

Chevy Chase Village Board of Managers
February 24, 2020
Special Meeting - Budget Work Session

Note: These minutes reflect the Board's actions only, and do not include remarks made by members of the Board of Managers, Village Staff or others in attendance. For more information regarding the proposed budget, please refer to the Village Manager's Budget Memo, dated February 20, 2020.

BOARD OF MANAGERS

Elissa A. Leonard, Chair	Present
Robert C. Goodwin, Jr., Vice Chair	Present
David L. Winstead, Secretary	Present
Richard M. Ruda, Assistant Secretary	Present
Gary Crockett, Treasurer	Present
Nancy Watters, Assistant Treasurer	Present
Linda J. Willard, Board Member	Present

STAFF

Shana R. Davis-Cook, Village Manager	Present
John Fitzgerald, Chief of Police	Present
Demetri Protos, Finance Director	Present
Ellen Sands, Municipal Operations Coordinator	Present
Jerry Lesesne, Director of Public Works	Present

Ms. Elissa A Leonard, Chair of the Chevy Chase Village Board of Managers, called the meeting to order at 7:30 p.m. Ms. Davis-Cook explained that this work session was called to review and discuss the Village Manager's first draft of the FY2021 operating and capital budgets. The draft budget and all supporting materials had been circulated in advance of the meeting to the members of the Financial Review Committee and posted on the Village's website.

The Board and staff reviewed and discussed the following areas of the first draft of the FY2021 operating and capital budget:

PROCESS

1. The FY2021 budget review and adoption process, including future scheduling. The Board will invite the public's comments on the draft budget during Public Hearings at the Board's regular meetings on Monday, March 9, 2020 and Monday, April 13, 2020. The final proposed budget will be scheduled for adoption by the Board during the Village's Annual Meeting on Monday, April 20, 2020. The March and April issues of the *Crier* will include notices regarding the FY2021 operating and capital budget schedule and adoption process and the April issue will feature an explanatory memorandum regarding the proposed budget from the Board Treasurer Mr. Gary Crockett.

REVENUES & FINANCIAL POSITION

2. The Village's current financial position is positive.
3. Income tax revenue for FY2020 exceeded the budgeted amount by \$1.4 million. Mr. Crockett explained that this income tax level can be expected to continue through FY2021, therefore, the FY2021 budget revenue for income tax has been raised from \$2.2 million (FY2020 approved budget estimate) to \$3.0 million per the advice of the Board Treasurer.
4. Due to an approximate \$3.4 million increase in the assessable property base, the draft budget reflects maintaining the constant yield tax rate for real property, which would lower the rate to \$0.0787 per \$100 of assessed value to yield \$893,144 in revenue. The budget also anticipates maintaining the personal property tax rate at \$0.66 per \$100 assessed value for a yield of \$95,000. The Board discussed whether it would be appropriate to reduce the tax rate for real property and determined that given income tax revenue uncertainty in the next couple years, a continued decrease in revenue generated by the *SafeSpeed* Program, and potential costs associated with the Municipal Storm Drain Capital Project, all of which are likely to impact Village reserve levels, the rate should be maintained in FY2021.
5. Village reserves are projected to be \$11,580,700 at the end of the current fiscal year (June 30, 2020) and the proposed FY2021 budget projects reserves to be reduced to \$10,863,933 due to higher forecasted capital expenses.
6. The Village Manager's budget projected revenues to the general fund totaling \$4,630,337 which includes *SafeSpeed* Program revenue totaling \$700,005.
7. The projected operating and capital expenses total \$5,972,109; resulting in a projected surplus in the amount of \$152,733 (operating only, excluding capital expenses) and a draw on reserves of \$641,767 in total (including all personnel, operations and capital improvement program expenditures).
8. The Board did not direct any changes to the Revenue projections.

EXPENSES

9. General Operating Budget
 - Approved as drafted.
 - Ms. Davis-Cook advised that personnel compensation would be adjusted prior to the March 9, 2020 Public Hearing pursuant to the Bureau of Labor Statistics' release of its consumer price index for urban wage earners for calendar year 2019, which is used by the Village to set the cost of living adjustment for all employees.
 - The Board approved a proposed increase in starting salary and revised pay scale for sworn officers. Additionally, the Board approved a 4% of salary single-time payout to three sworn officers who will have maxed out on the current pay scale effective July 1, 2020. This payout reflects that these three individuals had reached maximum compensation over a 15-year period vs. the 10-year period under the new pay scale that will go into effect on July 1, 2020.
10. Capital Improvements Program (CIP) Budget; Special Projects:
 - No changes proposed.

Adjournment

Mr. Crockett moved to adjourn the special meeting of the Board of Managers. Mr. Winstead seconded the motion. Ms. Leonard, Mr. Goodwin, Mr. Crockett, Ms. Watters, Mr. Winstead, Mr. Ruda and Ms. Willard voted in favor of the motion. The motion passed. The special meeting adjourned at 9:30 p.m.

Attested by: Shana Davis-Cook, Village Manager

FINAL.