

MEMORANDUM

April 18, 2016

TO: Planning, Housing, and Economic Development (PHED) Committee
FROM: Linda Price, ^{LP}Legislative Analyst
SUBJECT: FY17 Operating Budget: Urban Districts

Those expected to attend this worksession include:

- Ken Hartman, Director, Bethesda-Chevy Chase, Regional Services Center
- Jeff Burton, Deputy Executive Director, Bethesda Urban Partnership
- Jeff Oyer, Bethesda Urban Partnership
- Reemberto Rodriguez, Director, Silver Spring Regional Services Center
- Luisa Montero, Director, Mid-County Regional Services Center
- Helen Vallone, Office of Management and Budget

Relevant pages from the FY17 Recommended Operating Budget are attached on © 1-7.

Budget Summary:

- The FY17 Recommended Operating Budget for the Urban Districts is \$8,692,691. This represents a decrease of \$184,361 or 2.08 percent from the FY16 Approved Operating Budget of \$8,877,052.
- The \$450,000 in service enhancements, \$150,000 in each Urban District, added to the Approved FY16 Operating Budget and cut during the FY16 Savings Plan, were not included in the FY17 Recommended Operating budget. The only changes to the Urban District budgets are for various adjustments.

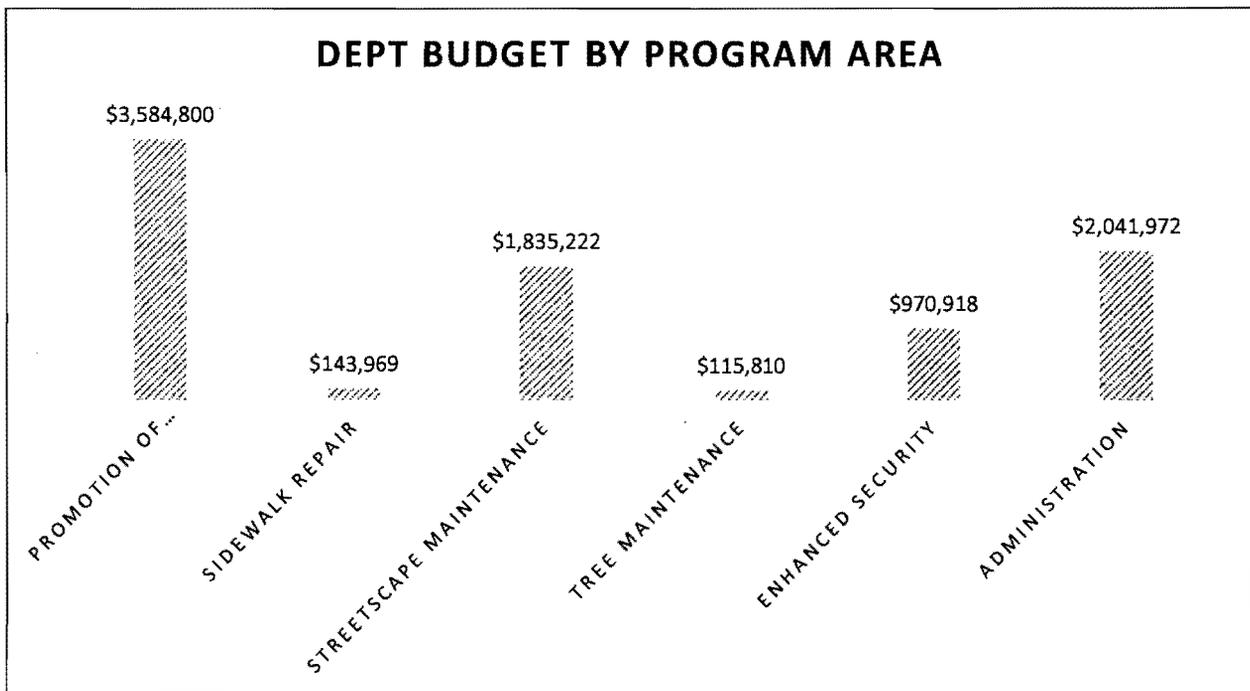
Council Staff Recommendation:

- Approve the Executive's recommended Bethesda Urban District budget, but with additional funding for wage adjustments and health and disability insurance funding for the Bethesda Urban Partnership added to the Reconciliation List. Review Optional Method Development fee supported expenditures.
- Approve the Silver Spring Urban District budget as submitted.
- Approve the Wheaton Urban District budget as submitted.

Overview

The Urban Districts were created to maintain and enhance the County's downtown areas as prosperous, livable urban centers. Efforts include increasing maintenance of the streetscape and its amenities, as well as providing additional public amenities such as plantings, seating, shelters, and works of art. Additionally, Urban Districts work to promote the commercial and residential interests of these areas and program cultural and community activities. The County Urban District's include Bethesda, Silver Spring and Wheaton. The Bethesda Urban District is managed by the Bethesda Urban Partnership (BUP), Inc. Wheaton and Silver Spring Urban Districts are managed by their respective Regional Services Centers.

The FY17 recommended Urban District budget of \$8,692,691 is comprised of the following six programs: 1) Promotion of Community and Business Activities; 2) Sidewalk Repair; 3) Streetscape Maintenance; 4) Tree Maintenance; 5) Enhanced Security; and 6) Administration. FY17 funding for each program is represented in the following chart.



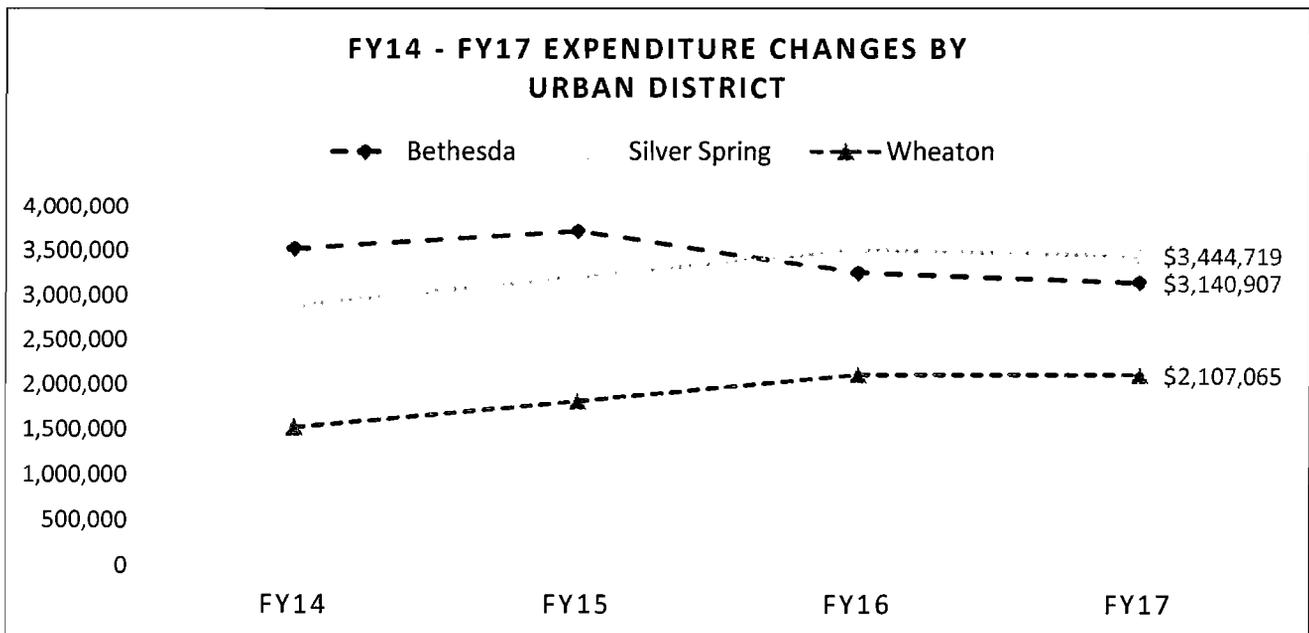
Total changes from the Approved FY16 Operating Budget to the Executive's Recommended FY17 Operating Budget for the three Urban Districts, as well as department-wide changes in Personnel Costs and Operating Expenses are summarized in the following table. Positions remain unchanged from FY16 to FY17. There is a small technical adjustment, resulting in an increase of 0.3 FTE's in the Urban District budget. Individual Urban District budgets are broken out in greater detail on © 8.

	<i>FY15 Actual</i>	<i>FY16 Approved</i>	<i>FY16 Estimate</i>	<i>FY17 Recommended</i>	<i>% Change FY16 - FY17</i>
<i>Expenditures by fund</i> General Fund	\$8,391,845	\$8,877,052	\$8,427,052	\$8,692,691	-2.1%
<i>Expenditures by District</i>					
Bethesda	\$3,675,221	\$3,253,697	\$3,103,697	\$3,140,907	-3.5%
Silver Spring	\$3,056,663	\$3,512,150	\$3,362,150	\$3,444,719	-1.9%
Wheaton	\$1,659,961	\$2,111,205	\$1,961,205	\$2,107,065	-0.2%
<i>Positions</i>					
Full-Time	60	60	60	60	0%
Part-Time	1	1	1	1	0%
<i>FTEs</i>	58.3	58.3	58.3	58.6	0.5%

FY17 Expenditure Issues

The Executive's FY17 recommended budget includes a number of adjustments with no service impacts, including the service enhancements approved by the Council in FY16. In FY16, the Council approved an additional \$150,000 for each of the three Urban Districts to implement service enhancements. However, the Council concurred with the County Executive's recommendation to reduce the funding for these service enhancements during review of the FY16 Savings Plan. Adjustments include changes to compensation, group insurance and retirement, motor pool, printing and mail, and risk management.

The FY14-FY17 Expenditure Changes by Urban District chart illustrates the growth by districts over the past four fiscal years.



Bethesda Urban District

The FY17 Recommended Operating Budget for the Bethesda Urban District is \$3,140,907, down \$112,790 or 3.5% from the Approved FY16 Operating Budget. The Executive has recommended the following changes from the FY16 to the FY17 Operating Budget.

	Personnel	Operating	Total
<i>FY16 Approved Operating Budget</i>	<i>\$137,963</i>	<i>\$3,115,734</i>	<i>\$3,253,697</i>
Increase Cost: Risk Management Adj.		\$29,111	\$29,111
Increase Cost: BUP Compensation		\$13,000	\$13,000
Increase Cost: FY17 Compensation Adj.	\$1,533		\$1,533
Increase Cost: Printing and Mail		\$965	\$965
Increase Cost: Group Insurance Adj.	\$625		\$625
Decrease Cost: Motor Pool Adj.		(\$3,071)	(\$3,071)
Decrease Cost: Retirement Adj.	(\$4,953)		(\$4,953)
Decrease Cost: FY16 Savings Plan reductions in enhanced maintenance, marketing, and promotions		(\$150,000)	(\$150,000)
<i>FY17 Recommended Operating Budget</i>	<i>\$135,168</i>	<i>\$3,005,739</i>	<i>\$3,140,907</i>

The Bethesda Urban Partnership, Inc. (BUP) has identified a number of issues for Committee consideration, which are outlined in correspondence to Council staff (see © 13-14).

1. Health and Disability Insurance

Health and disability insurance costs are estimated to increase by \$9,080 in FY17. This increase is not included in the FY17 recommended budget as it has been in years past. **Council staff recommends adding this item to the Reconciliation List.**

2. Compensation

The Executive's Recommended Operating budget includes a \$13,000 adjustment to BUP marketing and maintenance staff compensation of one percent. However, the budget does not include funding to adjust administrative staff salaries. The Executive did not include this funding due to the anticipation of turnover savings from the Executive Director recruitment. However, BUP will incur additional expenses during the recruitment process. They anticipate hiring a new Executive Director by August 1. This will result in overlap with the current Executive Director whose final day will be in mid-November. An additional \$3,556 would be needed to provide a one percent salary adjustment to administrative staff.

To align more with County staff, BUP is requesting additional funding equivalent to a 4.5 percent compensation increase. Each percent increase in compensation would require an additional \$16,555.50. An additional \$61,500 would be needed to extend 4.5 percent compensation increases to all BUP staff. The following table shows how much would need to be added to fund an additional one percent compensation adjustment for all BUP staff.

2%	\$33,111.00
3%	\$49,666.50
4%	\$66,222.00
4.5%	\$74,500.00

Council staff recommends at least adding \$3,556 to extend one percent compensation increases to administrative staff. The Committee may wish to add additional funding for compensation increases to the Reconciliation List in increments of one percent.

3. Optional Method Development

The BUP anticipates collecting \$188,741 in Optional Method Development (OMD) fees, which was revised down from \$189,877. This is an additional \$30,822 over funds collected in FY16. While the FY17 Recommended Operating Budget and FY17-22 Fiscal Plan reflect this increase in revenue, expenditures in the Bethesda Urban District have not been increased to correspond with the additional revenue. Optional Method Developer fees support enhanced streetscape services rendered by BUP above basic services. The BUP will begin providing these services once new development construction concludes. OMD fees are meant to support dedicated activities in the Urban District, which are not reflected in the Executive’s recommendation. **The Committee may wish to receive information from the Executive branch on increased OMD fee supported activities in the recommended budget.**

Council Staff recommends approval of the Executive recommended Bethesda Urban District budget with funding for health and disability insurance increases and compensation increases added to the Reconciliation List.

Silver Spring Urban District

The FY17 Recommended Operating Budget for the Silver Spring Urban District is \$3,444,719, down \$67,431 or 1.9% from the Approved FY16 Operating Budget. The Executive has recommended the following changes from the FY16 to the FY17 Operating Budget.

	Personnel	Operating	Total
<i>FY16 Approved Operating Budget</i>	<i>\$2,320,330</i>	<i>\$1,191,820</i>	<i>\$3,512,150</i>
Increase Cost: Annualization of FY16 Personnel Costs	50,612		50,612
Increase Cost: FY17 Compensation Adj.	37,297		37,297
Increase Cost: Risk Management Adj.		26,337	26,337
Increase Cost: Group Insurance Adj.	23,688		23,688
Shift: Telecommunications to the Telecommunications Non-Departmental Account		(17,800)	(17,800)
Decrease Cost: Motor Pool Adj.		(17,821)	(17,821)
Decrease Cost: Retirement Adj.	(19,744)		(19,744)
Decrease Cost: FY16 Savings Plan reductions in enhanced maintenance, marketing and promotions, and Clean Team services		(150,000)	(150,000)
<i>FY17 Recommended Operating Budget</i>	<i>\$2,412,183</i>	<i>\$1,032,536</i>	<i>\$3,444,719</i>

Executive branch staff provided the following update on new initiatives in the Urban District.

The demand for the Urban District services increases every year. Silver Spring's downtown continues to grow with more residents, restaurants, businesses and a more vibrant nightlife. The number of apartments built in the last few years, under construction, or past the Planning process exceeds 5,000. (We are beginning to see condominiums being built as well.) Georgia Avenue, south of the downtown core (in Fenton Village), has become its own 'restaurant row', complementing new restaurants in East/West Highway and north of the core as well. Ellsworth Place (the old CitiPlace) is nearing its complete renovation, having added new stores, new entrances, and a Dave & Busters scheduled to open this summer. New public facilities also add to the area's vitality, including the opened Transit Center, the new Library, the soon to be opened Progress Place, the soon to be under construction ArtSpace at the old Police Station, and the repurposing of the old library site - one block away from the UD. The Silver Spring Civic Building and Veterans Plaza, now entering its six years of operations, continues to increase the number of activities, having become 'the go to' place for community celebrations and festivals in the region. And, of course, the construction phase of the Purple Line will also impact the operations of the Urban District.

The Urban District plans to undertake a Cigarette Butt Litter Campaign. They will be reaching out to the business community to provide outdoor ashtrays. Grant funds are also being pursued to support this initiative.

Council Staff concurs with the Executive's recommended Silver Spring Urban District budget.

Wheaton Urban District

The FY17 Recommended Operating Budget for the Wheaton Urban District is \$2,107,065 down \$4,140 or 0.2% from the Approved FY16 Operating Budget. The Executive has recommended the following changes from the FY16 to the FY17 Operating Budget.

	Personnel	Operating	Total
<i>FY16 Approved Operating Budget</i>	<i>\$1,393,349</i>	<i>\$717,856</i>	<i>\$2,111,205</i>
Increase Cost: Motor Pool Adjustment		52,810	52,810
Increase Cost: Annualization of FY16 Personnel Costs	50,982		50,892
Increase Cost: FY17 Compensation Adj.	23,449		23,449
Increase Cost: Group Insurance Adj.	14,375		14,375
Increase Cost: Risk Management Adj.		13,908	13,908
Shift: Telecommunications to the Telecommunications Non-Departmental Account		(2,000)	(2,000)
Decrease Cost: Retirement Adj.	(7,664)		(7,664)
Decrease Cost: FY16 Savings Plan reductions in enhanced maintenance, marketing, and promotions		(150,000)	(150,000)
<i>FY17 Recommended Operating Budget</i>	<i>\$1,474,491</i>	<i>\$632,574</i>	<i>\$2,107,065</i>

1. Wheaton Redevelopment

Executive branch staff report the following activities to assist individuals and businesses during construction in the Wheaton Urban District.

- *Financial assistance (through Bill 6-12) will be available for those businesses that demonstrate negative financial impact once the construction starts January 2017. Eligible businesses can access up to \$75,000.*
- *During construction, a different marketing strategy will be needed for the downtown: (1) 'Pardon Our Dust' and 'Open for Business' signage; (2) identifying alternative locations for special events such as Taste of Wheaton. This may include: additional signage, additional communication, rent for alternative locations.*
- *DGS is identifying a temporary location for the Urban District staff and programs during the Town Plaza construction. Timing of move is early in calendar year 2017.*

Council Staff concurs with the Executive's recommended Wheaton Urban District budget.

FY17 Revenue Issues

The Urban Districts are funded through a number of revenues. These include the Urban District Tax, Parking Lot Districts, Optional Method Development charges, transfers from the General Fund and other small miscellaneous sources. Full FY17-22 Fiscal Plans for each Urban District are attached at © 10 - 12. The following table summarizes the FY17 Recommended funding sources for each of the Urban Districts. A comparison of FY16 –FY17 funding sources is attached at © 9.

FY17 Urban District Funding Sources

Funding Source	Bethesda	Silver Spring	Wheaton
Beginning Fund Balance	335,232	369,764	253,444
Urban District Tax	564,836	878,877	207,075
Optional Method Development	189,877	150,000	0
Miscellaneous	0	0	1,300
Parking Lot District Transfer	1,502,000	2,005,282	23,629
General Fund			
<i>Indirect Costs*</i>	-22,235	-396,804	-242,554
<i>Baseline Services Transfer</i>	650,318	524,660	76,090
<i>Non-Baseline Services Transfer</i>	0	0	1,841,650
Total Resources	3,220,028	3,531,779	2,160,634
CE Recommended Operating Budget	3,140,907	3,444,719	2,107,065
Projected FY17 Year-End Fund Balance	79,121	87,060	53,569
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.*

As discussed earlier in the packet, Bethesda Urban District OMD revenues in FY16 totaled \$157,919 and were projected to increase to \$189,877, a net increase of \$31,958. However, BUP has revised OMD revenue increases down to \$30,822, which would adjust total OMD revenue to \$188,741. The following table provides a breakdown of additional OMD revenues that are anticipated in FY17.

Location	Revenue
7770 Norfolk Ave	\$4,745
Garage 31/The Darcy	\$8,112
The Lauren	\$2,292
7001 Arlington	\$1,682
8300 Wisconsin Ave	\$6,718
7100 Wisconsin Ave	\$6,140
Bethesda Commerce	\$1,133
Total	\$30,822

Due to the revised amount of OMD fee revenue, total resources in the Bethesda Urban District would be \$3,218,892. The adjusted year-end fund balance would total \$77,985, which represents 2.48% of resources.

URBAN DISTRICT TAX RATE

The Executive is proposing no tax rate change for the Urban Districts from FY16 to FY17. The recommended tax rates are shown in the following table.

Urban District	Real Property	Personal Property
<i>Bethesda</i>	.012	.030
<i>Silver Spring</i>	.024	.060
<i>Wheaton</i>	.030	.075

This Packet contains:

	©
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FY17 Recommended Services and FTEs by District	8
Comparison of Urban District Funding Sources FY16–FY17	9
Bethesda Urban District FY17-22 PSP Fiscal Plan	10
Silver Spring Urban District FY17-22 PSP Fiscal Plan	11
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Bethesda Urban Partnership Correspondence	13 - 14



Urban Districts

Mission Statement

Urban Districts maintain and enhance the County's downtowns (Bethesda, Silver Spring, and Wheaton) as prosperous, livable urban centers by 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 FY17 Operating Budget for the Urban Districts is \$8,692,691, a decrease of \$184,361 or 2.08 percent from the FY16 Approved Budget of \$8,877,052. Personnel Costs comprise 46.27 percent of the budget for 60 full-time position(s) and one part-time position(s), and a total of 58.60 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 53.73 percent of the FY17 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**

Department Performance Measures

Performance measures for this department are included below (where applicable), with multi-program measures displayed at the front of this section and program-specific measures shown with the relevant program. The FY16 estimates reflect funding based on the FY16 approved budget. The FY17 and FY18 figures are performance targets based on the FY17 recommended budget and funding for comparable service levels in FY18.

Measure	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
Multi-Program Measures					
BETHESDA URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with the "value added" of the UD Hospitality team (scale 1-5)	5.0	4.5	5.0	5.0	5.0
SILVER SPRING URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with the "value added" of the UD Hospitality team (scale 1-5)	4.0	3.9	4.0	4.0	4.0
WHEATON URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with the "value added" of the UD Hospitality team (scale 1-5)	4.3	3.3	4.0	4.0	4.0

Accomplishments

- Three new kiosks are located at Veterans Park, the Bethesda Metro Station, and the corner of Woodmont and Bethesda Avenues. The kiosks are staffed during the evenings and weekends and provide a variety of information to residents and visitors.
- In an effort to bring more art to downtown Bethesda and transform blank wall into canvases, the Bethesda Urban Partnership and the Bethesda Arts & Entertainment District developed the "Paint the Town" Mural Project. This project encourages developers to hire regional artists and use blank wall canvasses for public art. The Arts and Entertainment (A&E) District kicked off this program with a mural along Arlington Road. An artist registry was created to connect local artists with private developers.

- ✓ The Bethesda Urban Partnership (BUP) is working to strengthen relationships with the National Institutes of Health and Naval Support Activity Bethesda, which houses the Walter Reed National Military Medical Center. In April 2015, BUP and Chevy Chase Cars hosted the Combat Paper Exhibit and Warrior Writers Reading. Naval Support Activity Bethesda also participated in Imagination Bethesda in June 2015 with their police car and giveaways for the kids.
- ✓ The Wheaton Urban District (WUD) upgraded/modernized with stone/stainless steel Wheaton gateway signs.
- ✓ WUD hosted the 20th annual Taste of Wheaton event.
- ✓ The WUD removed over nine tons of recyclables from the waste stream in 2015 with the recycling initiative using solar powered trash and recycling containers.
- ✓ The WUD replaced 17 pedestrian light fixtures with more efficient LED light fixtures which was facilitated by a state grant.
- ✓ The Silver Spring Urban District (SSUD) supported over 70 events on Veterans Plaza such as the 10th Annual Silver Spring Jazz Festival, Thanksgiving Day Parade, the Taste the World in Fenton Village, and the Summer Concert series.
- ✓ The SSUD recycled five tons of material (plastic, glass and aluminum bottles and cans) and delivered it to the Shady Grove Processing Facility and Transfer Station.

Program Contacts

Contact Ken Hartman of the Urban Districts at 240.777.8206 or Helen P. Vallone of the Office of Management and Budget at 240.777.2755 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.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
BETHESDA URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with urban district's marketing and promotion (scale 1-5)	5.0	5.0	5.0	5.0	5.0
BETHESDA URBAN DISTRICT - Average number of website sessions per month	25,000	30,000	36,000	40,000	44,000
BETHESDA URBAN DISTRICT - Number of social media followers	7,000	8,500	9,500	11,000	12,500
SILVER SPRING URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with urban district's marketing and promotion (scale 1-5)	3.5	3.7	4.0	4.0	4.0
SILVER SPRING URBAN DISTRICT - Average number of website sessions per month	93,800	98,000	102,000	110,000	120,000
SILVER SPRING URBAN DISTRICT - Number of social media followers	660	2,500	4,000	5,000	6,000
WHEATON URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with urban district's marketing and promotion (scale 1-5)	4.0	2.8	4.0	4.0	4.0
WHEATON URBAN DISTRICT - Average number of website sessions per month	24,000	15,500	23,000	25,000	27,000
WHEATON URBAN DISTRICT - Number of social media followers	1,968	2,358	2,700	3,000	4,000

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	3,103,911	27.55
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	480,889	8.40
FY17 Recommended	3,584,800	35.95

Sidewalk Repair

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

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	213,969	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.	(70,000)	0.00
FY17 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.

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
BETHESDA URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with cleanliness levels of Urban District maintained (scale 1-5)	5.0	5.0	5.0	5.0	5.0
SILVER SPRING URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with cleanliness levels of Urban District maintained (scale 1-5)	5.0	3.9	4.0	4.0	4.0
WHEATON URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with cleanliness levels of Urban District maintained (scale 1-5)	4.0	3.0	4.0	4.0	4.0

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	1,980,222	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.	(145,000)	0.00
FY17 Recommended	1,835,222	0.00

Tree Maintenance

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

Program Performance Measures	Actual FY14	Actual FY15	Estimated FY16	Target FY17	Target FY18
BETHESDA URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with urban district's landscape maintenance (scale 1-5)	5.0	5.0	5.0	5.0	5.0
SILVER SPRING URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with urban district's landscape maintenance (scale 1-5)	4.0	3.6	4.0	4.0	4.0
WHEATON URBAN DISTRICT - Overall satisfaction of Urban Districts Advisory Board with urban district's landscape maintenance (scale 1-5)	4.1	3.5	4.0	4.0	4.0

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	115,810	0.00
FY17 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.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	1,348,198	19.85
Multi-program adjustments, including negotiated compensation changes, employee benefit changes, changes due to staff turnover, reorganizations, and other budget changes affecting multiple programs.	(377,280)	(6.50)
FY17 Recommended	970,918	13.35

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.

FY17 Recommended Changes	Expenditures	FTEs
FY16 Approved	2,114,942	10.90
Increase Cost: Bethesda Urban Partnership (BUP) Compensation	13,000	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.	(85,970)	(1.60)
FY17 Recommended	2,041,972	9.30

Budget Summary

	Actual FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
URBAN DISTRICT - BETHESDA					
EXPENDITURES					
Salaries and Wages	78,105	86,576	86,575	88,059	1.7 %
Employee Benefits	47,867	51,387	51,388	47,109	-8.3 %
Urban District - Bethesda Personnel Costs	125,972	137,963	137,963	135,168	-2.0 %
Operating Expenses	3,549,249	3,115,734	2,965,734	3,005,739	-3.5 %
Urban District - Bethesda Expenditures	3,675,221	3,253,697	3,103,697	3,140,907	-3.5 %
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	0	360	0	0	-100.0 %
Optional Method Development	139,276	157,919	157,919	189,877	20.2 %
Property Tax	524,070	501,693	541,210	564,836	12.6 %
Urban District - Bethesda Revenues	663,346	659,972	699,129	754,713	14.4 %

URBAN DISTRICT - SILVER SPRING

EXPENDITURES					
Salaries and Wages	1,501,481	1,595,445	1,601,445	1,672,578	4.8 %
Employee Benefits	649,835	724,885	718,885	739,605	2.0 %
Urban District - Silver Spring Personnel Costs	2,151,316	2,320,330	2,320,330	2,412,183	4.0 %
Operating Expenses	905,347	1,191,820	1,041,820	1,032,536	-13.4 %
Urban District - Silver Spring Expenditures	3,056,663	3,512,150	3,362,150	3,444,719	-1.9 %
PERSONNEL					
Full-Time	37	37	37	37	—
Part-Time	0	0	0	0	—
FTEs	34.90	34.90	34.90	34.90	—

	Actual FY15	Budget FY16	Estimate FY16	REC FY17	%Chg Bud/Rec
REVENUES					
Investment Income	0	880	0	0	-100.0 %
Optional Method Development	64,608	134,000	134,000	150,000	11.9 %
Property Tax	717,223	795,761	840,996	878,877	10.4 %
Urban District - Silver Spring Revenues	781,831	930,641	974,996	1,028,877	10.6 %
URBAN DISTRICT - WHEATON					
EXPENDITURES					
Salaries and Wages	763,325	991,296	991,297	1,042,883	5.2 %
Employee Benefits	302,888	402,053	402,052	431,608	7.4 %
Urban District - Wheaton Personnel Costs	1,066,213	1,393,349	1,393,349	1,474,491	5.8 %
Operating Expenses	593,748	717,856	567,856	632,574	-11.9 %
Urban District - Wheaton Expenditures	1,659,961	2,111,205	1,961,205	2,107,065	-0.2 %
PERSONNEL					
Full-Time	22	22	22	22	—
Part-Time	1	1	1	1	—
FTEs	22.40	22.40	22.40	22.70	1.3 %
REVENUES					
Investment Income	573	300	1,300	1,300	333.3 %
Property Tax	169,854	196,959	198,452	207,075	5.1 %
Urban District - Wheaton Revenues	170,427	197,259	199,752	208,375	5.6 %
DEPARTMENT TOTALS					
Total Expenditures	8,391,845	8,877,052	8,427,052	8,692,691	-2.1 %
Total Full-Time Positions	60	60	60	60	—
Total Part-Time Positions	1	1	1	1	—
Total FTEs	58.30	58.30	58.30	58.60	0.5 %
Total Revenues	1,615,604	1,787,872	1,873,877	1,991,965	11.4 %

FY17 Recommended Changes

	Expenditures	FTEs
URBAN DISTRICT - BETHESDA		
FY16 ORIGINAL APPROPRIATION	3,253,697	1.00
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Risk Management Adjustment	29,111	0.00
Increase Cost: Bethesda Urban Partnership (BUP) Compensation [Administration]	13,000	0.00
Increase Cost: FY17 Compensation Adjustment	1,533	0.00
Increase Cost: Printing and Mail	965	0.00
Increase Cost: Group Insurance Adjustment	625	0.00
Decrease Cost: Motor Pool Adjustment	(3,071)	0.00
Decrease Cost: Retirement Adjustment	(4,953)	0.00
Decrease Cost: FY16 Savings Plan reductions in enhanced maintenance, marketing, and promotions	(150,000)	0.00
FY17 RECOMMENDED	3,140,907	1.00
URBAN DISTRICT - SILVER SPRING		
FY16 ORIGINAL APPROPRIATION	3,512,150	34.90
<u>Other Adjustments (with no service impacts)</u>		
Increase Cost: Annualization of FY16 Personnel Costs	50,612	0.00
Increase Cost: FY17 Compensation Adjustment	37,297	0.00
Increase Cost: Risk Management Adjustment	26,337	0.00

	Expenditures	FTEs
Increase Cost: Group Insurance Adjustment	23,688	0.00
Shift: Telecommunications to the Telecommunications Non-Departmental Account	(17,800)	0.00
Decrease Cost: Motor Pool Adjustment	(17,821)	0.00
Decrease Cost: Retirement Adjustment	(19,744)	0.00
Decrease Cost: FY16 Savings Plan reductions in enhanced maintenance, marketing and promotions, and Clean Team services	(150,000)	0.00
FY17 RECOMMENDED	3,444,719	34.90

URBAN DISTRICT - WHEATON

FY16 ORIGINAL APPROPRIATION **2,111,205 22.40**

Other Adjustments (with no service impacts)

Increase Cost: Motor Pool Adjustment	52,810	0.00
Increase Cost: Annualization of FY16 Personnel Costs	50,982	0.30
Increase Cost: FY17 Compensation Adjustment	23,449	0.00
Increase Cost: Group Insurance Adjustment	14,375	0.00
Increase Cost: Risk Management Adjustment	13,908	0.00
Shift: Telecommunications to the Telecommunications Non-Departmental Account	(2,000)	0.00
Decrease Cost: Retirement Adjustment	(7,664)	0.00
Decrease Cost: FY16 Savings Plan reductions in enhanced maintenance, marketing, and promotions	(150,000)	0.00

FY17 RECOMMENDED **2,107,065 22.70**

Program Summary

Program Name	FY16 APPR		FY17 REC	
	Expenditures	FTEs	Expenditures	FTEs
Promotion of Community and Business Activities	3,103,911	27.55	3,584,800	35.95
Sidewalk Repair	213,969	0.00	143,969	0.00
Streetscape Maintenance	1,980,222	0.00	1,835,222	0.00
Tree Maintenance	115,810	0.00	115,810	0.00
Enhanced Security	1,348,198	19.85	970,918	13.35
Administration	2,114,942	10.90	2,041,972	9.30
Total	8,877,052	58.30	8,692,691	58.60

Charges to Other Departments

Charged Department	Charged Fund	FY16		FY17	
		Total\$	FTEs	Total\$	FTEs
URBAN DISTRICT - SILVER SPRING					
Parking District Services	Silver Spring Parking	165,230	3.00	165,230	3.00

Future Fiscal Impacts

Title	CE RECOMMENDED (\$000s)					
	FY17	FY18	FY19	FY20	FY21	FY22

URBAN DISTRICT - BETHESDA

EXPENDITURES

FY17 Recommended	3,141	3,141	3,141	3,141	3,141	3,141
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	(1)	(1)	(1)	(1)	(1)

These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.

Title	CE RECOMMENDED (\$000s)					
	FY17	FY18	FY19	FY20	FY21	FY22
Subtotal Expenditures	3,141	3,140	3,140	3,140	3,140	3,140

URBAN DISTRICT - SILVER SPRING

EXPENDITURES

FY17 Recommended	3,445	3,445	3,445	3,445	3,445	3,445
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	34	34	34	34	34
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	3,445	3,479	3,479	3,479	3,479	3,479

URBAN DISTRICT - WHEATON

EXPENDITURES

FY17 Recommended	2,107	2,107	2,107	2,107	2,107	2,107
No inflation or compensation change is included in outyear projections.						
Labor Contracts	0	23	23	23	23	23
These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items.						
Subtotal Expenditures	2,107	2,130	2,130	2,130	2,130	2,130

FY17 Recommended Urban District Services and FTES

Bethesda Urban District			FY16/FY17 Changes	
	FY16 Appr.	FY17 Rec.	\$	%
<i>Promotion of Community and Business Activities</i>	815,203	740,203	-75,000	-9.2%
<i>Sidewalk Repair</i>	115,900	95,900	-20,000	-17.3%
<i>Streetscape Maintenance</i>	1,141,006	1,086,006	-55,000	-4.8%
<i>Tree Maintenance</i>	64,600	64,600	0	0.0%
<i>Administration</i>	1,116,988	1,154,198	37,210	3.3%
Total	3,253,697	3,140,907	-112,790	-3.5%
Personnel Costs	137,963	135,168	-2,795	-2.0%
Operating Expenses	3,115,734	3,005,739	-109,995	-3.5%
<i>FTEs</i>	1.0	1.0		0.0%

Silver Spring Urban District			FY16/FY17 Changes	
	FY16 Appr.	FY17 Rec.	\$	%
<i>Promotion of Community and Business Activities</i>	1,351,810	1,781,527	429,717	31.8%
<i>Sidewalk Repair</i>	18,500	18,500	0	0.0%
<i>Streetscape Maintenance</i>	624,127	584,127	-40,000	-6.4%
<i>Tree Maintenance</i>	38,050	38,050	0	0.0%
<i>Enhanced Security</i>	687,751	460,962	-226,789	-33.0%
<i>Administration</i>	791,912	561,552	-230,360	-29.1%
Total	3,512,150	3,444,719	-67,431	-1.9%
Personnel Costs	2,320,330	2,412,183	91,853	4.0%
Operating Expenses	1,191,820	1,032,536	-159,284	-13.4%
<i>FTEs</i>	34.9	34.9		0.0%

**Per Executive staff there were no increases or decreases to Enhanced Security and Administration to the Promotion of Community and Business Activities programs. The increases are due an alignment of functions of the Clean Team and Safe Team cost centers among the existing programs.*

Wheaton Urban District			FY16/FY17 Changes	
	FY16 Appr.	FY17 Rec.	\$	%
<i>Promotion of Community and Business Activities</i>	936,898	1,063,070	126,172	13.5%
<i>Sidewalk Repair</i>	79,569	29,569	-50,000	-62.8%
<i>Streetscape Maintenance</i>	215,089	165,089	-50,000	-23.2%
<i>Tree Maintenance</i>	13,160	13,160	0	0.0%
<i>Enhanced Security</i>	660,447	509,956	-150,491	-22.8%
<i>Administration</i>	206,042	326,220	120,178	58.3%
Total	2,111,205	2,107,065	-4,140	-0.2%
Personnel Costs	1,393,349	1,474,491	81,142	5.8%
Operating Expenses	717,856	632,574	-85,282	-11.9%
<i>FTEs</i>	22.4	22.7		1.3%

**Per Executive staff there were no increases or decreases to Enhanced Security to the Promotion of Community and Business Activities programs. The increases are due an alignment of functions of the Clean Team and Safe Team cost centers among the existing programs.*

**FY16 - FY17
COMPARISON OF URBAN DISTRICT FUNDING SOURCES**

Bethesda Urban District	FY16 Est.	FY17 CE Rec.
Beginning Fund Balance	-89,423	335,232
Urban District Tax	541,210	564,836
Optional Method Development	157,919	189,877
Miscellaneous	360	0
Parking Lot District Transfer	2,200,955	1,502,000
General Fund		
<i>Indirect Costs</i>	-22,050	-22,235
<i>Baseline Services Transfer</i>	650,318	650,318
<i>Non-Baseline Services Transfer</i>	0	0
Total Resources	3,438,929	3,220,028
Estimated/Recommended Operating Budget	3,103,697	3,140,907
Projected FY16 Year-End Fund Balance	335,232	79,121
End of Year reserves as a % of resources	9.7%	2.5%

Silver Spring Urban District	FY16 Est.	FY17 CE Rec.
Beginning Fund Balance	154,843	369,764
Urban District Tax	840,996	878,877
Optional Method Development	134,000	150,000
Miscellaneous	0	0
Parking Lot District Transfer	2,448,205	2,005,282
General Fund		
<i>Indirect Costs</i>	-370,790	-396,804
<i>Baseline Services Transfer</i>	524,660	524,660
<i>Non-Baseline Services Transfer</i>	0	0
Total Resources	3,731,914	3,531,779
Estimated/Recommended Operating Budget	3,362,150	3,444,719
Projected FY16 Year-End Fund Balance	369,764	87,060
End of Year reserves as a % of resources	9.9%	2.5%

Wheaton Urban District	FY16 Est.	FY17 CE Rec.
Beginning Fund Balance	270,048	253,444
Urban District Tax	198,452	207,075
Optional Method Development	0	0
Miscellaneous	1,300	1,300
Parking Lot District Transfer	607,000	23,629
General Fund		
<i>Indirect Costs</i>	-222,660	-242,554
<i>Baseline Services Transfer</i>	76,090	76,090
<i>Non-Baseline Services Transfer</i>	1,284,419	1,841,650
Total Resources	2,214,649	2,160,634
Estimated/Recommended Operating Budget	1,961,205	2,107,065
Projected FY16 Year-End Fund Balance	253,444	53,569
End of Year reserves as a % of resources	11.4%	2.5%

FY17-22 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Bethesda Urban District					
FISCAL PROJECTIONS	FY16 ESTIMATE	FY17 REC	FY18 PROJECTION	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0120	0.0120	0.0120	0.0120	0.0120	0.0120	0.0120
Assessable Base: Real Property (000)	4,009,900	4,213,900	4,426,400	4,596,600	4,739,400	4,886,200	5,061,900
Property Tax Collection Factor: Real Property	98.9%	98.9%	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Personal Property (000)	223,300	221,300	219,500	222,100	224,100	227,000	228,400
Property Tax Collection Factor: Personal Property	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	15.98%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%
CPI (Fiscal Year)	0.8%	1.8%	2.3%	2.5%	2.5%	2.7%	2.7%
Investment Income Yield	0.35%	0.50%	1.00%	1.50%	2.50%	2.50%	3.00%
BEGINNING FUND BALANCE	(89,423)	335,232	79,121	81,832	85,323	88,698	91,400
REVENUES							
Taxes	541,210	564,836	589,529	610,488	628,021	646,292	667,553
Charges For Services	157,919	189,877	194,244	199,100	204,476	209,997	215,667
Subtotal Revenues	699,129	754,713	783,773	809,588	832,497	856,289	883,220
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(22,050)	(22,235)	(22,136)	(22,136)	(22,136)	(22,136)	(22,136)
Indirect Costs	(22,050)	(22,235)	(22,136)	(22,136)	(22,136)	(22,136)	(22,136)
Transfers From The General Fund	650,318	650,318	650,318	650,318	650,318	650,318	650,318
Transfers From Special Fds: Non-Tax + ISF	2,200,955	1,502,000	1,806,000	1,864,179	1,933,178	2,003,353	2,073,919
Parking District Fees	2,200,955	1,502,000	1,806,000	1,864,179	1,933,178	2,003,353	2,073,919
TOTAL RESOURCES	3,438,929	3,220,028	3,297,076	3,383,781	3,479,180	3,576,522	3,676,720
PSP OPER. BUDGET APPROP/ EXPS.							
Operating Budget	(3,103,697)	(3,140,907)	(3,215,849)	(3,299,063)	(3,391,087)	(3,485,727)	(3,583,067)
Labor Agreement	n/o	0	605	605	605	605	605
Subtotal PSP Oper Budget Approp / Exp's	(3,103,697)	(3,140,907)	(3,215,244)	(3,298,458)	(3,390,482)	(3,485,122)	(3,582,462)
TOTAL USE OF RESOURCES	(3,103,697)	(3,140,907)	(3,215,244)	(3,298,458)	(3,390,482)	(3,485,122)	(3,582,462)
YEAR END FUND BALANCE	335,232	79,121	81,832	85,323	88,698	91,400	94,258
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	9.7%	2.5%	2.5%	2.5%	2.5%	2.6%	2.6%
<p>Assumptions:</p> <ol style="list-style-type: none"> 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. 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. These projections are based on the Executive's Recommended Budget and include the revenue and resource assumptions of that budget. FY18-22 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. 							

FY17-22 PUBLIC SERVICES PROGRAM: FISCAL PLAN		Silver Spring Urban District					
FISCAL PROJECTIONS	FY16 ESTIMATE	FY17 REC	FY18 PROJECTION	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240	0.0240
Assessable Base: Real Property (000)	3,199,800	3,362,600	3,532,200	3,668,000	3,782,000	3,899,200	4,039,400
Property Tax Collection Factor: Real Property	98.9%	98.9%	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Assessable Base: Personal Property (000)	139,300	138,000	136,900	138,500	139,700	141,600	142,400
Property Tax Collection Factor: Personal Property	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	15.98%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%
CPI (Fiscal Year)	0.8%	1.8%	2.3%	2.5%	2.7%	2.7%	2.7%
Investment Income Yield	0.35%	0.50%	1.00%	1.50%	2.50%	2.50%	3.00%
BEGINNING FUND BALANCE	154,843	369,764	87,060	90,657	94,135	97,991	101,984
REVENUES							
Taxes	840,996	878,877	918,490	951,659	979,421	1,008,350	1,042,096
Charges For Services	134,000	150,000	153,450	157,286	161,533	165,894	170,374
Subtotal Revenues	974,996	1,028,877	1,071,940	1,108,945	1,140,954	1,174,244	1,212,470
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	(370,790)	(396,804)	(402,460)	(402,460)	(402,460)	(402,460)	(402,460)
Indirect Costs	(370,790)	(396,804)	(402,460)	(402,460)	(402,460)	(402,460)	(402,460)
Transfers From The General Fund	524,660	524,660	549,660	550,860	548,460	550,060	550,260
Transfers From Special Fds: Non-Tax + ISF	2,448,205	2,005,282	2,391,032	2,492,334	2,615,902	2,740,545	2,868,642
Parking District Fees	2,448,205	2,005,282	2,391,032	2,492,334	2,615,902	2,740,545	2,868,642
TOTAL RESOURCES	3,731,914	3,531,779	3,697,232	3,840,336	3,996,991	4,160,381	4,330,895
PSP OPER. BUDGET APPROP/ EXPS.							
Operating Budget	(3,362,150)	(3,444,719)	(3,572,193)	(3,711,819)	(3,864,618)	(4,024,015)	(4,190,302)
Labor Agreement	n/a	0	(34,382)	(34,382)	(34,382)	(34,382)	(34,382)
Subtotal PSP Oper Budget Approp / Exp's	(3,362,150)	(3,444,719)	(3,606,575)	(3,746,201)	(3,899,000)	(4,058,397)	(4,224,684)
TOTAL USE OF RESOURCES	(3,362,150)	(3,444,719)	(3,606,575)	(3,746,201)	(3,899,000)	(4,058,397)	(4,224,684)
YEAR END FUND BALANCE	369,764	87,060	90,657	94,135	97,991	101,984	106,211
END-OF-YEAR RESERVES AS A							
PERCENT OF RESOURCES	9.9%	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. FY18-22 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.							



FY17-22 PUBLIC SERVICES PROGRAM: FISCAL PLAN **Wheaton Urban District**

FISCAL PROJECTIONS	FY16 ESTIMATE	FY17 REC	FY18 PROJECTION	FY19 PROJECTION	FY20 PROJECTION	FY21 PROJECTION	FY22 PROJECTION
ASSUMPTIONS							
Property Tax Rate: Real Property	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Assessable Base: Real Property (000)	586,300	616,100	647,200	672,100	693,000	714,500	740,200
Property Tax Collection Factor: Real Property	98.9%	98.9%	98.9%	98.9%	98.9%	98.9%	98.9%
Property Tax Rate: Personal Property	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750	0.0750
Assessable Base: Personal Property (000)	33,500	33,200	32,900	33,300	33,600	34,000	34,200
Property Tax Collection Factor: Personal Property	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%	97.5%
Indirect Cost Rate	15.98%	16.45%	16.45%	16.45%	16.45%	16.45%	16.45%
CPI (Fiscal Year)	0.8%	1.8%	2.3%	2.5%	2.7%	2.7%	2.7%
Investment Income Yield	0.35%	0.50%	1.00%	1.50%	2.50%	2.50%	3.00%
BEGINNING FUND BALANCE	270,048	253,444	53,569	56,662	58,850	61,249	63,751
REVENUES							
Taxes	198,452	207,075	216,082	223,763	230,183	236,855	244,626
Miscellaneous	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Subtotal Revenues	199,752	208,375	217,382	225,063	231,483	238,155	245,926
INTERFUND TRANSFERS (Net Non-CIP)							
Transfers To The General Fund	1,744,849	1,698,815	1,993,545	2,070,345	2,157,579	2,248,484	2,342,506
Indirect Costs	(222,660)	(242,554)	(246,307)	(246,307)	(246,307)	(246,307)	(246,307)
Transfers From The General Fund	(222,660)	(242,554)	(246,307)	(246,307)	(246,307)	(246,307)	(246,307)
Baseline Services	1,360,509	1,917,740	2,215,494	2,291,524	2,378,758	2,469,663	2,562,747
Non-Baseline Services	76,090	76,090	76,090	76,090	76,090	76,090	76,090
Transfers From Special Fds: Non-Tax + ISF	1,284,419	1,841,650	2,139,404	2,215,434	2,302,668	2,393,573	2,486,657
Parking District Fees	607,000	23,629	24,358	25,128	25,128	25,128	26,066
TOTAL RESOURCES	2,214,649	2,160,634	2,264,496	2,352,069	2,447,912	2,547,888	2,652,184
PSP OPER. BUDGET APPROP/ EXP'S.							
Operating Budget	(1,961,205)	(2,107,065)	(2,185,018)	(2,270,403)	(2,363,847)	(2,461,321)	(2,563,012)
Labor Agreement	n/a	0	(22,816)	(22,816)	(22,816)	(22,816)	(22,816)
Subtotal PSP Oper Budget Approp / Exp's	(1,961,205)	(2,107,065)	(2,207,834)	(2,293,219)	(2,386,663)	(2,484,137)	(2,585,828)
TOTAL USE OF RESOURCES	(1,961,205)	(2,107,065)	(2,207,834)	(2,293,219)	(2,386,663)	(2,484,137)	(2,585,828)
YEAR END FUND BALANCE	253,444	53,569	56,662	58,850	61,249	63,751	66,356
END-OF-YEAR RESERVES AS A PERCENT OF RESOURCES	11.4%	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. FY18-22 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.

Business, Residents and
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April 12, 2016

Linda Price
Legislative Analyst
Montgomery County Council

RE: Bethesda Urban Partnership FY17 Budget Allocation

Linda:

The Bethesda Urban Partnership (BUP) requested a couple of Before the MARC adjustment and several over the MARC adjustments in its FY17 budget request to the County Executive. Only one of those requests was partially funded. Below are a few points that BUP would like considered while you are preparing your comments for the PHED committee while considering our FY17 budget allocation. We have not listed each of the requests as we understand that the County's operating budget remains extremely tight. We have listed only those items that we see as critical where lack of sufficient funding will adversely hamper BUP's ability to retain tenured staff and be able to provide quality services to our constituency. We have also listed salary increases where BUP feels that consideration should be given to give BUP increases equal to those given to Montgomery County employees as had been the policy of the County in the past.

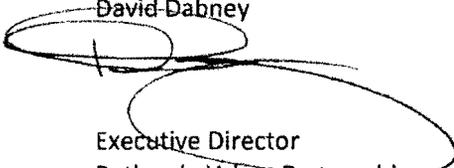
- 1) BUP requested a \$9,080 increase for estimated increases in health and disability insurance. BUP participates in the County's health insurance plan and maintains its own long-term disability plan. Based on previous year's average increases for both of these coverages, the \$9,080 will allow BUP to cover these increases. This is the first year that the County Executive has failed to fund these estimated increases that BUP will be forced to absorb at the cost of decreased services should funding not be provided.
- 2) BUP requested \$31,958 in additional revenue for Optional Method Developer fees that will be billed by the County for new developments that will come on line in FY17. The County

Executive's budget has this revenue built in, but there is no corresponding expense that should be passed directly through to BUP for these services. BUP wants to ensure that the additional \$31,958 being collected by the County is passed through to BUP. As clarification this revenue being charged to the OMD's are for enhanced services rendered on the improved and expanded streetscape amenities on these sites over and above the basic services that have been rendered previously and are a part of BUP's base contract. The streetscape at these sites have been enhanced and improved with the addition of wider, brick sidewalks, additional trees and additional trash and recycling cans that were not present before the sites were developed. All of these features require BUP to perform maintenance on these sites at a much higher level. Historically there is also more foot traffic in these newly developed areas causing the need for more frequent litter and trash collection from street front retail.

- 3) In its original request, BUP requested a 4% wage increase including corresponding increases in payroll taxes and retirement plan contributions. This request totaled \$66,225. The County Executive has proposed a 1% COLA increase for BUP in FY17 that only includes increases for BUP's maintenance and marketing staff or \$13,000. The administrative staff was excluded due to the fact that OMB made the assumption that there would be a savings in the administrative salaries line to cover this 1% increase due to the fact that BUP's current Executive Director is retiring and BUP will be hiring a new executive director early in FY17. BUP not only is paying a sizable fee for a search firm to handle the hiring process, but there is no guarantee that a new executive director will be paid less than the current one. BUP not only requests that administrative salaries be included in this increase, but also requests that the 1% adjustment be increased to 4.5% based on the following factors. As a government instrumentality BUP employees should be treated consistently and equitably with Montgomery County employees. The County Executive has proposed that all County employees receive anywhere between 2% (for wage increases and bonus if an employee has reached maximum salary for their pay grade) and up to 4.5% (the 1% COLA plus 3.5% performance increase for employees who have not maxed out at the grade level). BUP feels that the 4.5% request falls well within scale being proposed for County employees. This 4.5% request for all employees would total \$74,500.

Thanks for considering our request.

David Dabney



Executive Director
Bethesda Urban Partnership

PHED COMMITTEE #1
April 20, 2016
Addendum

MEMORANDUM

April 19, 2016

TO: Planning, Housing, and Economic Development (PHED) Committee
FROM: Linda Price,  Legislative Analyst
SUBJECT: **Addendum** - FY17 Operating Budget: Urban Districts

Due to anticipated savings from a reduction in lease costs, the Bethesda Urban Partnership (BUP) is no longer in need of funding to cover cost increases in health and disability insurance. Insurance costs are estimated to increase by \$9,080 in FY17. The Executive's FY17 Recommended Operating Budget did not include funding for the increased insurance costs; however, Council staff recommended that funding be added to the Reconciliation List to cover the insurance increases. BUP is finalizing a new agreement to extend their lease for five years. The agreement will be finalized this week and take place in January 2017. In light of the savings in the new lease agreement, BUP would like to remove the request to add funds to cover health and disability insurance increases. The funds from the lease savings will enable BUP to cover the additional costs.