

MEMORANDUM

DATE: March 1, 2017
TO: Mayor and Town Council
FROM: Jessica Cowles, Town Administrator
SUBJECT: Town Administrator's Proposed FY 2018 Budget

Budget Binder Organization

The budget binder is organized by major activity. There is a divider tab for each major activity listed in the below bulleted list. The Town Administrator's Proposed Fiscal Year (FY) 2018 budget is found in the left pocket of the binder and it contains the proposed budget for both the General Fund and the Public Safety Taxing District. Behind each major activity divider tab there will be any additional subject matter memos and other information as needed. The major activities are listed below:

- General Government
- Public Health and Safety
- Code Compliance
- Public Works
- PRECA
- Cable
- Non-Departmental
- Capital Expenses and Projects
- Public Safety Taxing District
- Public Safety Reserve Fund

The Town Administrator's Proposed FY 2018 Budget table contains the actual, audited data for FY 2015 (Column C) and FY 2016 (Column D) for comparison to the FY 2017 adopted budget (Column E). The Town Administrator's Proposed FY 2018 budget (Column G) and the variations in percentage and dollars between the FY 2017 adopted budget and Town Administrator's proposed FY 2018 budget are found in Column I and Column J, respectively.

General Fund Revenues

Overall revenues are projected to increase 4.79% (\$144,835). This is the second consecutive year where the Town's entire operating needs are financed through revenues received on an annual basis without using unrestricted fund balance to balance the budget as was the case in FY 2010-2016. The increase in real property tax revenue from FY 2017 (\$121,419) helps offset the decrease in revenue projection due to the State Comptroller's overpayment error in FY 2010-2014.

1. **Taxes** – Overall tax receipts are projected to increase 2.73% (\$62,204) from FY 2017.

- **Real Estate Taxes** —The Maryland State Department of Assessment and Taxation (SDAT) assesses real property on a three-year evaluation cycle. FY 2018 is the Town's second year of this real property assessment cycle. Residential real property assessments are projected to increase between 5-10% in each year of the current assessment cycle, a significant upward trend from the previous period of declining real property assessments. For FY 2018, the combined residential real property assessment is \$263,511,671, an increase of \$22,736,733 from \$240,774,937 in FY

2017. The commercial and industrial real property assessment for FY 2018 is \$42,293,130, an increase of \$1,547,063 from \$40,746,067 in FY 2017.

- **Road Real Estate Tax** – The FY 2012 adopted budget authorized a special 3-cent (\$0.03) real estate tax levy on each \$100 of assessed value for non-commercial and commercial property to be placed in the Infrastructure Improvement Reserve to be spent solely on infrastructure improvements. The Town expects to collect \$91,741 in FY 2018, an increase of 8.63% commensurate with the overall real property tax receipts.
 - **Income Taxes** – The Town budgeted \$430,000 in income tax receipts for FY 2017 and the projected amount has been reduced to \$390,000 (a 9% decrease) in FY 2018 due to uncertainty about the effects of the State Comptroller's overpayment errors from 2010-2014.
 - **Personal Property Tax** – The FY 2018 budget projects \$243,000 in revenue by analyzing the actuals for the current and prior fiscal years. Personal property tax is a tax on inventory for businesses and the revenue varies depending on the types of businesses located in Town from year to year. Beginning in FY 2018, the budget ordinance will authorize placing a lien on delinquent personal property taxes, as permitted under State law. The Town has seen personal property tax revenues decrease without this enforcement mechanism, and placing a lien on personal property is expected to achieve greater compliance.
 - **Personal Property Road Tax** – Beginning with the FY 2012 adopted budget, the Town authorized a special 7.5-cent (\$0.075) personal property tax levy on each \$100 of assessed value placed in the Infrastructure Improvement Reserve to be spent solely on infrastructure improvements. The Town expects to collect \$13,500 in FY 2017.
 - **Refuse/Recycling Collection Fee** – The Town currently charges \$70 annually per residential dwelling structure and there are about 1,020 residential dwelling structures in Berwyn Heights. It is recommended that the recycling fee remain at \$70 for FY 2018.
2. **Licenses and Permits** – Overall, Licenses and Permits are projected to generate \$139,900 in revenue, an increase of 3.4% (\$4,600) from FY 2017.
- **Business Licenses** – In early 2015, the Town began increased enforcement of Ordinance 105 for those businesses not in compliance with Ordinance 105 by reporting such businesses to the District Court for Prince George's County, the State Comptroller, and to the professional boards for businesses like income tax preparation services. The FY 2018 \$1,000 increase in revenue reflects the actual audited amount from FY 2016 due to significant success achieved in working with those business lacking a valid Town business license. Business license fees are recommended to remain the same as FY 2017 rates.
 - **Traders Licenses** – The Town receives a portion of the license fee Prince George's County charges retail-type businesses. The Town's share usually amounts to \$2,000 a year.
 - **Building Permits** – The FY 2012 adopted budget authorized charging the same building permit fee as the Prince George's County building permit fee. In FY 2016, the Town collected \$12,282 since building permit activity has been steadily increasing as the housing market recovers leading to a proposed \$12,000 for FY 2018.

- **Cable TV Fees** – Cable television franchise fees are based on 5% of a resident’s monthly cable bill. The number of Comcast subscribers had been decreasing even before Verizon entered the local market. Comcast continues a gradual decline but Verizon keeps gaining market share. The Town received \$49,195 in FY 2016 and is projecting \$48,600 in FY 2018.
- **Rental Licenses** – The number of rentals has been decreasing as rental properties transition to owner-occupied housing; therefore, the number of licensed rental units is projected at 190 for revenues of \$57,000 in FY 2018.
- **Dumpster Permits** - Town charges \$25 per dumpster permit for each 15-day period plus a \$250 cash deposit if a dumpster is placed on the street to cover any potential street damage. Revenues from dumpster permits have ranged between \$450 and \$1,700 in previous budget cycles. Consistent with the increase in building permits, 1,000 is budgeted in FY 2018.
- **Portable Storage Permits** – In FY 2016, the Town received \$300 in portable storage permit fees. There is a decreasing trend leading to a projected \$300 in revenue in FY 2018.

3. **Intergovernmental Revenues** – Intergovernmental revenues are difficult to predict at this point in the State of Maryland’s General Assembly Legislative Session.

- **Police State Aid for Police Protection Grant** –The Maryland Municipal League (MML) is projecting FY 2018 funding will be very similar to FY 2017 funding of \$51,430. Notification of the grant award will be in June 2017.
- **Highway User Revenue.** Highway User Revenue (HUR) has been steadily increasing from a low of \$11,111 in FY 2011. Each registered vehicle in Town translates to approximately \$10 of HUR funding, with additional funding coming from “one-time” State grants. There is pending legislation before the General Assembly to fully restore highway user revenue and this has been a statewide municipal priority for quite some time. MML projects \$105,547 for FY 2018, a 4% decrease over FY 2017 revenues. In accordance with Town Council policy, HUR funding not appropriated in Public Works’ street project line item (340-049) or a capital project is transferred to the Infrastructure Improvement Reserve.
- **Disposal Fee Rebate** – This is a fixed amount the Town receives annually from Prince George’s County with \$8,232 expected in FY 2018.

4. **Service Charges** – There is no increase projected in Service Charges receipts from the Pedestrian Bridge expenditure reimbursement. The Town shares the maintenance responsibility with the City of College Park to keep the pedestrian bridge walkway clear in the winter and free from debris and trash. The Town and College Park also share the monthly electrical cost and any lighting repair expenses. WMATA is responsible for structural pedestrian bridge maintenance. Call-A-Bus receipts were eliminated as a source of revenue in prior fiscal years; however, if the proposed use agreement with Joe’s Movement is adopted, revenue will be expected, but it is uncertain at this time.

5. **Fines and Forfeitures** – Projected Fines and Forfeitures are expected to be \$95,000 in FY 2018. This is a 5% decrease due to the expected reduction in revenue particularly from Code fines as more properties come into compliance with Town ordinances without needing to escalate to assessing fines.

- **Police Department Fines** –The actual revenue varies depending on the types of citations issued and whether the citations are for a violation of State law or Town ordinance. \$50,000 is projected in FY 2018.
- **Code Compliance Fines** – The Town received \$15,621 of revenue from Code fines in FY 2016, with a projection of \$15,000 from Code fines in FY 2018.

6. Miscellaneous

- **Interest & Dividend Income** – The Town’s idle cash earned \$16,462 interest in FY 2016. The earned interest fluctuates based on the account balances. Interest earning expectations are \$18,000 in FY 2018.
- **Town Center Rentals** – The Town has collected 7,879 in FY 2017 and is on pace to meet or exceed the budgeted amount by the end of busy spring and early summer event season. The current charge is \$250 for four hours of rental time; the proposed budget raises the fee to \$300 for four hours of rental time in order to finance needed improvements on the second floor like a new range for the kitchen. With this fee increase, Town Center rentals are projected to provide \$10,000 in revenue in FY 2018.
- **Recycling (DPW Collection Fees)** – Recycling receipts are separated into three accounts: Recycling (PG Scrap) into which all scrap metal receipts are deposited, Appliance Pick-up, and Recycling (Waste Management). The FY 2018 budget anticipates no revenue from metal collection, \$300 for appliance pick-ups, and \$1,000 in recycling revenue.
- **Bulletin Advertising** – Bulletin advertising revenue has been stagnant over the last several years and \$3,000 is budgeted in FY 2018.
- **Cable TV Grant** – Verizon and Comcast cable subscribers pay a 3% fee to support the Town’s public access channels. The receipts from this grant are restricted in use in accordance with the Comcast and Verizon Cable Television Franchise agreements. The Town expects to receive \$9,400 from Comcast and \$21,000 from Verizon in FY 2018.

7. Reserves and Fund Balance

- **Public Safety Reserve** – Police requested replacement of the 2009 Ford Crown Victoria in FY 2017; however, funding was not appropriated. In FY 2018, replacement of this vehicle is funded through the Public Safety Reserve Fund, generated through speed camera revenue. The vehicle acquisition cost and equipment outfitting is expected to be \$40,000 in FY 2018.
- **Vehicle Replacement Reserve** – \$30,000 is proposed for the purchase of a hybrid car for Administration from the vehicle replacement fund and put the 2000 Saturn wagon into reserve status. The Town has applied for a Maryland Smart Energy Communities grant and may receive up to \$15,000 towards the Administration hybrid vehicle purchase. The Town has participated in the Washington Council of Governments (COG) efforts as part of the federal government’s settlement with automaker VW. COG is seeking local governments that are interested in receiving electric vehicle charging infrastructure. Should the Town receive COG funding for a charging station, an all-electric vehicle may be an option for Administration.

- **Unrestricted Fund Balance** – As part of the Strategic Planning Process, several capital projects were identified as action items, with the below items proposed to be funded through unrestricted fund balance (more detail about these items is found under General Fund Expenditures, Capital Projects – Fund Balance and Reserve, Pages 12-13):
 - **\$15,000** for short-term security improvements to include key card access for locking doors at Town facilities, and security cameras at the Public Works yard and Town Center and Town Office.
 - **\$10,000** for new fencing and an electronic gate at the Public Works yard to better control access and security.
 - **\$25,000** to fund moving the FY 2016 urban forest tree inventory data into a map-based management system for Public Works’ use since this portion was removed from the scope of work due to budgetary constraints in FY 2016, and for contracting with a vendor to prune and remove trees on Town property or in the Town right-of-way as identified in the tree inventory.

General Fund Expenditures

Overall, the Operating Budget increases 4.79% to reflecting an increase in expenditures for capital purchases and projects in order to achieve the Strategic Plan’s goals and objectives.

1. General Government – General Government encompasses the appropriations for the Mayor and Town Council, Town Administration, Municipal Building, and Town Center.

- **Mayor and Council** – There is a proposed 0% increase in the Mayor and Council budget.
- **Town Administration** – A 4.3% increase is proposed for the Town Administration budget. Town Administration is responsible for the budgeting, finance, benefits administration, risk management, and human resource functions, in addition to serving as the Clerk to the Town Council, and running the Town elections. The budget funds the salaries of the full-time Town Administrator, Town Treasurer, Administrative Coordinator and the part-time Town Clerk (32 hours/week) and the Business License Administrative Assistant (10 hours/week).
 - **Salaries** – The proposed increase funds the effect of the merit and Cost of Living Adjustments (COLAs) that went into effect in November 2016, the January 2017 bring to pay plan minimum initiative, and a 3% total (1% COLA and 2% Merit) increase for FY 2018 based on the recently completed performance evaluation cycle. No promotions are proposed.
 - **Bulletin** – The monthly bulletin, the largest line item in the administration budget outside of salaries, is proposed at \$23,000. Administration plans to seek competitive bids for a flat fee for monthly editorial and graphic design services in FY 2018 with cost savings expected over the current pay-by-the-hour arrangement.
 - **Public Relations** – \$2,500 is proposed to fund the cost of two, Town-wide mailers that contain a listing of Town special events on one side, and feature educational messages from a Department on the reverse side.
 - **Audit Services** – The auditor’s fee has increased to a \$12,500 flat fee for the FY 2018 audit.

- **Network/Software Support** –\$2,000 is proposed to add the Business License module to the Town’s Code tracking software package.
- **Gasoline & Oil** - \$1,000 is budgeted in FY 2018 with the anticipation of employees driving the new Administration Department hybrid vehicle instead of relying on the use of personal vehicles.
- **Capital Equipment** – The capital equipment line items have been combined to better reflect capital purchases’ useful life of 5-15 years. In FY 2018, funding is proposed to update equipment and furniture as needed.
- **Municipal Building** – The Municipal Building budget is proposed to increase 5.2% due mainly to combining the previously separated telephone expenditures for telephones for Administration and Code. The Code telephone budget expenditure has been eliminated. This budget funds utilities, maintenance, repair, and upkeep of the municipal building and grounds.
 - **Telephone** – Overall Town facility telephone expenditures will stabilize with the change-over to VoIP service in FY 2017.
 - **Hospitality** – The hospitality budget is proposed at \$1,500 to cover two catered events such as hosting the 4 Cities Coalition and a PGCMA meeting, and fund occasional smaller meals and snacks for Town Council meetings.
- **Town Center** – The Town Center budget is proposed to increase 1.2% (\$300) to reflect the cost of the additional conference phone line in the Geraldine Love Room. The budget funds utilities, maintenance, repair and upkeep of the Town Center.
 - **Telephone** – Overall Town facility telephone expenditures will stabilize with the change-over to VoIP service in FY 2017.
 - **Repairs and Maintenance** – This line item is the same as FY 2017 at \$11,000. The fixed costs are State requirements for operating facilities like the Town Center - \$3,185 for quarterly elevator inspections, \$500 annually for fire alarm maintenance, \$500 annually for sprinkler system maintenance and fire extinguisher inspections, \$500 annually for the grease recovery system and the stove exhaust system inspections. This line item also covers the cost of cleaning carpets once a year in the Senior Center and stripping and waxing the floors in the Senior Center and the Town Center once a year. The balance is for facility repair and upkeep as needed.

2. **Public Health and Safety Department** – Public Health and Safety encompasses the Police Department and Miscellaneous - Public Safety. Overall, the Public Health and Safety budget is proposed to increase 5%.

- **Police Department** – This appropriation funds police services for the Town including the salaries of eight full-time uniformed police personnel and a full-time police Administrative Assistant. The Department has retained an officer, formerly in full-time status with the Department, for speed camera monitoring with the salary paid from the Public Safety Reserve Fund. The Detective-Sergeant’s salary and expenses are funded through the Public Safety Taxing District.

- **Salaries** - The Police Department salaries are proposed to increase in FY 2018 to fund the effect of the merit and Cost of Living Adjustments (COLAs) that went into effect in November 2016, the January 2017 bring to pay plan minimum initiative, and a 3% total (1% COLA and 2% Merit) for FY 2018 based on the recently completed performance evaluation cycle. No promotions are proposed. Locality pay was removed in FY 2017 from the salary line item and put into a stand-alone category to better track it throughout the year and compare commuting miles and gas usage with locality pay as an incentive.
 - **Shift Differential** – The shift differential is \$1.30 for those on-duty shift hours that begin after 5:00 p.m. No increase is proposed in FY 2018 for a budget of \$11,000.
 - **Gasoline & Oil** – The Gasoline & Oil line item is proposed at \$22,000 to reflect a price assumption of \$2.50/gallon for FY 2018 as the U.S. Energy Information Administration predicts.
 - **Dues & Conferences and Training & Seminars** – These line items afford professional development opportunities in order to retain and maintain a Police workforce with the necessary skill sets to carry out the responsibilities of police work in a major metropolitan area.
 - **Police Station Rent** – The Town leases space for the Department at a projected cost of \$22,876 in FY 2018.
 - **Capital Outlay** – In FY 2018, funding is proposed to purchase two new tablet computers for two Police vehicles, in addition to continuing to replace equipment in the Department as needed.
 - **Uniforms** – Uniform expenses are proposed for \$13,500 and include the uniform cleaning allowance for all officers.
 - **Public Safety Miscellaneous** – This appropriation funds the Emergency Preparedness/Neighborhood Watch Committee and a \$10,000 contribution to the Berwyn Heights Volunteer Fire Department.
 - **Emergency Preparedness and Neighborhood Watch** – This line item is level-funded at \$3,000.
 - **BHVFD** – This line is the same as FY 2017 at \$10,000. The funding comes from current year speed camera revenues and was implemented to off-set the declining individual contributions to BHVFD from Town residents.
3. **Code Compliance Office** – The Code Compliance Office is responsible for the administration of the residential rental licensing program, enforcing all non-Police ordinance violations, and the Call-A-Bus program. The Code Compliance Office budget is proposed to increase 9% from FY 2017.
- **Code Compliance Program** – The FY 2018 budget proposes to fund a full-time Code Supervisor position, and 35 hours of part-time assistance with administrative and Code enforcement duties.
 - **Salaries** - The salaries are proposed to increase in FY 2018 to fund the effect of the merit and Cost of Living Adjustments (COLAs) that went into effect in November 2016, the January 2017 bring to pay plan minimum initiative, and a 3% total (1% COLA and 2%

Merit) for FY 2018 based on the recently completed performance evaluation cycle. No promotions are proposed.

- **Network and Software Support** – This line item is funded at \$6,000 for annual maintenance fees for the Code tracking software.
- **Call-A-Bus Program** – The Call-A-Bus Program budget funds the maintenance, upkeep, repair, and gasoline for the Call-A-Bus with a budget of \$4,500. Repairs are proposed at \$1,300 and should the user agreement go into effect with Joe's Movement, \$2,500 in gas expenses are expected.

4. **Public Works Department** – The Public Works Department budget is proposed for a 4% (\$12,785) increase from FY 2017. This appropriation funds the salaries of eight full-time public works employees, and a part-time administrative assistant (10 hours/week) and a part-time maintenance worker position (28 hours/week). This budget also funds uniforms, radio communications, gasoline, landfill tipping fees, all grass cutting tasks, winter snow and ice operations, street signs and traffic control program, and street repairs.

- **Public Works Building** – This budget funds the cost to operate, maintain, and repair the Public Works building and yard. There is a \$2,650 (9%) decrease to reflect utility savings, and savings in the communication line item.
- **Streets and Sanitation** – Eight full-time staff positions and two part-time positions were funded in FY 2018 and proposed for funding in FY 2018.
 - **Salaries** - The salaries are proposed to increase in FY 2018 to fund the effect of the merit and Cost of Living Adjustments (COLAs) that went into effect in November 2016, the January 2017 bring to pay plan minimum initiative, and a 3% total (1% COLA and 2% Merit) for FY 2018 based on the recently completed performance evaluation cycle. No promotions are proposed.
 - **Seasonal Help** – The Town budgets for one seasonal employee to work 40 hours a week during the November and December leaf collection season in case one of the non-seasonal Public Works employees is on leave.
 - **Vehicle Maintenance and Repairs** - The total budget remains at \$48,000; \$34,000 for maintenance and repairs and \$14,000 for preventive maintenance. These two line-item account numbers for the maintenance and repair of all of vehicles and equipment in the Department's fleet.
 - **Gasoline & Oil** - The Gasoline & Oil line item has been reduced to \$30,000 to reflect a price assumption of \$2.50/gallon for FY 2018 as the U.S. Energy Information Administration predicts.
 - **Uniforms** – This line item is proposed for \$10,000 to equip employees with enhanced safety gear such as appropriate footwear and back braces.
 - **Equipment & Equipment Rental** – This line is budgeted for \$8,000 to provide for the rental of crack sealing equipment for two weeks and other needs as they may arise.

- **Solid Waste Disposal Fees** – This line item is budgeted at \$77,000 to reflect higher vendor costs of doing business. Of the \$77,000, on average \$6,000 to \$6,500 is for yard waste tipping fees at Maryland Environmental Service.
- **Street Signs & Traffic Control** – This line item is proposed for a \$7,000 to continue the effort of replacing stop signs and street signs that do not meet new size and reflectivity standards.
- **Tree Service** – This line item remains at \$9,000 and is utilized for pruning or removing trees on Town property or in the Town’s right-of-way
- **Street Lighting** – This budget funds the electricity costs of streetlights and the Berwyn Heights Elementary School flashing lights. The budget is proposed at the same amount as FY 2017 at \$39,210.

5. **Parks, Recreation, Education, and Civic Affairs** – The Parks, Recreation, Education, and Civic Affairs (PRECA) budget funds Berwyn Heights Day, all other Recreation Council Special events, the Historical Committee, Pop’s Park, Sports Park Concession Stand/Restroom facility, and materials to seed and aerate Pontiac Street Field. A 6% increase is proposed in FY 2018.

- **Berwyn Heights Historical Committee (BHHC)** –The BHHC is proposed for funding at \$2,500 in FY 2018 for the purchase of a new display case.
- **Recreation Council** – The Recreation Council budget is proposed at the same amount as FY 2017 at \$10,000.
- **Pontiac Field** - \$3,000 is proposed to fund the cost of grass seed and fertilizer and aerate to make the ground more receptive to grass seed and fertilizer in order to restore the field. The Public Works Department schedules this service.
- **Sports Park** – The Berwyn Heights Boys and Girls Club requested in FY 2017 for the Town take on the financial responsibility for electricity costs at Sports Park; therefore, \$2,500 of the proposed \$3,800 is for this line item.
- **PRECA Assistant** – A \$4,000 annual stipend is proposed to offer assistance to PRECA organizations for successful event planning and coordination.

6. **Cable** – The cable budget is appropriated for the maintenance, equipping and repair of the Town’s public access channels, Comcast Channel 71 and Verizon Channel 12, I-Net expenditures, and live video streaming of Town government meetings. Any PEG funds unspent in each fiscal year are transferred into the Cable TV reserve for future cable expenditures.

- **I-Net** – I-Net asks the participating municipalities to contribute one-third of their Public, Education and Government (PEG) resources to fund the operation of the county-wide I-Net (\$4,700 in FY 2018).
- **Live-Video Streaming of Town Meetings and Works Sessions** - \$4,500 is allocated for expenses related to live streaming of Town government meetings.
- **Part-time Wages** - \$13,800 for expenses for part-time wages for the Town Meeting camera operator, and for the wages of the Town Clerk (about 8 hours a week) incurred due to operating the public access channels and live video streaming.

7. **Non-Departmental** – This appropriation funds the required insurance policies the Town has for protection against law suits, workers’ compensation claims, unemployment compensation claims, public official bonds, and employee benefits such as medical, dental, vision and life insurance plans, the Town’s share to fund the staff to operate the 4 Cities Coalition’s street sweeper program, and the Town’s contribution to the Maryland State Retirement & Pension system.

- **Insurance** – The insurance budget is currently projected for a \$13,119 decrease in FY 2018 due to lower workers’ compensation costs associated with few annual claims due to improving the Town’s overall culture of workplace safety. General liability insurance and unemployment compensation are projected for slight increases in FY 2018
- **Network/Software Support** - The \$16,000 proposed covers the monthly IT support cost, data back-up fee, as well as the monthly costs for Microsoft Office 365 for all employees and the Town Council.
- **Custodial Services** – The \$12,000 proposed amount covers the cost of once weekly custodial services at the Municipal Building, Town Center, Police Department, and Public Works Building.
- **Credit Card Acceptance Fees** - The proposed \$750 in FY 2018 enables the Town’s acceptance of credit cards for Town payments in-person at the Town Office and Police Department. The cost includes physical payment terminals at the Town Office and Police Department.
- **MD State Pension Plan Annual Contribution** – The Maryland State Pension Plan Annual Contribution rate varies from year to year, usually between 8%-10%. The FY 2018 employer contribution rate remains at 8.6% for a proposed budget of \$101,000.
- **MD State Pension Plan Administration Fee** – The Maryland Retirement Systems Agency charges an administration fee and the rate for FY 2018 is \$4,200.
- **Four Cities Street Sweeper Program** – The proposed appropriation for FY 2018 remains at \$19,000.
- **Website Services** – The proposed FY 2018 budget proposes \$1,500 for annual website maintenance and support for the redesigned Town website.
- **Health Insurance Offset** – The Town offers a \$2,000 incentive for employees that are not enrolled in the Town’s medical insurance plans. Five employees receive this incentive for a cost of \$10,000 in FY 2018.
- **Medical/Prescription Insurance** - The Town joined the Local Government Insurance Trust (LGIT) health insurance cooperative in FY 2017. As a LGIT health cooperative member, the Town may receive a refund at the end of the fiscal year if the Town has not had as many claims as the LGIT actuaries project. Since the Town has not been in the cooperative a full year, we do not have trend data yet to indicate whether the Town will receive a refund at the end of FY 2017.

Employee reviews of the changes to medical insurance in FY 2017 have been positive. As more usage and utilization data becomes available, we will be in a position to analyze whether changes to the plan premiums or copays should be adjusted in future years.

At the time of releasing the Town Administrator’s proposed budget, the quote for medical and prescription insurance is not final. LGIT advised the Town to use the industry standard 8-9% increase over FY 2017 rates, and that is the assumption in the FY 2018 budget. The final numbers will be available in mid-March.

When the Town adopted the FY 2017 budget and joined the LGIT health cooperative, the Town had 12 employees receiving medical benefits (8 single coverage and 4 family coverage). To date in FY 2017, there are now 14 employees receiving medical benefits (7 single coverage and 7 family coverage). The Town pays 100% of the premium for medical coverage for single employees, and 85% of the premium for medical coverage for employees with family coverage. In order to control costs in FY 2018, the assumption in the proposed budget is increasing the employee cost-share for medical insurance from 15% to 20% (meaning the Town would pay for 80% of the medical insurance premium, instead of the current 85%).

- **Dental Insurance** – When the Town adopted the FY 2017 budget and joined the LGIT health cooperative, the Town had 12 employees receiving dental benefits (8 single coverage and 4 family coverage). To date in FY 2017, there are now 14 employees receiving dental benefits (7 single coverage and 7 family coverage). There is no premium increase in FY 2018; however, the Town pays 100% of the premium for dental coverage for single employees, and 85% of the premium for dental coverage for employees with family coverage. In order to control costs in FY 2018, the assumption in the proposed budget is increasing the employee cost-share for dental insurance from 15% to 20% (meaning the Town would pay for 80% of the dental insurance premium, instead of the current 85%).
- **Vision/Life/Accidental Death & Dismemberment (AD&D) Insurance** – When the Town adopted the FY 2017 budget and joined the LGIT health cooperative, the Town had 12 employees receiving vision benefits (8 single coverage and 4 family coverage). To date in FY 2017, there are now 14 employees receiving vision benefits (7 single coverage and 7 family coverage). There is no premium increase in FY 2018; however, the Town pays 100% of the premium for vision coverage for single employees, and 85% of the premium for vision coverage for employees with family coverage. In order to control costs in FY 2018, the assumption in the proposed budget is increasing the employee cost-share for vision insurance from 15% to 20% (meaning the Town would pay for 80% of the dental insurance premium, instead of the current 85%).

The Town pays 100% of the premium for life insurance and AD&D coverage for all employees. No premium increase in FY 2018 is expected.

8. Capital Projects: Operating

- **Vehicle Replacement Reserve** - The vehicle replacement reserve is fully funded with an appropriation of \$81,793 needed to cover the FY 2018 contribution for vehicles and equipment in the Town fleet. During the economic downturn, the vehicle replacement fund was not replenished at the rate of which funds were withdrawn to purchase vehicles and this budget proposes to fully fund the FY 2018 contribution.
- **Dedicated Infrastructure Improvement Reserve** – The FY 2018 budget proposes to transfer \$170,788 to the dedicated infrastructure improvement reserve. \$65,547 is expected to come from the State of Maryland through Highway User Revenues, and \$105,241 is anticipated in revenue from the Town's road tax set-aside from the real and personal property taxes.

9. **Capital Projects: Fund Balance & Reserve** – The Town’s Strategic Plan contains action items in order to accomplish the goals and objectives. Pursuant to the Town’s Charter, any contracts with vendors over \$10,000 come before the Town Council for review and approval.
- *Strategic Issue – Infrastructure, Goal 1: Create a system to bring roads up to standard, and Objective 1: Conduct a needs assessment of the road system* involves contracting with a vendor to perform a comprehensive study of the existing road conditions, and develop a prioritization system for phasing construction work and costs. \$20,000 from FY 2018 HUR revenues is budgeted for this work to seek competitive bids in response to a Request for Proposals (RFP).
 - *Strategic Issue – Infrastructure/Public Safety, Goal 1: Acquire improved facilities for Town Departments, and Objective 3: Conduct comprehensive study of facility security and adequacy* involves contracting with an architecture/engineering firm to assess improvements at the Town Office and Town Center in order to develop a suitable location for the Police Department and make the best use of existing, available space. The Town conducted a feasibility study in 2001 with the determination reached that adding a second story to the Town Office was the lowest cost construction option versus private property acquisition and construction costs. The Town budgets about \$23,000 each fiscal year in rent for the Police Department. \$40,000 is budgeted from FY 2018 Greenbelt Station Metroland revenue to seek competitive bids through an RFP for the architectural/engineering analysis and space planning, including the drawing of buildable plans the Town can use to bid any construction work.
 - *Strategic Issue – Infrastructure/Public Safety, Goal 1: Acquire improved facilities for Town Departments, and Objective 2: Implement stopgap measures to improve facility security* involves three primary actions with funding from unrestricted fund balance:
 - *New perimeter fencing and an electronic gate at the Public Works Yard.* The existing fencing has gaps that need to be addressed. Since most Public Works employees are in the field the majority of the day, with intermittent trips back to the Yard for breaks, restroom facilities, or gear, the main gate is left open during business hours. An electronic gate would allow the facility to be secured during business hours when no employee is present. \$10,000 is budgeted in Buildings and Grounds Improvements to seek competitive bids.
 - *Exploration of the best method for access control at Town facilities.* The two primary options under consideration are punch code door locks, or electronic keycards. A combination of the two options may be the best practical and financial solution. \$5,000 is budgeted in Buildings and Grounds Improvements to seek competitive bids.
 - *New security cameras at the Public Works Yard and installation of security cameras at the Town Center and Town Office.* The security system at the Public Works Yard was purchased over five years ago off the shelf from a big box store and is intended for a residential home set-up, not a commercial facility. Public Works needs a system with adequate storage, retention, and back-up to the Town server.

As the center of Town governmental operations, the Town Office and Town Center need to strike the right balance between openness and accessibility for residents and protection of employees and property. Security cameras act as a deterrent for threatening or criminal behavior, and provide documentation for law enforcement purposes when no eyewitness is available. \$10,000 is budgeted in Buildings and Grounds Improvements to seek competitive bids.

- *Strategic Issue – Town Aesthetics, Goal 1: Improve the Town’s physical appearance in the built and natural environments, and Objective 1: Increase the Town’s tree canopy and maintain species diversity* involves moving the FY 2016 urban forest inventory data into a map-based management system for Public Works’ use since this portion was removed from the scope of work due to budgetary constraints in FY 2016, and for contracting with a vendor to prune and remove trees on Town property or in the Town right-of-way as identified in the tree inventory. \$20,000 is budgeted from unrestricted fund balance in FY 2018 to seek competitive bids in response to an RFP for pruning and removal; and \$5,000 is budgeted from unrestricted fund balance for the map-based software program acquisition for a total of \$25,000.
- *Strategic Issue – Economic Development, Goal 1: Enhance economic development opportunities, and Objective 2: Seek expertise of an economic development consultant* involves assessing the landscape of communities that have engaged with an economic development consultant, and developing an RFP to seek competitive bids for an economic development study with actionable recommendations for the Town. \$30,000 is budgeted from FY 2018 Greenbelt Station Metroland revenue for this economic development work.
- **Public Safety Reserve** – Police requested replacement of the 2009 Ford Crown Victoria in FY 2017; however, funding was not appropriated. The replacement schedule for Police vehicles is seven years. In FY 2018, replacement of this vehicle is funded through the Public Safety Reserve Fund, generated through speed camera revenue. The vehicle acquisition cost and equipment outfitting is expected to be \$40,000 in FY 2018.
- **Vehicle Replacement Reserve** – \$30,000 is proposed for the purchase of a hybrid car for Administration from the vehicle replacement fund and put the 2000 Saturn wagon into reserve status. The Town has applied for a Maryland Smart Energy Communities grant and may receive up to \$15,000 towards the Administration hybrid vehicle purchase. The Town has participated in the Washington Council of Governments (COG) efforts as part of the federal government’s settlement with automaker VW. COG is seeking local governments that are interested in receiving electric vehicle charging infrastructure. Should the Town receive COG funding for a charging station, an all-electric vehicle may be an option for Administration.