



**ANNE ARUNDEL COUNTY
OFFICE OF THE COUNTY AUDITOR**

To: Members of the County Council
From: Susan L. Smith, County Auditor
Date: April 29, 2020
Subject: Legislation to be heard or eligible for vote on May 4, 2020: Bill Nos. 2-20, 8-20, and 19-20.

Bill No. 2-20: Public Works – Roads and Rights-of-way – Obstructions – Abandonment of Facilities (as stated in our March 12, 2020 letter for the March 16, 2020 Council meeting that was canceled)

This bill adds a deadline for relocating obstructions in, or removing obstructions from, County roads, easements, and rights-of-way; adds remedies to the County for failure to relocate or remove obstructions from County roads, easements, and rights-of-way; and adds provisions relating to abandoned facilities in the County rights-of-way. This bill was commented on in our letters dated January 31, 2020, February 13, 2020, and February 27, 2020.

At the March 2, 2020 meeting, this bill was amended to include language that allows appropriately secured service drops, as long as they do not conflict with existing or new facilities, to not be considered abandoned if these drops can be put back into use upon customer request. This amendment does not have a fiscal impact.

Bill No. 8-20: Loch Haven Special Community Benefit District (as stated in our March 12, 2020 letter for the March 16, 2020 Council meeting that was canceled)

This bill establishes the Loch Haven Special Community Benefit District (SCBD) to include the Loch Haven Beach and Cape Loch Haven subdivisions. The Loch Haven Civic Association, Inc. will administer the SCBD. The purposes of the SCBD are:

1. to maintain, construct, improve, develop, acquire, replace, repair, and protect community-owned real property and improvements, including dredging, erosion control, lighting, security systems, security patrols, and utilities improvements;
2. to provide for the construction, dredging, and maintenance of the community pier, boat slips, boat launch ramp, and other community-owned property; and
3. to provide for the administrative implementation and operating expenses incidental and necessary to carrying out these purposes, such as insurance, legal fees, and taxes, including the ability to borrow funds and pledge assets in order to accomplish any of the purposes of the district, and the repayment of any loan, including interest thereon.

The method of taxation will be a uniform assessment per tax account.

We verified that the community submitted a draft petition to the County before the effective date of Bill No. 28-19, which increased the threshold for establishing an SCBD from a simple majority to two-thirds. We have reviewed the petitions and supporting documents and determined they meet the Code requirements for establishing an SCBD at the time of submission. Of the 433 eligible properties, we noted 266 qualified "Yes" votes (61%), 15 "No" votes, 40 disqualified petitions, and 112 properties with no vote.

The costs the County will incur to administer the SCBD are offset by the administrative fee retained by the County.

Bill No. 19-20: Current Expense Budget – Third Quarter – Fund Transfer and Supplementary Appropriations

This bill authorizes a transfer of \$195,000 from the Chief Administrative Officer's contingency fund account to the Police Department for \$120,000 and to the Chief Administrative Officer's Management & Control Program for \$75,000. This bill also provides \$370,000 for one grant in the community development fund, and \$777,300 of additional appropriations for nine grants in the Grant Fund.

The Police Department requests \$120,000 to replace animal control kennel cages. Funding to replace animal control kennel cages was not included in the fiscal year 2020 budget. A recent quote estimates the cost at \$155,100. The initial request of \$120,000 was based on a 2018 quote that had a lower cost per cage and was for ten fewer cages. Based on current fiscal year 2020 estimates, neither the Police Department nor the Office of the Budget expect that the Police Department will be able to absorb the additional \$35,100 in its current budget. The Administration anticipates requesting a fourth quarter transfer for the Police Department to cover excess overtime costs, and will request this additional \$35,100 at that time. We also currently estimate that the Police Department will exceed their fiscal year 2020 budget due to excess overtime costs and temporary pay, unless they eliminate budgeted items that have not yet been purchased (e.g., the helicopter included in their budget but not yet purchased). As of March 31, 2020, the Police Department has spent 88.4% of their overtime budget and 151.6% of its budget for temporary pay.

The Chief Administrative Officer requests \$75,000 to pay the County share of the cost of installing a traffic signal at the intersection of MD 450 (West Street) and Gibraltar Avenue. Installation of a new traffic signal in accordance with State standards is a condition for site development approval in connection with City Project SDP 2017-054 to redevelop approximately 4.78 acres of real property. The developer, the City of Annapolis (City), and the County have agreed to each pay 1/3rd of the cost with a maximum cost for the City and the County of \$75,000 each. The developer will pay all costs to design and install the traffic light and request reimbursement monthly from the County and the City. The current estimated cost for design, installation, and overhead is \$225,000.

Arundel Community Development Services, Inc. (ACDS) requests additional appropriations in the community development fund for additional Community Development Block Grant (CDBG) funds anticipated in the amount of \$370,000. The County facilitates the receipt and distribution of grant funds on behalf of the ACDS in a community development fund under the Chief Administrative Officer. The fiscal year 2020 budget included estimated revenues from grants for ACDS with related appropriations to transfer these funds to ACDS totaling \$9,070,400. As of March 31, 2020, the County has reported revenues to the community development fund totaling approximately \$3.1 million. As of March 31,

2020, the County had encumbered \$9,048,203 for payments to ACDS for anticipated grant revenue, of which payments totaling approximately \$1.77 million have been processed.

ACDS prepared a program income reconciliation for CDBG grant funds, which shows an additional \$369,551 in grant funds due for the period April to June 2019. This reconciliation also shows that these amounts have been reported in the U.S. Department of Housing and Urban Development's Integrated Disbursements & Information System. According to the ACDS, these are unanticipated revenues, and thus the ACDS is asking for an additional appropriation to receive and utilize these funds for their programs.

The requests for the Grant Fund provide appropriations for the following:

- \$8,900 for the Department of Aging and Disabilities from the Maryland Department of Aging for contractual services and related FICA under the U.S. Department of Health and Human Services Title IIIB Ombudsman program. This program acts as advocates for residents in nursing homes and assisted living facilities, educates the public on long-term care services, resident rights and medical assistance, and promotes the development of resident and family councils. A grant was included in the fiscal year 2020 budget for a Title VII Ombudsman grant (GAG20920) for \$25,100, but not for a Title IIIB Ombudsman program grant. According to the grant award, this Title IIIB Ombudsman grant is new this year, and in prior years, it was included with the Title VII Ombudsman grant.

Since this is a separate grant along with a separate grant number this year, it is not considered to be included in the fiscal year 2020 budget. This grant does not require a County match.

- \$278,100 for the Department of Health from the State of Maryland Opioid Operational Command Center for Opioid Intervention Team funding through the Maryland Emergency Management Agency. This funding is provided for grants (\$260,000) and indirect costs (\$18,100). These grant funds are for the following:
 - \$35,000 for a grant to the Annapolis Fire Department to expand public outreach to increase awareness, reduce the stigma associated with opioid addiction, provide information on opioid resources, and train lay rescuers to recognize and intervene in opioid overdoses until emergency medical help arrives;
 - \$205,000 for a grant to the Anne Arundel County Mental Health Agency to support the Safe Stations Program; and
 - \$20,000 for a grant to Serenity Sistas, Inc. to support the Safe Stations Program by providing start-up expenses, such as painting and furniture for a center that will consist of volunteers who help new recoverees understand the importance of service work and giving back to their community.

This grant was not included in the fiscal year 2020 budget. This grant does not require a County match. See below under the “**Additional Comments**” section regarding expenditures and encumbrances already processed under this grant.

- \$70,300 for the Department of Health from the State of Maryland Opioid Operational Command Center in partnership with the Maryland Emergency Management Agency for a “Life in Recovery is Possible” grant. This funding is provided for grants to Serenity Sistas, Inc. for a peer review specialist, peer review supervisor, and related training costs for certification (\$63,300),

and related indirect costs for the County (\$7,000). Serenity Sistas, Inc. is a non-profit organization located in Annapolis Maryland that provides education on relapse prevention and life coping skills.

This grant was not included in the fiscal year 2020 budget. This grant requires a County in-kind match of \$66,700. This in-kind match is being met by Serenity Sistas, Inc.'s contribution of the annual salary and training expenses of the Executive Director of Serenity Sistas, Inc. Thus, this match will not require any County funds. See below under the "**Additional Comments**" section regarding expenditures and encumbrances already processed under this grant.

- \$65,800 for the Department of Health from the State of Maryland's Opioid Operational Command Center in partnership with the Maryland Emergency Management Agency for Fatal Overdose Review Team Navigator Funding. These funds are to provide a grant to the Anne Arundel County Partnership for Children, Youth, and Families to pay for the salary, fringe benefits, and travel expenses for an additional navigator position and 5% of a navigator supervisor's position. These navigator positions are to develop and implement a protocol to follow-up on children whose parent(s) or other close relatives have experienced a fatal or nonfatal overdose by providing resources to the children and caregivers.

This grant was not included in the fiscal year 2020 budget. This grant does not require a County match.

- \$52,600 for the Department of Health from the State of Maryland's Opioid Operational Command Center in partnership with the Maryland Emergency Management Agency for a Screening, Brief Intervention, and Referral to Treatment (SBIRT) grant. These funds are for a grant to the Mosaic Group to pay for the salary, fringe benefits, certification training, and travel expenses for a peer support specialist who provides inmates entering the Jennifer Road Detention Center with brief intervention and referral to treatment services (\$49,200), and to pay for the County's indirect costs (\$3,400).

This grant was not included in the fiscal year 2020 budget. This grant does not require a County match, but the application indicated that if the program is successful, then the Anne Arundel County Department of Detention Facilities will include the position within its regular operating budget.

- \$159,600 is for a grant for the Department of Health from the Maryland Department of Health's Behavioral Health Administration to provide intensive care coordination and recovery support services to individuals with a high-risk of opioid overdose, by providing referrals for follow-up medical services, substance use disorder services, mental health services, economic assistance, social services, and housing resources. Grant funds are for the salary and benefits of two intensive care coordinators and 5% of the salary and benefits of one intensive care supervisor (\$122,500), contractual services for cell phones, medication management, and healthcare transportation (\$16,100), supplies and materials (\$1,200), transportation expenses (\$6,600), furniture and fixtures (\$3,600), and indirect costs (\$9,600).

This grant was not included in the fiscal year 2020 budget. This grant does not have a County match. See below under the "**Additional Comments**" section regarding expenditures and encumbrances already processed under this grant.

- \$92,000 for the Department of Health from the Maryland Department of Health's Public Health Services for a local health department overdose data-to-action project to provide faster overdose morbidity and mortality data and help local health departments better inform the creation or expansion of prevention and response activities based on data derived from surveillance system enhancements. The funds are to be used for contractual employees and related benefits (\$49,200), personnel recruitment (\$30,000), medication management (\$5,000), furniture and fixtures (\$5,000), and indirect costs (\$2,800).

This grant was not included in the fiscal year 2020 budget. This grant does not require a County match.

- \$30,000 for the Office of the State's Attorney from the Governor's Office of Crime Prevention, Youth, and Victim Services for the County's share of the U.S. Department of Health and Human Services Children's Justice Action Committee (CJAC) grant. These funds will be used for a forensic social worker to assist in training the multidisciplinary team at the Child Advocacy Center, guide prosecutors and investigators in using evidence-based techniques to investigate and prosecute child abuse offenders, offer mentorship and training for questioning techniques to avoid further trauma to the child witness, and offer feedback during the trial and testify as an expert in the child abuse dynamic.

This grant is a new grant that was awarded in November 2019, and therefore was not included in the fiscal year 2020 budget. This grant does not require a County match. The bill incorrectly listed the character as "Behavioral Health" when the correct character of this grant is the "Office of the State's Attorney." A technical amendment will be proposed to correct this error in the bill.

- \$20,000 for the Office of the State's Attorney from the Governor's Office of Crime Prevention, Youth, and Victim Services program for the County's share of the U.S. Department of Justice STOP Violence Against Women Formula grant. These funds are to be used for a portion of the salary of a danger assessment victim assistant position. The County's fiscal year 2020 general fund budget for the Office of the State's Attorney already includes salary and fringe benefits for 100% of this position. This grant requires that this grant not supplant general fund appropriations. Upon further review, we determined that this is a repeat grant that was included in the fiscal year 2019 budget and that it was never the intent to pay for this position entirely with general funds. This grant had been left off the grant listing in the fiscal year 2020 budget request in error, and thus requires the grant fund appropriation in this bill.

This grant has a required cash match of \$49,258. The Office of the State's Attorney had included sufficient funds for this grant match in their fiscal year 2020 budget. Therefore, no additional appropriation for general funds is required.

Additional Comments:

A grant for the Opioid Operational Command Center (GHL51120) was included in the fiscal year 2020 budget with a total appropriation of \$699,600, including a budget for grants of \$323,600. This was budgeted based on a prior year grant from the Maryland Department of Health Behavioral Health Administration. This grant was not funded in fiscal year 2020, and the County did not receive this award. For fiscal year 2020, the Opioid Operational Command Center grants were moved under the Office of the Governor. Instead of receiving one grant, multiple grants with different grant numbers have been issued, and they must be tracked separately. Some of these fiscal year 2020 grants include pieces of what was


previously provided under the Opioid Operational Command Center grant from the Behavioral Health Administration and some include new items. This bill includes four new grants from the Opioid Operational Command Center as listed above. Since these are new grants, they were deemed not in the fiscal year 2020 budget, and thus, an appropriation must be approved by the County Council prior to the spending of these funds. Further, since the County was not awarded the grant GHL51120 that was appropriated in the fiscal year 2020 budget, the County cannot legally expend those funds as the Controller cannot certify the availability of those funds.

Our review disclosed that despite the lack of a grant award for the grant GHL51120 that was appropriated, the Administration still processed expenditures and encumbrances against this appropriation. As of April 27, 2020, expenditures and encumbrances in grant GHL51120 totaled approximately \$260,400. This included \$87,000 for personal services, \$47,000 for contractual services (including \$44,600 for medical services, \$1,000 for data processing software, and \$1,400 for cell phones), \$54,500 for grants (including \$51,250 to the Anne Arundel County Mental Health Agency and \$3,250 for Serenity Sistas, Inc.), \$7,300 for supplies and materials, and \$1,000 for furniture and fixtures. According to the Office of Finance, they erroneously opened this grant to expenditures when the County received a grant award from the Opioid Operational Command Center for \$278,100. The Office of Finance stated they did not realize the change in the amount or the change in the grant number. The Health Department also erroneously made charges to this grant. When we brought this to the attention of the Office of Finance, they agreed to transfer these expenditures to the Health Department's general fund budget until a grant appropriation is received. **We recommend that the Administration follow the established requirements and not process expenditures or encumbrances under a grant until they receive a grant award and the funds are available.**

Our review also disclosed that prior to obtaining appropriation authority that would be provided by this bill, the Administration made the following expenditures to the grants in this bill:

- As of April 27, 2020, the Administration had expended \$141,922 in grant payments to the Anne Arundel County Mental Health Agency and Serenity Sistas, Inc. under the grant for \$278,100 (grant GHL00320). These expenditures were transfers from the grant GHL51120 that was erroneously opened for expenditures. These transfers are in addition to the expenditures and encumbrances reported above that remain under grant GHL51120.
- As of April 27, 2020, the Administration had encumbered \$70,276 to pay Serenity Sistas, Inc. and had processed payments of \$36,777 under the grant for \$70,300 (grant GHL00420). Further, \$7,000 of this grant was supposed to be for the County's indirect costs in administering the grant. These funds will not be available to the County for indirect costs if they are paid to Serenity Sistas, Inc. as indicated in the encumbrance.
- As of April 28, 2020, the Administration had processed payments totaling \$7,000 under the grant for \$159,600 (grant #GHL81120). These payments included \$3,000 classified as data processing hardware and \$4,000 classified as supplies and materials.

We recommend that the Administration not process expenditures and encumbrances under a grant until they have received appropriation authority.


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