

Town of Perryville
Public Hearing/Special Meeting Minutes
February 21, 2023 6:15 pm Town Hall Meeting Room

Attendance: Mayor: Matthew Roath, Commissioners: Michelle Linkey, Robert Taylor, Timothy Snelling, Christina Aldridge, Town Administrator: George Patchell, Assistant Town Administrator: Cathy McCardell, Finance Director: Debra Sharpe, Town Clerk: Jackie Sample.

The February 21, 2023 Public Hearing was called to order by Mayor Roath at 6:15 p.m.

Approval of the February 21, 2023 Public Hearing Agenda

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to approve the February 21, 2023 Public Hearing Agenda as written. **All in Favor: Motion Carried.**

Ordinance 2023-04 Infrastructure Bonds, 2023 Series A

Ms. Sharpe explained that some things have changed, we have gotten a new revised estimate from Mr. Ryan and there was a misunderstanding in the beginning of how far over you wanted Otsego Street to go, he had taken it down to Smith Lane, we had it revised just to go to Front Street, to get the ones that are really bad at this point. The revised estimate only goes down to Front Street which reduced the estimate from approximately \$2,600,000 million to \$2,250,000 and we are adding \$100,000 for the bond fees, so right now it looks as if what we are going to be borrowing is \$2,350,000. Then the question came up whether we ought to go for 20 or 30 years. Currently the 30 year is not in the original Ordinance and we are going to amend tonight to extend the terms, not committing to anything. This will give us a wide range of options to decide at the last minute. We will be one of six participants in this bond issuance and all of the participants share in the trustee fees that are out there, five of them are committed to the twenty year so their share of the trust fees would end at that point. If we continue on to 25 years then we would have to share the whole burden of the trust fees each year which would be about \$8,000 extra each year, also the longer the term the higher the interest rate. She did projections based on different scenarios, she would like to introduce the amended Ordinance that gives us the option of some time to play with it, but it is going to be her recommendation to continue with the 20 year term. She did 3 different scenarios, one is the \$2,350,000 for 20 years at 5.75%, which is the higher range of what they think they would have to charge us, which would work out to \$197,988.00 a year. Looking at 30 years, it works out to be \$170,880 but the rate would be at 6.1%. The 3rd one for 20 years, if it was issued today the higher rate would be 4.5%, making a huge difference bring it down to \$178,404.00, getting close to that number would make a huge difference, they may be raising the rates by 2% over the next month.

Mayor Roath asked to be reminded what we expect to get from the Highway User Funds.

Mr. Patchell responded that it is \$243,000.

Mr. Patchell reminded them that we are not obligated to use HUR money it is a creative way that he and Debbie to come up with the funds for street projects without having to use general dollars to pay the bond debt.

Ms. Sharpe reminded them that last year and the next budget we will pay off a total of \$108,642 of other debt.

Commissioner Linkey inquired if she has a flat rate of interest that we would be paying for each one.

Ms. Sharpe responded that she would have to get that for her.

Ms. Sharpe explained that it is interest free bonds so we are obligated to pay the full term.

Commissioner Snelling inquired if we can carry the Highway User Funds over yearly.

Ms. Sharpe responded yes and no, we can carry them over like we did last year basically putting it into a fund where the sole purpose is to use it for highway use, it is in a reserve fund to be used this year for several things.

Mr. Patchell responded that we will be able to do some additional street projects with those funds because we were able to roll over two consecutive years, to at least possibly start one of the other side streets.

Mayor Roath responded that conceptually this is using the Highway User Funds in a more effective and overall way instead of piecemealing certain projects.

Ms. Sharpe responded in the past it was too much to just do patching but wasn't enough to do a big project. So we are going to borrow money on the bond that the State would issue and the payments would be paid by the Highway User Fund revenue a tax we get from the State of Maryland every year which should cover the majority of the payments.

Mayor Roath asked for Public comment, there was none.

Commissioner Aldridge asked for clarification of the option that Debbie had mentioned earlier.

Mayor Roath stated that he believes the option is 30 years, but the recommendation is to stick with the 20 years, however, if we have a much larger interest rate we have the backup with going with 30 years and keeping it within an annual budget, so the option is the structure of the funding.

Mr. Patchell commented that the amendments give us the flexibility to move up and down before we actually commit.

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to adjourn the Public Hearing and go into a Special Meeting at 6:30 p.m. **All in Favor: Motion Carried**

Town of Perryville
Special Meeting Minutes
February 21, 2023 6:30 pm Town Hall Meeting Room

Attendance: Mayor: Matthew Roath, Commissioners: Michelle Linkey, Robert Taylor, Timothy Snelling, Christina Aldridge, Town Administrator: George Patchell, Assistant Town Administrator: Cathy McCardell, Finance Director: Debra Sharpe, Town Clerk: Jackie Sample.

The February 21, 2023 Special Meeting was called to order by Mayor Roath at 6:30 p.m.

Approval of the February 21, 2023 Public Hearing Agenda

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to approve the February 21, 2023 Special Meeting Agenda as written. **All in Favor: Motion Carried.**

Ordinance 2023-04 Infrastructure Bonds, 2023 Series A Amendments

Ms. Sharpe explained that we asked the bond Counsel to amend the original ordinance that was introduced to give ourselves more leeway for a couple of different options, so we are extending our options to perhaps 30 years at the prevailing interest rate that the State has quoted at this point and that is basically the full extent of the amendment.

Commissioner Linkey asked for clarification that it is two amendments, not one or the other to which Mr. Patchell concurred. If you choose to adopt the Ordinance you would approve amendment one and two for Ordinance 2023-04.

Motion was made by Commissioner Linkey and seconded by Commissioner Taylor to amendments one and two for Ordinance 2023-04. **All in Favor: Motion Carried.**

Motion was made by Commissioner Linkey and seconded by Commissioner Taylor to approve Ordinance 2023-04 as amended. **All in Favor: Motion Carried.**

Motion was made by Commissioner Linkey and seconded by Commissioner Taylor to adjourn the February 21, 2023 Special Meeting at 6:33 p.m. and go into a Work Session **All in Favor: Motion Carried.**

Respectfully submitted,



Jackie Sample
Perryville Town Clerk

