

**COUNTY COUNCIL OF CECIL COUNTY
WORK SESSION MINUTES
February 4, 2020 REVISED**

PRESENT: Council Members: Robert Meffley, Jackie Gregory, Al Miller and George Patchell; James Massey, Council Manager; Terry Hale, Council Assistant; John Downs, Council Attorney, and members of the public.

Absent: Councilman Coutz

OPEN SESSION – Elk Room

9:00 A.M. –Council President Meffley called the meeting to order at 9:00 a.m. and determined a quorum.

NOTE: The video and audio recording with transcription of this meeting is available on the County website www.ccgov.org.

Approval of Minutes

On a motion made by Vice President Gregory, seconded by Councilman Miller, the Council moved to approve the minutes of the Council work session of January 21, 2020, as presented. Motion was approved unanimously.

Council Departmental Budget FY 2021

Council Manager Massey reviewed the preliminary Council departmental FY 2021 budget request for review. He stated that the total amount requested is the same as the current FY 2020 budget. Councilman Miller requested to table approval of this budget request so that consideration can be given to the Compensation Review Commission recommendations. Councilman Patchell, President Meffley and Vice President Gregory agreed with his request. Approval of the Council department FY 2021 budget request was tabled for further consideration.

FY 2020 Second Quarter Financial Projections

Rebecca Anderson, Budget Manager, and Lisa Saxton, Finance Director, presented the second quarter FY 2020 financial projections. They provided a written report as a summary.

Ms. Anderson reported that the second quarter projections finds the county's general fund with a favorable variance from the budget of slightly over \$3M.

The projected net of all revenue streams is \$1,762,206 greater than budget. Real property taxes are expected to have a favorable variance of \$304,000, which is known by this time of year.

The county's income tax budget reflects a conservative 1.2% increase over last year, which shows a favorable variance of \$1.2M. Ms. Anderson explained that the County was cautious as was the State on predicting the outcomes of Federal Tax Cuts and Jobs Act (TCJA) on taxpayers. Many Marylanders saw their State tax increase, because the change in the federal law, which meant additional income tax funds to the County. Capital gains for 2018 were at the second highest amount ever recorded; distributions are strong when capital gains are strong. This revenue is very

volatile and unpredictable. The State will distribute two full tax years of TJAC funds to the counties in FY 2020, which may never occur again.

Ms. Anderson also cited that charges for services shows a favorable balance of \$314,509. The deed transfer fee account has already surpassed the FY 2020 budget. Charges for services include inspection fees, Sheriff's Office special patrols and transfer fees. Transfer fees have a direct relation to recordation, which is projected to be \$250,000 over budget. Standard and Poore's commended the County for their realistic estimates on setting their recordation and deed transfer revenue realistically.

She stated that projected expenditures for the general fund departments show about \$1.2M will not be spent in FY 2020, which is approximately 90% of the expenditure budget. Variances may occur because of staff changes and mild winter weather that will lower utility costs

Ms. Anderson stated that comparing actual general fund revenues for the current year to last year, County revenues are up over \$8M with property growth.

Expenditures increased by \$3.5M when compared to FY2019, due to increased personnel costs and increases in allocation to the public schools, public library and college, as well as the timing of purchases from last year.

In the last quarter, Ms. Anderson explained that there was a budget error within Finance Department and the Department of Land Use and Development Services. The Finance Department will absorb the increase in SDAT cost to the County. However, the salary error in LUDS will require a budget transfer legislation.

Ms. Anderson stated that David Trolio, Community Services Director, is preparing a report on Animal Services Division, which will be sent to the Council Office.

Ms. Anderson stated that the Landfill Fund is projecting a \$291,000 increase in operating revenues compared to budget and \$253,900 lower in expenditures. If this continues, the operating gain will be \$759,000 to the positive.

Ms. Anderson stated that in the second year of the rate increase, the Wastewater fund is projecting an operating gain for FY 2020 of about \$500,000. Connection fees collected thus far in FY2020 are outpacing the FY2019 by \$150,000. Connections based on current trends may meet the budget of \$1.4M by the end of the fiscal year.

There were no Council questions or comments.

Review of Legislative Agenda

Council President Meffley led discussion of tonight's legislative agenda.

Resolution No. 07-2020 Amendment – Master Water and Sewer Plan – Town of North East and Artesian Water, will be introduced at tonight's session. Al Wein, Director of Administration,

provided introductory remarks. Additional details were provided by Eric Sennstrom, Director of Land Use and Development Services. Council President Meffley clarified that the Town of North East had upgraded their water system in order to be able to sell water to Artesian Water Maryland.

Resolution No. 08-2020 Appointment – Mental Health Core Service Agency Advisory Board – Ian Wingfield, will be introduced at tonight’s session. There were no introductory comments. There were no Council questions or comments.

Resolution No. 74-2019 Roads-Renaming-Sandy Hill Way, will be considered for approval at tonight’s legislative session. There were no comments from the administration. There were no Council questions or comments.

Resolution No. 03-2020 Appointment—Board of Parks and Recreation—Jennifer Callaghan, will be considered for approval at tonight’s legislative session. There were no comments from the administration. There were no Council questions or comments.

Resolution No. 04-2020 Appointment—Cecil County Plumbing Board – Melvin Reburn and Edward Arellano, will be considered for approval at tonight’s legislative session. There were no comments from the administration. There were no Council questions or comments.

Resolution No. 05-2020 Appointment—Cecil County Mental Health Core Service Agency Advisory Board – Betsy Murphy, will be considered for approval at tonight’s legislative session. There were no comments from the administration. There were no Council questions or comments.

Resolution No. 06-2020 Supplemental Appropriation – Grant Funds – County Council Department – 2020 Census Outreach, will be considered for approval at tonight’s legislative session. There were no comments from the administration. There were no Council questions or comments.

Bill No. 2019-21 Supplemental Appropriation – Fund Balance – Roads and Bridges Capital Budget – Belvidere Road Culvert Replacement, will be considered for final approval at tonight’s legislative session. There were no comments from the administration. There were no Council questions or comments.

Bill No. 2019-22 Supplemental Appropriation – Fund Balance – Roads and Bridges Capital Budget – Bethel Church Road Project, will be considered for final approval at tonight’s legislative session. Al Wein, Director of Administration, verified with Scott Flanigan, Public Works Director that Bethel Church Road is now open. There were no Council questions or comments.

Bill No. 2019-23 Supplemental Appropriation – Fund Balance – Courthouse Capital Budget – Courtroom #3 Renovation Project, will be considered for final approval at tonight’s legislative session. There were no comments from the administration. There were no Council questions or comments.

Under Old Business, there were no comments on Rezoning Case 2019-04 Michael and Rachel Good, which is scheduled for consideration at tonight’s session.

Council Manager Report

Mr. Massey updated Council Members about the upcoming meetings and events.

Council Member Items

Councilman Patchell attended the State of the County event and commended County Executive McCarthy and Council President Meffley for their presentations. He also commented that Cecil County Government is in a strong position.

Councilman Miller attended the School Superintendent's budget presentation to the Board of Education. He also attended the Robert Burns Supper, sponsored by the Cecil Land Trust. He commented that he enjoyed haggis. He also praised the removal of the large amount of used tires at Route 40 and Elkton-Newark Road.

Councilman Coutz was absent.

Vice President Gregory thanked the audience for attending. She attended the Arts Council wine tasting event recently. She commended the Cecil County Chamber of Commerce for their sponsorship of the State of the County breakfast. She also advised the public to try and keep healthy during this flu season.

Council President Meffley commented on the State of the County event and being able to speak on the county's progress and successes. He attended the Maryland Rural Development Corporation meeting and commented that they have just opened a site in western Maryland for Pre-K children and low income families. He attended the Cecil Land Trust's Robert Burns Supper and commented on the interesting food.


Adjournment

Vice President Gregory made a motion for adjournment, which was seconded by Councilman Miller and approved by unanimous consent. Council President Meffley adjourned the work session at 9:32 am.

The next Council work session will be held on Tuesday, February 11, 2020 at 9am in the Elk Room of the County Administration Building.


James Massey
Council Manager

Approved:



Robert Meffley
Council President