



AGENDA FOR THE TOWN MEETING

March 23, 2015

7:00 p.m.

PLEDGE TO THE FLAG

CALL TO ORDER

CONSENT AGENDA

PERSONAL REQUESTS FOR AGENDA:

Shawn Dennison, Scott Key Center – Rain Barrel Program

Miss McHugh – Girl Scout Storm Drain Project

James Bongard – Eagle Scout Project Trail Markers

UNFINISHED BUSINESS:

- FY 2016 Budget Workshop – Water & Sewer Fund
 - Operating Budget
 - Capital Improvement Program (CIP)
- Review of Fees for Permitting Services

NEW BUSINESS:

- Amendments to the Personnel Policy – Adding Section for Part-Time Employees
- RFP from Davenport & Company for Loan Preparation Services
- Schedule Public Hearing for Constant Yield Tax Rate
- Request from Villages of Foxfield to Reconsider Trash Pickup Policy

PUBLIC COMMENTS:

ANNOUNCEMENTS:

Hydrant Flushing Spring 2015 – March 30th – April 3rd

ADJOURNMENT

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

TOWN OF MIDDLETOWN
Water Sewer Operating Budget
FY 2016

	AUDIT FY 2014	Budget FY 2015	Forecast FY2015	Prelim Budget FY 2016
Operating Revenue				
Water Revenue	557,321	588,919	574,452	591,686
Sewer Revenue	554,722	565,791	575,931	593,209
Penalties and Reconnects	18,876	14,600	17,113	15,038
General Fund Grant	-	102,740	102,740	80,000
Rain Barrels		1,575	1,575	1,575
LGIT Rebate/MISC	-	-		-
Total Revenue	1,130,919	1,273,625	1,271,811	1,281,508
Expenses				
Administrative				
Salaries	38,059	52,890	52,890	50,907
Communications	7,761	7,100	7,338	7,500
Postage	9,098	10,222	10,427	9,280
Office Supplies/Expenses	14,470	12,800	14,438	12,000
Professional Services/Legal	10,578	8,500	8,500	2,000
Meetings & Seminars	895	250	500	500
Advertising	863	500	1,244	500
Uniforms	2,726	2,800	2,800	998
Dues/Subscriptions/Certifications	987	500	500	500
2010 CDA Water Tank Loan		33,056	33,056	32,979
Travel/Mileage	175	200	200	200
Payroll Taxes	19,081	19,192	19,754	24,559
Insurance				
Property	7,643	8,000	7,949	8,500
Health	37,781	45,836	45,836	56,384
Worker's Compensation	8,168	13,868	7,320	8,215
Retirement/Pension	18,954	22,143	19,273	23,678
Real Estate Taxes	292	292	292	292
Conservation Environment	3,276	3,150	3,600	3,600
Vehicle/Equipment Expenses	15,680	14,000	14,000	21,000
Total Administrative	196,487	255,299	249,916	263,592
Water				
Salaries	113,066	138,865	122,981	133,411
Water Distribution				
Supplies	3,764	2,500	3,110	3,200
Repairs & Maintenance	67,276	51,650	51,650	70,950
Water Meters	-	65,250	65,250	65,250
Waterline Break Repairs	72	5,000	5,000	5,000
Chemicals	185	500	500	500
Tools & Equipment	9,468	1,000	1,000	4,330

TOWN OF MIDDLETOWN
Water Sewer Operating Budget
FY 2016

	AUDIT FY 2014	Budget FY 2015	Forecast FY2015	Prelim Budget FY 2016
Subtotal	80,765	125,900	126,510	149,230
Water Plant, Reservoir, Booster, Tower, BS Wellhouse				
Electric	26,703	31,370	28,000	26,900
Supplies	787	2,000	2,000	2,000
Repairs & Maintenance	32,305	28,650	28,650	27,350
Chemicals	20,454	17,372	17,372	18,226
Tools & Equipment	2,007	2,400	2,400	2,400
Testing & Analysis	10,488	9,000	11,006	12,988
SUB-TOTAL	92,744	90,792	89,428	89,864
Abandoned Well Costs		-		-
TOTAL WATER	286,575	355,557	338,920	372,505
Sewer				
Salaries	107,724	124,154	107,679	124,358
Sewer Collection System				
Conebranch Pump Station	27,036	22,000	22,000	20,000
Brookridge South Pump Station	9,854	9,700	13,777	10,000
Foxfield Pump Station	6,968	6,500	6,500	6,500
Sanitary Sewer Lines/Manholes	17,316	10,500	13,255	23,952
I & I Accrual	75,000	75,000	75,000	75,000
Subtotal	136,174	123,700	130,532	135,452
East WWTP				
Electric	38,450	33,000	34,462	33,279
Parts & Supplies	8,162	10,500	10,500	5,469
Repairs & Maintenance	11,960	44,100	38,009	35,357
Chemicals	32,727	39,724	39,724	40,844
Mowing	-	-	-	-
Tools & Equipment	2,849	8,400	8,400	8,400
Testing & Analysis	22,982	23,000	23,000	34,187
Sludge Hauling Expense	45,596	56,400	56,400	57,000
Subtotal	162,726	215,124	210,495	214,535
West WWTP				
Electric	18,989	20,000	7,568	17,934
Supplies	4,474	2,500	1,261	2,500
Repairs & Maintenance	7,102	15,450	10,820	11,750
Chemicals	53,057	49,457	49,457	61,258
Mowing	-			
Tools & Equipment	1,400	1,000	33	1,000

TOWN OF MIDDLETOWN
Water Sewer Operating Budget
FY 2016

	AUDIT FY 2014	Budget FY 2015	Forecast FY2015	Prelim Budget FY 2016
Testing & Analysis	8,808	8,760	8,760	10,459
Sludge Hauling Expense	17,663	22,650	22,650	22,650
SUB-TOTAL	111,493	119,817	100,549	127,552
TOTAL SEWER	518,117	582,795	549,255	601,897
TOTAL OPERATING EXPENSES	1,001,179	1,193,650	1,138,091	1,237,994
Contingency Fund		79,975	76,252	43,330
Adjusted Operating Expense		1,273,625	1,214,343	1,281,324
OPERATING INCOME (LOSS)	129,740	(0)	57,469	183

Town of Middletown
Water Sewer Fund
Capital Improvement Program

Main Street Waterline Reservoir Cover Replacement Loans

		Burgess and Commissioners of Middletown				
		Water & Sewer Capital Improvement Program				
		FY 2016 - FY 2020				
INCOME		FY '16	FY '17	FY '18	FY '19	FY '20
	CASH Reserves	\$0	\$212,676	\$48,224	\$415,953	\$419,069
	DEBT SERVICE FEE - NEW HOMES	\$138,800	\$147,800	\$153,200	\$157,600	\$162,000
	CAPITAL IMPROVEMENT FEE	\$139,464	\$150,192	\$160,920	\$171,648	\$178,800
	Inflow & Infiltration - Reserve Account	\$75,000		\$420,000		
	Land Leases	\$184,642	\$192,028	\$199,709	\$207,697	\$216,005
	Tap Fees (See Growth Projections)	\$900,000	\$540,000	\$440,000	\$420,000	\$20,000
	Main Street Waterline & Reservoir Loan	\$2,440,000	\$2,800,000			
	Total Revenue	\$3,877,906	\$3,830,020	\$1,373,829	\$956,945	\$576,805
Debt Service						
	WATER STORAGE TANK LOAN	\$111,820	\$111,806			
	EAST WWTP LOAN	\$241,265	\$241,265	\$241,265	\$241,265	\$239,265
	MAIN STREET WATERLINE & RESERVOIR LOAN	\$60,540	\$193,564	\$296,611	\$296,611	\$296,611
DEVELOPMENT PROJECTS						
	Brookridge WTP (Loan Payments)	\$200,000	\$201,361			
	<i>Outstanding Balance - \$401,361.82</i>					
	Total Debt Service	\$613,625	\$747,995	\$537,876	\$537,876	\$535,876
Net Income		\$3,264,281	\$3,082,024	\$835,953	\$419,069	\$40,929
Projects						
Ranking	SYSTEM UPGRADE PROJECTS					
	WATER SYSTEM					
	Well #15 Iron & Manganese Removal	\$160,000				
1.00	Main Street Waterline Program	\$2,000,000	\$2,500,000			
1.33	Reservoir - Dual Feed Cover/Liner Replacement	\$440,000	\$300,000			
1.50	Stream Erosion - Well Field Restoration	\$125,000				
	Reservoir - Fence Replacement/Relocation	\$38,105				
	Well Fields - Scada Control System		\$27,800			
	Booster Station - Replace Starters with VFD's		\$125,000			
	Booster Station - Pump Bypass Connections	\$8,000	\$15,000			
	Water Distribution - Repair PRV Vault & Hydrants & PLD Listening					
	Ford Transit Van - Meter Tech Vehicle	\$46,500				
	WASTEWATER SYSTEM					
	West WWTP - Curtain Replacement	\$60,000				
	West WWTP - Aerator Replacement	\$8,000				
	East WWTP - Bar Screen Refurbishment	\$40,000				
	East WWTP - Influent Flume & Ultrasonic Meter		\$14,000			
	East WWTP - Sludge Mag Meter		\$8,000			
	Inflow & Infiltration	\$75,000		\$420,000		
	Brookridge PS Vault Magmeter & Cabinet		\$11,000			
	Brookridge PS - 3 Phase VFD and New Pump Installation	\$20,000				
	Cone Branch PS - New Pumps	\$31,000	\$33,000			
	Total Projects	\$3,051,605	\$3,033,800	\$420,000	\$0	\$0
Surplus / Deficit		\$212,676	\$48,224	\$415,953	\$419,069	\$40,929

**Burgess and Commissioners
Middleton, Maryland**

Strategic Priorities

Project/Item	Miller	Falcinelli	Bussard	Dietrick	Goodman	Ventre	Average
Main Street Waterline Replacement	1	1	1	1	1	1	1.00
Reservoir Liner Replacement and Reconstruction	1	1	2	1	1	2	1.33
Well Field Stream Erosion Repairs	2	1	2	1	2	1	1.50
Booster Station - Starter Replacements with VFD's	2	1	2	1	2	2	1.67
Streetlight Buyback Program and LED Upgrades	2	2	3	1	1		1.80
Broad Street Improvements (Locust Alley - Franklin Street)	1	2	1	2	3	2	1.83
Manda Drive Overlay	2	3	3	2	2	1	2.17
Lombardy Court Overlay	2	2	2	3	2	3	2.33
Broad Street Improvements (East Main - Locust Alley)	3	2	2	2	3	3	2.50
Comprehensive Plan Update	3	3	3	2	1	3	2.50
Manda Court Overlay	2	3	3	3	2	2	2.50
Architectural Design Standards	3	2	3	3	2	3	2.67
HaveeeCloud—E-Billing	±			±	±		In Progress
Well #15 Iron and Manganese Removal System	±		2	2	±	±	In Progress
West Green Street Improvements	±	±	±	±	±		In Progress



Municipal Center
31 West Main Street
Middletown, MD 21769
P. 301-371-6171
F. 301-371-6474

Town of Middletown Maryland

PLANNING, ZONING AND ADMINISTRATIVE FEE POLICY

As of May 1, 2014 the payment process for residential and commercial building permits, subdivision and development plan reviews, recordation, routing services, annexation petitions, and various administrative procedures are as follows:

PERMITS

Under the Administration and Enforcement Chapter (17.08) of the Middletown Municipal Code, **ALL** structural alterations or improvements and/or new uses created or placed on any property, must first obtain permit approval from the Town of Middletown.

All residential and commercial zoning certificates will be processed and paid for through the Town of Middletown with building permits being processed through the Frederick County Department of Permits and Inspections office. The Fee Schedule adopted by the Burgess and Commissioners of Middletown consists of permit fees that include, but are not limited to:

Residential- internal, external, new single, new multi-family and demolition \$25.00-200.00

Commercial- internal, external, conversion, demolition, and use change \$25.00-500.00

New Commercial- construction \$500.00

Miscellaneous- There will be a \$25.00 **minimum charge** for any fee issued.

Home Occupation Questionnaire- all home business applications \$50.00

All requirements for zoning certificates, permits, and questionnaires are subject to determination of the Town of Middletown and Frederick County Permits and Inspections Department.

CONSTRUCTION FEE

All applicable construction fees, as designated by the Fee Schedule adopted by the Burgess and Commissioners of Middletown, shall be made payable to the Town of Middletown. These fees must be paid upon approval of Construction Inspection before any consideration and/or action in the issuance of construction permits are granted. These fees include but are not limited to:

- **Construction Inspection-** 1% of Total Construction Cost Estimates; SWM, Sediment & Erosion, and Public Improvements must be made payable to the Town of Middletown, prior to issuance of grading permit.

ADMINISTRATIVE PROCEDURES

All applicable administrative fees, as designated by the Fee Schedule adopted by the Burgess and Commissioners of Middletown, shall be made payable to the Town of Middletown. Applicant must also pay advertising fees and fixed legal and/or engineering fees outlined for each service to partially defray cost of the Town utilizing contracted consultants for review of documents/plans. These fees must be paid upon submission of the appropriate applications and/or materials for review, before any consideration and/or action in the approval process is granted. These administrative fees include, but are not limited to:

Board of Appeals

- **Variance-** application must be obtained through the Middletown Municipal Center w/ fee of \$100.00 for non-principal structure and \$200.00 for principal structure + an advertising fee of \$100.00, made payable to the Town of Middletown upon, completion and submission of the application. All legal fees accrued by the Town must be paid by the applicant prior to final approval.
- **Special Exception-** application must be obtained through the Middletown Municipal Center w/ fee of \$300.00 + an advertising fee of \$100.00, made payable to the Town of Middletown, upon completion and submission of the application. All legal fees accrued by the Town must be paid by the applicant prior to final approval.
- **Administrative Error-** application must be obtained through the Middletown Municipal Center w/ fee of \$200.00 + an advertising fee of \$100.00, made payable to the Town of Middletown, upon completion and submission of the application. All legal fees accrued by the Town must be paid by the applicant prior to final approval.

Text Amendment

- **Text Amendment-** applicant must submit proposed text change w/ fee of \$300.00 + an advertising fee of \$200.00 + \$150 legal fee, made payable to the Town of Middletown, to the Middletown Municipal Center for review and recommendation by Planning Staff, and forwarding to applicable commissions.

Rezoning Fee

- **Rezoning-** applicant must submit proposed zoning change w/ fee of \$400.00 + \$20.00/acre + an advertising fee of \$200.00, made payable to the Town of Middletown, to the Middletown Municipal Center for review and recommendation by Planning Staff, and forwarding to applicable commissions for approval process. All legal fees accrued by the Town must be paid by the applicant prior to final approval.

Annexation Fee

- **Annexation-** applicant must submit proposed annexation w/ fee of \$1,000.00 + \$50.00/acre + \$200 advertising fee and \$150 legal fee, made payable to the Town of Middletown, to the Middletown Municipal Center for review and recommendation by Planning Staff, and forwarding to applicable commissions for approval process.

Water & Sewer Master Plan

- **Map Amendment-** applicant must submit a proposed map amendment w/ fee of \$500.00 + \$100 engineering fee for consideration of changes to the Water/Sewer Master Plan Map that is not in sequence with the regular six-month review process for change in services.

Recording Fee

- **Plats-** applicant must submit plats (5 mylars) to be recorded w/ fee of \$75.00 made payable to the Town of Middletown and a \$5.00 fee made payable to Frederick County Clerk of the Court, to the Middletown Municipal Center for recordation procedures conducted by Middletown Planning Staff.
- **All other Documents-** applicant must include a fee of \$50.00/document, made payable to the Town of Middletown, upon submission to the Middletown Municipal Center for all other miscellaneous services conducted by Middletown Staff.

Public Works Agreement Review Fee

- **PWA Review-** applicant must submit a Public Works Agreement w/ standard fee of \$225.00 + \$150 legal fee for each PWA, made payable to the Town of Middletown, to the Middletown Municipal Center for review and recommendation by Middletown Staff, and forwarding to applicable commissions and agencies for approval process.

Home Owners Association Document Review Fee

- **HOA Review-** applicant must submit a HOA Document w/ standard fee of \$225.00 + \$150 legal fee, made payable to the Town of Middletown, to the Middletown Municipal Center for review and recommendation by Middletown Staff, and forwarding to applicable commissions and agencies for approval process.

PLAN REVIEW

All review fees for plans submitted to the Middletown Planning staff for review and approval will be assessed by the Town of Middletown, based on the Fee Schedule adopted by the Burgess and Commissioners of Middletown. Those fees considered applicable, as well as fees for all other agencies, will be directly collected by the Town of Middletown, and made payable to the appropriate agency. These fees must be paid upon submission of the appropriate applications and/or materials for review, before any consideration and/or action in the approval process is granted. These fees include, but are not limited to:

Concept Plan Fee

- **Concept Plan-** applicant must include a standard fee of \$250.00 + \$200 engineering fee, made payable to the Town of Middletown, upon submission of Plans to the Middletown Municipal Center for review services conducted by Middletown Planning Staff. Three (3) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.

Site Plan Fee

- **Residential-** applicant must include a standard fee of \$250.00 + \$10.00/unit, made payable to the Town of Middletown + all applicable agency fees, upon submission of Plans to the Middletown Municipal Center for review services conducted by Middletown Planning Staff. Nine (9) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.
- **All Other-** applicant must include a standard fee of \$350.00 + \$50.00/acre + \$200 engineering fee, made payable to the Town of Middletown + all applicable agency fees, upon submission of Plans to the Middletown Municipal Center for review services conducted by Middletown Planning Staff. Nine (9) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.
- **Alteration-** Any change made to an approved Site Plan one year after approval, will be considered a New Site Plan, with all fees being applicable.

Preliminary Plan Fee

- **Subdivision-** applicant must include a standard fee of \$350.00 + \$50.00/lot + \$200 engineering fee, made payable to the Town of Middletown, + all applicable agency fees, upon submission of Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Nine (9) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.

Mass Grading Plat Fee

- **Subdivision and Site-** applicant must submit a standard fee of \$250.00 + \$200 engineering fee, made payable to the Town of Middletown + all applicable agency fees, Computations, and Cost Estimate to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Upon approval of the cost estimate by the Town of Middletown and Frederick County DPW, applicant will be billed by the Town of Middletown and Frederick County DPW for all review services w/ checks to be made payable to the appropriate review agencies. Nine (9) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.

Improvement Plan Fee

- **Improvement Plans-** applicant must submit a one time fee of \$300.00/page + \$200 engineering fee, made payable to the Town of Middletown, + all applicable agency fees, upon submission of Plans, Computations, and Cost Estimate to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Upon approval of the cost estimate by the Town of Middletown and Frederick County DPW, applicant will be billed by the Town of Middletown for Frederick County DPW, for all review services w/ checks to be made payable to the appropriate review agencies. Nine (9) printed copies + 5 copies of SWM computations, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.

Forest Plan Review Fee

- **Simplified Forest Plan-** applicant must include a standard fee of \$200.00 made payable to the Town of Middletown upon submission of Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Three (3) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.
- **Preliminary Forest Plan-** applicant must include a standard fee of \$200.00 + \$4.00/gross acre, made payable to the Town of Middletown upon submission of Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Three (3) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.
- **Final Forest Plan-** applicant must include a standard fee of \$200.00 + \$4.00/gross acre, made payable to the Town of Middletown upon submission of Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Three (3) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.

- **Inspection-** 1% of total cost estimate must be made payable to the Town of Middletown prior to signature of approved Forest Plan. There is a \$50.00 fee for EACH inspection conducted by the Town during the 2 year maintenance period.

Final Plat Review Fee

- **Combined Prelim/Final Plat-** applicant must include a standard fee of \$250.00 + \$50.00/lot + \$200 engineering fee, made payable to the Town of Middletown, + all applicable agency fees, upon submission of Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Four (4) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.
- **Correction Plat-** applicant must include a standard fee of \$100.00 + \$10.00/lot, made payable to the Town of Middletown, + all applicable agency fees, upon submission of Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Four (4) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.
- **Addition Plat-** applicant must include a standard fee of \$100.00 + \$10.00/lot, made payable to the Town of Middletown + all applicable agency fees, upon submission of Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Four (4) printed copies, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.
- **Final Plat-** applicant must include a standard fee of \$300.00 + \$25.00/lot + \$100 engineering fee, made payable to the Town of Middletown + all applicable agency fees, upon submission of Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. Four (4) printed copies + 5 mylars for signature, plus an electronic copy and a \$15/sheet electronic filing fee are to be submitted.

Resubmission Fee

- **Resubmission of Plans-** applicant must include 50% of standard fee + 25% of legal and/or engineering fee, made payable to the Town of Middletown, upon EACH resubmit of all Plans to the Middletown Municipal Center for review and routing services conducted by Middletown Planning Staff. All resubmissions must include the same number of copies of plans as originally submitted plus an additional copy for each agency being addressed as well as Computations and response letters, where applicable.

Soil Conservation District

- **All Plans-** applicant must submit all plans and applicable fees to the Town of Middletown for submittal to Catoctin & Frederick SCD for review and approval.

- Any response comments from the applicant and SCD must be forwarded to the Town.

PLANNING & ZONING

All Plans and Fees submitted for review and approval by the Middletown Planning Commission **MUST** be received at the Town Office of Middletown no later than **NOON** on the Monday two weeks before the monthly Middletown Planning Commission meeting, which is the third Monday of every month, at 7:00 P.M.

To partially defray the expense of administering various Planning and Zoning services, these fees shall be paid to the Town of Middletown as specified in each section of this Fee Policy. The amount of the fees shall be as established, from time to time, by resolution of the Burgess and Commissioners of the Town of Middletown. Any and all action required by the Town will not be conducted until all applicable fees have been paid in full, unless otherwise waived by the Town.

Burgess and Commissioners of Middletown, Maryland



Town Personnel Policy Employee Handbook

Approved by the Burgess and Commissioners
August 11, 2014

**Burgess and Commissioners of
Middletown, Maryland**

**Town Personnel Policy
Employee Handbook**

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I. **Introduction**

The Town of Middletown (Town) is committed to fair, clearly stated and supportive relationships between the organization and its staff. The personnel policies of the Town have been established in order to provide a guide to the personnel practices of the Town and to ensure consistency of personnel decisions. It is the intention of the Town to administer the personnel programs in a manner which complies with the letter and spirit of all applicable federal, state and local regulations. This document is designed to provide guidance to staff at the Town. It is not a part of any contract between the Town and its employees. It is only a set of informal guidelines for personnel practices. Notwithstanding the provisions of the personnel policies, all employees are "*at will employees*" which means that they may be terminated at any time with or without cause without subjecting the Town to a claim for breach of an employment contract.

II. **Equal Opportunity**

The policy and intent of the Town is to provide equal employment opportunity for all persons regardless of race, color, religion, national origin, marital status, political affiliation, status with regard to public assistance, disability, sex, or age.

The Town intends to respond affirmatively in its employment practices. Affirmative action applies to all aspects of employment practices including, but not limited to, recruiting, hiring, placement, promotion, demotion, transfer, training, compensation, benefits, layoff, recall, and termination. The Town seeks to do business with organizations that encourage equal employment opportunity.

III. **Full – Time Employees**

Full – Time employees are defined as those employees working 40 hours / week. Full – Time employees are eligible for benefits from the Town including health insurance, life insurance, and enrollment in the Town retirement program through the Maryland State Retirement and Pension System.

IV. **Part – Time Employees**

Part – Time employees are defined as those employees working less than the regular 40 hour / week on a regular basis. Part – Time employees are eligible for benefits from the Town only after 25 years of continuous full- time employment with the Town. Part – Time employees are eligible for retirement benefits if they work more than 500 hours in a year. No other benefits are provided for Part – Time employees.

V. Seasonal Employees

Seasonal employees are defined as those employees working 40 hours / week, but no more than 500 hours in a year and no more than three (3) consecutive months in a row. No other benefits are provided for Seasonal employees.

VIII. Work Schedule

Work Week

Administrative Staff

Full-time employees are paid based on a 40 hour work week including ½ hour for lunch per work day. Regular work hours are established as 8:00AM – 4:00PM, Monday – Friday. Employees other than receptionists may vary their work hours with approval from the Town Administrator. Certain positions are considered Fair Labor Standards Act (FLSA) exempt. Those positions are listed as: Town Administrator and Director of Public Works, and Assistant Director of Public Works.

Some administrative staff is required to attend evening meetings held by the Town Board and/or Commission(s) and/or Committee(s). Compensation for these additional hours of work is covered in the Compensation Section of this policy.

Maintenance Staff

Full-time employees are paid based on a 40 hour work week including ½ hour for lunch per work day. Regular work hour tours are established as 7:00AM – 3:00PM, Monday – Friday. In the event of extreme heat during the summer, the Director of Public Works and/or the Town Administrator may authorize a change in starting time to avoid heat related health issues. Maintenance staff, in the Water & Sewer Department, is required to work weekends and holidays in order to maintain the treatment facilities of the Town. Compensation for these additional hours of work is covered in the Compensation Section of this policy.

Holiday Schedule

The TOWN observes the following holiday(s):

1. New Year's Day
2. Good Friday
3. Memorial Day
4. Independence Day
5. Labor Day
6. Thanksgiving Day
7. Day After Thanksgiving
8. Half Day on Christmas Eve
9. Christmas Day
10. Employee's Birthday

If the holiday falls on a Saturday, the preceding Friday is the observed holiday; if it falls on a Sunday, the following Monday is the observed holiday. Holiday time is classified as administrative leave. Administrative leave is defined as hours paid by employer for leave that is not deducted from an employee's vacation or sick time.

With regard to the Water & Sewer Department, the next succeeding weekday following the observed holiday is designated as the holiday time off.

Emergency Closings

In cases of severe weather or other unusual work conditions, i.e. no heat or air conditioning or no running water, the Burgess may grant administrative leave and/or issue an early dismissal to employees at the workplace. This includes both full-time and part-time employees.

Emergency Work

In response to emergency situations such as: waterline breaks, sewer clogs, snow storm events, etc., some employees, as identified by the Town Administrator, Director of Public Works and/or the Assistant Director of Public Works, will be required to work to resolve the emergency. Compensation for these additional hours of work is covered in the Compensation Section of this policy.

IVII. Compensation

There are three (3) FLSA exempt staff positions in the Town. They are the Town Administrator, the Director of Public Works, and the Assistant Director of Public Works. All other non-exempt positions in the Town are hourly.

Overtime will be paid at a rate of 1.5 times the employee's normal hourly rate. Overtime will be paid for all hours worked in excess of 40 hours worked per week. Vacation, sick, holiday, jury duty, voting, administrative leave or bereavement leave are not hours physically worked and cannot be used to determine hours worked in excess of 40 hours per week. In addition, any

hours worked outside the normal work week will be paid at an overtime rate. Weekend work will be paid at overtime rates if in excess of the 40 hours. (Overtime pay does not apply to FLSA exempt staff positions.)

Pay Period

Wages are disbursed bi-weekly on Friday's. The pay period is from Thursday – Wednesday. Employees are only offered the option of direct deposit or paycheck. There are 26 pay's per year. If a pay day falls on a holiday, paychecks will be made available the day before. If there are extenuating circumstances, pay might be made available early with the approval of the Town Administrator and the Burgess & Commissioners.

Time Sheets

Employees are responsible for computing and maintaining a bi-weekly time sheet. Time sheets are to be submitted to the office no later than Thursday morning by 9:00am before the bi-weekly payroll. Time sheets must be signed by the employee. Any reimbursement, such as mileage, safety clothing, or other Town related expenses must be included with the time sheet and include a copy of an invoice.

Compensatory Time

Compensatory time off is time off with pay in lieu of overtime pay for irregular or occasional overtime work. Non-Exempt employees must be compensated for every hour worked. Every hour physically worked over 40 hours, in a work week, must be compensated at one and one half times their normal rate of pay as approved by the Town Administrator.

Performance Evaluations

Every employee will receive a performance evaluation yearly. Performance evaluations will be conducted beginning in May of each year. Maintenance staff will have their performance evaluations conducted by the Superintendents of Water/Wastewater and Streets/Utilities. The Superintendents will have their performance evaluations conducted by the Director of Public Works and the Assistant Director of Public Works. Administrative staff will have their performance evaluations conducted by the Town Administrator. The Town Administrator will have a performance evaluation conducted by the Burgess.

VIII. Telecommuting

Employees may be able to telecommute if it would benefit both the employee and the employer. Telecommuting is the practice of working at home or at a place closer to home instead of physically traveling to a central workplace. If an employee thinks that telecommuting would improve their ability to get their job done, an initial written request should be submitted to the Town Administrator. Once it has been determined by the Town Administrator that an employee is able to telecommute when necessary or as needed, that employee can send an e-mail request or

request by phone instead of needing a written request.

The initial request should explain how telecommuting would be beneficial for the employee and the Town. The request should explain how the employee would be accountable and responsible, what equipment is necessary, and how communication barriers would be overcome.

In deciding if telecommuting will be permitted, the Town Administrator will look at factors such as position and job duties, performance history, related work skills, and the impact on the organization. In addition, compensation, benefits, work status, work responsibilities, and the amount of time expected to work each day or each pay period will stay the same as before starting telecommuting (unless changes are agreed upon in writing).

If telecommuting is to be done on a regular basis as opposed to an as needed basis, the employee and the Town Administrator must agree upon the schedule and document it in writing. An employee cannot change his/her schedule until the Town Administrator approves the change.

Telecommuting is an alternative method for meeting the business needs of the Town of Middletown. It is not a universal employee benefit. The Town has the right to refuse to make telecommuting available to an employee. The Town also may terminate an existing telecommuting arrangement at any time.

IXVI. Dress Code

All Maintenance Staff are required to wear Town uniforms. The uniforms will be supplied by the Town and include laundry services. Included will be summer and winter uniforms. T-shirts will be offered to employees, but laundry service for t-shirts will be the responsibility of the employee. The Town will pay \$120.00 toward the purchase of one (1) new pair of boots and \$50.00 toward the purchase of one (1) set of coveralls each year.

All Administrative Staff are expected to wear appropriate business attire, unless specific duties for that day require other clothing.

XVII. Probationary Period

A new employee serves a probationary period of 180 days during which performance, progress, and attitude are closely observed. An employee may be terminated at any time during the probationary period. At the end of this probationary period, a formal appraisal is completed and the employee can be removed from probationary status.

XIVIII. Resignation

An employee choosing to resign employment with the Town is asked to give at least two (2) weeks notice prior to the intended date of departure. All Town property, such as keys, uniforms,

cellular phones, etc. must be turned into the Town prior to receiving the last pay. Any items that are not turned in will have the cost of the replacement deducted from the last pay.

At the time of the effective date of the resignation, the employee shall be able to use any accrued annual leave or the employee shall be paid for all unused accrued annual leave. If the employee has used all annual leave due prior to resignation, all hours used in excess of those earned shall be deducted from the employee's final paycheck at the rate of salary paid at the time of resignation. No employee shall be compensated for any unused sick leave at the time of resignation.

IXII. Leave

Annual

Annual leave is accrued in accordance with the following time in service and based on 40 hours of straight-time pay and is accounted for on a calendar year:

<u>Years of Service</u>	<u>Hours Accrued per Week</u>
1 through completion of Year 3	1.54
4 through completion of Year 14	2.31
15 and Up	3.08

For full-time employees, hours accrued per calendar year translate to 2 weeks for 3 years of service or less; 3 weeks for more than 3 years but less than 15 years of service; 4 weeks for 15 years of service or more. Although accrual of annual leave begins when an employee enters on duty, annual leave may be used only after the employee is no longer on probationary status.

Part-time employees and intermittent and/or temporary employees do not earn annual leave.

Employees may carry over 80 hours of annual leave at the end of each year, i.e. December 31st. Employees are allowed to cash out an additional 40 hours beyond the 80 hours that is allowed for carry over each year. Example: If on December 31st the employee has 130 hours of annual leave accumulated, 80 hours would carry over to the next year, 40 hours would be paid out to the employee, and 10 hours would be lost.

Employees are required to notify their direct supervisor of request for use of annual leave.

Family and Medical Leave Act (FMLA)

In addition to other types of leave mentioned in this chapter, eligible regular employees may qualify for FMLA leave.

Basic Leave Entitlement

Upon proper request to the Town Administrator, eligible regular employees may qualify for a total of twelve (12) work weeks of leave (paid or unpaid) during any 12 month period (measured backward from the first date the leave begins) for one or more of the following conditions:

- Birth of a child;
- Placement of a child with the employee for adoption or foster care;
- Care for spouse, child, parent or parent-in-law who has a serious health condition; or
- A serious health condition of the employee whether work-related or not.

Military Leave Entitlement

Upon proper request to the Town Administrator, eligible employees with a spouse, child(ren), or parent on active military duty, or called to active duty status in the National Guard or Reserves in support of a contingency operation may qualify for up to twelve weeks during any 12 month period (measured backward from the first date the leave begins) to address certain qualifying exigencies which may include:

- Attending certain military events
- Arranging for alternative childcare;
- Addressing certain financial and legal arrangements;
- Attending certain counseling sessions;
- Attending post-deployment reintegration briefings

There is also a military caregiver leave that permits eligible employees to take up to 26 weeks of leave in a 12-month period (measured forward only) to care for a covered service member who has a serious disabling injury or illness incurred in the line of duty during active duty status.

1. All eligible accrued leave (e.g. annual, sick, holiday and/or compensatory) must be used before unpaid leave can be used. Both paid and unpaid leave will count toward the maximum total of 12 work weeks of FMLA leave within a 12 month period.
2. The Town will continue the employee's health care coverage at the regular employee's rate as long as all employee contributions are paid during the unpaid leave periods. However, if the employee does not return to work, the employee will be responsible for the Town's portion of the premiums for the unpaid leave period. Arrangements must be made with the Town Administrator.
3. During the unpaid FMLA leave periods, sick leave and annual leave will not be accrued.
4. While the employee is using FMLA leave, the employee's position will be protected, and the employee will return to the position at the same grade and rate of pay at which he/she left.
5. Whenever the need for FMLA leave is foreseeable, the employee is asked to provide 30 days advance written notice before the leave is to begin.

Whenever the leave request is for a serious health condition, the Town will require that a request for leave be supported with certification from the health care provider of the employee, spouse, child, parent or parent-in-law. The Certification of Physician or Practitioner form must be used.

If the validity of the certification is in doubt, the Town may request that the employee obtain a second opinion, at the Town's expense, from a health care provider designated by the Town. If there is a conflict of opinion between the two health care providers, the Town may request the employee to obtain, at the Town's expense, an opinion from a third provider jointly approved by the Town and the employee.

Whenever the leave request is for military family leave, the Town will require that the request be supported by an appropriate certification, as outlined below:

1. Leave for a qualifying exigency will require a copy of the covered military member's active duty orders and certification providing the appropriate facts related to the particular qualifying exigency including contact information if the leave involves meeting with a third party;
2. Leave to care for a covered service member with a serious injury or illness will require certification completed by an authorized health care provider or by a copy of an Invitational Travel Order (ITO) or Invitational Travel Authorization (ITA) issued to any member of the covered service member's family.

FMLA leave shall end:

- When the employee, spouse, son, daughter, parent or parent-in-law is no longer affected by the serious health condition;
- If the employee fails to provide documentation to continue the leave when requested;
- When the employee has exhausted the maximum period of time eligible for FMLA leave. If additional time needed, the employee may request leave of absence in accordance with the Leave Without Pay section of the Employee Handbook. An absence beyond the maximum time under FMLA leave is not protected by that law.
- If the employee accepts other employment.

Sick

Sick leave is accrued at the rate of two (2) hours for every 40 hours worked in straight-time pay status. Sick leave accrual is unlimited and accumulates throughout total employment with the Town. Sick leave in excess of three (3) consecutive workdays must be attested to by a medical certificate from a physician.

Bereavement

Funeral leave, not to exceed three (3) paid days, may be granted in the event of a death of an immediate family member - parent, spouse, child, brother, sister, grandparent, and grandchild. If additional time is needed, an employee may request annual leave. With respect to other relatives - uncle, aunt, nephew, niece, and cousin - an excused absence with pay is granted not to exceed one (1) day. In other cases, an employee may request annual leave.

Military

Employees absent on their annual two-week reserve or National Guard duty shall be considered on an excused leave of absence and may elect one of the following options related to their pay:

- The employee may take their vacation and retain their military pay.
- The employee may surrender their military pay to the ORGANIZATION, receive their regular salary and take their vacation at a later date.
- The employee may take unpaid leave and retain their military pay.

An employee called up to active duty is allowed an unpaid leave of absence to meet her/his military responsibilities.

Upon honorable discharge from active duty, the employee will be allowed ninety days to apply for reinstatement to her/his former job. The employee will be reinstated to the same job formerly held, with the same duties, same level of pay, benefits and seniority had s/he not been on active military duty. Employee benefits will not accumulate during the leave. The employee will be given a Consolidated Omnibus Budget Reconciliation Act notice for election to continue insurances during the leave.

Jury Duty

Court leave is granted with pay when an employee has been summonsed for jury duty or as a witness on behalf of the Town.

Leave without Pay

Leave without pay must be approved by the employee's direct supervisor. The request should include starting date, estimated duration, and purpose.

XIII. Benefits

The Town is committed to providing a flexible and cost-effective medical care, disability income, life insurance and retirement program for all its full-time employees. The Town reserves the right, in its discretion, however, to change the nature of the benefits offered to employees, or to change insurance carriers, deductibles, premiums, or other features of any benefit. In addition, the Town may decide to discontinue one or more benefits. Covered employees will be notified of such changes or discontinuations as soon as practicable.

Health Insurance

The Town provides all full-time employees with major medical, disability, and partial dental and vision coverage. The Town pays the entire insurance premium for the full-time employee and 50% of the premium of any dependents. The Town will provide coverage for part-time employees with 25 years of service up to age 65.

If an employee leaves employment with the Town, the Town will allow that individual to continue to carry health insurance coverage through the Town for an additional sixty (60) days after their last day of employment so long as they paid the entire cost of their health insurance premium.

Life Insurance

The Town provides full-time employees with a \$50,000 life insurance policy.

Workers Compensation

The Town provides Workers Compensation through the State of Maryland, Injured Workers Fund. Coverage limits are \$100,000 for bodily injury by accident; \$100,000 bodily injury by disease.

Retirement

Any employee who works more than 500 regular hours during a fiscal year is enrolled in the Maryland State Retirement and Pension System. All premiums are paid by the Town. An employee is eligible for full retirement benefits according to the following table, from the Maryland State Retirement and Pension System:

<u>Age</u>	<u>Years of Service</u>
62	5
63	4
64	3
65 or Older	2
Any Age	30

No benefits are payable with less than two years of service. Employees become vested with the system after five (5) years of service. Benefits in the event of death are also payable under the Maryland State Retirement and Pension System to the employee's designated beneficiary. The employee's designated beneficiary may receive a lump-sum payment equal to the employee's annual salary if death occurs before retirement OR opt for monthly payments of benefits provided the employee was age 55 or older and had 15 years service or employee was age 62 or older.

XIV. Disciplinary Action

Terminations

Discharge may become necessary due to the employee's lack of ability or failure to fulfill the requirements of the job. Discharges are always unpleasant and costly, and the decision to discharge is not made lightly. Advance notice may or may not be given depending on the circumstance surrounding the termination.

All terminating employees will have an exit interview. The purpose of the interview is to be certain the reasons for the employee's termination are not founded on a misunderstanding or erroneous situation and to solicit information on what the employee understands of the company

and the company benefits. The interview will also cover what compensation the employee has coming and when termination of benefits will occur. Employees are expected to turn in all property assigned to them at the time of termination.

Progressive Discipline

We believe it is important that all employees are treated fairly and that disciplinary actions are prompt, consistent, and impartial. The purpose of a disciplinary action is to correct the problem, prevent it from happening again, and prepare the employee for satisfactory performance in the future.

Progressive discipline means that we will take these steps in the following order:

1. The first offense will call for a verbal warning;
2. The next offense will be followed by a written warning;
3. Another offense will lead to a suspension; and,
4. Repeated offenses will lead to termination of employment.

If more than 12 months have passed since the last disciplinary action, the process will start over. Listed below are some of the reasons which may be causes for disciplinary action, but disciplinary action is not limited to the offenses listed below.

- A. Failure to perform assigned duties properly
- B. Insubordination (disobedience or refusal to perform assignments/duties)
- C. Chronic or habitual absenteeism or lateness
- D. Being absent without leave
- E. Inefficiency
- F. Violation of Town Ordinances, administrative regulations or department rules, policies, or procedures
- G. Conviction of violation of law bearing on job performance
- H. Inability to perform assigned duties properly
- I. Refusal to be examined by a Town appointed medical professional when so directed
- J. Conduct which is unbecoming of a Town employee
- K. Violation of a posted safety, fire prevention, health, or security rule
- L. Abuse of sick leave
- M. Unsatisfactory performance evaluation

The following offenses shall result in immediate termination of employment:

- A. Unauthorized use of, removal of, theft, or intentional damage to the property of the Town or another employee, independent contractor, or customer
- B. Giving false statements to any Town official or employee, or the public
- C. Use, sale, or possession of illegal drugs on the job, on Town property, or in Town vehicles
- D. Use, sale, or possession of alcohol on the job, on Town property, or in Town vehicles unless at a Town function authorized by the Burgess and Commissioners.

- E. Accepting an inducement to perform or fail to perform
- F. Falsification of Town records (e.g. hours worked)
- G. A false statement in an employee's application for employment
- H. Under the influence of an illegal drug, a controlled dangerous substance, or alcohol while on the job
- I. Dishonesty or theft
- J. Endangering the safety of or causing injury to other personnel or the public
- K. Weapons or firearms

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and Town of Middletown.

Discipline and/or discharge may result for many reasons including, but not limited to, inappropriate behavior and/or unsatisfactory performance. Inappropriate behavior is defined as including, but not limited to, misbehavior on the job, refusal to do work reasonably expected, wrongful use of or taking of agency property, conviction of a felony, and violation of any policies or practices of the Town.

Unsatisfactory performance means failure of an employee to meet performance standards, to complete tasks in a timely, competent way, or to maintain an adequate attendance record. Uncooperative behavior or negative attitudes that affect the work or morale of others may result in termination. At the discretion of the Burgess, any staff member facing termination for unsatisfactory performance may be given the option to resign as described in the above section under "Resignation."

XVII. Employee Appeals

Town employees have the ability to appeal the following items to the Burgess and Commissioners for their consideration:

- Termination

The decision of the Burgess and Commissioners shall be final.

XVIII. Ethics

Code of Ethics for Public Officials and Employees

It is the policy of the Town that no official or employee shall have any interest, financial or otherwise, direct or indirect; engage in any business transaction or professional activity; or incur any obligation of any nature which is in substantial conflict with the proper discharge of his or her duties in the public interest. Outside employment must be disclosed and submitted to the Town for determination if a conflict exists.

To implement this policy and strengthen the faith and confidence of the people of the Town in their government, there is enacted a code of ethics setting forth standards of conduct required of town officials and employees in the performance of their official duties. It is the intent of the Town that this code shall serve not only as a guide for the official conduct of public servants in this Town, but also as a basis for discipline of those who violate its provisions.

It is the policy of the Town that public officials and employees are agents of the people and hold their positions for the benefit of the public. They are bound to uphold the Constitution of the United States and the State Constitution and to perform efficiently and faithfully their duties under the laws of the federal, state, and local governments. Such officials and employees are bound to observe, in their official acts, the highest standards of ethics consistent with this code and the advisory opinions rendered by the State Commission on Ethics with respect hereto regardless of personal considerations, recognizing that promoting the public interest and maintaining the respect of the people in their government must be of foremost concern.

Anti-Harassment Policy

We expect all employees to be treated with fairness, respect, and dignity. This includes customers and vendors as well as employees. Accordingly, any form of harassment based on an individual's race, color, sex, religion, national origin, age or disability is a violation of this policy and will be treated as a disciplinary matter.

The term harassment includes slurs and any other offensive remarks, jokes, graphic material, or other offensive verbal, written, or physical conduct. Unwelcome sexual advances, requests for sexual favors, and any other unwelcome, unbecoming verbal or physical conduct will not be tolerated and is not a condition of employment.

Neither submission to nor rejection of such conduct will be used as a basis for employment decisions. We are committed to maintaining a safe and healthy work environment and take all appropriate health and safety precautions consistent with current medical knowledge. Employees may not refuse to work with or cooperate with, withhold services from or otherwise harass, intimidate, degrade or isolate a co-worker because of a known or suspected disability or disease, or because of a co-worker's association with a person with a disability or disease. Any employee who believes that he or she has been subject of harassment shall immediately report the conduct to Town Administrator. If the employee believes that he or she has been the subject of harassment by the Town Administrator, then it shall be reported to the Burgess.

All complaints will be promptly investigated and all matters will be handled expeditiously, confidentially, and in a professional manner so as to protect the offended individual and other individuals providing relevant information. Upon completion of a thorough investigation by the Town Administrator (or Burgess if need be), prompt and appropriate action will be taken. There will be no retaliation against anyone for stepping forward with a concern regarding any type of harassment. All employees are to cooperate with any investigation into a harassment complaint. False accusations of harassment cause harm to innocent people and such conduct will not be tolerated.

All steps necessary to prevent any form of harassment from occurring will be taken. All supervisors and managers are informed of this policy and have been instructed as to what constitutes proper and improper behavior. The Town is prepared to promptly take steps necessary to enforce this policy. Violations of this harassment policy will result in disciplinary action, up to and including discharge.

Employee Acknowledgement of Town Personnel Policy / Employee Handbook

Approved by the Burgess and Commissioners on February 24, 2014

I acknowledge that I have read and understood and received a copy of the policies outlined in this copy of the Town of Middletown Personnel Policy. I understand that these policies provide only a general reference and are not a full statement of Town's procedure nor are they a contract.

Employee signature _____ Date _____

Employee Name (Printed) _____

Town of Middletown, MD

Transaction Services -- Pricing Addendum

March 17, 2015

The Town and Davenport entered into an agreement on April 29, 2014, a copy of which is attached hereto, that called for Davenport to provide Financial Advisor services to the Town. The scope of services was divided into two parts: a Part I Comprehensive Financial Review and Plan of Finance, and Part II Transaction Services. As of the date shown above, Davenport's work for Part I services is acknowledged by the Town to be complete.

The Town has determined that it wishes to move ahead on financing of the three projects studied during the Part I work. Consistent with the April 2014 agreement, the Town and Davenport now wish to reach agreement on compensation to Davenport for Part II Transaction Services. The services to be provided are listed in the attached April 2014 agreement. The Town has decided to apply to the Maryland CDA pool for financing of two of the projects and the third will be financed through a direct bank loan or lease.

Compensation

If the Town engages Davenport to provide Transaction Services on both the CDA Pool and Direct Bank Loan transactions, total compensation to Davenport would be on a flat fee basis in the amount of \$40,000, with \$30,000 allocated to the Direct Bank Loan and \$10,000 allocated to the CDA Pool, provided, however, that if the Town only engages Davenport in one of the two transactions, the minimum completion fee will be \$30,000, irrespective of which transaction Davenport is engaged to provide services. The other compensation provisions of the attached April 2014 agreement regarding out of pocket and administrative expenses continue to apply.

The Town may pay Davenport's fee and expenses from budget appropriations or from proceeds of one or more borrowings, at its sole option. Payment of fees to Davenport is due only upon successful closing of one or both transactions.

If this is agreeable, please indicate by signing and returning one copy of this letter to my attention.

Sincerely,



Joseph D. Mason



Senior Vice President

Accepted By:

Signature

Title



State of Maryland

LAWRENCE J. HOGAN, JR.
Governor

DEPARTMENT OF ASSESSMENTS AND TAXATION

OWEN C. CHARLES
Acting Director

- Office of the Director
BURGESS
ADMINISTRATION
PUBLIC WORKS
PLANNING & ZONING
WATER & SEWER

February 13, 2015

RECEIVED

FEB 17 2015

TOWN OF MIDDLETOWN, MD.

MEMORANDUM

To: All Municipal Taxing Authorities
From: Owen C. Charles, Acting Director
Re: 2015/16 Constant Yield Tax Rate - Instructions

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.

4. **Timing of the Advertisement and Hearing:** The hearing must be held on or after the 7th day and on or before the 21st 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 17th 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 10th for a June 17th 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 17th 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.state.md.us/sdatweb/stats.

Questions or Problems: Cynthia Barkley, Special Assistant
State of Maryland, Department of Assessments and Taxation
301 West Preston Street, Room 808
Baltimore, Maryland 21201
Phone: (410) 767-4884
Fax: (410) 333-5873
Email: cbarkley@maryland.gov

Enclosures: Sample Notice
Form CYTR #1 (Constant Yield Tax Rate Certification)
Form CYTR #2 (Reporting Form)
Form CYTR #3 (Advertisement Calculation Instructions)



State of Maryland

LAWRENCE J. HOGAN, JR.
Governor

DEPARTMENT OF ASSESSMENTS AND TAXATION

OWEN C. CHARLES
Acting Director

Office of the Director

February 13, 2015

MEMORANDUM

To: All Taxing Authorities
From: Owen C. Charles, Acting Director
Re: Department Notification - Constant Yield Tax Rate Notice

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

Department of Assessments and Taxation
Attention: Cynthia Barkley
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: County or Municipality and the County

Name/Signature:

Date: Phone Number:

E-Mail Address:

Form CYTR #2

MUNICIPAL NEWSPAPER NOTICE REQUIREMENTS

Headline must be all capital letters and bold type as shown.
Remainder must be both upper and lower case characters.
Notices must be 12 point. Municipal advertisements must be
a minimum of 1/8 page in size and
must not be placed with legal notices or classified ads.

.....(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, 2015, the estimated real property assessable base will increase by%, from \$..... to \$.....
2. If (name of jurisdiction) maintains the current tax rate of \$..... per \$100 of assessment, real property tax revenues will increase by% resulting in \$..... of new real property tax revenues.
3. In order to fully offset the effect of increasing assessments, the real property tax rate should be reduced to \$....., the constant yield tax rate.
4. The (county, city, town, etc.) is considering not reducing its real property tax rate enough to fully offset increasing assessments. 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

Villages At Foxfield

RECEIVED

MAR 17 2015

March 4, 2015

Burgess and Commissioners of Middletown
31 West Main Street
Middletown, MD 21769

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

Re: Village at Foxfield Trash Collection

Dear Burgess and Commissioners,

On behalf of the Board of Directors of the Village at Foxfield Community Association, Inc. (the "Village" and the "Association"), I am writing to request that the Town reconsider the exclusion of the properties located on Village cul-de-sacs (Keller Lane, Crone Lane, Sara Lane, Lamar Lane, Derr Lane, Everhart Lane, Stine Court, and Lauber Court) from trash collection services provided to other properties within the Town of Middletown.

Currently, the Association contracts for trash collection services on these cul-de-sacs. Trash collection services are provided by Key Sanitation, the same service provider used by the Town. Key Sanitation uses the same trucks to collect trash in the Village cul-de-sacs as it does in providing services to the Town. To our knowledge, there is no difference between the trash collection services Key Sanitation provides to the Town and the trash collection services Key Sanitation provides to the Association. (We note that Frederick County similarly collects recycling on the Village cul-de-sacs using the same trucks and collection bins as are used for recycling collection on other Town and County streets and roads.)

We have searched the Town's online documents and have found no written policy regarding which properties within the Town receive trash collection services and which do not. The only statement regarding trash pick-up is found in the FAQs, which does not limit its applicability within the Town:

When is trash picked-up?

Trash is picked-up every Wednesday.

For service related questions or problems please call Key Sanitation at 301-668-8282.

See http://www.middletown.md.us/index.asp?Type=B_LIST&SEC={3592D7E4-91C3-4C46-9275-C94789FEF785}.

We believe that the Town's decision to not provide trash removal services on the Village cul-de-sacs relates to the fact that the cul-de-sac roads were approved by the Town Planning Commission to be smaller than acceptable for dedication to the Town, and thus remain private roadways owned and maintained by the Association. However, while this approval benefitted both the Town and the developer by allowing increased density and consequently increased tax revenue to the Town, we are not aware of any consideration given to abating the Town taxes assessed against properties on these cul-de-sacs to compensate for the reduced level of Town services received by these properties.

Thus, these property owners pay the same taxes as all other Town properties, but do not receive the benefit of road maintenance, snow removal, or trash collection. However, in our view there is no practical or logical reason that the Town cannot provide trash removal services to the Village cul-de-sacs. The Association's contract with Key Sanitation includes a provision that Key Sanitation "is not liable for any damage to pavement, asphalt, curbing, or any road surfaces resulting from truck servicing the agreed streets," and the Association would be willing to enter into a similar agreement with the Town.

We appreciate your consideration of this matter.

Sincerely,



Carol Kehne, President.

Village at Foxfield Community Association, Inc.

cc: Village at Foxfield Community Association, Inc. Board of Directors
Theresa Prochaska, Claggett Management