

Minutes of the County Commissioners of Worcester County, Maryland

June 4, 2019

Diana Purnell, President
Joseph M. Mitrecic, Vice President
Anthony W. Bertino, Jr.
Madison J. Bunting, Jr.
James C. Church
Theodore J. Elder
Joshua C. Nordstrom

Following a motion by Commissioner Bertino, seconded by Commissioner Bunting, the Commissioners unanimously voted to meet in closed session at 8:59 a.m. in the Commissioners' Conference Room to discuss legal and personnel matters permitted under the provisions of Section 3-305(b)(1) of the General Provisions (GP) Article of the Annotated Code of Maryland and to perform administrative functions permitted under the provisions of Section GP 3-104. Also present at the closed session were Chief Administrative Officer Harold L. Higgins, Assistant Chief Administrative Officer Kelly Shannahan, County Attorney Maureen Howarth, Public Information Officer Kim Moses, and Human Resources Director Stacey Norton. Topics discussed and actions taken included: hiring Mary Cavallaro as an Accounting Intern for the Treasurer's Office and Kevin Masterson as IT Database Administrator/Programming Trainee for the IT Department; promoting Cindy Taylor from Corporal to Sergeant Kitchen Manager and hiring Taylor Armstrong and Depre Macock, Sr. as Correctional Officer Trainees at the Jail; promoting Paul Lambertson from Recycle Worker II to Recycling Utility Mechanic I and Brandon Barrier from Transfer Station Attendant to Landfill Operator I, and advertising to fill Mr. Barrier's former position within the Solid Waste Division of Public Works; considering a salary adjustment for two Youth Services Specialists for consistency within the FY20 budget; promoting Kathryn Gordon from Deputy Director to Director for Economic Development; posting to fill vacancies for new positions approved in the FY20 Operating Budget, including one Office Assistant III within Development Review and Permitting, one License Permit Clerk and two part-time, temporary Interns within Environmental Programs, three part-time Communications Clerk I's within Emergency Services, five part-time, temporary Roads Worker II's within the Roads Division of Public Works, two part-time, temporary Parks Worker I's within the Parks Division of Recreation and Parks, and one part-time Local History Librarian within the County Library; acknowledging personnel changes within the Sheriff's Office; and performing administrative functions, including discussing active shooter training, discussing potential board appointments, agreeing to attend the Maryland Association of Counties (MACo) Summer Conference, and agreeing to attend a site visit at the replacement Showell Elementary School (SES) with the Board of Elections (BOE).

Following a motion by Commissioner Mitrecic, seconded by Commissioner Elder, the Commissioners unanimously voted to adjourn their closed session at 9:55 a.m.

After the closed session, the Commissioners reconvened in open session. Commissioner

Purnell called the meeting to order, and following a morning prayer by Commission President Purnell and pledge of allegiance, announced the topics discussed during the morning closed session.

The Commissioners reviewed and approved the May 14, 2019 open work session minutes as presented and closed work session minutes as amended, as well as their May 21, 2019 open regular and work session minutes and closed session minutes as presented.

The Commissioners presented a proclamation to Jamie Manning, Assistant Director of Services within the Department of Social Services (DSS), Commission on Aging (COA) Director Rob Hart and other DSS professionals recognizing June 2019 as Elder Abuse Awareness Month and June 15 as Elder Abuse Awareness Day in Worcester County.

The Commissioners reviewed a letter from Superintendent of Schools Lou Taylor advising that the Board of Education (BOE) applied for and was awarded a grant of \$81,000 from the Interagency Commission on School Construction (IAC) to replace 313 interior security cameras at 13 public schools and purchase portable emergency radios for each of the elementary and middle schools. In his letter, Mr. Taylor advised that the total project will cost \$164,501, and final grant approval is contingent upon a County match. Upon a motion by Commissioner Bunting, the Commissioners unanimously approved the BOE request for matching County funds of \$83,494 for the proposed school safety upgrades. Chief Administrative Officer Harold Higgins advised that funding for this expense will come from the Designated Fund Balance.

Pursuant to the recommendation of Senior Budget Accountant Kim Reynolds and upon a motion by Commissioner Mitrecic, the Commissioners voted 6-0-1, with Commissioner Church abstaining from the vote due to a potential conflict of interest, to award the low bids for the Diakonia building one roofing at a total cost of \$11,200 and siding at a total cost of \$21,806 to Robert's Coastal Construction of Ocean City, Maryland. Based on concerns from the Commissioners regarding the significant difference between the bid from Robert's Coastal Construction and the second lowest bid of \$26,527 for roofing and \$49,185 for siding from East Coast Contracting, Allyson Bernard-Church, President of the Diakonia Board of Directors, advised that her board originally discussed and was able to resolve those same concerns with the low bidder. The Commissioners agreed that their approval was contingent upon Robert's Coastal Construction providing more detailed specifications on their proposal and Diakonia confirming that materials equal to the quality proposed by East Coast Contracting and Spicer Bros would be used by Robert's for this work.

Pursuant to the recommendation of Recreation and Parks Director Tom Perlozzo and the request of Phil Houck of the Offshore Powerboat Association, and upon a motion by Commissioner Mitrecic, the Commissioners unanimously approved the use of two-thirds of the West Ocean City Commercial Harbor parking lot from September 27-29, 2019 for the National Championship Offshore Powerboat Association Race at Ocean City, with Mr. Houck to provide insurance, security, traffic control, and other assistance to the County as specified by Recreation and Parks.

Pursuant to the recommendation of Environmental Programs Director Bob Mitchell and upon a motion by Commissioner Mitrecic, the Commissioners voted 6-1, with Commissioner Elder voting in opposition, to authorize Commission President Purnell to sign the Agreement of Sale for the purchase of a Rural Legacy Area (RLA) conservation easement between E.S. Adkins & Company (Seller) and the County Commissioners of Worcester County, Maryland (Buyer), with FY18 and FY19 Dividing Creek RLA funds to cover the cost of an easement on approximately 914.04 acres of land located on Whitesburg Road and Corner House Road in Snow Hill and identified on Tax Map 61 as Parcels 8, 23, 13, 7, 42, and 11. Mr. Mitchell stated that this property, which is located within the Chesapeake Bay watershed adjacent to protected State forest land and located in the geographical center of the Dividing Creek RLA, is to be purchased at a cost of \$775 per acre, which is the lowest negotiated easement price per acre in the history of the RLA program in Worcester County. He further advised that the property has potential subdivision rights for 25 to 28 lots; however, the owner is surrendering all subdivision and development rights save one residence, and the owner must abide by impervious surface limits, which prohibit concentrated animal feeding operations (CAFOs), with the land to remain under one owner and in forestry.

In response to questions by Commissioner Elder, Mr. Mitchell stated that the property is currently utilized for farming and harvesting timber, the easement will not allow public access to the property, and will cost approximately \$700,000 in State funds that would be used elsewhere if not in Worcester County.

Pursuant to the recommendation of Mr. Mitchell and upon a motion by Commissioner Mitrecic, the Commissioners voted unanimously to renew the Independent Contractor's Agreement between Shockley Environmental Services (Bobby Shockley) and Worcester County for the review and recommendation of approval, denial, or revision of Stormwater Management (SWM) Plans and applications for exceptions and waivers as assigned by the County for a two-year period through June 30, 2021, with the contractor to receive 95% of the SWM fees collected by the County and to adopt Resolution No. 19-16 updating the Stormwater Management Plan Review Fee Schedule as requested.

Pursuant to the recommendation of Public Works Director John Tustin and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Purnell to sign the Deed of Assignment between the County Commissioners in their capacity as the governing body of the Ocean Pines Sanitary Service Area (SSA) and COX 122 Raceway, LLC (assignee) and Grays Corner, LLC (assignee) for the purchase of 10 equivalent dwelling units (EDUs) from the Ocean Pines Sanitary Service Area (SSA) at a cost of \$11,625 per EDU plus future capital improvement charges of \$13 per EDU for a total cost of \$121,380. Mr. Tustin advised that the properties, which are currently served by septic, are located on 3.18 acres of land (Crabs-To-Go) located on the northerly and southerly sides of Grays Corner Road and more specifically identified on Tax Map 21 as Parcels 170, 153, 154, 155, and 156 to construct sewer lines to serve the Crabs-To-Go business and future development.

Pursuant to the request of Mr. Tustin and upon a motion by Commissioner Church, the Commissioners unanimously approved Change Order No. 2 for the construction of the piping and controls for connection of the Mystic Harbour Wastewater Treatment Plant (WWTP)

effluent to the Eagle's Landing Golf Course. Mr. Tustin stated that this change order includes a no-cost extension to the contract completion time to April 18, 2019, based on a delay resulting from the effluent pump skid being delivered in late December, which pushed the installation into the winter months, the federal government shutdown, which caused delayed contract payments, and changes required in the pump station controls.

Pursuant to the recommendation of Mr. Tustin in response to the written request of Attorney Mark Cropper, on behalf of Cullen M. Burke, and upon a motion by Commissioner Bunting, the Commissioners unanimously approved the proposed quitclaim deed between the County Commissioners (Grantors) and Mr. Burke (Grantee), conveying a 15-foot-wide section of the 30-foot-wide unimproved road, known as Lindsey Lane and located adjacent to the easterly property line of the Grantee's land within the Bay Shore Acres subdivision. Mr. Tustin stated that there are no plans to improve this paper street.

The Commissioners met with Assistant Chief Administration Officer Kelly Shannahan to discuss staff's findings regarding a request from Commissioner Church to improve traffic safety at the intersection of Golf Course Road and Old Bridge Road in West Ocean City (WOC), following a vehicle accident that occurred on May 24, 2019. Mr. Shannahan advised that a tree located on the property at 12806 Old Bridge Road that exceeded the 42-inch maximum height limitation had impaired visibility at the intersection; however, staff contacted the owner who immediately thereafter had the tree removed. Mr. Shannahan also reviewed the results of a speed study conducted on Golf Course Road, which found that 85 percent of the drivers were traveling 39 miles per hour (mph) or less on this 30 mph road, with an average speed of 35 mph. He advised that staff recommends posting "Look Again" signs and replacing the two-way stop signs on Old Bridge Road with four-way stop signs at the intersection. Mr. Shannahan extended his thanks to Zoning Inspector Lisa Wilkens for her efforts to locate and contact the non-resident property owners at 12806 Old Bridge Road to resolve the visibility issue.

Following some discussion and upon a motion by Commissioner Church, the Commissioners unanimously agreed to initially post "Look Again" signs and post four-way stop signs at this intersection as soon as possible.

The Commissioners reviewed and discussed various board appointments.

Upon a nomination by Commissioner Mitrecic, the Commissioners unanimously agreed to appoint Ashley Harrison to the Economic Development Advisory Board for the remainder of a four-year term expiring December 31, 2021 to replace Greg Shockley whose term expired.

Pursuant to the request of County Attorney Maureen Howarth and upon a motion by Commissioner Nordstrom, the Commissioners unanimously authorized Commission President Purnell to sign a renewal three-year contract with West Publishing Corporation, the County's legal research database, at a monthly cost of \$228, with a 3% escalator cost per year.

The Commissioners recessed until 10:40 a.m.

The Commissioners conducted a public hearing on the proposed FY19/20 Water and Wastewater Enterprise Fund operating budgets, assessments, user charges, and other charges for

each of the 11 Sanitary Service Areas (SSA) and sub-areas operated by the Worcester County Department of Public Works, Water & Wastewater (W&WW) Division, with individual rates set to cover the operating and maintenance costs for each SSA. Enterprise Fund Controller Jessica Wilson reviewed the proposed budgets for the County's various service areas, advising that user charges cover the operation and maintenance of these facilities, and while an attempt is made to keep the rate structures similar among the service areas, these rates are SSA specific. In addition to user fees, a debt service assessment is levied to repay bonds and loans for capital improvements to the water and sewer infrastructure that is financed by the County, and all assessments are based per equivalent dwelling unit (EDU), with debt service charges in the Mystic Harbour, Ocean Pines, Newark, Oyster Harbor, Riddle Farm, and Snug Harbour service areas or sub-areas. Ms. Wilson stated that there are no proposed rate increases in the Newark and West Ocean City (WOC) SSAs. She then reviewed the proposed rate increases in the other service areas.

Assateague Point would see an increase from \$85 to \$90 per park trailer, per quarter water and sewer flat charge, increase from \$135.50 to \$140.50 per EDU per quarter domestic sewer flat charge, and a new grinder pump flat surcharge of \$15 per lot; Briddletown would see an increase from \$61 to \$66 per EDU per quarter domestic water flat charge; increase from \$22 to \$27 per EDU per quarter swimming pool flat charge; increase from \$50 to \$60 per EDU per quarter irrigation system flat charge; and commercial water base rates ranging from \$49.50 to \$412.50 at present to \$53 to \$441.50 based on total EDUs; Edgewater Acres would increase the first three tiers water usage charges ranging from \$7.25 to \$9 at present to \$8 to \$10 per thousand gallons, and increase from \$93 to \$98 per EDU per quarter domestic water flat charge; The Landings would see an increase from \$230 to \$240 per EDU per quarter domestic water and sewer base fee, increase from \$32 to \$37 per EDU per quarter Lewis Road domestic water and sewer base fee, increase from \$220 to \$230 per EDU per quarter accessibility fee, and new commercial water and sewer base fees ranging from \$275 to \$2,300 based on total EDUs and usage charges ranging from \$4 to \$10 per thousand gallons; Lighthouse Sound would see an increase from \$210 to \$215 per EDU per quarter domestic sewer flat charge, and increase from \$85 to \$100 per EDU per quarter accessibility fee; Mystic Harbour would see an increase from \$168 to \$173 per EDU per quarter domestic water and sewer base fee, increase from \$168 to \$172 per EDU per quarter domestic sewer flat charge, and increase in commercial water and sewer base fees ranging from \$198 to \$1,650 at present to \$212 to \$1,766 based on total EDUs; Ocean Pines would increase from \$170 to \$175 per EDU per quarter domestic water and sewer base fee, increase from \$158 to \$161.75 per EDU per quarter domestic sewer flat charge, increase White Horse Park domestic water and sewer flat charge from \$134 to \$138 per lot per quarter, increase in commercial water and sewer base fees ranging from \$198 to \$1,650 at present to \$212 to \$1,766 based on total EDUs, and increase from \$13 to \$20 per EDU per quarter supplemental debt service; Riddle Farm would see an increase from \$180 to \$190 per EDU per quarter domestic water and sewer base fee, increase from \$140 to \$150 per EDU per quarter accessibility fee, increase in commercial water and sewer base fees ranging from \$198 to \$1,650 at present to \$212 to \$1,766 based on total EDUs; and new \$9 per EDU per quarter debt service; and River Run increase from \$53.13 to \$54.69 per EDU per quarter domestic water base fee. In closing, Ms. Wilson thanked members of the Ocean Pines, Mystic Harbour and West Ocean City Water and Sewer Advisory Councils for their assistance in developing balanced budgets.

Commissioner Purnell opened the floor to receive public comment.

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

Following some discussion and upon a motion by Commissioner Bunting, the Commissioners conceptually approved the proposed FY20 W&WW Enterprise Fund operating budgets, assessments, user charges, and other charges, and agreed to adopt the formal resolution at their next meeting on June 18, 2019.

The Commissioners conducted a public hearing on the Solid Waste Enterprise Fund FY20 Requested Operating Budget of \$2,918,316, representing a decrease of \$3,103,345 or (52%) due to the transfer of costs associated with operating the homeowner convenience centers (HOCC) and Recycling from the Solid Waste Enterprise Fund to the General Fund. Ms. Wilson stated that this budget maintains the current tipping fees of \$70 per ton for municipal waste and \$80 per ton for construction and demolition debris, HOCC permits to remain at \$100 for the first two vehicles and \$100 for the third and additional vehicles within each household, and an optional Pay-As-You-Throw cost of \$1 per bag for each 33-gallon bag disposed at any HOCC. The only proposed increase in fees is for car tires, and they are no longer budgeting for reserves to pay for the next landfill cell. Ms. Wilson thanked the Solid Waste Advisory Board members for their review during the budgeting process and for the input they bring from the community.

Commissioner Purnell opened the floor to receive public comments.

There being no public comments, Commissioner Purnell closed the public hearing.

Following some discussion and upon a motion by Commissioner Bertino, the Commissioners conceptually approve the proposed FY20 Solid Waste Enterprise Fund Operating Budget and agreed to adopt the formal resolution at their next meeting on June 18, 2019.

The Commissioners conducted a public hearing to receive comment on the proposed Liquor Control Enterprise Fund FY20 Operating Budget of \$915,000. This is the last remaining facet of the former Department of Liquor Control (DLC), as wholesale operations ceased in 2016, and all of the other Shore Spirits Retail Liquor Stores (RLS) were transferred to private ownership. The proposed budget allows for continued operations of the Pocomoke retail liquor store until ownership is transferred to Kalpesh Patel at the conclusion of the license appeal process.

Commissioner Purnell opened the floor to receive public comments.

There being no public comments, Commissioner Purnell closed the public hearing.

Upon a motion by Commissioner Nordstrom, the Commissioners conceptually approved the proposed Liquor Control Enterprise Fund Requested FY20 Operating Budget and agreed to adopt the formal resolution at their next meeting on June 18, 2019.

Pursuant to the recommendation of Public Information Officer Kim Moses in response to a request from Michael Franklin, President and Chief Executive Officer of Atlantic General Hospital (AGH), and upon a motion by Commissioner Bertino, the Commissioners unanimously authorized Commission President Purnell to sign a letter supporting the application of AGH to the Maryland Hospital Association under the 2019 Hospital Bond Project Review Program for a grant of \$2,122,911 to construct a freestanding ambulatory surgery center near Ocean Pines.

The Commissioners reviewed a memo from Mr. Shannahan regarding the County Income Tax rate increase from 1.75% to 2.25% effective January 1, 2020, as agreed by the

Commissioners at their May 21, 2019 work session. Upon a motion by Commissioner Bertino, the Commissioners unanimously agreed to adopt Resolution 19-17 upon amending said resolution to state that “additional revenues derived from the increase in the County income tax rate will be dedicated to fund Other Post-Employment Benefits (OPEB) to address requirements of Governmental Accounting Board Statement No. 43 and 45 for County and Board of Education employees.”

The Commissioners recessed for five minutes.

Upon their return to open session, the Commissioners signed Resolution No. 19-17 amending the County income tax rate as revised.

Chief Administrative Officer Harold Higgins reviewed the final proposed FY18 Operating Budget of \$201,285,552 for the coming fiscal year, which reflects an increase of \$11,254,833 or 5.9% more than the FY19 budget while reducing the requested expenditures of \$202.6 million by \$1.5 million. Mr. Higgins thanked the Commissioners, Budget Officer Kathy Whited, and Finance Officer Phil Thompson for their continued support throughout the budget process. The County budget includes funding to the Board of Education (BOE) in the amount of \$91,637,706, which is an increase of \$4,175,931 over the FY19 budget, plus debt service of \$11,763,756 for total County funding of \$103,401,462 or 51.3% of the County’s total estimated revenue. The overall County budget for County Government employees includes a 2% Cost of Living (COLA) and Step increment of 2.5% in July 2019, and longevity pay for those eligible. Significant increases in budgeted expenditures for FY20 include an additional \$4.5 million for Other Post-Employment Benefits (OPEB) to address the requirements of Governmental Accounting Board Statement No. 43 and 45 for County and Board of Education employees, \$3 million for the Board of Education (BOE) operating expenses and new debt service for the Showell Elementary School, \$1.6 million for waste collection (Homeowner Convenience Centers) and recycling operations, \$1.1 million more for public safety, including new P25 radio equipment and increased funding for volunteer fire and ambulance companies, and \$600,000 for parks projects, most of which will be reimbursed by State Program Open Space (POS) grant funds. The Emergency Services account for vehicle repairs was inadvertently deleted for \$13,500 to cover the cost to retrofit the special operations trailer and was added back to the budget. Room tax revenue for Unincorporated Areas has also been adjusted for an additional \$81,000 due to actual receipts and estimates for FY20. To fund the increased expenses, the real property tax rate will increase by \$0.01 to \$0.845 per \$100 of assessed value effective July 1, 2019, and the County’s local income tax rate will increase from 1.75% to 2.25% effective January 1, 2020.

Upon a motion by Commissioner Bunting, the Commissioners voted 6-1, with Commissioner Mitrecic voting in opposition, to adopt Resolution No. 19-18 adopting expense budgets and establishing tax rates for FY20, which reflects a real property tax rate of \$0.845 per \$100 of assessed value and a local income tax rate of 1.75% through December 31, 2019 and a local income tax rate of 2.25% effective January 1, 2020.

Commissioner Mitrecic stated that he is proud of what staff did with this budget overall, but he voted against the budget for the last four years and will do so again this year due to the unresolved issue involving the tax differential for Ocean City. He thanked his fellow Commissioners for approving increases in the grant to Ocean City for tourism and new pagers,

but expressed concern that he may have been short-sighted when he went along with cuts to departmental requests for certain items and needed positions. He recognized that department heads simply asked for what they needed, and he apologized for not recognizing that and, therefore, putting them behind the eightball again next year by kicking the can down the road.

The Commissioners also voted separately on the requested FY20 BOE operating budget. Upon a motion by Commissioner Bunting, the Commissioners unanimously approved the FY20 BOE budget, which includes a payroll increase of \$2,353,403, which includes a step, longevity step for those eligible, and salary scale adjustments as negotiated with a 2% Cost of Living Adjustment (COLA) for teachers and support staff, a starting teacher pay increase of 2% from \$44,700 to \$45,594, and 2% increase to Bus Contractors' hourly rates and mileage rate.

Commissioner Bertino thanked everyone involved in the budget process and stated that, in light of the recent tragic shooting at the Virginia Beach government building where 12 government employees were killed, he requested that staff evaluate Worcester County Government facilities for safety. He further requested that staff investigate the feasibility of adding an emergency exit on the right side of the Commissioners' meeting room table. The Commissioners concurred.

The Commissioners answered questions from the press, after which they adjourned to meet again on June 18, 2019.