

Budget Hearing Workshop

Date: April 2, 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, Dr. David Montgomery (virtually), and Rev. Davis. Also, present were the Town Manager, Andy Kitzrow, Carol Callahan, Finance Officer, Town Clerk Ms. Kathy M. Ruf, and Trevor Newcomb, Building and Facilities Director.

1. Meeting Structure & Introduction

2. Main Topics Discussed

- A. Operating Budget: Building Services (1400 Accounts)
- B. Capital Items Review
- C. Town Council and Clerk Budget
- D. Administrative/Managerial Departments Budgets
- E. Revenue Review
- F. Salaries & Pay Scale Implementation

3. Action Items

4. Follow-up Points / Future Meetings

1. Meeting Structure & Introduction

- The meeting began informally, then confirmed the standard process: start with the Operating budget, proceed to any questions and walk-throughs of major changes, and then address Capital items.
- Documentation used: Operating budget (starting on page 30 for Building Services), and Capital budget (page 8).
- Noted not all accounts (e.g., routine salaries/supervision) would be discussed in detail; focus was on key changes and significant line items.

2. Main Topics Discussed

A. Operating Budget: Building Services (1400 Accounts)

Departmental Reorganization & Consolidation

- Last year was the first with full consolidation of responsibilities under Mr. Newcomb into a single department; this continues, further refined for clarity and effectiveness.
- Transition allows more accurate tracking and more efficient adjustments to line items.

Budget Change Overview

- FY27 budget: Down by approx. \$33,000 from FY26 (about 8–10% reduction).
- Drivers of decrease:
 - District Court and Visitor Center facilities now funded differently (enterprise fund/rent paid), reducing general fund expenses.
 - After a year of history, better alignment of budgeted vs. actual supply needs (e.g., more allocated to account 3052: supplies).

Explanation of Main Expense Lines

- **Contractual services (3034):** Now primarily janitorial services across buildings; went from \$14,900 last year to \$119,000 due to consolidation. This year, down to \$119,293 after District Court removal.
- **Repairs and maintenance (3046):** Encompasses contracts for generator, elevator, building repairs, Johnston Controls (police), etc.
- **Account Clarity:** Recognized some confusion between what's charged as contractual services (3034) vs. contracted services (3046); recommended better descriptions and possible separate lines for janitorial due to its significant cost.

Facilities Under Management

- Departments/buildings include: Town Hall, Welcome Center, Public Works building, Port Street Park/Field Public Works, Fire Stations 60 and 66, District Court, North Easton Park, Police Station, Train Station, and accessory park buildings (around ten primary plus outbuildings).

B. Capital Items Review (Page 8)

Summary of Projects

- One capital item, the \$50,000 for a building/facility pole structure, was eliminated by mayor's review but may be accommodated with alternative (Impact Fee) funding.
- Current ongoing capital:
 - Expansion of Public Works shop (storage conversion into a break room/training room) funded by Impact Fees.
 - Cable roof replacement at Town Hall (front gable roof).
 - Bathroom improvements at Idlewild Park (epoxy floor, door replacements, electronic locks).
 - Focus on heavy-use areas and facilities identified by Park manager (Billy Murdoch) as needing upgrades.
 - New doors/electronic locks will permit remote or scheduled locking/unlocking for seasonal closures.
 - Similar electronic strike (locking) installation planned at John Ford Park, though only the electronic strike (not doors) is needed there due to connectivity and infrastructure needs.

Budget Philosophy

- Mr. Newcomb notes unpredictability: the department often responds to urgent/fault events. Budgeting tries to anticipate needs/preventative maintenance, but flexibility is key, which consolidation assists.
- No unaddressed needs, aside from the hope for the Public Works shop expansion, which noted as being managed via different funding.

C. Town Council and Clerk Budgets

Town Council (Beginning on Page 9)

- **Flat budget** for most items.
- Legal services consolidated into a separate account (2012-30) for greater clarity.
- Significant new discussion around **clothing/uniform line:**
 - Need for better council representation through apparel; moved to increase clothing budget to \$1,000 for greater flexibility and adequate supply of branded shirts/jackets.

- Decision: Each council member can choose style/sizing (managed, likely, through pre-approved vendors), but ordering will aim for some consistency.

Town Clerk (Page 10)

- Also, flat; main change is salary reduction due to the retirement of an employee; possible repurposing of position under discussion.
- Operating supplies (3052): Noted unusual increase this year—possibly due to one-off supplies (e.g., business cards, printed materials). Under review for adjustment.
- Promotional activities: Used mostly for required advertising and materials, not true "promotions"—mainly legal ads (APG Media, etc.)

D. Administrative/Managerial Departments

Mayor's Budget (Page 12)

- Flat, aside from MML dues and responsibility for awards/turkeys in the "miscellaneous benefits" line.

Town Manager & Associated Administrative Budgets (Pages 13–14)

- Small increases for meetings/conventions, particularly to include attendance at national ICMA conference and to fund travel for communications/PR staff (Greg).
- Notable freeze in a previously filled administrative position (Administrative), with partial repurposing of those funds for new customer service tech (AI) platforms and contract services (exploring solutions for customer-facing communication/engagement platforms).
- Raised concern about diversity with the loss of a minority staff member; request for a long-term plan to maintain/improve diversity representation across the staff.
- Clarification that several contract lines (e.g., for parkland appraisals) are catch-alls for third-party services—grant writing, customer service contracts, etc.

Salaries/Overtime

- Clarified: Overtime in communications (Greg) is appropriate due to position classification (non-supervisory, exempt), and management will monitor accuracy/appropriateness.

Elections Budget (Page 21)

- Funding for May 27, 2027 election included (based on supervisor/judges' salaries, publications, ballots)—confirmed as adequate, no changes needed.

E. Finance Department & Miscellaneous/Transfers

Finance Department (Page 22+)

- Realignment of costs: Two supervision line staff, overall personnel down (due to retirements). Legal expense lines centralized. Software expenses fully moved to IT budget.
- Training budget increased to support CPE licensing demands.
- Postage centralized under this department (account 3041).

Miscellaneous (Page 101–102)

- Health insurance stable year-over-year due to transition to a state plan; retirees receive \$1,200 flat.

- Worker's compensation expense now decentralized to each department.
- Property liability insurance (legit) under review.

Debt Service (Page 104)

- Fleet enterprise vehicle lease program's increase (\$140,000) is now captured in debt service, not by department; accounts for both current and anticipated vehicle payments. Five new vehicles for FY27 expected.

Internal Transfers (90s pages)

- Routine; no special discussion.

F. Revenue Review

Main Revenue Highlights

- Property Tax (Page 1)

- FY26 budgeted: \$13.7M; actual: \$14.8M; FY27 projection: \$15.8M.
- Driven by higher assessed values (+\$175M) and new construction (\$24M), not a tax rate change.
- Reiterated no tax rate increase.

- State Highway User/Vehicles

- Budgeted figure is state-supplied; minor year-over-year increase.

- State Shared Income Tax

- Increase of \$345K, projection is state-supplied.

- Permits and Fees (Page 2–3)

- Building permits for FY27: \$530K, reflecting a 7.9% increase.
- Additional revenue lines reflect hospital work and salary offset for inspection personnel.
- Detailed revenue forecast spreadsheet available from Tom Diem (to be shared).

- Hotel/Motel Tax

- Projected growth based on increased activity; a direct pass-through from the county minus admin fee.

- State & Federal Grants

- Most must be applied for; police protection grant is an allocation.
- Projection slightly conservative for risk management.

- Interest Income

- Leveraged higher bank rates for \$300K+ increase (now ~4–4.5%), but cautioned this could change if rates/cash flow vary.

- Easton Utilities Payment in Lieu of Taxes (PILOT)

- FY26: \$2.4M; actuals closer to \$2.56M; FY27: \$2.76M.

Fee Schedules

- No budgeted changes (e.g., trash/recycling fees, waste collection service).
- Potential SRO (school resource officer) funding from county for St. Peter and Paul remains unconfirmed; not budgeted at present.

G. Salaries & Pay Scale Implementation

New Pay Scale System

- Driven by previous salary study (2022, updated with cost-of-living adjustments and department head input).
- 3-pronged system:
 - General positions
 - Management positions
 - Police (sworn officer) positions—custom increments, higher starting salaries (\$66K entry-level up from \$63.5K).
- Step progression:
 - General/Management: 2% per step; grade increase is 8% (general), 12% (management).
 - Police: 3% per step with 6–10% increases for promotions (PFC, etc).
- Implementation:
 - All employees receive a one-time 3% increase (including a “merit” portion; no actual merit differentiation this year).
 - Employees are mapped onto the chart at the step at or above their current salary (no reductions).
 - Some select reclassifications (e.g., new duties, certifications)—primarily in Planning/Zoning and Public Works—adjusted accordingly.
 - Longevity/step-based; future years intend to allocate additional 1% for true merit, once KPIs and evaluation forms are implemented.
- Transparency/Requests for more detail:
 - Council discussion reflected requests for clear policies/documentation on how merit will be assessed and administered (preference for objective, performance-based criteria, not subjective opinion).
 - HR to prepare further written explanation and implementation details before full merit structure is adopted.

3. Action Items

- Building Services:
 - Update descriptions in budget lines for contractual/contracted services (especially janitorial), and carry forward for next budget.
- Clothing/Uniform Budget:
 - Increase to \$1,000 for council; develop a consistent but flexible process for order/branding.
- Operating Supplies/Promotional Expenses (Clerk’s Office):
 - Review and potentially adjust for correct allocations post one-off expenses.
- Annexation Fee Accounting:
 - Move associated costs to dedicated project numbers.
- Non-replacement of administrative staff (Renee):
 - Develop and present a comprehensive plan for staff diversity going forward.
- Permitting Revenue Details:

- Provide council with supporting detail on projected permit counts and revenue assumptions (per Tom Diem's spreadsheet).

- **Salary System:**

- HR and Town Manager to provide clearer written information on new pay scales, employee evaluation tools, and future merit pay methodology before FY28.

- **Budget Summary Sheet:**

- Circulate updated adjustment/reallocation sheet to council and public as an addendum showing changes from mayor's to council's version (including \$1,000 uniform increase, any further staff recommendations).

- **Finalize Funding Allocations:**

- Monitor and, if necessary, adjust police pension allocations to ensure sufficiency.

- **Future Fee Schedule Changes:**

- Any adjustments to trash/recycling/service fees or SRO cost sharing to be considered as new revenue lines if/when approved.

4. Follow-up Points / Future Meetings

- **Reporting:** Share all requested supplemental documentation to council—permit details, revenue projections, salary/pay scale white paper.
- **Fee Schedule Review:** Any changes to service fees to be scheduled for formal discussion/adoption.
- **Staff Diversity:** Formal plan for preserving/increasing minority representation to be developed and presented at a future session.
- **Assessment of HR Processes:** Written detail on employee evaluation, performance review cycles, and KPI development for merit system; to be circulated ahead of pay scale adjustment effective in FY28.
- **Budget Presentation:**
 - Final budget presentation scheduled for May 4, 2026, with public hearing; summary sheet to be available to council and public.
 - Further technical corrections and true-ups to be incorporated in final presentation/memo.

Notable Dates

- **Election Date (covered by FY27 Budget):** May, 2027
- **Budget Public Hearing:** May 4, 2026

Respectfully submitted,

Kathy M. Ruf, Town Clerk