

BOARD OF TOWN COMMISSIONERS
BUDGET SESSION - VIA TELECONFERENCE

April 8, 2021 4:30 P.M.

PRESENT: Commissioner Amy G. Chmielewski, Chair
Commissioner Kevin M. Bianca
Commissioner Erin S. Hughes
Commissioner Donna L. Kahoe
Commissioner Patrick T. Richards - arrived 4:56 p.m.
Michael Krantz, Director of Administration
Lisa Moody, Director of Finance

ABSENT: L. Jesse Bane, Town Administrator

OTHERS: Joan Suitt, Recording Secretary

CALL TO ORDER:

Chair Chmielewski advised the objective of the teleconference is to conduct normal business of the Town of Bel Air during the COVID-19 pandemic we all are experiencing. A teleconference allows us to comply with social distancing, as recommended by the Centers for Disease Control and Prevention, and the Maryland Open Meetings Act.

Meeting Etiquette/Protocol:

Chair Chmielewski reviewed the protocol for the meeting and reminded all participants to identify themselves before speaking.

Roll Call

Chair Chmielewski conducted the roll call. Those present are listed above. No callers identified themselves.

APPROVAL OF AGENDA:

Chair Chmielewski called for approval of the Agenda.

Commissioner Bianca moved and Commissioner Kahoe seconded the motion to approve the Agenda as written.

Ayes: Commissioners Bianca, Hughes, Kahoe, and Chmielewski

Nays: None

Commissioner Richards not in attendance during vote.

The motion carried.

Budget Introduction:

Ms. Moody Director of Finance advised the first seven pages in the budget binder are the proposed budget introduced by the Town Administrator on April 5th. During the April 19th meeting, a public hearing will be held and under Unfinished Business a vote will be taken. The Commissioners will vote on the Tentative Budget under New Business and becomes the working budget for the Commissioners.

Ms. Moody advised:

- Page 8 - Budget Schedule. Ms. Moody informed the second public hearing is May 17th and adoption of the final FY22 budget.
- Page 9 - list of Departments being presented.
- Page 11 - outside agencies presenting and will be filtered into the budget meeting.
- Page 12 - Assessable Base Chart - projected assessable base for tax categories from real property to 3 personal properties. The revenue is from \$.50 to \$.54 on real property and \$1.16 to \$1.20. Ms. Moody stated the proposed tax rate increase is \$.04 and \$.01 equates to a little over \$154,000.
- Page 13 - displays Property Tax Revenue Growth (real and personal property) since FY 2006. In 2004, there was a \$.06 tax increase included.
- Page 15 - Revenue FY 22 chart - shows where funds are coming from for the General Fund.
- Page 16 - Expenditures FY22 chart - all Departments and includes salaries and benefits in the General Fund.

Ms. Moody reviewed:

General Fund:

Page 1 - Revenues - Operating

- Real Property Taxes - increase due to the proposed rate increase of \$.04. Ms. Moody stated without the tax rate increase our revenues would decrease about \$73,000. Assessment and Taxation is expecting a large number of commercial reductions due to appeals that includes three levels. Commercial assessment is based on income and not cost so there is no clear-cut line between the two statewide. Ms. Moody has requested a list of any commercial appeals within the Town limits for this fiscal year.

Commissioner Kahoe asked the length of time for the appeal process and when will we know the amount of impact. Ms. Moody advised further into the next fiscal year because this year's appeals will not be received until August.

Chair Chmielewski requested figures on taxes if they are not increased. Ms. Moody will gather the numbers.

Chair Chmielewski asked if Harford County is raising taxes. Ms. Moody will find out.

- Half-year-Taxes - funding for Bel Air Volunteer Fire Company tax credit.

Ms. Moody reminded the tax rate is \$.04 with \$.03 going to the Police building and \$.01 going toward operations in the General Fund. There has been no tax increase since 2004, but operating with increases in cost, materials, etc. without additional revenues from taxes. Ms. Moody informed about \$750,000 was cut from the budget on capital projects because of wanting to keep the tax increase as low as possible and the \$.01 is not enough for the General Fund.

- Personal Property Taxes - Unincorporated
- Public Utilities
- Ordinary Business Corporations - Incorporated
- Income Taxes - flat funded
- Admission & Amusement Taxes - hoping to come back in FY22
- Highway User - based on gas tax, vehicle title and registration fees
- Police Protection Grant - flat - received from the State
- Business Licenses - fairly flat
- Cable TV Franchise - fairly flat
- Governor's Office Crime Prevention Grant - new full time position "LEAD Executive". To receive a grant for the next 3 years to help fund position and eliminated 2 part-time positions.
- Harford County Tax Rebate - given to municipalities for providing police patrol services within our boundary in-lieu of the Sheriff's Office.
- Stormwater Management Harford County - DPW expenditure is \$145,000 and this number is included in revenues. Money not spent goes into a reserve account.
- Bel Air Armory Fee - to cover cost of maintaining facility.
- Red Light Camera - based on 6,200 citations per year.
- Interest on Investments - rates very low.
- Vehicle/Equipment Proceeds - proposing to borrow money for vehicles. Need to wait until at least January, 2022 because money was borrowed this fiscal year for the Town Hall/Police building.

Commissioner Richards inquired if the Town has kept up with the vehicle/equipment schedule. Ms. Moody advised the Town is on track.

There were no further questions.

Total Operating Revenues

- Transfer from Unassigned - generally not seen within the budget because of not using it for recurring operations. This figure represents the proposed cost of salaries/benefits of the two new salary scales for the civilian and sworn staff. Two years ago, it was anticipated to use monies for a new pay scale and was not done. Funds were placed in the Unassigned.
- Transfer to Capital Reserve - the Towns' share of the grant match on the Howard Park improvement.
- Transfer from Worker's Comp Reserve - reserve was created in FY2012 when the Town became self-funded on Worker's Comp. If monies not used it goes to the reserve. Proposing to use some of these funds to help with the Worker's Comp premium cost.
- Transfer from Sewer and Parking Funds - to reimburse the General Fund for the allocated salaries, benefits and overhead. Enterprise funds need to be self-sustaining.

There were no questions.

Page 14 - Capital Improvement Program (CIP)

Ms. Moody highlighted projects in the budget.

- IT project - IT band and upgrade switch, patrol tough-books for police
- Burns Alley connection - more information is needed.

Chair Chmielewski inquired if Burns Alley was part of the plan to connect to Pennsylvania Avenue and the Armory. Ms. Moody will investigate the amount listed.

- Shamrock grant project - off street parking, handicap access, pickleball/basketball court.
- Renovate/Expand PD - not a firm number. \$.03 of tax increase will pay for debt service.
- JCI Energy Contract - the enhancements and improvements pay the debt service.
- Police Department Vehicles - 3 vehicles.
- Body Cameras - 5 year contract.
- Public Works Vehicles/Equipment - will be borrowing funds.
- Town Building - replacing the HVAC rooftop unit at Planning Department. Multiple projects were cut.
- MS4 Stormwater Program - money is projected from Harford County.

- Armory Building - to seal lower level in mechanical/IT room, to install two HVAC units in 2 classrooms. Many capital projects were cut.
- Office Street/Court House Square - resubmitted for grant - should be in FY23
- Parking Garage Repairs - debt service. Fines and meter money down due to COVID.
- Parking Garage Lighting Upgrade - JCI debt service.
- Parking Garage Sweeper - debt service to FY27.
- Resurface Hickory Lot - was slated for FY21 but no funds.
- Parking Electric Enforcement Vehicle - debt service - purchased FY20.
- Sewer System Improvement (includes MES)- debt service to FY25
Inflow & Infiltration Sewer Systems Improvement- debt service to FY25
Inflow & Infiltration Sewer Systems Improvement- debt service to FY27

There will be no capital sewer projects in FY22 because the bulk rate from Harford County was high in FY21. The rates are high during a dry year. The calculations normally come in November but received in March. Hopeful rates will come down in FY22.

Ms. Moody notified the Town currently does not know how the Federal stimulus money can be spent.

Commissioner Richards asked has the garage been appraised for audit purposes. Ms. Moody stated it is not needed. Commissioner Richards continues to think of creative ways of paying for the Town Hall/Police Department project with future asset sales.

Chair Chmielewski wanted more information on the MS4 project. Ms. Moody advised MS4 is strictly one for one in monies received from Harford County and grant money was received for the projects at Atwood Road, and near Home Depot.

There were no further questions.

Ms. Moody explained the Budget/Revenue Preparation Work Sheet. The work sheets do not include the Budget Amendment as it was not approved when work sheets were prepared. Also, the change in the salary scale in the individual departmental salary numbers are not included. The Town is proposing a Merit increase (normal step increase) this fiscal year.

Ms. Moody stated the Justification pages show line items in each Department's budget.

Administrator

Ms. Moody reported there are no changes in the Administrator's budget.

Legal

Proposing to increase the Legal Counsel Services by \$5,000. More detailed legal services are being received from an outside counsel due to the nature of questions.

Commissioner

No changes within the budget and expect everything to go back to normal during FY22.

Quarterly Newsletter - In FY21 Commissioners made the decision to no longer print/mail the newsletter and take advantage of using the Town's website. There was a plan to prepare The Bond and print a minimal amount. This was not done in FY21 and have not received complaints. The funds were cut from the budget.

Finance

Ms. Moody advised there are no changes in staff for FY22. Ms. Moody thanked the Commissioners for allowing the new full-time position of Accounting Clerk that made a tremendous difference with workload and efficiency.

The Procurement Officer in FY21 decided three days a week was more than needed and tried two days per week. Ms. Moody stated John Miller is well versed in procurement and has worked with each department. The two days have worked and will be maintained in FY22.

Ms. Moody reviewed the following:

- Social Security - 7.65 % of salaries.
- Medical Insurance - received 14.2% rate increase for FY22.

The Town is proposing to no longer provide a percentage of the deductible for employees' HSA account.

- Dental Insurance - received 15.1% rate increase for FY22.
- Disability Insurance and Life Insurance - no increase - in the final renewal year.
- Worker's Compensation - rate increased from .70 discount to 1.02 premium and is based on claims and experience for the last three completed fiscal years. The base rate increased on all classes. Some money will be used from the Worker's Compensation reserve.

Mr. Krantz reported meetings are held regularly, continue to train, and emphasize safety first.

- Travel/Training/Memberships - no change.

Commissioner Bianca inquired about a timeline for receiving the Federal funding. Ms. Moody shared this will be a huge endeavor and Ms. Deaner is attending the National League of Cities webinars every Friday. Currently, there is not enough detail to know how to utilize the funds and hopefully more guidance will come in May. As information comes in, this will be discussed during Work Sessions.

There were no other questions.

Outstanding List

1. Average assessment for residential and commercial to factor the \$.04 increase on annual basis.
2. Check with Harford County, Havre de Grace and Aberdeen regarding their tax rate.
3. If tax rate increase not instituted, how will it change the property tax categories.

Contact Ms. Moody with questions.

ADJOURNMENT:

With no further comments, the meeting was adjourned at 6:11 p.m.

Approved: April 19, 2021

Signature on file

Amy G. Chmielewski, Chair
Board of Town Commissioners

Signature on file

Michael L. Krantz, Town Clerk