

City of Greenbelt, Maryland



ADOPTED BUDGET

FOR THE FISCAL YEAR JULY 1, 2011 – JUNE 30, 2012

CITY COUNCIL

Judith F. Davis, Mayor
Emmett V. Jordan, Mayor Pro Tem
Konrad E. Herling
Leta M. Mach
Silke I. Pope
Edward V.J. Putens
Rodney M. Roberts

CITY MANAGER

Michael P. McLaughlin

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James R. Craze, Police
Kenneth Hall, Public Works
Julie McHale, Recreation
Elizabeth Park, Greenbelt CARES
Robert Manzi, City Solicitor

HOW TO USE THIS BUDGET BOOK

The budget is the City organization's operational master plan for the fiscal year. This section is designed to acquaint the reader with the organization in order to get the most out of the information contained herein.

The budget is divided by tabs into sections, and a **Table of Contents** is included at the beginning of the book.

The **City Manager's Message**, in the very front of the book, summarizes what is going on in the budget and tells the story behind the numbers. It identifies major issues, notes decisions to be made by the City Council when adopting the budget, and conveys a thorough understanding of what the budget means for this fiscal year.

A **Table of Organization** is provided for the entire City organization. Tables of Organization for each department are located with the departmental budgets.

A budget summary is presented in the **General Fund – Revenues and Expenditures** section. Included in this summary are listings of total revenues and expenditures for the remainder of this fiscal year (estimated), next fiscal year, and past years. Expenditures are broken down into three categories: personnel expenses, other operating expenses, and capital expenditures. A one-page "executive summary" of all of the above is also included.

Departmental Expenditures are grouped by activity. Each section includes:

- Narratives describing the department or division's mission,
- FY 2011 accomplishments,
- FY 2012 issues and services,
- A table of organization,
- Personnel details,
- Past and projected expenditures,
- FY 2012 objectives,
- Measures by which to judge the performance of the department during the next fiscal year, including how services are rated by citizens. Scores from 2003 are rated on a scale of 1 (poor) to 4 (excellent). In 2005, the scale changed to 1 (poor) to 5 (excellent).
- Budget comments explaining significant expenditures within each budget.

The **Analysis and Background** section contains charts and graphs that further describe the City's condition including background reports on budget issues, a debt service schedule, and demographic information.

Finally, a **Glossary** at the back of the book defines technical terms used throughout the budget document.

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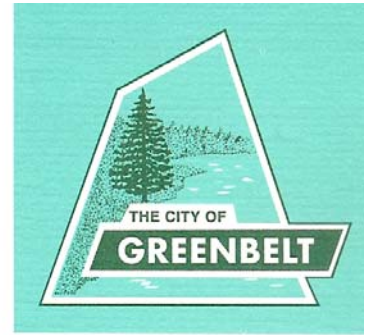
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CITY OF GREENBELT

25 CRESCENT ROAD, GREENBELT, MD. 20770-1886

June 6, 2011



Dear Fellow Greenbelt Citizens:

Enclosed is the City of Greenbelt's Adopted Budget for the fiscal year beginning July 1, 2011, and ending June 30, 2012 (FY 2012). The City Manager submitted a proposed budget to the City Council on March 28, 2011. The City Council held ten work sessions, as well as two public hearings in April and May. As always, your interest and comments during this process were greatly appreciated.

CITY COUNCIL
Judith F. Davis, Mayor
Emmett V. Jordan, Mayor Pro Tem
Konrad E. Herling
Leta M. Mach
Silke I. Pope
Edward V.J. Putens
Rodney M. Roberts

As you well know, the difficult economic conditions continue in the nation and the region. Last year, we noted the budget process was "...the most difficult one Greenbelt has faced in many years". The FY 2012 process was nearly as difficult. While there were no unanticipated surprises to address, as there were in FY 2010 and 2011, revenues will continue to be severely constrained.

In the FY 2011 budget, over \$900,000 in savings, reductions and cuts were made. For the FY 2012 budget, an additional \$847,000 in savings, reductions and cuts have been identified and made. These include the elimination of one position in Public Works, lowering electric costs by switching to Clean Currents, increasing the employee share of the health insurance premium from 15 to 20 percent and reducing a proposed two (2) percent pay increase to a one (1) percent one-time bonus.

One of the key initiatives in the proposed FY 2012 budget was to refinance the City's debt to take advantage of the current low interest rates and to lower the City's annual operating expenses by over \$400,000. However, the proposal will also extend the term of the City's debt. Recognizing this fact, we authorized using a significant portion of the additional savings we identified \$232,100 to be used toward paying down the City's debt. We will look to do the same in future years.

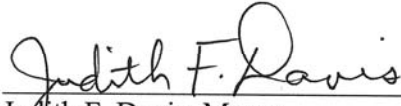
While we believe that difficult economic conditions will continue for this year and next, and possibly longer, there have been some improving signs – the State increased Highway User Revenue, income tax receipts are up reflecting strong employment for Greenbelt residents, and hotel/motel tax receipts are showing increases in occupancy in Greenbelt hotels. Bottom line, Greenbelt is prudently positioned for the coming year.

We thank you for the special trust you place in us as your elected representatives and greatly appreciate your support. We will do our best to keep Greenbelt the great place that it is as we celebrate Greenbelt's 75th Anniversary in 2012.

A NATIONAL HISTORIC LANDMARK
PHONE: (301) 474-8000 FAX: (301) 441-8248
www.greenbeltmd.gov



Sincerely,



Judith F. Davis, Mayor



Emmett V. Jordan, Mayor Pro Tem




Konrad E. Herling, Council member




Leta M. Mach, Council member



Silke I. Pope, Council member



Edward V.J. Putens, Council member



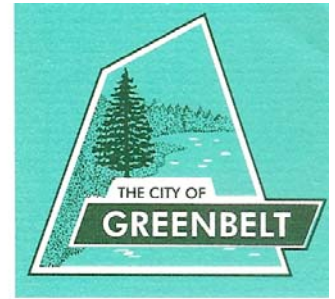
Rodney M. Roberts, Council member

CITY OF GREENBELT, MARYLAND

OFFICE OF THE CITY MANAGER

25 CRESCENT ROAD, GREENBELT, MD. 20770

March 28, 2011



Honorable Mayor and City Council,

Michael P. McLaughlin
City Manager

I am pleased to present the proposed budget for the City of Greenbelt for Fiscal Year 2012 (FY 2012). The budget process is an opportunity to review and identify the issues, challenges, and opportunities that will face the Greenbelt community in the next twelve months, as well as to discuss and set the direction of the organization for the coming year and beyond. Once adopted, the budget becomes the city's operational and financial master plan for the coming year.

KEY ISSUE

The key issue of the FY 2010 and FY 2011 budgets was the very difficult economic climate in the nation and the state. The recession in the overall economy, problems in the housing market, and a reduction in State revenues caused a significant financial crisis at all levels of government in Maryland. Greenbelt has not been exempt and will continue to be negatively impacted at least through the next two fiscal years (FY 2012 and 2013). Fortunately, both the FY 2010 and 2011 budgets included revenues in excess of expenditures and savings in response to the fiscal problems which enabled the situation to be relatively manageable.

As highlighted last year all real property in Greenbelt was reassessed in calendar year 2009 with the real estate market at or near its lowest point relative to recent years. Since property is only reassessed every three years, the next review will occur in 2012. Consequently, the city will see little to no increase in real property assessed value and property tax revenue through at least FY 2013. As property taxes account for over 60% of the city's revenue, this means there will be fiscal constraints and hard choices for at least two more years.

Besides lower property tax receipts, the economic downturn has caused reductions in a number of other large revenues. Corporate Tax receipts are projected \$340,000 lower than four years ago (FY 2009), and Highway User/Gas Tax revenues are anticipated at just \$24,000, which is \$532,000 or 95% lower than received in FY 2009, due to a State cut of this funding source.

BUDGET SUMMARY

The proposed FY 2012 expenditure budget is \$25,392,200, an increase of \$523,300 or 2.1% from the adopted FY 2011 budget. FY 2012 revenues are estimated at \$25,723,800, a \$458,000 or 1.8% increase compared to FY 2011, with no change to the tax rate. Revenues exceed expenditures by \$331,600.

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There are four key points which helped to balance this budget that merit particular attention. These are:

1. The city's existing debt is proposed to be refinanced – this action will reduce expenses in the short-term and enable additional debt to be incurred for other capital projects such as the theater, but cost more in the long term.
2. The increase in revenue can be attributed to raising inspection fees, expected revenue from speed cameras and lower abatements. Otherwise, most revenues continue to be flat or down compared to previous years.
3. This budget supports existing services and continues to make progress on Council's Visioning Goals, while proposing elimination of one (1) currently vacant position or full time equivalent (FTE) in the work force. Over the last three fiscal years, 6.15 positions or full-time equivalents have been eliminated in order to save money in response to the economic situation. No furloughs or layoffs are proposed.
4. The city's fund balance was drawn down \$421,257 in FY 2010. It is estimated that approximately \$375,000 will be added back to the fund balance this fiscal year placing it at 8.9% of expenditures. The FY 2012 budget proposes to add \$331,600 to the fund balance, placing it at 10.0%. The city's policy is to have a fund balance of 10% of expenditures, so attention needs to be paid to this situation.

REVENUE DETAIL

Here are some key revenues and what is expected to occur in FY 2012:

1. **Real Property** – As noted, FY 2012 is the second year of the current triennial assessment period for which prices were set when the real estate market was at or near its low point. In many cases, residential assessed values set in 2009 were 20 to 30 percent lower than the prior assessment in 2006 which caused an expected reduction in property taxes of almost \$600,000 in property taxes in FY 2011. However, net property tax revenues are estimated to be down only \$350,000 compared to FY 2010. The drop in assessments has been cushioned by the Homestead Property Tax Credit which has been reduced from \$2.7 million in FY 2010 to an estimated \$800,000 in FY 2012.

According to the State Department of Assessments and Taxation, gross assessed value of real property will increase 1.5% from FY 2011 to FY 2012. Since there is no new development in the city, assessed values are expected to remain at this level in FY 2013 as well.

The proposed Real Property revenue is \$15,732,000 which is 61% of the total revenue, a reduction of 1% from FY 2011. As are most local governments, Greenbelt is very reliant on the property tax. In FY 2003, property taxes accounted for just 42% of the city's revenue. One (1) cent on the tax rate yields \$209,500.

2. **Economy Driven Revenues** – There are a few revenues which are sensitive to the economy and provide some insight to the “State of the Economy” in Greenbelt and the region.

A. Business/Corporate Property - The economic downturn began to be evident in this revenue in FY 2009. Actual receipts in FY 2008 were \$1.6 million, but dropped to just below \$1.5 million

in FY 2009 and are estimated at just \$1.15 million in FY 2012, down almost 30% since FY 2008. Over this period, companies such as Northrop Grumman (\$135,000), Hewlett Packard (\$50,000) and Value City (\$35,000) have closed operations in Greenbelt, while other businesses shrunk their inventories.

- B. Income Taxes** - Receipts from Income Taxes are projected at \$2,120,000 for FY 2011 and \$2,160,000 for FY 2012. These numbers are the highest in the past ten years and show a steady recovery from the \$2,043,480 received in FY 2009, indicating an improving employment situation for Greenbelt residents.
- C. Hotel/Motel Taxes** – This revenue indicates the health of the economy perhaps more quickly than any other. This revenue peaked in FY 2008 at \$739,575, but dropped to \$648,428 (12.3%) in FY 2010. Similar to Income Taxes, it is already showing signs of recovery, being estimated at \$670,000 this year, up 3.4%, and \$700,000 in FY 2012 (up 4.5%).
- D. Admission & Amusement (A&A) Taxes** – For the past five years, the city has been rebating a portion of this tax to local theater operations. This action was taken to assist Beltway Plaza in its renovation and operation of its theaters. By the time this support ends, approximately \$500,000 will have been rebated to Beltway Plaza. In FY 2012, the Admission and Amusement Tax will return to ten (10) percent, though net receipts, projected at \$165,000, remain well below a decade ago when this revenue generated over \$650,000.

3. Licenses/Service Charges/User Fees/Fines –

- As discussed at a Council work session on February 7, 2011, it is proposed to raise the apartment license fee from \$100 to \$110 per year and the base fee for commercial office licenses from \$125 to \$285. These proposals will raise \$46,000 and \$84,000, respectively.
- The Waste Collection fee is recommended to increase by \$4.00 per quarter to \$67 per quarter. This is a 6.3% increase. Compared to other local governments, Greenbelt's rate continues to be very affordable. The Recycling Only rate will increase from \$32 to \$33 (5%) per year and commercial rates will be increased. In addition, it is estimated the city will continue to pay \$5/ton for recycling materials brought to a recycling facility due to the drop in commodities prices.
- Pass fees at the Aquatic and Fitness Center are not proposed to increase as part of the facility's twentieth celebration. Also, rates have been raised annually for the past six years.
- Fees from the city's Red Light Camera program peaked in FY 2003 at just over \$600,000. Since then, fees have been declining, due largely to better compliance. Revenues are estimated to exceed expenditures in FY 2012 at \$275,000 and \$214,400, respectively.
- It is anticipated that one or more speed camera(s) will be installed in FY 2012. Based on the experience in College Park and Bowie, there will be an initial surge of violations, and thus citations, which will result in significant fees. However, within the first year, there will likely be compliance with speed limits which will cause a drop in violations. For FY 2012, \$200,000 in citations is budgeted as revenue and future years will probably not exceed \$100,000. It is recommended that these revenues be used to rebuild the city's fund balance, and not budgeted to support ongoing operating expenses.

4. Other Revenues of Note

- A. Highway User Revenue – This revenue is provided by the State. It peaked in FY 2007 at \$681,302, but has been declining since then. In FY 2010, the State reduced it 90 percent to \$51,064 to help address its fiscal situation. It is being reduced further to \$24,000 in FY 2012, as the State continues to look to reduce its budget.
- B. County Grants – In FY 2010 and 2011, the city has received \$184,000 in support of its Recreation programs from the Maryland-National Capital Park and Planning commission (M-NCPPC) and \$80,000 from Prince George’s County for the School Resource Officer (SRO) program. Both grants have come from the assistance of County Council member Ingrid Turner. Both grants are expected in FY 2012.

EXPENDITURE ISSUES

The Proposed FY 2012 budget funds existing services and a number of initiatives based on Council’s goals, but with one (1) fewer position. Described below are issues for consideration as Council reviews this budget.

1. The Impacts of the Economic Downturn and the 2009 Reassessment

As predicted in the FY 2010 budget, property tax and many other revenues are in a downturn which is expected to continue through at least FY 2013. This reality has been communicated and understood by city staff. In response, over the past three years, a focus has been placed on identifying savings/cuts/reductions in city expenses. Since FY 2009, over \$1 million has been saved/cut/reduced from the city’s budget with minimal impact to core city services which is a tribute to the city’s work force. For FY 2012, this focus has continued with an additional \$685,000 in lowered costs/savings being proposed. Listed below are some of the additional proposals being put forth in this budget to help the city meet this challenge.

A. Savings

- | | |
|--|-----------|
| 1. Refinance general obligation debt | \$400,000 |
| 2. Eliminate one Public Works position | 50,000 |
| 3. Purchase five (5) police vehicles, down from eight (8) in FY 2011 | 70,000 |
| 4. Lowered electricity costs through contract with Clean Currents | 100,000 |
| 5. Eliminate uniform costs for administrative personnel | 5,000 |

B. Employee Compensation

- | | |
|--|--------|
| 1. Change amount of Health Insurance paid by employee from 15 to 20% | 60,000 |
|--|--------|

These proposals total \$685,000 or 2.7% of the proposed budget and are equal to an additional 3.27 cents on the tax rate. These proposals are not painless. Refinancing the city’s General Obligation Debt will save the city money in the short run, but cost more in the long run. Public Works has now been downsized two years in a row. It will require adept management to minimize any noticeable

service impacts. However, these actions mean there will be no layoffs or furloughs to balance the budget.

2. Workers Compensation

At the pre-budget meeting with Council in January, it was noted that a large increase was anticipated in the city's Workers Compensation insurance through the Injured Workers Insurance Fund (IWIF). The increase is expected to be almost double what is being paid this year (\$1,155,900 vs. \$597,300). The FY 2012 amount is a 140 percent increase from FY 2010 (\$475,798). This increase has been largely caused by severe isolated accidents that have occurred in the past 12 to 18 months. The fiscal impact of these accidents will be with the city for possibly the next three years as IWIF bases a portion of its rates on an insurer's recent history.

3. Restore and Maintain Fund Balance

The city has a financial policy to seek to maintain a General Fund balance of at least 10% of expenditures. In FY 2005, the fund balance got as low as 4.6% of expenditures, and since then, there has been a concerted effort to restore it to 10%. The FY 2010 budget was adopted with almost \$500,000 more in revenues than expenditures. This was done to rebuild the fund balance and prepare the city for anticipated difficult fiscal times in FY 2011 and beyond. However, these funds were needed in FY 2010 to cushion the city from the \$530,000 reduction of State revenues and other revenue impacts which occurred after the fiscal year began. The FY 2011 budget was adopted with revenues almost \$400,000 in excess of expenses which were also to handle any fiscal problems and restore the fund balance. This cushion was needed when property tax receipts were \$600,000 lower than the budgeted amount.

The FY 2012 budget takes a similar approach. Revenues exceed expenditures by \$331,600 which would place the city's fund balance at 10.0% of FY 2012 expenditures. This situation is largely possible due to the proposal to implement speed cameras. While this type initiative has shown to generate initial revenue, speed cameras also succeed in achieving compliance with speed limits, thus resulting drop in revenues. Therefore, it is recommended that revenues resulting from this initiative not be used for operations, but go to rebuilding the fund balance. As evidenced by circumstances in FY 2010, it only takes one unanticipated action such as the reduction in Highway User Revenues to "unbalance" the city budget. Therefore, maintaining a healthy fund balance is vital.

4. Need for Additional Capital Financing

The 2001 Bond Fund was the last time the city incurred debt, and it was intended to fund four projects. Two are complete, the Public Works facility and traffic calming/playground renovation in Greenbelt East, though the Public Works facility needs \$1 million to fully cover the cost of the project. One other project, the rehabilitation of the Greenbelt Theatre, has \$380,000 in state funds available, but more funds are needed to complete the necessary renovations. There are a number of other projects, such as Greenbelt Lake improvements and a replacement roof for the Aquatic and Fitness Center, for which funding will likely be needed in the coming years. It is suggested Council consider placing a bond referendum question on the November 2011 ballot. If approved, the additional debt service would be paid for with the savings from the refinanced general obligation debt.

GOALS FOR FY 2012

The City Council approved the below set of goals on March 9, 2009. These goals were the result of the Visioning work that occurred in early 2008. These goals have been instrumental in the development of the work plan for this budget. Initiatives have been incorporated in the budget in response to these goals. Samplings are shown below.

1. Enhance Sense of Community

Since its beginning in 1937, the Greenbelt community has benefited from a strong sense of community. The presence of an active and involved citizenry, citizen-owned cooperatives and the design of the community all contributed to a strong sense of community that continues to exist today. It is important to nurture it for Greenbelt to remain a special place to live, work and play.

- ✓ Expand communication with residents
 - Expand the city's use of social media
- ✓ Upgrade and coordinate signage identifying Greenbelt
 - Install unique street sign for Greenbelt, if approved

2. Improve Transportation Opportunities

Transportation within a community and easy accessibility to it is key to making a livable community.

- ✓ Maximize available transit resources to provide efficient services throughout the community
 - Work with County, Washington Metropolitan Area Transit Authority (WMATA), Transit Riders United-Greenbelt (TRU-G), and others to improve transit service in Greenbelt
- ✓ Improve the pedestrian and bicycle experience throughout the community
 - Implement changes to the pedestrian and bicycle network as recommended by the Advisory Planning Board master plan as adopted

3. Maintain Greenbelt as an Environmentally Proactive Community

We are all stewards of the environment. Greenbelt, as a community, must do its share to minimize its impact on the environment.

- ✓ Increase city's recycling rate to 55%
 - Met in FY 2009, goal raised to 60% by 2013
- ✓ Meet or exceed the Climate Change goals of the State of Maryland and the Council of Governments
 - Significant progress has been made. Use \$93,000 in federal Energy Efficiency and Conservation Block Grant on energy efficiency improvements
- ✓ Expand the city's fleet of alternative vehicles to 10% of fleet (12) by 2012
 - No proposals in FY 2012. Switching to bio-diesel would cost \$13,000

4. Improve and Enhance Public Safety

A safe community makes for a place where people want to live and prosper.

- ✓ Engage public involvement through a regular outreach and crime watch program

- ✓ Make neighborhoods safer by calming traffic and enforcing appropriate motorist behavior
 - Implement the Safe Routes to School plan on Springhill Drive
 - Establish a speed camera program
- ✓ Protect Greenbelt's legacy as a livable community through use of livability rules and regulations
 - Work with Fieldstone Properties to renovate Franklin Park while continuing complaint inspection and proactive enforcement

5. Preserve and Enhance Greenbelt's Legacy as a Planned Community

Greenbelt is an important part of this country's history and a model for community planning. It is vital that it continue to thrive for future generations.

- ✓ Protect and expand Greenbelt's green space
 - Establish a fall volunteer tree planting event
- ✓ Act to maximize Greenbelt's influence in the planning and development of the community
 - Participate in the Greenbelt Metro Area Sector Plan development
- ✓ Focus on Greenbelt remaining an affordable community
- ✓ Continue to tell the Greenbelt story
 - Finalize work on a new Greenbelt history book during the 75th Anniversary

6. Promote Quality of Life Programs for All Citizens

In its planning and building, Greenbelt offered a better opportunity for its residents. Such aspirations must continue to guide programs that the city offers.

- ✓ Seniors
 - Offer Active Aging Week activities at the Springhill Lake Recreation Center and in Greenbelt East
- ✓ Youth
 - Increase summer programming in Franklin Park in collaboration with Campfire USA
- ✓ Others
 - Offer at least two Get Active Greenbelt programs at each Recreation Center oriented to parent and child participation

7. Enhance and Facilitate Cultural, Artistic and Recreational Programming for all Citizens

The original planners of Greenbelt recognized that art and recreation are a vital part of a community's fabric and of value to its residents.

- ✓ Partner with local schools

8. Maintain and Improve Fiscal Sustainability

The city must exercise prudence with its resources which in one form or another comes from taxpayers.

- ✓ Become more involved in the business community
 - Implement on-line bill paying
- ✓ Provide high quality city services in a cost effective manner
 - Implement on-line bill paying

Additional Priorities for FY 2012

While the work plan identified by the goals and objectives listed above is noteworthy, there are additional priorities proposed for FY 2012 that should be highlighted:

- The city will celebrate its 75th anniversary in 2012. The continued planning, preparation, and execution of the celebration and related events will require a good deal of staff attention and resources.
- Planning for the future use of the existing Greenbelt Middle School will move into its next phase in FY 2012 as the County school system begins its consideration. Staff resources will continue to support the work of the task force as well as monitor and interact with the County's work.
- In FY 2011, a new Police Computer Aided Dispatch and Records Management System was installed along with a new state of the art Police communication system and interoperable radios. These new technologies will require attention to ensure their seamless incorporation into departmental operations.
- Similarly, new technology systems were installed in Planning and Community Development and Public Works as well as a new heating, cooling and ventilation system at the Aquatic and Fitness Center. These will require staff attention to ensure smooth integration.
- The severe storms of July 2010 and February 2011 caused enormous damage to the city's tree canopy and clean up efforts continue. Efforts in FY 2012 will continue the work to fill-in and restore lost canopy.
- Efforts to reduce the city's carbon footprint will continue. The city is progressing towards meeting the 2012 goals set out by the State of Maryland and the Council of Governments Climate Change Initiative already. The focus in FY 2012 will be to implement energy efficiency improvements utilizing the \$93,000 Energy Efficiency and Conservation Block Grant and identifying possible energy savings at the Aquatic and Fitness Center and Community Center.
- Significant capital projects to be managed by staff in the coming year include renovation of the Greenbelt Theatre, implementation of the stream improvements at the Hillside outfall, and the Safe Routes to School traffic calming changes near Springhill Lake Elementary School.

LONG TERM OUTLOOK

While the nation's economic troubles seem to be lessening, improvements that would positively impact Greenbelt's budget will be slow. There will be limited or no growth in the city's main revenue source, the property tax, until the next reassessment cycle, FY 2014, at the earliest. Further, the State's fiscal situation remains challenging and could result in more impacts to the city in future years, though there is discussion in the current General Assembly session of increasing the Highway User Revenue.

On the other hand, there are positive signs that signal Greenbelt is a desirable place to live and work. First, as evidenced by Income Tax receipts, Greenbelt residents seem to have been minimally impacted by the economic downturn and are recovering. Second, the new managing partners at Franklin Park, Fieldstone Properties, are reinvesting in that property and are pursuing opportunities with the University of Maryland

and regional military branches to provide housing. Third, while there is nothing solid, there has been interest expressed in the development of the South Core at Greenbelt Station. Finally, the federal Capital Improvement Program shows continued investment at the Goddard Space Flight Center and a need for an expansion to the federal courthouse on Cherrywood Lane.

COMPENSATION

As a result of the economic downturn, governments at all levels have been laying employees off, furloughing employees, not increasing salaries, and cutting benefits. Greenbelt has been no exception, though fortunately, with Council's leadership, hard work and sacrifice by city staff to identify savings, the city has avoided layoffs and furloughs. While no cost of living adjustment was possible last year, for most employees, a performance/merit increase was provided. Similarly, though the deferred compensation was reduced from 10 percent to 7.5 percent for most employees, the city was able to afford an equivalent increase in pension rates.

For FY 2012, it is proposed to provide a 2 percent cost-of-living type pay adjustment to all employees, but no performance/merit increase at a cost of \$244,000. It is also proposed to change the percentage of health insurance premiums paid by the city from 85% to 80%. This change will save the city \$60,000 and, as indicated by past compensation surveys, bring the city in line with the percentage paid by most nearby communities. If approved, this change will apply to all employees as the Collective Bargaining Agreement allows the percentage to change if it applies to all employees.

Total health insurance premiums will be 2% lower in FY 2012. This will be the fourth time in the past five years that health insurance costs will not increase. Also, there is no increase in the city's successful self-insured prescription plan. However, it is proposed to phase-in increased premiums for prescriptions for former city employees that have retired but continue to utilize the city's plans.

The Livable Wage policy, adopted in September 2007, has been checked with the State Department of Labor, Licensing and Regulation and the State wage level is \$12.28 per hour as of September 27, 2010. The city's pay scale exceeds this amount and thus is in compliance with the policy.

TAX DIFFERENTIAL

Because Greenbelt residents pay property taxes to the city to support the services provided, they pay a lower tax rate to the county and Maryland-National Capital Park and Planning Commission (M-NCPPC) as a result of the city's services. This is called the tax differential. In FY 2011, property owners residing in an unincorporated portion of Prince George's County such as Glenn Dale paid county taxes at the rate of \$0.96 per \$100 assessed valuation and M-NCPPC taxes at the rate of \$0.279 per \$100 assessed valuation. By comparison, Greenbelt residents paid a lower county tax rate of \$0.783 per \$100 assessed valuation and a lower M-NCPPC tax rate of \$0.1071. These rates are essentially credit for the services the city provides. A detailed breakdown of the tax rates is in the Analysis and Background section of this document. In FY 2012, it is expected that the county tax differential for Greenbelt residents will be decreased by five-tenths of a cent causing a slight increase in the County tax rate.

CAPITAL IMPROVEMENTS

The city has three capital improvement funds: the pay as you go Capital Projects Fund, the 2001 Bond Fund which accounts for the \$3.5 million bond issue approved in 2001 and the Community Development Block Grant Fund.

In the Capital Projects fund, projects totaling \$1,898,000 are proposed. These will be funded with existing fund balance, State grants and a transfer of \$300,000 from the General Fund. Some of the projects proposed for FY 2012 are:

1. Resurfacing portions of Mandan Road and Research Road along with base repair work - \$249,600
2. Installing traffic calming improvements along Springhill Drive through a Safe Routes to School grant - \$152,400
3. Upgrading the playgrounds at 12 Court Hillside and at Crescent and Ridge ("A" Block) - \$101,000
4. Stabilization of the Greenhill/Hillside outfall as a Greenbelt Lake water quality project - \$350,000
5. Developing plans to repair Greenbelt Lake Dam and dredge the lake - \$30,000

Also, \$500,000 in Program Open Space funds is identified for land acquisition, if the opportunity presents itself.

REPLACEMENT FUND

\$79,500 in expenditures is proposed in this fund in FY 2012 funded with a federal grant and \$103,000 transfer from the General Fund. The expenses in this budget are purchasing a used aerial lift truck (\$35,000), replacing all five of the treadmills at the Aquatic and Fitness Center (\$28,000) and replacing a compact pick-up truck (\$16,500).

BUILDING CAPITAL RESERVE FUND

This fund was established in FY 2004. It is essentially a replacement fund for the city's facilities. With the number, age and size of city facilities, this fund is to set money aside to cover large ticket expenses to city facilities such as HVAC equipment and to build reserves for future costs. \$100,000 is budgeted as a contribution to this fund in FY 2012. Work to be done will include replacing the Municipal Building roof, repairing the tile bench in the Aquatic and Fitness Center, repairing the rebound wall by the Outdoor Pool, and conducting a study to determine the best replacement for the fan coil units at the Community Center.

Thank yous

As Council knows, the preparation of Greenbelt's budget is a significant undertaking by many people - the department heads and their staffs do a great amount of work in preparing proposals to meet the budget directives while maintaining Greenbelt's quality services. Every year their assistance is vital as we seek to best serve the community within the available resources of the city. To each of them, I extend my thanks.

Special thanks go to a group of people who shoulder the majority of the burden for preparing this plan and document. These people are Jeff Williams, City Treasurer, who handles the great majority of the details of preparing this budget from the preliminary meetings with the departments to estimating expenditures to determining the revenues which will be available; David Moran, Assistant City Manager, who prepares the majority of the Other Funds section, the Capital Projects section and a number of operating budgets; Anne Marie Belton, Executive Associate, who handles all the input of the information into this document; and Beverly Palau, Public Information and Communications Coordinator, who makes this document as enjoyable a document to read and understand as a budget can be. My very special thanks to them!

To the citizens, the City Council of Greenbelt and all city employees, thank you for the interest you place in this process and the support you provide this year and every year to making Greenbelt GREAT!

Sincerely,

A handwritten signature in cursive script that reads "Michael McLaughlin".

Michael McLaughlin
City Manager

FY 2012 BUDGET AT A GLANCE

- ★ \$25,392,200 General Fund Budget, a \$523,300 or 2.1% increase from FY 2011. No tax rate increase.
- ★ \$685,000 in expense savings. Equivalent to 3.27 cents on tax rate.
- ★ Property assessments estimated to increase 1.5%.
- ★ Income Tax budgeted at \$2,160,000, up 5.7% since FY 2009.
- ★ Highway User Revenue budgeted at \$24,000, down \$532,635 or 95% from FY 2009.
- ★ 220.1 full-time equivalent positions, down 1 from FY 2011. Work force reduced 6.15 positions since FY 2009.
- ★ 39.4% of all General Fund expenditures go to Public Safety. Historically, this percentage has been 41%, but shift of workers compensation costs and departmental savings has lowered it.
- ★ Implementation of a speed camera program proposed. Estimated to result in \$200,000 in revenues.
- ★ Two (2) percent Pay Adjustment for all employees. No Performance Bonus provided.
- ★ Health insurance costs will decrease 2%. Amount to be paid by employees raised from 15% of premium to 20% on the middle offered plan. Prescription premiums remain the same.
- ★ Electricity costs projected \$100,000 lower based on new contract with Clean Currents.
- ★ Waste Collection fee increased \$4 per quarter to \$67 or \$268 per year, a 6.3% increase. Recycling and commercial rates to increase as well.
- ★ No increase for Aquatic and Fitness Center passes proposed to celebrate facility's 20th anniversary.
- ★ Refinancing city debt recommended at a savings of \$400,000 in FY 2012. Also recommended to use portion of savings to support additional debt for theater renovation and other capital projects.
- ★ \$503,000 or 2.4 cents on the tax rate, is budgeted for transfer to Capital Projects, Replacement Fund and the Building Capital Reserve funds.
- ★ \$1,898,000 budgeted in Capital Projects fund including resurfacing of portions of Mandan Road and Research Road, traffic calming on Springhill Drive and two playground replacement projects (12 Court Hillside and Crescent/Ridge).
- ★ \$79,500 budgeted in Replacement Fund.
- ★ At the end of FY 2012, the city's Undesignated and Unreserved fund balance is estimated to be \$2,551,454 or 10.0% of Total Expenditures.

**Fiscal Years 2009 – 2012
Summary of Budget Revenues**

FUND	FY 2009 Actual Trans.	FY 2010 Actual Trans.	FY 2011 Adopted Budget	FY 2011 Estimated Trans.	FY 2012 Proposed Budget	FY 2012 Adopted Budget
GENERAL FUND	\$24,269,161	\$25,081,363	\$25,265,800	\$25,165,600	\$25,723,800	\$25,803,800
SPECIAL REVENUE FUNDS						
Building Capital Reserve	\$2,460	\$75,229	\$528,200	\$488,100	\$165,300	\$165,300
Cemetery	2,198	2,428	1,200	1,100	1,100	1,100
Debt Service	953,250	945,111	921,000	922,987	699,400	821,500
Replacement	205,161	221,278	685,000	829,100	113,500	113,500
Special Projects	118,526	837,813	351,300	361,600	87,300	87,300
TOTAL SPECIAL REVENUE	\$1,281,595	\$2,081,859	\$2,486,700	\$2,602,887	\$1,066,600	\$1,188,700
CAPITAL PROJECTS FUNDS						
Capital Projects	\$341,165	\$447,863	\$1,509,400	\$446,200	\$1,671,300	\$1,671,300
2001 Bond	739,721	0	1,580,000	0	1,665,667	1,665,667
Comm. Dev. Block Grant	0	85,980	240,000	266,000	104,840	104,840
Greenbelt West Infrastructure	1,058	149	0	100	0	0
TOTAL CAPITAL PROJECTS	\$1,081,944	\$533,992	\$3,329,400	\$712,300	\$3,441,807	\$3,441,807
ENTERPRISE FUND						
Green Ridge House	\$1,230,374	\$1,279,011	\$1,346,700	\$1,327,600	\$1,379,200	\$1,379,200
TOTAL ALL FUNDS	\$27,863,074	\$28,976,225	\$32,428,600	\$29,808,387	\$31,611,407	\$31,813,507

**Fiscal Years 2009 – 2012
Summary of Budget Expenditures**

GENERAL FUND	\$24,591,957	\$25,381,686	\$24,868,900	\$24,861,900	\$25,392,200	\$25,472,200
SPECIAL REVENUE FUNDS						
Building Capital Reserve	\$131,094	\$49,824	\$680,000	\$553,700	\$228,200	\$228,200
Cemetery	0	0	5,100	5,100	4,000	4,000
Debt Service	923,777	927,497	925,000	921,046	499,157	499,157
Replacement	147,647	29,318	721,800	995,400	79,500	79,500
Special Projects	79,877	540,112	420,000	440,000	175,000	175,000
TOTAL SPECIAL REVENUE	\$1,282,395	\$1,546,751	\$2,751,900	\$2,915,246	\$985,857	\$985,857
CAPITAL PROJECTS FUNDS						
Capital Projects	\$510,702	\$210,095	\$1,420,400	\$644,000	\$1,898,000	\$1,898,000
2001 Bond	1,992,327	9,322	657,374	8,900	800,000	800,000
Comm. Dev. Block Grant	0	85,980	240,000	266,000	104,840	104,840
Greenbelt West Infrastructure	0	0	106,424	87,100	0	0
TOTAL CAPITAL PROJECTS	\$2,503,029	\$305,397	\$2,424,198	\$1,006,000	\$2,802,840	\$2,802,840
ENTERPRISE FUND						
Green Ridge House	\$1,193,851	\$1,253,310	\$1,321,400	\$1,307,300	\$1,370,300	\$1,370,300
TOTAL ALL FUNDS	\$29,571,232	\$28,487,144	\$31,366,398	\$30,090,446	\$30,551,197	\$30,631,197

* The sources and uses of the Agency Fund are not formally adopted. The actual transactions are reported to provide complete disclosure of the City's fiduciary responsibility over taxpayer and donated funds.

FY 2012 Budget Summary

FUND	Total All Funds	General Fund	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Enterprise Fund
REVENUE						
Taxes & Special Assessments	\$20,619,900	\$20,480,700		\$139,200		
Licenses & Permits	1,415,800	1,328,800	\$87,000			
Intergovernmental	2,843,040	935,600	65,300		\$1,842,140	
Charges for Services	2,069,400	2,069,400				
Fines & Forfeitures	688,000	688,000				
Contributions						
Miscellaneous	223,200	197,300	11,900	200	14,000	
Fund Transfers	1,289,100	104,000	203,000	682,100	300,000	
Bond Proceeds	1,285,667				1,285,667	
Enterprise Fund	1,379,200					\$1,379,200
TOTAL REVENUE	\$31,813,507	\$25,803,800	\$367,200	\$821,500	\$3,441,807	\$1,379,200
EXPENDITURES						
General Government	\$2,841,900	\$2,646,900	\$195,000			
Planning & Development	1,076,700	1,076,700				
Public Safety	10,209,800	10,116,800			93,000	
Public Works	4,340,340	2,961,500	35,000		1,343,840	
Social Services	879,000	862,000			17,000	
Recreation & Parks	6,387,900	4,930,700	108,200		1,349,000	
Miscellaneous	209,900	206,900				
Non-Departmental	2,029,257	1,485,600	44,500	\$499,157		
Fund Transfers	1,289,100	1,185,100	104,000			
Enterprise Fund	1,370,300					1,370,300
TOTAL EXPENDITURES	\$30,631,197	\$25,472,200	\$486,700	\$499,157	\$2,802,840	\$1,370,300
Projected Fund Balances						
Balances at July 1, 2010	\$4,396,561	\$2,216,154	\$1,260,587	\$37,474	(\$120,242)	\$1,002,588
FY 2011 Expected Revenues	\$29,808,387	\$25,165,600	\$1,679,900	\$922,987	\$712,300	\$1,327,600
FY 2011 Expected Expenditures	30,090,446	24,861,900	1,994,200	921,046	1,006,000	1,307,300
Balances at June 30, 2011	\$4,114,502	\$2,519,854	\$946,287	\$39,415	(\$413,942)	\$1,022,888
FY 2012 Budgeted Revenues	\$31,813,507	\$25,803,800	\$367,200	\$821,500	\$3,441,807	\$1,379,200
FY 2012 Budgeted Expenditures	30,631,197	25,472,200	486,700	499,157	2,802,840	\$1,370,300
Balances at June 30, 2012	\$5,296,812	\$2,851,454	\$826,787	\$361,758	\$225,025	\$1,031,788

* In the proprietary funds, the amount referred to as Unreserved Fund Balance consists of total current assets, net of current liabilities.



GOVERNMENT FINANCE OFFICERS ASSOCIATION

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Maryland**

For the Fiscal Year Beginning

July 1, 2010

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Presentation to the City of Greenbelt for its annual budget for the fiscal year beginning July 1, 2008.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operational guide, as a financial plan, and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

