

MINUTES
ST. MARY'S COUNTY METROPOLITAN COMMISSION
REGULAR MEETING
JANUARY 26, 2017

Following a budget work session, the regular meeting commenced at 3:04 p.m. In attendance were Chairman Barthelme, Commissioners Carey, Gaskin, Mummaugh, Thompson and Willing. MetCom Staff in attendance were Sullivan, Cullins, Shick, Hollander, Fehn, Engleson, Harding, Thomas, and Comeau-Stanley. Others present: R. Christopher Beaver (*MetCom General Counsel*), John Parlett (*CMI*), Guy Leonard (*The County Times*), Sharon Bell (*The Bay Net*) and Shertina Mack (*The BayNet*).

Commissioner Barthelme welcomed everyone to the meeting.

APPROVAL OF AGENDA

Chairman Barthelme performed a review of the agenda. **Commissioner Mummaugh moved to approve the agenda. Commissioner Thompson seconded the motion. Motion carried 5-0.**

PUBLIC FORUM

John K. Parlett, Jr. – CMI

Mr. Parlett addressed the Board regarding the proposed FY 2018 Capital Contribution Charges for Water and Sewer connections and the impacts on residential and commercial development. Using a power point PowerPoint presentation on the overhead monitors, Mr. Parlett cited the comparison of connection costs between MetCom and Charles, Calvert and Anne Arundel Counties. Mr. Parlett's presentation included various case studies reflecting project costs and percentage of overall budget for commercial projects completed, had they been developed in each of the neighboring counties. Mr. Parlett suggested the Commission consider other funding methodology for connections by new customers and developers. Mr. Parlett made mention of the slowdown in the home building industry, citing the high pricing as the reason that builders and developers are unable to sustain developments.

Following Mr. Parlett's presentation, Chairman Barthelme and Board members noted that the Budget is still a work in progress and much remains to be done, as it relates to the rates. Board members advised that the figures reflected in Mr. Parlett's presentation data were from the first draft, which has been modified and reflects nearly 50% reduction in the connection cost projections. Additional discussion ensued amongst the Board and Mr. Parlett on the requirements under Section 113, MetCom's governing legislation, for collection of the Capital Contribution Charges. Following discussion, Commissioner Carey requested and received approval from Mr. Parlett to share his presentation with the County Commissioners. Board members thanked Mr. Parlett for his presentation.

APPROVAL OF CONSENT AGENDA

1. Polymer Purchase
2. Fiscal Standard Report – November 2016 A/R Analysis
3. Fiscal Standard Report – December 2016
4. Engineering Standard Report – December 2016
5. Operations Standard Report – December 2016
6. Check Registers 1/12 & 1/19

Commissioner Willing moved to accept the Consent Agenda, as presented, and to hereby approve all matters contained upon the Consent Agenda. Commissioner Gaskin seconded the motion. Brief discussion ensued amongst the Board and staff on the Engineering Report, as well as the increasing trend of account delinquency, as reflected in the Accounts Receivable Analysis. Following discussion, call for vote by Chairman Barthelme. Motion carried 5-0.

NEW BUSINESS

1. FY 2017 Operating Budget Amendment

Ms. Shick detailed the needs associated with the proposed Operating Budget Amendment, citing two ceiling mounted heating units for the Gravity Belt Thickening (GBT) Building at the Marlay-Taylor Plant to replace the existing units, which are more expensive to repair than replace.

Commissioner Thompson moved to amend the Capital Equipment and Expenditures section in the FY 2017 Operating Budget as follows:

Add a new line item in the amount of \$5,500 for two ceiling mounted heating units for the Gravity Belt Thickening Building at the Marlay-Taylor Wastewater Reclamation Facility (WWRF); and

Decrease the line item to Remodel the Control Building by \$5,500.00

This amendment will result in no net change to Capital Equipment and Expenditures. Commissioner Willing seconded the motion. Brief discussion ensued between Commissioner Thompson and Mr. Sullivan regarding the use of the heaters for effective equipment operation within the GBT building. Following discussion, call for vote by Chairman Barthelme. Motion carried 5-0.

2. FY 2018 Operating Budget Assumptions and First Draft

Ms. Shick performed a review of the FY 2018 Operating Budget Assumptions and First Draft, noting that there has not been significant review or analysis done by staff at this point and therefore this is a very preliminary budget. Ms. Shick's presentation included a review of rates, salaries, maintenance, Marlay-Taylor, engineering and general administration under the first draft of the budget. Ms. Shick cited the next steps in the budget process, to include dates for upcoming work sessions and the planned public hearing date.

Ms. Shick provided an overview of the projected income and expenses for the Sewer, Water, Engineering, General and Administrative divisions, as well as the other income and expenditures. Ms. Shick advised that in response to Commissioner Carey's suggestion last year to perform an employee satisfaction survey, \$10,000 has been set aside to potentially outsource that effort. Discussion ensued on the matter and Commissioner Carey asked that funds be removed, as he never intended that it be outsourced, but should be driven by Human Resources through a simple in-house survey.

Ms. Shick sought input and direction from Board members. Commissioner Carey suggested that more attention be placed on the Engineering budget, as it looks out of line. Commissioner Carey further advised that operational costs cannot increase when there are shortfalls in revenues and suggested that

the goal should be to match a reduction in operational budget to the reduction in revenue. In closing, Ms. Shick announced that the next Budget Workshop is scheduled for February 9.

3. Patuxent Park Water & Sewer Rehabilitation Phase 3: Change Order No. 1

Ms. Hollander provided the Board with details associated with Change Order No. 1 for the Patuxent Park Water & Sewer Rehabilitation project, citing modifications to the connection of the sewer service line to the main requires additional excavation by the contractor, which decreases the number of connections that can be replaced each day. Ms. Hollander advised that the contractor has requested an additional 120 calendar days with no increase to project costs.

Commissioner Thompson moved to approve Change Order Request No. 1, Dated January 4, 2017, to Contract #8122WR/8124SR, Patuxent Park Water & Sewer Rehabilitation Phase 3, with Great Mills Trading Post, Inc., of Great Mills, Maryland, to increase the contract completion date by 120 calendar days with no contract cost increase, as recommended by the Acting Chief Engineer. Further move to authorize and direct the Acting Executive Director to execute all documents, as may be necessary to finalize this Change Order. Commissioner Carey seconded the motion and brief discussion ensued amongst the Board & staff regarding the work being performed in Patuxent Park by DPW&T; staff advised the time extension should not adversely impact their work. Following discussion, call for vote by Chairman Barthelme. Motion carried 5-0.

CONTINUING BUSINESS

1. Smith Field Parks, LLC

Chairman Barthelme noted that he has recused himself from voting on this project and sought input from the Board as to whether or not they want him to appoint a temporary Chairman or allow him to remain sitting as chair, but not participate in discussion or a vote. Mr. Beaver offered advised that as Chairman Barthelme has recused himself and should not engage in discussion or provide any opinion that may influence the Board. Board members in collective agreement that the Chairman could remain seated, but should not participate in the discussion. Mr. Beaver indicated that this is a project that garners in depth discussion, as there are many moving parts and Board members should not feel pressure to make a decision today, unless they are comfortable doing so.

Discussion ensued amongst the Board members on the project and service, which would be provided via gravity sewer line. Commissioner Mummaugh mentioned that as he has already stated, it is his position that the Board allow Mr. Dorsey to connect and he should pay the difference in Capital Contribution Charges, at the connection rates in effect at the time of development, for all EDU's on the property if he proceeds with the development of the apartments. Commissioner Carey sought Legal Counsel's opinion on the ability for this to be done under Section 113. Mr. Beaver read aloud the language contained in Section 113 relating to property classification and cited that as a limiting language in the statute.

Commissioner Mummaugh noted that we need to figure out a way to finance new customer connections over a long term. Additional discussion ensued regarding the time it would take to recoup the loss, if the Board were to grant the request and allow connections at 2011 rates instead of 2017 rates. Brief discussion ensued surrounding Bay Restoration Funds (BRF) associated with this project and Board members offered varying opinions on reasons for granting and denying the request. Following extensive discussion, Chairman Barthelme advised that the Board may be ready to put this matter to a

consideration and review at the next meeting, to ensure that it contains all of the requirements associated with granting the request.

COMMISSION MEMBERS' TIME

Commissioner Thompson requested a presentation from staff on the Methane Generator and plans for use. Mr. Sullivan advised that a presentation is planned to occur at the February 9 meeting, noting that it would be provided by DuWayne Potter, Wastewater Treatment Superintendent at Marlay-Taylor.

Commissioner Willing suggested that in light of the completion of the ENR Upgrade Project at the Marlay-Taylor facility, a brief write up should be generated for the website detailing the improvements to treatment operations at the plant and the impressive reduction in nitrogen levels. Mr. Sullivan noted that we have high operating costs right now, but dividends are paying off at Marlay-Taylor with the quality of the effluent. Mr. Sullivan invited Board members to make an appointment to take a tour of the facility.

Commissioner Carey addressed the status of vacant positions and Ms. Cullins advised that one position was recently filled and another offer letter is to be sent to a candidate in the next day or two. Commissioner Carey suggested the implementation of a hiring freeze until the new Executive Director arrives and can assess the staffing needs. Mr. Sullivan noted that there are several low-level positions that typically do not require director review or approval, which he would like excluded from a potential hiring freeze. Extensive discussion ensued amongst the Board and staff on the matter with Board members divided on a potential hiring freeze.

Following discussion, **Commissioner Carey moved that there be a hiring freeze put in place until the new Executive Director comes on staff, with the exception of any offer letters currently outstanding or one additional offer letter to be issued within the next week. Commissioner Mummaugh seconded the motion. Motion failed 2-3.**

ADJOURNMENT

There being no further business, **Commissioner Mummaugh moved to adjourn at 4:33 p.m. Commissioner Gaskin seconded the motion. Motion carried 5-0**



Laura Comeau-Stanley, Corporate Secretary