



TALBOT COUNTY, MARYLAND

County Council

MINUTES

May 7, 2024

Present – President Chuck Callahan, Vice President Pete Leshner, Keasha N. Haythe, Lynn L. Mielke, Dave Stepp, County Manager Clay Stamp, and County Attorney Patrick Thomas.

- I. Agenda – Mr. Callahan requested and received unanimous consent for approval of the Agenda of Tuesday, May 7, 2024.
- II. Minutes – Mr. Callahan requested and received unanimous consent for approval of the Minutes of Tuesday, April 9, 2024.
- III. Disbursements – Mr. Callahan requested and received unanimous consent for approval of the Disbursements of Tuesday, April 30, 2024, and Tuesday, May 7, 2024.
- IV. Certificate of Recognition to Building African American Minds (BAAM) - The Clerk read a certificate of recognition into the record in commemoration of the 20th anniversary of the founding of the BAAM organization in Easton. The proclamation stated that since its establishment, BAAM has provided more than 1,200 boys and now girls in grades 1-6 who are at risk of academic failure with the skills and knowledge to maximize their potential through academic, social and emotional learning programs, after-school tutoring services and an athletic center. BAAM primarily serves African American youth, but its programs are open to all. Since its establishment, BAAM has expanded its programming to include parents of youth involved in the programs and has now expanded its services to high school aged youth as well as those 18 and over. The certificate of recognition also commended founders Derick and Dina Daly for their vision for the organization, the partnerships BAAM has formed to accomplish its goals, and the contributions BAAM has made to the Talbot County community. Council members expressed their appreciation to Mr. and Ms. Daly and wished them success in the next 20 years. Upon motion by Mr. Stepp, seconded by Ms. Haythe, the Council approved the certificate of recognition by voting 5 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner - Aye
Ms. Mielke – Aye
Ms. Haythe – Aye

Mr. and Ms. Daly introduced several members of the BAAM Board of Directors in attendance and updated the Council on the progress of the building currently under construction at 31 Jowitz Street in Easton, which, when complete, will house 12 classrooms and a library. Ms. Daly stated that working in conjunction with Chesapeake College, GED classes and workforce development programs will also be offered at the site; Council discussion ensued with Mr. and Ms. Daly. Mr. Callahan and Ms. Haythe presented the Certificate of Recognition to Derick and Dina Daly and representatives of the BAAM Board of Directors in attendance.

- V. Proclamation – Motorcycle Safety and Awareness Month – May 2024 – The Clerk read a proclamation into the record in recognition of May as Motorcycle Safety Awareness Month. The proclamation spoke of the increasing use of motorcycles as an economic and efficient means of travel and the importance of awareness on the part of both vehicle operators and motorcyclists of each other on the roadways to reduce accidents, injuries and deaths. Ken Eaton, Executive Director, ABATE (A Brotherhood Against Totalitarian Enactments) of Maryland, Inc., Mark Kernzer, Queen Anne’s County Coordinator, ABATE of Maryland, Inc., and Marianne Jackson, Maryland Representative, Motorcycle Riders Association were in attendance. Ms. Jackson stated that this year marks ABATE’s 50th anniversary in the state of Maryland. Upon motion by Mr. Stepp, seconded by Ms. Haythe, the Council approved the proclamation by voting 5 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner - Aye
Ms. Mielke – Aye
Ms. Haythe – Aye

- VI. Proclamation – Correctional Officers and Employees Week – May 5 – 11, 2024 – The Clerk read a proclamation into the record in recognition of the professionalism, commitment and dedication exhibited by correctional officers and other employees in the Talbot County Department of Corrections toward ensuring the safety and security of individuals under their care. The proclamation also spoke of the officers and employees’ responsibility for the administration and operation of a variety of programs and services offered to assist those who are incarcerated with resolving the personal issues which led to their incarceration. Upon motion by Mr. Stepp, seconded by Mr. Leshner, the Council approved the proclamation by voting 5 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner - Aye
Ms. Mielke – Aye
Ms. Haythe – Aye

Mr. Leshner presented the Proclamation to Joseph “Joe” Hughes, Deputy Director, Talbot County Department of Corrections, Cindy Green, Security Captain, Talbot County Department of Corrections, and representatives of the Department of Corrections in attendance.

- VII. Public Hearings:

Prior to the public hearing on the CONSTANT YIELD, as required by State law, Vice President, Pete Leshner, read the following statement into the record:

The County Council, in the fiscal year 2025 proposed budget, is proposing to adopt a Real Property Tax rate of 79.10 cents per \$100 of assessed valuation for all properties located outside the incorporated towns. This includes an education supplement of 4 cents for the increase in funding for Talbot County Public Schools and is 4.76 cents higher than the current Real Property Tax rate. This rate is 9.5 percent higher than the constant yield rate of 72.73 cents and will generate \$3,653,550 more in property tax revenues in fiscal year 2025 from the unincorporated area of the county. Properties located within the incorporated towns will again be granted a tax rate differential, which sets their Real Property Tax rates between 6.01 and 13.3 cents lower than the County rate.

The County Real Property Tax rates for properties located within the towns are higher than the Constant Yield rate for the towns. The County Council will not adopt the Fiscal Year 2025 tax rate today. The Fiscal Year 2025 tax rate will be adopted as part of the Fiscal Year 2024-2025 Annual Budget and Appropriation Ordinance, currently scheduled for adoption on Tuesday, May 28, 2024.

Following the statement by Mr. Leshner, a public hearing was held on the Constant Yield and members of the public were afforded an opportunity to comment on the Constant Yield. No public comment was received.

Bill No. 1553, AN ACT TO ESTABLISH THE 2024-2025 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, was read into the record by the Clerk and brought forward for public hearing. Prior to the public hearing, County Manager, Clay Stamp, briefed the Council on the strategy for developing the FY25 Budget, beginning in November 2023, by setting the goals and objectives of the Council and working closely with department heads, staff and leaders of various agencies in the county in order meet the needs of the county as best as possible. He stated that the strategy included utilizing the County's traditional and successful practice of conservative budgeting of overestimating expenses and underestimating revenues while still maintaining a healthy fund balance. Mr. Stamp stated that the Council continues to prioritize public safety and education while still meeting the needs in other areas by addressing the "three P strategy" of *Personnel, Processes, and Projects* and outlined the means by which each is being addressed in the FY25 proposed budget. Mr. Stamp concluded his presentation by noting accomplishments over the past year, including the Easton Airport modernization project, completion of the new gymnasium and pickleball courts at the Talbot County Community Center, completion of the new Health Department facility, the planned extension of sewer from the Region II Wastewater Treatment Plant, and infrastructure improvements to the Courthouse, Department of Corrections facility, and County roadways. Martha Sparks, Finance Director, then utilized a PowerPoint presentation to outline various facets of the proposed FY25 budget of \$163,970.00 which includes Property Tax revenues of two percent (2%) over FY24 revenues as outlined in the County Charter; an additional one-cent (\$.01) to the Property Tax rate as approved by Talbot County voters in November 2020, and a four-cent (\$.04) Educational Supplement to support the budget initiatives of Talbot County Public Schools. Ms. Sparks stated that the \$54.6 million in funding for Talbot County Public Schools includes an increase of \$3.65 million over FY24 funding and is \$2.8 million more than the amount of funding required by the State of Maryland, due to final calculations received from the Maryland State Department of Education which decreased the required local share by \$200,000. She stated that Capital Improvement Project (CIP) funding for Talbot County Public Schools includes \$16.9 million for the Chapel District Elementary School expansion/renovation project and \$1.5 million in CIP funding for use by Talbot County Public Schools for their CIP projects as they choose according to their priorities. Ms. Sparks stated that the FY25 budget includes a three percent (3%) Cost of Living Adjustment (COLA) and one-step increase for County employees, four additional public safety communication specialist (9-1-1 Operator) positions, a Student Resource Officer (SRO) supervisor, and an increase of \$1.2 million in funding to outside agencies. She stated that Fund Balance Reserves will be used for investments in County infrastructure, with CIP projects totaling \$27.5 million and \$2.98 million in Capital Outlay for the purchase of vehicles and equipment. Ms. Sparks stated that the County has projected a 12.3% increase in Property Tax Revenues and a 19.3% increase in Income Tax Revenues for FY25; the percentages reflect a slight modification in budgeting for Income Tax revenue to align with the revenues received over the past five (5) years, cautioning that these revenues have historically been volatile and must be carefully projected and monitored. She stated that the aforementioned increases, combined with projected increases of other local taxes, governmental revenues and non-recurring transfers of impact fees

from the Development Impact Fund, will provide an overall increase in revenues of 27.26 percent. She stated that Property Tax revenues and Income Tax revenues comprise 81.1% of the County's operating revenues and 61.5 % of the total FY25 budgeted revenues. Ms. Sparks provided statistical information and charts detailing anticipated FY25 County General Fund Revenue sources, General Fund Expenditures, a five-year history of Property Tax rates, and a comparison of Talbot County's Property Tax and Income Tax Rates with Baltimore City and the other 22 Maryland counties in which Talbot County ranks the lowest rate and second lowest, respectively, with recordation and transfer taxes the next largest group of County revenues, contributing approximately \$8.6 million of County operating revenues. She stated that the proposed FY25 budget more accurately projects revenues to be in alignment with revenues the County has received over the last five (5) years which shifts the County's focus away from building reserves and more toward supporting the General Fund operating expenditures. She provided a history of the November 2020 ballot initiative whereby the voters of Talbot County approved a one cent (\$.01) addition to the Property Tax rate for support of the County's expenditures for Public Safety for five (5) years which will expire with the FY26 budget. If the Council wishes to continue with the one-cent (\$.01) addition to the Property Tax Rate, or a modification thereof, another Charter amendment will need to be introduced, approved by a majority of the Council and Talbot County voters at the November General Election in order to continue providing the additional funding in its current manner which, since FY22, has provided valuable funding to enhance public safety personnel for the Sheriff's Office, Detention Center, the Department of Emergency Services, and funding of the Law Enforcement Officers' Pension System (LEOPS) and Correctional Officers' Retirement System (CORS) for public safety employees. Ms. Sparks stated that the proposed Property Tax rate for FY25 for properties outside the municipalities is 79.10 cents per \$100 of assessed valuation, reiterating that the amount is two percent (2%) over FY24 in accordance with the County Charter, which includes one cent (\$.01) to support Public Safety and a four cent (\$.04) Educational Supplement for Talbot County Public Schools; the overall Property Tax rate will increase 4.76 cents (\$.0476) over FY24, a 6.4% increase. Ms. Sparks outlined the Expenditures segment of the proposed budget and the various percentages of the budget each represents. She provided statements made by bond rating agencies, Moody's Investors Service and Fitch Ratings, dated September 14, 2022: Moody's Investors Service stated in part that *financially, the county is very strong and the management team is generally conservative in its budgeting*; Fitch Ratings stated in part that *Fitch's assessment of the county's financial resilience as being in the highest category is based on the combined strength of its fund balance position, its ample expenditure flexibility and its strong ability to adjust revenues through policy action to adjust revenues through policy action to counterbalance its historically volatile revenues....* Members of the public were then afforded an opportunity to comment on the legislation. The public hearing was recessed and will continue at 7:00 p.m. at the Easton Elementary School Cafeteria, 307 Glenwood Avenue in Easton. Bill No. 1553 is eligible for vote on Tuesday, May 28, 2024.

VIII. County Manager's Report:

- A. Request from Department of Public Works – Requested Council approval to apply for and accept Operation and Maintenance (O&M) funds from the Maryland Department of the Environment (MDE) Bay Restoration Fund (BRF) in the sum of \$30,000. Ray Clarke, County Engineer, stated that the grant funding is offered each year to wastewater treatment plants which have been upgraded with Enhanced Nutrient Removal (ENR) technologies and which meet or exceed their discharge permit levels of nitrogen and phosphorous; last year Talbot County received \$42,000. Upon motion by Mr. Leshner, seconded by Mr. Stepp, the Council approved the request as submitted by voting 5 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner - Aye
Ms. Mielke – Aye
Ms. Haythe - Aye

- B. Request for Letter of Support – Requested Council approval of a request from the Town of St. Michaels for a letter in support of the Town’s application for grant funding from the Maryland State Highway Administration Transportation Alternative Program (TAP) in the sum of approximately \$1,187,000; if approved, the funding will be used for the St. Michaels Nature Trail/Multi-Use Bikeway Extension Project; no County funds are required; and

Requested Council approval of a request from the Town of St. Michaels for a letter in support of the Town’s application for grant funding from the Maryland Bikeways Program (Kim Lamphier Bikeways Network Program) in the sum of \$237,403.55; if approved, the funding will be used for the St. Michaels Nature Trail/Multi-Use Bikeway Extension Project; no County funding is required. Upon motion by Ms. Haythe, seconded by Mr. Leshner, the Council approved the letters of support as presented by voting 5 – 0 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner - Aye
Ms. Mielke – Aye
Ms. Haythe – Aye

- C. Request from the Maryland Department of the Environment – Requested Council approval of a request from the Maryland Department of the Environment for a waiver of the 15-day Comment Period on a Sewage Sludge Utilization Application by Trappe East Holdings Business Trust for start-up of the Trappe East Wastewater Treatment Plant located at 3500 Lake Echo Drive in Trappe. Ray Clarke, County Engineer, outlined the process and its purpose. Council discussion ensued with Mr. Clarke. Upon motion by Mr. Leshner, seconded by Ms. Haythe, the Council approved the request for a waiver of the 15-day comment period by voting 4– 1 as follows:

Mr. Callahan – Aye
Mr. Stepp – Aye
Mr. Leshner - Aye
Ms. Mielke – Nay
Ms. Haythe – Aye

IX. Public Comments: No comments.

X. Council Comments:

Mr. Stepp - No comments.

Mr. Leshner - Mr. Leshner stated that a majority of the Council was able to attend the Talbot County Business Appreciation Summit last Thursday. He stated that several businesses and nonprofits in the county were recognized for their, in his opinion, remarkable achievements, and it was a heartwarming session, and he was glad to have been included.

Ms. Mielke - Ms. Mielke stated that the Friends of the Talbot County Free Library recently held its 50th anniversary celebration by hosting a trivia game. She stated that even though her team did not win, it was, in her opinion, a lot of fun. Ms. Mielke concluded her comments by stating that she appreciates what the library does for the community.

Ms. Haythe – Ms. Haythe wished County Manager, Clay Stamp, a belated Happy Birthday. She stated that she and Mr. Stepp had attended a Talbot County Public Schools breakfast during which community partners were recognized. She stated that, in her opinion, it was a great event, all the community partners which were recognized are doing wonderful things in the community, and it was good to be there. Ms. Haythe expressed her appreciation to Cassandra Vanhooser and her team for organizing the Business Appreciation Summit, and to everyone who participated in the event.

Following Ms. Haythe’s comments, Mr. Stepp stated that Ms. Haythe’s foundation, Foundation of Hope, was one of the recipients at the recent Talbot County Community Partner Recognition Breakfast hosted by Talbot County Public Schools.

Mr. Callahan – Mr. Callahan stated that the continuation of the public hearing on the FY25 budget would take place at 7:00 p.m. at the Easton Elementary School Cafeteria and encouraged everyone to attend and expressed his appreciation to his colleagues and County staff for all their hard work on the budget.

Upon motion by Ms. Haythe, seconded by Mr. Stepp, the Council voted to recess and to reconvene at 7:00 p.m. in the Easton Elementary School Cafeteria for continuation of the public hearing on Bill No. 1553, the proposed FY25 budget, and to reconvene on Tuesday, May 14, 2024 at 3:00 p.m. in the Bradley Meeting Room for a work session with Finance Director, Martha Sparks, for final budget deliberations on the FY25 proposed budget, and at 4:30 p.m. in Open Session and immediately adjourn into Closed Session as listed on the statement for closing that meeting, and for the regularly scheduled meeting at 6:00 p.m. by voting 5 – 0 as follows:

Mr. Callahan - Aye

Mr. Stepp – Aye

Mr. Leshner - Aye

Ms. Mielke – Aye

Ms. Haythe – Aye

The Council meeting reconvened at 7:00 p.m. in the Easton Elementary School Cafeteria. Bill No. 1553 was read into the record by the Clerk and brought forward for continuation of the afternoon public hearing. Prior to the public hearing, Mr. Stamp gave an overview of the FY25 proposed budget as he had done at the 2:00 p.m. public hearing. Ms. Sparks utilized a PowerPoint

presentation to provide an overview of various facets of the FY25 proposed Budget and statistical information and charts detailing County General Fund Revenue and Expenditures and proposed projects included in the Capital Projects Fund, as she had done at the 2:00 p.m. public hearing. Members of the public were afforded an opportunity to comment on the legislation. Written comments on Bill No. 1553 will be accepted until Noon on Friday, May 10, 2024; emailed comments can be sent to publiccomments@talbotcountymd.gov . Bill No 1553 is eligible for vote on Tuesday, May 28, 2024.

The meeting adjourned at 8:20 p.m.

The transcript of the May 7, 2024, 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 7, 2024:

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

Time of closed session: 12:35 p.m. to 1:25 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, Haythe, Leshner, Mielke, Stepp
 Members opposed: None
 Abstaining: None
 Absent: None

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, Pete Leshner, Keasha Haythe, Lynn Mielke, Dave Stepp, Clay Stamp, Patrick Thomas, Jessica Morris	No action
To discuss personnel matter involving Department of Parks and Recreation	GP § 3-305(b)(1)(i)	Discussion involves specific individual	Chuck Callahan, Pete Leshner, Keasha Haythe, Lynn Mielke, Dave Stepp, Clay Stamp, Patrick Thomas, Jessica	Council, by majority vote, concurred with recommendation

			Morris, Donna Pardieu	
To discuss personnel matter involving Sheriff’s Office	GP § 3-305(b)(1)(i)	Discussion involves specific individual	Chuck Callahan, Pete Leshner, Keasha Haythe, Lynn Mielke, Dave Stepp, Clay Stamp, Patrick Thomas, Jessica Morris	No action
For update on legal matter involving lease at Easton Airport	GP § 3-305(b)(7) (8)	Attorney-client privilege regarding legal advice	Chuck Callahan, Pete Leshner, Keasha Haythe, Lynn Mielke, Dave Stepp, Clay Stamp, Patrick Thomas, Jessica Morris	Council concurred with recommendation
For update on legal matter involving Public Service Commission Case No. 9723	GP § 3-305(b)(7)	Attorney-client privilege regarding legal advice	Chuck Callahan, Pete Leshner, Keasha Haythe, Lynn Mielke, Dave Stepp, Clay Stamp, Patrick Thomas, Jessica Morris	No action
To discuss proposal for possible acquisition of easement for a public purpose in St. Michaels	GP § 3-305(b)(3)	To protect the County’s bargaining position regarding the potential acquisition of real property for a public purpose	Chuck Callahan, Pete Leshner, Keasha Haythe, Lynn Mielke, Dave Stepp, Clay Stamp, Patrick Thomas, Jessica Morris	Council concurred with recommendation
To discuss proposal for property located in Cordova for a public purpose	GP § 3-305(b)(3)	To protect the County’s bargaining position regarding the potential acquisition of real property for a public purpose	Chuck Callahan, Pete Leshner, Keasha Haythe, Lynn Mielke, Dave Stepp, Clay Stamp, Patrick Thomas, Jessica Morris	No action



**WEEKLY CASH STATEMENT
05/07/2024**

OPERATING FUNDS - SHORE UNITED BANK

OPERATING FUNDS AT	4/30/2024	\$16,253,382.21
AIRPORT MERCHANT PORTAL HOSTING 4/2024		(11.00)
REPURPOSING CENTER MERCHANT PORTAL HOSTING 4/2024		(15.00)
ROADS MERCHANT PORTAL HOSTING 4/2024		(15.00)
RETURNED CHECK(S) #283, 1020		(12,246.25)
Deposits		1,889,999.56
Checks		(183,840.60)
ACH Disbursements		(1,985,364.03)
EFT'S		(174,777.98)
Wire Transfers		(4,273,124.25)
OPERATING FUNDS AT	5/7/2024	<u>\$11,513,987.66</u>
PETTY CASH FUNDS		\$18,105.00
<u>INVESTMENT FUNDS</u>		
	<u>Yield</u>	
Maryland Local Government Investment Pool (MLGIP)	5.35%	\$21,943,784.56
Bayvanguard Bank	4.68%	\$10,665,326.61
Shore United Money Market Account	5.33%	\$77,294,348.28
INVESTMENT FUNDS TOTAL		<u>\$109,921,564.45</u>

TOTAL ALL CASH AND INVESTMENTS

\$121,435,552.11