

BOARD OF TOWN COMMISSIONERS
WORK/BUDGET SESSION – VIA TELECONFERENCE
May 11, 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
L. Jesse Bane, Town Administrator
Trish Heidenreich, Director of Economic Development
Stephen Kline, Director of Public Works
Michael Krantz, Director of Administration
Lisa Moody, Director of Finance
Charles Moore, Chief of Police
Patti Parker, Community & Public Relations Coordinator
Kevin Small, Director of Planning

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.

Chair Chmielewski informed of agenda items for the meeting.

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. Maryanna Skowronski joined the teleconference.

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, Richards and Chmielewski

Nays: None

The motion carried.

PRESENTATION:

Historical Society of Harford County - Maryanna Skowronski

Maryanna Skowronski, Director of the Harford County Historical Society, thanked the Town of Bel Air for its support this past fiscal year. Ms. Skowronski sent a letter to the Town Administrator for a funding request and are cognizant that funds may not be what they have been in the past because of the COVID-19 situation. Ms. Skowronski reported the Historical Society is renovating the lobby and a part of that is replacing the alarm system. The quote received for the alarm was a little over \$9,000 and the funding request is \$5,000 to put toward the project.

Ms. Skowronski informed the windows of our building are boarded up for a complete restoration and received approval from the Historic Preservation Commission. In conjunction with that, architectural features will be restored in the lobby. Ms. Skowronski advised people coming into the building will now see a restored archway that has not been exposed since 1964 when the Post Office walled it in. The project will continue on for another year and the Town will be proud when completed.

Chair Chmielewski inquired if staff are back in the building. Ms. Skowronski informed the building has been closed to the public as much for COVID-19 as it is for the restoration project. Ms. Skowronski and an Assistant have been there working to handle emails, telephone requests, mail and taking artifact items. Events have been Zoom presentations and recorded on a YouTube

channel. In person events are not being planned until spring of 2022.

Commissioner Bianca thanked Ms. Skowronski for her hard work. Ms. Skowronski advised the Town has been good to the Historical Society and the Society is very appreciative.

TOWN ADMINISTRATOR'S REPORT:

The Town Administrator advised Harford County will celebrate its 250th Anniversary in 2024 and our Community & Public Relations Manager represents the Town on the committee. Assuming in-person meetings will resume, during the June 21st Town Board meeting there will be a presentation to the winner of the logo contest for Harford 250 which the Town sponsored. Other artwork submitted for consideration will be on display. If not meeting in-person, the Town Administrator will reschedule for later in the year.

The Town Administrator informed panic alarms have been installed in Town Hall for the Commissioners. The alarm sends a signal to the Police Department and training will be conducted.

TENTATIVE AGENDA FOR TOWN MEETING TELECONFERENCE (May 17, 2021)

Presentation:

Harford County Climate Action

Chair Chmielewski notified Harford County Climate Action will make a presentation during the May 17th Town Board meeting.

Public Hearing:

Resolution 1165-21 - Tentative Budget for Fiscal Year 2022

Chair Chmielewski advised a public hearing will be held on Resolution 1165-21 for the FY 2022 budget. The final budget will be adopted.

New Business:

Street Resurfacing Contract

The Director of Public Works reported the annual street resurfacing contract will come before the Commissioners for approval. Funds have been budgeted for the project and the amount is not to exceed \$302,000.

Reappointment to the Cultural Arts Commission

The Director of Economic Development advised Pat Fielder has been a member of the Cultural Arts Commission since 2015 and is interested in being reappointed.

STAFFING:

The Director of Administration reported the following positions are posted on the Town's website and applications close May 17th.

- Construction Worker II
- Custodian
- Equipment Operator II
- Laborer

The Police Department is looking at a part-time dispatcher.

CALENDAR:

Calendars were sent out; contact Ruth Seitler with additions or corrections.

MISCELLANEOUS:

None.

FISCAL YEAR 2022 BUDGET DISCUSSION:

Enterprise Funds

The Director of Finance will review pertinent revenues and expenses of the Sewer Fund. The Director of Public Works will review budgeted accounts.

Sewer Fund Revenue Justification:

- Sewer Service Charges - covers maintenance, capital, salaries, transfer amount to General Fund and interest payments on debt service. The account reflects the base charge on the meter size and actual sewer usage. Rate increase from \$6.12 to \$6.19 per thousand-gallon effective July 1, 2021. The Ordinance allows a rate increase based on the CPI index which is what the Town is doing. This is a \$.07 increase based on the December, 2020 consumer price index of 1.2%. The FY22 projection is based on an average water usage for the last 5 years from metered water readings from Maryland American Water Company and Harford County.

Includes 13 flat rate customers. Estimated budget - \$2,350,000.

- Other small revenue categories are listed.

Sewer Fund Expense Justification:

Special Revenue Fund:

- Includes salaries and benefits. Two employees work 100% of their time and salaries are 100% allocated to this fund.
- Insurance - covers the costs of three vehicles, nine pumping stations, no fault insurance and any other insurance claims for sewer backups. Included is a preliminary 10% rate increase. Requested \$9,948.
- Harford County Charges - Harford County treats sewage for the Town and the formula is based on the 1988 agreement. During June, 2021 the rate increase of the current fiscal year will come before the Commissioners. Due to a change in personnel, the Harford County paperwork was sent late. Questions were sent back, and answers just received. The rate used for the FY22 budget is the same as FY21 (bulk and ENR). Estimated budget at \$1,509,144.

The Director of Public Works informed the 1988 equation has changed because the Towns percentage of sewage flowing to the treatment center is less. A study will be looked at and may help the Town.

- Processing Fees - costs of outsourcing the printing and mailing of monthly bills. There are about 42,000 bills per year and the cost is for paper and processing fees, mailing service, postage, envelopes and miscellaneous fees. Requested budget \$25,929. This contract will be put out for bid and an RFP is being developed.
- Miscellaneous - includes \$2,000 unexpected expenses, \$3,000 for on-going sewer legal fees. Also includes \$8,742 in salaries/benefits for a new civilian pay scale as well as \$1,352 for merit increase.
- Debt Service accounts 0903, 0904, 0905, 0906 - for projects throughout the years. The justifications show interest rates, principal balance, when final payment is made, and where money was borrowed.

- Transfer to General Fund - account includes personnel, overhead, and benefits. There are other employees that have a portion of their jobs allocated to the sewer fund. Requested budget \$355,733. This money is owed back to the General Fund from the Sewer Fund.
- Depreciation - amount based on actual costs for FY20 and projected for FY21. Requested budget \$82,077.
- Amortization Expense - Sewer Agreement HC - account relates to the prepayment of capital improvement debts paid to Harford County in FY04. The final payment in 2025. Requested budget \$24,248.

The Director of Public Works informed the Town's sewer system is made up of approximately 40 miles of sewer mains, 1041 manholes, 13 pump stations, and collect about 1 million gallons of sewage each day that is sent to Harford County for treatment. The system is operated by two employees 365 days per year.

- Miss Utility - service of marking the sewer mains prior to digging in the Town. This year, revenue was added to the equation and has paid for the full cost. The locator fee has generated \$19,000 in revenues. Residents are not charged the fee, but businesses and utility contractors are. Requested budget \$3,050.
- Utilities Pumping Station - account reflects historical spending to cover cost for electric, fuel, water, and telephone service at the pumping stations. Requested budget \$15,350.
- Equipment Maintenance & Supplies - based on history for cost on supplies, maintenance, replacement and upgrades to sewer pumping stations. Requested budget \$30,000.
- Root Control Program - Maintenance - cost to treat and control roots on terracotta pipes. Requested budget \$35,000.

The Director of Public Works advised with the proposed 8.4 million from the Federal Government, the Town would like to line the terracotta pipes and root control may be an expense that could go away.

- Main and Lateral Repairs - cost to maintain the sewer system on a regular basis. Requested budget \$22,000.

Commissioner Richards asked will the \$35,000 really go away or be deferred a couple of years. The Director of Public Works advised roots do not like the plastic intersection and might go away completely. The only areas that may have to be treated are the connections where individual laterals connect into mains.

Chair Chmielewski noticed items in the sewer fund budget were crossed out and asked if the Federal funds could be used for the pumping station. The Director of Public Works advised it is a real possibility.

The Director of Finance stated this was done because of the high rate increase from Harford County that was not expected.

The Director of Public Works stated if the Federal funds are used moving forward, the sewer fund will be in great shape for Town residents.

Parking Fund Revenue:

The Director of Finance advised the Parking Fund has been hit extremely hard due to COVID-19. The assumption is the next fiscal year will be back to almost normal.

- Meter Collections - projected revenue is \$182,000 and based on history prior to the pandemic. This fiscal year through April, only \$59,000 was collected in meter money.
- Parking Fines - projected revenue is \$125,000. The Town has not had two full-time Parking Enforcement personnel for years. COVID-19 has also hit parking fines and this fiscal year through April, only \$67,000 have been collected.
- Leased Fees - projected revenue is \$70,064 and is \$3,000 higher in FY21. This is for all the parking lots and parking garage which remains fairly steady.
- County Share Operations - County reimburses the Town 67.2% of various operating expenses, such as insurance, maintenance contracts, and pro-rata owed to the General Fund and a portion of the parking garage sweeper. Projected revenue \$104,582.
- County Share Capital - within the agreement both the Town and Harford County agree to set \$15,000 aside each year for various capital work. The County's portion is \$10,080. The balance in the reserve is \$103,292 and both the Town and County must agree to use the money on any capital projects.

- Transfer from Retained Earnings - account is used to balance the budget for the Parking Fund. Expenses exceeds revenues and the only way to balance the budget is to transfer these monies. Projected amount is \$9,850.

Parking Fund Other:

The Parking fund is split into three categories.

- Parking Fine Charges - account reflects 20% collection fee paid to Passport for processing parking tickets and equates \$25,000 annually. Requested budget \$25,000.
- Debt Service - Parking Jeep - money borrowed for new hybrid Parking Enforcement vehicle. Interest only payments. Delivery of vehicle has been delayed.
- Depreciation - based upon actual depreciation from FY20 audit and capital improvements in FY21. Requested budget \$132,960.

Parking Fund Lots and Meters:

- Transfer to General Fund - Lots - works exactly like the Sewer Fund. These are payback to the General Fund. Requested budget \$156,150.

Parking Fund - Garage:

- Insurance Parking Garage - pays for cost of property, liability, garage keeper insurance, parking garage sweeper and includes 10% increase. Requested budget \$20,804.
- Debt Service accounts 0901, 0902, 0904. These show interest rates, principal balances, why money was borrowed, and last payment made.
- Transfer to General Fund - transfer to the General Fund for the Parking Garage.

The Director of Finance reported in the Sewer Fund and Parking Fund, if the Department has personnel that have some type of allocated share the percentages are reviewed every year.

The Director of Public Works asked if the Town does not have the revenues to transfer to the General Fund how will it be made up. The Director of Finance notified it is not a cash transfer but is a revenue and expense that needs to be shown as an expense in the

Parking Fund. The money is taken from the retained earnings which is from the unbalanced Enterprise Fund and still shows a loss.

The Director of Public Works reported:

- Operating Expenses - Lot - cost to operate and maintain the Town's parking lots and includes meter repairs, purchase of signs and materials to operate the lots. Includes annual cost of printing hang tag permits. Requested budget \$6,445.

The Director of Public Works notified the Resurface Lot project was postponed for fiscal year 2021 due to the pandemic and does not anticipate the funds will be available in fiscal year 2022.

- Operating Expenses - Parking Garage - account covers the cost of all utilities, plumbing, signs, sweeper brushes, mowing and all other miscellaneous expenses of operating the garage. Requested budget \$31,525.
- Elevator Contract/Maintenance - Parking Garage - funds the elevator service and maintenance contract. No capital projects are requested because of the pandemic. Requested budget \$7,050.

Commissioner Richards asked how much the garage generates net revenue and cost.

The Director of Finance stated meter collection from the garage and the lots are separated. The Director of Finance does not have information for the Parking Fund. The leased fees are separated per lot and per garage. The Director of Finance stated the piece missing is the parking fines because they come from several places throughout Town.

Commissioner Richards stated going forward it would be helpful to understand if the garage operates at a significant deficit or profit.

Commissioner Richards asked if the Town decided to sell the garage what right do we have because the County has an interest and what would it look like in a legal perspective. The Director of Finance advised that is laid out in the agreement and the options are clear. Commissioner Richards is willing to review documents as a follow-up.

Special Revenue Fund:

The Director of Finance advised grants can have more than one year to spend the money and rolls to the next year. Other accounts in this budget do not have a finite finish. This option is not available in the General Fund and each account in Special Revenue have its own reserve.

- Community Parks and Playground Grant - \$115,000 grant awarded and have a \$35,000 match for Homestead Park. The match is in the Planning Department budget and funded through Capital Reserve.
- Community Legacy Grant - \$280,000 grant to support the Office Street/Court House Square Phase II project and \$120,000 funded through the Town's prior years encumbrances. The Director of Finance advised the Town is waiting to hear about the grant.

The Director of Economic Development confirmed that the Town did not get the grant. The Director of Finance stated now this will have to come out of the budget.

- Community Development Block Grant - monies have not been used for the last several fiscal years. The thought was to utilize them on the Office Street/Court House Square project but unable to use for the project. Will be reallocating funds toward street projects but do not know if it will be this fiscal year or the next.

The Director of Finance advised the review of the FY22 budget is complete.

Discussion by Commissioners on Budget Issues

Commissioner Richards requested to lay out a list of outstanding items of what is needed to address for budget and non-budget. The Director of Finance advised 1-8 are budget related.

Chair Chmielewski wanted more information on the IT van and the Police Department looking for 3 new vehicles with 2 vehicles not on the replacement list. The Chief of Police informed they are on the replacement schedule and are costing a good amount of money for maintenance and upkeep. Two are Impala's and a 2011 Chevy Tahoe. Chair Chmielewski asked about the trucks for Department of Public Works. The Director of Public Works informed the

replacements are for a 2012 International trash truck, 2002 John Deer backhoe and 2005 Ford F350.

Commissioner Richards asked for the HSA cost. The Director of Finance stated \$60,000. Commissioner Richards wanted to top down:

1. \$.04 tax increase
2. fully fund the HSA
3. fully fund the new pay plan as submitted
4. move forward with the Town Hall/Police renovation

Commissioner Richards asked with this plus everything requested what is the deficit and then focus on what we want to cut. Commissioner Richards would like to fully fund the HSA and communicate to the employees that the HSA will be phased into a paid program over the next 2 to 3 years.

The Director of Finance understands and worked a number relating to partially funding the HSA. The Town may be in the same situation with health care in FY23 and FY24. If lowered, it would be \$600 for family and \$300 for single and need to add \$34,000 to the FY22 budget.

The Director of Administration stated the Town has been fortunate to offer the premiums but now have high claims and the increase of health care will continue. The Director of Administration advocates for education and advanced notice for employees to prepare for additional contributions. The Director of Administration stated it would be nice to delay the increase by funding fully or partially to have the time to get out more information to employees.

Commissioner Richards likes the idea of employees having input/feedback and supports it. Commissioner Richards recommends fully funding the HSA for FY22 and advised next year there will be a contribution to the medical and HSA.

The Director of Finance reported:

1. fully funding the HSA is \$60,000
2. budget shortfall with reducing the public utility revenue at \$55,000
3. medical insurance \$21,000 shortfall
4. received grant and need to fund a \$35,000 match

Total - about \$84,000 shortfall

Commissioner Richards recommends finding \$84,000 of expenses and might mean to cancel some projects and other items. Commissioner Richards asked about the Pocket Park.

The Director of Planning advised the grant has been received and our match is \$15,000 that could be delayed a year because the grant has a wide window to implement it. The Director of Planning prefers to reexamine the budget at mid-year.

Commissioner Richards asked about the implications if the Town does not collect on the grant. The consensus is returning money back is strongly not recommended and can jeopardize future grants.

The Town Administrator discussed the possibility of salary savings in not hiring July 1st and waiting until mid-year.

Commissioner Richards suggests looking at other things to defer or delay. Commissioner Bianca is concerned with the Town employees and would like to fully fund the HSA in FY22. Commissioner Bianca stated if we sharpen our pencils this can be done.

Discussions continued regarding:

- File Clerk position
- Construction Worker II position
- HVAC for the Armory classrooms and Planning Department
- Police vehicles
- Commissioners offered cuts from their budget
- Marketing funds
- Workman's Comp reserve
- Toughbook purchase
- IT van
- Town Administrator offered conference cost and raise
- Custodial position
- Police Department travel training

Outside Organizations:

The Director of Finance reported outside organizations were all flat funded.

The Commissioners agreed to flat fund the outside organizations.

The Director of Finance informed during the May 17th meeting there will be two public hearings, the Enterprise Funds and Special Revenue Fund. The final budget will be the tentative budget with changes discussed in this meeting.

The Director of Finance will email Commissioners the new balanced budget and requested a response that the Commissioners are comfortable with the changes.

Commissioner Richards requested the information include how much of the budget is "kicking things down the road" and how much is true budget reduction.

The Director of Planning stated now that we know the Town will not receive the grant money, can we take \$15,000 out of the encumbered monies and add toward the Office Street Pocket Park? The Director of Planning would like to keep the \$5,000 for Burns Alley. The Director of Finance will look at the way it was structured and advise.

The Director of Finance wanted clear direction on the IT van. The Director of Administration stated the van is a multi-purpose vehicle used in other ways. The concern is the expense of maintenance and repairs may be on the horizon. The Director of Public Works informed staff looked over the van and concluded it is in good shape and should not have repairs anytime soon. The Director of Administration requested not selling it. Commissioner Bianca recommends keeping a log on who is using it and the mileage to help get a better picture next year.

Commissioner Kahoe asked with going back to in-person meetings, will there be a need for virtual meeting software licenses. The Director of Administration advised the licenses were not budgeted in the current fiscal year and will allow the licenses to expire.

Chair Chmielewski is finding it hard not to fund the new IT position. Commissioner Richards asked for the figures. The Director of Finance stated \$53,000 that does not include medical/dental/vision. The total with medical is \$65,000 to

\$85,000. Commissioner Richards asked about hiring mid-year. The Director of Finance stated it could be cut to half, but the concern is having to later fully fund. Commissioner Richards suggested to include it and look at other places.

The Director of Public Works inquired about revenues projected for the new redevelopment at the mall. The Director of Finance advised that is hard to predict. Commissioner Hughes stated the project is not slated to be complete until Christmas of 2022.

The Town Administrator advised with the American Rescue money the Town talked about taking care of infrastructure as far as the sewer and the salary for this position may be picked up in part or altogether based on the savings. When looking at the big picture, it is difficult to say what we will or will not have with this money. The Town Administrator believes next year will be tight because things being put off this year will be items requested next year.

Commissioner Kahoe asked when looking at the guidelines for the Rescue money has anything else jumped out. The Town Administrator advised there is an interim rule and not a final one. The Town Administrator stated there is a number of items the Town would be able to cover with the funds that are justified.

The Town Administrator informed we need to address the quality of life for residents in Town because it is just as important as plowing roads, potholes being filled and police responding for emergencies.

Chair Chmielewski still has concern of not being able to take a bite out of the \$.04 tax increase, cutting things and not having people in place. Chair Chmielewski stated the parks are what got people through COVID-19. The Town Administrator advised the hardest thing this year was giving the Commissioners a proposed budget with a tax increase. When looking back the last several years, the Town Administrator commented on not having a good year for a tax increase.

The Director of Finance asked for direction on the IT position. The position for half year would be \$36,500.

The Director of Economic Development stated the Market Study is an important analysis/tool but could be postponed and approached again at mid-year budget. The Director of Planning stated the

Market Study would help the Comprehensive Plan. The Director of Planning advised the Census report should come in August/September.

Commissioner Kahoe asked when will the next Comprehensive Plan come out. The Director of Planning informed January/February/March, 2022 and if the Market Plan is not completed, the Town will be operating on old information. The Director of Economic Development explained items in the study that identifies what would bring a large company in to invest large amounts. Commissioner Richards stated larger retail companies have those demographics and are not waiting for a jurisdiction to do a Market Study. Commissioner Richards stated it is up to the Town when to execute and invest in a Market Study. Commissioner Richards thought it may be co-funded with the Alliance. Chair Chmielewski and Commissioner Kahoe suggested it be delayed. Commissioner Bianca asked will the Town be able to fund the IT position. The Director of Finance advised with taking out the Market Study six months may be too much. Commissioner Bianca commented summers are busy and thought the Construction Worker could be used earlier. The Director of Public Works wanted this position to help provide citizens with sidewalk/street maintenance repairs, better leaf collection and snow removal. The Director of Public Works informed of losing several personnel and would like the position when convenient for the Town. The Director of Public Works stated ideally it would be the end of summer.

The Commissioners want to make sure something is taken from their budget and the Town Administrator asked for travel/training/membership taken from his budget.

The Director of Public Works advised the guidelines for the American Rescue fund allows for essential employees. The Director of Public Works stated Harford County has provided some money to their employees and hopes the Town considers our essential employees who provided services during the pandemic. This will help morale.

The Chief of Police also asked for some benefit to the Police Officers and Dispatchers who worked during COVID-19. The Chief advised 11 employees contracted the virus because of interaction on the street. This will be a great boost in morale.

The Town Administrator advised this has been discussed and wants to be consistent with our employees. The Town Administrator is waiting on the definition of essential employee. Commissioner Bianca stated it is a well-deserved bonus. Chair Chmielewski requested to keep the Commissioners informed.

The Deputy Director of Finance informed the actual amount to be received from the rescue money may be more or less and recommends being conservative. The Deputy Director of Finance advised 18 Police Department employees had COVID-19.

The Director of Finance recapped the following:

- Remove the 2 HVAC from the Town buildings.
- Utilize the remainder of the Worker Comp Reserve - \$15,000.
- Remove the added hours for the File Clerk - \$8,700.
- Reinstitute \$60,000 for the HSA.
- Cutting the IT van - net savings of \$1,300.
- Removing Boundary Plan.
- Funding the \$15,000 match for the Office Street Pocket Park.
- Looking at Commissioners budget to remove dollars.
- \$1,700 removed from Town Administrator budget.
- Removing the Market Study - \$43,000.
- Adding back funding for the IT position for six months - hiring in January, 2022.
- DPW Construction Worker delay hiring no later than October 1, 2021.

Commissioner Richards requested the Director of Administration keep Commissioners posted on the plans to engage employees regarding health plans in the years to come.

The Director of Finance commented this has been a tough budget from the beginning to the end and thanked everyone for their time.

Commissioner Richards recognized the Director of Finance for the hard work in putting this together. Commissioner Richards stated this is how government works for people and this collaboration is impressive. Commissioner Kahoe seconds that and extended appreciation to all. Commissioner Bianca commented everyone

worked together to make this happen and there is a lot to be proud of.

The Director of Finance will email the Commissioners when changes are worked through and should be received no later than Thursday morning. The Director of Finance requested a response from each Commissioner.

COMMISSIONERS COMMENTS:

None.

ADJOURNMENT:

With no further comments, the meeting was adjourned at 7:36 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