

COUNTY COMMISSIONERS OF CAROLINE COUNTY
109 Market Street, Room 106, Denton, Maryland

WORK SESSION
April 3, 2018

Present: President, Larry C. Porter; Vice President, Wilbur Levensgood; Commissioner, Daniel J. Franklin; Heather Price, County Attorney; Ken Decker, County Administrator; Sara Visintainer, Chief of Staff; and Jennifer Farina, Administrative Coordinator

Topic One: Shore Regional Health Update

Ken Kozel, CEO, Shore Regional Health Systems, thanked the Commissioners for their partnership over the past few years, which has upgraded the health care provided to the citizens of Caroline County. Mr. Kozel explained that Shore Regional Health Systems entered into a Memorandum of Understanding with the County five years ago, and they have moved forward together on several projects including the reestablishment of local hospice services, provision of urgent care services for the first time, support to purchase several ambulances, and the construction of a new medical pavilion which will open in 2019 and accommodate additional expansion of healthcare services. The Commissioners thanked Mr. Kozel and stated that the partnership that Shore Regional Health has provided to Caroline County has been tremendously beneficial to the community. They stated that Shore Regional Health made a genuine commitment and followed through on all its promises.

Topic Two: USDA Rural Development Programs & Assistance

Denise Lovelady, Director, USDA Maryland-Delaware, stated that she would like to explain the different levels of USDA grants and loans that are available to Caroline County for different projects. Ms. Lovelady stated that USDA is always looking to improve the quality of living in Caroline County and they are able to help by investing in upcoming projects the County is currently working on. She went on to state that USDA could provide loans or grants to the County to help projects such as the new Sheriff's Office. The Commissioners thanked Ms. Lovelady for the information and asked that her staff meet with County staff to discuss options in more detail.

Topic Three: Potential Amendments to both Ordinance 2018-01, Chapter 175—Zoning—Mineral Extraction Facilities and Ordinance #2018-02, Chapter 175—Zoning –Moratoria

Ms. Price stated that there were several comments made during the public hearing for the related ordinances that she would like to address. Ms. Price stated that in Ordinance #2018-01, the setback was originally drafted as 100 foot setback, however, the Planning Commission changed it to 200 feet, which is consistent to other zoning ordinances in the County. She stated that staff would work on the language to provide some flexibility on setbacks. Ms. Price also stated that language could be added to regarding internal lot lines, which could cause an issue if multiple people owned a parcel together. Other potential amendments discussed were language to allow for offsite improvements to be required if necessary and changes to permit offsite material to be stored and processed. The Commissioners asked staff to draft language for them to review at their April 17 work session, but to proceed with preparing an amendment related to materials from offsite for storage and processing for their consideration at their April 10 meeting.

Ms. Price stated that Ordinance #2018-2 clarifies the process for the County to be able to declare a moratorium via resolution. This is existing legal authority, but the Ordinance helps to clarify the process. She stated that the zoning Code cannot be amended via a moratorium declared by resolution. If the County ever wished to do that, it would need to do the moratorium by ordinance. Staff stated that they would further discuss the comments raised during the hearing and determine if they would recommend

any amendments to the Commissioners. Staff was directed to schedule the third reading and potential amendment and/or enactment of Ordinance #2018-2 at the Commissioners' April 10 meeting.

Topic Four: Workshop: Proposed Amendment to the Comprehensive Plan –Mineral Resources Element

Ms. Freeman stated that the final item related to the moratorium on mineral extraction facilities is the update to the Comprehensive Plan. As directed by the County Commissioners, the Planning Commission initiated discussions and development of a Mineral Resources Element for the County Comprehensive plan in June 2017. The Land Use Article of the Annotated Code of Maryland encourages the County to develop a Mineral Resources Element to its Comprehensive Plan and to submit that element to MDE for review for consistency with the programs and goals of MDE. The Mineral Resources Element should “balance mineral resource extraction with other land uses; and to the extent feasible ... prevent the preemption of mineral resources extraction by other uses.” The Land Use Article encourages the County to “identify ... appropriate post excavation uses of land that are consistent with the County’s land planning process.” Ms. Freeman stated that the Comprehensive Plan draft has been sent to the Commissioners, and Planning Commission has introduced this draft, and has scheduled a public hearing at their April 11th meeting and will forward a formal recommendation after that meeting. The Commissioners expressed that the content of the draft was generally acceptable, but requested the Planning Commission conduct additional review and discussion of the sections dealing with revenue prior to forwarding its recommendation. Staff was directed to schedule a public hearing on the Proposed Amendment for the Commissioners’ April 24 meeting.

Topic Five: Workshop Draft Ordinance -Zoning Administrator Authority

Ms. Freeman stated that the Planning Commission has also reviewed and recommends the adoption of an ordinance that would clarify the powers and duties of the zoning administrator as they relate to enforcement action. Specifically, the ordinance clarifies the discretionary authority of the zoning administrator regarding enforcement. The Commissioners believe strongly that the Department should work with residents to resolve issues cooperatively whenever possible, rather than take a strong enforcement only stance. Clarifying the language in the Zoning Code allows the Zoning Administrator that authority. Staff gave examples of instances where someone should be granted additional time to clean up their property because they were experiencing a significant health crisis, or when the resident was working in good faith and making progress to resolve a violation, but needed additional time. The Commissioners stated that this reflects their policy philosophy and staff was directed to schedule the draft ordinance for first reading and introduction at their April 10 meeting.

Topic Six: Office of Tourism Update

Ceres Bainbridge, Director of Tourism, Caroline Economic Development Corporation/Tourism Board, addressed the Commissioner’s and gave an overall update on what the Office of Tourism provides to both county residents, as well as visitors. Ms. Bainbridge stated that Caroline County has continued to grow economically as well as grow in the number of tourists that inquire for information or visit. She went on to express the outcome of incorporating the new County branding “You Belong Here”, as well as the Caroline Monthly, which is a newsletter that reaches many people outside of the County.

Commissioner Porter stated that one of the major questions he receives when he is attending a public event is from concerned citizens regarding the return the County receives by funding the Office of Tourism. He stated that he wants to fully understand what the Office does to give back to the community of Caroline County. Ms. Bainbridge stated that the Office of Tourism helps local business gain access to resources as well as promotes them to the public. She explained that they also promote events throughout the County which gain recognition and crowd sizes each year. The Commissioners asked Ms. Bainbridge and her Board to work on developing measurable data and performance metrics related to the efficacy of their strategies and return on investment of public funds.

Topic Seven: Capital and Operating Budget Workshop

The Commissioners reviewed updated spreadsheets of both the FY2019 Capital and Operating budgets provided by the Office of Finance and Tax. The Commissioners balanced both budgets, however did not finalize them. Staff was directed to send updated spreadsheets for a following up work session.

The Commissioners took a recess at 12:15 p.m. and stated they would reconvene at 2:00 p.m.

At 2:00 p.m., the Commissioners reconvened in Open Session.

Closed Session: Discussion of the Hiring of an At-Will Position

- Under the authority of 2014 Maryland Code, State Government 3-305(b)(1)
- Convened in closed session at 2:00 p.m. on motion by Commissioner Porter, seconded by Commissioner Levengood, unanimous.
- Reconvened in open session at 5:38 p.m. on motion by Commissioner Levengood, seconded by Commissioner Porter, unanimous.
- President's Report: President Porter stated that the Commissioners met to discuss the potential hiring of an at-will County position with three individuals.

There being no further business, the Commissioners recessed the work session at 5:45 p.m.

At 6:00 p.m. the Commissioners reconvened their work session at Denton Town Hall.

Topic Seven: Meeting with Denton Town Council Regarding Eastern Shore Energy Center Request for Payment in Lieu of Taxes (PILOT)

The Denton Town Council and the Caroline County Commissioners discussed an energy generation facility that would like to locate to Caroline County in the Town of Denton. The developer, the Eastern Shore Energy Generation Center, has requested a Payment in Lieu of Taxes (PILOT) from both the Town and the County, which would enable it to pay less taxes than the full amount due, based on the assessment of real and personal property.

The Commissioners stated that the proposed Eastern Shore Energy Center is a significant project with potentially profound implications on both the County and Town. With that being said, they stated that they felt they should evaluate the various factors related to this project and determine what a fair PILOT would be. The Commissioners stated that they are prepared to hire the Sage Policy Group to develop a report for the County on what the proper PILOT would be for this scope of project. Commissioner Porter stated that the County asked for the project developer to cover the costs of this Sage's work, which was a total of \$20,000.00.

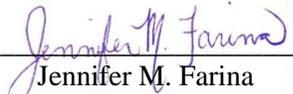
The Commissioners emphasized that they did not feel County tax payers should bear the cost of determining a speculative tax discount for a private entity, and that asking for a developer to pay costs related to a local government's consideration of a project is a standard thing to do. Mr. Porter stated that the County has not received a response letter, however they have heard that the developer has spoken to several people in the area and feels the need to cover the cost unnecessary. Mr. Porter stated that he presumed the Town would also be interested in conducting a due diligence process and having solid data on which to determine what PILOT to grant, if any, and inquired if the Council wished to join them on the scope of work.

Abby McNinch, Mayor, Town of Denton, stated that the developer requested a PILOT from the Town as well, however Denton, until now, did not have legislation in place that allowed them to adopt a PILOT.

She went on to state that the Town would like to work in conjunction with the County to ensure they make the best decision for the community of Caroline County regarding this project. The Commissioners stated that they did write a letter of support to the State to allow municipalities to adopt PILOT's and the legislation was passed today.

The County and Town believe that the next step would be to write a follow up letter to the Eastern Shore Energy Center stating that they will conduct their due diligence process together, and to obtain an updated scope of work from Sage Policy Group to cover an analysis of factors for a PILOT for both the County and the Town, and to ensure the ESEC is willing to cover those costs. Both County legal counsel and economic development staff stated that it is normal protocol for big companies and contractors of this capacity to pay for items such as this. Staff was asked to draft the follow up letter and update the scope of work, and circulate both for review by the Town Council and County Commissioners.

There being no more discussion the meeting ended at 6:42 p.m.



Jennifer M. Farina
Administrative Coordinator