



BLUE RIBBON COMMISSION ON ADDRESSING PRINCE GEORGE'S COUNTY'S STRUCTURAL DEFICIT

NOVEMBER 16, 2015
MINUTES

The following Blue Ribbon Commission members were present at 11:03 a.m.

Blue Ribbon Commission Members:

Earl Adams, Jr. (via phone)
Terri Bacote-Charles
James R. Estep
Turkessa Green
Amber Hendricks
Jamal I. Miller
David Harrington

Henry W. Mosley, CPA
Gino Renne
John Rogard Tabori
Mark E. Tomassoni
David Van Dyke
Ron L. Watson, Ph.D.

Council Members and Staff:

Edwin H. Brown, Jr
Inez Claggett
Colette R. Gresham
Alicia Stanford
Karen Campbell

William M. Hunt
Catherine A. Lynch
Howard Stone
Sylvia King

Other Attendees:

Sarah Cavitt
Rhonda Weaver
Norman L. Carter III

Stephanye Maxwell
Lester Guthorn
Tanya R. Curtis

OPENING REMARKS/REVIEW OF MINUTES:

Commission Member Henry W. Mosley served as Chair of the meeting at the request of Chair Earl Adams, Jr., who was unable to attend the meeting due to work travel. Chair Adams was able to participate via phone for the first presentation by Lester Guthorn. Commission Member Mosley opened the meeting at 11:03 a.m. by welcoming everyone and introducing new members and guests. He gave an overview of the agenda and the Commission reviewed and approved the minutes from the October 19, 2015 meeting with noted corrections.

FINANCE PRESENTATION:

Lester Guthorn, Financial Advisor for Prince George's County, gave an overview of the rating agency review of the County. He informed the Commission on the rating perspective-criteria and the financial position of the County. Mr. Guthorn stated that the County's fund balance is weakening whereas other jurisdictions with similar AAA bond ratings have at a minimum 18%-20% in their fund balance. He stated that a huge piece of the County's revenue goes to education and public safety with only 20% left to do everything else. One positive to the rating agency is that the County has placed a significant effort upon economic development. However, a big red flag to the rating agency is the County spending money out of reserves for ongoing expenses and the question is how long can the County continue to do that. The Commission requested financial information going further back than a 5 to 7 year period to get a more comprehensive picture of the County's revenue and expenditures.

SPENDING AFFORDABILITY COMMITTEE PRESENTATION:

Tanya Curtis and Norman Carter gave a presentation on the Spending Affordability Committee ("SAC") and their major functions. The role of the SAC is to make advisory recommendations to the County Executive and County Council on spending affordability; ways to improve the County's budget process; and other issues requested by the County Executive or County Council. Mr. Carter informed the Commission that the SAC reviews economic and financial information that impacts the County; revenue estimates from the Office of Management and Budget; and the County's budget implementation process and strategies. SAC issues an interim report on October 1st with recommendations for the next fiscal year which are consistent with the County's revenue capacity and a final report is issued on January 1st with recommendations to the proposed operating and capital budgets for the next fiscal year. There was discussion on the actual dollar value of the gap we are trying to close and the strategies used to close the gap. Some key issues outlined by the Commission are that the County needs more revenue; we need to take a look at the businesses located in the County, especially federal agencies, that do not pay taxes and how many of their employees do not live in the County; the average median income of County residents; and the long-term/short-term solutions to the constraints that currently exist on the County's budget.

LABOR NEGOTIATOR PRESENTATION:

Rhonda Weaver, Labor Negotiator for the County, gave an overview of the Cost of Living Adjustments ("COLAs") and merits received by County employees from FY '06 to FY '09. In 2009 and 2010 there were furloughs and in FY '12 and FY '13 there were bonus payments totaling \$2,250. Ms. Weaver presented the FY '12 to FY '15 Collective Bargaining Agreement ("CBA") Modifications. The Commission discussed how CBAs are negotiated and how the County compares to other jurisdictions. A request was made to have the Board of Education give a presentation on what their costs will be in 10 years.

Meeting adjourned - 1:17 p.m.

Next Meeting – Public Hearing at Harmony Hall on December 7, 2015 at 6 p.m.