



Talbot County, Maryland



Easton, Maryland

MINUTES

May 1, 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 and received unanimous consent for approval of the Agenda of Tuesday, May 1, 2012.
- II. Minutes – Mr. Pack requested and received Council’s unanimous consent for approval of the Minutes of Tuesday, April 17, 2012.
- III. Disbursements – Mr. Pack requested and received Council’s unanimous consent for approval of the disbursements of May 1, 2012.
- IV. Presentation of Delmarva Community Transit’s FY2013 Annual Transportation Plan – Santo Grande, Executive Director, Delmarva Community Services, Inc. – Mr. Grande requested Council approval of Delmarva Community Transit’s Annual Transportation Grant application for FY 2013 to the State of Maryland under the Federal Transit Act. He provided a brief outline of the purpose of the various categories of funding, stating that the information included in the Plan is submitted to the State who then submits it to the federal government; funding for the transportation program, which has remained level for the past several years, is anticipated to be awarded in late fall of 2012.
- V. Introduction of Administrative Resolution:

AN ADMINISTRATIVE RESOLUTION AUTHORIZING CAROLINE COUNTY, ON BEHALF OF TALBOT COUNTY, TO FILE AN APPLICATION WITH THE MARYLAND TRANSIT ADMINISTRATION OF THE MARYLAND DEPARTMENT OF TRANSPORTATION FOR A SECTION 5303, 5304, 5307, 5309, 5310, 5311, 5316 AND/OR 5317 GRANT UNDER THE FEDERAL TRANSIT ACT was read into the record by the Clerk. Upon motion by Mr. Hollis, seconded by Mr. Duncan, 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

- VI. County Manger’s Report:
 - A. Ribbon-cutting Ceremony for Talbot County Free Library – Mr. Craig stated that the ribbon-cutting ceremony for the newly renovated Talbot County Free Library will be held on Saturday, May 5, 2012 at 10:00 a.m.
 - B. Public Meeting on Talbot County Flood Insurance Rate Map Changes – Mr. Craig stated that public meetings would be held on Wednesday, May 9, 2012 on recent Flood Insurance Rate Map Changes (FIRMs); the meetings will be held from 3:30 p.m. to 5:30 p.m. and from 6:00

p.m. to 8:00 p.m. at the Easton High School Cafeteria. He stated that the meetings will provide an opportunity for property owners to view their property on the new flood maps. Representatives of the Maryland Department of the Environment (MDE) and the Federal Emergency Management Agency (FEMA) will make presentations and will be available to answer questions. Further information may be obtained at www.mdfloodmaps.com, www.msc.fema.gov, www.talbotcountymd.gov, or by calling the Talbot County Office of Planning and Zoning at 410-770-8030.

The Council meeting recessed. The meeting resumed at 1:58 p.m.

VII. Public Hearing:

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

The County Council in the FY2013 Proposed Budget is proposing to adopt a real property tax rate of 49.1 cents per \$100 of assessed valuation for all properties located outside the incorporated towns. This is 4.3 cents higher than the current real property tax rate and includes 2.6 cents for an Educational Supplement. This rate is 3.06 cents higher than the Constant Yield rate of 46.04 cents, and will generate \$1,421,698 more in property tax revenues in FY 2013 from the unincorporated area of the County. Properties located within the Towns will again be granted a tax rate differential which places their rates between 5.8 and 13.0 cents lower than the County rate; all of the Towns' rates include 2.6 cents for the Education Supplement. The County rates within the Towns, except for the Town of Oxford, are all above the Constant Yield rate.

The public hearing was then held on the Constant Yield and the public was afforded an opportunity to comment.

Prior to the public hearing on Bill No. 1217, AN ACT TO ESTABLISH THE 2012-2013 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, and amendments, County Manager John Craig provided a brief outline of the FY 2012-2013 proposed budget of \$69,471,600. He presented a chart of Revenues and Expenditures for the last seven years which indicated that since FY 2008, Expenditures have exceeded Revenues. He stated that during those years, the Fund Balance had been used to balance the budget, but to continue to do so is unsustainable. Mr. Craig stated that the County's proposed budget is a function of the passage of Maryland Senate Bill 848 (Maintenance of Effort bill) which requires counties to fund Maintenance of Effort (MOE) for local Boards of Education; counties which choose to not fund MOE are penalized by having the State forward local County income tax funds directly to Boards of Education for that purpose. He stated that Senate Bill 848 authorizes Charter counties to increase their property tax revenues over Charter limits to fund education only. Talbot County's MOE funding in FY 2013 is budgeted at \$1,928,545. Mr. Craig also outlined Senate Bill 152 (Budget Reconciliation and Financing Act) which, if it passes as anticipated in a Special Session of the State Legislature, will transfer a portion of the costs for the Board of Education pension expenses to counties; Talbot County's anticipated costs in FY 2013 are \$628,456, with the phased-in cost over four years of \$1.2 million per year. He presented an outline of Expenditures and those areas in which funding has been increased or reduced. He presented information on the County's sources of Revenues, stating that the proposed budget provides for maintaining the Property Tax Cap for County expenses and adding 2.6 cents per \$100 of assessed valuation for educational expenses in order to comply with State law to fund educational expenses only; the budget as introduced would raise an additional \$777,000 in property tax revenue under the tax cap and \$1,900,000 from the 2.6 cents educational supplement to meet the MOE funding level. Utilizing a sample County tax bill, Mr. Craig provided a detailed example of the sample homeowner's increased property taxes. He presented a chart of Property Tax rates for Maryland's 24 jurisdictions, of which, Talbot County's rate is currently the lowest in the state at \$0.448; the FY 2013 proposed budget, which would increase the rate to \$0.491, would still be the lowest rate. He provided Income Tax rate information for the 24 jurisdictions in Maryland, of which Talbot County has the second lowest rate at 2.25%; the FY 2013 budget proposes to

increase the Income Tax rate to 2.40%., examples of the impact of Property Tax increases and Income Tax increases were also provided. Mr. Craig concluded his presentation by stating as follows: the FY 2013 Budget as introduced increases the Property Tax over the tax cap 2.6 cents solely to meet the State imposed education mandate, increases the Income Tax rate to 2.4% and uses \$1,487,600 of Fund Balance; Amendment 1 proposes no Property Tax increase, increases the Income Tax Rate to 2.6% and uses \$2,521,600 of Fund Balance; Amendment 2 proposes to increase the Property Tax over the tax cap 2.6 cents solely to meet the education mandate, proposes no Income Tax rate increase, and uses \$2,122,600 of Fund Balance. The FY 2013 Proposed Budget, and amendments, may be found on the homepage of the County's website at www.talbotcountymd.gov. The public hearing was then held on Bill No. 1217, and amendments, and the public was afforded an opportunity to comment on the legislation. Mr. Duncan requested a Point of Order, stating that the Chesapeake College Center for Allied Health and Athletics Project was not included in the County's proposed budget for FY 2013; a separate public hearing will be held on the matter at a later date. Public comment then continued on Bill No. 1217, and amendments; public comment also continued on the proposed Center for Allied Health and Athletics at Chesapeake College. The public hearing on Bill No. 1217, and amendments, will continue at the Easton High School Cafeteria at 7:00 p.m. Following the public hearing, Council members made the following comments:

- Mr. Bartlett - Mr. Bartlett stated that, in his opinion, based on State law, we now have a giant "800 pound gorilla" in the room, and the 800 pound gorilla is the Teachers' Union which is controlling more than half the County's budget, by law, and must be faced, in his opinion, one way or the other. He stated that the County could, as one speaker had suggested, feed the gorilla "bananas," i.e., raise the Income Tax, or we can choose to do something about the very things that some members have spoke about, which is disenfranchisement of the County voter. He stated that he would argue that the option of breaking the tax cap is a way to deal with the 800 pound gorilla in the room, and that, in his opinion, the 800 pound gorilla is the State of Maryland which has put 50-plus percent of the County's budget on autopilot; the County can feed it bananas, i.e., raise Income Taxes, until the County can go no further and we run out of bananas and have a larger gorilla in the room; or, we can do something about it.
- Ms. Price - Ms. Price stated that she wished to clarify what she meant by testing the constitutionality of "this" law. She stated that by "this" law, she was not referring to the property tax authority, as that matter had been fully vetted by the State of Maryland and the County is authorized to do so. She stated that when she spoke about testing the constitutionality of the law she is referring to the Maintenance of Effort law and what, in her opinion the State of Maryland has done to disenfranchise the taxpayers. She stated that she wants the Taxpayers Association's help in going with other counties to test the law and to challenge the State, not to fight with each other as it will, in her opinion, accomplish nothing. She stated that the counties need the Taxpayers Association's help to challenge the entire law to bring the "gorilla" back down to a "monkey;" we cannot allow a few powerful big counties tell us how we spend our money; it is not fair and it disenfranchises citizens. She stated that the proposed increase in the Property Tax is a new cap, but in her opinion, is the safest option. Ms. Price then gave her reasoning for raising additional required revenue through Property Tax versus Income Tax by stating that this year is the only year we can gain the \$1.9 million for the Board of Education and her amendment keeps the Income Tax very low, instead of getting closer to the maximum rate allowed by the State of 3.2 percent and allows the County to maintain a lower Property Tax rate that we have compared to other counties, thus possibly dissuading some people from not locating in, or deciding to relocate out of Maryland due to high Income Tax rates.

Mr. Hollis - Mr. Hollis thanked everyone for coming out to the public hearing and stated that the Council will take all comments into consideration.

Mr. Duncan - Mr. Duncan stated that although the counties blame the State, the federal government is also in financial trouble and passes cuts to the states, and the states then pass cuts to their local jurisdictions. He stated that Talbot County's revenue had declined 40 percent in the past several years since the decline of the economy; if the County still had those revenues, it would have enough money to fund current expenditures. Mr. Duncan stated that he agreed with the sentiment of the Taxpayers Association that "we are on different waters" with regard to the current economy and that, in his opinion, we should move cautiously and examine what's going to happen down the road. He stated that the Finance Officer is projecting an increase in Income Tax revenue receipts by approximately \$1 million in the next fiscal year on predictions that the economy will grow slightly; Income Tax revenues for FY 2012 were \$12 million lower than predicted. Mr. Duncan stated that although he worked for the State of Maryland at one time, he now works for the people who put him in office, the taxpayers of Talbot County, and who, in 1986 and since then four additional times, have voted for a Property Tax cap. He stated that, in his opinion, it is up to the taxpayers to continue or discontinue the tax cap, emphasizing that he would not vote to break the tax cap, that the County has money in reserves which it can use, and, in his opinion, he thinks the County will have the same problem next year to a lesser degree but still has "wiggle" room" to raise necessary revenues through increases in the Income Tax without breaking the tax cap.

Mr. Pack - No comments.

Written comments will be accepted by the Office of the Talbot County Manager until Friday, May 4, 2012. Bill No. 1217, and amendments, are available for vote on Tuesday, May 22, 2012.

- VIII. Upon motion by Mr. Bartlett, seconded by Mr. Duncan, the Council voted to recess to Executive Session for discussion of legal, personnel and real estate matters, and to reconvene at 7:00 p.m. at the Easton High School Cafeteria for a public hearing on Bill No. 1217, and amendments, and to reconvene on Tuesday, May 8, 2012 at 12:30 p.m. in Executive Session for discussion of legal, personnel, and real estate matters and for the regularly scheduled legislative session at 1:30 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 recessed at 3:54 p.m.

The transcript of the May 1, 2012 County Council meeting is available for review in the Office of the County Manager during regular office hours.

- IX. On Tuesday, May 1, 2012, an Executive Session of the Talbot County Council convened at 12:45 p.m. in the County Council Conference Room and the Bradley Meeting Room. Upon motion by Mr. Bartlett, seconded by Mr. Hollis, 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)(3)(4)(7) the purpose of the Executive Session was for discussion of a legal/real estate matter for legal advice concerning the possible relocation of Memorial Hospital at Easton to County owned property and the timetable for same; and for a real estate matter to discuss possible acquisition of property for a public purpose. The Executive Session recessed at 1:30 p.m., and reconvened at 4:00 p.m. The Executive Session ended at 4:10 p.m.

- X. The Council meeting reconvened and a continuation of the public hearing on Bill No. 1217, and amendments, was held at 7:00 p.m. at the Easton High School Cafeteria, 723 Mecklenburg Avenue, Easton. Prior to the continuation of the public hearing, County Manager John Craig outlined the provisions of the County's FY 2013 Budget Ordinance as he had previously done at the 2:00 p.m. public hearing. The public hearing was then held on Bill No. 1217, AN ACT TO ESTABLISH THE 2012-2013 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, *and amendments*, and the public was afforded an opportunity to comment on the legislation. Following the public hearing, Council members made the following comments:

- Mr. Hollis - On behalf of the Council, Mr. Hollis thanked those in attendance for taking the time to come to the public hearing and assured everyone that the Council would take their comments seriously and would give them strong consideration.
- Mr. Bartlett - Mr. Bartlett thanked the public for taking time to attend the public hearing to express their concerns about various items related to the budget. He stated that the Maryland General Assembly had, in his opinion, been unfair to the citizens of Talbot County by passing the Maintenance of Effort legislation, and that the Council does not represent the state taxpayers, it represents the taxpayers of Talbot County. He stated that the legislation essentially puts one half the County's budget on "autopilot" and ties the County's hands in many ways. Mr. Bartlett stated that last year the Council had requested that the Board of Education submit a budget which represented a five percent reduction in expenditures; the reduction was achieved through a funding of less than Maintenance of Effort. He stated that the Council was of the opinion that the budget funding was reasonable in light of several previous years' funding at levels well above Maintenance of Effort for several items, citing the laptops as an example. He stated that original funding for the laptops was as a capital expense instead of being included in Maintenance of Effort funding so that the County could choose not to continue the program should the funding not be available to do so. Mr. Bartlett again stated that, in his opinion, the State has put half the County budget on "autopilot" and that he was in favor of having property tax bills show the cost of funding the Board of Education to the Talbot County taxpayer. He stated that he realizes that the tax cap is a disciplined approach to taxation and that the County can only raise money above the tax cap to fund education; but, in his opinion, when the State and the Board of Education tell the County what it must fund each year, deciding whether the County is being fair enough to the schools, and tell the County how much it has to increase its funding, it is putting a huge burden on the Talbot County taxpayer. He stated that the County would eventually run out of room to raise revenue with the budget amendment option which proposes to increase Income Taxes as there is a ceiling of 3.2 percent; further stating that, in his opinion, the County is just putting off the day of reckoning and eventually will have to look at raising the Property Tax cap and that he is in favor of dealing with it now. He stated that if there is to be a legal challenge to putting half the County budget on autopilot, he is in favor of having

the Taxpayer's Association challenge it, because he does not think that the County can tolerate ten years of having the teachers' union telling us what we have to spend every year. He stated that there are good years and there are bad years, and that so far, the County has been able to adjust the budget to try to keep the policemen, firemen, Humane Society, etc. funded to balance out the needs of the General Budget; however, with Maintenance of Effort, half the County budget is locked up. Mr. Bartlett concluded his comments by stating that, in his opinion, it is a very serious matter and when County taxpayers receive their tax bills and start complaining that their taxes are being increased, but realize that nothing can be done about half the budget, they will then realize how State government affects them as a County taxpayer.

Ms. Price - Ms. Price stated that she wanted to clarify her statement that we need to test constitutionality of "this" law. She stated that she was referring to Senate Bill 848, the entire Maintenance of Effort law, not just the Property Tax portion. She stated that the State has vetted the matter and has advised the County that the law overrides the County law. She stated that she wanted the Taxpayer's Association and County citizens to work with the County to challenge the State, as in her opinion, she does not think it is fair that a few large counties on the Western Shore are telling us how we have to spend our taxpayer dollars; each county is different, has a different cost of living and should be able to adjust their budgets accordingly. Ms. Price stated that last year the Council was of the opinion that a five percent downward adjustment in budget requests was a reasonable amount and that she had been making a five percent adjustment each year for several years in her own business. She stated that the Council would like to have County employees, teachers and other Board of Education staff paid as much as possible, having heard for several years that Talbot County teachers are the lowest paid teachers in the state. However, she had recently learned at a public safety work session that Talbot County Sheriff's deputies and EMS employees also receive the lowest pay of any county on the Eastern Shore. She stated that she agreed with a citizen's comment that if we don't have safety, we don't have anything, and that, in her opinion, public safety is crucially important and the County needs to begin to look at how to start giving increases to its public safety employees. She expressed concern about how the County will balance that given the fact that over half the County budget goes toward education, and it seems unfair to the rest of the County employees for all the Board of Education staff to receive increases. Ms. Price stated that as a business owner, she looks at what is the least amount of money which can be spent to fund what has to be funded in order to keep the most money in her pocket. She stated that she respects the tax cap and that, in her opinion, the budget proposal is a modification to the County's existing rate because the County cannot raise more than \$1.9 million above the Property Tax cap; the County cannot supplant the funding and this year is the only year the County can gain \$1.9 million through Property Tax. She expressed her belief that this is the safest means to keep the Property Tax capped even though it is a slight modification. Ms. Price utilized the sample tax bill provided by Mr. Craig during his presentation to outline Property Tax and/or Income Tax increases to the sample property for Bill No. 1217 as introduced, Mr. Duncan's proposed amendment and her proposed amendment, stating that her amendment proposes no Income Tax increases. Ms. Price concluded her comments by stating that there are those who have voted with their feet and have left Maryland and are not paying Income Taxes here any longer; the amendment she is proposing keeps the most money in citizens' pockets and the Property Tax is spread evenly among everyone who resides in Talbot

County; raising the Income Tax would cause people to continue leaving the County.

Mr. Duncan - Mr. Duncan stated that he wished to clarify that funding for the proposed Center for Allied Health & Athletics Project at Chesapeake College is not included for consideration in this year's budget; public hearings on the matter will be held at a later date. He stated that he was in favor of his amendment which does not raise the Property Tax with the exception of the two percent each year as authorized by County taxpayers, a tax cap the County taxpayers had voted five times to keep; Annapolis did not elect him, the citizens of Talbot County did and he will respect their wishes. He stated that the budget as introduced and the two amendments will all raise the same amount of money and will all balance the budget, but in his opinion, the County does not need to raise property taxes at this time. He stated that he finds it interesting that no one seems to mention the escalator clause incorporated into the Maintenance of Effort legislation which will take effect in 2015 and provides for an increase of 2.5 percent every year thereafter; he asked everyone to think about what that would entail in five years. He stated that the Finance Director has advised the Council that the County's projected Income Tax revenues are anticipated to increase by \$1 million this year; last year the Income Tax deficit was \$12 million, a decline of 40 percent. Mr. Duncan stated that, in his opinion, the County has enough money in its Fund Balance to run the County for two or three years until we see what will happen; we should not jump to conclusions with regard to property taxes. He expressed his belief that contrary to what the State says about breaking the tax cap one time to fund education, he thinks the State will say it can be broken a second time to fund other items. He stated that Talbot County and other smaller counties had testified against the Maintenance of Effort legislation but that we have no standing with the State when our tax rate is 43 cents when other counties are paying \$2 or \$3 or more so when we try to persuade the State to give us funding for projects like the Dover Bridge, etc., the State says that we are not doing our part. Mr. Duncan stated that he agreed that we are not doing our part, and that, in his opinion, if we think we are going to get any money from the State Legislature we are "just whistling Dixie". He stated that it was important for Talbot County citizens to remember that over the years, Talbot County has been a very well-managed County and that other counties in the state are envious of Talbot County because we have been such good custodians of our money. He thanked everyone for coming to the public hearing and asked that close attention be paid to the issue. He commented that he found it interesting that only 100 of the 35,000 citizens in the County chose to attend the public hearing when the County is facing such an enormous issue. He stated that, in his opinion, it is interesting to see what is happening in government with some counties going bankrupt, but he believes Talbot County can weather the storm and see what happens, and, although we may have to eventually go to whatever tax is necessary to "float the boat," he does not think we will have to as he is of the opinion that the economy is going to get better. Mr. Duncan reiterated his previous statement that the taxpayers of Talbot County elected him, not the State, and until the citizens of Talbot County change the rules, he will vote with the electorate in maintaining the Property Tax cap. He advised that he had recently introduced legislation that would put the issue of the tax cap back on the ballot in the upcoming general election so that the voters of the County can decide whether or not to lift the Property Tax cap. He stated that he had been involved in a lot of budgets and was proud that Talbot County has been very conservative with its money, is well managed, and we have everything anybody can think about in the County, not only because of County Government but because of very generous

citizens in the County. Mr. Duncan concluded his comments by stating that he looks forward to resolving this issue, he respects the fact that his colleagues have different thoughts and ideas, and that the Council members will have to work it out in their minds as to the direction in which the Council is headed.

Mr. Pack - Mr. Pack thanked everyone for giving of their time to come to the public hearing and to share their thoughts with the Council. He stated that some individuals had also attended the public hearing earlier in the day which showed their commitment to the process and to each other. He stated that Talbot County and some other local jurisdictions, including Wicomico County, the City of Salisbury, and the Ocean City, are facing very difficult times and are looking at possible increases in tax revenues; it is not something the Council relishes but is a necessary part of doing business in today's economy. He referenced a slide previously shown by Mr. Craig which had indicated that the County's Revenues are not meeting its Expenditures, stating that it does not mean that the Council is spending money like "a drunken sailor," but is trying to be fiscally sound with taxpayer money to make sure that money is put where it can best serve Talbot County citizens. He stated that the County has not paved roads as it should have in recent years and that many of its roads are failing and are creating safety concerns, and that Sheriff's deputies have not seen pay increases or new equipment in some time. He stated that the proposed budget has allocated four new vehicles and computer equipment for the Sheriff's Office as well as equipment for the aging EMS fleet needed to transport citizens to the hospital and to respond to accidents. He advised that there are a number of capital expenditures that the County has put off funding for several years and is now faced with the hard choice of having to fund the projects; The County has to spend the money to put those tools back into the hands of the law enforcement officer and our EMS workers and roads department in order to keep County citizens safe. He stated that the County has cut as much as it could over the last several budgets: it cut personnel, cut the Board of Education \$1.8 million below Maintenance of Effort, and did not fill vacant positions. He stated that the County had taken all the necessary steps that it could to put off any type of revenue increase but it is now faced with a very dire situation; unless there is new revenue, the County will not be able to provide the services needed for day to day living. Mr. Pack stated that each of the various amendments to the proposed budget includes some type of rate increase and he is unsure how the matter will be resolved but appreciates the public's thoughts and comments on the issue. He responded to the public comments about not envying being in the Council's position by stating that the proposed budget is not a money grab by the County Council; tough choices have been made to cut services including, funding to Economic Development, Tourism, and the Volunteer Fire Departments; the Council is trying to give County citizens the best services it can with available funding. Mr. Pack stated that he was a little shocked by the turnout for the public hearing but that he values each and every comment he heard and feels the full weight of what people had to say and the spirit in which it was said. As Mr. Duncan had done previously, Mr. Pack advised that a discussion on the proposed Center for Allied Health and Athletics Project at Chesapeake College will be held at a later date. He stated that in addition to dealing with the current budget, the County needs to decide whether it will move forward with the project for Chesapeake College; the College has requested a decision by June. Mr. Pack concluded his comments by stating that the ribbon-cutting ceremony for the newly expanded and renovated Talbot County Free Library will be held on Saturday, May 5, 2012 at 10:00 a.m. The next regularly scheduled Council meeting will be held on Tuesday, May 8, 2012. Written comments will be accepted by the Office

of the Talbot County Manager until Friday, May 4, 2012. Bill No. 1217, and amendments, are eligible for vote on Tuesday, May 22, 2012.

The public hearing and meeting adjourned at 8:47 p.m.

CASH STATEMENT 5/01/2012

BALANCE 4/24/2012		\$7,069,838.32
UHC CLAIMS THRU 4/24/2012		(23,203.00)
STATE BOARD OF ELECTIONS PPE 4/3/2012		(4,726.59)
BOARD OF EDUCATION 4/2012		(2,700,250.00)
TAL CO MD PUBLIC IMP REFUNDING BONDS SERIES 2010		(780,865.00)
PAYROLL-FD/SS.MS WH 4/27/2012		(100,730.07)
SECU DED		(9,121.12)
DEFERRED COMP DED		(10,252.72)
MD WH		(25,722.48)
ACH TRANSFER		(10,486.75)
FLEX SPENDING BENS		(2,282.51)
DEPOSITS		585,360.29
CHECKS		(1,157,128.79)

BALANCE 5/01/2012 **\$2,830,431.58**

AIRPORT ACCOUNTS

NEW AIP-RUNWAY 4-22 EXTENSION ANALYSIS			--
AIP-34	BALANCE 4/24/2012	16,096.21	
	DEPOSITS	17,955.00	
	CHECKS	(18,900.22)	15,150.99
AIP-35	BALANCE 4/24/2012	36,060.89	
	DEPOSITS	143,006.00	179,066.89
AIP36	BALANCE 4/24/2012	10,579.87	
	DEPOSITS	45,913.00	56,492.87
AIP37	BALANCE 4/24/2012	1,710.93	
	DEPOSITS	6,459.00	
	CHECKS	(7,806.13)	363.80
AIP38			--

AIRPORT ACCOUNTS TOTAL BALANCE **\$251,074.55**

INVESTMENTS – CERTIFICATES OF DEPOSIT

<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
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		0.13%	13,000,000.00

TOTAL INVESTED	<u>\$32,000,000.00</u>
PETTY CASH BALANCE	<u>\$6,800.00</u>
GRAND TOTAL ALL FUNDS	<u>\$35,088,306.13</u>



Talbot County, Maryland



Easton, Maryland

MINUTES

May 8, 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 and received unanimous consent for approval of the Agenda of Tuesday, May 8, 2012.

- II. Minutes – Mr. Pack requested and received Council’s unanimous consent for approval of the Minutes of Tuesday, April 24, 2012.

- III. Disbursements – Mr. Pack requested and received Council’s unanimous consent for approval of the disbursements of May 8, 2012.

- IV. Presentation on Joint Land Use Study (JLUS) for the Naval Air Station (NAS) Patuxent River, Maryland – Wayne Clarke, Executive Director, Tri- County Council for Southern Maryland; Chris Jarboe, Atlantic Test Range Sustainability Officer, NAS Patuxent River – Mr. Clarke requested Council’s consideration for support of a proposed Joint Land Use Study (JLUS) for Naval Air Station (NAS) Patuxent River, Maryland as approved by the Department of Defense Office of Economic Adjustment. Mr. Clark stated that the cooperative land use study is supported by the four Tri-County Councils within the range of NAS Patuxent River and is designed to take into account the compatibility of the comprehensive plans of each of the 10 counties asked to support the Study with the current and future visions of NAS Patuxent River, while ensuring the health, safety and welfare of the communities and the base. Mr. Clark provided a PowerPoint presentation which outlined several common compatible use issues including: factors affecting base missions and growth, the role of the Office of Economic Adjustment, the base and the counties in the Study. Representatives from each of the participating counties will be involved in the selection of issues to be studied. The Study will be conducted by a consulting firm who will work with the counties. Mr. Clark stated that once the Study has been completed, each county will have an opportunity to review its chapter to determine whether they wish to implement the recommendations of the Study through their public process. Should Council approve participating in the Study, Mr. Clark and Mr. Jarboe asked that a Council member be appointed to serve on the Policy Committee for the Study and that the Director of Economic Development and the Planning Officer be appointed to serve on the Technical Advisory Committee; the Study is anticipated to take approximately one year to complete; no funding is required from Eastern Shore counties. Mr. Jarboe provided a PowerPoint presentation outlining the mission of the Atlantic Test Range and its relationship to the Maryland and Virginia counties affected by its operations both within the restricted and unrestricted portions of the airspace surrounding NAS Patuxent River. He stated that the purpose of the Test Range is for the testing and evaluation of all naval aircraft prior to its going out to the Naval Fleet, and the support of other Department of Defense

and private sector services. Council discussion ensued. A visit to NAS Patuxent River by the five Eastern Shore counties will be scheduled in Fall 2012; Mr. Clark will contact Talbot County in the near future for the names of committee representatives.

V. Introduction of Administrative Resolution:

AN ADMINISTRATIVE RESOLUTION SUPPORTING THE JOINT LAND USE STUDY (JLUS) FOR THE NAVAL AIR STATION (NAS) PATUXENT RIVER, MARYLAND was read into the record by the Clerk. Upon motion by Mr. Bartlett, seconded by Ms. Price, 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

Ms. Price presented the Administrative Resolution to Mr. Clark and Mr. Jarboe who accepted on behalf of their respective organizations.

VI. Proclamation: Correctional Officers' Week (May 6 – May 12, 2012) – Prior to presentation of the proclamation, Doug Devenyns, Director of the Talbot County Department of Corrections, commented on his work with employees at the Talbot County Department of Corrections since becoming Director of the facility approximately two and a half years ago; he thanked the Council for recognizing the often unnoticed work of the Corrections Officers. Council members expressed appreciation to Director Devenyns for his leadership of the facility, and complimented the staff for their hard work and dedication to their profession. Director Devenyns then introduced several members of his department. The Clerk read a proclamation into the record in recognition of Correctional Officers' Week from May 6, 2012 through May 12, 2012. The proclamation recognized the professionalism, dedication and courage of Corrections Officers in the performance of their increasingly complex and demanding duties as well as the officers' contributions toward promotion of positive behavior, attitudes and skills that help prepare inmates for a successful transition to the community upon release. Upon motion by Mr. Hollis, seconded by Mr. Duncan, the Council approved the proclamation by voting 5 – 0 as follows:

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

Mr. Pack presented the Proclamation to Director Devenyns and representatives of the Talbot County Department of Corrections.

VII. Recognition of Cpl. Janet L. Eisenhart, Talbot County Department of Corrections Employee of the Year for 2011 – Prior to the reading of the Certificate of Recognition into the record, Director Devenyns spoke of the superior performance of Cpl. Janet Eisenhart during her time of employment at the Talbot County Department of Corrections and of her contributions to various community service endeavors. The Clerk then read a Certificate of Recognition into the record. The Certificate spoke of the superior performance, enthusiasm and dedication of Cpl. Eisenhart to her profession at the Talbot County Department of Corrections and of her volunteer service to the Department and the community including her organization of the inmate childrens' Christmas party for over 100 children and her countless hours of volunteer service at Talbot Humane. The Council approved the Proclamation.

Mr. Pack presented the Certificate of Recognition to Cpl. Eisenhart.

- VIII. Presentation of Proclamation: Older Americans Month – May 2012 – Prior to presentation of the proclamation, Gary Gunther, Executive Director of Upper Shore Aging, Inc., thanked the Council for recognizing the contributions of older citizens to the quality of life in Talbot County. He stated that 31% of Talbot County’s residents are aged 60 or older. The Clerk then read a proclamation into the record in recognition of May as Older Americans Month. The Proclamation spoke of the contributions of older Americans to the diversity, strength and unity of their communities and of the importance for support systems, technologies, and resources necessary to meet the needs of a growing elderly population. Upon motion by Mr. Hollis, seconded by Ms. Price, the Council approved the proclamation by voting

5 – 0 as follows:

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

Mr. Duncan presented the Proclamation to Gary Gunther, Executive Director of Upper Shore Aging, Inc. and Judy Shuler, Manager, Talbot County Senior Center at Brookletts Place who accepted of behalf of those organizations in Talbot County which serve older citizens.

- IX. Proclamation – Mental Health Month – May 2012 – Prior to presentation of the proclamation, Jackie Davis, Executive Director of the Mental Health Association in Talbot County, thanked the Council for recognizing May as Mental Health Month in Talbot County. She stated that each year, approximately 25% of the American adult population suffers from a diagnosable mental health disorder and that even though mental health disorders are the leading cause of disability in the United States, most disorders are extremely treatable and individuals can recover to lead full and productive lives. Audra Cherbonnier, Talbot County Family Navigator, Maryland Coalition of Families for Children’s Mental Health, presented the Council with posters from the “Children’s Mental Health Matters Campaign,” featuring artwork from Eastern Shore children. The Clerk then read a proclamation into the record in recognition of May 2012 as Mental Health Month in Talbot County. The proclamation emphasized the need to raise an awareness of, and the need for treatment of, mental health disorders affecting an increasing number of the population. Upon motion by Mr. Bartlett, seconded by Mr. Hollis, the Council approved the proclamation by voting 5 – 0 as follows:

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

Mr. Hollis presented the Proclamation to Jackie Davis, who accepted on behalf of the Mental Health Association in Talbot County.

- X. Introduction of Legislation:

Prior to introduction of the proposed legislation, Clay Stamp, Director of Talbot County Emergency Services, expressed the support of his department for the proposed legislation, the purpose of which is to allow the Department of Emergency Services and the County’s volunteer fire companies to bill for their services when responding to hazardous materials leaks/spills. Mr. Stamp stated that the County began billing for said services in 2011; however, some insurance companies have refused to pay since

there is no enabling legislation in effect which provides for billing of such services. Brian LeCates, Division Chief for Emergency Medical Services, stated that in 2011 the County billed a total of \$74,196, of which \$59,928 has been recovered; a portion of the recovered costs, \$32,935 was returned to the volunteer fire companies. John Keyser, President, Talbot County Fire & Rescue Association, stated that the seven volunteer fire companies in Talbot County unanimously support the legislation. A BILL TO ADOPT CHAPTER 119, ARTICLE II, ENTITLED "HAZARDOUS SUBSTANCES" TO AUTHORIZE RECOVERY OF COSTS ASSOCIATED WITH THE RELEASE OF HAZARDOUS MATERIALS AND USE OF SPECIALIZED EQUIPMENT; DEFINING CERTAIN TERMS, PROVIDING THAT THE COUNTY COUNCIL SHALL ESTABLISH RATES FROM TIME TO TIME OF CHARGES FOR RESPONSE COSTS; PROVIDING FOR COLLECTION AND DISBURSEMENT OF RECOVERED COSTS; AND PROVIDING FOR ENFORCEMENT was read into the record by the Clerk and was introduced by Mr. Bartlett, Mr. Duncan, Mr. Hollis, Mr. Pack, and Ms. Price as Bill No. 1218. A public hearing was scheduled for Tuesday, June 12, 2012 at 2:00 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton, Maryland 21601.

XI. Public Hearings:

Prior to the public hearing on Resolution No. 194, Assistant Planning Officer Mary Kay Verdery stated that the resolution is a request to consider a petition by Jeffrey Smith, a property owner on Station Road (a/k/a Cedar Cove Road) in Royal Oak, that Talbot County formally decline to accept an outstanding unaccepted offer of dedication to a portion of a platted unimproved paper street known as Pine Street. She stated that the plat, recorded in the July 1947 Talbot County Land Records, depicts several unimproved paper streets, including Pine Street; Mr. Smith is now proposing to subdivide a portion of the tract which is encumbered by a segment of Pine Street. Ms. Verdery stated that the Planning Commission and the Public Works Advisory Board, at their respective meetings on Wednesday, May 2, 2012, voted unanimously to approve the adoption of Resolution No. 194. A public hearing was then held on Resolution No. 194, A RESOLUTION TO CONSIDER THE PETITION OF JEFFREY SMITH, STATION ROAD A/K/A CEDAR GROVE ROAD, ROYAL OAK, MARYLAND, TAX MAP 40A PARCEL 696, IN THE SECOND ELECTION DISTRICT, TALBOT COUNTY, MARYLAND - THE PETITION REQUESTS THAT TALBOT COUNTY FORMALLY DECLINE TO ACCEPT AN OUTSTANDING, UNACCEPTED OFFER OF DEDICATION IN AND TO A PORTION OF A CERTAIN PLATTED BUT UNIMPROVED PAPER STREET KNOWN AS PINE STREET, and the public was afforded an opportunity to comment on the legislation. Upon motion by Mr. Hollis, and unanimous consent of the Council, Resolution No. 194 was brought for vote. The Council approved Resolution No. 194 by voting 5 – 0 as follows:

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

The provisions of Resolution No. 194 will take effect immediately.

Prior to the public hearing on Resolution No. 195, County Attorney Michael Pullen stated that Resolution No. 195, as introduced by Mr. Duncan, would place a question on the ballot at the 2012 General Election to amend Section 614 of the Talbot County Charter to provide that revenues derived from taxes on properties existing on the County Real Property tax rolls at the commencement of the County's fiscal year shall not increase compared with the previous year by more than five percent (5%). Mr. Pullen stated that passage of the resolution would, in effect, amend the existing revenue cap in the County Charter by increasing the maximum annual increase from two percent (2%) to five percent (5%). The Clerk read Resolution No. 195 into the record and the public hearing was held on

Resolution No. 195, A RESOLUTION TO PLACE A QUESTION ON THE BALLOT AT THE 2012 GENERAL ELECTION TO AMEND SECTION 614 OF THE COUNTY CHARTER TO PROVIDE THAT REVENUES DERIVED FROM TAXES ON PROPERTIES EXISTING ON THE COUNTY REAL PROPERTY TAX ROLLS AT THE COMMENCEMENT OF THE COUNTY FISCAL YEAR SHALL NOT INCREASE, COMPARED WITH THE PREVIOUS YEAR, BY MORE THAN FIVE PERCENT (5%), and the public was afforded an opportunity to comment on the legislation. At the conclusion of the public hearing, Mr. Duncan stated that he wished to withdraw the resolution from consideration as there was no support for same and the legislation is not useful at the present time. He stated that he had been advised by the County Attorney that should the current tap cap be broken or overturned, the present tax cap would remain in effect; it would take two years before the County could initiate a new property tax cap, if the voters chose to do so. Mr. Pack advised that since the Resolution No. 195 was before the Council for consideration, action was required by the Council. The Council did not approve Resolution No. 195 by voting 0 – 5 as follows:

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

The provisions of Resolution No. 195 will not take effect.

- XII. Quarterly Update by Talbot County Board of Health – Kathy Foster, R.N., M.S., Talbot County Health Officer – Ms. Foster briefed the Council on the following: (1) Methods to keep a kitchen germ free by focusing on four basic areas: (a) cleaning to avoid the spread of germs by thorough hand washing before and during food preparation; cleaning of the sink and dishwasher drains with a weak bleach solution several times a week; cleaning of the counters and refrigerator on a regular basis and preferably using a freshly laundered dishcloth each day; (b) separating foods during preparation to avoid cross-contamination - Ms. Foster stated that foods should never be placed directly in the sink when being prepared, raw meats should be separated from other foods such as fruits and vegetables in order to avoid cross-contamination of bacteria; (c) cooking foods to appropriate temperatures by using a meat thermometer; and (d) appropriately chilling foods both before and after cooking; (2) Rabies vaccination clinics began on Monday, May 7, 2012 and will be held on May 8th from 5:30 p.m. to 7:00 p.m. at the Trappe Firehouse, on Wednesday, May 9, 2012 at the St. Michaels Firehouse from 5:30 p.m. to 7:00 p.m., on Thursday, May 10, 2012 at the Tilghman Firehouse from 5:30 p.m. to 7:00 p.m. and on Saturday, May 12, 2012 at the Ag Center located on Hiners Lane from 1:00 p.m. to 3:00 p.m.; cost for the shots is \$6 for dogs, cats, or ferrets; (3) the 2nd annual free skin cancer screening clinic will be held on Wednesday, May 16, 2012 from 4:30 p.m. to 8:00 p.m.; appointments are required and are still available by calling the Health Department. Ms. Foster stated that priority will be given to uninsured or underinsured individuals, particularly those who work in occupations for exposure to the sun. She thanked local physicians who are donating their time to the screening clinic, the sponsors of the clinic, and encouraged individuals to avoid overexposure to the sun by applying suntan lotion and by wearing hats; (4) She stated that this year Talbot County has a much larger number of ticks earlier in the season due to the mild winter weather; and (5) advised the Council that funding for the Talbot County's Senior Care Program has been reduced from \$244,000 to \$100,000; Talbot County was a pilot county for the program when it began 20 years ago and as such, received more funding than counties which later participated in the Program. Ms. Foster stated that there is now a funding formula in place based on population and Talbot County's small population does not warrant the funding it has been receiving. She stated that she continues to work with the State of Maryland Office on Aging to try to have a portion of the funding restored to individuals currently on the Health Department's case load listing; Council had previously written a letter on the Health Department's behalf and offered to do so again. At Council's request, safe kitchen procedures will be posted on the Health Department's website in the next several days.

XIII. County Manger's Report:

- C. Talbot County Blue Ribbon Oversight Committee – Requested Council approval for the reappointment of Steve Capranica to a three-year term on the Talbot County Blue Ribbon Oversight Committee; said term will expire on April 1, 2015. Upon motion by Mr. Duncan, seconded by Ms. Price, the Council approved the reappointment by voting 5 – 0 as follows:
- Mr. Pack – Aye
 - Mr. Hollis – Aye
 - Mr. Bartlett – Aye
 - Ms. Price – Aye
 - Mr. Duncan – Aye
- D. Talbot County Economic Development Commission – Requested Council approval for the appointment of Jerry O'Mara to a three-year term on the Talbot County Economic Development Commission; said term end June 30, 2015. Upon motion by Ms. Price, 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
- E. Bid No. 12-05, REPLACEMENT WELL - OAK CREEK PUBLIC LANDING IN THE VILLAGE OF NEWCOMB, TALBOT COUNTY, MD – Requested Council approval to award Bid No. 12-05 to the sole bidder, Shannahan Artesian Well Co., Inc. in the sum of \$11,390.00; funding for the project will be provided by U.S. Fish & Wildlife Service and Maryland State Department of Natural Resources grants; no County funding is required. Upon motion by Mr. Duncan, seconded by Mr. Hollis, the Council approved the award by voting 5 – 0 as follows:
- Mr. Pack – Aye
 - Mr. Hollis – Aye
 - Mr. Bartlett – Aye
 - Ms. Price – Aye
 - Mr. Duncan – Aye
- F. Hazardous Mitigation Grant Application – Flood-Proofing of Martingham Sewer System – Requested Council approval to have the County Engineer apply for and accept a hazardous mitigation grant of federal funds from the Maryland Emergency Management Administration and the Sate Mitigation Advisory Committee in the sum of \$60,000; the grant monies will be used to floodproof the vacuum collection system at the Martingham community in St. Michaels. Mr. Craig stated that hazardous mitigation grants are federal funds which are allocated following a disaster to assist with mitigating existing hazards; the vacuum system serving Martingham was overwhelmed during Hurricane Irene; no County funds are required. Upon motion by Mr. Hollis, seconded by Mr. Duncan, the Council approved submittal of the grant application and acceptance of funding if awarded, by voting 5 – 0 as follows:

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

- G. National Fish and Wildlife Federation Grant Applications – Requested Council approval to have the County Engineer apply for and accept a grant from the National Fish and Wildlife Federation in the sum of \$300,000; said funding will be utilized on projects to offset nutrient and sediment loadings from stormwater in order to help meet the County’s Watershed Improvement Plan goal to reduce Total Maximum Daily Loads (TMDLs) in the Chesapeake Bay. Mr. Craig that that additional funding in \$100,000 will be used to establish a Watershed Stewards Academy within Talbot County; said program is in partnership with the University of Maryland Extension Office, the Master Gardeners and the Baywise Program; no County funding is required. Upon motion by Mr. Bartlett, seconded by Mr. Duncan, the Council approved submittal of the grant applications, and the acceptance of funding if awarded, by voting 5 – 0 as follows;

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

- H. Public Meeting on Talbot County Flood Insurance Rate Map Changes – Mr. Craig stated that public meetings would be held on Wednesday, May 9, 2012 on recent Flood Insurance Rate Map Changes (FIRMs); the meetings will be held from 3:30 p.m. to 5:30 p.m. and from 6:00 p.m. to 8:00 p.m. at the Easton High School Cafeteria. The meetings will provide an opportunity for property owners to view their property on the new flood maps. Representatives of the Maryland Department of the Environment (MDE) and the Federal Emergency Management Agency (FEMA) will make presentations and will be available to answer questions. Mr. Craig stated that postcards were sent to those homeowners who may be affected by the recent flood map changes.

XIV. Council Comments:

- Mr. Bartlett – Mr. Bartlett congratulated the Academy of the Arts on their recent fundraiser entitled “Paint the Town Moroccan.” He stated that he had participated in the event attended by the present Ambassador to the United States from Morocco and the former Ambassador from the United States to Morocco. He stated that, in his opinion, the fundraiser was a very well run event and was a great effort by the Academy of the Arts which fostered much good will. Mr. Bartlett congratulated those who organized the event, including Leslie Westbrook and Director Erik Neil, as well as participants of the event.
- Ms. Price – Ms. Price congratulated the Easton High School Girls’ Tennis Team for winning their Division title, and to the boys’ team, on which her sons play, for placing third; she wished the girls’ team good luck in the Bayside Championships.
- Mr. Duncan – No comments.

Mr. Hollis - Mr. Hollis thanked the staff of the Library and the County for organizing the Talbot County Free Library grand opening this past weekend, and encouraged the public to visit the renovated Library. He stated that he appreciated Mr. Pack's speech, particularly that portion which spoke about libraries being great equalizers, and thought it was a wonderful summation to a momentous event and that every word was appropriate.

Mr. Pack - Mr. Pack thanked Mr. Hollis for his compliments and echoed Mr. Hollis' comments that the grand opening was a wonderful event. He congratulated Mr. Horvath and the Library staff for putting together the event and encouraged everyone to visit the facility. He stated that from the County's perspective, it was money well spent. Mr. Pack stated that the 2nd Annual Douglass Day at the Maritime Museum had also been held the previous weekend, and although he was unable to attend, he understood that it was a fine event and gave a "hats off" to Eric Lowery, President of the Frederick Douglass Honor Society. Mr. Pack concluded his comments by wishing all mothers a Happy Mother's Day and expressed appreciation to all moms, living and deceased, for their love and dedication.

XV. Upon motion by Mr. Bartlett, seconded by Mr. Hollis, the Council voted to adjourn to a 3:30 p.m. Work Session for Budget deliberations, to reconvene in Executive Session for discussion of legal, personnel and real estate matters, and to reconvene on Tuesday, May 22, 2012 at 5:00 p.m. for discussion of legal, personnel, and real estate matters and for the regularly scheduled legislative session at 6:00 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 3:13 p.m.

The transcript of the May 8, 2012 County Council meeting is available for review in the Office of the County Manager during regular office hours.

XVI. On Tuesday, May 8, 2012, an Executive Session of the Talbot County Council convened at 12:35 p.m. in the County Council Conference Room and the Bradley Meeting Room. Upon motion by Mr. Hollis, seconded by Mr. Duncan, 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)(3)(4)(7)(8) the purpose of the Executive Session was for discussion of a legal/real estate matter for legal advice concerning the possible relocation of Memorial Hospital at Easton to County owned property and the timetable for same; for a real estate matter to discuss possible acquisition of property for a public purpose; for a legal matter for legal advice on pending litigation involving the County; and for a personnel matter to discuss appointments to various County boards and committees. The Executive Session recessed at 1:30 p.m., and reconvened at 6:35 p.m. The Executive Session ended at 6:55 p.m.

XVII. Budget Work Session (Final Deliberations) – The Council held a Work Session for final deliberations on the FY 2012-2013 Budget. Various budget line items were discussed and voted upon. Those items which were approved will be incorporated into the FY 2012-2013 Budget and will be funded by the increase in revenues and by reducing the reserve for contingencies.

CASH STATEMENT 5/08/2012

BALANCE 5/01/2012			\$2,830,431.58
UHC CLAIMS THRU 5/01/2012			(25,281.37)
INTEGRA 5/2012			(14,458.24)
POSTAGE WIRE			(3,000.00)
BANK CHARGES 4/2012			(1,973.33)
INTEREST ON ACCT 4/2012			1,236.50
PAYROLL-FD/SS/MS WH 5/04/2012			(3,027.36)
MD WH			(608.48)
PENSION DED			(252.00)
FLEX SPENDING BENS			(150.00)
DEPOSITS			1,530,878.59
CHECKS			(531,190.50)
VOID CHECK NO.S 269312,3080303,3080542			1,533.89
BALANCE 5/08/2012			<u>\$3,784,139.28</u>

AIRPORT ACCOUNTS

NEW AIP-RUNWAY 4-22 EXTENSION ANALYSIS			--
AIP-34			15,150.99
AIP-35			179,066.89
AIP36	BALANCE 5/01/2012	56,492.87	
	CHECKS	(2,167.76)	54,325.11
AIP37			363.80
AIP38			--
AIRPORT ACCOUNTS TOTAL BALANCE			<u>\$248,906.79</u>

INVESTMENTS – CERTIFICATES OF DEPOSIT

<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
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		0.13%	13,000,000.00

TOTAL INVESTED **\$32,000,000.00**

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

GRAND TOTAL ALL FUNDS **\$36,039,846.07**

