Bowie Budget in Brief

July 1, 2012 - June 30, 2013

Activity	Highlights of Adopted Budget
Revenues and Other Changes	• City real property tax rate remains unchanged at $0.40 per $100 of assessed value and business personal property tax rate remains unchanged at $1.00 per $100 of assessed value. • County tax rate increased by $.001 due to the tax differential program. • State Highway User Revenue was decreased by $221,700. • Federal Community Development Block Grant decreased by $32,000.
Public Safety	• Hire two new officers, bringing the total number of sworn police officers to 57. • Purchase two new police vehicles and replace seven police vehicles ($402,300). • Conduct Incident Command System training classes for 50 City supervisors and employees. • Continue support for Bowie Volunteer Fire Department ($139,000), and $35,100 for future replacement of fire apparatus.
General Government	• Implementation of Renewable Energy Technologies (i.e. photovoltaic, solar thermal, etc.) at City facilities ($50,000).
Community Services	• Roof replacement ($269,300) at Senior Center. • Support for the Tall Oaks High School “Glad You’re Here Program” ($1,000) and the Youth Services Bureau “Community Prevention Network” program ($7,000).
Recreation	• Reserve one-half of the cost to replace the refrigeration system and dasher boards at the Ice Arena ($368,800). • Replace driveway, windows and doors ($325,400) at the Belair Mansion. • Replace bleachers ($25,600) at Gymnasium. • Installation of remote lighting system at Allen Pond Park ($20,900).
Planning and Economic Development	• $50,000 in continued support for business incubator. • Complete Adnell Woods and Ashleigh annexations. • Complete the Urban Greening study and adopt an Urban Tree Canopy goal.
Public Works	• $1,500,000 for street resurfacing. • Enhancements to public stormwater management facilities ($160,000). • Replacement of fuel pumps and operating software at Public Works ($56,000). • HVAC replacement at Public Work’s Main Facility ($12,000). • Road widening at Kenhill Drive and Route 197 (58,700).
Water and Sewer	• Water rate increased $.31 and sewer rate increased $.44 per thousand gallons. • Improvements to the Water and Wastewater Treatment Plants total $481,100 and funded by water and sewer revenues.

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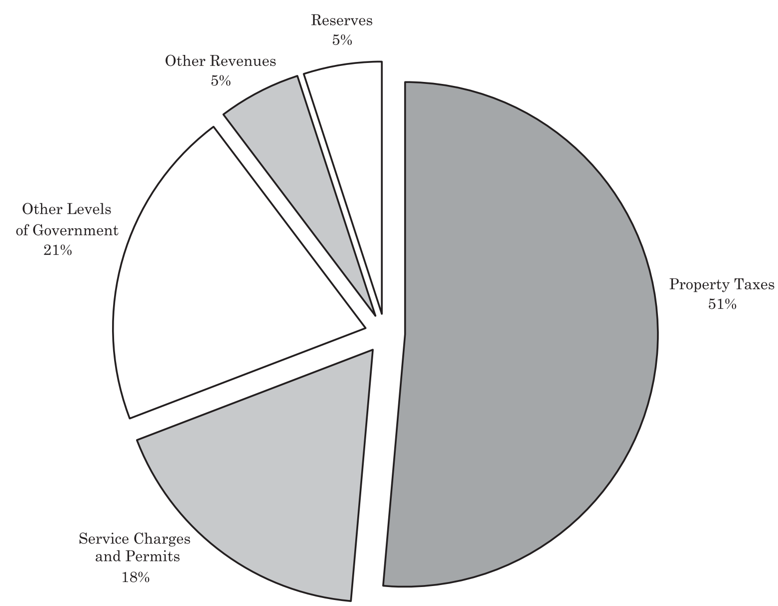
The Big Picture

For the period July 1, 2012 through June 30, 2013, City Council authorized $53,118,900 in total spending from all funds. This number includes some amounts that are simply transferred from one fund to another. Governments use fund accounting to keep different types of revenue and expenditures separate from each other.

Excluding transfers, the total is $49,287,500 compared to last year's total of $53,090,500. The $3.803 million decrease reflects a reduction in the cost of capital projects scheduled for FY 2013 as compared to the previous year.

Where the Dollars Come From



Property Taxes include both real property tax and business personal property tax. City Council sets the tax rates each year as part of the budget process, while the State Department of Assessments and Taxation determines the value of property to be taxed. This year's real property tax rate remained at $.40 per $100 of assessed value and the business personal property tax rate remained at $1.00 per $100 of assessed value.

The majority of revenue from **Other Levels of Government** consists of the City's share of State income and motor vehicle taxes. It also includes State grants for youth services and police protection, federal grants for urban development, County rebate of part of the landfill fees paid by the City, and many other smaller amounts. It also includes capital grants such as the State Program Open Space allocation.

Service Charges and Permits include such items as building permits, park use fees, and ice arena revenues. However, the majority of this revenue refers to water and sewer charges. These charges are paid only by customers of the City of Bowie Water and Sewer System and are used only for costs of operating and maintaining that system. This year's water rates increased from $3.10 to $3.41 per thousand gallons, and the sewer surcharge increased from $4.44 to $4.88 per thousand gallons.

Other Revenues include interest earnings, rents, donations, sales of recyclable materials, the CATV franchise fee, and other miscellaneous items not classified elsewhere.

Reserves being used to provide funding for the current budget have accumulated over all years of the City's existence, when revenues have exceeded expenditures. In any year, a surplus can occur from unexpected windfall revenues; from a level of expenditures less than budgeted, such as when projects are canceled or delayed; or from funds that have been reserved for a special purpose.

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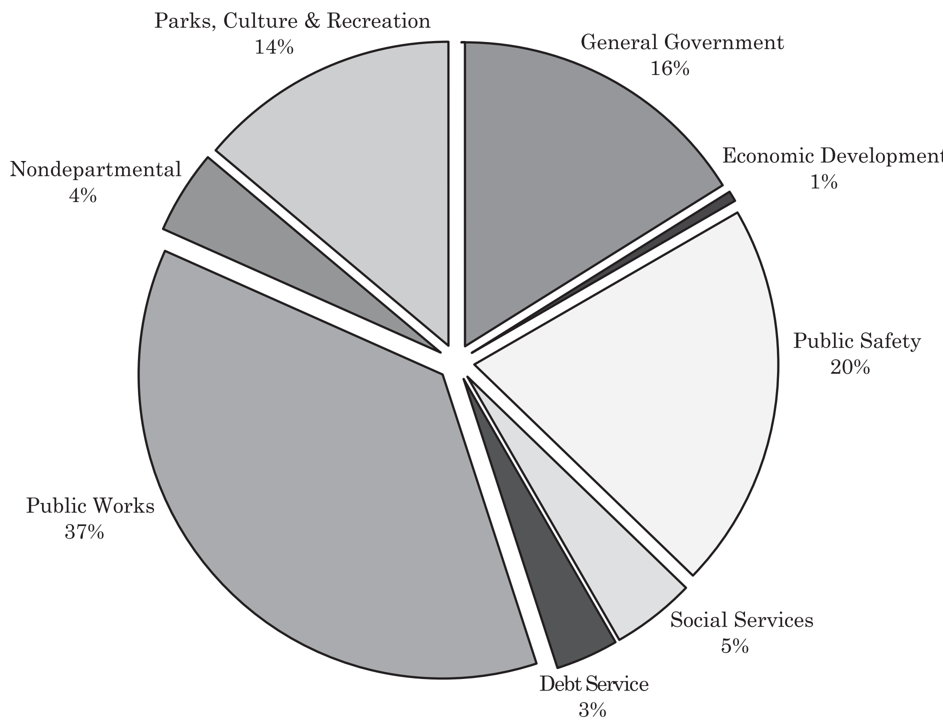
Where the Dollars are Spent



General Government includes those functions that relate to the overall business of government: City Council, City Clerk, elections, legal services, public information, planning, etc. It includes administrative functions such as human resources, finance, information technology, maintenance and security of public buildings and grounds.

Economic Development involves efforts to improve the City's business climate. **Public Safety** includes police services, municipal code compliance, animal control, and support for the Bowie Volunteer Fire Department. **Social Services** include both the Senior Center and the Youth Services Bureau.

Public Works includes trash collection and disposal, street maintenance and snow removal, storm water control and maintenance of vehicles and mobile equipment for all City departments. It also includes the Water and Wastewater Plants, which serve users of the City of Bowie Water and Sewer System, and are funded only by water and sewer service charges.

Parks, Culture and Recreation includes the City's parks, ball fields and recreational buildings such as the Ice Arena, Bowie Playhouse, and Gymnasium. It also includes coordination of City celebrations and special events, planning and scheduling of recreational offerings, restoration of historic buildings, operation of all City museums, as well as a contribution to support operations at the Bowie Center for the Performing Arts.

The term **"Nondepartmental"** refers to those annual costs that benefit all other City functions. Such items as liability and property insurance and allowances for unexpected contingencies are budgeted under this description, rather than being allocated among the operating departments.

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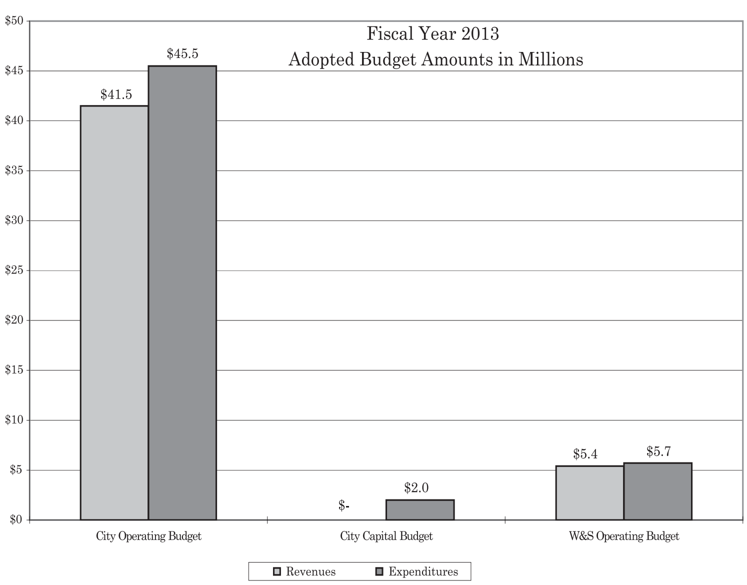
The Budget Process

During the period of January through mid-April 2012, the City Manager and staff prepared the FY2013 Proposed Budget, taking into account various master plans, Council policy statements, long-term studies, user group requests, volunteer committee recommendations, and staff observations in the field.

Council held five budget worksessions and two public hearings during April and May. The FY2013 Adopted Budget Ordinance and the companion Capital Improvements Program Resolution were passed on May 21, 2012. The budget is effective for the period July 1, 2012 through June 30, 2013.

Operating Budget vs. Capital Budget



Note: Differences between expenditures and revenues are to be funded using reserves accumulated in prior years.

The Operating Budget covers day-to-day delivery of City services. It provides for the hours worked by City employees, contract services by non-employees, supplies, minor equipment and other operating costs. In the graph, it also includes the cost of vehicles, other operating equipment and annual debt service requirements.

The Capital Budget is for the improvement, construction or purchase of major City assets such as buildings, parks, roads or trails. The City uses a six-year Capital Improvements Program (CIP) to prioritize and plan for these major projects. The current year's portion of the CIP amounts to $1,979,900.

Operating Budget Detail

Staffing - The approved budget provides for 355.3 full-time equivalent positions (FTEs). One FTE is equal to one or more employees working a total of 2,080 hours (or 1,950 hours, depending on the job classification) The work hours are budgeted in the General Fund (324.6 FTE) or the Water and Sewer Fund (30.7 FTE).

Types of Expenditures - The General Fund is the largest and most important fund, because it accounts for the delivery of basic municipal services and receives all general-purpose City revenues. General Fund budget expenditures are summarized here by object of expenditure.

Object	Amount	Percent
Salaries & Benefits	$24,403,100	58%
Contractual Services	9,621,600	22%
Commodities	3,135,100	7%
Other Charges	987,100	2%
Capital Outlay	168,000	0%
Debt Service	1,306,100	3%
Transfers	3,535,800	8%
Total	$43,156,800	100%

Budget Document

The City's detailed Budget is available online at the City's website, *www.cityofbowie.org*.