



## Memorandum

**TO:** City Council

**FROM:** Alfred Lott, City Manager

**SUBJECT:** FY2023 Constant Yield

**DATE:** 04/28/2022

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The State of Maryland has a requirement enacted in 1977 for a public hearing and very specific newspaper advertisement regarding what is known as the "Constant Yield". The State requires local governments to hold a hearing focused on what the tax rate would be to generate the same level of property tax revenue as in the current year.

For Bowie, in order to accomplish "constant yield", the tax rate would need to be lowered from \$.40 to \$.3843. We are not recommending lowering the tax rate, as it would cost us \$1,304,855 in lost revenue. The benefit of lowering the rate for a homeowner with a house assessed at \$338,100 is \$53.

Again, given the cost pressures and revenue constraints the city faces, we recommend holding the tax rate at \$.40.

ADL/hbm

**ATTACHMENTS:**

1. 20220502 - 2022.23 CYTR Ad
2. 20220502 - FY2023\_FAC\_Letter\_to\_Council\_Proposed
3. 20220411 - Ordinance O-1-22
4. 20220411 - Resolution R-12-22

## MUNICIPAL NEWSPAPER NOTICE REQUIREMENTS

**Headline must be all capital letters and bold type as shown.**  
**Remainder must be both upper and lower case characters.**  
**Notices must be 12 point. Municipal advertisements must be a minimum of 1/8 page in size and must not be placed with legal notices or classified ads.**

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### CITY OF BOWIE, MARYLAND NOTICE OF A PROPOSED REAL PROPERTY TAX INCREASE

The City Council of the City of Bowie, Maryland proposes to increase real property taxes.

1. For the tax year beginning July 1, 2022, the estimated real property assessable base will increase by 4.1%, from \$7,987,950,685 to \$8,314,164,508.
2. If City of Bowie, Maryland maintains the current tax rate of \$0.40 per \$100 of assessment, real property tax revenues will increase by 4.1% resulting in \$1,304,855 of new real property tax revenues.
3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.3843, the constant yield tax rate.
4. The City of Bowie, Maryland is considering not reducing its real property tax rate enough to fully offset increasing assessments. The City of Bowie, Maryland proposes to adopt a real property tax rate of \$0.40 per \$100 of assessment. This tax rate is 4.1% higher than the constant yield tax rate and will generate \$1,304,855 in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 8:00 p.m. on Monday, May 2, 2022 at Bowie City Hall, 15901 Fred Robinson Way, Bowie, MD 20716. The hearing is open to the public, and public testimony is encouraged.

Those wishing to submit testimony for the public hearing can email written testimony/comments to [cityclerk@cityofbowie.org](mailto:cityclerk@cityofbowie.org). Deadline for submittal of written testimony/comments is 7:00 p.m., Monday, May 2, 2022. For more information, contact the City Clerk at 301-809-3029 or [ahernandez@cityofbowie.org](mailto:ahernandez@cityofbowie.org).

Residents may also view the meeting online at [www.cityofbowie.org/viewmeetings](http://www.cityofbowie.org/viewmeetings) or on Verizon channel 10 or Comcast channel 71 and 996.

Persons with questions regarding this hearing may call (301) 262-6200 for further information.

**The City of Bowie Financial Advisory Committee  
Review of the Proposed FY 2023 Annual Budget**

To: City of Bowie Council

Date: 25 April 2022

Re: Proposed FY2023 Annual Budget

The Financial Advisory Committee (FAC) was formed in 1998 to review and advise the Council on the City's fiscal condition and to enhance the distribution of financial information to the community. In keeping with its mission, the committee reviewed the Fiscal Year 2023 proposed budget and prepared this letter directed to the Council, which I will be reading.

First, as active citizens of the City of Bowie, we wish to recognize and commend the City Council, City Manager, Finance Department Director and all associated staff and personnel for your hard work in providing this budget draft.

This Committee has worked closely with the Finance Department Director, and know first-hand, how responsive and efficient that office is, in coordinating the budget process. They have exercised due diligence and creativity in ensuring that all important activities across the City Departments and Funds are adequately addressed; even as the property tax rate remains at \$0.40 for the 13<sup>th</sup> successive year. Needless to say, we are proud of our city!

Second, The Committee would like to draw attention to five key areas of the proposed FY2023 budget: : (1) General Fund Balance Policy Review; (2) Revenue and Expenditure Strategy Development; (3) Golf Course Expenditure Reconsideration; (4) Rising Cost: Citizen Accountability Measures; and (5) More Routine Water Plant Engineering and Project Management. The specific recommendations, background, and related discussion of these five key areas are enclosed as an appendix to this letter. We appreciate City Council's consideration of these recommendations.

Finally, the Committee wishes to thank you for entrusting us, this responsibility to serve the city of Bowie, its residents, and the Council. We remain ready to serve the City in accordance with our Committee Charter.

Signed By members of the City of Bowie's Financial Advisory Committee: Ms. Patricia Peterson, Ms. Meglan Knights, Ms. Muzar Jah, Mr. William Olukoya, and Mr. Carl Robinson.

Sincerely,

*Carl Robinson*

Carl Robinson,  
Chair City of Bowie Financial Advisory Committee

**The City of Bowie Financial Advisory Committee  
Review of the Proposed FY 2023 Annual Budget**

**Recommendations to City Council**

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**General Fund Balance Policy Change**

**Recommendation 1:**

- *We recommend City Council consider changing the policy related to General Fund Balance from its 25% of expenditures threshold.*
  - *We recommend a review of multiple options, to include the pros and cons of an option to tie the General Fund Balance to a threshold that Caps Capital Improvement Program Transfers to a percentage of the tax rate.*

**Background:**

- As detailed in the FY2023 Proposed Budget, the City's General Fund balance has been declining steeply and is forecast to be completely depleted in about 2-3 years.
- The City's General Fund supports the balancing of the City's shortfall in revenues over expenditures and, in light of this, City Council had adopted a policy to maintain the General Fund's balance at a level no lower than 25% of expenditures.

**Discussion:**

- This situation demands an immediate mitigating response.
- While this metric has served the City well in years past, the realities of today's post-pandemic fiscal challenges necessitate a relook of this policy.
- Given that the bulk of the City's expenditures relate to the Capital Improvement Program (CIP), we propose Council considers a metric that more closely ties the CIP transfers from the General Fund to a level of the City's property tax rate.
- For example, capping transfers to CIP from the General Fund at, say, 4c of the current 40c property tax rate (10%) will limit the FY2023 General Fund transfer to \$3.31M from the proposed \$18.5M in FY2023.
- This helps achieve a better balance between revenue expectations and expenditures while ensuring the availability of some General Fund balance for future years.

**The City of Bowie Financial Advisory Committee  
Review of the Proposed FY 2023 Annual Budget**

**Recommendations to City Council**

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**Revenue and Expenditure Strategy Development**

**Recommendation 2:**

- *In addition to considering a plan that adjust expenditures, the FAC recommends Council develops an optimal strategy for both Revenues (increase) and expenditures (decrease).*
  - *This strategy should consider the implications of a decline in revenues related to Bowie Town Center and the Golf course.*

**Background:**

- General Fund Revenue: General Fund Revenues from all financing sources increased to accommodate the 15% increase in General Fund expenditures.
- Property taxes remain the largest source of revenue (61%).
- This year, the estimated increase is attributable to the increase in taxable assessed basis: a trend which is expected to continue for all the reasons provided in the Budget.
- Embedded in these numbers is the stark decrease in revenues from Bowie Town Center. In this regard, we applaud the implementation of a new Economic Development strategy to focus on growing the economic base across the City.

**Discussion:**

- Despite increasing revenues, the escalating burn rate of Fund Balance is alarming.
- The trend is particularly pronounced this year with an all-time high draw-down of \$18.51 million.
- One impact is that in the 2023 Budget, the balance is projected at the 25% self-imposed limitation set by Council.
- This situation demands an immediate mitigating response: which should include a strategy for both increasing Revenues and decreasing expenditures with a view to achieving equilibrium.

**The City of Bowie Financial Advisory Committee  
Review of the Proposed FY 2023 Annual Budget**

**Recommendations to City Council**

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**Expenditure Reconsideration**

**Recommendation 3:**

- *Given the current financial constraints, we do not believe that the high level of expenditure on the Bowie Golf Course bears commensurate benefits for the residents of Bowie.*
  - *Accordingly, we ask for the review and reconsideration of the proposed expenditure as it does not seem appropriate (from a cost-benefit standpoint) at this time.*

**Background:**

- The Bowie Golf Course level of proposed expenditure is high despite the facility being managed, run and maintained by a third party.

**Discussion:**

- Whereas the total multiyear expenditure up to 2028 and beyond was estimated at \$4.49M a year ago, this total multiyear expenditure is now estimated at \$9.8M over the same period.
- Of particular concern are the Cart Path Improvements, which were estimated a year ago at \$1.68M for execution in FY2023 but have now been divided into 5 phases of \$500K each (total \$2.5M), an increase of nearly 49%.

**Expenditure Monitoring**

**General Note:** Increase in Contract Services Expenditures: Although we recognize the benefit of additional personnel support, we would ask you to continue to monitor the “contractual services” expenditures.

The FY23 Proposed budget anticipate these costs to increase 11%. The breakdown of these costs is clearly explained and are relevant; however, it would seem that the huge spike begs questions around planning.

**The City of Bowie Financial Advisory Committee  
Review of the Proposed FY 2023 Annual Budget**

**Recommendations to City Council**

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**Rising Cost: Citizen Accountability Measures**

**Recommendation 4:**

- *Create accountability measures to stem significant variations from initial cost estimates from and firm-up current high-cost estimates.*

**Background:**

Supply chain issues remain a concern due to the pandemic, causing prices to escalate more than anticipated or planned for. Although many of these increases may be unavoidable, we recommend putting in place a process that ensures the city is questioning these increases, validating their legitimacy, and sharing the rationale for the increase with the Citizens of Bowie.

**Discussion:**

- **Stormwater Management:** We note that the estimated cost for the Green Leaf Pond Restoration – Construction has increased by over 80% from \$100K to \$182K from a year ago. We realize that there is always the possibility of a cost increase involving a multi-year project, but this is a sizeable increase over what was originally proposed and should be explained further to the citizens of Bowie.
- **Bowie Playhouse:** Similar to the Stormwater Management, we also note a significant variation in cost estimates for the Fly-Tower Roof Replacement & Lower Roof Repairs. Whereas these were estimated to cost \$105K just a year ago, new cost estimates are now \$140K, an increase of over 33%.
- **Bowie Golf Course:** The increase in multi-year expenditures estimates, and the increase in Cart Path Improvements estimates, as discussed above, should also be held to a Citizen Accountability process given the significant shift.
- **Bowie Ice Arena:** Following the termination of the Bowie IcePlex Project in FY2020 and the related termination costs, we note that the unspent bond proceeds were applied to other capital expenditures. We encourage Council to firm up the cost estimates for the design and construction of the new Bowie Ice Arena facility to gauge the adequacy of the current multiyear expenditure of over \$12M.

**The City of Bowie Financial Advisory Committee  
Review of the Proposed FY 2023 Annual Budget**

**Recommendations to City Council**

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**Water Plant Engineering and Project Management**

**Recommendation 5:**

- *Ensure a routine infrastructure maintenance.*

**Background:**

**Water Plant:** The Water Plant is yet another Project where we noted significant year-over-year variation in cost estimates. Whereas the Well 5 Replacement was estimated to cost \$75K a year ago, it is now estimated to cost \$250K, an increase of 233%. A wide increase of this magnitude may indicate the need for better and timely engineering and/or project management involvement in the cost estimation process.

**Water Distribution System Recapitalization:** While acknowledging the need for the overhaul of the City's public water distribution system, we must highlight the substantial increase in the multiyear cost estimates. Whereas the total multiyear expenditure up to 2028 and beyond was estimated at \$11.89M a year ago, this total multiyear expenditure is now estimated at \$15.37M over the same period, despite Federal grant awards totaling \$4.75M. The estimated cost for replacing damaged water pipes and water meters throughout the City, which is anticipated to be funded by loans, was estimated at \$7.3 a year ago and is now estimated at \$7.9M, an increase of 9.4%.

**Discussion:**

A wide increase of this magnitude may indicate the need for better and timely engineering and/or project management involvement in the cost estimation process.



The City of Bowie Financial Advisory Committee  
Review of the Proposed FY 2023 Annual Budget

Recommendations to City Council

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Recommendation Summary

**1 - General Fund Balance Policy Review:** *We recommend City Council consider changing the policy related to General Fund Balance from its 25% of expenditures threshold. We recommend a review of multiple options, to include the pros and cons of an option to tie the General Fund Balance to a threshold that Caps Capital Improvement Program Transfers to a percentage of the tax rate.*

**2 - Revenue and Expenditure Strategy Development:** *In addition to considering a plan that adjust expenditures, the FAC recommends Council develops an optimal strategy for both Revenues (increase) and expenditures (decrease). This strategy should consider the implications of a decline in revenues related to Bowie Town Center and the Golf course.*

**3 - Golf Course Expenditure Reconsideration:** *Given the current financial constraints, we do not believe that the high level of expenditure on the Bowie Golf Course bears commensurate benefits for the residents of Bowie. Accordingly, we ask for the review and reconsideration of the proposed expenditure as it does not seem appropriate (from a cost-benefit standpoint).*

**4 - Rising Cost: Citizen Accountability Measures:** *Create accountability measures to stem significant variations from initial cost estimates from and firm-up current high-cost estimates.*

**5 - More Routine Water Plant Engineer and Project Management:** *Ensure a routine infrastructure maintenance.*

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Other General Comment Summary

**1 - Water and Sewer Systems:** *The proposed rate increases of \$0.28 and \$0.41 respectively to support a recapitalization program supporting both the water and sewer systems. The rate increase seems both prudent and justified.*

**2 - Senior and Youth:** *We appreciate efforts to migrate the Kenhill Center's meeting room to the Senior Center, which may result in expanded exercises and wellness programs representing a move in the right direction. Thank you for leaving a placeholder in the FY23 objectives for addressing a possible outcome of the FY22 objective of hosting the youth forum on May 19, 2022. This is important as a critical need may surface at the May event.*

**3- Bowie Landscape:** *The FY23 objective of replacing the existing Bowie landscape on Rt. 197 and Kenhill Drive is highly anticipated as this is a true landmark of the city of Bowie. We are anxiously awaiting the unveiling of "landscape 2.0,"*

**4 - Mosquito Control:** *We applaud the management of the mosquito control program.*

**ORDINANCE**  
**OF THE COUNCIL OF THE CITY OF BOWIE, MARYLAND**  
**APPROVING AND ADOPTING A BUDGET FOR THE**  
**FISCAL YEAR BEGINNING JULY 1, 2022 AND**  
**ENDING JUNE 30, 2023**

**WHEREAS**, in accordance with Section 44 of the City Charter, it is the determination of the City Council that an ordinance should be enacted to budget and appropriate funds for the several objects and purposes for which the City of Bowie must provide in the fiscal year beginning July 1, 2022, and ending June 30, 2023 (“Fiscal Year 2023”); and,

**WHEREAS**, the City Manager, as required by the City Charter, between the 10<sup>th</sup> and the 15<sup>th</sup> of April, 2022 presented to the City Council a proposed budget outlining the anticipated expenditures and transfers for Fiscal Year 2023. The budget includes the estimated revenues and other financing sources required; establishes the proposed tax rate for all real property taxes, and establishes the tax rates for the various taxing districts; and,

**WHEREAS**, the Council held scheduled budget worksessions and two public hearings on April 11, 2022 and May 2, 2022 after two weeks’ notice thereof in a newspaper or newspapers having general circulation in Bowie.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Bowie, Maryland, with at least four of the total elected membership concurring:

Section 1: That from and out of the moneys and balances known to be in the General Fund, Equipment Acquisition and Replacement Fund, Capital Projects Fund, and Water and Sewer Fund, of the City of Bowie, Maryland, and from all moneys anticipated to come into all funds during the twelve (12) month period ending June 30, 2023, there shall be, and hereby are, appropriated the following sums for use by the several departments and offices of the City, and for the objects and purposes for which the City must provide during Fiscal Year 2023.

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Underlining indicates amendments to ordinance.

~~Strike out~~ indicates matter stricken from the ordinance by amendment.

**APPROPRIATION ORDINANCE**  
**THE CITY OF BOWIE, MARYLAND**

**GENERAL FUND**

ESTIMATED REVENUES

Real Property Taxes:

Assessed Value of Land and Improvements subject to Taxation	\$8,285,400,000	
Tax Rate .400/\$100 of Assessed Value	<u>.00400</u>	<u>\$33,141,600</u>

Special Taxing District 1 -

There is hereby established a levy in the amount of \$.096 per hundred dollars of assessed valuation for all real property, subject to taxation within that special taxing district of the City of Bowie described as University of Maryland Science and Technology Center Storm Water Management Special Taxing District as more particularly described in Ordinance Number O-19-87 and for those properties which are currently within the district or which will subsequently be placed within the district.

Assessed Value of Land and Improvements Subject to Taxation	\$181,359,500	
Tax Rate .096/\$100 of Assessed Value	<u>.00096</u>	<u>174,100</u>

Special Taxing District 2 -

There is hereby established a levy in the amount of \$.008 per hundred dollars of assessed valuation for all real property, subject to taxation within that special taxing district of the City of Bowie described as Bowie Town Center Storm Water Management Special Taxing District as more particularly described in Ordinance Number O-20-87 and as amended by Ordinance Numbers O-11-91, O-4-96 and O-20-98 and for those properties which are currently within the district or which will subsequently be placed within the district.

Assessed Value of Land and Improvements Subject to Taxation	\$292,140,400	
Tax Rate .008/\$100 of Assessed Value	<u>.00008</u>	<u>23,400</u>

Special Taxing District 5 -

There is hereby established a levy in the amount of \$.007 per hundred dollars of assessed valuation for all real property, subject to taxation within that special taxing district of the City of Bowie described as Highbridge Storm Water Management Special Taxing District as more particularly described in Ordinance Number O-28-88 and for those properties which are currently within the district or which will subsequently be placed within the district.

Assessed Value of Land and Improvements Subject to Taxation	\$16,903,900	
Tax Rate .007/\$100 of Assessed Value	<u>.00007</u>	<u>1,200</u>

Special Taxing District 6 -

There is hereby established a levy in the amount of \$.025 per hundred dollars of assessed valuation for all real property, subject to taxation within that special taxing district of the City of Bowie described as International Renaissance Center Storm Water Management Special Taxing District as more particularly described in Ordinance Number O-2-89 and as amended by Ordinance Numbers O-11-91 and O-22-98 and for those properties which are currently within the district or which will subsequently be placed within the district.

Assessed Value of Land and Improvements Subject to Taxation	\$158,063,600	
Tax Rate .025/\$100 of Assessed Value	<u>.00025</u>	<u>39,500</u>

Special Taxing District 7-

There is hereby established a levy in the amount of \$.039 per hundred dollars of assessed valuation for all real property, subject to taxation within that special taxing district of the City of Bowie described as Pin Oak Plaza Storm Water Management Special Taxing District as more particularly described

in Ordinance Number O-16-90, and for those properties which are currently within the district or which will subsequently be placed within the district.

Assessed Value of Land and Improvements Subject to Taxation	\$16,831,600	
Tax Rate .039/\$100 of Assessed Value	<u>.00039</u>	<u>6,600</u>

Special Taxing District 8-

There is hereby established a levy in the amount of \$.008 per hundred dollars of assessed valuation for all real property, subject to taxation within that special taxing district of the City of Bowie described as Elder Oaks Apartments Storm Water Management Special Taxing District as more particularly described in Ordinance Number 0-17-90, and for those properties which are currently within the district or which will subsequently be placed within the district.

Assessed Value of Land and Improvements Subject to Taxation	\$64,742,800	
Tax Rate .008/\$100 of Assessed Value	<u>.00008</u>	<u>5,200</u>

Special Taxing District 11-

There is hereby established a levy in the amount of \$.026 per hundred dollars of assessed valuation for all real property, subject to taxation within that special taxing district of the City of Bowie described as Collington Plaza Storm Water Management Special Taxing District as more particularly described in Ordinance Number 0-7-95, and for those properties which are currently within the district or which will subsequently be placed within the district.

Assessed Value of Land and Improvements Subject to Taxation	\$29,702,900	
Tax Rate .026/\$100 of Assessed Value	<u>.00026</u>	<u>7,700</u>

Personal Property Tax:

Assessed Value of Tangible Personal Property of Ordinary Incorporated and Unincorporated Businesses, Operating Property (except land) of Public Utilities and Contract Carriers, and/or Operating Property (except land) of Railroads.	\$231,710,000	
Tax Rate 1.000/\$100 of Assessed Value	<u>.01000</u>	<u>2,317,100</u>
Total Real & Personal Property Tax Revenue		35,716,400
Total All other Anticipated Revenue		23,139,600
Appropriated Fund Balance		<u>18,506,400</u>
TOTAL REVENUES		<u>\$77,362,400</u>

APPROPRIATIONS BY ACTIVITY

City Council	\$ 378,100
City Manager	1,429,000
Human Resources	798,500
Elections	500
Finance	1,467,400
Information Technology	3,994,100
Legal Services	200,000
Communications	970,200
Business Operations	1,692,000
City Clerk	233,800
Community Services	1,220,700
Building Maintenance	1,530,600
Planning and Sustainability Division	880,100
Economic Development Division	1,005,100
Housing Inspection and Code Compliance	1,028,300
Emergency Management	527,400
Police Department	14,894,800
Public Works Administrative Division	2,314,300
Equipment Maintenance and Garage Division	872,000
Solid Waste Division	7,451,900
Street Maintenance Division	7,228,200
Storm Water Management Division	763,300
Storm Water Management Division - Special Tax Districts	14,600
Senior Services	1,423,200
Youth Services Bureau	1,423,500
Animal Control Program	260,600
Recreation and Parks	1,355,600
Bowie Playhouse	199,300
Parks and Grounds	4,249,800

Ice Arena	1,183,000
Historic Properties	710,900
Gymnasium	900,800
Debt Service	2,262,600
Unclassified and Non-departmental Transfers	926,700
TOTAL APPROPRIATIONS	<u>11,571,500</u>
	<u>\$77,362,400</u>
Total General Fund Revenues	<u>\$77,362,400</u>
Total General Fund Appropriations	<u>\$77,362,400</u>
Difference	\$ <u>NONE</u>

### EQUIPMENT ACQUISITION AND REPLACEMENT FUND

#### ESTIMATED REVENUES

Appropriated Fund Balance	\$ 951,400
Transfers from General Fund	2,920,600
Total All other Anticipated Revenue	<u>107,900</u>
TOTAL REVENUES	<u>\$3,979,900</u>

#### APPROPRIATIONS

General Government	\$ 363,000
Public Safety	426,900
Public Works	582,700
Parks and Recreation	290,000
Reserve for Replacements	<u>2,317,300</u>
TOTAL APPROPRIATIONS	<u>\$ 3,979,900</u>

Total Equipment Acquisition Fund Revenues	<u>\$3,979,900</u>
Total Equipment Acquisition Fund Appropriations	<u>\$3,979,900</u>
Difference	\$ <u>NONE</u>

### CAPITAL PROJECTS FUND

#### ESTIMATED REVENUES

Appropriated Fund Balance	\$1,270,300
Transfers from General Fund	8,650,900
Intergovernmental Revenues	1,449,600
Other Revenues	<u>22,600</u>
TOTAL REVENUES	<u>\$11,393,400</u>

APPROPRIATIONS

Land Acquisition	\$ 1,526,700
Bowie Ice Arena	800,000
Senior Center	105,000
Kenhill Center	495,000
Energy Efficiency Improvements	50,000
Emergency Operations Center	50,000
Facility Preventive Maintenance	746,600
Stormwater Management	401,300
Sediment Control-Maryland Science and Technology Center	126,300
Sediment Control-Bowie Town Center	57,600
Sediment Control-Gateway	36,900
Sediment Control-Pin Oak Plaza	5,200
Sediment Control-Elder Oaks	2,900
Sediment Control-Collington	5,500
Sediment Control-Reserve City Parcel	15,200
Bowie Playhouse	206,000
Golf Course	2,510,000
Public Works Main Facility	242,100
Solid Waste Administration Facility	50,500
Chesapeake Bay	2,191,600
Belair Mansion	30,000
Allen Pond Park Development	260,000
Belair Stable Museum	37,000
Hiker-Biker Trails	307,000
Tanglewood Park	25,000
Parks and Grounds Annex	80,000
Glen Allen Park	225,000
City Hall	25,000
Public Art	125,000
Bowie Heritage Trail	30,000
Bowie Trails Master Plan	125,000
Facility Security	<u>500,000</u>
TOTAL APPROPRIATIONS	<u>\$11,393,400</u>
Total Capital Projects Fund Revenues	<u>\$11,393,400</u>
Total Capital Projects Fund Appropriations	<u>\$11,393,400</u>
Difference	\$ <u>NONE</u>



**WATER AND SEWER FUND**

Section 2: That the following water and sewerage rate structure shall be effective for all water consumption and sewerage service used after July 1, 2022:

Water Consumption Charge

Residential and all other users - \$5.97 per 1,000 gallons of water used.

Sewerage Surcharge – 143.4% of Water Charge

Residential and all other users - \$8.56 per 1,000 gallons of water billed.

Section 3: That the following additional charges shall be imposed upon all users of the system based upon service meter size except that users providing service to individual customers, lessees, homeowners, or other persons, by a master meter system shall pay the minimum user fee for each customer, lessee, homeowner or other person served, and the revenues derived from the assessment based upon minimum users fees equals or exceeds that which would be assessed from an assessment based upon meter size.

<u>Minimum Charges - Both Water and Sewer</u>		<u>Water or Sewer Only</u>	
1 inch meter	\$ 120 Annually	\$ 60	Annually
1-1/2 inch meter	480 Annually	240	Annually
2-inch meter	780 Annually	390	Annually
3-inch meter	1,440 Annually	720	Annually
4-inch meter	2,400 Annually	1,200	Annually
6-inch meter	4,800 Annually	2,400	Annually
8-inch meter	9,600 Annually	4,800	Annually
10-inch meter	15,000 Annually	7,500	Annually

Section 4: Each new customer applying for service shall pay an Account Processing Fee of \$50.00, such fee being nonreturnable.

Section 5: That from the effective date of this Ordinance all new users of the Bowie Water and Sewer System shall be required to place a security advance with the City, such advance to be applied to the users' final bill upon discontinuing service.

3/4, 5/8 and/or 1 inch meter	\$ 50.00
1-1/2-inch meter	200.00
2-inch meter	300.00
3-inch meter	500.00
4-inch meter	750.00
6-inch meter	1,000.00
8-inch meter	2,000.00
10-inch meter	3,000.00

Section 6: That from the effective date of this Ordinance all new users applying for initial connection to the Water and/or Sewer System shall before connection be required to pay a nonrefundable charge as follows:

3/4, 5/8 and/or 1 inch meter	\$ 1,000.00
1-1/2-inch meter	1,500.00
2- and 3-inch meters	2,000.00
4-inch meter	3,000.00
6-inch meter	4,000.00
8-inch meter	5,000.00
10-inch meter	6,000.00

Section 7: Each customer applying for installation of a submeter to measure outside water usage shall obtain a City of Bowie Permit. A nonrefundable account processing fee of \$50.00 will be charged for this permit. Also, the homeowner will pay to the City the cost of the submeter according to meter size. Customers with a submeter installed shall be exempt from sewerage surcharges for outside water use.

Section 8: That the date of payment for all services rendered shall not exceed 20 days from date of billing. Failure to pay within this period will subject the user to the payment of a \$15.00 late charge, and failure to pay within forty-five (45) days from billing date will subject the user to disconnection of service. Any check tendered as payment of an account and returned because of Insufficient Funds, is considered nonpaid and subject to late charge of \$15.00,

returned check charge of \$45.00, and disconnection. There shall be a \$40.00 reconnection charge for all disconnections due to nonpayment.

Section 9: That any user requesting a meter replacement or testing of a meter shall be required to pay a fee of \$120.00 when such test indicates that the meter was operating within normal limits as established by the manufacturer.

Section 10: That each user will pay a quarterly charge of \$22.75 to cover the cost associated with the Water Distribution System Recapitalization Program.

**OPERATING BUDGET**

**ESTIMATED REVENUES**

Water Sales	\$ 3,064,300
Sewerage Surcharge	3,731,900
Minimum Charges	1,040,000
Other Revenues	461,800
Renewal/Replacement	718,900
Proceeds -Loan	2,635,800
Federal Grant	2,744,200
State Grants – Projects	132,700
Appropriated Retained Earnings	<u>558,700</u>
<b>TOTAL REVENUES</b>	<b><u>\$15,088,300</u></b>

**APPROPRIATIONS**

Billing and Accounting	\$ 700,900
Water Supply Division	9,000,600
Wastewater Division	4,375,800
Debt Retirement	300,000
Miscellaneous and Non-departmental	177,300
Transfers to General Fund	<u>533,700</u>
<b>TOTAL APPROPRIATIONS</b>	<b><u>\$15,088,300</u></b>

Total Water & Sewer Fund Revenues	<b><u>\$15,088,300</u></b>
Total Water & Sewer Fund Appropriations	<b><u>\$15,088,300</u></b>
Difference	<b><u>\$NONE</u></b>

Section 11: That should any section of this Ordinance be determined to be invalid, such invalidity shall not affect any other sections.

Section 12: The Budget Document is hereby approved, which includes the Plan of Compensation, City Rental and User Fees Schedule, Classification Plan, Protective Inspection and Licensing Fee and the Permit Fee Schedule. Furthermore, the Budget Document is hereby incorporated by reference into this Ordinance.

Section 13: Outstanding encumbrances at Fiscal Year 2022 year end shall be considered revenues for Fiscal Year 2023 at June 30, 2022 and re-appropriated, by this budget ordinance, in Fiscal Year 2023 for the purposes set forth in the budget ordinance for the Fiscal Year 2022, unless otherwise appropriated by the City Council.

Section 14: That any transfer of funds between appropriations by the City Manager must be approved by the City Council in the form of an ordinance by at least a two-thirds vote before becoming effective.

Section 15: The City Manager is hereby directed to establish and incorporate in the accounting system of the City a reserve account for the accumulation of funds for future preventative maintenance of City facilities. Such account shall be recorded in the Capital Projects Fund.

Section 16: **BE IT FURTHER ORDAINED**, that this Ordinance shall become effective twenty (20) days after its enactment by the Council of the City of Bowie, Maryland provided that a fair summary of this Ordinance is published at least once prior to the date of passage and at least once within ten (10) days after the date of passage in a newspaper having general circulation in the City.

**INTRODUCED** by the Council of the City of Bowie, Maryland at a Special Meeting on April 11, 2022.

**PASSED** by the Council of the City of Bowie, Maryland by a favorable vote of at least a majority of the total elected membership of the Council at a Regular Meeting on May 16, 2022.

**ATTEST:**

**THE CITY OF BOWIE, MARYLAND**

\_\_\_\_\_  
Awilda Hernandez  
City Clerk

\_\_\_\_\_  
Timothy J. Adams  
Mayor

**APPROVED AS TO FORM AND  
SUFFICIENCY:**

\_\_\_\_\_  
Elissa D. Levan, City Attorney

**RESOLUTION**  
**OF THE COUNCIL OF THE CITY OF BOWIE, MARYLAND**  
**ADOPTING A CAPITAL IMPROVEMENTS PROGRAM**  
**FOR THE FISCAL YEARS 2023-2028**

**WHEREAS**, Section 43 of the City Charter requires that the City Manager prepare a proposed Capital Improvements Program; and

**WHEREAS**, the Capital Improvements Program must include a listing of all capital improvements proposed to be undertaken during the next six years, including funding sources, recommended time schedules, and cost estimates; and

**WHEREAS**, the City Council is required to adopt a Capital Improvements Program at the same time as the adoption of the City Operating Budget; and

**WHEREAS**, the City Manager shall include in his proposed Operating Budget, those Capital Improvement Projects adopted by the City Council for the ensuing fiscal year; and

**WHEREAS**, the City Manager has prepared and presented to the City Council the required proposed Capital Improvements Program, which has been included as a portion of the Fiscal Year 2023 Proposed Budget Document.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Bowie, Maryland that the Capital Improvements Program for Fiscal Years 2023-2028, as reflected in the City's FY2023 Proposed Budget Document, is hereby adopted.

**INTRODUCED** by the Council of the City of Bowie, Maryland at a Special Meeting on April 11, 2022.

**PASSED** by the Council of the City of Bowie, Maryland at a Regular Meeting on May 16, 2022, after public hearings on April 11, 2022, and May 2, 2022.

**ATTEST:**

**THE CITY OF BOWIE, MARYLAND**

\_\_\_\_\_  
Awilda Hernandez  
City Clerk

\_\_\_\_\_  
Timothy J. Adams  
Mayor