



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

To: Councilmembers, Anne Arundel County Council
From: Michelle Bohlayer, County Auditor
Date: July 12, 2024
Subject: Auditor's Review of Legislation for the July 15, 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 letters dated May 20, 2024; May 31, 2024; June 14, 2024; and June 27, 2024. At the July 1, 2024 Council meeting, there were 16 adopted amendments to this bill. The amendments are included in the amended bill as Nos. 22-37, 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 letters dated May 20, 2024; May 31, 2024; June 14, 2024; and June 27, 2024. At the July 1, 2024 Council meeting, there were 20 adopted amendments to this bill. The amendments are included in the amended bill as Nos. 25-44, which can be found on

Bill 28-24 (continued)

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 (As
Amended) (Hearing
Concluded) (Eligible for
Vote)****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 letters dated May 20, 2024; May 31, 2024; June 14, 2024; and June 27, 2024. At the July 1, 2024 Council meeting, this bill was held until the July 15, 2024 Council meeting. We have no further comments on this bill.

**Bill 58-24: The Issuance,
Sale and Delivery of
Anne Arundel County
General Obligation
Bonds and Bond
Anticipation Notes (As
Amended)****Summary of Legislation**

This bill authorizes the sale and issuance of bonds, bond anticipation notes, and the Maryland Water Quality Revolving Loan Fund bonds consistent with the Fiscal Year 2025 (FY25) Proposed Capital Budget. This bill includes a new provision to allow the County Executive or Chief Administrative Officer, if authorized by the County Executive, to determine whether to require a good faith deposit from bidders as it relates to any award of any general obligation bonds and bond anticipation notes. This new provision was recommended by the County's financial advisor to allow the County additional flexibility in conducting competitive bond sales in accordance with more recent bond market practices, and according to the Office of Finance (Finance), the County's financial advisor does not believe this new provision will have an impact on bid pricing. Finance also advised that, historically, the County has required the deposit amount to be approximately 1% of the sale price.

We commented on this bill in our letter dated June 27, 2024. At the July 1, 2024 Council meeting, this bill was amended to make it consistent with the FY25 Approved Capital Budget. We reviewed the bill and supporting documentation and agree with the information presented.

**Bill 61-24: Anne Arundel
County Transit
Development Plan 2024**

Summary of Legislation

This bill adopts the Anne Arundel County Transit Development Plan 2024 (TDP), authorizes the Transit Officer to amend the TDP in accordance with any amendments to this bill, authorizes the Transit Officer to make specified corrections and changes to the TDP and publish the TDP, and requires the TDP to be kept in specified locations.

The TDP is required to be approved or adopted by local elected officials and submitted to the Maryland Transit Administration. The TDP was also reviewed and recommended by the Planning Advisory Board with certain recommendations, as provided in their letter.

While the County Code does not define the Office of Transportation, the exempt position included in the Code is the Transit Officer, thus a technical amendment is necessary to make this bill consistent with the codified job title.

Review of Fiscal Impact

We agree with the Administration’s fiscal note that there is no direct fiscal impact associated with this bill, but there could be a fiscal impact from future actions to implement the TDP.

**Bill 62-24: Sylvan View
on the Magothy Special
Community Benefit
District – Approval of
Loan and Assignment
Agreement**

Summary of Legislation

This bill obligates the County to levy a special tax on the property owners in the Sylvan View on the Magothy Special Community Benefit District (SCBD) in an amount sufficient to repay a loan for up to \$400,000 from Sandy Spring Bank to the Sylvan View Community Association, Inc. (Association). The loan commitment letter provided by the bank shows a fixed interest rate of 7.75% per annum for a 15-year loan repayment period. The SCBD bylaws allow that “special assessments may be introduced at any general or special meeting of the [Association] by a majority vote of the members present, or introduced at a meeting of the Board of Directors. Any such special assessment shall be advertised and then voted on at the next general or special meeting under old business. Such assessments shall be payable as provided at the time of their authorization.” The Association membership approved the introduction of the increase to the assessment at a special meeting on December 28, 2023 and the Board of Directors approved the loan on May 13, 2024. Documentation associated with both votes was provided and they were approved by majority vote. The Board of Directors provided three days, rather than five days advance notice of its May 13, 2024 meeting; therefore, the notice was not in compliance with the Association’s bylaws.

The Association intends to use the proceeds for renovations in the community, including replacement of a community pier and dredging.

Bill 62-24 (continued)

The purpose of the Sylvan View on the Magothy SCBD includes maintenance and improvement of real property or any interest in real property necessary to accomplish community-wide projects; dredging to maintain access to the community pier area; and providing for the administrative expenses incidental to carrying out these activities, including postage and mailing, auditing, insurance, legal costs, and the repayment of any loan. Although this bill requests approval of the loan by the County Council, the Office of the Budget advised that the Association has already initiated the dredging work.

A FY25 budget request for the SCBD was submitted to the Office of the Budget (OOB) for \$116,000 that included \$49,000 for a commercial loan repayment. The OOB does not perform a review to determine if the SCBD has a sufficient amount of appropriated funds in the FY25 approved budget for this loan.

Review of Fiscal Impact

The Association is responsible and the County does not commit its full faith and credit to the repayment of the loan, therefore, this bill has no direct fiscal impact.

Bill 63-24: Zoning – Residential and Industrial Districts – Conditional and Special Exception Uses – Natural Wood Waste Recycling Facilities

Summary of Legislation

This bill eliminates natural wood waste recycling facilities (NWWRF) as a conditional use in R1 residential zoning districts and eliminates NWWRF, relocation or expansion of existing facility, as a conditional use in a W2 industrial zoning district. Also, this bill eliminates conditional use requirements for NWWRFs and a special exception use requirement for certain NWWRFs. This bill applies retroactively to any NWWRF on or after December 29, 2023. This bill eliminates provisions of law authorized by Bill 77-23, which took effect December 29, 2023.

Review of Fiscal Impact

The Office of Planning and Zoning (OPZ) does not anticipate a significant change in workload due to this bill and advised no additional resources are required. OPZ also advised that they are not aware of any NWWRFs operating under the conditional use provisions of current law and that recent amendments to Region 4 comprehensive zoning legislation (Bills 27-24 and 28-24) may impact NWWRFs.

**Resolution 28-24:
Approving Estimates
Used to Determine Rates
for the County Employee
and Retiree Health
Benefits Program**

Summary of Legislation

This resolution approves the estimates of the annual cost of providing health insurance benefits and employer subsidies used to determine the rates for certain participants in the County's Employee and Retiree Health Benefits Program.

County Code § 6-1-308(h)(1) requires the Personnel Officer to prepare an estimate of the annual costs to provide health benefits under the County's health insurance plans for the County Council's approval by resolution. Code § 6-1-308(i)(5) requires the Personnel Officer to propose the employer subsidy for non-represented employees and survivors of employees and retirees for the Council's approval by resolution, and it requires the resolution to include the proposed rates for part-time employees and any monetary credits given to non-represented employees who opt out of coverage.

Exhibit A, page 1 of this resolution sets forth the estimated annual costs and proposes the employer subsidies for non-represented employees. Page 2 establishes the proposed rates for part-time employees, employer subsidies for retirees by hire date, survivors of retirees and employees, and monetary credits for non-represented employees who opt out of coverage.

Review of Fiscal Impact

The County will continue to offer the same health benefit options in calendar year 2025 (CY25) as those that were available in calendar year 2024. The Administration proposed rates for the Exclusive Provider Organization (EPO)/Health Maintenance Organization (HMO) and National Preferred Provider Organization (PPO) insurance plans increase by 6.0% for CY25. This is consistent with the placeholder included in the FY25 Approved Budget. The rate increase is less than the County consultant's original projections; however, because the Administration has historically over-achieved in rebate revenue, the Administration advised that it anticipates the Health Insurance Fund can implement a smaller increase in rates due to anticipated rebate revenue.

Medicare Advantage proposed rates increase by 22.0% for CY25 due to higher pharmacy rates offset by the guaranteed medical rates for calendar years 2022 through 2026.

The rates on Exhibit A, page 1 reflect rate changes for the Dental HMO (5.0% decrease), Dental PPO Core (4.2% increase), and Dental PPO Buy-Up (4.2% increase) options. The County consultant projected a 4.2% increase in dental rate projections. This resolution increases the County contribution to fund the Dental HMO and Dental PPO Core increases and does not increase the employee cost for these benefits. In addition, the rates on Exhibit A, page 1 reflect an increase of 8.3% for the County's

**Resolution 28-24
(continued)**

Vision plan. The rate increase for the Vision plan is consistent with the County consultant's current projections. This resolution increases the County contribution to fund this increase and does not increase the employee cost for this benefit.

**Resolution 29-24:
Confirming
Appointment of a
Member to Serve on the
Pension Oversight
Commission**

Summary of Legislation

This resolution approves the appointment of classified service member Michael Kropp to serve on the Pension Oversight Commission for a term expiring on June 30, 2028.

We were able to verify with the Office of Personnel that this employee meets the requirements for the classified service appointees as noted in the resolution.

The Code requires that classified service members be selected from a list of names nominated by secret ballot; however, the Administration advised that a secret ballot was not used because there was only one qualified candidate nominated for the vacancy.

Review of Fiscal Impact

This resolution has no fiscal impact.
