

**Village of Martin's Additions
Council Meeting
7013 B Brookville Road, Chevy Chase, MD 20815
Minutes for December 12, 2011**

COUNCIL MEMBERS AND VILLAGE REPRESENTATIVES PRESENT: Council Members: Chris Mueller, Jill Filipezyk, and Mike Zielinski. Village Manager: Jean Sperling. Attorney: Ron Bolt.

RESIDENTS PRESENT: Keith Allen, Bill Catherwood, Hanne and Frank Correl, Steve Schmal, Rick Michel, Tiffany Cissna

7:30 PM Call to Order: Vice-Chairman Christopher Mueller

RESIDENTS' CONCERNS AND CONTRIBUTIONS:

Councilmember Mueller noted that residents Frank Correl, Ted Stoddard and Noell Sottile replied positively to Council Chairman Richard Krajeck's request for them to serve on the Village of Martin's Additions Election and Ethics Committee for the FY 2012 Election. Frank Correl was present to verify that he and the other residents mentioned have agreed to serve.

Motion to Accept the Appointments to the Election and Ethics Committee for 2012 was made by Councilman Zielinski; 2nd Filipezyk; Vote: All in favor.

FY 2012 AUDIT PRESENTATION: Mr. Joseph McCathern, LSWG

Mr. McCathern presented the Audit of the financial statements of the Village of Martin's Additions for the Fiscal Year ending June 30, 2011 to the Village Council. He reported that the basic financial statements of the Village have been prepared in conformity with generally accepted accounting principles. They found the Village to be in good financial condition with a fund balance increased by 15% over the year. Net assets represent approximately 290% of annual expenditures as of June 2011, up from 175%. Total general fund assets are \$1,313,525 generally consisting of cash and conservative investments.

A summary of the report is provided below:

Qualitative Aspects of Accounting Practices: No new accounting policies were adopted over the year and the application of existing policies was not changed. The auditors noted no transactions entered into by the Village of Martin's Additions for which there is a lack of authoritative guidance or consensus.

Audit Adjustments: No significant audit adjustments were proposed by LSWG in connection with the audit. None of the adjustments LSWG proposed indicate matters that could have a significant effect on the Village of Martin's Additions financial reporting process.

Disagreements with Management: No disagreements with management arose during the course of the audit.

Comparison of Budget to Actual: General Fund Revenues came in almost \$70,000 (\$69,922 actual) above anticipated revenues, or 14% over the amount budgeted for the year. Expenditures came in slightly more than \$40,000 under budget, or 9% under budget, for a total of \$110,231 of actual differences.

New Fund Balance Statements Required

New definitions issued by the Governmental Accounting Standards Board (GASB) during 2011 were designed to identify the different types of fund balances that a governmental entity must use for financial reporting purposes. Many local governments that were experiencing difficulties balancing their budgets tried to use a portion of fund balances that were not available because they were reserved or designated for certain purposes. This led to the development of new definitions.

The VMA Fund Balances in these categories are as follows:

1. **Non-spendable (pre-paid expenses):** The Village's balance in this category of pre-paid expenses is \$1,767.
2. **Restricted:** Amounts in this category can be spent only for specific purposes stipulated in legislation. The Village currently has no restricted fund balance.
3. **Committed** resources are constrained by limitations the government imposes on itself. These funds may be redeployed for other purposes using appropriate due process. The Village's FY 2012 budget includes a commitment of \$312,168 from the June 30, 2011 fund balance.
4. **Assigned:** Amounts in this category are constrained by intent to be used for a specific purpose, but they are neither restricted nor committed. The Village has assigned \$600,000 of fund balance for use on street improvements.
5. **Unassigned:** A residual classification that includes all spendable amounts not contained in other categories.

Budget Variances:

Revenues: The largest over-budget amount in the category of revenues was in income tax from the state of Maryland which generated almost \$54,000 more than had been projected. Other

revenues above projections include about \$2,500 in Property tax revenues, \$4,800 in licenses and permits, \$3,500 from Code Infractions and slightly more than \$5,000 from all other accounts.

Expenses: Expenses in the category of General Government were lower than budgeted amounts by almost \$14,000. This reduction was realized in planned office and equipment improvements, printing and mailing processes, upkeep of the Village survey and Building and Permitting expenses. Public works expenses were under-budget in the area of intersection re-builds, lower street lighting bills, tree maintenance, and snow removal costs. Working with Waste Management to alter the service in the area of monthly heavy trash and reduced yard waste collection reduced these expenses by close to \$3,000.

Comparison to Prior Year:

From Year 2010 to 2011 total expenditures dropped from \$650,493 to \$425,951, a decrease of \$224,542. Largest reductions were seen in legal expenses (almost \$8,000), printing and mailing (\$7,000) Public Works (\$37,000), and waste collection (almost \$28,000). The cancellation of the Police Services Contract by Chevy Chase Village reduced budgeted spending by \$50,000 and a much milder winter and changes in snow shoveling policies reduced snow removal costs by almost \$78,000.

No unusual problems were encountered in performing the audit and the Village staff was very cooperative.

ACTION ON 2011 AUDIT:

Motion to Accept Audit: Filipczyk; 2nd Zielinski; Vote: All in favor

PUBLIC COMMENT: RESOLUTION 10-11-1: PERMISSABLE EXPENDITURES AND DONATIONS

Public comment was again being taken on Ordinance 10-11-1 to amend the Village code to clarify expenditures of Village funds and prohibit donations to public, private and charitable organizations.

The Village Council introduced the following ordinance in public session assembled on the 20th day of October, 2011; and after proper notice to the public, the Village Council considered the following ordinance in public session assembled on the 12th of December 2011. Based on the record of the hearing, the Village Council finds that municipal funds should not be used to support non-Village public or private charitable institutions, organizations, or other entities, or public or private institutions, programs, or facilities, especially those that are publicly-funded by Montgomery County and/or the State of Maryland;

NOW, THEREFORE, the Village Council of Village of Martin's Additions does hereby adopt the following ordinance.

AN ORDINANCE TO AMEND CHAPTER 2 OF THE CODE OF ORDINANCES OF THE VILLAGE OF MARTIN'S ADDITIONS TO CLARIFY PERMISSIBLE EXPENDITURES AND PROHIBIT THE DONATION OF VILLAGE FUNDS TO PUBLIC AND PRIVATE INSTITUTIONS AND CHARITABLE ORGANIZATIONS.

BE IT ORDAINED AND ORDERED, this 12th day of December, 2011, by the Village Council, acting under and by virtue of the authority given it by Article 23A of the Maryland Code and the Charter of the Village of Martin's Additions, that Chapter 2 of the Code of Ordinances is hereby amended as follows:

CHAPTER 2: GOVERNMENT ADMINISTRATION

Section 2-401 Expenditures

- (a) The Village Council may expend municipal funds for any public purpose, including but not limited to the following:
- (1) Village sponsored celebrations;
 - (2) Membership in the Maryland Municipal League and other organizations relating to the business of the Village;
 - (3) Attendance of Village officials and employees at conferences, meetings, and seminars on matters relating to the business of the Village;
 - (4) Beautification of public places within the Village;
 - (5) Purchase of books, periodicals, and other publications relating to the business of the Village;
 - (6) Office equipment and supplies; or

- (7) Except as otherwise expressly prohibited herein, any other purpose deemed to be public and to affect the safety, health, and general welfare of the Village and its occupants.
- (b) No expenditure may be made unless funds therefore have been properly appropriated. Funds not appropriated at the time of the annual levy shall not be expended, nor shall any funds appropriated be expended for any purpose other than that for which appropriated, except by a two-thirds vote of all members of the Village Council.
- (c) Notwithstanding anything to the contrary herein, no municipal funds may be expended for donations or contributions to public or private institutions, programs, facilities, or charities, whether or not such entities benefit the Village and/or its residents.
- (d) Nothing in this section shall preclude the Village Council from encouraging Village residents to support institutions, programs, facilities, charities, or other entities that benefit Village residents or from facilitating the work of such entities, for example, by mentioning them in the Village Newsletter or allowing the use of the Village office for meetings and functions. This Ordinance shall take effect on the 26th day of December, 2011.

MOTION TO ADOPT: ZIELINSKI; 2ND FILIPCZYK

Discussion: Council member Zielinski noted that the issue of making donations to public and private institutions with taxpayer monies had been a controversial one and he wished to add remarks for the record.

The law was originally adopted in 1999 and was an off-shoot of a donation campaign to Chevy Chase Elementary (CCE). No Council action was taken in January 1999 on a request to make a contribution to CCE although there were comments and letters submitted both pro and con, on the issue. More disparate comments occurred in February 1999 as the debate heated up. In response to objections that the Village had no guidelines for making such donations, the Chair identified some, which he intended to formally offer at the March 1999 meeting. One factor offered on the pro side was that the Village's Reserves of \$800,000 at the time were almost three times its annual budget, and it was taking in over \$46,000 in interest per year and there was no mechanism for rebating revenues to residents.

At the July 1999 Council meeting a motion to print a petition that had been submitted in opposition to the donation, signed by 82 Village residents, including numerous past Council members and Chairs, was passed, and the petition appeared in the August 1999 Newsletter. The issue apparently was not raised again before the Council. The Chairman, who had been a prime supporter of the donation, left the Council in July 1999 and the new Council did not initiate any action on the divisive issue. Zielinski believes that the current action of the Village Council reflects the thought that it was a bad idea then and it is a bad idea now—the Village does not want to get into the charitable donations business—it will open a door that can't be closed. There was no further discussion.

Councilman Mueller called for a **VOTE: ALL IN FAVOR.**

BUILDING ADMINISTRATOR'S REPORT-BEAL

Bond Return in Process

7315 Delfield: Trees replacement cost \$950; amount deducted from bond and balance returned.

Construction Completed:

7404 Summit Ave: Construction completed; still awaiting final patch from Washington Gas;

New Permit Requests/ Pending:

3412 Bradley Lane: New ROW Permit issued for deposit of materials. Bond and fee secured.

7318 Delfield Street- (demo and new) Permits in process with the County. Martin's Additions received and reviewed plans and has sent them back to the architect because they exceeded height limits. Revised plans have been received and reviewed. Awaiting full applications and all fees.

7315 Delfield Street- Garage and addition. Plans received. Final site plan needed, No Fees received; In process with the County.

Ongoing Projects:

3412 Bradley Lane: Deck and fence.

3518 Bradley Lane: Garage demo and re-build; county permit received; VMA notice provided; Fees received VMA permit issued.

3503 Bradley Lane: new home construction continues; no complaints. Request has been placed for an estimate for a sidewalk extension from in front of 3503 to the corner of Melville and Bradley. At the last meeting we discussed getting a price from the contractor for 3503 because it's got to be cheaper than bringing it in separately.

3401 Thornapple Street: (Variance) Construction continues; no issues.

3502 Cummings Lane: The renovation project is almost complete. Fence permit had been granted but no fence has yet been erected.

Other projects supported by Mid-Atlantic:

- Assistance with Rat Problems on Raymond, Taylor and Delfield
- Analysis of data to assist with side-of-the-street parking restrictions for Snow emergency
- Assistance with Customer relations Management Software
- Initiation of documentation for Village Survey update
- Identifying parking sign adjustments as a consequence of PEPCO poles.
- Monitoring of leaves raked in streets
- Parking restrictions for moving vans
- Documentation of tree planting/Miss Utility Markings on Chestnut Street

FEE STRUCTURE PROPOSAL: CONTINUING DISCUSSION

Councilman Mueller presented background information on the discussion of permit fees in the Village. The Council concluded some time ago that building permit fees were not properly aligned with the effort required to manage those projects and directed Mid-Atlantic Inspections (MAI) to explore alternatives to the current fee structure and definitions.

Current Practice: Currently, building permits are issued for square footage changes to a structure that expands the 3-dimensional boundaries of a home. Presently there are two fee levels: a fee of \$250 for additions of less than 500 square or a fee of \$500 for additions or more than 500 square feet. The challenge is with larger size, multi-tiered projects where renovations can be of a scale virtually the same as new construction but require a disproportionately smaller fee. Gutting the inside of a home but not expanding the footprint still results in a high impact on the neighbors, as well as significant staff time in the office and the field, but the present fee structure does not capture that. MAI recommends three changes to the current fee schedule.

1. Clarification of Floor Area Definition: There is some confusion in the permit application and in the code about how the existing fees are to be applied. MAI recommends we clarify that the permit fees are based upon the total floor area being added to the house, not just the footprint of the addition. This is MAI's understanding of how the current fee should be assessed now, but clarifying the wording in the fee schedule would ensure that all parties have the same understanding from the outset.

2. Fees to be proportional to size, rather than a single threshold: Currently, fees are based on whether the proposed modification creates additional floor area that is greater than or less than a threshold of 500 square feet. MAI's recommendation is that the Council considers changing the fees to a dollar per sq foot of additional floor area, with a minimum fee of \$250 and a maximum fee of \$4,000. This recommendation will help capture changes that have an impact on the Village's costs. The county does not ask for this calculation, but working with the builders and architects it should not be difficult for builders to provide this information to the Village.

3. Replacement of Exterior Wall as a Measure of Construction Impact and Basis for Fees: In cases where a significant renovation adds little or no additional footprint to a home, the amount of exterior wall that is replaced is a measure of changes in the character of a building and the impact on the community and, as such, can be used for fee calculations. MAI recommends that a \$10 per linear foot exterior wall replacement fee be levied to capture the cost of this impact. MAI recommends excluding the first 15 linear feet of wall changes so that more modest, reasonable and simple cosmetic changes to exterior walls, such as the construction of a bay window, would be unaffected by this proposal. The purpose of this proposal is to more accurately reflect the impact of large exterior renovations that are not otherwise captured by the fees based on additional square footage.

Approach of Other Towns: Councilmember Mueller inquired what other municipalities do. Building Administrator Beal explained that many have more tiers to their fees structures and many towns are not yet addressing it as an issue, either because it hasn't caused concern or because the municipality has chosen to support the cost of supervision and management of the building projects from the general coffers of the town. Chevy Chase View is about double our minimum fees, so they are already in a higher position; MAI anticipates that they may move to a more tiered permit fee structure and have the same discussion as Martin's Additions in the near future. Chevy Chase Village is more closely aligned with the Town of Chevy Chase in its support of project supervision costs.

Next Steps: Councilmember Zielinski expressed the opinion that this plan looked quite reasonable. He inquired about what the next steps might be and Attorney Bolt remarked that a resolution was needed to amend the fee schedule.

Council Consensus: The Council instructed Attorney Bolt to begin working on a resolution for a more formal introduction to implement this new fee structure.

FINANCIAL MATTERS: Report for the Month of November, 2011

For the month of November, income was about \$250,000, of which about \$244,000 was a rebate of State income tax revenues. This was an unexpectedly high amount for this time of the year. In a report just received today from the State of Maryland, Office of the State Comptroller, they seem as surprised as we are about the increased revenues. In their letter, the State says the increase does indicate that there is employment and income growth within the State. Further, they see an increase in withholding, particularly for those earning more than a \$1 million annually, which also bodes well for the State collecting increased revenues from taxes of which a portion from Village residents is rebated to VMA. In a graph showing adjustments and rebates to incorporated villages within Montgomery County, it appears that VMA received a better than an average rebate per household when compared to similar nearby villages.

This one month increase, and the State's explanation of what this potentially means in the longer term, does give us some confidence that long-delayed capital improvement projects may be undertaken such as sidewalk replacement and repairs and, most importantly, addressing the street lighting within the Village which the Council has identified as a priority. We will continue to closely monitor future income tax rebate distributions. Expenses for the month were about \$23,200. Year-to-date totals, thanks to this month's high income level, have revenues in excess of expenses by about \$30,000.

MOTION TO ADOPT ALL FINANCIAL REPORTS: Zielinski; 2nd Filipczyk. Vote: All in favor

ACTION ON MINUTES OF OCTOBER 20, 2011:

Motion to Adopt: Filipczyk; 2nd Zielinski; Vote: all in Favor

DISCUSSION OF SNOW EMERGENCY ROUTE DESIGNATIONS: Manager

Manager Sperling initiated a discussion about changes in parking configurations to improve the safety and effectiveness of clearing the roads after snow storms. Our narrow streets and parking patterns often present a challenge to making the best use of removal equipment and thus assuring that we receive the excellent service we desire. During heavy storms our contractor experiences significant difficulties finding space to put the snow because cars are parked on both sides of our streets. In the past, residents have been encouraged to park in driveways to get their vehicles off the street. The results have been largely unsuccessful. Other towns have designated one-side of the street snow emergency parking routes to address this issue. The Village has tried this on a voluntary basis with little success.

Sperling is recommending that the Council consider taking a more formal approach to parking in snow emergencies. She examined the street configurations, looking at the availability of off-street parking, street width and street length. As a general rule about one house per street does not have a driveway. Discussions with the contractor about how he likes to plow the streets added a bit more information and assured that we didn't create an un-executable plan. The east side of these streets has been selected after a careful look at factors that might make one side a better non-parking side such as the number of driveways or homes. No analysis is perfect and the Village will monitor any unique difficulties that develop from this decision.

Sperling recommends that the plan be implemented on all streets that allow parking on both sides except for Melville Place because of the need of residents at the dead end of Raymond Street to get their cars completely out of the dead end of Raymond.

Implementation of the plan would include notice in the newsletter and posting of temporary, seasonal signs on the street, like the Town of Chevy Chase. The Town doesn't rely on declaration of snow emergency because it becomes difficult to know when the declaration was made. They have set it up so that when it's going to snow, residents get their cars off the street. VMA would take a similar approach.

Council Comments:- The Council liked the idea and felt it provides additional safety and service. They agreed that the plan is certainly worth trying.

Action: Attorney Bolt noted that an emergency regulation will have to be passed in order to have this in place in time to address any snow storms. The Village Charter requires a regulation be treated like an ordinance—they have to be introduced at a meeting, cannot be adopted for 30 days and then are not effective for 20 days. An emergency regulation is effective immediately, and is in effect for 60 days. Bolt proposed that an emergency regulation be adopted and a permanent resolution be considered at the January meeting. Both the emergency and the permanent resolution must be introduced at the same time.

Public Comments Solicited: Questions were raised about enforcing such regulations. Councilman Zielinski noted that the resolution simply authorizes the Manager to erect temporary no parking signs. A lot of these questions will be answered down the road. There will be further discussion at the next meeting.

Resolution to Designate Snow Routes as designated in Resolution: 12-11-1 (emergency)

Motion to Adopt as Amended: Filipczyk; 2nd Zielinski, Vote all in Favor

Permanent Resolution to Designate Snow Routes: 12-11-2

Motion to introduce as Amended: Filipczyk; 2nd Zielinski, Vote: All in Favor

MANAGER'S REPORT-SPERLING

Sustainable Community Resolution 12-13: Resolution from the County Authorizing Martin's Additions as a Sustainable Community by the Maryland Department of Housing and Community Development. Allows us to apply for grant funding directed at sustaining the community without having to go through all the work we would be able to join the County band wagon.

Move to adopt the Resolution 12-11-3 designating Martin's Additions as a Sustainable Community: Zielinski; 2nd Filipczyk; Vote: All in Favor.

Street and/Or Utility Services:

WSSC Oxford Street Waterline project: Request has been made to WSSC to improve the patch at this location.

WSSC Engineering for Chevy Chase phase #5. Raymond Bradley and Melville to be added to project. Reviewed plans with the EBA Engineers in

PEPCO Pole Replacement/ wiring Project-continues-Shepherd and Brookville

Trees:

- The Village completed a **major tree replacement program, 27 new trees**, with a 28th tree scheduled for planting in the spring. Concentrated in the north end of Martin's Additions. Shepherd Street, Cummings and Quincy also.
- Village to **feed the next round of trees** that were planted in the period between 2008 and the present that remain under 6 " in diameter. These trees will be given a time-release food that will continue to nourish them for some time. The Village is down to about only **110 trees** that are less than 6" in diameter--many are newer additions to our tree inventory over the recent years. **New Village trees** won't be fed for another year.
- **Larger trees** should be **considered for a feeding in the spring** or late winter if the budget will allow.
- Trees that have been planted within the last 2-3 years received their **last watering** and all tree bags have been removed.
- Throughout this planting project we have encountered difficulties with the concept of ROW in several instances, and planting on the ROW—despite our attempts to inform people about the ROW, our tree planting program and what is recommended for the area in front of their homes. I believe it is just evidence that we must continue to stress the importance of our planting program and the ROW.
- A very long list of trees needing pruning and broken and damaged limbs removed will be tended to beginning in late December and through January.

Traffic:

Concern expressed again about traffic on Taylor Street. Not going to take action now—did put in a larger sign.

Maintenance and Services

Streets and ROW's were cleaned 12/1 and 12/2. **Sand Cans** out at the direction of Mr. Peyton who is now handling this for us.

Rat Problems: on Taylor and Turner—several houses on both streets. WSSC to do another smoke test 12/13 on Raymond Because rats are showing up in the toilets. County Health department contacted as well as WSSC.

Sidewalk Shoveling: Letter went out about shoveling Brookville Road to the residents. Also residents with corner lots have gotten an additional "reminder. Letter is going to go out to vacant homes/realtors also.

Community Activities and Issues

Operation Treat our Troops is continuing because of the generous donations that Robin Michel has been able to acquire s through her relationship with Sears Holding Co.

Holiday Fund Letter was sent and donations are coming in well.

Hal Bruno, a long time resident of Martins' Additions and Fire Board representative passed away recently. **Bill Lebovich of Summit Avenue has agreed to serve on the Fire Board** in his place.

Administrative Work/ Broader Issues

- Sperling attended a luncheon with fellow managers with the County's Chief Administrative Officer, Tim Firestine, to review issues of concern such as revenue sharing formulas, preliminary thoughts about the FY 2013 Budget Development and a brief presentation by Chris Voss the County's head of Office of Emergency Management.
- Meeting with the CC Land Company and representatives of the CCAC to discuss further changes in the plans for **Chevy Chase Lake**. Most are still pushing for less density.
- Semi-Annual projected debt survey submitted to the Maryland State Treasurer's Office via email 12/5/2011

9:15 PM **Adjournment**