

AGENDA ITEM #2  
May 12, 2008

Worksession

MEMORANDUM

May 9, 2008

TO: County Council

FROM: Minna K. Davidson, <sup>MKD</sup> Legislative Analyst

SUBJECT: **Worksession: FY09 Operating Budget  
Urban Districts**

*Those expected for this worksession:*

Natalie Cantor, Director, Mid-County Regional Services Center  
Kenneth Hartman, Director, Bethesda-Chevy Chase Regional Services Center  
Gary Stith, Director, Silver Spring Regional Services Center  
Brady Goldsmith, Office of Management and Budget

The Executive's recommendation for the Urban Districts is attached at ©1-6.

**Summary of Planning, Housing and Economic Development (PHED) Committee  
Recommendations**

The PHED Committee held a worksession on the Urban Districts budget on April 23. **The Committee recommends no change to the Executive's recommended \$7,281,010.**

**The T&E Committee reviews the Parking Lot District budgets, and recommended increasing the amount of Parking Lot District revenues to be transferred to the Urban Districts. The Council reviewed the T&E Committee's recommendations on May 6 and tentatively approved them.** The recommendations and their impact on the Urban Districts are discussed in more detail on pages 5-6 of this memo.

## OVERVIEW

For FY09, the Executive recommends total expenditures of \$7,281,010 for the Urban Districts, a 4.5% increase from the FY08 approved budget. Not included in this amount are \$387,860 and 8.0 wy charged to the CIP and \$104,870 and 3.0 wy charged to the Silver Spring Parking Lot District.

| (in \$000's)              | FY07<br>Actual | FY08<br>Approved | FY09 CE<br>Recommended | % Change<br>FY08-FY09 |
|---------------------------|----------------|------------------|------------------------|-----------------------|
| <b>Expenditures:</b>      |                |                  |                        |                       |
| Urban District Funds      | 6,406          | 6,965            | 7,281                  | 4.5%                  |
| <b>TOTAL Expenditures</b> | <b>6,406</b>   | <b>6,965</b>     | <b>7,281</b>           | <b>4.5%</b>           |
| <b>Positions:</b>         |                |                  |                        |                       |
| Full-time                 | 21             | 32               | 32                     | 0.0%                  |
| Part-time                 | 1              | 1                | 1                      | 0.0%                  |
| <b>TOTAL Positions</b>    | <b>22</b>      | <b>33</b>        | <b>33</b>              | <b>0.0%</b>           |
| <b>WORKYEARS</b>          | <b>57.1</b>    | <b>57.6</b>      | <b>58.1</b>            | <b>0.9%</b>           |

The Executive recommends no change in the number of full time or part time positions. One position in the Bethesda Urban District that was added for a part year in FY08, a Program Specialist II, is recommended to be annualized in FY09.

The FY09 CE recommendation is an increase of \$316,370. It includes a net increase of \$356,370 in same services adjustments.

| Identified Same Services Adjustments:          | B-CC             | Silver Spring    | Wheaton         | Total            |
|--|------------------|------------------|-----------------|------------------|
| General Wage and Service Increment Adjustments | 2,300            | 82,010           | 54,550          | 138,860          |
| Salaries/Benefits for BUP contract workforce   | 103,790          |                  |                 | 103,790          |
| Annualization of FY08 Personnel Costs          |                  | 4,790            | 4,280           | 9,070            |
| Annualization of FY08 Lapsed Positions         | 29,250           |                  |                 | 29,250           |
| Group Insurance Adjustments                    | 1,010            | 20,540           | 14,260          | 35,810           |
| Retirement Adjustment                          | 880              | 11,570           | 9,710           | 22,160           |
| Risk Management Adjustment                     | -200             | -11,480          | -7,270          | -18,950          |
| Occupational Medical Services Adjustment       | 20               | 580              | 370             | 970              |
| Motor Pool Rate Adjustments                    |                  | 31,550           | 6,840           | 38,390           |
| Printing and Mail Adjustments                  |                  | 970              | 940             | 1,910            |
| Rent, Real Estate Taxes, Operational Costs     | 8,010            |                  |                 | 8,010            |
| Uniforms                                       |                  | -12,900          |                 | -12,900          |
| <b>NET SAME SERVICES ADJUSTMENT TOTAL</b>      | <b>\$145,060</b> | <b>\$127,630</b> | <b>\$83,680</b> | <b>\$356,370</b> |

The Executive also recommends three service reductions in the Silver Spring Urban District.

| <b>Identified Service Changes in Silver Spring</b>   | <b>\$</b>        |
|--|------------------|
| Eliminate Bike Race                                  | -5,000           |
| Eliminate Magical Montgomery                         | -15,000          |
| Eliminate Contractor for concrete and paving repairs | -20,000          |
| <b>TOTAL SERVICE CHANGES</b>                         | <b>-\$40,000</b> |

### URBAN DISTRICTS AND PROGRAMS

Urban Districts were created to promote public interest activities that benefit residential and commercial interests in particular communities. Urban Districts enhance the safety and security of individuals and property and provide assistance with capital projects that promote the economic stability and growth of the district. In addition, Urban Districts ensure that communities are maintained in a clean and attractive manner, promote a sense of community identity, ensure adequate infrastructure and foster a dynamic social and business climate.

The County's three Urban Districts are Bethesda, Silver Spring, and Wheaton. The Bethesda Urban District is run by an Urban District corporation, the Bethesda Urban Partnership. The Silver Spring and Wheaton Urban Districts are managed by the respective Regional Services Centers.

Urban District services include promotions, sidewalk repair and maintenance, streetscaping activities and tree maintenance. The table below lists the FY09 recommended programs and funding.

| <b>Program</b>                                 | <b>\$</b>        | <b>wy</b>   |
|--|------------------|-------------|
| Promotion of Community and Business Activities | 1,263,120        | 0.9         |
| Sidewalk Repair                                | 143,970          | 0.0         |
| Streetscape Maintenance                        | 3,446,660        | 26.7        |
| Tree Maintenance                               | 121,360          | 0.0         |
| Enhanced Security                              | 1,139,840        | 26.0        |
| Administration                                 | 1,166,060        | 4.5         |
| <b>Total</b>                                   | <b>7,281,010</b> | <b>58.1</b> |

### FY09 EXPENDITURE ISSUES

The Executive recommends three service reductions in the Silver Spring Urban District as shown in the table below.

| Identified Service Changes in Silver Spring          | \$               |
|--|------------------|
| Eliminate Bike Race                                  | -5,000           |
| Eliminate Magical Montgomery                         | -15,000          |
| Eliminate Contractor for concrete and paving repairs | -20,000          |
| <b>TOTAL SERVICE CHANGES</b>                         | <b>-\$40,000</b> |

Silver Spring RSC staff provided the following comments on the reductions:

***Bike Race:** The Bike Race is being eliminated because it was very disruptive to traffic and parking in downtown and the attendance never met our expectations. We do not feel that this is a viable event for downtown Silver Spring.*

***Magical Montgomery:** For the Magical Montgomery Arts Festival we are working diligently to find private sponsors for the event.*

***Contractor for repairs:** The elimination of the contractor to do concrete and paving repairs will be done in house with our work force. The repairs are necessary for safety reasons, but there will be a reduction in service for some cleaning and other ambassador activities.*

**PHED COMMITTEE DISCUSSION:** Mr. Stith said that he had recently been informed that Silver Spring PFA will provide \$15,000 for Magical Montgomery to continue in FY09.

**PHED COMMITTEE RECOMMENDATION:** Approve a total reduction of -\$40,000 for the three service reductions in the Silver Spring Urban District, as recommended by the Executive.

### REVENUE ISSUES

The Urban Districts are funded through a combination of revenues from the Urban District Tax, Parking Lot District fees, maintenance charges on optional method development, transfers from the General Fund, and miscellaneous revenues. 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. Urban District fund calculations from the Executive's FY09-14 Fiscal Plan are attached on © 7-9.

**Urban District Tax Rate:** The Executive is proposing no tax rate changes for the Urban Districts from FY08 to FY09. The recommended tax rates are shown in the table below.

| Urban District | Real Property | Personal Property |
|----------------|---------------|-------------------|
| Bethesda       | .016          | .040              |
| 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 in Bethesda was \$230,420, in Silver Spring was \$241,630, and in Wheaton was \$76,090. 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 few 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 \$230,420 “due” to Bethesda to fund other needs in the General Fund portion of the budget.

The chart below shows the Executive’s recommended FY09 General Fund transfers and how they relate to the overall resources for the Urban Districts. Once again Silver Spring and Wheaton would each be partially funded with a baseline services transfer and Bethesda would not. In addition, the Wheaton Urban District is proposed to receive a sizable non-baseline transfer because it does not have sufficient funds from its own sources.

| Urban District | Baseline Transfer | Baseline Service Cost | Non-baseline Transfer | Total General Fund Transfer | Total FY08 Resources |
|----------------|-------------------|-----------------------|-----------------------|-----------------------------|----------------------|
| Bethesda       | \$0               | \$230,420             | \$0                   | \$0                         | \$2,799,940          |
| Silver Spring  | \$241,630         | \$241,630             | \$0                   | \$241,630                   | \$2,965,110          |
| Wheaton        | \$76,090          | \$76,090              | \$924,000             | \$1,000,090                 | \$1,702,530          |

**T&E Committee recommendations:** The T&E Committee recommended increasing the Parking Lot District transfers to the Urban Districts to:

1. Eliminate the General Fund baseline transfer of \$241,630 in Silver Spring;
2. Reduce the General Fund non-baseline transfer to Wheaton by \$248,490;
3. Increase the Bethesda Parking Lot District transfer by \$153,010 to reduce the Bethesda Urban District Tax rate from 1.6¢ to 1.2¢ for real property and 4.0¢ to 3.0¢ for personal property.

The recommendations for the Silver Spring and Wheaton Districts would free up the General Fund for other uses. The recommendation for Bethesda would create a one-time Urban District Tax reduction, and would reduce the amount included in the aggregate property tax (bringing the budget slightly closer to the Question F cap).

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. The T&E Committee's proposed transfers would not exceed either of these limits.

The Council tentatively approved these recommendations at its May 6 worksession on the Parking Lot District budgets. An excerpt from the May 6 packet describes these recommendations in more detail (© 10-11).

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# Urban Districts

## MISSION STATEMENT

The mission of the Urban Districts (Bethesda, Silver Spring, and Wheaton) is to: ensure that each district is maintained in a clean, safe, and attractive manner; promote a strong sense of identity in each district; ensure that each district has adequate infrastructure and the enhanced services required by their higher levels of activity in order to foster a vibrant social and business climate; and ensure long-term economic viability and vitality.

## BUDGET OVERVIEW

The total recommended FY09 Operating Budget for the Urban Districts is \$7,281,010, an increase of \$316,370 or 4.5 percent from the FY08 Approved Budget of \$6,964,640. Personnel Costs comprise 41.7 percent of the budget for 32 full-time positions and one part-time position for 58.1 workyears. Operating Expenses account for the remaining 58.3 percent of the FY09 budget.

## LINKAGE TO COUNTY RESULT AREAS

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

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

## PERFORMANCE MEASURES

This table presents what the department estimates and projects will be the FY08 through FY10 data for its performance measures if there are no changes in funding.

| Measure   | Actual FY06 | Actual FY07 | Estimated FY08 | Projected FY09 | Projected FY10 |
|---|-------------|-------------|----------------|----------------|----------------|
| Percent of Urban District blocks with severe litter problems <sup>1</sup> | 0           | 0           | 0              | 0              | 0              |
| Percent of landscaped areas with severe maintenance problems              | 1           | 0           | 0              | 0              | 0              |
| Percent of street furniture items with maintenance problems               | 0           | 0           | 0              | 0              | 0              |
| Percent of publicly owned land without landscape treatment                | n/a         | n/a         | 0              | 0              | 0              |
| Percent of residents who feel safe in the downtown area <sup>2</sup>      | n/a         | n/a         | 70             | 75             | 80             |
| Customers served directly by Clean and Safe Teams <sup>3</sup>            | n/a         | n/a         | 30,000         | 30,000         | 30,000         |
| Annual attendance at Urban District special events                        | 196,300     | 196,400     | 200,000        | 168,000        | 168,000        |
| Average number of unique website hits per month <sup>4</sup>              | 11,382      | 11,380      | 11,400         | 11,450         | 11,500         |

<sup>1</sup>Measures related to maintenance and litter problems are assessed through the use of trained observer ratings of streetscape conditions in each of the Urban Districts.

<sup>2</sup>The Silver Spring and Wheaton Urban Districts are exploring the possibility of using intercept surveys to measure various customer opinions including resident's perception of safety.

<sup>3</sup>Measures without FY06 and FY07 actuals are new. No historical data exists.

<sup>4</sup>Data on unique website visits retrieved from Web Trend Report. Wheaton Urban District counts all unique visits to MidCounty Regional Services Center web page.

## ACCOMPLISHMENTS AND INITIATIVES

- ❖ *Provide support for the implementation of the Silver Spring Transit Center Interim Operating site.*
- ❖ *In the Bethesda Urban District, continue to host such events as the Summer Concert Series and Winter Wonderland.*
- ❖ *In the Wheaton Urban District, continue to host events such as the Taste of Wheaton and the Summer Concert Series.*
- ❖ *In the Silver Spring Urban District, continue to host events such as the Silver Spring Jazz Festival and the Thanksgiving Parade.*

## PROGRAM CONTACTS

Contact Anise Brown of the Urban Districts at 240.777.8400 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 enhanced maintenance activities; sponsorship of community events, including 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.

#### **FY09 Recommended Changes**

|  | <b>Expenditures</b> | <b>WYs</b> |
|--|---------------------|------------|
| <b>FY08 Approved</b>   | <b>1,253,720</b>    | <b>0.9</b> |
| Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program | 9,400               | 0.0        |
| <b>FY09 CE Recommended</b>   | <b>1,263,120</b>    | <b>0.9</b> |

### **Sidewalk Repair**

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

#### **FY09 Recommended Changes**

|  | <b>Expenditures</b> | <b>WYs</b> |
|--|---------------------|------------|
| <b>FY08 Approved</b>   | <b>163,970</b>      | <b>0.0</b> |
| Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program | -20,000             | 0.0        |
| <b>FY09 CE Recommended</b>   | <b>143,970</b>      | <b>0.0</b> |

### **Streetscape Maintenance**

This program provides maintenance of, and improvement to, the streetscape amenities within each Urban District. Various service levels include litter collection, semi-annual sidewalk pressure washing, 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.

#### **FY09 Recommended Changes**

|  | <b>Expenditures</b> | <b>WYs</b>  |
|--|---------------------|-------------|
| <b>FY08 Approved</b>   | <b>3,300,220</b>    | <b>27.6</b> |
| Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program | 146,440             | -0.9        |
| <b>FY09 CE Recommended</b>   | <b>3,446,660</b>    | <b>26.7</b> |

### **Tree Maintenance**

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

#### **FY09 Recommended Changes**

|                            | Expenditures   | WYs        |
|----------------------------|----------------|------------|
| <b>FY08 Approved</b>       | <b>121,360</b> | <b>0.0</b> |
| <b>FY09 CE Recommended</b> | <b>121,360</b> | <b>0.0</b> |

### **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 County and Park Police support as well as the Safe Teams.

### **FY09 Recommended Changes**

|  | Expenditures     | WYs         |
|--|------------------|-------------|
| <b>FY08 Approved</b>   | <b>1,117,390</b> | <b>25.8</b> |
| Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program | 22,450           | 0.2         |
| <b>FY09 CE Recommended</b>   | <b>1,139,840</b> | <b>26.0</b> |

### **Administration**

This program provides staff support for contract administration and clerical services to the Urban District Advisory Committees and for the administration of the Bethesda Urban Partnership (BUP), Inc., a non-profit Corporation created to manage the day-to-day operation of the Bethesda Urban District. This program also provides for budget preparation and monitoring, payment authorization, and records maintenance.

### **FY09 Recommended Changes**

|  | Expenditures     | WYs        |
|--|------------------|------------|
| <b>FY08 Approved</b>   | <b>1,007,980</b> | <b>3.3</b> |
| Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting more than one program | 158,080          | 1.2        |
| <b>FY09 CE Recommended</b>   | <b>1,166,060</b> | <b>4.5</b> |

# BUDGET SUMMARY

|   | Actual<br>FY07   | Budget<br>FY08   | Estimated<br>FY08 | Recommended<br>FY09 | % Chg<br>Bud/Rec |
|---|------------------|------------------|-------------------|---------------------|------------------|
| <b>BETHESDA URBAN DISTRICT</b>                      |                  |                  |                   |                     |                  |
| <b>EXPENDITURES</b>                                 |                  |                  |                   |                     |                  |
| Salaries and Wages                                  | 0                | 11,550           | 5,850             | 45,850              | 297.0%           |
| Employee Benefits                                   | 0                | 17,700           | 8,770             | 16,840              | -4.9%            |
| <b>Bethesda Urban District Personnel Costs</b>      | <b>0</b>         | <b>29,250</b>    | <b>14,620</b>     | <b>62,690</b>       | <b>114.3%</b>    |
| Operating Expenses                                  | 2,401,551        | 2,555,450        | 2,551,900         | 2,667,070           | 4.4%             |
| Capital Outlay                                      | 0                | 0                | 0                 | 0                   | —                |
| <b>Bethesda Urban District Expenditures</b>         | <b>2,401,551</b> | <b>2,584,700</b> | <b>2,566,520</b>  | <b>2,729,760</b>    | <b>5.6%</b>      |
| <b>PERSONNEL</b>                                    |                  |                  |                   |                     |                  |
| Full-Time   | 0                | 1                | 1                 | 1                   | —                |
| Part-Time   | 0                | 0                | 0                 | 0                   | —                |
| Workyears   | 0.0              | 0.5              | 0.5               | 1.0                 | 100.0%           |
| <b>REVENUES</b>                                     |                  |                  |                   |                     |                  |
| Investment Income: Pooled                           | 13,874           | 0                | 10,000            | 10,000              | —                |
| Property Tax  | 488,572          | 564,030          | 555,850           | 612,060             | 8.5%             |
| Optional Method Development                         | 130,242          | 144,700          | 144,700           | 147,350             | 1.8%             |
| <b>Bethesda Urban District Revenues</b>             | <b>632,688</b>   | <b>708,730</b>   | <b>710,550</b>    | <b>769,410</b>      | <b>8.6%</b>      |
| <b>SILVER SPRING URBAN DISTRICT</b>                 |                  |                  |                   |                     |                  |
| <b>EXPENDITURES</b>                                 |                  |                  |                   |                     |                  |
| Salaries and Wages                                  | 1,130,724        | 1,330,120        | 1,282,590         | 1,411,730           | 6.1%             |
| Employee Benefits                                   | 302,954          | 366,700          | 358,150           | 404,000             | 10.2%            |
| <b>Silver Spring Urban District Personnel Costs</b> | <b>1,433,678</b> | <b>1,696,820</b> | <b>1,640,740</b>  | <b>1,815,730</b>    | <b>7.0%</b>      |
| Operating Expenses                                  | 1,204,760        | 1,106,320        | 1,106,320         | 1,075,040           | -2.8%            |
| Capital Outlay                                      | 0                | 0                | 0                 | 0                   | —                |
| <b>Silver Spring Urban District Expenditures</b>    | <b>2,638,438</b> | <b>2,803,140</b> | <b>2,747,060</b>  | <b>2,890,770</b>    | <b>3.1%</b>      |
| <b>PERSONNEL</b>                                    |                  |                  |                   |                     |                  |
| Full-Time   | 9                | 18               | 18                | 18                  | —                |
| Part-Time   | 0                | 0                | 0                 | 0                   | —                |
| Workyears   | 35.2             | 35.2             | 35.2              | 35.2                | —                |
| <b>REVENUES</b>                                     |                  |                  |                   |                     |                  |
| Property Tax  | 523,877          | 596,960          | 571,700           | 629,220             | 5.4%             |
| Optional Method Development                         | 134,411          | 144,500          | 144,500           | 144,500             | —                |
| Investment Income                                   | 20,744           | 30,000           | 20,000            | 10,000              | -66.7%           |
| <b>Silver Spring Urban District Revenues</b>        | <b>679,032</b>   | <b>771,460</b>   | <b>736,200</b>    | <b>783,720</b>      | <b>1.6%</b>      |
| <b>WHEATON URBAN DISTRICT</b>                       |                  |                  |                   |                     |                  |
| <b>EXPENDITURES</b>                                 |                  |                  |                   |                     |                  |
| Salaries and Wages                                  | 706,088          | 851,860          | 820,330           | 889,750             | 4.4%             |
| Employee Benefits                                   | 188,793          | 222,400          | 222,390           | 267,310             | 20.2%            |
| <b>Wheaton Urban District Personnel Costs</b>       | <b>894,881</b>   | <b>1,074,260</b> | <b>1,042,720</b>  | <b>1,157,060</b>    | <b>7.7%</b>      |
| Operating Expenses                                  | 470,934          | 502,540          | 502,540           | 503,420             | 0.2%             |
| Capital Outlay                                      | 0                | 0                | 0                 | 0                   | —                |
| <b>Wheaton Urban District Expenditures</b>          | <b>1,365,815</b> | <b>1,576,800</b> | <b>1,545,260</b>  | <b>1,660,480</b>    | <b>5.3%</b>      |
| <b>PERSONNEL</b>                                    |                  |                  |                   |                     |                  |
| Full-Time   | 12               | 13               | 13                | 13                  | —                |
| Part-Time   | 1                | 1                | 1                 | 1                   | —                |
| Workyears   | 21.9             | 21.9             | 21.9              | 21.9                | —                |
| <b>REVENUES</b>                                     |                  |                  |                   |                     |                  |
| Property Tax  | 141,023          | 173,430          | 161,870           | 178,020             | 2.6%             |
| Investment Income                                   | 19,467           | 0                | 20,000            | 10,000              | —                |
| <b>Wheaton Urban District Revenues</b>              | <b>160,490</b>   | <b>173,430</b>   | <b>181,870</b>    | <b>188,020</b>      | <b>8.4%</b>      |
| <b>DEPARTMENT TOTALS</b>                            |                  |                  |                   |                     |                  |
| Total Expenditures                                  | 6,405,804        | 6,964,640        | 6,858,840         | 7,281,010           | 4.5%             |
| Total Full-Time Positions                           | 21               | 32               | 32                | 32                  | —                |
| Total Part-Time Positions                           | 1                | 1                | 1                 | 1                   | —                |
| Total Workyears                                     | 57.1             | 57.6             | 57.6              | 58.1                | 0.9%             |
| Total Revenues                                      | 1,472,210        | 1,653,620        | 1,628,620         | 1,741,150           | 5.3%             |

# FY09 RECOMMENDED CHANGES

|   | Expenditures     | WYs         |
|---|------------------|-------------|
| <b>BETHESDA URBAN DISTRICT</b>                                |                  |             |
| <b>FY08 ORIGINAL APPROPRIATION</b>                            | <b>2,584,700</b> | <b>0.5</b>  |
| <b>Other Adjustments (with no service impacts)</b>            |                  |             |
| Increase Cost: Salaries & Benefits for BUP Contract Workforce | 103,790          | 0.0         |
| Increase Cost: Annualization of FY08 Lapsed Positions         | 29,250           | 0.5         |
| Increase Cost: Rent, Real Estate Taxes, Operational Costs     | 8,010            | 0.0         |
| Increase Cost: General Wage and Service Increment Adjustments | 2,300            | 0.0         |
| Increase Cost: Group Insurance Adjustment                     | 1,010            | 0.0         |
| Increase Cost: Retirement Adjustment                          | 880              | 0.0         |
| Increase Cost: Occupational Medical Services (OMS) Adjustment | 20               | 0.0         |
| Decrease Cost: Risk Management Adjustment                     | -200             | 0.0         |
| <b>FY09 RECOMMENDED:</b>                                      | <b>2,729,760</b> | <b>1.0</b>  |
| <b>SILVER SPRING URBAN DISTRICT</b>                           |                  |             |
| <b>FY08 ORIGINAL APPROPRIATION</b>                            | <b>2,803,140</b> | <b>35.2</b> |
| <b>Changes (with service impacts)</b>                         |                  |             |
| Eliminate: Bike Race  | -5,000           | 0.0         |
| Eliminate: Magical Montgomery                                 | -15,000          | 0.0         |
| Eliminate: Contractor to do concrete and paving repairs       | -20,000          | 0.0         |
| <b>Other Adjustments (with no service impacts)</b>            |                  |             |
| Increase Cost: General Wage and Service Increment Adjustments | 82,010           | 0.0         |
| Increase Cost: Motor Pool Rate Adjustment                     | 31,550           | 0.0         |
| Increase Cost: Group Insurance Adjustment                     | 20,540           | 0.0         |
| Increase Cost: Retirement Adjustment                          | 11,570           | 0.0         |
| Increase Cost: Annualization of FY08 Personnel Costs          | 4,790            | 0.0         |
| Increase Cost: Printing and Mail Adjustments                  | 840              | 0.0         |
| Increase Cost: Occupational Medical Services (OMS) Adjustment | 580              | 0.0         |
| Increase Cost: Central Duplicating Deficit Recovery Charge    | 130              | 0.0         |
| Decrease Cost: Risk Management Adjustment                     | -11,480          | 0.0         |
| Decrease Cost: Uniforms                                       | -12,900          | 0.0         |
| <b>FY09 RECOMMENDED:</b>                                      | <b>2,890,770</b> | <b>35.2</b> |
| <b>WHEATON URBAN DISTRICT</b>                                 |                  |             |
| <b>FY08 ORIGINAL APPROPRIATION</b>                            | <b>1,576,800</b> | <b>21.9</b> |
| <b>Other Adjustments (with no service impacts)</b>            |                  |             |
| Increase Cost: General Wage and Service Increment Adjustments | 54,550           | 0.0         |
| Increase Cost: Group Insurance Adjustment                     | 14,260           | 0.0         |
| Increase Cost: Retirement Adjustment                          | 9,710            | 0.0         |
| Increase Cost: Motor Pool Rate Adjustment                     | 6,840            | 0.0         |
| Increase Cost: Annualization of FY08 Personnel Costs          | 4,280            | 0.0         |
| Increase Cost: Printing and Mail Adjustments                  | 760              | 0.0         |
| Increase Cost: Occupational Medical Services (OMS) Adjustment | 370              | 0.0         |
| Increase Cost: Central Duplicating Deficit Recovery Charge    | 180              | 0.0         |
| Decrease Cost: Risk Management Adjustment                     | -7,270           | 0.0         |
| <b>FY09 RECOMMENDED:</b>                                      | <b>1,660,480</b> | <b>21.9</b> |

5

## PROGRAM SUMMARY

|  | FY08 Approved    |             | FY09 Recommended |             |
|--|------------------|-------------|------------------|-------------|
|  | Expenditures     | WYs         | Expenditures     | WYs         |
| Promotion of Community and Business Activities | 1,253,720        | 0.9         | 1,263,120        | 0.9         |
| Sidewalk Repair                                | 163,970          | 0.0         | 143,970          | 0.0         |
| Streetscape Maintenance                        | 3,300,220        | 27.6        | 3,446,660        | 26.7        |
| Tree Maintenance                               | 121,360          | 0.0         | 121,360          | 0.0         |
| Enhanced Security                              | 1,117,390        | 25.8        | 1,139,840        | 26.0        |
| Administration                                 | 1,007,980        | 3.3         | 1,166,060        | 4.5         |
| <b>Totals</b>                                  | <b>6,964,640</b> | <b>57.6</b> | <b>7,281,010</b> | <b>58.1</b> |

## CHARGES TO OTHER DEPARTMENTS

| Recipient Department                  | Recipient Fund                   | FY08    |     | FY09    |     |
|---------------------------------------|----------------------------------|---------|-----|---------|-----|
|                                       |                                  | Totals  | WYs | Totals  | WYs |
| <b>URBAN DISTRICT - SILVER SPRING</b> |                                  |         |     |         |     |
| CIP                                   | CIP                              | 366,960 | 8.0 | 180,000 | 4.0 |
| DOT-Parking Lot Districts             | Parking District - Silver Spring | 104,870 | 3.0 | 104,870 | 3.0 |

## FUTURE FISCAL IMPACTS

| Title  | CE REC.      |              |              |              |              |              |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
|  | FY09         | FY10         | FY11         | FY12         | FY13         | FY14         |
| (S000's)   |              |              |              |              |              |              |
| This table is intended to present significant future fiscal impacts of the department's programs.                    |              |              |              |              |              |              |
| <b>BETHESDA URBAN DISTRICT</b>   |              |              |              |              |              |              |
| <b>Expenditures</b>  |              |              |              |              |              |              |
| FY09 Recommended   | 2,730        | 2,730        | 2,730        | 2,730        | 2,730        | 2,730        |
| No inflation or compensation change is included in outyear projections.  |              |              |              |              |              |              |
| Labor Contracts  | 0            | 2            | 2            | 2            | 2            | 2            |
| These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits. |              |              |              |              |              |              |
| <b>Subtotal Expenditures</b>   | <b>2,730</b> | <b>2,732</b> | <b>2,732</b> | <b>2,732</b> | <b>2,732</b> | <b>2,732</b> |
| <b>SILVER SPRING URBAN DISTRICT</b>  |              |              |              |              |              |              |
| <b>Expenditures</b>  |              |              |              |              |              |              |
| FY09 Recommended   | 2,891        | 2,891        | 2,891        | 2,891        | 2,891        | 2,891        |
| No inflation or compensation change is included in outyear projections.  |              |              |              |              |              |              |
| Labor Contracts  | 0            | 87           | 92           | 92           | 92           | 92           |
| These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits. |              |              |              |              |              |              |
| <b>Subtotal Expenditures</b>   | <b>2,891</b> | <b>2,978</b> | <b>2,983</b> | <b>2,983</b> | <b>2,983</b> | <b>2,983</b> |
| <b>WHEATON URBAN DISTRICT</b>  |              |              |              |              |              |              |
| <b>Expenditures</b>  |              |              |              |              |              |              |
| FY09 Recommended   | 1,660        | 1,660        | 1,660        | 1,660        | 1,660        | 1,660        |
| No inflation or compensation change is included in outyear projections.  |              |              |              |              |              |              |
| Labor Contracts  | 0            | 60           | 65           | 65           | 65           | 65           |
| These figures represent the estimated cost of general wage adjustments, service increments, and associated benefits. |              |              |              |              |              |              |
| <b>Subtotal Expenditures</b>   | <b>1,660</b> | <b>1,720</b> | <b>1,725</b> | <b>1,725</b> | <b>1,725</b> | <b>1,725</b> |

**FY09-14 PUBLIC SERVICES PROGRAM: FISCAL PLAN**

**Bethesda Urban District**

| <b>FISCAL PROJECTIONS</b>                         | <b>FY08<br/>ESTIMATE</b> | <b>FY09<br/>REC</b> | <b>FY10<br/>PROJECTION</b> | <b>FY11<br/>PROJECTION</b> | <b>FY12<br/>PROJECTION</b> | <b>FY13<br/>PROJECTION</b> | <b>FY14<br/>PROJECTION</b> |
|---|--------------------------|---------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <b>ASSUMPTIONS</b>                                |                          |                     |                            |                            |                            |                            |                            |
| Property Tax Rate: Real Property                  | 0.016                    | 0.016               | 0.016                      | 0.016                      | 0.016                      | 0.016                      | 0.016                      |
| Assessable Base: Real Property (000)              | 3,024,300                | 3,371,400           | 3,689,300                  | 3,988,000                  | 4,259,200                  | 4,558,100                  | 4,884,300                  |
| 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              | 0.040                    | 0.040               | 0.040                      | 0.040                      | 0.040                      | 0.040                      | 0.040                      |
| Assessable Base: Personal Property (000)          | 195,700                  | 198,700             | 200,200                    | 202,500                    | 204,800                    | 207,100                    | 209,400                    |
| Property Tax Collection Factor: Personal Property | 97.5%                    | 97.5%               | 97.5%                      | 97.5%                      | 97.5%                      | 97.5%                      | 97.5%                      |
| Indirect Cost Rate                                | 12.56%                   | 12.88%              | 12.88%                     | 12.88%                     | 12.88%                     | 12.88%                     | 12.88%                     |
| CPI (Fiscal Year)                                 | 3.6%                     | 2.8%                | 2.4%                       | 2.5%                       | 2.5%                       | 2.5%                       | 2.5%                       |
| Investment Income Yield                           | 4.00%                    | 2.50%               | 3.50%                      | 4.00%                      | 4.50%                      | 4.75%                      | 5.00%                      |
| <b>BEGINNING FUND BALANCE</b>                     | <b>(117,660)</b>         | <b>88,600</b>       | <b>70,180</b>              | <b>71,190</b>              | <b>74,120</b>              | <b>78,860</b>              | <b>79,020</b>              |
| <b>REVENUES</b>                                   |                          |                     |                            |                            |                            |                            |                            |
| Taxes   | 555,850                  | 612,060             | 663,060                    | 711,320                    | 755,210                    | 803,500                    | 856,120                    |
| Charges For Services                              | 144,700                  | 147,350             | 150,920                    | 154,690                    | 158,560                    | 162,520                    | 166,580                    |
| Miscellaneous                                     | 10,000                   | 10,000              | 10,000                     | 10,000                     | 10,000                     | 10,000                     | 10,000                     |
| <b>Subtotal Revenues</b>                          | <b>710,550</b>           | <b>769,410</b>      | <b>823,980</b>             | <b>876,010</b>             | <b>923,770</b>             | <b>976,020</b>             | <b>1,032,700</b>           |
| <b>INTERFUND TRANSFERS (Net Non-CIP)</b>          |                          |                     |                            |                            |                            |                            |                            |
| Transfers To The General Fund                     | (3,670)                  | (8,070)             | (8,370)                    | (8,370)                    | (8,370)                    | (8,370)                    | (8,370)                    |
| Indirect Costs                                    | (3,670)                  | (8,070)             | (8,370)                    | (8,370)                    | (8,370)                    | (8,370)                    | (8,370)                    |
| Transfers From Special Fds: Non-Tax + ISF         | 2,065,900                | 1,950,000           | 1,982,000                  | 2,003,000                  | 2,028,000                  | 2,050,000                  | 2,072,000                  |
| From Bethesda Parking District                    | 2,065,900                | 1,950,000           | 1,982,000                  | 2,003,000                  | 2,028,000                  | 2,050,000                  | 2,072,000                  |
| <b>TOTAL RESOURCES</b>                            | <b>2,655,120</b>         | <b>2,799,940</b>    | <b>2,867,790</b>           | <b>2,941,830</b>           | <b>3,017,520</b>           | <b>3,094,510</b>           | <b>3,175,350</b>           |
| <b>PSP OPER. BUDGET APPROP/ EXP'S.</b>            |                          |                     |                            |                            |                            |                            |                            |
| Operating Budget                                  | (2,566,520)              | (2,729,760)         | (2,794,300)                | (2,865,410)                | (2,938,360)                | (3,013,190)                | (3,089,950)                |
| Labor Agreement                                   | n/a                      | 0                   | (2,300)                    | (2,300)                    | (2,300)                    | (2,300)                    | (2,300)                    |
| <b>Subtotal PSP Oper Budget Approp / Exp's</b>    | <b>(2,566,520)</b>       | <b>(2,729,760)</b>  | <b>(2,796,600)</b>         | <b>(2,867,710)</b>         | <b>(2,940,660)</b>         | <b>(3,015,490)</b>         | <b>(3,092,250)</b>         |
| <b>TOTAL USE OF RESOURCES</b>                     | <b>(2,566,520)</b>       | <b>(2,729,760)</b>  | <b>(2,796,600)</b>         | <b>(2,867,710)</b>         | <b>(2,940,660)</b>         | <b>(3,015,490)</b>         | <b>(3,092,250)</b>         |
| <b>YEAR END FUND BALANCE</b>                      | <b>88,600</b>            | <b>70,180</b>       | <b>71,190</b>              | <b>74,120</b>              | <b>78,860</b>              | <b>79,020</b>              | <b>83,100</b>              |
| <b>END-OF-YEAR RESERVES AS A</b>                  |                          |                     |                            |                            |                            |                            |                            |
| <b>PERCENT OF RESOURCES</b>                       | <b>3.3%</b>              | <b>2.5%</b>         | <b>2.5%</b>                | <b>2.5%</b>                | <b>2.5%</b>                | <b>2.6%</b>                | <b>2.6%</b>                |

**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. The labor contract with the Municipal and County Government Employees Organization, Local 1994, expires at the end of FY10.
5. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY10-14 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.

| FY09-14 PUBLIC SERVICES PROGRAM: FISCAL PLAN              |                    | Silver Spring Urban District |                    |                    |                    |                    |                    |
|---|--------------------|------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| FISCAL PROJECTIONS  | FY08<br>ESTIMATE   | FY09<br>REC                  | FY10<br>PROJECTION | FY11<br>PROJECTION | FY12<br>PROJECTION | FY13<br>PROJECTION | FY14<br>PROJECTION |
| <b>ASSUMPTIONS</b>  |                    |                              |                    |                    |                    |                    |                    |
| Property Tax Rate: Real Property                          | 0.024              | 0.024                        | 0.024              | 0.024              | 0.024              | 0.024              | 0.024              |
| Assessable Base: Real Property (000)                      | 2,061,800          | 2,298,500                    | 2,515,300          | 2,718,900          | 2,903,800          | 3,107,600          | 3,330,000          |
| 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)                  | 139,000            | 141,100                      | 142,100            | 143,700            | 145,300            | 146,900            | 148,600            |
| Property Tax Collection Factor: Personal Property         | 97.5%              | 97.5%                        | 97.5%              | 97.5%              | 97.5%              | 97.5%              | 97.5%              |
| Indirect Cost Rate  | 12.56%             | 12.88%                       | 12.88%             | 12.88%             | 12.88%             | 12.88%             | 12.88%             |
| CPI (Fiscal Year)   | 3.6%               | 2.8%                         | 2.4%               | 2.5%               | 2.5%               | 2.5%               | 2.5%               |
| Investment Income Yield                                   | 4.00%              | 2.50%                        | 3.50%              | 4.00%              | 4.50%              | 4.75%              | 5.00%              |
| <b>BEGINNING FUND BALANCE</b>                             | <b>297,280</b>     | <b>33,630</b>                | <b>74,340</b>      | <b>76,580</b>      | <b>79,100</b>      | <b>82,740</b>      | <b>85,530</b>      |
| <b>REVENUES</b>   |                    |                              |                    |                    |                    |                    |                    |
| Taxes   | 571,700            | 629,220                      | 681,370            | 730,720            | 775,640            | 825,050            | 878,940            |
| Charges For Services                                      | 144,500            | 144,500                      | 148,000            | 151,700            | 155,490            | 159,380            | 163,360            |
| Miscellaneous   | 20,000             | 10,000                       | 10,000             | 10,000             | 10,000             | 10,000             | 10,000             |
| <b>Subtotal Revenues</b>                                  | <b>736,200</b>     | <b>783,720</b>               | <b>839,370</b>     | <b>892,420</b>     | <b>941,130</b>     | <b>994,430</b>     | <b>1,052,300</b>   |
| <b>INTERFUND TRANSFERS (Net Non-CIP)</b>                  |                    |                              |                    |                    |                    |                    |                    |
| Transfers To The General Fund                             | 1,747,210          | 2,147,760                    | 2,166,570          | 2,227,940          | 2,293,940          | 2,357,940          | 2,423,940          |
| Indirect Costs  | (213,120)          | (233,870)                    | (245,060)          | (245,690)          | (245,690)          | (245,690)          | (245,690)          |
| Transfers From The General Fund                           | 241,630            | 241,630                      | 241,630            | 241,630            | 241,630            | 241,630            | 241,630            |
| To Baseline Services                                      | 241,630            | 241,630                      | 241,630            | 241,630            | 241,630            | 241,630            | 241,630            |
| Transfers From Special Fds: Non-Tax + ISF                 | 1,718,700          | 2,140,000                    | 2,170,000          | 2,232,000          | 2,298,000          | 2,362,000          | 2,428,000          |
| From Silver Spring Parking District                       | 1,718,700          | 2,140,000                    | 2,170,000          | 2,232,000          | 2,298,000          | 2,362,000          | 2,428,000          |
| <b>TOTAL RESOURCES</b>                                    | <b>2,780,690</b>   | <b>2,965,110</b>             | <b>3,080,280</b>   | <b>3,186,940</b>   | <b>3,314,170</b>   | <b>3,435,110</b>   | <b>3,581,770</b>   |
| <b>PSP OPER. BUDGET APPROX/ EXP'S.</b>                    |                    |                              |                    |                    |                    |                    |                    |
| Operating Budget  | (2,747,060)        | (2,890,770)                  | (2,916,790)        | (3,026,030)        | (3,139,620)        | (3,257,770)        | (3,380,650)        |
| Labor Agreement   | n/a                | 0                            | (86,910)           | (91,810)           | (91,810)           | (91,810)           | (91,810)           |
| <b>Subtotal PSP Oper Budget Approp / Exp's</b>            | <b>(2,747,060)</b> | <b>(2,890,770)</b>           | <b>(3,003,700)</b> | <b>(3,117,840)</b> | <b>(3,231,430)</b> | <b>(3,349,580)</b> | <b>(3,472,460)</b> |
| <b>TOTAL USE OF RESOURCES</b>                             | <b>(2,747,060)</b> | <b>(2,890,770)</b>           | <b>(3,003,700)</b> | <b>(3,117,840)</b> | <b>(3,231,430)</b> | <b>(3,349,580)</b> | <b>(3,472,460)</b> |
| <b>YEAR END FUND BALANCE</b>                              | <b>33,630</b>      | <b>74,340</b>                | <b>76,580</b>      | <b>79,100</b>      | <b>82,740</b>      | <b>85,530</b>      | <b>89,310</b>      |
| <b>END-OF-YEAR RESERVES AS A<br/>PERCENT OF RESOURCES</b> | <b>1.2%</b>        | <b>2.5%</b>                  | <b>2.5%</b>        | <b>2.5%</b>        | <b>2.5%</b>        | <b>2.5%</b>        | <b>2.5%</b>        |

**Assumptions:**

- 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.
- 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 labor contract with the Municipal and County Government Employees Organization, Local 1994, expires at the end of FY10.
- These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY10-14 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.

**FY09-14 PUBLIC SERVICES PROGRAM: FISCAL PLAN**

**Wheaton Urban District**

| FISCAL PROJECTIONS                                | FY08<br>ESTIMATE   | FY09<br>REC        | FY10<br>PROJECTION | FY11<br>PROJECTION | FY12<br>PROJECTION | FY13<br>PROJECTION | FY14<br>PROJECTION |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>ASSUMPTIONS</b>                                |                    |                    |                    |                    |                    |                    |                    |
| Property Tax Rate: Real Property                  | 0.030              | 0.030              | 0.030              | 0.030              | 0.030              | 0.030              | 0.030              |
| Assessable Base: Real Property (000)              | 462,800            | 518,900            | 564,600            | 610,300            | 651,800            | 697,500            | 747,400            |
| 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)          | 33,200             | 33,700             | 33,900             | 34,300             | 34,700             | 35,100             | 35,500             |
| Property Tax Collection Factor: Personal Property | 97.5%              | 97.5%              | 97.5%              | 97.5%              | 97.5%              | 97.5%              | 97.5%              |
| Indirect Cost Rate                                | 12.56%             | 12.88%             | 12.88%             | 12.88%             | 12.88%             | 12.88%             | 12.88%             |
| CPI (Fiscal Year)                                 | 3.6%               | 2.8%               | 2.4%               | 2.5%               | 2.5%               | 2.5%               | 2.5%               |
| Investment Income Yield                           | 4.00%              | 2.50%              | 3.50%              | 4.00%              | 4.50%              | 4.75%              | 5.00%              |
| <b>BEGINNING FUND BALANCE</b>                     | <b>437,980</b>     | <b>223,450</b>     | <b>42,050</b>      | <b>43,640</b>      | <b>46,260</b>      | <b>48,890</b>      | <b>50,010</b>      |
| <b>REVENUES</b>                                   |                    |                    |                    |                    |                    |                    |                    |
| Taxes   | 161,870            | 178,020            | 192,650            | 206,520            | 219,150            | 233,040            | 248,160            |
| Miscellaneous                                     | 20,000             | 10,000             | 10,000             | 10,000             | 10,000             | 10,000             | 10,000             |
| Subtotal Revenues                                 | 181,870            | 188,020            | 202,650            | 216,520            | 229,150            | 243,040            | 258,160            |
| <b>INTERFUND TRANSFERS (Net Non-CIP)</b>          |                    |                    |                    |                    |                    |                    |                    |
| Transfers To The General Fund                     | (134,930)          | (149,030)          | (156,730)          | (157,400)          | (157,400)          | (157,400)          | (157,400)          |
| Indirect Costs                                    | (134,930)          | (149,030)          | (156,730)          | (157,400)          | (157,400)          | (157,400)          | (157,400)          |
| Transfers From The General Fund                   | 910,090            | 1,000,090          | 1,348,090          | 1,346,090          | 1,381,090          | 1,436,090          | 1,495,090          |
| To Baseline Services                              | 76,090             | 76,090             | 76,090             | 76,090             | 76,090             | 76,090             | 76,090             |
| To Non-Baseline Services                          | 834,000            | 924,000            | 1,272,000          | 1,270,000          | 1,305,000          | 1,360,000          | 1,419,000          |
| Transfers From Special Fds: Non-Tax + ISF         | 373,700            | 440,000            | 340,000            | 400,000            | 420,000            | 420,000            | 420,000            |
| From Wheaton Parking District                     | 373,700            | 440,000            | 340,000            | 400,000            | 420,000            | 420,000            | 420,000            |
| <b>TOTAL RESOURCES</b>                            | <b>1,768,710</b>   | <b>1,702,530</b>   | <b>1,778,060</b>   | <b>1,848,850</b>   | <b>1,919,100</b>   | <b>1,990,620</b>   | <b>2,065,860</b>   |
| <b>PSP OPER. BUDGET APPROP/ EXP'S.</b>            |                    |                    |                    |                    |                    |                    |                    |
| Operating Budget                                  | (1,545,260)        | (1,660,480)        | (1,672,680)        | (1,737,620)        | (1,805,240)        | (1,875,640)        | (1,948,940)        |
| Labor Agreement                                   | n/a                | 0                  | (59,760)           | (64,970)           | (64,970)           | (64,970)           | (64,970)           |
| Subtotal PSP Oper Budget Approp / Exp's           | (1,545,260)        | (1,660,480)        | (1,732,420)        | (1,802,590)        | (1,870,210)        | (1,940,610)        | (2,013,910)        |
| <b>TOTAL USE OF RESOURCES</b>                     | <b>(1,545,260)</b> | <b>(1,660,480)</b> | <b>(1,732,420)</b> | <b>(1,802,590)</b> | <b>(1,870,210)</b> | <b>(1,940,610)</b> | <b>(2,013,910)</b> |
| <b>YEAR END FUND BALANCE</b>                      | <b>223,450</b>     | <b>42,050</b>      | <b>43,640</b>      | <b>46,260</b>      | <b>48,890</b>      | <b>50,010</b>      | <b>51,950</b>      |
| <b>END-OF-YEAR RESERVES AS A</b>                  |                    |                    |                    |                    |                    |                    |                    |
| <b>PERCENT OF RESOURCES</b>                       | <b>12.6%</b>       | <b>2.5%</b>        | <b>2.5%</b>        | <b>2.5%</b>        | <b>2.5%</b>        | <b>2.5%</b>        | <b>2.5%</b>        |

**Assumptions:**

1. 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.
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. The Baseline Services transfer provides basic right-of-way maintenance comparable to services provided countywide.
5. The Non-Baseline Services transfer is necessary to maintain fund balance policy.
6. The labor contract with the Municipal and County Government Employees Organization, Local 1994, expires at the end of FY10.
7. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY10-14 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.
8. 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.

3. **Parking reserves.** The Planning, Housing, and Economic Development Committee, when it reviewed the proposed budgets of the Urban Districts, noted that the T&E Committee would examine the degree to which the cross-subsidy from the respective Parking Districts could be increased. While the revenue for the parking fee increases in Silver Spring and Wheaton should be used primarily to shore up their finances, some portion of this revenue could also be used to increase payments to their respective Urban Districts and reduce the General Fund appropriation. The Committee directed staff to develop a recommendation that would generate enough resources to restore the Fare Share and Super Fare Share programs to their FY08 funding levels: \$490,120.

**T&E Committee (and Council staff) recommendation (3-0):**

- **Increase the cross-subsidy from the Silver Spring PLD to the Silver Spring Urban District by \$241,630, and eliminate the \$241,630 General Fund baseline services contribution to the Silver Spring Urban District in FY09.** For the Silver Spring PLD the projected end-of-year balance as a percent of resources is 25.4% for FY09 and 22.0% for FY10, before rising in subsequent years. This added transfer—all else held constant—would reduce these percentages to 24.2% and 20.9%, respectively, still an adequate balance each year.
- **Increase the cross-subsidy from the Wheaton PLD to the Wheaton Urban District by \$248,490, and reduce the General Fund (non-baseline) contribution to the Wheaton Urban District by \$248,490.** For the Wheaton PLD the projected end-of-year balance as a percent of resources is 34.3% for FY09 and 38.6% for FY10, rising higher in subsequent years. This added transfer—all else held constant—would reduce these percentages to 23.6% and 28.0%, respectively, still an adequate balance each year.

The Bethesda PLD would have no transfers to the General Fund except for \$244,180 in charge-backs for administrative services performed by County offices (primarily the Office of the County Attorney, the Office of Human Resources, and Procurement within the Department of General Services) and \$38,070 for its share of the Technology Modernization: MCG project. For accounting purposes, these transfers should remain.

However, the Bethesda PLD could contribute a larger share of the funding for the Bethesda Urban District, with a correspondingly lower amount from the Bethesda Urban District tax. The latter would be achieved by lowering the Bethesda Urban District Tax rate. This would not free up General Fund revenue, but would reduce the aggregate property tax (thus getting slightly closer to the Question F cap.) Given the rise of assessments during the past few years in Bethesda, and that the Urban District Tax rate has not declined in that time, Bethesda Urban District residents and businesses could arguably use one-time tax relief.

**T&E Committee (and Council staff) recommendation (3-0): Increase the cross-subsidy from the Bethesda PLD to the Bethesda Urban District by \$153,010, and reduce the Bethesda Urban District Tax rates by one quarter in FY09: from 1.6¢ to 1.2¢ for real property and from 4.0¢ to 3.0¢ for personal property. For the Bethesda PLD the projected end-of-year balance as a percent of resources is 48.2% for FY09 and 57.6% for FY10, rising higher in subsequent years. This added transfer—all else held constant—would reduce these percentages to 47.7% and 57.1%, respectively, still an adequate balance in each year.**