

**MINUTES
TOWN MEETING
SPECIAL MEETING - BUDGET
May 15, 2017
Emmitsburg Town Office**

Present: Mayor Donald Briggs; Commissioners: Glenn Blanchard, Elizabeth Buckman, and Timothy O'Donnell, President. Commissioner Sweeney arrived at 8:25pm with prior notice.

Staff Present: Cathy Willets, Town Manager; Madeline Shaw, Town Clerk; Amy Naill, Code Enforcement Officer; and Cole Tabler, Town Accountant.

Absent: Commissioner Joseph Ritz III without prior notice.

I. Call to Order

Commissioner Timothy O'Donnell, President of the Board of Commissioners, called the May 15, 2017 Town Budget Meeting to order at 7:30 p.m. EST. Pledge of Allegiance was recited.

Commissioner Comments: Commissioner(s) cited attendances, recognitions, and announcements.

- **Commissioner Blanchard:** Commissioner Blanchard encouraged residents to enjoy the parks and bike trails.
- **Commissioner O'Donnell:** Commissioner O'Donnell mentioned he visited Mr. Lindsey's farm in regards to the lagoon odor. He thanked Mr. Lindsey for his time and apologized for his pointed words at the May 1st Town Meeting. He also mentioned there are various trail workdays occurring soon. Volunteers will receive free food. The Town website and Facebook page has further details.

Mayor's Comments:

Mayor Briggs attended numerous meetings in the beginning of May 2017. The Mayor mentioned he attended the Mount St. Mary's (MSM) Graduation ceremony. He also attended an Earth Day celebration with Mother Seton School, where he enjoyed the student's musical performances. He encouraged the Town to not forget the children when planning for sustainability. The Emmitsburg Business and Professionals Association (EBPA) breakfast is in May and he is looking forward to thanking the local business owners for choosing Emmitsburg as their place of business.

Public Comments:

Richard Lindsey, 16737 Creamery Road- Mr. Lindsey mentioned there is still a slight lagoon odor. He is not satisfied with solutions, such as limiting the hauling to 12 working days, which was discussed at the last Town Meeting. He is also concerned that there will still be hauling over the summer, beyond the 12 days, if there is a wet summer. Cathy Willets, Town Manager, stated there was a letter typed up reinforcing the idea of not hauling before December 15th and that the work must be completed within 12 working days in the winter and spring; no weekend or holiday hauling. There will be no more hauling into Town. The trucks will be required to stay outside the town and off Route 140. Commissioner O'Donnell requested that the Board revisits the lagoon topic at the June Town Meeting and that a copy of the letter and bio agent information (smell control) be provided to the Board. Mr. Lindsey stated he is still concerned about where the truck will be driving. Ms. Willets mentioned a new route has not been determined yet.

Consent Agenda

Cathy Willets mentioned Rainbow Lake is at the spillway level and the wells are slowly improving, which she mentioned at the last Town Meeting. Staffs' recommendation is to lift the Phase 1 water restrictions.

Motion: - Motion to lift the Phase 1 water restrictions.

Motion by Commissioner Blanchard, second by Commissioner Buckman.

Vote: 3-0 in Favor, Commissioner Sweeney and Ritz III absent.

II. Agenda Items

Agenda #1 Initial Budget Presentation for FY 2018: Presentation by Cole Tabler, Town Accountant, and Cathy Willets, Town Manager. Ms. Willets mentioned staff has been working on the budget since mid-March. Mr. Tabler stated the budget will be reviewed in ascending order of departments.

- **Revenue:** Mr. Tabler mentioned the general fund revenue will increase by about \$55,000. The fiscal year (FY) 2018 general fund revenue is \$7,743,959. The Town anticipates getting more taxes this year. The anticipation is determined by looking at money received in prior years or notifications from the State or County. The Town did not include grant money in the revenue unless the grant had already been approved. Ms. Willets said the Town applied for Project Open Space (POS) grant money to pave the Community Pool parking lot and put in new sidewalks at the pool. The money has not yet been awarded. Commissioner Blanchard asked how County tax equity is calculated. Town staff is going to look into it. Commissioner Buckman asked what the cable franchising fee is. Ms. Willets stated the Town established a franchise agreement many years ago to sell Comcast within the Town limits. Town staff will look into the franchise agreement to determine what is included in the agreement. Commissioner O'Donnell requested the staff look into pricing and the possibility of upgrading the cable infrastructure to aid the Town's economic development. Ms. Willets mentioned when doing the budget this year numbers were gathered as far back as FY 2009. Numbers show the tax revenue has not increased since FY 2012, and tax rates have remained the same since 2005, which has led to the general fund revenue not increasing since 2009. Commissioner Buckman asked about the utility tipping fee. The fee is for trash services in Town, which residents pay for with their water bill. Ms. Willets mentioned there has only been a 2% overall revenue increase since FY 2009. Commissioner O'Donnell asked about the Scott Road Farm and where the money is going that was allotted to the farm in the past. Ms. Willets mentioned there is not a line item for the farm, but the funds are being used for the parks.

- **Expenses:** Mr. Tabler reviewed the expenses of the departments in ascending order. He mentioned some of the department salaries have increased slightly and some have decreased due to better allocation of where they think employees will spend most of their time. Ms. Willets stated historical the salary adjustments are between 2% and 4%. The recommended salaries increase for FY 2018 is a 1.5% step increase with a 0% Cost of Living Adjustment (COLA).
 - **Department 10 (Legislative & Executive):** Mr. Tabler mentioned the department had \$122,801 budgeted for it in FY 2017. The proposed amount for FY 2018 is slightly less at \$119,792. Part of the decrease is a result of additional consulting expenses budgeted in FY 2017; many of the contractual accounts (5505) have decreased in all departments. Ms. Willets mentioned the special events/programs (6901) is increasing for FY 2018 because of the composting program, new Christmas decorations for the new square, donations, and the Christmas tree lighting ceremony. Commissioner Buckman asked which staff falls under Department 10 and why there is a jump in overtime for the department. Mr. Tabler mentioned the Commissioners and Mayor are under Department 10, and the overtime is mainly from Town staff that attend the Town Meetings. Mr. Tabler mentioned the overtime increased because the Town is doing a better job at budgeting and allocating funds to specific line items.
 - **Department 12 (Planning & Zoning):** Mr. Tabler mentioned overall this department has decreased in funding from \$167,161 in FY 2017 to \$130,702 in FY 2018 because there is one less position under this home department. The contractual (5505) has decreased because there is no longer a temporary position and the old Town Manager was never hired for consulting.
 - **Department 13 (Financial):** Mr. Tabler mentioned this department has increased slightly from \$167,708 in FY 2017 to \$169,583 in FY 2018. Ms. Willets stated other expenses (6100) had \$1,000 added for the billing credit card processing, but there will be a \$500 revenue offset. Also, a line item for \$150 was added for pre-employment screening since a line item did not exist in the past. Commissioner O'Donnell asked what the Bad Debt Expense (5310) is. Mr. Tabler stated the Bad Debt Expense is for those who do not pay their personal property tax. For those outstanding invoices, the Town anticipates losing \$1,000. Commissioner Buckman asked if percentage increase/decrease could be added next to each line item in the future.
 - **Department 15 (Buildings):** Mr. Tabler mentioned this department has increased slightly from \$121,802 in FY 2017 to \$124,377 in FY 2018. Staff mentioned the electric line item (5522) has increased for certain departments, but the electric drastically decreased under the Sewer Department. The Town still pays for electricity, even though it uses solar energy, because of electric allocations. Ms. Willets mentioned that overall the electricity fund did decrease slightly. Ms. Willets highlighted other expenses (6100) and repairs and maintenance (6200) by showing what items composed the sum of the line item. Ms. Willets mentioned these allocations are based off historical data and the need for upcoming repairs and maintenance. Commissioner O'Donnell asked why the advertising budget (5311) decreased. Ms. Willets specified the advertising is for gym use and contractual work.
 - **Department 20 (Public Safety Police):** Mr. Tabler mentioned overall this department has increased in

funding from \$247,950 in FY 2017 to \$272,041 in FY 2018 because the Town is paying more for 2 deputies contracted by the Sheriff's Office. Ms. Willets stated the Town had 3 deputies, but cut the staffing back to 2 deputies in the past. The cost dropped for a few years and now it's going back up.

- **Department 21 (Public Safety Fire & Rescue):** Mr. Tabler mentioned the only line item under this department is donations (6902), which is composed of a \$3,000 donation to the Vigilant Hose and the Emmitsburg Ambulance Company.
- **Department 22 (Other Public Safety):** Mr. Tabler stated this department has increased from \$6,495 in FY 2017 to \$6,670 due in FY 2018 as a result of repairs and maintenance (6200) increasing \$175. Ms. Willets added that this line item is for the Town's emergency warning system and it's the first contract increase in 7 years.

Note: Commissioner Sweeney arrived at 8:25pm.

- **Department 30 (Public Works Streets):** Mr. Tabler noted this department increased from \$355,492 in FY 2017 to \$363,342 in FY 2018. He pointed out contractual (5505) has decreased under this department to \$22,480. The contractual line item is mainly composed of snow removal funds. Town staff has looked at the average snow removal expense from the past seven years and has determined FY 2018 may have more snow based on past trends. Any excess funding can be transferred elsewhere if it is not used. Commissioner Buckman asked what staff is included under this department and what the overtime is from. Ms. Willets responded the staff included under this department is the Director of Public Works, 2 full time Public Works employees, and a part time employee. The overtime is a combination of snow removal, road closures, and other unexpected events. Commissioner Buckman asked why the communication (5304) line item increased. Ms. Willets explained the communications line item is composed of half the Director of Public Works cell phone because he is on call 24/7, half of the parking enforcement cell phone, internet at 22 East Main Street for email capability, the Verizon phone lines at 22 East Main Street, and a portion of the Town radio system. Ms. Willets added internet charges increased the line item for this coming fiscal year but cost was recovered elsewhere. Commissioner Buckman asked what the street light upkeep (6200) fund is for. Ms. Willets explained the \$25,000 in the fund is for poles, fixtures, and bulbs. Ms. Willets added that the Town has lost 3 lights in the past few weeks. Street lights cost about \$2,500 to replace and they are often broken by cars/trucks crashing into them and salt rusting the base. Town staff is looking for grants to replace the lights. Commissioner O'Donnell asked if \$25,000 is enough. To date the Town has spent a little over \$17,000 on light poles. Broken poles are replaced with new bases. The \$25,000 was recommended by the Director of Public Works. If the driver is caught, insurance can cover the cost of the damage light poles. Commissioner O'Donnell requested an explanation of capital outlay (6600). Town staff explained capital outlay is for larger items of which the Town does not have a line item for, or a purchase that extends the life of an item. Typically the Town does not take funds out of capital outlay because there is a line item for most items. Commissioner Sweeney proposed about adding more parking meters in Town for more revenue. There was discussion over future actions to take with the Town parking meters. The Board determined to add parking meters as a future agenda item to allow staff time to gather the information. Ms. Willets highlighted the operating supplies (6110) line item to show what composed this line item. She added the recommended figures were created using historical data and recommendations from staff. Overall department 30 has a 2.2% increase from FY 2017 to FY 2018.
- **Department 31 (Refuse):** Mr. Tabler mentioned the contractual (5505) for this department has decreased. Ms. Willets mentioned the overtime in this department is for Town staff to work 2 Saturdays a month at the yard waste and recycling. Employees staff the location from 9am to 12pm for the public to drop off yard waste. Commissioner O'Donnell asked if the yard waste drop off is well utilized. Ms. Willets mentioned it is well utilized during the fall, spring, and right after Christmas, but she does not believe it is well utilized during the winter. Commissioner O'Donnell mentioned Town tipping fees could be significantly reduced if resident's composted and used the yard waste drop off more. He would like the Town to start advertising waste reduction methods more. He asked if the Town charges for recycling. Ms. Willets stated recycling is a Frederick County program, and a person only needs to be a Frederick County resident to take advantage of the recycling program. Recycling information is on the Town website. Businesses would have to talk to Frederick County to get recycling information. To drop off yard waste, a person only needs to show ID verifying Emmitsburg residency.
- **Department 60 (Parks):** Mr. Tabler mentioned overall this department has decreased in funding from \$184,358 in FY 2017 to \$150,769 in FY 2018 mainly because the pool is closed. Mr. Tabler highlighted

a few line items: operating supplies (6110), repairs & maintenance (6200), special events & programs (6901), and donations (6902). The special events & programs features the Afterschool Club House, farmers market, community gardens, community functions and pool. The \$1,500 donation line item goes to the Community Heritage Day fireworks each year. Commissioner O'Donnell asked if the pool fund factored in later hours. Ms. Willets replied that pool lighting will not be completed this year. Commissioner Buckman asked about the overtime for department 60. Ms. Willets explained the overtime in this department is for Town staff to work the pool parties, unexpected park bathroom repairs, and other unexpected events. Mr. Tabler clarified that staff didn't have a change in hours worked; it's just better budgeting for FY 2018. Commissioner O'Donnell asked where the overtime funds came from in the past. Town staff responded each department is looked at separately and Town staff is trying to be more accurate with budgeting and where funds are coming from.

- **Department 70 (Debt Service):** Mr. Tabler mentioned this department is composed of loans from items in the past, and the numbers come directly from the loan statements. GO stands for general obligation. The Board requested a list of loans that the Town has by the next Town Meeting. Commissioner Sweeney revisited Department 60 and the special events line item. The Board discussion adding more money to the special events line item to encourage more attendance. The Board requested more funding to the special events & programs (6901) line item under Department 60.

➤ **FY 2018 Capital Projects Fund Transfers:** Mr. Tabler mentioned this fund is the excess FY 2017 revenue that can be applied to upcoming capital projects. For FY 2018 there is \$218,341 available for transfer. Ms. Willets explained the Town expenses have increased 9% overall since FY 2009, or about 1% each year. Town staff is working more efficiently with more expenses and less revenue. For capital projects, Town staff recommends the following interfund transfers for FY 2018:

- \$10,000 to Department 12: Geographic Information System (GIS) for sewer/water mapping
- \$4,000 to Department 15: Christ Community Church (aka UpCounty) for maintenance
- \$14,000 to Department 15: 22 East Main Street for water proofing and black mold removal
- \$45,000 to Department 30: Vehicles fund to replace the Town car. Ms. Willets mentioned this transfer is made yearly. The Town car, a 2002 Ford Escort with about 90,000 miles, is the next vehicle that needs to be replaced. Other vehicles that need replacement soon are the mini dump truck (about \$55,000), the backhoe, and the dump truck because these vehicles are very aged. The Town will sell and trade whatever vehicles they can for money.
- \$1,300 to Department 30: Square maintenance (beautification) once the square is complete.
- \$44,754 to Department 30: Paving budget for curbs, gutters, sidewalks, and roads.
- \$15,000 to Department 30: Salt shed for the WWTP.
- \$79,644 to Department 60: Pool fund for lighting, electrical work, a diving board, and \$16,000 just in case something else comes up during construction.
- \$4,643 to Department 60: Dog Park fund because the clearing bids came in higher than expected. Ms. Willets explained when the grant was originally submitted estimates were not thoroughly collected to get an idea of pricing.

Commissioner O'Donnell asked about Department 30, Town Square Construction Drawings (372), and if the drawings were included in the funding by the State Highway Administration. Ms. Willets mentioned this money was related to the square, and it came from a grant. Commissioner O'Donnell asked about Town Square Reserve for the Future (373) and if the Town anticipates spending the money over the course of the project. Ms. Willets explained the Town will spend the money during the course of the project and the anticipated completion date in June 2018. The sidewalks projects should be started June 2017. Commissioner O'Donnell asked if there was a priority plan for areas needing paving in Town. Ms. Willets mentioned the Public Works Director has a plan, and in FY 2017 there was some unexpected paving that was needed, which is why the fund was negative.

Capital Projects (aka Fund 2): Proposed Internal Increases totaling \$48,787

- \$43,000 to Department 30: Curbs, Gutters, Sidewalks, and Roads
- \$2,131 to Department 15: 140 South Seton Ave.
- \$356 to Department 60: Pool
- \$1,300 to Department 60: Ball Fields Upkeep
- \$2,000 to Department 60: Dog Park

Capital Projects (aka Fund 2): Proposed Internal Decreases totaling \$48,787

- \$40,000 from Department 30: Impact Fees
- \$4,000 from Department 22: Other Public Safety
- \$3,000 from Department 30: Jamison Street, North School Lane, and West North Avenue
- \$1,300 from Department 60: Equipment Upgrade for Ball Fields
- \$356 from Department 60: Splash Park is no longer needed (project complete).
- \$131 from Department 15: Solar Fields is no longer needed (project complete).

Ms. Willets mentioned that some of these line items have not had any activity, so the money was transferred to a line item with more activity and need.

- **Department 40 (Water):** Mr. Tabler mentioned overall this department has decreased in funding from \$555,510 in FY 2017 to \$510,000 in FY 2018 because some of the larger water consumers have reduced their consumption. In addition, the overall water consumption of the Town has decreased. Expense wise, Town staff highlighted the computer (5302) line item, which has almost doubled, because the Water Plant is in need of a new computer system (\$5,000) and a few other smaller items. Mr. Tabler highlighted the insurance, liability & property (5308) line item. He mentioned in general the insurance amounts have decreased for most of the departments. Town staff also highlighted the contractual, which is composed of such items as the algae control system (\$13,000) and leak detection specialist (\$10,500) that will help reduce water loss and overtime. Operating supplies (6110) was highlighted to include larger items such as replacing 100 of 300 old water meters in Town (\$25,000) and water use from Mount St. Mary's (\$12,500). New meters are needed to ensure accurate billing. A 3 year plan has been implemented to replace all 300 of the remaining old water meters. Commissioner O'Donnell asked staff to notify residents that if they receive a new meter, their water bill may decrease slightly. Ms. Willets explained staff over estimated on chemicals (6150) in case the LG Sonic Algae Control system does work as planned. Next, repairs & maintenance (6200) was highlighted to include larger items such as lines and piping (\$10,000), 2 new chlorinators (\$7,000), and socks for DE filters (\$3,500). Lastly, Town staff reviewed the depreciation (8001) line item. Town staff recommends recognizing depreciation as part of the audited FY financial statement, but not as part of the budgeting process for several reasons: depreciation being a non-cash item, audited statements showing non-cash loss, and because the typical practice (according to auditors and other municipalities) is to not recognize it as part of the budget. Also, in prior FY years, the Town did not recognize additional revenues related to WWTP construction and the net build up of fund equity. Mr. Tabler summarized the Water Departments revenue is \$510,000, fund expenses are \$529,443, and there is a net income loss of \$19,443. Ms. Willets added there has been a loss in water since FY 2009, and this year the loss is smaller than it typically is.
- **Department 50 (Sewer):** Mr. Tabler mentioned the total revenue has slightly increased from \$987,900 in FY 2017 to \$1,000,500 in FY 2018. Town staff highlighted the utility charges (4431) and misc revenue (4500) line items. The Town receives \$80,000 in revenue for the WWTP lagoon storage contract. Commissioner Sweeney asked about the tap fees for Seton Center. The fees will go into the water and sewer revenue when it is received. In regards to expenses, Town staff highlighted several expense line items: computers (5302), legal fees (5501), contractual (5505), electric (5522), operating supplies (6110), chemicals (6150), and repairs & maintenance (6200). Ms. Willets explained legal fees (5501) had to be increased because of issues over a pipe at the new WWTP. The Board requested Town staff provide an update at a later meeting regarding the piping. For contractual, \$16,000 is allotted to labs and \$10,000 for sludge removal to the County landfill. Ms. Tabler mentioned most of the repairs & maintenance goes towards the WWTP. Mr. Tabler will provide the Board with a list of loans at the next meeting. In summary, the Sewer Departments revenue is \$1,000,500, fund expenses are \$659,399, and there is a net income loss of \$341,101. Commissioner Sweeney asked what the vacation expense line item is. Mr. Tabler explained the Town must have an accrual of funds just in case an employee decides to quit on the last day of the year. Ms. Willets clarified that new hires have a limit on vacation accrual, but older staff members are not under the new policy. Older staff was hired under certain conditions and the vacation needs to be bought out.
- **Water & Sewer Future Infrastructure Projects:** Ms. Willets explained the importance of having a solid water and sewer infrastructure. Upon speaking with Town staff, these are the recommended actions. The Town would like to remove the mountain water line because of the water, time, and monetary loss it is causing. The line would be removed in 2 phases. First, drilling 4 new wells for the only 4 houses connected to the line

(\$30,000). Second, tie the MSM line into the 8 inch line (\$15,000). Another project staff would like to pursue is Rip Rap Rainbow Lake because the lake is eroding in numerous places (\$10,000 per year). Sewer line repairs are needed on Irishtown Road (\$36,400- 910 linear ft) and South Seton Ave (\$63,000- 1,400 linear ft). Commissioner Sweeney asked about the line repairs and what the work entailed. Ms. Willets will need to gather the information, but the project would have to have to be approved by the board before the work can begin. Other projects staff would like to pursue is to pump out the backwash reservoir at the Water Plant because it's almost to capacity (\$20,000), several pumps at the pump station needs to be repaired/rebuilt (\$10,000), a new storage shed is needed at the WWTP for vehicles/equipment (\$15,000), the lab roof at the old WWTP needs replacement because it 35 years old and leaking (\$8,500), and the WWTP garage roof needs replacement (\$4,300). Ms. Willets stated these items would be brought back to the board for final approval as they occur, and not all of them would be completed this coming fiscal year.

Electric Budget: Mr. Tabler mentioned staff anticipates the electric budget will be right where budgeted, and staff anticipates the actual cost of electric will be slightly less than FY 2017. Commissioner Sweeney asked why the electric budget is slightly more for Department 30. Mr. Tabler explained the expenses aren't changing, but the allocation of the funds is more exact. Ms. Willets explained the Town buys solar at a higher rate than what the Town sells it back for, but what the Town pays on the Potomac Edison bills (with the reduced line items and kWh hours) and the UGI bills determines the allocations. The budget projects that the Town would be paying more without the solar fields, and commercial rates are different than residential rates. The Town is constantly looking for grants to save on electricity. Ms. Willets also explained Powestar has helped the Town saving 56% over a 6 month period at the Pump Station.

Insurance: Insurance rates have almost doubled, but Terri Ray, Office Manager for the Town, was able to find cheaper insurance options to reduce the cost of insurance for FY 2018. Ms. Ray's efforts have resulted in a 29% decrease for the FY 2018 insurance budget, which includes property, general liability, and auto insurance. Workman's Compensation rates have remained steady.

Commissioner O'Donnell asked why the sewer contractual has significantly reduced. Ms. Willets stated the decrease was because there was no temporary position, no staff consultant (Mr. Dave Haller), and there is no more monitoring of well/streams related to the outfall. Town staff asked the Board to email with any questions so the information can be collected for the next Town Meeting. Commissioner O'Donnell added any questions should only go to one staff member, who will then direct the email to the appropriate person; any responses to questions should be directed to all Commissioners.

Set Agenda Items for June 5, 2017 Town Meeting

1. FY 2018 Budget for Consideration
2. Salary Chart Adoption for Consideration
3. Revisit the Recreational Trail Program Grant Offer

III. Sign Approved Text Amendments And/Or Resolutions

IV. Adjournment

With no further business, the May 15, 2017 Town Meeting was adjourned at 10:28 p.m. EST.

Respectfully submitted,

Madeline Shaw
Town Clerk

Approved: June 5, 2017