



Craig A. Moe  
Mayor

# CITY OF LAUREL OFFICE OF THE MAYOR

8103 Sandy Spring Road, Laurel, MD 20707-2502  
Phone: 301-725-5300 ext. 2124 • Fax: 301-725-6831



April 27, 2020

Laurel City Council President Keith R. Sydnor  
Laurel City Councilmembers  
8103 Sandy Spring Road  
Laurel, Maryland 20707

Dear President Sydnor and Laurel City Councilmembers,

Let me start with a bright note to members of the City Council, Management Staff, employees and the residents and business community of Laurel – Congratulations on 150 years of service to the City of Laurel! The rest of my budget message will not be as bright.

With this letter, I present for your consideration the FY2021 Proposed City of Laurel Operating and Capital Improvement Program Budget.

Just as in every year of my tenure as Mayor, the development and preparation of this budget began with focus on efforts to reduce expenditures, eliminate duplication and streamline services. Management Staff was directed to identify where efficiency could be improved and to set goals to further enhance our services.

As the Administration's Budget Committee was in the final stages of preparing the proposed budget, the COVID-19 Pandemic exploded across the country and the state, creating a dramatic impact on the economy worldwide, incredible circumstances affecting our way of life, and for the City of Laurel and all others, brought about the need for substantial changes to our normal operations, significant essential expenditures and reduced revenues. Needless to say, the pandemic continues to cause great uncertainty about the months ahead. It is important to remind the members of the City Council, Management Staff, employees and the general public that we will not only feel the "budget squeeze" in FY2021, but we will in FY2022 as well.

The Administration, along with the City Council will have some very tough decisions on the funding of any new projects, while working to keep services to our residents a priority, paying our employees' salaries and benefits while we see a reduction in revenue for the next few years. I pledge to work with the City Council while we work to control the COVID-19 Pandemic and all the uncertainty this emergency will bring.

The priority of the FY2021 Budget is obviously the continuation of services our residents deserve and expect. This requires the complete dedication of tax dollars to fund the absolutely essential expenditures, compensation, employee insurance, property insurance, the Pension Fund contribution, debt service and the CIP, as well as contractual and legislative obligations, and to prepare for the reduction of customary revenue resources at a level no one can positively identify at this time.

The FY2021 City of Laurel Proposed Budget is presented without a tax rate increase, maintaining the City's real property tax rate at \$.71 cents per \$100 of assessed valuation. The

Personal Property tax rate will remain \$1.69 per \$100 of assessed value. The tax rate for the Special Taxing District is \$0.03 per \$100 of the full cash value assessment. The proposed budget continues all City services at FY2020 service levels.

As you are aware, the FY2021 Collective Bargaining Agreement between the City of Laurel and the Laurel Fraternal Order of Police provides for significant salary and pay scale adjustments which is included in this proposed operating budget, will be in effect on July 1, 2020. These adjustments are needed to attract and retain qualified Police Officers. All other City employees will receive a two-and-one-half percent Market Adjustment, and a two-and-one-half percent merit step increase, contingent upon receipt of a satisfactory performance evaluation. It is my goal to maintain the City's current staff level and sustain the City's pay plan. As a further indication of our commitment to City employees and retirees, the proposed budget would allocate funding for the FY2021 Pension Fund contribution via a transfer from the City's Unassigned Fund.

As a result of our good planning and conservative actions, together with your support, the City has been able to thrive and advance our efforts in financial stability, economic development, and sustainability. Right now, our debt obligations are manageable. We continue to engage and assist our business community through the efforts of our Main Street and Economic Development Programs. The Administration may come to the City Council for additional funding to help our local business community due to the COVID-19 Pandemic. The Department of Economic and Community Development continues to work with the business community with Federal, State, County and other funding programs for the Laurel community, but may have suggestions to help local businesses where these other programs do not provide funds. We will monitor and keep the City Council informed.

We have enhanced our recycling program with the addition of organics composting and have reduced our impact on the environment with the conversion to LED lighting for our streetlights as well as within City facilities. Such efforts in sustainability have also saved us money. I hope to continue our efforts with these types of programs that will not only save the City money but reduced our impacts on the environment. I had hoped to fund a Sustainability Coordinator, but due to the COVID-19 impact on our community and the budget, this position will have to wait until the impacts on our out-year budgets are better known.

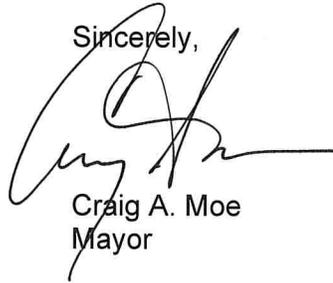
In our Capital Improvement Program Budget, FY2021 Street Improvement projects are funded through savings realized from completed street projects and future street projects will be funded through the transfer from the transit overlay tax and may be funded through a transfer from the operating budget to the CIP. The general fund operating transfer is based on Highway User Revenue which is now at issue due to the drastic impact of COVID-19 on the State's budget. Funds for other CIP projects are available through our reallocation process, grants, public safety surcharge funds, photo enforcement funds and PEG funds.

The FY2021 Budget is proposed in a lean and conservative posture. There is no doubt that as circumstances change, we may be required to amend the budget throughout the fiscal year. In my many years as an elected official, I have not faced such extreme circumstances as what we have encountered over the last several weeks and what we will continue to be confronted with in the coming fiscal year. However, our obligation to our citizens is clearly understood by all, elected officials and City Staff alike, and I have no doubt that Team Laurel will consistently and diligently rise to the challenge.

I do want to take this opportunity to make each of you and the general public aware that the work of Ms. Michele Saylor, Director, Budget and Personnel Services, her team, and under the direction of Ms. LouAnn Crook, Deputy City Administrator, to prepare, complete and balance the proposed FY2021 Budget and CIP while dealing with the ever changing day-to-day operations of the City has been tremendous! During this catastrophic health emergency, they have gone above and beyond the call to service. I thank them all for getting the job done.

Thank you to the City Council for all of your support during this rapidly changing environment. Your support shows how caring you are for the community we all live in. The Administration has asked the City Council to consider and act on the proposed FY2021 Operating Budget and Capital Improvement Program earlier than the May 1<sup>st</sup> deadline. The document will be introduced on Monday, April 27, 2020, with a second public hearing and possible action on Monday, May 4, 2020. I look forward to answering any questions you may have on the FY2021 Budget and CIP document.

Sincerely,

A handwritten signature in black ink, appearing to read 'Craig A. Moe', written over a white background.

Craig A. Moe  
Mayor