

**SNOW HILL MAYOR AND COUNCIL**

**WORK SESSION**

**Monday, March 13, 2023**

**Old Fire Hall, 212 W. Green Street, Snow Hill**

**Minutes**

**Masks are optional.**

**4:30pm – Work Session**

A Work Session of the Mayor and Town Council of Snow Hill, Maryland was held at The Old Fire Hall on Green Street on Monday, March 13, 2023 with Mayor Pruitt presiding.

**STAFF IN ATTENDANCE**

**PUBLIC OFFICIALS PRESENT**

Mayor Michael Pruitt Rick Pollitt, Jr., Town Manager

Councilmember Janet Simpson Carol L Sullivan, Executive Administrator

Councilmember Regina Blake Lounell Hampstead, Finance Manager

Councilmember Jenny Hall

1. **Discussion and Review Item:**

**Presentation of Water & Sewer Rate Study by Jean Holloway, of SERCAP, Inc**:

Mayor Pruitt introduced Jean Holloway. She is a native of Snow Hill and current property owner and has been providing consultant services in public utilities for municipalities for a number of years. She explained how she came to be involved in this study, noting that it was entirely funded by SERCAP at no cost to Town taxpayers.

Ms. Holloway stated that our water and sewer department is in a serious deficit position and has been for some time. The average cost of producing 1,000 gallons of water is $8.16 and the town is collecting only $7.30 per 1,000 gallons; the average cost of collecting and treating wastewater is $20.30 per 1,000 gallons the town is collecting $10.51 per 1,000 gallons. Neither the Water nor the Sewer utility is financially sustainable under the present rates and rate structure, and cannot continue without substantial subsidy from the General Fund and tax revenues. Ms. Holloway’s study states that both utilities must be attended to immediately and that failure to address the deficits immediately as well as over the long term will jeopardize the utilities’ sustainability and ultimately with compliance with required State regulations. Ms. Holloway stated that there were several programs available to help with utility bills for lower income families.

Ms. Holloway reviewed several possible rate structures based on differing levels of water usage and the costs of supporting each one.

A serious and sober discussion followed as Ms. Holloway’s report was met with deep concern and a realization that tough decisions on water and sewer rates had been delayed over the years for far too long. Yet it was pointed out that use of general funds to prop up utility accounts was not only contrary to all proper financial management practices, it also violated accounting standards that establish the fiscal health and security of a local government. Mayor Pruitt offered that no one should point fingers or assess blame for past decisions but he felt it was the obligation of the current Mayor & Council to set things right. He added that anything less than a full course correction would simply prolong the deficit situation, threatening our financial stability and standing with the State Department of the Environment.

Town Manager Pollitt stated that the Town would research information on all available public assistance programs to share with anyone struggling to meet existing and future costs of water and sewer service.

1. **Adjournment:** The meeting adjourned at 5: 35P.M.

Respectfully submitted,

Carol L Sullivan

Carol L. Sullivan

Executive Administrator