



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

To: Councilmembers, Anne Arundel County Council
From: Michelle Bohlayer, County Auditor
Date: July 14, 2021
Subject: Auditor Review of Legislation for the July 19, 2021 Council Meeting

**Bill 57-21:
Issuance, Sale, and
Delivery of Anne Arundel
County, MD General
Obligation Bonds and
Bond Anticipation Notes
(As Amended)**

Summary of Legislation

This bill authorizes the sale and issuance of bonds, bond anticipation notes, and Maryland Water Quality Loans. This bill was amended to make it consistent with the Fiscal Year 2022 (FY22) Approved Capital Budget. We reviewed the bill and supporting documentation and agree with the information presented. The language on page 17 of the bill was amended from the prior year bond ordinance based on the advice of the County's Bond Counsel to add additional flexibility to permit a summary of the notice of sale to be published in local newspapers in lieu of publication of the entire notice of sale.

A technical amendment will be introduced to correct the values in Exhibit I-A, page 1, column D in rows 6 and 7.

**Bill 59-21:
Public Safety – Traffic –
Vehicles on Public
Sidewalks (As Amended)**

Summary of Legislation

This bill defines bicycle; allows the riding of bicycles, play vehicles, or unicycles on public sidewalks and sidewalk areas; and adds exceptions and conditions to riding on sidewalks. This bill removes golf carts from permitted vehicles allowed to operate on public sidewalk and public sidewalk areas and allowed to operate for use by disabled persons on sidewalk or sidewalk area or bike path during certain times.

We commented on this bill in our letter dated June 29, 2021. At the July 6, 2021 Council meeting, this bill was amended to correct a typographical error. This bill was also amended to authorize the Director of the Department of Public Works to prohibit vehicles on sidewalks or sidewalk areas as designated by signage. We have no further comments on this bill.

**Bill 63-21:
Zoning – Critical Area
Overlay**

Summary of Legislation

This bill adopts the new digital critical area map entitled “Anne Arundel County Critical Area Layer,” provides that a copy of the digital map will be permanently kept and maintained by the Office of Planning and Zoning (OPZ), and requires that the digital map will be made available on OPZ’s official website. This bill also provides certain grandfathering provisions.

This bill must be approved by the Maryland Critical Area Commission and will take effect 45 days from the date it becomes law or the date of approval by the Maryland Critical Area Commission, whichever is later.

Review of Fiscal Impact

OPZ does not expect a change in workload from this bill. This bill has no direct fiscal impact. Per OPZ, there are two subdivision projects that may be affected by this bill and both have already made adjustments to accommodate the changes.

**Bill 64-21:
Payment in Lieu of Taxes
– The Housing Authority
of the City of Annapolis**

Summary of Legislation

This bill authorizes the County Executive to enter into a Payment in Lieu of Taxes (PILOT) agreement with the Housing Authority of the City of Annapolis (Housing Authority) to replace the current PILOT. The new PILOT will address the changes in ownership and control structures for certain Housing Authority properties necessitated by a change in funding by the United States Department of Housing and Urban Development. It also incorporates the payment structure in the City of Annapolis (City) PILOT for other Housing Authority properties, thereby implementing a payment agreement directly between certain Housing Authority properties and the County.

Review of Fiscal Impact

Under the terms of the new PILOT, the payment will continue to be \$1.00 for each of the Housing Authority’s properties. Additionally, the County will now receive 5% of shelter rents for certain properties. The Office of Finance is unable to quantify the total shelter rents that will be due to the County.

**Bill 65-21:
Subdivision and
Development and Zoning –
Glen Burnie Sustainable
Community Overlay Area**

Summary of Legislation

This bill clarifies the applicability of provisions for testing for adequate road facilities, mitigation of adequate public facility requirements, and the development and zoning provisions for the Glen Burnie Sustainable Community Overlay Area. If the developer does not elect to redevelop under the noted subtitles, then the applicable development and zoning provisions of the Code will be based on the underlying zoning for the property.

The bill also modifies the current concept plan review process to provide that a revised concept plan is optional, not mandatory, unless requested by OPZ within 45 days after the concept plan community meeting. In addition, this bill also provides that within 45 days after the concept plan community meeting or the filing of a revised concept plan, OPZ and other reviewing agencies shall meet to review the original or revised concept plan, as applicable.

Review of Fiscal Impact

OPZ does not expect a change in workload from this bill. This bill has no direct fiscal impact.

**Bill 66-21:
Zoning – Parking,
Nonresidential Outdoor
Lighting, and Signage –
Prohibited Signs and
Temporary Signs**

Summary of Legislation

This bill revises the definition of temporary sign by adding language to further clarify its definition. This bill also removes wind signs and signs that are painted on the roof of a structure from the types of prohibited signs. In addition, this bill makes changes to requirements for temporary signs including limiting the total number of temporary signs on private property to four signs and adding time limits that allow a temporary sign to be displayed for no more than two periods of 60-consecutive days per 12-month period.

Review of Fiscal Impact

OPZ does not expect a change in workload from this bill. This bill has no direct fiscal impact.

**Resolution 34-21:
Declaration of Certain
Unimproved County-
Owned Property in Glen
Burnie as Surplus
Property**

Summary of Legislation

This resolution declares certain unimproved County-owned property comprised of 0.23 acres and identified as Parcel 362, Lot 8, on the Anne Arundel County Tax Map 9F in Glen Burnie, Maryland as surplus property. According to the State Department of Assessments and Taxation, the property is 10,139 square feet (0.23 acres) and has an assessed value as of January 1, 2020, of \$276,100.

As explained in the Legislative Summary, the County may transfer fee simple title to real property to governmental entities for which the County has no identified present or future need. The Anne Arundel County Housing Commission is interested in acquiring the property for additional parking to support their renovation project located at 102 NW Crain Highway in Glen Burnie.

Review of Fiscal Impact

We reviewed this resolution, the Administration's fiscal note, and the supporting documentation provided and agree with the information presented. The resolution declares the property surplus and has no fiscal impact. County Council approval 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.

**Resolution 35-21:
Approving the Estimates
of Health Insurance
Benefits and Employer
Subsidies**

Summary of Legislation

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 (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. 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.

**Resolution 35-21
(continued)**

Review of Fiscal Impact

The Administration proposed rates for the two medical plans being offered in 2022 (Carefirst EPO and Triple PPO options) are the same rates as calendar year 2021. The Carefirst HMO option is no longer being offered in its current form, however, there is a blended option of the current EPO and HMO options being offered at the current EPO option rate that will increase the price of the HMO plan by approximately 10% from calendar year 2021 to 2022. The per-plan increases from the actuary are 4.5% for Carefirst EPO and HMO, and 3.7% for the Carefirst Triple Option plan. The Medicare Advantage rates are the same as calendar year 2021. The RFP for this product is currently under review and has not yet been finalized.

Additionally, the rates on Exhibit A, page 1 reflect a rate increase of 5% for the Dental HMO option and a rate increase of approximately 22.6% for EyeMed vision plan. The 2022 rates for the Dental PPO and Buy-Up options are the same as calendar year 2021. The rate increase for the vision plan is consistent with the actuary's projections, however, the actuary recommended a 4.7% decrease in the dental plan rates. The Dental HMO option is based upon an insurer set premium and the 5% increase is allowed per the contract. The Dental PPO and Buy-Up options are self-insured with rates based upon utilization. After reviewing the annual dental presentation, and in consultation with the actuary, it was recommended to keep the rates the same as calendar year 2021 rather than to decrease the rates. Dental services decreased during the pandemic and the expectation is that they will return to normal with additional restorative services due to reduced care during the pandemic.

We agree with the information provided in the Administration's fiscal note including the statements that there is no cost increase for participants currently enrolled in the PPO or EPO plans and that the FY22 Budget includes costs associated with health insurance claims based on the calendar 2021 rates. The increased employer subsidy rate increases could require additional appropriation in FY22.

**Resolution 36-21:
Support of the County
Executive Entering into an
Agreement with Robert A.
Pascal Youth and Family
Services, Inc.**

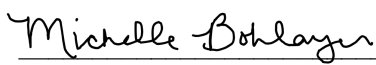
Summary of Legislation

This resolution urges the County Executive to promptly enter into an agreement to lease the building known as 41 Community Place in Crownsville to the Pascal Crisis Stabilization Center.

Review of Fiscal Impact

This resolution is non-binding and has no fiscal impact.

Sincerely,


Michelle Bohlayer, CPA
County Auditor