



MAYOR AND COUNCIL

MEETING NO. 30-20
Monday, September 21, 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.

Rockville City Hall is closed due to the state directives for slowing down the spread of the coronavirus COVID-19 and continue practicing safe social distancing.

Viewing Mayor and Council Meetings

To support social distancing, the Mayor and Council are conducting meetings virtually. The virtual meetings can be viewed on Rockville 11, channel 11 on county cable, livestreamed at www.rockvillemd.gov/rockville11, and available a day after each meeting at www.rockvillemd.gov/videoondemand.

Participating in Community Forum & Public Hearings:

If you wish to submit comments in writing for Community Forum or Public Hearings:

- Please email the comments to mayorandcouncil@rockvillemd.gov by no later than 10:00 a.m. on the date of the meeting.
- All comments will be acknowledged by the Mayor and Council at the meeting and added to the agenda for public viewing on the website.

If you wish to participate virtually in Community Forum or Public Hearings during the live Mayor and Council meeting:

1. Send your **Name, Phone number, the Community Forum or Public Hearing Topic and Expected Method of Joining the Meeting (computer or phone)** to mayorandcouncil@rockvillemd.gov no later than **9:00 am on the day of the meeting**.
2. On the day of the meeting, you will receive a confirmation email with further details, and two Webex invitations: 1) Optional Webex Orientation Question and Answer Session and 2) Mayor & Council Meeting Invitation.
3. Plan to join the meeting no later than 5:40 p.m. (approximately 20 minutes before the actual meeting start time).
4. Read for <https://www.rockvillemd.gov/DocumentCenter/View/38725/Public-Meetings-on-Webex>
5. meeting tips and instructions on joining a Webex meeting (either by computer or phone).
6. If joining by computer, **Conduct a WebEx test:** <https://www.webex.com/test-meeting.html> prior to signing up to join the meeting to ensure your equipment will work as expected.
7. Participate (by phone or computer) in the optional Webex Orientation Question and Answer Session at 3 p.m. the day of the meeting, for an overview of the Webex tool, or to ask general process questions.

Participating in Mayor and Council Drop-In (Mayor Newton and Councilmember Ashton)

Drop-In Sessions will be held by phone on Monday, October 5 from 5:30-5:45 p.m. **Please sign up by 2 p.m. on the meeting day using the form at:** <https://www.rockvillemd.gov/formcenter/city-clerk-11/sign-up-for-dropin-meetings-227>

7:00 PM **1. Convene**

2. Pledge of Allegiance

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

A. Work Session on Social Justice, Racism and Bias in Rockville

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

A. Climate Action Plan Presentation, and Discussion and Instructions to Staff

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

A. FY 2021 Revenue and Expenditure Update and Savings Plan Scenarios

10:35 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>.



Mayor & Council Meeting Date: September 21, 2020
 Agenda Item Type: Work Session
 Department: Housing and Community Development
 Responsible Staff: Asmara Habte

Subject

Work Session on Social Justice, Racism and Bias in Rockville

Recommendation

Staff recommend that the Mayor and Council discuss the items in the attached table and provide instructions to staff on next steps.

Discussion

This work session item is part of a continuing Mayor and Council discussion on social justice, racism and bias. At the July 20 Mayor and Council meeting, the Mayor and Council directed staff to provide a summary of possible action ideas, aspirations, and directives made by members of the Mayor and Council, the Human Services Advisory Commission (HSAC), the Human Rights Commission (HRC), and community residents through Community Forum. The Mayor and Council also directed staff to present a suggested timeframe for implementing these potentially actionable ideas.

The attached table, therefore, contains a collective summary of the comments that were offered. The Mayor and Council provided its input during three Mayor and Council meetings, including June 22, July 6, and July 20. The HSAC and HRC provided comments to staff at a July 6 WebEx meeting. Further, these possible action ideas, aspirations, and directives have not yet been endorsed by the Mayor and Council as a body, nor by City staff, but are presented here to initiate public discussion.

The items in the table are organized into five Focus Areas.

Focus Area 1: Support community participation and engagement among all members of the city's population, including City employees.

Focus Area 2: Ensure the availability of diverse and affordable housing and provide for a variety of housing types and price points, and with access to amenities--retail, transportation, complete sidewalks, and parks.

Focus Area 3: Continue to build on the City’s best practices in policing, promoting racially-just policing by building relationships between community members and law enforcement, and ensuring all community members are treated with equity and respect.

Focus Area 4: Promote diversity in City staffing and Boards and Commissions membership.

Focus Area 5: Budgetary, Policy, and Planning considerations for the Mayor and Council.

The Mayor and Council could refine these categories.

We have provided preliminary staff comments for the various ideas to present additional information—such as the item’s status, potential legal considerations, and proposed next steps.

Staff has also suggested a proposed timeframe to implement potential actionable ideas as directed by the Mayor and Council. The proposed timeframes are:

Short Term = immediately to 6 months,
 Medium Term = 6 months to 24 months, and
 Long Term = 24 months to 72 months.

These timeframes may be refined as the Mayor and Council desire, following consideration of relative urgency, the budget, staffing capacity, legal parameters, and other factors.

Similarly, staff has identified participants, including various City departments and external organizations such as Montgomery County, Rockville Housing Enterprises, Montgomery County Public Schools, federal agencies, non-profit organizations, the faith-based community, city neighborhoods, and other potential partners.

The Mayor and Council’s discussions are at an early stage, and ideas and options can be adjusted upon further deliberation and direction by the Mayor and Council.

In summary, this list is a collection of important and possible actionable ideas, aspirations, and directives. It is presented to the Mayor and Council for further discussion, vetting, and prioritization for eventual implementation.

Mayor and Council History

The Mayor and Council have discussed this topic at three previous Mayor and Council meetings, including June 22, July 6, and July 20. This work session is a continuation of an on-going Mayor and Council discussion.

Next Steps

Staff will refine and revise the attached table based on the discussion and direction of the Mayor and Council, as well as explore implementation of the short-term items prioritized by the Mayor and Council.

Attachments

Attachment 3.A.a: Possible Action Ideas_SocialJustice_Racism_Bias_091520 (PDF)



Rob DiSpirito, City Manager

9/16/2020

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance); City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

Focus Area 1: Support community participation and engagement among all members of the City's population, including City employees.

ST/MT	1	Compile and provide a list of anti-racism and bias reading list/resources on a dedicated webpage of the City's website; Consider hosting a speakers series on racial equity--invite speakers/trainers from League of Cities; PolicyLink		CMO/Other Depts.
MT	2	Institute community round table to foster community dialogue and talk about documentaries on race relations--could be virtual or outdoor movie		PIO/RP
MT	3	Encourage virtual meet-up within and amongst and between community members for discussion groups seeking to learn and the extent that we can support awareness which can lead to actions	Perhaps HRC could take the lead in these types of dialogues, with support from City departments.	HRC
MT	4	Create a format for people who have experienced discrimination and injustice to speak their in public format and to have their voice be heard in a public format for healing and expression. The format would only be listening and not discussion or judgement. Establish platforms that promote a deep understanding of the disproportionate injustices experienced by people of color	Similar to items 2, 3 and 4. This could be the focus of a public forum or of the discussion groups, with a focus on listening/being heard.	HRC
ST	5	Using virtual forums, get feedback on ideas and solutions from the community	Maybe after the M&C refine this list, it could be the topic of discussion at the first forum. Share it with the community in advance and use the forum to gather action items that are missing and help M&C prioritize them through discussion of community experience and concerns.	All Depts

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance): City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

MT/LT	6	Promote an environment where peaceful protest is embraced and the exercise of freedom of assembly is encouraged. Support the right of Rockville community members to assemble and protest	This falls in the category of a goal, rather than an action item, and could be discussed further by the M&C to generate action items that could accomplish the goal.	
MT/LT	7	Deliver diversity training with special focus on microaggression and implicit bias for City employees. Expanding Fair and Impartial Training to all City staff, and the wider community, as an important educational piece of the equation. Could be done virtually	This type of training is best when there's interaction and break out sessions. Can possibly be accomplished virtually, with smaller groups. With a train the trainer component, easier to provide the training when new hires are onboarded. Anticipated cost: Approximately \$45,000. A good next step would be to get direction during the first budget work session on whether M&C would like to see funding for it in the CM Proposed FY22 Budget.	HR
ST	8	Solicit feedback through survey or invite employees to provide input and contribute towards solutions. Such forum would give employees a safe place to share experience (i.e., microaggression), ideas and thoughts and ways to address them	One employer called these conversation circles safe discussion in smaller groups.	HR
MT/LT	9	Encourage and foster "safe space" for employees, City residents, and students to talk about racial inequity.	Good first step would be more discussion with M&C about how to define "safe space" and what action items would foster a safe place.	

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance): City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

MT	10	Create and administer a community survey to see what community would like to see regarding Social Justice, Racism and Bias		HRC/PIO/Other departments
ST	11	Create a citizen or review board made of a coalition of consisting of Asians, African Americans, Latino and LGBTQ individuals for the purposes of holding police department accountable and to serve as sounding board on racial justice. The board could be a subset of M&C Council or a separate entity empowered by M&C with ability to make decisions and recommendations that are enacted by M&C	To be discussed on Sept. 14 agenda.	RCPD
MT/LT	12	Create an inclusive community where Black lives are respected, and the Black community's concerns are heeded		
LT	13	Commit to use the City's resources toward creating a safe and inclusive environment through a deep and sustained review of City policies and programs and ongoing collaboration with the Black community, the Latino community, the Asian community, and others. The Human Rights Commission offers its assistance in order to achieve this endeavor	The leadership team could develop an approach to working with the community on policy/program review based on M&C prioritization.	All Departments
MT/LT	14	Create space for students to open discuss racial inequities	Explore working with the HRC's student ambassadors and the RM Jaguar Scholars to initiate a discussion about how the City can support creating space for students to discuss. Staff could seek also seek information from MCPS about what MCPS has in place to support this goal.	HCD (HRC/Community mediations)

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance): City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

MT/LT	15	Restructure the purpose, goals and role of the HRC to have increased influence in social justice, racism and bias. The HSAC could also offer assistance in this area.	This suggestion may require changes to the City Code.	
MT	16	As part of Juneteenth celebration, create a day of action and reflection with focus on education, equity and action	Mayor and Council adopted a resolution making Juneteenth a City holiday and directed staff to create programming around the holiday.	HCD

Focus Area 2: Ensure the availability of diverse and affordable housing and provide for a variety of housing types and price points, and with access to amenities--retail, transportation, complete sidewalks, and parks

ST	1	Developing a system for tracking MPDU expiration dates (there are about 900 units with difference expiration dates) and to develop for strategies that seek to either extend affordability terms through incentive or acquire units	Staff has been assigned to review Declaration of Covenants and assemble data onto a spreadsheet as we review existing infrastructure to ascertain capacity of existing database.	HCD
ST/MT/LT--On-going	2	Explore a variety of strategies to meet the affordable housing goals, including adjustments the City's Moderately-Priced Dwelling Unit (MPDU) program, tax exemptions for affordable housing, fees and other subsidized housing programs, as well as strategies to increase housing affordability through provision of commercially-available housing at affordable prices	M&C has adopted some changes over the last 5 years. Discussions are on-going.	HCD
	3	Integrate officers within the communities in which they serve by creating a housing initiatives that would enable officers to live in the communities in which they serve	All of the action items to increase affordable housing in the City would support the goal of enabling officers and other City staff to live in the community served.	HCD/RCPD
ST/MT/LT--On-going	4	Seek ways to increase affordable housing cost is too high by reviewing exclusionary zoning language		HCD/PDS

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance); City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

LT	5	Review zoning code, moratorium and aging commercial plazas to encourage affordable housing		DPW/PDS/HCD/external orgs
ST/MT/LT--On-going	6	Help create opportunities for social mobility through wrap-around services--combining housing and social services and other supportive services.	On-going. The creation of HCD is allowing for the opportunity to provide wrap-around/no wrong door approach to opportunities. HCD staff will be working to explore and create other self-sufficiency/empowerment programs (i.e., financial literacy) through partnerships and independently, as deemed appropriate.	HCD/external
ST/MT/LT--On-going	7	Address the housing needs of those who are unhoused (homeless), in transitional, permanent supportive housing, etc.	HCD staff is an active member of ICH--interagency Council on Homelessness. HCD also works with housing providers to use CDBG to fund repair of units owned by housing providers.	HCD/external organizations
LT	8	Certain neighborhoods such as the David Scull community are food desert--need ways to address through zoning or land swap, if feasible/possible		PDS/HCD/RHE/other external organizations, including HUD
ST	9	Look at tax credits for seniors to keep housing affordable and for aging in place	Department of Finance to explore and include in FY23 budgetary discussions.	Finance
LT	10	Look at Social impact funding opportunities to secure and support affordable housing		HCD

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance): City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

LT	11	Improve transportation options for all residents and neighborhoods; encourage residential developments near transit	The work is underway in the Stonestreet corridor addresses residential development near the Rockville Metro Station. The Mayor and Council could discuss types of transportation options and parts of the City for priority focus.	PDS/DPW
----	----	---	--	---------

Focus Area 3:Continue to build on the City’s best practices in policing, promoting racially-just policing by building relationships between community members and law enforcement, and ensuring all community members are treated with equity and respect.

ST	1	Expand police education and reimburse staff for relevant courses	Consider allowing RCPD employees to use tuition reimbursement funds to pay for professional courses approved by the Chief of Police. This would help accentuate the training budget which was reduced.	RCPD/HR/Finance
MT	2	Host a police appreciation day	Change to public safety or City essential worker appreciation day to be more inclusive.	RCPD/HCD
Complete	3	Develop FAQs to share in response to comments and questions received from the community on Fair and Impartial Policing	This will be posted on the City's website on 9/14.	RCPD/CMO
ST	4	Encourage meet and greet between police officers and the community	Ongoing daily effort with our community to build trust and communication with every contact we make.	RCPD

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance): City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

ST	5	Denounce police brutality in America and in Rockville, the county seat of Montgomery County	The City will continue to actively respond and comment on local and national incidents and occurrences. M&C could discuss future opportunities to engage in denouncing brutality. This summer, M&C issued a statement condemning the police-involved death of George Floyd, following his arrest by Minneapolis police officers. The statement is posted here: https://www.rockvillemd.gov/424/Mayor-Council . Additionally Chief Brito wrote a letter to the Rockville community condemning the killing of Mr. George Floyd by the Minneapolis police officers.	M&C/RCPD
MT/LT	6	Community oversight board/commission with ability to review excessive force complaints (should be located offsite and not in police department)	The 9/14 agenda item will provide the Police Chief's recommended approach.	RCPD
ST	7	Create an opportunity for support and training for police with lens of emotional intelligence and unconscious bias	RCPD has been a leader instituting Fair and Impartial Policing (FIP) implicit bias training in the police department and hosting FIP events with our community.	RCPD
LT	8	Identify ways to reduce calls to policies that are not police related by leveraging other City services such as community mediation and youth and family counseling	Coordination between RCPD and HCD.	RCPD/HCD

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance): City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

MT	9	Conduct an assessment of police and community policing activities and programs--what worked and what didn't work	RCPD's Community policing programs continue to evolve and add value to our community engagement.	RCPD
ST	10	Incorporate mental health training and services to our police officers	Peer support and EAP services are available 24/7 .	RCPD/HR
MT	11	Launch a Police Athletics League as a way to build relationship with young members of the community	RCPD is engaged in the conversation with appropriate contacts.	RCPD
MT	12	Institute foot, bike, and Segway patrol	The hiring of additional officers improves our ability to implement foot, bike, and Segway patrols.	RCPD
LT	13	Repurpose new RCPD officer position to focus on mental health, homelessness, and other social service needs in the community	Due the growing population and needs of Rockville the RCPD needs to keep pace with demand for quality and responsive police services from our community.	HR/Finance/RCPD /CMO
MT/LT	14	Gather and report data on 911 calls, arrests and stop from Rockville City Police Department (RCPD) and other departments that can inform the Mayor and Council about the needs in the areas of injustice, racism, bias and track the effectiveness of efforts to address the needs. Using data on 911 and Police calls, look into a way to reduce or eliminate Police calls that are made from a biased perspective, and making it a municipal infraction or a misdemeanor. See Grand Rapids (MI) ordinance on Human Rights	911 calls come through the County. RCPD would need to coordinate with County. While it is a concerning issue, it would require legislation and could create a chilling effect of the community's willingness to contact RCPD. RCPD responses to all calls will be professional and in line with training provided on implicit bias.	RCPD
ST	15	Ensure veteran police officers receive current training on policing	On-going training of all RCPD police officers is mandated by the State of Maryland through the Police Training Commission.	RCPD

Attachment 3.A.a: Possible Action Ideas_SocialJustice_Racism_Bias_091520 (3322 : Work Session on

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance): City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

MT	16	Repeat messaging of non-emergency number (County 311/RCPD 240-314-8900) as a way to relieve police from non-police calls--i.e., mental health, domestic violence, or other services	RCPD non-emergency staff routinely refer non-police calls to the appropriate City or County government agency for service.	RCPD/PIO
LT	17	Partner with County, non-profit, courts and others to appropriately respond to calls that are currently handled by police--mental health, housing issues	RCPD continually partners with HHS and Mobile Crisis as appropriate.	RCPD

Focus Area 4: Promote diversity in City staffing and Boards and Commissions membership

ST/Ongoing	1	Implement strategies to increase the diversity of members of the boards and commissions	This will be discussed with the M&C in the fall in the context of volunteerism generally.	CC/DCO
ST/on-going	2	Conduct more outreach to recruit community members to fill Board and Commission vacancies	HR will work with the CC/DCO to identify sources for board and commission recruitment .	HR CC/DCO
ST	3	Review of the City's recruitment process with the lens of racial equity and outreach to organizations for all recruitments and future actions to ensure broader applicant pools. Review and implement best practices in recruitment, hiring and promotion to enhance diversity in the City workforce	To be discussed on Sept. 14 agenda. This could be initiated in the short term.	HR

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance); City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

MT	4	Consider the hiring of a Racial Equity Officer (Montgomery County has such an officer, and other communities)	This function should be in the CMO to have a more global impact on racial equity (broader than employment). Need clear goals and objectives for this position. Suggest coordination and partnership with the County's Racial Equity Officer to avoid duplication.	CMO/HR
----	---	---	---	--------

MT	5	Reconstitute Personnel Appeals Board for the benefit of employee	Need to review the purpose of the Personnel Appeals Board as outlined in the City Code. Revisions would require changes to the City Code.	HR/CAO
----	---	--	---	--------

Focus Area 5: Budgetary, Policy, and Planning considerations for the Mayor and Council.

LT	1	Incorporate a Racial and Social Impact Assessment on policy and items that are brought before the Mayor and Council (i.e., CIP or ordinances)		All depts
----	---	---	--	-----------

MT	2	Consider if certain activities that currently reside in the police department should be moved to other departments of the City--i.e., should red-light and speed camera related activities be located under DPW?	RCPD has recognized this concern and has been proactive. For example, code enforcement was re-located to PDS. Automated Traffic Enforcement (ATE) by Maryland Code 21-809 require a duly authorized law enforcement officer to certify that a traffic violation occurred. Bifurcating the management of ATE would add unnecessary complications and communication gaps with our community.	RCPD/DPW
----	---	--	--	----------

Discussion of Social Justice, Racism, and Bias in Rockville

These possible action ideas, aspirations, and directives reflect those of members of the Mayor and Council, representatives of the Rockville Human Rights Commission (HRC), the Health Service and Advocacy Commission (HSAC) and those provided by residents through the Mayor and Council's Community Forum. These items have not yet been endorsed by either the Mayor and Council or staff, but are presented here to initiate public discussion. The numbering does not indicate prioritization.

KEYs: Proposed Timeframes: Short Term (ST)-immediately within 6 months; Medium Term (MT) 6 months to 24 months; Long Term (LT) 24 months to 72 months.

KEYs: City Department/Commissions Abbreviations: City Attorney's Office (CAO); City Council Operations(CCO); Dept. of Finance (Finance): City Manager's Office (CMO); Human Rights Commission (HRC); Health Service and Advocacy Commission (HSAC); Dept. of Housing and Community Development (HCD); Dept. of Human Resources (HR); Dept. of Planning and Development Services (PDS); Office of Public Information (PIO) Dept. of Public Works (DPW); Rockville City Police Dept. (RCPD); Dept. of Recreation and Parks (RP); Rockville Housing Enterprises (RHE).

ST/MT/LT	#	Possible Action Ideas, Aspirations, and Directives	Staff Comments	Resources/Depts.
----------	---	--	----------------	------------------

MT	3	Review City codes, including Code Compliance, CIP and other to improve equity in beautification and upkeep of community	This would require review of CIP prioritization and planning; Review of housing code enforcement and zoning.	DPW/PDS/Other depts
LT	4	Partner with other county municipalities towards the development of a Racial Equity and Social Justice Policy handbook	Info about what the County is doing on this is in their Office Legislative Oversight. FY21 work program: https://www.montgomerycountymd.gov/olo . Perhaps we use what the County develops and adapt it to meet municipal needs.	CMO/HR



Mayor & Council Meeting Date: September 21, 2020
 Agenda Item Type: Presentation and Discussion
 Department: PW - Environmental Management
 Responsible Staff: Amanda Campbell

Subject

Climate Action Plan Presentation, and Discussion and Instructions to Staff

Recommendation

Staff requests the Mayor and Council review the attached *Roadmap to Develop Rockville's Climate Plan*, receive a presentation, and provide instructions to staff regarding the proposed process for developing Rockville's Climate Action Plan, the public engagement strategy, and the list of potential future climate actions to include in a cost-benefit analysis.

Change in Law or Policy

The development of Rockville's first Climate Action Plan, a Mayor and Council priority initiative, will guide future City policies, programs, plans, and investments over the next five to ten years.

Discussion

Background

On January 13, 2020, the Mayor and Council requested information on the City of Rockville's (City) efforts related to climate change (Action Item #2020-03). Attachment A responds to this request and includes a roadmap to develop Rockville's Climate Action Plan (CAP) with a detailed summary of initial findings and activities.

The CAP will provide a list of priority strategies for the City to reduce greenhouse gas (GHG) emissions and prepare the community to adapt to a changing climate. Staff is currently working with the Metropolitan Washington Council of Governments (COG) and a consultant (Cadmus) to provide regional coordination and technical support. The CAP will support sustainable economic development and help ensure the long-term safety, resiliency, and vitality of Rockville's diverse residents, neighborhoods, businesses, institutions and visitors.

Rockville has made significant strides in working with community partners to foster energy conservation and sustainable development. Over the last fifteen years, Rockville surpassed COG's 20 percent emissions reduction goal before 2020, demonstrating that greenhouse gas emissions reductions are possible even as our population and economy grow. However, in order to meet COG's 80 percent reduction goal by 2050, additional coordinated action is

needed at the local, state, and national level. Therefore, the City needs a strategic approach that identifies opportunities to channel limited resources towards climate mitigation and resiliency actions that are the most cost-effective, have quick payback, and dovetail with City initiatives and community values.

Overview of the Planning Process Roadmap

Staff drafted a *Roadmap to Develop Rockville's Climate Action Plan* (Roadmap) to outline a strategic process for plan development and summarize initial findings that will inform climate discussions and decisions (Attachment A). This roadmap outlines the nine-step planning process (see Table 1), presents a detailed discussion of the foundational work that has already been completed, and outlines an approach to complete the remaining planning steps.

The Roadmap provides a comprehensive overview on the history of Rockville's climate commitments, the greenhouse gas inventory for the community and City operations, climate change risks and hazards expected in Rockville and in the mid-Atlantic region, and the status of work underway in several sectors related to climate and sustainability.

The findings thus far indicate that:

- Rockville's community and City greenhouse gas emissions are mainly derived from energy used by buildings and the transportation sector.
- Rockville is already experiencing the effects of climate change in the form of heavier downpours, more intense heatwaves, and higher incidences of severe storms. These effects have implications for infrastructure, the economy and health. More analysis is needed to understand how climate change impacts our transportation network; housing and community services; parks and recreation facilities, programs and services; water, sewer, and stormwater services; energy infrastructure; and the natural environment.
- Rockville has a strong record of climate action in many areas including green power purchase, rooftop solar, green building codes, tree canopy, bicycle infrastructure, and transit-oriented development. To reduce emissions, the City and community will likely need to continue building on each of these strengths and also increase efforts focused on existing building energy efficiency, electric vehicle deployment, reducing waste, bicycle and pedestrian safety, and upgrading traffic and streetlights (these findings are reflected in the actions to undergo cost-benefit analysis, described in Table 3).

In September, staff launched a community engagement process, described in the Roadmap, to foster awareness, buy-in, and identify creative opportunities to equitably reduce emissions and build community resiliency. The remaining sections of the Roadmap describe an approach for action prioritization criteria, and a consultant cost-benefit analysis that will help prioritize community needs and identify actionable solutions for future policies, programs, and investment.

M&C Discussion and Instruction Items

To ensure that the planning process captures the will of the Mayor and Council and helps staff and the public chart a course to successfully develop the CAP, staff welcomes discussion and further feedback on the following plan development process (Table 1), public engagement strategy (Table 2), and an initial list of future actions for a cost-benefit analysis (Table 3).

1. Plan development process.

Table 1 provides an overview of the steps in a standard climate action planning process and the City's status and proposed timeline for completing each step. Although this shows each stage of the planning process as separate steps, many of these steps are iterative or happen concurrently. The City completed steps 1-4. Staff is coordinating internally and with COG and a consultant on the remaining steps, scoping the project to fit within the limited resources available. Attachment A contains additional detail on each element.

Step	Status/Proposed Timeline
1. Mayor and Council commitment to Paris Agreement	Complete: The Mayor and Council adopted a resolution in 2017.
2. Identify climate risks and develop greenhouse gas inventory	Complete: Staff coordinated with COG to summarize climate risks and develop Rockville's greenhouse gas inventories. Draft summaries of climate risks and greenhouse gas inventories are included in the Roadmap and may be updated as additional refined local information becomes available.
3. Conduct appraisal of current climate actions and best practices	Complete: Staff coordinated with COG, the Environment Commission, and Montgomery County to review best practices, appraise Rockville's current climate actions, and identify potential future climate actions suitable for Rockville. A summary of current climate actions is included in the Roadmap.
4. Develop community engagement strategy and communication plan.	Complete: A draft community engagement strategy was developed in coordination with the Public Information Office over the summer. We will continue to refine this strategy as we receive feedback from the Mayor and Council and the community to ensure engagement goals are met.
5. Engage community on goals, actions and criteria. Engage staff on climate	In process, September through winter 2020: Community engagement is underway. An online survey was launched in September and staff is scheduling meetings with boards and commissions. Staff will begin internal discussions with

resiliency.	departments to conduct an internal climate vulnerability and equity screen.
6. Cost, benefit and prioritization analysis. Identify lead, partners, resources and timelines.	Planned winter 2020/2021: FY20 funds were encumbered to work with COG and a consultant to provide technical support. The consultant will help the City assess the costs and benefits of potential future greenhouse gas reduction actions. The results, along with the resiliency and equity screen, will be shared with staff and community stakeholders to help prioritize actions and identify implementation measures.
7. Draft plan. Engage community to finalize and adopt plan.	Planned spring 2021: Draft plan and receive stakeholder feedback on draft plan and recommended implementation measures. Planned summer 2021: Present draft plan to Mayor and Council for review and approval.
8. Implement plan	Planned fall 2021: The beginning of plan implementation is intended to coincide with the FY 2023 budget planning process. (Ongoing Rockville sustainability and climate work programs continue in parallel.)
9. Track and report progress	Future: reporting to be coordinated with COG's greenhouse gas emissions inventory cycle (currently triennial). Mayor and Council provided annual updates.

2) Community engagement strategy.

The stakeholder engagement process is involved in Steps 4-7 (Table 1) and is critical to help prioritize the most advantageous actions for Rockville. Table 2 outlines the community engagement approach. Outreach is expected to be held virtually at this time due to COVID-19 restrictions. Mayor and Council guidance on the engagement approach and Boards and Commissions participation is requested. It is important to note that additional elements added to the approach below will require additional resources or may adjust the timeline. If in-person events resume, additional interdepartmental staff participation will be needed to provide expertise.

Table 2: Community Engagement

Element	Tentative Timeline	Details	Purpose
Boards and Commissions Engagement	<ul style="list-style-type: none"> June to November 2020 (depending on available meeting dates) Spring 2021 draft plan for feedback 	<p>Presentation and consultation with Environment Commission (lead) and additional Boards and Commissions as directed.</p> <p>Proposed: Recreation and Parks Advisory Board, Planning Commission, Human Services Advisory Commission, Traffic and Transportation, and REDI.</p>	<ul style="list-style-type: none"> Consult existing boards and commissions on the topics related to their expertise. Provide opportunities for broad involvement and informative discussions with current volunteers.
Online Public Surveys	September through November 2020	<p>Develop online survey. Promote electronically, in Rockville Report, social media and neighborhood listservs.</p> <p>Survey is posted on Rockville website project page: www.rockvillemd.gov/climate.</p>	<ul style="list-style-type: none"> Collect input on climate actions from a wide variety of community stakeholders. One-way tool collects input on focused questions quickly at participant's convenience.
Climate Action Plan Virtual Open House <i>(similar to CMP Listening Sessions and Bikeway Master Plan)</i>	November 2020	<p>Present background and initial policy areas for input. Opportunity for stakeholder questions, considerations, and ideas.</p>	<ul style="list-style-type: none"> An open house meeting provides opportunities for education, Q&A, and background to assist in completing survey and submitting comments. Planned to be held virtually. Gauge level of community interest in additional public meetings or topics.
Staff Engagement	September through December 2020	<p>Meetings with various departments on sustainability and resilience.</p>	<ul style="list-style-type: none"> Required for effective plan development and implementation. Promotes consistency in program implementation.

Mayor and Council	<ul style="list-style-type: none"> September 2020 July 2021 	<ul style="list-style-type: none"> Work session for early guidance. Draft plan presentation. 	<ul style="list-style-type: none"> Provide guidance on plan process and expectations. Provide high level direction-setting.
--------------------------	---	--	---

3. List of future climate actions to be included in a cost/benefit analysis.

The City is working with the consultant to assess the costs and benefits of various greenhouse gas reduction strategies to assist the Mayor and Council, senior leadership, and the community to evaluate and prioritize actions for future policies, programs, and projects. For a subset of up to twenty mitigation actions, a consultant will quantify potential emissions reductions to 2050 and estimate associated costs/savings. Staff coordinated with COG, the Environment Commission, and Montgomery County to review best practices, identify gaps or areas where Rockville could expand or build upon actions, and identified an initial list of fourteen potential future climate actions suitable for Rockville to implement within the next five to ten years.

Table 3 summarizes examples of key climate actions proposed for quantitative analysis, subject to Mayor and Council and stakeholder input. The scope of work for the consultant cost-benefit analysis establishes a limit of up to twenty actions to be reviewed under the current budget. This allows flexibility to include up to six more actions in the analysis if the stakeholder engagement process identifies potential actions outside this initial list that merit further assessment.

Table 3: Climate Actions for Cost/Benefit Analysis
Community Actions
1. Aggregate green power purchase
2. Solar photovoltaic program
3. Commercial building energy retrofits
4. Residential building energy retrofits
5. Community electric vehicle adoption (vehicles and charging station network)
6. Increased solid waste diversion (food waste, recycling, etc.)
7. Increased tree planting
8. Bicycle and pedestrian infrastructure and safety
9. Mixed-use and transit-oriented development
10. Increase energy efficiency requirements for new buildings
City Action for Municipal Operations
11. Upgrade streetlights to energy efficient light emitting diodes (LED)

- | |
|---|
| 12. Greening the City fleet |
| 13. Increase energy efficiency of City facilities and utilities |
| 14. Increase onsite renewable energy generation |

Mayor and Council History

In 2015, the Mayor and Council established a priority initiative to create a Climate Action Plan. This was reiterated in a 2017 Mayor and Council resolution supporting the Paris Climate Agreement goals, reaffirming the City's commitment to reducing greenhouse gas emissions and increasing climate resiliency, and committing to work with community stakeholders to develop a Rockville Climate Action Plan. In January 2020, the Mayor and Council requested information on the City of Rockville's (City) efforts related to climate change (Action Item #2020-03).

Boards and Commissions Review

In 2017, the Environment Commission conducted an extensive review of more than 100 voluntary climate actions included in the Metropolitan Washington Council of Governments' (COG) *Regional Climate and Energy Action Plan (2017-2020)*. It identified which actions Rockville has completed or is pursuing, actions for future potential consideration, and potential community stakeholders. The Commission also reviewed the draft process on June 4, 2020 and provided positive feedback on information presented. It is encouraged by the progress on the plan, which has roots in the 2040 Master Plan. Many Commissioners participated in the 2040 Master Plan process and contributed to the climate sections included in the draft Environment Element. The Commission recommended the City consider the societal benefits of reducing carbon pollution as it prioritizes actions.

Next Steps

Staff will incorporate Mayor and Council feedback on the proposed planning process and stakeholder engagement approach. Next, staff will continue stakeholder engagement, begin to work with a consultant to develop a cost benefit analysis, and continue the internal climate resiliency and equity screening process. Depending on the extent of stakeholder public engagement, staff anticipates developing a draft plan for Mayor and Council consideration in the summer of 2021.

Attachments

Attachment 4.A.A: Attachment A: Roadmap to Develop CAP 9_21_2020 (PDF)


Rob DiSpirito, City Manager 9/16/2020



Roadmap to Develop Rockville's Climate Action Plan

Rockville climate action planning process overview, summary of initial findings completed, proposed engagement plan, and inputs for future analysis.



Attachment 4.A.A: Attachment A: Roadmap to Develop CAP 9_21_2020 (3127 : Climate Action Plan Presentation)



September 21, 2020
DRAFT for Mayor and Council Review

Contents

I. Introduction 2

II. Plan Development Process..... 3

III. History of Rockville’s Climate Commitments..... 5

IV. Climate Hazards and Impacts 6

V. Greenhouse Gas Emissions 10

VI. Summary of Rockville’s Climate Actions..... 6

VII. Community Engagement Approach..... 10

VIII. Prioritization Criteria 11

IX. Action Assessment..... 13

X. Next Steps 14

Addendum: Climate Action Plan Development Stakeholder Feedback Tracker 15

I. Introduction

The *Roadmap to Develop Rockville's Climate Action Plan* (Roadmap) outlines a strategic process to develop Rockville's first Climate Action Plan (CAP) to prioritize strategies to reduce greenhouse gas (GHG) emissions and prepare the community to adapt to a changing climate. The aim is to develop a comprehensive, yet concise plan with feasible, actionable measures for approval by the Mayor and Council. Building on past achievements,¹ the plan will guide future City policies, programs, plans and investments over the next five to ten years. Ultimately, the plan seeks to advance Rockville toward being both climate-friendly and climate-ready by implementing a variety of strategies:

- *Mitigation (climate friendly)* - mitigation strategies that slow the pace and lessen the severity of climate change by reducing or offsetting greenhouse gas emissions from local government and community-wide activities; and
- *Resiliency (climate ready)* - resiliency strategies that protect infrastructure, buildings, services, ecosystems, public health, and quality of life from the impacts of climate change by reducing community vulnerability and increasing the capacity to recover from a disturbance and/or adapt to new conditions.

Rockville is uniquely positioned to leverage technical resources and collaborate with initiatives from Montgomery County, the state of Maryland, the Metropolitan Washington Council of Governments (COG), and other regional organizations. This allows Rockville to focus its limited resources on working with community stakeholders to identify the community's challenges and goals and prioritize local viable strategies and actions. Rockville's local capacity for climate action includes reinforcing broader regional initiatives as well as instituting local policies, programs and investments associated with land use and zoning, transportation networks, building codes, municipal operations capital improvement plans, housing and community services, and public engagement. Developing a successful plan will involve staff and community engagement to foster awareness, buy-in, and identify creative opportunities to equitably expand energy savings and build community resiliency.

Section II describes the proposed nine-steps process to develop Rockville's Climate Action Plan. Sections III through VI provide background information on the foundational work that has already been completed, including the history of Rockville's climate commitments, initial findings on climate change risks and hazards expected in Rockville and in the mid-Atlantic region, the greenhouse gas inventory for the community and city operations, and the status of work underway in several sectors related to climate and sustainability. Section VII describes the community engagement approach. The final three sections describe the list of potential future actions for further technical analysis and the prioritization criteria to guide the analysis towards the best, most cost-effective, equitable, and feasible strategies for Rockville. The Roadmap concludes with next steps in Section X.

¹ Additional information about Rockville's past and planned climate-related activities is described in Figure 11. Ongoing activities are expected to continue in parallel with the Climate Action Plan development process.

II. Plan Development Process

Figure 1 provides an overview of the steps in a standard climate action planning process and the City's status and proposed timeline for completing each step. Although this shows each stage of the planning process as separate steps, many of these steps are iterative or happen concurrently. Many energy and sustainability initiatives that are underway will continue in parallel. The City is conducting some steps in-house and is coordinating with COG and a consultant (Cadmus) on the remaining steps, scoping the project to fit within the limited resources available. Crafting the plan may take about a year depending on staff capacity, availability of data and analysis resources, and level of public engagement.

The City completed Steps 1 (see Section III), Step 2 (see Sections IV and V), Step 3 (see Section VI) and Step 4. Details on the community engagement approach for Steps 4, 5 and 7 are provided in Section VII. The inputs, criteria and actions for technical assessment involved in Step 6 are described in Sections VIII and IX of the Roadmap.

At this time, staff requests Mayor and Council review and feedback on the overall process going forward (Figure 1); Step 4, the community engagement strategy (p. 28); and Step 6, actions to assess for cost-benefit (p. 32).

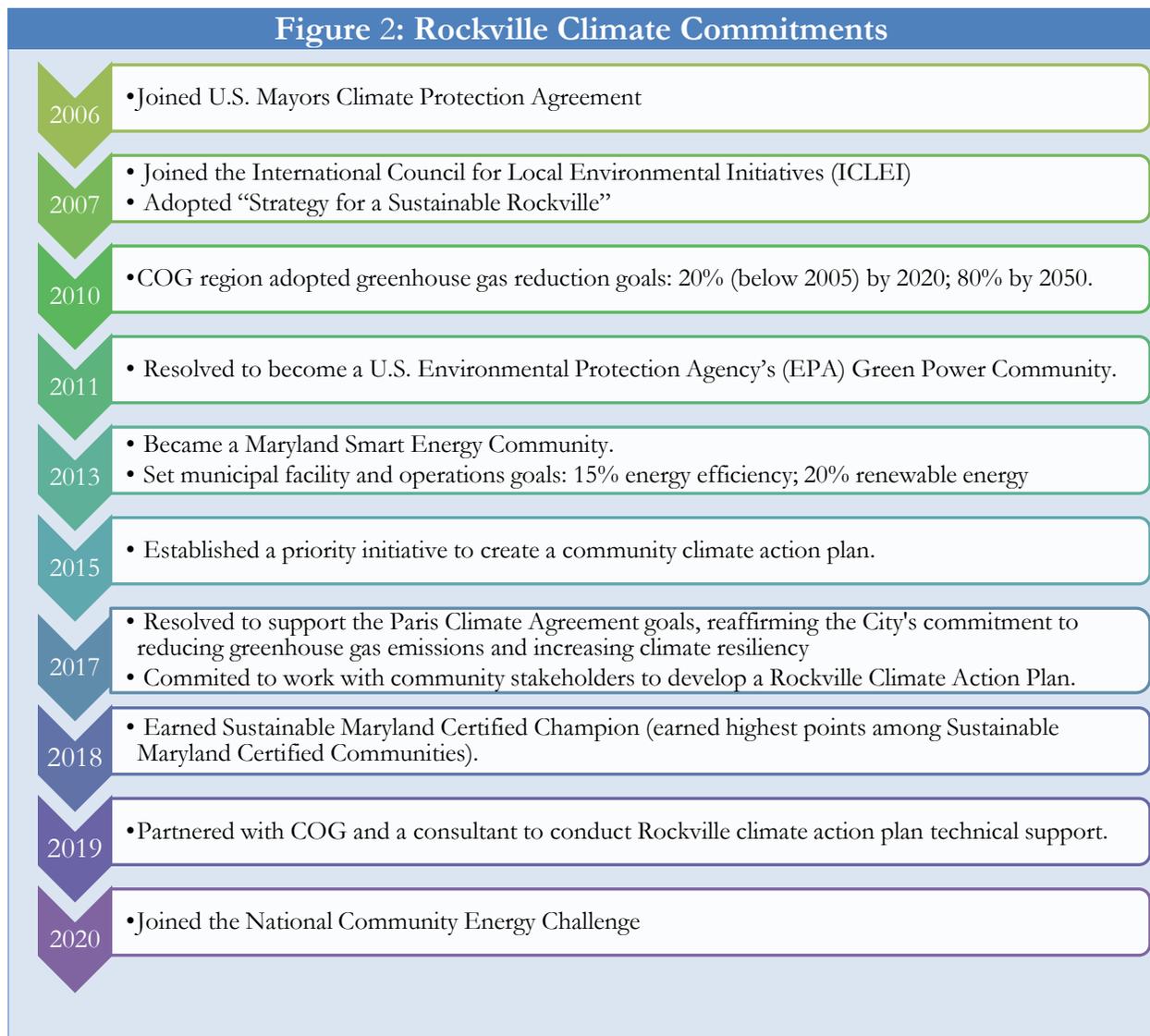
Figure 1: Climate Action Process and Status

Step	Status/Proposed Timeline
1. Mayor and Council commitment to Paris Agreement	Complete: The Mayor and Council adopted a resolution in 2017.
2. Identify climate risks and develop greenhouse gas inventory	Complete: Staff coordinated with COG to summarize climate risks and develop Rockville's greenhouse gas inventories. Draft summaries of climate risks and greenhouse gas inventories are included in the Roadmap and may be updated as additional refined local information becomes available.
3. Conduct appraisal of current climate actions and best practices	Complete: Staff coordinated with COG, the Environment Commission, and Montgomery County to review best practices, appraise Rockville's current climate actions, and identify potential future climate actions suitable for Rockville. A summary of current climate actions is included in the Roadmap.
4. Develop community engagement strategy and communication plan.	Complete: A draft community engagement strategy was developed in coordination with the Public Information Office over the summer. We will continue to refine this strategy as we receive feedback from the Mayor and Council and the community to ensure engagement goals are met.
5. Engage community on goals, actions and	In process, September through Winter 2020: Community engagement is underway. An online survey was launched in

criteria. Engage staff on climate resiliency.	September and staff is scheduling meetings with boards and commissions. Staff will begin internal discussions with departments to conduct an internal climate vulnerability and equity screen.
6. Cost, benefit and prioritization analysis. Identify lead, partners, resources and timelines.	Planned Winter 2020/2021: FY20 funds were encumbered to work with COG and a consultant to provide technical support. The consultant will help the City assess the costs and benefits of potential future greenhouse gas reduction actions. The results, along with the resiliency and equity screen, will be shared with staff and community stakeholders to help prioritize actions and identify implementation measures.
7. Draft plan. Engage community to finalize and adopt plan.	Planned Spring 2021: Draft plan and receive stakeholder feedback on draft plan and recommended implementation measures. Planned Summer of 2021: Present draft plan to Mayor and Council for review and approval.
8. Implement plan	Planned Fall 2021: The beginning of plan implementation is intended to coincide with the FY 2023 budget planning process. (Ongoing Rockville sustainability and climate work programs continue in parallel.)
9. Track and report progress	Future reporting to be coordinated with COG's greenhouse gas emissions inventory cycle (currently triennial). Mayor and Council provided annual updates.

III. History of Rockville's Climate Commitments

Cities play a pivotal role in addressing climate change. Half the world's population lives in urban areas, and cities often serve as first responders to the extreme weather associated with climate change. Cities also consume more than two-thirds of the world's energy and account for more than 70% of global carbon emissions—which means they also play a critical role in cutting emissions. While the City of Rockville's share of global emissions is relatively small, community leadership is a powerful force when multiplied across cities throughout the world. Rockville's elected officials have adopted several climate commitments over the last decade and agree that the next critical step is to engage with community partners to develop a Climate Action Plan (Figure 2).



IV. Climate Hazards and Impacts

This section provides a description of the types of climate change hazards and impacts that Rockville will continue to experience. This initial high-level overview provides 1) the foundation for a closer examination of what the City can do to be better prepared locally, and 2) evidence that reducing emissions in the short-term can significantly reduce long-term risks to human health, infrastructure, buildings, services, and the environment.

With 3,100 miles of shoreline, Maryland is one of the most vulnerable states in the nation to climate change. According to the National Oceanic and Atmospheric Administration's (NOAA) historic records of temperature and precipitation, climate change has already begun to impact Maryland residents, businesses and visitors through higher, prolonged summer temperatures and increased precipitation variability. Several Maryland communities are already experiencing more frequent flooding, severe storm damage, and health effects from increased temperatures, poor air quality, and shifts in vector-borne diseases that pose economic, health and environmental challenges.

While Rockville's location and elevation protect it from direct impacts of rising sea levels, the City is vulnerable to the following changes in weather patterns: (Figure 3):

- Rising temperatures and more frequent and intense heat waves;
- Concentrated heavy rainfall; and
- Increased frequency and severity of storms.

Changes in temperature, precipitation, and storms are climate drivers that impact built infrastructure, ecosystems and ultimately pose significant health risks to our community (Figure 4). Climate change affects everyone but tends to have outsized impacts on the same communities that have suffered disproportionate health and economic impacts from the COVID-19 pandemic – low income groups and communities of color. Heat and humidity contribute to poor outdoor air quality days and extended allergy seasons, which increases human health risks, especially for sensitive populations such as children, the elderly and low-income. The city must prepare to assist vulnerable populations, especially in emergencies.

Given the city's location on high ground, the city's infrastructure is not as prone to major flooding as it is to local drainage problems. Because a warmer atmosphere holds more water vapor, Rockville's stormwater and transportation infrastructure is vulnerable to an increase in heavy precipitation events, and the city must plan accordingly.

Rockville is dependent on local and regional infrastructure such as roads, bridges, transit, water and wastewater systems, communications, and electrical and natural gas networks that are vulnerable to climate impacts including Potomac River flooding, rising tides and storm surge. Continued coordination throughout the region will be needed to prepare for these and other national or global disruptions (i.e. to agriculture, to supply chains, to water supply, leading to conflict and migration) resulting from climate change.

Figure 3: Climate Projections for Washington D.C. and Vicinity

TEMPERATURE INCREASE²

- Average summer highs will be 6 or 7 degrees warmer by mid-century, and up to 97°F towards the end of the century (high emissions).
- The number of days with a heat index over 95°F is projected to double in coming decades and could triple by 2100.
- The current yearly number of heat waves (4) and length of average heat waves (5 days) could double by 2100.

PRECIPITATION INTENSITY³

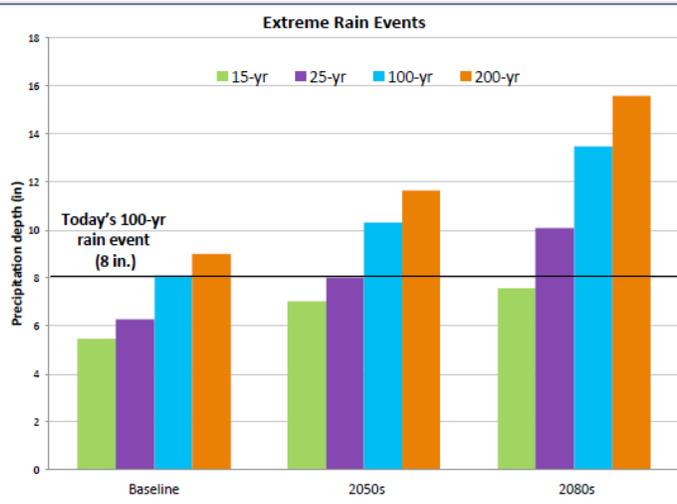
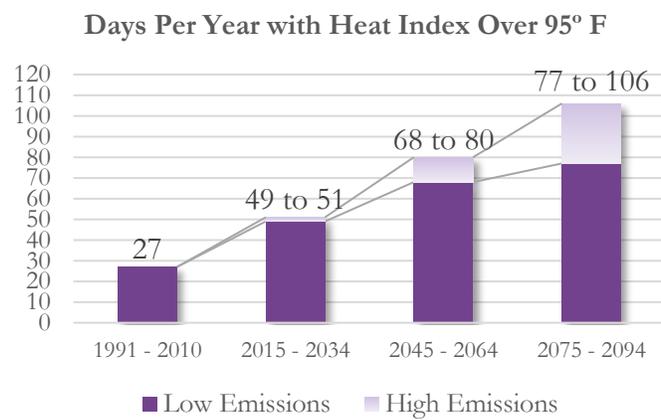
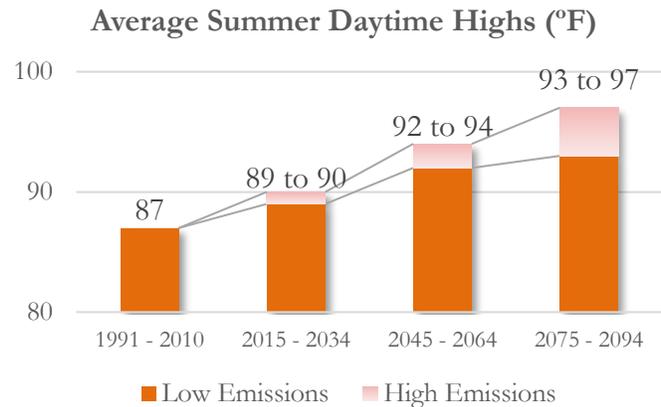
- Winters and springs are wetter.
- Precipitation is becoming more episodic with heavier rainfall concentrated into fewer events. Today’s 100-year rain event may increase from 8 up to 14 inches.
- Drought and water supply are not major risks for the area but should be monitored.

SEVERE STORMS³

- The number and severity of extreme weather events is projected to increase (e.g., more concentrated rainfall events, high winds, hurricanes, nor’easters, hail, tornados, thunderstorms, ice storms, and other storm-related conditions).
- Intense snowstorms possible in near term but average snowfall is decreasing over time.

SEA LEVEL RISE⁴

- Sea level rise combined with local land subsidence (1.2 to 4.2 feet or more by 2100, depending on emissions and ice sheet dynamics) and storm surge flooding (i.e. Hurricane Isabel, ~10ft. in tidal Potomac).

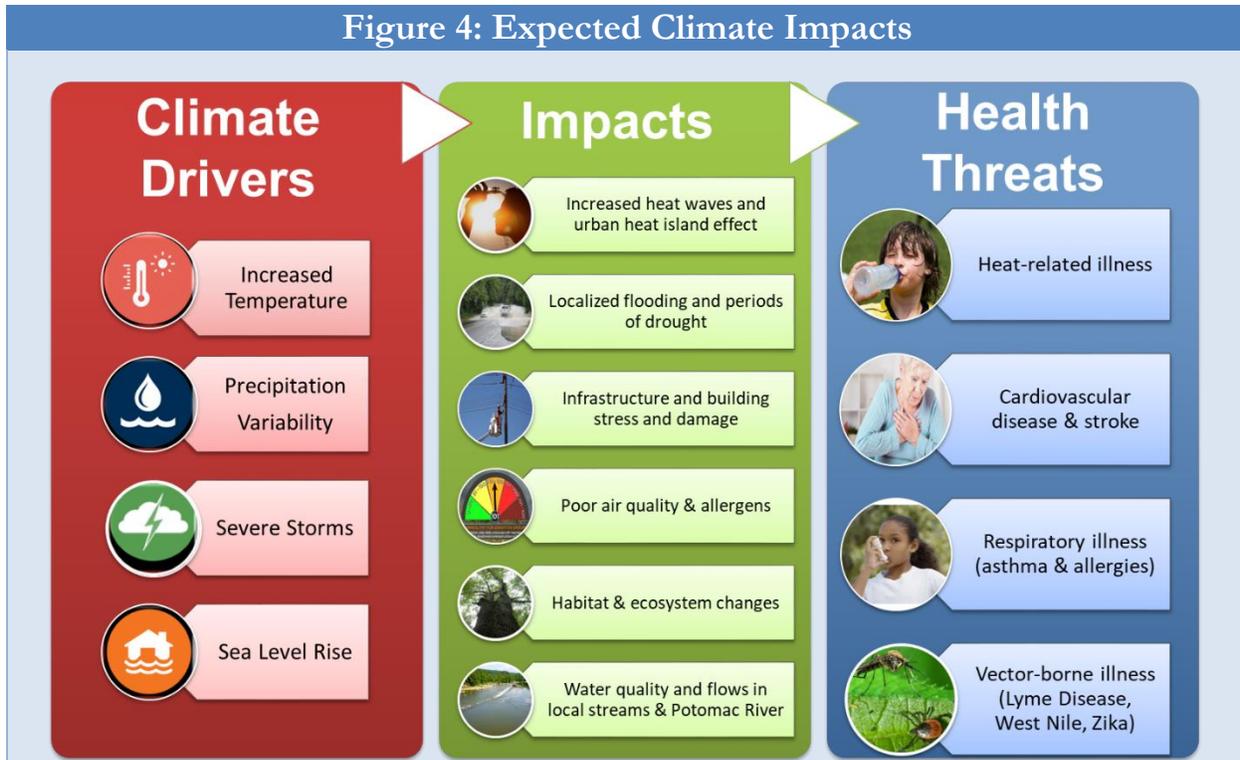


² District of Columbia Climate Projections, 2015 <https://doec.dc.gov/node/1110407>

³ Fourth National Climate Assessment, 2018 <https://nca2018.globalchange.gov/>

⁴ Sea Level Rise Projections for Maryland, 2019 https://www.umces.edu/sites/default/files/Sea-Level%20Rise%20Projections%20for%20Maryland%202018_1.pdf

Figure 4: Expected Climate Impacts



IMPACTS TO INFRASTRUCTURE, BUILDINGS AND SERVICES

- Risks to transportation, stormwater, wastewater, drinking water, and energy infrastructure and increased demand for emergency management services:
- Increased urban heat island effect, demands on building cooling systems, and summertime peak energy demand and energy costs.
- Risk of brown outs or black outs from strained energy infrastructure or severe weather.
- Increased intensity of precipitation events increases the likelihood of runoff volumes exceeding stormwater capacities, causing localized flooding and drainage problems.
- Extreme heat and storms impact the lifespan, performance, and maintenance needs of buildings (roofs, envelope, mechanical systems, etc.), infrastructure, parking lots, sidewalks, streets, bridges, etc.
- Impacts to transportation that cause more frequent travel disruptions and delays (downed trees, power outages, rail).
- Increased heat waves, precipitation variability (flooding and drought) and poor outdoor air quality impacts to community recreation and parks resources and services (facilities, parks, fields, cooling centers, outdoor activities).
- Extreme weather events, sedimentation, drought, and algal blooms pose risks to Potomac River that impact drinking water supply and treatment.

IMPACTS TO ECOSYSTEMS AND THE ENVIRONMENT

- Vegetation & wildlife ecosystem shifts; current species may be vulnerable to invasive species, pests, disease, and habitat changes.
- Risks to stream health from changes and variability in seasonal stream flow (flash flooding and drought) and changes in water quality (temperature, sediments, nutrients, dissolved oxygen).
- Increased stress on urban tree canopy and landscapes, increased watering demands, more frequent maintenance and replacement.

HEALTH THREATS

Extreme heat and precipitation events, poor outdoor air quality days and extended allergy seasons increase human health risks, especially for sensitive populations such as children, the elderly and low-income:

- Heat related illness (heat stroke, rashes)
- Respiratory illness (asthma, allergies, respiratory disease)
- Cardiovascular disease, heart attack and stroke
- Vector-borne and infectious diseases (West Nile, Lyme Disease and other tick, mosquito, and foodborne illness)

Maryland Department of Health and Mental Hygiene. Maryland Climate and Health Profile Report (2016).

Metropolitan Washington Council of Governments (COG). Summary of Potential Climate Change Impacts, Vulnerabilities, and Adaptation Strategies in the Metropolitan Washington Region (2013).

Next steps on climate resilience

Rockville can reduce future costs of climate change by preparing for more intense heat waves, intense precipitation patterns, and severe storms. Planning for climate resiliency focuses on protecting infrastructure, buildings, ecosystems, public health, and quality of life by identifying potential climate impacts, reducing community vulnerability, and increasing the capacity to recover from a disturbance and/or adapt to new conditions.

Some preparation for recent and near-term changes in weather patterns will be necessary regardless, but after about mid-century, the high emissions scenarios and low emissions scenarios diverge. The most disastrous impacts can be avoided by drawing down emissions and working towards carbon neutrality across the globe.

The city has made relatively more progress in emissions mitigation than climate resilience. The Climate Action Plan development process will involve conducting a vulnerability screen in-house, including an update to the most recent climate science observations and projections, an inter-departmental coordination to identify ways to improve Rockville's climate resilience in the short term, medium term and long term. This work will identify climate impacts that may have higher risk, especially for under-served communities, and warrant a further analysis to identify the types of actions needed to protect the city from future risks.

V. Greenhouse Gas Emissions

A community greenhouse gas (GHG) inventory represents the total emissions produced by all activities within the city limits as well as emissions resulting from electricity use within the jurisdiction, even if the electricity is generated elsewhere. A municipal GHG inventory is a subset of the community emissions and only includes the emissions associated by City government facilities and operations. To estimate baseline emissions and track progress, global warming potential values are used to combine emissions of various greenhouse gases into a single weighted value for emissions, commonly referenced as metric tons of carbon dioxide equivalent (MTCO₂e).

Quantifying Greenhouse Gas Emissions

MTCO₂e =

Metric Tons of Carbon Dioxide Equivalent

To convert emissions of a gas into CO₂ **equivalent**, its emissions are multiplied by its Global Warming Potential (GWP). The GWP takes into account the fact that many gases are more effective at warming Earth than CO₂, per unit mass.

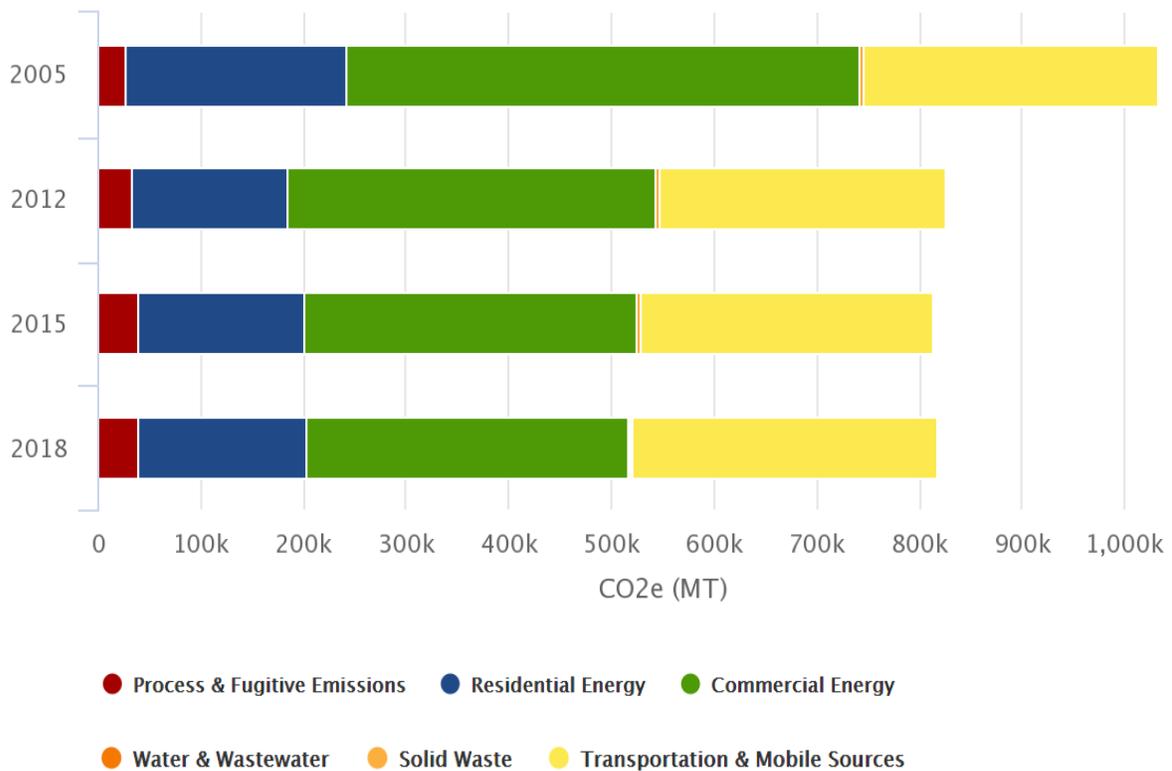
Rockville is a member of the Metropolitan Washington Council of Governments (COG), an independent, nonprofit association that brings area leaders together to address major regional issues in the District of Columbia, suburban Maryland, and Northern Virginia. COG has taken a leadership role in developing community greenhouse gas inventories for member jurisdictions, hosting regional climate impacts and resiliency planning workshops, and developing a Regional Climate and Energy Action Plan (2017-2020) that offers a variety of voluntary and flexible options for local governments to implement to support regional GHG emissions reduction goals. Rockville, working in coordination with other organizations and cities, can draw on a range of support services to address the key barriers to city climate action. Benefits include technical support, improved access to data, broader community networks, and access to business and financing opportunities to transform markets.

Emissions Trends

Rockville’s community GHG emissions inventory was developed by COG to be consistent with regional and jurisdiction inventories and is based on the ICLEI U.S. Community Protocol and ClearPath tool (Figure 5). The inventory accounts for emissions from local residential and commercial building energy use, transportation energy use, emissions from solid waste incineration, and process and fugitive emissions (leaks from natural gas infrastructure and cooling systems). The estimated emissions from water and wastewater processes is relatively small.

To track progress, COG calculated jurisdiction and regional GHG estimates for 2005, 2012 and 2015, and 2018. Despite Rockville’s 17% population growth between 2005 to 2018, GHG emissions reduced 21% in 13 years. Over this period, per capita emissions decreased from 17.3 to 11.7 MTCO2e per person. Rockville surpassed COG’s 2020 emissions reduction goals, demonstrating that GHG reductions are possible even as the population and economy grows. Efficiency and switching to cleaner fuel sources for electricity production contributed to these reductions. COG is currently compiling data to generate Rockville’s “business as usual” projections.

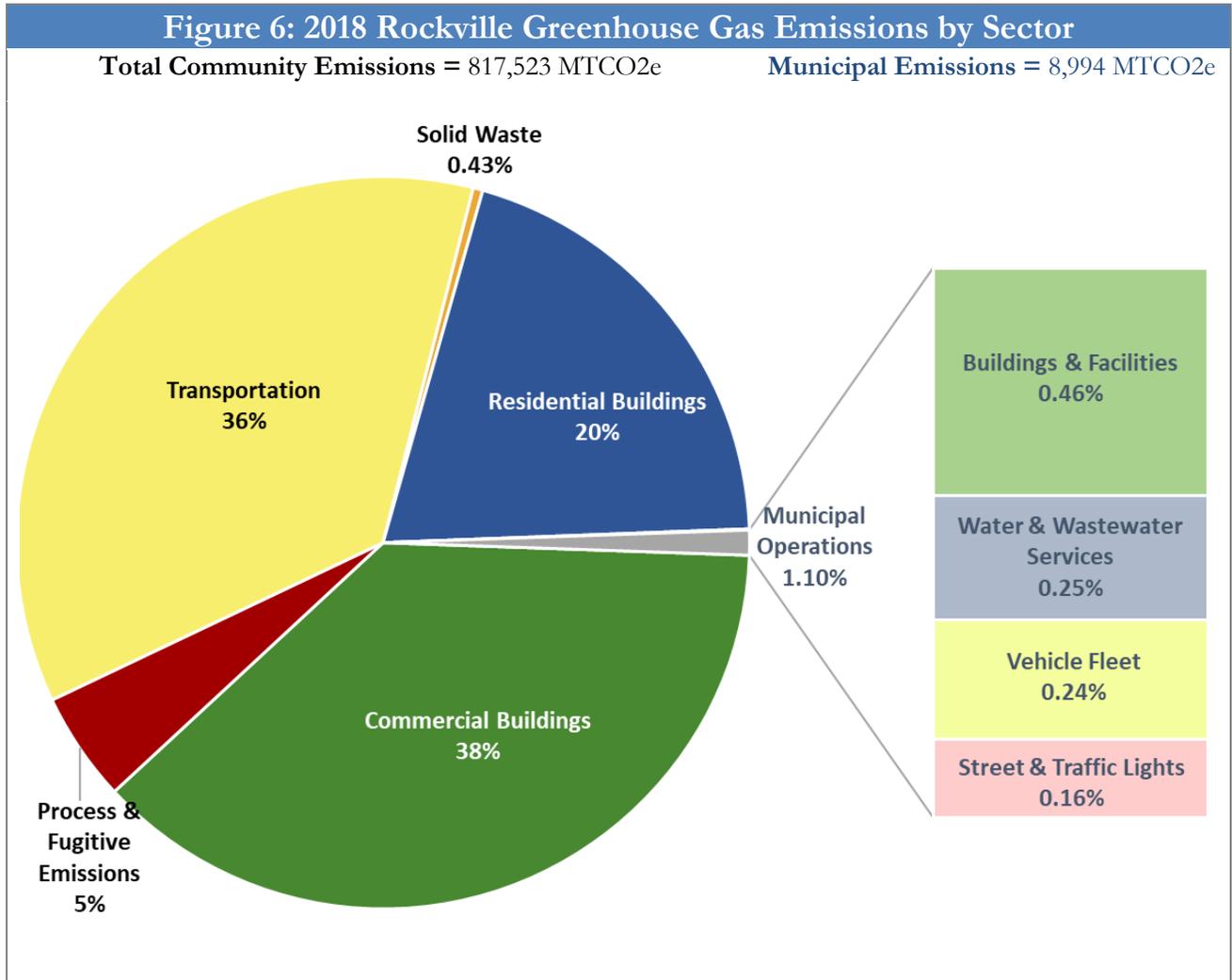
Figure 5: DRAFT GREENHOUSE GAS TRENDS CHART - CITY OF ROCKVILLE



The inventory does not account for consumption-based emissions associated with products and services consumed in the community nor for the positive effects of voluntary purchases of Renewable Energy Credits (RECs) on the part of the City, businesses and residents.

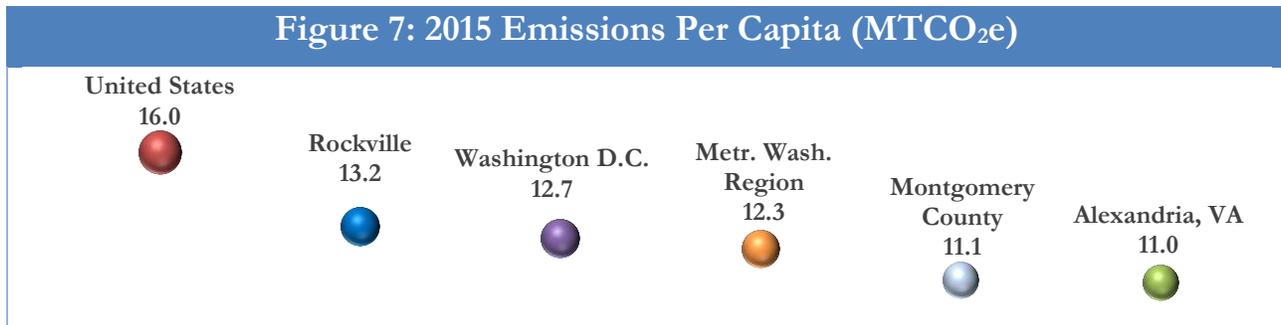
Community and Municipal Emissions Overview

The largest emissions contributors are commercial building energy consumption (38%), transportation (36%) and residential building energy consumption (20%) (Figure 6). GHG emissions from Rockville government operations contributed approximately one percent of Rockville's total community emissions⁵.



⁵ Municipal emissions are estimated based on Fiscal Year 2016 data.

On a per capita basis, Rockville generated 13.2 metric tons per capita in 2015, the latest year for which data is available to compare the different jurisdictions; this is below the U.S. average, but slightly higher than other neighboring jurisdictions (Figure 7).



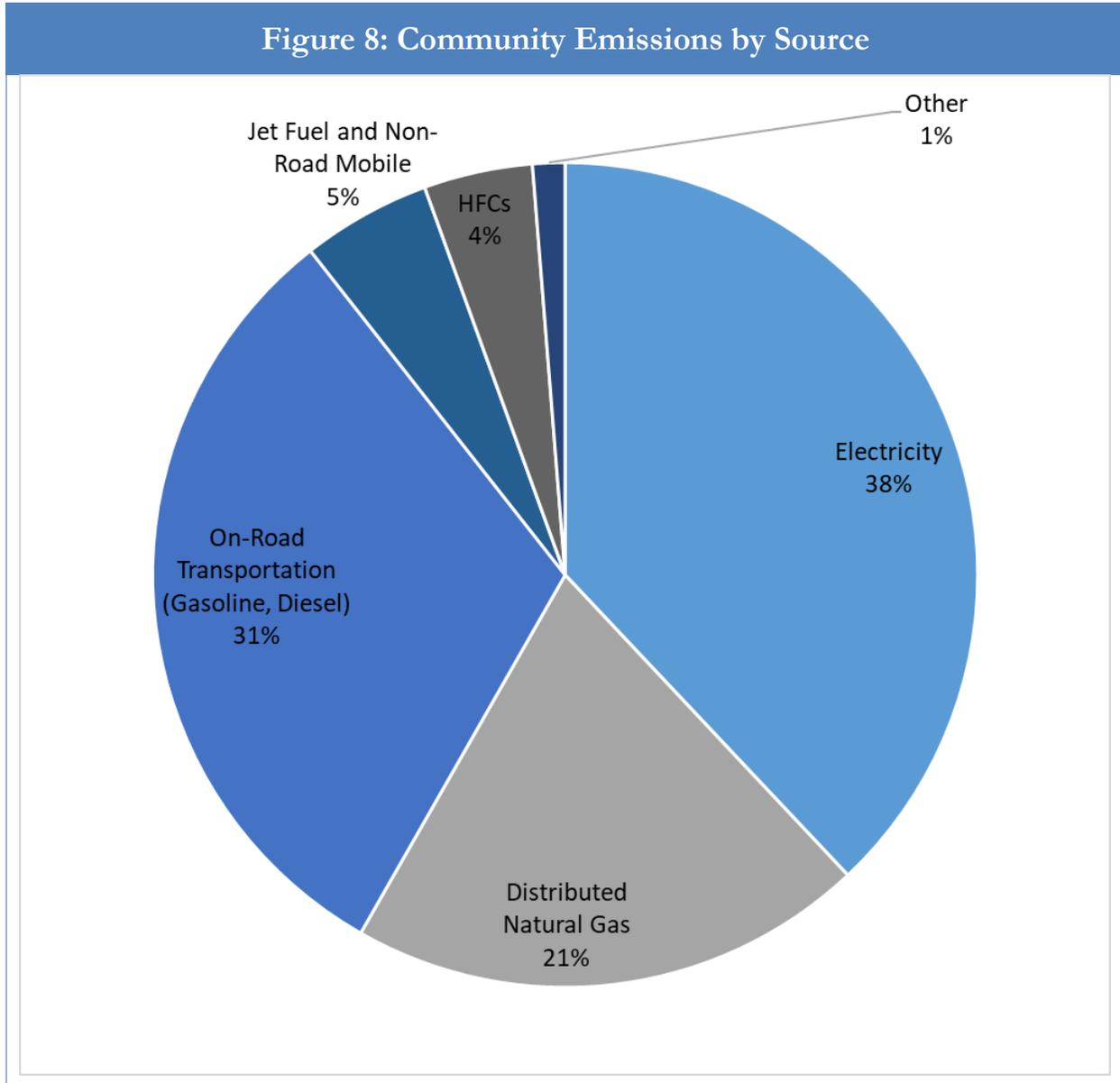
Community Emissions by Sector

Sectors contributing to Community emissions include:

- Buildings (58%):** The electricity, natural gas and fuel oil used in all buildings account for the majority of Rockville's GHG emissions. Commercial buildings generated approximately 38 % of emissions, 28% from electricity and 10% from natural gas. Residential buildings account for approximately 20% of emissions, with 10% from electricity, 10% from natural gas, and < 1% from home heating fuels.
- Transportation (36%):** The transportation sector, including on-road passenger vehicles, aviation, rail and off-road vehicles, contributed approximately 36% of emissions. The majority of transportation emissions, approximately 31% of total emissions, were generated by diesel and gasoline fuel consumed by on-road mobile sources, such passenger vehicles, buses and commercial vehicles.
- Process and Fugitive Emissions (5%):** Process and fugitive emissions are derived from national figures to account for leaking natural gas infrastructure and cooling systems.
- Other sources:** Solid waste, agriculture and wastewater make up the remaining 1% of emissions.

Community Emissions by Source

Rockville's greenhouse gas emissions come from three primary sources: electricity use (38%), natural gas use in buildings (21%), (approximately 40%), and on-road transportation fuels including gasoline, diesel (31%) (Figure 8).



Most electricity-related greenhouse gases are emitted by coal and natural gas-fired plants, which together generate over half of the electricity on the grid subregion that serves Rockville. The other major source of electricity is nuclear.⁶

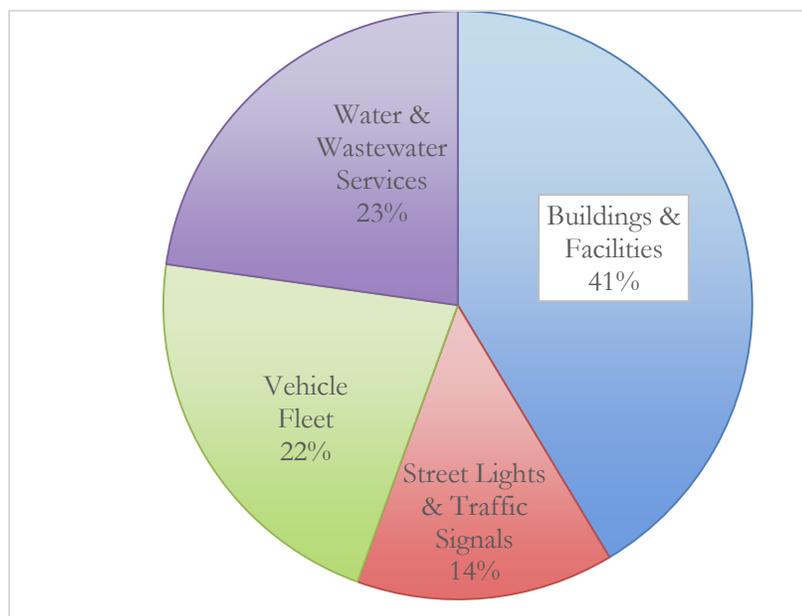
⁶ For more information on the electricity fuel mix that was used in the greenhouse gas inventory, see: <https://www.epa.gov/energy/power-profiler#/RFCE>

Municipal Emissions by Sector

Rockville used ICLEI's ClearPath tool to estimate GHG emissions generated from municipal facilities and operations for fiscal year 2016 (July 1, 2015 through June 30, 2016) (Figure 9). The government analysis data was sorted into buildings/facilities, street and traffic lights, water and wastewater services and vehicle fleet. Data on employee commutes, process and fugitive emissions, and waste from city facilities was not available. While GHG emissions from local government operations represent approximately one percent of Rockville's total community emissions, the City has direct influence over these sources and the ability to 'lead by example'. Sectors contributing to municipal emissions include:

- **Buildings and facilities (41%):** City buildings, facilities and parks are the largest source of municipal GHG emissions through the use of electricity, natural gas and fuel oil for heating, cooling, lighting, and other purposes. City facilities include City Hall, Swim and Fitness Center, Senior Center, Police Station, Civic Center Complex, Public Works and Parks Maintenance Complex, and several community centers.
- **Water and wastewater services (23%):** The City provides drinking water and sewer services to 70 percent of the city. Approximately 23% of emissions are associated with electricity-intensive water treatment and pumping operations.
- **Fleet (22%):** Fuel (diesel and gasoline) consumed by a fleet of approximately 278 on-road vehicles and equipment accounted for approximately 22% of emissions. Police vehicles and refuse and recycling trucks account for most municipal fuel consumption.
- **Street and traffic signals (14%):** The electricity used to power approximately 6,573 municipal streetlights and 46 traffic signals accounts for 14% of emissions.

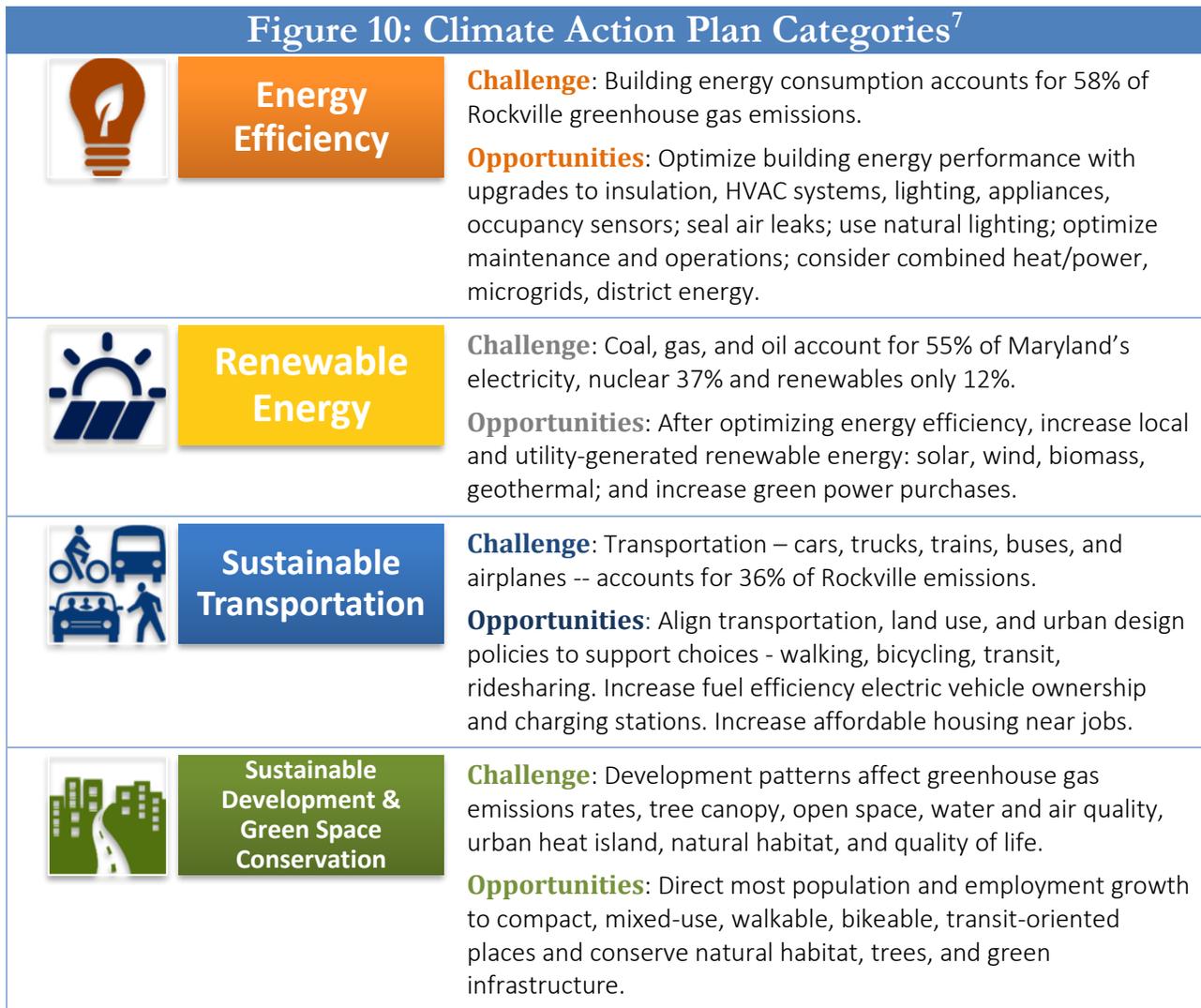
Figure 9: City of Rockville Municipal Emissions



VI. Summary of Rockville’s Climate Actions

Climate actions pose both challenges and opportunities across a range of sector categories, summarized in Figure 10.

Rockville and partners have already been working on many initiatives with climate and sustainability-related benefits. Figure 11 summarizes these existing programs, policies, plans, and accomplishments across the sector categories. Developing the Climate Action Plan will involve identifying gaps to build on this work. Figure 11 also provides an outlook on Rockville and Montgomery County potential and planned actions over the next year.



⁷ The climate action plan categories are derived from best practices and aligned with state and regional strategies, including COG’s *Regional Climate and Energy Action Plan*, and customized for Rockville.

	<p>Waste</p>	<p>Challenge: The production, consumption and disposal of goods and food contribute to the generation of greenhouse gas emissions (note: product cycle not included in greenhouse gas inventory except for landfill gas).</p> <p>Opportunities: Reduce waste and encourage sharing, re-use, recycling, composting, and the circular economy.</p>
	<p>Climate Resilience</p>	<p>Challenge: Heat waves, heavy downpours, and severe storms pose risks to health, businesses, infrastructure, the environment, supply chain, and services.</p> <p>Opportunities: Optimize drainage and absorption, improve emergency response, keep infrastructure in state of good repair, update continuity of operations plans. Consider climate resiliency when replacing/rehabilitating infrastructure.</p>
	<p>Equity, Health, & Clean Economy</p>	<p>Challenge: Some populations (youth, elderly, communities of color, disabled, low-income, first generation and foreign language speakers) may have less access to affordable green options, may experience increased exposure to climate risks, and a lowered capacity to bounce back in the event of natural hazards.</p> <p>Opportunities: Ensure eco-friendly housing, energy, green space and transportation choices are equitably available to residents and businesses. Build adaptive capacity by addressing chronic stressors. Increase opportunities for climate action planning to incorporate social equity, cultural sensitivity and community health considerations into program and policy decisions. Increase investment in the regional clean economy.</p>

Figure 11: Rockville Climate & Sustainability Accomplishments and Near-Term Outlook

Legend

CATEGORY	
1. Actions	
 = Actions that affect <u>municipal</u> operations and city facilities	 = Actions that affect Rockville homes, businesses, and the <u>community</u>
<i>Outlook: Near-term planned or expected actions by City, County, or COG.</i>	

ENERGY EFFICIENCY	
1. Analyze greenhouse gas emissions	
 Municipal inventory completed for years 2005, 2012, 2016	 Community inventory completed for years 2005, 2012, 2015, 2018
2. Develop city and community climate change, energy or sustainability plan	
 The City adopted a 15% energy efficiency goal, 20% renewable energy goal, and municipal energy plan in 2013 as part of the Maryland Smart Energy Communities program.	 The <i>Strategy for a Sustainable Rockville</i> (2007) includes several actions for reducing government emissions and promoting community sustainability.
 Staff participate in national, regional and County climate and sustainability policy committees and workgroups.	 The Sustainability Survey (2012) identified community priorities.
	 Rockville earned Sustainable Maryland Certification in 2012, 2015 and 2018.
	 Climate actions are proposed in the draft 2040 Master Plan.
<i>Outlook: Participating in National Community Energy Challenge benchmarking program in 2020. Develop Rockville Climate Action Plan 2020-2021. Re-certify Sustainable Maryland in 2021.</i>	
3. Track, benchmark and publicly disclose large building energy performance	
 The city uses ENERGY CAP and ENERGY STAR Portfolio Manager to track monthly energy data for all utility accounts.	 In 2016, the Mayor and Council amended the City Code to allow Montgomery County’s building energy benchmarking requirements to apply within the City. Approximately 150 non-residential properties greater than 50,000 square feet benchmark and report building energy performance.
 The City reports annual City Hall energy performance data to comply with Montgomery County energy benchmarking law.	
<i>Outlook: Montgomery County is updating their building energy benchmarking law to include a smaller size threshold and multifamily buildings.</i>	

Attachment 4.A.A: Attachment A: Roadmap to Develop CAP 9_21_2020 (3127 : Climate Action Plan Presentation)

4. Increase existing building energy efficiency. Conduct municipal building energy audits and install retrofits. Promote energy efficiency incentives for residences and businesses.

As an ENERGY STAR partner and a Maryland Smart Energy Community (MSEC), the City has implemented the following energy efficiency projects with a combination of MSEC grants, City funds, and Pepco rebates:

🏠 Three chillers, one air handler, LED lighting, and several appliance retrofits were completed at the F. Scott Fitzgerald Social Hall, Glenview Mansion, and Lincoln Park Community Center.

🏠 Fifteen programmable thermostats at 8 facilities.

🏠 Swim and Fitness Center/Welsh Park: North pool air handler/heat recovery; LED pool lighting and parking lot lighting; energy efficient lighting and plumbing fixtures in the locker room renovation.

🏠 Water Treatment Plant: Conducted energy audit to identify electrical system upgrades for consideration in an upcoming plant rehabilitation project.

🏠 The Facilities Division initiated a preventative HVAC maintenance program to improve efficiency.

🏠 The Police Station and Thomas Farm Community Center incorporated green building features in design and construction.

🏠 The City and Johnson Controls (JCI) entered into a Performance Contracting Partnership. In 2004, building performance energy audits of the Civic Center, Senior Center, Swim Center, Croydon Creek Nature Center, City Hall, Lincoln Park Community Center, Horners Lane Pump House, Water Treatment Plant, Theater & Social Hall, Redgate Clubhouse, Montrose, Rockcrest, and Gude were conducted. JCI completed construction on energy upgrades in 2005.

Outlook

- *The City plans to conduct an energy audit of City Hall to identify energy saving measures (funded FY21).*
- *The City was awarded a Maryland Smart Energy Communities grant to upgrade interior lighting at Lincoln Park Community Center. The project was completed in July.*
- *Montgomery County is considering Building Energy Performance Standards that will apply to existing commercial and multifamily buildings over a specified size and require improved energy performance.*

👥 The City coordinates with Montgomery County to hold free LED light bulb exchange outreach events for residents.

👥 The City promotes energy efficiency funding and incentive programs offered by Pepco, Washington Gas, the Maryland Energy Administration, Montgomery County Green Bank, and Montgomery County Property Assessed Clean Energy (C-PACE program)

👥 Rockville Community Services is coordinating with a non-profit (Blockchain Frontiers Foundation) and the Maryland Energy Administration to provide energy audits and efficient home improvements for low-to-moderate income Rockville residents. 22 homes have been assisted to date. The program received additional funding in 2020.

5. Implement green building codes for new buildings

 Chapter 5 of the City Code includes green building and energy efficiency code requirements that apply to city buildings and renovations.

 City staff are voting members of the International Code Council's building code development process. They participate in energy conservation and green building code development.



Rockville Green Building Regulations, which apply to residential and commercial new construction and major renovations, incorporate the 2015 International Green Construction Code and the 2018 International Energy Conservation Code.

Outlook: Montgomery County is considering updating their green building tax credit program to incentivize buildings that exceed code requirements; Rockville buildings are eligible for County tax credits.

6. Install combined heat and power, district energy, and microgrid systems



The City supported Pepco's proposal to pilot a microgrid in Rockville Town Center which would serve both private and municipal buildings. The Maryland Public Service Commission denied the initial proposal. Pepco has not indicated if they will resubmit a revised proposal.

Outlook: Montgomery County received an energy planning grant to consider multiple options including a microgrid or combined heat and power system to serve County facilities in the Rockville core.

7. Implement city sustainability and residential and commercial green engagement programs (i.e. green business or home challenges, awards, etc.).

 The City has a process to re-use unneeded office furniture, recycle un-used electronics, and is exploring paper-saving initiatives.



The City recognizes environmental achievements in the community through the annual Environmental Excellence Awards.



The City promotes Montgomery County's initiatives including Green Business Certification program and the Maryland Green Registry.



EMD staff work closely with PIO to conduct ongoing environmental outreach and communications through social media, Rockville Reports, Channel 11, and the Environment & Sustainability e-newsletter.

Outlook: Environmental Management is considering piloting a green business program for food-service establishments and automotive repair shops to recognize green practices.

The CAP will identify opportunities for interdepartmental sustainability/climate initiatives.

8. Upgrade to energy efficient outdoor lighting

 The City completed outdoor LED retrofits at Maryvale Park, Welsh Park/Swim & Fitness Center, City Hall, Lincoln Park Community Center and F. Scott Fitzgerald Theatre.

 The City replaced traffic lights and 185 streetlights with more efficient LED fixtures.

Outlook: The Maryland Energy Administration supported a preliminary analysis of retrofitting Rockville-owned and Pepco owned streetlights to LED. Additional coordination with Pepco is on-going for comprehensive LED streetlight retrofits (pending PSC approval).

RENEWABLE ENERGY

1. Promote incentives and financing mechanisms for on-site renewable energy and energy storage. Install renewable energy systems at city facilities.

-  A geothermal heating and cooling system is installed at the Thomas Farm Community Center.
-  In 2015, the City worked with EPA and a solar company to assess the feasibility of installing solar at City facilities. Unfortunately, there were several site-specific barriers that made installation economically unviable.

 Rockville has promoted the residential solar co-op opportunities, working with the County and a non-profit, in 2015, 2016, 2017, 2019, and 2020. The 2020 solar co-op included an electric vehicle charger option.

 Permits for solar installations total more than 500 in Rockville.

Outlook:

Staff is exploring the feasibility of installing solar at 6 Taft Court.

9. Increase green power purchasing, cooperative and aggregate purchasing. Join EPA Green Power Partnership for government and Green Power Community Partnership community-wide.

-  Rockville is an EPA Green Power Partner since 2011. The City continues to purchase wind renewable energy certificates (RECs) for 100% of municipal electricity consumption.

 In FY 2011, the Mayor and Council adopted a resolution to become a U.S. Environmental Protection Agency’s (EPA) Green Power Community.

 In 2020, the Rockville community purchased nearly 75,000,000 kWh of green power covering 8% of demand.

10. Support utility, state, and national-level renewable energy expansion policies including renewable portfolio standards

-  Rockville supports reasonable, cost effective State and Federal legislation on energy and sustainability. Rockville supported increasing Maryland’s Renewable Portfolio Standard (RPS) in 2016 through 2019.
-  In 2020, Rockville supported the Community Choice Energy Act.

 The Rockville Environment Commission provides recommendations to the Mayor and Council on legislative advocacy positions.

SUSTAINABLE TRANSPORTATION

11. Adopt policies, incentives and programs to facilitate alternative fuel vehicle adoption and charger installation.

-  Pepco installed 1 DC Fast Charger and 2 Level 2 charger stations at Thomas Farm Community Center.
-  City Hall features an electric charging station with two chargers to serve the fleet.
-  The City fleet includes a Nissan Leaf, a hybrid, and recently switched from a 15-year vehicle replacement cycle to a 5-year lease cycle to provide additional fuel efficiency and safety measures.

-  Building codes include measures to encourage zero emission vehicles.
-  Maryland provides incentives for EV charging stations and electric vehicles. Draft strategies are proposed in the 2040 Comprehensive Master Plan.
-  A dozen public charging stations are in Rockville.
-  Two private compressed natural gas fueling stations are located near Rockville.

Outlook: The City and Pepco are evaluating other options to expand the EV charging network.

12. Encourage city employees and residents to take alternative commute options and to help employers offer alternative commute options to workers.

-  The City has telework, flex time and alternative work schedule options and encourages carpooling, biking, and walking.

-  Regional programs available in Rockville include COG's Commuter Connections services and Montgomery County Department of Transportation's Commuter Services.

13. Adopt a bicycle and pedestrian plan that works towards convenience, accessibility, and an interconnected system.

-  Bike lockers and changing areas are available at City Hall and various community facilities.

-  The City of Rockville is committed to encouraging bicycling for all residents of Rockville through education, infrastructure, and outreach.
-  The League of American Bicyclists recognized Rockville as a Bronze-level Bicycle Friendly Community by in 2016.
-  There are 34.3 miles of shared-use paths, 33.5 miles of shared use roads within Rockville.
-  The 2017 Bikeway Master Plan proposes an additional 21.9 mi. dedicated bikeways and 19.1 mi. shared roadways.

Outlook: The Vision Zero initiative aims to further increase bicycle and pedestrian safety.

14. Improve transit services and increase capacity (e.g. commuter bus service, real-time information, bus rapid transit) to accommodate growth around rail stations and other activity centers. Ensure access for youth, elderly, disabled, ESL, low-income populations.

 The City supports transit enhancements at the county and state level.

 The City supports Montgomery County and MTA Bus Rapid Transit initiatives and accommodates proposed routes in its Master Plans.

 The City allocates capital improvement funds toward needed transit, bicycle, and pedestrian infrastructure.



The City of Rockville does not operate its own transit system. Various transit agencies operate routes within the City, including WMATA, Montgomery County RideOn, MARC, Amtrak, King Farm Shuttle, Rockville Senior Services, etc.

15. Implement green fleet strategy.

 The City fleet is piloting one electric and one hybrid vehicle.

Outlook: The City is evaluating green fleet options under a new lease framework that reduces vehicle replacement cycles from 15 years to 5 years.

16. Enforce anti-idling policies for public fleets and off-road equipment.



Maryland has an anti-idling law that prohibits vehicle idling for more than five minutes, with some exceptions. The State law applies within Rockville. The fine for violation of this provision is up to \$500.

SUSTAINABLE DEVELOPMENT & GREEN SPACE CONSERVATION

17. Incentivize green roofs and other green infrastructure. Install green roof(s) on government property.

 Rockville Police Headquarters features a green roof.

 Rockville's Rainscapes Rewards program provides education and financial incentives to homes, neighborhoods and organizations for tree planting, conservation landscaping, rain barrels and pavement removal.

 Rockville developed a drainage manual to assist property owners in developing sound site stormwater practices.

18. Update comprehensive and small area land use plans, zoning, and urban design guidelines to allow for greater concentration of growth in activity centers that are walkable, mixed use, mixed income, and transit-oriented.

 The Land Use Element of the Comprehensive Master Plan promotes walkable, higher density, mixed use, mixed income and/or transit-oriented development in activity centers, such as Rockville Town Center and the Twinbrook Metro Station.

 The City commissioned a report from Urban Land Institute, completed in 2019, that recommends strategies for revitalizing Town Center.

19. Implement plan(s) to preserve and enhance ecologically valuable green spaces. Restore and manage natural ecosystem functions to increase capacity to adapt to a changing climate.

 Rockville's extensive parks and open space include over 905 acres of parkland in 65 parks.

 The Parks, Recreation and Open Space (PROS) Plan includes a variety of goals for increasing greenspace access and better serving Rockville's diverse community.

 The 2002 Comprehensive Master Plan includes a policy to pursue sustainable practices to protect environmental quality and natural resources for the use of present and future generations.

Outlook: The 2040 Comprehensive Plan includes a recommendation for an Open Space Management Plan.

20. Obtain and maintain Tree City USA designation. Maximize tree canopy on public property. Engage the community on tree planting.

 The City seeks to maintain tree canopy, managing over 28,000 street trees and more than 323 acres of parkland designated as Forest Preserve.

 The City has been named a Tree City USA by the Arbor Day Foundation for 30 consecutive years (1990-present).

 Tree canopy covers 50% of Rockville land area as of 2014, when the most recent analysis was conducted.

 In 2019, the City distributed 300 trees to residents to encourage tree planting.

 Rockville's Rainscapes Rewards program provides education and financial incentives to homes, neighborhoods and organizations for tree planting

 The city's Environment & Sustainability e-newsletter includes tree planting and maintenance tips.

Outlook: The City's Earth Month activities include a tree give-away event planned for the fall, 2020).

21. Require and incentivize tree protection for new development and retrofits as part of the development review process. Expand the responsibility of developers to plant or maintain trees over time.

 The Sediment Control and Stormwater Management Regulations requires environmental site design to the maximum extent practicable.

 Rockville's Forest and Tree Protection Ordinance, Street Tree Master Plan, and Landscape, Screening and Development Manual promote planting and care of trees.

 As part of the development review process, the Forest and Tree Protection Ordinance requires forest and tree protection, planting and maintenance requirements.

WASTE

22. Adopt environmentally preferred purchasing policy

 Chapter 17 of the City Code, Purchasing, was amended in 2011 to include provisions for environmentally preferable purchasing and life-cycle cost and bid award based on best value.

Outlook: The next step would be to develop environmental purchasing procedures and guidelines.

23. Adopt and enforce recycling requirements for businesses. Adopt a construction and demolition recycling policy or guidelines.

 Rockville's facilities and offices offer recycling services to employees and visitors.

 Multi-family properties, businesses and organizations are required to recycle. The program is administered by Montgomery County.

 Rockville's Green Building Regulations require construction and demolition waste management plans with the goals to reduce and recycle construction waste.

24. Implement residential and commercial organics collections, including food composting and recovery initiatives.

 The City's Recycling and Refuse program collects yard waste for composting at Dickerson.

Outlook: The City is examining options for curbside or drop-off food waste composting collections.

25. Support community activities that promote repair, reuse, reduce, and sharing opportunities.

 Community events, such as the Lincoln Park community yard sale, promote sharing opportunities.

26. Implement bans or fees on single use products which are not readily recyclable.

 A plastic bag fee, polystyrene ban, and straw ban apply in Rockville.

CLIMATE RESILIENCE

27. Assess community vulnerabilities (social, environmental, economic, public health) to climate impacts. Adopt climate adaptation/resiliency plan, policies or initiatives.

 Initial policies are included in the Draft 2040 Comprehensive Master Plan.

 Climate adaptation strategies are anticipated to be included in the upcoming Climate Action Plan.

Outlook: Participate in water treatment plant resilience plan 2020-2021. Complete a climate vulnerability screen with cross-sector input as part of the CAP.

28. Assess climate vulnerability of critical infrastructure (transportation, communication, energy utility, drinking water, wastewater and stormwater facilities). Implement needed protection measures.

 The City has conducted several assessments to ensure continued performance of essential functions under a broad range of circumstances for the Water Treatment Plant and delivery system, a Debris Management Plan, an Emergency Operations Plan, and a Continuity of Operations Plan.

Outlook: The next step would be to assess any changes needed considering the recent weather patterns and projections.

29. Update zoning, building codes, ordinances, and the development review process to ensure new development is more resilient to local climate impacts.

 The adopted 2015 International Green Construction Code contains some provisions that enable buildings to be more resilient.

Outlook: Climate adaptation strategies will be included in the upcoming Climate Action Plan.

EQUITY, HEALTH, AND THE CLEAN ECONOMY

30. Direct energy, green building, and sustainability services towards underserved populations.

 Rockville leadership prioritizes diversity and engagement through such events as the Diversity Town Hall, held in 2017. Rockville Community Services provides and partners with a variety of organizations to aid and support to all members of the community through affordable housing, lower fees on parks and recreation, utility bill assistance, and environmental services.

 Rockville Community Services is coordinating with a non-profit and the Maryland Energy Administration to provide energy audits and efficient home improvements for low-to-moderate income Rockville residents. 22 homes have been assisted to date.

31. Update economic development workforce plans/strategies to incorporate strategies to support emerging green or clean tech industries.

 Rockville Economic Development, Inc. (REDI) was formed in 1997 as a 501(c)(3) by the City of Rockville to proactively support existing industry and attract new businesses to the city.

VII. Community Engagement Approach

Municipal operations account for less than one percent of Rockville's total community emissions. The remainder comes from sources such as private commercial and residential buildings and transportation where success depends on community buy-in and participation. Therefore, plan development requires coordination among community stakeholders to identify needs and goals and prioritize actions that are desirable and practical for those individuals and entities involved in implementation. Community engagement should build on the 2040 Master Plan environment element stakeholder engagement process and capitalize on existing Boards and Commissions.

Mayor and Council feedback on Figure 12 (following page), the community engagement approach, is requested. Outreach can occur virtually if necessary due to COVID-19 restrictions. Any additional elements added to the approach below will require additional resources or time.

Figure 12: Community Engagement

Element	Tentative Timeline	Details	Purpose
Boards and Commissions Engagement	<ul style="list-style-type: none"> June to November 2020 (depending on available meeting dates) Spring 2021 draft plan for feedback 	<p>Presentation and consultation with Environment Commission (lead) and additional Boards and Commissions as directed.</p> <p>Proposed: Recreation and Parks Advisory Board, Planning Commission, Human Services Advisory Commission, Traffic and Transportation, REDI</p>	<ul style="list-style-type: none"> Consult existing boards and commissions on the topics related to their expertise. Provide opportunities for broad involvement and informative discussions with current volunteers.
Online Public Surveys	September through November 2020	<p>Develop online survey. Promote electronically, in Rockville Report, social media and neighborhood listservs.</p> <p>Survey is posted on Rockville website project page: www.rockvillemd.gov/climate</p>	<ul style="list-style-type: none"> Collect input on climate actions from a wide variety of community stakeholders. One-way tool collects input on focused questions quickly at participant's convenience.
Climate Action Plan Virtual Open House <i>(similar to CMP Listening Sessions and Bikeway Master Plan)</i>	November 2020	<p>Present background and initial policy areas for input. Opportunity for stakeholder questions, considerations, and ideas.</p>	<ul style="list-style-type: none"> An open house meeting provides opportunities for education, Q&A, and background to assist in completing survey and submitting comments. Planned to be held virtually. Gauge level of community interest in additional public meetings or topics.
Staff Engagement	September through December 2020	Meetings with various departments on sustainability and resilience	<ul style="list-style-type: none"> Required for effective plan development and implementation. Promotes consistency in program implementation.
Mayor and Council	<ul style="list-style-type: none"> September 2020 July 2021 	<ul style="list-style-type: none"> Work session for early guidance Draft plan presentation 	<ul style="list-style-type: none"> Provide guidance on plan process and expectations Provide high level direction-setting

VIII. Prioritization Criteria

Rockville's Climate Action Plan will likely incorporate a focused slate of strategies that draw from best practices and is right-sized for Rockville. A transparent and systematic process will be needed to prioritize community needs and identify actionable solutions for investment. Regional plans have identified many possibilities. For example, COG reviewed best practices across the country and compiled a list of 125 voluntary local government climate actions in their 2017-2020 Regional Climate and Energy Action Plan (www.mwcog.org/documents/2017/03/23/regional-climate-and-energy-action-plan-climate--energy-climate-change-energy/). Montgomery County recently lead a community engagement effort that generated more than 850 potential climate actions for consideration (www.montgomerycountymd.gov/green/climate/climate-action-planning.html).

Some actions will be more obvious in their status as 'low-hanging fruit' – actions that will quickly pay for themselves in energy savings and community co-benefits, are straight-forward to implement, and have broad support, and may have existing funding sources, such as tree planting, energy-efficient lighting, and installing solar on rooftops. For more complex or new policies, some communities systematically prioritize actions based on qualitative and quantitative criteria. Examples of these prioritization criteria are summarized in Figure 13.

Option/Criteria	Description
1) Effectiveness	<ul style="list-style-type: none"> - Potential to reduce greenhouse gas emissions and conserve energy, increase energy efficiency, and increase renewable energy. - Potential to improve resiliency.
2) Cost	<ul style="list-style-type: none"> - Availability of existing funding sources, financing, incentives or partnerships. - Initial cost and savings over time to City or to other stakeholders. - Payback period for return on investment. - Potential to reduce future costs.
3) Feasibility	<ul style="list-style-type: none"> - Degree of City control to implement action. - Staff time and resources required. - Degree of stakeholder support. - Amount of time needed to implement and achieve results.
4) Health & Equity	<ul style="list-style-type: none"> - Potential to reduce pollution, exposure to harmful climate extremes, and disease vectors. - How does the action affect disadvantaged members of the community (children, seniors, second language, disabled, low-income, people of color) in the form of job creation, costs, savings, resiliency, and other opportunities? - Potential to advance equity and reduce disparities.
5) Co-benefits	<ul style="list-style-type: none"> - Potential to support other City goals and objectives (e.g., reducing waste, improving quality of life, economic development, public safety, Vision Zero transportation initiative, comprehensive plan, environmental restoration, reduced crime, and improved facilities, infrastructure, education, operations and service delivery, etc.). - Potential to reduce O&M needs and improve worker health and safety.

IX. Action Assessment

The City will work with the consultant to assess the costs and benefits of various greenhouse gas reduction strategies to assist the Mayor and Council, senior leadership, and the community to evaluate and prioritize actions for future policies, programs and projects. For a subset of up to twenty mitigation actions, a consultant will quantify potential emissions reductions to 2050, estimate associated costs/savings and assess the prioritization criteria previously described in Figure 13. The analysis will quantify state and regional contributions to Rockville's reduction goals. **Figure 14 summarizes examples of key climate actions proposed for the consultant's quantitative and qualitative analysis, subject to Mayor and Council guidance.**

Figure 14: Action Options for Cost/Benefit Assessment	
Community Actions	
1.	Aggregate green power purchase
2.	Solar photovoltaic program
3.	Commercial building energy retrofits
4.	Residential building energy retrofits
5.	Community electric vehicle adoption (vehicles and charging station network)
6.	Increased solid waste diversion (food waste, recycling, etc.)
7.	Increased tree planting
8.	Bicycle and pedestrian infrastructure and safety
9.	Mixed-use and transit-oriented development
10.	Increase energy efficiency requirements for new buildings
City Action for Municipal Operations	
11.	Upgrade streetlights to energy efficient light emitting diodes (LED)
12.	Greening the City fleet
13.	Increase energy efficiency of City facilities and utilities
14.	Increase onsite renewable energy generation

X. Next Steps

Rockville has completed much of the foundational work needed to develop a Climate Action Plan, including a greenhouse gas inventory, initial climate impacts assessment, and inventory of current actions. Deeper analysis of several promising strategies, along with stakeholder engagement and City leadership guidance, will identify common sense approaches and cutting-edge policies that Rockville's local government is uniquely positioned to implement – such as actions that can reduce community energy use and waste, create local employment opportunities, improve air quality, protect local landscapes, reduce risks to people and property, and benefit Rockville for years to come. The draft Rockville Climate Action Plan will guide the City's priorities and facilitate implementation by assisting in identifying the partners, financing and resource options, and timeline.

Rockville's Environment Commission provided initial positive feedback at their June 4 meeting. Next, based on Mayor and Council feedback and questions, staff will continue stakeholder engagement, continue the climate resiliency screening process, and begin to coordinate with the consultant to conduct the cost-benefit analysis. Community engagement, including a survey which opened in September, Boards and Commissions briefings, and a virtual Open House, are planned through December 2020. A draft plan for stakeholder feedback is anticipated in Spring 2021 with the goal of presenting the draft plan to the Mayor and Council in summer 2021. Project information and updates will be posted on a project page on the City website and announced through various communication channels including the Environment & Sustainability newsletter list.

Addendum: Climate Action Plan Development Stakeholder Feedback Tracker

Updated 6/22/2020

Date	Reviewed by	Comments Summary
6/4/2020	Environment Commission	<p data-bbox="701 346 1390 470">Positive feedback on information presented and encouraged by the progress on the plan, which has roots in the 2040 Master Plan that many contributed to including the Environment Commission.</p> <p data-bbox="701 491 1318 558">Recommends the city consider the societal benefits of reducing carbon pollution as it prioritizes actions.</p>



Mayor & Council Meeting Date: September 21, 2020
Agenda Item Type: Work Session
Department: Finance
Responsible Staff: Stacey Webster

Subject

FY 2021 Revenue and Expenditure Update and Savings Plan Scenarios

Recommendation

Staff recommends that the Mayor and Council review staff's budget update and summary of strategic recommendations and offer guidance as needed.

Discussion

Background

The COVID-19 pandemic has impacted all levels of government, non-profit organizations, and private businesses, as well as individuals, families, and the general Rockville community. Due to the financial pressures on the Rockville community as a result of the pandemic, the Mayor and Council adopted the FY 2021 budget with no increases in real or personal property tax rates, and no increases in the City's utility rates. Several of Rockville's major revenue sources have been or will be impacted by the pandemic. Due to the decreases in some of the City's revenue sources in FY 2020 and estimated for FY 2021, the FY 2021 adopted budget represents a current services budget with minimal capacity for new items or priorities.

A key Financial Management Policy that helps to protect the City's financial position and allows for the continuation of City services during times of economic uncertainty is the Policy to maintain at least a 20 percent General Fund unassigned reserve balance. Preliminary results show that the General Fund will exceed the 20 percent reserve target by at least \$4 to \$5 million at the close of FY 2020. In addition to the \$4 to \$5 million, the FY 2021 adopted budget includes a \$970,000 addition to reserves which reinforces the City's budgetary strength in the current environment.

In addition to the safety provided by the reserves in the General Fund, the City has additional reserves in other governmental funds. The Capital Projects Fund maintains a large cash balance from year-to-year and is adequately funded to support all current capital projects, and the Debt Service Fund is balanced over a five-year period to ensure there is sufficient financial capacity to pay all outstanding principal and interest payments. Unlike many other jurisdictions, the City does not have volatile revenues (like sales tax) or cash flow concerns (due to adequate

reserves), and therefore the City does not need to rely on short-term financing vehicles during this time of economic uncertainty.

Although staff is concerned about the long-term financial unknowns related to the COVID-19 pandemic, the City's conservative Financial Management Policies, experienced Finance team, demographic of the city's population, manageable fixed costs, and ample reserve levels offer multiple layers of protection to mitigate the risks related to the economic uncertainty.

FY 2021 First Quarter Impacts

Through mid-September, staff has analyzed FY 2021 revenues and expenditures to determine if there are variances between the FY 2021 adopted budget and current actuals to date. The most significant variances from the adopted budget are in the Department of Recreation and Parks. Staff estimates that revenue from the Department of Recreation and Parks will be under budget by \$1.7 million for the first quarter of FY 2021 due to reduced programming, closed facilities, and limited recreation center capacity. Some of these revenue losses will be offset by a reduction in cost of \$1 million in related contract and temporary personnel and operating expenditures. Staff will continue to monitor all recreation programs and services on a quarterly basis, and will ask the Mayor and Council to adjust the budget if/when needed throughout the fiscal year. The first quarter reductions will be presented to the Mayor and Council via the first budget amendment in October.

In order to offset the additional \$0.7 million difference between the Department of Recreation and Parks' revenue and expenditures, staff will add \$324,000 in one-time building rental revenue from Montgomery County for the extension of the lease for 6 Taft Court to the October budget amendment. Staff will also add \$400,000 in Highway User Revenue (HUR) to match the Maryland Department of Transportation's (MDOT) latest estimate (note: the budget includes \$2.1 million for HUR and MDOT's latest estimate equals \$2.5 million).

Another important piece of information that staff was waiting on was the outcome of the State's Board of Public Works meeting that was held on August 12, 2020. There were no changes to the City's revenue estimates as a result of this meeting. City staff, with assistance from MML, will continue to follow their meeting schedule and notify the Mayor and Council of any changes in the future.

The First Quarter FY 2021 Financial Report is scheduled to be presented to the Mayor and Council on December 7, 2020. This report will show actual expenditures and revenues for the first quarter compared to the adopted budget. The First Quarter Financial Report will also include an update on the use of General Fund contingency and the amount of unspent personnel funding for the first quarter.

Summary of Strategies

The City has multiple layers of protection that will help offset any further revenue reductions or expenditure increases during FY 2021 and future years. Staff recommends the strategies summarized in TABLE 1 versus across-the-board budget reductions for departments because

those types of reductions are non-strategic, they reduce flexibility, they are unrelated to priority and service provisions, and they are inequitable for departments with smaller operating budgets. In fact, most discretionary departmental operating spending was reduced during the final stages of the FY 2021 budget process. Moving forward in FY 2021, staff will continue to monitor actual revenues receipts, expenditures, and new information from outside funding sources and, if needed, recommend that the Mayor and Council amend the budget utilizing one or more of the strategies outlined in TABLE 1.

TABLE 1

Strategies for FY 2021		
Strategy	Value	% of Adopted Budget
#1 - Use of COVID-19 Reimbursements	Up to \$1.1 million	1.3%
#2 - Use of Adopted Addition to Reserves	\$970,000	1.1%
#3 - Use of Reserves Above the 20 Percent Target	\$4 to \$5 million	4.7 to 5.9%
#4 - Reappropriation of Unspent Personnel Funds	\$400,000*	0.5%
#5 - Use of Contingency	\$283,000	0.3%
#6 - Issuance of New Money Bonds	\$2 to \$3 million	2.4 to 3.5%
TOTAL	\$8.8 to \$10.8 million	10.4 to 12.6%

* Assumes \$100,000 in net savings per quarter.

Strategies for FY 2022 and Future Years	
#7 - Eliminate Vacant Positions	If there is interest in one or more of these strategies staff will bring back additional information during the FY 2022 budget process.
#8 - Eliminate Steps and Merits for all Employees	
#9 - Eliminate Cost of Living Adjustments for all Employees	
#10 - Modify the City's Health Insurance Cost Share	
#11 - Modify the Employee Normal Contribution Rates for Pension Fund	
#12 - Implement Supplemental Employee Contributions for Pension Fund	
#13 - Reduce Use of Temporary Employees and Non-Emergency Overtime	
#14 - Increase Non-Resident Fees for City Programs	
#15 - Reduce In-Person Operating Services by Adjusting Facility Hours	
#16 - Eliminate or Reduce Duplicate Services	
#17 - Reduce Level of Capital Maintenance for Recurring CIP Projects	
#18 - Review Level of Support for Outside and Caregiver Agencies	
#19 - Increase Parking Related Fees, Charges, and Fines	
#20 - Look for Opportunities to Refinance Existing Debt	

Description of Strategies for FY 2021

Described here are six immediate areas that staff will consider if revenues and/or expenditures vary from the adopted budget throughout the remainder of FY 2021:

- #1 - Recognition of reimbursement revenue from FEMA and Montgomery County (CARES Act) for COVID-19 related expenditures. Although the FY 2021 budget does not depend on the COVID-19 reimbursements, staff can use the reimbursements to offset any additional revenue decreases or to fund unbudgeted expenditures during FY 2021. For context, the City submitted approximately \$255,000 to FEMA for reimbursement of expenditures associated with the purchase of personal protective equipment, supplies, and services needed to maintain City operations while adhering to CDC and State-issued guidelines (note: up to a maximum of 75 percent will be reimbursed). The City also submitted \$880,000 to Montgomery County for municipal aid from the Coronavirus Relief Fund. The \$880,000 includes expenditures related to improving telework capabilities and premium pay for community specific operations. To date, neither agency has provided formal approval or reimbursement for amounts submitted by the City. Staff is actively working with agency representatives and hope to have final determinations and approvals in the next few weeks.
- #2 - Use of the adopted addition to General fund reserves. Staff recommends utilizing the \$970,000 in budget capacity that was adopted in FY 2021 as an addition to reserves. As previously reported, the General Fund ended FY 2020 in a solid position and will far exceed the reserve target of 20 percent. If revenues come in lower or expenditures are higher due to the impacts of COVID-19, then staff recommends balancing with the \$970,000, which represents 1.1 percent of the adopted budget.
- #3 - Use of General Fund unassigned fund balance above the 20 percent reserve target. This value will likely range from \$4 to \$5 million, or 4.7 to 5.9 percent of the adopted budget. By formal policy, these funds can be used for one-time operating or capital needs.
- #4 - Use of unspent personnel funds. Staff will report on the total amount of unspent personnel funds each quarter on the financial report. As in past years, these funds are first used to backfill for vacant positions and for employee leave payouts upon departure, and then can be used for other needs as identified by staff and reported to the Mayor and Council. For context, the unspent personnel funds from FY 2020 were used to support approximately \$763,000 in General Fund premium pay expenditures related to the COVID-19 pandemic. Historically, quarterly net unspent personnel funds have averaged approximately \$100,000 per quarter (gross unspent personnel funds have averaged \$337,000 per quarter for the last two years).
- #5 - Use of contingency in the General Fund. The contingency account was adopted at \$310,000. As of this report, the City Manager has allocated \$27,000 of those funds for unbudgeted needs during the first quarter. The City's formal policies states that the "account will be made available for unanticipated, unbudgeted expenditures of a non-recurring nature and/or unexpected cost increases that require the City Manager's approval. All spending from the contingency account shall be reported to the Mayor and

Council.” Staff generally reserves most of these funds until the second half of the fiscal year in case additional funds are needed for snow and ice removal.

- #6 - Use of new money bonds to support future capital projects. Utilizing a debt strategy would reduce the paygo transfer and make available General Fund appropriations in FY 2021. For context, the current capital budget assumes only one new bond issue of \$7.9 million in FY 2024 for the Outdoor Recreation Pool Renovations (RC18) project. While staff does not recommend significantly increasing the total taxpayer supported debt, one more bond issue in the range of \$2 to \$3 million for a qualified capital project, or 2.4 to 3.5 percent of the adopted budget, could aid the General fund, if needed, during this uncertain time. On average, \$1 million in bonds costs the City \$69,000 per year for 20 years in debt service.

Description of Strategies for FY 2022 and Future Years

For FY 2022 and future years, staff is concerned that revenues will be slow to recover and that an enhanced General Fund expenditure reduction strategy will be needed. In addition to Strategy #1 through #6 in TABLE 1, staff could consider the following options in order to balance the FY 2022 and future years budget. Utilizing one or more of these options will help to minimize the need for employee furloughs and layoffs in FY 2022 and future years. Some of these strategies are policy-based and some are administrative or operational. Also, some of these strategies could be considered temporary, while others would be permanent. If there is interest in one or more of these strategies, staff will bring back additional information, including financial estimates from staff, the City’s insurance broker, or the City’s actuary, during the FY 2022 budget process.

- #7 - Eliminate vacant positions. At the end of the FY 2021 budget process, the Mayor and Council directed the unfunding (or freezing) of 6.0 full-time equivalent (FTE) positions to help balance the budget. The City Manager continues to review all vacant positions and only positions that are deemed essential are permitted to be recruited. Staff recommends reviewing all vacant positions during FY 2021 and will consider eliminating non-essential positions during the FY 2022 budget process.
- #8 - Eliminate steps and merits. Similar to FY 2021, staff and the Mayor and Council may consider eliminating in FY 2022 the merit and step pay increases for all regular employees. For FY 2021, this equaled a savings of approximately \$700,000 for the General Fund. The City used this strategy after the last recession by eliminating merits and steps from FY 2011 through FY 2016. This strategy helps both the current budget year and future fiscal years by reducing the compounding factor of base wages.
- #9 - Eliminate cost of living adjustments. Staff and the Mayor and Council may want to consider eliminating a cost of living adjustment (COLA) for FY 2022. For FY 2021, all regular employees under the department director level received a 1 percent cost of living adjustment. This totaled approximately \$350,000 for the General Fund. The city

did not provide a cost of living adjustment to employees in FY 2011 due to the revenue constraints associated with the recession. Similar to eliminating merits and steps, this strategy helps both the current budget year and future fiscal years by reducing the compounding factor of base wages.

- #10 - Modify the City's health insurance cost share. Currently, the City shares the cost of health insurance with employees by paying 80 percent of the lowest cost plan while the employees pay the remainder. In addition, the City further subsidizes employees' health costs by contributing \$416 or \$516 per year if the employee successfully completes a voluntary health assessment. Staff could re-evaluate these cost share amounts with the goal of reducing the City's overall benefit expenditure. For context, the total General Fund cost for City-provided health insurance for FY 2021 equals \$3.5 million.
- #11 - Modify the Pension Plan normal contribution rates for City employees. The current employee contribution rates equal 1 percent for administrative employees, zero percent for union employees, and 8.5 percent for Police (note: Police is higher because they do not participate in the Thrift plan and their pension benefit is more generous). The Mayor and Council may want to consider increasing the normal contribution rates in order to reduce the City's annual contribution, while more equitably spreading costs.
- #12 - Another option for the Pension Plan is to implement the Supplemental Employee Contributions (SEC). This topic was last discussed by the Mayor and Council in September 2019. For background, there is a provision in the City's Pension Plan, Section 3.1, that allows the City to impose variable contributions by way of a SEC if a certain threshold is met. Section 3.1 of the Plan states, "As of any July 1, if the City contribution to the Defined Benefit Option of the Plan exceeds 6.5% of the Earnings of the Employees who are participating under the Defined Benefit Option as of such July 1, the City, in its discretion, reserves the right to impose a 'Supplemental Employee Contribution' for the applicable fiscal year. This Supplemental Employee Contribution shall be no more than 50% of the excess of such City contribution over 6.5% of such Earnings and shall be treated as a contribution to the Defined Benefit Option."
- #13 - Analyze and modify use of temporary employees and non-emergency overtime. Temporary wages and overtime are a significant part of the City's General Fund personnel budget. For FY 2021, overtime and temporary wages made up almost 9 percent of all personnel expenditures. During the FY 2022 budget process, staff could consider reducing the use of temporary employees and non-emergency overtime and utilizing permanent positions by modifying schedules or responsibilities in order to reduce overall personnel spending. If interested, the Mayor and Council could consider utilizing the \$30,000 that is in the FY 2021 budget for an audit of the City's use of non-emergency overtime and temporary employees with the goal of reducing expenditures and improving efficiencies.

- #14 - Increase non-resident fees for City programs. In order to improve cost recovery and reduce taxpayer support, the Mayor and Council and staff could consider raising the non-resident fees for all Rockville programs. Approximately one-third of all recreation program participants are non-residents. Non-resident fees are usually higher than resident fees, but not by a significant amount. It should be noted that simply raising non-resident fees may not automatically equate to increased revenue, as those participants may be driven elsewhere in the market by the increase in cost. Staff will consider increasing the non-resident fees for programs that are more focused on individual benefit versus community benefit as defined by the City's Financial Management Policies.
- #15 - Reduce the City's in-person operating services by adjusting the number of hours public facilities (City Hall and recreation centers) are open. The City could achieve some expenditure savings in areas like temporary employee wages and building utilities.
- #16 - Staff could review all services provided by other levels of government or the private sector and consider eliminating or reducing the duplicated services.
- #17 - Reduce level of capital maintenance for recurring taxpayer supported capital projects. The capital budget contains both non-recurring and recurring capital projects. Recurring CIP projects, which involve ongoing major improvements, rehabilitation, or repairs, are budgeted in five-year increments. These projects are identified in the capital budget by the inclusion of a five-year time frame in their project name (for example, Asphalt/Concrete Improvements: FY21-FY25). For the FY 2022 budget process, staff and the Mayor and Council may want to evaluate the service or maintenance levels of these projects and reduce those levels until the City's revenue outlook improves. Reducing service levels could make available \$100,000's in taxpayer funds without a significant impact on the community.
- #18 - Review level of support for City caregiver and outside agencies. Over the years the total taxpayer-supported contributions to outside and caregiver agencies has increased substantially. For FY 2021, the total appropriation for outside and caregiver agencies (including Rockville Economic Development, Inc.) equals \$2.3 million. The Mayor and Council may want to re-evaluate the total amount of the City's support for these agencies given the potential for a constrained revenue environment.
- #19 - Increase parking related fees, charges and fines. Each year, Rockville taxpayers support the parking enterprise through a General Fund transfer. The General Fund transfer has ranged from \$500,000 to \$1.3 million each year since FY 2007. It is anticipated that the transfer will be needed until the parking garage debt is paid off in

FY 2036. Moving forward, the Mayor and Council and staff could consider raising parking fees, charges, and fines in order to reduce the amount of the General Fund transfer. Reducing the transfer would free up General Fund cash to be used for other personnel expenditures, operating activities, or capital projects.

- #20 - Look for opportunities to refinance existing debt. The City’s Finance staff and municipal advisor frequently evaluate the City’s current debt for refinancing opportunities. Although most of the City’s outstanding debt has been refinanced at least once, there might be additional opportunities to take advantage of even lower rates (taxable and tax-exempt) given the current economic environment. The next refinancing will take place on September 22, 2020, and will benefit the Water, Sewer, Stormwater Management, and Debt Service funds. In practice, refinancings reduce the total amount of principal and interest payments that are due over the remaining life of the bonds.

Budget Review Tools

In July 2020, in response to a request made by the Mayor and Council, staff sent a memorandum that explains the tools and methods that Finance staff use to estimate the revenue and expenditure budgets. Attached is the memorandum that was emailed to the Mayor and Council (Attachment A).

Major Upcoming Budget Actions

The first budget amendment for FY 2021 is scheduled for October 26, 2020. This amendment will address the changes in revenues and expenditures from the first quarter. This amendment will also include the appropriation for the purchase orders that automatically carry into FY 2021 and the recognition of any new grant revenue or COVID-19 reimbursements.

Mayor and Council History

This item was prepared in response to a request from the Mayor and Council for more information on the status of the General Fund as it relates to the current and future revenue and expenditure impacts as a result of the COVID-19 pandemic.

Fiscal Impact

This item offers potential suggestions for managing revenue reductions or expenditure increases as a result of the COVID-19 pandemic. TABLE 1 provides a summary of staff recommendations that, if or when needed, will be presented to the Mayor and Council in the form of a future budget amendment. The information contained in this item may also be used to help staff develop the FY 2022 proposed budget.

Next Steps

The following table shows the budget related items through the end of the calendar year.

Meeting	Date
FY 2020 Fourth Quarter Financial Report	October 26, 2020

FY 2021 Budget Amendment (Amendment #1)	October 26, 2020
FY 2022 Budget Public Hearing	October 26, 2020
Presentation on Proposed Water and Sewer Rate Structure	November 2, 2020
Public Hearing on Proposed Water and Sewer Rate Structure	November 9, 2020
FY 2022 Budget Worksession (Calendar, Survey, Preview)	November 9, 2020
FY 2020 Comprehensive Annual Financial Reports	December 7, 2020
FY 2020 Popular Annual Financial Reports	December 7, 2020
FY 2021 First Quarter Financial Report	December 7, 2020
Discussion and Possible Approval of Proposed Water and Sewer Rate Structure	December 7, 2020
FY 2022 Budget Priorities and Survey Results	December 7, 2020

Attachments

Attachment 5.A.a: BudgetTools_M&C (PDF)



Rob DiSpirito, City Manager

9/16/2020



MEMORANDUM

July 8, 2020

TO: Mayor and Council

FROM: Stacey Webster, Deputy Director of Finance
VIA: Gavin Cohen, Director of Finance

SUBJECT: Budget Review Tools

This memorandum is in response to a request made by Councilmember Pierzchala at the July 6, 2020, Mayor and Council meeting for more information on the tools the city's Finance Department uses to understand the current and projected status of the General Fund revenues and expenditures.

Finance staff strive to be strategic and thorough with research and projections in order to provide good information and analysis as a basis for decision making. This helps to mitigate financial risk and to ensure the orderly provision of services to the Rockville community during unprecedented times like the COVID-19 pandemic. Our approach provides us with information from multiple resources and gives us time to adjust in accordance with our adopted Financial Management Policies when needed. This approach relies on timely data from our external partners, other departmental city staff, and the city's investment and municipal advisors; trend analysis; and various spending reports. This memorandum provides descriptions of each resource and how they inform Finance staff.

The city's major external partners consist of the State Highway Administration, the State Bureau of Revenue Estimates, the State Department of Assessments and Taxation, the Maryland Municipal League, Maryland Government Finance Officers Association, and Montgomery County. These partners disseminate up-to-date information on actual or potential revisions to annual revenues. This information comes to staff through phone calls, emails, formal letters, training sessions, and data reports. Finance staff uses this information to inform mid-year budget amendments and the Quarterly Financial Reports. Finance staff also relies on the city's intergovernmental affairs staff to share information that is being discussed at the various levels of government throughout the year.

Finance staff collaborate with other departmental staff to understand trends and activities at the cost center level. Generally, the city's Management and Budget Analysts work directly with the division or program managers to understand their operations and trends within their service or program areas. For example, during the FY 2021 budget process there was considerable discussion

about the impact of COVID-19 pandemic on the city's recreation programs. Most programs were cancelled, and some were transitioned to online or are limited in capacity and are being held outdoors. Finance staff is currently working with Recreation and Parks staff to better understand the reductions in revenues and the corresponding reduction in expenditures per month for the first quarter of FY 2021. Finance staff hope to report this information to the Mayor and Council on September 21, 2020, during the "Fiscal Preparedness Plan" agenda item, with any FY 2021 budget adjustments coming through the October budget amendment. Examples of other revenue and expenditure items that Finance staff are closely following at this time with departmental cooperation include the reduction in utility usage (water, sewer, electricity) at the city's closed facilities; reduction in parking revenue due to changes in the parking program; levels of current and projected public works permits and building permits; levels of redlight and speed camera vehicle citations (given less vehicular traffic); and overall delays in capital construction.

Finance staff describes any major variance in the departmental items to the Mayor and Council on a quarterly basis in the Quarterly Financial Report. Per the city's Financial Management Policies, "The City Manager will submit budgetary reports to the Mayor and Council comparing actual revenues and expenditures with budgeted amounts quarterly." The reports summarize the adopted and amended budgets and actual revenues and expenditures each quarter for the General, Water, Sewer, Refuse, Stormwater Management, and Parking funds. Figures from the same period the previous fiscal year are included for comparison purposes and context. When time permits, the quarterly reports are presented to the Mayor and Council in public meetings. The reports are always available on the city's website for at least two years and are regularly reviewed by the city's Financial Advisory Board.

Other resources that are used by Finance staff include the city's investment advisor and municipal advisor. The investment advisory is responsible for the investment of the city's funds, primarily the capital and reserve funds. These funds are invested in vehicles consistent with the city's adopted Statement of Investment Policy. The investment advisor provides quarterly updates that contain an overview of quarterly and yearly investment performance, detail of investment vehicles, changes in the portfolio's market value, and market overviews. The overviews cover national and regional economic data and are helpful to understand what the city and other municipal governments are facing. The city's municipal advisor, separate from the investment advisor, provides updates on the municipal bond market. The municipal advisor frequently evaluates the city's current debt for refinancing opportunities and informs Finance staff on the best market timing for new bond issues. We are looking to sell our next round of bonds in fall/winter 2020 if market timing is good.

In addition to the outside and departmental resources that I have described, a major component of budget review is performed by Finance staff using trend data. Depending on the revenue or expenditure item, on a weekly, monthly, and/or quarterly basis, staff uses the actual revenue receipts and expenditure payments to determine consistency with the budget estimates. For example, using receipts from FY 2000 through the current year, staff tracks income tax data on a monthly basis. Using this data, we can estimate future monthly payments and then adjust total annual revenue estimates as needed.

For other citywide spending, Finance staff regularly review vendor spending reports, requisition reports, open purchase order reports, payroll reports, and purchasing card reports. Fortunately, we

have an experienced Finance staff that can review these reports on a regular basis and spot inconsistencies or potential issues. If general citywide issues are discovered in spending patterns or inconsistencies between departments, further review and discussion is held at the senior staff level. A recent review of these reports in the fourth quarter of FY 2020 led to a direction from the City Manager to limit all nonessential spending. This direction continues into first quarter FY 2021.

The review of the city's expenditure and revenue trends and the city's spending reports is important in the analysis of the city's reserves or level of unassigned fund balance. The city's General Fund reserves will play a critical role in the overall financial sustainability of the city during (and possibly after) the COVID-19 pandemic. Finance staff reports on the estimated year end fund balance on a quarterly basis to the Mayor and Council through the Quarterly Financial Reports. In this report there is a five-year history of the actual fund balance versus the target. The reports also include an explanation of the actual or projected use of the reserves during the fiscal year.

Another item that is highlighted in the Quarterly Financial Reports is the total amount of unspent personnel funds and the actual use of those funds during the quarter. By practice, staff generally utilizes unspent personnel funds for the backfill of a vacant position via a temporary employee or overtime for a current employee. This section of the quarterly report plays a similar role as the reserves as it conveys to the Mayor and Council the immediate financial resources that are available, if needed.

In the next couple of months, on the expenditure side, we will continue to take a closer look at the future of employee compensation and benefits, the number of authorized temporary and full-time positions, the use of bond funding for certain cash funded capital projects, the deferral of non-essential capital projects, and what is considered essential versus nonessential operating spending. On the revenue side, we will closely analyze our major revenue sources for FY 2021 and beyond, with special attention to property tax (real and personal), income tax, tax duplication, highway user, and police protection grant. For context, these five revenue sources comprise 76 percent of the FY 2021 adopted General Fund budget.

The next public discussion related to the city's finances in the wake of the COVID-19 pandemic is scheduled for September 21, 2020. The timing of this item is ideal because in September we will have more information about any potential revenue reductions as a result of the State's Board of Public Works meeting in August, the actual General Fund reserve balance, revenue and expenditure results from FY 2020 and first quarter FY 2021, and the region's COVID-19 reopening plans (stages, dates, etc.). At this meeting we hope to preview adjustments that will come back to the Mayor and Council via a budget amendment in October. We understand this fiscal year will be unprecedented and are prepared to provide more frequent updates or budget amendments to keep the Mayor and Council and the Rockville community informed.