

**TOWN OF GLEN ECHO**  
**BUDGET HEARING MINUTES**  
MAY 26, 2014

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

VISITORS: Rex Rhein, resident and The Echo Reporter  
Phyllis Fordham, resident  
Gloria Levin, resident  
Jim Ford, resident

Mayor Beers called meeting to order at 7:40 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 2014-2015 budget, explaining that the first estimate (February 14, 2014) from the State of Maryland, Department of Assessments and Taxation was incorrect as it was based on erroneously low assessment (\$62,031.681). The revised net assessment was sent on March 4, 2014 (\$66,531,681). Mayor Beers proposed keeping the real property tax rate at \$0.14 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 rise as the real estate tax net assessable base has gone up by \$5 million; Mayor Beers proposed to maintain the real property rate at \$0.14 per \$100.
- Line item 02. Personal property is broken into three categories: corporate, unincorporated and public utility. Mayor Beers questioned the lack of income in the unincorporated category, it is possible that some residents are not reporting their personal unincorporated income. Personal property rates and utility rates were held at \$.80 per \$100.
- Line item 03. State income is projected to rise to \$80,000.
- Line item 04. Mayor Beers reported that state highway funds are often underreported by the state; through online research she found that they are due to be approximately \$6,712.
- Line item 05. Building Permits - Due to a large number of building and remodeling projects, Mayor Beers anticipates approximately \$1,000.00 in revenue from building permits issued by the Town.

- Line item 06. Rental income is projected to rise slightly due to the kick-in clause for the Post Office (the rent will increase from \$2350/month to \$2400/month in January 2015). Mayor Beers said that after the lease expires December 2016, the Town might need to plan for the post office to close and anticipate the loss of the post office rental income. Town Hall rentals are also increased slightly from \$2,500 to \$2,700. The Tulane Parking lot income will rise to \$6,000 per year under the new agreement with the Irish Inn.
- Line item 8. Interest is expected to drop from \$500 to \$300 due to the large outlay for the natural gas installation.
- Line item 10. County revenue sharing is expected to remain the same.
- Line item 15. The Echo income is expected to drop slightly even with the raising of subscription fees (advertising revenue estimated to be \$1500 and subscription revenue \$100).
- The prior year surplus is now listed as an income item on the advice of the Town accountant.

#### Expenses

Mayor Beers then reviewed the projected expenses for FY 15.

- Line item 01. Administration was raised to \$15,000 from \$12,000 to accommodate training for the new Clerk-Treasurer. This line item includes police, town hall supplies, distribution of flyers. One comment was received by email objecting to the use of the Town funds to pay for off-duty Montgomery County police manage traffic at Oxford Road and University Avenue.
- Line item 02. Payroll for the Town C/T is budgeted at \$29,426.43 in the new budget to reflect a cost of living increase.
- Line item 03.2. Legal issues have included in this past year consultation on development of permitting issues and road width.
- Line item 05.2. Heating was increased from \$3,500 to \$4,000. Councilmember Stiglitz pointed out that this might drop as the Town Hall converts from oil to natural gas. Council decided to hold this steady but anticipates that it will drop by half.
- Line item 12.1. Landscaping was held the same; it includes landscaping of the Town Hall, pocket parks and also watering in the summer.
- Line item 12.3. Snow plowing was increased from \$2,500 to \$5,000.
- Line item 12.5. Other maintenance (right of way clearing) was decreased from \$5,000 to \$1,000.
- Line item 13.2. Street paving was kept at \$20,000 to accommodate the moving of the speed bump on Oxford Road.
- Line item 13.3 Sidewalks was dropped from \$15,000 to \$10,000 as Washington Gas will be replacing many of the removed or damaged sidewalks in Town due to natural gas line installation.
- Line item 13.4. Town Hall improvements was increased from \$5,000 to \$32,000 to accommodate the installation of new gas furnace and removal of oil tank.

#### Final Projections

- Final projected income: \$504,096.35;
- Final projected expenses: \$303,176.43;
- Projected final net income: \$197,919.92.

Cash on Hand

The Mayor reports that the town has \$79,104.75 in the Maryland local government investment pool. The SunTrust cash-checking account has \$48,029.70 and money market has \$169,151.51. Total is \$296,285.96.

**PUBLIC COMMENT**

Ms. Fordham urged the Town to allocate funds for a master plan for the Town by professional urban planners. Mayor Beers and Councilmember Matney stated that the Town did not have the resources to afford such a plan.

Budget hearing closed at 9:35 p.m.

Respectfully submitted, Nicole Fraser

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Deborah Beers, Mayor

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Date