



**TOWN COUNCIL
SPECIAL MEETING AGENDA
April 11, 2023
Starting at 5:30 PM**

I. Call to Order and roll call.

II. Pledge of Allegiance

III. Open Public Hearings:

- A. Ordinance O-23-9, an ordinance of the Town Council of Chesapeake Beach, Maryland, adopting the annual budget for the Water Park Fund of the Town of Chesapeake Beach for the fiscal year July 1, 2023 to June 30, 2024.
- B. Ordinance O-23-10, an ordinance of the Town Council of Chesapeake Beach, Maryland, adopting the annual budget for the Utility Fund of the Town of Chesapeake Beach for the fiscal year July 1, 2023 to June 30, 2024 and setting rates, charges, and fees related to water and sewer service by the Town.

IV. Resolutions and Ordinances

- A. Vote on Ordinance O-23-9, an ordinance of the Town Council of Chesapeake Beach, Maryland, adopting the annual budget for the Water Park Fund of the Town of Chesapeake Beach for the fiscal year July 1, 2023 to June 30, 2024.
- B. Vote on Ordinance O-23-10, an ordinance of the Town Council of Chesapeake Beach, Maryland, adopting the annual budget for the Utility Fund of the Town of Chesapeake Beach for the fiscal year July 1, 2023 to June 30, 2024 and setting rates, charges, and fees related to water and sewer service by the Town.

V. Adjournment

8200 BAYSIDE ROAD, P.O. BOX 400 CHESAPEAKE BEACH, MARYLAND 20732

(410) 257-2230

(301) 855-8398



Town of Chesapeake Beach

FY24 Budget

Water Park Fund & Utility Fund



Chesapeake Beach Water Park

FY24 Proposed Budget

FY24 Budget – Water Park Highlights

- Balanced fund budget without use of reserves
- **Continued lower capacity** at less than half of the normal capacity – improved safety and guest enjoyment
- **A focus on user fees supporting user costs** to reduce risk to general Town taxpayers
- Revenue projections for FY24 based on:
 - 76 operating days for the 2023 Season –assumes 8% closures due to historical averages.
- 30% combined projected revenue growth from FY23 budgeted revenues for three major revenue sources, as compared to 25% growth over FY22 actuals –
 - *Daily admissions*
 - *Season passes*
 - *Retail store sales*
- Forecasted budget assumes:
 - *Consistent capacity levels for 2022 Season*
 - *All operating days open to General Admission*
 - *Weekend admission Friday – Sunday*

** Rate schedule is subject to change*

FY24 Budget – Water Park Highlights

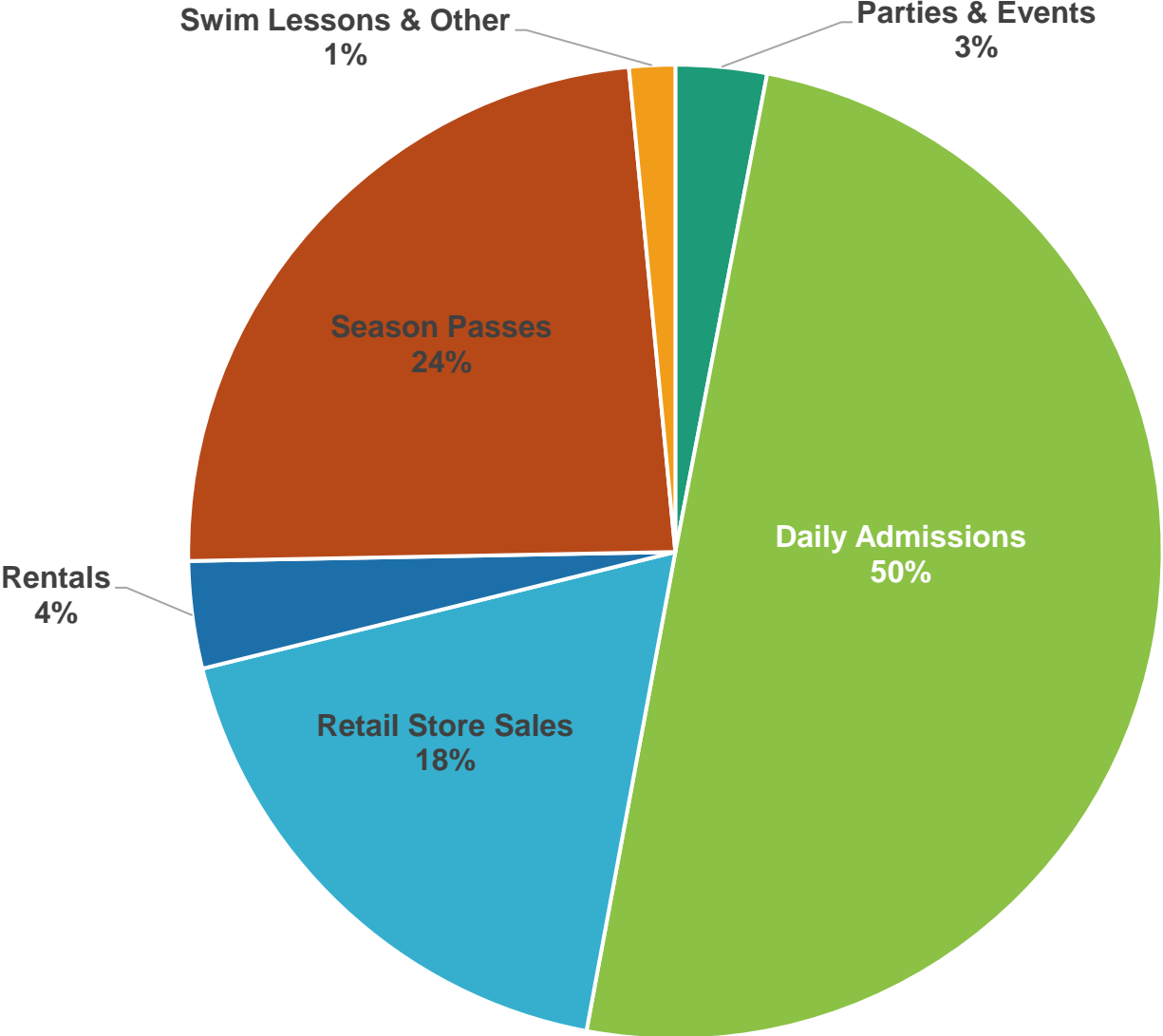
- *Revenues* -
 - New for 2023 Season – family packages for season passes
 - Season pass offerings for General Admissions
 - Forecasted revenue assumptions – based on historical averages on admissions:

PROJECTED DAILY ADMISSIONS - %			
	<i>Tues. - Wed.</i>	<i>Thursday</i>	<i>Friday - Sunday</i>
<i>Town</i>	30.5%	16.8%	21.4%
<i>County</i>	30.5%	15.8%	21.4%
<i>Out of County</i>	39.1%	67.4%	57.2%
	100%	100%	100%

PROJECTED TOTAL ADMISSIONS - %			
	<i>Tues. - Wed.</i>	<i>Thursday</i>	<i>Friday - Sunday</i>
<i>Daily Admissions</i>	46.9%	38.5%	42.2%
<i>Season Passes</i>	53.1%	61.5%	57.8%
	100%	100%	100%

WATER PARK FUND - REVENUES

BY SOURCE



FY24 Budget – Water Park Highlights

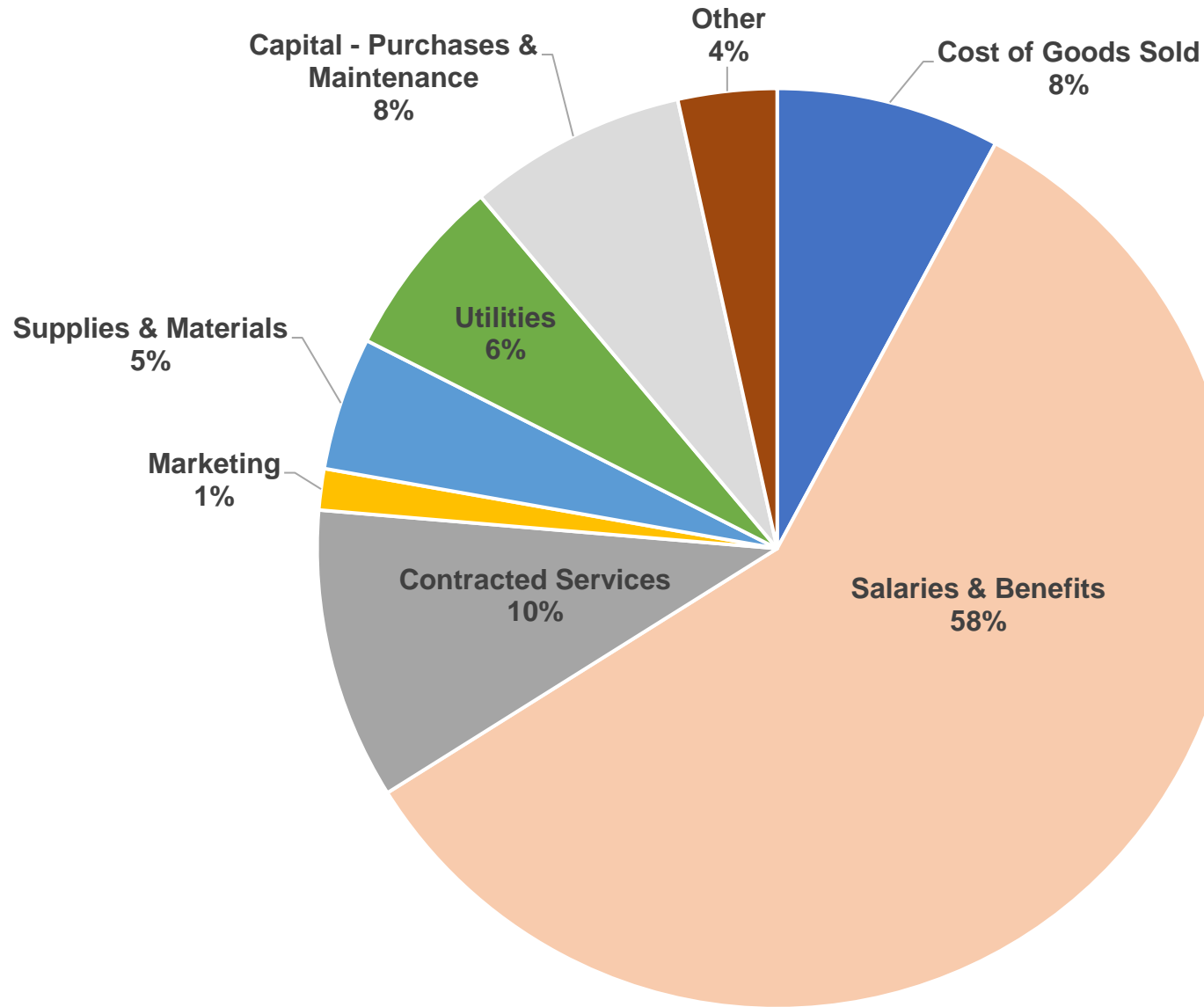
- *Expenses –*
 - Total projected expense increase:
 - *14% over FY23 budget*
 - *32% over FY22 actuals*
 - Per admission cost to the Town (*less COGS as a direct cost*):
 - *Average: \$60.90*
 - *61% increase from 2022 Season*
 - Cost of goods sold & supplies – experiencing inflation due to rise in costs
 - *Prices up, on average 20%, on items historically purchased from FY22 to FY23*
 - Salaries & wages –
 - 6% increase in minimum wage in 2023
 - Anticipated 5.7% increase in 2024
 - Adjustment in wages to maintain competitiveness in hard to fill & required positions, such as Lifeguards

FY24 Budget – Water Park Highlights

- *Expenses continued –*
 - Increase in contracted services costs, professional fees and utility costs to reflect recent trends in inflation
 - *Current YTD expenses showing an average 35% increase in utility rates*
 - *Increase captures FY23 and FY24 change in the Town's utility rates*
 - *Increase projected for professional fees related to online sales with higher transaction amounts per sale*
 - One time increase for landscaping contract & ongoing cleaning services

WATER PARK FUND - EXPENSES

BY CATEGORY



FY24 Budget – Water Park

ACTUALS
BUDGET

		FY23		FY24
		BUDGET	YTD - 12/31/22	PROPOSED BUDGET
REVENUES				
500-430130	Reserves Allocation	311,858	-	-
500-450110	Parties	17,500	5,944	39,183
500-450120	Daily Admissions	717,500	533,618	861,947
500-450130	Group Events	12,000	631	13,008
500-450135	Miscellaneous Income	500	270	500
500-450160	Rentals - Cabanas and Lockers	45,000	31,809	60,392
500-450165	Rentals - Pavilions	1,000	478	1,000
500-450170	Retail Store Sales	260,000	201,219	314,858
500-450175	Season Passes	130,000	68,071	410,629
500-450190	Swim Lessons	13,000	3,865	23,800
500-495000	Investment Interest	1,000	20,448	2,000
TOTAL REVENUES:		1,509,358	866,353	1,727,317
COST OF GOODS SOLD				
500-6925-542500	Cost of Goods Sold	103,174	71,090	135,943
EXPENSES				
500-6925-602000	Salaries and Wages	479,120	256,579	516,261
500-6925-602010	Administration - TCB	240,000	84,470	280,767
500-6925-602050	FICA	56,856	25,874	59,777
500-6925-602100	Medical and Life Insurance	73,583	33,491	92,653
500-6925-602300	Retirement	42,525	11,641	56,153
500-6925-623900	Professional Fees	50,000	43,710	110,000
500-6925-632800	Bank & Credit Card Fees	70,000	27,393	55,000
500-6925-633000	Marketing	25,000	2,856	25,000
500-6925-637000	Education & Travel	15,000	8,170	15,000
500-6925-665603	Pool Supplies	38,000	17,195	50,000
500-6925-684600	Chemicals	48,000	6,255	30,863
500-6925-685200	Repairs & Maintenance	75,000	31,034	75,000
500-6925-685220	Landscape Maintenance	8,600	1,400	12,000
500-6925-687500	Utilities	70,000	38,768	110,400
500-6925-741000	Capital Repairs	69,500	8,497	57,500
500-6925-780000	Insurance	45,000	28,435	45,000
500-6925-820000	Depreciation	-	-	-
TOTAL EXPENSES:		1,509,358	696,857	1,727,317
SURPLUS/DEFICIT:		-	169,496	-

#O-23- 9
Passed
Effective

AN ORDINANCE

**OF THE TOWN COUNCIL OF CHESAPEAKE BEACH, MARYLAND,
ADOPTING THE ANNUAL BUDGET FOR THE WATER PARK
OF THE TOWN OF CHESAPEAKE BEACH
FOR THE FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024.**

WHEREAS, Chesapeake Beach, Maryland (the “Town”) is a municipal corporation of the State of Maryland, organized and operating under a Charter adopted in 1963, in accordance with Article XI-E of the Constitution of Maryland and the Local Government Article of the Annotated Code of Maryland; and

WHEREAS, pursuant to Md. Code Ann., Local Gov’t Art., § 5-205 and Section C-706 of its Charter, the Town is empowered to establish an annual budget; and

WHEREAS, after due notice, a public hearing was held by the Town Council on April 20, 2023, to consider the budget for the Town’s Water Park for FY ’24, and, at said hearing, all of those who desired to be heard were heard and their testimony recorded, and all facts relevant to the subject matter of the budget have been duly and carefully considered.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF CHESAPEAKE BEACH THAT:

Section 1. The annual budget for the Water Park of the Town of Chesapeake Beach for the Fiscal Year 2024 is hereby adopted in the form as set forth in the attached Exhibit A hereto.

AS CERTIFIED by their signatures below, the members of the Town Council affirm that this Ordinance was introduced at the Town Council meeting held on the 16th day of March, 2023, that a public hearing was held on the 20th day of April, 2023 and that a vote was taken in accordance with Section C-309 of the Town Charter. The vote of the Council was tallied and _____ votes of approval and ___ votes of disapproval were cast. The resulting majority of the Council (*approved/disapproved*) the passage of this Ordinance this 20th day of April, 2023. If signed by the Mayor below, the Mayor approves this Ordinance pursuant to Section C-310 of the Charter this 20th day of April, 2023. This Ordinance shall become effective at the expiration of twenty (20) calendar days from the date of the Mayor’s approval or seven (7) days after the last required

publication, whichever is later, pursuant to Section C-309 of the Charter, currently published in Volume II of the Municipal Charters of Maryland.

CHESAPEAKE BEACH, MARYLAND

Patrick J. Mahoney, Mayor

Lawrence P. Jaworski, Council Vice-President

Valerie L. Beaudin, Councilwoman

L. Charles Fink, Councilman

Margaret P. Hartman, Councilwoman

Gregory J. Morris, Councilman

Keith L. Pardieck, Councilman

FY24 Budget
Water Park Fund
 EXHIBIT A

		FY24 BUDGET
REVENUES		
500-450110	Parties	39,183
500-450120	Daily Admissions	861,947
500-450130	Group Events	13,008
500-450135	Miscellaneous Income	500
500-450160	Rentals - Cabanas and Lockers	60,392
500-450165	Rentals - Pavilions	1,000
500-450170	Retail Store Sales	314,858
500-450175	Season Passes	410,629
500-450190	Swim Lessons	23,800
500-495000	Investment Interest	2,000
TOTAL REVENUES:		1,727,317
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500-6925-687500	Utilities	110,400
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TOTAL EXPENSES:		1,727,317
SURPLUS/DEFICIT:		-



UTILITY FUND

Quick Facts
FY24 Budget

WHY IS THE UTILITY FUND AN ENTERPRISE FUND?






An enterprise fund is used to report an activity for which a fee is charged to users to ensure that the fees charged are sufficient, that the fund is self supporting and can cover the cost of providing goods & services.

Prior to this administration (pre-2016) the Utility Fund (UF) was balanced through major development (*new buildings*), and general tax payer funds.

This approach does not provide adequate UF reserves to improve infrastructure, it promotes *unsustainable development* of the Town, uses tax payer funds to decrease costs to high users, and eliminates the Town's ability to receive grant funds for infrastructure improvements.

WHAT ARE THE COSTS OF THE UTILITY FUND?

Costs to run water & sewer services have increased due to:

-  40% increase in chemical costs
-  35% increase in utility rates
-  35% increase in sewer treatment costs
-  Ongoing infrastructure improvements required to keep faucets turning on, toilets flushing
-  Significant preventative maintenance required to decrease water main breaks

WHY A SEWER FIXED FEE - & NO CHANGE TO VARIABLE FEES?



A sewer fixed fee of \$100 per equivalent dwelling unit (EDU) per quarter (*or \$1.09 a day*) will fund fixed costs of the water & sewer system by usage demand. Fixed costs account for 97% of UF costs, these costs will not decrease with lower usage. Commercial users will pay for their added burden to the system by EDU (which average between 8-118 EDUs) accounting for all users evenly by usage demand. All users will pay for the fixed costs to keep services running to include second homes, investment homes, and lots with connections that are not in use. Users continue to be encouraged to lower their usage *and their bill* through the variable rate.

HOW DO WE COMPARE TO OTHER JURISDICTIONS?

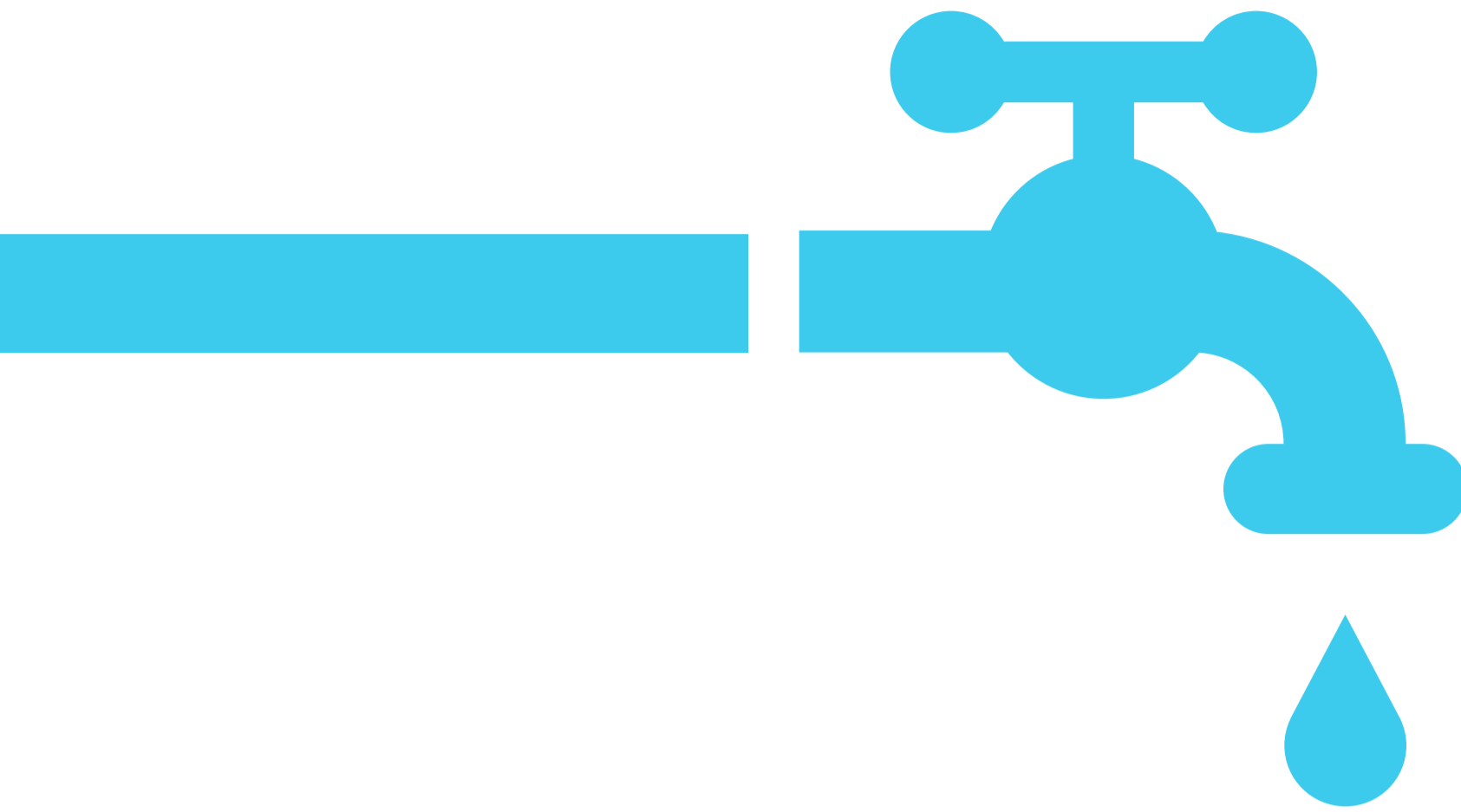
Utility	12,000 gallons / Qtr.	18,000 gallons / Qtr.
Chesapeake Beach New rate	\$252.63	\$305.22
North Beach	\$276.20	\$357.20
Calvert County Government	\$352.43	\$407.87
Frederick County Government	\$373.80	\$453.66
Queen Anne's County Government	\$255.53	\$317.15





Q&A

Town of Chesapeake Beach FY24 Utility Fund (UF) Outreach



Q/A

Where are the 20 new capital connections expected that are projected in the FY24 UF budget?

The new connections are projected in Richfield Station- Crest View Lane.

Q/A

The increase to \$30,000 for new development is high for a new water / sewer connection for services, why?

The costs to connect to new water / sewer services are reflective of the increased cost to the infrastructure for new development.

Q/A

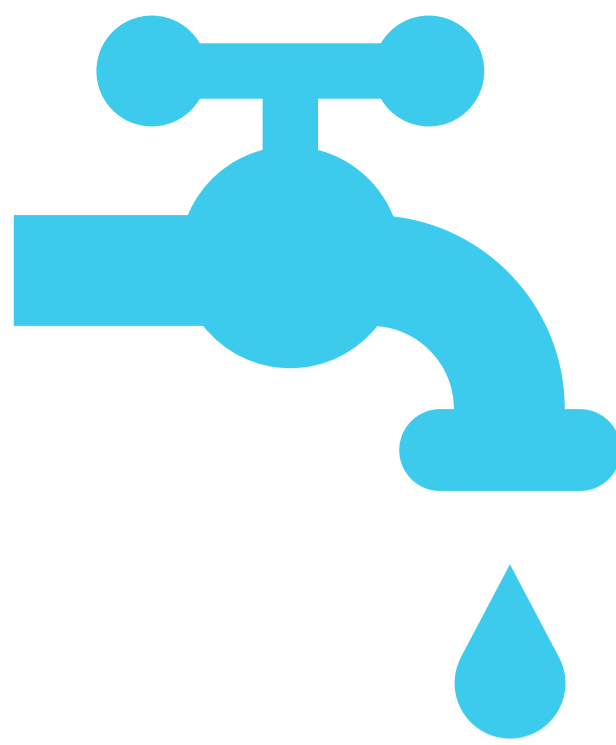
Why is the General Fund not loaning the Utility Fund money?

The Utility Fund is an enterprise fund meaning the cost to provide services should be covered by user charges. Using General Fund money to support the Utility Fund results in a liability to the general tax payer for service users and eliminates the Town's ability to qualify for funding through grants and loan programs.

Q/A

Does the Town have \$18,000,000 sitting in reserve?

No. The Town has **\$1,343,178** in Utility Fund reserve. UF reserve funding is at a deficit of **(\$4,791,732)** and is expected to be at a deficit of **(\$5,738,404)** at the close of FY24 to account for the budgeted transfer of UF reserve still needed to balance the UF budget. The Town has \$11,942,726 in General Fund reserve; however, these general tax payer dollars are required to remain in the General Fund to protect Town assets, plan for the unpredictable of revenue streams, and to meet best practices. The Utility Fund must be self supporting.



Q | A

Will the sewer fixed fee be assessed annually or quarterly?

The sewer fixed fee will be billed quarterly per dwelling unit or equivalent dwelling unit (EDU) for commercial users.

Q | A

Is there an option to pay annually?

The cost will be billed quarterly, but customers can pay in advance annually if they prefer. The Town recommends paying the fee when due rather than in advance to avoid credit balances.

Q | A

Will we have a similar increase next year?

The fixed fee is not expected to increase for at least the next 3 years as the fixed fee revenue will provide the necessary funding to limit citizen downtime by making the necessary repairs and infrastructure improvements.

Q | A

Is this a permanent increase?

All schedules of fees for the Town are reviewed annually during the budget adoption process.

Q | A

A \$100 sewer fixed fee is a high number, why?

The Town's utility fund has been historically unsupported by user fees. The Town has relied on high density development and general tax payer dollars to balance the Utility Fund. During COVID the Mayor and Town Council elected to absorb online processing fees rather than pass on these fees to customers and not raise the utility rates. Due to the current economic environment, lack of reserve funding necessary to ensure infrastructure improvements happen in the short and long run the Town must implement a sewer fixed fee to cover the fixed cost (97% of costs are fixed) to be able to flush toilets.

Q | A

Who are the large Chesapeake Beach utility users?

The Water Reclamation Treatment Plant is the largest user supplying services to multiple jurisdictions, the Water Park is the second largest followed by Beach Elementary School and our commercial businesses.



Q/A

Is this a fee or a tax?

The sewer fixed fee is a fee for sewer services to provide user revenue to cover the fixed costs of supplying and maintaining infrastructure.

Q/A

Will the Town assess additional EDUs for residential properties with high usage?

No. The Town will not assess an additional EDU for residential users with large families and high usage. The Town will assess additional EDUs if a residential property has an accessory dwelling or another full single family living space.

Q/A

Why are the fixed and variable costs listed as one line item?

This cost is the Town's share of the Water Reclamation Treatment Plant (CBWRTP) costs. The costs are defined by the CBWRTP budget that is already adopted. Costs at the CBWRTP are shared with our partnering jurisdictions, Anne Arundel County, Calvert County & the Town of North Beach. The Town's UF pays the Town's share of the CBWRTP costs.

Q/A

What are the staff & benefits cost made up of in the Utility Fund?

The Utility Fund staff costs account for Town staff that work within water and sewer services for the Town.

Q/A

What is the Town doing to prevent increased costs?

The Town is completing the majority of water / sewer repairs in-house saving over 50% of the cost for repairs. The Town is focused on preventive maintenance decreasing overall expense and down time for citizens. The Town is also ensuring the continual training for staff to ensure that the Town retains the expertise *in house* to reduce reliance on outside contractors due to the challenging economic environment and lack of ability to get crews on site in a timely manner to complete repairs and maintenance tasks.

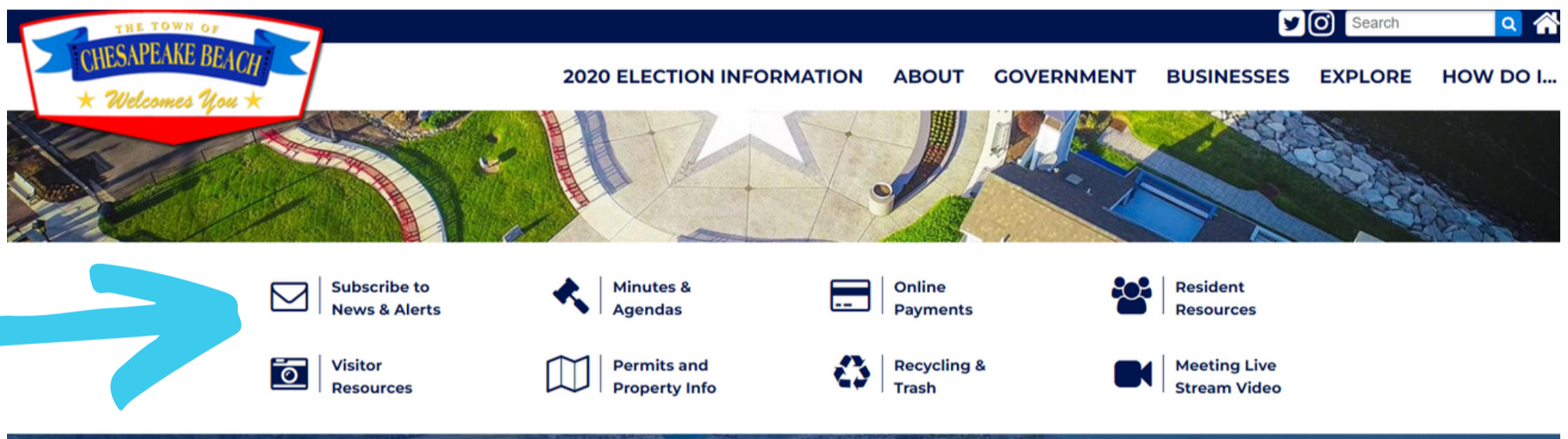


Will water only customers incur a sewer fixed fee?

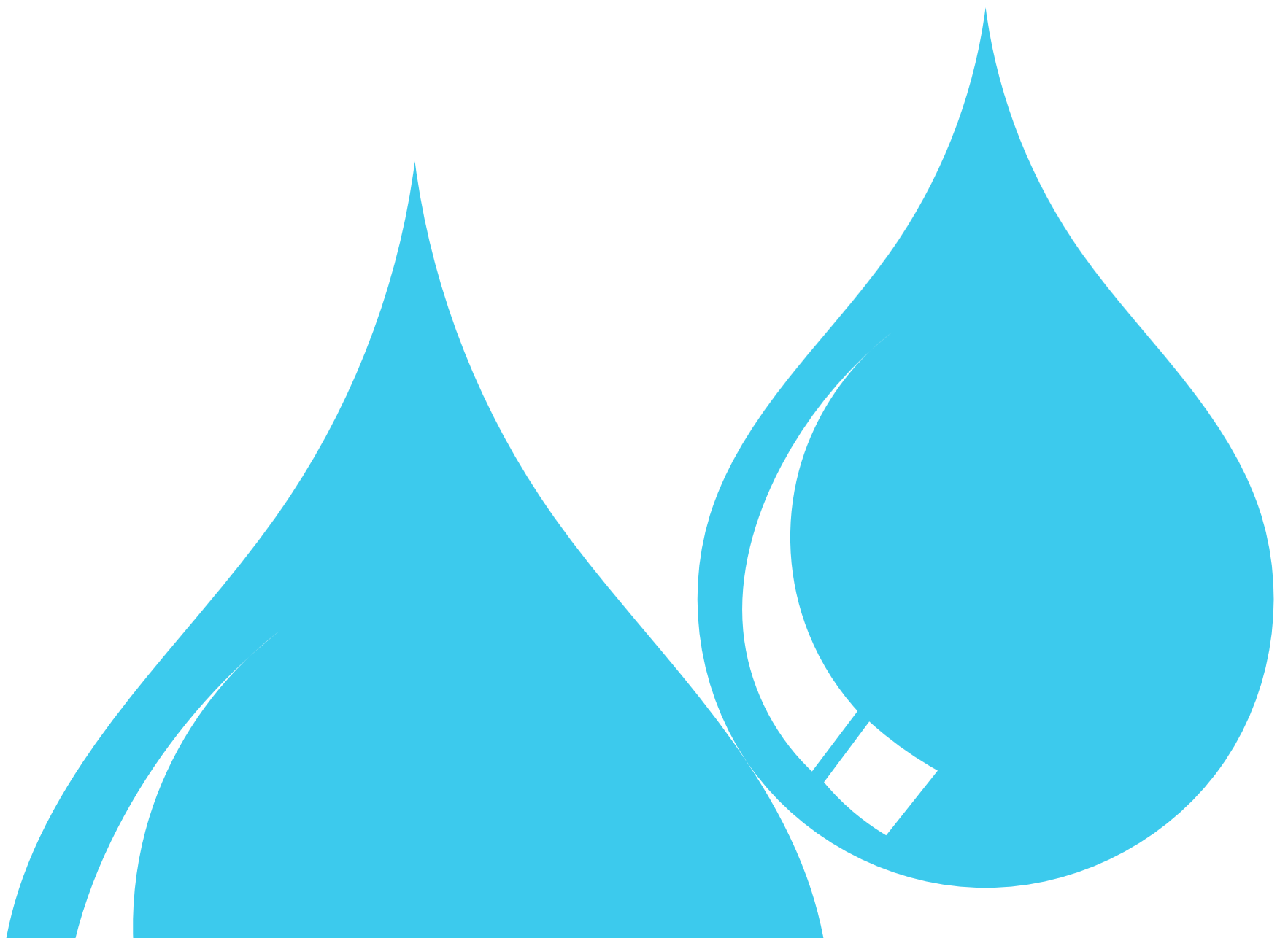
Customers with water only services will not incur a \$100 sewer fixed fee.



This Question & Answer (Q&A) lists all questions received from citizens related to the FY24 Utility Fund and is being provided to all citizens as a guide to further understand the introduced FY24 Utility Fund budget.



For more information please visit the Town website at www.chesapeakebeachmd.gov and click subscribe to notices from the Town.





Utility Fund

FY24 Proposed Budget

FY24 Budget – Utility Fund Highlights

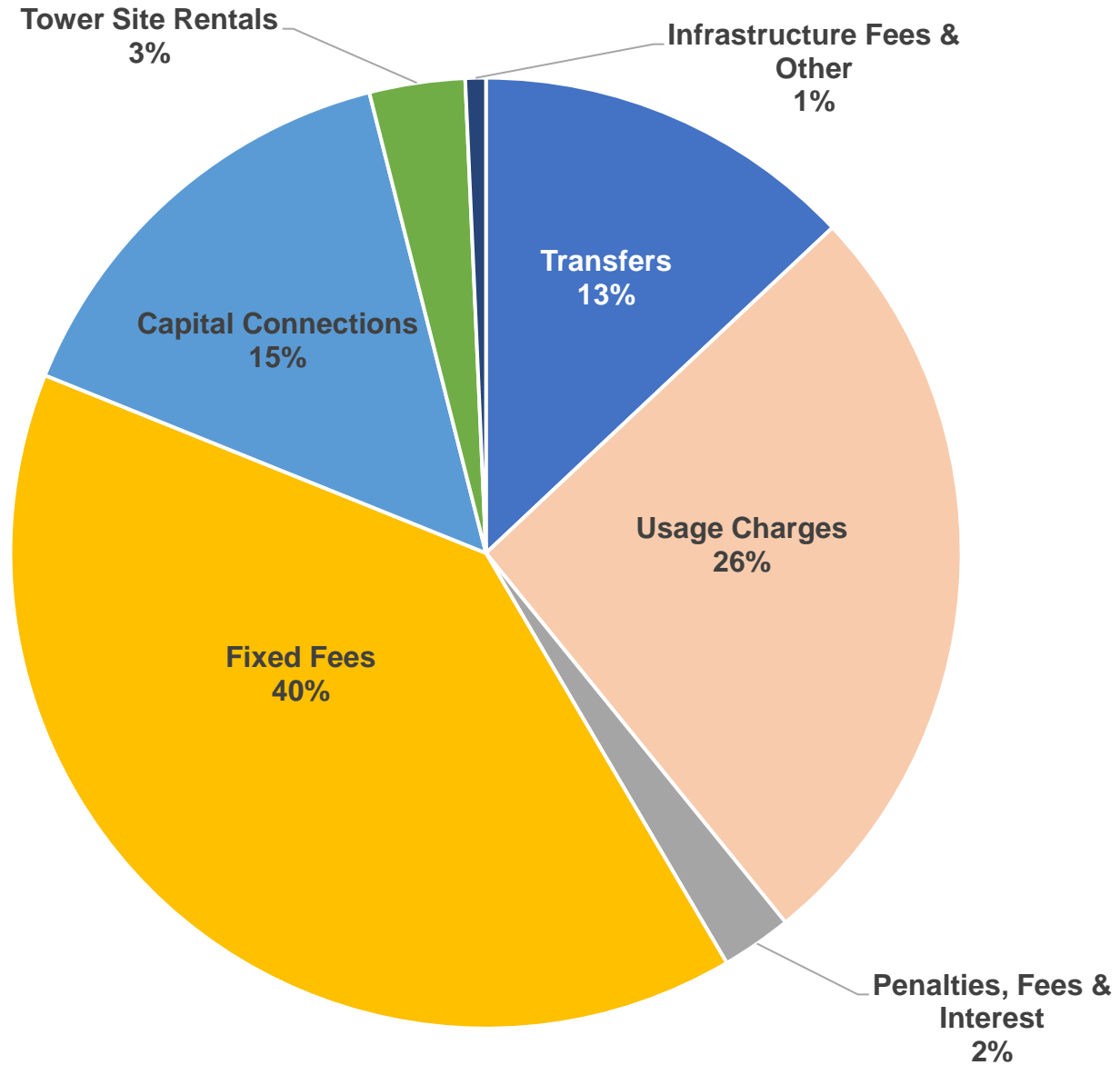
- *Revenues*
 - Transfer in from reserves to balance budget
 - A focus on user fees supporting user costs to limit risks to the general Town taxpayer
 - FY24 budget projected using forecasted rate schedule:
 - *No change in water and sewer rates*
 - *No change in water fixed fee*
 - *New \$100 sewer fixed fee per Equivalent Dwelling Unit (EDU)/quarter*

WHY A FIXED FEE WORKS?

- Captures all users by EDU and accounts for costs that do not vary based on user consumption
 - Fixed Costs: 97% of total budgeted expenses for FY24
 - Variable Costs: 3% of total budgeted expenses for FY24 – to include utilities & chemical supplies
- Appropriately captures the cost of high demand users through # of EDU's
- Ensures all burdens on the water / sewer system are accounted for.
 - *Capturing the cost of turning on faucet & flushing toilet.*
 - *Captures connections without use, including part-time seasonal properties*
- Provides consistent budgeting to plan for future infrastructure improvements
- Projected average quarterly bill, utilizing proposed fixed fees, remains below neighboring jurisdictions

UTILITY FUND - REVENUES

BY SOURCE



FY24 Budget – Utility Fund

Bill Comparison

Average Chesapeake Beach Resident Usage

	CONSUMPTION	WATER USAGE	WATER FF	WATER MISC.	SEWER USAGE	SEWER FF	SEWER MISC.	ADMIN
CHESAPEAKE BEACH	12,000.00	27.12	50.00	-	75.24	-	-	-
NORTH BEACH	12,000.00	92.20	-	-	184.00	-	-	-
CALVERT COUNTY	12,000.00	35.04	59.34		75.84	119.03		-
ANNE ARUNDEL COUNTY***	12,000.00	35.64		12.47	62.52	72.94	21.88	6.00
FREDERICK CITY	12,000.00	63.72	117.60		74.88	117.60		
QUEEN ANNE'S COUNTY	12,000.00	56.46	44.10	6.00	66.79	76.18	6.00	

	CURRENT TOTAL PROJECTED BILL	TOTAL PROJECTED BILL WITH SEWER
CHESAPEAKE BEACH	152.36	252.36
NORTH BEACH	276.20	276.20
CALVERT COUNTY	289.25	289.25
ANNE ARUNDEL COUNTY	211.46	211.46
FREDERICK CITY	373.80	373.80
QUEEN ANNE'S COUNTY	255.53	255.53

WATER RATES	> 4,000	4,001 - 8,000	8001 - 15,000	> 15,000
CHESAPEAKE BEACH	2.21	2.26	2.31	2.36
NORTH BEACH*	42.20	6.25	6.25	6.25
CALVERT COUNTY	2.92	2.92	2.92	2.92
ANNE ARUNDEL COUNTY	2.97	2.97	2.97	2.97
FREDERICK CITY**	4.72	5.90	5.90	7.07 - 9.44
QUEEN ANNE'S COUNTY	4.70	4.70	4.70	4.70

SEWER RATES	> 4,000	4,001 - 8,000	8001 - 15,000	> 15,000
CHESAPEAKE BEACH	6.13	6.27	6.41	6.54
NORTH BEACH*	126.00	7.25	7.25	7.25
CALVERT COUNTY	6.32	6.32	6.32	6.32
ANNE ARUNDEL COUNTY	5.21	5.21	5.21	5.21
FREDERICK CITY	6.24	6.24	6.24	6.24
QUEEN ANNE'S COUNTY	5.57	5.57	5.57	5.57

NOTES

*NB - rates for 4k and above

**Frederick City - Water usage tiers >6k, 6k - 15k, 15k - 120k, 120k - 75k, >75k

***AA County - Front Foot Benefit - Paid annually for first 30 years. Amount is determined on individual basis.

FY24 Budget – Utility Fund Highlights

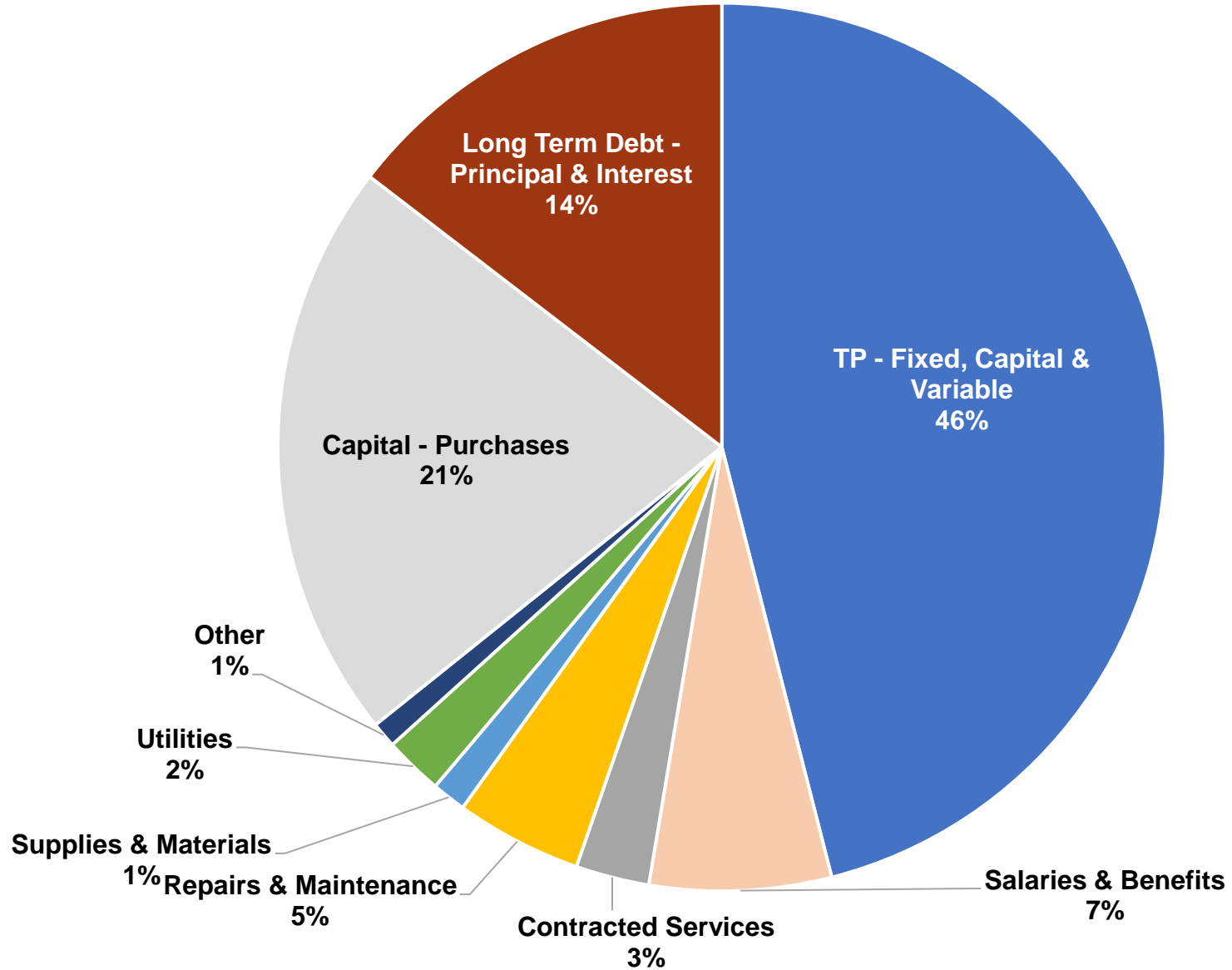
- *Expenses -*
 - Staff cost allocation, software and professional fees related to the Utility Fund
 - Expenses include anticipated PFAS testing
 - Safety expense increased for OSHA training
 - Increase in contracted supplies & materials, professional fees and utility costs to reflect recent trends in inflation
 - *40% increase in chemical pricing per unit*
 - *Current YTD expenses showing an average 35% increase in utility rates*
 - Capital expense line item created
 - Includes \$500k for replacement and installation of new water meters (*\$465k one time cost & \$35k annually*)

FY24 Budget – Utility Fund Highlights

- *Expenses -*
 - Long term debt payments to decrease outstanding principal by \$519,515
 - Substantial increase in professional fees to cover cost for online utility payment processing due to:
 - *Fees waived during COVID*
 - *56% increase in transaction amounts*
 - *Increase in transaction volume based on historical trend*
 - *Online payment processing – 13% YTD increase from FY22*
 - 35% increase in payments to the Treatment Plant
 - *\$366,633 one-time payment for CBWRTP reserve establishment (Partners also cover their portion of the cost - Anne Arundel County, Calvert County, North Beach)*
 - *8.25% increase in annual, re-occurring costs for fixed, variable and capital cost*

UTILITY FUND - EXPENSES

BY CATEGORY



FY24 Budget – Utility Fund Revenues

*NEW ACCOUNTS
ACTUALS
BUDGET

	FY23		FY24
	BUDGET	YTD - 12/31/22	PROPOSED BUDGET
REVENUES			
400-430130	Transfer In - Fund Reserves	-	521,488
400-430140	Transfer In - MLGIP UF	425,184	-
400-440010	Sewer Usage Charges	783,480	383,002
400-440020	Sewer Miscellaneous Income	1,000	50
400-440040	Sewer Penalties & Interest	2,000	1,192
400-441010	Water Usage Charges	348,380	151,152
400-441020	Miscellaneous Fees	2,000	2,640
400-441030	Water Penalties and Interest	2,000	1,555
400-450000	Investment Interest	1,500	36,104
400-460000	Fixed Fee	562,898	289,701
400-460050	Infrastructure Fees	18,000	610
400-460100	Sewer Capital Connection Fee	360,000	-
400-460200	Water Capital Connection Fee	120,000	-
400-461000	Tower Site Rental	-	-
	TOTAL REVENUES:	2,626,442	866,007
			4,013,394

FY24 Budget – Utility Fund Expenses

		FY23		FY24
		BUDGET	YTD - 12/31/22	PROPOSED BUDGET
EXPENSES				
400-6850-601000	Salaries & Wages	-	-	176,989
400-6850-602400	Continuing Education	-	-	5,000
400-6850-610500	Taxes & Benefits	-	-	88,495
400-6850-662200	Meter Repairs & Maintenance	-	33,750	25,000
400-6850-662300	Meters - MXU's	43,000	-	-
400-6850-715100	Water Plant Repairs & Maintenance	30,000	73,202	35,000
400-6850-715500	Water Testing	13,000	600	18,000
400-6900-621400	Engineering & Professional Fees	6,000	3,066	37,500
400-6900-621501	Safety	7,500	9,364	15,000
400-6900-625300	Interest & Administrative Expense - LT Debt	70,948	22,131	65,520
400-6900-626001	Pump Station Repair	50,000	44,154	50,000
400-6900-630500	Supplies	30,000	13,252	44,000
400-6900-631500	Postage	4,500	2,708	6,000
400-6900-632400	Miss Utility Fees	1,500	1,347	2,000
400-6900-632500	Line Repairs & Maintenance	95,000	36,804	75,000
400-6900-632800	Banking Fees	8,000	10,876	50,000
400-6900-670000	TPF Fixed / Capital Costs	946,010	243,940	1,325,145
400-6900-670100	TPF Variable	421,395	143,270	521,730
400-6900-687500	Utilities	70,000	40,212	86,000
400-6900-717600	Miscellaneous	500	-	500
400-6900-780000	Insurance	15,002	15,431	17,000
300-6975-801000	Capital Projects	-	-	850,000
400-6900-840500	Connection Fee Reimbursement	300,000	-	-
DEBT SERVICE				
400-6900-719300	Principal - 2014 - ENR	190,427	-	192,331
400-6900-748100	Principal - 2008 SRF Loan	287,098	-	290,256
400-6900-748300	Principal - ARRA Loan (2009)	36,562	-	36,928
TOTAL EXPENSES:		2,626,442	694,109	4,013,394
SURPLUS/DEFICIT:		-	171,898	-

#O-23- 10

Passed

Effective

AN ORDINANCE

**OF THE TOWN COUNCIL OF CHESAPEAKE BEACH, MARYLAND,
ADOPTING THE ANNUAL BUDGET FOR THE UTILITY FUND
OF THE TOWN OF CHESAPEAKE BEACH
FOR THE FISCAL YEAR JULY 1, 2023 TO JUNE 30, 2024
AND SETTING RATES, CHARGES AND FEES RELATED TO
WATER AND SEWER SERVICE BY THE TOWN.**

WHEREAS, Chesapeake Beach, Maryland (the “Town”) is a municipal corporation of the State of Maryland, organized and operating under a Charter adopted in 1963, in accordance with Article XI-E of the Constitution of Maryland and the Local Government Article of the Annotated Code of Maryland; and

WHEREAS, pursuant to Md. Code Ann., Local Gov’t Art., § 5-205 and Section C-706 of its Charter, the Town is empowered to establish an annual budget; and

WHEREAS, after due notice, a public hearing was held by the Town Council on April 20, 2023, to consider the budget for the Town’s Utility Fund for FY ’24, and, at said hearing, all of those who desired to be heard were heard and their testimony recorded, and all facts relevant to the subject matter of the budget have been duly and carefully considered.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF CHESAPEAKE BEACH THAT:

Section 1. The annual budget for the Utility Fund of the Town of Chesapeake Beach for the Fiscal Year 2024 is hereby adopted in the form as set forth in the attached Exhibit A hereto.

Section 2. The rates, fees and charges related to providing water and sewer service set forth in Schedule A to Exhibit A are hereby adopted.

AS CERTIFIED by their signatures below, the members of the Town Council affirm that this Ordinance was introduced at the Town Council meeting held on the 16th day of March 2023, that a public hearing was held on the 20th day of April, 2023, and that a vote was taken in

accordance with Section C-309 of the Town Charter. The vote of the Council was tallied and ____ votes of approval and ____ votes of disapproval were cast. The resulting majority of the Council approved (*approved/disapproved*) the passage of this Ordinance this 20th day of April, 2023. If signed by the Mayor below, the Mayor approves this Ordinance pursuant to Section C-310 of the Charter this 20th day of April, 2023. This Ordinance shall become effective at the expiration of twenty (20) calendar days from the date of the Mayor's approval or seven (7) days after the last required publication, whichever is later, pursuant to Section C-309 of the Charter, currently published in Volume II of the Municipal Charters of Maryland.

CHESAPEAKE BEACH, MARYLAND

Patrick J. Mahoney, Mayor

Lawrence P. Jaworski, Council Vice-President

Valerie L. Beaudin, Councilwoman

L. Charles Fink, Councilman

Margaret P. Hartman, Councilwoman

Gregory J. Morris, Councilman

Keith L. Pardieck, Councilman

FY24 Budget
Utility Fund
 EXHIBIT A

		FY24 BUDGET
REVENUES		
400-430130	Transfer In - Fund Reserves	521,488
400-440010	Sewer Usage Charges	750,000
400-440040	Sewer Penalties & Interest	30,000
400-441010	Water Usage Charges	300,000
400-441020	Miscellaneous Fees	50,000
400-441030	Water Penalties and Interest	16,000
400-450000	Investment Interest	10,000
400-460000	Fixed Fee	1,587,402
400-460050	Infrastructure Fees	18,000
400-460100	Sewer Capital Connection Fee	400,000
400-460200	Water Capital Connection Fee	200,000
400-461000	Tower Site Rental	130,504
TOTAL REVENUES:		4,013,394
EXPENSES		
400-6850-601000	Salaries & Wages	176,989
400-6850-602400	Continuing Education	5,000
400-6850-610500	Taxes & Benefits	88,495
400-6850-662200	Meter Repairs & Maintenance	25,000
400-6850-715100	Water Plant Repairs & Maintenance	35,000
400-6850-715500	Water Testing	18,000
400-6900-621400	Engineering & Professional Fees	37,500
400-6900-621501	Safety	15,000
400-6900-625300	Interest & Administrative Expense - LT Debt	65,520
400-6900-626001	Pump Station Repair	50,000
400-6900-630500	Supplies	44,000
400-6900-631500	Postage	6,000
400-6900-632400	Miss Utility Fees	2,000
400-6900-632500	Line Repairs & Maintenance	75,000
400-6900-632800	Banking Fees	50,000
400-6900-670000	TPF Fixed / Capital Costs	1,325,145
400-6900-670100	TPF Variable	521,730
400-6900-687500	Utilities	86,000
400-6900-717600	Miscellaneous	500
400-6900-780000	Insurance	17,000
300-6975-801000	Capital Projects	850,000
DEBT SERVICE		
400-6900-719300	Principal - 2014 - ENR	192,331
400-6900-748100	Principal - 2008 SRF Loan	290,256
400-6900-748300	Principal - ARRA Loan (2009)	36,928
TOTAL EXPENSES:		4,013,394
SURPLUS/DEFICIT:		-



New Rate Schedule Effective July 1, 2023

**APPENDIX A
FEE & RATE SCHEDULE
WATER & SEWER SYSTEM
TOWN OF CHESAPEAKE BEACH, MARYLAND**

WATER / SEWER PLAN REVIEW FEES:

Review / Preliminary Plans

- Public Water and Sewer \$ 300.00
- Private Water or Sewer \$ 250.00

Minor Subdivision Plan (1-7 Lots)

- Public Water and Sewer \$ 750.00 + \$75.00/Lot
- Private Water or Sewer \$ 500.00 + \$50.00/Lot

Resubmitted plans that do not adequately address all comments are subject to an additional charge of 50% of Review Fee. ~~(Up to a maximum charge of \$1,000 preconstruction plan).~~

Major Subdivision Plan (>7 Lots)

- Public Water and Sewer \$ 1,500.00 + \$150.00/Lot
- Private Water or Sewer \$ 1,425.00 + \$950.00/Lot

~~(Up to a Maximum charge of \$5,000 per construction plan).~~

Minor Site Plan (1-7 Lots)

- Public Water and Sewer \$ 190.00 + \$150.00/EDU
- Private Water or Sewer \$ 135.50 + \$92.00/EDU

~~(Up to a maximum charge of \$2,000 per construction plans).~~

Major Site Plan (>7Lots)

- Public Water and Sewer \$ 2,250.00 + \$225.00/EDU
- Private Water or Sewer \$ 1,800.00 + \$180.00/EDU

~~(Up to a Maximum charge of \$7,000 per construction plan).~~

Administrative Water/Sewer Application Fee \$ 200.00

To be collected with Submittal of any water and/or sewer construction plans/connection application/permit request.

Public Sewer Pump Station Plan \$ 2,500.00

Injector Pump Station Plan

\$ 250.00/EDU

WATER / SEWER RATES - BILLED QUARTERLY:

<u>Range</u>	<u>Water</u>	<u>Sewer</u>
(per 1,000 total gal. Billed Quarterly) range 1 to 4000	\$2.21/Tg	\$6.13/Tg
(per 1,000 total gal. Billed Quarterly) Range 4001 to 8000	\$2.26/Tg	\$6.27/Tg
(per 1,000 total gal. Billed Quarterly) Range 8001 to 15000	\$2.31/Tg	\$6.41/Tg
(per 1,000 total gal. Billed Quarterly) >15000	\$2.36/Tg	\$6.54/Tg

Sewer Use without Water Service – To be determined based on average usage per EDU by the State of Maryland.

Quarterly Fixed Fee – Water (minimum of one per use) \$ 50.00/EDU

Quarterly Fixed Fee - Sewer (minimum of one per use) \$ 100.00/EDU

OTHER CONNECTION FEES:

Water Meters/Hydrants

Standard 5/8” x 3/4” Outdoor Radio Read Water Meter \$ 500.00
Larger meter will be priced on a case-by-case basis.

Standard 5/8” x 3/4” Indoor Radio Read Water Meter \$ 500.00
Larger meter will be priced on a case-by-case basis.

Meter Installation Fee \$ 200.00
Fee is included in a connection permit application.

Fire Hydrants & Meters

Short-Term 5/8” x 3/4” Meter Rental (60 days or less reapplication and associated fee must be made after each 60-day term). Includes \$500 refundable deposit. \$ 1,250.00

Temporary Fire Hydrant Meter	\$ 100.00 Application Fee (meter provided by Town)
Private Fire Hydrant Fee (one time)	\$ 500.00/hydrant
Hydrant Meter Rate/1,000 gallons	\$ 10.00/Tg
Submeters	\$ See Appendix 'C'

Capital Contribution Charges

One time charge before time of connection

Water	\$ 10,000.00/EDU
Sewer	\$ 20,000.00/EDU
Illegal Water/Sewer Connection Fee	\$ 1,000/day until illegal connection is removed

INSPECTION AND TESTING FEES:

<u>Individual Water & Sewer Connection Inspection per EDU</u>	\$ 216.00
<u>Individual Water or Sewer Connection Inspection per EDU</u>	\$ 144.00
<u>Individual Grinder or Injector Pump Inspection (Additional)</u>	\$ 360.00
<u>Re-Inspection Fee/Visit per EDU</u>	\$ 72.00
<u>Water and/or Sewer Infrastructure Inspection</u>	10% of Town approved Engineers Cost Estimate
<u>Meter Test</u>	
5/8" to 2"	\$ 150.00
3" to 4"	\$ 180.00
6" and greater	\$ 360.00

TAP FEES:

Tap Connection Inspection Fee-Sewer	\$ 300.00/EDU
Tap Connection Inspection Fee-Water	\$ 300.00/EDU
Emergency Water and Sewer Repairs (private systems)	\$ 240.00 Minimum + actual cost to Town to make repair.
Scheduled (48 hours' notice) water turn off/on	\$ 40.00 per event

Unscheduled (less than 48 hours' notice) water turn off/on \$ 75.00 per event

RETURNED CHECK FEE: \$ 50.00

UTILITY BILLING INTEREST RATE: 8%

ADMINISTRATIVE LATE FEE: \$ 50.00

BONDING:

All work within the public right-of-way including work on water and sewer facilities, both to existing facilities and for new facilities, will require a bond to be posted in an amount approved by the Town Engineer plus a 50% contingency. (Bonding will be required prior to a permit to perform work is issued).

The Town may enact an Infrastructure Protection Ordinance which when and if effective, the associated Permit fees and bonds will be applicable. The purpose for the Infrastructure Protection Permit is to ensure the Town's infrastructure is protected from damage by private construction activity.