

**MAYOR**

Travis Marion

**COMMISSIONERS**

Allen Authenreath

Brian Leishear

Joe Shephard

Dave Warnick



RISINGSUNMD.ORG

**TOWN ADMINISTRATOR**

Calvin A. Bonenberger Jr.

July 14, 2016

Dear Utility Customer,

The Mayor and Commissioners are committed to addressing the challenges that we face as a community in order to better position the Town for economic growth, business expansion, community activities, and quality of life for our residents. We have implemented many changes to the way we do business in order to improve upon the services that we provide to you. With our new metering system, we have been able to contact our residents and businesses on a daily basis and notify them of high water usage at their property, typically related to a running toilet, leaking faucet or garden hose that has been left on, saving them hundreds of dollars on their monthly utility bills. As you can imagine, our community is made up of various classifications of tax payers, ranging from homeowners, tenants, land lords, businesses, and land owners. Trying to develop programs that have equal benefit to everyone can be very difficult, but we are committed to improving the quality of life for all of our residents while creating opportunities for our local businesses to grow and prosper.

Our most recent initiative is to lessen the financial burdens on the largest segment of our community, **THE RESIDENTS**. We have recently made changes to our monthly utility bills that will save many of our residents \$32.03 per month or \$384.36 per year.

If you look at your last utility bill before this change occurred (the June 30, 2016 bill), you will see two or three charges on your bill.

1. W SER CHG \$4.34 (total amount per year \$52.08)
2. S SER CHG \$6.34 (total amount per year \$76.08)
3. TRASH \$21.35 (total amount per year \$256.20)

These three charges, totaling \$384.36 for the year, have been moved to your real estate tax bill. Because these charges were moved to the property's real estate tax bill, your monthly utility bill will automatically decrease by \$32.03 per month (\$384.36 per year). Residential properties in town limits will see this reduction with the August bill. Some business, depending on the services they get will see some reductions, while properties located out of town limits, or tax exempt properties that receive no tax bill from the Town, will see no change in their utility bill.

Charges listed on a utility bill are not tax deductible for most property owners, and although the expenses of the town need to be offset by some type of revenue stream, they do not have to be collected on the utility bill. Therefore, the Mayor and Commissioners have moved the collection of this revenue to the real estate tax by creating a flat "Debt Service Tax" on all taxable properties. As a property owner with a utility bill, the new "Debt Service Tax" will now allow you to pay the above cost with your real estate tax, creating more deductions for those who itemize deductions on their income tax returns, while still providing the revenue the Town needs to cover the cost for town services.

Below is a summary of your potential savings based upon your Federal Tax Bracket:

	<b>15% Tax Bracket</b>	<b>25% Tax Bracket</b>
Federal Tax	\$ 57.65	\$ 96.09
State Income	\$ 26.91	\$ 26.91
2% discount for early payment by July 31	\$ 7.69	\$ 7.69
<b>Total Possible Savings</b>	<b>\$ 92.25</b>	<b>\$ 138.68</b>

Please check with your tax advisor if you need assistance in calculating your own federal or state tax savings and remember to take advantage of the 2% discount if you pay your town taxes by July 31<sup>st</sup>.

Like any business, it is important that the Town maintain a positive cash flow to pay the expenses related to town services; however, the Mayor and Commissioners are sensitive to the balance that is needed and are therefore making the following changes to the utility billing process.

1. **Shut-off/Termination of Services:** The Town will be suspending the monthly termination of water service for non-payment and replacing it with a more “friendly” quarterly program of shut-off/termination of water service. Under this new program, starting on or about the 20th of October 2016 and continuing on a quarterly basis thereafter, the town will shut-off water service for any account that is in arrears and has not been paid in full to bring the account to a zero balance by the 20th of that month. However, any account can be shut off at any time, if the account has a delinquent balance of \$300.00 or more, unless a payment plan of no more than 6 months is approved and accepted by the Town, and the delinquent balance at any time during the payment plan is less than \$300.00
2. **10% Penalty for late payment:** On the July 31<sup>st</sup> utility bill, the Town will begin charging a 10% recurring monthly penalty fee on any unpaid balance after 30 days after the due date. You can avoid this 10% monthly penalty fee by paying your utility bill in full by the due date, which is the 20<sup>th</sup> of the month after the bill date. For example, the June 30<sup>th</sup> bill is due on July 20<sup>th</sup>, and the July 31<sup>st</sup> bill will be due on August 20<sup>th</sup>.
3. **Bounced checks and insufficient funds.** The Town will continue the policy of assessing a \$35 charge for any bounced checks received for the payment on any municipal taxes, personal property tax, special assessments, services charges, application fees, or any other charges assessed by the Town. Furthermore, any account holder, contractor, or persons who have issued 2 bounced checks in a 90-day period shall be suspended from any future payments by check for 1 year from the date the second check bounced. All payments must be made by cash, money order, bank check, or credit card until the suspension is lifted.

Moving forward, the Mayor and Commissioners are working on several other initiatives, for there is much more work to do and many upgrades to infrastructure, roads and sidewalks to be done. We look forward to meeting those challenges head-on and will continue to strive to be as creative as possible to reflect the needs of our community. We deeply appreciate your support, concerns and patience as we move our community forward.

Please check out our town website at [www.risingsunmd.org](http://www.risingsunmd.org) and our Town Facebook Page at [Town of Rising Sun MD – Official](#) for more information and a flow chart with additional details.

Sincerely,

Mayor and Commissioners  
Town of Rising Sun.