

MINUTES
BOARD OF TOWN COMMISSIONERS BUDGET SESSION
May 6, 2021

The Board of Town Commissioners budget meeting took place on Thursday May 6, 2021 at 4:30 p.m. The meeting was conducted via the *GoToMeeting* virtual platform in accordance with State of Maryland guidelines during the COVID-19 pandemic.

MEMBERS PRESENT:

Mayor Amy G. Chmielewski
Commissioner Erin S. Hughes
Commissioner Donna L. Kahoe
Commissioner Kevin M. Bianca
Commissioner Patrick T. Richards

STAFF MEMBERS PRESENT:

L. Jesse Bane, Town Administrator
Trish Heidenreich, Director of Economic Development
Lisa Moody, Director of Finance
Charles A. Moore, Chief of Police
Patti Parker, Community & Public Relations Manager
Officer Jonathan Kauffman, Bel Air Police Department

ABSENT: Michael Krantz, Director of Human Resources and Administration

OTHERS:

Kathi Santora, Recording Secretary

- **CALL TO ORDER:**

Chief Charles Moore opened the meeting and stated that he is sitting in for Mr. Krantz. Mayor Chmielewski called the meeting to order at 4:30 p.m. She noted that the teleconference allows the Town of Bel Air to conduct normal business during the COVID-19 pandemic and provided guidelines for virtual meeting attendance. She conducted a roll call.

- **APPROVAL OF AGENDA**

Mayor Chmielewski called for a motion to approve the agenda. Commissioner Bianca moved to approve. Commissioner Kahoe seconded the motion. All in favor. The motion carried.

- **PRESENTATIONS**

- a. Bel Air Downtown Alliance (BADA)**

Ms. Jenny Falcone (Executive Director), Kimberly Austing (Board President) and Todd Boyle (Treasurer) provided a presentation about the BADA and recent outcomes. This was to support their request for funding from the Town of Bel Air in FY22.

Ms. Falcone provided a brief history of the BADA and its public/private partnership with the Town of Bel Air. Their mutual goal is to work toward economic growth. She noted that the BADA follows the four pillars of the Maryland Main Street Program, of which it has been a member since 2001: Design, Organization, Economic Vitality and Promotion. This partnership has been vital to downtown Bel Air's success.

Economic development is a delicate balance of thriving businesses, tourism and event promotion. If one element fails, the entire dynamic suffers. The Alliance, as a nonprofit organization, is able to contribute to the Town in ways that government entities are not able. Together the Town and BADA share a vision of the future and how economic development contributes to success.

The BADA draws people into town with events, which is very labor-intensive. These have become an important part of Bel Air for residents and those who work in town. The signature event is the Maryland State BBQ Bash, which draws over 35,000 people and has made Bel Air a destination.

During the COVID-19 pandemic, focus shifted from events to online promotions and virtual meetings. All efforts turned to supporting businesses. These included business spotlights and the Co-Starters program. The BADA awarded self-funded money to six local businesses who needed assistance in transforming quickly to a virtual business platform. The BADA awarded micro-grants of over \$194,000 to 38 downtown businesses.

The BADA itself suffered during the pandemic, especially with event cancellations and loss of revenue. The BADA is requesting \$15,000 for marketing and advertising to support getting people to return to shop, dine and attend events.

Ms. Falcone acknowledged the support of the Bel Air Police Department and Department of Public Works in past and future events.

Ms. Austing stated that the BADA has assembled a spreadsheet that highlights its contributions to the Town. She asked Mr. Boyle to provide these details.

Mr. Boyle provided a summary from 2017 to date.

2017: Façade improvements, Armory projects, website design for Armory, bike racks, kiosks (\$48,000)

2018: Façade improvements, recycling containers, bike rack installation, urns for courthouse (\$36,000)

2019: Façade improvements, Winter Wonderland, consultations for co-working space (\$63,000)

2020: Façade improvements, Winter Wonderland, and wayfinding projects. They acquired a grant for the co-working space currently under construction (\$150,000). This will include a new home for the BADA. This space will help people come from out-of-town to develop business relationships and future business investments.

Music on Main project is ongoing. They sponsored a Co-Starters class and technical assistance to help businesses pivot during the pandemic. (\$212,000).

2021: The BADA facilitated the DHCD's Maryland Strong Economic Recovery Initiative (SERI) funds that helped 38 Bel Air businesses during the pandemic.

Ms. Austing stated that the BADA will provide written documents to Commissioners that further summarize these details.

Mayor Chmielewski stated that the Board has asked nonprofit partners to submit a spreadsheet that outlines COVID-19 related losses.

b. Bel Air Volunteer Fire Department

Mr. Tony Coliano stated that the BAVFD has faced numerous challenges during the pandemic. They had difficulties hiring EMS staff and had to add financial incentives. Other costs include unemployment premiums, new ambulances, new rescue truck and a new ladder truck. He noted that the style of the truck was ordered to accommodate some of the unique access challenges posed in various places, including certain Bel Air locations.

They have upped the mutual aid response due to challenges in getting volunteers. They are considering firefighter incentives for recruitment. They are considering a \$4 million project to expand the Bel Air station to accommodate live-in programs. The station is 23 years old.

They received a 5% increase from Harford County with funds for several additional projects, including marketing and breathing apparatus. They used pandemic relief funds for PPE. He noted that the BAVFD provides support to town events. They have estimated that the volunteer worth of the BAVFD to the Town is \$2.8 million. They are asking for a 5% increase in funding.

- **BUDGET**

- a. Continued detailed review of General Fund Expenditures

- i. Police Department/Red Light Camera

Chief Moore described some of the challenges that the BAPD has faced this year. He asked those present to see the job from the police perspective. Events have strained resources and staff. He referred to the death of George Floyd and the pandemic. Police and other first responders had to keep going to serve residents. Demonstrations have filled the streets across the country (and in Bel Air) demanding police reform. The BAPD stood strong throughout.

The BAPD has answered several hundred pieces of correspondence about police reform. Most of the requests for reform had already been accomplished by the BAPD, with help and support from the Commissioners.

BAPD already has body cameras, an independent citizens advisory board, and has conducted two citizen surveys. The latter showed 90%+ levels of satisfaction in several areas. The department has had a very effective implicit bias training program. The program has received positive feedback from minority advocacy groups. The Armory has been used as a facility for multiple-agency training on implicit bias.

State-level legislative reforms in Maryland, in his opinion, were not positive for law enforcement. Responsibility for handling internal investigations was removed from the police leadership and given to a board, who may not have relevant experience. The police departments have no input in board selection. These changes replace the Police Bill of Rights and are found in HB 670.

He estimates that this will impact the police budget at around \$9,000 per year. This may not include costs of bi-annual mental health screening and physical agility testing for officers. Each agency will need to hire a victim rights advocate.

Implementation takes research, collaborations, writing, legal reviews, training and more, all of which cost money. The law allows for much of this to be effective in the next fiscal year.

SB 21 and SB 156 must be implemented this year, however. The body cameras and issues around use of force have already been addressed. He feels that BAPD has remained in good standing and has evolved to meet societal demands. Bel Air has remained on lists of the State's safest towns.

He does feel that the BAPD may soon reach the limits of its capabilities without more resources. He is proud of the department, but it has required hundreds of hours of extra time. He asked for consideration of the challenges that the BAPD will be facing. They need resources, a new police department and pay enhancements. He needs help at the command level to meet these challenges.

Pertinent line items discussed include Law Enforcement Assisted Diversion (LEAD) Officer position; legal expenses; overtime; salaries.

Chief Moore discussed the evolution of the opioid crisis, which called for resources and innovative programming. Outcomes show the effectiveness of these new approaches, which included peer and behavioral health partnerships to follow-up on overdose incidents. The approach is known as Trauma-Informed Harm Reduction Law Enforcement. LEAD incorporates these tenets. It incorporates the ability to call on other services to help an individual, including those charged with low-level criminal activity.

His officers have been in general support of this approach. The new position would coordinate these activities as well as managing the parking and red-light programs. He can create this with combining two vacant part time positions with additional budget funding. The Governor's Office of Crime Control & Prevention also will contribute \$35,000.

Chief Moore will email outcome reports for LEAD-related services to Commissioners. Commissioner Bianca asked if these clients are residents of Bel Air. Not all are, but BAPD is helping people who do not live here or who are referrals from other agencies. Commissioner Richards confirmed that LEAD will be a civilian position.

Chief Moore reported on the following budget items: gasoline costs (purchased in collaboration with other government agencies); firearms supplies, supports and costs for indoor training range time; uniforms, detective clothing allowance and body cam expenses; bullet-proof vests replacements (grant funds have been requested via Department of Economic Development); patrol vehicle accessories, replacement of 3 older patrol vehicles. These new car purchases will include accessories for vehicle and officer security. Several older cars have been relegated to administrative use.

Commissioner Richards asked about how technology purchases might assist in speed enforcement and pedestrian safety now and in the future. Chief Moore stated they plan to install a radar speed display sign on Broadway. They have proved to be effective. State Highway Administration has agreed to allow this. He is purchasing out of task force funds. They cost about \$3,000 each.

Commissioner Richards stated that he feels that State Highway Administration should be a bigger partner in this speed control issue and that Bel Air should push for this. Leveraging technology might take some of the burden for this away from police officers' duty.

Chief Moore noted that Officer Smithson has been doing a good job in traffic safety.

Ms. Moody reported on the red-light camera program budget. The Town is still under contract for this service through Harford County. There are four cameras in Town and the total item amounts to \$211,000, based on average of 6,200 citations.

ii. Economic Development Department

Ms. Heidenreich stated there are four employees in the department. She reported on items that included: salaries; travel, training and memberships; mileage; postage; employee recognition; and Archer-Bull Award Ceremony.

She stressed the importance of marketing in economic development. This line item includes print and electronic publications, mailing, grant matching funds as well as calendar of events publications.

This year, there will be a focus on real estate development and promotion. With the recent addition of a public relations staff member, Ms. Heidenreich stated they can maximize resources to reach goals. Commissioner Richards suggested that focus be placed in social media outreach, rather than publications.

She has added to the budget an item for a new market study. These are required after comprehensive plans are available. Census and other new data will be gathered for the study. The study leads to a marketing plan. The studies last about 7 – 10 years.

The last was done in 2015. This has pre-COVID data. It is important that data is up-to-date for the national companies who are looking to locate in various locations around the country. Market studies keep towns competitive.

She expects 2020 census data to be available around September and that is when she will start process of securing a market study, which will be published a year from now. The line item is \$43,000.

Commissioner Richards stressed the importance of including stakeholders in the process.

iii. Cultural Arts

Ms. Heidenreich reported that Cultural Arts has two accounts: marketing/events and public art. These are flat-funded at \$8,350, the same as in the past 15 years. The committee shifted some funds into the public arts category. The committee supports several events. Ms. Heidenreich added that her goal is to make the Town of Bel Air the “largest public art gallery in the nation.”

iv. Christmas Parade

Ms. Heidenreich said the request for the parade is \$5,000. This is an event that is co-sponsored by the Department of Economic Development, the BADA and the Christmas Parade committee, overseen by Mr. Mike Blum. Event is flat-funded and will be given to the BADA.

b. Discussion by Commissioners on budget issues

Ms. Moody supplied the following information/comments:

1. She stated that the BADA and BAVFD were flat-funded this year, as were all of the other outside organizations that have requested funding. The request for the Christmas parade was \$5,000, which was removed since the parades have not taken place in the past two years so the funds have already been given for the event.
2. She supplied an updated Armory spreadsheet as requested in a previous budget session. Commissioner Richards asked for a detailed review of Armory budget every year. They are generating a five-figure loss, though COVID has been a factor this year. Any off-set expenses can be put toward police/town hall construction.
3. To a question about grant opportunities for lost revenue at the Armory, she stated that the Town recently was awarded a \$15,000 grant from Maryland State Arts Council. These funds cannot be used to recoup lost revenue, they must be used for maintenance or capital. Bel Air’s grant writer is credited for writing the grant according to the proper guidelines.

They did not get grant funding for a new AV system and replacement windows.

The Town will continue to monitor other opportunities.

4. Discussion on IT van purchase will be continued at a later date.
5. Discussion on Planning Department capital projects will be continued at a later date.

The Town was awarded the grant from the Maryland Department of Natural Resources for the Office Street pocket park. She will clarify when this money has to be spent at the next budget meeting. The Town must provide a \$15,000 match.

6. Mr. Krantz will supply answers to the previous question about proposed police scale by budget vs. proposed scale by union.

Commissioner Richards clarified that all budget issues must be finalized by next week's budget session. Ms. Moody asked for any additional direction from Commissioners ASAP so she can finalize the proposed budget details for presentation. Commissioner Richards suggested a "tick-list" discussion on Tuesday to finalize these open issues. Ms. Moody will prioritize the discussion list.

Other items: Ms. Moody stated that the health insurance broker notified her of a reduction in premiums from a 14.2% increase to a 11.3% increase. This saves \$34,000.

On another previously discussed issue, Ms. Moody reached out to Maryland American Water about the source of the property tax surcharge. This issue impacts the proposed budget. The issue stems from the correct location of personal property owned by Maryland American Water within Town limits.

This week, the revised assessment was received and it equates to about \$75,000. The Town will owe them that money. This needs to be addressed in the FY 22 budget.

Therefore, the savings from the health insurance premiums may be needed to offset this cost. This will be reflected in an amendment to the budget that will be presented next week.

Ms. Moody asked for additional comments/questions.

Mayor Chmielewski asked for clarification of issues surrounding the possible tax increase. Will some of the tax increase revenue be used in FY22? The Mayor was under the impression that the funds were available to get the police/town hall project started. Ms. Moody stated that they have been using capital reserve for the design services

contracted so far.

Ms. Moody: are you asking if we can continue to use capital reserve and not borrow money for the project until next FY? Mayor confirmed.

Ms. Moody stated the issue is starting an \$8 – 9 million project without having funds in place. This would place the decision about tax increase on the next Board of Commissioners.

Mayor Chmielewski stated she is unclear on whether the 1% tax increase is sufficient to meet town operational goals. Ms. Moody said it is not. The budget has been a struggle. There have been numerous cuts to balance the budget, even with the possibility of a 1% tax increase.

Tax increases are never palatable. They wanted the proposed increase to be conservative. There may be other tax increases needed in the near future. The Mayor prefers not to do that. However, there are many needed projects in town, but it is hard to plan unknown future revenue.

Ms. Moody state that tax increases are needed. The budget cannot continue to be cut. There may be a situation where the town cannot pay expenses. She understands the ramifications of a tax increase on residents and businesses.

There are few opportunities to annex property and those possibilities will not bring in a lot of revenue. Taxes have not been raised since 2004 (eighteen budget years).

Ms. Moody emphasized the need for the police building construction. How to do it is the question. Even with the input of other revenue here and there, the town will need to pay the debt.

Commissioner Richards stated that a decision needs to be made about the police station, but the timing is terrible due to pandemic and economy. He believes it is important to be clear with taxpayers which parts of the increase are for construction and which parts for operations. Residents have questioned if taxes will go down after payment of construction debt. The tax increase should be clearly explained.

Ms. Moody said the construction/debt numbers are best estimates now, in light of future bids and interest rates.

Commissioner Kahoe asked about receipt of stimulus money. Ms. Moody stated that they know it can be used for sewer and infrastructure. It must be spent by December 2024. Interest accrual will be minimum.

Mr. Bane stated there are many capital requests each year. This stimulus money will free up funds for projects. If the Armory plays a future role in COVID issues, funds could be used there. However, there are many unknowns that will impact the budget. Clarification of stimulus funds may help. However, other costs will still rise.

Hours of discussion has gone into the budget and the possibility of no tax increases was considered. Some projects were eliminated. He agrees the tax increase comes at an inopportune time. There is no good year to raise taxes, but it is now needed. He understands the dilemma facing the Commissioners.

Commissioner Bianca asked about a "rainy day fund." Ms. Moody stated it is for emergencies. There are no funds going into the fund in the current budget. He added that any future tax increase would be a tough sell. He urges Commissioners to think about the options now.

Ms. Parker noted that Harford County is not proposing a tax increase this year. She feels there may be a future increase possibly. This makes any future Town increase concerning. She has received feedback that residents see the benefits of their taxes in Bel Air. We must let the community know that we are investing in the Town and there hasn't been an increase in the tax rate per assessed value of \$100.00.

Commissioner Richards stated that the Town might consider in the future reassessing and focusing on its mission and associated costs. It may involve reevaluating critical missions.

Mr. Bane concurs. There are possible projects coming to Town that could add revenue. In some scenarios, future years may include a tax decrease. There are also possibilities of future business changes that could reduce revenue.

Mr. Bane will include the Commissioners in preliminary budget and planning discussions in January 2022.

Mr. Bane congratulated Ms. Moody on her 25 years of service.

- **ADOURNMENT**

The meeting was adjourned at 7:30 p.m.

Approved: May 17, 2021

Signature on file

Amy G. Chmielewski, Chair
Board of Town Commissioners

Signature on file

Michael L. Krantz, Town Clerk