



Talbot County, Maryland



Easton, Maryland

MINUTES

December 14, 2010

Present – President Dirck K. Bartlett, R. Andrew Hollis, Laura E. Price, County Manager John C. Craig and County Attorney Michael Pullen. Vice President Corey W. Pack and Council Member Thomas G. Duncan were absent.

- I. Agenda – The Agenda of December 14, 2010 was approved upon motion by Ms. Price, seconded by Mr. Hollis, with the Council voting 3 – 0 as follows:

Mr. Bartlett – Aye
Mr. Hollis – Aye
Ms. Price – Aye

- II. Minutes – Approval of the Minutes of December 7, 2010 was postponed until the next Council meeting, scheduled for January 4, 2011.

- III. Disbursements of December 14, 2010 – Disbursements of December 14, 2010 were approved upon motion by Mr. Hollis, seconded by Ms. Price with the Council voting 3 – 0 as follows:

Mr. Bartlett - Aye
Mr. Hollis –Aye
Ms. Price - Aye

- IV. Presentation on County Financial Condition – Angela Lane, Finance Director – Ms. Lane provided an overview of the County’s FY2011 Budget and commented on the FY2012 budget year. She stated that the County’s FY2011 Budget is \$72.3 million. She stated that although the County is in reasonably good fiscal shape, it will have to address serious fiscal realities over the next several years and outlined the County’s main sources of revenue: Property Taxes, which comprise 40% of the current year’s budget but which are subject to the current 2% tax cap; Recordation, Transfer and Public Accommodations Taxes, closely tied to the real estate market. Ms. Lane stated that recordation, transfer and public accommodation tax revenue streams have decreased in the last few years due to the general slowdown in the number of real estate sales; however, these revenues should be the first of the County’s revenues to recover from the recession; Public Accommodations taxes will be another indicator of an improving economy; State and federal revenue sources represent approximately 2% of the County’s FY2011 Budget; however, in 2010 the State reduced the counties’ Highway User Revenues, with Talbot County’s revenues reduced from \$3 million to \$98,000 – significant restoration of the revenues is not anticipated until 2015; and Fees. Ms. Lane then briefed the Council on prior year’s “unexpended funds”, funds which the County did not spend during the year in which they were received, and which essentially represent the County’s savings account. She continued that the FY2011 Budget includes almost \$7 million of the “unexpended funds” used to balance the current budget, and which represent almost 10% of the current budget. She stated that, in her opinion, the County cannot continue to support the Budget at this level in coming years, advising that in FY 2009 the County had received over \$31 million in Income Tax Revenues, but in FY2010 had received only \$19.2 million, a 40% decrease in one year with no recovery of these revenues anticipated in FY2011. She stated that \$22.6 million had been budgeted to be received in this category in FY2011; \$19.1 million is now projected to be received for this fiscal year, thus producing \$3.5 million deficiency in a revenue stream providing 1/3 of the funds for the County’s Budget. Ms. Lane reviewed the Expense side of the Budget, stating that between the adoption of the FY2010 and FY2011 Budgets, the Council eliminated 24 full-time positions (with benefits), which was a reduction of 8% of the County workforce in one year. She highlighted the County’s top expense groups, adding that the largest component of the County’s Budget is Education (the Talbot

County Public School System and Chesapeake College), adding that the County is required by State law to fund the public school system and the College at mandated levels. She stated that the County currently provides funding for Talbot County Public School students at a rate of \$8,034.06 per student, the 4th highest per student funding provided by a local jurisdiction in the State of Maryland. She further outlined the expenditures for the public school system into the eleven (11) major categories as outlined under Maryland law, and the local funding appropriation for Chesapeake College as provided by its supporting counties of Caroline, Dorchester, Kent, Queen Anne's and Talbot. She stated that the total operating Budget for Chesapeake College in FY2011 is over \$20 million, of which the local share is \$5.5 million; Talbot County funds \$1,364,422 of the local share, or 6.6% of the total operating budget, down from 9% in 2004. She continued that the Education sector accounts for 55% of the County's Budget, and Public Safety accounts for 15%, leaving 30% for everything else: Roads, Library, Health Department; State's Attorney, Election Board, Parks & Recreation and General Government. Therefore, 70% of the County's expenses are either legally mandated or required for the safety of County citizens. She stated that as the FY2012 budget year approaches, the County should be concerned about the State's current budget as well as its FY2012 budget, citing in particular, the expense side of the State's budget, including Teacher Retirement. Ms. Lane advised that the State currently pays retirement for all public schools, community colleges and library employees, adding that the State's portion of this expense for Talbot County is presently \$4 million. She continued that, in her opinion, the State will be passing the retirement expense to the local jurisdictions in the future, it is just a matter of when and how much. Ms. Lane concluded her presentation by stating that fiscal challenges face both the County and the Board of Education in FY2012, in particular the Retirement funding (\$4 million) and the replacement of the \$7 million used to balance this year's budget, while Income Tax revenues continue to decline. She offered several cost containment solutions for Council's consideration during the upcoming Budget process.

Mr. Pack arrived at 3:10 p.m.

V. Introduction of Numbered Resolution:

Prior to introduction of a resolution to amend the Talbot County Comprehensive Plan, Sandy Coyman, Planning Officer, and Martin Sokolich, Long Range Planner, briefed the Council on 2006 Maryland House Bill 1141 (HB1141) which requires counties and municipalities to include a Water Resources Element in their comprehensive plans. Mr. Coyman stated that a draft Water Resources Element had come before the Planning Commission and had gone through the public hearing process before coming before the Council as Bill No. 1180. He stated that the document as presented is the result of a joint collaboration between the Public Works Advisory Board and the Planning Commission following the previous Council's direction in spring 2010 to address several facets of the Water Resources Element as outlined in Bill 1180 which failed to be adopted. Mr. Sokolich stated that the water resources plan must identify drinking water and other water resources adequate for the needs of existing and future development and must identify suitable receiving waters which meet stormwater management, wastewater treatment and disposal needs of existing and future development. Mr. Coyman advised that adoption of a Water Resource Element is now time sensitive since Talbot County has already been granted several extensions of time to incorporate a Water Resources Element into the County Comprehensive Plan. He stated that the requirement by the State to adopt a Water Resources Element is an attempt to have all jurisdictions compile same statistics in like formats for a determination of projected needs. Mr. Sokolich then gave a brief outline of the document entitled "Water Resources Element as recommended and amended by the Talbot County Planning Commission and Public Works Advisory Board," stating that its purpose is to be a standardized analysis of adequate facilities to be used by the State to insure that should development take place, there is enough water and sewer service to meet the needs of the population coming into the jurisdiction, and to address environmental concerns related to the stormwater runoff and water discharged through septic and sewer

systems. Mr. Sokolich stated that the document is not meant to be a final product, but is instead a working document based on current population growth statistics; 2010 Census statistics are anticipated to be finalized in the near future. Mr. Coyman stated that the document is a policy document, not a regulatory document. Council discussion ensued as to the provisions contained in the document. A RESOLUTION TO AMEND THE TALBOT COUNTY COMPREHENSIVE PLAN, AS ADOPTED BY TALBOT COUNTY RESOLUTION 971, TO INCLUDE A NEW CHAPTER 14, ENTITLED WATER RESOURCES, AS REQUIRED BY AMENDMENT TO ARTICLE 66B § 3.05 (4) (vi), MD. ANN. CODE; PURSUANT TO THE POWER AND AUTHORITY CONTAINED IN THE ANNOTATED CODE OF THE STATE OF MARYLAND was introduced by Mr. Bartlett, Mr. Hollis, Mr. Pack and Ms. Price as Resolution No. 176. A public hearing was scheduled for Tuesday, January 4, 2011 at 6:30 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland 21601. As Tuesday, January 4, 2011 is not a legislative day, Resolution No. 176 will be eligible for vote on Tuesday, January 11, 2011.

VI. County Manager's Report:

- A. Livescan Electronic Fingerprint Machine – Requested Council's approval for the Talbot County Department of Corrections to accept a Livescan Electronic Fingerprinting Machine from the Maryland Department of Public Safety and Correctional Services (CJIS); said machine will provide palm print capability to the Department of Corrections and will include maintenance to hardware and software for one year. After one year, Talbot County would own the equipment and assume responsibility for the equipment, including replacement when necessary; expense for ten (10) years totals \$57,960. Upon motion by Mr. Hollis seconded by Ms. Price, the Council approved acceptance of the equipment at the projected 10-year cost by voting 3 – 0 – 1 as follows:

Mr. Bartlett– Aye
Mr. Hollis – Aye
Mr. Pack– Abstain
Ms. Price – Aye

- B. Talbot County Transfer Station and Homeowner Drop-off – Mr. Craig confirmed that the hours of operation of the transfer station and homeowners' drop-off at Mid-Shore Regional Landfill will be Monday through Saturday from 8:00 a.m. to 12:00 noon beginning Monday, January 3, 2011, not 10:00 a.m. to 2:00 p.m. as had been previously announced. Information on the new hours will be posted on the County's website, press releases will be issued and handouts will be available at the Landfill site.

VII. Council Comments:

Mr. Hollis - Mr. Hollis wished everyone Happy Holidays.

Mr. Pack- Mr. Pack offered heartfelt condolences to the family of Dorothy Webb Black. He stated that Mrs. Black was the founder of what is now known as the Neighborhood Service Center and had dedicated her life to antipoverty initiatives in Talbot County, adding that, in his opinion, the type of person Ms. Black was comes along very infrequently, adding that even when bedridden, she was still able to generate over a thousand dollars in ticket sales to the annual NAACP luncheon. Mr. Pack described Mrs. Black as a powerful woman dedicated to Talbot County and to the citizens of the County. He stated that the Council

had issued a Certificate of Recognition which he had presented to the family the previous Saturday. Mr. Pack wished everyone a Merry Christmas and encouraged spending time with family and friends.

Ms. Price - Ms. Price wished everyone a Merry Christmas and Happy Holidays, adding that she hoped all stayed safe and warm.

Mr. Bartlett - Mr. Bartlett encouraged everyone to watch out for their neighbors and anyone who might be struggling in this economy and in the cold weather, adding that Talbot County citizens always rise to the occasion. He stated that following a short recess, the Council would reconvene in a work session on the draft solid waste management and recycling plan, and at 5:00 p.m. will be convening in the Wye Oak Room at the Talbot County Community Center to meet with elected officials from the municipalities.

VIII. Upon motion by Mr. Pack, seconded by Ms. Price, the Council voted to close the meeting and to reconvene in a work session followed by and Executive Session for discussion of legal, personnel, and real estate matters later this evening at the Talbot County Community Center, and to reconvene in Executive Session on Tuesday, January 4, 2011 at 5:00 p.m. for discussion of legal, personnel, and real estate matters.

The meeting adjourned at 4:02 p.m.

IX. On Tuesday, December 14, 2010 an Executive Session of the Talbot County Council convened at 6:30 p.m. in the Wye Oak Room of the Talbot County Community Center. Upon motion by Mr. Pack, seconded by Mr. Hollis, the Council met in Executive Session by voting 4 - 0 as follows:

Mr. Bartlett – Aye
Mr. Duncan – Absent
Mr. Hollis – Aye
Mr. Pack – Aye
Ms. Price - Aye

In accordance with State Article §10-508(a)(1)(i)(3)(4)(7) the purpose of the Executive Session was for personnel matters to discuss appointments to various County Boards and Committees; to discuss the hiring of a Director of a County Department; to discuss a promotion in a County Department; to discuss hiring an intern for a County Department; and to discuss filling a vacancy in a County Department; and for legal/real estate matters to obtain legal advice concerning possible relocation of Memorial Hospital at Easton to County owned property and the timetable for same. The Executive Session ended at 9:40 p.m.

The transcript of the December 14, 2010 County Council meeting is available for review in the Office of the County Manager during regular office hours.

X. Work Session on Draft Solid Waste Management and Recycling Plans – Ray Clarke, County Engineer; John Allen, Manager, Environmental Operations; James Wood, Regional Coordinator, Mid-Shore Regional Recycling Program; Derick Brummell, Recycling Coordinator, Talbot County Department of Public Works – Mr. Clarke outlined the County’s Draft Solid Waste Management and Recycling Plan dated July 2009. He stated that the County’s current Plan, last informally updated in 1984, requires updating per Code of Maryland Regulations (COMAR). Mr. Clarke had provided an overview of the Plans to the Council on

Tuesday, December 7, 2010 and had reviewed the history of the present Mid-Shore Regional Landfill, located in Talbot County since 1990, and which is scheduled to relocate to Caroline County on January 3, 2011. He stated that the proposed updated Plan, at the time it was drafted in 2009, did not include any transfer station options as same were still under consideration by the Council. That option will be included in the updated Solid Waste Management Plan, as will a draft recycling plan for schools as mandated by 2009 Maryland House Bill 1290. Council discussion ensued regarding provisions included in the Plans; the feasibility and cost of curbside recycling, the possibility of additional transfer station locations and guidelines for the homeowner drop-off site. Due to time constraints, Council will continue the discussion of the Draft Plans at a later date.

- XI. Meeting with Incorporated Towns – The County Council held an informal meeting with elected officials of the incorporated towns within Talbot County at 5:00 p.m. on Tuesday, December 14, 2010 in the Wye Oak Room at the Talbot County Community Center. The “meet and greet” was an opportunity for the newly elected County Council members to get to know other elected officials of the county.

CASH STATEMENT 12/14/2010

BALANCE 12/07/2010	\$4,950,251.72
PUBLIC IMPROVEMENT&REFUNDING BONDS 2010	(114,984.00)
UHC CLAIMS THRU 12/7/2010	(51,423.52)
MLGIP INT ON ACCT 11/2010	464.37
STATE REPORT 11/2010	(203,475.10)
TALBOT COUNTY MD PUBLIC IMPROVEMENT BONDS 2008	(1,342,475.00)
PAYROLL – FD/SS/MS WH 12/10/2010	(115,391.80)
SECU DED	(9,500.20)
DEFERRED COMP DED	(11,534.40)
MD WH	(29,295.21)
PENSION DED	(22,082.11)
ACH TRANSFER	(11,095.00)
FLEX SPENDING ACCT	(2,298.68)
DEPOSITS	1,055,810.06
CHECKS	(1,160,370.68)
BALANCE 12/14/2010	<u>2,932,600.45</u>

AIRPORT ACCOUNTS

AIP29		\$19,528.29
AIP30		202.57
AIP33-DSA		2,505.00
NEW AIP-RUNWAY 4-22 EXTENSION ANALYSIS		---
AIP34	BALANCE 12/17/2010	\$ 9,246.37
	DEPOSITS	\$ 8,752.37
		17,998.74
AIP-35		92,616.50
AIP36		8,519.87

AIP37 9,794.32

AIRPORT ACCOUNTS TOTAL BALANCE \$151,165.29

INVESTMENTS – CERTIFICATES OF DEPOSIT

<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
06/29/2010	12/28/10	0.47%	3,000,000.00
07/13/2010	01/18/11	0.47%	3,000,000.00
07/27/2010	01/25/11	0.26%	3,000,000.00
05/11/2010	02/15/11	0.50%	3,000,000.00
08/11/2010	02/15/11	0.26%	4,000,000.00
06/15/2010	03/15/11	0.56%	3,000,000.00
06/29/2010	03/29/11	0.61%	3,000,000.00
07/13/2010	04/26/11	0.61%	5,000,000.00
07/27/2010	04/26/11	0.36%	3,000,000.00
08/31/2010	05/31/11	0.37%	4,000,000.00
09/14/2010	06/14/11	0.37%	3,000,000.00
07/27/2010	07/26/11	0.51%	6,000,000.00
08/11/2010	08/09/11	0.52%	4,000,000.00
08/31/2010	08/30/11	0.56%	4,000,000.00
09/28/2010	09/27/11	0.57%	5,000,000.00

PNC-MLGIP INVESTMENTS TOTAL 0.17% 3,000,000.00

TOTAL INVESTED \$59,000,000.00

PETTY CASH BALANCE \$6,800.00

GRAND TOTAL ALL FUNDS \$62,090,565.74