



TALBOT COUNTY, MARYLAND

County Council

MINUTES

May 17, 2022

Present – President Chuck Callahan, Vice President Pete Leshner, Frank Divilio, Laura Everngam Price, County Manager Clay Stamp, and County Attorney Patrick Thomas. Council member Corey Pack was absent.

- I. Agenda – Mr. Callahan requested and received unanimous consent for approval of the Agenda of Tuesday, May 17, 2022.
- II. Minutes – Mr. Callahan requested and received unanimous consent for approval of the Minutes of Tuesday, Tuesday, April 26, 2022.
- III. Disbursements – Mr. Callahan requested and received unanimous consent for approval of the Disbursements of Tuesday, May 17, 2022.
- IV. Proclamation: National Safe Boating Week – May 21 – 27, 2022 – The Clerk read a proclamation into the record which spoke of the importance of knowing and practicing boating safety measures, including the wearing of life jackets and staying sober in order to save lives. The proclamation also spoke of the vital role of the U.S. Coast Guard in providing safe boating education, vessel examinations and water patrols. Upon motion by Mr. Leshner, seconded by Mr. Divilio, the Council approved the proclamation by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Divilio – Aye
Mr. Leshner – Aye
Ms. Price - Aye

Reed Carey, Public Affairs Officer, U.S. Coast Guard Auxiliary Flotilla in Easton, stated that Safe Boating Week has been recognized since 1958. He stated that in 2020, there were over 5,000 boating accidents in the United States, most of which are caused by human error, resulting in 767 fatalities, 6 of which were in Maryland. Mr. Divilio stated that individuals born after 1972 are required to take boating safety courses; the Chesapeake Bay Maritime Museum in St. Michaels is currently offering a boating safety course Tuesday through Thursday of this week and will be doing so again on Tuesday, July 19, 2022 through Thursday, July 21, 2022 and on Tuesday, August 23, 2022 through Thursday, August 25, 2022. Council members expressed their appreciation to Mr. Carey, Edward Burke, Commander, U.S. Coast Guard Auxiliary, Easton Flotilla, Boatswain's Mate 2nd Class, Tyler Laski, U.S. Coast Guard, Easton Flotilla, and Officer Nathan Bradley, Maryland Department of Natural Resources Police, for helping to ensure that Talbot County citizens and visitors are safe when out on the water.

The Proclamation was presented to Mr. Carey, Mr. Burke, Mr. Laski, and Mr. Bradley, who accepted on behalf of their respective organizations.

- V. Presentation of Letters of Interest for SFY23 Community Development Block Grant (CDBG) – Mary Kay Verdery, Talbot County Grants Administrator – Ms. Verdery stated that the Community Development Block Grant Program, administered by the Maryland Department of Housing and Community Development, is a federally funded program designed to assist counties and municipal governments with activities related to neighborhood revitalization, provide housing opportunities and economic development,

and to improve public facilities and services. She stated that the County received letters from four (4) nonprofit organizations seeking Council’s consideration for funding; of those, two (2) projects were found to be a better fit for other sources of potential funding and were referred to those sources; the remaining two (2) projects before the Council for consideration of partnership are: Habitat for Humanity Choptank which is seeking \$100,000 toward the rehabilitation of an historic home located at 122 S. Locust Lane in the historic area of Easton known as The Hill: funds would be utilized for demolition, stabilization, interior and exterior rehabilitation of the historic home; and Building African American Minds (BAAM) which is seeking approximately \$400,000 toward construction of a state-of-the-art three-story academic center at 31 Jowite Street in Easton which will continue to provide after-school and summer school programs and expand programming to offer a workforce development component for youth in the community. Ms. Verdery stated that if the projects are selected by the Council, a public hearing will be held on Tuesday, May 24, 2022; applications are due by June 15, 2022. Ms. Verdery concluded her presentation by stating that the Department of Housing and Community Development will review projects submitted from around the state and score independently of the County according to pre-set criteria. Upon motion by Mr. Divilio, seconded by Ms. Price, the Council approved forwarding letters in support of partnering with the two nonprofit organizations as recommended by voting 4 – 0 as follows:

- Mr. Callahan – Aye
- Mr. Divilio – Aye
- Mr. Leshner – Aye
- Ms. Price - Aye

VI. Eligible for Vote:

Bill No. 1498, AN ACT TO ESTABLISH THE 2022 - 2023 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, was read into the record by the Clerk and brought forward for vote. Ken Davis, Acting Finance Director, gave a synopsis of the FY23 proposed Budget which totals \$112,607,379, and which is level with the FY22 Budget. He stated that operating expenses are increasing 7.7% which is less than the 8.5% increase in the Consumer Price Index. He stated that the FY23 Budget includes the following: a \$.01 increase in the Property Tax rate to fund County operations; a \$.01 educational supplement to fund Talbot County Public Schools; noted Public Safety as a top priority, with funding increases for the Sheriff’s Department, Emergency Medical Services and the volunteer fire departments, as well as for property acquisition for the Sheriff’s Department and the Health Department; fully funds the educational commitment to, and additional requests from, Talbot County Public Schools; provides funding for investments in roadways, culvert replacements and extension of public sewer, cybersecurity; funding for increased retirement expenses for paramedics to join the Law Enforcement Officers’ Pension System (LEOPS); Cost of Living Adjustment (COLA) and a step increase for all eligible employees in order to address recruitment and retention issues and inflation. Mr. Davis stated that the FY23 Budget includes rate increases for the Sanitary District, which are Enterprise Funds and are self-funded by the customers they serve and utilizes \$14.3 million in prior years’ Fund Balance, leaving \$31.6 million for FY23 and beyond for use in unanticipated emergencies and an uncertain volatile economy. Mr. Davis outlined the following amendments, known as Amendment No. 1, for Council’s consideration, stating that there is no net change in the total proposed Budget:

Appropriation Budget

DEPARTMENT	FROM	TO	CHANGE
Sheriff’s Office			
Salaries &	\$5,698,270	\$5,785,601	\$87,331
Benefits	\$1,124,942	\$1,112,942	(\$12,000)

Operating Expense			
County Roads Capital Outlay	\$525,000	\$475,000	(\$50,000)
Senior Services Operating Appropriation	\$562,284	\$587,284	\$25,000
Health Department School Health Addictions Program	\$12,000 \$885,308	\$885,308 \$12,000	\$873,308 (\$873,308)
Employee Benefits Other Operating	\$855,102	\$802,771	(\$52,331)
Miscellaneous	\$341,879	\$343,879	\$2,000
TOTAL	\$10,004,785	\$10,004,785	-

Capital Budget

CAPITAL BUDGET	FROM	TO	CHANGE
County Facilities Health Department – New Facility	\$12,000,000	\$13,000,000	\$1,000,000
TOTAL	\$21,932,430	\$22,932,430	\$1,000,000
Long Term Borrowing County Facilities	\$16,900,000	\$17,900,000	\$1,000,000
TOTAL	\$16,900,000	\$17,900,000	\$1,000,000

Upon motion by Ms. Price, seconded by Mr. Divilio, the Council approved Amendment No. 1 by voting 4 – 0 as follows:

- Mr. Callahan – Aye
- Mr. Divilio – Aye
- Mr. Leshner – Aye
- Ms. Price - Aye

Bill No. 1498, as amended, was then brought forward for vote. Prior to the vote, Council members made the following comments:

- Mr. Leshner – Mr. Leshner stated that budgets are policy documents and are a reflection of our priorities. He stated that the FY23 Budget reflects the Council’s commitment to the voters to fund

Public Safety – increasing the number of Sheriff’s deputies, raising the deputies’ pay, and funding the new retirement system for them to help the County recruit and retain sworn officers. He stated that, in his opinion, it is really important work, is a commitment that we made, and we are following through on that commitment with the budget. He stated that adding full time EMT services in the northern part of the county and allowing paramedics to buy into that same retirement system (LEOPS) is also important work and part of the commitment that we made when we asked the voters to allow an extra penny on the Property Tax; that’s what we promised to do and that’s what we are following through to do. Mr. Leshar concluded his comments by stating that, in his opinion, the County is managing to do all this in a fiscally responsible manner – spending within its means. He noted that the FY23 Budget is essentially a flat budget year over year. He expressed his appreciation to County staff who supported the Council through the budget process and getting us to this point, and to his colleagues for working through all the issues so smoothly this year, in his opinion, an important step forward for Talbot County.

Mr. Divilio - Mr. Divilio stated that this is his last budget cycle here and that he really enjoys the budget because it is, in his opinion, collectively working together to solve issues in the community. He stated that because the County does not have unlimited dollars to spend, there are a lot of times when we are looking at how to work groups together as with the Senior Center in St. Michaels. He reiterated previous statements he had made regarding the need for more storage by every County department, and that it has been a real pleasure to sit down with a unique Council from different backgrounds and different ages to try to find the best solutions for the community. He stated that he is currently concerned with the mental health and financial stability of the community and it is foremost in his mind every day and is glad to see we are addressing those issues. He stated that, in his opinion, moving the Health Department from its current location to the new health corridor of Talbot County on Idlewild Avenue is going to be good for the community; individuals will be able to get the immediate resources they need while having the walking trail to get to those places easily. Mr. Divilio highlighted other items included in the FY23 Budget including having the Paramedics join the Law Enforcement Officers’ Pension System (LEOPS). He stated that, in his opinion, you know you did the right thing when everyone around you is following along – but they start hiring our staff – that’s why we have made some changes to retain the good deputies we have and to show them rewards for the work they do to keep us safe. Mr. Divilio cited another example, the Election Board Office, stating that not only do we need to figure out the safest way to keep the ballots and boxes secure when not in use, but provide them office space. He stated that, in his opinion, the FY23 Budget reflects the Council looking for ways to be financially responsible, and save money, but at the same time, not “cutting our nose despite our face” and expressed his appreciation to Ken Davis and his staff for their hard work to fill the shortfalls in the budget. Mr. Divilio concluded his comments by stating that the biggest challenge in the budget for him was with the monies that were moved from the Fund Balance instead of increasing property taxes and not using savings, as has been done historically, and is what he would have wanted to do; however, in his opinion, this is a time that is unique: we are going to increase fees for sewer service which will be a big fee to individuals in the community and that alone was reason enough for him to utilize savings this year instead of increasing taxes. He reiterated that it was a different mindset, dipping into savings when the County will be putting out bond issues, as we want to make sure that we are financially stable before going to the bank to borrow money – and we are. He credited Angela Lane for doing, in his opinion, an excellent job of getting us to that point and expressed his appreciation to her and to Ken Davis.

- Ms. Price - Ms. Price stated that the FY23 Budget is her 12th and final budget and, in her opinion, it has dramatically changed. She expressed her appreciation to Angela Lane for working with her on all those budgets and stated that Ms. Lane had taught her so much. She recalled working on her first budget as a Council member and lots of cuts were being made that someone told her that it is a lot harder to do a budget when you have money because when you don't have money you have to say "no". She stated that that first budget was in the \$65 to \$68 million range and in just over a decade it has almost doubled, even though the County has not added a lot of positions. She concurred with the comments of Mr. Leshner and Mr. Divilio about the Council's priorities and that it has just gotten a lot more expensive to do business and retain employees, whereas, 12 years ago, we were having to make decisions about cutting employees, an incredibly painful process, in her opinion. She stated that in the past 12 years, the Income Tax rate has gone from 2.25 percent to 2.4 percent, but the County still maintains the second lowest income tax rate in the state, which the State does not like and it messes up our funding formulas, particularly in education. She recalled a time prior to her taking office when the County's Income Tax revenue went from \$31 million to \$19 million in two years due, in large part, to a handful of individuals moving out of Talbot County, and which the Council has kept in mind when thinking about raising the Income Tax and has worked really hard to live within its means but has had to raise property taxes due to education costs. She stated that in 2012 the State required that local jurisdictions pay a larger portion of teachers' pensions than they had in the past and instituted the Maintenance of Effort law which requires that local jurisdictions cannot provide less funding per pupil than was provided the previous year. She stated that, even though Talbot County is a revenue capped county, the State ruled that the County could break the tap cap to fund education, which we did; therefore, property taxes are significantly more due to education. Ms. Price concurred with her colleagues' statements that the Council made a commitment to Public Safety and there are capital projects that need to be done including, providing a new Health Department facility and a new facility for the Sheriff's Office. She stated that the three Councils on which she has served have strived to keep tax rates as low as possible and concurred with Mr. Divilio's comments regarding use of the Fund Balance but views its use as returning an overpayment of taxes back to the public, which, in her opinion, should be done. She stated that the extra \$.01 on the Property Tax will provide revenue of \$750,000 to \$800,000 for Education, as will the \$.01 for Public Safety. She stated that the cost of education will continue to rise as a result of the legislation resulting from the recommendations of the Kirwan Commission. Ms. Price concluded her comments by expressing her appreciation to the Finance Department staff for all their hard work which enables the Council to keep the taxes as low as possible. Ms. Price concluded her comments by expressing appreciation to her colleagues for working together on the budget for the benefit of county citizens.
- Mr. Callahan - Mr. Callahan expressed his appreciation to Ms. Price for her service over the last ten years and for her work on the many budgets. He stated that, in his opinion, the FY23 Budget is special because we are providing the citizens a new facility for the Health Department, a new facility for the Sheriff's Office, and supporting Emergency Services, including purchasing new ambulances. He stated that, in his opinion, we have provided the best we can with the services we have and he is proud to be a part of it. Mr. Callahan concluded his comments by expressing his appreciation to staff who help support the Council in all they do.

Following Council’s comments, County Manager, Clay Stamp expressed his appreciation to County staff, department heads and everyone who worked to produce a budget that’s modest, recognizes the uncertainties we face, and that addresses the priorities provided by the voters. He expressed his appreciation to the Council for their support and assistance in developing a budget which supports investment in the County’s workforce to provide workforce stability, which, in his opinion, is very important right now. He stated that we have good people and it’s important that we keep the good people that we have; our processes through investment in technology to help streamline some of our processes; funding of important projects, including some major roads projects and extending sewer to failing septic systems, building an EMS station at the northern end of the county to ensure delivery of an eight-minute response time by Emergency Services personnel to those in need, and a Public Safety building and Health Department. Mr. Stamp stated that although the County is challenged by supply chain issues, Council has provided the resources to push the project forward.

VII. County Manager’s Report:

- A. Talbot County Airport Board - Requested Council approval for the reappointment of Hugh Grunden to a four-year term on the Talbot County Airport Board; said term will expire on June 1, 2026. Upon motion by Mr. Divilio, seconded by Ms. Price, the Council approved the reappointment by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Divilio – Aye
Mr. Leshner – Aye
Ms. Price – Aye

- B. Request from Talbot County Free Library – Requested Council approval for a letter in support of the Talbot County Free Library’s request to provide matching funds in the sum of \$45,000 for design and architectural engineering services for the St. Michaels Library expansion project;

and

- C. Request from Talbot County Free Library – Requested Council approval for a letter in support of the Talbot County Free Library’s application for FY24 funding from the Maryland Library Capital Grant Program in the sum of \$175,300 and the County’s intention to provide a total of \$2,070,329 (50%) of the cost for expansion of the St. Michaels Branch of the Talbot County Free Library. Dana Newman, Director, Talbot County Free Library, briefed the Council on the expansion project. Upon motion by Mr. Divilio, seconded by Mr. Leshner, the Council approved the requests by voting 4 – 0 as follows:

Mr. Callahan – Aye
Mr. Divilio – Aye
Mr. Leshner – Aye
Ms. Price – Aye

- D. Emergency Medical Services Provider Week – Mr. Stamp stated that May 15, 2022 through May 21, 2022, recognized as Emergency Medical Services Provider Week, honors EMS personnel, 9-1-1 dispatchers, emergency and critical care nurses, doctors, technicians, Maryland State Police Aviation Medics, pilots and commercial aircraft which support the mission of emergency medical services throughout the country.

VIII. Public Comments: There were no public comments.

IX. Council Comments:

Mr. Divilio - Mr. Divilio announced there will be a community discussion on the Bill Burton Fishing Pier State Park on Tuesday, May 23, 2022 from 6:00 p.m. to 8:00 p.m. at 29761 Bolingbroke Point Drive in Trappe; more information is available about the community discussion on the website for the Talbot County Department of Parks and Recreation. Following Mr. Callahan's comments, Mr. Divilio stated that he recently saw on Facebook that an individual in Talbot County who has been a State Police officer for his entire career and who, when he was much younger was involved in a bad car accident and had to be flown out; ever since then that is what he has always wanted to do. Mr. Divilio stated that while serving as a police officer he also worked in emergency services in Dorchester County and has just begun training to become a helicopter pilot. He stated that, in his opinion, the individual is the epitome of Talbot County residents – he is from here, his family is here, he's made a contribution his entire life to Public Safety and continues to step up and do the right thing, to be here for the citizens, and, in his opinion, it was so exciting to see him go through that to return the favor to other citizens who are in need.

Ms. Price - No comments.

Mr. Leshner - No comments.

Mr. Callahan - Mr. Callahan again extended condolences to the family of Mr. Pack on the recent death of his father.

X. Upon motion by Mr. Divilio, seconded by Ms. Price, the Council voted to adjourn and to reconvene on Tuesday, May 24, 2022 at 4:30 p.m. in Open Session and then adjourn into Closed Session for discussion of legal, personnel and real estate matters as listed on the statement for closing the meeting, and at 6:00 p.m. for the regularly scheduled meeting by voting 4 – 0 as follows:

Mr. Callahan - Aye
Mr. Divilio – Aye
Mr. Leshner – Aye
Mr. Pack – Aye

The meeting adjourned at 7:03 p.m.

The transcript of the May 17, 2022 County Council meeting is available for review in the Office of the Talbot County Manager during regular office hours.

XI. Summary of Closed Session Held on May 17, 2022:

1. Statement of the time, place, and purpose of the closed session:

Time of closed session: 5:15 p.m. to 5:55 p.m.
Place of closed session: County Council Office
Purpose of the closed session: To consider various matters as set forth in the statement for closing the meeting

2. Record of the vote of each member as to closing the session:

Names of members voting aye: Callahan, Divilio, Leshner, Price

Members opposed: None
 Abstaining: None
 Absent: Pack

3. Statutory authority to close session and listing of each topic actually discussed, persons present, and each action taken in the session:

Topic Description	Statutory Authority	Reason for Closed Session Discussion	Persons Present	Action Taken
To discuss appointments to various County boards and committees	GP § 3-305(b)(1)(i)	Public discussion would discourage individuals from volunteering to serve	Chuck Callahan, Frank Divilio, Pete Leshner, Laura Price, Clay Stamp, Jessica Morris	No action
To discuss personnel matter in the County Attorney’s Office	GP § 3-305(b)(1)(i)	Discussion involves specific individual	Chuck Callahan, Frank Divilio, Pete Leshner, Laura Price, Clay Stamp, Jessica Morris	Council approved advertising vacancy
To discuss possible acquisition of property for a public purpose in Easton	GP § 3-305(b)(3)	To protect the County’s bargaining position regarding the potential acquisition of a specific parcel of real property for a public purpose	Chuck Callahan, Frank Divilio, Pete Leshner, Laura Price, Clay Stamp, Jessica Morris, Ken Davis, Angela Lane	Council concurred with timeline for acquiring property

CASH STATEMENT 5/17/2022

BALANCE 5/10/2022	45,371,378.51
TOTAL ADP BI-WEEKLY PAYROLL PPE 4/29/2022	(687,323.63)
TOTAL ADP MONTHLY PAYROLL PPE 4/30/2022	(16,086.31)
PENSION DED PPE 4/29/2022	(42,428.13)
DEFERRED COMP DED PPE 4/29/2022	(20,187.76)
DEFERRED COMP PPE 4/29/2022 PLAN 401(A)	(6,636.49)
PENSION DED PPE 4/30/2022	(798.00)
DEFERRED COMP DED PPE 4/30/2022	(990.00)

CIGNA CLAIMS PAID THRU 5/9/2022	(115,974.34)
ELECTION BOARD PPE 3/8 & 3/15/2022	(13,136.55)
ELECTION BOARD PPE 3/22, 3/29, 4/05 & 4/12/2022	(44,584.27)
AGRICULTURAL TRANSFER TAX PAYMENT 4/2022	(7,797.92)
USDA/RD QTRLY BOND PYMT #92-04	(2,833.00)
STATE REPORT 4/2022	(34,636.93)

DEPOSITS	696,093.85
CHECKS	(700,378.38)
ACH DISBURSEMENT(S)	0.00
VOIDED CHECK(S) #357048, 358897, 358918, 358976	67,683.25

BALANCE 5/17/2022 **44,441,363.90**

INVESTMENTS - CERTIFICATES OF DEPOSIT

<u>Certificate Date</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Amount</u>
PNC-MLGIP INVESTMENTS TOTAL		0.60%	20,500,000.00
BAYVANGUARD BANK			10,229,720.55

TOTAL INVESTED **30,729,720.55**

PETTY CASH BALANCE **12,605.00**

GRAND TOTAL ALL FUNDS **75,183,689.45**