



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

Budget Worksession Minutes March 28, 2020 | 9:00 am

This meeting was held by videoconference due to the COVID-19 State of Emergency, which prohibited groups from gathering. The meeting was broadcast on the Berwyn Heights cable TV channels and streamed on the Town website. Residents were given the opportunity to comment by telephone.

The meeting was called to order at 9:00 a.m.

Present were Mayor Stephen Isler, Mayor Pro Tempore (MPT) Jason Papanikolas, Councilmembers (CMs) Amanda Dewey, Jeffrey Osmond and Ethan Sweep. Also present were Town Manager (TM) Maria Broadbent, Treasurer Michelle Rodriguez, Chief of Police Kenneth Antolik, Detective Daniel Unger, Code Compliance Director Hollyyce Goodwin and Clerk Kerstin Harper.

1. Introduction

Mayor Isler welcomed all participants and explained the rules of order for this meeting. TM Broadbent gave an overview of the Town's response to the State of Emergency. She said Administration and Code staff continue to work but will do as many things as possible electronically. They can be reached by telephone or by email. The Police and Public Works staff remain on duty to keep the Town safe and collect refuse and recyclables.

2. FY 2021 Budget Presentations

TM Broadbent said the proposed FY 2021 budget has gone through several revisions to reflect anticipated impacts of the State of Emergency. However, tax rates are proposed to remain at the same level as last year. The budget will be introduced at an April 15 Town meeting, at which time the Town Council can make any changes it sees fit and adopted at a May 13 Town meeting. Public hearings will be held in conjunction with introduction and adoption of the budget.

General Government/ Administration: TM Broadbent presented the Administration Department budget with a focus on enhancements. She also reviewed the mission, functions and staffing of the Department as well as the function and responsibilities of the Town Council. Administration staff currently comprises the Town Manager, an Assistant to the Town Manager, a Treasurer, a Town Clerk and a part-time Public Information Aide (PIA). The PIA position is currently vacant.

The Administration budget proposes the following enhancements:

- 2% cost of living increase (COLA) and a 1% for all employees who have been employed by the Town for at least one year. The merit increase was dropped from the 2% increase given last year in response to an anticipated decline in revenue due to the State of Emergency.

- + \$10,800 for codification of the Town's charter and ordinances and online hosting of the code. Codification will provide the systematic organization of the code from the general to the specific and track any updates to the code through annual supplementation.
- +\$800 for audit services due to higher fees charged by the Town's auditor.
- +\$26,546 for employee health insurance due to 19% increase for insurance plan charged by the Local Government Insurance Trust (LGIT), the Town's insurance carrier. The cost increase was reduced by increasing the share employees contribute to the family plan to 27%.
- +\$29,500 in employee pension expenses due to the Maryland State Retirement System increasing the employer contribution rate from 8.6% to 9.38%.
- +\$5,740 for Town Center improvements consisting of \$2,000 for Town Center chairs, \$1,040 for conference room chairs, and \$2,700 for Senior Center oven.
- +\$2,000 for custodial services for Town Center, Town offices, Police Station and Public Works offices. The contract was put out to bid and the price reflects the lowest bid. Better service is expected as the contract would cover extras.

In response to Councilmembers questions, TM Broadbent said she has no comparative data on COLAS and merit increases as she has not consulted with neighboring municipalities; no new quotes for Town Center chairs have been obtained as the quote provided is for a relatively inexpensive type of chair; she recommends replacing the chairs before the oven, because the oven was repaired and is likely to last for several years; the custodial contract does not contain cleaning standards but it has a clause that makes payment contingent on the job being performed to the Town's satisfaction.

Jodie Kulpa-Eddy, Ruatan Street, asked via email how codification benefits the Town and whether it could be delayed. TM Broadbent replied that codification would make it easier to research legislative history. With a systematically organized code every change and new piece of legislation will be recorded electronically and is more easily retrieved. Codification is a good management practice that should not be postponed.

Code Compliance Department: Director Goodwin presented the Code Compliance budget. Director Goodwin reviewed the mission, functions and staffing of her Department. Code staff currently comprises the Director of Code Compliance and two code officers. In addition to enforcing property maintenance standards and managing a rental licensing and inspections program, the Code Department is responsible for issuing a variety of permits and collecting personal property taxes. The Department also makes recommendations on zoning issues to Prince George's County. It is proposed to eliminate the call-a-bus program due to low usage, which would pay for some of the enhancements in other line items.

The Code Department budget proposes the following enhancements:

- +\$3,000 for a total of \$9,800 for annual licensing and maintenance of the Comcate code management system. The increase is due to the addition of a personal property tax module and increase in fees charged by vendor. The software is used to record all code activities and track violations, fines and various permit fees.
- +\$800 for a total of \$2,800 for training expenses and \$550 for travel. Includes training for new officer and attendance of workshops and seminars to obtain code certifications as well as traveling to destinations where training is offered.
- +\$250 for a total of \$750 for uniforms. This includes shirts, pants and shoes for code employees, one of whom is a new officer.
- +\$400 for a total of a \$1500 to pay for upkeep of an additional vehicle transferred from the Public Works Department. This includes gas & oil as well as preventative maintenance.

In response to Councilmembers questions, Director Goodwin replied she is comfortable using the Comcate code management software and has not considered switching to a different system. The vendor has been able to work out problems with using Comcate on I-pads and responds quickly to requests for technical support. TM Broadbent added that Comcate is a good value for smaller municipalities. Larger cities tend to use software that is more customized and more expensive. The Council agreed with phasing out the call-a-bus program, which will pay for most of the enhancements. Attendance of conferences and training may be limited because of the State of Emergency.

In response to questions from residents, TM Broadbent said that the Code Department gets their uniforms from the same place as the Police and much of Prince George's County. She believes that this vendor offers uniforms for a very good price.

Public Works Department: TM Broadbent presented the budget for the Public Works Department. Public Works performs most of the cleanup and maintenance around the Town, including weekly refuse, recycling and yard waste collections, as well as repair and maintenance of Town streets and facilities. The Department has a Public Works Director, a foreman, an administrative assistant and 6 crewmen to accomplish these tasks. However, the Public Works Director position has been vacant since November 2019, and a search has turned up no viable candidates for the salary the Town can afford. Therefore, the Council recently approved the creation of an Administrative Manager position, which could be filled by someone with a general management or public administration background but who need not have expertise in Public Works activities. Additionally, the Department often hires temporary laborers when crewman positions are vacant.

TM Broadbent explained the enhancements proposed in the FY 2021 budget. This includes several vehicles funded from the vehicle replacement reserve:

- +\$50,500 for a new crew-cab dump truck. Only the chassis is needed as the dump body on the old truck is in good shape.
- +\$199,000 for a new 29 cubic yard refuse truck to replace a 2016 25-cubic yard truck. All refuse trucks are equipped with automatic cart tippers to empty the 63-gallon recycling totes.
- +\$103,810 for a new leaf vacuum machine. The old leafer was scheduled to be replaced in 2017 and is in bad shape. Last fall it was in the shop for repairs for over a month after a breakdown.
- +\$3,600 for a shipping container to store equipment for special events. It would replace a fabric hoop tent that is deteriorating.
- +\$9,112 for new overhead doors in the storage building, which no longer function properly.
- +\$4,125 to replace ceiling insulation in the storage building.
- +\$2,900 for new compost collection initiative comprising 4 35-gallon containers in a central location to be collected once a week.
- +\$210,000 to continue the road improvement project to be funded from Highway User Revenues and the Town's 3 cents road tax.
- +\$30,000 for road and traffic improvements recommended by the Walkable, Bikeable Berwyn Heights Task Force, to be funded from the Town's infrastructure reserves.

In discussion, Councilmembers raised questions about the value of the leaf vacuuming service, which is expensive and labor intensive. TM Broadbent offered to gather data in the fall on how many people rely on leaf vacuuming as opposed to disposing leaves in paper bags. Alternatives such as providing yard waste bags to residents would probably more expensive, and composting leaves (and/ or food scraps) in house would be difficult because Berwyn Heights does not have a suitable location for composting.

Councilmembers expressed support for the proposed improvements to the Public Works buildings, which are likely to continue in coming years, and for initiating a food scrap composting program with a local vendor, which they expect to pay for itself in avoided costs of trucking refuse to the landfill.

Jodie Kulpa-Eddy commented via email that many residents rely on the leaf vacuuming service and would like it to continue.

Police Department: Detective Unger presented the Police Department budget. He gave an overview of the Department's mission, responsibilities and organization. Currently, the Police Department employs a Chief, a 2nd in Command, a detective, a patrol commander and 6 officers. The Department also has a Public Safety Aide and an intern program. In addition to regular police duties, the Department runs a number of community engagement programs, from National Night Out to Seniors Appreciation Lunch and Coffee with Cops.

The following enhancements are requested in the FY 2021 budget:

- +\$50,800 for a hybrid police interceptor. This gas/electric vehicle is useful for in-Town patrolling because it uses very little gas at low speeds and while idling.
- +\$5,000 for 2nd language benefit to retain Spanish-speaking staff.
- +\$2,000 to replace 2 ballistic vests that have worn out.
- +\$12,000 to purchase new portable radios and computers for the officers' vehicles.
- +\$2,400 to raise locality pay by \$200 for officers living within 5 miles of Berwyn Heights.
- +1,300 for promotion to Private First Class for new officer.
- +\$5,900 to replace the dilapidated emergency trailer with a smaller, more mobile one that has lights and electric hookups.
- Re-appropriate \$4,832 in Public Safety Taxing District revenues, to fund *dues and conventions* (1,000), *training* (\$700), *gas & oil* (1,000), *capital outlays <500* (\$1,300), and *uniforms* (\$832). The remaining PSTD budget will continue to fund the salary and vehicle of one police officer.

In discussion, Councilmembers expressed support for purchasing the hybrid police car (approximately \$,8000 more expensive than gas-powered), a cost they hope will be recouped over time by savings in gasoline expenses. In response to questions, Chief Antolik said the proposed 2nd language benefit would be higher, but the base salary of Town employees lower than in other municipalities. He and TM Broadbent will work on establishing criteria for awarding the benefit.

Council raised questions about the need for a new emergency trailer in light of the membership struggles of the NW/EP. Chief Antolik responded that the supplies stored in the trailer have proved very useful in this pandemic. While membership of NW/EP is low at the moment, he believes interest in the program may increase in the future. TM Broadbent added the new trailer would be more practical in its application. It is funded from a dedicated reserve set up for this purpose. Going forward, she proposes to phase out the trailer reserve and add the trailer to the Town's vehicle replacement reserve. The Council had no objections to replacing the trailer.

Jodie Kulpa-Eddy asked via email whether the 2nd language supplement will be an ongoing or one-time expense, whether grant funding was sought to purchase the ballistic vests and whether the trailer would be funded from the reserve. Chief Antolik and Detective Unger clarified that the language supplement would be an ongoing cost, that a grant could not be located to replace the vests although grants are pursued when possible, and that the trailer replacement would be funded from the NW/EP reserve.

At 11:15 a.m., the Council took a 15-minute break.

3. Budget Summary

TM Broadbent briefly described this year's budget process and thanked Treasurer Rodriguez for taking on more responsibilities in building the budget. The proposed budget underwent substantial revisions after a State of Emergency was declared. As a result, this budget will not be published in the April Bulletin, although it is available online. However, public hearings will be held at introduction and adoption of the budget and the record will be held open for public comments. TM Broadbent then gave an overview of the FY 2021 budget:

Revenues:

- Overall revenues are projected to increase by \$60,200 or 1.9%, mostly due to increases in real property values.
- Revenue sources are topped by real property taxes, expected to generate \$1,897,300 in unrestricted funds and \$110,500 in restricted funds an increase of 4.9% over FY 2020. It is proposed not to adopt the constant yield tax rate of 51.7 cents per \$100 of assessed valuation but to maintain the current rate of 54.5 cents, with 3 cents going to a dedicated road repair fund.
- Personal Property Tax revenues are projected at \$220,000, the same amount as last year.
- Income Tax revenues are projected at \$375,000, the same amount as last year.
- Refuse and recycling fees are projected at \$97,900, which was raised in FY 2019 but is still insufficient to cover the refuse collection program.
- Licenses and permit revenues have increased \$142,900 or 3.2% due to Code Compliance enforcement of rental licenses and new fees from small cell facilities and right of way permits.
- Fine revenues have gone down 25% to \$60,000, due to correction of an accounting error with speed camera fines.
- Highway User Revenues (HUR) are projected to increase by 5.2% to \$147,700 and police aid is projected to come in at \$44,600, same as last year.

Expenditures:

- Overall expenditures are expected to increase by \$273,700 or 7.7%.
- Increases in expenditures in various departments and budget areas are reflected in the associated enhancement requests, which total \$940,850. Approximately 1/3 of enhancements are vehicle replacements which will be paid from savings in dedicated reserves.
- The Miscellaneous budget is expected to increase by \$31,500, due to an increase of \$26,500 or 17.9% in the health insurance plan, and \$29,500 or 27.8% in the employer's State Pension Plan contribution. The increases have been partially offset by lowering merit increases from 2% to 1%.

Public Safety Taxing District:

- The Public Safety Taxing District budget, which raises a special tax to help defray the cost of policing the commercial district, is projected at \$87,900, an increase of 2.3% over FY 2020. These are restricted funds that can only be used for public safety expenses.

Fund Balance:

- Use of fund balance to balance the budget has been reduced from \$208,000 to \$150,000 or 27.9% in part because of more accurate accounting of expenditures instituted last year. This year it will be more important to have a good understanding of how much money is available in the fund balance to cover any shortfalls or delays in revenue from the economic downturn resulting from the State of Emergency. Treasurer Rodriguez added that she and TM Broadbent are closely monitoring receipts and may opt to delay projects funded in this budget if revenues fail to come in at the expected time.

In discussion, Council expressed concern about the possible loss of HUR and income taxes as a result of the shutdown, which calls for monitoring the situation and being conservative with spending. TM Broadbent will pass along any new information, including analysis of any stimulus funding or FEMA reimbursements available to local government.

Jodie Kulpa-Eddy asked whether the Council intends to reduce the real property tax rate to generate a constant yield or keep the rate the same causing an increase in taxes. TM Broadbent said the tax rate will be kept at last year's level.

At 12:10, the Council took a 5-minute break.

4. Council Discussion

Mayor Isler invited comments on the proposed FY 2021 budget from the Councilmembers and the residents. Comments can be submitted until adoption on May 13 to TM Broadbent and/or Council.

CM Sweep thanked TM Broadbent and the Council for tackling needed repairs to the Public Works facilities and sought clarification on the establishment of a police vehicle replacement fund. TM Broadbent said she and Treasurer Rodriguez have started to work on it and set aside 1/7 of the cost of 2 police new vehicles in the FY 2021 budget to replace the 2 hybrid interceptors purchased in FY 2020. The police vehicles will be added to the existing vehicle replacement fund.

CM Dewey said she supports postponing purchases that are funded from restricted reserves and focusing on necessities. She is glad that a \$60,000 utility vehicle for BHPD has been removed from the FY 2021 budget. She also supports our continued efforts to reduce the use of the fund balance to balance the budget, especially in light of the COVID-19 pandemic which further increases the importance of maintaining a secure reserve.

CM Osmond offered a couple of points for consideration: 1) setting spending priorities for a worst-case revenue scenario as a result of the pandemic; 2) keeping open the option of switching vendors if the price for their service increases above the normal rate of inflation; and 3) thanks to all for adjusting operations to the State of Emergency.

MPT Papanikolas said he would not cut anything from this budget now but have more frequent checks on the Town's financial situation as the impact from the closures to slow the spread of COVID-19 becomes evident. Some of the budget cuts that were considered, such as the purchase of new chairs and stove for the Town Center, are too small to make a difference.

Mayor Isler said he feels comfortable with this budget, given the information that is currently available. He is confident in TM Broadbent's and Treasurer Rodriguez' ability to monitor the budget for any signs of trouble and believes they will quickly alert the Council if changes should become necessary.

The meeting was adjourned at 12:16 p.m.

Signed: *Kerstin Harper*, Town Clerk