



Town of Berwyn Heights

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Minutes Budget Worksession March 10, 2014

The meeting was called to order at 7:03 p.m. Present were Mayor Cheye Calvo, MPT James Wilkinson, CMs Rose Almoguera, Patricia Dennison and Jodie Kulpa-Eddy. Also present were Town Administrator (TA) Edward Murphy, Clerk Kerstin Harper and Mike Attick.

1. Mayor

Announcements: This week's Gazette had an article about the Berwyn Heights Karate Club, including pictures.

2. Budget

Mayor Calvo said tonight Councilmembers will go through the proposed budget line by line to flag items they might like to change. Motions can be made to either add or subtract money from a line item. There is \$4,000 in un-budgeted money that can be used to supplement line items. But he would prefer to do this in a comprehensive manner after everything has been reviewed. Mayor Calvo noted that TA Murphy provided an updated *one-page summary* of the budget, which provides a corrected surplus figure of \$797,500. It is based on the FY 2014 estimated figures rather than the budgeted figures.

Revenues

Taxes: Real property taxes are up by 4% due to the proposed tax rate increase of 1.4 cents per \$100 of assessed valuation. Income taxes have continued to go up, this year by \$35,000 or 10%. Mayor Calvo suspects this may be due to an influx of young professionals and families as opposed to seniors, who are generally not earning income. Between real property taxes and income taxes, taxes are proposed to go up by \$78,600.

Licenses & Permits: These revenues are projected to go up by \$7,500 or 6% overall. The main increase comes from an increase in business license receipts of \$1,000 or 7%.

Intergovernmental: These revenues are proposed to go up by \$4,500 or 4% in FY 2014, mainly due to an increase in Highway User Revenues of \$4,800 or 8%. State police aid at present does not show an increase. However, if the full-time 8th officer is implemented before this fiscal year ends, police aid would go up by \$1,500 because it is based on the number of full-time officers employed. CM Dennison moved to implement the full-time 8th officer for the last week of June. MPT Wilkinson seconded. The

motion passed 5 to 0.

Fines & Forfeitures: Police fines & forfeitures are proposed at \$40,000, an increase of \$4,000 or 11% over last year. The increase is mostly due to the fact that the Council raised many police fines and fees last year. Mayor Calvo said that if the goal is not reached he would subtract the difference from other line items in the Police Department budget. Code fines are projected to go down. CM Kulpa-Eddy said that projections should not be based on this year's actuals because the Code Department did not have enough manpower to monitor violations.

Miscellaneous: *Interests & dividends* are proposed to go up by \$5,400 or 82%. TA Murphy informed that this year's estimated receipts are based on 6 months' estimates. He will have better numbers by the time the budget is adopted. Receipts from the sale of *yard waste bags* were zeroed out because the Town no longer sells plastic yard waste bags. *Town Center rental* fees are proposed to come in at last year's level. Most of this revenue is collected in spring and summer. CM Kulpa-Eddy noted that an appropriation labeled *other* is proposed to go down from \$5,000 to \$250, or 95%. TA Murphy explained that this line item, among other things, contains receipts from the sale of surplus vehicles. Last year, the Town sold 2 old police vehicles and an old trash truck. Mayor Calvo suggested to create a *surplus vehicle* line item to account for this revenue.

Expenditures

Mayor & Council: Although *conferences & training* expenditures have gone down in recent years, they are proposed to be funded at current levels in anticipation of new Councilmembers taking training in municipal governance. Mayor Calvo suggested giving consideration to raising the *council stipends* appropriation. For this year's Town Council election only 4 candidates signed up. He suspects the stipends, which are \$1,800 per year per councilmember, are a factor. Berwyn Heights' stipends are lower than those of most other municipalities. While councilmembers do not serve for the sake of the stipends, they should at least be compensated for expenses associated with it.

CM Almoquera said last year she had to hire babysitters to attend Council meetings, which cost her more than the money she received from the stipend. MPT Wilkinson agreed. He thought that Councilmembers are underpaid for the time and effort this position requires and would raise stipends to \$200 - \$300/ month. Mayor Calvo said that any increase in stipends adopted by this Council would not become effective until the next Council is elected, as mandated by Ordinance 108. He would prefer to adopt such an increase during the summer, not in the budget season. The Council earmarked this appropriation for a possible increase. TA Murphy was asked to provide a memo that shows the budget impact of different stipend levels.

Town Administration: Mayor Calvo noted that the *miscellaneous* line item, which contains the money for the Town Administrator and Code Supervisor search, may require additional funds for travel expenses. The Council may want to ask candidates to come in for an interview or two.

Mayor Calvo said he is always concerned whether the funding for IT upgrades, contained in the *network support* and *capital outlays > 500* line items, is adequate. He would like TA Murphy to provide a memo outlining an IT plan and the expected expenses for planned upgrades. He would like the Town to move toward a single platform, as for example with the email system used by Town staff. In response

to CM Kulpa-Eddy, TA Murphy noted that the Police and Public Works Departments have their own IT budgets.

Municipal Building: TA Murphy explained that the funding for *maintenance & repairs* is proposed to go up because the furnace should be replaced. However, this could probably be done in this fiscal year if a little additional money is shifted into the account. Mayor Calvo said that if no major expenditure is planned in FY 2015, such as new roof, the *maintenance & repair* appropriation can probably be reduced from the proposed \$8,900 to \$6,000, which has been the average actual expenditure for recent years. He noted that unexpected capital expenditures can always be funded from surplus, which is in good shape.

Town Center: TA Murphy said that the budget has money to purchase new furniture for the Town Center, including more comfortable chairs for the Senior Center, conference furniture for the new meeting room and round event tables for the 2nd floor. Cost estimates for these items are in the Capital Projects section of the budget. Mayor Calvo said he would like to schedule a conversation about furnishing the Town Center. He believes upgrading the upstairs Town Center will make it possible to have more different types of events. Further, better use should be made of the stairs leading to the second floor. This probably requires replacing the doors, which are difficult to open. It may also require better lighting and signs pointing to the stairs.

Police Department: Mayor Calvo said that the main changes in the Town Administrator's proposed budget were funding a full-time 8th officer and a promotion to corporal in the *salary* line item; an increase in the *shift differential* from \$1.00 to \$1.30/ hour; and funding to replace the firearms in the *capital outlays > 500* and *ammunition* accounts. The new police car is in the Capital Expenses section. MPT Wilkinson proposed the Police get another speed monitor to give drivers feedback on how fast they are going. It could be set up along Pontiac Street or other locations where people tend to go too fast. TA Murphy said he will get some price estimates. In response to Mayor Calvo, TA Murphy said that he broke the *copier rental & maintenance* costs out of the *miscellaneous* line item. Mayor Calvo said that the *miscellaneous* line item did not go down.

Public Safety/Miscellaneous: Mayor Calvo said this budget has the Town's contribution to the Berwyn Heights Volunteer Fire Department (BHVFD). The Council already agreed to earmark this appropriation for an increase but did not set a specific amount. He would consider raising the contribution to \$10,000, using some of the speed camera revenues, which must be spent on public safety-related items. However, this would be a temporary funding arrangement until the Council figures out a long-term plan for supporting the BHVFD. Ideally, the contribution would come from a County tax differential for this service, which the Four Cities Coalition has begun to examine.

MPT Wilkinson said that he agrees with increasing the Town's support to the BHVFD but would like to know how much money is in the public safety reserve and how much is expected at the end of FY 2014. He would like to make sure that there is enough money to complete sidewalks project, which is nearly ready to go to bid. TA Murphy advised to go to bid this fall after the construction season has ended, when prices are usually lower. The County first has to sign off on the stormwater mitigation project first. Mayor Calvo said that the Council will have a separate conversation on the subject later.

At 8:20 p.m., the Council took a 5 minutes break.

Code Compliance: Mayor Calvo said that the *salary* line item is proposed to go down because the Council plans to hire a lower paid code supervisor instead of a director. On the other hand, the part-time salary is going up to pay for additional code enforcement help.

Public Works Building: The only change in this budget was a shift of \$500 from the *equipment* to the *communications* line item.

Public Works Streets & Sanitation: TA Murphy explained that he informed Acting Director Lockley about the changes made to his requested budget in the proposed budget. The FY 2015 proposed budget does not fund a full-time 8th employee. However, provides money for upgrading the acting director position to a full director in the *salary* appropriation. It also provides for a ½ time clerk position and for additional hours for the part time workers during leaf season. He also advised Mr. Lockley that the *recycling* effort needs to be stepped up to keep the *solid waste disposal* appropriation at this year's level. And they have discussed how to go about it. Otherwise, the budget is flat. The buildings have undergone extensive improvements in recent years and are in good shape.

The only building-related expense may be an additional \$1,300 to pay for a new gutter system to mitigate enough storm water runoff to satisfy the County's offset requirement for the paved surfaces added by the sidewalks project. Unfortunately, he has not yet received an answer from C.P. Johnson or the County as whether the County can waive the additional stormwater mitigation surface area to offset the full amount of paved surfaces added with the sidewalks. He will next contact the Town Attorney for advice and consult again with the engineers.

CM Almoguera noted that the *miscellaneous* line item is high, considering the special events expenses were taken out. The Council agreed to reduce the appropriation by \$1,000, unless there is a specific reason to keep it at this year's level. In response to CM Kulpa-Eddy, TA Murphy said that the *tree service* appropriation needed to go up because the Town has to take down more trees in the right of way. The Town's tree contractor just took down another tree today at the corner of Berwyn Road and Cunningham Drive, which was interfering with the power lines.

Parks & Recreation: TA Murphy explained that he increased the *equipment* line item by \$1,500 over the requested amount by taking money out of the *tree service* and *community garden* appropriations. The Historical Committee appropriation was increased by \$150 because the Committee needed more money to pay for supplies.

MPT Wilkinson said he recalls that the Boys & Girls Club intended to request funds for equipment to drag the baseball infield at Sports Park. Mayor Calvo said he believes that Park & Planning agreed to do this, at least at the beginning of the season. Previously, a Boys & Girls softball coach dragged the infield when it was not up to standards. TA Murphy was asked to check with Park & Planning and ask them to resume the routine.

Cable TV: Mayor Calvo noted that the *capital outlay* > 500 went down slightly from the FY 2014 budget despite the fact that a number of purchases were made. He asked if this would be reflected in a budget amendment. TA Murphy said the expenditures are accounted for in the Capital Projects budget

because they come from the cable reserves.

Miscellaneous: Mayor Calvo said that *employee benefits* are up 2% over the FY 2014 budget, which reflects the Cost of Living Adjustment (COLA) and merit increases given to employees last year. TA Murphy said that the payroll in FY 2015 is projected at \$1,000,020 in the general fund, whereas it was below 1 million in FY 2014.

TA Murphy explained that the *Health Reimbursement Account* (HRA) has gone up from \$34,800 to \$37,500, which reflect the higher deductibles in the CareFirst plan resulting from the Affordable Care Act. However, the usage of the account generally has not exceeded \$16,000. It may go up to \$20,000 in FY 2015 but there are enough reserves in the account to cover usage.

CM Kulpa-Eddy asked what the *insurance recovery proceeds* line item denotes. TA Murphy said that this a new General Accounting Standards Board (GASB) requirement and shows claims money reimbursed by insurance companies. During this fiscal year, the Town received reimbursement for a car and several other items for a total of \$28,300. CM Kulpa-Eddy also asked how much in unclaimed 401-a retirement funds the Town has. TA Murphy said approximately \$30,000 kept in a separate account. However, some of it belongs to former employees, who are eligible to receive it by virtue of being vested, but he does not know how much. Mayor Calvo said it should not be hard to figure it out by going through old personnel files. TA Murphy said he will look into it.

The meeting was adjourned at 9:05 p.m.

Signed: *Kerstin Harper*