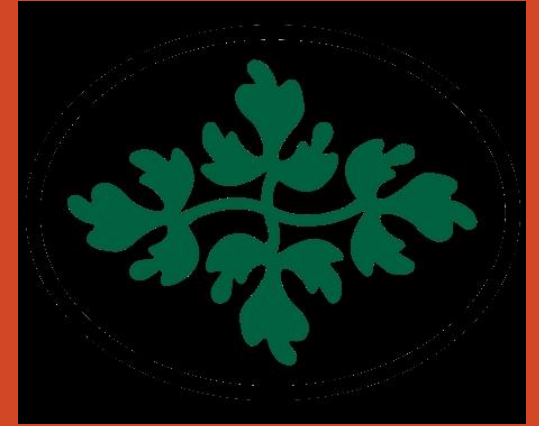
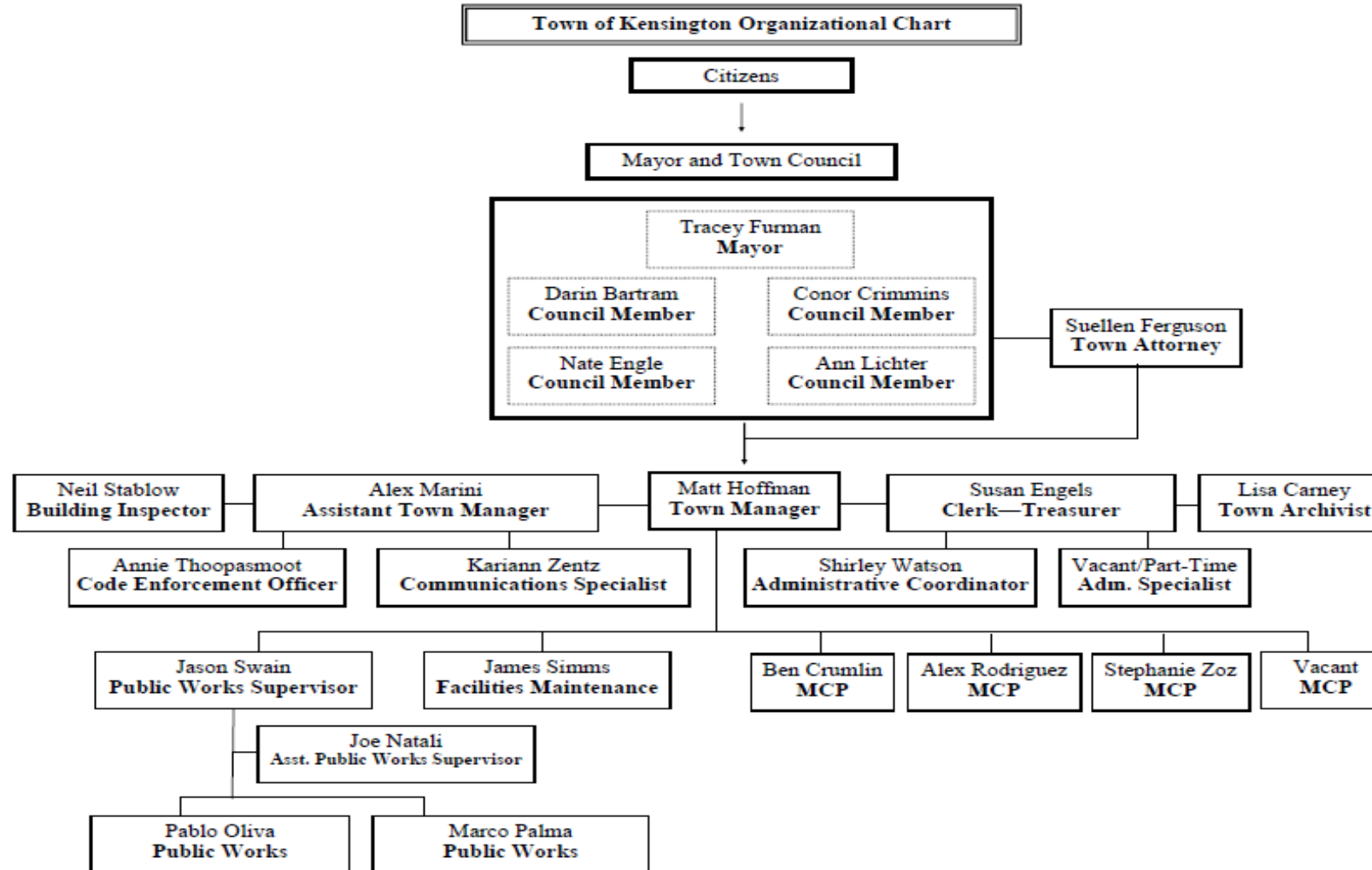


Town of Kensington Community Budget Forum



Wednesday, May 1, 2024 | 4:00 pm – 6:00 pm | Town Hall

Town of Kensington Organizational Chart



The Budget Process

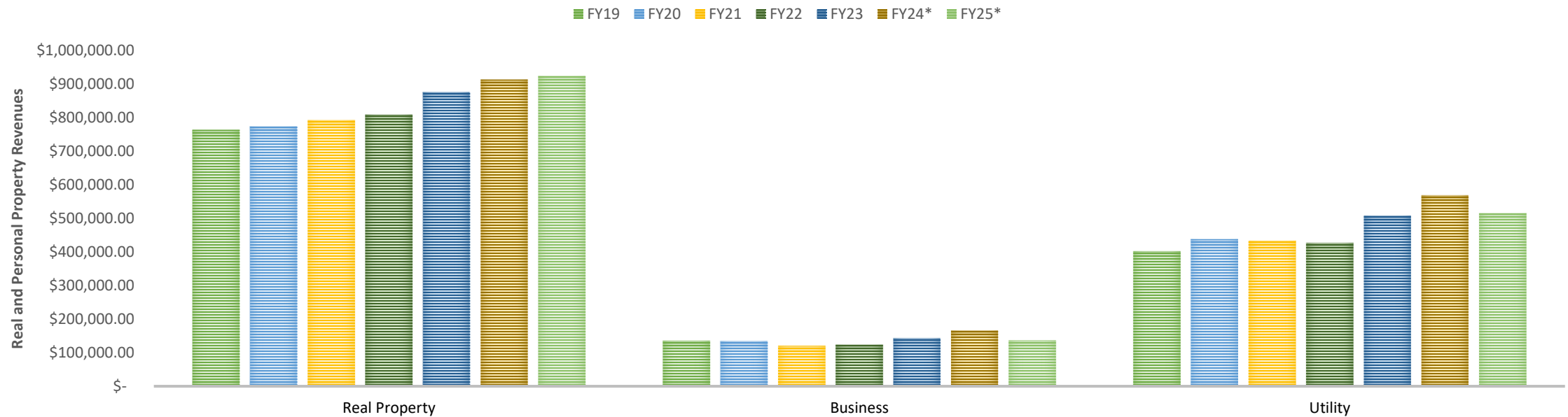
- ▶ The Town operates under a fiscal year, in accordance with Article VIII, “Finance”, of the Town Charter, which states that the Town’s fiscal year shall begin on the first day of July and shall end on the last day of June each year.
 - ▶ FY25: July 1, 2024 – June 30, 2025.
- ▶ The Budget process began 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 was held Wednesday, April 10, 2024, 7:00 pm.

Where Do the Town's Revenues Come From?

- ▶ Property Taxes:
 - ▶ Real Property (Residential and Commercial Property) is taxed at a rate of (\$0.1312) per \$100 of assessed value.
 - ▶ A property with an assessed value of \$875,000, would pay \$1,148 in Real Property taxes to the Town.
 - ▶ Business Personal Property is taxed at a rate of (\$0.80) per \$100 assessed value.
 - ▶ Utility Personal Property is taxed at a rate of (\$5.00) per \$100 assessed value.
- ▶ Within FY25, the Town is projecting that 48 percent of our Revenues will be received through Property Taxes.

Real and Personal Property Revenues by Fiscal Year (FY19 – FY25)

REAL AND PERSONAL PROPERTY REVENUES BY FISCAL YEAR (FY19 - FY25)



Where Do the Town's Revenues Come From?

- ▶ Income Taxes:

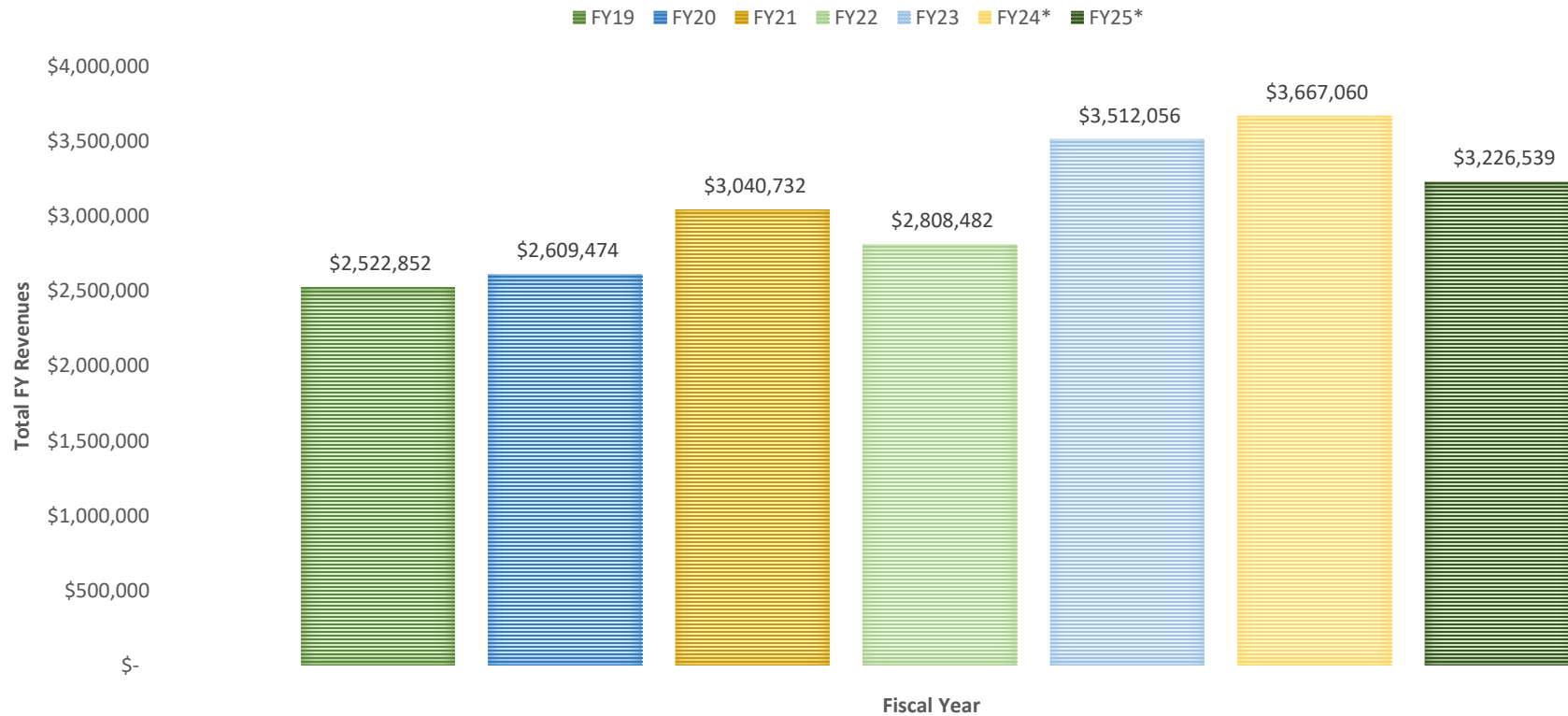
- ▶ Montgomery County collects 3.2 percent of earned income by residents within the Town of Kensington. Within this 3.2 percent, the Town receives an allocation of 17 percent of the total receipts of earned income by our residents.
 - ▶ For example, a resident earning \$150,000, a year, would contribute \$816 towards the Town's Income receipts.
- ▶ Within FY25, Income receipts are projected to be 26 percent of the Town's total revenues.

- ▶ Intergovernmental and Misc. Revenues:

- ▶ Tax Duplication – Are revenues received by the Town from Montgomery County for certain services provided by the Town (Parks and Street Maintenance).
 - ▶ The FY25 Tax Duplication payment is projected at \$297,875.
- ▶ Highway User Revenues (HUR's) – Are distributed by the State of Maryland, which are based on the number of registered vehicles within the locality. The funds are issued to help offset costs for road improvements and maintenance.
 - ▶ The FY25 HUR payment is projected at \$147,527.

Total Revenues by Fiscal Year (FY19 – FY 25)

TOTAL REVENUES BY FISCAL YEAR (FY19 - FY25)



Where Are the Town's Revenues Spent?

- ▶ The Town's Budget has five (5) categories, including a Capital Improvement Plan (CIP), which determines where funds are allocated. These categories include the following:
 - ▶ General Government:
 - ▶ Includes Administrative Personnel, Elected Officials, Professional Services, Town Hall Maintenance/Utilities/Equipment, and General Office Expenses.
 - ▶ **General Government accounts for approximately 45 percent of the Town's expenses.**
 - ▶ Public Safety:
 - ▶ Includes Code Enforcement and the Town's Police Officers through our Secondary Enforcement Agreement with Montgomery County Police.
 - ▶ **Public Safety accounts for approximately 11 percent of the Town's expenses.**
 - ▶ Public Works:
 - ▶ Includes Public Works Personnel, along with our Collection Services, small equipment purchases and repairs, our Street Tree program, and basic infrastructure improvements/repairs.
 - ▶ **Public Works accounts for approximately 38 percent of the Town's expenses.**
 - ▶ Parks and Recreation:
 - ▶ Includes Town Events (Labor Day Parade, Light Up K-Town, Juneteenth), and expenses related to our Town Parks and Playgrounds.
 - ▶ **Parks and Recreation accounts for approximately 6 percent of the Town's expenses.**
 - ▶ CIP:
 - ▶ The Capital Improvement Plan is a non-lapsing CIP that funds our Infrastructure and Capital Assets.
 - ▶ The CIP is directly funded by any unreserved fund balance from the prior Fiscal Year.

Capital Improvement Plan (CIP)

- ▶ General Government:

- ▶ **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.

- ▶ Parks & Recreation:

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

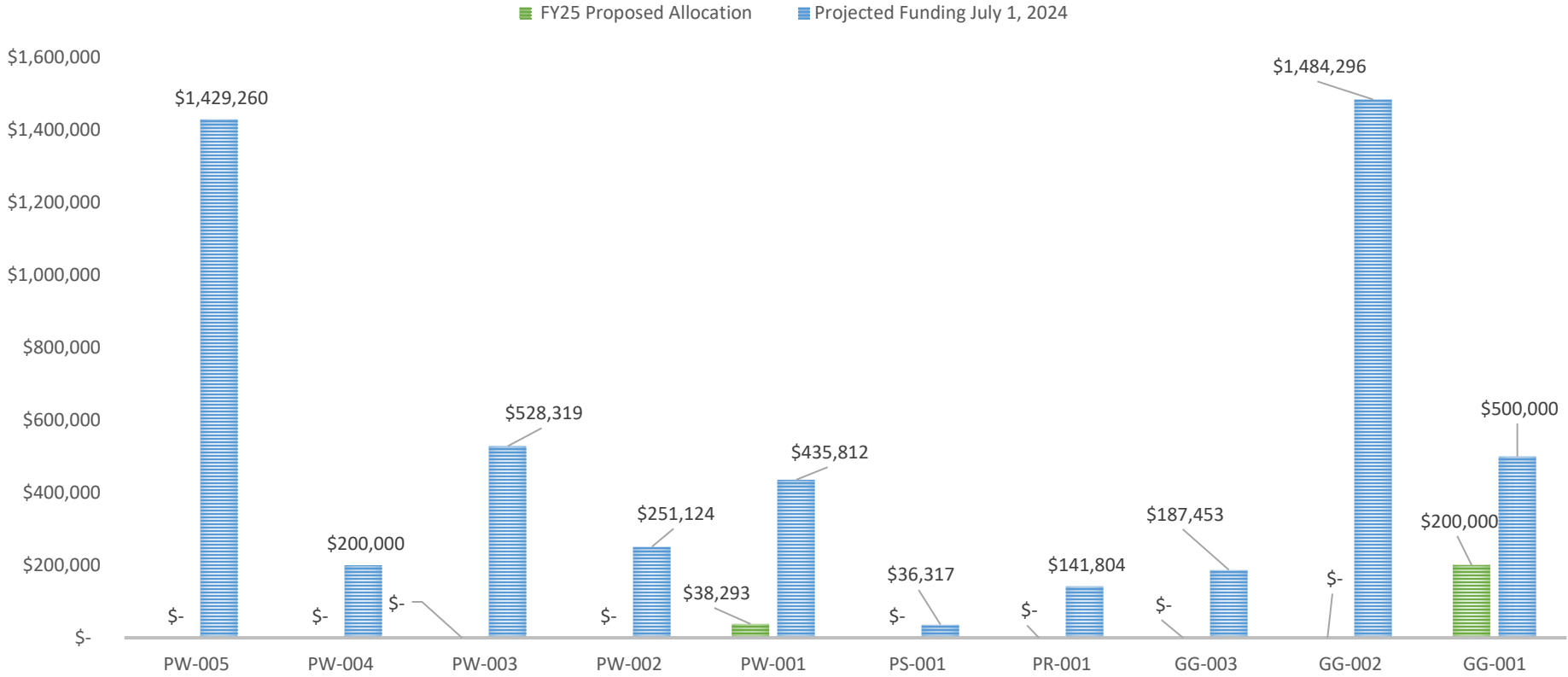
- ▶ Public Safety:

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

- ▶ Public Works:

- ▶ **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.

Capital Improvement Plan Funding



Proposed FY25 CIP Projects

- ▶ Acquisition of 10528 St. Paul Street, which will be used for a future Public Works building. Estimate: \$1,010,000
- ▶ 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
- ▶ 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
- ▶ Construction and repair for the Kensington Parkway, Kent Street, and Frederick Avenue bridges. Estimate: \$350,000
- ▶ 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.
- ▶ 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.
- ▶ 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 +
- ▶ Add a sidewalk to connect Kensington Parkway (north) to St. Paul Park: Estimate: \$250,000.
- ▶ Replace the existing Ford F-550 with a Ford F-350. Estimate: \$85,000.
- ▶ Acquisition of certain property for stormwater management and open space use. Estimate: \$125,000.

Attendees

- Approximately 20 Residents (not including Town staff or Town Council/Mayor)
- Mayor Tracey Furman, Council Member Darin Bartram, Council Member Conor Crimmins, Council Member Ann Lichter, Matt Hoffman, Susan Engels, Alex Marini, and Shirley Watson.

Summary

Town Manager Hoffman provided an overview of the Town's general operating budget, highlighting major sources of income and how those have evolved over the years, as well as major categories of expenditure.

He also presented the Capital Improvement Plan budget, highlighting major elements included for capital spending.

The slide presentation that Town Manager Hoffman used to provide this overview is attached [here](#). After the presentation, there were a few questions from the audience, as summarized below. Participants walked around and looked at visual [maps of various Town projects](#) identified in the CIP and discussed them with Town staff and Town Council Members.

Questions from the Audience:

1. How do these projects get finalized? How does the public know what is happening with them? (Rose Starin)
 - Larger projects will be on the agenda for Town Council meetings where the public has an opportunity to hear information, ask questions, and provide input as Council deliberates on how to proceed and then votes. Town Council meetings are scheduled for the second Wednesday of the month, and the Town typically releases the agenda two days prior to Council meetings. You may sign up to receive email updates from the Town [here](#).
 - Town staff also regularly consults with affected residents and businesses as part of the planning process for capital improvement projects.
2. A Resident (Leslie Olson) opposed the plans to install a sidewalk on Oberon Street being included in the CIP because some trees would need to be removed and there hasn't been enough consultation with the neighbors. She suggested various alternative routes to St. Paul Park.

- Town Manager Hoffman and Council Member Crimmins shared there have been multiple consultations with neighbors and that additional on-site meetings will be held before final decisions are made.
- Other Town Residents spoke up in support of more sidewalks to ensure safety for pedestrians.

3. When you have these large capital projects is there a certain number of residents that have to be opposed to stop something from happening?

- Not necessarily. There are meetings and consultations, then the Town Council has to decide how to proceed at a Town Council meeting.

After reviewing the [visuals for each of the CIP projects](#), there was no time for small group discussions. The Community Budget Forum closed by having participants spend a few minutes sharing their responses to the questions shown below.

1. What are you excited about?

- Awesome forum, very transparent, introduces people to a whole host of projects, strongly encouraged Town to repeat it
- One of the more comprehensive budgets I have seen
- Composting
- Town is being proactive - when property is becoming available - making inquiries about acquisitions
- Great to have this kind of interaction
- Excited about additional parking
- Excited about potential acquisition of M&T
- Liked the emphasis on making Town safer or more accessible - safety or reduce flooding

2. What questions do you have?

[None were asked.]

3. Is there anything you were expecting us to talk about that you didn't hear?

- Traffic. I'm concerned about impact of new commercial center at 10619 Connecticut Avenue.
 - Town Manager Hoffman shared the State Highway Administration is working on a sketch plan to do an elongated roundabout to clean up that intersection of Plyers Mill, Metropolitan and Concord. It would require some acquisition - years away - constant conversations with SHA and others.
- Safety

- There was some discussion about seeing MCPD pulling over people going too fast near school bus stops
- Bus stop at Kensington Parkway and Kent - walking up Kent with no sidewalk - what about sidewalks on Kent?
 - PBAS does a biannual walking audit, will look into this
- Oberon, Frederick Ave, and the Circle are the three locations we get the most requests for new sidewalks.