



# City of Rockville

City Hall  
111 Maryland Ave  
Rockville, MD 20850

Approved:   
Attest:   
Approved Meeting No. 10-25  
April 7, 2025



## Meeting Minutes

**Monday, March 17, 2025**

**6:30 PM**

**Meeting No. 08-25**

**WebEx**

## Mayor and Council

| Attendee Name  | Title         | Status  |
|----------------|---------------|---------|
| Monique Ashton | Mayor         | Present |
| Kate Fulton    | Councilmember | Present |
| Barry Jackson  | Councilmember | Present |
| David Myles    | Councilmember | Present |
| Izola Shaw     | Councilmember | Present |
| Marissa Valeri | Councilmember | Present |
| Adam Van Grack | Councilmember | Present |

**1. Convene**

Mayor and Council convened in a Hybrid Open Meeting at 6:33 p.m. on Monday, March 17, 2025, in the Mayor and Council Chambers, City Hall, 111 Maryland Avenue, Rockville, Maryland, and via Webex.

Staff Present: City Manager Jeff Mihelich, City Attorney Robert E. Dawson, and City Clerk/Director of Council Operations Sara Taylor-Ferrell.

**2. Pledge of Allegiance**

Mayor Monique Ashton led the Pledge of Allegiance.

**3. Proclamation and Recognition – NONE**

**4. Agenda Review**

City Clerk/Director of Council Operations Sara Taylor-Ferrell reported no changes to the agenda.

**5. City Manager's Report**

The City Manager reported on the Emergency Planning Exercise that over 50 City staff and Montgomery County Emergency Management staff participated in exercise that simulated a tornado coming through the city on, a Monday afternoon, and worked through a tabletop exercise to determine how to continue operations and serve residents during an emergency. Phase 2 of the reforestation plan at Redgate park began, with the planting of 800 trees and shrubs, through the use a grant from the Chesapeake Bay Trust. A video to spotlight the new City branding logos and images was played, and Public Information Director Kathy Kirk-Dantzler was thanked for heading up the City's new branding initiative. The City Manager also thanked a concerned resident who reported an animal cruelty incident that lead to abused animals being take into care.

**6. Boards and Commissions Appointments and Reappointments – NONE**

**7. Community Forum**

| NAME         | TOPIC   |
|--------------|---|
| Tricia Tice  | Urban forest, trees, ponds, weeds, etc.           |
| Jeffrey Ganz | Montrose Road, Congressional Lane, etc.           |
| Gina Arnett  | City of Rockville Compensation and Classification |

## **8. Special Presentations**

### **A. Compensation and Classification Study Presentation**

Rockville Human Resources Director, Susan Seling provided a brief overview of the compensation and classification study.

Staff recommends that the Mayor and Council receive the presentation.

Questions from the Mayor and Council were addressed by the staff. The Mayor and Council provided their thoughts and comments.

Summary:

The City engages in the best practice of regularly evaluating our internal pay practices and benefit offerings, as well as assessing how we compare to similar organizations within our region. A classification and compensation study evaluates positions, pay and benefits.

The city aims to pay its employees at a level where their salaries are higher than 60% of recognized peers in the market for similar positions. The city's compensation philosophy is above average by offering slightly more competitive salaries than the market median.

Recommendations and Next Steps:

- Rockville adopt a plan to align structures with its compensation philosophy – adjust pay structures to align with the 60th percentile over time.
- Communication – expand compensation philosophy to include total rewards and develop employee communications.
- Job documentation – formalize job documentation approach and continue to update job descriptions.
- Job classification and grading – adopt Bolton's classification plan and continue to review job grading for internal equity and market alignment.
- Pay policies – revise current policies (e.g., pay increase policy) as needed to align with future program changes.

FY 2023 Budget Considerations:

- The recommended budget includes a 2.5% cost of living adjustment.
- Those employees who have been identified, via the study, as being under the competitive salary point will also receive an adjustment capped at 7.5%.

- The estimate total cost for the salary adjustments is approximately \$1,000,000 (one million).
- All salary ranges will be reviewed to ensure they align with the City’s compensation philosophy.

## **FURTHER DISCUSSION**

March 17, 2025, Agenda item 8A.

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### **9. Consent Agenda**

- A. Approve and authorize the City Manager to Execute State of Maryland Capital Projects Grant Agreements for the David Scull Park Improvements (RA19)**
- B. Adoption of Resolution to Establish Maximum Rate of Rent Increase, as Required by Section 18-194 of the Rockville City Code Entitled “Voluntary Rent Guidelines and Notice Requirements of Rent Increases”**
- B. Approval of Minutes**

Councilmember Marissa Valeri moved to approve consent agenda item A, B and C.

|                                     |   |
|-------------------------------------|---|
| <b>RESULT: APPROVED [UNANIMOUS]</b> |   |
| <b>MOVER:</b>                       | Marissa Valeri, Councilmember   |
| <b>SECONDER:</b>                    | Adam Van Grack, Councilmember   |
| <b>IN FAVOR:</b>                    | Mayor Ashton, Councilmember Fulton, Councilmember Jackson, Councilmember Myles, Councilmember Shaw, Councilmember Valeri, Councilmember Van Grack |

### **10. Public Hearing**

#### **A. FY2026 Budget Public Hearing #2**

Management and Budget Analyst, Dan Chambers provided an overview on FY2026 Budget Public Hearing #2.

Staff recommends that the Mayor and Council conduct the public hearing and keep the record open until April 7, 2025.

Questions from the Mayor and Council were addressed by the staff. The Mayor and Council provided their thoughts and comments.

The Public Hearing opened at 7:20 p.m.

|     | NAME              |
|-----|-------------------|
| 1.  | Barbara Haupt     |
| 2.  | Jody Tick         |
| 3.  | Karen Askin       |
| 4.  | David Hill- RSCC  |
| 5.  | Bob Wright        |
| 6.  | Beryl Feinberg    |
| 7.  | Angus Chen        |
| 8.  | Eric Bernard      |
| 9.  | Drew Powell- RSCC |
| 10. | Jake Goodman      |
| 11. | Thomas Kim        |

The complete testimony of this evening's speakers can be found in the official Public Hearing record in the City Clerk/Director of Council Operations' office.

There being no further speakers testifying, the Public Hearing Closed at 8:00 p.m.

#### **FY2026 Operating Budget**

The FY 2026 proposed operating budget totals \$174.9 million across 10 funds, 3.9 percent increase over the current fiscal year, and include a comparison of appropriations in the FY 2025 Adopted Budget to the FY 2026 Proposed Budget.

#### **FY2026 Capital Improvements Program (CIP)**

The FY 2026 proposed CIP budget includes new appropriations of \$33.8 million to address the priorities of the Mayor and Council and residents of Rockville. This new funding combined with prior year carryover funding of \$94.7 million, supports a total of 65 capital projects in FY2026. The FY2026 budget includes a new set of recurring five-year projects and allows for the carryover of funding for the closeout of the previous set of five-year projects. CIP appropriations by Program Area and include a breakout of carryover funding and additional new appropriations.

The FY2026 proposed operating budget appropriation by category and fund can be found in the Financial Summaries section of the budget document. The FY2026 proposed CIP budget appropriation by fund, program area, and department can be found in the CIP Overview section of the budget document.

Next Steps:

| Date           | Action Item   |
|----------------|---|
| March 24, 2025 | Public Hearing #3<br>M&C Worksession #2 – Grants, Fund Balance  |
| April 7, 2025  | Close of the community budget priorities survey and public record<br>M&C Worksession #3 – CIP, Changes, Final Balancing |
| May 5, 2025    | Budget Adoption   |

#### **FURTHER DISCUSSION**

March 17, 2025, Agenda item 10A.

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**THE MAYOR AND COUNCIL WENT INTO A BRIEF RECESS AT 8:01 P.M. THE MAYOR AND COUNCIL RECONVENED AT 8:18 P.M.**

#### **11. Action Items**

##### **A. Introduction of an Ordinance to Appropriate Funds and Levy Taxes for Fiscal Year 2026**

Director of Finance, Stacey Webster, and Deputy Director of Finance Kim Francisco provided an overview of the ordinance to appropriate funds and levy taxes for fiscal year 2026.

Staff recommends that the Mayor and Council conduct the public hearing on the proposed FY 2026 Budget.

Questions from the Mayor and Council were addressed by the staff. The Mayor and Council provided their thoughts and comments.

Summary:

Adoption of the operating and capital improvements program (CIP) budgets will require passage of the standard budget ordinance. This budget ordinance is scheduled to be adopted on May 5, 2025.

This ordinance includes proposed real and personal property tax rates, as well as appropriated amounts by fund for the FY 2026 operating budget and CIP.

## **General Fund Tax Rates**

The Mayor and Council establish the tax rates each year in order to finance General Fund activities. For FY 2026, the city's real property tax rate is proposed to remain unchanged at \$0.292 per \$100 of assessed value (note: the city has not increased its real property tax rate since 1995). The personal property tax rate is proposed to remain unchanged at \$0.805 for every \$100 of assessed value. In FY2026, total property taxes are estimated at \$51.6 million, or approximately 44 percent of the General Fund budget.

## **Parking District Tax Rate**

In order to support the debt service costs of the three city-owned garages in Town Square, the Town Center Parking District was formed in 2007. The Parking District is a special taxing district that levies real property tax on the commercial properties within the Town Square boundaries. The FY2026 Parking District tax rate is proposed to remain flat at \$0.33 per \$100 of assessed value.

Councilmember Adam Van Grack introduced the ordinance to appropriate funds and levy taxes for fiscal year 2026.

## **FURTHER DISCUSSION**

March 17, 2025, Agenda item 11A.

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### **12. Worksession**

#### **A. FY 2026 Budget Worksession #1 - Strategic Initiatives, Reorganization, and Revenues**

Director of Finance, Stacey Webster, and Deputy Director of Finance Kim Francisco provided an overview of the FY 2026 Budget Worksession #1 - Strategic Initiatives, Reorganization, and Revenues.

Staff recommends that the Mayor and Council review the FY 2026 Budget Worksession #1 - Strategic Initiatives, Reorganization, and Revenues worksession and provide direction as needed.

Questions from the Mayor and Council were addressed by the staff. The Mayor and Council provided their thoughts and comments.

Summary:

This is the Mayor and Council's first budget worksession related to the FY 2026 Proposed Operating Budget and Capital Improvements Program. During this worksession, staff to covered strategic initiatives included in the FY2026 operating budget, the reorganization that is reflected in the FY2026 budget, the operating budget by fund, and proposed fees and revenues.

The objective of this worksession is to provide a high-level overview of the FY2026 operating budget, along with greater insight into the revenues, taxes, and fees that support the strategic initiatives for FY 2026. The budget worksession presentation provided a focused discussion on the alignment of the FY 2026 strategic initiatives with the Mayor and Council's guiding principles, and shares budget highlights, along with information on proposed fees.

## **FY2026 Strategic Initiatives**

This budget prioritizes the Mayor and Council's focus areas: public safety, economic development, and housing – and places an emphasis on strategic initiatives that will greatly benefit the Rockville community.

Public safety is the bedrock of any thriving community. A comprehensive approach to public safety recognizes that prevention, through both social programs and infrastructure improvements, is just as important as response.

Economic Development is the engine that drives growth, creates opportunities, and enhances the overall quality of life for residents, businesses, and visitors. Rockville Economic Development, Inc. (REDI)

Housing programs and policies can build pathways to opportunity, fostering economic stability, and creating vibrant, healthy, and inclusive neighborhoods where everyone can thrive. Responsible growth, equity, and affordability are at the heart of the city's housing strategy.

## **Other Major Initiatives**

- In anticipation of the adoption of the Electric Vehicle Readiness Plan, the FY2026 budget maintains funding for the Electric Vehicle Infrastructure (GA23) project and will continue its efforts to plan, permit, and install EV charging stations to support the growing electric fleet maintained by the city, which will be expanded by 10 vehicles in FY2026 and includes a new EV bus for the Senior Center.
- The FY2026 proposed budget includes \$80,000 for the development of a Justice, Equity, Diversity, and Inclusion (JEDI) strategic plan. This plan will provide a roadmap for the city and provide a strategic framework for making advancements in policy, programming, resource allocations, and development activities which will create a more equitable community.
- The \$800,000 construction of the Senior Center Entrance (TA24) is recommended for General Fund reserves exceeding the target. This project was created in FY2023 and will provide shorter and easier access to residents on the north and west side of the city. The project will include pedestrian access along the new entrance and will improve intersection safety by enhancing the crosswalks and modifying the signal timing. Pedestrian signals will also be added to the Millenium Trail for its users.
- In anticipation of the compensation and classification study results, the proposed budget includes reserved capacity in all funds with personnel costs to allow capacity for the implementation of the recommendations of the study. This will be a change between the proposed and adopted budget.
- The budget proposes a \$15,000 pilot program to develop standards for the installation of new neighborhood welcome signage within the Twinbrook neighborhood. This initiative was recommended in the Comprehensive Plan and requested through the public

Propose-A-Project process and will enhance the appeal of the city and its unique neighborhoods.

- The FY2026 proposed budget includes a \$280,000 recommended use of General Fund reserves exceeding the target to develop a Green Space Management Plan, collaborative initiative between the Departments of Public Works and Recreation and Parks. The plan supports the Climate Action Plan, Comprehensive Plan, and the Recreation and Parks Strategic Plan and is needed to create a strategic approach for the effective deployment of resources in city green spaces to mitigate the negative impacts of non-native invasive species and climate change.
- The city anticipates the completion of the King Farm Farmstead Master Plan during FY2026 which will inform future capital projects that seek to expand the use of the farmstead buildings and open spaces.

### **City Reorganization**

The FY2026 budget reflects the recent reorganization, which moved two Divisions previously in the City Manager's Office to stand-alone departments. The new Department of Communications and Community Engagement leads the city's efforts to communicate and engage with all Rockville community members and stakeholders through accurate, efficient, and transparent communication and engagement strategies tailored to the community's diverse audiences.

**FY2026 Operating Budget** - The FY2026 proposed operating budget totals \$174.9 million across 10 funds, a 3.9 percent increase over the current fiscal year.

**Citywide Revenues for FY2026** - Revenues across all funds are proposed to total \$172.6 million in FY2026. This is an increase of 4.5 percent from FY2025 Adopted revenues. The largest revenues for the city are charges for service, property taxes, revenue from other governments, and transfers.

**Charges for Service** - The charges for service revenue category includes a range of fees and charges across almost every city fund. This includes revenue sources such as: recreation program fees, recreation center memberships, facility rentals, admission charges, utility fees (Water, Sewer, Refuse, Stormwater Management) parking meter revenue, fire review, and fire safety fees. As a whole, these revenues are projected to increase \$2.9 million, or 5.7 percent.

**Property Taxes** - Real property tax, personal property tax, interest on late payments, and includes the city's homeowners' tax credit program. These revenues are projected to increase by \$2.6 million, or 5.2 percent. The City of Rockville's real property tax rate is proposed to remain flat at \$0.292 for every \$100 of assessed value.

**Revenues from Other Governments** - This category of revenue consists of revenues from the federal government, State of Maryland, and Montgomery County. Nearly all of the revenue in this category comes from income tax, tax duplication, admission and amusement tax, highway user revenue, and a police protection grant.

Transfers - There are two types of transfer revenues: administrative charges and General Fund transfers which support other programs and activities within the city. The administrative charges represent centrally budgeted administrative or "overhead" costs. Six of the city's operating funds pay for their share of overhead costs through an annual transfer to the General Fund. The Sewer Fund also pays an administrative charge to the Water Fund for the utility billing functions. Transfer revenue from administrative charges totals \$6.0 million in FY2025.

Other Revenue - The other revenue category includes administrative revenues that reflect the latest requirements set by the Governmental Accounting Standards Board (GASB). These lease amortization revenues and subscription-based IT arrangement (SBITA) revenues are generally non-cash items. Hotel tax is another item included in the other revenue category and consists of the city's share of tax levied on a person who pays for a room or space at a hotel in Rockville. The FY2026 budget maintains \$1 million for hotel tax which is consistent with pre-pandemic levels.

Licenses and Permits -The licenses and permits category includes building permits, rental licenses, animal licenses, stormwater permits, and other types of licenses. The FY2026 budget estimates \$5.5 million in licenses and permits revenue, an increase of \$224,360, or 4.2 percent. Several types of licenses and permits are proposed to have inflationary fee increases for FY 2026.

Use of Money and Property - The use of money and property category includes land and building rentals, cable franchise fees, and interest earnings. The FY2026 proposed budget includes \$2.3 million in interest earnings revenue, an increase of \$789,200. In November 2023, additional funds were added to the investment portfolio to capitalize on the strong market and the city continues to see strong returns.

Fines and Forfeitures - While fines and forfeitures is not one of the largest revenue categories citywide, the FY2026 proposed budget does include modest increases in redlight camera citation revenue. The FY2026 proposed budget estimates \$2.2 million in redlight camera citation revenue, an increase of \$175,000, or 8.7 percent. The citation revenues for the speed camera program have been trending downwards, and the FY2026 proposed budget estimates \$600,000, a decrease of \$400,000, or 40.0 percent. As a result of decreased revenues, the Speed Camera Fund is no longer supporting any capital projects.

FY2026 Complete Proposed Budget can be found on the City website at - [www.rockvillemd.gov/budget](http://www.rockvillemd.gov/budget).

The General Fund makes up 67% of the operating budget and includes new funding for a number of initiatives that align with the Mayor and Council Guiding Principles.

The FY2026 budget public record closes on April 7, 2025.

Next Steps:

March 24, 3035 – Budget Worksession #2; Public Hearing #3 (Worksession Focus – Community Service and Enrichment Grants Fund Balance Forecast, Recommendations on Fund Balance Use)

April 7, 2024 – Budget Worksession #3; Close of the community budget priorities survey and public record (Worksession Focus – CIP Overview, Planned Debt, Changes from Proposed and Final Balancing)

May 5, 2025 – Budget Adoption

**FURTHER DISCUSSION**

March 17, 2025, Agenda item 11A.

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**13. Mock Agenda**

**A. Mock Agenda**

Mayor and Council had no comments on the March 24 agenda; title for Budget Worksession #2 needs to be changed.

**14. Old / New Business**

Mayor and Council discussed District 17, and 19 properties are being developed, and a letter needs to be sent to both Districts reminding them they are within the City of Rockville boundaries.

Mayor and Council requested letters for grants from Sunflower Bakery and Montgomery History be circulated for review.

**15. Adjournment**

There being no further business, the meeting adjourned at 9:55 p.m.

|                  |   |
|------------------|---|
| <b>RESULT:</b>   | <b>APPROVED [UNANIMOUS]</b>   |
| <b>MOVER:</b>    | Adam Van Grack, Councilmember   |
| <b>SECONDER:</b> | Barry Jackson, Councilmember  |
| <b>IN FAVOR:</b> | Mayor Ashton, Councilmember Jackson, Councilmember Myles, Councilmember Shaw, Councilmember Valeri, Councilmember Van Grack |