

Village of Martin's Additions
7013 B Brookville Road, Chevy Chase, MD 20815
Minutes of Budget Meeting
March 29, 2012

COUNCIL MEMBERS AND VILLAGE REPRESENTATIVES PRESENT: Council Members: Richard Krajeck, Jill Filipczyk, Arthur Alexander and Mike Zielinski. Village Manager: Jean Sperling. Assistant Manager: Deb Schmal. Attorney: Ron Bolt.

RESIDENTS PRESENT: Tiffany Cissna, Frank Correl, Steve Schmal

7:30 PM Call to Order: Krajeck

DISCUSSION OF PROJECTED FY 2013 REVENUES

Frank Correl (*Turner Lane*) suggested that the budget document be altered to provide a simpler presentation of the budget. The Council agreed with his suggestions. He also asked for explanation of the assumptions related to income tax receipts project for FY 2013. Alexander explained that the current year's income tax receipts have come in higher than originally projected and that the Council felt it important to keep receipts at the same level next year because of the uncertainty surrounding projected income and whether the bit of a "windfall" we received this year will be repeated next year.

Steve Schmal (*Summit Ave*) remarked that cable franchise fees seemed to be running behind what would be expected at this time.

No additional comments on revenues were made.

INTRODUCTION OF FY2013 TAX RATE RESOLUTION

Chairman Krajeck read the following resolution related to setting the tax rate for FY 2013. All tax rates remain unchanged with the exception of the property tax which is set at the constant yield rate.

Resolution No.: 3-12-1

Introduced: March 29, 2012

Adopted:

SUBJECT: A RESOLUTION TO APPROVE LEVYING A TAX ON CERTAIN REAL AND PERSONAL PROPERTY UNDER THE PROVISIONS OF SECTION 6 203 OF THE TAX PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AS AMENDED

RESOLVED: That the Village Council of the Village of Martin's Additions, pursuant to the authority granted by the Village Charter and Section 6 203 of the Tax Property Article of the Annotated Code of Maryland, hereby levies a tax at the rate of four and sixty-six hundredths of a cent (\$.0466) per One Hundred Dollars of assessable value (fair market value) on real property subject to taxation by the Village; fifty cents (\$.50) per One Hundred Dollars of assessed value of assessable personal property subject to taxation by the Village; one dollar and forty-five cents (\$1.45) per One Hundred Dollars of assessed value of assessable utility property subject to taxation by the Village; and ten cents (\$.10) per One Hundred Dollars of assessed value of assessable commercial property subject to taxation, in the Village of Martin's Additions;

Motion to introduce the FY 2013 Tax Rate Resolution 3-12-1: Councilmember Filipczyk; 2nd Zielinski; Vote: All in favor.

DISCUSSION OF FY 2013 EXPENDITURES

Krajeck reviewed projected operating expenses for FY 2013 at the category level, noting that general operating expenses are down, salaries & benefits are up a little, professional services are up, reflecting increased accounting and audit costs. Alexander added that Code Enforcement services have grown but that new construction costs are to be partially offset by higher permit fees. Street repairs are projected at the current year's level; snow removal is episodic and unpredictable and will be set at the original amount that had been planned for the FY 2012 budget. We anticipate that waste collection will have a modest increase while expenses for leaf bags are higher as we have depleted our excess supply. The tree planting budget has been reduced, since there is not much additional

planting room and \$5,000 should be sufficient to plant a few additional trees. The Village has planted about 28 new trees recently. Sperling added that WSSC expects to remove a few trees as a result of their work, but they will plant new trees where they remove old ones.

Noting plans for the Capital Budget, Krajeck remarked that the Council has put aside money for street and sidewalk repairs and new street lights. Replacing street lights has been at the top of the Council's priority list, but the Council felt that income stabilization was needed before any action could be taken as well as improved confidence in street lighting technology. The Council projects a surplus in the current year's budget of about \$115,000, and \$100,000 next year.

FLOOR OPEN TO COMMENTS ON EXPENDITURES:

Operating Budget:

Frank Correl asked Treasurer Alexander how long has it been since the Village has had a deficit and how much was it.

Council Reply: Alexander replied that he believed it was the year before he was elected and the draw down from reserves was about \$280,000 that fiscal year; that draw down has not been repeated. He added that 2012 spending is 24% below 2010 spending and 35% below the peak year spending of 2008, reflecting very stringent expenditure controls and deferred spending choices.

Correl: Remarked that during his time on the Council they generally budgeted so that revenues and expenditures were more closely aligned than the budget presented here. The Village's favorable revenue position is not mirrored in the county—they are wringing their hands over how to squeeze more money out of everything. He believes that it behooves the Village to budget carefully, but not to overlook some things that are known issues and things that haven't been done for the very reasons of diminished revenues. He urged the Council to be a bit more liberal in the way budget operating expenses are allocated this budget year as well as FY 2013 and the fund designations in the capital budget.

Council reply: Zielinski asked if the Village needs additional money budgeted this year for streets and sidewalks. Manager Sperling remarked that she would welcome additional monies in this budget category, especially so that the identified sidewalk repairs can all be fixed in this fiscal year.

Councilman Alexander made a motion to amend the 2012 budget in the category of street and sidewalk repairs, adding \$20,000 for a total of \$40,000 in the budget category 5324; 2nd Zielinski, Vote: All in favor. The council was in agreement that the FY2013 Budget should be increased by a similar amount in this budget category.

Capital Budget:

Council members discussed the priority of new street lighting; Sperling reported that lighting consultant, Scott Watson, felt the Village could be confident that designating half a million for this project would not be out of line. The Council agreed that the designation for street lighting should be increased to \$500,000. The council talked about the possibility of putting in new lights in dimly lit areas as we wait for confirmation of technology improvements, but new lights cost almost \$3,000 to install on an existing pole. There was brief discussion about putting lights into some of the worst places—understanding that it is a short term solution that could result in duplicate expenses.

The Council also agreed to increase the designated funds for Streets and Sidewalks to \$300,000 in FY 2013 budget

There were no more comments on the operating or capital budget.

INTRODUCTION OF FY2013 BUDGET RESOLUTION. The resolution in part, reads as follows

Resolution No.: 3-12-2

Introduced: March 29, 2012

Adopted:

SUBJECT: A RESOLUTION TO APPROVE THE BUDGET FOR FISCAL YEAR 2012-2013

...WHEREAS, after introducing the proposed budget at its meeting on March 29, 2012, the Village Council has given notice to Village residents that the proposed budget would be considered at the Council meeting on May 3, 2012; and

WHEREAS, prior to adopting this resolution, the Village Council held a public meeting on May 3, 2012 to adopt tax rates for the forthcoming fiscal year and by Resolution No. 3-12-1 adopted the tax rates for the fiscal year July 1, 2012 through June 30, 2013;

Motion to introduce the FY 2013 Budget Resolution 3-12-2: Filipczyk, 2nd Zielinski; Vote: All in favor

ACTION ON MANAGER'S CONTRACT

Manager Sperling has accepted her contract for the new contract term beginning April 1, 2012 through March 31, 2013. The document was signed by Sperling, Filipczyk (Secretary), and Krajeck (Chairman).

MINUTES of MARCH 15, 2012

A motion to accept the minutes of the Council meeting of March 15, 2012 was made by Zielinski; 2nd Alexander; Vote: All in favor.

ADJOURNMENT: 8:45 PM