



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

To: Councilmembers, Anne Arundel County Council
From: Michelle Bohlayer, County Auditor
Date: November 26, 2024
Subject: Auditor's Review of Legislation for the December 2, 2024 Council Meeting

**Bill 86-24: Approval of
Cable Franchises –
Starpower
Communications, LLC,
Comcast of Maryland,
LLC, and Verizon
Maryland LLC**

Summary of Legislation

The Administration seeks approval of amendments to the current cable franchise agreements with Starpower Communications, LLC (doing business as Astound Broadband), Comcast of Maryland, LLC, and Verizon Maryland LLC to extend the term of those agreements.

The current franchise agreements were entered into in December 2006 with a term of 15 years. These agreements have expired; however, this bill extends the current cable franchise agreements until December 31, 2026 to allow for OIT to negotiate renewal agreements.

Review of Fiscal Impact

The Administration's fiscal impact note indicates that there is no fiscal impact anticipated; however, no information about the revenues and expenditures associated with cable franchises were provided so we are unable to assess the impact.

**Bill 87-24: Current
Expense Budget –
Supplementary
Appropriation – Severn
Grove Special
Community Benefit
District**

Summary of Legislation

The Administration seeks to amend the fiscal year 2025 (FY25) current expense budget to provide an additional appropriation of \$24,011 to the Severn Grove Special Community Benefit District (SCBD).

This bill provides an appropriation of funds from unanticipated revenues for the Severn Grove SCBD for the current fiscal year.

A certification of funds was not provided by the Controller even though that was noted in the bill.

Review of Fiscal Impact

We agree with the Office of the Budget’s fiscal note that this legislation increases the Severn Grove SCBD fiscal year 2025 (FY25) appropriation by \$24,011; however, no support of the request from the Severn Grove SCBD was provided with this request for legislation.

**Bill 88-24: The
Authorization of the
Issuance, Sale and
Delivery by Anne
Arundel County of
Special Taxing District
Obligation Refunding
Bonds**

Summary of Legislation

The Administration seeks authorization for the issuance, sale, and delivery of special obligation refunding bonds in a principal amount not to exceed \$30,000,000 to refund the Villages at Two Rivers Special Taxing District Bonds.

This bill authorizes the County to sell special obligation refunding bonds in an amount not to exceed \$30,000,000 to refund some or all of the special obligation bonds outstanding for The Villages at Two Rivers project.

The bill specifies that the refunding bonds are subject to appropriation, are not a general obligation of the County, and the full faith and credit of the County are not pledged to the repayment of the bonds.

Review of Fiscal Impact

The Administration’s fiscal note indicates that this will result in cost savings; however, no additional information about the current and expected cost of borrowing or the estimated timeline of this issuance was provided so we are unable to assess the impact.

**Bill 89-24: Current
Expense Budget – Board
of Education –
Supplementary
Appropriation**

Summary of Legislation

The Administration seeks to amend the current expense budget to provide an additional appropriation to the Board of Education (BOE).

This bill makes \$15,608,013 in supplementary appropriations from unanticipated revenues to the Local Education Fund for FY25. These supplementary appropriations are fully funded with unrestricted fund balance.

A certification of funds was not provided by the Controller even though that was noted in the bill.

Review of Fiscal Impact

This bill recognizes a total of \$15,608,013 in additional unrestricted prior year fund balance and allocates this FY25 budget increase among its funding categories as follows:

- \$8,856,000 for Administration,
- \$432,310 for Mid-Level Administration,
- \$1,558,300 for Textbooks and Classroom Supplies,
- \$2,095,700 for Other Instructional Costs,
- \$533,000 for Pupil Transportation,
- \$2,000,000 for Maintenance of Plant,
- \$57,703 for Fixed Charges, and
- \$75,000 for Food Service.

The Administration's fiscal note description of the general purposes for which the funds will be used totals \$15,683,013, which is \$75,000 more than is authorized by this bill.

Bill 90-24: Capital Budget and Program – Roads and Bridges, Traffic Control, Board of Education, and Recreation and Parks Capital Projects – Supplementary and Transfer of Appropriations

Summary of Legislation

The Administration seeks to amend the FY25 Capital Budget to recognize various state grants and miscellaneous funds that have been received during the current fiscal year.

This bill transfers funding sources from general County bonds to other state grants for certain appropriated funds in the WB & A Trail project (Project #P539600) and the Bluewater/Milestone SUPs project (Project #H587300). This bill also makes supplementary appropriations for other state grants in the Streetlight Conversion project (Project #H550700), New Traffic Signals project (Project #H479400), Sustainability Initiatives project (Project #E591700), Old Mill MS North project (Project #E550300), Building Systems Renov project (Project #E538200), and the School Bus Replacement project (Project #E538800).

The Planning Advisory Board offered an advisory recommendation of approval of Bill 90-24.

BOE approved the additional funding for the Sustainability Initiatives, Old Mill MS North, Building System Renov, and School Bus Replacement projects at their October 2, 2024 meeting.

A certification of funds was not provided by the Controller even though that was noted in the bill.

Review of Fiscal Impact

This bill increases the FY25 capital budget by an overall net amount of \$17,450,431. It increases other state grants funding by \$17,007,063, increases miscellaneous funding by \$1,852,968, and reduces County bonds by \$1,409,600.

The Inter Agency Commission Health School Facility Fund project award of \$7,110,514 for the Building Systems Renovation project will require a County match requirement that is estimated to be approximately \$5.9 million. The Administration’s fiscal note indicated that this will be requested in the Fiscal Year 2026 Capital Budget. This grant award and required matching funds will total approximately \$13 million. No details were provided on how this funding would be used.

The Administration’s fiscal note summarizes the matching requirements for the other grants. These will all be fulfilled with FY25 Approved Budget funding.

Bill 90-24 (continued)

The Administration’s fiscal note provides the names of the grant awards and amounts; however, no additional information, including grant awards and updated project estimates were provided so we are unable to assess or verify the information.

Bill 91-24: Zoning – Requirements for Conditional Uses – Home Occupations

Summary of Legislation

This alters zoning requirements by removing the 20,000 square foot or greater minimum lot size from the conditional use requirements for pet care businesses.

Review of Fiscal Impact

A fiscal note was not provided; therefore, we are unable to assess the impact.

Bill 92-24: Public Safety – Miscellaneous Provisions – Plastic Bags Prohibited

Summary of Legislation

This bill removes the requirement that a retail establishment charge, collect, and retain at least 10 cents for each paper carryout bag and reusable carryout bag that it provides to a customer; removes the authority of retail establishments to provide free reusable carryout bags during certain dates; and removes the violation of failure to charge, collect, or retain fees per bag.

Review of Fiscal Impact

A fiscal note was not provided; therefore, we are unable to assess the impact.
