

Town of Perryville  
Work Session Minutes  
January 24, 2024 6:30 p.m. Town Hall

Attendance: Mayor: Matthew Roath, Commissioners: Michelle Linkey, Timothy Snelling, and Christina Aldridge, Town Administrator: George Patchell, Finance Director: Debra Sharpe, Planning and Zoning Director: Dianna Battaglia, Senior Accounting Clerk: Tyler Bryan, Town Clerk: Jackie Sample.

Remote Participation: Robert Taylor

The January 24, 2024 Work Session was called to order by Mayor Roath at 6:30 p.m.

Commissioner Linkey was not in attendance at this point.

Mayor Roath announced that we had a request for remote participation from Commissioner Taylor. He wanted the record to reflect that Commissioner Taylor will be attending remotely via speaker phone. Mayor Roath confirmed that Commissioner Taylor could hear him and that the members of the board and all present can hear Commissioner Taylor. He announced that all votes taken during any meeting in which the Mayor or a Commissioner attend remotely shall be taken by roll call.

**Motion** was made by Commissioner Aldridge and seconded by Commissioner Snelling to approve the January 24, 2024; agenda as written. **Roll Call Vote:** Commissioner Aldridge: Aye, Commissioner Snelling: Aye, Commissioner Taylor: Aye, Mayor Roath: Aye, **All in Favor: Motion Carried.**

#### **50 Mill Creek Rd. Possible Annexation Review**

Ms. Battaglia explained that the board has their packets with the information related to 50 Mill Creek Road annexation process. There were some questions that Mr. Sussman needs in order to prepare the resolution to move forward with the next steps. He needs advice from the board whether you have more information for the annexation to move forward, and if there are any other studies that you think is appropriate to make a decision. Also, if there are any other proposed terms and conditions for the annexation agreement that you may have. There was additional information provided since last month and she provided that and it is in her staff report as far as school enrollment information and some police department preliminary comments. We also received comments from the fire company, which will be rolled into the whole package as it goes into the annexation process. She was not sure if you wanted an economic analysis done, but if so, the estimated cost range was provided by Sage Policy Group in the amount of \$25,000.

Commissioner Snelling inquired if that is something that we regularly do, Ms. Battaglia responded that it depends on the project. Ms. Battaglia responded that we could put some numbers together ourselves but that would not be fair, a third party typically does it.

Mayor Roath commented that this project is fully residential and does not feel that it warrants a significant study.

Ms. Battaglia responded that is up to all of you to decide. The developer did provide money in escrow for any cost associated with that, but she really did not want to spend any more money than would be necessary.

Commissioner Linkey arrived at this point, approximately 6:35 p.m.

Mayor Roath commented that it seems that we can do a basic financial benefit analysis on our own without sending it out.

Commissioner Linkey asked what would happen if we did not annex it.

Mr. Thomey, the attorney for the developer responded that they would have to see if they could develop out in the County if we wanted to continue with the development, it is in the County now. There would be more issues to address, and it would complicate matters. They chose to annex into Perryville, because it is part of the Perryville community and public water and sewer would make it much more feasible.

Mayor Roath asked if they would like to come up and do a brief presentation about the project.

Amy Dipietro, representing MRA, summarized the project. The project is located at 50 Mill Creek, and is a little over 21 acres, and is currently zoned as RM, high density residential in the County. They are proposing a total of 61 lots, which includes the existing home that is on the property today. We are proposing an entrance drive off of Mill Creek Road, she went over the layout and components that are proposed. There is water and sewer along Mill Creek so we would want to tie into those lines and then meet our sewer management requirements. There would also be a neighborhood park component that will be proposed once the plans are further developed within the open space areas throughout the community. A traffic study has been reviewed by the State Highway and we received some comments back on that and our traffic engineer is working on those, and our engineers are talking about the water and sewer capacity as well.

Mayor Roath inquired if we are ready to talk about the water and sewer capacity.

Mr. Patchell stated that KCI performed a water and sewer capacity study for the project and one of the things that was noted was that they recommended a looped water system which was discussed at the last Work Session in January, but we do have capacity for both water and sewer for the project.

Mayor Roath commented that we have the infrastructure it is just a matter if it gets to that point of discussing if and how we do the loop system.

Mr. Patchell commented that what we need to determine at this meeting is whether you are going to require the loop system before it goes to the planning commission.

Commissioner Linkey commented that you determined that it was zoned RM with the County, and she inquired what exactly the RM zoning designation means with the County.

Ms. Dipietro responded that it means that it is high density residential, so it can include any type of residential housing, including apartments.

Mayor Roath asked if Commissioner Talyor had comments.

Commissioner Taylor responded that if we were going to approve it, that there should be a requirement that the water system be looped because dead end lines in town have caused a lot of problems that we do not want to have to deal with.

Commissioner Linkey agreed and Mayor Roath concurred that the common problem with water discoloration seems to be with the lines that are dead end lines or not looped.

Mr. Patchell commented that is how we will move forward with the Planning Commission is with that recommendation.

The remaining board members, Commissioner Aldridge, Commissioner Snelling, and Commissioner Linkey all concurred with that recommendation.

Ms. Dipietro stated that there are multiple ways that the system could be looped, and she asked if that could be left open for discussion, because some are more cost-saving than others. Extending it all the way down Route 7 in front of the Coudon property would not be financially feasible, but there are some other options.

Mayor Roath responded that he does not think that anyone on the board plans to make it too expensive to happen, just want to make sure that the residents in the long term are taken care of and the responsibility is taken off of DPW moving forward.

Mr. Thomey, the attorney for the developer, stated that they would like to move forward, and that the town's attorney usually prepares the Resolutions and asked that our attorney call him if there is anything that he needs from him to prepare that necessary Resolutions for the annexation or scheduling the hearings.

Ms. Battaglia responded that she will work on the schedules so that everyone knows what the public hearing dates will be, there is a public hearing for the Planning Commission and then it will come back to you for a public hearing. She will work on the schedules to meet the advertising requirements and the County, and the State needs to be notified, first Mr. Sussman needs to prepare the Resolutions to go to the County and State as the entire package. They need at least 45 days' notice to provide comments prior to the public hearings.

Mr. Thomey stated that there is also an outline for an extension of services which he will be going back and forth to make sure are addressed.

Mayor Roath inquired if we have a potential timeline if we were to speak with Mr. Sussman tomorrow and get this thing rolling.

Ms. Battaglia summarized what she has so far is that at the February 6 meeting we would do an introduction of those Resolutions if Mr. Sussman has time to prepare them for that meeting. Once the Resolution is introduced then she can send all of the notifications out on the 7<sup>th</sup> of February and it looks like the Planning Commission Public Hearing would be March 18<sup>th</sup> and the Mayor and Commissioners would have a Public Hearing on April 16<sup>th</sup>, which she has it tentatively as a question before the Work Session, and at the May meeting you would do your vote and adoption for the annexation.

### **Sewer Capacity Study East Side**

Mr. Patchell commented that URS provided an evaluation in 2009 of the sewer lines leading down Route 40 and onto Aiken Avenue, through Maywood, down Maryland Avenue and eventually over to the sewer plant. It referenced the idea of possibly allowing Woodlands to be linked to the sewer line on Route 40 which eventually would lead to Maryland Avenue instead of having to build or construct a separate sewer line down Coudon Boulevard. There has been significant I&I currently that back in 2009 affected the sewer collection system, in moderate rain events the sewer actually doubled in capacity during those events, the flow collection system became closer to the capacity of the sewer pipes during significant rain events. It appeared that the existing 12" sewer has available capacity during small and moderate rain events to temporarily service Phase I of the Woodlands project and the town should continue to require the developer to install the proper sanitary sewer collection system along Coudon Boulevard. The I&I has not been addressed since 2009 and since that time we have had other projects go forward to add capacity in this area. We currently have a proposed project of 81 homes at Cedar

Meadows, 22 homes on Charles Street, a developer interested in a parcel on Route 40 for commercial construction, and a vacant lot by Dunkin Donuts showing interest. Our concern is that we do not know the capacity levels of the sewer in this particular area and approving a project to move forward when we are not sure of the sewer capacity to handle the flows. We are asking for a sanitary sewer capacity study to be conducted on the east side of the town collection area and the approximate cost for the study is around \$60,000.

Commissioner Linkey stated that we just did a sewer study and asked if it did not include the east side.

Mr. Patchell responded that the study she is inquiring about was on the west side. There are the two areas in the Town, the one area goes from Chesapeake Overlook, Beacon Point and down to the pump stations, which are downtown, and those sewer capacities are then pumped through those pumping stations to the sanitary sewer lines by the firehouse. The east side is on the right side of Aiken Avenue, except for Aiken Avenue Extended, comes down through Aiken Avenue itself down Maywood Avenue where the Elementary School is located, down Maryland Avenue over by Route 7 and across Route 7 to the vacant field at the firehouse over to our Wastewater Treatment Plant. There have been no studies done on that section of town. There are no pumps on that side it is all gravity fed. We are asking for a study to be completed in this area to make sure that we have the capacity for the upcoming possible construction of commercial and residential projects that we know are coming forward.

As pertaining to the two pipes that all of these things go into, Mayor Roath asked if as if they all go directly into the one pipe that goes to our Wastewater Treatment Plant.

Mr. Patchell responded that there is actually two pipes and two different manholes just before the firehouse that eventually converge. The sewer that we are talking about for the annexation would be on the east side pipe and the west side pipe right next to it feeds Maryland Avenue and other points, but they do converge. At some point we are in the process of having AECOM do an analysis of those two 15-inch lines to see what capacity levels we have at this moment because that has not been done. We would ask AECOM as part of the sanitary sewer force main project and would be paying those invoices out of that project to conduct an informal study of those two 15-inch lines.

Mayor Roath commented that we need to know what capacity we have.

Mr. Patchell responded that we are very concerned. In 2009 it illustrates clearly, and we know that we have had other construction since then. We need to know the capacity for the 22 homes on Charles Street that have been approved, expecting to break ground this spring and the homes that we expect to have in Cedar Meadows, plus the commercial interest we are receiving so that we can make the appropriate adjustments to our sewer system.

Mayor Roath asked Ms. Sharpe where this funding is likely to come from.

Ms. Sharpe responded that it would be from reserves, which is where we are right now.

Mr. Patchell commented that the reason it is being brought up now instead of the next budget cycle is because we are dealing with significant I&I and we really want to capture the flow during the rainy season, which is typically March, April, and May.

Mayor Roath asked for clarification that the \$60,000 investment would allow us to confirm that we have the ability to bring on the capacity for developments but also allow us to have the capacity to address an I&I issue.

Mr. Patchell responded that it will not show us all of the I&I, it will show us some of it, that would have to be a different study, but it will show us the amount of I&I we are receiving.

Commissioner Linkey inquired if it would be more cost effective to include I&I and the sewer study at the same time.

Mr. Patchell responded that we could certainly look into that. We are estimating \$60,000 realizing that we do not have any concrete numbers. When he did the RFP for the project and provided it to Dianna and we looked at it together, we estimated around \$60,000.

Commissioner Linkey commented that she would really like to see them do both at the same time, possibly being less money.

Mr. Patchell responded that we could combine the project but ask for separate pricing for the I&I, that way we could dissect the project and just do the sewer capacity at that time if we did not have enough to do both.

Mayor Roath commented that he would hesitate to do that now considering doing the capacity study would allow us to potentially have development that would address the areas of the potential I&I.

Mr. Patchell commented that we know that the old trailer park that was on Route 40 by the old Bob's restaurant sewer lines are still in place and that trailer park has been gone for at least a decade, which could be the source for a lot of our I&I, which is just a speculation at this point.

Mayor Roath inquired if we get the I&I study done what do we gain from it, other than know what is coming in. If we cannot pinpoint where it is with the study, then how are we going to force the property owner to do anything?

Mr. Patchell responded that we can do an I&I smoke test and identify those areas, which would be up to the board whether or not to fund those.

Mayor Roath inquired if in the end it ends up being on the property that we think it is if are we able to compel the property owner to fix it.

Mr. Patchell responded that if it is the on the property owner's property then it is their responsibility, and we could compel them to fix it.

Ms. Battaglia believes that sewer line does not run on Route 40, she believes it runs within, so it would be better to abandon it, because all lines should be in the road right-of-way.

Mr. Patchell stated that the line is so old that it actually goes behind the Perryville Motel and back to the Woodlands property back through the woods which is why it is suspect.

Mayor Roath inquired if there was a consensus that the initial study is worthwhile, which there seemed to be. He also asked for a consensus for George to investigate an I&I study cost, which there was.

Mr. Patchell commented that for budgetary purposes we will then include it as a budget amendment for it to be approved but this will allow him and Dianna to have the RFP made up and notice prepared to be sent out.

Mayor Roath inquired what the time frame was for this.

Mr. Patchell responded that he did the RFP back in December, it just needs to be posted. We have been in contact with several of the engineering firms that we do business with, and they are aware that

this will be posted. Once we do provide it to Jackie to send out notification in the newspaper then we will contact the engineers to let them know that it is going to be available. It must be posted for at least 30 days, the goal is to have the study in process late March or early April, preferably the rainy season. Right now, the RFP is 60 days, so that would be two months of collecting I&I, April, and May.

### **31 River Road Fee in Lieu Agreement Modification Request**

Ms. Battaglia commented that we are getting to the end of the process where we may have a project starting. The owner had signed an agreement with the town for the substantial fee-in-lieu for critical area plantings that were required. He paid one payment and then did not make any more after that. With being in violation of the agreement he is requesting a modification to the agreement. Mr. Sussman prepared a modification agreement which is provided before you to review. When she sent it to you last week, she did not have the signed agreement from Mr. Carey, which she now has, along with the associated fee. The modification states that once he has the building permit those payments are again due. As of now he needs to pay the full amount. If you agree to the modification agreement, you are allowing him the time to get his building permit and he must make payments on the first of the month. This agreement would be signed by Mr. Patchell on behalf of the board.

Commissioner Linkey commented that you are not modifying the amount, just the time, to which Ms. Battaglia confirmed.

Ms. Battaglia stated that the same agreements are in place from the original agreement, if he misses a payment, we will issue a stop work order. We cannot issue a stop work order if he has not started construction. He has a liquor board hearing scheduled where he will need an extension, so there is a lot riding on this. We are trying to work with him because it would be nice to have a waterfront restaurant, however, he also needs to pay those fees.

Mr. Patchell stated that one of the issues that he is facing is that after speaking with the liquor board, they are going to require that he has a zoning certificate from the town and unless he pays this fee in lieu. If this modification is not agreed upon by the board, then we would not issue him a zoning certificate because he has not followed through with the original agreement with the necessary monthly payments.

Ms. Battaglia explained that he had only made the one payment in August and made no payments after that, additional fees were incurred since then and the payment that she received with this modification agreement was for the additional cost in legal fees and this modification agreement, not a payment for the initial agreement.

Commissioner Snelling inquired if we had issued a zoning certificate at any point.

Ms. Battaglia stated that we had not issued a zoning certificate at this point and time. Her question tonight is if you agree to this modification if she can issue the zoning certificate.

Commissioner Snelling is not sure how he will ask for an extension with the liquor board without a zoning certificate.

Ms. Battaglia commented that we have spoken to the Liquor Board, and they are aware of us going through this modification and it is for critical area and their project has been approved by the critical area commission but are withholding that approval until this modification is done.

Commissioner Linkey wanted to be sure that if the payment is late then a stop order will be issued, to which Ms. Battaglia confirmed.

Mr. Patchell stated that this will be on the February 6 Town Meeting for approval, but as stated they have to go before the liquor board on January 31<sup>st</sup> for a request for an extension and will need to have this modification in place in order to be issued the zoning certificate from us. So, we need some indication from you all whether you want to move forward with zoning certificate tonight to meet the deadlines.

Commissioner Taylor wants clarification that if he is issued this modification that it is clear that he is to make the monthly payments accordingly and if a payment is not made in the appropriate time, then not just the monthly payment but the entire balance will then be due. There have been a number of inches given them in the past and a lot of miles taken, and things being done that should not have been.

Mr. Patchell read the portion of the modification agreement regarding the payment due date which stated that if the payment is not received within five days of the due date, that the entire balance can be accelerated, and a stop work order can be issued for the project.

Mayor Roath stated that what he is hearing is that there are no more concessions for them after this, we want to see the project move forward and be partners with them but need to see some substance.

Commissioner Linkey asked for clarification that the full amount would be due at this point if we did not approve this modification, Ms. Battaglia responded that is correct.

Ms. Battaglia assumes that if the liquor board would not give him an extension that he would have to reapply with all of the fees.

Commissioner Snelling stated that he already reapplied once and is not too sure if they would allow another one.

Mayor Roath asked for a consensus from the board members individually to agree to the modification with the understanding that this is the last step that we have to offer them. Commissioners Aldridge, Taylor and Snelling concurred.

Commissioner Taylor agreed but is concerned with the fact that when the project was first entered in with the Planning Board a 10 p.m. closing time was talked about, and noise constraints and they were going to work hard at not having noise impact the neighboring community along with other promises. He is concerned that once they get to the actual project, they will start ignoring their commitments to try not impact the surrounding neighbors just as they are ignoring making these payments.

Ms. Battaglia responded that the hours of operation was specified at the board of appeals hearing which can be attached to the liquor license and if they were to violate those hours then the liquor board could pull their license.

Commissioner Taylor commented that the planning board had requested a 10 p.m. closing time and the board of appeals approved 12 a.m., giving them two extra hours before closing.

Ms. Battaglia inquired if they are agreeable to allowing Mr. Patchell to sign the agreement.

Mr. Patchell stated that he will sign it at the February Town Meeting and allow the zoning certificate to be issued in the meantime to them.

### **5th Company Brewing Lower Ferry Park Event Usage**

Mr. Patchell stated that we have Brandon Phillips here tonight with a request for 5<sup>th</sup> Company Brewing. Last year they came before the board for approval to use their liquor license for up to 12 events for the year at Lower Ferry Park. He believes that he is here for the same thing for this year.

Mr. Phillips commented that last year it worked very well, and we did a number of events, not the full 12 events. We also partnered with some of your first Saturdays which he hopes to do again, which can be discussed another time. He would like to get an extension for another year for the use of their liquor license for up to the allowed amount approved by the liquor board.

Mayor Roath commented that it appears that we have been happy with the activity and partnership down there and things that can be done better. He inquired if there has been any type of damage or anything in the way of policing activity that has gone along with their events.

Mr. Patchell responded that he does not want to speak for Chief Nitz, but no police activity has been brought to his attention.

Commissioner Linkey thought that there were concerns about parking on the grass at Lower Ferry Park.

Mr. Patchell responded that there were some concerns about parking on the grass in wet conditions or not getting approval and digging because that is under the MD. Historical Trust which we are not allowed to disturb that area as far as digging. Once they were made aware of that they corrected that and came up with holding the tents up without requiring digging. Mr. Patchell explained that what would be before you at the February Town Meeting was the request for the approval of the 12 events for this year. Last year we would keep track of the events that they used, and they would fill out the paperwork as any other person would.

Mayor Roath mentioned that an issue that there seems to be is for the administrative staff to get the appropriate amount of notification and the paperwork to be able to process accordingly and not at the last minute.

Mr. Phillips responded that we have Shelly here tonight who is our events manager, and you will be getting the event schedule much sooner.

### **Trash and Recyclable Contract**

Mr. Patchell stated that Trash Tech have approached us to see if we were interested in extending the contract for two more years from where we currently are, which would be 2026. The extension would allow the ability to have two 96-gallon totes that would be distributed to each resident as part of the project.

Kevin Liebman, the Chief Financial Officer for Trash Tech, summarized their proposal. He explained that last year the RFP went out to give a quote with containers and without containers, the Town ratified a contract without containers. Our proposal with containers was \$2 per house per month. Our investment to provide containers is approximately \$200,000 to provide approximately 2,900 containers to each resident. At this time, we have a patch of containers right now that are used but in good condition which would be completely pressure washed and distributed and some containers would be new. It would be more efficient to have containers that are more suitable to be picked up by our trash trucks. We could potentially run one trash truck through the town instead of two. What we are asking for

now is a continuation of the contract with very similar increases as to what was already built in and approved in order to invest the cost of the containers.

Mr. Patchell provided a contract comparison. The current contract pricing July 1, 2025-June 30, 2026, is \$31.50 per month, below with the proposed contract extension which would include the totes would be \$33.35 per month covering July 1, 2026-June 30, 2027, and \$35.25 per month covering July 1, 2027-June 30, 2028.

Commissioner Linkey asked for clarification that we would be getting just two cans.

Mr. Liebman responded that you would, one may have a blue lid representing that it is for trash or other colors and clearly mark the recyclable containers.

Commissioner Snelling inquired who is responsible if a can is damaged or stolen.

Mr. Liebman commented that we would be providing a number for the town to call and give us the address for replacement and picking up of the damaged can.

Mr. Patchell asked for clarification that we would not need to store the can at our DPW or somewhere, that would be something that Trash tech would handle.

Mr. Liebman responded that we would do that but would recommend that if you approve some of these building projects that he heard about earlier we could probably bring down some excess cans so if somebody signs on their properties they could be picked up at that central location so that there is less of a delay in them getting delivered.

Mayor Roath commented that we just ratified the new contract and the increase from the previous contract was significant, he inquired if we know what percentage that was.

Mr. Liebman and Ms. Sharpe believe it was around a 30% increase.

Mayor Roath commented that now we would be having some cost security over five years rather than three.

Ms. Sharpe made note that in discussion with Mr. Patchell there was discussion about the previous bids submitted and she believes that the lowest one was \$600,000.

Mr. Patchell commented that would be this year and then it escalated significantly beyond that and that was for a three-year contract, and this is for five years at approximately \$600,000.

Commissioner Taylor inquired what happens to the cans at the end of the contract and we decide to go with another company, he assumes the bins would be collected.

Mr. Liebman responded that they would be.

Commissioner Taylor presumes that at this point everyone owns their own trash cans and if they get new totes a lot of people may get rid of their trash cans and if we go with a new vendor who does not provide totes then our residents will have to provide all new trash cans.

Mr. Liebman commented that most haulers prefer to provide the totes.

Mr. Patchell responded that is true the other bids that came in other than Trash Tech all included totes.

Mayor Roath is concerned with him stating that they would only need to run one trash truck in town, he questioned if that was viable for the entire day.

Mr. Liebman responded that there is the potential, he stated that in Middletown Delaware there are 7,600 homes and we service them with three trucks, with two of them being automated in two days. There are newer developments in Delaware allowing the trucks to maneuver through more thoroughly without low wires, etc., which is not exactly the setup in Perryville.

Commissioner Linkey stated that we had issues last year with Trash Tech and assumes they have been resolved.

Mr. Patchell responded that there has been a significant improvement over the course of the last year and have not had many issues.

Ms. Sharpe indicated that in the new contract there is still a performance clause in there.

Mr. Patchell inquired what would happen if a resident wants to have a third tote, would they purchase that tote on their own or are we stuck with two totes.

Mr. Liebman responded that we would provide a price for buying a third tote if that were what they would want.

Commissioner Linkey inquired what if you already had your own 96-gallon tote could you use that plus the totes you provide.

Mr. Liebman was not sure he would have to reference our contract.

Mr. Patchell believes that it must be their totes for liability reasons.

Ms. Sharpe stated that their cans are of a different quality too than what the average person would purchase.

Commissioner Aldridge stated that there may be a week when she may just have one can of trash and then another week she has three cans, she inquired if she could put the recycle can out there with the other can with regular trash in it if she has more than one can worth of trash.

Mr. Liebman commented that if there was regular trash in that can then we would need to make the drivers aware if that is in agreement with the town. We have instances with some municipalities where they only want you to pick up the trash can.

Mayor Roath stated that these totes are pretty big.

Mr. Liebman commented that the 96 gallons are big cans, he has a family of eight and typically does not overflow the 96-gallon can.

Mr. Patchell commented that it sounds like there may be the ability to purchase an extra can at the homeowner's expense. He stated that this will be on the February agenda for a vote, and we will work on the logistics of the totes.

Mr. Liebman commented that if they are voted on in February, they would try to get the totes distributed by the end of March.

### **Proposed Resolutions for Town Grant Programs**

Mr. Patchell stated that Mr. Sussman had prepared resolutions based on the feedback that was given regarding updating the various grant program application requirement processes. He asked that the board review them to make sure that the recommendations were captured, and if they are suitable will be voted on at the February Town Meeting. The board concurred with the changes.

## **FY 25 Budget Discussion**

Ms. Sharpe stated that they purchased a new budget modeling system a few months ago. We provided them with our historical revenue and expenses for previous years and gave them a copy of this year's budget to date and asked them to work up a couple of models for us. One assumption model accounts for an increase of operating expenses by 3% for inflation, debt is a fixed number paying for what we have already incurred, with bare basic capital outlay of \$300,000 built in which is for your roads and sidewalks and bare minimum for some vehicle replacements and other expenses we might incur. We would like to project in an additional 1.2 million for additional projects, you will see that after this year you will see that the cash flow will start dwindling down and if nothing is done by 2030 to increase revenues we will be out of cash. The next model shows a very conservative assumption with the 3% increase for inflation and just \$300,000 for capital outlay for just the bare minimum, street repairs and the basics, which the cash flow will once again dwindle with projections showing no cash flow by 2033. Another model captured the 3% inflation rate, \$300,000 capital outlay and an additional \$500,000 for special projects, \$250,000 built in to potentially be recaptured for the cost of town trash removal by billing residents as other municipalities do, the Real Estate Tax at 25%, which is only an increase of (\$0.09) increase then 3% annually for inflation, rate changes from \$0.3634 to \$0.4543, which is only \$180 dollars a year on a \$200,000 house, which is not much at all. We are substantially lower than the average of other municipalities on their personal property taxes, this projection shows a 64% increase which is \$0.60 increase, rate changes from \$0.94 to \$1.54, which still puts us in the average range for other municipalities, in doing that it would keep the cash flow from going into a negative position.

Mayor Roath inquired if there was a lump sum of annual revenue or cost cut aggregate that we need to shoot for at least for the first year.

Ms. Sharpe stated that Tyler did a projection for next year and we would have to increase the bottom line by 2.2 million, with 3% acceleration each year. As stated, a comparison with other municipalities was done and you can see on that graph that Perryville has the lowest real estate property tax rate based on a \$250,000 assessment. It also showed a historical rate comparison going back 10 years to see how the other municipalities are doing. Most of the municipalities started out at a much higher rate than what we did to begin with, and they have all gone up except for two of them which went down, but they made it up in other areas. We are still not at what we were in 2002 for the real property tax rate and the Local Impact Fund is no longer able to cover the inflation cost every year.

Mayor Roath believes that we are all uncomfortable with this and we have some significantly difficult decisions and conversations to have. He is optimistic that we can set a more substantial financial footing and more revenue sources that will be coming in that will allow us to get to that number, maybe not this coming year but in a couple of years.

Ms. Sharpe pointed out that even with the additional homes, without knowing if a cost analysis of what they will be bringing in was done, that would not be enough to cover the shortfalls.

Commissioner Linkey stated that she realizes that with the homes but hopefully more businesses will come into town which would help increase revenue.

Tyler mentioned that he ran some numbers while they were discussing the additional homes, and he came up with \$120,000 in increased revenue based on 60 some homes with a \$400,000 valuation.

Mr. Patchell stated that you need to consider trash collection, which would nullify about \$360 of that \$1,100 in trash collection alone.

Commissioner Linkey asked how much of the \$250,000 captured for trash collection would be per household.

Ms. Sharpe responded that it would be about \$15 a month.

Commissioner Linkey would like to see real estate tax increase figures showing possibly, a 10% increase over three years with the 3% annual inflation rate instead of 25% all at once, along with the increase in the personal property rates being more toward a higher amount rather than an average rate possibly over a couple of years period instead of all at once, possibly in the 75% percentile range.

Mr. Patchell explained that is what is nice about this program is that you can put in different scenarios and see what the figures come out to in live time.

Ms. Sharpe explained that if she gives her different scenarios, we can plug those figures in.

Commissioner Linkey suggested a 75-percentile rate for personal property taxes, real estate tax going up 10% each year for 3 years and then 3% or something like that.

Mr. Patchell stated that internally what we had discussed was focusing on a three-year block, 2025, 2026, and 2027 setting the foundation to move forward instead of looking out to 2033 because a lot of things can change by that time.

Ms. Sharpe commented that one thing that she and George have discussed as being an issue is educating the public because she does not feel that they have any idea what services they are getting for their current taxes compared to other municipalities. She stated that she is charged \$125 quarterly for trash pickup where she lives.

Mr. Patchell stated that Elkton just increased their trash pickup by 50%.

Tyler stated that Elkton just increased theirs by 139%, from \$144 a year which was around \$12 a month up to \$28 a month.

Ms. Sharpe stated that is something that our homeowners can see is tangible and that they are still getting a good deal for the service.

Mayor Roath commented that it is our job every day for the residents to see the value in what we are providing for them and believes that we can agree that there have been some failures there. He does not know an easy way in a short period of time to communicate that but believes that is something that each one of the elected officials will have to tackle on their own. He does not know if it is the job of our staff to communicate that.

Mr. Patchell responded that we have the capability of doing mailings and are responsible for postings.

Mayor Roath made note that you are not explaining though, he feels that is more of our jobs as the board.

Ms. Sharpe mentioned that there was discussion on sending out a postcard with comparisons on what we get and with other municipalities.

Mayor Roath made note that he has made it clear through his tenure as Mayor that he did not want to significantly raise taxes on the residents of this community and continues to hold that expectation. He is hesitant on a year when we gave a \$90,000-\$100,000 tax benefit for a company to come here and then raise taxes in the same year on the residents. He will work very diligently to raise revenue to offset that cost and we all need to look at last year's budget to see what to expect this year and what we can cut.

Ms. Sharpe commented that you can tell in the number of budget amendments that she has made we have had so many cost overruns, due to necessary repairs.

Mr. Patchell mentioned inflation costs which is around 3.2%, but in many instances it is much more especially when you get into equipment costs and repairs.

Mayor Roath commented that it is a multi-faceted answer, his intent is to have the residential tax go up as the last resort.

Commissioner Linkey agrees which is why she wanted to look at other scenarios for tax increases other than 25% at first, and upping the personal property taxes to see what that would look like.

Tyler had just ran some of the figures that Commissioner Linkey had suggested through the modeling system of the three 10% increases for 3 consecutive years, which was an increase of \$0.04 roughly each time and putting it at the 75 percentile with the personal property tax, looking at where you are now and in three years you would be about the same level.

Mr. Patchell stated in the last few years with inflation we were rewarded with having high interest rates and a return on our investments when it comes to the money that we have in our accounts. The interest rates are continuing to come down and if we continue to use those cash reserves, we will continue to lose our return on those investments.

Tyler noted that with the model being a live model we assume the 3% rate and as the model gets manipulated and as the cash line goes down, we earn less interest on accounts.

Commissioner Linkey asked how much we have to have in reserves in our general account.

Mr. Patchell responded he believes it is 15% compared to the debt service.

Commissioner Linkey asked how much is needed in our reserve to not go under, where the threshold is and where we are at.

Mr. Patchell recalled that Tyler had done that last year, he does not have those, but we can provide those numbers.

Mayor Roath stated that our agenda is very packed tonight, but related in the fact that we have the opportunity to bring in new homes. In discussions with George he came up with only about 5 or 6 new hookups for homes over the past 15 years, also the potential for a dog park which would be an investment for the residents and that our budget and spending are an important part of what we do here.

### **Route 222 Sidewalk Project SHA Fire Hydrant Replacement Agreement**

Mr. Patchell stated that at the December Work Session we had discussed the fact that the fire hydrants would have to be eliminated or relocated to accommodate the Route 222 sidewalk project. The

Fire Chief inspected the hydrants, and it was determined that the second hydrant could not be eliminated which was closer to St. Marks Church Road unless we were able to put another fire hydrant closer to St. Marks Church Road and we do not own that property, it is County property. What is going to have to be done is possibly move or raise these two fire hydrants to meet the landscape of where the sidewalks are going to be produced because there is a significant drop off in that area. We worked with SHA and Ralph engineered the relocation documents and as a cost saving measure and to make sense we included that as part of the SHA bid packet, rather than the town putting out a separate RFP for the relocation of these fire hydrants. The agreement states that the town will cover half of the cost of the estimated \$32,000 to replace the two fire hydrants as part of the project. He will have it at the February 6 Town meeting for approval.

### **FY25 Transportation Priorities**

Mr. Patchell just received a letter from Steve Overbay, the Director of Administration for Cecil County Transportation, for each municipality's 2025 transportation priorities, the deadline is Friday to get this sent to the County to prioritize and send a combined list to the State. Mr. Patchell came up with a list of items from the past or items that we have continued to talk about which he has before them. Item 1 was to upgrade the bridge on the Route 222/I-95 interchange. Item 2 to continue to investigate options to deal with the high toll rates and the diversion that results from the high toll rates on the Tydings Bridge. Item 3 would be a study for MD 222 from intersection with U.S. 40 to Heather Lane including the need for additional traffic control at the intersections with Franklin Street. He stated that if the board agreed with these changes, he would send this along to Cecil County.

Mayor Roath stated that he would like to see number 3 broken up into two parts because we are talking about two different intersections.

Mr. Patchell summarized what he is requesting, that item 3 state a study of MD 222 from the intersection with U.S. 40 to Heather Lane. Then a separate line item for the additional traffic control study at the intersections with Franklin Street and Cedar Corner.

Mayor Roath is also wondering if Franklin Street and Clayton Street should be separated.

Commissioner Linkey suggested maybe starting out with the study of MD 222 and having an A., B., and C., at Heather Lane, Franklin Street, then Cedar Corner intersection.

Mayor Roath concurred with that. Another one that he wanted to address was the intersection at the exit off of I-95 and 222 and Chesapeake Overlook Boulevard. With the amount of traffic that we are getting from Great Wolf Lodge and the amount of traffic that we will start to get once things start going into there such as Wawa and when Bainbridge starts having tenants in there, whether it is trucks or employees. That intersection is going to be a significant problem with the challenge that it is to make a left without the turn arrow into Chesapeake Overlook, because you cannot see anything coming because of the curb, the hill, and the traffic turning onto I-95, it seems like that should be an easy engineering fix to improve the stop light, which would be the minimum as he sees it. He inquired if a pedestrian bridge over to Havre De Grace would fit into this or is this just automobile traffic transportation.

Mr. Patchell believes that we could probably put the pedestrian bridge on the list.

Commissioner Linkey does not want to have too much on the list, but this would only be one more addition and thinks the most we have had is five.

The board concurred with breaking out number 3 and adding the pedestrian bridge to the list and Chesapeake Boulevard Intersection.

Mr. Patchell clarified the changes that were to be included so that he could get that out to the County. Number 1 and 2 remaining the same, number 3 broken down to Study MD 222, A. intersection with U.S. 40 to Heather Lane, B. to Franklin Street, C. to Cedar Corner Road. Number 4. A pedestrian bridge going to Havre De Grace, number 5. Addressing the Chesapeake Overlook Boulevard intersection off of I -95. The board concurred with the changes.

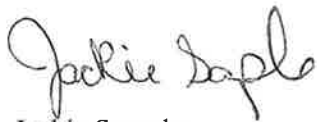
#### **Potential New Dog Park Location**

Mayor Roath stated that he has no intentions considering our current budget restraints and concerns to continue the conversations with the dog park at this time, he asked if anyone was objectionable to tabling that for another time.

There were no objections.

**Motion** was made by Commissioner Taylor and seconded by Commissioner Linkey to adjourn the January 24, 2024 Work Session at 8:15 p.m. **All in Favor: Motion Carried.**

Respectfully submitted,

A handwritten signature in cursive script that reads "Jackie Sample".

Jackie Sample  
Town Clerk

