

MINUTES
BUDGET LISTENING SESSION
Wednesday, January 18, 2023

A Budget Listening Session was held on Wednesday, January 18, 2023, at 6:30 p.m. at the Bel Air Armory Gymnasium.

IN ATTENDANCE:

Kevin Bianca, Town Commissioner
Mary Chance, Town Commissioner
Paula Etting, Town Commissioner
Trish Heidenreich, Director of Economic Development
Eddie Hopkins, Town Administrator
Donna Kahoe, Town Commissioner
Stephen Kline, Director of Public Works
Michael Krantz, Director of HR & Administration/Town Clerk
Lisa Moody, Director of Finance
Charles Moore, Chief of Police
Kevin Small, Director of Planning
Jane Sudbrink, Recording Secretary

ABSENT:

Erin Hughes, Town Commissioner

I. CALL TO ORDER

Mr. Hopkins called the meeting to order at 6:30 pm. He outlined that this meeting was a listening session only; no town business would be discussed. He said that he wanted to enable effective communication between employees, department heads, and town commissioners. This spring will be his first time crafting a budget as the new town administrator and he wanted to know about what the employees need and their thoughts. Mr. Hopkins said he could not make any promises or commitments, but minutes would be taken so that there would be a record. He asked for brevity in the presentations. He said that because more than three commissioners were present, the meeting was technically open to the public.

II. APPROVAL OF AGENDA

III. EMPLOYEE BUDGET LISTENING SESSION

A. Current/Active Town of Bel Air Employees Invited to Attend

1. Listen to Employee Comments and/or Suggestions

Officer Keith Smithson spoke first. As a member of the police department, his biggest concerns, as it has been in the past, were pay and benefits. He had already spoken to Mr. Hopkins and also with the previous town administrator, Mr. Bane. Officer Smithson said that he is appreciative of the new facilities, the training, and the equipment, but when it comes to equal pay with the sheriff's department, the Bel Air police department is lacking. His impression was that when it comes to budgeting, employees are not the priority and that other budgeting concerns take precedence. He reminded the group that the

town employees are the town's most valuable asset. Officer Smithson added that he knew the budget was stretched and that any lack of pay increase was not intentional.

Mr. Bianca and Ms. Etting thanked Officer Smithson for speaking candidly and assured him that they want him to feel valued. Officer Smithson added further that several officers may be retiring soon, and in order to attract new officers, the department must be competitive.

2. Identify Fiscal Year 2024 (FY24) Budget Concerns

Mr. Hopkins asked Ms. Moody to explain to the group how money is designated in the town budget. Ms. Moody discussed the American Rescue Plan Act (ARPA) funds and how they are distributed and spent in the town's budget. She said that \$3.8 million of the ARPA funds have been directed to the construction of the town's administration building. Ms. Moody said that the largest source of revenue for the town is real estate taxes. The town does not have the authority to go to the state of Maryland for other sources of revenue. The only real source of additional revenue for the town would be redevelopment. For example, Aberdeen and Havre de Grace are annexing, and therefore, their revenues have increased. However, Bel Air does not have the ability to annex; it can only develop upwards, which is not favorable to the local populace. Ms. Moody said that the assessment office reassesses properties every three years, and this is now occurring. She is hopeful that the impact of these assessments will be higher and, consequently, be beneficial to the budget.

Ms. Etting added that there was a recent town tax increase to help pay for the building construction so another tax increase would be unpopular. Ms. Moody noted that the cost of living has gone up significantly. She said that the last time the town raised taxes was in 2004, so that is a long period of time to go without raising taxes, which put the town behind fiscally. The recent tax increase of 4 cents, was portioned so that 3 cents went to debt service, leaving only 1 cent for the town's use.

Ms. Moody then explained that 72 percent of the budget goes to employee salaries and benefits. She said that statistically, that percentage is somewhat high, rather it should be in the upper sixties. She described how money is earmarked—if the town receives highway money from the state, that money must be spent on the town's roadways. She noted that income taxes are a volatile number and difficult to predict because they come from the state. Therefore, she budgets for those taxes conservatively. Ms. Moody said that the town does receive grant money, but that it is for specific projects. She described how in previous years' budgets money had to be cut out of operations and other areas in order to provide merit and COLA increases. Balancing the budget has become more and more difficult with the continued lack of growth in town.

Mr. Hopkins described the possible use of police grants but said these are not always feasible because of their expiration dates. He also said that accessing the reserve money in the budget is not in the town's best interests because there may not be money in the future to replace it.

3. Answer Employee Questions

Sergeant James Farrell asked whether the county could provide supplemental funds to the town in lieu of having to provide policing. Ms. Moody replied that in the past a study was conducted regarding this option and discussions were held. The county determined it was not interested in providing these funds. Chief Moore added that the police protection grant from the state will be based on the crime rate for each jurisdiction and because Bel Air has a low crime rate, he expects the town will not receive a

large sum of money. Sergeant Farrell asked whether some services that are provided by contractors could be done by employees instead. Ms. Moody replied that Mr. Hopkins has asked the department heads to review this option.

Ms. Moody also explained for Officer Smithson that ARPA money could not be used for salaries and benefits. It can only be used as a one-time pay benefit. ARPA money is finite, and once it is gone, it will be difficult to maintain increases that were put in place using that money. In addition, this use would negatively impact benefits such as FICA, workers' compensation, and pensions. Ms. Moody and Mr. Hopkins described the cost of workers' compensation and how the rate impacts the budget.

Alex Maro, union representative, suggested have police officers (in civilian attire) come to town board meetings to humanize the issues that affect the town. He commented on the passionate reactions from the public at a previous meeting and said the public should be made aware of the employees' needs too. Mr. Bianca thanked him for the offer.

Ms. Heidenreich spoke about the interconnectedness between the budget and the real estate of the town. She said that her main goal is to make the real estate look good and to make people want to live here, thereby increasing revenue. The most important thing in economic development is safety, i.e., the police department. Thus, she is continually looking for grants and ways to keep the real estate benchmark at its place or higher.

Officer Smithson asked about revenue from the hospital. Ms. Moody replied that it is a small amount—only if a building is leased by doctors. The hospital system itself does not pay the town. Ms. Moody noted that this is a good question because the hospital continues to grow and use the town's resources. She said that in some jurisdictions hospitals do a payment in lieu of taxes (PILOT).

Sergeant Farrell asked about the possibility of employing a commuter tax. Ms. Etting said this is used in major cities, but she questioned whether that commuter tax could be potentially employed on the town's citizens who work in another jurisdiction.

IV. MISCELLANEOUS

Officer Frank Graziano asked about what new businesses will be coming into town. Ms. Heidenreich listed several new businesses and changes to others. She noted, however, that the ground rent is high on some properties and that is sometimes a deterrent.

Mr. Louie Renteria, police officer, asked for the commissioners and those present to consider that the employees are the town's greatest asset. He mentioned the stress and regulations that are put on police officers. Mr. Hopkins concurred and said that the public relations specialist he hopes to hire will be tasked to create a message campaign that will humanize and highlight what the town and its employees do.

V. COMMISSIONERS' COMMENTS

All the commissioners then spoke individually on their appreciation and gratitude for the police and the department of public works. Ms. Joli Long noted that she receives words of appreciation daily from the public regarding the public works employees. Mr. Maro expressed gratitude for the administrative leave days that were given to employees, commenting on their importance to morale.

VI. ADJOURNMENT

Mr. Hopkins closed the meeting by thanking everyone for coming. He asked them to please encourage other employees to attend tomorrow's meeting. The meeting adjourned at 7:48 pm.

APPROVED: February 6, 2023

Signature on file _____

Kevin M. Bianca, Chair
Board of Town Commissioners

Signature on file _____

Michael L. Krantz, Town Clerk