

Citizens Budget Advisory Committee Recommendations

May 7, 2013

Gary Benjamin

Richard Boyle

James Butkiewicz

William Feehley

Paul Trapani

Budget Reduction Recommendations – Operating Budget

1. **Board of Education** – In FY 2011 and 2012, Cecil County funding for the Board of Education decreased each year, and yet, the Board experienced an operating surplus each year, increasing the Board's fund balance. Public school enrollment continues to decline. In light of the efficiencies that Board has realized in recent years, we recommend funding at the maintenance of effort level of \$66,146,646. This saves the county almost \$3.7 million. We also recommend delaying construction of the proposed Perryville field house, saving the County an additional \$2 million.
2. **Sick Leave Buyback** – The FY 2014 budget for sick leave buyback is \$338,246, spread over 25 departments. We recommend not funding the program for FY 2014. Further, we recommend that the Council change the policy to eliminate the buyback for all employees.
3. **Vehicles** – Currently, the County disposes of vehicles after 100,000 miles. The amount realized for disposed automobiles ranges from \$3500 - \$4500. This is a minimal realization. We recommend increasing the service life of County vehicles to 150,000 miles. While less would be realized when vehicles are retired, less frequent purchases would result in a considerable net savings for the County. We do not recommend the replacement of any vehicles in the 2014 budget year that do not meet the 150,000 mileage requirement.
4. **Fleet Manager and Vehicle Maintenance** – We recommend the addition of one new Fleet Manager position. This addition potentially pays for itself and more. The County is weak in this area. By keeping the maintenance contractor (First Vehicle Services) at arm's length, standardizing the fleet, efficiently selling vehicles at end of life, and implementing an oil analysis program, the Fleet Manager position could realize cost savings. The amount of savings is undetermined at this time. A fleet manager should analyze usage to determine where a fleet pool might provide additional savings. The county has 380 pieces of equipment. If pooling is feasible, additional savings will be realized. The automobile fleet could be reduced by 40%.

This position of Fleet Manager should report to the Director of Administration for maximum utility.

5. **Parks and Recreation** – We do not find the proposition that a turf field will be cost effective compelling. Therefore, while the proposed FY 2014 budget for development of the turf field is minimal, we recommend not committing County funding for this project at this time.

Further, due to the difficulty of hiring temporary employees, we recommend that lawn maintenance activities for County parks be outsourced to private contractors. The costs would be offset by reduced equipment, operating and maintenance costs.

- 6. Sheriff's Office** – The Sheriff is requesting 5 new deputies (plus cars, training, benefits, etc.) We feel that the bar code software and additional Office Service Specialists will reduce the administrative burden for existing deputies, allowing them to devote more time to patrol and other primary duties. The five new positions should not be authorized at present. If no new deputies are hired, we estimate the budget savings to be \$565,000.

Further, we recommend eliminating the vehicle take home policy for all members of the Sheriff's Department, possibly compensating the loss of this benefit with a pay increase. This policy change would allow for a reduction of the fleet size by at least 40%, with more efficient utilization of existing vehicles.

Finally, we suggest that the Council and Sheriff consider not selling retired vehicles. Rather, as long as retired vehicles are drivable, they can be parked randomly, and moved periodically, as deterrents.

- 7. Bond Financing.** Better coordination of bond issues with capital projects would lower interest costs. Obtaining and using a line of credit as bridge funding before bond issues should be explored. We have estimated that between July 2009 and January 2011, interest expenses of \$2.6 million could have been saved.
- 8. Emergency Medical Services Program-** FY 2014 budget requests four new EMTs and vehicles. The County should not approve these new positions or equipment at this time. Volunteer fire companies provide similar services at no additional expense to the County.

Budget Reduction Recommendations – Capital Budget

- 1. Seneca Point** – Waste Water Services requests authorization to begin an approximate \$40 million improvement to the Seneca Point facility. The proposed improvement is much more costly than that mandated by the Maryland Department of the Environment. The Maryland Department of the Environment requires improvements costing approximately \$11 million and will provide grant funding for the cost of the mandated upgrade. The rationale for the much more costly proposed upgrade is based on expected population growth during the coming decades.

We have two concerns regarding this proposal. First, the anticipated growth in the area served by Seneca Point may or may not occur. We question whether it is appropriate to burden existing customers with the costs of preparing for growth that may not occur.

Second, should the anticipated growth occur, additional improvement and expansion costs would be more fairly shared by the population of future waste water customers when additional capital outlays are needed.

- 2. Cecil College** - The budget request for approximately \$158,000 to renovate one space seems excessive. We recommend developing and funding a much less costly alternative renovation plan.

Summary – We feel that our recommendations do not reduce the existing level of service provided to County citizens, and allow for some increase in services. Further, we calculate that if our recommendations are adopted, the County can either reduce taxes or increase its fund balance, rather than reducing its fund balance as is planned in the proposed budget.

Further, committee members have requested information (e.g. the health fund balance and the rate schedule from the central garage) that was not provided. To be effective, future committees need to be provided with information or be informed that it is not available.

We recognize that the decision to convene our committee was delayed by the change from Commissioner to Charter government. If our committee or a similar committee is planned for future years, organizing the committee well in advance of the annual budget cycle, specifically, by late summer or early fall, would allow members to devote more time to learning and understanding the budget details.

We have enjoyed the opportunity to participate in the budget process and we hope that the Council finds our recommendations useful.