



Gaithersburg

City of Gaithersburg, Maryland Adopted Budget

For the Fiscal Year Ended
July 1, 2015 to June 30, 2016

With the Capital Improvements and
Stormwater Management Program Years 2016 – 2020





July 1, 2015

Mayor and City Council and Citizens of Gaithersburg:

I am pleased to submit the adopted Fiscal Year 2016 (FY16) City of Gaithersburg budget, a document that lays out a plan of action aligned with our strategic directions and funding priorities. Public input was solicited at a Budget Public Forum in February, which was then followed by the Mayor and City Council retreat, during which the strategic directions were presented for your consideration. Comments and feedback from both the forum and the retreat are reflected in the priorities addressed in this adopted budget.

This budget allows us to continue our commitment to delivering a high level of service to our residents by more accurately forecasting our annual spending, making use of some of our reserve funds, and thoughtfully and strategically allocating monies within the Capital Improvement Plan (CIP).

Significant emphasis was once again placed on forecasting. Departments were charged with comparing proposed FY16 expenditures to actual spending over the past three years to ensure that the budget accurately reflects reality, allowing us to free up money for CIP projects and other initiatives. As a result of these efforts, the adopted operating budget reflects an increase of just 0.6% over FY15.

I am happy to report that once again no tax increase is being proposed. The rate would remain at \$0.262 per \$100 of assessed value. We continue to enjoy what is arguably the best overall financial position of any municipality in the state, despite having one of the lowest property tax rates.

Most significant within this adopted budget is the reappropriation of reserves to more robustly fund the CIP and the Other Post-Employment Benefits (OPEB) Trust. Building on last year's initiative to move several important projects forward, we are ensuring that over the next few years sufficient funding is being allocated to proceed with the relocation of the Gaithersburg Police Department, the development of the a new park at the former Consumer Product Safety Commission site, and the development of a passive park amidst the historic structures at Crown. According to our actuarial analysis, the OPEB Trust will require increasing levels of funding over the next several years in order to meet our obligations to our future retirees.

Notable is also the new line item for the Stormwater Management program. To accurately capture and reflect both revenue and expenses related to stormwater management, a new, distinct CIP has been established. The modified fee structure, which now charges all property owners based solely on impervious surface, allows us to fund mandated stormwater initiatives.

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CITY MANAGER
Tony Tomasello

The Budget

The adopted budget for FY16 is \$68.2 million, representing a 15% increase over FY15. The total CIP transfer for FY16 is \$13.3 million, the Stormwater Management CIP is \$3.5 million, and the transfer to the OPEB Trust is \$1.2 million.

The revenue budget for FY16, excluding the reappropriation of reserve funding, increased by \$4.3 million, or 7.7% over FY15. An increase in real estate and personal property tax revenue of \$1.2 million comes from new construction and property value appreciation. The most significant change to revenues is the adjustment of the Stormwater Program Fee. The change in scope of the City's stormwater activities resulted in an increase in this revenue of \$2.1 million, for a total stormwater revenue stream of \$3.4 million. The funding from county, state and federal sources for both grants and shared revenues is currently projected to increase by approximately \$838,000, mostly due to an increase in income tax generated. The State Legislature continues to discuss the State's next budget, leaving some uncertainty about these estimates. Reappropriation of reserves has increased this year by \$4.6 million, which closely mirrors the increase in the transfer for Capital Improvements.

Operating Budget

Highlighted below in alphabetical order are select FY16 Strategic Direction action items which are reflected in the adopted budget.

City Administration

- Implementation of the Stormwater Management Program and Fee continues to be a priority. Establishing this as a separate CIP ensures transparency and accuracy in accounting.
- This adopted budget addresses more robust funding for the OPEB Trust, ensuring that we are in a position to provide for our future retirees.
- A complete external review of the City's Personnel Rules and Regulations is planned for the coming fiscal year to ensure consistency and guide us in future decision making.

Communication

- The adopted budget includes funds to expand the reach and response rate for the City's biennial Citizen Survey being conducted in the fall of 2015.
- Funding is included in this budget to encourage voter turnout in the 2015 municipal elections.
- The City's website continues to undergo improvements. Attention will also be placed on expanding citizen engagement through electronic newsletters and social media platforms.

Community Services

- The Financial Wellness Coalition is working collaboratively to connect residents with budgeting, credit, banking, and other educational resources.
- We continue our emphasis on providing the broadest safety net possible through increased grant funding to nonprofit organizations and schools.

Economic Development

- We are exploring the opportunity to join with the County and private developers to create a biotechnology business incubator in Gaithersburg.

- Planned enhancements to Olde Towne include the creation of Olde Towne Park Plaza and streetscape improvements along East Diamond Avenue.
- The Economic Development Toolbox grants are being reviewed for modifications that could allow them to benefit a broader range of local businesses and commercial properties.

Environment

- We will be working with the Maryland Department of the Environment to renew our National Pollutant Discharge Elimination System (NPDES) permit.
- There are several watershed studies that are underway or planned as part of the Stormwater Management program.
- We plan to conduct a City-wide street tree and conservation easement inventory.

Housing

- Housing is shown as a separate strategic direction in FY16. Elements were previously included under both Sustainability and Community Services.
- We will be reviewing the structure of the Gaithersburg Homeownership Assistance Loan Program to encourage eligible homebuyers to purchase in areas of the City underrepresented by low and moderate-income households.
- We will be prioritizing the use of our Housing Initiative Fund to increase the stock of affordable units throughout the City and to preserve existing affordable rental units.
- As more residential developments come on line, we will be monitoring compliance with our affordable housing requirements.

Infrastructure and Facilities

- We are exploring new Maintenance Management software to better protect our assets and plan for repair and replacement.
- Demolition and site preparation is taking place at the former Consumer Product Safety Commission site. An Ad Hoc committee will be formed to make recommendations for the park's future uses.

Parks, Recreation and Culture

- Several projects are poised to move forward as we preserve and enhance aging facilities and plan for new ones, including renovations to Casey Community Center and the Miniature Golf Park and the grand reopening and rebranding of the Senior Center, soon to be known as the "Benjamin Gaither Center."
- The reopening of Constitution Gardens presents opportunities for new programming in this unique, innovative and educational space.

Planning and Development

- The proposed Bus Rapid Transit route along Rt. 355 is a transportation priority. A consultant has been hired and a study will take place this summer to determine feasibility within Gaithersburg.
- We will be exploring next steps and prioritizing implementation strategies from the Frederick Avenue Corridor Study.
- Amendments to the Telecommunications Ordinance and an examination of the Historic Preservation Ordinance, especially with respect to economic impacts, are planned.

Police Department

- The department will be implementing proactive patrols in Focused Enforcement Areas to reduce criminal activity and conditions that foster crime.
- Body-worn cameras will be used during scenario-based training to evaluate the technology prior to a decision about their possible future use by patrol officers.
- The CIP includes funds to move the new Police Station project forward. Property on South Summit Avenue is under contract, contingent upon approval of funding in the FY16 budget.

Transportation

- Plans are underway to begin the process of identifying a new Pavement Management system for yearly inspections of streets and sidewalks.
- Additional benches are planned for 30 RideOn bus stops in the City.
- We will be exploring the feasibility of reconstruction of City-owned but County-maintained traffic signals.

Conclusion

I am proud of the efforts of all who had a hand in crafting the budget. Our very capable City staff, some of whom are very new to this budget process, combined visionary, long-range planning with detailed analysis to ensure that this budget serves as both a planning tool and a guide to action.

Our City is growing, with a population that exceeded 66,000 as of this past January. This adopted budget encourages the professional development of our staff, puts people in place to provide enhanced services, preserves infrastructure, maintains facilities, and lays the groundwork for future growth, all with the ultimate goal of ensuring that the residents of our burgeoning City enjoy the highest possible quality of life.



Tony Tomasello
City Manager



TABLE OF CONTENTS

FY16 BUDGET

BUDGET LETTER

ABOUT THE CITY

Community Profile1
 Organizational Chart4
 List of Principal Officials.....5

ABOUT THE BUDGET

About the Budget.....6
 Strategic Plan.....7
 Budget Timeline and Process.....94
 Detailed Budget Timeline96
 Budget Award.....98
 Instrument of Adoption.....99
 Fund Structure102
 Basis of Budgeting103
 Accounting Policies.....105

FINANCIAL OVERVIEW

Financial Overview108
 Revenue Descriptions.....110
 Detailed Revenue Schedule.....114
 Expenditure Overview118
 Expenditures by Activity120
 Expenditures by Object122
 Five Year Financial Plan126

OFFICE OF THE CITY MANAGER.....128

1101 Mayor & Council.....131
 1111 Legal Services.....135
 1122 Registration & Elections141
 1131 Office of the City Manager.....144
 1133 Economic & Business Development.....150

HUMAN RESOURCES.....156

1135 Human Resources159

COMMUNITY & PUBLIC RELATIONS.....166

1212 Public Information.....169
 1213 Gaithersburg Television.....176
 1215 Community Services.....181
 1216 Homeless Assistance189

FINANCE AND ADMINISTRATION196



TABLE OF CONTENTS

FY16 BUDGET

1141 Finance & Administration	199
1142 Housing & Community Development	206
1149 General Services.....	211
1911 Non-Departmental	215
INFORMATION TECHNOLOGY.....	220
1145 Information Technology	223
1146 Geographic Information Systems	228
DEPARTMENT OF PARKS, RECREATION & CULTURE	233
1411 Parks, Recreation & Culture Administration.	239
1415 Recreation Programs & Sports.....	246
1416 Recreation Classes.....	253
1417 Youth Services.....	258
1418 Summer Programs	262
1419 Gaithersburg Youth Center at Robertson Park.	266
1420 Skate Park.....	270
1421 Casey Community Center	273
1422 Water Park	278
1423 Gaithersburg Arts Barn.....	286
1424 Gaithersburg Youth Center at Olde Towne	291
1425 Seniors Program	295
1426 Activity Center.....	302
1427 Gaithersburg Aquatic Center.....	306
1428 Miniature Golf Course	314
1429 Picnic Pavilions	318
1430 Winter Lights.....	322
1436 Special Events.....	327
1437 Museums.....	334
1438 Kentlands Mansion	340
DEPARTMENT OF PLANNING AND CODE ADMINISTRATION.....	345
1134 Environmental Services.....	349
1192 Planning & Code Administration.....	355
1194 Planning.....	361
1196 Permits & Inspections	367
1197 Neighborhood Services	373
1198 Animal Control.....	378
GAITHERSBURG POLICE DEPARTMENT	382
1211 Police Department.....	385



TABLE OF CONTENTS

FY16 BUDGET

PUBLIC WORKS396

1150 Facilities Management.....402

1151 Building & Grounds - City Hall.....409

1152 Building & Grounds - Police Station413

1153 Building & Grounds - Public Service Facility.....416

1155 Building & Grounds - Train Station/Freight House.....420

1158 Building & Grounds - Kentlands Mansion423

1159 Building & Grounds - Senior Center.....426

1160 Building & Grounds - Casey Community Center429

1161 Building & Grounds - Olde Towne Pavilion.....432

1164 Building & Grounds - Gaithersburg Aquatic Center.....435

1165 Building & Grounds - Activity Center.438

1166 Building & Grounds - Gaithersburg Arts Barn.....441

1167 Building & Grounds - Water Park444

1168 Building & Grounds - Miniature Golf.....447

1169 Building & Grounds - Skate Park.....450

1170 Building & Grounds - Youth Center in Olde Towne453

1172 Building & Grounds - Gaithersburg Youth Center456

1173 Building & Grounds-Gaithersburg-CPSC Park Site.....459

1175 Building & Grounds - Parking Facility.....462

1311 Public Works Administration465

1312 Streets & Special Projects.....471

1315 Fleet Maintenance475

1341 Landscaping & Forestry.....479

1343 Parks Maintenance Division484

1344 Mowing & Bulk Pick-Up.....490

1345 Recycling495

1351 Engineering Services.....498

1393 Street Lighting.....502

1397 Traffic Control505

PERSONNEL/SALARY SCHEDULE509

CURRENT CIP BUDGET529

Capital Categories532

70-2 City Hall.....534

71-2 Street Lighting536

72-2 Public Service Facility538

79-3 Sidewalks, Handicapped Ramps & Bike Pathways540

79-5 Olde Towne Revitalization.....542

81-4 Property Acquisition and Disposition.....544



TABLE OF CONTENTS

FY16 BUDGET

83-1	Street Resurfacing.....	546
83-2	Bohrer Park at Summit Hall Farm	548
91-3	Street Reconstruction.....	550
92-2	Traffic Calming and Signalization	552
93-1	Technology Projects	554
98-1	Facilities Projects.....	556
98-4	Art in Public Places	558
98-7	Transit Enhancements.....	560
99-1	North Frederick Avenue Corridor Plan Implementation.....	562
99-4	Olde Towne Clock Tower/Plaza	564
00-0	Contingency and Future Projects.....	566
00-4	Renovation/Improvements of Existing Parks	568
01-2	Kentlands Mansion	570
03-1	Edison Park Drive Site	572
04-1	Community Development Block Grant – HUD.....	574
07-2	Teachers Way	576
09-1	Police Station Improvements	578
09-2	Historic Preservation at Crown Farm.....	580
09-3	Gaithersburg Senior Center.....	582
09-4	Rolling Stock Project	584
10-1	Energy Efficiency and Conservation	586
13-1	Synthetic Fields	588
14-1	Quince Orchard Park-Medimmune	590
14-2	Consumer Product Safety Commission Park.....	592
	CIP Summary Totals	594
	STORMWATER PROGRAM	596
	Revenue and Expenditure Projections.....	597
	Chesapeake Bay Stormwater TMDL Capital Projects	602
	Operating and Non-Chesapeake Bay TMDL Projects	598
	FEE SCHEDULE.....	615
	GLOSSARY	673



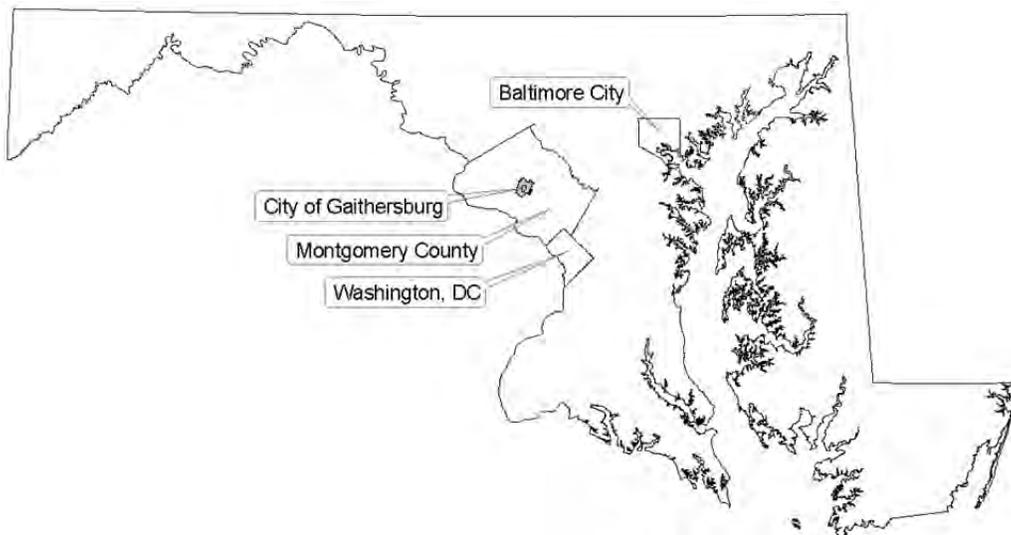
ABOUT THE CITY FY16 BUDGET

City of Gaithersburg, Maryland

The City of Gaithersburg is a municipality sharing local government taxing authority with Montgomery County, Maryland. Gaithersburg derives its governing authority from a charter granted by the General Assembly of Maryland on April 5, 1878. The City operates under the council-manager form of government. The governing body is the Mayor and City Council, which formulates policies for the administration of the City. A Mayor and five City Council members are elected at-large for staggered four-year terms. The City Manager is appointed by the Mayor and City Council to serve as the City's chief executive officer. The City Manager is responsible for the implementation of policies and directions established by the Mayor and City Council.

Gaithersburg is centrally located in the heart of Montgomery County. The southeastern border lies 12 miles from the northwestern border of Washington, D.C., and 18.5 miles northwest of the U.S. Capitol Building. Gaithersburg is positioned 39.14 degrees north of the equator and 77.21 degrees west of the prime meridian. Gaithersburg occupies approximately 10.33 square miles, with a population of 60,785 as of January 2011. As mandated by state law, Montgomery County provides school, library, social services, and fire protection in Gaithersburg. In addition to the Montgomery County Police, Gaithersburg residents are served by the City's own Police Department.

The City continues to attract and maintain a dense concentration of high technology and biotechnology companies along the Interstate 270 Technology Corridor which benefit from their proximity to the regulatory agencies in the National Capital region. While the City is debt free, current economic conditions pose significant financial challenges. Through conservative fiscal policies and sound planning, core services continue to be delivered at a very high quality, and groundwork has been laid for sustainability despite decreasing revenue from other government entities.





ABOUT THE CITY FY16 BUDGET

People QuickFacts	Gaithersburg	Maryland
Population, 2013 estimate	65,690	5,938,737
Population, 2010 (April 1) estimates base	59,893	5,773,785
Population, percent change - April 1, 2010 to July 1, 2013	9.70%	2.90%
Population, 2010	59,933	5,773,552
Persons under 5 years, percent, 2010	8.30%	6.30%
Persons under 18 years, percent, 2010	24.20%	23.40%
Persons 65 years and over, percent, 2010	9.50%	12.30%
Female persons, percent, 2010	51.40%	51.60%
White alone, percent, 2010 (a)	50.80%	58.20%
Black or African American alone, percent, 2010 (a)	16.30%	29.40%
American Indian and Alaska Native alone, percent, 2010 (a)	0.50%	0.40%
Asian alone, percent, 2010 (a)	16.90%	5.50%
Native Hawaiian and Other Pacific Islander alone, percent, 2010 (a)	0.10%	0.10%
Two or More Races, percent, 2010	4.80%	2.90%
Hispanic or Latino, percent, 2010 (b)	24.20%	8.20%
White alone, not Hispanic or Latino, percent, 2010	40.00%	54.70%
Living in same house 1 year & over, percent, 2009-2013	84.20%	86.70%
Foreign born persons, percent, 2009-2013	39.10%	14.00%
Language other than English spoken at home, pct age 5+, 2009-2013	46.70%	16.70%
High school graduate or higher, percent of persons age 25+, 2009-2013	88.40%	88.70%
Bachelor's degree or higher, percent of persons age 25+, 2009-2013	50.70%	36.80%
Veterans, 2009-2013	2,805	427,068
Mean travel time to work (minutes), workers age 16+, 2009-2013	31.2	32
Housing units, 2010	23,337	2,378,814
Homeownership rate, 2009-2013	58.10%	67.60%
Housing units in multi-unit structures, percent, 2009-2013	46.20%	25.50%
Median value of owner-occupied housing units, 2009-2013	\$360,000	\$292,700
Households, 2009-2013	22,486	2,146,240
Persons per household, 2009-2013	2.73	2.65
Per capita money income in past 12 months (2013 dollars), 2009-2013	\$39,604	\$36,354
Median household income, 2009-2013	\$79,457	\$73,538
Persons below poverty level, percent, 2009-2013	9.90%	9.80%

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

Source: US Census Bureau State & County QuickFacts



ABOUT THE CITY FY16 BUDGET

Following is information about the City's major taxpayers and employers from the City's FY14 Comprehensive Annual Financial Report (CAFR).

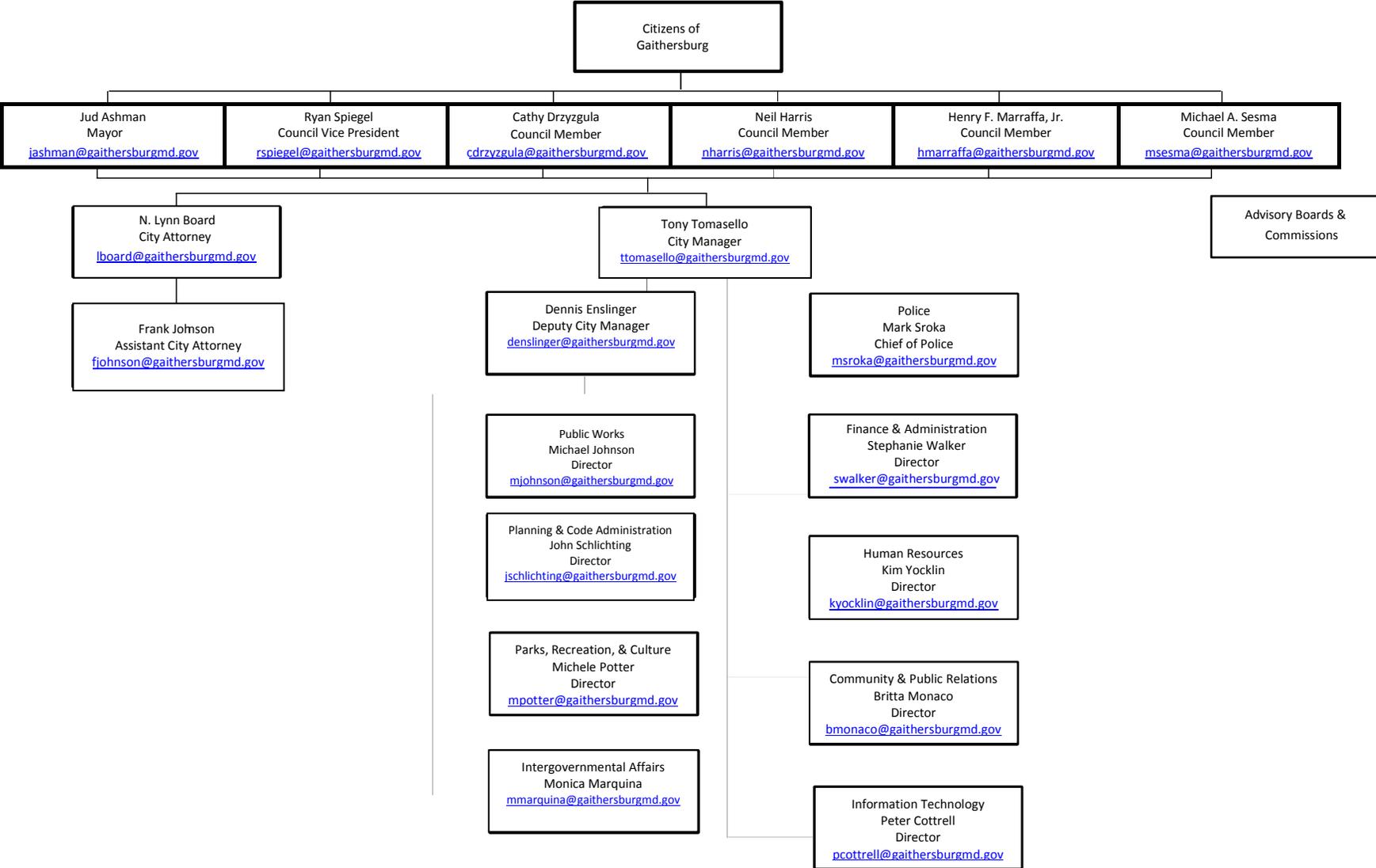
Largest Taxpayers

Taxpayer	Assessed Valuation	% of Total
Medimmune, Inc	\$ 197,011,200	2.25%
Lake Forest Associates	102,500,000	1.17%
ARE LLC	100,876,800	1.15%
Chi Two Washingtonian LLC ET AL	90,845,000	1.04%
893 Clopper Road Investors Corp	85,221,500	0.97%
Avalon II Maryland Value III LP	84,601,000	0.96%
Federal Realty Investments TR	80,256,400	0.92%
VII Crown Farm Owner LLC	76,268,000	0.87%
Asbury Atlantic Inc	74,449,500	0.85%
KBSIII One Washingtonian LLC	71,651,100	0.82%
Total Major Taxpayers	963,680,500	10.99%
 Total Assessed Valuation	 \$ 8,769,861,068	

Major Employers

Employer	Employees
National Institute of Standards and Technology	2,769
Medimmune	2,141
Lockheed Martin	1,200
IBM	897
Asbury Atlantic, Inc	820
Sodexo USA	563
Gazette (Post Community Media, LLC)	475
Hughes Network Systems, LLC	450
Kaiser Permanente	350
GXS	330
Total	9,995
 Total Montgomery County Civilian Labor Force	 529,482
(Data for total employees available for county only)	

City of Gaithersburg, Maryland



List of Principal Officials

Title

Mayor
City Council

City Manager
Deputy City Manager

City Attorney

Department Directors

Community & Public Relations
Finance & Administration
Human Resource
Information Technology
Parks, Recreation & Culture
Planning & Code Administration
Police
Public Works

Name

Jud Ashman
Cathy C. Drzyzgula
Neil Harris
Henry F. Marraffa, Jr.
Michael A. Sesma
Ryan Spiegel

Tony Tomasello
Dennis Enslinger

N. Lynn Board

Britta Monaco
Stephanie M. Walker
Kim Yocklin
Peter Cottrell
Michele Potter
John Schlichting
Mark Sroka
Michael Johnson

This document could not have been prepared without all of the cooperation, support and leadership of the Mayor and City Council. Employees, at all levels, in every department and division contribute to this document and the planning process. Their hard work and assistance is greatly appreciated.

Some of the factors that influenced this year's budget process:

- In recent years the Environmental Protection Agency passes new laws requiring the City to fundamentally change how water quality run-off is handled. These new laws will require substantial capital investment in future years. As a result of these new laws, the FY16 budget includes a new transfer to a newly created stormwater management fund. These laws have also led the City to adopt a revised stormwater management fee which now impacts all property owners in the City.
- The interest rate environment has remained flat and is not projected to increase substantially in the near term. This has led the City to re-evaluate our investment strategy and to include funding for an investment advisor, rather than continuing to solely use the State and County investment pools.
- This rate environment also affects the City's funding level for the Other Post-Employment Benefit (OPEB) plan as funds set aside in previous years are not growing as quickly as we would like.
- We are seeing a renewed increase in development within the City. While this allowed for increased permit revenues, it also puts pressure on existing staff workload.

As described in the Budget Timeline section, the Strategic Plan is updated and discussed annually and early in the budgeting process. Through this planning process Department Directors develop their work plans and financial needs for budget year. This document is so integral to the budget process that it is included in the City's budget document on the following pages and a summary of the strategic directions are included in the budget letter. The Strategic Plan showcases how the City links our current year action steps to our long-term vision of the City.



Gaithersburg
A CHARACTER COUNTS! CITY

Strategic Plan

An Overall Approach to Achieving the
Vision of the City of Gaithersburg



Fiscal Year 2016

www.gaithersburgmd.gov

Strategic Plan Components

Mission & Vision Statement:

Description of what the City of Gaithersburg exists to do (Mission) and the characteristics that define it as a community (Vision).

Guiding Principles:

Description of the manner in which the City government will conduct business, pursue the Vision and fulfill its Mission.

Strategic Directions:

The eleven primary elements of the City Strategic Plan, each relating to a specific area of focus.

Key Strategies:

Approaches intended to implement a Strategic Direction.

Objectives:

Individual actions and/or initiatives utilized to implement a Key Strategy.

Critical Measures:

Specific data providing objective verification that strategic directions are being achieved.

Mission & Vision

Mission: The Gaithersburg City government exists to provide quality, cost effective, priority community services for its citizens. We are a City that serves as a catalyst for the involvement of residents, businesses and organizations to ensure that Gaithersburg is a great place to live, work, learn, and play.

Vision: Gaithersburg will be a City that:

- Lives by the Six Pillars of CHARACTER COUNTS!® (trustworthiness, respect, responsibility, fairness, caring, and citizenship)
- Has retained the best qualities of a small town and respects its heritage, while embracing the opportunities that new technologies, programs and concepts in urban design provide
- Has involved and supportive citizens and businesses reflecting the diversity of the community
- Has a fiscally conservative, proactive government
- Has safe, livable neighborhoods with a variety of housing types and styles served by diverse transportation options
- Has excellent learning opportunities that meet the needs of the community
- Has attractive and beautifully maintained parks and public places
- Has citizens and institutions that value cultural diversity and seeks ways to promote involvement from all cultural groups
- Has many leisure time activities that meet the needs of the community
- Has citizens with a strong sense of community and individual responsibility
- Has a natural environment that is protected, respected and enhanced
- Has strong partnerships to meet the needs of the community
- Has a community that encourages individual health and wellness
- Has a commitment to sustainable practices that promote social equity, environmental health and economic prosperity

Guiding Principles

Customer Focus

We actively pursue the identification of citizen needs through citizen involvement to provide effective service to our community with efficiency, accountability and a caring attitude.

Open Communication

We promote honest, open communication and easy access to information.

Creativity

We strive to improve the quality and efficiency of City services through creative approaches and new, innovative and cost effective technologies.

Fiscal Responsibility

We provide quality services, of the best value, to effectively meet the needs of our community while maintaining a pay-as-you-go philosophy.

Cooperation

We promote a spirit of fairness, trustworthiness, respect, and teamwork among our elected officials, City employees, residential and business communities, neighboring jurisdictions, and other governmental agencies.

Commitment to Excellence

We strive to achieve excellence in all we do.

Continuous Improvement

We advocate good citizenship and support the freedom to actively pursue suggestions, ideas and creative approaches, leading to continuous improvement in everything we do.

City Administration



Provide the highest levels of resident, visitor and business services through the continual enhancement of administrative and support functions

Key Strategies

- Provide engaged, professional, enthusiastic staff to serve City needs
- Ensure that City policies and processes reflect the City's values, mission and vision
- Invest in technology to gain efficiencies and improve operational effectiveness
- Ensure maintenance of key City services while acknowledging changes in demographics, population growth or economic conditions
- Ensure effective and efficient communication among employees, citizens and stakeholders
- Maintain and grow intergovernmental and lobbying activities to enhance City resources and resident quality of life

**Potential Strategy
Conflicts-**



Objectives

Provide engaged, professional, enthusiastic staff to serve City needs

- Maintain continuous learning environment that strengthens the quality of the workforce by identifying training opportunities for employees
- Utilize a 360° leadership evaluation system to engage employees in the personnel review process
- Employ performance measurement systems that provide feedback for decision making
- Provide a competitive & sustainable benefits package to recruit/retain high caliber employees
- Continually address internal & external compensation equity
- Maintain contingency and succession plans to ensure high level of service should key employees leave their positions
- Provide opportunities for cross departmental promotion for all levels of employees

Ensure that City policies and processes reflect the City's values, mission and vision

- Administer fair, accurate and responsive election process
- Emphasize ethical conduct through employee training and adherence to the City Ethics Code
- Ensure an open and transparent government
- Ensure CHARACTER COUNTS! concepts reflected in the City's programs, events & activities
- Prioritize processes for identifying and implementing innovation within the organization
- Maintain & communicate updated policies & procedures
- Maintain fair and ethical employment and procurement practices
- Utilize "Green Purchasing" policies
- Ensure City services are able to respond to the needs of a diverse community
- Incentivize multilingual City staff to assist in addressing community needs

Objectives

Invest in technology to gain efficiencies and improve operational effectiveness

- Enhance customer service and reduce costs through investments in automation and technology
- Focus on energy management and resource conservation in City operations and purchasing
- Maintain a resilient and robust network to host technologies which provide continuity of operations and new functionality
- Facilitate transparency in City's processes by ensuring ease of citizen access to information
- Balance increasing data storage needs with operational effectiveness

Ensure maintenance of key City services while acknowledging changes in demographics, population growth and/or economic conditions

- Ensure the organization is structured in a manner that facilitates quality service, cooperation, teamwork, and communication and is flexible and adaptable to changing conditions
- Sustain an organizational environment that acknowledges and celebrates diversity and employs inclusive practices throughout daily operations
- Utilize hiring and retention strategies that encourage and produce a qualified and diverse work force
- Identify all strategies for key City service delivery in the Strategic Plan document
- Maintain strategies to address current and future organizational needs including optimal workforce size, structure and space needs
- Utilize Strategic Plan in identifying budget priorities

Objectives

Ensure effective and efficient communication among employees, citizens and stakeholders

- Utilize best practices in the communication processes used to keep employees informed of changing information (i.e. staffing and promotions, policies and procedures, benefit changes, etc.)
- Conduct regular open forums and focus groups with departments/employee groups
- Provide periodic written communication from the City Manager to employees and other appropriate stakeholders
- Host events/programs to sustain morale among employees
- Utilize bi-annual Community Survey data to allocate resources to areas of greatest need
- Solicit employee feedback on key decisions
- Improve employee accessibility to technology and the City of Gaithersburg website

Maintain and grow intergovernmental and lobbying activities to enhance City resources and residents' quality of life

- Maintain close working relationships with representatives of all levels of government and continually seek funding and grant opportunities for City priorities
- Evaluate services and programs that are duplicated by other levels of government/private sector and work to eliminate/reduce redundancies
- Forge partnerships with peer local governments and associated advocacy groups to maintain a leadership role on broad policy issues
- Ensure accurate assessment of real property within the City to provide for timely, equitable collection of taxes
- Work with local municipalities and Montgomery County on issues associated with tax duplication

Action Items

FY 2015 Action Items

- Consultant review of the Personnel Rules and Regulations for clarity and consistency
- ✓ Deploy web-based GIS information tools for use by the public
- ✓ Advocate for additional school funding for the construction of additional classrooms
- ✓ Implement revised rate structure for the Water Quality Protection/Stormwater Management program
- ✓ Pursue Partial Quiet Zone designation for Metropolitan Grove crossing (deemed not feasible)

FY 2016 Action Items

- Submit recommendations of consultant review of the Personnel Rules and Regulations to Mayor and City Council for consideration
- Complete redesign and implementation of internal website (CityNet)
- Establish separate Stormwater Management Program CIP and implement detailed project based cost accounting
- Establish Mayor and City Council Legislative Agenda and provide weekly updates on legislation at the State and County levels during the legislative session
- Select and begin implementation of asset management system(s) to adequately track City assets including vehicles, property and stormwater facilities
- Develop a workforce plan that addresses appropriate staffing levels and space allocation needs
- Evaluate Post-Employment Healthcare Benefit and identify a more sustainable program for future employees

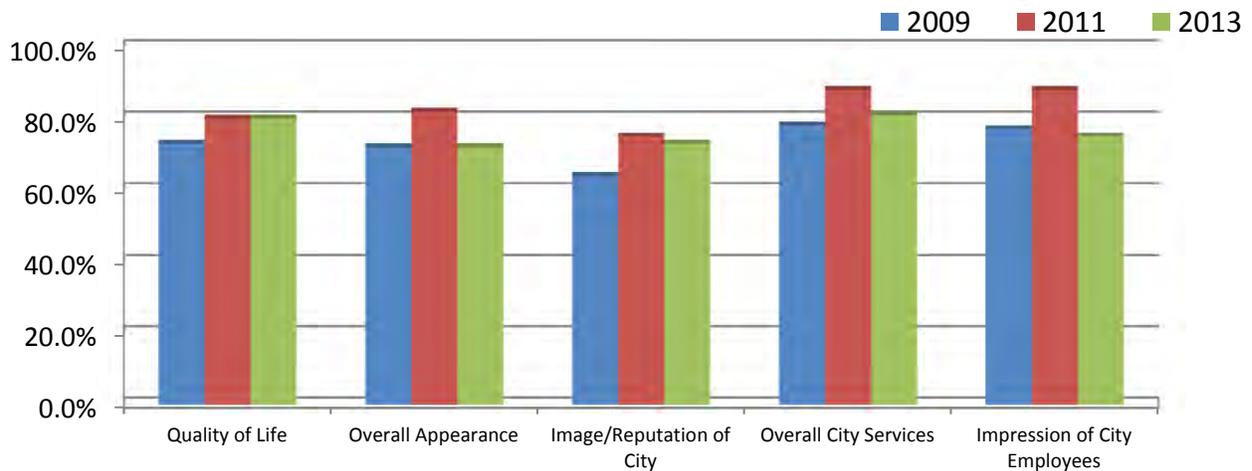
Critical Measures

Budget Analysis for Conference, In-Service Training and Tuition			
	FY 2013	FY 2014	FY 2015
Conference and Travel	\$161,798	\$192,156	\$106,191
In-Service Training	\$22,750	\$36,250	\$26,800
Tuition Reimbursement	\$92,800	\$96,794	\$106,500

Analysis

In Service Training decreased. Budget numbers were based on actual use.

Revised Citizen Survey Responses – “Excellent” or “Good”



Analysis

New Citizen Survey will be done in 2015.

Critical Measures

Bilingual Employees		
Fiscal Year	City Employees Serving Bilingual Duties	Total Full-Time Employees
2010	20	257
2011	18	255
2012	21	262
2013	26	272
2014	26	278
2015	23	274

In regard to diversity, the City has maintained its level of bilingual employees as related to the number of full-time positions.

Communication



Ensure effective and consistent communication activities with residents, businesses and visitors using new technologies and innovative approaches that ensure transparency and encourage dialog

Key Strategies

- Engage citizenry in meaningful ways and provide opportunities for two-way communication and involvement
- Maximize use of electronic communication to provide comprehensive, timely and accurate information
- Inform citizens of news, services, programs, and events with unique and compelling video productions
- Ensure accurate and comprehensive coverage of City news, events and emergency communications by external sources
- Market/brand the City through effective multimedia campaigns and special events

Potential Strategy Conflicts-

- Environment – efforts to reduce printed materials



Objectives

Engage citizenry in meaningful ways and provide opportunities for two-way communication and involvement

- Foster involvement and provide opportunity for dialog through advisory committees, surveys, community meetings, volunteer opportunities, and recognition events
- Implement communication plan for City news and events, projects and initiatives, considering all communication tools including print, audio, video, and electronic
- Produce creative and engaging marketing materials and publications to inform citizens of City news, programs and events
- Use citizen feedback to aid in strategic planning
- Monitor community demography and tailor communications as appropriate
- Ensure highest reasonable level of personalization in direct citizen outreach

Maximize use of electronic communication to provide comprehensive, timely and accurate information

- Maintain an effective, efficient website that ensures transparency, communicates City strategies, priorities, news and events, and provides opportunity for dialog
- Leverage social networking opportunities to expand the reach of the City's message
- Ensure that communications are maximized to take advantage of emerging technologies
- Conduct ongoing campaigns to educate citizenry about features and opportunities available on website and social networking platforms, using a variety of outlets to maximize reach

Objectives

Inform citizens of news, services, programs, and events with unique and compelling video productions

- Ensure transparency through the live broadcast of select public meetings
- Enhance public image by maintaining a programming mix that uses a variety of formats, including public service announcements, short news segments, interview programs, and promotional spots
- Maximize use of video on website and social media outlets
- Monitor industry and leverage opportunities for broader programming exposure through collaborative efforts with other Public/Education/Government (PEG) entities and service providers
- Maintain, host and promote a regular schedule of video programming

Ensure accurate and comprehensive coverage of City news, events and emergency communications by external sources

- Foster working relationships with local media and community-based groups
- Communicate the City's message to a broad audience, leveraging existing communities such as HOAs, Neighborhood Watch Groups and ListServes
- Maximize the use and effectiveness of the Alert Gaithersburg system
- Maintain involvement and maximize opportunities for region-wide communication through the Capital Region Web Portal

Objectives

Market/brand the City through effective multimedia campaigns and special events

- Develop multimedia messaging strategy to position Gaithersburg as a desirable place in which to live and do business. Ensure messaging is consistent and non-contradictory across City departments
- Leverage involvement with professional and trade associations and explore opportunities for cooperative advertising and promotion
- Consider all special events as messaging opportunities, taking advantage of captive audiences to communicate the City's strategies and priorities as appropriate
- Use strategic marketing initiatives to generate awareness and maximize attendance for events and programs

Action Items

FY 2015 Action Items

- ✓ Improve and enhance content on City's website utilizing new and expanded features, including analytics, to increase marketing presence and citizen engagement
- ✓ Expand the City's presence on social media and put in place appropriate guidelines for its use by employees in all departments
- ✓ Evolve and enhance the City's YouTube channel and use videos to enhance the City's website
- ✓ Fully develop "Newline" series and expand video coverage of events at the Arts Barn and City Hall Concert Pavilion
- ❑ Explore cross-training and skill utilization to maximize effectiveness of Public Information Office staff

FY 2016 Action Items

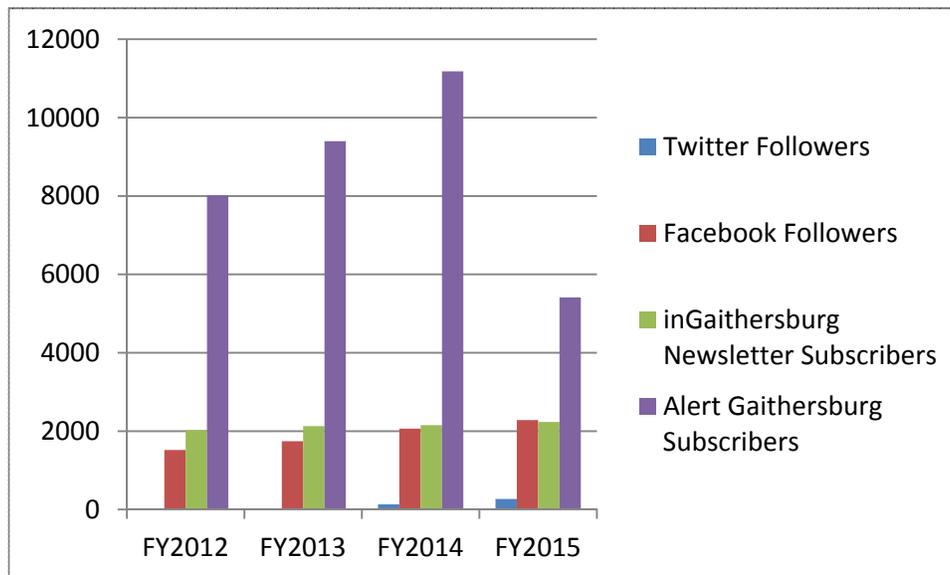
- ❑ Develop training program and manage workflow to facilitate posting of website content from other departments (continuation from FY15)
- ❑ Conduct biennial Citizen Survey in the fall of 2015
- ❑ Develop and implement communication campaign to encourage voter turnout for 2015 municipal elections
- ❑ Enhance inGaithersburg weekly e-mail newsletter with regular highlighting of resident accomplishments ("Extraordinary Gaithersburg" feature)
- ❑ Expand reach of subscription based electronic newsletters and develop customized, branded templates for other departments
- ❑ Produce nine video spots promoting Casey, Youth Centers, Senior Center, Mansion, Arts Barn, Water Park, and Skate Park. Develop new format to highlight cultural programming
- ❑ Improve viewing opportunities for GTV by taking advantage of program scheduling for TV Guide features on Comcast, Verizon and RCN. Ensure availability of programming schedule on City website and explore sharing of content and capabilities with other PEG entities in Montgomery County
- ❑ Increase Alert Gaithersburg subscriptions by featuring the service in electronic and printed materials, promoting at special events, and communicating with ListServes, HOAs and other groups

Critical Measures

Communication Strategic Direction				
Activity	FY 2012	FY 2013	FY 2014	FY 2015*
Committee Volunteers	162	149	150	163
Website Metrics (to be established in FY16)	N/A	N/A	N/A	N/A
Facebook Followers	1,520	1,742	2,063	2,282
Facebook Posts	590	680	571	260
Non-Meeting Programming/YouTube Posts	49	41	60	29
Twitter Followers (new measure)	N/A	N/A	130	269
inGaithersbug Newsletter Subscribers	2,027	2,327	**2,152	2,234
Alert Gaithersburg Subscribers	8,019	9,399	11,182	***5,412
Press Releases	307	311	335	145
Citizen Survey Response Rate	18%	N/A	16%	N/A
Voter Turnout	9.31%	N/A	5.40%	N/A

FY15 figures are year-to-date thru 12/31/14. **Conversion of Newsletter. *Conversion of Alert System Provider*

Communication Outreach



Analysis

Conversion of weekly newsletter from myGaithersburg to inGaithersburg with change in content management system (Jan., 2014) resulted in initial reduction in subscriptions. Totals are rebounding in FY15. Alert Gaithersburg conversion in Oct., 2014 required re-enrollment. Nearly 50% did so within the first three months.

Community Services



Strengthen the community by caring for the needs and safety of all City residents through the collaborative effort of the City, schools, businesses, and nonprofits

Key Strategies

- Collaborate with community partners to ensure comprehensive, integrated, quality service delivery and community education
- Promote economic self-sufficiency through financial wellness education and workforce development
- Provide access to safety net services
- Provide services for the homeless through advocacy, outreach, shelter, and prevention
- Maximize access to physical and mental health services for the un- and underinsured
- Provide young people with educational enrichment support and opportunities for positive social development
- Promote and support the ethnic and cultural diversity reflected in the City's population

Potential Strategy Conflicts-



Objectives

Collaborate with community partners to ensure comprehensive, integrated, quality service delivery and community education

- Engage in initiatives to encourage the unbanked and underbanked to use mainstream financial institutions through the Bank On Gaithersburg program and expand initiatives in financial literacy in cooperation with Bank On, Volunteer Income Tax Assistance (VITA) and the Earned Income Tax Credit (EITC)
- Coordinate a collaborative, community-supported program to serve needy residents during the holiday season
- Administer and monitor nonprofit contracts in the areas of vocational and financial wellness education
- Coordinate community outreach programs focused on economic self-sufficiency for adults and youth

Promote economic self-sufficiency through financial wellness education and workforce development

- Administer a nonprofit contract program that uses a strategic, collaborative, proactive, and results-based approach to funding priority services
- Conduct regular assessments of community needs to identify emerging trends
- Collaborate on the delivery of services and provide information on City programs and initiatives by participating in and/or facilitating local and regional meetings and dialogues
- Ensure two-way gathering and dissemination of partner service information to stakeholders and residents
- Enhance community education and awareness through the development of and participation in outreach events and programs
- Identify collaboration opportunities and disseminate information by hosting/participating in local/regional meetings/events/coalitions

Objectives

Provide access to safety net services

- Provide case coordination services for City residents to ensure complete, appropriate and quality access to community resources, social services and affordable housing programs
- Help to prevent eviction and address emergency needs by providing clinical oversight for a nonprofit Housing Counselor contract and federally-funded emergency assistance funds (Community Development Block Grant)
- Administer and monitor the Emergency and Self-sufficiency and Food Assistance nonprofit contracts
- Assist in eviction prevention and the promotion of safe, healthy living through the City's Hoarding Task Force with Gaithersburg's Neighborhood Services Division
- Alleviate hunger for City children by participating in a school lunch subsidy program

Provide services for the homeless through advocacy, outreach, shelter, and prevention services

- Administer and monitor the Housing Stabilization Services nonprofit contracts
- Support homeless City residents in recovery from chemical addiction by operating and pursuing funding for the Wells/Robertson House transitional program and the DeSellum House permanent supportive housing program for Wells/Robertson graduates
- Monitor the homeless population, address local and regional needs, and raise awareness by collaborating and partnering with other agencies and organizations and participating in local and regional initiatives, committees and events
- Provide case coordination for City residents who participate in the Montgomery County Housing Initiative Program
- Utilize the Recovery Oriented Systems of Care (ROSC) model to partner with community and service providers for addiction prevention, advocacy and collaboration

Objectives

Maximize access to physical and mental health services for the un- and underinsured

- Administer and monitor the Health and Mental Health Assistance nonprofit contracts for uninsured and underinsured residents
- Provide interim case coordination services and collaborate to provide community educational events for City residents facing complicated and multifaceted mental and physical health challenges to ensure access to complete and appropriate community services
- Provide access to prescription drug discounts through the promotion and administration of the National League of Cities Prescription Drug program
- Coordinate trainings in critical mental health subject areas for City staff and area nonprofit providers

Provide young people with educational enrichment support and opportunities for positive social development

- Administer and monitor the School Based Nonprofit Youth Grants and School Grants to ensure service integration and collaboration with nonprofits serving Gaithersburg schools
- Foster educational success and encourage increased parental involvement through collaboration building and support of related school and nonprofit initiatives
- Conduct outreach, public awareness and collaborative initiatives that promote involvement, engage the entire community and recognize students for educational and personal achievement through the Junior Mayor and GREAT programs, the “If I Were Mayor” contest, and CHARACTER COUNTS! initiatives and programming

Objectives

Promote and support the ethnic and cultural diversity reflected in the City's population

- Explore opportunities involving the Multicultural Affairs Committee to further raise diversity awareness and sensitivity

Action Items

FY 2015 Action Items

- Host at least two “best practice” trainings for the Gaithersburg Coalition of Providers on topics such as grant writing and outcomes development, volunteer recruitment and fundraising/nonprofit management
- Expand programming to promote volunteerism and nonprofit/school program support by creating and distributing marketing materials and enhancing listings on the City website
- ✓ Continue to review and enhance the CHARACTER COUNTS! program by expanding support for the scholarship program and soliciting more partnerships
- ✓ Develop a Financial Wellness Coalition and create a strategy to widely distribute program information
- ✓ Develop a total well-being program at Wells/Robertson House to include proper diet, smoking cessation and exercise

FY 2016 Action Items

- Expand the Financial Wellness Coalition and Bank On Gaithersburg, distributing public relations materials, enhancing the webpage and integrating services within all programming
- Develop Language Access Plan for residents with limited English proficiency as required by HUD
- Complete development of Hoarding Task Force policies/procedures
- Document and report on challenges facing renters and landlords and facilitate meetings with service providers to help prevent late payment, utility cutoff and eviction
- Implement the Wells/Robertson and DeSillum House Total Well-Being programs by introducing the Wellness Recovery Action Plan (WRAP)
- Participate on County’s Unaccompanied Minors Task Force and serve as liaison to facilitate flow of information with schools, nonprofits and congregations

Critical Measures

Financial Wellness Initiatives					
	FY13	FY14	FY15 Proposed	FY15 Actual*	FY16 Proposed
Bank On Gaithersburg (accounts)	72	337	75	TBD	350
Bank On Gaithersburg (workshops)	10	15	30	15	25
Volunteer Income Tax Assistance Program Clients	358	364	300	TBD	375

Homeless Programs, Case Coordination and Outreach					
	FY13	FY14	FY15 Proposed	FY15 Actual*	FY16 Proposed
Wells/Robertson, DeSillum House Residents	27	37	35	30	35
Street Outreach (individuals/hours)	40/185	37/198	60/400	10/135	45/350
Community/Educational Events (attendees)	2,679	5,053	3,000	5,898	5,000
Holiday Giving (households)	1,415	1,626	1,700	1,595	1,650
Community Services Case Coordination (households)	254	116	300	146	300

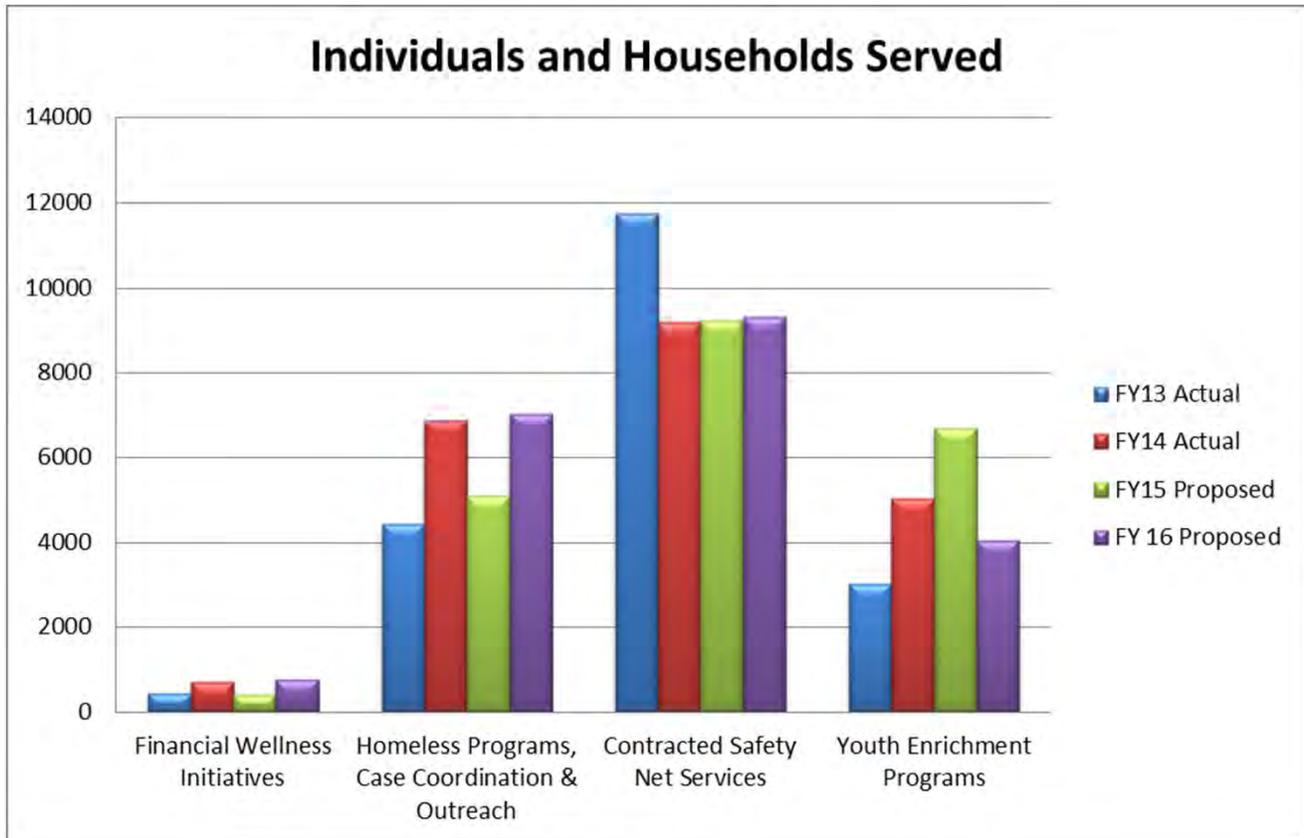
Contracted Safety Net Services					
	FY13	FY14	FY15 Proposed	FY15 Actual*	FY16 Proposed
Health	1,061	1,983	1,100	1,658	1,100
Mental Health	103	164	120	105	175
Housing Stabilization - Singles	181	111	100	82	100
Housing Stabilization – Families (households)	88	42	40	22	55
Eviction & Utility Cutoff Prevention (households)	55	141	100	82	120
Housing Counseling Rental (households)	62	50	60	55	75
Foreclosure Prevention (households)	35	74	50	23	45
Food Assistance	10,136	6,513	7,500	4,027	7,500
Comprehensive Job & Financial Literacy Services	18	106	155	115	155

Youth Enrichment Programs					
	FY13	FY14	FY15 Proposed	FY15 Actual*	FY16 Proposed
Nonprofit Counseling & Mentoring	111	162	165	86	225
School Enrichment Grant Programs	1,138	3,342	5,000	**TBD	2,500
CHARACTER COUNTS! Activities	1,772	1,529	1,500	175	1,300

All numbers are individuals unless otherwise noted.
** FY 2015 figures are year-to-date through December, 2014.*

Critical Measures

Community Services



Analysis

The documentation of Street Outreach – Engagement of Individuals is undercounted due to a need to improve our tracking form, which is underway.

Bank On Gaithersburg revitalization is underway in FY15 and has resulted in the formation of the Gaithersburg Financial Wellness Coalition. There is increased outreach, more financial classes, one-on-one budget coaching, and an expanded VITA program.

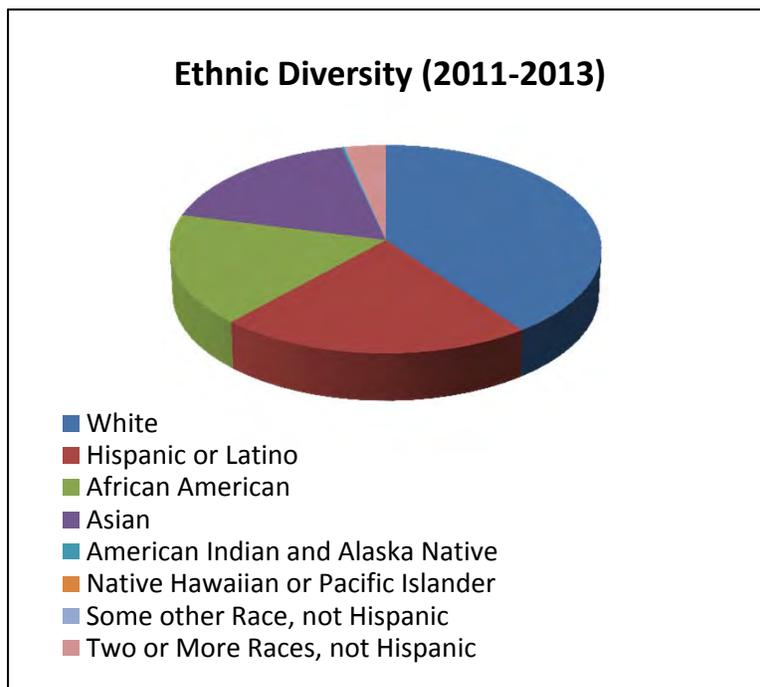
The number of families referred and served through the Holiday Giving Program increased 25% from FY13 to FY15.

The proposed number of youth to be served with counseling services is higher in FY16 to address the emerging and growing need for mental health and enrichment services for those who have experienced trauma.

We continue to see an increase in the number of residents applying for rental and utility cutoff prevention assistance and residents seeking rental housing counseling services.

Critical Measures

Ethnic Diversity					
Race	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
White, not Hispanic	46.3%	41.2%	40.4%	40.5%	39.9%
Hispanic or Latino	22.6%	24.3%	23.5%	21.1%	21.7%
African American, not Hispanic	13.0%	12.5%	14.6%	15.6%	17.2%
Asian, not Hispanic	15.5%	18.5%	17.4%	18.7%	17.4%
American Indian and Alaska Native, not Hispanic	0.4%	0.4%	0.7%	0.2%	0.2%
Native Hawaiian or Pacific Islander, not Hispanic	0.0%	0.0%	0.0%	0.0%	0.0%
Some other Race, not Hispanic	0.2%	0.2%	0.3%	0.4%	0.1%
Two or More Races, not Hispanic	2.0%	2.7%	3.2%	3.0%	3.3%



The City remains a culturally diverse community with slight changes in the various racial components with continued growth in the African American community.

Economic Development



Actively pursue economic and business development strategies to support a growing and sustainable economic base, ensuring the financial resources needed to improve the quality of life, fund services and provide a diversity of job opportunities for City residents

Key Strategies

- Market the City as a desirable business location, leveraging our unique assets, proximity to the federal marketplace and our strength as an internationally-recognized center of biotechnology
- Position Gaithersburg favorably for local investment via business expansion and/or real estate development by maintaining an attractive business environment
- Support implementation of the Gaithersburg Master Plan and Frederick Avenue Corridor and Vicinity Capacity Study
- Stimulate revitalization of Olde Towne

Potential Strategy Conflicts-

- Affordable Housing
- Historic Preservation
- Transportation



Objectives

Market the City as a desirable business location, leveraging our unique assets, proximity to the federal marketplace and our strength as an internationally-recognized center of biotechnology

- Utilize new “dedicated” Economic Development website to highlight successes, identify City and other state/county incentives and initiatives, provide an online resource for baseline information on the local economy, and provide an effective point of contact to business and development prospects
- Develop business outreach and ombudsman initiatives to build stronger relationships with businesses
- Participate in Maryland Department of Business and Economic Development, Technology Council of Maryland, Montgomery County Department of Economic Development, International Council of Shopping Centers, and Chamber of Commerce events and initiatives
- Continue to establish distinct Economic Development brand and associated collateral materials
- Emphasize exposure in local and national business media and at trade shows/events of targeted industries
- Maintain and strengthen ongoing relationships with local realtors and developers via roundtables/focus groups, speaking engagements and other targeted events
- Use e-newsletter to establish frequent communication with business community

Objectives

Position Gaithersburg favorably for local investment via business expansion and/or real estate development by maintaining an attractive business environment

- Work with site and/or industry specific local business groups on cooperative efforts
- Use Economic Development program funding, in addition to county and/or state business support programs, to incentivize and leverage extraordinary opportunities that present major job relocation, retention and/or development prospects
- Utilize the Economic & Business Development and Olde Towne Advisory Committees to act as ombudsmen for their respective business communities
- Seek new funding sources for Economic Development efforts
- Direct Economic Development “Toolbox” funding to businesses that exhibit growth potential, provide stable, well-paying jobs and help to diversify the City’s economy. Evaluate Toolbox program activity and propose potential modifications to eligibility criteria
- Track office space vacancy rates, commercial real property assessments and other indicators of economic trends
- Support business assistance programs at the state and county levels as appropriate
- Focus on retaining existing businesses and attracting new businesses from desired industries and diversifying the local economy

Objectives

Support implementation of the Gaithersburg Master Plan and Frederick Avenue Corridor and Vicinity Capacity Study

- Support large-scale assemblages and infill development to accelerate implementation of the City Master Plan and the Frederick Avenue Corridor and Vicinity Capacity Study
- Facilitate strategic acquisition of sites within larger, potential redevelopment assemblages to leverage partnerships with the development community
- Explore the use of alternative funding methods to enhance infrastructure throughout the City
- Promote rezoning of parcels that exhibit strong development and redevelopment potential in accordance with the Master Plan
- Consider and explore implementation strategies for recommendations in the Frederick Avenue Corridor and Vicinity Capacity Study

Stimulate Revitalization of Olde Towne

- Administer and better promote the benefits of the Olde Towne Enterprise Zone as it relates to incentivizing new development and business relocation
- Establish the draw for Olde Towne as a distinct commercial hub with a unique identity by adding/upgrading public areas and cultural amenities
- Promote cost-effective allocation of limited public resources to promote change
- Retain existing and attract new employers
- Enhance market driven opportunities for new businesses and private investment in real estate
- Facilitate development of City-owned parcels to assist in bringing in new residents and marketable commercial/office space
- Explore partnership opportunities to expand cultural events in Olde Towne

Action Items

FY 2015 Action Items

- Design and create new “off-site” website/marketing materials
- Refine design of Olde Towne Park Plaza project
- Create a new e-newsletter to communicate with the business community
- Study efficacy of potential business and/or retail incubator(s)
- Pursue lighting and aesthetic enhancements in Olde Towne
- Schedule quarterly business support seminars and workshops
- Research potential façade improvement program for Olde Towne
- Seek state grants available with Sustainable Communities designation
- Explore partnership opportunities to expand cultural events in Olde Towne

FY 2016 Action Items

- Determine potential for Arts & Entertainment District designation for the Kentlands commercial sector
- Continue to explore and prioritize implementation strategies from the Frederick Avenue Corridor and Vicinity Capacity Study
- Propose potential Toolbox modifications for façade improvement investments in Olde Towne as well as enhanced grants for struggling office properties
- Develop “community based” wayfinding signage program for City’s commercial sectors
- Pursue new development opportunities for the vacant site at 315 East Diamond Avenue in Olde Towne (“Fishman” site)
- Begin construction of newly designed Olde Towne Park Plaza
- Initiate strategic investments in lighting and aesthetic enhancements along East Diamond Avenue in Olde Towne

Critical Measures

Commercial Real Property Base (Market Value);		
5 Year Trend		
Levy Year	Base	Trend
2010	\$3,134,707,819.00	-4.94%
2011	\$2,909,458,863.00	-7.19%
2012	\$3,058,173,963.00	+5.11%
2013	\$3,135,912,167.00	+2.54%
2014	*\$3,916,531,100.00	N/A

Analysis

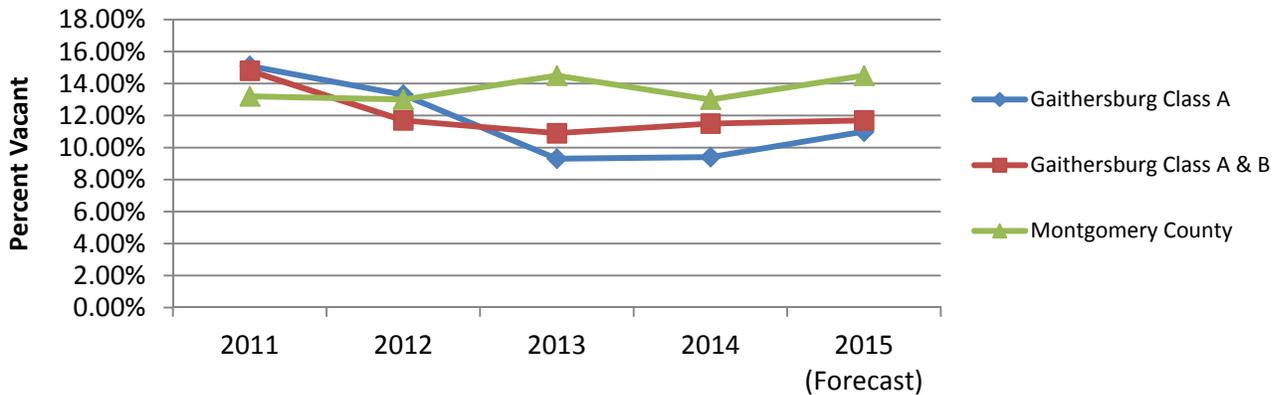
*As of 2015 state defined property classifications changed. Therefore, the values from previous years cannot be compared with the latest market value. The following classifications are now used: Commercial, Commercial Condo and Industrial. Although a statistically valid calculation of the percent of increase in aggregate market value cannot be made, the classification of "Commercial" appears to have the largest growth in value.

Critical Measures

Direct Office Vacancy (January 2015 data); 5 Year Trend						
Year	Gaithersburg Class A	Gaithersburg Class A & B	Montgomery County	Germantown	Rockville	Silver Spring
2011	15.10%	14.80%	13.20%	12.10%	13.90%	10.70%
2012	13.30%*	11.70%	13.00%	13.60%	13.30%	10.90%
2013	9.30%*	10.90%	14.50%	15.90%	15.70%	9.90%
2014	9.4%	11.50%	13.0%	14.1%	12.0%	9.10%
2015* (Forecast)	11.0%	11.7%	14.5%	14.8%	12.6%	9.10%

*2015 data does not include retail or industrial

DIRECT OFFICE VACANCY



Analysis

With soft demand and plentiful office space available in the market, vacancy rates crept up at both Class A & B offices in Gaithersburg, particularly in the 4th quarter of 2014. However, Gaithersburg ended 2014 with lower vacancy rates than Germantown, Rockville and Montgomery County as a whole.

Critical Measures

Economic Development Toolbox					
Year	Program	Number of Grants	Amount of Grants	Investment (millions)	Jobs
FY 2012	Toolbox	3	\$52,844	\$613,911	133
	EDOF*	1	\$138,758	\$5.50	300
FY 2013	Toolbox	11	\$205,800	\$1,640,961	180
	EDOF	3	\$875,000	\$3.86	929
FY 2014	Toolbox	7	\$64,462	\$1,660,000	141
	EDOF	1	\$250,000	\$17,500,000	368
FY 2015**	Toolbox	6	\$61,273	\$1,323,480	84
	EDOF	0			

* Economic Development Opportunities Fund

** As of December 31, 2014

Analysis

Halfway through the fiscal year, nearly as many Toolbox grants have been awarded in FY15 as were in all of FY14. No EDOF grants have yet been awarded in FY15, though at least two companies may soon seek these funds for a retention incentive. Tenant fit-up grants remain the most common Toolbox award applicants are seeking.

Critical Measures

Median Household Income		
Year	Gaithersburg	Montgomery County
2012	\$77,230.00	\$94,358.00
2013	\$73,996.00	\$94,767.00
2014*	\$76,283.00	\$97,181.00

*Source: 2011-2013 American Community Survey 3-year estimate

Percent Bachelor's Degree or Higher (25 and older)		
Year	Gaithersburg	Montgomery County
2012	51.20%	56.70%
2013	51.30%	56.80%
2014*	51.40%	56.90%

*Source: 2011-2013 American Community Survey 3-year estimate

Analysis

Median Household Incomes increased meaningfully between 2013 and 2014, likely due to an economy which continues to improve and an influx of higher earning residents. Percentage of residents with Bachelor's Degrees or higher also increased, albeit more modestly.

Environment



Meet the needs of the City in a manner that accurately reflects the community's desire for equity, environmental health and economic prosperity without compromising the ability of future generations to meet these same needs

Key Strategies

- Maintain a leadership role in supporting initiatives that promote local and regional livable and sustainable communities
- Ensure the City is implementing long-term strategies that embrace the interconnectivity of economics, equity and the environment
- Preserve, enhance and maintain an interconnected network of natural resources, open spaces and environmental infrastructure to provide ecological, economic, recreational, and aesthetic benefits
- Maintain a Stormwater Management Plan which strives to balance the goals of the City's Watershed Implementation Plan (WIP), Chesapeake Bay Total Maximum Daily Load (TMDL) targets, maintenance of existing infrastructure, and a fair and equitable fee structure

Potential Strategy Conflicts-

- Economic Development



Objectives

Maintain a leadership role in supporting initiatives that promote local and regional livable and sustainable communities

- Utilize City, State and Federal grant programs to assist homeowners associations and residents in enhancing their communities via environmental initiatives
- Remain an active participant on Metropolitan Washington Council of Government's (MWCOG's) Region Forward initiative and implementation programs
- Continue to implement elements of the Green Team Action Plan
- Involve Environmental Affairs Committee in regional sustainability initiatives
- Implement strategies contained in the Environmental Master Plan which is focused on both the urban and natural environment
- Coordinate with Maryland Department of Education relative to environmental education requirements for local students

Ensure the City is implementing long-term strategies that embrace the interconnectivity of economics, equity and the environment

- Maintain a healthy diverse urban forest to provide optimal environmental, social and economic benefits
- Strive to improve local and regional air quality, resource efficiency and transportation alternatives
- Encourage energy conservation and promote the use of alternative and renewable energy sources
- Continue to consider equity in both development of policies and programs and access to resources and amenities

Objectives

Preserve, enhance and maintain an interconnected network of natural resources, open spaces and environmental infrastructure

- Promote environmental initiatives that exceed minimum standards in the areas of green building, recycling and energy resources and efficiency
- Protect and improve water resources by implementing watershed management plans that incorporate healthy stream protection, an improved and maintained stormwater management system, and implementation of stream restoration projects
- Engage citizens in the City's volunteer planting, stream monitoring and clean-up programs to increase community involvement in environmental protection
- Encourage resource stewardship through outreach and education programs at schools and in the community
- Explore opportunities to expand the Urban Forest

Maintain a Stormwater Management Plan which strives to balance the goals of the City's Watershed Implementation Plan (WIP), Chesapeake Bay Total Maximum Daily Load (TMDL) targets, maintenance of existing infrastructure, and a fair and equitable fee structure

- Work with Maryland Department of the Environment to develop a Watershed Implementation Plan (WIP) which is reasonable and affordable
- Maintain a rate fee model that is based on impervious coverage and assessed to all property types
- Maintain a focus on inspecting and maintaining adequate funding of stormwater infrastructure maintenance and replacement
- Continue Green Street retrofits on existing streets
- Analyze and implement watershed management plans by prioritizing opportunities for stream restoration, Stormwater Management (SWM) facilities retrofits and new SWM facilities to reduce nitrogen and phosphorous in order to meet EPA Chesapeake Bay TMDL targets
- Implement new programs and measures identified in the watershed management plans
- Provide transparency and education on the use of the Stormwater Program Fee

Action Items

FY 2015 Action Items

- ✓ Reinststitute Park Observer program
- ✓ Complete a study of the feasibility of creation of either a Stormwater Management Authority or Enterprise Fund to manage water quality protection charge revenues and projects
- ✓ Begin the implementation of the Middle Great Seneca Watershed plan.
- ✓ Complete Muddy Branch Watershed Plan
- ✓ Adopt Environmental Element to the Master Plan

FY 2016 Action Items

- Work with the Maryland Department of the Environment to renew Gaithersburg's National Pollutant Discharge Elimination System (NPDES) permit (pending issuance of State guidance)
- Complete first year Community Emissions Tracking (FY15 carryover)
- Complete first year Municipal Emissions Tracking
- Create a series of informational fact sheets for the nonstructural maintenance of aboveground stormwater facilities (e.g. ponds and infiltration trenches)
- Update the City's illicit discharge response manual
- Conduct City-wide street tree and conservation easement inventory
- Participate in the Metropolitan Washington Council of Governments multi-sector greenhouse gas working group to help COG draft a report identifying cost effective, viable strategies to meet the region's greenhouse gas reduction goals
- Complete final engineering of selected concepts from the completed watershed studies for projects to be constructed in FY17

Critical Measures

Neighborhood or Resident Grants Awarded		
Fiscal Year	Number of Grants	Amount of Grant
2012	22	\$53,508.00
2013	15	\$52,455.00
2014	18	\$68,190.00
2015	24	\$60,000.00

Number of Volunteer Plantings		
Fiscal Year	Projects	Plantings
2011	3	68 trees/shrubs, 100 wetland plants
2012	4	50 trees/shrubs, 80 wetland plants
2013	4	30 trees/shrubs, 100 wetland plants
2014	5	62 trees/shrubs, 115 wetland plants
2015	5	50 trees/shrubs, 70 wetland plants

Number of Environmental Community Outreach Projects		
Fiscal Year	Projects	Volunteers
2011	37	1,200
2012	30	1,100
2013	35	1,100
2014	32	1,350
2015	25	1,000

Analysis

Investment in neighborhood communities through matching grants, environmental outreach and volunteer planting projects has remained stable for the years shown. The stability in the numbers reflects continued engagement and support by residents to their communities' health and welfare.

Critical Measures

Impervious Surface and Stormwater Management							
Fiscal Year	Total City Acreage	Acres of Impervious Surface	Watershed Acres Treated with Stormwater Management	Watershed Acres Treated to Pre-1985 Standard	Watershed Acres Treated to 1985 Standard	Watershed Acres Treated to 2000 Standard	Watershed Acres Treated to 2010 Standard
2013	6,632	2,637	4,574	N/A	4,218	355	0
2014	6,632	2,651	4,610	N/A	4,218	356	35
2015	6,632	2,649	4,637	1,342	2,750	415	130

Analysis

Improved stormwater data resources allowed staff to refine the analysis and reflect treatment levels for the City's impervious acreage. This shift provides for greater consistency with the measures being used to track the City's new SWM program.

Housing



Maintain comprehensive housing policies and programs that provide fair, affordable options in homeownership and rental opportunities

Key Strategies

- Utilize Housing Initiative Funds to make strategic investments in priority projects
- Encourage and support homeownership in the City
- Identify and address barriers to fair housing and educate potential housing consumers and providers
- Support initiatives that improve the rental housing stock in the City

Potential Strategy Conflicts-

- Economic Development



Objectives

Utilize Housing Initiative Funds to make strategic investments in priority projects

- Increase the stock of affordable units throughout the City
- Prioritize preservation of existing affordable rental units in redevelopment projects in relation to City funding
- Partner with peer institutions, local governments and nonprofit housing organizations to maximize City investment
- Provide opportunities to redevelop or improve under-utilized properties

Encourage and support homeownership in the City

- Offer homeownership assistance loans to eligible first time homebuyers, including displaced tenants and Moderately Priced Dwelling Unit (MPDU) applicants
- Identify potential barriers to homeownership presented by changing regulations and lending guidelines and adapt programs accordingly
- Structure the Gaithersburg Homeownership Assistance Loan Program (GHALP) to encourage eligible homebuyers to purchase in areas of the City underrepresented by low and moderate-income households
- Encourage a diversity of home prices in new developments

Objectives

Identify and address barriers to fair housing and educate potential housing consumers and providers

- Utilize the most current data on area demographics, housing prices and inventory, and incidence of cost-burdened households
- Monitor rental properties with MPDU and Work Force Housing Units (WFHUs) to ensure compliance with the affordable housing requirements
- Provide Fair Housing training to landlords, Homeowner Associations, nonprofits, and other interested groups
- Make use of “paired testing” method (the process of sending two individuals with similar characteristics – except one individual is from a protected class) to ensure properties are not being handled in a discriminatory manner
- Ensure that the current and future housing stock allows residents to remain in the City as their financial, employment and familial situations change

Objectives

Support initiatives that improve the rental housing stock in the City

- Ensure that there is an adequate mix of rental and homeownership units
- Strengthen the existing residential, commercial and rental housing property maintenance inspections program with appropriate attention to single-family dwellings
- Work with owners of established properties to provide upgrades and improvements
- Preserve the number of existing affordable rental units in redevelopment projects where possible

Action Items

FY 2015 Action Items

- ✓ Complete and receive HUD approval of Analysis of Impediments to Fair Housing
- ✓ Define and adopt Housing Initiatives Funds initiatives and continue to seek appropriate uses of these funds

FY 2016 Action Items

- ❑ Present options for Mayor and Council prioritization relative to uses of the Housing Initiatives Fund
- ❑ Propose amendments to the Affordable Housing Requirements and Regulations for potential adoption by Mayor and Council
- ❑ Prepare a list of areas, for review and prioritization by the Mayor and City Council, where the City would like to focus its affordable housing
- ❑ Develop tracking methods relative to compliance with MPDU and Work Force Housing administrative guidelines

Critical Measures

Housing Programs/Services

Fiscal Year	Closing Cost Loans	Rental MPDUs		Rental WFHUs		Emergency Assistance Grants
		Added	Total	Added	Total Units	
2012	5	19	67	0	0	26
2013	7	35	102	0	0	25
2014	12	14	116	25	25	34
*2015	26	73	189	0	25	19

Fiscal Year	Homeownership MPDUs		Homeownership WFHUs	
	Added	Total	Added	Total
2012	0	0	0	0
2013	0	0	0	0
2014	5	5	1	1
*2015	10	15	2	3

Loans Repaid	Total	\$ Repaid	HUD/City Funds
2014	1	\$14,000	City
*2015	0		

**2015 data is as of Dec. 31, 2014.*

Analysis

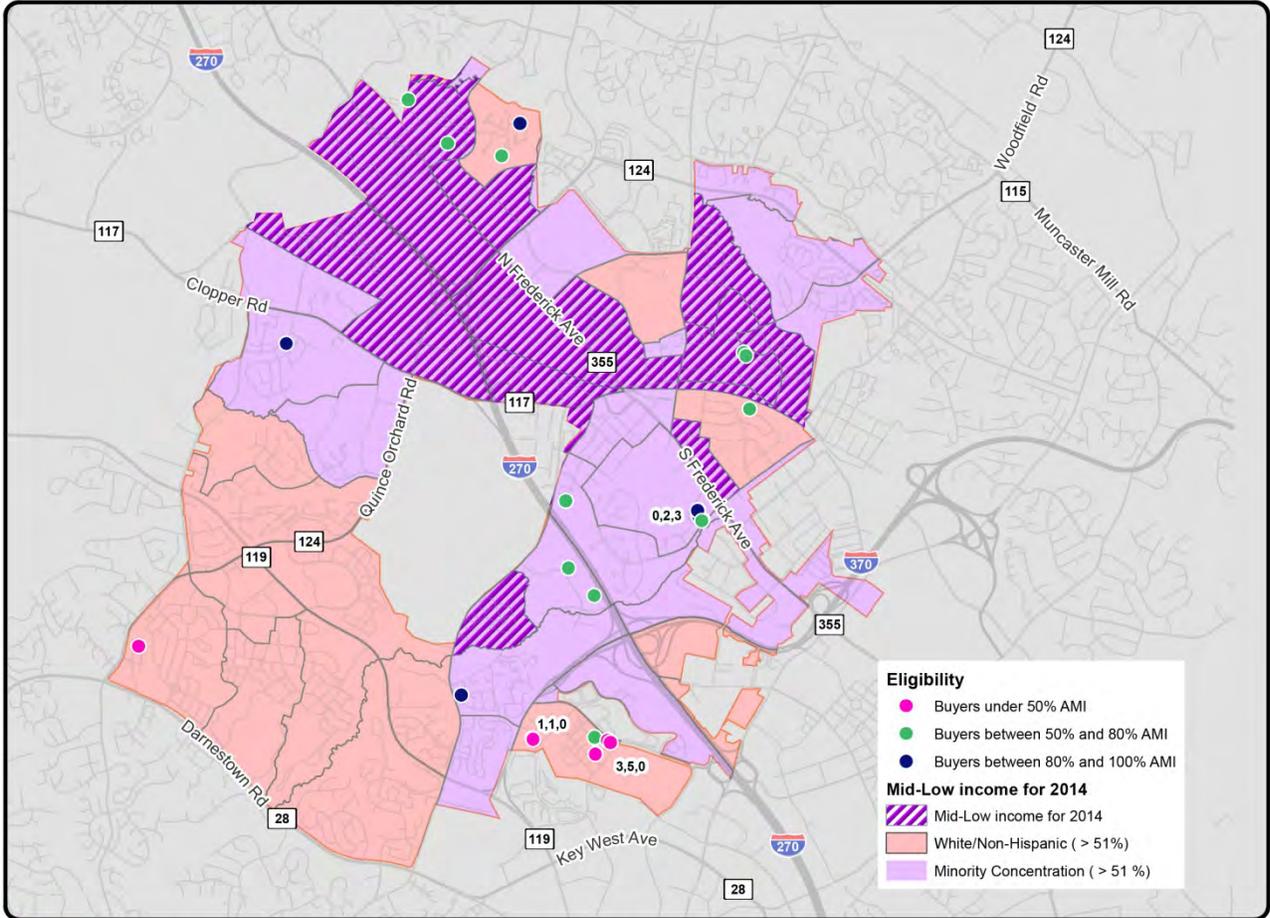
Residential development at Crown Farm properties has produced 27 for-sale MPDUs. Sluggish sales affected all of the units at Summit Hall Reserve; however, the required 12 MPDUs and WFHUs have either sold or are under contract as of December 2014.

Beginning in mid- to late FY14, media exposure and popularity among lenders and realtors has led to exponential growth in the City's closing cost and downpayment assistance loan program.

Although primarily serving moderate-income homebuyers, 18% of buyers in FY15 qualified as low-income (under 50% of AMI).

Low and very low-income renters continue to struggle with housing costs. This year's emergency assistance program is on pace to exceed the number of payments issued in any previous year, which may be due in part to the sale of Crestwood Terrace Apartments, resulting in significantly higher rents charged by the new owners.

Critical Measures



GHALP Loans by Percent of Area Median Income (AMI) for FY15.

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Infrastructure and Facilities



Maintain and improve the City's existing infrastructure, public facilities and capital assets in a sustainable, cost-effective manner, and invest in new facilities and real property in support of the City's strategic goals

Key Strategies

- Plan and execute projects to preserve, maintain, improve, and grow City infrastructure to continue to provide necessary City programs and services
- Construct new City buildings in an environmentally sustainable manner and achieve LEED Silver certification or equivalent

**Potential Strategy
Conflicts-**



Objectives

Plan and execute projects to preserve, maintain, improve, and grow City infrastructure to continue to provide necessary City programs and services

- Frequently assess and evaluate existing City building assets for functionality, code compliance, energy efficiency, deferred maintenance, space management, and compliance with the Americans with Disabilities Act (ADA)
- Provide adequate funding for maintenance, improvements and enhancements to the City's infrastructure
- Increase emphasis on managing operating costs by evaluating cost-effective solutions and green technologies to increase building efficiency
- Fund and support capital projects that are in progress and continue to plan for future capital improvement projects
- Manage projects to provide space and services efficiently and effectively
- Support the preservation of City-owned historic resources and designated sites

Construct new City buildings in an environmentally sustainable manner and achieve LEED Silver certification or equivalent

- Ensure that all buildings, system improvements and capital projects meet or surpass environmental and regulatory requirements and incorporate sustainable practices as embodied in Leadership in Energy and Environmental Design (LEED) or equivalent benchmarks where appropriate
- Optimize site potential to minimize non-renewable energy consumption
- Use environmentally preferable products
- Protect and conserve water
- Enhance indoor environmental quality
- Optimize operational and maintenance practices that result in reduction of our "carbon footprint"

Action Items

FY 2015 Action Items

- Acquire Crown Farm buildings, erect a security fence, & conduct a study for the preservation and use of these buildings
- Analyze Police Facility Needs Study and develop a strategy for implementation
- Complete final engineering and begin construction of selected concepts from Middle Seneca Creek Watershed Study (combined for 2016)
- Develop strategy for incremental implementation of City Hall improvements including roof replacement & refurbishment of HR & PIO sections (partially complete)
- Complete design and construction of Miniature Golf Park renovation
- ✓ Bid and begin construction of Constitution Gardens project
- ✓ Complete design for Casey Community Center
- Complete rehabilitation of Smoke House at Bohrer Park
- Complete Kentlands Mansion ADA compliance study and develop maintenance & improvement plan
- ✓ Complete Lower Great Seneca Creek and Muddy Branch Watershed Studies, and begin final engineering of selected concepts from both completed studies
- Begin construction of selected final engineered sites from Middle Seneca Creek Watershed Study (combined for 2016)

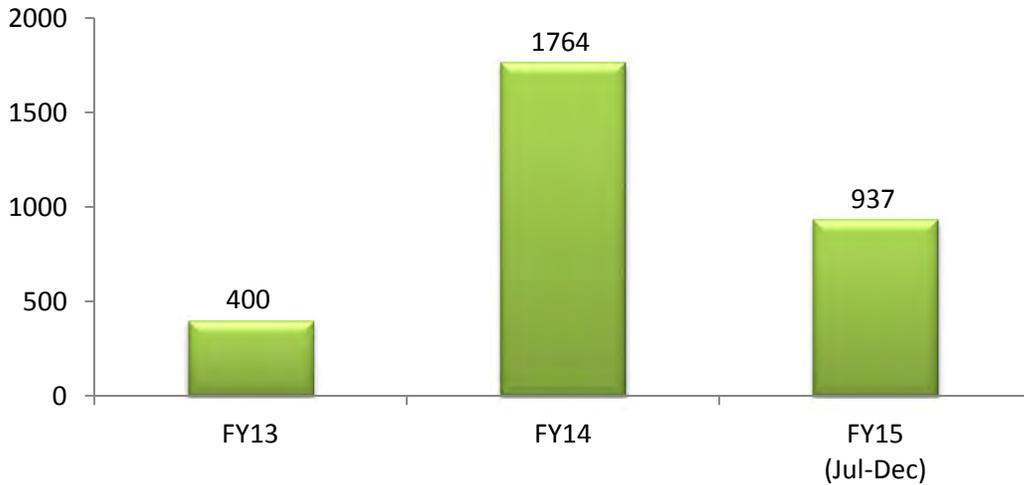
FY 2016 Action Items

- Develop a maintenance strategy for incremental implementation at all City Facilities
- Complete construction for Miniature Golf Park renovation
- Procure and implement new Utility Management and Computerized Maintenance Management Software Systems
- Complete the demolition and site preparation of the area formerly occupied by buildings on the former Consumer Product Safety Commission (CPSC) site
- Complete construction for Casey Community Center
- Complete the roof replacement at City Hall

Critical Measures

Facilities Management			
Facilities Management	FY 2013	FY 2014	FY 2015*** thru Dec.
Square Feet Maintained	438,358*	472,378**	452,830
Work Orders Performed	400	1764	937
Average Cost of Facility Maintenance Per Square Foot	N/A	N/A	N/A

Work Orders Performed



Analysis

Current trends indicate an increase in work order activity which is expected to grow as facilities age. More effective tracking was implemented in FY13, however with the implementation of both a new Utility Management & Maintenance Management System additional tools will be available to help identify trends and future requirements which will assist with prioritizing the allocation of resources.

In FY 2015/2016, property and buildings in Crown Farm will likely be added to our inventory, further increasing the demands on Facilities Management.

*Staff reevaluated existing square footages so this number is different than previously stated.

**The City added property from CPSC and included all of the property it acquired.

*** The FY15 square footage takes into account the demolition of buildings at CPSC.

Critical Measures

Stormwater Management			
	FY 2013	FY 2014	FY 2015 thru Dec.
Watershed Assessment Plans Completed	1	0	2
Concept Stormwater Plans Completed	4	0	8
Concept Stream Restoration Plans Completed	4	0	6
Final Stormwater/Stream Restoration Plans Completed	0	0	1
Green Streets			
	FY 2013	FY 2014	FY 2015 thru Dec.
Green Street Facilities Constructed	3	1	0
Final Stormwater/Stream Restoration Projects Constructed	0	0	0

Analysis

In addition to actively maintaining existing streams and stormwater management facilities, the City is also anticipating future regulations to increase in stringency. The watershed studies have been completed. The City will now need to begin prioritizing stormwater improvements and infrastructure maintenance to meet these future requirements. This will require additional funding through both the General Operating Fund and the Stormwater Program Fee.

Parks, Recreation and Culture



Provide quality parks, well-planned, sustainable facilities, and diverse cultural, artistic, and recreational opportunities for all ages and interests to promote the health and well-being of residents and visitors

Key Strategies

- Foster active lifestyles to support a healthy community; develop programs utilizing citizen input and recreational trends
- Ensure all communities have accessible, safe, functional, and engaging recreational facilities and amenities
- Support community oriented cultural arts, events, projects, initiatives, and local artists
- Preserve green space for passive and active recreation; seek opportunities to acquire open space; and foster conservation of natural resources
- Utilize revenue offsets to enhance department offerings

Potential Strategy Conflicts-



Objectives

Foster active lifestyles to support a healthy community; develop programs utilizing citizen input and recreational trends

- Provide fitness classes, health and wellness programs, preventive screenings, and other resources that promote a healthy lifestyle
- Provide out-of-school activities for City students that promote enriching experiences
- Emphasize participation in programs by low and moderate income residents through a targeted scholarship program
- Utilize on-line customer survey sites as a means of measuring recreational trends and ensuring programs are relevant to the audience
- Utilize national standards to evaluate City recreation amenities relative to the Parks, Recreation and Open Space Plan
- Utilize Science, Technology, Engineering, Arts, and Math educational tools as well as expand outdoor educational offerings in youth activities
- Provide programming opportunities at Observatory Park, Community Museum complex and Constitution Gardens Park

Ensure all communities have accessible, safe, functional, and engaging recreational facilities and amenities

- Continually evaluate recreational amenities relative to needs within existing communities
- Balance existing fields, parks and amenities to meet current demand
- Meet and confer with City Planning and Code Administration staff to ensure optimal utility of recreation space provided within new developments
- Work to ensure that shared-use trails, bike lanes and bike infrastructure are considered in the planning of road and infrastructure projects
- Work with federal, state and county government agencies as well as the private sector to fund new recreational facilities
- Ensure resident proximity to parks with goal of less than .25 miles

Objectives

Support community oriented cultural arts, events, projects, initiatives, and local artists

- Utilize the Art in Public Places program of the Cultural Arts Advisory Committee to support a sense of place and pride for Gaithersburg by integrating public works of art into the community
- Support the arts and special events through an active alliance of artists and arts committees and organizations
- Implement the goals and objectives of the Cultural Arts Master Plan
- Support cultural events that bring visitors to the City
- Identify and foster unique local artists and crafts persons, music and theater groups, and food vendors for participation in City events and venues
- Utilize benefits of Arts & Entertainment designation and/or self-branding of areas with concentration of cultural assets
- Increase the quality of large events through enhancements, including the use of Mobile Apps and other available technologies
- Use marketing to increase awareness of the City's cultural offerings
- Incorporate diversity elements into civic events

Preserve green space for passive and active recreation; seek opportunities to acquire open space; and foster conservation of natural resources

- Work with state and federal agencies to acquire surplus property
- Seek opportunities to acquire additional properties through purchases, partnerships and monetary contributions
- Cultivate an appreciation for nature, environment and the outdoors through recreational and camp offerings
- Provide technical assistance for community garden initiatives
- Engage patrons in good conservation and environmental stewardship practices
- Integrate nature-based activities and educational opportunities into City programs and events

Objectives

Utilize revenue offsets to enhance department offerings

- Utilize the Gaithersburg Arts and Monuments Funding Corporation to raise funds to support City recreation programs and facilities
- Raise revenue through the creation of areas accessible with the purchase of a special ticket
- Create a fee schedule that reflects national trends and appropriate market pricing for participation in programs and services
- Develop vested, working volunteer committees to support and promote large events
- Develop active partners and in-kind support sponsors to share resources, and to provide services and enhancements to City programs and events
- Utilize technology such as mobile applications to reduce waste and increase sponsorship opportunities

Action Items

FY 2015 Action Items

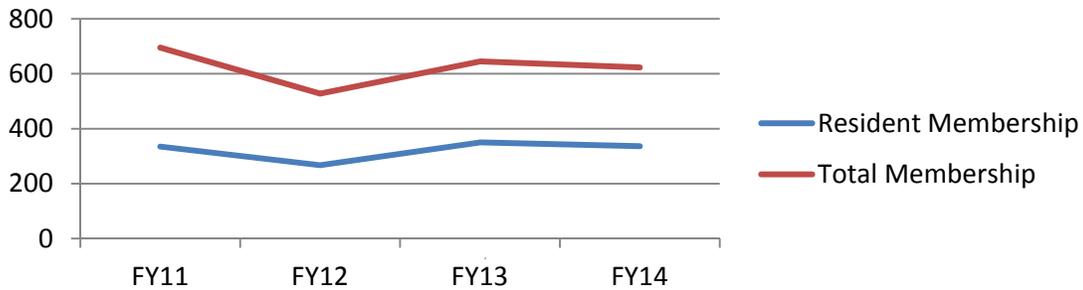
- Design renovations of Casey Community Center apartment and kitchen
- Design enhancements to Miniature Golf Course (\$150,000 FY14 bond bill funds)
- Construct synthetic turf field at Lakelands Park and design synthetic turf field for Robertson Park #3
- Establish park planning committee for 9.54 acre City park on former CPSC property
- Bid and begin construction of Constitution Gardens Park
- Plan first annual Bike Rodeo (completed FY14) and install Art in Public Places locomotive-inspired bike rack in conjunction with Bicycle Master Plan (to be completed in FY15)
- Review the Articles of Incorporation and By-laws to make recommendations for the role of the Gaithersburg Arts & Monuments Funding Corporation to raise funds to support City recreation programs and facilities
- Update Chapter 15A of the Municipal Code (Parks and Other Properties)

FY 2016 Action Items

- Complete renovation of Casey Community Center apartment and kitchen
- Construction of Miniature Golf renovation
- Install Art in Public Places at Archstone
- Finalize Community Museum complex with exhibits in the Budd Car and Caboose and additional plaza enhancements
- Replace lighting at Kelly Park Field #2
- Expand Student Union to Quince Orchard High School
- Evaluate recreation management software replacement options
- Rebrand Senior Center and the Arts Barn/Kentlands Mansion complex
- Evaluate resident and non-resident fees with intent of modifying revenue expense offsets

Critical Measures

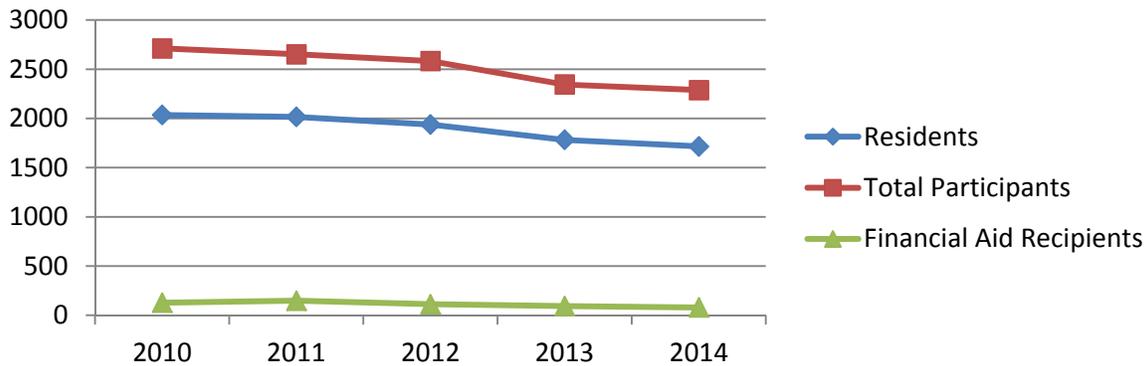
Senior Center Memberships



Analysis

There was a significant decrease in membership as a result of the nonresident membership fee increases in FY10. This resulted in lower memberships. However since June of 2012, there has been an increase in membership. The percentage of City residents continues to grow from 48% in FY11 to 55% in FY14. The renovations to the Center as well as a rebranding effort should increase membership and use.

Summer Camp Participation

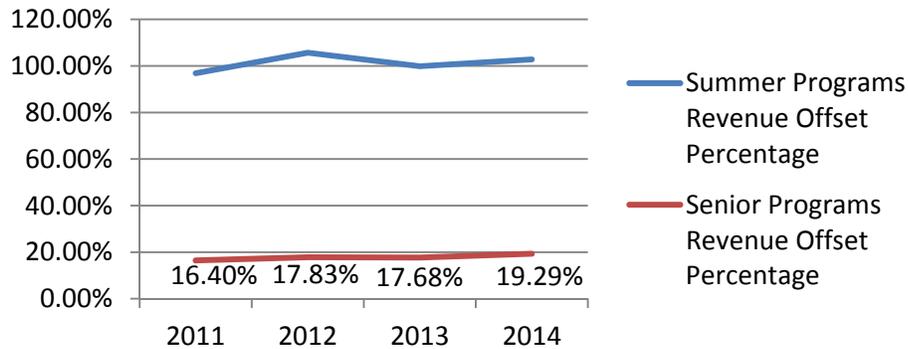


Analysis

There has been an overall decline in registration due to the loss of several schools undergoing construction which housed some of the City's most popular camps. While programs for elementary students continue with strong registration, middle school camp participation has declined steadily over the past few summers. That being said, the Olde Towne Youth Center enjoyed its highest attendance on record as teens are choosing the programs at the Center over the traditional day camps.

Critical Measures

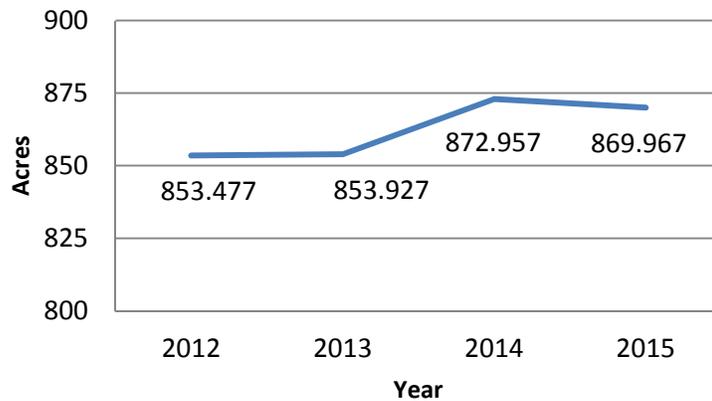
Summer Programs and Senior Center Revenue Offset



Analysis

The Summer Programs revenue offset has steadily been increasing since the early 2000's when the revenue offset averaged approximately 63%. Expenses have been held fairly consistent while camp fees have increased over the past several years due to market research and pricing strategies. The Senior Center revenue has steadily increased since FY11 (approximately 10% each year) primarily due to the popular trip program while expenses have averaged 4.5% each year.

Acres of Parkland

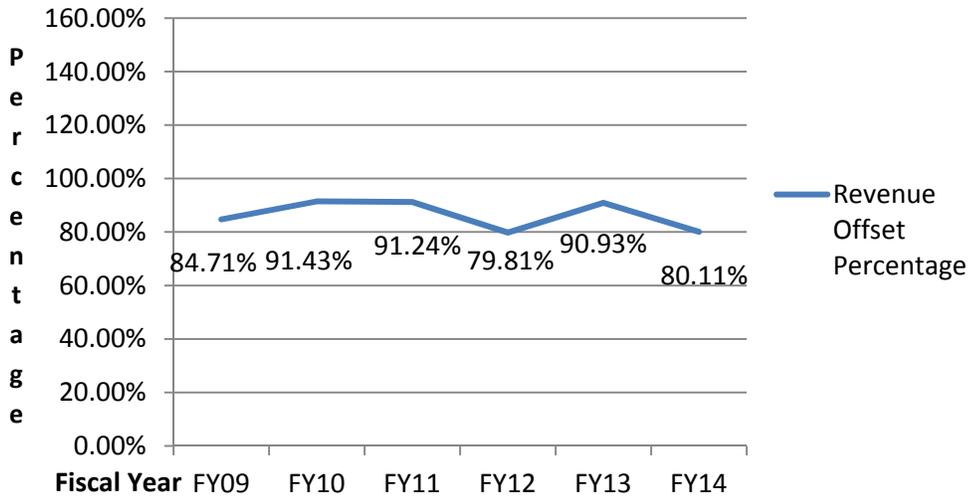


Analysis

The Consumer Product Safety Commission site, 9.54 acres, and The Meadows, 6.50 acres, have been conveyed to the City. Crown Farm, 2.99 acres, will likely be dedicated to the City by the end of 2014. Crown Farm was not conveyed to date, reducing total by 2.99 acres (869.967).

Critical Measures

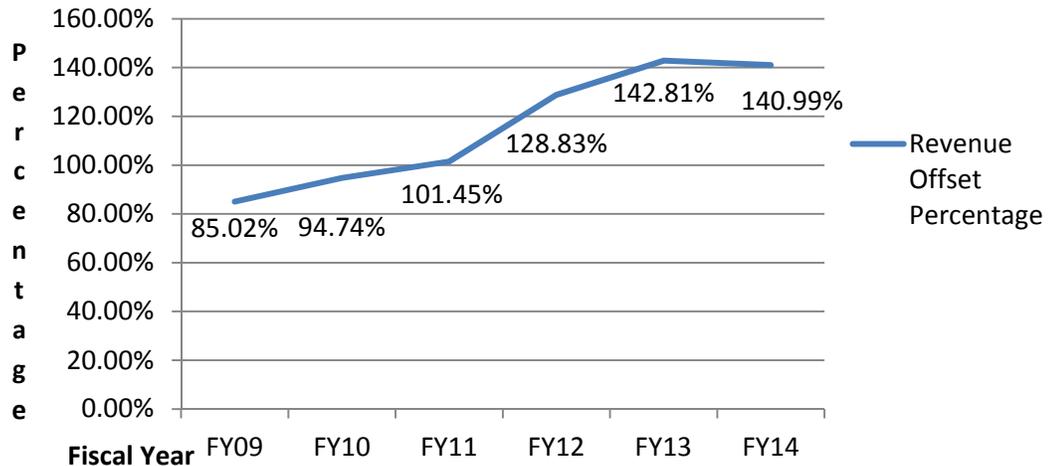
Recreation Classes Revenue Offset



Analysis

During FY14 we parted ways with a contractor who provided 68 revenue-generating classes per year. Staff worked hard to recreate the program by hiring a variety of new instructors and contractors but gaining customer loyalty is a gradual process.

Water Park Revenue Offset

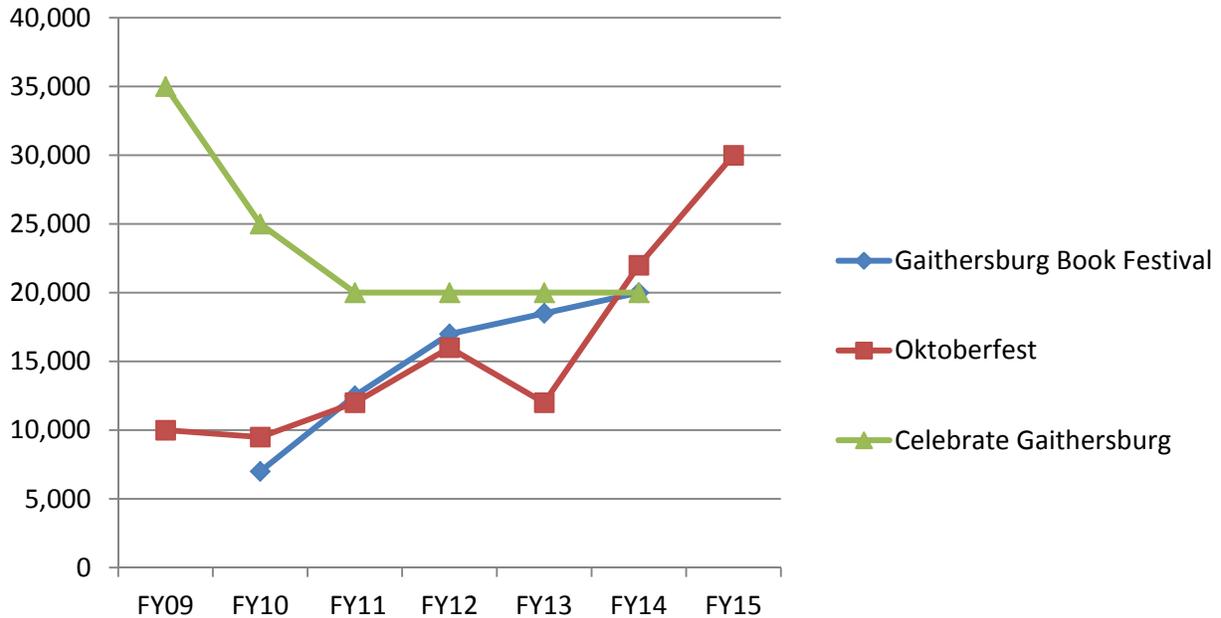


Analysis

Attendance continues to remain relatively constant. An increase to nonresident fees for the 2014 season did help alleviate weekend overcrowding. Attendance is subject to weather; the past seasons have seen few weather closures. The Water Park Revenue Offset represents the program operating budget and does not include utilities or building & grounds expenses.

Critical Measures

Large Events Attendance



Analysis

A new and successful layout for Oktoberfest drew approximately 30,000 attendees in FY15 and will be continued in 2016 and beyond.

The Book Festival has grown quickly in reputation due to the high quality of recruited authors and an increased awareness from the year-round public relations efforts undertaken by the City and the Book Festival Committee. Attendance was 20,000 for the 5th Annual Book Festival in May of 2014 (FY14).

In FY14, Celebrate Gaithersburg in Olde Towne Day was moved to June with significant thematic, layout and design changes. The 32nd annual event included a mobile app, a BBQ battle, butterfly garden, antique car show, art bike competition, and new partners. In spite of the change in the date, the event maintained an attendance of 20,000.

Planning and Development



Ensure all planning and development be built and maintained in a high quality manner that utilizes sustainable principles to maintain the high quality of life enjoyed by residents and businesses, while balancing environmental, transportation, economic, social, and civic needs

Key Strategies

- Foster a high level of community and stakeholder involvement in all planning and development projects
- Encourage all development in the City to be of high quality and aesthetically appealing while adhering to the City's objectives for sustainable growth
- Ensure that development, from planning to construction, is completed with best practices management, the highest level of public safety, and high quality standards for both public and private infrastructure
- Carefully weigh impacts of development on public infrastructure and the environment with the City's economic development, sustainable growth, and quality of life objectives
- Promote housing stability and inclusiveness and maintain neighborhood vitality
- Strive to maintain equitable amenities and services throughout the City

Potential Strategy Conflicts-

- Economic Development
- Housing
- Environmental
- Transportation



Objectives

Foster a high level of community and stakeholder involvement in all planning and development projects

- Utilize software, technology and web applications to enhance public use and information
- Foster dialogue with outside agencies to facilitate information exchange
- Ensure timely response to community and stakeholder issues in Planning & Code Administration and Department of Public Works – Engineering and Landscaping & Forestry divisions
- Maintain communication with HOAs during construction projects

Encourage high quality, aesthetically appealing development that adheres to the City's objectives for sustainable growth

- Ensure that City Master Plans and other planning documents accurately reflect land use and municipal planning best practices and applicable state and federal requirements
- Continue implementation of approved design guidelines for MXD zoned developments and Olde Towne
- Ensure that constructed development emulates the vision and plans for the development as approved by the Planning Commission
- Identify properties which present opportunities for adding value to the City and aggressively pursue annexations
- Attract quality development by ensuring maintenance of existing neighborhoods

Objectives

Ensure that development, from planning to construction, is completed with best practices management, the highest level of public safety, and high quality standards for both public and private infrastructure

- Evaluate innovations and current trends in planning and development to update City codes and regulations in order to ensure safety
- Promote best management practices through training and education of staff, appointed and elected officials
- Minimize disruption to existing neighborhoods by phasing construction as needed
- Conduct thorough and timely reviews of Development Plans, License Applications, Construction Permits, and Inspections

Carefully weigh impacts of development on public infrastructure and the environment with the City's economic development, sustainable growth, and quality of life objectives

- Ensure that the City's planning and economic priorities are reflected in a balanced review of school and traffic facilities
- Ensure compatible development patterns that are phased and constructed in a manner that creates the least amount of disruption as part of the entitlements process
- Maintain and enhance the City's Geographic Information System and its layers in conjunction with the Information Technology Department to provide mapping and statistical data as tools for reporting and evaluating existing and proposed development
- Continually review and revise Planning & Development Ordinances and Codes to ensure best management practices

Objectives

Promote housing stability and inclusiveness and maintain neighborhood vitality

- Continually monitor and address deteriorating, blighted and/or overcrowded residential and non-residential structures
- Utilize limited, strategic investments of City property acquisition funds to expedite improvements to areas of slum and blight
- Provide assistance to households at risk of foreclosure, eviction or utility shut-off
- Provide visible and active presence in neighborhoods and communities
- Preserve healthy, vibrant, diverse, and safe neighborhoods that enhance the quality of life through education and code compliance
- Utilize Code Enforcement Abatement Fund to resolve outstanding property maintenance violations
- Develop area neighborhood plans to determine possible needs of underserved neighborhoods

Action Items

FY 2015 Action Items

- ✓ Incorporate best practices for parking requirements and parking waivers into Zoning Ordinance and Development Procedures *(3rd Quarter FY15)*
- ✓ Continue Implementation of Energov permitting software by completing select online application and renewal components
- ✓ Continue to work with partner agencies and jurisdictions concerning adequate public facilities, analyze results and recommend changes
- ✓ Work with Information Technology-Geographic Information Systems to improve the accuracy of the Parcel Fabric (parcel lines) for GIS
- ✓ Complete the review and analysis of the CD Zone as it relates to the Frederick Avenue Corridor Study *(3rd Quarter FY15)*
- ✓ Define & begin implementation action steps for Frederick Ave. Corridor *(3rd Quarter FY15)*
- ✓ Utilize Code Enforcement Abatement Fund to resolve outstanding property maintenance violations
- ✓ Evaluate and update the Planning Commission Rules of Procedures
- ❑ Work towards preparing a draft Historic Preservation (HP) Master Plan updating HP ordinances and evaluate the Historic District Commission Rules of Procedures

FY 2016 Action Items

- ❑ Update Historic Preservation (HP) ordinances, evaluate the Historic District Commission Rules of Procedures & prepare draft HP Master Plan
- ❑ Participate in Metropolitan Washington Council of Governments Round 9.0 Cooperative Forecast for households, population & employment
- ❑ Adopt 2015 National Building Codes
- ❑ Update and Adopt Floodplain Ordinance
- ❑ Complete City's Bus Rapid Transit Study for the Frederick Ave. Corridor
- ❑ Update and amend Wireless Telecommunications Ordinance
- ❑ Produce a report studying the economic costs & benefits of historic preservation on redevelopment in the City
- ❑ Conduct citizen and stakeholder outreach related to the possible changes to the CD Zone and present options to the Planning Commission and Mayor and City Council for possible adoption

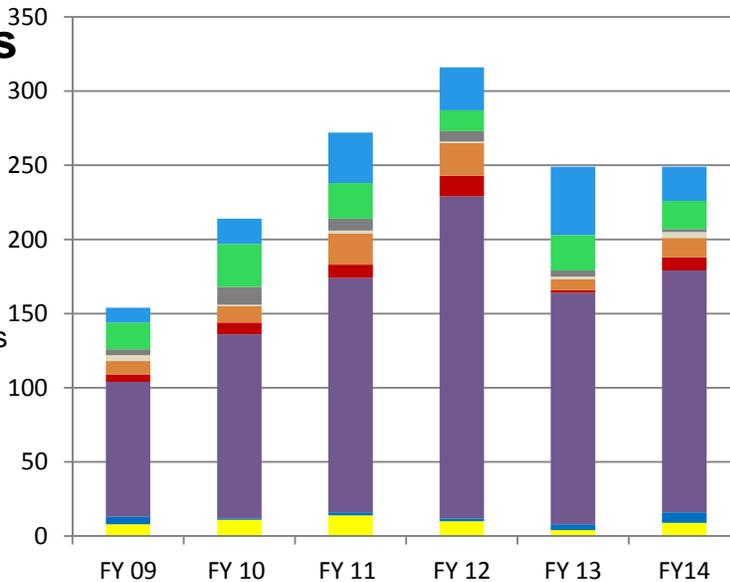
Critical Measures

Entitlements for Development						
Case Type	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*	FY 2015 Projections
Site Plans	4	10	4	9	4	8
Schematic Development Plans & Amendments	2	2	4	7	3	5
Amendments to Site Plans	158	217	156	163	101	150
Record Plats	21	22	7	7	5	10
Zoning Map Amendment (Rezoning)	2	1	2	4	4	3
Zoning Verification Letters	34	29	46	23	16	28
Board of Appeals	9	14	2	9	4	6
Historic District Commission Reviews	24	3	24	19	13	18
Text Amendment/City Code	8	7	4	2	2	3

*FY15 figures as of January 2015

Entitlement Trends

- Zoning Verification
- Historic Reviews
- City Code/Text Amendments
- Zoning Map Amendment
- Record Plats
- Board of Appeals Applications
- Amendments to Site Plans
- SDPs
- Site Plans



Analysis

Most of the development trends continue to be stable, with a plateau in the total number of applications. Both Site Plan and Amendments to Site Plans have increased with the build out of Crown Neighborhood 2 and the initial site plans for Washingtonian North. The number of applications at the mid-mark of FY 2015 are matching the budget projections.

Critical Measures

Permits & Licenses for New and Infill Development					
Code Enforcement	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Projected
Building	761	838	1043	814	830
Electrical	715	626	655	668	680
Mechanical	410	362	580	360	420
Occupancy	367	326	468	395	380
On Site	47	63	81	67	30
Grading	12	28	4	3	10
Public Improvements	12	20	11	2	15
Tree Removal	122	89	124	120	140
Sign	220	193	272	304	250
Fire Services	406	453	556	490	500
FPSOL**	204	105	16	103	420
Electrical Licenses	228	257	107	419	100
TOTAL	3,504	3,360	3,917	3,745	3,775
<i>**Fire Protection System Operation Licenses</i>					

Inspections for New and Infill Development					
Code Enforcement	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015 Projected
Building	2,734	2,199	3,736	4,091	2,200
Electrical	3,173	2,905	2,603	1,365	3,000
Mechanical	484	141	201	227	200
Occupancy	699	461	254	323	320
Zoning/Forest Conservation	89	34	9	4	20
Sediment Control	732	312	90	119	200
Public/Private Improvements	913	618	368	662	400
Bond Releases	4	10	13	8	10
Stormwater Management	257	119	23	45	45
Fire Code	1,684	1,001	1,253	1,437	1,200
Total Number of Inspections	10,769	7,800	8,550	8,281	7,595

Analysis

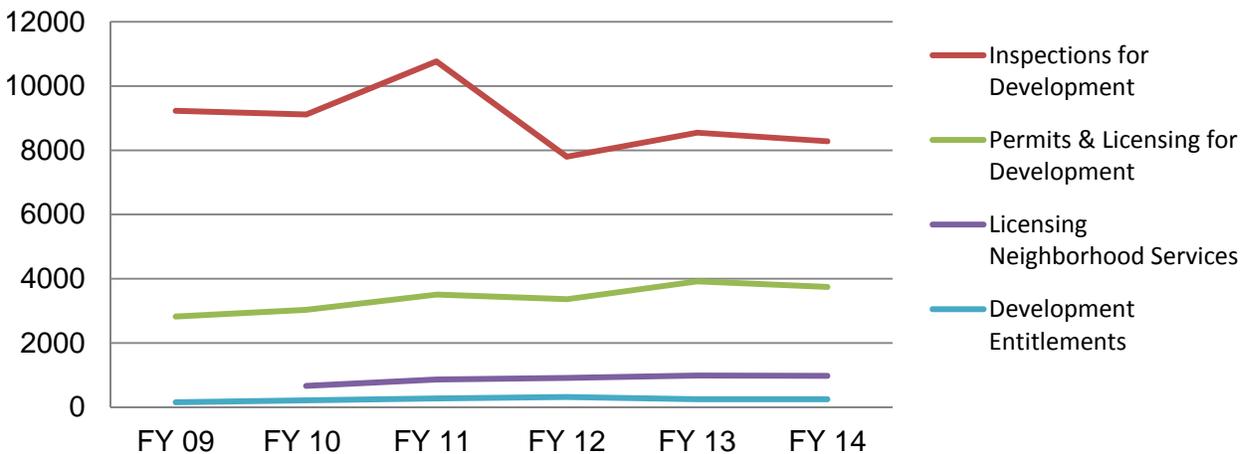
Permitting and Inspections are projected to continue near the same rate; however, inspection times continue to be longer due to additional multifamily and apartment development in consideration of overall density.

Development, combined with fire systems licensing requirements, supports the need to continue evaluating staffing levels in order to maintain the ability to complete inspections within 24 hours of the inspection requests, while maintaining an acceptable level of life safety and quality infrastructure.

Critical Measures

Licenses	FY 2011	FY2012	FY 2013	FY 2014	FY 2015*
Amusement	26	24	17	18	9
Vendors	29	27	30	8	4
Rental – Multi-Family (2-Year Cycle)	24	22	27	21	15
Rental - Single-Family	780	839	910	926	618
Total Number of Licenses	859	912	984	973	646
<i>*FY15 figures as of January 2015</i>					

Planning & Development Trends

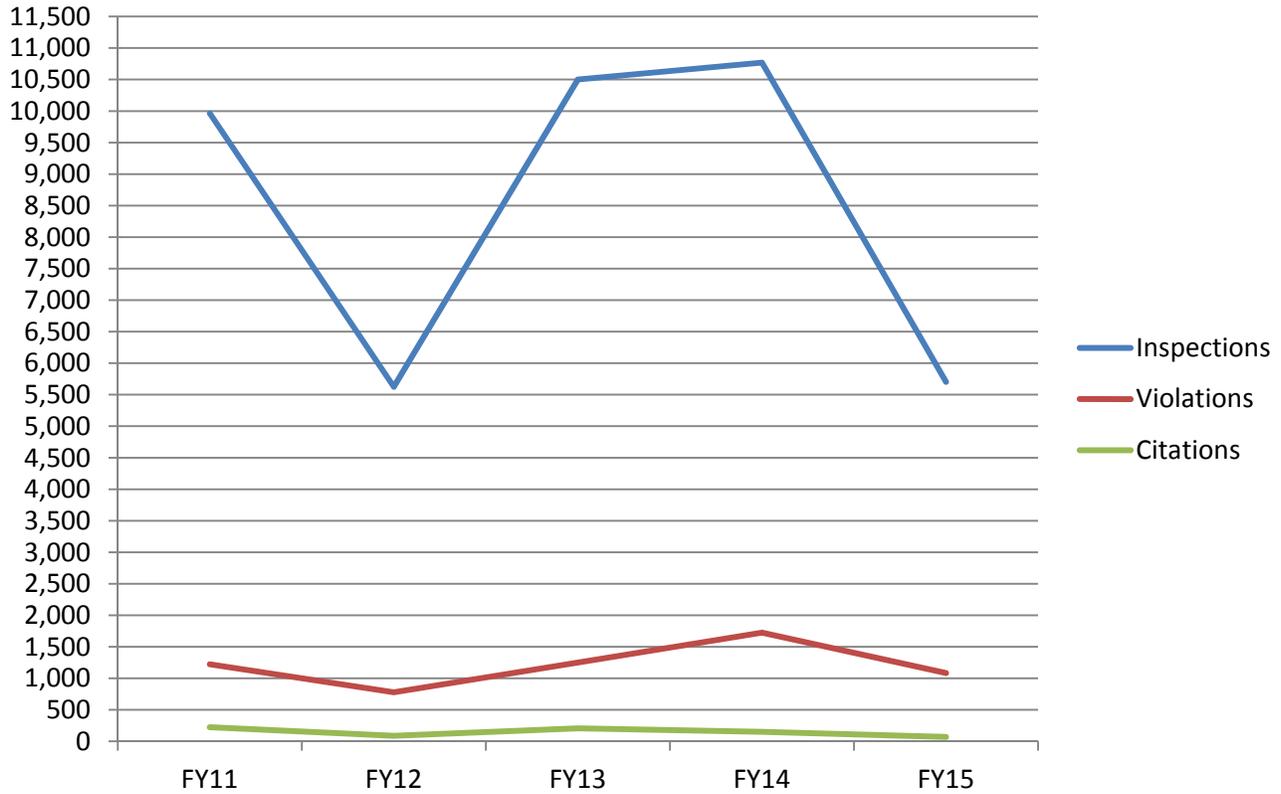


Analysis

The Planning & Development trends show a steady rate in the number of applications related to development. What this does not show is the amount of time for the processing and inspection of the applications. The City needs to continue to evaluate equitable staffing levels in order to maintain the ability to process entitlements in a timely manner that supports economic development. Adequate staffing needs are also required in order to be able to review complex building and fire system plans and complete inspections within 24 hours of the inspection request.

Critical Measures

Neighborhood Vitality					
Inspections & Violations for Property Maintenance	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015*
Property Maintenance Inspections	9,964	5,624	10,500	10,768	5,702
Notices of Violation	1,222	779	1,250	1,725	1,083
Municipal Infraction Citations	222	86	205	150	70
Total Number	11,408	6,489	11,955	12,643	6,855
<i>*FY 2015 figures as of January 23, 2015</i>					



Analysis

While overall inspection and enforcement numbers remain steady, YTD FY15 numbers project an increase in percentage of notice of violations issued and a higher rate of compliance.

Police Department



Safeguard the lives of those within the City, enforce the laws and ordinances of the State of Maryland and the City of Gaithersburg, protect property, maintain the safe and orderly flow of traffic, and assist in securing, for all persons, equal protection of the law

Key Strategies

- Deliver comprehensive police services that prevent and reduce crime and sustain the quality of life in the City
- Enhance the establishment of highly skilled and diverse professionals capable of providing comprehensive and effective police services
- Work in partnership with communities, government agencies and allied organizations to augment the Department's resources and improve delivery of comprehensive police services
- Employ new and advanced technologies to improve the delivery of quality police service

Potential Strategy Conflicts-



Objectives

Deliver comprehensive police services that prevent and reduce crime and sustain the quality of life in the City

- Work with communities to reduce crime, maintain order, solve community problems, and respond to incidents that affect the quality of life
- Utilize the Data Driven Approach to Crime and Traffic Safety (DDACTS)
- Employ operational tactics resulting from careful analysis of the link between illegal drugs, including their distribution patterns, and crime
- Acknowledge that the incidence of traffic accidents result in more deaths, injuries and property loss than criminal incidents, and dedicate appropriate Department resources toward the reduction of speeding and impaired driving. Encourage pedestrian safety and the proper usage of occupant protection
- Coordinate with Montgomery County Police 6th District personnel to maximize services, visibility and effectiveness of our personnel
- Keep the public informed of the Department's activities through outreach activities, social media and accessible statistics
- Enhance outreach to citizens through the use of "Boosting" on the Department's Facebook site

Objectives

Enhance the establishment of highly skilled and diverse professionals capable of providing comprehensive and effective police services

- Focus on the development of professional staff employees and ensure that their accomplishments are recognized both internally and externally
- Enhance recruiting efforts by utilizing social media sites and job fairs to select suitable candidates for vacant positions. Our goal is to attract, select, and retain the best qualified person(s) regardless of race, color, sex, national origin, or religion
- Continue professional development of internal leadership, enhancement of management and decision making skills and improved communication in the face of the increasing complexity of the law enforcement profession
- Utilize performance evaluation and tracking systems that provide employees with timely feedback and career guidance
- Continually evaluate specialized units and personnel to adapt to changing demands
- Provide a mentoring program to all newly promoted supervisors

Objectives

Work in partnership with communities, government agencies and allied organizations to augment the Department's resources and improve delivery of comprehensive police services

- Ensure that the Continuity of Operation Plan (COOP) is up to date and its components are readily accessible
- Ensure the highest level of preparedness by providing opportunities for disaster response exercises and National Incident Management System/Incident Command System (NIMS/ICS) training
- Maintain strong partnerships with schools in the City
- Enhance relationships with non-English speaking communities and citizens
- Maintain support for Neighborhood Watch programs throughout the City
- Recognize community members for their contributions to the safety and well-being of the community
- Emphasize cooperative, proactive media relations as a means of advancing the goals of the Department
- Work with Montgomery County and Gaithersburg Alert notification system vendor to ensure timely and accurate information is provided to internal and external customers
- Work with the Gaithersburg Police Foundation (GPF) in funding programs and activities that promote public safety and community partnership
- Work with other local governments and public utilities to coordinate responses to disasters and emergencies

Objectives

Employ new and advanced technologies to improve the delivery of quality police services

- Employ the Data Driven Approaches to Crime and Traffic Safety (DDACTS) model in the deployment of resources
- Utilize automated technology tools such as license plate readers, surveillance cameras, cell phone data extraction analysis, and speed cameras to supplement police personnel resources
- Utilize biometric field resources to aid investigators and patrol personnel in the rapid and accurate identification of offenders
- Use technology tools to measure and report crime statistics to accurately portray crime in individual neighborhoods
- Ensure control and accountability of property/evidence, Department equipment, and fleet resources through the utilization of modern tracking and inventory systems
- Use body worn cameras in scenario-based training to evaluate the technology for potential implementation by the patrol force

Action Items

FY 2015 Action Items

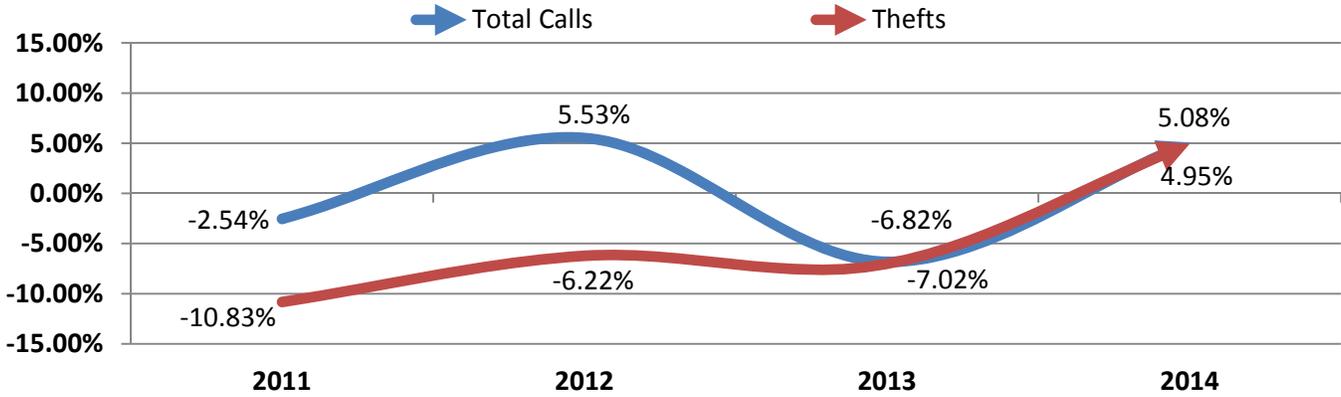
- ✓ Complete an evaluation of the public safety camera network and integrate its viewing use to iPhones and mobile data computers
- ✓ Utilize specially equipped GPS units to facilitate the recovery of property and identification of suspects. Enhance the use of technology to include the use of social media sites to inform citizens of crime, traffic alerts and safety tips and to highlight officer involvement in the community and department
- ✓ Establish a multi-disciplinary police station planning team to ensure the incorporation of best practices in designing a new station
- ✓ Utilize a promotional testing consultant to develop and implement a competitive promotional process to the ranks of Corporal and Sergeant that incorporates three major components: written examination, structured resume and oral interview to select the best qualified candidates in a valid, fair and equitable manner

FY 2016 Action Items

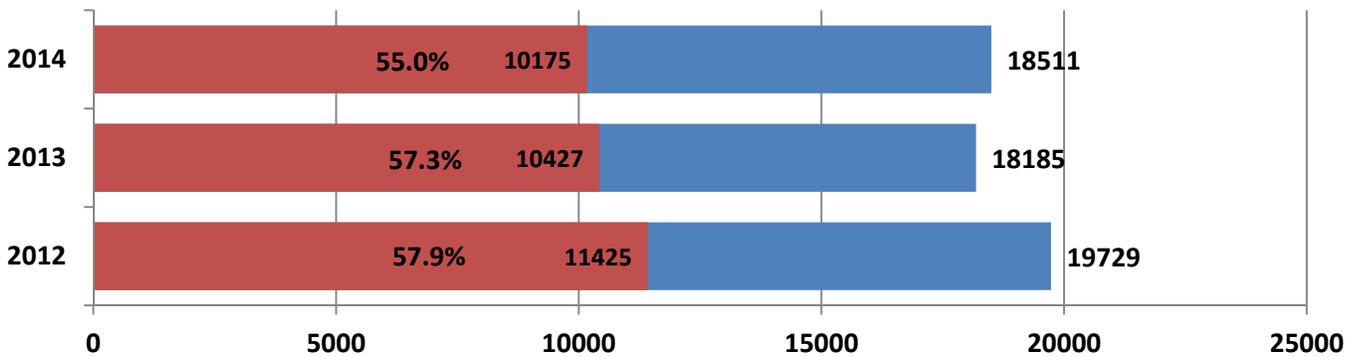
- ❑ Increase the percentage of primary calls handled to 60%
- ❑ Implement proactive patrols in Focused Enforcement Areas to create safer neighborhoods by reducing criminal activity and conditions that foster crime and fear within the community
- ❑ Enhance the safety of the City of Gaithersburg roadways through education, engineering and enforcement of traffic laws
- ❑ Police and Neighborhood Services will work together to identify City Code violations occurring within the City. Protocols and combined training will be developed to facilitate the sharing of information and encouraging joint investigations when appropriate
- ❑ Test and evaluate body worn cameras in a scenario-based training environment to evaluate the technology thus enabling an informed decision relative to their future use by patrol officers
- ❑ Enhance the partnership with the Parks and Recreation staff by conducting safety talks and increasing visits to parks and facilities
- ❑ Ensure transparency in use of property forfeiture fund through inclusion of revenue expenditure within the City budget

Critical Measures

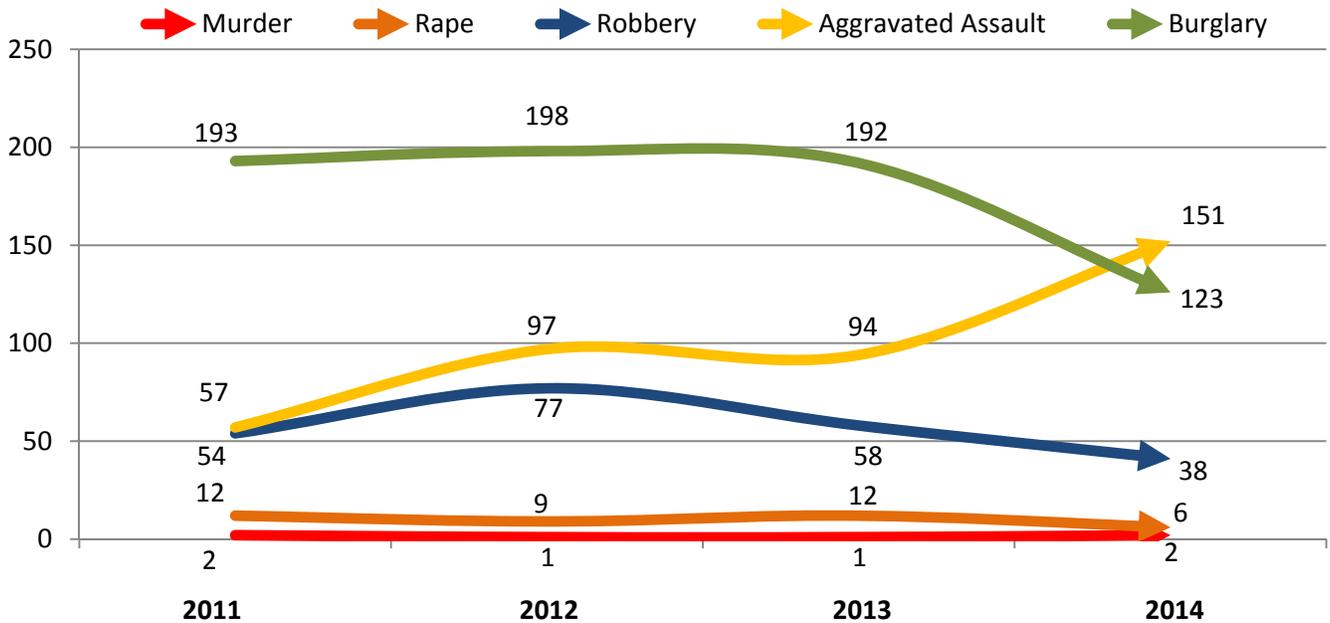
Total Calls and Thefts (By Annual Percent Change)



Primary Calls / Handled by GPD

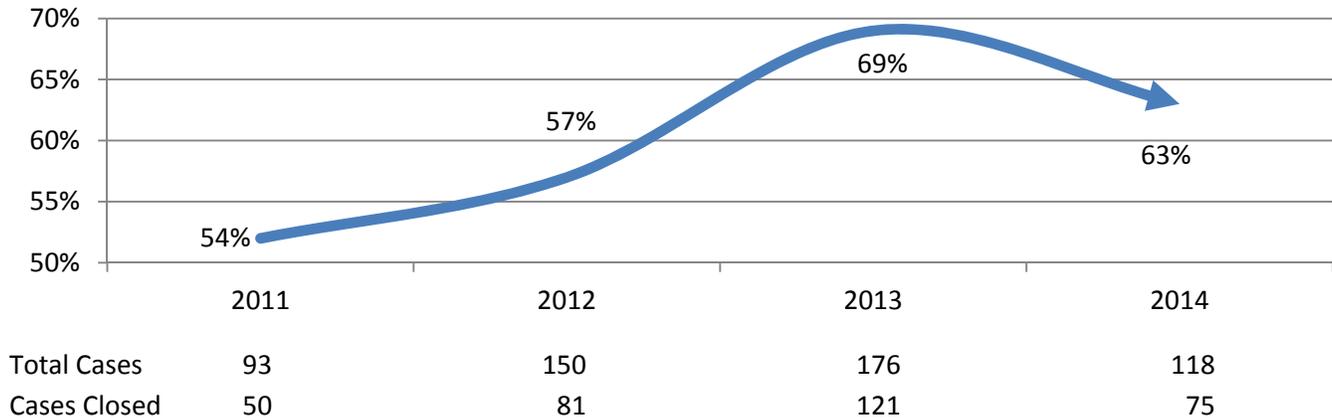


Part I Crimes



Critical Measures

Investigative Section Case Closure Rate



Analysis

Part I Crimes saw an overall increase of 0.3% in 2014 from 1,622 in 2013 to 1,627 in 2014 with the following showing increases: homicides from 1 in 2013 to 2 in 2014, aggravated assaults from 94 in 2013 to 151 in 2014 and thefts from 1,192 in 2013 to 1,251 in 2014. A decrease was shown in rapes from 12 in 2013 to 6 in 2014, robberies from 58 in 2013 to 38 in 2014 and burglaries from 192 in 2013 to 123 in 2014.

The Department does a daily analysis of where and when these crimes are occurring and targets the areas having the highest incidents and/or patterns with additional resources. We will continue to utilize proactive crime suppression initiatives and creative use of specialized resources to address this trend.

Transportation



Implement transportation planning and management strategies to provide for a safe and convenient multimodal transportation system

Key Strategies

- Preserve and maintain local transportation infrastructure
- Reduce automobile dependence by facilitating multimodal transportation options
- Take a leading role in advancing transportation goals in Gaithersburg and regionally
- Ensure safety on neighborhood roads through the use of appropriate engineering, enforcement, education, and evaluation practices

Potential Strategy Conflicts-

- Economic Development
- Sustainability



Objectives

Preserve and maintain local transportation infrastructure to enhance safety and contain capital costs

- Conduct yearly inspections of streets and sidewalks to develop a current transportation infrastructure condition assessment
- Prioritize routine and preventive maintenance as well as rehabilitation efforts to minimize major reconstruction projects
- Improve lighting in older neighborhoods through the use of infill lighting; ensure light outages are repaired in a timely manner
- Maintain all traffic control devices at a level consistent with industry standards
- Ensure curb ramps are in compliance with current ADA guidelines
- Facilitate citizen involvement in reporting and monitoring City maintenance efforts
- Continually update snow and ice removal processes relating to efficiency and effectiveness

Reduce automobile dependence by facilitating multimodal transportation options

- Encourage increased transit ridership by the expansion of the shelter and bench installation program
- Work with Montgomery County to maintain or improve current Ride-On service levels in the City
- Work with Maryland Department of Transportation to support increased MARC service
- Support alternate modes of transportation through provision of convenience equipment such as bike routes, bicycle racks and electric vehicle charging stations
- Integrate bicycle and pedestrian design elements into road design and traffic calming measures
- Encourage state and county officials to fund transit, sidewalks, bikeways, and traffic improvements to decrease congestion
- Work with Montgomery County to optimize the signal timing at signalized intersections
- Determine viability of car and/or bicycle sharing programs as an additional transportation option

Objectives

Take a leading role in advancing transportation goals in Gaithersburg and regionally

- Coordinate with other agencies on regional transportation issues within or affecting the City
- Advocate for transportation improvements at the local, state and federal level
- Coordinate with other agencies regarding local traffic issues affecting the City
- Work with CSX and MARC to improve safety in and around railroad crossings in the City
- Work with Transportation Committee members to advise the Mayor and City Council on important transportation issues within or affecting the City
- Support Bus Rapid Transit initiatives that have the potential to reduce vehicular traffic on major arteries such as MD 355
- Remain an active participant on Metropolitan Washington Council of Government's (MWCOG's) Transportation Planning Board and Region Forward initiative and implementation programs

Ensure safety on neighborhood roads through the use of appropriate engineering, enforcement, education, and evaluation practices

- Use engineering, education and enforcement initiatives to ensure vehicular, bicycle and pedestrian safety in City neighborhoods
- Implement traffic calming measures in existing communities where appropriate and consider in new developments through the review process
- Utilize speed and traffic studies to assist in determining where speed enforcement would be effective
- Aggressively enforce parking ordinances and traffic laws to address hazardous situations and community concerns
- Work closely with the Police Department to emphasize traffic safety and enforcement in residential neighborhoods

Action Items

FY 2015 Action Items

- ✓ Present and evaluate recommendations of the Bus-Circulator Study
- ✓ Work with State Highway Administration (SHA) to resolve issues with the final engineering plans for the missing portion of the pathway along MD 124 in the vicinity of the National Institute of Standards and Technology (NIST)
- ✓ With the Transportation Committee, identify and address the existing challenges for bicyclists along the bicycle loop system around the NIST campus
- ✓ Continue implementation of the Bicycle Master Plan recommendations including installation of sharrows and other road signage

FY 2016 Action Items

- Complete construction of new lights for Sullnick Way
- Complete the install of 30 additional benches at various City bus stops
- Work with ad shelter contractor to provide a minimum of eight new advertising bus shelters
- Identify a new pavement management system for yearly inspections of streets and sidewalks (This is a multi-year project)
- Work with SHA to advertise the project for the construction of the missing portion of the pathway along MD 124 in the vicinity of NIST and to acquire ROW needed for construction
- Complete construction of new lights for Midsummer Drive
- Evaluate and implement process changes based on new ADA guidelines
- Conduct a needs survey for existing City pathways
- Reconstruction of City owned but county maintained traffic signals
- Evaluate and present options to the Mayor and City Council regarding the feasibility of a bus circulator

Critical Measures

Infill Lighting			
	FY 2013	FY 2014	FY 2015 thru Dec.
New Infill Lighting Locations	1	1	0

Analysis

In FY13 the City worked with Pepco on the installation of infill lighting for Washingtonian Towns and for Washingtonian Village in the 1st quarter of FY14. In FY15 the design for replacement lights in Dorsey Estates will be completed and installed in FY16. Additionally, in FY15 the design of infill lighting along Midsummer Drive and along Story Drive will be completed. Installation will be completed in FY15 for Story Drive and FY16 for Midsummer Drive.

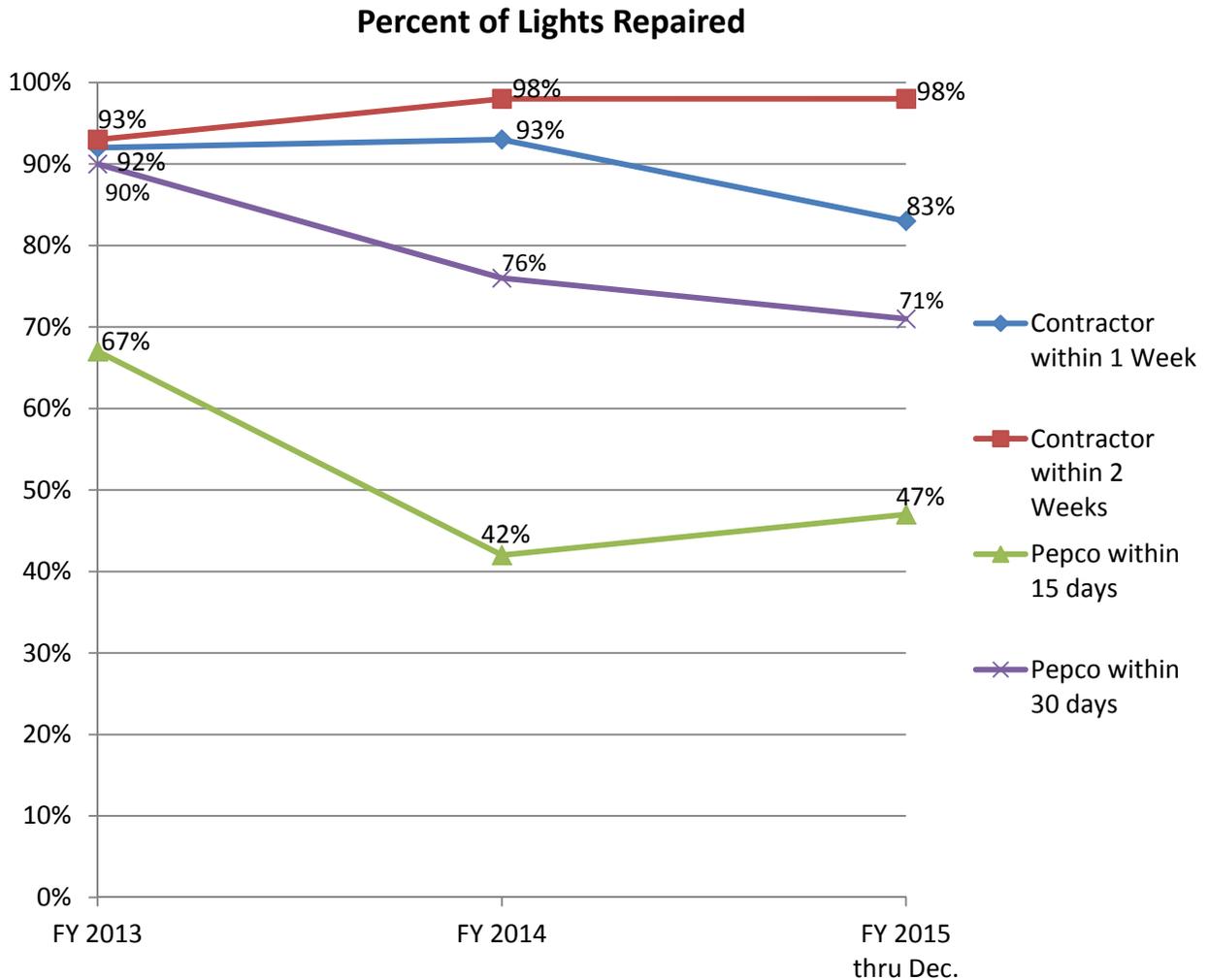
LED Lighting			
	FY 2013	FY 2014	FY 2015 thru Dec.
Number of New Approved Developments Where LED Lighting Was Required	1	1	2
Number of New Metered Streetlight Systems	1	1	0

Analysis

In recent years, LED street lights have been included in the Parklands, Spectrum and Crown Farm developments. Based on existing Pepco rates, the City cannot easily recover the cost of retrofitting our existing street lights on the Pepco system. Moving forward, we will concentrate on upgrading metered lights in the City and encouraging new developments, Montgomery County and the State Highway Administration to provide LED street lighting.

Critical Measures

Percent of Lights Repaired			
	FY 2013	FY 2014	FY 2015 thru Dec.
Within 1 Week by Contractor	92%	93%	83%
Within 2 Weeks by Contractor	93%	98%	98%
Within 15 days by Pepco	67%	42%	47%
Within 30 days by Pepco	90%	76%	71%



Analysis

The goal for the contractor’s turnaround time for repairs is to have at least 90% of City-maintained lights repaired within a week. This is monitored on a regular basis to ensure we remain in this range. This dropped slightly for the first half of 2015. While Pepco has dropped its estimated time to repair the underground wiring to our poles from 30 to 15 days, their turnaround time remains inconsistent. A new staff person has been assigned to work with the City on these issues.

Critical Measures

Winter Events			
	FY 2013	FY 2014	FY 2015 thru Dec.
Miles of City Streets Plowed	90.93	92.98	94.18
Time to Clear Pavement (goal)	6 to 8 hours	6 to 8 hours	6 to 8 hours
Number of Contractors	7	7	6

Analysis

As miles of City streets increase, the time to complete our snow removal also increases. Presently, we average about eight hours to clear the pavement. With a fixed work force to maintain our goal of a maximum eight hour service level, we will need to consider adding additional contractors as new residential developments come on line.

Pavement Preventive Maintenance			
	FY 2009	FY 2011	FY 2015 thru Dec.
Number of Road Sections Analyzed	475	524	N/A
Road Sections Considered in "Poor" Condition	3.8%	1.7%	N/A
Road Sections Considered in "Fair" Condition	13.5%	13.7%	N/A
Road Sections Considered in "Good" Condition	55.6%	48.1%	N/A
Road Sections Considered in "Very Good" Condition	27.2%	36.5%	N/A

Analysis

In order for the City to comply with GASB 34, maintenance of streets requires a yearly level of funding so as to avoid having to make a substantial reservation of fund balance. Based on our analysis of City streets in FY 2009 and FY 2011, more than 82% of our street sections were considered in "good" to "very good" condition. The existing road surface management system is outdated and needs replacement. When this system is updated, a reassessment of our streets will be undertaken. The system replacement is scheduled to begin in FY16.

Critical Measures

Sidewalks and Paved Paths in the City			
	2013 Linear Feet/ Miles	2014 Linear Feet/ Miles	2015 Linear Feet/ Miles thru Dec.
Paved Paths Maintained by the City	86,640/(16.4)	86,640/(16.4)	86,640/(16.4)
Paved Paths in Need of Upgrades			TBD
Sidewalks Maintained by the City	610,410/ (115.6)	611,510/ (115.8)	611,510/ (115.8)
Miles of City Streets	490,934/ (92.98)	490,934/ (92.98)	490,934/ (92.98)

Analysis

As new developments such as Crown Farm, Spectrum and the remainder of the Parklands are completed and their additional infrastructure becomes the City's responsibility, the challenge will be how to maintain current service levels with existing personnel. In FY16 a needs survey will be conducted for City pathways. Based on the results of this survey, future CIP projects will be implemented to address these issues.

Work Commute Time and Mode Share					
	2007-2009	2008-2010	2009-2011	2010-2012	2011-2013
Average Travel Time Minutes	32.3	31.6	30.6	31.2	32.3
Live and Work in Gaithersburg	21.2%	21.7%	23.5%	23.4%	21.6%
Mode					
Car, Truck, Van Alone	73.6%	71.7%	70.5%	65.9%	68.1%
Car, Truck, Van Pooled	9.4%	11.7%	11.6%	13.1%	10.5%
Public Transportation Including Bus and Rail	11.4%	10.0%	10.3%	12.4%	13.6%
Walked	1.8%	1.9%	2.5%	2.9%	2.9%
Bicycling	0.6%	0.6%	0.5%	0.1%	.1%
Worked at Home	2.7%	3.5%	3.8%	4.3%	3.8%

Analysis

The number of residents both living and working in Gaithersburg declined to pre-recession reporting levels. This also corresponded to a slight increase in average commute times. Of note: After four consecutive reporting periods showing declines, the current period identifies an increase in single-occupancy vehicle use and a third consecutive increase in public transportation, possibly reflecting the aforementioned changes.

ABOUT THE BUDGET

FY16 BUDGET

Budget Timeline and Process

The preparation of the Budget occurs over an eight-month process after collaboration between Finance & Administration Staff, Department Heads, Division Managers, City Council and the City Manager. Preparation of the budget is composed of six steps. After Adoption, the budget is then submitted to GFOA in September for the Distinguished Budget Award Program.

December	January	February	March	April	May	June	July
Budget Preparation and Strategic Planning							
		Council					
		City Manager's Proposed Budget					
			Budget Hearing				
					Budget Work Sessions		
						Adopt Budget	
							Adopted Budget becomes effective

Step #1: Departments Budget Preparation and Strategic Planning (December-February)

Beginning in December, Finance & Administration Staff prepare the Budget Package and distribute it to Department Directors for the upcoming Budget process. This package is composed of Budget Overview, Timeline, forms for Department Mission, Personnel Request, Capital Outlay, and Current Year Revenue Projection. The Capital Improvement Project (CIP) & Revenue Budget databases become available for departmental data entry.

Departmental staff begin analyzing, updating and reviewing their budgets including Next Year Revenue Projection CIP Worksheets, Escrow Usage Requests, Performance Measures and Work Plan Goals. Phase I the initial work on departmental proposed request and budget data base entry should be completed by early February. Vehicle replacement numbers from Public Works and other replacement numbers for departments should be made available for analysis and evaluation. The departments will return the Fee Schedule with any requests for updates or changes.

Step #2: City Council Retreat (February)

The Mayor & City Council (M&CC) conduct an annual retreat in which they review the current financial status and future outlook. The future outlook is comprised of five year projections of revenue and expenditures, Finance/Budget Discussion and Strategic Direction review.

Step #3: City Manager's Proposed Budget (February – March)

The Senior Leadership Team begins to discuss the City Manager's Proposed Budget. The team consists of City Manager, Deputy City Manager and Department Directors. The team reviews departmental proposed personnel and operating requests, the Fee Schedule, and proposed City Rules and Regulations. Departments submit new initiatives, prioritize action plans, and modify approaches if the proposed enhancements will add value to the existing services. By mid-March, hard copy pages of the budget document are prepared in final form and forwarded to designated staff members for publication. The Budget Ordinance for the M&CC package is prepared and the Proposed Budget is sent to the Mayor and Council. The complete Proposed Budget is also available on the City's website.

Step#4: Mayor & Council Budget Hearings (April)

The Public Information Department advertises the Budget Public Hearing Notice and Constant Yield Tax Rate Hearing Notice (if it is necessary). Both the Budget Public Hearing and Constant Yield Tax Rate are posted on the City's website. The City will conduct a Budget Public Hearing and Constant Yield Tax Rate Public Hearing.

Step#5: Mayor & Council Budget Work Sessions and Revisions (April - May)

The Mayor and the City Council will conduct a Budget Work Session(s). Budget changes will be returned to appropriate staff to make modifications for preparation of final budget document. Staff will work with Finance Director to make necessary updates to revenue, operating and CIP budgets. In mid-May the Budget Public Hearing record is officially closed. The Budget Ordinance is updated to include all changes coming from any subsequent events and/or directions from M&CC.

Step#6: Adoption (June)

The final Proposed Budget is considered by the M&CC in early June. The instrument of adoption includes the tax rate. At the same time, the M&CC are asked to approve that Fee Schedule and Strategic Plan.

Step#7: Adopted Budget becomes effective (July)

On July 1st, the Adopted Budget becomes effective. The final Adopted Budget document is made available to the public no later than July 1st.

Step#8: Amendment

The Mayor and City Council has adopted a standing resolution authorizing the City Manager to transfer funds within the City budget after May 31 of each year, so long as no activity area budget is increased by more than 25 percent. The resolution allows only for transfers between Activities and Departments. There is no authorization to increase the entire appropriation without a Public Hearing, Work Session and the vote of the Mayor and City Council.

DETAILED BUDGET TIMELINE

DECEMBER 19, 2014

- Prepare Budget Package and distribute to Department Heads

JANUARY 6, 2015

- Revenue projections due from Department Heads

JANUARY 27, 2015

- Personnel Request forms due from Department Heads

FEBRUARY 3, 2015

- Operating Budgets due from Department Heads
- Fee Schedule due from Department Heads

FEBRUARY 9, 2015

- Budget Public Forum

FEBRUARY 23, 2015

- Mayor & City Council Planning Retreat

FEBRUARY 27, 2015

- Capital Improvements Project Requests Closed

FEBRUARY 9 – MARCH 20, 2015

- City Manager, Assistant City Manager, Director of Finance and Administration begin review and meetings with Department Heads.

MARCH 13, 2015

- Budget Ordinance and Constant Yield Tax Rate materials submitted to Mayor & City Council package for March 30th

MARCH 23, 2015

- Organizational charts and personnel schedules due from Human Resources

MARCH 23 – MARCH 27

- Final budget proofreading and redistribution to Department Heads

MARCH 30, 2015

- Introduce Budget Ordinance for Public Hearing at Mayor & City Council Meeting.

- Notification of a Public Hearing to Establish a Constant Yield Tax Rate for the City for FY 2016

MARCH 30 – APRIL 3, 2015

- Budget printing for public hearing and Mayor & City Council

APRIL 1, 2015

- Advertise Budget Public Hearing (Public hearing after fifteen days' notice)
- Advertise Constant Yield Tax Rate. (Public hearing on or after the 7th day and on or before the 21st day)

APRIL 3 – APRIL 8, 2015

- Send proposed budget to Mayor and City Council
- Proposed Budget available to public

APRIL 20, 2015

- Conduct Public Hearing on Budget and Constant Yield Tax Rate

APRIL 27 (APRIL 28th if necessary)

- Conduct Budget Work Sessions

MAY 5, 2015

- Budget changes returned from appropriate staff to make modifications for preparation of final budget document.

MAY 13, 2015

- Close record on Budget Public Hearing. (Wednesday at 5pm)
- Budget Ordinance changed and prepared for adoption

MAY 21, 2015

- Submit Materials for Mayor & City Council package for June 1st

JUNE 1, 2015

- Adopt budget, fee schedule and rules and regulations at Mayor & City Council meeting

JUNE 3, 2015

- Budget Adoption ad in Gazette
- Budget Adoption ad post on web

JULY 1, 2015

- Adopted Budget becomes effective



For the 2015 Budget the City received the Government Finance Officers Association's (GFOA) Distinguished Budget Presentation Award. In order to receive this award the City had to satisfy nationally recognized guidelines for effective budget presentation.

These guidelines are designed to assess how well an entity's budget serves as a policy document, a financial plan, an operations guide and a communication device.

This award is valid for a period of one year and reflects the commitment of the City and our staff to meeting the highest principles of governmental budgeting. We believe our current budget continues to conform to the program requirements and we are submitting it to the GFOA to determine its continued eligibility.

The instrument of adoption is included on the following pages.

ORDINANCE NO. O-3-15

ORDINANCE ADOPTING THE CITY BUDGET FOR THE FISCAL YEAR
JULY 1, 2015, THROUGH JUNE 30, 2016, AND LEVYING AN AD VALOREM
TAX ON ALL ASSESSABLE PROPERTY WITHIN THE CITY OF
GAITHERSBURG, MARYLAND

WHEREAS, the proposed budget for the 2015-16 Fiscal Year was submitted by the City Manager to the Mayor and City Council as required by the City Charter, as amended; and

WHEREAS, the 2015-16 budget provides a complete financial plan, including anticipated revenues and proposed expenditures, for the fiscal year:

NOW, THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Gaithersburg, in public meeting assembled, that the budget for the City of Gaithersburg for the Fiscal Year July 1, 2015, through June 30, 2016, be and it hereby is proposed as follows:

ANTICIPATED REVENUES

Local Taxes	\$ 27,720,200	
Licenses & Permits	3,969,580	
Intergovernmental Revenue	14,548,108	
Charges for Services	8,476,120	
Fines & Forfeitures	2,045,000	
Miscellaneous Revenue	<u>739,870</u>	
Anticipated Revenue		<u>57,498,878</u>
Transfer In		150,000
Reappropriation		<u>10,586,936</u>
Total Anticipated Revenue		<u>\$ 68,235,814</u>

PROPOSED EXPENDITURES

General Government	\$ 14,199,166	
Public Safety	11,725,199	
Public Works	10,259,759	
Parks, Recreation & Culture	8,032,906	
Community & Public Relations	2,749,326	
Miscellaneous	<u>3,278,458</u>	
OPERATING TOTAL		<u>50,244,814</u>

ADOPTED TRANSFERS

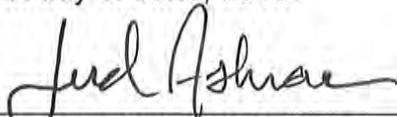
Other Post Employment Benefit Trust	1,200,000	
Stormwater Fund - Fee Revenue	3,400,000	
Stormwater Fund - City Portion	91,000	
Capital Improvements	<u>13,300,000</u>	
Total Proposed Expenditures		<u>\$ 68,235,814</u>

AND BE IT FURTHER ORDAINED that all of the sums set forth herein under the heading "PROPOSED EXPENDITURES" be and hereby are appropriated.

AND BE IT FURTHER ORDAINED that there is hereby levied on all of the assessable real property within the City an ad valorem tax at the rate of Twenty-six and Two/Tenths Cents (\$.262) on each One Hundred Dollars (\$100) of assessed value of said property, and there is hereby levied an ad valorem tax on the tangible personal property subject to taxation by the City, except for manufacturing equipment, manufacturing inventory and commercial inventory of corporate and unincorporated businesses, at the rate of Fifty-Three Cents (\$.53) on each One Hundred Dollars (\$100) of assessed value of such tangible personal property.

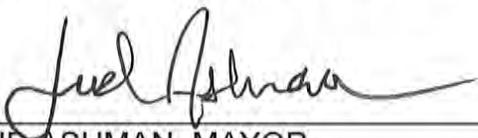
AND BE IT FURTHER ORDAINED that the City hereby adopts the imposition of a full year, one-half year, three-quarter year and one-quarter year tax levies authorized pursuant to Title 10, Sections 10-102, 10-103, 10-104 and 10-105, Tax Property Article, Annotated Code of Maryland, as amended, and authorizes and empowers Montgomery County, Maryland, to collect and remit the same to the City of Gaithersburg, consistent with the imposition and collection of such levies on real property by Montgomery County.

ADOPTED by the City Council this 1st day of June, 2015.



JUD ASHMAN, MAYOR and
President of the Council

DELIVERED to the Mayor of the City of Gaithersburg this 1st day of June, 2015. APPROVED by the Mayor of the City of Gaithersburg this 1st day of June, 2015.



JUD ASHMAN, MAYOR

THIS IS TO CERTIFY, that the foregoing Ordinance was adopted by the City Council of the City of Gaithersburg, in public meeting assembled on the 1st day of June, 2015; and that the same was APPROVED by the Mayor of the City of Gaithersburg on the 1st day of June, 2015. This Ordinance will become effective on the 1st day of July, 2015.



Tony Tomasello, City Manager

RESOLUTION NO. R-36-15

RESOLUTION OF THE MAYOR AND CITY COUNCIL ADOPTING THE
FISCAL YEAR 2016 STRATEGIC PLAN FOR THE CITY OF GAITHERSBURG

WHEREAS, the Mayor and City Council have determined that a formal strategic planning process is critical to identifying priorities of the City of Gaithersburg; and

WHEREAS, the Strategic Plan document guides the City Manager in developing the proposed operating and capital budgets and in creating work plans for City departments; and

WHEREAS, on at least an annual basis, the Mayor and City Council confer with City staff to re-visit, update and review the various components of the Strategic Plan:

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and City Council of Gaithersburg, that the Fiscal Year 2016 Strategic Plan is hereby adopted and supersedes previous versions.

ADOPTED by the City Council this 1st day of June, 2015.



JUD ASHMAN, 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, 2015.



Tony Tomasello, City Manager

Fund Structure

The accounts of the City are organized into funds, each of which is considered to be a separate accounting entity. The City operates and information is included in the budgets for the following funds:

General Fund - the primary operating fund of the City. It is used to account for all financial transactions and resources except those accounted for in another fund. Revenues are derived primarily from property and income taxes, State and Federal distributions, license and permit fees, charges for services and interest income.

Stormwater Management Fund – this fund is a Special Revenue Fund, which accounts for payments received under the City’s expanded stormwater program fee. This revenue can only be used for capital or operating costs associated with cleaning and treating water runoff. This is a new fund beginning in FY16.

Capital Improvements Program (CIP) Fund – this fund is a Capital Projects Fund, which accounts for resources that have been assigned for new capital purchases and large capital projects. The City’s five-year Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of capital facilities. The Capital Projects Fund accounts for all current construction projects including improvements to roads and various other projects, while providing a blueprint for the next five fiscal years. Support for the CIP is made up of an operating transfer from the General Fund. The General Fund funds the entire CIP with an expectation that reimbursable State, County, and Federal grant funds will be received in the fiscal year.

The City also has several funds for which it does not budget:

Forest Conservation Fund – this fund is a Special Revenue Fund, which accounts for payments received under the City’s in-lieu fee of forestation. This revenue can only be used for afforestation or reforestation within the City and to further the City’s urban forestry goals. For the FY16 year, the City has shown expenditures expected to be eligible for this fee within the General Fund and has included a transfer from the Forest Conservation Fund as a reimbursement for these costs.

Other Post-Employment Benefits (OPEB) Trust Fund – this is a fiduciary trust fund, which holds money that has been provided through an irrevocable pledge to pay for retiree costs other than pensions. The City offers health, dental and life insurance benefits for qualified retirees and disabled employees. In order to pay for these future benefits, the City has established a trust. Although the fund is included on the City’s books, once money has been provided to the trust account they are no longer accessible to the City, instead being held on behalf of the retirees.

Basis of Budgeting

The General Fund, Stormwater Management Fund, Capital Improvements Program Fund and the Forest Conservation Fund are all considered to be Governmental Funds and follow the modified accrual basis of accounting. The modified accrual basis of accounting is unique to governments can be thought of as a hybrid between cash basis and full accrual (corporate) accounting; this basis of accounting has a focus on current financial resources. Under the modified accrual basis of accounting, revenues recognized to the extent that they are susceptible to accrual, meaning both measurable (you can determine the amount) and available (collectible within the budget year or within 60-90 days after). Expenditures that are expected to be paid with resources on hand are recorded in the year under which the liability is incurred. Expenditures for long term liabilities are only included under modified accrual basis of accounting to the extent that they are expected to be paid in the near term.

Proprietary Funds follow the full accrual basis of accounting, where revenues and expenses are recognized as earned or incurred. The full accrual model is said to have a focus on economic resources, as opposed to just current financial resources as in governmental funds. This means that revenues and expenses are recognized when the underlying transaction occurs, regardless of when the cash is received or paid. The City of Gaithersburg does not have any Proprietary Funds.

Fiduciary trust funds are used to account for resources that belong to parties outside the City, and for which the City is a steward of the resources. The City's OPEB fund is a fiduciary trust fund which follows the accrual basis of accounting. Since these funds cannot be used for City operations, no budget is included for these funds.

The City budgets following generally accepted accounting principles, except for the timing of expenditures related to encumbrances, as follows:

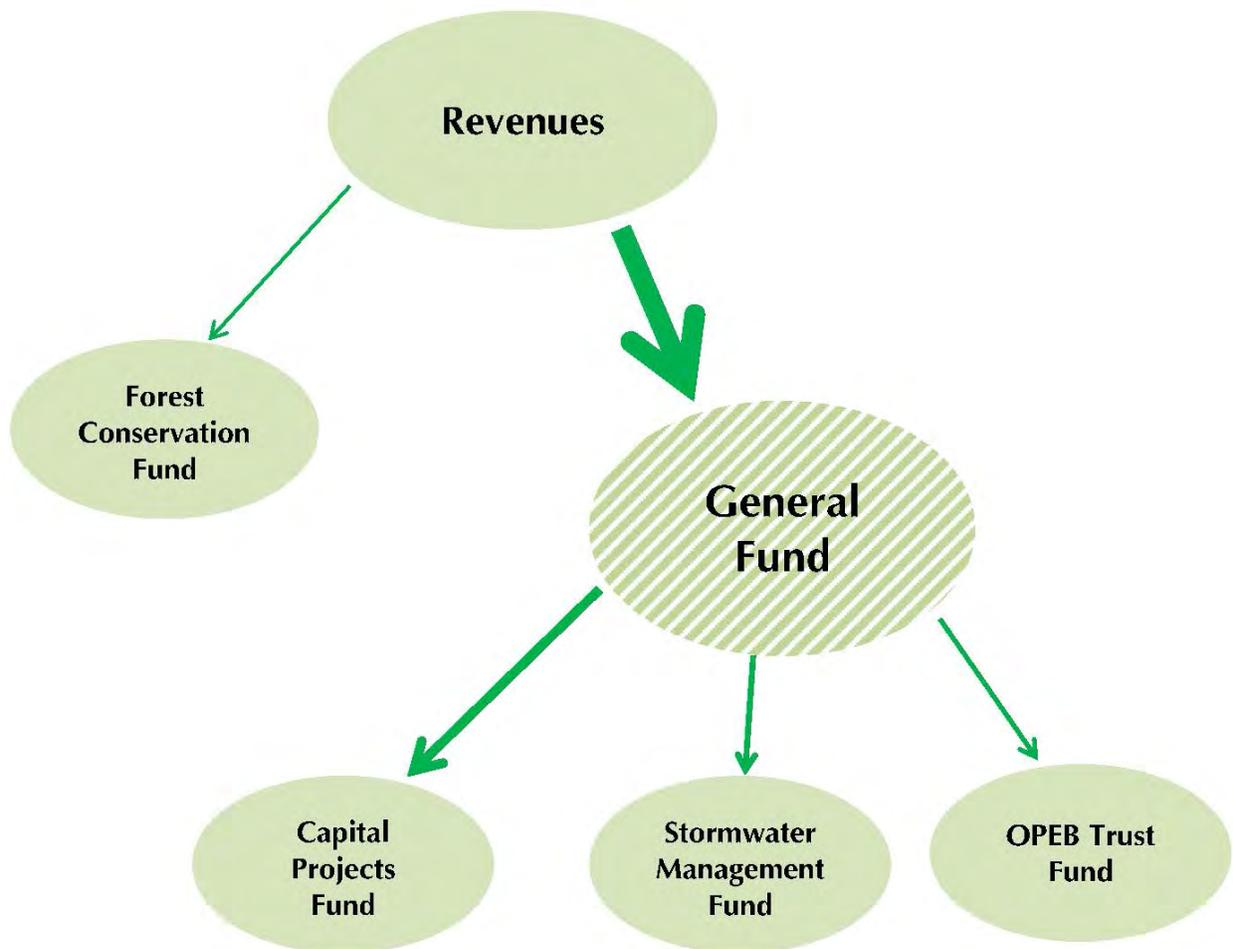
Budget amounts are encumbered when contracts are signed or orders placed for goods or services. At year-end, amounts which are encumbered but not yet expended are carried over to be paid when the good or services are received. These amounts are included in budget-basis expenditures for the fiscal year in which they are encumbered, rather than the year in which the goods or services are received and a liability incurred. Appropriations that are not spent or encumbered shall lapse at the end of the fiscal year. All appropriations for capital expenditures, to the extent that they shall not have been expended or lawfully encumbered at the end of the budget year, shall be deemed to be re-appropriated without inclusion in the budget for the subsequent year unless the council shall specifically provide that such appropriations are not re-appropriated.

ABOUT THE BUDGET

FY16 BUDGET

The Mayor and City Council adopts an annual operating budget within the General Fund. Through the budget ordinance money is appropriated to the Stormwater Management and the Capital Projects Funds; however an annual budget by is not adopted for those funds via the ordinance.

The following graphic represents the relationship between the City’s funds. The arrows represent how money flows into the City and through each fund. The General Fund receives all revenues, except for forest conservation payments in lieu. Distributions are made to the other funds in accordance with the budget.



In past years all personnel costs were contained within the General Fund. Individual projects within the Capital Projects fund are overseen by multiple departments, depending on the project type. Beginning in FY16 the Stormwater Management Fund will have personnel costs charged to it from multiple departments (activities): Planning & Code (environmental services) and Public Works.

Accounting Policies

The policies enumerated below are have been approved by the Mayor and City Council either within the City code or through various resolutions.

Balanced Budget Requirements

The City Manager, on such date as the Mayor and City Council shall determine, but at least sixty (60) days before the beginning of any fiscal year, shall submit a budget to the council. The budget shall provide a complete financial plan for the budget year and shall contain estimates of anticipated revenues and proposed expenditures for the coming year. The total of the anticipated revenue shall equal or exceed the total of the proposed expenditures. The budget shall be a public record in the City office, open to public inspection by anyone during normal business hours. Re-appropriation of fund balance is considered to be a revenue for budgetary purposes.

Budget Transfers

By resolution, the Mayor and City Council authorized the City Manager to make budget transfers after May 31st of each year, so long as no one activity area is increased more than twenty-five (25) percent.

Investment Policy

The State of Maryland allows municipalities to invest surplus funds in financial institutions within the State if the financial institution provides collateral with a market value that equals or exceeds the amount by which a deposit exceeds the deposit insurance. By resolution, the City Council has adopted an investment policy. The policy has been to invest most funds using the Maryland Local Government Investment Pool and the Montgomery County Investment Pool. These are used by the City as it has the expertise to manage permitted investments efficiently and has demonstrated a greater return on investments than other choices.

Capital Asset Policy

In preparation of the implementation of GASB 34, the City Council, by resolution, has adopted a Fixed Asset Policy. The policy requires all equipment, machinery, vehicles, land, buildings, infrastructure and improvements that cost \$5,000 or more to be classified as a capital asset and reported in the government-wide financial statements.

Annual Audit

The City is required to have an annual audit performed by an independent Certified Public Accountant. It is performed in accordance with generally accepted auditing standards, which require that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free of material misstatements.

Accounting Practices

The following are accounting practices that are typically used for budgetary decision making for both the operating budget and capital improvement project, but have not been formally adopted into a policy document.

Capital Projects Fund Policy

During deliberations and public hearings on the budget, the Capital Improvements Project (CIP) process encourages citizen participation. As a guide, projects which meet the following criteria shall be included in the CIP: all construction and new infrastructure construction; major studies employing outside consultants relating to a potential CIP project; any equipment or furnishings or projects to furnish new buildings; and acquisition of land or buildings. Infrastructure is defined, for purposes of this policy, as street works including asphalt, concrete, sidewalks, curbs, gutters, storm water management and streetlights. The CIP covers a five-year period and is revised annually in light of new and changing conditions. As revenue projections change in the out years, the General Fund transfer to the CIP may be reduced.

The funding preference for City projects is pay-as-you-go. The City will leverage City funds with grants and private funds to the maximum extent possible.

Debt Policy

The City of Gaithersburg has no debt, and is a pay-as-you-go municipality; therefore, the City has not developed any formal debt policies. Neither state law nor the City Charter mandates a limit on the amount of municipal debt that may be issued.

Fund Balance

While the City has not adopted an official fund balance percentage, its stated goal is not to allow unassigned fund balance in the current fiscal year to drop below the average of 25% of the last three years expenditure budgets.

Budget Summary

The budget summary on the follow page shows the General Fund revenues and expenditures by major category as well as the estimated fund balance position for the City.

Fund balance represents the excess of assets minus liabilities. Fund balance is often referred to as the City's reserves and can also be thought of as the cumulative balance of revenues exceeding expenditures. Since the City has adopted a pay-as-you-go philosophy for capital projects, it is expected that the City will accumulate fund balance in some years in order to draw down those funds in years when there are substantial capital needs. The FY16 budget is one of those years. The FY16 budget plans for the use of \$10,586,936 of fund balance, or funds on hand. This re-appropriation funds most of the transfer to the Capital Improvements Programs (\$13,300,000). The rest of this transfer is funded through annual revenues such as property taxes.



FINANCIAL OVERVIEW

FY16 BUDGET

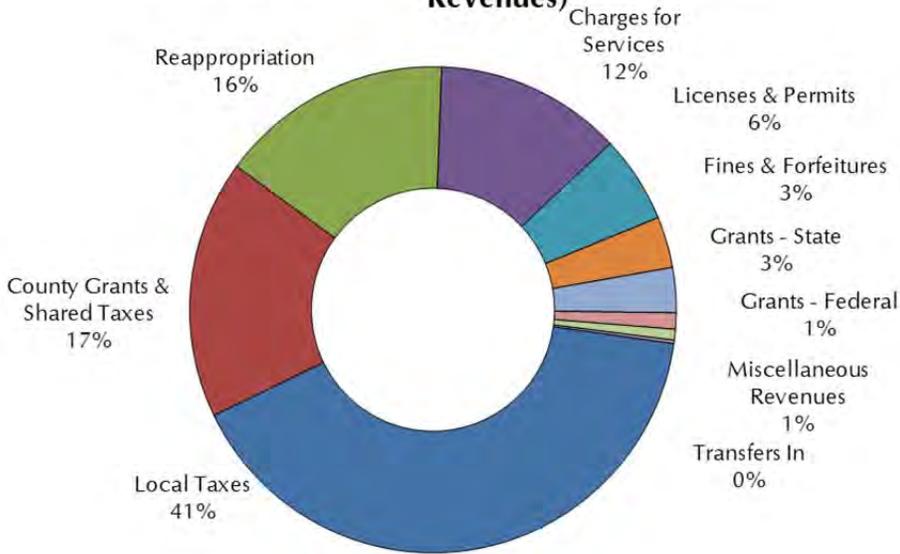
	Actual FY14	Budget FY15	Proposed FY16	Adopted FY16
Revenues and Sources of Funds				
Local Taxes	\$ 26,285,132	\$ 26,392,500	\$ 27,720,200	\$ 27,720,200
Licenses & Permits	4,130,417	3,626,200	3,969,580	3,969,580
Grants - Federal	1,614,752	491,900	489,200	489,200
Grants - State	2,068,345	1,973,500	2,312,677	2,314,678
County Grants & Shared Taxes	11,861,506	11,244,230	11,744,230	11,744,230
Charges for Services	6,180,035	5,992,950	8,234,120	8,476,120
Fines & Forfeitures	2,508,726	2,476,000	2,045,000	2,045,000
Miscellaneous Revenues	2,408,842	1,171,200	739,870	739,870
Total	<u>57,057,755</u>	<u>53,368,480</u>	<u>57,254,877</u>	<u>57,498,878</u>
Transfer In	-	-	-	150,000
Reappropriation	-	5,948,022	10,561,357	10,586,936
Total Revenues and Sources of Funds	<u>\$ 57,057,755</u>	<u>\$ 59,316,502</u>	<u>\$ 67,816,234</u>	<u>\$ 68,235,814</u>

	Actual FY14	Budget FY15	Proposed FY16	Adopted FY16
Expenditures and Uses of Funds				
Personnel Services	29,162,722	33,674,807	34,326,265	34,315,704
Operating Expenses	12,065,962	13,864,153	13,067,269	13,406,410
Capital Outlay	1,300,939	1,577,542	2,022,700	2,022,700
Contingency	127,075	500,000	500,000	500,000
Total	<u>42,656,698</u>	<u>49,616,502</u>	<u>49,916,234</u>	<u>50,244,814</u>
Transfers				
OPEB trust	1,310,000	910,000	1,200,000	1,200,000
Capital Improvements	6,930,000	8,790,000	13,300,000	13,300,000
Stormwater - City portion	-	-	-	91,000
Stormwater - Fee Revenue	-	-	3,400,000	3,400,000
Total	<u>8,240,000</u>	<u>9,700,000</u>	<u>17,900,000</u>	<u>17,991,000</u>
Total Expenditures and Uses of Funds	<u>50,896,698</u>	<u>59,316,502</u>	<u>67,816,234</u>	<u>68,235,814</u>
Revenues Over / (Under) Expenditures	6,161,057	-	-	-
Begininng Fund Balance	66,178,573	72,339,630	66,391,608	66,391,608
Reappropriation	-	(5,948,022)	(10,561,357)	(10,586,936)
Ending Fund Balance	<u>\$ 72,339,630</u>	<u>\$ 66,391,608</u>	<u>\$ 55,830,251</u>	<u>\$ 55,804,672</u>

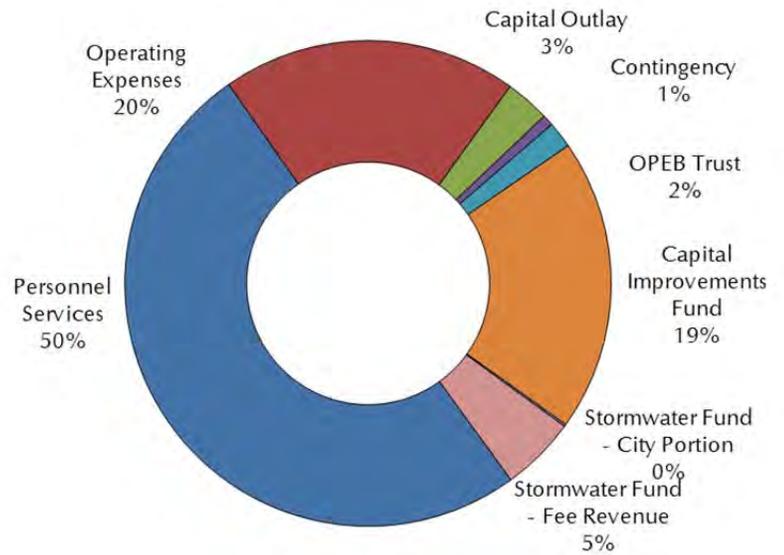
FINANCIAL OVERVIEW

FY16 BUDGET

Where the Money Comes From (Total Budgeted Revenues)



Where the Money Goes (Total Budgeted Uses of Funds \$68 million)



Revenue Descriptions

TAXES

Real and Personal Property

Section 47 of the City Charter provides that all real property and all tangible personal property within the corporate limits of the City, or personal property which may have a situs there by reason of the residence of the owner therein, shall be subject to taxation for municipal purposes, and the assessment used shall be the same as that for State and County taxes.

Section 48 of the City Charter provides that the ordinance adopting the budget shall contain a specific provision levying such ad valorem tax as shall be required to produce the revenues required by such budget, exclusive of funds available from other sources.

Real and Personal Property taxes are stated at 100 percent of full-value assessment. The City's Real Property tax rate is \$.262 per \$100 of assessed value. The City's Personal Property is \$.53 per \$100 of assessed value remained intact.

Each year the State Department of Assessment and Taxation calculates the Constant Yield Tax Rate. This is the rate of tax that will yield the same amount of tax dollars as the previous year, excluding new construction. If the City's tax rate exceeds the calculated Constant Yield Tax Rate, a tax increase advertisement is required. For FY2016, the Constant Yield Tax Rate was less than the City's tax rate, so a public hearing and notice was required.

FY2016 revenue assumption for real property taxes is based on the assessed value provided by the State Department of Assessments and Taxation. This assessment includes all real property that will be on the tax rolls within the City limits as of the beginning of FY2016, based on assessments conducted prior to January 1, 2015. The actual real property tax base is determined at a later date. The actual base is impacted by new properties, impact of appeals, and late payments.

Tax calculation:

Net assessable real property tax base (per State of Maryland): \$9,033,455,628 / \$100 * \$.262 = \$23,667,654 (rounded to \$24,000,000 within the budget)
Personal Property: \$188,679,245 / \$100 * \$.53 = \$ 1,000,000

Real and Personal Property Taxes, plus penalties and interest (\$25,000,000) make up approximately 43% of the budgeted FY2016 City revenue (37% if reappropriations are included).

Income Tax

Article 10-106 of the Annotated Code of Maryland provides that each County shall set, by ordinance or resolution, a county income tax equal to at least 20 percent but not more than 60 percent, to be applied to the State income tax. The City of Gaithersburg, an incorporated municipality within Montgomery County, receives State Income Taxes based on the County's 58 percent "piggyback" tax rate applied to the State Income Tax rate of 2.95 percent. The City's receipts are determined according to State administered formulas based on the amount of income tax paid by City residents.

FY2016 revenue assumption for income tax is based on the slow rebound in economic trends. The capital gain is expected to be similar to prior years. However, the completion of new residential developments will bring in additional taxpaying households.

$\$24,418,604$ taxable income * .43 percent (effective tax rate) = $\$10,000,000$.

Income Taxes make up approximately 18.2 percent of the budgeted FY16 City revenue.

Hotel / Motel Tax

Hotel / Motel taxes have been established by the Mayor and City Council on the gross receipts of room rentals. Owners of the businesses are required to file a return and pay the tax on a monthly basis. The tax of 5% is based solely on overnight room rentals.

Hotel / Motel Taxes ($\$1,100,000$) make up approximately 1.9 percent of the budgeted FY2016 City revenue.

Admissions and Amusements Tax

Admissions and amusement taxes are State administered local taxes on the gross receipts of various categories of amusement, recreation and sports activities. Taxpayers are required to file a return and pay the tax monthly, while the City receives quarterly distributions of the receipts from the State. Admissions and Amusement rates on the majority of categories are 10 percent. Those categories subject to State sales and use tax remain at five percent.

Admissions and Amusements Tax ($\$1,250,000$) make up approximately 2.2 percent of the budgeted City revenue.

Licenses & Permits

Licenses & Permits include building, electrical, rental housing, fire protection and cable television.

Cable TV Franchise revenue is based on a negotiated percentage (five percent) of the cable provider's annual subscription revenue generated by households within the City. The City's share of this revenue is proposed to generate (\$848,000); permits issued for building construction is (\$1,200,000); rental housing licenses (fees paid by landlords for each rental housing unit) is (\$654,430); revenue from fire protection permits is (\$250,000).

Total of Licenses & Permits (\$3,969,580) make up approximately 6.9 percent of the budgeted City revenue.

Intergovernmental Revenue

Intergovernmental revenue consists of receipts from the Federal, State or County governments. The majority of these receipts come from the State based on particular formulas set in law. The total estimate for intergovernmental revenue is (\$4.0 million), with the largest sources being the recurring Montgomery County Revenue Sharing (\$1,168,000), State Police Aid (\$600,000), and Community Development Block Grant (\$320,000). State highway User Tax (\$1,275,678), derived from the State motor fuels tax and disbursed to the City based on street miles and number of registered vehicles within the City. State Police Aid is based on the total number of sworn officers employed by the City; the City will receive the full funding in FY16.

Intergovernmental Revenue (\$4,048,108) makes up approximately 7.0 percent of the budgeted City revenue.

Service Charges

Service Charges come primarily from fees imposed on the recipients of certain City services. The City's largest fees include recycling (\$1,148,000), water quality protection (\$3,400,000), and water park revenues (\$640,000).

Service Charges (\$8,476,120) make up approximately 14.7 percent of the budgeted City revenue.

Fines and Forfeitures

Revenues from fines and forfeitures primarily result from speed radar fines, parking fines and City ordinance violations.

In FY 2008, the City implemented the state law allowing for speed radar set up within the municipal boundaries. FY2016 revenue is budgeted for (\$1,800,000) a decline from the prior year. The reduction validates the effectiveness of the program and the successful impact on drivers' habits.

Fines and Forfeitures (\$2,045,000) make up approximately 3.6 percent of the budgeted City revenue.

Other Miscellaneous

The City receives miscellaneous revenue from other non-recurring sources, the single largest of which is the Crown Farm Development Contribution (\$600,000) for the Housing Initiative, which is slated for a city managed home ownership program and development escrow revenue (\$650,000) for various projects.

Other Miscellaneous (\$739,870) makes up approximately 1.3 percent of the budgeted City revenue.

Transfers In

As mentioned in the Basis of Accounting section of this document, the City also maintains a Forest Conservation Fund. The transfer in budgeted within the General Fund represents the total of eligible expenses that are funded by the Forest Conservation Fund. Those expenditures are reported in the General Fund within the Environmental Services activity. This is the first year the City has shown a transfer in.

Re-appropriation of Fund Balance

The FY16 budget includes \$10,586,936 of funds from fund balance accumulated in previous years. This increased in the current year by approximately \$4.6 million which corresponds approximately to the increase in the transfer to the Capital Improvements Program of \$4.5 million.



DETAILED REVENUE SCHEDULE

FY16 BUDGET

Account	Actual FY14	Budget FY15	Proposed FY16	Adopted FY16
Local Taxes				
410000 - REAL ESTATE TAXES-CURRENT	\$ 22,380,874	\$ 22,517,500	\$ 24,000,000	\$ 24,000,000
410100 - REAL ESTATE TAXES-PRIOR YEARS	(310,676)	600,000	-	-
411000 - CORPORATE PERS PROP TX-CURRENT	1,175,281	925,000	1,000,000	1,000,000
411100 - CORPORATE PERS PROP TAX-PRIOR	154,917	75,000	100,000	100,000
412000 - PERSONAL PROPERTY TAX-CURRENT	19,828	-	5,000	5,000
412100 - PERSONAL PROPERTY TAX-PRIOR	440	-	200	200
413000 - PUBLIC UTILITIES PPT - CURRENT	364,642	-	200,000	200,000
413100 - PUBLIC UTILITIES PPT - PRIOR	11,191	-	10,000	10,000
414000 - HOTEL AND MOTEL TAX	1,028,511	1,000,000	1,100,000	1,100,000
418300 - ADMISSIONS & AMUSEMENTS TAX	1,401,192	1,200,000	1,250,000	1,250,000
419000 - LOCAL TAX-PENALTIES & INTEREST	27,331	75,000	30,000	30,000
419100 - PENALTY/INTEREST-PRIOR YEARS	31,599	-	25,000	25,000
Total Local Taxes	\$ 26,285,132	\$ 26,392,500	\$ 27,720,200	\$ 27,720,200
Licenses & Permits				
420070 - PUBLIC IMPROVEMENT STREET PERM	\$ 91,365	\$ 20,000	\$ 51,000	\$ 51,000
420090 - AMUSEMENT LICENSES	23,250	22,500	22,500	22,500
420100 - TRADERS LICENSES	147,237	115,000	145,000	145,000
420130 - HAWKERS/PEDDLERS LICENSES	10,000	5,000	5,000	5,000
420150 - ELECTRICIANS LICENSE	35,700	15,500	27,000	27,000
420170 - RENTAL HOUSING LICENSE	687,420	668,900	654,430	654,430
420185 - BUS SHELTER FRANCHISE FEE	13,215	21,000	21,000	21,000
420190 - CABLE TV FRANCHISE FEES	819,180	725,000	848,000	848,000
420210 - ANIMAL LICENSES	27,420	27,000	28,500	28,500
420215 - BREEDERS & LITTERS PERMITS	-	250	-	-
420220 - PET SHOP COMMERCIAL KENNEL	750	750	750	750
420230 - BUILDING PERMITS	1,304,512	1,030,000	1,200,000	1,200,000
420231 - DECK PERMITS	18,785	15,000	15,000	15,000
420232 - FENCE PERMITS	2,800	3,000	2,100	2,100
420233 - FUEL TANK PERMITS	300	200	200	200
420234 - SWIMMING POOL PERMITS	2,826	3,000	2,000	2,000
420235 - TENT PERMITS	5,292	5,000	5,000	5,000
420236 - TRAILER PERMITS	2,215	1,900	1,900	1,900
420250 - ELECTRICAL PERMITS	174,045	170,000	170,000	170,000
420270 - UTILITY PERMIT	14,442	9,000	9,000	9,000
420290 - OCCUPANCY PERMITS	96,785	105,000	68,000	68,000
420300 - HOME OCCUPATION LICENSES	200	200	200	200
420310 - SIGN PERMITS	32,483	23,000	26,000	26,000
420320 - FIRE PROTECTION PERMITS	244,370	270,000	250,000	250,000
420330 - MECHANICAL PERMITS	129,917	120,000	150,000	150,000
420340 - SPECIAL EVENT PERMITS	11,262	15,000	15,000	15,000
420350 - GRADING PERMITS	35,981	60,000	54,000	54,000
420360 - FIRE PROTECTION SYS PERMITS	23,500	20,000	25,000	25,000
420370 - ON-SITE IMPROVEMENTS	120,867	75,000	100,000	100,000
420380 - STORMWATER MGMT PERMITS	4,023	35,000	28,000	28,000
464250 - CATV-CAPITAL EQUIPMENT & PEG	50,277	45,000	45,000	45,000
Total Licenses & Permits	\$ 4,130,417	\$ 3,626,200	\$ 3,969,580	\$ 3,969,580





DETAILED REVENUE SCHEDULE

FY16 BUDGET

Account	Actual FY14	Budget FY15	Proposed FY16	Proposed FY16
Grants - Federal Government				
431100 - FEDERAL GRANTS-MISCELLANEOUS	\$ 70,000	\$ -	\$ -	\$ -
431200 - FEDERAL GRANT-TRANS HOUSING	126,025	130,700	130,700	130,700
431300 - FEDERAL GRANT-ROLLING STOCK	-	-	-	-
431500 - FEDERAL GRANT- FEMA	-	-	-	-
432000 - FED GRANT-TRANSPORTATION	1,002,849	-	27,000	27,000
432100 - FED GRANT-POLICE EQUIPMENT	36,268	1,200	9,000	9,000
432300 - FED GRANT-ENERGY EFFICIENCY	-	-	-	-
432400 - FEDERAL GRANT - DHS	-	-	2,500	2,500
433100 - FEDERAL GRANT-CDBG	379,610	360,000	320,000	320,000
Total Grants - Federal Government	\$ 1,614,752	\$ 491,900	\$ 489,200	\$ 489,200
State Grants & Shared Taxes				
434000 - STATE GRANT-OPEN SPACE	\$ 150,456	\$ 37,500	\$ -	\$ -
434050 - STATE GRANT-OLDE TOWNE REVITAL	80,000	75,000	100,000	100,000
434100 - STATE GRANT-MISCELLANEOUS	56,708	25,000	280,000	280,000
434110 - STATE GRANT-HOMELESS PROGRAM	4,957	5,000	5,000	5,000
434200 - STATE GRANT-POLICE	613,980	652,000	600,000	600,000
434210 - STATE GRANT-POLICE EQUIP	-	3,000	-	-
434230 - STATE GRANT-POLICE OT GRANT	25,203	-	-	-
434240 - STATE HIGHWAY SAFETY PROG	-	20,000	20,000	20,000
434300 - STATE GRANT-ARTS	32,000	32,000	31,999	34,000
434310 - STATE GRANT-ARTS NEW INITIATVE	-	-	-	-
434600 - DEPT OF NATURAL RESOURCES	53,932	-	-	-
434920 - STATE GRANT- SYNTH TURF	29,854	-	-	-
435900 - STATE REV SHARE-HIGHWAY USER	1,021,255	1,124,000	1,275,678	1,275,678
Total State Grants & Shared Taxes	\$ 2,068,345	\$ 1,973,500	\$ 2,312,677	\$ 2,314,678
County Grants & Shared Taxes				
437110 - COUNTY GRANT-HOMELESS PROGRAMS	\$ 12,161	\$ 9,230	\$ 9,230	\$ 9,230
437130 - COUNTY GRANT-NUTRITION PROGRAM	45,156	46,000	46,000	46,000
437150 - COUNTY GRANT-MISCELLANEOUS	-	-	-	-
437165 - COUNTY SUPPORTIVE HOUSING ASST	15,000	18,400	18,400	18,400
437970 - COUNTY GRANT-FINANCIAL CORP	2,645	2,600	2,600	2,600
438100 - COUNTY REV SHARE-INCOME TAXES	10,618,077	10,000,000	10,500,000	10,500,000
438700 - COUNTY REV SHARE-DUPLICATE SRV	1,168,467	1,168,000	1,168,000	1,168,000
Total County Grants & Shared Taxes	\$ 11,861,506	\$ 11,244,230	\$ 11,744,230	\$ 11,744,230



DETAILED REVENUE SCHEDULE

FY16 BUDGET

Account	Actual FY14	Budget FY15	Proposed FY16	Proposed FY16
Charges for Services				
441100 - AUTOMATION FEES	\$ 217,608	\$ 190,000	\$ 186,620	\$ 186,620
441300 - ZONING/SUBDIVISION FEES	177,355	125,000	150,000	150,000
447150 - REC PROGRAMS/SPORTS	396,932	391,000	445,000	445,000
447160 - REC PROGRAMS/REC CLASSES	242,676	242,000	240,000	240,000
447170 - REC PROGRAMS/YOUTH SERVICES	39,684	52,500	49,000	49,000
447180 - REC PROGRAMS/SUMMER CAMPS	481,183	500,000	490,000	490,000
447200 - CASEY COMMUNITY CENTER RENTALS	144,726	125,000	110,000	110,000
447210 - CASEY COMMUNITY CENTER PROGRAM	50,811	69,000	70,500	70,500
447220 - WATER PARK	701,961	525,000	640,000	640,000
447240 - KENTLANDS	145,401	125,800	134,000	134,000
447250 - CULTURAL ARTS PROGRAM	23,803	34,400	-	-
447260 - SPECIAL EVENTS	68,186	71,800	106,500	106,500
447270 - AQUATIC FACILITY-INDOOR	18,330	200,000	175,000	175,000
447280 - SKATE PARK	11,658	10,000	11,000	11,000
447290 - GROUP PICNICS	61,835	52,000	56,000	56,000
447300 - WINTER LIGHTS	224,398	235,000	235,000	235,000
447320 - MINIATURE GOLF REVENUE	120,880	108,000	112,000	112,000
447330 - G'BURG YOUTH CTR IN OLDE TOWNE	29,232	25,000	13,000	13,000
447340 - ACTIVITY CENTER - RENTAL	186,713	193,000	190,000	190,000
447350 - FOOD SERVICES	5,000	5,000	-	-
447360 - ACTIVITY CENTER-PROGRAMS	49,371	55,000	48,000	48,000
447370 - ARTS BARN - RENTAL	16,884	13,000	13,000	13,000
447380 - ARTS BARN PROGRAM	118,400	112,000	114,000	114,000
447390 - ARTS BARN ADMISSIONS	132,529	135,000	125,000	125,000
447400 - ARTS BAR ART SALES	1,989	1,800	1,800	1,800
447410 - G'BURG YOUTH CTR AT ROBERTSON	7,482	5,000	4,000	4,000
447422 - AQUATIC OUTDOOR TAXABLE	2,414	2,000	1,700	1,700
447423 - ARTS BARN TAXABLE	3,599	2,100	2,100	2,100
447432 - MINIATURE GOLF TAXABLE	4,515	4,250	4,500	4,500
447493 - KENTLANDS - TAXABLE SALES	310	-	400	400
447550 - COMMUNITY MUSEUM REVENUE	2,260	3,000	3,000	3,000
447800 - MEMBERSHIP FEE - DOG EXERCISE	2,280	2,800	1,000	1,000
448250 - SENIOR PROGRAMS	115,357	123,000	125,000	125,000
448300 - SENIOR CENTER-RENTAL	29,003	23,000	23,000	23,000
449150 - ENVIRONMENTAL FEES	6,836	3,000	1,500	1,500
449200 - STORMWATER MGMT PLAN REVIEW FE	72,082	35,000	35,000	35,000
449240 - RECYCLING COLLECTIONS	853,210	882,000	906,000	1,148,000
449300 - WATER QUALITY PROTECTION	1,402,582	1,300,000	3,400,000	3,400,000
449700 - FINGERPRINTING SERVICE	3,542	5,000	5,000	5,000
451320 - RETURNED CHECK FEES	1,260	1,500	1,500	1,500
463200 - PROCESSING FEE (PR&C)	5,375	5,000	5,000	5,000
Total Charges for Services	\$ 6,180,035	\$ 5,992,950	\$ 8,234,120	\$ 8,476,120



DETAILED REVENUE SCHEDULE

FY16 BUDGET

Account	Actual FY14	Budget FY15	Proposed FY16	Proposed FY16
Fines & Forfeitures				
451300 - ORDINANCE FINES	\$ 16,412	\$ 25,000	\$ 25,000	\$ 25,000
451310 - POLICE TICKETS & FINES	220,816	200,000	220,000	220,000
451340 - SEIZURE	-	1,000	-	-
451350 - PHOTO RADAR	2,269,290	2,250,000	1,800,000	1,800,000
451420 - POLICE SEIZURE	2,209	-	-	-
Total Fines & Forfeitures	<u>\$ 2,508,726</u>	<u>\$ 2,476,000</u>	<u>\$ 2,045,000</u>	<u>\$ 2,045,000</u>
Miscellaneous Revenues				
460110 - SALE OF RECYCLABLE MATERIALS	\$ 5,282	\$ 10,000	\$ 21,000	\$ 21,000
460210 - SALES-PUBLICATIONS	263	-	-	-
461100 - INTEREST EARNINGS	76,838	120,000	300,000	300,000
461XXX - INTEREST ON LOANS (new account)	-	-	14,720	14,720
462010 - PROPERTY RENT-RESIDENTIAL	6,500	12,000	13,000	13,000
462030 - PROPERTY RENT-TELECOMM.	92,505	92,500	90,880	90,880
462040 - PROPERTY RENT-COMMERCIAL	14,860	15,000	16,400	16,400
462110 - RENT-WELLS ROBERTSON	14,846	8,000	16,000	16,000
462120 - RENT-50 DESELLUM	14,710	15,400	15,370	15,370
463210 - NAMING RIGHTS	15,000	15,000	15,000	15,000
464100 - CONTRIBUTIONS	259,638	81,800	80,000	80,000
464XXX - HOLIDAY GIVING (new account)	-	-	25,000	25,000
464300 - ANNEXATION AGREEMENT	80,000	-	-	-
465100 - EXPENDITURE REIMBURSEMENT	12,527	-	-	-
465200 - PRIOR YEAR EXPENDITURE REIMB.	1,094,218	12,000	12,000	12,000
467200 - MISCELLANEOUS	8,140	800	1,000	1,000
467230 - MISCELLANEOUS-VENDING MACHINES	4,297	4,000	4,500	4,500
467250 - PASSPORTS	76,575	50,000	65,000	65,000
467280 - HOUSING INITIATIVE FUND	600,000	609,700	-	-
481100 - SALE OF GENERAL FIXED ASSETS	32,658	125,000	50,000	50,000
Total Miscellaneous Revenues	<u>\$ 2,408,842</u>	<u>\$ 1,171,200</u>	<u>\$ 739,870</u>	<u>\$ 739,870</u>
Total Revenue	<u>\$ 57,057,755</u>	<u>\$ 53,368,480</u>	<u>\$ 57,254,877</u>	<u>\$ 57,498,878</u>
499200 - TRANSFER IN	-	-	-	150,000
Total Transfers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,000</u>
Reappropriation	<u>\$ -</u>	<u>\$ 5,948,022</u>	<u>\$ 10,561,357</u>	<u>\$ 10,586,936</u>
Total	<u>\$ 57,057,755</u>	<u>\$ 59,316,502</u>	<u>\$ 67,816,234</u>	<u>\$ 68,235,814</u>

EXPENDITURE OVERVIEW

FY16 BUDGET

Allocation of \$1 of City Taxpayer's Money – FY16 Budget by Department



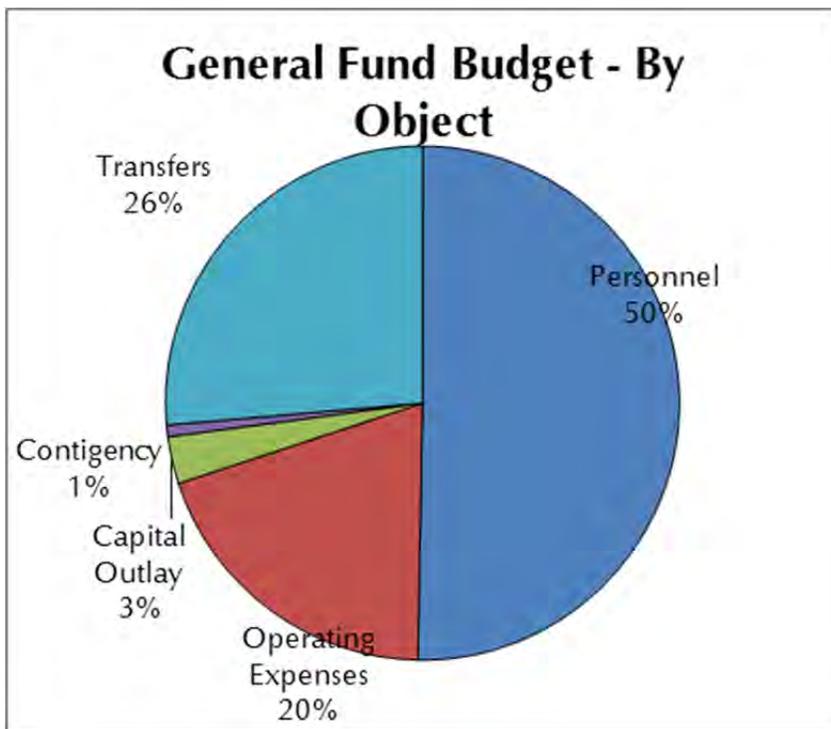


EXPENDITURE OVERVIEW

FY16 BUDGET

Department	Actual FY14	Budget FY14	Budget FY15	Adopted FY16	% Chg
Office of the City Manager	\$ 1,802,536	\$ 2,011,646	\$ 1,938,148	\$ 2,126,332	9.71%
Human Resources	683,685	745,287	923,444	978,862	6.00%
Community and Public Relations	2,670,515	3,043,172	3,012,978	3,122,884	3.65%
Finance and Administration	13,297,869	14,733,998	16,224,083	23,377,753	44.09%
Information Technology	1,539,577	1,637,730	1,771,999	1,936,501	9.28%
Department of Parks, Recreation and Culture	7,142,658	7,999,129	8,466,555	8,769,372	3.58%
Department of Planning and Code Administration	4,304,933	4,715,232	5,163,843	5,438,520	5.32%
Gaithersburg Police Department	8,601,415	9,230,486	9,229,056	9,149,578	-0.86%
Public Works	10,853,512	12,610,756	12,586,396	13,336,012	5.96%
Total	<u>\$ 50,896,699</u>	<u>\$ 56,727,436</u>	<u>\$ 59,316,502</u>	<u>\$ 68,235,814</u>	<u>15.04%</u>

Object	Actual FY14	Budget FY14	Budget FY15	Adopted FY16	% Chg
Personnel	\$ 29,162,722	\$ 31,869,101	\$ 33,674,807	\$ 34,315,704	1.90%
Operating Expenses	12,065,962	14,053,793	13,864,153	13,406,410	-3.30%
Capital Outlay	1,300,939	2,464,542	1,577,542	2,022,700	28.22%
Contingency	127,075	500,000	500,000	500,000	0.00%
Transfers	8,240,000	7,840,000	9,700,000	17,991,000	85.47%
Total	<u>\$ 50,896,699</u>	<u>\$ 56,727,436</u>	<u>\$ 59,316,502</u>	<u>\$ 68,235,814</u>	<u>15.04%</u>





EXPENDITURES BY ACTIVITY

FY16 BUDGET

Function / Activity	Actual FY14	Budget FY15	Proposed FY16	Adopted FY16
General Government				
Mayor & City Council	\$ 302,586	\$ 304,179	\$ 310,378	\$ 310,378
Office of the City Manager	606,675	675,091	706,026	706,026
Legal Services	420,724	532,605	551,934	551,934
Registration & Elections	45,767	1,200	54,800	54,800
Economic & Business Development	426,784	425,073	503,194	503,194
Environmental Services	279,207	284,100	303,833	453,833
Human Resources	683,685	923,444	978,862	978,862
Finance & Administration	1,116,614	1,206,811	1,251,124	1,251,124
Housing and Community Development	494,273	888,572	785,139	785,139
General Services	43,538	114,174	72,032	72,032
Information Technology	1,370,492	1,516,878	1,653,217	1,653,217
Geographic Information Systems	169,085	255,121	283,284	283,284
Public Information	761,253	782,526	831,717	831,717
Gaithersburg Television	247,080	312,775	278,307	278,307
Planning	759,094	832,333	918,885	918,885
Planning & Code Administration	736,235	911,419	871,402	871,402
Neighborhood Services	607,388	841,920	882,531	882,531
Facilities Management	799,883	1,067,475	1,296,285	1,296,285
Building & Grounds (B&G) - Activity Center at Bohrer Park	255,134	303,950	297,381	297,381
B&G - Casey Community Center	158,007	189,250	148,737	148,737
B&G - City Hall	144,795	260,325	215,888	215,888
B&G - GAC	4,253	60,950	32,387	32,387
B&G - Gaithersburg – CPSC Park Site	-	48,000	28,800	28,800
B&G - Gaithersburg Arts Barn	83,077	94,350	84,986	84,986
B&G - Gaithersburg Youth Center at Olde Towne	38,629	48,600	39,287	39,287
B&G - Gaithersburg Youth Center at Robertson Park	42,940	51,350	55,391	55,391
B&G - Kentlands Firehouse	12	-	-	-
B&G - Kentlands Mansion	34,641	62,100	58,900	58,900
B&G - Miniature Golf	10,743	22,800	24,000	24,000
B&G - Olde Towne Pavilion	3,863	4,460	3,300	3,300
B&G - Parking Facility	78,042	103,400	89,715	89,715
B&G - Police Station	65,142	80,350	68,933	68,933
B&G - Public Service Facility	115,201	158,850	129,410	129,410
B&G - Senior Center	62,099	67,850	74,282	74,282
B&G - Skate Park	4,296	6,350	7,295	7,295
B&G - Train Station/Freight House	26,669	32,000	30,478	30,478
B&G - Water Park at Bohrer Park	140,764	146,350	127,046	127,046
Total	\$11,138,668	\$13,616,981	\$14,049,166	\$14,199,166
Public Safety				
Police Department	\$ 1,601,987	\$ 9,229,056	\$ 9,162,139	\$ 9,149,578
Police Operations	6,999,429	-	-	-
Traffic Control	195,353	272,152	263,752	263,752
Animal Control	433,717	482,991	505,375	505,375
Permits and Inspections	1,489,293	1,811,080	1,806,494	1,806,494
Total	\$10,719,778	\$11,795,279	\$11,737,760	\$11,725,199





EXPENDITURES BY ACTIVITY

FY16 BUDGET

Function / Activity	Actual FY14	Budget FY15	Proposed FY16	Adopted FY16
Public Works				
Public Works Administration	\$ 914,128	\$ 793,992	\$ 825,091	\$ 825,091
Engineering Services	414,110	544,719	668,143	668,143
Fleet Maintenance	502,910	527,514	553,731	553,731
Landscaping & Forestry	1,049,580	1,138,572	1,266,269	1,266,269
Mowing and Special Pickups	1,732,976	1,967,167	2,104,822	2,104,822
Municipal Parks Maintenance	1,539,135	1,758,990	1,929,637	1,929,637
Recycling	657,570	691,634	691,634	965,775
Street Lighting	556,825	657,546	613,000	613,000
Streets & Special Projects	1,222,735	1,425,350	1,333,291	1,333,291
Total	<u>\$ 8,589,970</u>	<u>\$ 9,505,484</u>	<u>\$ 9,985,618</u>	<u>\$ 10,259,759</u>
Parks, Recreation & Culture				
Parks, Recreation & Culture Administration	\$ 666,383	\$ 840,677	\$ 822,163	\$ 822,163
Activity Center	400,852	432,848	487,269	487,269
Casey Community Center	360,926	357,536	368,478	368,478
Gaithersburg Aquatic Center	125,636	315,627	376,983	373,983
Gaithersburg Arts Barn	480,794	493,786	503,991	503,991
Gaithersburg Youth Center at Olde Towne	208,742	250,685	310,201	310,201
Gaithersburg Youth Center at Robertson Park	171,057	259,286	215,598	215,598
Kentlands Mansion	310,873	358,520	358,211	358,211
Miniature Golf Course	76,716	91,382	94,336	94,336
Museums	326,563	182,923	187,244	187,244
Picnic Pavilions	21,425	20,357	21,288	21,288
Recreation Classes	300,431	336,720	322,464	322,464
Recreation Programs & Sports	820,756	866,098	926,819	928,819
Skate Park	30,870	24,989	31,149	31,149
Special Events	707,993	1,127,963	1,139,865	1,139,865
Summer Programs	488,693	555,064	545,649	545,649
Water Park	497,877	595,933	655,919	655,919
Winter Lights	141,141	211,221	214,252	214,252
Youth Services	406,790	439,749	452,027	452,027
Total	<u>\$ 6,544,518</u>	<u>\$ 7,761,364</u>	<u>\$ 8,033,906</u>	<u>\$ 8,032,906</u>
Community Services & Development				
Community Services	\$ 1,185,539	\$ 1,356,046	\$ 1,448,096	\$ 1,448,096
Homeless Assistance	476,642	561,631	564,764	564,764
Seniors Program	598,140	705,191	736,466	736,466
Total	<u>\$ 2,260,321</u>	<u>\$ 2,622,868</u>	<u>\$ 2,749,326</u>	<u>\$ 2,749,326</u>
Miscellaneous				
Non-Departmental	\$ 3,276,369	\$ 3,814,526	\$ 2,860,458	\$ 2,778,458
Contingency	127,075	500,000	500,000	500,000
Total	<u>\$ 3,403,445</u>	<u>\$ 4,314,526</u>	<u>\$ 3,360,458</u>	<u>\$ 3,278,458</u>
Total Operating	<u>\$42,656,699</u>	<u>\$49,616,502</u>	<u>\$49,916,234</u>	<u>\$50,244,814</u>
Transfers				
OPEB trust	\$ 1,310,000	\$ 910,000	\$ 1,200,000	\$ 1,200,000
Capital Improvements	6,930,000	8,790,000	13,300,000	13,300,000
Stormwater - City Portion	-	-	-	91,000
Stormwater - Fee Revenue	-	-	3,400,000	3,400,000
Total	<u>\$ 8,240,000</u>	<u>\$ 9,700,000</u>	<u>\$ 17,900,000</u>	<u>\$ 17,991,000</u>
Combined Total	<u>\$50,896,699</u>	<u>\$59,316,502</u>	<u>\$67,816,234</u>	<u>\$68,235,814</u>





EXPENDITURES BY OBJECT

FY16 BUDGET

Object	Actual FY14	Budget FY15	Proposed FY16	Adopted FY16
Personal Services				
501000 - Salaries, Full-Time Employees	\$18,294,514	\$20,017,797	\$20,747,566	\$20,747,566
505000 - Other Taxable Compensation	7,200	7,200	-	-
505100 - Other taxable comp-multilingual	41,632	54,080	56,160	56,160
505200 - Other taxable comp-Gfit	18,488	18,303	20,454	20,454
505300 - Other taxable comp-housing stipend	67,000	68,400	64,800	64,800
507000 - Vacation & Sick Pay	276,734	275,000	275,000	275,000
508000 - Salaries, Overtime	744,951	856,392	844,647	832,086
508500 - Salaries, Employment Agreement	94,087	-	-	-
509000 - Salaries, Part-Time Employees	2,450,083	3,310,760	3,192,807	3,194,807
510000 - Social Security & Medicare Taxes (FICA)	1,625,904	1,872,091	1,917,326	1,917,326
512000 - State Unemployment	66,216	26,573	45,396	45,396
513000 - Workers' Compensation Insurance	428,590	428,590	301,810	301,810
513100 - Employee Advance/ Worker's Comp.	982	-	-	-
514000 - Group Insurance	2,563,860	3,663,446	3,648,022	3,648,022
514100 - Group Insurance - Retirees	369	-	-	-
514200 - Vision Plan	7,690	19,380	19,977	19,977
514300 - Retiree Share/Insurance	(15,351)	-	-	-
514500 - Mayor & Council Benefits	24,000	24,000	24,000	24,000
514600 - Cobra Coverage	2,360	-	-	-
514700 - Insurance Deductible Reimbursement	-	140,000	140,000	140,000
515000 - Retirement Contribution (401A)	1,436,782	1,596,946	1,659,804	1,659,804
515050 - Supplemental Retirement Contribution	354,675	420,779	434,831	434,831
515100 - Retirement Health Savings (RHS)	142,290	153,263	178,240	178,240
516000 - Savings Plan Contribution (401K)	493,306	598,854	622,430	622,430
516500 - Deferred Compensation	16,403	16,453	16,690	16,690
519000 - Tuition Reimbursement	19,956	106,500	116,305	116,305
Total	<u>\$29,162,722</u>	<u>\$33,674,807</u>	<u>\$34,326,265</u>	<u>\$34,315,704</u>
Operating Expenses				
521000 - Office Supplies	\$ 65,122	\$ 81,110	\$ 74,210	\$ 74,210
522000 - General Operating Supplies	737,952	775,970	745,255	745,255
522200 - Photographic, Audio, Video Supplies	4,043	3,625	3,250	3,250
522500 - Program Activities	116,593	139,480	184,487	184,487
523300 - Police Outreach Programs/Operational Supplies	5,422	6,300	6,400	6,400
523400 - Police Weapons, Accessories & Supplies	75,986	115,139	66,710	66,710
524000 - Supplies for Resale	21,138	39,350	40,000	40,000
525000 - Furniture & Fixtures	71,480	62,790	48,650	48,650
526000 - Machinery & Equipment	119,061	206,425	100,100	100,100
526500 - Vehicles & Equipment	-	-	-	-
529000 - Building & Construction Supplies	58,398	121,000	95,500	95,500
530000 - Accounting & Audit	127,447	145,000	144,760	144,760
531000 - Information Technology (IT) Services	191,368	224,325	289,570	289,570
531500 - Software Licenses	89,406	61,465	27,000	27,000
531600 - Software Maintenance Agreements	334,342	394,845	423,445	423,445
532000 - Engineering & Architectural	14,065	21,500	124,000	124,000
533000 - Legal	25,886	40,950	40,130	40,130





EXPENDITURES BY OBJECT

FY16 BUDGET

Object	Actual FY14	Budget FY15	Proposed FY16	Adopted FY16
534000 - Management Consulting	171	-	-	-
534500 - Wellness Programs	23,429	22,700	25,500	25,500
535000 - Medical/Hospital (Screenings)	26,643	20,000	20,000	20,000
536000 - Miscellaneous Professional Services	1,481,315	1,727,794	1,311,967	1,461,967
536100 - Temporary Employment Agency	-	-	3,000	3,000
536200 - Americans with Disabilities Act	8,143	7,300	13,000	13,000
536300 - Contract Cleaning Services	377,525	460,585	362,343	362,343
536400 - Contract Maintenance Services	216,692	345,300	327,700	327,700
536500 - Investigations	14,682	12,890	14,940	14,940
536700 - Abatement Services	3,800	50,000	50,000	50,000
536800 - Security Services	4,229	23,925	20,610	20,610
537000 - Instructor Services	97,889	127,690	140,020	140,020
538000 - Performances & Entertainment	224,714	230,200	237,625	237,625
539000 - HOPWA Pass THRU EXP	-	-	-	-
541000 - Advertising	148,471	151,300	159,107	159,107
542000 - Awards & Presentations	39,084	53,398	57,498	57,498
543000 - Contributions	1,026,789	1,496,070	1,166,453	1,166,453
544000 - Professional Dues & Certification Fees	130,448	153,750	155,835	155,835
545000 - Magazines, Books & Resource Material	18,947	26,550	24,020	24,020
546000 - Conference & Seminar Registration	68,688	106,191	144,366	144,366
546300 - In-Service Training	10,872	23,600	19,300	19,300
547000 - Travel Expense	59,019	105,561	108,035	108,035
547100 - Travel Mileage Reimbursement	5,395	9,670	8,770	8,770
548000 - Economic Development Activities	156,187	104,000	129,000	129,000
548100 - Sponsorships	1,000	12,000	9,750	9,750
549000 - Scholarship Management	13,147	37,000	26,500	26,500
550000 - Electric	947,794	1,212,902	1,117,984	1,117,984
550100 - Gas (Natural)	79,053	78,800	80,300	80,300
550200 - Water	84,524	110,910	120,200	120,200
550700 - Recycling Services/Trash Collection	61,778	70,970	44,733	44,733
550900 - Utilities, Other	-	-	-	-
551000 - Telephone (Landline)	94,359	89,850	84,820	84,820
551100 - Cellular Telephone	123,556	146,580	142,850	142,850
551200 - Pagers	-	-	-	-
552500 - Vehicle & Equipment Gasoline Expense	438,061	416,250	407,320	407,320
553000 - Printing & Binding	78,824	97,890	108,950	108,950
554000 - Signage	38,448	47,925	49,640	49,640
556000 - Postage	63,029	79,085	99,685	99,685
556500 - Messenger Services	1,546	1,950	1,650	1,650
557000 - Laundry & Uniforms	103,048	141,339	153,545	153,545
560000 - Miscellaneous	1,217,780	572,255	489,555	407,555
561000 - Local, In-Services Meals	3,128	3,200	3,225	3,225
562000 - Homeownership Assistance Program	213,059	193,500	450,000	450,000
563000 - Insurance - Not Payroll	377,451	385,000	337,000	337,000
564000 - Tax Abatement	-	375,000	300,000	300,000
567000 - Rental & Use Charges	973,101	1,039,109	1,046,854	1,320,995
567100 - Rental of Facilities	133,103	126,780	129,042	129,042





EXPENDITURES BY OBJECT

FY16 BUDGET

Object	Actual FY14	Budget FY15	Proposed FY16	Adopted FY16
572000 - Repair & Maintenance - Buildings & Facilities	305,157	377,300	451,600	451,600
573000 - Repair & Maintenance - Machinery & Equipment	184,293	249,360	188,460	185,460
574000 - Repair & Maintenance - Vehicles	324,223	292,850	305,450	305,450
575000 - Repair & Maintenance - Furniture & Equipment	5,665	8,600	5,600	5,600
576000 - Repair & Maintenance - Art	-	-	-	-
Total	\$12,065,962	\$13,864,153	\$13,067,269	\$13,406,410
Capital Outlay				
592000 - Software	\$ (133,272)	\$ -	\$ 2,000	\$ 2,000
592100 - Software (Replacement)	135,500	115,500	-	-
593000 - Improvements - Not Buildings	117	-	-	-
595000 - Furniture & Equipment	144,538	6,100	32,250	32,250
595060 - Machinery & Equipment	5,433	-	-	-
595100 - Furniture & Equipment (Replacement)	828,694	676,452	871,487	871,487
596000 - Vehicles & Equipment	(1,008,715)	192,000	114,000	114,000
596100 - Vehicles & Equipment (Replacement)	1,328,645	587,490	1,002,963	1,002,963
Total	\$ 1,300,939	\$ 1,577,542	\$ 2,022,700	\$ 2,022,700
Contingency	\$ 127,075	\$ 500,000	\$ 500,000	\$ 500,000
Total Operating	\$42,656,699	\$49,616,502	\$49,916,234	\$50,244,814
Transfers	8,240,000	9,700,000	17,900,000	17,991,000
Total Expenditures & Other Uses	\$50,896,699	\$59,316,502	\$67,816,234	\$68,235,814

Personnel costs make up a substantial portion of the City's budget and are only projected to increase by 1.9% over the FY15 budget. The majority of personnel costs relate to salaries and the FY16 budget include the following additional positions:

- a part-time sponsorship coordinator, within the Office of Economic Development under the Office of the City Manager;
- a full-time Graphic Information Systems position to aid with the increasing use of the City's GIS tools; this position was previously staffed through part-time help;
- a full-time facility supervisor at the Olde Towne Youth Center to help with growing demand at that location and the student union; this position was partially funded through the elimination of a part-time reservation coordinator;
- an additional planner to assist with development needs; and
- change a part-time project engineer to a full-time civil engineer within the Public Works Department to keep pace with the large number of capital projects being undertaken.

The next page summarizes the City's full-time equivalent positions for the last ten years.





EXPENDITURES BY OBJECT FY16 BUDGET

Department	Total Full-Time Equivalent Employees									
	FY07	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16
Office of the City Manager	41.95	40.85	44.15	14.20	10.45	11.45	11.45	11.70	11.20	12.52
Human Resources	-	-	-	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Community and Public Relations	-	-	-	17.25	17.25	19.45	20.19	21.95	20.63	20.01
Finance and Administration	6.30	6.30	6.30	8.80	8.50	8.50	9.20	11.00	11.00	11.00
Information Technology	7.80	7.50	8.50	8.50	8.50	9.50	10.70	12.00	12.00	12.50
Department of Parks, Recreation and Culture	121.09	120.21	122.74	132.07	116.73	117.73	119.53	121.42	120.84	120.99
Department of Planning and Code Administration	44.00	44.50	42.10	41.70	39.53	41.03	42.38	45.38	47.53	48.64
Gaithersburg Police Department	56.00	60.70	63.13	63.13	63.13	63.13	67.36	67.26	67.55	67.53
Public Works	92.20	92.90	94.00	93.00	89.50	89.50	89.50	89.44	92.07	92.57
Total	<u>369.34</u>	<u>372.96</u>	<u>380.92</u>	<u>383.65</u>	<u>358.59</u>	<u>365.29</u>	<u>375.31</u>	<u>385.15</u>	<u>387.82</u>	<u>390.76</u>
% Change		0.98%	2.13%	0.72%	-6.53%	1.87%	2.74%	2.62%	0.69%	0.76%
Culmulative % Change										5.80%
Population	60,736	59,912	57,818	58,017	61,172	62,848	63,842	65,690		
% Chg in Population		-1.36%	-3.50%	0.34%	5.44%	2.74%	1.58%	2.89%		
Culmulative % Change								8.16%		
Per Capita Income	66,537	67,957	66,323	68,946	70,665	73,317	73,475	77,007		
% Chg in Per Capita Income		2.13%	-2.40%	3.95%	2.49%	3.75%	0.22%	4.81%		
Culmulative % Change								15.74%		

Note:

In 2010 the City reorganized the Office of the City Manager, adding a Human Resources and Community & Public Relations Departments. Additionally the Community & Housing Development was moved to Finance, Kentlands Mansion to Park, Recreation & Culture and the Environmental Services was moved to Planning & Code. Each years' full-time equivalent employees shown above are presented as they were shown in the adopted budget for that year.

Sources: Previous years' City budgets and Comprehensive Annual Financial Reports



ANNUAL BUDGET

Although much of this document is focused on the annual General Fund budget, the City is very conscious of the long term perspective necessary for a pay-as-you-go financing strategy. The next page summarizes the long term financial forecast based on the current financial environment. Notes on significant assumptions are as follows:

- Local taxes were increased 2% based on estimated property value appreciation; Licenses & Permits, Federal Grants and Miscellaneous revenues were held flat. County Grants & Shared Taxes were increased 1% annually.
- Charges services were increased 2% except for the stormwater fee which increased as identified in that budget section.
- State grants were decreased 15% in FY17 and held flat thereafter.
- Due to expected decreases in photo radar revenue Fines & Forfeitures are shown decreasing 10% annually
- All expenditures are shown with a 2% annual increase, excluding \$150,000 forest study which is not repeated in years after FY16.
- This assumes limited growth of services and positions.
- OPEB was increased based on a 4 year plan to bring funding up to the expected minimum required level needed to fund this obligation.
- Transfers for CIP and Stormwater are as identified in those 5 year plan sections of this document.

Total fund balance can be a helpful measure of financial position, not all fund balance is truly available to satisfy current claims, for instance some funds have external limits on their use. In order to better understand the City's financial position, the five year projection looks only at unassigned fund balance, comparing this to a target of 25% of revenues and other sources. Unassigned fund balance can be thought of as the fund balance remaining that is free of constraints.

Although the financial summary on the following page shows that the City will reduce its fund balance below the target level in the next five years, much of this decrease is related to capital projects and to a larger extend the significant contribution for stormwater projects. The City revised the stormwater management fee during this budget process. In future years there will continue to be a review the fee and compare available funding to capital and stormwater needs. Alternative financing methods may be considered in future years to aid with these costs if needed.



FIVE YEAR FINANCIAL PLAN

DEPARTMENT OVERVIEW

Revenues and Sources of Funds	Adopted				
	FY16	FY17	FY18	FY19	FY20
Local Taxes	\$ 27,720,200	\$28,274,600	\$28,840,100	\$29,416,900	\$30,005,200
Licenses & Permits	3,969,580	3,969,580	3,969,580	3,969,580	3,969,580
Grants - Federal	489,200	489,200	489,200	489,200	489,200
Grants - State	2,314,678	1,967,500	1,967,500	1,967,500	1,967,500
County Grants & Shared Taxes	11,744,230	11,861,700	11,980,300	12,100,100	12,221,100
Charges for Services	8,476,120	8,730,800	9,529,400	10,180,000	10,832,600
Fines & Forfeitures	2,045,000	1,840,500	1,656,500	1,490,900	1,341,800
Miscellaneous Revenues	739,870	739,870	739,870	739,870	739,870
Total	57,498,878	57,873,750	59,172,450	60,354,050	61,566,850
Transfer In	150,000	-	-	-	-
Reappropriation	10,586,936	13,478,950	6,622,250	4,668,050	4,679,650
Total Revenues and Sources of Funds	\$ 68,235,814	\$71,352,700	\$65,794,700	\$65,022,100	\$66,246,500

Expenditures and Uses of Funds	Adopted				
	FY16	FY17	FY18	FY19	FY20
General Government	14,199,166	14,330,100	14,616,700	14,909,000	15,207,200
Public Safety	11,725,199	11,959,700	12,198,900	12,442,900	12,691,800
Public Works	10,259,759	10,465,000	10,674,300	10,887,800	11,105,600
Parks, Recreation & Culture	8,032,906	8,193,600	8,357,500	8,524,700	8,695,200
Community & Public Relations	2,749,326	2,804,300	2,860,400	2,917,600	2,976,000
Miscellaneous	3,278,458	3,344,000	3,410,900	3,479,100	3,548,700
Total	50,244,814	51,096,700	52,118,700	53,161,100	54,224,500
Transfers					
OPEB Trust	1,200,000	1,600,000	2,000,000	2,300,000	2,324,000
Capital Improvements	13,300,000	14,765,000	7,085,000	4,420,000	4,007,000
Stormwater - City Portion	91,000	91,000	91,000	91,000	91,000
Stormwater - Fee Revenue	3,400,000	3,800,000	4,500,000	5,050,000	5,600,000
Total	17,991,000	20,256,000	13,676,000	11,861,000	12,022,000
Total Expenditures and Uses of Funds	68,235,814	71,352,700	65,794,700	65,022,100	66,246,500
Revenues Over / (Under) Expenditures	-	-	-	-	-
Beginning Fund Balance - Unassigned	49,592,407	39,005,471	25,526,521	18,904,271	14,236,221
Reappropriation	(10,586,936)	(13,478,950)	(6,622,250)	(4,668,050)	(4,679,650)
Ending Fund Balance - Unassigned	\$ 39,005,471	\$25,526,521	\$18,904,271	\$14,236,221	\$ 9,556,571

25% Fund Balance Minimum	17,058,954	17,838,175	16,448,675	16,255,525	16,561,625
Over / (Under) Minimum	21,946,517	7,688,346	2,455,596	(2,019,304)	(7,005,054)
Fund Balance Policy Met?	Yes	Yes	Yes	No	No

