



Mayor & Council Meeting Date: April 3, 2017
 Agenda Item Type: Public Hearing
 Department: Finance
 Responsible Staff: Stacey Webster

Subject

Public Hearing - Fiscal Year 2018 Budget

Recommendation

Staff recommends that the Mayor and Council conduct the public hearing and keep the record open until April 7, 2017.

Discussion

This is the final of three general public hearings on the proposed FY 2018 Operating Budget and Capital Improvements Program (CIP). The budget was presented to the Mayor and Council on February 27, 2017.

The FY 2018 budget utilizes available resources in an effective and responsible manner, and is consistent with the policy direction set forth by the Mayor and Council. The budget focuses on the health and safety of our residents, business owners, and employees; critical infrastructure improvements; and City programs and services.

The total operating budget for all funds equals \$129.4 million, an increase of 2.5 percent over last year's total operating budget. The General Fund budget, which is balanced without the use of reserves, equals \$79.2 million, an increase of 2.6 percent over FY 2017. The property tax rates of \$0.292 for real property and \$0.805 for personal property will remain the same for FY 2018.

Highlights or major enhancements in the FY 2018 operating budget include:

- Three Full-Time Police Officers (\$315,210; of which \$40,200 is one-time for uniforms, academy training, and equipment)
- Dedicated School Resource Officers in all three Rockville High Schools (cost neutral)
- Additional Police Overtime (\$40,470)
- Cell Phone Stipends for Police Officers (\$23,760)
- Water Treatment Plant, Filter Press Repair (\$192,280)
- Water Backflow Inspection Program (\$36,000)
- Sewer Cleanout Installation and Lateral Replacement (\$78,000)
- Rockville Swim and Fitness Center, Filter Tanks and Pool Pumps (\$61,000)

- Water Barricades for public events (\$9,920)
- Senior Needs Assessment Action Plan Items (\$42,600)
- ADA Program Requirements (\$27,460)
- Additional Contract Tree Maintenance (\$47,000)
- Purchase of WSSC Water (\$92,780)
- Maintenance of 175 Watts Branch Parkway (\$11,020)
- Consultant Services for Streetscape, Planning, and Urban Design (\$175,000)
- Upgraded Timekeeping System (\$25,200)
- Rocktoberfest (\$37,710)
- International Night (\$4,950)
- House Bar Lights for the F. Scott Fitzgerald Theatre (\$95,000)
- Extended Summer Camps (\$49,090)
- Additional Fitness Pool Hours (\$11,500)

City Staffing

The total number of full time equivalent (FTE) positions in the FY 2018 operating budget remains relatively flat, only increasing by 0.2 FTEs to 609.5 FTEs. For regular positions, FTEs increased by 0.5 to 517.9 FTEs, which is the net change from the addition of 3.0 FTE Police Officers and the elimination of 1.0 FTE Assistant to the City Manager, 1.0 FTE Television Production Specialist, and 0.5 FTE Video Technician. All the eliminated positions were vacant.

During FY 2017, two Police Officers were reallocated from the Speed Camera Fund to the General Fund via a mid-year budget amendment. In addition, one Photo Enforcement Technician was reallocated from the Speed Camera Fund to the General Fund in the FY 2018 budget. Given the reduction in the number of speed camera citations since the inception of the program, and the consequent reduction in speed camera revenues and related workload, there is no longer sufficient funds available to support these positions. These reallocations did not change the total FTE count for all funds.

Capital Improvements Program Overview

The FY 2018 CIP budget includes new funding of \$19.9 million to address the priorities of the Mayor and Council and residents of Rockville. This new funding, combined with prior year carryover funding of \$47.2 million, will support a total of 47 projects in FY 2018. There are eight newly-funded projects, which include:

- Lincoln Park Community Center Parking Lot Expansion (RB18)
- Potomac Woods Community Center concept design and outreach (RD18)
- Senior Center ADA Improvements (RE18)
- Traffic Signal Communication System (TA18)
- Stream Restoration: Anderson Park (SA18)
- Water Treatment Plant Concrete Roof Repairs (UA18)
- Water Treatment Plant Electrical System Upgrades (UA17)
- I-Net Security Enhancements (GA18)

Mayor and Council History

Past Mayor and Council actions related to the FY 2018 budget include:

Date	Action Item
September 12, 2016	Discussion of Operating Budget Process
September 19, 2016	Discussion of Capital Improvements Program (CIP) Budget Process
October 11, 2016	Distribution of Mayor and Council Budget Surveys
November 1, 2016	Budget Public Hearing
November 10, 2016	Mayor and Council Budget Surveys Due
December 12, 2016	FY 2018 Budget Survey Results and Discussion of Budget Priorities
January 9, 2017	FY 2018 Cost Allocation Plan (CAP) Presentation
February 13, 2017	Distribution of FY 2018 Proposed Budget
February 27, 2017	City Manager's Presentation of FY 2018 Proposed Budget; Introduction of FY 2018 Budget Ordinance; Introduction of FY 2018 Refuse Fee Resolution; Introduction of FY 2018 Stormwater Management Fee Resolution
March 2, 2017	Mayor and Council Worksession
March 6, 2017	Budget Public Hearing

Public Notification and Engagement

The City held two previous public hearings related to the FY 2018 budget on November 1, 2016 and March 6, 2017. This is the final public hearing related to the FY 2018 budget.

In addition to the budget public hearings, the public can submit written comments about the budget via an online form located on the City's website at www.rockvillemd.gov/budget. These comments will be distributed to the Mayor and Council at the close of the public comment period, and will be included with the agenda materials for the final budget worksession.

The public comment period closes on April 7, 2017.

Next Steps

Future Mayor and Council actions related to the FY 2018 budget include:

Date *	Action Item
April 3, 2017	Budget Public Hearing; Constant Yield Tax Rate Public Hearing; Mayor and Council Worksession
April 7, 2017	Close of Budget Public Record
April 17, 2017	Mayor and Council Worksession
May 1, 2017	Adoption of FY 2018 Budget Ordinance; Adoption of FY 2018 Refuse Fee Resolution; Adoption of FY 2018 Stormwater Management Fee Resolution

** All dates are subject to adjustment by the Mayor and Council during the budget process.*



Rob DiSpirito, City Manager 3/29/2017