

## Budget Hearings – March 25, 2026

Date: March 25, 2026, Time: 5:00 p.m. Location: Council Chambers, Easton Town Office, 14 S Harrison Street, Easton.

Attendees: Present were: Mayor Megan JM Cook, President Don Abbatiello, Councilmembers Ms. Maureen Curry, Mr. Robert Rankin, Dr. David Montgomery, and Rev. Davis. Also, present were the Town Attorney Ms. Sharon VanEmburch, and Town Clerk Ms. Kathy M. Ruf.

### Main Topics Discussed

- Primary participants included Mr. Karski, Mr. Klein, Ms. Curry, Ms. Dakarski, Mr. Rankin, and others from EDC, Town Council, and staff.

### 1. Attendance & Opening

- The meeting commenced with a welcome to all participants, specifically for the budget hearings.
- Departments included for this session: Economic Development, Public Works, Engineering, and Parks and Recreation.
- The recording began with the Economic Development section.

### 2. Main Topics Discussed

#### A. Economic Development Budget Review

##### Summary of Budget Documents Provided:

- Copies of the current and proposed budgets were distributed.
- Supplemental information included:
  - Details of grant and sponsorship funding for years 2024, 2025, and 2026.
  - A breakdown of economic returns to the town from 2020 through projected 2026.
  - Discussion of event-related payments including police support and permit costs.

##### Key Points:

- Budget Increase:
  - A 5% increase requested due to rising event-associated costs, particularly insurance and police support.
  - Recent adjustments to parade routes and the addition of events driving up related costs.
  - Last year experienced a \$10,000 budget cut, but the department managed to stretch funds across an 18-month period by shifting from calendar to fiscal year budgeting.
- Events Lineup and Changes:
  - Crab Drop was adapted from "First Night Talbot" to a New Year's Eve format.
  - Introduction of Taste of Easton (with a separate fundraising wing and ticket sales expected to generate additional revenues).
  - Expansion of activities in the East End area, including creative placemaking to align with planning and zoning developments and retail assessments.
  - Addition and planned expansion of the East End tree lighting event, acknowledging new costs for road closures and insurance.
- Payments to Town:
  - In 2025, estimated at \$11,900, includes police support, permit fees, repayment of a loan related to Discover Easton, and utilities.
  - Permit costs are typically \$100 per event.

- Since 2022 or possibly 2023, police and permit fees have been newly instituted for these events.
  - Noted a significant transaction in 2023 involving state grant funds for the purchase of 14 trash cans and 14 benches.
- Budget Line Items & Accounting Distinctions:
  - Discussion on EDC's status as a quasi-governmental organization.
  - Importance of maintaining independence to avoid becoming a "component unit" per accounting standards; independence also helps ensure certain meetings and documents are not subject to open meetings or Public Information Act requirements.
  - The current model of reimbursing the town for services (police, permits) supports transparency and upholds this separation.
- Event Expansion & Funding Discussions:
  - Considerations about whether event expansion should come with equivalent funding increases.
  - Parade length and related budget impacts were specifically discussed.
  - Acknowledgement that certain events (St. Patrick's Day Parade, Christmas Parade) have highly variable police/support costs depending on date, length, and needed services (e.g., Christmas Parade's extension from Glenwood on Washington Street to the elementary school will substantially increase expenses).
- Marketing and Administrative Costs:
  - Increased funds allocated for tourism and economic development-focused marketing due to a challenging holiday season and anticipated continued soft economic environment.
  - Outside CPA and audit costs have also risen slightly.
  - Fundraising efforts: 100% of fundraising revenues are reinvested into events, with the fundraising target increased for the coming year, while expectations for grant income have been decreased due to unpredictability.
  - Grants remain largely state-based, sporadic in success, and usually do not cover administrative costs.
- Fundraising and Main Street Maryland Conference:
  - A new committee has been formed to generate more leads and support staff in fundraising.
  - Challenges remain as some donors incorrectly perceive EDC as fully funded by the town, which dampens donation enthusiasm.
  - EDC successfully hosted the Main Street Maryland conference (Fall 2025), receiving positive recognition statewide.
- Insurance Costs:
  - Professional services line includes general insurance; event-specific insurance is budgeted within each event.
  - Increased organizational insurance needs due to specific event requirements.
- Business Retention vs. Attraction:
  - Extended discussion on EDC's strategic focus: whether to prioritize business retention (supported by state Dept. of Commerce rep, Mindy Burgoyne) over new business attraction, which is less fruitful for small towns based on current evidence.
  - Recommendation that council organize a focused discussion (potentially with Burgoyne) before substantial resource allocation towards business attraction.
  - Particular attention to business attraction needs at Mistletoe Hall, which may merit distinct strategies and dedicated resources separate from EDC's ongoing programs.
- Event Suitability and Department Responsibilities:
  - Question raised about whether all events handled by EDC align with its core mission.

- Easter event cited as potentially better suited to another organization due to limited economic impact and increasing operational burden.
- Challenges when other organizations were expected to take over events but could not, as seen with the Crab Drop.
- Resource Management and Expectations:
  - Reminder: if EDC continues expanding event offerings, expectations regarding results in other areas must be tempered accordingly.
  - Recognition that most events, while not significant budget items, do require meaningful staff time.
- Mistletoe Hall Farm & Realtor Engagement:
  - For Mistletoe Hall business attraction, planning and zoning staff will shift focus post-comprehensive plan adoption, freeing up resources for this effort.
  - Active search for a realtor to expedite property sales, with funds available from prior settlements.
  - Continue process of identifying and selecting a realtor to facilitate Mistletoe Hall sales.
  - Form a group to devise a strategic plan for Mistletoe Hall Farm development, ensuring deadlines and obligations are met.
- Event Portfolio Review:
  - Re-examine the EDC-managed event list in the upcoming months, with particular attention to the alignment with economic development goals, to potentially shift certain events elsewhere.
- Review of Parade and Event Logistics:
  - As new event logistics and costs are clarified, update budgets and planning documentation accordingly.

Salary Adjustments & New Pay Scale presented by Mr. Kitzrow

Summary:

- Across-the-board raise: All positions have received a 3% pay raise; this increase is plotted onto the new pay scale.
- Development and validation: Pay scale based on a comprehensive study from three years prior, updated for current market and inflation.
- Departmental input: Each department head and HR director reviewed positions/placements for accuracy and fairness.
- Process and visibility: The new pay scale will be incorporated into the budget document for transparency but may not be formally voted on separately unless council decides otherwise.
- Status: Departmental approvals finalized March 24th, 2026; will be explained in detail at the budget presentation on Thursday, March 26th.

3. Departmental/Operational Reorganizations

Professional Services Account Changes:

- Legal and other professional service line items are consolidated into one account, improving tracking and clarity.
- No reduction in actual services; expenses now pooled centrally.

Public Works Reorganization: (managed by Rick VanEmburch, Town Engineer)

- **Engineering** now a division under Public Works, streamlining design, survey, permitting, and plan review functions.
- **Shop Division**: A new standalone division within Public Works, consolidating vehicle maintenance and repairs.

**Buildings & Facilities**: Now under the Department of Public Works

#### 4. Departmental Budget Summaries & Extended Discussion

##### 4.1 Engineering/Public Works

###### 2310 Engineering Budget (Operating & Capital)

- **New Position**: Seeking to create a full-time survey technician, funded by reallocating salary from Mike Dickerson's retirement.
  - Would perform in-house survey work—property corners, project staking, platform views—that is currently outsourced.
  - Would serve both design support and maintenance confirmation needs.
- **Professional Services**:
  - Ongoing costs for plan reviews, complete streets work, flood study (notably Commerce Drive and related stormwater modeling).
  - One-time large expenditure offset by developer reimbursement for major subdivision inspections (e.g., hospital, Gannon Range, Four Seasons, Silo Point 2).
- **Vehicle Usage Policy**: Only take-home for specific positions and only for official use; gas usage now more closely monitored via vehicle-specific fobs.
- **Capital Projects FY26/FY27**: (Kody Cario)
  - Major focus areas: pedestrian/ADA improvements, drainage, traffic calming, parking lot upgrades (Brewers Lane, Tidewater, Pennsylvania/East Ave.), failing stormwater outfall repair, trail paving, North Street widening, Highway Safety Improvement Program matching fund, storm drain repairs, light pole replacements, and traffic signals.
  - Survey-related projects prioritized; possible further reductions depending on hiring outcome of survey tech.
  - Coordination with Easton Utilities for new responsibilities and paving schedules.
  - Extensive recap of projects and priorities for the coming fiscal year.

##### 4.2 Sanitation (Barry Slaughter)

###### 3025 Budget and Operations

- **Functions**: Sanitation, Bulk Pickup, Oversight of Contracted Recycling.
- **Contractual Services**: Includes both landfill fees and recycling.
  - Tipping and recycling fees are increasing—\$73,000/year above prior costs.
  - Council needs to consider whether to absorb or pass on these costs in future fee schedules.
- **Landfill Use Decision**: Easton landfill preferred over Ridgeley due to fuel and time savings, despite higher fee per ton.
- **Statistics**: Oct 2025–Feb 2026: \$665,269 in landfill fees (~3,700 tons).
- **Sweeper Rental**: \$25,000 in budget for a 2-month seasonal rental, considered more cost-effective than purchasing (\$425,000+) due to frequency of need.

- **Bulk Truck Fleet:** Three working trucks; demand increasing with new developments.
- **Equipment Requests:**
  - Sweeper and bulk truck requests denied for FY26; continuing with rental and existing fleet.
- **Tipper Can Replacement:** Increased budget for new homes in coming developments.

#### 4.3 Parks & Maintenance (Billy Murdoch)

##### 3035, 3040, and Related Budgets

- **Budget Realignment:** Correcting cost allocations across maintenance, parks, and sanitation for accuracy.
- **Supervisory Payline:** No increase in headcount.
- **Employee Training:** Budgeted for attendance at local training events.
- **Contractual Services:** Increased due to expanded job scope, new community parks, and outsourcing for grass cutting (e.g., Easton Village Vickers Park).
- **Capital Projects:**
  - Water fountain for Idlewild Park (\$10,000), lighting for Hatcher parking lot (\$50,000), new machinery/trailer for in-house work (\$50,000), regular tree and stormwater basin filter replacements.
- **Operating Highlights:**
  - Initiation of professional playground inspections; consideration of in-house staff to become playground safety certified in the future.
  - Equipment rental favored over purchase to avoid overhead; \$8,000 increase sought.

#### 4.4 Construction and Shop Division (Dustin Otto)

##### 3045, 3050, Capital and Operating

- **Shop Budget Consolidation:** All vehicle/gas/oil/repairs for public works now consolidated under a new 3050 account for transparency and management.
  - Includes tool purchases, bulk fluids, boot/clothing allowances.
- **Concrete/Storm Drain/Line Painting:** Increase in concrete contract for sidewalk repair efficiency.
- **Snow & Ice Budget:** \$35,000 for materials and contract services; actual use described (recent replenishment \$20,000+, supply constraints due to regional demand).
- **Equipment Requests/Capital:**
  - Hydro excavator (2nd unit: \$87,000) for efficiency and safety; essential for new installations and ongoing repair.
  - Light tower for night work (currently borrowing from Utilities, but with the risk of loss of access).
  - Breaker for mini-excavator—improves crew safety.
  - 10-wheel dump truck request declined (expensive: \$172,000 chassis + similar upfit costs; 2-year lead time), but rental option is viable if needed.
  - Loader replacement also cut, with discussion on using impact fees for fleet expansion, not replacement.

#### 4.5 Parks & Recreation (Ms. Lorraine Gould)

## Operating & Capital Summary

- **Operating Budget:** Modest increase in contractual services for expanded programming (soccer, volleyball, kickball, flag football).
  - Goal is incremental expansion; only minor increases.
- **Capital Budget:**
  - Field renovations (currently focused on Hatcher Field).
  - Scoreboard upgrades (awaiting grant funding).
  - Disc Golf course: \$10,000 pending successful fundraising/donations.
- **Impact Fees & Expansion:**
  - Park impact fees available: ~\$730,000, with \$280,000 currently dedicated to park expansion.
  - Potential priority project: Lighting on Optimist and Butler Fields to expand time slots for growing baseball/softball programs (would add at least 10 time slots).
  - Stoney Ridge Playground identified as likely next neighborhood park renovation.
  - Council requested updated impact fee balances and exploration of lighting and expansion options.
- **Facility Use Policy:** Increased requests from non-residents for pavilion reservations—suggested adopting new fee structure and/or reservation prioritization for town residents. Council will evaluate approaches (fees, waitlists, staggered registration).

## 5. Policy & Procedural Items

### Equipment Funding Mechanisms

- Town's standard is to pay cash for equipment.
- Financing or bonding not currently utilized, but options remain if capital needs escalate.
- Impact fees may be applicable to equipment purchases that represent fleet expansion (not replacements).
- Future larger capital purchases may be managed via a budget stabilization fund or capital reserve.

## Budget Presentation & Process

- Annual plan, with department heads involved in drafting and prioritizing cuts and requests.
- This year's process noted for increased detail and cross-departmental input.
- Schedule modifications: remaining department hearings moved from Thursday, April 2, to tomorrow (Thursday, March 26).

## 6. Extended Q&A and Miscellaneous Points

- **Vehicle Policy:** Strictly business use for town vehicles/fuel, with improved tracking.
- **Coordination & Efficiencies:** Cross-department sharing on loader/backhoe usage (e.g., Public Works and Utilities).
- **Equipment Acquisition:** Discussion on pros/cons of purchasing used vehicles; town's experience with prior purchases mixed.
- **Snow Removal:** 'Good Life' contracting used to assist with major snow events; otherwise done in-house.
- **Fleet Maintenance:** All costs now consolidated in the new 3050 shop budget for Public Works.

- **Future Impact Fee Use:** Requests to schedule a detailed discussion on current balances and strategic deployment (especially Park & Rec and fleet expansion).
- **Turf Fields:** The high cost and potential of public-private partnerships. Preference indicated for private investment over public unless grant funding found.
- **Revenue Offsets:** Identified in several budgets (development reimbursements, grants, program fees).
- **Pavilion Use:** Online booking system in place; review process undertaken, but no restrictions for out-of-town users yet—policy update possible.

Respectfully submitted,

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Kathy M. Ruf, Town Clerk