



Town of Berwyn Heights

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MAYOR
Stephen D. Isler
COUNCIL MEMBERS
Jason W. Papanikolas (Mayor Pro Tem)
Amanda M. Dewey
Jeffrey Jay Osmond
Ethan D. Sweep

Worksession Minutes March 18, 2019 7:00 pm

Executive Session (6:00 – 7:00 p.m.)

Personnel Matter

Regular Session (Starting 7:00 p.m.)

Present were Mayor Stephen Isler, Mayor Pro Tempore (MPT) Jason Papanikolas, Councilmembers (CMs) Amanda Dewey, Jeffrey Jay Osmond and Ethan Sweep. Also present were Town Manager (TM) Maria Broadbent, Treasurer Michelle Rodriguez, Clerk Kerstin Harper, Chief Kenneth Antolik, Detective Daniel Unger, and Old-Line Bank representatives Michael Consalvo and Jeff Franklin.

1. Announcements

The Beltway Plaza redevelopment was moved to the top of the agenda.

2. Budget Discussion Items

Bank accounts: TM Broadbent said she asked the Manager of Old Line Bank, Michael Consalvo, to attend a meeting to explain to the Council how the Town's deposits are invested and suggest ways the rates of return could be improved. Mr. Consalvo said he brought the Bank's cash management expert, Jeff Franklin, to review the options with the Council.

Mr. Franklin said, in his position, he works with businesses and local governments to maximize their earnings and minimize fees on their deposits. Currently, the Town maintains several checking accounts for liquid funds and checking accounts that are tied to Repurchasing (REPO) accounts for reserve funds. This ensures that these funds are federally insured while earning some interest.

Over the last 2 years, Old Line Bank has developed a municipal banking program designed to compete with the Maryland Local Government Investment Pool (MLGIP) for deposits, offering .05% more than the average MLGIP interest rate. Old Line Bank has partnered with Promontory Interfinancial Network, a leading provider of FDIC insured deposit placement services, to offer municipalities more competitive rates of return, while maintaining 100% FDIC coverage. Promontory has 3,000 member banks with \$26 billion in Insured Cash Suite (ICS) deposits nationwide.

Mr. Franklin said when a municipality signs up for a Promontory ICS account it is paid money market account interest rates. At the moment, that rate is 2.47% as opposed to 0.5% paid on REPO accounts. ICS deposits are moved around electronically to other Promontory member banks in increments of up to \$250,000 so that all money is FDIC insured. Those funds can be withdrawn at any time up to 6 times a

month. It is a good option for funds that don't need to be accessed every day, such as the Town's infrastructure reserve and other reserve funds. For the Town's operating funds, Mr. Franklin suggested keeping a portion in a checking account and placing the remainder in an ICS account to avail itself of higher interest rates. However, this requires forecasting of the Town's average outlays so that withdrawals don't exceed the limit of 6 per month.

Mr. Franklin and Mr. Consalvo answered a number of questions from Councilmembers clarifying how a Promontory ICS account works and what the terms of the agreement would be. To open ICS accounts, the Bank would ask the Town to sign separate agreements for each such account. Once signed, the money can be moved the following day. Interest earned would be returned to the associated account. A monthly service charge of \$118.00 per month would be levied for maintaining these accounts. If the Town decided it did not like the ICS accounts, it could take its money out at any time and go back to the status quo ante.

It was agreed that Old Line Bank will send the ICS agreements to TM Broadbent so she and the Town attorney can review them and then pass them on to the Council to look over. If the Council decides to go ahead with opening ICS accounts, it would formally approve and sign the agreements at a public meeting.

Health insurance options for FY 2020: TM Broadbent said, as part of the budget process, she invited staff to suggest any initiative that appears to have merit for presentation to the Council before a proposed budget is drafted. Treasurer Rodriguez has done research on different health insurance options with the Town's insurance carrier, Local Government Insurance Trust (LGIT), in response to concerns expressed by some employees.

Treasurer Rodriguez said she has heard from employees that they find co-payments for emergency room (ER) visits (\$150) and hospitals (\$250) too high. She asked LGIT about possible alternative plans. LGIT has responded with quotes for two plans that have lower copays. A medium-coverage plan has a \$50 ER copay and a \$100 hospital copay. A high-coverage plan reduces ER copays to \$25 and hospital copays to \$0. The medium-coverage plan would raise the overall price of the Town's insurance plan by 12% and the high-coverage plan by 13%, as opposed to 4.3% under the current plan.

In response to questions, Treasurer Rodriguez said, currently, the Town pays 100% of insurance premiums for single employees and 85% for family members. The ratios could be adjusted to recoup some of the cost of a plan with higher coverage. LGIT reimburses municipalities for a below average claims rate, which is used to fund employee wellness programs. Short-term disability insurance is not offered as part of the LGIT plan, but such insurance is available to employees from a third party at their own expense.

After some discussion, the Council expressed their inclination to switch to a plan with lower copays. Treasurer Rodriguez was asked to get more information about the high-coverage plan, about plans for part-time employees, and about alternative dental plans. When the additional information is on hand, the Council will revisit the subject at a worksession.

Phil Ventura, 57th Avenue, suggested employees might be asked to pay a share of premiums when offered a health insurance plan with better coverage.

Merit increases: TM Broadbent said this item is a continuation of the discussion from the March 4 worksession on merit increases. She has included a 2% Cost of Living Adjustment (COLA) in the departmental salary line items of the draft budget but would like some guidance on how to proceed with merit increases. Treasurer Rodriguez added the proposed budget includes funds for a 2% merit increase for each employee. The Council needs to decide whether to give a merit increase, how much it should be,

and how to divide it among employees based on their performance rating. Last year, the COLA and merit increases were combined and added to the departmental salary line items. All employees received a 1.5% COLA; and merit increases were awarded as follows: employees in with the highest performance bracket received 4% merit increases, those in the middle bracket received 2%, and those in the lowest bracket received none.

In discussion, the Council expressed general support for continuing to give merit pay but did not decide on a specific rate. It was noted that merit pay increases are only one aspect of the whole benefits package, which tends to determine whether staff will stay with the Town or look for a better job. The FY 2020 package already proposes to increase leave that can be carried over to the next year, and possibly a better health insurance plan. A choice will likely have to be made as to which benefits not to fund.

TM Broadbent said when considering how to fund additional benefits, the Council needs to consider that some of the Town's revenue streams are restricted to specific purposes and cannot be used for general operating expenses. Previous Councils have used the General Fund balance to fund next year's expenditures, which she does not consider good practice. A tax increase might be an option.

MML Banner City certification: CM Dewey said that Berwyn Heights became an MML Banner City in 2017 and needs to fulfill certain requirements to keep up its certification. These include attending MML conferences and training, attending 50% of MML chapter (PGCMA) meetings; holding a municipal government works month event; and visiting a local school to educate students about municipal government. Most of these requirements are already met. She asked if the Council is interested in getting recertified and, if so, to make a plan to meet the remaining requirements. Mayor Isler said he will have the principal at the school where he teaches certify that he has been teaching students about municipal government. All Councilmembers will work out a schedule to attend the required PGCMA meetings.

The Council also determined that Mayor Isler, CM Dewey and CM Osmond will attend the PGCMA breakfast during the MML convention.

Public Safety Taxing District budget (added item): TM Broadbent provided a draft of the Public Safety Taxing District (PSTD) budget, which is adopted at the May Town meeting. The Taxing District levies a special tax on businesses to fund one police officer. The FY 2020 budget assumes the same tax rate as the current year, and initiates a vehicle replacement fund for the car driven by the PSTD officer. The PSTD budget is submitted to representatives of the Commercial District Management Authority (CDMA) for approval prior to adoption. A meeting date with the CDMA is tentatively scheduled for April 15.

4. Minutes

On a motion by CM Dewey, seconded by CM Sweep, the February 19 worksession minutes were approved 5 to 0.

5. Department Reports

CM Dewey announced in April the Shade Tree Board will be sponsoring a 'Trees of Distinction' contest. Residents will be asked to nominate trees that stand out because of size and age, beauty, unusual form or historical significance. Photos of nominated trees will be displayed on a poster on Berwyn Heights Day as well as in the town bulletin and on the town website and those who made nominations will be invited to plant the symbolic Arbor Day tree. CM Dewey also announced upcoming events and called for volunteers to join the Education Advisory Committee. Those interested in school issues should contact her.

6. Town Council Schedule

The Council reviewed the upcoming calendar. No changes were made. April 15 will mark the date when the Town will no longer pick up recyclables with plastic bags in the mix. Notification of the new rule will be made in the Bulletin and by postcard. CM Dewey said plastic bags are the number 1 problem for the County's recycling facility and number 2 are garden hoses.

7. Citizens Discussion

Phil Ventura, 57th Avenue, commented that Public Works might have chosen recycled lumber to replace the wooden posts at the Indian Creek playground. He noted that a vehicle was added to the take-home car program without any public deliberation or public input. There was extensive public discussion when a take home program for police vehicles was first initiated. He also expressed disagreement with the dismissal of the Code Supervisor and the reorganization of the Code Department.

The meeting was adjourned at 9:59 p.m.

Signed: *Kerstin Harper*, Town Clerk