

# Chevy Chase Village Board of Managers

## February 25, 2019

### *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 21, 2019.*

#### **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
Minh Le, Assistant Treasurer	Present
Nancy Watters, Board Member	Absent

#### **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
Simone Kolnik, Administrative & Constituent Services Assistant	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 FY2020 operating and capital budgets. The Board reviewed and discussed the following areas of the first draft of the FY2020 operating and capital budget:

#### **PROCESS**

1. The FY2020 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 11, 2019 and Monday, April 8, 2019. The final proposed budget will be scheduled for adoption by the Board during the Village's Annual Meeting on Monday, April 15, 2019. The March and April issues of the *Crier* will include notices regarding the FY2020 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 FY2019 exceeded the budgeted amount by \$1.22 million, however, it is not anticipated that this is a reflection of a new ongoing position. Rather, the Village expects the impacts of the Wynne case and the potential for a hold back reconciliation from the State to level income tax receipts in FY2020. Therefore, the FY2019 budget revenue for income tax was held in the draft FY2020 budget at \$2.2 million per the advice of the Board Treasurer.
4. The draft budget reflects maintaining the constant yield tax rate for real property, which would lower the rate to \$0.0804 per \$100 of assessed value to yield \$888,148 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.
5. Village reserves are projected to be \$9,985,057 at the end of the current fiscal year (June 30, 2019) and the proposed FY2020 budget projects reserves to total \$9,497,665 at the fiscal year's conclusion.
6. The draft budget projected revenues to the general fund totaling \$5,692,112 which includes *SafeSpeed* Program revenue totaling \$825,005.
7. The projected operating and capital expenses total \$5,047,45; resulting in a projected draw on reserves in the amount of \$85,039 (operating only, excluding capital expenses) and a draw on reserves of \$476,539 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
  - No changes proposed.
  - The Board expressed that they want an increased use of compostable and recyclable materials at all Village events. Ms. Davis-Cook will review the event numbers to ensure we can support these efforts since these materials tend to be more expensive.
  - Ms. Davis-Cook advised that personnel compensation would be adjusted prior to the March 11, 2019 Public Hearing pursuant to the Bureau of Labor Statistics' release of its consumer price index for urban wage earners for calendar year 2018, which is used by the Village to set the cost of living adjustment for all employees.
  - Ms. Davis-Cook explained that research and discussions into changing phone service providers was ongoing. It was not anticipated that the change would require a capital allocation for new phone infrastructure, however, the service costs would likely increase as a result of improved reliability. Nonetheless, the budgeted numbers across all departments had not been changed to account for this increase because there is insufficient known information at this time.
10. Capital Improvements Program (CIP) Budget; Special Projects:
  - No changes proposed.
  - The Board supported the Chief's recommendation to purchase higher cost hybrid police cruisers.
  - The Board asked the Public Works Department to identify and evaluate brick sidewalk locations that can be leveled to achieve a more consistent grade, which

typically occurs in areas near mature tree roots. This would include locations that aren't strictly classified as "trip hazards", but could be improved by creating a more consistent and level surface.

**Adjournment**

The work session adjourned by unanimous consent at 9:01 p.m.

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Attested by: Shana Davis-Cook, Village Manager

*Final.*