



***WORK SESSION OF THE GREENBELT CITY COUNCIL held
Wednesday, January 14, 2009, for the purpose of receiving a
budget update from the City Manager.***

Mayor Davis called the meeting to order at 8:07p.m. It was held in the MultiPurpose Room of the Community Center.

PRESENT WERE: Councilmembers Konrad E. Herling, Leta M. Mach, Rodney M. Roberts, and Mayor Judith F. Davis. Council Member Putens arrived at 8:22 p.m.

STAFF PRESENT WERE: Michael McLaughlin, City Manager; Joe McNeal, Assistant Director of Recreation and David Moran, Assistant City Manager.

ALSO PRESENT WAS: Sheldon Goldberg

Mr. McLaughlin began by suggesting that Council review the memo dated January 9, 2008. He shared a news article from the City of Frostburg indicating that their City's financial situation was stable.

Mr. McLaughlin reported that generally the City's financial situation was OK. He indicated that FY 2009 property tax revenues were coming in as expected.

Mr. Herling asked if City residents were insulated from the economic downturn. Mr. McLaughlin responded that this was the case largely due to the Federal government and its support services. However, he did report that the City was seeing a downturn in the income tax revenues that the City receives.

On the expenditure side for FY 2009, Mr. McLaughlin stated that expenditures were below historic levels. He indicated that he was holding off on filling certain positions including new positions approved in FY 2009 and certain other positions as they become vacant as a cost saving measure.

For FY 2010, Mr. McLaughlin suggested that the City may want to take certain steps to reduce expenditures due to an anticipated reduction in FY 2011 property tax revenues. He reported that preliminary data from the State Department of Assessments showed a 12% increase in single family homes. For commercial property a 5% increase was predicted for an overall increase of 9%. He noted that the City could see good property tax revenues, but the other revenues such as highway user could decline.

Mayor Davis asked about tax differential. Mr. McLaughlin responded that for years the tax differential had increased. However due to TRIM, property tax was a smaller percentage of County revenues and this year for Greenbelt residents it would decrease by about \$.01.

Mayor Davis stressed the need to communicate with residents about the City's financial situation and especially the lack of funds available for any new programs or services. Ms. Mach suggested encouraging the News Review to write an article. Mr. Putens also believed the City needed to communicate this information to residents. Mr. McLaughlin suggested a pre-budget article in the next newsletter. Mayor Davis asked if Council could give an update at an upcoming Regular City Council meeting. Mr. Roberts stated that some Greenbelt residents were in much worse shape than the City.

Mr. McLaughlin asked if Council was willing to entertain reductions in non-core services such as the post office CPU. Two other services mentioned were ACE reading club and Pet Expo. Mr. Putens suggested asking Departments for their suggestions about which programs could be cut.

Mr. Putens stressed the need to preserve City employee jobs and that this had been a long standing policy of Council. Mayor Davis indicated that Council may need to cut its own travel expenditures and contribution groups might need to not get increases.

Council reviewed the visioning goals drafted by Mr. McLaughlin and provided some additional feedback.

Mr. McLaughlin noted a request from Governor O'Malley looking for infrastructure projects which would create jobs and that were "shovel-ready." Council agreed to let Mr. McLaughlin draft a letter with a list of projects.

The meeting was adjourned at 9:30 p.m.

Respectfully submitted,

*David E. Moran
Assistant City Manager*