

**Mayor Tracey Furman**

**Council Member Darin Bartram  
Council Member Nate Engle**



**Council Member Conor Crimmins  
Council Member Ann Lichter**

Released: April 8, 2024

**Wednesday April 10, 2024  
Town Council Meeting – 7:00 pm**

The Town Council Meeting will be held in person and via the Zoom Video Conferencing application.

The Council Meeting will begin at 7:00 pm. For those wishing to access the meeting through Zoom, please use the following Zoom Video Conferencing link:

<https://us02web.zoom.us/j/86451811242?pwd=WWNRYTF2N0JlRGgzOGV1NkpoVkFsUT09>

**Meeting ID: 864 5181 1242**

**Password: 359968**

Or you may join the meeting by calling: +1 301 715 8592 US (Washington D.C) and entering the Meeting ID and Password above.

**CALL TO ORDER**

**MOMENT OF SILENCE**

**APPROVAL OF MINUTES**

Town Council Meeting Minutes of March 20, 2024

**THE MAYOR AND TOWN COUNCIL**

**1. Announcements – June 3, 2024, Town Election:**

- a. Certificate of Nominations due by 4:00 pm on Monday, May 13, 2024.
- b. A Candidate Forum will be held in person, and via Zoom, on Monday, May 20, 2024, 7:00 pm, if Nominations require an Election.

**2. Antique Row and Explore Kensington Marquee Signs:**

- a. Discuss the draft proposal to update the language and signage of the existing Antique Row sign located along Connecticut Avenue at Howard Avenue, and the Explore Kensington sign for the “west” Howard Avenue business district.

**Town of Kensington 3710 Mitchell Street Kensington, MD 20895  
Phone 301.949.2424 Fax 301.949.4925  
www.tok.md.gov**

**3. The Flats at Knowles Station – Public Plaza (10509 Summit Avenue):**

- a. Discuss and review the Public Plaza proposal for the Flats at Knowles Station project.

**4. HB1488/SB1027 – Property Tax Appeals:**

- a. Discuss the proposed House (HB1488) and Senate (SB1027) bills before the Maryland State Legislature, which would define “taxpayer” for purposes of certain provisions of law concerning property tax appeals to mean a person with a legal interest or ownership in a property that is subject to an appeal; and applying the Act retroactively to affect any petition for review of an assessment of property filed after December 1, 2022.

**THE TOWN MANAGER AND STAFF**

**ORDINANCES, RESOLUTIONS, AND REGULATIONS**

*(Ordinances, resolutions, and regulations to be introduced or adopted following appropriate procedures required by the Town Code; or resolutions that may require discussion by the Mayor and Council prior to approval)*

- 1. **Ordinance No. O-01-2024** - An Ordinance of the Mayor and Council of the Town of Kensington Authorizing the Acquisition of Certain Property located at 10528 St. Paul Street, Kensington, Maryland, for a Public Purpose.
  - a. *The Public Hearing was held Wednesday, March 20, 2024, 7:00 pm.*
  - b. *The Council will take a vote on adopting Ordinance No. O-01-2024.*
- 2. **Ordinance No. O-02-2024 (Public Hearing)** – A Public Hearing for an Ordinance of the Mayor and Council of the Town of Kensington to Appropriate and Adopt the Fiscal Year 2024 – 2025 (FY25) Budget and to Levy a Tax on Certain Real and Personal Property under the provisions of §6-203 of the Tax-Property Article of the Annotated Code of Maryland, as Amended.
  - a. *The Public Hearing will be held open until 4:00 pm on Monday, May 6, 2024.*

**PUBLIC APPEARANCES**

*(The public is invited to speak on any subject that is not a topic on tonight’s agenda)*

**ADJOURNMENT**

*(The Mayor and Council may move to close the meeting and may move to reopen the meeting)*

THE NEXT SCHEDULED MEETING(S) OF THE MAYOR AND TOWN COUNCIL WILL BE HELD:  
**May 8, 2024, 7:00 pm**



**EXPLORE KENSINGTON**  
**at ANTIQUE ROW**

**UNIQUE SHOPPING**  
**DINING & ART**



**ANTIQUE ROW**  
**EXPLORE KENSINGTON**

**UNIQUE SHOPPING**  
**DINING & ART**



# ANTIQUE ROW

UNIQUE SHOPPING  
DINING & ART

# EXPLORE KENSINGTON on WEST HOWARD



VINTAGE



ART



SERVICES



FOOD



# HOUSE BILL 1488

Q1

EMERGENCY BILL

4lr3481  
CF SB 1027

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By: **Delegate Atterbeary**

Introduced and read first time: February 15, 2024

Assigned to: Rules and Executive Nominations

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## A BILL ENTITLED

1 AN ACT concerning

2 **Property Tax – Appeals – Definition of “Taxpayer”**

3 FOR the purpose of defining “taxpayer” for purposes of certain provisions of law concerning  
4 property tax appeals to mean a person with a legal interest in a property that is  
5 subject to an appeal; applying this Act retroactively; and generally relating to  
6 property tax appeals.

7 BY repealing and reenacting, with amendments,  
8 Article – Tax – Property  
9 Section 14–501  
10 Annotated Code of Maryland  
11 (2019 Replacement Volume and 2023 Supplement)

12 BY repealing and reenacting, without amendments,  
13 Article – Tax – Property  
14 Section 14–502(a)(1), 14–509(a)(1), and 14–512(a)  
15 Annotated Code of Maryland  
16 (2019 Replacement Volume and 2023 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
18 That the Laws of Maryland read as follows:

19 **Article – Tax – Property**

20 14–501.

21 (A) In this subtitle[, “petition] **THE FOLLOWING WORDS HAVE THE MEANINGS**  
22 **INDICATED.**

23 (B) **“PETITION** for review” means a petition for reclassification or revaluation of

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 property.

2 (C) "TAXPAYER" MEANS A PERSON WHO HAS A LEGAL INTEREST IN A  
3 PROPERTY THAT IS SUBJECT TO AN APPEAL.

4 14-502.

5 (a) (1) Except as provided in paragraph (2) of this subsection and as otherwise  
6 provided by § 14-503 of this subtitle, for property assessed by a supervisor, any taxpayer,  
7 a county, a municipal corporation, or the Attorney General may submit a written appeal to  
8 the supervisor as to a value or classification in a notice of assessment on or before 45 days  
9 from the date of the notice.

10 14-509.

11 (a) (1) For property assessed by a supervisor, on or before 30 days from the  
12 date of the notice, any taxpayer, a county, a municipal corporation, or the Attorney General  
13 may appeal a value or classification in the notice of assessment under § 8-407 of this article  
14 to the property tax assessment appeal board where the property is located.

15 14-512.

16 (a) Any taxpayer, the governing body of a county, a municipal corporation, or the  
17 Attorney General may appeal a final action by the Department on an appeal under §  
18 14-504 of this subtitle to the Maryland Tax Court. The appeal shall be made on or before  
19 30 days from:

20 (1) the date of the final action of the Department; or

21 (2) the earlier of the date of delivery or mailing of the notice of the final  
22 action to the address specified under § 14-507 of this subtitle, if a request is made under §  
23 14-507 of this subtitle.

24 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be construed to  
25 apply retroactively and shall be applied to and interpreted to affect any petition for review  
26 filed after December 1, 2022, of an assessment of property. Additional property tax collected  
27 as a result of a petition for review filed by anyone other than a taxpayer as defined in §  
28 14-501 of the Tax – Property Article as enacted by this Act, shall be refunded.

29 SECTION 3. AND BE IT FURTHER ENACTED, That this Act is an emergency  
30 measure, is necessary for the immediate preservation of the public health or safety, has  
31 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
32 each of the two Houses of the General Assembly, and shall take effect from the date it is  
33 enacted.



# SENATE BILL 1027

Q1

EMERGENCY BILL

4r0601  
CF HB 1488

By: **Senator Guzzone**

Introduced and read first time: February 2, 2024

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: February 26, 2024

Returned to second reading: February 29, 2024

Senate action: Adopted with floor amendments

Read second time: February 29, 2024

## CHAPTER \_\_\_\_\_

1 AN ACT concerning

### 2 **Property Tax – Appeals – Definition of “Taxpayer”**

3 FOR the purpose of defining “taxpayer” for purposes of certain provisions of law concerning  
4 property tax appeals to mean a person with ~~a legal~~ an ownership interest or a  
5 leasehold interest in a property that is subject to an appeal; applying this Act  
6 retroactively; and generally relating to property tax appeals.

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17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
18 That the Laws of Maryland read as follows:

#### EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 **Article – Tax – Property**

2 14–501.

3 (A) In this subtitle[, “petition] **THE FOLLOWING WORDS HAVE THE MEANINGS**  
4 **INDICATED.**

5 (B) **“PETITION for review”** means a petition for reclassification or revaluation of  
6 property.

7 (C) **“TAXPAYER” MEANS A PERSON WHO HAS ~~A LEGAL~~ AN OWNERSHIP**  
8 **INTEREST OR A LEASEHOLD INTEREST IN A PROPERTY THAT IS SUBJECT TO AN**  
9 **APPEAL.**

10 14–502.

11 (a) (1) Except as provided in paragraph (2) of this subsection and as otherwise  
12 provided by § 14–503 of this subtitle, for property assessed by a supervisor, any taxpayer,  
13 a county, a municipal corporation, or the Attorney General may submit a written appeal to  
14 the supervisor as to a value or classification in a notice of assessment on or before 45 days  
15 from the date of the notice.

16 14–509.

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4 measure, is necessary for the immediate preservation of the public health or safety, has  
5 been passed by a yea and nay vote supported by three-fifths of all the members elected to  
6 each of the two Houses of the General Assembly, and shall take effect from the date it is  
7 enacted.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.

**ORDINANCE**  
**OF THE MAYOR AND COUNCIL OF THE TOWN OF KENSINGTON AUTHORIZING**  
**THE ACQUISITION OF CERTAIN PROPERTY LOCATED AT 10528 ST. PAUL**  
**STREET, KENSINGTON, MARYLAND, FOR A PUBLIC PURPOSE**

**WHEREAS**, pursuant to §5-202 of the Local Government Article, Annotated Code of Maryland, the Town of Kensington (hereinafter, the “Town”) has the power to pass such ordinances as it deems necessary to assure the good government of the municipality; protect and preserve the municipality's rights, property, and privileges; preserve peace and good order; secure persons and property from danger and destruction; and protect the health, comfort, and convenience of the residents of the Town; and

**WHEREAS**, pursuant to §5-203 of the Local Government Article, Annotated Code of Maryland, the Town pursuant to State law is authorized to acquire real property by purchase; and

**WHEREAS**, Section 602 of the Charter of the Town of Kensington implements and authorizes the Mayor and Town Council to exercise the authority granted under State law, including the acquisition of real property for any public purpose; and

**WHEREAS**, the Mayor and Town Council have determined that the acquisition of the real property located at 10528 St. Paul Street, Kensington, MD 20895, currently owned by 9323B and 9327 Fraser Avenue, LLC, as further referenced in a deed recorded at Liber 23212, folio 525, in the Land Records of Montgomery County, Maryland, is required in order for the Town to make provision for a new Public Works Facility; and

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CAPS	: Indicate matter added to existing law.
[Brackets]	: Indicate matter deleted from law.
Asterisks * * *	: Indicate matter remaining unchanged in existing law but not set forth in Ordinance
CAPS	:Indicate matter added in amendment
[Brackets]	: Indicate matter deleted in amendment

**WHEREAS**, the Mayor and Town Council desire to use the authority granted to the Town under State Law and the Town Charter to acquire the property for a future Public Works facility.

**Section 1.**     **NOW THEREFORE BE IT ORDAINED AND ENACTED** by the Mayor and Council of the Town of Kensington that the acquisition of the property located at 10528 St. Paul Street, Kensington, MD 20895, for the purchase price of \$925,000.00 for the public purpose of use as the Town’s Public Works Facility.

**Section 2.**     **BE IT FURTHER ORDAINED AND ENACTED** by the Mayor and Council of the Town of Kensington that upon formal introduction of this proposed Ordinance, the Town Clerk shall distribute a copy to each Council member and shall maintain a reasonable number of copies in the office of the Town Clerk. The proposed ordinance or a fair summary thereof together with a notice setting out the time and place for a public hearing thereon and for its consideration by the Council, shall be:

- a. Posted at the town hall by the next business day;
- b. Posted on the official town website;
- c. Sent to those persons listed on the official town email list/mail subscription service; and
- d. Published once prior to the public hearing in the town newsletter or sent by substitute regular mail to newsletter circulation addresses.

The public hearing shall be held at least fifteen (15) days after introduction and may be held separately or in connection with a regular or special council meeting and may be adjourned from time to time. All persons interested shall have an opportunity to be heard. This Ordinance shall become effective on \_\_\_\_\_ provided that the ordinance or a fair summary thereof is:

- a. Posted at the town hall by the next business day for at least two (2) weeks;

- b. Posted on the official town website;
- c. Sent to those persons listed on the official town email list/mail subscription service;
- and
- d. Published once in the town newsletter.

If any part or provision of this ordinance is lawfully declared to be invalid, the part or provision held to be invalid shall not affect the validity of the ordinance as a whole or any remaining part thereof or of the Code.

**INTRODUCED** by the Mayor and Council of the Town of Kensington, Maryland at a public meeting assembled on the \_\_\_\_ day of \_\_\_\_\_ 2024.

**ADOPTED** by the Mayor and Council of the Town of Kensington, Maryland at a public meeting assembled on the \_\_\_\_ day of \_\_\_\_\_ 2024.

**EFFECTIVE** the \_\_\_\_ day of \_\_\_\_\_, 2024.

**ATTEST:**

**TOWN OF KENSINGTON**

By: \_\_\_\_\_  
Susan Engels, Clerk-Treasurer

By: \_\_\_\_\_  
Tracey Furman, Mayor

**APPROVED AS TO FORM AND LEGAL SUFFICIENCY:**

\_\_\_\_\_  
Suellen M. Ferguson, Town Attorney



Jeremy S. Scholtes, Esq.  
[jscholtes@milesstockbridge.com](mailto:jscholtes@milesstockbridge.com)  
(301) 698-2318

October 27, 2023

**VIA FIRST CLASS MAIL AND EMAIL:** [michele@marylandpropertylaw.com](mailto:michele@marylandpropertylaw.com)

Michele McDaniel Rosenfeld  
The Law Office of Michele Rosenfeld LLC  
1 Research Court, Suite 450  
Rockville, Maryland 20850

**Re: Counteroffer**

**\*SETTLEMENT PURPOSES ONLY – NO PREJUDICE TO THE PARTIES\***

Dear Ms. Rosenfeld:

As you are aware Miles & Stockbridge P.C. represents 9323B and 9327 Fraser Avenue, LLC (the “Landlord”), in connection with the Town of Kensington’s (the “Town”) potential purchase of the Landlord’s property located at 10528 St. Paul Street, Kensington, Maryland 20895 (the “Property”).

On May 2, 2023, on behalf of your client, the Town, you sent an offer to purchase the Landlord’s Property, via Ms. Barbara Warner, for \$925,000.00, which offer was supported by an appraisal from Lipman Frizzell & Mitchell LLC, dated February 21, 2023 (the “LFM Appraisal”). Upon receipt of the Town’s offer, we consulted with Ms. Warner, an appraiser, and other necessary consultants. Our appraiser has appraised and assessed the fair market value of the Property at **\$1,010,000.00 (rounded)**. Enclosed with this letter you will find a current market value assessment from Michael P. Pugh, MAI, dated October 11, 2023.

In summary, Mr. Pugh determined the fair market value of the Property using the sales comparison approach. Mr. Pugh reviewed similar sales in Montgomery County and Prince George’s County, which indicated a range of values from \$175 to \$210 per square foot of gross building area. Mr. Pugh’s comparison sales included office and warehouse spaces and excluded condominium sales, and none of the four comparison properties were the same as the LFM Appraisal’s comparison properties. Ultimately, Mr. Pugh valued the Property at \$195 per square foot of gross building area or \$1,010,888.00 (or \$1,010,000.00 (rounded)). The supporting letter is relatively short, so I will not further restate the straight-forward explanation provided therein.

Accordingly, Landlord offers to sell the Property to the Town for **\$1,010,000.00**.

Among other things, the Town offered to include in the purchase terms a lease-back to Landlord for a period of years. Landlord appreciates the offer but is not interested in this term at this time. However, at this junction, Landlord does request the following to be included in the terms of a

October 27, 2023  
Ms. Michele Rosenfeld  
Page 2



future settlement: (1) the Town covers all transaction costs of the purchase, (2) closing of the purchase does not occur prior to November 1, 2024, as Landlord has a current lease with a tenant running through September 30, 2024, and (3) the Town takes the Property "As Is" at time of closing, with or without tenant. As you might imagine, my client does not want to be in a position at the end of the existing tenancy where Landlord would have to make repairs or improvements to the Property when the tenant departs nor be in a position of having to ensure the Property is vacant if the tenant holds over.

While it may not matter to the Town at this juncture, the Landlord will continue exploring 1031 or 1033 options while this negotiation continues.

Please do not hesitate to contact me should you have any questions. You or your colleagues can reach me at (301) 698-2318 or [jscholtes@milesstockbridge.com](mailto:jscholtes@milesstockbridge.com) or Lauren Fleming at (410) 385-3513 or [lfleming@milesstockbridge.com](mailto:lfleming@milesstockbridge.com).

Very truly yours,

A handwritten signature in blue ink that reads 'Jeremy S. Scholtes'. The signature is fluid and cursive, with the first name 'Jeremy' being the most prominent.

Jeremy S. Scholtes

cc: Lauren S. Fleming ([lfleming@milesstockbridge.com](mailto:lfleming@milesstockbridge.com))

Enclosure (Michael P. Pugh, MAI, Supporting Letter dated October 11, 2023)



# PUGH REAL ESTATE GROUP, LLC

REAL ESTATE APPRAISERS

POST BOX 378

FREDERICK, MARYLAND 21705

(301) 898-1178

FACSIMILE: (301) 898-3697

October 11, 2023

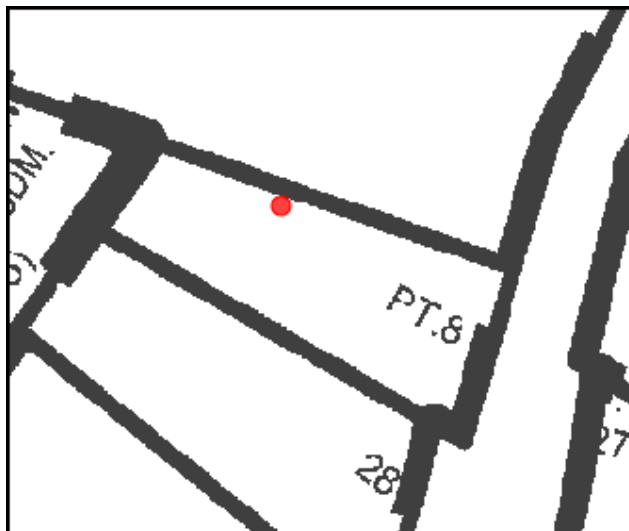
Mr. Jeremy Scholtes, Esquire  
Principal  
Miles and Stockbridge  
30 West Patrick Street  
Suite 600  
Frederick, Maryland 21701

Re: 10528 Saint Paul Street  
Kensington, Maryland

Dear Mr. Scholtes;

You asked me to provide you with a current market value for the property identified above. This memorandum provides you comparable sales that are relevant to the subject property and my opinion of value using the sales comparison approach.

The subject site is one lot (Lot P8) located on the west side of Saint Paul Street in the City of Kensington. The site includes 8,712 square feet of land area and includes approximately 74 feet of road frontage. Please note the tax map for the subject site:



The subject property is improved with a two-story office/warehouse building with approximately 5,134 square feet of gross building area, resulting in a Floor-to-Area ratio (FAR) of .5893. According to the Montgomery County land records, the building was originally constructed in 1974.

Pugh Real Estate Group, LLC

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The subject property is currently zoned Commercial Neighborhood (CR-4.0; C-3.5; R-3.5; H-300) by the Montgomery County Planning Department. The CRN zone is intended for small downtown, mixed-use, pedestrian-oriented centers and edges of larger, more intense downtowns. Retail tenant ground floor footprints are limited to preserve the town center scale. Transit options may include light rail, Metro, and bus. The Commercial/Residential Zones are a family of mixed-use zones that allow a range of densities and heights. These zones are designed to encourage a mix of commercial and residential uses; create interactive streets; provide meaningful public spaces; and foster jobs and services where people can live, work, shop and play within a given neighborhood. There are three Commercial/Residential Zone classifications which define the types of uses and the method of development allowed:

- CR Neighborhood (CRN)
- CR Town (CRT)
- Commercial Residential (CR)

The CRN Zone allows standard method development; the CRT and CR Zones allow standard and optional method development. Optional method development requires the provision of public benefits, which are based on a point system specified in the zoning ordinance.

Reviewing similar sales in the market area (Montgomery and Prince George's County) indicates a range of values ranging from \$175 to \$210 per square foot of gross building area. The sales, which are reflected in the addendum to this memorandum, are most similar to the subject property since they all include both office and warehouse space. In addition, I did not include condominium sales since condominium sales are somewhat misleading since the transaction includes only a fractional interest in the land. The subject property is not included in a condominium regime.

Reviewing this information I feel a reasonable value for the subject property would be \$195 per square foot or \$1,010,888 – or \$1,010,000 (rounded).

If you have any questions please do not hesitate to contact me.

Sincerely,



**Michael P. Pugh, MAI**  
Certified General Real Estate Appraiser  
State of Maryland – License No. 04-29481

## ADDENDUM

SUBJECT PROPERTY: 10528 ST PAUL STREET, KENSINGTON, MARYLAND					
SALE NUMBER	1	2	3	4	SUBJECT
SALE DATE	11/7/2022	12/16/2021	10/28/2021	10/27/2021	NA
SALE PRICE	\$2,950,000	\$2,150,000	\$3,200,000	\$3,191,300	NA
GROSS AREA (SQ FT)	18,500	11,250	17,341	16,111	5,184
LOCATION	GAITHERSBURG	HYATTSVILLE	ROCKVILLE	BELTSVILLE	KENSINGTON
PARKING	YES	YES	YES	YES	YES
BUILT	1990	1991	1972	1986	1974
ZONE	IL	CSC	IL	IH	CRN
UTILITIES	PUBLIC	PUBLIC	PUBLIC	PUBLIC	PUBLIC
PRICE/SF	\$159	\$191	\$185	\$198	
TRANSACTIONAL ADJUSTMENTS					
<i>PROPERTY RIGHTS</i>	FEE SIMPLE	LEASED FEE	FEE SIMPLE	LEASED FEE	
	0%	0%	0%	0%	
ADJUSTED	\$159	\$191	\$185	\$198	
<i>FINANCING</i>	TYPICAL	TYPICAL	TYPICAL	TYPICAL	
	0%	0%	0%	0%	
ADJUSTED	\$159	\$191	\$185	\$198	
<i>SALE CONDITIONS</i>	ARMS	ARMS	ARMS	ARMS	
	LENGTH	LENGTH	LENGTH	LENGTH	
	0%	0%	0%	0%	
ADJUSTED	\$159	\$191	\$185	\$198	
<i>EXPENDITURES</i>	NO	NO	NO	NO	
<i>AFTER PURCHASE</i>	0%	0%	0%	0%	
ADJUSTED	\$159	\$191	\$185	\$198	
<i>MARKET CONDITIONS</i>	STABLE	STABLE	STABLE	STABLE	
	0%	0%	0%	0%	
<i>FINAL ADJUSTED PRICE</i>	\$159	\$191	\$185	\$198	
ELEMENTS OF COMPARISON					
LOCATION	10%	10%	5%	10%	
BUILDING AGE/QUALITY	-5%	-5%	0%	-5%	
SITE SIZE	0%	0%	-10%	-10%	
PARKING	0%	0%	0%	0%	
ZONE	0%	0%	0%	0%	
BUILDING SIZE	10%	5%	0%	0%	
<i>NET PHYSICAL ADJUSTMENTS</i>	15%	10%	-5%	-5%	
<i>FINAL ADJUSTED PRICE</i>	\$183	\$210	\$175	\$188	

**IMPROVED SALE ANALYSIS**

**IMPROVED Sale Number: 1**

**Property Address**

7410 Lindbergh Drive  
Gaithersburg, Maryland 20879

**Legal Description**

Tax Account Number: 01-02653905  
Liber 23041/Folio 143  
Montgomery Airpark Business Center  
Tax Map GU31/Grid 00/Parcel 000/Neighborhood 20000.16  
Block B/Lot 8  
First Election District  
Montgomery County, Maryland  
43,901 SF of Land  
18,500 SF of Gross Building Area  
Built: 1990  
Montgomery County, Maryland



**COMPARABLE PROPERTY PHOTO**

**Zoning**

**Classification/Governance**

IL/Light Industrial

**Transaction Summary**

Sale Date: 11/7/2022  
Price: \$2,950,000  
Grantor: Kian, Lee  
Grantee: Mercy Chapel  
Price Per GSF: \$159.46  
Days on Market: N/A

**Comments**

As mentioned previously, Lot 8 is improved with a warehouse/office flex building that has approximately 18,500 square feet of gross building area. According to Montgomery County land records, building was originally constructed in 1988. The entire building and site are leased to Mercy Seat Chaple (purchaser; also referred to as The Redeemed Christian Church of God, Mercy Seat Chaple) who use it for religious services, storage, and special events.

The building has a total of 7,800 square feet of office space (42% of the building total) that is two-stories along the front of the building. The warehouse area includes approximately 10,700 square feet of building area.



**COMPARABLE SALE TAX MAP**

**IMPROVED SALE ANALYSIS**

**IMPROVED Sale Number: 2**

**Property Address**

5951 Arbor Street  
Hyattsville, Maryland

**Legal Description**

Tax Account No. 02-0086306  
Liber 46752/Folio 243  
Tax Map 58  
Grid F3  
19,166 Square Feet of Land  
11,250 SF of Gross Building  
Area  
Built: 1991  
Prince George's County,  
Maryland

**Zoning**

**Classification/Governance**

CSC

**Transaction Summary**

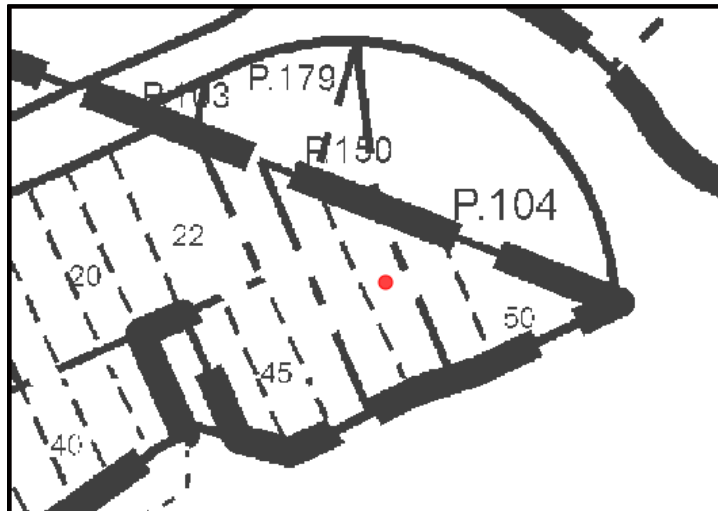
Sale Date: 12/16/2021  
Price: \$2,150,000  
Grantor: George Welbourne  
Grantee: Arbor Street, LLC  
Price Per GSF: \$191.11  
Days on Market: 570

**Comments**

Purchased by tenant, site includes 18 surface parking spaces. Ceiling height 18' and includes 2,000 square feet of finished office space, remainder is warehouse.



**COMPARABLE PROPERTY PHOTO**



**COMPARABLE SALE TAX MAP**

**IMPROVED SALE ANALYSIS**

**IMPROVED Sale Number: 3**

**Property Address**

1175 Taft Street  
Rockville, Maryland

**Legal Description**

Tax Account No. 04-03748310  
Liber 64549/Folio 116  
Tax Map GR53  
Block 4/Lot 20  
Southlawn Office and Industrial  
Center  
60,657 Square Feet of Land  
17,341 Sq. Ft. of Gross Building  
Area  
Built: 1972  
Montgomery County, Maryland



**COMPARABLE PROPERTY PHOTO**

**Zoning**

**Classification/Governance**

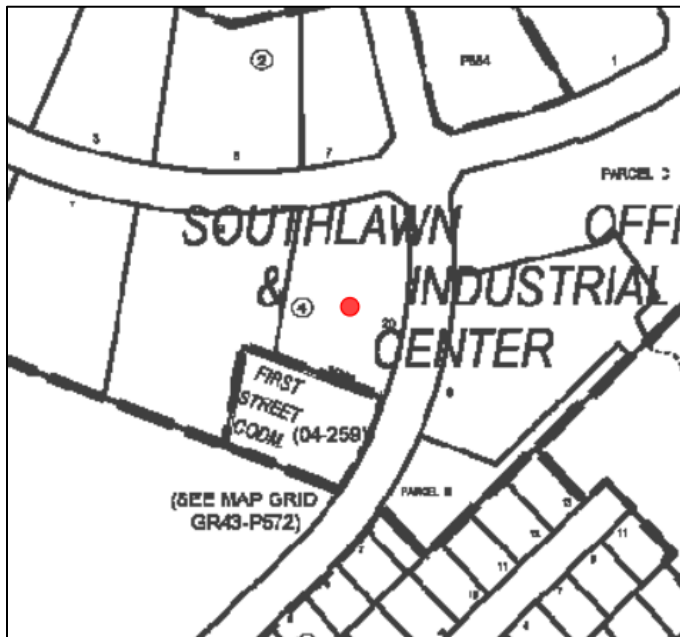
IL/Light Industrial

**Transaction Summary**

Sale Date: 10/28/2021  
Price: \$3,200,000  
Grantor: Siena Corporation  
Grantee: Ziba Real Estate  
Price Per GSF: \$184.53  
Days on Market: N/A

**Comments**

Purchased by tenant, site includes 50 surface parking spaces. Ceiling height 12'-14' and includes one elevated loading dock.



**COMPARABLE SALE TAX MAP**

**IMPROVED SALE ANALYSIS**

**IMPROVED Sale Number: 4**

**Property Address**

6718 Industrial Drive  
Beltsville, Maryland

**Legal Description**

Tax Account No. 01-0070896  
Liber 46532/Folio 1  
Tax Map 13/Grid D3  
Parcel B  
44,207 Square Feet of Land  
16,111 Sq. Ft. of Gross Building  
Area  
Built: 1986  
Prince George's County,  
Maryland

**Zoning**

**Classification/Governance**

IH

**Transaction Summary**

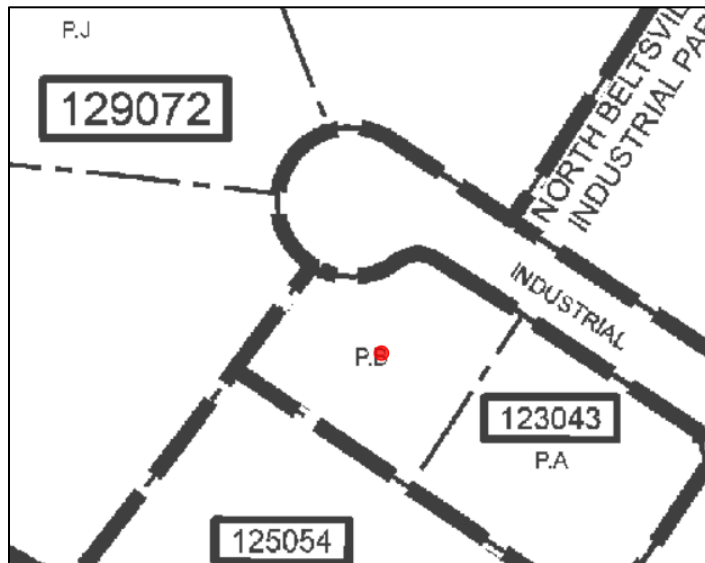
Sale Date: 10/27/2021  
Price: \$3,191,300  
Grantor: 6718 Industrial Dr.  
LLC  
Grantee: Kenneth Marks, et al  
Price Per GSF: \$198.08  
Days on Market: N/A

**Comments**

Multi-tenant flex building that includes 49 onsite parking spaces. Warehouse ceiling is 18' and office 11'. Property was fully occupied at the time of sale.



**COMPARABLE PROPERTY PHOTO**



**COMPARABLE SALE TAX MAP**

## CERTIFICATE OF APPRAISAL

I certify that, to the best of my knowledge and belief:

- 1) The statements of fact contained in this report are true and correct.
- 2) The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- 3) I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- 4) We have not appraised the property within the past three years proceeding this assignment.
- 5) I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- 6) My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- 7) My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 8) My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- 9) I have made a personal inspection of the property that is the subject of this report.
- 10) No one provided significant real property appraisal assistance to the person signing this certification.
- 11) The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- 12) The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- 13) As of the date of this report, I have completed the Standards and Ethics Education Requirement of the Appraisal Institute for Designated Members.



**Michael P. Pugh, MAI**  
Certified General Real Estate Appraiser  
State of Maryland – License No. 04-29481



**Budget Ordinance No. O-02-2024****Introduced: March 20, 2024****Public Hearing: April 10, 2024****Adopted: \_\_\_\_\_**

AN ORDINANCE OF THE MAYOR AND TOWN COUNCIL OF KENSINGTON TO APPROPRIATE AND ADOPT THE FISCAL YEAR 2024 – 2025 (FY25) BUDGET AND TO LEVY A TAX ON CERTAIN REAL AND PERSONAL PROPERTY UNDER THE PROVISIONS OF §6-203 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED.

WHEREAS, §5-205 *et seq.* of the Local Government Article, Annotated Code of Maryland, authorizes the Mayor and Town Council to provide for the control and management of its finances and expend money for any public purpose and for the safety, health, and general welfare of the Town and its occupants; and

WHEREAS, §6-203 of the Tax-Property Article, of the Annotated Code of Maryland (as amended), grants authority to municipal corporations to levy a tax on personal property, land, and improvements thereon, within the municipal corporation; and

WHEREAS, Article VIII, “Finance”, Section 801, “Fiscal Year”, of the Town Charter states that the Fiscal Year of the Town shall begin on July 1, 2024, and end on June 30, 2025; and

WHEREAS, Section 802, “Proposed Budget”, of the Town Charter states that the Town Manager shall submit to the Council prior to the third Monday in April, a Budget of anticipated revenues, proposed operating expenditures, and proposed capital project expenditures, along with a written financial plan for the succeeding fiscal year; and

WHEREAS, Section 803, “Adoption”, of the Town Charter states that prior to adopting the Budget, the Council shall hold a public hearing following due notice and a favorable vote of at least a majority of the total elected membership of the Council shall be necessary for adoption.

NOW THEREFORE, the Mayor and Town Council of Kensington does hereby adopt the following Budget Ordinance:

AN ORDINANCE TO APPROPRIATE AND ADOPT THE FISCAL YEAR 2024 – 2025 (FY25) BUDGET AND TO LEVY A TAX ON CERTAIN REAL AND PERSONAL PROPERTY UNDER THE PROVISIONS OF §6-203 OF THE TAX-PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED.

FY25 Budget - Town of Kensington					
<b>ANTICIPATED REVENUE</b>					
	General Property Taxes		\$	1,576,713	
	Other Taxes		\$	850,500	
	Licenses & Permits		\$	45,700	
	Intergovernmental Revenues		\$	449,626	
	Fines & Fees		\$	2,000	
	Miscellaneous Revenue		\$	302,000	
	Grants - ARPA		\$	1,148,193	
<b>TOTAL ANTICIPATED REVENUE</b>					<b>\$4,374,732</b>
	Re-Appropriation		\$	246,806	
<b>TOTAL ANTICIPATED FUNDS AVAILABLE</b>					<b>\$4,621,538</b>
<b>PROPOSED EXPENDITURES</b>					
	General Government		\$	1,455,358	
	Public Works		\$	1,230,023	
	Public Safety		\$	331,671	
	Parks & Recreation		\$	193,000	
	Non-Departmental		\$	25,000	
					<b>\$3,235,052</b>
	Capital Improvement Budget		\$	1,386,486	
<b>TOTAL PROPOSED EXPENDITURES</b>					<b>\$4,621,538</b>

**SECTION 1:**

BE IT ORDAINED AND ORDERED this \_\_\_\_\_ day of May, 2024, by the Kensington Town Council, acting under and by virtue of the authority granted to it by §5-205 *et seq.* of the Local Government Article, Annotated Code of Maryland, and Article VIII of the Kensington Town Charter, that the budget for Fiscal Year July 1, 2024, through June 30, 2025, attached hereto and incorporated herein by reference, be and the same hereby is appropriated and adopted.

**SECTION 2:**

AND BE IT FURTHER ORDAINED AND ORDERED, this \_\_\_\_\_ day of May, 2024, by the Kensington Town Council, acting under the virtue of the authority granted to it by §6-203 of the Tax-Property Article, of the Annotated Code of Maryland (as amended), and Article VIII of the Kensington Town Charter, hereby levies a tax at the rate of One thousand, three hundred twelve ten-thousandths

cents (**\$0.1312**) per One Hundred Dollars of full value assessment on all taxable **Real Property** located within the corporate limits of the Town of Kensington.

### **SECTION 3:**

AND BE IT FURTHER ORDAINED AND ORDERED, this \_\_\_\_\_ day of May, 2024, by the Kensington Town Council, acting under the virtue of the authority granted to it by §6-203 of the Tax-Property Article, of the Annotated Code of Maryland (as amended), and Article VIII of the Kensington Town Charter, hereby levies a tax at the rate of eighty cents (**\$0.80**) per One Hundred Dollars of full value assessment on all taxable **Personal Property** located within the corporate limits of the Town of Kensington.

### **SECTION 4:**

AND BE IT FURTHER ORDAINED AND ORDERED, this \_\_\_\_\_ day of May, 2024, by the Kensington Town Council, acting under the virtue of the authority granted to it by §8-101 of the Tax-Property Article of the Annotated Code of Maryland (as amended), and Article VIII of the Kensington Town Charter, hereby levies a tax at the rate of five dollars (**\$5.00**) per One Hundred Dollars of full value assessment on all taxable **Personal Property** set forth by §8-101 of the Tax-Property Article, of the Annotated Code of Maryland (as amended):

1. Operating personal property of a railroad;
2. Operating personal property of a public utility that is machinery or equipment used to generate electricity or steam for sale;
3. All other operating personal property of a public utility; and
4. Machinery and equipment, other than operating personal property of a public utility, that is used to generate electricity or steam for sale or hot or chilled water for sale that is used to heat or cool a building.

### **SECTION 5:**

AND BE IT FURTHER ORDAINED AND ORDERED, this \_\_\_\_\_ day of May, 2024, by the Kensington Town Council, hereby adopts the imposition of a full-year, one-half year, three-quarter year, and one-quarter year tax levies, authorized pursuant to §10-102, 10-103, 10-104, and 10-105 of the Tax-Property Article of the Annotated Code of Maryland (as amended), and authorizes and empowers Montgomery County, Maryland, to collect and remit the same to the Town of Kensington, consistent with the imposition and collection of such levies on real property by Montgomery County.

AND BE IT FURTHER ORDAINED AND ORDERED, this \_\_\_\_\_ day of May, 2024, by the Kensington Town Council that the transfer of funds by Resolution within the Operating and Capital Improvements Budget may occur.

AND BE IT FURTHER ORDAINED AND ORDERED, this \_\_\_\_\_ day of May, 2024, by the Kensington Town Council, acting under and by virtue of the authority granted to it by §5-201 *et seq.* of the Local Government Article, Annotated Code of Maryland, and Article VI, "Powers of the Council", Section 601, "General Powers" of the Town Charter that:

- (1) If any part of provision of this ordinance is declared by a court of competent jurisdiction to be invalid, the part of provision held to be invalid shall not affect the validity of the ordinance as a whole or any remaining part thereof; and
- (2) This ordinance shall take effect on the 1st day of July, 2024, provided the following:
  - (a) Posted at Town Hall by the next business day following introduction; and
  - (b) Posted on the official Town website; and
  - (c) Sent to those persons listed on the official Town email list/mail subscription service; and
  - (d) Published once prior to the public hearing in the Town newsletter or sent by substitute regular mail to newsletter circulation addresses.

**INTRODUCED** by the Mayor and Town Council of Kensington, Maryland at the regular public meeting assembled on the 20<sup>th</sup> day of March, 2024.

**ADOPTED** by the Mayor and Town Council of Kensington, Maryland at the regular public meeting assembled on the \_\_\_\_\_ day of May, 2024.

**EFFECTIVE** the 1st day of July, 2024.



## TOWN OF KENSINGTON

Fiscal Year 2024-2025 (FY25)  
Operating Budget & Capital  
Improvement Plan (CIP)



## **TOWN OF KENSINGTON**

### **OPERATING BUDGET & CAPITAL IMPROVEMENT PLAN (CIP)**

**Fiscal Year 2024-2025 (FY25), July 1, 2024 – June 30, 2025**

#### **Mayor**

Tracey Furman

#### **Town Council**

Darin Bartram

Nate Engle

Conor Crimmins

Ann Lichter

#### **Administration**

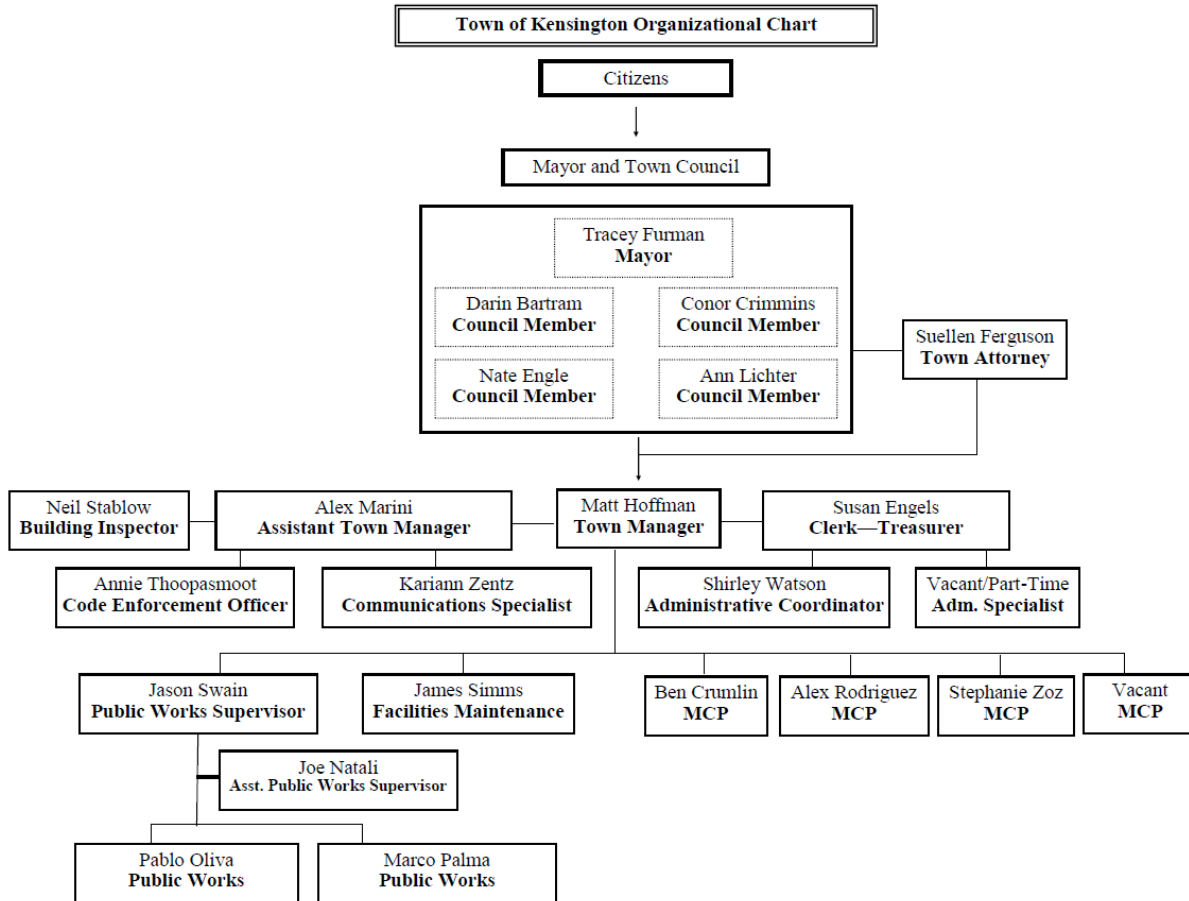
Matthew Hoffman

*Town Manager*

Susan Engels

*Clerk – Treasurer*

# TOWN OF KENSINGTON ORGANIZATIONAL CHART



## BUDGET MESSAGE FISCAL YEAR 2024-2025 (FY25)

April 8, 2024

Mayor and Kensington Town Council:

I am pleased to submit our Fiscal Year 2024-2025 (FY25) Budget for discussion and review at the Public Hearing scheduled for April 10, 2024, at 7:00 pm. Included within the FY25 Budget document is an overview of the Town’s General Fund, consisting of anticipated revenues and expenses during the fiscal year, along with details of the Town’s Capital Improvement Plan (CIP).

The Town has maintained fiscal stability over the last few years, in which we have generally seen an increase in revenues, specifically with respect to income tax receipts and personal property from both commercial and residential development within the Town. These increased revenues, along with the federal grant payments through the American Rescue Plan Act (ARPA), have allowed the Town to aggressively fund our Capital Improvement Plan (CIP) to begin the process in addressing stormwater management projects throughout the Town, along with providing reserves to acquire certain land within the Town for public purposes. The proposed land acquisitions, along with the storm water management improvements, will positively impact our community for generations to come.

The overall priority of the Town within this Budget will remain, as always, on providing excellent direct line services to our community, with an effort to expand certain collection services, in which we are proposing to add a town wide weekly composting collection beginning in January 2025, and to continually improve the quality of life for our residents and business community.

## **THE BUDGET PROCESS**

The Town operates under a fiscal year, in accordance with Article VIII, “Finance”, of the Town Charter, which states that the Town’s fiscal year shall begin on the first day of July and shall end on the last day of June each year. The Budget process began in February 2024, with the Town’s staff reviewing the current fiscal year’s (FY24) budget actuals, and the Audited Financial Statements from FY23. Internal discussions by the Town staff to evaluate service needs were held in late February and the Town Manager and Clerk-Treasurer began formulating the expected revenues and expenses.

The Town’s administrative staff met with Mayor Furman and Council Members Engle and Lichter (Audit Committee Co-Chairs) to review the preliminary FY25 Budget in March. The FY25 Budget Ordinance (Ordinance No. O-02-2024) was introduced at the March 20, 2024, Town Council Meeting and the Public Hearing has been scheduled for Wednesday, April 10, 2024, 7:00 pm. The Town notified our residents of the Public Hearing within the April Around Town Journal and provided a link to the Budget Ordinance and a detailed copy of the FY25 Budget on our website.

## **CURRENT FISCAL YEAR (FY24)**

While our latest projection for FY24 suggests that revenues will outpace expenditures, the staff was advised by our Auditor that due to the Town’s non-lapsing CIP, and the delay in certain stormwater management projects associated with the expenditure of ARPA funds, which were budgeted as revenue during both FY23 and FY24, the Town may face a negative General Fund Balance within our Audited Statements for the fiscal year. Essentially, the issue of a potential negative General Fund Balance is due to the ARPA funds being classified as a grant, which cannot be recorded as revenues until the funds have been expended.



If it is determined that a negative Funds Balance will occur, the Town will request a Budget Amendment at the May meeting, in which we would remove the unreserved fund balance of \$972,962 from both the income and expenses within the FY24 Budget, to more accurately reflect and balance out the adopted CIP allocation.

Moreover, the pending stormwater management projects associated with the ARPA funds, which required additional engineering, are on track to begin in late summer (2024) and will allow the Town to begin classifying the ARPA funds as revenue, as we incur expenses from the various stormwater management projects.

## BUDGET OVERVIEW

The FY25 Budget has been designed to maintain and expand upon certain services to our residents. While inflation has increased costs to the Town we continue to see increased revenues within the Town's Income receipts, along with Real and Personal Property, to help offset the increases we have seen with certain expenditures.

We are proposing that the Town maintain our current tax rates on Real Property, Personal Property, and the Utilities for a sixth consecutive year.

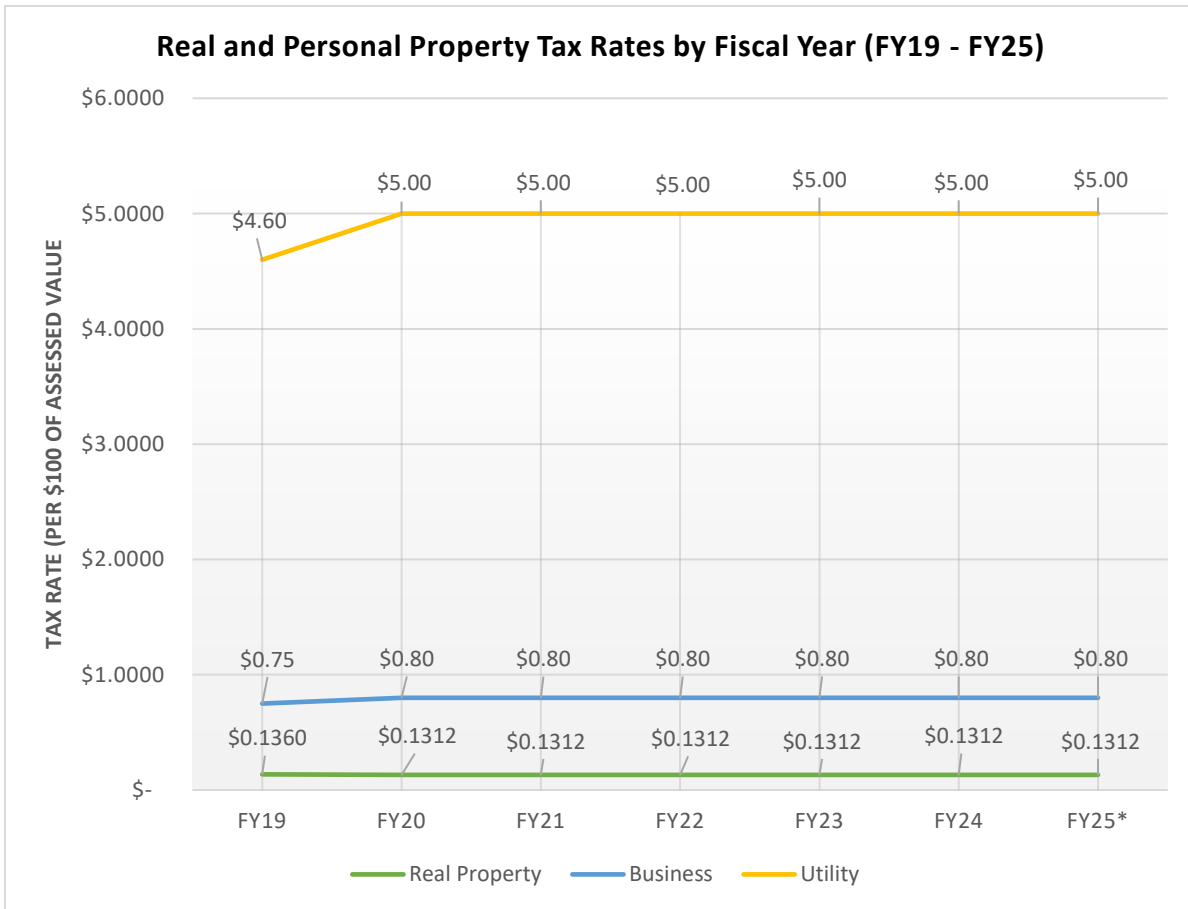
### FY25 Budget Revenues

#### Revenue – Tax Rates

- The **Real Property tax rate will remain at (\$0.1312) per \$100 of assessed value** and is projected to generate an additional \$11,436 over our anticipated projection for FY24. This is directly attributed to increased property values, specifically pertaining to the development and redevelopment of certain residential and commercial properties.
  - Please note that the administrative staff subtracted \$55,167,600 from the State's proposed assessable base due to the pending appeal by the property located at 3700 Plyers Mill Road. The staff has concerns over this assessment value, and we believe that the assessment will be corrected upon appeal.
  - The Maryland State Legislature amended the regulations pertaining to exempt status during the 2023 Legislative session, in which a locality may maintain their existing Real Property tax rate without an exemption, even if the Maryland Department of Assessments and Taxation determines that revenues may increase more than \$25,000 from the prior year at the existing rate. Therefore, an exemption is no longer necessary to maintain the existing Real Property tax rate from year-to-year.
  - **The Real Property tax rate will remain at (\$0.1312) for the sixth consecutive fiscal year.**

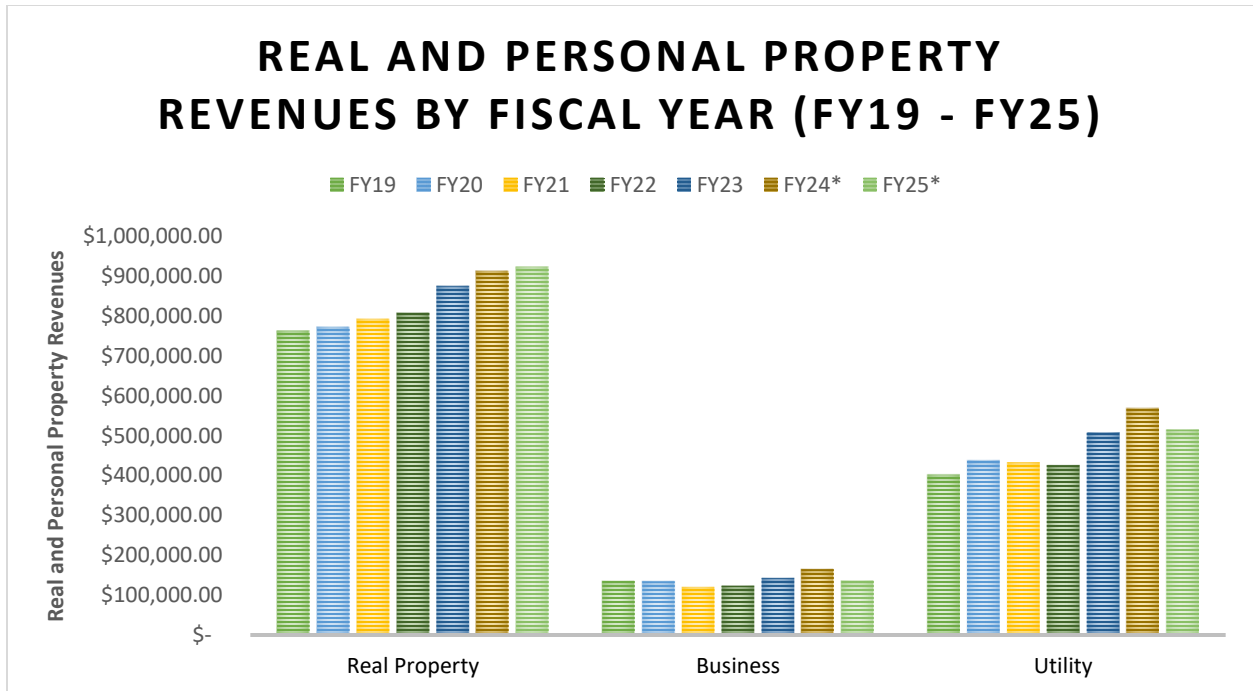
- The **Personal Property tax rate for Businesses will remain at (\$0.80) per \$100 of assessed value** and revenues are expected to remain consistent with our FY24 budgeted projection.
  - The Personal Property tax rate for Businesses will remain at (\$0.80) for the sixth consecutive fiscal year.
- The **Personal Property tax rate for Utilities will remain at (\$5.00) per \$100 of assessed value** and revenues are expected to remain consistent with our projection for FY24.
  - The Personal Property tax rate for Utilities will remain at (\$5.00) for the sixth consecutive fiscal year.

**Real and Personal Property Tax Rates by Fiscal Year**



\*FY25 Tax Rates are Proposed

**Real and Personal Property Tax Revenues by Fiscal Year**

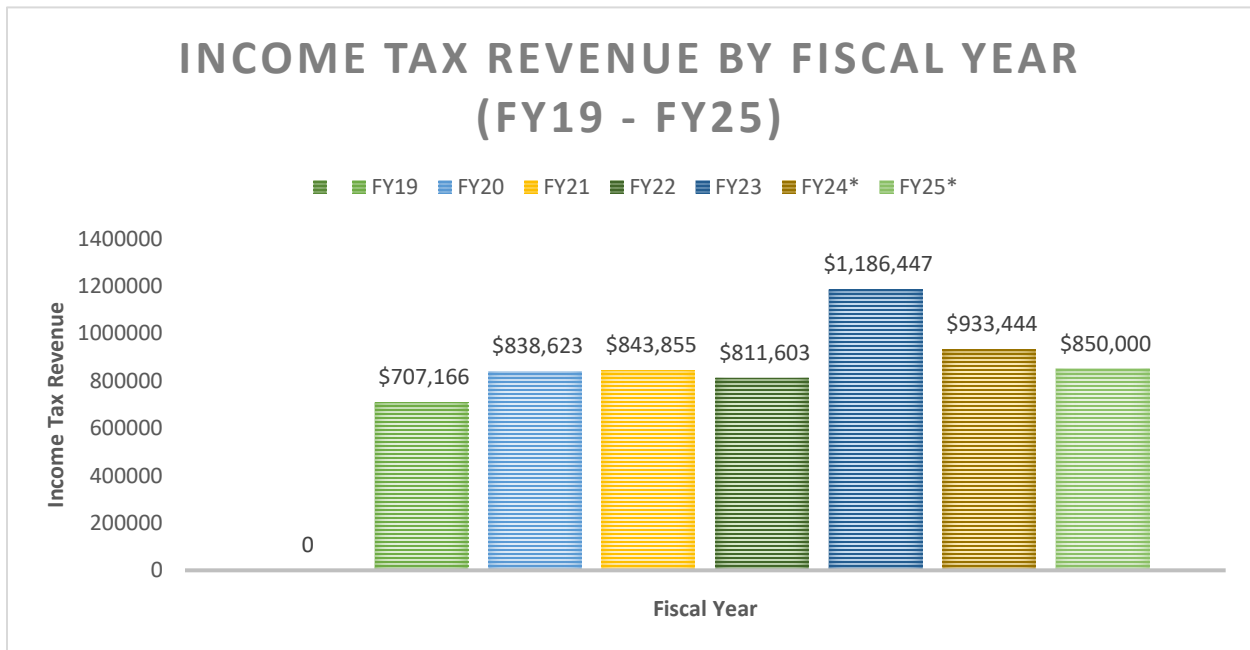


FY24\* Projected; FY25\* Budgeted

#### Revenue – Other Taxes

- The Town is anticipating Income Tax revenues of at least \$933,444 for FY24, which is less than the Town's historical record of Income receipts of \$1,186,447 in FY23. The Town has consistently been cautious with anticipated Income projections due to the uncertainty of this revenue source; however, with a five-year average (FY20-FY24) of Income receipts at \$922,794, we are comfortable increasing our expected Income revenues to \$850,000 for FY25 compared to \$800,000 in FY24.
  - Income Tax revenue is unpredictable due to many variables, as one higher earning residential taxpayer can make a substantial impact on our receipts depending on their earnings. Our Income Tax projections are very conservative and are based on the information we have available at the time of budget preparation.

### Income Tax Revenue by Fiscal Year



FY24\* Projected; FY25\* Budgeted

#### Revenue – Intergovernmental

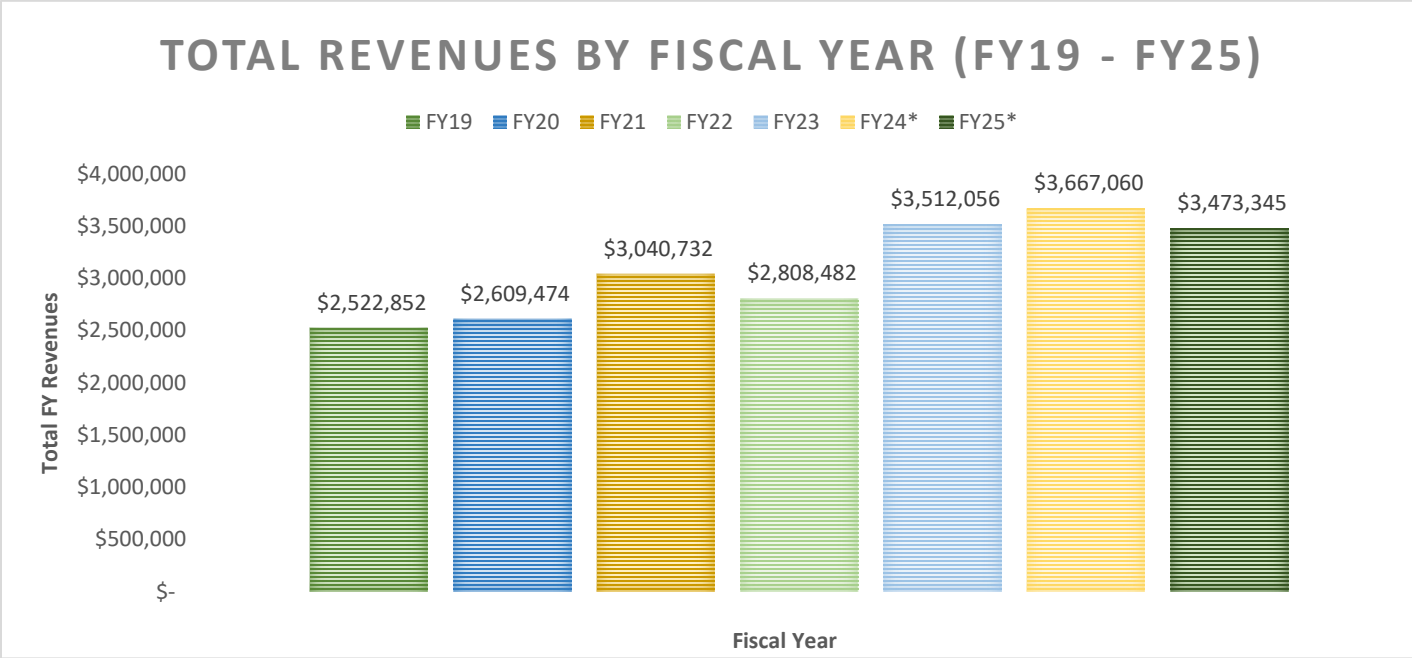
- Montgomery County adopted Bill 2-22 in 2022, to formally clarify reimbursements to Montgomery County’s localities for certain services. Commonly referred to as Tax Duplication, Bill 2-22 requires Montgomery County to reimburse the Town for transportation (road maintenance and improvements) and park related services. The Town will receive \$297,875 in FY25, which is less than the proposed amount within Bill 2-22 of \$322,064 in FY25. The County Executive stated that the difference in the amount was due to less than anticipated costs related to snow removal when the bill was first estimated.
- Highway User Revenues (HUR’s) are distributed by the State of Maryland, which is based on the number of registered vehicles within a locality. The funds are allocated to help offset costs for road improvements, and we anticipate a slight increase once again this year following communications from the State.
  - The Town has budgeted \$147,525 in HUR funds.

#### Revenue - Overall

Overall, the Town has seen a steady increase in total revenues over the last three fiscal years, including with our FY25 projections, which can be directly attributed to the strength of our Income Tax receipts, along with increased assessment values on both commercial and residential properties. We anticipate this trend continuing, at least in the short-term, as much of the Town’s

available housing stock is being regenerated by local developers and then sold at higher market values. We also anticipate a number of larger redevelopment projects in the near future, to include the Baker’s Union property (10400 Connecticut Avenue), which will most likely expand the Town’s housing options.

**Total Revenues by Fiscal Year**



\*FY24 Projected; FY25 Budgeted

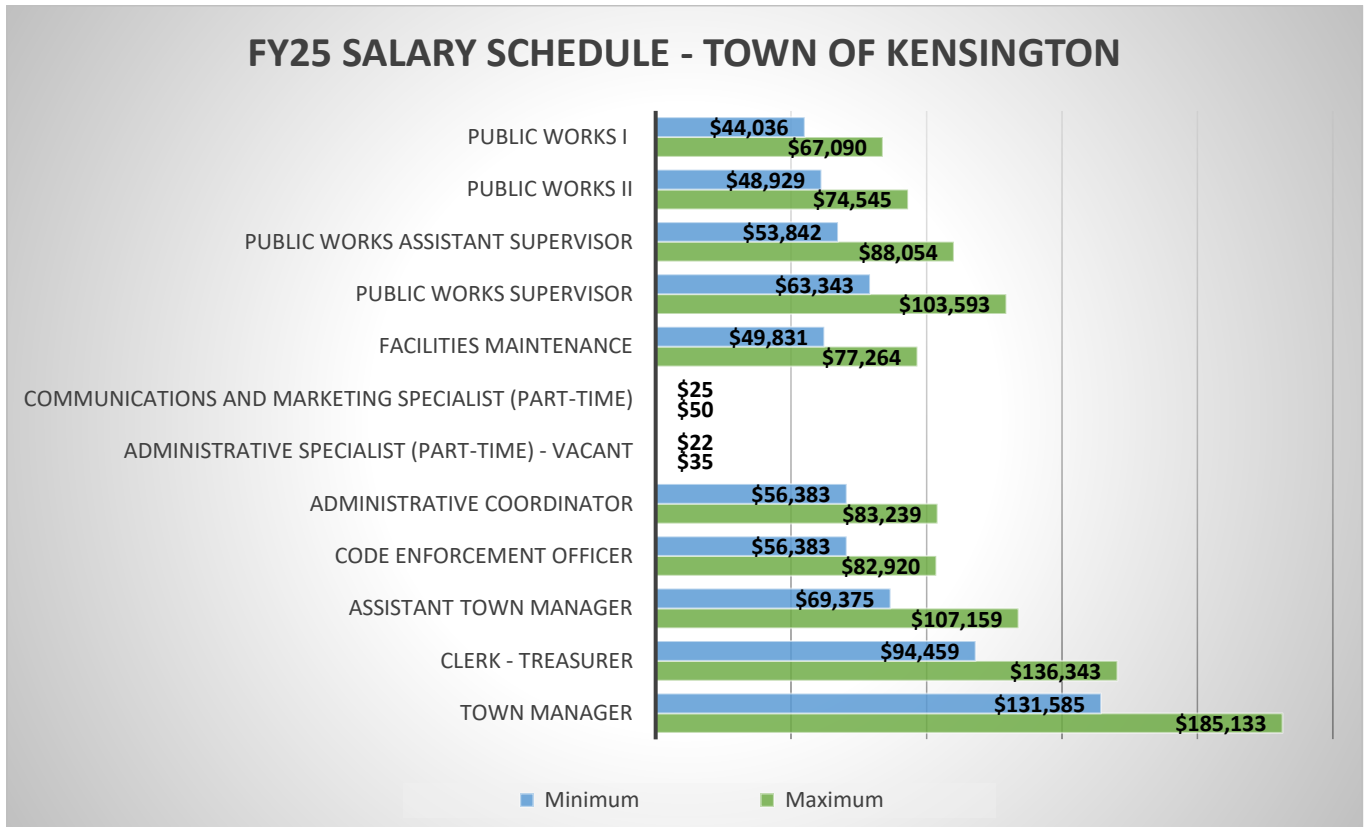
**FY25 Budget Expenditures**

Personnel – General Government; Public Safety; and Public Works

The Town’s Budget proposes a three and six-tenths (3.6) percent Cost-of-Living Adjustment (COLA) in accordance with the Consumer Pricing Index (CPI) for the Washington metropolitan area between January 2023 and January 2024. In addition, we are requesting an additional one and four-tenths (1.4) percent market correction for certain positions within the Town, and an additional four and four-tenths (4.4) percent for the Assistant Town Manager position, in an effort to maintain market competitiveness within the region.

- We are requesting the reclassification and promotion of Joe Natali within Public Works to Assistant Public Works Supervisor.
- We are requesting funding for additional part-time administrative help, if necessary, for FY25.
- We are requesting continued funding for a fourth Secondary Enforcement Officer position, which we hope to fill within FY25.

## FY25 Salary Schedule



### Professional Services

We are requesting additional funding within Professional Services for engineering/grant application assistance for the proposed separated pathways along Connecticut Avenue at Howard Avenue. However, even with this additional funding request, our budgeted expenses within Professional Services for FY25 are \$2,100 less than our budgeted expenses for FY24, as we have adjusted a number of line items and have completed the renovations to the new Archives room at Town Hall.

Moreover, Professional Services includes \$12,000 towards consulting services, as the Town's Development Review Board (DRB) will be engaging with Montgomery Planning to refresh the 2012 Kensington and Vicinity Sector Plan, specifically to address development along Connecticut Avenue and the northwest quadrant in anticipation of the Summit Avenue Extended project.

### Economic Development and Commercial Revitalization

The FY25 Budget proposes a slight increase of \$5,700 from FY24, which is directly related to an additional funding request from the Kensington Historical Society (KHS), and to help fund the

replacement of the existing Antique Row marquee signs along Connecticut Avenue at Howard Avenue.

### Public Works

The FY25 Public Works Budget is proposing a three-year contract extension with our collection contractor, Ecology Services Refuse & Recycling, LLC, with a five (5) percent increase per unit collection beginning January 1, 2025, and an increase tied to the Consumer Pricing Index (CPI) for the Washington metropolitan area for 2026 and 2027.

We are proposing to add to our collection services with a weekly, Town-wide, residential composting collection program through the Ecology contract extension. The composting program would begin January 1, 2025, and would allow the Town to maintain our second trash collection throughout the contract extension, or we may remove our second weekly trash collection prior the second or third years of the contract extension, if we determine that the second weekly trash collection is no longer necessary due to the success of the composting program. The Town-wide, residential composting program is estimated to cost \$62,000, in the first year of the program.

We are also requesting funds (\$18,000) to purchase 13-gallon composting roll carts for each household for the weekly composting program.

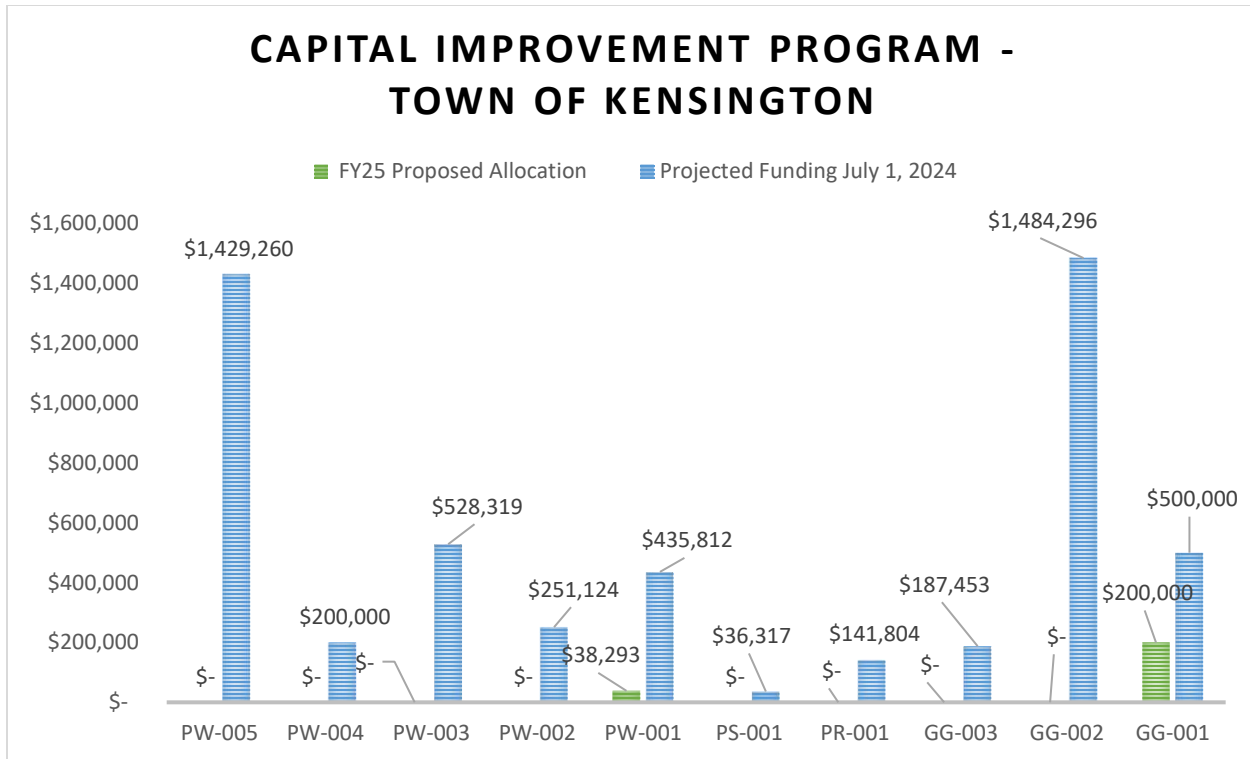
### Parks, Recreation, and Municipal Events

The FY25 Parks and Recreation Budget is requesting \$10,400 less in funding from FY24, in which the reduction is attributed to the removal of the Kensington 130<sup>th</sup> Anniversary event as a line item. However, we are requesting additional contributions to the Juneteenth event, 4<sup>th</sup> of July Bike Parade, and the Labor Day Parade and Festival.

### Capital Improvements Program (CIP)

The Town has a non-lapsing CIP that funds our infrastructure and capital assets. The CIP program is directly funded by any unreserved fund balance from the previous fiscal year. FY23 yielded a surplus of \$246,806, following the Audit, in which an estimated \$238,293, will be allocated to our CIP for FY25.

The Town has a policy to reserve ten percent of expected annual revenues within our Capital Reserve fund (GG-001) within the CIP. We are proposing that this be increased to fifteen percent for FY25 through an allocation of \$200,000 from the unreserved fund balance, with the additional \$38,293, being allocated towards our Bridge Reconstruction & Renovation Program (PW-001), as we anticipate that the construction RFP to be issued later this year will be higher than our original estimates due to inflation.



#### CIP Accounts

**GG-001 – Capital Reserve** – This is a reserve fund for various capital projects and may be used as a transfer account to fund other CIP programs or projects, and act as the Town’s Rainy-Day Fund if revenue concerns occur in any given fiscal year.

**GG-002 – Property Acquisition** – This is a fund account for the purchase of land specifically related to a new Public Works facility and establishing additional open space within the Town.

**GG-003 – Town Hall Improvements** – This is a fund account for improvements at Town Hall.

**PR-001 – Town Parks and Playground Improvements** – This is a fund account for improvements and renovations at Town Parks.

**PS-001 – Street Light Program** – This is a fund account for the maintenance and repair of existing Town-owned streetlights.

**PW-001 – Bridge Reconstruction & Renovation Program** – This is a fund account for the reconstruction and/or renovation of all bridges under the Town’s jurisdiction.

**PW-002 – Equipment & Vehicle Replacement Program** – This is a fund account for the purchase and/or replacement of Town equipment and vehicles.


**PW-003 – Pavement Management Program** – This is a fund account for street maintenance and reconstruction, which includes sidewalks.



**PW-004 – Public Works Facility Improvements** – This is a fund account for improvements or construction of a new Public Works facility.

**PW-005 – Storm Drain Reconstruction & Renovation Program (ARPA Funds)** – This is a fund account for the maintenance and reconstruction of storm drains within the Town’s jurisdiction.

Proposed FY25 CIP

1. Acquisition of 10528 St. Paul Street, which will be used for a future Public Works building. Estimate: \$1,010,000
  2. Proposed acquisition of 10415 Montgomery Avenue (M&T Bank drive-thru), which would be used as a public parking lot for the Kensington Business District. Estimate: \$450,000
  3. Engineering Design Services and Construction Management Bridge maintenance for the Kensington Parkway, Kent Street, and Frederick Avenue bridges. The engineering and design services are almost complete, and the construction management phase of the contract will begin once a bid has been secured for renovation of the bridges. Estimate: \$145,000
  4. Construction and repair for the Kensington Parkway, Kent Street, and Frederick Avenue bridges. Estimate: \$350,000
  5. St. Paul Street Storm Drain improvements, which will include the reconstruction of the intersection of St. Paul Street and McComas Avenue. The project will add storm drains to the 10700 and 10800 blocks of St. Paul Street, the 3500 block of Decatur Avenue, and improve the sightlines of the intersection of St. Paul Street and McComas Avenue. Estimate: \$650,000.
  6. Farragut Avenue Storm Drain improvements, which will include adding a storm drain lateral between Lexington Street and St. Paul Street. The project will require the relocation of a segment of the WGL main line. Estimate: \$450,000.
  7. C-Line Storm Drain improvements, which will address certain stormwater management concerns connected to the C-line. We will have a better understanding of cost estimates once we receive the hydro analysis from our engineer, Brudis & Associates. Estimate: \$150,000 +
  8. Add a sidewalk to connect Kensington Parkway (north) to St. Paul Park: Estimate: \$250,000.
  9. Replace the existing Ford F-550 with a Ford F-350. Estimate: \$85,000.
  10. Acquisition of certain property for stormwater management and open space use. Estimate: \$125,000.
- 

**TOWN OF KENSINGTON  
PROPOSED BUDGET FY 2025**

<b>PROPOSED BUDGET 2024- 2025</b>
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**REVENUE FUND**

GENERAL PROPERTY TAXES	Rates	
Real Property Tax	0.1312	924,403
Personal Property Tax - Utilities	5.0000	515,734
Personal Property Tax - Business	0.8000	136,576
	SUBTOTAL	\$1,576,713
OTHER TAXES		
Income Taxes		850,000
Admissions and Amusements Tax		500
	SUBTOTAL	\$850,500
LICENSES & PERMITS		
Town Building and Sign Permits		18,000
Parking Permits		3,400
Cable Franchise Fees		21,800
Traders' Licenses		2,500
	SUBTOTAL	\$45,700
INTERGOVERNMENTAL REVENUE		
County Tax Duplication		297,875
Highway User Funds		147,525
Bank Shares		4,226
	SUBTOTAL	\$449,626
FINES AND FEES		
SafeSpeed Camera Program		0
Parking & Municipal Infractions		2,000
	SUBTOTAL	\$2,000
OTHER		
Town Hall Rentals		15,000
Park Rentals		2,500
Municipal Events		9,500
Interest		175,000
Miscellaneous		100,000
	SUBTOTAL	\$302,000
GRANTS		\$1,148,193
	TOTAL	REVENUE
		\$4,374,732
	UNAPPROPRIATED SURPLUS	246,806
	TOTAL REVENUE INCLUDING UNAPPROPRIATED SURPLUS	\$4,621,538

**EXPENDITURES**

**GENERAL GOVERNMENT**

**PERSONNEL SERVICES**

Salaries & Wages	585,410
Social Security, Medicare, Unemployment Taxes	43,835

Workers Compensation Insurance	5,527
Health, Life, and Employee Benefits	64,233
Retirement - 401 (A) Money Purchase Plan	47,427
	<u>SUBTOTAL</u>
	<u><u>\$746,433</u></u>
OPERATING EXPENSES	
ELECTED OFFICIALS	
Mayor and Council Compensation	24,000
Mayor and Council Legislative, Education, Travel	17,900
	<u>SUBTOTAL</u>
	<u><u>\$41,900</u></u>
PROFESSIONAL SERVICES	
Town Attorney	50,000
Audit	14,500
Other Professional Services	136,925
	<u>SUBTOTAL</u>
	<u><u>\$201,425</u></u>
TOWN GOVERNMENT OPERATIONS	
Town Hall Maintenance	139,500
Town Hall Utilities	45,700
Town Hall Equipment	9,000
Economic Development & Commercial Revitalization	191,350
Office Expenses	34,800
Office Equipment/Furniture	2,500
Insurance	22,000
Municipal Dues, Memberships and Fees	11,250
Conferences, Training, & Travel	6,500
Miscellaneous	3,000
	<u>SUBTOTAL</u>
	<u><u>\$465,600</u></u>
<u>TOTAL GENERAL GOVERNMENT EXPENSES</u>	
	<u><u>\$1,455,358</u></u>
EXPENDITURES	
PUBLIC WORKS	
PERSONNEL SERVICES	
Salaries & Wages	420,366
Social Security, Medicare, Unemployment Taxes	30,909
Workers Compensation Insurance	20,802
Health, Life, and Employee Benefits	103,853
Retirement - 401 (A) Money Purchase Plan	37,393
	<u>SUBTOTAL</u>
	<u><u>\$613,323</u></u>
OPERATING EXPENSES	
OPERATING SUPPLIES	
Conferences, Training, and Travel	500
Drug Testing	1,000
Uniforms, Gloves, Vests, Boots, and Shirts	3,500
Small Equipment Purchases	12,500
Vehicle Fuel Expenses	13,500
Small Equipment Maintenance and Repairs	3,500
Vehicle Repairs	20,000
Shop Supplies and Tools	4,000
Miscellaneous	1,000
	<u>SUBTOTAL</u>
	<u><u>\$59,500</u></u>

TRASH, BRUSH, RECYCLING, AND LEAF COLLECTION

Trash, Brush, and Recycling Collection	279,500
Leaf Collection and Other Disposal Fees	27,000
SUBTOTAL	<u>\$306,500</u>

INFRASTRUCTURE

Street Sweeping	12,000
Street Maintenance	20,000
Street Name Signs	20,000
Snow Removal	8,500
Sidewalk Repair	15,000
Storm Drain Maintenance	15,000
Landscaping Vegetation Management	25,000
Landscaping Street Trees Maintenance and Planting	125,000
Garage Maintenance, Miscellaneous & Utilities	10,200
SUBTOTAL	<u>\$250,700</u>

TOTAL PUBLIC WORKS EXPENSES	<u>\$1,230,023</u>
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PUBLIC SAFETY

PERSONNEL SERVICES

Salaries & Wages	199,721
Social Security, Medicare, Unemployment Taxes	15,029
Workers Compensation Insurance	8,652
Health, Life, and Employee Benefits	12,935
Retirement - 401 (A) Money Purchase Plan	6,333
SUBTOTAL	<u>\$242,671</u>

OPERATING SUPPLIES & SERVICES

PUBLIC UTILITIES AND PROFESSIONAL SERVICES

Parking Lot Lighting (Metropolitan)	1,500
Public Street Lighting	65,000
Traffic Control & Engineering	18,000
Miscellaneous	4,500
SUBTOTAL	<u>\$89,000</u>

TOTAL PUBLIC SAFETY EXPENSES	<u>\$331,671</u>
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PARKS & RECREATION

FACILITIES AND PUBLIC UTILITIES

Park Utilities	11,250
SUBTOTAL	<u>\$11,250</u>

OPERATING SUPPLIES AND PROFESSIONAL SERVICES

Small Equipment Maintenance and Repairs	15,000
Equipment Purchases	14,000
Landscape Architecture Services	3,000
Miscellaneous	1,000
SUBTOTAL	<u>\$33,000</u>

LANDSCAPING

Landscaping and Vegetation Management	25,000
Parks and Town Hall Landscaping	40,000
SUBTOTAL	<u>\$65,000</u>

TOWN MUNICIPAL EVENTS

Municipal Events - Labor Day Parade and Festival	<b>35,200</b>
Municipal Events - Other Municipal Events	<b>48,550</b>
SUBTOTAL	<b>\$83,750</b>

TOTAL PARKS RECREATION EXPENSES	<b>\$193,000</b>
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NON DEPARTMENTAL  
Contingency

TOTAL NON DEPARTMENTAL EXPENSES	<b>25,000</b>
	<b>\$25,000</b>

TOTAL OPERATING BUDGET	<b>\$3,235,052</b>
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CAPITAL IMPROVEMENTS PROGRAM	<b>\$1,386,486</b>
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TOTAL CIP BUDGET APPROPRIATIONS	<b>\$1,386,486</b>
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TOTAL OPERATING & CIP EXPENDITURES	<b>\$4,621,538</b>
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