

Unapproved

Commissioners of Ridgely

Minutes

December 1, 2008

The December Town Meeting was held in the Ridgely House on the above date at 7:00 pm. Chuck Hunter, President; Linda Epperly-Glover, Commissioner; Kathy Smith, Commissioner; Joe Mangini, Town Manager; Robin Eaton, Director of Public Works; David Crist, Supt. of Water/Wastewater; Merl Evans, Chief of Police; Chuck Creason and Stewart Ewing, Police Officers (present for part of meeting); Joanne Stepp, Admin. Asst.; and Carol Balderson, Clerk; were present. Chuck Krockner was also present for part of the meeting. List attached of others in attendance.

Call to Order – President Hunter opened the meeting with the Pledge of Allegiance and a moment of silence.

Approval of the Minutes – President Hunter made a motion to accept the minutes of November 3 Public Hearing, November 3 Regular Meeting, and November 6 Executive Session/Special Budget Meeting. Commissioner Epperly-Glover seconded the motions. All were unanimously approved as submitted.

Treasurer's Report – Clerk reported November bank balances as follows: General Fund - \$55,136.53, Sewer Fund - \$88,666.88, and Water Fund - \$7,528.33.

Police Report – Chief Evans reported that two search warrants were served on Treat UR Self Clothing next to Connolly's, as well as the owner's residence in Denton. Over \$7,000 worth of counterfeit clothing was removed from the store and residence.

The department delivered 60 dinners Thanksgiving Day to those in need in town.

Election Day went well with no incidents.

The police responded to a request for assistance from Denton PD Saturday night for a large fight at the fire house. Talbot and Dorchester Sheriff's departments, and other local departments also responded. 200 people were involved.

In November there were 6 adult arrests, 15 traffic citations, 81 traffic warnings, and 135 hours of foot patrol.

The Chief also reported he counted 16 unattended running vehicles (warming up) one day last week and reminded folks to be careful since a running vehicle is easy to steal. In most cases, the insurance company will not pay.

Chief Evans reported that Officer Mothersell will be leaving—going to Cambridge on Dec. 15. Chief Evans read his letter exercising the option in his contract and giving 90 days notice of his retirement.

Public Works Report – Robin reported on his department's activities and meetings during the month.

Some discussion on Christmas lights.

President Hunter said Frank Hall sent a nice letter to Public Works thanking them for repairing a pot hole on Maryland Ave.

Water/Sewer Report – David reported there are 85 days holding capacity in the lagoons. He reported on his activities during the month.

WWTP Upgrade Info – David reported that A Field is just about finished. The silt fence is up

and pipe work has been marked out in D Field.

Footers are done for new valve building.

The tee line for D Field has been taken out and capped.

Pipe tap in the contact chamber is the only thing left to do to be able to stream discharge January 1.

There were two bids on spray irrigation rigs. More info later.

Other Board/Commission/Committee Reports – EDC – John Balderson reported they had a business social on November 12 to try to get a business association started in town to help with obtaining grants, etc. There was a pretty good turnout. He expressed concern that no commissioners were present.

Planning/Zoning Commission – Martin Sokolich reported they met on November 19. They have been working on a plan for historic preservation of the CowBarn. This will be coming to the Commissioners.

Martin reported they have a draft update of the Comprehensive Plan on disk.

Martin reported they approved interior plans and signage for Queenstown Bank and Red Brick Pizza next to Subway. They also approved a sign for Kiddie Kastle Learning Center.

Dale Mumford asked about the arrangement for the rent payments for the day care center.

Joe reported it is a loan that will actually pay the rent for about four months.

Ridgely Historical Society – Janice White reported the Christmas balls this year are red and they have Rev. Ridgely's picture on them. They will be for sale at the Ridgely Pharmacy and the Smith House on December 6 for \$4. They will also have the full set (2003 through 2008) for sale for \$25.

Check out the telephone building—looking good. They are planning to display some large pictures on the inside.

The next meeting will be here Thursday at 7:00 pm. Light refreshments will be provided.

Town Manager's Report – Joe reported he is waiting for information from our engineers pertaining to covering engineering costs in our MDE loan.

Joe reported that JOK Walsh has expressed concern in holding on to the rails between Central and Park (Rails to Trails Project). Joe will invite him to the Work Session on December 15 along with the Rails to Trails Committee, the Planning Commission, Historical Society, DNR, and MDOT.

Joe reported we did receive the 2008 Coastal Communities Grant for Planning/Zoning work.

Joe also thanked Joanne Stepp for her work on the job descriptions.

Joanne reported there is a good chance that JOK's people will also do the interior of the telephone building. They will be talking with ESHI.

President Hunter reported there was a Work Session November 24 which ended in an Executive Session lasting until almost midnight. The Commissioners discussed cost saving endeavors, staffing cuts, positions, etc. They also discussed how, if staffing cuts were decided on, how they would be done. They asked Jack Hall to review the Personnel Manual and give recommendations on how cuts should be done. They received a response from him today, so they will be adjourning to an executive session at the end of this meeting tonight to further discuss staffing cuts.

New Business – a) Motion to approve Town Manager to solicit proposals for loan for Bell Street Sewer Pumping Station – Joe reported that there is a total of \$114,633.82 owed to the developer

(final cost). An invoice has gone to the county for the remaining portion of their part of this project for \$33,600.

This motion would allow him to solicit loan proposals from banks.

An invoice for (approx.) \$11,600 also went to the county for review of the Tech Park.

President Hunter made a motion to authorize Joe to look for a loan, seconded by Commissioner Epperly-Glover. Commissioner Smith opposed. Motion passed.

President Hunter said Ordinance No. 317 is for introduction, not adoption tonight. Budget copies are available. Joe will read the proposed changes.

December 15 will be a special budget meeting to adopt the amended budget at 7:00 pm.

Joe reviewed proposed budget adjustments as follows: General Fund Revenue - Local Income Taxes was \$80,000, changed to \$90,000; Building Permits was \$15,000, changed to \$11,000; Rental Income-tower was -0-, changed to \$1,210; Coastal Communities Grant added for \$5,000; CC Traffic Safety Program was \$84,000, changed to \$83,000; Law Enforcement Liaison Program was \$20,000, changed to -0-; Md. Highway Safety Grant was \$3,000, changed to -0-; Public Safety Impact Fee was \$20,000, changed to \$1,000; Other Misc. Revenues was \$23,500, changed to -0-; Fuel Excise Tax Reimb. was \$1,500, changed to \$1,880.25; Highway User Revenue was \$159,000, changed to \$153,000; Lister Est. HOA SWM Fees was \$2,500, changed to -0-; and Park Impact Fee was \$10,000, changed to \$1,000. General Fund Total Revenue was \$1,427,361, and is now \$1,355,951.25.

Sewer Fund – Developer Impact Fees was \$100,000, changed to -0-; Other sewer, waste and water charges was \$20,000, changed to -0-; Investment Earnings was \$5,000, changed to \$1,250; and Farm Lease-WWTP was -0-, changed to \$4,815. Sewer Total Revenue was \$1,905,000, and is now \$1,786,065.

Water Fund – Developer Impact Fees was \$60,000, changed to -0-; Other sewer, waste and water charges was \$20,000, changed to -0-; and Investment Earnings & Bank Fees was \$1,000, changed to \$500. Water Total Revenue was \$293,000, and is now \$212,500.

General Fund Expenses – Commissioner's Expense was \$1,000, changed to \$750; Audit Fees was \$10,000, changed to \$12,500; Misc. Program Exp. was \$15,000, changed to \$12,000; Town Manager's Exp. was \$2,500, changed to \$500; Misc. Program Exp. was \$2,000, changed to \$1,550; Health Insurance was \$7,704, changed to \$6,515; Training was \$500, changed to \$250; Subscriptions was \$500, changed to \$250; Admin. Asst. was \$12,000, changed to \$6,000 (this will need to be adjusted per actual); Legal Fees was \$3,000, changed to \$10,000; Supplies was \$7,500, changed to \$6,000; Copier Supplies & Maintenance was \$3,000, changed to \$2,500; Computer Supplies & Maint. was \$1,000, changed to \$50; Web Site Maint. & Newsletter was \$7,500, changed to \$8,000; and Conferences, Conventions & Meetings was \$1,500, changed to \$750. Total Admin. Expense was \$235,195, and is now \$226,506. (may be adjusted further)

Police Dept. – Misc. Program Exp. CCTS was -0-, changed to \$56,000; Law Enforcement Liaison Program was \$18,000, changed to -0-; State Retirement Contributions was \$22,831, changed to \$20,930; Workmen's Comp Insurance was \$19,450, changed to \$17,818; Health & Life Insurance was \$51,480, changed to \$40,425; Training was \$9,000, changed to \$6,000; Uniforms was \$6,000, changed to \$4,000; Payroll Taxes- FICA/FICAMED was \$23,698, changed to \$21,709; Subscriptions was \$750, changed to \$500; Admin. Asst. was \$2,000, changed to \$500 (subject to change); Supplies was \$4,000, changed to \$3,000; and Vehicle Fuel/Oil was \$16,000, changed to \$13,500. Total Police Dept. Expense was \$555,188, and is

now \$540,582.

Street Dept. – Sidewalk Work was \$4,000, changed to -0-; Street Signs was \$2,500, changed to \$2,000; Street Lights was \$30,500, changed to \$35,000; Misc. Program Exp. was \$1,500, changed to \$1,000; Health & Life Insurance was \$9,144, changed to \$5,633; Admin. Asst. was \$2,000, changed to \$500; Supplies was \$6,500, changed to \$3,000; Repair & Maintenance – Mobile Equipment was \$2,500, changed to \$1,500; Vehicle Fuel/Oil was \$6,000, changed to \$7,500; and Debt Service was \$50,000, changed to \$40,000. Total Street Dept. Expense was \$187,875, and is now \$167,864.

Sanitation Dept. – Overtime was \$1,000, changed to \$250; Health & Life Insurance was \$5,214, changed to \$3,819; Admin. Asst. was \$2,000, changed to \$500; and Supplies was \$1,000, changed to \$500. Total Sanitation Dept. Expense was \$150,084, and is now \$151,939.

Parks & Rec. Dept. – Street Decorations was \$3,000, changed to \$1,500; Misc. Program Expense was \$2,500, changed to \$1,500; Health & Life Insurance was \$5,424, changed to \$4,380; Admin. Asst. was \$2,000, changed to \$500; Supplies was \$2,500, changed to \$4,000; and Fuel was \$1,000, changed to \$1,500. Total Parks & Rec. Dept. Expense was \$261,397, and is now \$257,853.

Joe reported with these cuts there is still a deficit of \$11,293.

Sewer Dept. – Misc. Program Expense was \$5,000, changed to -0-; Overtime was \$5,000, changed to \$1,000; Health & Life Insurance was \$15,435, changed to \$11,861; Admin. Asst. was \$10,000, changed to \$2,500; Audit Fees was \$5,000, changed to \$6,250; Supplies was \$10,000, changed to \$9,000; Computer Supplies & Maintenance was \$750, changed to -0-; Computer Software & Maintenance was \$250, changed to -0-; Building Repairs & Maintenance was \$1,500, changed to \$1,000; and Repairs & Maintenance-Mobile Equip. was \$2,500, changed to \$1,000. Total Sewer Dept. Expense was \$1,820,793, and is now \$1,797,969.

The deficit is still \$11,904 in the sewer department.

Water Dept. – Misc. Program Expense was \$5,000, changed to -0-; Overtime was \$5,000, changed to \$1,000; Health & Life Insurance was \$15,435, changed to \$11,861; Computer Tech Services was \$250, changed to -0-; Admin. Asst. was \$10,000, changed to \$2,500; Audit Fees was \$5,000, changed to \$6,250; Supplies was \$15,000, changed to \$12,000; and Engineering – New Water Storage Tank was \$10,000, changed to -0-. Total Water Dept. Expense was \$266,744, and is now \$234,670.

The deficit is still \$22,170 in the water department.

President Hunter some of the things which do not appear here are modifications in gasoline usage, heating fuel, cell phone modification, and potential staffing cuts to cut the deficit.

Reinstitution of the trash fee has also been discussed. In 2002 the fee was increased to \$26/qtr. \$37.50/qtr. or \$45./qtr. have been discussed. Bulk trash has also been discussed. It costs \$30,000 (not everyone uses the service). They have talked about instituting a charge for that and/or offering it on a limited basis (twice a year, etc.).

Dale Mumford said you will still have to make a lot more cuts and/or raise taxes and institute fees to come up with the total deficit.

Joe said you don't have to retire the deficit in a year, and he would not recommend it. You would have to wipe out total departments to do that. We need to stop the bleeding in this current year budget, and then, need to come up with a plan for the future to retire the deficit as quickly as possible.

Dale said he thinks 2010 will be worse, what happens with that?

Young Woo agreed. Doesn't feel residents should be penalized with higher taxes/fees, people can't pay.

Mr. Woo said we are going to raise taxes and penalize the people. When they can't pay the water bill we turn them off. Income is getting lower and expenses keep going up. He said he has lived here 24 years; moved out of town. Every year things are growing and it is supposed to be better for the people, but it's not. He said people can't drink the water, after all the money that has been spent...chlorine is so bad it burns your eyes in the shower.

Nancy said we're getting ready to go into bad times economically and we have this large deficit. What is the goal?

President Hunter said our town auditor and the state auditor said don't spend more money than you have; run a surplus and pay down the deficit over a period of 2 to 3 years. They are trying to keep the townspeople as harmless as possible. That is why they are spending hours going through the budget to cut expenses.

Nancy said developer fees were put in the budget last year and the budget had to be amended. Doesn't think the budget is taken seriously.

Dale asked if the auditor ever said there was a problem here.

President Hunter said he came here at the Commissioners' request. He also said there were some fees that we thought we would get, MDE threw a klinker into the whole thing.

We have to do something now.

Commissioner Epperly-Glover said we started falling behind when we did away with the trash fee.

Joe said the total general fund deficit showing at the end of FY 08 will be about \$238,000. The loss in revenue to the town, just by the trash fee alone (at \$26.), was \$120,000. The reduction in the tax rate from .53 to .51 is another \$20,000+.

Down the road, if development does not happen, a tax rate increase will have to be considered. In July of 2007 the town was poised to have a major development come into town. They were within months of having final approval, the DRRA was signed, the commitments were made, everything was there. There were phone calls made and the project was stopped in its tracks when MDE came to us and questioned the operation of the plant. After about six months of trying to convince them we were on the right track to correct the plant, and show them the plan, a lot of developments that were waiting to get approved couldn't get subdivision approvals and signoffs for another 6+ months. There are about 80 units there. Hopefully, they will come on line. Then the economy caught up with everybody. The impact fees that were taken out were those projects.

Young Woo said more development does not help the town people. This has not been of any benefit to anybody.

Young said we need to work on correcting the problem by cutting expenses and increasing revenue. All of the people need to be informed about what is going to happen before it happens.

Nancy questioned street work funding as one of the causes.

Joe said \$184,000 was taken out of general fund reserves for the Liberty Street project. It was budgeted for \$70,000 (went \$114,000 over budget) before he came here. He worked it out with the contractor to pay it in monthly installments with no interest.

Joe said the Commissioners need to make these decisions, but he feels the trash fee is an

important part of what we are talking about for deficit reduction. He made the recommendation to take off the trash fee and reduce the tax rate, but with development not happening now, it was not a correct recommendation to make.

Joe said the properties in Lister Estates (89) probably bring in about one third of the property taxes in town. He doesn't think the services the town provides comes anywhere near eating that up. The people themselves have been good for this town. The town could certainly have done a better job of negotiating with the developer. One of the facets was the Bell Street Pump Station. \$125,000 was approved by the town for that project and the only thing it really did was make the enlargement of that pump station ready; it didn't make it come on line to service the other 286 units that were out there. We didn't find that out until we tried to get the county to come in. The purpose of having them go there was to save them and us some money. The other commitment made, either by the commissioners or the previous town manager, was Walnut Street. That's another \$40,000 to \$50,000.

Dale said if fees have to be reinstated do it once and don't come back in 3 months asking for more. If you have problems with whether or not you can live without it, put it in a contingency fund and decide each issue as it comes out. We should also start each budget year with the deficit or surplus from the previous year.

Rick Schwab said if the trash fee is reinstated, it needs to go to pay for the service; not to fix the deficit.

Joe said the actual cost for total trash per unit is \$255/yr. The people can't afford that. They are trying to cut that in half. The major recommendation to the town (when the deficit was \$30,000 and \$60,000) was to reinstate the trash fee.

There was some discussion as to whether trash costs would be reduced when the new landfill opens since we will be close to it.

President Hunter made a motion to pay the November bills, seconded by Commissioner Epperly-Glover. Unanimously agreed.

President Hunter made a motion to adjourn to executive session at 8:50 pm.

Respectfully submitted,

Carol A. Balderson, Clerk