

# FY 2026 Proposed Budget

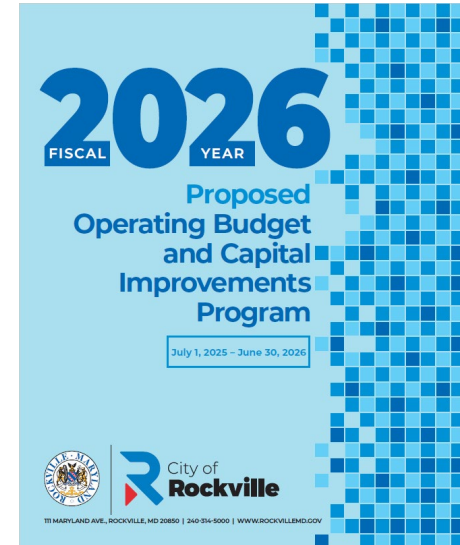
Worksession #3

CIP Overview, Debt Overview, Final Balancing

April 7, 2025

# FY 2026 Capital Improvements

- ✓ CIP Overview
- ✓ Capital Budget and Debt Overview
- ✓ Capital Projects by Program Area
- ✓ Final Balancing





# **CIP Overview**

# Capital Improvements Program

The **CIP** is a five-year capital investment plan which includes both recurring projects and discrete non-recurring projects

Projects are organized into five program areas:

- ▶ Recreation and Parks
- ▶ Transportation
- ▶ Stormwater Management
- ▶ Utilities
- ▶ General Government

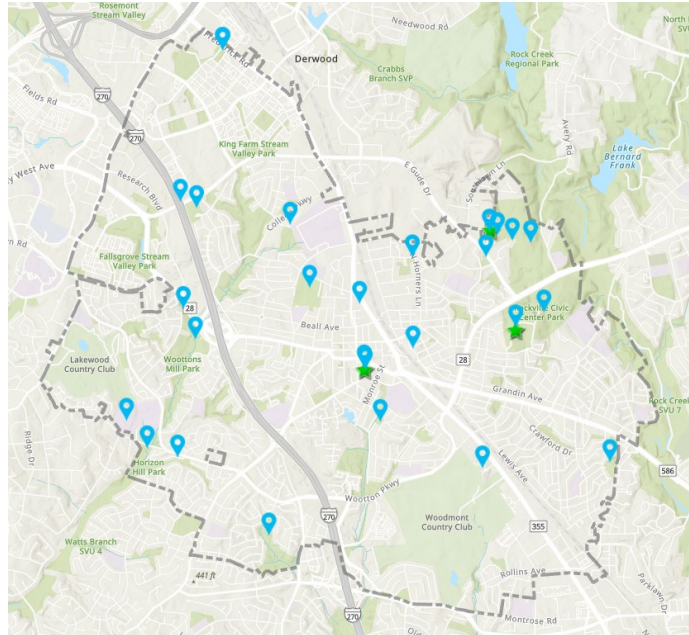
Each project sheet includes:

- ▶ Project description
- ▶ Project timeline and costs
- ▶ References to applicable plans/policies/priority areas
- ▶ Funding schedule with funding sources identified
- ▶ Operating cost impacts
- ▶ Project manager contact

# Capital Improvements Program

An interactive map of the discrete projects that are funded in the FY 2026 CIP can be found at

[www.rockvillemd.gov/FY26CIPprojects](http://www.rockvillemd.gov/FY26CIPprojects)



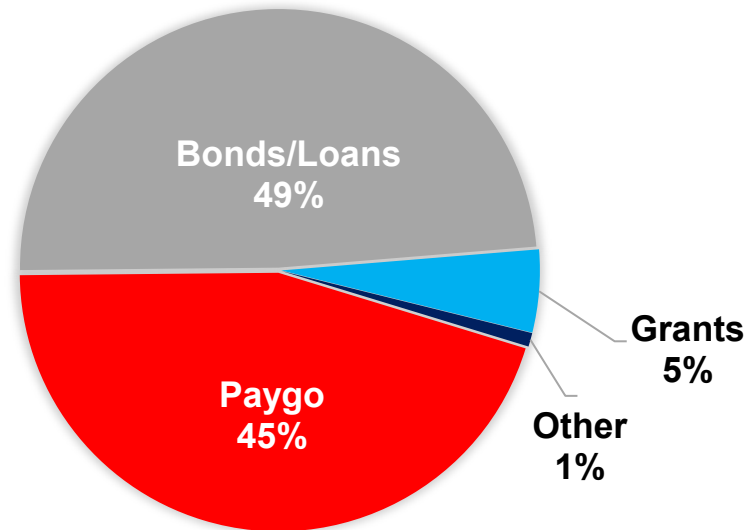
# CIP Funding Sources

The CIP reflects multiple [funding sources](#). The city seeks outside funding sources when possible to meet capital needs without affecting taxpayers and/or ratepayers.

## FY 2026 Proposed New Appropriations by Source

Funding sources include:

- ▶ Paygo funding
- ▶ Bond/Loan proceeds
- ▶ Grant funding
- ▶ Developer funding
- ▶ Other funding sources



# Debt Management

Rockville currently has a total of **\$24.3 million** in taxpayer supported debt and **\$86 million** in Enterprise Fund Debt. During FY 2026 the city will retire \$10.4 million in outstanding debt.

In addition to meeting infrastructure needs, the capital budget seeks to:

- ▶ Ensure adequate cash flows over the forecast period
- ▶ Maintain compliance with established debt ratios
- ▶ Keep outstanding debt at manageable levels

# Future Debt Issuance

The FY 2026 CIP includes new appropriations of \$16.5 million that will be included with future new bond funding (planned for FY 2027). Bonds will support multiple capital projects in the Water and Sewer Funds highlighted below:

- ▶ Blue Plans Wastewater Treatment (UA26)
- ▶ Lead and Copper Regulatory Compliance (UB26)
- ▶ Water Main Rehab & Improvements (UE26)\*
- ▶ Water Meter Replacement and AMI Implementation (UB21)
- ▶ Water Treatment Plant Projects (UA24/UB24/UB23)

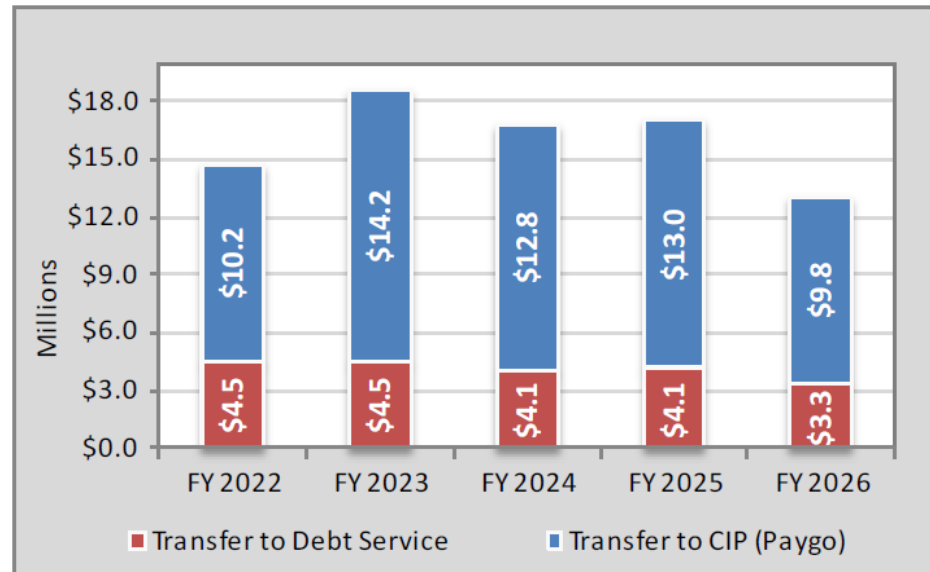



*\*Drinking Water State Revolving Fund (DWSRF) loans of \$2.4 million support this project*



# General Fund Transfers

The General Fund provides **paygo transfers** to the CIP and **debt service transfers** for taxpayers-supported debt. The FY 2025 budget proposes a \$9.8 million CIP transfer and a \$3.3 million debt service transfer.





# **FY 2026 CIP Budget**

# FY 2026 CIP Budget

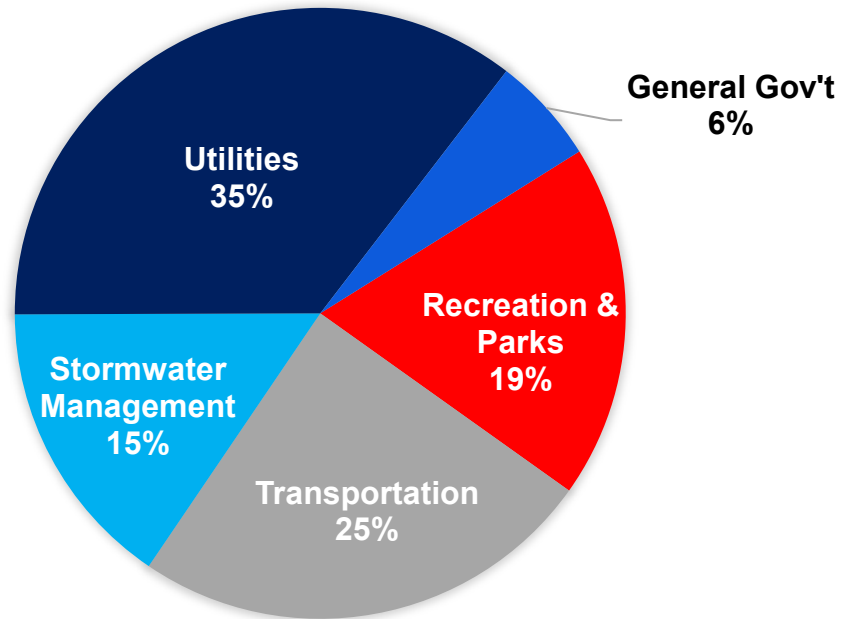
The FY 2026 proposed CIP includes **\$33.8 million of new appropriations** for capital projects across five program areas. The budget also includes \$94.7 million in carryover capital funding for total appropriations of \$128.5 million.

| Program Area         | Carryover Funding* | Add New Approps.  | Total FY 2026 Approps. |
|----------------------|--------------------|-------------------|------------------------|
| Recreation and Parks | 21,842,572         | 2,236,544         | 24,079,116             |
| Transportation       | 22,811,817         | 8,836,200         | 31,648,017             |
| SWM                  | 17,608,857         | 2,255,250         | 19,864,107             |
| Utilities            | 25,842,014         | 19,743,500        | 45,585,514             |
| General Government   | 6,617,336          | 682,500           | 7,299,836              |
| <b>Total (\$)</b>    | <b>94,722,596</b>  | <b>33,753,994</b> | <b>128,476,590</b>     |

*\*The carryover amount will be updated for the adopted budget ordinance to reflect expenses to date.*

# FY 2026 CIP Budget by Program Area

## FY 2026 CIP Funding by Program Area



The CIP budget supports new and current infrastructure, maintenance and safety improvements, and information technology improvements.

The total appropriations of **\$128.5 million** are allocated to the five program areas.

# Five Year Planned Appropriations

The proposed budget includes **\$33.8 million of new appropriations** for FY 2026 capital projects. The budget also forecasts future appropriations as shown in the table below. All future appropriations beyond FY 2026 are subject to Mayor and Council approval in the designated year.

| Program Area         | FY 2026           | FY 2027           | FY 2028           | FY 2029           | FY 2030           |
|----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Recreation and Parks | 2,236,544         | 3,055,680         | 2,535,000         | 4,765,000         | 2,415,000         |
| Transportation       | 8,836,200         | 12,533,000        | 9,399,000         | 9,128,000         | 10,023,290        |
| SWM                  | 2,255,250         | 3,085,000         | 3,640,000         | 4,795,875         | 3,455,365         |
| Utilities            | 19,743,500        | 11,140,000        | 16,989,500        | 17,154,500        | 15,211,500        |
| General Government   | 682,500           | -                 | -                 | -                 | -                 |
| <b>Total (\$)</b>    | <b>33,753,994</b> | <b>29,813,680</b> | <b>32,563,500</b> | <b>35,843,375</b> | <b>31,105,155</b> |

# Changes from the Proposed Budget

Staff recommend one capital project adjustment for the Core Financial, HR, & Procurement ERP Phase II (GA26) project. As shown in the schedule below, there is a shift of \$50,000 from FY 2027 (unfunded) to FY 2026. These changes are based on module implementation timing. The total project cost is unchanged.

**Project Funding:** This project is partially funded. The unfunded portion includes preliminary cost estimates for Human Resources benefits functionalities.

| Source                       | Prior | FY 2026        | FY 2027        | FY 2028 | FY 2029 | FY 2030 | Future | Total          |
|------------------------------|-------|----------------|----------------|---------|---------|---------|--------|----------------|
| Paygo (Cap)                  | -     | 582,500        | -              | -       | -       | -       | -      | 582,500        |
| <b>Total Funded (\$)</b>     | -     | <b>582,500</b> | -              | -       | -       | -       | -      | <b>582,500</b> |
| Unfunded (Cap)               | -     | -              | 351,800        | -       | -       | -       | -      | 351,800        |
| <b>Total w/Unfunded (\$)</b> | -     | <b>582,500</b> | <b>351,800</b> | -       | -       | -       | -      | <b>934,300</b> |



# **Capital Projects Highlights**

# R&P Projects – FY26 Highlights

The projects in the Recreation and Parks Program Area focus on acquiring, maintaining, and improving the quality, attractiveness, infrastructure, and usability of the city's parks, open spaces, forest areas, and rights-of-way, as well as constructing and maintaining all of the city's recreation facilities.

New Projects for FY 2026:

- ▶ Glenview Mansion Gardens Hardscape Preservation and Repairs (RB26)

Projects Closed for FY 2026:

- ▶ King Farm Farmstead Horse Barn (RA18)
- ▶ Promenade Park Elevator Replacement (RD21)





# R&P Projects – FY26 Budget



Recreation and Parks projects with new or carryover FY 2026 appropriations are listed in the table below.

| Project Title   | Unit      | Prior Carryover   | FY 2026 New Appropriations | Total FY 2026 Appropriations |
|---|-----------|-------------------|----------------------------|------------------------------|
| Asphalt/Concrete Improvements                           | RA21/RA26 | 68,987            | 595,000                    | 663,987                      |
| David Scull Park Improvements                           | RA19      | 801,354           | -                          | 801,354                      |
| F. Scott Fitzgerald Theatre ADA Improvements            | RA20      | 1,769,338         | -                          | 1,769,338                    |
| Glenview Mansion Gardens Hardscape Pres. and Repairs    | RB26      | -                 | 100,000                    | 100,000                      |
| King Farm Farmstead Electric Infrastructure             | RB23      | 1,071,469         | -                          | 1,071,469                    |
| King Farm Farmstead Fire Suppression                    | RB21      | 100,111           | -                          | 100,111                      |
| Lincoln Park Community Center Improvements              | RA22      | 1,669,819         | -                          | 1,669,819                    |
| Outdoor Recreation Pool Renovations                     | RC18      | 8,476,186         | -                          | 8,476,186                    |
| Pedestrian Bridge Replacement: Horizon Hill Park        | RB22      | 77,000            | 429,600                    | 506,600                      |
| Pedestrian Bridge Replacement: Woottons Mill Park       | RD23      | -                 | 130,000                    | 130,000                      |
| Playground Structure Replacement                        | RC21/RC26 | 886,889           | 350,000                    | 1,236,889                    |
| RedGate Park Master Plan Implementation                 | RE23      | 3,914,655         | 288,324                    | 4,202,979                    |
| Roofing Improvements                                    | RE21/RD26 | 2,676,014         | 343,620                    | 3,019,634                    |
| Twinbrook Comm. Center and Annex - Restrooms Renovation | RC24      | 330,750           | -                          | 330,750                      |
| <b>Total (\$)</b>                                       |           | <b>21,842,572</b> | <b>2,236,544</b>           | <b>24,079,116</b>            |

# Transportation Projects – FY26

## Highlights



The projects in the Transportation Program Area focus on providing safe and sustainable city streets, bridges, sidewalks, streetlights, traffic signals, and pedestrian and bicycle facilities in accordance with County, State, and federal standards; city transportation plans and policies; and the Vision Zero and Climate Action Plans.

New Projects for FY 2026:

- ▶ **Traffic Signal Upgrades (TF26)**

Projects Closed for FY 2026:

- ▶ **None**



# Transportation Projects – FY26 Budget



Transportation projects with new or carryover FY 2026 appropriations are listed in the table below.

| Project Title                       | Unit      | Prior Carryover   | FY 2026 New Appropriations | Total FY 2026 Appropriations |
|-------------------------------------|-----------|-------------------|----------------------------|------------------------------|
| Asphalt Repair & Replacement        | TA21/TA26 | 4,629,675         | 4,340,000                  | 8,969,675                    |
| Bridge Rehabilitation               | TB21/TB26 | 608,539           | 360,000                    | 968,539                      |
| Concrete Repair & Replacement       | TC21/TC26 | 1,704,964         | 3,160,000                  | 4,864,964                    |
| Hurley Avenue Bridge Replacement    | TE16      | 1,555,716         | -                          | 1,555,716                    |
| LED Streetlight Conversion          | TA22      | 2,688,265         | -                          | 2,688,265                    |
| Maryland Dawson Extended            | 5C11      | 4,721,815         | -                          | 4,721,815                    |
| Pedestrian and Bicycle Safety       | TD21/TD26 | 1,781,703         | 471,200                    | 2,252,903                    |
| Scott-Veirs Drive Shared-Use Path   | TA23      | 250,000           | 200,000                    | 450,000                      |
| Senior Center Entrance              | TA24      | 117,253           | -                          | 117,253                      |
| Sidewalks                           | TE21/TE26 | 2,157,492         | 200,000                    | 2,357,492                    |
| Stonestreet Corridor Improvements   | TA20      | 1,180,000         | -                          | 1,180,000                    |
| Traffic Signal Upgrades             | TF26      | -                 | 105,000                    | 105,000                      |
| Twinbrook Pedestrian/Bicycle Bridge | TC22      | 916,395           | -                          | 916,395                      |
| West Gude Drive Bridge Repair       | TA25      | 500,000           | -                          | 500,000                      |
| <b>Total (\$)</b>                   |           | <b>22,811,817</b> | <b>8,836,200</b>           | <b>31,648,017</b>            |

# Stormwater Projects – FY26 Highlights



The projects in the Stormwater Management Program Area focus on improving, creating, restoring, and maintaining the city stormwater management infrastructure including streams, stormwater treatment facilities, storm drain system, and flood conveyance system.

New Projects for FY 2026:

- ▶ None

Projects Closed for FY 2026:

- ▶ None



# Stormwater Projects – FY26 Budget

Stormwater Management projects with new or carryover FY 2026 appropriations are listed in the table below.

| Project Title   | Unit      | Prior Carryover   | FY 2026 New Appropriations | Total FY 2026 Appropriations |
|---|-----------|-------------------|----------------------------|------------------------------|
| Flood Resiliency Master Plan                            | SA23      | 2,007,342         | -                          | 2,007,342                    |
| Storm Drain Analysis and Spot Repair: Potomac Woods     | SB23      | 1,866,827         | 463,250                    | 2,330,077                    |
| Storm Drain Rehab & Improvement                         | SA21/SA26 | 887,878           | -                          | 887,878                      |
| Stream Restoration: Anderson Park/Plymouth Woods Comm.  | SA18      | 3,852,496         | -                          | 3,852,496                    |
| Stream Restoration: Croydon Creek/Calvin Park Tributary | SB16      | 5,358,319         | -                          | 5,358,319                    |
| Stream Restoration Spot Repairs                         | SB21/SB26 | 1,243,628         | 750,000                    | 1,993,628                    |
| SWM Facilities Improvement                              | SC21/SC26 | 2,392,367         | 1,042,000                  | 3,434,367                    |
| <b>Total (\$)</b>                                       |           | <b>17,608,857</b> | <b>2,255,250</b>           | <b>19,864,107</b>            |

# Utilities Projects – FY26 Highlights

The projects in the Utilities Program Area focus on rehabilitating, modifying, and building new infrastructure for sustainable and resilient city water and wastewater systems including the water distribution system, water meters, water tanks, Water Treatment Plant (WTP), wastewater collection system, and the Blue Plains Advanced Wastewater Treatment Plant (owned and operated by DC Water).

New Projects for FY 2026:

- ▶ Lead and Copper Regulatory Compliance (UB26)
- ▶ Water Distribution System Master Plan (UD26)

Projects Closed for FY 2026:

- ▶ SCADA Cybersecurity (UA23)
- ▶ Water Treatment Plan Electrical, Roof, and HVAC Upgrades (UA17)



# Utilities Projects – FY26 Budget

Utilities projects with new or carryover FY 2026 appropriations are listed in the table below.

| Project Title  | Unit      | Prior Carryover   | FY 2026 New Appropriations | Total FY 2026 Appropriations |
|--|-----------|-------------------|----------------------------|------------------------------|
| Blue Plains Wastewater Treatment                         | UA21/UA26 | 6,233,922         | 5,275,000                  | 11,508,922                   |
| Lead and Copper Regulatory Compliance                    | UB26      | -                 | 1,100,000                  | 1,100,000                    |
| SCADA Improvements                                       | UE16      | 500,000           | -                          | 500,000                      |
| Sewer Rehab & Improvement                                | UC21/UC26 | 2,947,172         | 1,533,000                  | 4,480,172                    |
| Water Main Rehab & Improvement                           | UD21/UE26 | 9,776,187         | 3,220,500                  | 12,996,687                   |
| Water Meter Replacement and AMI Implementation           | UB21      | 3,717,631         | 1,475,000                  | 5,192,631                    |
| WTP Facility Master Plan and Water Regulatory Compliance | UA24      | 287,038           | 260,000                    | 547,038                      |
| Water Treatment Plant Safety Improvements                | UB19      | 1,935,382         | -                          | 1,935,382                    |
| Water Treatment Plant Security                           | UB24      | -                 | 880,000                    | 880,000                      |
| Water Treatment Plant Sludge Dewatering Replacement      | UB23      | 444,682           | 6,000,000                  | 6,444,682                    |
| <b>Total (\$)</b>  |           | <b>25,842,014</b> | <b>19,743,500</b>          | <b>45,585,514</b>            |

# General Gov't Projects – FY26 Highlights



The projects in the General Government Program Area focus on planning, designing, constructing, and rehabilitating city facilities (with the exception of the recreation facilities), and improving the city information and communication systems. Included are projects that do not clearly fit into one of the other program areas of the CIP.

New Projects for FY 2026:

- ▶ Core Financial, HR, & Procurement ERP  
Phase II (GA26)
- ▶ Rothgeb Drive Maintenance Facility  
Improvements (GB26)

Projects Closed for FY 2026:

- ▶ None





# General Gov't Projects – FY26 Budget

General Government projects with new or carryover FY 2026 appropriations are listed in the table below.

| Project Title  | Unit | Prior Carryover  | FY 2026 New Appropriations | Total FY 2026 Appropriations |
|--|------|------------------|----------------------------|------------------------------|
| Core Financial, HR, & Procurement ERP                        | GA21 | 424,454          | -                          | 424,454                      |
| Core Financial, HR, & Procurement ERP Phase II               | GA26 | -                | 532,500                    | 532,500                      |
| Data Center and Disaster Recovery Infrastructure Replacement | GB21 | 140,066          | -                          | 140,066                      |
| Electric Vehicle Infrastructure                              | GA23 | 1,128,468        | -                          | 1,128,468                    |
| Gude Yard Recycle Transfer Enclosure                         | GC19 | 741,022          | -                          | 741,022                      |
| Maintenance and Emergency Operations Facility Improvements   | GD19 | 4,183,326        | -                          | 4,183,326                    |
| Rothgeb Drive Maintenance Facility Improvements              | GB26 | -                | 150,000                    | 150,000                      |
| <b>Total (\$)</b>  |      | <b>6,617,336</b> | <b>682,500</b>             | <b>7,299,836</b>             |



# **Final Balancing Exercise**