

Minutes of the County Commissioners of Worcester County, Maryland

May 12, 2015

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

Following a motion by Commissioner Lockfaw, seconded by Commissioner Purnell, the Commissioners unanimously voted to meet in closed session at 9:00 a.m. in the Commissioners' Conference Room to discuss personnel matters permitted under the provisions of Section 3-305(b)(1) of the General Provisions Article of the Annotated Code of Maryland and to perform administrative functions. Also present at the closed session were Harold L. Higgins, Chief Administrative Officer; Kelly Shannahan, Assistant Chief Administrative Officer; Sonny Bloxom, County Attorney; Kim Moses, Public Information Officer; and George Bradley, Human Resources Director. Topics discussed and actions taken included deciding individual personnel matters for the Requested FY16 County Operating Budget.

After the closed session, the Commissioners reconvened in open session. Commissioner Bunting called the Work Session meeting to order and announced the topics discussed during the morning closed session.

At the recommendation of Human Resources Director George Bradley, the Commissioners approved the following with respect to employee benefits: changing from a traditional medical insurance plan, which would have resulted in an 11.2% increase in premiums, to a Preferred Provider Organization (PPO) plan, which will result in only a 6.1% increase, with bi-weekly Medical and Prescription Drug Insurance Premiums of \$27.88 for individual coverage, \$55.62 for parent/child coverage, \$76.88 for husband/wife coverage, and \$83.86 for family coverage; a dental premium rate decrease of 3.4%; no increase in the Vision plan; and a rate of \$0.245 per \$1,000 of coverage for Life Insurance and \$0.192 per \$100 for Long-Term Disability Insurance based on a two-year renewal contract as approved in FY15.

Upon a motion by Commissioner Mitrecic, the Commissioners voted 4-3, with Commissioners Bunting, Elder, Lockfaw and Mitrecic voting in favor of the motion and Commissioners Bertino, Church and Purnell voting in opposition, to adjust the cost-share to 20% for medical insurance for new County employees, hired on or after July 1, 2015, and their dependents if they choose to participate in the County's medical insurance program, while the County will pay the remainder of the premium. Commissioner Mitrecic reiterated that the increased cost-share was for new employees only and that all current County employees and

retirees, as well as current employees upon their retirement, will be grandfathered at a cost-share of 10% for themselves and their dependents. Commissioner Church stated that the new 20% cost-share for new employees will impose a significant hardship on the lower paid staff as the premiums will take nearly 29% of their paycheck.

Commissioner Mitrecic further requested staff look into adjusting the cost-share for new employees hired after July 1, 2015 upon their retirement. He suggested that such new employees be subject to a cost-share of 20% of the medical insurance premium for themselves upon their retirement and a cost-share of 100% for their dependents with no contribution by the County for their dependents upon the new employees' retirement.

Mr. Higgins advised the Commissioners that the following requested items had recently been added to the FY15 Expenditure Requests for their consideration as follows: \$50,000 for a new Hazmat Vehicle within the Fire Marshal's Office; \$70,000 to restore funds due to a State grant which was cut within the Commission on Aging; and \$28,871 for Department of Health and Mental Hygiene (DHMH) Developmental Disabilities Administration within the Department of Social Services for the County's mandated share for Day Services.

The Commissioners deliberated on the projected revenues and requested expenditures in the Committee Reviewed FY16 Operating Budget, which currently reflects estimated revenues of \$182,500,632 and expenditures of \$182,500,632, with no use of budget stabilization funds, \$1,501,884 in 2014 Bond Premium funds, and an increase of 8 cents to the property tax rate for a new property tax rate of \$0.85 per \$100 of assessment. Chief Administrative Officer Harold Higgins stated that the Committee Reviewed FY16 Operating Budget simply reflects a jumping off point for the Commissioners and still includes several undecided matters, which they need to consider during the budget work session.

The Commissioners reviewed requested expenditures by department.

With regard to the Treasurer's Office, the Commissioners unanimously decreased funding to Account No. 6550.270 Building Site Expenses - Telephone by \$1,500 for a revised budget of \$16,000.

With regard to the Elections Office, the Commissioners unanimously decreased funding to Account No. 6100.110 Administrative Expenses - Envelopes by \$400 for a revised budget of \$600; and acknowledged a reduction made during their morning closed budget session to Account No. 6000.100 Personnel Services Salaries of \$3,600 for a revised budget of \$15,000.

With regard to Environmental Programs, the Commissioners unanimously reduced funding to Account No. 6100.210 Administrative Expenses - Paper by \$500 for a revised budget of \$500.

With regard to Other General Government, upon a motion by Commissioner Lockfaw, the Commissioners voted 4-3, with Commissioners Church, Elder, Lockfaw and Purnell voting in favor of the motion and Commissioners Bertino, Bunting and Mitrecic voting in opposition, to eliminate funding to Account No. 6110.050 Supplies and Equipment Camera Equipment of \$65,000 to purchase an audiovisual (A/V) system in the Commissioners meeting room to provide video footage of meetings on the County website. Commissioner Elder stated that the timing was bad for such an expenditure.

With regard to the Sheriff's Office, the Commissioners decreased funding to Account No. 9010.010 Capital Equipment New Vehicles by \$65,652, approving the purchase of five of the seven vehicles requested for a revised budget of \$165,405; and acknowledged reductions made during their morning closed budget session to Account No. 6000.100 of \$86,444 Personnel Services Salaries for a revised budget of \$4,952,119, denying the request to hire two additional Road Deputies, which resulted in an overall savings for salaries and related expenses of \$237,046. Commissioner Mitrecic also stated a preference for police cars rather than Tahoes for the new vehicles to save money on purchase and operations.

With regard to the Jail, the Commissioners acknowledged reductions made during their morning closed budget session to Account No. 6000.100 of \$82,368 Personnel Services Salaries for a revised budget of \$5,297,298, denying the request to hire two of the six additional Correctional Officers.

With regard to the Volunteer Fire Departments, the Commissioners unanimously eliminated funding to Account No. 9010.010 Capital Equipment New Vehicle of \$50,000 for the purchase of a new Hazardous Materials (Hazmat) vehicle.

With regard to the Maintenance Division of Public Works, the Commissioners unanimously reduced funding to Account No. 6000.400 Personnel Services Overtime Pay of \$3,000 for a revised budget of \$3,500; and acknowledged a reduction to Account No. 6000.100 Personnel Services Salaries of \$85,118 resulting from actions taken during their morning closed session for a revised budget of \$691,699.

With regard to the Roads Division of Public Works, upon a motion by Commissioner Lockfaw, the Commissioners voted 5-2, with Commissioners Bunting and Mitrecic voting in opposition to add \$500,000 to Account No. 6140.010 Road Maintenance Blacktop for Overlay for road paving for a revised budget of \$1,000,000; and decreased funding to Account No. 6000.400 Personnel Services Overtime Pay by \$8,000 for a revised budget of \$12,000.

With regard to Boat Landings, upon a motion by Commissioner Lockfaw, the Commissioners voted 6-1, with Commissioner Mitrecic voting in opposition, to retain funding of \$30,000 within Account No. 6550.010 Building Site Expenditures Building/Property Improvement for improvements to Taylor Landing to add a crabbing pier.

With regard to the Health Department, the Commissioners unanimously reduced Account No. 6550.100 Building Site Expenses Generator Services by \$1,000 for a revised budget of \$3,700; and reduced Account No. 6550.270 Building Site Expenses - Telephone by \$15,000 for a revised budget of \$62,800.

With regard to the Commission on Aging (COA), the Commissioners unanimously approved funding of \$70,000 added to Account No. 7140.040 COA Appropriation County Share Salaries and Fringe for a revised budget of \$603,035 to restore a State cut within the COA.

With regard to Other Social Services, the Commissioners reduced Account No. 7100.023 County Grants to The Cricket Center by \$2,000 for a revised budget of \$10,000; reduced Account No. 100.030 County Grants to Developmental Center by \$3,503 for a revised budget of \$219,497; and to Account No. 7100.165 to Save the Youth for \$18,000 subject to proper paperwork, to maintain level funding from the prior fiscal year to non-profits.

The Commissioners reviewed and agreed to postpone discussion on the requested FY16 Board of Education (BOE) budget of \$82,674,909 and committee reviewed recommendation of \$79,789,031, which includes a 2.5% salary increase beginning January 2016 for BOE employees

and Bus Contractors.

With regard to the Recreation Department, the Commissioners unanimously reduced funding to Account No. 6100.210 Administrative Expense Paper by \$1,400 for a revised budget of \$1,000; eliminated funding of \$85 to Account No. 6150.030 Uniforms and Personal Equipment - Safety Shoes; and reduced funding to Account No. 6150.050 Uniforms and Personal Equipment Uniforms by \$1,000 for a revised budget of \$1,200.

With regard to the Library, the Commissioners voted 6-1, with Commissioner Bertino voting in opposition, to reduce funding to Account No. 6110.230 Supplies and Equipment Library Books by \$25,000 for a revised budget of \$150,000; and acknowledged reductions made during their morning closed budget session to Account No. 6000.100 Personnel Salaries of \$120,653 for a revised budget of \$1,511,509.

With regard to Other Recreation and Culture, the Commissioners voted 6-1, with Commissioner Mitrecic voting in opposition, to reduce funding to Account No. 7100.135 Pocomoke Marketing Partnership - Discovery Center by \$10,000 for a revised budget of \$50,000 for one more year only.

The Commissioners recessed for five minutes.

The Commissioners resumed their review of FY16 Committee Reviewed Expense Requests by department.

With regard to Economic Development, the Commissioners voted unanimously to restore funding to Account No. 6530.040 Consulting Services of \$30,000; reduced funding to Account No. 6100.060 Administrative Expenses Books and Publications by \$1,000 for a revised budget of \$1,000; reduced funding to Account No. 6100.150 Administrative Expenses Incentives and Events by \$3,000 for a revised budget of \$13,000.

With regard to Tourism, at the request of Commissioner Mitrecic, the Commissioners agreed to consider at a future meeting the requirement that the County Tourism Website be included in all Ocean City advertising funded by County pass-thru grants which in effect limits them to print advertising only for such advertising.

With regard to Grants to Towns, upon a motion by Commissioner Elder, the Commissioners voted 4-3, with Commissioners Bertino, Elder, Lockfaw and Purnell voting in favor of the motion and Commissioners Bunting, Church and Mitrecic voting in opposition, to provide level funding to the towns, reducing funding to Account No. 7100.193 County Unrestricted Grants to Towns by \$200,000, thus eliminating the Budget Committee recommendation to increase the Unrestricted Grant to the Town of Ocean City as a good faith effort to acknowledge the County's willingness to negotiate with the town with regard to developing a more equitable funding formula. Commissioner Elder stated that all towns should be treated equally so the County is not pulled apart over money.

The Commissioners answered questions from the press, after which they adjourned to meet again on May 19, 2015.