

## VILLAGE OF FRIENDSHIP HEIGHTS

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### VILLAGE COUNCIL

MELANIE ROSE WHITE, *Mayor*

ROBERT PESTRONK, *Chairman*

DANIEL AHR, *Vice Chairman*

MARTHA SOLT, *Secretary*

ROY SCHAEFFER, *Treasurer*

CHERYL TYLER

MICHAEL MEZEY

JULIAN P. MANSFIELD, *Village Manager*

### Approved Minutes

### Friendship Heights Village Council Finance Committee

Thursday, January 9, 2025

**Council Finance Committee members present:** Roy Schaeffer; Bobby Pestronk; Michael Mezey.

**Others present:** Julian Mansfield; Al Muller.

At 6 p.m., Mr. Schaeffer called the meeting of the Friendship Heights Village Council Finance Committee to order.

#### Approval of minutes

Mr. Mezey moved, Mr. Pestronk seconded, to approve the minutes of the April 16, 2024, Finance Committee meeting. The motion was approved unanimously.

#### Discussion of preliminary FY 2026 budget

Mr. Schaeffer presented the initial draft budget for FY 2026. The budget includes projections for the next three fiscal years (FY 2026-2028) along with Capital Improvement Fund estimates for the same period. Expenses for FY 2027 and FY 2028 are projected to increase 3% each year, and revenues are projected to increase 2%. Mr. Pestronk asked to see a version of the budget with projected income going up 3% to match the 3% expense increase. Staff will prepare this alternative version of the budget for the next Committee meeting.

Mr. Pestronk referred to the request from the Chair of the Public Safety Committee to put \$188,500 in the FY 2026 budget for off-duty Police. The Committee discussed whether or not to put any funding in the Police budget since the off-duty program has currently been paused pending clarification of insurance requirements and additional costs related to the County's recommendation to hire the officers directly.

Motion/Vote: Mr. Pestronk moved, Mr. Mezey seconded, to put \$180,000 in the off-duty Police budget for FY 2026. The motion was approved by a 2-1 vote (Mr. Schaeffer opposed).

The Committee discussed the capital improvements expenses and projected income. Staff will update the anticipated fund balances for the Capital Improvements account for FY 2026-2028. Further discussion will occur at the next Finance Committee meeting on February 27.

### **Discussion/vote on Tax Rate for FY 2026**

Mr. Schaeffer suggested the Committee make a recommendation to the full Council now to set the tax rate at the current level of 4 cents/\$100. Mr. Mansfield indicated a public hearing is required prior to the Council vote on setting the tax rate. Mr. Pestronk indicated the tax rate depends on the budget expenses that the Council decides to adopt. The Committee agreed that the Council can set the tax rate later in the budget process.

### **Discussion of changes implemented based on recommendations from cybersecurity assessment**

Mr. Mansfield reported on the Village's cybersecurity assessment that was performed by the Maryland Department of Information Technology. Staff is working through the list of remediation items identified by the State. At this point, there has been no financial impact to the Village for the assessment and remediation.

### **Status of Capital Improvements Account**

Mr. Schaeffer indicated the Council had previously approved putting \$500,000 in the Capital Improvements Fund from the \$1 million payment from the 5500 Wisconsin Avenue developer for the red house density rights. He recommended putting the remaining \$500,000 from the \$1 million payment into the Capital Improvements Fund as well. Mr. Mezey would like to see the updated general fund balances before committing to the placement of these funds.

### **Employment status for new hire**

Mr. Schaeffer referred to the Village Manager's report that the Assistant Program Director will be moving out of the area and the position will be vacated following a transition period of working remotely. He suggested the position could be reduced to 20 hours and made a non-benefit position. Mr. Pestronk indicated it would be more appropriate for this to be discussed at the Personnel Committee.

### **Establishment of Cash Management Policy**

Mr. Schaeffer suggested it could be beneficial for the Village to adopt a cash management policy, given the questions from Mr. Pestronk regarding procedures for handling the certificates of deposit. Mr. Mansfield indicated that Village income is received by direct deposit into the Maryland Local Government Investment Pool and then transferred as needed to the Village's operating bank account. Mr. Schaeffer will work with Village staff to explore whether such a policy is needed.

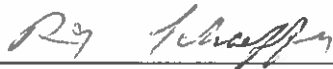
### **Authority regarding managing Certificates of Deposit**

Mr. Pestronk indicated he is still unclear on what happened to the two CDs that expired in October 2024. Mr. Schaeffer responded that both were rolled over into new CDs. Committee members discussed the management of the CD account

and whether or not a policy is needed to determine the procedure for what should happen when each CD matures. Mr. Schaeffer indicated that he can report on the available CD rates but the Council has not authorized moving money from the CD account for other purposes, and it would need to be a Council decision to do so. Mr. Pestronk indicated that before the CDs mature the Treasurer should inform the Committee regarding the maturity date and the available rates for reinvesting the CDs.

No other action was taken by the Finance Committee. The meeting was adjourned at 7:24 p.m.

Respectfully Submitted:

A handwritten signature in cursive script, appearing to read "Roy Schaeffer".

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Roy Schaeffer, Finance Committee Chair