

**Town Council of Centreville**  
**Budget Work Session**  
**March 14, 2024**  
**5:30 p.m.**  
**MINUTES**

The March 24, 2024 Town Council budget work session was called to order at 5:30 p.m. by President Ashley Kaiser at the Liberty Building, 107 N. Liberty Street, 2<sup>nd</sup> floor meeting room. The following members and staff were present: Ashley H. Kaiser, President; Daniel B. Worth and Jeffrey D. Kiel, Members; Carolyn Brinkley, Town Manager; Karen Luffman, Finance Officer; Chief Robert Hobbs, Centreville Police Department; Gary Phillips, Acting Director of Public Works; Krystal Ebaugh, Human Resources Manager; Ashley Russ, Finance Specialist; Jacki Payne, Administrative Assistant; and Gaye Adams, Town Clerk.

Citizens Forum

No citizens were present to offer comments.

Discussion

- Healthcare Premium-Salary Based Premiums vs Fixed Rate Premiums
  - Ms. Ebaugh distributed information regarding Health Premium Structure Analysis.
  - The Town pays 85% of the fixed rate premium.
  - There are 4 Tier levels – Employee, Employee Spouse, Employee Child, and Family.
  - The Town is part of the Local Government Insurance Trust (LGIT) Health Co-Op and is a self-insured employer.
  - The premiums paid are a result of claims that have been filed in the past.
  - Ms. Kaiser recommended more time to review, due to the conflicting information in the data.
  - Mr. Worth stated perhaps the Town should look at what it contributes to the employees.
  - Ms. Kaiser would like to investigate the Town paying more for lower salaried employees.
  - A percentage-based insurance premium was discussed. A decision is needed by May 1<sup>st</sup>.
  - Ms. Luffman will add this discussion to the next agenda for 3/21/2024.
  - Ms. Brinkley recommended staff review the memo and email the Council before the next work session.
  
- Department Budgets
  - A10-Legislative Budget.
    - Increased by \$1,487 which comes from the Volunteer Dinner and a MML dues increase.
    - Ms. Kaiser asked if we had spent the Donations line – the response was no.
  - A70- Planning Commission.
    - Increased by \$2,800 from an increase in MDIA fees
    - Ms. Kaiser asked if the QATV line was used? – Ms. Brinkley stated it was not as the Planning Commission meetings are held the same night as the Board of Education meetings.
  - A81-105 N. Liberty Building.
    - Increased by \$6,497 due to an increase in property valuation for property taxes and repairs and maintenance.
  - A92- Administration.
    - Increase \$277,000 inclusive for new positions. Administrative Assistant, HR admin and a Public Information Officer, YMCA members and family memberships, as well as software costs and equipment.
    - Ms. Kaiser asked for more time to consider all the requests with other council members.
    - Ms. Brinkley offered to send out an RFP for PIO. Ms. Kaiser agreed.
  - B10- Police Department.
    - Decrease by \$57,776 from the pension line. A few slight increases were added for the new K9 line and software for Lexipol/IAPO.

- B22- Goodwill Fire Department
  - Zero increases
- C11- Street Department
  - The increase of \$7,978 is due to supply cost increases.
- C22- Landfill Waster Removal
  - Increase of \$28,531 due to contract cost.
  - Ms. Brinkley elaborated on the increase stating the Town is currently in an option year and if the Town went out to bid but ended up wanting to stay with the current contractor, the current contractor has the right to say no. It was decided to go out to bid next year when the contract ends.
- D10- Parks Department.
  - The overall increase of \$11,542 is due to street decorations and an increase in contractor costs.
  - Ms. Kaiser was not in favor of any tax money not being used on the town and not in favor of a large increase. Ms. Kaiser asked for a consensus. Mr. Worth and Mr. Kiel agreed that no additional monies would be earmarked other than what is listed in the line item, and the Town's Public Works Department will purchase and oversee those decorations.
- H40 Centreville Main Street.
  - Ms. Luffman stated that there are no changes.
  - Ms. Kaiser struggles with the Main Street budget due to the monies that are brought in for events.
  - Ms. Luffman offered to provide a detailed revenue breakdown for 2 years and will email Ms. Kaiser.
  - Ms. Kaiser welcomed the detailed information and stated she would like to promote more of what Ms. D'Agostino is doing.
- H60- Cemetery Budget
  - Increased by \$6,978 due to an increase in landscaping and burial services.
  - Ms. Kaiser would like to investigate other options. Recommended reaching out to our Lobbyist again on municipally owned cemeteries as well as the Maryland Municipal League.
  - Mr. Worth agreed.
  - Ms. Luffman mentioned there is a perpetual care account with over \$200,000 that would go with the sale of the Cemetery if that ever became an option.
- H90- Watershed
  - Increase of \$4,435 due to equipment repairs and replacements.
- Enterprise Fund Revenue
  - Ms. Luffman briefly mentioned that this will be discussed later in further detail but that this was inclusive of the approved 5% utility bill increase that the Council approved a few years ago.
- C21- Sewer
  - Increased \$78,369 due to chemical costs and an increase in the contractor's operation cost.
  - Mr. Worth asked Mr. Phillips if the costs are due to an increase of chemical use or the cost to manufacture the chemicals increased.
  - Mr. Phillips clarified both are a factor in the increase. MES (Maryland Environmental Services) and Susquehanna had different preferences of chemicals to use.
- C24- Water Department
  - Increase of \$9,854 due to year two wastewater treatment plant operations.
  - Decreases in this department were noted as some costs were moved to C11 (Streets Department) regarding training and travel.
- C25-Reuse Farm
  - Increase of \$24,998 due to equipment repairs.
  - Ms. Luffman stated that based on trend, the Farm is over budget every year.
  - The budget was increased to make necessary repairs as well as not having to ask for a budget amendment at the end of the year.

## Capital Budget

Ms. Luffman provided a summary sheet at the front of the Capital Budget section noting that all spending requests have been included into the balanced operating budget. Any changes can be made to these requests.

## Capital/General Fund

- A81- N. Liberty St.- Roof /Chimney and Facia Repair to the building.
  - This is the year to make a few upgrades.
  - Ms. Kaiser agrees with the increased spending.
- A92- Administration
  - Request for a class and comp study for \$25,000.
  - Ms. Ebaugh clarified this is for all employees and all positions to conduct a professional study with an outside agency to review classification and compensation for employees. This study was conducted four years ago.
  - Ms. Kaiser would like to think about the Class and Compensation spending request.
  - ESRI GIS system and asset implementation. Ms. Brinkley provided background and described how they found a better, less expensive solution than Citywide, which was requested last year. Ms. Brinkley stated the past year has shown the need for such asset management solution software.
  - Ms. Luffman stated at some point, once all the assets have been documented in the system, the Town will bring on the second piece which will create maintenance and replacement schedules.
  - The total cost for ESRI is \$40,000 and the total cost for the asset management software is \$20,000. The cost is split between Enterprise Fund and General Fund.
  - Ms. Luffman will bring supporting materials for this line item to the next work session.
  - Ms. Payne clarified the ESRI system, and the County's GIS system can communicate with each other. This will better prepare Public Works with detailed information on materials and waterline size thus saving time on repairs.
- B10- Police Department
  - Request for two vehicles as part of the replacement program to keep all vehicles from going beyond 7 years old.
  - Request for funding for ballistic vests as part of the replacement program.
  - Chief Hobbs clarified that this request is for two vests that are set to expire this year.
  - Lexipol software system for \$14,747 is for both the first-year cost and implementation cost.
  - Chief Hobbs clarified that Lexipol software oversees policies and procedures for the Police Department that will also implement changes to the law automatically.
  - Ms. Luffman further clarified that next year this software will be located in the Contract Services line item, but for now this is the implementation and first year costs.
  - Portable radios as part of the replacement program, \$14,000. This will cover two radios that are currently 14 years old.
  - Axon Body Cameras – right now there are enough for everyone, but no spares. This will allow two spares if one of the other cameras stops working.
  - Ms. Kaiser asked Chief Hobbs what was done with the old parking meters. He stated they are still being stored. Ms. Kaiser would like to sell those and suggested selling them on eBay.
- C11- Streets
  - On call pay, weekly on call flat rate.
  - Mr. Worth asked why it was in the capital budget not the operating budget.
  - Ms. Luffman stated as a first time request it goes into Capital requests but next year it would be in the Enterprise Fund budget.
  - Ms. Ebaugh clarified it is \$250 for the employee on call and if called in, is an automatic 2 hours of overtime.

- Request for a Batwing mower. This purchase is split between the Streets department and the Farm and is used all over town when staff need to bush hog which cuts down on time cutting.
- The last request is a slide in salt spreader.

Ms. Luffman concluded the total for the Capital request for the General Fund is \$362,147.00 and that it is inclusive of the budget. This keeps the General Fund in the black with a little over \$100,000.

### Enterprise Fund Requests

- C21 – Sewer – Wastewater Requests \$85,850
  - Utility Rate Study will allow the Town to charge for actual usage and not a minimum cost.
  - Ms. Luffman provided background for the request stating the Town switched to Munibilling because of the more customer friendly portal. Customers can now see their usage, but the problem comes with the tiers that had to be created to cover how the Town’s billing structure is set up; requiring about 20,000 lines that would have to be changed every year when the rates increased 5%. A report was completed that concluded that approximately 30% of our customers use less than 6000 gallons but pay for 6000 gallons. This system brings a more up to date utility system to the town.
  - ESRI and Asset management requests are included and split with the General Fund.
  - Geo Locator – to find the water mains easier.
  - Ms. Payne indicated there are versions that can sync with the ESRI software as well.
  - Sewer collection system repairs. This line is the same every year.
- C24- Water Requests \$42,850
  - Fire Hydrate replacement program – one per year. Cost has increased to \$12,000 per hydrant.
  - Mr. Kiel would like to know if the budget accounts for cleaning the water tower.
  - Ms. Payne stated that it is included in the FY2025 budget.
- C25- Reuse Farm – Requests \$90,000
  - Half the cost of the batwing mower is included.
  - The other line item is wastewater treatment plant/spray irrigation improvements \$75,000

Ms. Luffman stated the total for the capital and operating requests for the Enterprise Fund is \$218,700 and is inclusive of the budget and keeping in the black.

### Grants

- Ms. Luffman introduced the grants as a whole and stated the grants listed are the ones applied for year after year.
- Ms. Kaiser had a question regarding the Body Armor Grant.
- Chief Hobbs clarified that is a misprint that the grant is to help cover the software costs.
- Will revisit these 3/21/24

### Supplemental Information

- Ms. Luffman updated the Council that the Town’s current property tax rate inclusive of our current budget is \$.535 per \$100 of assessed value. Our current public utility tax rate is \$13.00 per \$100 of assessed value. The water and sewer utility rates increase each year by 5% per Council’s approval a few years ago. There is a 5% allocation of cost for those employees that work in the General Fund and the Enterprise Fund, meaning, 5% of their salary, health insurance etc. gets transferred into the Enterprise Fund.
- Two bonds have been paid off in FY2024. Annual payments for the debt service for FY2025 is \$1,195,421.24. Last year it was \$1.5 million.
- The current total balance of bond principle as of 6/30/24 is \$10,531,000. The 2017 bond is all Enterprise Fund and the 2016 bond is 50/50 between General and Enterprise.

- Ms. Luffman highlighted ARPA and stated the funds must be obligated by December 2024. She stated that obligation is not just an encumbrance, but items must be contracted. Ms. Luffman will provide a better spreadsheet for the Council for clarity.
- Included in the budget are salary breakdowns by position type. Ms. Ebaugh elaborated that the salary breakdown is not inclusive of all compensation such as a uniform allowance or overtime.
- Ms. Kaiser requested a less blurry version electronically.
- Finally, the Council will see small changes in Life Insurance, Pension, Retiree HRA etc. as those costs are decreasing. Currently the General Fund is in the black at \$103,279 inclusive of all items requested. Enterprise Fund is in the black at \$14,245.00.
- Mr. Worth would like to consider reducing the property tax rate. Ms. Luffman stated in doing so would adversely affect the budget. The council will have this discussion again at the 3/21/24 work session.

#### Citizens Forum

No citizens were present to offer comments.

#### Motion to Adjourn

Ms. Kaiser motioned to adjourn the March 14, 2024, Town Council budget work session. Mr. Worth seconded the motion. The meeting adjourned at 6:50 p.m.

Respectfully submitted,

Gaye Adams  
Town Clerk