

Pre-Retreat Work Session

Draft 2007 Strategic Plan
January 8, 2007



Gaithersburg

A CHARACTER COUNTS! CITY

City Finances

City Revenue Categories

- Taxes and Assessments
- Licenses and Permits
- Charges for Service
- Miscellaneous (interest income, etc.)

Non-Revenue Categories

- Sales Tax
- Hotel Occupancy Taxes
- Traffic Citations (except parking)
- Income Taxes: Non-City Residents
- Corporate Income Taxes

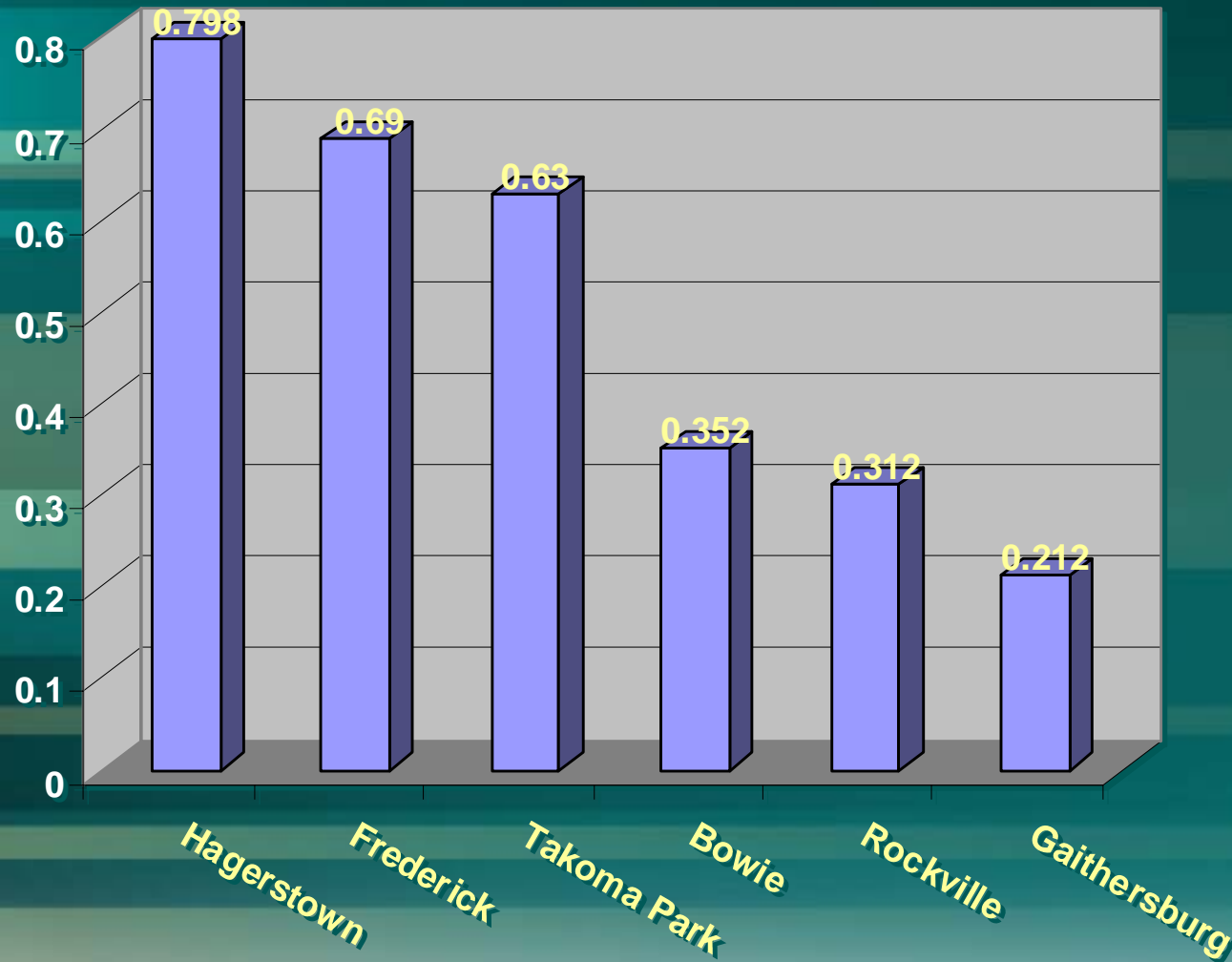
Expenditure Categories

- General Government
- Public Safety
- Public Works
- Parks, Recreation and Culture
- Capital Improvements
- Miscellaneous (contingency, etc.)

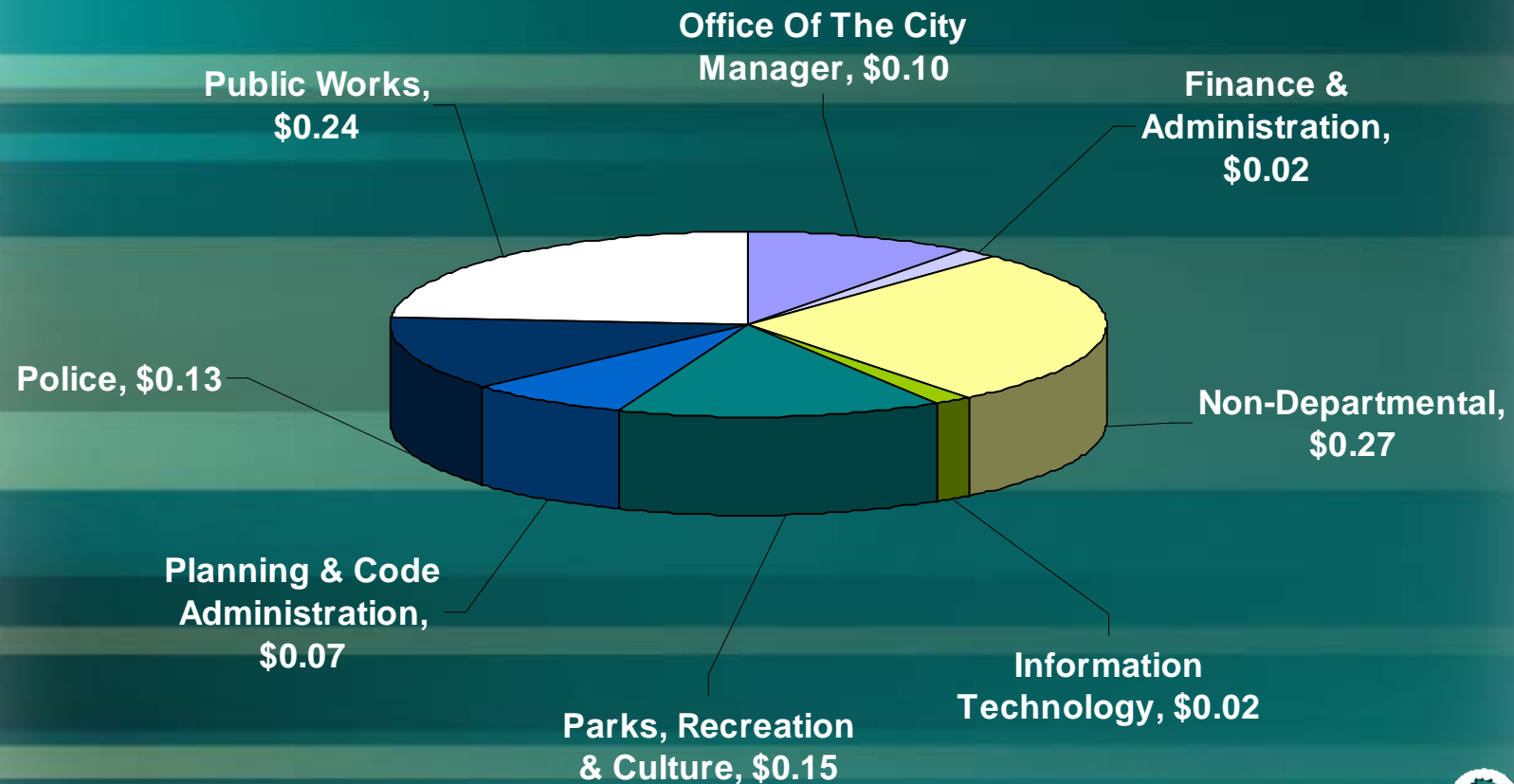
Non-Expenditure Categories

- School Construction and Operation
- Major Transportation/Transit Infrastructure
- Social Services
- Fire Department/Ambulance

Municipal Real Property Tax Rates



Allocation of \$1 of Taxpayers' 2007 Expenditure Budget



Economic Indicators

- Washington region continues to add new payroll jobs (Top 5 metro market)
- Unemployment rate continues well below national average
- Home prices falling or likely to decline in most major metropolitan areas

Economic Indicators

- Real property is City's largest revenue category; impact on future budgets
- Home value decreases notwithstanding, real property tax base is likely to increase incrementally for several more years, then is likely to flatten
- Home prices began downward turn about one year ago after doubling over previous five years
- Resale housing inventories high

Economic Indicators

- Planned/approved developments will add infrastructure, maintenance, and staffing demands
 - Crowne Farm, Casey West, etc.
- Several large Capital Projects in development or planning stages will require both construction and subsequent staffing funding
 - Aquatic Center, Youth Center, etc.
- Construction cost increases rising well in advance of inflation rate
- Energy/utility costs rising rapidly

Budget Trends and Issues: Department Growth

- Functions that have experienced greatest growth over the past five years:
 - Public Safety
 - Public Works
 - Parks, Recreation & Culture
 - Capital Improvements Plan

Budget Trends and Issues:CIP

- FY 2007 CIP = \$10,500,000
- Account has increased 100% over past five years
- Maintenance and infrastructure needs continue to be largest recurring expenditure categories
- Funds are only available for new facilities after accounting for maintenance and infrastructure requirements

Key Strategic
Direction Goals
&
Budget Drivers

Strategic Directions

- 1: Planning and Development
- 2: Traffic & Transportation Management
- 3: Olde Towne Master Plan
- 4: Priority City Services
- 5: Housing Stock
- 6: Community Policing
- 7: Parks & Recreation Master Plan
- 8: Environmental Management
- 9: Economic Development
- 10: Communication and Citizen Involvement
- 11: Emergency Response

Goals and Budget Drivers

- Continue to make progress on City Master Plan (SD#1)
- Corridor Cities Transitway (SD#2)
- Implement photo-radar enforcement initiative (SD#2)
- Facilitate development of City-owned parcels (“Y” Site and 315 E. Diamond Avenue) (SD#3)
- Gaithersburg Business Alliance (Cops and Shops Program) (SD#3)

Goals and Budget Drivers

- Review and update Personnel Ordinance (SD#4)
- November 2007 City voting system (SD #4)
- Implement affordable housing program (SD#5)
- Address overcrowding and code violation issues (SD#5)
- Encourage redevelopment of functionally obsolete and aging apartment complexes (SD#5)

Goals and Budget Drivers

- Implement Crime Analysis software program (SD#6)
- Increase Police personnel in pursuit of “Beat Plan” (SD#6)
- Evaluate need for new police station (SD#6)
- Complete design and construction of Gaithersburg Aquatic/Recreation Center and Youth Center in Olde Towne (SD#7)

Goals and Budget Drivers

- Evaluate need for new Senior Center (SD#7)
- Mayor and City Council formalization of LEED policy (SD#8)
- Implement policies and programs in support of Climate Protection Agreement (SD#8)
- Work with Montgomery County on establishment of day laborer center (SD#9)

Goals and Budget Drivers

- Conduct comprehensive Citizen Survey in Fall of 2007 (SD#10)
- Coordinate ad-hoc committee to increase voter turnout (SD#10)
- “Alert Gaithersburg” notification system (SD#11)
- Comprehensive security analysis of City facilities (SD#11)

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