs, with additional part-time and/or seasonal staff. Of the six cities, only Boulder and Roanoke have a full-time staff whose sole responsibility is managing the public art program.

Three cities have invested in community cultural plans to inform their programming and priorities. Boulder has been the most proactive in annual program evaluations and producing annual progress reports.

Recommendations

Recommendations

Throughout the research process of this study, the Rockville cultural community and stakeholders have expressed a strong desire for the City to take on an enhanced and elevated role in fostering an environment for arts, culture and creativity to grow, expand and thrive. There were many individual desires expressed by stakeholders that overall articulate a vision for a more vibrant community.

There are myriad avenues for Rockville to consider in elevating and focusing its role in supporting arts culture and creativity. The recommendations and tactical approaches below are intended as a point of departure.

This study is not intended as a cultural plan, but is presented as a set of steps to enhance, expand and elevate cultural policy in the City of Rockville. The recommendations are not derived from broad community input, and thus do not represent the authority of Rockville residents. Instead, they are reflective of direct input from stakeholders in City administration, elected officials, representatives of arts and culture organizations, and individual artists. Ideally, the City of Rockville will undertake a comprehensive, master cultural planning process where the vision and authority are derived from the residents and taxpayers in Rockville.

However, there is momentum to redefine and expand the role of the City in arts development prior to a full cultural planning process. Ultimately, the investments recommended below suggest a pathway for shifting the focus of City resources from supporting volunteer-based, community-driven programming to one that aims to build greater cultural and creative vibrancy in Rockville. These recommendations should be considered additive to the baseline existing services and investments. The intention is not to replace existing City support, but to build upon it.

The recommendations are not presented in any specific priority order, though 1.1 below (establishing an Office of Arts and Culture) serves as the platform for broader implementation. Establishing an Office of Arts and Culture, followed by the hiring of a full-time professional- level administrator - whether on as a permanent position or as a contractor for an initial period of one to two years to explore the potential and parameters of an Office of Arts and Culture - should be considered as the first steps. It is important to have this position in place to have an individual whose sole professional role is arts and cultural development and fostering a healthier creative economy. Once that position is executed, establishing priorities may be facilitated through operating plans vetted by the Cultural Arts Commission, City administration and elected officials in conjunction with the new administrator.

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Implementation of 1.1 and 1.2 may also benefit from a review of the stated role of the Cultural Arts Commission. When an Office of Arts and Culture is established and professional leadership is hired, the role of the Cultural Arts Commission will likely shift towards supporting the work of the office and advising the Mayor and City Council on cultural policy. It is advisable to initiate efforts to recruit new members of the Commission representing a broader range of community voices. This will benefit professional leadership by providing a range of resident representatives as programs are established. It will also be useful in anticipating a comprehensive community cultural planning effort.

The following recommendations are structured as a series of top-level strategies for redefining and elevating the role of the City of Rockville in supporting arts, culture and creativity. Each recommendation is elucidated through a series of tactical approaches.

RECOMMENDATION 1

Elevate the function of arts, culture and creativity within the municipal administration.

As indicated above, the recommendations are not presented in any particular order of priority, though 1.1 and 1.2 are important in establishing a baseline to facilitate broader implementation.

1.1 Establish an Office of Arts and Culture within the City of Rockville as a platform for elevating and expanding cultural policy, programming and support for arts, culture and creative economy.

1.1.1 Establish a position dedicated to arts and cultural development. Recruit and hire a professional, experienced arts administrator to fully launch the Office of Arts and Culture (OAC), either as a permanent full-time position or as a contractor for a trial period to establish the parameters of an OAC. Ideally, the position is distinct from the current programmatic position within Recreation and Parks, reporting directly to senior administration within the City.[9]

1.2 The portfolio for the position should focus on arts, culture and creative sector/ creative economy development, partnering across City departments and agencies (e.g., economic development, community development, youth development), and relevant local and county agencies.

1.3 In establishing an Office of Arts and Culture and engaging a professional, experienced director of the office, an initial operating budget to support programs and initiatives related to launching the Office is also imperative.

By establishing a specific, dedicated Office of Arts and Culture and recruiting a leader experienced in municipal cultural policy and community development, the City of Rockville will indicate its commitment to furthering, investing and prioritizing an agenda of arts,

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culture and creativity. Furthermore, many of the functions indicated in the recommendations will require the focus and commitment of a knowledgeable, experienced administrator for effective implementation.

1.4 Implement elements in the Rockville 2040 plan that elevate the role of arts, culture and creativity as a function of municipal operations.

1.4.1 In final plan edits of the principles of Rockville 2040 (page 2), recognize arts, culture and creativity as distinct element, elevating it from a subsidiary of recreation.

1.4.2 Explore specific alignment of study recommendations with relevant sections of Rockville 2040 (e.g., Policy 11 and associated actions, page 182).

1.4.3 After establishing an Office of Arts and Culture, integrate the new position as a standing member of the planning team.

RECOMMENDATION 2

Strengthen the environment for arts and cultural organizations to thrive.

Rockville has the opportunity to foster a more robust non-profit arts sector, encouraging growth and capacities of existing organizations and assisting new and emerging organizations to become established. Additionally, an Office of Arts and Culture can serve as a convener and conduit for building a more cohesive and connected arts sector. In many communities the convening and capacity-building function is executed by a stand-alone arts service organization. Examples include the Greater Philadelphia Cultural Alliance, the Lansing Arts Council (Lansing, MI), and Regional Arts Commission (St. Louis, MO). The Greater Washington Cultural Alliance no longer exists, though there are opportunities to partner with and utilize the resources of the Montgomery County Arts and Humanities Council.

2.1 Design and implement programs that build the capacities of the non-profit arts and cultural sector to be more resilient, agile and adaptive.

2.1.1 Regularly convene the Rockville arts and cultural sector to foster a stronger, more connected and cohesive community and facilitate learning about trends in the professional arts field and current professional practices, addressing topics that connect art and culture to other sectors such as technology, innovation, economic and workforce development. Utilize gatherings to address common issues and concerns and to build a professional network.

2.2 Seek partnerships with entities that serve the non-profit sector in building knowledge, skills and capacity. Explore opportunities to engage and/or commission these partners to provide technical assistance for Rockville-based cultural organizations and provide professional development programming determined useful to the sector.

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2.3 Through the Community Assistance Program, establish a specific category for grants supporting the capacity and programs of arts non-profits. Initial efforts should focus on two areas: direct program service delivery to residents and investments in capacity building.

A number of stakeholders indicated a desire for the City to provide significant direct financial support and establish an annual grants program to support arts non-profits. It is recommended that opportunities for establishing a baseline for support be explored through the Community Assistance Program, where systems and grant processes are already in place. Expansion of a grants program should be tested through broader community engagement in a comprehensive community cultural plan.

RECOMMENDATION 3

Foster an environment for individual artists, creative businesses and creative entrepreneurs to build a robust community of artists and entrepreneurs in Rockville.

Opportunities abound to encourage and foster creative entrepreneurs, creative businesses and individual artists to make Rockville their home or base of operations. While the following tactics suggest the Office of Arts and Culture should focus on serving as the convener, it is advisable to pursue these activities in partnership with other agencies and organizations. These partners could include VisArts, with their knowledge and relationships with visual artists, and Rockville Economic Development, Inc. (REDI), as they embrace the creative sector and creative economy within their economic development charge.

3.1 Extend the convening function (2.1) to foster a cohort of individual artists and creative entrepreneurs in Rockville.

3.1.1 Convene artists, creative businesses and creative entrepreneurs to understand and document the barriers of establishing and/or operating an artistic practice or business in Rockville. Regularly convene artists and creative entrepreneurs to facilitate networking within and among disciplines, foster a stronger sense of community, and build a cohesive professional environment.

3.1.2 Identify service providers who conduct professional practices training for individual artists and creative entrepreneurs. Commission these providers to conduct training services for Rockville-based artists, with the goal of strengthening and growing the community of practicing artists in Rockville.

3.1.3 Establish and coordinate an annual artists and creative economy workshop that builds a sense of community and focuses on professional practices, trends in creative economy and creative placemaking, and the role of artists in the community.

RECOMMENDATION 4

Establish initiatives to elevate and celebrate expressions of culture in Rockville's international community.

Though Rockville has a significant international community and diverse cultural communities, direct connections to those communities and, in particular, the cultural activities within those communities were less apparent throughout the study process.

Consistent with national trends in embracing equity and diversity in defining cultural expression, Rockville has the opportunity to fully embrace a growing portion of its population and to celebrate the richness and depth of cultural expression within those communities.

4.1 Seek to (a) create a comprehensive roster and inventory of organizations and individuals within the international and culturally specific communities in Rockville who are focused on the arts and cultural expression of their communities and (b) seek to fully understand the breadth and depth of those existing organizations.

4.2 Develop programs with the intention of building relationships with and addressing the specific resource needs and issues of organizations and individuals identified as organizations of color and/or culturally specific. As with many of the arts and cultural organizations in Rockville, culturally specific entities are often volunteer-led. By identifying and working with these organizations, Rockville will broaden and expand the definition of civic organizations that are supported and valued by the City. Further, this will afford opportunities to actively recruit representatives of culturally-specific organizations to serve as members of the Cultural Arts Commission.

4.2.1 Establish an annual or semi-annual forum to convene representatives of culturally specific organizations and artists to foster a community of practice and to build a network among these organizations and strengthen their presence as an important element of Rockville's character.

4.3 Designate a portion of the Community Empowerment Matching Grant program (with a range of $2,500 to $5,000) with a specific initiative to encourage greater presence of culturally-specific organizations in the City and expand the capacity of the organizations to serve all residents of Rockville.

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RECOMMENDATION 5

Support Rockville as a vibrant cultural and creative center.

The common refrain heard throughout the study process was, "Rockville should be an arts destination." Numerous and varying perspectives and definitions were offered as to what it means for Rockville to be an arts destination. Yet, the thread connecting all perspectives was a desire for a city that is more vibrant, that fully embraces arts, culture and creativity as an essential and active part of the life of the community. The challenge is to embrace the characteristics unique to Rockville, building on existing assets and investing in initiatives that increase the vibrancy and vitality of the City.

Efforts of an Office of Arts and Culture should embrace a range of initiatives that overlap with community and economic development. Opportunities exist for creative placemaking; integrating creativity into municipal decision-making, supporting more effective communication of opportunities; strengthening the ability of arts producers to expand their audiences and increase participation; and enhancing the built environment through expanding public art efforts and creative placemaking.

Study participants consistently cited the need for better communication channels publicizing arts events in Rockville. While arts marketing channels do currently exist, they are not considered comprehensive, well-advertised, or effective in reaching diverse audiences. In communities across the country, communication is most effective when artists and organizations collaborate for more effective marketing, advertising, and building community awareness of the arts. Rockville offers many such opportunities to facilitate collaboration.

Public art can serve many roles in a community through building a collection of permanent works as well as utilizing temporary installations that engage the community in a collective experience. The Art in Public Places program has an extensive history with a permanent collection of 50 works. Yet many opportunities are still available to enhance the program as means of identifying Rockville as a locus of creative expression. Additionally, opportunities to focus on the private development sections of the ordinance are available, both to catalogue the inventory of works created as a result of the ordinance and to better document the use of in-lieu of fees collected.

5.1 Create an artist-in-residence program to embed artists into departments across the functions of the municipality.

Municipalities across the country are engaging artists as essential problem-solvers and important voices in the challenges of public services. Artists are regularly embedded in youth services, public safety, transportation, community development and other departments. The Appendix of this report includes several examples of successful residency programs addressing a variety of municipal and public functions.

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5.2 Create a program to establish and develop cultural districts and cultural hubs as both an approach for promotion and economic development.

5.2.1 Identify potential areas in Rockville to seek official state designation as a cultural district through the Maryland State Arts Council Arts & Entertainment District program,[10] and then utilize the designation as appropriate to seek technical assistance and/or public art project support in District development.[11]

5.3 Explore options for creative placemaking in three current or pending redevelopment efforts: Stonestreet Corridor, King Farm Farmstead, and RedGate Golf Course.

5.4 Convene representatives of arts, culture and creative endeavors in Rockville and include tourism and visitor officials to explore avenues for increasing collaborative promotions.

5.4.1 Identify the strengths and weaknesses of existing communication channels.

5.4.2 Provide seed resources for collaborative efforts at strengthening and increasing participation.

5.5 Fully utilize the public art in private development ordinance.

5.5.1 Develop a database of public art works in private development as an addition to the comprehensive inventory of works, and establish a process to recognize and catalogue new works as they are added to the collection.

5.5.2 Establish a clear set of guidelines to track in-lieu of fees collected through private development and a process to encourage developers to support local arts non-profit entities through the in-lieu of fees.

IMPLEMENTATION

The following table reiterates the recommended strategies and tactics with suggested costs and necessary resources for implementation. Additional information is provided, including examples of similar programs or activities in a range of communities. Examples are provided from a wide range of cities and approaches.

Funding for costs associated with implementing recommendations may come from a variety of sources. It is likely the City will need to commit an initial investment from general funds, particularly in establishing an Office of Arts and Culture and funding the salary of a new full-time position or a contractor for a trial period, with additional resources for initial implementation of programming and activities.

One consideration is to establish an arts office enterprise fund to channel all or a significant portion of earned fees through programming and facility rentals from the F. Scott Fitzgerald Theatre. A sequestered fund could be utilized for the salary and benefits of the new position, programming costs and, potentially, for establishing some form of arts investment or grant program (e.g., recommendation 2.3 and 4.3). Alternatively, the City could commit general funds for personnel and utilize the enterprise fund for programming, grants and other creative economy investments.

Upon establishing an Office of Arts and Culture, more opportunities become available to seek funding for selected programming and activities. The Our Town grant program at the National Endowment for the Arts is an opportunity to seek funding for a comprehensive community cultural plan or other partnerships suggested throughout the recommendations. It is anticipated that a comprehensive community-based cultural plan will cost between $90,000 and $125,000, depending on the format and approach to community engagement, as well as any requirements for statistically valid surveys as part of the process.

	RECOMMENDATIONS & TACTICS	FINANCIAL RESOURCES	RESOURCES & EXAMPLES
1.1	Establish an Office of Arts and Culture within the City of Rockville as a platform for elevating and expanding cultural policy, programming and support for arts, culture and creative economy.		
1.1.1	Establish a position dedicated to arts and cultural development. Recruit and hire a professional, experienced arts administrator to fully launch the Office of Arts and Culture either as a full-time permanent position or as a contractor for a trial period to establish the parameters of an OAC. Ideally, the position is distinct from the current programmatic position within Recreation and Parks, reporting directly to senior administration within the City.	Professional base salary should be anticipated between $75,000 – $90,000 for an experienced professional. Within the Rockville personnel pay scale, it should be anticipated between level AD113 and AD116, with total costs of salary and benefits ranging from $105,200 to $120,260.	Local Arts Agency Salary Survey 2018 Examples of job titles and job descriptions for similar positions in several cities are provided in the Appendix.
1.2	The portfolio for the position should focus on arts, culture and creative sector/creative economy development, partnering across City departments and agencies (e.g., economic development, community development, youth development), and relevant local and county agencies.	No direct costs. Requires allocation of time and position authority.	Review model job descriptions provided in the Appendix.
1.3	In establishing an Office of Arts and Culture and engaging a professional, experienced director of the office, an initial operating budget to support programs and initiatives related to launching the Office is also imperative.	Estimated at $125,000 in year one.	Programming resources for convening, speakers, sponsoring sector development (speakers, service provider partnership fees, etc.), workshops, and other programs indicated through recommendations. A portion of this budget may be dedicated to small grants.
1.4	Implement elements in the Rockville 2040 plan that elevate the role of arts, culture and creativity as a function of municipal operations.	No direct costs. Implications for community and economic development investments.	Inclusion of arts position as an essential member of the planning team.
1.4.1	In final plan edits of the principles of Rockville 2040 (page 2), recognize arts, culture and creativity as a distinct element, elevating it from a subsidiary of recreation.	No direct costs. Implications for community and economic development investments.	Inclusion of arts position as an essential member of the planning team.

	RECOMMENDATIONS & TACTICS	FINANCIAL RESOURCES	RESOURCES & EXAMPLES
1.4.2	Explore specific alignment of study recommendations with relevant sections of Rockville 2040 (e.g., Policy 11 and associated actions, page 182).		
1.4.3	After establishing an Office of Arts and Culture, integrate the new position as a standing member of the planning team.		
2.1	Design and implement programs that build the capacities of the non-profit arts and cultural sector to be more resilient, agile and adaptive.	Included in program operating budget above.	
2.1.1	Regularly convene the Rockville arts and cultural sector to foster a stronger, more connected and cohesive community and facilitate learning about trends in the professional arts field and current professional practices, addressing topics that connect art and culture to other sectors such as technology, innovation, economic and workforce development. Utilize gatherings to address common issues and concerns and to build a professional network.	Included in program operating budget above.	Examples: Boulder, CO; DC Commission on Arts and Humanities Seattle Arts Commission Lansing Arts Council
2.2	Seek partnerships with entities that serve the non-profit sector in building knowledge, skills and capacity. Explore opportunities to engage and/or commission these partners to provide technical assistance for Rockville-based cultural organizations and provide professional development programming determined useful to the sector.	Costs will vary depending on services contracted. Included in programming budget for the Office of the Arts above.	Examples include entities such as National Arts Strategies, or the resources of the Arts Administration program at American University.
2.3	Through the Community Assistance Program, establish a specific category for grants supporting the capacity and programs of arts non-profits. Initial efforts should focus on two areas: direct program service delivery to residents and investments in capacity building.	Costs may vary depending on resources dedicated to a grant fund. These funds would be in addition to the programming budget for the Office of the Arts and effectively expand the current Outside Agency Grants.	Examples of potential structures include Boulder, CO and Alexandria, VA
3.1	Extend the convening function (2.1) to foster a cohort of individual artists and creative entrepreneurs in Rockville.		

	RECOMMENDATIONS & TACTICS	FINANCIAL RESOURCES	RESOURCES & EXAMPLES
3.1.1	Convene artists, creative businesses and creative entrepreneurs to understand and document the barriers to establishing and / or operating an artistic practice or business in Rockville. Regularly convene artists and creative entrepreneurs to facilitate networking within and among disciplines, foster a stronger sense of community, and build a cohesive professional environment.	Indirect costs of staff time and facilities use. Direct costs for promotion of events, hospitality, speakers, etc., to be included in annual programming budget above.	Examples are: City of Philadelphia, Creative Sonoma, City of San Jose, Kansas City Office of Culture and Creative Services.
3.1.1	Identify service providers who conduct professional practices training for individual artists and creative entrepreneurs. Commission these providers to conduct training services for Rockville-based artists, with the goal of strengthening and growing the community of practicing artists in Rockville.	Direct costs would be included in the annual programming budget. Potentially, costs could be offset through program and service fees, and/or tuition for specific training services.	Connect with professional network of similar programs to identify potential service providers. Potential partners and/or resources may include MICA; Montgomery County Arts and Humanities Commission; Montgomery College.
3.1.1	Establish and coordinate an annual artists and creative economy workshop that builds a sense of community and focuses on professional practices, trends in creative economy and creative placemaking, and the role of artists in community.		Lansing Creative Placemaking Summit
4.1	Seek to (a) create a comprehensive roster and inventory of organizations and individuals within the international and culturally specific communities in Rockville who are focused on the arts and cultural expression of their communities and (b) seek to fully understand the breadth and depth of those existing organizations.	Staff time for research and networking.	

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

	RECOMMENDATIONS & TACTICS	FINANCIAL RESOURCES	RESOURCES & EXAMPLES
4.2	Develop programs with the intention of building relationships with and addressing the specific resource needs and issues of organizations and individuals identified as organizations of color and/or culturally specific. As with many of the arts and cultural organizations in Rockville, culturally specific entities are often volunteer-led. By identifying and working with these organizations, Rockville will broaden and expand the definition of civic organizations that are supported and valued by the City. Further, this will afford opportunities to actively recruit representatives of culturally-specific organizations to serve as members of the Cultural Arts Commission.	Programmatic costs would be included in the general program budget of the Office of Arts and Culture. Additional resources required include staff time and networking.	
4.2.1	Establish an annual or semi-annual forum to convene representatives of culturally specific organizations and artists to foster a community of practice and to build a network among these organizations and strengthen their presence as an important element of Rockville's character.		Americans for the Arts research on cultural equity and community diversity
4.3	Designate a portion of the Community Empowerment Matching Grant program (with a range of $2,500 to $5,000) with a specific initiative to encourage greater presence of culturally-specific organizations in the City and expand the capacity of the organizations to serve all residents of Rockville.	Establish an initial seed fund in year 1 of $15,000 to be modified based on the needs assessment in 4.2 and 4.3.	Examples that provide approaches and sample language: Santa Ana Arts & Culture Office Investing in the Artist Program; Kansas City, MO, Neighborhood Tourism Development Fund.
5.1	Create an artist-in-residence program to embed artists into departments across the functions of the municipality.	May vary based on stipends and/or commissions. Estimated at $10,000 annually per residency. Costs to be included in programming budget of the Office of Arts and Culture.	Review section in Appendix on Artists in Municipalities.
5.2	Create a program to establish and develop cultural districts and cultural hubs as both an approach for promotion and economic development.		

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

	RECOMMENDATIONS & TACTICS	FINANCIAL RESOURCES	RESOURCES & EXAMPLES
5.2.1	Identify potential areas in Rockville to seek official state designation as a cultural district through the Maryland State Arts Council Arts & Entertainment District program and utilize the designation, as appropriate, to seek technical assistance and/or public art project support in District development.		Maryland Council on the Arts Cultural District Program. Information and resources on cultural district development available through the National Cultural Districts Exchange Toolkit.
5.3	Explore options for creative placemaking in three current or pending redevelopment efforts: Stonestreet Corridor, King Farm Farmstead, and RedGate Golf Course.		Inclusion of the arts staff as integral voices in deliberations, discussions and development of these areas and properties.
5.4	Convene representatives of arts, culture and creative endeavors in Rockville and include tourism and visitor officials to explore avenues for increasing collaborative promotions.		Partner with tourism promotion entities to increase avenues for advancing Rockville arts and culture.
5.4.1	Identify the strengths and weaknesses of existing communication channels.	Staff time. Potentially engaging outside marketing analysis.	
5.4.2	Provide seed resources for collaborative efforts at strengthening and increasing participation.		
5.5	Fully utilize the public art in private development ordinance.		
5.5.1	Develop a database of public art works in private development as an addition to the comprehensive inventory of works, and establish a process to recognize and catalogue new works as they are added to the collection.	Engaging a contractor or hiring a temporary employee to focus on developing a full inventory of works in private development.	Actively pursue adding works in private development to the GIS system that maps works in the AIPP program to offer a comprehensive view of public art in Rockville.
5.5.2	Establish a clear set of guidelines to track in-lieu of fees collected through private development and create a process to encourage developers to support local arts non-profit entities through the in-lieu of fees.	Staff time to establish a readily-accessible database and tracking method.	

Endnotes

1 Based on a broad definition of cultural assets, to include arts, culture, creative economy and the creative sector, heritage and entertainment.

2 A complete list of interviewees and discussion group participants is included in the Appendix.

3 Source: QuickFacts: Rockville City, Maryland." United States Census Bureau

4 The IRS classifies organizations through NTEE codes. See Appendix for an inventory of all registered organizations under the NTEE Major Group, "Arts and Humanities."

5 Eighty-three percent of the total ($513,000) of in-kind support recognized is the City of Rockville's rent abatement for VisArts.

6 EMSI industry data have various sources depending on the class of worker. (1) For QCEW Employees, EMSI primarily uses the QCEW (Quarterly Census of Employment and Wages), with supplemental estimates from County Business Patterns and Current Employment Statistics. (2) Non-QCEW employee data are based on multiple sources including QCEW, Current Employment Statistics, County Business Patterns, BEA State and Local Personal Income reports, the National Industry-Occupation Employment Matrix (NIOEM), the American Community Survey, and Railroad Retirement Board statistics. (3) Self-Employed and Extended Proprietor classes of worker data are primarily based on the American Community Survey, Nonemployer Statistics, and BEA State and Local Personal Income Reports. Projections for QCEW and Non-QCEW Employees are informed by NIOEM and long-term industry projections published by individual states.

7 Rockville Little Theater, Rockville Musical Theater, Rockville Concert Band, Friends of Rockville Civic Ballet, Victorian Lyric Opera Company, Rockville Art League, F. Scott Fitzgerald Literary Conference.

8 "Local Arts Agency Dashboard." *Americans for the Arts*, https://www.americansforthearts.org/by-program/networks-and-councils/local-arts-network/facts-and-figures/profile-of-local-arts-agencies/local-arts-agency-dashboard.

9 The Appendix of this report includes an example of a job announcement and position outline for a recently established Chief Creative Economy Officer position for the City of Greensboro, NC, as well as examples and titles from other communities. Greensboro is included, as they have just completed the process of defining the position and recruiting. The new director begins November 1, 2019. This and other examples are indicative of trends nationally for municipal functions in cultural policy and creative sector development.

10 The most likely candidate is Rockville Town Center. This could be viewed as an addition to the recommendations put forth by the Urban Land Institute panel held in January 2019.

11 "Advancing the Arts Across Maryland: Arts & Entertainment Districts." *Maryland State Arts Council*, https://www.msac.org/programs/arts-entertainment-districts.

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

Appendix

Appendix

INTERVIEWEES

For the City of Rockville:

Bridget Donnell Newton
Mayor

Beryl L. Feinberg
City Council Member

Virginia D. Onley
City Council Member

Mark Pierzchala
City Council Member

Rob DiSpirito
City Manager

Jenny Kimball
Deputy City Manager

Tim Chesnutt
Director
Department of Recreation and Parks

Chris Henry
Deputy Director
Department of Recreation and Parks

David Levy
Assistant Director
Department of Planning & Development Services

Andrea Gilles
Principal Planner

Paige Janzen
Superintendent of Community Facilities

Dan Mori
Theater Production Supervisor

Colleen McQuitty
Special Events Manager

Mike Coopersmith
Special Operations Supervisor

Amanda Knox
Events Specialist

Community Representatives:

Bob Ekman, President
Rockville Science Center

Dean Fiala, President
Rockville Little Theatre

Marji Graf, Executive Director
Rockville Chamber of Commerce

Tony Greenberg
JGB Smith

Judith HeartSong, Executive Director
Artists & Makers

Suzan Jenkins, Executive Director
Arts & Humanities Council of Montgomery County

Lee Rosenthal, President
Rockville Musical Theatre

Leslie Rubin
Senior Legislative Analyst
Montgomery County Council

John Tschiderer
Federal Realty Investment Trust

Frank Tressa, Dean of Visual, Performing and Media Arts
Montgomery College

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Discussion Group Participants

Helen Aberger
Karen Askin
Michael Auger
Liliane Blom
Michael Bobbitt
Therese Capal
Margo Brenner Collins
Patricia Dubroof
Silvie Gallardo
Gary Gill
Marji Graf
Howard Jung
John Landers
Cara Lesser
Roberta Mandrekas
Jesse Marciniak
Alicia Martin
Sara Moline
Tim Nixon
Lisa Sieg
Pat Sieg
Cynthia Stewart

INVENTORY OF ARTS AND CULTURE ORGANIZATIONS

The following list of 501(c)3 cultural organizations is from the IRS Master Business Files as of December 2018 for entities with a Rockville address. In addition to the organization name, the inventory includes the NTEE code[1] for each entity. It is notable that the highest concentration - 29% of 76 - of organizations are designated under NTEE A23, cultural and ethnic awareness organizations.

African Ambassadors Spouses Association A23

African Women Council In. A23

Amazing Fox Entertainment Inc A30

American Association For Russian Language Culture And Education A70

American Association Of Russian Women Inc A23

American Chinese Pharmaceutical Association A23

American Citizens Of Taiwan Origin A60

American College Dance Association Inc A62

American Latvian Association In The United States Inc A23

American Turkish Association Inc A23

Anania Shiragatsi Cultural Institute Inc A23

Art Sprouts Inc A25

Arts For The Aging-Maryland Inc A25

Bhoomikaa Inc A60

Bitton Foundation Inc A99

Blacks In Government A23

Cantonese School Of Greater Washington A23

Chesapeake Tri-Association Inc A99

Chinese American Association Of The United States Inc A23

Chinese American Community Connection A30

Chinese Association Of American Community Colleges A23

Chinese Music Society Of Greater Washington DC, Inc A68

Coordination Council Of Chinese American Associations Inc A23

Creative Arts Studio Inc A20

Education Center Shalom Inc A23

Emmanuel Bansok Literature Mission Inc A70

F. Scott Fitzgerald Literary Conference Inc A70

Finding Species Inc A40

Finest Performance Foundation A65

Friday Night Dancers Inc A62

Friends Of Rockville Music A116

Heartbeat New Sound Foundation Inc A20

Institute Of Tai-Chi Arts A25

Israel Bible Museum Inc A50

Joyful Noise Ministries Inc A6B

Kono Union Usa A23

Mill Creek Town East Homeowners Association Inc A23

Montgomery Comm Television Inc A32

Montgomery County Historical Society Inc A82

Montgomery Philharmonic Inc A69

National Society Of The Children Of The American Revolution A80

National Society Of The Daughters Of The American Revolution A80

Natural Philosophy Institute Inc A70

New Orchestra Of Washington Inc A69

Nutainment Charities Incorporated A25

Open Circle Theatre Inc A65

Peerless Rockville Historic Preservation Ltd A82

Playwrights Forum A65

Polish Drama Club A65

Project Success A23

[1] National Taxonomy of Exempt Entities. A full list of codes is available here from the Urban Institute National Center for Charitable Statistics.

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Quotidian Theatre Company Inc
A65

Rmhs Choral Booster Association Inc
A6B

Rockville First Spanish
A23

Russian Maryland Cultural Center
A20

Sakura Association Inc
A23

Samuel And Helen S Bookatz Foundation
A54

Sba Performing Arts Inc
A60

Society Of Musiccrafters
A68

Sweet Adelines International
A6B

Television News Center
A32

The Metropolitan Center For The Visual Arts Inc
A25

The Nasdaq Entrepreneurial Center Inc
A50

The National Center For The Study Of History Incorporated
A058

The Overseas Chinese Association For Educated Youths Inc
A23

The Printmaking Legacy Project Inc
A40

The Washington International Piano Festival Inc
A68

Tung-Hsin Choral Society Inc
A6B

Turkish-American Scientists And Scholars Association Inc
A23

Unicorn Projects Inc
A31

Video Culture Inc
A31

Waltz Time
A62

Warren Historic Site Committee Inc
A82

Washington Turkish Women's Association
A23

Yiddish Of Greater Washington Inc
A99

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ARTISTS IN MUNICIPALITIES

Following are a variety of examples of artists working within municipal structures across the country that range from residencies to artists embedded as full-time staff within city departments.

Art At Work/Portland, ME: Artist Marty Pottenger worked with the City of Portland, ME to develop Portland Works which "employs artmaking as a catalyst to build enduring, authentic relationships which are essential to meeting the increasing challenges facing cities. Created in response to civic and social tensions between city employees, elected officials and the immigrant and refugee communities, Portland Works partners municipal participants – city councilors, police, public service, social service, fire and EMS workers – with community leaders who represent both the city's growing diversity and the residents who have lived here for generations. Exploring topics including civics, history, life stories and the "state of the city," participants meet monthly to create and share individual artworks."

Boston AIR (Artist in Residence):"In the program, artists, community members, and City employees work on projects that help reframe social conversations. These artists explore the ways they can use art and media to improve and bolster City initiatives. They also search for ways to make artistic social practice a part of government and community work."

City Artist – St. Paul, MN: "Since 2005, the influential City Artist program has redefined the role of the artist working within city government. Integrated far upstream in the daily and long-term workings of the city, artists are creating a new artistic, social and civic practice through an innovative public-private partnership between Public Art Saint Paul and the City of Saint Paul. The central pursuit is to create art out of the life-sustaining systems of the city. Artists advise on major city initiatives and lead their own artistic and curatorial projects and have dedicated workspace within the Department of Public Works so they can freely collaborate across city agencies."

Miami Beach Office of Resilience: "Can an artist help tackle one of the biggest problems facing mankind? Miami Beach certainly thinks so. One of the most vulnerable cities in the United States to the effects of climate change, the metropolis has launched an innovative artist residency that aims to recruit an artist to help address rising sea levels. For one year, the artist will be embedded with the city as it works to develop a plan to respond to the rising tides."

Creative City Making – Minneapolis, MN: "In 2013 the City of Minneapolis and Intermedia Arts collaborated on Creative CityMaking (CCM), a program aimed at integrating creative thinking, strategies, and processes into the ongoing operations of City Departments. Functioning within the Department of Community Planning and Economic Development (CPED), five core projects enabled artists and planners to explore new ways to involve citizens who typically haven't participated in planning processes. Over the course of a year, the artist-planner teams created 22 different arts-based tools and strategies to stimulate learning and dialogue about possible community futures and assets."

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Director of Innovation and Marketing, Albuquerque, NM: In February, 2018, Tim Keller, the mayor of Albuquerque, NM, named an artist to his team, in a position as Director of Innovation and Marketing, bringing his skills as a poet and artist, seeking to integrate arts and culture into community innovation and building the creative sector.

NASA/SETI AIR: The SETI Institute's Artists in Residence Program: "The SETI Institute has become an international leader in the movement to integrate the arts and sciences. SETI AIR facilitates an exchange of ideas between artists and scientists so that these disciplines may inspire each other and lead to new modes of comprehension and expression. This program expands upon the SETI Institute's mission to explore, understand, and explain the origin, nature, and prevalence of life in the universe. Our artists bring fresh eyes to help navigate difficult concepts and act as a bridge to broaden awareness of the science carried out at the SETI Institute."

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JOB ANNOUNCEMENT EXAMPLES

Following are examples of job descriptions of municipal arts positions in a variety of communities that operate a range of programs and facilities. Titles vary from community to community. These examples provide relatively recent job descriptions that include public art, grants programs, facilities management and operations and more.

Greensboro Office of Arts and Cultural Affairs

Greensboro, NC created a new Office of Arts and Cultural Affairs in early 2019 and began recruitment for the position of Chief Creative Economy Officer in May 2019. A new director was announced in September 2019. The job profile is quite extensive. It is available for download here.

Deputy Cultural Affairs Director – Thousand Oaks California

Thousand Oaks, CA has a Cultural Affairs department that manages a city-owned facility that has multiple venues (an 1,800 seat theatre; a 394-seat theater; galleries, etc.); oversees a civic arts plaza, coordinates an annual arts award programs and more. The job description and announcement for the Deputy Cultural Affairs Director is available for download here.

Broward Cultural Division Executive Director

Broward County, FL has a large Cultural Division of 18 employees that operates an extensive public art program and several programs supporting the development of the cultural community in Broward County. In late 2018 they began a search for a new Executive Director of the Division who was hired in May 2019. The job description and announcement is available for download here.

The City of Dallas Director of Cultural Affairs

The City of Dallas Office of Cultural Affairs hired a new director in 2015. It is a major cultural division that is the steward of 35-plus city-owned cultural facilities. The division also has oversight of the public art program and a significant community grant program. The job description and announcement is available for download here.

Director of Cultural Affairs – San Francisco Arts Commission

One of the largest Cultural Affairs offices in the country is the San Francisco Arts Commission. It is viewed as a national model for its approach to community investment, equity and embrace of diverse communities and impact on the City of San Francisco. It is included as an example of a large, robust cultural affairs program with a wide range of support and advocacy programs. The job description and announcement is available for download here.

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COMPARABLE CITIES

Data on five cities was drawn from the Americans for the Arts Local Arts Agency Dashboard as of December 31, 2018. The five city agencies included in the comparative study were:

City of Palo Alto Division of Arts & Culture
Office of Arts and Culture City of Roanoke
City of Coral Gables Art in Public Places
Broomfield (CO) Public Art
Evanston Arts Council

A complete grid of comparative data is available on-line for download as an Excel at: Rockville Benchmarking Grid

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SNAPSHOT REPORT – CULTURAL VITALITY INDEX

Snapshot of the Arts in Rockville Area Zip Codes
2017

Creative Vitality™ SUITE

Creative Vitality Index

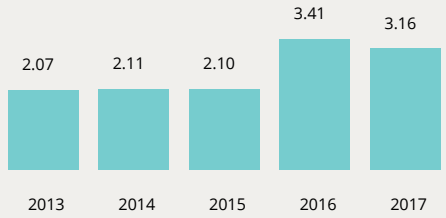
3.16
CVI Value
United States CVI = 1.0

Total Population

109,756

This regional snapshot report gives the big picture of a region's creative landscape. It provides an overview of creative jobs, industry sales, FDR grants, and Nonprofit revenues.

Past 5 years of CVI Performance



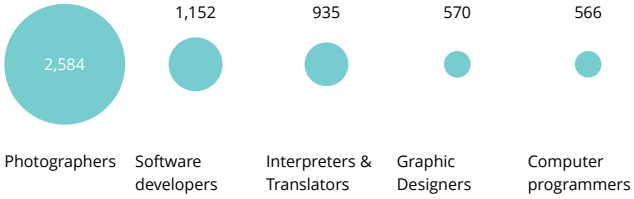
GAIN
▲ 2%
since 2016

2017 Creative Jobs

11,779
Total Creative Jobs

There are 251 more creative jobs in the region since 2016

Occupations with greatest number of jobs



2017 Creative Industries

$1.0B
Total Industry Sales

Industries with greatest sales

Industry type	Industry Sales
Internet Publishing	$226.5M
Software Publishers	$174.2M
Periodical Publishers	$77.7M
Architectural Services	$40.2M
Promoters	$39.9M

LOSS
▼ 43%
since 2016

2017 Cultural Nonprofit

$23.6M
Nonprofit Revenues

There are $18.2 million less in revenues in the region since 2016

DATA SOURCES: Economic Modeling Specialists International, National Assembly of State Arts Agencies, National Center for Charitable Statistics
CREATIVE VITALTY SUITE: The Creative Vitality Index compares the per capita concentration of creative activity in two regions. Data on creative industries, occupations, and cultural nonprofit revenues are indexed using a population-based calculation. The resulting CVI Value shows a region's creative vitality compared to another region. For more information on data sources visit: learn.cvsuite.org

WESTAF © Creative Vitality™ Suite 2019 cvsuite.org
Report created: 6/20/2019

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

Snapshot of the Arts in Rockville Area Zip Codes
2017

Creative Vitality™ SUITE

Data Sources (Version 2019.1)

For full descriptive names please visit the education section of learn.cvsuite.org

Due to rounding some percent values may not equal 100%.

Occupations: Economic Modeling Specialists International.
SOC Codes (72) 11-2011, 11-2021, 11-2031, 13-1011, 15-1131, 15-1132, 15-1134, 17-1011, 17-1012, 17-1021, 17-3011, 19-3091, 19-3093, 21-2021, 25-4011, 25-4012, 25-4013, 25-4021, 25-4031, 25-9011, 27-1011, 27-1012, 27-1013, 27-1014, 27-1019, 27-1021, 27-1022, 27-1023, 27-1024, 27-1025, 27-1026, 27-1027, 27-1029, 27-2011, 27-2012, 27-2031, 27-2032, 27-2041, 27-2042, 27-2099, 27-3011, 27-3021, 27-3022, 27-3031, 27-3041, 27-3042, 27-3043, 27-3091, 27-3099, 27-4011, 27-4012, 27-4014, 27-4021, 27-4031, 27-4032, 27-4099, 35-1011, 35-2013, 39-3092, 39-3099, 39-5091, 49-9063, 51-6041, 51-6051, 51-6052, 51-7011, 51-7021, 51-7031, 51-9051, 51-9071, 51-9194, 51-9195

Industry Sales: Economic Modeling Specialists International.
NAICS Codes (80) 311340, 311423, 311830, 311920, 311941, 311942, 312120, 323113, 323117, 327110, 327212, 332323, 337212, 339910, 339992, 423940, 424920, 445210, 445220, 445230, 448310, 451130, 451140, 451211, 453110, 453310, 453920, 511110, 511120, 511130, 511140, 511191, 511199, 511210, 512110, 512120, 512131, 512132, 512191, 512199, 512230, 512240, 512250, 512290, 515111, 515112, 515120, 515210, 519110, 519120, 519130, 541310, 541320, 541340, 541410, 541420, 541430, 541490, 541810, 541820, 541830, 541840, 541921, 541922, 611610, 711110, 711120, 711130, 711190, 711310, 711320, 711410, 711510, 712110, 712120, 712130, 712190, 722320, 722330, 811420

Descriptive Names of Industries (NAICS codes) & Occupations (SOC codes) have been truncated on the Regional Snapshot Report.

Class of worker: Economic Modeling Specialists International:
Extended Proprietors, Non-QCEW Employees, QCEW Employees, Self-employed

State Arts Agency Grants: National Assembly of State Arts Agencies

Cultural Nonprofit Revenues: National Center for Charitable Statistics

Demographic: Economic Modeling Specialists International.

Creative vitality index (CVI): The Creative Vitality Index compares the per capita concentration of creative activity in two regions. Data on creative industries, occupations, and cultural nonprofit revenues are indexed using a population-based calculation. The resulting CVI Value shows a region's creative vitality compared to another region.

Rockville Area Zip Codes contains: Rockville Area Zip Codes contains:
20852, 20851, 20850

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

CREATIVE ECONOMY DATA TABLES

The following table is based on the SOC codes – classes of workers – presented in descending order from the highest number of jobs, or instances of employment. It compares change over a three-year period, from 2014 to 2017. Data for 2017 is the most up-to-date data available as of July 2019. Data is regularly updated by Creative Vitality Suite in November of each year.

It is notable in the following data table that photographers appear as the highest number of jobs in the three zip codes (20850, 20851, 20852). This represents primarily self-employed and part-time and freelance workers. It is likely that nearly all those counted as working photographers are employed in multiple jobs.

SOC Code	Occupation	2014 Jobs	2017 Jobs	Change	% Change	Median hourly earnings	Avg hourly earnings
27-4021	Photographers	2,366	2,584	219	8.5%	$17.45	$17.30
15-1132	Software developers, applications *	996	1,153	157	13.6%	$53.45	$58.36
27-3091	Interpreters and translators	960	935	-25	-2.6%	$22.89	$24.65
27-1024	Graphic designers	561	571	10	1.7%	$23.20	$25.34
15-1131	Computer programmers *	713	567	-146	-25.8%	$37.25	$42.82
15-1134	Web developers *	559	535	-24	-4.5%	$24.29	$29.17
27-3043	Writers and authors	410	441	31	7.0%	$21.12	$24.76
25-4021	Librarians	397	356	-41	-11.5%	$42.77	$40.75
11-2021	Marketing managers *	294	339	45	13.1%	$58.77	$66.65
27-3041	Editors	316	320	4	1.3%	$27.52	$30.31
27-3031	Public relations specialists	273	311	38	12.1%	$36.42	$36.99
27-2042	Musicians and singers	255	263	7	2.8%	$20.75	$21.72
27-1025	Interior designers	249	255	6	2.2%	$23.71	$25.08
27-3042	Technical writers	237	245	8	3.2%	$36.20	$38.52
17-1011	Architects, except landscape and naval	185	193	8	4.1%	$26.21	$32.01
27-2012	Producers and directors	137	157	20	12.8%	$29.65	$36.84
27-1011	Art directors	103	144	40	28.1%	$20.46	$23.64
27-2099	Entertainers and performers, sports, and related workers *	121	143	22	15.4%	$24.83	$24.74
27-1013	Fine artists, including painters, sculptors, and illustrators	134	134	0	0.3%	$11.37	$12.18
11-2031	Public relations and fundraising managers	113	131	18	13.9%	$60.39	$65.91
35-1011	Chefs and head cooks *	110	130	19	14.9%	$19.68	$23.40
25-4031	Library technicians	112	107	-5	-4.2%	$24.52	$23.72
27-4011	Audio and video equipment technicians	96	101	5	5.1%	$20.63	$22.15
17-3011	Architectural and civil drafters	82	91	8	9.2%	$25.88	$27.79

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27-3099	Media and communication workers, all other	56	88	32	36.1%	$22.46	$25.36
27-1014	Multimedia artists and animators	88	81	-8	-9.9%	$15.64	$19.34
27-2011	Actors	64	78	14	17.4%	$19.64	$19.63
51-6052	Tailors, dressmakers, and custom sewers	70	75	5	6.3%	$13.40	$13.81
27-2041	Music directors and composers	87	70	-17	-23.9%	$17.59	$26.20
21-2021	Directors, religious activities and education	70	69	-2	-2.2%	$22.70	$26.35
27-1026	Merchandise displayers and window trimmers	65	68	3	4.1%	$12.55	$14.20
27-1012	Craft artists	62	67	6	8.3%	$7.97	$8.16
27-1019	Artists and related workers, all other	63	63	0	-0.2%	$35.33	$34.07
51-9071	Jewelers and precious stone and metal workers	64	62	-2	-3.7%	$19.82	$20.36
27-1021	Commercial and industrial designers	63	56	-6	-11.5%	$28.19	$29.88
13-1011	Agents and business managers of artists, performers, and athletes	42	52	10	19.2%	$25.82	$26.70
27-3022	Reporters and correspondents	53	46	-6	-13.7%	$23.80	$25.95
27-4032	Film and video editors	44	44	0	-0.8%	$23.28	$24.32
17-1021	Cartographers and photogrammetrists	45	42	-3	-8.0%	$44.54	$44.83
19-3093	Historians	50	38	-11	-29.2%	$34.29	$35.81
27-4031	Camera operators, television, video, and motion picture	40	38	-3	-7.3%	$21.90	$22.80
49-9063	Musical instrument repairers and tuners	32	35	4	10.7%	$16.84	$18.25
25-9011	Audio-visual and multimedia collections specialists	26	31	6	18.2%	$28.10	$28.88
11-2011	Advertising and promotions managers	32	31	-2	-5.7%	$41.02	$52.96
27-3011	Radio and television announcers	32	30	-2	-4.9%	$26.39	$28.39
27-1023	Floral designers	26	30	4	12.3%	$9.83	$10.66
51-7011	Cabinetmakers and bench carpenters	29	29	0	0.8%	$21.67	$22.21
51-9195	Molders, shapers, and casters (except metal and plastic)	28	27	-1	-4.2%	$18.23	$17.34
17-1012	Landscape architects	26	27	0	1.2%	$21.04	$24.96
25-4011	Archivists	27	26	-1	-2.9%	$28.89	$30.08
27-1027	Set and exhibit designers	27	25	-1	-5.0%	$26.77	$26.70
27-1029	Designers, all other	19	24	6	22.9%	$26.68	$26.51
27-4099	Media and communication equipment workers, all other	28	21	-7	-31.9%	$43.50	$44.22
27-1022	Fashion designers	21	19	-1	-7.2%	$33.04	$36.46
27-4014	Sound engineering technicians	22	19	-3	-13.9%	$25.95	$31.00
25-4012	Curators	9	19	10	54.0%	$13.75	$16.11
27-4012	Broadcast technicians	23	18	-5	-30.7%	$20.22	$22.51
19-3091	Anthropologists and archeologists	21	17	-4	-24.8%	$33.06	$37.40
25-4013	Museum technicians and conservators	5	15	10	65.2%	$11.48	$13.72

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51-7021	Furniture finishers	9	13	4	29.2%	$16.87	$16.29
51-9194	Etchers and engravers	5	12	6	53.9%	$18.46	$17.27
51-6051	Sewers, hand	10	12	1	11.3%	$10.45	$10.64
27-3021	Broadcast news analysts	5	10	5	47.2%	$39.00	$36.31
27-2031	Dancers	13	10	-4	-39.2%	$19.94	$18.72
39-5091	Makeup artists, theatrical and performance	10	8	-2	-19.7%	$34.79	$33.94
51-6041	Shoe and leather workers and repairers	8	7	-1	-15.5%	$17.86	$18.43
27-2032	Choreographers	5	6	0	6.3%	$28.85	$27.63
39-3092	Costume attendants	5	5	0	0.6%	$32.88	$38.22
35-2013	Cooks, private household	2	3	2	54.1%	$22.07	$20.97
51-9051	Furnace, kiln, oven, drier, and kettle operators and tenders	2	2	0	5.2%	$11.54	$11.79
39-3099	Entertainment attendants and related workers, all other	2	2	0	-21.6%	$12.71	$15.10
51-7031	Model makers, wood	2	1	-1	-92.6%	$25.35	$24.85
	TOTALS:	11,321	11,779			$23.49	$25.21

If a worker reports income from multiple jobs, they are counted under each of those job classifications.

Attachment 15.a: City of Rockville Arts and Culture Study - Final (Attachment A) (2886 : Arts and Culture Study)

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Discussion and Instructions
Department: Planning & Development Services
Responsible Staff: Asmara Habte

Subject

Discussion, Instructions of Policy Concepts Aimed at Increasing the City's Affordable Housing Stock through Increased MPDU Set-Aside Requirement and Expanded Application of In-Lieu Payment Options

Recommendation

Staff recommends that the Mayor and Council provide direction on whether to move forward on these proposed policy changes and to direct staff to draft amendments for review at a future meeting.

Discussion

This agenda item proposes four policy changes aimed to increase the production of the City's Moderately Priced Dwelling Units (MPDUs) stock and to increase contributions to the housing opportunities fund through fee-in-lieu options. Each policy change is discussed below.

1. Affordable Housing Fee for Small Residential Developments

Under City Code Chapter 13.5, Rockville's Moderately Priced Housing requirements currently apply to developments with 50 or more dwelling units. These development projects are required to provide MPDUs on site or meet alternative requirements that result in significantly more MPDUs, as determined by the Mayor and Council. Currently, development projects with fewer than 50 units are exempt from Moderately Priced Housing requirements.

With this proposed policy change, one of the options would be for developers of smaller residential projects, consisting of 10-49 total dwelling units, to be required to pay an affordable housing fee. Staff has developed data on these smaller residential projects. Since 1996[1], there have been 10 residential projects constructed with unit counts between 10 and 49 (see Attachment A).

Incorporating a fee for small development projects would increase the impact of the City's inclusionary zoning policy by requiring an affordable housing contribution across a broader range of residential development projects.

[1] The City's MPDU law was enacted in 1990.

Developing reasonable in-lieu fees that work well for every potential residential development project can be challenging. In general, communities choose between two core approaches when they are structuring such fees: affordability gap and production costs. The affordability gap method looks at the difference in price between market-rate and affordable units. The production cost approach looks at the average amount of public investment that would be required to produce each additional off-site affordable unit.

The City currently uses the affordability gap approach for its in-lieu payment provision for residential projects of 50 or more units. The fee is 90%[2] of the difference between the market-rate sales price of a dwelling unit and the sales price affordable to an MPDU household earning the maximum MPDU household income. The City requires application of the fee to those units that would otherwise be required on site, plus the application of such fee to an additional 15% of those units. For example, if a project's required MPDU set-aside is 20 units, the in-lieu fee would be applied to 23 units. The City's in-lieu fee applies to both rental and homeownership units. The City's in-lieu payment formula is designed to encourage units on site over in-lieu payment, by having high in-lieu fees. To date, no developer has exercised the in-lieu payment option to meet the City's MPDU requirements.

Given the City's limited developable land and the high costs for land acquisition and development, on-site units are strategically a better option for the City's affordable housing program than in-lieu payment. However, with small-scale development projects, a fee structure may present a better opportunity and help meet the City's broader objective of providing affordable housing. The City's current in-lieu fee structure does not have the flexibility to effectively address these types of projects. The existing in-lieu fee structure is likely to make small development projects financially infeasible. The resources generated by a lower fee for small residential developments, supplemented by other financial resources, could help towards the production of affordable units off-site over time.

Below are two examples of comparable fees and how they are calculated on small development projects, for Montgomery County and Gaithersburg.

Montgomery County

Montgomery County requires on-site MPDUs for residential developments consisting of 20 or more units. Except for multifamily condominium developments, paying fees in lieu of providing on-site units is not an option for meeting MPDU requirements for development projects of 20 or more units.

Residential development projects consisting of 11 to 19 dwelling units are not required to provide MPDU units; however, developers of such projects must make a payment into the County's Housing Initiatives fund totaling 0.5%[3] of the sales price of each unit in

[2] City of Rockville Moderately Priced Housing Regulations, Page 11.
[3] Montgomery County, https://montgomeryplanning.org/wp-content/uploads/2018/10/MPDU-Bill-Summary.pdf; Montgomery County Executive Regulation, October 2018.

the development. Montgomery County views this fee on small developments simply as a fee and not an in-lieu fee.

City of Gaithersburg
The City of Gaithersburg has an MPDU program similar to that of the County's, in which MPDUs are required for projects of 20 or more units. Gaithersburg does not have a fee for smaller development projects as its city staff does not anticipate receiving proposals for developments fewer than 20 units, excluding teardown and other single one-family units, which would not be subject to MPDU requirements.

For Rockville, staff recommends exploring an in-lieu fee like that of Montgomery County's for small development projects in Rockville, to generate funds to put toward our affordable housing program. For example, the Chestnut Lodge development, which had 32 single-family was not subject to the City's MPDU requirement due to the project having fewer than 50 units. The sales prices of those units ranged from $575,000 to $1,144,332[4], for an average of $971,418. Applying a 0.5% as the fee on a development size of 32 units would have generated, on average, $4,900 per unit or $155,400 for the project. By comparison, applying 3%[5] of the sales prices as the fee to the units at Chestnut Lodge, the project would have generated a total development in-lieu fee of $932,562, or $29,143 per unit.

Staff needs the Mayor and Council's direction on the following:

1. Whether the City should apply an in-lieu fee for smaller projects.
2. If so, at what range of units? 10 to 49? 20 to 49?
3. If so, at what percentage?

Staff will use this direction to get input from the broader community, before bringing back specific proposed ordinance and regulatory changes. The Mayor and Council may wish to wait until receiving public input before providing specific direction, for example, in choosing the percentage to apply.

Below, for consideration, is a table summarizing a few of the pros and cons of requiring a fee for small developments:

Table 2. Pros and Cons of Requiring Fees for Small Residential Development Project

Pros	Cons
Equalizes MPDU requirements across broad residential projects.	Will add cost to smaller development through a new fee.

[4] Maryland Department of Assessments and Taxation.
[5] The 3% fee would be consistent with the in-lieu fee that Montgomery County can assess to condominium projects with high monthly condominium fees, as a way of meeting the County's MPDU requirements.

Creates consistency in requirements with Montgomery County.	May encourage developers to forgo development in Rockville and select neighboring communities that don't have a fee for small projects.
Helps bolster the City's Housing Opportunities fund, which could be leveraged with other resources to create and preserve affordable housing opportunities.	May discourage infill/redevelopment depending upon the amount of the fee. This is a minimal impact, if any, since the likelihood of assembling infill lots in the city to accommodate 10 or more units is highly unlikely.
Could help support the City's commitment to meeting the Regional Housing Allocation*	
* The City of Rockville is included in the Montgomery County non-binding Resolution adopting the Metropolitan Washington Council of Governments Regional Housing Allocation. The Resolution was adopted in October 2019.	

2. In-Lieu fee for Condominium Development

The City's current in-lieu payment calculation does not have the flexibility to address the challenges with condominium MPDUs that have high association fees. With this proposal, staff is asking the Mayor and Council to consider creating in-lieu fee calculations for condominium developments providing 50 or more dwelling units. Condominium developments are often considered an entry into homeownership. The City's MPDU program has produced 272 units within condominium developments since the program's inception.

While condominium fees alone may not be the sole factor leading to some owners of MPDU condominium units being housing-cost burdened, they are a contributing element. Some of the 272 units have been lost to the MPDU program in foreclosure proceedings, and others may be at risk of future foreclosures.

In the City of Rockville, condominium fees range from $350 to $600 per month[6], rendering such units unaffordable to moderate-income purchasers or owners, as the addition of monthly condominium fees to the mortgage and utilities costs frequently exceed the affordability[7] threshold for MPDU buyers. In general, the developer sets the initial condominium fees; and once the developer achieves a certain percentage of unit sales (i.e., 70% units sold), the condominium association entity is turned over to the unit owners. The condominium

[6] Some condominium communities in the City have much higher fees. For example, the condominium fee at the Adam's House is $1,045. The Adam's House does not contain any MPDU units (Source: Zillow).
[7] Affordability is achieved with households housing costs, including utilities, are not greater than 30% of household income.

association board typically raises the condominium fees annually or periodically based on future and anticipated capital needs of the condominium community, making ownership of such MPDU units unsustainable in the long term even if the MPDU buyer was able to cover all costs at the time of purchase.

Housing providers such as Rockville Housing Enterprises (RHE), who own MPDUs for their program uses, have expressed concerns over escalating condominium fees as the increasing costs of the fees is impacting their ability to meet their repair reserves. As such, condominium units, especially high-end condominium developments, are becoming an unsustainable housing option for many low- and moderate-income buyers and housing providers. Escalating condominium fees are a problem in our nearby communities, which has led these communities to accept in-lieu fees for such developments.

Below are local examples of in-lieu fees for condominium developments:

Montgomery County
In recognition of the high cost of common ownership costs of condominium developments, Montgomery County requires an in-lieu fee for developers of condominiums with high condominium fees. The fee is 3%[8] of sales price and it is applied to each unit in the development site. For example, in a development of 200 condominium units with a sales price for each unit of $450,000, the project would generate in-lieu fees of $2.7 million.

City of Gaithersburg
Similarly, the City of Gaithersburg permits developers to meet their MPDU requirements through an in-lieu payment for condominium and other common ownership communities with high HOA or condominium fees. If the Gaithersburg Mayor and City Council finds that the common ownership fees are deemed too high, it permits developers to pay an in-lieu fee to the City's affordable housing fund. Unlike Montgomery County, Gaithersburg's approach to their in-lieu calculation is the difference between the actual sales price of the market-rate unit and the cost of construction. For example, if the market sale price is $400,000 and the construction cost is $250,000, the in-lieu fee would be $150,000. The fee is applied to the applicable MPDU unit count.

In Rockville, currently, condominium projects are subject to the applicable percentage of MPDU set-aside, and developers must set aside MPDU units in the condominium development accordingly, or pay in-lieu fees based on the current in-lieu calculation pursuant to the MPDU regulation.

[8] Montgomery County, Sec. 25A-5A. Alternative payment agreement.

While a typical multifamily residential development project can accumulate permit costs and fees of up to approximately $30,000[9] per unit, developers should already anticipate these fees. These fees are assessed to the project regardless of whether MPDUs are part of the project.

This proposed in-lieu fee for condominium developments with 50 or more dwelling units should not be considered an additional development fee that is levied on developers by the City because it would be an alternative to providing units. If a developer exercises the option of an in-lieu payment, the developer is still subject to the development services and permit fees on those units that would have otherwise been set aside as MPDU, and are reprogrammed as market-rate units. In other words, by paying the in-lieu fee, the developer is opting to create 100% market-rate units by having met the MPDU requirement with the in-lieu payment.

For the City of Rockville, staff is seeking direction from the Mayor and Council on whether to apply Montgomery County's rate of 3% as the in-lieu fee for condominium developments with high condominium fees. For example, applying an in-lieu fee of 3% of sales price to a recently approved condominium project, Tower Oaks, where the sales prices range from $549,900 to $629,900, could have generated $2,111,616 to $2,419,1612 in-lieu fees on the 128[10] units in the condominium development.

3. Require Developments with 50 or More Units to Provide 15% MPDUs

At present, residential projects in Rockville with 50 or more units in the Mixed-Use Transit District (MXTD) and Mixed-Use Corridor District (MXCD) zones are required to set aside 15% of the total units as MPDUs. In contrast, development projects outside of these zoning districts are only required to set aside 12.5%. MXTD and MXCD are located primarily along the MD 355 corridor and in Town Center. Please see Attachment B for a map showing the location of the various zones and applicable MPDU requirements.

In 2018, Montgomery County revised its MPDU allocation requirements[11]. The change requires that 15% be set aside in planning areas where at least 45 percent of the census tracts have a median household income of at least 150% of the Montgomery County median income ($100,352). In those areas, residential development projects are now required to set aside 15% of the total units as MPDUs. This requirement applies to developments in areas that include Goshen, Lower Seneca, Darnestown, Travilah, Potomac, North Bethesda, and Bethesda-Chevy Chase. The Bethesda Downtown sector plan through the Bethesda Overlay Zone also requires 15% set-aside. The Montgomery County Planning Department will calculate and update the MPDU requirement and map in January. Except as may otherwise be required by applicable master plans, development projects in other areas of the County must provide 12.5 percent MPDUs.

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[9] For the City of Rockville, these cost items include inspection and development services fees, County impact fees (schools and transportation), planning services fees, forestry fees, art fees, transportation fees, and public works fees. The fee amounts vary by development size, anticipated traffic generation, forestry requirements, and other applicable factors. MPDU units are not subject to County impact fees.

[10] Tower Oaks is approved for 128 condominium units as part of a larger Planned Development project.

[11] https://www.montgomerycountymd.gov/council/resources/files/lims/bill/2017/Enacted/pdf/6935_1460_Enacted_07272018.pdf

In this proposal, staff seeks the Mayor and Council's direction on whether to apply an MPDU set-aside requirement of 15% throughout the city. Doing so would increase and equalize the impact of the City's inclusionary zoning policy. If the Mayor and Council wish to consider an MPDU set-aside requirement above 15%, it would be worthwhile to weigh such consideration with the cost implications and to pair the set-aside requirement with incentives. Examples of incentives could include reduced parking requirements, expanded increased height limits[12], fee waivers, and an expedited permit and approval process.

A current incentive already offered is that residential projects with 25%[13] or more affordable units are eligible for a waiver of the County's impact fees[14], which can be significant depending on the type of residential development. For example, the impact fee for a multifamily residential development, excluding high-rise projects, is $17,208 per unit, which could be a cost savings of $1,720,800 for a project with 100 units. Lastly, the Washington Suburban Sanitary Commission (WSSC)[15] also provides a fee waiver for MPDUs. The combination of these external fee waivers and additional internal fee waivers are factors that should be considered in requiring an MPDU set-aside beyond 15%. Please see Attachment C for a map showing the locations where 15% set-aside could be considered.

Below is a table summarizing the affordable housing set-aside requirements and incentives found in other communities with inclusionary zoning:

[12] In 2009, the City removed density limits by increasing its height limit requirements in certain Mixed Use (MX) Zones. Mixed-Use Transit District (MXTD) can go up to 150 feet to 200 feet (Champion projects); Mixed-Uses Corridor District (MXCD) can go up to 75 feet to 125 feet (Champion projects); Mixed-Use Neighborhood Commercial (MXNC) can go up to 65 feet; and Mixed-Use Corridor Transition (MXCT) allows up to 75 feet. The Bonus density provision in the MPDU Ordinance applies to areas zoned as Residential Medium Density (RMD)—RMD-10, RMD-15, RMD 25.
[13] https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2019/20190916/20190916_GOPHED2.pdf
[14] City residential, retail, and office projects are subject to the County impact fees (transportation and school). The amount of the impact fee depends on the land use and development product. MPDUs are not subject to the County's impact fees.
[15] WSSC Resolution 2019-2225.

Table 1. Comparison of Affordable Units Set-Aside Requirements[16]

Community	Set-Aside Requirements	Density Bonus	Other Developer Incentives
Rockville, MD (1990)	12.5% to 15% of all units for projects of 50 or more in new construction. 15% is required in areas of MXCD and MXTD. A 12.5% set-aside is required in the rest of the city.	Up to 22%	None
Montgomery County (1974)	12.5% to 15% of all units for projects of 20 or more. Project with 11-19 units pay in-lieu fee of .5% per unit. In 2018, Montgomery County revised its MPDU allocation requirements. Specifically, in addition to the 15% mandatory requirement in the Bethesda Downtown sector plan through the Bethesda Overlay Zone, communities where the median income is 150% of the Montgomery County median income ($100,352) are now required to set aside 15% of the total units as MPDUs.	Up to 22%	Waiver of water, sewer charges and impact fee.
Fairfax County, VA (1991)	Sliding scale requirement--12.5% for SF and 6.25% for MF	20% for SF and 10% for MF	None
Washington, DC (2006)	8% to 10% of Floor Area Ratio (FAR) for projects with 10 or more units for new construction and rehab projects	Up to 20 percent of the gross floor area beyond what is allowed under existing zoning regulations.	Developers are eligible for dimensional adjustments to the building envelope to maximize the available density bonus. Adjustments can be made to reduce the required lot width, increase lot occupancy (i.e., lot coverage), and increase building height.

Staff needs the Mayor and Council's direction on whether to apply the 15% requirement to other zoning districts as listed above.

4. Add a Sub- Section in Section 6 of the MPDU Regulations

With this proposed change, staff seeks the Mayor and Council's direction to add clarifying language in the regulations to provide for income-tiered units under the homeownership program. In 2019, the Mayor and Council approved the expansion of the MPDU income limits up to 120% of Area Median Income (AMI). The income expansion allows developers to build units at various pricing points that would be affordable to households with income of up to

[16] Montgomery County Code Ordinance, Chapter 25A-Moderatly Priced Housing
Montgomery County, https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2019/20190305/20190305_4B.pdf
District of Columbia, https://dhcd.dc.gov/service/inclusionary-zoning-affordable-housing-program
Fairfax County, https://www.fairfaxcounty.gov/planning-development/sites/planning-development/files/assets/documents/zoning/zoning%20ordinance/art02.pdf
City of Rockville, https://library.municode.com/md/rockville/codes/code_of_ordinances?nodeId=CICO_CH13.5MOPRHO

120% of AMI. To that end, the 2019 ordinance amendment provided guidance to developers on pricing structure for rental products, but not for homeownership units. The language in the regulations for the rental component as reflected in Section 6(B)(d)&(e) is as follows:

d. To obtain the value for each bedroom count, the family size factor is multiplied by the income band (0.3, 0.4, 0.5, 0.6, 0.7, 0.8, 0.9, 1.0, 1.1, or 1.2) depending on the income band applicable to the specific unit, and then multiplied by 0.25 (or 0.30 if utilities are paid by the landlord). This formula provides a value for the monthly rent for each type of unit.

e. The final distribution of dwelling units at the various income band levels (i) is subject to City approval, and (ii) must be detailed in an MPDU agreement.

Accordingly, with this proposal, staff seeks to add clarifying language in the MPDU regulation for the homeownership product. An example of what the guidance language could be, to speak to the tiering of the units by income, is:

> *Developers must provide MPDU units at broader affordability levels. For example, a development with 15 MPDU units may include two units at 50% of AMI, five units at 60% of AMI, and eight units at 80% of AMI. Alternatively, the units can be broken into thirds with five units at 50% of AMI, five units at 60%, and five units at 80% of AMI, or any tiering structure that would generate units with affordability levels below 60% of AMI.*

If the Mayor and Council wishes to move forward on this concept, staff will return with specific proposed language.

Next Steps

Staff will proceed as directed by the Mayor and Council. If the Mayor and Council instruct and direct staff to move forward with these policy amendments, staff will hold a public forum(s) to obtain input from the public on the proposed changes and incorporate comments, as applicable, into the revisions of Chapter 13.5 and the implementing regulations. Staff will bring forth the revised (i.e., redlined) versions of section 13.5 and the implementing regulations to Mayor and Council for introduction and possible adoption at a future meeting.

Public Notification and Engagement

Upon Mayor and Council instructions to staff to proceed with the proposed changes, staff will hold a public forum(s) to garner input.

Boards and Commissions Review

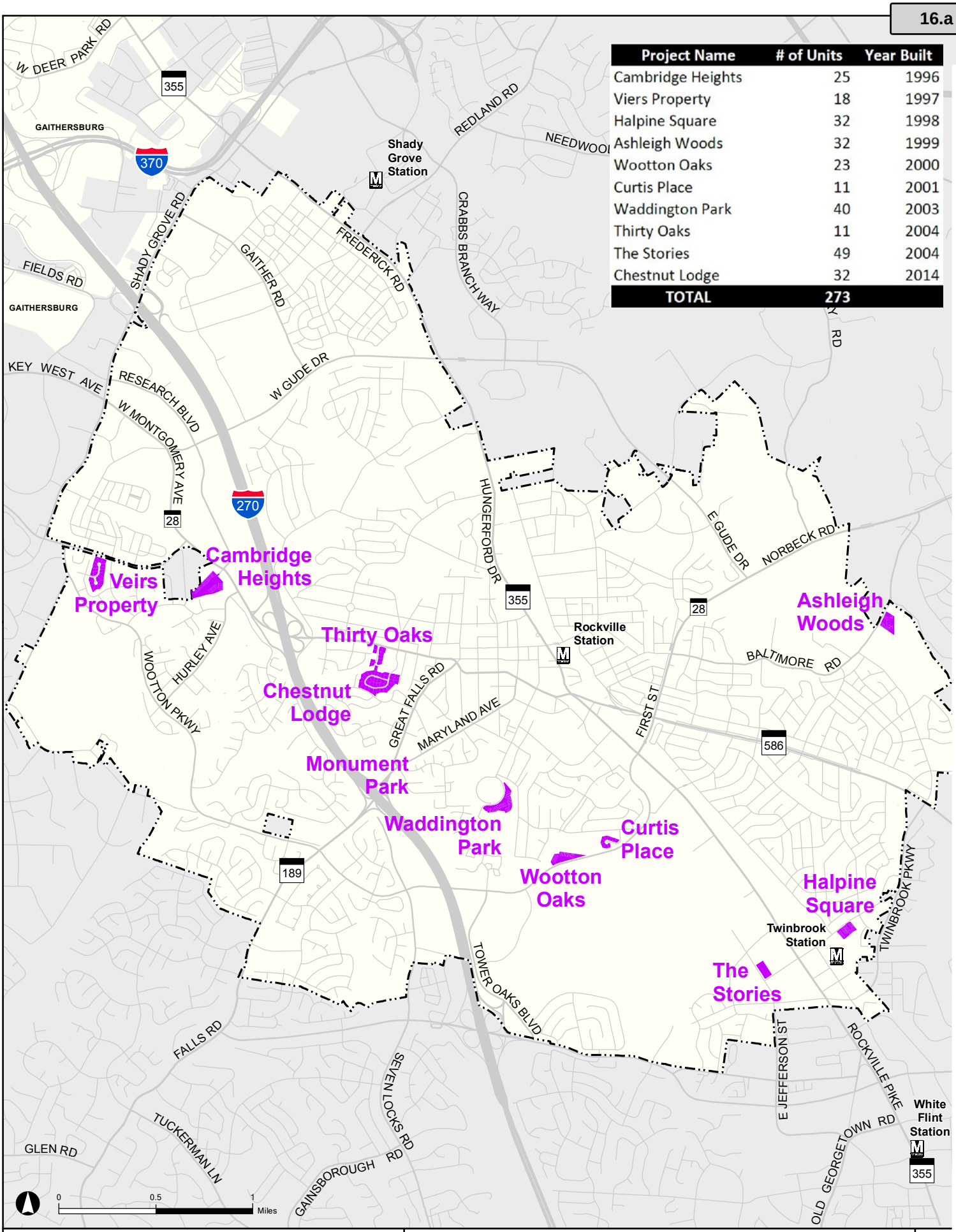
Staff has invited the RHE Board and RHE staff to attend the January 27, 2020, Mayor and Council meeting. Staff also notified the staff liaisons for the Human Rights Commission and Human Services Advisory Board about the Mayor and Council meeting.

Attachments

Attachment 16.a: Attachement A MPDU Projects Under 50 Dwelling Units 2020 (PDF)
Attachment 16.b: Attachment B Select Zoning Districts MX-RMD PD2020 (PDF)
Attachment 16.c: Attachment C Select Zoning Districts PD MXCD-MXTD2020 (PDF)

Rob DiSpirito, City Manager 1/22/2020

Project Name	# of Units	Year Built
Cambridge Heights	25	1996
Viers Property	18	1997
Halpine Square	32	1998
Ashleigh Woods	32	1999
Wootton Oaks	23	2000
Curtis Place	11	2001
Waddington Park	40	2003
Thirty Oaks	11	2004
The Stories	49	2004
Chestnut Lodge	32	2014
TOTAL	**273**	

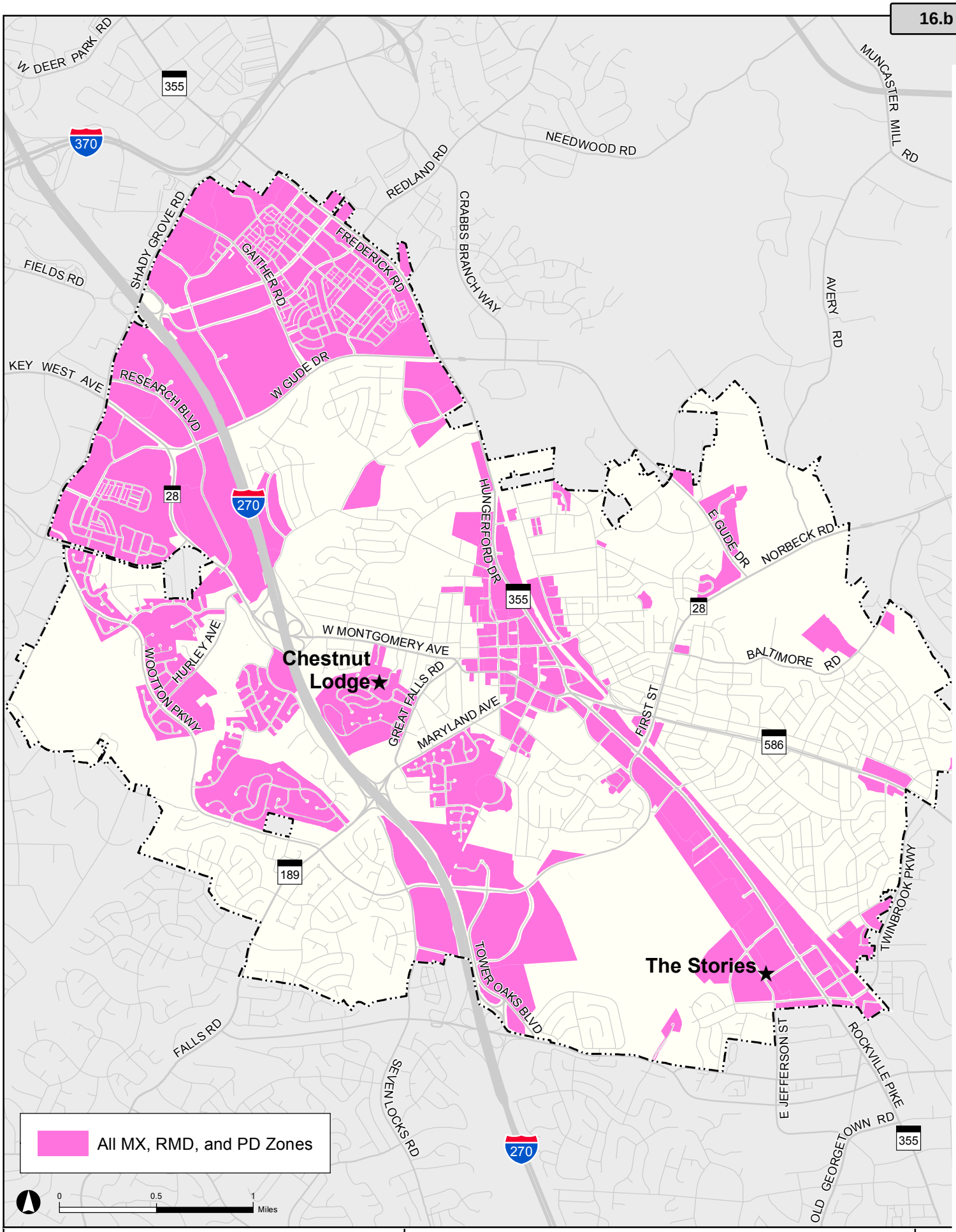


City of Rockville Maryland

Department of Community Planning & Development Services
111 Maryland Avenue • Rockville, Maryland 20850-2364
Phone 240.314.8200 • Fax 240.314.8210 • www.rockvillemd.gov/cpds

Residential Projects Built Since 1990
Between 10 and 49 Dwelling Units

DATE: 1/9/2020
AUTHOR:



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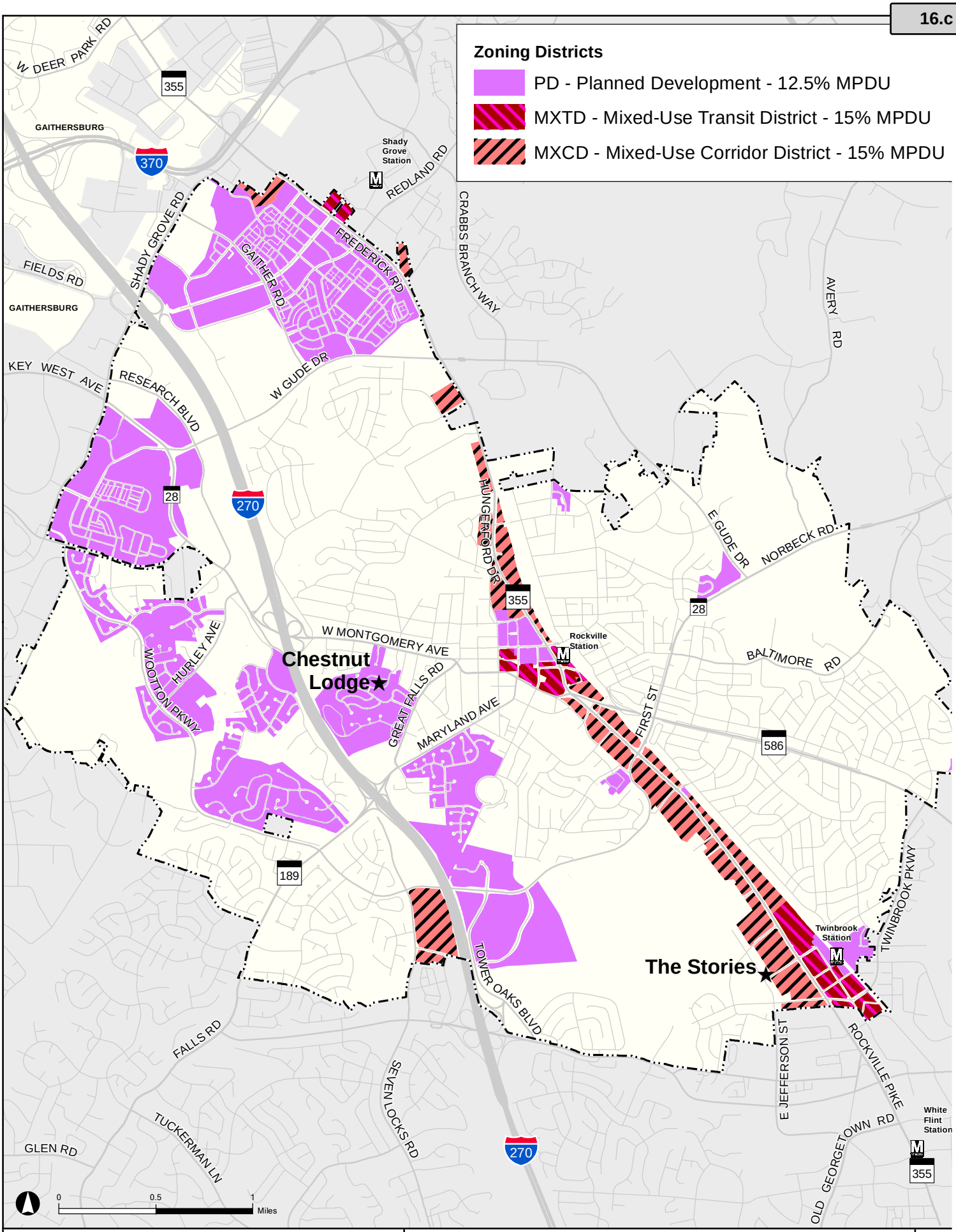
Rockville Zoning Districts

DATE: 1/9/2020
AUTHOR:

Attachment 16.b: Attachment B Select Zoning Districts MX-RMD PD2020 (2605 : Discussion, Instructions of Policy Concepts Aimed at



City of Rockville Maryland

Department of Community Planning & Development Services

111 Maryland Avenue • Rockville, Maryland 20850-2364

Phone 240.314.8200 • Fax 240.314.8210 • www.rockvillemd.gov/cpds

Rockville Zoning Districts

DATE: 11/2/2018

AUTHOR:

Attachment 16.c: Attachment C Select Zoning Districts PD MXCD-MXTD2020 (2605 : Discussion, Instructions of Policy Concepts Aimed at

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Review and Comment
Department: City Manager's Office
Responsible Staff: Jenny Kimball

Subject
Action Report

Recommendation
Staff recommends that the Mayor and Council review and comment on the Action Report.

Attachments
Attachment 17.A.a: MC Action Report Master 2020 _REVISED (PDF)

Rob DiSpirito, City Manager 1/22/2020

Attachment A

Blue - new items to the list.
Red - latest changes.

Mayor and Council Action Report

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline
2014-23	9/8/11	R&P	Future agenda	**King Farm Farmstead** **Status: The Mayor and Council discussed the King Farm Farmstead on May 20, 2019 and directed staff to prepare a request for information (RFI) on potential future uses of the Farmstead. RFI #06-20 was posted online (**https://www.rockvillemd.gov/bids.aspx?bidID=586**). Submissions were due on Friday, January 17, 2020. Staff is compiling the submissions to share with the Mayor and Council the week of January 20, 2020.**	January 2020
2015-14	7/13/15	CMO	Future agenda	**Purchasing Study Response** **Status: An update on the Procurement Action Plan was shared on May 13, 2019, the next update will be on January 27, 2020.**	Ongoing
2016-12	9/26/16	HR	Future agenda	**Vacancy Report** Provide a Vacancy Report to the Mayor and Council at the end of each Quarter. **Status: The Fiscal Year 2020 first quarter report was shared on October 21, 2019 meeting. The next report will be shared with the Mayor and Council on the January 27, 2020 agenda.**	January 27, 2020
2016-16	10/10/16	PDS	Future agenda	**Global Issues on BRT** Schedule another discussion on BRT with the City of Gaithersburg and Montgomery County, to include broader issues such as governance and finance. Consider holding the meeting in Gaithersburg. **Status: County transportation is studying alternatives to identify a recommended alternative for design of the MD 355 route. A recommended alternative for the Viers Mill route was selected. The project is funded for preliminary design in the County Budget for FY23.**	Ongoing
2016-18	10/24/16	PDS	Future agenda	**FAST – Faster, Smarter, More Transparent (Site Plan/Development Review Improvements)** Provide regular updates on the status of the work. **Status: A FaST update was provided to the Mayor and Council on November 18, 2019. PDS staff is working on a follow up memo to present to Mayor and Council at a future meeting.**	Ongoing

Attachment 17.A.a: MC Action Report Master 2020 _REVISED (2935 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline
2017-6	2/27/17	CMO	Email	**Minority-, Female- & Disabled-Owned Businesses** Provide updates on the Procurement Division's activities to engage and support minority-, female- and disabled-owned businesses. **Status: An update was shared on May 13, 2019. The next update will be on April 20, 2020.**	Ongoing
2017-11	6/12/17	R&P	Agenda item	**Deer Population in Rockville** Continue to monitor the deer population. Consider action steps and gather community input. **Status: The Mayor and Council directed staff to implement the pilot deer culling program. Staff will bring required changes to the City Code for Mayor and Council for approval.**	September-November 2020
2018-1	1/22/18	Finance	Action Report	**Utility Billing System** Provide updates on the replacement of the Velocity Payment System, powered by Govolution. **Status: Contracts are in place, a kick off meeting was held and implementation underway, with estimated completion in July 2020.**	July 2020
2018-7	6/18/18	CMO	Agenda Item	**LGBTQ Initiatives** Identify and implement Mayor and Council suggestions. **Status: R-zone signs were installed and all employees have completed "The Respectful Workplace" training.** **An update on the status of gender-neutral bathroom installation was emailed to the Mayor and Council on August 13. Staff provided the Mayor and Council a prioritized list of outstanding gender-neutral bathroom installations, and comments about a timeline for those installations, by e-mail on November 21, 2019.**	Ongoing

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline
2018-8	6/18/18	CMO/RCPD /R&P	Town Meeting	**Opioid Town Meeting** Schedule a Town Meeting on the opioid crisis, to include prevention, enforcement and treatment. **Status: Rockville Goes Purple Committee members met with high school principals on November 6, 2019 to gather input on Rockville Goes Purple collaborating with the schools on prevention efforts. A Rockville Goes Purple Committee meeting was held to discuss the principals' input on December 3. A subset of the committee will work on a strategic plan for the coming year.**	Ongoing
2018-11	8/1/18	PDS	Agenda Item	**Neighborhood Shopping Centers** Discuss mechanisms to encourage neighborhood shopping center revitalization and explore additional zoning and uses	Summer 2020
2018-15	10/8/18	PDS	Future Agenda	**Short-Term Residential Rentals** Discuss how to manage short-term residential rentals' (e.g., Airbnb) impact on city neighborhoods and explore options for taxing users. **Status: Short-term residential rentals was discussed on January 13. Mayor and Council asked staff to do additional research and asked that a public hearing be held at a future date.**	Fall 2020
2018-19	10/15/18	HR	Future Agenda	**Volunteer Program** Discuss whether the Mayor and Council want to direct the City Manager to create a centralized volunteer program. **Status: A report on the number of volunteers and volunteer hours for the first half of FY20 was provided on the January 13, 2020 agenda. The next update will be on the August 10, 2020 agenda.**	August 10, 2020
2019-1	10/29/18	PDS	Future Agenda	**Accessory Structures** **Status: The Mayor and Council authorized the filing of a Zoning Text Amendment on April 8. A workshop was held on May 29th for the public to learn more about these proposed regulations. A public hearing was held on July 15 and October 7, 2019. Discussion and Instruction was held on September 16, 2019. Mayor and Council and staff determined that there are outstanding issues to continue flushing out and to discuss further at a future meeting. This topic will be discussed at the February 24, 2020 meeting.**	February 24, 2020

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline
2019-2	2/25/19	R&P/PDS/ CMO	Future Agenda	**RedGate Golf Course Property** **Master Planning** – Prepare a scope of work for a master planning consultant. **Status: A proposed scope of work for master planning the property will be discussed during the February 3 Mayor and Council meeting. The Recreation and Parks Strategic Plan will be discussed on March 23, with the strategic plan results required to be reflected in any master plan of the property.** **Veterans Home –** Consider the proposed partnership with the Maryland Veterans Administration to establish a home for veterans at the Redgate property.	March 23, 2020 TBD
2019-3	10/29/18	CAO	Memo	**Ethics** Provide list of the companies that the City does business with, so that the Mayor and Council can complete required financial disclosures by April 30, 2019 **Status: The Mayor and Council adopted amendments to Chapter 16 – Public Ethics on January 6, 2020. Staff will provide a list of City vendors each February for reference in completing Financial Disclosure Statements.**	Completed
2019-4	3/25/19	PDS	Future Agenda	**Business Improvement Districts (BIDs) and Tax Increment Financing (TIF)** Discussion of potential City uses of BIDs and TIFs **Status: This item will be included on a May or June Mayor and Council agenda.**	May/ June 2020
2019-7	4/1/19	R & P	Memo	**Child Care Services** Discuss city provision of child care services (history of the current program, community need for the service, private sector market, expansion to additional Rockville locations). **Status: This item was discussed on September 9, 2019. Staff answered questions about child care cost recovery by email the week of October 14, 2019. A worksession discussion occurred on November 25, 2019. Additional information was provided via e-mail to the Mayor and Council on November 26, 2019. Staff is preparing a strategy to follow up on the worksession discussion.**	Summer 2020

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline
2019-9	4/1/19	HR	Memo	**Reduction in Force (RIF) Policy** Prepare a Reduction in Force (RIF) policy, to be incorporated in the Personnel Policy and Procedures Manual update. **Status: Mayor and Council will receive an updated RIF policy in the revised Personnel Manual by January 31, 2020, for discussion on February 24.**	January 31, 2020
2019-10	4/1/19	HR	Email	**Personnel Policy and Procedures Manual Update** Share an update on the status of this effort. **Status: The draft revised manual will be distributed to Mayor and Council on January 31, 2020 and placed on the February 24 agenda for discussion.**	January 31, 2020
2019-11	4/1/19	HR	Future Agenda	**Retirement Incentive/Employee Buyout Program** Provide information about employee buyout programs and discuss the potential for a Rockville program. **Status: Director of Finance provided an update to the Mayor and Council via email on May 3, 2019.**	Summer 2020
2019-12	4/1/19	Police	Future Agenda	**Parking Enforcement at Street Meters** Share an overview of Rockville's current program and how other local jurisdictions handle parking enforcement at street meters, including hours of enforcement. **Status: Parking meter operations was a component of the Mayor and Council's parking discussion on July 15th, 2019. Staff will continue to discuss this topic with FRIT and will keep the Mayor and Council informed as developments occur.**	Ongoing
2019-14	6/3/19	PDS	Future Agenda	**Voluntary Rent Increases** Discuss City guidelines for rent increases instituted by landlords. **Status: This topic is on the January 27 meeting agenda.**	January 27, 2020

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline
2019-15	9/16/19	CMO	Future Agenda	**County Bill 24-19 Landlord Tenant Relations –Obligations of Landlord—Air Conditioning** Monitor County Council consideration of the Bill. **Status: Staff shared an e-mail update on Bill 24-19 on December 3, 2019. Staff will inform the Mayor and Council of the date when the Council will begin its consideration of Bill 24-19. County Council will vote on final action on January 21. Staff will provide the Mayor and Council with an update on the outcome of the vote.**	TBD
2019-16	9/16/19	CMO	Future Agenda	**County Bill 29-19 Health and Sanitation – Electronic Cigarettes—Distribution; Resolution to Adopt Bill 29-19 as a Board of Health Regulation; Zoning Text Amendment 19-06 Vape Shops** Monitor County Council consideration of the Bill, Resolution, and Text Amendment **Status: A Public hearing was held on November 5, 2019. On November 25, 2019, the Health and Human Services Committee discussed and approved the bills. The bills, to be considered by the full Montgomery County Council after the new year (TBD), include:** • **Bill 29-19 – Health and Sanitation–Electronic Cigarettes;** • **Bill 31-19 – Health and Sanitation–Electronic Cigarettes – Distribution-Use and Possession; and** • **Bill 32-19–Health and Sanitation- Flavored Electronic Cigarettes.** **On December 9, the Mayor and Council approved a letter in support of the County vaping legislation. Staff is checking the County's agendas and will provide information as soon as it is available.**	January 2020
2019-17	12/9/2019	CMO/PDS/Finance	Worksession	**Town Center Parking** – Explore improvements to parking in Town Center Status: CMO met with the new FRIT Executive on December 11. **Status: Staff is continuing discussions with the new FRIT Executive and will keep the Mayor and Council informed of progress on parking issues.**	Ongoing

Attachment A

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline
2019-18	12/9/2019	DPW/PDS	Worksession	**Town Center Road Diet –** Study and report to Mayor and Council on suggestions in the TAP report and discussion at the Mayor and Council's TAP worksession. **Status: Public Works examination of options is underway.**	TBD
2019-19	12/16/2019	City Clerk/Director of Council Operations	Worksession	**Boards and Commissions Task Force Work Session** – Continue the Mayor and Council's discussion of the Boards and Commission Task Force (BCTF). **Status: The Mayor and Council will discuss the BCTF's top four recommendations during a regular meeting on April 20, 2020. Additional BCTF report items will be taken up at a worksession, tentatively scheduled on June 22.**	Tentative June 22
2019-20	12/16/2019	City Clerk/Director of Council Operations	Meeting	**Post-Election Presentation –** The community meetings about the 2019 election are scheduled for January 30 and February 8. A Board of Supervisors of Elections report to the Mayor and Council on the 2019 election is scheduled for March 2.	March 2, 2020
2020-01	1/6/2020	Police	Future Agenda	**Emergency Management Program** – Receive an update from the Emergency Manager on the city's emergency management program and activities. **Status: The update is scheduled on the Mayor and Council's April 20th agenda.**	April 20, 2020
2020-02	1/13/2020	CMO	Memo and Future Agenda	**5G Wireless Technology -** Collect information on the Westminster, MD fiber network and any information that the Maryland Municipal League (MML) has collected on alternatives to 5G. **Status: Staff will provide the requested information in a memo in February 2020, and will seek Mayor and Council guidance on the content of a subsequent discussion on agenda.**	February 2020
2020-03	1/13/2020	DPW	Memo and Future Agenda	**Climate Change Efforts -** Brief the Mayor and Council on City efforts related to climate change. **Status: Staff is preparing a memo describing the City activities underway and the areas that require direction from the Mayor and Council. Based on that background information and any other specific topics requested by the Mayor and Council, staff will schedule a discussion on a future agenda.**	TBD

Attachment 17.A.a: MC Action Report Master 2020 _REVISED (2935 : Action Report)

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline
2020-04	1/13/2020	Police	Memo and Future Agenda	**Drones and Public Safety –** Explore potential public safety issues associated with drones and how the City could consider monitoring, regulating and penalizing criminal activity.	Summer or Fall 2020
2020-05	1/13/2020	R&P	Email	**Americans with Disabilities Act** – Provide information about the City's work to ensure compliance with ADA requirements at City facilities. **Status: Staff provided initial information via email to the Mayor and Council on January 17, 2020.**	February 2020
2020-07	1/13/2020			**Affordable Housing Goals -** Discuss Rockville's strategy to meet the affordable housing goals established by the Metropolitan Washington Council of Governments (COG). **Status: The current Mayor and Council will kick off their discussions of affordable housing on January 27th. The discussion will include measures to address the affordable housing goals, including:** • **Policy concepts aimed at increasing the City's affordable housing stock through increased MPDU set-aside requirement and expanded application of in-lieu payment options, and** • **A resolution to establish a maximum rate of rent increase (Code Chap. 18 "Voluntary Rent Guidelines and Notice Requirements of Rent Increases".)**	Ongoing

CLOSED/COMPLETED

Ref. #	Meeting Date	Staff/ Dep	Response Method	Direction to Staff / Action Taken / Status	Timeline

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Review and Comment
Department: City Clerk/Director of Council Operations Office
Responsible Staff: Sara Taylor-Ferrell

Subject

Future Agendas

Recommendation

Attachments

Attachment 18.A.a: 02.03.20 Mock Agenda (DOC)
Attachment 18.A.b: Future Agendas 01.27.2020 (XLS)

Sara Taylor-Ferrell, City Clerk/Director of Council Operations 1/22/2020

MAYOR AND COUNCIL

MEETING NO.
Monday, February 3, 2020 – 7:00 PM

MOCK AGENDA

Agenda item times are estimates only. Items may be considered at times other than those indicated.

Any person who requires assistance in order to attend a city meeting should call the ADA Coordinator at 240-314-8108.

7:00 PM **1. Convene**

2. Pledge of Allegiance

7:05 PM **3. Work Session - Topic 1**

A. Compensation Commission Discussion Regarding Travel Policy

8:05 PM **4. Work Session - Topic 2**

A. Arts and Culture Study Discussion

9:05 PM **5. Work Session - Topic 3**

A. RedGate Master Planning: Discussion of Scope of Work

10:05 PM **6. Adjournment**

The Mayor and Council Rules and Procedures and Operating Guidelines establish procedures and practices for Mayor and Council meetings, including public hearing procedures. They are available at: http://www.rockvillemd.gov/mcguidelines.

Attachment 18.A.a: 02.03.20 Mock Agenda (2960 : Future Agendas)

Future Agendas
Tentative as of 1/27/2020

Meeting : 02/24/20 07:00 PM (10 items)		
Category	Estimated Agenda Time	Title
Consent	5	Charter Review Commission
Presentation	20	Presentation of the Fiscal Year 2021 Proposed Operating Budget and Capital Improvements Program
Introduction	5	Introduction of an Ordinance to Appropriate Funds and Levy
Introduction	5	Introduction of a Resolution to Establish the Service Charge Rate for Municipal Refuse Collection
Discussion and Instructions	60	Personnel Policy and Procedures Manual Presentation and Discussion
Presentation and Discussion	60	East Rockville Residential Design Guidelines and Standards: Presentation and Discussion
Discussion and Possible Approval	30	Discussion and Instructions to Staff and Possible Adoption of Zoning Text Amendment Application TXT2019-00254 - to Revise the Height Standards, Maximum Footprint, and Rear Yard Coverage Requirements for Accessory Buildings and Structures in Residential Zones, Including Revisions to Add a Grandfather Provision for Accessory Buildings Built Under Previous Standards and Clarify the Requirements for Accessory Buildings in Historic Districts, Including Those in the MXT Zone; Mayor and Council of Rockville, Applicant
Consent	5	Authorize the City Manager to Execute the Instruments Necessary to Abandon the Easements When Needed to Implement the Twinbrook Quarter Project Plan
Authorization	15	Authorization to Transition from Single-Stream to Dual-Stream Recycling
Award	15	Award of IFB 07-20 Mowing Services
Total Meeting Time (in Hours)	3 HRS 40 MINS	
Meeting : 03/02/20 07:00 PM (8 items)		
Category	Estimated Agenda Time Needed (in minutes)	Title
Presentation and Discussion	45	Board of Supervisors of Elections - 2019 Vote by Mail Election Presentation
Public Hearing	20	FY 2021 Budget Public Hearing
Introduction and Possible Adoption	15	Introduction, and Possible Adoption, of an Ordinance to Amend Ordinance #__-19 to Appropriate Funds and Levy Taxes for Fiscal Year 2020 (Budget Amendment #2)
Work Session	90	Fiscal Year 2021 Mayor and Council Budget Worksession
Presentation	60	Compensation & Classification Study Presentation
Consent	5	Award of Houston-Galveston Area Council (HGAC) Rider Contract #RH08-18, for Three Split Body Rear Loader Refuse Trucks, to Bridgeport MFG, in the Amount Not to Exceed $954,000

Attachment 18.A.b: Future Agendas 01.27.2020 (2960 : Future Agendas)

Future Agendas
Tentative as of 1/27/2020

Proclamation	5	Proclamation Declaring March 28, 2020, 8:30-9:30 P.M. as Earth Hour in Rockville; the Month of April as Earth Month; and April 22, 2020, as Earth Day
Consent	5	Award of Sole Source Procurement to (Vendor) of (Location) for Two Trash Trucks in an Amount Not to Exceed $Xxx
Total Meeting Time (in Hours)	4 HRS 05 MINS	
Meeting : 03/23/20 07:00 PM (5 items)		
Category	Estimated Agenda Time Needed (in minutes)	Title
Public Hearing	20	FY 2021 Budget Public Hearing
Work Session	90	Fiscal Year 2021 Mayor and Council Budget Worksession
Discussion and Instructions	60	Discussion of Compensation and Classification Study
Presentation	60	Discussion of the Recreation and Parks Strategic Plan
Proclamation	5	Arbor Day Proclamation
Total Meeting Time (in Hours)	3 HRS 55 MINS	
Meeting : 04/20/20 07:00 PM (5 items)		
Category	Estimated Agenda Time Needed (in minutes)	Title
Discussion and Instructions	40	Boards and Commissions Task Force Priority Recommendations
Discussion and Instructions	30	Rockville Community Survey
Presentation	15	FY19 MFD Update
Authorization	30	Authorization to File Zoning Text Amendment for Parkland Dedication
Update	20	Emergency Management Update
Total Meeting Time (in Hours)	2 HRS 20 MINS	
Meeting : 04/27/20 07:00 PM (1 items)		
Category	Estimated Agenda Time Needed (in minutes)	Title
Presentation and Discussion	45	Vision Zero Plan Presentation, and Discussion and Instructions to Staff
Total Meeting Time (in Hours)	45 MINS	

Attachment 18.A.b: Future Agendas 01.27.2020 (2960 : Future Agendas)

Mayor & Council Meeting Date: January 27, 2020
Agenda Item Type: Proclamation
Department: CMO - Public Information and Community Engagement
Responsible Staff: Janet Kelly

Subject

Proclamation Declaring National African American History Month

Recommendation

Staff recommends that the Mayor and Council read, approve and present the proclamation.

Discussion

To commemorate and celebrate the contributions of African Americans, February 2020 will be recognized as National African American History Month. This recognition occurs each February, largely due to the determination and passion of Dr. Carter G. Woodson, who worked tirelessly to make sure that African Americans held a place in the nation's history and in its history books. Dr. Woodson established the Association for the Study of Negro Life and History, now called the Association for the Study of Afro-American Life and History, in 1915. A year later, he founded the Journal of Negro History. Because of his efforts, many students can learn about the struggles, triumphs, resilience and contributions of African Americans that have shaped this nation. Rockville has a rich African American history and strong community to keep that history alive.

Mayor and Council History

The Mayor and Council recognize February as National African American History Month annually.

Attachments

Attachment A.a: National African American History Month (PDF)

Jenny Kimball

Jenny Kimball, Deputy City Manager 1/27/2020

Proclamation

ROCKVILLE · MARYLAND

WHEREAS, in 1976, Black History Month later changed to National African American History Month, was formally adopted to honor and affirm the importance of African American history; and

WHEREAS, because of their determination, hard work, intelligence and perseverance, African Americans have made valuable and lasting contributions to the City of Rockville and to our country, achieving success in all aspects of society including business, education, politics, science, and the arts; and

WHEREAS, during National African American History Month, all Americans are encouraged to reflect on past and present successes and challenges of African Americans, as we all look to the future and continue to improve society. We are reminded to embrace the ideals of freedom, equality and justice; and

WHEREAS, we are proud of heroes, pioneers and legends such as Dr. Martin Luther King, Jr., Jesse Owens, Thurgood Marshall, Dr. Mae Jemison and Dr. Charles Drew and many other notable African Americans, whose achievements have contributed to the American promise, enriching our lives and served as models for leadership.

NOW, THEREFORE, the Mayor and Council of Rockville do hereby proclaim the month of February 2020 to be National African American History Month, and encourage the Rockville community to learn about, share stories, recognize, and appreciate the many contributions made by African Americans throughout this region and to participate in the many educational events honoring the contributions of African Americans.

Bridget Donnell Newton

Bridget Donnell Newton, Mayor

Monique Ashton

Monique Ashton, Councilmember

Beryl L. Feinberg

Beryl L. Feinberg, Councilmember

David E. Myles

David Myles, Councilmember

Mark Pierzchala

Mark Pierzchala, Councilmember

January 27, 2020