

# Chevy Chase Village Board of Managers

## February 22, 2021

### *Special Meeting - Budget Work Session*

*Note: These minutes reflect the Board's actions only, and do not include remarks made by members of the Board of Managers, Village Staff or others in attendance. For more information regarding the proposed budget, please refer to the "Proposed FY2022 Budget & CIP" page on the Village website.*

#### **BOARD OF MANAGERS**

Elissa A. Leonard, Chair	Present
Robert C. Goodwin, Jr., Vice Chair	Present
David L. Winstead, Secretary	Present
Richard M. Ruda, Assistant Secretary	Present
Gary Crockett, Treasurer	Present
Nancy Watters, Assistant Treasurer	Present
Linda J. Willard, Board Member	Present

#### **STAFF**

Shana R. Davis-Cook, Village Manager	Present
John Fitzgerald, Chief of Police	Present
Demetri Protos, Finance Director	Present
Ellen Sands, Director of Municipal Operations	Present
Jerry Lesesne, Director of Public Works	Present

Ms. Elissa A. Leonard, Chair of the Chevy Chase Village Board of Managers, called the special meeting to order at 7:32 p.m. Ms. Davis-Cook explained that this work session was called to review and discuss the Village Manager's first draft of the FY2022 operating and capital budgets. The draft budget and all supporting materials had been circulated in advance of the meeting to the members of the Financial Review Committee and posted on the Village's website.

The Board and staff reviewed and discussed the following areas of the first draft of the FY2022 operating and capital budget:

#### **PROCESS**

1. The FY2022 budget review and adoption process, including future scheduling. The Board will invite the public's comments on the draft budget during Public Hearings at the Board's regular meetings on Monday, March 8, 2021 and Monday, April 12, 2021. The final proposed budget will be scheduled for adoption by the Board during the Village's Annual Meeting on Monday, April 19, 2021. The March and April issues of the *Crier* will include notices regarding the FY2022 operating and capital budget schedule and adoption process and the April issue will feature an explanatory memorandum regarding the proposed budget from the Board Treasurer Mr. Gary Crockett.
2. Mr. Crockett directed staff to amend the budget summary to reflect the approved FY2021 (current fiscal year) budget along with the proposed FY2022 budget and the percentage

change between each to assist residents in understanding the changes from year-to-year. Mr. Crockett also noted that the file name for budget documents posted online should be corrected to more accurately reflect the corresponding document.

## **REVENUES & FINANCIAL POSITION**

3. The Village's current financial position is positive.
4. Although income tax revenue for FY2021 is expected to exceed the budgeted amount by \$250,000, there remains uncertainty regarding the long-term impacts of the pandemic on these revenues. The FY2022 budget revenue for income tax was held at \$3.0 million per the advice of the Board Treasurer.
5. The draft budget reflects maintaining the constant yield tax rate for real property, which would lower the rate to \$0.0773 per \$100 of assessed value to yield \$910,628 in revenue. The budget also anticipates maintaining the personal property tax rate at \$0.66 per \$100 assessed value for a yield of \$95,000.
6. Interest income was drastically reduced from \$100,000 in FY2021 to \$7,500 proposed for FY2022 as interest rates are at record lows.
7. Hall rental income was decreased from \$12,500 to \$2,500 due to the continued closure of the Hall in response to the pandemic.
8. Village reserves are projected to be \$12,879,076 at the end of the current fiscal year (June 30, 2021) and the proposed FY2022 budget projects reserves will be reduced to \$11,926,756 principally due to conservative revenue forecasting and ongoing capital expenses.
9. The Village Manager's budget projected revenues to the general fund totaling \$4,432,467 which includes *SafeSpeed* Program revenue totaling \$650,005.
10. The projected operating and capital expenses total \$6,034,792, resulting in a projected draw on reserves of \$952,320 in total (including all personnel, operations and capital improvement program expenditures).
11. The Board did not direct any changes to the Revenue projections.

## **EXPENSES**

12. General Operating Budget
  - No major operational or staffing changes are reflected in the FY2022 budget.
  - The budget includes a 1% cost of living adjustment for eligible employees pursuant to the Bureau of Labor Statistics' consumer price index for urban wage earners for calendar year 2020. An approximate 7% increase across departments for health insurance and 25% increase for workers' compensation coverage is reflected in the draft budget.
  - A 1% consumer price index increase is reflected in the budget for applicable contracts that include an inflation rate provision.
  - Expenses related to Village events and activities and operations currently suspended as a result of the pandemic were maintained in the FY2022 budget as it is too early to assume when normal operations will resume.
  - An additional \$10,000 was budget for routine pruning, bringing the total budget to \$85,000 in anticipation of tree damage resulting from the Brood X cicada

emergence in 2021, which is expected to necessitate removal of damaged tree limbs.

- No changes were presented by the Board for the draft operating budget.
13. Capital Improvements Program (CIP) Budget; Special Projects:
- Sidewalk maintenance was raised by \$1,000 due to increased repairs and maintenance; streetlight upgrades were reduced by \$5,000 due to a lack of requested/identified dark spots and a pending project by Pepco to convert their infrastructure to LED; the municipal storm drain project (along the block bordered by West Irving and Hesketh Streets and Cedar and Magnolia Parkways) was reduced by \$80,000 as planning and permitting are completed in FY2021 and construction is slated to begin in FY2022; a new project to address erosion and water drainage in the Belmont Avenue extended (Buffer Area) was added at a cost of \$60,000; and the replacement of two fully-outfitted cruisers scheduled for replacement in FY2021 was deferred to FY2022. All other capital expenses remained as planned.
  - No changes were presented by the Board for the draft capital budget.

### **Adjournment**

Mr. Crockett moved to adjourn the special meeting of the Board of Managers. Mr. Winstead seconded the motion. Ms. Leonard, Mr. Goodwin, Mr. Crockett, Ms. Watters, Mr. Winstead, Mr. Ruda and Ms. Willard voted in favor of the motion. The motion passed. The special meeting adjourned at 8:38 p.m.

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Attested by: Shana Davis-Cook, Village Manager

*FINAL.*