



# AGENDA FOR THE TOWN MEETING

March 14, 2016

6:30 p.m.

## PLEDGE TO THE FLAG

## CALL TO ORDER

**Red Indicates – Action Item**  
**Green Indicates – Ordinance Introduction**  
**Blue Indicates – Link to Additional Information**

## BUDGET WORKSHOP

- Water & Sewer Enterprise Fund
  - [FY 2017 Operating Budget](#)
  - [Capital Improvement Program \(CIP\)](#)

## CONSENT AGENDA

- [Financial Statements](#)
- [Appointment of Election Judges](#)
- Town Meeting Minutes
  - [February 22, 2016 – Town Meeting](#)

## PERSONAL REQUESTS FOR AGENDA:

### UNFINISHED BUSINESS:

- [Streetscape MOU](#)
- [Wayfinding Signs](#)

### NEW BUSINESS:

- [Approval of Truck Purchase Bid](#)
- [Schedule Public Hearing – Constant Yield Tax Rate](#)

### PUBLIC COMMENTS:

### ANNOUNCEMENTS:

- *Hydrant Flushing – March 21-25, 2016*

## ADJOURNMENT

**TOWN OF MIDDLETOWN**  
**Water Sewer Operating Budget**  
**FY 2017**

	AUDIT FY 2013	AUDIT FY 2014	AUDIT FY 2015	Budget FY 2016	Projected FY16	Preliminary Budget FY 2017	Explanation
<b>Operating Revenue</b>							
Water Revenue	544,682	557,321	557,826	594,558	577,350	577,350	NO RATE INCREASE
Sewer Revenue	541,468	554,722	557,502	596,089	577,015	577,015	NO RATE INCREASE
Penalties and Reconnects	15,608	18,876	21,311	15,038	15,038	21,950	Reduced by \$20K from previous fiscal year
General Fund Grant			102,740	80,000	80,000	1,000	Grant - One Bay
Rain Barrels			1,000	1,575	1,575		
LGIT Rebate/MISC							
<b>Total Revenue</b>	<b>1,101,758</b>	<b>1,130,919</b>	<b>1,240,379</b>	<b>1,287,260</b>	<b>1,250,978</b>	<b>1,237,315</b>	
<b>Expenses</b>							
<b>Administrative</b>							
Salaries	44,202	38,059	43,379	50,907	50,907	45,134	4% Salary Increase
Communications	7,107	7,761	11,178	7,500	10,457	11,513	Cell phone plan increases with new phones and Dylan added to plan
Postage	7,426	9,098	10,304	9,280	9,280	9,558	No USPS rate increase
Office Supplies/Expenses	8,381	14,470	13,668	12,000	11,512	12,600	Contracts: Iron \$2512; Harris Inhouse Support/Ebilling \$3k; sirspeedy \$1.8k; bank fees \$1.8k; Computers \$1.5k; \$2k
Professional Services/Legal		10,578	16,447	2,000	2,000	2,000	SALY
Meetings & Seminars	331	895	392	500	500	500	Historical Trend
Advertising		863	994	500	500	500	
Uniforms	2,992	2,726	3,719	998	3,811	3,925	New Vendor in FY16 (Cintas)
Dues/Subscriptions/Certifications	415	987	3,342	500	500	500	Principal and Interest
2010 CDA Water Tank Loan	72,008		32,498	32,979	32,979	32,908	
Travel/Mileage	203	175		200	200	200	
Payroll Taxes	19,971	19,081	21,477	24,559	24,958	23,600	Salary Detail Tab; SUI decreased from .06% to .03%
Insurance							
Property	7,603	7,643	7,949	8,500	8,500	8,500	Assumes addition of some new property.
Health	46,367	37,781	36,608	53,824	(1,228)	52,831	Health Insurance Worksheet - Waiting for rates for FY17
Worker's Compensation	11,142	8,168	7,858	8,214	8,214	8,718	Workers Comp Worksheet - Estimates based on 5% salary increase
Retirement/Pension	17,250	18,954	19,685	23,678	22,737	28,448	Pension Worksheet (Based on 4% Salary Increase)
Real Estate Taxes	292	(22)	292	292	292	292	
Conservation Environment	105	3,276	5,755	2,500	2,500	2,000	Rain Barrels - \$80 x 25 Rain Barrels
Vehicle/Equipment Expenses	12,749	15,680	11,138	21,000	10,700	25,600	Misc. Repairs Trucks & Equipment \$18.5; Safety Training \$5K
<b>Total Administrative</b>	<b>258,544</b>	<b>196,487</b>	<b>246,369</b>	<b>259,931</b>	<b>199,319</b>	<b>269,328</b>	
<b>Water</b>							
Salaries	109,602	113,066	131,501	133,411	133,411	139,545	Estimate based on 4% increase FY2017
<b>Water Distribution</b>							
Supplies	2,894	3,764	3,468	3,200	8,902	3,572	
Repairs & Maintenance	41,907	67,276	49,553	70,950	70,950	52,450	Leak Detection \$7K; Hydrant Coatings \$4.5K; PRV Vaults Painting \$8K; Hydrant Repairs \$7K
Water Meters				65,250	65,250		MOVED TO CIP. CLASSIFIED BY AUDITORS AS AN ASSET.
Waterline Break Repairs	246	72	3,452	5,000	5,000	5,000	SALY
Chemicals	353	185		500	500	500	SALY
Tools & Equipment	6,407	9,468	933	4,330	1,599	3,874	
<b>Subtotal</b>	<b>51,807</b>	<b>80,765</b>	<b>56,406</b>	<b>149,230</b>	<b>152,202</b>	<b>65,396</b>	
<b>Water Plant, Reservoir, Booster, Tower, BS Wellhouse</b>							
Electric	27,509	26,703	24,588	26,900	24,588	25,376	
Supplies	1,666	787	3,568	2,000	2,000	2,000	SALY
Repairs & Maintenance	31,259	32,305	17,211	27,350	27,350	31,700	Power Monitor \$6K; Inspection \$3K; Vault Piping Paint \$9.2K; Mag Meter \$4K; MiniSplit \$4K; Brookridge WTP Filters \$3K
Chemicals	24,176	20,454	21,672	18,226	23,012	23,943	Didn't see updated Chemical workbook from Bruce. Used historical average.
Tools & Equipment	4,375	2,007	1,590	2,400	2,400	2,400	SALY
Testing & Analysis	7,857	10,488	11,661	12,988	12,988	12,988	Lab Test Workpaper + HACH (\$8.5k)
<b>SUB-TOTAL</b>	<b>97,842</b>	<b>92,744</b>	<b>80,290</b>	<b>89,864</b>	<b>92,338</b>	<b>98,357</b>	

**TOWN OF MIDDLETOWN  
Water Sewer Operating Budget  
FY 2017**

	AUDIT FY 2013	AUDIT FY 2014	AUDIT FY 2015	Budget FY 2016	Projected FY16	Preliminary Budget FY 2017	Explanation
Abandoned Well Costs							
<b>TOTAL WATER</b>	<b>259,251</b>	<b>286,575</b>	<b>268,197</b>	<b>372,505</b>	<b>378,640</b>	<b>303,298</b>	
<b>Sewer</b>	<b>113,488</b>	<b>107,724</b>	<b>120,064</b>	<b>124,358</b>	<b>124,358</b>	<b>121,920</b>	4% Increase FY2016
<b>Sewer Collection System</b>							
Conebranch Pump Station	11,503	27,036	19,518	20,000	19,518	20,104	
Brookbridge South Pump Station	13,703	9,854	11,153	10,000	9,452	9,735	
Foxfield Pump Station	6,165	6,968	6,348	6,500	6,500	6,500	SALY
Sanitary Sewer Lines/Mainholes	22,850	17,316	17,494	23,952	23,952	25,000	Root Control \$4.5k; Sewer Cleaning and Video \$10k; Sonar Testing \$10.5K
I & T Accrual	75,000	75,000	75,000	75,000	75,000	75,000	
<b>Subtotal</b>	<b>129,221</b>	<b>136,174</b>	<b>129,503</b>	<b>135,452</b>	<b>134,422</b>	<b>136,339</b>	
<b>East WWTP</b>							
Electric	35,844	38,450	40,211	33,279	34,077	35,099	Solar Reduction \$3.8K
Parts & Supplies	3,749	8,162	6,325	5,469	5,028	5,802	
Repairs & Maintenance	32,355	11,960	23,354	35,357	35,357	35,800	Filter Building Roof Repairs \$2.5K; Clarifier Repairs \$21.8K; Admin Bldg HW & Lights \$3.2K; Blower \$5.1K
Chemicals	40,867	32,727	28,329	40,844	40,844	40,844	SALY
Mowing							
Tools & Equipment	7,721	2,849	8,091	8,400	1,957	5,573	
Testing & Analysis	20,812	22,982	25,170	34,187	34,187	34,187	Lab Test Workpaper + HACH (\$1300)
Sludge Hauling Expense	66,093	45,596	61,642	57,000	57,000	60,000	Fred Cy \$18k; Taylor \$33k; Accrual \$9k
<b>Subtotal</b>	<b>207,441</b>	<b>162,726</b>	<b>193,122</b>	<b>214,535</b>	<b>208,449</b>	<b>217,305</b>	
<b>West WWTP</b>							
Electric	19,020	18,989	20,410	17,934	26,533	21,022	Solar Reduction \$2.1K
Supplies	1,987	4,474	2,121	2,500	2,500	2,500	
Repairs & Maintenance	3,196	7,102	20,740	11,750	11,750	6,050	
Chemicals	50,684	53,057	54,073	61,258	61,258	61,258	Chemicals \$54.5k; Aquashade \$6.7k
Mowing							
Tools & Equipment	7,407	1,400	756	1,000	1,000	1,000	
Testing & Analysis	8,303	8,808	9,106	10,459	10,459	10,459	Lab Test Workpaper + HACH \$1200
Sludge Hauling Expense	22,959	17,663	17,250	22,650	22,650	22,650	Annual Accrual \$17,250 + Monthly Clean \$450
<b>SUB-TOTAL</b>	<b>113,556</b>	<b>111,493</b>	<b>124,456</b>	<b>127,552</b>	<b>136,151</b>	<b>124,940</b>	
<b>TOTAL SEWER</b>	<b>563,706</b>	<b>518,117</b>	<b>567,145</b>	<b>601,897</b>	<b>603,380</b>	<b>600,504</b>	
<b>TOTAL OPERATING EXPENSES</b>	<b>1,081,501</b>	<b>1,001,179</b>	<b>1,081,711</b>	<b>1,234,334</b>	<b>1,181,339</b>	<b>1,173,129</b>	
Contingency Fund				43,202	41,347	41,060	10 Year Historical Average 3.5%
Adjusted Operating Expense				1,277,535	1,222,686	1,214,189	
<b>OPERATING INCOME (LOSS)</b>	<b>20,257</b>	<b>129,740</b>	<b>158,668</b>	<b>9,724</b>	<b>28,292</b>	<b>23,126</b>	

Town of Middletown  
Water Sewer Fund  
Capital Improvement Program



**Burgess and Commissioners of Middletown**  
**Water & Sewer Capital Improvement Program**  
**FY 2017 - FY 2021**

<b>INCOME</b>	<b>FY '17</b>	<b>FY '18</b>	<b>FY '19</b>	<b>FY '20</b>	<b>FY '21</b>
CASH Reserves	\$243,516	\$54,875	\$295,729	\$840,580	\$878,668
DEBT SERVICE FEE - NEW HOMES	\$139,000	\$141,400	\$148,500	\$157,200	\$164,100
CAPITAL IMPROVEMENT FEE	\$149,298	\$159,132	\$168,966	\$178,800	\$178,800
Inflow & Infiltration - Reserve Account	\$75,000	\$420,000			
Land Leases	\$192,028	\$199,709	\$207,697	\$216,005	\$224,646
Tap Fees (See Growth Projections)	\$710,000	\$870,000	\$690,000	\$120,000	\$20,000
Main Street Waterline Loan	\$2,895,000	\$965,000			
Reservoir Cover Loan	\$800,000				
<b>Total Revenue</b>	<b>\$5,203,842</b>	<b>\$2,810,116</b>	<b>\$1,510,892</b>	<b>\$1,512,585</b>	<b>\$1,466,213</b>
<b>Debt Service</b>					
WATER STORAGE TANK LOAN	\$111,820				
EAST WWTP LOAN	\$241,265	\$241,265	\$241,265	\$239,265	
MAIN STREET WATERLINE LOAN	\$252,462	\$250,184	\$250,294	\$250,899	\$252,399
RESERVOIR LOAN	\$56,670	\$56,578	\$56,754	\$56,754	\$56,725
<b>DEVELOPMENT PROJECTS</b>					
Brookridge WTP (Loan Payments)	\$200,000	\$201,361			
Outstanding Balance - \$401,361.82					
<b>Total Debt Service</b>	<b>\$862,217</b>	<b>\$749,388</b>	<b>\$548,313</b>	<b>\$546,918</b>	<b>\$309,124</b>
<b>Net Income</b>	<b>\$4,341,625</b>	<b>\$2,060,729</b>	<b>\$962,580</b>	<b>\$965,668</b>	<b>\$1,157,089</b>
<b>Projects</b>					
<b>SYSTEM UPGRADE PROJECTS</b>					
<b>WATER SYSTEM</b>					
Main Street Waterline Program	\$2,895,000	\$965,000			
Reservoir - Dual Feed Cover/Liner Replacement/Road Rebuild	\$819,500				
Fluoride Systems - Well #15/#16 & Brookridge WTP		\$60,000			
Stream Erosion - Well Field Restoration	\$125,000				
Scada Control System	\$76,000	\$50,000	\$25,000		
Booster Station - Replace Starters with VFD's		\$125,000			
Booster Station - Pump Bypass Connections	\$25,000				
Booster Station - Process Piping Replacement			\$40,000		
Booster Station - Roof Replacement/Building Painting		\$5,000			
Fire Hydrant Install - Elm & Washington Street	\$8,000				
Water Meter Replacements	\$65,250	\$60,000	\$57,000	\$57,000	\$55,000
Springline Replacement - US 40 to Reservoir					\$1,100,000
<b>WASTEWATER SYSTEM</b>					
West WWTP - Curtain Replacement	\$60,000				
West WWTP - New Chemical Storage Structure	\$15,000				
West WWTP - Influent Meter Replacement		\$15,000			
West WWTP - Roof Replacement				\$30,000	
East WWTP - Bar Screen Refurbishment	\$40,000				
East WWTP - Influent Flume & Ultrasonic Meter	\$16,000				
East WWTP - Sludge Mag Meter		\$15,000			
Vactor Trailer & Excavator		\$50,000			
Inflow & Infiltration	\$75,000	\$420,000			
Brookridge PS Vault Magmeter & Cabinet	\$11,000				
Brookridge PS - 3 Phase VFD and New Pump Installation	\$25,000				
Cone Branch PS - New Pumps	\$31,000				
<b>Total Projects</b>	<b>\$4,286,750</b>	<b>\$1,765,000</b>	<b>\$122,000</b>	<b>\$87,000</b>	<b>\$1,155,000</b>
<b>Surplus / Deficit</b>	<b>\$54,875</b>	<b>\$295,729</b>	<b>\$840,580</b>	<b>\$878,668</b>	<b>\$2,089</b>

## Growth Projections

<b>Growth Projections</b>				
<b>Fiscal Year</b>	<b>Development</b>	<b>Taps</b>	<b>Total Fees</b>	<b>YearlyTotal Units</b>
2017	Coblentz Property	20		
2017	Chesterbrook Condos	9		
2017	Cross Stone Commons	5.5		
2017	Existing Lot of Record	1	\$710,000.00	35.50
2018	Coblentz Property	28		
2018	Chesterbrook Condos	9		
2018	Cross Stone Commons	5.5		
2018	Existing Lot of Record	1	\$870,000.00	43.50
2019	Coblentz Property	28		
2019	Cross Stone Commons	5.5		
2019	Existing Lot of Record	1	\$690,000.00	34.50
2020	Coblentz Property	5		
2020	Existing Lot of Record	1	\$120,000.00	6.00
2021	Existing Lot of Record	1	\$20,000.00	1.00
		120.5	\$2,410,000.00	120.50
<b>** Not included in calculation:</b>				
	Horman Apartments			

## **Water and Sewer Budget Highlights for Fiscal Year 2017**

- 1. A \$23,000 surplus in the Operating Budget**
- 2. Surplus budgets in the CIP for the next 5 years**
- 3. No rate increase is proposed in this FY '17 budget**
- 4. Reduction of General Fund Contribution by 25% from \$80,000 to \$60,000**
  - \*second consecutive reduction**
- 5. Fulfilled all of the requests for maintenance proposed by facilities review conducted by Director of Public Works**
- 6. Included the following W&S Committee recommendations:**
  - Reduce number of units to be built on Green Street to reflect actual timeframe and not an estimate**
  - Increase CIF \$2.75**
  - Fund water meter replacements in CIP**



## **Water & Sewer Committee FY 2017 Budget Recommendations**

- Adjust growth projections for Coblenz to match construction status – **INCLUDED IN BUDGET**
- Increase CIF \$2.75 each year to reach \$50 by 2020 – **INCLUDED IN BUDGET**
- Fund water meter replacements in CIP each year – **INCLUDED IN BUDGET**
- Add footnotes to CIP to show potential projects – *Not included in budget*
- Establish an accrual account for water meters in Operating Budget – *Not included in budget*

**TOWN OF MIDDLETOWN  
DAILY CASH BALANCE STATEMENT  
As Of March 2, 2016**

	<b>Cash Balance</b>
<b>GENERAL FUND</b>	
<b>Operating Accounts</b>	
Middletown Valley Bank	\$ (35)
BB & T Operating Gen Fund	806,902
Petty Cash	200
BB & T Payroll	93,795
	<b>\$ 900,862</b>
<b>CIP Accounts</b>	
BB & T Index	\$ 730,813
PNC Investment	105,803
MVB Money Market	100,171
	<b>\$ 936,787</b>
<b>TOTAL GF FUNDS AVAILABLE</b>	<b>\$ 1,837,649</b>
<b>Reserved Accounts *</b>	
BB&T Rainy Day Fund	\$ 193,616
<b>TOTAL GENERAL FUND RESERVES *</b>	<b>\$ 193,616</b>
 <b>WATER &amp; SEWER FUND</b>	
<b>Operating Accounts</b>	
Middletown Valley Bank	\$ 49,691
BB & T Operating W/S Fund	(160,889)
M&T Credit Card Collections	70,391
	<b>\$ (40,807)</b>
<b>CIP Accounts</b>	
BB & T Index	\$ 255,078
<b>TOTAL W &amp; S FUNDS AVAILABLE</b>	<b>\$ 255,078</b>
<b>Reserved Accounts *</b>	
MVB Bonds	\$ 5,120
BB&T Index - Sludge Removal	103,200
BB & T Index - I & I	175,000
MVB Money Market - I&I	251,847
<b>TOTAL WATER &amp; SEWER RESERVES *</b>	<b>\$ 535,167</b>
MVB Line of Credit	\$ (401,362)

*\* These funds have been reserved for specific purposes and are not available for use.*

Town of Middletown  
**Statement of Revenue & Expenditures**  
 General Fund  
 Fiscal Year 2016  
 For the 8 Months Ended February 29, 2016

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<b><u>REVENUE</u></b>			
<b><u>LOCAL TAX</u></b>			
Real Property	\$ 1,139,955	\$ 1,090,023	\$ (49,932)
Tangible Personal Property	35,540	20,792	(14,748)
Public Utilities	10,356	9,401	(955)
Franchise (Cable)	48,062	35,867	(12,195)
Penalties & Interest	<u>9,607</u>	<u>7,167</u>	<u>(2,440)</u>
	\$ 1,243,520	\$ 1,163,250	\$ (80,270)
<b><u>STATE SHARED TAX</u></b>			
Admission & Amusement	\$ 16,500	\$ 9,328	\$ (7,172)
Highway Gasoline & Licenses	<u>154,758</u>	<u>125,416</u>	<u>(29,342)</u>
	\$ 171,258	\$ 134,744	\$ (36,514)
<b><u>COUNTY SHARED TAX</u></b>			
Income Taxes	\$ 721,465	\$ 557,936	\$ (163,529)
Tax Equity Grant	<u>555,964</u>	<u>416,973</u>	<u>(138,991)</u>
	\$ 1,277,429	\$ 974,909	\$ (302,520)
<b><u>LICENSES AND PERMITS</u></b>			
Beer, Wine and Liquor	\$ 1,950		\$ (1,950)
Business / Traders	4,900	189	(4,711)
Planning / Zoning Fees	<u>19,606</u>	<u>12,450</u>	<u>(7,156)</u>
	\$ 26,456	\$ 12,639	\$ (13,817)
<b><u>PARKS AND RECREATION</u></b>			
Pavillion Fees	<u>\$ 1,900</u>	<u>\$ 1,161</u>	<u>\$ (739)</u>
	\$ 1,900	\$ 1,161	\$ (739)
<b><u>POLICE PROTECTION</u></b>			
State Grant	<u>\$ 24,928</u>	<u>\$ 6,232</u>	<u>\$ (18,696)</u>
	\$ 24,928	\$ 6,232	\$ (18,696)
<b><u>MISCELLANEOUS</u></b>			
Community Events			
Parking Citations			
Bank Shares Grant	2,500	1,491	(1,009)
Miscellaneous & Donations	<u>5,000</u>	<u>1,829</u>	<u>(3,171)</u>
	\$ 7,500	\$ 3,320	\$ (4,180)
<b>OPERATING REVENUES</b>	<b>\$ 2,752,991</b>	<b>\$ 2,296,255</b>	<b>\$ (456,736)</b>
State Grants & Interest	\$ 147,172	\$ 57,094	\$ (90,078)
<b>TOTAL REVENUE</b>	<b>\$ 2,900,163</b>	<b>\$ 2,353,349</b>	<b>\$ (546,814)</b>

Town of Middletown  
**Statement of Revenue & Expenditures**  
 General Fund  
 Fiscal Year 2016  
 For the 8 Months Ended February 29, 2016

	<u>ANNUAL</u> <u>BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER)</u> <u>BUDGET</u>
<b><u>EXPENDITURES</u></b>			
<b><u>LEGISLATIVE</u></b>			
Commissioner's Salary	\$ 12,300	\$ 7,000	\$ (5,300)
Communications	3,480	1,859	(1,621)
Dues & Subscriptions	7,370	7,166	(204)
Office Supplies & Exp	3,600	3,216	(384)
Advertising	750	2,331	1,581
Meetings & Conventions	<u>9,000</u>	<u>3,501</u>	<u>(5,499)</u>
	\$ 36,500	\$ 25,073	\$ (11,427)
<b><u>EXECUTIVE</u></b>			
Burgess Salary	<u>\$ 6,667</u>	<u>\$ 3,500</u>	<u>\$ (3,167)</u>
	\$ 6,667	\$ 3,500	\$ (3,167)
<b><u>ELECTION</u></b>			
Clerk Fees	\$ 450		\$ (450)
Other Administrative Expenses	<u>250</u>		<u>(250)</u>
	\$ 700		\$ (700)
<b><u>GENERAL SERVICES</u></b>			
<b><u>ADMINISTRATION</u></b>			
Administrative Salary	\$ 227,019	\$ 158,308	\$ (68,711)
Postage & Printing	200	16	(184)
Communications	10,471	3,990	(6,481)
Computer Expenses	22,600	18,203	(4,397)
Office Supplies & Exp	27,200	14,106	(13,094)
Office Maintenance	52,680	18,343	(34,337)
Dues & Subscriptions	150	(1)	(151)
Professional Services	3,600	3,971	371
Meetings & Conventions	100	12	(88)
Water and Sewer Grant	<u>80,000</u>	<u>80,000</u>	
	\$ 424,020	\$ 296,948	\$ (127,072)
<b><u>OPERATIONS</u></b>			
Maintenance Capital Outlay			
Vehicle Capital Outlay			
Director Salary	93,227	81,775	(11,452)
Maintenance Salary	35,015	32,985	(2,030)
Communications	9,000	5,282	(3,718)
Supplies & Expenses	13,000	12,193	(807)
Dues & Meetings		185	185
Landscaping/Beautification			
Maintenance & Repairs	27,950	12,939	(15,011)
Tools & Equipment	<u>3,161</u>	<u>662</u>	<u>(2,499)</u>
	\$ 181,353	\$ 146,021	\$ (35,332)

Town of Middletown  
**Statement of Revenue & Expenditures**  
 General Fund  
 Fiscal Year 2016  
 For the 8 Months Ended February 29, 2016

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<b><u>PROFESSIONAL SERVICES</u></b>			
Independent Accounting	\$ 12,500	\$ 13,000	\$ 500
Legal - Development		779	779
Legal - Ordinances	<u>7,500</u>	<u>4,294</u>	<u>(3,206)</u>
	\$ 20,000	\$ 18,073	\$ (1,927)
<b><u>PLANNING &amp; ZONING</u></b>			
Salary & Fees	\$ 48,946	\$ 30,725	\$ (18,221)
Other Expenses	<u>3,109</u>	<u>1,289</u>	<u>(1,820)</u>
	\$ 52,055	\$ 32,014	\$ (20,041)
<b><u>MAIN STREET PROGRAM</u></b>			
Manager Salary	\$ 43,522	\$ 27,032	\$ (16,490)
Town Contribution	<u>18,000</u>	<u>10,029</u>	<u>(7,971)</u>
	\$ 61,522	\$ 37,061	\$ (24,461)
<b><u>PUBLIC SAFETY</u></b>			
Fire Dept. Donation	\$ 20,000	\$ 20,000	
School Crossing Guards	17,408	7,963	(9,445)
Community Deputy Program	<u>365,101</u>	<u>185,872</u>	<u>(179,229)</u>
	\$ 402,509	\$ 213,835	\$ (188,674)
<b><u>SANITATION &amp; WASTE REMOVAL</u></b>			
Resident Trash & Yard Waste	\$ 276,901	\$ 166,705	\$ (110,196)
<b><u>RECREATION AND CULTURE</u></b>			
Park Salary	46,911	25,072	(21,839)
Park Electric	1,800	1,049	(751)
Maintenance & Repairs	44,100	11,662	(32,438)
Mowing	26,215	16,380	(9,835)
Remsberg Park - Interest	14,632	11,281	(3,351)
Remsberg Park - Principal	<u>108,917</u>	<u>72,428</u>	<u>(36,489)</u>
	\$ 242,575	\$ 137,872	\$ (104,703)

**Town of Middletown**  
**Statement of Revenue & Expenditures**  
**General Fund**  
**Fiscal Year 2016**  
**For the 8 Months Ended February 29, 2016**

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<b><u>HIGHWAYS AND STREETS</u></b>			
Salary	\$ 93,356	\$ 50,665	\$ (42,691)
Street Lighting	165,600	91,469	(74,131)
Storm Water Management	4,670	871	(3,799)
Snow Removal	70,000	45,416	(24,584)
Repairs & Resurfacing	57,300	2,280	(55,020)
Signs		2,686	2,686
Truck Repair & Operation	50,700	19,155	(31,545)
Equipment Repairs & Ops	10,000	4,167	(5,833)
Mowing	32,696	20,480	(12,216)
Interest	6,941	17,917	10,976
East Green St - Principal	12,000		(12,000)
Case Loader - Principal	15,158	13,973	(1,185)
	<u>\$ 518,421</u>	<u>\$ 269,079</u>	<u>\$ (249,342)</u>
<b><u>OTHER EXPENSES</u></b>			
MT Historical Society - CIP	\$ 5,000	\$ 5,000	
Donations	100	1,000	900
Travel - Mileage	2,783	1,361	(1,422)
Community Events	19,750	33,980	14,230
Payroll Taxes	54,257	32,907	(21,350)
Insurance - Property	13,866	8,318	(5,548)
Insurance - Employee	118,839	70,250	(48,589)
Retirement/Pension	65,725	44,418	(21,307)
Web Page & Directory	5,000	10,032	5,032
Real Estate Taxes	1,242	800	(442)
Bond Issuance Costs		11,709	11,709
Other	3,500	3,032	(468)
	<u>\$ 290,062</u>	<u>\$ 222,807</u>	<u>\$ (67,255)</u>
<b>TOTAL EXPENDITURES</b>	<b>\$ 2,513,285</b>	<b>\$ 1,568,988</b>	<b>\$ (944,297)</b>
<b>INCOME (LOSS) Exc. Cash Reserves</b>	<b>\$ 386,878</b>	<b>\$ 784,361</b>	<b>\$ 397,483</b>
<b>CASH RESERVES</b>	<b>\$ 1,186,719</b>	<b>\$ 935,063</b>	<b>\$ (251,656)</b>
<b>SURPLUS / (DEFICIT)</b>	<b><u>\$ 1,573,597</u></b>	<b><u>\$ 1,719,424</u></b>	<b><u>\$ 145,827</u></b>

Town of Middletown  
**CIP Funds & Expenditures**  
 General Fund  
 Fiscal Year 2016  
 For the 8 Months Ended February 29, 2016

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<b>OPERATING REVENUE</b>			
Revenue	\$ 2,752,991	\$ 2,296,254	\$ (456,737)
<b>OPERATING EXPENSES</b>			
Expenses	2,513,284	1,568,988	(944,296)
<b>OPERATING SURPLUS (LOSS)</b>	<b>\$ 239,707</b>	<b>\$ 727,266</b>	<b>\$ 487,559</b>
<b><u>OTHER FUND</u></b>			
POS - Development	\$ 144,205	\$ 57,040	\$ (87,165)
West Green Street Loan	1,000,000		(1,000,000)
RETAINED EARNINGS	304,008		(304,008)
Interest	2,967	54	(2,913)
Other			
<b>TOTAL OTHER FUNDS</b>	<b>\$ 1,451,180</b>	<b>\$ 57,094</b>	<b>\$ (1,394,086)</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>\$ 1,690,887</b>	<b>\$ 784,360</b>	<b>\$ (906,527)</b>
<b><u>CIP PROJECTS &amp; PURCHASES</u></b>			
West Green St Improvements	\$ 1,000,000	\$ 4,123	\$ (995,877)
Franklin - Patching, Mill & Over	60,000		(60,000)
Broad Street Road Construction	20,000		(20,000)
SWM Fence Replacements	21,984		(21,984)
Walking Trail - East Main to Lin	25,750	2,197	(23,553)
Remsberg Park Bleachers	12,150	11,884	(266)
Remsberg Park Walking Trail	45,000	12,783	(32,217)
Remsberg Park Totlot	25,076	25,017	(59)
Wiles Branch Dog Park	47,872	35,974	(11,898)
Wiles Branch Park Shingles	3,100		(3,100)
Foxfield Walk Path/Booster Overl	24,100		(24,100)
Municipal HVAC	90,000		(90,000)
Municipal Carpet (2nd Floor)	20,000		(20,000)
Municipal Boiler Replacment	30,000		(30,000)
Maintenance HVAC	4,500		(4,500)
Vehicle Replacements	65,000		(65,000)
Computer Replacements	5,400		(5,400)
Backhoe Lease	15,200	13,973	(1,227)
Historical Society Donation	5,000	5,000	
<b>Total CIP Costs</b>	<b>\$ 1,520,132</b>	<b>\$ 110,951</b>	<b>\$ (1,409,181)</b>
<b>OPERATING &amp; CIP SURPLUS (LOSS)</b>	<b>\$ 170,755</b>	<b>\$ 673,409</b>	<b>\$ 502,654</b>

Town of Middletown  
 CIP Funds & Expenditures  
 General Fund  
 Fiscal Year 2016  
 For the 8 Months Ended February 29, 2016

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
Cash Reserves	\$ 1,186,719	\$ 935,063	\$ (251,656)
<b>TOTAL CASH SURPLUS</b>	<u><u>\$ 1,357,474</u></u>	<u><u>\$ 1,608,472</u></u>	<u><u>\$ 250,998</u></u>

Town of Middletown  
**STATEMENT OF REVENUE and EXPENDITURES**  
**WATER & SEWER**  
**Fiscal Year 2016**  
**For the 8 Months Ended February 29, 2016**

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<b><u>REVENUE</u></b>			
Water Revenue	\$ 594,558	\$ 434,923	\$ (159,635)
Sewer Revenue	596,089	431,979	(164,110)
Penalties/Reconnects	15,038	12,359	(2,679)
Rain Barrel Sales	1,575		(1,575)
General Fund Grant/Misc	80,000	80,000	
<b>TOTAL OPERATING REVENUE</b>	<b>\$ 1,287,260</b>	<b>\$ 959,261</b>	<b>\$ (327,999)</b>
<b><u>EXPENDITURES</u></b>			
<b>ADMINISTRATIVE</b>			
Office Salaries	\$ 50,907	\$ 23,171	\$ (27,736)
Communications	7,500	6,511	(989)
Postage	9,280	9,051	(229)
Office Supplies/Expense	12,000	5,165	(6,835)
Legal - Other	2,000		(2,000)
Meetings & Seminars	500	70	(430)
Advertising	500	305	(195)
Uniforms	998	2,223	1,225
Dues/Subscrip/Certifications	500	50	(450)
Travel	200		(200)
Payroll Taxes	24,559	16,137	(8,422)
Insurance - Prop. & Liability	8,500	7,144	(1,356)
Insurance - Workers Comp	8,214	4,109	(4,105)
Insurance - Health	53,824	(4,299)	(58,123)
Retirement/Pension	23,678	20,026	(3,652)
Real Estate Taxes	292	292	
Rain Barrel/Educational Programs	2,500		(2,500)
Waterline / I & I Loans	32,979	32,498	(481)
Bond Issuance Costs		125,569	125,569
Sub-Total	\$ 238,931	\$ 248,022	\$ 9,091
<b>Vehicles &amp; Equipment</b>			
1999 Truck (Pearl)	\$ 3,700		\$ (3,700)
2008 Truck (Darner)	3,200	1,346	(1,854)
2012 Truck (Miller)		551	551
2013 Truck (Whitney)	3,400	458	(2,942)
2015 Meter Van (Hightman)	3,700	2,817	(883)
Misc Equipment	7,000	1,898	(5,102)
Bobcat Mini-Excavator		289	289
Case Backhoe		26	26
Sub-Total	\$ 17,800	\$ 6,039	\$ (11,761)

Town of Middletown  
**STATEMENT OF REVENUE and EXPENDITURES**  
**WATER & SEWER**  
**Fiscal Year 2016**  
**For the 8 Months Ended February 29, 2016**

	<b>ANNUAL BUDGET</b>	<b>YTD ACTUAL</b>	<b>OVER (UNDER) BUDGET</b>
<b>WATER</b>			
Salaries	\$ 133,411	\$ 96,031	\$ (37,380)
<b>Water Distribution System</b>			
Supplies	3,200	5,352	2,152
Repairs & Maintenance	70,950	31,461	(39,489)
Water Meters	65,250	125,899	60,649
Water Line Break Repairs	5,000		(5,000)
Chemicals	500		(500)
Tools & Equipment	4,330	1,662	(2,668)
Sub-Total	\$ 149,230	\$ 164,374	\$ 15,144
<b>Water Plant/Reservoir/Booster/Tower/BS Wellhouse</b>			
Electric	\$ 26,900	\$ 13,673	\$ (13,227)
Supplies	2,000	1,298	(702)
Repairs & Maintenance	27,350	25,385	(1,965)
Chemicals	18,226	14,482	(3,744)
Tools & Equipment	2,400		(2,400)
Testing & Analysis	12,988	5,563	(7,425)
Sub-Total	\$ 89,864	\$ 60,401	\$ (29,463)
Abandoned Well Costs			
<b>TOTAL WATER EXPENSES</b>	<b>\$ 372,505</b>	<b>\$ 320,806</b>	<b>\$ (51,699)</b>
<b>SEWER</b>			
Salaries	\$ 124,358	\$ 85,900	\$ (38,458)
<b>Sewer Collection System</b>			
Cone Branch PS	20,000	20,587	587
Brookridge South PS	10,000	4,915	(5,085)
Foxfield PS	6,500	4,005	(2,495)
Sanitary Sewerlines & Manholes	23,952	16,440	(7,512)
I & I Accrual	75,000	50,000	(25,000)
Sub-Total	\$ 135,452	\$ 95,947	\$ (39,505)

Town of Middletown  
**STATEMENT OF REVENUE and EXPENDITURES**  
**WATER & SEWER**  
**Fiscal Year 2016**  
**For the 8 Months Ended February 29, 2016**

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<b>Wastewater Treatment Plants</b>			
<b>East Wastewater Treatment Plant</b>			
Electric	\$ 33,279	\$ 18,960	\$ (14,319)
Supplies	5,469	3,216	(2,253)
Repairs & Maintenance	35,357	24,879	(10,478)
Chemicals	40,844	21,822	(19,022)
Tools & Equipment	8,400	1,142	(7,258)
Testing & Analysis	34,187	14,404	(19,783)
Sludge Hauling Expense	57,000	36,030	(20,970)
Sub-Total	\$ 214,536	\$ 120,453	\$ (94,083)
<b>West Wastewater Treatment Plant</b>			
Electric	\$ 17,934	\$ 16,048	\$ (1,886)
Supplies	2,500	1,586	(914)
Repairs & Maintenance	11,750	8,259	(3,491)
Chemicals	61,258	32,400	(28,858)
Tools & Equipment	1,000	810	(190)
Testing & Analysis	10,459	5,770	(4,689)
Sludge Hauling Expense	22,650	11,500	(11,150)
Sub-Total	\$ 127,551	\$ 76,373	\$ (51,178)
<b>TOTAL SEWER EXPENSES</b>	<b>\$ 601,897</b>	<b>\$ 378,673</b>	<b>\$ (223,224)</b>
<b>TOTAL WATER/SEWER EXPENSES</b>	<b>\$ 1,231,133</b>	<b>\$ 953,540</b>	<b>\$ (277,593)</b>
<b>CONTINGENCY FUND - 3.5%</b>	<b>\$ 43,090</b>	<b>\$ 33,374</b>	<b>\$ (9,716)</b>
<b>ADJUSTED WATER/SEWER EXPENSES</b>	<b>\$ 1,274,223</b>	<b>\$ 986,914</b>	<b>\$ (287,309)</b>
<b>NET INCOME (LOSS)</b>	<b>\$ 13,037</b>	<b>\$ (27,653)</b>	<b>\$ (40,690)</b>

Town of Middletown  
**CIP FUNDS and EXPENDITURES**  
**WATER & SEWER**  
**Fiscal Year 2016**  
**For the 8 Months Ended February 29, 2016**

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
<b><u>FUNDING SOURCES</u></b>			
Operating Revenue	\$ 1,287,260	\$ 959,261	\$ (327,999)
Operating Expenses	<u>1,234,333</u>	<u>953,540</u>	<u>(280,793)</u>
<b>OPERATING INCOME (LOSS)</b>	<b>\$ 52,927</b>	<b>\$ 5,721</b>	<b>\$ (47,206)</b>
Cash Reserves	\$ 120,000	\$ 120,000	
Debt Service Fee - New Homes	138,800	104,600	(34,200)
Capital Improvement Fees	139,464	104,643	(34,821)
Inflow & Infiltration - Reserve A	75,000	75,000	
Improvement/Tap Fees	1,060,000	70,000	(990,000)
Water Tower & Land Leases	184,642	113,443	(71,199)
Main Street Waterline Loan	<u>2,250,000</u>	<u>2,250,000</u>	
<b>TOTAL OTHER REVENUE</b>	<b>\$ 3,967,906</b>	<b>\$ 2,837,686</b>	<b>\$ (1,130,220)</b>
<b>TOTAL FUNDS AVAILABLE</b>	<b>4,020,833</b>	<b>2,843,407</b>	<b>(1,177,426)</b>
<b><u>DEBT SERVICE COSTS</u></b>			
<b>Principal Payments</b>			
MVB Line of Credit			
CDA - Water Tower	102,800		(102,800)
MDE - East WWTP	205,519	205,519	
Brookridge WTP	200,000		(200,000)
Main Street Waterline & Reservoir	60,540		(60,540)
Interest - All Loans	<u>44,766</u>	<u>94,670</u>	<u>49,904</u>
<b>TOTAL DEBT SERVICE COSTS</b>	<b>\$ 613,625</b>	<b>\$ 300,189</b>	<b>\$ (313,436)</b>
<b><u>WATER &amp; SEWER PROJECTS</u></b>			
CIP - Well #15 Mag/Iron Removal	\$ 160,000	\$ 17,310	\$ (142,690)
CIP - Main Street Waterline - Eng		8,194	8,194
CIP - Main Street Waterline - Con	2,000,000		(2,000,000)
CIP - Reservoir Cover Replacement	440,000		(440,000)
CIP - Welll Field Restoration	125,000		(125,000)
CIP - Reservoir - Fence Replaceme	38,105		(38,105)
CIP - Booster Station Pump Bypass	8,000		(8,000)
CIP - Locust Court Waterline	310,000	268,243	(41,757)
CIP - Broad to East Green Waterli	40,000	12,103	(27,897)
CIP - West WWTP - Aerator Replace	8,000		(8,000)
CIP - East WWTP Bar Screen Refurb	40,000		(40,000)
CIP - Cone Branch Pump Station Pu	31,000		(31,000)
CIP - Inflow & Infiltration	75,000		(75,000)

Town of Middletown  
**CIP FUNDS and EXPENDITURES**  
**WATER & SEWER**  
**Fiscal Year 2016**  
**For the 8 Months Ended February 29, 2016**

	<u>ANNUAL BUDGET</u>	<u>YTD ACTUAL</u>	<u>OVER (UNDER) BUDGET</u>
2015 Meter Tech Van	\$ 46,500	\$ 37,412	\$ (9,088)
<b>TOTAL WATER &amp; SEWER PROJECTS</b>	<b>\$ 3,321,605</b>	<b>\$ 343,262</b>	<b>\$ (2,978,343)</b>
<b>TOTAL CIP COSTS</b>	<b>\$ 3,935,230</b>	<b>\$ 643,451</b>	<b>\$ (3,291,779)</b>
<b>TOTAL FUNDS REMAINING</b>	<b>\$ 85,603</b>	<b>\$ 2,199,956</b>	<b>\$ 2,114,353</b>

## **2016 Election Judge List**

- **Alex Kundrick**
- **Judy Brandenburg**
- **Tressa Bryan**
- **Anne Roessler**
- **Ray May**
- **Donald Full**

# *BURGESS AND COMMISSIONERS OF MIDDLETOWN MARYLAND*

## TOWN MEETING MINUTES

### REGULAR MEETING

February 22, 2016

The second monthly meeting of the Burgess and Commissioners of Middletown was called to order on February 22, 2016, by Burgess Miller at 7:00 p.m. in the Middletown Municipal Center, 31 W. Main Street, Middletown, Maryland. Present were: Commissioners Larry Bussard, Jennifer Falcinelli, Rick Dietrick, Tony Ventre and Christopher Goodman.

### CONSENT AGENDA

*Town Minutes – February 4<sup>th</sup> Town Workshop and February 8<sup>th</sup> Town Meeting*

Commissioner Bussard motioned to accept this consent agenda as corrected, seconded by Commissioner Goodman and passed unanimously.

### Personal Requests for Agenda:

**Tim Ailsworth, Executive Director LGIT** – Mr. Ailsworth was present tonight to present the Burgess and Commissioners with a claims refund check in the amount of \$27,526.00.

### Unfinished Business:

**Wayfinding Signs Discussion** - Drew showed the Board pictures of approximate locations of where the Main Street Board would like these to go. The Board discussed these signs and have a few questions that they would like to have addressed before giving their blessing on. Drew will place this on the Agenda for the workshop when Becky is present and can answer the questions.

**Raised Crosswalk Policy Review** – Drew presented the Board with an updated policy per their comments from the last meeting. After some discussion the Board made a few more changes: 1)Town owned streets only, 2)consideration of adjacent property owners sought, and 3)Town Board has the final approval on all recommended sites.

Motion by Commissioner Dietrick to approve the Raised Crosswalk Policy with the changes stated above, seconded by Commissioner Falcinelli. Motion carried 6-0.

**Appointment of Alternate to Planning Commission** – Burgess Miller stated that he received 2 names for the opening of Alternate on the Planning Commission – Carol Koogler and Rich Gallagher.

Motion by Commissioner Ventre to re-appoint Rich Gallagher as the Alternate to the Planning Commission, seconded by Commissioner Dietrick. Motion carried 6-0.

### NEW BUSINESS:

**Audit Bids** – We received 4 bids for our Audit Services.

- Albright, Crumbacker, Moul & Itell - \$48,000
- RLH CPA's & Business Advisors, LLC - \$55,300
- Draper & McGinley, P.A. - \$55,755
- McLean, Koehler, Sparks & Hammond - \$85,050

Motion by Commissioner Bussard to approve the bid from Albright, Crumbacker, Moul & Itell for \$48,000 for the next 3 years, seconded by Commissioner Ventre. Motion carried 6-0.

**Francie's Family 5K Run/Walk** – Drew stated that this is an annual event. The date for the 5K this year is Saturday, March 19, 2016. Consensus of the Board to approve this event.

**POS Applications for FY 2017** – Burgess Miller stated that we received the notification from Frederick County that we must submit any request for POS for FY17 by May 6, 2016.

**PUBLIC COMMENT:** none

**ANNOUNCEMENTS:**

*Nominating Convention – Tuesday, March 1, 2016 at 7pm.*

*March 11, 2016 – Deadline for petition filing for those not nominated at the nominating convention*

*Hydrant Flushing – March 21-24, 2016*

**ADJOURNMENT**

Meeting adjourned at 8:15pm.

Respectfully submitted,

Ann Griffin  
Office Manager

## MEMORANDUM OF UNDERSTANDING

US 40 Alt. Middletown Streetscape  
by and between  
Maryland State Highway Administration  
and  
The Burgess and Commissioners of Middletown, Maryland

**THIS MEMORANDUM OF UNDERSTANDING (“MOU”)**, executed in duplicate, made effective on this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the Maryland State Highway Administration of the Maryland Department of Transportation, acting on behalf of the State of Maryland, hereinafter referred to as “**SHA**” and the Burgess and Commissioners of Middletown, a municipal corporation of the state of Maryland, hereinafter referred to as the “**TOWN**”.

**WHEREAS**, SHA is currently designing improvements under SHA Contract No. FR3505184 consisting of new sidewalks along US 40 Alternate from Ivy Hill Drive to Middletown Parkway, hereinafter referred to as “**IMPROVEMENTS**”; and

**WHEREAS**, the TOWN has requested SHA include pedestrian lighting, (“**LIGHTING**”) and the replacement of a waterline (“**REPLACEMENT**”) with the IMPROVEMENTS along US 40 Alternate; and

**WHEREAS**, the LIGHTING shall consist of all items to design and construct the new lighting, including but not limited to, conduit, foundations, pull-wire and hand boxes (“**INFRASTRUCTURE**”) and also shall include poles, pole supports, bracket arms, wiring and luminaries (“**LAMPS**”); and

**WHEREAS**, pursuant to the conditions of the SHA Pedestrian Lighting Policy dated September 9, 2008, SHA has agreed to design and construct the INFRASTRUCTURE at no cost to the TOWN and to provide funding in an amount equal to fifty percent (50%) of the basic LAMP system approved by SHA hereinafter called the “**LIGHTING CONTRIBUTION**”; and

**WHEREAS**, sometime the IMPROVEMENTS, LIGHTING and REPLACEMENT are collectively referred to as the “**PROJECT**”; and

**WHEREAS**, the TOWN shall pay electric energy cost for the LIGHTING; and

**WHEREAS**, the TOWN shall be responsible for the design of the REPLACEMENT

**WHEREAS**, the TOWN shall reimburse SHA for the construction of the REPLACEMENT including SHA salaries, payroll burden and overhead costs, estimated at Four Million Seven Hundred Ninety Six Thousand Seven Hundred Twenty Two Dollars (\$4,796,722.00).

**WHEREAS**, the TOWN, its agents or assigns, shall own the IMPROVEMENTS, LIGHTING and REPLACEMENT and provide all maintenance and necessary repairs for these items; and

**WHEREAS**, SHA and the TOWN agree that the PROJECT will benefit the parties of this MOU and will promote the safety, health and general welfare of the citizens of the State and the TOWN.

**NOW, THEREFORE, THIS MEMORANDUM OF UNDERSTANDING WITNESSETH**, that for and in consideration of the mutual promises and other good and valuable considerations, the receipt and adequacy whereof is hereby acknowledged, be it understood that SHA and the TOWN do hereby agree as follows:

**I. PROJECT DESCRIPTION and DEFINITIONS**

The PROJECT shall generally consist of the IMPROVEMENTS, LIGHTING and REPLACEMENT.

- A. The IMPROVEMENTS shall generally consist of the design and construction of new sidewalks to be maintained in accordance with the Town Code Title 12 Chapter 12.04. The PROJECT limits along US 40 Alternate are Ivy Hill Drive (Highway Location Reference 4.2 (HLR 4.2) to Middletown Parkway (HLR 6.3).
- B. The LIGHTING shall consist of the INFRASTRUCTURE and LAMPS.
  - 1. The INFRASTRUCTURE shall generally consist of the design and installation of the conduit system, hand holes and hand boxes necessary for the support of Forty Five (45) pedestrian light fixtures along US 40 Alternate.
  - 2. The LAMPS shall consist of, but not be limited to the foundations, poles, standard light fixtures, wiring, grounding system, lighting control cabinets, luminaries, and the necessary power drop for electrifying.
- C. The LIGHTING CONTRIBUTION consists of 50% of the cost of the LAMPS estimated at a total of One Hundred Seventy Five Thousand Dollars (\$175,000). The TOWN shall pay for 50% of the cost of the LAMPS.
- D. The REPLACEMENT shall consist of the construction of a waterline to replace the TOWN's old water main. The TOWN requested SHA to include twenty three (23) utility test holes for the design of the REPLACEMENT. The TOWN shall design the REPLACEMENT.

**II. DESIGN PHASE**

- A. SHA Responsibility
  - 1. SHA shall design the IMPROVEMENTS and LIGHTING.
  - 2. SHA shall provide the TOWN with four (4) sets of proposed final plans and estimates for the IMPROVEMENTS and LIGHTING, for review and comment. SHA shall have final authority for approval.
  - 3. SHA shall provide the TOWN with written review comments of all data or material provided by the TOWN for review within fifteen (15) working days following SHA's receipt thereof.
  - 4. In the event SHA desires to revise the IMPROVEMENTS and LIGHTING plans subsequent to final plan approval, but prior to award of bid or

initiation of construction activities, SHA shall provide the TOWN with written notification of said revisions including estimated costs.

**B. TOWN Responsibility**

1. The TOWN shall design the REPLACEMENT.
2. The TOWN shall provide SHA with four (4) sets of proposed final plans and estimates of the REPLACEMENT, for review and comment. SHA shall have final approval.
3. The TOWN shall provide SHA with written review comments of all data or material provided by SHA for review within fifteen (15) working days following the TOWN's receipt thereof.

**III. PROJECT RIGHT-OF-WAY PHASE**

**A. SHA Responsibility**

In the event additional property interests are required for the PROJECT in addition to those owned by the TOWN or SHA, SHA shall accomplish all tasks necessary to acquire all property interests (e.g., right-of-way, easement, fee simple acquisition) or right-of-entry needed for the construction of the PROJECT.

**B. TOWN Responsibility**

The TOWN shall provide, and by execution of the MOU does provide, a right-of-entry to SHA, its contractors, subcontractor, agents, and employees, onto all TOWN owned or controlled right of way needed for the PROJECT for the purpose of designing and constructing the PROJECT, with said right of entry to terminate upon final acceptance of the PROJECT by SHA.

**IV. PROJECT CONSTRUCTION PHASE**

**A. SHA Responsibility**

1. SHA shall (i) advertise the PROJECT for construction bids, (ii) award and administer the construction contract, (iii) construct the PROJECT as shown on the final PROJECT plans, and (iv) provide Construction Engineering Services (e.g., construction inspection and material testing / certification) for the PROJECT.
2. In the event that revisions to the PROJECT are required in SHA's sole judgment due to conditions encountered during construction, said revisions shall be promptly made by SHA without prior concurrence or approval by the TOWN in order to minimize or eliminate possible delay claims by SHA's construction contractor. The approval of the TOWN for revisions to the PROJECT will be requested but is not required.
3. SHA shall provide the TOWN with a copy of the apparent low bid which shall identify items associated with construction of the LIGHTING and REPLACEMENT.

4. SHA shall obtain all permits necessary to construct the PROJECT.
5. If appropriate, SHA shall provide the TOWN with an SHA district right-of-entry permit (“PERMIT”), to be renewed annually, and the PERMIT shall grant a right-of-entry onto SHA property, to TOWN personnel or, its agents, contractors or assigns, for the sole purpose of providing the necessary maintenance and repair of the IMPROVEMENTS, LIGHTING and the REPLACEMENT, if any SHA property is involved.

**B. TOWN Responsibility**

1. In the event the TOWN desires to make revisions to the PROJECT during construction, it shall promptly submit a request in writing to SHA for SHA approval, and shall include the requested revisions and their estimated costs. SHA may include such revisions in the PROJECT plans, provided that those revisions comply with SHA’s policies and specifications; however, SHA shall retain sole authority to determine such compliance. The TOWN agrees that any additional costs incurred by SHA to implement the revisions requested by the TOWN shall be the sole responsibility of the TOWN.
2. At its option and expense, the TOWN may provide an inspector during construction of the REPLACEMENT. SHA's PROJECT inspectors shall consult with the TOWN's inspector prior to decisions which affect the REPLACEMENT whenever such consultation does not create a delay claim situation or is not a case of an emergency. However, SHA's PROJECT inspectors shall have final authority during construction.

**V. PROJECT DESIGN PHASE FUNDING**

**A. SHA Responsibility**

1. SHA shall fund all costs associated with the design of the IMPROVEMENTS and the LIGHTING.
2. SHA shall fund the cost for design of the INFRASTRUCTURE estimated at Thirty Eight Thousand One Hundred Twenty Four Dollars (\$38,124.00) including SHA salaries, payroll burden and overhead, pursuant to Pedestrian Lighting Policy in section VII.B.4.a.

**B. TOWN Responsibility**

1. The TOWN shall be responsible for all costs incurred by the TOWN in the review of the PROJECT documents.
2. The TOWN shall be responsible for all costs associated with providing information requested by SHA for the design of the PROJECT.

**VI. RIGHT-OF-WAY PHASE FUNDING**

**A. SHA Responsibility**

SHA shall bear costs associated with the acquisition of property interests required to construct the PROJECT that are outside of the TOWN limits.

**B. TOWN Responsibility**

1. The TOWN shall be responsible for all costs incurred by the TOWN in granting SHA a right-of-entry onto all TOWN owned right-of-way needed for the PROJECT.
2. The TOWN shall be responsible for all costs incurred by the TOWN in assigning rights to SHA, its contractors, subcontractor, agents, and employees to all property interests acquired or owned by the TOWN that is needed for the construction of the PROJECT.

**VII. PROJECT CONSTRUCTION PHASE FUNDING**

**A. SHA Responsibility**

1. SHA shall (i) advertise the PROJECT for construction bids, (ii) award and administer the construction contract, (iii) construct the PROJECT as shown on the final PROJECT plans, and (iv) provide Construction Engineering Services (construction inspection, material, testing/certification) for the PROJECT.
2. SHA shall fund all costs associated with the construction of the IMPROVEMENTS.
3. SHA shall fund the cost for construction of the INFRASTRUCTURE, estimated at One Hundred Sixty Eight Thousand Nine Hundred Seventy Nine Dollars (\$168,979.00) including SHA's salaries, payroll burden, and overhead, pursuant to the Pedestrian Lighting Policy, section VII.B.4.a.
4. SHA shall fund the LIGHTING CONTRIBUTION which represents fifty percent (50%) of the costs of the LAMPS, including SHA's salaries, payroll burden, and overhead, all of which is estimated at One Hundred Seventy Five Thousand Dollars (\$175,000).
5. SHA shall provide an invoice to the TOWN, on a periodic basis, for all costs incurred by SHA for fifty percent (50%) of the construction of the LAMPS and 100% of the construction cost for the REPLACEMENT. Invoices shall include SHA's normal documentation to evidence all actual costs for the LAMPS and REPLACEMENT including SHA's salaries, payroll burden and overhead for Construction Engineering Services.
  - i. The cost of the REPLACEMENT is estimated to be Four Million Seven Hundred Ninety Six Thousand Seven Hundred Twenty Two Dollars (\$4,796,722.00), including SHA direct salaries, payroll burden and overhead for Construction Engineering Services. This cost is an estimate only and the TOWN shall be responsible for all actual cost for the REPLACEMENT.
6. In the event SHA does not receive payment of an invoice or notices of disputes within thirty (30) days following TOWN's receipt of an

invoice, SHA will notify the TOWN of the overdue amount and provide the TOWN the opportunity to pay such overdue amount within thirty (30) days following such notification. If payment has not been received within thirty (30) days, SHA will notify the TOWN in writing that SHA will proceed to deduct such amount from the TOWN's share of Highway User Revenue equal to the overdue invoice amount.

**B. TOWN Responsibility**

1. The TOWN shall be responsible for fifty percent (50%) of the cost incurred by SHA for the LAMPS and one hundred percent (100%) of the cost for the REPLACEMENT.
2. The TOWN shall be responsible for fifty percent (50%) of the total cost for the LAMPS which total cost is estimated at One Hundred Seventy Five Thousand Dollars (\$175,000).
3. The TOWN shall within thirty (30) days of receipt of each periodic invoice from SHA, reimburse SHA for all cost incurred by SHA for construction of the REPLACEMENT. The cost of the REPLACEMENT is estimated to be Four Million Seven Hundred Ninety Six Thousand Seven Hundred Twenty Two Dollars (\$4,796,722.00), including SHA salaries, payroll burden and overhead costs.
4. In the event the awarded low bid for the LAMPS is more than the TOWN's allocated funding, the TOWN shall: (1) allocate additional funding to match the awarded low bid plus SHA's direct salaries, payroll burden and overhead, (2) revise the scope of work and delete items from the PROJECT contract items to stay within current allocations, or (3) reject all bids in their entirety and, unless the TOWN shall have installed the LAMPS in accordance with subsection(a) below, reimburse SHA for all costs incurred by SHA to date on the TOWN's behalf and for all costs and expenses for such deletion from SHA's contract to include, but not be limited to, claims, revisions, salaries, payroll burden and overhead.
  - a. Pursuant to the conditions of the SHA Pedestrian Lighting Policy dated September 9, 2008, rejection of all bids by the TOWN will require that the TOWN install the LAMPS within three (3) years of the TOWN accepting the PROJECT for maintenance. In the event the TOWN does not install the LAMPS so as to have an operational pedestrian lighting system within the three (3) year period, the TOWN will be required to reimburse SHA for the cost to design and construct the INFRASTRUCTURE and any SHA costs for relocation of utilities for installation of the INFRASTRUCTURE; otherwise SHA may make a deduction from the TOWN's share of Highway User Revenues in the amount equal to the total cost to design and construct the INFRASTRUCTURE , including utility relocations not governed by prior rights of SHA or the TOWN, and SHA's direct salaries and payroll burden for Construction Engineering Services and other direct costs such as

consultant services and materials. For purposes of this MOU, the costs for SHA to design and construct the INFRASTRUCTURE is Two Hundred Thirty One Thousand Four Hundred Thirty Nine Dollars (\$231,435.00) including SHA salaries, payroll burden and overhead. This cost is an estimate only and the TOWN will be required to pay actual costs incurred.

5. In the event the TOWN does not reimburse SHA as required herein, SHA may make a deduction from the TOWN's share of Highway User Revenues in the amount equal to the SHA's cost to design and/or construct the INFRASTRUCTURE, LAMPS, and the REPLACEMENT including SHA's direct salaries, payroll burden and overhead for Construction Engineering Services and other direct costs such as consultant services and materials.

## VIII. GENERAL

- A. This MOU shall inure to and be binding upon the parties hereto, their agents, successors, and assigns.
- B. This MOU and the rights and liabilities of the parties hereto shall be determined in accordance with Maryland law and in Maryland courts.
- C. The recitals (WHEREAS clauses) at the beginning of this MOU are incorporated herein as part of this MOU.
- D. The parties hereby agree and affirm that the persons executing this MOU on their respective behalf are authorized and empowered to act on behalf of the respective parties. The parties hereby further warrant and affirm that no cause of action challenging the existence, scope, or validity of the MOU shall lie on the ground that the persons signing on behalf of the respective parties were neither authorized nor empowered to do so.
- E. All parties to this MOU shall comply with the requirements of **APPENDIX A** (2 pages) and **APPENDIX E** (1 page) of SHA's Standard Title VI/Non-Discrimination Assurances DOT Order No. 1050.2A which generally set forth non-discriminatory regulations and other civil rights related regulations. **APPENDIX A** and **APPENDIX E** are attached hereto and incorporated herein as substantive parts of this document.
- F. All notices and/or invoices, if to the TOWN, shall be addressed to:

Andrew J. Bowen  
Town Administrator  
31 West Main Street,  
Middletown, MD 21769  
140 West Patrick Street  
Frederick, MD 21701  
Phone: 301-371-6171 Ext. 12  
E-mail: [abowen@ci.middletown.md.us](mailto:abowen@ci.middletown.md.us)

If to SHA:

Mark Crampton District Engineer, District 7  
State Highway Administration  
5111 Buckeystown Pike  
Frederick MD 21701-2145  
Phone 301-624-8101  
Fax 301-625-8225  
E-mail: [mcrampton@sha.state.md.us](mailto:mcrampton@sha.state.md.us)

With a copy to:

SHA Agreements Team  
Office of Procurement and Contract Management  
State Highway Administration  
Mail Stop C-405  
707 N. Calvert Street  
Baltimore MD 21202  
Phone: 410-545-4300  
Fax: 410-209-5025  
E-mail: [SHA\\_Agreements\\_Team@sha.state.md.us](mailto:SHA_Agreements_Team@sha.state.md.us)

**IN WITNESS WHEREOF**, the parties hereto have caused this MEMORANDUM OF UNDERSTANDING to be executed by their proper and duly authorized officers, on the day and year first above written.

**STATE HIGHWAY  
ADMINISTRATION**

WITNESS:

\_\_\_\_\_

BY: \_\_\_\_\_ (SEAL)  
Gregory C. Johnson, P.E.  
Administrator

\_\_\_\_\_  
Date

**APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:**

**RECOMMENDED FOR APPROVAL:**

\_\_\_\_\_  
Assistant Attorney General

\_\_\_\_\_  
David J. Coyne  
Deputy Administrator/Chief Engineer  
for Operations

\_\_\_\_\_  
Cheryl R. B. Hill  
Deputy Administrator  
for Administration

\_\_\_\_\_  
Gregory I. Slater  
Acting Deputy Administrator/Chief Engineer  
for Planning , Real Estate and  
Environment

\_\_\_\_\_  
Lisa B. Conners  
Director  
Office of Finance

**BURGESS AND COMMISSIONERS  
OF MIDDLETOWN  
FREDERICK COUNTY, MARYLAND**

WITNESS/ATTEST:

\_\_\_\_\_

BY: \_\_\_\_\_ (SEAL)

John D. Miller  
Burgess

\_\_\_\_\_  
Date

**COMMISSIONERS:**

\_\_\_\_\_  
Larry K. Bussard

\_\_\_\_\_  
Richard L. Dietrick

\_\_\_\_\_  
Jennifer J. Falcinelli

\_\_\_\_\_  
Christopher I. Goodman

\_\_\_\_\_  
Anthony M. Ventre

**APPROVED AS TO FORM AND  
LEGAL SUFFICIENCY:**

\_\_\_\_\_  
Town Attorney



**TO: The Burgess and Commissioners**  
**FROM: Becky Reich, Main Street Manager**  
**RE: Wayfinding Signs**  
**DATE: March 2, 2016**

**FOLLOW-UP on Wayfinding Signs:**

Main Street Middletown presented a plan to the Burgess and Commissioners to add wayfinding signage to welcome and encourage visitors to stop in the Main Street district and parking banners to increase the visibility of available and free parking.

The Burgess and Commissioners reviewed the proposals and asked some additional questions:

1. The Burgess and Commissioners suggested adding the word "Additional" to the sign that is proposed at the intersection of East Main Street and Power Plant Road near the Safeway. The Main Street Board of Trustees had no objections to this.
2. While discussing this same sign, the Burgess and Commissioners wanted to know if Main Street had a Plan B if the property owner would not allow the sign to be placed on his property. Main Street Middletown's recommendation was mistakenly misrepresented. Main Street Middletown believes this sign would be best placed on the Town's side of this shared driveway – so on the east side of Water Plant Drive.
3. What is the clearance between the bottom of the sign and the ground? Main Street Middletown has recommended that the poles that we use in the Main Street District that hold the street names that those style poles be used to frame the wayfinding signage. We based our cost estimate on using 12-foot poles. The poles would need to be about three feet into the ground, so the sign post would be a total of 9-feet tall. The sign itself is 4-feet tall by 4-feet wide. The clearance between the bottom of the sign and the ground would be 5-feet.

**Additional Comments:**

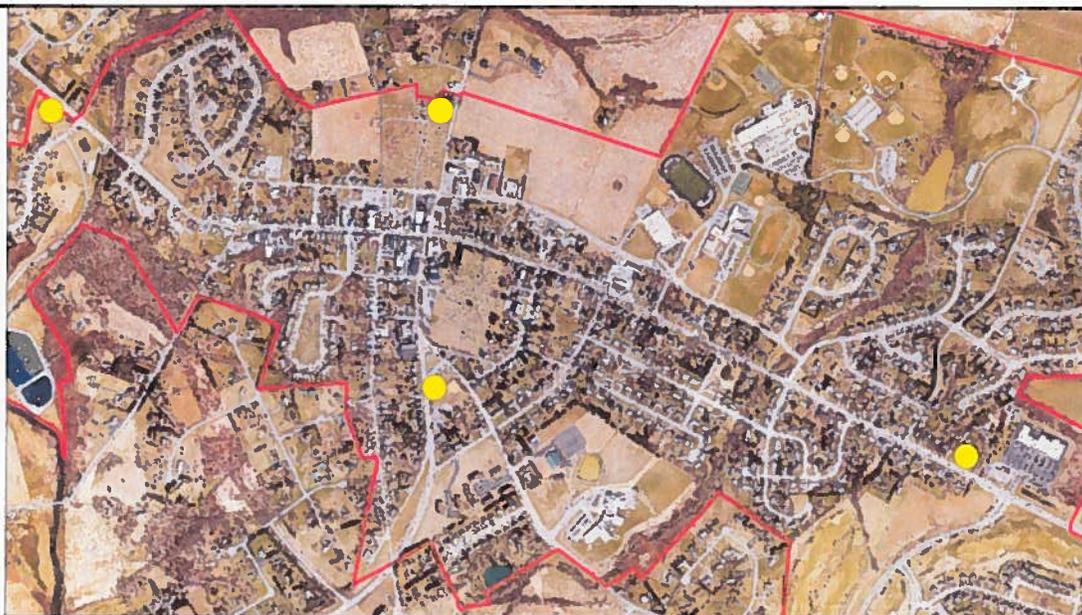
The Main Street Middletown Board of Trustees has made additional suggestions/comments which include:

- please add a border on the edge of the sign
- the Main Street Board of Trustees would like to review the final graphic representation of the sign before the Burgess and Commissioners finalize the order.

If you have any further questions, please feel free to call or email me.

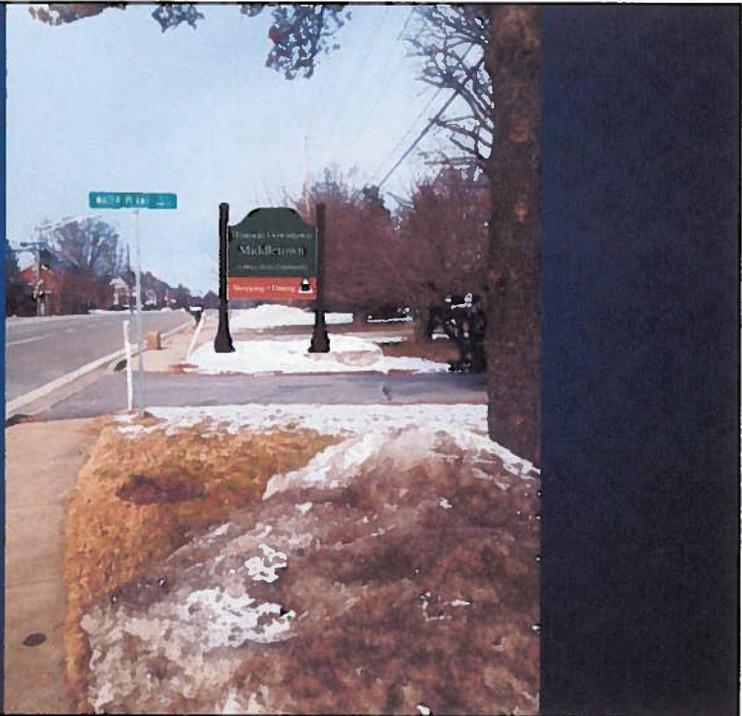
# WAYFINDING SIGNS

Locations and Superimposed Images



**Wayfinding Sign Locations**  
Town of Middletown - Frederick County

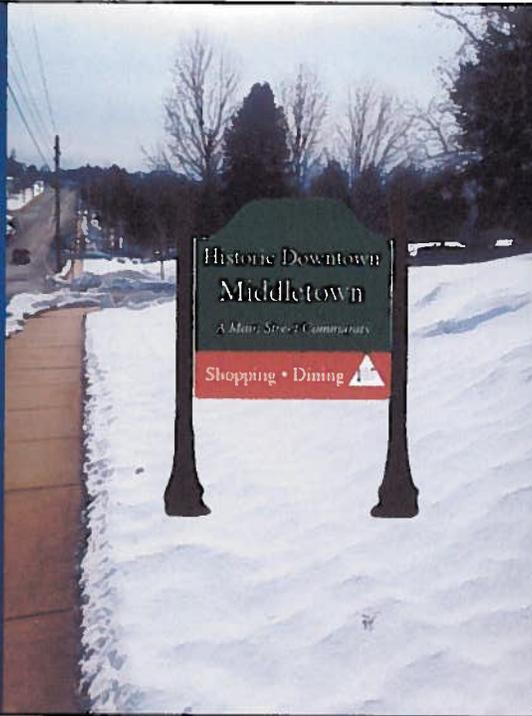
East Main Street  
Heading Into Town



East Main Street  
Heading Out of Town



West Main Street  
Heading Into Town



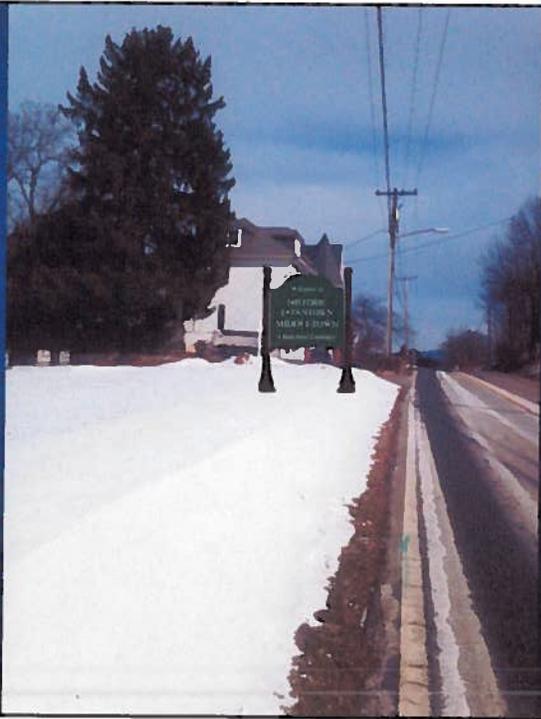
West Main Street  
Heading Out of Town



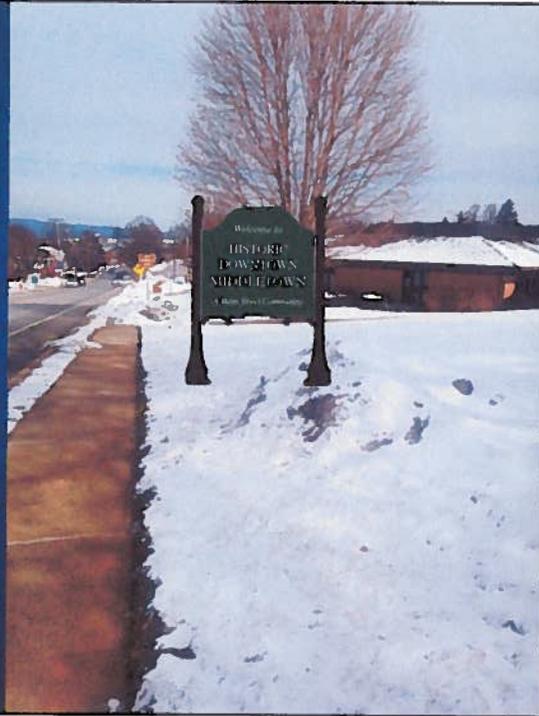
North Church Street  
Heading Into Town



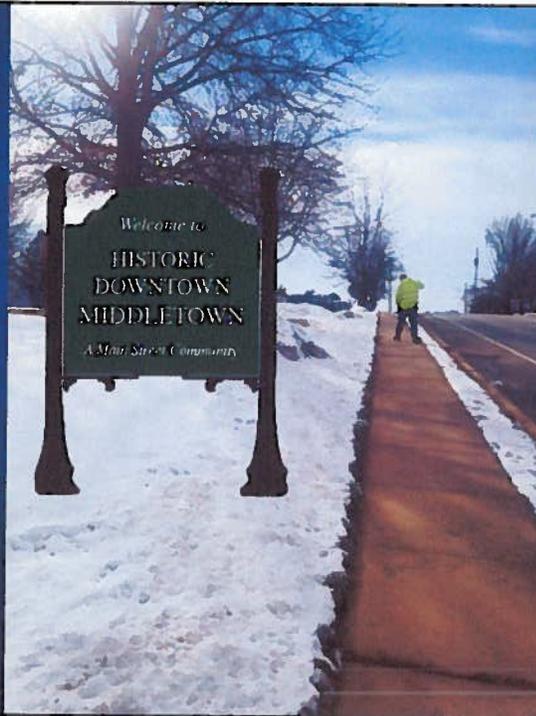
North Church Street  
Heading Out of Town

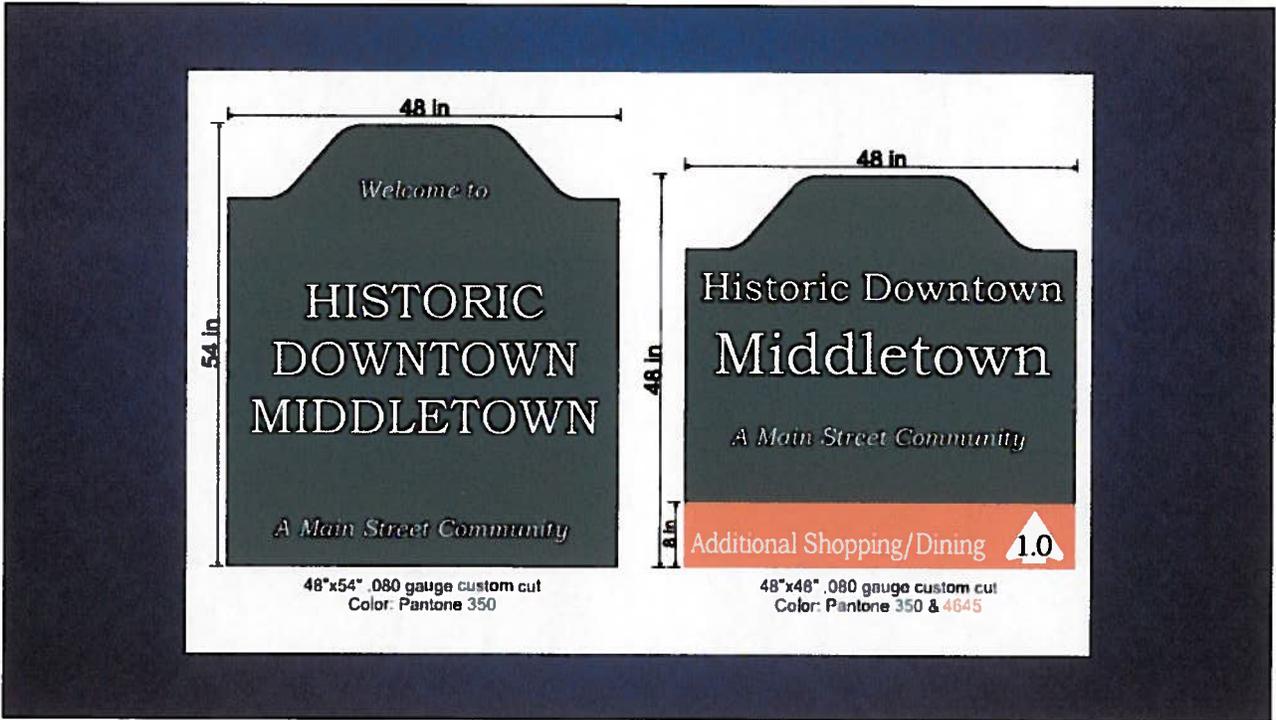


South Church Street  
Heading Into Town



South Church Street  
Heading Out of Town





### Sign Size Perspective Pictures

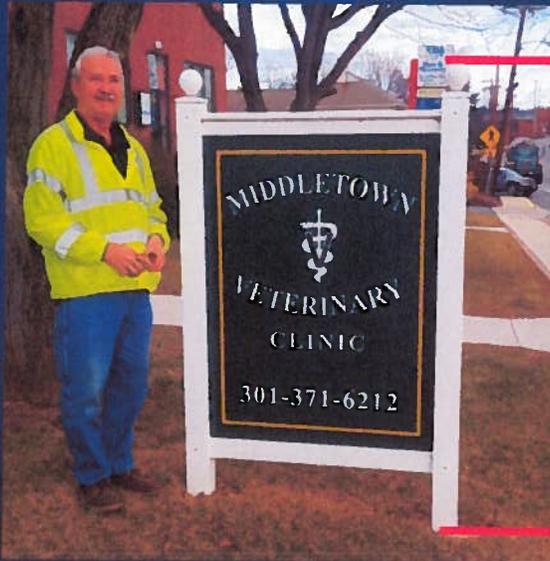


### Sign Size Perspective Pictures



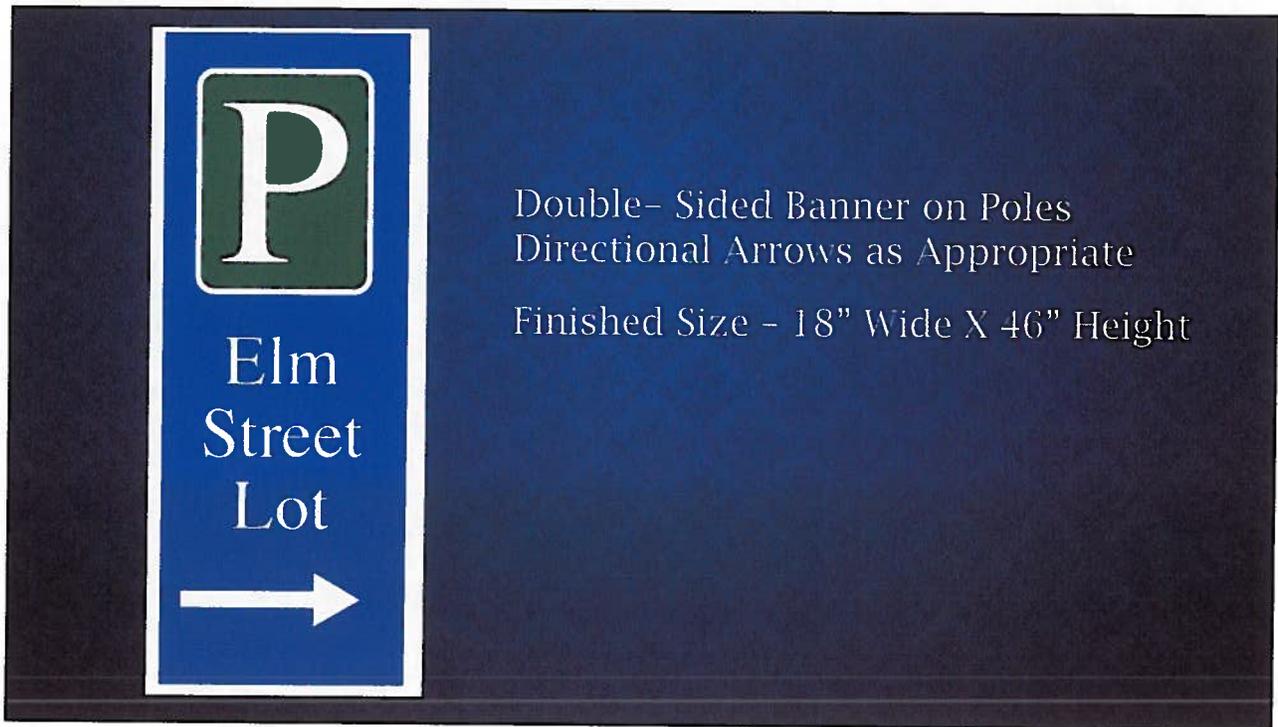
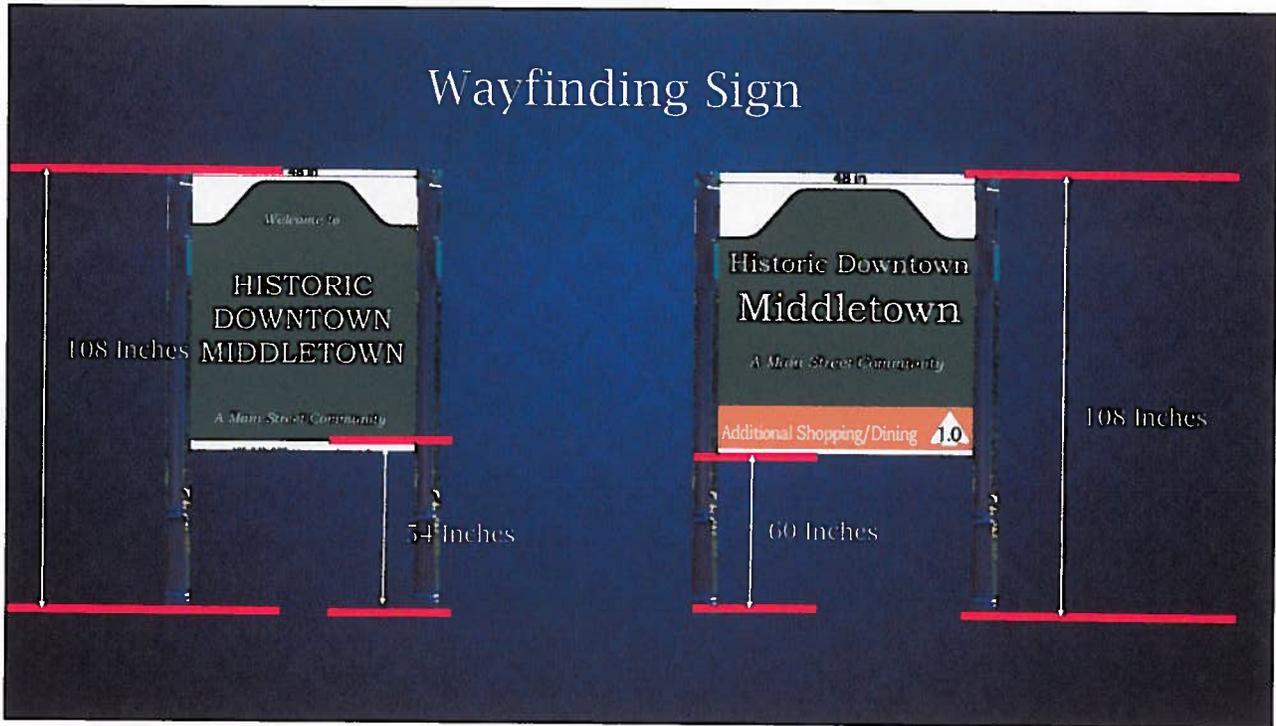
109 Inches

### Sign Size Perspective Pictures



72 Inches

## Wayfinding Sign





Burgess and Commissioners of Middletown 31 W Main St Middletown, MD 21769 Phone 301-371-6171 Fax 301-371-6474  
Bruce A. Carbaugh, P.E. Director of Public Works Email: bcarbaugh@ci.middletown.md.us

## MEMORANDUM

**TO:** Burgess and Commissioners of Middletown

**FROM:** Bruce A. Carbaugh, P.E., Director of Public Works

**DATE:** February 22, 2016

**RE: 2016 Ford F350 Utility Body**

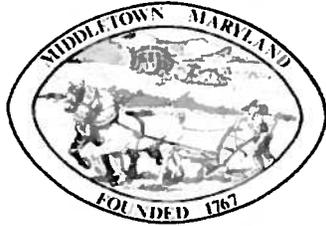
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The Town solicited Keystone Ford Truck through the Pennsylvania Costars Contract for a 1 Ton utility body to replace the 1999 Ford F350 Utility body. The existing vehicle will be transferred for use with in the Town fleet for inspection projects.

The bid is for a 2016 F350 Chassis Cab 4 wheel drive upfitted with 8"6" Utility Body. The plow is a Western MVP3 flared V plow.

All bidding documents are available for your review and we are recommending the Town award the 2016 Ford F350 Chassis Cab and Utility to Keystone Ford in the amount of \$52,787.00 and the V Plow to R&B Steel, Gaithersburg MD in the amount of \$6,439.90.

The CIP budget line item for this purchase is \$65,000.00. The delivery and payment of the new truck may possibly not occur until after July 1, 2016 due to the current production schedule.



## **Burgess and Commissioners Middletown, Maryland**

### **Truck Bid Purchase**

*COSTARS Participation - State Contract*

*This Pricing Meets All Bidding Requirement of the Town*

<b>Item</b>		<b>Cost</b>
2016 F-350 Chassis, SD Super Cab	\$	52,787.00
Snow Plow	\$	6,439.90
Misc - Radio, Seals, Etc.	\$	1,000.00
	<b>Total \$</b>	<b><u>60,226.90</u></b>
FY 2016 CIP Budget	\$	65,000.00
Surplus	\$	4,773.10

LARRY HOGAN  
Governor

BOYD RUTHERFORD  
LT. Governor



DEPARTMENT OF  
ASSESSMENTS & TAXATION

SEAN POWELL  
Director

MICHAEL HIGGS JR.  
Deputy Director

**Date:** February 12, 2016  
**To:** All Municipal Taxing Authorities  
**From:** Sean Powell, Director  
**Re:** 2016/17 Constant Yield Tax Rate - Instructions

RECEIVED

FEB 16 2016

TOWN OF MIDDLETOWN

The Department of Assessments and Taxation is charged with administering the Constant Yield Tax Rate law. The law is found in two separate sections of the Tax-Property Article, §§ 2-205 and 6-308. The latter section contains the provisions that must be followed by taxing authorities. We are here to answer your questions and assist you in complying with this law.

Municipal corporations may set any tax rate for personal property without regard to the constant yield tax rate process. However, failure to comply with the constant yield tax rate law could have serious consequences for your jurisdiction. If the notice requirements are not fulfilled, the Department must notify the Attorney General who has required jurisdictions to lower their real property tax rates.

### Concept

The constant yield tax rate is calculated by the Department for each taxing authority in the State. It represents the real property tax rate for the coming tax year that will generate the same amount of revenue that was generated during the current tax year. As assessments increase, the constant yield tax rate decreases. Implicit in this concept is the idea that *a tax rate at or below the existing tax rate is a tax increase if it is higher than the constant yield tax rate.* When a taxing authority plans to impose a real property tax rate that is higher than the constant yield tax rate, it must advertise the tax increase and hold a public hearing. If the taxing authority plans to set a real property tax rate at the current level, but above the constant yield tax rate, it must be advertised and a hearing must be held.

For the upcoming tax year, the assessable base of some taxing authorities has decreased. Therefore, the Constant Yield Tax Rate for those jurisdictions will actually be higher than the property tax rate for the current year. However, the legal requirements for adopting a tax rate above the Constant Yield Tax Rate remain the same. Accordingly, any taxing authority that is proposing a tax rate above the Constant Yield Tax Rate must comply with the enclosed instructions.

If the taxing authority plans to set a real property tax rate that is equal to or less than the Constant Yield Tax Rate, then the Constant Yield Tax Rate statute **does not** require a notice or a hearing.

### Procedures

The law establishes very strict procedures governing the advertisement and the public hearing. Further, the law requires that the Department of Assessments and Taxation monitor the advertising and hearing process and report to the Attorney General any apparent violations. In the past, violations have resulted in jurisdictions being ordered to reduce the tax rate after tax bills had been issued. To avoid violating the law, you must comply with the following procedures:

- BURGESS
- ADMINISTRATION
- PUBLIC WORKS
- PLANNING & ZONING
- WATER & SEWER

300 W. Preston St. Room 605 Baltimore, MD 21201  
www.dat.maryland.gov

410.767.4451 (phone) 1.800.735.2255 (MD relay)  
410.333.5573 (fax) 1.888.246.5941 (toll free)

LARRY HOGAN  
Governor

BOYD RUTHERFORD  
LT. Governor



SEAN POWELL  
Director

MICHAEL HIGGS JR.  
Deputy Director

- 1. Notice or Advertisement (2 options):** (1) Mail the proper notice to each real property taxpayer who resides in your jurisdiction; or (2) place an advertisement in a newspaper of general circulation in your jurisdiction. If you want to mail the notice to each resident, please contact the Department for prior approval and guidance.
- 2. Form of the Notice or Advertisement:** The language is specified word for word in the statute. An ad that deviates from the statutory requirements does not meet the requirements of the law and will be referred to the Attorney General for action. A sample notice with instructions and calculations for the arithmetic (Form CYTR #3) are included in this package. The wording in the statute is required and may not be modified. No part of this notice may be omitted. Additional language consistent with the intent of the law will be permitted (e.g. information regarding access to the hearing for the disabled). *Additional language designed to recast a tax rate in excess of the constant yield tax rate as anything other than a tax increase is contrary to the intent of the constant yield tax rate law and is not acceptable. It does not matter whether the additional language is within or outside the border of the required notice.* In order to minimize your advertising costs and avoid needless litigation, please use only the language required by law. If you have any question about the acceptability of additional language, contact Nruti Desai at the address on the following page.

If you are using the same tax rate as last year, please note that the percentage change in Section 1 and Section 2 of the advertisement will be the same but may be different than Section 4. Even though the calculations for the new real property tax revenues generated in Section 2 and Section 4 will vary due to rounding, please use the figure from Section 2 in both sections. Please use whole dollars in the advertisement and round to one decimal place in the percent changes.

We will gladly review any advertisement prior to publication. The advertisement will be checked for any errors in the text and calculations, and any additional language will be reviewed. If you wish, we will write your advertisement for you if you furnish us with your proposed tax rate(s). We will attempt to get the advertisement back to you by the next work day. Whenever possible, you will receive a response from us the same day we receive it. Please contact Cynthia Barkley for additional information.

- 3. Style and Placement of the Advertisement:** The ad must be at least 1/8<sup>th</sup> of a page with 12 point type. The notice must not be placed on pages with legal notices or classified advertisements. The headline must be in bold face with all capital letters. The text of the advertisement must be in regular face with mixed case letters. Be sure to emphasize these requirements with the newspaper. The sample notice enclosed shows the correct form for the advertisement.
- 4. Timing of the Advertisement and Hearing:** The hearing must be held on or after the 7<sup>th</sup> day and on or before the 21<sup>st</sup> day after the notice is published. Do not count the day of the notice or advertisement, but count the day of the hearing and all intervening calendar days, including Saturdays, Sundays, and holidays. This means that the advertisement must appear between one and three weeks before the hearing. The hearing must be held on or before June 17<sup>th</sup> before the date required by law for imposition of the property tax. This means that the absolute latest the advertisement can be published is June 10<sup>th</sup> for

300 W. Preston St. Room 603 Baltimore, MD 21201  
[www.dat.maryland.gov](http://www.dat.maryland.gov)

410.767.4481 (phone) 1.800.735.2255 (MD relay)  
410.333.5873 (fax) 1.855.246.5941 (toll free)

LARRY HOGAN  
Governor

BOYD RUTHERFORD  
LT. Governor



SEAN POWELL  
Director

MICHAEL HIGGS JR.  
Deputy Director

a June 17<sup>th</sup> hearing.

5. **Reporting to the Department:** The taxing authority must provide a copy of the *entire* newspaper page that carried the notice or evidence that the notice was mailed to each property taxpayer. A photocopy of the newspaper page or just the advertisement itself are not acceptable. Please use the enclosed Form CYTR #2. This must be sent to the Department within 15 days of the date of the advertisement. We strongly recommend that you send the Department a copy of the notice as soon as it is published, especially if the Department has not reviewed the advertisement prior to publication. We review all advertisements as soon as they are received so that if the advertisement does not conform to the law you may have time to republish it and hold a new hearing before the June 17<sup>th</sup> deadline. Failure to properly report to the Department is noncompliance that must be referred to the Attorney General.
6. **Setting the Rate:** The real property tax rate must be set at the constant yield tax rate hearing, or at a later time if the day, time, and location the tax rate will be set is announced at the hearing. The personal property tax rate can be set at any time consistent with law.

Enclosed is the Constant Yield Tax Rate Certification (Form CYTR #1) which shows the constant yield tax rate and the associated steps in its calculation for your jurisdiction. Personal property is not part of the constant yield tax rate calculation.

**Please remember that the constant yield tax rate uses an estimate of assessable real property made in February, several months before tax rates are typically set. Every effort is made to provide reliable estimates of revenue for the upcoming year. However, these estimates may be affected by subsequent reductions in assessments by the local Property Tax Assessment Appeal Board or the Maryland Tax Court for certain properties. The Department issues revised estimates on a county basis in late March which may be obtained by contacting this office or from our web site at [www.dat.maryland.gov](http://www.dat.maryland.gov)**

**Questions or Problems:**

Department of Assessments and Taxation  
Attn: Nruti Desai, Office of the Director  
301 West Preston Street, Room 808  
Baltimore, Maryland 21201  
Phone: (410) 767-4884  
Fax: (410) 333-5873  
Email: [nruti.desai@maryland.gov](mailto:nruti.desai@maryland.gov)

Enclosures: Sample Notice

- Form CYTR #1 (Constant Yield Tax Rate Certification)
- Form CYTR #2 (Reporting Form)
- Form CYTR #3 (Advertisement Calculation Instructions)

LARRY HOGAN  
Governor

BOYD RUTHERFORD  
LT. Governor



SEAN POWELL  
Director

MICHAEL HIGGS JR.  
Deputy Director

**MEMORANDUM**

**Date:** February 12, 2016  
**To:** All Taxing Authorities  
**From:** Sean Powell, Director  
**Re:** Department Notification - Constant Yield Tax Rate Notice

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Please complete this form letter and return at the appropriate time as indicated to:

Department of Assessments and Taxation  
Attention: Nruti Desai, Office of the Director  
301 West Preston Street, Room 808  
Baltimore, Maryland 21201

**Please check one of the following:**

- 1. The taxing authority has established a tax rate not in excess of the Constant Yield Tax Rate.  
**Please Respond to the Department Within 15 Days When the Tax Rate, Not Exceeding the Constant Yield Tax Rate, Is Set.**
  
- 2. The taxing authority plans to exceed the Constant Yield Tax Rate and attached is a copy of the entire page of the newspaper notice or a copy of the dated notice that was mailed to each property taxpayer.  
**Please Respond to the Department within 15 Days of the Date of the Newspaper Notice, or Date the Notice Was Mailed to Each Property Taxpayer.**

Taxing Authority:

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*County or Municipality and the County*

Name/Signature:

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Date: \_\_\_\_\_ Phone: \_\_\_\_\_

E-Mail Address: \_\_\_\_\_

State of Maryland

Department of Assessments and Taxation

February 12, 2016

2016 Constant Yield Tax Rate Certification

Taxing authority: Middletown in Frederick County

Table with 10 rows showing tax calculations for 2015 and 2016, including Gross assessable real property base, Homestead Tax Credit, Net assessable real property base, Actual local tax rate, Potential revenue, Estimated assessable base, Half year new construction, Estimated full year new construction, Estimated abatements and deletions, and Net assessable real property base.

Table with 3 rows showing calculations for Potential revenue, Net assessable real property base, and Constant yield tax rate.

Certified by

Handwritten signature of the Director

Director

\* Includes one-quarter year new construction where applicable.
\*\*Actual + estimated as of July 1, 2016, including Homestead Tax Credit.
CYTR #1

## Calculations for Increasing Constant Yield Tax Rate Advertisement

Part 1: For the tax year beginning July 1, 2016, the estimated real property assessable base will decrease by ❶% from \$❷ to \$❸.

$$\text{❶} = \frac{(\text{Line 3} - \text{Line 10})}{(\text{Line 3})}$$

$$\text{❷} = \text{Line 3}$$

$$\text{❸} = \text{Line 10}$$

Part 2: If county/city/town maintains the current real property tax rate of \$❹ per \$100 of assessment, real property tax revenues will decrease by ❺% resulting in a \$❻ reduction in real property tax revenues.

$$\text{❹} = \text{Line 4}$$

$$\text{❻} = \frac{\text{Line 3} \times \text{Line 4}}{100} - \frac{\text{Line 10} \times \text{Line 4}}{100}$$

$$\text{❺} = \frac{\text{❻}}{\frac{\text{Line 3} \times \text{Line 4}}{100}}$$

Part 4: The proposed tax rate is ❽% higher than the constant yield tax rate and will generate \$❾ in additional real property tax revenues.

$$\text{❽} = \frac{(\text{Proposed Rate} - \text{Line 13})}{\text{Line 13}}$$

$$\text{❾} = \frac{\text{Line 10} \times \text{Proposed Rate}}{100} - \frac{\text{Line 10} \times \text{Line 13}}{100}$$

**NOTE:** Line numbers correspond with the line numbers of form CYTR #1.

# COUNTY NEWSPAPER NOTICE REQUIREMENTS

Headline must be all capital letters and bold type as shown.  
Remainder must be in both upper and lower case characters as shown.  
Notices must be in 18-point font. County advertisements must be  
a minimum of 1/4 page in size and  
**must not be placed with legal notices or classified ads.**

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## (NAME OF JURISDICTION) NOTICE OF A PROPOSED REAL PROPERTY TAX INCREASE

The ..... (name of taxing authority) of ..... (name of jurisdiction) proposes to increase real property taxes.

1. For the tax year beginning July 1, 2016, the estimated real property assessable base will decrease by .....%, from \$..... to \$.....

2. If ..... (name of jurisdiction) maintains the current tax rate of \$..... per \$100 of assessment, real property tax revenues will decrease by .....% resulting in a \$..... reduction in real property tax revenues.

3. In order to fully offset the effect of decreasing assessments, the real property tax rate could be increased to \$....., the constant yield tax rate.

4. The ..... (county, city, town, etc.) is considering increasing its real property tax rate above the constant yield tax rate. The ..... (county, city, town, etc.) proposes to adopt a real property tax rate of \$..... per \$100 of assessment. This tax rate is .....% higher than the constant yield tax rate and will generate \$..... in additional property tax revenues.

A public hearing on the proposed real property tax rate increase will be held at ..... (time) on ..... (date) at ..... (location).

The hearing is open to the public, and public testimony is encouraged.

Persons with questions regarding this hearing may call ..... (phone number) for further information.

***SAMPLE NOTICE-INCREASING CYTR***