



Town of Berwyn Heights

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Minutes Budget Worksession April 8, 2013

The meeting was called to order at 7:00 p.m. Present were Mayor Calvo, CMs Almoguera, Dennison and Kulpa-Eddy. MPT Wilkinson had an excused absence. Also present were Town Administrator (TA) Murphy, Clerk Harper and Budget Assistant Kyle Snyder.

1. Mayor

Announcements: Tonight's discussion will focus on making adjustments to get the budget ready for formal introduction. The Neighborhood Watch/Emergency Preparedness Committee is holding a CPR class on April 16.

2. Budget

TA Murphy provided new background information on the FY 2014 budget, including a one-page budget summary with revised surplus and reserves details.

One-Page Summary: TA Murphy said that the revised one-page summary of the FY 2014 budget adds a column for the FY 2013 estimated budget and recalculates the fund balance. Under *Reserves*, two lines were added to show the amount of funds in the *Health Reimbursement Account (HRA)* and the *Recycling Disposal Fee Reserve*. This brings the total reserves to \$974,400. The current year surplus is estimated to be \$54,800 and brings the total surplus available to \$655,100. The surplus is based on estimated FY 2013 income tax receipts of approximately \$375,000. The proposed FY 2014 surplus is \$693,400.

Mayor Calvo said that the one-page summary continues to show too many lines. They may be needed for accounting purposes, but should not appear in the published document. The summary should be readable and only show the total amount in each of the reserves and the amount of surplus available. All lines showing increases in reserves at the end of the document can be deleted. Further the HRA reserve is not a real reserve and does not need to be shown. Mayor Calvo proposed to make the resource document that has all the necessary accounting data a separate document from the one-page summary. He also asked to have the summary sent to him for review before the budget is introduced on Wednesday.

Restoring funds: Mayor Calvo asked for feedback on the framework for restoring funds to the budget

that he proposed at the last worksession. On the revenue side, he had proposed to 1) take out \$40,000 from surplus for the next 3 years, until the next reassessment; and 2) raise the real property tax rate by 1 to 1 1/2 cents next year and the year following to pay for cost of living increases. On the expenditure side, he had proposed to 1) add \$16,000 to the Police Department budget to pay for an additional 16 hours for the part-time police officer position; 2) add around \$10,000 to the Public Works budget, to increase the hours of the permanent part-timers or hire temporary laborers when the workload gets heavy; and 3) add between \$5,000 - \$10,000 to a salary pool to pay for a cost of living increase as well as merit increases.

All Councilmembers agreed with using the surplus to pay for 24/7 police coverage, which is a priority for most residents. CM Kulpa-Eddy moved and CM Almoguera seconded to move \$40,000 from surplus to the general fund. CM Kulpa-Eddy asked if the Greenbelt Station compensation funds are dedicated to a particular account. Mayor Calvo said that this money is not restricted, although the agreement states that the money is intended to compensate Berwyn Heights for traffic and public safety impacts from the new development. The Council voted 4 to 0 to approve the transfer of \$40,000 from surplus to the general fund.

Mayor Calvo said that TA Murphy provided an annualized cost estimate of \$1,510 for adding 1 hour to the part-time police officer position. Therefore, adding 16 hours would cost \$24,169. If the Council finds additional revenue, additional hours can be added to the officer position later. CM Dennison moved, and CM Almoguera seconded to add 16 hours to the Police Department budget.

CM Almoguera asked how the remaining \$15,830 will be appropriated. Mayor Calvo calculated that adding between 8 - 10 hours per week to the Public Works Department budget, would cost approximately \$6,100. He would also like to add around \$10,000 to a *salary pool* in the *Miscellaneous* budget. The line item already budgets \$15,000 for merit pay in FY 2014. The combined \$25,000 would be used to pay for a COLA for all employees, plus separate merit increases. The increases would become effective November 1, 2013, with roll-up costs in FY 2015. The Council voted to approve the transfer of \$24,170 into the Police Department Budget.

CM Almoguera moved to add \$5,408 to the *temporary labor* appropriation in the Public Works Department *Streets & Sanitation* budget to fund an additional 8 hours per week. CM Dennison seconded. The motion passed 4 to 0. CM Almoguera further moved to add \$10,101 to the *merit incentives* line item (salary pool) in the *Miscellaneous* budget. CM Kulpa-Eddy seconded. The motion passed 4 to 0. This left a balance of \$321.

Additional needs: The Council identified the following items as needing additional funds: town administrator search, Bulletin mailing costs, IT upgrades, Sports Park batting cage repairs and Edmonston Road trees.

Town administrator search: Mayor Calvo said that the Council would like to have an estimate on the cost of the town administrator search. The police chief search cost \$10,000. He thinks the administrator search may cost substantially more if a search firm is hired. The money will likely come from the surplus but does not have to be included in the introduced budget.

TA Murphy said that the International City Managers Association (ICMA) offers search services but is expensive. CM Kulpa-Eddy suggested sharing the search cost with another city or town that is also

looking for an administrator. Mayor Calvo did not think that would work very well because Berwyn Heights has different needs than other cities. For example, Berwyn Heights has a commissioner system of government, where the Council retains executive powers that elsewhere are carried out by a city manager. CM Kulpa-Eddy thought that some parts of the search could be done jointly even if the job descriptions are different. This may include advertising and initial review. TA Murphy will check with ICMA to find out if this is possible. He will get a quote from ICMA and a couple of other search firms to give the Council several options.

At 8:10 p.m., the Council took a 10 minute break.

Electric and plumbing permits: TA Murphy asked if the Council wants to consider imposing a new permit requirement for electrical and plumbing work homeowners undertake, as proposed by Code Director Solomon. Mayor Calvo replied he did not think the Town has the necessary expertise to inspect electric and plumbing installations and enforce permit requirements. Further, this type of work mostly takes place inside a home and does not directly impact neighboring properties. CM Kulpa-Eddy said that she will soon have a new sewer line installed that will require digging up her yard to connect to the main line in the street. In that case, some work will be done outside the home and may impact the Town right-of-way and street trees. Mayor Calvo said he could see the Town doing something about outside work. However, this will probably require an ordinance change.

Additional needs, continued: CM Kulpa-Eddy said National Night Out is underfunded. Police and NW/EP have relied on donations and pulled money from other budgets to pay for the event. Mayor Calvo agreed that the event is worthwhile and should get additional funds. Additionally, he would like to restore the money that was cut from the van program. Van maintenance and repairs needs to be performed, regardless of how much money has been appropriated. He proposed to return \$100 back to the van program and add the remaining \$221 to National Night Out. CM Kulpa-Eddy so moved. CM Dennison seconded. The motion passed 4 to 0. This used up the \$40,000 pulled from surplus.

CM Kulpa-Eddy expressed concern that not enough hours have been added to the part time police officer position to ensure good 24/7 coverage. CM Almoguera asked if more changes can be made after the budget is introduced. Mayor Calvo said more changes will be made. Insurance quotes will come in in early May and the Council will still have to review fees and fines to come up with an additional \$2,000 TA Murphy's budget proposed to raise from this revenue source.

The meeting was adjourned at 8:37 p.m.

Signed: *Kerstin Harper, Town Clerk*