

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1212

(St. Mary's County Delegation)

Environmental Matters

Education, Health, and Environmental Affairs

St. Mary's County Metropolitan Commission

This bill repeals a requirement that the creation of a new position with the St. Mary's County Metropolitan Commission be subject to prior approval of the St. Mary's County Commissioners. The bill authorizes the metropolitan commission to appoint, discharge at pleasure, and fix the compensation of a general counsel and prohibits the director of the commission from serving concurrently as both the director and general counsel.

The bill requires the metropolitan commission to adopt or approve, with the prior approval of the county commissioners, facilities plans, a five-year capital improvement plan, and an annual capital budget, and requires the county commissioners to amend annually the county water and sewer plan by incorporating into it the commission's five-year capital improvement plan.

Fiscal Summary

State Effect: None.

Local Effect: St. Mary's County Metropolitan Commission expenditures may increase by approximately \$124,300 beginning in FY 2012. Revenues may increase by a corresponding amount from water and sewer rate increases.

Small Business Effect: None.

Analysis

Current Law: The St. Mary's County Metropolitan Commission is governed by an eight-member board which consists of seven voting members, and one nonvoting member (a representative from Patuxent Naval Air Station). Voting members represent

election districts within the county and are appointed by the St. Mary's County Commissioners to serve three-year staggered terms. The metropolitan commission must elect one of its members as chair and one of its members as vice chair. The metropolitan commission is required to appoint, discharge at pleasure, and fix the compensation of a director; a secretary; a treasurer; a chief engineer; and engineering, legal, clerical, and other personnel and help which the commission deems necessary. The creation of any new position by the metropolitan commission is subject to the prior approval of the St. Mary's County Commissioners.

Background: The St. Mary's County Metropolitan Commission was established by the General Assembly in 1957 as a quasi-governmental, nonprofit body, to supply water and sewer service to St. Mary's County. It has been providing water and sewer service since 1964. The metropolitan commission is authorized to issue tax-free general obligation bonds on the full-faith and credit of St. Mary's County for capital improvements.

Local Fiscal Effect: The St. Mary's County Metropolitan Commission advises that its current director also currently serves as general counsel. The general counsel attends to the legal affairs of the commission including contract review and regulatory compliance. Under the bill, this individual will no longer be able to serve in the capacity of both general counsel and director which will require the metropolitan commission to hire a new general counsel. As a result, commission expenditures may increase by \$124,300 beginning in fiscal 2012, which includes a base salary of \$90,000 and fringe benefits.

The metropolitan commission advises that it is totally self-funding from the revenues generated from the collection of water and sewer user charges and receives no financial support from the county government. As a point of reference, the commission's fiscal 2011 budget assumes \$11.7 million in revenues and \$11.6 million in expenditures, including \$1.0 million for administrative salaries. The metropolitan commission also advises that any increase in expenditures for a new general counsel will require commensurate water and sewer rate increases to be imposed on commission rate payers to cover these additional personnel costs.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): St. Mary's County, St. Mary's County Metropolitan Commission, Maryland Department of Planning, Department of Legislative Services

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ncs/hlb

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