

COUNCIL OF TRAPPE  
NOVEMBER 3, 2021

**Council of Trappe Meeting:** President Newnam called the meeting to order at 7:00 pm. Council members Brian Schmidt and Tonya Pritchett were present. Attendees for the Town: Town Administrator Erin Braband and Town Attorney Lyndsey Ryan.

**Agenda:** Commissioner Pritchett made a motion to approve the November 3, 2021 agenda as presented. Commissioner Schmidt seconded the motion and all approved.

**Minutes:** Commissioner Schmidt made a motion to approve the November 3, 2021 Council minutes as presented. Commissioner Pritchett seconded the motion and all approved.

**Clerk's Report:** Administrator Braband stated that the Clerk's report, the General Fund and the Enterprise Fund budgets are in the Council's binders and filed in the records. Roy Geiser from TGM Group presented the Financial Report and Audit Communications for fiscal year ending June 30, 2021. Mr. Geiser thanked the Council and staff for being so well prepared and ready when the auditors were in the office in August. Mr. Geiser highlighted the following items:

Financial Report -

Page 11 – Statement of Net Position – this focuses on the Town as a whole and shows that the Town has a net position of \$1,998,330 at the end of June 30, 2021.

Page 12- Statement of Activities – at the bottom of the page is the change in net position and it shows a positive of \$392,929.

Page 17 – Statement of Fund Net Position, Enterprise Fund – the net investment of capital assets, less depreciation and less debt, is negative \$317,494. This means that the Town owes more on the Town's Enterprise capital assets than they are worth. Mr. Geiser recommended to continue reviewing the water and sewer rates and Lakeside's fees will help pay down the debt.

Page 18 – Statement of Revenues, Expenses and Change in Fund in Net Position for Business-type Activities – The Town had an operating income of \$365,258.

Page 28 – Capital Assets – At the end of June 30, 2020 the net capital assets were \$2,888,842 and at the end of June 30, 2021 the net capital assets were increased to \$2,919,201. Depreciation is the use of an asset; this is the estimation of how much of that asset was used that year.

Page 29 – Long-term Liabilities – This increased due to the new well and the pumping station rehab/replacement projects that have begun. Mr. Geiser suggested that the Council look at developing a debt management plan and pay down some of the debt. The Town's debt per capita is approximately \$2,800. Administrator Braband stated that according to the loan agreement, the Town may not make additional principal payments to the DHCD loans until at least 2026 but The Council can look at the other loans and see where the Town can make additional process.

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Audit Communications –

Page 9 – Segregation of Duties – Again this year the Town has a material weakness due to segregation of duties. This is typical for a Town our size and it is not cost effective to hire at least 3 additional people to have this comment removed.

Page 11 – Comments and Recommendations – The chart on this page shows the Town’s financial health from 2015 to current. Significant changes were made in 2017 and continuing with these changes has helped stabilize and improve the Town’s financial health.

Page 12 – Net Investments in Capital Assets – Mr. Geiser suggested that the Council work on developing a debt management policy plan along with a capital planning and asset management plan.

**Public Works:** President Newnam stated that the Public Works report is in the Council’s binder and filed in the records.

**Planning & Zoning:** Commissioner Schmidt stated that Brian Hause and his attorney presented a concept plan for Mr. Hause’s property on Rt. 565. Mr. Hause is interested in subdividing the property as an industrial subdivision. There is a small section of this property that is not in Town limits and Mr. Hause is interested in annexing that portion. Attorney Ryan stated that annexing this portion would create an enclave and the Planning Commission requested that Mr. Hause indemnify the Town should a claim ever arise. The Town Council discussed it and are for the annexation as long as the indemnification is in place. Commissioner Schmidt stated that Wes Schuman had presented a concept plan to the Planning Commission a couple of months ago for the property across from Town Hall and asked if Mr. Schuman had contacted the Town to proceed. President Newnam stated that Mr. Schuman is working on other projects at this time so he is not proceeding with this possibility at this time. President Newnam stated that Mr. Schuman is interested in paving the gravel road that he was required to install between his W. Maple Townhomes and Greenfield Ave. Mr. Schuman would prefer to pave it and make it an entrance/exit for his subdivision. Attorney Ryan will discuss this with Mr. Schuman and look into what he would need to do. This matter will be discussed at the November Planning meeting.

**Communications:** Commissioner Schmidt presented a letter that he drafted to publish in the paper to rebut the incorrect and negative information that is being presented about the Town of Trappe and Lakeside. After discussion and review it was decided that Commissioner Schmidt would sign his name to the letter and submit it but it was not from the entire Council. Mrs. Rose Potter asked questions about the Town and Lakeside in order to get the correct information because she has heard information from various meetings that was incorrect and she would like to go back and present the correct information to them.

**Attorney Updates:** Attorney Ryan stated that the County Planning Commission met this morning and discussed Lakeside and the Town of Trappe even though it wasn’t on their agenda. The Planning Commission made a recommendation to the County Council that the 120 Lakeside sewer connections to the Town of Trappe’s plant is inconsistent with County’s Water and Sewer Comp Plan unless and until the plant is upgraded to an ENR plant. Attorney Ryan was present at the first part of the meeting for an

unrelated matter and was not told that they were going to discuss this and had left prior to this discussion and decision. There was no public process, no transparency.

Attorney Ryan stated that another article was published in the Talbot Spy by Dan Watson and in the article, it states that Mr. Watson will be continuing his presentation to the County Council on Dec. 13<sup>th</sup> in regards to rescinding Resolution 281. It is assumed that the County Council will discuss this rescission at their Dec. 14<sup>th</sup> meeting.

Attorney Ryan stated that MDE has extended their public hearing comment on Lakeside's discharge permit until Dec. 6<sup>th</sup>.

**Executive session:** President Newnam stated that an executive session was held on October 6, 2021 to discuss a personnel matter.

#### **ORDER OF BUSINESS BEFORE THE COUNCIL**

**Old Trappe Road Townhouses Association, Inc – fire hydrants** – Attorney Ryan stated that the HOA for this subdivision has asked the Town to take over the fire hydrants that are located within the subdivision. President Newnam stated that he would like the Town to own the fire hydrants as they have both just been replaced and the Town should ensure that they work for public safety. After discussion the Council decided to ask the HOA to have the property surveyed and to prepare a deed to deed the fire hydrants to the Town for the sole purpose of ownership and maintenance. All of this will be at the HOA's expense.

**Other Business:** None

**Public Comment:** None

**Executive Session:** An executive session is requested to obtain legal advice and to discuss a personnel matter. Commissioner Schmidt made a motion to enter into executive session at 8:31 pm. Commissioner Pritchett seconded the motion.

At the conclusion of the closed session at 9:42 pm the open meeting was reconvened.

There being no further business to discuss, Commissioner Schmidt made a motion at 9:42 pm to adjourn the meeting. Commissioner Pritchett seconded the motion and it was unanimously approved.

Respectfully submitted,

Erin Braband, Town Administrator/Clerk