WORK SESSION OF THE GREENBELT CITY COUNCIL held Monday, December 28, 2020, to discuss budget updates.

Mayor Byrd started the meeting at 8:00 p.m. The meeting was held virtually via Zoom.

Present were Councilmembers Judith F. Davis, Emmett V. Jordan, Leta M. Mach, Silke I. Pope, Edward V. J. Putens, Rodney M. Roberts, and Mayor Colin A. Byrd.

Staff present were: Nicole Ard, City Manager; David Moran, Assistant City Manager; Chief Bowers; Bertha Gaymon, Treasurer; Molly Porter, Community Planner II; Todd Pounds, City Solicitor; Greg Varda. Recreation Director; Jim Sterling, Public Works Director; and Bonita Anderson, City Clerk.

Also present were Bill Orleans and others.

Mayor Byrd called the meeting to order with an introduction of the Council. He explained that the agenda had been amended because of the uncertainty in revenue and other economic reasons due to the pandemic.

Ms. Davis stated that the meeting would provide budget updates but she would also like to discuss Maglev. Ms. Ard responded that she had sent an email two weeks ago stating that two directors working on the project were off this week.

Ms. Gaymon reviewed various reports regarding the revenue sources of the City to determine how and if they needed adjustments. Ms. Gaymon noted her findings and recommendations in comparing the financial records to current trends and what occurred over the past two years, pre-pandemic and post-pandemic.

Ms. Gaymon conveyed that she had spoken with various directors. After a careful review of new information, coupled with the City's financial statements, she was sure of her reports. She showed where adjustments could be made and displayed the impact of the modifications to the adopted FY 2020 budget. Ms. Gaymon also reported that the reports sent to Council two weeks ago looked slightly different from the presented documents because she had added new information concerning how she thought abatements should be managed going forward.

Ms. Gaymon declared that the City was in excellent financial condition; its revenue stream was sound. Then, after explaining the City's fiscal picture, she asked how Council wanted her to proceed.

Ms. Davis replied that the documentation sent to Council was fantastic.

Council wanted to know where the City was in the red and what accounts were doing well. Council would decide what to adjust during Ms. Gaymon’s assessment.

Ms. Gaymon said that the City had received a letter from the office of Comptroller of Maryland Peter Franchot which indicated that revenue projections had slightly increased by .3% in 2020 and by .7% in 2022. Personal property taxes were still the same as what was budgeted, but they were leveling out. She explained that they had already received 48% of what was budgeted five months into the year.

Ms. Gaymon expressed her concerns regarding abatements. She stated that she had contacted the County but had not received a return call. In doing her research, she looked at the State's website concerning taxes and abatements. Her findings were that there was no timeline about when an appeal would be processed, how long the appeal would take, or when it would happen. She discovered that the taxpayer could appeal up to 45 days after receiving their bill, and many steps happened after submitting it.

Ms. Gaymon stated it made more sense to say that the budgeted abatement amount of 1.897 million dollars would probably not be needed. She believed some abatements would not come in because of the current climate. Accordingly, she advised Council that it made sense to take a conservative approach by saying the City would possibly receive requests for about 1/3 of the budgeted amount, which is about $632,000. For this line item, the one-third course of action was what she proposed.

Ms. Gaymon's memo distributed before the meeting concerning abatements gave Council three options to consider as they moved forward. She utilized option three in her current presentation on handling abatements. Finally, Ms. Gaymon stated she would continue calling the State to see if any appeals were acted upon.

Mr. Jordan asked about the percentage breakdown of personal versus commercial abatements. He also asked, of the total percentage of the abatements, which rate would be the higher, commercial or personal abatements. Ms. Gaymon replied that she did not have an individual percentage breakdown of personal versus commercial abatements; however, she would provide it later.

Mr. Roberts asked if Ms. Gaymon's numbers were based on past years or were an assessment of the overall abatement numbers. Ms. Gaymon replied that these numbers were based on the prior year. But, because of the pandemic, this might change. However, County Executive Angela Alsobrooks and other leaders saw higher revenue than initially expected.

Ms. Davis stated that the majority of abatements came from the commercial community. They had been known to wait to submit abatements. She said, considering the climate, there should have been more abatements. She was more concerned about next year. Ms. Davis agreed to using the third option regarding the proposed abatement options.

Mr. Orleans, a resident, stated that for years he had proposed that Council implement stronger policies when handling abatements instead of just granting abatements because a company was not doing well financially.

Ms. Gaymon agreed with Mr. Orlean's comment concerning the State website which could be more specific regarding abatements. Nevertheless, she said she would continue to dig into abatements.

Mayor Byrd expressed his concerns regarding abatements and concurred with Mr. Jordan that the Treasurer and other team members should focus on commercial abatements. Furthermore, he advised Ms. Gaymon to call her counterparts in other municipalities to help her be even more accurate so that Council could make informed decisions. He felt that having those conversations with the parties mentioned would be worthwhile.

Ms. Gaymon said her colleagues had the same thoughts regarding abatements. She also noted that it took work to get out of paying taxes. For example, if there was a foreclosure, the new owner or the bank would still have to pay the taxes. Ms. Gaymon reminded Council that taxes must be paid, even if paid late. She noted no discussion about moratoriums in her conversations with others. Although people and companies would try to avoid paying taxes, they would most likely have to pay their taxes most of the time.

Ms. Gaymon then responded to Mr. Jordan's comment. Because tenants were getting the needed rental assistance, landlords could pay their taxes. At first, she had some concerns when the recent stimulus bill was not signed, but folks were now getting the assistance they needed to remain in their apartments.

Ms. Pope echoed Ms. Gaymon and others concerning taxes.

Mayor Byrd commented that the City was undoubtedly at the breaking point regarding rent. He asked Ms. Gaymon if she knew how much funds the City would have to spend on rental assistance in 2021 while maintaining the City's financial health.

Ms. Gaymon replied that all she had to offer was what was recorded on the documents before Council. If Council accepted the adjustments, there would be 1.3 million dollars recorded in the adjustment column which would be available. She could allocate some of it to help renters. Other than that, everyone had been relying on stimulus packages. She hoped that there would be more stimulus money.

Ms. Lester, a resident, thanked Ms. Gaymon for her efforts in such a short period of time. She also said that the key to abatements was understanding the differences between residential and commercial properties and how they were assessed. Knowing this was important to managing the City of Greenbelt's budget.

Ms. Gaymon recommended that no modification be made to income taxes because the current numbers were in last year's range, in line with past numbers for this time of year and pre-pandemic. However, she recommended some adjustments in the area of admissions and amusements because some facilities would be closed until the end of the year. She suggested a decrease of $160,000.

Ms. Gaymon said the City received a letter from the Maryland Department of Transportation in October stating that the City would receive $540,000 in HUR funds instead of $284,000. Ms. Davis stated there was a stipulation—it must be spent and cannot be used for rental assistance.

Mr. Varda noted that recreation revenue had to be reduced because the numbers were moving targets. They depended on the Covid-19 positivity rate, possible forthcoming restrictions, and the number of vaccinations.

Mr. Jordan asked if the numbers were the worst-case scenario. Mr. Varda wished he could say yes, but he needed to figure out the variables. A lot depended on what the community could afford. Mr. Varda indicated that he wanted to offer as many programs as they could. For example, visual arts classes were doing well, but exercise classes could be better.

Ms. Davis asked Mr. Varda if any full-time employees had been laid off. She also asked him to explain why the pool had not reopened.

Mr. Varda replied that no full-time employees had been laid off. The pool's reopening had not occurred because of the pandemic, employees getting COVID, and insufficient staff.

Interest income had also been adjusted, reduced to $9,581, a $14,000 decrease.

Mayor Byrd wondered when Council would get the other departments' expenses. Ms. Gaymon replied that she had sent out the timeline to other directors regarding their expenditures. They were working on this.

Mr. Jordan inquired about State grants and whether the City would receive any this year. Ms. Gaymon replied that she had yet to be notified that we would not receive their regular grants. Ms. Ard had received correspondence from Park and Planning that the City would receive funds.

Ms. Pope asked a question regarding School Resource Officers (SROs). Ms. Davis commented that SROs were part of the police reform report which would be revised. The Board of Education might eliminate them.

Ms. Davis asked if the Cost-of-Living Adjustment (COLA) was frozen. Ms. Gaymon replied yes. Ms. Davis hoped the COLA would be reinstated.

Ms. Mach commented that the increase in staff salaries was significant. As for the architectural space study fund, she thought Council should eliminate it. Hopefully, the City would get the Armory site and use the money to repair it.

Mr. Jordan commented on the deferred expenses, the compensation study, and the architectural space study; he felt that these were essential. He had mixed feelings regarding raises for staff. However, he felt staff on the frontline should get bonuses.

Ms. Davis spoke about the legal cost of opposing Maglev. Fighting it would take many billable hours. She advised Council to be careful with spending 1.3 million dollars.
Mr. Jordan agreed with Ms. Davis concerning the City's legal fees.

Ms. Davis asked a few more questions regarding the Maglev. First, was the extension letter sent because it was dated December 28. Ms. Ard replied that she would follow up. Second, Ms. Davis noted that two more people were added to the task force and inquired about the staff liaison assigned to the task force. Mr. Sterling indicated that Kevin Carpenter-Driscoll was the staff liaison.

Information Items:

Mr. Roberts was at the last Forest Preserve Advisory Board meeting. He was disappointed. They allowed only ten minutes for someone to give them an update. He felt the board was not interested in the Maglev issue and should be joining in the fight.

Mr. Jordan asked for the names of the Maglev task force. Based on the State's lack of response when asked questions, Council should be prepared to wait 45 days.

Mr. Putens noted that he helped distribute food. He had noticed that people were scared, so they were not going anywhere. Others tried to stay healthy, find jobs, and pay their bills. He asked was the City paying for the entire Maglev opposition or were other municipalities helping to pay legal fees. He felt it should be a shared responsibility.

The meeting ended at 10:07 p.m.

Respectfully submitted,

Bonita Anderson

Bonita Anderson
City Clerk