

**COUNTY COUNCIL OF CECIL COUNTY
WORK SESSION MINUTES**

March 7, 2023

**OPEN SESSION – Elk Room
4:30 P.M.**

NOTE: The recording and transcription of this meeting are available on the County website at www.ccgov.org/council.

PRESENT: Council Members: Robert Meffley, Rebecca Hamilton, Al Miller, Donna Culberson, and Jackie Gregory; David Culver, Council Manager; Terry Hale, Council Assistant, members of the administration and members of the public.

Call to Order

Council President Gregory called the meeting to order at 4:30 pm and announced that there were five Council Members present, which constitute a quorum.

Approval of Minutes

On a motion made by Councilwoman Culberson, seconded by Councilwoman Hamilton, the Council moved to approve the minutes of the Council work session of February 28, 2023, as presented. The motion passed 5 to 0.

Presentations

a. Annual Comprehensive Financial Report

Director of Administration Steven Overbay and Director of Finance Shom McCollum presented the FY22 Annual Comprehensive Financial Report (ACFR). Director McCollum noted that the ACFR gave Cecil County an unqualified clean opinion and noted the County is in excellent financial position. He noted the fund balance grew in FY22 and now stands at 108 million dollars, of which 56.9 is assigned, 6.7 is non-spendable and 44.5 is unassigned. Director McCollum noted, that while rates went down, increases in property taxes, personal taxes and recordation fees were up in FY22. Director McCollum also noted the combined Enterprise Fund Balance stands at 79.1 million dollars, of which 25.4 is unassigned. He also noted the fund balance for our self-insurance for health care and workers compensation is 11.3 million dollars.

Councilman Miller asked if a rate study was being done for the wastewater operation and Director Overbay indicated it was being reviewed. Councilman Miller inquired as to the 14 million noted in the FY21 audit for Kirwan (Blueprint) not being shown in the FY22 audit and the North East High School (NEHS) Project as being shown as assigned instead of in debt service. Director McCollum noted that the Kirwan funding was moved to the unassigned balance in FY22 since the total impact is still being reviewed. Director Overbay noted that part of the NEHS project may be pay go instead of bond funded. President Gregory discussed the revised Kirwan costs and the future debt service needed for the NEHS project. Vice President Meffley inquired on the funds received for the county vehicles sold as part of the Enterprise lease agreement. Director McCollum noted that the County is ending the lease program and will purchase vehicles going forward. Councilman Miller and Vice President Meffley both noted that the leasing of vehicles did not save on costs. Director McCollum noted that they would use purchase vehicles without financing when possible. Councilman Miller asked if the fleet maintenance was over budget and would the maintenance agreement with Enterprise be extended. Director Overbay noted costs were up since we are holding vehicles longer and the maintenance contract was extended. Councilwoman Hamilton noted that businesses were

having difficulty getting new vehicles the past two years and costs were up considerably. Councilman Miller inquired on the ACFR noted that a new landfill cell will be needed in approximately three years. Director McCollum noted that Landfill revenue was up, and Director Overbay noted that engineering is being budgeted for the next cell. Vice President Meffley inquired on the ARPA (Covid) funds. Director McCollum noted that the funds were received over two fiscal years so only the 9.1 million that was received last year is in the ACFR. President Gregory reviewed the timeline for the expenditure of the funds.

Review of Legislative Agenda

a. Public Hearings

Bill No. 2023-01- Supplemental Appropriation – Fund Balance to Capital Projects – Renovate State’s Attorneys Offices.

A Bill to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland, for the fiscal year ending June 30, 2023, to move expenditure authority from the fund balance to the Capital Projects - Renovate State’s Attorneys Offices capital project in the amount of \$250,000.

Director Overbay noted that the funding would cover the needed improvements for the State’s Attorney office project at the courthouse. Of note, \$135,000 is to cover the remainder of the contract, \$30,000 would be for inspection and engineering services and \$85,000 is for contingency items. The improvements will include upgrades to HVAC and electrical systems.

Bill No. 2023-02 – Expedited - Supplemental Appropriation – Fund Balance to Capital Projects - Real Estate Activities Account.

A Bill to amend the Annual Budget and Appropriation Ordinance for Cecil County, Maryland, for the fiscal year ending June 30, 2023, to transfer \$1,000,000 (one million) from the General Fund Balance to Capital Improvement Budget to set up a Real Estate Activities Account.

Vice President Meffley noted that this account is needed for the County to acquire land necessary for governmental purposes. Councilman Miller noted that the land purchased for infrastructure is necessary, but the County should avoid being in the real estate business. Director Overbay noted that all transactions would be discussed with Council. Council Manger Culver noted that the settlements would appear, if over \$100,000, as part of the monthly report, and if under notice in the paper.

b. Introduction of Resolutions

Resolution 12-2023 - Supplemental Appropriation – Grant Funds – Department of Public Works – Roads Division – Lighting Improvement Southern Yard will be introduced at the March 7, 2023 Legislative Session.

Director of Administration Steven Overbay noted that this is a grant with DELMARVA Power for work done at the Southern Yard on energy efficient lights.

Resolution 13-2023 - Budget Amendment – Special Revenue Other Grants – Grant from the Maryland Department of Natural Resources Waterway Improvement Funding – Parks and Recreation will be introduced at the March 7, 2023 Legislative Session.

Director of Administration Steven Overbay noted this is to prepare the dredge spoils for the Army Corps of Engineering (ACOE) dredging project on the North East River. The site should be prepared between April and August and the ACOE would begin dredging in December to January to avoid environmental issues. Councilman Miller inquired if this is a Parks and Recreation program or Public Works program and Director Overbay indicated these grants are administered by the Parks and Recreation Department.

Resolution 14-2023 – Supplemental Appropriation – Parks and Recreation – Program Revenue and Self-Funded Program Expense will be introduced at the March 7, 2023 Legislative Session.

Director of Administration Steven Overbay noted that this amendment is necessary because participation in the Parks and Recreation programs have increased this year. The funds being spent are offset by the participation fees. Director Overbay noted that Cecil County has over 200 programs to offer. Councilman Miller inquired if this was a zero gain in cost and revenue and Director Overbay noted that it does balance.

Resolution 15-2023 - Reappointment - Board of Appeals – Mark Saunders will be introduced at the March 7, 2023 Legislative Session.

Director of Administration Steven Overbay noted this is a reappointment of Mark Saunders and that he was doing an outstanding job on this board.

Legislative Update

President Gregory noted the following updates which included:

HB 1196 - County Boards of Education – Blueprint for Maryland’s Future Implementation Coordinator – Salary Grant has a hearing on March 7. MACo is supporting this legislation.

HB 1211 - Education - Compensatory Education - Maryland Neighborhood Tier System Calculation House has a hearing on March 14. MACo is supporting with amendments.

HB 1100 - Battery Storage and Solar Arrays Safety Training Grant Program and Fund has a hearing on March 8. MACo is supporting with amendments.

HB 1176 - Voluntary 9-1-1 Registry for Individuals Needing Special Assistance has a hearing on March 8. MACo is supporting with amendments.

HB 1252 - Public Safety - Volunteer Company Assistance Fund – Alterations does not have a hearing date scheduled. MACo is supporting this legislation and Council agreed to send a letter of support.

President Gregory also updated Council on the cannabis legislation. MACo is lobbying for the Counties to receive a larger portion of the tax revenue and to ensure local government retain the right to permit the locations based on zoning. Councilwoman Hamilton noted that the Counties were only going to receive 1.5% of the tax revenue that was generated by the 9% tax fee, not 1.5%

of the total revenue. She also discussed the right to farm cannabis and hemp under State regulation. Councilman Miller also discussed the growing of the cannabis and the issues with the current market for hemp farmers.

President Gregory also discussed HB 119 - Primary and Secondary Education - Comprehensive Health Education Framework – Established, that was opposed by Council. The House Committee removed the original language and replaced it with language that removed the right of the local school boards to set guidelines and modified the opt out rights for parents. It also imposed financial penalties if the local boards did not comply. The companion bill, SB 199, is still being reviewed in its original form and does not incorporate the House amendments.

Council Manager Report

Council Manager Culver noted the updated Council Manager report is in the packet. He also noted the upcoming rezoning hearing and reviewed the procedures for the vote. He also noted he is finalizing the Budget Hearings schedule for FY24. He also noted the dates for the MACo Annual Visit and Bainbridge tour are being finalized. He also noted he is working with IT on the Council webpage to bring it up to date and make it more user friendly.

Council Member Items

Councilmembers deferred comments to the Legislative Session of March 7, 2023.

President Gregory announced that no further items are on the March 7, 2023 Work Session agenda.

Adjournment

Councilwoman Culberson made a motion to adjourn, which was seconded by Councilwoman Hamilton. Council President Gregory adjourned the work session at 5:38 pm.

The next Council work session will be held on Tuesday, March 14, 2023, at 4:30 pm in the Elk Room of the County Administration Building. The session will also be livestreamed on the County Council's webpage at www.ccgov.org/council.

Approved:


Jackie Gregory, Council President



David M. Culver
Council Manager