

**COUNTY COUNCIL OF CECIL COUNTY  
WORK SESSION MINUTES  
November 14, 2017**

**PRESENT:** Council Members: President Joyce Bowsbey, Vice President Dan Schneckenburger, Bob Meffley, George Patchell and Jackie Gregory; James Massey, Council Manager; Angela Vaca, Administrative Assistant, members of the press; and members of the public.

**OPEN SESSION – Elk Room**

**9:00 A.M.** –Council President Bowsbey called the meeting to order at 9:00 a.m. and determined a quorum.

**NOTE:** Audio recording of this meeting is available on the County website [www.ccgov.org](http://www.ccgov.org).

**Approval of Minutes**

On a motion made by Vice President Schneckenburger, seconded by Councilwoman Gregory, the Council moved to approve the minutes of the Council work session of November 7, 2017, as presented. Motion was approved unanimously.

**Comprehensive Annual Financial Report FY 2017**

Lisa Saxton, Finance Deputy Director, introduced Jeff Koss, Accounting Manager, who had assisted in the preparation of the CAFR.

Ms. Saxton stated they will be amending and reissuing this report in the next month. One of the County's component units omitted a note disclosure from their financial statement. After they were made aware of this omission, they consulted their auditors and decided to add the note and reissue their statements. In turn, the County must also add this information to our statements and reissue this report. This revision has no financial impact on the County or their components' financial statements. It is only additional information that needed to be added to the note section of the statement.

On page 1 of her report (CAFR pp. 90-91), she reported that Revenues and Transfers In of the General Fund had increased by \$1,039,013.60. Major factors for the increase included an increase in income tax of \$1.8M, which was offset by decreases in property tax and recordation tax. She reported that within the general fund, Expenses and Transfers Out of the General Fund increased by \$3,232,526.49. Factors for the increase included an increase of \$1M by the Board of Education, an increase of \$1M by Cecil College, and an increase of \$1.4M by the Sheriff's Office. There was also a decrease of \$1.6M by the Department of Public Works.

On page 2 of her report (CAFR pp. 90-91), she stated that revenue is shown in the same fashion as page 1 of her report, but expenditures are shown by category. The current year budget to actual shows all but one expenditure category is favorable. Salary and Fringe was over by \$825,080.87. All other operating categories reported savings. Revenues over Expenditures,

which is equal to the budgeted use of fund balance. The FY 2017 budget amount reflects a \$3,930,372.00 use of fund balance. The actual amount used was \$2,064,344.82.

On page 3 of her report (CAFR pp. Note 12, p. 65), Ms. Saxton reviewed the fund balances in the general fund. As of June 30, 2017, the general fund had a non-spendable balance of \$10,215,102, which included \$2,313,813 advance to landfill fund, \$4,121,172 advance to motor vehicle fund, \$3,282,676 advance to wastewater fund, and \$497,441 inventory and Prepaid. There were no restricted funds. She stated that the assigned fund balance had \$15,327,610, which included \$14,227,610 assigned rainy day (7.5% of FY 18 expense budget), and \$1,100,000 assigned income tax refund (Wynne case). There was a total of \$10,247,468 in the unassigned fund balance.

On page 4 of her report (CAFR p. 29), Ms. Saxton reported on the Wastewater Enterprise Fund. She stated that operating revenue increased by \$405,145.83 as a result of a 3% increase in user rates. Expenditures increased by \$779,749.88, which is associated with the depreciation of the Northeast River Advanced Wastewater Treatment Plant at Seneca Point and assets replaced by new equipment that were disposed of before the end of their depreciable life. This activity resulted in an operating loss of \$1,168,716.56. After recording grants, connection fees and interest expenses, the fund recorded a negative change in net position of \$1,634,986.23.

On page 5 of her report (CAFR p. 29), Ms. Saxton reported on the Landfill Enterprise Fund. Operating revenue increased by \$564,538.05, primarily due to rate increases. Operating expenditures decreased by \$542,832.78, primarily due to reduction in management costs and changes in the recycling market. The Landfill Fund reported an operating income of \$2,022,830.93. After recording expenses for interest, it recorded an increase in net position of \$1,630,333.63.

On page 6 of her report (CAFR p. 29), Ms. Saxton reported on the Property Management Enterprise Fund, which is used for rental of building at 107 Chesapeake Blvd. The fund transferred \$186,453 to the general fund, while retaining \$25,968 to finish the year with a net position of \$39,436.

On page 7 of her report (CAFR p. 109), Ms. Saxton reported on the Internal Service Funds, which include health insurance, workers compensation, information technology and motor vehicle. The County is self-insured for their health plan and workers compensation. She stated that the fund ended last year with \$18,096. FY 2017 required additional funding from the general fund. These funds, along with the increase in premiums and reduction of high dollar claims, enabled the fund to end the year with a net position of \$1,057,384. For our first quarter of FY 2018, we have \$1.3M currently, unaudited. The second fund is the workers compensation fund, which continues to increase its new position. The third and fourth fund are the information technology fund and motor vehicle fund. The net positions of the Information Technology and Motor Vehicle funds reflect assets held in those funds and unspent bond proceeds in the IT fund, which are associated with an ongoing capital communication project.

Ms. Saxton suggested that Council Members review pages 4 to 15 of the CAFR as an overview of the report.

Council President Bowsbey asked Council Members to review the CAFR and compile their questions for Ms. Saxton and her staff.

#### **Donaldson Brown Center**

Council President Bowsbey stated that the Council was notified that the Maryland Board of Public Works is scheduled to consider approval of the request by the University of Maryland, Baltimore, to surplus the Donaldson Brown Center. She also presented a letter from Karen Read, a member of the Mt. Ararat, LLC, which requested the Council's support of the request of University of Maryland, Baltimore to surplus Donaldson Brown Center on the Maryland Board of Public Works agenda of November 15, 2017.

Councilman Meffley introduced Wendy B. Culberson, attorney representing Ms. Buck, Gabrielle B. Buck, owner of Mount Ararat Farm in Port Deposit, and Bob Miller, local farmer interested in agricultural education. He asked them to brief the Council on Ms. Buck's proposal to buy the Donaldson Brown Center for use as an agricultural center.

Ms. Culberson summarized the history of Ms. Buck's interaction with the proposed surplus of the Donaldson Brown Center by the University of Maryland, Baltimore. She explained that Ms. Buck was originally supportive of John Petro's proposal to purchase the Donaldson Brown Center for use as a conference center. She explained that Ms. Buck withdrew her support when Mr. Petro changed the plan to use the property for a high-end spa. Ms. Culberson pointed out that Susquehanna LLC, which had been established by Petro, signed the agreement with the University for purchase of the facility; but after Petro's death in July, the plan was being pursued under Mount Ararat LLC. She stated that Ms. Buck discussed the use of the property as an agricultural center with Mr. and Mrs. Bob Miller. She also stated that the University did not keep Ms. Buck and her informed about their actions to request the Maryland Board of Public Works to surplus the property so that Mount Ararat LLC could purchase the property for \$2.5M. Ms. Culberson asked the Cecil County Council to request that the Board of Public Works delay consideration for approving the University's request to surplus the Donaldson Brown Center.

Gabrielle Buck described events regarding the surplus and sale of Donaldson Brown Center by the University of Maryland. She stated that Mr. Petro wanted 7 acres of her property in order to renovate the property.

Bob Miller, North East farmer and Farm Bureau member, summarized the history of Donaldson Brown Center and the endowment provided for the upkeep of the property.

Council President Bowsbey introduced Angela Fowler-Young, Assistant Vice President, University of Maryland, Baltimore, who summarized the University's action in determining to request the surplus of the Donaldson Brown Center. She discussed the endowment and its use

for maintenance of the property. She described the State of Maryland's procedure with surplus property. She stated that if the Board of Public Works approves of the surplus request, this request goes before the Joint Budget Committee of the General Assembly to review and comment. The University will respond to any comments or questions. If there are no negative comments, the request goes back to the Board of Public Works for final approval of the sale to Mount Ararat LLC. She also stated that the Attorney General's Office advised her that the University could not get out of the signed contract with the developer. She stated that the developer has one year to get permits in place, and that the Maryland Historic Trust intends to place an historic easement on the outside and inside of the mansion. She stated that the University is required to maintain the property until the developer takes over the property.

Chris Moyer, Economic Development Director, stated that the administration supports the University's action to surplus the Donaldson Brown Center and the purchase by the Petro group. He stated that the proposed conference center will boost tourism and economic development in western Cecil County.

Council questions and comments ensued.

Councilman Meffley made a motion to ask the Board of Public Works to delay action on approval of the University's request to surplus the Donaldson Brown Center.

Jason Allison, County Attorney, requested that the Council recess into closed session in order that he can provide legal advice.

#### **CLOSED SESSION**

**10:11 A.M.**

On motion made by Councilwoman Gregory, seconded by Councilman Meffley, the Council moved to convene in closed session pursuant to the Annotated Code of Maryland, General Provisions Article, §3-305 (a) (7) To consult with counsel to obtain legal advice on a legal matter.

Roll Call Vote: Meffley - Y, Schneckenburger - Y, Patchell - Y, Gregory - Y, Bowsbey - Y.  
The motion was carried by a vote of 5 to 0.

#### **OPEN SESSION**

**10:29 A.M.**

The open session resumed at 10:29 a.m.

Council President Bowsbey restated Councilman Meffley's motion. The motion died by lack for a second.

#### **Council Manager Report**

Mr. Massey updated Council Members about upcoming meetings and events. He reported on several issues on the federal and state level.

**Council Member Comments**

Councilman Patchell attended the opening of Perry Point Veterans Museum at the Grist Mill and praised the renovation of the former mill and comprehensive local history demonstrated.

Councilman Meffley attended the open house at Landmark Homes, First Responder dinner, Veterans Day celebration at Elkton VFW, Elkton United Methodist Church dinner, and Chesapeake City Town Commissioners. He met with County Executive McCarthy, Al Wein, Director of Administration; and representatives from the Public Works Department at Hacks Point to examine road resurfacing. He also met with Mayor Alt and others about a recent incident involving use of illegal drugs in an Elkton restaurant.

Councilwoman Gregory attended the open house at Landmark Homes. She thanked the Cecil County Chamber of Commerce for sponsoring the First Responder Appreciation Dinner to recognize their essential services. She will be attending the Early Childhood Advisory Committee meeting, which is focusing on early childhood trauma in families.

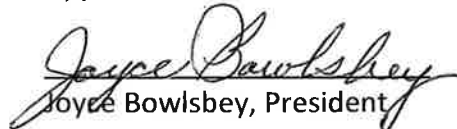
Vice President Schneckenburger toured the new Bohemia River State Park with other Council Members and praised their plans for a late spring opening. He will be attending the Small Business of the Year annual banquet and will be speaking to a Boy Scout troop regarding Citizenship in the Community.

Council President Bowsbey attended the Local Management Board meeting and commented on their focus on early childhood trauma. She stated that there are plans to use the Cecil County Public Library’s bookmobile service to highlight available county services.

**Adjournment**

On a motion made by Councilwoman Gregory, seconded by Councilman Meffley, the work session was adjourned by Council President Bowsbey at 10:46 a.m.

Attest:   
James Massey  
Council Manager

Approved:  
  
Joyce Bowsbey, President