



# TALBOT COUNTY, MARYLAND

County Council

MINUTES

May 3, 2022

Present – President Chuck Callahan, Vice President Pete Leshner, Frank Divilio, Corey Pack, Laura Everngam Price, County Manager Clay Stamp, and County Attorney Patrick Thomas.

- I. Agenda – Mr. Callahan requested and received unanimous consent for approval of the Agenda of Tuesday, May 3, 2022.
- II. Disbursements – Mr. Callahan requested and received unanimous consent for approval of the Disbursements of Tuesday, May 3, 2022.
- III. Introduction of Dan Schneckenburger, New Executive Director, Upper Shore Workforce Investment Board – Dan McDermott, retiring Executive Director, Upper Shore Workforce Investment Board, expressed his appreciation to the County Council and the former county councils with whom he had worked over his 26 year career as Executive Director with the Upper Shore Workforce Investment Board and for everything the Talbot County Council had done to support the work of the Board. Council members expressed their appreciation to Mr. McDermott for contributions to the Upper Shore Workforce Investment Board over his many years of service with them. Mr. McDermott introduced Dan Schneckenburger as the new Executive Director at Upper Shore Workforce Investment Board, stating that Mr. Schneckenburger previously served as a member of the Cecil County Council. Mr. Schneckenburger stated that Talbot County is very important to the Upper Shore Workforce Investment Board, whether individuals are looking to get employment or workforce training, or businesses are seeking a qualified workforce. Council members welcomed Mr. Schneckenburger and stated that they looked forward to working with him.
- IV. Proclamation: National Correctional Officers and Employees Week – May 1 – 7, 2022 – The Clerk read a proclamation into the record which spoke of the professionalism, commitment and dedication exhibited by correctional officers and other employees in the Talbot County Department of Corrections toward ensuring the safety and security of individuals under their care. The proclamation also spoke of the officers and employees' responsibility for the administration and operation of a variety of programs and services offered to assist those who are incarcerated. Upon motion by Mr. Pack, seconded by Ms. Price, the Council approved the proclamation by voting 5 – 0 as follows:

Mr. Callahan – Aye  
Mr. Divilio – Aye  
Mr. Leshner – Aye  
Ms. Price – Aye  
Mr. Pack – Aye

Terry Kokolis, Director, Talbot County Department of Corrections commended the individuals in the Department of Corrections for their strength and fortitude and stated that, in his opinion, the words of the proclamation apply to each member of the Department of Corrections. Mr. Kokolis stated that although the Department of Corrections plays a significant role in public safety, it is often the least known and recognized. He expressed his appreciation to the Council for recognizing the work of the staff of the Department of Corrections. Council discussion ensued with Mr. Kokolis.

Mr. Pack presented the proclamation to Mr. Kokolis and representatives of the Department of Corrections in attendance.

- V. Proclamation: Older Americans Month – May 2022 – “Age My Way” – The Clerk read a proclamation into the record which spoke of the contributions of older Americans to their communities and how those communities can become even better by providing programs and services which support the needs and preferences of senior citizens to help them remain active and age in place for as long as possible. Upon motion by Mr. Pack, seconded by Mr. Leshner, the Council approved the proclamation by voting 5 – 0 as follows:

Mr. Callahan – Aye  
Mr. Divilio – Aye  
Mr. Leshner – Aye  
Ms. Price – Aye  
Mr. Pack – Aye

Bill Shrieves, President, Upper Shore Aging Board of Directors, expressed his appreciation to the Council for their support of the senior citizens of Talbot County. Childlene Brooks, Manager, Brookletts Place – The Talbot County Senior Center, stated that Brookletts Place is beginning to recover from the COVID shutdown over the past two years and expressed her appreciation to the Council for providing resources to senior citizens. She stated that Brookletts Place will be holding an *Age My Way* exposition on Friday, May 13, 2022 at Brookletts Place, 400 Brookletts Ave., Easton, from 10:00 a.m. to 2:00 p.m. She stated that a variety of area representatives and representatives from various State agencies will be in attendance to provide information on services available to senior citizens. Ann DeMart, Manager, Bay Hundred Senior Center in St. Michaels also expressed her appreciation to the Council for their support and stated that the members have given her a new perspective on the aging process. Andy Hollis, new Executive Director, Upper Shore Aging, expressed his appreciation to each member of the County Council for going above and beyond, on many occasions, in their support of senior citizens in Talbot County. Council discussion ensued with the Mr. Shrieves, Ms. Brooks, Mr. Hollis, and Ms. DeMart.

VI. Public Hearing:

Prior to the public hearing on the Constant Yield, as required by State law, Vice President Pete Leshner read the following statement into the record:

*The County Council, in the Fiscal Year 2023 Proposed Budget, is proposing to adopt a Real Property Tax rate of 68.20 cents per \$100 of assessed valuation for all properties located outside the incorporated towns. This rate is 2.55 cents higher than the current real property tax rate. This rate is 5.3% higher than the constant yield rate of 64.76 cents, and will generate \$1,694,247 more in property tax revenues in Fiscal Year 2023 from the unincorporated area of the county. Properties located within the incorporated towns will again be granted a tax rate differential which sets their Real Property Tax rates between 6.01 and 13.3 cents lower than the County rate. The County Real Property Tax rates for properties located within the Towns are higher than the constant yield rate for the Towns. The County Council will not adopt the Fiscal Year 2023 tax rate today. The Fiscal Year 2023 Tax Rate will be adopted as part of the Fiscal Year 2022 – 2023 Annual Budget and Appropriation Ordinance, currently scheduled for adoption on Tuesday, May 17, 2022.*

Following the statement by Mr. Leshner, a public hearing was held on the Constant Yield and members of the public were afforded an opportunity to comment on the Constant Yield. No public comment was received.

Bill No. 1498, AN ACT TO ESTABLISH THE 2022-2023 ANNUAL BUDGET AND APPROPRIATION ORDINANCE, was read into the record by the Clerk and brought forward for public hearing. Prior to the public hearing, County Manager, Clay Stamp, outlined the following accomplishments of County government over the past year: implementation of a new 911 system; work on roll-out of field use ultrasound technology so that paramedics can better diagnose critical injuries and illnesses - the first phase of the expansion of coverage for the northern end of the county and the Easton area; enhancements in communication and the longevity program for members of the seven volunteer fire departments in the county; enhanced retirement compensation for public safety employees; and resurfacing of County owned roadways, ditch maintenance and replacement of culverts. He stated that the Department of Planning and Zoning and the Office of Permits and Inspections recently completed a comprehensive review of their operations – the resulting report includes recommendations for improvement in customer service; the technology known as Open Gov has been implemented to assist with customer service in those departments; the Department of Economic Development and Tourism has completed a Master Plan for the Frederick Douglass Park on the Tuckahoe, worked to support businesses through distribution of grants, and implemented Blue Dot, a new economic development monitoring tool. Mr. Stamp stated that the Department of Public Works continues its efforts to expand sewer service to failing septic systems, the County worked with Easton Utilities to expand broadband, and major road upgrades are planned for Goldsborough Neck and Airport Roads. Mr. Stamp concluded his comments by stating that the FY23 proposed Budget maintains core services, provides for workforce stability, invests in capital projects, addresses infrastructure and improves public safety, education and general services; the FY23 proposed Budget is essentially the same funding level as the FY22 Budget.

Ken Davis, Acting Finance Director, utilized a PowerPoint presentation to outline various facets of the proposed FY23 Budget which totals \$112,607,000; it includes over \$3 million in transfers to the capital projects fund for investments in infrastructure and \$3 million for equipment purchases. Mr. Davis stated that the proposed Budget is partially funded by a \$14.3 million transfer from the County's accumulated Fund Balance. He stated that operating expenses in the FY23 Budget increased 7.7%, which is less than the inflation rate of 8.5%; the proposed Budget includes a one cent (\$.01) increase in the Real Property Tax rate above what is allowed under the current Real Property Tax cap as approved by county voters in November 2020, and a one-cent (\$.01) educational supplement to support Talbot County Public Schools. Mr. Davis stated that Public Safety is the top priority in the FY23 proposed Budget, and includes an expansion of emergency services coverage in the northern part of the county to 24/7 in order to improve emergency response times; provides funding enhancements to the volunteer fire departments to support training, retention and recruitment efforts, and operational support and property acquisition for the Sheriff's Office and the Health Department. He noted various other items contributing to increases in cost of operations. Ray Clarke, County Engineer, briefed the Council on proposed sewer rate increases for the Sanitary Districts, beginning July 1, 2022. He stated that he had met with representatives of the Maryland Department of the Environment (MDE) in October 2021 who advised that the County needs to maintain a minimum debt ratio of 1.0 for the Sanitary Districts in order to be able to borrow funding for sewer expansion projects. MDE stated that in order for the Sanitary Districts to maintain the debt ratio required, rates need to be increased by \$400 per equivalent dwelling unit (EDU) which could be phased-in. He outlined current and upcoming operational costs, and stated that, based on current rates, the rates in Region I (Unionville, Tunis Mills, Copperville); Region II (Royal Oak, Newcomb, and Bellevue); Region II (St. Michaels and Martingham) will need to be increased \$325 per year; Region V (Tilghman) will need to be increased \$225 per year. Council discussion ensued with Mr. Clarke; Council members reminded everyone that the Sanitary Districts are "revenue neutral" - the rates charged to users reflect actual costs to operate

each sanitary district and that they are “enterprise funds” - the taxpayers do not subsidize the Sanitary Districts. Mr. Davis then provided statistical information and charts detailing County General Fund Revenue sources and dollar amounts for FY22, anticipated for FY23, and the General Fund Expenditures for same, including the percentage of increase or decrease from FY22. He outlined proposed projects included in the Capital Projects Fund and provided a history of the Discretionary Fund Balance from FY2011 to present, stating that the County continues to maintain a healthy Fund Balance. Council discussion ensued with Mr. Davis. Prior to public comment, Ms. Price left the meeting 2:23 p.m. for an obligation in her capacity as president of MACo, but stated that she would be listening to the presentations of the afternoon and the evening via YouTube. Members of the public were then afforded an opportunity to comment on Bill No. 1498. The public hearing on Bill 1498 will continue at 7:00 p.m. at the Easton Elementary School Cafeteria located at 307 Glenwood Avenue in Easton. Bill No. 1498 is eligible for vote on Tuesday, May 17, 2022.

VII. County Manager’s Report:

- A. Request to Transfer Maryland Department of Housing and Community Development (DHCD) Housing Bond Allocation - Requested Council approval to transfer Talbot County’s 2022 tax-exempt housing bond allocation in the sum of \$1,425,386 to the Maryland Department of Housing and Community Development; said bonds will be used by the State to fund various housing programs, including assisting first-time homebuyers. Upon motion by Mr. Leshner, seconded by Mr. Divilio, the Council approved transfer of the allocation by voting 4 – 0 as follows:

Mr. Callahan – Aye  
Mr. Divilio – Aye  
Mr. Leshner – Aye  
Mr. Pack - Aye

VIII. Public Comments: There were no public comments.

IX. Council Comments:

Mr. Pack - Mr. Pack stated that, in his opinion, it is sad that we have to have a sewer increase in the Bay Hundred area but that’s what happens when you don’t have the added connections to the line – it’s unfortunate, but Mr. Clarke is doing the best he can to keep sewer service up and running in the Bay Hundred area. He stated that when you don’t have the development you need and you have a 600,000 gallon facility there, it’s not just getting connections – those connections need to stay viable. Mr. Pack concluded his comments by stating that that having a 50% rate increase, plus the Bay Restoration Fund fee, is, in his opinion, quite a substantial hit, but unfortunately we have to do it.

Mr. Divilio - No comments.

Mr. Leshner - No comments.

Mr. Callahan- No comments.

The Council meeting recessed at 3:07 p.m.

X. Public Hearing continued:

The Council meeting reconvened at 7:00 p.m. in the Easton Elementary School Cafeteria. Bill No. 1498 was read into the record by the Clerk and brought forward for continuation of the afternoon public hearing. Prior to the public hearing, Mr. Stamp highlighted several accomplishments of Talbot County Government over the past year which benefitted county citizens and gave an overview of the FY23 proposed Budget as he had done at the 2:00 public hearing. Mr. Davis utilized a PowerPoint presentation to provide an overview of various facets of the FY23 proposed Budget and statistical information and charts detailing County General Fund Revenue and Expenditures, proposed projects included in the Capital Projects Fund, and a history of the Discretionary Fund Balance from FY2011 to present, as he had done at the 2:00 p.m. public hearing. Mr. Clarke outlined proposed increases in sewer rates of \$325 per year for Regions I and II and \$225 per year for Region V Sanitary Districts and the reasons the increase in rates is necessary, as he had done at the 2:00 p.m. public hearing. Members of the public were afforded an opportunity to comment on Bill No. 1498. Bill No. 1498 is eligible for vote on Tuesday, May 17, 2022.

- XI. Upon motion by Mr. Divilio, seconded by Mr. Pack, the Council voted to adjourn and to reconvene on Tuesday, May 10, 2022 at 2:30 p.m. for a meeting with MACo Executive Director, Michael Sanderson, and MACo President, Laura Price; to convene at 3:30 p.m. for final Budget deliberations, and to convene at 4:30 p.m. in Open Session and then adjourn into Closed Session for discussion of legal, personnel and real estate matters as listed on the statement for closing the meeting, and at 6:00 p.m. for the regularly scheduled meeting by voting 4 – 0 as follows:

Mr. Callahan - Aye  
Mr. Divilio – Aye  
Mr. Leshner – Aye  
Mr. Pack – Aye

The meeting adjourned at 3:07 p.m.

The transcript of the May 3, 2022 County Council meeting is available for review in the Office of the Talbot County Manager during regular office hours.

XIII. Summary of Closed Session Held on May 3, 2022:

1. Statement of the time, place, and purpose of the closed session:

Time of closed session: 1:05 p.m. to 1:25 p.m.  
Place of closed session: County Council Office  
Purpose of the closed session: To consider various matters as set forth in the statement for closing the meeting

2. Record of the vote of each member as to closing the session:

Names of members voting aye: Callahan, Divilio, Leshner, Pack, Price  
Members opposed: None  
Abstaining: None  
Absent: None

3. Statutory authority to close session and listing of each topic actually discussed, persons present, and each action taken in the session:

<b>Topic Description</b>	<b>Statutory Authority</b>	<b>Reason for Closed Session Discussion</b>	<b>Persons Present</b>	<b>Action Taken</b>
To discuss personnel matter in the Finance Office	GP § 3-305(b)(1)(i)	Discussion involves specific individual	Chuck Callahan, Frank Divilio, Pete Leshner, Corey Pack, Laura Price, Clay Stamp, Jessica Morris	No action
To discuss personnel matter in the Sheriff's Office	GP § 3-305(b)(1)(i)	Discussion involves specific individuals	Chuck Callahan, Frank Divilio, Pete Leshner, Corey Pack, Laura Price, Clay Stamp, Jessica Morris	No action

**CASH STATEMENT 5/03/2022**

BALANCE 4/26/2022	50,449,904.65
TOTAL ADP PAYROLL PPE 4/15/2022	(731,867.71)
PENSION DED PPE 4/15/2022	(42,040.10)
DEFERRED COMP DED PPE 4/15/2022	(20,338.60)
DEFERRED COMP PPE 4/15/2022 PLAN 401(A)	(6,670.11)
CIGNA CLAIMS PD THRU 4/25/2022	(46,417.94)
TALBOT COUNTY PUBLIC IMPROVEMENT BONDS OF 2010	(919,027.50)
USDA/RD QUARTERLY BOND PYMT #92-12	(16,408.00)
DEPOSITS	1,435,966.64
CHECKS	(1,067,961.52)
VOIDED CHECK(S) #358648, 358731	1,493.00
<b>BALANCE 5/03/2022</b>	<b><u>49,036,632.81</u></b>

**INVESTMENTS - CERTIFICATES OF DEPOSIT**

<u>Certificate Date</u>	<u>Maturity Date</u>	<u>Yield</u>	<u>Amount</u>
PNC-MLGIP INVESTMENTS TOTAL		0.35%	20,500,000.00
BAYVANGUARD BANK			10,225,657.52
<b>TOTAL INVESTED</b>			<b><u>30,725,657.52</u></b>

<b>PETTY CASH BALANCE</b>	<b><u>12,625.00</u></b>
<b><u>GRAND TOTAL ALL FUNDS</u></b>	<b><u>79,774,915.33</u></b>