

Minutes of the County Commissioners of Worcester County, Maryland

May 9, 2023

Budget Work Session

Anthony W. Bertino, Jr., president
Madison J. Bunting, Jr., vice president
Caryn G. Abbott
Theodore J. Elder (Absent)
Eric J. Fiori
Joseph M. Mitrecic
Diana Purnell

The commissioners, with Commissioner Elder absent, met with Chief Administrative Officer Weston Young, Budget Officer Kim Reynolds, and Finance Officer Phil Thompson to discuss issues pertaining to the Committee Reviewed and Recommended FY24 Operating Budget.

Commissioner Bertino expressed the commissioners' condolences regarding the passing of Commissioner Elder's wife, Joyce.

Pursuant to the request of Recreation and Parks Director Kelly Rados and upon a motion by Commissioner Purnell, the commissioners unanimously approved the Maryland Department of Natural Resources (DNR) Program Open Space (POS) Joint-Use Agreement Memorandum of Understanding (MOU) for the Pocomoke Middle School basketball court project.

Mr. Young advised that the Committee Reviewed and Recommended FY24 Operating Budget reflects increased revenue projections of \$5,720,516 for a total revised revenue estimate of \$235,890,227 and reduced expenditures by nearly \$1.9 million for revised requested general fund operating expenditures of \$239,864,095. This committee-reviewed budget reduces the prior deficit from (\$11,586,353) to (\$3,973,868). Mr. Young advised that the County has increased revenue based on updated income tax estimates, and the committee has proposed utilizing a portion of casino revenues to fund debt service and one-time public safety requests.

Ms. Reynolds reviewed recent budget updates, including an additional request of \$40,000 from the Ocean Pines Association for recreation and parks (this amount has not been added to the budget), Board of Education, and additional personnel requests from the Sheriff's Office and Treasurer's Office. She then reviewed adjusted revenues and expenses based on actual revenues for FY23 and anticipated revenues for FY24.

The commissioners reviewed proposed expenditures for each department and agency within the requested operating budget.

The commissioners concurred with the Committee Reviewed FY24 operating budgets as follows: County Administration budget of \$1,183,281; Circuit Court budget of \$1,567,400; Orphan's Court budget of \$36,900; State's Attorney's Office budget of \$3,181,582; Treasurer's

Office budget of \$1,379,270; Elections Office budget of \$1,356,453; Human Resources budget of \$503,002; Development Review and Permitting budget of \$2,139,726; Environmental Programs budget of \$3,237,994; Information Technology budget of \$661,401; Other General Government budget of \$3,741,632; Sheriff's Office budget of \$11,185,960; Emergency Services budget of \$3,251,479; Jail budget of \$10,147,496; Fire Marshal's Office budget of \$684,806; Volunteer Fire Departments budget of \$10,478,095; Maintenance Division budget of \$1,585,447; Roads Division budget of \$4,446,656; Public Works budget of \$775,342; Boat Landings budget of \$326,138; Homeowner Convenience Centers budget of \$742,936; Recycling budget of \$906,070; Health Department budget of \$5,858,596; Mosquito Control budget of \$197,586; Commission on Aging budget of \$1,635,302; Other Social Services budget of \$530,368; and Wor-Wic Community College budget of \$2,530,242.

The commissioners reviewed the Committee Reviewed FY24 Board of Education (BOE) Operating Budget of \$105,151,226, which represents a 4% increase of \$4,167,621 from the FY23 BOE budget. This is a reduction from the original BOE request of \$106,026,226. Ms. Reynolds advised that the maintenance of effort (MOE), or minimum local share, is \$100,006,640. In response to a question by Commissioner Bertino, Mr. Young advised that the BOE has provided some of the financial information the commissioners requested.

In light of the difference between the information that the commissioners requested and the information that the BOE provided, Commissioner Bunting recommended restricting the BOE to MOE until they receive the requested information. He stated that no other county is required by the State to fund 80% of education costs, so it is vital that County dollars are spent wisely to be able to increase starting teacher salaries to \$60,000.

Commissioner Mitrecic stated that educating County youth is the commissioners' most important task. He further stated that the BOE, like the State's Attorney's Office (SAO) and Sheriff's Office, is an elected office, what they do with the money once approved is up to them, and restricting their funding to MOE is the wrong message to send to educators. Instead, he supported finding some meeting point.

Commissioner Fiori stated that education is of the utmost importance, which is why the commissioners have repeatedly asked for some type of transparency from the BOE, as they do with all other County-funded departments and agencies. He noted that many of these other departments have reduced their funding requests by committee, but the BOE has not presented the requested financial information or attempted to reduce their spending. He stressed that this is not an attack on education. Rather the commissioners seek to get a handle on spending and assure that funds are allocated to the right places. He further stated that some of the non-educational expenses include huge increases year after year, and the commissioners want to assure that funding is adequately directed to teachers, bus drivers, and support staff.

Commissioner Purnell stated that the commissioners have always funded education, which is why the County has one of the best school systems in the State. She agreed that transparency is absolutely needed in every department, and the BOE has not provided the information they should have, but it will be the children who suffer because qualified teachers will walk away from Worcester County. She concluded that she could not support an MOE budget because she felt that it would harm County children and the community as a whole.

Commissioner Abbott stated that, just like all other departments, it is incumbent upon the BOE to determine their priorities. Furthermore, the commissioners have given the BOE months

to provide the requested financial information. She stated that this is not against education, noting that teachers and bus drivers deserve to get their raises, and now it is up to the BOE to fund those raises because they have been given ample opportunity to be transparent with the commissioners. She concluded that, at the end of the day, the taxpayers fund the schools, and they deserve transparency. That is all that the commissioners have asked for, and they have not gotten it.

Commissioner Bertino stated that the commissioners have not received the information they requested regarding where County taxpayer funding for the BOE is going. He then pointed out that both the SAO and Sheriff's Office prepare more detailed budgets than the BOE, and until this year he believed that the BOE members received a detailed budget. However, like the commissioners, they only receive a summary. He stated that the commissioners recognize that education is important, and this is not an attack on the teachers, the students, or anybody. Rather, the commissioners are asking to see where the dollars are going, and it is not fair to suggest raising taxes without knowing that they are spending taxpayer money wisely and judiciously year in and year out. He recognized that this is different than past practices, but they are going to continue to ask for transparency.

Following some discussion and upon a motion by Commissioner Abbott, the commissioners voted 4-2, with Commissioners Mitrecic and Purnell voting in opposition, to approve a BOE budget of \$100,006,640.

The commissioners resumed their review of proposed expenditures for each department and agency within the requested operating budget.

The commissioners concurred with the Committee Reviewed FY23 operating budgets as follows: Recreation budget of \$1,930,799; Parks budget of \$2,312,032; Library budget of \$2,935,818; Other Recreation and Culture budget of \$80,001; Extension Services budget of \$255,625; Other Natural Resources budget of \$625,935; Economic Development budget of \$451,715; Tourism budget of \$1,373,990; Taxes Shared with Towns budget of \$3,120,957; Grants to Towns budget of \$6,417,375; Benefits and Insurance budget of \$27,739,200; and Debt Service budget of \$13,199,262.

In response to a question by Commissioner Bertino regarding why the County is increasing the Other Post Employment Benefits (OPEB) payment, Mr. Young explained that the County has reached 100% funding for County employees. However, there is still a significant deficit with the BOE's OPEB numbers. He explained that the cost of OPEB for existing BOE retirees is approximately \$6-7 million annually; however, the BOE has only allocated \$2.8 million, with the County funding the remainder of those annual costs. On top of that the County has been allocating money to a fund that will eventually help to pay for the OPEB costs year over year. Mr. Young concluded that the BOE liability is approximately \$140 million¹, and putting an additional half-million away will help to close that gap. This brings the BOE's OPEB cost this year to \$10 million.

The commissioners concurred with the following requests for FY24 General Fund employees: \$102,215 for salary and benefits for one new position and additional hours for certain positions in Recreation and Parks; \$140,871 for promotions for 55 employees who

¹ Mr. Young later advised that the full BOE liability is \$151 million.

obtained certifications or licenses, or passed probationary periods; \$25,106 for converting one part-time position to full-time in the Library; \$16,946 for additional hours at the Welcome Center; \$365,415 to increase the grade of certain sworn and non-sworn positions in the Sheriff's Office; \$11,772 to reclassify three positions in the Fire Marshal's Office; \$75,279 to adjust certain grades and shift differential in Emergency Services; and \$87,679 to reclassify 26 positions from corporal to senior corporal in the Jail.

They also concurred with FY24 Enterprise Fund promotions for employees who obtained certifications or licenses, or passed probationary periods as follows: \$55,012 for 21 Water and Wastewater employees, and \$7,114 for four Solid Waste employees.

Following a motion by Commissioner Bunting, seconded by Commissioner Purnell, with Commissioner Elder absent, the commissioners unanimously voted to meet in closed session at 10:16 a.m. in the Commissioners' Conference Room to discuss legal and personnel matters permitted under the provisions of Section 3-305(b)(1) and (7) of the General Provisions (GP) Article of the Annotated Code of Maryland and to perform administrative functions permitted under the provisions of Section GP 3-104. Also present at the closed session were Chief Administrative Officer Weston Young, Deputy Chief Administrative Officer Candace Savage, County Attorney Roscoe Leslie, Budget Officer Kim Reynolds, Public Information Officer Kim Moses, Human Resources Director Stacey Norton, and Deputy Director Pat Walls. Topics discussed and actions taken included discussing individual personnel matters and salaries for the FY24 Operating Budget.

Following a motion by Commissioner Bunting, seconded by Commissioner Fiori, the commissioners unanimously voted to adjourn their closed session at 11:26 a.m. They will meet again on May 16, 2023.