



TALBOT COUNTY, MARYLAND

County Council

MINUTES

May 3, 2016

Present – President Corey W. Pack, Vice President Jennifer L. Williams, Dirck K. Bartlett, Chuck F. Callahan, Laura E. Price, County Manager R. Andrew Hollis, County Attorney Michael Pullen and Assistant County Attorney Anthony Kupersmith.

- I. Agenda – Mr. Pack requested and received Council’s unanimous consent for approval of the Agenda of Tuesday, May 3, 2016.
- II. Disbursements – Mr. Pack requested and received Council’s unanimous consent for approval of the Disbursements of Tuesday, May 3, 2016.
- IV. Proclamation: Older Americans Month – May 2016 – The Clerk read a proclamation into the record in recognition of Older Americans Month. The Proclamation spoke of the important contributions of older Americans to their communities and encourages communities to provide enrichment opportunities and support of services for older adults so that they feel valued and can continue to live independently for as long as possible. Gary Gunther, Executive Director of Upper Shore Aging, Inc., stated that this year’s theme, “trailblazers,” recognizes those older adults who advocate for themselves, their peers, and their communities and are paving the way for future generations. Council expressed their appreciation to Mr. Gunther and representatives of several organizations in Talbot County which focus on providing programming and assistance for older adults. Upon motion by Ms. Williams, seconded by Ms. Price, the Council approved the proclamation by voting 5 – 0 as follows:

Mr. Pack – Aye
Ms. Williams – Aye
Mr. Bartlett – Aye
Ms. Price – Aye
Mr. Callahan – Aye

Mr. Pack presented the Proclamation to Mr. Gunther and representatives of those organizations in attendance, which provide services to older adults.

- V. Presentation of Maryland Recreation and Parks Association’s 19th Annual Agency Showcase Award for Best Activity Guide in 2016 to Talbot County Department of Parks and Recreation – The Council recognized Preston Peper, Director, Talbot County Department of Parks and Recreation and Nikki Meredith, Recreation Coordinator, for having recently received an award from the Maryland Recreation and Parks Association. The Showcase Award was presented for Best Activity Guide in 2016 for a population under 50,000. Mr. Peper expressed his appreciation to his staff and to Izzy Mercato, Graphic Designer at Laser Letters, for their assistance in developing the full color brochure. He stated that the brochure, which provides information on Department of Parks and Recreation’s programming for 2016, was mailed to every business and residence address in the county. Council commended Mr. Peper and his staff for their efforts in developing the brochure in order to increase participation in, and revenue for, the Department of Parks and Recreation.

Mr. Callahan, current Council representative on the Parks and Recreation Advisory Board, and Ms. Price, the previous Council representative, presented the Award to Mr. Peper, Ms. Meredith and Mr. Mercato.

- VI. Update by Talbot County Board of Health – Dr. Fredia Wadley, Talbot County Health Officer – Dr. Wadley briefed the Council on the following matters: (1) Zika Virus – Dr. Wadley provided up-to-date information on the outbreak of the Zika Virus, caused by the Aedes mosquito, in Central and South American countries and the Caribbean. She outlined the symptoms of the virus: mild fever, red eyes, aches and pains and a rash consisting of small red splotches and bumps, and provided precautionary measures to reduce the likelihood of being bitten by mosquitoes, as well as measures to reduce the mosquito population itself. She stated that the virus poses the most risk to pregnant women as exposure to the virus can result in severe birth defects. Dr. Wadley stated that the Maryland Department of Health and Mental Hygiene, the Department of the Environment are monitoring cases in Maryland; the Center for Disease Control is monitoring the cases on a nationwide basis. She emphasized that no cases have been directly transmitted by mosquitoes in the continental United States; (2) Health Department Budget – Dr. Wadley stated that this year, for the first time, State funding for mandated State employee raises was included in county budgets; in past years cuts in positions have been made in order to compensate for the lack of funding; the amount for Talbot County this year is \$95,000; (3) Addiction Treatment Services – Dr. Wadley updated the Council on efforts by the State to transition addiction treatment services out of health departments so that addictions and mental health services are provided with each other. She stated that the Health Department continues to work with private providers to accept new patients to the addictions program; the Health Department is retaining one counselor for those patients who are unable to secure private services (4) Strategic Directions for Health Department – Dr. Wadley outlined several priority public health initiatives included in the Strategic Directions for the Talbot County Health Department: Support for the Elderly and Disabled Populations in the county; and the Children and Youth Initiative for Health and Wellbeing; Council discussion ensued with Dr. Wadley as various statistical information was brought forward. Results of the 2015 Youth Behavior Risk Factor Surveys for middle and high school age students were also brought forward and discussed. At Council’s request, Dr. Wadley will provide information to the Council and make a presentation on Lyme Disease in the near future. Dr. Wadley will continue to update the Council on a regular or as-needed basis.

VII. Public Hearings:

Bill 1326, A BILL TO AMEND BILL NO. 1303, THE 2015-2016 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, AND BILL NO. 1321, A BILL TO AMEND BILL NO. 1303, THE 2015-2016 BUDGET AND APPROPRIATION ORDINANCE TO MAKE ADDITIONAL APPROPRIATIONS FROM UNANTICIPATED REVENUES TO CERTAIN DEPARTMENTS IN THE CURRENT EXPENSE BUDGET, TO AMEND THE CURRENT EXPENSE BUDGET THROUGH FOURTH QUARTER TRANSFERS AND SUPPLEMENTARY APPROPRIATIONS, was read into the record by the Clerk and brought forward for public hearing. Finance Officer, Angela Lane, stated that the purpose of the legislation is to amend the current fiscal year budget (FY2016 Budget) which ends June 30, 2016, in order to transfer funds between departments. She reiterated that transfers between various departments of County government and within the same fund may only be made during the fourth, or last, quarter of the fiscal year, as outlined in the County Charter. She stated that the legislation will not change the total amount of the General Fund Budget, only how the funding is distributed between departments. Council discussion ensued with Ms. Lane. The public was then afforded an opportunity to comment on the legislation. Bill 1326 is eligible for vote on Tuesday, May 10, 2016.

Prior to the public hearing on the Constant Yield, Mr. Pack read the following statement of explanation into the record.

The County Council, in the FY2017 Proposed Budget, is proposing to adopt a Real Property Tax rate of 54.51 cents per \$100 of assessed valuation for all properties located outside the

incorporated towns. This is .91 cents higher than the current Real Property Tax rate. This rate is 1.07 cents higher than the constant yield rate of 53.44 cents, and will generate \$488,227 more in Property Tax revenues in FY2017 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 6.09 and 13.29 cents lower than the County rate. The County rates within the Towns are more than the constant yield rate for the Towns. The County Council will not adopt the FY2017 Tax Rate today. The FY2017 Tax Rate will be adopted as part of the FY2017 Annual Budget and Appropriation Ordinance, scheduled for Tuesday, May 24, 2016.

Ms. Lane stated that the Constant Yield is the rate at which the County would need to set its tax rate to generate the same amount of revenue in the upcoming fiscal year as in the current fiscal year. The public hearing is required by State law so that all citizens have an opportunity to speak specifically on the Constant Yield rate and any changes from that in the upcoming budget.

Following comments by Mr. Pack and Ms. Lane, a public hearing was held on the Constant Yield and the public was afforded an opportunity to comment. No public comment was made.

Bill 1327, AN ACT TO ESTABLISH THE 2016-2017 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, was read into the record by Mr. Pack and brought forward for public hearing and the public was afforded an opportunity to comment on the legislation. The proposed budget for FY2017 contains provisions as outlined at introduction of the legislation on Tuesday, April 12, 2016. Copies of the proposed budget can be found on the County's website at www.talbotcountymd.gov. The public hearing on Bill No. 1327 was recessed and will continue at the Easton High School Cafeteria at 7:00 p.m.

VIII. County Manager's Report:

- A. Construction Inspection Services - Bid 16-03, DUTCHMANS LANE ROAD & SIDEWALK IMPROVEMENTS – Requested Council approval of the County Engineer's recommendation to award construction inspection services for Bid 16-03 to Tom Newman of Engineering Inspection Services in the amount of \$250 per day for a sum not to exceed \$41,500.00; Mr. Newman has provided inspection services for the County on previous projects and is a certified Maryland State Highway Administration inspector. Upon motion by Mr. Callahan, seconded by Ms. Williams, the Council approved awarding the work for inspection services to Mr. Newman by voting 5 – 0 as follows:

Mr. Pack – Aye
Ms. Williams – Aye
Mr. Bartlett - Aye
Ms. Price – Aye
Mr. Callahan – Aye

- B. Request from Talbot County Roads Department – Requested Council approval of the Roads Superintendent's recommendation to purchase a hydroseeder and tack matting material in a sum not to exceed \$18,000; the hydroseeder will be used to re-seed and stabilize cleaned ditches on an on-going basis; funding for the purchase will come from \$20,000 remaining of the \$111,550 allocated in FY2016 for small equipment capital purchases. Upon motion by Ms. Williams, seconded by Mr. Callahan, the Council approved the purchase by voting 5 – 0 as follows:

Mr. Pack – Aye
Ms. Williams – Aye
Mr. Bartlett - Aye
Ms. Price – Aye
Mr. Callahan – Aye

- C. Request from Talbot County Roads Department - Requested Council approval of the Roads Superintendent's recommendation to purchase an Alban Caterpillar mini-excavator in the sum of \$52,535.14 to assist with construction of the County's environmental and other projects; funding for the purchase will come from the Water Quality Improvement Program; Council discussion ensued with Mr. Edwards. Upon motion by Ms. Williams, seconded by Mr. Callahan, the Council approved the purchase in a sum not to exceed \$52,535.14 by voting 5 – 0 as follows:

Mr. Pack – Aye
Ms. Williams – Aye
Mr. Bartlett - Aye
Ms. Price – Aye
Mr. Callahan – Aye

with the request that Mr. Edwards try to obtain the equipment at less cost, if possible.

- D. Talbot County Representative to the State of Maryland Critical Area Commission – Requested Council approval to forward the name of Charles Goebel to the Governor for consideration of reappointment to the State of Maryland Critical Area Commission as the Talbot County representative. Upon motion by Ms. Price, seconded by Mr. Bartlett, the Council approved forwarding the name to the Governor for consideration by voting 5 – 0 as follows:

Mr. Pack – Aye
Ms. Williams – Aye
Mr. Bartlett - Aye
Ms. Price – Aye
Mr. Callahan – Aye

- E. Announcement of Continuation of Public Hearing on the Budget, Bill No. 1327, AN ACT TO ESTABLISH THE 2016-2017 ANNUAL BUDGET AND APPROPRIATION ORDINANCE – Mr. Hollis stated that a continuation of the public hearing on the County's proposed budget for FY2017 will be held on this evening at 7:00 p.m. in the Easton High School Cafeteria.

IX. Council Comments:

Mr. Callahan - Mr. Callahan stated that he wanted to let the public know that the County's 9-1-1 system had been hit by lightning last night which had caused some emergency services equipment to be shut down. He commended Director of Emergency Services, Clay Stamp, and his staff for staying up all night to serve the public by rerouting calls to the Sheriff's Department, Emergency Services and the fire departments to keep County citizens safe. He stated that the system is now back up and running but if anyone is calling in and having problems, please keep calling and the County will take care of it.

Ms. Williams - No comments.

Mr. Bartlett - No comments.

Ms. Price - No comments.

Mr. Pack - Mr. Pack commended Mr. Stamp and Emergency Services staff for their efforts following last night's lightning strike. He stated that Mr. Stamp had strategically placed units around the area to make sure the calls were handled. He thanked Mr. Callahan for mentioning it.

- X. Upon motion by Bartlett, seconded by Ms. Price, the Council voted to recess the meeting and to reconvene in Closed Session for discussion of legal, personnel and real estate matters listed on the Statement for Closing the Meeting which is available for public review. The Council will reconvene at 7:00 p.m. for the public hearing on Bill No. 1327, AN ACT TO ESTABLISH THE 2016-2017 ANNUAL BUDGET APPROPRIATION ORDINANCE. The County Council's next meeting will be held on Tuesday, May 10, 2016 at 1:30 p.m. The Council will be holding a work session on the final budget deliberations at 11:30 a.m. on that day in the Bradley Meeting Room and immediately following will adjourn into Closed Session for discussion of legal, personnel and real estate matters as listed on the Statement for Closing the Meeting by voting 5 – 0 as follows:

Mr. Pack – Aye
Ms. Williams – Aye
Mr. Bartlett - Aye
Ms. Price - Aye
Mr. Callahan - Aye

The meeting recessed at 3:10 p.m.

The transcript of the May 3, 2016 County Council meeting is available for review in the Office of the County Manager during regular office hours.

- XI. On Tuesday, May 3, 2016 a Closed Session of the Talbot County Council convened at 12:50 p.m. in the County Council Conference Room. Upon motion by Mr. Callahan, seconded by Ms. Williams, the Council met in Closed Session by voting 5 - 0 as follows:

Mr. Bartlett – Aye
Mr. Callahan – Aye
Mr. Pack – Aye
Ms. Price – Aye
Ms. Williams – Aye

In accordance with General Provisions Article § 3-305(b) (1)(i) the purpose of the Closed Session was for personnel matters to discuss appointments to various County boards and committees. The Closed Session ended at 1:30 p.m.

- XII. The Council meeting reconvened and a continuation of the public hearing on Bill No. 1327 was held at 7:00 p.m. at the Easton High School Cafeteria. Prior to continuation of the public hearing, County Manager, Andy Hollis, reiterated the statements he had made at the introduction of Bill No. 1327 on April 12, 2016. He stated that because Talbot County has a Property Tax cap, it relies disproportionately on Income Tax as a revenue source. He stated that when the economy is down, Income Tax revenue suffers, as it did this year when County Income Tax revenues were \$2 million less than anticipated. He stated that,

in his opinion as County Manager, not as an elected official, the County cannot continue to rely on its reserves, or savings account, and that either this Council or the next Council will need to look at options, including reducing services and opportunities to increase revenue. He concluded his comments by stating that when the County is faced with Income Tax revenue that is declining, or at most level, it needs to start to look at how income is generated from Property Taxes. Prior to outlining the proposed FY17 budget, Finance Director, Angela Lane, stated that the proposed budget maintains two of the lowest tax rates in the state, Property Tax and Income Tax. She stated that this year, the Council chose to override the tax cap to help fund Education; the State authorized tax cap counties to override the voter-imposed Property Tax cap several years ago; however, funds generated by overriding the tax cap may only be used to fund the Education portion of the budget. She stated that the FY17 Budget, as introduced, will generate \$470,000 over last year's funding and will increase the Real Property Tax rate by .66 cents. Ms. Lane then provided an overview of the proposed FY2017 Budget Ordinance, stating that prioritization of "Real Needs" includes Public Safety and Health (personnel, equipment, and buildings); Infrastructure (roads, buildings, and emergency communications); and Public School Education (above Maintenance of Effort). She then outlined the sources of revenue for the General Fund Budget, and the major General Fund Expenditures and Capital Projects, including County facilities, highway and street projects, and schools. She stated that the County is utilizing \$2.2 million in Fund Balance to balance the FY2017 Budget, \$10.5 million in Fund Balance remains, and the \$11 million Rainy Day Fund remains available for catastrophes, emergencies and natural disasters. Ms. Lane concluded her comments by stating that, in her opinion, although the Fund Balance is available, it is shrinking, and the County needs to find solutions to preserve long term stability of its fiscal situation. The public was then afforded an opportunity to comment on the legislation. Bill No. 1327 is eligible for vote on Tuesday, May 24, 2016.

XIII. Council Comments:

- Ms. Williams - Ms. Williams thanked everyone for coming out and sharing their thoughts and concerns. She stated that the Council really does listen to and care about County citizens. She stated that some of the things that have been said about the school system are the same things the Council is hearing from other departments; concerns about salaries and fully funded budgets. She stated that very few departments got everything they requested and that, in her opinion, until we can rectify the revenue cap as referenced by Mr. Hollis, we will be facing the same challenges each year. She requested that everyone think about how the matter can be addressed so that, hopefully, in years to come, the County will not be strapped by limited revenue and can't raise the funding to fully fund some of worthy requests.
- Mr. Bartlett - Mr. Bartlett thanked everyone for coming out. He stated that the Council must weigh the concerns of all citizens and has heard what has been said. He stated that it is still the Council's presumption that Talbot County Public Schools will provide laptops; if not, the Council needs to know. He stated that he wants to speak to Steve Wilson to make sure that the laptops work with the infrastructure and to have what is needed. He stated that the Council will be holding another budget session where the Council will have an opportunity to tweak the budget. He stated that that is the purpose of the public hearing process, to provide the Council an opportunity to refocus on items which may have been overlooked. Mr. Bartlett concluded his comments by stating that, in his opinion, public hearings are very important, and he appreciates everyone taking their valuable time to come to the public hearing to advocate for matters important to them.
- Mr. Callahan - Mr. Callahan stated that it was a pleasure listening to everyone tonight and he appreciates Chesapeake College, Kelly Griffith and the teachers being here. He stated that he is the parent of a high school student, so he knows what it is about and

it means a lot to him as he is a graduate of Easton High School himself. He stated that it is privilege to be sitting here as a councilman to serve everyone, and that, in his opinion, that's what we are here to do, to help you work together. He stated that in the past couple of years, it has been a pleasure meeting with the School Board, and Chesapeake College and having the relationship to sit at the table to work things out. He concurred with Mr. Bartlett's statement that the Council would take another look at the budget to see where we are so hopefully we can see how we can fund things and do the best we can for the safety of County citizens and for the education of the students of Talbot County. Mr. Callahan concluded his comments by stating that he appreciates what everyone has done, and he really appreciates the hard work of the teachers this year.

Ms. Price -

Ms. Price thanked everyone for coming out. She stated that this is her 6th budget and each year we hear that we are a wealthy county and are not funding our school system. She stated that Talbot County funds between 73 to 77 percent of the Board of Education's budget each year; the other counties mentioned, like Caroline County, are the opposite of Talbot County, they fund about 25 percent of the budget for their Boards of Education, citing that because Talbot County is "wealthy," the State does not provide as much money. She reminded the public that Talbot County's Income Tax revenues are down and are dropping, in her opinion, because our salaries are down, and according to the State, household income in Talbot County is 17 percent below the state average. She stated that those people who are of working age are making 17 percent below the state average, thus keeping our Income Tax revenue suppressed. She stated that, in her opinion, while it is true that Talbot County has some very high end properties, it skews our average. She stated that as the Council liaison to the Maryland Association of Counties, she continues to urge for a change in the State formula for allocation of funding to public schools because Talbot County gets the least funding of any of the counties. She stated that, in her opinion, although some of the focus of wanting more funding for schools is appropriate to direct to the Council, some of the focus should be directed to the State to let them know that the formula for State funding to schools needs to be changed. She commented on Mr. Bartlett's statements regarding laptops, stating that the Council did not defund laptops and has answered the questions that laptops would never not be funded. She stated that the funding for the laptops should be in the \$470,000 in funding allocated above Maintenance of Effort, \$200,000 of which was intended for laptops; however, it is up to the Board of Education as to how they spend the money. She reminded everyone in attendance that the County still has a \$2 million deficit this fiscal year and a \$2 million deficit for next fiscal year, and because the FY2017 budget increased, more is coming out of the County's piggybank. She stated that she understands that if the County is hit with a revenue drop, we have to dig into the piggybank, but, in her opinion, to raise the budget out of savings is the wrong thing to do. She stated that she does not yet support some of the budget initiatives which were put forth and the County needs to figure out its long-term plan with regard to Property Taxes; County citizens should decide at the ballot box whether or not additional funding raised should be for more than just education. Ms. Price concluded her comments by stating that she is a conservative and does not like to see taxes go up, but if they are going to go up, in her opinion, it should be the Property Taxes which go up for the reasons cited about Talbot County's average household income being far below the state average. Ms. Price concluded her comments by asking the public to give the matter some consideration.

Mr. Pack -

Mr. Pack echoed the sentiments of his colleagues and thanked everyone for attending the public hearing, including Dr. Viniar, Dr. Griffith, the teachers, and members of the Board of Education. He reminded everyone that the County really funds two school systems: the public school system in Talbot County and Chesapeake College. He stated that, in his opinion, it is important to keep those services alive, well and functioning at peak level. He commented on the saying that “a community is not a community unless it has three things; a firehouse, a church and a school,” and we want to keep those three things intact in Talbot County. He stated that the County has a volunteer fire department system that it has to fund and has been working with over the last couple years to see that they have the tools they need; however, in his opinion, the day will come when the County will have to seriously consider having a paid fire department; in the meantime we are working diligently to keep the County’s volunteer fire service up and running. He asked the teachers in attendance to have their students look at the slides on revenue and expenses and make it work as the Council has to. He stated that the residents of Talbot County have come to expect quality schools, safe roads, and safe communities, all of which cost money. He reiterated Mr. Hollis’ and Ms. Lane’s remarks that Talbot County is a revenue cap county while those counties to our south and our north are not, so we have limited revenues to provide for the items we have to pay for each year. He congratulated the students on the wonderful job they had done speaking during the public hearing. He reminded everyone that the County also has other parts of government that it is mandated by the State Constitution to pay for, including the Sheriff’s Office, the Circuit Court, Election Board, and Health Department. He reiterated Ms. Price’s statement that the County had to take \$2 million out of reserves to balance the budget because there was no other way to do it unless cuts were made; when something happens citizens want the call to be answered. He stated that, in his opinion, it is difficult at the present time to keep the County running at the level deserved by its citizens with the limited amount of funds coming in. He stated that it may have been a great idea years ago to have a Property Tax cap but, in his opinion, County citizens need to really start thinking about it because it is the citizens’ choice when they go to the polls whether or not they want a fully funded budget. He stated that Talbot County funds 73 or 74 percent of the school budget compared to 25 or 30 percent for surrounding counties and 10 percent for Baltimore City; the State and federal government pick up the remainder; however, Talbot County does not have that luxury because of the County’s funding system. Mr. Pack stated that he appreciated the relationship that the Council has with the Board of Education and that, in his opinion, they are open, transparent, and very easy to work with. He stated that the County is here to work with Chesapeake College as a team, and just like the County needs to pay for capital expenditure items for the County, it also needs to look at the capital expenditure items for Chesapeake College as well. He reiterated Mr. Bartlett’s previous statement that although this is the conclusion of the public hearing process, the Council will be holding budget deliberations to consider matters brought forward tonight. Mr. Pack concluded his comments by again thanking everyone for attending.

The meeting adjourned at 8:46 p.m.

CASH STATEMENT 05/03/2016

BALANCE 04/26/2016

\$25,981,608.59

INTEGRA CLAIMS THRU 4/25/2016

(78,178.60)

DEPOSITS	442,288.65
CHECKS	(677,749.25)

BALANCE 5/03/2016 **25,667,969.39**

AIRPORT ACCOUNTS

AIP-RUNWAY 4-22 EXTENSION ANALYSIS	0.00
AIP37	16,762.37
AIP39	73,794.25
AIP40	30,252.21
AIP41	39,343.53

AIRPORT ACCOUNTS TOTAL BALANCE **160,152.36**

INVESTMENTS – CERTIFICATES OF DEPOSIT

<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
PNC-MLGIP INVESTMENTS TOTAL		0.37%	18,000,000.00

TOTAL INVESTED **\$18,000,000.00**

PETTY CASH BALANCE **\$15,570.00**

GRAND TOTAL ALL FUNDS **\$43,843,691.75**