

**Town of Glen Echo
Town Council Budget Hearing
And Meeting Minutes
May 20, 2009**

ATTENDANCE: Debbie Beers, Mayor
Nancy Long, Councilmember
Eve Arber, Councilmember
Steve Matney, Councilmember
Dan Macy, Councilmember
Cathie Polak, Clerk-Treasurer

VISITOR: Reginald Rhein, Echo Reporter

Mayor Beers opened the budget hearing at 7:30.

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 2009-2010 budget, explaining that it is based on the 2009 Constant Yield Tax Rate Certification provided annually by the State of Maryland, Department of Assessments and Taxation. Mayor Beers explained how she arrived at the income budget from the constant yield tax rate certification and has proposed that the real property tax rate remain the same at \$.13 per \$100.

The Town does not receive a personal property constant yield tax rate. Mayor Beers explained that the corporate, personal property tax, Income line item 02.1, is mainly from PEPCO and from a small number of licensed, Town-based, businesses. Mayor Beers noted that there are some businesses in Town that do not report their income to the State of Maryland. No change is proposed for the personal property tax rate, currently set at \$.80 per \$100. Councilmember Long inquired about tax monies from Comcast and Verizon. C/T Polak explained that these funds come under franchise fees, Income Line item 12.

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 03. State Income is projected to be same as the previous fiscal year due to the recession;
- Line item 04. Highway figure is provided by the State of Maryland, again reduced because of the recession;
- Line item 06.1 Post Office income will remain the same. The current lease with the USPS is valid until 2011;
- Line item 08. Interest proposed at \$9000, should be reduced to \$5000, due to current low interest rates.

- Councilmember Long inquired about income from licensing Town pets; Mayor Beers said that the town has not collected this fee for over 10 years. Montgomery County is responsible for monitoring animal control;
- Councilmember Matney asked that Council review the terms of Parking Lot lease with the Irish Inn, Line item 06.3 Parking Lot, to clarify that valet cars are not to be parked along the bike path.

Expenses

Mayor Beers then reviewed the projected expenses for FY 2009-010. The following items were highlighted, some resulting in changes in the proposed budget:

- Line item 01. Administration proposed to reduce from \$12,000 to \$10,000. Councilmember Matney inquired about administration expenses; C/T Polak explained that this line item is a catch all for administrative costs including, but not limited to, hiring Montgomery County police to help with the increased traffic on Oxford Road, flyer circulation, equipment, as well as temporary office help as needed;
- Line item 02.5 Payroll, Comp SUI .3% on 1st \$8500: C/T Polak explained that the rate is now 6%. The Town still maintains the lowest possible rate; this rate has doubled due to current unemployment figures. The amount should be \$52;
- Line item 05.2 Fixed Operating Expenses, Heat. Councilmember Macy noted the substantial decrease in heating costs due to the new HVAC system;
- Line item 07.3 Town Services, Echo should remain at \$2800;
- Line item 13.9 Capital Improvements, Entrance. Mayor Beers proposed removing this item from the budget due to lack of support from Town residents;
- Line item 15. Surveys/Public Space is proposed at \$20,000 to cover further street survey costs. Councilmember Matney recommended \$45,000 to cover A.M. Thomas expenses for the 209-10 street repair project;
- Line item 18. Centennial, will be removed from the budget. Further expenses will now come under line item 07.1 Town Services, Recreation.

Mayor Beers asked C/T Polak to remove obsolete items from the budget including, but not limited to: animal control, admissions tax, other professional services, ADA renovations, chairs and entrance.

The hearing was adjourned at 8:20.

TOWN COUNCIL BUDGET MEETING

Mayor Beers called the special budget meeting to order at 8:20, noting that there are no visitors to comment. When invited, Rex Rhein has no comments on the proposed budget or changes discussed.

Motion 2009-12 to retain the Real Property Tax rate at \$.13 per \$100 of assessed value and maintain the Personal Property Tax rate at \$.80 per \$100 of the assessed value for FY2009-20010. Motion passed unanimously.

Motion 2009-13 to adopt the proposed FY 2009-2010 budget as amended:

- Line item 08. Interest Income, reduced from \$9000 to \$5000;
- Line item 02.5 Payroll, Comp SUI, Expense, increased from \$26 to \$52;
- Line item 07.3 Town Services, Echo, Expense, increased from \$2500 to \$2800;
- Line item 15. Surveys/Pub, Expense, increased from \$20,000 to \$45,000.

Motion passed unanimously.

The approved budget is attached.

Mayor Beers asked for additions to the Agenda.

ADDITIONS TO AGENDA

Mayor Beers reported that she spoke with Ken Hartman of the Montgomery Council Citizen's Advisory Council about concerns that the light sequence for the stop light located at the Union Arch Bridge between Glen Echo and Cabin John may be changed. Mr. Hartman assured her that there are no plans to change the sequence. Mayor Beers noted that she still plans to write to the Montgomery County Department of Transportation to relay Council's concerns over road construction changes and safety issues caused by the recent changes on MacArthur Boulevard near the Bridge and Wilson Lane.

The meeting was adjourned at 8:30.