



# City of Charles Town

101 East Washington Street, P.O. Box 14, Charles Town, WV 25414  
Phone: (304) 725-2311 ♦ Web: [www.charlestownwv.us](http://www.charlestownwv.us)

---

## MEMORANDUM TO THE MAYOR AND CITY COUNCIL

**FROM:** Daryl Hennessy, City Manager

**SUBJECT:** City Manager's Report

**DATE:** July 6, 2020

### **ADMINISTRATION AND OPERATIONS**

**CARES Act Reimbursement.** Last week the city submitted its first reimbursement request for Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to the State of West Virginia for just over \$76,900. The reimbursement request is for unbudgeted expenses incurred during the months of March, April, and May and includes a request for special pandemic pay. The city's total does not include a separate request submitted by the Charles Town Utility Board.

### **PUBLIC WORKS AND UTILITIES**

**Charles Town Utility Board Bond Refunding.** The total savings for the 2020A bond refunding are now available and the city will realize just over \$1.3 million in gross savings by refinancing the 2013B, 2014C, 2014D, and 2014E series bonds. The net present value savings of this transaction will total just over \$1.0 million, well above the estimated \$750 million in savings projected earlier this year. Attached is a table summarizing the savings.

**Charles Town Utility Board (Board) Late Payments.** The Board met virtually, via the Go-to-Meeting platform, on June 24, 2020 for a regular meeting. The Board received an update on the status of several projects, included the Modified Flowing Springs project, and reviewed task orders to begin engineering the installation of an additional sewer line through Jefferson Memorial Park and the approval of design services for the sewer renewal and replacement project. After considerable discussion, both task orders were left on the table for action at a future meeting. The Board did approve a design contract with BES Technologies to update the CTUB website and approved a cyber-security policy. Finally, the Board discussed a staff plan for collecting on delinquent water and sewer bills. The plan is like one being implemented in Berkeley County that allows for payment plans based on a recommended sliding scale. No terminations will be occur until August and will only occur for customers with more than \$200 in delinquencies who do not pay in full or enter a payment plan. A more detailed description of the plan is attached.

Attachments

**FINAL Refunding Analysis - Individual Savings Report Summary**

(A)	(B)	(C)	(D)	(E)	(F)	(G)
Bond Series	System Allocation	System Purpose	Final Maturity	Gross Savings	NPV Savings	NPV Savings %
2013 B	Charles Town	Water	2044	\$423,264	\$296,634	29.68%
2013 B	Charles Town	Sewer	2044	\$635,759	\$466,736	28.62%
2014 C	Charles Town	Water	2033	\$90,698	\$80,099	12.42%
2014 D	Charles Town	Sewer	2028	\$119,135	\$112,387	11.89%
2014 E	Charles Town	Water	2026	\$67,614	\$53,321	6.67%
Totals:	---	---	---	\$1,336,470	\$1,009,176	20.10%

**City of Charles Town, WV - Aggregate Refunding Analysis  
( Series 2013B, Series 2014C, Series 2014D & Series 2014E Refunding )**

Fiscal Year	Refunded Bond Payments				New Bond Payments			Net Savings
	Principal Portion	Interest Portion	Debt Service Reserve Fund	Total	Principal Portion	Interest Portion	Total	Savings
2021	\$330,000	\$224,612	\$0	\$554,612	\$175,000	\$86,927	\$261,927	\$292,685
2022	\$335,000	\$212,606	\$0	\$547,606	\$165,000	\$95,219	\$260,219	\$287,387
2023	\$360,000	\$200,196	\$0	\$560,196	\$350,000	\$91,919	\$441,919	\$118,278
2024	\$365,000	\$187,084	\$0	\$552,084	\$355,000	\$84,919	\$439,919	\$112,165
2025	\$370,000	\$172,666	\$0	\$542,666	\$365,000	\$77,819	\$442,819	\$99,848
2026	\$390,000	\$157,518	(\$142,500)	\$405,018	\$370,000	\$70,519	\$440,519	(\$35,501)
2027	\$255,000	\$141,131	\$0	\$396,131	\$300,000	\$63,119	\$363,119	\$33,013
2028	\$275,000	\$129,106	(\$144,500)	\$259,606	\$455,000	\$57,119	\$512,119	(\$252,513)
2029	\$140,000	\$116,263	\$0	\$256,263	\$290,000	\$48,019	\$338,019	(\$81,756)
2030	\$145,000	\$109,731	\$0	\$254,731	\$175,000	\$42,219	\$217,219	\$37,513
2031	\$155,000	\$102,375	\$0	\$257,375	\$200,000	\$38,719	\$238,719	\$18,656
2032	\$160,000	\$94,650	\$0	\$254,650	\$175,000	\$34,219	\$209,219	\$45,431
2033	\$170,000	\$86,556	(\$69,538)	\$187,019	\$175,000	\$30,281	\$205,281	(\$18,262)
2034	\$110,000	\$79,569	\$0	\$189,569	\$75,000	\$26,344	\$101,344	\$88,225
2035	\$115,000	\$73,803	\$0	\$188,803	\$75,000	\$24,656	\$99,656	\$89,147
2036	\$120,000	\$67,781	\$0	\$187,781	\$80,000	\$22,969	\$102,969	\$84,813
2037	\$125,000	\$61,503	\$0	\$186,503	\$75,000	\$20,869	\$95,869	\$90,634
2038	\$135,000	\$54,723	\$0	\$189,723	\$80,000	\$18,900	\$98,900	\$90,822
2039	\$140,000	\$47,435	\$0	\$187,435	\$85,000	\$16,800	\$101,800	\$85,635
2040	\$150,000	\$39,750	\$0	\$189,750	\$90,000	\$14,569	\$104,569	\$85,181
2041	\$155,000	\$31,668	\$0	\$186,668	\$155,000	\$12,206	\$167,206	\$19,461
2042	\$165,000	\$23,188	\$0	\$188,188	\$160,000	\$8,138	\$168,138	\$20,050
2043	\$175,000	\$14,178	\$0	\$189,178	\$150,000	\$3,938	\$153,938	\$35,240
2044	\$180,000	\$4,770	(\$194,450)	(\$9,680)				(\$9,680)
<b>Totals</b>	<b>\$5,020,000</b>	<b>\$2,432,860</b>	<b>(\$550,988)</b>	<b>\$6,901,873</b>	<b>\$4,575,000</b>	<b>\$990,403</b>	<b>\$5,565,403</b>	<b>\$1,336,470</b>

Net Savings Amount	
Gross Savings:	\$1,336,470
Present Value Savings:	\$1,009,176
Present Value Savings %:	20.10%

Interest Rate Reduction	
Prior Bonds Average Rate:	4.93%
Series 2020 REF Interest Rate:	2.20%
Interest Rate Reduction:	2.73%

# Memo

To: Charles Town Utility Board Members

From: Jane Arnett, Utility Manager

Date: June 17, 2020

Subject: Penalty and Service Termination resumption

As we transition back to more normal operations, we are going to be reestablishing our standard billing and collection procedures. We will have gone 3 months without late payment penalties and service terminations due to the COVID-19 pandemic to assist our customers during unprecedented circumstances.

Here is a summary of the steps that will be taken:

1. Late payment penalties and service terminations will resume in August. A notice announcing the change was included on the customer bills that were generated last week.
2. A review of the customer aging was done and shows that as of May 31, 2020, 1085 accounts were past due. Please see the breakdown below.

Dollar Amount	Total Accounts
\$0 - \$150	690
\$151 - \$200	151
\$201 - \$300	127
\$301 - \$500	78
> \$500	39

To assist the customers with the largest past due balances and make them aware that service terminations will be starting in August, CTUB is going to begin making calls through the automated call system to the customers whose balance is greater than \$150.

The message will state "This is an important notice regarding ~~to~~ your past due account. The Charles Town Utility Board will begin a return to normal operations which requires the termination of water service for failure to remain current on your account. The application of late fees and service termination will return during the month of August. The Utility Board is very willing to work with our customers and assist with a payment plan for those customers that are unable to come current on their account at this time. Please contact us at 304-725-2316 if you have any questions or wish to enter a payment plan. Thank you." The plan is to continue the calls weekly as reminders so that staff is not overwhelmed with requests for deferred payment agreements the day before/of termination.

3. The number of delinquent customers will be reviewed weekly. At this time, terminations will be scheduled for those customers whose balance is greater than \$200 and do not pay in full or sign a payment plan agreement. That limit should be manageable for the staff. The plan is to continue to decrease the balance limit until we get back to the preferred amount of \$50.
4. General guidelines for deferred payment agreements are as follows:
  - a. Up to \$300 - 1/2 down and 3-5 months to pay balance;
  - b. \$301-\$500 - 1/3 down and 4-6 months to pay the balance;
  - c. Over \$500 - 1/4 down and 6-12 months to pay the balance.

These are guidelines, and individual circumstances may warrant a different deferred payment agreement. Staff has the flexibility to work with the customer to facilitate an agreement that works for both parties. For consistency, the Accounting Manager shall approve any different deferred payment plan.

We will continue to monitor the customer accounts and let you know if we run into any issues. Hopefully this will allow us to get back on track and help the customers work through any problems that they have encountered resulting from COVID-19. Let me know if you have any other questions.