

BUDGET HEARING MINUTES
MAY 23, 2011

ATTENDANCE: Debbie Beers, Mayor
Eve Arber, Councilmember
Nancy Long, Councilmember
Steve Matney, Councilmember
Mark McCaffrey, Councilmember
Nicole Fraser, Clerk-Treasurer

VISITORS: Rex Rhein, The Echo Reporter
Gloria Levin, Town Resident

Mayor Beers called meeting to order at 7:37 p.m.

Income

Mayor Beers first summarized the estimated income for the proposed budget. She then reviewed the recommended tax rate for the proposed FY 2011-2012 budget, explaining it is based on the 2011 Constant Yield Tax Rate Certification provided annually by the State of Maryland, Department of Assessments and Taxation. Mayor Beers proposed retaining the existing real estate tax rate of \$0.13 per \$100 and the existing personal property tax rate of \$0.80 per \$100.

The Mayor then reviewed the Town's Income categories line by line, noting that income tax is still the Town's main source of income. Comments and discussion:

- Line Item 01. Real Estate tax revenue is projected to fall from \$89,120 to \$83,000 as the real estate tax net assessable base has gone down by \$4 million;
- Line item 02. Personal property (corporate) taxes are projected to fall from \$7,484.64 to \$6,000 due to the recession;
- Line item 03. State income is projected at \$70,000;
- Line item 04. Mayor Beers reported that she was told that state highway funds were due to be significantly cut and yet the numbers came in close to \$4,465. While a big decrease from about five years ago, the anticipated loss in revenue did not completely materialize;
- Line item 06. Rental income is projected to be lower due to the renegotiated lease with the USPS to help keep the post office in Glen Echo. Rental income is anticipated to decrease to \$29,340. Rentals of the town hall by non-residents was lower than anticipated in 2010-11. Mayor Beers adjusted the anticipated revenue for FY 2011-12 to \$2500 to reflect this. The Irish Inn continues to pay \$3,600 for the rental of parking lot space on Tulane Avenue. Mayor Beers and other council members noted that to keep the rent low for the Irish Inn helps to keep cars off the streets of Glen Echo or from parking on the MacArthur Boulevard shared-use path;

- Line item 09. Trade License income is rare these days and projected to be only \$1000 next year. Mayor Beers says that she will ask GEPPAC at the next board meeting about this revenue;
- Line item 10. County Revenue sharing has increased unexpectedly. The town had received \$18,579 as of May (in excess of the projected \$10,000) the new budget estimates county revenue sharing at \$18,500;
- Line item 12. Franchise income Mayor Beers explained to Councilmember McCaffrey is from cable companies (e.g. Verizon or Comcast);
- Line item 15. The Echo income from advertising has increased significantly from \$200 to \$3,268 from a rapid increase in paid ads. Mayor Beers has revised the Echo advertising projection to \$2000 for FY 2011-12. However, Councilmember Long reflects that the increase of ads is worrying as the content of the Echo has now shrunk relative to the ads. She suggested taking fewer ads or making them smaller. Councilmember Matney noted that the Echo is a town service “not a revenue maker;”
- Line item 17. Sales of the Town’s history book have been brisk, \$325.81 (far more than the projected \$50); as a result the proposed FY 2011-12 budget has been revised to \$200. T-shirt, pins and walking tour books have not been sold and those numbers have been revised downward to \$20 and \$25, respectively;
- Uncategorized income of \$1687.50 came from FEMA last year to compensate for snow removal from the February 2010 storms. The new budget includes \$1,000 for this line item.

Expenses

Mayor Beers then reviewed the projected expenses for FY 2010-11. The following items were highlighted, some resulting in changes in the proposed budget:

- Line item 01. Administration is proposed to increase an extra \$2000 (from \$7000 to \$9000) to cover the transition in town clerks from Cathie Polak to Nicole Fraser in addition to paying the police for the traffic management of Oxford Road;
- Line item 02. Payroll for the Town Clerk is budgeted at \$26,358.95 in the new budget to reflect a cost of living increase. Mayor Beers said that the FICA and other breakdowns of the payroll taxes may be slightly altered due to new tax laws now in affect. Auditing and Accounting has been increased to \$6,000 in the new budget from \$5,000 due to changes in the tax laws and some revision to help train the new town clerk;
- Line item 03. Professional services including legal fees totaled \$21,597 last year in excess of the \$20,000 anticipated. However, Mayor Beers held the budget item steady at \$20,000 for the next year;
- Line item 05. Fixed operational expenses have been increased. Due to higher oil prices, Mayor Beers increased the HVAC in the budget from \$3,000 to \$4,000 for the next year. Water usage has been decreased to \$400 from \$500;
- Line item 06. Town services. Funds for recreation (town parties) have been increased to \$6,000 as the town is now catering the Holiday Party and Town

- Picnic. Mayor Beers suggested increasing the budget for the Echo from \$2,800 to \$3,500 as Phyllis Fordham may need new software as she takes over as editor and Wendy Martens as layout editor;
- Line item 08. Streetlights. Mayor Beers has slightly revised the anticipated cost of streetlights from \$15,000 to \$12,000;
 - Line item 12. Town Hall maintenance was decreased from \$10,000 (set aside to fix the elevator) to 5,000. Other maintenance was increased from \$2,000 to \$5,000;
 - Line item 13. Capital improvements for FY 2011-12 include \$20,000 for street paving to move the speed bump on Oxford Road. There have been complaints that the speed bump is not an effective deterrent to help people stop in time for the stop sign at the corner of Oxford Road and University Avenue. \$15,000 has been allotted for sidewalk repair and replacement. The Town Hall floor needs to be refinished and \$20,000 has been set aside for that. Other capital improvements include replacement of street signs and standards (\$15,000) and repaving of the town hall parking lot (\$2,000).
 - Line item 15. Capital improvement - survey of public spaces for the next year to help identify areas in need of repair or replacement at \$5,000;
 - Line item 16. A contingency fund of \$5,000 has been kept. Community contributions have been held at \$4,000 (these are contributions to the Glen Echo Park Partnership for Arts and Culture, GEPPAC, and other community organizations).

Cash on Hand

The Mayor reports that the town has \$308,262.06 in the Maryland local government investment pool. The SunTrust cash-checking account has \$27,959.48 and money market has \$19,001.29. Totaling in \$355,222.83. Councilmember Long said she would like to see more in the interest bearing account.

Gloria Levin said that she felt that the budget explanation is becoming more “minimalistic” over time and deserving of longer explanations. She proposed that Mayor Beers communicate better to people in the community. She was dismayed that some line items were greeted with “I don’t know what this is.” Mayor Beers countered that she has worked diligently to get the proposed budget out to the community in time for the budget hearing. Mayor Beers continued that she is open to communication to all town residents and on her watch all town funds will be handled appropriately.

Budget hearing closed at 8:14 p.m.

Respectfully submitted, Nicole Fraser

Deborah Beers, Mayor

Date