

**TOWN OF SUDLERSVILLE**  
**Commission Meeting Minutes**  
**January 3, 2018**

**Present:** President Ronald Ford  
Commissioner Connie Engrem  
Commissioner Kevin Kerr  
Commissioner David Ruffner

**Town Manager:** Jo Manning

**Public:** Faye Williams, Sue Kidwell, Reese Coleman, Dwayne Embert, Joey Apple, Mr. & Mrs. Comegys, Peter Bourne, and David Taylor

**President Ford called the meeting to order at 6:30 PM.**

**The Pledge of Allegiance was recited.**

**Minutes of the December 6, 2017 meeting:** The minutes of the December 6, 2017 meeting were reviewed. A motion to accept the minutes as written was made by Engrem; a second was made by Ruffner, a vote of 4-0 was entered.

**Fire Company:** There was no report. New Officers will be announced at the next meeting.

**MES Report:** There was no report.

**Sheriff Department:** Dwayne Embert is now the liaison for Sudlersville. There were some thefts of heating systems in the area but not too much activity happening in Town limits.

**Library:** The Library report was reviewed. Kerr asked if there was a liability issue with volunteers working at the library. Manning stated that our insurance covers volunteers.

**Planning Commission:** The Planning Commission did not have a meeting in December but they will be having a public hearing for a section of the zoning ordinance during their January meeting on January 18, 2018.

**Town Manager:** Manning reported that there have been issues with equipment at the sewer plant regarding who's responsible for fixing the problems. The Town has been taking care of the problems and the Town will take it to litigation with the contractor to see if they can be reimbursed. We had computer problems with the generator that Curtis Engine came to fix and they serviced the generator as well. The pinch valve motor is in need of replacement. She is working on scheduling a meeting with our construction attorney soon. BDC has signed the deed for their property and it is now with Attorney Yeager. Town of Barclay rate study needs to come in before we can amend the Intergovernmental Agreement. KCI hopes to put the Barclay project out to bid by the end of February. Audit is almost complete. She attended a seminar provided by SERCAP for "Planning Capital Improvements for Small Utilities" and she plans on making a plan listing all of our assets and how we plan to replace them in the future. She is working with Betterment Club on their museum and we are waiting to hear from the Fire Marshal on if they will need a sprinkler system or not. She has been working on policies that are going to be discussed later in the meeting: Travel & Expense Reimbursement Policy which is for auditing

purposes; Water & Sewer Connection Policy & Fees in order to have a policy in place for determining how many EDU's each property has. She has found 4 properties so far that have been billed incorrectly by how many EDU's they have. She recommends that the Town waive the allocation fees for the properties that have been billed wrong because it was a Town mistake but they need to start paying for the correct number of EDU's. The budget process is beginning and needs to be adopted in May instead of June. Manning discussed items that the Town could get revenues from but currently has no fee to charge such as: transfer tax, forestation fee, business licenses, charging MES rent for using the WWTP to keep their vehicles, and Town Hall Rental. She discussed cost of living and raising the property tax rate to go along with the cost of living. She stated that she calculated that a 3% raise, which is the cost of living rate, is a one cent raise. One cent per \$100 of the assessed value would be the increase. She estimated an increase of \$5,000 to \$6,000 of increased revenues. She asked the Commissioners to think of other fee that the Town could charge for as we continue with the budget. She is looking into grant funding from Homeland Security for cameras on all of the Town's properties.

**Financial Report:** The budget vs. actual, cash flow, accounts receivables, and accounts payables reports for the General Fund and the Sewer Fund were reviewed. Manning stated that USDA is requesting a quarterly management report because we are not making our payments like we are supposed to.

**Code Enforcement:** The report was reviewed.

**Engineer Report:** WWTP: Discussed the generator repair. Working on setting up a meeting with the construction lawyer for the next step with the contractor. Ford asked who owns the plant since the contractor has not turned it over to the Town. Bourne stated that the plant is the Town's but there are a few more items on the punch list that the contractor needs to be complete. The repairs that the Town has been making to keep the plant running will be brought up during the litigation process. Barclay: Waiting on rate study for funding agencies. KCI is amending the plans to get them up-to-date and apply for permits. The leak that was located at Harbor Sales was due to another band breaking.

#### **Action Items:**

**Water & Sewer Connection Policy and Fees:** Manning explained the policy and explained that the purpose of the allocation fees. She stated that she has had questions about where the figures for the allocation fees come from and we had no back up information that gave the answer. Manning attended a seminar provided by SERCAP where they discussed to formula used to calculate the allocation fees. She did the calculation for both the water and sewer. The formula is: take the value of the plant and subtract the outstanding debt for the plant and that will give you the current value of the plant; then take the permitted capacity of the plant and divide that by the EDU value (250 gpd) and that will give you the available capacity for the plant; finally to calculate the fee: take the current value of the plant divide that by the available capacity and that will give you the recommended allocation fee. After doing the calculation Manning found that the recommended allocation fee for the sewer is \$15,347.76 and we currently charge \$7,670.00. The recommended allocation fee for the water is \$7,518.78 and we currently charge \$7,525.00. She mentioned that the recommended sewer allocation fee is high because of the amount of debt the Town has for the plant. She stated that the Commissioners don't have to change the allocation fees to the recommended amounts. She then explained that an allocation doesn't mean that someone is tapping into the main, it's more of an impact fee; meaning your usage is impacting our plant. She stated that these calculations will be important when we start calculating Barclay. The Town of Barclay won't have to pay the allocation fees because they are all going to be connected but if someone develops or connects to the system after that they will need to pay the allocation fees. She asked the Commissioners to review it for any changes that may be needed. Faye Williams asked if

Barclay will collect the fee and then pay Sudlersville or will Sudlersville not get any of that? Manning stated that Sudlersville would get all of those fees because Sudlersville owns the system. Sudlersville will set a separate allocation fee for Barclay based on the total debt for the Barclay system. Williams asked if they have signed something stating that they need to pay these things. Manning said that they have signed an Intergovernmental Agreement stating that they have to pay these fees and that they have to pay them to Sudlersville. The Intergovernmental Agreement needs to be revised to clean up some contradictions. Williams asked if Millington coming on to Sudlersville's system will have any effect on the fees. Manning stated that if the calculation is done every year then the recommended fee will be lower because the debt decreases as more of the debt gets paid off and it will also decrease because you have more people using the plant. Manning thinks that the calculations for the fees should be looked at every year and she would never recommend increasing the allocation fee to \$15,347.76. Williams stated that she feels that it is wrong that nobody from these funding agencies came to advise the Town on how these calculations are made. She stated that the government let us done by loaning the Town all of this money without having someone come to the Town to talk about rates and other fees first.

Manning also mentioned that she will be working on making an amendment to the Water Ordinance and the Sewer Ordinance in order to determine where the Town's responsibility ends and where the property owner's responsibility begins. This comes up after a sewer clog on Wayne Street. There are options such as: to the curb, to the sidewalk, to the end of the property line but that would make it different for certain properties. Manning would like the Commissioners to think about this change. Bourne mentioned that Chestertown's is at the main.

**Travel & Expense Reimbursement Policy:** Manning explained the policy and asked the Commissioners to review it for any changes that may be needed.

**Pool Filling Policy:** Marshall explained the policy and asked the Commissioners to review it for any changes that may be needed.

**Finance Committee:** Two applications for the finance committee have been received. A questionnaire will be sent to the Commissioners to fill out regarding decisions that need to be made about the creation of the finance committee.

**Town Commissioner Vacancy:** There have been no applications filled out for the vacancy. Engrem stated that she has talked to one person and she hope that the person will volunteer to take the vacancy.

**Public Comments:** There was no public comment.

A motion to adjourn the meeting was made by Engrem, a second was made by Ruffner; a vote of 4-0 was entered.

Respectfully submitted,

Michelle Marshall  
Town Clerk-Treasurer