



# TALBOT COUNTY, MARYLAND

County Council

MINUTES

May 5, 2020

Present – President Corey W. Pack, Vice President Chuck F. Callahan, Frank Divilio, Pete Leshner, Laura Price, County Manager R. Andrew Hollis, and Assistant County Attorney, Mary O’Donnell.

- I. Agenda – Mr. Pack requested and received Council’s unanimous consent for approval of the Agenda of Tuesday, May 5, 2020.
- II. Public Hearings:

Prior to the public hearing on the Constant Yield, as required by State law, Angela Lane, Finance Director, read the following statement into the record:

*The County Council, in the FY 2021 Proposed Budget, is proposing to adopt a real property tax rate of 63.72 cents per \$100 of assessed valuation for all properties located outside the incorporated towns. This is the same rate as the current real property tax rate. This rate is .57 cents higher than the constant yield rate of 63.15 cents, and will generate \$268,560 more in property tax revenues in FY 2021 from the unincorporated area of the County. Properties located within the Incorporated Towns will again be granted a tax rate differential which sets their real property tax rates between 6.01 and 13.3 cents lower than the County rate. The County real property tax rates within most of the Towns are higher than the constant yield rate for the Towns. The County Council will not adopt the FY 2021 Tax rate today. The FY 2021 Tax Rate will be adopted as part of the FY 2020 – 2021 Annual Budget and Appropriation Ordinance, currently scheduled for Tuesday, May 19, 2020.*

Following the statement by Ms. Lane, a public hearing was held on the Constant Yield and the public was afforded an opportunity to comment via written comments or conference call. No public comment was received.

Bill No. 1445, AN ACT TO ESTABLISH THE 2020-2021 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, was read into the record by the Clerk and brought forward for public hearing. Prior to the public hearing, Finance Director Angela Lane utilized a PowerPoint presentation to provide an overview of the FY2020-21 budget which totals \$96,500,000, approximately \$4.2 million (4.57%) more than the FY2020 Budget of \$92,328,200. She stated that Council received requests of \$105 million, or \$12.8 million more than the current year’s budget. Ms. Lane stated that the FY2021 Budget is a unique budget due to continued economic uncertainties related to the COVID-19 pandemic. She stated that the Budget includes level funding for all County departments and agencies, with the exception of State mandated increases for Talbot County Public Schools of \$1.51 million and increased debt service of \$600,000, bringing the total debt service for Talbot County Public Schools facilities to \$4.4 million. She stated that the Budget contains no change in the number of full time positions for the County, no salary increases for County employees, and no increase in the Real Property or Income Tax rates. She stated that the FY2021 Budget is funded in part with \$6.7 million of prior year Fund Balance, includes \$2.4 million in Contingency Funds and places \$1.6 million for equipment purchases in the County Administration Department for oversight and which can only be spent with Council approval. The FY2020-2021 Budget includes funding for the General Fund, Capital Projects Fund, Development Impact Fund, Grants and Special Revenues Fund, the Recreation Fund (Talbot County Community Center and Hog Neck Golf

Course), the Sanitary Districts, Easton Airport, and Talbot Family Network. Ms. Lane highlighted various items in the proposed budget, provided statistical information and charts outlining County General Fund Revenue sources and dollar amounts for FY2020, anticipated for FY2021, and the General Fund Expenditures for same, including the percentage of increase or decrease from FY2020. She provided a history of the Discretionary Fund Balance from FY2010 to present, the remaining balance of \$18.6 million which is available for use in FY2022 and beyond. She stated that the Rainy Day Fund of slightly over \$13 million remains intact and is available for catastrophes, emergencies and natural disasters. Ms. Lane also provided a list of items not included in the proposed FY21 Budget, including, among others, increases in Property or Income Tax Rates, additional staff, salary increases for County staff, funding for new facilities for the Sheriff's Office and Health Department, an additional EMS station in the northern part of the county, and full funding of the TCPS budget request. Council discussion ensued with Ms. Lane as specific categories were brought forward. The public was afforded an opportunity to comment via written comments or conference call. The Clerk read correspondence into the record from the Talbot County Board of Education, the Talbot County Free Library and Talbot Humane. Written comments will be accepted on the FY2021 Budget through Monday, May 11, 2020. Citizens who wish to provide public comments should submit their comments to [PublicComment@talbotcountymd.gov](mailto:PublicComment@talbotcountymd.gov).

- III. Minutes – The Minutes of April 28, 2020 were brought forward for vote. Jessica Morris, Assistant County Manager, stated that the Minutes were not yet ready for approval.
- IV. Disbursements - Mr. Pack requested and received Council's unanimous consent for approval of the Disbursements of Tuesday, May 5, 2020.
- V. Public Hearing continued:

The public was afforded an opportunity to comment on the legislation via conference call; there were no comments received and the public hearing was recessed. Following the public hearing, Council members made the following comments:

- Mr. Callahan – Mr. Callahan expressed his appreciation to Ms. Lane and her staff for all their hard work and the long nights working on the budget. He stated that, in his opinion, the County has some tough times coming up in the next 12 to 18 months due to COVID-19 and the impact on the local economy.
- Mr. Divilio - Mr. Divilio stated that after having followed the budget process over the past few years, the current budget is, in his opinion, uniquely put together, that odd times call for odd ideas and that's what has been done with this budget. Mr. Divilio expressed his appreciation to previous Councils for their foresight in managing the Rainy Day Fund to get the County through tough economic times. He stated that, in his opinion it is going to continue to be a challenge to get back to normal or get back to the new normal. He stated that he is proud that the County is financially secure to get through this and, in his opinion, we have a good team in place to get through it. Mr. Divilio concluded his comments by stating that it is a unique budget and unique times, but he is glad that we are moving forward together.
- Mr. Leshler - Mr. Leshler concurred with Mr. Divilio's comments. He commended those organizations from whom the Council received written comment, including Talbot County Public Schools, Talbot County Free Library, and Talbot Humane, and for their sensitive tone and content in this current environment of public health concern and economic uncertainty. Mr. Leshler stated that he regrets that the Council has to conduct this hearing in a virtual environment which, in his opinion,

has regrettably reduced the public engagement in the budget process which is certainly not beneficial to local democracy. He stated that he hopes the Council can get back to more of a normal process next year, but in the meantime, setting an example for safe conduct during this public health crisis. Mr. Leshner expressed his appreciation to staff for their leadership and support in making this happen so smoothly.

Ms. Price- Ms. Price concurred with Mr. Leshner's comments. She stated that although the Council had introduced a flat budget and hopefully will have enough revenue without dipping too far into reserve funds, she would like to address Mr. Leshner's comments regarding public input. She stated that by the time the Council makes decisions on funding budget requests from the \$2.5 million in the Contingency Fund, she fully expects there will be public participation as individual items come up for approval, whether it is an increase for County staff, filling positions currently frozen, or for equipment included in the County Administration budget. She stated that while it may seem like the public is not getting much of an opportunity to participate today, no decisions have been made; they are just placeholders. Ms. Price expressed her hope that the stay-at-home order can be lifted and people can get back to work so the economy won't have to suffer any longer than is absolutely necessary, the revenues to the counties and the State won't be as hard hit as predicted, and we will be able to fund some of those things in the coming year.

Mr. Pack - Mr. Pack stated that he concurred with his colleagues' comments. He stated that, in his opinion, if the Council is still meeting in this format when it is time to deal with Contingency funding, we are in big trouble both as a county and as a nation. He stated that he certainly wants to get back to the Bradley Meeting Room. He stated that, in his opinion, this is a very stressful time for everybody, including young children at home who also feel the stress and strain. He stated that he had had conversations with his granddaughter about what's going on and why she can't visit her friends and cousins. He stated that, in his opinion, it's a very difficult conversation to try to talk to young children who are used to being out and doing things in the community. He encouraged parents and grandparents to take the time to sit down with their children and grandchildren and to have conversations with them about what we are dealing with. Mr. Pack expressed his appreciation to Angela Lane for another well-prepared budget presentation and, in his opinion, the very well laid out budget for the next year. Mr. Pack expressed his appreciation to staff for setting up the technical support in the Wye Oak Room so that the public could engage the Council in real-time. He stated that he agreed with Mr. Leshner's comments that the setting is not ideal and is not the way we should be conducting a public process, but, under the circumstances, the Council is trying to make sure every avenue – print, phone, and a visual streaming process, are accessible. Mr. Pack concluded his comments by stating that the Council will hold its final meeting on the budget on May 12, 2020. Bill No. 1445 is eligible for vote on Tuesday, May 19<sup>th</sup>.

The meeting recessed at 2:40 p.m.

- VI. The Council meeting reconvened and a continuation of the public hearing on Bill No. 1445 was held at 5:00 p.m. in the Wye Oak Room at the Talbot County Community Center. Prior to continuation of the public hearing, Finance Director, Angela Lane utilized a PowerPoint presentation to provide an overview

of the proposed budget for FY2020-2021, as she had done earlier in the day at the 2:00 p.m. public hearing. Ms. Lane encouraged citizens to submit written comments on the FY21 Budget through Monday, May 11, 2020. The public was afforded an opportunity to comment via written comments or conference call. No additional comments were received. Due to the current COVID-19 pandemic, there was no public access to the Wye Oak Room. The County’s proposed budget for FY2020-2021 may be found on the County website at [www.talbotcountymd.gov](http://www.talbotcountymd.gov) or by calling the County Manager’s Office at 410-770-8010.

Following the public hearing, Council members made the following comments:

Mr. Pack – Mr. Pack commended Angela Lane and her staff for, in his opinion, doing a stellar job on the budget presentation and to Andy Hollis for working with Ms. Lane to go through the budget to cut where there needed to be cuts and to have the foresight to recommend a large Contingency Fund. He stated that, in his opinion, it was very prudent and fiscally responsible of them to make that recommendation, and he appreciated their efforts.

VII. Upon motion by Mr. Divilio, seconded by Mr. Callahan, the Council voted to adjourn and to reconvene on Tuesday, May 12, 2020 at 3:00 p.m. for final Budget Deliberations; at 4:30 p.m. in Open Session and immediately adjourn into Closed Session for discussion of legal, personnel and real estate matters as listed on the statement for closing the meeting; and for the regularly scheduled meeting at 6:00 p.m. by voting 5 – 0 as follows:

- Mr. Pack – Aye
- Mr. Divilio – Aye
- Mr. Callahan – Aye
- Ms. Price – Aye
- Mr. Leshner - Aye

The Budget Deliberations, Closed Session and the Council meeting of May 12, 2020 will take place in the Wye Oak Room at the Talbot County Community Center, 10028 Ocean Gateway, Easton, Maryland. Due to the current COVID-19 pandemic, there will be no public access to the Wye Oak Room.

The meeting adjourned at 5:20 p.m.

The transcript of the May 5, 2020 County Council meeting is available for review in the Office of the Talbot County Manager during regular office hours.

VIII. Closed Session: No Closed Session was held on May 5, 2020.

**CASH STATEMENT 5/05/2020**

BALANCE 4/28/2020	7,152,140.62
TOTAL ADP PAYROLL PPE 4/17/2020	(608,964.36)
TOTAL ADP PAYROLL PPE 4/30/2020	(10,616.08)
DEFERRED COMP DED PPE 4/17/2020 & 4/30/2020	(18,896.87)
PENSION DED PPE 4/17/2020 & 4/30/2020	(39,138.41)
DEFERRED COMP PPE 4/17/2020 PLAN 401 (A)	(7,151.40)
CIGNA CLAIMS PAID THRU 4/27/2020	(74,227.95)

ELECTION BOARD PPE 2/11, 2/18 & 2/25/2020	(19,440.62)
TALBOT COUNTY PUBLIC IMPROVEMENT BONDS SERIES 2010	(889,052.50)
SHERIFF SUMMONS ACCOUNT TRANSFER	(140.00)
WELLNESS PRE-PAID USA REWARD CARDS	(4,067.07)
MD STATE RETIREMENT REFUND FY21 ADMIN FEE	10,491.87
BANK CHARGES 3/2020	(3,439.65)

DEPOSITS	343,895.85
CHECKS	(2,150,934.88)
VOIDED CHECK(S) #341065	600.00

**BALANCE 5/05/2020** **3,681,058.55**

**INVESTMENTS - CERTIFICATES OF DEPOSIT**

<u>Certificate Date</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Amount</u>
PNC-MLGIP INVESTMENTS TOTAL		0.55%	20,500,000.00
1880 BANK			10,124,514.33

**TOTAL INVESTED** **30,624,514.33**

**PETTY CASH BALANCE** **15,570.00**

**GRAND TOTAL ALL FUNDS** **34,321,142.88**