

FISCAL YEAR 2023 PROPOSED BUDGET

REVENUES

TAXES

Income Taxes

FY22 Budget: \$2.70M FY22 Est. Actual: \$3.9M FY23 Budget: \$3.1M

- **Source:** Per state law, the Town receives 17% of Town residents' Montgomery County income tax liability. The local income tax charged by Montgomery County is 3.2%.
- **Rationale:** The FY23 budget assumes income tax revenues will be \$800,000 less than estimated to be received in FY22 due to adjusting for anomalous distributions in the current fiscal year.

Real Property Tax

FY22 Budget: \$124,500 FY22 Est. Actual: \$127,500 FY23 Budget: \$128,500

- **Source:** The Town may levy a real property tax that is paid by Town residents to the County and returned to the Town. If the Town levies a real property tax, Montgomery County will provide monies to the Town for savings realized by not providing certain services in Town (see *Montgomery County Tax Duplication Reimbursement*).
- **Rationale:** The Town Council is proposing to lower the real property tax rate from \$0.0098 per \$100 of assessed value in FY22 to \$0.0097 per \$100 of assessed value in FY23. These rates reflect the constant yield tax rate, which is a property tax rate that, when applied to new real estate assessments, will produce the same revenue in the coming taxable year that was produced in the prior taxable year. The FY23 rate is equal to \$97 for each \$1 million in a home's assessed value.

Highway User Revenue

FY22 Budget: \$113,000 FY22 Est. Actual: \$122,250 FY23 Budget: \$127,000

- **Source:** The Town receives a disbursement from the State based on Town road mileage and the number of registered motor vehicles in the Town.
- **Rationale:** The FY23 budget is based on an estimate from the State Highway Administration.

Utility Property Tax

FY22 Budget: \$31,000 FY22 Est. Actual: \$31,000 FY23 Budget: \$31,000

- **Source:** The Town may levy a tax on utility property in the Town. This tax is paid by utility companies, not by Town residents. It is collected by the County and returned to the Town.
- **Rationale:** The Town Council is proposing to maintain a utility property tax of \$0.66 per \$100 of assessed value for FY23.

REIMBURSEMENTS and BANK SHARES

Montgomery County Tax Duplication Reimbursement

FY22 Budget: \$170,000 FY22 Est. Actual: \$265,000 FY23 Budget: \$235,000

- **Source:** If the Town levies a property tax, Montgomery County will provide monies to the Town for savings realized by not providing certain services in Town. In FY22, the Montgomery County Council approved a revised methodology for calculating tax duplication reimbursements. The Town received a supplemental appropriation in FY22 and will receive progressively higher reimbursements as the new methodology is phased in over the next three years.
- **Rationale:** The budget is based on the new methodology approved by the Montgomery County Council.

Bank Shares

FY22 Budget: \$500 FY22 Est. Actual: \$500 FY23 Budget: \$500

- **Source:** The State of Maryland distributes these funds annually in February. The funds are received by about half of Maryland’s cities and towns and represent a hold harmless grant for a discontinued tax in those municipalities where owners of stock from financial institutions resided prior to July 1, 1968.
- **Rationale:** This revenue is regulated by law and remains the same from year to year.

PERMIT FEES and CABLE TV REVENUE

Cable TV Franchise Fees

FY22 Budget: \$40,000 FY22 Est. Actual: \$40,000 FY23 Budget: \$40,000

- **Source:** The Town receives money from Montgomery County as part of the Town’s various cable franchise agreements, which are administered by the County.
- **Rationale:** For FY23, the County estimates that the Town will receive \$40,000.

Permit Fees

FY22 Budget: \$20,000 FY22 Est. Actual: \$20,000 FY23 Budget: \$20,000

- **Source:** This account includes all application fees for building and water drainage permits.
- **Rationale:** The FY23 budget is based on FY22 estimated actual revenue.

Variance Fees

FY22 Budget: \$2,000 FY22 Est. Actual: \$2,000 FY23 Budget: \$2,000

- **Source:** This account includes all application fees for traditional and administrative variances.
- **Rationale:** The FY23 budget is based on FY22 estimated actual revenue.

OTHER REVENUE

State Aid for Police Protection

FY22 Budget: \$51,000 FY22 Est. Actual: \$51,000 FY23 Budget: \$52,000

- **Source:** The account includes State funds to support the operational costs of the Town’s off-duty police officers. Annual fund distributions are calculated according to the previous year’s operations costs.
- **Rationale:** The FY23 budget is based on an estimate provided by the State.

Parking Fines/Meters

FY22 Budget: \$10,000 FY22 Est. Actual: \$16,000 FY23 Budget: \$16,000

- **Source:** This account includes revenue from payments of parking tickets issued by the Montgomery County Police Department and money collected from 5 parking meters on Willow Lane.
- **Rationale:** The FY23 budget is based on FY22 estimated actual revenue.

Interest Income (General Fund)

FY22 Budget: \$15,000 FY22 Est. Actual: \$7,500 FY23 Budget: \$10,000

- **Source:** This account includes interest on money deposited into the Montgomery County investment pool.

- **Rationale:** The FY23 budget accounts for a slight increase in interest rates.

Special Trash Collection

FY22 Budget: \$1,000

FY22 Est. Actual: \$1,000

FY23 Budget: \$1,000

- **Source:** This revenue is generated from three homes, not within the Town, that are serviced by the Town's household trash contractor.
- **Rationale:** The FY23 budget represents the amount to be paid to the Town.

Miscellaneous

FY22 Budget: \$2,000

FY22 Est. Actual: \$1,000

FY23 Budget: \$1,000

- **Source:** This account includes any income that is not included in any other category, including admissions and amusement tax, occasional payments for damages from private contractors, as well as insurance rebates.
- **Rationale:** The FY23 budget is based on normal annual receipts.

EXPENDITURES

GENERAL GOVERNMENT – SALARIES and BENEFITS

Staff Salaries

FY22 Budget: \$465,000

FY22 Est. Actual: \$408,000

FY23 Budget: \$553,000

- **Purpose:** This account funds salaries for the Town Manager, Assistant Town Manager, Permitting and Code Enforcement Manager, Administrative Assistant, and Maintenance Manager.
- **Rationale:** The FY23 budget includes funding for 5 full-time staff members, including a new Assistant Town Manager position. It also includes funds to provide a 3.5% performance step increase and a 4.5% COLA for current staff. The BLS Consumer Price Index, as reported on January 1, 2022, has increased 4.5% over its level as of January 1, 2021. The CPI is for Urban Wage Earners and Clerical Workers (CPI-W) CPI for the Washington, D.C. standard metropolitan statistical area (i.e., the "Washington-Baltimore, DC-MD-VA-WV" area index).

Health/Life Insurance

FY22 Budget: \$77,000

FY22 Est. Actual: \$63,000

FY23 Budget: \$90,000

- **Purpose:** This account funds health and life insurance for the Town's employees through the State of Maryland.
- **Rationale:** The cost of health insurance benefits is determined by the State of Maryland. The FY23 budget anticipates an increase in premium rates.

Retirement

FY22 Budget: \$50,000

FY22 Est. Actual: \$45,000

FY23 Budget: \$53,000

- **Purpose:** This account funds the Town's participation in two Montgomery County retirement plans: the Retirement Savings Plan (RSP), and the Guaranteed Retirement Income Plan (GRIP).
- **Rationale:** The employer contribution rate for the RSP for FY23 is 8%. The rate for the GRIP is 6.12%. These premium rates and fees are set by Montgomery County.

Awards and Bonuses

FY22 Budget: \$45,000

FY22 Est. Actual: \$45,000

FY23 Budget: \$45,000

- **Purpose:** This account funds staff performance awards.

- **Rationale:** The FY23 budget includes funds for staff awards.

Payroll Taxes (Social Security, Medicare, Unemployment)

FY22 Budget: \$40,000 FY22 Est. Actual: \$33,000 FY23 Budget: \$40,000

- **Purpose:** This account funds federally-mandated Social Security and Medicare programs and state-mandated unemployment insurance for Town employees (excluding off-duty police officers).
- **Rationale:** The Town’s portion of Social Security and Medicare costs total 7.65% of employee salaries, estimated bonuses, and overtime. This rate is set by the Federal Government. The Town’s unemployment insurance rate is set by the State of Maryland. The FY23 budget is based on the first \$8,500 of wages paid to each employee during the calendar year.

Overtime

FY22 Budget: \$10,000 FY22 Est. Actual: \$6,000 FY23 Budget: \$10,000

- **Purpose:** This account funds overtime work by Town employees.
- **Rationale:** The FY23 budget is based on an average of past expenditures.

Workers’ Compensation

FY22 Budget: \$5,000 FY22 Est. Actual: \$5,000 FY23 Budget: \$5,000

- **Purpose:** This account funds workers’ compensation insurance for Town employees (excluding off-duty police officers) through Chesapeake Employers Insurance.
- **Rationale:** Rates are based on payroll figures and the Town’s history of employee injuries.

GENERAL GOVERNMENT – PROFESSIONAL SERVICES

Land Use/Planning /Development Consultants

FY22 Budget: \$390,000 FY22 Est. Actual: \$110,000 FY23 Budget: \$250,000

- **Purpose:** This account includes funds for professional services related to the 4-H property redevelopment; Bethesda Downtown Plan implementation; Purple Line mitigation; and Town Code review.

- **Rationale:** The FY23 budget is based on anticipated needs. The Town currently has professional services agreements with two firms to address the redevelopment of the former 4-H property.

Legal Counsel

FY22 Budget: \$100,000 FY22 Est. Actual: \$200,000 FY23 Budget: \$150,000

- **Purpose:** This account funds the Town’s legal representation.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Code Enforcement (Building/Parking/Noise)

FY22 Budget: \$25,000 FY22 Est. Actual: \$10,000 FY23 Budget: \$50,000

- **Purpose:** This account funds all Town code enforcement services.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Civil Engineering/Water Drainage Plan Review

FY22 Budget: \$40,000 FY22 Est. Actual: \$40,000 FY23 Budget: \$45,000

- **Purpose:** This account funds professional services related to water drainage plan review.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Accounting Services

FY22 Budget: \$30,000 FY22 Est. Actual: \$30,000 FY23 Budget: \$30,000

- **Purpose:** This account funds a part-time contractor for accounting services.
- **Rationale:** The FY23 budget is based on a contract with an independent accountant.

Management Consultant

FY22 Budget: \$25,000 FY22 Est. Actual: \$10,000 FY23 Budget: \$25,000

- **Purpose:** This account funds a part-time management consultant to assist the Town with special projects.
- **Rationale:** The FY23 budget is based on approximately 10 hours/week of consulting management services.

Audit Services

FY22 Budget: \$12,000 FY22 Est. Actual: \$12,500 FY23 Budget: \$13,000

- **Purpose:** This account funds the annual audit, as required by law.
- **Rationale:** The FY23 budget is based on a contract with the Town’s accounting firm.

GENERAL GOVERNMENT -- CIVIC AFFAIRS and COMMUNITY PROGRAMS

Special Events

FY22 Budget: \$55,000 FY22 Est. Actual: \$15,000 FY23 Budget: \$55,000

- **Purpose:** This account funds Town special events, the Town’s annual election, and any Council or Committee meeting expenses.
- **Rationale:** The FY23 budget includes funding to resume the Town’s regular events schedule.

Private Canopy Tree Maintenance Program

FY22 Budget: \$35,000 FY22 Est. Actual: \$42,000 FY23 Budget: \$42,000

- **Purpose:** This account provides funds to assist residents in maintaining private canopy trees.
- **Rationale:** The FY23 budget is based on FY22 estimated expenditures.

Private Native Tree Planting Program

FY22 Budget: \$10,000 FY22 Est. Actual: \$24,000 FY23 Budget: \$24,000

- **Purpose:** This account funds the Private Native Tree Planting Program, in which the Town plants native trees on private property at the request of homeowners. In FY22, the Council expanded the list of trees that may be planted under this program to include non-canopy native trees.
- **Rationale:** The FY23 budget is based on FY22 estimated expenditures.

Consulting Arborist Program

FY22 Budget: \$10,000 FY22 Est. Actual: \$10,000 FY23 Budget: \$10,000

- **Purpose:** This account funds the costs of the Town’s consulting arborist to provide recommendations to Town residents on private tree pruning and pest management.
- **Rationale:** The FY23 budget is based on past expenditures.

Senior Support Services

FY22 Budget: \$10,000 FY22 Est. Actual: \$10,000 FY23 Budget: \$10,000

- **Purpose:** This account provides funds to the Chevy Chase at Home organization for services to Town seniors.
- **Rationale:** The FY23 budget provides funding for these services.

Consulting Water Management Program

FY22 Budget: \$10,000 FY22 Est. Actual: \$0 FY23 Budget: \$5,000

- **Purpose:** This account funds the costs of the Town’s consulting engineer to provide recommendations to Town residents on improving water management on their property.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

GENERAL GOVERNMENT – OTHER SERVICES and SUPPLIES

Debt Service Principal (Wynne)

FY22 Budget: \$38,100 FY22 Est. Actual: \$38,100 FY23 Budget: \$38,100

- **Purpose:** The Town continues to owe \$714,589 to the state due to the 2015 U.S. Supreme Court decision that requires a state to provide a local income tax credit to those residents who pay taxes to another state (the “Wynne” decision). The quarterly repayments, which began in May 2021 and will continue over 20 years, amount to \$38,111 per year.
- **Rationale:** The FY23 budget is based on a debt service repayment schedule established by the state.

Dues and Subscriptions

FY22 Budget: \$20,000 FY22 Est. Actual: \$24,000 FY23 Budget: \$25,000

- **Purpose:** This account funds membership dues for municipal associations and professional organizations.
- **Rationale:** The FY23 budget is based on past expenditures.

Printing and Recording

FY22 Budget: \$30,000 FY22 Est. Actual: \$25,000 FY23 Budget: \$25,000

- **Purpose:** This account funds printing costs for Town publications. It also funds meeting recordings and transcripts.
- **Rationale:** The FY23 budget is based on past expenditures.

Insurance (LGIT)

FY22 Budget: \$15,000 FY22 Est. Actual: \$15,000 FY23 Budget: \$15,000

- **Purpose:** This account funds the Town's liability insurance provided through the Local Government Insurance Trust (LGIT).
- **Rationale:** The FY23 budget is based on cost estimates provided by LGIT.

Telephone

FY22 Budget: \$8,000 FY22 Est. Actual: \$7,000 FY23 Budget: \$8,000

- **Purpose:** This account funds office phone lines, cell phones, and internet service.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Web Hosting and Development

FY22 Budget: \$7,500 FY22 Est. Actual: \$7,500 FY23 Budget: \$8,000

- **Purpose:** This account funds web hosting and development.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Supplies

FY22 Budget: \$5,000 FY22 Est. Actual: \$5,000 FY23 Budget: \$7,000

- **Purpose:** This account funds paper and office products, refreshments, and supplies.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Payroll Service

FY22 Budget: \$4,000 FY22 Est. Actual: \$4,000 FY23 Budget: \$4,000

- **Purpose:** This account funds the Town’s payroll service.
- **Rationale:** The FY23 budget is based on estimates provided by the payroll company.

Postage

FY22 Budget: \$4,000 FY22 Est. Actual: \$4,000 FY23 Budget: \$4,000

- **Purpose:** This account funds all Town postage, including the Town’s bulk mail permit.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

County Tax Collection Service

FY22 Budget: \$2,000 FY22 Est. Actual: \$2,000 FY23 Budget: \$2,000

- **Purpose:** The County assesses a fee to recover administrative costs in collecting and disbursing the Town’s property taxes.
- **Rationale:** The FY23 budget is based on County estimates.

Repairs and Maintenance

FY22 Budget: \$2,000 FY22 Est. Actual: \$1,000 FY23 Budget: \$2,000

- **Purpose:** This account funds maintenance of Town office equipment and the generator.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Travel/Meeting Expenses

FY22 Budget: \$2,000 FY22 Est. Actual: \$2,000 FY23 Budget: \$2,000

- **Purpose:** This account funds Council and staff attendance at professional conferences, meetings, and seminars.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Unusual Non-recurring

FY22 Budget: \$1,000 FY22 Est. Actual: \$2,000 FY23 Budget: \$2,000

- **Purpose:** This account funds unexpected items that are not originally budgeted.
- **Rationale:** The FY23 budget is based on past expenditures.

PUBLIC WORKS -- SANITATION and WASTE REMOVAL

Household Trash Collection Contractual Services

FY22 Budget: \$175,000

FY22 Est. Actual: \$175,000

FY23 Budget: \$354,000

- **Purpose:** This account funds the contract for household trash collection.
- **Rationale:** The FY23 budget is based on competitively bid contractual costs. The contract was rebid in FY22, and costs have increased substantially.

Trash and Treasures Contractual Services

FY22 Budget: \$11,000

FY22 Est. Actual: \$11,000

FY23 Budget: \$11,000

- **Purpose:** This account funds the Town's twice-yearly Trash and Treasures collection.
- **Rationale:** The FY23 budget is based on competitively bid contractual costs.

Town Dump Fees – Refuse

FY22 Budget: \$500

FY22 Est. Actual: \$500

FY23 Budget: \$500

- **Purpose:** This account funds the disposal of refuse by the Town's maintenance crew.
- **Rationale:** The FY23 budget is based on past expenditures.

Leaf Collection Contractual Services

FY22 Budget: \$84,000

FY22 Est. Actual: \$84,000

FY23 Budget: \$84,000

- **Purpose:** This account funds the annual leaf collection and disposal contract.
- **Rationale:** The FY23 budget is based on competitively bid contractual costs.

Recycling Collection Contractual Services

FY22 Budget: \$105,000

FY22 Est. Actual: \$105,000

FY23 Budget: \$228,000

- **Purpose:** This account funds the Town's single stream recycling program.
- **Rationale:** The FY23 budget is based on competitively bid contractual costs. The contract was rebid in FY22, and costs have increased substantially.

Recycling Bins/Carts

FY22 Budget: \$5,000

FY22 Est. Actual: \$0

FY23 Budget: \$5,000

- **Purpose:** This account funds new recycling bins and carts, as needed.
- **Rationale:** The FY23 budget provides funds for new recycling bins.

Household Organic Waste Collection Contractual Services

FY22 Budget: \$35,000 FY22 Est. Actual: \$35,000 FY23 Budget: \$42,000

- **Purpose:** This account funds the Town’s household organic waste collection program.
- **Rationale:** The FY23 budget is based on competitively bid contractual costs and an anticipated rise in program participants.

Composting Bins

FY22 Budget: \$500 FY22 Est. Actual: \$500 FY23 Budget: \$500

- **Purpose:** This account funds new composting bins, as needed.
- **Rationale:** The Town anticipates purchasing additional composting bins in FY23.

Yard Trash Collection Contractual Services

FY22 Budget: \$23,000 FY22 Est. Actual: \$23,000 FY23 Budget: \$63,000

- **Purpose:** This account funds the Town’s yard trash collection contract.
- **Rationale:** The FY23 budget is based on competitively bid contractual costs. The contract was rebid in FY22, and costs have increased substantially.

Town Dump Fees – Yard Trash

FY22 Budget: \$500 FY22 Est. Actual: \$500 FY23 Budget: \$500

- **Purpose:** This account covers dump fees for yard trash taken to the dump by Town staff.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

PUBLIC WORKS -- STREETS and ROADS

Sidewalk Snow Removal

FY22 Budget: \$100,000

FY22 Est. Actual: \$80,000

FY23 Budget: \$100,000

- **Purpose:** This account funds the Town's sidewalk snow removal program in which the Town assists with the clearing of public sidewalks when snow accumulates to 6 inches or more or when conditions warrant.
- **Rationale:** The amount of annual snowfall is unpredictable. The FY23 budget is based on average annual expenditures.

Street Snow Removal

FY22 Budget: \$50,000

FY22 Est. Actual: \$25,000

FY23 Budget: \$50,000

- **Purpose:** This account funds the contractor that assists the Town crews in clearing snow from Town streets.
- **Rationale:** The FY23 budget is based on average annual expenditures.

Utilities

FY22 Budget: \$30,000

FY22 Est. Actual: \$34,000

FY23 Budget: \$35,000

- **Purpose:** This account funds street light electricity and utilities used at the garage.
- **Rationale:** The FY23 budget is based on past expenditures.

Consultants and Engineers

FY22 Budget: \$5,000

FY22 Est. Actual: \$10,000

FY23 Budget: \$10,000

- **Purpose:** This account funds civil engineers and traffic consultants.
- **Rationale:** The FY23 budget provides funds for consultants to assist with implementation of infrastructure improvements and traffic engineering/management.

Street Sweeping

FY22 Budget: \$10,000

FY22 Est. Actual: \$10,000

FY23 Budget: \$10,000

- **Purpose:** This account funds monthly street cleaning.
- **Rationale:** The FY23 budget is based on contractual costs.

Repairs and Maintenance

FY22 Budget: \$2,500

FY22 Est. Actual: \$6,500

FY23 Budget: \$5,000

- **Purpose:** This account funds repairs and maintenance of the Town's trucks and plows.
- **Rationale:** The FY23 budget is based on past expenditures.

Street Signs

FY22 Budget: \$15,000

FY22 Est. Actual: \$2,000

FY23 Budget: \$5,000

- **Purpose:** This account funds new street signs.
- **Rationale:** The FY23 budget will allow the Town to continue to replace and maintain street signs.

Supplies

FY22 Budget: \$5,000

FY22 Est. Actual: \$5,000

FY23 Budget: \$5,000

- **Purpose:** This account funds supplies for streets and roads, including winter salt and sand, gas, and oil.
- **Rationale:** The FY23 budget is based on past expenditures and anticipated needs.

PUBLIC WORKS – PARKS, GROUNDS and TREES

Tree Maintenance

FY22 Budget: \$150,000

FY22 Est. Actual: \$150,000

FY23 Budget: \$150,000

- **Purpose:** This account funds the Town's street tree maintenance program.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

Landscaping Services

FY22 Budget: \$85,000

FY22 Est. Actual: \$85,000

FY23 Budget: \$95,000

- **Purpose:** This account funds the Town's landscaping contract for the maintenance of Town parks and open spaces.
- **Rationale:** The FY23 budget is based on competitively bid contractual costs.

Consultants and Engineers

FY22 Budget: \$100,000

FY22 Est. Actual: \$25,000

FY23 Budget: \$75,000

- **Purpose:** This account funds landscape designers, architects, and engineers to assist in improving Town parks and open space.
- **Rationale:** The FY23 budget provides funds for consultants and engineers to assist with improvements to Town parks, including redevelopment of Zimmerman Park. The Town has a contract with Clark Azar to design and permit improvements to Zimmerman Park.

Arborist

FY22 Budget: \$25,000

FY2 Est. Actual: \$25,000

FY23 Budget: \$30,000

- **Purpose:** This account funds the Town's arborist services, including integrated pest management, preparation of pruning lists, and oversight of the tree maintenance contractor.
- **Rationale:** The FY23 budget is based on projected needs and past expenditures.

Supplies

FY22 Budget: \$10,000

FY22 Est. Actual: \$6,000

FY23 Budget: \$10,000

- **Purpose:** This account funds supplies for parks and grounds, including fertilizer, sod, flower bulbs, grass seed, light fixtures, and landscaping materials.
- **Rationale:** The FY23 budget is based on past expenditures.

Repairs and Maintenance

FY22 Budget: \$2,000

FY22 Est. Actual: \$2,000

FY23 Budget: \$5,000

- **Purpose:** This account funds maintenance of the Town's landscaping equipment. It includes repairs to the trucks, lawn mowers, and watering rig.
- **Rationale:** The FY23 budget is based on past expenditures.

Utilities

FY22 Budget: \$3,000

FY22 Est. Actual: \$2,000

FY23 Budget: \$3,000

- **Purpose:** This account funds utility services that the Town uses in its parks, including rental of WSSC water meters and water usage, and in the Town garage.
- **Rationale:** The FY23 budget is based on anticipated expenditures.

PUBLIC SAFETY (POLICE)

Salaries

FY22 Budget: \$336,000 FY22 Est. Actual: \$336,000 FY23 Budget: \$336,000

- **Purpose:** This account funds the Town’s off-duty Montgomery County police officers. Day shift officers earn \$50/hour, and night-shift officers earn \$55/hour.
- **Rationale:** The FY23 budget provides funding for 16 hours per day of police coverage in addition to 105 4-hour shifts to supplement coverage during morning and afternoon rush hours.

Police Management Service

FY22 Budget: \$34,000 FY22 Est. Actual: \$34,000 FY23 Budget: \$34,000

- **Purpose:** This account funds the administrative management of the Town’s off-duty Montgomery County police officers.
- **Rationale:** The FY23 budget is based on contractual costs.

Payroll Taxes

FY22 Budget: \$24,500 FY22 Est. Actual: \$24,000 FY23 Budget: \$24,000

- **Purpose:** This account funds the federally-mandated Social Security and Medicare programs and state-mandated unemployment insurance for the Town’s off-duty police officers
- **Rationale:** Social Security and Medicare costs total 7.65% of officers’ salaries. This rate is set by the Federal Government. The Town’s unemployment insurance rate is set by the State of Maryland. The FY23 budget is based on the first \$8,500 of wages paid to each off-duty officer during the calendar year.

Workers’ Compensation

FY22 Budget: \$21,000 FY22 Est. Actual: \$16,000 FY23 Budget: \$17,000

- **Purpose:** This account funds workers’ compensation insurance through Chesapeake Employers Insurance.
- **Rationale:** Rates are based on police payroll figures and the Town’s history of employee injuries.

Legal Liability Insurance

FY22 Budget: \$9,000

FY22 Est. Actual: \$8,000

FY23 Budget: \$8,000

- **Purpose:** This account funds the police portion of the Town's liability insurance provided through the Local Government Insurance Trust (LGIT).
- **Rationale:** The FY23 budget is based on cost estimates provided by LGIT.

FY 2023 CAPITAL BUDGET

STREETS and SIDEWALKS

Asphalt and Concrete

FY22 Budget: \$100,000 FY22 Est. Actual (Net): \$24,720 FY23 Budget: \$150,000

- **Purpose:** This account funds necessary street and sidewalk work.
- **Rationale:** The FY23 budget is based on anticipated expenditures and is substantially lower than expenditures in FY15 through FY21 due to the completion of the final round of street and road repairs in FY21.

Street Signage

FY22 Budget: \$15,000 FY22 Est. Actual: \$11,000 FY23 Budget: \$10,000

- **Purpose:** This account funds new street signage.
- **Rationale:** The FY23 budget includes funds for new street signs.

Streetlights

FY22 Budget: \$5,000 FY22 Est. Actual: \$0 FY23 Budget: \$5,000

- **Purpose:** This account funds new street lighting equipment.
- **Rationale:** The FY23 budget includes funds to add new streetlights.

PARKS, GROUNDS, and TREES

Park Improvements

FY22 Budget (Net): \$412,500 FY22 Est. Actual: \$10,000 FY23 Budget (Net): \$112,500

- **Purpose:** This account funds improvements to Town parks and open space.
- **Rationale:** The FY23 budget provides funds to construct improvements to Town parks, including Zimmerman Park. This amount is substantially offset by a state grant of \$337,500 to renovate and upgrade Zimmerman Park.

New Trees/Reforestation

FY22 Budget: \$15,000

FY22 Est. Actual: \$22,000

FY23 Budget: \$25,000

- **Purpose:** This account funds the Town's reforestation efforts.
- **Rationale:** The FY23 budget provides funds to plant new street trees.

FACILITIES and EQUIPMENT

Town Office Improvements

FY22 Budget: \$0

FY22 Est. Actual: \$0

FY23 Budget: \$50,000

- **Purpose:** This account funds Town office improvements.
- **Rationale:** The Town plans to undertake office renovations in FY23. Renovations will include modifications to office layout, new carpeting, and new furniture.

Information Technology

FY22 Budget: \$5,000

FY22 Est. Actual: \$5,000

FY23 Budget: \$5,000

- **Purpose:** This account funds upgrades to the Town's information technology systems.
- **Rationale:** The Town plans to make minor system enhancements in FY23.

RESTRICTED FUNDS

American Rescue Plan Act (ARPA) Funds

FY22 Balance: \$1,089,954 FY23 Revenue: \$1,214,954 FY23 Est. Obligations: \$2,304,908

- **Purpose:** The Town is a recipient of approximately \$2.4 million in Coronavirus Local Fiscal Recovery Funds under the American Rescue Plan Act (ARPA). The fiscal recovery funds are intended to enable state and local governments to respond to the COVID-19 public health emergency, provide premium pay to essential workers, supplement revenue reductions incurred during the pandemic, and to make necessary investment in water, sewer, and broadband infrastructure.
- **Rationale:** In FY22, the Town Council accepted all ARPA monies under the standard allowance and agreed to continue to follow the Town policy for the allocation of ARPA funds as established by the Council in September 2021. The Council anticipates obligating all ARPA funds in FY23.

Cable TV Improvements -- PEG Grants

FY22 Balance: \$363,321 FY23 Est. Revenue: \$29,000 FY23 Est. Expenditures: \$25,000

- **Purpose:** As part of the Town's various cable franchise agreement, the Town receives money to be used for cable television facilities and operations.
- **Rationale:** For FY23, the Town anticipates additional upgrades to the audio/visual system in the Town Hall, including providing for virtual participation in Town Council meetings. In FY22, the Town entered into an agreement with Montgomery Municipal Cable (MMC) that provides MMC with the Town's portion of PEG grants restricted for cable television operations in exchange for MMC's assistance with covering Town meetings and events. The Town will retain the portion of PEG funds restricted for cable television facilities.