

## Commissioners of Ridgely

### Minutes January 5, 2009

The 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; Merl Evans, Chief of Police; Robin Eaton, Director of Public Works; David Crist, Supt. of Water/Wastewater; Carol Balderson, Town Clerk; and Jason Gidge of Trice Geary & Myers; were present.

The following residents were also present: Janice White, Linda Ross, Leo Stepp, Joanne Stepp, Dale Mumford, Betty J. Mumford, Cathy Schwab, Rick Schwab, Rev. Denzil Cheek, David Hege, Nancy Gearhart, Martin Sokolich, Gerald Sutton, and John Balderson.

**Call to Order** – President Hunter called the meeting to order with the Pledge of Allegiance and a moment of silence for our service men and women.

He then introduced Jason Gidge to give the audit report.

Jason said he met with the Commissioners to go over some internal topics prior to this meeting. Jason said the FY 2008 audit was very similar in structure to last year's audit. There were some new SAS requirements which required more documentation.

The Town of Ridgely did receive an unqualified opinion again this year, which is basically a clean opinion. There were no scope limitations or material items of that nature.

Jason went on to report that the town did not incur any new debt during the year. The general fund had a loss of about \$178,000 which brings the town to about a \$237,000 deficit. He has had multiple discussions with the council and with the Town Manager and Clerk and the town has already implemented some plans to help rectify this deficit over the next few years.

Jason reported the water and sewer fund had a net loss of \$153,000, bringing the net assets down to just over \$5.6 million.

Cash at year end for all funds was about \$160,000. Combined net assets were \$5.8 million. The combined unrestricted deficit was \$427,097.

Jason reported that every year they have noted that the town does not employ sufficient number of people in the accounting function to eliminate those people from performing incompatible duties.

Dale Mumford asked why 3 people in the office was not enough to segregate duties.

Jason responded that with 3 people in finance, no one could ever be out.

Dale also asked why with three years with a deficit the state seemed concerned, but we didn't seem to be concerned until this year.

Jason said he is always concerned when there is a deficit, but up until this year it wasn't of such a large nature that he was that concerned. This year it has grown. Last year, the deficit was about \$60,000 (6%); it has grown to about 23% of our annual revenues.

Dale asked what he thought 2010 would look like.

Jason said the town has made some serious cuts and are still looking into it. From what he has already seen he doesn't think this is going to be an issue going forward. Making steps in the right direction. Multiple scenario situations got us to where we are, and now we have to back up. Jason read from Joe's portion of the MD&A report in the audit (page 10): "As the Town

completed the year, its governmental funds reported a combined fund deficit of \$237,900, an increase of approximately \$178,000 from prior year. The Town began implementing cost saving plans in December 2008 in order to restore this deficit. Four employee positions were eliminated which resulted in a decrease in salaries and related benefits expense of approximately \$180,000 annually. Other operating costs in FY 2009 will be reduced in three departments; town administration by \$8,200, public safety by \$32,500, and public works by \$30,400.”

Joe added that the town is also analyzing revenues.

Commissioner Smith asked if the cash was not available to pay for debt now, did he recommend taking out more loans at this point in time.

Jason said as a government, it is usually a general practice to always take out loans for any of your long-term items.

Commissioner Smith said if you don't have the cash to pay them back...

Jason said then you are not going to have the cash to buy that item, so you have to take out debt. That might be part of the reason you could be low on cash.

Nancy Gearhart asked what the total debt is now.

Jason reported \$647,000 in water/sewer fund and (excluding compensated assets) \$456,000 in the general fund.

Discussion on debt limits, total debt, and payback.

Joe said we are moving in the right direction to correct the deficit. Decisions will have to be made on the budget every year. He said water and sewer is governed by the State of Md. and you need to do things so that you don't get in trouble; so you don't have \$50,000/day fines. That is why this upgrade is being done. We also had to replace two lift stations. Water and sewer fees will have to be looked at.

Anyone who would like to have a copy of the audit to take home can get a copy from the Clerk.

**Treasurer's Report** – Clerk reported a general fund balance of \$84,388.28 (includes street loan funds), sewer fund balance of \$34,166.27, and water fund balance of \$7,543.30. Bill list presented to the Commissioners for payment approval.

**Police Report** – Chief Evans reported a normal increase in domestic problems over the Christmas season – 1 arrest. There was also an increase in minor thefts; for those who purchased new bikes, please lock them or secure them indoors.

Adult arrests – 1, juveniles – 1, citations – 12, warnings – 75, and foot patrol – 123.

Year end adult arrests – 104, juveniles – 29, DUI – 10, drug arrests – 12, citations – 200, warnings – 1187, foot patrol – 1565, and court hours – 179.

The Chief said Commissioner Smith had said at the last meeting that her store was robbed. It was a shoplift and not a robbery.

Commissioner Smith questioned skate park monitoring.

Chief Evans said he was told to leave the park open. They do not have the manpower to monitor it, and are not doing registrations any more.

Jack Hall said the insurance companies are the experts.

Joe reported that 3 resumes have been received for Police Chief. He is waiting for the Commissioners to approve the ad he had drawn up. We have not advertised yet.

**Public Works Report** – Robin reported on his department's activities, meetings, etc.

Trash barrels are waiting for painting (NCHS).

Robin reminded the Commissioners about his presentation on vehicle gas.

**Water/Sewer Report** – David reported 40 days holding capacity in the lagoon and stream discharge has been started.

**WWTP Upgrade** – David reported today was the contractor’s first day back after a two week break. They tapped into the chlorine contact chamber. The electrical contractor has been in and done quite a bit of work.

They had a progress meeting on December 9. Thinks they will be done on time if the weather holds up.

**Other Board/Commission/Committee Reports** – Commissioner Smith said there was a miscommunication regarding the EDC Business Social. She apologized for the Commissioners not showing up.

**Planning/Zoning Commission** – Martin Sokolich reported they met on Dec. 17. One of the things they talked about was a change in the agreement with Cyberridge. The original agreement did not allow persons under the age of 13 in there. They agreed that persons under the age of 13 would be permitted in with an adult.

Martin reported they met with Steve Horne – Elm Street – He made a presentation about the state of the economy and the building industry. They feel the original plan for Ridgely Park is not going to be able to stand and presented a rough concept design using about a third of the land they had originally to build on. They let the options go on part of the McNomee farm and the Saulsbury parcel. They have reconfigured the lots to be larger. They are looking for some positive feedback from the town. There was no formal response to that.

Dale Mumford said the existing DRRA should be done away with asap.

Joe said the DRRA will have to be revised to accommodate the 140+/- units. He thinks the basic parameters will still be there, it will just be less.

Martin said we’re basically starting over.

Dale said the \$1.5 million WWTP Upgrade Project we have to pay for. If someone comes along and has a need for 200 connections, we shouldn’t be locked into that document.

Joe said one of the things that has occurred is that back in 2004 (or before, when Dale was president) the Commissioners entered into an MOU with the county for the Tech Park. The Town followed that up with a signed MOU approved by the Commissioners of Ridgely and the Caroline County Commissioners which authorized the town to provide water and sewer to the Tech Park.

Joe said we did approve and supply 9,000 gals. to the first phase of the Tech Park. The Town is also obligated to provide another 36,000 gals. of sewer to the Tech Park. That’s a total of 45,000 gals. that has to be applied out of the present plant. The State is allowing us to move forward with our upgrade of \$1.5 million to 200,000 gpd. One of the reasons for that is because of pending development that has occurred and was approved by the Town. That included Ridgely Park, however, if no development happens in the Town then that 36,000 gals. is still earmarked for the Tech happens in the Town then that 36,000 gals. is still earmarked for the Tech Park, whether it comes or not. The reason for that is the County and the State went into major debt (\$10 to \$12 million now). They were able to get that money from EPA based upon the agreement that the Commissioners of Ridgely made with the Caroline County Commissioners. Joe and Robin met with the County and said if they wanted the allocation they had to pay for it, but, legally that wasn’t the case. The allocation had been approved to the entire Tech Park. Dale said there are 2 houses on Chicken Bridge (out of town limits) that are atrocious.

Joe said he has talked to Jackie Naylor, letters have been written. He said the County is doing all they can to rectify the problem.

More discussion with Jack Hall on the DRRA.

Ridgely Historical Society – Janice White said the January meeting was changed to Jan. 8.

**Town Manager's Report** – Development Projects – Joe reported that Ridgeway Estates came in today for another building permit.

Mid Shore Regional Business Technology Park – Joe reported that \$36,300 toward the Bell Street Pump Station has been paid to the Town. \$11,600 in review fees that was owed was also paid to the Town.

Municipal Capital Projects – Water Storage Tank – Joe said he wants to talk to someone involved with the stimulus package to see if this can be included.

Greater Ridgely Rails to Trails – Joe reported MDOT wants us to go to bid as soon as possible. JOK Walsh said bid, and add addendum. He will check with Sylvia Ramsey to see how she would like us to proceed.

Need to call a meeting.

Joe said money will have to be returned on the ESHI grant. Next year we can go for another one.

Pending Issues – Joe reported that Joanne will be with us until the end of the month. She has completed employee job descriptions. Commissioners will have to review those.

Joanne is working with Missy on updating the Personnel Code.

Joe reported that as of Jan. 1 there is 37,933 gals. left in the WWTP Allocation Capacity Management Plan. This may go up or down based on the figures David turns in for CY2008.

Development Escrow Accounts – Joe reported they have been paid up except for one.

**New Business** – Ordinance No. 318 – “An Ordinance of the Commissioners of Ridgely to Obtain a Capital Improvement Loan from Queenstown Bank to Pay for the Town’s Share of the Costs for the New Bell Street Sewer Pumping Station” – (Adoption)

Joe reported the Town was initially obligated for \$125,000 (costs came in higher than that). We have been able to knock that down to \$75,000 with the County coming in.

Requested proposals from several banks. Queenstown Bank is the only one that came in with a proposal. It is for 15 yrs. @ 4.5%.

PNC Bank requested additional information. Provident State Bank also had some questions.

Joe said this loan can be paid out of current sewer revenue.

Joe also recommended that the Commissioners require a \$500 fee on new homes coming into the Town that would be utilizing that pump station. There are 39 that have been approved by the Planning Commission, and we have received funding on two of those.

Joe reviewed the history on this pump station.

President Hunter made a motion to approve Ordinance No. 318 (a loan with Queenstown Bank), seconded by Commissioner Epperly-Glover. Commissioner Smith opposed. Motion passed.

Jack Hall explained loan related documents.

Jack produced Resolution R-03-09 stating some changes/conditions to loan documents.

President Hunter made a motion to approve Resolution R-03-09, seconded by Commissioner Epperly-Glover. Commissioner Smith opposed. Motion passed.

Resolution R-1-09 – “A Resolution of the Commissioners of Ridgely Accepting Certain County Roads As Municipal Streets” – Joe said the roads are Seward, Hog Lot, and Racetrack. The County will be acting on this tomorrow. They will be doing their own resolution making the

transfer. Jack will be working on something for us next month.

Resolution R-2-09 – “A Resolution of the Commissioners of Ridgely to Renew the Town of Ridgely’s Urban Renewal Line of Credit” – President Hunter said this is done every year. President Hunter made a motion to adopt Res. R-2-09, seconded by Commissioner Epperly-Glover. Passed unanimously.

Resolution R-04-09 – “A Resolution of the Commissioners of Ridgely to Reinstate the Fee for Solid Waste Removal” (introduction)

President Hunter said this will be discussed at the Work Session scheduled for Jan. 26 at 7:00 pm.

**Public Comments** – Cathy Schwab asked if there is a job description for Police Chief that will be posted in various papers, etc.

President Hunter said there is an issue with the ad.

A lady said they met with the Town Manager a while ago and they were advised to come to the Commissioners. Her parents own property off of Chicken Bridge Rd. and they provided a right of way to the Town for water/sewer lines for Dayspring Apts.

They are having problems getting water and sewer and wanted to tap into the town lines to get one house built there.

President Hunter advised them to come to a Work Session with any paperwork related to the issue.

Dale Mumford said several years ago it was agreed that water and sewer extensions would only be done when properties were in the town limits. They said they would not annex those properties into the Town until they were brought up to reasonable codes.

The lady asked who made the decision for Dayspring Town Homes.

Dale said that was done before his time.

She said they will be at the Work Session.

Rev. Cheek thanked Robin for handicap parking spaces at the Brethren Church. He also said this year is the 125<sup>th</sup> anniversary of the Brethren Church in Town.

Nancy requested that agendas and minutes be posted on the web site for Work Sessions.

Meeting adjourned at 9:10 pm.

Respectfully submitted,

Carol A. Balderson  
Clerk

