



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

To: Members of the County Council

From: Michelle Bohlayer, Assistant County Auditor

Date: March 31, 2021

Subject: Legislation to be heard or eligible to vote on April 5, 2021: Bill Nos. 11-21, 16-21, 17-21, 20-21, 21-21, 22-21, 23-21, 24-21, 25-21, and 26-21.

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**Bill No. 11-21: Planning and Zoning – General Development Plan – Plan2040 (As Amended)**

This bill repeals the 2009 General Development Plan (GDP) and related amendments and adopts the GDP set forth in “Plan2040,” an official policy document intended to guide future growth, development, resource management and protection, and provision of County services. This bill also eliminates a reference to the Glen Burnie Small Area Plan.

We commented on the bill in our letters dated February 24, 2021 and March 10, 2021. At the March 15, 2021 Council meeting, this bill was amended to:

- change the targeted start date for the second set of Region Plans to December 2022;
- set the Region Plan schedule as follows: the first set will be Regions 2, 4, and 7; the second set will be Regions 1, 3, and 9; and the third set will be Regions 5, 6, and 8;
- clarify that the listed uses are anticipated uses for Plan2040 Planned Land Use Designations;
- add language to Implementation Strategy “d.” for Goal HC8 and Policy HC8.1, under “Planning for Healthy Communities,” to include parks and points of interest and adds language to require that certain types of trails in the southern half of the County be included in a comprehensive Countywide Trails Plan;
- adjust the Land Use Classification for Application Number PDR-3 associated with a property located at 1024 Carrs Wharf Road and revises the applicable land use charts and maps contained in Plan2040 accordingly;
- add descriptions of the “Sustainable Community Action Plans” to Plan2040;
- update the description of the Implementation Plan for the Goals and Policies of Plan2040 to include a more detailed explanation of how implementation will occur, including the role of the County Council;
- add “the development of a comprehensive resource guide” to an implementation strategy for increasing opportunities for business innovation and entrepreneurship; and
- add Critical Corridors along certain areas of Veterans Highway and Hospital Drive to “Development Policy Areas” maps in the Plan.

We have no further comments on this bill.

**Bill No. 16-21: Personnel – Positions in the Exempt Service – Police Department (As Amended)**

This bill adds one additional Police Major exempt service position and one Police Chief of Staff exempt service position to the Police Department in the Fiscal Year 2021 Approved Budget (FY21 Budget).

We commented on the bill in our letter dated March 10, 2021. At the March 15, 2021 Council meeting, this bill was amended to add the position Executive Assistant to the Chief of Police to the exempt pay and benefit plan (E2) and add the title to the list of exempt positions; delete one vacant Administrative Secretary to Department/Agency Head exempt position; and add one Executive Assistant to the Chief of Police exempt position to the Police Department as part of the FY21 Budget. According to the Police Department, the duties of the Administrative Secretary to Department/Agency Head exempt position will be absorbed by the Executive Assistant to the Chief of Police and the Police Chief of Staff positions. The Executive Assistant to the Chief of Police will be tasked with developing the Police Department's communications strategy in collaboration with its press information officers.

The FY21 Budget for the Police Department includes \$73,900 for the budgeted salary (\$103,200 for total compensation including benefits) for the Administrative Secretary to Department/Agency Head exempt position. The proposed Executive Assistant to the Chief of Police position has a salary range of \$67,900 - \$121,200 (\$79,000 - \$179,500 total compensation). If the position is filled in FY21, a request for the partial year salary and benefit costs will be requested if necessary.

**Bill No. 17-21: Personnel – Positions in the Classified Service – Job Classifications – Position Control – Fire Department and (As Amended)**

This bill modifies the title of Fire Communications Operator to Fire Communications Operator I, adds a Fire Communications Operator II and III position classification, decreases existing positions and increases Fire Communications Operator I positions in the Fire Department, and deletes one vacant Secretary II and adds one Office Support Assistant II in the Police Department.

We commented on the bill in our letter dated March 10, 2021. At the March 15, 2021 Council meeting, this bill was amended to correct the number of Fire Communications Operator positions to reflect the 28 positions included in the FY21 Budget that are being decreased and the number of corresponding positions being increased. We have no further comments on this bill.

**Bill No. 20-21: Floodplain Management, Erosion and Sediment Control, and Stormwater Management – Subdivision and Development – Forest Conservation (As Amended)**

This bill expands the definition of standard grading plan to include clearing a specific number of trees or area of forest if the clearing includes certain sensitive areas or habitats, requires replanting or payment of a fee-in-lieu of replanting when an approved standard grading plan allows for the clearing of certain trees, establishes civil fines for certain clearing violations, adds penalties for violations of erosion and sediment control and stormwater management provisions, and adds penalties for clearing violations that occur during development.

We commented on the bill in our letter dated March 10, 2021. At the March 15, 2021 Council meeting, this bill was amended to remove certain types of plants, shrubs, or trees from the list of areas that require approval for clearing; make clearing three or more trees a violation if the canopy coverage of the trees is 2,500 square feet or more; and require that the factors to consider in assessing fines for critical

area violations listed in Anne Arundel County Code (Code) § 16-5-105(b)(4) shall be considered in determining the amount of fines assessed for forest clearing violations. We have no further comments on this bill.

**Bill No. 21-21: Zoning – Landscaping and Tree Contracting with Accessory Recycling of Logs into Firewood (As Amended)**

This bill allows “landscaping and tree contracting with the accessory recycling of logs into firewood” as a special exception use in Rural Agricultural (RA) zones.

We commented on the bill in our letter dated March 10, 2021. At the March 15, 2021 Council meeting, this bill was amended to require compliance with the hours of operation for “landscaping and tree contracting” for special exception use. We have no further comments on this bill.

**Bill No. 22-21: Current Expense Budget – Fund Transfer and Supplementary Appropriations**

This bill authorizes a transfer of \$2,314,000 of appropriations from the Chief Administrative Officer’s (CAO’s) Contingency account to the Department of Public Works (DPW) and the Anne Arundel County Department of Social Services (DSS), provides a supplementary appropriation of \$5,515,386 to the Grants Special Revenue Fund, and transfers an additional \$1,200,000 to the Revenue Reserve Fund.

The transfer of \$2,314,000 of appropriations from the CAO’s Contingency account is being used to fund two requests. DPW is requesting \$1,984,000 for snow removal services, including County personnel costs, contractual services, and materials (salt). Based on updated information, the County estimates that snow-related expenditures will be approximately \$3,200,000 based on the receipt and processing of invoices from the February snowstorms. Any additional funding will be requested in the fourth quarter transfer. DSS is requesting \$330,000 for a services contract with the Maryland Family Network. DSS intends to use these funds to provide comprehensive services to parents and young children at the Annapolis Family Support Center. This contract is a reimbursable service contract contingent upon the availability of \$330,000 in state funding. As of March 19, 2021, the CAO’s Contingency account has a remaining appropriation totaling \$2,740,000 which is sufficient to cover this transfer.

The \$5,515,386 in additional appropriations for the Grants Special Revenue Fund provide for the following:

- \$41,666 from the Maryland Community Health Resources Commission to the Anne Arundel County Department of Health (Health Department) for the Local Health Improvement Coalition grant to support the Healthy Anne Arundel Coalition in the health priority area of diabetes and healthy living strategies by addressing barriers to participation and by developing community-wide unified messaging and outreach. The award period is from November 1, 2020 through October 29, 2021. This grant was not included in the FY21 Budget and does not require a matching contribution.
- \$4,311,000 from the Maryland Department of Health, Prevention and Health Promotion Administration (MDH-PHPA) to the Health Department for the FEMA Protective Measures grant for purchasing equipment, supplies, and providing other support to safely and effectively administer COVID-19 vaccines to residents. The award period is from January 1, 2021 through

June 30, 2021. This grant was not included in the FY21 Budget and does not require a matching contribution.

- \$1,162,720 from MDH-PHPA to the Health Department for the COVID-19 Mass Vaccination CARES grant to strengthen critical planning and COVID-19 vaccination implementation activities with a focus on reaching high-risk and underserved populations. The award period is from January 1, 2021 through June 30, 2021. This grant was not included in the FY21 Budget and does not require a matching contribution.

This bill also authorizes a transfer of \$1,200,000 from the unappropriated General Fund balance to the Office of Finance (Non-Departmental) for a contribution to the Revenue Reserve Fund. On June 30, 2020, the unappropriated General Fund balance was \$111,176,486. The FY21 Budget appropriated \$37,746,800 of this balance on July 1, 2021, leaving \$73,429,686 remaining balance available to appropriate.

The Revenue Reserve Fund is limited to 5% of the estimated General Fund revenues for the upcoming fiscal year. The estimated FY21 General Fund revenues are \$1,681,477,500, so the current Revenue Reserve Fund balance is limited to \$84,073,875. As of February 28, 2021, the total current Revenue Reserve Fund balance is \$82,202,783. This balance includes \$745,400 in FY21 investment income (year to date) and the \$1,000,000 transfer included in the FY21 Budget. Per Code § 4-11-106(c), interest earnings shall be retained to the credit of the fund except that the Controller may credit interest earnings to the General Fund if the credited interest earnings cause the Revenue Reserve Fund to exceed the limit. Any additional interest earnings in FY21 will be credited to the Revenue Reserve Fund (up to the limit). The balance after the \$1,200,000 transfer will be \$83,402,783, which is below the 5% limit.

The Controller certified that these funds are available for appropriation.

**Bill No. 23-21: Approval of Second Amendment of Lease Agreement of Certain County-Owned Property to Robert A. Pascal Youth and Family Services, Inc.**

This bill approves a second amendment to the lease agreement of County-owned property at part of 43 Community Place in Crownsville, MD to Robert A. Pascal Youth and Family Services, Inc. (Lessee). The original lease was dated April 25, 2019 and was amended one time on May 13, 2020. The second amendment extends the current lease term for an additional 15 years, to expire on April 30, 2037.

The current term of the lease commenced on June 1, 2019 and is set to expire on April 30, 2022. This second amendment extends the lease for 15 years under the existing terms. Per the original lease agreement, “the intent of this lease is to increase the number of beds available to Anne Arundel County residents by Pascal Stabilization Center where at all possible and not to exceed capacity of any State-licensed beds.” This amendment continues the annual lease rate from the original lease agreement, which is one dollar. The existing terms include the taxes arrangement from the original lease agreement, which is that “the Lessee shall not be responsible for real estate taxes assessed against the Leased Property which are directly attributable to the Lessee’s facilities and use. If assessed to the County, such taxes shall be the responsibility of the County, to the extent of available County funds.” The existing terms also require the Lessee to pay the cost of electricity via monthly invoice by the County and its proportionate share of water and sewer as billed by the state accounting to the total square feet of space leased.

The original lease agreement is for the property known and designated as 43 Community Place, consisting of approximately 13,489 square feet and use in common with others of the parking areas, services road, and sidewalks. The first amendment to the original lease agreement added an additional

350 square feet of space to the leased property, located in the area known as the “West Tunnel” between the buildings identified as 43 Community Place and 45 Community Place.

We agree with the fiscal note that this amendment continues the existing lease rate and, therefore, there is no additional estimated fiscal impact to the County for this bill beyond the original lease terms.

**Bill No. 24-21: Timbers Special Community Benefit District**

This bill establishes the Timbers Special Community Benefit District (SCBD) to include the Timbers (formerly Rubert Manor Section B) subdivision and one additional property (property tax identification number 300021281400). The Timbers Civic Association, Inc. will administer the SCBD. The purposes of the SCBD are to acquire, maintain, operate, improve, develop, protect, and dispose of community-owned property; to provide recreation facilities; and to provide for the administrative and operating expenses incidental to carrying out these purposes. The method of taxation will be a uniform assessment per lot.

We have reviewed the petition and supporting documents and determined the petition meets the Code requirements for establishing an SCBD. We also reviewed the signed petitions and of the 48 eligible properties, we noted 33 qualified “Yes” votes (68%), 2 “No” votes, 2 disqualified petitions, and 11 properties with no vote.

We agree with the fiscal note that the costs the County will incur to administer the SCBD will be offset by the administrative fee charged when taxes are collected.

**Bill No. 25-21: Finance, Taxation, and Budget – Revenue Reserve Fund**

This bill increases the allowable balance in the Revenue Reserve Fund to 6% of the estimated General Fund revenues for the upcoming fiscal year. Currently, the Revenue Reserve Fund balance is limited to 5% of the estimated General Fund revenues for the upcoming fiscal year. The Revenue Reserve Fund is a continuing, non-lapsing account in which funds are retained to support appropriations if estimated general fund revenues decline below current expense budget appropriations during a fiscal year.

As noted in the comments above for Bill 22-21, the current Revenue Reserve Fund balance is limited to \$84,073,875, which is 5% of the \$1,681,477,500 estimated FY21 General Fund revenue. The 6% limit in this bill would have increased the maximum FY21 Revenue Reserve Fund balance to \$100,888,650 based on FY21 estimated General Fund revenue. This would have allowed the County to accumulate an additional \$16,814,775 of reserve funds if additional funds were appropriated to increase the level of savings to the fund balance limit.

During the course of a fiscal year, the County Executive with the approval of the County Council may authorize a transfer from the Revenue Reserve Fund to the General Fund to cover the current expense budget if the County Executive determines that revenues will be below the estimated revenues relied on to fund the current expense budget and all reasonable reductions in expenditures have been made and will not be sufficient to offset the anticipated shortfall in revenue. The County Executive with the approval of the County Council may also authorize a transfer of additional funds into the Revenue Reserve Fund, up to the fund balance limit.

According to the most recent Moody’s credit analysis of the County, increasing financial reserves is one of the factors that could lead to an upgrade in the County’s credit rating. The County’s current

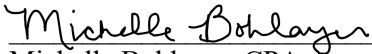
rating for Moody's is Aa1 and for S&P is AAA. Increasing the Revenue Reserve Fund balance would provide stability in the event of future revenue shortfalls and would help maintain or improve the County's bond ratings.

**Bill No. 26-21: Crimes, Civil Offenses, and Fines – Crimes – Noise Disturbances**

This bill amends certain sections of the Code related to noise disturbances. Specifically, this bill:

- corrects the format of the Code reference to the Annotated Code of Maryland defining a public service company;
- replaces the term “bond” with “bona” to correct a typographical error;
- removes references to specific outdated audio devices, adds general categories of “other music producing device” and “any other audio producing device” to the types of prohibited devices, and adds televisions and amplified musical instruments to the types of prohibited devices. These devices are prohibited at an unreasonably loud volume that can be heard in a residential district at any time;
- adjusts the hours a musical instrument, machine, tool, or similar device cannot be operated at an unreasonably loud volume that can be heard to 10:00 p.m. through 7:00 a.m., to align the Code with nighttime hours defined in Code of Maryland Regulations 26.02.03.01(14);
- replaces the evidentiary standard of the lesser-known legal term “prima facie evidence” with “rebuttable presumption;” and
- specifies that a noise disturbance violation is a Class E civil offense. A Class E civil offense has a fine of \$50 for the first offense, \$100 for the second offense, and \$500 for the third offense or any subsequent violation.

The Police Department does not anticipate an increase in workload as the result of this bill since they do not expect a large increase in enforcement. This bill may result in a minimal increase in fine revenues for the County.

  
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