

TOWN COUNCIL MEETING
DECEMBER 7, 2022

Council of Trappe Meeting: Vice-President Schmidt called the meeting to order at 6:00 pm. Council members Walter Chase and Tonya Pritchett were present. Other attendees for the Town: Town Administrator Erin Braband and Town Attorney Lyndsey Ryan.

Agenda: With no changes to the agenda, it was approved as presented.

Minutes: Commissioner Pritchett made a motion to approve the November 3, 2022 minutes as presented. Commissioner Chase seconded the motion and it was unanimously approved.

Clerk's Report: Administrator Braband stated that the Clerk's report, General Fund and Enterprise Fund budgets are in the Council's binders and filed with the records. Roy Geiser from UHY, LLP presented the financial report for fiscal year 2021/2022.

Financial Report -

Page 1 – New law requires new accounting guidance from GASB 87 which requires a change in the way a lease is handled.

Page 9 – Statement of Net Position – This shows that the Town's net position is \$3,073,065 of which \$236,467 is in capital assets.

Page 10 – Statement of Activities – The Town's net position increased from \$1,998,076 to \$3,073,065. A large part of that increase is due to connection fees from Lakeside.

Page 15 – Statement of net position for the Enterprise Fund – The Town's net investment in capital assets is negative \$368,349. This means that the Town owes more on the water/sewer assets than what they are valued it.

Page 26 – Intangible right-to-use asset, this is the new requirement for GASB 87.

Page 27 & 28 – These pages show the Town's debt. The Town annually renews the lines of credit and it is suggested to pay those off as soon as possible. Mr. Geiser suggests that the Council implement a debt management plan.

Page 30 & 31– Both of these pages reflect information required by GASB 87.

Audit Communications –

Page 7 – 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 9 – 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.

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Page 10 – Net Investments in Capital Assets – Mr. Geiser suggested that the Council work on developing a debt management plan.

Public Works: Vice-President Schmidt stated that the public works report is in the Council’s binders and is filed with the records.

Planning & Zoning: Vice-President Schmidt stated that at the November 15th Planning meeting a plan was presented for a restaurant with drive-thru on a piece of property on Ocean Gateway in the C2 district. The Town’s current zoning ordinance does not allow restaurants as a permitted use, only by special exception. It is also in the zoning ordinance that no drive-thru is allowed, either by permitted use or special exception. After discussion the Planning Commission made a recommendation to the Council to revise the Zoning Ordinance to allow a restaurant in the C2 district as a permitted use. The Ordinance for this change is available for introduction tonight. The Planning Commission also discussed sign standards and they will be working on revising the Town’s standards.

Communications: Vice-President Schmidt shared some of the good things that have happened in the Town this year. The new well was completed and brought online, the Town was able to acquire the property from the County for the future town hall, Lakeside began and the Town was able to secure some grant funds for various projects.

Attorney Updates: Attorney Ryan stated that the deed for the properties that the Town acquired from the County has been recorded. The Town is also in the process of trying to acquire property from the Board of Education for the S. Main pumping station. The Town’s pumping station has been on this property for many years but the Town does not own it. The Town received funding from USDA to upgrade the pumping stations however USDA is requiring that the Town own the properties that the pumping stations are on. Attorney Ryan stated that additional conversations will soon need to be held regarding the pumping station project to discuss the increased costs and how the Town wants to proceed. Attorney Ryan stated that the Town received their portions of the County’s water and sewer comp plan that need to be updated and we are in the process of updating them. Rough drafts will be sent to the Council when they are ready and will be up for discussion and possible approval at the Jan. 4th meeting. Attorney Ryan also stated that the Town just received the preliminary eligibility report from MDE for the ENR upgrade and the Town’s share of this project is \$6,773,333. The Council will need to discuss this in the near future and look for additional funding to help with the cost.

Executive session: Vice-President Schmidt stated that an executive session was held on November 2, 2022 to discuss a personnel matter.

ORDER OF BUSINESS BEFORE THE COUNCIL

Resolution 3-2022 – A Resolution of the Town of Trappe authorizing the renewal of a Line of Credit Promissory Note with Shore United Bank in the principal amount of \$100,000, of which funds were drawn and borrowed for various Town expenses pursuant to prior Legislative acts of the Council of Trappe was read by Vice-President Schmidt. Commissioner Pritchett made a motion to adopt Resolution 3-2022. Commissioner Chase seconded the motion and it was unanimously approved.

Resolution 4-2022 – A Resolution of the Town of Trappe authorizing the renewal of a Line of Credit Promissory Note with Shore United Bank, N.A. in the principal amount of \$200,000, of which the sum of \$65,183.99 has been drawn and borrowed for various Town expenses pursuant to prior Legislative acts of the Council of Trappe was read by Vice-President Schmidt. Commissioner Pritchett made a motion to adopt Resolution 4-2022. Commissioner Chase seconded the motion and it was unanimously approved.

Ordinance 4-2022 – An Ordinance of the Town of Trappe amending the Trappe Zoning Ordinance, Title IV, Section 6 to permit restaurants and food carry out establishments in the C-2 Highway Commercial District was read by Vice-President Schmidt. Commissioner Chase made a motion to introduce Ordinance 4-2022. Commissioner Pritchett seconded the motion and it was unanimously approved. A public hearing will be held on January 4, 2023 at 5:55 pm.

W. Maple Townhomes – Mr. Schuman is not able to attend the meeting tonight and requested that the matter be tabled until the next meeting. Commissioner Pritchett made a motion to table the matter until the Jan. 4th Council meeting. Commissioner Chase seconded the motion and it was unanimously approved.

Lakeside Bonds for Phase 1C 1D and Phase 1 of the WWTP - Mr. Rauch requested that the Council defer the request for Phase 1C as it is not ready at this time. The request for a bond for Phase 1D in the amount of \$4,533,660.52 was reviewed and approved by GMB. Commissioner Pritchett made a motion to approve the bond amount of \$4,533,660.52 for Phase 1D. Commissioner Chase seconded the motion and it was unanimously approved. The request for a bond for Phase 1 of the WWTP was reviewed by GMB and they recommend that a 15% contingency be added to the bond amount bringing the total to \$4,994,324.98. Mr. Rauch stated that the developer has no objection to that recommendation. Commissioner Pritchett made a motion to approve the bond for Phase 1 of the WWTP with the added 15% contingency. Commissioner Chase seconded the motion and it was unanimously approved.

Lakeside Application for State Groundwater Discharge Permit for Domestic Wastewater – Mr. Rauch stated that the developer is ready to apply for the next phase of the treatment plant and because the permit is a joint permit with the Town and the developer, he is requesting approval. After discussion Commissioner Pritchett made a motion to approve the groundwater discharge permit and authorize President Newnam to sign the application after a revised nutrient management plan reflecting the 2 separate phases is completed and received by the Town. Commissioner Chase seconded the motion and it was unanimously approved.

Public Questions:

Mr. Kane voiced his concerns about the water bill again and questioned the meter administrative fee and the bay restoration fee. Mr. Kane brought up potholes on Maple Ave and asked if they could be filled.

Mrs. Potter asked if the Council had given any thought to reopening the police department with the additional development in Town. The Council responded that they have not but it is something that they would like to discuss in the future.

There being no further business to discuss, Commissioner Pritchett made a motion at 7:31 pm to adjourn the meeting. Commissioner Chase seconded the motion and it was unanimously approved.

Respectfully submitted,

Erin Braband, Town Administrator/Clerk