

## Minutes of the County Commissioners of Worcester County, Maryland

June 7, 2016

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

Following a motion by Commissioner Mitrecic, seconded by Commissioner Bertino, 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 3-305(b)(1) and (7) of the General Provisions Article of the Annotated Code of Maryland and to perform administrative functions. Also present at the closed session were Harold L. Higgins, Chief Administrative Officer; Kelly Shannahan, Assistant Chief Administrative Officer; Maureen Howarth, County Attorney; Kim Moses, Public Information Officer; and Stacey Norton, Human Resources Director. Topics discussed and actions taken included: hiring Karen Hammer as a Scale Operator within the Solid Waste Division of Public Works; promoting Bryce Gordy from Transfer Station Attendant to Recycle Worker II and transferring Kellie Voisine from Office Assistant III within the Roads Division to Recycle Worker I within the Solid Waste Division of Public Works; transferring Bryan White from Maintenance Worker II within the Water and Wastewater Division to Roads Worker I and hiring Samuel Magee and Robert Riley as Roads Worker I's within the Roads Division of Public Works; promoting Laura Puckett from Office Assistant III within the Water and Wastewater Division of Public Works to Office Assistant VI for the Jail; promoting Michael O'Flynn from Immigration Records Detainee Specialist to Correctional Officer Trainee at the County Jail; posting to fill vacancies for a Transfer Station Attendant for Solid Waste, Maintenance Worker I and Office Assistant III for Water and Wastewater, Immigration Records Detainee Specialist for the Jail, and Communications Clerk Trainees for Emergency Services; postponing discussions until June 21, 2016 with regard to posting to fill the new position of Electronic Services Installer in Emergency Services; receiving legal advice from counsel; and performing administrative functions.

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

The Commissioners reviewed and approved the minutes of their May 10, 2016 open and closed budget work session and their May 17, 2016 open and closed session meeting as presented and their May 17, 2016 open budget work session meeting as amended.

The Commissioners conducted a public hearing to receive public comments on the

progress of a \$300,000 Community Development Block Grant (CDBG) used to fund the rehabilitation of 18 owner-occupied homes in Worcester County for residents with low to moderate household incomes. Housing Program Administrator Jo Ellen Bynum was also present at the hearing. Ms. Bynum advised that to date \$270,980.77 of the CDBG funding has been committed, and supplemental funding in the amount of \$137,416 has been obtained from other State programs. She further advised that seven projects have been completed, five are under construction, and two are pending final work write-ups. She concluded that the current CDBG grant term ends on July 31, 2016, and she intends to apply for an amendment to the existing grant to request a time extension of one year.

Commissioner Bunting opened the floor to receive public comment.

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

The Commissioners unanimously accepted the progress report.

Pursuant to the request of Budget Accountant Kim Watts and upon a motion by Commissioner Church, the Commissioners unanimously authorized Commission President Bunting to sign the Emergency Solutions Grant Program (ESGP) Application with the Maryland Department of Housing and Community Development (DHCD) to provide funding for the Samaritan Shelter in the amount of \$40,000 and Diakonia in the amount of \$105,000 to prevent homelessness and provide shelters for homeless with funds for general maintenance and operating costs, transition to permanent housing, wages, and benefits for case management staff, homeless prevention, rapid rehousing, and administrative costs for Federal FY16 and State FY17.

Pursuant to the request of Atlantic General Hospital (AGH) Foundation Chairman Todd Ferrante and upon a motion by Commissioner Church, the Commissioners unanimously authorized Commission President Bunting to sign a letter supporting AGH's application to the Maryland Hospital Association for a 2016 Hospital Bond Project Review Program Grant of \$4.7 million to construct a new Regional Cancer Care Center.

Pursuant to the request of Environmental Programs Director Bob Mitchell and upon a motion by Commissioner Mitrecic, the Commissioners unanimously adopted Resolution No. 16-12, establishing fees for applications processed by the Department of Development Review & Permitting and the Environmental Programs Department to revise fees and add fees for various review services provided by County staff.

Pursuant to the request of Mr. Mitchell and upon a motion by Commissioner Lockfaw, the Commissioners unanimously adopted Resolution No. 16-13 updating the Stormwater Management Plan Review Fee Schedule.

Pursuant to the recommendation of Mr. Mitchell and upon a motion by Commissioner Elder, the Commissioners voted unanimously to renew the Independent Contractor's Agreement between 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 through June 30, 2017, with the contractor to receive 95% of the SWM fees charged by the County in accordance with the fee schedule.

Pursuant to the request of Mr. Tudor and upon a motion by Commissioner Mitrecic, the Commissioners unanimously agreed to schedule a public hearing on Rezoning Case No. 403 for July 19, 2016. This application was submitted by Attorney Mark S. Cropper, on behalf of Nichols-Neff Properties, LLC, and seeks to rezone approximately 95.08 acres of land located on the northwesterly side of Beauchamp Road to the northeast of the junction with MD Rt. 589 in the Third Tax District of Worcester County, Maryland from E-1 Estate District to R-1 Rural Residential District. Mr. Tudor advised that the application received a favorable recommendation from the Planning Commission.

The Commissioners met with Economic Development Director Merry Mears and Peter Bale, President of Wallops Island Regional Alliance (WIRA), who requested their support for Wallops Island, Virginia to be selected as the Forward Operating Base on the East Coast for the MQ-4C Triton Unmanned Aircraft System (UAS). Also in attendance were Senator Jim Mathias and Delegate Mary Beth Carozza. Mr. Bale stated that the Maryland and Virginia Governors had both endorsed their proposal, and he anticipated the same from the Delaware Governor. He then presented a brief Northrop Grumman video "The Making of Triton."

Senator Mathias stated that the Eastern Shore Delegation fully supports the selection of Wallops Island as the location for the Triton UAS, noting that it would bring 400 high wage jobs to the Lower Eastern Shore, and many of the employees who fill them would choose to reside in Worcester County. Delegate Carozza concurred, noting that the united support of Delaware, Maryland and Virginia, to include the counties therein, would be vital to this endeavor, as the competition vying for this contract is fierce. Commissioner Mitrecic stated that this project would be a huge windfall for the Eastern Shore. Commissioners Lockfaw and Elder agreed and added their support.

Upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Bunting to sign a letter of unwavering support for the aerospace industry at Wallops Island, Virginia to be selected for the Triton UAS project as proposed.

Pursuant to the request of Ms. Mears and upon a motion by Commissioner Elder, the Commissioners unanimously approved the use of funds of \$6,500 within the FY17 Economic Development advertising budget to contract with DB Film Production of Berlin to develop a short video that will highlight the County's network of support to the business community to help entrepreneurs become more aware of the services available through Worcester County Economic Development and area partners to assist them as they develop new businesses or expand existing businesses in Worcester County. Ms. Mears stated that the video would debut at the Economic Development Forum at the Performing Arts Center in the Roland E. Powell Convention Center in Ocean City this December. In response to concerns raised by Commissioner Mitrecic, Daniel Bowen of DB Film Production agreed to reduce or eliminate the 50% non-refundable deposit.

Pursuant to the recommendation of Tourism Director Lisa Challenger and the request of Phil Houck of the Offshore Powerboat Association, and upon a motion by Commissioner Lockfaw, the Commissioners unanimously approved the use of 2/3 of the West Ocean City Commercial Harbor parking lot from October 7-9, 2016 for the World Championship Offshore

Powerboat Association Race at Ocean City, with Mr. Houck to provide insurance, security and traffic control as needed. Ms. Challenger stated that this event will coincide with the Endless Summer Cruisin Car Show weekend, which should make for a busy weekend, but should pose no conflicts with the commercial harbor space or in general.

The Commissioners conducted a public hearing on the proposed FY16/17 Water and Wastewater Enterprise Fund operating budgets, assessments, user charges and other charges for each of the 11 sanitary service areas and sub-areas operated by the Worcester County Department of Public Works, Water & Wastewater (W&WW) Division. Enterprise Fund Controller Jessica Ramsay reviewed the proposed budgets for the County's various service areas, which total \$10,558,447. She stated that the Water and Wastewater Division serves approximately 14,250 customers who reside in 11 different service areas, with the County operating eight wastewater treatment plants (WWTP), 54 wastewater pumping stations, and 18 water supply wells, which pumped over 615 million gallons of water during 2015. She stated that user charges cover the operation and maintenance of these facilities. She advised that, in addition user charges are also used to pay for the administrative and technical support functions provide by the Treasurer's Office and the Department of Public Works, respectively. She advised that in addition to the usage charge, an equivalent dwelling unit (EDU) charge is collected to pay debt service in six of the County service areas or sub-areas, including Newark, Sunset Village, Mystic Harbour, Ocean Pines, Oyster Harbor and Snug Harbor. She stated that there is no proposed increase to the rates in the following areas: Assateague Pointe; The Landings; Lighthouse Sound; Newark; Riddle Farm, River Run, and West Ocean City. She also reviewed the proposed rate increases in the other service areas. Bridgetown would see a new commercial base rate ranging from \$39.50 to \$132 based on EDUs, and a new commercial water usage charge of \$9.19 per thousand gallons; Edgewater Acres would see an increase from \$135 to \$140 per EDU per quarter domestic water and sewer base fee, an increase for the first two tiers usage charges ranging from \$7.25 to \$8.34 per thousand gallons, an increase from \$72 to \$83 per EDU per quarter domestic water flat rate, an increase from \$125 to \$130 per EDU per quarter domestic sewer flat rate, and a decrease from \$0.085 to \$0.02 per linear foot for front foot assessment; Mystic Harbour would see an increase in the Sunset Village sub-area from \$35 to \$40 per EDU per quarter domestic water flat rate, and a decrease of \$60 per EDU per quarter in South Point Village due to upcoming planned debt retirement; and Ocean Pines would see an increase in the White Horse Park domestic water and sewer flat rate from \$105 to \$110 per lot per quarter. In addition to user fees, assessments will be levied in the Newark, Ocean Pines, Sunset Village, Snug Harbor, Oyster Harbor, and Mystic Harbour service areas or sub-areas to make debt payments, with all assessments to be made on an EDU basis. In closing, she thanked members of the Ocean Pines, Mystic Harbour and West Ocean City Water and Sewer Advisory Committees for their assistance in developing balanced budgets.

Commissioner Bunting opened the floor to receive public comment.

Grant Helvey of Ocean Pines advised that the fences around water and wastewater pump stations in Ocean Pines are in disrepair and need to be replaced. He provided the Commissioners with photos of specific properties, many of which he stated could be detrimental to adjacent property values. He also pointed out that a few fences have been replaced with wood fencing, but that this material quickly becomes discolored and degrades. He then presented a petition signed

by 91 Ocean Pines residents requesting the fences be replaced with vinyl fencing, which is far more durable than other types of fencing.

There being no further public comment, Commissioner Bunting closed the public hearing.

Public Works Deputy Director John Ross acknowledged Mr. Helvey's assessment of the fencing and stated that the Water and Wastewater Division replaced four fences last year with wooden fencing, which is more functional for County use, as W&WW employees can dismantle and repair sections as needed to maintain the fences, which buffer the pump stations from public view. He stated that the County would have to hire an independent contractor to repair vinyl fencing. He stated that replacement of the fencing is typically included in bid specifications to repair pump stations in Ocean Pines. Mr. Ross advised that the W&WW Division maintains roughly 5,000 feet of fencing, with replacement costs estimated at roughly \$250,000, and replacement of the fencing is spread out over time to keep service area costs down. In response to a question by Commissioner Bertino, Mr. Ross stated that it costs \$45 to \$65 per foot for wood fencing and an additional \$5 to \$10 per foot for vinyl fencing. Commissioner Mitreic agreed that it would cost 20% to 30% more to replace the fencing with vinyl, which is a more durable material.

Following some discussion, the Commissioners directed staff to solicit alternate pricing for vinyl fencing for future fence replacement work for their consideration in awarding future bids.

Upon a motion by Commissioner Purnell, the Commissioners conceptually approved the proposed FY16/17 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 21, 2016.

The Commissioners conducted a public hearing to receive comments on the proposed FY16/17 Solid Waste Enterprise Fund Operating Budget of \$5,602,710. Ms. Ramsay reviewed operational issues, stating that the Solid Waste Division consists of a Central Landfill and recycling drop-off in Newark and three Homeowner Convenience Centers (HOCCs) located in Berlin, Pocomoke and Snow Hill and five unmanned recycling centers throughout the County that are open 24 hours a day. She reviewed the proposed budget, which maintains the current solid waste tipping fee of \$70 per ton for municipal waste and \$80 per ton for construction and demolition debris. Homeowner Convenience Center permits remain at \$100 for the first two vehicles and \$100 for each additional vehicle within each household. She explained that homeowners also have the option to use the "Pay-As-You-Throw" system at a cost of \$1 per bag for each 33-gallon bag disposed at any HOCC. She explained that major differences this year include transfer of revenue from the General Fund to subsidize the cost of recycling for \$663,294 and HOCCs for \$504,505. She also reviewed proposed fee increases for dirt, grit, and yard waste from \$70 to \$80 per ton, asbestos from \$80 to \$150 per ton, house trailers from \$600 to \$1,000, and tires deposited on the landfill at a cost of \$20 each. Disposal of "clean" concrete would now be free, and a new permit fee of \$15 per vehicle would be assessed for hauling local government waste. In closing, Ms. Ramsay thanked members of the Solid Waste Advisory Committee for their help in developing the proposed budget.

Commissioner Lockfaw expressed concern regarding the committee's recommendation to close the HOCC in Snow Hill and to add a \$30 Environmental Surcharge to the County tax bill

effective FY18 to offset the current deficit in the Recycling Division, noting that this is a tax many residents could not afford to shoulder. Commissioner Elder concurred, stating that under no circumstances would he support the proposal to close the HOCC in Snow Hill. Chief Administrative Officer Harold Higgins advised that the proposed FY17 budget does not include either recommendation, and these recommendations were proposed by the Advisory Committee before it was decided that the General Fund would subsidize the costs of recycling and HOCC operations.

Commissioner Bunting opened the floor to receive public comment.

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

Upon a motion by Commissioner Bertino, the Commissioners conceptually approved the proposed FY16/17 Solid Waste Enterprise Fund Budget and Fees and agreed to adopt the formal resolution at their next meeting on June 21, 2016.

The Commissioners conducted a public hearing to receive comments on the proposed Worcester County Liquor Control Enterprise Fund FY2016/2017 Requested Operating Budget. Ms. Ramsay reviewed the proposed Department of Liquor Control (DLC) FY17 Budget, developed in accordance with the Exit Strategy adopted by the Commissioners and includes projected expenditures totaling \$5,595,000, with an anticipated net loss of \$379,422. She stated that the DLC currently serves approximately 200 licensees out of the central warehouse in Snow Hill as well as two satellite wholesale locations, with deliveries going out twice a week. She advised that the DLC operates four retail liquor stores in Pocomoke, near Berlin in northern Worcester and two in Ocean City at 16<sup>th</sup> Street and the Gold Coast Mall. She noted that wholesale operations are set to end by September 30, 2016, with retail operations to cease on June 30, 2017.

Commissioner Bunting opened the floor for public comment.

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

Upon a motion by Commissioner Bertino, the Commissioners agreed to adopt the FY17 Liquor Control Enterprise Fund Budget by formal resolution at their next meeting on June 21, 2016.

The Commissioners recessed until 12:03 p.m.

The Commissioners received an update from Health Officer Debbie Goeller regarding Worcester County preparedness planning for the Zika Virus. Ms. Goeller presented a PowerPoint presentation outlining what the virus is and how it is transmitted, areas of active transmission, State and local preparedness efforts, and bite prevention and mosquito control. She advised that there have been eight pregnant women in Maryland who have traveled to active areas of transmission who have been tested for the virus, with the results of those tests to remain confidential, and there have been no known cases of Zika in Worcester County. Ms. Goeller stated that the public should take the following steps to reduce mosquito breeding sites: tip or remove all water holding containers, even those as small as a soda cap; use mosquito dunks or torpedoes; talk to neighbors about breeding areas; and work with community officials for education about cleanup. She requested the Commissioners be aware of statutes and authority for enforcement; be aware and prepared for the possibility that spraying costs may increase with

reported cases of Zika; support County departments in the training and partnering with the Health Department to prepare for the Zika virus; consider supporting community cleanup by reducing fees for tires and large objects that can hold water; and approving the submission of a column about Zika awareness in the Worcester County Times Commissioners' Corner.

In response to a question by Commissioner Church, Maintenance Superintendent Ken Whited advised that the number of requests to participate in the Mosquito Spray program are increasing. Ms. Goeller stated that several County departments have partnered with the Health Department to help get information about mosquito control and Zika preparedness out to the community. The Commissioners thanked Ms. Goeller for the update and the proactive steps the Health Department and County departments are taking to educate themselves and the public and to prevent an outbreak of Zika locally.

Chief Administrative Officer Harold Higgins reviewed the final proposed FY2017 Operating Budget of \$188,872,655 for the coming fiscal year, which reflects an increase of \$6,422,546 or 3.5% more than the FY16 budget, while reducing the requested expenditures of \$193.9 million by \$5 million. He stated that the approved FY17 budget maintains tax rates at their current levels of 83.5¢ per \$100 of assessed value for Real Property Taxes and 1.75% for the County's local Income Tax Rate, and due to increasing assessments, Real Property Tax Revenue is projected to increase by \$2,625,098 in FY17. After accounting for all approved expenditures, there is a surplus of \$90,261 that is to be transferred to the Benefit & Insurance Contingency Fund for a balanced FY17 budget. He stated that this fiscally conservative budget maintains funding for valuable public services, such as public safety, education, infrastructure and existing social service programs. He noted that the County will again use Local Impact Grant (LIG) funds from the Casino at Ocean Downs to fund the annual Worcester Technical High School debt service payment of \$2,488,812, and included for the first time is a Transfer-In through budget stabilization of \$1,167,799 from the General Fund to the Solid Waste Enterprise Fund to help cover operating costs for the Recycling Center and Homeowner Convenience Centers. He advised that the County budget includes funding to the Board of Education (BOE) in the amount of \$81,650,139, which is an increase of \$2.5 million over the current year's adopted budget, plus debt service of \$10,765,450 for total County funding of \$92,415,589 or 49% of the County's total estimated revenue. He stated that the BOE budget includes a 2.2% increase in starting teacher salaries from \$42,433 to \$43,384, along with payroll increases of 2.3% to provide a step, longevity step for those eligible, and a 1% increase for those beyond steps, as well as a 1% increase to Bus Contractors' hourly rates and mileage rate, and an additional \$56,064 for contractors purchasing seven new buses. Mr. Higgins further stated that the overall County budget for County Government employees also includes a step increment of 2.5% in July 2016 and a mid-year step increment of 2.5% in January 2017 for eligible County employees and a longevity bonus for eligible employees with at least 20 years of County service. He pointed out that since July 1, 2008, County employees have only received one step increment over the past seven fiscal years due to the economic downturn. Thus, providing a mid-year step increment will benefit seasoned employees in recognition of their years of experience with the County.

A motion by Commissioner Mitrecic to transfer \$45,130 of the surplus benefit contingency funds to purchase and install video equipment to record the Commissioners' open session meetings failed for lack of a second. Commissioner Mitrecic stated that the FY17 County

Operating Budget is a great budget, but as much as he wished he could vote for it he could not because it does not address the funding disparity that exists between the County and Ocean City, as evidenced by the recent tax differential study.

Upon a motion by Commissioner Church, the Commissioners voted 6-1, with Commissioner Mitrecic voting in opposition, to adopt Resolution No. 16-14 adopting the General Fund Expense Budget in the amount of \$188,872,655 and establishing tax rates for FY17, which reflects a real property tax rate of \$.835 per \$100 of assessed value and a local income tax rate of 1.75%, both of which remain unchanged for FY17.

Pursuant to the request of Public Works Deputy Director John Ross and upon a motion by Commissioner Lockfaw, the Commissioners approved bid specifications for the purchase of two dump trucks with 10-foot dump bodies and attachments/accessories to be utilized within the Roads Division of Public Works. Mr. Ross advised that funding of \$247,664 was tentatively approved by the Commissioners during their budget work session on May 17, 2016 by utilizing anticipated excess funds in the FY16 budget.

Pursuant to the request of Mr. Ross and upon a motion by Commissioner Lockfaw, the Commissioners unanimously approved bid specifications for upgrades to Ocean Pines Pump Station F. Mr. Ross advised that funding for the project is included in the 2014 Bond Issue.

The Commissioners met with Mr. Ross to review and discuss documents pertaining to the turnover of an effluent holding tank from Castaways Campground to the Mystic Harbour Wastewater Treatment Plant (WWTP) at a cost of \$300,000 for use in the spray irrigation system at the Eagle's Landing Golf Course, as part of the agreement to connect the campground to the WWTP. Mr. Ross stated that the holding tank is in excellent condition, and advised that funds for this purchase were included in the financing package approved by the United States Department of Agriculture (USDA) Rural Utilities for the Mystic Harbour Effluent Disposal Program, with interim financing in the form of a low interest loan from the County's General Fund. Upon a motion by Commissioner Purnell, the Commissioners unanimously authorized Commission President Bunting to sign the Bill of Sale for the purchase of the effluent holding tank from Castaways at a cost of \$300,000, a Utility Easement Agreement between Sun TRS Castaways, LLC and the County Commissioners, and the Release of Liens from the lender.

Pursuant to the recommendation of Mr. Ross and upon a motion by Commissioner Bertino, the Commissioners unanimously authorized Commission President Bunting to sign a Small Project Agreement to connect an existing County-owned waterline within the right-of-way (ROW) on Cathell Road and extend a separate dedicated fire protection waterline to the Pines Plaza Shopping Center at no cost to the County.

Pursuant to the request of Enterprise Fund Controller Jessica Ramsay and upon a motion by Commissioner Church, the Commissioners unanimously authorized Commission President Bunting to sign the Promissory Note for Inter-Governmental Loans for construction of the Riddle Farm Public Water Expansion Project, with the Riddle Farm Sanitary Service Area (SSA) to repay the County's General Fund the total project cost of \$620,000 at the initial interest rate of

0.41% per annum. Ms. Ramsay stated that the project will provide a total of 267 equivalent dwelling units (EDUs) of water service to commercial customers in that area. She noted that the loan will be repaid by customers as they connect through an adopted charge of \$2,400 per EDU for construction costs and \$6,323 per EDU for equity contribution for a total payment of \$8,723 per EDU for public water service. She concluded that under those conditions the loan will be repaid when 72 EDUs have been purchased, after which the additional sales will cover the equity contribution.

The Commissioners answered questions from the press, after which they adjourned to meet again on June 21, 2016.