

**Open Work Session
Compensation and Allowance Commission Report
December 19, 2017**

Mr. Cannon said the first item on the report is the County Executive position where the Commission's recommendation was \$130,000, plus annual cost of living adjustments beginning in 2019. Mr. Hall said he has something he would like to say. He said he appreciates Dr. Memo Diriker's Committee, and it certainly is a blue ribbon Committee. He said he thinks the Committee's scope was pretty narrow as far as what they looked at when evaluating this position. He said, apparently, their sole source was MACO, and they used a national average to move everything up along the line, rather than look at different Counties with Wicomico's same economic structure, or same economic benefit packages. He said he is not sure if they are really comparing apples to apples when they get into something along this line, which leads them to what the true figure should be. He further said he thinks this is the same thing they have had all along, where they do not object to paying their people what they think they are worth, but it is a little hard to determine what they are worth when he truly wonders what the value of the presentation is. He said that is all he has to say about that at this time.

Mr. Dodd asked if this current salary for the Executive has been on the books since 2006, to which Mr. Cannon responded, yes. Mr. Dodd said, with no increase since then, he does not think that is right, but he is not sure about the total figure. Mr. Joe Holloway said, as a matter of history, they first started at \$75,000, and the Committee changed it to \$85,000 before the County Executive was elected the first time. Mr. Matt Holloway said he thinks, regardless of how they arrived at this figure, it is on Council's shoulders as to what they truly feel the compensation ought to be. He said he thought Dr. Diriker's explanation of how they used weighted factors to even the playing field on comparisons made sense to him. He said it is quite a jump from \$85,000 to \$130,000, but it has been 11 years where they have not made any adjustments, so he does think an increase is warranted. He said it is just a matter of negotiating between themselves of where they can land. Mr. Cannon said they also have the option of doing it incrementally instead of saying they are going to make it this rate. He said the Committee is recommending adjustments beginning in 2019, or whatever year they might choose to step it up. Mr. Matt Holloway said his only fear in that is, in the past, Councils have been wary of making other Councils accountable. He said, if something like that was set up, in two years a new Council could put a stop to that program. He said, if the intent was to take it up to \$130,000, a new Council might stop it at \$100,000, which would be their prerogative. He further said he would be more comfortable if Council just made a decision of what they think it should be, and then the next time around let them recommend if they think it should go up. Mr. Dodd said one thing that should be noted is the recommendations are not for the people sitting at this table, or out there currently in office, but for the next elected Council. He said maybe not everybody here will be running for reelection, or may not get elected, so it is not for the people who are sitting at this table right now, or out there in office. Mr. Kilmer asked Mr. Matt Holloway how much he is thinking, to which Mr. Matt Holloway responded, he does not know that he would go all the way up to \$130,000, but he was thinking that \$115,000 seems like a middle-of-the-range salary.

Mr. Joe Holloway said, as Mr. Dodd brought up, this is not for the people sitting here. He said he has filed for reelection, so he will not be voting for any salary increases for County Council. He said he has had some conversations with some people about this. He said if they are going to increase the salary of the County Executive, or the Sheriff, or the County Council, he thinks it should be done for the next persons who get elected, not the persons who are already elected. He said the ones who are sitting here

at this table, the County Executive, and the Sheriff, have all run before and knew what they were running for when they ran, and they knew what the pay was. He said he agrees that maybe it is not what it should be for the Executive, but, on the other hand, it is a service type job. He said it is not supposed to be a career that people make. He said they do not make a career out of being on the County Council, especially with the compensation for that. He said he read the reasons why the Committee felt they should up the pay, and he does not really agree with all of them. He further said, for the people who are sitting at the table, as he has said, he thinks the pay should remain the same. He said then, if somebody new gets elected, if they wanted to do some type of increase, maybe that would be justified. Mr. Cannon asked Mr. Taylor what the legal restrictions are to that, to which Mr. Taylor responded, he thinks because of the language that is in the State Code, the Charter, and the County Code, his initial thinking would be that it has to be for the entire Council, and they cannot distinguish between incumbent members who are reelected, and new members. He said he is not totally certain of that, but, when reading the language, it sure sounds that way. He said it talks about the members of the next succeeding Council, and he does not think they can distinguish. He said he can look further into that if Council wants him to. Mr. Paul Wilber said he would agree with that, and it is the whole Council. Mr. Joe Holloway asked who would challenge that, to which Mr. Taylor responded, that is, of course, a separate question, whether it is right or wrong, but he supposes a taxpayer could challenge it. He said he does not know for sure, but he supposes it could be possible. Mr. Kilmer said he appreciates what Mr. Joe Holloway is saying, and it would be nice if there would be somebody to work that out, because part of the reason to pay more is to attract different people, and there are already folks who will file for Council or Executive at the current pay, so it would be an interesting way to try to do that, if it were legally possible. He said they have some time to maybe look into that, as this does not say when they have to make a decision, so they could spend some time looking into it. Mr. Joe Holloway said it is not for the lack of people running, because there is always somebody running for County Council, and there is always somebody running for County Executive, and he supposes if the Sherriff were to decide not to run again, somebody would run for that position, so it is not the fact they have to up the pay to get people to run. Mr. Cannon said what he thinks Mr. Joe Holloway is indirectly saying is they are trying to hold everybody to the same standards, and Mr. Joe Holloway does not feel it is right for Council itself to vote for a raise for Council individually for this next election cycle, especially if they know they are running, and trying to hold the same standards to the Executive's and the Sheriff's position as well. Mr. Joe Holloway said he thinks he is right on that. Mr. Matt Holloway said he agrees with Mr. Kilmer that they do not have to make a decision right now, but the longer Council waits to make a decision, the more politicized it might become getting closer to the election. Mr. Kilmer said that is the way the Charter sets it up, to have that be fresh on voters' minds if Council votes for a raise. He said he was not on the original Charter Review Committee, but that seems to be the intention with the timing of it.

Mr. Cannon said they have two issues, which are simple enough. He said one is the amount, if they do any raise, and second, as Mr. Joe Holloway suggested, the timing as to when they would implement it. He said \$115,000 was a figure that Mr. Matt Holloway came up with, and he asked if there are any other discussions. He said he knows Mr. John Hall had carefully reviewed what MACO put out, and asked if he has any particular conclusions in regards to any of this, to which Mr. Hall responded, no. Mr. Cannon asked if anyone objects to the \$115,000 amount, to which Mr. Joe Holloway responded, he does not think they need to make the decision right now, for one thing. Mr. Cannon said that is a very good point, but he is wondering, the next time this comes to the table, what is going to make it any different than today, to which Mr. Kilmer responded, that is a good point too. Mr. Matt Holloway said Council is not going to have any more facts before them. Mr. Cannon asked Mr. Joe Holloway, if this were the vote today, and someone were to say \$115,000, would he want to make it \$130,000, or make it \$100,000, to which Mr. Joe Holloway asked Mr. Cannon what he would want to do. Mr. Cannon said he would want

to listen to everybody else first. He said if Council were to do this, and it depends on the timing factor that Mr. Joe Holloway had mentioned, but, hypothetically, if they were to decide on this, when is the next time a decision is made, as far as the next increase, to which Mr. Matt Holloway responded, it is every four years. Mr. Dodd said the Committee is also recommending the next Council should start earlier discussing this instead of waiting until the end of the third or fourth year when it is election season. Mr. Kilmer said they would have to change the Charter, to which Mr. Dodd responded, that can be done, and it would not be the first time they have done it. Mr. Taylor said he thinks there might be an issue on that under the State Code, because the State Code also has very similar language in it to what the County has, so they may want to look at that first. Mr. Dodd asked, if they make a vote on this, does it have to be presented to the Assembly so they can vote on it to approve it, to which Mr. Taylor responded, if Mr. Dodd means the General Assembly, then, no, it does not have to be approved. He further said Council is operating under a provision of the State Code that authorizes this Commission sequence they are going through now, and provides for the same time period for the Commission to make its recommendation, so they would be stuck with that, so to say.

Mr. Cannon said he understands the issues people are having as far as the \$85,000 is concerned. He said if they were to do it, he would be more comfortable with the \$100,000 range, and he knows why people are saying they do not want it to be the \$85,000 range, because, as Mr. Kilmer suggested, they are trying to encourage quality individuals, or people will not run for lesser amounts. He then said, in the same sense, he does not want to say as a Council that they increased the Executive's salary by over 30 percent. He said he does not think that is really responsible. He further said, one way or the other, he cannot vouch for the fact that it has been this way for so many years, but he thinks if they were to go from \$85,000 to \$100,000, they are trying to make a difference, but are also trying to be responsible with the taxpayers' money. He said he knows what they are looking at, and, again, he was asked to give a number so he gave a number. Mr. Hall said, if he was asked to give a number, he would say \$110,000. He said he agrees that they should have something going forward, as no more information is going to be presented on it. He said they have already had the information and the recommendation, and all they are going to do is talk amongst themselves about what they think is a reasonable amount, and he thinks it is not that difficult of a decision. Mr. Dodd said he does not want anybody to think that the Executive, or anybody sitting at this table, is not a quality person, but it is for the next person, and an increase has always been to attract somebody, because there are probably a lot of people who would have to take a pay cut to take that position. Mr. Joe Holloway said what about tying into the cost of living and whatever salary increases are given to general employees each year. Mr. Kilmer said he does not think they can do that out of the Charter. He said, to do this, it says Council has to vote on the recommendations. Mr. Joe Holloway asked if it was somewhere in there that they should do cost of living increases, to which Mr. Matt Holloway responded, yes, but he does not think they researched whether that was legal. Mr. Taylor said he is not sure it is, because it is open-ended. He said, in other words, they really then do not know what it is going to be in years 2, 3, and 4, because they do not know what the factors are going to be. Mr. Matt Holloway said, going back to that, if they went with the \$115,000 from the \$85,000, that is a \$30,000 increase over the eleven years it has been since the County Executive form came into office. He said that is less than a 3 percent per year increase, which is not far off from COLA, to which Mr. Joe Holloway responded, but some of those years they did not give cost of living increases, and they had the great recession in there. Mr. Cannon said the \$100,000 would be a 17.6 percent increase, \$110,000 would be a 29 percent increase, and \$115,000 would be a 35 percent increase. Mr. Joe Holloway said when he talks to the folks at the restaurants and the stores, and when he mentions to them about the pay raise for the County Executive, they ask how much he makes now, and he tells them \$85,000. He said their eyes get really big, because most of the people he talks to are making \$30,000 and \$40,000 a year, but he guesses that is the kind of people he surrounds himself

with. He said the average household income is only \$50,000, so he is hearing shock and dismay when he brings it up. Mr. Hall said Mr. Joe Holloway should surround himself with the people on this Committee, which he himself does, who think \$130,000 is a good number. Mr. Cannon said the point too is that the Executive is responsible for a multimillion dollar budget, to which Mr. Joe Holloway responded, he also has a staff who take care of most of that. Mr. Cannon said that is true. Mr. Kilmer said, just as a procedural point, they need a majority plus one, under the Charter, to pass an Executive pay raise.

Mr. Cannon said right now they have four values. He said it was suggested for \$85,000, \$100,000, \$110,000, and \$115,000, and he asked if there was any other discussion on this. Mr. Dodd said they do not vote now anyway. Mr. Matt Holloway said it would be good to get an idea, to which Mr. Cannon added, he thinks a certain consensus has to start somewhere. Mr. Joe Holloway suggested they ask the Executive what his thoughts are, to which Mr. Bob Culver, Wicomico County Executive, responded, he is more than happy to comment. Executive Culver came before Council. He said he agrees that he thinks the \$130,000 is probably too far for Wicomico County at this time. He said he does feel that the \$85,000 needs to be brought up to somewhere more compatible. He said he has often thought they should do the same thing just like the Governor does, as Mr. Cannon had mentioned, and do it in steps, such as \$85,000, \$95,000, \$100,000, \$105,000, \$115,000, etc. He said he is going to be honest with Council, and whether it is him or anybody else who takes the Executive position, the first term has been a lot of learning. He said, in the first two years, he learned a lot. He said he was not worth the \$120,000 or the \$130,000 at that point in time, but, by the time he gets to his fourth year, he should be right where his maximum would be, or anybody's. He said, in the second term, if they decided to run for reelection, that term would then hold flat at the top. He said, if they used the \$115,000, they would go to \$85,000, \$95,000, \$105,000, \$115,000, and then the second term, or the fifth year, should be at that top line, and he agrees with that. Mr. Dodd said, with that theory, for the next person who comes in, they are going to have to increase theirs, to which Executive Culver responded, not necessarily. He said they would start back over, maybe starting at \$95,000, then go to \$105,000, \$110,000, etc. He said it does not matter who the person is. He said, as Councilmembers are aware, the first term on Council they learned a lot. Mr. Dodd said he agrees with that, but he is talking about the salary, and he never thought they could drop it back. Executive Culver said the Governor's Office does it, so the next Governor who comes in is going to start back low. He said, at this point in time, if the Governor comes back in for a second term, he is going to stay at the higher rate. He further said, if a new term comes and somebody else were to win, it would start back. Mr. Cannon said Council is considering this step process simply to get them where maybe they should be, and after that it is probably going to be a cost of living adjustment. Mr. Joe Holloway added, every four years they will review it anyway. Executive Culver said he agrees with Mr. Cannon, and he thinks the amendment to try to get it to the second year, or something like that, is fine. He then said he wants Council to know that the Executive makes less than almost every Department Head. He said there are only two Department Heads who make less than he does. Mr. Joe Holloway said it does not matter, to which Executive Culver responded, it should matter. Mr. Dodd said the Sheriff has people making more money than him, to which Executive Culver responded, he does, but he can do other things to earn money too. He said the Executive does not go out anywhere else and earn any kind of money. Mr. Dodd said he is not opposing the steps Executive Culver suggested, but he was just questioning dropping it back for the next Executive, because he cannot see the Commission doing that. Executive Culver said that is something that Mr. Paul Wilber and Mr. Bob Taylor would have to look into to see how that would be instituted. He then said, that is his opinion, and he appreciates Council giving him a chance to talk.

Mr. Cannon said it is \$85,000 now. He asked what would be a target number, and it comes down to whether they do this incrementally year after year, do they do it now, or do they work it in over three or

four years. Mr. Matt Holloway asked if Council can legally do that, to which Mr. Taylor responded, he does not see why not, but he thinks they should double check on that. He said as long as it is a fixed dollar amount, and he is not talking about the CPI increase, but so many dollars in segments, and obviously cannot go above what the Commission recommended, but he does not see why they cannot do that. He further said he thinks there is at least one County that does something like that. Mr. Matt Holloway said the next term would then be \$85,000, \$95,000, \$105,000, and then top out at \$115,000 in the fourth year. Mr. Dodd said he does not oppose that. Mr. Hall said he is not excited about that. He said, when they hire somebody, generally they hire them at a fixed price for a certain period of time. He asked, since they do not have term limits, how far can they take this? He said in four years they are going to have another recommendation from the Commission. He said if they contract with somebody, such as the Executive, the Sherriff, or the Councilmembers, the contract should be for the duration of the contract, which is supposed to be for four years. He said he thinks they should be compensating somebody for the work that they are doing, and God bless Executive Culver with 650 employees, or whatever the County has, to which Executive Culver responded, there are 1500 employees, including part-time. Mr. Hall further said, Executive Culver is where the buck stops, and no matter what the guy sitting next to him says, he is really where the buck stops. He said this is why the voters elected him, and they certainly should compensate him for being elected. He said he tends to agree with the Commission that they have not had an increase in twelve years now, and they certainly need to get what they pay for, and they need to pay for what they are going to get. Mr. Matt Holloway asked Mr. Hall what he thinks it should be then, to which Mr. Hall responded, he is still thinking his number is good, and Mr. Matt Holloway's at \$115,000 is good. Mr. Matt Holloway said he was thinking that with the steps they could get up to \$115,000, and it would take them longer to get there. Mr. Hall said he hates to pay for somebody whose work they have already done. Mr. Dodd said they have to remember they are not doing this for the same person who is sitting in the seat currently, to which Mr. Hall responded, that is correct. Mr. Matt Holloway said it would be simpler to just go with one number figure. Mr. Joe Holloway asked if anybody has polled their constituents on this, to which Mr. Hall responded, again, the people he talks to sit on this Committee, and mainly think it should be \$130,000. Mr. Joe Holloway said he is just asking if anybody has polled their constituents on this, to which Mr. Hall again responded, he has, and his people are the people in the community, and the City of Salisbury, and they tend to think on a different level, he thinks, than Mr. Joe Holloway's rural people. Mr. Kilmer said that is definitely true, and he has heard the same feedback too. Mr. Joe Holloway said he was so poor when he was growing up, the poor people talked about him. Mr. Hall said he sold life insurance, and they told him he could never sell life insurance to a banker because he could not think bigger than his own salary, and this is really what they are talking about, and they have to think bigger.

Mr. Cannon said, if they went with what Mr. Hall suggested with the \$110,000, they are looking at about a \$6,000 increase a year if they did it incrementally. Mr. Dodd said that Mr. Hall is suggesting just one flat figure, to which Mr. Matt Holloway added, with the \$110,000, they are talking about just \$110,000 right off the bat to just simplify it. Mr. Cannon said he thought they were talking about doing an increase each year, to which Mr. Dodd responded, he thought Mr. Hall made a different recommendation. Mr. Kilmer said he thinks Mr. Joe Holloway and himself would be out, and it would be up to Mr. Davis. He said they have to have five votes. Mr. Cannon asked, what if they did it in steps where each year they raised it, to which Mr. Kilmer responded, that is too much. Mr. Cannon asked Mr. Kilmer what his number is, to which Mr. Kilmer responded, the \$100,000 is a little rich for his blood, but that is almost as high as he would go. He said, if it is going to go any higher, that would be it, and even with that he would want to think about it. Mr. Cannon asked if that would be a flat fee, or if that would be in incremental steps, to which Mr. Kilmer responded, he thinks flat is the simplest, if they are going to do this.

Mr. Cannon said now they have \$1,000,000 flat, to which Mr. Matt Holloway responded, he thinks they might have four for \$110,000 right off the bat. Mr. Cannon said they need five. He said he could live with \$110,000, but he wants it to be in steps, because, again, that is a 30 percent increase. He further said he acknowledges the fact of what was said about the Department Heads making more than the Executive, and that is a little off skew. He said he also agrees with what Mr. Joe Holloway said about, when they are running, they know what they are getting into. He said he could live with the \$110,000, but it would have to be in steps, and that way it is not exactly a 30 percent increase in one year. Mr. Dodd asked if anyone would oppose Councilman Kilmer's \$100,000, because that is his max, to which Mr. Matt Holloway responded, he does not think that is quite enough. Mr. Joe Holloway said he would like to see Council go out and talk to their constituents, and come back and say what their constituents have said.

Mr. Cannon said they have \$100,000, and they have \$110,000, and he does not think \$115,000 is going to fly at all. He said these are the two salaries Council has come up with, and the question is whether they do a lump sum, or whether they do it incrementally. He said he thinks it would be good for Mr. Taylor to let them know where they stand as far as doing it incrementally, and also they cannot ignore what Mr. Joe Holloway said about the fact that it is for the next person that is in office. He said he would like to review that so they know where they stand. Mr. Taylor said, on the step part of it, maybe Mrs. Hurley could check with MACO to see if they have any kind of research or data on how other Counties do it. He said he knows the MACO's salary study gives an amount, but it does not go into detail as to what it is over the course of the four-year term. He said it just says what the salary is in that particular year, so they cannot really tell whether there is anybody else out there who is doing it in steps. He said, if Council wants Mrs. Hurley to check with them, she might as well check on the CPI adjustment as well, just so they know. He said, as far as the question of the timing, and whether it is the entire Council or whether it is the next succeeding, or the one after that, he can certainly research it. He said he does not think they are going to find much precedent on it, and maybe that is another question to ask MACO, because he is pretty sure there is no appellate court precedent on that in Maryland. He said he does not know if Mr. Paul Wilber has any thoughts on that or not, but he has never heard of it being done that way, and he does not pretend to be all-knowing about that.

Mr. Cannon said the County Sheriff position is the next position, and the Commission's recommendation is \$105,000. Mr. Matt Holloway asked if that is up from \$95,000, to which Mr. Cannon responded, he is currently making \$95,000. Mr. Dodd asked if it was increased last term, to which Mr. Matt Holloway responded, yes, from \$85,000. Mr. Joe Holloway said they have to take into consideration what Executive Culver said about the Sheriff making money somewhere else too. Mr. Cannon clarified, it is not for the individual in office right now, but it is for the position itself. He said it would be a 10.5 percent increase from \$95,000 to \$105,000. Mr. Matt Holloway asked if the Sheriff had negotiated for his command staff, and if he was part of the bargaining, to which Mr. Wayne Strausburg, Director of Administration, responded, no. Mr. Strausburg came to the podium. He said, in terms of the proposal to make the increase effective for the next term, he thinks Council has to consider that, if they do that, they are giving incumbents an advantage in the ballot box, because an incumbent can say "I am the less expensive candidate, and, if you elect the new candidate, it is going to cost you more money." Mr. Joe Holloway said the new candidate does not have to accept that amount, to which Mr. Strausburg responded, he thinks that is a really slippery slope. He said he is not an attorney, but he thinks the optics of that are horrible. Mr. Joe Holloway said, if it came into politics, it could be said, and could be done, to which Mr. Strausburg responded, it will come into politics, that is what elections are about. Mr. Joe Holloway said the candidate could say that and do that if he so pleased. Mr. Strausburg said he would be interested to see that, but he thinks that is a very slippery slope.

Mr. Cannon said the recommendation on the Sheriff is from \$95,000 to \$105,000, which is a 10.5 percent increase. He asked Council where they are with that, and do they want to make it \$100,000, or leave it at \$95,000. Mr. Hall said he is okay with \$105,000, and he does not think Council should quibble over \$5,000 with a \$135 million-dollar budget, to which Mr. Kilmer responded, it is their job to quibble over this. Mr. Cannon said the Sheriff in Somerset County makes \$60,000, Talbot County makes \$80,000, Wicomico is at \$95,000, and Worcester is at \$88,000. Mr. Matt Holloway said he thinks \$95,000 is a fine number to leave it at. Mr. Cannon said it seems like \$95,000 is about what they are seeing in this area. He said Baltimore County is making \$90,000, to which Mr. Davis responded, Mr. Cannon has to realize what they do. He said they do not do enforcement, they just do jails. Mr. Dodd said they are just in charge of the jails. Mr. Cannon said for the Eastern Shore area they have Somerset County making \$60,000, Wicomico making \$95,000, Worcester making \$88,000, and Dorchester making \$90,000. Mr. Joe Holloway said Wicomico's is at the top of the scale now. Mr. Cannon asked if there is a consensus to leave it where it is, to which there was.

Mr. Cannon said next is President of the County Council. He said, as it was said, it is not to benefit anyone currently sitting here. He further said he does not want to increase Council pay at all. He said he firmly believes what Mr. Joe Holloway said, and, when getting into this position, community service is a good part of it. He said when he ran for office, he did not even know that it paid. Mr. Kilmer said he does not support any Council pay increases. Mr. Cannon asked if anybody wants to increase Council pay, to which nobody responded. He said they will just leave it, so President, Vice-President, and Council are all the same.

He said they have pretty much left everything where it is. He said they have to revisit the Executive's, and they will do that giving Mr. Taylor and Mrs. Hurley a chance to review some of the options for the increases. There was no further discussion.

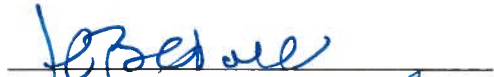
Signatures on next page


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