



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

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

**Bill 24-24: Current
Expense Budget – Third
Quarter Fund Transfer
and Supplementary
Appropriations (As
Amended)**

Summary of Legislation

This bill transfers appropriation of funds between certain offices, departments, institutions, boards, commissions, or other agencies in the General Fund and makes supplementary appropriations from unanticipated revenues to the Grants Special Revenue Fund for the current fiscal year.

We commented on this bill in our letter dated May 3, 2024. At the May 6, 2024 Council meeting, this bill was amended to remove the supplemental appropriation to the Board of Education. We have no further comments on this bill.

**Bill 27-24: General
Development Plan –
Region 4 Plan**

Summary of Legislation

The purpose of this bill is to adopt the Anne Arundel County Region 4 Plan, the region plan for Region Planning Area No. 4 (Area 4), dated April 1, 2024; amend the County's General Development Plan; and require the Anne Arundel County Region 4 Plan to be kept in specified files. This bill also authorizes the Planning and Zoning Officer to amend text, maps, charts, graphs, photos, and tables in accordance with amendments to this bill and make other specified corrections and changes to improve readability of the Anne Arundel County Region 4 Plan.

Review of Fiscal Impact

We agree with the Administration's fiscal note that there is no direct fiscal impact associated with the adoption of the Anne Arundel County Region 4 Plan, but there could be a fiscal impact from future development activity that may impact the County's property tax revenue.

**Bill 28-24:
Comprehensive Zoning
– Region 4**

Summary of Legislation

This bill repeals portions of the Digital Zoning Layer dated September 6, 2011 for Area 4; adopts the Digital Zoning Layer dated January 5, 2024 for Area 4; and requires specified offices to keep certified copies of the Digital Zoning Layer dated January 5, 2024 for Area 4. This bill also authorizes the Planning and Zoning Officer to amend text, maps, charts, graphs, photos, and tables in accordance with amendments to this bill.

Review of Fiscal Impact

We agree with the Administration’s fiscal note that there is no direct fiscal impact associated with the adoption of this digital zoning layer, but there could be a fiscal impact from future development activity that may impact the County’s property tax revenue.

**Bill 29-24: Zoning –
Coffee Roasters**

Summary of Legislation

This bill adds coffee roaster as a permitted use in a C4, W2, W3, and MXD-E zoning district and in commercial revitalization areas in a C3 zoning district.

Review of Fiscal Impact

The Office of Planning and Zoning (OPZ) does not anticipate a significant change in workload due to this bill and advises no additional resources are required.

**Bill 30-24: Zoning –
Planned Unit
Developments –
Community and
Employment**

Summary of Legislation

This bill establishes two types of Planned Unit Developments (PUD): Community PUDs and Employment PUDs. Community PUDs are authorized as a special exception use in specified residential zoning districts. Employment PUDs are divided into those located on a mining reclamation site or those located in the BWI/Ft. Meade Growth Area and are authorized as a special exception or conditional use in certain residential, commercial, and/or industrial zoning districts. This bill also establishes allowed uses, density requirements, bulk regulations, and other requirements for PUDs. Currently, there is one PUD, which is authorized as a special exception use in all residential and two commercial (C2 and C3) zoning districts. This bill does not apply to applications for PUDs filed before the bill’s effective date.

Bill 30-24 (continued)**Review of Fiscal Impact**

OPZ and the Department of Inspections and Permits do not anticipate a change in workload due to this bill and advise no additional resources are required. OPZ advises that this bill may provide more flexibility for sites that are developed as PUDs.

To the extent the bill results in additional residential development, impact and permit fees and taxes collected by the County and associated expenditures may increase; however, this is dependent upon the actual development projects and cannot be determined.

**Bill 31-24: Pensions –
Reemployment –
Reduction of Benefits****Summary of Legislation**

This bill eliminates a reduction in pension benefits during a pension recipient's period of reemployment under certain circumstances. This bill authorizes reemployed employees to have their original retirement benefit reinstated, in addition to any new retirement benefit earned during the original period of reemployment. Excluding specified Deferred Retirement Option Program participants in the Fire Service Retirement Plan, this bill prohibits reducing a reemployed participant's retirement benefits when they are reemployed in a new position.

As of the date of this report, we have not received a copy of the Pension Oversight Commission's review of this bill.

Review of Fiscal Impact

Generally, whenever a retired pension plan participant is employed or reemployed by the County, their retirement benefit must be reduced by \$1.00 for every \$2.00 earned. This bill eliminates this requirement if the person is reemployed in any position that differs from a position in the department in which the participant was employed at the time of retirement. In accordance with this bill, a current Police Plan retiree could be rehired as a Deputy Sheriff and earn a new salary, continue to receive their monthly Police Plan retirement benefit, and earn a new (second) pension benefit in the Detention Officers' and Deputy Sheriffs' Plan, if they meet the pension retirement requirements. A rehired retiree could earn a second pension in either the same or different County pension plan.

Per County Code § 5-1-203, current reduction of benefit requirements does not apply to certain employees, including employees of the Office of the Sheriff and the Office of the State's Attorney "in a position that requires the employee to be certified as a Police Officer by the Police Training Commission if the employee was certified as a Police Officer by the Police

Bill 31-24 (continued)

Training Commission at the time the employee retired.” Therefore, a rehired retiree that reflects the scenario listed in the paragraph above about would not receive a reduced pension benefit, but they would also not earn a second pension benefit in the Detention Officers’ and Deputy Sheriffs’ Plan. Under the provisions of this bill, the same rehired retiree would not have a reduction of benefit, similar to the current provisions, but would also be able to participate in a new pension related to the position accepted after retirement.

The Office of Personnel advised that the County has five former merit employees who were rehired into merit or exempt positions that are not their original positions. There are also 97 former classified employees that are currently filling contractual positions. We have asked the Office of Law if this bill would only impact future rehired retirees and will provide an update once it is clarified. The removal of the reduction could result in these, and potentially additional, former employees seeking full-time positions to take advantage of this change. It could also change the retirement patterns of existing employees. The fiscal impact of rehired retirees with no reduction in benefits would be greater than the current impact; however, it would be similar to employees that are new to the County. Currently, an employee can receive multiple benefits from various jurisdictions without reductions if they meet the retirement requirements for each of the plans.

An actuarial review of the bill’s potential impact concluded that “it is difficult to quantify the estimated impact of the proposed changes because the actual impact depends on a variety of unknown factors, such as the number of future rehired retirees, the shift in behavior (whether it increases the number of rehired retirees relative to the current provisions), and the individual circumstances of the rehired retirees.” However, the actuary did note that the impact would be de minimis to the overall pension plans for the County because rehired retirees generally represent a small percentage of the plan population. The actuary also noted that in their review of other Maryland jurisdictions, it was common for retirement benefits to cease when a retiree is rehired. They found less consistency among the reviewed jurisdictions as to how benefits were handled upon subsequent retirement.

The Office of Personnel does not anticipate a significant change in workload from this bill and no additional resources are anticipated to be required.

**Resolution 15-24:
Proposing a Charter
Amendment for
Procurement Thresholds**

Summary of Legislation

This resolution proposes an amendment to the Charter of Anne Arundel County to increase the minimum value of purchases and contracts subject to a simplified competitive procurement process from greater than \$5,000 to greater than \$10,000 and alters associated County website contract award notification requirements to apply to contracts greater than \$10,000, an increase from the current threshold of \$5,000 or greater.

We commented on this bill in our letter dated May 3, 2024. At the May 6, 2024 Council meeting, this bill was held until the May 20, 2024 Council meeting. We have no further comments on this bill.
