

December 6, 2021

Mayor McNinch called the Regular Meeting of the Denton Town Council to order at 7:00 PM on this date, leading everyone in the Pledge of Allegiance to the Flag.

Mayor McNinch thanked everyone for coming and asked that the record reflect that Councilman Lister was absent and that all other Councilmembers were present.

Mr. Chris Drummond, Town Attorney attended virtually.

Councilman Johnson made a motion to approve the minutes of the November 4, 2021 Regular Meeting as presented; seconded by Councilman Branson, passing unanimously.

Councilman Branson made a motion to approve the minutes of the November 10, 2021 Executive Session, seconded by Councilman Johnson, passing unanimously.

Councilman Branson made a motion to approve the minutes of the November 15, 2021 Working Session, seconded by Councilman Johnson, passing unanimously.

Public Hearing

Ordinance #723 – Water Meter Rate Increase

Mayor McNinch opened a public hearing at 7:03 PM to receive public comments on Ordinance #723 – An Ordinance proposing to increase the fees charged for Water Meters to offset the cost for purchasing meters from the supplier.

Mayor McNinch asked for comments from the State: there were none

Mayor McNinch asked for comments from the County: there were none

Mayor McNinch asked for comments from the Council:

Councilman Johnson shared that Councilman Lister who sits on the Utility Commission supports the meter fee increase.

Councilman Johnson stated that he is opposed to the quarterly fee increase because of timing. He agreed with raising the fees for new meters to \$600. He further explained that he would like to see information published explaining the difference between an Enterprise Fund and the General Fund and that the information needs to be made public for him to support the Ordinance.

Mayor McNinch mentioned that the Utility Commission's recommendation is to increase the quarterly fee to \$6.00. And that, as per earlier discussions and at the recommendation of Councilman Lister, the Ordinance proposes to increase the fee to \$10.00, instead of having to keep raising the fee every year.

Councilman Johnson talked about the 2018 Utility Rate Study and how the Town is still below the fees for what the study called for and the residents are paying less than what they should be according to the study.

Mayor McNinch asked for comments from the Public: there were none

With no further comments, Mayor McNinch closed this public hearing at 7:06

PM.

Ordinance 724 & 725

The Public Hearings for Ordinance #724 – 2021 Building Code and Ordinance #725 – 2021 Property Maintenance Code were cancelled, and the Ordinances were withdrawn as the Attorney and Staff are working on some changes.

Petitions, Remonstrance's, and Communication

None

Ordinances and Resolutions

Ordinance 723 - Water Meter Rate Increase

An Ordinance proposing to increase the fees charged for Water Meters to help offset the cost for purchasing meters from the supplier. The Quarterly Water Meter Rate for properties connected with a meter one inch (1") or less in size is proposed to increase from \$4.00 to \$10.00 per quarter. The Water Meter Fee for all new connections of one inch (1") or less is proposed to increase from \$350 to \$600. The rate changes would take affect with the January 2022 billing cycle.

Councilman Branson made a motion to adopt Ordinance #723, seconded by Councilwoman Wilson.

In discussion, Mayor McNinch shared that Federalsburg is allocating ARPA funds toward infrastructure and considering using the funds for replacing water meters.

Councilman Branson did not support using the ARPA Funds for just a few meters.

Councilman Johnson commented that using the ARPA Funds to fix major infrastructure will save all residents in the long run and that he agrees not to use those funds for just a few water meters replacements.

Mr. Drummond stated that the ARPA Funds are intended for capital outlay and that water meters are not classified as capital expenditures.

With no further discussion, Mayor McNinch called for a vote on the motion to adopt Ordinance #723.

The motion did not pass with a two-two vote. Mayor McNinch and Councilman Branson voted in favor of the motion, while Councilman Johnson and Councilwoman Wilson voted against the adoption of the Ordinance. The Ordinance died.

Reports of Officers, Boards, and Committees

Councilwoman Wilson announced that she attended the Eastern Shore Land Conservatory Town Meeting, the main focus of their discussion right now is on how to create Walkable Towns.

Councilwoman Wilson announced that she was recently appointed to represent Caroline County on the new State Trauma Informed Care Commission.

Councilman Johnson shared that the Neighbors United to Serve (N.U.T.S) served Thanksgiving Dinners again this year and thanked the Denton Police Officers and Town Staff members for their assistance in delivering about 125 meals throughout the Town.

Chief Bacorn stated that members of the Denton Police Dept. participated in the Shop with a Cop Program again this year. There was approximately 27 children and 21 officers that paired up and shopped, after which everyone gathered at the visitor center to wrap the gifts purchased and have pizza.

Mayor McNinch stated that the Holiday Parade was very well attended and thanked Town Staff and volunteers that assisted with making the event so successful.

Mayor McNinch also stated that the "Christkindlmarkt" went very well, with lots of vendors, Christmas music and carriage rides were enjoyed by all.

Unfinished Business

None

New Business

Agenda #1- Water & Sewer Allocation

The Council considered a request from Mid-Atlantic Real Estate Investments, Inc., seeking approval for an additional (6.5) ERUs for the proposed Dairy Queen to be located in the Denton Plaza.

Councilman Johnson made a motion to approve the request, seconded by Councilman Branson, passing unanimously.

Agenda #2 – Water & Sewer Allocation

The Council considered a request from Mid-Atlantic Real Estate Investments, Inc., seeking approval for (3) additional ERUs for the proposed Popeyes to be located in the Denton Plaza Phase II.

Councilman Johnson made a motion to approve the request, seconded by Councilman Branson, passing unanimously.

Agenda #3 - Water & Sewer Allocation

The Council considered a request from Mid-Atlantic Real Estate Investments, Inc., seeking approval for an additional (.25) of an ERU for the proposed ALDI Retail Store to be located in the Denton Plaza Phase II.

Councilman Johnson made a motion to approve the request, seconded by Councilman Branson, passing unanimously.

Return to Ordinance #723 – Water Meter Rate Increase

Councilman Johnson made a motion to reconsider Ordinance #723, seconded by Mayor McNinch.

In discussion, Councilman Johnson mentioned that in previous discussions the majority of the Council has supported the Ordinance for the right reasons, and that he did not feel it was ethically responsible to take advantage of a Councilman not being present at the meeting and having the Ordinance die for lack of the support of one vote. He further stated that he was willing to vote yes on the Ordinance if he can include in the motion that prior to the rates going in to affect the Town can disseminate information on the differences of a General Fund verses an Enterprise Fund, and that the information be made available to the residents either by being attached to the water bill or a link shared as to where the residents can find information as to why the Town is raising the fee. He mentioned that not a lot of people attend the meetings, and he wanted the information to be made available.

Councilwoman Wilson shared that she voted against the adoption of the Ordinance due to the timing with COVID and some residents not working and that it may not be a good time to raise the rates.

Councilman Johnson added that he would like to approve the Ordinance making the meter fee for new homes to be effective January 1, 2022, and the quarterly meter replacement fee to take affect with the billing sent out in April, contingent upon the release of information being disseminated to the public in advance.

Councilman Branson added that the Water and Sewer Funds are Enterprise Funds and if you do not charge a fee to cover the full amount of the meters the Town is actually subsidizing the cost for the water meters. Water and Sewer Funds should be self-sufficient and should benefit all users and not just a few.

Mr. Don Mulrine, Town Administrator, mentioned that he had previously shared what the Utility Commission and Staff had drafted explaining the difference between the General Fund and Enterprise Funds and asked the Council to review what has been drafted and provide comments.

Councilman Johnson started to make a motion to adopt Ordinance #723 when it was realized that the Council had not voted on the motion on the floor to reconsider.

Mayor McNinch called for a vote on the motion on the floor to reconsider Ordinance #723.

The motion to reconsider Ordinance #723 passed unanimously.

Councilman Johnson made a motion to approve the adoption of Ordinance #723, with January 1, 2022 as the effective date for the increase for new construction for new water meters, and with April 1st as the effective date for the increase for water meter replacement fees with the requirement that the Town disseminate information on the differences of Enterprise Funds and the General Fund and include an explanation on why we are doing a rate increase in the January 2022 Water Bills. The motion was seconded by Councilman Branson and passed unanimously.

Agenda #4 -ARPA Contract – Valerie Mann

Mr. Mulrine submitted a Contract to hire Valerie Mann to manage the ARPA grant funds as previously discussed.

Councilman Johnson made a motion to approve the Contract, seconded by Councilman Branson.

In discussion, Councilman Johnson provided a synopsis of the Town's prior history of utilizing Mrs. Mann's services for other grant management and that the ARPA Grant allows the Town to use funds to pay for the service which will save on staff time and money.

Mayor McNinch called for a vote on the motion to approve entering a contract with Mrs. Valerie Mann to administer the ARPA Funds.

The motion passed unanimously.

Agenda #5 - Tennis Court Resurfacing

Public Works submitted quotes from ATC Corp seeking approval for work to be done to the tennis courts at Wheeler Park and the S. 4th St. Park.

Mr. Mulrine and Mr. Phil Clark, Superintendent of Public Works shared that the courts at Wheeler Park need to be resurfaced and repainted, and a quote was received for \$28,291.50 from ATC Corp who is the only vendor in our area. For an additional \$3,200, they would like ATC Corp to also add Pickle Ball striping on the tennis courts at both Wheeler Park and the S. 4th St. Park. The Wheeler Park cost was included in this year's budget and the funding for the 4th St. courts will be covered through the MDNR Park Grant.

Councilman Johnson made a motion to approve as requested, seconded by Councilman Branson, passing unanimously.

Agenda #6 - Planning Commission Appointment

Mr. Joe Mayer has resigned from the Planning Commission and his term expires December 31, 2021.

Mr. David Burroughs currently serves on the Planning Commission as an Alternate Member. Mr. David Burroughs is seeking appointment by the Town Council to fill the Regular Member's vacancy for the next five-year term which will expire December 31, 2026.

Councilman Branson made a motion to appoint Mr. David Burroughs to serve a five-year term as a Regular Member on the Planning Commission, seconded by Councilman Johnson, passing unanimously.

Agenda #7 –Board of Appeals Appointment

Mr. Troy Livingstone's term expires on the Board of Appeals on December 31, 2021, and he is seeking reappointment to serve another three-year term, which will expire December 31, 2024.

Councilman Branson made a motion to reappoint Mr. Troy Livingstone to serve another three-year term on the Board of Appeals, seconded by Councilman Johnson, passing unanimously.

Agenda #8 – Historic & Architectural Review Commission Appointment

Mr. Marc Lacoste's term expires December 31, 2021, and he is seeking reappointment to serve another three-year term, which will expire December 31, 2024.

Councilman Branson made a motion to reappoint Mr. Marc Lacoste to serve another three-year term on the Historic & Architectural Review Commission, seconded by Councilman Johnson, passing unanimously.

Agenda #9 - Utility Commission

Mr. Scott Getchell's term expires December 31, 2021, and he is seeking reappointment to serve another five-year term on the Utility Commission, which will expire December 31, 2026. Mr. Getchell does not wish to continue as the Chairman. The Utility Commission will make a recommendation to the Council to appoint a Chair at their next meeting.

Councilman Branson made a motion to reappoint Mr. Scott Getchell to serve another five-year term on the Utility Commission, seconded by Councilman Johnson, passing unanimously.

Agenda #10 – Pandemic Premium Pay Policy

The draft Pandemic Premium Pay Policy was reviewed, and discussion was held on qualification factors and how to distribute. Staff will make final changes as requested.

Councilman Johnson made a motion to approve the Pandemic Premium Pay using ARPA funds for up to \$3,750 for Town employees who were employed during 2020 and those who remain employed with payments to be paid to employees still employed with the Town on December 7th, and on January 4, 2022, and on February 1, 2022, in accordance with the Pandemic Pay Proposal discussed this evening. The motion was seconded by Councilman Branson, passing unanimously.

Agenda #11 - Public Works New Hire Salary Adjustment

Mr. Mulrine and Mr. Mark Chandler, Water & Wastewater Superintendent, held discussion with the Council pertaining to starting salaries being too low for finding qualified applications for the position at the WWTP.

A new pay scale previously submitted by Councilman Lister to be considered to go into effect for July 2022 that will meet the State of Maryland new minimum wage standards was discussed at the previous working session and the Council suggested to place the applicant on the proposed scale and offer the starting salary reflected for that position.

Mr. Chandler asked for approval to offer the top applicant with credentials of a certified water 4 license and several years in the water and wastewater industry at a starting salary that is above the current pay scale, placing the new hire on the new scale, with the understanding that when the new scale goes into effect for all other employees that this position would not receive any additional compensation at that time.

Councilman Branson made a motion to approve the proposal as discussed, seconded by Councilwoman Wilson, passing unanimously.

Agenda #12 - Aerzen Blowers Purchase

Mr. Chandler submitted a request to replace two aged blowers at the WWTP. He is seeking to use the American Recovery Funds to purchase the blowers from Aerzen USA Corporation for \$59,888 and to Micro-Tech Designs Aerzen Reactor Blower VFD

Replacement for \$10,766. Mr. Chandler explained that each blower will require a new control VFD as well as miscellaneous installation measures which will not exceed \$45,000 each unit, for a total not to exceed \$90,000.

Councilman Branson made a motion to approve the request, seconded by Councilman Johnson. The motion passed unanimously.

Agenda #13 - Pump #1 Controller Replacement

Mr. Mark Chandler submitted a request to replace the pump #1 controller VFD at the Second Street Pump Station and provided a quote from Micro-Tech Designs for \$9,426. This purchase of the pump replacement is proposed to be funded through the American Recover Funds.

Councilman Branson made a motion to approve the request, seconded by Councilman Johnson, passing unanimously.

Miscellaneous

Mrs. Monteith, Clerk-Treasurer announced that the infrastructure debt refinancing bond closed successfully on December 2, 2021, with a larger savings for Denton than originally anticipated. The Town was able to refinance the 2008 existing USDA Bond Debt with a principal balance of \$640,824 for the former Market & 8th St. Project. The refinancing is through the State of Maryland DHCD CDA Infrastructure Program. The Town owed USDA \$640,824 in principal debt on two loans. A new Bond Series 2021 A-1 and Series 2021 A-2 were issued. The sale of the bonds netted a premium discount of \$64,012. The discount was used to cover the \$16,918 cost of issuance of the new bonds and the remaining \$47,000 was used to reduce the principal amount to \$593,731 being borrowed from the State. Not only was the Town successful reducing the principal debt balance, but we were also able to lower the interest rate on the long-term debt from 4.375% to 2.591% which is a savings of approximately \$130,000 in interest over the remaining 27 years left on the loan.

With no further discussion, Mayor McNinch adjourned the meeting at 8:12 PM.

Respectfully submitted,

Karen L. Monteith,
Clerk - Treasurer