

The average tax rate for municipalities in Prince George's County is 57.46/\$100. The following table shows the current rates of all municipalities in Prince George's County:

Real Property Tax Rates (Per \$100 of Assessed Value)

Prince George's County Municipalities

1	Upper Marlboro	0.2400
2	College Park	0.3250
3	Glenarden	0.3579
4	Capitol Heights	0.3920
5	Bowie	0.4000
6	Brentwood	0.4150
7	North Brentwood	0.4400
8	Fairmount Heights	0.4600
9	Eagle Harbor	0.4727
10	Cheverly	0.5100
11	Landover Hills	0.5200
12	Berwyn Heights	0.5300
13	Forest Heights	0.5473
14	Cottage City	0.5702
15	Edmonston	0.5748
16	Seat Pleasant	0.5800
17	University Park	0.5830
18	Hyattsville	0.6300
19	Riverdale Park	0.6540
20	New Carrollton	0.6652
21	Laurel	0.7100
22	Bladensburg	0.7400
23	Morningside	0.7800
24	District Heights	0.8000
25	Mt. Rainier	0.8100
26	Greenbelt	0.8275
27	Colmar Manor	0.9784
	Average rate	0.5746

Staffing

Providing municipal services is a labor-intensive endeavor. Personnel costs are \$11.75 million for FY2021, 64% of departmental expenditures, a 1.6% decrease compared to FY2020.

The decrease is due to the net effect of increases for cost of living adjustments, merit increases, adding 1.5 FTEs and certain position reclassifications combined with decreases in healthcare costs and payouts for Tier 2 sick leave that were completed in FY2020.

Capital & Debt Service

FY2020 capital expenditure requests total \$18.57 million, with the General Fund providing \$2.05 million of that total and the remainder coming from State funds/grants, developer contributions and other sources.

The largest capital expenditure is for the construction of the new City Hall. In the October 2019 the old City Hall was vacated in preparation of demolition. The new City Hall will be built on the existing site. City administrative offices have been temporarily relocated to 8400 Baltimore Ave. until completion of the new building.

The majority of the City's portion of the costs are being financed by sale of the 2019 GO Public Improvement Bonds in October 2019, which provided \$12.5 million for new City Hall and \$5 million for Duvall Field renovations and improvements. The City also has \$5.6 million set aside since 2012 (CIP Project #041003). Some of those funds have been used to purchase the Baltimore Ave. frontage property that will be part of the site and cover other preliminary costs such as relocation, planning and design.

Besides the \$16.37 million 2019 GO Public Improvement Bonds, other City long-term debt includes the 2015 Parking Garage Bond, (balance of \$5.56 million) and a \$300,000 Community Legacy loan. Debt service of \$560,000 on the Garage Bond and \$150,000 for the Community Legacy loan will be paid from available reserves of the Debt Service Fund. The debt service for the 2019 GO Bond of \$900,700 will be funded by a transfer from the General Fund to the Debt Service Fund.

Budget Calendar

(All meetings at Davis Hall, 9217 51st Ave)

March 28, 8am-5pm – Budget Worksession

And March 31 at 7:30 pm if needed

April 28 – Budget Ordinance introduced

May 12 – Public Hearings on the Budget & Constant Yield Tax Rate, if needed

May 19 – Budget Worksession, if needed

May 26 – Adoption of Budget Ordinance

City of College Park Maryland

Fiscal Year

July 1, 2020 – June 30, 2021

(FY2021)

Proposed Budget Summary



THE PROPOSED FY2021 BUDGET

This brochure provides a brief overview of the City of College Park's FY2021 Proposed Budget. For more detailed information please refer to the FY2021 Proposed Budget document on the City's website: <http://www.collegeparkmd.gov> or obtain a copy from the Finance Department at City Hall.

The overall approach in preparing the proposed budget was developed with the following guidelines:

- Limit expenditures to prior year levels or minimal, inflationary increases.
- No new staff unless justified. The proposed budget includes only 1.5 additional FTEs.
- Seek expenditure reductions wherever possible.
- Pursue alternative revenue sources.
- Seek enhancements to existing programs and new ways to deliver quality, efficient services.

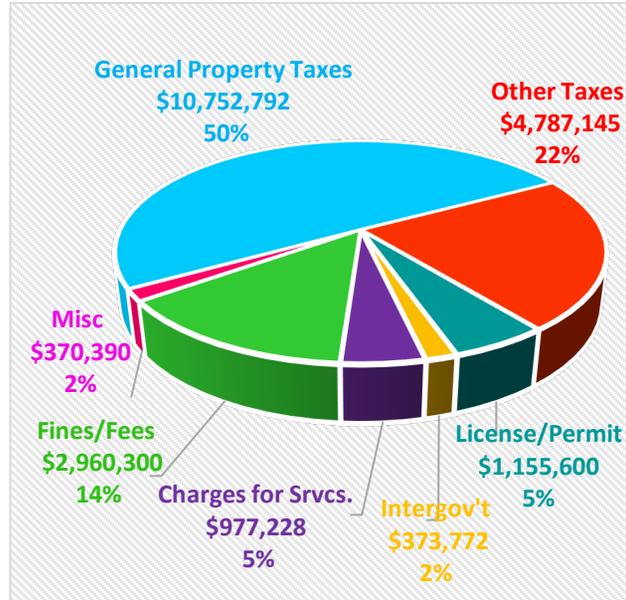
General Fund

The total proposed FY2021 General Fund budget is \$21,377,277 (excluding proposed transfer of excess fund balance to the CIP). This is an increase of \$489,000 or 2.3% over the FY2020 budget. The increase is associated with \$900,000 in debt service on the new 2019 GO Bonds (for City Hall and Duvall Field), offset by a decrease of \$439,000 in departmental expenditures.

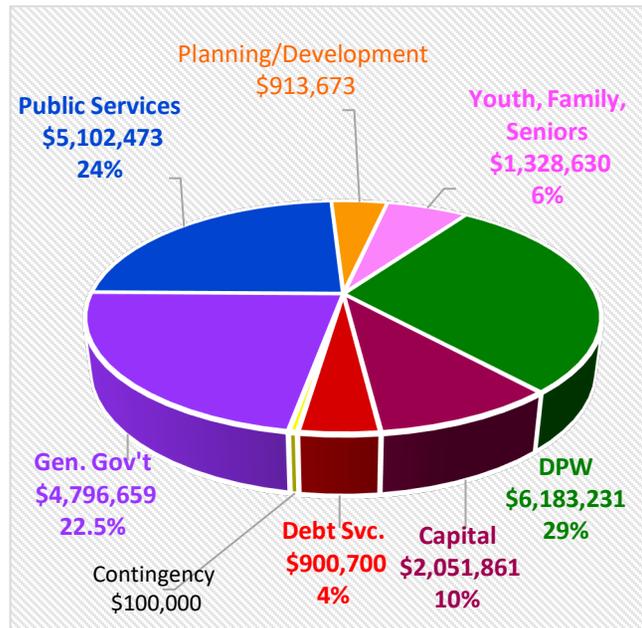
The decreases in proposed departmental expenditures are attributable to a number of expense reductions in FY2021. Many of these reductions were from non-routine costs included in the FY2020 budget (such as a 5-year Strategic Plan; Election costs; Inspection/Permitting Feasibility Study; and Laserfiche costs) which are not required in FY2021 and a reduction in healthcare costs for FY2021. Proposed increases in salaries and wages for FY2021 for the most part were offset by the reduction of Tier 2 sick leave payouts that were completed in FY2020.

The following graphs summarize the sources and uses of funds in the proposed budget:

FY 2021 funding sources:



FY2020 Expenditures, transfers & contingency:



The General Fund, by City Code, has a retention goal of 25% of the next year's expenditures of unassigned fund balance. Based on current projections the FY2020 unassigned fund balance will increase to 39% of FY2021 proposed expenditures, exceeding the retention goal.

The FY2021 budget proposes a transfer of the excess of unassigned fund balance in excess of the 25% retention requirement, calculated at \$1.9 million. This number will change when final numbers are known for FY2020, so the proposal recommends waiting to calculate the actual amount of the transfer after the completion of the FY2020 audit. The transfer would not exceed the \$1.9 million in the proposed budget but could be less. The transfer is not proposed to be used for capital in FY2021 but to be available in future years when needed.

Property taxes

General Property Tax is the largest single source of revenue for the City – 50% of total revenue.

The State calculates a "Constant Yield Tax Rate" ("CYTR") for every taxing authority in Maryland. That CYTR represents the Real Property Tax Rate for the next tax year (FY2021) that will generate the same amount of revenue that was generated during the current tax year (FY2020). Typically, as assessments increase, the CYTR decreases. If the City sets a rate higher than the CYTR, even if it is the same rate as the prior year, it must be advertised with a public hearing.

For FY2021, the City's CYTR is \$0.3148 per \$100 of assessed value (31.48 cents). The FY2021 proposed budget presents a balanced budget with a tax rate of \$0.325 (32.5 cents), the current property tax rate. Due to large capital projects such as City Hall, Duvall Field, Hollywood Streetscape, College Park Woods community meeting space, Complete Streets and sidewalk development, and a dog park, a decrease in the tax rate to the constant yield rate is not recommended.