

VILLAGE OF FRIENDSHIP HEIGHTS

VILLAGE COUNCIL

MELANIE ROSE WHITE, *Mayor*
MICHAEL MEZEY, *Chairman*
BRUCE R. PIRNIE, *Vice Chairman*
ALFRED MULLER, M.D., *Secretary*
PAULA DURBIN, *Treasurer*
CAROLINA J. ZUMARAN-JONES, *Historian*
MICHAEL J. DORSEY
JULIAN P. MANSFIELD, *Village Manager*

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APPROVED MINUTES

PUBLIC SESSION

FRIENDSHIP HEIGHTS VILLAGE COUNCIL

July 21, 2022

ATTENDEES:

Melanie Rose White, Mayor
Michael Mezey, Chairman
Paula Durbin, Treasurer
Alfred Muller, M.D., Secretary
Michael Dorsey
Julian Mansfield, Village Manager
Jason Goldstein, Assistant Village Manager

NON-ATTENDEES:

Bruce Pirnie, Vice Chairman
Carolina Zumaran-Jones, Historian

CALL TO ORDER:

Mayor White called the meeting to order at 6:03 p.m.

COMMENTS/QUESTIONS TO AND FROM THE COUNCIL:

Mayor White announced the purpose of the meeting was to receive feedback from the public concerning the Village's purchase of the 4608 N. Park Avenue property (aka "Red House"), as well as for the Council to vote on proceeding to make an offer to the owners of said property to purchase for \$3 million.

- Dan Dozier from the Carleton presented the following comments/questions to the Council regarding the proposed purchase:
 - What is the purpose of the purchase?
 - Has the Council evaluated the costs of the purchase and ownership of the property, especially the renovations and maintenance?
 - What will be the accessibility regarding ADA compliance? Have you evaluated the costs associated with this compliance?
 - Long term operation and maintenance of the property?
 - If the Council has all of this information, why hasn't it been made public? If it hasn't been collected, then why not?

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- Dr. Muller's response: All of your questions will be answered once the Council obtains all inspection reports and everything will be made public. Since these are negotiations, it is impossible to make everything public during the negotiation phase between buyer and seller. Regarding purpose, the acquisition is to preserve the historical nature of the property (e.g. museum and/or rental, bakery, etc.). Another public meeting will be held for the Council to vote on purchasing the property. Dr. Muller also added that this morning the Council and Village Managers conducted a walk through of the Red House and found the home to be in good condition with some points requiring renovation. Also, earlier this afternoon, Dr. Muller, accompanied by the Village Manager, testified before the Planning Board in support of the Village's application for historic preservation for the Red House. The Board voted 4 to 3 not to give the house historical status by the County; 3 commissioners felt the house should be given historic designation and a fourth felt the Village should purchase it and preserve it as historically important.
- Ellen Coren from 4620 North Park Avenue stated that the price of the Red House is a huge expenditure for the Village to take on considering it will consume half of the Village's reserves, especially without receiving the public's input. It is irresponsible and she opposes any further action taken on the Red House until all information is presented to the public for input. Ms. Coren said she does not understand the urgency to quickly purchase the property.
 - Dr. Muller responded that the purchase price of the property had been announced at public meetings and online two months ahead of this evening's meeting.
- Prem Garg stated how much he is disappointed by the Council's use of funds and there has been no due diligence conducted. Residents should be allowed more time to review all of the relevant information and be given the opportunity to provide input. There has been no written documentation with the intentions of property, purchase costs, and long-term liabilities. Mr. Garg hopes before any final decision is made the public can give feedback. He added, it may be a good decision but the public needs more details.
- Mr. Dorsey confirmed only five Council members are present with one attending virtually via Zoom. For such a dollar amount and big decision, he would like to see all seven Council members present to vote. He added, from the very beginning, \$3 million for the Red House is way too high a price. The only reason the appraisal came in at \$3.6 million was due to the development rights, not the actual property itself. This entire transaction will prove to be a "money pit." Mr. Dorsey further stated that the County purchased the 5304 Willard Ave. property for \$830,000, which is a smaller property and house. This is an example of how there is no justification for the huge price tag for the Red House.
 - Dr. Muller responded that there are other houses that developers have tried to assemble, including 4604 North Park, and there is a possibility that the owners of the Red House would do the same. The house is historical and the appraisal was between \$3.5 to \$4 million, while the Pink House on Willard Avenue was sold for \$3.5 million. The present sector plan indicates that the entire parcel is supposed to be developed with a low-rise development, which the Red House will maintain through the Village's purchase. We need more information, such as the inspections, before the Council can make any final decisions.
 - Ms. Durbin asked if the sector plan had actually slated that parcel to be a park?
 - Dr. Muller responded that there was talk of 4602 being redeveloped and the surrounding parcel becoming a park while maintaining the Red House.

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- Mr. Dorsey added that the Pink House was sold for \$3.5 million and he was informed by several individuals that the price was extremely high. But it was a group of developers who had made the purchase with the plans to develop that particular area.
- Mr. Mezey would like to postpone any decision about the price until the inspections come in and would like to proceed for the Council to submit the offer. He is also greatly appreciative of the concerns the public has raised.
- Ms. Durbin has concerns about labeling the Council's offer as a contract. The terminology to be used should be an offer until both parties sign and then it becomes a contract.
- **Dr. Muller moved for the Council to send a signed offer to the owners of the Red House with a contingency based on inspections, which the Village Manager has been authorized to get as soon as possible. Mr. Mezey seconded and the Council voted 3-2 in favor of the motion, with Ms. Durbin and Mr. Dorsey opposed.**
- Marianne Hoffman made three of the following comments from Zoom: The Council should improve their audio and visual capabilities when conducting meetings via Zoom, as well as the Council members should introduce themselves before speaking, and send out summaries of all decisions made.

OLD BUSINESS:

Bids for Financial Consultant to Review Village Investments: The Council advertised for the selection of an independent financial consultant to review the Village investments. Two proposals were received—one from Quantum Financial Advisors and one from Clavis. The Council members had expressed support for the proposal from Clavis but agreed that their scope of work was too broad and needed to be reduced. A revised proposal was received in the amount of \$40,800 (as opposed to the original \$59,000). Village Manager Mansfield stated that he and his Assistant vigorously looked for other financial consultants by consulting nearby townships, MML and ICMA. A public invitation bid notice had been listed.

- Dr. Muller was surprised by the Council's decision to try and get the most expensive proposal (Clavis) to come down in price instead of asking Quantum Financial, the cheaper proposal, to provide a more indepth scope of work. The \$40,000 amount is not justified and will offset any minimal gains we might realize due to the legal restrictions of the Village being a government entity.
- Ms. Durbin agreed with Dr. Muller as the law is very clear what the Village can and cannot invest in.
- Mr. Dorsey provided a background behind why the Council previously voted in favor of hiring a financial consultant to review the Village's finances. He does not support the proposal from Clavis for \$40,000.
- Mr. Mezey suggested that the Council table this issue until the next Council meeting.

The Council agreed by unanimous consent to table this issue for the Council to revisit at a future Council meeting.

ADJOURNMENT:

At 6:49 p.m., Mayor White moved to adjourn the meeting and Mr. Dorsey seconded. The motion was carried unanimously (5-0-0).

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Alfred Muller, MD".

Alfred Muller, MD
Secretary