

MINUTES

COSM

Commissioners

COSM Budget Working Session 7

**Tuesday, April 12, 2022, 5:30 pm - 7:00 pm
Edgar M Bosley Jr. Municipal Admin Building
300 Mill Street; PO Box 206
St. Michaels, MD 21663**

1. Call to Order for Special Budget Working Session - Pledge of Allegiance

President Bibb called to order the 7th special remote budget session of the Commissioners of St. Michaels at 5:30 p.m. in St. Michaels, Maryland and the Pledge of Allegiance was recited. Also present at the meeting were Commissioners David Breimhurst, Tad duPont, Joyce Harrod and Aida Khalil, Legislative Clerk Suzanna Warnick, and members of the public both on-line and in person.

Commissioner Breimhurst disbursed to the Commissioners and will make available to the public a pi-chart that he developed showing where the money is coming from and going out in what proportions. Most of our taxes come from real estate. The real estate taxes coming from commercial properties paying 25% and residential properties 75%. The residential properties pay and bare the heavy burden of the load. Lodging pays the largest portion of real estate taxes on the 25%. Restaurants pay the least. The chart helps to see where the money is going.

Commissioner duPont explained what the inventory tax is. Tax based on value of inventory stock at the end of the year. Voted out several years ago.

Commissioner duPont suggested that this chart needs to get out to the public with Commissioner duPont stating that he is prepared to give a balanced budget today.

Commissioners then went over leases on cell towers, COLA of 4% for employees, with Chief, Town Manager and Public Works heads staying the same, Tourism and Communication going down to \$70,000, with Foundry being \$96,000 which includes salary. Additional items to be considered in the budget is Code Enforcement Officer salary.

2. Working Session on the Budget for FY23 and Tax Rate

- Fiscal Year 2023 Budget and Tax Rate

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Commissioner Breimhurst disbursed to the Commissioners and will make available to the public a pi-chart developed showing where the money is coming from and going and in what proportions. Most of our revenue comes from real estate taxes. The percentage of real estate taxes coming from commercial properties is 25% and residential is 75%

. Accommodations is second largest revenue to real estate taxes. There were comments between the Commissioners and all agreed that the chart needs to get to the public. Commissioner duPont stated that he is prepared to give a balanced budget today.

Commissioner duPont then explained what the inventory tax is. It is a small tax on the percentage of what a business holds at the end of the year.

Voted out for the Town businesses several years ago.

President duPont - Code Enforcement Officer will be going from part time to full time, funds needed for salary would increase.

Commissioner Khalil - A lot of projects now going across Planning Officer desk, does need some extra help. Commissioner Khalil reminded that the loss of \$46,622 in income received from Sprint-Nextel for tower use will not be in this FY23 Budget. In March of 2022 Town did receive a letter stating that they will be leaving the tower within several months.

Other changes to the budget includes changes to the Police vehicle maintenance - Change out vehicles from oldest to newest, including base line for maintenance of \$25,000 for a target amount.

President Bibb suggested the following capital items: Retaining walls on Mill Street Park and Kiosk - \$9,000; Plummer Drive resurface for \$17,000; Back Creek Park Bulkhead with Grant from DNR \$8,000 and increase budget for Parks and Recreation by \$3,000, to \$7,000 = Total Capital Improvements \$37,000, leaving \$110,000 in revenue left over.

Commissioner Breimhurst asked for the difference between 4-5%, which would be \$14,000 figure to increase COLA to 5%, Commissioner duPont stated that he would not agree to 5%. He also stated that the Foundry Group gave the Town a budget of \$96,000 which includes fees for advertising, for communication and marketing, and salary. Commissioner

duPont would like the number to be reduced to \$70,000 and feels that compared to what has been paid in the past, \$70,000 should be enough.

With the changes, Total Expenditures become \$3,108,315 and Total Revenue becomes \$147,526 if the discussed changes are accepted.

President Bibb brought to the attention of the Commissioners additional items that need to be discussed: outside contract with Ground Works who will be able to give the Town a good figure for grass cutting and yard work after cutting one time.

Public Hearing on the budget was scheduled for the next meeting, April 27, 2022.

Commissioner Khalil stated that several years ago, the Boy Scouts started building bee hives for their project. Commissioner Bibb stated that the Boy Scouts had no bees. Jeff Knapp has bees and donated 2 hives of bees to the Boy Scouts. The Town then received a letter from a concerned resident asking if the bees were approved by the Town. The Code is silent on permission for bees. Residents in the area, being a residential area, are not comfortable having bees in the back yards. Commissioners agreed that the bees need to be removed from the area at the Scout Cabin, but have the permission of the Commissioners to place the bees on Canton Farm on Town property. A letter will be sent to the concerned resident.

3. Comments from the Commissioners

There were no additional comments from the Commissioners.

4. Announcement of Future Budget Meetings

5. Adjournment

Motion to adjourn was made by Commissioner duPont and seconded by Commissioner Bibb. Meeting adjourned at 6:40 pm with unanimous consent.

Public Participation: All comments from the public will be taken during the period set aside for "Comments from the Public". The "Comments from the Public" portion of the Commission agenda shall have a limited time period as determined by the Commissioners, and shall be at the beginning and at the end of each agenda. To be recognized, a member of the public should raise his or her hand and wait to be recognized by the President. Comments and questions should be kept brief and to the point, and be directed to the President.