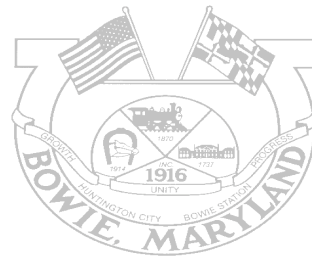


*MID-YEAR BUDGET REVIEW*

*February 9, 2009*



*City of Bowie, Maryland*



February 9, 2009

Honorable Members of the Bowie City Council:

I am pleased to submit for your review the Fiscal Year 2008-2009 mid-year budget review. The report covers all City funds, and contains financial summaries as well as reports concerning the status of the objectives committed to in the Budget.

We tend to focus on the General Fund, since this represents the bulk of our operations and it is the fund that determines the real estate property tax rate. By June 30, 2009, General Fund revenues are projected to be approximately \$75,000 under budget and expenditures approximately \$500,000 under budget. The City has a history of strong financial performance and continues to be in a strong financial position.

This report also indicates the status of each department's objectives. It is hoped that this programmatic information will illuminate many significant accomplishments, as well as provide a schedule for the completion of other objectives in the remaining months of the fiscal year.

I look forward to assisting Council in your review of the Fiscal Year 2008-2009 mid-year budget review.

David J. Deutsch  
City Manager

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***PART I***

***Status of FY2008 - 2009 Objectives***



**OPERATING DEPARTMENT OBJECTIVES FOR 2008-2009**

**City Manager**

**1. Manage process of constructing new City Hall.**

STATUS – Project is progressing as planned. Design Development completed in August 2008. Project is currently in Construction Documents Phase. Planning Board Hearing on Specific Design Plan has not yet been scheduled because all MNCPPC and County review comments have not yet been received. Expect to file for building permit in February 2009. Council award of construction contract anticipated for May 2009. Building construction anticipated to begin in the summer of 2009. Project completion is scheduled for April 2011.

**2. Monitor the progress of and act as a liaison with citizens concerning the BGE Electric Dependability Improvement Plan.**

STATUS – Staff works on a daily basis with citizens who have issues with this project. The project primarily consists of significant tree trimming and cutting. There is also construction work pertaining to the replacement, reconfiguration and relocation of poles and the installation of underground feeder lines. The project will primarily be carried out in 2008 and 2009. The project is budgeted at approximately \$32 million by BGE.

**Office of Personnel**

**1. Publish periodic Personnel Updates; hold employee meetings for 401(k) and 457 plans.**

STATUS – Ongoing.

**2. Present an on-site Supervisory Training course by March 31, 2009.**

STATUS – Contacts have been made to provide two ICMA approved supervisory training courses. Dates to be determined.

**3. Continue scanning employee records into document management system.**

STATUS – Ongoing.

**4. Conduct information sessions about Employee Assistance Program by December 31, 2008.**

STATUS – Will be completed by April 30, 2009.

# **FY2009 MID-YEAR BUDGET REVIEW CITY MANAGER'S OFFICE**

## **Elections**

### **1. Work with new Elections Task Force to update Election Code.**

STATUS – Chapter 6 of the City Code has been amended and became effective on December 31, 2008.

## **Public Information**

### **1. Promote and expand the use of GovQA system throughout 2008 and 2009.**

STATUS – The GovQA system went live on the City's website in March 2008 and refinement of the system continued through October. An article was included in the January issue of the Spotlight advertising the complete makeover of the City's website including information on the GovQA system as well as other new features.

### **2. Inform residents about the form and function of our municipal government through educational items in the Bowie Spotlight by December 31, 2008.**

STATUS – Each issue of the City Newsletter has included articles regarding the form and function of the City government. For example; the November issue included an article entitled "The Role of City Boards, Committees and Commissions". Other issues included articles explaining the Bowie Urban Forest Management Plan, the Bowie Youth and Family Services Department and Code Compliance.

### **3. Produce an informational video on the Bowie Police Department for airing on the City's government cable channels by March 31, 2009.**

STATUS – Studio staff is in the process of working with the Police Department to develop and write the script for the video.

## **City Clerk**

### **1. Encourage use of Laserfiche for research of documents by other departments; encourage departments to scan own files into Laserfiche to help downsize amount of paper sent to the City Clerk' office and eliminate duplication of files.**

STATUS – The City Clerk is still receiving many requests for documents and continually reminds staff that all official City documents can be found either on Laserfiche or on the City's web site. A session will be held to educate staff who are not familiar with the program on the use of Laserfiche.

## **Emergency Management**

### **1. Expand the Community Emergency Response Team (CERT) training program by conducting two sessions during FY09.**

STATUS – One session of CERT completed with Bowie Child Care providers as participants, which trained 27 members. Second session will be held in February, 2009.

## **FY2009 MID-YEAR BUDGET REVIEW CITY MANAGER'S OFFICE**

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- 2. Explore the organizational possibilities of developing a CERT training program specifically oriented for teens by July 31, 2008.**

STATUS – Teens have been invited to participate in our sessions; however a specific program just for teens does not seem to be a realistic goal at this time. Interested teens will be integrated into the open sessions.

- 3. Work with the Public Information Coordinator to continue and expand our Emergency Preparedness outreach program by August 31, 2008.**

STATUS – 100% completed and on-going. Emergency preparedness presentations have been given at local churches, seminars, and the City's Senior Center. Materials have been distributed at National Night Out, Crime Watch meetings, and through neighborhood groups. Alert Bowie text messaging system has been continually promoted and has significantly expanded its user base.

- 4. Develop a crash analysis system for reported vehicle crashes on City streets using data collected from the Bowie Police Department, County Police Department and the Maryland State Police by July 31, 2008.**

STATUS – Due to a recent change in the Maryland law regarding the privacy of accident report information, this objective cannot be fulfilled in-house as intended.

- 5. Work with the Public Works Department to install traffic calming devices on our targeted areas, monitor results, and provide appropriate feedback of results to citizens and Council by October 31, 2008.**

STATUS – 100% completed and on-going. Currently assisting Public Works with their efforts.

- 6. Seek out and attend certified Roadway Safety Audit (RSA) training by December 31, 2008. After certification, conduct appropriate roadway safety audits.**

STATUS – 100% complete. Certification completed. Assisted in the coordination with Planning Department of a Roadway Safety Audit for Hall Road. Audit report expected by January 31, 2009.

- 7. Seek out and attend certified child safety seat technician training by January 31, 2009. After certification, provide appropriate safety seat checks at City events.**

STATUS – Completed.

### **CIP Projects for 2008-2009**

#### **1. Land Acquisition**

STATUS – The land swap with MNCPPC has not progressed. Staff met with the Board of Directors of the Woodmore Estates HOA to discuss their willingness to modify the covenants that they hold on the property proposed to be transferred to the City. The HOA has asked staff to present this issue to the general membership.

## **FY2009 MID-YEAR BUDGET REVIEW CITY MANAGER'S OFFICE**

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A Program Open Space property suitable for purchase has been identified by Staff. The State's Board of Public Works approval is anticipated shortly. Settlement is projected for February, 2009.

### **2. Old Town Bowie Redevelopment**

STATUS – All the sidewalk projects listed for the walkable community's sidewalk program have been completed. The Chestnut Avenue parking lot project is ready for construction bidding. The State Highway Administration has issued the permit for construction that allows us to proceed with the project while we simultaneously seek the transfer of property from the State to the City. The R/W metes and bounds study has been complete and platted and the State will require payment for the property purchase and administrative recordation. The 5<sup>th</sup> Street CDBG project will be advertised for construction on February 8, 2009 and be complete by June 1, 2009.

### **3. City Hall**

STATUS – Project is progressing as planned. Design Development completed in August 2008. Project is currently in Construction Documents Phase. Planning Board Hearing on Specific Design Plan has not yet been scheduled because all MNCPPC and County review comments have not yet been received. Expect to file for building permit in February 2009. Council award of construction contract anticipated for May 2009. Building construction anticipated to begin in the summer of 2009. Project completion is scheduled for April 2011.

### **4. Golf Course Improvements**

STATUS – This project is in the "Beyond" category in the budget. Therefore, it is at least seven years from implementation. No activity on this project has taken place during FY2009. The golf course lease with Fred Ryder Inc. was extended from 2011 to 2016.

### **5. New Gymnasium**

STATUS – Project was advertised in the Fall of 2008 with eleven proposals received and reviewed by Staff. An award was originally scheduled for December 3, 2008, but was removed from the Council's agenda for further review. Project was assigned to the January 5, 2009 agenda with a recommendation to reject all bids and reduce the scope of the project. City council voted to defer implementation of the Gym Feasibility Study until FY2010.

**OPERATING DEPARTMENT OBJECTIVES FOR 2008-2009****Police Department**

- 1. Hire 12 additional Police Officers of various ranks by June 30, 2009, bringing the total number of sworn officers to 45.**

STATUS – As of January 30, 2009 we have hired 7 officers (including 3 academy recruits) bringing the total number of sworn personnel to 40. We will send an additional 3 recruits to the academy February 5th. We continue to process applicants for the remaining 2 positions.

- 2. Conduct National Night Out event to be held on August 5, 2008.**

STATUS – Completed and award winning.

- 3. Provide outreach to Bowie Schools in the areas of pedestrian and bike safety through appearances at career days, assemblies and pedestrian/bike workshops.**

STATUS – Completed/Ongoing. We have made numerous presentations throughout the City of Bowie on this issue.

- 4. Implement Police Explorer Post 1916 by September 30, 2008.**

STATUS – Completed.

- 5. Establish position of Community Service Officer by December 31, 2008.**

STATUS – Completed. Officer assigned new duties in Mid-January.

- 6. Recruit, hire and graduate 2 police recruits from the police academy by January 31, 2009.**

STATUS – One officer graduated in October 2008 from the Municipal Academy. Two recruits will graduate from Howard County Academy in February 2009 and one recruit will graduate from Southern Maryland Academy in March 2009. We will also be sending three recruits to the Anne Arundel County Academy February 5, 2009. The Anne Arundel County and Howard County Academies were free of charge to the City.

- 7. Establish and fill 2 Traffic Officer positions by June 30, 2009.**

STATUS – 50% completed. Officer assigned new duties in Mid-January.

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**OPERATING DEPARTMENT OBJECTIVES FOR 2008-2009****Information Technology**

- 1. Continue to provide GIS components for the Environmental Infrastructure Action Strategy Plan being conducted by the Planning Department. This includes using the I-tree software and creating GIS layers for stream clean up information, recycling bucket distribution, backyard habitats, rain barrel distribution, tree plantings, and alternative stormwater management areas. This project will be completed in phases and will extend into calendar year 2010.**

STATUS – The Stream teams have been formed by the Planning Department and the GIS system has been used to create maps for the field teams. Data layers for the Bowie Green Infrastructure, certified backyards and private stormwater management areas are in the GIS system as layers. These layers are updated on a regular basis. The Planning Department is currently working with the Maryland Department of Natural Resources to obtain imagery that will be used for canopy (leaf-on/leaf-off) statistics. The data should be available to us in early 2009. Additional GIS components will be added once the Watershed Manager position is filled in the Planning Department.

- 2. Work with City staff to improve, refine and expand the knowledge base in Gov QA by October 31, 2008.**

STATUS – The Information Technology Department has worked with various staff members to use Gov QA to respond to questions submitted by users, to answer questions over the phone, to help the public in person and on inserting new questions into the system. The public has been able to find the answers to their questions on GovQA and there have been very few questions submitted to staff compared to the amount of pages viewed. Additional knowledge base items have been added as needed. The GovQA system allows for the users to rate the answers, and for the answers that have been rated, most have received the highest rating. Since the go live date March 17, 2008 information in the Q&A system has been accessed over 15,500 times. This has been achieved before advertising the system in the January-February 2009 edition of the Bowie Spotlight. The initial refinement of the knowledge base was completed on October 1, 2008.

- 3. Continue the re-design of the existing web site to more appropriately reflect the needs of the city. Emphasis in providing a more interactive web site by providing increased citizen request capabilities and exploring online job applications. This project will continue into 2010.**

STATUS – The redesigned site is in the final stages and will have a new look, new menus, and new features. The site will be easy to read, with drop down menus that make finding the right information simple to do. Visitors will be able to select the size of the text that suits their needs and can translate the text into other languages at the click of a button. Information is grouped into a few major categories: government, resident information, visitor information and business information. The most heavily used pages on the site will also be available from a quick links menu on the side of the home page. Individual sections will include submenus that will make navigating quicker and less confusing. Looking for a particular report, press release, form or other City document will be fast and straightforward with the improved search engine. Visitors to the site can

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also sign up to receive notices when specific information on the site is updated using RSS feeds. It is anticipated to be on line this month.

**4. Provide all communication and data services for the maintenance of the police force.**

STATUS – All computers, radios and systems have been provided on time as officers and vehicles have become available.

**5. Expand the use of GovQA by training front line City staff to utilize the knowledge base as a customer service tool and providing service request to residents. Training to be completed by December 31, 2008.**

STATUS – Training has been completed for two-thirds of the City Hall Monitor staff, and we have been working with supervisors to train the front desk staff and Park Rangers to use the system to provide answers to resident's questions and submit requests for service. The service request feature of GovQA was made active on November 1, 2008. In the first 45 days, 1,295 service requests ranging from special pickups to street light repair have been processed. Training completed in January 2009.

**6. Continue to expand the use of the RecWare Safari package to further automate tasks at the Gym, Senior Center, Ice Arena, City Hall and Historic Properties. Special emphasis will be on expanding use of the software with Historic Properties.**

STATUS – We are currently preparing to use the class registration feature at the Senior Center and will expand the use of the system to improve their cash management. This should be completed by February 27, 2009. We will work with the Finance Department to start accepting credit cards for picnic reservations by February 7, 2009. We will work with Historic Properties to start implementing the software by June 30, 2009.

**7. Continue work on the City's Intranet to provide an information base for City employees. This will include bringing together GIS data, MUNIS employee self service, Crystal Reports server, and departmental data into one location. Full Intranet site to be available to employees by May 31, 2009.**

STATUS – Currently, the GIS Server is available on line for internal use. The Crystal Reports Server is online and internal users are able to print the reports they need or set up automatic e-mail delivery of the reports. The MUNIS Employee Self Service is currently under review to ensure that it performs all needed functions and all employees will be able to access the system. Once the new City web page is completed, staff will work on the Intranet site to link these applications together in one site. It is anticipated to be available to staff by June 30, 2009.

**OPERATING DEPARTMENT OBJECTIVES FOR 2008-2009****Department of Finance****1. Maintain the City's Certificate of Achievement for Financial Reporting and Distinguished Budget Presentation Award.**

STATUS – Submitted the FY2008 Comprehensive Annual Financial Report for the Certificate of Achievement for Excellence in Financial Reporting Award. The current report conforms to Certificate of Achievement requirements and has been submitted to the Government Finance Officers Association. The City has received a Certificate of Achievement for the last thirty-four consecutive years (fiscal years 1974-2007).

Received the Distinguished Budget Presentation Award for the FY2009 Adopted Budget. The City has received a Distinguished Budget Presentation Award for the last fourteen consecutive years (fiscal years 1996 – 2009).

**2. Coordinate the annual budget process, fiscal year-end audit and mid-year budget review presentation.**

STATUS – The audit for the period covering July 1, 2007 through June 30, 2008 concluded on October 28, 2008. The Comprehensive Annual Financial Report and Uniform Financial Report were submitted to the State of Maryland.

Work began on the mid-year budget review in December 2008. Information was submitted by each department, compiled by the City Manager's office and the Finance Department, and presented to the City Council in February 2009.

**3. In cooperation with a financial advisor, begin preparations for an anticipated bond issue for the new City Hall project.**

STATUS – Staff has begun working with the financial advisor and bond counsel in anticipation of a July 2009 bond issue. Over the next few months, staff will be preparing the preliminary official statement.

# **FY2009 MID-YEAR BUDGET REVIEW COMMUNITY SERVICES**

## **OPERATING DEPARTMENT OBJECTIVES FOR 2008-2009**

### **Community Services**

- 1. Arts Specialist will work with Arts Committee to finalize policy for public art in the City by May 31, 2009.**

STATUS – Arts Specialist was hired in August 2008. The Arts Specialist is working cooperatively with the Arts Committee and will have policy in place by May 31, 2009.

- 2. Establish a matching grant pilot program for making capital improvements at community non-profit organizations facilities, and report to Council by December 31, 2008.**

STATUS – Grant application has been developed and has been sent to local non-profits and distributed in the local media. Application deadline is February 27, 2009.

### **Public Buildings and Grounds**

- 1. Continue to explore options for the future of the existing City Hall facility by June 30, 2009.**

STATUS – Staff is reviewing previously identified options. Additionally, a survey has been prepared and communication with the community began effective January 2009 for additional input into the decision making process.

### **Housing Inspection, Code Compliance and Security Patrols**

- 1. Enhancement of City web page to include downloadable forms for Code/Building Permit related issues by December 31, 2008.**

STATUS –Forms are being updated and will be included on the City webpage when the redesigned site is available.

- 2. American Association of Code Enforcement or International Code Council Property Maintenance Inspectors certification of at least 2 Code Officers by May 31, 2009.**

STATUS – At least two Code Officers will be taking the certification test in March 2009.

- 3. Evaluate the need to expand the number of Code Compliance Officers by December 31, 2008.**

STATUS - Staff continues to examine the potential need for additional compliance officers. This review is examining the impact of the recent economic downturn, the increase in single family rental units and increased code compliance nuisance abatements. The FY2009 Budget anticipated 870 rental units. As of December 1, 2008, there were 940 rental units in the City.

# **FY2009 MID-YEAR BUDGET REVIEW COMMUNITY SERVICES**

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## **Senior Citizen Services**

- 1. Hold an Open House to educate owners of Assisted Living and Group Homes on the services, programs of the Senior Services Center by August 2008.**

STATUS – Held “Meet the Center’s Manager” social on June 25, 2008. Informed the representatives of Group Homes of the policies and procedures for the Bowie Senior Center and provided an informational tour of the building.

- 2. Hold an Information Fair for seniors, caregivers and the community to include exhibits and educational programs provided by private and government entities by June 2009.**

STATUS – The Center held an Information Fair which began September 29 and ended on October 2nd that featured the following:

- ◆ A speaker from the Register of Wills, Tips for Grandparent presentation on Presto Service for seniors.
- ◆ Digital TV Presentation from the Federal Communications Commission
- ◆ Questions and Answers Prince George’s Department of Family Services Area Agency on Aging, “Planning for Life Changing Decisions”
- ◆ Hospice Presentation, Robert Evans Funeral Home
- ◆ Caregiver Panel discussion with question and answers with representatives from Area Agency on Aging, Alzheimer’s Association, Family Eldercare
- ◆ Office of the Attorney General Identity Theft
- ◆ Humorous Skits with a Light Hearted Message
- ◆ An Information Fair with 40 vendors held at the Senior Center.

- 3. Work with Senior Advisory Committee to hold summit on senior issues including Medicare Part D and other senior needs during the fall of 2008.**

STATUS – The Senior Center staff focused on the ongoing National Accreditation Program and was unable to plan the Senior Summit for this fall. To allow for a more concentrated effort, Staff is planning on sponsoring a fall 2009 summit on senior issues to be held by November, 2009.

## **Youth Services Bureau**

- 1. Develop a protocol for long term storage of Youth Services Bureau case records by June 30, 2009.**

STATUS - Upon review of the regulations for Youth Services Bureaus and discussions with officials at the State of Maryland’s Department of Juvenile Services and the Governor’s Office of Children, it has been determined that Youth Services Bureaus are only required to maintain service records for five years after a case has been officially closed. Other long term storage requirements can be managed by use of the Community Services Laser fiche machine upon request. At this time no further storage needs are anticipated. This goal is 100% complete as of December 31, 2008.

## **FY2009 MID-YEAR BUDGET REVIEW COMMUNITY SERVICES**

### **Animal and Disease Control Program**

- 1. Sponsor reduced cost rabies vaccination clinic before June 30, 2009 if rabies vaccination serum is available.**

STATUS – This program is scheduled in conjunction with the Prince George’s County Health Department. The clinic is tentatively set for May 16, 2009.

- 2. Develop a new “Emergency Preparedness for Pets” brochure by June 30, 2009.**

STATUS – Brochure has been prepared and printed. Objective completed January 2009.

### **Recreation and Parks**

- 1. Work cooperatively with the Community Recreation Committee to develop a fee structure for usage on the City’s synthetic turf field by December 31, 2008.**

STATUS – Staff is working with the CRC on this matter. A proposed fee structure will be included in the proposed Fiscal Year 2010 Budget.

- 2. Provide athletic field allocation forms on the City website by December 31, 2008.**

STATUS – Forms have been prepared and will be included on the City Webpage when the redesigned site is available.

- 3. Research the feasibility of installing permanent restroom facilities at Allen Pond (Mitchellville Road side) and Whitemarsh Park. Objective to be completed by March 31, 2009.**

STATUS – Work continues on objective. Report from vendor is due in February, 2009 and will be reviewed for possible inclusion in the proposed Fiscal Year 2010 Budget.

### **Bowie Playhouse**

- 1. Re-route all audio and control cables that will be affected by the lobby renovation by July 15, 2008.**

STATUS – All work required was completed in November, 2008.

- 2. Clean and repair all “front of house” lighting instruments and install new fixtures by December 31, 2008.**

STATUS – All work required was completed in November, 2008.

- 4. Install lobby PA and theater intercom system by December 31, 2008.**

STATUS – All work required was completed in November, 2008.

- 5. Update standards and guidelines for facility usage by December 31, 2008.**

STATUS – Standards and guideline updates were completed in November, 2008.

## **FY2009 MID-YEAR BUDGET REVIEW COMMUNITY SERVICES**

### **6. Explore the archiving of historical information concerning the Belair Playhouse by June 30, 2009.**

STATUS – Staff is developing procedures to identify the type of production literature the City should retain and determine which items will be displayed at the Playhouse. Objective is ongoing and will be completed by June 30, 2009.

### **Parks and Grounds**

#### **1. Complete Whitemarsh field lighting by November 30, 2008.**

STATUS – Installation to be completed by April 30, 2009.

#### **2. Install infill turf at Murtagh 1 soccer field by May 31, 2009.**

STATUS – Engineering, design and permitting complete. Project on schedule for May 31, 2009 completion.

### **Stormwater Management**

#### **1. Install native trees and shrubs in roadside lawn areas adjacent to drainage channels on Marne and Madeley Lane by November 30, 2008.**

STATUS - Installation was completed in November, 2008.

### **Stormwater Management Special Tax Districts**

#### **1. Continue to provide maintenance for Special Taxing District ponds.**

STATUS – Maintenance to ponds is ongoing.

### **Ice Arena**

#### **1. Expand the acceptance of credit card transactions to include all revenue generating activities by June 30, 2009.**

STATUS – Installation was completed in November, 2008.

#### **2. Explore the possibility of scheduling additional dry floor activities at the facility during May and June. Objective to be completed by December 31, 2008.**

STATUS - Letters were distributed to local sports groups to determine what requirements and needs they may have during the months of May and June. Staff is awaiting responses. Staff is also working on flea market ideas where table space would be sold to interested vendors. The delay in completing this objective is due to the need for staff to gather information and pricing on protective materials for the dasher boards and glass, if indoor sports are booked into the facility.

## **FY2009 MID-YEAR BUDGET REVIEW COMMUNITY SERVICES**

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### **Historic Properties and Museums**

- 1. The Museums Division will update and reprint the City of Bowie Museums 6-site brochure to reflect current information by September 30, 2008.**

STATUS – Photography has been completed. Text input and design work completed with first draft sent to designer. Design completion and printing anticipated by February 15, 2009.

- 2. The Museums Division will design and implement an outreach program to involve local Scouting organizations by January 31, 2009.**

STATUS – Staff is finalizing program content and design of several different program options. Marketing to scouting organizations will commence approximately February 1, 2009. A Scout open house will take place later in the spring (later date as suggested by local scouting representatives.)

- 3. An exhibit on the contributions of African Americans to Thoroughbred Racing and to the Belair Stud Farm will be fabricated and installed at the Stable Museum by January 31, 2009. This exhibit, offset by a \$1,000 grant in FY08, will coincide with Black History Month in February, 2009.**

STATUS – Content of exhibit has been submitted and panel design is being constructed by exhibit designer, with anticipated installation by February 1. Exhibit will be publicized as part of celebration of Black History Month at Historic Properties.

- 4. The Museums Division will oversee the design and construction of a major permanent exhibit on historic railroad switching and safety, and railroad town history at the Bowie Train Station Museum. The exhibit, contingent upon a grant from the Maryland Historic Trust, will open to the public by December 31, 2009.**

STATUS – Contract awarded to Paris Design. Initial design concept meetings have been held. Staff is in the process of collecting images and objects for interpretation. Grant funds from National Railroad Historical Society and the Maryland Historical Trust have already been received. Tentative completion is June 30, 2009.

### **Gymnasium**

- 1. Expand the interior gymnasium advertisement program to include six more organizations and/or businesses by December 31, 2008.**

STATUS – Staff has expanded the advertisement program to include four new organizations in 2008. A commitment has been made by an additional three organizations to be included in the program in Spring 2009.

- 2. Implement a monthly morning recreational program designed for Moms and Tots by December 31, 2008.**

STATUS – A weekly program has been established for this group effective October, 2008.

## **FY2009 MID-YEAR BUDGET REVIEW COMMUNITY SERVICES**

### **3. Coordinate two additional activities/special events for 11 and under patrons by June 30, 2009.**

STATUS – A Game Day program that features a variety of activities was instituted in October, 2008.

### **CIP Projects for 2008-2009**

#### **1. Allen Pond**

STATUS – Synthetic Turf Field at Murtagh I scheduled for Spring 2009 installation. Bulkhead and floating dock analysis due February, 2009. Shade structure for Skatepark acquired November, 2008.

#### **2. Bowie Senior Citizen Center**

STATUS – Landscaping for labyrinth completed November, 2008.

#### **3. Public Parks Restrooms**

STATUS – Project ongoing, vendor report due in February, 2009.

#### **4. Public Art**

STATUS – Program ongoing. Arts Committee continues to review art opportunities. Committee will be working with architect on new City Hall to identify needs and locations for art in the first quarter of 2009.

#### **5. Bowie Ice Arena**

STATUS – Concrete slab analysis is scheduled for Spring, 2009.

#### **6. Bowie Railroad Museum**

STATUS – Project ongoing, grant funding received, scheduled for December 31, 2009 completion.

#### **7. Gym Renovations**

STATUS – Interior painting, the installation of security cameras and cabinetry repair were all completed as of September 30, 2008.

#### **8. Belair Stables**

STATUS – Gutter removal, replacement and repair project completed December 31, 2008.

**OPERATING DEPARTMENT OBJECTIVES FOR FY2008-2009****Planning Division****1. Pursue further implementation of additional land use authority for the City.**

STATUS – A draft enabling bill and local ordinance were submitted to the County Council for action in early 2008 but the County Council did not review the City's request. Alternative State enabling legislation (MC/PG 108-09) was pre-filed and a hearing was held by the County's delegation in November. The municipalities of College Park and Greenbelt support the legislation. (40% complete)

**2. Participate in ongoing efforts to update the County's Master Plan of Transportation and review of transit services.**

STATUS – Written comments were provided to M-NCPPC at the Master Plan of Transportation Open House held on July 24, 2008. A Status Report was provided to Council on July 31, 2008. Staff worked with the M-NCPPC Trails Coordinator to prepare the Trails, Bikeways and Pedestrian Mobility element of the Master Plan of Transportation and reviewed a preliminary draft of the Countywide Plan in the fall. A City Council public hearing is scheduled for January 2009 in advance of the District Council/Planning Board joint public hearing on January 27, 2009. Recommendations for improving transit service to the City were included in the annual Transportation Priority List letter. (50% complete)

**3. Participate in the Bowie State University/MARC Station Sector Plan process.**

STATUS – Staff participated in the community planning charrette held September 30 - October 3 at Bowie State University. A Status Report was provided to Council on September 25, 2008. M-NCPPC Community Planning North Division staff provided a briefing to City Council on January 12, 2009 concerning the charrette results and recommendations. (40% complete)

**4. Work to complete design plans for MD 450 and MD 197.**

STATUS – Maryland State Highway Administration (SHA) staff provided a MD 197 project planning study update to City Council on July 14, 2008. Staff attended a SHA Administrator's Selection Meeting in August 2008 where the Administrator directed that further studies be undertaken to address the City's recommendations and additional public input solicited. A City Council worksession to review any new information is anticipated for early 2009. On September 2, 2008, City Council approved R-62-08, a Road Transfer Agreement with SHA, transferring the Old Annapolis Road (MD 450) trail parcel, east of MD 197, and the Gallant Fox Access Road to the City. Staff is also working with several developers to incorporate the MD 450 design concept into their redevelopment plans. (65% complete)

**5. Continue working with the Maryland State Highway Administration to explore transportation solutions in the US 301 corridor in Bowie.**

STATUS – The Project Planning Study for the US 301/MD 197 interchange was finally approved by the Federal Highway Administration in mid-2008. To facilitate possibilities for funding of design and engineering, City Council recommended that the interchange improvements be staged and prioritized into three (3) individual projects. Several development projects were reviewed in the corridor, including a Detailed Site Plan for Bowie Nissan and a Preliminary Plan for the adjacent Walker parcel, with a focus on access control and traffic management. (80% complete)

**6. Implement forest mitigation banks on the Church Road Park and Gallant Fox Lane properties by June 30, 2009.**

STATUS – Tree Conservation Plans were approved for both properties and staff is moving forward with establishing forest mitigation banks at both locations. (75% complete)

**7. Continue review of major development proposals.**

STATUS – City Council reviewed plans for Hall Station, Colt's Neck, Mills Nissan, and Heritage Square/Goddard School. The Harmony Place Detailed Site Plan was remanded by the District Council back to the County Planning Board to address issues raised by the City in opposition to the project. (50% complete)

**8. Work with a consultant to develop a public information strategy for environmental education by December 31, 2008.**

STATUS – Staff contracted with the firm of Orange Element of Baltimore to develop an identity logo ("GreenBowie") for the City's environmental programs. Brochures were created for Stream Teams, Backyard Habitat, Rain Barrel and Recycling. The City's consultant also developed several public information templates and is working with staff on a promotional T-shirt design. Meetings were held with the Communications Coordinator and the Information Technology Department to enhance communication about the environment on the City's website. (85% complete)

**9. Continue on-road bicycle lane striping and signage program.**

STATUS – A multi-year program was developed working with the Department of Public Works. This year's priority is Belair Drive. Striping was completed in the fall and locations for Share the Road signage were investigated. Signage is due to be installed in early 2009. (45% complete)

**10. Implement the Environmental Infrastructure Action Strategy Plan.**

STATUS – In September, staff produced the first "State of the Environment" report tracking the progress of the City's environmental initiatives. The Fall Stream Team Clean-Up Event was held on October 18, 2008. Approximately 240 participants cleaned five City streams in eight different locations. Approximately 1,525 lbs of trash and

1,110 lbs. of recyclables were removed from the streams. A Rain Barrel workshop was held on October 4, 2008. The City obtained membership in ICLEI-Local Governments for Sustainability and acquired the organization's Clean Air Climate Protection software. Tree Conservation Plans were approved for forest mitigation banks at Church Road Park and Gallant Fox Lane and will begin to be implemented this fiscal year. Targeted mailings were conducted to solicit support for community wildlife habitat certification and individual backyard habitat certification. An Urban Tree Canopy analysis is being conducted for the City by the Maryland Department of Natural Resources. The Environmental Advisory Committee reviewed BGE "Right Tree Right Place" Program and worked through City Council to advocate improvements to the program. The EAC also participated in the International Festival to promote awareness of environmental issues and the City's EI Action Strategy Plan (60% complete).

**11. Work with M-NCPPC on 2010 Census preparation activities.**

STATUS – Staff attended preliminary meetings held by the US Census Bureau and MNCPPC and participated in the LUCA property address verification program through 2008. In December, the Census Bureau released the first-ever American Community Survey (ACS) results for the City. A status report was provided to City Council on December 18, 2008. (30% complete)

**Economic Development**

**1. Continue to diversify Bowie’s economic base by supporting business attraction and retention efforts at MSTC/Melford and other office locations in the city.**

STATUS – Staff presented information to potential tenants in direct-with-prospect meetings arranged by several commercial real estate brokers. Staff maintains contact with the brokers who are marketing Bowie commercial properties and helps them answer prospect questions. Staff is preparing a spring 2009 broker mailing to more than 1,600 commercial real estate brokers. Additionally, staff is preparing to host a broker event in late April or early May 2009 that will repeat the success of a similar events held in May 2006 and May 2008.

**2. Continue efforts for retail tenant attraction and retention, and shopping center revitalization, along the Route 450 corridor, MD 197, and at Pointer Ridge, Amber Ridge, Bowie Plaza, Hilltop Plaza, and Marketplace.**

STATUS – Staff continues to work with the retail center owners. Bowie’s retail locations will once again be a featured part of the City’s booth at the February 2009 ICSC Mid-Atlantic Idea Exchange and Deal Making session.

**3. Conduct an outreach effort to the Health Care Delivery business sector.**

STATUS – Letters have been sent to health care providers regarding their potential interest in locating in Bowie.

**4. Create a business retention call program by December 31, 2008.**

STATUS – Staff continues to update a listing of Bowie’s businesses. Those businesses employing 100 or more people are being identified and contact information gathered. Further program development will continue throughout the year.

**5. Begin to create a business incubator facility in Bowie using the recommendations of the completed feasibility study.**

STATUS – Staff worked with the City’s contractor, ANGLE Technology Group, to complete the Phase 1 Initiation actions recommended by our feasibility study. The results of these initiation efforts were presented to Council at the January 26, 2009 Worksession.

**6. Continue participation in County and State BRAC councils, committees, and task forces to maximize BRAC incentives for Bowie.**

STATUS – Staff continues involvement with BRAC and will periodically report to Council via the City Manager’s Status Report. Staff provided Council with a detailed briefing on BRAC Zones at their November 24, 2008 work session. Two BRAC Zones were designated in Prince George’s County in December 2008.

**7. Work in partnership with the Prince George’s Financial Services Corporation, the Prince George’s Economic Development Corporation, and other entities to provide workshops and services in Bowie.**

STATUS – The City continues to host the Maryland Procurement Technical Assistance Program with weekly sessions at City Hall. Staff continues active involvement through committee and board work with various chambers of commerce and other business and professional groups.

**CIP Projects for 2008-2009**

**1. Hiker-Biker Trails**

STATUS – The Route 197 trail is scheduled for advertisements for bids this month. The contract is expected to be awarded in early March, 2009 and construction completed by April 30, 2009. The engineering for the trail at Pope’s Creek has been rolled over to FY2010.

**2. Railroad Avenue Hiker/Biker Trail**

STATUS – In December, 2008 the City applied for a Transportation Land Use Connection (TLC) grant from the Metropolitan Washington Council of Governments to assist in a stakeholder visioning process for the first phase of the trail project, which would extend from Zug Road to 10th Street. (30% complete)

**3. Gallant Fox Lane Forest Mitigation**

STATUS – Approval of the Tree Conservation Plan was obtained in November and the City Attorney is preparing the required documents for establishment of an easement. A Request for Proposals has been advertised and a contractor should be selected within the next month. (50% complete)

**4. Old Town Bowie Traffic Improvement**

STATUS – The project is included on the City's Transportation Priority List and has been recommended by staff as a potential candidate for future State or Federal funding. The Maryland State Highway Administration completed plans for a sidewalk retrofit of 9th Street and handicap ramp replacement/relocation at both ends of the MD 564 bridge over the Amtrak railroad tracks and intends to construct the project this Spring. (20% complete)

**OPERATING DEPARTMENT OBJECTIVES FOR 2008-2009****Public Works Administrative Division****1. Assist the Planning Department with Green Infrastructure Program by June 30, 2009.**

STATUS – Assisted Planning with development and implementation of Bowie “Stream Teams”, obtained supplies needed and participated in events. Provided laboratory testing for water samples gathered at cleanups. Currently working on developing benchmark parameters for water quality in Bowie, expected to be completed by June 2009.

**2. Enhance the Facility Preventative Maintenance Program matrix to identify building maintenance items to be replaced in out going years. This will include updating cost estimates for use in the budget by December 31, 2008.**

STATUS – ACCESS program being expanded to include user friendly self assessment check list (includes unit counts and types) per building, (windows, doors, flooring, general plumbing fixtures and unit counts, fire alarm systems, extinguishers, fire suppression types and maintenance schedules, ADA issues, complete exterior and interior building review of floors, lighting, painting, etc.), roof and building drainage, site drainage, site lighting and signage.

**3. Identify an alternate Public Works Satellite Facility Site by August 31, 2008.**

STATUS – Sites in southern Bowie have been evaluated. The most promising site was the MNCPPC property on the north side of Mount Oak Road, west of the railroad tracks. Staff met last month with the HOA from the contiguous subdivision to discuss the possibility of City operations in the area.

**4. Staff evaluate additional locations in District 1 and District 2 for traffic calming and based on the demonstration projects on Excalibur Road and Pin Oak Parkway, consider adding money to the FY2010 budget for this purpose by December 31, 2008.**

STATUS – Public Works staff, along with Fire Department staff, made a presentation to the Tall Oaks HOA on speed humps. The HOA is now to go door-to-door to get petitions signed by 60% of the residents on the affected streets. They are in the process of doing that. Our traffic calming guidelines also require a letter of support from the president of the HOA. Shortly after their February HOA meeting, we hope to get confirmation from the HOA as to whether or not speed humps will be installed on Pin Oak Parkway. If the affected residents and HOA do not support the installation of speed humps, then Public Works will likely recommend that next year’s speed hump budget be cut from \$40,000 to \$20,000. Also, the digital traffic calming signs are being relocated in January from their current locations on Pin Oak Parkway and Belair Drive to Pointer Ridge Drive and Millstream Drive.

**Equipment Maintenance & Garage Division**

- 1. Set up schedule for monthly lubrication of refuse truck packers. This will be accomplished in addition to the Fleetpro service that is scheduled every three months. This will extend the life of rollers and bushings on the packer. This will be achieved by September 30, 2008.**

STATUS - This objective was completed by September 30, 2008.

- 2. Purchase and install snow plow marker rods for all the plows. This will help drivers judge the edge of the plow during storm conditions. It will reduce the risk of a fender bender or property damage. This will be achieved by October 31, 2008.**

STATUS - This objective was completed by October 31, 2008.

**Solid Waste Division**

- 1. Convert existing recycling routes to accommodate single stream recycling.**

STATUS – Completed.

- 2. Staff evaluate the feasibility of recycling electronic equipment by December 31, 2008.**

STATUS – The Household Hazardous Waste Day in November, 2008 included the recycling of electronic equipment. A paper shredding day is proposed to be held at the Bowie High School parking lot this spring.

**Street Maintenance Division**

- 1. Replace deteriorated pre-cast concrete inlet tops and assess remaining pre-cast concrete inlet tops that are over 20 years old.**

STATUS – Assessment has been completed. Inlet tops found to be in poor condition were totally removed and replaced with new pre-cast units (mostly Pointer Ridge). Other structures with superficial problems were coated with a concrete repair bonding mix. Objective completed.

- 2. Continue to work in coordination with the Planning Department installing bike route signs by September 30, 2008.**

STATUS – This project was put on hold pending a legal decision insuring the proper signs were being placed for the intended purpose. The go ahead has been given and signs have been purchased for installation along Belair Drive. Future postings will continue in accordance with budget appropriations.

- 3. Paint exterior of wooden structures around the Public Works Yard (i.e.; vehicle bays, storage sheds) by March 31, 2009.**

STATUS – Complete.

- 4. Evaluate the creation of a pilot street light partnership program where communities can approach the City because of public safety issues to work jointly to have street lights installed by December 31, 2008.**

STATUS – Currently gathering information on existing lighting in Bowie communities. Objective completion by April 30, 2009.

- 5. Prepare an analysis of the cost and benefits to upgrade street lighting in the City by September 30, 2008.**

STATUS – Complete.

### **Water Division**

- 1. Install overhead crane in Fluoride Room to handle movement of chemical drums by March 31, 2009.**

STATUS – Installation complete.

- 2. Install low level cutoff controls on sand filters by January 31, 2009.**

STATUS – 20% complete. Exchanged project schedule with overhead crane item due to anticipated interference with electrical upgrades. Will be completed by March 31, 2009.

- 3. Organize water and sewer plans in flat files and record information on database for easy access by January 31, 2009.**

STATUS – 60% complete.

- 4. Continue to mark water main valves for easy identification in emergency situations by January 31, 2009.**

STATUS – 60% complete.

- 5. Implement a program to test large water meters that are 3” or more in diameter for accuracy. A replacement schedule will be prepared for achieving the replacement of the meters found to be inaccurate. This objective will be complete by December 31, 2008.**

STATUS – Meter specifications have been determined. Analysis will be completed by June 30, 2009.

### **Wastewater Division**

- 1. Upgrade Pump Station #8 with new electrical controls by March 30, 2009.**

STATUS – The electrical upgrade has been switched to #2 pumping station because of a more dire need to update the equipment because of its age and recent problems that have arisen.

- 2. Organize water and sewer plans in flat files and record information on database for easy access by January 31, 2009.**

STATUS – 60% complete.

- 3. Continue to install water tight manhole frame and covers on sewer trunk lines near low-lying areas next to streams by June 30, 2009.**

STATUS – 100% complete for this year.

### **CIP Projects for 2008-2009**

- 1. Street Resurfacing**

STATUS - Last summer's resurfacing program has been completed.

- 2. Special Tax Districts Sediment Control**

STATUS - FY2010 records have been updated.

- 3. Neighborhood Drainage Solutions**

STATUS - Youngwood Turn design completed.

- 4. Public Works Main Facility**

STATUS – Shop (mechanics' tool room) renovation and upgrades – Currently out to bid with a bid opening date of February 5, 2009. Completion expected 60 days from Notice to Proceed. Engineering office roof shingle replacement complete. Siding to be replaced by the end of January. The window replacement project in the Administration Building is completed.

- 5. Wastewater Treatment Plant**

STATUS - Evaluation of Bradford Lane Tank Complete.

- 6. Wastewater Treatment Plant**

STATUS – Bids were opened for the Enhanced Nutrient Removal project on January 30, 2009. Council is expected to take action on awarding the contract on February 17, 2009. Construction is scheduled to begin in March, 2009. Administration building upgrade design is 15% complete. The pump station electrical upgrade is proposed to be switched from #8 to #2 pump station, with no change in cost. Generator installation bid has been opened and is being reviewed. The painting of the Lime Silo and interior of pump station #8 are proposed to be postponed until FY2010 to save funds needed to purchase a replacement lime auger. The door installation at the pump station will be completed in the Spring of 2009.

**7. Solid Waste Administration Facility**

STATUS – Vehicle storage bays have been completed. The water main and fire suppression systems are under construction. New fencing and entrance gates into the solid waste yard are complete. The sprinkler room and electrical upgrades will be completed by mid February. A packaged vehicle wash station unit will be purchased by the end of February. The administration office design is 90% complete. Final documents and a cost estimate will be completed by mid January.

**8. Facility Preventive Maintenance**

STATUS - Detailed schedule based upon a revised ACCESS format is being completed.

**9. Gateway/Marquee Signage**

STATUS – The current budget includes an upgrade to the existing brick-framed sign located at Route 197 and Kenhill Drive. This is within the SHA right-of-way and in order for SHA to allow this sign to have an electronic display, they require that it be off of their right-of-way. SHA has indicated that the City can buy the piece of land that the sign is on in order to accomplish the upgrade. At this point, however, the City is waiting until SHA finalizes their plans for the widening of Route 197 at Kenhill Drive to determine if the existing brick sign will be affected by the widening construction.

**10. Jenkins Ridge Road Closure**

STATUS – The commencement of this project is contingent upon the developer of Woodmore at Oakcreek completing the roadway surfacing of Jennings Mill Road to Church Road. We have encouraged the developer to complete the road by placing the surface course in consideration of releasing his bonds. Once the roadway is surfaced the City is able to accept the road and complete the Jenkins Ridge Road Closure project.

**11. Water Plant**

STATUS – (1.) Purchase and installation of sedimentation covers – reviewing loan funding options. (2.) Installation of permanent generator and electrical upgrades – Bids opened but over budget. Currently looking at options regarding scope and funding. (3.) Sludge lagoon cleaning – Complete. (4.) Reduced voltage starter for Well #5 - Bid awarded. Estimated completion date is April 1, 2009. (5.) Installation of doors at the Water Plant - Complete.

***PART II***

***Financial Summary***

**General Fund**

At the mid-year point of December 31, 2008, General Fund revenues are 7.6 percent greater than at this time last year, while expenditures are 5.1 percent greater.

General Fund revenues recognized at mid-year amount to \$25,237,314, which is 57 percent of total budgeted revenues for Fiscal Year 2009, as compared to \$23,450,698 which was 68 percent of budget last year at this time.

Property Taxes of \$20.6 million are 12 percent more than last year’s \$18.4 million. Year-to-date income tax receipts are \$1,877,148, which is \$119,347 more than last year at this same time. Motor Vehicle Fuel Tax receipts of \$829,112, are \$151,481 less than last year at this time. According to the most recent State estimates, the City will receive approximately \$300,542 less than the original \$2,890,600 million expected this year.

Exhibit 1 illustrates the cumulative pace of revenues over the course of a fiscal year, for the completed Fiscal Year 2008, and for current Fiscal Year 2009 revenues recorded through December 31, 2008.

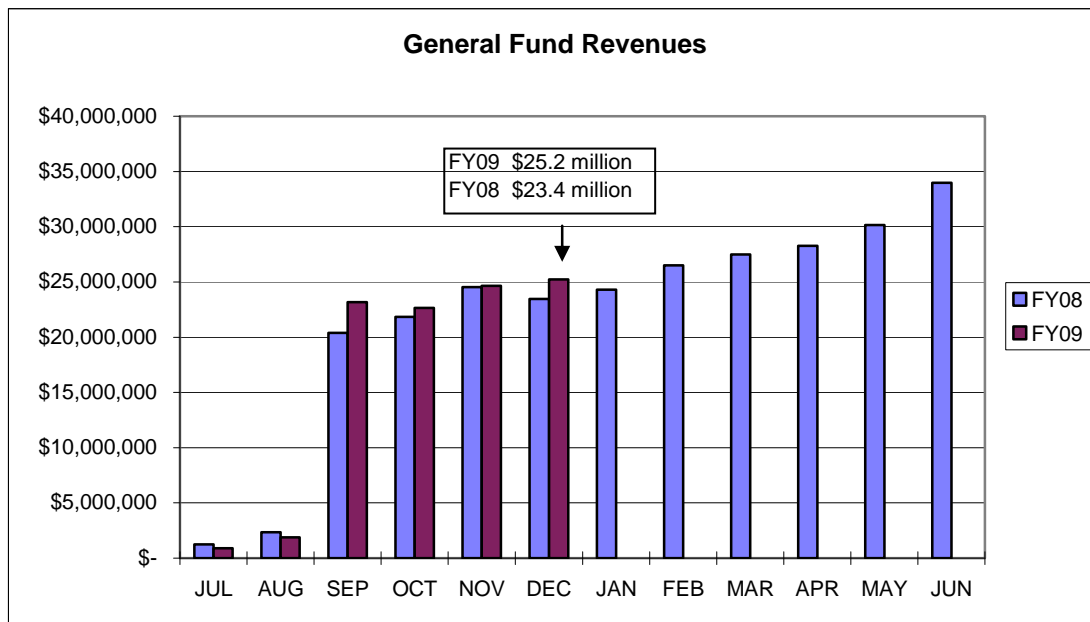


Exhibit 1

General Fund expenditures during the first six months totaled \$15,026,281 which is 35% of budget, compared to \$14,294,250 which was 41% of budget, at this time last year.

Year-to-date expenditures for Personal Services, including payroll taxes and benefits, are \$9.48 million, compared to \$8.24 million at this time last year. This significant increase is primarily due to the continued expansion of the Police Department. All other operating expenditures (Contractual Services, Commodities and Other Charges) total \$5.54 million this year and \$6.06 million at this time last year.

As was shown for revenues, the following chart shows the cumulative pace of expenditures for Fiscal Years 2008 and year to date 2009.

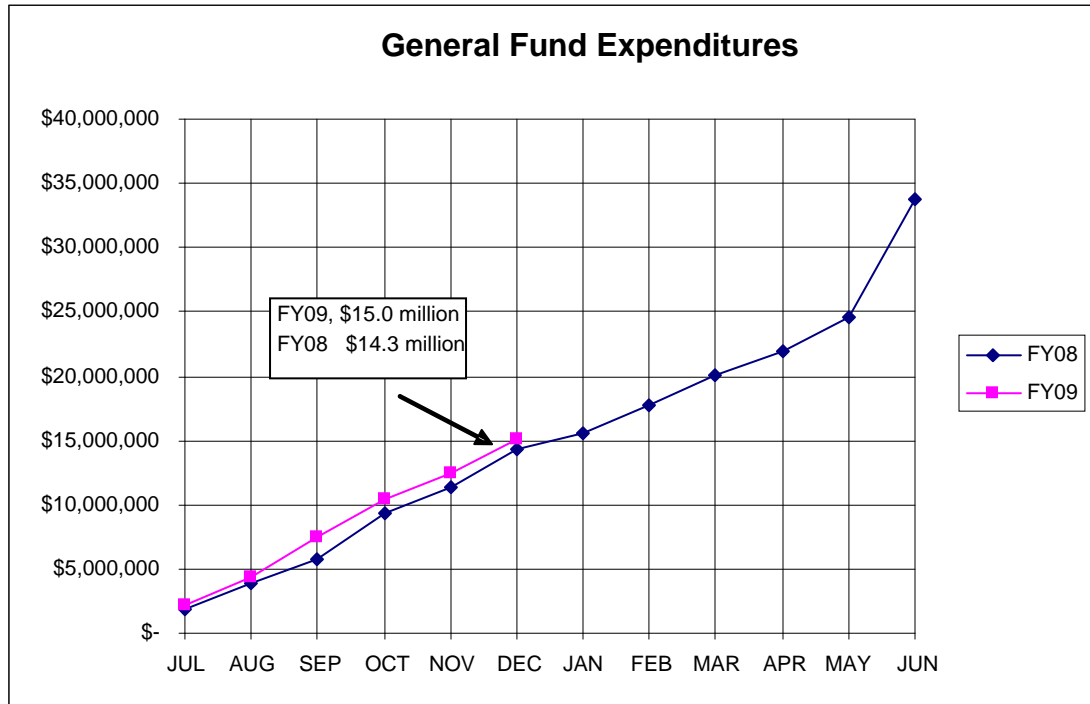


Exhibit 2

### **Equipment Acquisition and Replacement Fund**

Year-to-date expenditures in the Equipment Acquisition and Replacement Fund total \$923,237. Acquisitions include thirteen police vehicles; two dump trucks; two recycling trucks; two pick up trucks; one bus, one power spreader; two leaf vacuums; one copier; two radar speed signs; one asphalt roller; one groomer and one brush clipper.

### **Capital Projects Fund**

Current year-to-date expenditures including encumbrances, include \$75,000 for land acquisition, \$8,981 for Senior Citizen Center, \$22,544 for gymnasium, \$3,907 for Parks Maintenance facility, \$112,591 for New City Hall, \$23,090 for Old Town Bowie Redevelopment, \$140,716 for Solid Waste Administration Facility, \$36,846 for Public Works Main Facility, \$46,386 for Bowie Playhouse, \$16,280 for Allen Pond Park development, \$247,078 for Whitemarsh Park, and \$65,278 toward various CIP projects.

### **Water and Sewer Fund**

Water and Sewer revenues of \$1,909,893, are lower than the previous year by \$607,248, a decrease of 24 percent. More than \$563,400 is attributable to the decrease in developer contributions for the construction of a new solids holding tank. Actual water and sewer usage charges for Fiscal Year 2009 are expected to be approximately \$90,000 less than budgeted.

Exhibit 3 shows year-to-date revenues for Fiscal Year 2009 compared to Fiscal Year 2008.

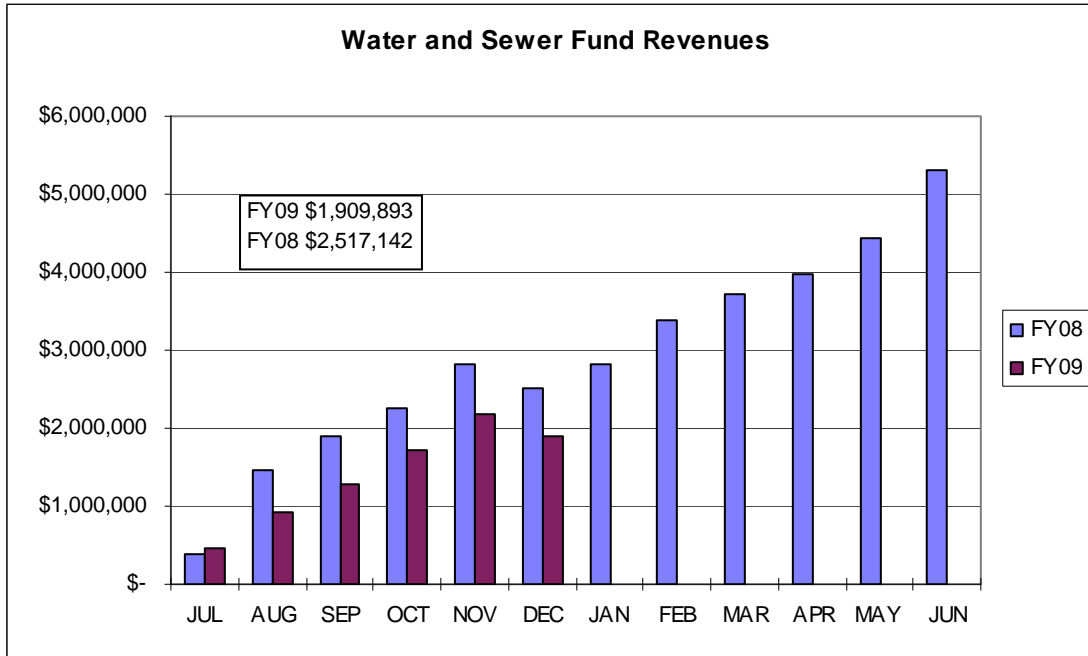


Exhibit 3

Water and Sewer Fund expenditures at mid-year totaled \$2,031,613, a 1 percent decrease compared to \$2,043,814, this time last year. The decrease is mainly attributed to lower capital outlay costs associated with the building renovations and the Enhanced Nutrient Removal project at the Wastewater Treatment Plant.

Exhibit 4 displays Water and Sewer Fund cumulative year-to-date expenditures for Fiscal Year 2009 compared to Fiscal Year 2008.

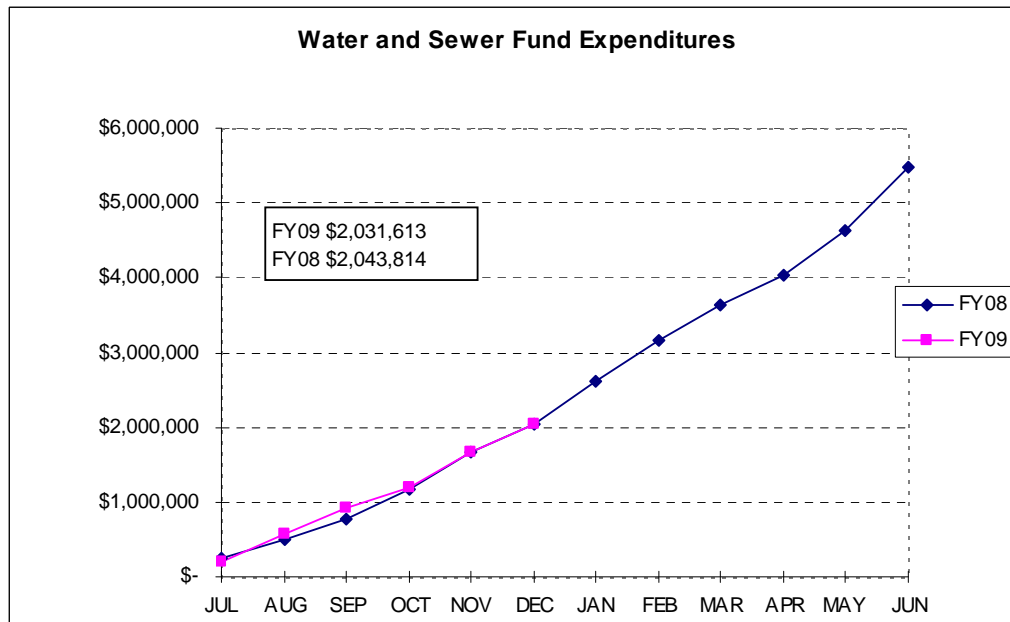


Exhibit 4

***PART III***

***Forecast Information***

## General Fund

Forecast information has been prepared by analyzing historical data for revenues and expenditures over the prior ten fiscal years. Revenues and expenditures are separated into the following categories:

**Property Taxes** (exclusive of special taxing districts) represent the largest share of City revenues, approximately 49% of total revenue. The City sets a property tax rate, but relies on the State Department of Assessment and Taxation for the valuation of property on which the rate is levied.

For Real Property, in the triennial assessment process, value increases are phased-in over the three-year period, while any value decreases are entirely effective in the first year. Therefore, in total, smaller increases are seen in real property values for the first year of the cycle, with larger increases in years two and three. This triennial pattern can be obscured by construction and annexations that may become effective in any year.

Fiscal Year 2010 will be the second year of a new assessment cycle. Residential values have increased significantly since the last assessment cycle. However, the Homestead Tax Credit serves as an assessment “cap” for residential homeowners. The City’s cap is 5 percent. The following forecast assumptions allow a 5 percent increase for existing properties, plus 1 percent for new construction and annexations.

Business Personal Property is assessed each year via self-reports filed with the State by businesses operating in the City. Property in use by January 1, 2008 is the basis for Fiscal Year 2009 assessments. However, there is often a delay in receiving these assessments, depending on the fiscal years of individual businesses and the allocation procedures for large multi-state enterprises

**State Shared Revenues** have provided approximately 34% of total City revenues over the past ten years. Income Tax and Motor Vehicle Fuel Tax are the major components of State Shared Revenues. Both of these sources are allocated to Bowie by the respective State revenue offices, according to set formulas. They are often strongly impacted by state-wide and county-wide conditions which may not correspond to conditions we see within Bowie. Also included in this category is the Admissions and Amusement Tax, which is more directly a result of activities taking place within City limits.

**All Other Revenues** are lumped together for purposes of this analysis and represent approximately 17% of total revenues.

**Expenditures** are analyzed by separating out unusual items or items with unique trends, such as transfers to the Capital Projects Fund and the Equipment Acquisition and Replacement Fund. Those items are forecasted year-by-year on an individual basis.

The remaining expenditure amounts for Operating Departments represent the core City services, which respond to population increases, CPI increases, and increasing demands for City services.

Specific assumptions are made about the future behavior of each of the separate revenue and expense categories described above. The assumptions are applied to baseline amounts, in order to forecast the amounts for Fiscal years 2010 through 2014.

Forecast assumptions for Fiscal Years 2010 through 2014 are as follows:

- Real property assessments increase 6 percent a year. The real property tax rate increases from \$.40 per \$100 of assessed value in FY2010 to \$.52 in FY2014, primarily due to the continued expansion of the Police Department. The tax rates used in this forecasting model are subject to change.
- Business personal property assessments increase 5 percent each year.
- State shared revenues, consisting of income taxes, motor fuel and vehicle taxes, admission and amusement taxes, and hotel and motel taxes will be flat for 2010, and increase by 1 percent in 2011, increase by 2 percent in 2012 and 2013 and by 3 percent in 2014. All other revenues increase 1 percent a year.
- Debt service payments are based on the issuance of \$15.5 million of general obligation bonds in FY2010 for the construction of the new City Hall.
- Transfers to the Capital Projects Fund are the amounts required by the FY2010-2014 Capital Improvements Program.

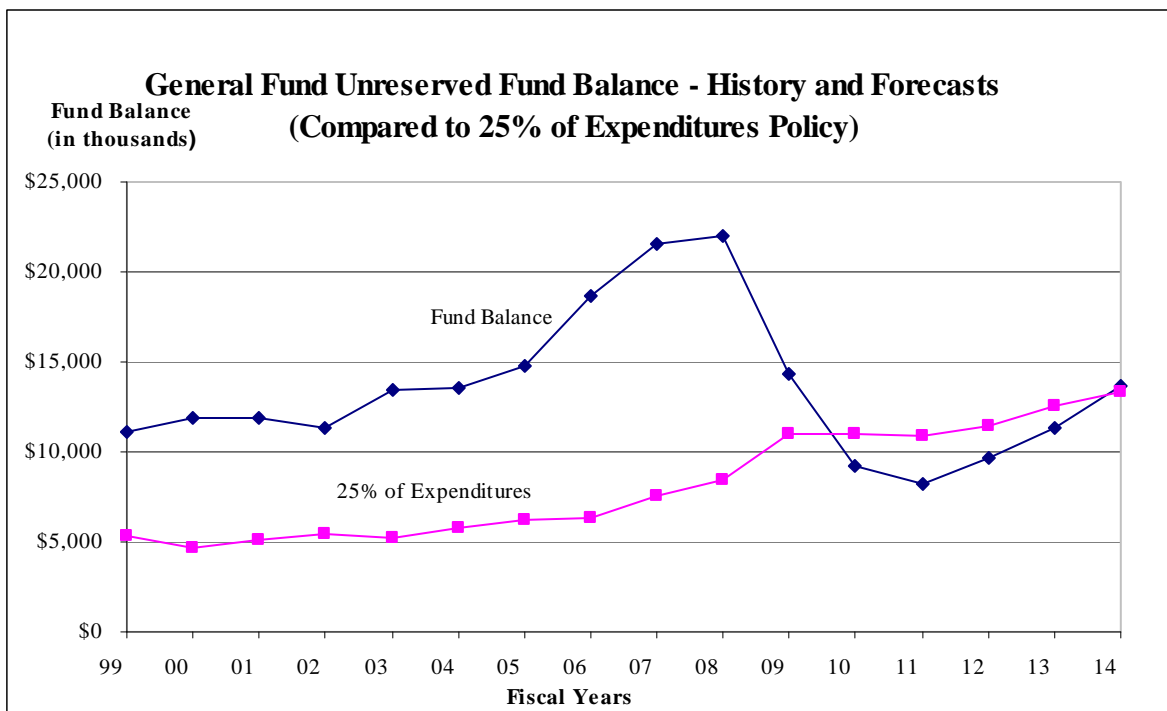


Exhibit 1

The forecast ending balance for FY2014 is \$13.6 million, and is 25 percent of the forecast expenditures for that year. For fiscal years ending 2010 through 2013, the fund balance falls below the established policy of 25 percent of expenditures.

## Water and Sewer Fund

Forecasts for the Water and Sewer Fund use the same methodology described above for the General Fund. The prior ten years' data is analyzed in separate categories of revenues and expenditures, which allow for itemization of assumptions used in forecasting future results.

**Rate-based usage charges** represent approximately 66% of normal operating revenues. Usage charges can fluctuate only as a result of rate changes or changes in customer usage. The usage levels vary within a narrow window, changing mostly with weather patterns. Because the City's water and sewer system is a relatively "closed" system surrounded by WSSC service areas, it does not serve an increasing customer base.

An across-the-board decline in average household usage has been observed, which is confirmed by other water and sewer systems in the region. This decline may reflect smaller household sizes, replacement of older plumbing fixtures with newer water-saving models and more attention to water conservation methods in general.

**Minimum charges** are paid by every user of the system based on the size of the meter connection, therefore, it is very stable.

**All Other Revenue** includes account processing and late payment fees, interest income, proceeds from sale of fixed assets and tower leases with cellular telephone companies. It represents 5 percent of operating revenues.

**Grants, Loan Proceeds, Transfers & Contributions** are analyzed on an item-by-item basis.

**Expenditures** are separated into the categories of Operating Departments; Billing & Accounting; Non-departmental & Overhead; Debt Service; and Capital Outlay.

The historical and forecasted revenues and budget-basis expenditures are summarized with their year-to-year effect upon an amount described as the "Budget Basis Unrestricted Fund Balance". This amount represents net current assets, as derived from the audited Balance Sheet by subtracting Current Liabilities from Current Assets. This amount is the best approximation, in an enterprise-type fund, of spendable resources, which would be termed "Fund Balance" in a governmental-type fund.

Exhibit 2 shows the historical and forecasted amounts of Budget Basis Unrestricted Fund Balance for the years from FY1999 through FY2009. The forecast amounts are based on the following assumptions for Fiscal Years 2010 through 2014:

- Usage charges are based on 585 million gallons, with combined rate increases of 9 percent for each year.
- Minimum charges remain unchanged; all other revenues increase at 5% per year.
- Expenditures for operating departments and billing and accounting increase 4% per year; non-departmental and overhead costs increase 3% per year.
- Debt Service is per the schedule existing at 6/30/08, plus estimates for state revolving loan repayments.

- Capital Outlay is per the FY2010-2014 CIP requirements, plus equipment replacements and \$100,000 per year for capitalized components.

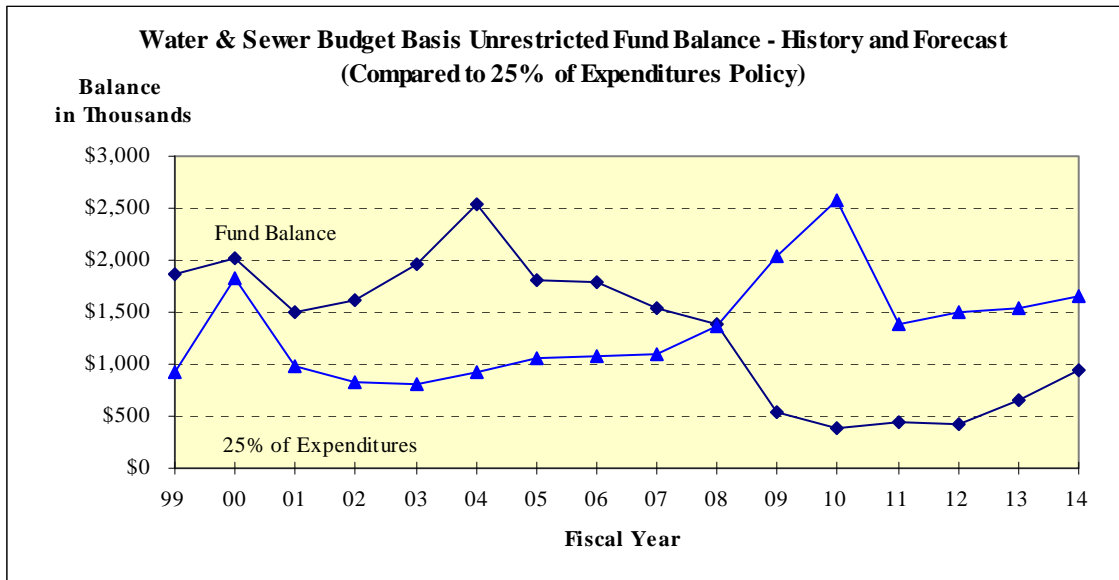


Exhibit 2

The ending balance forecast for FY2014 is \$937,000, and is 14 percent of the forecast expenditures for that year.

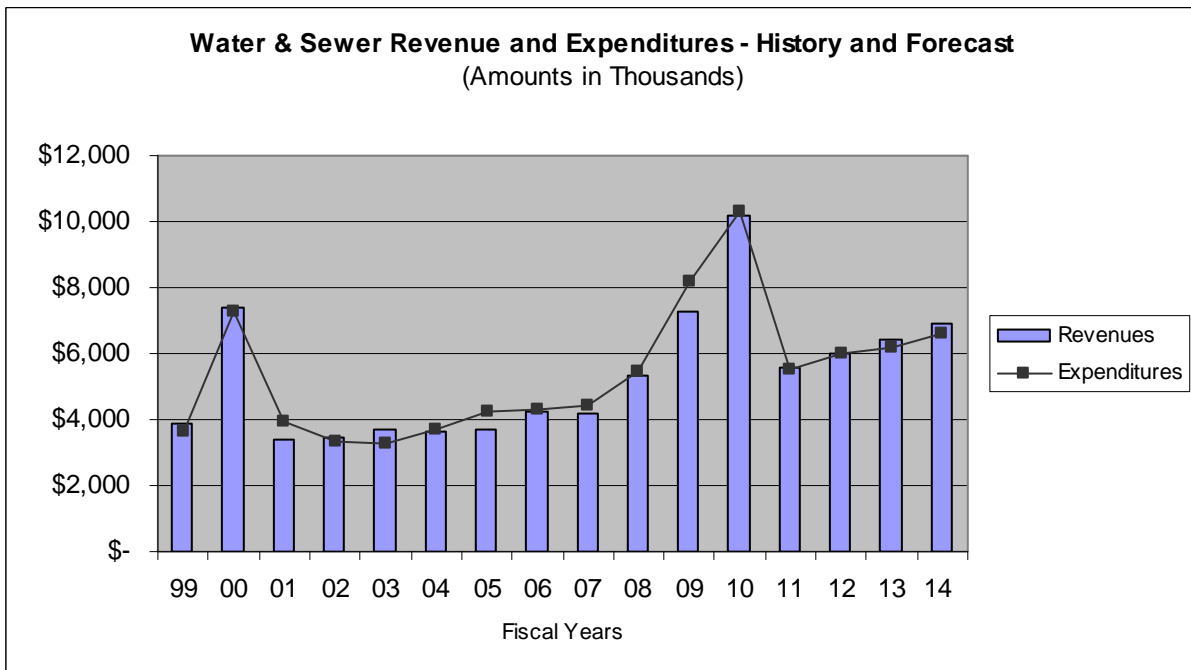


Exhibit 3

### **Forecast Information Summary**

The forecasts presented in this section cannot be viewed as predictions of the City's financial position at any single point in the future, but rather as trend indicators. As time passes, estimates are replaced with known results and actions may be initiated to change the assumed trends.

The charts for the General Fund and the Water and Sewer Fund serve to illustrate the effect of specifically described assumptions, as they are applied to certain base line information. The base line consists of very broad and preliminary estimates of Fiscal Year 2009 results.

During the Fiscal Year 2010 budget process, each department will provide more precise estimates of 2009 results. Any program changes in the new budget may alter the set of assumptions about future revenues and expenditures, and alter the shape of future forecasts.

