

**Mayor and Council of Federalsburg
Monthly Workshop/Special Meeting
Tuesday, January 19, 2021 @ 6:00 P.M.**

This Meeting is being held at the Mayor and Council Meeting Room.

SPECIAL NOTICE: Due to the current COVID-19 pandemic, there will be no public access to the Mayor and Council Meeting Room. Citizens who wish to participate by video shall follow directions listed below:

Join Zoom Meeting

**[https://us02web.zoom.us/j/82518180916?pwd=OER1MmNvTE9TOXF2V3Mv
cXdDeXUwZz09](https://us02web.zoom.us/j/82518180916?pwd=OER1MmNvTE9TOXF2V3Mv
cXdDeXUwZz09)**

**Meeting ID: 825 1818 0916
Passcode: faKN7x**

Agenda

- I. Call to Order**
- II. Reliance Mobile Home Park -Sewer Ext. Update – Lyndsey Ryan**
- III. Solid Waste Collection Update**
- IV. Fund Balance and Fiscal Policies – Larry DiRe**
- V. MDE Grant Application – Pump Station Upgrades/Status Report – Larry DiRe**
- VI. Discussion – 2021 Municipal Election – Kristy Marshall**
- VII. Mayor & Council Action Items**

*** Councilmember Windsor**

- * Councilmember Sewell
- * Councilmember Phillips
- * Councilmember Morean
- * Mayor Abner

VIII. Adjournment

NOTES:

THE MEETINGS ARE BEING RECORDED, PLEASE TURN OFF ALL CELLULAR DEVICES AND PAGERS DURING THE MEETING, PLEASE REMAIN QUIET, UNLESS ADDRESSING THE COUNCIL.

Please Note: Pursuant to the Annotated Code of Maryland, State Government Article Section 10-508(a), the Council by majority vote may retire to executive or closed session at any time during the meeting. Should the Council retire to executive or closed session; the chair will announce the reasons and a report will be issued at a future meeting disclosing the reasons for such session. Meetings are conducted in Open Session unless otherwise indicated. All or part of Mayor and Council meetings can be held in closed session under the authority of the state open meetings law by vote of the Mayor and Council.

Rules for Public Comment

The Mayor and Council invite and welcome comments at public meetings. The Mayor or presiding officer will recognize you. Please introduce yourself at the podium (spelling your last name, for recording purposes) and give the name of your street and block number (e.g., 100 block of Main Street).

Time limits for speaking are indicated on the meeting agenda. While speaking, please maintain a courteous tone and avoid personal attack.

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: January 19, 2021
RE: Solid waste collection update

As directed, staff is providing actual budget financial data on the solid waste collection program and the trash truck status. A typical scenario was captured in the November 8, 2019 weekly report to mayor and council (attached). To that end staff provides the following as guidance points for revenue, expenditure, and reserve policy consideration:

- Through fiscal year 2018-2019 the Town budgeted a garbage truck loan in the sum of \$49,677.
- Since that last garbage truck loan payment, the Town has not budgeted reserve funds designated for the next garbage truck loan or purchase.
- In fiscal years 2017-2018 and 2018-19 the Town budgeted landfill charges at \$57,200 annually; that increased to \$80,000 in the last and current fiscal years.
- The unaudited end of year landfill charge for fiscal year 2019-2020 was \$76,083, or an expense \$3,917 under budget; the current fiscal year first half landfill charge is \$36,545 or projected year-end of \$73,000 +/- sum again showing a total expenditure under budget.
- Current fiscal year to date through the end of the first half of the year shows solid waste collection revenues at \$86,793, projected at year's end to be \$173,500 +/- sum or a revenue line \$3,000 over the budgeted line of \$170,500.
- The Town received private hauler bids ranging from \$155,700 to \$230,000 for annual solid waste collection and disposal services.
- At this time curbside recycling is cost prohibitive and not proposed.
- The solid waste collection and disposal service is accounted for under the total public works expenditures in the annual audit report. The fiscal year 2020 audit is still pending at this time, but the recent audits show the total public works expenditures budgeted compared to actuals in the positive for 2019, but in the negative for 2018 and 2017. (2019 B-\$517,019A-\$496,655; 2018 B-\$463,929A-\$497,553; 2017 B-\$440,103A-\$472,059)

The outlier is the truck operating and maintenance line, and that was the case for the last fiscal year and is the case in the current fiscal year. In fiscal years 2017-2018, and 2018-2019 the town budgeted \$6,500 for this expenditure. In fiscal year 2019-2020 the budget line was \$9,000 with the unaudited close of year cost at \$25,986. A cost overrun of \$16,986. First half year to date in the current fiscal year this line stands at \$28,672 expenditure (\$18,723 in the first quarter/\$9,949 in the second quarter) of the budgeted \$20,000, which indicates a substantial expense overrun by year's end.

The data show the solid waste collection program to be financially sound overall. The exception being the essential capital equipment needed to provide that service. Budgeting for incremental change in constant costs such as staff salary and benefit increase, fuel price fluctuation, and landfill charges (tonnage rather than rate change unless such rate change is announced) will keep the service cost to residents within an

acceptable range relative to the current rate compared to what a private hauling company may charge.

Staff proposes mayor and town council consider the on-going trash truck operation, maintenance, and repair expenditures as ground to either outsource the trash collection service, or commit to acquiring a new truck.

Pending mayor and council discussion, provide direction to staff.

receives, he wanted to share something good. I have also shared this information with Steve Dyott.

3. **Town Engineer Services** – Enclosed in your packet you will find a memo from Bob Rauch listing the various projects and services his firm is currently working on for the Town. The report indicates the current status of the authorization to proceed with specific work, the status of the actual work, budgets for work yet to be approved and next steps for projects for the Mayor and Council to consider. Please review the information and let me or Kristy know if you have any questions about the report. If there are questions or concerns, I will invite Bob to attend the November 18th workshop to answer any questions.
4. **Garbage Collection** – Please be advised that after talking with Steve this afternoon, garbage collection for next week (11/12 – 11/15) will continue with the outside contractor. The parts and materials for repair of the Town's truck have been ordered and are expected in next week. The company has been working on repairing what they can until the other parts come in.

Also please note that several months ago, we talked with Steve regarding garbage collection for the Christmas and New Year's holidays. Since Christmas Eve/Day falls on Tuesday and Wednesday this year, **we are tentatively planning** on residential collection on Monday, December 23rd and commercial collection on Thursday, December 26th. And for the New Year's holiday, **we are tentatively planning** on residential collection on Monday, December 30th and commercial collection on Tuesday, December 31st.

Since we are not entirely certain of our garbage truck situation at this time, we do not plan to announce this publicly yet, to allow Steve time to confirm that status of the Town's truck, and to confirm this schedule with the outside contractor (just in case).

5. **East Central Avenue Paving** – Steve advised us this afternoon that he met with Bramble and they are planning to mill and pave East Central Avenue during the week of November 18th. A definite start date has not been confirmed at this time but we will update you when we know more.
6. **Shoreline Vinyl and National Products** – I followed up with Jason at Shoreline Vinyl to find out the status of their "Letter of Intent" to purchase Eastern Shore Forestry Products. They had not been responding to the State or County in regard to the status of offers that the State, County and Town had made if they decided to



Engineering | Survey | Architecture | Environmental

106 N. Harrison Street
Easton, MD 21601
Phone 410.770.9081 Fax 410.770.3667

INVOICE

JOB #: 200033
INVOICE #: 2892
DATE: January 13, 2021
PAGE: 1 of 1

Professional Services

TO: Town of Federalsburg
118 N. Main Street
Federalsburg, Md. 21632

FOR: Grant Administrative Services

LOCATION: WWTP - Solar Project

kristy@federalsburg.org

Contract Description	Amount Billed to Date	Current Hours	Rate Per Hour	Current Billing
Preparation of Grant Documents Preparation of MDE Reimbursement Requests Review of Invoices to be included with MDE Reimbursement Requests Phone calls and meetings				
Nov - Dec 2020	\$ 2,250.00	10.0	\$ 75.00	\$ 750.00
Billing Group Total:	\$ 2,250.00			\$ 750.00

Non Contract & Reimbursables	Total Billed	Current Billing
Billing Group Total:	\$ -	\$ -

Total Invoice Amount **\$ 750.00**

Make all Checks payable to **RAUCH inc.**
Total due in 30 days.
Thank you for your business!



Engineering | Survey | Architecture | Environmental

106 N. Harrison Street
Easton, MD 21601
Phone 410.770.9081 Fax 410.770.3667

INVOICE

JOB #: 200033
INVOICE #: 2869
DATE: January 5, 2021
PAGE: 1 of 1

Professional Services

TO: Town of Federalsburg
118 N. Main Street
Federalsburg, Md. 21632

kristy@federalsburg.org
diawler@federalsburg.org

FOR: Construction Management &
Inspection Services

LOCATION: WWTP
Month of November 2020

Contract Description	Contract Amount	Amount Billed to Date	Current Billing	% Complete
Construction Management Services 0 hours @ \$125/hr. (Project Manager) 40 hours @ \$110/hr. (Asst. Project Manager)	\$ 26,000.00	\$ 22,000.00	\$ 4,400.00	85%
Resident Project Representative Services 140 hours @ \$75/hr.	\$ 37,500.00	\$ 31,500.00	\$ 10,500.00	84%
Reimbursable Expenses	\$ 500.00	\$ -	\$ -	0%
Billing Group Total:	\$ 64,000.00	\$ 53,500.00	\$ 14,900.00	84%

Non Contract & Reimbursables	Total Billed	Current Billing
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Billing Group Total: \$ - \$ -

Total Invoice Amount **\$ 14,900.00**

Make all Checks payable to **RAUCH inc.**
Total due in 30 days.
Thank you for your business!

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: January 19, 2021
RE: Proposed fiscal and fund balance policies

Fiscal policies are used by a governing board and executive management to set the baseline standards for how the organization will be managed financially. Fiscal policies provide guidance for general and enterprise funds, expenditures and revenues, and fund balance reserve. To that end staff provides the following as guidance points for revenue, expenditure, and reserve policy consideration:

- The Town will adopt a balanced budget annually by June 30.
- The Town will make all current, ongoing expenditures with current, ongoing revenues, avoiding procedures that balance current budgets by postponing needed expenditures or accruing future revenues.
- The Town will estimate revenues using an objective and analytical process; in the case of assumption uncertainty, conservative projections will be used.
- The Town will maintain a level of expenditures that support essential services and promote quality-of-life to its residents.
- The Town will forecast its General Fund and other major fund expenditures and revenues for a five-year period and will update the forecast annually. The forecast will be taken into consideration when preparing budget recommendations.
- The Town will endeavor to maintain a diversified and stable revenue system to minimize the impact of short-term fluctuations in any one revenue source.
- The Town will avoid targeting revenues for specific purposes whenever possible, allowing maximum flexibility in funding decisions on an annual basis.
- One-time revenues will be used for one-time expenditures only.
- The Town will investigate potential new revenue sources, particularly those that will not add to the tax burden of residents and local businesses.
- The annual budget will establish measurable goals and objectives and allow reasonable time to accomplish those objectives.

Capital Improvement Plan (CIP)

Developing a Capital Improvement Plan (CIP) is a responsible action for Federalsburg. A CIP can help the town secure funding, prevent projects from piling-up, and alleviate surface-level projects that have to be torn up a few years later because of a deeper issue. Positive characteristics of a CIP are prioritization, transparency, funding, and future focusing. This is not a new approach for Federalsburg. An internal staff report from the town manager to department heads dated December 7, 2017 reads as follows *“Capital Improvement Plan - 5 year projection. I want to begin a Capital Improvement Plan based on your plans for your department. The goal is to make this plan be a tool that your department as well as the Mayor and Council can use to plan for future capital project expenditures.”* Responsible priority-based capital project planning and budgeting considers the following proposed guidance points:

- Beginning with the FY 2022-23 annual budget, the Town will annually plan for capital improvements for a five-year period. The CIP budget will incorporate mayor and council priorities, community objectives, and projects that will improve operational efficiency. The CIP Annual Budget will be presented to mayor and council no later than April 15.
- Future operating and maintenance costs associated with new capital improvements will be projected and included in the Operating Budget forecasts.
- An inventory of the Town's physical assets, their condition, and remaining useful life will be maintained.
- The Town will maintain all assets at a sufficient level to protect the Town's capital investment and to minimize future maintenance and replacement costs.

Fund Policies

General Fund

The Town will maintain at the end of each fiscal year a General Fund Operating Contingency at a level that is equal to at least 15% of the following year's General Fund annual operating and capital expenditure budget as originally adopted by mayor and council. Mayor and council approval will be required before expending funds from the Operating Contingency. The Government Finance Officers Association (GFOA) recommends that local government maintain no less than two months of regular General Fund operating revenues or expenditures for unrestricted fund balance.

The Town will maintain a capital contingency fund balance to be determined as part of the annual budget adoption. The capital contingency balance is to be made available by mayor and council appropriation to meet unanticipated, unscheduled, and/or unprogrammed capital and maintenance needs of Town infrastructure and facilities. This balance is intended to be used for major capital repair where facility failure, unexpected hazards, or destruction of Town property has occurred and where repair or replacement is not planned within the established capital, operations, or other replacement funds.

The Town will maintain a Computer Equipment Replacement Fund to provide for the timely replacement of information technology hardware. The annual contribution to this fund will generally be based on the annual use allowance, which is determined based on the estimated life of the equipment and its original purchase cost. The Town will maintain a minimum fund balance in the Computer Equipment Replacement Program of at least 25% of the original purchase costs of the items accounted for in this fund.

Water and wastewater funds

The Town will maintain reserves for the purposes of offsetting unanticipated fluctuations in water and wastewater revenues and expenditures to provide financial stability, including the stability of revenues and the rates and charges related to each enterprise. The reserves are based on the following:

- Operating and capital reserves based on industry best practices.
- A rate stabilization reserve based on industry best practices.

Fund Balance Classifications

The Town's fund balance should consider the following classifications:

- The restricted fund balance category includes amounts that can be used only for the specific purposes stipulated.
- The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the mayor and council. The mayor and council has authority to establish, modify, or rescind a fund balance commitment.
- Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned fund balance is the residual classification for the Town's funds and includes all spendable amounts not contained in the other classifications.
- The Town considers restricted or unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

The Town's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used.

Staff proposes mayor and town council adopt relevant fiscal and fund balance policies. At this time this report is provided for informational purposes.

Pending mayor and council discussion, provide direction to staff.

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: January 19, 2021
RE: MDE grant application – pump station upgrades

Over the past several weeks staff have been working with the consulting engineers on identifying public utility infrastructure requiring upgrades, improvements, and replacements. Pump stations 1 and 2 were identified as essential infrastructure needing improvements. During this time the Maryland Department of the Environment (MDE) Water Quality Fund opened their grant proposal period, which expires on January 31, 2021.

The town engineer is working on a similar project for another community, but has provided staff the design plans for two similar pump stations. The proposed pump upgrades could be configured to retrofit into the existing pump station footprint. The pump station project cost is currently estimated at between \$600,000 and \$700,00, and the town is seeking full funding. If MDE funds are not sufficient, funding from the United States Department of Agriculture will be pursued. The MDE grant fund application requires an authorized signature.

Pending mayor and council discussion, staff recommends pursuing grant funding for pump station upgrades.

FIELD REPORT

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ARCHITECTS
ENGINEERS

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SALISBURY
BALTIMORE
SEAFORD

www.gmbnet.com

□ □ □ □

PROJECT: Federalsburg W/WW

DAY/DATE: Tuesday, 12/30/20

LOCATION: WWTP

WEATHER: Cloudy 40's

GMB NO: 180242

OBSERVER: SWG

ATTENDEES:

Steve Dyott
Sumner Hoback
Scott Getchell

Town of Federalsburg
Town of Federalsburg
George, Miles & Buhr, LLC (GMB)

Summary of activity:

The following matters were discussed:

1. The SCADA system is not completely repaired but there have been improvements. Dyott reports communications have been reestablished with the headworks equipment but set points are made at the headworks panel only.
2. Dyott stated pump stations #1 & #2 need upgrading.
3. Dyott has hired two new people for DPW operations. They will not likely perform operator tasks.
4. Dyott/Getchell reviewed and discussed the November WW MOR.
5. Dyott and Hoback will sit for the Wastewater Class 5A exam on January 7th.
6. Dyott reports he is replacing the 100-gallon hypochlorite tanks at the wells with 200-gallon tanks. Corroded doors are being replaced as well.

Follow-up items:

1. Getchell to install Teamviewer on the SCADA PC to allow operations staff access to the computer from a smartphone.
2. Getchell to reprogram SCADA Phone program to add Dyott and Hoback's phone numbers for alarm callouts.
3. Getchell to discuss MDE grant/loan application for pump station upgrades with DiRe.
4. Getchell to coordinate with Dyott and CES to review the cleaning of the process tank that is currently out of service.
5. Getchell to coordinate with Dyott and CLA-VAL to look at the leaking altitude valve.
6. Getchell to coordinate with Dyott and MDE for site visit to discuss compliance issues.
7. Getchell to review permit for sample frequency requirements.
8. Dyott to forward draft NPDES permit once received.

Scott W. Getchell, PO
Director of Operational Services/ Project Manager
Water/Wastewater Group