



Long Range Planning Committee

Semi-Annual Report

June 2016

Submitted by Tricia Daniels and Grant Davies Interim Co-Chairs

Purpose: The purpose of this report is to provide the residents of The Town of Chevy Chase (the Town) with a summary of the work of the Long Range Planning Committee (LRP) for the period ended June 30, 2016.

Responsibilities of LRP: The Mayor appoints the members of the LRP in September 2015. The role of the LRP is to identify, monitor and analyze emerging trends and local, county and state activities that could affect the Town's quality of life and recommend appropriate Council actions. It also monitors implementation of the Town's Strategic Plan.¹ The specific areas of focus for the period under review were the Bethesda Downtown Sector Plan and the use of mission directed budgeting to address the decrease in the Town's annual revenue. Beginning in July 2016 the responsibilities of the LRP will most likely change with the creation of a separate ad hoc Bethesda Downtown Sector Plan Committee, however the specific responsibilities remain to be defined.

Bethesda Downtown Sector Plan

The LRP continued to have discussions regarding the ever-evolving Bethesda Downtown Sector Plan (Sector Plan). The LRP represented the Town at all Sector Plan workshops held by the Montgomery County Planning Board (MCPB). In addition, LRP representatives had multiple meetings with the MCPB Commissioners and Staff to discuss the Town's position on the Sector Plan and to establish a voice for Town prior to the formal Planning workshops. Through the efforts of the LRP and Council Members the Town has been able to establish a good working relationships with the MCPB Commissioners and Staff. In addition, the LRP has coordinated with the various groups of Town residents and other stakeholders that have been engaged in the Sector Plan.

¹ <http://www.townofchevychase.org/138/Committees>

Mission Directed Budgeting

As residents have been notified, beginning in late 2015 the Town had a substantial reduction in its annual revenue due to: 1) the effects of the Wynne Case (the Supreme Court case decision which determined that the State of Maryland's personal income tax scheme, which taxes income that its residents earn both within and outside the state but does not provide residents with a full credit against the income taxes that they pay to other states, violates the dormant Commerce Clause) and 2) the additional income tax receipts the Town received since 2010 from taxpayers not resident with the Town's jurisdiction (due to an error of the State's new software system which was implemented in 2010). The annual revenue reduction of these two events is estimated at approximately \$1 million and an additional requirement for the Town to refund approximately \$5 million to the County for the tax revenue it received from 2010 through 2015 that it was due to the software error. These facts required the Town to more effective in managing the annual budget. The LRP worked with the Treasurer, Town Manager and other residents to address these challenges. The Council adopted a budget that addresses the reduced annual revenue without compromising the Town's services or public safety needs. The Treasurer and Town Manager are to be congratulated for their efforts.