

## **TOWN OF CECILTON**

### **Mayor and Council Work and Regular Session Meeting Monday, July 15, 2019**

The Mayor and Council held a Work and Regular Session Meeting in Town Hall on Monday, July 15, 2019. The following were in attendance:

Joseph A. Zang, III, Mayor

Mike Cooper, Member

Craig DeVary, Member

Danielle Zack, Member

Charles Ringgold, Member

All in attendance recited the Pledge of Allegiance.

#### **PUBLIC HEARING:**

Member Cooper made a motion to go into a public hearing. Member DeVary seconded the motion. Motion carried to go into a public hearing for the purpose of the sale of the property for the Senior Village and Early Childhood Learning Center. Mayor Zang explained the Town of Cecilton has been working on a project for about four years to create a better environment of the young children for the community, not just Cecilton. The project has far reaching advantages past Chesapeake City and down to the river. It will allow MRDC to serve more children and offer other services. Mayor Zang gave the floor to Chris Benzing, Executive Director of MRDC. He commented that the program is currently located in the old school house and MRDC has had a good relationship with the Town of Cecilton for over 20 years. They currently service 17 families. Because of funding restrictions, they are located very close and without transport. They are expanding to 34 families, maybe 35. Head Start not only works with the children, but also with the parents to get them education services, job training services, and get them into a job. They also have a housing component. They are going to have an office, hopefully in the new building, where a housing counselor can come once or twice a week and meet people by an appointment basis. They give pre-purchase counseling, housing preservation work, and mortgage application. For people in emergency situations they have a wide network to seek help. In the current building there is not the space to do these services. The new building would allow them to expand and bring in more services. Mayor Zang asked if there were any questions for Mr. Benzing.

Mayor Zang continued in saying the new building would allow for expansion and would be outfitted with new state of the art equipment. Right now the current building is in deplorable shape. Part of what the state is doing is giving Cecilton an opportunity to invest state dollars into the community. That is where the money is coming from to build the school and senior apartments. The idea behind the senior apartments was from a discussion many years ago with the local seniors in the area that no longer wanted to have property tax revenue and did not want have to fix/maintain their houses but still wanted to live in the community. The 55 and over idea came out of that. It started with 12 apartments and moved into 20. There is information about what they would look like displayed in Town Hall. That is another facet of this entire project is that the state is putting the money into the community to create that. On its own it could not be done. There is not enough income to keep something like that running. Another portion of this project was a redevelopment of the piece of ground owned by the town. The front section of land is going to be retained by the town, which is the highway commercial portion. That

has significant pluses because the town would retain ownership. It would be subdivided out a part from this project and it has been approved by the Planning and Zoning Committee. It would allow the town to find a developer to purchase that. Mr. Benzing, is interested, if we could find a developer, to build something for the /with the Early Childhood Learning Center. This will be significant to our community not only because it will allow people that no longer want to own their homes to stay in the community but they will also be interacting with the children in the Early Childhood Learning Center. The idea has already been thought about the interaction between the children and the seniors. This is an opportunity to bring the community together in a different way.

Mayor Zang continued to explain that the state says they will give a certain lump sum of money to the project and the town has to be a participant. The town has to provide a dollar amount ownership. It is our percentage of the project. At this point that percentage of the project is \$392,462. It is a value, a value made up of an appraised amount for the two lots, not the highway commercial lot that is ours, but the 2 lots where the 20 units will go and the school will go. The other portion of the amount of money is the reduced amount for the hookups. This equates to \$171,462. Out of that we would end up with is about \$135,000 in hook up dollars and just about \$5460 in property tax and water/sewer revenue would be around \$38,374 a year (based on the minimum usage). That is based on 20 units. Those numbers would continue paying the Town of Cecilton, forever (property tax revenue and water/sewer revenue). We don't write a check, give any money out of any account. They use those figures to determine the value we are participating. Mayor Zang asked if there were any questions. (Discussion/review of figures between Member DeVary and Mayor Zang.) Reviewing that the town would receive \$135,000 for the hookup fees because of reducing the hookups by \$171,462. It is actually the waste water hookup that we are granting them.

Mr. Stephen Duphily asked, "What is the developer putting into this project? The land is being donated to him in order to get a grant from the state to build. What does the developer have to pay, nothing?"

Mr. Andy Stansfield, representing Home Partnership that is developing the project. He is the chair. Frank Hodgetts the CEO manages the operation. It is a nonprofit. Home Partnership's mission is to help people realize the American Dream to own a home. They tackle projects that a lot of other private or for profit developer would never look at because the up side would be very minimum. They are partnership between the community, government, and future homeowners. They are \$260,000 out of pocket to date for engineering fees and other consultation fees to get the project to where it is now. They are now at the point where they can get the state grant to kick in, so they can continue to get the project moving forward. They are nonprofit and function off of grants, investors, and grassroots fundraising.

Mr. Duphily asked, "So the housing that is going to be built will be eventually owned by the people?"

Mr. Stansfield replied, "There will be a management entity that will manage the property."

Mayor Zang commented, "So these will be apartments. They do both, do homeownership and apartments."

Mr. Stansfield explained, "This project is an apartment project."

Mr. Duphily replied, "Like last time we voted on a retirement community was where Parklands is. That was originally a retirement community."

Mayor Zang responded, "No, never. It was never a retirement community."

Mr. Duphily continued, "When we gave the variance it was."

Mayor Zang: "Chris (Chris Rogers) was our engineer at the time. It was never.

Chris Rogers: "Was it before my time was it?"

Mayor Zang: "Parklands?"

Mr. Rogers: "No before."

Mayor Zang: "Don't know if it was before Parklands. Was it before Parklands?"

Mr. Dughilly: "Yes, before that became it was originally going to an old folks."

Mayor Zang: "No, when Mr. Rice had it going to be townhomes."

Member DeVary: "Before that Bud Rice had it and it was going to be townhomes developed and sold off outright."

Mayor Zang agreed.

"Which ultimately would have turned into .....55 plus."

Mayor Zang and Member DeVary continued to express that a different area at one time was going to be multi-story 55 plus area by Davitt Simons. And that this type of thing we have not done yet. This is a newer idea of having, other than Earlton Village that is a similar. Earlton Village is rent controlled based on a very low income. These are a mixed income.

Mr. Benzing indicated that 50% have to be at half the state median income. The median state income right now is at \$96,000. He stated that half of the people coming in (to MRDC), all of my children and their families are low income. They have to be to qualify. Rental Housing Partnership Program is what it is called. What money they put in, the town is putting up their end with the property. The state then puts in a lot of money and it is a titled a loan. It is against the law for the town or the developers to pay back that loan as long as it remains a rental property and half the people in there are at half the median or under. The money that comes in takes care of the maintenance and put back into the buildings.

Mayor Zang expressed how that Earlton Village is in dire need of some upgrades or repairs, but they are part of a different program. This property will not be like that because of the type of program it is and the amount of money that will be reinvested back into it. Mr. Benzing gave an example of a set of apartments in Garrett County that were built under this program and they look like they were built yesterday because of the money the goes back into them.

Member DeVary asked, who was going to do the property managing. Mr. Stansfield expressed that has not been finalized at this time. Mayor Zang asked for clarification that there will be two entities. There will be one that owns the school and one that would own the apartments. They will be the responsible parties and they would look at offsite management to manage their day to day operations. A lot of logistics for trash and such has been worked out with the town planner and lawyer. That is paid through taxes. There is a tax base that is being create that we did not have. Administrator Cooper clarified that apartment owners/management will be responsible for paying their own trash service for the facility.

Mr. Dughilly also asked why the town was giving them a break on the hookup fees. Mayor Zang stated to get part of the number (money) that the state needs to be able to get the grant. So it works out roughly that every dollar we invest the state will put in 26 or 28. Member DeVary asked about the similar project in Elkton. Mr. Stansfield replied that it was the North Street Senior Apartments. He explained how it started was similar to what they are doing here in town. Elkton had the old jail building and no use for it. There was a vision to senior apartments there and Home Partnership got involved and helped to pull it all together and get it done. Member DeVary then went on to ask what was Elkton's contribution to the project. Mr. Stansfield did not know the figures. Member DeVary wanted to know whether there was reduced hookup fees. He knows that Elkton currently does not charge hookup fees. Mr. Stansfield did not deal with the project. Frank Hodgetts may have those numbers. Mr. Benzing expressed that with smaller projects have smaller donations and larger projects,

larger donations. One to 25 is about the ratio on these projects. It does provide the town income and you get it back due to fees, taxes, and such. It is perpetual.

Member Zack asked about who makes the decision about the management company. Mr. Stansfield reviewed that Home Partnership works with. Mayor Zang and Member Zack indicated that the Mayor and Council would like to be included in that discussion. Member DeVary asked if there is a management company that works with them. They will look at groups that have other projects in the vicinity and would be viable for the management company. It was asked who manages the apartments in Elkton. There was a number of different partners involved in that. Habitat was involved at one time and Mr. Stansfield does not know who is currently involved. It was then questioned on whether they have changed hands frequently. Not really, Habitat was involved when they started to set it up. That project is set up a little differently than this one. They are smaller apartment and their company was brought in to get the project off the ground.

Town Planner Chris Rogers indicated the plans have been approved from the Planning Commission to the rezoning to the engineering plans. All the cost estimates are approved. Besides this issue the only thing left to do is to execute public work agreement with Mayor and Council and record the subdivision plan and the final PUD plan, pending the development plan. Attorney Yeager expressed that before that can be done there has to be an agreement on the water and sewer fees. The state of Maryland requires the town to some sort of ownership in pursuit of projects. It is a partnership agreement, so the town is a partner. We would have 1% partnership. It is called the Partnership Rental Housing Program. The state of Maryland requires the town to have an ownership percentage and the Mayor thought that 1% would be appropriate. Mr. Benzing commented that if someone would change the use of the project then the developer would be responsible for the loan and 1% of the loan would the town be responsible for. No one is ever going to do that and it has never been heard of. Mayor Zang commented that there would be an agreement in place based on the attorney's recommendation that would be indemnification and the town would not have to pay back anything. There would be no liability to the town, so the risk would be on the developer. We are looking at an opportunity cost and that is the land and in return the town would have a perpetual return on its investment.

Member Cooper asked if there are any similar communities in surrounding southern counties. Mr. Stansfield answered that there is one being looked at, but not built yet in Caroline County. The towns that have used the program, the Partnership Rental Housing Program, recently includes Cristfield, New Windsor, and Eastern Market.

This is a competitive process to get the state funding. The application process is rigorous and fortunately the Secretary of Housing has come out visited Cecilton (around 4 years ago). This is a program that will enhance this community and surrounding community.

Mr. Stansfield reiterated that this project allows those that love this community and surrounding areas to downsize with less maintenance to stay in this community.

What is the minimum usage rate quarterly? \$137.80 (without the flush tax).

Member Zack would like a copy of the projected income sheet from the project. Further discussion of the rates between the members.

No other questions were presented. Member Zack motioned to leave the public hearing. Member DeVary seconded the motion. Motioned carried to leave the public hearing.

## **REVIEW AND ACT:**

### **Vote**

Attorney Yeager indicated that according to the Town Charter there has to be a transfer of land that is owned by the town. The Charter requires that it be done by the vote of the council and must be a majority vote. The charter also calls for a public hearing before a vote. The public hearing was held before entering into this meeting. The council needs to decide whether or not to go forward with the project and if so then a motion, a seconded, and a vote needs to happen to proceed. Attorney Yeager also expressed that the land is the way to show the town's participation otherwise we would need to come up with the monetary donation or another way to participate in kind. This is different than transferring land to a private developer. This is a nonprofit organization that provides ownership to the town, provides a public service to it, and provides a vehicle for having a safe and modern school for the children. The front parcel of the land will be attractive to development. Having a more modern, functional school with increased number of children and senior development will make a retail and professional office setting more financially viable than the way the property is right now. It was reiterated that the town would have 1% interest/ownership but not liable due to indemnity.

Member DeVary moving forward what does that do to our hookup fees. Mayor Zang indicated that it was up to council. Member DeVary expressed that the only way to bring revenue to the town is the hookup fees. Mayor Zang expressed that it brings a portion of revenue that is supposed to be used for your water and sewer upgrades. The property tax revenue and the income tax revenue and the property value raising is the biggest source of consistent income.

Your hookup fees generally go into for capital improvements in your water and sewer system as opposed to the operating costs. Your quarterly charges go to operating. You do want to have as many users on your system to spread the cost per user. With respect to the hookup fees, you can vote to go forward on the project and then come back at another meeting to look at how we want to amend the water/sewer ordinance to deal with those fees. Those fees are set in ordinance and there is no provision for a waiver other than the ordinance being amended. One way is to say you would waive the sewer fee for a period of time. Elkton is doing that to improve development. In this situation the state of Maryland has said that the town has to contribute a certain percentage of the project. That can be met by the value of the land plus waiving the sewer hookup fees, not the water hookup fees. We would have to have another meeting and public hearing, to amend the ordinance. If that is what Mayor and Council choose to do. Two options to waive the sewer fee would be to waive them because the town is a partner in a project or to waive the sewer fee for anyone for particular period of time. There was a reminder that the state will only put up their grant money if the town puts up their portion.

Member DeVary inquired on who would be doing the actual construction – Harper and Sons was the answer. Sales would be dealt with through the management company.

Mayor and Council Members estimated that the apartments and school would make a minimum of \$11,575 per year on the water/sewer charges based on minimum usage at the current rate of \$137.80 and \$5,460 in property taxes for an estimated total of \$17,035.20 per year. In 20 years, we would get back the money for land and the sewer hookup fees. Member Ringgold expressed that we would get our investment back but the main goal is for the kids and our senior residents.

Member Zack motioned to approve the transfer of land from Cecilton to Home Partnership of Cecil County Inc. for the sale of the property for the Senior Village and the Early Childhood Learning Center. Member Ringgold seconded the motion. All members were in favor. Motioned passed to transfer the land for the Senior Village and Early Childhood Learning Center to Home Partnership of Cecil County Inc. Member DeVary made a

motion to have Mayor Zang to sign documentation for the transfer of land to Home Partnership of Cecil County Inc. Member Zack seconded the motion. All members were in favor. The motion passed to allow the Mayor to sign the settlement documents for the transfer of property from the Town of Cecilton to Home Partnership of Cecil County Inc.

**Monday, June 17, 2019 Mayor and Council Work and Regular Session Meeting Minutes:**

Mayor and Council reviewed the meeting minutes. Member Cooper asked what was the update on the broken glass in the door of the community center. Treasurer Roland indicated that she has contacted the landscaping company, who broke the glass, several times. They explained that they have been in contact with the company that was to do the repairs and they claim there was a part on order. The company that is to be replacing the glass was supposed to call her, but she has not heard from them. Administrator Cooper spoke to the owner of Bay Country Landscaping and expressed that the town will be holding camp there soon and we were not comfortable with the broken glass when children were present and how special events are held in the building and that is what the front of the building looks like. The owner seemed to agree and understand and said that he would expedite it as soon as possible. The glass was broken on the 31<sup>st</sup> of May. Member Cooper suggested that we give them 5 days to get fixed and if they don't the town will hire another contractor and back bill them for the charges. Everyone agreed. Administrator Cooper said her and Treasurer Roland will work on that tomorrow.

Member Zack made a motion to accept the Monday, June 17, 2019 Work and Regular Session Meeting Minutes as written. Member DeVary seconded the motion. Motion carried.

**June Preliminary Financials and Account Balances:**

June Preliminary Financials and Account Balances were reviewed. No questions.

**NEW BUSINESS:**

Communication Tower: Member Zack expressed how she and Richard Brooks, Director of Department of Cecil County Emergency Services and Safety, had communicated several times concerning the communication tower in the Town of Cecilton. He has explained some of the ins and outs and workings of the tower to her. Some individuals have had some questions. She indicated that she had shared some of their discussion at a previous meeting. Mr. Brooks gave some background about Member Zack's inquiry wanting to know information about the satellites on the tower. There are no satellites on the Cecilton tower. Cecilton's tower is a county tower in joint partnership between Cecil County and the State of Maryland. Everything that is on the tower is currently used for public safety communication or the State of Maryland EMS communications through which is called the EMRC network. Most of what is seen microwave back call. Communication is not done radio to radio, but radio to tower. The tower takes it, digests it into microwaves, pops it out, it is re-digested and then comes across the dispatcher's console. Now with the new radio system, the radio system is now Maryland's not Cecil County's. There is still the legacy system on there. That will be decommissioned and parts will come down. Member Zack asked Mr. Brooks to talk about the new communication system. Mr. Brooks explained the new communication system went live about 2 ½ weeks ago the Maryland First system right now is available on the eastern shore. Cecil County was the last to be outfitted with it. The new system coverage is doing well and the Cecilton tower coverage was activated about 2 hours after going live. The State of Maryland paid for the equipment and the county paid for the installation. Right now they are active on portables and they are on 700 megahertz bandwidth. They are now going to installation of stations in buildings (fire stations and police stations) and as well as mobile radios. Mr. Duphily asked if there were any commercial antennas on the tower. There are no commercial antennas. Mr. Duphily was reassured that there are no commercial antennas and

the antennas on the tower are being used or going to be removed if antiquated. The issue on what is on the town is governed by weight restrictions. Mr. Brooks expressed that if there are any other questions or concerns do not hesitate to call.

**PWSID Report** – John Neddo provided a written summary report. There has been a few issues over the past six/seven weeks with the emergency generator. The memory retention hardware at the plant does not hang around long enough to transfer for the electric. Working on helping with the transit. They keep the levels so low that the impact is not an environment issue. MDE inspection went very well. Got some relief from the report that they separated the recommend actions from the corrective actions. It is now down to some paperwork issues.

**Cecilton Activity Report:** Report was reviewed. Referring to last meeting, increased 2 more hours of patrols. It is working well having a report on scheduled activities at the community center and park so that there can be patrols when needed. Mayor Zang is still receiving emails concerning the speed on 213. Trucks mainly. State Highway is still in the process of finishing the parking spots as visual aids to slow people down. There is nothing new to report on the speed cameras. Mr. Duphily expressed that most of the speeding he has observed on 282 are local trucks, farm and local business trucks. Asked if there was a patrol group that could be present for strictly speeding. Deputy Walmsley will forward the report to the traffic unit to see about having traffic patrols increased. There was weapons incident on the report. Deputy Walmsley will research and see what that was.

#### **Public Comments:**

##### **Good of the Order:**

Dr. Alan McCarthy will be at the community center on August 6<sup>th</sup> at 6pm for Question and Answer Session.

55+ Healthy Lifestyles Expo at Elkton High School on August 8<sup>th</sup> at 8am.

MML Dinner at Chesapeake City

Member Zack expressed a concern about the trees in Frisby's Meadows needing trimmed.

Lions Club Horse Race – We have a table and need to know who would be attending to fill the table.

Update on the Brandon Michael Craig Memorial – We have had considerable donations and donations are coming in regularly. The raffle currently going on was put together by Josh Ritter that works for Pharm Med. He volunteered to get donations and put the items out for raffle.

Member Cooper questioned about Dollar General grounds maintenance. Mayor Zang has stopped in and talked to someone about it. They are on a ten day rotating cycle. Currently, Dollar General (corporate) have not invested anymore into the original landscaping. The employees that work at the store are not happy about it either. There are two ways to go is through Dollar General (corporate) or go through the land owner.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Teresa Quinn". The signature is fluid and cursive, with a small checkmark above the "i" in "Quinn".

Teresa Quinn

Joseph A. Zang, III  
Mayor

A large, stylized handwritten signature in blue ink, appearing to read "JAZ III". The signature is very fluid and cursive, with large loops and a prominent "Z".