

Introduced 3-20-25
Passed 3-20-25
Effective 3-20-25

EMERGENCY ORDINANCE NO. EO-25-02
AS AMENDED AFTER INTRODUCTION

**AN ORDINANCE OF THE TOWN COUNCIL OF CHESAPEAKE BEACH,
AMENDING THE ADOPTED UTILITY FUND BUDGET FOR THE FISCAL
YEAR FROM JULY 1, 2024 TO JUNE 30, 2025, TO PROVIDE FUNDS FOR
TEMPORARY RELIEF FOR WATER AND SEWER ACCOUNT HOLDERS IN
THE THIRD AND FOURTH QUARTERS OF FY 2025 AND TO PROVIDE
FUNDS FOR PROFESSIONAL SERVICES TO ASSIST THE TOWN IN
ASSESSING THE RATE STRUCTURE FOR THE WATER & SEWER BILLING
AND RATE ANALYSIS FOR ~~FY 2025~~**

WHEREAS, Chesapeake Beach (the "Town") is a municipal corporation of the State of Maryland, organized and operating in accordance with Article XI-E of the Constitution of Maryland and Md. Code Ann., Local Government Article, Title 4; and

WHEREAS, pursuant to the Local Government Article of the Annotated Code of Maryland and Section C-707 and Section C-808 of the Charter of Chesapeake Beach, Chesapeake Beach is empowered to establish an annual budget; and

WHEREAS, on or about May 7, 2024, following required advertisement and public hearing, the Town Council approved a budget ordinance for the Town's General Fund for Fiscal year 2025; and

WHEREAS, pursuant to § 5-205(b) of the Local Government Article a municipality may not expend funds not appropriated in its annual budget for the purpose for which they are to be spent; and

WHEREAS, pursuant to § 5-205(b) of the Local Government, a municipality may amend an adopted budget to expend funds not previously appropriated upon a 2/3 vote of the legislative body; and

WHEREAS, it has come to the attention of the Mayor and Town Council that the water and sewer service rates established in the Utility Fund budget for FY 25 have created unusually

high bills and have caused a hardship for many account holders; and

WHEREAS, the Mayor and Town Council wish to implement temporary relief for water and sewer service account holders while they examine the rate structure to determine if the manner in which the rates have been established is the most appropriate method of recouping the operational costs of the facility; and

WHEREAS, the Mayor and Town Council further wish to provide funds for retaining professional services for the ~~foregoing~~ assessment of the rate structure; and

WHEREAS, the Mayor and Town Council consider the need to provide relief from excessively high water and sewer bills to be some urgency and in order to allow such relief to be implemented in time for the issuance of third quarter utility bills, an emergency warranting the suspension of the waiting period between introduction and adoption of an ordinance and the deferment of the effective date of an ordinance for 20 days set forth in Section C-309 of the Charter is declared to exist,

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

Section 1. The annual budget for the Utility Fund of Chesapeake Beach for the Fiscal Year 2025 is hereby amended to show funds transferred from the General Fund in the amount of \$435,000 to a new Line Item, "Transfer In – General Fund" to be assigned by the Administration, and expended (1) for the rate payer relief described herein in the amount of \$335,000 in a new Line Item assigned as, " Water Sewer relief credit", and (2) for professional services, including but not limited to, ~~to determine the most appropriate method of~~ assessing the water and sewer operational costs ~~including, but not limited to~~ an in-depth Utility fund and rate analysis, utility fund management recommendations, an operating cost analysis, utility billing recommendations,

~~Double strikethrough~~ : indicates matter stricken from the Ordinance after introduction
Double underlining : indicates matter added to the Ordinance after introduction

an EDU (Equivalent Dwelling Unit) Audit, a comprehensive utility infrastructure evaluation, updates to the Town's water and sewer manual, and recommendations related to Capital Connections, all aimed at optimizing the management and sustainability of the Town's water and sewer system in an amount not to exceed \$100,000, in a new Line Item assigned as, " Utility Fund Assessment and Optimization Professional Services", and that the Total Revenues and Total Expenditures shall each be amended to \$4,250,724.00, all as shown in Exhibit A attached hereto.

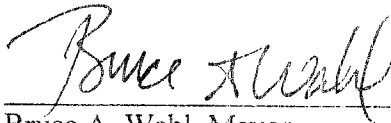
Section 2. In all other respects the budget for the Utility Fund, as adopted on May 7, 2024, shall remain as adopted and in full force and effect with respect to revenues and expenditures for the Fiscal Year 2025.

Section 3. Notwithstanding any provision in the rate schedule adopted by Town Council as part of the FY '25 Utility Fund budget, active Town water and sewer account holders shall receive a 20% reduction in the amounts billed for water and sewer service for the 3rd and 4th quarters of FY 2025. This reduction shall not be applied to connection fees, testing and inspection fees, tap fees, billing fees, arrears, or the Chesapeake Bay Restoration fee, or to other charges the Town is required by law to collect.

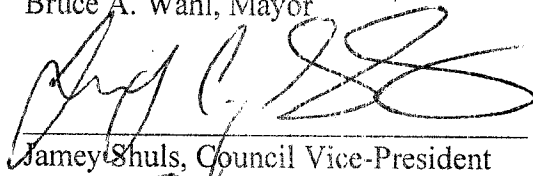
AS CERTIFIED by their signatures below, the members of the Town Council affirm that this Emergency Ordinance was introduced at an Emergency Meeting of the Town Council on March 20, 2025, and considered for adoption at the Emergency Town Council meeting on the same date. The vote of the Council was tallied and 6 votes of approval and 0 votes of disapproval were cast. The resulting majority of the Council approved the passage of this Emergency Ordinance this 20th day of March 2025. If signed by the Mayor below, the Mayor approves this Emergency Ordinance pursuant to Section C-310 of the Charter this 20th day of March, 2025, and this Emergency Ordinance shall become effective immediately upon the Mayor's approval.

~~Double strikethrough~~ : indicates matter stricken from the Ordinance after introduction
Double underlining : indicates matter added to the Ordinance after introduction

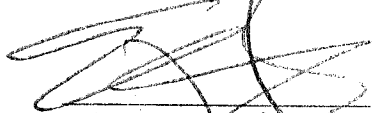
CHESAPEAKE BEACH, MARYLAND



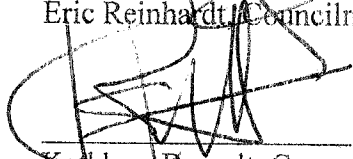
Bruce A. Wahl, Mayor



Jamey Shuls, Council Vice-President



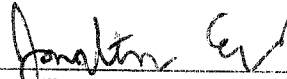
Eric Reinhardt, Councilmember



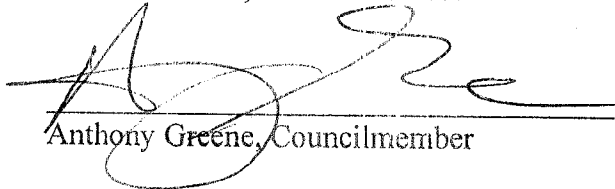
Kathleen Berault, Councilmember



Laura Blackwelder, Councilmember



Jonathan Evans, Councilmember



Anthony Greene, Councilmember

FY25 Budget
Utility Fund - AMENDED

		<i>FY25 - Current</i>	<i>Amendment</i>	<i>FY25 - Amended</i>
REVENUES				
TBD	Grant General Fund	-	435,000	435,000
400-440010	Sewer Usage Charges	1,091,168	(116,965)	974,203
400-440040	Sewer Penalties & Interest	20,000		20,000
400-441010	Water Usage Charges	432,856	(46,399)	386,457
400-441020	Processing Fees & Fines	77,418		77,418
400-441030	Water Penalties and Interest	16,000		16,000
400-450000	Investment Interest	59,234		59,234
400-460000	Fixed Fee	1,601,200	(171,636)	1,429,564
400-460050	Infrastructure Fees	1,000		1,000
400-460100	Sewer Capital Connection Fee	255,000		255,000
400-460200	Water Capital Connection Fee	127,500		127,500
400-461000	Tower Site Rental	134,348		134,348
TOTAL REVENUES:		3,815,724	100,000	3,915,724
EXPENSES				
400-6850-601000	Salaries & Wages	575,246		575,246
400-6850-602400	Continuing Education	6,500		6,500
400-6850-610500	Taxes & Benefits	290,212		290,212
400-6850-662200	Meter Repairs & Maintenance	25,000		25,000
400-6850-715100	Water Plant Repairs & Maintenance	95,000		95,000
400-6850-715500	Water Testing	18,000		18,000
400-6900-621400	Engineering & Professional Fees	54,000		54,000
400-6900-621501	Safety	17,000		17,000
400-6900-625300	Interest & Administrative Expense - LT Debt	60,034		60,034
400-6900-626001	Pump Station Repair	50,000		50,000
400-6900-630500	Supplies	50,000		50,000
400-6900-631500	Postage	10,608		10,608
400-6900-632400	Miss Utility Fees	2,000		2,000
400-6900-632500	Line Repairs & Maintenance	90,000		90,000
400-6900-632800	Banking Fees	58,000		58,000
400-6900-670000	TPF Fixed / Capital Costs	1,057,759		1,057,759
400-6900-670100	TPF Variable	472,253		472,253
400-6900-687500	Utilities	120,000		120,000
400-6900-717600	Miscellaneous	500		500
400-6900-780000	Insurance	53,612		53,612
400-6900-801000	Capital Projects	185,000		185,000
TBD	Utility Fund Assessment and Optimization Professional Services	-	100,000	100,000
DEBT SERVICE				
400-6900-719300	Principal - 2014 - ENR	194,254		194,254
400-6900-748100	Principal - 2008 SRF Loan	293,449		293,449
400-6900-748300	Principal - ARRA Loan (2009)	37,297		37,297
400-6900-800000	Reserves for ENR LT Debt	-		-
TOTAL EXPENSES:		3,815,724	100,000	3,915,724
SURPLUS/DEFICIT:		-	-	-