



WORK SESSION OF THE GREENBELT CITY COUNCIL held Wednesday, March 16, 2005, for the purpose of meeting with the City Manager for a preview of the Fiscal Year 2006 budget.

Mayor Davis called the meeting to order at 8:12 p.m. in the Senior Classroom of the Community Center.

PRESENT WERE: Councilmembers Konrad E. Herling, Edward V. J. Putens, Rodney M. Roberts, and Mayor Judith F. Davis. Councilmember Leta M. Mach was out of town.

STAFF PRESENT WERE: Michael McLaughlin, City Manager; Jeffrey Williams, City Treasurer; David Moran, Assistant City Manager; Joe McNeal, Assistant Director, Recreation; and Kathleen Gallagher, City Clerk.

ALSO PRESENT WERE: Sheldon Goldberg, Greenbelt East Advisory Committee; Thomas X. White, Greenbelt News Review; and Natasha Brown, the Gazette.

Mr. Putens said he appreciated having the opportunity to see in advance what the roadmap for the proposed budget would be; he said he thought it was good for the City Council to have the opportunity to interact with the City Manager about it in advance. Mr. McLaughlin replied that at this point, there was still time for some adjustment if Council wished.

Mr. McLaughlin used as a framework for discussion his 3-16-2005 memo to Council. He said it was to the credit of Greenbelt's citizens and City Councils that responding to needs and expanding services had long been hallmarks of the City. At the same time, this growth of programs and services contributes to the problem that expenses are growing faster than revenues. This year's \$20 million budget is balanced with a 10% increase in state assessments and a City tax increase of at least four cents, though the four-cent level includes no employee COLA and inadequate replacement to the fund balance. Realistically, he said, it would take a six-cent tax increase to cover those items; this would raise the City's tax rate to \$0.776, which approaches the county's \$0.80 rate. He said the major drop in the fund balance had occurred over the last two years.

Mayor Davis commented that what this really meant was that the City's expenses had been increasing faster than its income for a while. Mr. McLaughlin said that was true but that the situation also reflected a couple of unexpected "big hits," including the closing of six of the AMC Theater screens for a loss of \$200,000 in admissions and amusement taxes and a property tax abatement notice for Capitol Cadillac for \$110,000 more than budgeted. He said one purpose of the fund balance was to provide a cushion for the unexpected and this was why it needed to be rebuilt. He also pointed out other ongoing expenses that had risen, however, including utilities, gasoline, pension payments, and expenses at the Greenbelt Aquatic & Fitness Center (GAFC).

In response to a question from Mr. Roberts, Mr. McLaughlin said Public Works had not yet completed redoing comparative emissions testing on biodiesel and regular diesel fuel.

Mr. McLaughlin described several actions that had been taken or were proposed in the budget, including: holding vacant the two new positions that had been approved for this fiscal year; a change of health insurance broker, with the expectation of reducing somewhat the anticipated increase in premiums; joining an electricity purchasing cooperative; increasing parking violation fees, pool passes, and refuse bills. Also proposed is a change on the City/employee split on health insurance premiums from 85/15 to 80/20, which would be in line with other jurisdictions.

Mr. Roberts asked if the proposed \$40 parking fine was high. Mr. McLaughlin provided comparative figures for the county, Hyattsville, and Berwyn Heights, indicating that amount was not out of line. Mr. Putens remarked that, generally speaking, the touchy issue with citizens is more the nature of the enforcement policies than the amount of the fine.

Mr. McLaughlin stressed that his proposed budget holds the line on services, but he said the City would need to determine whether that approach was better than reducing services in order to reduce the amount of the tax increase.

The Mayor expressed concern about offering a COLA with one hand while reducing the City's contribution to health insurance premiums with the other, noting that certain higher levels of government had recently engaged in such tactics. Mr. McLaughlin explained that his thinking in suggesting this was that the COLA impacted all employees, while bringing the insurance contribution in line would impact only some employees and in some proportion to use.

There was further discussion of whether any cuts would be acceptable. Mayor Davis said she would be reluctant to eliminate the two unfilled positions that had been approved last year, given that the case had been made for their need.

Mr. Roberts asked about the subsidy for Community Center and GAFC fees this year. Mr. McLaughlin said they were 65% for the GAFC (compared with a 70% target) and 36% for the Community Center (compared with a 40% target), with the differential being mostly attributable to utility costs. He said the target had been hit until recently and that he had asked the Recreation Department to do a comprehensive analysis of all fees prior to the budget process next year.

Mr. McLaughlin noted that this budget uses no Program Open Space (POS) money but that these funds could still be used toward the skateboard park. He said the balance for POS funds is about \$590,000, including this year's allocation of \$70,000.

Mr. White asked if the new development at the Golden Triangle would contribute to FY 2006 revenues. Mr. Williams said there would be a partial-year contribution.

Mayor Davis asked if there would be "wish lists" this year. Mr. McLaughlin said he thought the departments understood that, with little exception, this was an "existing services" budget.

Mr. Putens thanked Mr. McLaughlin for providing this briefing to Council, and Mr. McLaughlin said he appreciated the opportunity to do so.

Other Business

Mayor Davis raised a question regarding clean-up on some Bradford Pears with branches down. She also said she and Ms. Mach had observed a problem at night with people driving east behind the Municipal Building then turning left into the large parking lot.

The meeting was adjourned at 9:40 p.m.

Respectfully submitted,

Kathleen Gallagher

City Clerk