



Talbot County, Maryland



Easton, Maryland

MINUTES

February 28, 2012

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

- I. Agenda – Mr. Pack requested Council consent to move Agenda Item No. XV, *Quarterly Update by Talbot County Airport Board* to Item XII, and to defer Item No. XIV, *Request for Council Approval to Award Klondike Road Bio-Solids Facility Excess Energy Contract to Old Dominion Electric Cooperative* to Tuesday, March 13, 2012; there was no objection. Mr. Pack requested and received Council's unanimous consent for approval of the Agenda of Tuesday, February 14, 2012, as amended.
- II. Minutes – Mr. Pack requested that the Minutes of Tuesday, February 14, 2012 be corrected to reflect that he had spoken with Easton Fire Chief Jamie McNeal at the Queen Anne-Hillsboro Volunteer Fire Company Award Dinner, not the Easton Volunteer Fire Department dinner. Following his request for the correction, Mr. Pack requested and received Council's unanimous consent for approval of the Minutes of Tuesday, January 24, 2012, as amended.
- III. Disbursements – Mr. Pack requested and received Council's unanimous consent for approval of the Disbursements of February 21, 2012 and February 28, 2012.
- IV. Introduction of Andy Halverson, Golf Professional, Hog Neck Golf Course – Mr. Pack introduced Andy Halverson, the new Golf Professional at Hog Neck Golf Course and gave a brief synopsis of Mr. Halverson's educational and professional background. Mr. Halverson outlined his philosophy for management of the Hog Neck Golf Course to ensure its continued and future success. Council members welcomed Mr. Halverson. Mr. Pack expressed appreciation to Parks & Recreation Director Rick Towle for his management of Hog Neck Golf Course for the interim time prior to Mr. Halverson's arrival.
- V. Presentation to County Council by Winterfest EMS Committee - Talbot County Emergency Services Director Clay Stamp and Emergency Medical Services Division Chief, Brian LeCates, briefed the Council on "Winterfest," an annual conference established in 1997 as a way to educate local EMS providers. Mr. Stamp stated that since its inception 15 years ago, 3,000 people have taken part in the annual event. Mr. LeCates stated that participation in the conference has grown to approximately 200 nurses, paramedics, EMT's and firefighters from around the state who take part in various educational sessions and skills refresher courses. Mr. Stamp stated that on Wednesday, February 29, 2012 the Department of Emergency Services, in partnership with Shore Health System, Inc., WCEI, *The Star Democrat*, Talbot County Chamber of Commerce, and Talbot County Paramedic Foundation, will provide free CPR/AED training at the Talbot County Community Center from 9:00 a.m. to 9:00 p.m. Council members expressed their appreciation to Emergency Services personnel and the important work they do for the citizens of Talbot County.
- VI. Presentation of Certificate of Recognition to Winterfest EMS - The Clerk read a proclamation into the record in recognition of the 15th anniversary of the Winterfest Conference, its participants and sponsors. Mr. Duncan presented the Proclamation to Brian LeCates; Danielle Szpara and Richard Bobitka, representatives of the Talbot County Department of Emergency Services. The representatives then

presented the Council with a token of appreciation from the Winterfest Committee. Mr. Duncan accepted on behalf of the Council.

- VII. Proclamation of Restaurant Week in Talbot County: March 25, 2012 – March 31, 2012 – Debbi Dodson, Tourism Director, highlighted for Council upcoming events for the 3rd annual Restaurant Week in Talbot County on March 25th through March 31st. The Clerk read a proclamation into the record in recognition of Restaurant Week, designed to promote the culinary talents and diverse dining experiences available in Talbot County while raising funds to help local organizations and food banks which serve the less fortunate citizens of the County.

Mr. Hollis presented the Proclamation to Ms. Dodson and expressed appreciation to her and her office for all their efforts toward the promotion of tourism in Talbot County.

- VIII. Quarterly Update by Kenley Timms, Talbot County Liquor Inspector – Mr. Timms briefed the Council on the duties and enforcement efforts of the Talbot County Liquor Inspector as well as educational initiatives, including TIPs (Training for Intervention Procedures) classes. Mr. Timms stated that to date, he has conducted 33 TIPs classes resulting in 850 individuals having received training on the rules and regulations for serving alcohol in Talbot County. Council discussed the various aspects of Mr. Timms' duties. Mr. Timms will continue to update the Council on a regular or as-needed basis.

- IX. Introduction of Administrative Resolution:

AN ADMINISTRATIVE RESOLUTION TO ADOPT THE BYLAWS FOR THE TALBOT COUNTY COMMISSION ON THE AGING – Prior to introduction of the administrative resolution, Susan Welch, Chairperson of the Talbot County Commission on the Aging provided a brief summary of the purpose of the Commission, which is to operate for the benefit of, and to advocate for, the approximately 9,000 citizens of Talbot County who are 65 years of age or older. The Commission is also responsible for publishing an annual resource guide of community services available to the senior population. Ms. Welch stated that the Commission desires to adopt bylaws in order to provide more structure and flexibility to the Commission and to enhance its decision-making process. The Clerk then read the administrative resolution into the record. Upon motion by Mr. Hollis, seconded by Mr. Bartlett, the Council approved the Administrative Resolution by voting 5 – 0 as follows:

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

- X. Introduction of Numbered Resolution:

Prior to introduction of the resolution, Airport Manager Mike Henry introduced Mr. K. Guinness as the newest member of the Talbot County Airport Board. Mr. Henry then briefed the Council on a request by Verizon regarding the placement of a telecommunications monopole on Airport property in order to provide service in an area between the town limits of Easton out toward the Talbot County Community Center along Rt. 50. Mr. Henry stated that the Airport is interested in the proposed project as the telecommunications monopole would provide the Airport with a revenue stream, thus assisting the Airport with remaining self-sufficient. He stated that the proposal has been coordinated with the Federal Aviation Administration who has advised that the proposed location of the monopole is not within restricted airspace; the monopole would be 145' in height. Council discussion ensued. A RESOLUTION TO APPROVE AN OPTION TO ENTER INTO A LEASE AGREEMENT FOR APPROXIMATELY 35' X

38' OF LAND AT THE EASTON AIRPORT, ON WHICH THE LESSEE IS TO APPLY FOR APPROVAL TO INSTALL A MONOPOLE FOR TELECOMMUNICATIONS was introduced by Mr. Pack and Ms. Price as Resolution No. 192. A public hearing was scheduled for Tuesday, March 27, 2012 at 6:30 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland 21601.

- XI. Quarterly Update by Talbot County Airport Board – Mike Henry, Manager, Easton Airport; Jack Pettit, President, Talbot County Airport Board; K. Guinness, Member, Talbot County Airport Board – Mr. Henry re-introduced Mr. K. Guinness as the newest member of the Airport Board. He briefed the Council that the following projects were underway or had been completed: (1) AIP-30 (Five-Year CIP Environmental Assessment) – Following a review of comments by the Airport and the Airport's consultant, URS, the Environmental Assessment is with the Federal Aviation Administration (FAA) Legal Department for final review; a Finding of No Significant Impact (FONSI) is anticipated in April; (2) Mr. Henry updated the Council on the reauthorization of the FAA by President Obama, stating that the Airport Improvement Program was cut 50%. The FAA, which had been funding said projects at 95% will now be doing so at 90% beginning in FY 2013; the Maryland Aviation Administration will fund 7.5% for the next two years; Easton Airport's portion will remain at 2.5% for the same timeframe; (3) AIP-34 (Land Acquisitions and Mitigation for Obstruction Removal) – the Ocean Gateway easement has been acquired – URS will be starting their survey of the property on March 26th; (4) AIP-35/36 (Reconstruction and Expansion of the South Apron) – the FAA performed a final inspection on January 31st – project is now complete; (5) AIP-37 (Runway 4-22 Obstruction Removal) – Survey required by the Maryland Department of the Environment (MDE) was completed on February 13th; URS is now compiling the data; once the compilation is complete, the contractor will go on site to assess the health of 600 trees; that information will be forwarded to MDE for use in determining whether to award a permit; (6) AIP-38 (Snow Removal Equipment) – Mr. Henry stated that the new equipment, originally scheduled for delivery in January, is now anticipated to be delivered in March; (7) USDA – Sewer – Easements have been signed; awaiting USDA approval to go out to bid; (8) Trooper Six – Project is complete and final checks has been received; (9) AEGIS Hangar – the owner of the Airport's newest hangar is completing landscaping and is applying for a temporary occupancy permit from the Town of Easton; tenants have been lined up; (9) MAA Grant for various projects – Mr. Henry stated that the Airport has taken possession of the new mower and that his office is working with County Maintenance to possibly have County staff install the new HVAC equipment as a cost-saving measure; taxi lane borings will be conducted to determine the amount of pavement required to be replaced; (10) MAA Grant Request – the Airport will be requesting MAA grant funding for repairs to cracks on the north apron and for striping of runways and taxiways; the project is estimated to cost approximately \$100,000, of which MAA has indicated they will pay 75%; (11) Clearview Property – the FAA Reauthorization allows for leasing the property located on U.S. Rt. 50 and for the Airport to retain the revenue; the FAA has also approved of the Airport's disposal plan for the property – Council discussion ensued. Mr. Bartlett requested that the Airport Board work with the Office of Economic Development to determine a possible use for the property by the Airport which would generate revenue; (12) Mr. Henry thanked the Council for their support in renewing the fuel contract; Easton Airport continues to have the lowest cost for jet fuel and Avgas in the area; he stated that while fuel sales are down 6.7% from last year at this time, actual revenue has increased due to flowage fees – fuel sales are the main source of revenue for the Airport; (13) Lightning Strikes – Reimbursement for lightning damage to the terminal and the runway and taxiway lights has been received; (14) Mr. Henry stated that he met with representatives of CAVU, an aircraft detailing business regarding the possible establishment of the business at Easton Airport; he has also met with representatives of Horizon Flight Center of Chesapeake, Virginia, a professional flight school, regarding locating a flight training facility and avionics repair shop at Easton Airport; (15) MedStar Hangar – their lease expires in August 2012; however, the facility has been vacant for approximately two years; the hangar space will be listed with a commercial Realtor[®]; (16) Academy of Lifelong Learning – the Airport continues to provide monthly tours which include a brief history of the Airport, its economic impact on Talbot County and tours of the Air Traffic Control Tower, Spitfire and Trooper Six hangars;

(17) Easton Police Department – new officers train at Airport in case of emergency; at Mr. Duncan’s request, Mr. Henry will contact Easton Volunteer Fire Department regarding training due to the specific nature of aircraft fire emergencies; (18) Chamber of Commerce – will hold a free Enterprise Workshop at the Airport on April 25, 2012; the Workshop provides information to Talbot County teachers on careers in aviation which they can then incorporate into their lesson plans; tours similar to those offered in the Academy of Lifelong Learning are also provided. The next Airport Board meeting is scheduled for Wednesday, March 21, 2012 at 8:00 a.m. in the Easton Airport Conference Room.

XII. Introduction of Legislation:

Prior to introduction of the proposed legislation, Talbot County Planner Brett Ewing provided a brief history of the purpose of the legislation. He stated that several landscape contractors who were cited in 2009 for operating landscaping businesses without proper approvals sought to come into compliance with the County Code; however, no category existed for the size and setbacks of their particular properties. The County Code currently permits landscaping contractor use under “Contracting and Maintenance” in the Limited Commercial (LC), General Commercial (GC) and Limited Industrial (LI) zoning districts. Landscape Contractors are also permitted as a cottage industry use with specific standards; a variance from those standards cannot be requested. He stated that the legislation would add landscape contractor as a separate use from other contractors, and would remove the use from the list of permitted cottage industry uses under the Talbot County Code. Mr. Ewing advised that the Planning Commission, at its February 1, 2012 meeting, had made a recommendation for approval, with amendments as submitted, by voting 5 – 0; Council discussion ensued. A BILL TO AMEND THE TALBOT COUNTY CODE, CHAPTER 190, “ZONING, SUBDIVISION AND LAND DEVELOPMENT”, ARTICLE III, LAND USES, §190-16, §190-39, AND ARTICLE XI, §190-208 AND ADDING §190.38.1 TO DEFINE THE “LANDSCAPE CONTRACTOR” USE, AND TO PERMIT THE SAME SUBJECT TO AMENDED REGULATIONS was introduced by Mr. Hollis, Mr. Pack, and Ms. Price as Bill No. 1216. A public hearing was scheduled for Tuesday, March 27, 2012 at 6:30 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland 21601.

XIII. Eligible for Vote:

Resolution No. 191, A RESOLUTION TO EXTEND THE MORATORIUM ENACTED BY RESOLUTION NO. 180 IN THE VILLAGES OF ROYAL OAK, NEWCOMB, BELLEVUE, UNIONVILLE, TUNIS MILLS, AND COPPERVILLE, THAT TEMPORARILY SUSPENDED ADMINISTRATIVE PROCESSING, REVIEW, OR APPROVAL OF ANY APPLICATION TO SUBDIVIDE PARCELS ZONED “VILLAGE CENTER” THAT HAD NOT BEEN FILED ON OR BEFORE MARCH 22, 2011, FOR AN ADDITIONAL PERIOD OF 70 DAYS FROM AND AFTER FEBRUARY 24, 2012, PENDING CONSIDERATION AND ADOPTION OF SUCH LEGISLATION AS THE COUNTY COUNCIL MAY CONSIDER ADVISABLE TO PROMOTE THE PUBLIC HEALTH, SAFETY AND WELFARE and Bill No. 1214, A BILL TO ENACT DENSITY PROVISIONS OF ONE (1) DWELLING UNIT PER TWO (2) ACRES FOR THE VILLAGE CENTER, VC-1, AND VC-2 ZONING DISTRICTS; TO PROVIDE THAT THE MINIMUM LOT SIZE SHALL BE ONE (1) ACRE; TO PROVIDE THAT NO MORE THAN ONE (1) LOT SHALL BE SUBDIVIDED FROM AN ORIGINAL PARCEL, DEFINED AS A PARCEL, LOT, OR TRACT RECORDED AMONG THE COUNTY LAND RECORDS AS OF MARCH 22, 2011; TO MAKE THESE PROVISIONS APPLICABLE TO SUBDIVISIONS THAT HAVE NOT RECEIVED PRELIMINARY PLAT APPROVAL PRIOR TO MARCH 22, 2011; AND TO PROVIDE THAT THESE PROVISIONS ARE TO REMAIN IN EFFECT FOR THREE (3) YEARS AND THEREAFTER SHALL BE ABROGATED AND OF NO FURTHER FORCE AND EFFECT, was brought forward for vote. Several Council members expressed their opinion of the proposed legislation and its purpose. Upon motion by Mr. Bartlett, seconded

by Mr. Duncan, the legislation was brought to third reader. The Council approved Resolution No. 191 by voting 5 – 0 as follows:

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

Bill No. 1214, A BILL TO ENACT DENSITY PROVISIONS OF ONE (1) DWELLING UNIT PER TWO (2) ACRES FOR THE VILLAGE CENTER, VC-1, AND VC-2 ZONING DISTRICTS; TO PROVIDE THAT THE MINIMUM LOT SIZE SHALL BE ONE (1) ACRE; TO PROVIDE THAT NO MORE THAN ONE (1) LOT SHALL BE SUBDIVIDED FROM AN ORIGINAL PARCEL, DEFINED AS A PARCEL, LOT, OR TRACT RECORDED AMONG THE COUNTY LAND RECORDS AS OF MARCH 22, 2011; TO MAKE THESE PROVISIONS APPLICABLE TO SUBDIVISIONS THAT HAVE NOT RECEIVED PRELIMINARY PLAT APPROVAL PRIOR TO MARCH 22, 2011; AND TO PROVIDE THAT THESE PROVISIONS ARE TO REMAIN IN EFFECT FOR THREE (3) YEARS AND THEREAFTER SHALL BE ABROGATED AND OF NO FURTHER FORCE AND EFFECT, was brought forward for vote. Prior to the vote, Mr. Hollis made a motion to amend the legislation to have the provisions remain in effect for two (2) years versus three (3) years as originally introduced; Mr. Duncan seconded the motion. Mr. Pack requested Mr. Pullen’s legal opinion on the substantiveness of the amendment. Mr. Pullen stated that it was his legal opinion that the amendment was not substantive. The Council approved the amendment by voting 5 – 0 as follows:

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

Bill No. 1214, as amended, was brought forward for vote. Upon motion by Mr. Bartlett, seconded by Mr. Duncan, the Council approved Bill No. 1214, as amended, by voting 5 – 0 as follows:

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

- XIV. Council Discussion of Phase II Watershed Improvement Plan for the Chesapeake Bay Total Maximum Daily Loads for Submission to the State of Maryland – Sandy Coyman, Planning Officer, provided an overview of Phase II of the State’s Watershed Improvement Plan for the Chesapeake Bay TMDL’s, provided Council with staff comments on the State Plan, and provided various scenarios for achieving the TMDL goals for Talbot County as outlined in the Plan utilizing existing programs and best management practices. Council discussion ensued. Mr. Bartlett requested that the following comments be considered for inclusion in the County’s comments to the State: (1) require a 60 foot buffer for any nitrogen application, with no exceptions; (2) institute mandatory septic pumping every three (3) years; (3) double the “flush fee” and continue to install denitrification units on septic systems; (4) provide dedicated sewer lines to certain villages with failing septic systems and prohibit Smart Growth (3.5 houses per acre) type development until the bodies of water most closely connected to the said villages have been removed from the impaired listing; and (5) insist on traditional cover crops versus commodity cover crops since traditional

cover crops provide three times the nitrogen removal as commodity cover crops. Council requested that staff incorporate Council's comments into draft comments to be forwarded to the State and that the matter be scheduled for Council consideration on Tuesday, March 6, 2012. Final comments are due to the State by Friday, March 9th. Talbot County's Plan is due to the State by July 2, 2012.

XV. County Manager's Report:

- A. Talbot County Parks & Recreation Advisory Board – Requested Council approval for the appointment of John Farwell to a four-year term on the Talbot County Parks & Recreation Advisory Board as an at-large member; Mr. Farwell is currently the Town of Trappe's representative; said term will expire January 1, 2015. Upon motion by Mr. Hollis, seconded by Mr. Duncan, the Council approved the appointment by voting 5 – 0 as follows:

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

- B. Glebe Road Improvements – Mr. Craig provided a PowerPoint presentation of the proposed improvements to Glebe Road from MD Route 370 (Unionville Road) to a point approximately 1,000 feet from its intersection with Goldsborough Neck Road. He stated that the project, which began on February 28, 2012, is anticipated to be completed in 10 months; property owners have been notified and traffic detour signs are in place. Emergency vehicles and delivery trucks will have access to the road as necessary. Residents along the road are requested to call (410)770-8060 after 6:30 a.m. each day for a recorded message as to which portions of the road will be closed that day. Mr. Craig stated that the County is also working with the Board of Education to ensure that there is a plan in place for students who live on the portion of the road undergoing improvements.
- C. CPR Marathon at Talbot County Community Center – Mr. Craig stated advised that the Talbot County Department of Emergency Services will offer free CPR and AED training at the Talbot County Community Center on Wednesday, February 29, 2012 from 9:00 a.m. to 9:00 p.m.

XVI. Council Comments:

Mr. Duncan - Mr. Duncan commented on the proposal by the State to shift the cost of teachers' pensions to local jurisdictions. He stated that the current budget year has been tough for Maryland's counties, adding that for the 3rd year in a row property assessments, the primary revenue source for counties, have been reduced. He stated that he appreciated the Governor postponing the matter until now, but the prospect of the pension costs being passed down to the local jurisdictions is not easy to take. Mr. Duncan stated that the non-educational portions of the County budget are getting crushed by the continued requirement to fund every penny of the school formulas and the County Maintenance of Effort targets. He stated that not only are revenues down, but the State has reduced funding to County roads, the Health Department, etc. so they can keep pouring money into education. He stated that everyone on the Council understands the value of good education, but as a government, the County must also provide services for the rest of the community, including law enforcement, emergency services, and roads. He added that, in his opinion, the County cannot continue to delete those services to the public. He

stated that the State believes it is unfair that pension costs are determined locally and paid for by the State; however, in his opinion, passing the cost onto the Counties does not make sense as the Counties are not negotiating the teacher raises, school boards are. He commented on the pension benefits which are controlled by the State and were enhanced in 2006. He stated that in fairness to the State, the pension system and investments have declined since that time but that salary increases for teachers are negotiated by school boards, not County Government, and that the funding came from Thornton formula. He stated that for more than a decade, the State has had a policy of providing more money for education to hire more teachers and to pay them better yet the State claims that local decisions are driving costs; however, the State, under the Thornton Funding Formula caused the costs to escalate by instituting the rules but not sending money to help with the rules. Mr. Duncan stated that in past years, the Senate had passed a plan for a phased-in shift of pension costs; this year it is a one-time cost of \$240 million, a sum which will grow each year, to possibly as much as \$300 million in 2014. He stated that as the State contribution rates rise, half of the new costs will be billed to the county governments. As of now, the cost for Talbot County for this year would total \$1.12 million. Mr. Duncan also commented on the tremendous environmental costs which will be forthcoming to the County as part of the Watershed Improvement Plan. He stated that while citizens should be proud that the State of Maryland has been Number 1 in education for the last several years, it has, in his opinion, crippled the counties. He reminded everyone that Talbot County has a tax cap but there is currently proposed legislation to override the tax cap. He stated that it's a dire situation that we are in, but the State is talking about legislation regarding Maintenance of Effort which will mandate that the counties have to maintain Maintenance of Effort funding even going back to last year. He stated that should the legislation pass, millions more dollars will be required. He stated that the County has cut departments, used rainy day funds, and now is starting to rob the piggy bank, adding that if all the proposals are passed, Talbot County will not have any money remaining in the bank and there will be dire consequences for County services. Following Mr. Pack's comments, Mr. Duncan stated that the entire Eastern Shore delegation, with the exception of one member, agrees that the State should continue to fund the pensions, as do some of the Western Maryland delegations; however, the larger metropolitan counties carry much more weight in the Legislature. Mr. Duncan concluded his comments by stating that, in his opinion, the State, like the Federal Government, has been overspending for years; better management is needed than has been done in the past and better ways need to be found to do better things.

Mr. Hollis – Mr. Hollis stated that the County is faced with an unprecedented issue in terms of how to pay for the shift in pension costs, should it be passed down from the State and that he was greatly disappointed that the matter had been included as it was in the Governor's budget. He stated that the Governor was quoted last year that he realized the Counties could not afford the pension costs any more than the State could. Mr. Hollis stated that the situation has not changed for Talbot County in any way which would make it more acceptable this year than last. He commented that Talbot County is a tax cap county and that the County Council cannot just ignore the cap, it must be changed by the voters. As such, the only revenue source we have to look at is the income tax. He stated that, in his opinion, this was not the right time for a shift in a burden that has been covered by the State of Maryland for 80 years and that he did not understand the lack of respect of understanding of

the magnitude of this challenge to Talbot County and the other counties in the state if these costs are passed down. Following Mr. Pack's comments, Mr. Hollis stated that the shift of teachers' pensions is a regional effort and that Caroline County has scheduled a press conference for Thursday, March 1st at 3:00 p.m.; Talbot County and Dorchester County will be represented. Mr. Hollis stated that he concurred with Mr. Pack's statement encouraging Talbot County citizens to go to www.stoptheshiftMD.com to better understand the implications and ramifications to Talbot County, should the shift of teachers' pensions occur.

Mr. Bartlett – Mr. Bartlett stated that the Talbot County tax cap is a voter imposed Constitutional right of the citizens of Talbot County but the Maintenance of Effort legislation as proposed in House Bill 1412 says that the County can ignore its tax cap as long as the money goes toward School Board funding. He stated that, in his opinion, it is a fundamental Constitutional issue for the rights of the citizen voter, that if it is the will of the voters in Talbot County to a property tax cap, it is not for the State of Maryland to do away with it. He stated that the State is saying that if Talbot County does not provide Maintenance of Effort that the County's portion of income tax receipts will be withheld and given to Maintenance of Effort. He stated that, in his opinion, it is a Constitutional and Charter issue, adding that if the State is going to try to implement the provisions as contained in House Bill 1412, in his opinion, it is a worthy fight.

Ms. Price - Ms. Price stated that although the topic of discussion was to be teacher pensions, the Council had just learned earlier in the day that emergency Maintenance of Effort legislation had been introduced. She stated that the Council had been anticipating the legislation for several months, explaining that Maintenance of Effort is per pupil funding given in the prior fiscal year. Ms. Price stated that six years ago, total funding provided for Talbot County to the Board of Education was \$26 million; last year it was \$34 million, 30% above the 2005 - 2006 Maintenance of Effort, adding that now the County will be penalized because it was so generous during those years. She stated that every penny above Maintenance of Effort is considered to be a part of Maintenance of Effort. She stated that last year the Maryland Legislature had clarified that Maintenance of Effort was not a legal requirement; however, the schools, in her opinion, did not like that answer, and now have gotten legislation introduced which would establish Maintenance of Effort as an absolute requirement for county funding, and any county not making Maintenance of Effort without a waiver from the State would have its county set income taxes withheld and diverted to the Board of Education budgets. She cited the example of Talbot County which, in the current fiscal year, reduced funding to the Board of Education by \$1.8 million, stating that, should the legislation pass, the County would have to give that funding back or that amount would be withheld from our income taxes; the County would not be allowed to re-base. She stated that were the County able to re-base at the amount funded last year, \$32 million, it would authorize the County to follow a process to raise property tax rates above the current Charter limits or to raise income tax rates above the current State limit; then, beginning in 2015, for counties with lower than state average educational effort as defined in the legislation, the Maintenance of Effort funding requirement would be escalated each year by a wealth-based formula. Ms. Price stated that although Talbot County has some really high property values, the values do not equate into household income and that the median household income in Talbot County is 17% below the state average. She stated that on a percentage basis,

Talbot County children receive as many free or reduced meal lunches as most other counties in the state. Ms. Price stated that for those counties which choose to go through the Maintenance of Effort waiver process, there is little chance of receiving same if the county has not maxed out its tax rate, advising that the State Board of Education approves or denies the requests for waivers. She stated that several legislators, along with the Maryland Association of Counties are working on measures for an appeal process. She stated that the prospect of the passing down of the teachers' pensions, combined with the proposed Maintenance of Effort legislation, is a double whammy at a time when County revenues have decreased 30% and school funding has increased 30%. Ms. Price concluded her comments by stating that, in her opinion, a better bill would be one that would look back to 2006 and have the County receive credit for funding it provided above Maintenance of Effort, instead of being penalized for it, as the funding of the pensions is outside the Board of Education's budget and would have to be funded separately by the County. Following Mr. Hollis' comments, Ms. Price encouraged citizens to become involved in local politics by following the issues and writing letter to the delegates.

Mr. Pack - Mr. Pack stated that he hoped the media have captured the dialogue of the Council and the dire straits the shift in teachers' pensions would put the County in. He stated that both the teachers' union and Chesapeake College have issued statements against the pension shift and he hopes Annapolis hears it loud and clear. He stated that, in his opinion, it smells of cronyism and payback. He encouraged those who wanted more information on the topic to go to www.stopheshiftMD.com, adding that if the shift in teachers' pensions is passed down to the counties, and the change in the Maintenance of Effort comes about, the Talbot County does not know where it is going to get the money to pay and he can't imagine how the larger counties like Montgomery County are going to survive such a large hit. He stated that he knows what it is going to do to Talbot County, but some of the other counties have three times the educational staff that we do and how they are going to absorb it is inconceivable for him to comprehend.

XVII. Upon motion by Mr. Bartlett, seconded by Mr. Duncan, the Council voted to adjourn to Executive Session for discussion of legal, personnel, and real estate matters; and to reconvene on Tuesday, March 6, 2012, a Special Legislative Day, at 4:30 p.m. in Executive Session for discussion of legal, personnel, and real estate matters, and for the legislative session at 5:00 p.m. by voting 5 – 0 as follows:

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

The meeting adjourned at 9:04 p.m.

XVIII. On Tuesday, February 28, 2012, an Executive Session of the Talbot County Council convened at 5:10 p.m. in the County Council Conference Room and the Bradley Meeting Room. Upon motion by Mr. Hollis, seconded by Mr. Bartlett, the Council met in Executive Session by voting 5 – 0 as follows:

Mr. Bartlett – Aye
 Mr. Duncan – Aye
 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 discussion of personnel matters to discuss appointments to various County boards and committees and to discuss a personnel matter involving the Liquor Board; for a legal/real estate matter for legal advice concerning possible relocation of Memorial Hospital at Easton to County owned property and timetable for same; and for a real estate matter to discuss possible acquisition of property for a public purpose. The Executive Session recessed at 6:00 p.m. and reconvened at 9:10 p.m. The Executive Session ended at 11:00 p.m.

The transcript of the February 28, 2012 County Council meeting is available for review in the Office of the County Manager during regular office hours.

CASH STATEMENT 2/21/2012

BALANCE 2/14/2012	\$6,478,158.31
UHC CLAIMS THRU 2/14/2012	(63,352.36)
TRANS LOCAL SHARE TO AIP35	(1,966.49)
RETURNED CHECK	(5,557.35)
PAYROLL-FD/SS/MS WH 2/17/2012	(96,565.53)
SECUR DED	(9,031.79)
DEFERRED COMP DED	(10,227.72)
MD WH	(25,975.74)
PENSION DED	(27,782.68)
ACH TRANSFER	(11,106.75)
FLEX SPENDING ACCT	(2,332.51)
DEPOSITS	294,855.65
CHECKS	(525,809.04)
BALANCE 2/21/2012	<u>\$5,993,306.00</u>

AIRPORT ACCOUNTS

NEW AIP-RUNWAY 4-22 EXTENSION ANALYSIS	--
AIP-34	6,346.21
AIP-35	
BALANCE 2/14/2012	\$37,352.39
DEPOSITS	74,706.00
TRANS FR GEN ACCT	1,966.49
CHECKS	(78,637.79)
	35,387.09

AIP36	9,061.87
AIP37	728.93
AIP38	--

AIRPORT ACCOUNTS TOTAL BALANCE **\$51,524.10**

INVESTMENTS – CERTIFICATES OF DEPOSIT

<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
07/19/2011	04/17/12	0.41%	4,000,000.00
07/19/2011	07/17/12	0.61%	4,000,000.00
10/18/2011	07/18/12	0.26%	3,000,000.00
10/18/2011	07/18/12	0.26%	5,000,000.00
10/18/2011	10/18/12	0.41%	4,000,000.00
12/20/2011	12/20/12	0.37%	3,000,000.00
PNC-MLGIP INVESTMENTS TOTAL		0.10%	13,000,000.00

TOTAL INVESTED **\$36,000,000.00**

PETTY CASH BALANCE **\$6,800.00**

GRAND TOTAL ALL FUNDS **\$42,051,630.10**

CASH STATEMENT 2/28/2012

<u>BALANCE 2/21/2012</u>	\$5,993,306.00
UHC CLAIMS THRU 2/21/2012	(10,303.41)
STATE BOARD OF ELECTIONS PPE 1/24/2012	(4,726.59)
PNC/MLGIP INTEREST ON ACCT 1/2012	1,016.75
TRANS LOCAL SHARE TO AIP35&AIP36	(14,224.96)
WIRE TRANSFER REIMBURSEMENT PR CHECKS	393.12
DEPOSITS	1,038,120.83
CHECKS	(616,695.66)
BALANCE 2/28/2012	<u>\$6,386,886.08</u>

AIRPORT ACCOUNTS

NEW AIP-RUNWAY 4-22 EXTENSION ANALYSIS	--
AIP-34	6,346.21
AIP-35	
BALANCE 2/21/2012	\$35,387.09
TRANS FR GEN FUND	13,681.57
CHECKS	(13,681.57)
	35,387.09
AIP36	
BALANCE 2/21/2012	9,061.87
TRANS FR GEN FUND	543.39
CHECKS	(543.39)
	9,061.87

AIP37 728.93

AIP38 --

AIRPORT ACCOUNTS TOTAL BALANCE \$51,524.10

INVESTMENTS – CERTIFICATES OF DEPOSIT

<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
07/19/2011	04/17/12	0.41%	4,000,000.00
07/19/2011	07/17/12	0.61%	4,000,000.00
10/18/2011	07/18/12	0.26%	3,000,000.00
10/18/2011	07/18/12	0.26%	5,000,000.00
10/18/2011	10/18/12	0.41%	4,000,000.00
12/20/2011	12/20/12	0.37%	3,000,000.00

PNC-MLGIP INVESTMENTS TOTAL 0.09% 13,000,000.00

TOTAL INVESTED \$36,000,000.00

PETTY CASH BALANCE \$6,800.00

GRAND TOTAL ALL FUNDS \$42,445,210.18