

Minutes (Approved 5/21/07)
County Council Operating Budget Work Sessions
May 16, 2007

Meeting convened at: 3:20 p.m. in the C. Vernon Gray Conference Room

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

Discussion:

Calvin Ball invited identification of outstanding issues.

Courtney Watson identified the following: 1) Ron Weinstein's report on out year expenses associated with FY 08 initiatives; 2) Advice from the Office of Law on use of the fire tax; and 3) Belmont, new information from the Maryland Department of Natural Resources (DNR).

Lynn Robeson, Assistant County Attorney, reported that the fire tax may be used for capital debt; however, it may not be supplemented for capital debt by general funds. The transfer tax and fire tax revenues may be combined to retire capital debt. She reported that the proposed FY 08 budget does conform to the law with respect to the use of funds for debt. She also reported that capital projects are considered abandoned if, after three consecutive years, no funds are expended.

Courtney Watson read portions of a letter from John Griffin, Secretary of DNR, in which he proposed that the college, county officials, and DNR officials meet to discuss the possibility of and conditions for funding of the acquisition of Belmont and the Dobbin property by DNR. She noted that DNR is prepared to allow renovation of existing buildings and the addition of bedrooms, if the State uses Project Open Space funds to purchase Belmont. She noted that the letter offered to reserve state funds for the purchase of Belmont and the Dobbin properties.

Courtney Watson outlined amendments she anticipates introducing, including an amendment to remove the funding for the purchase of Belmont, in light of the DNR letter. She also wants to move the money allowed for renovations in the college's budget to a grant to the college for that purpose.

Mary Kay Sigaty noted that she reads the letter from John Griffin as a willingness to consider [the State's purchase of Belmont], not an offer.

Calvin Ball agreed that it makes sense for all parties involved to meet and discuss the possibility; however, Courtney Watson said that this is unlikely to happen before the Council needs to act on the budget and suggested the Council fund the debt service only for FY08 to allow the college and DNR to pursue state funding.

She outlined additional amendments she will offer if the Council doesn't agree to DNR's purchase of Belmont: 1) language placing a condition on county funding to require the college to pay back a proportionate share to the county if Belmont is sold; 2) language to require an appraisal of the property, with the county paying a share of the cost of appraisal; 3) language to require the college to have donor matching funds in hand before expending the county's funds; and 4) a reduction of the \$544,000 allowed in debt service funds, which are offset by funds for the purchase of the property.

Ron Weinstein discussed revenue projections and distributed a schedule of anticipated revenues and expenditures. Greg Fox questioned the differences between the estimates on the schedule and those in the budget book. Ron Weinstein explained that spending projections in the budget book reflect departments' projections of their needs, while his schedule reflects the limitations of expected revenues.

Jim Irvin, Director of Public Works, addressed the issue of the county government complex. He said that he is ready to begin the project; he is just waiting for the Executive and the Council to give their assent. He repeated that the downside of delaying the project is cost escalation. He said that he would provide estimates of cost savings on items such as maintenance and energy association with the new office building.

He also addressed the issue of capital funds for private roads, noting that there are 8 to 10 roads in line for upgrades as soon as the residents on those roads reach agreement. While the timing of that agreement is unpredictable, he said that it is important to have funds available to move when they agree. They have had a project from this fund about every two years, on average.

Steve Lafferty, Deputy Director of the Department of Planning and Zoning, described the immediacy of need for funding in projects 0285, Rt. 1 Corridor Improvements, and 0286, Bus Stop Improvements. He also described an ongoing project in Oakland Mills with funds from project 0287 and a projected project in Wilde Lake.

Jim Irvin said that the Department of Public Works needs the funds in project 0296 to acquire equipment to keep the base stations up to date that are used for high tech surveys. He said that existing funds in the project already have been committed.

The council members discussed briefly issues still before them: future school construction needs, the future annual debt service (or lease cost) on the county campus, and the ongoing cost of new positions. Mary Kay Sigaty said that she was satisfied, based on Ron Weinstein's analysis, that the positions will be affordable.

The Council broke at 5:05 p.m. and resumed at 5:20 p.m. Calvin Ball left at 5:05, and Courtney Watson assumed the role of Chairperson.

The Council discussed the fire tax. Courtney Watson and Greg Fox indicated that they want to cut the proposed increase. They are interested in talking with the Executive about a proposed reduction, although the level of cut and the distribution of the cut across districts were not decided. Mary Kay Sigaty said that she would be interested in exploring a cut, but she isn't ready to commit to vote for it.

Greg Fox illustrated the limits on the Council's ability to fund capital projects in the fire service without the assistance of the County Executive.

Courtney Watson asked if members are comfortable with positions allowed in the fire budget. Mary Kay Sigaty, who at an earlier meeting has expressed possible interest in phasing in the increase, said that she now is comfortable with the increase. The Ellicott City fire response on this date persuaded her that it is important to have the full complement of staff. Ron Weinstein added that it would take at least \$.01 of the increase in the metro and rural fire to fund the positions after the first year.

Joan Kennedy, legislative liaison for the County Executive, offered that he is willing to cut the fire capital projects if necessary to accommodate a cut in the fire tax. He thinks that the personnel increase is needed. He is willing to discuss reductions in the increase if the Council has three firm votes to do so.

A discussion followed about the message that the Executive had given to various members about his willingness to identify acceptable cuts to offset a reduction in fire tax. Some members thought he was willing to look throughout the budget; Ms. Kennedy thought he was willing to look at fire projects. An e-mail from the Executive suggested that he may be willing to discuss cuts outside of the fire service to replace fire tax funds.

Ms. Watson asked for clarification before their next meeting of the parts of the budget the Executive is willing to consider to offset a \$1.7 million reduction in fire tax revenues. She said that she wants to reduce the fire tax for both districts, but with a higher reduction in the west.

Ms. Watson then asked her colleagues about the possibility of DNR funding for Belmont. Ms. Terrasa and Ms. Sigaty wanted more certainty about the promise of funding and more information from the proposed joint meeting.

Ms. Watson set a budget work session for May 17 at 3:30 p.m. in the Council Conference Room.

Action: Courtney Watson, Greg Fox and Mary Kay Sigaty requested information from the Executive about \$1.7 million in cuts he would consider to allow the fire projects and positions to stay intact, if the Council decides to reduce the proposed increase in the fire tax.

The Council requested information for Ron Weinstein about the \$24 million discrepancy in revenue projections between the budget and the figures he presented at the work session.

Time Adjourned 6:45 p.m.