

The 2021 Wicomico County Compensation and Allowance Commission met on November 23, 2021 at 8:30 a.m. via Zoom.

Members Present: Dr. Memo Diriker, Chairman; Victor H. Laws, III, Vice-Chairman; Michelle Chesnik, Sue A. Cooper, PhD; Mary Mengason, Sharon A. Morris, Mark Rudnick, John Aukward, Victoria Miele, Michelle Wright and Mr. Andrew Bauer.

Staff Present: Laura Hurley, Recording Secretary

Dr. Diriker called the meeting to order.

On motion by Ms. Morris and seconded by Mr. Laws, the Minutes from November 8, 2021 were unanimously approved.

On motion by Ms. Wright and seconded by Mr. Laws, the Minutes from November 12, 2021 were unanimously approved.

Dr. Diriker showed the draft report of the Compensation and Allowance Commission recommendations on the screen. He said the language that is highlighted in yellow he will double check, as some of the numbers, the current compensation salaries, he is not sure about, so he will double check them. He said basically the language will stay the same, and the calculations discussed at the last meeting, the 2 percent inflator, will be used for all of the compensations. He said the piece that is missing is benefits, which they will be talking about in a few minutes. He said the blue highlights are things that need to be added to the document that will come from the MACO numbers, etc. that were sent out by Mrs. Hurley. He said the final draft version of the document will be presented at the November 30th meeting at 2:00 p.m. in the Council Chambers, but the Commission will do one last review of it and then, when everyone is happy with it, everyone will sign it and it will be presented to the County Council.

Ms. Mengason then presented the Compensation Survey and Benefit Analysis. She said she worked on this analysis with Sharon Morris, and they looked at all the different counties by using the Maryland Association of Counties resources. She said they looked at the County Council President, the County Councilmembers and, if it was a Commission, the Chairman or President and the Commissioners.

Dr. Diriker said by and large the past two Commissions have chosen to leave allowances and benefits as-is. He said the big discussion was whether or not the Councilmembers should have the same type of vesting for insurance, but, in the end, the two previous Commissions decided not to touch anything.

Ms. Morris said her recommendation is to leave the benefits as they are. She said the Council historically did not have health, dental, and vision, or access to 457, and they do now. She said the retirement eligibility is 5 years and their term is 4 years, so unless they are elected to another term, they would need to qualify for that. She said, if they want to look at anything, she suggests looking at the retirement vesting, but, for her personally, she thinks they should leave it as-is. She said salaries are very low, but when they add the costs of insurance, it increases it some.

Dr. Diriker said the discussion on the retirement generated the most discussion with the past Commissions, and they decided there was no need to change the status-quo. He clarified, this is a different Commission, so it is entirely up to this Commission to decide how you want to proceed. He said he will accept Ms. Morris's recommendation as a motion and then asked if there is a second.

Ms. Wright said she did not realize the Council received benefits. She then asked if Councilmembers who serve two terms get retirement, to which Mrs. Hurley, responded, the Councilmembers are vested after five years. Ms. Wright then asked if the 401K is just the County or is the State invested as well, to which Mrs. Hurley responded, the County actually has a 457 plan, which is a government plan, but there is a small component of it that is a 401. She clarified, it is optional, so they do not have to participate if they do not want to, but there is a nice match from the County if they want to participate. Ms. Morris asked if the match is 10 percent, to which Mrs. Hurley responded, it is 20 percent. Ms. Wright clarified, the Councilmembers can put in whatever and then the County matches that by 20 percent, to which Mrs. Hurley responded, they can contribute whatever is allowed by law. She explained, there are certain caps that apply to everyone, not just elected officials, and then the County matches that by 20 percent.

Dr. Diriker said it is 20 percent of the compensation they receive. Ms. Morris clarified, it is 20 percent on what they contribute to the defined plan, and Mrs. Hurley confirmed that it is what they contribute. Ms. Wright said, if she had known that before she voted on the compensation increase, she would not have voted for it. Dr. Diriker said he is pretty sure the County is not matching the IRS limit, but he is pretty sure it is the income contribution, not what is added to it.

Mr. Rudnick asked if Councilmembers are limited to a percentage of their salary that they can contribute to the plan, to which Dr. Diriker responded, no, but there is a limit to what other compensation income they have and the limits set by IRS. He explained, the County match is based on what the County pays them, not what they pay to the retirement program. Mr. Laws said the match on a \$18,000 salary would be \$3,600, to which Dr. Diriker responded, correct. Mr. Laws said that is not huge.

Ms. Wright said she does not see why a County Councilmember should get compensation and benefits, to which Dr. Diriker responded, as a matter of a courtesy, they do not take away what they currently have. Ms. Wright said, in her mind, she does not see them as equal to a County employee, who does a full time job with equal benefits, so she does not see how they can compare the two.

Ms. Morris said, in many other counties they have a Commissioner Form of Government, and those Commissioners are considered full time, but Wicomico County is not. Ms. Wright said the Council does not put in full-time work to justify getting County benefits. Ms. Morris agreed but said, for the minimal amount they are looking to increase, they have not had an increase probably in a decade, but they did not have benefits. Dr. Diriker said he thinks the benefits kicked in the last time the Commission met.

Ms. Mengason asked if the contribution amounts are the same as full time employees coming into the County, to which Dr. Diriker responded, the percentages are the same, but the amounts are not. Mr. Laws said he doubts full time County employees get a 20 percent match, and he could be wrong, but it is probably in the 3 to 5 percent range. Ms. Morris confirmed, full time County employees get a 20 percent match, but it is not on the total salary. Ms. Mengason clarified, it is on whatever the contribution is.

Dr. Diriker clarified, this is a defined benefit, not a defined contribution, where most of them have defined contributions. Ms. Morris confirmed, it is a voluntarily defined benefit plan for all County employees and Council.

Ms. Mengason asked if the Councilmembers pay the same amount for health insurance as full time employees, or do they pay a larger portion, to which Dr. Diriker responded, his recollection is whatever portion the County employees get the Councilmembers get. Ms. Mengason said that is a big benefit. Dr. Diriker responded, that was their justification in the last two go-arounds for not increasing the

compensation with the so-called blended parity. He said the thought was it is really not compensation, it is a stipend, and the carrot is less compensation and more the benefits for someone to run for Office.

Ms. Morris said they can add another column to the chart to define the 457 plan more clearly, or they can just add a paragraph at the bottom. Dr. Diriker then asked that Ms. Morris get the updated analysis to him by November 29 so he can add it to the final document.

Ms. Morris said the life insurance is based on one year salary while in Office. Mrs. Hurley said they also have the option to purchase additional life insurance as well. Ms. Morris said, when they are no longer in Office, they can keep paying themselves, but the County does not contribute to that. Ms. Wright asked if that is true for life insurance only, or does that include dental and health, to which Ms. Morris responded, if they are vested and they retire, then they can still pay for dental and health, but if they are Medicare age, then Medicare takes over, and they can no longer carry the health. Dr. Diriker said, once they are no longer a County Councilmember, what the County pays essentially stops, unless they retire.

Ms. Wright asked what qualifies as retiring as a County Councilmember, and can they serve two terms and then retire and collect these benefits, to which Ms. Morris responded, they can serve two terms and be vested for retirement, and they will have a very small pension based on whatever the salary is. She said they can continue health and dental, but they have to pay for it, and they lose the life insurance unless they take it with them and start paying for it. She said they lose what the County would pay if they died. She said they would get the 457 with the pension if they were vested for the five years. Dr. Diriker said, again, this is based on income, not a lump sum amount. He then asked Ms. Wright to send him a short paragraph of her concerns so they can say, as a courtesy, they are not taking this away, but these are the concerns so he can add it to the letter.

Dr. Diriker then went back to the original recommendation by Ms. Morris to not change the benefits as a motion, which was seconded by Ms. Mengason and unanimously approved.

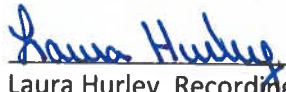
Mr. Laws said he was not able to attend the last meeting because of a conflict. He then asked if the letter has been approved as far as the salary levels, to which Dr. Diriker responded, those are the numbers. Mr. Laws said he was sent the Counties Salaries Study, and the Sheriff's compensation is currently \$95,000, not \$105,000, so he wants to confirm the current salary before recommending an increase, to which Dr. Diriker responded, that is not correct, which is why it is in yellow, and those are the ones he needs to double check. He explained that he is currently overseas and does not have the addendum with him, and he cannot remember the salary off the top of his head. Mr. Laws asked if those figures will change before they go to the Council, to which Dr. Diriker responded, absolutely.

Dr. Diriker said the next meeting will be in-person on November 30 at 2:00 p.m. in the County Council Chambers.

There was no further discussion.



Dr. Memo Diriker, Chairman



Laura Hurley, Recording Secretary