Anne Arundel County, Maryland
Office of the
County Auditor

To: Councilmembers, Anne Arundel County Council
From: Office of the County Auditor
Date: July 17, 2026
Subject: County Auditor's Review of Legislation for the July 20, 2026 Council Meeting

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CB 51-26 (As Amended) Issuance, sale and delivery of Anne Arundel County, Maryland general obligation bonds and bond anticipation notes

Summary of Legislation

This bill authorizes the anticipated sale and issuance of General Obligation Bonds (GO Bonds) and Bond Anticipation Notes (BANs) consistent with the Fiscal Year 2027 (FY27) Capital Budget. The bill will allow the issuance of up to $1.84 billion in GO Bonds and $900 million in BANs and authorizes bond issuance through June 30, 2029. This bill was amended on July 6, 2026 to reflect the adopted FY27 Budget.

Review of Fiscal Impact

The Office of the County Auditor (OCA) reviewed the fiscal impact of CB 51-26 and confirmed that the proposed bond issuance is consistent with the County's legal debt limits (adopted per Maryland Local Government Article § 17–207) and debt affordability guidelines. This bill authorizes the County to issue up to $1,835,225,721 in general obligation bonds and have up to $900,000,000 in bond anticipation notes outstanding at any one time to finance capital projects outlined in the adopted FY27 Capital Budget. The Administration also indicated that because annual growth in new debt is typically lower than revenue growth, it does not anticipate this debt will increase the financial burden on residents.

CB 52-26 Planning and Development – Master Plan for Water Supply and Sewerage Systems

Summary of Legislation

This bill amends the 2022 Master Plan for Water Supply and Sewage Systems (WSMP) to provide public water and sewer services to several private properties within the County. These amendments were requested by certain property owners and/or development applicants in order to connect their properties to public water and sewer services. If approved by the Council, the modified WSMP will be submitted to the Maryland Department of Environment (MDE) for final confirmation.

Review of Fiscal Impact

OCA agrees with the Fiscal Note that this bill has no direct fiscal impact. This bill amends maps and text in the 2022 Master Plan for Water Supply and Sewerage Systems and does not authorize any new appropriations or commit the County to capital projects.

Resolution 19-26 approving estimates of the annual costs of providing health insurance benefits and the employer subsidies used to determine the rates for certain participants under the County Employee and Retiree Health Benefits Program

Summary of Legislation

This resolution establishes the annual costs of health care benefits for active and retired county employees for Calendar Year (CY) 2027. Rate increases range between 2.53% – 23.15% for coverage under the National EPO, National PPO, Medicare Advantage, and Vision plans. Rates increase 2.39% for Dental PPO Core and Dental PPO Buy-Up plans.

Review of Fiscal Impact

OCA agrees with the Fiscal Note that the FY27 Health Insurance Fund appropriation was already adopted through the standard budget process. This resolution authorizes the rate schedule to be administered against that existing appropriation. OCA validated all rate figures in Exhibit A of the resolution and found no errors.

The Administration provided a cost projection report prepared by an external consultant to validate the assertion that the FY27 budget accounts for these rate increases. During our review, OCA identified that the external consultant recommended a premium rate increase of 16.8% over CY26 levels for active employees and pre-65 retirees to fully cover expected claims in CY27. The County is raising rates 10.0% for those individuals, which may result in a funding gap that will need to be addressed through a supplemental appropriation or during the FY28 budget process.

Resolution 20-26 approving a revised Self Insurance Fund Investment Policy for Anne Arundel County, Maryland

Summary of Legislation

This resolution updates the current County investment policy for the Self Insurance Fund. The County does not rely on third party insurers and utilizes this fund to pay out all claims and associated liabilities. This policy outlines the standards and principles for investing the assets within the Self Insurance Fund to ensure its continuity and growth over time. It establishes pertinent authority, internal controls, prohibited actions, reporting requirements, and more.

Review of Fiscal Impact

OCA agrees that the revised Self Insurance Fund Investment Policy will have no material effect on the FY27 operating or capital budgets. Additionally, OCA has confirmed that the $74.9 million investable balance and $2.6 million earnings figures cited in the Fiscal Note accurately describe the SIF portfolio for the period July 2025 through May 2026.

However, OCA cannot confirm the Fiscal Note’s conclusion that the legislation will have no effect on revenues, as the expanded investment authorities directly impact the revenue potential of the fund. Specifically, the revised policy adds four new authorized investment types and removes certain investment restrictions.

Resolution 21-26 approving adoption of the revised Investment Policy for Anne Arundel County, Maryland

Summary of Legislation

This resolution updates the County's Investment Policy. This policy governs the investment and management of all money held by the County with the exception of pension and deferred compensation assets. The policy sets the standard and guidelines for the County's investment strategy and money management protocols. Changes reflected in the updated Policy modify provision references to State law, expansion of the "prudent person" rule, establishing additional authorized and suitable investment options, and more.

Review of Fiscal Impact

OCA agrees that the revised Investment Policy will have no material effect on the FY27 operating or capital budgets. Additionally, OCA reviewed investment portfolio data provided by the Administration and agrees that the $51.7 million in net earnings and $1.5 billion average investable balance from July 2025 through May 2026 correctly reflect portfolio data, excluding the Self-Insurance Fund.

However, OCA cannot confirm the Fiscal Note's conclusion that the legislation will have no effect on revenues. While the near-term revenue impact of these changes appears limited given the Administration's current investment practice, the revised policy contains substantive changes from the 2014 policy that could affect investment earnings. Specifically, the standard General Fund maturity limit has been extended from one year to two years, the authorized investment list has been modified, and the investment authority of the Board of Education, the Public Library Association, and other entities has been more explicitly defined.

Resolution 22-26 approving the determination as surplus and the terms of a private disposition of certain County-owned property on Marbury Drive in Crownsville, Maryland

Summary of Legislation

This resolution approves the surplus and disposition of 1525 Crownsville Road to the Anne Arundel County Food Bank (AACFB) for $0.00. This property is part of the Crownsville Memorial Hospital campus which was sold by the State of Maryland to Anne Arundel County for $1.00 in December 2022. While AACFB is currently located on the Crownsville Hospital campus, the surplus and disposition of ~3.76 acres will support the Crownsville Memorial Hospital Park Master Plan (2025) for the development, and relocation of a new Food Bank.

Review of Fiscal Impact

OCA agrees with the Fiscal Note that this resolution has no fiscal impact. OCA confirmed through SDAT records that the subject parcel is already County-owned and fully exempt from property taxation, supporting the Fiscal Note's conclusion that the resolution will have no effect on revenues. Additionally, the Administration has confirmed that demolition of the former cafeteria building was completed between June 8–19, 2026, and basement backfill was completed June 22–26, 2026, at a total cost of $751,677.42 funded from existing appropriations in capital project P588400 (Crownsville Memorial Park). Because that work is complete, no future capital obligation to the County remains under the Agreement.

Resolution 23-26 approving the application to the United States Department of Justice, Office of Justice Programs, for a grant under the Edward Byrne Memorial Justice Assistance Grant Program federal FY 2025 Local Solicitation, and recognizing the County Executive's authority to act in connection with the grant

Summary of Legislation

This resolution approves the local solicitation for the Federal Fiscal Year (FFY) 2025 application to the United States Department of Justice (DOJ), Office of Justice Programs for a formula grant amount of $144,724 under the Edward Byrne Memorial Justice Assistance Grant Program. The application requires County Council approval before the funding can be administered to the County, per federal regulations.

Review of Fiscal Impact

The Office of County Auditor (OCA) concurs with the Fiscal Note's conclusion that this grant has no net cost to the County. The resolution approves an application for $144,724 in federal grant funds with no County matching requirement. OCA reviewed the grant application materials in-detail to confirm internal calculations underlying the total application amount, identifying two immaterial errors in FICA calculations for grant-funded positions, which the Administration has acknowledged. These issues do not alter the overall fiscal impact conclusion.

Unless otherwise noted, this analysis reflects OCA's review of the legislation as introduced and is not updated to reflect subsequent amendments.