

Minutes of the County Commissioners of Worcester County, Maryland

December 18, 2018

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

Following a motion by Commissioner Nordstrom, seconded by Commissioner Church, 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 (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 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 Sheriff Matt Crisafulli. Topics discussed and actions taken included: posting to fill two vacant Communications Clerk Trainee positions; reviewing personnel changes in the Sheriff's Office, including the promotion of Mark Titanski from Corporal to Chief Deputy and Colonel Doug Dods from Chief Deputy to Operations Officer; reviewing personnel changes within the State's Attorney's Office; receiving legal advice from counsel; and performing administrative functions, including: reviewing schedule changes in the Sheriff's Office, vacancies within the County Jail and Public Works Roads Division, employee medical leave update, and Human Resources activity updates, including wreath decorating contest, annual souper bowl and food drive, cereal drive, and blood drive; drawing for an outstanding employee; discussing potential board appointments; scheduling annual County fire services dinner meeting; reviewing invitations to the Board of Education and State's Attorney-elect Kristin Heiser's swearing in ceremonies; receiving FY19 monthly financial update; and approving a typographical correction to Resolution No. 18-26 (Sea Oaks Village RPC).

Following a motion by Commissioner Mitrecic, seconded by Commissioner Bertino, the Commissioners unanimously voted to adjourn their closed session at 10:00 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 minutes of their December 4, 2018 open session as amended and closed session as presented.

The Commissioners presented retirement commendations to Emergency Services Director Fred Webster, who will retire December 30, 2018 after 17 years of public service, and to former Orphans Court Chief Judge William D. Shockley and Register of Wills Charlotte Kerbin Cathell, who retired recently after 32 years and 20 years of public service, respectively. The Commissioners thanked Mr. Webster, Judge Shockley, and Ms. Cathell for their lasting contributions to Worcester County and Commissioner Bertino recited a poem he had written to commemorate Ms. Cathell's retirement.

Pursuant to the written recommendation of Housing Program Administrator Jo Ellen Bynum and upon a motion by Commissioner Mitrecic, the Commissioners unanimously awarded the low bid for a housing rehabilitation project located in Ocean Pines to Shoreman Construction Company, Inc. of Delmar, Maryland at a total cost of \$34,485.

Pursuant to the request of Senior Budget Accountant Kim Reynolds and upon a motion by Commissioner Elder, the Commissioners unanimously approved the Request for Proposals (RFP) for the Diakonia, Inc. shelter renovation project, with project costs to be paid for with Community Development Block Grant (CDBG) funds.

Pursuant to the request of Berlin Fire Company President David Fitzgerald and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Purnell to sign the Section 147(f) Approval and Written Agreement, authorizing tax-exempt financing not to exceed \$800,000 to construct a new fire station at 10845 Ocean Gateway in Berlin. In response to a question by Commissioner Church, Mr. Fitzgerald advised that construction is scheduled to begin in February 2019 and be complete by summer 2019.

The Commissioners conducted a public hearing on the proposed comprehensive sectional reclassification of the E-1 Estate and A-1 Agricultural Zoned properties located to the north of Grays Corner Road, on the easterly and westerly sides of McAllister Road, northerly and southerly sides of Griffin Road, and the westerly side of MD Rt. 589 (Racetrack Road) in the Third Tax District of Worcester County. Development Review and Permitting (DRP) Director Ed Tudor provided the zoning and land use history along with an overview of the proposed comprehensive sectional reclassification. Mr. Tudor explained that the lands were originally zoned A-1 Agricultural in 1965 and were rezoned to E-1 Estate with the Comprehensive Rezoning of 1992. He advised that the 2006 County Comprehensive Plan called for the deletion of the Estate land use category and associated E-1 zoning district, and during the 2009 comprehensive rezoning, several property owners within the study area requested a commercial classification; however, staff and the Planning Commission concluded that sufficient commercial zoning was already in place along the U.S. Rt. 50 corridor and on MD Rt. 589 to serve the needs of residents and the traveling public in light of the number of unutilized or underutilized commercial properties in the area. Therefore, the Planning Commission and staff had recommended the portion zoned E-1 be given an R-1 Rural Residential District zoning designation; however, the Commissioners chose to retain the E-1 zoning classification. Mr. Tudor advised that more recently, based on the five rezoning case numbers 399, 400, 401, 402, and 415 seeking to rezone properties in the above-referenced area from E-1 to C-2 General

Commercial, or alternatively C-1 Neighborhood Commercial zoning, on March 1, 2018 the Planning Commission recommended initiating a sectional rezoning of the properties, and that request was approved by the County Commissioners on April 3, 2018. The Planning Commission subsequently discussed the proposal at several meetings throughout 2018 and concluded that to place commercial zoning in the area would be inappropriate, and recommended that the area remain zoned E-1 Estate until the next Comprehensive Development Plan and Comprehensive Rezoning of the County based on the following reasons: the substantial existing residential areas; McAllister Road is not adequate for commercial usage; there is already an abundance of traffic on MD Route 589; and public water and sewer services are not yet available. Commissioner Purnell opened the floor to receive public comment.

Mark Cropper, attorney in the five rezoning case numbers 399, 400, 401, 402, and 415 (the "589 properties"), stated that his clients, whose properties are zoned E-1, not A-1, and total 19.1 acres, are seeking a change in zoning classification to C-2 or alternatively C-1. He introduced his letter dated June 21, 2018 to the Planning Commission to support the requested rezoning of the 589 properties. Specifically, Mr. Cropper pointed to Rezoning Case Nos. 392 and 396 which involved properties just north of the 589 properties, and which resulted in rezoning those properties from A-1 to C-2, based on a change in the character of the neighborhood to commercial, and the definition of the neighborhood included the 589 properties. He further stated that Case No. 392 was appealed to the Court of Special Appeals (Silver Fox, LLC et. al versus Walter M. Stansell, Jr., et. al) upon which the court upheld the decision of the Commissioners to rezone the property. Mr. Cropper pointed out that he does not represent the other land owners whose properties are also being considered for rezoning, as part of the sectional reclassification.

Mark Cropper called on Hugh Cropper, the attorney who handled the rezoning of the properties in Rezoning Case Nos. 392 and 396. Hugh Cropper reviewed the details of said rezoning cases, noting that both properties were located roughly one mile from the Casino at Ocean Downs which is directly across the highway from the 589 properties, and he agreed that the properties being represented by Mark Cropper are in the defined neighborhood and are in much closer proximity to the casino than those of his clients and thus more heavily impacted. He further agreed with Mark Cropper's assertion that MD Rt. 589 in the vicinity of the five properties consists of five lanes, including acceleration and deceleration lanes, making that area even more well suited to handle additional traffic that could be generated if the subject properties are rezoned and developed for commercial use than the properties he represented. He then reviewed the history of the Estate zone classification, noting that it was meant for use on large lots in areas such as South Point, Showell, and Bishopville and not on the small lots on MD Rt. 589 near the casino. He concurred with Mark Cropper that the Estate zone did not represent smart growth, and for that reason the County's own comprehensive plan called for its elimination, though that has yet to occur.

In response to questions by Commissioner Bertino, Mark Cropper agreed that the proposed reclassification could impact property owners he does not represent, though he felt the commercial zoning classification would increase the permitted uses in the area and thus benefit

all of the property owners. Mr. Tudor advised that the Commissioners are able to determine which properties, if any, to rezone. For example, they could choose to rezone 50% of the properties, 75%, or none, though he cautioned that the homes on any properties rezoned to C-1 or C-2 commercial would become non-conforming uses, requiring homeowners to apply for special exceptions from the Board of Zoning Appeals when seeking to make changes to their homes. In response to a question by Commissioner Elder, DRP Deputy Director Phyllis Wimbrow advised that DRP staff sent notifications to all impacted property owners. In response to a question by Commissioner Bunting, Mr. Cropper stated that his clients would like their properties to be rezoned C-2.

Mr. Cropper called on his client, James C. Motsko of Ocean City, an area realtor who represents the Nock property, which is one of the five properties being represented by Mr. Cropper. Mr. Motsko stated that the Nock property has been on the market for eight years, and he will not be able to sell the property unless it is rezoned for commercial use because it is located directly opposite the casino and a boat dealership, making it undesirable for residential use.

Mr. Cropper called on his client, Steve Machan of McAllister Road. Mr. Machan stated that he requested his property be rezoned from E-1 to commercial in 2006 and again during the 2009 comprehensive rezoning, at which time the County Commissioners denied his rezoning request and assured him that they were in the process of eliminating the E-1 zoning classification. He made a third request based on rezoning cases 392 and 396, but his request was denied a third time, though his property is located closer to and more immediately impacted by the casino than either of the properties in those rezoning cases. He asked the Commissioners to support this request today to rezone his property for commercial use.

Mr. Cropper called on his client, Goodwin Hunt Taylor, III, of McAllister Road, who stated that his property was being used for commercial purposes when he bought it in 2011 and it is still being used for commercial purposes today. He stated that residential zoning is not appropriate for his property, and he requested the Commissioners rezone his property C-2 or, alternatively, C-1. Mr. Cropper called on his client, Kevin Evans, owner of the former Planted Pleasures, located on MD Rt. 589. Mr. Evans stated that the Commissioners denied his 2009 request to rezone his property from E-1 to commercial; however, the County had assured him the E-1 zoning would be eliminated and his property would be granted a new zoning classification, which has not happened. He stated that only commercial zoning is appropriate for his property.

Mr. Cropper provided closing comments, reiterating that the neighborhood has been defined as commercial in nature twice in recent years with rezoning cases 392 and 396, properties that were rezoned from A-1 to commercial based on a change in the character of the neighborhood, and the inappropriateness of E-1 zoning on MD Rt. 589 in the area of the casino. He pointed out that the five properties being considered for rezoning today sit closer to the casino than either of those rezoning cases. He stated that in spite of recommendations from County staff and the Planning Commission based on the Comprehensive Land Use Plan, which calls for the elimination of the Estate Zone, the Commissioners failed to eliminate the E-1 zone during the 2009 Comprehensive Rezoning. He pointed out that the Worcester County Comprehensive Land Use Plan is applauded Statewide as one of the best planning documents ever developed, and he urged the

Commissioners to adhere to this plan by granting the rezoning requests before them today rather than postponing these rezoning requests until the next comprehensive rezoning, which has yet to be scheduled. He reiterated that the Estate zoning is inappropriate for this area, noting that his clients' properties cannot and will not sell under their current zoning classifications because residential zoning is highly inappropriate for these sites. He reiterated that the 2006 Comprehensive Land Use Plan calls for the elimination of the Estate zone, and he asked how long the Commissioners expect his clients to wait before the County follows through with rezoning their properties to meet the goals of the plan.

In response to a question by Commissioner Bunting, Mr. Cropper reviewed the differences between the various commercial zoning classifications. Commissioner Bunting suggested that perhaps only the properties fronting on MD Route 589 should be zoned commercial.

In response to a question by Commissioner Bertino, Public Works Director John Tustin stated that McAllister Road is roughly 22 feet wide and the road would likely need to be upgraded if the zoning is changed from E-1 to commercial. Commissioner Bunting added that McAllister Road has a 30-foot wide right-of-way.

Don Giancoli of Glen Riddle urged the Commissioners to support the recommendations of County staff and the Planning Commission, noting that factors in Rezoning Cases 392 and 396 don't apply to this area. He expressed concern regarding the domino effect of rezoning these properties which would lead to more nearby properties being rezoned commercial too, if the Commissioners agree with the logic of the argument presented by Mr. Cropper. He stated that it doesn't make sense to rezone these properties with no traffic study and no coordination of how that is going to coordinate into the overall development of MD Rt. 589. He added that common sense indicates that there is already too much traffic on MD Route 589 and rezoning these properties to commercial zoning will only make it worse. He concluded that staff has suggested a more prudent way of proceeding with future development in this area, and these properties should not be zoned commercial.

Steve Rakow, attorney for the Ocean Downs Casino, stated that his client opposes any rezoning of these properties prior to review of the County Comprehensive Plan scheduled for 2021 for the following reasons: there is sufficient existing underutilized or unutilized commercially-zoned properties already available for development in that area; there is no provision for public sewer services, and the casino will not grant access through their property and overburden the sewer system for commercial development on MD Rt. 589; and there should be no change in development patterns permitted in the area until a traffic study is completed; and MD Route 589 should be widened to 4-lanes before any commercial development is permitted in the area. Commissioner Purnell closed the public hearing.

In response to a question by Commissioner Bertino regarding water and sewer, Environmental Programs Director Bob Mitchell stated that the subject properties are not in the planning area for Ocean Pines, so any future commercial developed would be required to include onsite septic services.

In follow up to comments made by Mark Cropper, Ms. Howarth addressed the following legal points. First, the Court of Special Appeals agreed with the Circuit Court that it was not going to substitute its judgement in place of the County Commissioners on the appropriateness of the neighborhood in Rezoning Case No. 392, and that the issue was fairly debatable. She emphasized that the Court did not say that the definition of the neighborhood was correct, as that's not the reviewed standard. Additionally, she pointed out that this is a comprehensive rezoning, not a piece-meal rezoning, and the Commissioners are not required to consider the definition of the neighborhood or a change in the character of the neighborhood. Those are not the standards for a comprehensive rezoning. Rather when considering a comprehensive rezoning, the Commissioners are required to look at the local and regional needs and all property owners in the planning area, you consider broad policy considerations, including whether the comprehensive rezoning takes into account future public needs and purposes, whether it is designed to provide an adequate potential for orderly growth in the future, to satisfy local and regional needs, and ultimately whether it bears a relationship to the public health, safety, and general welfare. Commissioner Bertino stated that he could not support the proposed sectional rezoning for the following reasons: the needed water and sewer is not available to serve the area, existing homeowners would be required to take the additional step of applying for a special exception to make improvements to their own properties, it would place additional traffic on an already impacted MD Rt. 589 when funding has yet to be identified to upgrade the road, and McAllister Road would need to be upgraded to support commercial development of these properties.

After much discussion and upon a motion by Commissioner Bunting, the Commissioners voted 5-2, with Commissioners Bertino and Nordstrom voting in opposition, to amend the boundary line on the comprehensive reclassification map submitted to include only those properties shown on Tax Map 21 as Parcels 32, 71, 79, 83, 84, 87, 88, 94, 97, 110, 111, 114, 151, 219, 265 and 276 along MD Rt. 589 and McAllister Road which are currently zoned E-1 Estate or A-1 Agricultural to be considered for this comprehensive sectional reclassification.

Upon a motion by Commissioner Bunting, the Commissioners voted 5-2, with Commissioners Bertino and Nordstrom voting in opposition, to rezone the above referenced properties in the MD Rt. 589, McAllister Road, and Griffin Road area from E-1 Estate or A-1 Agricultural to C-2 General Commercial zoning district.

The Commissioners recessed for five minutes.

The Commissioners reviewed proposed bond bills and the Official Intent Resolution, to include the financing schedule provided by the County's financial advisor, Joe Mason of Davenport & Company, LLC. The bond bills include \$37 million to replace Showell Elementary School (SES), \$1.4 million, which has been reduced from \$1.5 million for a new turf athletic field and track at Stephen Decatur High School (SDHS), \$3.328 million for completion of Central Landfill Cell No. 5, \$3.25 million for water and wastewater projects in the Ocean Pines and Riddle Farm Sanitary Service Areas (SSA); and the Official Intent Resolution to use the bond proceeds to reimburse expenses incurred for each of these projects prior to the issuance of the bonds. Chief Administrative Officer Harold Higgins advised that there are two changes to the resolution. The

first includes an increase from an amount not to exceed \$47 million to an amount not to exceed \$48 million for the SES project to include constructing four pre-kindergarten (pre-k) classrooms. The second includes adding a track to the installation of a new turf athletic field at SDHS.

In response to questions by Commissioner Bertino, Mr. Higgins stated that the \$1 million increase in the bond bill for SES is to cover the cost of four classrooms for pre-k, based on a request from the Board of Education (BOE) in anticipation that the State will require the provision of all day pre-k beginning in 2022. Assistant Chief Administrative Officer Kelly Shannahan stated that the \$3.25 million for Water and Wastewater projects includes \$3 million for miscellaneous projects in Ocean Pines and \$250,000 for the equalization tank in the Riddle Farm Sanitary Service Area (SSA). Public Works Director John Tustin reviewed the breakdown of projects for the Ocean Pines SSA as follows: \$800,000 to replace a belt filter press, \$600,000 to construct a new operations center; \$500,000 to paint the north water tower; \$500,000 for miscellaneous pump station upgrades; \$500,000 to rehabilitate treatment unit three; and \$100,000 to replace blue tubing (water lines) throughout the service area. Mr. Shannahan further stated that this is not a commitment of those funds at this time, and the residents of Ocean Pines will have an opportunity to speak at a public hearing on these projects before those expenditures are approved. Commissioner Bunting stated that it makes better sense to add the pre-k classrooms now rather than in the future at a much higher cost. He further stated that the State funding formula for school construction in Worcester County is unfair and needs to be changed. Commissioner Mitrecic concurred, noting that Worcester County receives the lowest percentage of State funding for school construction of any county in Maryland.

Upon a motion by Commissioner Mitrecic, the Commissioners unanimously adopted Official Intent Resolution No. 18-27 as amended.

The Commissioners met in legislative session.

The Commissioners conducted a public hearing on Bill 18-7 (Zoning - Campgrounds - RV Camping Areas), which was introduced by Commissioners Bertino, Bunting, Church, Elder, Lockfaw, Mitrecic, and Purnell on November 20, 2018. Mr. Tudor reviewed the bill, which would amend Section ZS 1-318(c)(3)B of the Zoning and Subdivision Control Article to remove the requirement for a specific angle of access and egress to each pull-through campsites in rental and membership campgrounds. Mr. Tudor explained that the current language requires an angle of between 120 and 135 degrees, which may not be appropriate in all cases and is better self-regulated by the owner of the campground. He stated that the text amendment filed by Mark Cropper, attorney for Robert Ewell, has the full support of the Planning Commission and staff. Mark Cropper, attorney for Robert Ewell, owner of Island Resort Campground in Newark, Maryland, stated that the purpose of the text amendment is to eliminate the arbitrary angle that pull-through campsites are required to develop, and the angle should be determined by the campground owner and not some arbitrary rule.

In response to questioning by Mr. Cropper, Mr. Ewell agreed that the existing provision is unnecessary and campsite owners should determine the extent to which pull-through campsites

are on an angle and if so what that angle should be.

There being no further public comment, Commissioner Purnell closed the public hearing. Upon a motion by Commissioner Bunting, the Commissioners unanimously adopted Bill 18-7 (Zoning - Campgrounds - Recreational Vehicle Camping Areas) as presented.

The Commissioners met with Mr. Higgins to consider introducing an updated bond bill entitled An Act to authorize and empower the County Commissioners to borrow on its full faith and credit and to issue and sell its general obligation bonds and its bond anticipation notes at one time or from time to time within four years from the date this bill becomes effective in an amount not to exceed \$38 million to provide financing for a portion of the cost for construction and equipping of the new Showell Elementary School (SES), including payment of all related costs and costs of issuance of such bonds. Mr. Higgins noted that the proposed bill reflects an increase from \$37 million to include an additional \$1 million for four additional pre-k classrooms as discussed earlier.

Following some discussion, Commissioners Bertino, Bunting, Church, Elder, Mitrecic, Nordstrom, and Purnell introduced the aforementioned bond bill as Bill 18-8 and scheduled a public hearing on the bill for January 22, 2019.

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The Commissioners met with Mr. Higgins to consider introducing a bond bill entitled An Act to authorize and empower the County Commissioners to sell its general obligation bonds and its bond anticipation notes at one time or from time to time within four years from the date this bill becomes effective in an amount not exceeding \$3,328,000 to provide financing to complete the Central Landfill Site Cell No. 5 construction project, including payment of all related costs and costs of issuance of such bonds. In response to questions by Commissioner Mitrecic, Mr. Tustin stated that Cell 5 construction should be complete within two weeks, with certification by Maryland Department of the Environment (MDE), and thereafter should begin accepting waste by mid-January 2019.

Following some discussion, Commissioners Bertino, Bunting, Church, Elder, Mitrecic, Nordstrom, and Purnell introduced the aforementioned bond bill as Bill 18-8 and scheduled a

public hearing on the bill for January 22, 2019.

Commissioner Purnell closed the legislative session.

The Commissioners conducted a public hearing on a Comprehensive Water and Sewerage Plan amendment application submitted by Hugh Cropper, IV, on behalf of Atlantic General Hospital (AGH), to reclassify the water and sewer planning area designations for two adjacent properties to serve a proposed outpatient medical center to be located on MD Rt. 589 (Racetrack Road), south of the Ocean Pines South Gate entrance and more specifically identified on Tax Map 21 as Parcel 66, Lots A and B. Mr. Mitchell reviewed the amendment, which would change the designation for the properties from W-6/S-6 (no planned service) to W-1/S-1 (planned to be served within two years) and will include the relevant information for the Ocean Pines planning area in the plan. He advised that the proposed medical office will consist of 98,964 square feet of medical offices serving different medical specialties. He concluded that the Planning Commission found the proposed amendments to be consistent with the County's Comprehensive Development Plan and granted the application a favorable recommendation. In response to questions by Commissioner Bertino, Mr. Mitchell stated that the outpatient medical center will receive services from the Ocean Pines Sanitary Service Area (SSA) via a connection from the South Gate area of Ocean Pines near Pennington Commons, and they will be subject to Forest Conservation Act requirements, but no offsite mitigation will be required. In response to a question by Commissioner Mitrecic, Mr. Mitchell stated that this project will not impact a small section of wetlands on the property.

Commissioner Purnell opened the floor to receive public comment.

Hugh Cropper, attorney for Silver Fox and Burbage Melson who own the two parcels, and Sina Companies, LLC, advised that his client plans to develop, design and build a campus to lease to AGH as a medical campus on property zoned C-2 and medical office space consisting of just under 100,000 square feet. He advised that the building will be very attractive, with every effort to be made to protect the existing forest to meet the required threshold. He stated that the rear of the property will be landscaped with low-light parking. He stated that this project will allow AGH to consolidate a number of medical services under one roof, making the project cost effective. He advised that this project is consistent with the Comprehensive Plan, and the Ocean Pines Sanitary Service Area (SSA) has adequate water and sewer for this project, and he urged the Commissioners to approve the requested amendment as presented.

There being no further public comment, Commissioner Purnell closed the public hearing. In response to a question by Commissioner Bertino, Malcolm Sina advised that project construction is scheduled to begin during the second quarter of 2019 and be complete 12 months after construction begins.

Upon a motion by Commissioner Bunting, the Commissioners unanimously approved the request to amend the Comprehensive Water and Sewerage Plan for Worcester County to reclassify the designation for the properties from W-6/S-6 (no planned service) to W-1/S-1 (planned to be served within two years). Mr. Shannahan stated that there is no resolution for the Commissioners

to sign today. Rather, this property must first be incorporated into the Ocean Pines SSA, and at that public hearing, staff will present a resolution incorporating the properties into the Ocean Pines SSA as well as amending the Water and Sewerage Plan as approved today.

The Commissioners met with Finance Officer Phil Thompson and Chris Hall of TGM Group, LLC, Certified Public Accountants to review the County's Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ending June 30, 2018. Mr. Thompson stated that this document, which County and TGM staff spent countless hours preparing, represents the County's fiscal report card, stat sheet, and fiscal state of the County, all in one document, and County staff send the CAFR to more than 100 entities the County does business with, as well as international bond rating firms, Moody's, Fitch, and Standard & Poors, which use this data to assign the County's credit rating, the financial analysts and institutions that currently hold or bid on the County's bond offerings, and most importantly make it available to the public on the County website at www.co.worcester.md.us. Mr. Thompson then announced that the County was awarded the Certificate of Achievement for Excellence in Financial Reporting for the tenth consecutive year by the Government Finance Officers Association (GFOA) of the United States and Canada for its CAFR for FY17. This award is the highest form of recognition awarded to local governments in the areas of accounting and financial reporting and assures the users of the County's financial statements that the County is complying with the most recent accounting and finance pronouncements in a format that is widely acceptable. He recognized key members of the finance team, Budget Officer Kathy Whited, Assistant Finance Officer Jennifer Swanton, Enterprise Fund Controller Jessica Wilson, and Senior Budget Accountant Kim Reynolds for the dedication and knowledge they provide and for the support and guidance that Mr. Higgins and the Commissioners have given to staff, noting that it would not be possible to accomplish this without their dedication to excellence in financial reporting.

Mr. Hall reviewed the Independent Auditors' Report, issuing Worcester County an unmodified opinion (previously referred to as a "clean opinion"), which represents the highest assurance TGM can give. He pointed out the new accounting principal that TGM was required to implement this year, Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Other Post Employment Benefits (OPEB). He then reviewed the Management's Discussion and Analysis (which provides private citizens with a snapshot of what happened during the current fiscal year along with a comparison to the prior year); Balance Sheet Governmental Funds, with a Fund Balance of roughly \$54 million, of which \$18.7 million is Assigned (planned), leaving \$35 million Unassigned for use in future years; General Fund final adopted budget of roughly \$195 million, with actual revenues generated of roughly \$200 million; Statement of Revenues, Expenses, and Changes in Fund Net Position for Business-Type Activities, with a net position of \$54.6 million at the fiscal year opening and \$57 million at the fiscal year close; and Statement of Net Position Fiduciary Funds, which includes roughly \$49.3 million for Other Post Employment Benefits (OPEB), which reflects a net increase of \$3.2 million in fair value of investments.

In response to a question by Commissioner Bertino, Mr. Hall confirmed that the OPEB Net Position for the County is \$49.3 million, with a \$31.6 million liability; and the Net Position for

the Board of Education (BOE) is \$19 million, with a \$318 million liability. Mr. Hall advised that each liability reflects the projected cost for current employees and retirees.

In response to a question by Commissioner Mitrecic, Mr. Thompson confirmed that the prior report, completed two years ago, for the BOE liability was \$250 million. Ms. Swanton advised that this change reflects the new GASB 75 reporting requirements for reporting cash balances, which mandates projecting a lower rate of return for the BOE funds due to the level of liability in their OPEB Fund while we are able to project a higher rate of return for the County OPEB Fund which more closely resembles our recent experience. Mr. Hall stated that this is a nationwide issue for jurisdictions that pay post employment benefits. Commissioner Mitrecic stated that the Town of Ocean City developed a long-term payment plan to address their OPEB liability and urged the Commissioners to do the same. Following some discussion, the Commissioners directed staff to provide them with a full report on the current County and BOE OPEB liability and to develop a potential 30-year payment plan in order to stay ahead of the current liability and to address the full \$350 million long-term liability, and to include specific recommended funding requirements for both the County Government and the BOE to address these liabilities.

Pursuant to the recommendation of Fire Marshal Jeff McMahan and upon a motion by Commissioner Bertino, the Commissioners unanimously declared a 1985 Ford/Peirce fire engine, previously donated to the County by the Ocean Pines Volunteer Fire Department (OPVFD) in 1985 and since used by the Special Hazards Response Team (Hazmat), Worcester Technical High School (WTHS) cadet vocational program, and as a reserve engine for the County fire service, to be surplus property and agreed to notify the public of their intent to dispose of the surplus property by returning it to the OPVFD, with the public to have an opportunity to object to the proposed disposal in advance or at 10:00 a.m. during the Commissioners' meeting on January 22, 2019 before this item is returned. Mr. McMahan advised that the OPVFD donated the engine to the County for said purposes, with the caveat that it be returned to the OPVFD in the event that it ceased to be used for its intended purposes.

Pursuant to the request of Mr. McMahan and upon a motion by Commissioner Bunting, the Commissioners unanimously approved the offer of the Ocean City Volunteer Fire Company (OCVFC) Fire Safety House to the County at no cost for use by the County. Mr. McMahan explained that the OCVFC fire safety house fire prevention trailer program is being terminated, and area fire chiefs asked his office to continue the program and store the trailer at the Fire Training Center in Newark.

Emergency Services Director Billy Birch provided the Commissioners with a P25 Radio System status update, noting that no significant issues have been reported regarding the system since the last update on November 20, 2018, and advising that this week Harris contractors will be replacing the existing generators at the Pocomoke and Mystic Harbour sites with new, larger units at no additional cost to the County to overcome issues identified during system testing, to assure readiness for the Town of Ocean City's transition to the new system, and to provide additional interoperability for users placing "individual calls" when roaming between Ocean City and Worcester County tower sites.

In a related matter, at the request of Mr. Birch and upon a motion by Commissioner Bertino, the Commissioners unanimously declared portable radio equipment from the Legacy Enhanced Digital Access Communications System (EDACS) to be surplus property with only de minimis value which does not justify the cost to prepare this equipment for sale and therefore authorized the department to dispose of said equipment by physical destruction.

Pursuant to the request of Recreation and Parks Director Tom Perlozzo and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Purnell to sign a Land and Water Conservation Fund Grant application for a grant of \$175,000 or 50% of the total estimated project cost of \$350,000 for the development of passive recreational components at the Greys Creek Nature Park. In response to a question by Commissioner Bunting, Mr. Perlozzo advised that there is an island shown on the map that will be removed from the map of potential water access and water trail connections for Greys Creek Nature Park, as that island is not County-owned.

Pursuant to the request of Mr. Perlozzo and upon a motion by Commissioner Mitrecic, the Commissioners voted 6-1, with Commissioner Bertino voting in opposition, to award the best bid for the Public Landing dredging engineering project to J. Stacey Hart & Associates, Inc. of Snow Hill, Maryland at a total cost of \$35,000. In response to a question by Commissioner Bertino, Mr. Perlozzo explained that the State has no experience working with Three Chord CEM, LLC of Frankford, Delaware, the apparent low bidder with a bid of \$26,700, while J. Stacey Hart & Associates has successfully completed a number of projects in Maryland.

Environmental Programs Director Bob Mitchell advised the Commissioners that the County's Agricultural Land Preservation Program has been re-certified by the Maryland Department of Planning (MDP) and the Maryland Agricultural Land Preservation Foundation (MALPF) through June 30, 2021. Mr. Mitchell advised that certification entitles the County to retain 75% instead of 33% of the Agricultural Land Transfer Tax (ALTT) and also makes the County eligible for 60% additional matching funds from the State when those funds may be available for the purchase of agricultural easements in the future. The Commissioners commended Mr. Mitchell and Katherine Munson, Planner V, as well as local partners for their efforts to cultivate interest from local landowners and farmers to take part in the program.

Pursuant to the recommendation of Mr. Mitchell and upon a motion by Commissioner Mitrecic, the Commissioners voted 6-1, with Commissioner Elder voting in opposition, to authorize Commission President Purnell to sign the Agreement of Sale between Porter Mill Properties, LLC (Seller) and the County Commissioners of Worcester County, Maryland (Buyer) for the purchase of a Rural Legacy Area easement for \$2,166.50 per acre for a total purchase cost of \$127,000, to be funded by the Maryland Department of Natural Resources (DNR) at no cost to the County, on 58.62 acres of a 62.11-acre property (excluding the 3.49-acre abandoned railroad right-of-way), which is located at 1108 Snow Hill Road in Stockton, and more specifically identified on Tax Map 94 as Parcel 175.

Pursuant to the recommendation of Mr. Mitchell and upon a motion by Commissioner Mitrecic,

the Commissioners unanimously approved the Request for Proposals (RFP) for design engineering services for the Selsey Road Resiliency Project. While the stabilization and enhancement activities will take place primarily on the private property of an interested landowner, the restoration effort will benefit the entire Cape Isle of Wight community. Commissioner Bunting expressed skepticism that any such efforts will ultimately be successful due to the forces of nature in that area of the Isle of Wight Bay.

Pursuant to the recommendation of Mr. Mitchell and upon a motion by Commissioner Bunting, the Commissioners unanimously accepted the best proposal from Davis, Bowen & Friedel, Inc. of Salisbury, Maryland to comprehensively update the Worcester County Water and Sewerage Plan at a total cost of \$124,095.40. In response to a question by Commissioner Bertino, Mr. Mitchell stated that J.W. Salm Engineering, Inc. submitted the lowest-cost proposal at \$119,644.91, but only scored 52 points when evaluated on experience, project team, schedule, overall proposal, and ongoing work that could affect this project; however, Davis, Bowen & Friedel, Inc., scored 90 points, making them the most qualified among the three companies to perform this work for the County.

Pursuant to the request of Administrative Judge Brian D. Shockley and the recommendation of Public Works Director John Tustin and upon a motion by Commissioner Mitrecic, the Commissioners unanimously approved the construction of a private bathroom within the Clerk of Court's Office at a cost not to exceed \$9,000.

The Commissioners met with Assistant Chief Administrative Officer Kelly Shannahan to review their plans to tour and discuss Solid Waste Division operations on Tuesday, January 15, 2019 and agreed to postpone the start time from 10:00 a.m. to 10:30 a.m. to permit them to attend the swearing in ceremony for Board of Education members that day at 9:30 a.m.

The Commissioners met with Mr. Shannahan to discuss a request from Hunter Pusey of Paul M. Jones Lumber Company, Inc. to lease outdoor storage space in the covered loading bays at the former Liquor Control Warehouse in Snow Hill to store surplus lumber from December 2018 through June 2019 with a proposed lease payment of \$1,000 per month. Mr. Shannahan stated that County staff sent a letter that acknowledged his request and advised that the Commissioners have not yet decided whether to renovate the facility to satisfy existing County storage needs or to sell the property outright to an interested buyer.

Upon a motion by Commissioner Bertino, the Commissioners unanimously denied Mr. Pusey's request. Upon a subsequent motion by Commissioner Mitrecic, the Commissioners declared their intention to sell the property as is. Mr. Shannahan agreed to provide information at a future meeting so that the Commissioners can determine the asking price for this property.

The Commissioners met with Mr. Shannahan to review the proposal for their two-day Strategic Planning Retreat on January 29-30, 2019 at the Berlin Branch Library. Pursuant to the request of Mr. Shannahan and upon a motion by Commissioner Mitrecic, the Commissioners voted 5-2, with Commissioners Bertino and Bunting voting in opposition, to approve the proposal from The

Novak Consulting Group of Cincinnati, Ohio for Catherine Tuck Parish to provide consulting services associated with facilitating the strategic planning workshop at a total fixed fee of \$10,000. The Commissioners had reviewed and conceptually approved this proposal at their December 4, 2018 meeting.

Upon a motion by Commissioner Bunting, the Commissioners unanimously adopted Resolution No. 18- 28 to amend the Worcester County Government Personnel Rules and Regulations to declare Christmas Eve as a full-day holiday, as conceptually approved by the Commissioners at their November 7, 2018 meeting and after having been posted for 15 days and receiving no comment. The amendment includes the addition of Christmas Eve, December 24, under Subsection A of Section 6.11 (Holidays).

The Commissioners reviewed and discussed various board appointments.

Upon nominations by Commissioner Nordstrom, the Commissioners unanimously agreed to reappoint Mark Frostrom to the Local Management Board for an additional three-year term expiring December 31, 2021, and Mickey Ashby to the Ethics Board and George Linvill to the Solid Waste Advisory Committee for additional four-year terms each expiring December 31, 2022; and to appoint Ronnie White to the Social Services Advisory Board for the remainder of a three-year term expiring December 31, 2020, to replace Tracey Cottman whose term expired last year.

Upon nominations by Commissioner Church, the Commissioners unanimously agreed to reappoint Duane Duncan to the Board of Electrical Examiners for an additional three-year term expiring December 31, 2021, and to reappoint Jim Wilson to the Building Code Appeals Board and Richard Jendrek to the Water and Sewer Advisory Council for the Mystic Harbour Service Area for additional four-year terms each expiring December 31, 2022.

Upon a nomination by Commissioner Elder, the Commissioners unanimously agreed to reappoint Ed Phillips and Alan Hudson to the Agricultural Preservation Advisory Board for additional four-year terms each expiring December 31, 2022; and to appoint Michael Day to the Tourism Advisory Committee for the remainder of a four-year term expiring December 31, 2019 to replace Molly Hilligoss who resigned.

Upon a nomination by Commissioner Bunting, the Commissioners unanimously agreed to reappoint Cam Bunting as an at-large business representative to the Local Development Council for the Ocean Downs Casino for an additional four-year term expiring December 31, 2022.

County Attorney Maureen Howarth updated the Commissioners on the Open Meetings Compliance Board (the Board) Opinion that was recently issued. Ms. Howarth advised that the Board agreed that the Commissioners were performing an administrative function; however, the Board found that the County violated the Open Meetings Act by failing to sufficiently disclose in the open session minutes the subject matters of the administrative items discussed in the closed session. Based on the Board's findings that the Commissioners violated the act, the

Commissioners are required at this open session meeting to announce the violation and orally summarize the opinion, and they are required to sign and return the opinion to the Board. Commission President Purnell read the disclosure, stating that the State of Maryland Open Meetings Compliance Board recently determined that the Worcester County Commissioners violated Section 3-104 of the General Provisions Article of the Annotated Code of Maryland related to the County's administration function meeting on September 18, 2018 by failing to include a phrase or sentence identifying the subject matters discussed in the administrative function meeting in the minutes of the September 18, 2018 meeting. She further stated that the County Commissioners will ensure that all administrative matters are properly referenced in the open session meetings, as required by Section 3-104.

In response to a request for clarification by Commissioner Bertino, Ms. Howarth confirmed that the Board found that the Commissioners were appropriately in a closed session meeting.

Pursuant to the request of Budget Officer Kathy Whited and upon a motion by Commissioner Bunting, the Commissioners unanimously agreed to host the annual public hearing on the FY20 County Operating Budget at Stephen Decatur High School on May 7, 2019 at 7:00 p.m.

The Commissioners reviewed a letter from Ocean City Mayor Rick Meehan requesting a property tax setoff in the County's FY20 budget for Ocean City taxpayers who pay County property taxes. Chief Administrative Officer Harold Higgins advised that in accordance with the provisions of Section 6-306(f)(1) of the Tax-Property Article of the Annotated Code of Maryland, a request for property tax setoff must be submitted at least 180 days before the date that the annual County budget is approved. He advised that the town has met that deadline with this request. He further stated that while the request does not outline their desired level of property tax setoff for the next fiscal year, the letter does request a discussion to include ways to work together to share additional expenses and develop an economic strategy to grow the town and County's economic future.

Following some discussion and upon a motion by Commissioner Bunting, the Commissioners voted 6-1, with Commissioner Mitrecic voting in opposition, to authorize Mr. Higgins to send a letter to Mayor Meehan seeking to schedule a meeting between County Administration and town representatives in the near future to discuss the nature of the Ocean City tax differential request, to be sent along with copies of the County's Comprehensive Annual Financial Report (CAFR) for fiscal year ending June 30, 2018 and the County's FY19 General Fund Operating Budget.

In response to comments by Commissioner Mitrecic, the Commissioners directed staff to provide them with a report and recommendations for implementing a Countywide room tax and/or rental license program to generate revenue from County property owners who rent their properties for transient use. Commissioner Mitrecic stated that Ocean City officials recently instituted a program to track and recover room tax revenues for property owners in the town who rent their properties for transient use, which resulted in the generation of roughly \$55,000 in additional room tax revenues last year. He also stated that the County should develop a better program to track and recover unpaid food and beverage taxes.

The Commissioners wished one and all a Merry Christmas and a Joyful New Year.

The Commissioners answered questions from the press, after which they adjourned to meet again on January 8, 2019.