

Minutes of the County Commissioners of Worcester County, Maryland

March 20, 2018

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

Following a motion by Commissioner Mitrecic, seconded by Commissioner Bunting, 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; Stacey Norton, Human Resources Director; and Ed Tudor, Director of Development Review & Permitting. Topics discussed and actions taken included: hiring Brian Skarzinski as a Building Maintenance Mechanic III for the Maintenance Division, promoting Travis Timmons from Vehicle and Equipment Mechanic II to Inventory/Shop Foreman for the Roads Division, and posting to fill vacancies for a Roads Worker II for the Roads Division, a Plant Operator III and a Vehicle & Equipment Mechanic II for the Water and Wastewater Division of Public Works, and a Communication Clerk Trainee for Emergency Services; reclassifying one Assistant Branch Manager position to Youth Services Specialist for the Ocean City Branch; acknowledging the hiring of Elizabeth Hall as a part-time Library Services Assistant I for the Ocean Pines Branch Library; receiving legal advice from counsel; and performing administrative functions.

After the closed session, the Commissioners reconvened in open session. Commissioner Purnell called the meeting to order and announced the topics discussed during the late morning closed session on March 6, 2018 and the morning closed session on March 20, 2018.

The Commissioners reviewed and approved the open and closed session minutes of their March 6, 2018 meeting as presented.

The Commissioners received objections and other public comments on the proposed disposal of surplus County vehicles and equipment no longer used by the County, by auctioning these items on GovDeals.com. There being no objections, the list of personal property, including vehicles, furniture, and equipment will be sold online at www.govdeals.com as County surplus property.

Pursuant to the recommendation of Housing Program Administrator Jo Ellen Bynum and

upon a motion by Commissioner Elder, the Commissioners unanimously agreed to extend the bid deadline for housing rehabilitation projects in the Berlin and Whaleyville area from March 13, 2018 to April 9, 2018. Ms. Bynum explained that no bids were received by the original deadline, but subsequent to the bid deadline contractors expressed interest in bidding if an extension was offered.

Pursuant to the request of Health Officer Becky Jones and upon a motion by Commissioner Bertino, the Commissioners unanimously agreed to waive the standard bid process and accept the proposal in the amount of \$27,372.41 from Absolute Security, the County's alarm monitoring vendor, for security system updates for Health Department facilities located in Berlin, Pocomoke, and Snow Hill.

Pursuant to the request of Warden Donna Bounds and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Purnell to sign the Ninth Amendment to the Contract for Medical Services for Inmates between Correct Care Solutions (formerly Conmed) and the County Commissioners of Worcester County, Maryland for an additional five years from July 1, 2018 through June 30, 2023. Warden Bounds explained that the Correct Care Solutions has been providing medical services to inmates housed at the Jail since 2012, with annual increases tied to the Consumer Price Index (CPI) for Medical Care Services. Under the revised contract, the base compensation for the first year would increase by 2.6% from the prior year, with annual increases of 2.9% thereafter, rather than the CPI for Medical Care Services which has recently been as high as 3.9%. In response to a question by Commissioner Bertino, Warden Bounds reviewed past cost increases and advised that the five-year, fixed-rate increases in the new contract are projected to provide a savings to the County.

The Commissioners met with Emergency Services Director Fred Webster and Kyle Overly, of the Maryland Emergency Management Agency (MEMA), to review the three-tiered Worcester County, Maryland draft hurricane evacuation zones map proposed for the County's participation in the Know Your Zone program, a Federal Emergency Management Agency (FEMA) approved public campaign designed to educate and inform residents and visitors in coastal areas which zone they are located within and what routes to travel if they must evacuate in the event of a hurricane or other disaster. Mr. Webster advised that the concept plan, which is designed to enhance current evacuation plans, boost public safety, and improve travel efficiency during evacuations, was developed by Atkins North America (Atkins), the consulting firm working with 17 Maryland jurisdictions that are vulnerable to hurricanes and storm surge to develop evacuation zone maps. He advised that the maps were developed by Atkins based on the latest data on sea, lake, and over land surges from hurricanes (SLOSH) and flood data and then modified based on recommendations from local stakeholders, which include the Maryland State Police (MSP), the Town of Ocean City, Worcester County Sheriff's Office, and various Worcester County departments.

Mr. Overly stated that Atkins is working closely with the U.S. Army Corps of Engineers, FEMA, and local partners to develop three uniform zones (A, B, and C zones) that are simple and easily-describable to the public, noting that from a public messaging standpoint the public would be directed to a website, where individuals can type in an address to identify which zone it is located in and get information on emergency evacuations. He stated that the State of Virginia

adopted a similar zone program last year, with Delaware to follow next year. He recommended the Commissioners adopt a zone scheme similar to the other Maryland jurisdictions.

In response to a question by Commissioner Bertino, Mr. Webster advised that Ocean Pines in its entirety is included in Zone A, and County evacuations could take up to 18 hours to complete, depending upon the time of year and population within Ocean City when evacuation orders are issued. He stated that the Town of Ocean City has already implemented Know Your Zone, with great success, and if the Commissioners conceptually approve the plan before them today, the next step will be to formally adopt the plan by resolution at a future meeting. Assistant Chief Administrative Officer Kelly Shannahan advised that the Town of Ocean City has done a wonderful job educating residents and visitors to Know Your Zone, and the County will take a similar approach to public outreach once the Commissioners adopt the final plan at a future date.

Upon a motion by Commissioner Bertino, the Commissioners conceptually approved the Worcester County, Maryland draft Hurricane Evacuation Zones Map as presented.

Pursuant to the request of County Engineer Bill Bradshaw and upon a motion by Commissioner Church, the Commissioners unanimously approved Change Notification 2, with Whiting-Turner, for the Berlin Branch Library construction project for the addition of a fence by Seagull Fence at an additional cost of \$35,952 to be installed on the south side of the property, per the Town of Berlin's requirements regarding location, durability, and color. Mr. Bradshaw advised that Seagull Fence was the lowest of the three proposals submitted to Whiting-Turner for this project, and funds are available within the project contingency fund to cover this cost. He concluded that the new project cost is \$6,302,657, which is \$52,657 more than the original contract cost. In response to a question by Commissioner Elder, Mr. Bradshaw advised that some of the natural landscape buffering has been eliminated to accommodate fencing between the new Berlin Branch Library and the Brittany Lane subdivision.

The Commissioners met with Ocean City Mayor Rick Meehan and Communications Manager Jessica Waters to discuss their FY19 grant requests from the County. Mayor Meehan thanked the Commissioners for supporting Senate Bill 1058/House Bill 1135 Renewable Energy - Offshore Wind Projects - Distance Requirements, and SB 872/HB 1406 Vehicle Laws - Special Event Zones - Worcester County. He also thanked them for the opportunity today to discuss the town's annual grant request, which includes a 5% increase or \$121,598 increase in the unrestricted grant, which has only been increased by \$22,000 over the past five years, to provide relief for Ocean City taxpayers for services provided by Worcester County in the town. He reviewed other grant requests as well, including a \$100,000 increase in Tourism Marketing for a total of \$400,000, Recreation for \$100,000, the Convention Bureau for \$50,000, and the Park and Ride for \$80,000. He thanked the Commissioners for providing funding of \$172,000 in FY18 to cover half the cost for handheld radios for volunteer firefighters, and he asked for a grant of \$600,000 over the next two years to fund half of a \$1.2 million project brought forward by Ocean City Engineer Terry McGean to secure the boardwalk from unauthorized vehicular access. In total, the Town of Ocean City requests \$22,414,438 in funding from the County in FY19.

Mayor Meehan outlined plans for the two-phase special project, which is necessitated by recent vehicle attacks carried out nationally and internationally that resulted in multiple civilian injuries and fatalities. He stated that the project to secure the boardwalk, the town's most

prominent gathering place, will include installing temporary barriers to the boardwalk's current open vehicles access points prior to Memorial Day in time for the 2018 summer season, with permanent barriers and gates to be in place for the 2019 season. He stated that, while it is impossible to prepare for every act of violence, the town is striving to be better prepared to head off or respond to the unexpected. He then discussed the purpose for requesting an increase in the annual tourism grant to help increase the town's outreach by directing visitors to ococean.com, where they can learn about shops, restaurants, and recreational opportunities in Ocean City and the surrounding towns and reserve hotel rooms in either Ocean City or West Ocean City (WOC), where room tax receipts have increased substantially for the County. He stated that millions visit this website every year, and town officials recognize that the site is responsible for driving visitors to Ocean City, as well as Assateague Island, Berlin, Snow Hill, and Pocomoke. He also asked the Commissioners to drop the requirement to include the County tourism website on any outreach materials funded with the County tourism marketing grant. He stated that this requirements essentially restricts the use of these funds to print materials, which isn't where their market is shopping for vacation experiences. Furthermore, including two websites in advertisements confuses viewers, potentially driving them away from the town's website, which is an economic generator where visitors book hotel rooms and make other travel arrangements.

The Commissioners met with Human Resources Director Stacey Norton to review the medical and prescription plan design recommendations for FY19 from the Health Benefits Review Committee in conjunction with PSA Financials, the County's benefits consultants. Ms. Norton stated that dental benefit rates, which are paid 100% by the employees enrolled in this program, will increase by only 5%, thanks to PSA staff who negotiated a 13% administrative rate reduction for a total annual savings of \$16,949. She advised that there will be no change to the voluntary vision plan, which is currently in year three of a four-year rate guarantee, or Life and Long Term Disability, which is currently in year one of a three-year rate guarantee. Ms. Norton further advised that Carefirst is projecting a 7.1% increase in medical/prescription costs for FY19 based upon claims submitted through the second quarter of FY18, noting that PSA negotiated an administrative fee renewal decrease of 3.7%, for an annual savings of \$61,488, and noting that the stop-loss renewal reflects a 5% increase, as four members exceeded the \$250,000 threshold, and \$539,000 was removed from the renewal calculation. She noted that the Committee recommends continuing to focus on and promote the County's wellness program and encourage covered members (employees/retirees/dependents) to lead healthier lifestyles. In order to further control costs, the Health Benefits Committee recommends adopting FY19 Proposed Plan Design Option 3. For medical, proposed changes include implementing combined therapy limits of 60 visits, adding a \$20 x-ray copay, and changing the specialist copay from \$20 to \$30. For pharmacy, proposed changes include adding a narrow network (which eliminates Walgreens from the pharmacy network), a voluntary maintenance choice program, and a generic step therapy program. Ms. Norton stated that Carefirst recently changed the pharmacy copays from a three-tier structure to a five-tier structure for FY19, adding a preferred specialty and a non-preferred specialty drug copay. She stated that this program is non-negotiable and she reviewed the copay changes for prescription drugs from \$10/\$30/\$60 (generic/formulary/brand) to \$10/\$30/\$60/\$30/\$60 (generic/formulary/brand/preferred specialty/non-preferred specialty) for retail fills with one-month supply, from \$20/\$60/\$120 to \$20/\$60/\$120/\$60/\$120 for retail maintenance with three-month supply, and from \$10/\$30/\$60 to \$10/\$30/\$60/\$30/\$60 for mail

order CVS/Caremark maintenance with three-month supply, which provides the best value and maximum savings for both the member and for the County.

Commissioner Bertino expressed concern that Carefirst is excluding Walgreens and could potentially exclude additional pharmacies in the future. In response to this and other questions by Commissioner Bertino, Ms. Norton stated that Walgreens is the only pharmacy that Carefirst is eliminating for FY19, and this action will save the County approximately \$111,400. Carefirst has not advised her of any potential pharmacy changes for FY20. Furthermore, she explained that the generic step therapy program, which only applies to generic medications that consist of the same active ingredient in designer medications, could impact 174 County and Board of Education (BOE) benefits members. She clarified that the \$20 x-ray copay is per visit, not per x-ray. While not recommended by the Committee, she clarified that the \$200 copay for emergency room visits that are deemed non-emergencies would not result in an additional \$200 copay if that individual is admitted to the hospital on that same calendar day. She further advised that the total cost incurred by the County for medical benefits for active and retired Board of Education (BOE) and County employees in FY18 was \$35,399,914, and that cost will increase to \$37,232,798 for FY19 under Option 3.

Commissioner Lockfaw stated that the County benefits package is a key drawing card to attract and retain highly qualified employees, and noted that in recent years salary increases granted to employees have been swallowed up by increasing benefits costs for young employees with families. In response to a question by Commissioner Lockfaw, Ms. Norton stated that 583 County employees are enrolled in the family plan, and 48 are enrolled in the parent and child(ren) plan.

Following some discussion and upon a motion by Commissioner Bunting, the Commissioners unanimously approved the FY19 proposed medical and prescription plan program with the design changes as recommended under Option 3. Ms. Norton thanked the Commissioners for making this decision before the April 1, 2018 deadline as required by Carefirst for plan design changes to become effective July 1, 2018.

Pursuant to the recommendation of Ms. Norton and upon a motion by Commissioner Bertino, the Commissioners unanimously approved a proposed payroll deduction to cover the premium cost for full-time employees interested in obtaining additional life insurance from Guardian Life Insurance, over and above the standard coverage provided to all employees which provides a benefit of twice an employee's salary up to \$50,000. This new benefit will be provided at no cost to the County as all premiums are paid by the employees. Ms. Norton stated that the County currently provides payroll deduction for additional life insurance through Aflac, but that coverage is more expensive than Guardian, and the Guardian program is mobile, meaning staff members who leave County employment can retain their existing coverage by continuing to pay the premiums.

The Commissioners met in legislative session

The Commissioners conducted a public hearing on Bill 18-1 (Taxation and Revenue - Trailer Camp Licenses), which was introduced by Commissioners Bertino, Bunting, Church, Elder, Lockfaw, Mitrecic, and Purnell on February 20, 2018. Development Review and Permitting (DRP) Director Ed Tudor reviewed the bill, which repeals and reenacts TR Subtitle V - Trailer Camp License to modernize the language in Subtitle V of the Taxation and Revenue

Article concerning Trailer Camp Licenses, which has been in place for approximately 50 years, to enhance the provisions dealing with enforcement and penalties of trailer camp, mobile home park, and manufactured home park licensing, taxes and fees in Worcester County. He thanked County Attorney Maureen Howarth for her assistance drafting the bill.

Commissioner Purnell opened the floor to receive public comment.

Carol Clark, of Wicomico County, stated her concern with the new regulations, noting that since 2006 the excise tax was not collected on a certain property which she previously owned, and she alleged that no one from the County has contacted her about the matter since 2015. Ms. Howarth clarified that she has spoken to Ms. Clark and her brother-in-law numerous times since 2015 about this issue to discuss the situation with her; however, she cannot discuss the particulars of this ongoing case since it continues to be a confidential legal matter which has not yet been resolved.

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

Upon a motion by Commissioner Bunting, the Commissioners unanimously adopted Bill 18-1 (Taxation and Revenue - Trailer Camp Licenses) as presented.

The Commissioners met with Ms. Howarth to review a proposed text amendment drafted by staff at the request of Maryland Attorney General Brian E. Frosh to repeal and reenact the Worcester County Ethics Law to conform to amendments to the State Ethics Law passed by the 2017 Maryland General Assembly, as referenced in the General Provisions Article, Title 5 Maryland Public Ethics Law, of the Annotated Code of Maryland. Additionally, Ms. Howarth advised that Section 5-106 Financial disclosure of employees and appointed officials is proposed to be amended to require the reporting of gifts and disclosure of conflicts of interest by deputy directors and all non-classified employees holding supervisory positions. In response to a question by Commissioner Bertino, Ms. Howarth advised that the proposed revisions to Section 5-106 are less invasive than other jurisdictions, such as Wicomico County, where all staff are subject to the financial disclosure requirements.

Commissioners Bertino, Bunting, Church, Elder, Lockfaw, Mitrecic, and Purnell introduced the aforementioned text amendment as Bill 18-3 (County Government - County Ethics Law) and scheduled a public hearing on the bill for April 17, 2018.

Commissioner Purnell closed the legislative session.

In follow up to recent requests from the towns of Pocomoke City and Snow Hill as well as the Ocean Pines Association (OPA) for the Commissioners to allocate a portion of the increase in revenues from Local Impact Grant (LIG) funds that are generated by the addition of table games in December 2017 to the Ocean Downs Video Lottery Facility (Casino), Chief Administrative Officer Harold Higgins reviewed the State law, providing that 5.5% of video lottery terminal (VLT) proceeds shall be distributed as LIG funds to the local jurisdictions in immediate proximity of Ocean Downs - these include Worcester County (60%), Ocean City (20%), Berlin (10%), and Ocean Pines Association (10%). The State law further requires a plan for use of the LIG funds to address the impacts of the casino on each local jurisdiction. Mr. Higgins explained that the County's Multi-Year Plan for the Expenditure of Local Impact Grant Funds from the Ocean Downs Video Lottery Facility was adopted by Worcester County Resolution No. 11-12 and prioritizes LIG fund expenditures as follows: education and workforce development; public safety impacts; road and transportation system impacts; public facilities,

services, and improvements; and problem gambling and secondary impacts. Mr. Higgins advised that the County plan identifies debt service reduction for the new Worcester Technical High School (WTHS) as the top priority for use of the County portion of LIG funds, as the school will provide a large portion of the workforce development education and training.

Mr. Higgins stated that, while State law provides that the County benefits from a portion of table game revenues, it does not specifically require distribution of those local revenues to other jurisdictions within the County. Furthermore, the County's portion of LIG funds, including table games, totals slightly over \$2 million annually, while the debt service for Worcester Technical High School totals roughly \$2.5 million annually. Therefore, he recommended adhering to the existing multi-year plan adopted by the County Commissioners to continue to apply the County's share of LIG funds to pay the WTHS debt service and not to consider allocating these County revenues for other purposes until the debt fully matures in FY23.

Commissioner Lockfaw stated that Pocomoke City and Snow Hill residents supported the Ocean Downs Casino and introduction of gambling in Worcester County, but they were left out of the distribution schedule. He stated that the new revenue from table games is essentially found money, and he urged his fellow Commissioners to allocate a portion of this new money to Pocomoke and Snow Hill to be used to assist with upcoming infrastructure projects.

Commissioner Bunting stated that he would prefer to allocate table game revenues to public safety, specifically the volunteer fire companies. In response to a question by Commissioner Bunting, Mr. Higgins advised that table games did not begin operating at the casino until December 2017, so it is far too soon to determine what actual revenues will be generated by this addition, though projected revenues are anticipated to be minimal. He further affirmed that the County's multi-year plan, which specifies that LIG funds are to be allocated to fund the \$2.4 million annual debt service for WTHS through FY23, does not distinguish between VLT and table game revenues. Commissioner Bertino recommended waiting until the WTHS debt service is fully repaid to amend the multi-year plan or to consider other uses for these County funds.

Commissioner Elder expressed concern that allocating LIG funds to the County, the OPA and only two of the four municipalities only serves to divide the County, and he recommended reducing the County's existing allocation from 60% to 40%, and redistributing those funds as follows: 10% to Pocomoke City, and 10% to Snow Hill. Mr. Higgins reminded the Commissioners that the LIG funds are to be used to address casino impacts in immediate proximity to the casino which is why Snow Hill and Pocomoke City were not included in the original allocation schedule for LIG funds.

Commissioner Church urged his fellow Commissioners to postpone making any changes to the allocation of LIG funds to the County until they are able to study six to nine months worth of table game revenues and develop accurate projections for this new revenue stream. He further noted that the intent of the State was to provide Local Impact Grant funds to alleviate the impact of the casino in immediate proximity and did not include Pocomoke and Snow Hill because neither town is located within proximity to or impacted by the Ocean Downs Casino. However, he agreed that he may consider allocating a portion of the additional revenues from table games to Snow Hill and Pocomoke City once the extent of those additional revenues are known.

Commissioner Purnell stated that more time is needed to determine what revenues will be generated from table games and what impact table games may have on VLT revenues.

Following much discussion and upon a motion by Commissioner Lockfaw, the

Commissioners unanimously agreed to postpone further discussion at this time and directed staff to monitor the new table game revenues and report back to them after six months, so they may consider whether to allocate a portion of those additional revenues to the local municipalities to address the casino's impact in the towns.

The Commissioners reviewed and discussed various board appointments.

Upon a nomination by Commissioner Bertino, the Commissioners unanimously agreed to reappoint David Massey to the Local Development Council (LDC) for the Ocean Downs Casino for an additional four-year term expiring December 31, 2021.

Pursuant to the recommendation of Public Works Director John Tustin in response to the written request of Attorney James W. Almand, on behalf of the Board of Education, and upon a motion by Commissioner Lockfaw, the Commissioners voted 5-2, with Commissioners Bertino and Bunting voting in opposition, to approve the proposed quitclaim deed between the County Commissioners, the BOE (Grantors) and Fox Chapel Homeowners Association, Inc. (Grantees) to divide the 50-foot-wide paper road/right of way (ROW) recorded among the Land Records of Worcester County, Maryland in Plat Book RHO No. 123, folio 12, et seq., located on the north side of the Fox Chapel land and on the Ocean City Elementary School (OCES) land between Fox Chapel and the BOE. Mr. Tustin stated that there are no plans to develop a road on this paper street, which is not listed within the Inventory of Public Roads of Worcester County. Commissioner Bunting stated that he could not support the request, as the ROW description is too vague and the accompanying exhibit too incomplete for a surveyor to determine the proper boundary lines. He further recommended that the County require the applicant to provide a description of the boundary line in the quitclaim deed to offer greater clarification. In response to questions raised by Commissioner Bunting, Mr. Tustin confirmed that the paper road is not paved, and there is currently a wooded buffer between the two properties. County Attorney Maureen Howarth confirmed that the BOE has already signed the quitclaim deed and was seeking the County's approval, however she will seek clarification on the ROW description as suggested by Commissioner Bunting.

Pursuant to the recommendation of Mr. Tustin and upon a motion by Commissioner Bertino, the Commissioners unanimously accepted the proposed extension of the contract with EA. Engineering, Science, and Technology for groundwater sampling, analysis, and reporting for three closed landfills in Worcester County at a total two-year cost of \$73,751.40 through December 31, 2019, with the possibility of four additional two-year extensions thereafter in accordance with the original contract dated February 2, 2016. Mr. Tustin stated that this contract reflects a \$13,000 increase in analytical costs for lab work for which EA solicited proposals from 3 labs, and a \$10,000 increase from the prior contract to accommodate new State requirements for low-flow sampling, which reduces the turbidity in each sample, which then results in lower organic results requiring more samples for baseline analysis.

Pursuant to the recommendation of Mr. Tustin in response to the written request of Kevin Kuhn of Salisbury Scrap Metal, Inc. and upon a motion by Commissioner Bertino, the Commissioners unanimously accepted the proposed contract amendment for a new formula payment from Salisbury Scrap Metal to the County of 65% instead of the former 93% for the

collection and recycling of mixed metals in Worcester County. Mr. Tustin stated that the County has a good working relationship with this highly-dependable company, which manages the scrap metal program at all Homeowner Convenience Centers (HOCCs) and the Central Landfill, and he supported the request due to the fluctuation in the metal market. In response to a question by Commissioner Bertino, Enterprise Fund Controller Jessica Wilson advised that this program is budgeted to generate approximately \$45,000 in annual revenues.

The Commissioners met with Assistant Chief Administrative Officer and Sewer Committee representative Kelly Shannahan to review a request from Victor H. Birch for the allocation of two equivalent dwelling units (EDUs) of sanitary service from the Mystic Harbour Sanitary Service Area (SSA), with one EDU to serve his single-family home identified on Tax Map 26 as Parcel 367 and a second EDU to serve his produce stand, identified on Tax Map 33 as Parcel 308. Mr. Shannahan advised that the Commissioners approved a Utility Easement agreement with Mr. Birch on January 5, 2016, which enabled the County to complete the Mystic Harbour waterline extension project along MD Rt. 611 in exchange for providing two water EDUs at no cost to Mr. Birch for the uses proposed above. In addition, the request further supports the County's goal of removing septic systems and serving existing development by public sewer systems which are more environmentally-friendly.

Upon a motion by Commissioner Church, the Commissioners unanimously approved the request as presented and agreed to allocate two of the four EDU's for vacant/multi-lot properties available in Area 2 (south of the Ocean City Municipal Airport) for this purpose.

Mr. Shannahan advised that items 15 and 16 regarding requests for the allocation of Mystic Harbour Sewer EDUs to the Eugene Parker Trust Property, and L&B Ocean City LLC properties were pulled at the request of the applicants' Attorney Hugh Cropper, who could not be in attendance today, and rescheduled for April 3, 2018.

Pursuant to the recommendation of Development Review and Permitting Director Ed Tudor and upon a motion by Commissioner Mitrecic, the Commissioners unanimously agreed to schedule a public hearing on Rezoning Case No. 416 for April 17, 2018. This application was submitted by Attorney Hugh Cropper, IV, on behalf of MEJ Investments, LLC, and seeks to rezone approximately 0.372 acre of land located on the west side of Golf Course Road and on the south side of Townsend Road, and more specifically identified on Tax Map 27 as Parcels 309 and 485 - Lots 13, 14, and 15 in the Tenth Tax District of Worcester County, Maryland, from R-3 Multi-Family Residential District to C-2 General Commercial District. Mr. Tudor advised that the application received a favorable recommendation from the County Planning Commission.

Pursuant to the recommendation of Mr. Tudor and upon a motion by Commissioner Mitrecic, the Commissioners voted 6-1, with Commissioner Bunting voting in opposition, to schedule a public hearing on Rezoning Case No. 417 for April 17, 2018. This application was submitted by Attorney Hugh Cropper, IV, on behalf of L & B Ocean City, LLC, and seeks to rezone approximately 7.517 acres of land located on the westerly side of MD Rt. 611 to the north of Sinepuxent Road, and more specifically identified on Tax Map 26 as Parcel 274 - Lots 1A and 1B in the Tenth Tax District of Worcester County, Maryland, from C-1 Neighborhood Commercial District to C-2 General Commercial District. Mr. Tudor advised that the application

received a favorable recommendation from the County Planning Commission.

The Commissioners recessed for five minutes.

The Commissioners met with Mr. Tudor to discuss a proposal by the Planning Commission for the Commissioners to consider a comprehensive sectional rezoning of properties located west of MD Rt. 589 opposite the Ocean Downs Casino. Mr. Tudor advised that this recommendation stems from their receipt of five applications to rezone two properties located directly on MD Rt. 589 and three that front McAllister Road, one of which also fronts Griffin Road, from E-1 Estate District to C-2 General Commercial District or, alternatively, C-1 Neighborhood Commercial District. Mr. Tudor stated that the five areas petitioned for rezoning are part of a larger area that is currently zoned E-1 and identified on the 2006 Comprehensive Plan as being within the Agriculture Land Use Category. He stated that during the 2009 comprehensive rezoning several property owners in the area requested commercial zoning classifications; however, the Planning Commission and staff recommended that the Commissioners reclassify these properties R-1 Rural Residential District, as there was already sufficient commercial zoning in place along the U.S. Rt. 50 and MD Rt. 589 corridor. Additionally, Mr. Tudor noted that the Comprehensive Plan recommends that development in the MD Rt. 589 corridor be limited until the highway's capacity increases. He further explained that in 2009 the staff concluded that to place commercial zoning on the McAllister Road/Griffin Road/MD Rt. 589 area would be inappropriate, and there was a mix of uses in the area that were allowed either under prior district regulations or by special exception, and these uses would not require a commercial classification, which would make the residences in the area non-conforming uses. He concluded that, ultimately, the Commissioners opted to retain the existing E-1 Estate District zoning classification in 2009.

Mr. Tudor advised that the Planning Commission reviewed the five applications on March 1, 2018 and determined that the conditions cited in 2009 remain, particularly relative to the Agricultural Land Use Category and the Comprehensive Plan's recommendations, the existing uses within the area, and the concerns relative to the capacity of MD Route 589 to effectively and safely handle traffic. Therefore, they had concluded that it would be inappropriate to consider the five rezonings in a piecemeal fashion because of the potential impacts and potential precedent for future rezoning requests in the vicinity.

In response to questions by Commissioner Bunting, Mr. Tudor advised that all five applicants were supportive of the Planning Commission's recommendation to consider their applications as part of a sectional rezoning of the area, though they requested their applications still be considered individually in the event that the Commissioners choose not to consider a sectional rezoning of the area. Mr. Tudor confirmed that the Ocean Downs Casino property is zoned A-1 Agricultural district and currently operates through a special exception, and they would have to undertake substantial changes to the Zoning Code to allow the casino to retain its existing uses if the Commissioners rezoned that property now or in the future. Therefore, he suggested that the Ocean Downs property not be included in any sectional rezoning of the area. He further discouraged spot rezoning, noting that intermingling commercial zoning with residential zoning would be problematic.

In response to a question by Commissioner Bertino, Mr. Tudor confirmed that all property owners that could be impacted by a sectional rezoning of the area would be notified so

they can voice their concerns.

Following further discussion, the Commissioners took no action on the recommendation by the Planning Commission. Thus the five rezoning cases will be considered individually.

The Commissioners met with Mr. Tudor to review the draft State transportation priority letter for which input was sought in February from each municipality, with a requested response date of March 13, so the County could submit the letter to the State by the April 1 deadline. Mr. Tudor stated that after he submitted his memo, a response was received from the Town of Ocean City requesting consideration of the proposed dualization of MD Route 90 from US Route 50 to MD Route 528 (Coastal Highway) prior to replacing the Harry W. Kelly Memorial Bridge on US Route 50 into downtown Ocean City.

Upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Purnell to sign the 2018 State Transportation Priority letter for Worcester County, which lists the completion of the U.S. Rt. 113 dualization project as their principal project, and includes requests for the following three projects in no particular order: improvements to MD Route 589 (Racetrack Road) from US Route 50 to US Route 113; replacement of the Harry W. Kelly Memorial Bridge on US Route 50 into downtown Ocean City; and the dualization of MD Route 90 from US Route 50 to MD Route 528 (Coastal Highway) in Ocean City.

The Commissioners met with Mr. Higgins and Budget Officer Kathy Whited to review the Worcester County Departmental Operating Budget Requests for FY19. Mr. Higgins provided a summary of the requested operating budget, and stressed that this is only the requested budget. He stated that the estimated general fund revenues based on current tax rates are estimated to be \$202,665,379, which is an increase of \$3,732,704 or 2% more than the current year. He stated that the requested general fund operating expenditures total \$211,611,999, which leaves a shortfall of \$8,946,620 that must be reconciled by either reductions in expenditures, additional revenues or a combination of the two. Mr. Higgins advised that, based on the current property tax rate of \$0.835 per \$100 of the real property assessment, Net Property Taxes are projected to increase by \$2,612,020, primarily as a result of increased assessments and Homeowner Tax Credits. Income Tax revenues are anticipated to increase by \$500,000 based on actual receipts. Other Local Taxes are expected to increase by \$1,325,000, which includes an increase of \$750,000 in Recordation Taxes, \$250,000 in Transfer Taxes, and an increase of \$325,000 for Room Tax collections in the unincorporated areas. Mr. Higgins advised that major requested expenditure variances from FY18 to FY19 include the following: Sheriff's Office increase of \$891,622, due to additional personnel requests; Emergency Services increase of \$302,434 to purchase the P25 radios and pagers for non public safety, to replace the Snow Hill water tower building, and salaries for one new position; Roads Division increase of \$1,547,315 for five new positions, road paving, capital equipment, and a State Highway Transportation grant increase of \$280,678; Other Social Services increased by \$279,606; Wor-Wic Community College increase of \$146,050; Recreation increase of \$115,442; Parks increase of \$774,478 for park improvements; Library increase of \$232,147; Grants to Towns increase of \$589,308; salary, insurance and benefits package for County employees reflects an increase of \$2,646,928, which includes a 2.5% step, 1% Cost of Living Adjustment (COLA), and longevity for those eligible, increased health insurance costs of \$272,805 based on an estimated increase of 5.18% for health

benefits, increased Other Post Employment Benefits (OPEB) of \$1 million, increased retirement plan of \$207,019, and increased Social Security of \$196,609; and Board of Education (BOE) increases of \$3,520,499 to provide a payroll increase of \$1,752,315, which includes a step, longevity step for those eligible, and salary scale adjustments as negotiated, with a 1% COLA for teachers and a 1.5% COLA for support staff, a 1% increase for bus contractors, and increased starting teachers pay of 1% from \$44,257 to \$44,700. Mr. Higgins advised that the BOE operating budget request is \$88,433,275, plus school construction debt of \$10,396,581 paid by the County on behalf of the BOE, which totals \$98,829,856 or 49% of the County's total estimated revenue.

Mr. Higgins informed the audience that the public hearing on the requested budget is scheduled for Tuesday, May 1, 2018, at 7:00 p.m. in the Snow Hill High School Auditorium, and the upcoming budget work sessions have been scheduled for April 3 and 10, as well as May 8, 15, and 22 if needed. He advised that these work sessions are open to the public.

The Commissioners reviewed and concurred with the proposed budget adoption schedule for the FY19 Enterprise Fund Operating Budgets, which includes reviewing the Solid Waste and Water and Wastewater Operating Budgets during their work session on April 10, 2018, and conducting public hearings on these budgets on June 5, with adoption of the budgets to take place on June 19, 2018.

Commissioner Bunting announced a savings to the County, noting that the proposal for the purchase of nine bollards, which the Commissioners agreed to fund during their March 6, 2018 meeting at a cost of up to \$5,000 to provide additional security at the entrance to Stephen Decatur High School (SDHS), came in at just \$2,600.

The Commissioners answered questions from the press, after which they adjourned to meet again on April 3, 2018.