

**Town of Perryville
Town Meeting Minutes
May 5, 2021**

ATTENDANCE: Mayor: Robert R. Ashby Jr., Town Commissioners: Michelle Linkey, Robert Taylor, Timothy Snelling, Christina Aldridge, Assistant Town Administrator: Cathy McCardell, Finance Director: Debra Laubach, Planning and Zoning Director: Dianna Battaglia, Police Lieutenant: Michael Reno, Town Attorney: Fred Sussman, Town Clerk: Jackie Sample.

Remote Public Participation: Amy Yackanech, Jackie Weih, Tamatha Raines, Amanda Paoletti, Charles Scholian, and Jane Bellmyer.

The Town Meeting in its entirety can be listened to on the Town's web site at www.perryvillemd.org.

The May 5, 2021 Town Meeting was called to order at 7:00 p.m. by Mayor Ashby.

Pledge of Allegiance

Approval of Remote Participation Request

Mayor Ashby stated that there will be no remote participation request because all of the Commissioners will be in place within the next minute.

Approval of the Town Meeting Agenda

Motion was made by Commissioner Taylor and seconded by Commissioner Snelling to approve the May 5, 2021 Town Meeting Agenda as written. **All in Favor: Motion Carried.**

Approval of Consent Agenda

Motion was made by Commissioner Taylor and seconded by Commissioner Aldridge to approve the consent agenda minutes as written consisting of the April 6, 2021 Town Meeting Minutes, the April 6, 2021 Closed Session Minutes, the April 15, 2021 Budget Hearing Minutes, the April 15, 2021 Special Meeting Minutes, the April 20, 2021 Work Session Minutes, the April 20, 2021 Special Meeting Minutes. **All in Favor: Motion Carried.**

Commissioner Reports

Commissioner Taylor's Report

Commissioner Taylor reported that on Monday we had an issue at the Water Plant, the compressors which run the air valves that controls the process of making water at the plant failed and we were unable to make water for about 24 hours. We have rented a diesel air compressor and are now making water and water levels in both towers are at normal operating levels. We have that compressor for about a month, and it is going to cost around \$400. We are in the process of looking into replacing them because they are so old, they no longer make parts for

them. The compressors that failed were 14 years old and the manufacturer stated that they have a service life of 7 to 8 years, so we have gotten our money's worth out of them. We will have more information by the next Town Meeting as to what is going on, but hopefully get them replaced within the next month.

Mayor Ashby asked if there were any questions of Commissioner Taylor's report, which there were none.

Commissioner Linkey's Report

Commissioner Linkey stated that her report will be on-line. They are interviewing for the Park Department and the DPW vacancy will be posted shortly. She attended the Little League Parade and Opening Day event, and it was a wonderful event, and she was glad to see everyone's participation in that

Mayor Ashby asked if there were any questions of Commissioner Linkey's report, which there were none.

Commissioner Snelling's Report -

Commissioner Snelling reported that he met with Ms. Battaglia, the Planning and Zoning Director, earlier today and he attended the Planning Commission meeting on April 19th. He reported that he attended the dedication of the new Little League Field on Saturday. The Farmers Market opened on Saturday at Rodgers Tavern and it will continue Saturdays during the season. The concession stand at the boat ramp will open this month on the 15th. On the third Friday the Cruisers will start on the 21st of this month.

Mayor Ashby asked if there were any questions of Commissioner Snelling's report.

Commissioner Linkey inquired if the Car Show was the first and third Fridays, or just the third. Commissioner Taylor and Ms. Battaglia responded that it was just the third Friday.

Commissioner Aldridge's Report -

Commissioner Aldridge reminded everyone that the Town Hall office is still open, allowing one person at a time. There is a park position open and Town Hall has received several applications and will be setting up interviews soon. Town Hall is preparing for the Election in May and the full report can be found on-line.

Mayor Ashby asked if there were any questions of Commissioner Aldridge's report, which there were none.

Mayor's Ashby's Report

Mayor Ashby reported that he attended numerous meetings this past month, with Chesapeake Overlook and there is a lot of interest for there, and meetings with Great Wolf Lodge and a meeting with investors interested in the Woodlands property. He was honored to ride in the Little League Parade and get to cut the ribbon on the new Little League field this past weekend and is proud to be a part of this community. He had numerous meetings at the State level about Covid.

Mayor Ashby asked if there were any questions of his report, which there were none.

Treasurer's Report - Debra Laubach

Ms. Laubach deferred her detailed report to be found on-line due to the very extensive agenda tonight.

Mayor Ashby asked if there were any questions of Ms. Laubach's report for those that had read it, which there were none.

Police Report - Lieutenant Reno

Lieutenant Reno reported on behalf of Chief Nitz. He reported that BCI informed us that they went to the key card system for entrance at Fairgreen and will keep the key code system active temporarily until the residents get used to the new system. We received a complaint about speeders on Otsego Street, so we had officers set up speed enforcement. where we had. One hundred vehicles were clocked and out of those 100 vehicles, the average speed was only 19 miles per hour and the rest of the report will be on-line.

Outreach Report - Lieutenant Reno

Lieutenant Reno highlighted a couple of items from the Outreach Report. They are planning a cookout with the Police on June 12th starting around 11 a.m. Ms. Hemling has been applying for several grants to help supplement the case workers salary.

Planning and Zoning Report - Ms. Battaglia

Ms. Battaglia did not have anything to highlight from her report, the full report will be on-line.

Engineers Report - Mrs. McCardell

Mrs. McCardell reported on some items that Mr. Ryan had highlighted on his written report. Mr. Ryan is currently working on the EAP (Emergency Action Plan) contact information and submitting it to MDE. He is also continuing with the design of the water main boring operations for Station 16 and working with the Fire Company and MDE to develop construction plans and details for Station 16 water main and updating the construction cost estimate based on detailed design. Regarding the Stormwater Management BPM's for sewer improvement for

Great Wolf Lodge, the Town chose FWA to pursue the SWM design mitigation work of POI 9 and POI 10 for mitigation of Sewer Improvements for the Great Wolf Lodge project and held a site visit with FWA and a project start-up meeting to begin the project. For construction review on projects, he reviewed and commented on Richmond Hill Roads and Storm Drains Construction Plan Set. He also reviewed Great Wolf Lodge and Entrance Plans.

Mayor Ashby inquired if there were any questions from the floor, which there were none.

From the Floor

There were no comments or questions from the floor.

Perryville Little League Electricity Cost - Amy Yackanech

Mrs. Yackanech wanted to thank everyone for attending the Little League Opening Day event. She stated that they are still working with Delmarva on the electricity cost and our engineer came out and had contacts that he is trying to get a hold of, so we really do not have a lot of info tonight, she was asking to table it until next month since there is no new information. She knows that the engineer looked at the electric box and noticed a couple of things that were not quite done correctly and was going to fix them for free. He also has the inspector coming back out to help us with the things that need to be fixed. Unfortunately, it has been over a year, so nothing is under warranty anymore. The hope is that once some of things are fixed that may help with the electricity cost since it will pull the electricity different from where it has been pulled.

Mayor Ashby knows that she has been away, but he inquired if she had been able to meet with Amanda or Dianna about grant opportunities.

Mrs. Yackanech responded that she could probably do that this week, she was trying to wait to see what the Engineer was going to do before I went that route with you guys, but she can move forward with that sometime this week.

Mayor Ashby inquired if the Engineer was coming this week.

Mrs. Yackanech responded that he has already come, we are just waiting for more information from Delmarva on our options through the Engineer in providing more information to them.

Mayor Ashby inquired if she wants to go on the Work Session.

Mrs. Yackanech responded that we can do that, she will see where we are at and send us an update and you guys can decide from there.

Event Request for Al Cesky Scholarship Fund -

Mayor Ashby stated that we have an event request for the Al Cesky Scholarship Fund, Inc. Fundraiser ½ marathon and 10k event, and for waiver of fees. He asked if Mr. Corson was on-line, which he was not.

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to approve the Al Cesky Scholarship Fund, Inc. Fundraiser ½ marathon and 10k event, and waive the fees.

All in Favor: Motion Carried.

Collette Water Connection Request - Mrs. Battaglia

Mayor Ashby announced that the next item is the Collette Water Connection request, he will be abstaining from this vote due to the closeness in relationship to his employer to Mr. Collette.

Mrs. Battaglia stated that we discussed this at the Work Session regarding this water connection. Commissioner Linkey had wanted some more information from both Public Works and the Town Engineer. Ms. Battaglia stated that we did get Engineer comments today and she forwarded them to you earlier, and she also received comments back from Aaron. Aaron commented that whatever decision was made he would make sure that it is done properly, if, we have the agreement. Aaron commented that he had conversations with Commissioner Linkey about this.

Commissioner Linkey noted that she did receive the response from the Engineer, indicating what we needed on the plans, but did not say whether that is what we had. She did try to contact Ralph today, but did not get a call back from him, so is still unclear of what we have. She wants this to get off the books and done well but does not want there to be any issues along the way. She did not get a good enough feeling from the response from Ralph.

Mrs. Battaglia responded that he did not address the attached layout specifically.

Commissioner Linkey responded that she wants to get this done, but she wants it done correctly.

Mayor Ashby asked Mr. Sussman if he had anything to add, since the Attorneys were involved in this.

Mr. Sussman commented that he believes that this agreement with Collette LLC. and the Town is what was negotiated between both parties and counsel. If the Mayor and Commissioners feel that it is not appropriate, they either do a correction to what changes you want to see or put it back on Work Session for further clarification from other Town staff and hopefully work out the small details to put this behind us.

Commissioner Linkey is not sure that this is considered a minor issue, since it is the drawing that she is worried about, whether they are adequate or not, so that nothing comes back from the Town and Collette and his tenants are able to have water without any issues as well. We still need to do all the due diligence to make sure that it gets done, and of the drawings are appropriate we should get that definite ok from our Engineer before we start that, and we have not.

Mrs. Battaglia responded that the way that our code reads, any plans submitted must be reviewed by the Engineer to determine if he has enough information to allow it to move forward.

Town Meeting Minutes
May 5, 2021

Commissioner Linkey responded that the Ruff's had to do engineered drawings by an engineer to get theirs passed through, and she wants to make sure that we are following all our own regulations to get this done and done correctly.

Mayor Ashby reminded Mrs. Battaglia that this started almost 3 years ago.

Mr. Sussman pointed out that the Mayor should not participate in this discussion.

Mayor Ashby just wanted to know why our engineer has not received or added anything to these drawings up to this point.

Commissioner Linkey believes that the drawings are recent.

Mrs. Battaglia responded that the drawings were submitted months ago, and it was incorporated into the agreement that is before you. The water and sewer code reads that the Town Engineer determines requested extensions to be feasible to allow to move forward. Mrs. Battaglia stated that in the Water and Sewer Code it reads that it is under the supervision of the Town Engineer pursuant to plans prepared in accordance Town specifications and approved by the Town Engineer. The plans that are submitted are hand drawn, with measurements that were provided by the contractor that will be doing this work, so we need clarification from our Engineer that this plan is sufficient in his review and he did not answer that in his email today, she does not know why he did not respond specifically to the layout that was submitted to him.

Commissioner Taylor noticed that the connection fee amount in the agreement is \$5,000, and we have raised that water connection fees in recent months. He questioned whether this agreement was grandfathered in under the old fees.

Mrs. Battaglia responded that in conversations with Commissioner Linkey about this agreement, she did indicate that she would honor the \$5,000 credit.

Commissioner Taylor is fine with that if we were in negotiations with this agreement prior to us voting, he believes that this would fall into the grandfather clause.

Commissioner Linkey clarified that if he is stating that instead of charging him \$7,000 that it is now, to charge him what the fee was.

Commissioner Taylor responded that the agreement here references \$5,000, which is the old rate. He believes that when we voted to raise the connection fees, we grandfathered anybody in that already had a building permit already on file or an agreement such as this.

Commissioner Linkey clarified that what you are saying is that he would not be responsible for the extra \$2,000, which she would be ok with and had mentioned that to Dianna several times.

Commissioner Taylor responded that the Engineers comments are one of the things that we wanted, and we still have not got them he would move to table this until the next Town Meeting so that we can have the information.

Commissioner Linkey responded to have it at the next Work Session.

Commissioner Taylor responded that we do not vote at the Work Session.

Commissioner Linkey would still want to discuss it.

Commissioner Taylor responded that we could still discuss it at the Work Session, we could table it until the Work Session to discuss, then vote on it at the next Town Meeting and make sure that the Engineers gets us a complete response.

Mrs. McCardell responded that she will talk to him tomorrow.

Commissioner Taylor clarified the above mentioned would be his motion.

Commissioner Snelling agreed with that.

Mayor Ashby still wants to know why this entire time Mr. Ryan did not, in his opinion do his job up to this point.

Commissioner Linkey does not feel this is the time or place to discuss that.

Mayor Ashby asked Commissioner Taylor to restate his motion.

Motion was made by Commissioner Taylor and seconded by Commissioner Snelling to table the water connection vote and discuss it at the next Work Session and bring it on for vote at the June Town Meeting. **Four in Favor, 1 abstain (Mayor Ashby): Motion Carried.**

Ordinance 2021-04 - Official Zoning Map - Mrs. Battaglia

Mrs. Battaglia stated that Ordinance 2021-04 is for the purpose of adopting a certain new Official Zoning Map for the Town of Perryville and repealing all prior Official Zoning Maps. As discussed at the Work Session we are required by the Zoning Ordinance to have official Zoning Maps, and with recent Annexations we redid those maps to incorporate the annexed areas. All the zoning throughout the Town of Perryville remained the same. The new zoning was applied to the annexed areas and the open space designation for parks was applied to all the Town parks.

Mayor Ashby inquired if there were any questions from the board regarding this Ordinance, which there was not. He asked for a motion.

Motion was made by Commissioner Linkey and seconded by Commissioner Taylor to approve Ordinance 2021-04. Discussion, Commissioner Snelling thinks that it is good to have the parks uniform now under the same zoning ordinance. **All in Favor: Motion Carried.**

Sewer Improvement Project Bids - Mrs. Battaglia

Mrs. Battaglia explained that this was discussed at the Work Session, there were several bids from various contractors and AECOM reviewed them for compliance with all of the bid documents. AECOM made a recommendation to the board at the Work Session on who they thought the bid should be awarded to, however, he was unable to attend this evening.

Commissioner Linkey asked if anyone has the bid paperwork, they were distributed.

Commissioner Taylor commented that given the discussion at the Work Session and AECOM's confidence in the bidding from R.E. Pierson and the dramatic cost saving for that he would move to accept R.E. Pierson's bid for the sewer improvement project, seconded by Commissioner Linkey. Discussion: Mayor Ashby announced for the public to be aware that R.E. Pierson's bid amount came in at 4.75 million dollars. Commissioner Taylor also made note that the next lowest bid was 6.35 million dollars. **All in Favor: Motion Carried.**

Emergency Ordinance 2021-06 Interfund Loan Authorization No. 1 -Deb Laubach

Ms. Laubach responded that she was looking for a motion to waive the prohibition in Section C4-1 of the Town Charter against passing an ordinance at a meeting in which it was introduced so that the board may vote on Ordinance 2021-06 Interfund Loan Authorization No. 1 as an Emergency Ordinance.

Commissioner Taylor corrected Ms. Laubach, stating that the ordinance must be introduced first, then to vote on waiving the prohibition of passing an ordinance at the same meeting that it was introduced.

Ms. Laubach summarized Ordinance 2021-06 Interfund Loan Authorization No.1. She explained that an interfund loan policy was adopted by Resolution 2020-16 in December of 2020. It states the criteria and the ground rules for any interfund loans. An analysis establishes the minimum and maximum amounts that are needed in our reserves to comply with the Town's Fund Balance Policy. An analysis had been distributed to the board, final column of analysis shows how much would be surplus over minimum and maximum requirements. This is the amount that we could spend. All Ordinances and Resolutions that are being presented tonight are within guidelines. Now that Great Wolf will be moving forward very soon, we need to put in place the formal funding for the sewer expansion project. Emergency Ordinances 2021-06 and Emergency Ordinance 2021-07 are being put forth as emergency ordinances so that the project can move forward as quickly as possible with our contractor R.E. Pierson. The total cost of the project including AECOM's cost and a 10% contingency for change orders is \$6,279,496. However, of the amount, we are receiving a net sewer connection fee from Great Wolf for \$2,778,000, we are also receiving a net facilities fee of \$444,000. If we apply the full amount of the cost that we are getting from the fees to the construction cost, the shortfall that would need to be funded with interfund loans would be \$3,057,496. These ordinances will show that I created a loan from the Water Fund in the amount of 2 million dollars. The Water Fund is receiving the same connection fees as the Sewer Fund which is a net of 2,778,000. Emergency Ordinance 2021-07 will lend 2 million dollars of those funds to the sewer fund. The remaining \$778,000 revenue will be surplus which will go into retained earnings of the Water Fund and will then be available for future projects. The remaining shortfall of \$1,057,496 will come from a loan from the General Fund which will be authorized with the passing of Emergency Ordinance 2021-06. The terms of both loans are 20 years at zero percent interest. Ms. Laubach read the introductory paragraph for Emergency Ordinance 2021-06 on behalf of Mayor Ashby, that this Emergency Ordinance 2021-06 concerns Interfund Loan No.1 Authorization for the purpose of authorizing a certain Interfund

loan from the Town's General Fund to the Town's Sewer Fund; specifying the terms of such Interfund Loan, and generally related to a certain Interfund Loan for the Town of Perryville.

Mayor Ashby asked if anyone had any questions of Ms. Laubach on this introduction. There were no questions so he went to item G, looking for a motion to waive the prohibition in Section C4-1 of the Town Charter against passing an ordinance at a meeting in which it was introduced so that the board may vote on Ordinance 2021-06 Interfund Loan Authorization No. 1 as an Emergency Ordinance.

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to waive the prohibition in Section C4-1 of the Town Charter against passing an ordinance at a meeting in which it was introduced so that the board may vote on Ordinance 2021-06 Interfund Loan Authorization No. 1 as an Emergency Ordinance. He asked for questions or comments on this motion.

Commissioner Taylor commented that Mrs. Weih has her hand up on the board, not sure if we want to have discussions from the floor on this.

Commissioner Linkey made note that generally we do questions from the floor during from the floor.

Mayor Ashby allowed Ms. Weih to comment if it can be kept under two minutes, she did not comment at that time.

Mayor Ashby again asked for a vote on the Motion. **All in Favor: Motion Carried.**

Ms. Weih, a resident attending remotely wanted to comment. She just wanted to know why it was an emergency that needed to be voted on now since this has been in the works for such a long period of time.

Mayor Ashby responded that it is the contracts in how they are written and need to be enforced within 60 days, so the contracts can be honored and keep the prices where they are.

Ms. Laubach stated that a certification in support of the Interfund loan would also need to be included with the Ordinances, but it does not have to be voted on.

Motion was made by Commissioner Linkey and seconded by Commissioner Taylor to approve Ordinance 2021-06 making it an emergency ordinance. **All in Favor: Motion Carried.**

Emergency Ordinance 2021-07 - Interfund Loan Authorization No. 2 - Deb Laubach

Ms. Laubach read the introductory paragraph on behalf of the Mayor Ashby. Emergency Ordinance 2021-07 is for Interfund Loan No. 2 Authorization for the purpose of authorizing a certain Inter-fund loan from the Town's Water Fund to the Town's Sewer Fund; specifying the terms of such Inter-fund loan; and generally related to a certain Inter-fund loan for the Town of Perryville.

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to waive the prohibition in Section C4-1 of the Town Charter against passing an ordinance at a meeting in which

it was introduced so that the board may vote on Ordinance 2021-07 Interfund Loan Authorization No. 2 as an Emergency Ordinance. He asked for questions or comments on this motion, there were no questions. **All in Favor: Motion Carried.**

Motion was made by Commissioner Linkey and seconded by Commissioner Taylor to approve Ordinance 2021-07 as an Emergency Ordinance. **All in Favor: Motion Carried.**

Ordinance 2021-08 Budget Amendment Ordinance - Introduction - Deb Laubach

Ms. Laubach read the introductory paragraph on behalf of Mayor Ashby for Budget Amendment Ordinance 2021-08 regarding a budget amendment for FY 21 for the purpose of amending the adopted budget for the Town of Perryville for the FY beginning July 1, 2020, and ending June 30, 2021, to appropriate for certain purposes certain funds and generally related to amendment of the Town's FY 2021 budget.

Ms. Laubach explained that this Budget Amendment Ordinance reverses what is currently in the budget for the funding of the sewer expansion project. In the past we have used estimates on what we are going to have to spend on the project, and they have been rolled over for a couple of years now. This is going to put in place the actual funding and the actual cost of the project. She reverses what is in the budget and records the interfund loans on the books for the General Fund, the Water Fund, and the Sewer Fund. She will be recording the connection and facilities fees that we receive from Great Wolf for the sewer and the connection fees for the Water Fund. We are recognizing \$35,000 because we received a Community Legacy Grant, and she needs to fund various departments for unemployment taxes, due to the pandemic everyone had some very large increases to their rates. We are still at the lowest rate out there, but it increased from .003 to .022 and this is the first quarter of the calendar year where they assess all the taxes. There is also a request to fund additional repairs on Police vehicles in the amount of \$4,500. Public Works had asked for additional funds for anticipated repairs on mains and meters through the end of the year, because if the unexpected expenditure when they did the connection on Broad Street.

Mayor Ashby asked if there were any questions of this budget amendment.

Resolution 2021-02 - Debt Management Policy Amendment - Deb Laubach

Ms. Laubach stated that this was discussed at the last Work Session. This is a Resolution of the Mayor and Commissioners of the Town of Perryville to approve an amendment to the debt management policy. In the past we had our percentage of our long-term debt not to exceed 10%, we now feel that it needs to be increased to 15% because of all the Capital projects that are taking place and other expenditures. Ms. Laubach stated that any projects coming forth in the next couple of years should be covered with this increase.

Mayor Ashby asked if there were any questions regarding this amendment.

Motion was made by Commissioner Taylor and seconded by Commissioner Aldridge to approve Resolution 2021-02, the Debt Policy Amendment. Discussion ensued.

Commissioner Linkey wanted to make sure that Ms. Laubach still felt that the 15% was sufficient, because it is still rather on the low side.

Ms. Laubach responded that she does, she included the anticipated projects that are planned for the next several years and they should easily be covered.

Commissioner Taylor pointed out that our debt management policy has been historically low compared to other Town's he thinks that raising it to 15% to manage these Capital projects is a good idea because these projects are going to need to be done to promote the growth of the Town over the next few years. In order to comply if left at 10%, we would need to come up with a \$500,000 to \$700,000 payment immediately for compliance which would require a dramatic raising of Town taxes, which the board has decided that we do not want to do.

Mayor Ashby asked if there were any additional comments, which there were none.

All in Favor: Motion Carried.

Resolution 2021-04 - Assignment of certain portion of Town's water fund balance to a certain purpose - Deb Laubach

Ms. Laubach explained that this Resolution is to assign \$85,000 which was already appropriated in our Fiscal 21 budget from Water Funds Unrestricted to the Town's Water Fund Capital Projects Fund. The sum of \$85,000 is being accrued every year so that they can be used toward the replacement of the water membranes which has an expected life of 7 years.

Commissioner Taylor explained that we currently have two water membrane trains at the Water Plant for producing water and slower is better when it comes to water filtering. The pressure can be increased to create water faster, but it is not as efficient and deteriorates the membranes faster. In the future when Great Wolf and other businesses come in, we are going to have to increase our capacity for water flow and we are going to have two ways to do that, hire additional people and run the plant around the clock which will degrade the filters faster, or put in four trains instead of the current two that we have. Having four trains will allow us to meet the water capacity with the normal amount of people that we have on the clock, and not running night shifts. In addition to that we would have four trains if one were to go bad, we would still be operating on three. So, we are setting aside money to replace them because that is a big job.

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to approve Resolution 2021-04.

All in Favor: Motion Carried.

Resolution 2021-05 - Assignment of Funds for the MS4 Permit - Ms. Laubach

Ms. Laubach stated that Resolution 2021-05 is a Resolution of the Mayor and Commissioners of the Town of Perryville to assign a certain portion of the Town's general fund unrestricted fund balance to a certain purpose. She is asking to assign funds to the Town's Capital Project fund for the MS4 project. This would be a transfer of all unspent appropriations for the last few years for this project. It would transfer the funds from General Funds Unrestricted fund account to the Town's Capital Project Fund. The purpose for this is because

we anticipate an extremely expensive project as time goes on, and there have been funds that we have appropriated over the last few years that were not fully spent.

Mayor Ashby asked the board members if they had any questions or comments.

Commissioner Snelling asked for clarification that the funds were not earmarked for anything else.

Ms. Laubach responded that they were not, in the year which they first appeared they were earmarked for the MS4 project, the permitting portion, totaling \$112,438.

Commissioner Taylor explained that the Municipal Separate Storm Sewer System Permit, known as MS4, is a permit that is required by the State for us to comply with. A lot of it has to do with infiltration and inflow to fix rainwater getting into our sewer systems and runoff into the bay, and planting trees in certain locations. It is a very expensive project that is required by the State and we are expected to comply with it.

Commissioner Linkey questioned whether this was General Fund, not the Water and Sewer Fund.

Ms. Laubach responded that what happens is that it all goes back to the General Fund.

Commissioner Snelling inquired if there was any State funding available since this is a State mandated project.

Ms. Laubach responded that it is currently not, at this point we do not anticipate getting anything, we believe that it is going to have to be self-funded.

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to approve Resolution 2021-05. **All in Favor: Motion Carried.**

Resolution 2021-06 - Ms. Laubach

Ms. Laubach explained that this Resolution of the Mayor and Commissioners of the Town of Perryville to assign a certain portion of the Town's General Fund Unrestricted Fund balance to a certain purpose. Ms. Laubach explained that in reviewing the various savings and checking accounts she noticed that there were several accounts that had been opened up in the past that are unused. She would like to close those accounts out and merge those funds into the general checking account, since this is where all of the disbursements come from anyway. She attached the four accounts that she is talking about. One was one from years ago that was put aside for Grant Revitalization, instead it was funded from the General checking account at that time, another was for Facility Reserves, a very small amount sitting in the MLGIP account. Another was the Community Activities account, which has been accruing funds, with all of the Farmers Markets and other activities that we charge for, but we are not dispersing from that account, because that is not a normal checking account, so this account would just merge over, and we keep track of everything by way of journal entries.

Commissioner Taylor inquired if this was unallocated funds that we can just add to the General Fund, which is approximately \$46,000.

Ms. Laubach responded that it is, at this point it has been dispersed from the General checking account.

Commissioner Linkey was concerned about the Parade Fund, that was specifically for parades.

Commissioner Taylor responded that we already allocated funds for the Christmas Parade this year, we have a line item for it, along with the Halloween Party, and Tap into the Tavern.

Commissioner Linkey thought that the parade money came from a specific line item.

Ms. Laubach responded that her understanding is that years ago it did, but it has not for the last five years.

Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to approve Resolution 2021-06.

All in Favor: Motion Carried.

PEG Bandwidth - Ms. Laubach

Ms. Laubach explained that this is an assignment of the cell tower lease from Uniti to Everstream.

Motion was made by Commissioner Linkey and seconded by Commissioner Aldridge to re-assign the Land Lease Agreement between PEG Bandwidth and the Town of Perryville. **All in Favor: Motion Carried.**

Resolution 2021-03 - Local Impact Budget Amendment- Ms. Laubach

Ms. Laubach wanted to address some misconceptions that she has seen posted on-line prior to discussing the Local Impact Budget and budget for this year. Ms. Laubach explained the American Rescue Plan is one of the main reasons that we are retaining the current tax rate. It prohibits, not only offsets in losses of revenue from tax funds but prohibits a tax rate cut. Violation of this law could jeopardize receiving nearly 3.7 million dollars in the recovery fund.

To read verbatim from the law.....

*"A State or territory shall not use the funds provided under this section or transferred pursuant to section 603(c)(4) to either directly or indirectly offset a reduction in the net tax revenue of such State or territory resulting from a change in law, regulation, or administrative interpretation during the covered period that reduces any tax (by providing for a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase."***[4]**

The vagueness of the wording is why at least 13 states are currently suing the Federal government to remove that condition. It is my personal recommendation as Finance Director that

Town Meeting Minutes
May 5, 2021

it is not worth taking a risk of losing those funds and, I, therefore, recommend retaining our current tax rate. The other misconception I have seen posted is the size of the Towns budget over the last few years. Just because a budget is approved for a specific amount does not mean that is how much was actually spent during the year.

In FY20, our budget funded the Sewer Expansion Project in anticipation of Great Wolf building here. Due to COVID and Great Wolf expanding its capacity, the Project was pushed off in FY20 and the majority of FY21. It is anticipated that the Project will be funded before the end of this Fiscal Year. However, the majority of the expenditures will not materialize until FY22 and FY23. Each year, the unspent funds go back into our reserves. We then have to reappropriate them in the next year. We are not spending these huge amounts of money every year. It is the same expenses being rolled forward into the next Fiscal Year.

Ms. Weih stated that she has seen what was posted on Facebook as well and had read what Ms. Laubach is saying, but her understanding of the clear meaning of the language is not that decreasing the constant yield will put any of the funds in jeopardy. She wants to make sure that the Town is aware of that, because it is a loss in revenue as a result of a tax decrease. With the tax staying the same as a result of keeping the constant yield tax rate the same is not going to result in a loss of revenue that would have to be offset by any of these funds. She wants to make that clear to everyone before this is finally voted on. You are stating that it is not an increase, but it is an increase, and it puts a tax burden on the citizens of Perryville. It will not put any of these funds in jeopardy and it is a tax increase for all of us.

Mayor Ashby stated that he will have Ms. Laubach respond to this since she is a CPA, and the Town Attorney, or any of the other board members that have anything to add to this comment.

Ms. Laubach reiterated what she had stated in the way that the law read, it stated that the reduction, or any type of a cut could not be done by providing reduction in a rate. There are 13 Attorney General's in different States who specialize in Constitutional Law who are opposing this clause because of the very reason that we are bringing this forth here.

Commissioner Taylor appreciates Ms. Weih's discussion she brought to the board, but it appears that that we have the Town Attorney and our CPA that feel that it could jeopardize our funds. His argument for keeping the tax rates where they are versus lowering it to the constant yield actually fall outside of that argument, altogether. He believes that it is the responsible thing for the Town to do, to keep the tax rate where it is, people may pay a very small amount, and it is a smaller amount because their property is worth more money now.

Commissioner Snelling agreed with Commissioner Taylors comment.

Mayor Ashby asked for a motion on this Resolution.

Motion was made Commissioner Taylor and seconded by Commissioner Aldridge to approve Resolution 2021-03 Local Impact Budget Amendment. **All in Favor: Motion Carried.**

Ordinance 2021-05 FY 22 Budget - Ms. Laubach

Ms. Laubach summarized Ordinance 2021-05, which is the FY 22 Budget, the highlights are that we will be maintaining the current tax rate, the funds for the sewer expansion project are being rolled over from FY21, but will be funded from this current year, but we do not expect the vast majority of expenditures to be spent this year. If you took that amount out, as well as the denitrification project which is being reimbursed by the State by 88.4%, then our current budget is very close to where it has been in the past, between 8 ½ to 9 million dollars.

Mayor Ashby asked if anyone had any questions for Ms. Laubach.

Commissioner Linkey wanted to point out that with this budget we continue to provide trash pickup and not charged extra as most Towns are, we have a full Police Force, and this board continues to be a volunteer board and does not get reimbursed.

Commissioner Taylor wanted to thank the Town Administrator and the staff of the Town for all of their work on the budget and congratulate the board on us working on this for the last three months in conjunction with the Town and public comment for what he feels is a fiscally responsible and ambitious budget. This will enable us to grow in the future and make Perryville a better place to live.

Mayor Ashby wanted to add that we did not raise taxes, our tax rate last year to this year is the same. He also wants to remind everyone that what he does, and the Commissioners do here affect us all, we all own our houses and everything that we do also affects us. He wanted to thank the staff and the Commissioners that worked so hard on this budget.

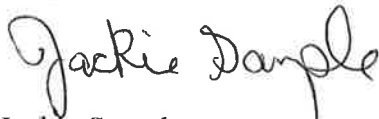
Motion was made by Commissioner Taylor and seconded by Commissioner Linkey to approve the Financial Year 22 Budget.

All in Favor: Motion Carried.

Motion was made by Commissioner Taylor and seconded by Commissioner Aldridge to adjourn the May 5, 2021 Town Meeting at 8:15 p.m.

All in Favor: Motion Carried.

Respectfully submitted,



Jackie Sample
Perryville Town Clerk

