

Minutes of the County Commissioners of Worcester County, Maryland

February 3, 2009

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

Following a motion by Commissioner Purnell, seconded by Commissioner Boggs, with Commissioner Cowger 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; Sonny Bloxom, County Attorney; Kim Moses, Public Information Officer; George Bradley, Director of Human Resources; John Tustin, Director of Public Works; Ed Tudor, Director of Development Review and Permitting; and Bill Bradshaw, County Engineer. Topics discussed and actions taken included: appointing Michael Patchett to the Board of Electrical Examiners and Mike Gibbons to the Solid Waste Advisory Committee; reappointing Joyce Baum to the Drug and Alcohol Abuse Council; reappointing June Walker and Debbie Ritter and appointing Dean Perdue and Carolyn Cordial to the Adult Public Guardianship Board; reviewing potential and pending litigation; receiving legal advice from counsel; and performing executive actions.

Commissioner Cowger was absent from the meeting.

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

The Commissioners reviewed and approved the minutes of their January 20, 2009 meeting, as presented.

Sheriff Charles T. Martin and Chief Deputy Doug Dods presented Excellent Police Performance Awards to members of the Sheriff's Tactical Armed Response (S.T.A.R.) Team and Medics for their years of dedication to public safety and to the 12 Sheriff's Deputies who participated in the 56th Presidential Inauguration in Washington, D.C. on January 20, 2009. Sheriff Martin stated that it's no easy task to crawl out of bed at 2 a.m. in the morning and lend yourself to breaking into a building where drugs and guns are located, but that the S.T.A.R. Team has done so successfully for the last 15 years without bringing harm to a single citizen in

the process. Following the award presentation, the Commissioners honored the award recipients with a standing ovation.

Pursuant to the request of Housing Program Administrator Jo Ellen Bynum and upon a motion by Commissioner Boggs, the Commissioners unanimously awarded the low bids for two housing rehabilitation projects in the Stockton and Snow Hill areas, using a combination of the State Special Loans Program (SSLP), Lead Hazard Reduction Grant and Loan and Community Development Block Grant (CDBG), to J&G Maintenance and Repair, Inc. of Berlin, Maryland in the amount of \$69,803.25 and \$84,257.50 respectively.

Library Director Mark Thomas informed the Commissioners that the national news media has published several stories in the past week recognizing the public's dramatic increase in use of libraries throughout the country, noting that the same phenomenon is occurring in Worcester County as well. Mr. Thomas explained that within the last year each of the five branch libraries have reported an overall 17% increase in foot traffic as well as a 34% increase in the number of materials being checked out. He recognized the success of his staff to serve the ever increasing demands made upon them by the public. The Commissioners thanked Mr. Thomas, his staff and each of the volunteers for their outstanding work.

Recreation and Parks Director Sharon DeMar Reilly met with the Commissioners to recommend a change order to the Showell Park & Newtown Park Light contracts. Ms. Reilly advised that due to the existence of poor soil conditions at both parks, which could lead to soil erosion, additional measures may be required to install some of the light poles at these sites. She stated that Austin Cox, the general contractor for the project, has recommended hiring a subcontractor who specializes in soil stabilization to assist with the project. She stated that wherever needed, sixteen gauge galvanized corrugated metal pipe will be installed to 'sleeve' the holes during the drilling process, noting that project costs could increase by up to \$23,275.00 if sleeving is required for all 24 poles. Ms. Reilly concluded that funding is available in the Recreation and Parks budget to cover this expense. Commissioner Boggs stated that Ms. Reilly had been prudent in foreseeing such action as a possibility and budgeting for the project accordingly. Upon a motion by Commissioner Boggs, the Commissioners unanimously approved the change order and authorized the additional expense if needed.

Pursuant to the request of Emergency Services Director Teresa Owens and upon a motion by Commissioner Boggs, the Commissioners unanimously agreed to waive the standard bid requirements and piggyback on a State bid from Curtis Engine of Baltimore, Maryland and a proposal from Bayside Fire Protection Co., Inc. of Salisbury, Maryland for the purchase and installation of an emergency generator for the Charles & Martha Fulton Senior Center in Snow Hill at a total cost of \$136,708.

Pursuant to the request of three private citizens, the recommendation of Ms. Owens and upon a motion by Commissioner Purnell, the Commissioners unanimously authorized the naming of three private lanes as follows: farm lane on the west side at 7067 Snow Hill Road as Governor Smith Lane at the request of John W. Foster, III; lane at the entrance of the

Nassawango Estates subdivision as Loblolly Lane at the request of Nassawango Golf Course President Albert W. Owen, Jr.; and the private lane between Ferry Branch Road and Lambertson Road, south bound, as Ginn's Lane at the request of Prentiss Ginn.

Pursuant to the request of Ms. Owens and upon a motion by Commissioner Boggs, the Commissioners unanimously authorized Commission President Gulyas to sign an amendment to the Memorandum of Agreement (MOA) between the Maryland Emergency Management Agency (MEMA) and Worcester County regarding the FFY 2008 Homeland Security Grant Program, awarding the County \$6,000 for the Citizens Corps Program (CCP). Ms. Owens explained that when the original MOA was signed by the Commissioners on November 5, 2008, the amount of the CCP grant to be awarded had yet to be determined.

Comprehensive Planning Director Sandy Coyman met with the Commissioners to review and discuss two proposed Rural Legacy Area (RLA) Grant Renewal Applications for FY 2010. Mr. Coyman explained that the County is seeking a \$1 million grant for the Coastal Bays RLA and \$2 million for the Dividing Creek RLA, noting that preservation efforts in both areas have been successful. Mr. Coyman stated that the proposed match requirements would be \$100,000 and \$200,000, respectively, for these areas. He further advised that in response to a request from the State, he would recommend indicating a funding preference for the Dividing Creek RLA because landowners in that area have expressed greater interest in the program. Mr. Coyman called the Commissioners attention to the proposed cover letter, which outlines this preference. He further recommended that the second paragraph be amended to specify that while it is Worcester County Government's intention to provide a match of \$100,000, it is not possible to make a formal commitment due to fiscal uncertainties surrounding the State and County FY10 Operating Budgets. Therefore, the County may not be able to provide a match for the FY10 RLA program.

In response to a question by Commissioner Gulyas, Mr. Coyman stated that he is uncertain whether State funds would be available for both the Dividing Creek and Coastal Bays RLAs, but explained that historically residents in the Coastal Bays RLA have expressed far less interest in the RLA program than those residing in the Dividing Creek RLA. Following some discussion and upon a motion by Commissioner Boggs, the Commissioners unanimously approved the proposed revisions to the cover letter and authorized staff to file the RLA Grant Renewal Application as requested.

At the request of Commissioner Busick, Mr. Coyman updated the Commissioners on the status of the Bishopville Pond project, advising that additional funds had been secured for the project as follows: \$1,200,000 in State Highway Administration (SHA) funds; \$765,000 in Transportation Enhancement funds; \$482,000 in US Fish and Wildlife funds; \$50,000 in Maryland Department of Natural Resource (DNR) funds; \$119,000 from the Environmental Protection Agency (EPA); \$20,000 in prior County funding; and a potential \$200,000 from National Oceanic and Atmospheric Administration (NOAA), for total project funding of approximately \$2.8 million. He stated that the State Highway Administration (SHA) is hesitant to move forward with the project due to the State's financial situation. In response to a question by Commissioner Boggs, Mr. Coyman confirmed that the State has already committed funding

for the project. In response to a question by Commissioner Busick, Mr. Coyman stated that 60% of the design plans are now complete and the project could be shovel ready within the near future. Following some discussion and upon a motion by Commissioner Church, the Commissioners unanimously agreed to send a letter to Senator Lowell Stoltzfus and Delegates Norman Conway and Jim Mathias asking for their support to ensure that the project continues to move forward. The Commissioners thanked Mr. Coyman for updating them on the project.

The Commissioners met with Public Works Director John Tustin to review a letter from the Whispering Woods Homeowners Association (WWHA), which addresses the following concerns regarding the safety of pedestrians, joggers and bicyclists due to the short, narrow and curvy streets in the neighborhood: requesting that three "Children at Play" signs removed at the request of the County be replaced; pedestrian/bicyclist warning signs be placed throughout the community; and the posted speed limit be lowered from 25 miles per hour (mph) to 20 mph. Mr. Tustin informed the Commissioners that the WWHA had been asked to remove the three "Children at Play" signs because they were posted in the County right-of-way, but had informed them that they could be placed on private property just outside of the right-of-way. He advised that Public Works staff will be placing pedestrian/bicycle warning signs throughout the community in the near future, but recommended against lowering the posted speed limit to 20 mph as the lower limit could not legally be enforced in accordance with State law. A motion by Commissioner Church to reduce the posted speed limit to 20 mph failed for lack of a second. A motion by Commissioner Boggs to accept staff's recommendations to post pedestrian/bicycle warning signs throughout the neighborhood and maintain the posted speed limit of 25 mph passed unanimously.

The Commissioners met with Mr. Tustin to discuss a letter from SHA Administrator Neil J. Pedersen encouraging counties within Maryland to utilize federal aid money for bridge replacement programs. Mr. Tustin explained that the County has never used federal funds for this purpose as such funding comes with conditions that are not conducive to the rural aesthetics of Worcester County, such as the required minimum width of 24' coupled with 6' shoulders on each side. He further noted that during the last bridge inspection cycle in 2008, Worcester County had no structurally deficient bridges. For the stated reasons, Mr. Tustin recommended and the Commissioners concurred to continue to use State aid funds in lieu of federal funding for bridge replacements in the County.

Pursuant to the recommendation of Mr. Tustin in response to the written request of Dave Wilson, Director of the Maryland Coastal Bays Program (MCBP), and upon a motion by Commissioner Church, the Commissioners unanimously approved MCBP's request to hold the 10th Annual Osprey Sprint Triathlon at Public Landing on Saturday, October 3, 2009 and authorizing assistance from several County agencies, including Public Works, Tourism and Recreation and Parks. The event will include swimming, bicycling and running, and it will begin and end at the boat ramp at Public Landing.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Purnell, the Commissioners unanimously awarded the bid for the purchase of one trailer mounted

self-contained debris collector to Maryland Industrial Trucks, Inc. of Linthicum, Maryland at a cost of \$24,080.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Purnell, the Commissioners unanimously awarded the best bid for custodial services for 14 County buildings to Mr. Meticulous of Salisbury, Maryland for one year with an option to renew annually for a total of five years at a total cost per service visit after applying a 1% discount for awarding all buildings as follows: \$130.60 for the Charles and Martha Fulton Senior Center in Snow Hill; \$173.25 for the Ocean City Senior Center; \$84.15 for the Isle of Wight Service Building in Bishopville; \$143.55 for the Ocean City Library; \$67.32 for the Berlin Senior Center; \$51.48 for the Berlin Library; \$118.80 for the Berlin Health Department; \$133.65 for the Ocean Pines Library; \$113.85 for Water and Wastewater in Ocean Pines; \$491.04 for the Government Center in Snow Hill; \$188.22 for the Snow Hill Health Department; \$24.11 for the Court House (Basement - Sheriff); \$118.80 for the Recreation Center in Snow Hill; and \$46.24 for the Prevention Office in Snow Hill. Mr. Tustin advised that the collective annual cost would be roughly \$345,089, which is \$74,791 less than the collective budget of \$428,880. He explained that Mr. Meticulous and Multicorp, Inc. of Baltimore, Maryland were the only two firms to bid on all 14 buildings. He further explained that the total collective bid from Multicorp. Inc. was slightly lower than the collective bid from Mr. Meticulous. However, given references on performance, general attitude, and the ability to correct or adjust situations as needed, he stated that Mr. Meticulous was the best bid, and he therefore recommended awarding them the contract for all 14 buildings. In response to a question from the Commissioners, Mr. Tustin stated that the references for Multicorp. Inc. were not favorable.

Pursuant to the request of Commission on Aging (COA) Executive Director Rob Hart, the Commissioners fully endorsed the COA's efforts to organize and host its First Annual Car Show on Saturday, May 9, 2009 at the Charles and Martha Fulton Senior Center in Snow Hill. Mr. Hart explained that this fundraiser is being proposed to counter the effects of pending State budget cuts. He advised that staff hopes to generate \$3,000 to \$5,000 from this event. Commissioner Boggs applauded Mr. Hart and his staff for their resourcefulness.

The Commissioners answered questions from the press.

Following a motion by Commissioner Church, seconded by Commissioner Boggs, with Commissioner Cowger absent, the Commissioners unanimously voted to meet in closed session at 11:05 a.m. in the Commissioners' Meeting Room to discuss legal matters permitted under the provisions of Section 10-508(a)(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; Sonny Bloxom, County Attorney; Kim Moses, Public Information Officer; Harold Higgins, Finance Officer; Phil Thompson, Assistant Finance Officer; Allen Taylor, Information Technology Manager; Kathy Whited, Budget Officer; and Jerry Redden, Director of Economic Development. Topics discussed and actions taken included: reviewing potential and pending litigation; receiving legal advice from counsel; and performing executive

actions.

The Commissioners reconvened in an open session luncheon meeting with the Board of Education.

The Commissioners met with Board of Education (BOE) President Bob Hulburd, Vice President Jonathan Cook and BOE members J. Douglas Dryden, Garry Mumford, Bob Rothermel, Donnie Shockley and Sara Thompson, and Superintendent of Schools Dr. Jon Andes to address concerns regarding the requested BOE FY2009/2010 budget. Also present at the meeting were BOE staff members Ed Barber, Assistant Superintendent for Administration; Dr. Richard Walker, Assistant Superintendent for Instruction; and Vince Tolbert, Finance Officer; and County staff members Gerald T. Mason, Chief Administrative Officer; Harold Higgins, Finance Officer; Phil Thompson, Assistant Finance Officer; Kathy Whited, Budget Officer, and Kim Moses, Public Information Officer.

Mr. Hulburd thanked everyone for coming and explained that the BOE understands the tough economic times facing the County and wants to work with the Commissioners to submit an FY10 Budget that is 3% less than that of the FY09 appropriation of \$75,925,858 as requested. Dr. Andes reviewed the BOE's FY09 budget. He stated that salaries accounted for \$59,459,533 along with additional fixed charges for bus contractors, social security, workers compensation, etc. for total employment related costs of \$74 million of the BOE's \$88,578,021 FY09 Approved Budget. He then outlined the \$2,670,626 in budget reductions proposed in the BOE's *Summary of Proposed FY10 Budget Adjustments*, as follows: \$45,800 from Administration; \$41,771 from Instructional Support; \$45,000 from Instructional Salaries; \$1,138,802 from Textbooks and Classroom Supplies; \$305,325 from Other Instructional Costs; \$150,000 from Special Education; \$1,000 from Student Personnel; \$4,050 from Health Services; \$237,213 from Student Transportation; \$59,150 from Operation of Plant; \$14,900 from Maintenance of Plant; \$27,550 from Fixed Charges; \$65 from Capital Planning; \$200,000 from Technology; \$300,000 from Capital Outlay; and \$100,000 from School Construction.

Dr. Andes then reviewed projected increases of \$2,031,150 in the FY10 Budget as follows: \$400,000 in Instructional Salaries for after-school/summer school programs; \$20,000 in Other Instructional Costs for copier lease increases; \$350,300 in Operation of Plant for utilities; \$958,464 for Fixed Charges, including medical insurance; \$277,386 for Retirees Health Insurance; and \$25,000 for Local Costs of Retirement Expenses. Dr. Andes advised that these projected increases negatively increase the total reductions in the FY10 budget to only \$639,476, and another \$1,738,299 remains to be cut to meet the requested 3% reduction. He stated that State aid is unknown but it is expected that the Federal Stimulus Package will include an aid to education. He further noted that the State may increase Thornton Funding to Worcester County by \$150,000 and the County's After-school/summer school program is in the final running for a \$400,000 grant. Dr. Andes also advised that the State anticipates that federal stimulus funds of \$1 billion will be awarded to Maryland to spend on education, one-time school construction and additional funds for special education and Title I schools. Dr. Andes cautioned that Federal funding generally cannot be used to cover the cost of existing programs. He concluded that the BOE is scheduled to present its budget by February 17, 2009 for adoption on March 17, 2009, so that they can present their requests to the Commissioners by April 1, 2009.

Mr. Barber advised that federal money is very directed and cannot be used outside of the category for which it was intended, nor can it be used to fund existing programs that were previously funded by the State or County. He advised that such funding was not likely to provide relief, since the BOE is faced with a much larger education issue. Mr. Hulburd concurred, noting that some federal funding would likely require a local match. In response to a question by Mr. Hulburd, Dr. Andes stated that the County may qualify for \$1.4 million in federal stimulus funds for school construction projects that are shovel ready. Mr. Hulburd noted that such funding was not enough to even begin to build a new school. In response to another question by Mr. Hulburd, Dr. Andes advised that the BOE is aggressively seeking grant funding for several programs, including science and technology programs in the middle school. In response to a question by Ms. Whited, Dr. Andes advised that if the BOE is awarded a grant for the after-school/summer school program their requested budget would be reduced by that amount.

Mr. Hulburd stated that reducing the BOE budget by 3% is a huge undertaking to make, one that likely cannot be reached without some reorganization. He advised that the BOE does not want to lay anyone off but unless the BOE and Commissioners can find some middle ground with regard to the required cuts, they will have to develop a budget that includes employee furloughs. He stated that attempting to reconcile the budget with the required cuts was tantamount to turning an ocean liner on a dime and would take some time. Mr. Hulburd advised that the BOE is willing to do everything within their power to comply with the Commissioners' request and has already made drastic cuts that will affect the students, such as eliminating field trips and funding to purchase paper. He confirmed that the BOE has already instituted a hiring freeze for all but essential teaching positions, noting that positions vacated by those who are retiring will not be filled. Mr. Hulburd concluded that the BOE understands the horrible funding crisis facing the County, but that the BOE is tasked with the responsibility to do their very best to educate the County's youth.

Mr. Rothermel understood that the budget crisis would not be confined to one year and stated that the BOE must know its playing field in order to properly plan for the future. He stated that unless the Commissioners and the BOE can meet on some middle ground, the BOE will be forced to cut \$4.3 million from the FY10 requested budget. Mr. Hulburd concurred, stating that BOE employees are scared. He stated that if furloughs are being considered and drastic measures are called for that the pain should be shared equally by both the BOE and the County.

Commission President Gulyas confirmed that the BOE must comply with the Commissioners' request to reduce the budget by 3%. She assured the BOE that if funding conditions should change that she would personally run to them with the money. Commissioner Gulyas stated that if the County is forced to resort to layoffs and furloughs to reduce its budget that the BOE will be expected to do the same. However, she assured Mr. Hulburd and the rest of the BOE that the Commissioners would stand shoulder to shoulder publicly with the BOE and weather this financial storm, but the BOE must do its part.

Mr. Cook said that resorting to furloughs and layoffs to balance the budget would create a wound within BOE employees that would not heal. Commissioner Gulyas replied that the County will be haunted either way because no quick fix is available to heal their financial shortfall. She noted that the Great Depression lasted more than 10 years, and it was very likely that the current economic crisis would be with them for at least several years to come.

Ms. Thompson strongly advised the Commissioners to use Other Post Employment

Benefit (OPEB) funds to address budget shortfalls, noting that the County has invested more in OPEB than any other Eastern Shore county. Commissioner Gulyas confirmed that the Commissioners could not take funds from either Reserve or OPEB funds as such an action would place the County without the critical funding needed to address emergencies, fund County and BOE health insurance and would negatively impact the County's financial rating.

Mr. Higgins advised that the County is obligated by the Government Accounting Standards Board (GASB) to decrease its OPEB liability. He stated that because they planned for this liability early on, the County's required annual contribution will begin to decrease, not so with other counties who may now incur penalties for not complying previously.

Commissioner Church advised that County revenues have declined by \$8.5 million and growing and are not likely to increase next year, creating a situation that will require everyone to change the way they do business. He stated that he knows through first-hand experience that there are no extravagances in the BOE that could be cut to address budget concerns, but that regardless of how painful it would be to make tough choices, they must be made.

Mr. Mason confirmed that the financial outlook would be ongoing and warned that if the County and BOE do not make structural changes right now, we will be forced to hurdle the same economic challenges again next year and possibly the year after. He stated that the County and BOE cannot afford to take a band-aid approach to the budget.

Mr. Barber stated that the change the Commissioners are requesting will force the BOE to reduce its workforce, include approximately 8-10 furlough days for employees or some combination thereof and asked if the County would do the same. Commissioner Gulyas confirmed that they are already looking at this issue. Commissioner Church concurred, stating that any such actions should be across the board, including the very BOE and Commission members themselves. County Attorney Sonny Bloxom stated that when he was a Commissioner in 1992 he stood shoulder to shoulder with then Superintendent of Schools Dr. Greenwood in a public address to talk about joint furloughs of 14 days. He confirmed that approximately three years later when the Commissioners were in a position to fund employees for their lost pay they did.

BOE member Donnie Shockley stated that they have done all they can do to cut the budget and must now look at personnel. In response to a question by Commissioner Church, the BOE confirmed that the budget could be reduced by approximately \$314,000 per furlough day. Mr. Mason stated that the County could save about one third of that amount by doing likewise.

Mr. Mason confirmed that the County has always done a reasonably good job of estimating real property tax revenues in the past, but this particular year the County is faced with decreased assessment values, and revenues in other categories are declining. He stated that the Homestead Tax Credit continues to increase even though assessments are falling and confirmed that the County will have a better handle on revenue estimates in March, after the State releases the Constant Yield Rate and official assessment numbers. He further warned that the General Assembly may begin transferring responsibility for teachers' retirement as well as partial responsibility of the State Department of Assessments. He stated that there are a lot of uncertainties at this time, however, the County has always been generous to the BOE in the past and would continue to do so if the financial situation improves.

Commissioner Purnell advised that he could never have foreseen the BOE and Commissioners meeting to discuss the issues on the table before them today. He further stated

that he did not want to see anyone laid off or furloughed, but the BOE and Commissioners' backs are against the wall and have nowhere else to go. He stated that the two groups must make the tough decisions that will see the County through this time.

Mr. Tolbert stated that the BOE has made all the reductions it can make and alleged that other County departments and agencies do not have to address the rising cost of health insurance or retirement in their budgets. Mr. Mason disagreed, advising that the County is facing the very same issues. Commissioner Gulyas confirmed that the County is blessed with an excellent school system and stated that it would remain so provided everyone works together. Commissioner Church concurred, likening the county's current financial projections to the pilot, Chesley Sullenberger, a.k.a. Skully, who successfully landed a crippled airbus on the Hudson River in New York last month, and encouraged each of them to work together toward a "Skully landing."

Mr. Hulburd stated that if there is a number in the budget that must be reached, he requested that the Commissioners allow the BOE to figure out how to get there on their own, particularly if furloughs must be made. Commissioner Boggs confirmed that she was not inclined to tell the BOE where to make cuts, but rather that they would support them. Following much discussion, Mr. Hulburd thanked the Commissioners for meeting with them.

The board adjourned to meet again on February 17, 2009.