APPROVED: Meeting No. 12-94

ATTEST: Paula Jewell

MAYOR AND COUNCIL
ROCKVILLE, MARYLAND
Meeting No. 05-94

February 7, 1994

The Mayor and Council of Rockville, Maryland, convened in Worksession in the Council Chamber, Rockville City Hall, 111 Maryland Avenue, Rockville, Maryland, on February 7, 1994, at 7:50 p.m.

PRESENT

Mayor James F. Coyle

Councilmember Rose G. Krasnow (Arrived 7:58 p.m.) Councilmember James T. Marrinan

ABSENT

Councilmember Robert E. Dorsey Councilmember Nina A. Weisbroth

In attendance: City Manager Bruce Romer and City Clerk Paula Jewell.

Re: FY95 Budget Issues Worksession

The Mayor and Council met in Worksession to review key issues which impact the upcoming budget and to highlight areas of interest and priorities for the Mayor and Council's discussion with the focus on formulating the budget recommendation. The following policy level issues were discussed.

1. Issue #2: Outside Agency Contributions - The Mayor and Council discussed the increasing requests for funding from outside agency organizations for funding due to County resources becoming less available. Mayor Coyle noted a recent Mayor and Council retreat discussion which

focused on an idea to form a social/human services task force that could define who should be the leaders in providing funding and services. Mayor Coyle suggested that the City Manager, the Mayor and one other member of the Council could meet with the caregiver organizations. The Mayor stressed the need to take a look at which County programs parallel the City's.

Regarding the Rockville Emergency Assistance Program, Mr. Romer suggested that the City should and could take care of the entire administration of the REAP program. Mr. Romer will have staff develop a statement of the pros and cons of this and discuss the proposal with Reverend Kaseman.

Mayor and Council agreed that staff should go forward with meeting with the caregivers group.

2. Issue #1: Swim Center - The Mayor and Council discussed the financial issues of the Swim Center. The Swim Center, which is operated as an Enterprise Fund, is carrying a debt service forward on the capital improvement side. On the operating side, sufficient funds were being carried. Councilmember Krasnow questioned what percentage of the pool users were Rockville residents. Staff responded that approximately 60% were residents and 40% were non residents.

Councilmember Marrinan questioned what the impact would be from community pools which ceased operations; he asked would this generate additional revenue for the City's

Swim Center. Staff responded that while the City was poised to welcome and absorb new users, it has always resisted a takeover of community pools.

Mayor and Council agreed with Staff's recommendation to cover the Swim Center debt and approve budgeting for a General Fund subsidy.

3. Issue #3: Stormwater Management - The Storm Water Management Task Force recommended that adequate funding be insured for the City's storm water management activities. Existing earmarked resources for storm water management will be inadequate to fund the storm water management program. The Mayor and Council discussed ideas for new revenue sources.

Staff was asked to put together a chart that would prioritize immediate, mid-range and long-range mandatory cost elements. The Mayor and Council were in support of an ad valorem tax for storm water management funding and staff was directed to go forward with the idea of charging an ad valorem tax; however the Mayor and Council agreed to not reach a decision immediately on this. It was noted that the Cabin John Watershed study and other studies were completed, the entire issue of waiver fees would need to be addressed.

4. Issue #4: Water System Expansion and Water Meter Replacement - The Mayor and Council discussed the issue of continuing to provide funding for the completion of capital projects at the Water Treatment Plant and the issue of replacing the City's outdated water meters.

Staff was directed to bring back more information regarding the expansion of the City's Water Treatment Plant.

Regarding water meter replacements, staff was directed to go forward with budgetary option #3, to resolve to deviate temporarily from the balanced budget policy, spending the $300,000 now and banking on recovery of the funds within 2-3 years by means of more accurate readings.

Staff was also asked to provide the Mayor and Council with more information regarding the removal of the Grandin Avenue tank.

5. Issue #5: Revenue Matters - The Mayor and Council reviewed and discussed potential revenue increases from the following revenue sources:

(a) Senior Services - Discussion focused on whether an increase of fees for senior memberships and services should be considered, and whether a sliding fee schedule for membership fees would work. Councilmember Krasnow questioned how other jurisdictions handle this issue. Councilmember Marrinan commented that Rockville's seniors have always been supportive of the Mayor and Council's goals and the City should rely heavily on what the seniors want. Staff will address the concerns raised in the year long study which will be conducted with the Senior Citizens Commission and Rockville Seniors, Inc.

(b) Special Events - Hometown Holidays - The Mayor and Council discussed the proposal to "gate" this event and charge a small admission fee of $4 per adult. The Mayor and Council expressed reluctant sentiment that this may have to be tried.

(c) Community Recreation - After School K.I.D.S. Clubs - Mayor and Council consensus to continue the user fees at the After School K.I.D.S. Clubs to help offset program expenses.

(d) Civic Center - Theater Fees - The Mayor and Council discussed the proposal to raise resident companies' fees by 25% each year for three years. Mayor and Council will meet with the National Chamber Orchestra to decide how to handle this resident group which is experiencing financial problems.

(e) Possible Fee Increase - Discussed at length were a number of increases in licenses and permit fees identified by staff and a chart showing the City's licenses and permit fees in comparison to Gaithersburg and Montgomery County. Mayor Coyle suggested the full Council discuss the issue of tax duplication; he suggested that staff take a closer look at what the services provided by staff actually cost; the City might want to try to recover as much of these costs as possible. Mayor Coyle also suggested that staff might want to investigate whether the City could charge for services provided, i.e., inspection of homes purchased and sold in the City. Mr. Romer noted that staff could look at what the costs would be to the City for providing these services.

Mayor and Council agreed with staff's recommendation for raising license and permit fees as outlined by staff in list of Possible Fee Increases.

(f) Comparison of FY94 and FY95 Costs - Mayor and Council reviewed the working, preliminary estimates provided by staff and agreed that the following issues would have to be addressed:

- What additional areas of funding should the City pursue on the County and State levels?
- What services should the City reduce or eliminate?
- How to address employee COLAs in the FY95 Budget?

Re: Adjournment

There being no further business to come before the Mayor and Council, the meeting was adjourned at 10:30 p.m., to convene again in General Session at 7:30 p.m. on February 14, 1994, or at the call of the Mayor.