

Fiscal Year 2021 Proposed General Fund Budget

Dear Town Council, Residents and Business Owners,

The proposed Berwyn Heights FY21 combined operating and capital budget is \$3,561,508. While this is a \$273,707 or 7.7% increase over last year's budget, the proposed budget does not increase taxes and decreases the amount of fund balance used to balance the budget by \$57,977 or 28.8%, compared to last year's budget. Fund balance is the unrestricted savings the Town has in the bank.

This budget is being developed while our area is experiencing an unprecedented coronavirus COVID 19 pandemic. With this in mind, the Town Council and staff have made a number of budget decisions to plan ahead for what could be a rocky fiscal year if property tax payments are delayed. In some instances, employees are personally absorbing some of the costs of increases, and in others, projects will be delayed until funding has been received. Two position changes in the Public Works Department have also yielded some savings.

The proposed FY21 budget maintains the residential real property tax rate of \$0.545 per \$100 which includes \$0.03 of the total of assessed valuation for the Infrastructure Improvement Reserve to fund major infrastructure projects. Highlights of the budget by department include:

Administration:

Employee compensation: While the Town has in the past given employees a 2% merit increase, to be cognizant of the possible impacts of the coronavirus COVID 19, this year's proposed increase is only 1%. This is a \$18,185 reduction from last year's budget. A 2% cost of living adjustment is included in the proposed budget.

Health insurance: The Town's health insurance through the Local Government Insurance Trust is slated to increase by 32.5% from \$148,665 to \$197,051. Employees will absorb \$21,840 of this cost through payroll deductions.

Maryland State Retirement: The Town's required contribution to the Maryland State Retirement & Pension System will increase from 8.6% in FY20 to 9.4% in FY21, a \$29,500 increase.

Codification of Town Charter & Code: The proposed budget includes the services to systematically organize the Town Charter and Ordinances by subject matter, and to continuously update these documents as changes are made, at a cost of \$10,800.

Audit services: Maryland State Law requires that the Town have an annual financial audit. These costs are increasing by \$800 in FY21.

Custodial Services: The Town's current cleaning service contract expires at the end of the current fiscal year. A competitive bid process was conducted, yielding an annual increase of \$2,000.

Senior Center/Town Center Improvements: Staff has asked the Town Council to consider the replacement of one of the ovens at the Senior Center, \$2,700, the chairs in the Town Center assembly room, \$2,000, and the chairs in the G. Love Conference Room, \$1,040, for a total cost of \$5,740. It is

proposed that the actual purchase be delayed until halfway through the fiscal year, to ensure that funds are available.

Code Compliance:

There are several minor changes proposed to the Code Compliance Department budget. Increases in funding for vehicle maintenance, uniforms and staff training in the amount of \$2,000 are being absorbed by the elimination of the Call-a-Bus Program. In the recent past, the Call-a-Bus Program has been utilized by one resident, whom no longer has a need for the service. The other change to the Department's budget is a \$3,000 increase to support the expansion of the Comcate software program, creating efficiencies in the department's ability to streamline its compliance recordkeeping.

Public Works:

Vehicle replacement: Three vehicles are proposed to be replaced through the Vehicle Replacement Fund. 1.) F350 Super Duty Truck, chassis only, at a cost of \$50,503. This vehicle is one of the standard workhorses of the department. The 2007, current stainless-steel body will be mounted on a new chassis, and the old one will be sold with the proceeds going in the Vehicle Replacement Fund. 2.) The 2016 Freightliner 25 cubic yard refuse truck will be replaced with a 2021 Freightliner 29 cubic yard refuse truck equipped with cart tippers, at a cost of \$199,000. The 2016 vehicle will remain in service. 3.) The 2007 leaf-vacuum will be replaced with a 2021 model. The current leaf vacuum is at the end of its useful life and has a history of repair issues. Public Works collected 225 cubic yards of yard waste in FY19.

Infrastructure improvements-facilities: Public Works has two storage facilities in critical condition. One, a fabric covered tent-like structure is beyond repair and needs to be replaced. It is proposed to replace the current structure, used for the storage of special event equipment, with a shipping container at a cost of \$3,600.

The second, a storage building used to store chemicals and small engine equipment, needs new overhead doors, and insulation and soffit repairs, at a cost of \$7,725. It is proposed that these two projects will be funded but not carried out until January 2021, to ensure that there are no cashflow issues related to the impacts of the Coronavirus COVID-19.

Infrastructure improvements-roadway improvements: Two forms of roadway improvements are proposed for FY21. The first is \$210,000 worth of roadway repaving and related curb, gutter, and sidewalk improvements. The funding for this work comes from the dedicated portion of the property tax and the State Highway User Fund. This project will be delayed until later in the fiscal year to guarantee that there are no cashflow issues related to possible issues related to the Coronavirus COVID-19.

The second proposed project is to make improvements recommended by the Walkable/ Bikeable Taskforce. The Town Council will work with staff and the members of the taskforce to prioritize projects. The projects, in the amount of \$30,000, will be funded by the existing Infrastructure Improvement Fund. This project too, will be delayed until it is certain that there are no cashflow issues related to the Coronavirus COVID-19.

Food waste compost program: This is a new initiative is to fund a food waste compost drop-off program at a cost of \$2,900 per year. Food waste will be collected from a container at Town Hall once a week and the material will be sent to a composting facility.

Staff reduction: In order to reduce the use of fund balance to balance the budget and to be responsive to the possible cashflow issues related to the Coronavirus COVID-19, the seasonal maintenance worker position newly funded in the FY20 budget, is proposed to be eliminated at a savings of \$8,740. This is in addition to the change made from a public works director position to and administrative manager position for a savings of \$26,817. The total savings from both positions is \$35,557.

Police Department:

Personnel support: Several personnel support enhancements are included in the proposed budget. Those enhancements include a Spanish language bonus for employees who qualify as fluent speakers, \$5,000, a locality pay bonus to encourage officers to live close to Town, \$2,400, and promotion compensation for the newest officer, \$1,300, for a total of \$7,700.

Mission critical equipment: Two pieces of mission critical equipment are included in the proposed budget. The first is a ballistic vest at a cost of \$2,000, and the second is portable radio and mobile data terminal at a cost of \$12,000.

Vehicle replacement: Two vehicles are proposed to be replaced in the proposed budget. The first is the replacement of the oldest of Department's police cruisers with a hybrid police interceptor at a cost of \$50,800. Following the purchase of two interceptors in FY20, this will be the third hybrid added to the Department's fleet. The second vehicle to be replaced in FY21 is the Neighborhood Watch Trailer at a cost of the \$5,914, with existing funds. The proposed new trailer will be outfitted to provide logistical support to the Police Department and the Neighborhood Watch Program. The purchase of vehicles is proposed to be delayed until it can be determined that cashflow is not impacted by impacts of the Coronavirus COVID-19. This budget also proposes to begin a vehicle replacement program for all vehicles purchased beginning in FY20.

Public Hearings: Residents are encouraged to participate in the budget process through public hearings held during the Town Meetings on April 15th and May 13th at 7:00 p.m. and watch the video live stream from BerwynHeightsMD.gov.

Respectfully,

Maria T. Broadbent
Town Manager