

**Village of Martin's Additions
Elections and Annual Village Meeting
May 13, 2010 Meeting Minutes
7013 B Brookville Road, Chevy Chase, MD 20815**

COUNCIL MEMBERS AND VILLAGE REPRESENTATIVES PRESENT: **Council Members:** Richard Krajeck, Noell Sottile, Mike Zielinski, Chris Mueller, and Larry Wasson. **Village Manager:** Jean Sperling; **Attorney:** Ron Bolt.

Residents present: Lorie Mitchell, John MacDonald, March Dodge, Diane Doolan Everts, Todd Mann, Arthur Alexander, Michelle Bock, Steve Schmal, Marty Langelan, Frances Phipps, Jon Fleming, Jill Filipczyk, Susan Sharrow, John Sharrow, Bernie Davis, Cathy Klion, Tom Plotz, Michael Trageser, Natalie Welle, Lynn Welle, Holly Worthington, Mimi Lara, Josh, Bowers, Jeff Stann, Keith Allen, Hanne Correl, Bill LeoGrande, Anne Lieberman, Anita Difanis, Deb Schmal, Dan Rotrosen

CALL TO ORDER 8:00PM by Chairman Richard Krajeck. The Chairman noted that the Village is recording the meeting for the purposes of preparing the minutes. Councilmember Wasson indicated that he too was recording the meeting separately. Budget Handouts are also available.

POLICE REPORT: SGT. DASILVA, CHEVY CHASE, VILLAGE POLICE

During the month of April the Chevy Chase Village Police responded to four calls--one traffic stop on Taylor Street which turned up an outstanding warrant for an arrest for failure to appear in court; a disorderly conduct on Quincy Street and a parking violation and towing on Taylor Street. In the general vicinity there were minor incidents in Section 3 and a lot of parking complaints generated about the parking along Connecticut Avenue that resulted from the Decorators Show House on Bradley Lane.

The County police reported that two vehicles were ransacked, one in the 3500 block of Taylor Street in Martin's Additions and at in the 3700 block of Shepherd Street in Section 3.

Reflecting on the services delivered during the year in Martin's Additions, the Chevy Chase Village Police responded to 22 calls for services and 295 traffic stops or traffic issues. (Compared to 163 traffic related issues in Section 3). From the standpoint of overall trends, vehicle break-ins continue; most of the vehicles were unlocked. He urged residents to leave nothing of value in their cars. The word on the street is that this area is the place to go for goods, although they have made arrests related to some of the break-ins. Recently arrests were made related to the burglary cases in the area as well—the police have a suspect that they believe broke into the house on Taylor Street in Martin's Additions this past winter. The police are carefully monitoring the pawn shops in the region looking for stolen goods.

Resident Comments:

March Dodge (Chestnut Street): Felt that the biggest issue was people running Stop signs.

Marty Langelan (Chestnut Street): Asked why we will not have Chevy Chase Village Police services next year. Sgt. Dasilva explained that it was the decision of the Chevy Chase Village Budget Committee and Board of Managers to no longer provide services to surrounding communities; it was not something that Martin's Additions had any say in. Dasilva confirmed that Police Chief Gordon told Manager Sperling that they will help if needed and that she should stay in touch with the Chief.

Chairman Krajeck expressed his appreciation to Sgt. Dasilva for the fine services Chevy Chase Village Police have provided to Martin's Additions over the years and how sorry we are to no longer be able to avail ourselves of their services. The sergeant reiterated that Chief Gordon will be available whenever possible to assist.

ACTION ON MINUTES- APRIL 15, 2010 MEETING

Motion to Approve the Minutes: Councilmember Mueller; 2nd Councilmember Zielinski; **Vote:** All in favor.

TREASURER'S APRIL REPORT: COUNCIL MEMBER MUELLER

Income for the month of April was \$ 975. (\$500 in permit fees, \$249 in code infractions, \$210 in real property tax, \$13 interest income) Expenses for the month totaled \$ 49,708. Unusual expenses included \$ 13,700 for the 25th Anniversary of Incorporation Community Event. This expense was anticipated and falls within budget. Year-to-date expenses are running about \$286,000 greater than income. We have confirmed with the State of Maryland that Martin's Additions will receive two more income tax payments, one in May and one in June, both for about \$76,893 (\$153,786 total).

Motion to approve the Treasurer's Report as submitted: Council Member Zielinski; 2ndCouncil Member Sottile; **Vote:** All in favor.

VILLAGE “YEAR-IN-REVIEW” REPORT: CHAIRMAN KRAJECK

Chairman Krajeck began his remarks by noting that we are celebrating 25 years of Incorporation as a Municipality this year. He highlighted some of the accomplishments this past year:

New Building Codes: Almost exactly a year ago the Village Council adopted new building codes for the Village of Martin’s Additions after years of study and work. These codes were effective June 16, 2009. Since that time we have issued approximately 26 new building permits under the new code. While we underestimated the amount of work that would be required to implement the changes and make the codes administratively operational, the process now seems to be running smoothly.

Stormwater Management Issues: At the time of the initial decision to move forward with exploring new building codes, the Land Use Task Force decided to separate out the issues related to stormwater management for later study. Now that the building codes are in place a Task Force has been established to move forward on stormwater issues. The new Task Force will meet the fourth Thursday of each month and information on their work can be found on the website.

Changes in Village Infrastructure: Often the work that goes on in the Village is not so obvious, but it is important to point out some of the improvements, for example:

- Changes have been made to the market area and exit from Turner Lane so that truck traffic is minimized.
- Sidewalk repairs have been made to eliminate hazards.
- Streets have been sealed to extend street life.
- Potholes have been filled.
- The Cummings Lane corner has been cleared of overgrowth, improving the line of sight and eliminating potentially hazardous traffic situations.
- The Village Office was the only office in the area open throughout the winter storms. The Manager’s long hours and commitment to getting our streets plowed and sidewalks shoveled is commendable—no Village Manager could compare.
- Special thanks to the many people who assisted with the Village during the course of the year, especially, Rick Michel, Dan Gardner, Keith Allen, Bill Catherwood, the Land Use Task Force, the newly formed Storm Water Task Force and the Elections and Ethics Committee.
- Thanks to Noell Sottile for serving three terms on the Village Council and Larry Wasson for one term.

RESIDENT COMMENTS

Chairman Krajeck opened the resident comment section of the meeting noting that there have been numerous comments on the Village’s list serv about the FY 2011 budget to be acted on this evening as well as the tax rates for the coming fiscal year. Opportunities had been made for residents to comment at a special public hearing on April 8th and again at the regularly scheduled Council Meeting on April 15th. Tonight is another opportunity for residents to offer their comments.

He assured those in attendance that all of the Council members are committed to monitoring the budget, the revenues and expenses as the fiscal year is closed out and as the Village prepares for the new fiscal year. He proposed that the Council have a budget working session as soon as the new Council is seated and, with Council approval, that a special public hearing be scheduled to answer many questions that have arisen about Village spending.

Attendees were instructed to sign-up to make comments, step up to the podium and limit their comments to 3 minutes. Councilman Zielinski offered to serve as time keeper. Before the comment period was opened Krajeck reminded those in attendance that we were all neighbors and to be mindful and respectful of each others views.

John MacDonald (Summit Ave): Mr. MacDonald thanked the Council and Manager for managing the Village so well. He felt it is important to continue look to at various expenses. In an effort to make constructive suggestions he proposed considering issuing *Martin’s Edition* by email to cut down on mailing expenses and placing copies for distributing at the stores in the Market Area.

Arthur Alexander (Raymond Street): Mr. Alexander stated that he has realized how ignorant he was of Martin’s Additions functions and will volunteer to put out an investigative report on specific functions in the “Edition.” This would include what it is we are doing, what we paying are for it, why we do it; what are the outcomes and what are the arguments for doing more or less of it. As he educates himself on these matters he thought others might benefit from his education.

Lori Mitchell (Cummings Lane). Mrs. Mitchell asked for more information about the use of professional consultants. The Village’s costs in this budget category have doubled since 2007.

Marty Langelan (Chestnut Street): Ms. Langelan felt that \$400, which would be the average residential property tax on a million dollar home if the tax rate is raised to 4¢, is a lot of money, particularly for old ladies. She is also concerned that we have spent \$300,000 from reserves. She looked at Section 3 which she feels is similar and found that their overhead is 31% compared to 59% for our Village. People don’t feel heard. Her letter (posted on the list serv), was ignored. She has put together her list of the 14 original questions that have not yet been answered and a list of key questions that other

people have raised. [She passed copies out to the Council members] She officially requested that the Council respond to these questions in writing by the close of business May 21, 2010.

Francis Phipps (owner of rental property, Chestnut Street): Ms Phipps agreed with many of the points that Marty made. This is a tough time for jurisdictions and it is going to be tough for several years; we need to take care of more than just this year because we will likely be going through this again next year. The long term impact of today's decision should be taken into account. It appears that the relationship between administrative costs and actual project service expenditure is out of balance.

Steve Schmal (Summit Avenue): Mr. Schmal supports the budget and budget process. The Council held two working sessions on the budget that residents could attend, few did, and a public hearing to discuss the budget, which was unprecedented. A number of residents offered comments at those meeting; only two spoke in opposition to the proposed increase. Councilman Wasson and the people who were communicating on the list serve were not at these meetings; while people can certainly comment now, their impact is lessened by the delay. As a result of the hearing the Council made significant budget reductions that preserve the kind of services that Martin's Additions' residents expect. With regard to the tax rate, few people commended the Council when the rate was low. At the time of incorporation the rate was 25¢ per \$100 of assessed valuation. For fiscal year 2001 the rate was dropped to 2¢. The current rate of 8/10th of a cent was basically the equivalent of that 2¢ because the state changed the assessment rate from 40% to 100%. For 10 years we have had a 2¢ tax rate; the rate has been low in comparison to other municipalities. Last year our rate was 1/25th of the rate in Chevy Chase View; 1/12th of the rate in Chevy Chase Village; 1/5th of Friendship Heights and Somerset; 40% of the rate of Section 3, 80% of the rate in Town of Chevy Chase; only Section 5, with no property tax, were the rates lower. So, for many years Martin's Additions residents have received fine services and paid less for them. Now we have less money to work with; the Council made cuts to the budget but in order to not make drastic cuts in service the Council is proposing an increase in the tax rate. Let's put things in perspective and appreciate what we have and how little it has cost us over the years.

Bill Catherwood (Shepherd Street): Mr. Catherwood noted that Martin's Additions has tried the Section 3 model and decided that we didn't like it. The projected budget is balanced between service reductions and tax rate increase. He urged the Council not to be swayed by a small number of people.

Jon Fleming (Shepherd Street): Mr. Fleming hopes people are listening to what is being said. We probably should go ahead and adopt the budget; it is just a planning document. What needs to be done is some serious management work on how we manage and implement this particular budget. There are a number of common sense things that might be done. He suggested that the Village bargaining power might assist residents is getting snow shoveling. He urged the Council to adopt the budget and revisit it down the road a bit. He urged the use of creative negotiation.

Bill LeoGrande (Chestnut Street): Mr. LeoGrande thanked the Council for its hard work. He is aware that the Council made a real effort to cut the budget; those who are opposed are not recommending reduced services; they are not against a tax increase given the difficult situation the Village faces. The balance between service delivery and administrative overhead is out of whack. It may be that Section 3 is not a good point of comparison. It may be that they have a form of government that doesn't work very well and we don't want to adopt it. We are also out of whack compared to every other jurisdiction. Not section 3 that is the outlier; it's us. Glad to hear that the Council is willing to drill down on some of the issues and find if there are additional places in the budget where savings can be made, hope that the Council will support some of the amendments that are going to come before it to make some reasonable reductions. Going forward he hopes the Council will do some very careful comparisons of our expenditures with what is going on in all the surrounding jurisdictions so we can get a sense of what the best practices are in other places. Hope we will talk to our colleagues in other jurisdictions to get a sense from them of how they are managing some of their difficult financial problems. Consider providing answers to some of the questions that have been raised. Provide answers for the entire community so everyone has a better sense of how we are working through this. He agreed that they may be coming to the table late, but the issue is whether we can use the money we've got in the most efficient way possible so we can deliver the most services that we can to our neighbors.

March Dodge (Chestnut Street): Mrs. Dodge noted that during the big storm this winter she realized for the first time how vulnerable many of our elderly residents are; they had nowhere to go, they are aging in place. She urged the Council to find a way to include sidewalk shoveling and reinstate the social events in the budget. She is worried about the elderly residents who have no one but the community to support them.

Deborah Kelly (Chestnut Street): Ms. Kelly noted that much has been made of the late outpouring of concern about the budget but just because the comments are late doesn't mean they are irrelevant, that they should be dismissed, or that they are a bad argument. There is no evidence that the views that have been expressed are the views of a minority. She urged the Council to address the merits of the complaints and not be distracted by the timing of it. Don't cut services, cut administrative costs.

Michelle Bock (Shepherd Street): Mrs. Bock asked about a procedural question: what are the budget adoption requirements? She asked if the draft budget circulated by list serv or mail before. What is the default process, if a budget should not be adopted? Chairman Krajeck replied that the budget was mailed to every household and is available on the website. The Village Charter requires adoption of budget by May 15th.

Ed Novak (Chestnut Street): Mr. Novak reminded the attendees of a famous phrase--Ask not what your Village can do for you but what you can do for your Village. He is certain that there are numerous kids who would love the opportunity to serve the residents. Although he is a new resident he believes that we should ask the question what we can do better than the County. Does the desire to re-create the wheel create administrative expenses and obligations that may not be worth the cost of the Village to administer? Are our efforts duplicative? He urged the Council to carefully considered administrative costs before we adopt new regulations and ask the question if this something we want to replicate and do better than the County or is this something that we are re-inventing.

Other Comments:

Lynn Welle (Oxford Street): The County installed drain lines but the water is still flowing down the street. What is being done to hook residents up to this system? What is involved? There has been no reduction in the water in the street. Hope something can be done.

Comments Concluded.

PRESENTATION OF FY 2011 BUDGET AND TAX RATES

Chairman Krajeck asked if there were there any questions before the Council began its deliberation on the budget. There were none.

FY 2011 BUDGET RESOLUTION 5-10-1

Council Discussion:

The Council discussion of the FY 2011 budget was initiated by Councilman Wasson, who suggested that there has not been careful oversight of the budget and asked why the information about the reduction in income tax receipts came so late. He wondered if the timing of what we are doing creates a situation where we are surprised by the shortfall in revenues.

Councilman Mueller explained that the State of Maryland provided us with the income tax information in late February. Mueller noted that the Council has had this conversation about the timing of the notification from the state on two separate public occasions during this budget planning process.

Krajeck added further explanation that when the Council starts the budget development process in February, they begin with projections provided by the state of what income tax receipts are expected to be. He explained how the Village, and all municipalities, gets a 17% rebate of the income taxes we pay to the state. In February, the state notified the municipalities of disparities between actual receipts and what had been originally projected; initial projections had been seriously overstated. Municipalities were generally surprised by this significant downturn. Our state income tax rebate is not the only place we lost revenues—state highway user revenues are down 90%, and we lost a portion of the County service duplication reimbursement. For FY 2011 the Village Budget plans for a \$33,000 surplus as a small hedge against additional income tax losses.

Mr. Wasson and Mr. Mueller had a discussion about what was known when about the lower than planned revenues. Mr. Wasson asked why the Council didn't take action earlier. Mr. Mueller reiterated that the Council learned about the revenue shortfall at the end of February and he suggested that if Wasson had constructive knowledge of reduced revenues he had an obligation at that time to speak; instead he said nothing, and failed to participate in any budget discussion this Council has held. Mr. Wasson insisted that the Council's budget reductions amounted to so little money that it was ridiculous. Mr. Mueller noted that the budget had been reduced by \$200,000. Mr. Wasson felt that another \$100,000 is in the budget that doesn't need to be spent.

Mr. Mueller stated that he felt that Mr. Wasson has been incapable and unwilling to offer any operational plan of how the Council would cut spending by another \$100,000. He noted that Wasson's proposal to cut salaries and administrative spending does not include a solution for how the Village would be able to conduct its business. Mr. Wasson suggested that the office could be closed one day a week. Mr. Mueller stated that the emails aren't going to go away, the phone calls aren't going away; the work isn't going away. Mr. Wasson stated that the emails and phone calls don't deliver service. Mr. Wasson wants to offer an amendment to the budget motion that will be put forth.

Chairman Krajeck called for a motion to adopt Resolution 5-10-1, the FY 2011 Budget, as presented. Councilman Mueller made the motion. 2nd: Sottile.

Discussion.

Wasson made a motion to reduce the budget as follows:

In category:

2011: Urban Planning: to be reduced to \$0

5010: Office expenses: Reduce from \$15,000 to \$10,000

5040: Printing and mailing: Reduce from \$15,000 to \$8,000

5110: Salaries: Reduce from \$87,000 to \$70,000

5210: Accounting: Reduce from \$27,000 to \$15,000

Total reduction of \$94,000

5220: Building Permits: Reduce from \$25,000 to \$10,000

5410: Waste Collection Reduce from 79, 500-76,500

5510: Trees: Reduce from \$25,000 to \$20,000

Chairman Krajeck called for a second to Mr. Wasson's motion to amend the FY 2011 budget. No second was made. Mr. Wasson's motion died for lack of a second.

ADDITIONAL DISCUSSION OF BUDGET RESOLUTION.

Zielinski's Remarks.

Councilmember Zielinski noted that the issue of minority view or late comments doesn't really matter—the points that have been raised are legitimate and should be addressed. The difficulty is that these questions can't be addressed in a couple of days--they can't even be addressed in a week.

As a way of example, Mr. Zielinski noted that getting a handle on where all the legal expenses are that we incur and the building permit expenses is not easy. These expenses occur over a course of a year and we (the Council members) are volunteers. The Council meets once a month. Members do other things such as storm water review and building regulations. If the Council members were working on the budget 100% of the time maybe we'd have the answer right off the top. That is not a reality.

There have been some good suggestions made by [Council Candidate] Arthur Alexander for one, to delve into a lot of this, in particular, professional fees. Building permit issues and costs were originally envisioned as offsetting one another--the idea behind the building administration review was to try to get the permit fees to cover the expenses of administering the new regulations. The Village is just not there yet. When the Council takes action to create new regulations and procedures, these things need to be made operational-- that takes time. Some of the money that was spent last year was to get the new building permit operations in place. It should smooth out as we get a better handle on how to do this. The Council will need to re-look at fees and change some of that.

Mr. Zielinski continued his remarks, addressing the budget amendments proposed by Mr. Wasson. He noted that the Council has had several meetings to look at the budget and examine its contents; to say that the budget category of "Office Expenses" is just too high and can be easily cut requires that there is an understanding of what is in that budget category; that can't be accomplished tonight.

Many of the questions presented tonight should have been raised at the prior budget review sessions; if they had, we would have all understood them. We wouldn't be sitting here saying, "I don't understand what that is, here's what I think we can cut." We have to do this in an orderly fashion and it is going to take time. We can amend the budget in a month or two and by then we should have a better handle on our revenues. Regardless, the idea of looking at the question of administration vs. service delivery is a very important one; there are some very good points that have been made.

The Council can't promise to answer all of the questions handed to it this evening, and is certainly not going to promise to answer them all in a week, but we will look into them. The announcement that Chairman Krajeck made at the beginning of the meeting to get the new Council in place and then agree to tackle this as a new Council is an excellent one. Mr. Zielinski expressed the opinion that the Council should adopt the budget and tax rate now as presented; especially since they are under some legislative pressure to do that at this time.

Sottile Remarks.

Councilmember Sottile supported Mr. Zielinski's remarks. She stated that is clear to her that the Council is still not sure what the economic picture is going to be and it bears very careful considerations and deliberations. It is a work in progress that needs continued review and work as the picture becomes clearer.

Krajeck Remarks.

Chairman Krajeck remarked that the Council can't discount all the information they have received in the past weeks; it is important information and there are issues that the Council needs to examine. The budget is a document in progress; action must be taken tonight but it doesn't mean that it is the end of the budget discussion. We need another public hearing where we look at the budget, look at these questions; Mr. Krajeck supported Mr. Alexander's suggestions that the Council look at special issues try to understand those issues so that we can understand them together.

This concluded the budget remarks.

Mr. Krajeck noted that there is a motion on the floor to adopt the budget and called for a vote on Budget Resolution 5-10-2: Four voted in Favor (Krajeck, Zielinski, Sottile, Mueller) One Opposed (Wasson).

SETTING OF TAX RATES: Resolution # 5-10-2 Tax Rates for FY 2011 (Real, Personal, Commercial and Utility)

Chairman Krajeck read the following resolution into the record:

RESOLVED: That the Village Council of the Village of Martin's Additions, pursuant to the authority granted by the Village Charter and Section 6-203 of the Tax-Property Article of the Annotated Code of Maryland, hereby levies a tax at the rate of four cents (\$0.04) per One Hundred Dollars of assessed value (fair market value) on each One Hundred Dollars (\$100.00) worth of assessable real property, in the Village of Martin's Additions, and a tax at the rate of fifty cents (\$.50) per One Hundred Dollars of assessed value on each One Hundred Dollars (\$100.00) worth of assessable personal property, in the Village of Martin's Additions; and a tax at a rate of ten cents (\$.10) per One Hundred Dollars of assessed value on each One Hundred Dollars (\$100) worth of assessable commercial property, in the Village of Martin's Additions, and a tax at the rate of one dollar and forty-five cents (\$1.45) per One Hundred Dollars of assessed value on each One Hundred Dollars (\$100.00) worth of assessable utility-owned property, in the Village of Martin's Additions.

Motion to Approve tax rates contained in the resolution was made by Councilman Zielinski; 2nd Sottile.

Discussion:

Wasson made a motion to amend to reduce the real property tax rate from 4¢ \$100 to 2.5¢; there was no second, the motion died for lack of second.

Krajeck called for a Vote on Resolution 5-10-1, Setting tax rate: Four in Favor (Krajeck, Zielinski, Sottile, and Mueller) One Opposed (Wasson).

RESOLUTION ON FURTHER BUDGET REVIEW:

Zielinski suggested that a formal resolution be proposed for the budget review that was discussed earlier. Krajeck proposed that the resolution would state that once the new Council is seated that there be another thorough budget review and that the Council schedule a public meeting. He suggested that a first run through of the budget could be held at the September Council meeting to look at expenses. A further run through can look at other detail later. **Wasson made a motion to this affect. 2nd: Sottile. Vote: All in favor.**

ANNOUNCEMENT OF ELECTION RESULTS

Frank Correl, the Chairman of the Elections and Ethics Committee addressed the Chairman, the Council and residents present.

The Committee of Elections and Ethics of the Village of Martin's Additions hereby submits its official report on the result of the elections for three Council members, held today, May 13, 2010 as follows:

*173 ballots were cast; 144 in person and 29 absentee ballots. Arthur Alexander: 162 Votes, Richard Krajeck: 145, Jill Filipczyk: 134.

There were 10 write-ins for 7 different individuals. A formal report will be translated from these notes to a formal report as soon as possible.

* This number reflects the correction of the sum of ballots cast in person and absentee ballots announced at the meeting.

ADJOURNMENT: 9:25 PM

Motion to Adjourn: Mueller; 2nd Sottile; **Vote:** All in favor