

**Mayor & Council of Federalsburg
Workshop Meeting
Wednesday, May 7, 2025
6:00PM**

The Mayor & Council of Federalsburg held their regular meeting on Wednesday, May 7, 2025 at 6:00 PM in the Mayor & Council meeting room located at Town Hall. Those in attendance were Mayor Abner, Councilmembers Hammond, Sewell, James, and Ferguson, Interim Town Manager Mercedes Moyer, Chief Gasser and members of the public.

Call to Order

Mayor Abner called the Mayor and Council workshop meeting to order at 6:02 PM. Mayor Abner welcomed all guests that were present and led the Pledge of Allegiance.

Approval of the Previous Month's Minutes

Minor spelling corrections needed in the minutes from the Monday meeting (Federalsburg misspelled). Councilmember Sewell made a motion, seconded by Councilmember Hammond and unanimously passed by a vote of five to zero, approving the minutes as corrected from the April 29, 2025 Mayor and Council meeting.

Budget Discussion:

- **Real Estate Property Taxes:**

The budget uses a conservative estimate based on line 11 of the tax assessment, recommended by the accountant, rather than including potentially higher revenue from new townhome construction. Uncertainty about whether the existing assessment includes already sold and occupied townhomes. Concern about the constant yield potentially resulting in an overestimation of revenue. Actual collection data compared to projected revenue.

Decision: To use the conservative estimate based on line 11. A potential for more revenue is acknowledged, but the conservative approach is preferred.

- **Personal Property Taxes:**

Revenue based on business inventory filings. Concern that last year's budget may have been inflated. Actual collection to date (\$450,000) is less than last year's budget. Businesses can amend their tax assessments. Definition of personal property clarified.

Decision: To use a conservative estimate of \$500,000, recognizing potential for additional revenue later in the fiscal year.

- **Penalties and Interest:**

Uncertainty about the source of this revenue. Concern that last year's budget may have been inflated.

Decision:To use a conservative estimate of \$10,000.

- **Income Tax:**

Last year's budget underestimated this revenue; a more accurate estimate of \$200,000 is used based on previous years' data.

Decision:To use an estimate of \$200,000.

- **Highway User Revenue:**

Revenue based on the most recent exhibit A received (September/December). A newer version was confirmed and used.

Decision: To use the revenue based on the most recent Exhibit A.

- **Code Enforcement Department Revenue:**

Revenue from building permits and rental licenses. Building permit revenue needs to account for inspection fees, resulting in net revenue being less than the gross permit fees. A rental audit has been conducted, resulting in new licenses issued.

Decision:To separate building permit fees from inspection fees to better reflect actual revenue. Rental license revenue is based on 525 rentals.

- **Franchise Fees:**

Unbudgeted revenue from Comcast. Approximately \$5,500 received.

Decision:Add franchise fees as a new line item to revenue sources.

Action Item:Add franchise fees as a revenue source in the budget.

- **Rental Inspection Fees:**

Revenue and expenses related to rental inspections using First State Inspection Agency. Net revenue is the difference between total inspection fees and agency costs.

Decision:To keep the current methodology, clarifying net revenue.

- **Police Protection Grant:**

\$41,000 received to date. Chief Gasser clarified that the funds are used for many things including coverage from MSP and Caroline County Sheriffs office.

Decision: To use the current information.

- **Clean and Lean Ordinance:**

Uncertainty about revenue generation from this ordinance. A case where a resident paid for grass cutting is noted. Potential for administrative fees.

Action Item:To investigate if administrative fees should be added.

- **Unidentified Revenue Source:**

A recurring \$10 revenue from Federalsburg Police Department for when accident reports are requested. A motion was made by Councilmember James to increase the fee to \$20, seconded by Councilmember Ferguson, all were in favor. An ordinance will be passed for the fee increase.

- **Brewery and Cookie Shop Loan Repayment:**

Repayments go directly to the small business loan program, not the general fund. The process for utilizing these funds is unclear; it may require a grant application process. Discussion of potential uses (trail repair, Chambers Dam).

Decision: Need to clarify the process for using loan repayments.

Action Item:Follow up on process for utilizing the funds from Brewery and Cookie Shop loan repayment. Research last payments made, explore what legal remedies are available.

- **Speed Camera Revenue:**

Revenue projection based on 1200 citations at \$40 each, minus processing fees. A separate bank account for speed camera revenue exists which violates established procedure. Revenue from speed cameras must be transferred to the general fund. Councilmember James made a motion to have all speed camera revenue transferred to the general fund and the speed camera account closed. Councilmember Ferguson seconded, all were in favor.

Decision:To transfer all money from the speed camera account to the general fund and close the account.

Action Item:Transfer all funds from the speed camera account to the general fund and close the account. Notify the Chief of decision. The Town Manager will look to see if all funds have been collected prior to closing the account.

- **Bulk Trash/Waste Collection:**

The current fee is \$10 per item, regardless of size. Discussion about raising fees, especially for larger items (appliances, furniture, mattresses). Concerns about the cost-effectiveness of the current system and potential for abuse.

Suggestions for tiered pricing based on size or item type. Consideration of alternative methods of waste disposal (dumpster rental). State regulations on mattresses discussed. Councilmember Hammond made a motion to increase the

bulk trash pickup fees for larger items (furniture, appliances, mattresses) to \$30, seconded by Councilmember Ferguson, all were in favor.

Decision: To increase fees for larger items (furniture, appliances, mattresses) to \$30. To implement a color-coded system for tagging items based on size/fee. Effective July 1st.

Action Items: Develop a color-coded system for bulk trash collection. An ordinance will be drafted to reflect the fee change.

- **Code Enforcement:**

Monies had been found within the department. No major changes within the line items of the department budget.

Adjournment

Councilmember James made a motion seconded by Councilmember Hammond and unanimously passed by a vote of five to zero to adjourn the meeting at 9:18 PM. A motion was made to hold a closed session regarding personnel matters.

Respectfully submitted,

Brandy James, Council Member
Mercedes Moyer, Interim Town Manger
Sheri Hendrix, Office Administrator