

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: August 2, 2021
RE: ARPA\CSLFRF drawdown to replace lost revenue – inspection fees

The American Rescue Plan Act (ARPA) was signed in law on March 11, 2021. One of the key provisions of ARPA was support for units of local government impacted by the coronavirus pandemic of 2020 and 2021. The Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) language of ARPA cites the specifics for local units of government receiving funds from their respective states and uses for these funds. One allowable use is the replacement of local revenues lost due to the broad impacts of the coronavirus on local governments' ability to collect funds that government would use for specific purposes. For Federalsburg that represents the rental license revenues lost due to the inability of the inspector to do in building, on site inspections due to restrictions placed on access to private dwellings. Such restrictions were in place to prevent potential spread of the virus from dwelling to dwelling or from infected individuals to the inspector. As a result, no such inspections were performed from March 2020 to May 2021. For auditing and documentation purposes the building official's weekly reports for this time period, emailed to town elected and appointed officials in real time, show no rental dwelling inspection activity. Other inspection activity, especially for outside work and at commercial sites were conducted during this time period due to safer conditions and

For the fiscal year July 1, 2020 through June 30, 2021 the town budgeted \$20,000 for rental inspection fee revenue. For the same time period the actual revenue collected totaled \$6,330. This resulted in a deficit of \$13,670 for the fiscal year. The sole reason for this shortfall was the dwelling access restrictions in place due to the coronavirus pandemic and caution about town staff and town functions acting as a vector for potential spread of the virus.

Staff recommends approval of a drawdown of \$13,670 from the ARPA\CSLFRF to the town treasury to replace rental inspection fee revenue lost during the pandemic.

BACKGROUND: The National League of Cities (NLC) Service Line Warranty Program, offered by Utility Service Partners, a HomeServe Company, was conceived in partnership with the National League of Cities to educate property owners about their service line responsibilities and to help residents avoid the out-of-pocket expense for unanticipated and potentially costly service line repairs and replacements. Our program, the only one of its kind endorsed by the NLC and partnered with the Maryland Municipal League, will help the Town of Federalsburg to achieve its goals by:

- Providing homeowners affordable protection against significant and unexpected costs to remedy leaking/broken/ clogged water lines, sewer lines, and in-home plumbing lines
- Ensuring the delivery of timely, high-quality repair services in adherence to all applicable codes
- Providing exemplary service that reflects positively on the Town
- The program generates an ongoing, sustainable source of revenue for partner municipalities and stimulates the local economy by using fully vetted local contractors to complete the repairs.
- The Town will receive a royalty of \$0.50 per product per month for the duration of the program.

COVERAGE: NLC Service Line Warranty Program offers three complete and separate voluntary programs. There is never a service fee/deductible or annual or lifetime limit. Residents can cancel the warranties at any time.

Exterior Water Service Line: Includes service to locate, excavate and repair/replace a leaking exterior water service line. Covered repairs include, but are not limited to leaks, breaks, corrosion, blockages, root intrusion, and other types of damage (such as from freezing) that impair or limit the intended function of the system. Includes thawing of frozen water lines. Includes restoration of ground surface features after excavation for service line repair, including filling, raking, reseeding, reinstallation of existing soft landscaping and shrubbery, and patching of paved surfaces.

Exterior Sewer Service Line: Includes services to locate, excavate and repair/replace a leaking exterior sewer service line. Covered repairs include, but are not limited to leaks, breaks, corrosion, blockages (due to fats, oils and grease), root intrusion, and other types of damage (such as from freezing) that impair or limit the intended function of the system. Includes restoration of ground surface features after excavation for service line repair, including filling, raking, reseeding, reinstallation of existing soft landscaping and shrubbery, and patching of paved surfaces.

Internal Plumbing and Drainage: Coverage includes the emergency breakdown costs of repairing or replacing interior water, sewer, and drainage pipe materials, valves and other plumbing-related material, including unblocking, repair and replacement. Repair of clogged toilets.

Product	Monthly	Annual Coverage Limit	Annual Service Calls/Per Call Coverage	Royalty for the Town
External Water Line	\$5.75	Unlimited	Unlimited Calls \$8,500 Per Call	\$0.50 per contract per month
External Sewer Line	\$7.75	Unlimited	Unlimited Calls \$8,500 Per Call	\$0.50 per contract per month

In-Home Plumbing	\$9.99	Unlimited	Unlimited Calls \$3,000 Per Call	\$0.50 per contract per month
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IMPLEMENTATION: The NLC Service Line Program will utilize the Town logo to brand the materials used to educate Town residents/customers about our repair service plans. Program marketing literature clearly discloses that the Program and the Town are separate entities and that the program is voluntary for residents. The NLC Service Line Warranty Program will create all marketing materials with input from the Town and will submit all marketing/communications materials to the Town for final approval.

FINANCIAL IMPACT: No cost to the Town to participate and the Town would receive \$0.50 per product per month royalty.

MARKETING AGREEMENT

This MARKETING AGREEMENT ("**Agreement**") is entered into by and between the Town of Federalsburg, Maryland ("**Town**"), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America ("**Company**"), herein collectively referred to singularly as "Party" and collectively as the "Parties". This Agreement shall be effective on the last signature date set forth below ("**Effective Date**").

RECITALS:

WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the Town ("**Property Owner**"); and

WHEREAS, Town desires to offer Property Owners the opportunity, but not the obligation, to purchase a service plan and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a "**Product**" and collectively, the "**Products**"); and

WHEREAS, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Property Owners subject to the terms and conditions contained herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. **Purpose.** Town hereby grants to Company the right to offer and market the Products to Property Owners subject to the terms and conditions herein.

2. **Town Obligations.**

A. Grant of License. Town hereby grants to Company a non-exclusive license ("**License**") to use Town's branding ("**Marks**"), on marketing materials in accordance with Exhibit A to be sent to Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to Town's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. Company's use of the Marks in accordance with this Agreement will not infringe any other party's rights. In the event that Town extends a similar license to a competitor of Company during the Term and any Renewal Term of this Agreement, the Town shall provide thirty (30) days' notice prior to such grant of license and Company may immediately terminate this Agreement.

B. **Property Owner Data.** If Town elects to do so, Town may provide Company with Property Owner Data for use by Company in furtherance of the advertisement, marketing, and sale of the Products. Any name, service address, postal address, and any other appropriate or necessary data for Property Owners in Town is defined as “**Property Owner Data**”. Property Owners Data shall be and remain Town’s property. For any Property Owner Data provided by Town to Company, Town warrants that Property Owner Data has been and will be collected in compliance with all laws, statutes, treaties, rules, codes, ordinances, regulations, permits, official guidelines, judgments, orders and interpretations (“**Applicable Laws**”); and Town is permitted by Applicable Laws and by any applicable privacy policy to provide Property Owner Data to Company and to permit Company to use Property Owner Data for the purposes of this Agreement. A Property Owner who has purchased a Product is a member (“**Member**”) and, following such purchase, all data in Company’s control or possession relating to Members is Company’s property.

3. **Term.** The term of this Agreement (“**Initial Term**”) shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms (each a “**Renewal Term**”, and collectively with the Initial Term, the “**Term**”) unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Initial Term or of a Renewal Term that the Party does not intend to renew this Agreement. In the event that Company is in material breach of this Agreement, the Town may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period. Company will be permitted to complete any marketing initiative initiated prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4. **Consideration.** As consideration for such license, Company will pay to Town a License Fee of as set forth in Exhibit A (“**License Fee**”) during the Term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of the first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term, due and payable on January 30th of the succeeding year. Town agrees to provide a completed Form W-9 to Company in order to facilitate proper payment of the License Fee. Town will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of Company's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. **Confidentiality.** Each party will treat all non-public, confidential and trade secret information received from the other party as confidential, and such party shall not disclose or use such information in a manner contrary to the purposes of this Agreement. Notwithstanding the foregoing, the Town shall not be liable for any disclosure of confidential information that is required to be disclosed under any applicable public records act or under court order. Town shall provide notice to Company prior to any such disclosure.

6. **Code Change.** The Parties understand that the pricing of the Products and compensation provided for in this Agreement are based upon the currently applicable Town, municipal or

similar codes. In the event Company discovers a code change, Company shall have the ability to reassess the pricing of this Agreement.

7. **Indemnification.** Each Party (the “**Indemnifying Party**”) hereby agrees to protect, indemnify, and hold the other Party, its officers, employees, contractors, subcontractors, and agents (collectively or individually, “**Indemnatee**”) harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs (individually or collectively, “**Claim**”), which an Indemnatee may suffer or which may be sought against or are recovered or obtainable from an Indemnatee, as a result of or arising out of any breach of this Agreement by the Indemnifying Party, or any negligent or fraudulent act or omission of the Indemnifying Party or its officers, employees, contractors, subcontractors, or agents in the performance of this Agreement; provided that the applicable Indemnatee notifies the Indemnifying Party of any such Claim within a time that does not prejudice the ability of the Indemnifying Party to defend against such Claim. Any Indemnatee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

8. **Notice.** Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: Town:
ATTN: Larry Dire
Town of Federalsburg
P.O. Box 471
Federalsburg, MD 21632-0471
Email: townmanager@federalsburg.org
Phone: (410) 754-8173

To: Company:
ATTN: Chief Sales Officer
Utility Service Partners Private Label, Inc.
4000 Town Center Boulevard, Suite 400
Canonsburg, PA 15317
Phone: (866) 974-4801

9. **Modifications or Amendments/Entire Agreement.** Except for the list of available Products under the Agreement, which may be amended from time to time by the Parties in writing and without signature, any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a Party unless in writing signed by that Party.

10. **Assignment.** Neither Party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other Party unless such assignment or delegation is to an affiliate or to an acquirer of all or substantially all of the assets of the transferor.

11. **Counterparts/Electronic Delivery; No Third Party Beneficiary.** This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by email and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third- party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

12. **Choice of Law/Attorney Fees.** The Parties shall maintain compliance with all Applicable Laws with respect to its obligations under this Agreement. The governing law shall be the laws of the State of Maryland, without regard to the choice of law principles of the forum state. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT THAT MAY EXIST TO HAVE A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED UPON OR ARISING OUT OF, UNDER, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT.

13. **Incorporation of Recitals and Exhibits.** The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written below.

TOWN OF FEDERALSBURG

Name:

Title:

Date:

UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

Name: Michael Backus

Title: Chief Sales Officer

Date:

Exhibit A
NLC Service Line Warranty Program
Town of Federalsburg
Term Sheet
June 16, 2021

- I. Initial Term. Three Years.
- II. License Fee. \$0.50 per Product for each month that a Product is in force for a Property Owner (and for which payment is received by Company), aggregated and paid annually, for:
 - A. Use of Town logo and name on letterhead, advertising, signature line, and marketing materials.
- III. Products.
 - A. External water service line plan (initially, \$5.75 per month)
 - B. External sewer/septic line plan (initially, \$7.75 per month)
 - C. Interior plumbing and drainage plan (initially, \$9.99 per month)

Pricing does not include taxes. Company may adjust the foregoing Product fees; provided, that any such monthly fee adjustment shall not exceed \$0.50 in any 12-month period. If such adjustment shall exceed \$0.50, both Parties must agree in writing.
- IV. Scope of Coverage.
 - A. External water service line plan:
 - i. Covers Property Owner responsibility: From the meter to the external wall of the home.
 - ii. Covers thawing of frozen external water lines.
 - iii. Covers well service lines if applicable.
 - B. External sewer/septic line plan:
 - i. Covers Property Owner responsibility: From the external wall of the home to the sewer main.
 - ii. Covers septic lines if applicable.
 - C. Interior plumbing and drainage plan:
 - i. Covers water supply pipes and drainage pipes within the interior of the home.
- V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year (each campaign consists of two mailings) and such other channels as may be mutually agreed. Initially, Company anticipates offering the interior plumbing and drainage plan Product via in-bound phone or web only.

TO: Mayor & Council Members
FR: Larry DiRe, Town Manager
DT: August 2, 2021
RE: Text amendment to town code of ordinances chapter 197, articles I, II, and III

Staff brought this matter to the mayor and town council for review at the June 7, 2021 meeting for the purpose of clarifying procedure on permitting, inspections, fees, and connection to the general public street and public way drainage system. Since that time staff has developed both a design standard and draft text amendment for this chapter. The proposed design standard duplicates a standard used by the Town of Easton, and is clear on the construction requirements, accessibility compliance, and interconnection to existing sidewalk.

The draft text amendment language that follows simplifies and clarifies the sidewalk permitting process by reducing it to three articles. Article I describes the permitting procedural steps. Article II describes the specific work area requirements during and upon completing permitted work. Article III establishes penalties for non-compliance with this chapter. Staff presented this draft text amendment language at the July 19, 2021 mayor and town council meeting for review. At that time no initial revisions were suggested to staff, and so the matter moved to the August 2, 2021 meeting for review and direction. The proposed draft text amendment reads as follows:

Section 197-1 Permit required (Article I) No sidewalk or corner ramp, or any portion of sidewalk or corner ramp, shall be removed, broken up, or replaced by any property owner or person(s) acting on behalf of the property owner unless first acquiring a permit to do so from the building official. Permitting shall be done through an application process and fee schedule approved by the mayor and town council, administered through the building official, and reviewed periodically at the mayor and town council's discretion.

Section 197-2 Restoration, Repaving, and Repair (Article II) Upon acquiring a permit to repair, replace, or otherwise improve any sidewalk and/or corner ramp, or any portion thereof, the person(s) acquiring said permit shall not obstruct or impede the flow of vehicle traffic or pedestrian activity except for the specific work area. The specific work area shall be maintained in a clean, safe, and workman-like manner throughout the period under the permit. Upon completing the permitted work, the building official shall inspect the work for completeness and compliance with design and construction standards, accessibility requirements, and stormwater drainage.

Section 197-3 Violations and Penalties (Article III) Any property owner or person(s) acting on behalf of the property owner found in violation of this chapter shall be subject to a fine determined by the mayor and town council for each day of noncompliance.

Staff recommends deleting sections 197-4 through 197-7 and reserving those sections for additional text amendments as may be required in the future. No legislative action is requested at this time.

RESOLUTION 2021-03

**A RESOLUTION OF THE MAYOR AND COUNCIL OF
FEDERALSBURG UPDATING EMPLOYEE MANUAL**

WHEREAS, by Ordinance 2016-01, the Mayor and Council previously adopted The Federalsburg Employee Manual;

WHEREAS, the Town Manager has recommended certain revisions to ensure compliance with recent updates to federal laws.

NOW, THEREFORE, BE IT RESOLVED, by the Mayor and Council of Federalsburg that Section 3.2, and Sections 7.6 through 7.8 of the Federalsburg Employee Manual, is hereby updated as attached.

BE IT FURTHER RESOLVED that this Resolution will become effective immediately.

ADOPTED, SIGNED and APPROVED this Second day of August, 2021.

	Yea/Nay
Kimberly M. Abner	_____
David K. Morean	_____
Edward H. Windsor	_____
Debra Sewel	_____
Scott Phillips	_____

I hereby certify that the above Resolution was passed by a yea and nay vote of the Council this 2nd day of August, 2021.

Kimberly M. Abner, Mayor

Delivered by the Mayor and recorded by me in the Minute Books of the Mayor and Council of Federalsburg this ____ day of _____, 2021.

Kristy L. Marshall, Town Clerk

Approved as to form:

Lyndsey Ryan, Town Attorney

*There is no vacation allowance for part-time permanent employees.

At the impletion of the initial probationary period, the employee shall receive 3 vacation days.

Employees may use vacation time in hourly increments. Employees may not carry vacation time from one fiscal year to another fiscal year without advance approval from the Town Manager. If advance approval is not given for carrying vacation time, into a new fiscal year, the vacation time will be lost.

Requests for vacation of three days or more should be made at least two weeks in advance with the Department Head.

Upon termination of employment without cause, as defined herein, employees will be paid for unused vacation days that have been earned through the last day of work. In computing the number of vacation days earned for purposes of payment upon termination, the employee's vacation days shall be prorated to account for that portion of the fiscal year that the employee was employed by the Town. However, the Town requires at least ten (10) working days written resignation notice from a resigning employee and may deduct one (1) day of available vacation day for each day less than the required notice given. Employees who are dismissed for cause shall not be paid for unused accrued vacation.

3.2 HOLIDAYS AND HOLIDAY LEAVE

A. Holiday Schedule. That the following holidays shall be considered paid holidays for Town employees on the dates observed by the state and/or federal government:

New Year's Day

Martin Luther King Jr.'s Birthday

President's Day

Good Friday

Memorial Day

Juneteenth Day

Independence Day

Labor Day

Columbus Day

Veterans' Day

Thanksgiving Day and the day after

Christmas Eve

Christmas Day

The holidays set forth herein shall continue to be the paid holidays of the Town of Federalsburg from year to year until such time as amended by Resolution of Mayor and Council. In the event that the holiday falls on a Saturday, it shall be observed on the previous Friday. In the event that the holiday falls on a Sunday, it shall be observed on the following Monday.

B. Holiday Pay. Should a situation arise where an employee is required to work on a legal holiday, he/she will receive the regular eight (8) hour days per plus an additional eight (8) hours. Police personnel will receive the regular twelve (12) hour days plus an additional twelve (12) hours. Any hours worked before or after the normal working hours, he/she will be paid two and ½ times his/her normal pay. All permanent part-time employees will be paid one hour of holiday pay for each five hours employed on a weekly basis. Holiday pay will be accumulated as follows and be paid for each recognized holiday observed by the Town. Holiday pay will not be provided for temporary, contractual or seasonal employees.

3.3 SICK LEAVE

A. The Town provides paid sick leave benefits to all full-time, permanent employees for periods of temporary absence due to illnesses or injuries. Sick leave shall accumulate during the fiscal year (July 1-June 30) as follows:

<u>Time of Service</u>	<u>Sick Days Per Year</u>
0 to 6 months	0
6 months to 1 year	3

gross mismanagement of a federal contract or grant, a gross waste of federal funds, an abuse of authority relating to a federal contract or grant, a substantial and specific danger to public health or safety, or a violation of law, rule, or regulation related to a federal contract (including the competition for or negotiation of a contract) or grant. b. The list of persons and entities referenced in the paragraph above includes the following: i. A member of Congress or a representative of a committee of Congress; ii. An Inspector General; iii. The Government Accountability Office; iv. A Treasury employee responsible for contract or grant oversight or management; v. An authorized official of the Department of Justice or other law enforcement agency; vi. A court or grand jury; or vii. A management official or other employee of Recipient, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct.

7.6 HATCH ACT COMPLIANCE

The Town agrees to comply, as applicable, with requirements of the Hatch Act (5 U.S.C. §§ 1501-1508 and 7324-7328), which limit certain political activities of State or local government employees whose principal employment is in connection with an activity financed in whole or in part by this federal assistance.

7.7 LOBBYING

The Town agrees to comply, as applicable, with the new restrictions on lobbying as found in 31 Code of Federal Regulations (C.F.R.) Part 21.

Section 8
SEPARATION

It is the Town's intention that service separations occur as fairly and efficiently as possible, with appropriate advance written notice, and in the best interests of all parties concerned. The process of separation shall include payment of all wages due to the employee, less any applicable deductions, and resolution of all due benefits, through the date of separation. The following categories of service separation and procedure are applicable to all regular full-time employment classifications, or other employment classifications as specifically indicated:

8.1 RESIGNATION

Resignation is a voluntary act of service separation initiated by the employee to terminate employment with the Town. The Town requires at least ten (10) working days written resignation notice from a resigning employee, and may deduct one (1) day of available vacation day for each day less than the required notice given.

Employees who resign shall receive payment for all vacation leave credit in accordance with the leave policy. Prior to an employee's departure, an exit interview shall be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits. A record of the interview and documentation of any failure of the employee to comply with the resignation procedures shall be noted in the employee's employment file. An employee who resigns will not receive unused sick or personal leave.

8.2 LAYOFF

If insufficient work or a lack of funding requires a reduction in the number of employees in a Town department, layoffs will be made by approval of the Mayor and Council, subject to the following conditions:

- Probationary employees, other than supervisors, will be laid off before regular, full-time employees, regardless of time in service.
- Permanent part-time and temporary employees will be laid off before full-time