

Minutes of the County Commissioners of Worcester County, Maryland

April 17, 2007

James L. Purnell, Jr., President
Louise L. Gulyas, Vice President (Absent)
Judith O. Boggs
Linda C. Busick
James C. Church
Robert L. Cowger, Jr.
Virgil L. Shockley

Following a motion by Commissioner Shockley, seconded by Commissioner Boggs, with Commissioners Cowger and Gulyas absent, the Commissioners unanimously voted to meet in closed session at 9:00 a.m. in the Commissioners' Conference Room to discuss legal and personnel matters permitted under the provisions of Section 10-508(a)(1), (7) and (8) of the State Government Article of the Annotated Code of Maryland and to perform executive actions. Also present at the closed session were Gerald T. Mason, Chief Administrative Officer; Kelly Shannahan, Assistant Chief Administrative Officer; Edward H. Hammond, Jr., County Attorney; Kim Moses, Public Information Officer; and Deedee Rouse, Director of Human Resources. Topics discussed and actions taken included: hiring John Derrickson and Stanley Milbourne as Roads Worker IIs within the Roads Division of Public Works and Ashley Davis as a Communications Clerk Trainee within Emergency Services; considering appointments to various County boards and commissions; reviewing potential and pending litigation; receiving legal advice from counsel; and performing executive actions.

Commissioner Cowger arrived during the closed session, while Commissioner Gulyas was absent from the meeting.

After the closed session, the Commissioners reconvened in open session. Commissioner Purnell called the meeting to order and announced the topics discussed during the morning closed session.

The Commissioners reviewed and approved the minutes of their April 3, 2007 meeting, as presented.

The Commissioners met with Public Works Director John Tustin to conduct a public hearing on the proposal to dispose of surplus vehicles and equipment by auctioning these items on GovDeals.com and to review a letter from the Town of Snow Hill requesting the opportunity to acquire one tractor and one fork lift from the County's surplus property before going to auction. Commissioner Cowger expressed support for the Town of Snow Hill's request. He further stated that many area residents do not have access to the World Wide Web and would, therefore, no longer be able to bid on surplus items. Chief Administrative Officer Gerald T. Mason explained that the Internet auction was being conducted on a trial basis and that the

Commissioners could review the results of the first year of this program to determine whether selling items through GovDeals.com is the best method of disposing of surplus County property.

Commissioner Purnell opened the floor for public comment. There being no public comment, Commissioner Purnell closed the public hearing.

Upon a motion by Commissioner Cowger, the Commissioners unanimously agreed to loan one surplus fork lift and one surplus tractor to the Town of Snow Hill and remove them from the auction.

Upon a motion by Commissioner Cowger, the Commissioners unanimously approved the remaining list of vehicles and equipment to be included in the County surplus property to be sold online at www.GovDeals.com and further directed staff to report back to them regarding the success of the online sales as compared to a live auction in the County.

The Commissioners presented a proclamation recognizing April as Fair Housing Month to Tom Davis, Sr. of Shore Housing Resource Board and encouraged area residents to support and endorse the practice and policy of fair housing for all Worcester County residents. Mr. Davis explained that there are not a lot of complaints of housing discrimination in Worcester County and his agency focuses their attention on educating and counseling residents on the importance of credit reports and how to repair their credit in order to qualify for housing.

The Commissioners presented a retirement commendation to Cindy Betts, who served as Senator Barbara Mikulski's Eastern Shore Field Representative for 18 years, and thanked her for her help in representing the needs of Worcester County at the federal level.

The Commissioners presented a retirement commendation to Lee Whaley, thanking her for representing the needs of Worcester County at the Federal level as Senator Paul Sarbane's Eastern Shore Field Representative for the past 16 years. They also wished her much success in her new position as Eastern Shore Field Representative to newly elected Senator Ben Cardin. Ms. Whaley stated that she looked forward to continuing to work on behalf of Worcester County.

The Commissioners presented a commendation to Worcester Preparatory School senior Morgan Crank, congratulating her for serving as Worcester County's Page to the 2007 Maryland General Assembly.

The Commissioners presented a commendation to Stephen Decatur High School sophomore Daniel Miller, recognizing him for his hard work and dedication in attaining the title of 2006-2007 Maryland State Wrestling Champion in the 189-lb. weight division.

The Commissioners presented a commendation to Stephen Decatur High School (SDHS) senior Trevor Rickett, recognizing him for his hard work and dedication in attaining the title of 2006-2007 Maryland State Wrestling Champion in the 112-lb. weight division and for being the SDHS Career Win Leader with 122 victories.

Commissioner Purnell announced that both the Stephen Decatur Show and Concert Choirs took first place awards while competing in New York recently. He stated that Worcester

County students are shining brightly.

Lynn Huson of the United Way of the Lower Eastern Shore, met with the Commissioners to review the United Way of the Lower Eastern Shore's 2006 Annual Report. Ms. Momme' informed the Commissioners that County employees contributed \$19,440 last year and a total of \$97,742 since 2000. She stated that their support was touching and saving lives, and she thanked Worcester County employees for their continued support. Ms. Huson stated that these funds had been used to help cover the cost of mentoring programs, summer day camp, Meals on Wheels and many other worthwhile programs. She offered her heartfelt thanks to Worcester County employees, recognizing them for helping United Way surpass its goal of raising \$1.4 million during the 2007 campaign.

In a related matter, the Commissioners presented a proclamation to Volunteer Services Manager Cyndy Howell recognizing the week of April 15-21, 2007 as National Volunteer Week. Ms. Howell stated that the County's Volunteer Services program has helped promote volunteerism and hold it to a high standard within Worcester County. She thanked the many volunteers in Worcester County who commit thousands of hours to provide services that otherwise could not be provided.

The Commissioners met with Prevention Services Director Marty Pusey and Kate Rose of the Health Department, and Worcester County Youth Council (WCYC) President Jackie Wangel and WCYC members Mallory Miller, Ronata Thomas, Ebony Marshall and Monique Douglas to review the WCYC 2006 Annual Report. Ms. Pusey thanked the Commissioners for establishing the WCYC. Miss Wangle and fellow WCYC members reviewed the report which included the following: background, by-laws, leadership training, accomplishments, and outlook. The WCYC invited the Commissioners to join them for a reception on May 14, 2007 to meet the new members. Commissioner Purnell commended WCYC members for doing an outstanding job.

The Commissioners held a public hearing to receive public comment on a petition requesting the Establishment of an Agricultural Land Preservation District in Worcester County. Katherine Munson, Planner IV with Comprehensive Planning, met with the Commissioners to discuss the aforementioned petition. Ms. Munson informed the Commissioners and the public that the petition is for the establishment of an Agricultural Land Preservation District on property owned by Eric and James Bounds, consisting of ± 315 acres located on Five Mile Branch Road and identified on Worcester County Tax Map 48 as Parcel 23. In response to a question from Commissioner Shockley, Ms. Munson stated that once the property is enrolled in the program, the farmland will be protected in perpetuity.

Commissioner Purnell opened the floor to receive public comment.

Ellie Diegelman of Ocean City asked the Commissioners why they were buying easements on farmland when it should be protected through County land use regulations. Ms. Munson explained that the landowner is paid based upon a State formula, which computes the difference between the agricultural value of the land and the value if developed under current zoning. Ms. Munson further stated that funding for the program is derived from Agricultural Transfer Taxes which must be used for agricultural preservation, and no general taxpayer funds

are used to purchase the easements. Ms. Munson stated that 4,000 acres of agricultural land have been protected in Worcester County in the past 25 years. Commissioner Shockley stated that the program is designed to save large chunks of agricultural land from development by paying farmers a small portion of the land's actual value.

There being no further public comment, Commissioner Purnell closed the public hearing. Following some discussion and upon a motion by Commissioner Shockley, the Commissioners unanimously approved the aforementioned petition and agreed to forward a favorable recommendation to the State for the establishment of an Agricultural Land Preservation District on this property.

Pursuant to the recommendation of Finance Officer Harold Higgins and upon a motion by Commissioner Boggs, the Commissioners unanimously agreed to adopt a service charge of 0% on semiannual property tax payments. Mr. Higgins noted that the County is required to provide information that substantiates the proposed service charge for the mandatory semiannual tax payment to the Department of Assessments and Taxation for their approval by May 1, 2007. He advised that the maximum service charge cannot exceed 1.65% and based upon the State formula, the County could justify a service charge of up to 1.35%. However, he recommended a 0% charge as a small benefit to Worcester County property owners and to be consistent with last year's charge.

Pursuant to the recommendation of Budget Officer Kathy Whited and the request of Cyrus R. Lesser, Chief of Mosquito Control with the Maryland Department of Agriculture, and upon a motion by Commissioner Shockley, the Commissioners unanimously approved the \$517,800 budget for Mosquito Control in Worcester County for the 2007 season, which requires County funding in the amount of \$170,200, local community funding of \$83,400 and State funding of \$264,200. The 2007 Mosquito Control budget increased by \$6,800, which is attributed to Private Wetlands Source Reduction, with the County funding an additional \$1,700 of that cost.

The Commissioners reviewed a memo from Housing Program Administrator Jo Ellen Bynum regarding a request by the Maryland Department of Housing and Community Development (DHCD) for Worcester County's continued participation in the "On Behalf Of" (OBO) program, which provides low interest loans primarily to first time home buyers. Upon a motion by Commissioner Shockley, the Commissioners unanimously agreed to irrevocably transfer to the DHCD, for use in issuing housing bonds on behalf of Worcester County, the full \$1,471,360 in tax-exempt housing bond allocation to Worcester County as set forth in the 2007 allocation of the Maryland State Ceiling for use under the Maryland Mortgage Program. In response to a request by Commissioner Boggs, staff agreed to increase public awareness of this program by adding information on the County website. Commissioner Cowger stated that local realtors typically advise eligible home buyers of the availability of these funds.

Pursuant to the recommendation of Recreation and Parks Director Sharon DeMar Reilly and upon a motion by Commissioner Boggs, the Commissioners unanimously approved the proposed Recreation Fee Schedule. The Commissioners noted that several of the fees had been reduced and thanked Ms. Reilly for her commitment to assuring that recreation remains

affordable to all the residents of Worcester County.

Pursuant to the recommendation of Phillip Roberts of the Health Department and upon a motion by Commissioner Boggs, the Commissioners unanimously approved the bid for the purchase of computer equipment switches from Inacom Information Systems of Salisbury, Maryland at a cost of \$37,604.71. Mr. Roberts explained that the bid from Federal Network Services, Inc. of Woodinville, Washington was slightly lower by less than 1.5% with a bid of \$37,065.50, but the local vendor was recommended and within the budget.

The Commissioners met with Economic Development Director Jerry Redden to review the Grantee-Employer Agreement between Worcester County and Royal Plus, Inc., which was developed by the Maryland Department of Business and Economic Development (DBED). County Attorney Edward H. Hammond, Jr. stated that three changes need to be made to the existing contract, including the addition of a new page 10, along with a 27-page schedule of work to be completed by Royal Plus, Inc., and the correcting of various typos. However, he recommended approval subject to these corrections. In response to a question from Commissioner Cowger, Mr. Hammond stated that these changes will not delay the ability of Royal Plus to move ahead with repairs to the building. Following some discussion and upon a motion by Commissioner Cowger, the Commissioners unanimously approved the agreement subject to the three proposed changes.

Pursuant to the recommendation of Public Works Director John Tustin and upon a motion by Commissioner Shockley, the Commissioners unanimously awarded the proposal for the construction of a new exterior stairway at the Fire Training Center Burn Town to Bay Steel, Inc. of Salisbury, Maryland at a cost of \$11,200.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Boggs, the Commissioners unanimously awarded the contract for waterline construction on Sunset Avenue in the Mystic Harbour Service Area to Bunting and Murray of Selbyville, Delaware in the amount of \$130,204.

Upon a motion by Commissioner Boggs, the Commissioners unanimously approved the proposal from Vista Design of Showell, Maryland to continue engineering services as needed during the construction of the Sunset Waterline project at a cost not to exceed \$10,000.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Shockley, the Commissioners unanimously awarded the contract for provisions of petroleum products consisting of high sulfur diesel fuel for equipment and fuel oil for several County facilities to CATO Gas & Oil of Salisbury, Maryland at a \$0.07 per gallon mark-up for bulk delivery and \$0.16 per gallon mark-up for jobber delivery of #2 fuel oil, and \$0.16 per gallon mark-up for jobber delivery of high sulfur diesel fuel for a period of two years beginning with the date of award and ending April 30, 2009.

The Commissioners met with Mr. Tustin to review bids for construction of Phase I of the US Rt. 50 Service Road, which includes improvements on U.S. Rt. 50 and Holly Grove Road

leading to the service road. Following some discussion and upon a motion by Commissioner Church, the Commissioners unanimously awarded the bid to George & Lynch, Inc. of Dover, Delaware in the amount of \$1,357,703.79. Mr. Tustin stated that this proposal included the cost of providing a commercial entrance onto the Finch property, which is to be borne by the property owner.

Pursuant to the request of Mr. Tustin and upon a motion by Commissioner Boggs, the Commissioners unanimously approved the request for proposals (RFP) for design and permitting services for the Public Landing Marina Basin Bulkhead Project. In response to questions by Commissioner Shockley, Mr. Tustin stated that this portion of the project would focus on preservation of the parking lot and that adding finger piers in the marina was not currently planned. Chief Administrative Officer Gerald T. Mason advised that the State has provided funding for this project for the past five years in a row, allowing the County to complete the project in phases.

The Commissioners met with Mr. Tustin to discuss available options for the replacement of a failing drainpipe under Manklin Creek Road in Ocean Pines. Mr. Tustin stated that the condition of the pipe has worsened, and now poses a safety issue. He recommended the Commissioners accept a proposal from East Coast Underground, Inc. of Hurlock, Maryland to pull a 20" pipe through the existing 24" pipe at a cost of \$20,000. Mr. Tustin explained that this improvement would regulate the water level in the two ponds on either side of Manklin Creek Road and would not affect traffic during construction. Following some discussion and upon a motion by Commissioner Boggs, the Commissioners unanimously agreed to waive the standard bid process and approve the proposal from East Coast Underground, Inc. as recommended.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Church, the Commissioners unanimously approved a proposal from EA Engineering of Sparks, MD to design a new pump station in the Mystic Harbour Service Area at a cost of \$44,689.

The Commissioners met with Fire Marshal Jeff McMahon to review bid specifications for a security fence to be constructed around the new Fire Training Center in Newark. Mr. McMahon explained that \$25,297 had been included in the FY06 budget for this project, and he asked the Commissioners to increase this funding by \$16,203 for the fence and slide gate and to add a motor-controlled gate operator and card access system for a total proposed project cost of \$41,500. Mr. Mason advised that an authorized over expenditure of \$16,203 was requested for this project. Following some discussion and upon a motion by Commissioner Church, the Commissioners unanimously approved the bid specifications as presented with the options.

Pursuant to the request of Environmental Programs Deputy Director Bob Mitchell and upon a motion by Commissioner Church, the Commissioners unanimously authorized Commission President Purnell to sign an agreement between Joseph T. McGarry and Theresa L. Henry McGarry and the Commissioners endorsing the McGarry's Food Service Permit for their 60-seat restaurant and catering hall, Occasionally Yours, as outlined in the agreement and provided they limit the use of the hall to the 2,000 gallons per day (gpd) capacity of the septic

system at that site and as specified in the agreement.

The Commissioners reviewed the County's Public Finance Report from Fitch Ratings of New York, NY, which granted Worcester County an AA-bond rating, and a report from Moody's Investors Service also of New York, NY which issued an Aa3 rating, both of which reflect the County's strong financial management and planning and the significant financial flexibility in its low tax rates. The report recognized that the County has a significant fund balance and a fully funded reserve fund; direct debt is manageable and amortized rapidly; and pay-as-you-go funding is utilized for a sizeable number of capital projects. However, it noted that there is a lack of diversification in the economic base, which is centered on tourism and agriculture. But, conservative budgeting practices, strong revenue performance and controlled spending indicate a strong financial position. Commissioner Purnell stated that the report reflects well on the County and congratulated Mr. Mason and the staff for an excellent presentation during the recent bond rating agency visit, and thanked his fellow Commissioners for always keeping Worcester County first in all of their decisions.

The Commissioners reviewed a recommendation by Mr. Mason to renew the Professional Services Contract between the County and Davenport and Company, the County's financial advisor. Following some discussion and upon a motion by Commissioner Shockley, the Commissioners unanimously authorized Commission President Purnell to sign the agreement.

In a related matter, Mr. Mason announced that a preliminary report indicates that the County may lock in a 4.02% interest rate on its Consolidated Public Improvement Project and Refunding Bonds 2007 Series, which the Commissioners are scheduled to review later in the afternoon.

The Commissioner recessed for five minutes.

The Commissioners met with Finance Officer Kathy Whited and Mr. Mason to review the requested Worcester County Operating Expense Budget for Fiscal Year 2007/2008. Mr. Mason provided a summary of the requested operating budget, and stressed that this is only the requested budget. He stated that the estimated general fund revenues based on current tax rates are \$174,104,132. The requested general fund operating expenditures total \$197,595,353. The difference of \$23,491,221 must be reconciled by either reductions in expenditures, additional revenues or a combination of the two. Mr. Mason reviewed with the Commissioners the anticipated general fund revenues, requested general fund expenditures and general fund issues to be resolved. In response to a question from Commissioner Cowger, Mr. Mason stated that each department has submitted a list of their new requests in order of priority for the Commissioners' consideration. Commissioner Boggs stated that the County has requested such a list of priorities from each of the towns as well. Commissioner Purnell advised that the departments and towns are aware that they will not receive approval for everything they have requested.

The Commissioners informed the audience of the public hearing on the budget scheduled for May 1, 2007 at 7:00 p.m. in the Snow Hill High School auditorium, as well as the upcoming budget work sessions, and advised that these sessions are open to the public.

The Commissioners answered questions from the press, after which they adjourned for lunch.

After lunch, the Commissioners reconvened in open session.

The Commissioners met with Finance Officer Harold Higgins and Sam Ketterman, Financial Advisor with Davenport & Company, to review the Bond Resolution and arrangements for the Sale of the Consolidated Public Improvement Project and Refunding Bonds - 2007 Series in the amount of \$35,820,000 which will fund the \$28,100,000 cost of constructing a new Worcester Career and Technology Center and refund outstanding J Bonds in the amount of \$2,840,000 and 1996 Bonds in the amount of \$4,925,000 to take advantage of the current favorable interest rate of 4.02%. Following some discussion and upon a motion by Commissioner Shockley, the Commissioners unanimously adopted Resolution No. 07-7, accepting the low bid of 4.02% received for its "County Commissioners of Worcester County, Maryland Consolidated Public Improvement Project and Refunding Bonds, 2007 Series."

In response to a question from Ellie Diegelman, a resident of Ocean City, Mr. Higgins provided her with a copy of the Preliminary Official Statement dated April 4, 2007, which explains the purpose of the bonds and the County's financial standing as determined by the rating agencies.

The board adjourned to meet again on April 17, 2006.