



**MINUTES OF THE  
TOWN COUNCIL INFORMATIONAL  
WORK SESSION  
MARCH 12, 2024**

- I.** Patrick J. Mahoney, Mayor, called the meeting to order at 6:00 p.m. In attendance were Dr. Valerie L. Beaudin, L. Charles Fink, Lawrence P. Jaworski, Keith L. Pardieck, and Gregory J. Morris, Council Members, Holly K. Wahl, Town Administrator, Sharon L. Humm, Town Clerk, Brittany Moran, Town Treasurer, Todd Pounds, Town Attorney, James Berry, Public Works Manager, and Josh Stinnett, Water Reclamation Treatment Plant Manager. Absent were Margaret P. Hartman, Council Member, and Wayne Newton, Town Engineer.
- II.** **Pledge of Allegiance** – The Mayor led the Pledge of Allegiance.
- III.** **Informational discussion on the following:**
1. **Chesapeake Beach Water Reclamation Treatment Plant Geotechnical Study** – Ms. Wahl reported that under the continued work on the design project at the Water Reclamation Treatment Plant for the Headworks Improvements, it has been identified that additional investigative work will need to be performed to identify the conditions of the soils and water table in the proposed wet well. Due to the proximity of this proposed location to the existing Clarifier #1, the subsurface conditions will need to be evaluated. This work would be a change order to the Headworks Improvement Project for a cost not to exceed \$25,000. This would cover Task 1- Geotechnical Exploration and Report and Task 1A – Groundwater Drawdown Evaluation. It was noted that Task 1B – Off-site Disposal of Drilling Spoils, would be removed by Public Works. Funds would be expended through the FY24 Capital Improvements line item from the Water Reclamation Treatment Plant. Ms. Wahl addressed questions from the Council on the submitted proposal.
  2. **Saddle Replacement Project** – Mr. Berry stated that with ARPA funding provided, he was able to fund saddle replacements and also budget for a complete replacement of the Fishing Creek wet well. The wet well was budgeted at \$350,000, however, instead of a complete replacement of the wet well, the Town opted to replace portions of the wet well for a total cost of \$100,000. The cost savings were made possible by public works staff completing all of the above ground repairs in house. With the \$250,000 savings from the wet well project, staff is requesting to utilize those funds to proactively complete additional saddle replacements changing out all of Stream Walk Way and part of Greenspring Drive. Mr. Berry addressed questions from the Council.
  3. **Opioid Abuse Awareness Coalition Sculpture Project** – Councilman Pardieck stated, that as part of the Opioid Abuse Awareness Coalition, with a grant applied for, sought local artists to participate in constructing an art sculpture that would be displayed publicly and dedicated in honor of those that have been lost to addiction and those that continue to

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struggle with opioid addiction. A sculpture was selected from among several and will be placed in the Mark Frazer Sunrise Garden in North Beach. Councilman Pardieck is asking the Council to consider a budget of \$35,000 in capital funds from the FY25 General Fund budget to commission one of those artists to construct a sculpture that would be placed in a public area in Chesapeake Beach. He is open to discussion and welcomes any suggestions from the Council.

4. Bayside History Museum Request for Funding – The Town received a budget request from Grace Mary Brady, President of the Bayside History Museum, for an amount of \$15,325 for custom-built showcase cabinets. These cabinets would provide new exhibits for two anniversaries: 1) Celebration of North Beach Volunteer Fire Department Incorporation and 2) Celebration and recognition of the 250<sup>th</sup> Anniversary of the American Resolution. The Council expressed their thoughts but did not weigh favorably.
5. FY25 Town of Chesapeake Beach Utility Fund Budget – Ms. Moran presented a slide presentation highlighting a few facts:
  1. Supplementation of the Utility Fund-The UT fund has been supported through high density development, uncollected capital connections, and GF revenues leaving the UT fund with inadequate reserves to plan infrastructure improvements.
  2. Enterprise fund = user fees support user costs – If user fees are not supported by utility users the general tax payer will fund user fees, especially high users. A self-supporting fund is required to qualify for grant funding or loan programs for major infrastructure improvements.
  3. Fixed costs to maintain infrastructure – 97% of the UT fund costs are fixed and will not decrease with lower usage. These are the costs to turn water on and flush toilets. Fixed costs create predictable revenue to ensure effective long-range budgeting.
  4. EDU (Equivalent Dwelling Unit) – a dwelling unit is the complete living facilities for one family, average daily flow of wastewater generated by a residential dwelling estimated at 190 gallons per day, and a tap is a new or replacement connection to the town water or sewer services.
  5. Why a Sewer Fixed Fee – Captures all users by EDU and accounts for the costs that do not vary, captures the cost of high demand users through # of EDU's, ensures all burdens on the sewer system are accounted for, captures the cost of flushing the toilet, provides consistent budgeting for infrastructure improvements, and consistent with neighboring jurisdictions.

Revenues – Ms. Moran stated that the proposed budget is a balanced budget without the use of any reserves. Highlights include:

- Increase in water and sewer usage rates (48 to 49%)
- No change in water fixed fee.
- \$100 sewer fixed fee per EDU quarterly
- Processing fees revenue increased to offset credit card transaction costs.
- Conservative revenue budget for anticipated capital connection fees

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Expenses – Highlights include:

- Accounts for actual Utility fund expenses including staff cost allocation, insurance, utility costs and professional fees related to the Utility fund moved from the General Fund
- Includes anticipated PFAS testing.
- Inclusion of potential water tower maintenance contract or alternative pricing to cover cost of cleaning (CV) and logo painting (R/S)
- Increase in insurance costs, along with allocation to UT fund based on asset schedule and personnel.
- Increase in contracted services, supplies & materials, and utility costs to reflect recent trends in inflation.
- Long term debt payments to decrease outstanding principal by \$525,000.
- Increase in professional fees to cover cost for online utility payment processing.
- Decrease in payments to the WRTP from FY24 due to initial funding of Treatment Plant fund reserve.
- Substantial decrease in capital expense line item due to ARPA funded projects in FY24

Ms. Moran also presented a rate comparison sheet comparing the Town's proposed rates with current North Beach and Calvert County Twin Beaches rates. Noting that even with the proposed increase in usage rates, the Town is still lower than North Beach by 40% and Calvert County by 18%. Ms. Moran addressed questions from the Council.

After discussion, the Council recommended Staff provide a summary of the rate impact under the three proposed alternative utility fund rate breakdown options discussed, which all involve adjustment to the sewer fixed fee of \$50.

6. FY25 Town of Chesapeake Beach Water Park Fund Budget – Ms. Moran presented a general overview:

- Capital Grant - \$600,000 –
  - recognized as revenue to fund initial phases of design-build.
  - Associated capital expenses to include \$150,000 for water/sewer capital connections.
- \$121K funding needed to balance budget (coming from the general fund) – no water park reserves available for use.
- Minimal, but unavoidable costs allocated to the fund during renovation phase, including utilities, insurance, minor repairs and maintenance, professional fees.
- Increase in insurance costs, including general liability & allocation of property insurance based on asset schedule.

Ms. Moran addressed questions from the Council.



7. Discussion on alternate recreational offerings for Town residents – Councilman Fink opened a discussion on possible recreational opportunities for Town residents since the water park would be closed this season. With the idea in mind of keeping folks in town, and helping out local businesses, he is looking for amenities that the town could provide. For example, the Town could buy kayaks and paddle boards and place at Bayfront Park and the entrance of Fishing Creek. Activities at Kellam’s Field, Food Truck Thursday, Yoga, sports/activities for kids. Presently we have frisbee golf and several other games at Kellam’s. Another idea was a splash pad. This could be an opportunity to make this a fun summer and re-engage with folks in the beaches! Other ideas mentioned were a climbing wall, and an obstacle course. The Council was excited about this idea and look forward to future discussions.

- IV. Closed Session** Councilman Morris moved to close the work session at 7:56 pm under the Statutory Authority of the Md. Annotated Code, pursuant to the General Provisions Article, §3-305(b), subsection (7) “to consult with counsel to obtain legal advice.” Seconded by Councilman Fink, all in favor.

The Mayor re-opened the work session at 8:36 pm. All those in favor of closing the work session to go in closed session were present during the entire closed session and consulted with Counsel to obtain legal advice on capital connections.

**V. Council Lightning Round**

1. Mr. Pardieck reported that the TBOAAC will meet Thursday evening, March 14<sup>th</sup> at the Community Center at 6:00 pm.
2. Mr. Morris commented that he sees our government as the Mayor being the primary conduit for everybody on Council and the Vice-President is to help the Mayor understand where the Council is coming from. He would like to see a little more outreach from the Vice President to assist the Council with insight on matters coming before the Council.
3. The Mayor wished everyone a Happy St. Patrick’s Day.
4. Mr. Jaworski reported the osprey are back and Spring is here!
5. Mr. Fink jokingly stated he will be introducing an ordinance at the next Council meeting to make Daylight Savings Time a permanent thing in the Town of Chesapeake Beach! Happy St. Patrick’s Day!
6. Ms. Beaudin expressed her thanks to all those that supported the “All About Osprey” talk. It was well attended! Thank you for making it a success.



**Adjournment:**

There being no further comments the meeting adjourned at 8:20 p.m. on a motion by Councilwoman Beaudin. Seconded by Councilman Morris, all in favor.

Submitted by,

Sharon L. Humm  
Town Clerk