



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

To: Members of the County Council

From: Susan L. Smith, County Auditor

Date: July 15, 2020

Subject: Legislation to be heard or eligible for vote on July 20, 2020: Bill Nos. 47-20, 48-20, 49-20, 50-20, 51-20, 52-20, 53-20, and Resolution Nos. 17-20, 19-20, 23-20, 24-20, and 25-20.

Bill No. 47-20: Annual Bond Ordinance (As Amended)

This bill authorizes the sale and issuance of bonds, bond anticipation notes, and certain Maryland Water Quality Loans. This bill was amended to be consistent with the Fiscal Year 2021 Approved Capital Budget and Administration debt schedules. We reviewed the bill and supporting documentation and agree with the information presented.

Bill No. 48-20: Personnel – Positions in the Classified Service

This bill adds five new position classifications and defines their minimum qualifications and pay grades. This bill also requires the two new Administrator positions to file annual financial disclosure statements with the Anne Arundel County Ethics Commission. The titles, pay grades, and related annual salaries, FICA, and fringe benefits for each of these positions and the amount in the FY 2021 Approved Budget for these titles, are as follows:

Title	Pay Grade	Salary Range	FICA & Benefits (Medical & Pension)	FY21 Budgeted Salary, FICA & Fringe Benefits (1)
Budget Administrator	NR 24	\$93,539 – \$171,184	\$29,216 – \$74,022	\$0
Police Fiscal Operations and Management Administrator	NR 24	\$93,539 – \$171,184	\$29,216 – \$74,022	\$0
Lead Mail Clerk	OS 6	\$33,717 – \$55,307	\$10,880 – \$40,582	\$0
Senior Customer Service Representative	OS 9	\$38,875 – \$63,856 (plus longevity)	\$12,461 – \$43,201 (plus longevity)	\$0
Senior Latent Print Examiner	NR 18	\$63,007 – \$112,497	\$19,858 – \$58,110	\$75,213

- (1) This represents amounts budgeted for this position title. See below for comments for budgeted funds available for intended reclassifications to these positions and funds budgeted under a different title.

Budget Administrator:

According to the position description, the Budget Administrator assists the Budget Officer by overseeing all four aspects of the formulation and administration of the County's budgets and office management, whereas the Assistant Budget Officer administers one of four critical areas within the Office of the Budget. Further, the position description stated that the Budget Administrator is distinguished from the Budget Officer in that the Budget Officer has overall responsibility for the formulation and administration of the County's budget. The Office of the Budget currently has nine positions: one Budget Officer, two Assistant Budget Officers, one Management Assistant, three Senior Budget Management Analysts, one Budget Management Analyst III, and one Budget Management Analyst II.

The Office of the Budget's intention is to reclassify one of their current Assistant Budget Officer positions to a Budget Administrator position. However, this would first require an evaluation and determination by the Personnel Officer and a certification of available funds by the Controller. The Assistant Budget Officer position has an NR 23 pay grade which has a salary range from \$88,977 to \$162,646. The annual salary increase for this reclassification would be a minimum of \$7,759 (plus FICA and pension of approximately 30%). The FY21 Approved Budget did not include any reduction for turnover for the Office of the Budget, and it included \$23,900 for potential promotions, so there are funds in the FY21 Approved Budget sufficient to pay for this reclassification. The FY21 Proposed Budget initially had this change included in the position count, but it was reversed in the supplemental budget. We supported the reversal because it was a filled position that requires an Office of Personnel review, and the new position had not yet been created in the law.

Lead Mail Clerk:

According to the position description, the Lead Mail Clerk processes mail and provides back up to the Mail Room Supervisor in their absence. This position is being added to provide an additional level of advancement and to recruit experienced mailroom clerks. The Office of Central Services currently has three Mail Clerks that are at a pay grade of OS 2 which has a salary range from \$27,914 to \$45,698. The Office of Central Services does not have plans to reclassify any Mail Clerk positions to Lead Mail Clerk positions during fiscal year 2021, nor did the FY2021 Approved Budget include any funds for these positions or funds for reclassifications to these positions.

Police Fiscal Operations and Management Administrator:

According to the position description, the Police Fiscal Operations and Management Administrator directs and plans the fiscal administration of the Police Department's operating and capital budgets to include oversight for long-term planning and operating practices, monitors special accounts, and performs related work under the direction of the Police Chief. The Office of Personnel classified this position as an accounting, auditing, and budgeting classification. The FY21 Approved Budget included a new Assistant Director of Police position with a pay grade of NR 24 and a budgeted salary, FICA, and insurance of \$108,195. According to the Police Department, these positions are one in the same, and they intend to fill the Police Fiscal Operations and Management Administrator position as soon as possible. The Assistant Director of Police position does not exist in the County

Code and this ordinance does not create that position. Currently, there are no Police Fiscal Operations and Management Administrator positions in the position count included in the FY21 Approved Budget.

Anne Arundel County Code § 6-1-110 requires changes in the number and classification of positions in an office or department, including the number of positions in each classification, that are approved as part of the annual budget and appropriation ordinance not be changed during a fiscal year, except as approved by ordinance of the County Council or under specified exceptions. While there is an exception to allow the Office of Personnel to move and fill a vacant position to a position that has a lower level of job responsibility, it does not provide for this type of change. **We recommend that future budgets not include positions that are not defined in the County Code. Further, we recommend that this ordinance be amended, or a separate ordinance be brought to the County Council to add 1 Police Fiscal Operations and Management Administrator and delete 1 Assistant Director of Police before this position is filled. The Administration plans to introduce a separate stand-alone bill to address the Police position.**

Senior Customer Service Representative:

According to the position description, the Senior Customer Service Representative will serve as a lead worker in handling referrals of more difficult customer inquiries and training assigned staff. The Office of Finance currently has 12 Customer Service Representatives. The Office of Finance's intention is to reclassify three Customer Service Representatives to Senior Customer Service Representatives. The Customer Service Representative position has an OS 7 pay grade which has an annual salary range from \$35,360 to \$58,032. The annual salary increase for these three reclassifications would be a minimum of \$13,100 (plus FICA and pension of approximately 30%). However, this would first require an evaluation and determination by the Personnel Officer and a certification of available funds by the Controller.

The salaries budgeted in the FY21 Approved Budget for these three Customer Service Representatives combined are sufficient to cover these reclassifications. The FY21 Proposed Budget initially had this change included in the position count, but it was reversed in the supplemental budget. We supported the reversal because it was a filled position that requires an Office of Personnel review, and the new position had not yet been created in the law.

Senior Latent Printer Examiner:

According to the position description, the Senior Latent Print Examiner will supervise, train, and perform work varying in complexity and responsibility in the area of latent print development and comparison. This position is being added to provide an additional level of advancement for retention and recruitment of experienced latent print examiners. The Police Department currently has two Latent Print Examiner I's and two Latent Print Examiner II's. The FY21 Approved Budget position listing added 1 Senior Latent Print Examiner at a cost of \$75,213 and deleted 1 vacant Latent Print Examiner II position. **We recommend that future budgets not include positions that are not defined in the County Code.**

Bill No. 49-20: Personnel – Court and State's Attorney Employees' Pay and Benefit Plan

This bill increases the pay grade for the Assistant Director of Assignment and the Deputy Jury Commissioner from NR 14 to NR 15. Anne Arundel County Code § 6-2-104 provides the titles and

pay grades for those employees in the exempt service who are appointed by and with the approval of the judges of the Circuit Court for the County, and states that the authority for changing pay grades and titles shall be based on appropriations. The FY20 Approved Budget increased the pay grade for the Assistant Director of Assignment and the Deputy Jury Commissioner from NR 14 to NR 15, but the law was not updated at that time. This bill reflects that change.

The salary range for a NR 14 is from \$48,020 to \$81,603, and the salary range for an NR 15 is from \$50,453 to \$85,737. There is one Assistant Director of Assignment with a pay grade of NR15 and one Deputy Jury Commissioner with a pay grade of NR 15 in the FY21 Approved Budget for the Circuit Court. Since these positions are already being paid at the NR 15 pay grade, there is no fiscal impact for this bill.

Bill No. 50-20: Conveyance of Surplus Property – Unimproved County-Owned Property Near Furnace Branch Road in Glen Burnie, Maryland

This bill approves the County's sale of 0.27 acres of surplus property located near Furnace Branch Road in Glen Burnie, Maryland. Resolution No. 4-20 designated this property as surplus property. As required by Anne Arundel County Code § 8-3-203, the value was set at the average of two independent real estate appraisals, for a total of \$103,000. As required by § 8-3-204, the notice of an invitation to purchase the property was advertised for three successive weeks requiring bids be submitted by March 23, 2020. Only one bid was received for \$105,000.

During our review of this bill, we determined that the County had not sent to the adjacent property owners a notice of the method of sale that will be used to dispose of the surplus property and an invitation to bid or purchase the property as required by Anne Arundel County Code § 8-3-204. Therefore we recommended that this bill be withdrawn so that proper notification and re-bidding can take place. The Office of Law concurs with this assessment, and the Administration plans to withdraw this bill.

Bill No. 51-20: Finance, Taxation, and Budget – Real Property Taxes – Credits – Public Safety Officers Property Tax Credit

This bill eliminates the County's 1% administrative fee for processing the Public Safety Property Tax Credits. Anne Arundel County Code § 4-2-313 provides a real estate tax credit for up to \$2,500 per year for up to five years for certain public safety officers that meet specified criteria. Fiscal year 2019 was the first year that this tax credit was granted. This law also states that an administrative fee of 1% of the total tax credit may be assessed for administration of the credit. Bill No. 17-20 provides for a similar tax credit for 9-1-1 Specialists. The original proposed Bill No. 17-20 had a similar administrative fee, but it was eliminated through an amendment. Therefore, this bill provides consistency regarding the charging of administrative fees for these two tax credits.

The administrative fee collected for the administration of the FY2020 Public Safety Tax Credit totaled \$16,000.

Bill No. 52-20: Zoning – Pawnshops

This bill amends the special exception use requirements for pawnshops to allow entrances and parking areas to be located less than the required 300 feet from residential structures if the owner of

each residential structure submits to the Office of Planning and Zoning affidavits of consent to the location of the facility's customer entrance and onsite parking areas.

The Office of Planning and Zoning does not expect any fiscal impact from this bill. However, the Administration has expressed some logistical concerns regarding the use of affidavits of consent for this purpose. The Office of Planning and Zoning suggested a possible alternative would be to reduce the setback to be consistent with uses of similar intensity and/or perceived adverse effects.

Bill No. 53-20: Zoning – Public Works – County Rights-of-Way – Zoning – Small Cell Systems – Commercial Telecommunication

This bill requires the developer of a small cell system or a commercial telecommunication facility proposed to be located within 250 feet of the lot line of County-owned property or the lot line of property used for a public school to provide a technical analysis certified by a registered professional engineer to demonstrate to the satisfaction of the County that the small cell system or structure is essential to the functionality of the cellular network, and there are no reasonable alternative locations for the system.

The Administration does not expect any fiscal impact from this bill. However, the Administration has expressed some concerns regarding the use of this type of technical analysis.

Resolution No. 17-20: Charter Amendment – Removal of 1,500-Hour Limit on Contractual Employees in Exempt Service

This resolution will place a Charter amendment before the voters to remove the 1,500-hour limit per calendar year on hourly contractual employees in the exempt service. This bill was commented on in our letter dated July 2, 2020.

After the issuance of my prior letter, I was able to confirm with the Office of Law two additional points for consideration. One is that state and federal grant-funded contractual exempt positions are not limited to 1,500 hours. Also, retirees that return to the workforce in classified positions that are in a County pension plan have to take a reduction in pension, whereas, retirees that return to the workforce in a contractual exempt position would not.

Resolution No. 19-20: Charter Amendment – Probationary Period for Public Safety Employees

This resolution, as proposed, would place a Charter amendment before the voters to not count paid or unpaid leave exceeding 80 consecutive hours towards the probationary period of a new employee in the classified service and to extend the probationary period for new full-time classified sworn employees of the Police Department, Fire Department, Office of the Sheriff, and Department of Detention Facilities from 6 months to 12 months. Probationary periods may still be extended another 6 months upon the request of the appointing authority. This bill was commented on in our letter dated July 2, 2020.

At the July 6, 2020 meeting, an amendment was passed that replaced the proposed 12-month probationary period for new full-time classified sworn employees of the Police Department, Fire Department, Office of the Sheriff, and Department of Detention Facilities with a probationary period equal to the time required to successfully complete the department's entry-level training program plus 12 months. This amendment will provide these departments with more time to evaluate entry-level

hires upon completion of their training program and more time for entry-level hires to meet the required standards for removal from probation. This could result in more entry-level hires being retained which would have a positive fiscal impact on the County.

Resolution No. 23-20: Approving Annual Costs of Health Insurance Benefits, Employer Subsidies, and Participant Rates under the County Employee and Retiree Health Benefits Program

This resolution approves the estimates of the annual cost of providing health insurance benefits and employee subsidies used to determine the rates for participants in the County's Employee and Retiree Health Benefits Program.

Anne Arundel County Code § 6-1-308(h)(1) requires the Personnel Officer to prepare an estimate of the annual costs to provide health benefits under the County's health insurance plans for the County Council's approval by resolution. Anne Arundel County Code § 6-1-308(i)(5) requires the Personnel Officer to propose the employer subsidy for non-represented employees and survivors of employees and retirees for the Council's approval by resolution, and it requires the resolution to include the proposed rates for part-time employees and any monetary credits given to non-represented employees who opt out of coverage.

Exhibit A, page 1 of this proposed resolution sets forth the estimated annual costs and proposes the employer subsidies for non-represented employees. Page 2 establishes the proposed rates for part-time employees, employer subsidies for retirees by hire date, survivors of retirees and employees, and monetary credits for non-represented employees who opt out of coverage. The employer subsidies and monetary credits are consistent with the current year's subsidies and credits. The employer subsidies are also consistent with the employer subsidies negotiated by unions.

The actuary uses current health care cost data to project the recommended percentage increase or decrease in rates by plan. Prior to calendar year 2019, the Administration applied the projected recommended percentage increase or decrease per the actuary by plan to the existing rates to determine the new rates for health care. In calendar year 2019, the Administration changed its methodology to utilize the actuary's recommended projected percentage increase or decrease in rates for all plans combined to determine a consistent rate increase to apply to all health plans. The Administration also used this methodology in calendar year 2020.

The Administration proposed rates for the calendar year 2021 are the same rates as calendar year 2020 for the medical plans (Carefirst EPO, HMO, and Triple Option). The per plan increases per the actuary are 0.5% for Carefirst EPO, 3.3% for Carefirst HMO, and 7.8% for the Carefirst Triple Option plan. According to the Administration, due to COVID-19, medical claims are currently running lower than when the actuary first projected the rates (through January 2020) for medical services. Therefore, the Administration determined that it can hold these health insurance rates at their current rates and the Health Insurance Fund will still have sufficient funds to pay its medical claims. Based on our review of the medical claims expenses posted to the County's financial records during calendar year 2020, we determined that the average monthly claims expenditures for February 2020 through June 2020 were approximately 16% lower than the claims expenditures for July 2019 through January 2020.

Additionally, the rates on Exhibit A page 1 reflect a rate decrease of 0.85% for AETNA Medicare Advantage, a rate increase of 0.90% for Dental PPO Core and PPO Buy-Up, and a rate

increase of approximately 46.9% for EyeMed vision. The rate increases for these dental and vision are consistent with the actuary's projections.

Resolution No. 24-20: Approving the Declaration of Non-Buildable County-Owned Property Being Part of Old Admiral Court in Annapolis, Maryland as Surplus Property

This resolution declares certain non-buildable County-owned property being part of Old Admiral Court in Annapolis, Maryland (located between properties known as 711 Bestgate Road and 713 Bestgate Road in Annapolis, Maryland) as surplus property. The Administration intends to dispose of this property using the non-buildable provisions in Anne Arundel County Code § 8-3-208. According to the State Department of Assessments and Taxation, the property is 4,482 square feet and has an assessed value as of January 1, 2020 of \$78,400.

Anne Arundel County Code § 8-3-208(a) for disposition of non-buildable property requires the size of the property to be 1/10th of an acre or less, which equates to 4,356 square feet. Therefore, we determined that this property cannot be disposed of as surplus property under Anne Arundel County Code § 8-3-208 since it is not less than 1/10th of an acre. The Office of Law concurs that property in excess of 1/10th of an acre cannot be disposed of under this law. **We recommend that this resolution be withdrawn since the property does not meet the requirements of Anne Arundel County Code § 8-3-208(a).**

Resolution No. 25-20: Approving the Determination of Unimproved County-Owned Property Being Part of Old Admiral Court in Annapolis, Maryland as Surplus Property

This resolution declares certain unimproved County-owned property being part of Old Admiral Court in Annapolis, Maryland as surplus property. The property is approximately 7,469 square feet and has an assessed value as of January 1, 2020 of \$130,700.

The declaration of a property as surplus property has no fiscal impact, however, the disposition of surplus property will have a fiscal impact. According to Anne Arundel County Code § 8-3-204, approval by ordinance of the County Council is required for the sale of property for which the purchase price is less than 90% of its appraised value or the appraised value is \$50,000 or more.



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