

CITY OF ROCKVILLE
FINANCIAL ADVISORY BOARD
FY 2026 ACTION PLAN
ADOPTED BY THE MAYOR AND COUNCIL, 15 SEPTEMBER 2025

Approved by the Mayor and Council on September 15, 2025

Actions in the Rockville Municipal Code

NO.	ACTION	FAB LEAD	NARRATIVE	ORIGIN	RKV STAFF
1	Annually review the City's Annual Comprehensive Financial Report, the Single Audit Report, and all other reports issued by the auditors and published in final form. The review should encompass and include any management letters and audit findings, as appropriate. Additionally review the Popular Annual Financial Report (PAFR).	MAKO	In FY 2026 the Board will review the FY 2025 Annual Comprehensive Financial Report and the Popular Annual Financial Report.	§ 2-241 (c)	Xiaojing Zhang 8413 Kim Francisco 8402
2	Annually review changes to the City's Financial Management Policies published in the City's budget document to evaluate whether those policies are appropriate.	MAKO	In FY 2026 the Board will review only <u>newly</u> adopted and amended Financial Management Policies.	§ 2-241 (d)	Kim Francisco 8402 Stacey Webster 8407
3	Annually review the City's investment policy to evaluate whether that policy is appropriate.	WHEET	The City's Investment Policy was updated in May 2024. The Board does not anticipate updates to the Investment Policy in FY 2026.	§ 2-241 (e)	Kim Francisco 8402 Stacey Webster 8407

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NO.	ACTION	FAB LEAD	NARRATIVE	ORIGIN	RKV STAFF
4	Review the City's cash and investment report when published.	WHEET	Reports will be reviewed when published in FY 2026.	§ 2-241 (f)	Kim Francisco 8402 Stacey Webster 8407
5	Review the City's quarterly financial reports (QFR) to assess whether spending and revenue collection are tracking with adopted and amended budgets, analyzing variances, and to highlight problem areas, if any.	MERRILL	In FY 2026 the quarterly financial reports (QFR) will be reviewed after posting to the City's website.	§ 2-241 (g)	Kim Francisco 8402
6	Annually provide comments and recommendations, as appropriate, regarding the next fiscal year's Operating and Capital budgets.	BOARD	All members of the Board will participate in the review of the Proposed FY 2027 Operating Budget and Capital Improvements Program. Selected performance measures in the budget will be reviewed for effectiveness, efficiency and support of the Mayor and Council's Critical Success Factors.	§ 2-241 (h)	Kim Francisco 8402

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NO.	ACTION	FAB LEAD	NARRATIVE	ORIGIN	RKV STAFF
7	Annually review the Procurement Annual Report and the multi-year Strategic Plan, and work with the City Manager and Director of Procurement to identify a framework for interaction with the procurement processes.	KELLY MAKO	Review the FY 2025 Procurement Annual Report and updates to the FY 2025/27 Strategic Plan. Meet with the City Manager and the Director of Procurement to develop a framework for interaction between the Board and the Procurement Department.	M&C	Jessica Lewis 8432
8	Conduct a comprehensive review of the complete process, beginning to end, used by the Community Empowerment Matching Grant Program to make awards. Report material findings regarding those processes and if appropriate recommend improvements.	MERRILL KELLY	In FY 2026 the Board will evaluate the processes used by the City to award grants for thoroughness, consistency, transparency and accountability. A review of the processes used by the Community Empowerment Matching Grant Program to make awards will be conducted.	M&C	Sarah Maizel 8304

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9	Monitor changes in key financial performance indicators (KPIs) that could materially affect the City's AAA/Aaa credit rating.	PATRICK	Credit rating agencies assess a variety of factors when determining ratings for municipal governments. Some of these factors are derived directly from financial records, such as fund balance levels, debt ratios, and pension or OPEB liabilities. Others reflect broader economic conditions, including national and regional GDP growth. We will regularly review the City's quarterly and annual financial reports, as well as the FY 2027 budget, to track trends and developments in the financial KPIs used by the credit rating agencies. Should we identify any changes that may pose a risk to the City's current AAA/Aaa credit rating, when significant we will promptly bring these matters to the attention of the Mayor and Council.	M&C	Kim Francisco 8402

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NO.	ACTION	FAB LEAD	NARRATIVE	ORIGIN	RKV STAFF
10	Review best practices for similarly sized municipalities and assess whether there are any recommendations for high-impact financial or operational review procedures that could be performed using existing budgeted resources	PATRICK	Like many cities of similar size, Rockville does not maintain a formal internal audit function but has a small budget available to engage an external firm for limited-scope procedures if desired. To date, these funds have typically been used only in response to known issues. Best practices among similarly sized U.S. municipalities suggest that targeted audit procedures on key financial and operational processes can provide valuable insight and support strong stewardship of public resources (e.g. reviews of procurement practices, payroll and overtime controls, cash handling processes, revenue assurance, etc.). We will explore potential focus areas and recommend any procedures that may warrant consideration by the Mayor and Council.	M&C	Kim Francisco 8402