



# WHEATON

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Urban District Advisory Committee  
November 2024, Budget Presentation FT 2026



# Fiscally Responsible Government

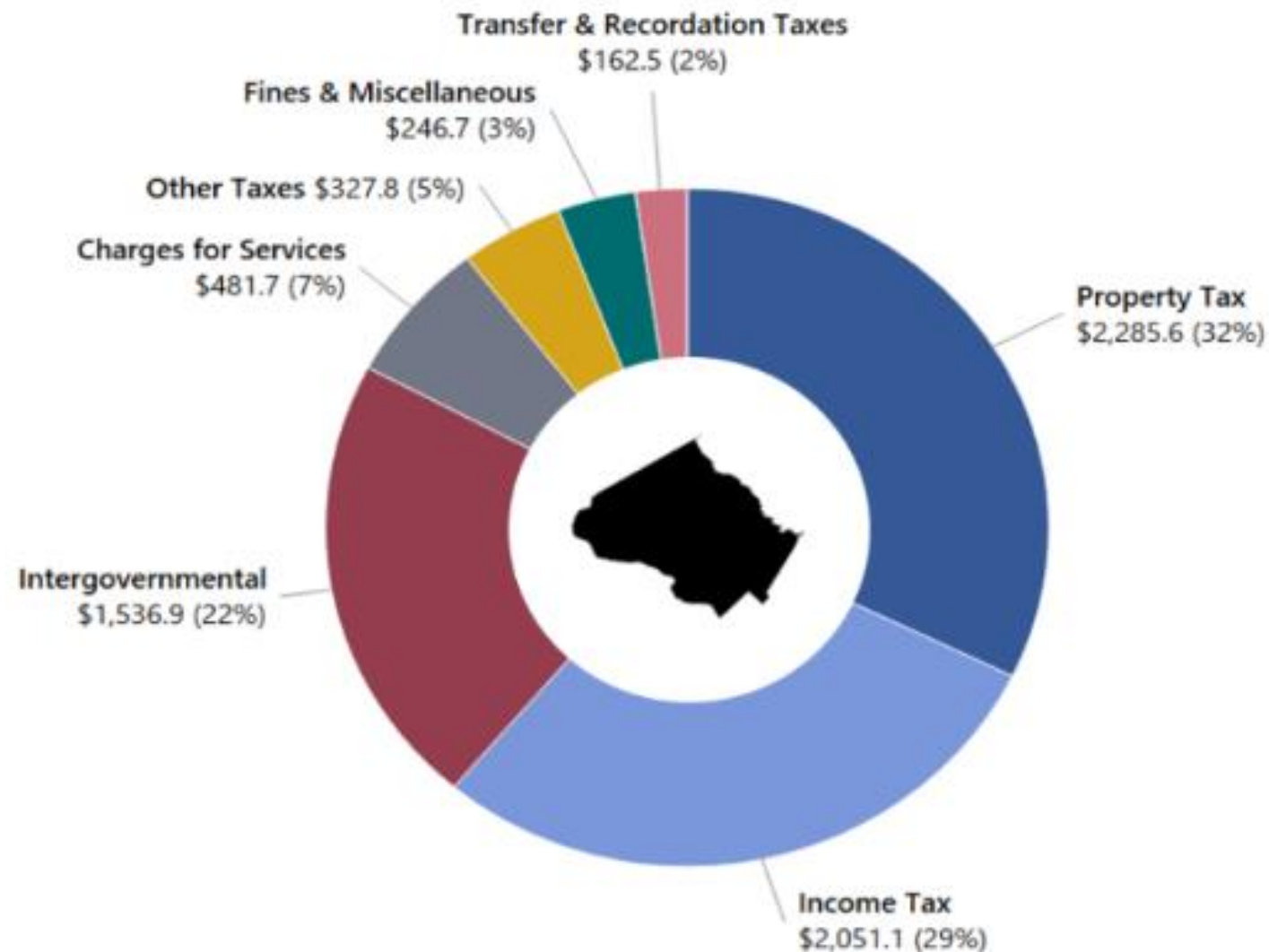
## Montgomery County is focused on Financial Sustainability

- Balanced Budget Required By Law Despite Revenue Volatility
- Reserve Target Policy – The FY25 budgeted reserves exceed the County's 10% policy level. This must be maintained in FY26.
- Well-Managed Retirement Obligations – Pre-funding for pensions and retiree health insurance (OPEB)
- Manage the Rate in Growth of Debt Expenditures



# FY25 Approved Revenues (\$millions)

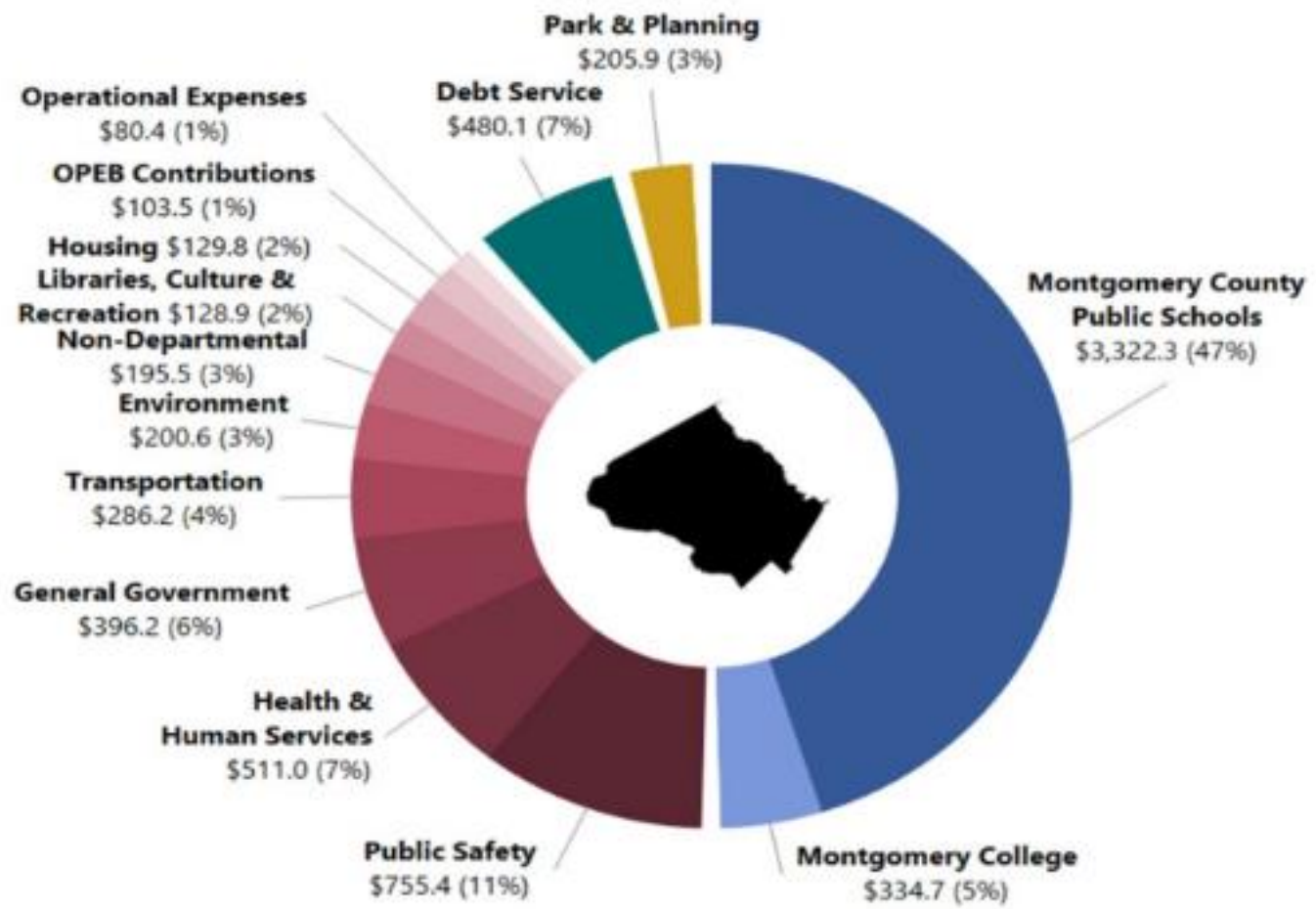
## Total Revenues: \$7,092.3





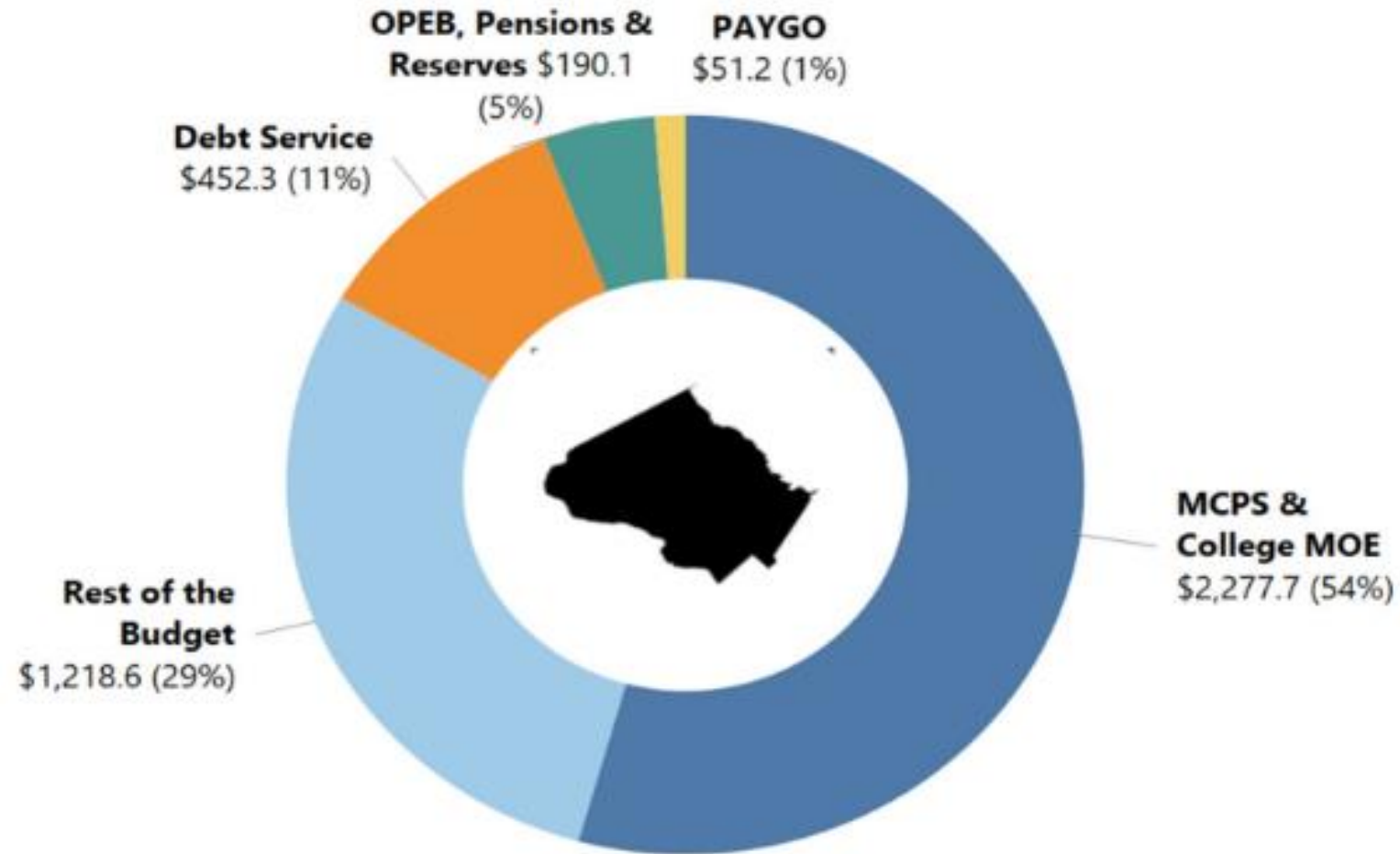
# FY25 Approved Expenditures by Operating Function (\$millions)

Total Expenditures: \$7,130.5





# FY25 Fixed & Other Commitments as a % of General Fund Revenue





## **FY26 Fiscal Projection**

# **Revenues – Uncertainty**

- **Preliminary FY24 actuals compared to FY24 estimates for the following major taxes:**
  - Income tax: \$15.3 million
  - Property tax: \$9.6 million
  - Recordation and Transfer Taxes: \$8.0 million
- **FY25 tax revenue projections are on target compared to the May approved budget**
- **Finance will provide tax revenue updates in late November and late February**



# Budget Pressures

## FY26 Fiscal Projection

- The June Approved Tax-Supported Fiscal Plan projects a marginal increase in resources available in FY26
- Debt Service Cost increases
- Maintenance of Effort requirement for MCPS and College
- Implementation of the Blueprint for Schools
- Labor agreements
  - Annualization of FY25 Labor Contracts: \$19.6 million
  - Annualization of FY25 Approved Positions: \$2.0 million



# FY26 Fiscal Projection

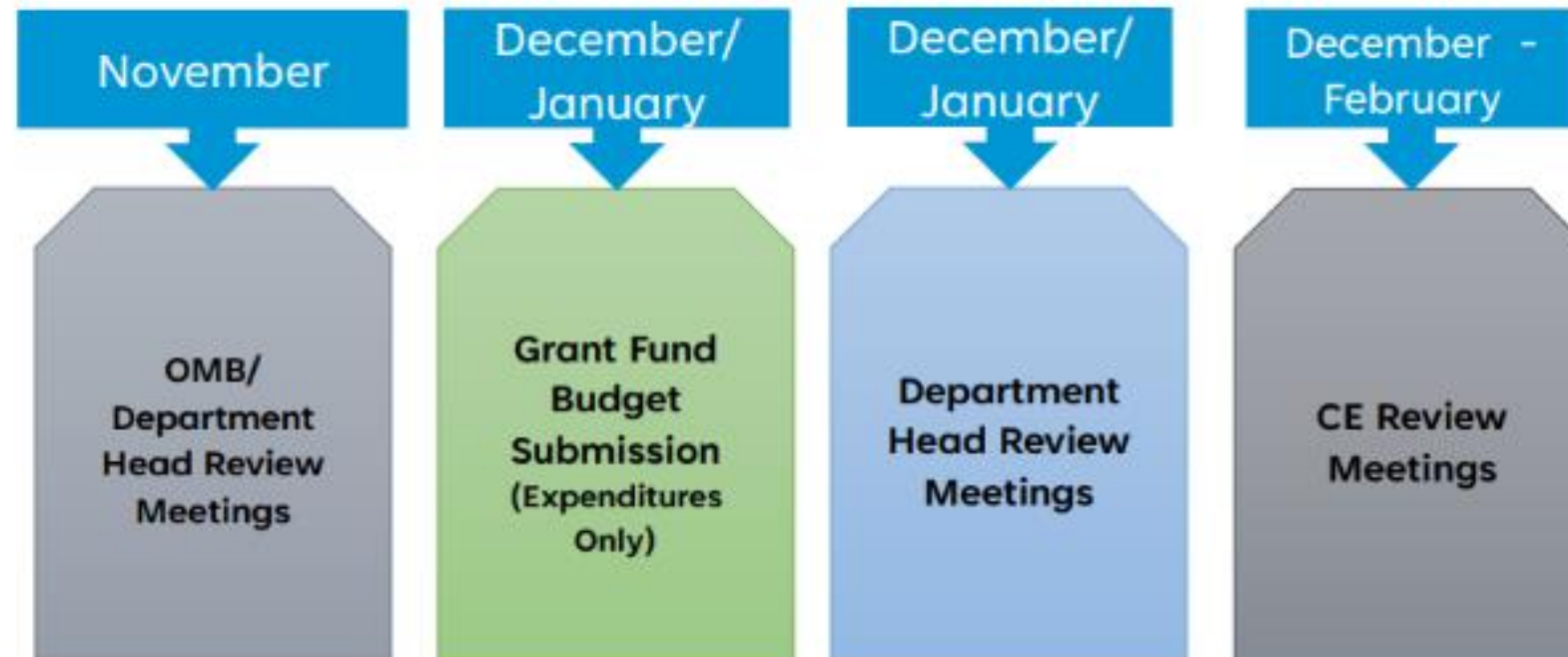
## Budget Pressures cont'd

- Reserves
  - FY25 budgeted reserves exceed the 10% policy level and need to be maintained at the policy level in FY26 and beyond
- Retiree Health Insurance
- Implementation of the Maryland Time to Care Act
- Operating cost of new facilities and infrastructure
- Inflation





# FY26 Operating Budget Process & Timeline





## **FY26 Target Reductions**

# **Target Reductions**

- **Required to be submitted with Department Funding Parameter Budget Submission – no exceptions**
- **Target Reductions for Executive Branch Departments**
  - **3.5 percent for DHHS, Police, Fire, Corrections, OEMHS, and Transit**
  - **5 percent for everyone else**





## Target Reductions

# FY26 Target Reductions

- These must be ongoing reductions
- May not propose one-time lapse adjustments – these will be considered separately based on vacancy rates Countywide
- Assume all reductions will be accepted – no “Washington Monuments”
- Should not cause revenue reductions
- Consider secondary impacts for other departments or other County services
- Do not include staff furloughs or any other reductions to existing pay and benefits levels that are subject to collective bargaining



# Target Reductions

## FY26 Target Reductions (cont'd)

- **Focus on the following:**
  - **Non-core service areas (non-mission critical, discretionary, or non-legally mandated programs and services);**
  - **Services that may be duplicated by another level of government (State and/or Federal government);**
  - **Services that may be duplicated by another County department, agency, or non-profit organization;**





# Target Reductions

## FY26 Target Reductions (cont'd)

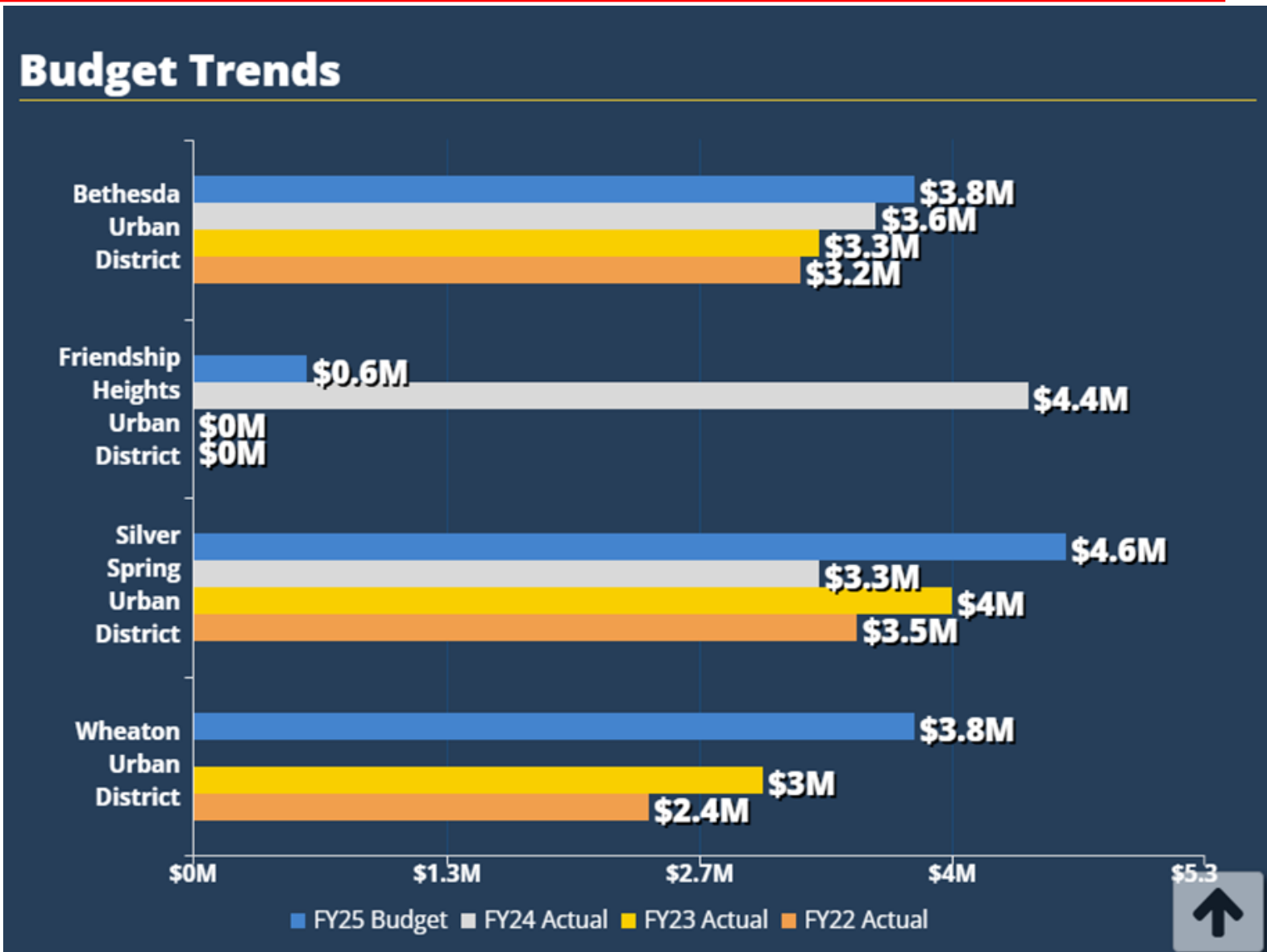
- Focus on the following (cont'd):
  - Services that are unique to Montgomery County (are not provided by other jurisdictions in Maryland, the region, or nationally);
  - Services that are under-performing or not producing desired outcomes;
  - Services with high costs per client or a small client base; and
  - Facility consolidation (savings in energy, leasing, maintenance, staffing, etc.).

# Urban District FY25 Approved

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## Wheaton Breakdown

### Expenditures

Personnel	\$2,426,592.00 (65%)
Operating	\$1,330,779.00 (35%)
<b>Total</b>	<b>\$3,757,371.00</b>

### Funding

Parking	\$225,000.00 (6%)
Tax	\$348,056.00 (9%)
General Fund	\$3,184,315.00 (85%)

# Program Descriptions

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## **Administrative**

This program provides staff support for contract administration, the Urban District Advisory Committees, and for the administration of Urban District corporations.

## **Enhanced Security and Ambassadorship**

This program promotes clean, safe, and welcoming Urban Districts through uniformed aides. The program provides visual deterrents and/or trained observer documentation for theft, vandalism, and violations in the Silver Spring and Wheaton Urban. Aides also act as ambassadors by providing information, directions, first aid and CPR, and roadside assistance to residents, visitors, and the business.

## **Streetscape Maintenance**

This program provides maintenance of, and improvement to, the streetscape amenities within each Urban District. Various service levels include litter collection, sidewalk maintenance, trash receptacle service 7 days a week, mowing and snow removal as needed, lighting maintenance, maintenance of planted/landscaped areas, and street sweeping.

## **Promotion of Community and Business Activities**

This program enhances the quality of life in the Urban Districts and surrounding communities through sponsorship of community events that may include festivals, concerts, and parades; the installation of seasonal banners, unique signs, holiday decorations, and other amenities to give each District a sense of place; and the development and distribution of newsletters, brochures, and other promotional material highlighting the Districts

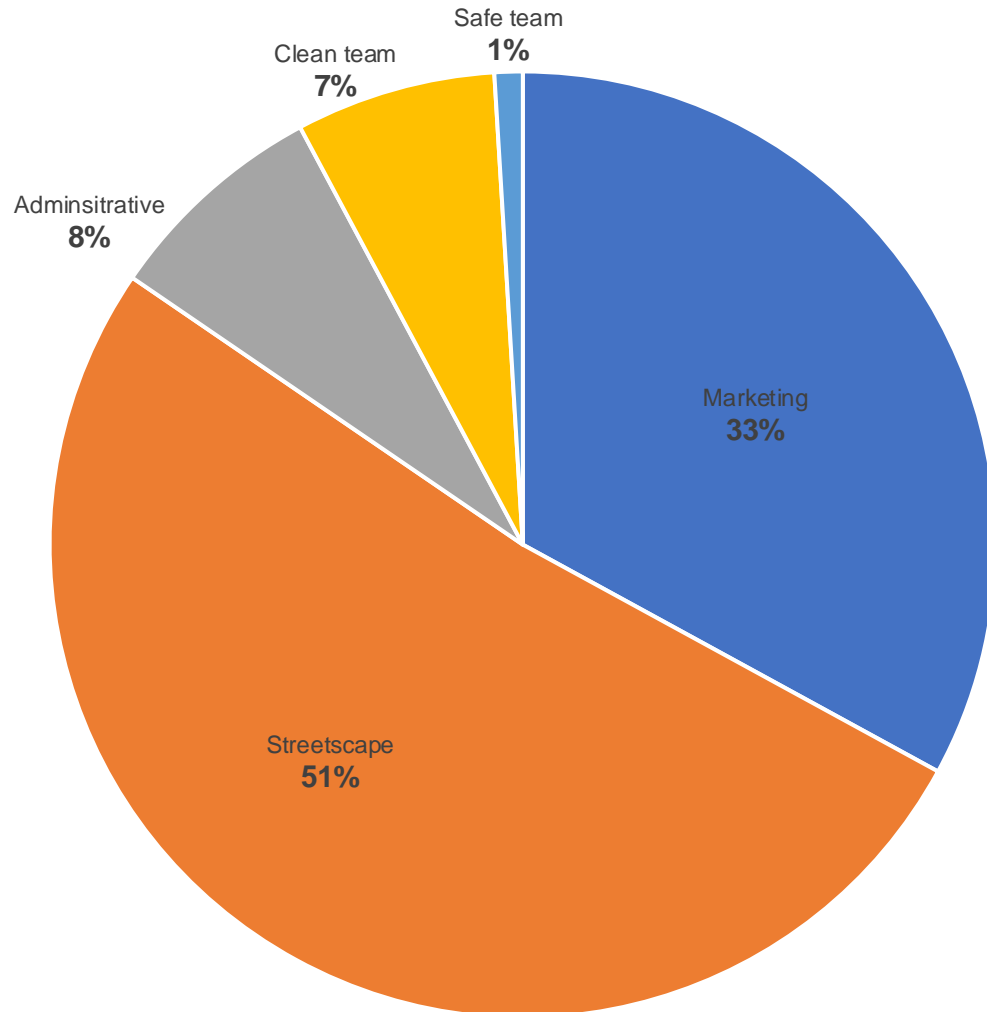
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Wheaton Urban District Operating



## Total Operating \$1,330,779.00

Streetscape	\$686,450.00
Administrative	\$101,887.00
Clean team	\$91,007.00
Safe team	\$12,822.00
Marketing	\$438,613.00

## FY25 Enhancements

Marketing	\$50,000
Lighting	\$25,000
Sidewalks	\$100,000



# Urban District FY26 Target Reduction

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## FY2026 Target Reduction

**-188,339**

5% of general fund transfer (\$3,766,786)  
Net transfer number



## Equity Concerns

Wheaton target reductions are higher than SS and Bethesda because we receive a larger percentage of the general fund. Wheaton is an equity focus area with a larger percentage of lower incomes and people of color.

## WUD Presented Reductions

**-\$100,000**

from Streetscape/Sidewalks canceling out the enhancement from FY2025



## Impact

Limit the amount of storm drains and sidewalk repairs and tree replacements. Will focus on oldest vs. newest.

# Feedback

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December 17<sup>th</sup> – CE internal meeting  
March 15<sup>th</sup> – Budget Presented to Council  
April – Council Budget Hearings  
June – Council Votes

