

TOWN OF GLEN ECHO
BUDGET HEARING MINUTES
MAY 22, 2013

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

VISITORS: Aaron Hirsch, Owner of Baptist Annex
Renny Springuel, Town Resident
Stephen Hathaway, Town Resident
Phyllis Fordham, Town Resident
Rex Rhein, The Echo Reporter
Gloria Levin, Town Resident

Mayor Beers called meeting to order at 7:30 p.m.

BUDGET HEARING

Income

Mayor Beers first summarized the estimated income for the proposed budget. She then reviewed the recommended tax rate for the proposed FY 2013-2014 budget, explaining that it is based on the 2013 Constant Yield Tax Rate Certification provided annually by the State of Maryland, Department of Assessments and Taxation (the County recommended \$0.1413). Mayor Beers proposed raising the real estate tax rate from \$0.134 to \$0.14 per \$100 and maintaining 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 as the real estate tax net assessable base has gone down by \$3 million; Mayor Beers proposed to raise the real estate tax to \$0.14 per \$100 in order to maintain real estate tax revenue close to \$85,456 (FY 2013 estimate was \$82,998; actual as of May 6 was \$84,538.07);
- Line item 02. Personal property is now broken into three categories: corporate, unincorporated and public utility. Corporate and public utility are estimated to be \$2,000 and \$7,500 for FY 2014, respectively;
- Line item 03. State income is projected to drop to \$67,000;
- Line item 04. Mayor Beers reported that state highway funds are projected to rise to \$9,771.97. Councilmember Matney reported that the MML has suggested that the state highway fund income to municipalities is not fixed and may be subject to change.

- Line item 05. Building Permits - Due to a large number of building projects, Mayor Beers anticipates approximately \$400.00 in revenue from building permits issued by the Town.
- Line item 06. Rental income is projected to rise slightly (to \$27,900) due to the kick-in clause for the Post Office. The Irish Inn continues to pay \$3,600 for the rental of parking lot space on Tulane Avenue. Mayor Beers 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 10. County Revenue sharing increased in FY13 to \$20,870.78 and is projected to decrease to \$20,000 in FY14;
- Line item 17. Sales of the Town's books (Glen Echo: The Remarkable Saga of a Very Small Town and A Walking Tour of Glen Echo) declined in FY13; projections have allotted \$90.00 in sales of both book categories for FY14. Most sales were to the Montgomery County Historical Society and the NPS for the book store in the Clara Barton House National Historic Site.

Expenses

Mayor Beers then reviewed the projected expenses for FY 14. The following items were highlighted, some resulting in changes in the proposed budget:

- Line item 01. Administrative costs were reduced to \$12,000. This line item primarily funds off-duty police officers for traffic management.
- Line item 02. Payroll for the Town Clerk/Treasurer is budgeted at \$28,297.91 in the new budget to reflect a cost of living increase and a return to 6.2% in the federal payroll tax.
- Line item 03. Other professional services were reduced from \$5,000 in FY 13 to \$0 in FY 14, as this line item was not used.
- Line item 05.1 Council suggested that electrical should decrease from \$2,000 to \$1,000;
- Line item 13. Capital improvements for FY 14 include \$185,000 for the cost of natural gas installation, \$5,000 to repave the parking lot at the Town Hall (line 13.7), \$20,000 for street paving to move the speed bump on Oxford Road. Other capital improvements include replacement of street and road signs and standards (\$15,000). The total for other capital improvements was decreased from \$200,000 to \$185,000;
- Line item 15. Surveys/publications - survey of public spaces for the next year to help identify areas in need of repair or replacement was decreased from \$5,000 to \$0;
- Line item 16. A contingency fund of \$5,000 was raised to \$10,000 was estimated;
- Line 17. Community contributions were decreased to \$3,000 for FY14 (these are contributions to the Glen Echo Park Partnership for Arts and Culture, Adventure Theatre and other community organizations).

Final Projections

- Final projected income: \$231,568;

- Final projected expenses: \$464,213;
- Projected final net income: -\$232,645.

Cash on Hand

The Mayor reports that the town has \$278,975.03 in the Maryland local government investment pool. The SunTrust cash-checking account has \$8,178.30 and money market has \$120,367.50. Totaling in \$407,520.83.

PUBLIC COMMENT

Mayor Beers noted that the Town's reserves will drop by two-thirds if the natural gas installation project is completed. Councilmember Matney suggested that the Town could subsidize a large portion of the natural gas installation but not necessarily all. Councilmember Stiglitz said that he wanted clarification if a resident did not sign up for natural gas at this time, where would the installation stop and how much would it cost the resident if they choose to sign up at a later time. Councilmember Matney expressed concern over bringing the reserves down to such a low amount for only 80% of residents that have elected to install natural gas in their homes. Mr. Hirsch suggested that when infrastructure is added such as natural gas, the property values of all residences in town will increase even if the line isn't installed. Mayor Beers noted that the choice that some residents who have elected not to sign up for natural gas at this time, it is costly to the Town on the overall installation price. Mayor Beers said that she will tell Mr. Higgins of Washington Gas that she hopes to have a vote on a contract at the next Council meeting and she will ask if he can attend an information session prior to the June 10th Council meeting.

Mr. Hirsch suggested that the Town create an escrow account to hold a special assessment to property owners that have elected to install natural gas. If natural gas is installed, then the value in the account would defray the overall costs to the Town; if natural gas is not installed, then the funds would be returned to the residents. Ms. Levin noted that a previous Town resident, Bill Schultz, noted that the costs of some infrastructure projects benefit the whole Town and therefore benefits each of us individually.

Budget hearing closed at 8:35 p.m.

Respectfully submitted, Nicole Fraser

Deborah Beers, Mayor

Date