

Minutes of the County Commissioners of Worcester County, Maryland

April 12, 2016

Budget Work Session

Madison J. Bunting, Jr., President
Merrill W. Lockfaw, Jr., Vice President
Anthony W. Bertino, Jr.
James C. Church
Theodore J. Elder
Joseph M. Mitrecic
Diana Purnell

The Commissioners met at 9:00 a.m. with Chief Administrative Officer Harold Higgins, Budget Officer Kathy Whited and Finance Officer Phil Thompson to conduct a second work session to review the Worcester County Department and Agency Operating Budget Requests for FY17, as presented to the Commissioners during their March 15, 2016 meeting. Also present at the Work Session were Kelly Shannahan, Assistant Chief Administrative Officer; Maureen Howarth, County Attorney; and Kim Moses, Public Information Officer. The requested FY17 Operating Budget currently reflects estimated revenues of \$187,404,247, and requested general fund operating expenditures of \$193,946,906, which leaves a shortfall of \$6,542,659 that must be reconciled by either reductions in expenditures, additional revenues or a combination of the two.

Commissioner Church was absent at the beginning of the work session.

The Commissioners met with Fire Marshal Jeff McMahon to review and discuss the proposed FY17 Operating Budget of \$476,664 for the Fire Marshal's Office, representing an increase of \$1,118 or 0.2%, and the Fire Training Center budget request of \$133,850, representing an increase of \$108,460 or 427% due primarily to the need for a new Hazmat response vehicle.

In a related matter, Mr. McMahon advised the Commissioners that, following their approval on March 15, 2016, his efforts to negotiate the best price possible for a 2015 Ford F-550 Hazmat response vehicle to replace the 1982 Ford F-800 hazardous materials (Hazmat) response vehicle for the Special Hazards Response Team within the Fire Marshal's Office, which is aged and in need of repairs had fallen through. He presented three additional replacement options, noting his preference to acquire the 2016 Ford F550 LR0764 Rescue Demonstrator from VT Hackney of Washington, NC, which came off the production line yesterday, has no mileage and is available with a full warranty at the National Joint Powers Alliance (NJPA) contract price of \$185,000. He noted that the County has a right of first refusal on this vehicle that expires April 19, 2016. Furthermore, if the County opts to purchase this vehicle and will allow it to be used as a demo at the Federal Deposit Insurance Corporation (FDIC) Conference in Indianapolis, IL in April, the dealer will discount the cost by another \$1,500. In response to a question by Commissioner Lockfaw, Mr. McMahon stated that a new vehicle would have a life expectancy of

approximately 25-30 years, while the used vehicles may last approximately 10-15 years and have no warranty.

After much discussion and upon a motion by Commissioner Lockfaw, the Commissioners voted 5-1, with Commissioner Elder voting in opposition, to purchase the new vehicle contingent upon a County representative viewing the vehicle in person to confirm that it meets County specifications.

The Commissioners met with Mr. McMahon and Emergency Services Director Fred Webster to review and discuss the proposed FY17 Volunteer Fire and Ambulance Funding Budget of \$6,567,884, representing an increase of \$148,247 or 2.3%.

The Commissioners met with Mr. Webster to review and discuss the proposed FY17 Emergency Services Operating Budget of \$2,458,744, representing an increase of \$136,385 or 5.9%. Mr. Webster explained that the increase was due to a request for increased operating expenses, a new vehicle and one new position, Electronic Services Installer. Mr. Webster explained that this position would install communications and other electronic equipment in buildings and in vehicles, which would reduce maintenance costs on the vehicles and get Deputies back on the road more quickly. Commissioner Mitrecic stated that the Town of Ocean City employs three Electronic Service Installers to maintain police and other vehicles, and he commended staff for including this new position in the budget.

The Commissioners met with Mr. Webster and Information Technology Manager Brian Jones to review and discuss the proposed FY17 Information Technology Budget of \$476,175, representing an increase of \$144,445 or 44%. Mr. Webster explained that the increase was due to the County fiber project resulting from requirements for the new radio system, as well as the replacement of eight personal computers, 16 monitors and one mounted PowerPoint projector in the Emergency Operations Center.

The Commissioners met with Public Works Director John Tustin to review and discuss the proposed FY17 Public Works Administration Operating Budget of \$424,695, representing an increase of \$3,583 or 1%.

Maintenance Superintendent Ken Whited reviewed the proposed FY17 Operating Budget of \$892,062 for the Maintenance Division of Public Works, representing a decrease of \$24,953 or -3%, and the Boat Landings budget of \$219,242, representing an increase of \$171,882 or 361% due to additional Waterway Improvement Grant requests of \$199,000.

Roads Superintendent Frank Adkins reviewed the requested FY17 Operating Budget of \$4,818,285 for the Roads Division of Public Works, representing an increase of \$962,723 or 25% due primarily to requests for additional road paving.

Enterprise Fund Controller Jessica Ramsay, Solid Waste Manager Mike Mitchell and Recycling Manager Ron Taylor reviewed the proposed FY17 Enterprise Fund Operating Budget of \$5,616,052 for the Solid Waste Division of Public Works, representing an increase of \$298,289 or 5.6%, with the increase due to maintenance and service expenses and capital equipment. Ms. Ramsay explained that the proposed budget includes General Fund support of \$685,000 for Recycling and \$505,000 for Homeowners Convenience Centers. In response to a

question by Commissioner Elder, Ms. Ramsay advised that the County's recycling rate is comparable to that of neighboring counties. She further noted that the County could save \$125,000 annually by approving staff's recommendation to close the Snow Hill Landfill and redirect trash and recycling to the Central Landfill in Newark.

In response to a question by Commissioner Bertino, Mr. Tustin advised that the Maryland Department of the Environment (MDE) no longer funds an annual tire recycling event, but that area residents can dispose of used tires at the Homeowner Convenience Centers or the Central Landfill for a fee of \$2 per tire, a fee that increases to \$20 if homeowners drop off tires in the actual Landfill cell, as staff must then locate and remove the tires for proper disposal.

Public Works Deputy Director John Ross and Ms. Ramsay reviewed the proposed FY17 Enterprise Fund Operating Budget of \$10,586,447 for the Water and Wastewater Division of Public Works, representing an increase of \$671,092 or 6.8%. In response to a question by Commissioner Mitrecic, Mr. Ross advised that the purchase of common chemicals for use at the individual Wastewater Treatment Plants (WWTP) is typically combined, while other products are purchased individually for each service area. He confirmed that central purchasing could help reduce some costs.

The Commissioners met with Library Director Jennifer Ranck to review and discuss the proposed FY17 Library Operating Budget of \$2,524,162, representing an increase of \$239,583 or 10.5%. In response to a question by Commissioner Bunting regarding business use of computers at the Branch Libraries, Ms. Ranck advised that a 30-minute limit is imposed during busy periods when there are wait times to use the computers. She noted that Library staff monitor use for safety, not content. With regard to proposed salary increases for the Public Relations Manager and Marketing and Social Media Assistant, Ms. Ranck advised that the pay for these positions is not comparable to similar positions in the State and likely could not be filled at the current salaries if either of these two positions became vacant.

The Commissioners adjourned for lunch.

Commissioner Church joined the meeting.

The Commissioners met with Health Officer Debbie Goeller to review and discuss the proposed FY17 Health Department Operating Budget of \$5,784,872, representing an increase of \$194,717 or 3.5% due to expansion of the School Safety Program, increases in State salary and benefits, and building operating costs. Ms. Goeller advised that the requested budget includes one Step increment and a 2% Cost of Living Adjustment (COLA) totaling \$105,064, with \$53,284 to be offset by staffing changes, and \$37,218 to cover the cost to provide health insurance benefits to contractual employees.

Ms. Goeller reviewed the success of the Safer Schools Community Initiative, which in the course of providing emergency assistance to those ages 14-26 years old in Worcester County was able to evaluate 137 mental health related cases, of which 101 were suicidal, and 36 were homicidal, and link them to treatment prior to or during a crisis stage. She concluded that this program is working and is very valuable in preventing potential tragedies in Worcester County.

The Commissioners met with Warden Garry Mumford and Assistant Wardens Donna Bounds and Fulton Holland, Jr. to review and discuss the proposed FY17 County Jail Operating Budget of \$8,763,658, representing an increase of \$353,372 or 4.2%. Warden Mumford advised that the increases are due to requests to hire two additional Correctional Officers for night shift coverage, security, medical coverage and capital requests.

In response to a question by Commissioner Mitrecic regarding Warden Mumford's request for \$2,000 for tuition reimbursement for Jail employees who successfully complete work-related college courses that enhance their job performance abilities, Human Resources Director Stacy Norton recommended tuition reimbursement be made contingent upon each employee signing a contract agreeing to remain in County employment for a period of 12 to 24 months following completion of the course. Commissioner Lockfaw questioned the need to purchase one new transport vehicle at a cost of \$30,000, with an additional cost of \$8,000 for a security cage. Warden Mumford advised that the existing van does not have separate compartments for male, female and youth passengers, so currently they must transport prisoners in two separate vehicles, effectively doubling the cost of manpower and fuel for each run. He advised that the new van would be equipped with separate compartments for greater efficiency, and the current van could then be transferred for use by Emergency Services.

The Commissioners met with Tourism Director Lisa Challenger to review and discuss the proposed FY17 Tourism Operating Budget of \$1,163,787, representing an increase of \$77,077 or 7%, due to a \$23,000 increase in the State Tourism grant and a request to convert the Social Media position from part-time to full-time. In response to a question by Commissioner Bertino, Ms. Challenger advised that, while there is no way to track the actual benefit of print, radio and television advertising, these are viable marketing avenues, and she does not advocate decreasing Tourism's campaigns in these outlets. She further noted that Tourism's social media outreach has grown by 246%, and includes a 43% increase on Facebook, and 110% increase on Instagram. In response to a question by Commissioner Mitrecic, Ms. Challenger advised that the current Social Media coordinator works in excess of 20 hours a week, and this position is needed full-time to provide adequate coverage and continue to increase this effective marketing tool to reach a whole new generation of visitors to Worcester County.

The Commissioners met with Environmental Programs Director Bob Mitchell to review and discuss the proposed FY17 Environmental Programs Operating Budget of \$1,207,295, representing a decrease of \$48,393 or -3.9%, due to a Septic Grant reduction.

The Commissioners met with Department of Liquor Control (DLC) Interim Director Laura Burns-Reinhart and Enterprise Fund Controller Jessica Ramsay to review and discuss the proposed FY17 DLC Enterprise Fund Operating Budget of \$1,545,900, representing a decrease of \$806,502 or -34.3%, due to implementation of the Exit Strategy. In response to a question by Commissioner Bertino, Chief Administrative Officer Harold Higgins advised that the projected net loss for FY17 is \$195,070, with an average annual loss that could be as high as \$300,000 to \$400,000 through completion of liquor control operations, which will cease on June 30, 2017 in accordance with the Exit Strategy. He advised that staff is working diligently to minimize any potential losses.

The Commissioners met with Wor-Wic Community College (WWCC) President Dr. Murray K. Hoy to review the proposed County allocation for the FY17 WWCC Operating Budget in the amount of \$1,781,798, which represents an increase of \$143,719 or 8.8%. Dr. Hoy also reviewed a PowerPoint outlining the details of the new Wicomico County Economic Impact Scholarship initiative, which would pay the tuition and fees for eligible Wicomico County high school graduates who attend WWCC immediately after high school. He encouraged replication of the program in Worcester County to benefit Worcester County high school graduates, as student debt is at an all-time high, and poor and working-class families must devote 33% of their income, even after financial aid, to pay for a two-year college education. Dr. Hoy advised that eligible candidates in Wicomico's program are recent high school graduates who must apply for all available financial aid, other than loans, and then the scholarship is awarded to pay for any tuition and fee cost that are not covered by their own awarded aid. He advised that the goals of the program are as follows: increase the percent of the Wicomico County population with a college degree from 35% to the state goal of 55% by 2025; increase the educational level of the community to help current businesses become more competitive and profitable and to attract potential employers who are considering relocating to the region; reduce the brain drain in the community by encouraging more students to begin their education at the community college, since 90% of students who attend WWCC stay in the community, even after earning advanced degrees; increase the number of citizens who are trained and educated for jobs available in the new economy, since four out of every five jobs lost during the recession only required a high school diploma or less, while the 2,000 jobs currently available are considered "middle-skill" jobs which require specialized training and skills; increase the local tax base; increase consumer spending; and increase education and income to sustain the local quality of life and economic vitality.

Dr. Hoy stated that educated populations are healthier, more stable, and more engaged in their civic institutions, which leads to lower social costs due to reduced incidences of absenteeism, less alcohol and drug abuse, less smoking and related illnesses, lower probability of committing crime, and fewer welfare and unemployment claims. He further stated that workers with postsecondary education earned 74% more than workers with a high school diploma or less. Dr. Hoy pointed out that similar initiatives have been implemented at the following area community colleges: Garrett College, Delaware Technical and Community College, Community College of Allegheny County, and Howard Community College. He advised that the estimated Worcester County investment would be as follows: \$131,000 for year one based on 27 credits; \$281,000 for year two based on 27 credits; and \$347,000 for year three based on 27 credits for first and second year students and 12 credits for third year students, with students required to complete their associate's degree within three years.

The Commissioners met with Ms. Whited to review and discuss the proposed FY17 County Administration Operating Budget of \$918,271, representing an increase of \$25,140 or 2.8%, due to vehicle replacement. In response to a question by Commissioner Bertino, Ms. Whited advised that the proposed Travel, Training & Expense Educational Budget increased by \$3,415 based on actual costs in FY16 for attendance at the American Planning Association Conference.

The Commissioners met with Mr. Higgins to review budget requests for the Orphan's Court, Other General Government, Other Social Services, Other Recreation & Culture, University of Maryland Extension Agency, Other Natural Resources, Taxes Shared with Towns, Grants to Towns, and Interfund Transfers.

The Commissioners answered questions from the press, after which they adjourned to meet again on April 19, 2016.