



Town of Berwyn Heights

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Minutes Budget Worksession April 22, 2013

The meeting was called to order at 7:24 p.m. Present were Mayor Calvo, MPT Wilkinson, CMs Almoguera and Dennison. Kulpa-Eddy had an excused absence. Also present were Town Administrator (TA) Murphy, Clerk Harper and Budget Assistant Kyle Snyder.

1. Mayor

Announcements: Berwyn Heights police were able to track down and apprehend the juveniles from Washington, D.C. and Riverdale Park, who committed several burglaries in Town and surrounding areas. Acting Director Lockley requested permission to perform a dump trash truck repair in excess of \$5,000.

2. Budget

Code fees and fines: TA Murphy explained that the Code Department enforces violations under 4 different ordinances: Ordinance No. 107 - Clean Lot; Residential, Ordinance No. 117 - Refuse Collection; Ordinance No. 120 - Rental Housing; and Ordinance No. 134 - Clean Lot, Commercial. Each ordinance carries its own violation threshold and fine structure. Most violations begin with a door hanger courtesy notice that informs residents of a violation, compliance requirements and possible fine amounts. The exception is the *renting without a license* violation, which carries an immediate fine of \$400. Further, clean lot violations for the commercial district have a stricter compliance time framework with higher fines and shorter compliance periods.

TA Murphy noted that he provided background documentation on the fine structure that applies for each ordinance and an overview of FY 2010 – FY 2013 violation occurrences and fine receipts. Most fines issued relate to the Rental Housing Ordinance, which make up 25 of the 42 types of violations for which the Code Department is responsible. Consequently, over half of receipts from code fines are generated by rental fines, particularly *renting without a license*, *failure to renew rental licenses* on time, and missed or failed *rental inspections*. Missed and failed rental inspections generated the highest receipts in fines for each of the tracked years. A substantial amount of fines come in as liens, uncollected fines that the Code Department reports to the County, which collects them with homeowners' tax bills and then reimburses the Town.

Mayor Calvo thanked TA Murphy for pulling the data together. However, he disapproved of liens being listed in a separate table. As he has said on previous occasions, liens are just one form of payment that should be included in the general totals of code fines.

Rental Housing fines: Mayor Calvo said that most code fees and fines have not been raised in many years, and asked Councilmembers if they have any thoughts on which fees and fines should be raised. He thinks that fines for *nuisance behavior*, enforced under the Rental Housing Ordinance, should be raised. Nuisance behavior is the disrespectful and disruptive behavior often associated with big and noisy parties held by students who rent in Town. Currently, *nuisance behavior* carries a \$100 fine for the first instance, a \$200 fine for the second instance and a \$300 fine for the third instance. This represents a slap on the wrist for the landlords of such rentals and is not a sufficient deterrent.

Mayor Calvo proposed to raise the *nuisance behavior* fine to \$250 for the first offense, \$500 for the second offense, and \$750 for the third offense. In response to CM Almoguera, he explained that nuisance behavior is usually tracked through police reports, which get forwarded to the Code Department for issuance of fines. The Council agreed to the proposed increases.

Mayor Calvo further proposed to raise the fine for *failure to obtain a rental license* or *failure to renew a rental license* from \$400 to \$500 for non-owner occupied rental homes, and from \$200 to \$300 for owner-occupied rental homes. The Council agreed to the proposed increase.

Clean Lot fines: MPT Wilkinson said that the fine for *parking on grass*, enforced under the Clean Lot Ordinance, should be raised from \$25 to \$40 to conform to the parking on grass fine approved with police fee and fine increases last week. The Council agreed.

Commercial Clean Lot fines: Mayor Calvo asked how the commercial clean lot violation situation is. TA Murphy said that no fines were issued in the last couple of years. The Code Department mostly encourages business owners to remain in compliance. CM Almoguera thought that the *commercial clean lot* fines should be higher than the residential fines. Businesses usually have managers that maintain the property, who should be held to a higher standard. She suggested doubling all *commercial clean lot* fines. The Council agreed.

TA Murphy was instructed to prepare resolutions adopting the revised fees and fines for adoption at the May Town meeting.

At 8:12 p.m., the Council took a 5 minute break.

Police fees and fines: The Council reviewed the new police fee and fine structure based on changes the Council made at the last worksession, as well as the resolution to adopt them. TA Murphy's revenue projection for FY 2013 police fees and fines totals \$21,725.

Health and dental insurance: TA Murphy said he has not yet received any quotes for FY 2014 health insurance premiums. However, Care First was instructed by the IRS that deductibles for individual health plans must be raised from \$1,200 to \$1,250 and for family plans from \$2,400 to \$2,500. He feared this may lead to higher premiums. Mayor Calvo thought that higher deductibles are more likely to result in lower premiums, since employees pick up a greater share of the cost. TA Murphy said he has received notice that dental insurance rates will go up by only 2.5% as opposed to the 8% he anticipated. This will result in a small savings of \$304 in next year's budget.

Non-budgeted FY 2014 expenditures: Mayor Calvo recalled that money has not yet been budgeted for

the Town Administrator search, Edmonston Road buffer trees, and batting cage repairs. TA Murphy said that the batting cage repairs should not cost more than \$1,500. He has also reached out to the International City Managers Association (ICMA) regarding head hunting fees. He was informed that ICMA does not offer this service, but was able to provide references. MML also provided references. Most search firms are not from this area, which is likely to increase the cost.

Mayor Calvo concluded that the Council will need to review revenues once more at the next meeting before the FY 2014 budget is adopted. He asked TA Murphy to have options ready on how to absorb potential health insurance increases and noted that CM Kulpa-Eddy would like to look at giving more hours to the police department if possible.

The meeting was adjourned at 8:35 p.m.

Signed: *Kerstin Harper, Town Clerk*