

FY 2027 Proposed Operating Budget and Capital Improvements Program Mayor and Council Q&A

- ◆ = General document/process question
- = Operating budget question
- = Capital budget question

Councilmember Myles (3/3/26 email):

1. ■ Why are the new construction, and alteration, fire protection systems, electrical permit, site plan application, zoning application, stormwater alternative fees increasing so steeply? Will this be a barrier?

The proposed changes to these fees are the result of a fee analysis intended to promote cost recovery for fee-funded services. Fees administered by CPDS and Public Works had not undergone a comprehensive fee analysis since 2011. The city has benchmarked fees in a number of key areas and has proposed some fees that fall below full cost recovery to ensure that the city remains competitive for development.

Councilmember Van Grack (3/6/26 email):

2. ■ I truly appreciate the much-needed support in the proposed budget for the Rockville Volunteer Fire Department. As I understand the Proposed Budget, (1) \$12,000 is proposed as a direct grant to the Rockville Volunteer Fire Department for the water cost subsidy; (2) \$50,000 is proposed as a contribution for needed vehicle support, and (3) budget operational support is provided for the planned relocation of Station 3. First, is this overview correct? Second, can you clarify what RVFD's water costs were during the past two fiscal years? Third, can you clarify what RVFD's specific requested vehicle support to the City was for this current fiscal year (i.e., what upgrades did they relay were needed, for which types of vehicles, and how much was requested)?

The overview is correct. To be clarify on item 3, the city is dedicating staff time to partnering with RVFD on strategies in support of the relocation. Actual water costs for FY24 were \$7,795 and for FY25 were \$8,412. Prior to FY25 the city's grant was \$10,000 and it was increased to \$12,000 in FY25. The RVFD made a formal request for \$250,000 to partially fund a new ambulance (EMS unit).

3. ● As we saw during the reunification after the Wootton Shooting last month, the CIP Appropriation of Scott-Veirs Drive Shared-Use Path (TA23) is critical for pedestrian safety, especially for family/students at Wootton High School and Frost Middle School. My understanding as that with the FY 2027 appropriation and anticipated FY 2028 funding, it is anticipated that this project would be completed by the end of FY 2028. Is this correct? And is this completion dependent on any non-guaranteed federal funding?

A \$200,000 federal grant (Transportation Alternatives Program Grant) is included in this project to support design, that will start in FY 2026. This grant was awarded in 2025, and staff do not

anticipate a rescission of this award. Staff anticipates construction start in FY 2028 with completion in FY 2029. The construction costs are estimated at \$3,000,000 and are currently unfunded. Staff are exploring grant opportunities for construction. The estimated completion date assumes future funding is secured, either with internal or external resources.

4. ● The CIP Appropriation of Hurley Avenue Budget Replacement (TE16) has been on hold for a number of years. My understanding is that there is no appropriation to the project in FY 2027 and that construction is now not slated to begin until FY 2028 and not be completed. Is this correct? Is there a reason for this delay? And is this completion dependent on any non-guaranteed federal funding?

The overview is correct – estimated construction completion is now FY 2029. Design completion and construction start dates were adjusted according to the final design and federal process requirements. The city is utilizing SHA design contracts for consulting services. Delays are attributed to SHA negotiations failing on a final design contract with one structural engineering firm and transitioning to another firm. This pivot was due to higher than anticipated fees being quoted by the first firm. The overall negotiation for the final design contract took longer than anticipated. Federal aid for construction is currently unfunded, and is expected to cover 80% of the total project cost, however, a subsequent agreement for the construction funding will be needed when design is closer to completion. There is no known reason the city would not be able to receive federal aid for construction.

5. ■ During the Economic Development Worksession on Feb. 9, 2026, both Cindy Rivarde (REDI) and the City Manager confirmed that the City's overall economic development would benefit from an overall approach of addressing and updating wayfinding/signage, public space beautification, entrance area improvement, public area landscaping improvements, and shared-use improvements. To move forward with such a plan, which was endorsed by those at the Worksession, (1) how would the city begin this approach in FY 2027, (2) what would be the potential initiation cost in FY 2027, and (3) what department/budget allocation area would be most appropriate for this appropriation be included for FY 2027 within the current budget availability?

FY 2026 Budget Amendment #1 included \$160,000 for Wayfinding Phase 1 which includes the design, fabrication and installation of 73 Vehicular wayfinding signs, 8 Pedestrian signs, 5 Destination signs, and 5 Parking signs in the Town Center area. This initiative is noted in the Public Works FY 2027 outlook. The contract for these services is expected to be awarded in FY 2026 and executed in FY 2027. The FY 2027 budget includes ongoing funding for the neighborhood welcome signage efforts and increased funding for plantings in right-of-way areas. No dedicated funding is included in the proposed budget for the development of a formal beautification plan (monuments, signs, lighting, landscaping, etc). If the Mayor and Council are interested, consultant services of \$100,000 could be used to develop a formal plan.

6. ■ The Rockville Police Department has done an incredible job with the Community Engagement Officer (CEO) Program at Richard Montgomery High School and Wootton High School. As I understand the FY 2027 budget allocation proposed for the Police Department, the City would now provide a CEO at Rockville High School as well, correct? And kindly confirm that this allocation would not diminish or reduce our existing CEO support for Richard Montgomery High School or Wootton High School, correct? And is this increase show through the 11.44% increase of Personnel for the RCPD (2.0 FTE Police Officers)?

The FY 2027 proposed budget includes added officer capacity that will provide a CEO at Rockville High School. No support currently dedicated to other schools/clusters are proposed for reduction.

7. ● The CIP Appropriation of Pedestrian Bridge Replacement: Horizon Hill Park (RB22) has been on hold for a number of years. My understanding is that this project will completed by July 1, 2026 (in just a few months). Is this correct?

Staff anticipate that construction will start in FY 2026 and be completed in FY 2027. The project timeline that appears at the bottom of each project page specifies a date that is aligned to the fiscal year that the milestone is expected. (i.e. 07/01/2026 corresponds to FY 2027)

Mayor Ashton (2/25/26 and 3/6/26 emails)

8. ● There has been some chatter about a potential impact to local jurisdictions and WSSC related to the Potomac River septic issue. There could be a cost that comes back to water providers that gets passed on. I am hearing different things on what Federal funding may/may not cover as well as different things on cost. I know staff will be digging in on this and look forward to hearing updates in the context of budget discussions.

The city pays a proportional share of the rehabilitation and repair of the Potomac Interceptor based on our proportional share of our sewage flow capacity in the pipe. Some of the recent year-over-year increases in the Blue Plains CIP can be attributed to ongoing and planned rehabilitation of the Potomac Interceptor. Additional costs for this emergency repair will be assessed to the city as well. These amounts have not yet been determined. It may be several months or more before the costs are known. Staff will continue to monitor this issue, coordinate with WSSC to stay apprised in any increases in cost and inform Finance as soon as more information is available.

Staff has no additional information yet on the total costs or level of federal support to repair the break, however we strongly recommend providing the letters of support that WSSC is requesting. As the City's overall share of costs associated with the break at the Potomac Interceptor is 4.9%, assuming the overall costs are conservatively between \$10 - \$20M, the City's potential costs would be \$490,000 - \$980,000 before any federal funding is considered. This would be funded from the City's Blue Plains Wastewater Treatment: FY26- FY30 CIP (UA26), which has capacity to absorb the additional costs in the FY26 budget and the additional one-time cost would not impact the FY27 budget.

DCWater and WSSC have been planning repairs to the Potomac Interceptor for several years, with an anticipated investment of \$600M over 10 years. The City's Blue Plains Wastewater Treatment: FY26-FY30 CIP is funded to reflect the city's share of the costs associated with the long-term Potomac Interceptor rehabilitation and other capital projects at the Blue Plains Wastewater Treatment Plant and Dewater's wastewater collection system.

Councilmember Jackson (3/8/26 email)

9. ● Could you perhaps elaborate and provide some clarity on Shady Grove WMATA Access Road Streetlighting (NEW6)? It was my understanding that it was more than just streetlights.

This project focuses on the addition of street lighting on this frequently traveled corridor as a public safety enhancement. No other construction is planned as part of this project. If other pedestrian safety needs are identified, this work could be considered within the Pedestrian and Bicycle Safety: FY26-FY30 (TD26) project following negotiations and coordination with WMATA.

10. ■ Could you provide some background as to the City's process for evaluating whether to hire new FTE staff? Does the City do an evaluation of services? Try to repurpose staff? Try to look at whether the job could be done by a temp or by a contractor, etc?

The city evaluates requests for new FTE positions as part of the annual budget development process. Departments are expected to first review whether service needs can be addressed using existing resources, including redistributing duties, improving workflows, or leveraging technology. If additional capacity is still needed, departments consider whether the work could be performed through alternative means such as temporary staff, or contractual services before requesting a permanent position. Requests for new positions are reviewed by the City Manager's Office and Finance Department and evaluated based on workload trends, service demands, regulatory requirements, and alignment with the Mayor and Council's priorities. This process helps ensure staffing decisions are thoughtful, necessary, and fiscally responsible.

11. ◆ This graph shows the median home value price up until 2024. Where is 2025? Don't we have more current data? It seems like the values are rising at an accelerated rate. While this might appear like good news for some homeowners, it could be bad news for buyers especially first-time homebuyers, people with limited income who have to pay increased amounts of property taxes, etc. Do we see these likely increasing at the same rate in the future? A gradual downturn – and what would be the effect of the number suddenly reversing itself just as it climbed?

This information comes from the 2024 American Community Survey from the U.S. Census Bureau. This dataset was released on January 29, 2026. Staff expect that growth will slow, but not result in a downturn. The five-year financial outlook for the General Fund assumes that assessed values will grow 4% per year. This is less than the 5.7% growth we observed for FY26. For property owners, any increase to assessed value is phased in equally over a three-year period, and the resulting increase in the property tax bill is capped at 10 percent. Any decrease is fully factored into the first full levy year after the assessment. If there was a crash of the housing market and home values reduced we would experience a reduction in property tax revenue.

12. ◆ I would like to see several more years of the city FTEs to get a sense of the historic size of city government.

A ten year schedule is provided below.

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Regular	516.9	518.1	522.6	521.8	524.8	538.5	540.5	556.6	570.1	576.9
Temporary	95.1	98.0	98.2	100.2	95.9	100.0	100.6	96.9	96.9	105.0
Total	612.0	616.1	620.8	622.0	620.7	638.5	641.1	653.5	667.0	681.9

13. ◆ I am also curious on the real property taxes going back a few years. The chart only shows 2018 – would it be possible to look at a few more years? Say 5? I’m curious what the average increase was like before and after COVID.

Taxable Assessed Values for FY 2007 – FY 2017 is shown below

Real Property - Taxable Assessed Values (in billions)										
FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
9.0	10.1	11.1	11.6	11.5	11.3	11.3	11.5	11.5	12.3	12.7

Mayor Ashton (3/9/26 email)

14. ◆ Please provide more information about the jurisdictions included in the fee study and whether we can include jurisdictions known for strong economic development.
The jurisdictions used for benchmarking with the fee analysis included Montgomery County, Frederick County, City of Gaithersburg, and City of Frederick. When evaluating the City’s fees and charges, comparisons are most meaningful when made against jurisdictions that operate within the same regional economic and regulatory environment. For this reason, Rockville’s fee benchmarking focuses primarily on neighboring jurisdictions. By contrast, comparing Rockville’s fees to jurisdictions in Virginia or in other parts of Maryland can be less informative due to differences in laws, development regulations, service responsibilities, and cost structures. These structural differences can significantly influence how fees are set and what services they support. Future studies can explore benchmarking in other areas.
15. ◆ Can you please adjust the fee comparison chart to show percent increase? In addition to the last adjusted, can you show the last few times these were adjusted?
Providing a straight percentage increase can be nuanced for many fees that include minimums, maximums, or other incremental charges. If there are certain fees that you would like compared, please identify these. Similarly, if you need the history for a particular fee, we can perform that research, but this is not data we have easily accessible across every fee type.
16. ■ Why increase the solar panel fee? With the SolarApp streamlining we have reduced the work required to review these permits. We have also recently allowed a charge for the use of the SolarApp. We want to encourage green conversions in the face of rising energy costs.
Development and regulatory fees will be discussed more at the March 23rd worksession.

17. ■ New construction multifamily residential- staff has encouraged efforts to reduce required parking to help bring down the costs of new construction and improve affordability and financing. Why increase fees that will likely be just passed onto tenants or make financing harder?

Development and regulatory fees will be discussed more at the March 23rd worksession.

18. ■ Please provide additional background on the increase for the automation fee. This was only recently added as a fee.

Development and regulatory fees will be discussed more at the March 23rd worksession.

19. ■ Why increase the sprinkler fee? It is a public safety item. Same for the smoke control and special hazard protection.

Development and regulatory fees will be discussed more at the March 23rd worksession.

20. ■ Do we really need to increase the rough wiring outlet fee? Will this have an inadvertent impact on builders reducing the number of outlets for tenants?

Development and regulatory fees will be discussed more at the March 23rd worksession.

21. ■ Youth programming fees - I can't tell what the changes are, but the upper limit moves from \$230 to 320. Can you share more information? We try to keep programming financially accessible, especially for youth and seniors.

This only reflects a change in the program registration process. The annual student performance is being included in the program fee for the Ballet program. Previously program and performance fees were separate registrations.

22. ■ Is the preliminary sediment control plan fee moving from \$103 to \$1775 or is that a typo?

Development and regulatory fees will be discussed more at the March 23rd worksession.

23. ■ Please share the tiers of what is being proposed for the speed camera fee. The state recently made changes. What is being proposed for the City?

Tickets generated by speed camera violations carry the following fines. The fee summary reflects the changes made by the State which went into effect on October 1, 2025.

12 to 15 mph over	\$40
16 to 19 mph over	\$70
20 to 29 mph over	\$120
30 to 39 mph over	\$230
40 mph or more	\$425

24. ■ Has the City built anticipated expenses for the State FAMLI leave into the budget, which are set to begin January 2027?
A response is under review.
25. ◆ How many Summer Youth and Internship opportunities do we have to offer? How many are remaining?
There are a range of positions, with most based in Recreation and Parks.
- *Summer Camps: 130 positions/ 12 remaining open*
 - *Nature Center: 5 positions / 4 remaining open*
 - *Community Centers: 17 positions / 4 remaining open with offers extended*
 - *Swim and Fitness Center: 140 positions / 24 remaining open*
26. ◆ Can we share this information on Summer Youth and Internship opportunities with the Education Commission and Principals Roundtable?
Interested parties should visit [Recreation and Parks Temporary Employee Job Link](#) for openings, as many summer job opportunities have been filled, or interviews have been scheduled. The Rockville Swim and Fitness Center is hosting an Open House Hiring Event on Mon. 3/23/26, 4pm-7pm at RSFC. Certifications or prior work experience are not required to participate in this event and [training opportunities](#) are available for qualified prospective employees, as needed. See the [printable event flyer](#) for more details.
27. ■ Please provide background for the additional request of 1 FTE for an Assistant City Attorney position. What would be the new role/ workflow?
A response is under review.
28. ■ Regarding the City Attorney's staffing, How many staff transitions have there been over the past 4 years? Please share how many positions have been added over the past 5 years. Are there any existing/anticipated vacancies? Would the additional staff person requested reduce the amount of work that may be currently outsourced?
A response is under review.
29. ● Can you please share an update on upgrades to parks/playgrounds over the last few years?
Maryvale Park Splash Pad (2023). Isreal Park pavilion (2023). Playground replacements occurred at Potomac Woods (2023), Rockcrest Park and Isreal Park (2024), Maryvale Park, Bullards Park and Woodley Gardens Park (2025), Fallsgrove Park and Horizon Hill (2026).
30. ● Outdoor Exercise Stations have been requested. How much do these cost per install? How are these currently spread across the City? What is the plan to expand?
There is a Planned Improvement Project within the budget document for the replacement of outdoor fitness equipment, with a cost of \$30,000 per year. Units exist in Fallsgrove Park,

Potomac Woods Park, Horizon Hill Park, Woottons Mill Park, Mattie Stepanek Park, Wilma Bell Park, and the Senior Center. Cost to install ranges from \$5,000 for a single station to well over \$100,000 for multiple stations. No new locations are currently proposed, though one could be requested by the community for the new Talbott Street Park.

31. ■ Where are we on adding community gardens to parts of the City that don't have one?
Funding is included in the FY 2027 proposed budget which would provide 20 plots at RedGate Park. A larger addition is anticipated for RedGate in FY 2028.

32. ■ Short term rentals are currently not official/legal in Rockville. The legal landscape has been changing vastly across jurisdictions. However, they do exist and online providers are collecting taxes from hosts/ users. Who is collecting these taxes?
Short-term rentals (STRs) are currently not recognized under the city's regulatory framework, and the code does not define STRs in a way that would subject them to the city's hotel tax. As a result, the city is not currently collecting hotel tax revenue from short-term rentals.

33. ● Is the City putting aside additional reserves in anticipation of the Potomac Interceptor infrastructure capacity support?
Please see the response to Question 8.