

The regular meeting of the Pocomoke City Mayor and Council was held in the Council Chambers at City Hall on Monday, April 10, 2017. The meeting was called to order at 6:30 P.M.

Present: Mayor Bruce Morrison  
Council Members: Diane Downing, Brain Hirshman,  
Esther Troast, Dale Trotter, George Tasker  
City Manager/City Attorney: Ernie Crofoot  
City Clerk: Carol L. Sullivan

Review Minutes:

In a motion (Trotter, Hirshman passed) to approve the minutes of the March 20, 2017 meeting as presented. In a motion (Trotter, Hirshman) approved the closed meeting minutes of March 6, 2017.

Susan Brancieki, Worcester County Circuit Court Clerk to swear in Bruce A. Morrison as Mayor for a three-year term.

Worcester County Clerk of Court Susan Brancieki swore in Bruce Morrison as Mayor for a three-year term.

Mayor Morrison to swear in R. Dale Trotter as Councilmember for District 3 for a three -year term.

Mayor Morrison swore in R. Dale Trotter, District 3 Councilman for a three-year term.

Select 1st and 2nd Vice President of the City Council for the coming year.

In a motion (Tasker, Trotter passed) Councilwoman Esther Troast to serve as First Vice President of the City Council for the next year.

In a motion (Troast, Trotter passed) Councilwoman Diane Downing to serve as Second Vice President of the City Council for one year.

Mr. Will Stevenson to discuss information regarding the Golf Course.

Mr. Stevenson gave history update on the golf course. He stated that the deed was restricted to be used as a park or golf course and that it could not be used as a commercial golf course. He stated he heard that some people would like to close the golf course because it loses money. If they had read the most recent audit report in the City's finances is understandable because it does not include the income, it only lists the expenses on page 45 of the audit report. This presents a false impression that there was no income at the golf course. He thinks if the golf course was not there the homes in the area would lose their value and the property tax would decrease for that area. He stated that he would be happy to volunteer his time and effort if the Council would like for to him to see if they can improve the requirements in the future. Mr. Stevenson stated that the condition of the golf course was in much better shape this year than last year and if they stay in this shape the Lions Club would have their tournament there this year.

City Manager Crofoot stated that he was not sure what part of the budget Mr. Stevenson looked at, but he would be happy for him to come in and sit with him. However, we lost \$150,000 last year total. It is a continuing pattern, yes, we lose money on trash collection and water and sewer, which gets used by every citizen in Pocomoke City. City Manager Crofoot stated that if he could have \$25,000 he could make the golf course a very enjoyable passive park, places for picnicking, frisbee golf, they do not require special mowers for greens and chemicals

sprays. It is a money loser while we are struggling. He stated that he is looking at a budget that is half million loss. Many more number of people could use a passive park, and we all use our essential services.

Mayor Morrison stated that they have tough decisions ahead of them to make regarding the budget this year and need to think of ways to cut cost and make money to survive.

Ms. Amy Strong stated that she lives on Winter Quarters Drive, she is not a golfer, but when they bought their property they purchased it because it was on the golf course. They like the environment of living there. She stated that she hopes the City Council would let them know if they plan on closing the golf course, as they would like to have an input before it happens.

Mayor Morrison stated that there would be public meetings and we would keep everyone informed as to what would be happening with the golf course.

Mr. Jim Covington stated that we need to look into the historical grant that would greatly reduce the expense for the City. The supplies, equipment and things needed would have been taken care of. Money and grants are available and we need to take advantage of them.

#### Second Reading of Resolution No. 506 to reimburse expenditures incurred with respect to Clarke Ave. Main Pumping Station.

City Manager stated that this is to ensure our ability to reimburse ourselves from the USDA loan and grant for expenditures incurred with rehabilitating and improvements from the Clarke Ave. Main Pumping Station. IRS requires us to have a Resolution for us to reimburse ourselves.

Councilwoman Downing asked what percentage would we be reimbursed.

City Manager stated that he doesn't know as there are too many variables. It doesn't enable us to borrow or spend money, it enables us to recover money.

Councilwoman Downing asked how much money we would have to spend.

City Manager Crofoot stated that the projected cost of the Clarke Ave. Main Pumping Station rehabilitation is just under \$2.5 million dollars.

Councilwoman Downing asked if the City would need to come up with the whole amount.

City Manager Crofoot stated that part of the money will be paid by a grant, under Maryland Department of Environment, the rest of the money will be paid from USDA loan, which is roughly \$1 million dollars from the state, and \$1.5 million from a USDA loan. In conjunction with that, however, both the MDE grant and USDA loan are committed to upfront are not funded until the project is complete. We also have on the next item that we will need to issue a bond anticipation note to a bank that will fund the payments on the project until the project is completed, at which time when the grant and USDA loan is disbursed the bank that is providing the construction loan will be paid off out of the permanent financing. All the bills will have been paid, we will have been paying interest to carry the bank loan, when the principal is disbursed from the grant and USDA loan the interim bank gets paid and we start debt service payments on the USDA loan. For the coming year budget, we estimated one-half year of debt service, one year of interim financing interest and half-one year of reservice and replacement funds. Something we have never done with our projects before. As long as the loan is outstanding we have to put \$38,000 a year for replacement funds, so if things break and are replaced we will have money there to pay for them. The annual payments, debt service plus replacements funds will be around \$105,000 a year to carry that \$2.5 million-dollar debt.

In a motion (Hirshman, Trotter passed) to approve Resolution No 506 to reimburse expenditures incurred with respect to Clarke Ave. Main Pumping Station. Councilwoman Downing and Councilwoman Troastnay.

Approval of Bank Solicitation Letter for Interim Financing - Clarke Avenue Pumping Station:

City Manager Crofoot stated that it's the letter to the banks soliciting bids for the construction finance that we just talked about.

In a motion (Tasker, Hirshman passed) to proceed with the bank solicitation letter for interim financing. Nay Councilwoman Downing and Councilwoman Troast.

Update on Wastewater Clean-up invoices – none hit \$25,000:

City Manager Crofoot stated that the bill for CES for pumping out the pumping station and hauling it over to the lagoons was \$24,000 plus. There was several weeks of \$3,000 a week of pump work. The bypass pumps are gone, we had the rebuild pump installed. the other pump is overheating, we are keeping the second pump cooled when its operating.

Authorize Mayor to sign Proclamation for Fair Housing Month-April 2017:

In a motion (Downing, Trotter passed) to authorize Mayor to sign the proclamation.

Eagle Scout candidate Greg Treuth would like permission to build benches at DDC for his Eagle Scout project.

Mr. Greg Treuth, sponsored by the Salisbury Elks Lodge, would like to build an outside classroom at the Delmarva Discovery Center. He asked the Mayor and Council for their approval of the project.

In motion (Tasker, Trotter passed) to give Greg Treuth permission to build an outside classroom at the Delmarva Discovery Center for his Eagle Scout project.

City Manager Crofoot to give an update on budget process for 2017/2018:

City Manager Crofoot stated that you have heard most of it. Next week he would have a budget to present to them.

City Manager to discuss donation of land on 6th Street:

City Manager Crofoot stated where the telephone company is located on 6<sup>th</sup> Street and our building there is about a one acre vacant lot. He stated that he had a call from an agent representing the property owner stating they are considering donating the land to the City. City Manager Crofoot said that he would like to see an environmental report before accepting. If all is okay he would like to have Council's approval.

In a motion (Hirshman, Trotter passed) to accept the donation of land on 6<sup>th</sup> Street if there is no clean-up needed from the environmental report.

Discuss giving authority to City Manager to have property surveyed at Wastewater Treatment Plant:

City Manager Crofoot stated that we do not have a coherent up-to-date survey of the land to show exactly where the land available is within that parcel. He stated that he knew about how many acres that is available, but he would like to have something to show to someone that may

be interested in purchasing land. It will show all the properties separately, including the vacant property and show the shape of the land available.

Mayor Morrison asked if he knew about how much it will cost.

City Manager Crofoot stated he would estimate \$5,000.

In a motion (Troast, Hirshman passed) to give City Manager authority to hire a local surveyor to complete a survey of land at the Wastewater Treatment Plant.

Comments from Council:

Councilman Trotter gave a special thanks to the employees and to Karah for the Spring Festival. He stated that the Nature Trail needs some attention.

City Manager Crofoot stated that we did receive a grant to repair the Nature Trail, and that Public Works had replaced some boards.

Councilman Hirshman stated that 10<sup>th</sup> and Market Street still needs to be repaved from the electric company repair work, and it's going on a couple of years now.

City Manager Crofoot stated that he would like to get Jim Smith down here to over the repairs as there is several other places that need to be repaired.

Councilman Tasker asked if the signs could be moved to the correct place for crossing the street.

City Manager Crofoot stated that if he could get permission he would ask our employees to move the sign.

Comments from audience:

Mr. Duane Durham stated that he was in favor of closing the golf course.

Ms. Monna VanEss asked about the extra cost that the City is borrowing for rehabilitation of the main pumping station. Will that be added to our monthly bills?

City Manager Crofoot stated that the water and sewer fund is set to lose a lot of money. When our financial analysis reviewed our financials, they stated that the Water and Sewer fund should be self-sufficient. That the City should not be moving funds into the account. City Manager Crofoot stated that it was not up to him to say whether the recommendation would be taken up whole or in part. Ideally, water and sewer funds are enterprise funds and are self-sufficient.

Following a motion by Councilwoman Downing and seconded by Councilman Trotter, the Council voted to meet in a closed session at 7:45 P.M. in the Council Chambers. Present were Mayor Morrison, Councilman Hirshman, Councilman Trotter, Councilman Tasker, Councilwoman Downing, Councilwoman Troast, City Manager/City Attorney Crofoot, and City Clerk Carol Sullivan. The Mayor and Council to discuss the appointment, employment, assignment, promotion, discipline, demotion, compensation, removal, resignation, or performance evaluation of appointees, employees, or officials over whom this public body has jurisdiction; or any other personnel matter that affects one or more specific individuals; to discuss or to consider a matter that concerns the proposal for a business or industrial organization to locate, expand, or remain in the State Maryland items.

Approved: \_\_\_\_\_

Carol L. Sullivan  
City Clerk