

Mayor and Council of Federalsburg
Monday, May 1, 2023
Monthly Business Meeting and Executive Session @ 6:00 P.M.

This Meeting is being held at the Mayor and Council Meeting Room located at 118 North Main Street. Citizens who wish to participate by video shall follow directions listed below:

Join Zoom Meeting

<https://us02web.zoom.us/j/83865114490?pwd=Y1BJc0hKNFIPTkRtNEtHQkRzSnc1Zz09>

Meeting ID: 838 6511 4490

Passcode: TOFBusi

Agenda

- I. Call to Order**
- II. Welcome, Pledge of Allegiance, and Invocation – Pastor Passion Tilghman**
- III. Approval of Minutes**
- IV. Public Comment**
- V. Town Code of Ordinance Section 158 Rental Housing Draft Text Amendments Review**
- VI. Contract for Residential Trash Collection – Bigg Tyme Trash, LLC**
- VII. Contract for Cell Tower Lease Sale – Everest Infrastructure Partners**
- VIII. Community Development Block Grant 2023 Funding Cycle**
- IX. Fiscal Year 2023-2024 Budget Update, Real Property Tax Rate, and Set Public Hearing Date**
- X. Mayor & Council Action Items**

- * Councilmember Windsor
- * Councilmember Sewell
- * Councilmember Phillips
- * Councilmember Willoughby
- * Mayor Abner

XI. Executive Session – Personnel and Legal Advice

XII. 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.

Mayor & Council of Federalsburg
Monday, April 3, 2023
6:00 pm

The Mayor & Council of Federalsburg held their regular monthly meeting on Monday, April 3, 2023 at 6:00 pm, in the Mayor & Council meeting room located at Town Hall. Those in attendance were Mayor Abner and Councilmembers Sewell, Phillips, Windsor and Willoughby (via Zoom). Lyndsey Ryan, Town Attorney, staff and members of the public were also present.

Mayor Abner called the meeting to order at 6:00 pm.

Public Hearing – Resolution No. 2023-01

Mayor Abner read Resolution No. 2023-01 of the Mayor and Council of Federalsburg amending Article I of the Federalsburg Town Charter to reduce the residency duration required to qualify as a candidate for election from three years to one year and to establish a four year term for the Mayor and Council.

Sherone Lewis, resident of Holland Drive – Ms. Lewis requested that the Mayor and Council not proceed with voting on this Resolution to allow residents who could not attend, more time to submit comments. Ms. Lewis stated that she does not agree with decreasing the residency requirement from 3 years to 1 year, but she did agree with changing the Mayor term to 4 years.

Mayor Abner thanks Ms. Lewis for her comments and stated that residents were encouraged to submit comments in writing prior to the hearing.

Bryan Gadow, resident of Reliance Avenue – Mr. Gadow stated that he has concerns about changing the Mayor terms. He agreed that 2 years was too short, but felt 4 years is too long. He suggested continuing the 2 year term and aligning the election with the General Election.

Jim Thomas, resident of South University Avenue – Mr. Thomas stated that the Mayor term has been 2 years for 50 plus years and he didn't see any reason to change it now.

Chris McClyment, resident of Academy Avenue – Mr. McClyment stated that he didn't see a need to make these changes, and would like to see things kept the same.

There being no additional comments - Councilmember Windsor made a motion seconded by Councilmember Phillips and unanimously pass by a vote of five to zero to adjourn the Public Hearing at 6:08 pm.

Public Hearing – Resolution No. 2023-04

Mayor Abner read Resolution No. 2023-04 of the Mayor and Council of Federalsburg amending Article II of the Federalsburg Town Charter to change the date of the 2027 election from

September 2027 to November 2028 and the 2029 election from Sept to Nov 2030, extending the terms of the Council Members elected in 2023 and 2025 from 4 years to five years, and to establish legislative districts and extend the term of Mayor from 2 years to 4 years

Willie Woods, President of the Caroline County NAACP – Ms. Woods stated that she understands that settlement discussions are in progress and would like to not get into any other discussions that may be conflicting.

Sherone Lewis, resident of Holland Drive – Ms. Lewis pointed out a typo in the ordinance. She also stated that she is not in favor of keeping the same councilmembers until new terms are ddefined. She agrees with the change of 2 years to 4 years for the Mayor. Ms. Lewis also asked for clarification on when the new members would take office. Lyndsey Ryan, Town Attorney stated that new members would take office in October.

There being no additional comments - Councilmember Sewell made a motion seconded by Councilmember Windsor and unanimously pass by a vote of five to zero to adjourn the Public Hearing at 6:13 pm.

Public Hearing – Resolution No. 2023-05

Mayor Abner read Resolution No. 2023-05 of the Mayor and Council of Federalsburg amending Article III of the Federalsburg Town Charter to reduce the residency duration required to qualify as a candidate for election from three years to one year to change the first meeting of the Mayor and Council from October to December following an election.

Sherone Lewis, resident of Holland Drive – Ms. Lewis asked what is the rationale behind decreasing the number of years of residency. She has concerned regarding residents coming in new to town, who may not be familiar with the areas, events and nuances of the town.

Bryan Gadow, resident of Relilance Ave – Mr. Gadow is concerned about the shortened term, and referenced an example in Bridgeville, DE. He stated that he felt there may be problems with old Federalsburg and new Federalsburg and anyone running for office should be a resident for a couple years.

Chris McClyment, resident of Academy Avenue – Mr. McClyment stated that his family previously operated the Feed Store on Old Denton Road, and he has been here many many years. He doesn't want to see bad things happen in Town and thinks things are moving too fast and should down. Things are becoming too technical, we don't need smart meters. He stated that he has had problems with his water and calcium for years.

There being no additional comments - Councilmember Windsor made a motion seconded by Councilmember Sewell and unanimously pass by a vote of five to zero to adjourn the Public Hearing at 6:20 pm.

Mayor Abner welcomed all guests present to the regular meeting and led the group in the pledge of allegiance.

Prayer of Invocation

Pastor Ray Parsons led the group in the prayer of invocation.

Approval of Previous Month's Minutes

Councilmember Willoughby made a motion seconded by Councilmember Windsor and unanimously passed by a vote of five to zero approving the minutes as corrected. On page 2, under Charter Election Amendments, should read 2023-05.

Public Comment

Jim Thomas, resident of South University Avenue – Mr. Thomas stated that he saw an article in paper about new water meters and is concerned about sticker shock with new meters when the bills come out. He stated that his bill is already very high and doesn't want to get slammed with an even higher bill. Mr. Thomas was advised that the old meters are being read as they are being extracted. Debt Service Fees will not change.

Mr. Thomas stated that several years ago he was charged a tax of \$86 on his bill and wanted to know if he is still being charged for that. Mr. Thomas was advised that no tax has ever been charged on the water bills but staff will look into his bill and get back with him.

Bryan Gadow, resident of Reliance Avenue – Mr. Gadow expressed concern regarding the spotlight at the town sign on Reliance Avenue. It throws a terrible glare down Reliance and the highway; and asked if a shield could be put on this light.

Mr. Gadow also stated that the light at pavilion in Chambers Park is on all the time. Public Works will be instructed to check this light, the sensor may need cleaning.

Mr. Gadow also asked if the town maintains the walking trail between the bypass bridge and the VFW. He suggested not trimming back as much as we have been to help with preserving the shoreline and habitat. He stated that the area is beautiful and many things are being chopped back.

Roberta Butler, resident of Brooklyn Avenue – Ms. Butler asked about the new water meters. She stated that her bill is already high and requested more explanation of the new meters. Mayor Abner explained the new meters and about the town's debt for paving roads, the WWTP and the water tower.

Action on Resolution No. 2023-01

Councilmember Sewell made a motion seconded by Councilmember Phillips and unanimously pass by a vote of five to zero approving Resolution No. 2023-01.

Action on Resolution No. 2023-04

Councilmember Windsor made a motion seconded by Councilmember Phillips and unanimously pass by a vote of five to zero approving Resolution No. 2023-04.

Action on Resolution No. 2023-05

Councilmember Windsor made a motion seconded by Councilmember Phillips and unanimously pass by a vote of five to zero approving Resolution No. 2023-05.

Marina Park Wetlands Project – Accept Lowest Responsible Bid

Town Manager DiRe reported that the lowest responsible bid was received from Unity Landscape in the amount of \$172,974.42. He also requested Mayor and Council accept the lowest bid and direct the Town Attorney to proceed with initiating contract discussions.

Councilmember Windsor made a motion seconded by Councilmember Phillips and unanimously pass by a vote of five to zero to accept the lowest bid and direct the Town Attorney to proceed with initiating contract discussions.

Cell Tower Lease Sale

Town Manager DiRe reported that the Town received two bids for purchase of the cell tower lease on the Town's water tower. The highest bid was received from Everett Infrastructure Partners in the amount of \$310,000. Town Manager DiRe requested the Mayor and Council accept the highest offer for purchase of the cell tower lease, and direct the Town Attorney to proceed with initiating contract discussions.

Councilmember Phillips asked if we build another tower, what happens. Town Manager DiRe stated that this purchase only applies to tower in the Federalsburg Industrial Park not the M&M Tower.

McConnell Property Easement

Lyndsey Ryan, Town Attorney was sent a copy of a deed from 1984 which granted an easement to M&M Refrigeration for a right-of-way in the Caroline Industrial Park. No infringements ever occurred and none were recorded. The property owner has asked to be released from all

restrictions at this time. Ms. Ryan stated that by granting this request, it will have no effect on the Town it will only benefit the property owner. Councilmember Phillips asked if by granting this request, would it allow the property owner to close the roadway. Ms. Ryan stated no it would not allow anyone to close the roadway.

Councilmember Phillips made a motion seconded by Councilmember Willoughby and unanimously pass by a vote of five to zero to approve the requested release as long as it does not affect the Town's ownership or right-of-way in anyway.

Mayor & Council Action Items

Councilmember Windsor – received a complaint about cleanliness of town and trimming dead weeds after spraying. Town Manager will pass on to Public Works.

Councilmember Sewell – reported the following dates:

Wednesday, April 5th – the water tower will be lit in blue in honor of Child Abuse Prevention month. The Federalsburg Lions Club and WIN Transport purchased pinwheels which were placed in the Men for Change flower garden on Main Street as well.

Friday, April 28th – The Lions Club Sandwich Sales will resume – at Chambers Park this year instead of the FVFC.

Councilmember Phillips – reported the annual Soap Box Derby Race will be held on Saturday, June 3rd. Welcomed support from the community and if anyone knows a child who would like to participate please contact Councilmember Phillips.

Councilmember Willoughby – requested prayers for the communities and families during the recent storms. He also wished everyone a Happy Easter and announced the Crosswalk would take place on Friday, April 7th.

Mayor Abner – reported the following dates:

April 26th – Community Conversations Meeting at Lions Hall – dinner will be provided so please sign up online.

May 4th – Mayor's Prayer Breakfast at Union United Methodist Church – held in conjunction with National Day of Prayer

May 20th - Bi-Centennial event being held downtown – includes rides, vendors, food, poker run, floatilla and fireworks – please watch Facebook for more details coming soon

April 7th – VFW Fish Fry – 5:30 pm

Adjournment

There being no further business, Councilmember Willoughby made a motion seconded by Councilmember Phillips and unanimously passed by a vote of five to zero to adjourn the meeting at 6:54 pm.

Respectfully submitted

Kristy L. Marshall
Clerk – Treasurer

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: May 1, 2023
RE: Town Code of Ordinance Section 158 Rental Housing Draft Text Amendment
Review

At the April 17, 2023 Mayor and Council Workshop the above cited code section was discussed. Staff brought this item forward, working with the town attorney, to assist the code enforcement officer in his efforts to control town licensure of rental properties out of compliance with general property maintenance and inspection ordinances, and/or not holding a current year town rental license. Specific amendments discussed included financial penalties and the licensing\inspection annual calendar. The draft text amendments (attached) are proposed as a remedy.

Presented as a review item at this time. Pending further discussion provide direction to staff.

§ 158-1. Purpose. The purpose of this article is to protect the health, safety and welfare of the Town residents and to prevent deterioration of the housing stock in the Town.

§ 158-2. Definitions and word usage. As used in this article, the following terms have the meanings indicated.

PERSON — Any individual, proprietorship, partnership, corporation, association, or other legal entity.

RESIDENTIAL RENTAL DWELLING UNIT — Any building or portion of a building in which a person resides in which consideration of money or other goods or services are paid or provided to the owner of such building or the owner's authorized representative or other tenant. This definition shall include the letting or rental of any single-family residential dwelling unit, or multifamily residential dwelling unit.

§ 158-3. License required.

A. It shall be unlawful for any person to let any residential rental dwelling unit within the Town without first having obtained a license for said unit as hereinafter provided. By February 1 of each year, every owner of a rental unit, whether occupied or vacant, shall file an application for a rental unit license and shall pay the established registration fee for each rental unit.

~~B. Within 60 days after the effective date of this article, the legal owner of record shall make written application to the Town for a rental unit license upon such form or forms as the Town shall from time to time designate. Such application shall be submitted together with a nonrefundable rental license fee, as approved and authorized by the Mayor and Council. All delinquent fees, fines, charges, or other amounts due to the Town from the owner must be paid in full before the owner can obtain a rental license.~~

C. Any person becoming an owner of an existing licensed residential rental dwelling shall obtain a license from the Town within thirty (30) days of the property transfer. The new owner shall not have to pay the license fee until the next annual license renewal if the previous owner had properly licensed the property and paid the license fee for the calendar year in which the transfer takes place.

D. Any newly-established rental unit must be licensed within thirty (30) days of construction, conversion from owner-occupied or nonresidential status, conversion adding rental units, or other change in property status resulting in a new rental unit.

E. Any owner failing to license an active rental unit shall be in violation of this Article and shall be subject to the penalties provided in § 158-9 of this Code.

F. Rental units found to be out of compliance with this Article, or any other provision of the Federalsburg Town Code or Zoning Ordinance, shall be subject to revocation of their rental license.

§ 158-4. Inspections.

A. All residential rental properties shall be subject to periodic inspections as deemed necessary by the Town's Code Enforcement Officer, or other designee, to determine if they are in conformance with the Town Code and applicable ordinances, laws or other regulations. To register a newly established rental unit, before tenant occupancy is permitted, the property shall be inspected for compliance with the Town Code. Tenant occupancy is contingent upon passing an inspection.

B. An inspector may enter the residential rental unit at a reasonable time and with reasonable notice to perform the inspection. It shall be the responsibility of the owner to notify all tenants of the time and date of the inspection.

C. Residential rental inspections will be conducted once every three (3) years.

D. Occupied rental units that are not made available for inspection within sixty (60) days of providing notice to perform the inspection shall not be permitted to receive a rental license or their rental license shall be revoked.

EB. If an inspection reveals a violation of an applicable provision of the Town Code, including any building code, property maintenance code or minimum livability code in effect within the Town limits, the Code Enforcement Officer shall provide written notification to the owner and to the occupant of the rental unit. The notice shall contain a time period within which the violation is to be corrected, which period shall be a minimum of 10 days unless the violation involves an immediate threat to health or safety, whereupon a shorter time frame may be specified by the Town's Enforcement Officer. The Code Enforcement Officer shall reinspect the premises to confirm that the violations have been corrected.

§ 158-5. Revocation or denial of license; injunction.

A license may be revoked or denied by the Code Enforcement Officer if an owner, after the passage of the notice period described in the previous section, fails to eliminate violations of the Town Code. Revocation or denial of a license shall be in addition to, and not in substitution for, such other penalties as may be provided for said violations elsewhere in this Code or by state law. In addition to any other remedy which may be available in the event of a violation of the provisions of this chapter, the Town's designated Code Enforcement Officer may seek an injunction to prevent the renting, or offering to rent, of rental dwelling units in the Town which do not have a license issued under this article.

~~§ 158-6. License renewal.~~

~~Licenses shall expire one year from the date of issuance and are renewable annually. Applications for renewal shall be made at least 60 days prior to the expiration date.~~

§ 158-~~6~~7. Display of licenses.

Licenses issued under this article shall be produced on the demand of a tenant or prospective tenant and shall be made available at reasonable times for examination by an authorized agent of the Town.

§ 158-~~78~~. Fees.

The Mayor and Council is hereby authorized to enact a resolution establishing a schedule of license, inspection, and reinspection fees pertaining to the administration of this article. Any unpaid license fee or reinspection fee shall be subject to interest and penalties as periodically established by the Mayor and Council for unpaid sums due to the Town.

§ 158-~~89~~. Violations and penalties.

Any violation of this article shall be considered a municipal infraction, and any person violating any provision of this article shall be assessed a fine of \$100 for the first infraction, and up to \$200 for each subsequent infraction. Each separate violation shall constitute a separate offense. Each day that any violation shall continue shall constitute a separate offense.

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: May 1, 2023
RE: Contract for Residential Trash Collection - Bigg Tyme Trash, LLC

The town received two bids, one from Bigg Tyme Trash and one from GFL Environmental, Inc (out of Millsboro, DE). For all three years and the optional fourth year, Bigg Tyme bid \$17.98\month\pick up point for an annual total of \$248,124 for 1,150 pick-up points. This includes replacing all residential trash cans in the first year. This also represents the lowest bid. At the April 17, 2023 workshop the mayor and council reviewed and discussed the bids. At that time, they voted to accept the bid from Bigg Tyme and directed the town attorney to develop the necessary contract documents (attached).

Staff recommends accepting the Bigg Tyme Trash bid and asks mayor and council to authorize the mayor to sign and execute the contract. Pending further discussion provide direction to staff.

**AGREEMENT WITH
BIGG TYME TRASH LLC
RESIDENTIAL COLLECTION SERVICES FOR TRASH**

This Agreement, made and entered into this ___ day of _____, 2023 by and between Bigg Tyme Trash LLC, a limited liability company in the State of Maryland, (hereinafter referred to as “Contractor”) and the Town of Federalsburg, Maryland, with offices located at 118 N. Main Street, Federalsburg, Maryland 21632 (hereinafter referred to as “Town”).

RECITALS

WHEREAS, Town has determined that it needs the services of experienced and qualified personnel to provide residential trash collection services as described herein; and

WHEREAS, Contractor warrants that it has all necessary equipment, expertise and experience to assume such collection responsibility; and

WHEREAS, Contractor submitted an emergency proposal to provide residential trash collections services upon termination of the Town’s previous trash collection provider after nonperformance of duties and Town has accepted the Contractor’s proposal as in the best interest of the Town; and

WHEREAS, Town has selected Contractor and Contractor has agreed to perform the services as set forth hereunder; and

WHEREAS, Town and Contractor have full legal capacity and authority to enter into this Agreement without the need for additional approval or authorization.

NOW THEREFORE, Town and Contractor hereby agree as follows:

1. **General.** Contractor hereby agrees to perform services and to comply with the terms and conditions set forth herein, and in consideration of such services, Town hereby agrees to make payments to Contractor as specified herein.
2. **Scope of Services.** Contractor shall provide weekly curbside trash collection in one 96-gallon can provided by the Contractor and disposal services to all residential customers in the Town of Federalsburg. The day of pickup shall be Thursday. The Town of Federalsburg currently has 1,150 trash pickup points. The Contractor shall also provide collection services to the municipal buildings. Trash shall be loaded and transported in such a manner as to be inoffensive to the public as possible and all reasonable precautions shall be taken to prevent the spilling or scattering of waste materials while in transit or loading. In the event that any waste does spill or scatter, it shall immediately be cleaned. If a resident wishes to have additional cans, the Contractor may set a price to be billed to the resident for such service.
3. **Holidays and Weather.** In any week in which a National Holiday occurs, the day of

collection following the holiday shall be one day later unless said day is a weekend. In the event of inclement weather that prohibits normal collection, the collection may be delayed with reasonable notification to and consent of the Town, but in no event shall collection be delayed by more than three (3) days.

4. **Contractor Equipment.** The Contractor shall provide and use a uniformly covered truck. Truck bodies shall be of metal, watertight, and designed and manufactured for the collection of garbage, rubbish and refuse. The truck bodies shall be washed as often as is necessary to keep the equipment clean and reasonably attractive. The trucks shall be well maintained so that they free of leaks of oil, fuel, and fluid. Contractor shall clean up any leaks from said trucks and shall repair leaks prior to the next collection date. Those operating trucks for the Contractor shall clean up any garbage rubbish and refuse that drop off the trucks or are blown off the trucks while loading said trucks or traveling on the streets of the Town, whether the material falls onto the said street or onto private property.
5. **Term.** The responsibilities of the Contractor shall commence on July 1, 2023 and will continue for a period of three (3) years until June 30, 2026. This Agreement shall remain in effect unless extended or terminated as provided herein so long as payment is provided by Town to Contractor in accordance with this Agreement. Contractor and Town may extend the Agreement for one (1) additional year upon mutual agreement within sixty (60) days of the end of the three (3) year term.
6. **Compensation.** Town shall compensate Contractor in the amount of \$17.98 per residential user per month for residential trash collection and disposal.
7. **Indemnification and Insurance.**

Contractor shall maintain during the term of this Agreement the following types and amount of insurance:

<u>Type of Coverage</u>	<u>Minimum Limits</u>
Worker's Compensation	Statutory
Comprehensive General Liability	\$1,000,000.00 each occurrence and \$2,000,000.00 annual aggregate, combined single limit
Automobile Liability, Bodily Injury, and Property Damage Combined	\$1,000,000 any one accident or loss

Contractor will provide Town with a certificate of workers compensation insurance evidencing the required coverage upon Town's request.

Contractor agrees to indemnify Town and its elected and appointed officials, contractors, employees, and agents against liability for claims or damages for personal injury or property damage to the extent caused by the intentional or negligent acts or omissions of Contractor,

its employees, subcontractors, or agents in connection with the performance of the Services hereunder. Town agrees to indemnify Contractor and its officers, employees, subcontractors, and agents against liability for claims or damages for personal injury or property damage to the extent caused by the intentional or negligent acts or omissions of Town, its officials, contractor's employees, and agents. In the event that both Contractor and Town are finally determined to have jointly caused any liability for claims or damages as aforesaid, such liability shall be apportioned between the parties in accordance with their relative degrees of fault.

8. **Termination.** Town may immediately terminate this Agreement if Contractor fails to provide curbside collection services at least once in any ten (10) day period. The Town may terminate this Agreement with or without cause by providing thirty (30) days written notice.

IN WITNESS WHEREOF, the parties hereto have hereunto affixed their hands and seal this ____ day of _____, 2023.

BY: _____ DATE _____
Mayor/Authorized Officer

BY: _____ DATE _____
Contractor

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: May 1, 2023
RE: Contract for Cell Tower Lease Sale – Everest Infrastructure Partners

The town received two bids, one from Everest Infrastructure Partners and one from TowerPoint. Offers were as follows: TowerPoint - \$300,000.00; Everest Infrastructure Partners - \$310,000.00. At the April 3, 2023 monthly meeting the mayor and council reviewed and discussed the offer. At that time, they voted to accept the offer from Everest Infrastructure and directed the town attorney to develop the necessary contract documents (attached).

Staff recommends accepting the Everest Infrastructure Partners offer and asks mayor and council to authorize the mayor to sign and execute the contract. Pending further discussion provide direction to staff.

_____, 202____

Town of Federalsburg
118 North Main Street
PO Box 471
Federalsburg, Maryland 21632

RE: Letter Agreement

Dear Town of Federalsburg:

EIP Holdings II, LLC (“Grantee”) is pleased to present this Letter Agreement (“Agreement”) to Mayor and Council of Federalsburg (“Grantor”) for the grant of easement rights to property located at or about 1999 Industrial Park Road, Federalsburg, Maryland 21632 (“Property”). The following are the terms and conditions of the Agreement, which shall be supplemented by an Easement Agreement in the form attached hereto as Exhibit “A” (“Easement Agreement”) and entered into by and between Grantee and Grantor in accordance with the terms herein:

Grant of Easement; Assignment; Consideration

1. Grantor shall grant an easement (“Easement”) to Grantee at Closing, which Easement shall be the exterior sides and top of the water tower on the Property and reasonable land for ground based equipment, plus any additional portions of the Property leased pursuant to those certain Lease initially entered into by and between The Town of Federalsburg as lessor and Washington/Baltimore Cellular Limited Partnership d/b/a Cellular One Washington/Baltimore as lessee, dated June 29, 1995, and any amendments thereto (collectively, the “Current Agreements”), and assign to Grantee all of Grantor’s beneficial rights with respect to the Current Agreements. Such grant and assignment shall be in accordance with the terms more particularly set forth in the Easement Agreement. Such Easement shall continue for a term of sixty (60) years so long as the water tower exists but the Grantor is under no obligation to maintain the water tower for any specific duration.
2. Grantee shall pay to Grantor at Closing the sum of Three Hundred Ten Thousand and No/100 Dollars (\$310,000.00) plus the sum of money which represents the pro rata rent that has accrued in favor of the Grantor prior to closing.
3. If Grantee leases space to any lessee(s) in addition to those lessees occupying the Easement on the date of Closing or any replacements thereof, Grantee shall thereafter pay to Grantor ongoing payments equal to Fifty ~~Five~~ Percent (5~~0~~%) of Net Rental Revenues received by Grantee from such additional lessee(s). For the determination of the amounts payable hereunder, Net Rental Revenues shall mean all rental revenue received by Grantee from such additional lessee(s) for occupancy of the Easement less any capital expenditures, operating expenses and property tax payments made by Grantee regarding the Easement and the facilities thereon.

Warranties of Grantor

4. Grantor warrants to Grantee that, as of the Effective Date through the occurrence of Closing:

- (i) Grantor is the legal owner of title to the Property and has the legal right and authority, and has obtained all necessary approvals, to execute this Agreement and the Easement Agreement and consummate the transaction contemplated herein.
- (ii) Grantor has provided to Grantee true and complete copies of the Current Agreements, all amendments and addendums thereto, and all other writings or agreements relating in any way to the Easement or Grantee's use thereof or relating to communications facilities on the Property; all of such documents are in full force and effect; no party is in default of any of such documents; no party has indicated any intention to terminate any Current Agreements prior to the natural expiration thereof or otherwise cease to utilize the applicable premises thereunder; and Grantor shall not extend or otherwise revise any of such documents without Grantee's prior written consent, which may be denied in Grantee's sole discretion.
- (iii) Grantor has not accepted any payments in advance beyond the most recent payment due under the Current Agreements; and the following accurately states the payment terms of the Current Agreements:

Current Tenant: AT&T
Current Rent: \$15,165.00/Year
Frequency of Rent Payment: Annually
Date Next Rent Payment Due: On or about August 1, 2023

- (iv) The final term (including all renewal terms that occur automatically or at the lessee's option) of the Current Agreements will expire as follows: July 31, 2040
- (v) To Grantor's knowledge, there is no substance, chemical or waste that is identified as hazardous, toxic or dangerous in any applicable federal, state or local law or regulation located on, under or about, or otherwise affecting, the Property.
- (vi) There is no mortgage, deed of trust, lien, security interest or other encumbrance on or affecting the Property except as identified below ("Mortgage"); Grantor is current in all payments and not otherwise in default of the Mortgage or any loans secured by the Mortgage; and Grantor shall not place any further encumbrances on the Property prior to the recordation of the Easement Agreement to be executed at Closing:

Mortgagee: _____
Maximum Secured: _____
Commencement Date: _____
Maturity Date: _____

5. Grantor acknowledges that Grantee is entering into this Agreement in reliance upon the warranties made by Grantor herein. Grantor shall indemnify, defend and hold harmless Grantee for any claim or harm suffered by Grantee due to any breach or failure of such warranties.

Due Diligence

6. ~~Commencing upon the Effective Date and extending until Closing,~~ Grantee may conduct any due diligence investigations related to the Property and the Easement as Grantee deems appropriate for a period of sixty (60) days from the date this Letter is executed by both parties (“Due Diligence Period”). In the event that Grantee determines that any aspect of its due diligence investigations is unsatisfactory, Grantee may terminate this Agreement upon notice to Grantor within ten (10) days of the expiration of the Due Diligence Period.
7. Grantee agrees to use commercially reasonable efforts to obtain the consent of the tenants under the Current Agreement(s) for this transaction. If tenants do not respond to this request for consent within thirty (30) days of delivery, this Agreement shall be deemed consented to, and Grantor and Grantee shall proceed to Closing.
8. Grantor shall provide to Grantee all information and documentation reasonably requested by Grantee for Grantee’s due diligence investigations to the extent that such information and documentation exists and is reasonably available to Grantor.
9. If any Mortgage affects the Property, Grantor shall exercise good faith efforts to obtain a non-disturbance agreement in a form acceptable to Grantee from each mortgagee under each Mortgage prior to the expiration of the Due Diligence Period. The Due Diligence Period shall be reasonably extended until all non-disturbance agreements are provided.

Closing; Assigned Sums

10. ~~Within thirty (30) days of the expiration of the Due Diligence Period Upon Grantee’s satisfaction with its due diligence investigations,~~ the parties shall promptly conduct a settlement of the transaction (“Closing”) at which time (i) Grantee and Grantor shall execute the Easement Agreement and (ii) upon such execution, Grantee shall pay to Grantor the consideration due at Closing, subject to any proration for Assigned Sums in accordance with the terms herein. Grantor and Grantee acknowledge that there will not be an adequate remedy at law for non-compliance with the provisions of this section and therefore, Grantor and Grantee shall have the right to specifically enforce the provisions herein in a court of competent jurisdiction.
11. Upon the occurrence of Closing, Grantee shall be entitled to all rent and other sums payable pursuant to the Current Agreements and any other agreements respecting the Easement and attributable to any period of time after Closing (“Assigned Sums”). ~~Grantee shall offset against the consideration paid to Grantor at Closing an amount equal to (i) all Assigned Sums received by Grantor prior to Closing and (ii) all Assigned Sums due to be paid during the four (4) months immediately following Closing, and upon such offset Grantor shall be entitled to the rent and other sums attributable to the corresponding periods. For all Assigned Sums not offset against the consideration paid to Grantor at Closing, regardless of whether received by Grantor before or after Closing, Grantor shall immediately forward such amounts to Grantee without notice or demand from Grantee.~~ Grantor shall cooperate with Grantee to the extent necessary to redirect future payments of Assigned Sums to Grantee. Grantee shall be responsible for the payment of all applicable taxes and fees due upon Closing.

Miscellaneous

12. The term of this Agreement shall commence upon the Effective Date and, if not terminated in accordance with the due diligence provisions herein, shall run and expire concurrently with the term of the Easement Agreement. Notwithstanding the foregoing, any indemnity provisions of this Agreement shall survive such expiration.
13. As a condition of payment, Grantor and any successor shall provide to Grantee any reasonably requested form to identify any payee's tax identification number.
14. Grantor hereby authorizes the tenant under the Current Agreements to provide to Grantee any estoppel certificate or the like requested by Grantee. Grantor hereby irrevocably constitutes and appoints Grantee as Grantor's true and lawful attorney-in-fact to deliver notices and effectuate on behalf of Grantor (i) any request for any estoppel certificate or the like from the tenant under the Current Agreements, and (ii) the enforcement of any tenant obligation under the Current Agreements to provide any estoppel certificates or the like.
15. Grantor and Grantee shall each be responsible for their own attorney's fees and expenses other than expenses outlined in this Agreement. Grantor and Grantee acknowledge there are not broker or finders fees associated with this transaction.
16. To the extent of any inconsistency between this Agreement and the Easement Agreement, the terms of the Easement Agreement shall control.
17. This Agreement shall become effective and legally binding only upon the full execution of this Agreement by both Grantor and Grantee in the signature block below ("Effective Date"). If this Agreement is executed in several counterparts, all counterparts shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by email, facsimile or other electronic transmission shall be equally as effective as delivery of a manually executed counterpart.
18. Grantee shall maintain property and liability insurance for the water tower naming the Grantor as an insured.
19. Grantee shall indemnify and hold the Grantor harmless from all claims and damages, including any damage to the Property, arising from Grantee's operations, including those of its successors, assigns, tenants, and other parties.
20. Grantee shall give Grantor ten (10) days advance written notice prior to accessing or doing any work on the water tower and the Grantor has the right to have its agents accompany Grantee's agents or contractors and to reasonably direct and restrict activities on the water tower.
21. If any proposed work on a water tower will in any way alter or impact the water tower, the work must be proposed in writing to Grantor with at least thirty (30) advance notice. Grantor may approve, deny, or require changes to the same in its sole but reasonable discretion. Grantor has the absolute right to review and approve any structural changes or modifications to the water tower. Grantor shall have the right to reasonably direct all on site activities without assuming risk or responsibility for the work performed.

Very truly yours,

EIP Holdings II, LLC



By:

John P. Lemmon
EVP and General Counsel

[Signatures to immediately follow.]

EXHIBIT "A"

Easement Agreement

(Attached.)

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: May 1, 2023
RE: Community Development Block Grant (CDBG) Funding Cycle

Community Development Block Grants (CDBG) are federal funds administered on the state level through the Maryland Department of Housing and Community Development. While CDBG funding is available for a wide variety of community projects, public water and sewer infrastructure expenditures are an eligible use. The current funding cycle for projects opened on March 29, 2023 and all applications are due by 2:00 pm on June 7, 2023. Staff is requesting the mayor and council authorize the submittal of an application this funding cycle and set Monday May 15, 2023 at 6:00 pm as the date for the required public hearing. Five days public notice is required, which would begin on Sunday May 7, 2023 with newspaper publication, although the town will use our social media to post the public hearing immediately upon approval of this request. The attached documentation includes the sample public hearing notice, the sample required resolution (to be adopted May 15, 2023), the required Public Participation Plan (to be adopted May 15, 2023), and the application requirements.

Specifically, staff is pursuing \$860,000 in funding for the engineering design phase of the pump station upgrade project. GMB, the town's consulting engineering firm, provided a cost estimate of \$4,303,000 for the pump stations project and the town staff have applied for funding from the Maryland Department of the Environment (MDE), and the federal legislative delegation for Congressional Directed Spending. This project had moved to the recommended project list for CDS funding in the sum of \$3,442,000.00 or roughly eighty-percent (80%). At present no information is available about those MDE and CDS requests. Award of CDBG funding in the fully requested amount would meet any required match up to twenty-percent (20%) of this project.

Staff recommends approving staff's request to apply for CDBG funding this cycle to pay design engineering costs for the town's pump station improvements project and asks mayor and council to authorize staff to advertise a public hearing on this application on Monday May 15, 2023. Alternatively, the public hearing date could be set as a special meeting for the hearing and adopting relevant documents sometime during the week of May 22, 2023. The five-day public notice requirement applies in any event. Pending further discussion provide direction to staff.

- fees and eviction;
- Experiencing homelessness and possibly the loss of children as a result of eviction;
 - Compromising future rental eligibility because of an eviction history or criminal history due to a wrongful domestic violence arrest;
 - Discriminatory policing disparately impacting survivors in immigrant communities and communities of color due to low thresholds for nuisance enforcement;
 - The adverse impact on survivors with disabilities who may require emergency services with some frequency.

The application Statement of Assurances and Certifications has been amended to include VAWA. Further information will be provided to grantees after awards are made.

APPLICATION SUBMISSION

The following regulations, requirements and policies apply to submission of a CDBG application regardless of funding category.

APPLICATION REMINDER:

- (1) No project activities may begin until the Environmental Review Record has been completed and approved;***
- (2) CDBG will not reimburse for costs completed before award has been made; and***
- (3) In general, no procurement should be undertaken for contracts that will include CDBG funds until award has been made (possible exceptions allowed).***

1. Citizen Participation Requirements – Governments must comply with citizen participation requirements when seeking CDBG funding and implementing CDBG funded projects. The State requires a jurisdiction to adopt and maintain a written *Citizen Participation Plan* (a sample which includes the minimum required language is attached as Exhibit B) which outlines and describes their efforts in soliciting citizen input and responding to concerns and questions.

A jurisdiction's *Citizen Participation Plan* is effective for a five year period. The plan must be current at the time of application. If it is not current or the applicant does not have one, the applicant must adopt and submit a new plan with their application.

2. Public Hearing - A jurisdiction is to conduct at least one public hearing prior to submission of an application for a CDBG project. Failure to conduct the hearing as required will result in the rejection of the application as it will not be in compliance with Citizens Participation requirements.

Hearings must take place in conjunction with a regularly scheduled meeting of the elected public officials of the municipality or county that is submitting the application(s). At the hearing, the jurisdiction should discuss local community development, economic development and housing needs. While the hearing allows for a jurisdiction to seek input on proposed activities, it should allow for input from the community as to other needs that could be considered.

The public hearing notice must be published in a local newspaper at least five (5) days prior to the date of the hearing. A sample notice is attached as Exhibit C and it includes the *minimum* language required. Additionally, the jurisdiction should seek to notify the public with other means such as

cable television, posted notices in public places, notices in other local publications, newsletters, government website, etc. The jurisdiction should encourage participation of potential or actual beneficiaries of a project and make accommodations for the disabled.

Public hearings shall be conducted in a manner to meet the needs of non-English speaking residents where a significant number of non-English speaking residents can reasonably be expected to participate.

A copy of the meeting minutes and the hearing notice must be submitted with the application.

3. Public Review of Application – The public must have the opportunity to review and comment on a draft of the completed application before it is submitted to the State. In the public hearing notice, the applicant must provide the anticipated date the draft application(s) will be available for review as well as the location where it can be found. *Failure to advertise and provide the review and comment period will result in rejection of the application during threshold review.*

4. Local Resolution - The legislative body of the jurisdiction must pass a resolution authorizing submission of the application, the specific project(s) and the specific amount of funds being requested. The resolution must authorize the application in an amount equal to or greater than the amount requested in the application(s). The resolution must also acknowledge that the signatories understand that repayment of grant funds could be required if the application is funded and the project is not completed or does not meet a CDBG national objective.

If submitting more than one application, the resolution should identify the specific projects and the amount of each project. If the amount identified in a resolution is less than what is identified in the application, the CDBG staff will review the application to determine if it should be accepted, as only the amount authorized in the resolution can be considered. Applications with this issue will be reviewed on a case-by-case basis. Resolutions passed for previously submitted CDBG applications are not valid and will not be accepted. (A sample of an acceptable resolution is attached as Exhibit D)

A copy of the resolution must accompany the application or the application will not be reviewed.

5. Residential Anti-Displacement and Relocation Assistance Plan – The State requires jurisdictions to adopt and maintain a written *Residential Anti-Displacement and Relocation Assistance Plan* (a sample which includes the minimum required language is attached as Exhibit E). While a jurisdiction should make every effort to minimize the displacement of persons or businesses when using CDBG funds, this plan will describe what the jurisdiction will do in the event that it does occur.

Section 104(k) of the HCD Act of 1974, 42 U.S.C. § 5304(k), requires that reasonable relocation assistance be provided to persons displaced as a result of the use of CDBG assistance to acquire or substantially rehabilitate property. Section 104(d) of the HCD Act of 1974, as amended, 42 U.S.C. § 5304(d), requires one-for-one replacement of all low and moderate income dwelling units housing the same number of occupants as could have been housed in the units demolished or converted to another use as a result of CDBG assistance.

A jurisdiction's *Residential Anti-Displacement and Relocation Assistance Plan* is effective for a five year period. The plan must be current at the time of application. If it is not current or the applicant does not have one, the applicant must adopt and submit a new plan with their application. Please

note that a specific plan will be required for approved grants with projects which will result in displacement.

6. Submission By A County For Project in Municipality - A county may submit applications on behalf of municipalities. In such instances, the municipality may not submit a separate application for the same project. The applicant assumes overall responsibility for ensuring that the entire project will be carried out in accordance with CDBG requirements. The applicant must enter into a legally binding cooperative agreement with the municipality.

7. Program Income - Any gross income that will be derived from the use of CDBG funds is Program Income. It is to be returned to the State unless the re-use of those funds is approved by the State. Applicants must submit a *Program Income Re-Use Plan* with their application requesting approval to retain funds at the local level for the same activities if they anticipate that their project will result in Program Income. Approved plans will be identified in the grant agreement for approved applications. A new *Program Income Re-Use Plan* must be submitted with each application. Jurisdictions wishing to retain income must be willing to pass a resolution to repay from general funds any costs that HUD or the State may disallow as a result of the retention and re-use of program income. See Additional Program Policies and Procedures section of this manual for additional information. (The CDBG Program Income Re-Use Plan is attached as Exhibit F)

Program income must be re-used in a timely manner. If a jurisdiction has a balance of program income at the time of the application, the State may require that it be used as part of the application if it is determined that funds are not being used in a timely manner.

8. Debarment - The applicant is required to complete Debarment Checks on subrecipients or businesses prior to submission of an application. The completed forms do not need to be included with the application unless there is a problem. (Guidance and forms are attached as Exhibit G)

9. Audit – Applicants who have never submitted an application to the CDBG Program must provide a copy of their most recent annual financial report/audit and a copy of their most recent single audit, if one was required, with their application. One copy of each is sufficient.

10. Mission and Bylaws – Subrecipients included in an application must demonstrate that their organization primarily serves persons who are of low and moderate income and/or a specific population that is eligible for CDBG assistance. This should be clearly written in their mission statement and bylaws which should be submitted with the application.

11. Limited English Proficiency – Applicants are to demonstrate that they complied with their Limited English Proficiency Plan if they are an existing grantee or, if new applicant, they researched the available data to determine if any of their outreach efforts required information to be translated into other languages or if other outreach efforts were required. (Applicants are to complete Exhibit K and include it with the application)

12. Policy for New Funds for Previously Assisted Projects - Over the years, DHCD funding through the Division of Neighborhood Revitalization has assisted with the construction and renovation of many building projects throughout the state. We have always encouraged the use of high quality materials and workmanship. While not mandated, we expected buildings to be maintained to ensure longevity. To that end, as costs increase and funds are limited, we reserve the right to not provide additional funds from the CDBG Program or the State Revitalization Programs (Community Legacy, Strategic Demolition, CORE, Baltimore Regional Neighborhoods Initiative) for previously assisted building projects.

To assist with our determination, applicants must provide answers to the following questions (Complete Exhibit L) if the application includes construction or renovation to a building previously funded with the DHCD sources:

1. Which program provided previous funding? When? How much was the total award? What were specific uses?
2. Discuss maintenance efforts since building was constructed or renovated.
3. If you are asking to replace building equipment or utilities, what was the warranty on the original equipment? Discuss how it was maintained.
4. What alternatives were considered other than requested activities?
5. Is there debt on the building? If yes, what is the balance owed and the remaining term? Who is the lender?
6. Do you currently set aside funds for short-term and long-term maintenance needs?

In the event this request is funded, maintenance agreements would be required as well as the establishment of maintenance funding accounts.

This policy does not apply to the construction of additions or phases previously not funded.

13. Clearinghouse Submission - Applicants must comply with the Maryland Intergovernmental Review and Coordination Process (COMAR 14.24.04). Simultaneous with the submission of any application for CDBG funding, applicants must submit an electronic copy of a project profile to the Maryland State Clearinghouse. The profile must include a cover form; a summary briefly explaining the nature, purpose, scope and justification for the project; a map of the project location and geographic area to be served; a budget identifying all sources and uses of funds; and staffing for the project. Please note that the submission to the Clearinghouse must be submitted by the government applicant, not the subrecipient or business. Comments from this review will be forwarded to the CDBG program.

Information must be submitted to mdp.clearinghouse@maryland.gov

14. DHCD/Neighborhood Revitalization Project Portal Submission – Applications are **not** to be submitted via the DHCD Community Development and Services System (CDS) until notified otherwise.

FUNDING CATEGORIES, RATING AND AWARDS

DHCD reserves the right to award less than the requested amount. Funding recommendations and approvals may result in a decrease to the size, scope and/or costs of the project. A planning grant may be awarded in lieu of requested project funding where further study is deemed necessary.

In addition to the rating and evaluation criteria; CDBG staff, Rating Committees, the Assistant Secretary for Neighborhood Revitalization or the Secretary of DHCD may consider other factors in making funding determinations, including:

- The State's objectives and priorities;
- The availability of alternate or contributing funding sources for the total project or some of its components;
- A reasonable distribution of projects among eligible regions of the State;

**MARYLAND COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CITIZEN PARTICIPATION PLAN**

_____ has adopted this Citizen Participation Plan to meet the citizen participation requirements of 24 CFR 570.486 and 24 CFR 91.115(e). Regulations require that each unit of general local government receiving or expecting to receive Maryland Community Development Block Grant Funds:

- Furnish citizens with information related to the availability of CDBG funding including the amount the State makes available under each state fiscal year, the eligible CDBG activities, and the eligible uses of CDBG funds;
- Provide for and encourage citizen participation, particularly by low and moderate income persons who reside in slum or blighted areas and areas in which CDBG funds are proposed to be used;
- Ensure that citizens will be given reasonable and timely access to local meetings, information and records relating to the unit of general local government's proposed and actual use of CDBG funds;
- Provide technical assistance to groups representative of persons of low and moderate income that request assistance in developing proposals in accordance with procedures developed by the State. Such assistance need not include providing funds to such groups;
- Provide for a minimum of two public hearings, each at a different stage of the project, for the purpose of obtaining citizen's views and responding to proposals and questions;
- Provide citizens with reasonable advance notice of, and opportunity to comment on, proposed activities in an application to the State and, for grants already made, activities which are proposed to be added, deleted, or substantially changed from the application to the State. Substantially changed means changes made in terms of purpose, scope, location or beneficiaries as defined by criteria established by the State;
- Provide citizens with the (County/Town) Residential Anti-Displacement and Relocation Assistance Plan if proposed applications to be submitted will likely result in displacement of persons or businesses from their homes or businesses;
- Provide citizens the contact address, email address, phone number and times for submitting complaints and grievances, and provide timely written answers to written complaints and grievances, within 15 working days where practicable.
- Provide information and seek comment from potential beneficiaries that are outside the jurisdiction that may benefit from CDBG funded activities.

PROVISION OF INFORMATION, PUBLIC HEARINGS AND COMMENTS

_____ will provide reasonable access to records and information on the proposed and actual use of CDBG funds during regular business hours of _____am-_____pm at the following location: _____.

Where possible, _____ will provide copies of documents or access to copying services to citizens or groups requesting information at their own expense.

_____ will hold at least one public hearing to receive input by citizens on the housing and community development needs of the jurisdiction and to discuss the development of proposed activities. This hearing will be held in conjunction with a regularly scheduled meeting of the elected public officials prior to submission of an application for CDBG funds.

If the MD CDBG Program funds the activity, a second hearing on program performance must be held at some point during the grant period after the activity has been initiated.

The MD CDBG Program requires that notice of a public hearing be published in a newspaper of general local circulation no less than five (5) days in advance of the hearing. Hearings will be held at times and locations convenient to actual or potential beneficiaries and at locations accessible to the disabled. Documentary evidence that the required notices are published and public hearings are held in accordance with the plan will be maintained. Written minutes of the hearing and an attendance roster will be maintained by _____ at the following location: _____.

The MD CDBG Program requires applicants to make draft copies of applications to be submitted available for public comment. The information as to how the public may access the draft plan will be included in the public hearing notice and discussed during the hearing.

Additional information to citizens about the CDBG Program, potential projects and public hearings will be provided through government and other websites, through articles in local newspapers, newsletters or community bulletins, mailings or at presentations made at community meetings.

If necessary, _____ will make arrangements for a translator when it is expected that non-English speaking persons will participate. Similarly, a signer shall be provided for a deaf or mute participant. If special accommodations are necessary, however, requests should be made to _____ @ _____. At least ___ days advance notice is requested.

TECHNICAL ASSISTANCE

When requested to provide technical assistance to groups representative of persons of low and moderate income, _____ will assist if possible. Files shall document meetings between the group and the local government. If staff capacity to assist does not exist, _____ may offer a referral to the State or to a consultant who can provide the necessary expertise.

COMPLAINTS AND GRIEVANCES

Citizens who wish to submit a complaint or grievance may do so by calling or writing:

_____ shall make reasonable effort to provide a response in writing to written complaints or grievances within 15 working days.

AMENDMENTS TO APPLICATIONS OR GRANTS

_____ will provide citizens notice of, and opportunity to comment on, substantial changes to grants already made, including changes in the purpose, scope, location or beneficiaries. This can be achieved through public notice describing the change and establishing a comment period or through public hearing.

This Citizen Participation Plan is hereby adopted by _____ on _____, 20____. It is effective for a 5 year period until _____.

CHIEF ELECTED OFFICIAL

WITNESS

3/2023

• • • Exhibit D • • •

Authorizing Resolution

(Sample shows minimal language to be included)

RESOLUTION

WHEREAS, State of Maryland through the Department of Housing and Community Development has solicited applications from eligible jurisdictions to apply for funding under the Maryland Community Development Block Grant Program; and

WHEREAS, (Jurisdiction) is eligible to apply for funds from the Maryland Community Development Block Grant program through the Maryland Department of Housing and Community Development; and

WHEREAS, the (Board/Council name) have held the required public hearing(s) related to the formulation of the (Jurisdiction)'s Block Grant Application; and

WHEREAS, the (Board/Council name) understand and acknowledge that they would be responsible for completion of grant activities and any corrective actions including the repayment of funds if necessary;

NOW, THEREFORE, BE IT RESOLVED, that the (Board/Council name) authorize the submittal of an application for Community Development Block Grant funds in the amount of (\$ _____) this (____) day of (_____ 20__) for the following project(s):

BE IT FURTHER RESOLVED, that (Chief Elected Official) is authorized and empowered to execute any and all documents required for the submission of the application.

(Board /Council name)
(Jurisdiction)

By: _____
(Mayor/President)

Attest:

(Note: For resolutions supporting multiple projects, please list projects and amounts)

•••Exhibit C•••

*First Public Hearing Notice
(Sample shows minimal language to be included)*

NOTICE OF PUBLIC HEARING

The (*Jurisdiction*) will conduct a Public Hearing to obtain the views of citizens on community, economic development, and housing needs to be considered for submission of an application to the Maryland Community Development Block Grant Program (CDBG). Citizens will have the opportunity to discuss proposed projects and to provide input on other needs to be considered. The hearing will be held at the (*Location*) at (*time, day, and date*). The draft application will be available for the public to review on (*date*) until (*date*) at (*location*) during normal business hours.

Citizens will be furnished with information including but not limited to:

- * the amount of CDBG funds available for State Fiscal Year 2024;
- * the range of activities that may be undertaken with CDBG funds; and
- * the proposed projects under consideration by (*Jurisdiction*).

The Maryland Community Development Block Grant (CDBG) Program is a federally funded program designed to assist governments with activities directed toward neighborhood and housing revitalization, economic development, and improved community facilities and services. It is administered by the Department of Housing and Community Development.

The Maryland CDBG Program reflects the State's economic and community development priorities and provides public funds for activities which meet one of the following national objectives, in accordance with the federal Housing Community Development Act of 1974, as amended, that:

1. benefit to low and moderate income persons and households;
2. aid in the prevention or elimination of slums or blight;
3. meet other community development needs of an urgent nature, or that are an immediate threat to community health and welfare.

Efforts will be made to accommodate the disabled and non-English speaking residents with _____ days advance notice to _____ (*name and phone number of contact*).

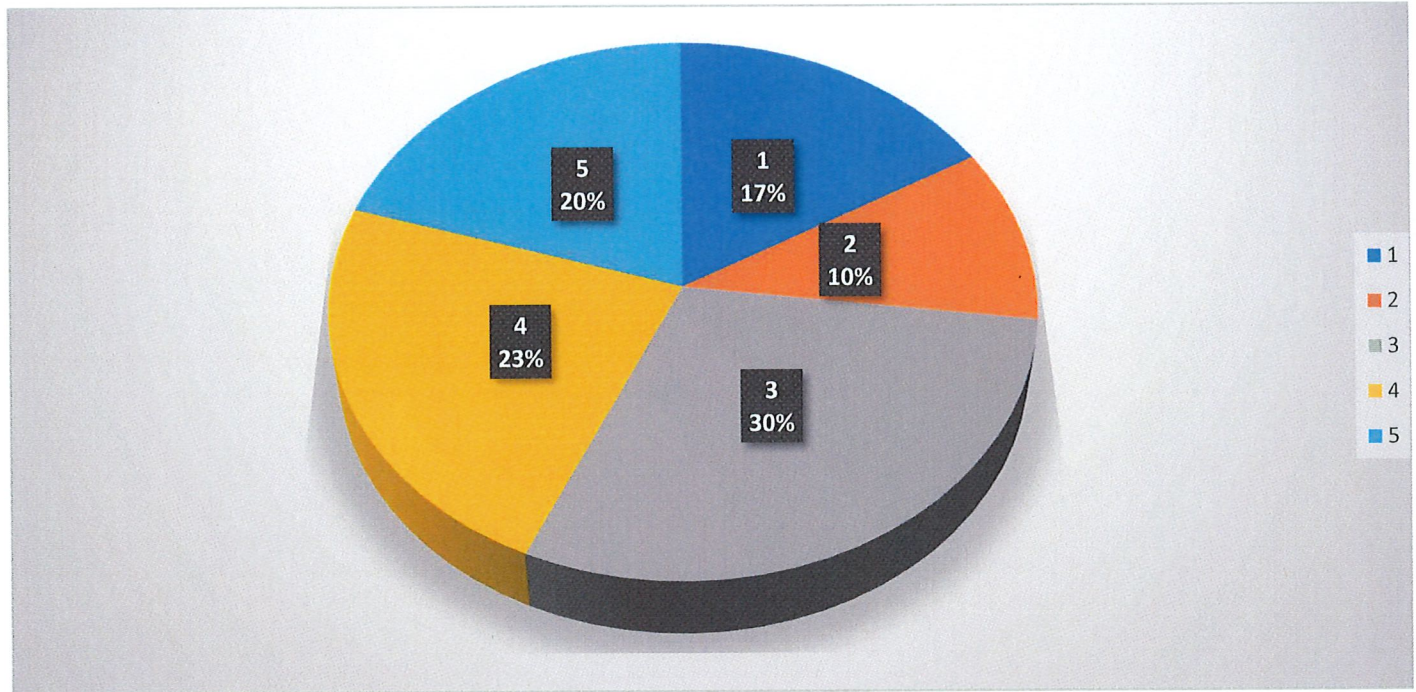
(Chief Executive Officer of Jurisdiction)

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: May 1, 2023
RE: Fiscal Year 2023 – 2024 Budget Update, Real Property Tax Rate, and Set Public Hearing Date

For several months staff have been developing the fiscal year 2024 draft budget, and has brought versions of that budget to the mayor and council meetings and workshops for review and discussion. As the budget development process nears completion, staff is bringing forward for review a brief narrative, graphics, and request for action. The complete line-item budget will be reviewed at the May 15, 2023 mayor and council workshop. A public hearing and vote are proposed for Monday June 19, 2023. The draft budget key points are as follows:

- The real property tax rate remains constant at \$0.88 although the constant yield revenue would have a tax rate of \$0.8556.
- A real property tax rate of \$0.88 yields an additional \$41,159 over the current year's yield based on increased assessments.
- Cell tower lease revenue shows \$0.00 based on the expectation of the lease being sold before June 30, 2023.
- Highway User Fund revenue, approximately \$121,000 of which is used to pay debt service as an eligible use, shows the state's estimate of \$153,563.94.
- Building department rental license inspection fees represent pass through to the contractor, and both rental license and rental inspection fees are proposed for a \$20.00 annual increase to \$120.00 to cover increased code enforcement and police service demands.
- Solid waste collection and disposal represents pass through to the contractor and shows a monthly per unit collection fee of \$17.98 to cover the full cost of the service and the contractor's cost to supply new trash cans in the first year of the contract.
- Wastewater and water service charges, which will not be increased, show a one percent growth over current fiscal year based on the stable number of rate payers; depending on the pace of the AMI water meter replacement program water revenues may be higher.
- Wastewater and water connection charges, a user pays fee meant to provide full cost recovery, show increases over current fiscal year based on an expectation of three new connections in fiscal year 2023-2024, and a proposed connection fee increase for both utilities from the current \$3,500 to the proposed \$5,000 commencing July 1, 2023.
- Public safety expenditures account for just under one-quarter of all expenditures.
- Capital projects are limited to those having secured firm grant allocations, including ARPA-funded, and will not add to the town's current debt load.
- Debt service payments total in excess of \$770,000, or roughly one dollar out of every six dollars of revenue across all funds, meaning 100% of current government services are paid for through 83% of the revenue meant to do so.

The pie chart below shows the percentages of the total budget for the following: 1. Debt Service Payments; 2. Utilities Water; 3. Utilities Sewer; 4. Public Safety; 5. General Government (public works, administration, finance, code enforcement, legislative and legal). The actual budgeted dollar amounts for each are as follows: Debt Service Payments - \$774,132; Utilities Water - \$485,499; Utilities Sewer - \$1,388,103; Public Safety - \$1,078,545; General Government – \$938,511.



External funding for several capital projects (pump station upgrades, sludge belt press, and Phase II street paving) is uncertain currently and so are not in the proposed budget. While the pump stations and street paving projects have been moved forward by the federal legislative delegation for direct spending, each project would require a town match of twenty-percent (20%) likely and that gap funding is being pursued through securing Community Development Block Grant (CDBG) funding. This gap funding will not add to the town's current debt load. In any event, due to the federal fiscal year and on-going federal budget process any federal support will not be received prior to October 1, 2023 and likely later or into calendar year 2024. Both the belt press and the pump stations are being considered for funding from the Maryland Department of the Environment (MDE) either through grants or grants and loans, and MDE's decision is likely in late May.

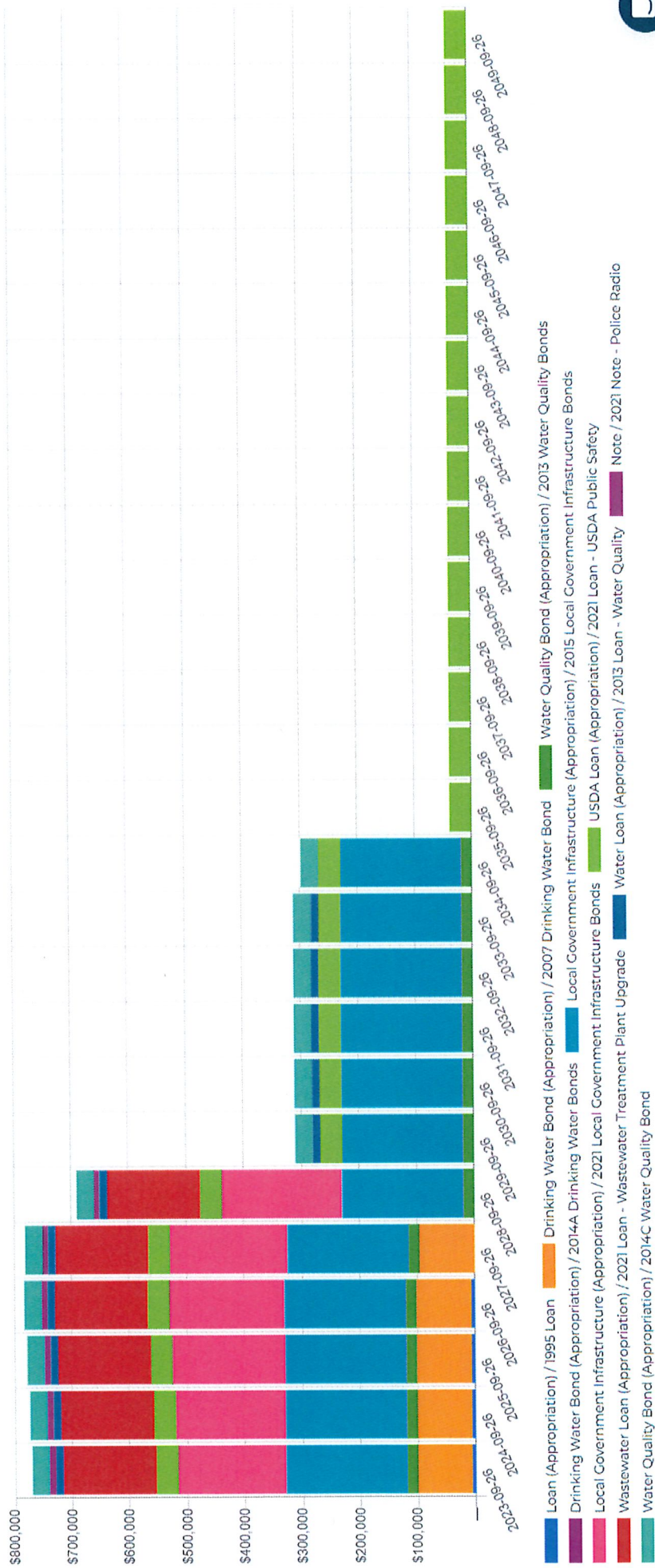
Attached are two documents previously part of the public record. The first shows the town's current and on-going annual debt service obligations by individual loan issue. The second is the constant yield property tax rate public notice for the current fiscal year, which was advertised May 5, 2022. As shown, the tax base growth for the current

fiscal year was 2.82% resulting in a yield of \$39,025.02. Fiscal year 2023-2024 growth rate remains stagnant at 2.8% and is projected to yield \$41,159.

Except for tax assessment increases the town's tax base growth has been below the ARPA revenue loss standard of 4.1% annual growth for approaching a decade. That trend continues. Flat growth coupled with a high debt service percentage and inflationary pressures require a fiscally austere budget. And that is what staff presents, including holding staff furlough days as an expenditure option. Services that require full cost funding can no longer be subsidized by an ever-dwindling fund balance reserve. Deferred maintenance of public water and sewer infrastructure results in higher annual repair costs paid to external contractors and consume more staff time.

Staff requests the mayor and council accept the recommendation of a \$0.88\100.00 real property tax rate, advertise that rate as required, and set a public hearing for Monday June 19, 2023. Pending further discussion provide direction to staff.

Debt Service By Issue



**TOWN OF FEDERALSBURG NOTICE
OF A PROPOSED REAL PROPERTY TAX INCREASE**

The Mayor and Council of Federalsburg propose to increase real property taxes.

1. For the tax year beginning July 1, 2022, the estimated real property assessable base will increase by .03% from \$156,908,491 to \$161,343,152.

2. If Federalsburg maintains the current tax rate of \$0.8800 per \$100 of assessment, real property tax revenues will increase by .03% resulting in \$39,025.02 of new real property tax revenues.

3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$0.8558, the constant yield tax rate.

4. The Town is considering not reducing its real property tax rate enough to fully offset increasing assessments. The Town proposes to adopt a real property tax rate of \$0.8800 per \$100 of assessment. This tax rate is .0282% higher than the constant yield tax rate and will generate \$39,025.02 in additional real property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at 6:00 P.M., on Monday, June 20, 2022 at the Federalsburg Town Office. Public testimony is encouraged. The public hearing will be held in person and via Zoom. Instructions for how to access the hearing will be posted at <https://www.townoffederalsburg.org/> prior to the meeting. Questions and comments prior to the meeting can be directed to townmanager@federalsburg.org.

**By Authority: Mayor and Council of Federalsburg
Kimberly Abner, Mayor**