



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

To: Councilmembers, Anne Arundel County Council
From: Michelle Bohlayer, County Auditor
Date: May 31, 2024
Subject: Auditor's Review of Legislation for the June 3, 2024 Council Meeting

**Bill 27-24: General
Development Plan –
Region 4 Plan (As
Amended)**

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.

We commented on this bill in our letter dated May 20, 2024. At the May 20, 2024 Council meeting, there were three amendments to this bill. The amendments are included in the amended bill as #1-3 which can be found on the Council's website (<https://www.aacounty.org/county-council/legislation>). We have no further comments on this bill.

**Bill 28-24:
Comprehensive Zoning
– Region 4 (As
Amended)**

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.

We commented on this bill in our letter dated May 20, 2024. At the May 20, 2024 Council meeting, there were four amendments to this bill. The amendments are included in the amended bill as

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#1-4 which can be found on the Council’s website (<https://www.aacounty.org/county-council/legislation>). We have no further comments on this bill.

**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.

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

**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 department.

The Pension Oversight Commission’s review of this bill indicates support with amendments.

The Office of Law interprets that this bill would apply to all future rehired retirees and previously rehired retirees. However, previously rehired retirees would only be entitled to the benefits of this bill after the effective date of this bill as long as they meet the requirements of the bill (rehired into a different department). Specifically, they would not be entitled to credited service in a pension plan for their period of employment and repayment for

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their pension deductions made prior to the effective date of this bill.

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

**Bill 49-24: Personnel –
Employee Retirement
Savings Plan –
Contractual School
Health Employees**

Summary of Legislation

This bill authorizes certain contractual school health positions to elect to participate in the County’s Employee Retirement Savings Plan (401(a) Plan) within 30 days of the employee’s date of employment. This includes certain employees designated as temporary due to the timing of their employment. Specified existing contractual school health employees are authorized to elect to participate in the 401(a) Plan within 60 days from the bill’s effective date. The 401(a) Plan requires a 4% contribution by the employee and they receive an 8% contribution in their 401(a) account from the County.

Review of Fiscal Impact

The fiscal impact, assuming full participation among the 307.5 eligible employees is estimated at \$948,200 for the County’s contribution in fiscal year 2025 (FY25). The FY25 Proposed Current Expense Budget included \$799,800 for the Department of Health – School Health & Support Bureau for 401A Defined Contributions. The FY25 proposed budget assumed that the entire 283 filled, eligible contractual school health employees elected to participate in the 401(a) Plan for the entire year using the base salaries of \$9,997,500. The FY25 proposed budget includes salaries of \$11,852,500 with 307.5 eligible contractual school health employees. The actual fiscal impact in FY25 and future years will be dependent on the number of employees who elect to participate in the 401(a) Plan and their salaries at the time of participation.

**Bill 50-24: Pensions –
Deferred Retirement
Option Program – Term
of Participation Period**

Summary of Legislation

This bill authorizes certain Fire Department and Department of Detention Facilities members' of the Fire Service Retirement Plan (Fire Plan) and certain members of the Detention Officers' and Deputy Sheriffs' Retirement Plan (DODS Plan) to extend participation in the County's Deferred Retirement Option Program (DROP) to a seventh year, subject to appointing authority approval. This bill implements agreements the County reached in collective bargaining.

This bill will apply retroactively to July 1, 2024 upon the effective date of this bill.

Review of Fiscal Impact

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

The OOP advised there are currently 77 DROP participants in the Fire Plan and 40 DROP participants in the DODS Plan that could become eligible for a seventh year in DROP as a result of this bill. An actuarial study of the impact of these participants extending their DROP participation by a year was not completed. However, an actuarial study was completed for Bill 58-23, which added a seventh year of DROP for specified Police Service Retirement Plan members. This actuarial study concluded it would not have a significant impact on the Plan's overall funding or current FY24 employer costs. Therefore, we agree with the Administration that this bill would not have a significant impact on either of the Fire Plan and DODS Plan's overall funding or current FY24 employer costs. The County may benefit from minimal interest earnings if the rate of return accepted by the Retirement and Pension System Board of Trustees is achieved, but the amount would vary based on age, salary, and length of DROP participation period. There could also be a cost to the County if this rate of return is not achieved.

**Bill 51-24: Personnel –
Classification and Pay
Plans – Classified
Service and Exempt
Service – Public Ethics –
Financial Disclosure**

Summary of Legislation

This bill authorizes applicable memorandum of agreements (MOA) to set pay rates for an employee hired into specified classifications; modifies annual leave accrual for certain classifications; alters a specified list of exempt positions; alters a list of positions required to file specified financial disclosure statements; approves the Personnel Officer’s classification plan and specified pay plans dated July 1, 2024; provides pay increases for certain classified and exempt employees; authorizes advancement to new rate of pay for certain employees; and provides lump sum payments to specified employees. This bill also authorizes salary adjustments to correct salary compression for classified employees identified by the Personnel Officer; however, the Office of Personnel advised that there were no funds included in the FY25 proposed budget to address salary compression issues.

This bill makes various changes to classified and exempt service pay schedules and positions and requirements. Specifically, we noted this bill:

- adds 15 new classifications to the classified service, including pay grade, work week, and minimum qualifications: Finance Systems Analyst; Manager, Financial Services; Manager, Inspections and Permits Personnel Administration; Senior Safety Coordinator; Fuel Technician I through III; Fuel Technician Supervisor; Public Safety Analyst I through III; Chief, Information Security; and Engineering Specialist I through III;
- alters classification titles of 9 existing classifications (Administrative Assistant II and III (Represented), Administrative Assistant II and III (Non-Represented), Administrative Lead, Legal Administrative Assistant, Legislative Administrative Lead, Legislative Administrative Assistant, and Legislative Senior Administrative Assistant) maintaining existing pay grade, work week, and minimum qualifications;
- alters the minimum pay grade by more than 10% for Human Resource Records Manager, Mason, Booking Officer, Correctional Records Clerk I, and Sheriff’s Communications Operator classifications and alters the pay grade by less than 10% for Correctional Records Clerk II and Senior Booking Officer classifications;
- eliminates 2 classifications from the classified service: Secretary I, Represented and Non-Represented;
- adds to the exempt service 1 new classification (Legislative Chief of Staff);

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- alters three exempt service position titles (Executive Administrative Assistant IV; Administrative Assistant to a Department/Agency Head; and Administrative Assistant, Ethics Commission) maintaining existing pay grade;
- eliminates 3 classifications from the exempt service: Executive Secretary I through III); and
- adds Legislative Chief of Staff; Chief, Information Security; and candidates for County Council and County Executive as individuals required to file certain financial disclosure statements with the Ethics Commission.

This bill applies to the first full pay period beginning on or after July 1, 2024, which is July 4-17, 2024.

Review of Fiscal Impact

The fiscal impact of this bill is included in the FY25 Proposed Current Expense Budget. The changes reflected in this bill are as follows:

- salary increases of 3% COLA on July 1, 2024, and 3% merit on anniversary date for the following employee groups: NR, C-3, CO-3, CO-4, D-5 through D-8, EL, EX, EE, E, ES, F-8, F-9, LA, LM, OS, R-1, R-2, and S-4;
- salary increase of 3% COLA on July 1, 2024, and 1.5% COLA on January 1, 2025 for the employee group FW;
- salary increase of various amounts based on placement of the employees' current grade and step for the following employee groups: C-1, C-2, D-1 through D-3, F-1 through F-7P, P-00 through P-4, and S-1 through S-3;
- salary increase of advancement of one step on anniversary date for the following employee groups: C-1, C-2, D-1 through D-3, F-1 through F-7P, P-00 through P-4, and S-1 through S-3;
- requiring that employees are paid based on specified Personnel Officer's pay plan dated for July 1, 2024; and
- requiring that employees make at least the minimum rate of pay on the pay schedule.

Other changes to salary and benefits in this bill reflect the negotiated agreements with collective bargaining units, including certain salary increases and lump sum payments. These changes were also included in the FY25 proposed budget. The negotiated agreements added for FY25 are:

- MOA between Anne Arundel County (AA Co.) and the Fraternal Order of Police, AA Co. Lodge #106, Inc. (Sheriffs) for FY25;

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- MOA between AA Co. and the Fraternal Order of AA Detention Center Officers and Personnel, Inc. for FY25;
 - MOA between AA Co. and the AA Co. Detention Sergeants Association International Union of Police Associations, Local 141, AFL-CIO for FY25;
 - MOA between AA Co. and the Teamsters Union Local 355 Battalion Chiefs for FY25;
 - MOA between AA Co. and the Fraternal Order of Police, AA Co. Lodge #70 for FY25;
 - MOA between AA Co. and the Local 1563 AA Co. Professional Fire Fighters, International Association of Fire Fighters, AFL-CIO-CLC for FY25;
 - MOA between AA Co. and the Teamsters Union Local 355 Park Rangers for FY25;
 - MOA between AA Co. and the Teamsters Union Local 355 Correctional Program Specialists for FY25;
 - MOA between AA Co. and Local 582 of the American Federation of State, County, and Municipal Employees AFL-CIO (affiliated with Maryland Public Employees Council 3) for FY25;
 - MOA between AA Co. and Local 2563 of the American Federation of State, County, and Municipal Employees AFL-CIO (affiliated with Maryland Public Employees Council 3) for FY25; and
 - MOA between AA Co. and the Teamsters Union Local 355 Police Communications Operator for FY25.
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Bill 52-24: Budget and Finance – Grants Special Revenue Fund – Conditional Appropriation of Grants

Summary of Legislation

This bill authorizes grants and required County grant matching funds not included in an appropriations bill to be deemed appropriated if:

- the Controller has specified documentation and confirms grant funds are available for expenditure by the County;
- sufficient funds are appropriated and available for any required County matching funds; and
- the County Council is presented with a resolution to approve the appropriation of the grant and (1) within 2 business days, three or more members of the Council request a hearing be scheduled to act on the resolution, and within 10 business days a hearing is held; or (2) if the Council does not request or hold the previously specified hearing.

Grants used solely as a funding source for capital projects are exempt from the provisions of this bill. The Budget Officer is authorized to amend the approved budget as recorded in the County financial system to show specified grant appropriations.

Section 712 of the County Charter requires that “during any fiscal year, the County Council, upon the recommendation of the County Executive, may by ordinance make additional, supplementary, or emergency appropriations from contingent funds, from revenues received from anticipated sources but in excess of budget estimates therefor, or from revenues received from sources not anticipated in the budget for the current fiscal year; provided that the Controller shall first certify in writing that such funds are available for such appropriation. No supplemental appropriation shall exceed the amount of the funds so certified.”

Currently, the Finance, Taxation, and Budget Article, Section 11-114 of the County Code allows for a conditional appropriation of unanticipated grant revenues. The Administration’s existing practice is to include appropriations that reflect the estimated amount of a grant to be received or a placeholder of various amounts in the proposed budget or within supplementary appropriations. Those amounts are subject to Council approval. Once approved by the Council, those amounts can be updated by the Administration and are required to be provided to the Controller and the County Auditor (Section 4-11-114 (e)). As advised by the Office of the Budget, this report can only be provided at a point in time (approximately monthly), rather than each time the budget is amended. Currently, there is a distinction in the Code for fiscal recovery funds. While these funds still must have an original appropriation approved by Council, changes over

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a certain amount must come to Council using a similar resolution review process for project funding over \$500,000.

This bill would remove the requirement for Council approval prior to the acceptance of a grant. The only Council involvement would be a 2 business day response period to a resolution provided by the Administration where a hearing can be requested by three or more members to be held within 10 business days. Fiscal recovery funds were for a defined amount with no matching requirements or obligation to provide future services. This is not the case for all potential grants to be received by the County. Certain grants require County matching contributions. The County Code allows for appropriations to be transferred between categories, so this change would allow the Administration to move previously appropriated operating funds to provide matching for a new grant that was not contemplated in prior budget deliberations.

According to the provisions of this bill, those changes could all occur prior to the 2 business day notice period for three or more Council members to decide that they would like to schedule a hearing, which would then be required to be held within 10 business days.

Review of Fiscal Impact

If the 2-day notification period is sufficient for Council review and approval of all future grant funds, there is no direct fiscal impact of this legislation; however, it is important to note that the resolution does not require an explanation or demonstration of available matching funds in the existing budget or proof of the grant award as a part of the provided resolution. In our experience, it takes significantly longer than 2 business days to obtain similar analysis and documentation in our reviews of supplementary appropriation legislation. Without time to properly assess the grants being accepted, it could result in the approval of grants that require current and/or future County general funds to be used to support previously grant-funded activities without proper deliberation time for the Council or an opportunity for public involvement. In our professional opinion, the Council's current grant appropriation process provides greater oversight than this proposed change.

**Resolution 20-24:
Charter Amendment –
Maryland Open
Meetings Act**

Summary of Legislation

This resolution proposes an amendment to the Charter of Anne Arundel County to comply with the Maryland Open Meetings Act.

Review of Fiscal Impact

This resolution has no direct fiscal impact.

**Resolution 21-24:
Charter Amendment –
County Council Officers**

Summary of Legislation

This resolution proposes an amendment to the Charter of Anne Arundel County to provide for the position and duties of the Legislative Counsel to the County Council.

Review of Fiscal Impact

This resolution has no direct fiscal impact.

**Resolution 22-24:
Charter Amendment –
County Council –
Standing Committees**

Summary of Legislation

This resolution proposes an amendment to the Charter of Anne Arundel County to allow the County Council to create and appoint standing committees, to require meetings of standing committees to comply with the Maryland Open Meetings Act, and to require votes of the Council and any standing committees to be recorded in the County Council Journal.

Review of Fiscal Impact

This resolution has no direct fiscal impact.

**Resolution 23-24:
Charter Amendment –
County Board of
Appeals – Term of
Office**

Summary of Legislation

This resolution proposes an amendment to the Charter of Anne Arundel County to provide that a member of the County Board of Appeals may serve up to three full, consecutive four-year terms.

Review of Fiscal Impact

This resolution has no direct fiscal impact.
