

VILLAGE OF FRIENDSHIP HEIGHTS

VILLAGE COUNCIL

ROY SCHAEFFER, *Mayor*
MARTHA SOLT, *Chairman*
FRANCINE KLEIN, *Vice-Chairman*
VICTOR BASILE, *Secretary*
JOHN CONLOW, *Treasurer*
ALLYSON ALT, *Parliamentarian*
ALFRED MULLER, *Historian*
JULIAN P. MANSFIELD, *Village Manager*

4433 SOUTH PARK AVENUE
CHEVY CHASE, MARYLAND 20815

Phone: 301-656-2797
Fax: 301-907-3922
Email: info@friendshipheightsmd.gov
Website: www.friendshipheightsmd.gov



Approved Minutes **Friendship Heights Village Council Finance Committee** **Tuesday, September 16, 2025**

Finance Committee members present: John Conlow; Roy Schaeffer; Allyson Alt.

Others present: Julian Mansfield; Donna Bryant; Al Muller.

At 6 p.m., Mr. Conlow called the meeting of the Friendship Heights Village Council Finance Committee to order. The meeting was held in person at the Village Center.

Approved and proposed investment procedures

Mr. Conlow discussed the implementation of the investment policy to provide additional information regarding Village deposits. Staff has prepared a list of deposit accounts that will be added to the monthly accounting statement. Mr. Conlow recommended that this list include the operating cash reserves in addition to the capital improvements reserves.

Mr. Conlow discussed the procedures for making investment decisions and responding to requests for investment documents. Because the Village's investment options are tightly restricted by law, Mr. Conlow recommended that the Village Manager be considered the custodian of investments and can determine how funds are allocated within the allowable financial vehicles, subject to final approval by the Village Council.

Mr. Conlow moved, Ms. Alt seconded, that the Village Manager be considered the custodian of Village investments, and as such, shall be authorized to manage the Village investment accounts, confer with the financial advisor, report on pending decisions to the Finance Committee and Village Council, and subject to approval by the Village Council, deposit Village funds in strict conformance with Village investment policy and procedures.

Vote: The motion was approved unanimously (3-0).

Streamlining accounting and expenditure review

Mr. Conlow indicated that the staff is looking to upgrade the accounting system for more efficiency. The current system uses multiple platforms and requires redundant

entries for bookkeeping and payroll. Mr. Conlow recommended that the Village Manager be designated as primary check signer with one Council member (typically the Treasurer) serving as secondary signer. The staff can then provide a monthly transaction report that will be available to all Council members. Mr. Schaeffer raised a question regarding a possible conflict with the Village by-laws. Mr. Conlow will look into this with the staff.

Allocation of reserve funds to operating and capital accounts

Mr. Conlow recommended that the Village adopt a policy on the allocation of funds for the operating and capital accounts. The Government Finance Officers Association (GFOA) recommends maintaining at least two months of operating expenses in an operating reserve. The Village averages \$236,000 per month in operating expenses. Mr. Conlow recommended that the Village double the recommended reserve to four months worth of operating expenses, which would be about \$1 million. The remaining funds (about \$3.8 million) could then be transferred to the capital improvements reserve, with a caveat that the capital reserves are not in a lockbox and could be transferred back to operating if deemed necessary by the Council.

The Committee discussed finalizing a capital improvements plan before making any decision on the allocation of funds, since there is no current plan that justifies the need to have \$3.8 million in capital reserves. It was agreed by consensus that a longer-range capital plan needs to be established first in order to determine the appropriate allocation of Village funds between the operating and capital reserves. Accordingly, the issue of allocation of funds was tabled.

Mr. Conlow indicated the Village's current investment policy requires that no more than 50% of Village funds be placed in the Maryland Local Government Investment Pool (MLGIP). Currently, the Village has approximately 80% of its funds in MLGIP accounts. Staff has recommended that capital improvement funds be transferred from MLGIP to a separate account at Peoples Bank (where the Village already has its main operating account) in order to comply with the Village's investment policy.

Development of a capital plan and next steps

Mr. Conlow reported that the pedestrian safety study RFP was approved by the Village Council, and Mr. Mansfield confirmed that the RFP has been issued with a 45-day deadline to submit proposals. It was agreed that the 2022 Village infrastructure study should be updated with more detailed items to consider for capital expenses, including streets, lights, parks, and the Village Center.

Audit report for FY 25

Mr. Conlow reported that the work on the FY 2025 audit is underway. Staff have to submit the requested information to the auditor by the end of September. The auditor is required to submit the Uniform Financial Report to the State by the end of October. The final audit report should be produced and available in early November. It was agreed that the staff will send the draft audit to the Finance Committee before it is finalized.

Approval of Minutes

The minutes of the June 17 Finance Committee meeting were discussed. Mr. Schaeffer suggested a change on page two to change "Correcting errors" to "Clarifying items". Mr. Schaeffer moved, Ms. Alt seconded, to approve the minutes as amended with this change.

Vote: The motion was approved by a vote of 2-0-1 (Mr. Conlow abstained).

No other actions were taken by the Finance Committee. Mr. Conlow moved, Mr. Schaeffer seconded, to close the meeting. The motion was approved unanimously. The meeting was adjourned at 6:44 p.m.

Respectfully Submitted:

A handwritten signature in black ink, appearing to read "John Conlow", is written above a horizontal line. The signature is cursive and somewhat stylized.

John Conlow, Finance Committee Chair