

Open Work Session
Leg. Bill 2020-04 – FY21 Budget Bill Exhibit
July 21, 2020

Mr. John Psota, Director of Administration, came before Council. Mr. Dodd said Council invited Mr. Culver and Mr. Psota to the Work Session to discuss the letter that was submitted, to which Mr. Psota responded, again, at this time it would be inappropriate for him to comment on this.

Mr. Cannon said he thinks there is a lot of discussion. He said he, for one, did not understand one paragraph of the response Council got back from the Executive's Office, not a sentence. He said he cannot give an answer on how that letter related to what Council's concerns are, so somehow they are going to have to try to meet halfway through this as far as some measure by which to sort through it all. He said it appears as if there are a lot of loose ends from finalizing last year's budget, and Mr. Taylor has gone to great lengths to try to sort through it. He clarified, he is not saying that everything Mr. Taylor has suggested is right, but he thinks it gives Council some guidelines by which they need to start putting the patchwork back together so they have some semblance of where the heck they are going.

Mr. Taylor said he thinks Mr. Psota as well as Council are both aware that the Board of Education has gotten an attorney involved in this. He said that attorney initially contacted him a couple of weeks ago kind of leaning on him asking if Council can get this money to them. He said, to make a long story short, he told the attorney that Council has done everything it can do from its budgetary and Legislative authority by, essentially, restoring the funding for the three school projects that, of course, includes Mardela, but Council cannot cut the checks as that is not part of Council's authority as a Legislative Body. He said that is purely Executive, and they have to get that from the Executive, and he has pointed out to both the attorney and Dr. Hanlin that the Executive does not want to pay the money. He clarified, he was speaking primarily at that time about Mardela, but it now appears that the Executive does not want to do any of the funding that the Council restored on June 2, so there is an impasse. He said the Board of Education is possibly considering litigation at this point. He clarified, he cannot speak for them, and that has not been threatened, at least not to his knowledge, but they are pretty unhappy because they think they are entitled to the money, and they think it was restored, and that is where it sits.

Mr. Cannon asked Mr. Psota if he has a copy of the letter that was sent to Mr. Wilber on July 17 from Carney, Kelehan, Bresler, Bennett and Scherr stating the Board of Education's position in regards to Mardela, to which Mr. Psota responded by asking, was it just forwarded recently? Mr. Cannon said July 17 was the date of the letter, to which Mr. Psota responded, he believes he is familiar with it. Mr. Cannon said he knows Mr. Psota has not had a whole lot of time to review it as it was only this past Friday, but he just did not know if Mr. Psota has had that opportunity, and what he thought about their position, to which Mr. Psota responded, he does not have a thought on their position as he is only vaguely familiar with what Mr. Cannon is referring to.

Mr. Cannon said the question is where Council goes from here, not only as a Council, but as a County because it appears everything is out of skew right now. Mr. Dodd said that is a good question. He then asked how Council feels about a response to Mr. Culver's response, to which Mr. McCain responded, he will make a suggestion. He said he does not want to put Mr. Psota on the spot, but is this something he

can discuss and maybe report back to Council at the next meeting on where this stands? He said they are kind of at an impasse here, but the Board of Education, certainly, clearly feels that the restoration of this money was legal. He said it is very clear that this was within Council's rights to do, and the outside attorney has also ruled that clearly this was done properly, and was in the full rights of the County Council to do. He said, thus, with that said, and with everyone knowing that, is that something Mr. Psota can get back to Council on at the next meeting to see if this is clarified on the Executive side, to which Mr. Psota responded, absolutely. He said he will do what he can to address Mr. McCain's concerns, and get back to Council with clear, concise direction.

Mr. Cannon asked Mr. Psota if he is aware of the budget that was posted online, and the differences from what was posted online as the adopted budget, and what the Council considers its position as the actual adopted budget, to which Mr. Psota responded, he is still trying to figure all of that out.

Mr. Taylor said he will run through the three items to put another possible twist on this. He said the funding for Westside Intermediate School is \$281,000, and Council restored it. He said that could easily be taken from general funds or contingency, and he does not know why that is a big problem. He said he understands there is concern about budget matters because of COVID, but that is not a huge sum. He said the amount for Beaver Run, which is an ongoing project that was in the budget for \$7 million of new bond money, again, he does not know what the argument is on that. He said that project is going on, and it was in Mr. Culver's initial CIP he turned in back in December, but then he changed it with the CIP he submitted in April. He said, again, to him, this comes in almost as a no-brainer. He said he thinks the only real issue is Mardela, which is \$2.5 million. He said it is a good hunk of money, and at the hearing Mr. Culver conducted on his CIP back in March, Mr. Strausburg said at that time that they would reconsider things in July. He said that is really, he thinks, the elephant in the room, but, with the other two, he does not see why there would be any objection to going ahead with them because Beaver Run they almost have to do because it is going on, and the other roof replacement is, essentially, in terms of Wicomico's budget, peanuts. He said, for what it is worth, that is his view.

Mrs. Acle said she looked at some other Counties and how they finance their public school system and capital projects in Counties that have the same form of Government Wicomico does with the County Executive. She said they have pretty extensive Legislation over their public school system, and so she is wondering if Wicomico needs to follow what those Counties have already set forth so they do not have this problem moving forward. She said now hindsight is 20/20, but it seems there are other Counties that have run into this issue, and they have pretty detailed Legislation on how they deal with it. Mr. Davis said they have been doing that for years, and Wicomico has only had a County Executive since 2006. He said they also have to look at their Charter, which was particularly designed for a County Council, and they are still trying to get things in there for the County Executive, so their Charter does not really give good direction as to what the County Executive can and cannot do, and what can be imposed against him if he does not do what is in the Charter. He said Wicomico's problem is not that what the other Counties are doing is not good, it probably is, but Wicomico cannot get to that point until they can get some clarity on what the County Executive can and cannot do.

Mrs. Hurley reminded Council, other than the Board of Education funding, there were some other concerns about the budget posted online. She said the County Executive provided a response to the

State's Attorney salaries, and it is her understanding that some attorneys have actually left the State's Attorney's Office, and they were able to bring on new staff at a lower salary, which then created a salary savings, so that is why they see the shift in the salary amounts. She said they also addressed the issue of the \$163,000 in the County Executive's fund just being a one-line item reduction as opposed to the individual specific cuts Council made. She said they made that correction to the online budget; however, they also submitted a memo stating they were reallocating that funding, so as soon as that cut was made, they shifted some money around. She clarified, they can certainly do that, but they are supposed to provide notice to Council, and the notice is supposed to be 15 days in advance of that transfer, unless it is an emergency. She said, if it is an emergency, it is within five days after. She said, in addition to the Board of Education concerns, she just wanted to bring those concerns to Council's attention as well.

Mr. Dodd asked, in reference to some of these changes by the Executive's Office, does that require Council approval, to which Mrs. Hurley responded, the notification does not require Council approval, it is just a notification to Council.

Mr. Dodd asked how Council feels about responding to the letter, or just waiting for Mr. Psota to come back to Council, to which Mr. Davis responded, they should wait for Mr. Psota to come back because the letters are getting crazy. Mr. Cannon said Council does not really have much more to add to what they already originally sent. He said it is important that Mrs. Hurley and Mr. Taylor meet with Mr. Psota, and try to get this ironed out. He said the Chief Financial Officer position is also something that needs to be clarified. He said Mr. Taylor and Mrs. Hurley have done a lot of great work evaluating this, so he would like to see some benefit from that, and try to meet the Executive Branch halfway through Mr. Psota.

Mr. Taylor said another matter that is kind of hanging fire right now is the Board of Education and their position vis-à-vis the County, and what they may or may not do, which they do not know at this point. He said they have asked for a response from Mr. Wilber, but, if there has been one, he has not seen it.

Mr. Holloway said he has seen a lot of strange letters come across their table, but this was probably one of the strangest, it was unbelievable. Mr. Dodd said maybe Council can hold off on letters to the Board of Education because it is getting them nowhere. Mr. Cannon said he hopes Mr. Psota will be allowed to meet with staff, to which Mr. Dodd responded, that would be nice so they can get some results. He then thanked Mrs. Hurley and Mr. Taylor for working on this with Mr. Psota. There was no further discussion.

Signatures on next page

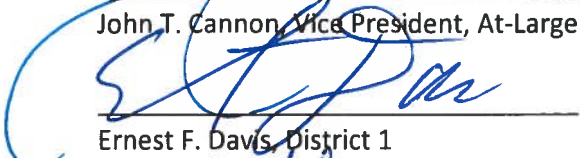
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John T. Cannon, Vice President, At-Large



Ernest F. Davis, District 1



Nicole Acle, District 2



Josh Hastings, District 4



Joe Holloway, District 5



William R. McCain, At-Large



Laura Hurley, Council Administrator