



Talbot County, Maryland



Easton, Maryland

MINUTES

January 11, 2011

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 – The Agenda of January 11, 2011 was brought forward for approval. Mr. Pack requested that the agenda be amended to include an update by Angela Lane, Finance Director, on FY2010-2011 Budget concerns. Upon motion by Mr. Pack, seconded by Mr. Hollis, the Council approved the Agenda, as amended, by voting 5 – 0 as follows:

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

- II. Minutes – Minutes of January 4, 2011 were approved upon motion by Mr. Hollis, seconded by Ms. Price, with the Council voting 5 – 0 as follows:

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

- III. Disbursements of January 11, 2011 – Disbursements of January 11, 2011 were approved upon motion by Mr. Pack, seconded by Ms. Price, with the Council voting 5 – 0 as follows:

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

- IV. Update on Fiscal Year 2010-2011 Budget – Angela Lane, Finance Director – Ms. Lane provided Council with follow-up information to her presentation of December 14, 2010. At that time, Ms. Lane had provided an overview of the County's FY2011 Budget by categories and had outlined the County's main sources of revenues, including Property Taxes, Recordation, Transfer and Public Accommodations Taxes. She had stated that all the revenue sources are closely tied to the real estate market, and as such, have seen a drastic decline in the present economy. She had also advised that Income Tax Revenues had decreased from \$31 million in FY2009 to \$19.2 million in FY2010, and that of the \$22.6 million which had been budgeted in FY2011, only \$19.1 million was anticipated to be received, leaving a deficiency of \$3.5 million in a revenue stream providing 1/3 of the funds for the County's Budget. She advised the Council that the revised Income Tax Revenue receipts are now \$18,950,000, and that Income Tax Revenues received in the November distribution totaled \$4.0 million, \$3.1 million less than the budgeted amount of \$7.1 million. Ms. Lane stated that she and Mr. Craig had met with representatives of the Comptroller's Office in an effort to ascertain the reason for the approximately 40% decrease in Talbot County's Income Tax Revenues in one year. She stated that the County does not have enough contingency funds to cover

the shortfall, adding that she had provided Council with several proposals for review and consideration. Mr. Bartlett reminded everyone that the Council had faced budgetary issues last year and had postponed anticipated renovations to the County office building in the sum of approximately \$4 million as there was no funding for same. Ms. Lane stated that that Income Tax Revenues for FY2012, FY2013, and the foreseeable future are not anticipated to return to the \$31 million level, and, in her opinion, the County should budget for \$19 million. Upon motion by Mr. Pack, seconded by Mr. Hollis, the Council voted to adjourn for five minutes to afford staff time to set up video equipment, and requested that Ms. Lane make her presentation again. The Council voted 5 – 0 to adjourn for five minutes, then to reconvene and have Ms. Lane repeat her presentation by voting 5 – 0 as follows:

Mr. Bartlett – Aye

Mr. Hollis – Aye

Mr. Pack – Aye

Ms. Price – Aye

Mr. Duncan - Aye

The meeting reconvened and Ms. Lane repeated her earlier statements. Council discussion ensued.

- V. Quarterly Update by Maryland Environmental Service – Steve Tomczewski, Program Director, Environmental Operations, Maryland Environmental Service – Mr. Tomczewski briefed the Council that the Mid-Shore Regional Landfill in Caroline County (Mid-Shore II) opened for commercial business on January 3, 2011, and activity since the opening had been greater than had been anticipated; Mid-Shore I in Talbot County accepted its last trash on December 21, 2010. A transfer station and homeowners’ drop-off currently operate at the Mid-Shore I site, Monday through Saturday from 8:00 a.m. to 12:00 Noon. Mr. Tomczewski briefed the Council on the progress of the Mid-Shore II Regional Landfill for the fourth quarter of 2010 by advising as follows: (1) major construction activity on Mid-Shore II was completed in September 2010; (2) an upgrade to River Road took place in September 2010 by utilizing “rubberized” asphalt wear coat, similar to that used on the Glebe Road renovation; said upgrade was provided by funding from a Maryland Department of the Environment (MDE) grant; (3) work on MD Rt. 480/River Road roundabout is on hold due to unanticipated increased construction costs related to intersection improvements not included in the original traffic study, including lighting, stormwater management issues, and additional property acquisition required with regard to the improvements; (4) the Hobbs Road Closure Cap construction project, delayed due to recent weather events, is scheduled to be completed in January 2011; (5) work continues on the Ackerman Farm Mining Permit application from MDE with an anticipated filing date of March 2011; said permit related to forest conservation and the wetland mitigation site and future borrow area site; (6) work continues on the “final” configuration for the final closure of the Mid-Shore I site, including plans for a 2-foot cover of dirt over the entire landfill site, followed by a membrane cover and more dirt over the membrane; Mr. Tomczewski advised that monies for the \$9 million closure cost have been set aside; MDE has requested that Maryland Environmental Service temporarily avoid final closure in the event the facility is needed on an emergency basis; and (7) finalization of plans with Talbot County continues for the homeowners’ drop-off (HODO) and Transfer Station operation at Mid-Shore I. Mr. Tomczewski then outlined anticipated activities at Mid-Shore II for the first quarter of 2011 and provided photographs of the various stages of the project. Council discussion ensued. Maryland Environmental Service will continue to update the Council on a regular basis.

VI. Eligible for Vote:

Resolution No. 176, A RESOLUTION TO AMEND THE TALBOT COUNTY COMPREHENSIVE PLAN, AS ADOPTED BY TALBOT COUNTY RESOLUTION 971, TO INCLUDE A NEW CHAPTER 14, ENTITLED WATER RESOURCES, AS REQUIRED BY AMENDMENT TO ARTICLE 66B § 3.05 (4) (vi), MD. ANN. CODE; PURSUANT TO THE POWER AND AUTHORITY CONTAINED IN THE ANNOTATED CODE OF THE STATE OF MARYLAND, was brought forward for vote. Prior to the vote, Council members made the following comments:

Mr. Bartlett – Mr. Bartlett stated that although the State of Maryland required local jurisdictions to incorporate a water resource element into their comprehensive plans, he was somewhat disappointed. He stated that the State had asked questions of Talbot County, which, in his opinion, as a small jurisdiction, the County is unable to answer. He cited the requirement by the State that the County identify receiving waters for additional pollution discharges, when the State was aware that all Talbot County rivers are impaired. He continued that he was frustrated, as were the Planning Commission and the Public Works Advisory Board, that there was not much information available with which to create a workable water resource element. He acknowledged that the State had given the County several extensions of time to adopt a water resource element, and that County staff had diligently worked to provide a workable plan, which, in his opinion, will serve as the groundwork toward a workable solution as more information is received from the State.

Mr. Pack – Mr. Pack stated that he shared some of Mr. Bartlett's frustration. He congratulated County staff on the drafting of the Plan, and for compliance with that portion of the State's requirement to identify sufficient drinking water resources for both the current and projected population of the County. He stated that, in his opinion, the State is asking the County questions which they cannot answer when they requested that Talbot County identify receiving waters. He advised that the County is unable to comply with that portion of the State's requirement as all the County's bodies of water are currently impaired, but does not believe the County will face any financial penalties for submission of the Plan as drafted. Mr. Pack concluded his comments by stating that he was pleased with the product the County will submit.

Mr. Hollis – Mr. Hollis agreed with his colleagues' comments that the County is submitting the Plan to the State as required, and that the Plan will be used as a starting point for further discussion of water quality issues related to the update of the County's Comprehensive Plan. He concluded his comments by stating that he was glad to be forwarding the Plan to the State, as same had been recommended by the Planning Commission and the Public Works Advisory Board.

Ms. Price – Ms. Price stated that she agreed with the comments of her colleagues.

Mr. Duncan – Mr. Duncan complimented County staff on compilation the Plan and stated that, in his opinion, in the next several years, once the Environmental Protection Agency (EPA) forwards its regulations to the State and the State passes them onto the local jurisdictions, the current Plan will be unrecognizable. He stated that,

in his opinion, contrary to Mr. Pack’s opinion that the County would not face any financial penalties, tough sanctions will be forwarded to the counties by the State from the EPA as the EPA is not happy with what the states are doing, according to what is being said in Washington and Annapolis. Mr. Duncan concluded his comments by stating that he agrees with Mr. Hollis that some adjustments to the Plan will have to be made.

Upon motion by Mr. Pack, seconded by Ms. Price, the Council voted to move forward with the vote on Resolution No. 176 and to approve the Plan as submitted by voting 5 – 0 as follows:

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

Resolution No. 176 takes effect immediately.

VII. County Manager’s Report:

A. Change Order with Easton Utilities for Engineering Services for Design of the Water and Sewer Extension to the Proposed Medical Center and Talbot County Community Center – Requested Council’s approval of a change order in the sum of \$77,953.36 from Easton Utilities; said amount is that portion of a change order remaining to be paid for engineering services related to the design work for extension of water and sewer to the Talbot County Community Center and the proposed hospital site; the total original change order was in the sum of \$141,699.90. Upon motion by Mr. Hollis, seconded by Mr. Duncan, the Council approved the Change Order, with the understanding that there be more diligence in the future to avoid these types of errors, by voting 5- 0 as follows:

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

B. Request to Submit Applications for Water Quality Infrastructure Grant Funds and State Revolving Fund Loans – Requested Council approval of the County Engineer’s recommendation to submit applications for grant funding and low cost loans from the Maryland Department of the Environment Water Quality Financing Administration and State Revolving Fund. The applications will be submitted for funding in FY2012, with funding available July 1, 2011 for the following projects:

Talbot County Bio-Solids Facility – Renewable Energy Demonstration Project – the refinancing of up to \$120,000 for design, construction management and noise study costs related to the project;

Talbot County Bio-Solids Facility – Refinancing of Treatment Facility – the refinancing of \$500,000, from the U.S. Department of Agriculture Rural Utility

Service (RUS) Program, of the \$2.65 million 2007 purchase price. Mr. Clarke stated that thus far, the RUS Program application has been in process for 13 months, but in the meantime, he is requesting to apply for loans from the Maryland State Revolving Loan Fund;

Region II – St. Michaels – Sewer Collection System Improvements – up to \$100,000 in Maryland State Revolving Fund loans due to additional costs related to change orders and increased project management costs from the additional work;

and to submit new grant applications for the following projects:

Region II – St. Michaels – Phase V Sewer Collection System Improvements – requested approval to apply for \$800,000 (50% grant funding, 50% low-interest loans) in funding from the Maryland Department of the Environment (MDE) toward the next phase of sewer collection system improvements in the Town of St. Michaels; said funding would be available July 1, 2012. Mr. Clarke advised the Council that the County’s application for funding from the Rural Utility Service (RUS) Program totals \$5.75 million for the St. Michaels project and includes improvements to the Grace Street Pump Station and a significant portion of the sewer collection system. He continued that, as with the request for funding for the Bio-Solids Facility, the application process with RUS for the St. Michaels project has taken 13 months. Mr. Clarke advised that should funding from MDE be received, said amount will be eliminated from the RUS application;

Region II – St. Michaels Wastewater Treatment Plant – Solar Panels – requested approval to re-submit a grant application to the Maryland Department of the Environment in the sum of \$500,000 for the installation of solar panels at the Region II Wastewater Treatment Plant to assist with reducing high energy costs related to usage of electricity; said funding would be available July 1, 2012. Mr. Clarke advised that funding in the sum of \$600,000 (\$300,000 in grants and \$300,000 in low-interest loans) was received last year for the Region V Wastewater Treatment Plant in Tilghman. Mr. Duncan made a motion to approve submittal of the grant and loan applications and Council discussion ensued. Prior to the vote, Mr. Hollis commended Mr. Clarke for seeking out grants and low-interest loans and requested that in the future, Mr. Clarke identify whether Sanitary District user fees will be affected. Mr. Clarke clarified that should Rural Development Funds be received, the MDE grant applications would be abandoned. The motion was seconded by Mr. Pack, with the Council voting 5 - 0 as follows:

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

- C. Request to Submit Applications for Water Quality Infrastructure Grants Funds and State Revolving Loan Funds - Talbot County Community Center and Proposed Relocated Memorial Hospital at Easton - Requested Council approval of the County Engineer’s recommendation to

submit pre-applications to the Maryland Department of the Environment for Water Quality Infrastructure Grant Funds and to the State Revolving Loan Fund for low-interest loans in the sum of up to \$3,000,000 for extension of sewer to the Talbot County Community Center and the proposed site for the relocation of the Memorial Hospital at Easton. Upon motion by Mr. Pack, seconded by Ms. Price, the Council approved submittal of the pre-applications by voting 5 – 0 as follows:

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

- D. Talbot County Board of Electrical Examiners – Requested Council approval for the appointment of Robert H. Jump, Jr. to the Talbot County Board of Electrical Examiners to complete the unexpired term of Eugene Messick; said term will expire April 1, 2013. Upon motion by Mr. Pack, seconded by Ms. Price, the Council approved the appointment by voting 5 – 0 as follows:

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

- E. Talbot County Board of Appeals – Requested Council approval for the appointment of Hilary Spence to a three-year term on the Talbot County Board of Appeals as a third alternate; said term will expire February 11, 2014. Upon motion by Mr. Hollis, seconded by Mr. Duncan, the Council approved the appointment by voting 5 – 0 as follows:

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

- F. Talbot County Emergency Services Advisory Board – Requested the reappointment of Reverend Gary Moore and Ruth Sullivan to three-year terms on the Talbot County Emergency Services Advisory Board as representatives of the Easton and Trappe Districts, respectively. Upon motion by Mr. Duncan, seconded by Mr. Pack, 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

- G. Talbot County Historic Preservation Commission – Requested Council approval for the appointment of Marsha Kacher to a three-year term on the Talbot County Historic Preservation Commission; said term will expire July 1, 2013. Upon motion by Mr. Hollis, seconded by Mr. Duncan, the Council approved the appointment by voting 5 – 0 as follows:

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

- H. Talbot County Parks and Recreation Advisory Board – Requested Council approval for the appointment of Aaron West to a four-year term on the Talbot County Parks and Recreation Advisory Board as a representative from Easton District; said term will expire July 1, 2013. Upon motion by Mr. Hollis, seconded by Ms. Price, the Council approved the appointment by voting 5 – 0 as follows:

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

VIII. Council Comments:

Mr. Hollis- No comments.

Mr. Pack- Mr. Pack asked the citizens of Talbot County, as he had in the opening prayer, to keep those injured, and the families of those killed in the senseless shooting in Arizona, in their prayers, and to pray that we get better as a nation.

Ms. Price - Ms. Price stated that she had attended her first Maryland Association of Counties Conference to hear from State leadership of more “doom and gloom,” but it was a great opportunity to be with other elected officials from Maryland, and in her opinion, it was a good event to attend.

Mr. Duncan - Mr. Duncan commended the Commissioners of the Town of St. Michaels for their acquisition of the Miles Point Property to place it in preservation, and requested that Council should direct a congratulatory letter to the President of the Commissioners, Michael Brady and the Commissioners, as well as other groups, including Eastern Shore Land Conservancy, for getting the job done. He stated that, in his opinion, it proves that when people get an idea and put their minds “to the grindstone,” they can do so. Following Mr. Bartlett’s comments, Mr. Duncan stated that, in his opinion, what was truly remarkable was that following the hundreds of thousands of dollars spent on the legal challenge for to the property, the people of St. Michaels had withstood the challenge, and had stood up to be counted. Mr. Duncan commented that the Roads Department and Emergency Services were both prepared for the predicted snow event.

Mr. Bartlett - Mr. Bartlett responded to Mr. Duncan's comments, adding that, in his opinion, it is a monumental achievement for a small town the size of St. Michaels to come up with that amount of money to buy that much property and to create a public use for it is extraordinary.

IX. Upon motion by Ms. Price, seconded by Mr. Duncan, the Council voted to adjourn into Executive Session for discussion of legal, personnel and real estate matters; to reconvene at 6:00 p.m. for a Joint Work Session with the Town of Easton and Shore Health System in the Wye Oak Room at the Talbot County Community Center to discuss the draft Development Rights and Responsibilities Agreement (DRRA); to reconvene in Executive Session at 5:00 p.m. on Tuesday, January 18, 2011 for discussion of legal, personnel, and real estate matters; and to meet at 5:30 p.m. for a Work Session with the Board of Education in Conference Room 1 of the Talbot County Government Office Building to discuss the upcoming budget; and to reconvene in Executive Session on Tuesday, January 25, 2011 at 5:00 p.m. for discussion of legal, personnel, and real estate matters, and to convene at 6:00 p.m. in 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 3:03 p.m.

X. On Tuesday, January 11, 2011 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. Duncan, 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)(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; and for legal/real estate matters to obtain legal advice concerning possible relocation of Memorial Hospital at Easton to County owned property and the timetable for same; to obtain legal advice concerning lease of property to a non-profit organization; and for legal advice on pending litigation. The Executive Session recessed at 1:30 p.m., reconvened at 3:10 p.m., recessed at 3:55 p.m., reconvened at 5:00 p.m. and ended at 5:45 p.m.

The transcript of the January 11, 2011 County Council meeting is available for review in the Office of the County Manager during regular office hours.

Joint Work Session: Talbot County Council; Easton Town Council and Shore Health System, Inc. Regarding the Development Rights and Responsibilities Agreement (DRRA) By and Between the Town of Easton, Talbot County, Maryland and Shore Health System, Inc. - Members of the Talbot County Council, Easton Town Council and representatives of Shore Health System, Inc. met in a joint work session at 6:00 p.m. to discuss the draft DRRA by and between the three parties. Talbot County Attorney, Michael Pullen,

gave a brief background of the proposed project to relocate Memorial Hospital at Easton to property offered by Talbot County at the northern end of Easton. Mr. Pullen stated that Shore Health System exercised its option to relocate to the property offered by the County in July 2008. The planning process to move forward was initiated, and included an amendment to the County Comprehensive Plan, an amendment to the County's Comprehensive Water and Sewer Plan, followed by an Annexation Agreement annexing the property into the Town of Easton in 2009. Mr. Pullen explained that the DRRA is a three-party contract which is intended to give all parties guaranteed certainties for a specified period of time, in this instance, 30 years. Mr. Pullen stated that prior to this point in time, discussion of the draft DRRA had primarily involved the lawyers for the respective parties. He advised that Shore Health System representatives would provide an informational briefing on the draft DRRA, still in its conceptual stage, to provide the officials of the Town and County with an opportunity to become more familiar with the terms outlined in the document. Sharon Van Emburgh, attorney for the Town of Easton, stated that the draft DRRA being presented is unusual in that it has two governmental entities involved, adding that normally only the governmental entity with zoning authority is involved with the developer. Ryan Showalter, attorney for Shore Health System, Inc., and primary draftsman of the draft DRRA, highlighted specifics of the document for Town and County officials; discussion ensued. Additional meetings will be scheduled as development of the document, and the project, progresses.

CASH STATEMENT 1/11/2011

BALANCE 1/4/2011	\$5,117,765.20
UHC CLAIMS THRU 1/4/2011	(37,442.36)
PAYROLL-FD/SS/MS WH 1/7/2011	(108,875.17)
SECU DED	(9,432.87)
DEFERRED COMP DED	(10,799.61)
MD WH	(29,963.51)
PENSION DED	(21,508.16)
ACH TRANSFER	(10,379.86)
FLEX SPENDING ACCT	(2,398.68)
DEPOSITS	1,356,238.29
CHECKS	(1,589,818.68)
VOID CHECK NOS. 265998, 266090	590.18
BALANCE 1/11/2011	<u>4,653,197.77</u>

AIRPORT ACCOUNTS

AIP29	19,528.29
AIP30	202.57
AIP33-DSA	2,505.00
NEW AIP-RUNWAY 4-22 EXTENSION ANALYSIS	--
AIP34	12,203.74
AIP-35	24,549.56
AIP36	16,523.50
AIP37	611.33

AIRPORT ACCOUNTS TOTAL BALANCE**\$76,123.99****INVESTMENTS – CERTIFICATES OF DEPOSIT**

<u>CERTIFICATE DATE</u>	<u>MATURITY DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
07/13/2010	01/18/11	0.47%	3,000,000.00
07/27/2010	01/25/11	0.26%	3,000,000.00
05/11/2010	02/15/11	0.50%	3,000,000.00
08/11/2010	02/15/11	0.26%	4,000,000.00
06/15/2010	03/15/11	0.56%	3,000,000.00
06/29/2010	03/29/11	0.61%	3,000,000.00
07/13/2010	04/26/11	0.61%	5,000,000.00
07/27/2010	04/26/11	0.36%	3,000,000.00
08/31/2010	05/31/11	0.37%	4,000,000.00
09/14/2010	06/14/11	0.37%	3,000,000.00
07/27/2010	07/26/11	0.51%	6,000,000.00
08/11/2010	08/09/11	0.52%	4,000,000.00
08/31/2010	08/30/11	0.56%	4,000,000.00
09/28/2010	09/27/11	0.57%	5,000,000.00
PNC-MLGIP INVESTMENTS TOTAL		0.18%	3,000,000.00

TOTAL INVESTED**\$59,000,000.00****PETTY CASH BALANCE****\$6,800.00****GRAND TOTAL ALL FUNDS****\$60,736,898.76**