

MINUTES

COSM

Commissioners

COSM Special Budget Workshop - Six Tuesday, May 4, 2021, 5:00 pm - 8:00 pm Special Remote Meeting

- I.

Call to Order for Working Session - Pledge of Allegiance

- President Harrod called to order the sixth special remote budget session of the Commissioners of St. Michaels at 5:00 p.m. in St. Michaels, Maryland and the Pledge of Allegiance was recited. Also present at the meeting were Commissioners Michael Bibb, David Breimhurst, Jaime Windon and Tad duPont, Town Manager Jean Weisman, Legislative Clerk Suzanna Warnick, Communications Manager Kimberly Weller, and members of the public.

President Harrod asked all individuals wishing to speak to provide their name and residence address. President Harrod also said the goal of this meeting was for the Commissioners to introduce the FY 2022 budget and set a Public Hearing.

II. Public Working Session on Fiscal Year 2022 Budget

- Commissioner duPont opened the discussion. He noted that he felt the Commissioners had done an admirable job of balancing everyone's needs. Commissioner duPont said he was pleased with the changes made to the budget structure which made it easier to read and comprehend. He added that he was especially pleased with the changes to be made to the Water Department including a planned upgrade to digital-read meters which he hoped would make the system more efficient and self-sustaining in the coming years. Commissioner duPont said he had proposed that the Town's surplus would be split between the Water Department and the Tourism/advertising budget as a contingency. Finally, Commissioner duPont said the budget could be amended at any time during the

year to meet circumstances, and he thanked the Commissioners for their work.

Fiscal Year 2022 Budget and Tax Rate

- Mrs. Weisman said she had prepared two draft budgets, one with Commissioner duPont's proposed reduced tax rate of \$.49 cents and the advertising reduction, and one with a tax rate remaining unchanged at \$.524.

Commissioner Windon said she was comfortable with the first draft of the budget that does not cut funding to advertising and does not have a tax cut. She added that the budget surplus should be re-invested.

Commissioner Breimhurst said he favored Commissioner duPont's budget version, which he felt was a good compromise and a balance of departmental needs, caution and future planning.

Commissioner Harrod said she could support Commissioner duPont's budget because provision had been made to increase the advertising from the budget surplus if necessary. There were no additional comments from the Commissioners.

III. Comments from the Public

- President Harrod then called for public comments. Mr. Speigel of Mulberry Street had a comment about taxes. Kim Hannon, President of the Business Association, said her business and other businesses pay into the accommodations tax, from which the advertising budget is derived. Ms. Hannon said the Town needs to be ever-present in the minds of visitors to bring them here. Michael Morgan of St. Michaels Marina said he supported the funding spent on advertising and referenced a letter he had sent to the Commissioners.

Chris Agharabi, St. Michaels restaurant owner, said that 2.5% was too little to be spending on advertising/marketing to begin with and that cutting the ad budget just to save a few cents on the dollar in property taxes was foolish. Kristin Greenaway, President of the Maritime Museum, Michael Hoffman, manager of the Inn at Perry

Cabin, and Terry Knopp of Foxy's Bar and Harbor Grill said that advertising/tourism was vital to the success of the Town.

IV. Comments from the Commissioners

- President Harrod raised the issue of the tax reduction and whether it would be of any significant benefit to taxpayers vs. reinvestment of a greater budget surplus. Commissioner Windon said the tax saving per resident was negligible even for wealthier property owners and she was therefore resistant to a tax cut. She added that most people she talked to would rather have improvement in services rather than a tax cut.

Commissioner Briemhurst said he opted for the budget with the tax reduction and felt that changes could be made to the budget if the need arises. Commissioners Breimhurst and Bibb introduced Commissioner duPont's budget with the \$.49 cent tax rate, putting the \$59,000 surplus into reserve, and the \$71,000 surplus from the Water Department - \$61,000 would be used for debt reduction, and \$10,000 would go into reserve. Mrs. Weisman then read the title of Ordinance No. 524 for the record. "Ordinance No. 524, an ordinance of The Commissioners of St. Michaels to set the tax rate and adopt the budget for Fiscal Year 2022."

Mrs. Weisman said the Public Hearing on the budget was set for May 12, 2021 and has been advertised. Mrs. Weisman then asked for a few minutes in Closed Session to discuss a personnel matter.

President Harrod called for a motion to close the Open Session and move into Closed Session. Commissioner Bibb made the motion, which was seconded by Commissioner Breimhurst, and which passed on a roll call vote of 5-0 in favor.

V. Announcement of Future Budget Meetings

- May 12 2021 - 6:00 - Public Hearing on FY22 Budget and COSM Regular Working Session

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VI. Adjournment

- The meeting was adjourned at 5:55 p.m.

