


MEMORANDUM

April 19, 2012

TO: Planning, Housing, and Economic Development (PHED) Committee

FROM:  Marlene Michaelson, Senior Legislative Analyst

SUBJECT: FY13 Operating Budget for Urban Districts

Those expected for this worksession:

Fariba Kassiri, Assistant Chief Administrative Officer
Ken Hartman, Director, Bethesda-Chevy Chase Regional Center
Ana Lopez-Van Balen, Director, Mid-County Regional Center
Reemberto Rodriquez, Director, Silver Spring Regional Center
Brady Goldsmith, Senior Management and Budget Specialist, OMB

The Executive's recommendations for the Urban Districts is attached at © 1 to 6. FY13-FY18 Fiscal Plans for the Urban Districts are on © 7 to 9. Urban Districts were created to promote public interest activities that benefit residential and commercial interests in particular communities. Urban Districts are intended to enhance safety and security, promote economic stability and growth and a sense of community identity, ensure adequate infrastructure, foster a dynamic social and business climate, and ensure that communities are maintained in a clean and attractive manner. The County's three Urban Districts are in Bethesda, Silver Spring, and Wheaton. The Bethesda Urban District is run by an Urban District corporation, the Bethesda Urban Partnership (BUP). The Silver Spring and Wheaton Urban Districts are managed by the respective Regional Centers.

BUDGET OVERVIEW

For FY13, the Executive recommends total expenditures of \$7,644,852 for the 3 Urban Districts, a \$245,532 or 3.3% **increase** from the FY12 approved budget. Not included in this amount are Silver Spring Urban District expenditures of \$387,860 and 8.0 FTEs that are charged to the Capital Improvements Program (CIP) for the Silver Spring Transit Center (CIP project #509974), which is expected to end once the project is completed. Also not included are \$104,870 and 3.0 FTEs that are

charged to the Silver Spring Parking Lot District for enhanced security by Clean and Safe Team's members in parking lots are garages. Both charges are unchanged from FY12.

URBAN DISTRICT EXPENDITURES AND WORKFORCE					
	FY11 Actual	FY12 Budget	FY12 Estimated	FY13 CE Rec.	% Change FY12-FY13
Urban District Expenditures	7,010,624	7,399,320	7,246,410	7,644,852	3.3%
Positions:					
Full time	30	31	31	31	0.0%
Part time	1	1	1	1	
WORKYEARS	50.2	52	52	55.32	6.4%

The increase in workyears is based primarily on the determination that additional FTEs for streetscape maintenance were needed and could be funded with the same resources. This is addressed in more detail under the program descriptions below.

The following chart displays the budget for the three Urban Districts, broken down by personnel and operating costs. Most of the Bethesda Urban District's costs are operating expenses due to the BUP contract.

Summary of Urban District Expenditures by Category					
Urban District	FY11 Actual	FY12 Budget	FY12 Estimate	FY13 CE Rec.	% change FY12-13
Bethesda					
Personnel Costs	102,484	110,470	112,352	120,416	9.0%
Operating Expenses	3,227,534	3,261,020	3,260,170	3,296,470	1.1%
Total Expenses	3,330,018	3,371,490	3,372,522	3,416,886	1.3%
Silver Spring					
Personnel Costs	1,510,317	1,701,230	1,568,615	1,793,273	5.4%
Operating Expenses	798,432	900,160	900,161	909,204	1.0%
Total Expenses	2,308,749	2,601,390	2,468,776	2,702,477	3.9%
Wheaton					
Personnel Costs	985,004	996,670	982,491	1,062,903	6.6%
Operating Expenses	336,853	429,770	422,621	462,586	7.6%
Total Expenses	1,321,857	1,426,440	1,405,112	1,525,489	6.9%

Programs

The Urban Districts operate 6 programs. The change in funding for each is shown below.

Expenditure/Workyear Changes in Urban District Programs						
	Expenditures		Workyears			
Program	FY12	FY13	FY12	FY13	% change \$	% change workyears
Promotion of Community and Business Activities	1,146,610	1,195,884	0.9	0.9	4.3%	-
Sidewalk Repair	143,970	143,969	0.0	0.0	-	-
Streetscape Maintenance	3,073,310	3,239,749	21.7	27.6	5.4%	27.0%
Tree Maintenance	115,710	115,810	0.0	0.0	0.1%	-
Enhanced Security	1,162,290	1,209,999	24.3	23.6	4.1%	-3.0%
Administration	1,757,330	1,739,441	5.1	3.3	-1.0%	-35.3%
Total	7,399,220	7,644,852	52	55	3.3%	6.4%

The only significant changes in program workyears are for the Streetscape Maintenance and Administration Programs. Office of Management and Budget (OMB) staff report that the biggest piece of the increase for Streetscape Maintenance is a technical adjustment for 3.22 FTEs in Silver Spring's Clean and Safe Team. Analysis of the Public Service Aide group position revealed that additional FTEs could be funded within existing resources. They believe the District needs these additional workers due to the booming development in the area. (The residential population in downtown Silver Spring will soon more than double as 1325 new residential apartments and condominiums will be added to the existing inventory of 1225 new residential units that have been built in downtown over the last five years. This significant increase demands greater resources and attention dedicated to "clean and safe" issues.) The remaining FTE adjustments are due to more accurate allocations to the programs. The decreases to Enhanced Security and Administration are reflected in increases to Streetscape Maintenance, so there's minimal net change in FTEs.

EXPENDITURE ISSUES

The Executive's budget proposes only minimal changes in all three service districts. Other than compensation adjustments, the only changes proposed for FY13 are operating budget costs associated with the Wheaton Redevelopment Project (\$11,440), increases in streetscaping funded by Optional Method Development fees, increases in Bethesda Urban Partnership (BUP) rent and health insurance (\$18,000) and a \$10,000 decrease in streetlight replacement.

Council staff recommends approval of these changes as recommended by the Executive.

REVENUE ISSUES

On the revenue side, Urban Districts are funded from a combination of sources, including Urban District taxes, transfers from the Parking Lot District (PLD), General Fund transfers, and maintenance charges for enhanced services. A table showing the proposed FY13 funding sources for Urban Districts appears below. The proceeds from either the Urban District tax or parking fees transferred into an Urban District Fund must not exceed 90 percent of their combined total. In addition, the

transfer from the Parking Lot District must not exceed the number of parking spaces in the Urban District times the number of enforcement hours per year times 20 cents. After the Transportation and Environment (T&E) Committee reviews the Parking Lot District rates on April 30, Staff will determine whether there is any opportunity to increase the Parking District contributions to any of the Urban Districts. Urban District fund calculations from the FY13-18 Fiscal Plan are attached on © 7 to 9. A table showing the change in funding for each Urban District from FY11 to FY12 is attached on © 10.

FY13 URBAN DISTRICT FUNDING SOURCES			
Funding Source	Bethesda	Silver Spring	Wheaton
Beginning Fund Balance	98,211	727,242	216,186
Revenues			
Urban District Tax	454,990	595,465	146,466
Charges for services for enhanced services	150,000	134,000	0
Investment Income	0	0	0
Interfund Transfers			
Transfer to the General Fund for indirect costs*	-14,610	-217,520	-128,930
Transfer from the General Fund for baseline services	0	0	76,090
Transfer from the General Fund for non-baseline services	0	0	962,000
Transfer from Parking Lot District	2,815,000	1,532,000	292,320
Total Resources	3,503,591	2,771,187	1,564,132
CE Recommended Operating Budget	-3,416,886	-2,702,477	-1,525,489
Projected FY10 year end fund balance	86,705	68,710	38,643
End of year reserves as a % of resources	2.5%	2.5%	2.5%
*Indirect costs are calculated by formula to cover the costs for services provided to the Urban Districts by centralized County functions such as Human Resources, Management and Budget, County Attorney, etc. As with other special funds, indirect costs are transferred from the Urban District funds to the General Fund.			

For FY13, the Urban District tax rates are recommended to remain the same as in FY12. Decreases in the assessable base for real property in each district will result in small decreases in Urban District tax revenues. In the Silver Spring Urban District, transfers from the Parking Lot District will be reduced by 9.7%; in Bethesda, they will be reduced by 1.7%; and in Wheaton they remain the same. A table comparing all of the funding sources for each Urban District from FY12 to FY13 appears on © 10.

Urban District Tax Rate: The Executive is proposing no tax rate changes for the Urban Districts from FY12 to FY13. The recommended tax rates are shown in the table below.

Urban District	Real Property	Personal Property
Bethesda	.012	.030
Silver Spring	.024	.060
Wheaton	.030	.075

Transfers from the General Fund: Several years ago, the Council defined “baseline services” for Urban Districts: those services that would routinely be funded by the County’s General Fund if there were no Urban Districts. The idea was that the special revenues in each Urban District Fund (Urban District taxes, Parking Lot District transfers, and investment income) were to provide for certain services *above and beyond* what would normally be covered by the General Fund. The baseline services included street sweeping three times each week, twice weekly trash pickup, litter collection between two and five times each week, semi-annual cleaning of brick pavers, monthly mowing, tree pruning on an optimal cycle, and regular streetlight maintenance.

Using a formula based on costs at that time, the “baseline service” target level was established for the three districts. The goal was to use each Urban District’s General Fund baseline transfer as the starting point for building the rest of its budget. This objective often has not been met due to fiscal exigencies. For example, for the past several years, the Bethesda Urban District usually has had sufficient resources from its Urban District tax and Parking Lot District transfer, and the Council has used the funding “due” to Bethesda to fund other needs in the General Fund portion of the budget. The baseline service cost to Wheaton is set at \$76,090. In addition, the Wheaton Urban District receives “non-baseline” transfers from the General Fund to provide funding for services not covered by Urban District taxes or the Parking Lot District.

For FY12, Wheaton was the only Urban District to receive transfers from the General Fund. The other Urban Districts funded all services through a combination of other sources. For FY13, the situation will remain the same. In the Wheaton Urban District, the baseline transfer from the General Fund will remain the same while the non-baseline transfer will increase by \$30,000 or 3.2%. The table below shows the estimated baseline service costs, the total FY13 resources, and the amounts of the Wheaton General Fund transfers.

Urban District	Baseline Transfer	Non-baseline Transfer	Total General Fund Transfer	Total FY12 Resources
Bethesda	\$0	\$0	\$0	\$3,503,591
Silver Spring	\$0	\$0	\$0	\$2,771,187
Wheaton	\$76,090	\$962,000	\$1,038,090	\$1,564,132

This packet contains:

circle #

CE’s FY13 budget for the Urban Districts	1
FY13-18 Fiscal Plan, Bethesda Urban District	7
FY13-18 Fiscal Plan, Silver Spring Urban District	8
FY13-18 Fiscal Plan, Wheaton Urban District	9
Comparison of Urban District Funding, FY12-13	10

Urban Districts

MISSION STATEMENT

Urban Districts maintain and enhance the County's downtowns (Bethesda, Silver Spring, and Wheaton) as prosperous, livable urban centers, increasing maintenance of the streetscape and its amenities; providing additional public amenities such as plantings, seating, shelters, and works of art; promoting the commercial and residential interests of these areas; and programming cultural and community activities.

BUDGET OVERVIEW

The total recommended FY13 Operating Budget for the Urban Districts is \$7,644,852, an increase of \$245,532 or 3.3 percent from the FY12 Approved Budget of \$7,399,320. Personnel Costs comprise 38.9 percent of the budget for 31 full-time positions and one part-time position for 55.32 FTEs. Operating Expenses account for the remaining 61.1 percent of the FY13 budget.

LINKAGE TO COUNTY RESULT AREAS

While this program area supports all eight of the County Result Areas, the following are emphasized:

- ❖ **A Responsive, Accountable County Government**
- ❖ **Healthy and Sustainable Neighborhoods**
- ❖ **Safe Streets and Secure Neighborhoods**
- ❖ **Strong and Vibrant Economy**
- ❖ **Vital Living for All of Our Residents**

DEPARTMENT PERFORMANCE MEASURES

Performance measures for this department are included below, with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY12 estimates reflect funding based on the FY12 approved budget. The FY13 and FY14 figures are performance targets based on the FY13 recommended budget and funding for comparable service levels in FY14.

Measure	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Multi-Program Measures:					
BETHESDA URBAN DISTRICT					
Marketing and Promotion:					
- Effectiveness of social media -					
Average number of website sessions per month	NA	NA	NA	25,000	25,000
Number of social media followers	NA	NA	NA	3,500	3,500
- Overall satisfaction of Urban Districts Advisory Board with urban districts' promotional events (scale 1-5)	NA	NA	NA	4	4
Hospitality:					
- Overall satisfaction of Urban Districts Advisory Board with the "value added" of the UD Hospitality team (scale 1-5)	NA	NA	NA	4	4
Streetscape Maintenance:					
- Overall satisfaction of Urban Districts Advisory Board with cleanliness levels of Urban District maintained (scale 1-5)	NA	NA	NA	4	4
- Overall satisfaction of Urban Districts Advisory Board with urban district's landscape maintenance (scale 1-5)	NA	NA	NA	4	4
SILVER SPRING URBAN DISTRICT					
Marketing and Promotion:					
- Effectiveness of social media -					
Average number of website sessions per month	NA	NA	NA	63,500	63,500
Number of social media followers ¹	NA	NA	NA	NA	NA
- Overall satisfaction of Urban Districts Advisory Board with urban districts' promotional events (scale 1-5)	NA	NA	NA	4	4

	Actual FY10	Actual FY11	Estimated FY12	Target FY13	Target FY14
Hospitality:					
- Overall satisfaction of Urban Districts Advisory Board with the "value added" of the UD Hospitality team (scale 1-5)	NA	NA	NA	4	4
Streetscape Maintenance:					
- Overall satisfaction of Urban Districts Advisory Board with cleanliness levels of Urban District maintained (scale 1-5)	NA	NA	NA	4	4
- Overall satisfaction of Urban Districts Advisory Board with urban district's landscape maintenance (scale 1-5)	NA	NA	NA	4	4
WHEATON URBAN DISTRICT					
Marketing and Promotion:					
- Effectiveness of social media -					
Average number of website sessions per month	NA	NA	NA	13,200	13,200
Number of social media followers	NA	NA	NA	2,500	2,500
- Overall satisfaction of Urban Districts Advisory Board with urban districts' promotional events (scale 1-5)	NA	NA	NA	4	4
Hospitality:					
- Overall satisfaction of Urban Districts Advisory Board with the "value added" of the UD Hospitality team (scale 1-5)	NA	NA	NA	4	4
Streetscape Maintenance:					
- Overall satisfaction of Urban Districts Advisory Board with cleanliness levels of Urban District maintained (scale 1-5)	NA	NA	NA	4	4
- Overall satisfaction of Urban Districts Advisory Board with urban district's landscape maintenance (scale 1-5)	NA	NA	NA	4	4

¹ Silver Spring Urban District has not yet established a social media account.

ACCOMPLISHMENTS AND INITIATIVES

- ❖ *The Wheaton Urban District is performing in-house a number of services previously contracted out with a savings to the county.*
- ❖ *The Wheaton Urban District continues to host events such as The Taste of Wheaton, TGIF Concert Series, and The World of Montgomery.*
- ❖ *The Silver Spring Urban District continues the critical role of supporting the newly opened Fillmore in downtown Silver Spring.*
- ❖ *Replaced Bethesda Circulator buses with new vehicles with no additional cost to the contract.*
- ❖ *Opened "Gallery B", a Bethesda venue that allows local artists to showcase their work in a prominent downtown location.*

PROGRAM CONTACTS

Contact Ken Hartman of the Urban Districts at 240.777.8206 or Brady Goldsmith of the Office of Management and Budget at 240.777.2793 for more information regarding this department's operating budget.

PROGRAM DESCRIPTIONS

Promotion of Community and Business Activities

This program enhances the quality of life in the Urban Districts and surrounding communities; fosters a strong, vibrant business climate within each Urban District; and creates a positive image and a sense of identity for the Districts. These goals are accomplished through sponsorship of community events, that may include festivals, concerts, and parades; the installation of seasonal banners, unique signs, holiday decorations, and other amenities to give each District a sense of place; and the development and distribution of newsletters, brochures, and other promotional material highlighting the Districts. Each Urban District develops its programs with the active participation of its advisory committee or Urban District Corporation.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,146,610	0.90
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	49,274	0.00
FY13 CE Recommended	1,195,884	0.90

Sidewalk Repair

This program provides for the removal and replacement of deteriorated concrete and brick walks and curbs in the Urban Districts.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	143,970	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-1	0.00
FY13 CE Recommended	143,969	0.00

Streetscape Maintenance

This program provides maintenance of, and improvement to, the streetscape amenities within each Urban District. Various service levels include litter collection, sidewalk maintenance, trash receptacle service at least three times a week, mowing and snow removal as needed, lighting maintenance, maintenance of planted/landscaped areas, and street sweeping.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	3,073,310	21.70
Increase Cost: Streetscaping backed by Optional Method Development Fee	20,000	0.00
Increase Cost: Operating Budget Impacts for Wheaton Redevelopment CIP Project (tree maintenance, pavers, streetlights)	11,440	0.00
Decrease Cost: Streetlight Replacement	-5,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	139,999	5.85
FY13 CE Recommended	3,239,749	27.55

Tree Maintenance

This program provides pruning, planting, fertilization, necessary spraying, replacement, watering, mulching, and tree base cleaning in the Urban Districts.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	115,810	0.00
FY13 CE Recommended	115,810	0.00

Enhanced Security

This program provides safeguards against property theft, vandalism, and personal security in the Silver Spring and Wheaton Urban Districts. The goal of the program is to provide an enhanced level of protection and reduce the perception of crime through the use of the Safe Team as the eyes and ears of County Police and as a uniformed visual presence to create a safe and secure environment. Safe Team members also act as "ambassadors" providing information, directions, first aid and CPR, and roadside assistance to residents, visitors, and the business community.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,162,290	24.30
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	47,709	-0.73
FY13 CE Recommended	1,209,999	23.57

Administration

This program provides staff support for contract administration, Urban District Advisory Committees and for the administration of Urban District corporations. This program also provides for budget preparation and monitoring, payment authorization, records maintenance, and the Bethesda Circulator contract.

FY13 Recommended Changes	Expenditures	FTEs
FY12 Approved	1,757,330	5.10
Increase Cost: Bethesda Urban Partnership Rent, Health Insurance	18,000	0.00
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs. Other large variances are related to the transition from the previous mainframe budgeting system to Hyperion.	-35,889	-1.80
FY13 CE Recommended	1,739,441	3.30

BUDGET SUMMARY

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Buck/Rec
BETHESDA URBAN DISTRICT					
EXPENDITURES					
Salaries and Wages	72,014	79,620	79,750	81,618	2.5%
Employee Benefits	30,470	30,850	32,602	38,798	25.8%
Bethesda Urban District Personnel Costs	102,484	110,470	112,352	120,416	9.0%
Operating Expenses	3,277,534	3,261,020	3,260,170	3,296,470	1.1%
Capital Outlay	0	0	0	0	—
Bethesda Urban District Expenditures	3,380,018	3,371,490	3,372,522	3,416,886	1.3%
PERSONNEL					
Full-Time	1	1	1	1	—
Part-Time	0	0	0	0	—
FTEs	1.00	1.00	1.00	1.00	—
REVENUES					
Investment Income	714	0	0	0	—
Optional Method Development	149,592	130,000	130,000	150,000	15.4%
Property Tax	484,565	465,460	467,020	454,990	-2.2%
Bethesda Urban District Revenues	634,871	595,460	597,020	604,990	1.6%
SILVER SPRING URBAN DISTRICT					
EXPENDITURES					
Salaries and Wages	1,181,630	1,343,140	1,212,206	1,378,286	2.6%
Employee Benefits	328,687	358,090	356,409	414,987	15.9%
Silver Spring Urban District Personnel Costs	1,510,317	1,701,230	1,568,615	1,793,273	5.4%
Operating Expenses	798,432	900,160	900,161	909,204	1.0%
Capital Outlay	0	0	0	0	—
Silver Spring Urban District Expenditures	2,308,749	2,601,390	2,468,776	2,702,477	3.9%
PERSONNEL					
Full-Time	17	18	18	18	—
Part-Time	0	0	0	0	—
FTEs	30.50	31.70	31.70	34.92	10.2%
REVENUES					
Optional Method Development	131,017	134,000	134,000	134,000	—
Property Tax	626,757	639,610	611,420	595,470	-6.9%
Recreation Fees	-2,470	0	0	0	—
Silver Spring Urban District Revenues	755,304	773,610	745,420	729,470	-5.7%
WHEATON URBAN DISTRICT					
EXPENDITURES					
Salaries and Wages	761,705	787,900	765,408	814,436	3.4%
Employee Benefits	223,299	208,770	217,083	248,467	19.0%
Wheaton Urban District Personnel Costs	985,004	996,670	982,491	1,062,903	6.6%
Operating Expenses	336,853	429,770	422,621	462,586	7.6%
Capital Outlay	0	0	0	0	—
Wheaton Urban District Expenditures	1,321,857	1,426,440	1,405,112	1,525,489	6.9%
PERSONNEL					
Full-Time	12	12	12	12	—
Part-Time	1	1	1	1	—
FTEs	18.70	19.30	19.30	19.40	0.5%
REVENUES					
Investment Income	36	0	0	0	—
Property Tax	148,967	160,160	150,310	146,470	-8.5%
Wheaton Urban District Revenues	149,003	160,160	150,310	146,470	-8.5%

	Actual FY11	Budget FY12	Estimated FY12	Recommended FY13	% Chg Bud/Rec
DEPARTMENT TOTALS					
Total Expenditures	7,010,624	7,399,320	7,246,410	7,644,852	3.3%
Total Full-Time Positions	30	31	31	31	—
Total Part-Time Positions	1	1	1	1	—
Total FTEs	50.20	52.00	52.00	55.32	6.4%
Total Revenues	1,539,178	1,529,230	1,492,750	1,480,930	-3.2%

FY13 RECOMMENDED CHANGES

	Expenditures	FTEs
BETHESDA URBAN DISTRICT		
FY12 ORIGINAL APPROPRIATION	3,371,490	1.00
Other Adjustments (with no service impacts)		
Increase Cost: Streetscaping backed by Optional Method Development Fee [Streetscape Maintenance]	20,000	0.00
Increase Cost: Bethesda Urban Partnership Rent, Health Insurance [Administration]	18,000	0.00
Increase Cost: Retirement Adjustment	6,951	0.00
Increase Cost: Misc. Operating Expenses	5,000	0.00
Increase Cost: Lump Sum Wage Adjustment	2,153	0.00
Increase Cost: Group Insurance Adjustment	842	0.00
Shift: Remove Occupational Medical Services Chargeback from Office of Human Resources	10	0.00
Decrease Cost: Risk Management Adjustment	-2,560	0.00
Decrease Cost: Streetlight Replacement [Streetscape Maintenance]	-5,000	0.00
FY13 RECOMMENDED:	3,416,886	1.00
SILVER SPRING URBAN DISTRICT		
FY12 ORIGINAL APPROPRIATION	2,601,390	31.70
Other Adjustments (with no service impacts)		
Increase Cost: Lump Sum Wage Adjustment	36,601	0.00
Increase Cost: Group Insurance Adjustment	33,192	0.00
Increase Cost: Retirement Adjustment	21,192	0.00
Increase Cost: Motor Pool Rate Adjustment	13,350	0.00
Increase Cost: Longevity Adjustment	1,394	0.00
Increase Cost: Annualization of FY12 Personnel Costs	0	0.01
Technical Adj: Increase FTEs in Public Service Aide Group Position	0	3.22
Decrease Cost: Printing and Mail Adjustment	-450	0.00
Decrease Cost: Risk Management Adjustment	-1,970	0.00
Shift: Remove Occupational Medical Services Chargeback from Office of Human Resources	-2,222	-0.01
FY13 RECOMMENDED:	2,702,477	34.92
WHEATON URBAN DISTRICT		
FY12 ORIGINAL APPROPRIATION	1,426,440	19.30
Other Adjustments (with no service impacts)		
Increase Cost: Lump Sum Wage Adjustment	26,697	0.00
Increase Cost: Motor Pool Rate Adjustment	23,140	0.00
Increase Cost: Group Insurance Adjustment	21,872	0.00
Increase Cost: Retirement Adjustment	15,950	0.00
Increase Cost: Operating Budget Impacts for Wheaton Redevelopment CIP Project (tree maintenance, pavers, streetlights) [Streetscape Maintenance]	11,440	0.00
Increase Cost: Longevity Adjustment	1,798	0.00
Technical Adj: Conversion of WYs to FTEs in the New Hyperion Budgeting System; FTEs are No Longer Measured for Overtime and Lapse	0	0.10
Decrease Cost: Printing and Mail Adjustment	-30	0.00
Shift: Remove Occupational Medical Services Chargeback from Office of Human Resources	-738	0.00
Decrease Cost: Risk Management Adjustment	-1,080	0.00
FY13 RECOMMENDED:	1,525,489	19.40

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PROGRAM SUMMARY

Program Name	FY12 Approved		FY13 Recommended	
	Expenditures	FTEs	Expenditures	FTEs
Promotion of Community and Business Activities	1,146,610	0.90	1,195,884	0.90
Sidewalk Repair	143,970	0.00	143,969	0.00
Streetscape Maintenance	3,073,310	21.70	3,239,749	27.55
Tree Maintenance	115,810	0.00	115,810	0.00
Enhanced Security	1,162,290	24.30	1,209,999	23.57
Administration	1,757,330	5.10	1,739,441	3.30
Total	7,399,320	52.00	7,644,852	55.32

CHARGES TO OTHER DEPARTMENTS

Charged Department	Charged Fund	FY12		FY13	
		Total\$	FTEs	Total\$	FTEs
SILVER SPRING URBAN DISTRICT					
CIP	CIP	387,860	8.00	0	0.00
Parking District Services	Silver Spring Parking District	104,865	3.00	104,865	3.00
Total		492,725	11.00	104,865	3.00

FUTURE FISCAL IMPACTS

Title	CE REC. FY13	FY14	FY15	(\$000's) FY16	FY17	FY18
This table is intended to present significant future fiscal impacts of the department's programs.						
BETHESDA URBAN DISTRICT						
Expenditures						
FY13 Recommended	3,417	3,417	3,417	3,417	3,417	3,417
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Lump Sum Wage Adjustment	0	-2	-2	-2	-2	-2
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
Subtotal Expenditures	3,417	3,415	3,415	3,415	3,415	3,415
SILVER SPRING URBAN DISTRICT						
Expenditures						
FY13 Recommended	2,702	2,702	2,702	2,702	2,702	2,702
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Lump Sum Wage Adjustment	0	-37	-37	-37	-37	-37
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
Subtotal Expenditures	2,702	2,666	2,666	2,666	2,666	2,666
WHEATON URBAN DISTRICT						
Expenditures						
FY13 Recommended	1,525	1,525	1,525	1,525	1,525	1,525
No inflation or compensation change is included in outyear projections.						
Elimination of One-Time Lump Sum Wage Adjustment	0	-27	-27	-27	-27	-27
This represents the elimination of the one-time lump sum wage increases paid in FY13.						
Subtotal Expenditures	1,525	1,499	1,499	1,499	1,499	1,499

FY13-18 PUBLIC SERVICES PROGRAM: FISCAL PLAN				Bethesda Urban District			
FISCAL PROJECTIONS	FY12 ESTIMATE	FY13 REC	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.012	0.012	0.012	0.012	0.012	0.012	0.012
Assessable Base: Real Property (000)	3,405,000	3,305,800	3,375,100	3,447,700	3,599,300	3,803,500	4,049,000
Property Tax Collection Factor: Real Property	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%
Property Tax Rate: Personal Property	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Assessable Base: Personal Property (000)	212,300	211,500	211,900	209,200	210,300	216,700	217,500
Property Tax Collection Factor: Personal Property	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	14.29%	12.13%	12.13%	12.13%	12.13%	12.13%	12.13%
CPI (Fiscal Year)	3.1%	2.7%	2.9%	2.9%	2.7%	2.7%	2.7%
Investment Income Yield	0.15%	0.25%	0.35%	0.85%	1.60%	2.35%	2.85%
BEGINNING FUND BALANCE	24,503	98,211	86,705	89,210	91,750	94,030	96,110
REVENUES							
Taxes	467,020	454,990	463,350	471,190	489,540	515,690	545,130
Charges For Services	130,000	150,000	150,000	150,000	150,000	150,000	150,000
Subtotal Revenues	597,020	604,990	613,350	621,190	639,540	665,690	695,130
INTERFUND TRANSFERS (Net Non-CIP)	2,849,210	2,800,390	2,905,390	3,000,390	3,080,390	3,155,390	3,235,390
Transfers To The General Fund	(15,790)	(14,610)	(14,610)	(14,610)	(14,610)	(14,610)	(14,610)
Indirect Costs	(15,790)	(14,610)	(14,610)	(14,610)	(14,610)	(14,610)	(14,610)
Transfers From Special Fds: Non-Tax + ISF	2,865,000	2,815,000	2,920,000	3,015,000	3,095,000	3,170,000	3,250,000
Fram Bethesda Parking District	2,865,000	2,815,000	2,920,000	3,015,000	3,095,000	3,170,000	3,250,000
TOTAL RESOURCES	3,470,733	3,503,591	3,605,445	3,710,790	3,811,680	3,915,110	4,026,630
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(3,372,522)	(3,416,886)	(3,518,386)	(3,621,186)	(3,719,796)	(3,821,146)	(3,927,216)
Annualizations and One-Time	n/a	n/a	2,150	2,150	2,150	2,150	2,150
Subtotal PSP Oper Budget Approp / Exp's	(3,372,522)	(3,416,886)	(3,516,236)	(3,619,036)	(3,717,646)	(3,818,996)	(3,925,066)
TOTAL USE OF RESOURCES	(3,372,522)	(3,416,886)	(3,516,236)	(3,619,036)	(3,717,646)	(3,818,996)	(3,925,066)
YEAR END FUND BALANCE	98,211	86,705	89,210	91,750	94,030	96,110	101,560
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	2.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Assumptions:

1. Transfers from the Bethesda Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase over the six years based on an improved assessable base.
3. Large assessable base increases are due to economic growth and new projects coming online..
4. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY14-18 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
6. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of parking spaces in the Urban District times the number of enforcement hours per year times 20 cents.

FY13-18 PUBLIC SERVICES PROGRAM- FISCAL PLAN
Silver Spring Urban District

FISCAL PROJECTIONS	FY12 ESTIMATE	FY13 REC	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.024	0.024	0.024	0.024	0.024	0.024	0.024
Assessable Base: Real Property (000)	2,267,200	2,201,100	2,247,300	2,295,600	2,396,500	2,532,500	2,696,000
Property Tax Collection Factor: Real Property	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%
Property Tax Rate: Personal Property	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Assessable Base: Personal Property (000)	123,400	123,000	123,200	121,600	122,300	126,000	126,500
Property Tax Collection Factor: Personal Property	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	14.29%	12.13%	12.13%	12.13%	12.13%	12.13%	12.13%
CPI (Fiscal Year)	3.1%	2.7%	2.9%	2.9%	2.7%	2.7%	2.7%
Investment Income Yield	0.15%	0.25%	0.35%	0.85%	1.60%	2.35%	2.85%
BEGINNING FUND BALANCE	997,708	727,242	68,710	71,170	75,290	77,590	80,250
REVENUES							
Taxes	611,420	595,465	606,570	617,130	641,530	676,040	715,220
Charges For Services	134,000	134,000	134,000	134,000	134,000	134,000	134,000
Subtotal Revenues	745,420	729,465	740,570	751,130	775,530	810,040	849,220
INTERFUND TRANSFERS (Net Non-CIP)	1,452,890	1,314,480	2,042,480	2,151,480	2,242,480	2,330,480	2,420,480
Transfers To The General Fund	(243,110)	(217,520)	(217,520)	(217,520)	(217,520)	(217,520)	(217,520)
Indirect Costs	(243,110)	(217,520)	(217,520)	(217,520)	(217,520)	(217,520)	(217,520)
Transfers From Special Fds: Non-Tax + ISF	1,696,000	1,532,000	2,260,000	2,369,000	2,460,000	2,548,000	2,638,000
From Silver Spring Parking District	1,696,000	1,532,000	2,260,000	2,369,000	2,460,000	2,548,000	2,638,000
TOTAL RESOURCES	3,196,018	2,771,187	2,851,760	2,973,780	3,093,300	3,218,110	3,349,950
PSP OPER. BUDGET APPROP/ EXPS.							
Operating Budget	(2,468,776)	(2,702,477)	(2,816,717)	(2,934,617)	(3,051,837)	(3,173,987)	(3,302,887)
Annualizations and One-Time	n/a	n/a	36,600	36,600	36,600	36,600	36,600
Longevity Adjustment	n/a	n/a	(470)	(470)	(470)	(470)	(470)
Subtotal PSP Oper Budget Approp / Exp's	(2,468,776)	(2,702,477)	(2,780,587)	(2,898,487)	(3,015,707)	(3,137,857)	(3,266,757)
TOTAL USE OF RESOURCES	(2,468,776)	(2,702,477)	(2,780,587)	(2,898,487)	(3,015,707)	(3,137,857)	(3,266,757)
YEAR END FUND BALANCE	727,242	68,710	71,170	75,290	77,590	80,250	83,190
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	22.8%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Assumptions:

1. Transfers from the Silver Spring Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
2. Property tax revenue is assumed to increase over the six years based on an improved assessable base.
3. Large assessable base increases are due to economic growth and new projects coming online.
4. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY14-18 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
5. Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of parking spaces in the Urban District times the number of enforcement hours per year times 20 cents.

FY13-18 PUBLIC SERVICES PROGRAM- FISCAL PLAN
Wheaton Urban District

FISCAL PROJECTIONS	FY12 ESTIMATE	FY13 REC	FY14 PROJECTION	FY15 PROJECTION	FY16 PROJECTION	FY17 PROJECTION	FY18 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.030	0.030	0.030	0.030	0.030	0.030	0.030
Assessable Base: Real Property (000)	435,500	422,800	431,700	441,000	460,400	486,500	517,900
Property Tax Collection Factor: Real Property	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%	99.1%
Property Tax Rate: Personal Property	0.075	0.075	0.075	0.075	0.075	0.075	0.075
Assessable Base: Personal Property (000)	28,500	28,400	28,500	28,100	28,300	29,200	29,300
Property Tax Collection Factor: Personal Property	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	14.29%	12.13%	12.13%	12.13%	12.13%	12.13%	12.13%
CPI (Fiscal Year)	3.1%	2.7%	2.9%	2.9%	2.7%	2.7%	2.7%
Investment Income Yield	0.15%	0.25%	0.35%	0.85%	1.60%	2.35%	2.85%
BEGINNING FUND BALANCE	312,998	216,186	38,643	40,220	42,630	43,620	45,920
REVENUES							
Taxes	150,310	146,466	149,180	151,660	157,570	165,990	175,400
Subtotal Revenues	150,310	146,466	149,180	151,660	157,570	165,990	175,400
INTERFUND TRANSFERS (Net Non-CIP)	1,157,990	1,201,480	1,416,693	1,482,693	1,542,693	1,605,793	1,668,693
Transfers To The General Fund	(142,420)	(128,930)	(128,930)	(128,930)	(128,930)	(128,930)	(128,930)
Indirect Costs	(142,420)	(128,930)	(128,930)	(128,930)	(128,930)	(128,930)	(128,930)
Transfers From The General Fund	1,008,090	1,038,090	1,253,303	1,319,303	1,379,303	1,442,403	1,505,303
To Baseline Services	76,090	76,090	76,090	76,090	76,090	76,090	76,090
To Non-Baseline Services	932,000	962,000	1,177,213	1,243,213	1,303,213	1,366,313	1,429,213
Transfers From Special Fds: Non-Tax + ISF	292,320	292,320	292,320	292,320	292,320	292,320	292,320
From Wheaton Parking District	292,320	292,320	292,320	292,320	292,320	292,320	292,320
TOTAL RESOURCES	1,621,298	1,564,132	1,604,516	1,674,573	1,742,893	1,815,403	1,890,013
PSP OPER. BUDGET APPROP/ EXPS.							
Operating Budget	(1,405,112)	(1,525,489)	(1,590,989)	(1,658,639)	(1,725,969)	(1,796,179)	(1,870,279)
Annualizations and One-Time	n/a	n/a	26,697	26,697	26,697	26,697	26,697
Subtotal PSP Oper Budget Approp / Exp's	(1,405,112)	(1,525,489)	(1,564,292)	(1,631,942)	(1,699,272)	(1,769,482)	(1,843,582)
TOTAL USE OF RESOURCES	(1,405,112)	(1,525,489)	(1,564,292)	(1,631,942)	(1,699,272)	(1,769,482)	(1,843,582)
YEAR END FUND BALANCE	216,186	38,643	40,220	42,630	43,620	45,920	46,430
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	13.3%	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%

Assumptions:

- Transfers from the Wheaton Parking District are adjusted annually to fund the approved service program and to maintain an ending fund balance of approximately 2.5 percent of resources.
- Property tax revenue is assumed to increase over the six years based on an improved assessable base.
- Large assessable base increases are due to economic growth and new projects coming online.
- The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide.
- The Non-Baseline Services transfer is necessary to maintain fund balance policy.
- These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY14-18 expenditures are based on the "major, known commitments" of elected officials and include negotiated labor agreements, estimates of compensation and inflation cost increases, the operating costs of capital facilities, the fiscal impact of approved legislation or regulations, and other programmatic commitments. They do not include unapproved service improvements. The projected future expenditures, revenues, and fund balance may vary based on changes to fee or tax rates, usage inflation, future labor agreements, and other factors not assumed here.
- Section 68A-4 of the County Code requires: a) that the proceeds from either the Urban District tax or parking fee transfer must not be greater than 90 percent of their combined total; and b) that the transfer from the Parking District not exceed the number of parking spaces in the Urban District times the number of enforcement hours per year times 20 cents.

**COMPARISON OF URBAN DISTRICT FUNDING SOURCES
FY11-FY12**

Urban District	FY11 Estimate	FY12 CE Rec.
Bethesda Urban District		
Beginning Fund Balance	180,600	12,820
Revenues		
Urban District Tax	477,040	465,460
Charges for services to optional method development	130,000	130,000
Interfund Transfers		
Transfer to the General Fund for indirect costs*	-7,910	-15,790
Transfer from Bethesda Parking Lot District	2,593,000	2,865,000
Total Resources	3,372,730	3,457,490
Operating budget expenditures	-3,359,910	-3,371,490
Projected year end fund balance	12,820	86,000
End of year reserves as a % of resources	0.4%	2.5%

Silver Spring Urban District		
Beginning Fund Balance	746,780	442,230
Revenues		
Urban District Tax	655,890	639,610
Charges for services to optional method development	134,000	134,000
Interfund Transfers		
Transfer to the General Fund for indirect costs*	-220,500	-243,110
Transfer from Silver Spring Parking Lot District	1,805,000	1,696,000
Total Resources	3,121,170	2,668,730
Operating budget expenditures	-2,678,940	-2,601,390
Projected year end fund balance	442,230	67,340
End of year reserves as a % of resources	14.2%	2.5%

Wheaton Urban District		
Beginning Fund Balance	277,440	145,560
Revenues		
Urban District Tax	164,160	160,160
Interfund Transfers		
Transfer to the General Fund for indirect costs*	-127,280	-142,420
Transfer from the General Fund for baseline services	76,090	76,090
Transfer from the General Fund for non-baseline services	873,000	932,000
Transfer from Wheaton Parking Lot District	292,320	292,320
Total Resources	1,555,730	1,463,710
Operating budget expenditures	-1,410,170	-1,426,440
Projected year end fund balance	145,560	37,270
End of year reserves as a % of resources	9.4%	2.5%

*Indirect costs are calculated by formula to cover the costs for services provided to the Urban Districts by centralized County functions such as Human Resources, Management and Budget, County Attorney, Etc. As with other special funds, indirect costs are transferred from the Urban District funds to the General Fund.