

**Minutes from the Budget Committee Meeting
Friday, February 3, 2012 at 6:00 p.m.**

1. Minutes of the 1/17 meeting were approved following extended discussion of implications of the WSSC water pipe renewal program. The points noted under #2. below were advanced in this discussion:

2. Street re-paving following WSSC water main work:

- the decision as to whether WSSC should proceed with its standard program to restore streets disturbed by its water main work or whether the Village should assume this responsibility with payment from WSSC is an important one which should be brought before the Board next fall.

- WSSC water main replacements will be concluded next August. However there will be some time delay before WSSC has completed its testing and can, along with the Village, determine the particulars of its re-paving obligation and the amount it would be willing to pay over to the Village were the Village to assume responsibility for the work.

- WSSC will as necessary reconstruct and re-pave the full disturbed traffic lane of those streets that it has determined to be in good condition but will only fill and pave the roughly 2' wide trench in the case of streets that it determines would have required reconstruction even in the absence of the WSSC work. Mr. Younes indicated that only two of the 27 blocks within which WSSC will be working appear likely to fall into the latter category.

- the Village will have options to take on responsibility for all, none or just portions of the restoration work. If the Village takes responsibility, it will enter into an agreement that will stipulate the payment amount, which is to be paid in full by WSSC upon CCV/WSSC sign-offs on the agreement.

- the Committee discussed how this uncertain situation might best be reflected in the budget. The consensus was to show expenditures which might be undertaken with WSSC financing, along with the associated income, as a separate line in the Capital and Special Projects listing - also showing a line for the roughly \$100K on-going street paving program.

3. Tree programs. Ms. Davis-Cook indicated that she had added 15K to the \$7.5K previously indicated for FY 2013 tree purchases - enough to buy 90 trees at \$250 ea. with half to be planted in the fall and half the following spring. Mr. Denger on behalf of the Tree Committee has estimated that some 180 trees will be needed on Village ROW, parks and buffer by June '14 in order if we are maximize opportunities to restore the Village canopy.

4. Differentiation of "above" and "below the line" expenditures. Following discussion it was concluded that the format and terminology used in FY 2012 and reflected in the 2013 Manager's proposal was appropriate, although there are some variances between what is included in the CIP and what will later be shown as "capital" vs. "operating" expense in the Village's audited financial statements.

5. Income tax receipts. It now appears that FY 2012 receipts may top \$1.9 million, with a special \$59K payment just received (without supporting detail as yet as to why). An analysis of CCV calendar 2010 Md. net taxable incomes also has just been received with indicates total NTI of \$329 million, up \$9 million from the November report. Of this amount \$172 million (52.6% of the total) was generated by 78 taxpayers with NTIs in excess of \$1 million. The incomes of this bracket of taxpayers has varied enormously from year to year whereas the incomes of those reporting less than \$1 million has held relatively constant at between \$141 and \$156 million.

Data was also distributed extracted from an extensive state report showing incomes by taxing jurisdiction and other details. A quick review exposed a large, inexplicable discrepancy between the number of returns identified as "Chevy Chase" (Town of ??) vs. the number of residences in the Town and the reported number of returns vs. households for Chevy Chase Village. Ms. Davis-Cook was asked to inquire of the state Comptroller's Office what might be the source of this discrepancy and whether

perhaps what we understand to be an annual of to associate tax jurisdiction by street may fail fully to identify returns that should be credited to Chevy Chase Village vs. "Chevy Chase."

If 2011 NTIs come in at the same level as 2010 the Village should realize more than the \$1750K current estimate but less than the \$1.9+million that appears likely this year. This is because the unexpected jump in 2009 to 2010 incomes caused a large "reconciliation payment in Oct. '11 which will not reoccur next year.

Mr. Lawrence suggested that in addition to its 'best guess" estimate, the materials for the Board Work Session include the range within which income tax revenues might be expected to fall with a 80% probability.

6. Safe Speed. Updated information was provided regarding citations issued and payments received. The latter data do not differentiate between payments in response to first notices, second notices, registration holds, or ACS' contract collection program though some deductions re the several revenue sources may be drawn from other reports.

Ms. Sanders provided an analysis of trends in citations issued, concluding that the "learning curve" may result in revenue from this source falling to approximately \$1,680K this year (and less next). Factors contributing to lower revenues additionally may include construction on Conn. Ave. (last Nov. and planned for next and Aug.)and increased congestion during rush hours. Conversely, the new cameras to be installed later this month may operate with greater efficiency and legislation may possibly be adopted to authorize ticketing rental and leased cars.

In the first 7 months of this year revenues reached \$1,060K or \$151K per month. The Manager's current estimate of \$1,850 assumes revenue will continue at roughly this level for the remainder of the year.

Chief Fitzgerald reported on the effort to collect long overdue accounts. He will be obtaining details from ACS as to the outcome of the collection efforts to date that can be shared later with the Committee.

The Chief was asked to make a special report to the Board at its upcoming meeting on the collection program and to advance his recommendation as to policies which should guide its implementation during the coming year.

7. Next meetings: a follow-on meeting to complete the agenda planned for this evening has been scheduled for 6:00 pm. Monday 2/6. A final meeting to wrap up the Committee's attention to the FY 2013 budget was scheduled for 6:00 pm Wed., March 14.