

CITY COUNCIL
OF
HAVRE DE GRACE, MARYLAND

ORDINANCE NO. 1130

BUDGET AMENDMENT 2024-05

Introduced by _____ Council Member Robertson _____

AN ORDINANCE BY THE MAYOR AND CITY COUNCIL OF HAVRE DE GRACE BY THE AUTHORITY OF ARTICLE XI-E OF THE MARYLAND CONSTITUTION, THE LOCAL GOVERNMENT ARTICLE OF THE ANNOTATED CODE OF MARYLAND AND SECTION 37 OF THE HAVRE DE GRACE CITY CHARTER FOR THE PURPOSE OF AMENDING THE CITY BUDGET FOR FISCAL YEAR 2024, TO ADDRESS REALLOCATIONS OF FUNDS FOR THE CITY OF HAVRE DE GRACE FOR FISCAL YEAR 2024

On: November 20, 2023

at: 7:00 p.m.

Ordinance introduced, read first time, ordered posted and public hearing scheduled.

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Ordinance having been published according to the Charter, a public hearing was held on December 4, 2023 at 7:00 p.m., and concluded on December 4, 2023 at 7:03 p.m..

<p style="text-align: center;"><u>EXPLANATION</u></p> <p><u>Underlining</u> indicates matter added to existing law.</p> <p>[Bold Brackets] indicate matter deleted from existing law.</p> <p>Amendments proposed prior to final adoption will be noted on a separate page with line references or by handwritten changes on the draft legislation.</p>

WHEREAS, the Mayor and City Council of Havre de Grace, a Maryland municipal corporation, is required to establish an annual projection of anticipated revenues and proposed expenses, known as the budget, for the City of Havre de Grace for the fiscal year beginning July 1, 2023 through June 30, 2024, said period known as fiscal year 2024; and

WHEREAS, the Mayor and City Council of Havre de Grace passed the Budget Ordinance 1109, establishing the budget for Fiscal Year on June 20, 2023, pursuant to the Havre de Grace Charter Section 37 and by the authority of the Local Government Article of the Annotated Code of Maryland; and

WHEREAS, Budget Ordinance 1109 projected revenue, expenses and capital project completion on best estimates and timetables when proposed; and

WHEREAS, timing of the close out of one fiscal year and the opening of a new fiscal year, requires the Finance Department to forensically account for (1) those billing cycles that require expenditures get properly allocated, (2) the status of closure on project completion and (3) unanticipated revenues; and

WHEREAS, Section 37 of the Charter states “*No officer or employee of the City shall expend money that is not appropriated*”, and the majority of this budget amendment is for time sensitive Capital Project carry-over, to financially sustain and complete those projects; and

WHEREAS, the City has determined that the expansion and upgrade of the Water Transmission Line along State Route 155 is of utmost importance to the continued development within the City; and

WHEREAS, the City has identified 4 bridges that should be inspected as to ensure public safety; and

WHEREAS, the City has determined that the boiler at the STAR Centre be replaced before the onset of winter weather;

NOW THEREFORE, it is determined, decided, and ordained by the City Council that Budget Amendment 2024-05 (Exhibit A) be included as part of the Fiscal Year 2024 Budget.

ATTEST:

Stephen J. Gamatoria
Director of Administration

MAYOR AND CITY COUNCIL
OF HAVRE DE GRACE

William T. Martin
Mayor

Introduced/First Reading: 11/20/2023
Public Hearing: 12/4/2023
Second Reading/Adopted: 12/4/2023
Effective Date: 12/5/2023

Exhibit A



INTER-CITY MEMORANDUM

To: City Council President James E. Ringsaker, Jr.
From: Mayor William T. Martin
Date: 11/15/2023
RE: Proposed Budget Amendment 2024-05

The City Council approved the fiscal 2024 budget through Ordinance 1109 on June 20, 2023. Included in the budget was a \$3,891,800 estimate for the amounts needed in fiscal 2024 for increasing the size of the water transmission line up State Highway Route 155.

The City has completed its request for proposal process and the lowest responsive bid was \$5,521,900, an increase of \$1,630,100 from the original estimate, see the attached memorandum.

This water line improvement is the highest priority for the continued development along that section of the City. Therefore, I am requesting that we increase the funding for this project.

In order to fund this increase, I have determined that the following budgeted projects be put on hold until I can identify adequate resources to fund them:

- The Tower/Tank Rehabilitation should be reduced by \$400,000, leaving \$101,300 to fund anticipated engineering for both the placement and size of the additional water tanks.
- The Water Line upgrades should be reduced by \$370,000, leaving \$2,356,100 in the project. The reduction amount is the estimate to upgrade Commerce Street, the lowest priority line this fiscal year.
- The Water Plant Upgrades should be reduced \$200,000, leaving \$45,800. Most of the planned rehabilitation can be deferred to future years without significant consequence.
- The Ontario Street Sewer Line should be reduced \$111,500, leaving \$88,500, the actual cost of the project.

- The Lafayette Street Pump Station Line Upgrade should be reduced \$77,000, leaving \$14,500, the final cost of the project.
- The Old Bay Lane Water Main Extension should be reduced \$40,800 as the project can be deferred without significant consequence.

The remaining \$353,800 will be funded through increases to the following revenue line items:

- The City received \$182,000 in Community Development Block Grant reimbursements for repairs to Pennington last fiscal year. This reimbursement was not contemplated by the budget when drafted.
- The City's beginning Fund Balance in the Water & Sewer Fund is currently \$1,217,700. This amount is \$512,700 greater than estimated by the budget and I am recommending we commit \$171,800 to complete the funding for this priority project.

Additionally, I have learned that the Grit Tank in the Wastewater Treatment Plant requires replacement that should be done this fiscal year. The cost of the replacement is \$70,000 and I am requesting funding to do so. To fund this effort, I am recommending we commit an additional \$70,000 from the additional beginning fund balance resources.

Finally, there are 2 unexpected projects that need to be funded this fiscal year;

- There are 4 bridges that need to be inspected, at an estimated cost of \$90,000. This is a safety issue that should not be deferred until next fiscal year. The bridges are as follow:
 1. Martha Lewis Blvd over CSXT (Bridge)
 2. Chapel Road over Unnamed Tributary (Pipe Culvert)
 3. Grace Manor Drive over Unnamed Tributary (Two-Cell Pipe Culvert)
 4. Tydings Road over Unnamed Tributary (Pipe Culvert)
- The boiler at the STAR Centre is in need of replacement before the winter and the estimated cost for this effort is \$30,000.

To fund these projects, I am recommending that we reduce the funding for Parking Land Acquisition by \$120,000. There are no additional properties that are expected to become available at this time.

Please contact George DeHority, Patrick Sypolt, or Steve Gamatoria if you have any questions or require additional information regarding this budget amendment request.

November 15, 2023

Narrative Supporting Budget Amendment

The purpose of this amendment is to provide adequate funds for the installation of a water transmission line extending from the City's water treatment plant to the Graceview water tank.

The existing transmission line is undersized and cannot transfer water at the rate in which it is being consumed currently and maintain adequate public safety levels. The forecasted demand for water consumption will exacerbate that inefficiency even more.

A request for proposals was advertised and the accepted proposal, \$5,521,850 exceeded the budgeted amount for that project. As a result a review and assessment of those capital projects not yet acted upon was performed and those projects which could be delayed until upcoming budget years were identified. It is those funds that we request to have redirected towards the Superior Street transmission line project.

Please contact George DeHority; Steve Gamatoria or me, Patrick Sypolt, if you have any questions or require additional information regarding this budget amendment request.

11/15/23, 2:25 PM

City of Havre de Grace Mail - Fwd:



The City of Havre de Grace

George DeHority <georged@havredegracemd.com>

Fwd:

1 message

Michele Widman <michelew@havredegracemd.com>
To: George DeHority <georged@havredegracemd.com>

Wed, Nov 15, 2023 at 1:59 PM

Inspection proposal details below.
Should include an estimate for any hopefully minor repairs to be done after the inspection is completed.

Hopefully this helps.

Michele

----- Forwarded message -----

From: **Michele Widman** <michelew@havredegracemd.com>
Date: Wed, Nov 15, 2023 at 1:25 PM
Subject: Re:
To: Steve Gamatoria <steveg@havredegracemd.com>

Steve,

Proposal included:

JMT will complete 4 routine "hands-on" structural condition assessments under this assignment. The structures include:

- 1. Martha Lewis Blvd over CSXT (Bridge)
- 2. Chapel Road over Unnamed Tributary (Pipe Culvert)
- 3. Grace Manor Drive over Unnamed Tributary (Two-Cell Pipe Culvert)
- 4. Tydings Road over Unnamed Tributary (Pipe Culvert)

Revised proposal:
\$83,500.38

On Wed, Nov 15, 2023 at 1:09 PM Steve Gamatoria <steveg@havredegracemd.com> wrote:
The bridge inspection quote - was it just for Greenway- or did it include Lewis Lane and Chapel ?

Steve Gamatoria
Director of Administration
City of Havre de Grace
410-652-6643

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Michele Widman
Procurement Officer
City of Havre de Grace
410-939-1800 ext 1109

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BUDGET AMENDMENT

November 15, 2023

Amendment # 2024-05

SOURCE OF FUNDS

Account Number	Account Title	Amount
	General Fund 1	
	Water & Sewer Fund 9	
09-0001-48-50	CDBG Grants	\$182,000.00
09-0001-49-01	Beginning Fund Balance	\$241,800.00
	Total Sources	\$423,800.00

USE OF FUNDS

Account Number	Account Title	Amount
	General Fund 1	
01-1091-6507	Parking Land Acquisitions	(\$120,000.00)
01-1091-6508	STAR Centre Rehabilitation (Boiler)	\$30,000.00
01-1251-7100	Bridge Inspections	\$90,000.00
	Water & Sewer Fund 9	
09-1231-9024	WTP Upgrades	(\$200,000.00)
09-1232-9048	Water Line Upgrades (Commerce St)	(\$370,000.00)
09-1232-9055	Tower/Tank Rehabilitation	(\$400,000.00)
09-1232-9057	Old Bay Lane Water Main Extension	(\$40,800.00)
09-1232-9059	Rt 155 Water Transmission Line	\$1,630,100.00
09-1232-9060	Ontario Street Sewer Line	(\$111,500.00)
09-1245-9042	Lafayette St PS Line Upgrade	(\$77,000.00)
09-1245-9044	WWTP Grit Tank	\$70,000.00
	Total Uses	\$423,800.00

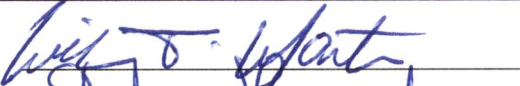
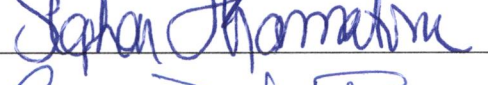
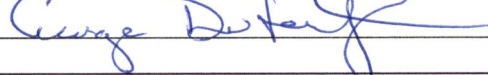
REASON FOR ADJUSTMENT

To fund Route 155 Water Transmission Line, bridge inspections, and WWTP Grit Tank

AUTHORITY

City Council on 11/20/23.

APPROVAL

MAYOR		Date: 12/6/23
ADMINISTRATION		Date: 12/6/23
FINANCE		Date: 12/6/23