

Minutes (Approved 5/21/07)
County Council Operating Budget Work Sessions
May 11, 2007

Meeting to discuss the Board of Education Budget convened at: 9:35 a.m. in the Ellicott Room

Council Members present: Calvin Ball, Greg Fox, Mary Kay Sigaty, Jennifer Terrasa, Courtney Watson

Council and Executive Staff present: Sheila Tolliver, Haskell Arnold, Lisa Geerman, Jeff Meyers, Ron Weinstein, Gale Benson, Tom Mullenix

Board Members present: Diane Mikulis, Frank Aquino, Larry Cohen, Sandra French, Ellen Giles

Board Staff present: Sydney Cousin, Superintendent; Ray Brown, Mamie Perkins, David White, Kathleen Swinson, Robert Glascock, Ken Roey

Discussion:

Dr. Cousin explained that the Board would handle the gap of \$2.7 million between the Board's request and the Executive's allowance by reducing the balance in the health insurance fund. This reduction would leave sufficient reserves to satisfy actuaries' estimates of the necessary balance for self-insurance needs.

He explained that the largest share of the increase in the Board's budget is for negotiated salary increases. He said that the Board is not planning for the gap in employee benefits (OPEB), because they see this as a County problem. Mary Kay Sigaty asked when the Board would participate in adopting a uniform set of benefits for school and county employees.

Questions were asked about the following budget components:

Administration: Technology education: Bob Glascock replied that 53 positions (\$2.7 million in salaries and benefits) are provided for instructional support technology.

Full day kindergarten: Staff updated on the progress.

Courtney Watson asked the Board to delineate the cost of State mandates, such as high school assessments. She suggested that the Council may work through the Maryland Association of Counties (MACo) to express concern about these and other unfunded mandates from the State.

High School Assessments: Bob Glascock described intervention initiatives. Howard County's Public Schools are doing their own mid-cycle assessments.

Jennifer Terrasa asked about staffing for lunchrooms and recess.

David White provided a list of funds added by the Board to the Superintendent's request, including \$5.7 million in added State aid.

Courtney Watson asked about the staffing pool, which was increased by 10, and the enrollment projections, which are expected to stay consistent between the May 2006 and May 2007 estimates.

Mary Kay Sigaty asked about TV production. The Board promised to provide a list of high schools getting theater upgrades.

In response to questions about the increase in summer pay, the Board said that they have raised salaries in an effort to attract more experienced teachers to teach in the summer.

Health: Mary Kay Sigaty asked whether the Board had considered moving nurses under the Health Department. They replied that they prefer the control that having their own nurses provides.

Transportation: The Board is waiting for a staff recommendation on possible County ownership of some buses.

Plant Operation: The Board is looking at joining the County in fiber optic lines for phones.

Maintenance: Ken Roey said that the funds for maintenance are sufficient for preventive maintenance, but Dr. Cousin said that the system has a backlog of deferred maintenance projects.

Mid-level Administration: Jennifer Terrasa asked about recess monitors, for which there is one paid monitor per school.

Community Services: Dave White verified that there is no change in the level of transportation service to private schools.

Restricted Funds: Mary Kay Sigaty asked about the development of a new student information system. Bob Glascock responded that they are submitting an RFP, but they aren't looking for an enterprise system that will require customization.

The Council took a 5 minute break at 11:20 and resumed with the Board of Education's capital budget.

Sydney Cousin reported that the capital budget document excludes transfer tax and State funds received after the budget was printed. He enumerated the distribution of \$23.2 million in State construction funds.

Mr. Roey reported that the Glenelg High School addition did not include commensurate parking increases, in response to a question from Mary Kay Sigaty.

Courtney Watson asked if bids are exceeding estimates. Mr. Roey reported that they are for renovations.

Calvin Ball noted that the Council has received e-mails on Mt. Hebron and thanked the Board for their letter clarifying that they had requested construction, not planning funds. In response to a question from Greg Fox, the board responded that it will take from \$500,000 to \$1.2 million to plan the project, depending upon the decision about scope of the project and the timeline for construction. Mr. Roey affirmed that no plan to begin construction in FY 08 currently is in play.

Dr. Cousin said that there is a need to find a long-term funding source for school construction.

Noting that the Mt. Hebron project is the first not to include new seats, Mary Kay Sigaty asked about the potential of State funding for such projects. Ray Brown replied that State participation is less likely for renovation without seats. If the County decides to replace the building, it will be necessary to do another study for the State. The State may not participate in new construction if renovation costs less. Dr. Cousin reported that State funds will be limited in any event, compared to the Board's estimated need. The Board expects to need about \$112 million annually for construction; the State is providing only \$23 million in a generous year.

Mary Kay Sigaty noted that the relocatable budget is stable, even though their use should be declining. Mr. Roey reported that there are costs for removing them, and many are converted to administrative space.

The Council recessed at 12:05 p.m. and reconvened at 1:10 p.m for a discussion of the budget of Howard Community College.

College staff present: Dr. Mary Ellen Duncan, President; Lynn Coleman

Dr. Duncan briefed the Council on the key elements of the operating budget: 15 new faculty; 6.8% salary increases (average).

Courtney Watson asked about the operating funds for Belmont: \$150,000 is allowed from the operating budget to support operations (replacing \$100,000 in foundation funds). She noted that debt service of \$566,000 is projected as the cost of a regular loan, replacing for half a year the initial interest-only loan.

Dr. Duncan enumerated items in the proposed capital budget: \$1.2 million for renovations, including several classrooms and the children's learning center. She also noted funding for Belmont's debt service and renovations.

She explained that the college supports the Executive's vision for Belmont, with college ownership; however, she said that the college will need the same funds for the hospitality program at another location, if Belmont is not operated by the college. She said that the college does not want to be one of 3 to 4 entities operating the college.

In response to Mr. Ball's invitation to detail the college's plan for Belmont, Dr. Duncan said that they would first retire the debt, then renovate the barn for classrooms and multi-purpose space, then renovate the carriage house.

Courtney Watson asked if the conference center is viable. Dr. Duncan replied that it operates at a loss, but could be viable with more rooms in 5 to 6 years.

Bernie Wentker, Regional Director, Maryland Department of Natural Resources, was introduced to discuss possible funding from Program Open Space. He described the origin of the funds for open space (1/2 of 1% of the State transfer tax goes to Project Open Space; half of which supports the counties' programs and half of which goes to a Statewide fund.) He listed several examples of projects the State funded with the State's share of Open Space funds: Elkridge Furnace Inn, Swan Harbor in Harford County, Rocky Gap, Woodmont Rod and Gun Club in Western Maryland. He noted that the State plan is quite flexible; the conference center and culinary program would be compatible with a State-funded Open Space project at Belmont. He noted that Swan Harbor has a memo of understanding with DNR, but that they hold weddings, conferences, concerts, and other events necessary to support the maintenance of the facility.

He reported that a minimum of \$2.5 million could be made available from the State Open Space funds for Belmont, pending appraisals, review by the Department of General Services, and review by the Board of Public Works. If expedited, approval could be given within six months.

He said that the County's Recreation and Parks Department would not necessarily need to be involved. DNR could work with the college directly or with the county. DNR could own and lease back the property. It has a 99 year lease for Elkridge Furnace Inn.

Mr. Fox inquired about the easement and right of Way. Mr. Wentker replied that the Belmont Woods Road is a viable access point to Belmont. If it ceases to be viable, they would look at the right of way for another road; however, they would prefer not to disturb the forest, wetlands, and streams, if it is not necessary.

Dr. Duncan promised to talk to the Secretary of DNR about the potential of the working together on funding for Belmont.

Michael Day, Deputy Director of the Maryland Historic Trust (MHT) and easement director, and Phil Dieter, Attorney for the Trust, joined the discussion. They summarized the points in the Maryland Historic Trust's easement on the property. They described two zones: one includes the manor house and protects the view, limits construction and alterations; the other includes the barn and smokehouse, where alteration is allowed within limits. They also would allow certain new construction there to support the economic viability of Belmont.

Asked if they had seen the master plan for Belmont, Mr. Day replied that they had seen it, but had not been asked to comment on it. To get construction approval, the college would need to submit a business plan, including plans for covering costs incurred by new construction. The MHT would look at the plans when the college has a specific plan to move forward. The MHT is concerned with use only if it impacts on architecture or historic environment. Their concern is economic viability of maintaining the structure. So far, the only improvements submitted for MHT approval at Belmont were brick pavers, which they denied, and carriage house improvements, which they accepted with modifications.

Courtney Watson asked the Office of Law to review the Shumacher Covenant and comment on whether or not it was binding. Jim Vannoy commented that he thinks it is valid and enforceable, but the issue is in court and will be decided by a judge.

Greg Fox mentioned a packet submitted by Katherine Taylor, attorney for Mr. Shumacher. He asked whether Belmont ever applied for a conditional use as a limited social assembly. Courtney Watson asked whether or not the Shumacher covenants actually provide more flexibility than the underlying zoning; however, Mary Kay Sigaty said that this is irrelevant in light of the court case on the covenants.

Courtney Watson commented that the hospitality program has only 100 students, and she is interested in the cost of the Belmont project on a per student basis. Jim Truby, Vice Chairman of the Board of Trustees, commented that the Board was concerned about economic viability, too, until they learned of the untapped potential clientele for the conference center if it were enlarged to accommodate bigger conferences of 20 to 40 people.

Dr. Duncan said that a delay of one year in funding the project is not acceptable to the college.

Kathryn Taylor, attorney for the Shumachers, and Mike Davis, attorney for the college, joined the discussion. Ms. Taylor said that the neighbors' concern is the possibility of more classrooms, expanded parking lots, support facilities, and other construction that may be anticipated as part of the college's use of the facility. Cathy Hudson, a

neighboring property owner, added that neighbors are concerned about possible changes in the use of the facilities over time. Ms. Taylor added that her client also is concerned about environmental and conservation sensitivities related to development.

Mr. Davis affirmed that the college and Ms. Taylor are in negotiations and have not refused to keep discussing the issues.

Mr. Ball left the meeting at 3:40 p.m., and Ms. Watson assumed the role of the Chair.

There were no questions on the budgets for Cooperative Extension, Soil Conservation, and Social Services.

Susan Rosenbaum, Director of Citizen Services, and staff Cheryl Madison and Lois Mikalik discussed the staffing for the new Elicott City Senior Center. Phyllis Madachy said that there are discussions about possible expansion of the center into the parking lot of the current library facility.

Courtney Watson asked about new money for Parents as Teachers. Susan Rosenbaum said that this would support expansion for outreach to Hispanic families. Dale Jackson added that they would like to reach more than the current two schools.

Susan Rosenbaum outlined the uses of new positions. Steve Hanan, Consumer Affairs, discussed his plan for improved service through the website.

In the area of grants, Susan Rosenbaum explained that some of the Community Action Council's increase was a transfer of funds from Citizen Services. Other funds are for eviction prevention and administrative support.

Greg Fox asked about the increases for FIRN and the Korean American Center. The latter was described as support for Careline, a phone assistance center. The Human Services Master Plan has a one-time \$500,000 appropriation to allow the department to work on implementing the plan.

Revenues and Fees: Courtney Watson noted increases in the 911 system fee and the red light fines. The increase in the former will help support the 911 center's cost; the latter reflects movement of the lights to new locations. Fees for false alarms, fees for lights and field use, and planning and zoning fees were described. Tom Mullenix reported that fees are set generally to recover costs of services. The Planning and Zoning Department's fee increases will be phased in to allow full recovery.

The work session was adjourned at 4:20 p.m.

Action: None

Time Adjourned 4:20 p.m.