



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

**To:** Councilmembers, Anne Arundel County Council  
**From:** Michelle Bohlayer, County Auditor  
**Date:** February 16, 2024  
**Subject:** Auditor's Review of Legislation for the February 20, 2024 Council Meeting

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**Bill 93-23: Pensions –  
Participation –  
Transferred Service –  
Employees' Retirement  
Plan – Fire Service  
Retirement Plan – Police  
Service Retirement Plan  
(As Amended)**

**Summary of Legislation**

This bill authorizes employees of the Resilience Authority of Annapolis and Anne Arundel County to participate in the Employees' Retirement Plan (ERP); amends certain termination criteria for vested participants of the ERP; amends certain disability criteria for participants of the ERP; adds three position classifications to the Fire Service Retirement Plan (FSRP); and authorizes rehired participants of FSRP and Police Service Retirement Plan to restore prior plan service credit under certain conditions.

We commented on this bill in our letters dated January 12, 2024 and January 31, 2024. At the February 5, 2024 Council meeting, this bill was amended to remove the provisions pertaining to purchased service credits. Removing the credit purchase provisions will reduce the fiscal impact of this bill.

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**Bill 1-24: Public Safety –  
Animal Care and  
Control – Potentially  
Dangerous, Dangerous,  
and Vicious Animals (As  
Amended)**

**Summary of Legislation**

This bill amends the criteria for designating an animal as potentially dangerous, dangerous, or vicious; establishes a process for reconsideration of a potentially dangerous or dangerous animal order; authorizes the Police Department's Animal Care and Control Agency (Agency) to waive redemption, adoption, spay, and neuter fees; amends specified animal license fees in the second and subsequent years they are issued; and requires owners to pay specified costs associated with the care of their seized and surrendered animals in cruelty cases.

We commented on this bill in our letter dated January 31, 2024. At the February 5, 2024 Council meeting, this bill was amended to

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**Bill 1-24 (continued)**

change the due date for the estimated costs of care from five days to 45 days of specified periods and provide that the costs of care may be collected as part of a payment plan. This bill was also amended to require the Agency to determine euthanasia is necessary and allow the Agency to extend the due dates for payment of costs of care for a seized or surrendered animal in certain types of extraordinary circumstances. We have no further comments on this bill.

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**Bill 3-24: Zoning –  
Maritime Districts –  
Neighborhood Marina  
Zoning District (As  
Amended)**

**Summary of Legislation**

This bill establishes a MA1-B Neighborhood Marina zoning district; amends bulk regulations to include requirements for MA1-B zoning districts; adds certain uses as permitted, conditional, and special exception uses in MA1-B zoning districts; and adds conditional use requirements for marina caretaker’s residences and MA1-B zoning districts.

We commented on this bill in our letter dated January 31, 2024. At the February 5, 2024 Council meeting, this bill was amended to:

- change outside and dry storage of watercraft from a permitted use to a conditional use in the MA1-B zoning district and set forth the condition for the use;
- modify the criteria of the MA1-B zoning district;
- remove offices and administration facilities necessary for operating the marina as a permitted use in the MA1-B zoning district;
- modify the condition use requirements for a neighborhood marina;
- remove the conditions for a dwelling unit, marina caretaker’s residence; and
- make various technical corrections.

We have no further comments on this bill.

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This bill repeals existing and establishes new procedures and requirements for implementing County personnel actions. This bill prohibits discrimination within County employee personnel processes on the basis of nine additional protected classes; alters a requirement to review employee compensation plans from every five years to routinely; and expands the Personnel Officer's authority to move and fill a vacant position to include filling positions of equal or higher levels of job responsibility. This bill also removes employee classification plans and pay plans from the County Code and instead requires the Personnel Officer to maintain specified classification and pay plans and post them on the County website. The Administration plans to update the County website as changes are made throughout the year. This bill requires the Council to annually approve the classification and pay plans, which reflect modifications during the fiscal year that the Administration has approved and implemented.

This bill authorizes the Personnel Officer to modify the classification plan for all positions in the classified service and implement these modifications upon approval of the Chief Administrative Officer. If the Council ultimately rejects these modifications, the Personnel Officer is authorized to transfer employees to other specified jobs. Also, this bill requires submittal of an annual classification plan report to the Council, which the Administration intends to submit around the time the annual proposed budget is introduced.

This bill alters required approvals for non-represented employee pay rates at hiring that exceed the minimum pay for the grade; authorizes non-represented employees who are promoted to receive specified pay rate increases upon approval of the appointing authority, Personnel Officer, and Chief Administrative Officer, as applicable; authorizes the Personnel Officer to provide out of class pay to temporarily assigned employees if the employee has certain education and experience to substitute for the minimum qualifications; and requires appointing authorities to approve exempt employee pay rates in a specified manner.

This bill also increases the number of days of annual leave an employee may carry over into the next calendar year from 35 to 40 days.

A summary of these changes is provided in Appendix 1.

This bill authorizes the Personnel Officer to modify positions to assume higher-level job responsibilities, approve non-represented employee promotional salary increases between 15% and 50%, and approve non-represented employee promotional salary increases exceeding 50% with CAO approval. Even if the Council rejects position modifications approved by the Administration, salary increases will remain in effect. In our professional opinion, the Council's current position control authority provides greater oversight than this proposed change. In 2021 and 2022, the Council used its authority to alter position changes proposed by the Administration prior to implementation of the changes. To the extent this salary setting authority results in higher initial or promotional pay rates, or in personnel actions being implemented more quickly, personnel costs may increase in the current year. The impact of these salary adjustments will then further increase in future years as additional adjustments are made for merit and cost of living increases, among other things.

County leave pay-out expenditures increase to the extent employees carry over 35 to 40 days of annual leave, and the County is required to pay employees for this leave upon separation from employment. In 2023, a total of \$1,199,500 was disbursed to 627 employees for their unused annual leave. Approximately 10% or 62 of these employees had more than the maximum carry-over amount of 35 days of annual leave. Assuming all 62 employees had carried over 40 days of accrued leave, expenditures would have increased by an additional \$137,000. Please note this amount was updated from the Administration's fiscal note after we identified that the original estimate did not account for all eligible employees. Increasing the annual leave carry-over cap will result in employees losing fewer days of leave over the course of their employment, even if they separate with accumulated leave below the cap. This will potentially affect future leave payouts. If all 627 employees that received leave payouts in 2023 had accumulated an additional 5 days of leave and received payouts for that leave, then County expenditures would have increased by an additional \$1,097,000.

A 2023 class and compensation study was completed by a contractor at a cost of \$475,000. Permitting the Personnel Officer to routinely review employee compensation, instead of completing a comprehensive survey every five years, may impact the timing and type of expenditures. The Administration intends to complete these reviews on an ad hoc basis and was not able to provide a cost estimate, scope, or schedule. They did note that there were no standard costs, consultants and employees will

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**Bill 4-24 (continued)**

complete reviews, and they filled a new position that will be responsible for classification studies.

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**Bill 5-24: Current  
Expense Budget – Board  
of Education –  
Supplementary  
Appropriation and  
Transfers of Funds****Summary of Legislation**

This bill transfers appropriations of funds between major categories and makes supplementary appropriations from unanticipated revenue and revenues received in excess of budget estimates in the Local Education Fund. This bill reflects the budgetary changes adopted by the Board of Education (BOE) at their meeting on December 20, 2023.

**Review of Fiscal Impact**

This bill recognizes a total of \$15,588,500 in additional federal, state, and local unrestricted funds which reflects \$1,500,000 in local investment interest income and \$14,088,500 in prior year fund balance. This bill also recognizes \$13,740,600 in federal, state, and local restricted grant funds, with local funding decreasing \$267,600 and federal and state grant revenue increases totaling \$13,516,900 and \$491,300 respectively. This bill also recognizes a total of \$15,169,400 in additional restricted funds from the Internal Service Fund for Health Care.

This BOE-approved fiscal year 2024 (FY24) Second Quarter Operating Budget Supplemental and Fund Transfer includes three transfers:

- \$2,689,500 from Instructional Salaries and Wages due to a reduction to contractual services for behavioral health program initiatives, the funding of FY24 budgeted initiatives in fiscal year 2023, no longer serving as fiscal agent for Watershed Academy staff, reallocating salaries with a specified grant, and staff vacancies.
- \$2,900,700 from Pupil Transportation due to reductions in contracted services to align budgets with estimated expenditures.
- \$350,000 from Food Services due to reductions in contracted services to align budgets with estimated expenditures.

It also includes the following increases:

- \$259,100 for Administration to support new school openings, rewriting the strategic plan, and grant administration charges.

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**Bill 5-24 (continued)**

- \$835,200 for Mid-Level Administration for salaries for Special Education and Comprehensive Support and Improvement (CSI); consultant services to support central office administrators located in schools; for the Teachers of Reading and Spelling program; and for supplies, technology, and conference expenses.
- \$3,270,400 for Textbook & Classroom Supplies for one-time instructional supplies for new school openings, additional supplies for special education, the Maryland Leads Literary Adoption program, student toolkits and exam/certification costs associated with the Maryland Works apprenticeship program, and materials for multilingual students and to promote kindergarten readiness.
- \$4,404,600 for Other Instructional Costs for staff professional development and training, parent training, and laptop leases.
- \$3,116,600 for Special Education for salaries for Individualized Educational Plan clerks and to support CSI student groups and contractual services related to working with students and training students and staff on special education topics, including crisis management strategies.
- \$1,857,100 for Pupil Services for estimated salary increases, contractual services to address chronic absenteeism in the Meade and North County clusters, supplies and materials, professional development, and transportation for field trips.
- \$496,400 for Health Services for summer school nurses, payments for private mental health therapy appointments for uninsured students, and licensing for telemedicine for school nurses.
- \$1,752,200 for Operation of Plant for contractual services for updates to Mary Moss at J. Albert Adams Academy and Phoenix Academy, school security radios and new school supplies, custodial overtime stipends to support summer programs, upgrades to school-based security equipment, use of Google Voice, and additional supplies and materials.
- \$11,084,900 for Maintenance of Plant for updates to Mary Moss at J. Albert Adams Academy and Phoenix Academy; vehicles for new school openings; and Preventative Maintenance Technicians for heating, ventilation, and air conditioning units.
- \$22,852,900 for Fixed Charges associated with additional estimated health care claim payments for employees and retirees and for fixed charges associated with salary and wage appropriations in all grants.

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**Bill 5-24 (continued)**

- \$134,300 for Community Services for salaries for Judy Center staff, contracted services for activities and events, and materials of instruction.
- \$375,000 for Capital Outlay for updates to Mary Moss at J. Albert Adams Academy and Phoenix Academy.

The net impact of these supplementary appropriations is an increase of \$50,438,700. The Controller has certified that such funds totaling \$50,438,700 are available for appropriation.

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**Resolution 3-24:  
Amending Portions of  
Titles 1, 3, 4, and 5 of the  
Rules of Procedure of  
the County Council**

**Summary of Legislation**

This resolution amends Rules of Procedure (ROP) of the Council that address procedures for amending ROPs, filling vacancies on the Council and Board of Education, participation by the public and news media, and consideration of bills and resolutions.

**Review of Fiscal Impact**

This resolution has no direct fiscal impact.

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Anne Arundel County Office of the County Auditor  
**Bill 4-24 - Personnel**  
(Provisions directly affecting the Council are **in bold**)

**Appendix 1**

Description of Bill Provisions	Impact
<b>Non-Discrimination</b>	
Adds to the list of protected classes: age, citizenship, creed, familial status, gender identity or expression, marital status, occupation, sexual orientation, and source of income. (§6-1-102)	Adds classes that are legally protected from discrimination in the County employment system.
<b>Physical Agility Standards</b>	
Personnel Officer to consult with the Police, Fire, and Detention Facilities departments in establishing work-related physical agility standards. (§6-1-104)	Current law does not require this consultation.
<b>Review of Compensation Plan</b>	
Personnel Officer to review compensation plan routinely. The review of the plan shall include a review of public and private employers. Requires the review to recommend changes in employee compensation. (§6-1-105)	Current law requires review every five years and a comprehensive survey of comparatives, but it does not specify public and private employers.
<b>Moving and Filling Vacant Positions</b>	
Allows moving and filling a vacant position to any level based on the Personnel Officer’s determination of duties, tasks, and responsibilities <b>without Council approval.</b> (§6-1-110)	Under current law, the Personnel Officer’s authority is limited to a vacant position being filled at a lower level.
<b>Classification Plan</b>	
Requires the Personnel Officer to formulate and maintain a classification plan. Deletes the classification plan from the County Code. <b>The classification plan must be approved annually by ordinance, but the Personnel Officer may modify it during the year based on analysis of job classifications. The Personnel Officer must report to the Council annually on the modifications made and the number of filled and vacant positions affected by each modification. Council may reject modifications made since previous year but otherwise may not modify the plan.</b> If the Council rejects a modification, affected employees are to be transferred to another classification with similar scope and pay. (§6-1-201 and Section 4 of the bill.)	Authorizes the Personnel Officer to modify classifications without prior Council approval. <b>Authorizes the Council to reject a change to a classification in the next budget</b> and requires affected employees to be transferred to a position with similar scope and pay. <b>The classification plan would be approved by ordinance but not included in the County Code.</b>



Anne Arundel County Office of the County Auditor  
**Bill 4-24 - Personnel**  
(Provisions directly affecting the Council are in bold)

Description of Bill Provisions	Impact															
<b>Pay Plan</b>																
Requires the Personnel Officer to formulate and maintain pay plans. Deletes pay plan from the County Code. <b>Pay plan to be approved annually by ordinance by the Council.</b> (§§6-1-202, 6-2-101, 6-2-104, 6-2-105, and Sections 5. through 8. of the bill)	<b>Pay plans would be approved by ordinance but not included in the County Code.</b>															
<b>Initial Pay – Non-Represented Employees</b>																
Specifies requirement for documentation of the pay rate. Changes thresholds for approval of initial pay rates above base, as shown below. (§6-1-203)	Increases thresholds for appointing authorities, the Personnel Officer, and the Chief Administrative Officer (CAO) to approve initial pay rates. Eliminates requirement for County Executive (CE) approval.															
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Approval Required</th> <th style="text-align: center;">Current Law</th> <th style="text-align: center;">Proposed</th> </tr> </thead> <tbody> <tr> <td>Appointing authority</td> <td>Minimum for the grade</td> <td>Up to 15% above minimum</td> </tr> <tr> <td>Personnel Officer</td> <td>Up to 15% above minimum</td> <td>15% to 50% above minimum</td> </tr> <tr> <td>Personnel Officer and CAO</td> <td>15% to 35% above minimum OR up to 10% below minimum</td> <td>50% above minimum, up to maximum</td> </tr> <tr> <td>Personnel Officer, CAO, and CE</td> <td>35% above minimum up to maximum</td> <td>NA</td> </tr> </tbody> </table>		Approval Required	Current Law	Proposed	Appointing authority	Minimum for the grade	Up to 15% above minimum	Personnel Officer	Up to 15% above minimum	15% to 50% above minimum	Personnel Officer and CAO	15% to 35% above minimum OR up to 10% below minimum	50% above minimum, up to maximum	Personnel Officer, CAO, and CE	35% above minimum up to maximum	NA
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<b>Promotion, Demotion, and Re-Class of Non-Represented Employees</b>																
Changes thresholds for approval of pay increases for non-represented (NR) employees moving from one NR position to another. (§6-1-206)	Increases/creates thresholds for appointing authorities, the Personnel Officer, and CAO to approve promotional pay rates for NR employees.															
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Anne Arundel County Office of the County Auditor  
**Bill 4-24 - Personnel**  
 (Provisions directly affecting the Council are **in bold**)

Description of Bill Provisions	Impact
<b>Promotion Between Represented and Non-Represented Positions</b>	
Requires supporting documentation for pay rate when an employee is transferred between represented and NR positions. (§6-1-209)	Consistent with current administrative practice.
<b>Out-of-Class Assignments</b>	
Allows an employee to be temporarily assigned to a position if they meet minimum qualification by virtue of a substitute combination of education and experience determined by the Personnel Officer. (§6-1-215)	Current law requires an employee to meet all minimum qualifications to be eligible for a temporary assignment and out-of-class pay.
<b>Annual Leave</b>	
Increases from 35 to 40 days the amount of annual leave that an employee may carry over at the end of a calendar year. (§6-1-302)	Increases expenditures, principally due to increased leave payouts upon separation from County employment.
<b>Exempt Positions</b>	
Adds and corrects titles for exempt positions recently added or renamed. (§6-2-103)	No impact.