

**Urban Road Maintenance District Budget Committee FY 2023-24 Questions and Answers**

Number	Topic	Question	Answer
1	General	The proposed budgeted expenditures for FY 2023-24 exceed proposed budgeted revenues. Such a trend cannot continue indefinitely. What is staff doing to address this differential?	<p>Particularly in budget funds with capital expenditures, budgeted expenditures may exceed assumed revenues in any given year due to the variable timing of project design and construction. Incoming revenues may build up over time and then be spent down quickly when projects are ready to construct. That is the case with URMD this year as several pedestrian improvement projects will move into construction in the upcoming budget year. In other words, a higher rate of spending relative to revenues in the proposed FY 2023-24 budget is planned.</p> <p>As noted by LUT Operations and Maintenance Division Manager Todd Watkins during the Budget Committee meeting, we are closely watching the growing maintenance needs of the district and the rate of revenue growth. Street maintenance is the primary responsibility of the district and will take priority over construction of pedestrian improvements when funding is constrained. We anticipate that the amount of funding dedicated to pedestrian improvement projects will need to be reduced in the future as maintenance needs and costs increase and accumulated fund balance decreases and approaches the target minimum fund balance. (This targeted minimum fund balance varies each year, but is based on the amount needed to cover planned expenditures for the 4.5 months between the start of the fiscal year on July 1 and the receipt of property tax revenues in mid-November). Also please refer to the URMD Trends and Initiatives on page 32 of the Budget Summary book... here is an excerpt: “During FY 2023-24, Department of Land Use &amp; Transportation staff who</p>

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			administer URMD will be assessing future estimated URMD revenues, maintenance needs, and estimated maintenance costs to help evaluate the program’s financial capacity to continue funding pedestrian and biking improvements in the future.”
2	General	Please explain several year-over-year increases in the proposed FY 2023-24 URMD budget for professional services, repair and maintenance services and permits, licenses and fees.	<p>The proposed increases and their rationale are as follows:</p> <p>Professional Services: \$1.7 million increase driven by design and construction of pedestrian and biking improvement projects.</p> <p>Repair &amp; Maintenance Services: \$750,000 increase driven by the alternating year of pavement overlay vs. slurry seal; overlay is significantly more expensive than slurry seal.</p> <p>Permits, Licenses and Fees: \$97,000 increase forecasted for permits and public works fees payable for various URMD projects.</p>