

Minutes of the County Commissioners of Worcester County, Maryland

July 5, 2016

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

Following a motion by Commissioner Mitrecic, seconded by Commissioner 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 Article of the Annotated Code of Maryland and to perform administrative functions. Also present at the closed session were Harold L. Higgins, Chief Administrative Officer; Kelly Shannahan, Assistant Chief Administrative Officer; Maureen Howarth, County Attorney; Kim Moses, Public Information Officer; and Stacey Norton, Human Resources Director. Topics discussed and actions taken included: authorizing posting to fill vacancies for a Recycle Worker I in the Solid Waste Division and a Maintenance Worker III in the Maintenance Division of Public Works; promoting Trudy Porch from part-time Program Monitor to Program Manager I and agreeing to backfill the vacant Program Monitor position within Recreation and Parks; hiring Nicole McCann as a Correctional Officer Trainee, promoting Paul House from Lieutenant to Captain and agreeing to advertise to hire one Correctional Officer Trainee to backfill the vacancy to be created by the internal promotional opportunities created by Captain House's promotion within the County Jail; discussing a personnel disciplinary matter; and performing administrative functions.

Commissioner Lockfaw was absent at the beginning of the meeting.

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

The Commissioners reviewed and approved the minutes of their June 21, 2016 closed session meeting as amended and open session meeting as presented.

The Commissioners met with Finance Officer Phil Thompson, Budget Officer Kathy Whited, Assistant Finance Officer Jennifer Swanton, Enterprise Fund Controller Jessica Ramsay and Budget Accountant Kim Watts and applauded them for being awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the eighth consecutive year. Mr. Thompson stated that the GFOA award recognizes contributions to the practice of government finance that exemplify outstanding financial management, and the County was honored with this recent recognition for its

Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2015. He thanked County staff, the County Auditor - TGM Group, LLC, Chief Administrative Officer Harold Higgins and the County Commissioners for their support and collaborative efforts, which made this award possible.

The Commissioners met with Mr. Thompson to further discuss the request from Longview Solar, LLC for an 80% tax abatement on personal property tax to aid in the development of two commercial scale solar projects. The Commissioners originally discussed the request at their June 21, 2016 meeting, at which time they agreed to table the matter to allow County staff to provide them with additional details regarding the financial aspects associated with this request. Commissioner Church recused himself from the discussions and temporarily left the meeting due to a potential conflict of interests. Mr. Thompson stated that, while he supports the development of solar energy, he is opposed to changing the tax structure to accommodate this request which would set a precedent that would have long-term financial implications to the County. He stated that the project will already receive a 50% personal property tax abatement provided by the State for solar energy projects and should therefore be financially viable on its own without an additional 80% local abatement which would effectively reduce the assessed value of the improvements to only 10% of their actual value for tax purposes. With regard to past development and financial incentive agreements between the County and private businesses, Mr. Thompson stated that agreements made in the past 10 years were predicated on a satisfactory number of permanent new jobs created within the County. For example, in July of 2009, the Commissioners entered into a \$25,000 loan agreement with Bel-Art Products in Pocomoke City based on the addition of 25 new jobs. The County agreed to forgive this loan and all interest accrued if the addition of jobs occurred and the number of jobs was sustained for five years through January 2014. He advised that the loan was forgiven, as terms were met. Then in October of 2006, the Commissioners requested a \$450,000 Community Development Block Grant (CDBG) from the Department of Housing and Community Development to acquire and demolish the former Campbell Soup manufacturing facility in Pocomoke City to eliminate slums and blight and add 25 family-sustaining jobs to the County through an agreement with Hardwire LLC. Mr. Thompson stated that the company added more than 25 jobs and successfully redeveloped the property. He stated that, in stark contrast to these projects, the request by Longview Solar is for an annual abatement estimated at \$523,787 in year one, and totaling \$8,434,770 over 30 years as compared to the one-time \$25,000 loan and \$450,000 CDBG funds provided to these other projects. In addition, Longview projects the creation of 40 to 60 jobs for a period of six to nine months during construction, followed by one to two part-time jobs thereafter, which is substantially less when compared to the combined 50 family-sustaining, full-time jobs created by Bel-Art and Hardwire over the long term at a fraction of the cost to the County. Mr. Thompson concluded that the 50% abatement provided by the State for solar energy projects (a \$10,543,463 value to Longview Solar over the next 30 years) should be more than enough, and staff therefore strongly recommends that the Commissioners deny the request of Longview Solar for an additional 80% personal property tax abatement or payment in lieu of taxes as requested.

Based on staff's recommendations and the lack of job creation, Commissioner Bertino stated that the requested personal property tax abatement is not the right fit for the County. Commissioner Mitreic stated that the County should develop tax abatement programs to attract

companies that will create jobs; however, this project does not create new jobs and, thus, would not meet the criteria for such a program. He concluded that granting the requested tax abatement would not be in the best interest of the taxpayers. Commissioner Elder stated that green energy is the energy of the future, and though he believes that the County may be able to support a smaller incentive in the future to attract green energy companies, he could not support a major tax abatement of this sort.

Upon a motion by Commissioner Bertino, the Commissioners unanimously denied the Longview Solar, LLC request for an additional 80% personal property tax abatement or payment in lieu of taxes for their proposed solar projects in Worcester County.

Commissioner Church returned to the meeting.

Pursuant to the request of Health Department Fiscal Officer Julia Parker and upon a motion by Commissioner Bertino, the Commissioners unanimously authorized Commission President Church to sign the Core Public Health Services Funding Agreement between the Department of Health and Mental Hygiene (DHMH) and Worcester County from July 1, 2016 through June 30, 2017, which certifies that Worcester County will contribute \$5,706,639 and the State will contribute \$744,994 of the FY17 Worcester County Health Department budget of \$6,451,633.

Pursuant to the request of Recreation and Parks Director Paige Hurley and upon a motion by Commissioner Mitrecic, the Commissioners unanimously approved the request to transfer funds in the amount of \$4,875.67 from Account No. 6550.120 Building Site Expenses - Heating and Propane to Account No. 6130.025 Equipment Maintenance and Upgrades within the Recreation and Parks FY16 budget to purchase a new speaker system to replace the current audio and paging system within the Worcester County Recreation Center (WCRC) in Snow Hill which will operate more reliably with the new telephone system recently installed. In response to a question by Commissioner Bertino, Information Technology Manager Brian Jones explained that other County facilities where the new phone system has been installed would not be adversely affected as this is the only facility which pipes in music in their building.

Pursuant to the request of Colonel Doug Dods of the Sheriff's Office and upon a motion by Commissioner Bertino, the Commissioners unanimously authorized Commission President Bunting to sign the FFY 2017-2019 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 as follows: \$23,669 for FFY 2017; \$26,308 for FFY 2018; and \$30,116 for FFY 2019. The actual amount of the reimbursement is based on the number of summons and warrants served, and DHR will reimburse the Sheriff's Office (the Provider) for services provided in the Agreement up to the maximum amount each year at a rate of 66% for all allowable expenditures less an administrative fee of one-ninth of the local share of operating costs and is eligible to be increased by up to 14% per year.

Pursuant to the request of Colonel Dods and the written request of Sheriff Reggie Mason and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized Commission President Bunting to sign a Memorandum of Understanding (MOU) for Security

Assistance by the Sheriff's Office for Sunset Marina at the current rate of \$75 per hour, per Deputy from July 1, 2016 through June 30, 2017, with the Sheriff to assign extra patrols on July 7 from 3:00 p.m. to midnight for the Ocean City Tuna Tournament at the Ocean City Fishing Center and from August 6 through 12 from 9:00 p.m. to 3:00 a.m. for the White Marlin Open Tournament at Sunset Marina.

In response to a question by Commissioner Bertino, Colonel Dods stated that he will look into the Commissioners' June 21, 2016 request for the Sheriff's Office to provide them with a copy of the previous MOU between the Sheriff's Office and Purnell Properties, LLC.

The Commissioners met with County Engineer Bill Bradshaw to review and discuss a proposal to upgrade the fire monitoring system at the Animal Control shelter due to the new addition. Mr. Bradshaw stated that the current system does cover the new construction at the rear of the building nor is it a National Fire Protection Association (NFPA) code-compliant, fire-monitoring system. He advised that, because of the addition and required monitoring equipment, the entire structure is now required to be monitored per NFPA code as confirmed by the Worcester County Fire Marshal and includes detectors in each room, alarms, manual pull stations, dual communicators and a new panel. He further noted that the original project estimate included funds to add detectors, alarm and pull station to only the addition at a cost of \$2,000. However, the upgraded cost to provide a compliant fire-monitoring system for the entire building is \$8,976.17 as specified by Absolute Security, the County's alarm monitoring vendor. Following some discussion and upon a motion by Commissioner Bertino, the Commissioners unanimously accepted the proposal from Absolute Security Group, Inc., with funds in the Sheriff's Office's FY17 budget available to cover the additional expense. In response to a question by Commissioner Bertino, Assistant Chief Administrative Officer Kelly Shannahan stated that for future projects such as this, department heads will be instructed to involve Mr. Bradshaw and the Department of Development Review and Permitting during the conceptual stages of project development to ensure better planning and coordination of code compliance.

The Commissioners met with Public Works Deputy Director John Ross to review the 2016 GovDeals Auction Report. Mr. Ross advised that the online auction of surplus vehicles, equipment and miscellaneous items through GovDeals.com resulted in GovDeals Financial Services collecting \$60,605.05 for the items auctioned. He advised that the total buyer's premium paid to GovDeals by the successful bidders was \$7,575.55. He advised that enterprise fund divisions will be refunded the money for items sold as follows: \$555.55 to the Solid Waste Division; and \$4,826.00 to the Water and Wastewater Division, with the remaining funds benefitting the County's General Fund. In response to a question by Commissioner Elder, Mr. Shannahan stated that the buyer's premium percentage was determined by contract with GovDeals and agreed to provide Commissioner Elder with a copy of the contract.

Pursuant to the recommendation of Mr. Ross in response to a request by Stephen Decatur High School (SDHS) Cross Country Coach Joseph Stigler and Principal Thomas Zimmer and upon a motion by Commissioner Mitrecic, the Commissioners unanimously authorized the SDHS Cross Country Team to use the Berlin Landfill from early September through mid October 2016 for cross country training and as part of their home cross country course on Wednesdays when the Homeowner Convenience Center is closed. Mr. Ross advised that the

team has utilized a portion of the capped and closed Berlin landfill mound in a very limited capacity and under tightly controlled circumstances in the past, and there is very little disruption to the surrounding neighborhood. Training and meets are supervised at all times to protect the landfill facility, and no smoking is allowed by spectators during meets.

The Commissioners met with Mr. Ross to review and discuss entering into a Small Project Agreement to extend sewer service to a single family home on Gum Point Road south of Ocean Pines. Upon a motion by Commissioner Elder, the Commissioners unanimously authorized Commission President Bunting to sign the Small Project Agreement between the County Commissioners of Worcester County, Maryland, in the capacity of the governing body of the Ocean Pines Sanitary Service Area (SSA), and William A. Wild (developer) to allow him at his own expense to connect his property at 11318 Gum Point Road in Berlin, and more specifically identified on Tax Map 21 as Parcel 22, to the sewer line in that area for sewer service through the Ocean Pines SSA.

Pursuant to the request of Mr. Ross and upon a motion by Commissioner Bertino, the Commissioners unanimously awarded the low bid for the Ocean Pines Pump Station F Rehabilitation Project to Hopkins Construction, Inc. of Bridgeville, Delaware at a total project cost of \$420,200, with funding available in the \$5.3 million bond proceeds. Mr. Ross stated that bids were originally requested in March 2016 to rehabilitate both Pump Stations F and A, but rejected the sole bid from Hopkins Construction, Inc. to rehabilitate both stations, as at the time both bids significantly exceeded the \$400,000 budgeted for each project. At that time, the Commissioners authorized staff to revise the bid documents and scope of work to reduce project costs and rebid again in the future. Mr. Ross further stated that the new bid still exceeds the project budget by \$20,200, but it is unlikely that additional savings would be realized by rebidding the project again. In response to a question by Commissioner Bertino, Mr. Ross advised that in order to control costs, staff will solicit separate quotes to install fencing and an alternate price for vinyl fencing will be requested at that time.

Pursuant to the request of Mr. Ross and upon a motion by Commissioner Elder, the Commissioners unanimously approved bid specifications for the Ocean Pines Pump Station A Rehabilitation Project. Mr. Ross advised that funding for this project is available within the 2014 bond issue. In response to a question by Commissioner Bertino, Mr. Ross advised that similar to Pump Station F, staff will solicit separate quotes to install fencing in order to keep costs down. An alternate for vinyl fencing will also be requested.

Pursuant to the request of Mr. Ross and upon a motion by Commissioner Mitrecic, the Commissioners unanimously approved bid specifications for construction of the Eagle's Landing Golf Course Irrigation System. Mr. Ross stated that this project is related to the construction of the effluent disposal system at the golf course, and the work is to be funded by the U.S. Department of Agriculture (USDA) Rural Utility Service loan/grant offer. In response to questions by Commissioner Mitrecic, Mr. Ross advised that the construction will take place during winter 2016, and Eagle's Landing Golf Course Superintendent Joe Perry has been kept fully apprised and has approved of all project plans.

Pursuant to the request of Mr. Ross and upon a motion by Commissioner Mitrecic, the Commissioners unanimously approved bid specifications for the purchase of a Vacuum Trailer for the Water and Wastewater Division of Public Works, with funds of \$60,000 available within the FY17 budget for this expense.

Commissioner Lockfaw arrived at the meeting.

The Commissioners reviewed and discussed various board appointments.

Upon a nomination by Commissioner Mitrecic, the Commissioners unanimously agreed to appoint Jake Mitrecic to the Housing Review Board for a three-year term expiring December 31, 2018 to replace Ruth Waters whose term expired.

Upon a nomination by Commissioner Lockfaw, the Commissioners unanimously agreed to reappoint Mark Frostrom to the Local Management Board (Worcester County's Initiative to Preserve Families Board) for an additional three-year term expiring December 31, 2018.

Commissioner Mitrecic urged residents interested in volunteering to serve on any of the County boards or commissions to contact their district Commissioner to advise them of their interest, and he noted that this is the primary means by which most committee nominations occur.

The Commissioners answered questions from the press, after which they adjourned to meet again on July 19, 2016.