



Town of Berwyn Heights

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Minutes Budget Worksession March 9, 2015

The meeting was called to order at 7:03 p.m. Present were Mayor Cheye Calvo, MPT Jodie Kulpa-Eddy, CMs Patricia Dennison, and Chris Rasmussen. CM Anthony Schreiber had an excused absence. Also present were Town Administrator (TA) Jessica Cowles, and Clerk Kerstin Harper.

1. Mayor

Announcements: CM Rasmussen will start a new job as Vice President of Programs and Research with the Association of Governing Boards of Universities and Colleges in Washington, D.C.

2. Budget

Mayor Calvo said tonight's agenda calls for the Council to go through the proposed budget by department and major activity to flag items of concern and recommend changes. Motions can be made to either add or subtract money from a line item, but all changes must be paid for.

TA Cowles noted that the budget has been updated since she presented it on March 3, both for the FY 2016 proposed, as well as for FY 2015 estimates. Items of note include moving speed camera revenues from fines and forfeitures to transfers from reserves, and placing \$9,000 under Volunteer Fire Department contributions, \$10,000 under speed camera administration and \$21,000 into the public safety reserve. As a result, it is proposed to pull only \$29,000 from surplus instead of \$50,000.

Mayor Calvo sought clarification about the surplus and reserves figures. Speed camera revenues need to be revised to correct a booking error in the FY 2015 budget. He also suspects that emergency generator costs and Safe Routes to School sidewalks expenses were double counted because the surplus seems too low. A discussion on how money flows into and out of reserves ensued. It was agreed that more analysis of the surplus and reserves needs to occur before a one-page summary of the FY 2016 budget can be finalized.

The Council reviewed the budget by department and major activity.

Revenues

Personal Property Taxes: The currently budgeted \$265,000 may be too high as it includes \$15,000 from

prior years. However, \$13,000 in personal property taxes is expected to come in FY 2015 and approximately \$38,000 outstanding bills going back to 2007. It is not known how much in outstanding bills will be paid this year.

Income Taxes: This revenue, budgeted at \$410,000, is projected to come in at \$417,000 using a formula based on quarterly disbursements in prior years. The State of Maryland Comptrollers Office provides data on quarterly withholdings in the Town of Berwyn Heights. The figure includes self-employed residents, who estimate their incomes, and is subject to frequent change related to economic activity, demographics and other factors.

Police Fines: Estimated FY 2015 receipts are probably too low at \$43,000 and should be raised to \$48,000. This would be a better basis for the \$48,000 budgeted for FY 2016.

Speed Camera Revenues: The Town has received close to \$29,000 in speed camera revenues to date and projects \$50,000 to come in by the end of FY 2015. The revenues are lower than budgeted because no tickets have been issued on Pontiac Street since the General Assembly raised the minimum speed limit in school zones from 15 mph to 20 mph last year. Therefore, \$50,000 is budgeted for FY 2016.

At 8:15 p.m., the Council took a 5 minute break.

Expenditures

Mayor & Council: It was proposed to break out a new *education* line item from the *public relations* line to reflect the Council's annual contributions to local schools programs.

Administration: This budget is flat but money has been shifted between line items to better reflect actual expenditures. Thus funds were shifted from *maintenance & repairs* to *training & seminars* to enable staff to take more training. *Maintenance & repairs* was budgeted at \$1,700 but only \$500 has been expended to date. If the Saturn requires extensive repairs it should be sold or scrapped. Funds were shifted from *capital equipment > 500* to *capital equipment < 500* to purchase one computer and miscellaneous office equipment. The *public relations* line was increased to cover semi-annual mailers to residents. Approximately \$1,500 should be added to the *elections* line item for the 2016 Town Council election. The entire Administration budget may need additional funds to hire people for projects now carried out by volunteers such as the Town website or Berwyn Heights Day planning.

Municipal building: Additional money may be needed in this budget to enable the Town to accept credit cards, including online bill payments. Fees charged by credit card companies for providing the service can be passed on to the consumer.

Police Department: A new *locality pay* line item was broken out from *salary* so as to be able to track it. With more police officers living in close proximity to the Town *locality pay* is likely to increase, while the *gas & oil* line item should decrease as miles traveled decrease. The *uniform* line item assumes that there will be a turnover of one police officer per year. The *communications* line item is \$3,500 higher than the estimated FY 2015 expenditures. However, the actuals may reflect the department not being fully staffed for several months.

Neighborhood Watch/Emergency Preparedness: The NW/EP has indicated it will request funding for a set of new radios.

Code Department: The *salary* line item may increase or decrease depending on the candidate hired to fill the code supervisor position. *Part-time salaries* for the code clerk have been decreased on the

assumption that the new code tracking system will save time spent on paperwork. The *network/software support* line item is budgeted at \$5,000 to reflect new annual operating costs of the code tracking system. The *dues & conferences* line item may require an increase if the new code supervisor wants to get training and certifications.

Public Works Streets & Sanitation: The *part-time salaries* line item was dropped by \$36,000, and shifted to *full-time salaries* as Director Lockley seeks to replace 2 part-time employees with one full-time employee. It also reflects increases in salaries for 2 crewmen who are taking CDL training. The *solid waste disposal, gas & oil, tree service* and *uniform and overtime* line items may require increases. FY 2015 estimated expenditures should be reviewed as they do not seem to reflect actual requirements. For example, gas usage is likely to go up with the purchase of another 27 cubic yard trash truck. To arrive at better *gas & oil* estimates gas usage should be tracked by vehicle. The *storm drain* line item should be checked because expenditures occur intermittently every other year.

Parks & Recreation: The *BHHC line item* should be checked because it shows \$400 more than in FY 2015, which equals the BHHC events appropriation managed by the Recreation Council.

Cable: The FY 2015 estimate of \$8,900 for the *capital outlay* line item should be reviewed to see what capital items were to be funded. The Town receives \$29,000 in combined PEG fees, but does not normally spend more than \$1,000 per year. With the adoption of the Comcast settlement agreement, the compensation for the cable operator could now be charged against this line item, in addition to miscellaneous equipment purchases and repairs. The Council may want to decide if it wants to fund a major capital project.

Employee Benefits & Insurance: The *merit increases* appropriation should be renamed *salary pool* so that other salary enhancements can be accounted for here. Tuition reimbursement should be taken out of *miscellaneous* and become a stand-alone line item. The budget for FY 2016 *health insurance* and *health reimbursement account (HRA)* should be discussed separately, as staff turnover will entail different usage of health insurance.

Capital Expenses: This budget includes transfers to reserves. The infrastructure reserve is proposed to grow by \$258,000 this year when combining transfers from the road taxes and HUR receipts, bringing the total in the fund to \$709,000. This money can be used to fund a road project, but the Town should get a better idea of the cost involved. The Council may want to set aside money to engineer a road project so that it can piggyback onto WSSC's road contract when water main replacement project begins.

In comments, CM Rasmussen said he thinks the Bulletin needs an overhaul and is not an effective way to communicate with residents. Too much space is devoted to minutes and too little to advertising, which would help generate revenue. Mayor Calvo said that much of the Bulletin content is driven by the submissions of Town organizations. Their pages have gone up as more groups are actively holding events and organize programs that require registration forms. The minutes might be shortened but people read them. To date, advertisements have not been cut because of lack of space. However, advertising fees might be raised as they have not been changed in years.

TA Cowles said that she would give a higher funding priority to education and training for the professional development of staff. For a small town this is a way to attract and retain staff. In the Administration Department she has set aside funds for seminars, but thinks more should be done to

increase the technology training. Mayor Calvo said that he could support a general professional development fund in the non-departmental budget, managed by the TA Cowles with input from department directors to make targeted investments in staff training. Another tool to compensate staff is year-end bonuses to reward staff for above average performance. On the other hand, the Town should develop an outsourcing strategy, and find people it can turn to for expertise not available internally.

The meeting was adjourned at 9:54 p.m.

Kerstin Harper