

Minutes of the County Commissioners of Worcester County, Maryland

March 19, 2024

Anthony W. Bertino, Jr., president
Madison J. Bunting, Jr., vice president
Caryn G. Abbott
Theodore J. Elder
Eric J. Fiori
Joseph M. Mitrecic
Diana Purnell

Following a motion by Commissioner Elder, seconded by Commissioner Bunting, the commissioners unanimously voted to meet in closed session at 9:00 a.m. in the Commissioners' Conference Room to discuss legal and personnel matters permitted under the provisions of Section 3-305(b)(1) and (7) of the General Provisions (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 Weston Young, Deputy Chief Administrative Officer Candace Savage, County Attorney Roscoe Leslie, Public Information Officer Kim Moses, Human Resources Director Stacey Norton and Deputy Director Pat Walls, Finance Officer Phil Thompson, and Public Works Director Dallas Baker. Topics discussed and actions taken included the following: a personnel update, hiring Ryan Walter as a plant operator trainee within the Water and Wastewater; promoting Nicholas Tolbert from part-time program monitor to full-time recreation program manager II within Recreation and parks, and promoting Fire Marshal Matt Owens, who will now oversee both the Fire Marshal's Office and serve as the director of Emergency Services; and certain other personnel matters; negotiating strategy for a contract; receiving legal advice from counsel; and performing administrative functions, including discussing potential board appointments.

Following a motion by Commissioner Abbott, seconded by Commissioner Fiori, the commissioners unanimously voted to adjourn their closed session at 10:02 a.m.

After the closed session, the commissioners reconvened in open session. Commissioner Bertino called the meeting to order, and following a morning prayer by Father John Solomon of St. Mary's Star of the Sea of Ocean City 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 March 5, 2024 meeting as presented.

The commissioners presented a proclamation to Commission on Aging Director John Dorrough recognizing this month as March for Meals Month and urged citizens to support the Worcester County Meals on Wheels program to combat senior hunger and isolation.

The commissioners presented a years-of-service commendation to Human Resources Risk Manager Eddie Carman who is retiring following 26 years of service.

Upon a motion by Commissioner Abbott, the commissioners unanimously approved by consent agenda item numbers 2-6 as follows: bid specifications for a new concrete pad at the Pocomoke Transfer Station; request for proposals for the Needs Assessment for Children, Youth, and Families program through the Local Behavioral Health Authority; out-of-state travel for one staff member in Emergency Services to attend Hazmat Technician Training April 7-13, 2024; a Gametime (Cunningham Recreation) contract of \$233,620.35 for the purchase and installation of playground equipment at the Northern Worcester Athletic Complex; and transferring a 2012 Chevrolet Tahoe 4x4 from the State's Attorney's Office to the Public Works Solid Waste Division.

Pursuant to the request of Deputy Chief Administrative Officer Candace Savage and upon a motion by Commissioner Mitrecic, the commissioners unanimously agreed to send a letter of support for an application from the Board of Education to the Accountability & Implementation Board (AIB) for a Phase II Technical Assistance Grant. Any funds awarded will be used for strategic budgeting technical assistance through an AIB strategic partner to develop project planning, including a multi-year strategic budget to allocate new resources and reallocate existing resources to ensure that students and schools receive the resources they need to be successful in implementing the Blueprint for Maryland in Worcester County Public Schools.

The commissioners met with Human Resources Officer Stacey Norton to review and discuss FY25 benefits recommendations. Ms. Norton stated that F25 CareFirst medical and pharmacy renewal for active employees and retirees under 65 includes an increase of 12.65% or \$3,887,750. This plan includes 605 County and 1,107 Board of Education (BOE) active employees and retirees under age 65 and 18 Commission on Aging employees.

In response to questions by Commissioner Bertino, Ms. Savage advised that the \$1.8 million increase in benefit costs for BOE employees will be reduced to just \$800,000 after the 50% buy-down by the commissioners. She confirmed that none of these costs are reflected in the requested FY25 BOE budget.

Following some discussion and upon a motion by Commissioner Mitrecic, the commissioners unanimously approved the following five FY25 benefits recommendations: CareFirst Dental – no plan changes and a 6.7% increase or \$91,844 (fully funded by employees); VSP Vision – increasing the contact allowance to \$150 to be the same as the \$150 frame allowance and an increase of 2.7% or \$8,534 (fully funded by employees); Guardian Life and Disability – no plan or rate changes; CareFirst Medical and CVS Caremark Pharmacy – no change for active members and retirees under age 65, switch to Blue Choice Advantage with PPO Overlay network, and add an insulin contract change for a cost of \$12,881; and utilize \$1,325,240 from the Rate Stabilization Reserve Fund to buy down the medical and pharmacy rate increase for FY25. This will take the premium rate increase down to 4.3% or an increase of \$1,311,638.

Chief Administrative Officer Weston Young presented an overview of Other Post-Employment Benefits (OPEB), which are the benefits other than pension that retired County and BOE employees receive, to provide clarity regarding the trust and liability. He reviewed the County and Board of Education (BOE) OPEB liabilities, which directly impact the County's

credit rating, borrowing power, and interest rates for capital projects, like school construction which accounts for the majority of the County's outstanding debt. He then reviewed the fully funded \$74.9 million County net OPEB liability/(asset), which reflects a net credit of (\$15.6 million), and the \$174.95 million BOE net liability/(asset), which reflects a net liability of \$139.6 million. He stated that in FY23 the BOE contributed \$3.1 million, and the County contributed \$8.9 million to cover the annual cost and to grow the investment. He stated that the goal of the OPEB trust is to be funded so that the dividends and interest can pay for existing retirees. Mr. Young then provided clarification regarding confusing comments made at the February 20 meeting of the BOE regarding the County's reserve fund, which he advised are for black swan events, like recovery from a category five hurricane, and cannot be touched, versus the OPEB trust that is for retiree benefits and can be touched, though only for use with those intended benefits. He clarified that when fully funded these accounts will pay for the annual cost of retiree benefits. Mr. Young explained that the BOE does not currently budget enough to pay the annual retiree benefits costs for their existing retirees (approximately \$2.8 million annually of the actual \$.5 million annual OPEB costs), so the County picks up the slack. However, once the trust is fully funded, it should generate enough money to cover those annual costs. He stated that if the County stopped contributing funding retiree benefits costs for the BOE – which he was not suggesting – the BOE would need to include an additional \$1.8 million in the current budget to cover those costs, and the County would end up paying higher interest rates when borrowing money for capital projects. He argued that the BOE retirees are entitled to those benefits, and the County should continue to not only cover the gap, but also continue to invest in the trust.

With regard to the OPEB liability, he stated that both the County and BOE liabilities impact the County only, so it does not matter which is fully funded first.

BOE Superintendent Lou Taylor, Chief Financial Officer Vince Tolbert, and Facilities Planner Joe Price met with the commissioners to request County funding of \$2,034,462 million for the Snow Hill Middle School (SHMS)/Cedar Chapel Special School (CCSS) roof replacement project. Mr. Young advised that the project was competitively bid, value engineered, and came in at \$3,698,924, which is less than the funds budgeted for the project. Mr. Taylor reviewed the Garland/DBS turnkey project, which reflects a savings of approximately \$1.2 million due to value engineering, and advised that the State is providing \$1,849,462 toward the project.

In response to questions by Commissioner Mitrecic, Mr. Price confirmed that they saved demolition costs of \$2,045,475 by value engineering to install the new roof over the old roofing. He stated that if they move forward with demolishing and replacing the roof, the State will increase project funding by roughly \$200,000. Commissioner Mitrecic stated that he supports the roof replacement project, but could not support the proposed value engineering, with the pro-rated, 30-year warranty, as it reduced the life of the roof. Following further discussion, the commissioners agreed that the roof needs to be demolished and replaced. Mr. Young advised that the County would need to identify funding to cover the increased project costs.

Following further discussion, Mr. Taylor agreed to present revised plans to the BOE for the SHMS roof replacement plans that include demolishing the old roof, and the commissioners agreed to revisit this discussion at their April 2, 2024 meeting.

Pursuant to the request of Public Works Director Dallas Baker and upon a motion by Commissioner Mitrecic, the commissioners unanimously authorized staff to implement a trial Tare Weight Pilot Program at the Central Landfill.

Pursuant to the request of Mr. Baker and upon a motion by Commissioner Bunting, the commissioners unanimously approved the Mosquito Control budget for the 2024 season, to include an estimated County cost of \$83,940 and State cost of \$91,257.76.

Pursuant to the recommendation of Procurement Officer Nick Rice and upon a motion by Commissioner Mitrecic, the commissioners unanimously awarded the best bid for the Mystic Harbour Wastewater Treatment Plant (WWTP) to Reliable Environmental Services, LLC at a cost of \$62,750 for backwash pond cleaning for the Water and Wastewater Division of Public Works.

Pursuant to the request of Mr. Baker and Mr. Rice and upon a motion by Commissioner Mitrecic, the commissioners unanimously approved the lease of a horizontal grinder at a finance price of \$899,950 from Carter machinery Company for use within the Solid Waste Division of Public Works.

The commissioners met with Development Review and Permitting Director Jennifer Keener to review an application from the Pocomoke City Community Energy Initiative, LLC for a utility-scale solar energy system (5 MW AC) under the Community Solar Pilot Program. The property is located on U.S. Rt. 13 and identified on Tax Map 100, Parcels 79 and 80, and is zoned C-2 General Commercial District and A-1 Agricultural District. Ms. Keener advised that the project is consistent with the current zoning ordinance. However, she noted that the developer must either obtain local zoning approvals or perform a pre-application consultation with the local jurisdiction 90 days prior to filing the application. Commissioner Fiori requested assurance that a sound bond is in place to guarantee the proper decommissioning of the solar panels and equipment once it reaches the end of its useful life.

Following some discussion and upon a motion by Commissioner Mitrecic, the commissioners voted 6-1, with Commissioner Elder voting in opposition, to authorize Commissioner Bertino to sign a letter supporting the project and addressing any County concerns.

Pursuant to the request of Environmental Programs Director Bob Mitchell and upon a motion by Commissioner Mitrecic, the commissioners unanimously authorized Commissioner Bertino to sign an updated Memorandum of Understanding between the County and the Maryland Department of Natural Resources for the Conservation Reserve Enhancement Program (CREP).

Pursuant to the recommendation of Mr. Mitchell and upon a motion by Commissioner Mitrecic, the commissioners unanimously approved a modified request from Diakonia Vice Chairman Mike Diffendal for four sewer EDUs to Diakonia that are needed for the facility to construct a thrift store, food pantry, and corporate offices. This revised request does not include EDUs for housing units, though in his letter, Mr. Diffendal expressed his hope that the County

and Town of Ocean City will have an agreement in place that would allow Diakonia to obtain the additional EDUs needed for that project.

The commissioners discussed a memo from Information Technology Director Brian Jones advising that the County has been awarded a \$1 million Difficult to Serve Properties Grant from the Office of Statewide Broadband. In his memo, Mr. Jones proposed a 50/50 State and County match utilizing Assigned Funds allocated for internet projects. Upon a motion by Commissioner Bunting, the commissioners unanimously agreed to allocate \$1 million as a County match. Mr. Young advised that staff would develop a proposal for their review.

Pursuant to the request of Mr. Rice and upon a motion by Commissioner Abbott, the commissioners unanimously awarded the best bid for the administration of the County's 457(b) plan to Empower and to hire the Hilb Group to provide ongoing advisory services as the Plan's 3(38) investment manager.

Upon a motion by Commissioner Abbott, the commissioners agreed to schedule the budget review session for the FY25 Enterprise Fund Operating Budgets for April 9, 2024, with the public hearings on each enterprise fund budget to take place June 4.

The commissioners met with Budget Officer Kim Reynolds to review the requested FY25 Operating Budget, which includes estimated revenues of \$260,076,878 and requested expenditures of \$270,193,052. Ms. Reynolds explained that leaves a shortfall of \$10,116,174, which must be reconciled either with reductions in expenditures, additional revenues, or a combination of the two. She then advised that the commissioners would conduct budget work sessions on April 9 and 16, followed by the public hearing at the Worcester County Government Center on May 7 at 6:00 p.m., and additional budget work sessions on May 14 and 21.

In response to questions by Commissioner Bunting regarding a \$150,000 matching grant from the Donnie Williams Foundation to the BOE for summer school, Mr. Young advised that the County has sought clarification from the Maryland State Department of Education to determine if the County match of \$207,499 would be considered a one-time grant or be added to the annual Maintenance of Effort calculation. He advised that the State is expected to notify the County of its decision later this week. He also advised that the requested FY25 BOE budget already includes funding for summer school programs; however, the various accounts used to fund summer school seem to be underfunded based on historical trends from FY21, FY22, and FY23.

Pursuant to a request by Mr. Young and upon a motion by Commissioner Purnell, the commissioners unanimously approved the advertisement for the FY25 Notice of Public Hearing on the Requested Operating Budget.

The commissioners reviewed and discussed various board appointments.

Upon a nomination by Commissioner Bunting, the commissioners unanimously agreed to reappoint Vicky Omara to the Library Board.

In response to concerns raised by Commissioner Mitrecic, the commissioners unanimously agreed to provide written and oral testimony opposing the US Wind application to construct a 625' long by 32' wide concrete pier in West Ocean City. The public hearing will take place on Monday, March 25, at Wor-Wic Community College in Salisbury.

Commissioner Elder recognized the outstanding customer service Recreation and Parks staff recently provided to his granddaughter.

The commissioners answered questions from the press, after which they adjourned to meet again on April 2, 2024.