



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

MARCH 24, 2016
MINUTES

The following Blue Ribbon Commission members were present at 5:22 p.m.

Blue Ribbon Commission Members:

Earl Adams, Jr.
Amber Hendricks
Turkessa Green
Desiree Callender
David Harrington
Amy Millar
Henry W. Mosley

Jamal Miller
John Rogard Tabori
David Van Dyke
Sherman Ragland

Council Members and Staff:

Robert J. Williams, Jr.
Colette R. Gresham
Inez Claggett
Edwin H. Brown, Jr.
Rodney Streeter

Karen Campbell
Howard W. Stone
Sylvia King

Other Attendees:

Dwayne Mingo
Curtis Valentine

OPENING REMARKS/REVIEW OF MINUTES:

Chair Earl Adams, Jr., called the meeting to order at 5:22 p.m. The Commission reviewed and approved the minutes from the January and February meeting. The Chair welcomed everyone and thanked the Commissioners for their work on the Preliminary Report.

BRIEFING ON THE FY '17 BUDGET:

Commissioner Amber Hendricks gave an overview of the County's FY '17 proposed budget. The proposed budget primary objectives are 1) continuing achieving academic improvements in K-12 education across all schools; 2) maintaining the County's commitment to providing a full range of public services; 3) ensuring our long-term financial integrity; 4) providing for safe and environmentally sound communities; and 5) assisting residents in achieving healthy outcomes and social well-being. The

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proposed FY '17 budget for all operating funds is \$3.7 billion, an increase of \$160.8 million or 4.5% over the FY '16 budget. The General Fund budget accounts for 84.1% of all spending and totals \$3.1 billion, which is an increase of \$157.9 million over the FY '16 budget. The increase is primarily due to expected growth in real property, income, transfer and recordation taxes. Additionally, the proposed budget includes \$18.9 million of MGM related revenues. The proposed FY '17 budget expenditures total is \$3.1 billion, an increase of \$157.9 million over FY '16. As a whole, all functions of government are experiencing increases as a result of mandatory cost increases, strategic investments in education, public safety and in our health and human services agencies. Nearly 83% of the County's budget supports education and public safety costs. The Commission discussed the need for strategic investments and not relying on MGM revenues as well as focusing on the fiscal outlook for FY '22.

MAINTENANCE OF EFFORT PRESENTATION:

John Pfister, Director, Budget and Management Services, PGCPS, gave a presentation on the definition and intent of Maintenance of Effort ("MOE"), the laws governing MOE, and the calculation and funding history. The minimum required County MOE contribution for FY '16 is \$564 million. The Commission discussed where the County could find the funding to contribute to MOE particularly in light of TRIM.

BEST PRACTICES IN ADDRESSING STRUCTURAL DEFICITS PRESENTATION:

Derek Alpert and Tony Saunders of Dent Advisors gave a presentation on the best practices in addressing structural deficits. Mr. Saunders discussed the drivers of structural imbalance which includes flawed/inadequate budget forecasting, pension calculations, bonus "13th" checks in Collective Bargaining Agreements (CBA), restrictive CBAs, mandatory staffing, and long-term liabilities. The County needs to look at retiree health care costs and pension funding. Mr. Saunders stated that there were three options to discuss moving forward to address the structural deficit: 1) modification to retiree health care; 2) modification to CBAs; and 3) service elimination. The Chair invited Dent Advisors to the next meeting to discuss the recommended 90 Day Work Plan.

The Chair announced that the Blue Ribbon Commission's public hearing will begin at 7 p.m. after the meeting is adjourned.

Meeting adjourned - 6:59 p.m.

Next Meeting – TBD