

Town of Ridgely Minutes for June 5, 2006

A public hearing on the proposed FY 07 budget was held in the Ridgely House at 7:00 pm on June 5, 2006. Linda Epperly-Glover, President; Nancy Gearhart, Commissioner; Chuck Hunter, Commissioner; Joe Mangini, Town Manager; Merl Evans, Chief of Police; Robin Eaton, Director of Public Works; David Crist, Supt. of Water/Wastewater; and Carol Balderson, Town Clerk, were present.

List attached as to other attendees.

Joe said this public hearing will be continued and concluded on June 19, 2006 at 6:00 pm. Then there will be a Special Meeting at 6:30 pm.

Joe read the notice of the public hearing into the record.

This is a proposed budget and can be amended. Ordinance #294 is the budget itself.

There are three major departments along with administration; the department of public works, public safety, and public utilities.

The way the budget gets started is each department head presents the Town Manager with their requests for the coming year. Salaries and benefits are generally handled through the administration and brought up to the Commissioners.

Joe explained that we were exempted from having to hold a Constant Yield Public Hearing this year since the taxes we are expecting do not go beyond the threshold.

Joe went on to explain the Town of Ridgely's budget consists of three major funds: General, Water, and Sewer.

The General Fund revenue comes from taxes and state shared revenue. The Water and Sewer Funds are Enterprise Funds and are funded through user fees, development fees, grants, and interest.

Joe reviewed the proposed budget (copy attached).

Revenue Highlights - **Rental Income** – Tower revenue is proposed at \$174,000. This is for Global Signal to purchase a 37-yr. easement. There are some legal issues that are being looked into. This may or may not happen. If not, the amount will be \$14,400.

Public Safety Impact Fee - \$1,000 for each dwelling unit.

Md. Transportation-Highway User Revenue is another big one - \$158,000.

Waste Collection – drop from \$60,000 to \$10,000. The recommendation from the administration is to delete the residential trash fee. No user fee. The \$10,000 is for commercial businesses.

Parks, Recreation and Culture - \$285,000 - \$200,000 is the state grant we received from Gov. Ehrlich and SHA for the rail to trail project. \$2200 is coming from Eastern Shore Heritage-Stories of the Chesapeake. There is a grant for \$15,000 from POS for park improvements/upgrades.

There is a parks and recs impact fee.

Sewer – Inflow/Infiltration Project - \$4,000,000. This would come from loans, grants, developers, etc. Archie Carroll asked if this was for the cost for existing sewer lines.

Joe said yes. They are also looking at relocating one or two pump stations.

Mr. Carroll asked if this would cover street repairs associated with repairs.

Joe said yes.

Developer Impact Fees - \$375,000 – These fees have been dramatically increased since he has been here. Development fees total is now about \$12,000 per dwelling unit (includes park fee, etc.)

Loan – Bell St. Pump Station - \$217,500 – This is the town portion for the new pump station put in for Lister Estates, but sized to handle future development. At that time the town had agreed to give the developer \$125,000 to have that done. When the Mid-Shore Business Tech Park came in, they were looking at running their sewer lines down Rt. 312 directly to the lagoon. Joe, David, and Robin made a recommendation to come to the new pump station. Instead of the town paying \$125,000, the county will

pay \$207,500. The other \$10,000 is earmarked to be paid by another subdivision coming into town (Walnut Farms). No cost to town citizens.

Water – Storage Tank & Well - \$1,000,000. There is currently a 200,000 gal. storage tank. It is recommended that we have 600,000 gals. storage. There is some discussion about having a tank at the Business Park.

Expense Highlights – Joe said the town went into the State Retirement Plan last year. The employees put in 2% and the town puts in up to 7.5% of the annual salary.

Audit fees go up with activities.

The administration is looking at hiring a secretary/receptionist to help in the office.

The admin. total is \$189,284.

Arlene Hege said she didn't know how the admin. expense could go down when you're adding an additional person.

Joe said one of the reasons for that is the admin. salaries are spread to the other departments. 50% of Joe's salary is in water and sewer.

Ted Wold said the information he has shows 80% in water and sewer.

Joe said that must be prior information. 50% of admin. salaries will be in water and sewer.

Police Dept. – Joe said expenses increased for several reasons. Health insurance is going up 24%. The administration is requesting the Commissioners to provide police protection 24/7. That would include the addition of 2 officers. This still needs to be discussed by the Commissioners.

There is \$25,000 in the police budget for telephones. That is because all cell phone costs are shown in the police budget.

Arlene Hege asked what the \$3500 for Drug Dog Expense is for.

Chief Evans said it is for food, training, and medical care. The dog was given to the department.

Streets – Joe said they put \$60,000 in for street work. The town is committed to doing 3rd Street this year and it will cost from \$120,000 to \$150,000. We have carryover money to cover this.

Electricity – Joe said the dramatic increases are anticipated in this budget.

Stormwater Management Study is being done. Don't know how much this will be.

Sanitation – The tipping fees are going up for FY 07. Cost is up 6 to 8% for normal trash, 50% for brush. This is the last contract year with the private hauler. The price goes to \$5.50 per residence July 1. This won't be paid by the residents if the Commissioners agree to do away with it. The fee only covers about half the cost anyway.

Encouraged residents to talk to the Commissioners about the garbage. Commissioners will have to decide what to do about the garbage next year when this contract is up.

Pension – Back Svc. Annual – To get into the State Pension Plan the Town had to agree to pick up all the back years of the employees service. The Commissioners agreed to do that. The cost is \$24,000 to \$25,000/yr. for 25 years. We are looking at other ways to finance this and get it paid off.

Sewer Expenses – Debt Pmts. (All Sewer) - \$250,000 includes the \$217,500 that we will get from the county and developers. There is still a debt service on the plant. There will be a small debt service on the Sunrise Ave. Pump Station. Instead of a \$90,000 loan the debt on this will be more like \$40,000 because the state let us use the grant funds (\$175,000) first.

Capital Purchases include an inspection camera, generator, dump truck totaling \$26,250 from sewer.

Water Expenses - \$1,000,000 for well and storage tank, and \$25,600 for annual water tank maintenance.

Other capital purchases include a generator for Well #3, generator for Well #4, fiberglass building for Well #4, and dump truck totaling \$49,750.

Joe reported on funds received for development related fees so far this year, and reviewed department breakdown sheets (attached).

Public Comments – Arlene Hege said in regard to the Police Dept., she was told they had all but about two hours covered. Now they are asking for two new officers. There is a 60% increase in overtime. How

can you hire two new officers and still have a 60% increase in overtime.

Chief Evans said Reimbursable Overtime was reduced because State Highway cut grants 70%. The Town will have to pay some overtime for DWI, speeding tickets, etc.

Ted Wold said he doesn't think two more officers are needed. That is the single largest item in the budget. There is about a 35% increase in the cost of operating in the next year. Our taxes can never afford that. This seriously needs to be looked at.

Commissioner Hunter said this is a proposed budget. Commissioners have spent several hours going over it already.

Joe said remember that there is a 35% increase in electric and 24% in medical benefits.

Chief Evans said there is a formula used to figure how many officers are needed (250 people per officer).

Chief Evans also said this is one of the few police departments that has a lot of revenue. Usually a police department is a straight red line. We have grants.

Arlene asked if the new person to be hired, secretary/receptionist, could be used for grant writing. Believes we need, at least, a part time grant writer.

Joe said he disagrees with that because they are expensive. The best thing to do is to give the Town Manager the assistance he needs so some of the activities he's doing right now can be handled by other people and let the Town Manager write the grants.

Joe said he is also looking into the possibility of handling planning and zoning as well. Working on a deal with that.

Joe reminded everyone that the public hearing is staying open until June 19. At that point there will be a special meeting. The budget has to be adopted before June 30.

Budget Hearing adjourned at 8:10 pm.

Respectfully submitted,
Carol A. Balderson
Clerk