

**CHEVY CHASE VILLAGE
BOARD OF MANAGERS
MARCH 14, 2016 MEETING**

STAFF REPORT

TO: BOARD OF MANAGERS
FROM: SHANA R. DAVIS-COOK, VILLAGE MANAGER 
DATE: 3/10/16
SUBJECT: POST WORK-SESSION PRESENTATION REVISIONS TO THE DRAFT
BUDGET FOR THE FISCAL YEAR BEGINNING JULY 1, 2016 (FY2017)

Background

The Board held its work session to review the Village Manager's initial draft budget on Monday, February 22, 2016. The full detailed draft budget and draft Capital Improvements Program (CIP) were posted to the Village website prior to the work session and an amended budget, per the below modifications, has also been posted to the website. To-date, no comments have been received regarding the draft budget.

Budget Amendments

- Cost-of-Living (COLA) Adjustment—I advised the Board at your work session that the Bureau of Labor Statistics' Consumer Price Index Report for calendar year 2015 for the Baltimore/Washington DC area would be released at the end of February. When released the index was 0%; therefore, the 1.4% placeholder that we had used has been removed and the related personnel expenses for salaries, FICA, and pension were all reduced accordingly. (-\$38,420)
- Health Insurance (Police, Personnel)—increased to reflect a recently added dependent. (+\$1,920)
- Street Sweeping—has been removed from the Public Works Operations budget. (-\$16,000)
- Maryland Municipal League Dues (General Government, Personnel)—reduced to reflect discontinuing membership in the statewide municipal league. (-\$12,400)
- Street Signage—removed from the Capital Projects budget. (-\$10,000)
- Refuse (hauling and tipping of the dumpster)—the contractor's hauling rate will increase on July 1, 2016 due to an increase in the Consumer Price Index that was released at the end of February 2016 for calendar year 2015. (+\$5,000)
- Contract Collection: Refuse—Contract rates will increase on July 1, 2016 due to an increase in the Consumer Price Index that was released at the end of February 2016 for calendar year 2015. (+\$4,300)
- Contract Collection: Recycling—Contract rates will increase on July 1, 2016 due to an increase in the Consumer Price Index that was released at the end of February 2016 for calendar year 2015. (+\$644)

Maryland Municipal League

The Board directed staff to remove \$12,400 from the General Government, Dues & Subscriptions line item in the operating budget to reflect discontinuing the Village's membership in the Maryland Municipal League (MML). The Board further asked me to assess if the Village would suffer any repercussions as a result of ending our membership.

Membership in MML has provided the following benefits:

- Many State departments and agencies use MML as a pass through for disseminating information to the municipalities. This includes reminders for legislative matters, filing deadlines, grant and funding opportunities, available training, and important notices. *By withdrawing our membership we would need to see if MML would be willing to continue pushing this information out to us otherwise we run the risk of missing important information.*
- Legislative updates and advocacy during the 90-day legislative session. While it can be argued that MML has not always done a good job in this area, legislative advocacy is their primary function. *We would need to establish another reliable way to actively monitor pending legislation that might affect us.*
- Membership in the Local Government Insurance Trust (LGIT). I was surprised to learn (as was Village Counsel) that our ability to obtain insurance coverage through LGIT is conditioned on our membership in the MML.
- Information pooling and best practices information on various topics. *Although this can also be achieved by communicating directly with other municipalities, such as through the network of municipal managers that I participate with, the network of finance directors that Demetri Protos participates in, etc.*
- The following benefits to the Village would continue regardless of whether we remain with MML:
 - Training and networking provided at MML conventions and conferences, albeit at a higher cost.
 - Participation in the Montgomery Chapter and its functions (I confirmed that the current bylaws do not require membership in the statewide League).
 - Networking with other municipal officials. Most of the networking opportunities are a function of the local chapter or through attendance at the annual convention (summer) and conference (fall).

The coupling of LGIT and MML membership are troubling. At a minimum this raises the question as to whether LGIT can demand membership with a legislative advocacy group as a requirement to obtain insurance. This is something that Legal Counsel is currently researching. Nonetheless, I have begun to investigate other liability insurance coverage opportunities (i.e., the Montgomery County Self Insurance Program) so we know whether we will have a legitimate alternative should we choose to leave MML and should LGIT's membership requirements fail to be modified.

It was clear from the Board's conversation and from my discussions with other small municipalities that we do not feel we are getting our money's worth from the dues paid to MML. This is a sufficient widespread concern that I feel demands a meeting with representatives from the small municipalities from across the state with MML leadership to bring these concerns to the League's attention and to discuss ways we feel we could be better served. I think we can also propose a separate dues tier for small (defined either by population or square mile area) municipalities to more directly correlate the dues paid to the level of work required by MML on behalf of these smaller cities and towns. In speaking with fellow managers, I know that we would receive support from other small municipalities in these efforts.

Based upon my review, I recommend that we maintain membership in the Maryland Municipal League during the membership year that will begin on July 1, 2016; however, if prior to the payment of dues for the next membership year the Village is able to either secure adequate liability insurance coverage and/or succeed in getting LGIT to modify its Trust Agreement to eliminate the membership requirement with MML.

Snow Clearing from Village Sidewalks

The Board asked staff to research and compile information regarding the costs and policy decisions that would be entailed in contracting for the clearance of snow and ice from Village sidewalks. Please see the attached memo from Village Director of Municipal Operations Mr. Michael Younes regarding this matter.

Personnel Benefits

The Board requested a summary of the benefits and related-expenses provided to Village staff, which are reflected in the Village budget. This summary is attached.

DRAFT FY2017 BUDGET: POST WORK SESSION AMENDMENTS			
Category	Previous Amount	New Amount	Difference
Operating Budget, On-going Programs, Department Services			
Personnel (salaries, pension and FICA, all departments)			+\$38,420
Police, Personnel			
Health Insurance	\$95,473	\$97,393	+\$1,920
Public Works, Operations			
Refuse	\$20,000	\$25,000	\$5,000
Contract Collection:			
Street Sweeping	\$13,500	\$0	-\$13,500
Refuse	\$142,700	\$147,000	+\$4,300
Recycling	\$80,400	\$81,044	+\$644
General Government, Personnel			
Dues & Subscriptions	\$13,100	\$700	-\$12,400
Capital Budget			
Capital and Special Projects			
Signage	\$10,000	\$0	-\$10,000

FY2017 Budget Process

- The Board is scheduled to hold two Public Hearings on the draft budget:
 - Monday, March 14 regular monthly meeting
 - Monday, April 11 regular monthly meeting
- An explanatory memo regarding the budget will be drafted by Board Treasurer Mr. Gary Crockett and included in the April issue of the *Crier*.
- The Board will adopt the FY2017 operating and capital budget during the Village’s Annual Meeting on Monday, April 18.

Board Action Requested

Unless there are further amendments to the proposed budget, no formal Board action is required at this time and the enclosed budget summary will be included in the April issue of the *Crier*.

Attachments

- Personnel Benefits Summary
- Memo: Snow Clearing from Village Sidewalks (from M. Younes)
- FY2017 Draft Operating & Capital Budget Summary
- FY2017 Draft Revenue Summary
- FY2017 Draft Detailed Budget