

**MINUTES
REGULAR SESSION
ST. MARY'S COUNTY METROPOLITAN COMMISSION
APRIL 23, 2015**

The meeting commenced at 3:03 p.m. In attendance were Commissioners Willing, Russell, Barthelme, Mummaugh, Pessagno, and Thompson. MetCom staff in attendance included Ichniowski, Cullins, Shick, Elberti, Fehn, Meiser, Smouse, and Comeau-Stanley. Others present included Dick Myers (*The BayNet*) and Jason Babcock (*The Enterprise*).

Chairman Willing welcomed everyone and performed a review of the meeting agenda.

MOTION TO APPROVE AGENDA

Commissioner Russell moved to approve the Agenda, as presented. Commissioner Barthelme seconded the motion. Motion carried 5-0.

APPROVAL OF CONSENT AGENDA

Commissioner Mummaugh inquired about a check issued to the State Highway Administration (SHA), which appeared in a recent check register. Mr. Elberti indicated that the check was payment of the first invoice for work performed by SHA in conjunction with the waterline relocation for the Route 4 Road Widening project. Discussion ensued amongst the group regarding the existing Letter of Agreement (LOA) with SHA, the scope of work associated with this project within the right-of-way, as well as prior rights.

Commissioner Russell moved that the Consent Agenda be approved, as presented. Commissioner Mummaugh seconded the motion. Motion carried 5-0.

APPROVAL OF MEETING MINUTES

Chairman Willing identified a minor typographical error in need of correction on Page 7, Item B of the Chief Financial Officer's report. **Commissioner Barthelme moved to approve the minutes of the March 12, 2015 meeting, as amended. Commissioner Mummaugh seconded the motion. Motion carried 5-0.**

EXECUTIVE DIRECTOR'S REPORT

A. Summary of FY 2016 Capital Improvement Budget and FY 2017-2021 Capital Improvement Plan Presentation to the Commissioners of St. Mary's County (CSMC)

Mr. Ichniowski advised that the presentation by staff of MetCom's FY 2016 Capital Improvement Budget and FY 2017-2021 Capital Improvement Plan to the CSMC on Tuesday, April 14, 2015, went well. Mr. Ichniowski advised that there were several questions posed and comments made by the CSMC and Ms. Meiser composed a list, which is contained in the meeting binder materials. Mr. Ichniowski indicated that staff is planning to respond in writing to all of the questions and comments in the next week and a copy of the response will be provided to all of the Board members.

Mr. Ichniowski mentioned a follow up meeting held earlier this week with County Commissioners Hewitt and Jarboe and members of MetCom staff to discuss the St. Clement's Shores Treatment

Plant in greater detail. Mr. Ichniowski provided a brief overview of the items addressed during the meeting.

B. Miscellaneous Items

Debt Affordability/Policy Study

Mr. Ichniowski advised that Tuesday, April 21, 2015, a presentation of the 2015 Debt Policy Study for St. Mary's County and MetCom was made by Davenport and Company at a joint meeting between the County Commissioners and MetCom. Mr. Ichniowski noted that the prior Board of County Commissioners initiated the study and its purpose was to review both the County and MetCom's budget and debt policy. Mr. Ichniowski indicated that the study was very favorable towards MetCom on a range of key items.

Mr. Ichniowski performed a review of the Executive Summary as well as the Summary and Potential Next Steps sections of the study and urged Board members to consider the recommendations over the next several meetings or in the near future. Discussion ensued amongst the group on the study and various recommendations, MetCom's current Bond rating, as well as the requirement for a Code change if MetCom were to become a stand-alone entity and decouple from the County's full faith in credit for borrowing. Mr. Ichniowski suggested a future meeting with Davenport to discuss the study and recommendations. Following additional discussion on the recommendations, Board members collectively indicated a desire for such a meeting with Davenport.

Board Elections

Mr. Ichniowski informed the Board members that elections for the Board Chair and Vice-Chair positions for FY 2016 would occur at the first meeting in June.

CHIEF FINANCIAL OFFICER'S REPORT

A. FY 2016 Operating Budget

Ms. Shick performed a brief review of the modifications made to the Operating Budget since the electronic mailing was performed, citing that the FY 2014 totals were off and have since been corrected. Ms. Shick advised the Board that Budget "Option A" is the result of the changes requested at the April 9, 2015 Commission Meeting. Ms. Shick detailed the requested changes, as shown in the meeting binder materials and noted that this is the budget that went to Public Hearing on April 1, 2015. Ms. Shick fielded a few questions relating to meter number and sizes and the models developed by Burton & Associates under the Utility Rate & Fee Study, which are propriety under our agreement with the consultant. Additional discussion ensued on estimated income and expenses, as well as contingencies for FY 2016, as detailed in the budget sheets presented.

Ms. Shick provided an explanation of Budget "Option B," noting that it includes everything identified in the previous budget and includes a Cost of Living Allowance (COLA) for all employees and a step for all eligible employees. Ms. Shick noted that this option was prepared in response to a request made by Commissioners and results in reducing the contingences by \$83,000.

Ms. Shick noted that an additional six (6) public comments were received since the last transmission of comments to the Board; five (5) customers were in favor of the new rate structure, while one (1) was not. Commissioner Mummaugh posed a question regarding the April 1, 2015 Public Hearing comments, specifically the matter of the sewer leak in Hickory Hills. Mr. Ichniowski provided information related to the CitiWorks Fixed Asset program, as it relates to providing better detection, maintenance and repair of our lines and equipment, which will occur upon completion of the Marlay-Taylor ENR Upgrade. Additional discussion ensued on sanitary sewer overflow protocols, to include reporting, inspection and potential fines imposed by the Maryland Department of the Environment (MDE).

Commissioner Barthelme sought clarification on the prior budget action by the Board, indicating the Board already voted to only give raises to employees Grade 13 and below. Ms. Meiser advised that the motion made at a previous meeting was to move the budget forward in the approval process, but that no budget has been formally approved by the Board yet. Mr. Ichniowski advised that a request was made by a Commissioner for "Option B" and Chairman Willing noted that both he and Commissioner Russell asked that this option be presented today for the Board's reconsideration. Commissioner Barthelme stated that the matter was already voted down and Ms. Meiser reiterated the actions to date by the Board on the Operating Budget and indicated that two Commissioners requested that staff prepare a budget option for further consideration by the entire Board; there is no budget approved. Ms. Meiser further stated that the Board is being asked today to approve a budget and provided additional procedural steps regarding this action for the benefit of all of the Board members.

Extensive discussion ensued on the documents provided in advance of the meeting for all Board members review, which included all information and support data related to Options A & B for the Board members consideration. Commissioner Barthelme vocalized his displeasure with how the matter was presented and stated that he does not think that he should have to read every line on every document presented and that Chairman Willing should have told him, along with all other Board member, ahead of time. Chairman Willing advised that it is the responsibility of the Board members to review all of the meeting documents and to discuss and vote on the items during the meeting. Commissioner Barthelme noted that he totally disagrees with Chairman Willing and requests that it be reflected on the public record. Additional discussion ensued amongst the Board members both in favor or and against providing Merit Increases for all employees.

Commissioner Russell moved that the Commission approve Option B of the FY 2016 Operating Budget, as presented by the Chief Financial Officer. Further, move that all of the Service Charges and related rates and fees, including the following new fees:

- **Meter Re-read Fee (in excess of 1 per year)** **\$ 40.00/read**
- **Data Logging Fee (in excess of 1 per year)** **\$ 50.00/read**
- **Manuel Meter Read Fee (if customer refuses radio read meter)** **\$ 40.00/read**
- **Meter Testing Fee** **\$120.00**

Be hereby approved and adopted to implement Option B of the FY 2016 Operating Budget, all such charges, rates, and fees having been presented at a duly advertised public hearing on April 1, 2015. No second received. Motion fails

Commissioner Barthelme moved that the Commission approve Option A of the FY 2016 Operating Budget, as presented by the Chief Financial Officer. Further, move that all of the Service Charges and related rates and fees, including the following new fees:

- **Meter Re-read Fee (in excess of 1 per year)** **\$ 40.00/read**
- **Data Logging Fee (in excess of 1 per year)** **\$ 50.00/read**
- **Manuel Meter Read Fee (if customer refuses radio read meter)** **\$ 40.00/read**
- **Meter Testing Fee** **\$120.00**

Be hereby approved and adopted to implement Option A of the FY 2016 Operating Budget, all such charges, rates, and fees having been presented at a duly advertised public hearing on April 1, 2015. Commissioner Pessagno seconded the motion. Motion passed 3-2.

B. FY 2016 Capital Improvement Budget

Ms. Shick advised the Board members that the FY 2016 Capital Improvement Budget presented is the same one presented at the last meeting. Ms. Shick performed a brief review of all of the documents included in the meeting binders, which represent all of the materials submitted to the Commissioners of St. Mary's County for their review and approval. Ms. Shick and Mr. Ichniowski fielded questions from Commissioner Mummaugh regarding the prior approved project funding. Mr. Elberti also fielded questions from Commissioner Mummaugh on design and construction funding for the Hollywood Water Systems Connector, a FY 2017 Capital Project. Clarification sought by Commissioner Barthelme that this motion would be for the final approval of the Capital Improvement Budget. Mr. Ichniowski indicated that this is for final approval; however, the only thing that could change this budget would be if approval is not granted by the CSMC at their meeting next month. Then, a change would be presented to this Board for consideration and may require another public hearing.

Move that the Commission approve and adopt the FY 2016 Capital Improvement Budget and FY 2017-2021 Capital Improvement Plan. Further, move that the Commission approve and adopt the following debt service rates, as presented at a duly advertised public hearing on April 1, 2015:

- **System Improvement Charge paid monthly by all customers with an allocation on the public water system:**
 - Residential Water Assessment: \$9.76/EDU/month**
 - Commercial Water Assessment: \$11.71/EDU/month**
- **System Improvement Charge paid monthly by all customers with an allocation on the public sewer system:**
 - Residential Sewer Assessment: \$15.05/EDU/month**
 - Commercial Sewer Assessment: \$18.06/EDU/month**
- **Capital Contribution Charge paid once at time of connection to the public water system:**
 - Residential Water: \$7,708.51/EDU**
 - Commercial Water: \$9,250.21/EDU**

EXECUTIVE SESSION

Commissioner Barthelme moved to go into Executive Session at 4:24 p.m. to Discuss Potential Litigation. Commissioner Russell seconded the motion. Motion carried 5-0.

Meeting reconvened at 4:46 p.m.

COMMISSION MEMBERS' TIME

Commissioner Mummaugh again mentioned that all Board members seem to agree that next year they would like to review the proposed Operating Budget at the same time as the proposed Capital Improvement Budget, prior to its submittal to the Planning Commission. Commissioner Pessagno indicated his agreement and Chairman Willing noted that he agrees that it should be discussed further amongst the Board and staff. Additional discussion ensued on the schedule and the County's submittal requirements and deadlines.

Commissioner Thompson inquired about priority projects and Mr. Ichniowski provided some background information on the Facilities Plan, as it relates to the existing lines and facilities and a schedule to perform work, based upon a particular growth rate. Additional discussion ensued on the identification of relative priorities areas through the Facilities plan, as well as areas deemed a priority by MetCom operations and maintenance staff. Commissioner Thompson indicated a desire to review the Executive Summary of the Facilities Plan and Mr. Ichniowski indicated that staff would provide that information to him.

Commissioner Barthelme proffered comments on the earlier vote against the salary increases for all MetCom staff, particularly the higher end staff, indicating that he has a job to do as an appointed Commissioner and plans to do a better job next year to see that everyone gets the right raises. Commissioner Mummaugh interjected that he compared MetCom salaries to those of our contractors and he is willing to talk about it. Commissioner Barthelme advised that he does not want to see any employees leave for the wrong reasons. Mr. Ichniowski provided some information on the difficult time MetCom has had in recent years to fill key positions and made mention of the salary study done under a prior executive director to build up a system and a staff that is educated and knowledgeable and adequately compensated.

Chairman Willing offered an apology to those on the Board who believed that he was doing something underhanded and noted that his intent was to keep the discussion going and give the topic additional consideration. Commissioner Barthelme indicated that he was at fault for not reading the materials sent to him in advance of the meeting, but he wished that Chairman Willing had talked to each of the Board members in advance. Commissioner Russell cited a recent incident where an item was voted down at one meeting and then revisited at a subsequent meeting, resulting in a different outcome.

Extensive discussion ensued between Mr. Ichniowski and the Board members on the merits of a salary study.

ADJOURNMENT

There being no further business, **Commissioner Russell** moved to adjourn the meeting at **5:08 p.m.** **Commissioner Barthelme** seconded the motion. **Motion carried 5-0.**



Laura Comeau-Stanley, Corporate Secretary