

Minutes of the County Commissioners of Worcester County, Maryland

August 20, 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 Elder, seconded by Commissioner Mitrecic, 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), (7), and (14) 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, Human Resources Director Stacey Norton, and Commercial Realtor John McClellan. Topics discussed and actions taken included: hiring Angela Jones and Teresa Whetzel as Accounting Clerk II's for the Treasurer's Office, Wade Stivers as a Correctional Officer Trainee for the Jail, and Taylor Kitching and Michele Guest as Communications Clerk I's for Emergency Services; revising a part-time job title in the Animal Control Division of the Sheriff's Office from Animal Control Officer to Animal Control Kennel Attendant; advertising to fill vacancies for a Plant Operator, and Recreation Program Manager II; discussing a negotiating strategy for sale of the former Liquor Control warehouse in Snow Hill; receiving legal advice from counsel; and performing administrative functions, which included discussing potential board appointments.

Following a motion by Commissioner Bunting, seconded by Commissioner Nordstrom, the Commissioners unanimously voted to adjourn their closed session at 9:37 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 Arlene Page and pledge of allegiance, announced the topics discussed during the morning closed session.

The Commissioners reviewed and approved the open and closed session minutes of their August 6, 2019 meeting as presented.

Pursuant to the request of Colonel Doug Dods of the Sheriff's Office and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Purnell to sign the FY 20-22 Child Support Enforcement Administration Cooperative Reimbursement Agreement, which provides annual estimated funding from the Maryland Department of Human Resources (DHR) Child Support Enforcement Administration to the

Sheriff's Office over the next three years at a rate of \$49,220 per year less an administrative fee of \$1,859 annually for FY20, FY21, and FY22.

Pursuant to the recommendation of Finance Officer Phil Thompson at the written request of Melanie A. Pursel, Executive Director of the Greater Ocean City, Maryland Chamber of Commerce, Inc. and upon a motion by Commissioner Mitrecic, the Commissioners unanimously adopted Resolution No. 19-26 authorizing a 100% tax credit in the amount of \$12,878.66 for real property owned by the Greater Ocean City, Maryland Chamber of Commerce, Inc. for the July 1, 2019 tax year.

Pursuant to the written request of Library Director Jennifer Ranck and Budget Officer Kathy Whited and upon a motion by Commissioner Bertino, the Commissioners unanimously authorized Commission President Purnell to sign the Certification for Cooperative Local-State Library Aid Programs for FY20, with State aid of \$165,408 and County funding of \$2,798,366 for the County Library. Ms. Whited advised that other expenses include State funds of \$120,000 and matching County funding of \$120,000 for the Pocomoke Branch Library design phase.

Pursuant to the request of Information Technology Director Brian Jones and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Purnell to sign the amendment to the Worcester County Shared Communications Network Design, Implement, and Support Contract for managed WAN (Wide Area Network) services Agreement between the Worcester County Commissioners and Skyline Technology Solutions (Contractor). Mr. Jones explained that Skyline will continue to provide WAN monitoring, alerting, and maintenance support for 41 County network devices and locations, which include the Library, emergency service radios, public safety buildings, telephone systems, and HVAC (heating, ventilation, and air conditioning) systems at a total cost of \$6,697 per month through June 30, 2020.

Pursuant to the request of Public Works Director John Tustin and upon a motion by Commissioner Nordstrom, the Commissioners unanimously approved bid specifications for custodial services to be provided at 21 County buildings. Mr. Tustin advised that funds are available within the FY19 budget for these services. In response to a question by Commissioner Nordstrom, Mr. Tustin stated that it is more cost effective and efficient for the County to contract these services out to private vendors than to provide them in-house.

Pursuant to the request of Mr. Tustin and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Purnell to sign the Worcester County Small Project Water Agreement between the County Commissioners, in their capacity as the governing body of the Mystic Harbour Sanitary Service Area (SSA) and Dorette, LLC (Developer) to connect the Dumser's Restaurant in West Ocean City to the existing water line in the area and abandon their private well. Mr. Tustin stated that the connection is feasible, and the Small Projects Agreement demonstrates the project's compliance with the County Code.

At the direction of County Attorney Maureen Howarth and upon a motion by Commissioner Bertino, the Commissioners unanimously authorized Commission President

Purnell to sign the Amendment to the Revised and Final Glen Riddle Spray Irrigation Agreement and the Revised and Final Worcester County Small Project Wastewater and/or Water Agreement between the County Commissioners, in their capacity as the governing body of the Riddle Farm SSA, WGC EDU, LLC, and Riddle Farm Golf, LLC. Ms. Howarth advised that the revision was made to simply correct a name error from Glen Riddle, LLC to Riddle Farm Golf, LLC. She thanked Enterprise Fund Controller Jessica Wilson for discovering the error.

Pursuant to the recommendation of Public Information Officer Kim Moses and Recycling Manager Mike McClung and upon a motion by Commissioner Bertino, the Commissioners unanimously approved free, low, and minimal cost educational initiatives slated to run as part of the Keep Worcester Clean campaign. Ms. Moses explained that the basic message will center on establishing public and private partnerships to encourage community stewardship, to increase awareness about options available to the public for properly disposing of trash and recyclables, and to discourage illegal dumping, with messages designed to target school-age students and their families and the community at large. In response to a question by Commissioner Bertino, Mr. McClung stated that glass is accepted in Ocean Pines and other County facilities for recycling.

Pursuant to the request 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. 418 for September 17, 2019. This application was submitted by Attorney Hugh Cropper, IV, on behalf of Moore Boat, LLC, and seeks to rezone approximately 9.4 acres of land located at the southerly terminus of North Piney Point Road, south of St. Martins Neck Road, and more specifically identified on Tax Map 10 as Parcels 4, 171, and 304, from E-1 Estate District to I-1 Light Industrial District. Mr. Tudor advised that the application received a favorable recommendation from the Planning Commission.

Pursuant to the recommendation of County Attorney Maureen Howarth and upon a motion by Commissioner Bertino, the Commissioners unanimously accepted the proposal from Cadence Group of Silver Spring, Maryland to update the County records retention schedules (RRS) and improve records policy compliance and practices throughout County agencies at an hourly cost not to exceed costs of \$37,620, plus a fixed fee of \$2,000 for materials handling and additional cost for nominal travel-related expenses. Ms. Howarth explained that the current schedules were approved in 2002 and only address hard-copy records, not electronic records. In response to a questions by Commissioner Nordstrom, Ms. Howarth confirmed that no local contractors provide these services.

Upon the recommendation of the Worcester County Youth Council and upon motions by Commissioner Bertino, the Commissioners unanimously agreed to reappoint Caroline Matthews of Pocomoke High School (PHS), Richard Poist of Stephen Decatur High School (SDHS) and Craig Birkhead-Morton and Chloe Goddard of Snow Hill High School (SHHS) to additional one-year terms each expiring April 30, 2021; and to appoint Lucus Matthews and Meredith Taylor of PHS to two-year terms each expiring April 30, 2022 on the Worcester County Youth Council.

Pursuant to the recommendation of Assistant Chief Administrative Officer Kelly Shannahan and upon a motion by Commissioner Mitrecic, the Commissioners unanimously accepted the listing amendment proposed by SVN Miller Commercial Real Estate of Salisbury, Maryland for the former Department of Liquor Control (DLC) warehouse in Snow Hill, with a reduced listing price of \$599,000 and extension of the listing agreement to February 29, 2020.

The Commissioners recessed until 10:30 a.m.

The Commissioners conducted a public hearing to receive public comment on the proposed increase to the Hotel Rental Tax from a rate of 4.5% to 5.0 % effective January 1, 2020. Assistant Chief Administrative Officer Kelly Shannahan provided background information, stating that the current rate of 4.5% was adopted by resolution on November 6, 2007 and became effective on January 1, 2008, and in response to a request from Ocean City officials earlier this year, the Commissioners introduced and adopted enabling legislation that became effective July 5, 2019, which allows the Commissioners to adopt a resolution to impose a room tax rate of up to 5.0%. He stated that, in accordance with State law, the draft resolution to officially increase the room tax rate to 5.0% will require the unanimous consent of the County Commissioners.

Commissioner Purnell opened the floor to receive public comment.

Vince Gisriel of Ocean City opposed increasing the current Hotel Rental Tax Rate, noting that, while the Town of Ocean City has publicly agreed to direct the increased funds to advertising, there is no clear consensus among the City Council on how to spend the increased revenues. He further stated that the Town of Ocean City already spends roughly \$6.9 million or roughly 18% of the town's annual revenues on advertising and questioned whether additional advertising dollars were even needed. He further stated that revenues may be used to fund a new sports complex, which he believes is premature and should not be subsidized by the Town of Ocean City.

Tony Christ of Ocean City asked the Commissioners to delay voting on the proposed Hotel Rental Tax increase, stating that the County should increase revenue by filling 1,000 new hotel rooms, not by raising taxes. He further stated that the Town of Ocean City's advertising budget has increased dramatically from \$1.1 million in 2004 to \$6.9 million; however, summer traffic crossing the Chesapeake Bay Bridge during that same time frame has not fluctuated up or down by more than one percent. He further stated that the increasing hotel prices in Ocean City has consequences, namely the loss of blue collar workers and their families who can no longer afford to spend a week on the island. He stated that the town should return annual revenues of \$7.6 million, which currently go to advertising, to the residents and let the business community advertise itself.

Ocean City Mayor Rick Meehan stated that the increase in room tax from 4.5% to 5.0% is vitally important to the Town of Ocean City. He then reviewed the room tax rates for competing resort areas as follows: Rehoboth Beach (increased recently from 8% to 11%), Virginia Beach (8% + \$2.00 per night), Atlantic City (13.625%), Myrtle Beach (13%), Washington D.C. (14.5%), Philadelphia (8.5%), Annapolis (6%), and Baltimore (8%), all of which are higher than where the Town of Ocean City is today or wants to be tomorrow, and these areas dedicate those revenues to advertise and promote their communities to remain competitive, and Ocean City needs to remain competitive too. Mayor Meehan advised that the

County raised the room tax rate 10 years ago during the recession, first doubling and then tripling the room tax revenues, which allowed them to increase the number of visitors and amount of revenue collected with room tax, while nearby resort areas declined. He advised that 54% of those revenues go directly into the General Fund to offset other expenses and to reduce taxes paid by property owners. He also noted that the revenues generated from room taxes help businesses, restaurants, and neighboring communities. For example, there is a great demand for visitors to fill new hotel rooms in Ocean City and West Ocean City (WOC), and the town is working very hard to bring those visitors to this area. It also stabilizes the towns assessable base, which depends on 26,000 non-resident property owners who are able to afford homes in the resort by renting their homes to visitors. He stated that marketing is changing, and resort officials know what needs to be done to compete, noting that the town is on the internet, rebuilt its website twice, digital marketing, social media, all the things they need to do to remain competitive. He stated that, while he is not sure about the number of visitors who cross the Chesapeake Bay Bridge, it is clear that the number of visitors who don't need to use that bridge because they are coming from Pennsylvania, New Jersey, New York, Connecticut, and Michigan as a result of their advertising has increased dramatically. He further stated that the town is looking at sports marketing to bring more people to the resort. This is a market that's there, and we need to tap it even more. That's good family business to Ocean City and all of Worcester County because it will create jobs. He concluded by asking the Commissioners to allow the town to continue to do that by increasing the room tax rate as proposed.

Susan Jones, Executive Director of the Hotel Motel Restaurant Association (HMRA), stated that the HMRA unanimously supports the room tax rate increase. She further stated that advertising has changed, and resort officials must figure out how to advertise everywhere to everyone. She further stated that the HMRA members support the proposed room tax increase, that the additional revenues for advertising will help fill the 10% increase in hotel rooms in Ocean City and the surrounding areas, and that she hopes the Commissioners will adopt the increase. She concluded that the town can't bring the County room tax revenues unless they advertise, and the hotel room tax increase is needed to cover increasing advertising demands.

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

Commissioner Mitrecic stated that the Town of Ocean City and the HMRA unanimously support the proposed hotel room tax increase and regarding to comments made during the hearing about requiring the town to allocate any increase in hotel room tax revenues to a specific source, he stated that the County should not attempt to dictate how Ocean City officials allocate the town's revenues.

Following some discussion and upon a motion by Commissioner Mitrecic, the Commissioners unanimously adopted Resolution No. 19-27 amending the Hotel Rental Tax Rate in Worcester County from 4.5% to 5.0% effective January 1, 2020.

The Commissioners recessed until 11:00 a.m.

The Commissioners met in legislative session.

The Commissioners conducted public hearings on four separate bills related to the proposed Countywide Rental Licensing Program as follows: Bill 19-3 (Zoning - Boarding and Lodging Rentals), Bill 19-4 (Taxation and Revenue - Rental Licenses), Bill 19-5 (Taxation and

Revenue - Hotel Rental Tax), and Bill 19-6 (Taxation and Revenue - Mobile and Manufactured Home Park Licenses). Mr. Tudor reviewed the history behind and general overview of each bill. Mr. Tudor stated that Bill 19-3 is the only bill that involves zoning and thus was reviewed by the Planning Commission, which gave the bill a favorable recommendation.

The Commissioners conducted a public hearing to receive public comment on Bill 19-3 (Zoning - Boarding and Lodging Rentals), which was introduced by Commissioners Bertino, Bunting, Church, Elder, Mitrecic, Nordstrom, and Purnell on July 16, 2019. Mr. Tudor stated that this bill eliminates inconsistencies in existing codes, revises definitions, and creates a new Section ZS 1-351 to regulate short-term rentals of residential dwellings. Furthermore, it aligns all inconsistencies in the zoning ordinance, definitions, and, specifically as requested by the Commissioners at their work session, the language was revised to require one additional parking space beyond that currently required for a residential structure when it is used for short-term rental. He then provided a general overview of the bill. A brief synopsis of the specific changes is as follows:

Section 1 repeals the definitions of "Boarding and Lodging House" and "Country Inn." Section 2 changes the definition of "Transient" in the Zoning and Subdivision Control Article from one who occupies a structure for 30 days to one who does so for 28 days. Section 3 repeals the definition of "Boarder or Lodger" and replaces it with a new definition for the term "Lodger" to be a person who receives sleeping accommodations for 28 consecutive days or less and a new definition of the term "Roomer or Boarder" to be a person who receives sleeping accommodations for more than 28 consecutive days. Section 4 creates a new definition for the term "Short Term Rental (STR)" to describe all or a portion of a dwelling unit or accessory apartment rented to a lodger on a basis of not more than 28 consecutive days. Section 5 adds "short term rentals (STR)" to the list of uses permitted in all zoning districts and would only apply to those properties having a dwelling unit. Section 6 eliminates "conversion of a historic or architecturally significant dwelling to an inn" and "country inns" from the uses allowed in the A-2 Agricultural District by special exception but leaves "bed and breakfast establishments," which becomes the standard for the aforementioned uses. Section 7 eliminates "conversion of a historic or architecturally significant dwelling to an inn" and "country inns" from the uses allowed in the E-1 Estate District by special exception but leaves "bed and breakfast establishments." Section 8 adds the keeping of not more than two roomers or boarders as an accessory use in the E-1 Estate District, just as it is in other zoning districts that allow dwelling units. Section 9 removes "boarding house" and "country inns" from the allowable uses in the V-1 Village District but leaves "bed and breakfast establishments." Section 10 adds the keeping of not more than two roomers or boarders as an accessory use in the V-1 Village District just as it is in other zoning districts that allow dwelling units. Section 11 removes "boarding and lodging houses" as a permitted use in the R-4 General Residential District since the keeping of four roomers or boarders is already allowed as an accessory use. Section 12 adds the keeping of not more than two roomers or boarders as an accessory use in the RP Resource Protection District just as it is in other zoning districts that allow dwelling units. Section 13 raises the number of allowable rooms in a "bed and breakfast establishment" from six to 20 rooms since the current use of "conversion of historic or architecturally significant dwelling to an inn" has no limitation on the number of rooms and "country inns" have a limitation of 20 rooms, all of which are currently allowed in many cases in the same zoning district as "bed and breakfast

establishments". Section 14 increases the number of permissible nights' stay in a "bed and breakfast establishment" from 14 to 28 nights to be consistent with the new definitions of "transient," "lodger," and "short term rental." Section 15 deletes the current prohibition on having more than two nonresident employees in or about the "bed and breakfast establishment," as the current limitation is an unenforceable, arbitrary limitation.

Section 16 is an entirely new section to be added to the Zoning and Subdivision Control Article to regulate "short term rentals (STR)" which are currently not regulated, and among its many provisions include the following: a limitation on the number of rental contracts to one for any overnight period of any property regardless of the number of sleeping rooms; a limitation on the number of families or housekeeping units (a group of not more than five persons not related by blood or marriage) to one where an entire dwelling or accessory apartment is available for rent; a limitation on the number of sleeping rooms available to rent to two where a portion of a dwelling unit or accessory apartment is available for rent and a limitation on the number of persons per room to two, not including children under the age of 12; a requirement that accessory apartments only be rented in their entirety and limited to one family or housekeeping unit; restrictions on modifications to the dwelling unit that change its functionality, appearance or principle design as an individual dwelling unit; a requirement to maintain a record of all lodgers; a requirement to make the dwelling unit available for inspection during reasonable hours; a prohibition on the use of the property to host functions and events, including but not limited to weddings and their receptions, family reunions, birthday and anniversary celebrations or other similar gatherings for persons other than the authorized lodgers; permits the County Commissioners to establish by resolution additional standards or require any additional information deemed necessary to enforce the provisions of the title; a requirement for all short-term rental properties to provide one additional off-street parking space beyond that required for a single-family dwelling; and permits on premises signage in accordance with the provisions of the Zoning and Subdivision Control Article.

Mr. Tudor responded to questions and concerns raised by Commissioner Bertino. With regard to limiting the number of sleeping rooms available to two adults instead of basing limitations on square footage, Mr. Tudor stated that those provisions only apply to the renting of a room not the entire house, as it is based on the assumption that the property owner is occupying the residence. Thus the proposed occupancy limits are aimed at maintaining the character of the neighborhood. With regard to requiring that accessory apartments only be rented in their entirety to one family or housekeeping unit, Mr. Tudor confirmed that this reflects the current law; however, County inspections would be strictly complaint driven. With regard to a prohibition on the use of the property to host functions and events, Mr. Tudor stated that, while renters could certainly host a party or special event during the short-term rental, the party or special event could not be the primary purpose for said rental, such as a wedding or reunion venue.

Commissioner Nordstrom applauded Mr. Tudor for his efforts to prepare the draft bill. In response to a question by Commissioner Nordstrom, Mr. Tudor stated that this bill would not affect students or those who rent summer housing while working in the resort, as the bill only applies to short-term rentals for 28 days or less, while most student workers rent for the entire summer.

Commissioner Purnell opened the floor to receive public comment.

Joe Wilson, President of the Coastal Association of Realtors (CAR), stated that licensing

boarding and lodging rentals in itself is a good thing. However, the CAR opposes this legislation as drafted and directed the Commissioners to a letter from CAR recommending changes to the bill to address the concerns related to the following: 28 days being considered a short-term rental; occupancy limitations, inspections, the prohibition on functions and events, non-transferable rental licenses, unclear enforcement, and unfair off-street parking standards, as such requirements would limit the rental income of such properties and scare away potential buyers. He stated that limiting the number of renters to two related adults impacts fair housing by denying unrelated families and friends the opportunity to share vacation expenses by renting lodging together. He requested the Commissioners postpone adopting the legislation before them today and to instead make significant revisions to Bill 19-3 prior to adopting it. In conclusion, he stated that each person has the choice on where to vacation, and CAR wants the County to adopt legislation that will help vacationers choose Worcester County.

Rico DeMattia, real estate agent in Pocomoke, urged the Commissioners to adopt legislation that allows for proper oversight but is not so heavily regulated that it deters investment in the real estate market in the County.

Louis Lazzaro of Ocean Pines advised that he purchased a 2,148-square-foot home in Ocean Pines and made improvements to create a five-bedroom home that sleeps 15. He stated that occupancy restrictions would greatly diminish the earning potential of his rental home. Therefore, he urged the Commissioners to remove the occupancy limits before adopting Bill 19-3.

Alexander Pilla of Bishopville, with Shamrock Realty Group, stated that the legislation as proposed is not user friendly for property owners, particularly out-of-state property owners, which may lead to a perception that it is difficult to rent in Worcester County, thereby deterring homebuyers who rely on rental income to afford the mortgage. He urged the Commissioners to take a step back from adopting this legislation.

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

Commissioner Nordstorm stated that there is a lot to like in Bill 19-3, but that the Commissioners should not take action on this bill until they can address the concerns raised by the public. Commissioner Church concurred, noting that there is too much ambiguity in the bill, and the Commissioners should postpone adopting this legislation and allow outside input from agencies, such as the Chambers of Commerce, to revise the bill.

A motion by Commissioner Nordstrom to table Bill 19-3 for further consideration failed 2-5, with Commissioners Church and Nordstrom voting in favor and Commissioners Bertino, Bunting, Elder, Mitrecic, and Purnell voting in opposition.

Commissioners Bertino and Elder both expressed opposition to the current occupancy limits. Commissioner Elder expressed further concerns about the parking limitations and occupancy limits, noting that it is not the County's job to regulate who's who in the bedroom. Commissioner Bunting disagreed, noting that occupancy limits protect the character of a neighborhood, and removing those limitations would place a burden on public infrastructure, specifically parking and existing water and sewer flow calculations. Commissioner Mitrecic stated that similar rental requirements already exist in the Town of Ocean City, and the County needs to do the same to level the playing field for all.

Following further discussion, a motion by Commissioner Mitrecic to adopt Bill 19-3 as presented failed 3-4, with Commissioners Bunting, Mitrecic, and Purnell voting in favor and

Commissioners Bertino, Church, Elder, and Nordstrom voting in opposition.

Following additional discussion and upon a motion by Commissioner Bertino, the Commissioners voted 6-1, with Commissioner Bunting voting in opposition to massage the language in Bill 19-3 to address their concerns regarding the additional parking space required for rental properties, the limitation of two persons per bedroom rather than by size of the bedroom, and the restriction on the number of unrelated persons occupying a rental home, bring a revised bill back to the Commissioners for their future consideration, and schedule an additional public hearing if changes are significant.

The Commissioners conducted a public hearing to receive public comment on Bill 19-4 (Taxation and Revenue - Rental Licenses), which was introduced by Commissioners Bunting, Church, Elder, Mitrecic, Nordstrom, and Purnell on July 16, 2019. Mr. Tudor stated that this bill removes ambiguous tourist permits and instead provides for rental licenses for any sleeping accommodations in residentially-zoned districts. He stated that the legislation is the key to having a rental program.

In response to questions by Commissioner Bertino, Mr. Tudor confirmed that certified plans are not required to apply for a rental license. Rather, the County will accept any drawing that accurately identifies the dimensions of a home. However, it would restrict someone with existing violations from obtaining a rental license until the issues are adequately resolved. He further stated that two additional staff members would likely be needed to manage the program. Commissioner Bunting stated that it is important that any future free structure cover all County costs associated with managing the rental licensing program, including issuing licenses, collecting fees, investigating complaints, and other related tasks.

In response to a question by Commissioner Elder, Mr. Tudor stated that the County would undertake an aggressive public information campaign to inform the public about the new rental licensing requirement if the Commissioners adopt Bill 19-4, which would become effective January 1, 2020. Commissioner Mitrecic noted that Ocean City sent letters to every property owner advising them about the town's rental licensing requirement, and received \$51,000 in previously unpaid rental license fees. He stated that these are needed revenue sources for the County.

Commissioner Purnell opened the floor to receive public comment.

Rico DeMattia, a real estate agent in Pocomoke, suggested the Commissioners amend the bill to allow property managers to be exempt from paying any rental licensing fees on behalf of their clients.

Tina Parsons of Pittsville opposed Bill 19-4, stating that she inherited and now rents a small trailer and a house in Worcester County to low-income individuals, and this legislation would place an undue financial burden on her since she would not be able to pass along the licensing cost to her renters, who can't afford any additional expenses.

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

Commissioner Nordstrom stated that he pays rental license fees on a property he owns in Wicomico County; therefore, he understands the need for this legislation. However, he felt uncomfortable adopting Bill 19-4 without a pre-determined fee schedule. Commissioner Bertino concurred. Commissioner Bunting noted that there would be differences in fees for year-round rentals, which would include a lot of staff time and will, therefore, have a lower fee as compared

to short-term rentals, which may warrant a higher fee to cover costs, and he felt comfortable adopting Bill 19-4 today and providing staff with the time and direction needed to adopt such a schedule for their future consideration.

In response to a question by Commissioner Purnell, Mr. Tudor stated that any fee schedule that County staff develops will be based on decisions made by the Commissioners today, but he envisions a tiered schedule based on the anticipated level of staff time required to manage each type of license. He agreed that long-term rentals would not require a lot of effort and, therefore, those fees would be minimal.

Following some discussion and upon a motion by Commissioner Mitrecic, the Commissioners voted 4-1-2, with Commissioners Bunting, Church, Purnell, and Mitrecic voting in favor, Commissioner Bertino voting in opposition, and Commissioners Elder and Nordstrom abstaining, to adopt Bill 19-4 as presented.

The Commissioners recessed for five minutes.

The Commissioners conducted a public hearing to receive public comment on Bill 19-5 (Taxation and Revenue - Hotel Rental Tax), which was introduced by Commissioners Bunting, Church, Elder, Mitrecic, Nordstrom, and Purnell on July 16, 2019. Mr. Tudor explained that Bill 19-5 updates the language with regard to rental units so that it is consistent with other bills that comprise the new Countywide rental licensing program and that applies to all rentals by or for any transient at any hotel, motel, house, townhouse, apartment, condominium unit, cottage, cabin, manufactured home, rooming house, recreational vehicle, recreational park model, or other tourist home, or any other building as a structure or portion thereof used as a place of lodging.

Commissioner Purnell opened the floor to receive public comment.

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

Upon a motion by Commissioner Mitrecic, the Commissioners unanimously adopted Bill 19-5 as presented.

The Commissioners conducted a public hearing to receive public comment on Bill 19-6 (Taxation and Revenue - Mobile and Manufactured Home Park Licenses), which was introduced by Commissioners Bertino, Bunting, Church, Elder, Mitrecic, Nordstrom, and Purnell on July 16, 2019. Mr. Tudor explained that Bill 19-6 amends the Taxation and Revenue Article to repeal Title I, Subtitle V, Mobile and Manufactured Home Park Licenses, which eliminates the excise tax for these uses for which the lost revenue would be made up by the setting of rental license fees for the individual mobile or manufactured home sites. In response to a comment by Commissioner Bunting, Mr. Tudor confirmed that the owner, not the renter of a site in a mobile or manufactured home park, would be required to pay the rental license fees for each unit that they own in the park.

Commissioner Purnell opened the floor to receive public comment.

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

Upon a motion by Commissioner Mitrecic, the Commissioners unanimously adopted Bill 19-6 as presented.

Commissioner Purnell closed the legislative session.

The Commissioners conducted a public hearing to receive public comment on a proposed resolution establishing standard flow calculations for determining required capacity to serve residential and non-residential land uses to be served by public sewer systems in the County to definitively determine the number of equivalent dwelling units (EDUs) required to serve proposed development and ensure that the sale and allocation of EDUs will not exceed the rated capacity of each wastewater treatment plant (WWTP). Assistant Chief Administrative Officer and Sewer Committee representative Kelly Shannahan recognized fellow Sewer Committee members, which include Chief Administrative Officer Harold Higgins, County Attorney Maureen Howarth, Public Works Director John Tustin, Public Works Deputy Director John Ross, Development Review and Permitting Director Ed Tudor, Environmental Programs Director Bob Mitchell, Environmental Programs Deputy Director David Bradford, Finance Officer Phil Thompson, and Enterprise Fund Controller Jessica Wilson. Mr. Mitchell reviewed the resolution establishing standard sewer flow calculations, as conceptually approved by the Commissioners on July 16, 2019 and which included revisions to the original recommended resolution reviewed at the Commissioners' work session on July 2, 2019 as follows: replacing the reference to one EDU equaling 300 gallons per day (gpd) with a reference that the rate shall be as determined by the County Commissioners for each Sanitary Service Area (SSA), since not all SSAs currently use 300 gpd/EDU; Section 1.E. was revised regarding uses not addressed in the tables which have flow determined by staff, to provide that the property owner shall enter into an allocation agreement during which actual usage will be monitored for 24 months in addition to other terms and conditions; Section 2 adds a provision that the Treasurer's Office must confirm the purchase of required EDUs before a building permit is issued; and Section 4 adds a required public hearing prior to any proposed amendments to the flow tables. He stated that revisions to Table A, flow projections based on occupancy, include deleting several redundant or uncommon uses, including bathhouses and swimming pools, swimming pool club house/bath house, motels, picnic parks, drive in theaters, and travel trailer parks; consolidating camps into two categories (campgrounds with central comfort stations and luxury camps with water or sewer hookups); revising the flow estimates on a per site basis rather than a per person basis; and revising flow projections based on actual flows observed over the 2019 4th of July week for luxury camps (150 gpd/site); and revisions to Table B, flow projections based on building size, which include removing car washes and laundromats from the list, as these uses would be reviewed on a case-by-case basis under the provisions of Section 1.E. of the resolution based upon the type of facilities proposed and use of re-circulated water; removing redundant or uncommon uses including: dry goods stores and shopping centers; clarifying other uses including: department store with food service, and Service Stations with full service garage; and consolidating the projected flow for churches based on three gallons per seat plus additional flow for accessory uses. He then reviewed one additional correction included in the revised resolution to reflect the originally estimated flow of 100 gpd per luxury campsite (with water and sewer hookups) rather than the peak flow of 150 gpd per campsite, which was skewed based on flow from the water park at Frontier Town. He stated that this correction is based on findings from staff's continued monitoring of flow from the Frontier Town Campground.

Commissioner Purnell opened the public hearing to receive public comment.

Attorney Mark Cropper of Ocean City and representing various property owners and developers, thanked Mr. Shannahan for providing him with clarification about this resolution, noting that prior to their discussion he was not aware that the resolution bases the assignment of

EDUs on peak flow numbers instead of averages. He stated that the resolution should be amended to base flows on average usage, as no Sanitary Service Area (SSA) operates at peak capacity every day, and to provide a provision that allows a property owner to have a voice in determining the number of EDUs to be assigned to his or her property and/or provides a procedure for an adjustment to the required EDUs. He noted, for example, that if someone owning a chain of chicken restaurants in other areas decides to open a new location in the County, he currently has no recourse if the County requires him to purchase 10 EDUs, even if the owner can provide evidence of standard sewerage usage rates at his other locations, which indicate only five EDUs are needed. He stated that, if a developer/restaurant owner is not allowed to provide evidence up front that the County's numbers are wrong, the restaurant owner is unfairly charged up front for unnecessary EDUs; and from the date of purchasing the EDUs, the owner must pay costs associated with maintenance, repair, and upgrading from that sewer system, based on a potentially incorrect allocation, meaning the restaurant owner will forever be charged more for these services than he should be charged based on a surplus of EDUs he does not need. Mr. Shannahan stated that there is a provision that allows the property owner to give unneeded EDUs back to the County to avoid future operation and maintenance costs for those excess EDUs.

Palmer Gillis, an area developer, stated that EDU usage in the medical offices he has developed is less than half of County estimates, and a better mechanism is needed to reconsider EDU allocations based on actual usage. Therefore, he urged the Commissioners to amend the resolution to include a process for the fair and equitableness of assessing EDUs and fees that include incentives to save on water usage.

Attorney Hugh Cropper thanked the Commissioners and staff for reducing the flow projection for luxury campsites from 150 gpd to 100 gpd. However, he urged the Commissioners to amend the requirement that no building permits may be issued until all EDUs assigned to said site have been paid up front, as this requirement does not make sense and places significant time and financial burdens upon developers.

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

In response to questions by Commissioner Bunting, Mr. Shannahan confirmed that the resolution had been amended to allow someone to apply to purchase only one EDU for a shell building permit based on standard rental flow and the size of the shell building. He further stated that the flow tables would be reviewed on a regular basis and adjusted to reflect actual flow data to avoid under-allocation or over-allocation of EDUs. Commissioner Bunting also expressed concern that restaurant flow would now be determined based on the size of the restaurant rather than the number of seats. Mr. Mitchell explained that the data supports that the calculation per square foot is equivalent to the old method of gallons per seat.

Commissioner Bertino asked why the assignment of EDUs is based on peak flow rather than average flow data. Furthermore, he stated that the County should offer a rebate process to reimburse someone who is required to purchase more EDUs up front than necessary. Mr. Ross and Mr. Mitchell explained that the flow per EDU must be based on peak periods, so as not to overwhelm the treatment plant and sewer infrastructure. Enterprise Fund Controller Jessica Wilson expressed concern regarding a rebate program given that annual rates are established based on the assurance of revenues derived from each EDU and would create a shortfall if the SSA was required to buy back EDUs.

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

Commissioners voted unanimously to not approve the resolution until a reconsideration or appeal process is part of the policy, and they directed staff to propose such revised language for their future consideration.

The Commissioners answered questions from the press, after which they adjourned to meet again on September 3, 2019.