



# TALBOT COUNTY, MARYLAND

County Council

MINUTES

April 16, 2024

## *SPECIAL LEGISLATIVE DAY*

Present – President Chuck Callahan, Vice President Pete Leshner, Keasha N. Haythe, Lynn L. Mielke, Dave Stepp, County Manager Clay Stamp, and County Attorney Patrick Thomas.

- I. Agenda – Mr. Callahan requested and received unanimous consent for approval of the Agenda of Tuesday, April 16, 2024.
- II. Disbursements – Mr. Callahan requested and received unanimous consent for approval of the Disbursements of Tuesday, April 16, 2024.
- III. Introductions of Legislation:

AN ACT TO ESTABLISH THE 2024-2025 ANNUAL BUDGET AND APPROPRIATION ORDINANCE was brought for introduction. Prior to introduction, County Manager, Clay Stamp, expressed his appreciation to the Council and staff for their hard work, cooperation, and support over the past several months. Mr. Stamp stated that the County is on course to meet targets for the FY24 budget and that the proposed FY25 General Fund budget, which totals \$163,970,000, was developed utilizing the same successful strategy as was used to develop the FY24 budget, focusing on a three-point strategy which addresses *Personnel, Processes, and Projects*. He outlined several FY24 capital projects which had been completed or are near completion, including the initiation of the Easton Airport modernization project; completion of the gymnasium and pickleball courts at the Talbot County Community Center and near completion of the new Talbot County Health Department facility at Achievement Park (Easton). He stated that other capital projects include extension of sewer in the Region II (St. Michaels) Sanitary District; improvements at the Department of Corrections and the Courthouse, and road repairs, upgrades and resurfacing within the 370-mile network of county roadways. Mr. Stamp stated that the County had updated its Emergency Operations Plan to incorporate lessons learned from the Covid-19 Pandemic. With regard to *Personnel*, Mr. Stamp stated that the County, like other jurisdictions across the country, finds itself in a highly competitive workforce environment, particularly for jobs such as dispatchers, paramedics, correctional officers, etc. and stated that it is important that the County retain its current staff as well as have the ability to recruit staff and has included money in the budget to address same. He stated that *Process* is centered around customer service and the proposed FY25 budget includes funding so the County can leverage technology to be able to improve customer service. He stated that with regard to *Projects*, specifically capital projects, the proposed FY25 budget includes funding for an expansion of the St. Michaels Branch of the Talbot County Free Library; renovation of Chapel District Elementary School; establishment of an EMS station in the northern part of the county; completion of the Public Safety Complex on Marys Court in Easton; an upgrade of the Computer-Aided Dispatch (CAD) System for 9-1-1; extension of sewer service in the Bay Hundred area of the county; and repair and construction of roads throughout the county. Mr. Stamp that Talbot County continues to, as it has in the past, utilize a conservative budgeting approach by underestimating revenues and overestimating expenses, maintaining a significant fund balance for emergencies, and low taxes. He stated that, as directed by Council, the proposed FY25

budget prioritizes public safety and education and that the County is in the process of completing a multi-year effort to ensure that staffing guidelines as outlined by the Sheriff are met; staffing has also been increased in the Department of Emergency Services over the past several years, facilities and equipment have been upgraded, and the County exceeded the State-mandated formula for the funding of public schools. Martha Sparks, Finance Director, utilized a PowerPoint presentation to outline various facets of the proposed FY25 budget. She stated that the proposed budget of \$163,970,000 includes Property Tax revenues of two percent (2%) over FY24 revenues as outlined in the County Charter; an additional one-cent (\$.01) to the Property Tax rate as approved by Talbot County voters in November 2020, and a four-cent (\$.04) Educational Supplement to support the budget initiatives of Talbot County Public Schools. Ms. Sparks stated that the \$54.6 million in funding for Talbot County Public Schools includes an increase of \$3.65 million over FY24 funding and is \$2.6 million more than the amount of funding required by the State of Maryland, plus an additional \$16.9 million in Capital Improvement Project (CIP) funding for the Chapel District Elementary School expansion/renovation project and \$1.5 million in CIP funding for use as they choose for their CIP projects. She stated that the FY25 budget includes a three percent (3%) Cost of Living Adjustment (COLA) and one-step increase for County employees, additional public safety communication specialists (9-1-1 Operators), a Student Resource Officer (SRO) supervisor, and an increase of \$1.2 million in funding to outside agencies. She stated that Fund Balance Reserves will be used for investments in County infrastructure, with CIP projects totaling \$27.5 million and \$2.98 million in Capital Outlay for the purchase of vehicles and equipment. Ms. Sparks stated that the County has projected a 12.3% increase in Property Tax Revenues and a 19.3% increase in Income Tax Revenues for FY25 but cautioned that these revenues have historically been volatile and must be carefully projected and monitored; Property Tax revenues and Income Tax revenues comprise 81.1% of the County's operating revenues and 61.5 % of the total FY25 budgeted revenues. She provided statistical information and charts detailing anticipated FY25 County General Fund Revenue sources, General Fund Expenditures, a five-year history of Property Tax rates, and a comparison of Talbot County's Property Tax and Income Tax Rates with Baltimore City and the other 22 Maryland counties in which Talbot County ranks the second lowest rate in both categories. She provided a history of the November 2020 ballot initiative whereby the voters of Talbot County approved a one cent (\$.01) addition to the Property Tax rate for support of the County's expenditures for Public Safety for five (5) years which will expire with the FY26 budget. She stated that another Charter amendment will need to be introduced, approved by the Council and Talbot County voters in order to continue providing the additional funding in its current manner which, since FY22, has provided valuable funding to enhance public safety personnel for the Sheriff's Office, Detention Center and Department of Emergency Services. Ms. Sparks stated that the proposed Property Tax rate for FY25 for properties outside the municipalities is \$.7910 per \$100 of assessed valuation, reiterating that the amount is two percent (2%) over FY24 in accordance with the County Charter, which includes one cent (\$.01) to support Public Safety and a four cent (\$.04) Educational Supplement for Talbot County Public Schools; the overall Property Tax rate will increase 4.76 cents (\$.0476) over FY24, a 6.4% increase. Ms. Sparks outlined the Expenditures segment of the proposed budget and the various percentages of the budget each represents. She provided statements made by bond rating agencies, Moody's Investors Service and Fitch Ratings, dated September 14, 2022: Moody's Investors Service stated in part that *financially, the county is very strong and the management team is generally conservative in its budgeting*; Fitch Ratings stated in part that *Fitch's assessment of the county's financial resilience as being in the highest category is based on the combined strength of its fund balance position, its ample expenditure flexibility and its strong ability to adjust revenues through policy action to adjust revenues through policy action to counterbalance its historically volatile revenues.....*

The legislation was then read into the record by the Clerk and introduced by Mr. Callahan, Ms. Haythe, Mr. Leshner, Ms. Mielke, and Mr. Stepp as Bill No. 1553. Public hearings were scheduled for Tuesday, May 7, 2024, at 2:00 p.m. in the Bradley Meeting Room, South Wing, Talbot County Courthouse, 11 North Washington Street, Easton and at 7:00 p.m. in the Easton Elementary School Cafeteria located at 307 Glenwood Avenue, Easton, Maryland 21601. The FY2024-2025 County budget, as introduced, is available on the County website at [www.talbotcountymd.gov](http://www.talbotcountymd.gov).

IV. Public Comments: No comments.

V. Council Comments:

Mr. Stepp - Mr. Stepp expressed his appreciation to County staff, department heads, and his colleagues on the Council for, in his opinion, a job well done by everyone to get through the budget process this year. He stated that he is looking forward to serving county citizens well with the allotted funds.

Mr. Leshner - No comments.

Ms. Haythe - No comments.

Ms. Mielke - Ms. Mielke expressed her appreciation to County staff for, in her opinion, keeping Talbot County great and operating at a reasonable cost.

Mr. Callahan - Mr. Callahan concurred with the comments of his colleagues and stated that he appreciates everything staff has done.

The transcript of the April 16, 2024, County Council meeting is available for review in the Office of the Talbot County Manager during regular office hours.

Upon motion by Ms. Haythe, seconded by Mr. Stepp, the Council voted to adjourn and to reconvene on Thursday, April 18, 2024 in the Dorchester Room at Chesapeake College with elected officials of Caroline, Dorchester, Kent and Queen Anne’s counties to discuss the Chesapeake College budget, and to reconvene on Tuesday, April 23, 2024, at 4:30 p.m. in Open Session and immediately adjourn into Closed Session as listed on the statement for closing that meeting, and for the regularly scheduled meeting at 6:00 p.m. by voting 5 - 0 as follows:

Mr. Callahan - Aye

Mr. Stepp – Aye

Mr. Leshner - Aye

Ms. Mielke – Aye

Ms. Haythe – Aye

The meeting adjourned at 6:36 p.m.

VI. Joint Work Session for Update on Regional Medical Center Project and Development Rights and Responsibilities Agreement (DRRA) – Talbot County Council; Talbot County Planning Commission; Easton Town Council and Town of Easton Planning Commission – The County Council and the Town Council, and their respective Planning Commissions, held a joint work session at the Easton Town Council Chambers for an update on the regional medical center

project and related DRRA. Also in attendance were Ken Kozel, President & CEO of University of Maryland Medical System (UMMS)/Shore Regional Health (SRH), Ryan Showalter, Attorney for UMMS/SRH, John Horner, Easton Utilities Commission; Patrick Thomas, Talbot County Attorney, Sharon Van Emburgh, Attorney for the Town of Easton; Clay Stamp, County Manager; Jessica Morris, Assistant County Manager; Don Richardson, Town Manager; Ray Clarke County Engineer; Rick Van Emburgh, Town Engineer; Brennan Tarleton, County Planning Officer; Miguel Salinas, Town Planning Officer, as well as various staff members from the County and the Town. Mr. Kozel expressed his appreciation to the Town and the County for all their work thus far to bring the new regional medical center to the northern end of the town of Easton to serve the five counties of the Mid-Shore (Caroline, Dorchester, Kent, Queen Anne's and Talbot). He emphasized the importance of working together on this large regional project and stated that he anticipates receiving the necessary approvals to proceed in the very near future. He emphasized the importance of the DRRA to the process as it outlines the responsibilities of each of the parties in order to bring the project to fruition. Sharon Van Emburgh, Attorney for the Town of Easton, speaking on behalf of the Town, the County, and Shore Regional Health, provided a history of the proposal, beginning in 2007, to relocate the hospital (formerly Memorial Hospital at Easton, now Shore Regional Health) outside downtown Easton. She stated that the County offered land adjacent to the Talbot County Community Center for a new regional center, the details of which were incorporated into a Memorandum of Understanding (MOU) dated August 8, 2008, between Shore Regional Health, the Town of Easton, and Talbot County outlining the terms for various processes related to development of the property, including purchase of the property offered by the County and provision of water, sewer, and other utilities to the site. Ms. Van Emburgh outlined the processes by the Town and the County for annexation of the approximately 276-acre property into the Town (including the Talbot County Community Center); the creation of a new zoning district by the Town, the Regional Healthcare Zoning District, for the site of the proposed new regional medical center, all of which were outlined in an Annexation Agreement dated December 8, 2009. She stated that the Annexation Agreement included general information on the size of the hospital, public services to be offered to the hospital, work to the surrounding road network, etc. all of which were ultimately incorporated into a Development Rights and Responsibilities Agreement (DRRA) by and between Shore Regional Health, Talbot County and the Town of Easton on October 14, 2014, and which is recorded in the Land Records for Talbot County. Ms. Van Emburgh stated that an amendment to the DRRA is now needed so that all parties have a clear understanding of the development which will be taking place as well as the scope of work which has been modified since the time of annexation. She stated that as the process moves forward into the permitting and construction phases, any changes in zoning which might take place would not affect a project already in progress and which had already made significant capital investments; in return, local governments can negotiate and obtain public benefits through the process. Ms. Van Emburgh stated that the zoning codes of both the Town and the County authorize entering into DRRA's, and that although the County does not have zoning jurisdiction for the property, it is a party to the DRRA. She stated that the County and the Town will simultaneously, but independently, proceed with their respective processes, with both bodies forwarding items to their respective planning commissions for consistency with their comprehensive plans, followed by public hearings and approval of resolutions by each body. Ms. Van Emburgh stated that since adoption of the DRRA in 2014, the construction and development world is far different than it was ten years ago, citing supply chain issues and construction timeframes as two specific differences which necessitate changes. She stated that the "trigger" dates cited in the 2014 DRRA are not realistic in today's climate and need to be updated, and utility requirements for the regional medical center have changed, in part, due to State of Maryland requirements; an amendment to the DRRA would address those issues as well update references to property ownership and exhibits related to the

location of the pump station parcel. She stated that as the process moves forward for permitting and construction, additional agreements such as Comprehensive Water and Sewer Plan Amendments, Public Works Agreements, Forest Conservation Easements, Stormwater Management Easements, and Sidewalk and Utility Easements, etc. will need to be signed as the processes are implemented and will not be included as part of the DRRA but will rather be separate documents. Ms. Van Emburgh concluded her presentation by stating that an amendment to the 2014 DRRA is anticipated to be put forth in the very near future for consideration by all parties. Mr. Showalter stated that the purpose of the joint work session was to ensure that all parties heard the same information and that everyone had a basic understanding of where we are and where we are going. Discussion ensued. The work session concluded at 8:42 p.m.

VII. No Closed Session was held on Tuesday, April 16, 2024.



**TALBOT COUNTY,  
MARYLAND  
WEEKLY CASH  
STATEMENT  
April 16, 2024**

**OPERATING FUNDS - SHORE UNITED BANK**

<b>OPERATING FUNDS AT</b>	<b>4/9/2024</b>	<b>\$16,600,860.64</b>
TOTAL ADP PAYROLL PPE 3/28/2024		(864,088.39)
RETURNED PAYMENTUS PAYMENT		(618.68)
RETURNED CHECK #1088		(979.40)
BANK CHARGES 3/2024		(7,146.75)
INTEREST ON ACCOUNTS 3/2024		139,542.50
Deposits		3,029,273.43
Checks		(147,614.78)
ACH Disbursements		(1,059,902.93)

EFT'S	(224,944.33)
Wire Transfers	(38,608.32)
Voided ACH Disbursement	0.00

**OPERATING FUNDS AT 4/16/2024 \$17,425,772.99**

**PETTY CASH FUNDS \$18,105.00**

**INVESTMENT FUNDS**

	<u>Yield</u>	
Maryland Local Government Investment Pool (MLGIP)	5.36%	\$21,850,450.27
Bayvanguard Bank	4.68%	\$10,665,326.61
Shore United Money Market Account	5.33%	\$77,294,348.28

**INVESTMENT FUNDS TOTAL \$109,828,230.16**

**TOTAL ALL CASH AND INVESTMENTS \$127,254,003.15**