



Town of Berwyn Heights

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Minutes Worksession March 6, 2017

Executive Session (6:30 p.m. – 7:00 p.m.)

Citizen of the year selection

Regular Meeting

The meeting was called to order at 7:00 p.m. Present were Mayor Cheryl Jewitt, Mayor Pro-Tem (MPT) Jodie Kulpa-Eddy and Councilmembers (CMs) Patricia Dennison, Christopher Rasmussen, and Gerald Shields. Also present were Town Administrator (TA) Jessica Cowles, Clerk Kerstin Harper, Green Team members Amanda Dewey and Kayla Agonoy as well as Mike Attick.

1. Announcements

Upcoming events include a March 18 St. Patrick's Day Potluck and a March 26 BHHC Spring Reception.

2. Minutes

On a motion by CM Dennison and second by MPT Kulpa-Eddy, the February 6 worksession minutes were approved 5 to 0. The February 8 Town meeting minutes were distributed.

3. Department Reports/ Citizen Comments

Mayor Jewitt reported that she walked through Berwyn Heights' industrial area along Branchville Road and Ballew Avenue with TA Cowles, who pointed out where the Town's boundary runs. Some properties need cleaning up but generally roads and sidewalks are in good shape and trees are healthy. Mayor Jewitt also attended the Green Team and NW/EP meetings. NW/EP's wine festival will be postponed and new ideas for Berwyn Heights Day are under consideration.

MPT Kulpa-Eddy reported that a new No U-Turn sign was installed on Pontiac Street to discourage parents from making a U-turn after dropping off their children at the Berwyn Heights elementary school. She also announced a March 25 raingarden workshop at the Colmar Manor Community Center, and an April 1 rain barrel workshop in Greenbelt. Details will be posted at the Town website.

CM Rasmussen reported that he notified TA Cowles and Code Supervisor Glass about an overflowing trash can belonging to a business on 55th Avenue near Lake Artemesia. The Code Department will include the street in its patrols. Two residents have expressed an interest in serving on the Shade Tree Board.

TA Cowles explained that Pepco recently provided a revised tree replanting plan that takes into account the Town's request to include medium-size trees (50' to 60' tall at maturity) for replanting along Edmonston Road. Pepco plans to replant about 330 trees with 200 reserved for the Edmonston Road barrier. Evergreens are included among the new trees. To solicit input from residents, the plan will be posted to the website for 2 to 3 weeks to receive written, public comments until March 27 and suggestions incorporated into a final plan. It is hoped that planting can begin in early April. Tree replacements on private property will be replanted by Pepco with input from the property owner.

CM Dennison reported that Public Works continues to pick up trash and recycling. CM Shields reported that the citizen survey is progressing. He is utilizing a College Park survey as a template. In February, he notified the M-NCPPC Recreation Department about floating debris in Lake Artemesia and they have initiated a work order for cleanup.

Citizen comments: CM Shields received a comment on a problem rental on Cunningham Drive and 2 comments on the Rental Housing Ordinance. Mayor Jewitt also received comments on the Ordinance 120, which she will share during discussions of the Ordinance.

4. Action Items

There were none.

5. Discussion Items

Green purchasing policy: TA Cowles explained that the Green Team has submitted a green purchasing policy for the Council's consideration as part of a triennial re-certification requirement for the Sustainable Maryland Certified program of which the Town is a member. She and all directors have reviewed the policy and their comments are included in the draft before the Council. The policy encourages, but does not require Town staff to take sustainability criteria into account when making purchases. Criteria include a number of environmental impact and social equity factors.

Green Team members Kayla Agonoy and Amanda Dewey were present to provide details on the proposed green purchasing policy. Ms. Agonoy said that Berwyn Heights was first certified as a sustainable community in 2014. Recertification is due at the end of June. To become recertified the Town needs to complete 2 out of 8 priority action items, of which a Green Purchasing Policy is one. The policy aims to direct purchasing towards products and services that have a lesser or reduced effect on human health and the environment than comparable products and services; however, the policy is not intended to interrupt the efficiencies of the Town's procurement process or prevent making fiscally prudent decisions. The Green Team can advise the Town on available green products and services.

Ms. Agonoy continued that the Green Purchasing Policy is one of the least expensive action items to implement. For purposes of Sustainable Maryland recertification, the policy must be formally adopted by the Town Council and distributed to all purchasing personnel. The Town must submit documentation of the adoption of the policy and distribution to staff.

In response to Councilmembers' questions, Ms. Agonoy said that in some cases good alternative green products may not be available. The policy would focus on products and services where green products are available. Criteria for meeting the green label can include less toxicity, energy efficiency, lower manufacturing and transportation costs, and waste reduction. TA Cowles said that the Town already considers environmental impact and energy efficiency when making purchasing decisions. Recently, brighter and more energy efficient LED lights were installed in the Public Works building, and more

energy efficient A/C units were purchased for the Town Center. The Council expressed some concern about including local businesses and social equity factors among the criteria for green purchasing. Amanda Dewey replied that social equity and environmental impact are often inter-related. She recommends not separating social equity factors from the policy. The Council agreed to review the policy at the next worksession and consider adopting a resolution at the April 12 Town meeting.

FY 2018 Proposed Budget: TA Cowles referred the Council to a FY 2018 budget binder that contains detailed budget information. She then gave an overview of the FY 2018 budget. The FY 2018 budget is in the 2nd year of the County's triennial reassessments, and is projected to increase by 4.79% over the FY 2017 budget. A projected 1% increase in revenues enables the Town to finance all of the FY 2018 operating needs without dipping into prior year's unrestricted fund balance, or surplus, as was done during the recent recession.

Revenues

Taxes: An overall increase in revenues of 1% is projected, due in large part to an estimated 8% increase in real property taxes. It is recommended to waive the constant yield tax rate and keep the real property tax rate at the current levels of \$0.50 per \$100 of assessed value, plus a \$0.03 road tax. The increased real estate tax revenues are needed to make up for a shortfall in income tax revenues of approximately \$40,000 compared to prior years, in which the Town was overpaid due to an error by the State Comptroller. Personal property taxes are also projected to decline due to fewer businesses being subject to the tax and delinquencies. The PPT rates remain unchanged at \$1.25 per \$100 of assessed value, plus 75 cents for infrastructure improvements.

Licenses and Permits: The FY 2018 budget projects an increase of 3.4% or \$4,600 in receipts from licenses and permits, due in part to increases in building and dumpster permits. Another \$1,000 increase in business license fees is attributed to stepped up enforcement of non-compliance. Rental license fees have decreased as more homes are converting to owner-occupied residences.

Intergovernmental Revenues: Police aid is level-funded at \$51,400, and HUR may see a slight decrease of 4%, or \$105,500, based on MML projections. The State Assembly has not appropriated these funds yet.

Fines & Forfeitures: This revenue source is projected to be \$95,000 for all fines. This reflects a 5% decrease over FY 2017 due mostly to a decline in code fines, which is attributed to greater compliance.

Reserves and Fund Balance: A total of \$50,000 is appropriated from the fund balance or surplus to fund items identified as priorities in the Council's strategic plan.

Expenditures Operating expenses have been held close to last year's levels.

Salaries: The largest increase is in salary line items, due to the FY 2017 3% Cost of Living Adjustment (COLA), and bringing certain positions up to the minimum pay of the new pay plan. Additionally, funds for a 1% COLA and 2% merit increase are proposed in FY 2018, as well as a \$4,000 stipend for a Parks & Recreation assistant. It is proposed to fund a portion of the Town Clerk's salary from the cable budget for time spent operating the Town's cable TV channels and live streaming. The salary of the cable TV operator is also funded from this budget.

Health Insurance: The Town is in its first year as a member of the LGIT health insurance program. LGIT actuaries project an 8% increase in the program, which accounts for 2 additional employees in FY 2018 as well as a higher ratio of family to single employee plans. It is proposed to increase the employee contribution for a family plan from 15% to 20% to offset a part of the increase in cost. LGIT may issue a refund to the Town if plan usage is less than actuarial projections.

Capital Projects: It is proposed to fund several studies to move forward with some of the priorities in the Council's strategic plan. This includes \$20,000 from Highway User Revenues (HUR) for a road study; \$40,000 from the Greenbelt Station reserve for an architectural study of the Town Center complex to find a long-term solution for housing the Police Department; \$30,000 from the Greenbelt Station reserve to fund an economic development study; \$50,000 total from the fund balance for 1) Town facilities security improvements; and 2) \$25,000 for implementing the recommendations of the FY 2016 tree inventory assessment.

Additional projects are funded from dedicated reserves, including \$40,000 from the Public Safety Reserve for a new police vehicle, and \$30,000 from the Vehicle Replacement Reserve for a hybrid vehicle for the Administration Department. The Town has applied for and is waiting to hear if a \$15,000 Smart Energy Communities grant will be awarded to purchase the hybrid car. An all-electric vehicle might be an option if the Washington Council of Governments (COG) makes available funds for electrical charging infrastructure. Overall, the Town's reserves are very healthy, with \$2.7 million in restricted reserves, and just under \$800,000 in the unrestricted fund balance after all expenses are deducted.

In response to Council questions, TA Cowles said that the Town could review economic development initiatives in neighboring cities to get ideas for what might work in Berwyn Heights. The City of Greenbelt has recently completed economic development studies, which generated ideas for improving the business climate. An economic development consultant will be better able to identify the right kind of initiatives for Berwyn Heights. The FY 2016 audit has information about the current fund balances, but does not specify applicable restrictions. Speed camera receipts can be used to finance capital as well as operational public safety expenditures. The 3 months operating reserve may have to be increased as the overall operating budget increases. TA Cowles will provide more information on reserves at the upcoming budget workshop, as well as an estimate of the total amount of money due the Town in liens from delinquent properties.

Public Safety Taxing District (PSTD) budget: TA Cowles explained that the Town levies a special tax on commercial and industrial properties in Town to fund an additional police officer. Historically, this has been the Detective, who investigates crimes affecting businesses. The special tax is \$0.10 per \$100 of assessed real property and \$0.15 per \$100 of assessed personal property. Revenues are projected to go up by 2% in FY 2018. The increase is not sufficient to cover the salary of the police detective, and \$10,000 is proposed to be taken from the PSTD reserve.

TA Cowles said, going forward, the Council must decide whether to increase the tax rates or fund a lower-paid officer position from this revenue stream. If the Council is considering raising the PSTD tax rates, she would recommend reaching out to Town businesses and explaining how the revenue is used. This is consistent with the Council priority of improving relations with the commercial district and the Commercial District Management Authority (CDMA). For comparison, she will seek to obtain information on special tax rates other municipalities in the area may levy on businesses.

FY 2018 municipal tax differential: TA Cowles explained that the Town has received a notice from the Prince George's County Finance Office regarding the Town's tax differential, a tax credit for services provided by a municipality. This year, the Town did not receive credit for Public Works and Police vehicle purchases. The reason given was that the vehicle purchases are not financed with loans but paid for with cash. This conforms with the County's budget manual, which allows a tax differential only for vehicle debt. Berwyn Heights is joining with other Prince George's communities, notably Greenbelt, which also pay cash for vehicles, to try to change the County's policy; however, this effort may not

affect this year's tax differential decisions. On the positive side, the Town was able to contest the tax differential for police services, and raise the rate from 60% to 80% by providing proof of all the creditable police services it provides.

Mayor Jewitt thanked TA Cowles for pursuing the tax differential with the County. MPT Kulpa-Eddy said, at the County Executive's listening session in February, Greenbelt and Bladensburg raised the issue and were informed that the policy would be suspended for this year. A work study group is to be set up to examine the tax differential policy on vehicle purchases. TA Cowles will try to find out if the Town would receive additional credit for vehicle purchases. Mayor Jewitt volunteered to participate in the study group.

Town organizations: Mayor Jewitt said that CM Shields is working on a survey of Town organizations, their structure and their relationship to the Town. Depending on whether they are categorized as a Town-appointed committee, club or 501(c)(3), they may have different privileges and obligations. One area of concern is about the use of the official Town seal and stationary by Town organizations on their Facebook pages and other social media. The Council may want to think about the process by which an organization is officially recognized by the Town, may represent the Town in an official capacity, use Town facilities for free, get free publicity in the Town Bulletin, is covered by the Town's insurance, etc.

CM Rasmussen said currently there is a mish-mash of organizations and little information about their bylaws and history. He sees a need for a formal framework governing the Town's relationships with Town organizations, which would form the basis for assigning funding and privileges. CM Shields said that he used the Bulletin to locate and survey Town organizations. He had a good response to his inquiries about how they are run and what they need from the Town. He will provide a chart at the next worksession. He will also share a Neighborhood Watch/ Emergency Preparedness social media policy he is in the process of drafting with NW/EP Co-chair Mike Attick.

Ordinance 120 – Rental Housing: TA Cowles highlighted the changes made since the last review of Ordinance 120. They include new language in Section 13 regarding the interpretation and waiver recommended by the Town Attorney; change in the title of Section 14 to "Severability"; deletion of definitions in Section 2 that are no longer used in the Ordinance; revision of the definition of rental unit; review of the usage of the terms "tenant" and "occupant"; and extension of the Ordinance's effective date to 60 days. In addition, the Council agreed to delete the definition for "rubbish."

The Council discussed recently received citizen comments on Ordinance 120. They include comments opposing deletion of the owner-plus-one exemption; requiring an agent if the property owner lives more than 50 miles from his rental property; requesting clarification about the roles of a property operator versus an agent; and whether the Town would cover the cost of hiring an agent.

CM Shields stated that he continues to support retaining the exemption from a license requirement for renting just one room in an owner-occupied home (owner-plus-one), while charging a de minimis fee. MPT Kulpa-Eddy said the key question is how to best determine whether the property owner lives at the house he or she is renting; this is what causes difficulties for the Code Department and is the reason why the change to the Ordinance was made. CM Rasmussen said he supports the license requirement for owner-plus-one rentals because it ensures that they comply with the latest health and safety regulations.

MPT Kulpa-Eddy asked how many resident home owners would be affected by abolishing the owner-plus-one exemption. TA Cowles said the Code Department does not have firm numbers, but there are several cases where home owners claim the exemption but are suspected of living elsewhere. CM Shields said that requiring proof of residence, such as a driver's license or homestead exemption, would solve this difficulty. After further discussion, the Council agreed that an owner-plus-one rental, where money or other compensation is required, is a business activity which the Town has an interest in regulating.

CM Rasmussen moved the Council go forward with adopting Ordinance 120, including all revisions made to date, at the upcoming Town Meeting. CM Shields seconded out of respect for the Council's hard work. The motion passed 4 to 1, with CM Shields opposed.

Town Council Schedule

The Council reviewed the calendar for the upcoming month. No changes were made.

The meeting was adjourned at 9:42 p.m.

Signed: *Kerstin Harper*