

MINUTES - MAYOR AND COUNCIL MEETING

September 8, 2011

MAYOR AND COUNCIL REGULAR MEETING MINUTES September 8, 2011

The Mayor convened the Mayor and Council Regular meeting on the above date at 7:52 p.m. All Councilmembers were present with the exception of Councilmember Nesspor. The Town Manager, Town Zoning Administrator, Town Attorney, and Captain Dempsey were also present.

APPROVAL OF THE MINUTES:

Councilmember Price made a motion to approve the Regular Meeting minutes from the August 11, 2011 meeting. Councilmember Jones seconded. Mr. Gren Whitman has brought it to our attention that there is an error in the meeting minutes of July 14, 2011. In the sentence that reads: "I feel very strongly that recitation of the Lord's Prayer at a public meeting is unconstitutional under the establishment of laws"; the words "of laws" need to be removed and replaced with the word "clause". All in favor, motion carried.

Councilmember Price made a motion to approve the Special Meeting minutes from the August 22, 2011 meeting. Councilmember Francis seconded. All in favor, motion carried.

Councilmember Jones made a motion to approve the Special Meeting minutes from the August 23, 2011 meeting. Councilmember Francis seconded. All in favor, motion carried.

We went right into the approval of the minutes I forgot to have the Pledge of Allegiance and the prayer said. All recited the Pledge of Allegiance and Reverend Christian was asked to give the invocation.

GUEST SPEAKERS/INVITED GUESTS:

The Town Manager reported that the county is in the process of doing a solar farm. I'd like to introduce Rob Busler from Standard Solar; he has another gentleman, Nate Greenburg, with him. He's going to explain what a solar farm is about. We have a piece of property that would be available to do a project like that. I have a presentation that is going to describe the basic contents of a power purchase agreement utilizing a solar farm system. It describes the Kent County system as a case study. It is also going to show what could happen in Rock Hall at the waste water treatment plant facility. I'm from Chestertown, Nate is originally from Michigan, and he is now in Virginia. Nate is going to go over the basic contents of this, and I'm going to explain

any technical aspects of the way the system is generating power for the town. Nate explains that we currently have a contract with Kent County to construct a solar system at the end of this year, leading into next year. We'd like to essentially do the same sort of thing for Rock Hall. We're installing a very large solar system in Kent County that is essentially going to supply nearly 80% of the county's power that they use at their Worton campus, which consists of Worton Elementary, Kent County High School, and Kent County Community Center. The project for the County is scheduled to start during late fall of this year and be finished at late spring of 2012. We think we could piggy back the two projects, and start the Rock Hall project in late winter and finish up in the summer of 2012. My company has cash available for this investment should a Town like Rock Hall or any other town or county be willing to proceed with it. I'm with a company called Washington Gas and Energy Services; we are a subsidiary of Washington Gas. We are really geared toward long term investments, which is what the solar projects really are. A power purchase agreement allows a sister company, like my own, to come in and pay the upfront cost of the system, and we pay for the operations and the maintenance of the system throughout the term of the agreement. It's sort of like a lease structure. We purchase the system from Rob's company, they install it, we source the power to the Town and the Town pays us for the power/electric generated from the system. The power purchase agreement spans for a period of 15- 20 years. Rob states that the savings comes from the fact that the price that we would be selling power through the solar system is less than you would be paying to the utility company. So, the differential times the amount of production becomes the savings from year to year. Someone asked how does the town finally come to own this system. The IRS has provided stipulations on how that has to work. At the end of the term, as the system owner, we can either sell the asset to the host customer at what's known as fair market value, if the customer chooses not to purchase the system at that fair market value, we are required by law to remove that system and restore the area that it occupied at our cost. Or, the term of the agreement can be extended. The system will be located at the waste water treatment plant; it has the land available there for the system to be placed at. The estimated first year savings for that 1.2 megawatts system is about \$55,000.00. My company has to be contracted with Rob's company by October to have 10% of this project finished at the years end to receive tax benefits for this project that won't be available after the ending of this year. We've already factored in those incentives as part of the projects proposal. So, timing is a factor. The Council is looking very favorable in moving forward with this project.

FINANCIAL REPORT:

The Town Manager read the Financial Report into the record as follows:

General Fund Investment Account: \$ 79,992.99

Utilities Fund Investment Account: \$159,146.24

Total Available Funds: \$239,139.23

Property Taxes Outstanding: \$844,024.83
Utilities Fund Outstanding: \$ 9,398.34
Services Rendered Outstanding: \$ 900.00
Total Outstanding: \$854,323.17

CORRESPONDENCE:

None

POLICE REPORT:

Captain Dempsey read the report into record. The Mayor mentioned the fact that the Police Department is currently in charge of the cross walk duty during the school year. Mrs. Roselma Jayne's health is not allowing her to continue on with this duty. Councilmember Price said he would like to express our deep concerns for Mrs. Rosie's health. She has done a great job for so many years. The young kids absolutely loved her and always put a smile on peoples face to see her there at the crosswalk in her holiday costumes. She is definitely going to be missed. The Town Manager suggested that we could put a letter together or a certificate of appreciation to honor her with. They Mayor said he would like to take it a step further and make it a proclamation on her behalf.

STREETS/SANITATION:

Councilmember Jones reported that Bramble's is going to be starting their project on Catholic Avenue very soon. The guys have been very busy picking up debris along the streets from the Hurricane. They've also been cleaning ditches and drains. I would like to commend the boys with getting the streets open after the storm. Congratulations to Ronnie and the town boys for doing a good job.

SEWER/WATER:

Councilmember Price read the report into record.

PARKS/RECREATION:

Councilmember Francis reported that the Parks and Recreation committee is currently working on their fall activities.

PLANNING/ZONING:

Councilmember Price reported that they have not met since last month. We do have a meeting scheduled for next Wednesday, September 14, 2011. At that time they will be reviewing an application for Eleanor Collyer for a buffer variance. They will also be discussing signs for charitable organizations. The Mayor mentioned taking a look at the town's zoning ordinance. Gail Owings relayed the options the town would have in regards to how the committees could be assembled when they decide to get started with this. The town will have to address the Planning and Zoning committee at one of their meetings in regards to getting this started.

MUSEUM BOARD:

Councilmember Francis reported that she could not make the meeting today. Mr. Larry McDaniel's stated that they had discussed moving some exhibits that have been loaned out to other vendors back into the museum. There was more discussion on moving the museum to Main Street. The Mayor said that they were looking to move the museum to a location that could serve its purpose and its purpose being to be something that represents the heritage of Rock Hall. The Mayor stated that Councilmember Price had asked for more information in regards to the financial aspect of this project, so I've prepared a financial analysis on the purchase of the Rock Hall Inn for the board. I've been in negotiation with the realtors of the Rock Hall Inn. This financial report talks about the initial purchase of this property. I've broken this down into two parts. The first part being the purchase of the property and getting it off the market, and second part being the assembly of a committee, including the museum board already established, made up of Main Street residents and citizens of Rock Hall that would be responsible for designing a plan, designing the funding, and ultimately building this project out. Funding could be something that could be derived from grants, a bond bill, through fundraising to allow us to build this project and keep it maintained. Some time ago we had work done to the waste water treatment plant, in the process of having this work done we found out that we could put our blowers on a timing system that would regulate how often they kicked on and how long they would stay on for. In implementing these timers we've saved approximately \$1,500.00 a month generated in our electric bills. I've included our electric bills from the months of June, July, and August of 2010 to our electric bills of this year to that same period. In total we have an amount of savings of \$18,000.00 in a year that we can put towards the purchase of that property, without having to tap into the towns already approved budget. Nor will this make us dip into our fund balance. This project has the ability to offer so many things to the community. I initially looked into one point, how I could go into the budget and move money around. In doing that, I've found a savings in an upward of \$9,000.00. That comes from one, the crossing guard expense from payroll of \$3,500.00, which is now covered by the police department; secondly, we had a secretary that went on maternity leave, while she was on maternity leave we hired a temporary replacement that we did not utilize all the funds that we had allocated for her that we saved \$3,400.00, and finally, depending on what the town decides to do with this hotel, we budget money to upkeep the clam house every year, we budget around \$2,500.00 a year, we've already used \$300.00 of this

so we have \$2,200.00 left to add to this savings. If the clam house is turned into a motel we will have revenue coming in from it for real property tax and hotel tax and bringing in an estimate of \$20,000.00 a year. We just heard a presentation that could save us an additional amount of \$55,000.00 a year in electric bills. Once the current museum has moved to the new location we can also generate rental income from that space. These are just some ways we can look at to help finance this project. Someone from the audience asked what the cost would be of purchasing the new building, tearing it down, building the new building, and putting in a parking lot would be? The Mayor stated at this point we are still negotiating the purchase price of the property and don't know what that might be. Someone from the audience also stated that they didn't think that the savings the Mayor previously mentioned has anything to do with the museum's finances; the museum stands alone as its own item. The Mayor disagrees. I myself feel that this is something that is beneficial to the town and am willing to look through the budget to find ways of funding the purchase price of the property on Main Street, I'm prepared to use these funds. The second phase of this project that I am prepared and committed to do is to seek grant funding, bond bills. I've met with Bernadette Vanpelt, and she thinks she has found a grant that is 100% in kind services, and can use the purchase of the building up against the in kind services through this grant. So, I am actively looking into this. An audience member spoke and said the citizens of the town should have more information in regards to the actual cost of this project, and a time frame of when it may be done in. Even an estimated figure on demolition and the purchase price of the property and the cost of the new building to be constructed would be sufficient for them, and the Mayor simply stated that they are currently in negotiation with the purchase of this property. He did say that if the council allows this project to proceed, and the purchase of the property to be made, I'm going to estimate that it's probably going take at least a year to determine the design, and the funding. Mrs. Mary Sue Willis says that she believes that if we purchase this building that we can find the funding for the remaining part of this project through donations, grants and fundraising. There are so many things that could be brought on with this museum. John from the audience stated that with the proposed architecture of the new building this could be a good anchor for the town. The Mayor read a letter from Mr. Tom McHugh in regards to this matter and his opinion on purchasing the property and what the town may or may not be able to do with it.

ORDINANCES/RESOLUTIONS:

The Mayor introduced and read into record Resolution 2011-02 (Charter Amendments).

The Mayor introduced and read into record Ordinance 2011-03 (Elections).

NEW BUSINESS:

None

OLD BUSINESS:

None

TOWN MANAGER'S REPORT:

The Town Manager reported that we've been busy with cleaning up. We're having a chipper come in to reduce the size of our brush pile. The mulch will be available to the town residents to come and take to use. There will be a vacuum truck here tomorrow morning to clean out pumping station 4 from all the stuff it has accumulated from the storm. This weekend is Party on the Bay being held at the bulkhead on Saturday from 1 – 5 p.m. We received the grant money for the air conditioners and computers in the mail the other day. Brian asked me about a couple of dump trucks. Our dump trucks are recycled from the county, they're our snow plows. The State Highway is about ready to sell them to a municipality for \$5,000.00. We're going to go take a look at them and be back in touch with you to let you know what we find out about them. Then a decision can be made on whether or not we may want to purchase any of them.

GOOD OF THE TOWN:

Mrs. Patsy Reihl clarified a statement that she made at a previous meeting in regards to the property located on Chesapeake Avenue.

Councilmember Price wanted to express his deepest sympathies on the loss of Councilmember Francis' mother-in-law.

With there being no further business, Councilmember Price made a motion to adjourn at 10:30 p.m.; Councilmember Francis seconded. All in favor; motion carried.

Approved:

Robert E. Willis, Mayor

Olin B. Price, Councilmember

Susan A. Francis, Councilmember

Brian Nesspor, Councilmember