

WORK SESSION OF THE GREENBELT CITY COUNCIL held Wednesday, January 29, 2020, City Manager's Update.

Mayor Byrd started the meeting at 8:00 p.m. The meeting was held in Room 201 of the Community Center.

Present were Councilmembers Judith F. Davis, Leta M. Mach, Edward V. J. Putens, Silke I. Pope, Emmett V. Jordan, and Mayor Colin A. Byrd. Council member Rodney M. Roberts was unable to attend due to illness.

Staff members present were City Manager Nicole Ard, Assistant City Manager David Moran, and Laura Allen, City Treasurer.

Ms. Ard presented the City Manager Update alongside the new City Treasurer, Laura Allen, who provided an overview of the City's financial standing.

Ms. Allen reported that revenues and expenditures for Fiscal Year (FY) 2020 were currently aligned with the adopted budget, with revenue percentages comparable to those in previous years. A positive highlight from her review was that net real estate revenue had surpassed expectations, showing an increase of nearly \$500,000. Additionally, requests for real estate abatements—temporary or indefinite tax rate reductions—had been lower than anticipated in the first half of the year, contributing positively to the City's financial outlook.

In terms of income tax revenue, early estimates indicated that Greenbelt might receive approximately \$300,000 more than budgeted. However, there had been a downturn in hotel and motel tax revenue, primarily due to ongoing renovations at the Crowne Plaza Hotel, which had affected the anticipated income from this sector. Despite these fluctuations, total operating expenditures were in line with the adopted budget. Expenses related to building and vehicle maintenance had also remained stable.

Salaries and benefits constitute the largest portion of the City's operating budget, reflecting the City's commitment to its workforce. Looking forward, Ms. Allen presented optimistic projections based on real estate assessment data from the County, suggesting that commercial property tax revenue was likely to increase in the upcoming fiscal year for the first time in a decade. This potential revenue boost was a promising sign for the City's financial future.

As preparations for the Fiscal Year 2021 budget begin, with a proposal set to be presented in late March, Ms. Allen highlighted five significant issues that could introduce uncertainty into budget decisions. First, the unpredictability of large commercial property abatements will necessitate a conservative approach to revenue estimates. Second, there were unknown factors regarding healthcare cost increases for the next year for which a 10 percent increase was being planned.

The tight labor market, as indicated by the Bureau of Labor Statistics' December jobs report, was another concern, as it might exert upward pressure on wages. Additionally, the expansion of city services had implications for the overall revenue base. Finally, Ms. Allen expressed concern that the City might not be allocating sufficient funds for infrastructure, an area that required ongoing investment.

The meeting ended at 10:11 p.m.

Respectfully submitted,

Bonita Anderson
City Clerk