

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

June 1, 2009

CALL TO PODIUM:

Harold Belton

RESPONSIBLE STAFF:

Harold Belton, Director
Finance and Administration

AGENDA ITEM:

(please check one)

	Presentation
	Proclamation/Certificate
	Appointment
	Public Hearing
	Historic District
	Consent Item
	Ordinance
	Resolution
	Policy Discussion
	Work Session Discussion Item
X	Other: Set the Constant Yield Tax Rate

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	04/20/09
Advertised	04/15/09
Hearing Date	05/04/09
Record Held Open	05/22/09
Policy Discussion	

TITLE:
Establishing a Constant Yield Tax Rate for the City of Gaithersburg for the Fiscal Year July 1, 2009 through June 30, 2010

SUPPORTING BACKGROUND:
<p>In order to comply with state law, a public hearing is required if the tax rate proposed for the fiscal year exceeds the Constant Yield Tax Rate.</p> <p>From year to year, the City's assessable tax base increases, causing the amount of revenue to increase. The City must hold a public hearing to inform citizens of that increase. As projected by the State Department of Assessments and Taxation, the City's assessable base will increase by 2.8 percent in FY 2010. As the City's assessments increase, the tax rate needed to generate the amount of revenue for the prior year decreases. This Constant Yield Tax would ensure that the City's tax revenue would remain flat from FY 2009 to 2010.</p> <p>The City of Gaithersburg is proposing a tax rate of \$.212, which will exceed the \$.206 Constant Yield Tax Rate. On April 20, 2009 a notification of a public hearing on the Constant Yield Tax Rate was announced for May 4, 2009. The public hearing was held on that date. During the public hearing, the Mayor and City Council voted to close the record on May 22, 2009. No comments were received.</p> <p>Staff requests the Mayor and City Council vote to set the Constant Yield Tax Rate and set the rate at \$.212 to become effective July 1, 2009.</p>

DESIRED OUTCOME:
Vote to set the Constant Yield Tax Rate

**CITY OF GAITHERSBURG NOTICE
OF A PROPOSED
REAL PROPERTY TAX INCREASE**

The Mayor and City Council of the City of Gaithersburg proposes to increase real property taxes.

1. For the tax year beginning July 1, 2009, the estimated real property assessable base will increase by 2.8%, from \$8,774,074,503 to \$9,020,656,897.

2. If the City of Gaithersburg maintains the current tax rate of \$0.212 per \$100 of assessment, real property tax revenues will increase by 2.8%, resulting in \$522,755 of new real property tax revenues.

3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.206, the constant yield tax rate.

4. The City of Gaithersburg is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City of Gaithersburg proposes to adopt a real property tax rate of \$0.212 per \$100 of assessment. This tax rate is 2.9% higher than the constant yield tax rate and will generate \$522,755 in additional property tax revenues.

A public hearing on the proposed real property tax increase will be held at 7:30 p.m., on May 4, 2009, at City Hall, 31 South Summit Avenue, Gaithersburg, Maryland 20877.

The hearing is open to the public, and public testimony is encouraged.

Persons with questions regarding this hearing may call 301-258-6310 for further information.

MAYOR & COUNCIL AGENDA COVER SHEET

MEETING DATE:

June 1, 2009

CALL TO PODIUM:

Walter J. DeBord

RESPONSIBLE STAFF:

Walter J. DeBord

AGENDA ITEM:
(please check one)

<input type="checkbox"/>	Presentation
<input type="checkbox"/>	Proclamation/Certificate
<input type="checkbox"/>	Appointment
<input type="checkbox"/>	Public Hearing
<input type="checkbox"/>	Historic District
<input type="checkbox"/>	Consent Item
<input type="checkbox"/>	Ordinance
<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	Policy Discussion
<input type="checkbox"/>	Work Session Discussion Item
<input type="checkbox"/>	Other:

PUBLIC HEARING HISTORY:

(Please complete this section if agenda item is a public hearing)

Introduced	
Advertised	
Hearing Date	
Record Held Open	
Policy Discussion	

TITLE:
Resolution of the Mayor and City Council Authorizing the City Manager to Enter into a Contract to Purchase Two (2) 2009 One Ton Dump Trucks (\$112,240)

SUPPORTING BACKGROUND:
A one ton dump truck was approved in the FY 09 budget for the Streets Division of Public Works. Public Works would also like to purchase a second dump truck to replace unit # 2927, a 2003 one (1) ton dump truck. A back up truck, unit 2555, a 1999 one (1) ton dump truck will be traded in and unit # 2927 will be retained as a back up.
A bid was advertised in the Gazette. Bid packages were also distributed to five local truck dealers. Sealed bids were opened and tabulated on May 5, 2009. The following bids were received.
Criswell Chevrolet \$112,240.00
Bob Bell Pontiac \$130,404.00
Staff recommends that the bid be awarded to the lowest bidder meeting specification, Criswell Chevrolet, 503 Quince Orchard Road Gaithersburg, MD 20878

DESIRED OUTCOME:
Vote on Resolution

Resolution Request Form

REQUEST FORM FOR RESOLUTIONS PERTAINING
TO EXPENDITURES FROM THE CITY BUDGET
(CONTRACTS/PURCHASES, TRANSFER FUNDS)

(Please attach the Mayor and Council Agenda Cover Sheet to this Form. For contracts/purchases, the Cover Sheet MUST include a list of all bidders and bid amounts.)

Requested by: James D. Arnoult Date of City Council Meeting: June 1, 2009

AUTHORIZING

Purchase Award Contract _____ Transfer Funds _____ Negotiate/
Execute a Contract _____

BID INFORMATION:

Advertisement Date April 15, 2009
Newspaper(s) Gaithersburg Gazette
Bids Opened/Tabulated (date) May 5, 2009

DESCRIPTION OF ITEM(S):

(Be specific; include quantity, item name, model number, etc.)

Two (2) 2009 Chevrolet one ton dump trucks with snow plows and salters.

CONTRACTED/PURCHASE FROM:

Company Name: Criswell Chevrolet
Street Address 503 Quince Orchard Road
P. O. Box Number
City/State/Zip Gaithersburg, MD 20878

CONTRACT/PURCHASE AMOUNT: \$112,240.00

Check One: In the Amount of Not to Exceed _____

FUNDS TO BE EXPENDED FROM: Operating Budget Capital Improvements Budget _____

Account Number: \$58,870.00 from 100-310700, \$53,370.00 from 1312-596000
(For Finance Department use only; not to be included in the Resolution)

VERIFICATION OF AVAILABILITY OF FUNDS Available _____ Not available _____

Finance Dept. Date

RESOLUTION NO. _____

RESOLUTION OF THE MAYOR AND CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO ENTER INTO
A CONTRACT TO PURCHASE TWO (2) 2009
ONE TON DUMP TRUCKS

WHEREAS, an invitation to bid was duly advertised in the April 15, 2009, issue of the *Gaithersburg Gazette*, and sealed bids were opened and tabulated on May 5, 2009; and

WHEREAS, the Mayor and Council have determined to award a contract to the lowest bidder meeting City specifications:

NOW, THEREFORE, BE IT RESOLVED by the Mayor and City Council of Gaithersburg, that the City Manager be and she hereby is authorized to enter into a contract to purchase two (2) 2009 Chevrolet One Ton Dump Trucks, from Criswell Chevrolet, 503 Quince Orchard Road, Gaithersburg, Maryland 20878, in the amount of One Hundred Twelve Thousand Two Hundred Forty Dollars (\$112,240); said funds to be expended from the Vehicle and Equipment Replacement Fund and the FY 09 Operating Budget.

ADOPTED by the Mayor and City Council this 1st day of June 2009.

SIDNEY A. KATZ, MAYOR and
President of the Council

THIS IS TO CERTIFY that the foregoing
Resolution was adopted by the City Council
in public meeting assembled on the 1st day
of June 2009.

Angel Jones, City Manager