

**Town Council of Centreville**  
**Budget Work Session**  
**April 4, 2024**  
**5:30 p.m.**  
**MINUTES**

The April 4, 2024 Town Council budget work session was called to order at 5:30 p.m. by President Ashley H. 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; Eric B. Johnson, Jr., Vice President; Daniel B. Worth, Jim A. Beauchamp, 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; Jacki Payne, Administrative Assistant; and Gaye Adams, Town Clerk.

Citizens Forum

No citizens were present to offer comments.

Ms. Luffman presented the Operating and Capital Budgets and reported in the FY2025 budget, there is a general fund balance of \$208,233. The fund balance in the Enterprise Fund is \$29,703. These two funds are inclusive of the Capital projects requested. Extra footnotes have been added to the budget to show the Council's changes throughout the work sessions. Ms. Luffman stated she is looking for consensus on the budget as we go through each department.

• Department Budgets

- A10 – Legislative Budget.
  - Increased by \$1,487 This increase comes from the Volunteer Dinner and a MML dues increase.
  - The Council approved.
- A70 – Planning Commission.
  - Increased by \$2,800 from an increase in MDIA fees.
  - The Council approved.
- A81-105 N. Liberty Building.
  - Increased by \$6,497 due to an increase in property valuation for property taxes and repairs and maintenance.
  - The Council approved.
- A92- Administration.
  - Increase \$168,000 inclusive for the new positions. Administrative Assistant, and a Public Information Officer, YMCA family memberships, as well as software costs and equipment.
  - Ms. Kaiser wanted to know if a survey for the YMCA had been done on employee interest. Ms. Brinkley said yes, but not all employees had responded in time.
  - Ms. Luffman stated the employees in Finance are very interested in participating.
  - Mr. Hobbs said his officers are interested in participating and it will help meet the Maryland physical fitness standards.
  - Mr. Beauchamp asked how much this affects the budget. Ms. Luffman responded that the maximum cost is \$12,936 if all employees sign up for the YMCA. Ms. Luffman has offered to pull usage reports for Council throughout the year.
  - Mr. Johnson would like us to meet with Beverly Churchill and create a wellness program.
  - The Heath Insurance discussion was robust and contentious. It will not be resolved during this budget cycle and a discussion will take place mid-year. The recommendation is to keep it as is for now. Ms. Luffman and Ms. Brinkley will meet in October and brief the Council in December.
  - Ms. Luffman will give Mr. Beauchamp the difference in the B10 pension number.
  - Mr. Beauchamp asked what the cost transfer is, Ms. Luffman stated it's 5%.
  - The Council approved.
- B10- Police Department.
  - A few slight increases were added for the new K9 line and software for Lexipol/IAPO.

- The Council approved.
- B22- Goodwill Fire Department
  - Zero increases-stay at 75,000
  - The Council approved.
- C11- Street Department
  - The increase of \$78,000 is due to supply cost increases, movement of employees, training, and lodging.
  - Mr. Beauchamp asked if other than the transfer between departments are the changes material or non-material? Ms. Luffman stated non-material.
  - The Council approved.
- C22- Landfill Waster Removal
  - Increase of \$28,531 due to contract cost.
  - The Council approved.
- D10- Parks Department.
  - The overall increase of \$11,542 is due to street decoration and an increase in contractor costs.
  - Ms. Kaiser requested \$3,000 for marketing brochures for our trails.
  - The Council approved.
- H40 Centreville Main Street.
  - Ms. Luffman stated that there are no changes.
  - The Council approved.
- H60- Cemetery Budget
  - Increased by \$6,978 due to an increase in landscaping and burial services.
  - Ms. Kaiser is curious to know how much we spend on legal fees for the cemetery and would like those costs. Ms. Brinkley said she would get that information.
  - The Council approved.
- H90- Watershed
  - Increase of \$4,435 due to equipment repairs and replacements. Mr. Johnson expressed concerns about projected revenue due to building new county offices, abandoning old and the progress of our water treatment plant.
  - The Council approved.
- C21- Sewer
  - Increased \$64,000 due to chemical costs and an increase in the contractor's operation cost. ARPA covers half of this budget, and the other half is in C24.
  - The Council approved.
- C24- Water Department
  - Increase of \$9,854 due to year to wastewater treatment plant operations.
  - The Council approved.
- C25-Reuse Farm
  - Increase of \$24,998 due to equipment repairs.
  - The Council approved.

Ms. Luffman gave the Council a breakdown of the debt schedule is down to \$10,531,000 with the payoff of two loans this current fiscal year.

#### Capital/General Fund

- A81- N. Liberty St.- Roof /Chimney and Facia Repair to the building.
  - This is the year to make a few upgrades.
  - The Council approved.
- A92- Administration

- Request for a class and comp study for \$25,000. Ms. Kaiser feels this is a large ask. Mr. Beauchamp stated there are 18 classifications occupied so it's roughly \$1400.00 per classification. Mr. Johnson felt this study should be done by an outside agency. After some discussion the Council approved the comp study.
- ESRI GIS system and asset implementation.
- Ms. Kaiser stated she was okay with the rest of the budget. No need to go through the rest of the line items.
- B10- Police
  - Mr. Johnson reiterated he would like to purchase two cameras in the FY24 budget.

Ms. Luffman concluded the total for the Capital request for the General Fund is \$369,647.00 and that it is inclusive of the budget. This keeps the General Fund in the black with a little over \$200,000.

Ms. Luffman said that the total Enterprise Fund requests are \$218,700.

Ms. Luffman suggested after the comp study, a discussion on personnel costs would be a productive exercise.

- Fund Balance

Included in the fund balance are estimated revenues and expenses, we have \$4 million. Mr. Beauchamp does not understand the chart as written. Ms. Luffman tried to break everything out for Council and will go back and make the Fund Balance chart easier to understand.

Ms. Brinkley informed the Council that the Town was granted 2 million in federal earmarks for infrastructure for roads. None of those funds were considered in this budget. Ms. Brinkley believes that the EPA does match funds and will investigate that.

- Grant Request

These are approved.

- Public utility tax rate Discussion

Ms. Luffman asked the Council if they were in agreement with the current \$13.00 per \$100 assessed value. The Council approved.

- Property tax rate

Ms. Luffman stated the current rate is .535 cents and the constant yield is .5179, a difference of \$105,000. Mr. Beauchamp wants the property tax rate to be dropped by \$.01. Ms. Kaiser asked Ms. Luffman how far in the positive is the budget. Ms. Luffman stated \$200,000. She also stated to keep in mind that the 2016 bonds unlock next year. Mr. Worth likes the idea of reducing debt. Ms. Luffman stated she likes the idea of having that extra \$100,000 to pay off debt. Ms. Kaiser does not feel the Town is in the position to reduce property tax rates at this time.

On May 16th there will be a Constant yield hearing and Budget hearing. The Council members had a robust discussion regarding the Town's debt as well as the General and Enterprise funds. Mr. Beauchamp stated that the enterprise account needs to grow, and our general fund account is good. He asked what if the cost transfer changed from 5% to 0% which would bring down the general fund surplus and raise the enterprise fund. Mr. Worth stated that essentially taxes are subsidizing the Enterprise fund. Ms. Luffman will make those changes and email them.

### Citizens Forum

No citizens were present to offer comments.

### Motion to Adjourn

Ms. Kaiser motioned to adjourn the April 4, 2024, Town Council budget work session. Mr. Beachamp seconded the motion. The meeting was adjourned at 6:25 p.m.

Respectfully submitted,  
Gaye Adams-Town Clerk