



**MAYOR & COUNCIL**  
**BUDGET PUBLIC HEARING MEETING MINUTES**  
June 10, 2020

*\*\*\*Meeting minutes are transcribed in a summarized format. For full discussion and further detail of the meeting you can view the streamline video at the following link: <http://townhallstreams.com/locations/rock-hall-md>. They are also available at Town Office\*\*\**

Mayor Jacobs called the meeting to order at 6:04 p.m. In attendance were Vice Mayor Andrews, Councilmember Jones, Councilmember Edwards, Councilmember Collyer, Town Manager Resele and Clerk-Treasurer Loller.

Mayor Jacobs stated that she wanted to read the Ordinance that will be involved in passing the budget and without reading the whole thing, she would like to just read a summary. Mayor Jacobs asked if she needed a motion to do that and Vice Mayor Andrews said that she did not think a motion was needed.

Mayor Jacobs read the following: Ordinance 2020-01 is an Ordinance for the purpose of adopting the budget and setting the real property tax rate for the Town of Rock Hall's 2021 fiscal year providing that the title of this Ordinance shall be deemed in fair summary and generally related to the budget and real property tax rate of the Town.

Mayor Jacobs stated the Ordinance was introduced at the Public Meeting of the Council of the Town of Rock Hall held on June 1, 2020. Having received and considered a final action after the Public Hearing, today, June 10, 2020 we, the Council, will propose to pass the budget effective July 1, 2020.

Mayor Jacobs said that in viewing the budget, first of all there were no tax increases involved in the General Fund. No increases in real estate taxes and also in the Utility Fund there were no proposed increases in the utility rates for the next fiscal year. The General Fund is budgeted to have a total revenue of \$1,112,273.00. The

budget that was on the town's website for the past two weeks was \$1,083,753.00. It now stands at \$1,112,273.00 having increased a critical area grant by \$2,000.00 that came to our attention in the last week. Also, having an updated notice from the State Highway that the State Highway Tax is estimated to be \$86,552.00 up from the estimated budget of \$75,000.00 and the State income tax estimated allowed us to increase that budget to \$95,000.00 from \$80,000.00. The State income tax budget is than standing flat in this budget year over year compared to last year's budget. The State Highway Tax is down 8% this year versus last year's budget. Also contributing to year over year being down, all transportation related advertising and fare revenue has been removed since the Town is no longer running the Tram system or an alternative transportation system. Expenses came in line with that revenue level. Expenses again reflect no compensation for the Council and this budget does incorporate a compensation adjustment for employees considered appropriate giving there was no adjustment done in the last two years. Significate differences in the budget of expenses for the General Fund include not budgeting for a new Police car this year which is a little over \$10,000.00. All the transportation cost has been removed at \$38,000.00 and the vehicle expense for the Streets Department has been reduced by \$13,000.00 as the Council is anticipating grant revenue to come in to facilitate replacement of equipment in the Streets Department.

There is a \$6,000.00 reduction in Parks and Recreation associated with the 4<sup>th</sup> of July celebration that were cancelled and after general expense in the first half of the year.

The fund balance budget in the General Fund will come in at 4.9% as opposed to the 5.9% budgeted for fiscal year 2020.

The Utility Fund as presented on the Town's website and presented on June 1, 2020 has a revenue of \$1,018,024.00. Budget difference is from this year to last at the revenue level as a reduction of \$14,000.00 associated with water connection charges. Last year the Council was anticipating and did receive hook up charges significantly associated with Haven Harbour South. This year we do not have any indication of anything like that, so there is only \$5,000.00 budgeted for water connection fees which is a \$8,000.00 drop in revenue.

Going into expenses in the administration department in the Utilities Fund, there is a reduction of \$9,600.00 for accounting equipment. The Town will be able to upgrade the software as part of the water meter upgrade project, so we were able

to reduce that budget line item in this year's budget. The budget was \$14,000.00 last year and we only budgeted \$5,000.00 this year.

The Council did increase the sewer maintenance line by \$10,000.00. Last year it was \$50,000.00 now it's at \$60,000.00. This is the line item that took the biggest hit last year with the Route 20 sewer line break down earlier in the year, so we added \$10,000.00 to that line item.

In the water department, we have approximately a \$10,000.00 decrease in the amount of funding needed for loan payments. This will leave us with a fund balance percentage this year of 2.9% in comparison to 4.8% last year.

Vice Mayor Andrews said she was a little concerned about the fund balance in the utilities fund.

Mayor Jacobs said on June 1, 2020 it was at 4.6% and now it is down to 2.9%.

Vice Mayor Andrews said with the condition that all of the equipment and infrastructure is in, to have a fund balance of \$30,000.00 is a little scary. She commented again that this concerns her that the fund balance is so low. She thinks as we go into the year, if we see that we are going to have some significant expenses, we have to maybe open the possibility of increasing rates again to bring in additional revenue. It's the only thing we can do but she doesn't think it should be done right now.

Mayor Jacobs said that the Council talked about that and with the Corona Virus situation descending on everybody economy both businesses and families now was not a good time.

Vice Mayor Andrews made a motion to pass both the General Fund budget and Utilities Fund budget as presented for fiscal year 2021. Councilmember Jones seconded the motion. All in favor. Motion carried.

#### **Next Meeting Dates –**


Thursday, June 11, 2020 – Mayor & Council Regular Business Meeting.

A motion to adjourn the Budget Public Hearing Meeting was made by Councilmember Collyer. Councilmember Jones seconded the motion. All in favor. Motion carried. Meeting adjourned 6:25 p.m.

Respectfully Submitted:

  
Cheryl M. Butler

Approved by:

  
Dawn Jacobs, Mayor

  
Beth Andrews, Vice Mayor

  
Carolyn Jones, Councilmember

  
Timmy Edwards, Councilmember

  
Eleanor Collyer, Councilmember