



Talbot County, Maryland



Easton, Maryland

MINUTES

May 7, 2013

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

- I. Agenda – Mr. Bartlett requested and received Council’s unanimous consent for approval of the Agenda of Tuesday, May 7, 2013.
- II. Minutes – Mr. Bartlett requested and received Council’s unanimous consent for approval of the Minutes of Tuesday, April 16, 2013 and Tuesday, April 23, 2013.
- III. Disbursements – Mr. Pack requested and received Council’s unanimous consent for approval of the Disbursements of April 30, 2013 and May 7, 2013.
- IV. Presentation of Certificate of Recognition to Talbot County Children’s Advocacy Center - April Sharp, Director, Talbot County Department of Social Services, provided a brief description of the purpose of the Children’s Advocacy Center in Talbot County. She stated that the Center is comprised of a multi-disciplinary team of individuals who serve as a child protection team to provide various services to children in the Upper Shore Region who have been sexually abused. Ms. Sharp stated that in the 10 years since the Center was founded, it has served more than 900 children through its partnership with Shore Health System which provides space and infrastructure support. The Clerk then read the Certificate of Recognition into the record. The Certificate spoke of the compassion and commitment provided by individuals at the Center who work with child sexual abuse victims and their families to bring about healing. Upon motion by Mr. Pack, seconded by Mr. Hollis, the Council approved the Certificate of Recognition by voting 5 – 0 as follows:

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

Mr. Pack presented the Certificate to April Sharp and representatives of the Children’s Advocacy Center who accepted on behalf of the professionals and volunteers at the Center. Council members praised Ms. Sharp and those who work with the children at the Children’s Advocacy Center.

- V. Presentation of Proclamation: May as Mental Health Month in Talbot County - Prior to presentation of the proclamation, Jackie Davis, Executive Director of the Mental Health Association in Talbot County, stated that the mission of mental health organizations is to promote wellness by providing individuals who have mental health issues, and their families, with the necessary skills and coping mechanisms which promote total physical, mental, and psychological well-being while dealing with mental health issues. The Clerk then read a proclamation into the record in recognition of May 2013 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 increasing numbers of the population. Council expressed appreciation to Ms. Davis for her commitment to mental health. Upon motion by Mr. Pack, seconded by Mr. Hollis, the Council approved the Proclamation by voting 5 – 0 as follows:

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

Ms. Price presented the Proclamation to Ms. Davis who accepted on behalf of the Mid-Shore Mental Health Association in Talbot County.

VI. County Manager's Report:

- A. Talbot County Airport Board – Requested Council approval for the reappointment of Kenelm “K” Guinness to a four-year term on the Talbot County Airport Board; said term will expire June 1, 3017. Upon motion by Mr. Pack, seconded by Ms. Price, the Council approved the reappointment by voting 5 – 0 as follows:

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

- B. Talbot County Commission on the Aging – Requested Council approval for the reappointment of Lise Robertson, Irene Hunter, Judy Shuler, and Donna Taylor to three-year terms on the Talbot County Commission on the Aging; said terms will expire April 1, 2016; requested Council approval for the appointment of Jessica Harper to a three-year term on the Talbot County Commission on the Aging; said term will expire on April 1, 2016. Upon motion by Mr. Hollis, seconded by Mr. Pack, the Council approved the reappointments and the appointment by voting 5 – 0 as follows:

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

- C. Talbot County Golf Board – Requested Council approval for the reappointment of Jack Fischer to a three-year term on the Talbot County Golf Board; said term will expire on June 1, 2016. Upon motion by Mr. Pack, seconded by Mr. Hollis, the Council approved the reappointment by voting 5 – 0 as follows:

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

- D. Talbot County Department of Social Services Board of Directors – Requested Council approval for the reappointment of Carrie Gould-Kabler and Connie Lauffer to second three-year terms on the Talbot County Department of Social Services Board of Directors; said terms

will expire on June 30, 2016. Upon motion by Mr. Pack, seconded by Ms. Price, the Council approved the reappointments by voting 5 – 0 as follows:

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

- E. Bid No. 13-06, REQUEST FOR OFFERS TO PURCHASE VALUABLE FEE SIMPLE REAL ESTATE OF SIX (6) UNIMPROVED LOTS CONSISTING OF 1.395 ACRES, MORE OR LESS AT U.S. ROUTE 50 AND CLEARVIEW AVENUE, EASTON, MARYLAND – Requested Council approval to award Bid No. 13-06 to the lowest responsive bidder, Thomas Mitchell, in the sum of \$351,324, and to enter into an agreement with Mr. Mitchell for sale of the lots; Mr. Craig then outlined the procedure for disposal of County property. He stated that the County had originally purchased the subject property several years ago with federal funds in order to abate aviation hazards at Easton Airport; those hazards have now been abated and the Federal Aviation Administration is requiring the County to dispose of the property. Upon motion by Ms. Price, seconded by Mr. Pack, the Council approved the award and to enter into a contact with the highest responsive bidder by voting 4 – 0 – 1 as follows:

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

Mr. Duncan stated that he was abstaining due to a conflict.

- F. Memorandum of Understanding between the Talbot County Health Department and the Talbot County Emergency Management Services – Requested Council approval to have the Talbot County Department of Emergency Services accept grant funding from the Talbot County Health Department in the sum of \$62,783. Mr. Craig stated that the funding will be used to retrofit an existing Department of Emergency Services bus into an “AmbuBus” for the purpose of turning the bus into a mass casualty transport capable of holding 12 stretchered patients and 6 wheelchair patients which could be used for mass evacuations, if needed; no County funds are required. Upon motion by Mr. Hollis, seconded by Ms. Price, the Council approved acceptance of the grant funding by voting 5 – 0 as follows:

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

VII. Public Hearings:

Prior to the public hearing on the Constant Yield, County Manager John Craig stated that the proposed budget for FY 2013-2014 is a General Fund budget in the sum of \$72,450,000. He stated that the County continues to receive mandates from the State which affect the County budget; crucial cuts in the past several years have taken a toll on infrastructure, employees, and services. He stated that Revenue for FY

2014 is predicted to show a slight increase and the proposed budget for FY 2014 reflects modest increases to public safety, employee salaries, and staffing, and renews a program of restoring the Fund Balance. He stated that for the first time in five years, no Fund Balance or transfers will be utilized to fund Expenditures. Mr. Craig then presented a budget history for the past seven years. He stated that County property taxes remain subject to a voter-imposed tax cap which limits growth and revenue from Property Taxes; Income Taxes are anticipated to show strong growth in the coming year then slow in 2015; the County has estimated it will collect approximately \$26,000,000 in FY 2014, or 20% more than in FY 2013. He stated that accommodations, recordation and transfer taxes are also anticipated to be strong in FY 2014 while other revenue sources are expected to decline slightly. Mr. Craig presented information on Property Tax rates for Maryland's 24 jurisdictions; Talbot County's rate is currently the lowest in the state at \$0.491; the FY 2014 proposed budget, which would increase the rate to \$0.512, would still be the lowest rate. He provided information on Income Tax Rates for the 24 jurisdictions in Maryland, of which Talbot County has the second lowest rate at 2.40%. With regard to Expenditures, Mr. Craig stated that the proposed FY 2014 budget provides for increases in funding for Public Safety, Emergency Services, the Sheriff's Department, the Department of Corrections and the fire companies, and provides 100% funding for public school Maintenance of Effort and debt service. He stated that the budget provides a 3% Cost of Living Adjustment (COLA) and a step increase to employees and partially replaces positions previously eliminated during the economic downturn of the past several years. He outlined those areas in which funding is proposed to be increased or reduced, provided information on available Fund Balance and the use of same over the past several years, and the anticipated increase in available Fund Balance at the conclusion of FY 2014. He concluded his presentation by stating that Expenditures continue to be shifted down from the State; Revenues seem to have stabilized; and the proposed budget reflects the County's investment in its key priorities of public safety, education, and its employees. He emphasized that no Fund Balance is needed to meet Expenditures in FY 2014 and that excess revenues will be set aside to replenish the Fund Balance. The FY 2014 Proposed Budget may be found on the County's website at www.talbotcountymd.gov. The evening public hearing on the proposed budget will be held at 7:00 p.m. in the Easton High School Cafeteria.

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

The County Council in the FY2014 Proposed Budget is proposing to adopt a real property tax rate of 51.2 cents per \$100 of assessed valuation for all properties located outside the incorporated towns. This is 2.1 cents higher than the current real property tax rate. This rate is 1.18 cents higher than the constant yield rate of 50.02 cents, and will generate \$542,493 more in property tax revenues in FY 2014 from the unincorporated area of the County. Properties located within the Incorporated Towns will again be granted a tax rate differential which places their rates between 6 and 13.2 cents lower than the County rate. The County rates within the Towns, except for the Towns of Easton and Oxford, are all above constant yield rate. The County Council will not adopt the FY 2014 Tax rate today. The FY 2014 Tax Rate will be adopted as part of the Annual Budget and Appropriation Ordinance scheduled for May 28, 2013.

Following Mr. Bartlett's remarks, a public hearing was held on the Constant Yield and the public was afforded an opportunity to comment. Written comments on the proposed Constant Yield rate will be accepted by the Office of the Talbot County Manager until Friday, May 10, 2013 at 12:00 Noon.

Bill No. 1236, AN ACT TO ESTABLISH THE 2013-2014 ANNUAL BUDGET AND APPROPRIATION ORDINANCE was then brought forward for public hearing and the public was afforded an opportunity to comment on the legislation. The public hearing on Bill No. 1236 will continue at the Easton High School Cafeteria at 7:00 p.m. Written comments on Bill No. 1236 will be accepted by the Office of the Talbot County Manager until Friday, May 10, 2013 at 12:00 Noon. At the time of the public hearing, it was announced that Bill No. 1236 was eligible for vote on Tuesday, May 28, 2013. Later, prior to the evening

public hearing on Bill No. 1236, the Council voted to declare Tuesday, May 21, 2013 at 1:30 p.m. as a Special Legislative Day; Bill No. 1236 is therefore eligible for vote on Tuesday, May 21, 2013. The meeting will be held in the Bradley Meeting Room.

VIII. Council Comments:

Mr. Duncan– No comments.

Ms. Price - No comments.

Mr. Hollis – No comments.

Mr. Pack - No comments.

Mr. Bartlett – No comments.

- IX. Upon motion by Mr. Pack, seconded by Mr. Hollis, the Council voted to adjourn to Executive Session for discussion of legal, personnel and real estate matters and to reconvene at 7:00 p.m. for a public hearing on the FY 2013-2014 Budget (Bill No. 1236) at the Easton High School Cafeteria; and to reconvene on Tuesday, May 14, 2013 at 12:30 p.m. in Executive Session for discussion of legal, personnel, and real estate matters, and at 1:30 p.m. for the regularly scheduled legislative session by voting 5 – 0 as follows:

Mr. Bartlett – Aye

Mr. Hollis– Aye

Mr. Pack - Aye

Ms. Price – Aye

Mr. Duncan - Aye

The meeting adjourned at 2:30 p.m.

The transcript of the May 7, 2013 County Council meeting is available for review in the Office of the County Manager during regular office hours.

- X. On Tuesday, May 7, 2013, 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 Hollis, seconded by Mr. Duncan, the Council met in Executive Session by voting 4 – 0 as follows:

Mr. Bartlett - Absent

Mr. Hollis – Aye

Mr. Duncan - Aye

Mr. Pack – Aye

Ms. Price – Aye

Mr. Bartlett arrived at 12:50 p.m.

In accordance with State Article § 10-508 (a)(1)(i)(3)(4)(7)(8) the purpose of the Executive Session was for personnel matters to discuss appointments to various County boards and committees; for a legal/real estate matter for legal advice concerning the relocation of Memorial Hospital at Easton to County owned property; for real estate matters to discuss disposal of County property and to discuss possible acquisition of property for a public purpose; and for a legal matter for legal advice regarding litigation involving

Lowe's Wharf. The Executive Session recessed at 1:30 p.m. and reconvened at 2:45 p.m. The Executive Session ended at 6:40 p.m.

- XI. The Council meeting reconvened and a continuation of the public hearing on Bill No. 1236 was held at 7:00 p.m. at the Easton High School Cafeteria, 723 Mecklenburg Avenue, Easton. Prior to continuation of the public hearing, County Manager John Craig outlined the provisions of the County's proposed FY 2014 Budget Ordinance as he had previously done at the 2:00 p.m. public hearing. Upon motion by Mr. Hollis, seconded by Ms. Price, the Council approved Tuesday, May 21, 2013 at 1:30 p.m. as a Special Legislative Day by voting 5 – 0 as follows:

Mr. Bartlett - Aye

Mr. Hollis – Aye

Mr. Duncan - Aye

Mr. Pack – Aye

Ms. Price – Aye

The Constant Yield and Bill No. 1236 are eligible for vote on Tuesday, May 21, 2013.

A public hearing was then held on Bill No. 1236, AN ACT TO ESTABLISH THE 2013-2014 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, and the public was afforded an opportunity to comment on the legislation. Following the public hearing, Council members made the following comments:

Mr. Duncan – Mr. Duncan thanked Dr. Karen Salmon for her dedication to the students of Talbot County Public Schools. He commended Dr. Salmon for always being gracious in her comments, despite sometimes “crossing swords” with the Council during the budget process over the years. He stated that he respected her for always looking out for the students in the school system just as he felt it was his obligation to look out for the taxpayers and citizens of Talbot County. He stated that, in his opinion, it had all worked out, even though there had been some rough times. Mr. Duncan commended Dr. Salmon for standing up for the students of Talbot County Public Schools, stating that he respects people who stand up for what they believe, though he may at times disagree with them.

Ms. Price - Ms. Price stated that her two sons, who attend Easton High School, have enjoyed and prospered in their high school experience because of what Dr. Salmon has done for the schools and that, in her opinion, there are a lot of successful children coming out of Easton High School. She stated that the budget as drafted is a little higher than what she is comfortable with spending, and expressed some concern that if the estimated Income Tax Revenue of \$26,000,000 is not realized, the County might have to again make cuts. She stated that she was supportive of about 95 percent of the budget, and in her opinion, the Council is right in restoring most of the positions it is restoring. She stated that her first two years in office were tough having to make cuts. Ms. Price concluded her comments by reiterating that she was generally in support of the budget and hoped County citizens were as well.

Mr. Pack - Mr. Pack extended congratulations to Dr. Salmon on her retirement and stated that he had had two children graduate from Easton High School. He commended Dr. Salmon for her interest in each and every student and for the time and effort she put into the school system. He stated that the 1-to-1 laptop program was her idea

and, in his opinion, she deserves credit for her visionary thinking and for putting the program together. He stated that he had always been supportive of the laptop program, even in the lean years, and was glad that the Council could find the money for the program in the current budget, as he feels it is important to prepare students for technology in the 21st Century workplace. Mr. Pack offered well wishes to Dr. Salmon in her future endeavors. With regard to the budget, Mr. Pack stated that he was glad to see that the County is able to begin to restore some positions to the County workforce after the furloughs of recent years, and to provide the County's number one resource, its employees, with a three percent and a step increase in pay after not having given any raises for five years; of the ten positions being restored, six are in Public Safety. He stated that, in his opinion, it is important to invest in those employees who had sacrificed during the lean years and he was pleased that the County is now able to do so. Mr. Pack stated that the County still has more to do to up catch up on several capital projects, including such items as road repairs and a roof repair at St. Michaels High School. He stated that he is glad that the County is able to once again put money into the Fund Balance for the first time during his tenure in office. Mr. Pack concluded his comments by thanking everyone for their input on the budget.

Mr. Hollis - Mr. Hollis stated that Mr. Pack had covered most of the points he had wanted to mention. He stated that his first priority going into the budget process, as well as that of several other Council members, was to provide raises for County employees. He stated that the second priority for the Council had been to increase funding for Public Safety. He stated that the eight percent increase as reflected in the budget is the largest increase of any department. Mr. Hollis stated that he was proud that for the first time in several years, no money had been transferred from savings and that no Fund Balance had been used to balance the FY 2014 budget. He stated that, in his opinion, the budget is reflective of this Council's efforts to try not to overspend and that although he respects Ms. Price's concern about not spending every dollar, he agreed with Mr. Pack's statement that the County has a variety of areas which need to be funded. He stated that although there are certain items that he would liked to have received additional funding, overall he believes the budget is a good document. Mr. Hollis stated that, in his opinion, funding of the laptop program should no longer be debated but should now be considered as part of the standard curriculum for public schools. He commended Dr. Salmon and her staff for implementation of the program and stated that he was glad the Council chose to put funding toward the program. He thanked the Council for putting funding toward the next phase of the Dutchmans Lane project. Mr. Hollis concluded his comments by stating that, in his opinion, Dr. Salmon is leaving a legacy she should be proud of and offered her best wishes for continued success.

Mr. Bartlett - Mr. Bartlett had previously thanked Dr. Salmon for her tireless efforts and commitment on behalf of the students of Talbot County Public Schools. He then recalled several decisions the Council had made during his tenure in office, including renovation of the library at its current location versus building a new library in another location; to purchase an existing building on Bay Street for use as a County office building versus constructing a new building; and to not proceed with construction of an addition to the Talbot County Community Center right at the time when the economy was beginning to decline. He stated that, in his opinion, the decisions that the Council made on these matters had been prudent decisions which had saved the County much money. He commended Dr. Salmon

for bringing the 1-to-1 laptop initiative to the Council and stated that he was glad the Council could fund the program. Mr. Bartlett commented on the four new initiatives which Dr. Salmon had spoken of during the public hearing on the budget, stating that even though the Maryland State Legislative is providing some additional resources for the initiatives, the County will probably also be required to provide resources as well and her successor will be faced with making funding decisions for programs, just as the Council makes has to make difficult funding decisions. Mr. Bartlett stated that in final analysis, everyone is working for the same things, good customer service, a proper education for the County’s children, and keeping Talbot County a beautiful place. Mr. Bartlett concluded his comments by thanking the public for their comments on the budget; he also thanked Angela Lane, Jill Bemis and staff of the Finance Office and other members of County staff for their many hours of hard work to compile the budget.

CASH STATEMENT 4/30/2013

BALANCE 4/23/2013	\$18,189,803.15
POSTAGE WIRE	(3,000.00)
UHC CLAIMS THRU 4/23/2013	(52,209.54)
CHECK CASHED IN DUPLICATE	(25.00)
TALBOT COUNTY PUBLIC IMP REFUNDING BOND SERIES 2010	(1,414,915.00)
STATE BOARD OF ELECTIONS PPE 4/2/2013	(4,859.31)
TRANS LOCAL SHRE TO AIP35&AIP36	(907.27)
PAYROLL-FD/SS/MS WH 4/26/2013	(110,126.07)
SECU DED	(7,200.22)
DEFERRED COMP DED	(9,440.60)
MD WH	(27,311.21)
PENSION DED	(27,543.44)
ACH TRANSFER	(10,057.18)
FLEX SPENDING ACCT	(2,453.59)
DEPOSITS	1,691,954.74
CHECKS	(1,041,057.62)
VOID CHECK NO. 280557	231.61
BALANCE 4/30/2013	<u>\$17,170,883.45</u>

AIRPORT ACCOUNTS

AIP-RUNWAY 4-22 EXTENSION ANALYSIS		--
AIP-34		43,476.34
AIP-35	BALANCE 4/23/2013	36,284.23
	TRANS<GEN FUND	551.24
	CHECKS	(551.24)
		36,284.23
AIP36	BALANCE 4/23/2013	19,272.58
	TRANS<GEN FUND	356.03
	CHECKS	(356.03)
		19,272.58
AIP37		311.62
AIP38		3,257.70

AIRPORT ACCOUNTS TOTAL BALANCE			<u>\$102,602.47</u>
INVESTMENTS – CERTIFICATES OF DEPOSIT			
<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
PNC-MLGIP INVESTMENTS TOTAL		0.09%	18,000,000.00
TOTAL INVESTED			<u>\$18,000,000.00</u>
PETTY CASH BALANCE			<u>\$8,320.00</u>
GRAND TOTAL ALL FUNDS			<u>\$36,281,805.92</u>

CASH STATEMENT 5/7/2013

BALANCE 4/30/2013			\$17,170,883.45
BOARD OF EDUCATION 4/2013			(2,860,960.00)
UHC CLAIMS THRU 4/30/2013			(47,483.77)
LOCAL SHARE TO AIP36			(1,075.39)
PAYROLL-FD/SS/MS WH 5/3/2013			(3,333.09)
MD WH			(585.68)
PENSION DED			(257.83)
FLEX SPENDING ACCT			(150.00)
DEPOSITS			541,611.86
CHECKS			(399,302.13)
BALANCE 5/7/2013			<u>\$14,399,347.42</u>

AIRPORT ACCOUNTS

AIP-RUNWAY 4-22 EXTENSION ANALYSIS			--
AIP-34	BALANCE 4/30/2013	43,476.34	
	DEPOSIT	89.00	43,565.34
AIP35			36,284.23
AIP36	BALANCE 4/30/2013	19,272.58	
	TRANS<GEN FUND	1,075.39	
	CHECKS	(1,075.39)	19,272.58
AIP37	BALANCE 4/30/2013	311.62	
	DEPOSIT	504.57	
	CHECKS	(504.57)	311.62
AIP38			3,257.70
AIRPORT ACCOUNTS TOTAL BALANCE			<u>\$102,691.47</u>

INVESTMENTS – CERTIFICATES OF DEPOSIT			
<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
PNC-MLGIP INVESTMENTS TOTAL		0.10%	18,000,000.00

TOTAL INVESTED	<u>\$18,000,000.00</u>
PETTY CASH BALANCE	<u>\$8,320.00</u>
GRAND TOTAL ALL FUNDS	<u>\$32,510,358.89</u>