

Minutes of the County Commissioners of Worcester County, Maryland

May 12, 2020

Budget Work Session

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

Due to the current COVID-19 pandemic, this meeting took place virtually via Zoom for which the live stream could be viewed at <https://media.swagit.com/zoom/worcestercountymd> .

The Commissioners met with Chief Administrative Officer Harold Higgins, Budget Officer Kathy Whited, and Finance Officer Phil Thompson to discuss issues pertaining to the FY21 Requested Operating Budget. The Commissioners deliberated on the projected revenues and requested expenditures in the Committee Reviewed FY21 Operating Budget, which currently reflects estimated revenues of \$205,694,286, and requested general fund operating expenditures of \$205,719,354, which leaves a shortfall of \$31,233.

Commissioner Mitrecic called the meeting to order and announced the topics discussed during the closed session on May 5, 2020.

The Commissioners noted, that as stated at an earlier meeting, they would vote separately on the requested FY21 Board of Education (BOE) Operating Budget and the FY21 County Operating Budget.

The Commissioners reviewed additional information and requests for the FY21 budget which were submitted after the requested budget was presented to the Commissioners in March. Information included: License and Fees Resolutions; Emergency Services 911 Telephone fee; FFY20 Homeland Security Grant; Fire and Emergency Medical Services (EMS) memo; Homeowner Convenience Center Permit Fees; Community for Life Program in Ocean City; Senior Transportation Funding for the Commission on Aging and Shore Transit; and Wor-Wic Community College Maintenance and Repair Plan.

Commissioner Bertino made a motion to increase funding for the Maryland Community For Life program by \$30,000 to expand the program to be offered in Ocean City, which following a motion by Commissioner Elder was tabled to allow staff to determine the full cost of including the entire County in this program.

Upon a motion by Commissioner Bertino, the Commissioners approved the Wor-Wic

Community College (WWCC) Maintenance and Repair Plan, which requires County approval but not County funding.

The Commissioners reviewed revised revenue projections. Commissioners Bertino and Bunting stated that revenue projections appear too high given the impact of the COVID-19 pandemic. They suggested that revenue projections should be further reduced. Commissioner Elder concurred. Mr. Higgins explained the County finance team's rationale for the current revenue projections. Specifically, Mr. Higgins explained that the property tax revenues are based on current assessments which will not change in FY21. He further advised that income tax revenues are likely most at risk due to the economic impacts of COVID-19, and have therefore been reduced accordingly. Commissioner Mitrecic stated that staff has already reduced budgeted revenues due to COVID-19 and he has faith in their projections.

Commissioner Bunting made a motion to reduce property tax revenues to the same level as FY20 which is \$134,303,565 rather than \$138,167,141 as projected by staff. He later revised his motion to reflect that the projected increase should be reduced by 25% or \$965,894. Mr. Thompson explained that the assessments are already set for FY21 and the potential variance is less than 0.5% in a worst case scenario. He reminded that Commissioners that during the recession of 2008, real property taxes increased. After much discussion, Commissioner Bunting withdrew his motion.

A motion by Commissioner Bunting to reduce funding in Account No. 4250 Room Tax Admin by \$11,000 failed 3-4, with Commissioners Bertino, Bunting, and Elder voting in favor of the motion and Commissioners Church, Mitrecic, Nordstrom, and Purnell voting in opposition.

A motion by Commissioner Bunting to reduce funding in Account No. 4250.040 Room Tax Due to Unincorporated Areas by \$100,000 failed 3-4, with Commissioners Bertino, Bunting, and Elder voting in favor of the motion and Commissioners Church, Mitrecic, Nordstrom, and Purnell voting in opposition.

A motion by Commissioner Bunting to reduce funding in Account No. 4340 Transfer Tax by \$500,000 failed 3-4, with Commissioners Bertino, Bunting, and Elder voting in favor of the motion and Commissioners Church, Mitrecic, Nordstrom, and Purnell voting in opposition.

The Commissioners directed Warden Donna Bounds to review and revise revenue projections for housing Immigration and Customs Enforcement (ICE) detainees for their review at their May 19 budget work session due to recent reductions from ICE.

Upon a motion by Commissioner Elder, The Commissioners voted 4-3, with Commissioners Bertino, Bunting, Elder, and Mitrecic voting in favor of the motion and Commissioners Church, Nordstrom, and Purnell voting in opposition, to reduce funding in Account No. 5645 Share of State Park Receipts by \$5,000.

The Commissioners recessed for 10 minutes.

The Commissioners reviewed requested new positions by department, including requested title changes in Emergency Services to more accurately reflect the work being performed at no change in Grade or Step.

Upon a motion by Commissioner Elder, the Commissioners unanimously approved title

changes for Communications Clerk Trainee, I, II, and III to Emergency Communications Specialist Trainee, I, II, and Supervisor.

Pursuant to the request of Ms. Norton and Public Works Director John Tustin and upon a motion by Commissioner Purnell, the Commissioners unanimously approved the following reclassifications within the Maintenance Division of Public Works: two Maintenance Worker II positions from Grade 9 to Grade 10; two Building Maintenance Mechanic III positions from Grade 20 to Grade 21; and one Building Maintenance Mechanic V from Grade 24 to Grade 25.

Pursuant to the request of Ms. Norton and upon a motion by Commissioner Purnell, the Commissioners voted 4-3, with Commissioners Church, Mitrecic, Nordstrom, and Purnell voting in favor and Commissioners Bertino, Bunting, and Elder voting in opposition, to approve funding of \$78,448 to cover promotions, reclassifications, and adjustments for 45 General Fund employees upon obtaining certifications and/or licenses needed to operate, pass probationary periods, or meeting a certain designated employment time.

Pursuant to the request of Ms. Norton and upon a motion by Commissioner Nordstrom, the Commissioners voted 6-1, with Commissioner Bunting voting in opposition, to approve funding of \$29,036 to cover promotions and reclassifications for 16 employees within the Water and Wastewater Division of Public Works.

The Commissioners reviewed requests for new positions for FY21 for the General Fund and Enterprise Fund.

Upon a motion by Commissioner Bertino, the Commissioners voted 6-1, with Commissioner Church voting in opposition, to maintain three Communications Clerk I positions at part-time.

Upon a motion by Commissioner Purnell, the Commissioners voted 5-2, with Commissioners Bunting and Elder voting in opposition to convert one Office Assistant position to Digital Forensic Technician (this is a civilian position) within the Sheriff's Office.

Upon a motion by Commissioner Purnell, the Commissioners voted 4-3, with Commissioners Church, Nordstrom, Purnell, and Mitrecic voting in favor of the motion and Commissioners Bertino, Bunting, and Elder voting in opposition, to increase the budgeted hours of part-time Recreation Program Monitors for new programs within the Recreation Department from a cost of \$40,107 to \$44,062 annually.

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

Upon a motion by Commissioner Purnell, the Commissioners voted 4-3, with Commissioners Church, Mitrecic, Nordstrom, and Purnell voting in favor and Commissioners Bertino, Bunting, and Elder voting in opposition, not to increase the cost of Home Owner Convenience Center (HOCC) permits from the current cost of \$100 for the first two permits.

Upon a motion by Commissioner Bertino, the Commissioners unanimously approved increased funding of \$50,000 within the Commission on Aging (COA) budget for the

Community for Life Program, with \$30,000 for program funding in Ocean City and \$20,000 for program funding to cover all other areas of the County which are not currently covered.

Upon a motion by Commissioner Nordstrom, the Commissioners voted 6-0-1, with Commissioner Elder abstaining, to authorize the transfer of funding for senior transportation from the Tri-County Council of the Lower Eastern Shore to the COA.

Upon a motion by Commissioner Bunting, the Commissioners voted 4-3, with Commissioners Bertino, Bunting, Elder, and Mitrecic voting in favor and Commissioners Church, Nordstrom, and Purnell voting in opposition, to eliminate funding to Account No. 7100.010 Atlantic General Hospital (AGH) of \$175,000.

A motion by Commissioner Bunting to eliminate funding of \$1,000 to Account No. 7100.017 Big Brothers/Big Sisters failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$3,500 to Account No. 7100.020 BRAVE Program failed for lack of a second. A subsequent motion by Commissioner Elder to reduce funding by \$300 to Account No. 7100.020 BRAVE Program failed 3-4, with Commissioners Bertino, Bunting, and Elder voting in favor and Commissioners Church, Mitrecic, Nordstrom, and Purnell voting in opposition.

A motion by Commissioner Bunting to eliminate funding of \$10,000 to Account No. 7100.022 Coastal Hospice at the Ocean failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$10,000 to Account No. 7100.023 Cricket Center failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$45,000 to Account No. 7100.035 Diakonia failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$9,000 to Account No. 7100.040 Drug and Alcohol Abuse Council failed 2-5, with Commissioners Bunting and Elder voting in favor.

A motion by Commissioner Bunting to eliminate funding of \$1,000 to Account No. 7100.077 Jesse Klump Memorial Fund, Inc. failed 2-5, with Commissioners Bunting and Elder voting in favor.

A motion by Commissioner Bunting to eliminate funding of \$8,500 to Account No. 7100.085 Life Crisis Center failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$3,000 to Account No. 7100.100 Maryland Food Bank failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$9,000 to Account No. 7100.120 Oasis Ministries failed 2-5, with Commissioners Bunting and Elder voting in favor.

A motion by Commissioner Bunting to eliminate funding of \$20,000 to Account No. 7100.160 Samaritan Shelter failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$15,000 to Account No. 7100.175 Social Services failed 2-5, with Commissioners Bunting and Elder voting in favor.

A motion by Commissioner Bunting to eliminate funding of \$10,000 to Account No. Worcester County 4H & FFA Fair failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$15,000 to Account No. 7100.210 Worcester County GOLD failed for lack of a second.

A motion by Commissioner Bunting to eliminate funding of \$15,000 to Account No.

7100.220 Worcester Youth and Family failed for lack of a second.

The Commissioners met with Superintendent of Schools Lou Taylor who reviewed the Board of Education (BOE) Maintenance of Effort (MOE) budget.

A motion by Commissioner Nordstrom to restore funding of up to \$50,000 for the Future Warriors Program was withdrawn upon receiving information that funding will be allocated for this program within the Fund Balance.

Commissioner Bertino expressed concern that funding for Other Post-Employment Benefits (OPEB) was reduced after the Commissioners adopted a resolution approving an increase from 1.75% to 2.25% for the income tax rate, provided that increased revenues were dedicated to OPEB funding in perpetuity. Mr. Higgins advised that funding to OPEB for the BOE and the County was reduced based on the anticipated decrease in projected income tax revenues due to COVID-19. The Commissioners directed staff to fund OPEB with the revenue generated by the increase in the income tax rate as agreed by resolution last year when the rate was increased.

The Commissioners recessed for lunch until 1:15 p.m.

The Commissioners continued their review of requested expenditures in the FY21 budget.

Upon a motion by Commissioner Nordstrom, the Commissioners voted 4-3, with Commissioners Church, Mitreic, Nordstrom, and Purnell voting in favor and Commissioners Bertino, Bunting, and Elder voting in opposition, to increase funding by \$10,000 to Account No. 7100.135 Pocomoke Marketing Partnership - Delmarva Discovery Center for a total of \$30,000.

Upon a motion by Commissioner Bunting, the Commissioners voted 4-3, with Commissioners Bertino, Bunting, Elder, and Mitreic voting in favor and Commissioners Church, Nordstrom, and Purnell voting in opposition, to reduce funding by \$20,000 to Account No. 7100.050 Furnace Town for total funding of \$20,000.

A motion by Commissioner Bunting to reduce funding by \$10,000 to Account No. 7100.095 Marva Theater failed 3-4, with Commissioners Bertino, Bunting, and Elder voting in favor and Commissioners Church, Mitreic, Nordstrom, and Purnell voting in opposition.

Upon a motion by Commissioner Nordstrom, the Commissioners voted 5-2, with Commissioners Bertino and Bunting voting in opposition, to remove funding of \$10,000 to Account No. 7100.029 Ocean Pines Association (OPA) Tourism Grant (for fireworks).

With regard to Account No. 7170.030 Benefits and Insurance Hospitalization Insurance, Commissioner Bertino recognized the efforts of the Health Benefits Committee to negotiate an \$806,384 reduction in benefits costs.

The Commissioners reviewed the FY21 Volunteer Fire Departments budget.

Upon a motion by Commissioner Nordstrom, the Commissioners voted 4-3, with Commissioners Church, Mitreic, Nordstrom, and Purnell voting in favor and Commissioners

Bertino, Bunting, and Elder voting in opposition, to direct County staff to negotiate with Ocean City officials to reduce the original request for funding of \$400,000 to a more accurate level of County funding needed to cover the cost of the full-time equivalent (FTE) EMS personnel and equipment needed for the town to continue to provide ambulance service to West Ocean City (WOC) and to provide a grant to Ocean City in the FY21 to cover those costs.

Upon a motion by Commissioner Nordstrom, the Commissioners voted 5-2, with Commissioners Bertino, Church, Mitrecic, Nordstrom, and Purnell voting in favor and Commissioners Bunting and Elder voting in opposition, to include a grant in the FY21 budget to fully fund the FTE for one Emergency Medical Services (EMS) personnel for the Stockton Volunteer Fire Company.

The Commissioners reviewed grants to towns, capital requests, and funding for the Board of Education (BOE).

Upon a motion by Commissioner Bunting, the Commissioners unanimously agreed to include funding of \$283,000 for the Stephen Decatur Middle School (SDMS) schematic design in FY21.

The Commissioners reviewed the requested FY21 salary increase for County employees of \$1,266,278, which includes a 2.5% step increase for eligible classified employees and an equivalent 2.5% increase for non-classified employees, and longevity factor for eligible employees, as well as a cost of living adjustment (COLA) of 2% for classified and non-classified employees. This request was approved in the salary and benefits costs; however, the Commissioners agreed that this could be re-evaluated, based on budgetary needs, at their budget work session on May 19, 2020.

The Commissioners received an update on the reserve fund, budget stabilization fund, and assigned fund balance.

The Commissioners reviewed written public comments submitted by 12:00 noon on May 6, 2020 following the May 5 virtual public hearing on the FY21 budget.

The Commissioners received an update from incoming Assistant Chief Administrative Officer Weston Young on the \$2 trillion Coronavirus Aid, Relief, and Economic Security (CARES) Act, as well as the CARES Recovery Funding Plan developed by County staff, based on anticipated funding of \$4,560,880 as follows:

- 50% to be divided between the County and towns: 50% or \$1,140,220 for County recovery services for the Health Department, BOE, and other County agencies, and 50% for town recovery services as follows: 60% or \$684,132 to Ocean City; and 10% (\$114,022 each for a total of \$456,088) to Berlin, Snow Hill, Pocomoke, and Ocean Pines Association (OPA).
- 50% for business community grants and loans to be administered through the Worcester County Economic Development.

Following some discussion and upon a motion by Commissioner Nordstrom, the Commissioners voted 4-2-1, with Commissioners Church and Mitrecic voting in opposition and Commissioner Purnell abstaining, to reallocate CARES recovery funding to the towns by revising Ocean City's share from 60% to 40% (\$456,088) and increasing the share to each of the other towns from 10% to 15% (\$171,033 each) for Berlin, Snow Hill, Pocomoke, and OPA.

The Commissioners answered questions from the press.

Following a motion by Commissioner Bertino, seconded by Commissioner Bunting, the Commissioners unanimously voted to meet virtually in closed session at 2:38 p.m. to discuss legal and personnel matters permitted under the provisions of Section 3-305(b)(1) 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 Harold L. Higgins, Assistant Chief Administrative Officer Kelly Shannahan, Incoming Assistant Chief Administrative Officer Weston Young, County Attorney Roscoe Leslie, Public Information Officer Kim Moses, Budget Officer Kathy Whited, Human Resources Director Stacey Norton, and State's Attorney Kris Heiser. Topics discussed and actions taken included considering individual personnel matters for the FY21 Budget.

The Commissioners adjourned their closed session meeting at 3:03 p.m. to meet again on May 19, 2020.