



**FY2021 FIRST DRAFT BUDGET**

**REVENUE ASSUMPTIONS AND PROJECTIONS**

**FY2020 Projections**

- Income tax revenues for the current fiscal year are now expected to exceed the budget by approximately \$1.4 million.
- Operation expenses in the current year are currently running below budget by 6-7%.
- Under the capital program, expenses related to the Municipal Storm Drain Project and the purchase of two fully outfitted police cruisers remain the principal expenses within the current fiscal year. Overall, we expect to remain under budget.

**FY2021 Revenue Estimates**

- **Income Tax**—after reviewing the last two years’ income tax revenues, Board Treasurer Mr. Gary Crockett has recommended increasing the income tax revenue estimate—the Village’s primary source of income—from \$2.2 million to \$3 million. In FY2019, income tax revenues exceeded \$3.4 million and we expect to end the current fiscal year around \$3.5 million.

May 2021 is the first scheduled repayment for reimbursement to the State associated with the Wynne case. \$974,176 will be withheld from our portion of Village residents’ income tax receipts between May 2021 and FY2026, approximately \$97,418 of which will be held back in FY2021.

- **Property Tax**—the State of Maryland has reported that the constant yield real property tax rate for FY2021 is \$.0787, which is \$1,135,015,958 (an increase of \$30,446,735 over the assessable base calculated for 2019). If the Board adopts this rate, it will yield approximately \$893,144 in revenue in FY2021 (see Tab 2).

We have proposed holding the personal property tax rate at the current \$.66 per \$100 of assessed value, for a yield of approximately \$110,000.

- **Interest Income**—the Board adopted a revised Investment Policy in 2019, which increased the Village’s investment threshold. We are project to exceed budget by approximately \$5,000 in the current fiscal year, the first full year under the new policy. The budget estimate for FY2021 remains at \$75,000.
- **Montgomery County Property Tax Duplication**—discussions have not progressed on this topic as was hoped. No modifications have yet been made to establish a new formula. The County Council had designated former Gaithersburg Mayor, County Councilmember Sidney Katz, to work with municipalities, however,

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**BOARD OF MANAGERS**

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SHANA R. DAVIS-COOK

**LEGAL COUNSEL**  
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no further progress has occurred. The Montgomery Chapter of the Maryland Municipal League is now working with County Executive Elrich and his staff to move this topic forward, but there are no signs this will be done prior to the county's adoption of its FY2021 budget. Executive Elrich is a former City of Takoma Park's council prior to serving on the county council. He has maintained a favorable position on tax duplication through the years, encouraging fair and equitable resolution.

The Chapter meets with County Executive Marc Elrich on February 20 at which time we will learn what he intends to allocate in the FY2021 county operating budget. For now, we have maintained the projected revenue to remain at FY2020 levels.

- **Highway User Fees**—state legislation has restored user fees to their pre-recession levels. The state's Department of Transportation estimates we will receive over \$98,000 in FY2021. Use of these funds is restricted to maintenance of public right-of-way.
- **SafeSpeed Program**—we continue to see annual decreases in citation issuance. During the first six months of the current fiscal year, new citation issuance was down about 15%. Accordingly, the revenue projection for new citations has been decreased in the draft FY2021 budget by \$125,000 to \$700,000, the second consecutive year of \$125,000 reductions.
- **Other Revenues**—all other revenue areas remain flat.
- **Reserves**—the draft FY2021 operating and capital budget presented herein will generate an approximate \$716,767 draw on reserves; however, reserve balances as of June 30, 2021 are still estimated to total \$10,863,933 (pending additional budget amendments authorized by the Board in the current and next fiscal years). Reserves are estimated to be \$11,580,700 at June 30, 2020.

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# Revenue Summary

Monday, February 24, 2020  
**FY2021 Budget Work Session**

<i>Revenue Summary</i>	FY '11	FY '12	FY '13	FY '14	FY '15	FY '16	FY '17	FY '18	FY '19	FY '20	FY '21
<i>Base Operations</i>	<i>Actual</i>	<i>Projected</i>	<i>Proposed</i>								
<b>Income Tax:</b>	\$1,414,503	\$1,949,829	\$2,466,517	\$2,668,924	\$2,135,739	\$2,681,733	\$2,744,170	\$2,288,957	\$3,442,735	\$3,500,000	\$3,000,000
<b>Property Tax:</b>											
Personal Property	1,894	\$59	\$0	0							
Corporate Property	3,458	173,073	84,588	96,714	116,289	122,719	123,950	109,612	124,983	112,000	110,000
Corporate Utilities	18,896	17,127	17,246	12,376	4,823	17,414	19,152	19,586	21,053	15,000	15,000
Real Estate	972,057	968,623	984,403	996,069	876,804	865,608	861,114	894,497	887,459	876,167	876,167
Prior Years Collections	5,802	753	202	1,360	0	0	0	0	0	500	500
<b>Subtotal</b>	<b>\$1,002,107</b>	<b>\$1,159,635</b>	<b>\$1,096,439</b>	<b>\$1,106,519</b>	<b>\$997,916</b>	<b>\$1,005,741</b>	<b>\$1,004,216</b>	<b>\$1,023,697</b>	<b>\$1,033,495</b>	<b>\$1,003,667</b>	<b>\$1,001,667</b>
<b>WSSC/Wash Gas Reimbursement</b>			\$170,506	\$306,639	\$1,101,637		\$23,142	\$12,494			
<b>W.Newlands Repaving Reimbursement</b>						\$28,042					
<b>One Time Income Tax Adjustment</b>						\$161,741					
<b>Investment &amp; Misc. Income:</b>											
Cable TV Franchise Fee	\$16,956	\$21,667	\$24,431	\$26,305	\$28,907	\$25,363	\$33,423	\$27,801	\$27,082	\$25,000	\$25,000
Interest Income	23,914	19,259	23,417	23,201	19,234	83,064	36,344	62,613	61,271	80,000	75,000
Misc.	2,570	3,309	4,538	4,311	5,488	3,742	2,723	6,557	7,223	3,000	3,000
<b>Subtotal</b>	<b>\$43,440</b>	<b>\$44,235</b>	<b>\$52,386</b>	<b>\$53,817</b>	<b>\$51,629</b>	<b>\$112,169</b>	<b>\$72,490</b>	<b>\$96,971</b>	<b>\$95,576</b>	<b>\$108,000</b>	<b>\$103,000</b>
<b>Cost Recoveries/Grants:</b>											
County Tax Duplication	\$89,961	\$89,961	\$100,524	\$100,524	\$100,524	\$100,524	\$100,524	\$100,524	\$100,524	\$100,000	\$100,000
Martin's Addition-PCS	3,400	0	0	0	0	0	0	0	0	0	0
Ilage of Chevy Chase Sec 3-PCS	500	0	0	0	0	0	0	0	0	0	0
Ilage of Chevy Chase Sec 5-PCS	875	0	0	0	0	0	0	0	0	0	0
Chevy Chase View-PCS	1,500	0	0	0	0	0	0	0	0	0	0
Grants/Reimbursements	28,895	13,338	39,267	776	868	0	22,508	750	0	1,600	1,600
Recycling Revenue	532	700	859	551	1,284	518	710	876	612	500	500
State Police Grant	108,352	108,356	108,401	109,484	110,831	98,230	101,142	111,149	101,843	102,000	102,000
Fines-Parking	6,409	3,008	4,616	3,836	8,656	5,051	3,649	5,933	4,123	5,000	4,000
Fines-Ordinance	450	350	150	2,800	50	650	650	350	0	250	250
Fingerprinting	6,065	1,775	2,268	1,325	475	125	0	25	150	250	250
Sale of Property	0	0	0	0	0	0	0	35,576	1,333	0	0
Licensee-Other/R-O-Way	6,215	3,300	6,030	1,350	2,885	1,635	2,460	850	1,200	2,000	2,000
Permits-Building	24,880	18,321	23,905	16,513	24,425	26,775	18,255	20,945	12,160	18,000	15,000
Tree Removal Permit	12,820	9,143	12,281	9,650	5,480	8,610	5,555	5,950	4,105	8,000	8,000
Permits-Sign	190	267	222	226	130	85	180	130	145	100	100
Permits-Other	0	450	350	0	0	0	0	0	0	0	0
Belmont Buffer Stipend	18,962	19,639	19,974	20,246	20,677	20,669	20,880	21,271	0	20,000	20,000
Reimbursements-Post Office	0	0	0	0	8,117	0	0	0	0	0	8,000
Rental Income-Post Office	71,444	71,552	71,552	78,057	78,057	78,207	84,562	78,057	76,985	78,057	78,057
Rental Income-Hall	10,925	9,120	17,335	14,612	9,936	13,576	16,427	12,077	12,988	8,000	12,500
Highway User Fees	8,354	21,505	\$18,816	\$4,802	\$60,538	\$66,853	\$66,227	\$68,389	\$74,794	\$66,501	\$66,413
<b>Subtotal</b>	<b>\$402,129</b>	<b>\$371,952</b>	<b>\$427,580</b>	<b>\$414,652</b>	<b>\$433,733</b>	<b>\$421,508</b>	<b>\$443,729</b>	<b>\$462,852</b>	<b>\$390,962</b>	<b>\$441,258</b>	<b>\$450,670</b>
<b>Total Revenue</b>	<b>\$2,862,179</b>	<b>\$3,525,651</b>	<b>\$4,213,428</b>	<b>\$4,550,551</b>	<b>\$4,720,654</b>	<b>\$4,410,934</b>	<b>\$4,287,747</b>	<b>\$3,884,971</b>	<b>\$4,862,768</b>	<b>\$5,052,925</b>	<b>\$4,555,337</b>
<b>Revenue Summary</b>											
<i>Safe Speed</i>											
Speed Camera Citations	\$2,083,703	\$1,751,390	\$1,354,136	\$1,231,542	\$1,416,212	\$1,231,825	\$1,019,075	\$957,565	\$760,304	\$700,000	\$700,000
Citations-Collections		\$101,727	\$229,840	\$113,945	\$89,080	\$94,780	\$63,380	\$0	\$0	\$0	\$0
Speed Camera Interest	\$8,431	\$4,270	\$4,091	\$1,215	\$1,043	\$2,952	\$1,093	\$5	\$2	\$5	\$5
<b>Total Revenue</b>	<b>\$2,092,134</b>	<b>\$1,857,387</b>	<b>\$1,588,067</b>	<b>\$1,346,702</b>	<b>\$1,506,335</b>	<b>\$1,329,557</b>	<b>\$1,083,548</b>	<b>\$957,570</b>	<b>\$760,306</b>	<b>\$700,005</b>	<b>\$700,005</b>
<b>Total Combined Revenue</b>	<b>\$4,954,313</b>	<b>\$5,383,038</b>	<b>\$5,801,495</b>	<b>\$5,897,253</b>	<b>\$6,226,989</b>	<b>\$5,740,491</b>	<b>\$5,371,295</b>	<b>\$4,842,541</b>	<b>\$5,723,074</b>	<b>\$5,752,930</b>	<b>\$5,255,342</b>

# 2020 Constant Yield Tax Rate Certification

Monday, February 24, 2020  
**FY2021 Budget Work Session**

## 2020 Constant Yield Tax Rate Certification

Taxing authority: **Chevy Chase Village  
in Montgomery County**

1	1-Jul-2019	Gross assessable real property base	\$	1,114,046,800
2	1-Jul-2019	Homestead Tax Credit	-	<u>3,170,947</u>
3	1-Jul-2019	Net assessable real property base		1,110,875,853
4	1-Jul-2019	Actual local tax rate (per \$100)	x	<u>0.0804</u>
5	1-Jul-2019	Potential revenue	\$	893,144
6	1-Jul-2020	Estimated assessable base	\$	1,158,829,508
7	1-Jan-2020	Half year new construction	-	12,341,200
8	1-Jul-2020	Estimated full year new construction*	-	5,000,000
9	1-Jul-2020	Estimated abatements and deletions**	-	<u>6,472,350</u>
10	1-Jul-2020	Net assessable real property base	\$	1,135,015,958

11	1-Jul-2019	Potential revenue	\$	893,144
12	1-Jul-2020	Net assessable real property base	÷	1,135,015,958
13	1-Jul-2020	<b>Constant yield tax rate</b>	\$	<b>0.0787</b>

**EXEMPT**

Certified by



Director

\* Includes one-quarter year new construction where applicable.  
 \*\*Actual + estimated as of July 1, 2020, including Homestead Tax Credit.  
 Form CYTR #1

## FY2019 Audited (actuals)

**General Funds and SafeSpeed Budgets  
Actual**

<b>I. Revenue</b>		<b>FY2019</b>	
	Income Tax		3,442,735
	Property Tax		1,033,495
	Investments & Misc. Income		95,576
	Cost Recoveries/Grants		390,962
	SafeSpeed Citation Revenue		760,306
	<b>Total Revenue</b>		<u>5,723,074</u>
 <b>II. Costs</b>			
	<b>A. On-going Programs</b>	<b>Personnel</b>	<b>Operations</b>
			<b>Total</b>
	<u>Department Services</u>		
	Police	1,413,578	393,966
	Communications	329,662	18,625
	Public Works	539,989	325,460
	General Government	593,238	121,849
	Professional Services	0	60,928
	<u>Facilities, Fleet, &amp; Infrastructure</u>		
	Village Hall		82,240
	Parks, Trees, & Greenspaces		195,908
	Lights		29,370
	<b>Subtotal</b>	<u>2,876,467</u>	<u>1,228,346</u>
	<b>Surplus/Deficit</b>		1,618,261
	<b>B. Capital Projects</b>		
	<u>Equipment</u>		
	 <u>Projects</u>		
	Sidewalk Maintenance		5,130
	Street Maintenance		0
	Streetlight Upgrade		0
	Storm Drain System		9,701
	Brookville Road Park Development		12,757
	P/W Yard Fence Wall Relacement		1,553
	<b>Subtotal</b>		<u>29,141</u>
	<b>Total Costs</b>		4,133,954
	<b>III. Budgeted Deficit/Draw on Reserves/Surplus</b>		
			1,589,120
	<b>Reserves:</b>		
	Current Reserves		8,697,055
	Remaining Reserves		10,286,175

**FY2020 Projection  
(current fiscal year)**

**General Funds and SafeSpeed Budgets  
Combined Summary  
Projected**

<b>I. Revenue</b>			<b>FY2020</b>
Income Tax			3,500,000
Property Tax			1,003,667
Investments & Misc. Income			108,000
Cost Recoveries/Grants			421,258
SafeSpeed Citation Revenue			700,000
<b>Total Revenue</b>			5,732,925
 <b>II. Costs</b>			
<b>A. On-going Programs</b>	<b>Personnel</b>	<b>Operations</b>	<b>Total</b>
<u>Department Services</u>			
Police	1,425,000	400,000	1,825,000
Communications	335,000	20,000	355,000
Public Works	550,000	289,000	839,000
General Government	610,000	132,000	742,000
Professional Services	0	60,000	60,000
 <u>Facilities, Fleet, &amp; Infrastructure</u>			
Village Hall		100,000	100,000
Parks, Trees, & Greenspaces		200,000	200,000
Lights		30,000	30,000
 <b>Subtotal</b>	<b>2,920,000</b>	<b>1,231,000</b>	<b>4,151,000</b>
<b>Surplus/Deficit</b>			<b>1,581,925</b>
 <b>B. Capital Projects</b>			
<u>Equipment</u>			
Public Safety Technology			0
Police Cruisers			108,000
 <u>Projects</u>			
Sidewalk Maintenance			3,500
Street Maintenance			50,000
Streetlight Upgrades			900
Municipal Storm Drain System			125,000
 <b>Subtotal</b>			<b>287,400</b>
 <b>Total Costs</b>			<b>4,438,400</b>
 <b>III. Budgeted Deficit/Draw on Reserves/Surplus</b>			<b>1,294,525</b>
 <b>Reserves:</b>			
Current Reserves			10,286,175
Remaining Reserves			11,580,700