

Open Work Session
May 22, 2017
Budget Recap Session

Mr. Kilmer said he was talking to Mr. Strausburg about an issue with the Library, in getting some money from the State and things like that, and he mentioned that the Council may want to know about this. Mr. Strausburg said the Library applied for a State grant and the size of the grant is in the order of \$360,000, and the County match is 16%. The County match is in the budget, but this is a grant where the State reimburses the County once the work has been completed and paid for. It is a reimbursable grant. The money is not in the budget. He said the State would reimburse the County in the time frame between 3 and 4 weeks, once they receive the appropriate invoices. He said they are in a position where in order to take advantage of this grant, they have to forward fund the State's portion out of reserves. When the County receives the reimbursement back, the money of course will go back into the County's reserve account. He said he was not sure what appropriate action needs to be taken, but he did want Council to be aware of it, and be comfortable with the fact that if they proceed with this project, that they would be proceeding on the basis for funding and receiving the money back from the State. Mr. Joe Holloway asked what the library is going to do with the money, to which Mr. Strausburg responded, there are a number of projects. There is the chiller project, a restroom project, and there is replacement of the carpeting. Mr. Joe Holloway clarified, it is infrastructure, to which Mr. Strausburg said, yes, it is infrastructure. These are projects that need to be undertaken, and he can provide Council with details on that if they would like to see it. He said he did not want the County forward funding this project without Council being aware. He said it is an odd situation. Mr. Dodd asked why the funding was not in the budget, to which Mr. Strausburg responded, the County's 16% share is in the County's budget. The financial people were not aware that this grant behaves differently than most of their State grants. Mr. Strausburg said he thinks the project is important, and he would hate to see the County walk away from that amount of State aid, but, again, he wanted Council to be aware of it before they took any action. Mr. Dodd said the County is already forwarding money for the school board. He then asked how long will this take to get the funds, to which Mr. Strausburg responded, 30 days after the work is done, and the project start to finish will probably be a period of about two months. Mr. Cannon clarified it is nothing that involves this budget today, to which Mr. Strausburg said, no, it is not a budgetary item, it is a cash flow item. He said it falls between the cracks. Mr. Dodd said if something has to be done, they should do it. Mr. Kilmer said he knew about this from being on the Library Board. He said he emailed Mr. Strausburg, and he said he would like for Council to know about the situation, and they said they would talk about it at the meeting on Monday. He said he appreciates Mr. Strausburg letting Council know about it.

Mr. Cannon said they would look at the budget as a whole, and any particular areas that Council wants to re-review, as well as any particular department where Council wants to see reductions made. He asked Council to go through each page of the budget independently starting from page one. Mr. Kilmer said there are a couple of areas he would like to discuss, such as Economic Development. He said the transfer to local match fund in the amount of \$18,380 he did not think was needed. Mr. Cannon asked for discussion on this item. He said if you go back to the very first page, the County

Council items that they need to strike from the County Council's budget. Mr. Joe Holloway said the County Council car is \$18,500. He said they had Clean Chesapeake Coalition - \$25,000, and Rural Maryland is \$5,000. Mr. Dodd asked if they struck those last year, to which Mr. Joe Holloway responded, no, they discussed it.

Circuit Court – no comments.

Orphans Court – no comments.

State's Attorney's Office – no comments.

Executive Administration – no comments.

Community Promotion – Mr. Kilmer said he just read the Clean Chesapeake Coalition Dues and Rural Counties Coalition Dues, which is \$30,000 total. Mr. Cannon said it appears that Council is on board with making those cuts.

Elections – no comments.

Finance - Mr. Cannon said one thing that comes up in Finance, which he thinks was part of a broader discussion in all the departments, is the salaries listed and promotions, which is a line item for \$11,820. He said they recognize they cannot cut line items, but they can certainly make cuts to the individual departments that may have line items where they would like to see a cut made. He said how it is implemented is not going to be up to Council, but again this has the salaries, promotions notation on it, and as of today there are over \$1,000 worth of line items in six different departments, and there may be more. Mr. Matt Holloway clarified, it is \$100,000. Mr. Cannon said correct, almost \$107,000 worth of monies listed for this, and he is not convinced this is something that needs to be in there. He said he thinks it may give sort of a false impression of what the true expenses are in running the County. He said from what Council has discussed on the promotions line item in salaries in six different departments, maybe seven. Mr. Cannon asked what is Council's take on this as far as whether it needs to be in the budget or not. Mr. Kilmer said they have a list of all of the ones where their departments list salary promotions. He said if they are making a list they should put that on there. Mr. Cannon said he thinks it inflates the budget. Mr. Hall said he does not understand if these are promotions that are going to happen during the budget year, not to get into micromanaging, how do you show these increases in the budget without actually physically putting them in the budget. He then asked how can you cut them? Mr. Kilmer said he thought they were promotions that happened in the past, to which Mr. Matt Holloway clarified, no, they are savings, so it is where somebody was employed at a higher salary, they left, and someone was brought in at a lower salary, it is that difference between the two, it is still budgeted here. Mr. Hall said, the current fiscal year, okay. Mr. Joe Holloway said if you go to the vacant funded position that they had, he found kind of disturbing, they are showing \$1,191,000 in the positions that are open and not filled, and according to our Human Resources Director here last week, this is kind of a reoccurring thing that is basically all the time that they are sitting there with that kind of money in the County budget that is not being utilized. He said if you look at the different departments, he sees the Department of Corrections, which probably has the most offerings of jobs out there,

but a lot of the others it is just one department or the other. One that is particularly interesting is the Solid Waste Division that has a part-time job for \$68,000. He said he did not know what that is all about but there could possibly be some real savings there, maybe cut that in half due to the fact that it is a rolling occurrence all of the time. It would be the chance to do about half a million dollars or \$600,000. Mr. Strausburg said they have vacancies in the County at any given point in time. He said those vacancies are positions that are required. He said they are in the position control log. If you cut funding for those, you are cutting positions that are needed to operate the County. He said they have ten correctional officers that are needed right now. He said Mr. Kaloroumakis is trying to hire those officers. He then asked why would you want to cut that funding from his budget. Mr. Joe Holloway said he did not say he wanted to cut the funding from his budget, he brought that out particularly that they would not want to bother Corrections. Mr. Strausburg said, they have 600 employees, 37 vacancies at any given time they submit the budget is normal turnover. Mr. Joe Holloway said he sees if they go to their website, other than the Department of Corrections Officers, as far as full-time jobs, there are only five job opportunities on the website, so apparently they are not even advertising for these people. He said his statement is they are looking at \$1,191,000, and our Human Resources Director said that this is always occurring, so it is not as though they are going to fill all of these positions tomorrow. He said they are not even advertising for most of these positions because our website has five people on there. Mr. Strausburg said he did not know if that was an accurate statement, but if they want to cut vacant positions, he thinks they need to sit down with the department heads involved and understand from that department head why that position is currently vacant, and what it would mean to the operation of that department if you defund it. Mr. Dodd said, since the department head is not here, can you answer why there are ten vacancies in the Department of Corrections, to which Mr. Strausburg responded, yes, because they cannot attract qualified people and get them through the academy, and our hiring rate is probably below market, which takes him back to the discussion that they had at the last Council work session. That being, a comprehensive review of the County's salary structure is probably in order. Mr. Dodd asked how long have those positions been vacant, to which Mr. Strausburg said it has been a rolling average, they get up to speed and then they lose officers. One of the things that happens is they lose officers to other entities. They get experience, and they have three jurisdictions, Sussex, Worcester, Somerset, and ECI. They get people trained and once they have experience they have a higher market value. He said it has been rather chronic in corrections, nationally. He said the National Average is about 20%. Mr. Strausburg said they are not unique in that regard, it is a difficult profession. It has become even more difficult by virtue of the nature of the people being housed at Corrections. He said it is quite different than it was even ten years ago. Mr. Dodd said hopefully with the overtime issue they discussed, it will resolve some of that. Mr. Strausburg said he thought that was a very good step in the right direction.

Mr. Strausburg continued, he said again, because at the point in time that they submitted the budget, they had 37 vacant positions, but that does not mean that those vacant positions are not needed. Mr. Dodd said he did not think that is what Councilman Joe Holloway was discussing. Mr. Strausburg said defunding them is essentially indicating that they are not needed. He said they sit with every single department head, and they justify every single position they have, that is why you get

the position control analysis. He said they did not put forward any departments with positions if they did not feel they were needed to effectively operate that department. Mr. Dodd said it is almost a million and a half dollars sitting there. Mr. Strausburg said it is sitting there until a point in time. Turnover occurs every day in an organization this large. When they begin to defund positions that are in position control, which are authorized positions, that can have consequences that are not helpful. He said if they are planning to do that, he thinks they need to talk to the department heads of the affected departments to understand exactly what they are doing when they defund those positions. Mr. Cannon said maybe a way to look at this, and maybe Mrs. Hurley can help them, it might be helpful to look at the vacant positions that are currently in the budget in these departments and see which departments consistently have vacant positions open year after year after year. He said if you have a department that has had vacancies for four consecutive years, obviously there needs to be an adjustment. Mrs. Hurley said she can do some research. Mr. Cannon asked if that would help Mr. Joe Holloway, to which Mr. Joe Holloway said, looking at the website, he sees an advertisement for a correctional officer, more than one because they need more than one. He said but then there are only three advertisements for full-time jobs, but they are saying they have thirty some openings. Mr. Larry Dodd said that is a good point. Mr. Matt Holloway asked, could they ask specifically about the part-time job that is vacant right now at Solid Waste, the salary is \$68,000 but it is a part-time position. Mr. Young said he was trying to look at that as soon as it was mentioned. Mr. Matt Holloway said the salary is \$68,340, on page 3 in the budget. Mr. Young said the spreadsheet is created by Human Resources and he sees that showing part-time. He said he thinks at the time it was created that was the Superintendent of Solid Waste, Mark Whitelock. He is now Deputy Director of Public Works. He said, in guessing, this spreadsheet was filled out when he had moved from that position to his current role. Mr. Young said part-time should not be in there because that position is not a part-time position. Mr. Young said he definitely sees the concern there looking at what they submitted from a budget detail standpoint. He said they have the Superintendent of Waste Disposal, that is a full-time position that they have, and it has been filled by a gentleman by the name of David Candy. He was in the crowd during the budget discussion with Solid Waste, but he did not speak. Mr. Young said he thinks this needs to be explained. He did not know when this was generated, and that is one of the issues with the Excel spreadsheets. Mr. Joe Holloway clarified that Mr. Young is saying they do not have that part-time position, to which Mr. Young responded, no, the Superintendent's role is a full-time, important role and he is not certain why it says part-time. Mr. Joe Holloway said that is why Council is here. Mr. Culver asked, could it not be the fact that he moved, it is split between Roads and Solid Waste, to which Mr. Young said, no, that is a separate account, this is specifically a spreadsheet issue, that is a good catch. Mr. Dodd asked Mr. Young how long that position has been vacant, to which Mr. Young said it is filled right now. Mr. Dodd asked how long, to which Mr. Young said he guessed it was about a week, but he was not involved with that. Mr. Joe Holloway asked what position is Mark Whitelock in now. Mr. Dallas Baker said Mark Whitelock is Deputy Director of Public Works. He said Dave Candy is the Superintendent of Solid Waste. Mr. Cannon asked if there were any other questions with Finance. There were no further comments.

President Cannon continued to read each fund category in the budget.

Public Accountant – no comments.

Purchasing – no comments.

Law – no comments.

Total Contractual Services budgeted at \$312,492.

Human Resources – no comments.

Planning and Zoning - Mr. Cannon said capital cars, \$41,700, he said they probably discussed this with Jack Lennox, he said their cars are very old.

General Services – no comments.

IT – Mrs. Hurley said she noticed the IT Department is requesting a new position this year. She said her question would be, should there be separate legislation, separate from the budget itself. She said she knows that is not a requirement, but for transparency they have done it that way in the past. Mr. Cannon clarified it is an entirely new position, to which Mrs. Hurley responded, yes. Mr. Cannon said, yes, he thought they always established that through Legislative Bill. Mr. Dodd said he thought it was done through the budget. Mrs. Hurley said they have done it both ways, it can be done through the budget process, but for transparency she believes that it has been discussed that it should be separate legislation, a Legislative bill. Mr. Cannon said, yes, he thinks they should do that. There were no further comments on IT.

Liquor License Board – no comments.

Sheriff's Department - Mr. Davis said he has a problem with the request for 15 cars. He said they just received 10 cars, and they are not all out on the road. He said it took them a while to get them on the road, and now they are asking for another 15. He then asked how long will it take these to get on the road. Mr. Kilmer asked what number are you thinking about, to which Mr. Davis responded, 10 cars like they asked for the last time. Mr. Joe Holloway said and 5 cars next year, he thought it comes out to about \$55,000 a year for a car and equipment. Mr. Joe Holloway said he agrees with Mr. Davis that it took them a while to get the cars on the road. He said that would be \$275,000. Mr. Cannon asked, for clarification on Mr. Davis's suggestion to cut the budget, by how many vehicles, to which Mr. Davis responded, 5 vehicles. Mr. Cannon said they should contact the Sheriff's Office and ask them what the total cost would be associated with the five vehicles because it is not just the five vehicles, it is all of the upgrades they have to do when the vehicle comes in. Mr. Kilmer said it is in the budget. Mr. Joe Holloway said \$55,000 a car. Mr. Kilmer said they have the unit cost and the prep work. He said the budget detail is pretty good. Mr. Joe Holloway said if you take the whole total and divide it by 15, it comes out to \$55,000. Mr. Dodd asked Councilman Davis if he ever looked to find out why the cars are not in service yet, to which Mr. Davis responded they said they did not have the electronic equipment that goes inside of them yet. Mr. Joe Holloway said it takes a lot of time to get those cars ready, as there is a lot to it to put those cars together with the computers and the wiring. Mr. Dodd said he knows some of

the other agencies have expressed in the past that sometimes it takes a year to get a vehicle in service. They have so much that has to be done to it. Mr. Cannon said five cars is \$275,000. Mr. Cannon then asked if there was anything else in reference to the Sheriff's Department. Mr. Cannon said they have sent over the paperwork to Council for a Resolution in changing a position classification. Mrs. Hurley said, that legislation will be introduced, hopefully, at the next Council Meeting. There was no further discussion.

Narcotics Task Force - Mr. Cannon said he had a question about the \$500,000 on the Capital Building Improvement, and he was told that the building was being purchased with seized funds. He then asked if the seized funds should be reflected in the revenue for the County as well. Mr. Strausburg said he would have to go back and check the budget detail, but from his standpoint and he has discussed this with Mr. Wilber, seized funds should really come into the General Fund and then be appropriated. It is almost the same as a grant, the funding comes in, Council then approves the appropriation funds for whatever the particular use is. He said he will double check to see whether or not that funding is on the revenue side. He said it should be, but he will double check to be sure that it is. He said it should go through the appropriation process. Mr. Cannon said, the question too would be so you do not have an overinflated budget in case it is not, if Council were to strike it here, and then he is not quite sure of what the planning process is, architectural engineering, he is not sure what phase this is going to fall in whether it is six months from now or two months from now, or whether it is something they could do incrementally through contingency. Mr. Strausburg said he has to backtrack where that \$500,000 resides right now. Mr. Strausburg said if it is in the revenue side, it is net neutral on the budget. Mr. Cannon said they would put an earmark on it. Mr. Strausburg said they will put an earmark on it, and he will backtrack that for Council to determine whether or not it is in the intergovernmental transfer side of revenue. Mr. Kilmer asked if that was in the CIP, to which Mr. Strausburg said, no. He then clarified what was in the CIP is the new proposed Public Safety Building, two completely different things. Mr. Matt Holloway asked, does this \$500,000 just reflect Wicomico County's share of this building, or is this the entire building because the task force is a joint venture between the State and the County. Is the County carrying the burden of building this? Mr. Strausburg said the way that is structured is that Wicomico County is the lead agency. He said as the lead agency, they handle the financial administration. He said he will go back to Sheriff Lewis and get those details as well. He said his understanding is that it is the complete project and the County is the conduit for the funding because they are the lead agency. Mr. Cannon said his feeling is that they felt it was not necessarily a Wicomico County expense because they were going to reimburse it through seized funds, which involves all departments as a whole, depending on how it is seized. Mr. Strausburg said it still goes through the appropriation process. Mr. Joe Holloway asked if it is County land, to which Mr. Strausburg responded, yes, it is the County's land. Mr. Joe Holloway asked who owns the land, to which Mr. Strausburg said the building would revert to the County if, in fact, it was no longer used at some point in time. Mr. Cannon asked, in the same budget line area, they have use of prior year fund balance of \$676,000. He said he is wondering if that is maybe where part of that \$500,000 is, to which Mr. Strausburg said he would run that whole thing down for Council.

Salisbury Fire Ambulance - Mrs. Hurley said she thought this is where the adjustment needs to come in for the Workers Compensation. Mr. Kilmer said he thinks his preference would be if it is needed, take it out of contingency, and not make an adjustment to the budget.

Volunteers

Mr. Cannon asked how Council was planning to address Workers Compensation with the Volunteers. Mr. Strausburg said they do not know what the actual billing is going to be until that current year. He clarified Council is proposing by the fourth quarter, if they need that additional funding, they would come back to Council and request it as a transfer out of contingency. Mr. Dodd said Mr. Strausburg is also going to look into if any of the volunteers and the workers' compensation payments have been duplicated because they are in different departments. Mr. Strausburg said they have to scrub that. He said he cannot tell Mr. Dodd with certainty that that is not the case. They have to take a close look at that and he knows Ms. Ennis is doing that. She is looking at the volunteer roles, but they have not gotten completely through that process yet. There were no further comments.

Emergency Services – no comments.

Protection of Animals – no comments.

Public Works - Mr. Joe Holloway said the Creek Watchers at \$5,000, there was really no plans for exactly what the money is going for. He thinks more thought needs to be done on the Creek Watchers. Mr. Hall asked if Council wanted a consensus on that. Mr. Matt Holloway said Council is just listing items right now. Mr. Kilmer said he did not think they were deciding anything today.

Fruitland Water and Sewer – Mr. Cannon asked if there was an initial payback that the homeowners were required to make. Mr. Matt Holloway said it was not paid up front, as it was attached to their tax bill. Mr. Young said right now it is \$312.00 and they have had several property owners ask to connect and that will bring down the overall amount as others connect.

Mosquito Control – Mr. Kilmer said they are replacing, with \$30,000, a 2007 Ranger. He said the year 2007 does not seem too old. He then asked how many miles are on it, as mosquito trucks only get used 3-4 months out of the year. Mr. Young said they looked into that this morning, and they are putting together a vehicle list for Council. The 2007 truck that Mosquito Control is proposing to replace has over 90,000 miles on it, and they said it has some engine problems with it. He said the way it was explained to him, it is a lot of slow driving, and it is the environment it goes through. Mr. Young said they were requesting that to be replaced. Mr. Cannon clarified, last year the County spent over \$70,000 on Mosquito Control Trucks, to which Mr. Young responded that was three Colorados last year, and they have been happy with how they have operated. Mr. Joe Holloway asked if they were four-wheel drive, to which Mr. Young said he believes so. In a lot of places where they go to spray at night, they require four-wheel drive. Mr. Kilmer said there are three trucks from last year. He then asked how many trucks do they have in total, to which Mr. Young responded that he did not know. Mr. Joe Holloway asked

how long does the program last over the summer, to which Mr. Culver said as long as the mosquitos last. Mr. Dodd asked why they were GPS and Bluetooth enabled. He then asked if all the County trucks are getting GPS now, to which Mr. Young said he was not certain, as it depends on what they are used for. He would say from his knowledge in working in Public Works, unless it comes stocked in the vehicle, the County is not going out and specifically getting it. Mr. Dodd said it was mentioned, that is why he asked. Mr. Strausburg said if you are talking about the mosquito trucks, it is to operate the sprayer, as certain properties get sprayed. There are people who opt out that do not want their property sprayed, so the Bluetooth goes back and talks to the sprayer and turns it on and off. Mr. Young said they can go back and show where they sprayed. Mr. Kilmer asked Council if they wanted to put that on the list tentatively and wait for more answers. Mr. Cannon said they could do that. Mr. Matt Holloway asked what the total was for the truck, to which Mr. Cannon responded, \$30,000.

Gypsy Moth Control – no comments.

Board of Education - Mr. Matt Holloway asked if Council should revisit the Board of Education once they are through the cuts and see what the total is, and then apply a one-time funding recommendation.

Community College – no comments.

Public Library – no comments.

Tri-County Council Shore Transit - Mr. Joe Holloway said they are looking at an additional \$52,000 this year. He then asked do they have an explanation for what that is for, to which Mr. Strausburg said they are flat funded. Mr. Joe Holloway asked if he was reading that wrong as it was \$383,000, and it is going to \$436,000. Mr. Matt Holloway said he thinks they are flat funded in total for operating expenses, but the grants operating went up. Mr. Kilmer said it looks like last year they had capital money. He guesses they spent that, so now they are getting that money folded into operating, because the grants operating goes up by the amount of the capital grant last year. Mr. Strausburg said the amount of their operating grant last year was budgeted at \$383,000, this year it is \$446,000. Mr. Matt Holloway said if you look at the detail, there are three different grants, operating, capital and legislative and the operating last year was only \$383,000 and this year it is \$436,000. Mr. Cannon said they are taking the prior year capital funding and they are now subsidizing salaries with that. Mr. Joe Holloway said the \$10,000 for grants and legislative, it is his understanding that is for the Taste of the Eastern Shore party they have every year, to which Mr. Strausburg responded, yes. Mr. Cannon said it is for the Legislative Liaison Support. Mr. Culver said the cost is \$35,000 a year. Mr. Joe Holloway clarified, the County is giving \$10,000 of that. Mr. Joe Holloway then asked Mr. Strausburg to find out the last time they raised bus fares. He said he thinks it has been a while. Mr. Dodd responded he thinks it is \$6.00 one-way now. Mr. Dodd said they had a meeting the other night, and Mike Pennington said it is \$6.00 because they were talking about business taking off right now because they are transporting more people to Ocean City for summer jobs. Mr. Dodd said he asked how much it cost for that particular transport and it was \$6.00 each way, which is actually pretty cheap. Mr. Cannon said he made a note of the \$10,000 mark. He said he sees what Mr. Kilmer is saying, in that the

capital expense is absorbed into the operating for next year. Mr. Kilmer said when they said it was flat funding, it was just because they added \$2,000 last year. Mr. Strausburg said he understands what they are looking at, and he will get the details and track that down for Council. Mr. Cannon said they still have time if they need to bring any of these people in independently. Mr. Matt Holloway said for right now they will make a note of the \$52,345 difference.

Public Health – no comments.

Extension Services - no comments.

Community Access Channel – no comments.

Office of Economic Development – Mr. Cannon said they have the \$18,380 on the list.

Pensions and Retirement – no comments.

Hospital Disability Workers Compensation Liability Insurance – no comments.

Retirement – no comments.

Social Services – no comments.

Transfer to Other Funds and Contingency - Mr. Kilmer said he noticed the \$225,000 transfer to the Airport, and he knows Mr. Strausburg talked about the possibility of doing that as a loan. He said he knows they gave some money as a grant in this fiscal year to the Airport. Mr. Strausburg said it is the capital grant, capital loan but there is still a lot of work to be done. Mr. Kilmer said he has expressed in the past he would like the Airport to be self-sufficient. He said the County is funding this and the fire service, which is another \$300,000 that the taxpayers support. He said he may suggest to cut that and they can debate it. He said that, or a loan, things along those lines he would feel more comfortable with. Mr. Joe Holloway asked if the money was spent last fiscal year, to which Mr. Strausburg responded it is in the process of being spent. Mr. Joe Holloway clarified it has not been spent yet, to which Mr. Strausburg responded, no, not all of it. He said if you were to structure it as a loan, he thinks that is entirely appropriate. He said the issue that the Airport has is that if they want to make up for lost time with regard to needed infrastructure improvements out there, the current operation does not generate enough revenue to accomplish that. He said someone has to fund it, and you can either do it on the basis of a grant or if you are not comfortable with a grant, they can do it on the basis of a loan. Mr. Kilmer said his concern is that they spend all this money, and just because they spend it, that does not mean there are any results that are guaranteed to happen. They spend, spend, and spend, and then one day they are in the same situation as if they would not have spent it. He said that is his concern. When it is structured as being more self-sufficient, you are spending much more targeted generated results. He said where here the taxpayers can pick up to \$25,000 to \$500,000 next year. He said \$225,000 is not necessarily tied to anything, it is whatever the taxpayers can afford. He said he did not know if they could produce results the first year, but it would be nice to have something to show for what they are spending this fiscal

year. Mr. Matt Holloway asked if it were restructured as a loan, would it fall anywhere else in the budget, or would it still be in this category. Mr. Strausburg said the appropriation would still go to the Airport, but they would book it as a receivable. It would show up in the balance sheet for both the Airport as an Enterprise, and the County's General Fund as a receivable from the Airport to be paid at some point in time. Mr. Strausburg said it is net neutral, the difference being you have the future prospect of recovering that money once the Airport has reached a point where it can generate sufficient funds. He said the issue is, the Airport, for the better part of four decades, it has been allowed to deteriorate. They can either allow that to continue, or they can get more aggressive and try to develop the campus. He said he thinks that is an appropriate course of action. Mr. Cannon said they will make a note of it.

Contingency Transfer Reserves

Mr. Matt Holloway asked about the flat contingency reserve for simplicity. He said he likes that description using simplicity in the budget. Mr. Strausburg said that amount of contingency funding has been in place for probably as long as he has been with the County. He said three quarters of a million dollars a year. He said this is really the first year that they utilized a substantial portion of contingency and that was because of some pretty unique circumstances. He said he did not feel he could make a persuasive argument to increase the allotment. Mr. Matt Holloway asked how much did they use this year, to which Mr. Strausburg said they have \$329,000 left, but on the next Council agenda you will see that they will be coming forward with the request for an additional \$212,000 for Wor-Wic Community College to close that gap so that their reserve fund stays intact, because it is rather low at this point in time. Mr. Matt Holloway clarified, so they are close to using it up, to which Mr. Strausburg said they are close to using it up for the first time in his tenure, a significant portion of the contingency account. Mr. Matt Holloway asked if they reduced it to a half million dollars, would that make them uncomfortable, to which Mr. Strausburg responded, yes, it would. Mr. Cannon asked, with the revenues as high as they are, and the increase in the budget as much as it is this year, why would they be eating away at the contingencies so much. He said he would assume that revenues would be coming in. Mr. Strausburg said you would have to appropriate revenue. He can only utilize the revenue that has been appropriated. Mr. Cannon said he was just curious why the contingencies are going down as much as it is. Mr. Strausburg said he was not following him, when you approve the budget, the revenue, if they are garnering war in the way of property taxes, they are garnering war in the way of income taxes, then it is appropriated in the 2017 budget, he has no authority to spend that money. Mr. Cannon said he understands that, but a lot of what is being discussed is savings that has been ongoing within the County, not so much the increases in income taxes, or income from property taxes, but a lot of what is being touted as the cost savings through County departments. Mr. Strausburg said they have had a combination of cost savings, but they also had much more vibrant revenue than was anticipated, particularly with regard to income taxes. Mr. Kilmer asked when the County saves money in the prior fiscal year, at the end of the year if it is not spent, and you get more revenue, does that go into reserves. Is that what you want to spend now in terms of the prior year balance? The money that was saved in the past, and more revenue in the past, is that part of the nine million dollars that is coming forward? Mr. Strausburg clarified that is part of the nine million dollars because they have built up their

unassigned fund balance, which is what he is going to call your free board, to a point where it makes more sense to spend it down to some degree, as opposed to borrowing. Mr. Strausburg said that was a conscious decision, as they decided they had been borrowing on the order of twenty million dollars a year. They decided in the CIP cycle that they would borrow ten million dollars this year, and spend down fund balance by close to ten million dollars. He thinks it is 9.8 million dollars. They think that is an appropriate fiscal tactic. There were no further comments.

Roads

Mr. Kilmer clarified the \$16,000 is for a brush cutter attachment that Mr. Baker said he did not need, to which Mr. Dallas Baker responded, correct. Mr. Kilmer said the \$16,000 for a Gradall Brush Cutter attachment can be taken out of the budget.

Solid Waste

Mr. Kilmer said there is \$500 in the budget for legal fees, but he does not think that there is any need for that. He said he knows there was some discussion about the \$25,000 for uniforms, whether or not those are needed or not. Mr. Dodd said there was also \$25,000 in uniforms for Roads. He said it seems like a lot. He then asked if it is worth a discussion. Mr. Cannon said as for the legal fees, since it is a minimal amount, Council could just defer that to some type of policy adjustment instead of cutting a line item. Mr. Cannon said it will be put it on the list for discussion. Mr. Matt Holloway clarified those were under Solid Waste, to which Mr. Cannon responded, yes, under Solid Waste.

Airport - Mr. Matt Holloway said they have an explanation under salaries, one line says job class not found, \$64,000. He said maybe they could cross-reference it, but it says job class not found. Mr. Weston Young said if you look at the number next to the title, that is the specific employee and it seems that the Operation Maintenance Supervisor is the job class not found, it may have been an extra entry. He explained there is a unique number for each employee. He is not sure if that answers the question. Mr. Matt Holloway clarified they have the same number, so that clears it up, as it looks like a duplication between those two lines. One that says Operation Maintenance Supervisor has zero, and then John Valentine has \$64,800. Mr. Strausburg said they changed titles out there, that is all. He said when Dawn Veatch came in, they segregated duties out there between the airfield operation and Dawn Veatch's duties as the Airport Manager. Essentially, the position they are looking at was what was formally the Assistant Airport Manager. He said he guesses that is why the notation is in there. Mr. Kilmer said to bring up the whole ARF issue, it says training external, training for ARF \$65,800. He then asked if that is going to be needed with the new situation, to which Mr. Strausburg responded, yes, that is the FAA required live fire training that they have to do. Mr. Kilmer said they also have \$300,000 budgeted for the salaries. Mr. Strausburg said the training has always been segregated from the cost of the people who would respond if there was an incident. Mr. Joe Holloway asked if they need to do that training with the mechanics this year, and pay for it, since they are going to be changing. He said they said before they do not have a number nailed down for exactly what it is going to cost to put people out there, and how much they are going to get back from Piedmont and all of that. He then asked is that something that they need in the budget this year, to which Mr. Bob Culver said FAA requires it every two years. Mr. Joe Holloway asked if that was done last year, to which Mr. Culver said, no. This would be the year they have to do that training again.

Mr. Dodd asked if they have been compliant, because there was some discussion they have not done the training in more than two years. Mr. Strausburg said they are compliant. Mr. Joe Holloway said they bring the plane in for \$20,000. He then asked what is the other \$40,000 for, to which Mr. Strausburg responded he could get Council details on that. Mr. Cannon asked Mr. Strausburg if he is a fan of consolidating expenses in different areas and trying to show them all associated with that department, as they have the \$300,000 as an operating expense under Fire. He then asked if there should be a category somewhere else for this \$300,000. He said it either goes to the Airport and it is in the Airport's budget for Fire, as opposed to putting it under Volunteer Fire. Mr. Strausburg said he thinks it should be reflected in the Airport budget, yes. Mr. Cannon said maybe Council should amend the budget to take the \$300,000 out of the Volunteer Fire Operating Expense and put it into the Airport, as it will go to the Executive Branch, and they will make the adjustments. Mr. Strausburg said if it goes inside the Airport budget, you still have to have the revenue side coming in, and that is the reason they originally put it into Volunteer Fire because it is an appropriation from the General Fund to the Airport. Mr. Strausburg said they can handle it differently, as they could take that \$300,000 and put it on the revenue side in intergovernmental transfers and send it in to the Airport, and have that as a line item in the Airport budget if Council wants to do that. Mr. Cannon said it would nice to be able to look in one place and say this is what it costs the County for fire service. Mr. Strausburg said he agrees. Mr. Strausburg said if Council recalls, the point in time that they turned the budget in, they were in a very fluid state with regard to fire services as a whole. He said they put it where they put it in order to ensure that it was incorporated into the budget, but he can make that change if Council is more comfortable with that, it is not a problem. Mr. Cannon said it might help them get a better idea of it. Mr. Dodd said since you already have the ARF training there it makes sense. Mr. Strausburg said that is fine.

Electrical Board – no comments.

Local Management Board – no comments.

Recreation and Parks – Mr. Joe Holloway asked what equipment is being bought. He said he knows they mentioned a stump grinder and the cost of that. Mr. Weston Young said he has a list. He said the equipment requested for Parks, they are proposing replacing a 2005 Z Master Mower that currently has 2700 hours on it, for an estimated cost of \$11,000. He said they are also proposing replacing a 2006 Z Master Mower with 2810 hours at the same estimated cost of \$11,000. He said they would also like to replace a 1991 Kubota with 2891 hours, at the same estimated cost of \$11,000. Mr. Young said he is guessing they plan to replace the three of those with the same model. He said they proposed new equipment and \$9,000 for a stump grinder. Mr. Joe Holloway said that is the one he was looking for, as that is the one they do not need. He said in his 60 some years of being around equipment, that is one of the most dangerous and the most highly maintenance pieces of equipment. Mr. Young said the last item, just for totaling it all, they are proposing \$11,000 for a backhoe attachment. Mr. Joe Holloway said he did not just want to cut the budget. He is saying from experience, they are dangerous for one thing, and it takes people to notice what they are doing to run it, not necessarily as far as safety goes but maintenance, and keeping the blades sharpened. Mr. Kilmer asked if Roads has a stump grinder that they use, to which Mr. Young

responded, he did not think so. In most cases when they do maintenance on their dams, they will cut it flush with the ground knowing that they are going to have to come back at some point when that is rotted out and make a repair then. He said they have been avoiding it. He said Solid Waste, when they expand an area or as they prep for a new cell, they will just use their excavator to pull it out. Mr. Joe Holloway clarified this is different than their tub grinder. A piece of equipment you pull up and back up is a tub grinder. Mr. Kilmer said he thought they were cutting trees along the road. Mr. Young said Roads typically cuts them flush to the ground. Mr. Dodd asked what is the NH unanticipated expense for \$10,000 on page 19. Mr. Strausburg responded, he will get an answer on that, as off the top of his head he did not know. Mr. Kilmer said he had some issues with the \$15,000 for the contracted out maintenance and repair projects when they do the softball tournaments. He said they contract out when County employees are working on the tournament. They contract out for what should be done. Mr. Dodd said to Mr. Strausburg he mentioned that they had about 600 employees. Mr. Strausburg said 600 employees full time. Mr. Dodd then asked how many part-time employees do they have, as it looks like Recreation and Parks has a lot. Mr. Strausburg said it is seasonal, so it will fluctuate. At the high point, the employment probably goes up close to 800. Mr. Dodd clarified maybe 200 part-time employees, to which Mr. Strausburg responded, it fluctuates through the season. There were no further comments.

Civic Center - Mr. Joe Holloway said he understands the beer sales have been disappointing. Mr. Strausburg said the real reason behind getting the license was not so much to derive per capita income from the existing base, it was to attract businesses that they could not otherwise attract, like a hockey team. Mr. Dodd asked what are some of the other venues that would not come to the County because they did not sell beer, to which Mr. Strausburg said they would have a lot of concerts, and a lot of acts would not come without alcohol. Mr. Dodd said that is the first he has heard of that. He said they are in the market to sell music, not beer. Mr. Strausburg said their audiences like to go places where there is beer. He said the person who could really give a very clear explanation on that is Chuck Russo. Mr. Dodd asked how long has the Civic Center has been selling alcohol, to which Mr. Strausburg responded, not quite a year. Mr. Dodd said he thought it was right before Thanksgiving. Mr. Dodd asked if they have had any more venues because now they have beer. Mr. Strausburg said, no, those venues are booked well in advance. These guys are out on a tour; it is not like they book a month in advance. They book hopefully a year in advance. Mr. Dodd asked if they have booked anybody for the future that requested alcohol, to which Mr. Strausburg said he would have to ask Chuck Russo, as he did not get into that level of detail. Mr. Cannon said the 2017 budget concession alcohol sales budget is revenue of \$250,000 in 2017, and then the catering alcohol sales is for \$100,000, but this year there is no budget on that particular line for each. Mr. Strausburg said he will have to ask Pam Oland why she set it up in that way. Mr. Cannon said this year there is no budget for that particular line, maybe it was put into another category. Mr. Strausburg said he would check with Pam Oland.

Tourism – no comments.

Grants and Mandates – no comments.

Municipal Share Tax Homestead Fee SDAT Office – no comments.

Teen Adult Center – no comments.

Maintenance of Aging in the Community – no comments.


Life Crisis Center – no comments.

Mr. Cannon asked is there anything else for the good of the order. He asked Mrs. Hurley if there was anything else she wanted to add that they should touch on today before they meet again, to which Mrs. Hurley responded, no, she said she thinks that covers everything. Mr. Cannon thanked Mrs. Hurley and Mr. Roser for the good work that both of them did in helping the Council work through the budget. There was no further discussion.

Open Work Session

May 22, 2017

Budget Recap Session



John T. Cannon, President



Larry W. Dodd, Vice President, District 3



Ernest F. Davis, District 1



Marc Kilmer, District 2



John B. Hall, District 4



Joe Holloway, District 5

Matt Holloway, At-Large



Laura Hurley, Council Administrator