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TOWN OF NEW WINDSOR

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Special Work Session Minutes

November 9, 2021

Call to Order of Regular Work Session in person and via Zoom: Mayor Green (via ZOOM) called the meeting to order at 7:00 p.m.

Present in person: Vice-President of Council – Kimberlee Schultz, Councilmembers – Sharon Gribbin-Lindemon, William Holl, David Hoffman, and Kevin Cornick. Also present, Town Manager Dye, Town Clerk Alban and 10 attendees.

Present via ZOOM: 10 attendees.

- **Continued discussion of updated current and future Enterprise Fund revenues provided at 11/3/21 Council meeting.**

The current & future Enterprise Funds have been updated and year to date totals have been added for informational purposes. The information provided in my report at the 11/3 Council meeting has been changed and simplified. Hopefully, Mayor & Council had time to review.

SUMMARY -Projected sewer & water usage revenues at this point after 1st. quarter are a little below what was estimated in the budget. We have to see how the remaining 3 quarters perform. The YTD water & sewer hook-up fees are much higher (\$542,278) than estimated budget amounts because we had 39 EDUs versus 8. This will increase the current Enterprise Fund balance but will reduce the future balance.

- **Continued discussion of current water loans and possible pay off.**

As previously discussed, we should consider using Enterprise Side funds to pay off some or all of our existing water loans. The ARPA money **cannot** be used to pay off or down existing debt. The current loan summary spreadsheet and the water loan payoff summary has been provided to the Mayor and Town Council. The 4 current water loans have a total payoff balance of \$690,802 if paid off by 2/1/22. The 4 loans equate to approximately \$30 of water base rate. This would free up \$30 of base rate and help offset new debt associated with new loan(s).

You can calculate any number of scenarios imputing loan amount, interest rate & term to figure quarterly base rates using the TSU/PALS spreadsheet.

What are Council's thoughts on paying of existing water loans using ES money? After a lengthy discussion with input by most Councilmembers, no decision on this.

- **Review and discussion of updated engineer's cost estimates for MD 31 Water Main Improvement Project**

GMB submitted 2 updated construction cost estimates. Town Manager provided explanation provided by GMB on why original 2018 estimate has not changed much.

The second cost estimate included an additional 15% contingency to allow for possible potential price increases due to current volatility in the construction industry. TM recommends

we use the more conservative second cost estimate. No. 9. The Total for 3 Water & 5 Sewer Priority Projects includes the November 2nd cost estimate.

The updated cost for this project based on Nov. 2nd estimate is:

\$3,329,000 + \$400,000 CMI – Total = \$3,729,000

This cost is \$337,000 less than the December 2018 estimate inflated by 20% (\$4,066,000).

- **Continued discussion of MD 31 Water Main Improvement Project and Blue Ridge Pump Station Upgrade Specifically**

Want to continue discussion of how to specifically pay for and fund these 2-priority projects. As discussed above, the current and future projected Enterprise Fund revenues are **\$7,914,089.**

Blue Ridge PS Upgrade is estimated to cost \$500,000 including CMI.

Recommend not taking a loan and increasing our debt further. Loan debt has a direct impact to base rates. Recommend using either ARPA money or ES money.

ARPA money totals \$1,377,392, half, \$688,696, was distributed 7/15/21 and the second half will be on or about 7/15/2022.

Need a decision. Is Council in agreeance? Town Council was in agreement to use the ARPA funds to pay for this project.

The MD 31 Water Main Improvement Project as shown is bigger and more costly . We have ARPA money and ES money. **Need to maintain at least \$1,500,000 reserve in the ES!** Partial amount of a loan will more than likely be needed. You have the spreadsheet Mike put together with various funding source options. A copy of that spreadsheet is in the Document & Tools folder. Using a combination of funding sources is a good, viable and option. For example: Use part or all of the ARPA money, use part ES money and take remainder as a loan. Of course, any grants or ‘extra’ money allocated by Carroll County or State would be greatly beneficial and lower the cost to the Town.

What are Council’s thoughts with how to pay for the MD-31 Water Main Project? For any of the loan options we are going to need an amount we are looking to borrow for the application(s). Lengthy discussion with no decision.

A video conference call meeting with Vicki Prettyman with SERCAP, Southeast Rural Community Assistance Project occurred today. SERCAP provides free technical assistance to town managers, mayors, community leaders and staff to determine needs, secure funding, and support for structural and economic development. They focus on smaller communities (1500 to 3500 population) and assist town leaders & elected officials with planning for their community’s long-term water, wastewater, and housing success.

Vikki and her team are truly knowledgeable and provide free technical assistance to small communities. A few items of note: SERCAP is funded by MDE & USDA, performs water & sewer rate studies, provides board training & information to elected officials, collaborates closely with Senators & Delegates and has a close relationship with Ben Cardin’s Office.

Mike will continue looking at the applications and process for the various grants & loans. In talking with Vikki and Charlie Day, the best options are USDA and MDE WQFA loans individually or together. USDA is currently open for application submittal and MDE opens in January I believe. **For any of the loan options we are going to need an amount we are looking to borrow for the application(s).**

Upcoming Council meetings through December 2021.

Monday November 15th Work Session

Wednesday December 1st. Council

Wednesday December 15th. Special Work Session

Monday December 20th. Work Session

A Motion at 9:45 p.m. to adjourn by Councilmember Cornick, 2nd by Councilmember Schultz and approved by a vote of 5-0.

Respectfully submitted,

Donna Alban, Clerk/Treasurer