APPROVED: Meeting No. 27-90

ATTEST: Sharon A. Gran

MAYOR AND COUNCIL
ROCKVILLE, MARYLAND
Meeting No. 23-90

May 23, 1990

The Mayor and Council of Rockville, Maryland, convened in Worksession in the Boards and Commissions Room, Rockville City Hall, Maryland Avenue at Vinson Street, Rockville, Maryland, on May 23, 1990, at 7:30 p.m.

PRESENT

Mayor Douglas M. Duncan

Councilmember James F. Coyle
Councilmember Viola D. Hovsepian
Councilmember James T. Marrinan
Councilmember David Robbins

In attendance: City Manager Bruce Romer, Assistant City Manager Rick Kuckkahn and City Clerk Sharon Gran.

Re: Presentation on Land Value Taxation

Walter Rybeck, Director, Center for Public Dialogue, presented the Mayor and Council with an overview of the two-rate property tax that is designed to tax unused land at a much higher rate than land with improvements built upon it. Examples were provided comparing the conventional tax rate with the two-rate tax. Mr. Rybeck briefly described how such an approach could be implemented in the City of Rockville and urged the Mayor and Council to view the documentary "A Tale of Five Cities."

Re: Budget Worksessions

Finance

The City Manager pointed out that the Finance Department had achieved a number of key milestones during the past year, i.e, selection of a new auditing firm, securing

a new banking services contract, implementing direct payroll deposit and contracting with a new financial advisor. The Finance Director, Kevin Deckard, also indicated that staff hopes to conduct on-site City tours for the rating agencies.

In response to Councilmember Coyle's question regarding staffing, the Finance Director stated that all positions have been filled in his department with the exception of Budget Officer. It was also explained that the fluctuation in the budgeted funds for fringe benefits as a percent of salaries is attributable in part to the defined contribution amounts chosen by employees.

Mayor Duncan inquired as to whether communications and data processing equipment are all handled under Data Processing. Telecommunications (phone) equipment is generally handled through the Purchasing Office, and the new telecommunications system is a CIP item. The $177,615 requested in capital outlay is to increase the capability of the IBM and to purchase eight additional personal computers.

Discussion followed regarding the end-of-the-year surplus and the $3 million for pay-as-you-go financing for capital improvements. Mr. Deckard indicated that the General Fund balance would be reduced this year by approximately $2 million as a result of the $3 million pay-as-you-go. There was also discussion regarding maintaining the policy of an unreserved General Fund balance at a level not less than 25% of annual General Fund revenues.

Mayor Duncan asked what the decrease in revenues would be if a penny was cut from the tax rate and was advised that each cent of the tax rate translates to approximately $180,000. Staff was requested to provide additional information regarding projections of the tax rate over the next few years as well as projections of revenues versus expenditures this fiscal year.

Recreation and Parks

The City Manager noted that the department's FY91 budget represents a less

than one percent increase over FY90. It was pointed out that revenues are increasing and there are more fee-supported activities, with 43% of the budget being funded through user fees. It was also noted that the significant decrease in the Special Events Division is due to the fact that many one-time (capital) expenditures were made during FY90.

With respect to the three new full-time positions requested for FY91, the Director, Greg Bayor, stated that these positions were part of a plan agreed to two years ago, i.e., 12-month temporary Parks employees being made full-time with fringe benefits. Discussion followed regarding the labor pool for temporary staff positions.

Regarding the need for expanded services for youth sports programs, staff indicated that the youth sports division is in a position to handle all City residents.

Councilmember Hovsepian questioned the work plan objective "continuing foundation work on community involvement in the proposed natural area and nature interpretive program and center for City residents." Staff responded that this involves areas such as rock climbing at Carderock, the indoor climbing wall and the OARRS Adventure Course.

Discussion followed regarding the establishment of "chemical lawn maintenance of major City buildings" in order to control weeds and increase the health of turf. Staff noted that only EPA-registered chemicals are used and all work is done in compliance with state law. Other items of discussion included:

- The need for erosion control on the bank facing the parking lot at the Civic Center mansion. Specifications have just been completed for a stone/concrete mason.
- A Winterfest to be held this year during the holiday period.
- The decision not to purchase a bucket truck as it is not cost-effective.
- The state highway beautification program. Councilmember Hovsepian expressed

her appreciation for the work done on Veirs Mill Road.

- The CIP grounds beautification item which deals with natural areas.
- Bids for landscaping Veterans Park which are to be received next week.
- The rate structure for rental of the Civic Center Mansion.

Mayor Duncan inquired as to the memorandum forthcoming from the Recreation and Park Advisory Board regarding Rockville Baseball Association.

Office of the Mayor and Council

With respect to Mayor and Council travel, staff was requested to include sites for all non-local travel and identify ongoing regional activities such as participation in the Washington Council of Governments. Regarding the City Attorney's budget, $75,000 is to be appropriated from the property management fund for legal services involving Town Center.

Councilmember Hovsepian inquired as to the status of the automated system of indexing Council minutes and was advised that the program will be developed in-house and data processing staff will begin the project within the next few weeks.

Office of the City Manager

The City Manager advised that the Budget Division had been moved out of the City Manager's Office and now falls under the Finance Department.

Discussion followed regarding cable tv and the creative programming now underway which will be continued in FY91.

Re: Adjournment

There being no further business to come before the Mayor and Council, the meeting was adjourned at 9:35 p.m., to convene again in Public Hearing at 7:30 p.m. on May 29, 1990, or at the call of the Mayor.