



Town of Berwyn Heights

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MAYOR
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Ethan D. Sweep

Budget Worksession Minutes March 23, 2019 9:00 am

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, Clerk Kerstin Harper, Chief Kenneth Antolik, Detective Daniel Unger, Public Works Foreman Luis Cardenas and citizens.

1. Introduction

Mayor Isler said this budget worksession has a different format than other worksessions and is intended for the Council to put together the FY 2020 budget. It is an open meeting, but no comments will be taken until the end. He welcomed 3 young men from Boys Scout Troop 67, who were present to observe the budget-making process.

2. Budget

General Government/ Administration: TM Broadbent gave an overview of the proposed FY 2020 budget. Total operating and capital expenditures are proposed at \$3,451,800. This is \$1,116,600 less than the FY 2019 budget, which included \$1,238,400 in funding for road repairs, including the first installment on a bond issue. Total expenditures for the Public Safety Taxing District are proposed at \$85,900 and remain unchanged from FY 2019.

Revenues: General Fund revenues are expected to come in at \$3,192,600, an increase of .74% over FY 2019, most of it from real property taxes.

- \$1,755,600 in real property tax revenues, a \$100,000 increase over FY 2019, due to increases in assessments. This assumes the tax rate of \$0.53 per \$100 of assessed real property value is left unchanged. The tax rate was last changed in 2014. Some of the Town's revenue sources are restricted to specific purposes, such as road repairs and public safety.
- \$220,000 in personal property tax revenue, a decrease of \$15,000, due to 2 businesses contesting their assessment.
- \$375,000 in income taxes, unchanged from FY 2019.
- \$98,000 in Refuse & Recycling Collection Fees, an increase of \$25,800. It is proposed to increase this fee from \$70 to \$95 per year per household. The fee does not cover the cost of collecting all trash and recyclables.
- \$138,400 in License & Permit Fees, a decrease of \$9,000, due to a reduction in building permit fees and adjustment of revenue calculation.
- \$44,600 in Police Aid, a decrease of \$8,800.
- \$80,000 in Fines (largely from speed camera tickets), a decrease of \$13,000.

- \$8,200 in Disposal Fee rebates, unchanged from FY 2019.
- \$140,400 in Highway User Fees (HUR), an increase of \$29,500. This revenue is restricted to road improvements and is set aside in the Town's infrastructure reserve fund.
- \$62,800 in Miscellaneous revenue, a decrease of 6,000.

Budget Process: TM Broadbent addressed changes in the budget process. Previously, the Town Administrator and the Mayor drafted some of the budget with little input from staff. She heard from staff that they would like to have more involvement in the process, and she has provided them the opportunity. The departments have requested a number of enhancements to improve services that form the basis of this draft budget. The Council is requested to review the list of enhancements and make decisions about including or excluding them in the proposed budget that will be published in the April Bulletin.

TM Broadbent said last year the budget was balanced by using \$126,000 from the previous year's fund balance. If this practice is discontinued in FY 2020, \$259,200 would not be covered by revenues, including \$116,400 for a new police officer, capital purchases of toters and tippers, a police vehicle and a welcome sign totaling \$112,200, plus \$30,616 in operating funds.

TM Broadbent explained the remaining steps in the budget process. Next the Town must publish a public notice on the tax rate it plans to adopt, i.e. rate that raises the same amount of revenue as in the current year (constant yield tax rate) or some other rate. This is followed by the introduction of the FY 2020 budget in April, adoption in May, and amendment of the FY 2019 budget in June. The Public Safety Taxing District (PSTD) budget follows the same schedule, but in addition is reviewed and approved by the Commercial District Management Authority (CDMA) before adoption in May. The CDMA meeting has been set for April 17.

Code Compliance: TM Broadbent presented the Code Compliance budget. She said it is the principal function of the Code Department to enforce municipal infractions, i.e. violations of Town ordinances. Ordinances enforced relate to the upkeep of commercial and residential property, licensing of rental housing, building activity, refuse collection (in coordination with Public Works), as well as noise issues and the keeping of domestic animals (in coordination with the Police). In addition, the Department will begin enforcing the Rights-of-Way Ordinance and a recently adopted Small Cell Facilities Ordinance.

TM Broadbent gave an overview of proposed changes to the Code Department. Following the realignment of departmental functions, the Code Department is proposed to employ a full-time code supervisor, one full-time code officer and one part-time officer. All code employees will be expected to work in the field and do inspections. In the rental licensing program, all rental home owners will be asked to come into compliance with the State of Maryland lead law. With regard to property maintenance, she plans to propose combining the residential and commercial clean lot ordinances and adopt the International Property Maintenance Code for both types of properties.

TM Broadbent further suggested the Council consider contributing \$5,000 for a study by the City of College Park on the feasibility of municipalities assuming some of the responsibility currently resting with the County for issuing building permits. The Four Cities Coalition recently discussed and expressed support for increasing local control over the building permit process as a way to improve customer service and better manage building and home improvement activity. She will seek to clarify whether the Town has authority to enforce sediment and erosion violations and then add regulations to the Town's code.

In discussion, CM Dewey asked whether the Code Department would be best served with a Code Manager or Code Director position in light of the reorganization of the Code Department. TM Broadbent

replied a Code Director position would likely be more appealing to prospective candidates. However, in either case, the person managing the Department would have to do some field work as there is not enough administrative work for a full-time manager if the Comcate software system is used as intended. CM Dewey suggested a higher pay grade may be warranted if building permit responsibilities are added on top of the business licensing and tax collection responsibilities that are already being shifted to the Department. She would like to know what the additional cost of hiring a Code Director would be. TM Broadbent said she will provide information on the budget impact as well as a revised job description. In the current economic climate, the benefits package for a director would have to be better to attract candidates but she believes it would be worth it. A director would be expected to take on more of a leadership role and help rewrite code ordinances.

At 10:00 am, the Council took a 15-minute break.

Public Works: TM Broadbent said that Public Works Foreman Luis Cardenas is present to fill in for Director Hall and help explain what Public Works does and to answer questions. TM Broadbent described the principal functions of the Department. They include refuse and recycling collection, for which new toters and truck-mounted tippers will be acquired, snow removal, road maintenance, traffic sign replacement, and facility maintenance. The Town's buildings have a backlog of maintenance needs, such as painting and roof repairs, and in some cases need systems upgrades.

Public Works is also responsible for maintaining the public rights-of-way and, this year, worked with a contractor to complete phase II of the tree maintenance project initiated by the previous Council. Additionally, Public Works has been charged with a larger role in inspecting construction undertaken in the Town's rights-of-way. At the moment, permits for phase II of WSSC's watermain replacement project and the McDonald's reconstruction project are under review. Their contractors will be required to repair the roads to the standards the Town expects.

TM Broadbent said the Department is requesting additional funding for temporary labor to help during leaf collection and grass cutting season. The Department had no workers compensation claims this year and the FY 2020 budget provides funds for safety training and wellness initiatives. Public Works also services an increasing number of dog waste stations around Town which have increased to 17. TM Broadbent has met with Park & Planning staff to discuss maintenance of Park & Planning facilities in Town and will make a formal request for a dog park in the near future. There are plans to improve stormwater drainage on the Town Center property and improve the landscaping.

In response to questions, TM Broadbent and Mr. Cardenas said that new recycling toters and accompanying mechanical tippers are estimated to cost \$46,000, and the tippers another \$12,000. The partially automated process will help make the crewman's job less strenuous and prevent injuries. Public Works does not plan to collect old recycling bins after new toters have been distributed. Residents are encouraged to keep them as backup or collect yard waste. A proposed increase in the Refuse & Recycling Fee from \$70 to \$90 per year would help defray the cost of the refuse disposal.

Police and Public Safety Taxing District: Chief Antolik and Detective Unger were present to give a presentation on the activities of the Police Department and its FY 2020 budget request. They provided an overview of the Department's mission and structure, accomplishments and goals. The Department currently has 8 full-time and 1 part-time officer and 1 police clerk. The clerk and 1 officer are native Spanish speakers and function as liaisons to the Town's Latino community. BHPD has kept crime low with 24/7 high-visibility patrols and a broad community engagement program.

In the coming year, BHPD plans to increase foot and bike patrols, strengthen its merchants safe-guard program, renew emphasis on litter enforcement, and initiate a program of animal welfare checks with a specially trained officer. These activities are designed to comply with new State of Maryland directives for community policing. At the same time, the Department faces attrition from retiring officers and more competition when hiring new officers. Hiring and retention of officers are top priorities for the next fiscal years.

In the FY 2020 budget, BHPD is requesting funding for:

- 1 additional full-time police officer and outfitting, including 1 police vehicle;
- 1 police vehicle;
- 3 promotions;
- 1 speed monitor; and
- 1 hand held radar unit.

Chief Antolik concluded by noting that the additional officer would help mitigate the risk officers face in becoming the object of attacks by providing a 2nd officer per shift for backup and provide continued coverage when one officer is otherwise occupied, such as when making an arrest and transporting an individual to a county facility.

In discussion, Councilmembers asked about the necessity for a 2nd police vehicle and the length of the hiring process. Chief Antolik said that both vehicles are needed. One vehicle is intended for the additional officer, while the second vehicle replaces a vehicle in the aging fleet. The most recent police vehicle was purchased for Officer Hollowell in 2017. Hiring a new officer takes between 3 to 6 months because BHPD takes care to find someone who is a good fit for the community. Candidates may meet with members of senior staff, an allied agency, and/or residents as part of the selection process. The search would not begin before July 2019 and a new officer may not begin to work until December of January, presenting the option of funding only ½ year of the officer's salary in the FY 2020 budget.

At 11:30, the Council took a half hour lunch break.

3. Council Budget Discussion

Mayor Isler invited Councilmembers to comment on the budget. MPT Papanikolas said his biggest concern is the use of fund balance to fund operating expenses in the coming year. Ideally, fund balance should be used for one-time purchases, such as the recycling equipment or vehicles. Mayor Isler said, judging by the historical data provided by TM Broadbent and Treasurer Rodriguez, a number of operating expenses have been underfunded, leaving this Council to play catch-up. TM Broadbent said this budget is conservative about funding maintenance needs but adds some money for the upkeep of the Town Center and the Public Works facility.

CM Osmond agreed that the apparent practice of using fund balance to finance Town operations is a problem. He deems it essential that operating expenses be covered by existing revenue streams. To make the budget right, he would consider deferring the enhancements, if need be. CM Dewey said the FY 2020 budget, as drafted, would require \$260,000 in fund balance to be rolled over from FY 2019 to cover planned expenditures, according to TM Broadbent's memo, even with an additional \$100,100 in real property tax revenues raised from higher assessments. That amount could be reduced by approximately \$100,000 if the recycling upgrades were financed in this year's budget and an officer were hired mid-year.

Mayor Isler noted the shortfall assumes the tax rate would remain at its current level of 53 cents per \$100 of assessed valuation of real property. If the rate were raised by 1 cent it would raise an additional \$35,000 in revenue. The Council discussed options for reducing the imbalance between operating needs and revenues. This included consideration of whether to move enhancements to a different fiscal year, in

particular tippers and toters and a welcome sign proposed by the Quality of Life Commission and whether to raise the tax rate.

CM Osmond moved to postpone the purchase the welcome sign to FY 2021. MPT Papanikolas seconded. The motion passed 3 – 2, with CM Sweep and Mayor Isler opposed. CM Dewey moved to add \$2,000 to the FY 2020 operating budget for planning and design of a welcome sign. CM Sweep seconded. The motion passed 5 to 0.

CM Dewey moved and MPT Papanikolas seconded to reduce the salary line item for the new police officer by half for a savings of \$31,000. The motion passed 5 to 0.

CM Dewey moved and MPT Papanikolas seconded to purchase tippers and toters costing \$58,000 with FY 2019 unexpended capital projects funds and, if those funds are insufficient, to pay the remainder with FY 2020 funds. The motion passed 5 to 0.

Mayor Isler asked for a motion on purchasing the second new police vehicle. He thinks this vehicle is needed because the police vehicles in poor condition outnumber those in good condition 2 to 1, not counting decoy and spare vehicles. To date, the Town has not had a police vehicle replacement reserve but attempted to purchase 1 new vehicle a year, unless there were other priorities. The last new police vehicle was purchased in 2017. CM Dewey asked whether the Police would consider purchasing a more fuel-efficient and/or less expensive vehicle than the proposed SUV. Chief Antolik replied that BHPD officers are not specialized but perform a range of different tasks. This requires them to transport many things in their vehicles. The smaller Dodge Charger is impractical for carrying all the gear. MPT Papanikolas moved, and CM Sweep seconded to approve funding for a second police vehicle. The motion passed 5 to 0.

Mayor Isler asked for a motion on the tax rate. He would be comfortable with a 1-cent increase in the real property tax rate to be able to cover next year's operating expenses. CM Osmond proposed to raise the rate by 1 ½ cents to cover operational needs over a longer term. CM Sweep suggested a 2-cent rate increase. CM Osmond moved, and CM Sweep seconded to raise the tax rate to 54.5 cents per \$100 of assessed valuation of real property. The motion passed 4 to 1, with Mayor Isler opposed.

At 1:30 p.m. the Council took a 15-minute break.

4. Town Organizations Budget Requests

The Council agreed to approve all Town Organization budgets together at the end of this discussion.

Historical Committee: BHHC Chair Richard Ahrens was present to discuss the Committee's request. He said the Committee is requesting \$2,000 for FY 2020, the same amount as this year. Most of that money would be spent to continue the oral history program: \$700 to enlist a professional to edit the video footage, and \$800 to purchase a tablet/ computer to be installed in the museum to playback the oral histories and make Committee files accessible. In addition, \$400 is needed for events-related expenses.

The Council asked about the oral history project and planned events but in general found the request reasonable.

Green Team: CM Dewey said the Green Team was founded in 2012 to help the Town obtain Sustainable Maryland certification and it continues to maintain that certification. Its mission is to promote and advise the Council on sustainable initiatives, protect the environment, enhance the quality of life and foster diversity. To further these goals, the Green Team sponsors educational campaigns, invites speakers and

hosts workshops. The hands-on workshops focused on a particular environmental theme have proven to be most popular. Therefore, the Green Team plans to hold more of them, but they cost more. For FY 2020 the Green Team requests a slight budget increase of \$250 bringing the events supplies expenses to \$2,000. The remaining \$1,000 are used for flyers and promotional materials.

In discussion, CM Osmond asked if the Green Team replaces the plaques showing that the storm drains drain into the Chesapeake Bay, and whether the Green Team works with the Chesapeake Bay Foundation to obtain educational materials. TM Broadbent said the plaques went away when the County refurbished the Town's storm drain system last year. CM Dewey said the Green Team has worked with and obtained small grants from the Foundation. CM Sweep noted that the Green Team put its funds to good use and has increased outreach activities and events last year.

Neighborhood Watch/ Emergency Preparedness: TM Broadbent said that the Neighborhood Watch is now reporting to the Police Department and a resolution defining their new status will be forthcoming. Their budget request of \$3,900 is the same as last year. The funds are used to purchase supplies for the emergency trailer and sponsor emergency preparedness training. Unused NW/EP funds roll over to the next year in a reserve to purchase a new trailer.

Recreation Council: Mayor Isler said that the Recreation Council is requesting \$13,400, the same amount as last year. Most of that money is used to celebrate Berwyn Heights Day and the remainder for its year-round events program.

Boys & Girls Club: MPT Papanikolas said the funding for the Club is included in the \$5,800 *Sports Park* line item under the Recreation budget. The Club is requesting the same amount as last year. This covers electricity for the lights and maintenance of the concession stand, and Boys & Girls Club general liability insurance, fundraising tools and signs. TM Broadbent said the electricity bills have been paid by the Town. There ensued discussion about the breakdown of the Club's budget request, in light of the Club requesting only \$2,000 last year. Mayor Isler said he would like to be provided a detailed breakdown of their proposed expenditures before approving this budget. The Council agreed.

At a motion of CM Shields, and MPT Papanikolas seconded to approve the budget requests of the Town organizations, except the Boys & Girls Club's. The motion passed 4 to 1, with CM Dewey abstaining.

5. Wrap-up & Next Steps

TM Broadbent said she and Treasurer Rodriguez will use today's input from the Council to create the proposed budget that will be introduced at the April Town meeting. That include the Public Safety Taxing District (PSTD) budget, which funds one police officer. The tax rates will remain the same, but the officer will no longer be Detective Unger but a training officer. In addition, a vehicle replacement reserve will be established to pay for the PSTD officer's vehicle. The Council will have the opportunity to refine the budget at future worksessions before it is adopted at the May Town meeting. Thereafter, the Council adopts the budget amendments to the FY 2019 budget.

TM Broadbent said the Council may want to take some time at an upcoming worksession to discuss the budget process, since it is different from how it has been done in the past. CM Dewey thanked TM Broadbent for discussing the enhancements ahead of this workshop, which made it easier to arrive at decisions.

The meeting was adjourned at 2:45 p.m.

Executive Session (3:00 p.m. – 3:15 p.m.)

CM Sweep moved, and CM Osmond seconded to go into executive session at 3:00 p.m. to discuss a personnel matter. With matter discussed, CM Sweep moved, and CM Osmond seconded to close the executive session.

Signed: *Kerstin Harper*, Town Clerk