

Minutes of the County Commissioners of Worcester County, Maryland

December 1, 2009

Louise L. Gulyas, outgoing President
James C. Church, outgoing Vice President and incoming President
Judith O. Boggs
Linda C. Busick, incoming Vice President
Robert L. Cowger, Jr.
James L. Purnell, Jr.
Virgil L. Shockley

Following a motion by Commissioner Purnell, seconded by Commissioner Boggs, 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 administrative functions. Also present at the closed session were Gerald T. Mason, Chief Administrative Officer; Kelly Shannahan, Assistant Chief Administrative Officer; Sonny Bloxom, County Attorney; and Kim Moses, Public Information Officer. Topics discussed and actions taken included: approving a Medical Director's Agreement between the County Commissioners of Worcester County, Maryland and William Todd, M.D. who serves as Emergency Medical Services (EMS) Medical Director for Worcester County; considering appointments to the Local Development Council for the Ocean Downs Video Lottery Facility; reappointing Duane Duncan to the Board of Electrical Examiners, Bruce Spangler to the Ethics Board, William Regan to the Recreation Advisory Board, James E. Clubb, Jr. to the Board of Zoning Appeals, Aris Spengos and Mike Hegarty to the Water and Sewer Advisory Council for the Ocean Pines Service Area, Robert M. Davis to the Shoreline Commission, Betty M. Smith to the Planning Commission, Sharon Teagle to the Housing Review Board, and Ira "Buck" Shockley to both the Initiative to Preserve Families Board and the Drug and Alcohol Abuse Council; appointing Teresa Travatello to the Tourism Advisory Committee; reviewing potential and pending litigation; receiving legal advice from counsel; and performing administrative functions.

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 November 17, 2009 meeting, as presented.

The Commissioners discussed the annual election of officers. Upon a nomination by Commissioner Cowger, the Commissioners voted 6-1, with Commissioner Boggs voting in opposition, to elect Commissioner James C. "Bud" Church as President of the Board of County Commissioners. Commissioner Boggs stated that while she has full confidence in Commissioner

Church's abilities to lead the Board, she voted in opposition to the change in leadership due to the expenditure of staff time and funds associated with changing officers and would prefer if Commissioner Gulyas continued as President. Upon a motion by Commissioner Purnell, the Commissioners voted unanimously to elect Commissioner Linda C. Busick as Vice President of the Board of County Commissioners. Commissioner Church expressed his appreciation for Commissioner Gulyas' leadership of the Board of County Commissioners during a tough budget year. Commissioners Shockley and Purnell also expressed their thanks for her service.

The Commissioners presented a commendation to the Pocomoke High School (PHS) Girls Field Hockey Team, including Head Coach Susan Pusey, assistant coaches Teresa West, Kristina Holland and Jenny Layton, managers Netanya Schoolfield and Caitlin Dudek, trainer Kim Baker, scorekeeper Allison Stancil and team members Shelby Wood, Chelsea Selby, Jessie Todd, Taylor West, Brooke Cottman, Anne Marie Henry, Annah Brittingham, Michelle Roberts, Natalie Parks, Emily Leonard, Leah Hammond, Bianca Merritt, Kali Stanley, Kasey Tapman, Skylar Hall, Abby Bunting, Jasmine Brown, Taylor Ward, Derian Matthews, Lexi Dize, Lizzie Finch, Lottie Smith and Emma Greene, recognizing their hard work and dedication in attaining the Maryland Class 1A Championship Field Hockey Title for the seventh consecutive year. Commissioner Cowger noted that the PHS Girls Field Hockey Team began their championship run in 1983, taking 17 championship titles and playing in 23 state tournaments over the past 26 years, which is an outstanding accomplishment.

Charles Curtis, Maryland Representative of the Government Finance Officers Association (GFOA) presented Finance Officer Harold Higgins, Budget Officer Kathy Whited, Assistant Finance Officer Phil Thompson and Controller Jennifer Savage with an award and a Certificate of Achievement for Excellence in Financial Reporting. Mr. Curtis stated that the GFOA recognizes contributions to the practice of government finance that exemplify outstanding financial management, and Worcester County was honored with this recent recognition for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2008. He explained that earning this recognition is no simple feat, and the CAFR had been judged by an impartial panel to meet the high standards of the program, including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR. Chief Administrative Officer Gerald T. Mason stated that this achievement can be attributed to staff's dedication to working together as a team. Commissioner Church commended staff for their outstanding efforts and noted their accolades were well deserved.

The Commissioners met with Mr. Higgins to review a PowerPoint presentation entitled *Assessable Base Projections for FY10/11*, which outlines ongoing property tax reassessments in Worcester County. Mr. Higgins stated that the County's revenue projections for the coming year are developed from two reports issued by the Maryland State Department of Assessments semiannually on March 1 and November 30. He stated that the recent report shows that property tax assessment values in Worcester County remain on the decline, and he felt it was important to keep the Commissioners updated on this issue as nearly 65% of the County's revenues come from property taxes. He advised that this decline is an anomaly unlike anything the State of

Maryland has experienced in recent history. He stated that Assessment Area 1, the Greater Ocean Pines area, is currently being reassessed and shows a projected decline of 20%, while assessments for the Ocean City Assessment Area have declined further by 1.5% following unfavorable tax court rulings and rising petitions for review, all of which are expected to continue for the next six months to a year. He then reviewed the PowerPoint, noting that the three-year schedule of reassessments for the County are as follows: Area 1, Berlin and Ocean Pines, is currently being reassessed for January 1, 2010, effective July 1, 2010; Assessment Area 2, Southern Worcester County was last reassessed for January 1, 2008 and would be reassessed again for January 1, 2011; and Assessment Area 3, Ocean City, was reassessed for January 1, 2009, effective July 1, 2009. He then reviewed a comparison the projected and actual assessable base and resulting net property tax income after homestead credit had been applied, which declined from \$123,771,984 to \$122,200,613 for FY09/10, and from \$120,240,246 to \$119,069,549 for FY10/11, representing a total reduction of \$4,702,435 from the original FY09/10 budget to the updated FY10/11 budget. Mr. Higgins presented the detailed assessment and property tax revenue analysis as follows:

| | <u>Assessable</u> <u>Base</u> | <u>Total Real</u> <u>Property Income</u> | <u>Homestead</u> <u>Credit</u> | <u>Net Property</u> <u>Income</u> |
|----------------------|----------------------------------|---|-----------------------------------|--------------------------------------|
| Budgeted FY10 | 19,279,874,000 | 134,959,118 | | (11,187,134) |
| | | | | 123,771,984 |
| YTD Actual FY10 | 19,008,094,771 | 133,056,663 | | (10,856,050) |
| | | | | 122,200,613 |
| Original Budget FY11 | 18,178,032,607 | | 127,246,228 | (7,005,982) |
| | | | | 120,240,246 |
| Updated Budget FY11 | 18,000,972,411 | | 126,006,807 | (6,937,258) |
| | | | | 119,069,549 |

Mr. Higgins concluded that though the projected FY11 budget will fall short of actual FY10 revenues by more than \$3.1 million, all is not doom and gloom, as early indicators point to signs of recovery for recordation and transfer taxes, which signal that the local economy may be starting to recover. Commissioner Church thanked Mr. Higgins for the report and directed staff to update the Commissioners regularly on revenue projections, so they can prepare for the upcoming budget deliberations.

Pursuant to the request of George King of the Health Department and upon a motion by Commissioner Gulyas, the Commissioners authorized Commission President Church to sign a Year Round Lease Agreement for an apartment at 403 6th Street in Ocean City to be utilized by the Health Department from November 1, 2009 - October 31, 2010 at a cost of \$13,500.00 to provide temporary housing for seasonal sanitarians who assist with the Environmental Health program during the summer months and visiting public health interns during the remainder of the year. In response to a question by Commissioner Church, Mr. King explained that the cost to lease the apartment for a full year is less than the cost to rent the apartment during the summer season only. He further explained that Health Department officials surveyed the cost to lease other similar units and determined this to be a fair price.

Pursuant to the recommendation of County Attorney Sonny Bloxom and upon a motion by

Commissioner Boggs, the Commissioners agreed to schedule a public hearing on January 19, 2010 to receive public comments on the proposal to add the bridges on the following public easement roads to the Inventory of Public Roads of Worcester County: Clubhouse Drive, Ocean Parkway just south of the intersection with Clubhouse Drive and North Gate. The Commissioners held a public hearing on November 17, 2009 and unanimously adopted Bill 09-8 to expand the definition of a Public Easement Road to place any bridge or bridges that the road crosses over, including these bridges located within Ocean Pines, within the classification of “public easement road” in the Inventory of Public Roads of Worcester County, thereafter making the Ocean Pines Association (OPA) eligible to receive federal and/or State funds to repair or replace these bridges.

The Commissioners met with Mr. Bloxom to review the proposed 25-year lease agreement between the County Commissioners of Worcester County, Maryland (Lessor) and the Mayor and City Council of Ocean City (Lessee) to lease the County-owned property on 3rd Street in Ocean City to the town for recreation purposes at a cost of \$1 a year. Upon a motion by Commissioner Gulyas, the Commissioners unanimously approved the lease.

The Commissioners informed the press and those in attendance that they would be attending the 50th anniversary celebration of the Worcester County Library that afternoon at 2:00 p.m. at the Ocean Pines Branch Library.

The Commissioners reviewed a memo from Kandi Choisser, Accounting Manager, generated in response to proposed State legislation to remove the existing assessment cap on marshland. In her memo, Ms. Choisser explained that there is no assessment cap, but rather an assessment rate for marshland of \$37.50 per acre, once a property is documented by plat or surveyor as marshland. She went on to explain that in comparison to this cost, the minimum rate for agricultural property is \$125.00 per acre, with a maximum agricultural rate of \$500 per acre. In response to a question by Commissioner Gulyas, Mr. Mason explained that Dorchester County has the highest volume of marshland in the State, and the Dorchester County Council is the driving force behind the proposal to remove the assessment limits. He stated that staff had just received this information and was unable on such short notice to determine the volume of marshland in Worcester County. Commissioner Cowger stated that removing the assessment limit is tantamount to a tax increase, something he would not support in these tough economic times. Following some discussion and upon a motion by Commissioner Cowger, the Commissioners voted unanimously not to support the proposed legislation.

The Commissioners answered questions from the press, after which they adjourned to meet again on December 15, 2009.